



Business Performance
in
FY2012-1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 2012

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[Supplement]

FY2012 1st Quarter Results [Consolidated]

(billion yen)

	FY2012 1Q Results	FY2011 1Q Results	Increase/ decrease	FY2011 4Q Results
Revenue	379	349	+30	362
Operating income	△ 1	△ 9	+8	△ 6
Ordinary income	△ 2	△ 8	+7	△ 6
Net income	△ 5	△ 8	+3	△ 1
Average exchange rate	¥81.34/\$	¥81.80/\$	△¥0.46/\$	¥78.07/\$
Average bunker price	\$695/MT	\$625/MT	+\$70/MT	\$699/MT

■ Results Comparison FY2012-1Q vs FY2011-1Q Major factors affected Ordinary income

Stronger yen	△¥0.2 bil.	1Q12 ¥81.34/\$; △¥0.46/\$
Higher bunker	△¥3.0 bil.	1Q12 \$695/MT; +\$70/MT
Fluctuation of cargo volume/freight rates, etc.	+¥5.0 bil.	
Cost Reduction	+¥6.3 bil.	
Equity in earnings of affiliated companies	△¥2.3 bil.	
Others (incl. Adjustment)	+¥1.0 bil.	
(Balance)	+¥6.8 bil.	

FY	April	-	March
1Q	April	-	June
2Q	July	-	September
3Q	October	-	December
4Q	January	-	March

[By segment]

(billion yen)

		FY2012 1Q Results	FY2011 1Q Results	Increase/ decrease	FY2011 4Q Results
Bulkships	Revenue	189	171	+18	191
	Ordinary income	△2	△5	+2	△0
Containerships	Revenue	148	139	+9	130
	Ordinary income	△2	△5	+3	△7
Ferry& domestic transport	Revenue	13	11	+1	13
	Ordinary income	△0	△1	+1	0
Associated businesses	Revenue	27	26	+1	26
	Ordinary income	3	2	+1	2
Others	Revenue	2	2	+0	2
	Ordinary income	1	1	△0	0
Adjustment	Revenue	-	-	-	-
	Ordinary income	0	0	△0	△0
Consolidated	Revenue	379	349	+30	362
	Ordinary income	△2	△8	+7	△6

- Revenues from customers, unconsolidated subsidiaries and affiliated companies.
- "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers
- The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

Outlines of FY2012 1st Quarter Financial Results (I) [Consolidated]

[Overall]

- While concerns about a slowdown in the Chinese economy were added to anxiety about Europe's prolonged sovereign debt problem, a large number of newly built vessels were kept delivered into the market.
- Against the worsening gap between fleet supply and cargo demand, we have pursued policies to confront the market, for example, forming tie-ups with other ocean shipping companies and reducing the number of ships in service.
- We posted a loss for the first quarter despite rationalization of vessel allocation and cost reduction. However, the loss at Ordinary income was reduced not only year-on-year, but also against 4Q/FY2011, indicating a move toward recovery of our business performance.

[By Segment] [Ordinary income for 1Q/FY2012 (year-on-year comparison)]

Bulkships [-¥2.3 billion (+¥2.4 billion)]

● Dry bulkers:

Spot markets for 4 ship types (Capesize, Panamax, Handymax, Small Handy), which account for about 30% of the fleet in terms of vessel numbers, dropped year-on-year, though we secured stable profits from long-term transport contracts for iron ore carriers, steaming coal carriers, wood chip carriers, and so on. The overall segment posted a loss.

—The Capesize market stayed stagnant after the impact of bad weather in Brazil early this year. Delivery of newbuilding vessels keep putting pressure on the supply side, even though China's iron ore import activities remained firm.

—Markets for Panamax and smaller size bulkers turned up temporarily due to steady grain transport and expectations of rising shipments of coal from the U.S. and Colombia, but later moved downward with concerns about a slowdown in the Chinese economy.

—We instituted scrapping and cold lay-up of 10-20 Capesize bulkers as a measure to improve profitability.

Outlines of FY2012 1st Quarter Financial Results (II) [Consolidated]

● Tankers:

The loss shrank in comparison with 4Q/FY2011, although the overall segment showed a deficit.

- The VLCC market turned downward as oil refining plants in Asia underwent periodic maintenance, after moving up until April as consuming countries such as China increased their crude oil imports from longer distant sources.
- VLCC for spot market showed a continual deficit despite efficient vessel allocation through the VLCC pool (Nova Tankers) launched in February 2012.
- The product tanker market recovery is still moving slowly, and has not reached the break-even point.

● LNG carriers:

Secured stable profits, mainly from long-term contracts.

● Car carriers

Greatly improved from 1Q/2011, in which the automobile industry was severely affected by the Great East Japan Earthquake.

Containerships [-¥2.4 billion (+¥3.0 billion)]

- Rationalized services while maintaining higher quality by upgrading the G6 Alliance under pressure of newbuilding vessel supply.
- Improved supply-demand balance backed by a gradual recovery in cargo volume since the beginning of spring. Freight rates restoration proceeded, particularly on the European route.
- The loss decreased year-on-year due to further efforts on cost reduction including the wider enhancement of slow steaming, even though bunker prices increased.

Ferry and domestic transport [-¥0.2 billion (+¥1.2 billion)]

- Profits improved from 1Q/FY2011, when performance declined sharply after Great East Japan Earthquake.

[Cost reduction] Recorded ¥6.3 billion, i.e. 25% achievement of the full-year target (all companies) ¥25 billion.

FY2012 Forecast [Consolidated]

(billion yen)

FY2012	1st Half			1H Forecast as of 4/27/12 (b)	(a)-(b)	2nd Half Forecast (c)	2H Forecast as of 4/27/12 (d)	(c)-(d)	FY2012 Forecast(e)	FY2012 Forecast as of 4/27/12 (f)	(e)-(f)
	1Q Result	2Q Forecast	Forecast (a)								
Revenue	379	391	770	790	△ 20	780	810	△ 30	1,550	1,600	△ 50
Operating income	△ 1	2	1	△ 1	+2	15	17	△ 2	16	16	0
Ordinary income	△ 2	△ 2	△ 3	△ 5	+2	13	15	△ 2	10	10	0
Net income	△ 5	3	△ 2	△ 2	0	5	5	0	3	3	0
Average exchange rate	¥81.34/\$	¥79.00/\$	¥80.17/\$	¥82.00/\$	△¥1.83/\$	¥80.00/\$	¥82.00/\$	△¥2.00/\$	¥80.09/\$	¥82.00/\$	△¥1.91/\$
Average bunker price	\$695/MT	\$630/MT	\$663/MT	\$710/MT	△\$47/MT	\$630/MT	\$710/MT	△\$80/MT	\$646/MT	\$710/MT	△\$64/MT

cf. FY2011 Result

(billion yen)

FY2011	1st Half			2nd Half Result	FY2011 Result
	1Q Result	2Q Result	Result		
Revenue	349	368	717	718	1,435
Operating income	△ 9	△ 1	△ 10	△ 14	△ 24
Ordinary income	△ 8	△ 4	△ 12	△ 12	△ 24
Net income	△ 8	△ 8	△ 16	△ 10	△ 26
Average exchange rate	¥81.80/\$	¥78.72/\$	¥80.26/\$	¥77.43/\$	¥78.85/\$
Average bunker price	\$625/MT	\$664/MT	\$645/MT	\$689/MT	\$667/MT

(For reference)

FY2012 Exchange rate sensitivity/9 months

±1.40 bil. ¥/1¥ (9months) (Max)

FY2012 Bunker price sensitivity/9 months

±0.12 bil. ¥/1\$ (9months) (Max)

(Consolidated Ordinary Income Basis)

[By segment]

(billion yen, Upper:Revenue/Lower:Ordinary income)

	1st Half			1H Forecast as of 4/27/12 (b)	(a)-(b)	2nd Half Forecast (c)	2H Forecast as of 4/27/12 (d)	(c)-(d)	FY2012 Forecast(e)	FY2012 Forecast as of 4/27/12 (f)	(e)-(f)
	1Q Result	2Q Forecast	Forecast (a)								
Bulkships	189 △2	184 △7	373 △9	383 △6	△10 △3	372 4	402 13	△30 △9	745 △5	785 7	△40 △12
Containerships	148 △2	162 3	310 0	320 △4	△10 +4	320 3	320 △4	0 +7	630 3	640 △8	△10 +11
Ferry & domestic transport	13 △0	14 1	27 1	27 1	0 0	27 1	27 1	0 0	54 1	54 1	0 0
Associated businesses	27 3	30 3	57 6	57 5	0 +1	57 5	57 5	0 0	114 11	114 10	0 +1
Others	2 1	1 1	3 1	3 1	0 0	4 1	4 1	0 0	7 2	7 2	0 0
Adjustment	- 0	- △1	- △1	- △2	- +1	- △1	- △1	- 0	- △2	- △2	- +1
Consolidated	379 △2	391 △1	770 △3	790 △5	△20 +2	780 13	810 15	△30 △2	1,550 10	1,600 10	△50 0

● Revenues from customers, unconsolidated subsidiaries and affiliated companies.

● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

● The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

Key Points of FY2012 Full-year Forecast (I)

[Overall]

Upward revision of ordinary income projection for the first half. The full-year forecast is unchanged.

	Previous Forecast (April 27)		Latest Forecast (July 31)
1H Ordinary Income	-¥ 5 billion	→	-¥ 3 billion
Full-year Ordinary Income	¥ 10 billion	→	¥ 10 billion

[Assumption]

* Exchange rate: 2Q ¥79/\$, 2H ¥80/\$

Bunker price : 2Q \$630/MT, 2H \$630/MT

[By segment]

[Forecast of ordinary income for FY2012 (increase/decrease ordinary income from the projected figures announced on April 27, 2012)]

Bulkships [-¥ 5 billion (-¥12 billion)]

● Dry bulkers:

- Taking into account 1Q results, we made a downward revision of the market assumption for 2Q and 2H mainly for large-size vessels. Toward 2H, expecting the large-scale vessel market to bottom out with an increase in iron ore trade from Brazil and expanding transport of coal, grain, etc.

● Tankers:

- Reviewing 1Q results, we made a downward revision of the market assumption for VLCC, etc. Expecting a market recovery after fall as the high-demand season approach.

● Car Carriers:

- Made an upward revision of the projected profit in light of steady exports from Japan and Asia.

Containerships [¥3 billion (+¥11 billion)]

Revising profit forecast, considering a recovery of freight rates on the Europe route and North America route, which had improved until summer, and seeing positive impact of lower-than-projected bunker prices.

Key Points of FY2012 Full-year Forecast (II)

[Bond issues]

Issued a total of ¥45 billion in straight corporate bonds (3-, 5-, 10-year bond) at an advantageously low cost in Japan (July). Secured necessary funds without resorting to any increase in capital.

[Dividends]

The business climate is still uncertain and dividend payments will depend upon the future financial conditions.

Market Information (Drybulker)

1. FY2011 Dry Bulker Market (spot charterage/day) (US\$)

Size	Route	FY2011				
		1Q Actual (*1)	2Q Actual (*1)	3Q Actual (*1)	4Q Actual (*1)	Full-year Actual (*1)
Capesize	4TC Average	8,600	17,100	28,600	7,000	15,200
Panamax	4TC Average	13,800	12,900	14,700	8,000	12,300
Handymax	5TC Average	14,600	14,000	14,700	8,700	12,900
Small handy	6TC Average	11,500	10,100	10,000	6,900	9,600

Source for actual : The Baltic Exchange

2. FY2012 Dry Bulker Market (spot charterage/day) (US\$)

Size	Route (Actual Only)	FY2012				
		1st Half		Forecast (*2)	Forecast (*2)	Full-year Forecast (*2)
		1Q Actual (*1)	2Q Forecast (*2)			
Capesize	4TC Average	6,100	7,000	6,500	15,000	10,800
Panamax	4TC Average	9,600	8,000	8,800	13,000	10,900
Handymax	5TC Average	11,200	12,000	11,600	12,500	12,100
Small handy	6TC Average	9,200	9,500	9,300	10,500	9,900

Source for actual : The Baltic Exchange

(*1)General market results of the relevant routes.

(*2)Freight/charter rates assumptions for estimating proceeds of spot voyages/contracts of no more than one year.

However, in case spot freight/charter rates have already been agreed, such agreed rates are used for profit estimation of the relevant vessels.

Thus, "forecasts" are only applicable to those vessels without agreed freight/charter rates at the time of business forecast announcement.

Market Information (Tanker)

1. FY2011 Tanker market (spot freight index) (WS)

Type	WS criteria (for VLCC)	FY2011				
		1Q Actual (*1)	2Q Actual (*1)	3Q Actual (*1)	4Q Actual (*1)	Full-year Actual (*1)
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2011 base	53	47	54	67	55
	(Year 2012 base)	(44)	(39)	(46)	(56)	(46)
Product Tanker (MR) 【Singapore - Japan】		151	153	153	120	144

Source for actual : The Baltic Exchange

2. FY2012 Tanker market (spot freight index) (WS)

Type	WS criteria (for VLCC)	FY2012				
		1st Half		Forecast (*2)	2nd Half	Full-year
		1Q Actual (*1)	2Q Forecast (*2)		Forecast (*2)	Forecast (*2)
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2012 base	55	40	47	55	51
Product Tanker (MR) 【Singapore - Japan】		125				

Source for actual : The Baltic Exchange

(*1)General market results of the relevant routes.

(*2)Freight/charter rates assumptions for estimating proceeds of spot voyages/contracts of no more than one year.

However, in case spot freight/charter rates have already been agreed, such agreed rates are used for profit estimation of the relevant vessels.

Thus, "forecasts" are only applicable to those vessels without agreed freight/charter rates at the time of business forecast announcement.

Car Carriers Loading Results

1. FY2011(Result)

(1,000 units)

(Voyage Completion basis; including voyage charter)	FY2011						Full-year Result
	1st Half			2nd Half		Result	
	1Q	2Q		3Q	4Q		
Total	765	862	1,627	1,004	1,016	2,019	3,647

2. FY2012(Result / Forecast)

(1,000 units)

(Voyage Completion basis; including voyage charter)	FY2012					Total Forecast (A+B)
	1st Half Forecast(A)		2nd Half Forecast(B)		Forecast	
	1Q Result	2Q Forecast				
Total	1,004	1,003	2,007	2,207	4,213	

Major Containership Trades Utilization Forecast

Asia-North America Trade (TPS)

(unit: 1000TEU)

		FY2011					FY2012				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (E/B)	Capacity	157	156	146	132	592	146				
	Lifting	132	141	134	120	526	136				
	Utilization	84%	90%	92%	91%	89%	93%				
Inbound (W/B)	Capacity	156	158	148	131	593	137				
	Lifting	83	74	87	82	326	84				
	Utilization	53%	47%	59%	63%	55%	61%				

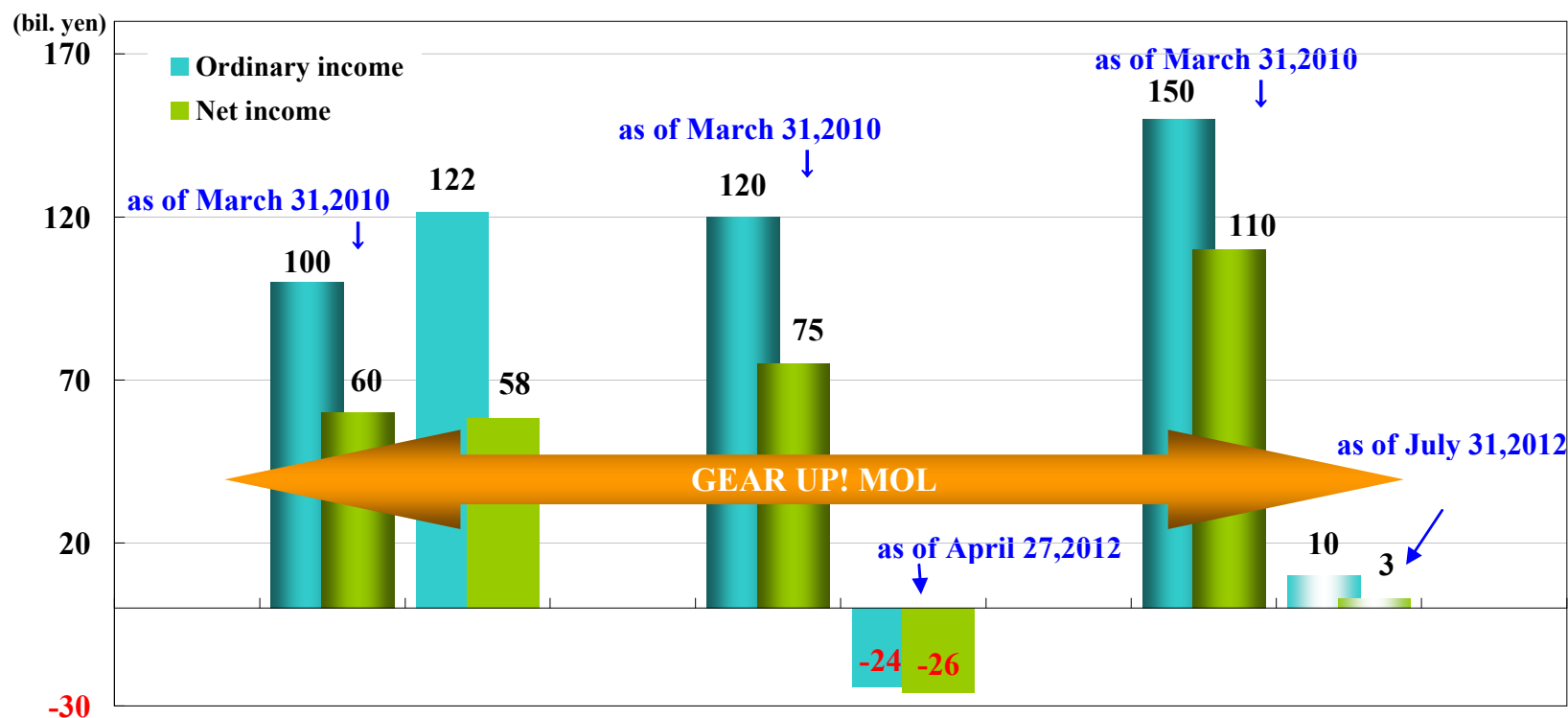
Asia-Europe Trade

		FY2011					FY2012				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (W/B)	Capacity	112	118	114	111	455	108				
	Lifting	104	118	102	107	431	97				
	Utilization	93%	100%	90%	96%	95%	90%				
Inbound (E/B)	Capacity	115	117	116	116	464	107				
	Lifting	69	64	68	73	274	77				
	Utilization	60%	55%	59%	63%	59%	71%				

Transition of Container Freight Rate (Index: FY2008 1Q=100)

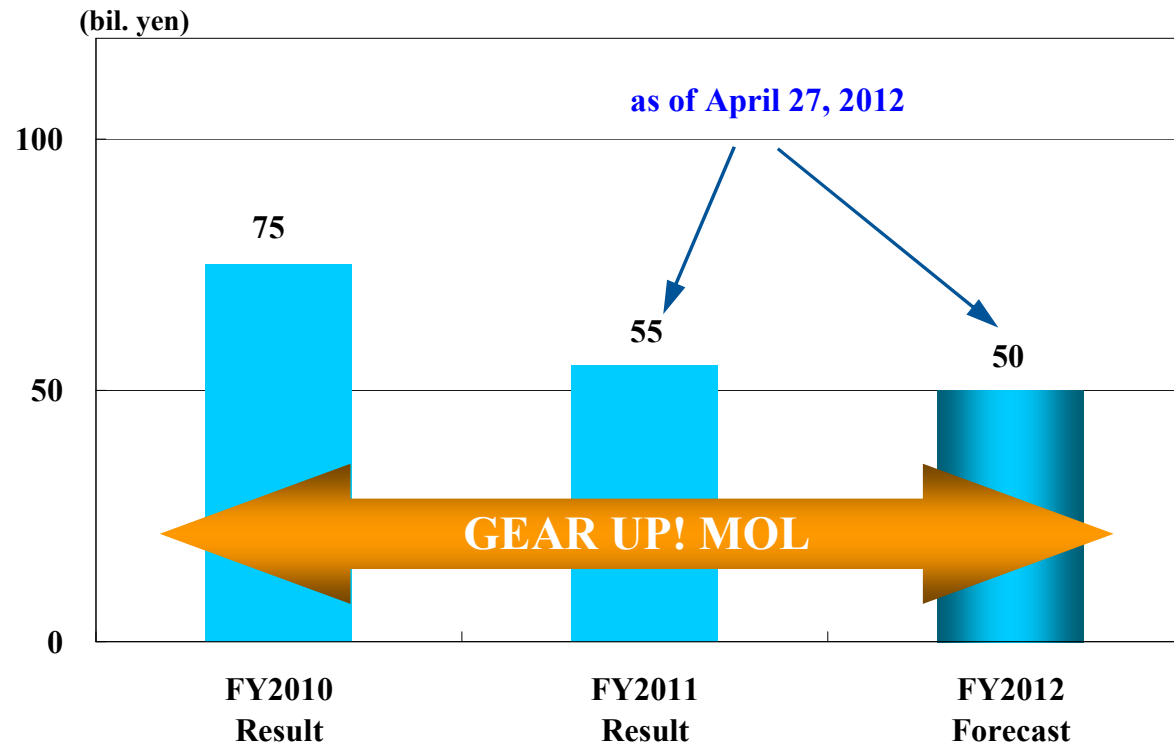
	FY2011				FY2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	92	91	86	85	90			
Bunker price (Average)	625	664	678	699	695			

“GEAR UP! MOL” Overall Profit Plan



	FY2010		FY2011		FY2012	
	Plan	Result	Plan	Result	Plan	Forecast
Revenue	1,550	1,544	1,700	1,435	1,800	1,550
Operating income	100	123	120	-24	150	16
Ordinary income margin	6.5%	7.9%	7.1%	-1.7%	8.3%	0.6%
Average exchange rate(¥/\$)	¥90/\$	¥86.48/\$	¥90/\$	¥78.85/\$	¥90/\$	¥80.09/\$
Average bunker price(\$/MT)	\$500/MT	\$490/MT	\$500/MT	\$667/MT	\$500/MT	\$646/MT

Highly Stable Profit

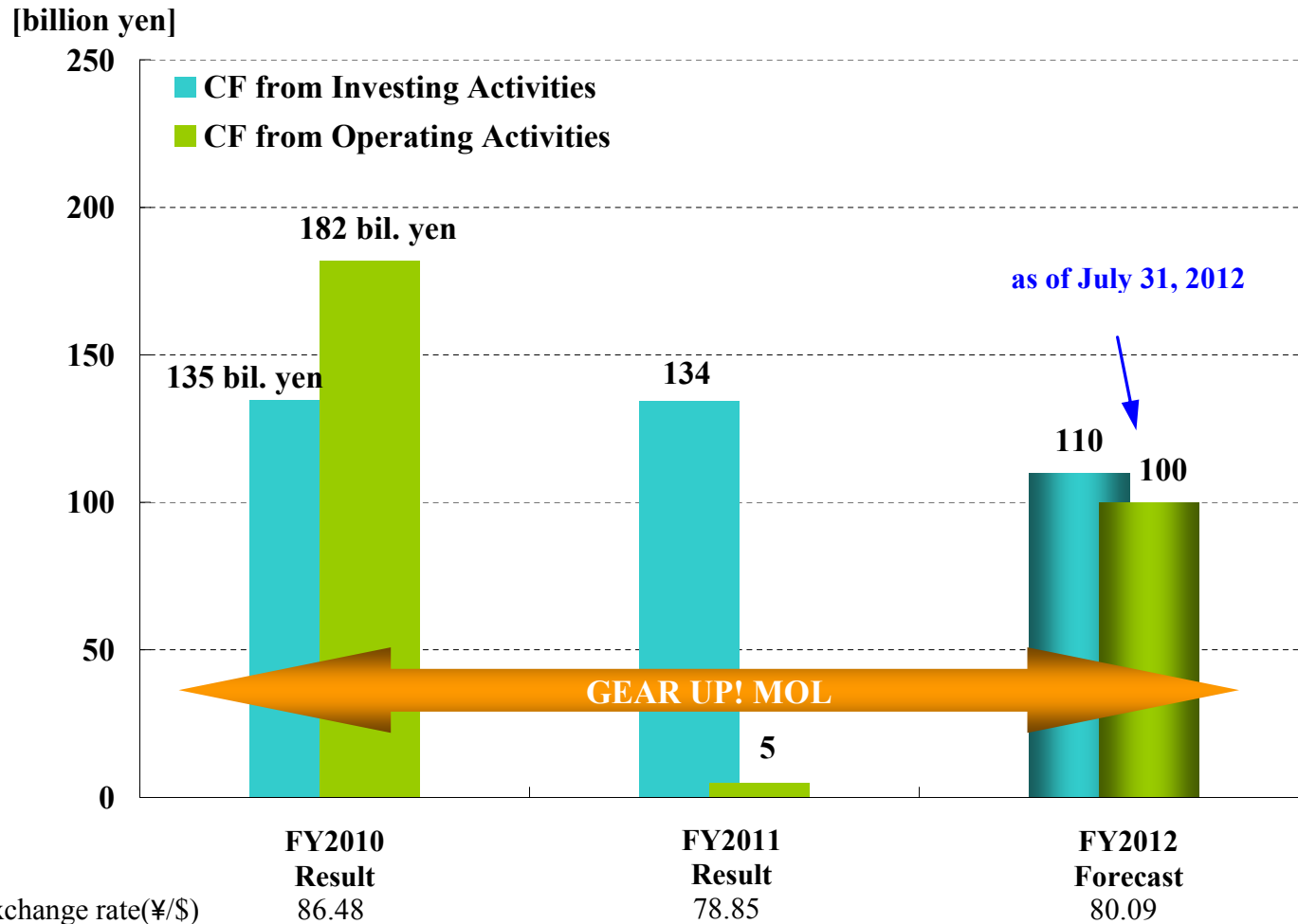


Average exchange rate(¥/\$)	¥86.48/\$	¥78.85/\$	¥82/\$
Average bunker price(\$/MT)	\$490/MT	\$667/MT	\$710/MT

Highly stable profit = Firm profit through middle and long-term contracts and projected profit from highly stable businesses.

(The segments included in "Highly stable profit" are Drybulk Carrier Division, Tanker Division, LNG Carrier Division, Associated business and other business.)

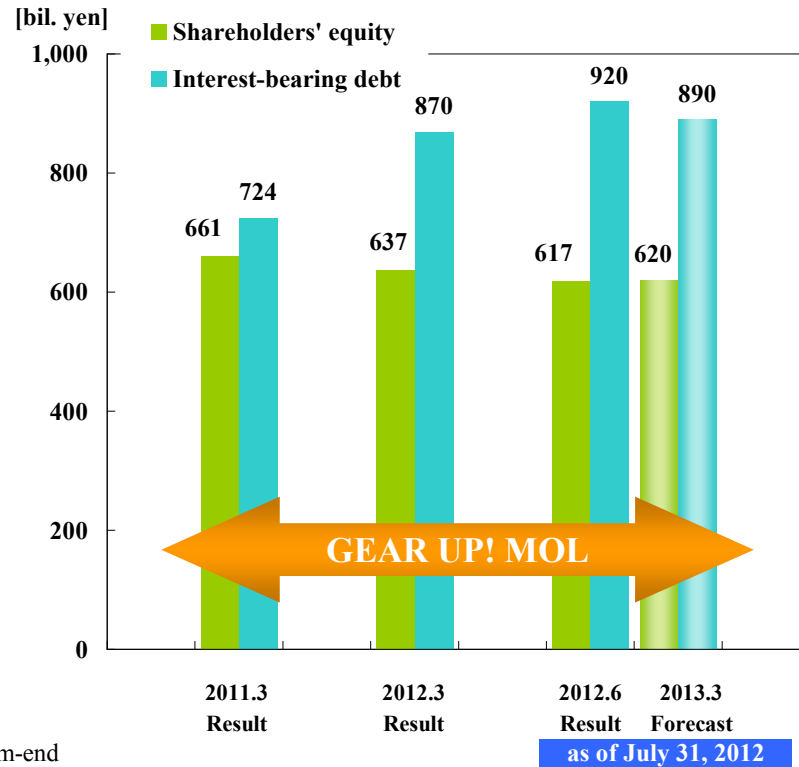
Cash Flows



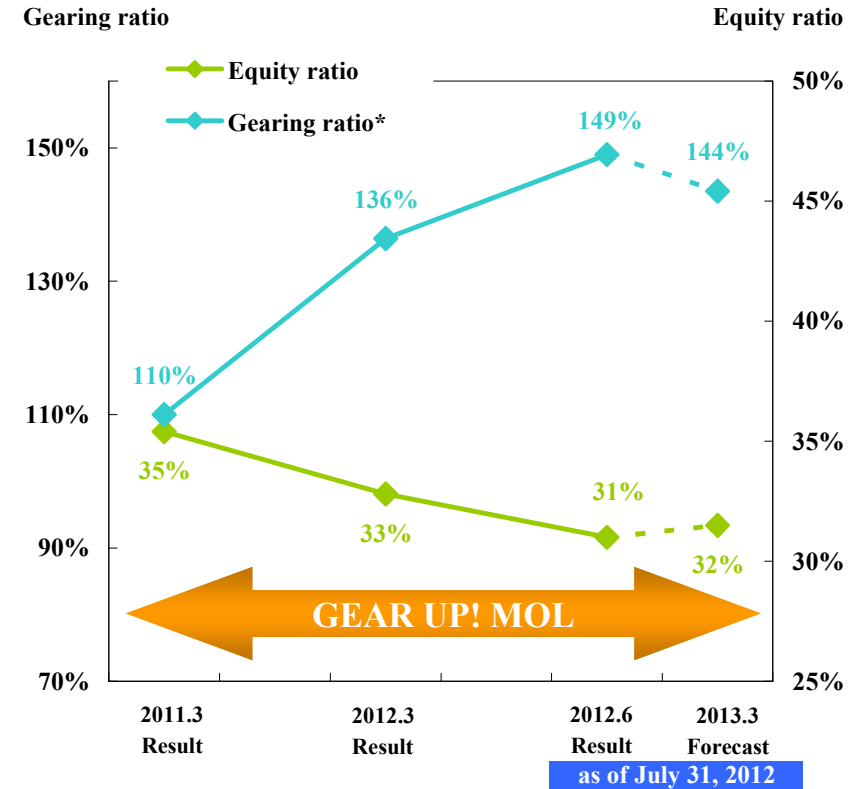
Note:

- 1) Free Cash Flows(FCF) = "Cash Flows from Investing Activities" - "Cash Flows from Operating Activities"
- 2) Figures taking into account the FCF, Dividend payments, and changes of Cash balance, etc. correlate with changes of Interest-bearing Debt (cf. The left graph of page 17)

Financial Plan



	2011.3	2012.3	2012.6	2013.3
Term-end exchange rate(¥/\$)				
MOL	83.15	82.19	79.31	80.00
Overseas subsidiaries	81.49	77.74	82.19	80.00



Equity ratio = Shareholders' equity/Total Assets

*Gearing ratio = Interest-bearing debt/Shareholders' equity