Business Performance in FY2011 and Outlook for FY2012

Mitsui O.S.K. Lines, Ltd.

April 2012

HP

Contents

[Supplement]

FY2011 Results [Consolidated]

(billion yen)	FY2011 Result	1Q Result	2Q Result	3Q Result	4Q Result	FY2010 Result	Increase / decrease		FY11 F'cast as of 1/31/'12	Increase /decrease
Revenue	1,435	349	368	356	362	1,544	△108	△7.0%	1,430	+5
Operating income	△ 24	△ 9	△ 1	△ 8	△ 6	123	△ 148	—	△ 25	+1
Ordinary income	△ 24	△ 8	△ 4	△ 7	△ 6	122	△ 146	—	△ 27	+3
Net income	△ 26	△ 8	△ 8	△ 9	△ 1	58	△ 84	—	△ 29	+3
Average exchange rate	¥78.85/$	¥81.80/$	¥78.72/$	¥76.79/$	¥78.07/$	¥86.48/$	△¥7.63/$		¥78.58/$	+¥0.27/$
Average bunker price	$667/MT	$625/MT	$664/MT	$678/MT	$699/MT	$490/MT	+$177/MT		$667/MT	+$0/MT

■Results Comparison FY2011 vs FY2010 Major factors affected Ordinary income

Stronger yen	△¥15.3 bil.	FY11 ¥78.85/$; △¥7.63/$
Higher bunker	△¥35.4 bil.	FY11 $667/MT; +$177/MT
Fluctuation of cargo volume/freight rates, etc.	△¥121.6 bil.	
Cost Reduction	+¥24.5 bil.	
Equity in earnings of affiliated companies	△¥4.9 bil.	
Others (incl. Adjustment)	+¥6.8 bil.	
(Balance)	△¥145.9 bil.	

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

[By segment]

(billion yen)		FY2011 Result	1Q Result	2 Q Result	3 Q Result	4 Q Result	FY2010 Result	Increase / decrease		FY11 F'cast as of 1/31/'12	Increase /decrease
Bulkships	Revenue	726	171	183	182	191	791	△ 65	△8.2%	720	+6
	Ordinary income	△ 7	△ 5	△ 1	△ 0	△ 0	71	△ 78	-	△ 8	+1
Containerships	Revenue	542	139	143	131	130	587	△ 44	△7.5%	540	+2
	Ordinary income	△ 30	△ 5	△ 5	△ 12	△ 7	39	△ 69	-	△ 33	+3
Ferry& domestic transport	Revenue	52	11	14	14	13	50	2	+4.2%	52	+0
	Ordinary income	△ 1	△ 1	0	1	0	△ 1	0	-	△ 1	+0
Associated businesses	Revenue	107	26	27	28	26	108	△ 2	△1.6%	110	△ 3
	Ordinary income	9	2	2	3	2	11	△ 2	△15.1%	10	△ 1
Others	Revenue	8	2	2	2	2	8	0	+0.0%	8	△ 0
	Ordinary income	4	1	0	3	0	3	1	+30.3%	4	+1
Adjustment	Revenue	-	-	-	-	-	-	-	-	-	-
	Ordinary income	△ 0	0	△ 0	△ 0	△ 0	△ 2	1	-	1	△ 1
Consolidated	Revenue	1,435	349	368	356	362	1,544	△ 108	△7.0%	1,430	+5
	Ordinary income	△ 24	△ 8	△ 4	△ 7	△ 6	122	△ 146	-	△ 27	+3

●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.

Outline of FY2011 Full-year Results (I) [Consolidated]

[Overall]

●While economic growth in advanced countries has remained low, the maritime shipping markets have stagnated due to vessel oversupply.

→ Low profits in containerships, dry bulkers, tankers

●Ordinary income decreased sharply by ¥145.9 billion from the last fiscal year under the impact of the Great East Japan Earthquake and flooding in Thailand in addition to the appreciation of the yen, and continued high bunker prices.

[By Segment] [Ordinary income for FY2011 (comparison with FY2010)]

Bulkships [-¥6.9 billion (-¥77.7 billion)]

●**Dry bulkers:**

Spot market profitability for four ship types (Capesize, Panamax, Handymax, Small Handy) dropped sharply due to declining market level from the last fiscal year, offsetting stable profits from long-term transport contracts for iron ore and coking coal carriers, coal carriers, wood chip carriers, and so on.

–The Capesize market was weakly due to bad weather at iron ore and coal loading ports (Australia, Brazil) and other factors during the 1H/FY2011, but recovered to around $30,000/day in autumn due to factors such as recovery of seaborne trade, and progress in scrapping aged vessels and development of slow steaming since July. However, it dropped below $10,000 because of bad weather at loading ports again and lull of China's import activities earlier CY2012, while newbuilding vessels kept putting pressure on the supply side.

–Three ship types' (Panamax and smaller sizes) spot market continued below the break-even point because of supply pressure of newbuilding vessels in addition to declining iron ore exports from India, slowing in growth speed of the Chinese economy, and the European economic slowdown, although coal and grain trades of the three ship types remained firm.

Outline of FY2011 Full-year Results (II) [Consolidated]

● **Tankers:**

The VLCC market was weak due to stagnation of crude oil imports for USA and Japan, and uncertainty of European economy. The Product tanker market showed a very slow recovery rate, so deficit in the segment increased.

− The VLCC segment addressed profit improvement through enhancement of operational efficiency by setting up a new pool (Nova Tankers), scrapping 4 owned double-hull tankers, etc.

LNG carriers:

The LNG segment posted decreased profits due to appreciation of the yen, despite stable profits from long-term transport contracts.

Car carriers:

Shipments by Japanese automobile manufacturers decreased due to the Great East Japan Earthquake (March 2011), and flooding in Thailand. Even though exports from Japan recovered faster than expected, the segment hit a growth ceiling as a result of the strong yen and a stagnant European economy. Its profits decreased significantly from FY2010 because of lower vessel operational efficiency caused by the earthquake.

Containerships [-¥29.9 billion (-¥68.7 billion)]

- Trade on the East-West route (North America Eastbound route, Europe Westbound route) stalled at a lower level than initially projected, weakening vessel supply-demand balance. In particular, freight rates on the Europe Westbound route dropped sharply toward the end of CY2011. Earlier CY2012, each major operator announced an increase in freight rates, and a freight restoration is in progress.
- Under the stronger yen and higher bunker price, the segment posted a large deficit, although it implemented a reviewed allocation of vessels and restructured services through measures including establishment of a new alliance on the Europe Westbound route ("G6 Alliance." Its service started from March 2012) and cost-reduction initiatives such as the increased adoption of slow steaming to save on fuel expenditures.

[Cost Reduction]

Achieved ¥24.5 billion [108% of the full-year cost reduction target (all companies) of ¥22.5 billion].

[Dividends]

Plan to pay an annual dividend of ¥5 per share for FY2011 [including interim payment ¥2.5 (already paid)]

FY2012 Forecast [Consolidated]

(billion yen)	FY2012 Forecast	1H Forecast	2H Forecast	FY2011 Result	1H Result	2H Result	Increase / decrease	
Revenue	1,600	790	810	1,435	717	718	＋165	+11.5%
Operating income	16	△1	17	△24	△10	△14	＋40	－
Ordinary income	10	△5	15	△24	△12	△12	＋34	－
Net income	3	△2	5	△26	△16	△10	＋29	－
Average exchange rate	¥82.00/$	¥82.00/$	¥82.00/$	¥78.85/$	¥80.26/$	¥77.43/$		
Average bunker price	$710/MT	$710/MT	$710/MT	$667/MT	$645/MT	$689/MT		

FY2012 Ex. Rate sensitivity ±1.9 bil. ¥/1¥ (year) (Max)
FY2012 Bunker price sensitivity ±0.17 bil. ¥/1$ (year) (Max)
(Consolidated Ordinary Income Basis)

[By segment]

(billion yen)		FY2012 Forecast	1H Forecast	2H Forecast	FY2011 Result	1H Result	2H Result	Increase / decrease	
Bulkships	Revenue	785	383	402	726	353	373	+59	+8.1%
	Ordinary income	7	△6	13	△7	△6	△1	+14	-
Containerships	Revenue	640	320	320	542	282	261	+98	+18.0%
	Ordinary income	△8	△4	△4	△30	△11	△19	+22	-
Ferry& domestic transport	Revenue	54	27	27	52	25	27	+2	+3.6%
	Ordinary income	1	1	1	△1	△1	1	+2	-
Associated businesses	Revenue	114	57	57	107	53	54	+7	+6.8%
	Ordinary income	10	5	5	9	5	4	+1	+11.1%
Others	Revenue	7	3	4	8	4	4	△1	△11.4%
	Ordinary income	2	1	1	4	1	3	△2	△53.5%
Adjustment	Revenue	-	-	-	-	-	-	-	-
	Ordinary income	△2	△2	△1	△0	0	△0	△2	-
Consolidated	Revenue	1,600	790	810	1,435	717	718	+165	+11.5%
	Ordinary income	10	△5	15	△24	△12	△12	+34	-

●Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

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Key Points of FY2012 Full-year Forecast (I)

[Overall]

●Third and final year of the midterm management plan "GEAR UP! MOL"

- Continue efforts to capitalize on growth in emerging economies
  - → Specifically, containership and car carrier segments will expand services in Asia.
- Secure stable, long-term profits based on enhanced safe operation and a strong financial foundation
  - → Special focus on energy transport field
- Give full attention to dry bulker and tanker spot operation to promote risk-management measures
  - → Continued measures for high-priced vessels
  - → Utilizing charter, freight rate future trades; optimal allocation of vessels considering regional market differences
  - → Improving customer service and operational efficiency by setting up a pool (tankers)
- Group-wide cost reduction target: ¥25 billion

[By Segment] [Forecast of ordinary income for FY2012 (comparison with FY2011)]

Bulkships [¥7 billion (+¥13.9 billion)]

●**Dry bulkers:**

Anticipate improvement of current weak market position due to firm trade in iron ore, coal, grain, etc. mainly toward emerging nations, although supply pressure from the launch of newbuilding vessels may suppress an upper ceiling of the market.

Key Points of FY2012 Full-year Forecast (II)

●**Tankers:**

Expect higher profits through improvement of markets and continued effects of cost-reducing initiatives such as slow steaming.

－The current VLCC market is moving up as customers increasingly demand high-quality vessels. The establishment of the pool is also making a positive impact. Crude oil sources have started to disperse as sanctions on Iran took effect, increasing ton-miles. In addition, considering further demand for building up a stockpile of petroleum in oil consuming countries, the market is anticipated to remain firm.

－Trade of petroleum products in the product tanker segment will increase due to closure of oil refineries in Europe, USA, and Australia while the supply of newbuilding vessels is limited. Expect the market to move toward recovery.

●**Car carriers:**

Expect recovery of profits from FY2011, which showed the strong negative impact of natural disasters. On the other hand, cross trades as a countermeasure to declining Japan-based seaborne trade will expand, leading to increased profits.

Containerships [-¥8 billion (+¥21.9 billion)]

➢Anticipate firm trade and restoration of freight rate levels as the global economy recovers gradually.

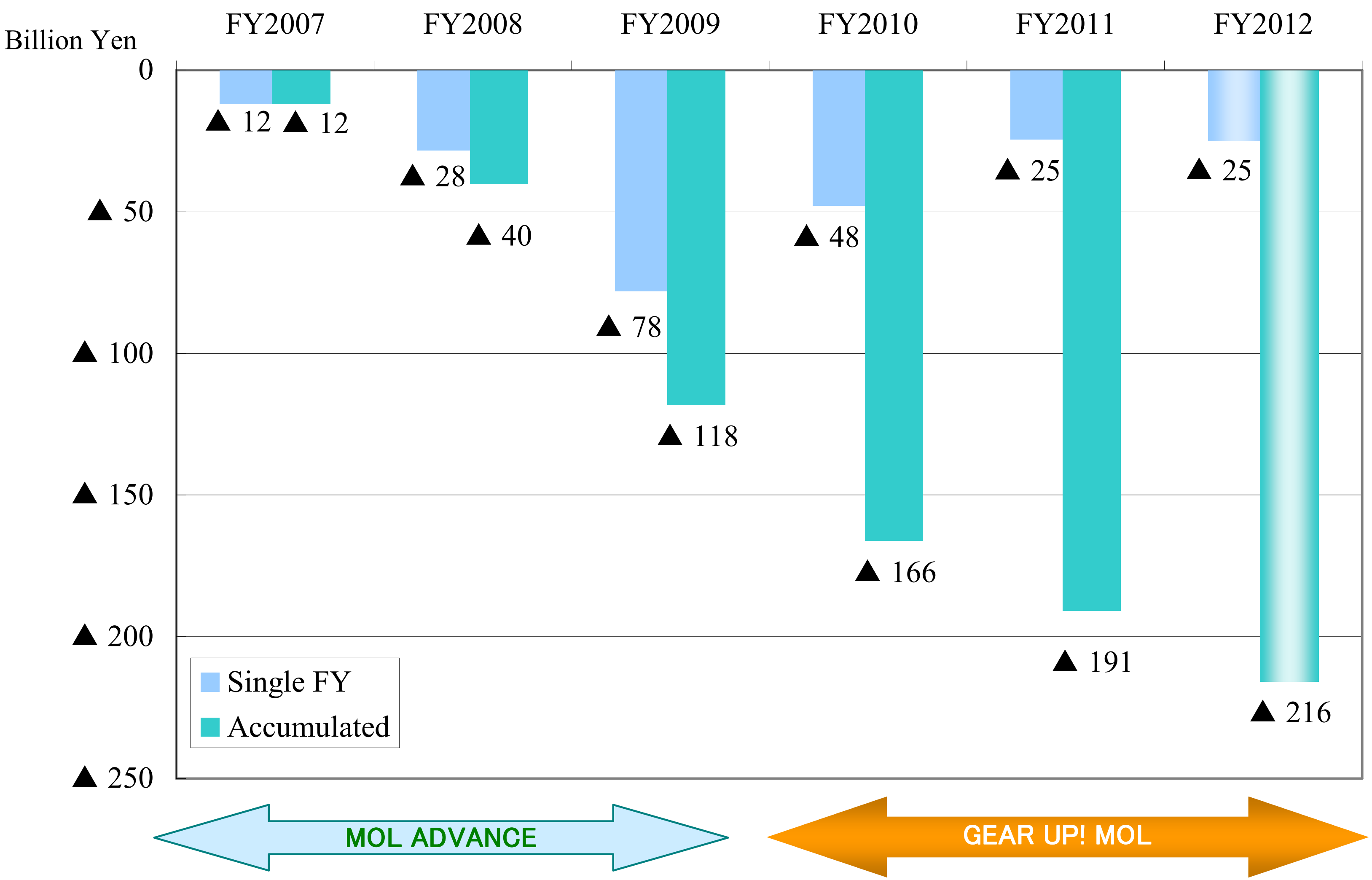
➢Increasing trade volumes by restructuring services including the G6 Alliance and opening new routes.

[Dividends]

Will determine the payment upon assessment of the future business climate.

[Supplement]

Transiton of Cost Reduction(Latest 6 years)



Fleet Composition

			At the end of Mar. 2012		At the end of Sept. 2011	At the end of Mar. 2011
			No. of vessels	1,000dwt	No. of vessels	No. of vessels
Dry bulker	Bulk carrier	Cape size	107	19,889	105	109
		Panamax	48	3,790	45	41
		Handymax	60	3,339	60	50
		Handy	34	1,126	32	28
	Heavy lifter		6	73	7	8
	Wood chip carrier		53	2,674	54	54
	Steaming coal carrier		37	3,279	37	36
	General cargo carrier		47	741	51	48
	(Sub total)		392	34,911	391	374
Tanker	Crude oil tanker		46	12,398	50	48
	Product tanker		62	3,560	61	60
	Chemical tanker		79	2,171	85	85
	LPG tanker		13	627	13	13
	(Sub total)		200	18,756	209	206
LNG carrier			69	5,306	70	72
Car carrier			128	2,055	121	114
Containership			115	6,205	112	104
Ferry/Domestic carrier			45	158	44	42
Cruise ship			2	9	2	2
Others			3	19	3	3
Total			954	67,418	952	917

Note) Including spot-chartered ships and those owned by joint ventures

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	FY2012		
		*1st Half Forecast (*2)*	*2nd Half Forecast (*2)*	*Full-year Forecast (*2)*
Capesize	4TC Average	*11,500*	*22,500*	*17,000*
Panamax	4TC Average	*12,000*	*15,000*	*13,500*
Handymax	5TC Average	*11,500*	*13,500*	*12,500*
Small handy	6TC Average	*8,500*	*11,500*	*10,000*

(*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)	FY2011 2Q Actual (*1)	FY2011 3Q Actual (*1)	FY2011 4Q Actual (*1)	FY2011 Full-year Actual (*1)
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2011 base (Year 2012 base)	53 (44)	47 (39)	54 (46)	67 (56)	55 (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)*	FY2012 *2nd Half Forecast (*2)*	FY2012 *Full-year Forecast (*2)*
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2012 base	*60*	*60*	*60*

(*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						
	1Q	2Q	1st Half	3Q	4Q	2nd Half	Full-year Result
Total	765	862	1,627	1,004	1,016	2,019	3,647
【reference】FY2010 Result	823	862	1,685	940	963	1,903	3,588

2. FY2012(Forecast)

(1,000 units)

(Voyage Completion basis; including voyage charter)	FY2012		
	1st Half Forecast(A)	*2nd Half Forecast(B)*	*Full-year Forecast (A)+(B)*
Total	*2,020*	*2,207*	*4,227*

Major Containership Trades Utilization and Freight Index

Asia-North America Trade (TPS)

(unit: 1000TEU)

		FY2010					FY2011				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (E/B)	Capacity	142	166	166	151	624	157	156	146	132	592
	Lifting	144	165	129	123	561	132	141	134	120	526
	Utilization	101%	99%	78%	82%	90%	84%	90%	92%	91%	89%
Inbound (W/B)	Capacity	132	165	166	154	617	156	158	148	131	593
	Lifting	78	87	93	82	341	83	74	87	82	326
	Utilization	59%	53%	56%	53%	55%	53%	47%	59%	63%	55%

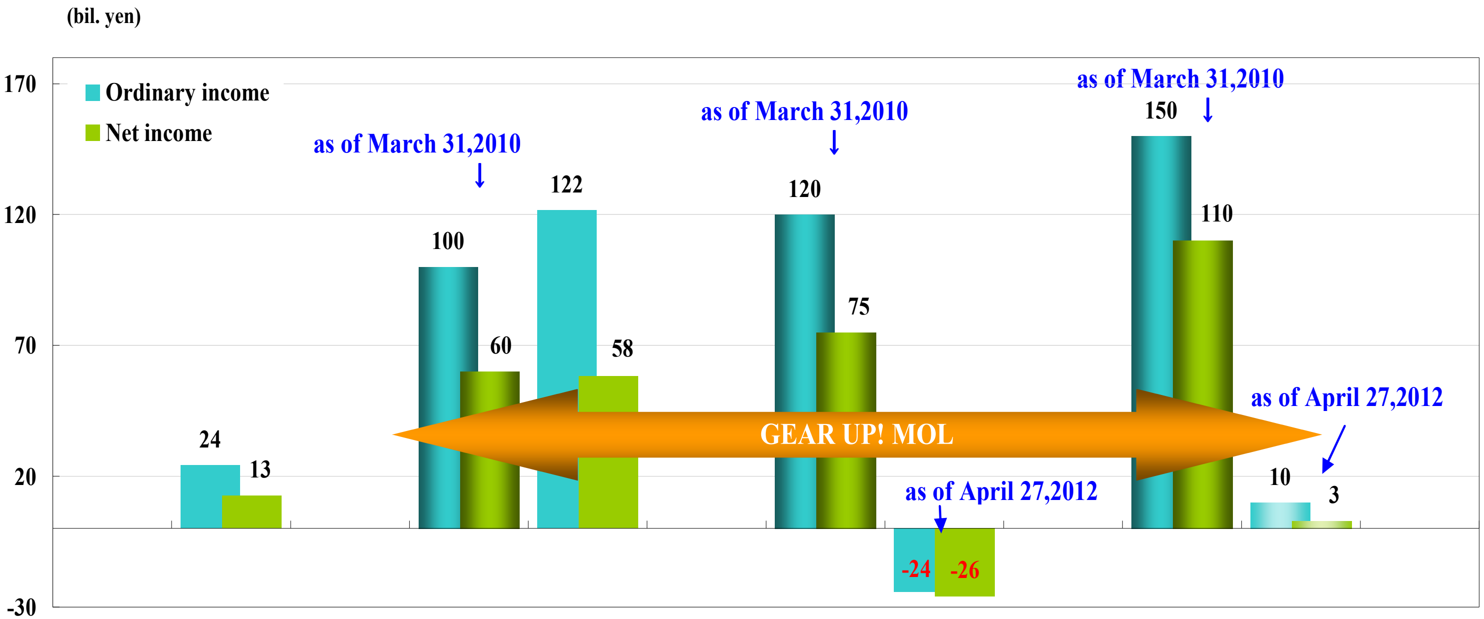
Asia-Europe Trade

		FY2010					FY2011				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (W/B)	Capacity	92	107	109	110	418	112	118	114	111	455
	Lifting	92	107	109	110	418	104	118	102	107	431
	Utilization	100%	100%	100%	100%	100%	93%	100%	90%	96%	95%
Inbound (E/B)	Capacity	92	107	109	110	419	115	117	116	116	464
	Lifting	60	60	64	67	251	69	64	68	73	274
	Utilization	65%	56%	59%	60%	60%	60%	55%	59%	63%	59%

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

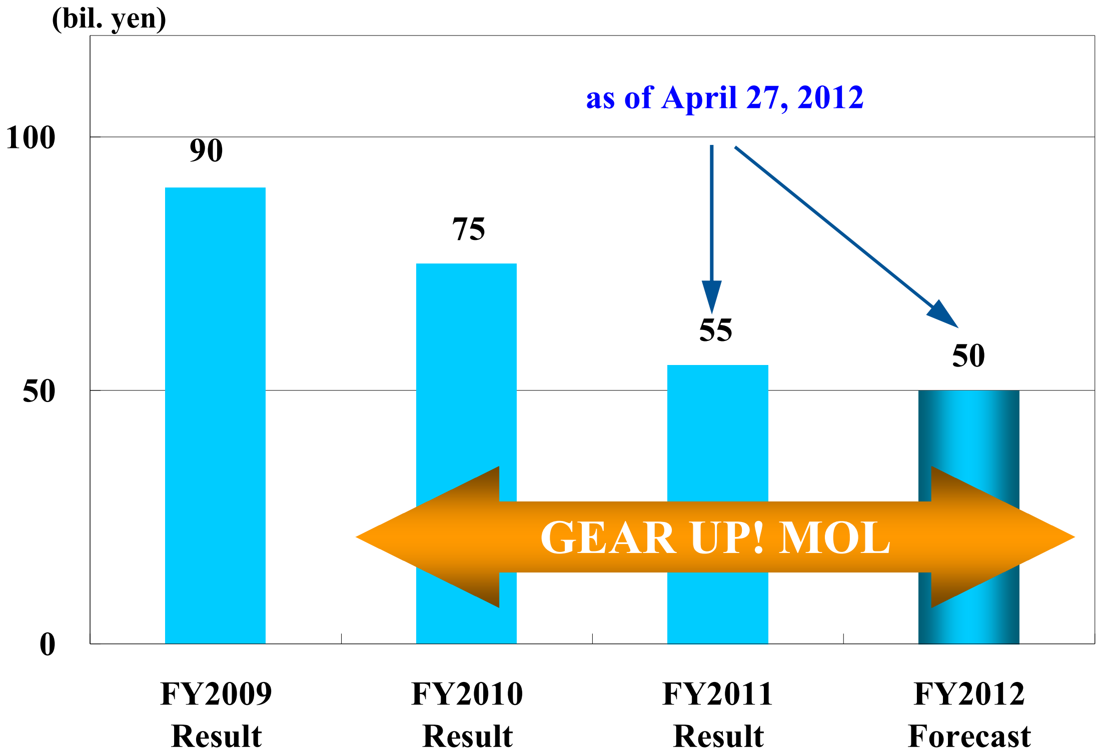
	FY2010				FY2011			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	99	107	98	94	92	91	86	85
Bunker price (Average)	474	469	485	535	625	664	678	699

“GEAR UP! MOL” Overall Profit Plan



	FY2009	FY2010		FY2011		FY2012	
	Result	Plan	Result	Plan	Result	Plan	Forecast
Revenue	1,348	1,550	1,544	1,700	1,435	1,800	1,600
Operating income	21	100	123	120	-24	150	16
Ordinary income margin	1.8%	6.5%	7.9%	7.1%	-1.7%	8.3%	0.6%
Average exchange rate(¥/$)	¥93.25/$	¥90/$	¥86.48/$	¥90/$	¥78.85/$	¥90/$	¥82/$
Average bunker price($/MT)	$406/MT	$500/MT	$490/MT	$500/MT	$667/MT	$500/MT	$710/MT

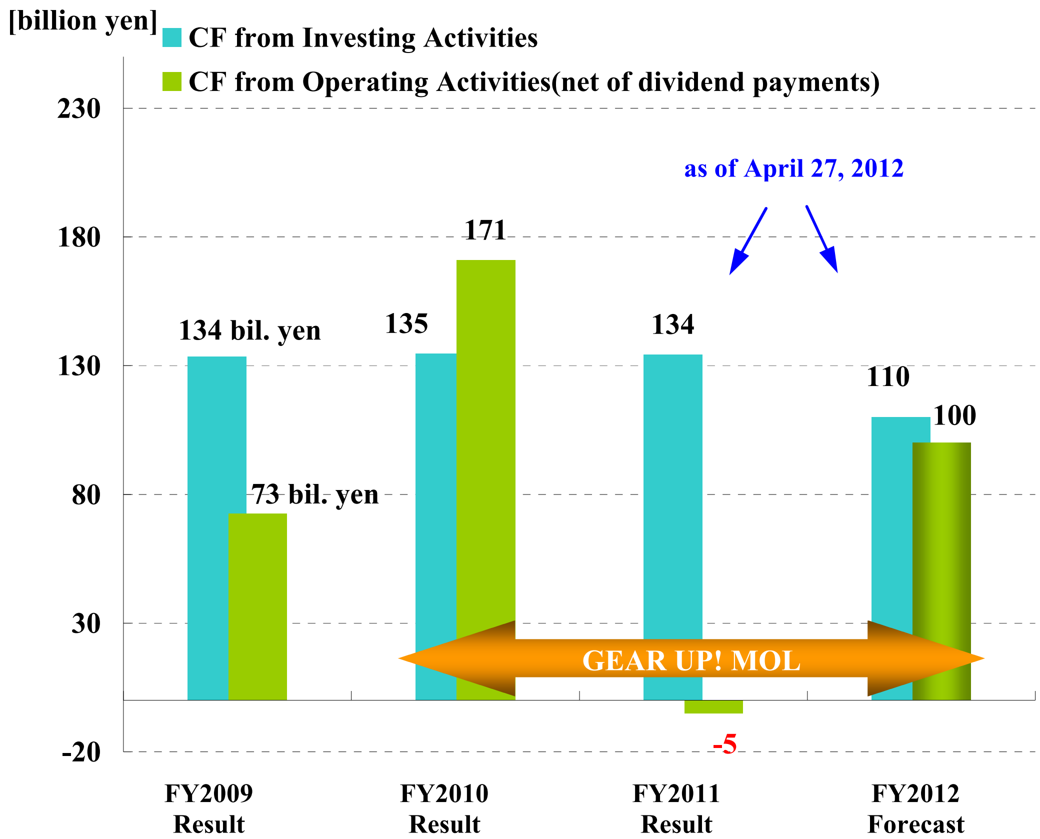
Highly Stable Profit



	FY2009 Result	FY2010 Result	FY2011 Result	FY2012 Forecast
Average exchange rate(¥/$)	¥93.25/$	¥86.48/$	¥78.85/$	¥82/$
Average bunker price($/MT)	$406/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.)

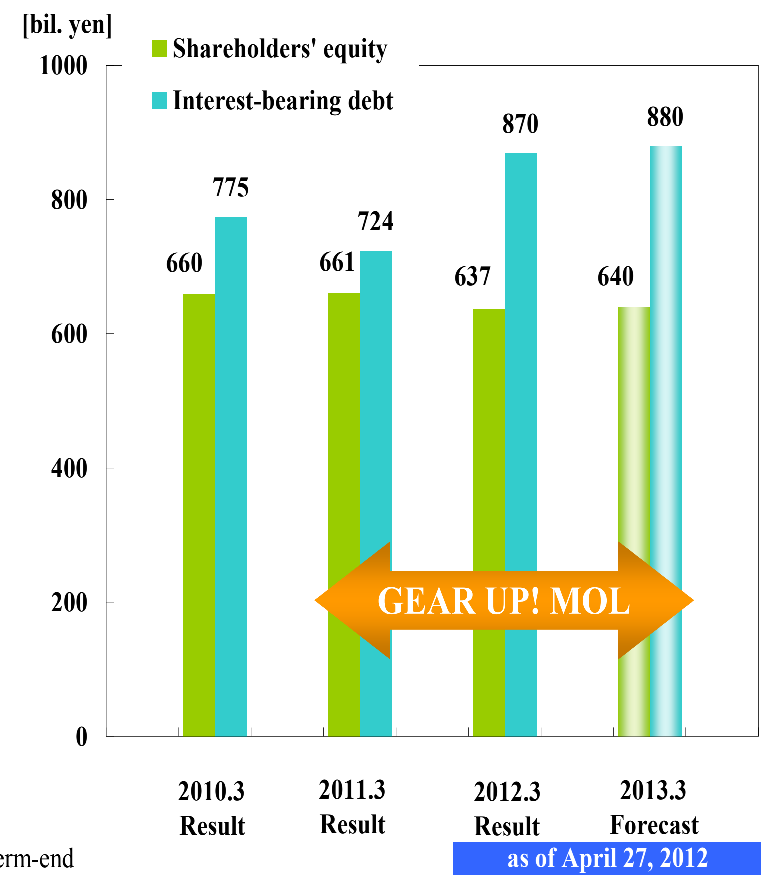
Cash Flows

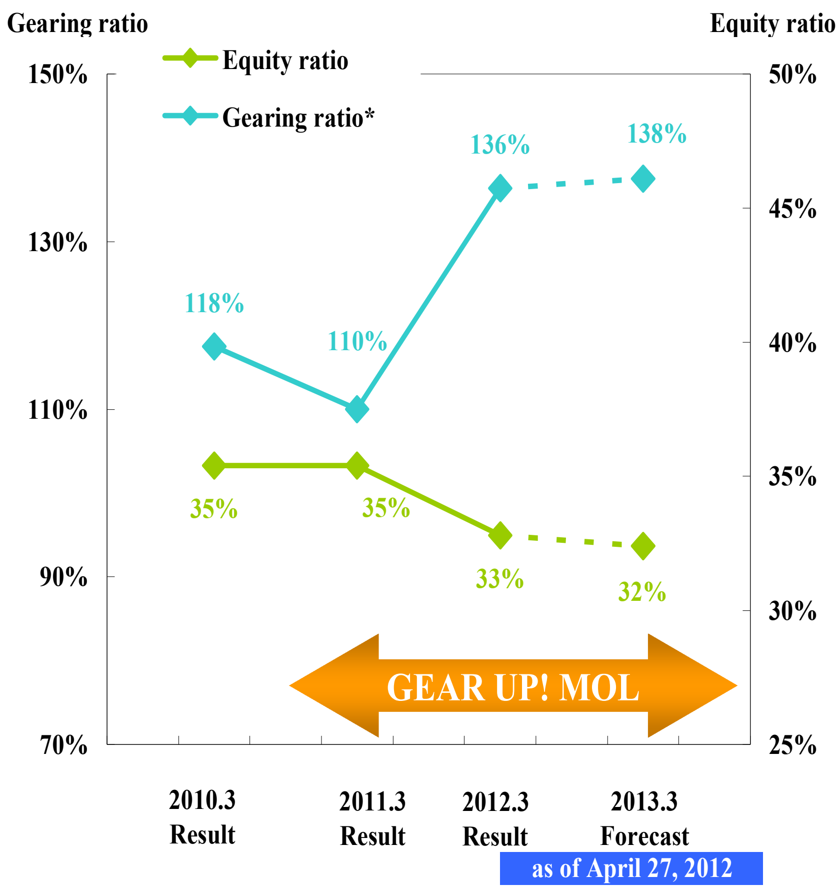


Average exchange rate(¥/$)	93.25	86.48	78.85	82

Note:
Previously, the graph above showed "Cash Flow" basing on simplified formula (*1), and "Capital Expenditure" as expenditure for obtaining fixed assets. From 1Q/2011, the graph is composed basing on "Cash Flows from Operating Activities(*2)" and "Cash Flows from Investing Activities", on Consolidated statements of Cash flows, respectively.
(*1) Simplified formula ; "Cash Flow = Net income + Depreciation - Dividends"
(*2) Amounts of dividend payments are deducted from CF from Operating Activities.

Financial Plan





Term-end exchange rate(¥/$)	2010.3 Result	2011.3 Result	2012.3 Result	2013.3 Forecast
MOL	93.04	83.15	82.19	82
Overseas subsidiaries	92.10	81.49	77.74	82

Equity ratio = Shareholders' equity/Total Assets

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