



FY2010-FY2012

New Midterm Management Plan

March 31, 2010

Mitsui O.S.K. Lines, Ltd.

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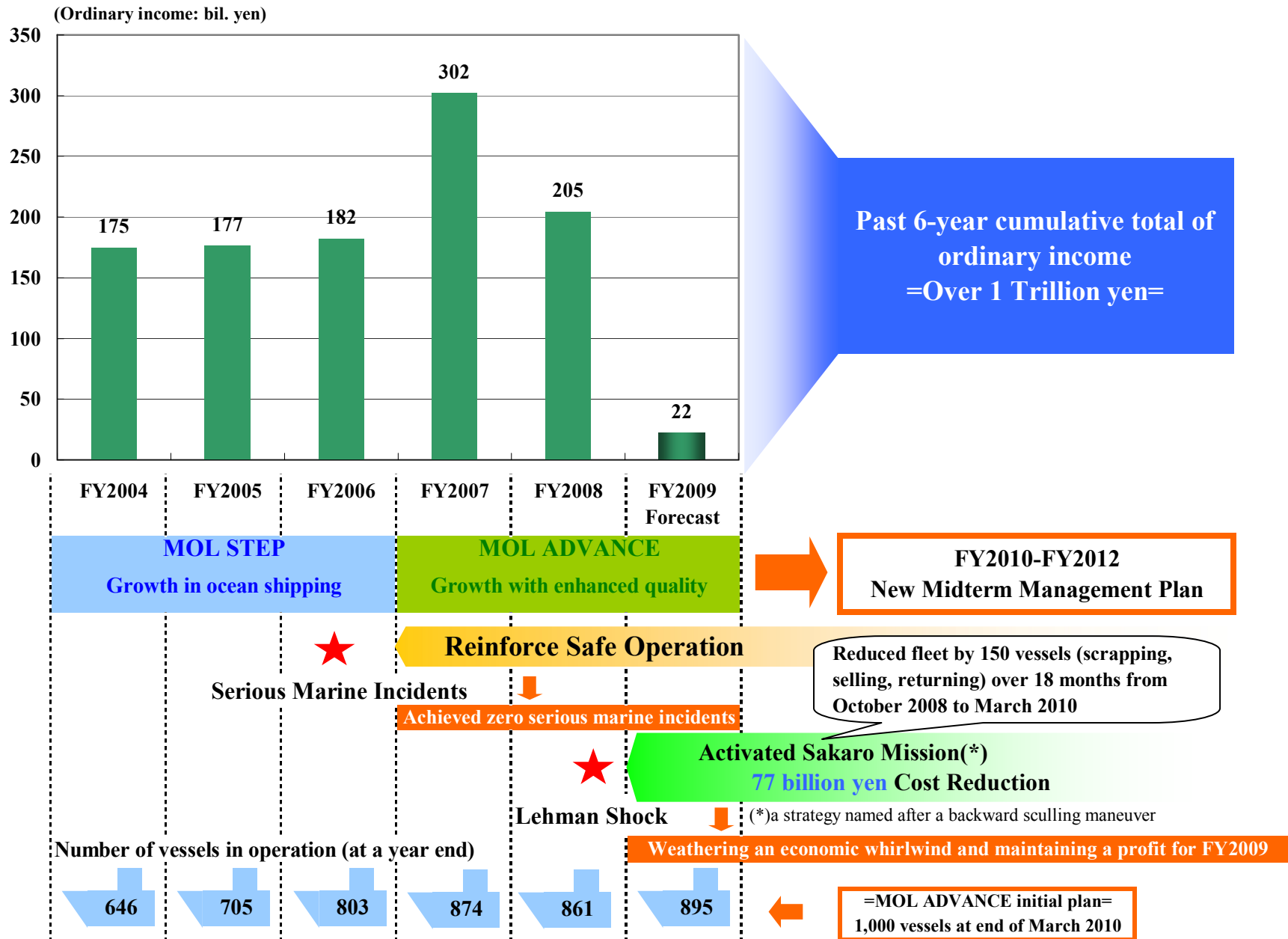
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Forward-Looking Statements

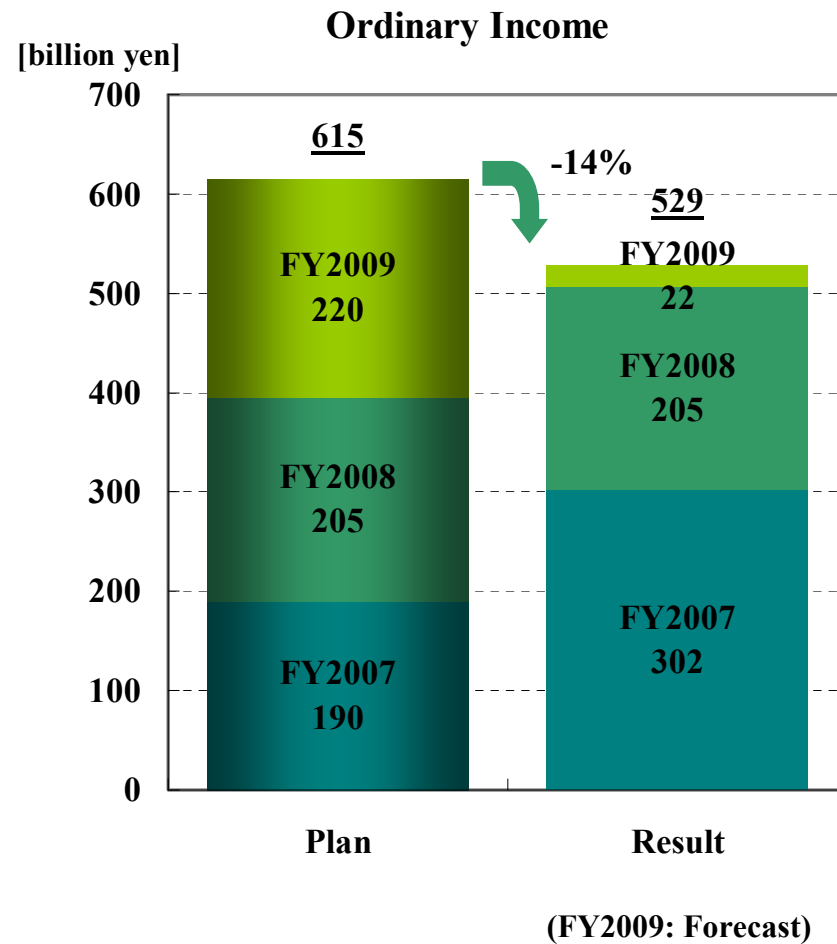
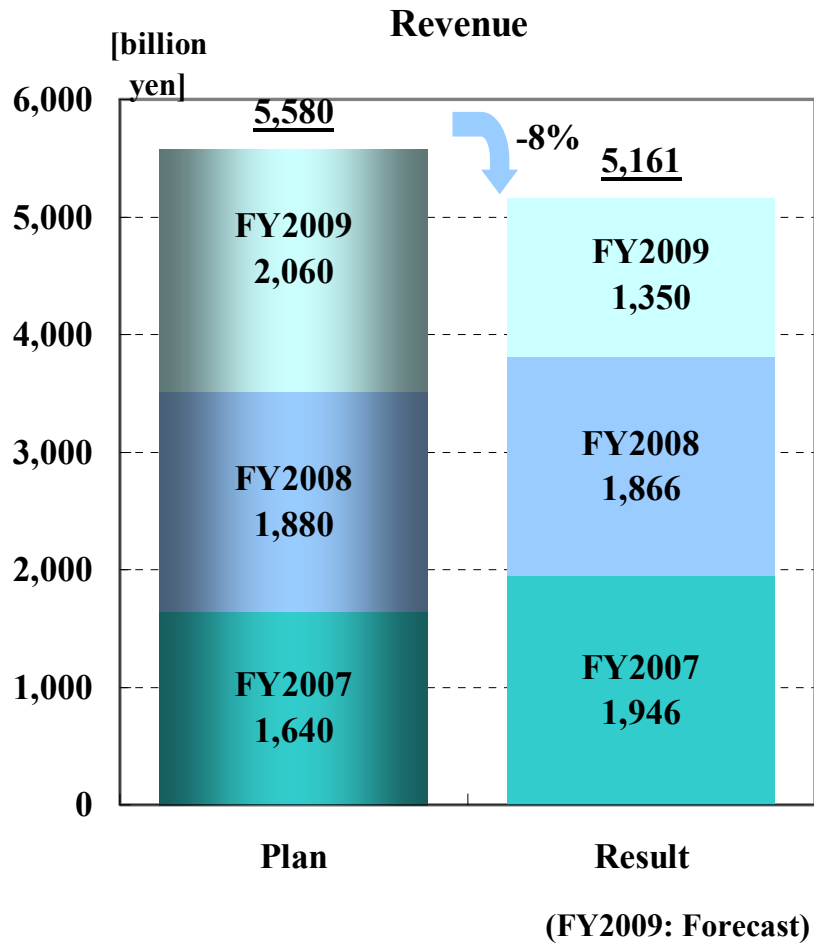
This material contains forward-looking statements concerning MOL's future plans, strategies and performance. These statements represent assumptions and beliefs based on information currently available and are not historical facts. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, worldwide competition in the shipping industry, customer demand, foreign currency exchange rates, price of bunker, tax laws and other regulations. MOL therefore cautions readers that actual results may differ materially from these predictions.

I. Outlines of New Midterm Management Plan - Strategies

Progress of Midterm Management Plan



MOL ADVANCE Review (FY2007 – FY2009)



**MOL Group Midterm Management Plan
FY2010 - FY2012**

GEAR UP! MOL

Long-term vision: To make the MOL Group an excellent and resilient organization that leads the world shipping industry

Main theme: – Challenge to Create New Growth –

GEAR UP! MOL – Challenge to Create New Growth – Overall Strategies

(1) Recovery from economic crisis and Acceleration of business development in growing markets

Tailored response to customers' needs in an expanding global market

- Enhance business activities globally
- Enhance cost competitiveness
- Restructuring of the containership business
- Full utilization of the Group's synergized resources

Enhancing infrastructure to accomplish strategies

- * Adding unique value through business intelligence
- * Risk management to ensure our growth
- * Ongoing improvements to financial stability to enhance credibility
- * Develop employees fully capable of addressing changes

(2) Enhance safe operation

Forge ahead to become "the world leader in safe operation"

- Quantify safety and realize "4 zero" (prevent marine incidents, oil pollution, fatal accidents, and cargo damage)
- Enhance capability to perceive danger which breaks the links in chain of errors.
- Invest 24 billion yen over 3 years to enhance safe operation
- Make use of advanced IT for safer operation
- Secure skilled seafarers and keep them well trained
- Enhance countermeasures against piracy and terrorism

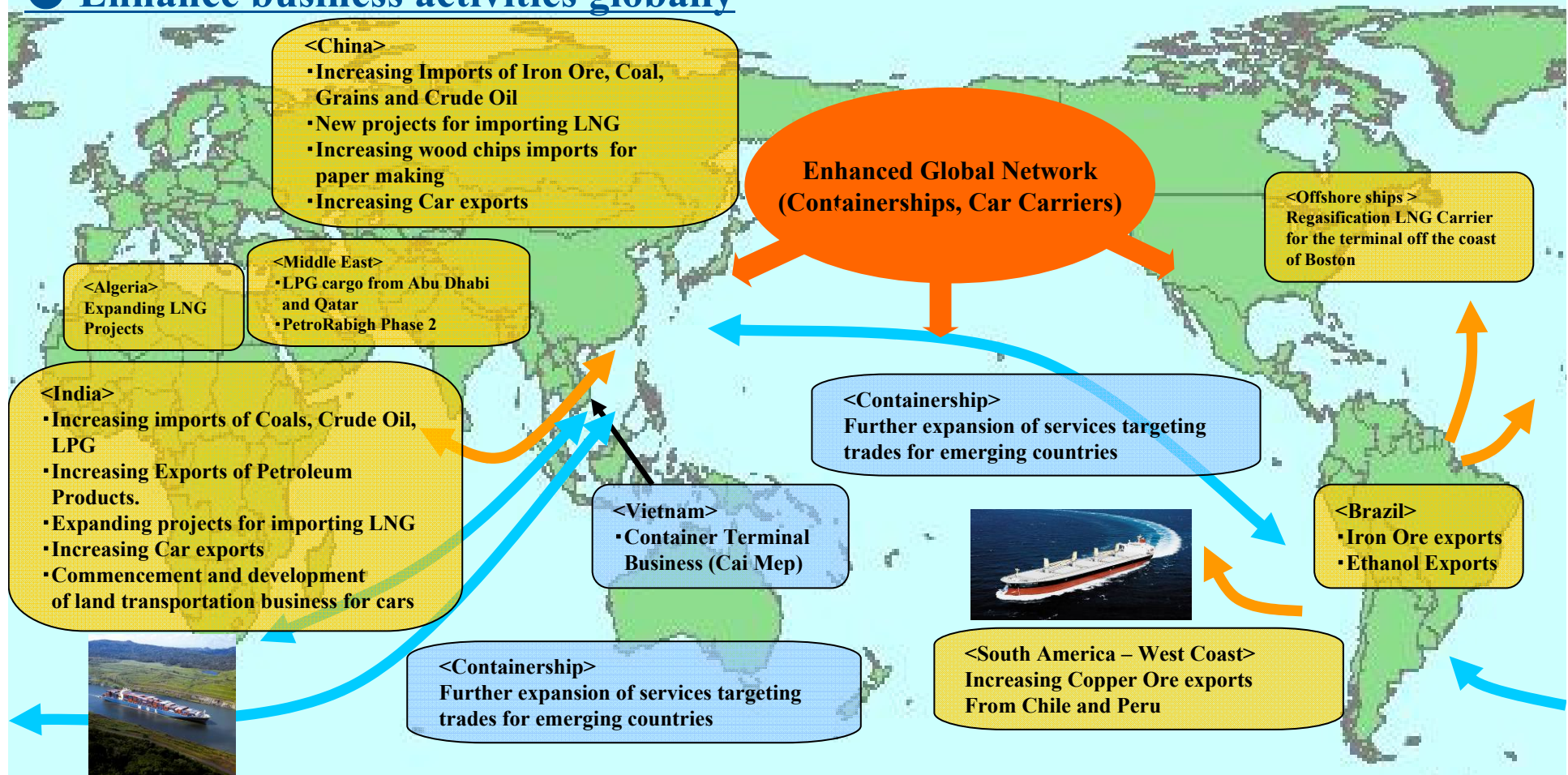
(3) Environmental Strategy

Offer transport solutions with a lower environmental burden

- Introduce vessel innovation to prevent global warming
 - Promote ISHIN project
 - Promote "Eco Sailing" on a larger scale
 - Reduce CO2 emissions per ton-mile by 10% in FY2015 compared to FY2009
- Contribute to conservation of biodiversity and protection of the natural environment
- Positive investments to develop and implement environmental technologies
 - Invest 28 billion yen over 3 years

(1) Recovery from Economic Crisis and Acceleration of Business Development in Growing Markets

● Enhance business activities globally



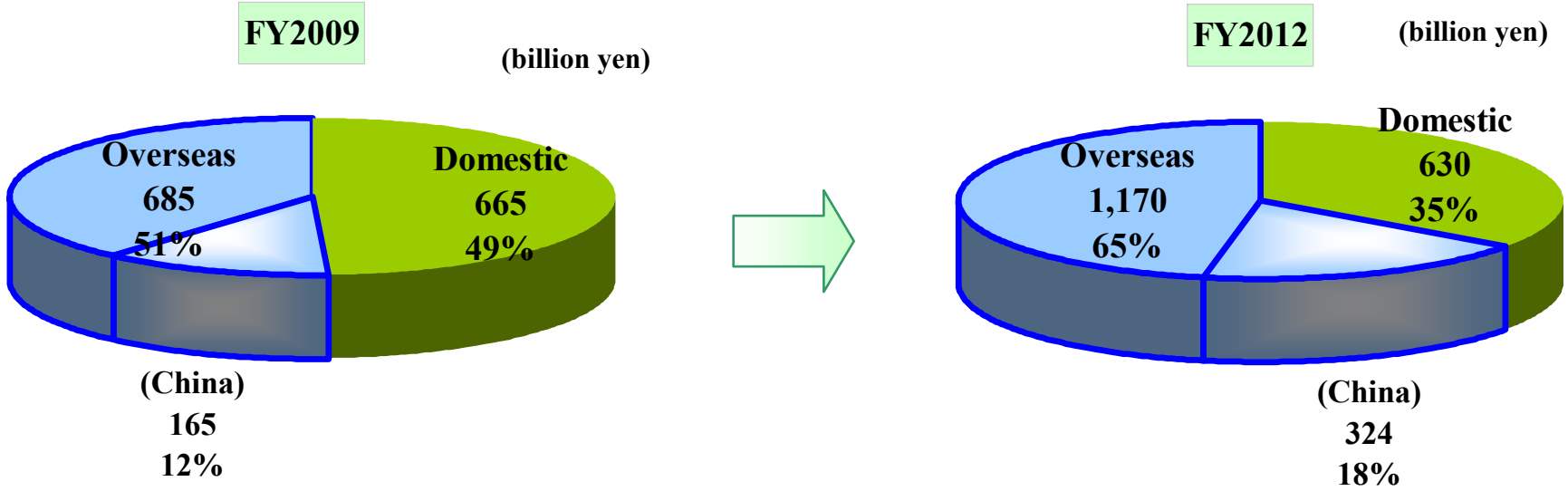
Increasing weight of Emerging countries in World Economy
(Trade Growth for in/outbound Japan will be limited)

Maintaining High-end services in transportation quality and safety,
“Advance into Volume Zone of emerging countries”

(1) Recovery from Economic Crisis and Acceleration of Business Development in Growing Markets

● Enhance business activities globally – Rising share of overseas commerce

■ Overseas/Domestic Revenue



(1) Recovery from Economic Crisis and Acceleration of Business Development in Growing Markets

● Enhance cost competitiveness

- Transition from an emergency measures against the economic crisis to pursuit of improvements in cost competitiveness
- Further improvement of creative cost reductions

	(billion yen)			
	FY2010	FY2011	FY2012	Total
Cost reduction target	46	10	10	66
(Containerships)	(22)			

<Breakdown>		(billion yen)
Fuel cost		9
Operating costs (excl. fuel)		5
Vessel expenses (ship costs, capital costs)		18
Group companies		6
Others		8
Total		46

**Cost reduction
in FY2009 (forecast)
¥77 billion**
(including cost-reduction effects such as redelivering
vessels due to maturity of charter contracts)

(1) Recovery from Economic Crisis and Acceleration of Business Development in Growing Markets

● Restructuring of the containership business

- Ship operation and fleet development matching to demand

Emphasis on growing trades of emerging countries(i.e. Asia, S.America, Africa region)

- Enhance profitability

Maintain and expand efficient network

Enhance yield management

- Further efforts to reduce cost through slow steaming and other measures

- Promote competitive terminal project

Ho Chi Minh, Cai Mep (Vietnam)

Rotterdam, Maasvlakte II

[Containership Supply/Demand Projection]

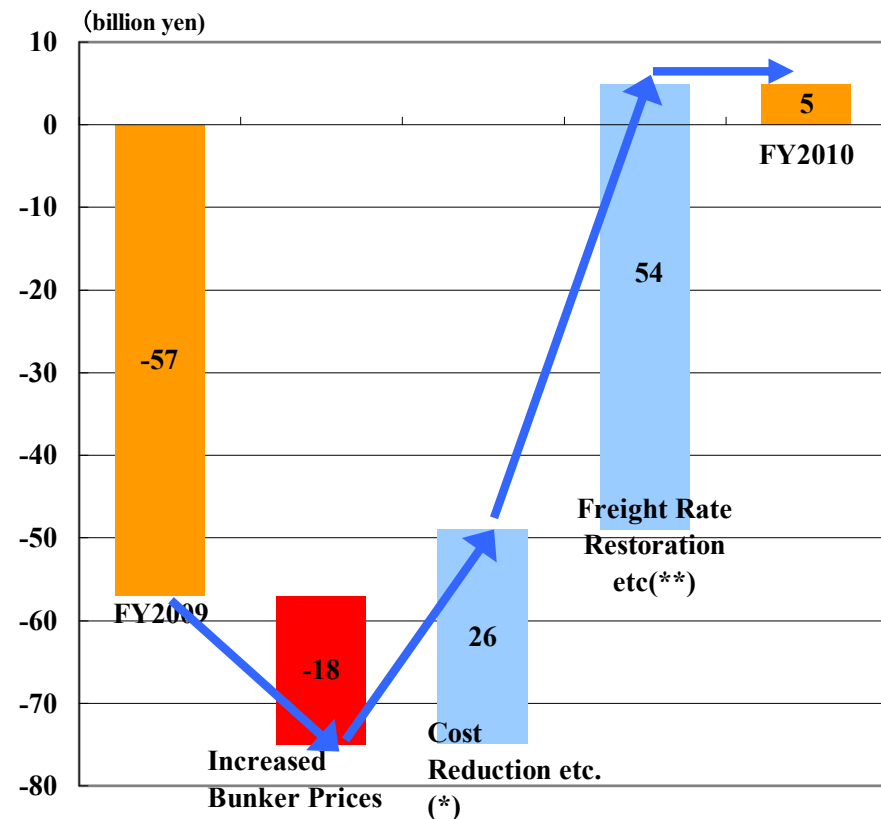
	2010	2011	2012
Supply growth	+7.4%	+5.2%	+6.3%
Demand growth	+6.7%	+6.4%	+6.0%

Source: Supply growth=Drewry, Demand=Global Insight

[MOL operating capacity plan]

	2012 Capacity
East-West routes	Adjust flexibly to match trade growth
North-South routes	Increase 30-40% from 2008
Intra-Asia	Increase 20-30% from 2008

[Factors expected to affect ordinary income FY2009 to FY2010]



(*) Including reduction of fuel cost by slow steaming and reduction of expenses by termination of goodwill amortization.

(**) Freight rate restoration includes influence of bunker surcharge fluctuation

Enhancing Infrastructure to Accomplish Strategies

● Adding unique value through business intelligence

1. Building internal intelligence network

- * Plan to create new Chief Intelligence Officer position in management
- * Plan to create new Intelligence Officer positions in each division

2. Formulation of Business Intelligence Platform

- * Advanced information sharing
- * Multidirectional analysis and timely availability of information

3. Advanced utilization of information, enhancement of research function

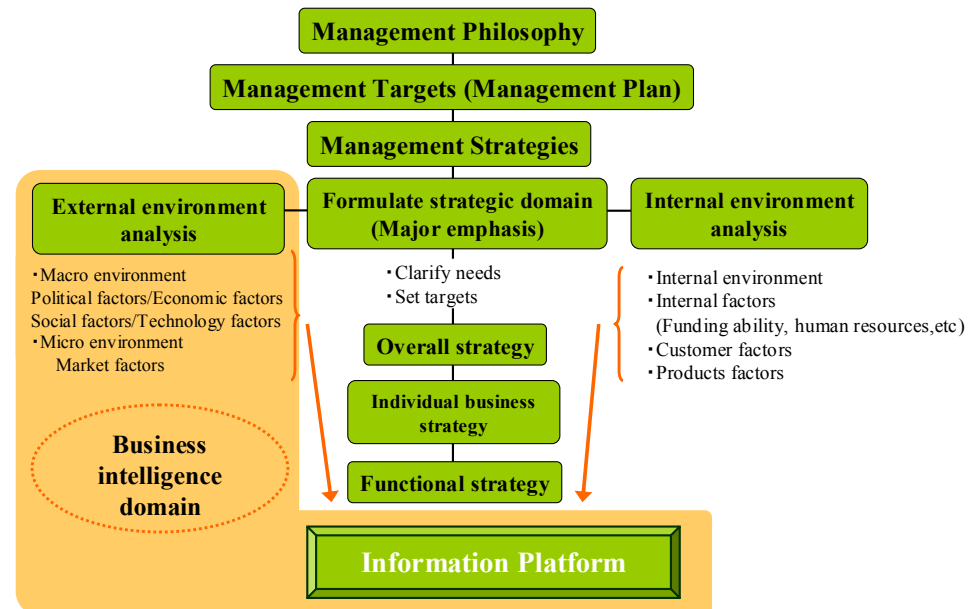


Create intelligence to survive information war



Get ahead of customer's needs and demand of the times

Domain of business intelligence for management



Enhancing Infrastructure to Accomplish Strategies

● Ceaseless improvement of financial stability to enhance credibility

1. Specific cases in which the company's credibility contributed to conclusion of business contracts.

- Concluded long-term charter contract for LNG carrier with ExxonMobil (March 2010)
- Strengthened ties with Baosteel Group in China (October 2009)
- Concluded three types of contracts for large iron ore carrier with Rio Tinto (July 2009)

2. MOL's credit rating

JCR	AA-
R&I	AA-
Moody's	A3

3. Target for financial strength

Achieve and maintain less than 1.0 of gearing ratio (interest-bearing debt/ shareholders' equity)

Enhance Safe Operation

- Aim for “the world’s best class safe operation”
- Quantify safety and realize 4 zero (prevent marine incidents, oil pollutions, fatal accidents and cargo damages)
 - Use of objective indices and external assessments, development of IT for ship management, etc.
- Enhance capability to perceive danger which breaks the links in chain of errors
 - Improvement of seafarers’ skills and knowledge and vessels’ capabilities and quality
- Advance IT use for safer operation
 - Speed up communication of operational safety information, improve operational efficiency
- Secure skilled seafarers and keep them well trained
- Enhance countermeasures against piracy and terrorism

Budget for safe operation measures (3 years)

¥24 billion

Breakdown:

1) Software: ¥10.5 billion

* Operation of Operational Safety Support Center

* Securing and educating/training of seafarers

2) Hardware: ¥11 billion

* Safety standard specifications

3) Development of IT for ship management: ¥2 billion

Environmental Strategy

— Offer lower environmental-burden transport solution

- Innovate ships to prevent global warming
 - Promote **ISHIN project**
 - Promote “ECO SAILING” on a larger scale
 - Reduce CO₂ emissions per ton-mile by 10% in FY2015 compared to FY2009
- Contribute to conservation of biodiversity and protection of the natural environment
- Aggressive investment to develop and implement environmental technologies



The environment-friendly, next-generation car carrier



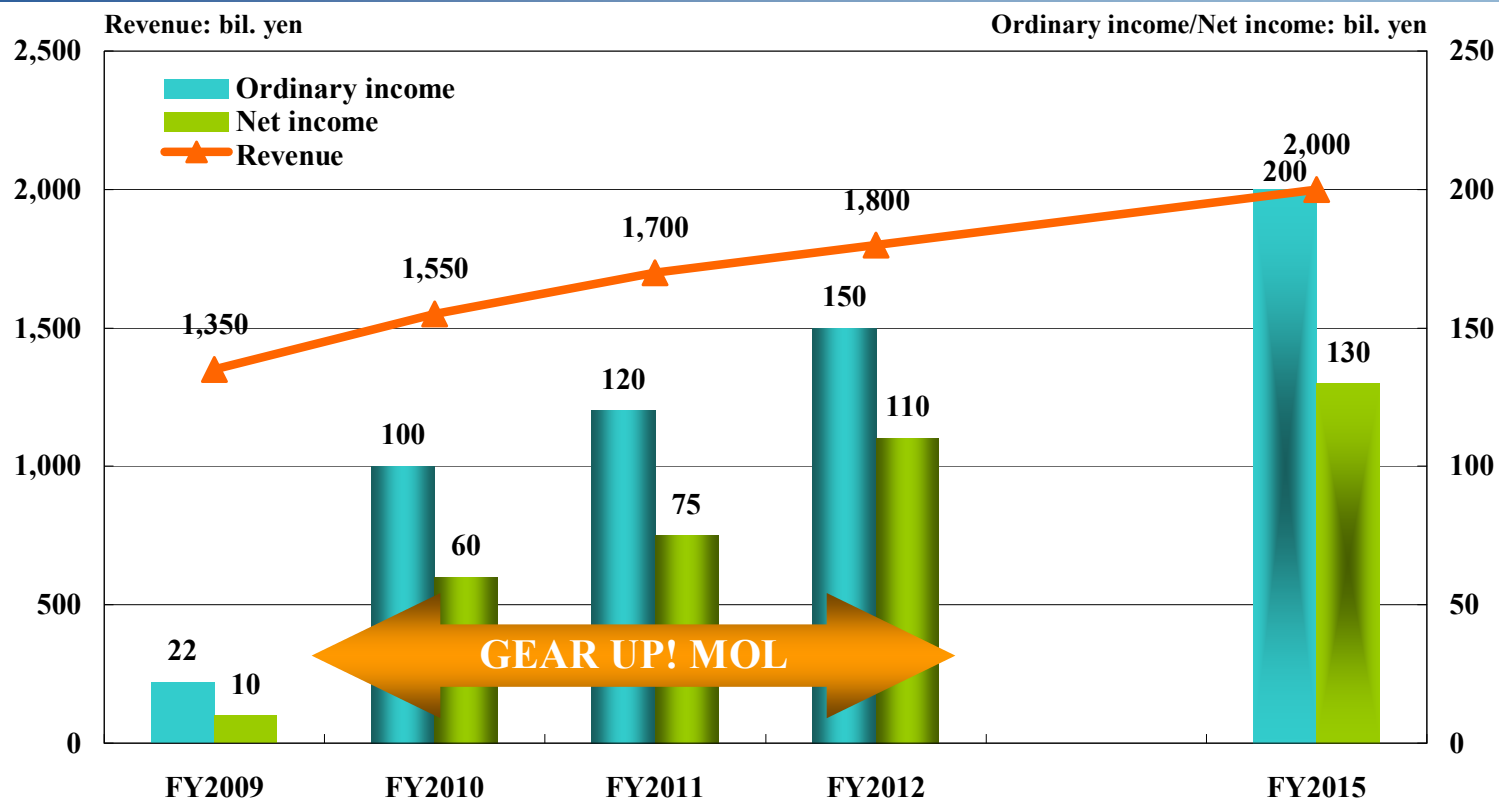
The environment-friendly, next-generation ferry

Investment amount in 3 years
¥ 28 billion

- Promote ISHIN project
- Refine and use existing technologies including electronically controlled engines
- Improve energy efficiency in vessel operation
- Respond to environmental regulations such as the requirement for ballast water treatment systems
- Group-wide approaches

II. Outlines of New Midterm Management Plan - Profit Plan/Financial Plan

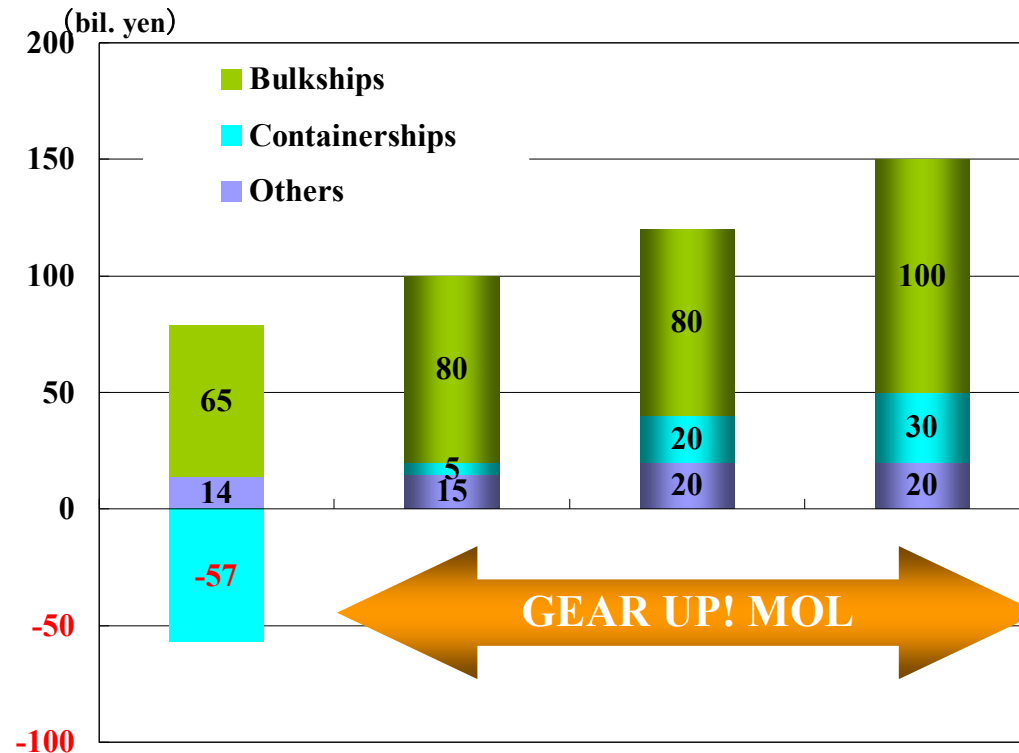
GEAR UP! MOL – Overall Profit Plan



	FY2009	FY2010	FY2011	FY2012	FY2015
	Forecast	Plan	Plan	Plan	Target
Operating income	18	100	120	150	
Ordinary income margin	1.6%	6.5%	7.1%	8.3%	10.0%
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$408/MT	\$500/MT	\$500/MT	\$500/MT	\$500/MT

FY2010 Exchange rate sensitivity: ±2.0 bil yen/1¥(max)
FY2010 Bunker sensitivity: ±0.2 bil yen/1\$(max)
(Consolidated ordinary income basis)

Ordinary Incomes by Segments



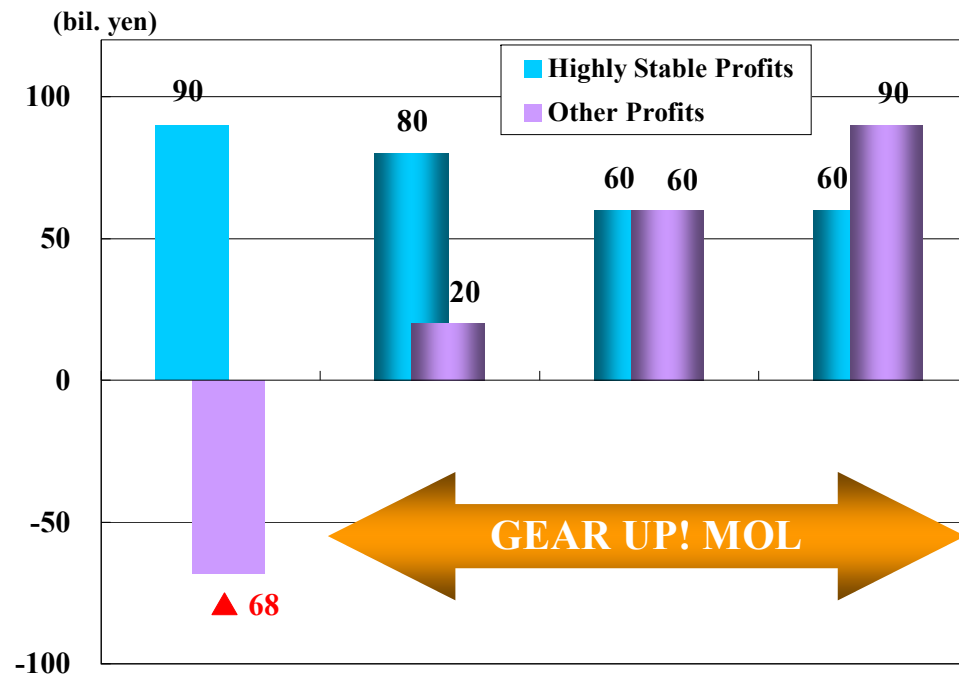
	FY2009 Forecast	FY2010 Plan	FY2011 Plan	FY2012 Plan
Ordinary income	22	100	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$408/MT	\$500/MT	\$500/MT	\$500/MT

Market assumption

Drybulker	Capesize	40,000	35,000	35,000
	Panamax	24,000	20,000	20,000
	Handymax	21,000	17,000	17,000
	Small Handy	16,000	12,000	12,000
Tanker	VLCC	78	78	76

Drybulker: \$/day, VLCC: World Scale(W/S)

Highly Stable Profit



	FY2009 Forecast	FY2010 Plan	FY2011 Plan	FY2012 Plan
Ordinary income(bil. yen)	22	100	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$408/MT	\$500/MT	\$500/MT	\$500/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.)

$$\text{Highly Stable Profits} + \text{Other Profits} = \text{Ordinary Income}$$

Fleet Expansion Plan

			GEAR UP! MOL (FY2010- FY2012)				(FY2013 - FY2015)		
		Fleet scale at the end of March 2010 (Forecast)	Ships to join MOL fleet				Fleet scale at the end of March 2013 (Plan)	Ships to join MOL fleet (Plan)	Fleet scale at the end of March 2016 (Target)
			FY2010	FY2011	FY2012	FY2010 - FY2012	FY2013 - FY2015		
Bulkships	Fleet Scale	741					890		1,025
	New vessel launching		66	51	36	153	140		
Dry Bulkers	Fleet Scale	361					450		
	New vessel launching		26	26	24	76			
Tankers	Fleet Scale	195					220		
	New vessel launching		23	9	6	38			
LNG Carrier	Fleet Scale	76					75		
	New vessel launching		3	2	1	6			
Car Carriers	Fleet Scale	109					145		
	New vessel launching		14	14	5	33			
Containerships	Fleet Scale	103					110		120
	New vessel launching		9	14	5	28	12		
Others	Fleet Scale	51					50		55
	New vessel launching		3	3	3	9	8		
Total	Fleet Scale	895					1,050		1,200
	New vessel launching		78	68	44	190	160		

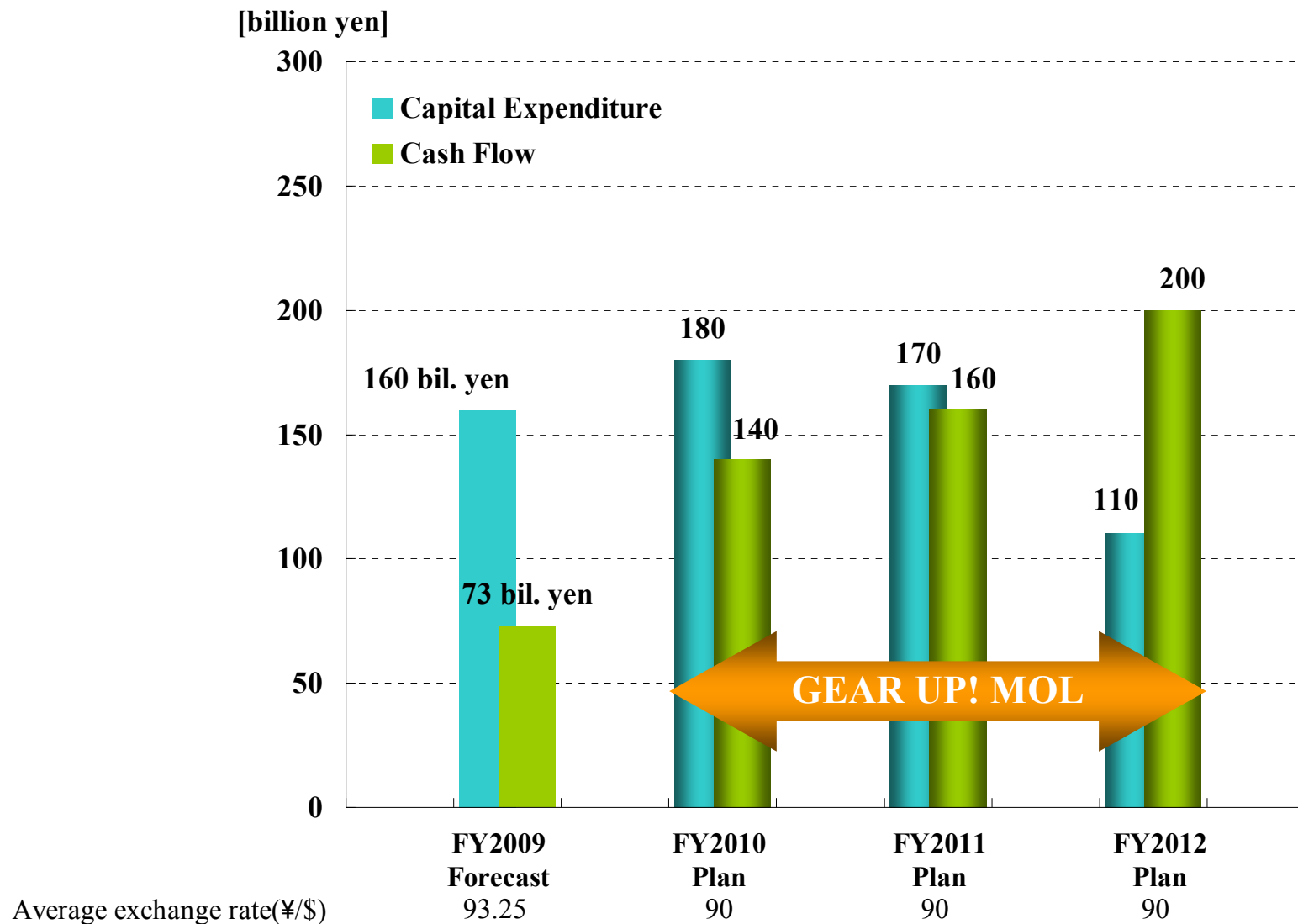
Notes: 1)Fleet scale at the end of fiscal years includes short-term chartered ships (less than 5 years) and those owned by joint ventures.

2) New vessel launching to join MOL fleet do not include short-term chartered ships (less than 5years), but include those owned by joint

Ships' Value
1,200 bil yen

Ships' Value
900 bil yen

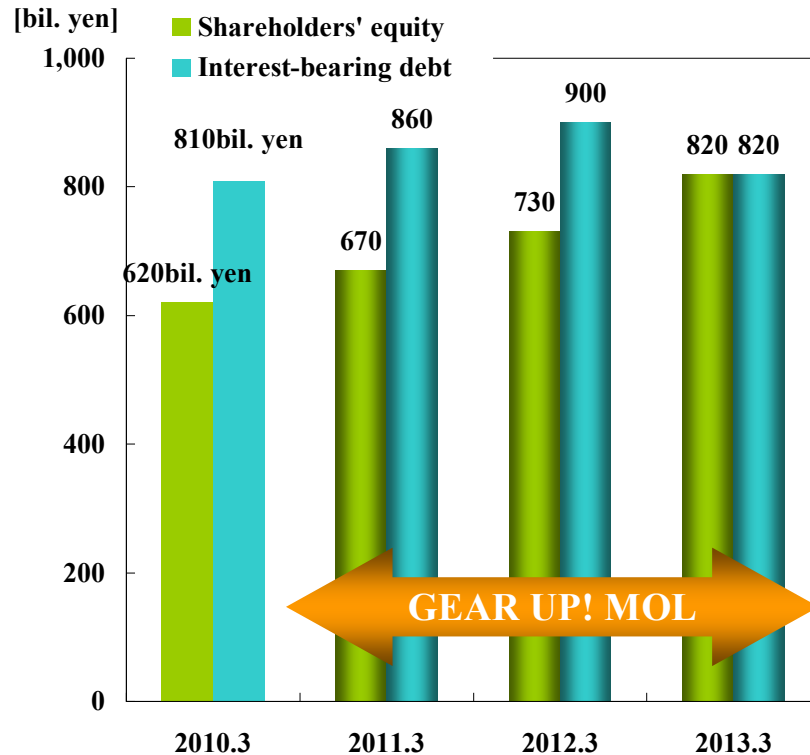
Capital Expenditure and Cash Flow



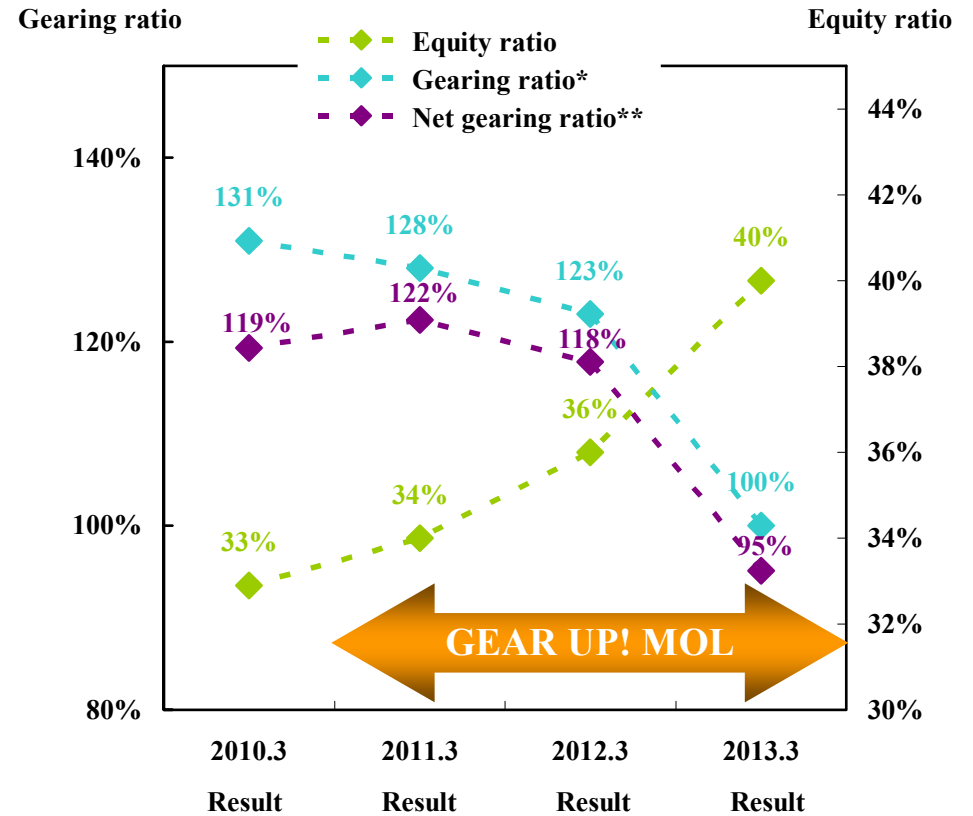
Cash flow = Net income + Depreciation - Dividends(*)

(*) Assumption=Payout ratio 20%

Financial Plan



	2010.3	2011.3	2012.3	2013.3
Term-end exchange rate(¥/\$)	Forecast	Plan	Plan	Plan
MOL	90.00	90	90	90
Overseas subsidiaries	92.10	90	90	90

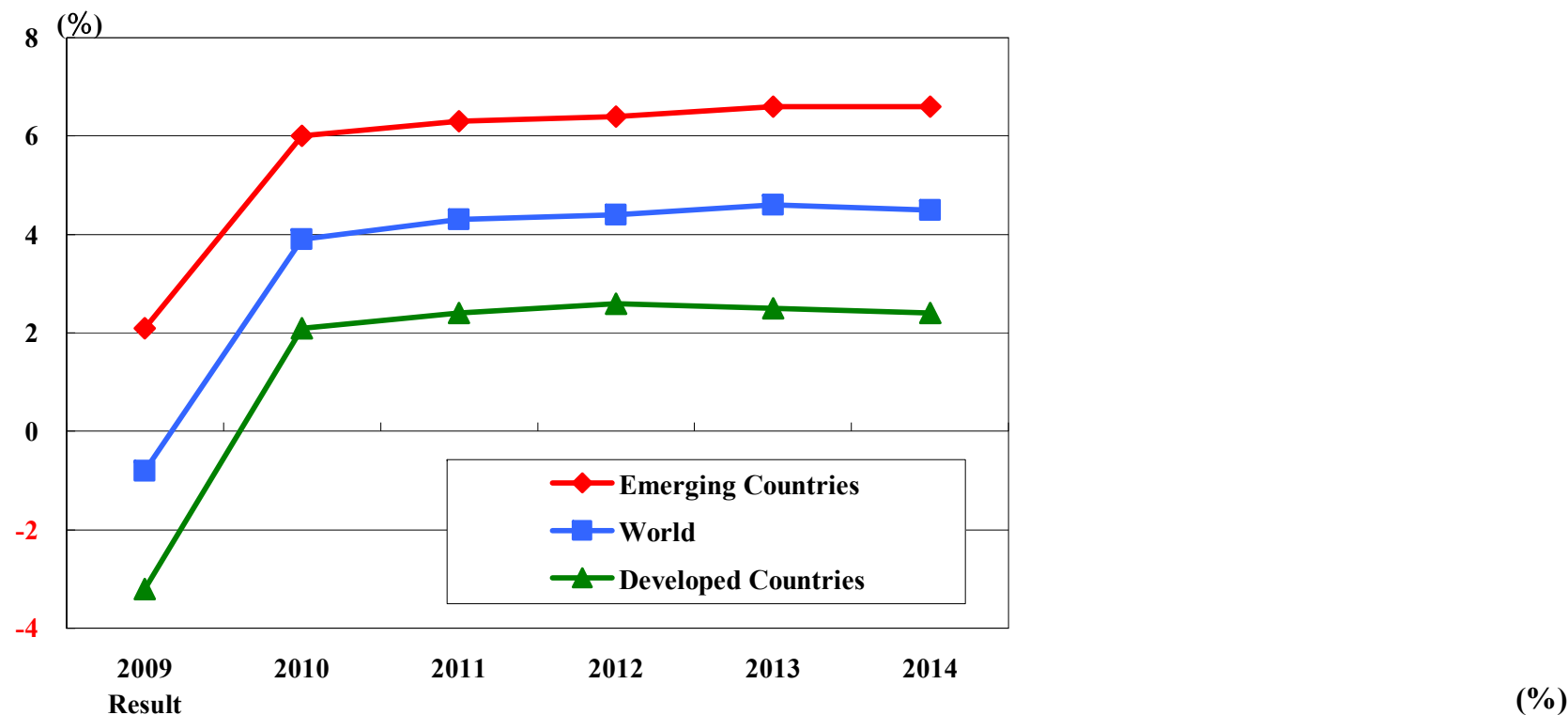


Equity ratio = Shareholders' equity/Total Assets
 *Gearing ratio = Interest-bearing debt/Shareholders' equity
 **Net gearing ratio = (Interest-bearing debt - cash and cash equivalents)/Shareholders' equity

【Memo】

【Supplements】

World GDP Growth Forecast



	2009 Result	2010	2011	2012	2013	2014
World	▲ 0.8	3.9	4.3	4.4	4.6	4.5
Developed Countries	▲ 3.2	2.1	2.4	2.6	2.5	2.4
USA	▲ 2.5	2.7	2.4	2.6	2.5	2.1
Euro area	▲ 4.2	0.3	1.3	1.7	2.0	2.1
Japan	▲ 5.3	1.7	2.2	2.3	2.0	1.8
Emerging Countries	2.1	6.0	6.3	6.4	6.6	6.6
China	8.7	10.0	9.7	9.8	9.8	9.5
India	5.6	7.7	7.8	7.6	8.0	8.1

Source: IMF

Financial Highlight

	FY2009 Forecast	FY2010 Plan	FY2011 Plan	FY2012 Plan	FY2015 Target
Revenue (billion yen)	1,350	1,550	1,700	1,800	2,000
Operating income (billion yen)	18	100	120	150	
Ordinary income (billion yen)	22	100	120	150	200
Net income (billion yen)	10	60	75	110	130
Shareholder's equity	620	670	730	820	
Equity ratio	33%	34%	36%	40%	
Interest-bearing debt (billion yen)	810	860	900	820	
Gearing ratio (Interest-bearing debt/Shareholders' equity)	131%	128%	123%	100%	
Net Gearing ratio	119%	122%	118%	95%	
Ordinary income margin	1.6%	6.5%	7.1%	8.3%	10.0%
ROA (Net income/total assets)	0.5%	3%	4%	5%	
ROE (Net income/shareholders' equity)	1.6%	9%	11%	14%	
Exchange rate	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$	¥90/\$
Bunker price	\$408/MT	\$500/MT	\$500/MT	\$500/MT	\$500/MT

Segment Information

(billion yen)		FY2009 Forecast	FY2010 Plan	FY2011 Plan	FY2012 Plan	FY2015 Target
Bulkships	Revenue (a)	730	830	920	1,000	1,080
	Ordinary income (b)	65	80	80	100	135
	(b)/(a)	8.9%	9.6%	8.7%	10.0%	12.5%
Containerships	Revenue (a)	462	550	600	620	700
	Ordinary income (b)	▲ 57	5	20	30	40
	(b)/(a)	-	0.9%	3.3%	4.8%	5.7%
Ferry & domestic transport	Revenue	50	53	53	53	60
	Ordinary income	▲ 3	0	3	3	5
Associated businesses	Revenue	99	110	120	120	153
	Ordinary income	9	10	11	11	15
Others	Revenue	9	7	7	7	7
	Ordinary income	2	1	2	2	1
Elimination	Revenue	-	-	-	-	-
	Ordinary income	6	3	4	4	4
Consolidated	Revenue (a)	1,350	1,550	1,700	1,800	2,000
	Ordinary income (b)	22	100	120	150	200
	(b)/(a)	1.6%	6.5%	7.1%	8.3%	10.0%

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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