



Business Performance
in
FY2009-1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 2009

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FY2009 1st Quarter Results [Consolidated]

(billion yen)

	FY2009 1Q Results	FY2008 1Q Results	Increase/ decrease
Revenue	297	508	-210
Operating income	-12	73	-85
Ordinary income	-11	82	-94
Net income	-13	55	-68

Average exchange rate ¥97.21/\$ ¥101.74/\$ -¥4.53/\$

Average bunker price \$313/MT \$560/MT -\$247/MT

Impact to ordinary income +10.4 bil. ¥

↑
-7.7 bil. ¥ X 1/4 (Ex. Rate)
+49.4 bil. ¥ X 1/4 (Bunker)

(For reference)

FY2009 Exchange rate sensitivity/year	±1.70 bil. ¥/1¥ (Max)
FY2009 Bunker price sensitivity/year	±0.20 bil. ¥/1\$ (Max)

[By segment]

(billion yen)

		FY2009 1Q Results	FY2008 1Q Results	Increase/ decrease
Bulkships	Revenue	155	272	-117
	Ordinary income	4	75	-71
Containerships	Revenue	104	186	-82
	Ordinary income	-20	-2	-18
Ferry& domestic transport	Revenue	12	14	-1
	Ordinary income	-1	-1	-0
Associated businesses	Revenue	24	33	-9
	Ordinary income	3	4	-1
Others	Revenue	2	3	-0
	Ordinary income	1	1	-0
Elimination	Revenue	-	-	-
	Ordinary income	1	4	-3
Consolidated	Revenue	297	508	-210
	Ordinary income	-11	82	-94

- Revenues from customers, unconsolidated subsidiaries and affiliated companies.
- “Bulkships” consists of Dry bulkers, Tankers, LNG carriers, and Car carriers.
- As we reorganized the Logistics Business Division in June 2009, the ex-Logistics Segment’s Revenue and Ordinary income have been integrated into Containerships Segment from FY2009.

Outline of FY2009 1st Quarter Results [Consolidated]

[Overall]

- Despite signs that worldwide economic deterioration is coming to a halt, economic stagnation continues in all nations except China.
- Ordinary loss for the first quarter totaled ¥11.5 billion, offsetting our continuous efforts to reduce the fleet and costs since last year.

[By segment] (Comparison of ordinary income of FY2008 1st Q)

Bulkships (-¥70.9 billion)

- Dry bulkers: Profits decreased significantly compared to the same period of FY2008, although mid- and long-term contracts secured a certain level of profits. The steep rise in Chinese demand for iron ore imports will be reflected from the second quarter and beyond (This is due to the voyage completion method).
- Tankers: Each market for crude oil tankers, product tankers, and LPG carriers lagged due to slack economies in developed countries. As a result, overall performance of this segment posted a loss.
- Car carriers: Cargo volume (year on year) decreased sharply as automakers cut production to adjust their inventories, resulting in a deficit.

Containerships (-¥18.2 billion)

Cargo volume on North America Eastbound route **declined by 18%** (compared to the first quarter of FY2008). Annual freight rate negotiations faced an uphill fight, and the rates dropped.

European Westbound route **declined by 45%**. Conditions remained difficult in spite of efforts to restore freight rates. Other measures such as reducing service frequency and costs were implemented, but a loss widened compared to the same period of the previous year..

[Extraordinary profit-loss]

1. Eleven (11) vessels sold during the term → profit of **¥2.4 billion**
2. Seven (7) high-cost chartered vessels cancelled before maturity → cancellation fee of **¥6.4 billion (Loss)**

Results Comparison FY2009-1Q vs FY2008-1Q

Major factors affected Ordinary income

Stronger yen	-¥1.9 bil. (FY09 ¥97.21/\$; -¥4.53/\$)
Lower bunker	+¥12.4 bil. (FY09 \$313/MT; -\$247/MT)
Fluctuation of cargo volume/freight rates, etc.	-¥104.2 bil.
Cost Reduction	+¥7.6 bil.
Equity in earnings of affiliated companies	-¥5.4 bil.
Others (incl. Elimination)	-¥2.3 bil.
<hr/>	
(Balance)	-¥93.8 bil.

FY2009 Forecast [Consolidated]

FY2009	1st Half			1H Forecast as of 4/27/09 (b)	(a)-(b)	2nd Half Forecast	(billion yen)		
	1Q Result	2Q Forecast	Forecast (a)				FY2009 Forecast (c)	FY2009 Forecast as of 4/27/09 (d)	(c)-(d)
Revenue	297	343	640	670	-30	710	1,350	1,400	-50
Operating income	-12	7	-5	24	-29	55	50	80	-30
Ordinary income	-11	6	-5	24	-29	55	50	80	-30
Net income	-13	6	-7	10	-17	37	30	40	-10
Average exchange rate	¥97.21/\$	¥93.00/\$	¥95.11/\$	¥97.00/\$	-¥1.89/\$	¥93.00/\$	¥94.05/\$	¥97.00/\$	-¥2.95/\$
Average bunker price	\$313/MT	\$410/MT	\$372/MT	\$300/MT	+\$72/MT	\$410/MT	\$391/MT	\$300/MT	+\$91/MT
					Impact to ordinary income	-8.8 bil. ¥			

(For reference)

FY2009 Exchange rate sensitivity/year	±1.70 bil. ¥/1¥ (Max)
FY2009 Bunker price sensitivity/year	±0.20 bil. ¥/1\$ (Max)

{ $\Delta 3.2$ bil. ¥ x1/2 (Ex. Rate)
 { $\Delta 14.4$ bil. ¥ x1/2 (Bunker)

{ -5.0 bil. ¥ (Ex. Rate)
 { -18.2 bil. ¥ (Bunker)

cf. FY2008 Result

FY2008	1st Half			2nd Half Result	FY2008 Result
	1Q Result	2Q Result	Result		
Revenue	508	587	1,095	771	1,866
Operating income	73	91	165	33	197
Ordinary income	82	104	186	19	205
Net income	55	69	124	3	127
Average exchange rate	¥101.74/\$	¥108.08/\$	¥104.91/\$	¥95.69/\$	¥100.30/\$
Average bunker price	\$560/MT	\$651/MT	\$608/MT	\$434/MT	\$528/MT

Exchange rate -¥6.25/\$
 Bunker price -\$137/MT
Impact to ordinary income +16.8 bil. ¥

{ -10.6 bil. ¥ (Ex. Rate)
 { +27.4 bil. ¥ (Bunker)

[By segment]

(billion yen)

	FY2009	1st Half			1H Forecast as of 4/27/09 (b)	(a)-(b)	2nd Half Forecast	FY2009 Forecast (c)	FY2009 Forecast as of 4/27/09 (d)	(c)-(d)
		1Q Result	2Q Forecast	Forecast (a)						
Bulkships	Revenue	155	190	345	330	+15	395	740	710	+30
	Ordinary income	4	14	18	29	-11	55	73	85	-12
Containerships	Revenue	104	111	215	262	-47	235	450	534	-84
	Ordinary income	-20	-12	-32	-13	-19	-8	-40	-19	-21
Ferry& domestic transport	Revenue	12	14	26	29	-3	25	51	56	-5
	Ordinary income	-1	-0	-1	1	-2	1	0	1	-1
Associated businesses	Revenue	24	26	50	45	+5	51	100	91	+9
	Ordinary income	3	2	5	6	-0	5	10	10	-0
Others	Revenue	2	2	5	5	+0	5	9	9	+0
	Ordinary income	1	0	1	2	-1	0	1	4	-3
Elimination	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	1	2	4	-0	+4	2	6	-1	+7
Consolidated	Revenue	297	343	640	670	-30	710	1,350	1,400	-50
	Ordinary income	-11	6	-5	24	-29	55	50	80	-30

- Revenues from customers, unconsolidated subsidiaries and affiliated companies.
- “Bulkships” consists of Dry bulkers, Tankers, LNG carriers, and Car carriers.
- As we reorganized the Logistics Business Division in June 2009, the ex-Logistics Segment’s Revenue and Ordinary income have been integrated into Containerships Segment from FY2009.

cf. FY2008 Result

(billion yen)

	FY2008	1st Half			2nd Half Result	FY2008 Result
		1Q Result	2Q Result	Result		
Bulkships	Revenue	272	323	595	404	999
	Ordinary income	75	96	171	42	213
Containerships	Revenue	173	199	372	268	640
	Ordinary income	-2	-0	-2	-19	-21
Logistics	Revenue	16	17	33	23	56
	Ordinary income	0	0	1	-0	1
Ferry& domestic transport	Revenue	14	16	29	25	55
	Ordinary income	-1	0	-0	-1	-1
Associated businesses	Revenue	30	31	61	46	107
	Ordinary income	4	3	7	6	13
Others	Revenue	3	2	5	5	10
	Ordinary income	1	0	1	1	3
Elimination	Revenue	-	-	-	-	-
	Ordinary income	4	3	8	-11	-3
Consolidated	Revenue	508	587	1,095	771	1,866
	Ordinary income	82	104	186	19	205

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

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

Key points of FY2009 Full-year Forecast [Consolidated]

[Overall]

Downward revision of forecast announced at beginning of the fiscal year

Ordinary income ¥80 billion → ¥50 billion

- The 1st half: ordinary loss (¥24 billion → -¥5 billion) is projected due to the underperformance of containership, car carrier, and tanker business.
- The 2nd half: ordinary profit/loss will be maintained as forecasted at the beginning of this fiscal year (¥56 billion → ¥55 billion) on the assumption that the market will bottom out.

* Assumption of exchange rate: 2Q – ¥93/\$, 2nd half – ¥93/\$

Assumption of bunker price: 2Q – \$410/MT, 2nd half – \$410/MT

[By segment] (Increase/decrease of ordinary income from the forecast at beginning of the fiscal year)

Bulkships (-¥12 billion)

- Dry bulkers: Upward revision factoring in the market rise since May.
- Tankers: Downward revision due to slack market for crude oil tankers, product tankers, etc.

Containerships (-¥20.8 billion)

Downward revision considering stagnant cargo movement on the key east and west routes, lower freight rates on North America eastbound route, and increasing bunker price. Further efforts to reduce fleet scale and overall costs to minimize losses.

[Cost reduction target]

Raise initial target ¥40 billion → ¥57 billion (including ¥27 billion in containership segment)

[Dividend] While maintaining a consolidated dividend payout ratio of 20%, a specific amount will be announced later, based on future circumstances.

Market Information (Drybulker)

1. FY2008 Dry Bulker Market (spot charterage/day) (US\$)

Size	Route	FY2008				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Capesize	4TC Average	176,300	118,000	10,000	23,200	81,900
Panamax	Pacific Round	68,300	46,000	6,400	7,200	32,000
Handymax	Pacific Round	51,500	40,900	7,400	6,400	26,600
Small handy	Pacific Round	34,900	30,500	5,600	5,900	19,200

Source for actual : The Baltic Exchange(Capesize)/Tramp Data Service(Others)

2. FY2009 Dry Bulker Market (US\$)

Size	Route (Actual Only)	FY2009				
		<i>1st Half</i>		<i>2nd Half</i>	<i>Total</i>	
		1Q Actual	2Q <i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Capesize	4TC Average	46,100	55,000	50,600	50,000	50,300
Panamax	Pacific Round	16,000	25,000	20,500	25,000	22,800
Handymax	Pacific Round	12,400	17,000	14,700	17,000	15,900
Small handy	Pacific Round	8,600	11,000	9,800	11,000	10,400

Source for actual : The Baltic Exchange(Capesize)/Tramp Data Service(Others)

Market Information (Tanker)

1. FY2008 Tanker market (spot freight index)

(WS)

Type	Route	FY2008				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Crude Oil Tanker (VLCC)	Arabian Gulf/ Far East	160	136	75	62(*1)	108(*2)
Product Tanker (MR)	Singapore/ Far East	249	344	298	111	251

Source for actual: Drewry "Shipping Insight"

*1, *2: Shown at WS criteria of Year 2008.

2. FY2009 Tanker market

(WS)

Type	Route (Actual Only)	FY2009				
		1st Half		1st Half Forecast	2nd Half Forecast	Total Forecast
		1Q Actual	2Q Forecast			
Crude Oil Tanker (VLCC)	Arabian Gulf/ Far East	32	35	34	70	52
Product Tanker (MR)	Singapore/ Far East	80(*3)				

Source for actual: Drewry "Shipping Insight"

*3 This figure is average for April and May, 2009. The latest one for June is not announced yet.

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2009			FY2008			
			<i>1st Half Forecast</i>			<i>1st Half Result</i>	Result
	1Q	2Q		1Q	2Q		
Total	330	381	711	757	734	1,491	2,552

Major Containership Trades Utilization

(unit: 1000TEU)

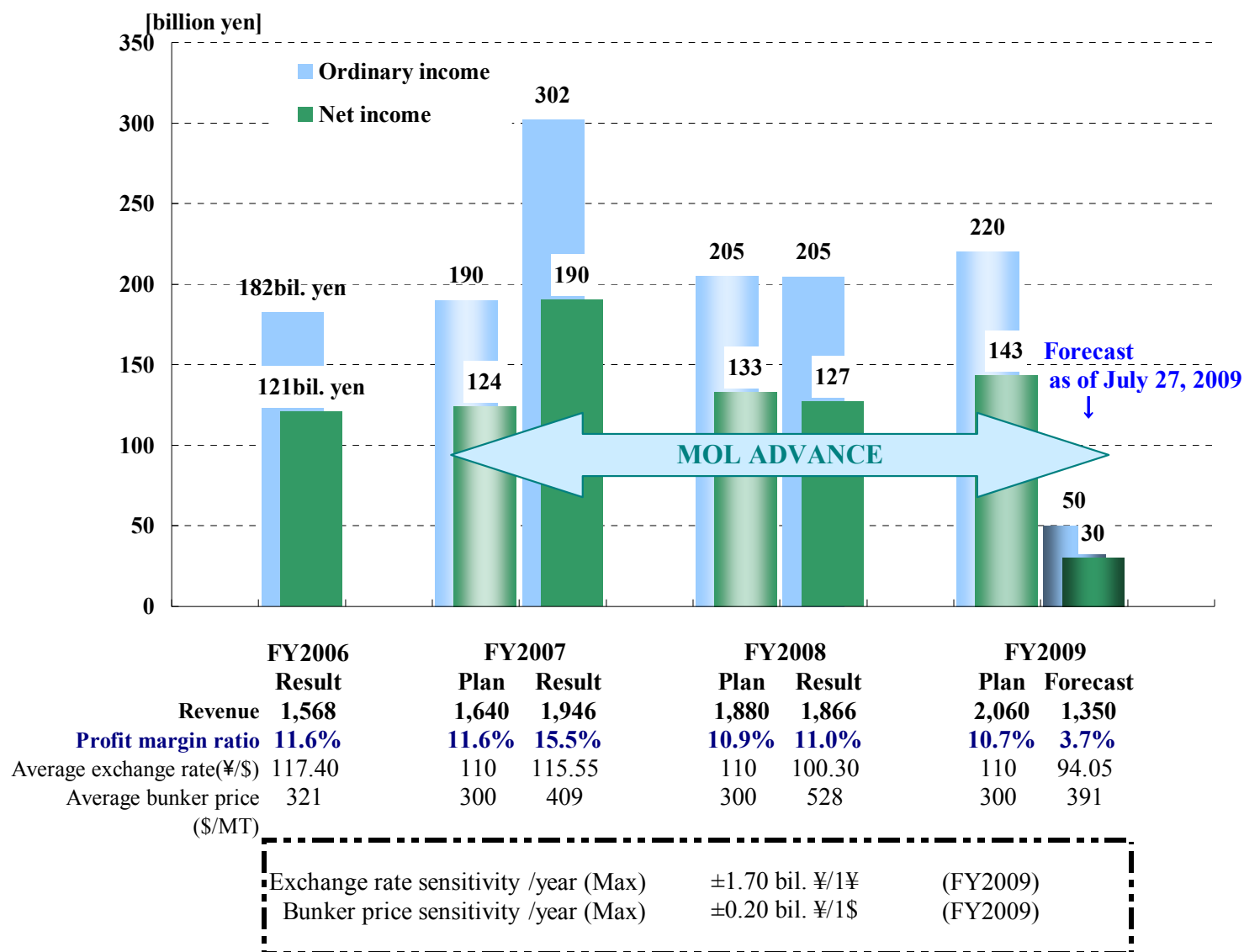
Asia-North America Trade (TPS)

				Outbound (E/B)						Inbound (W/B)								
				Capacity		Lifting		Utilization		Capacity		Lifting		Utilization				
FY2007	2nd	4Q																
	half	3Q																
	1st	2Q																
	half	1Q	125		103		83%		120		85		71%					
FY2006	2nd	4Q	116	257	100	225	86%	88%	116	260	75	157	64%	61%				
	half	3Q	141	567	125	498	89%	88%	144	563	82	341	57%	61%				
	1st	2Q	158	310	148	273	94%	88%	155	303	97	184	62%	61%				
	half	1Q	152		125		82%		148		87		59%					

Asia-Europe Trade

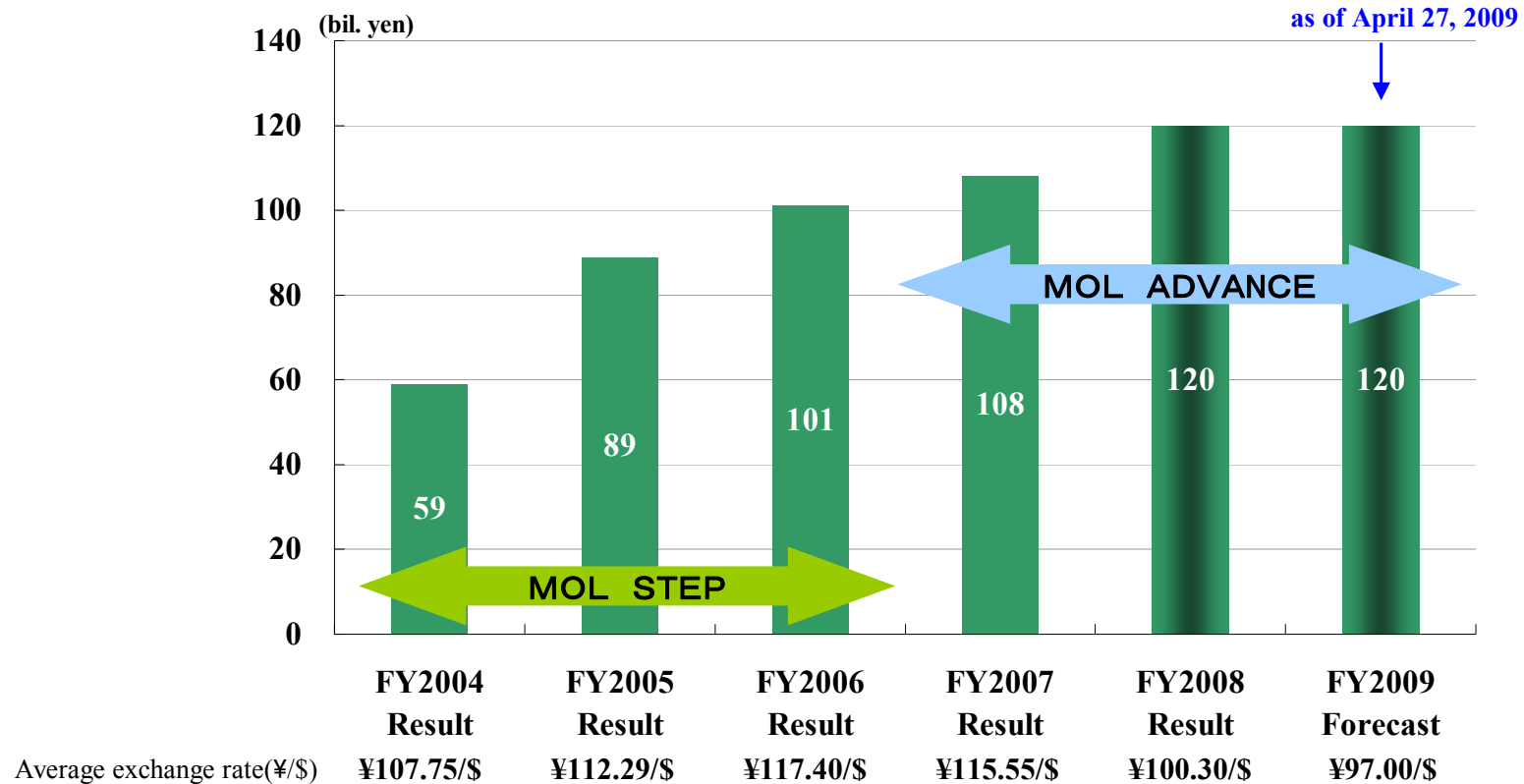
				Outbound (W/B)						Inbound (E/B)								
				Capacity		Lifting		Utilization		Capacity		Lifting		Utilization				
FY2007	2nd	4Q																
	half	3Q																
	1st	2Q																
	half	1Q	88		67		76%		89		53		60%					
FY2006	2nd	4Q	95	205	86	192	91%	94%	100	215	55	120	55%	56%				
	half	3Q	110	467	106	438	96%	94%	115	474	65	255	56%	54%				
	1st	2Q	134	262	125	246	94%	94%	132	259	67	135	51%	52%				
	half	1Q	129		121		94%		127		68		53%					

“MOL ADVANCE” Overall Profit Plan



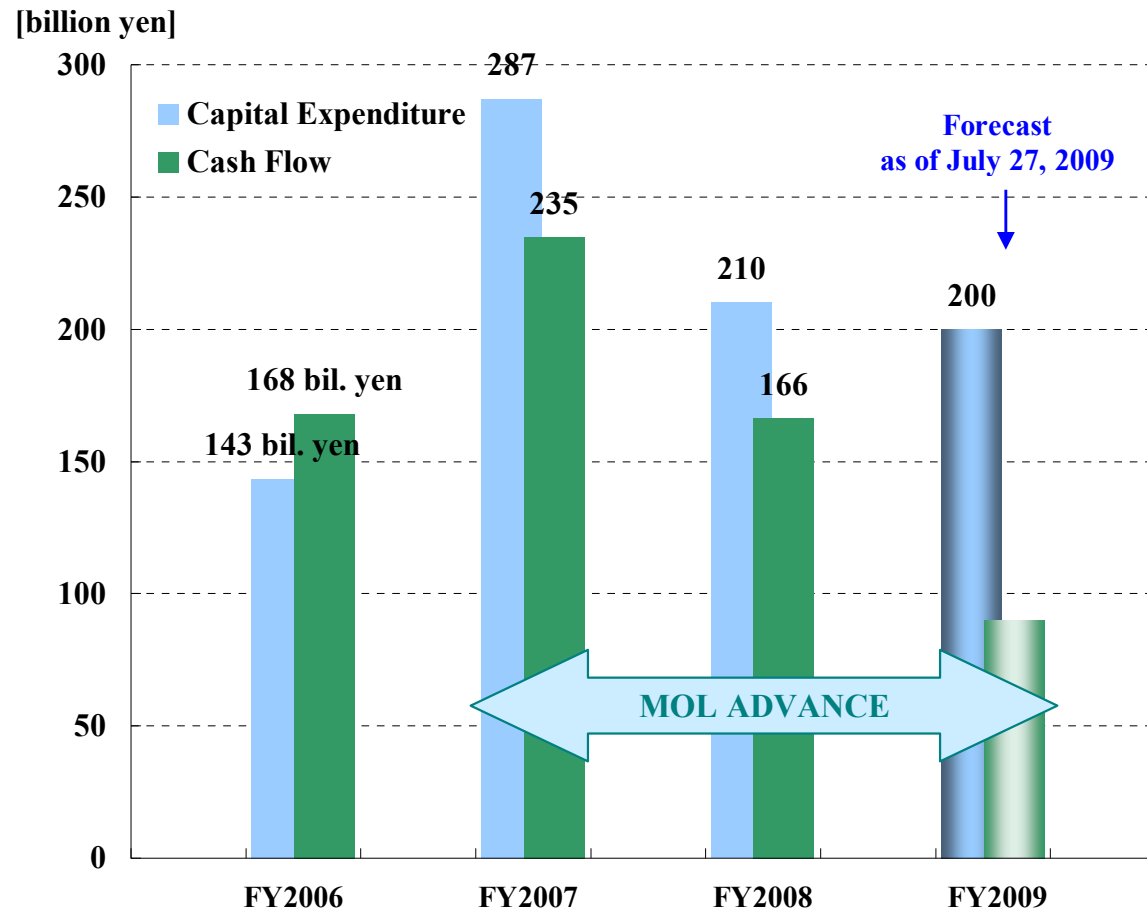
Plans : Planned figures of Midterm Management Plan "MOL ADVANCE" in March 2007

Highly Stable Profit



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

Cash Flows & Capital Expenditure

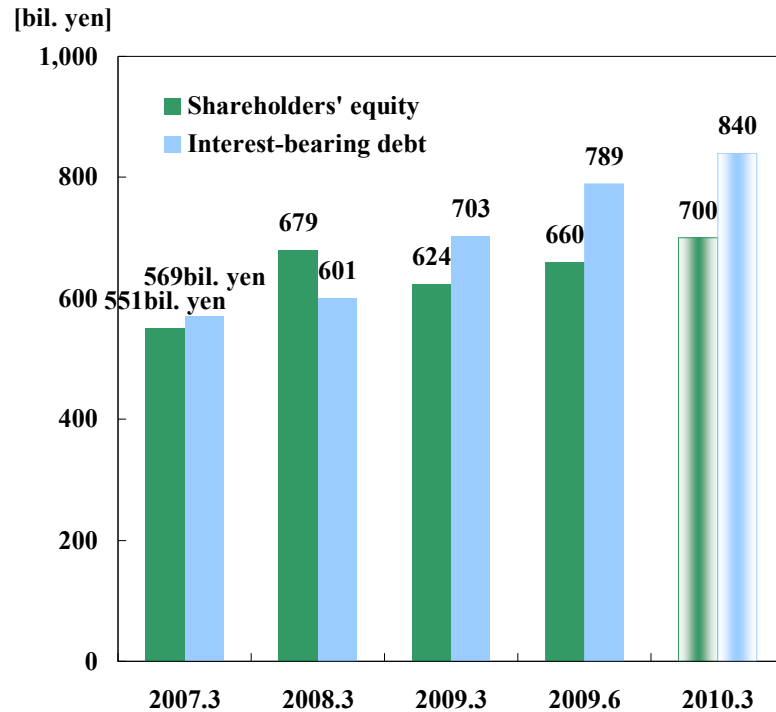


Average exchange rate(¥/\$)
 Depreciation(billion yen)
 Dividend Paid(billion yen)

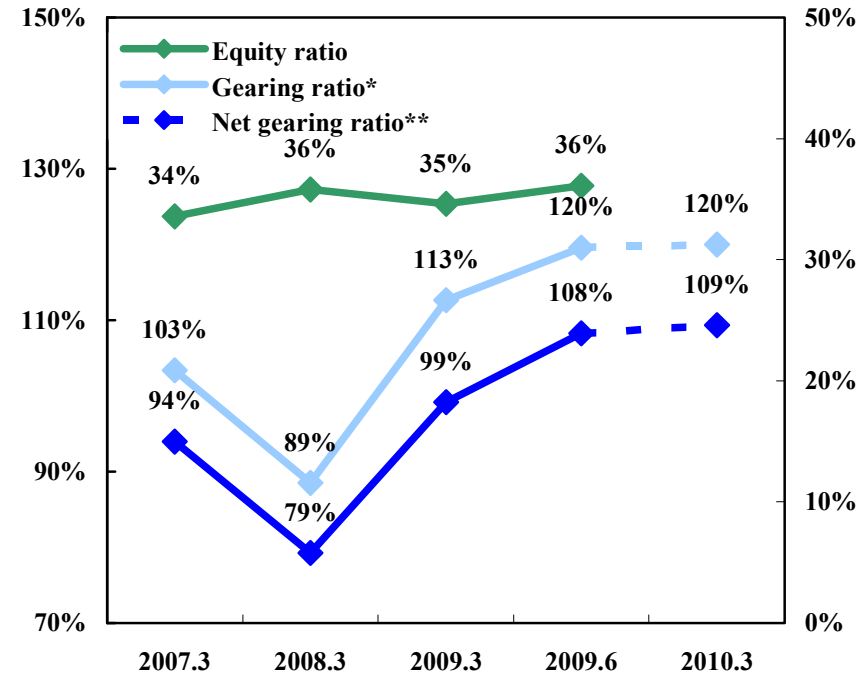
	FY2006 Result	FY2007 Result	FY2008 Result	FY2009 Forecast
Average exchange rate(¥/\$)	117.40	115.55	100.30	94.05
Depreciation(billion yen)	69	75	78	
Dividend Paid(billion yen)	22	30	39	

Cash flow = Net income + Depreciation - Dividend Paid

“MOL ADVANCE” Financial Plan



Gearing ratio



Equity ratio

Term-end exchange rate(¥/\$)	2007.3 Result	2008.3 Result	2009.3 Result	2009.6 Result	2010.3 Forecast as of Jul. 27, 2009
MOL	118.05	100.19	98.23	97.21	93
Overseas subsidiaries	119.11	114.15	91.03	98.23	93

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