



Business Performance
in
FY2010-2nd Quarter

Mitsui O.S.K. Lines, Ltd.

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FY2010 2nd Quarter Results [Consolidated]

(billion yen)	FY2010			FY2009	Increase/ decrease	1H Forecast as of 7/29/10	Increase/ decrease
	1Q Result	2Q Result	1H Result	1H Result			
Revenue	397	406	803	625	178	790	13
Operating income	39	44	83	△11	94	70	13
Ordinary income	39	41	80	△10	90	70	10
Net income	21	27	48	△10	58	42	6
Average exchange rate	¥91.44/\$	¥87.78/\$	¥89.61/\$	¥96.03/\$	△¥6.42/\$	¥89.22/\$	+¥0.39/\$
Average bunker price	\$474/MT	\$469/MT	\$471/MT	\$354/MT	+\$117/MT	\$477/MT	△\$6/MT

[By segment]

(billion yen)		FY2010			FY2009 1H Result	Increase/ decrease	1H Forecast as of 7/29/10	Increase/ decrease
		1Q Result	2Q Result	1H Result				
Bulkships	Revenue	210	202	412	330	+81	410	+2
	Ordinary income	28	22	50	20	+30	46	+4
Containerships	Revenue	146	162	308	216	+93	295	+13
	Ordinary income	9	17	26	△ 38	+64	17	+9
Ferry & domestic transport	Revenue	12	14	26	25	+0	26	△ 0
	Ordinary income	△ 1	1	△ 0	△ 1	+1	△ 0	△ 0
Associated businesses	Revenue	27	27	54	49	+5	55	△ 1
	Ordinary income	3	3	5	6	△ 0	5	+0
Others	Revenue	2	2	3	4	△ 1	4	△ 1
	Ordinary income	1	1	1	1	△ 0	1	+0
Adjustment	Revenue	-	-	-	-	-	-	-
	Ordinary income	1	△ 2	△ 1	2	△ 3	2	△ 3
Consolidated	Revenue	397	406	803	625	+178	790	+13
	Ordinary income	39	41	80	△ 10	+90	70	+10

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

Outline of FY2010 2nd Quarter Results [Consolidated]

[Overall]

- Fueled by growth in emerging nations, the world economy recovered moderately while uncertainties lingered about a slowdown in advanced nations' economies.
- Ordinary income increased for 6 consecutive quarters, by utilizing the world's largest, high-quality fleet portfolio:

	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10
Ordinary income (¥ billion)	<u>△14.8</u>	<u>△11.5</u>	<u>1.5</u>	<u>13.8</u>	<u>20.5</u>	<u>39.2</u>	<u>41.1</u>

[By segment] [1H/2010 Ordinary income (Comparison with 1H/2009)]

Bulkships [¥49.7 billion (+¥29.6 billion)]

- Dry bulkers: Fluctuations in the Capesize market increased because iron ore trade negotiations have been done every quarter → Recovered to the \$40,000/day level in September after declining to the \$10,000/day level in July; Panamax and smaller size markets remained strong due to increased coal and grain trade. Eventually, profits are up sharply from the same period of FY2009.
- Tankers: VLCC market has shown weakness since July, and the product tanker market remained sluggish, keeping overall division results in the red.
- Car carriers: Seaborne trade of cars showed an ongoing resurgence and offshore trade was strong, ensuring solid profits.

Containership [¥25.9 billion (+63.5 billion)]

Both cargo movement and freight market improved significantly from the same period of FY2009. Cost competitiveness increased due to various efforts such as reduction of fuel costs by slow steaming, restructuring of organizations and optimization of human resources worldwide.

- Cargo volume on North America Eastbound route **increased 40%** y-o-y. Yearly negotiations were a success, achieving a significant increase in freight rates.
- Cargo volume on European Westbound route **increased 37%** y-o-y. Freight restoration progressed.

Results Comparison FY2010-2Q vs FY2009-2Q

Major factors affected Ordinary income

Stronger yen	△¥6.4 bil.	FY10 ¥89.61/\$; △¥6.42/\$
Higher bunker	△¥11.7 bil.	FY10 \$471/MT; +\$117/MT
Fluctuation of cargo volume/freight rates, etc.	+¥84.8 bil.	
Cost Reduction	+¥26.0 bil.	Incl. ¥12bil. for Containerships
Equity in earnings of affiliated companies	+¥3.1 bil.	
Others (incl. Adjustment)	△¥5.5 bil.	
(Balance)	+¥90.3 bil.	

FY2010 Forecast [Consolidated]

(billion yen)	FY2010		Yearly forecast	FY2009 Result	Increase/decrease	Yearly F'cast as of 7/29/10	Increase/decrease
	1H Result	2H Forecast					
Revenue	803	747	1,550	1,348	+202	1,550	+0
Operating income	83	47	130	21	+109	120	+10
Ordinary income	80	50	130	24	+106	120	+10
Net income	48	17	65	13	+52	65	+0
Average exchange rate	¥89.61/\$	¥80.00/\$	¥84.81/\$	¥93.25/\$	△¥8.44/\$	¥88.11/\$	△¥3.30/\$
Average bunker price	\$471/MT	\$500/MT	\$486/MT	\$406/MT	+\$80/MT	\$488/MT	△\$2/MT

(For reference)

FY2010 Exchange rate sensitivity/2nd half: ±0.90 bil. ¥/1¥ (Max)

FY2010 Bunker price sensitivity/2nd half: ±0.07 bil. ¥/1\$ (Max)

(Consolidated Ordinary Income Basis)

[By segment]

(billion yen)		FY2010		Yearly forecast	FY2009 Result	Increase/ decrease	Yearly F'cast as of 7/29/10	Increase/ decrease
		1H Result	2H Forecast					
Bulkships	Revenue	412	388	800	722	+78	810	△10
	Ordinary income	50	32	82	67	+15	82	+0
Containerships	Revenue	308	272	580	466	+114	570	+10
	Ordinary income	26	9	35	△57	+92	25	+10
Ferry& domestic transport	Revenue	26	25	51	51	+0	52	△1
	Ordinary income	△0	0	△0	△2	+2	0	△0
Associated businesses	Revenue	54	58	112	100	+12	111	+1
	Ordinary income	5	6	11	10	+1	10	+1
Others	Revenue	3	4	7	9	△2	7	+0
	Ordinary income	1	△0	1	1	△0	1	+0
Adjustment	Revenue	-	-	-	-	-	-	-
	Ordinary income	△1	3	1	5	△4	2	△1
Consolidated	Revenue	803	747	1,550	1,348	+202	1,550	+0
	Ordinary income	80	50	130	24	+106	120	+10

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

Key points of FY2010 Full-year Forecast [Consolidated]

[Overall]

Another upward revision of forecast

	[April 27, 2010]		[July 29, 2010 (Previous announcement)]		[October 29, 2010 (current)]
Ordinary income	¥100 billion	→	¥120 billion	→	¥130 billion

* Assumption of exchange rate: 2nd half = ¥80/\$ (previous= ¥87/\$) (2nd half sensitivity ±¥0.9 billion/¥1)
Assumption of bunker price: 2nd half = \$500/MT (previous= \$500/MT) (2nd half sensitivity ±¥0.07 billion/\$1)

[By segment] [Ordinary income forecasted (Increase/decrease from the announcement on July 29, 2010)]

Bulkships [¥82.0 billion (±¥0 billion)]

- Dry bulkers: Upward revision of 2nd half assumption (\$30,000 → \$36,000/day), reflecting a resurgent trend in the Capesize market. Conversely, a slight downward revision (\$20,000 → \$19,000/day) for the Panamax and Handymax markets, reflecting current market conditions. Upward revision of full-year profits, mainly reflecting 1st half results.
- Tankers: Downward revision on the assumption of VLCC and product tanker markets in the 2nd half, making a downward revision of the full-year profit forecast.

Containership [¥35.0 billion (+¥10.0 billion)]

Large upward revision of profit forecast, reflecting improvement during 1st half of FY2010. While outbound cargo traffic on the East-West routes is expected to show a downward trend, timely adjustments in space supply are likely to keep freight rate declines in a narrow range.

[Cost reduction] Initial plan: ¥45.5 billion → Upward revision for full-year outlook: ¥48.0 billion (incl. ¥24.0 billion for containership segment)

[Dividend] Dividend per share outlook for FY2010: ¥10 per share (interim ¥5 plus year-end ¥5)

[Supplement]

Fleet Composition

			At the end of Sept. 2010		At the end of Mar. 2010	At the end of Sept. 2009
			No. of vessels	1,000dwt	No. of vessels	No. of vessels
Dry bulker	Bulk carrier	Cape size	110	20,566	112	109
		Panamax	45	3,561	47	46
		Handymax	51	2,810	39	39
		Handy	31	913	30	34
	Heavy lifter	7	88	7	8	
	Wood chip carrier	55	2,762	52	49	
	Steaming coal carrier	36	3,140	36	36	
	General cargo carrier	52	681	52	43	
	(Sub total)		387	34,520	375	364
Tanker	Crude oil tanker	49	13,253	46	47	
	Product tanker	53	3,111	51	56	
	Chemical tanker	84	2,209	85	78	
	LPG tanker	13	614	13	10	
	(Sub total)		199	19,186	195	191
LNG carrier		75	5,728	76	72	
Car carrier		117	1,843	109	107	
Containership		109	5,409	101	105	
Ferry/Domestic carrier		42	155	44	48	
Cruise ship		2	9	2	2	
Others		3	19	3	3	
Total		934	66,870	905	892	

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

Market Information (Drybulker)

1. FY2009 Dry Bulker Market (spot charterage/day) (US\$)

Size	Route	FY2009				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Capesize	4TC Average	46,100	45,000	55,500	34,200	45,200
Panamax	4TC Average	18,000	21,600	27,700	29,500	24,200
Handymax	5TC Average	16,600	19,700	22,300	25,100	20,900
Small handy	6TC Average	10,900	12,300	15,000	17,600	14,000

Source for actual : The Baltic Exchange

2. FY2010 Dry Bulker Market (US\$)

Size	Route (Actual Only)	FY2010				
		1st Half		2nd Half		Total
		1Q Actual	2Q Actual	3Q Forecast	4Q Forecast	
Capesize	4TC Average	38,400	26,300	36,000	36,000	34,175
Panamax	4TC Average	30,900	21,700	19,000	19,000	22,650
Handymax	5TC Average	27,800	19,800	19,000	19,000	21,400
Small handy	6TC Average	20,000	15,200	16,000	16,000	16,800

Source for actual : The Baltic Exchange

Notes :“Actual” and “Forecast” in Market Information (page 10 & page 11)

“Actual” shows the general market conditions of the relevant routes. On the other hand, “Forecast” indicates freight/charter rates assumptions which are used for estimating proceeds of spot voyages/contracts of no more than one year. In case spot freight/charter rates have already been agreed at the time of business forecast announcement, such agreed rates are used for profit estimation.

Market Information (Tanker)

1. FY2009 Tanker market (spot freight index) (WS)

Type	Route	FY2009				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Crude Oil Tanker (VLCC)	Arabian Gulf/ East	36	36	48	68	47
		(48)	(48)	(64)	(90)	(63)
Product Tanker (MR)	Singapore/ Japan	69	82	107	136	99

Source for actual : The Baltic Exchange

* Crude Oil Tanker(VLCC) :

The upper row - Shown at WS criteria of Year 2009.

The lower row - Shown at WS criteria of Year 2010.

2. FY2010 Tanker market (WS)

Type	Route (Actual Only)	FY2010				
		1st Half		2nd Half		Total
		1Q Actual	2Q Actual	3Q Forecast	4Q Forecast	
Crude Oil Tanker (VLCC)	Arabian Gulf/ East	88	52	60	90	73
Product Tanker (MR)	Singapore/ Japan	139	137			

Source for actual : The Baltic Exchange

* Shown at WS criteria of Year 2010.

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2010					FY2009
			1st Half Result (A)	<i>2nd Half Forecast (B)</i>	<i>(A)+(B)</i>	
	1Q	2Q				
Total	823	862	1,685	<i>1,852</i>	<i>3,537</i>	2,521

Major Containership Trades Utilization and Freight Index

Asia-North America Trade (TPS)

(unit: 1000TEU)

		FY2009					FY2010				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (E/B)	Capacity	125	128	128	115	496	142	166			
	Lifting	103	117	120	109	450	144	165			
	Utilization	83%	92%	94%	95%	91%	101%	99%			
Inbound (W/B)	Capacity	120	128	129	118	495	132	165			
	Lifting	85	86	94	88	352	78	87			
	Utilization	71%	67%	73%	74%	71%	59%	53%			

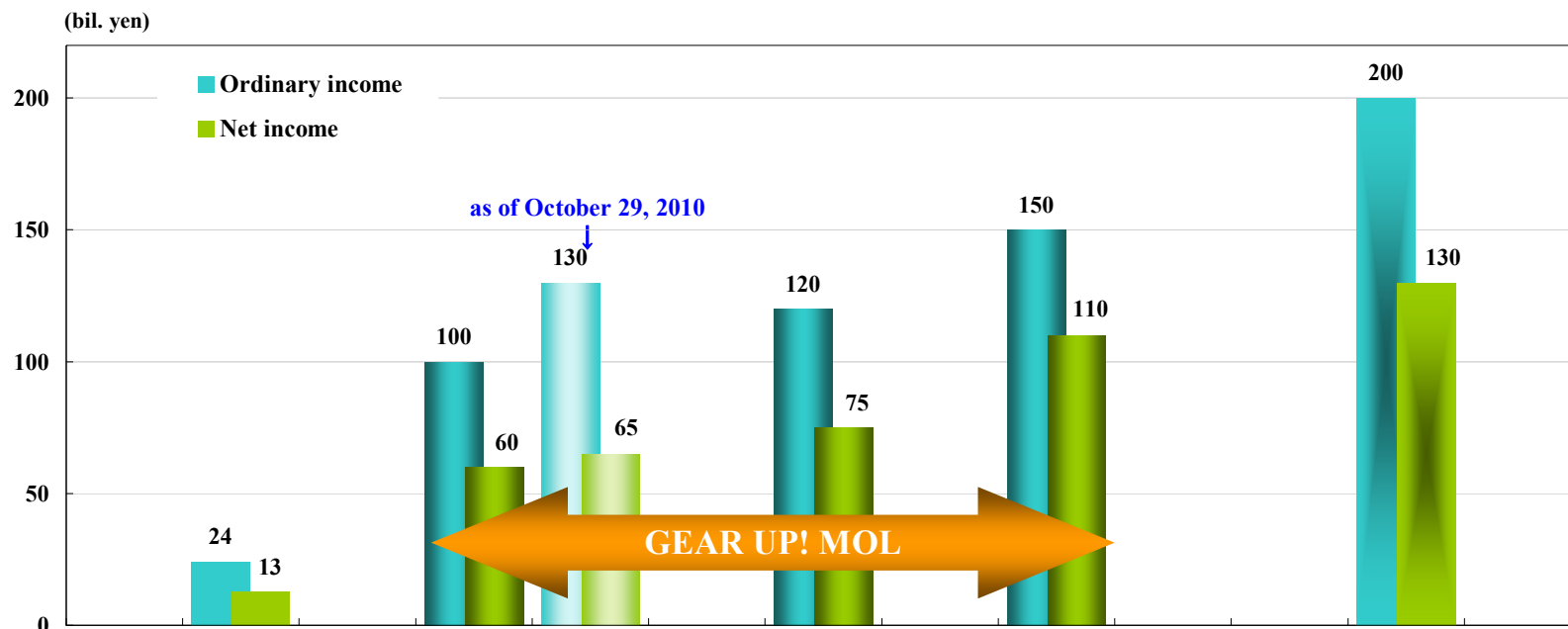
Asia-Europe Trade

		FY2009					FY2010				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (W/B)	Capacity	88	77	85	84	334	92	107			
	Lifting	67	78	87	85	317	92	107			
	Utilization	76%	101%	102%	101%	95%	100%	100%			
Inbound (E/B)	Capacity	89	85	89	87	350	92	107			
	Lifting	53	54	60	59	226	60	60			
	Utilization	60%	64%	68%	68%	65%	65%	56%			

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

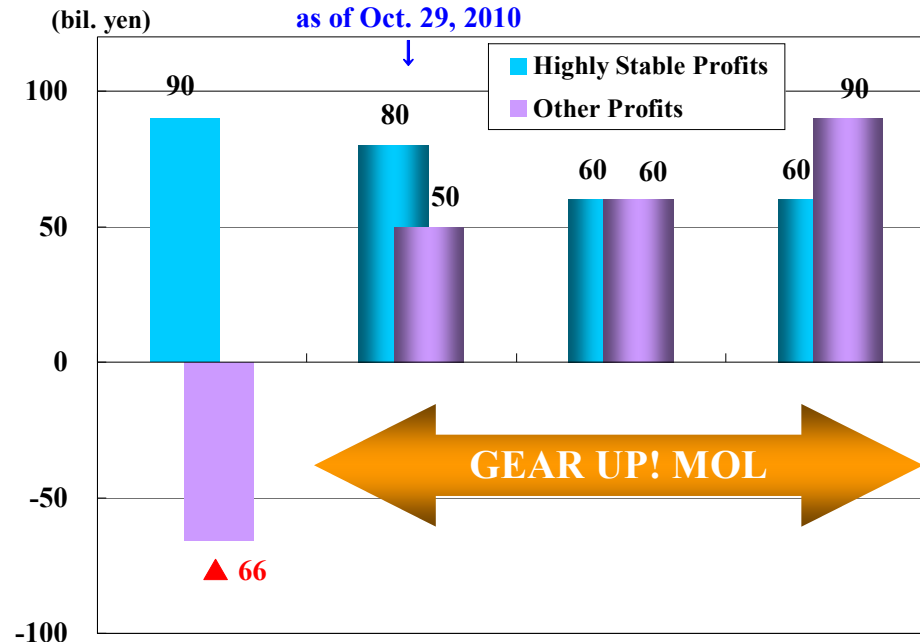
	FY2008				FY2009				FY2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	100	103	95	77	70	69	76	86	99	107		

“GEAR UP! MOL” Overall Profit Plan



	FY2009	FY2010		FY2011	FY2012	FY2015
	Result	Plan	Forecast	Plan	Plan	Target
Revenue	1,348	1,550	1,550	1,700	1,800	2,000
Operating income	21	100	130	120	150	
Ordinary income margin	1.8%	6.5%	8.4%	7.1%	8.3%	10.0%
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥84.81/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$500/MT	\$486/MT	\$500/MT	\$500/MT	\$500/MT

Highly Stable Profit

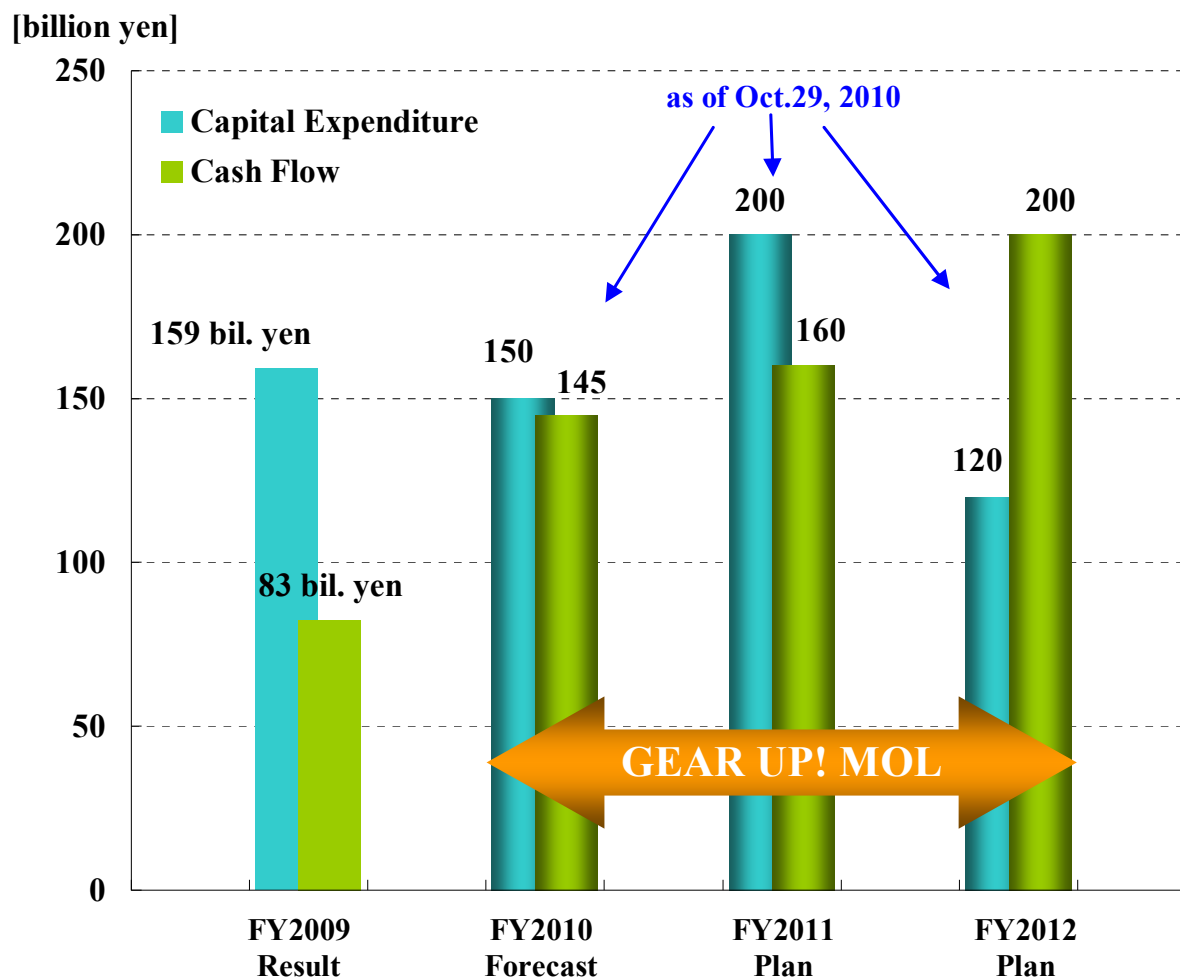


	FY2009 Result	FY2010 Forecast	FY2011 Plan	FY2012 Plan
Ordinary income(bil. yen)	24	130	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥84.81/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$486/MT	\$500/MT	\$500/MT

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.)

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

Cash Flows & Capital Expenditure

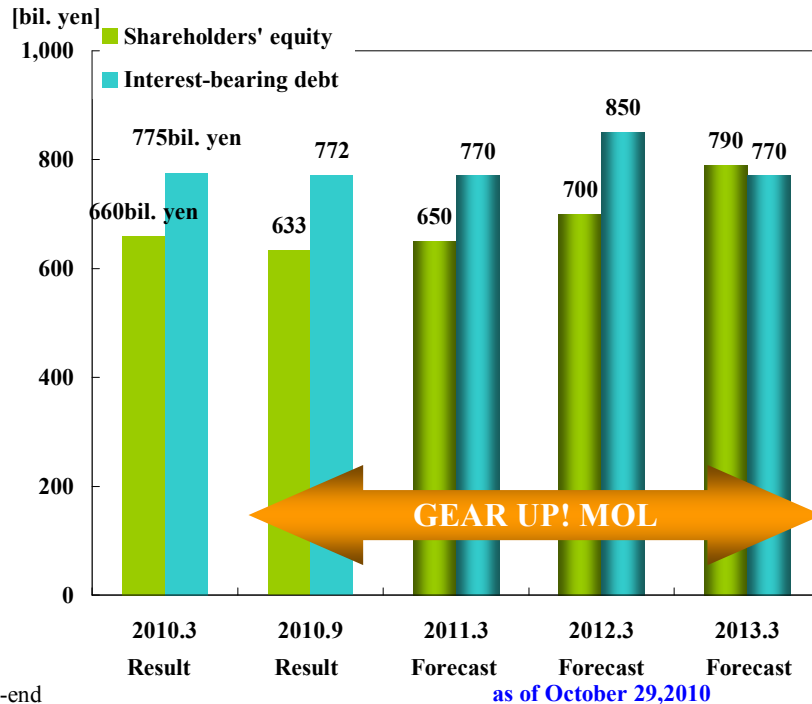


Average exchange rate(¥/\$)	93.25	84.81	90	90
Depreciation (billion yen)	88	90	100	107
Dividend paid (billion yen)	19	10	14	19

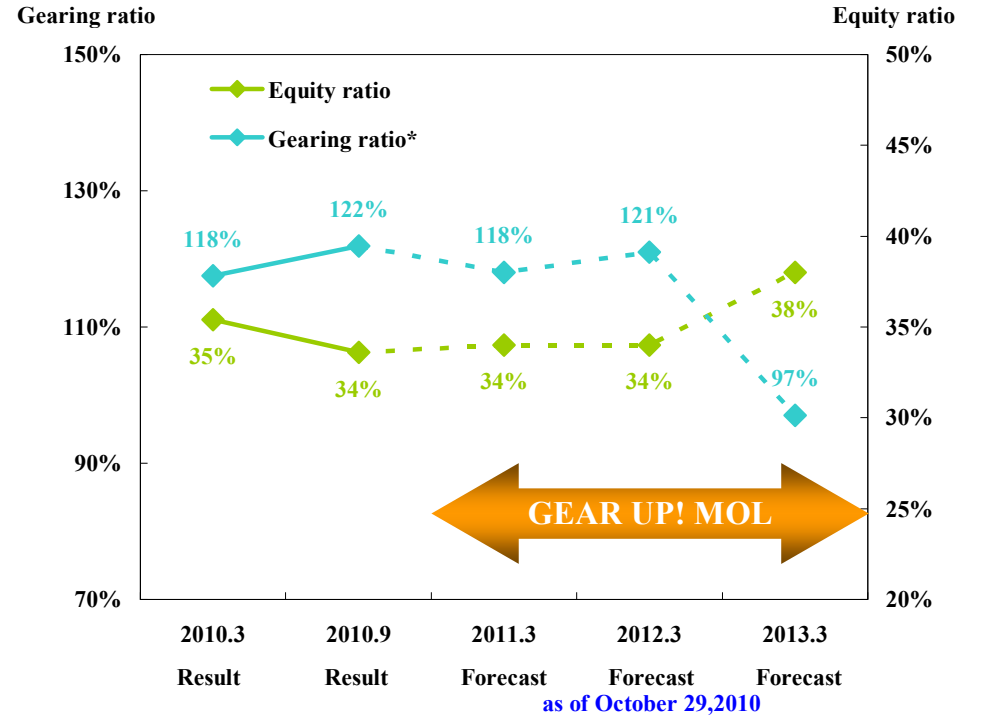
Cash flow = Net income + Depreciation - Dividends(*)

(*) Assumption=Payout ratio 20% (Forecast/Plans)

Financial Plan



Term-end exchange rate(¥/\$)	2010.3 Result	2010.9 Result	2011.3 Forecast	2012.3 Forecast	2013.3 Forecast
MOL	93.04	83.82	80	90	90
Overseas subsidiaries	92.10	88.48	80	90	90



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