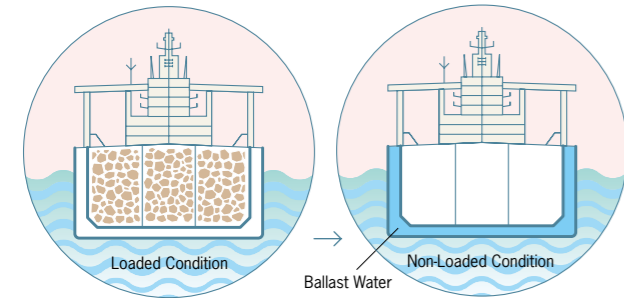


Glossary

B

★ Ballast Water

Seawater loaded into ship's tanks to maintain ship's stability and hull's strength when cargo is not loaded or when weight of cargo onboard is light.



C

★ CFC (Chlorofluorocarbon)

CFCs have a wide array of applications, including as refrigerants in refrigerators, freezers and air conditioners; as spray propellant; and as cleaning agents in the manufacture of semiconductors, etc. However, some CFCs are known to damage the ozone layer, and those containing chlorine (which is strongly connected with ozone depletion) are specified and regulated according to an international treaty. Production of the specified CFC R-12, which is used in ship refrigeration equipment and air conditioners, was ceased by the end of 1995 and its use banned in 2003. Also, certain CFCs that do not contain chlorine but which have an effect on the ozone layer have also been designated; hence, production regulations for the designated CFC R-22 used on ships were put in place in 2001, with production due to cease by 2020. CFC substitutes, such as R-134a and R-404A, are used in place of specified and designated CFCs as they do not damage the ozone layer.

★ Compliance

It is used as the terminology that means to comply with a wide range of rules: including social norms and corporate ethics as well as laws/regulations/ordinances.

★ Corporate Governance

It means the corporate functions of building a framework for internal controls and protecting against any unfair practices. In Kabushiki Kaisha, a type of Business Corporation in Japan, the same functions can be more specifically analyzed and pointed out as follows: (1) Shareholders are able to check and control management from running away on their own and (2) it (Kabushiki Kaisha) has a system or institution that assuredly is able to check and stop illegalities on an organizational scale and (3) all the directors and employees are led in a common direction under the leadership of management to accomplish corporate principles. (3) is regarded as internal controls whereas the whole part ranging from (1) to (3) is categorized as corporate governance. Lately, the meaning has come to be utilized positively and significantly as a vehicle for compliance.

★ C-TPAT (Customs Trade Partnership Against Terrorism)

It is a partnership program created by the U.S. Customs. The program requires organizations engaged in U.S. trade to take part in the campaign: shipping lines, stevedores, inland carriers, manufacturers, cargo owners and warehousing companies, etc. It is a voluntary program jointly conducted by Customs and industries for protection of terrorism and assurance of security.

D

★ Double Hull

The double-hulled system is aimed at shielding cargo/fuel tanks and preventing cargo/fuel oil from spilling to the outside even when holes are made in the outer plates as a result of grounding or collision.

F

★ FMS

This is an abbreviation of Weathernews Inc.'s land-based "Fleet Management System" which determines such information as ships' positions and movement, meteorological and hydrographic conditions, etc. "K" Line has adopted this system as part of its safety in navigation and cargo operations initiatives. Currently it allows us to see data for 300 ships, helping to enhance safety by assessing their situation from land and relaying important information to them, such as the appearance of typhoons.

★ FTSE

FTSE is a joint company of Financial Times and Stock Exchange of the U.K. The company has offices in the major advanced countries, including Japan, and provides indexes for investors. The FTSE4Good Global Index is a social responsibility investment (SRI) index provided by FTSE.

G

★ Green Management Certification

Recognized and issued by a Japanese government agency certifying environmentally friendly management, similar to ISO 14001.

★ GRI (Global Reporting Initiative)

GRI is an international organization founded in 1997. Its purpose is mapping out and familiarizing the guidelines for environmental reports that are globally applicable and sustainable. The guidelines require that we attach importance to the three elements of "environmental aspects," "economic aspects" and "social aspects" as a triple bottom line.

H

★ Halon

It is one of the fluorocarbons and widely used as a fire-extinguishing agent, which turns out to be more harmful in depleting the ozone layer than CFC. The developed nations have totally abolished its production.

I

★ IMO (International Maritime Organization)

The International Maritime Organization (IMO) is a specialized agency of the United Nations based in London. The purposes of the organization, which are set out in Article 1 of the IMO Convention, are to provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships.

★ ISM Code (International Safety Management Code)

It is regulated in SOLAS Convention, Article No. 9 (management of safe ship operation). The Code facilitates enforcement of a comprehensive safety management for ships and their management companies. It attaches importance to ensuring safety of ships.

★ ISO (International Organization for Standardization)

ISO engages in defining standards for products and services in quality. ISO 9001 is a standard of production of quality-related systems to aim at quality management and guarantee. It maps out the ISO 14000 series that can be the standards related to the Environmental Management System focusing on management Administration System. Among the series, ISO 14001 defines requirements in the Environmental Management System.

★ ISPS Code (International code for the security of ships and of ports facilities)

The ISPS Code is a global treaty intended for ship operators and port authorities to ensure port security by preventing acts of terrorism and similar activities. It came into force on July 1, 2004. Under the code, ships are required to acquire an International Ship Security Certificate, obtain a certification of the security plan and appoint a qualified employee in charge of ship security.

K

★ Kiyokawa Maru

A high-speed cargo carrier put into service in 1937 plying North American shipping routes. On her maiden voyage she proved herself the fastest ship operating between Yokohama and San Francisco. Her sister ships are the Kamikawa Maru, Kimikawa Maru and the Kunikawa Maru. In 1941 she was pressed into service and modified as a specially-built seaplane carrier, serving in various military campaigns; in July 1945, just before the war's end, she was hit by aircraft fire in the Seto Inland Sea and flooded; however, because she was deliberately run aground, she avoided being sunk. A fierce storm in November of the same year, though, caused her to capsize and sink. "K" Line lost many ships during the war, and in order to rebuild its fleet, in 1948 it set about raising the Kiyokawa Maru, which it succeeded in doing after much hardship. Once repairs were completed in 1950, she was put back into service again plying North American shipping routes and played a significant role not only in the revival of "K" Line but in Japanese shipping as a whole. The three sister ships of the Kiyokawa Maru were also all modified as specially-built seaplane carriers; however, they were all sunk in the war.

N

★ NOx (Nitrogen Oxides)

When fuel oil burns in an engine, nitrogen contained-fuel oil and the air react with oxygen to form nitrogen oxides at high temperature. It is emitted together with exhausted gas, which makes a chemical reaction in contact with moisture in the air and sunlight and causes acid rains and atmospheric pollution.

P

★ PM (Particulate Matter)

Generally, PM collectively means small particles. In ships, ash dust is included in exhaust gas from diesel engines and boilers and is focused as a pollutant. PM whose size is 10 microns or smaller floats in the air and is thus treated as an airborne pollutant.

★ PSC (Port State Control)

Inspection carried out on ships in port to ensure the safety and legal compliance of the ship and to ensure its environmental soundness to prevent any danger to other ships, people or the marine environment. PSC is carried out by the Coast Guard or other authorities.

If any problem is discovered during inspection, action is taken and, depending on the severity of the problem, this can range from a repair work advisory to being barred from port.

S

★ SMS (Safety Management System)

The SMS is one of the requirements of the ISM Code. The system is built and documented so that a shipping company's employees and ship crew can effectively implement the policy of safe operation and environmental preservation documented by the company.

★ SOLAS (Safety of Life at Sea)

It is an international convention concluded as a result of the Titanic (a passenger ship with British flag and 46,328 gross tons) accident to secure safety of ships.

★ SOx (Sulfur Oxides)

When sulfur burns in a diesel engine, SOx is generated and incurs acid rain and atmospheric pollution.

T

★ TBT

Abbreviation of Tributyltin, an organic compound containing tin which used to be widely used in paint applied to the bottom of ships to prevent shellfish and other marine life from attaching to the hull. However, bio-assessments have shown that the buildup of organic tin in shellfish affects the ecosystem; thus, organic tin-substitute paints, etc., are being used. The use of paint containing organic tin has been banned by treaty.

★ Ton-kilometer

The unit representing shipping one ton of cargo one kilometer is represented as "ton-kilometer." For example, "CO₂ output is 100 grams per ton-kilometer" would be shown as "100g/ton-kilometer."