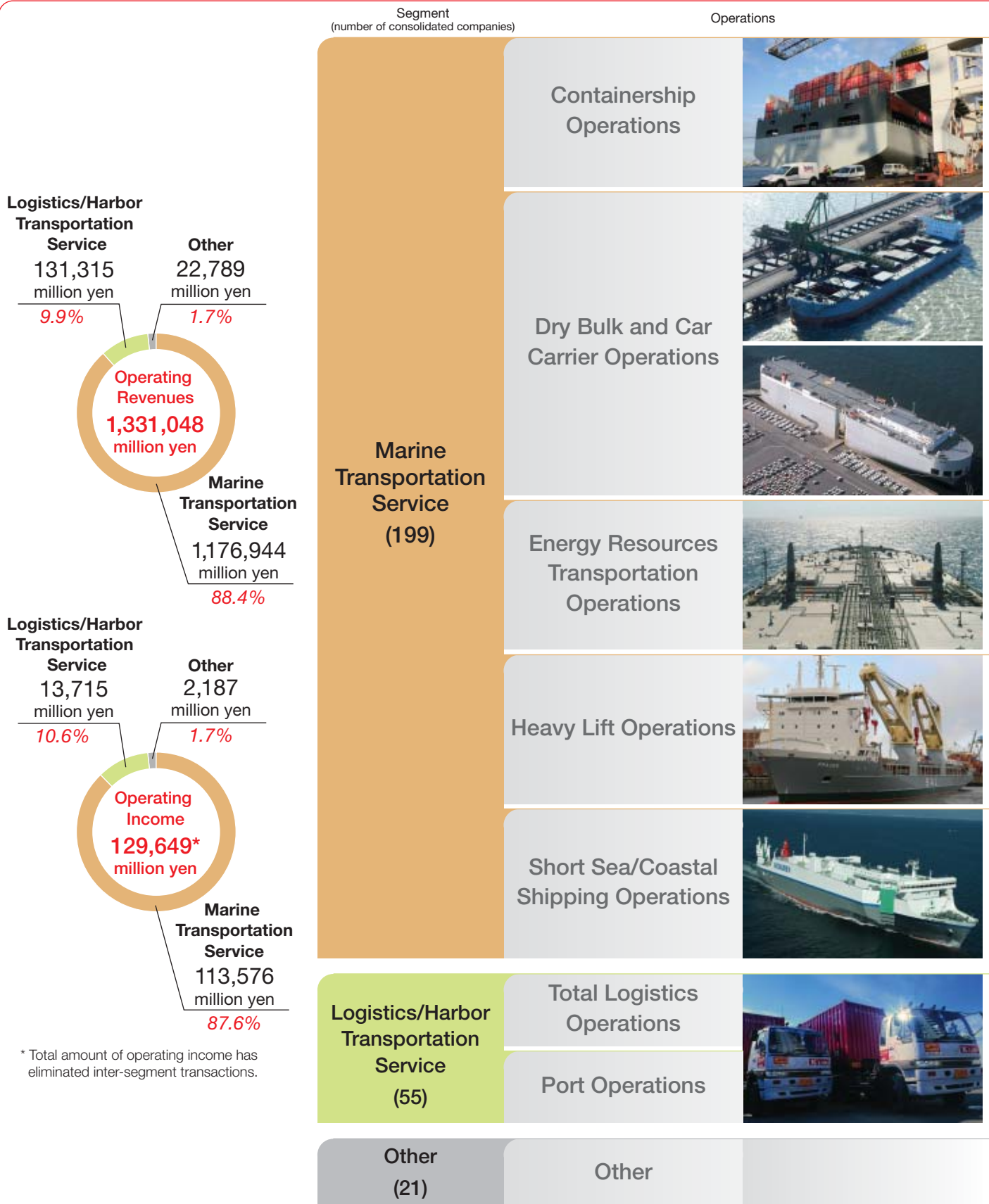


"K" LINE at a Glance (Business Performance by Segment)



Containership Services

→P28

We are operating East/West trunk lines linking Asia/North America, Asia/Europe and Europe/North America through an Alliance with prominent shipping companies of China, Taiwan and South Korea. In addition, our global operations include both Intra-Asia and North/South service networks.

Expansion of the world's economy is driving overall cargo volumes up. Europe-bound cargo volumes rose 9% over the previous period, while cargo volumes on the North/South Routes, where we worked to offer expanded route selection and put larger ships into operation, jumped 36% over the previous period. As a result, revenues and operating income for this sector as a whole grew year-on-year.

Dry Bulk Carrier Services

→P30

We transport raw materials such as coal, iron ore, grain and paper products by bulk carriers. Recently, in addition to Japan-bound shipments, we have been aggressively pursuing off-Japan trade such as that which is China and India-bound, also in the Atlantic.

In the Dry Bulk Carrier Services, the company uses long-term transport contracts to stabilize profits, but also deploys ships under spot contracts. Taking advantage of the rise in market rates allowed this sector to report increases in both revenues and income over the previous period. In the Car Carrier Business, overall shipments of completed cars increased about 9% to 3.4 million, with growth in exports to developing countries offsetting a decline in shipments from Japan to the U.S. The increase in transport capacity from five newbuildings that were placed in operation, as well as efficiencies in ship deployment, allowed us to keep profits steady. As a result, the Dry Bulk and Car Carrier Business overall reported year-on-year increases in revenues and income.

Car Carrier Services

→P32

Since 1970 when "K" Line deployed Toyota Maru No. 10 as Japan's 1st PCC (Pure Car Carrier), we have been recognized as a pioneer engaged in safe and prompt transportation of completed cars.

Energy Transportation and Tanker Services

→P34

Our services consist of liquefied gas transportation by both LNG and LPG carriers as well as transport of crude oil/oil products by tankers.

LNG Carrier Services completed two new vessels bringing the number of vessels we own or are involved with to 33. One short-term charter ship also performed well, resulting in stable profitability for this sector. In Tanker Services, high fuel and operating costs pulled income down somewhat below the level of the previous period. As a result, the Energy Transportation and Tanker Services Business overall reported a decrease in income despite increased revenues.

Heavy Lift Services

→P36

Starting in April 2007 we have been operating our heavy lift services jointly with the SAL Group, a dedicated heavy lift player in which we made an equity investment. Demand for large-scale cargo transport related to energy and infrastructure development has boomed in recent years, promising to make this business a new major source of profits for the company.

Thanks to brisk demand for transport of large-sized cargo related to energy and infrastructure development projects driven by heightened demand for resources, this sector contributed to income as one of our newer marine transportation businesses.

Short Sea/Coastal Shipping Services

→P37

Kawasaki Kinkai Kisen Kaisha, Ltd. and other companies in the group provide domestic marine transport services using cargo and passenger ferries, high-speed cargo ferries, roll-on/roll-off (RORO) vessels for transporting paper, dedicated vessels to carry limestone for cement production, and general cargo carriers, as well as cargo liners and bulk carriers to and from Asia.

In our Short Sea/Coastal Shipping Services, booming demand in the steel and cement sectors contributed to high utilization rates. RORO Services expanded as a result of replacement of old vessels with new ones and setting up new routes. Ferry Services saw a large increase in income on the back of growth in passenger and truck traffic as a result of the increase from two to four ships on the Hachinohe/Tomakomai route.

Total Logistics Services

→P38

We are concentrating our efforts on making certain that our network responds as accurately as possible to the remarkably advanced demands of customers in today's rapidly developing logistics market. We provide total logistics services, including logistics solutions, by consolidating the knowhow and broad experience of all members of the "K" Line Group.

Total Logistics Services reported lower income despite higher revenues. Higher oil prices caused a partial shift of air freight to sea, but there were also unfavorable factors such as the increase in fuel costs in land transportation business. Both revenues and operating income were up.

In addition to the above, Group companies operate ship management, real-estate management and other businesses.

Sales and operating income both rose, driving the strong performance at both the top and bottom lines.