

Financial Highlights(Interim brief report for
the 1st half of fiscal 2002)

November 2002

Kawasaki Kisen Kaisha,Ltd.

Summary

Phase 1 Financial results for the 1st half of
fiscal 2002

Phase 2 Financial prospect in fiscal 2002

Supplemental information

Phase 1

Financial Results for the 1st half of fiscal 2002

A. Financial Highlights for the 1st half of
2002F(Consolidated/Non-consolidated basis)



(unit: billion yen)

(reference)

		1st half of 02F(Result)	1st half of 01F(Result)	Difference	2 nd half of 01F(Result)	1st half of 02F (as of May 16)
Operating Revenue	Consoli	309.6	297.7	+119(+4.0%)	2,733	3,000
	Non	244.3	229.9	+144(+6.3%)	2,192	2,300
Operating profit	Consoli	11.3	17.0	-57(-33.6%)	21	(85)
	Non	7.2	10.9	-37(-11.3%)	-26	(45)
Ordinary Profit	Consoli	7.8	11.9	-41(-33.9%)	1	65
	Non	5.2	8.6	-34(-40.0%)	-15	35
N e t i n c o m e	Consoli	4.9	7.5	-26(-34.7%)	-28	40
	Non	2.8	4.9	-21(-42.9%)	-21	20
Exchange r a t e	average	¥ 123.77	¥ 122.78	¥ 0.99 down	¥ 127.45	¥ 130
	End June	¥ 119.50	¥ 124.60	¥ 5.10 up	¥ 131.95	¥ 130
Bunker p r i c e		\$ 152.21	\$ 142.03	\$ 10.18 up	\$ 126.51	\$ 140

B-1. Outline of Financial Results for the 1st half of fiscal 2002 (comparison to the same period in 2001)

Factor of increasing Revenue (11.9 billion yen, +4%)

Expansion of our business scale

Containers (**Lifting: 864K teus ⇒ 1,034K teus, +20%**)

Bulk Carriers (Tonnage: 7,794K tons ⇒ 9,143K ton +17%)

PCTC (Lifting: 769K units ⇒ 777K units)

Tankers (Tonnage 1,493K tons ⇒ 1,828K tons +22%)

Thermal coal carriers (Tonnage: 884K tons ⇒ 1,002K tons +13%)

LNG Carriers (Tonnage 462K tons ⇒ 460K tons)

(Tonnage shows monthly average tonnage, K:1,000)

B-2. Outline of Financial Results for the 1st half of fiscal 2002(Factors of upward/downward profit)

1) Comparison v.s. 1st half of 2001 (-4.1billion yen on ordinary profit)

• Increase of Bunker Price(+ $\$10$ /MT)	- 1.0 billion yen
• Deflating Market Condition(container,bulker,tanker)	-21.0 billion yen
• Business Expansion (cargo lifting of container,etc)	+ 7.0 billion yen
• <u>Cost cutting,etc</u>	<u>+ 10.9 billion yen</u>
Total	- 4.1 billion yen

2) Comparison v.s. 2nd half of 2001(+7.7billion yen on ordinary profit)

• Exchange Rate(+3.68 yen appreciation)	- 0.9 billion yen
• Increase of Bunker Price(+ $\$26$ /MT)	- 2.5 billion yen
• Deflating Market Condition(container,bulker,tanker)	- 6.0 billion yen
• Business Expansion(loading volume of container,etc)	+ 7.0 billion yen
• <u>Cost Cutting,etc</u>	<u>+ 10.1 billion yen</u>
Total	+ 7.7 billion yen

C. Segment information on Consolidated P/L (1st half of 2002F)

(unit: billion yen)

as of Sep,2002	Shipping	Transportation	Others	Consolidated
Operating revenue	260	43	7	310
Operating profit(a)	9	2	0	11
as of Sep,2001	Shipping	Transportation	Others	Consolidated
Operating revenue	247	45	7	298
Operating profit(b)	14	3	1	17
Difference(a)-(b)	-5	-1	0	-6
<Reference>				
2nd half of 2001F	Shipping	Transportation	Others	Consolidated
Operating revenue	235	31	8	273
Operating profit	-1	2	1	2

*Transportation includes shipping agency, port terminal business, logistics, warehousing, any other service incidental to transportation.

D.Summary of division-wise results for the 1st half of 2002F (Comparison to the 1st half of 2001F)

- Container
 - much increase of cargo lifting, drop of average freight, increase of bunker price, good result of cost cutting
- Bulk Carrier
 - Gradual recovery of market, operation efficiency, vessel tonnage reached 10 million tons
- Car Carrier
 - Cargo lifting increase, operation efficiency
- Energy Transportation
 - LNG remains stable
 - Thermal Coal Carrier's cargo lifting increased
 - Tanker market remains downward
- Other
 - Drop of overseas companies' revenue due to Yen's appreciation

E. Prospect of Division-wise Operating Revenue for the 1st half of 2002F(Non-Consolidated basis)

(unit: billion yen)

Division	1st half of 2 0 0 2 F	1st half of 2 0 0 1 F	D i f f e r e n c e	2nd half of 2 0 0 1 F
Container	132.0	121.1	+10.9(+9%)	109.3
Bulk Carrier/ Car Carrier	89.3	85.0	+4.3(+5%)	86.8
Energy Transportation/ Tanker Service	21.9	22.5	-0.6(-2%)	21.9
Others	1.1	1.3	-0.2(-15%)	1.2
Total	244.3	229.9	+14.4(+6%)	219.2
Number of operating vessel	282 vessls	264 vessels	+18(+7%)	263 vessels
Total DW(unit: 1,000MT)	17,940	15,318	+2,622 (+17%)	15,741

Phase 2

Financial prospect in fiscal 2002

A. Financial Prospect in Fiscal 2002

(unit: billion yen)

		2002 F	2001 F	Difference
Operating Revenue	Consolidated	610.0	571.0	39.0(+6.8%)
	Non-Consolidated	480.0	449.2	30.8(+6.9%)
Operating profit	Consolidated	22.0	19.0	3.0(+15.8%)
	Non-Consolidated	14.0	8.3	5.7(+68.7%)
Ordinary profit	Consolidated	16.5	12.0	4.5(+37.5%)
	Non-Consolidated	10.5	7.1	3.4(+47.9%)
Net income	Consolidated	10	4.8	5.2(+108%)
	Non-Consolidated	6	2.8	3.2(+114%)
Exchange rate (assumption)	Yearly basis	¥ 122	¥ 125	Increase of ¥3/US\$
Bunker price (assumption)	Yearly basis	\$ 156	\$ 134	Increase of \$22/MT

B. Factor of P/L volatility

(Entire 2002 Fiscal Year)

- Up/down by 1 yen/US\$ in exchange rate
 - ⇒ Non-consolidated +/-0.4 billion yen
 - Consolidated +/-0.5 billion yen
- Increase/decrease by \$10/M.ton in Bunker Price
 - ⇒ Non-consolidated +/-2.0 billion yen
 - Consolidated +/-2.1 billion yen
- Market sensitivity
 - Bulk carriers 10%change ⇒ Non consolidated +/-0.4 billion yen
 - Tankers WS10 change ⇒ Non consolidated +/-0.6 billion yen

C.Consolidated Financial Prospect on Segment Basis for 2002F



(unit:billion yen)

2 0 0 2 F	Shipping	Transportation	O t h e r s	Elimination	Consolidated
Operating revenue(A1)	510	85	15	0	610
Operating profit(A2)	16	5.5	0.5	0	22.0

2 0 0 1 F	Shipping	Transportation	O t h e r s	Elimination	Consolidated
Operating revenue(B1)	481.2	75.8	14	0	571.0
Operating profit(B2)	13.1	4.5	1.3	0.1	19.0

Operating revenue (A1)-(B1)	+28.8	+9.2	+1.0	0	+39
Operating profit (A2)-(B2)	+2.9	+1.0	-0.8	-0.1	+3.0

D. Prospect of Division-wise Operating Revenue of 2002F (Non-Consolidated basis)

(unit: billion yen)

D i v i s i o n	2 0 0 2 F	2 0 0 1 F	C o m p a r i s o n
C o n t a i n e r	255.0	230.4	+24.6(+10.7%)
B u l k C a r r i e r / C a r C a r r i e r	177.5	171.8	+5.7(+3.3%)
E n e r g y T r a n s p o r t a t i o n / T a n k e r S e r v i c e	44.5	44.4	+0.1(+0.2%)
O t h e r s	3.0	2.6	+0.4(+15.4%)
T o t a l	480.0	449.2	+30.8(+6.9%)

Supplemental Information

<No.1 >

Trends of major Financial Index(Consolidated basis)

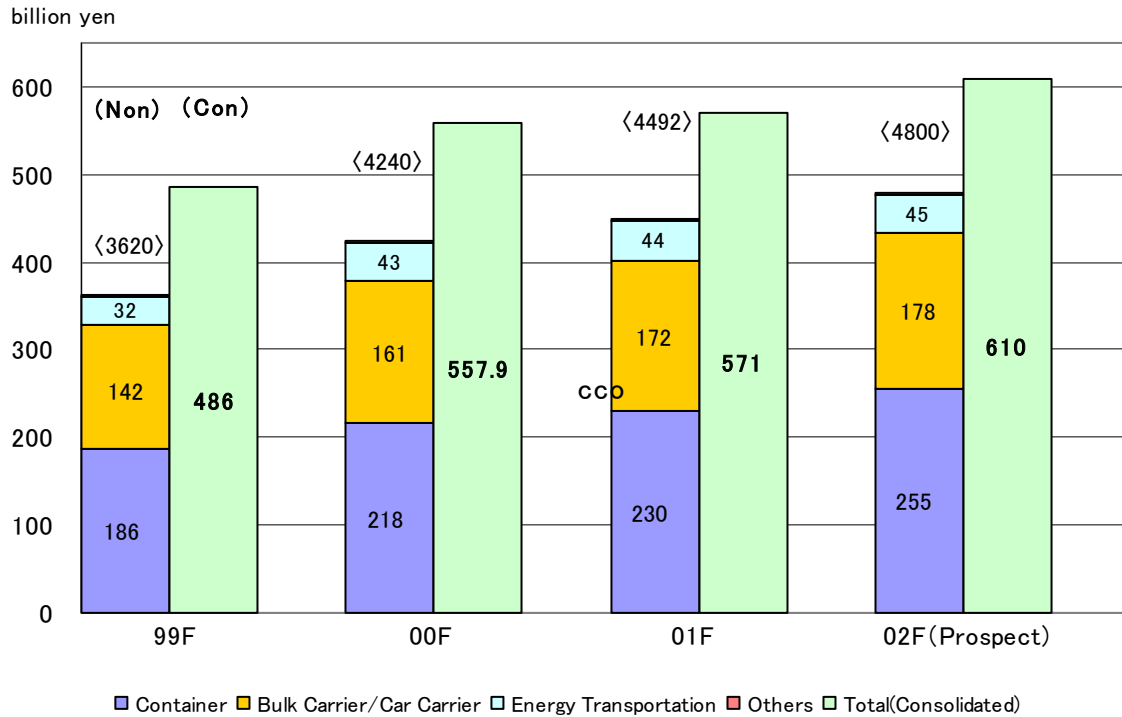
(unit:billion yen)

	Result in 2 0 0 1 F	Result in 1st half 2002F	F o r m e r p l a n i n 2 0 0 2 F	Prospect in 2002F	Prospect in 2004F
E q u i t y	77.7	77.5	85.0	80.0	110.0
Interest Bearing L i a b i l i t y	335.6	317.4	315.0	305.0	275.0
R O E	6.5%	12.7%	11%	12.7%	19%
R O A	2.3%	3.3%	3%	3.3%	7%
Equity Ratio	14.6%	14.9%	16%	15.4%	22%
Interest Bearing Liability Ratio	79.8%	79.8%	77%	78%	70%

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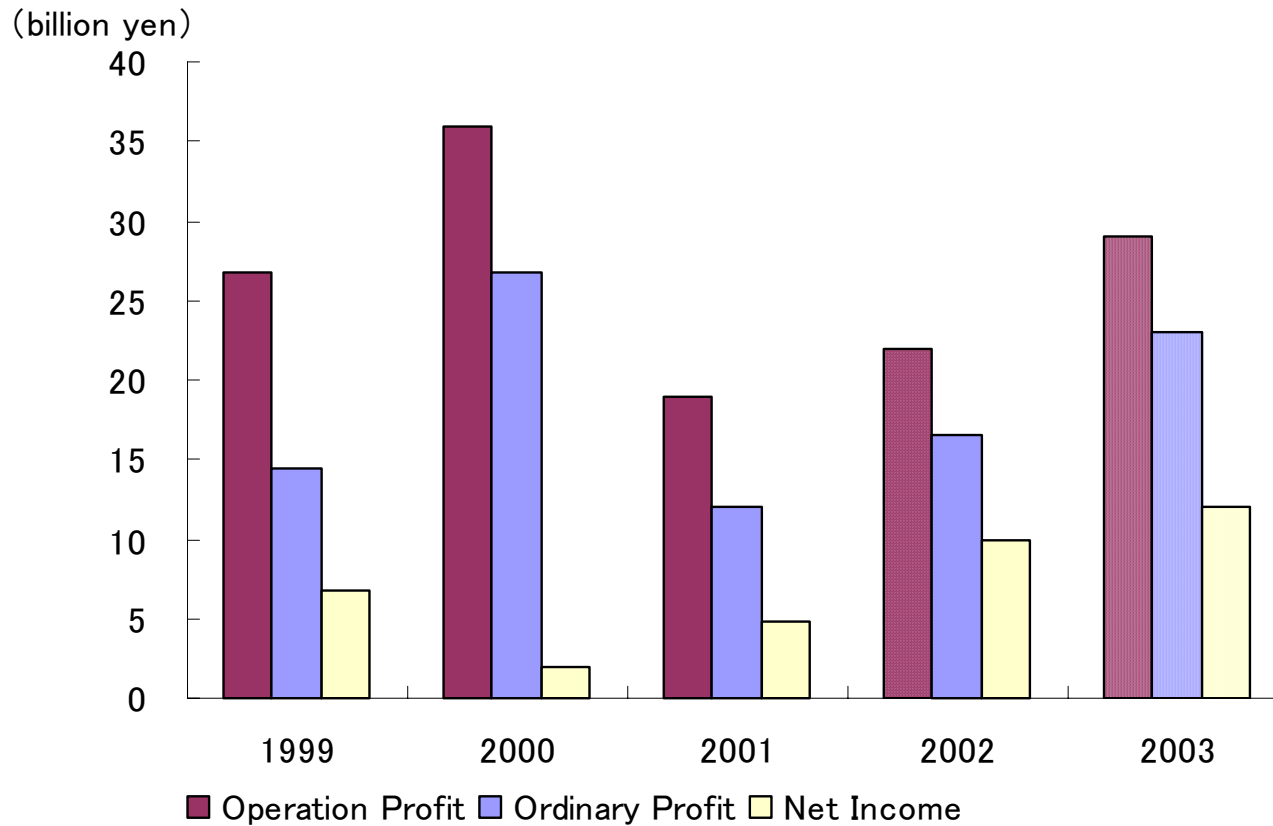


Transition of Operating Revenue



<No.3>

Transition of Consolidated Income (1999F to 2003F)



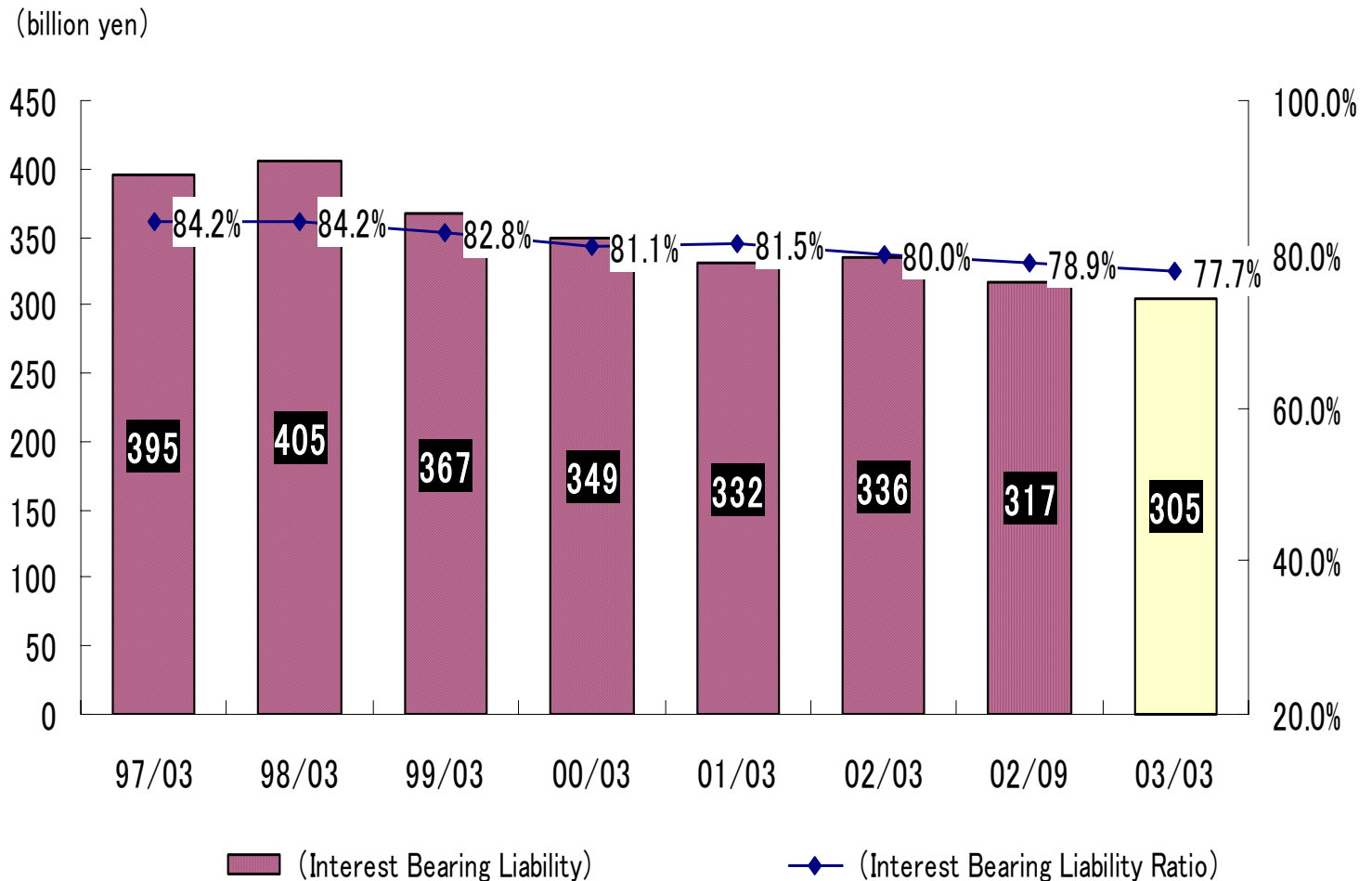
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Breakdown on Cash flow, Investment, Depreciation

(unit: billion yen)

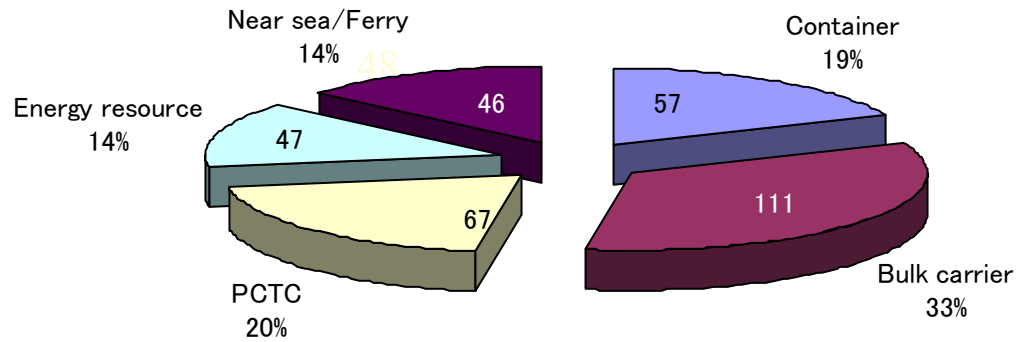
	R e s u l t 2 0 0 1 F	Result 1st h a l f o f 2 0 0 2 F	P r o s p e c t 2nd h a l f o f 2 0 0 2 F	P r o s p e c t 2 0 0 2 F
Investment	31.4	14.2	19.3	33.5
Vessel	23.8	8.7	13.6	22.3
Others	7.6	5.5	5.7	11.2
(Non-consolidated)	12.0	1.8	3.6	5.4
Operating Cash F l o w	33.1	6.2	25.0	31.2
Investment Cash F l o w	-18.5	-2.2	-12.0	-14.2
Free Cash Flow	14.6	4.0	13.0	17.0
Depreciation	33.3	15.2	15.1	30.3

Transition of Interest Bearing Liability(Consolidated basis)

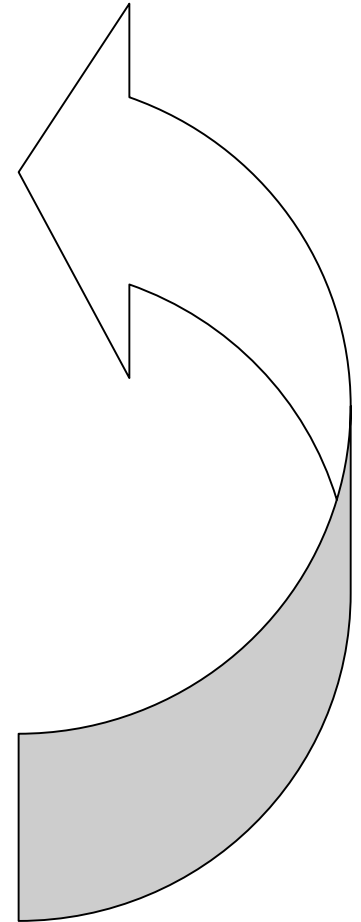
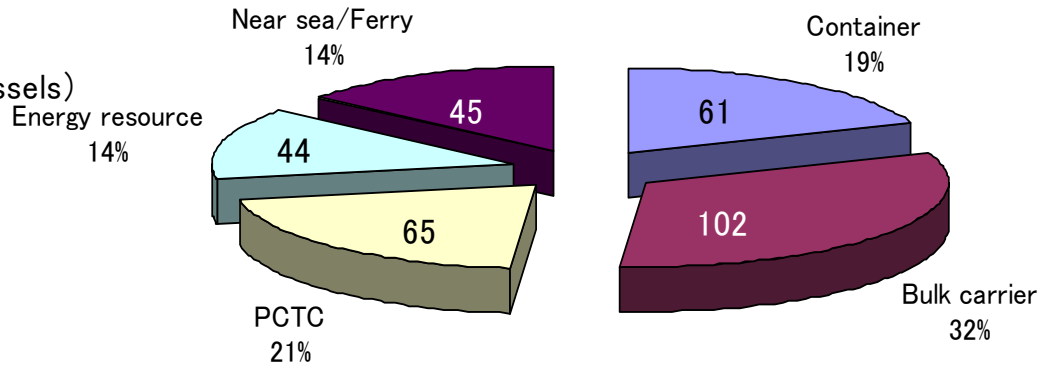


“K”Line Vessel Fleet composition

2002 Sep
(total 337vessels)



2002 Mar
(total 317 vessels)



<No.7>



Line/Alliance wise vessel capacity comparison

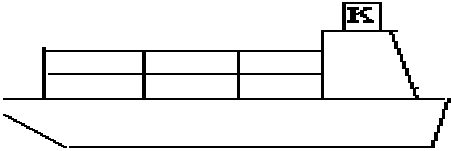
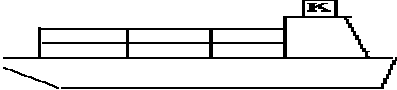


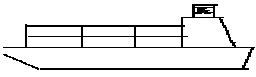
As of 2002 July (Source CI 2002 Aug edition)

Rank	Operator	Total Capacity	
		TEU	Vessel
1	Maersk-Sealand	735,268	291
2	P&O Ned	417,788	161
3	EMC	395,187	145
4	MSC	388,166	174
5	Hanjin/Senator	308,859	85
6	APL	262,183	82
7	COSCO	249,354	133
8	CMA-CGM	206,331	100
9	NYK	183,121	83
10	KLine	177,627	60

Rank	Alliance	Total Capacity	
		TEU	Vessel
1	Grand Alliance	894,552	329
2	CKYH	856,244	318
3	Maersk/Sealand	735,268	291
4	The New World	546,816	173
5	CSG/CMACGM/ZIM	505,318	265

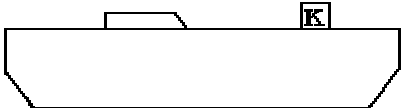
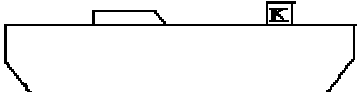
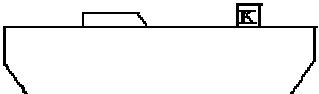
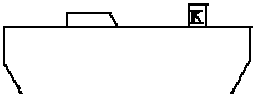
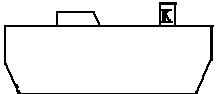
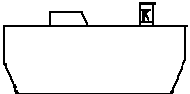
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“K”Line Container Vessel Fleet composition

		01.03	02.09
5500TEU over		-	14
			
3500TEU (3400~4000)		21	15
			
2800TEU (2700~2900)		8	6
			
2000TEU (1500~2500)		10	8
			
1400TEU or under		18	14
Total		57	57

<No.9>

“K”Line PCTC Fleet composition

		01.03	02.09
	6000 units	-	4
	5000 units (4,750~5650)	28	28
	4000 units (3800~4600)	13	15
	3000 units (2800~3500)	10	8
	2000 units (1600 ~2500)	10	7
	800 units (800 ~850)	6	5
	Total	67	67

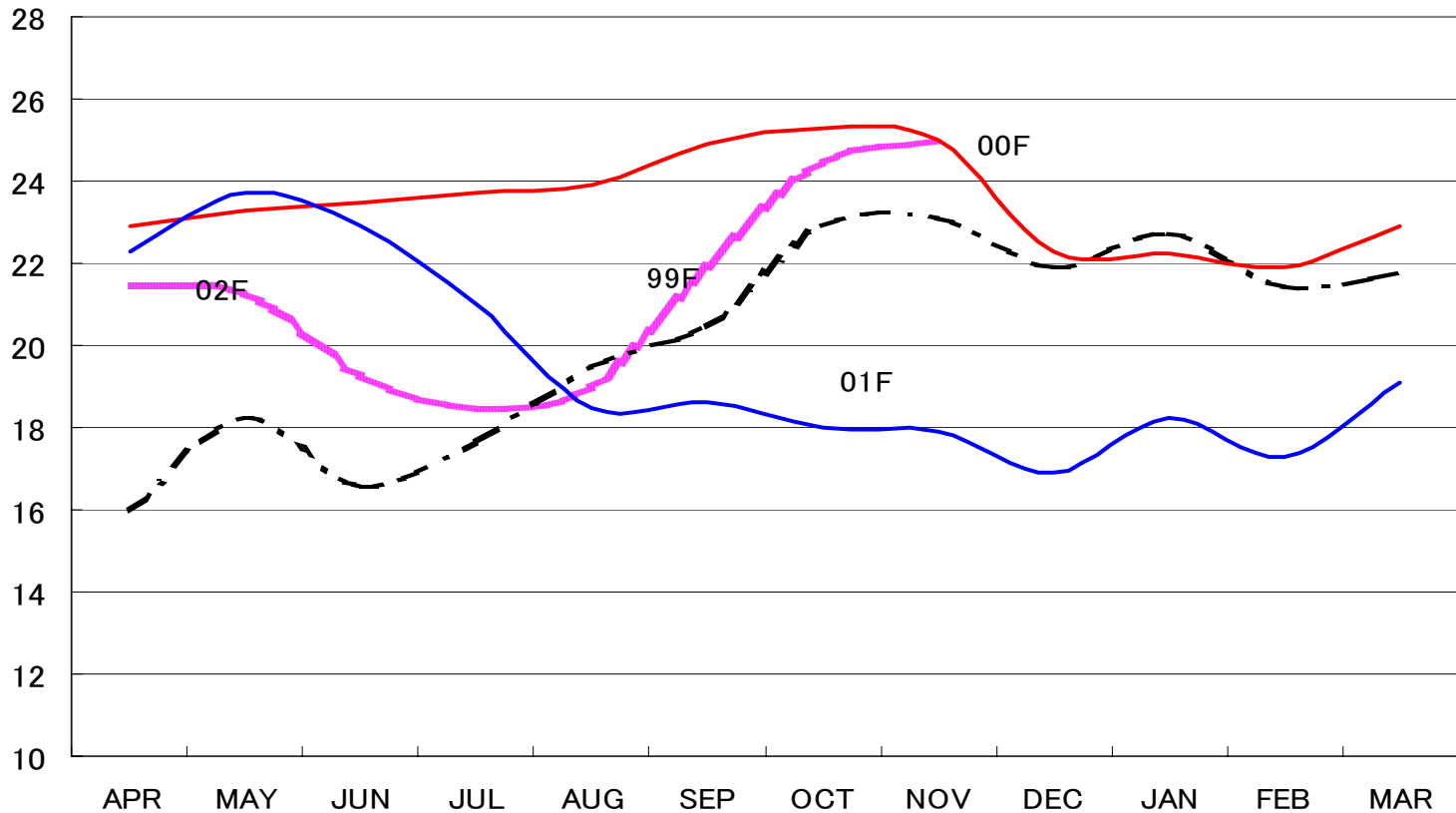
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Bulker Market

(PANAMAX USG/JPN GRAIN)

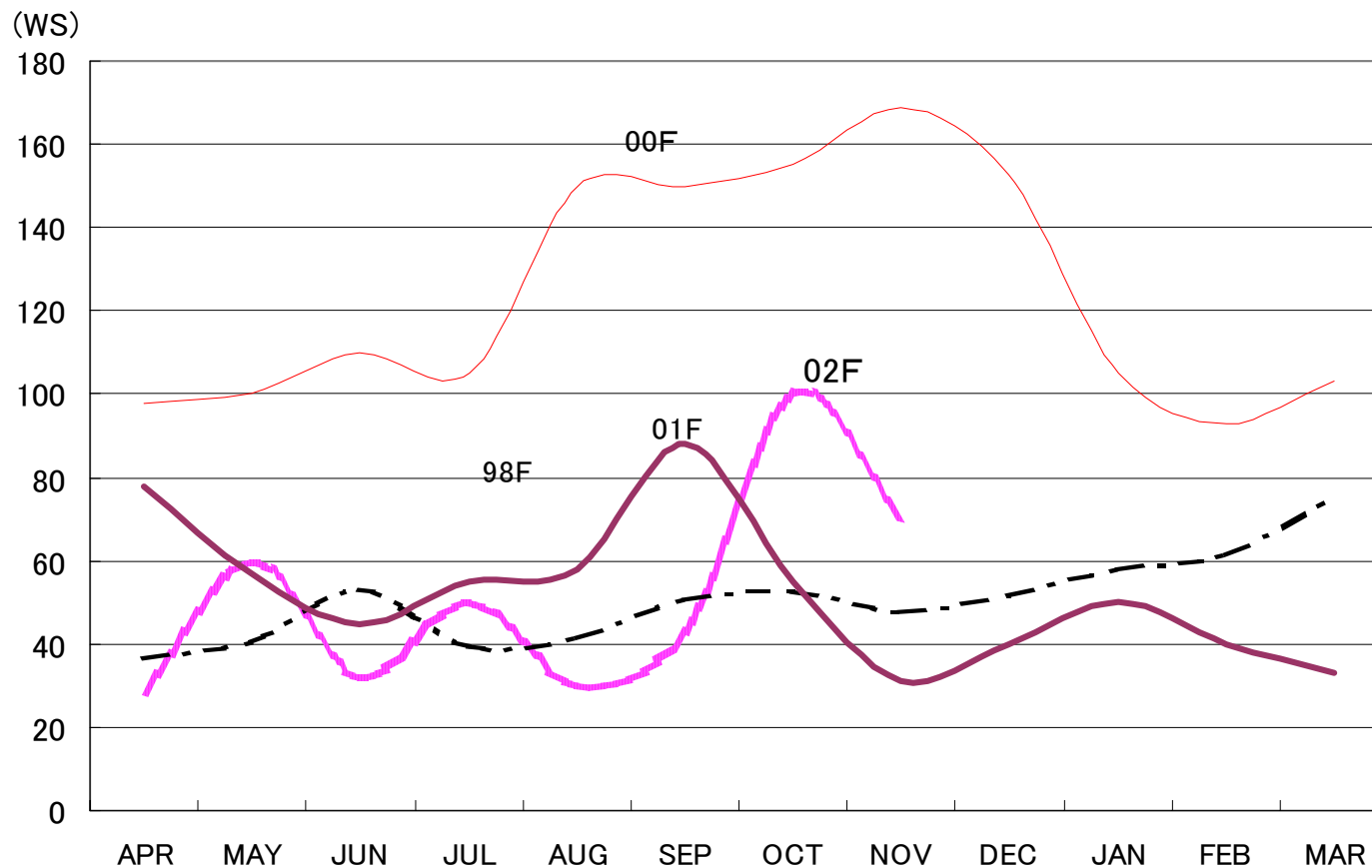
(\$/KT)



<No.11>

Tanker Market

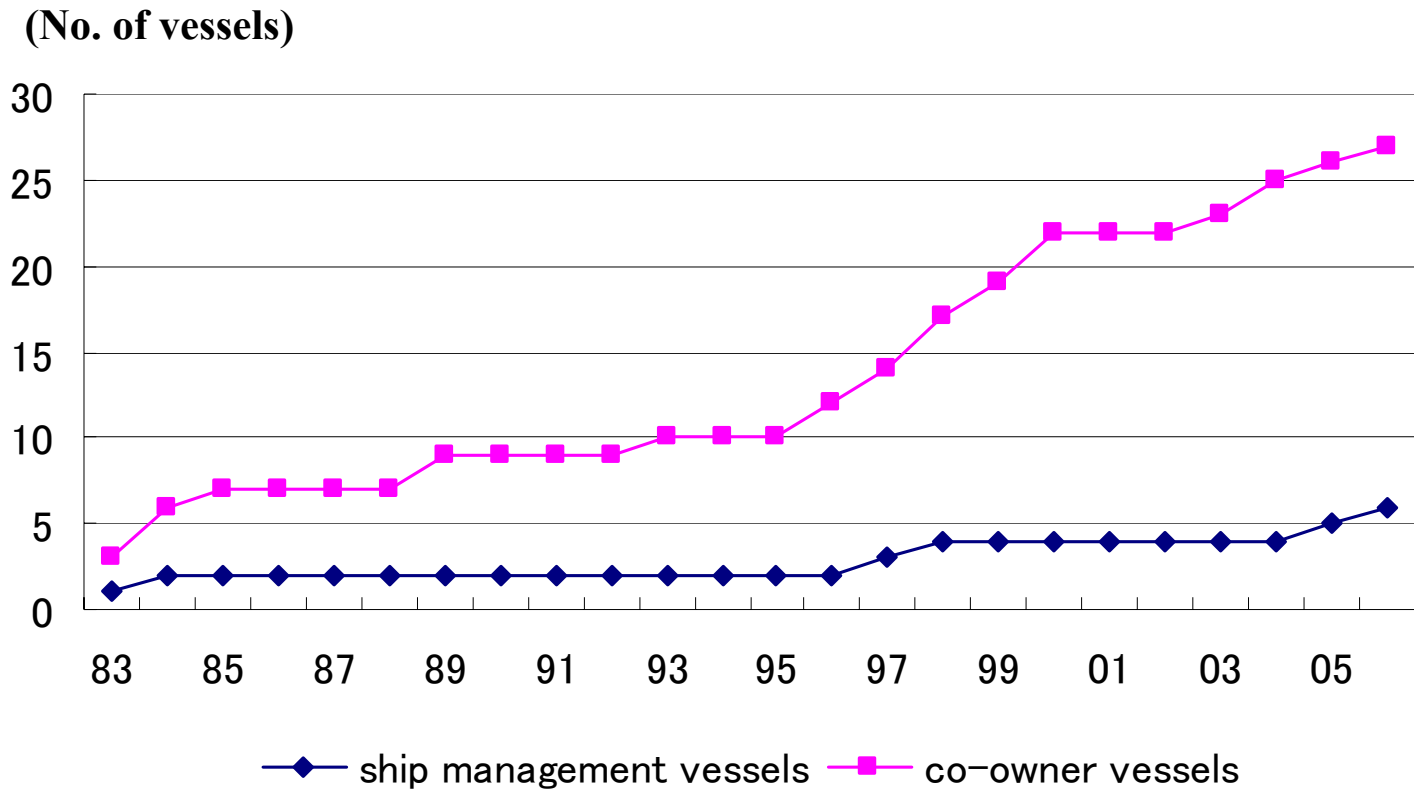
(VLCC AG/JPN)



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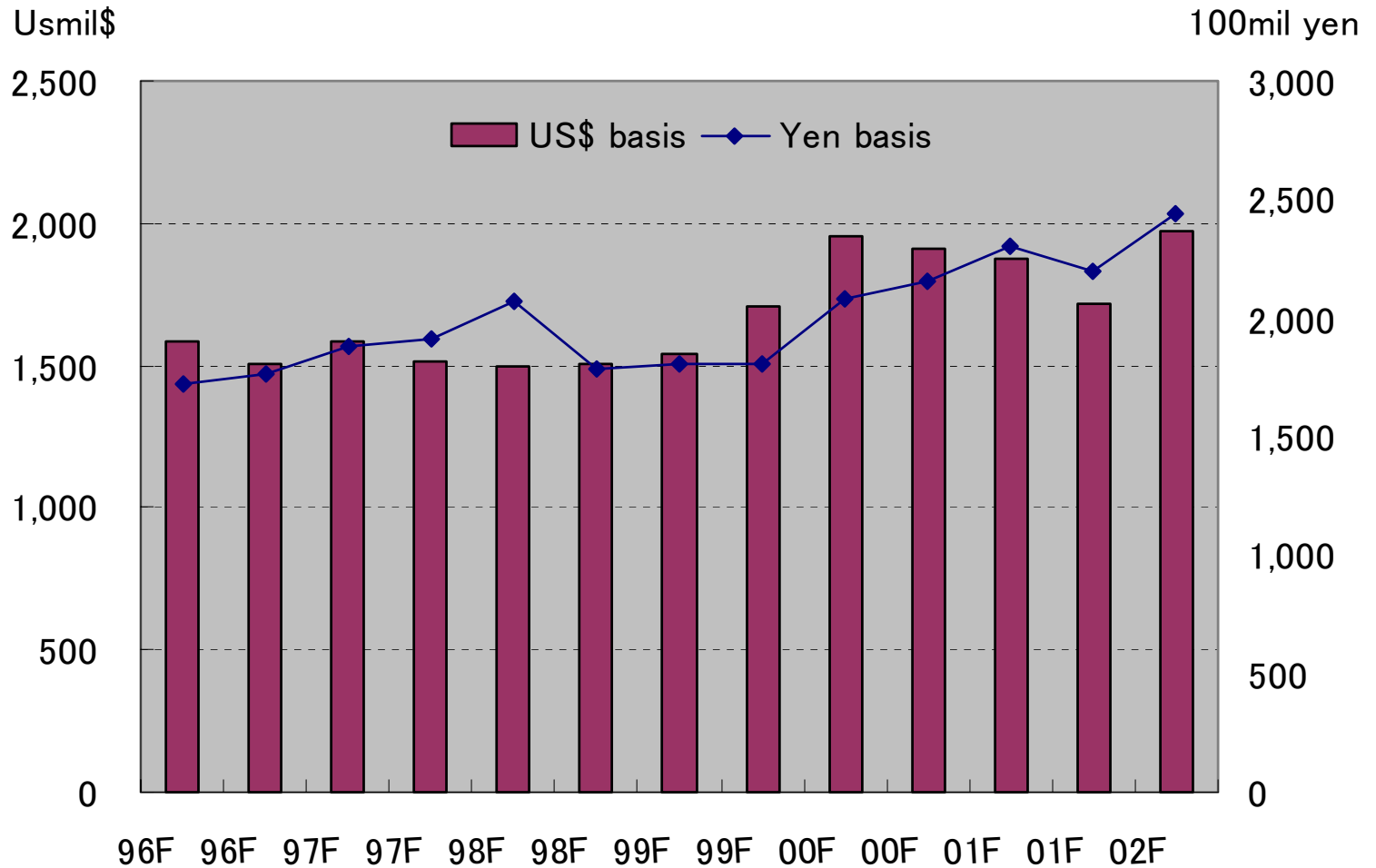
Transition of “K”Line LNG Vessel Fleet



<No.13>



Transition of Semi-annual operating revenue on Non-consolidated basis(yen/US\$ wise)



<No.14>



Transition of Average Exchange Rate & Bunker Price

