

Supplementary Report -FY2017 2Q-

31st October 2017



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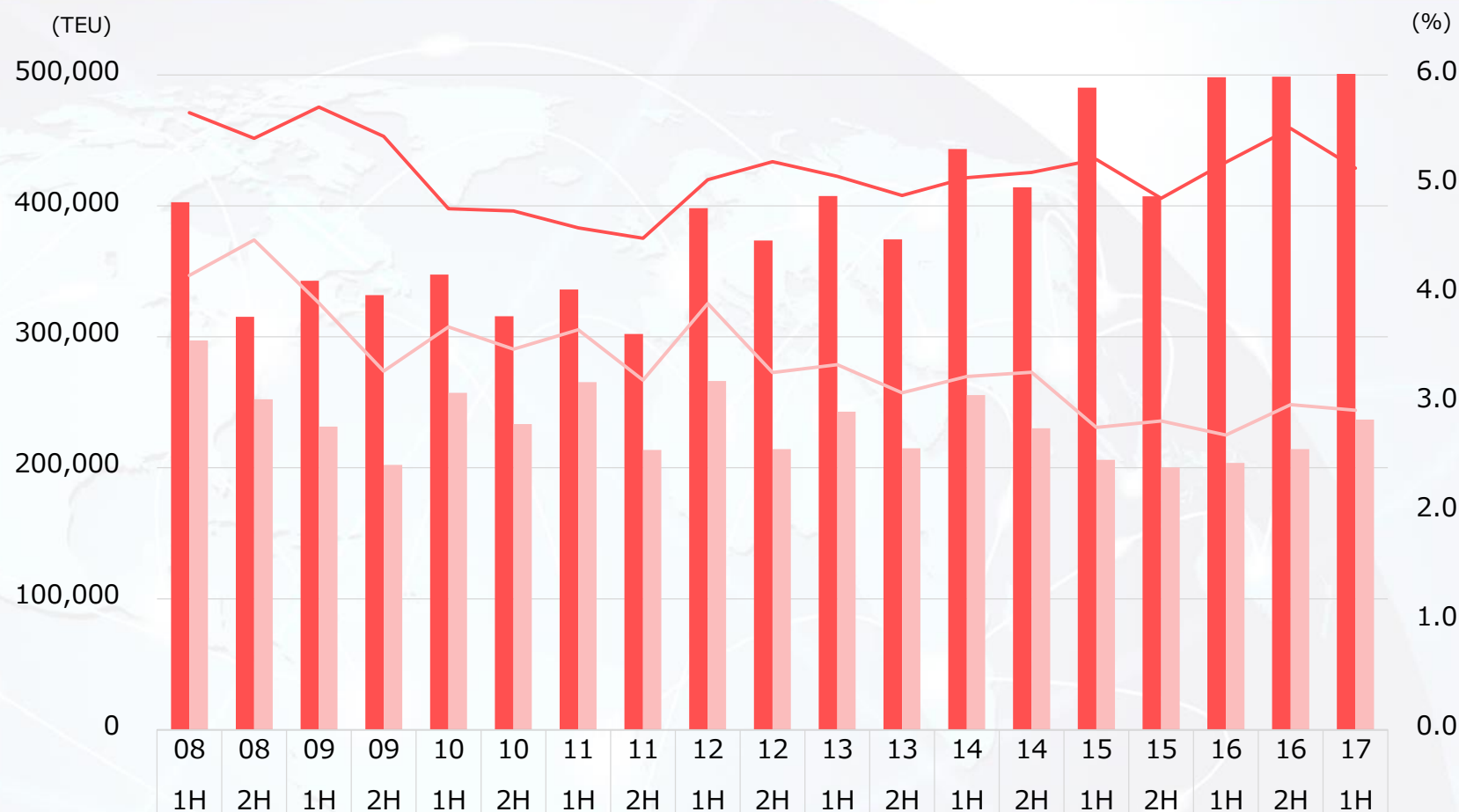
A-1 『Containerships』 “Capacity” “Volume” “Utilization” of Asia/North America & Asia/Europe

(1,000TEU)

Asia / North America		2015FY							2016FY							2017FY		
		1H		2H			FY	1H		2H			FY	1H				
		1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q	1Q	2Q						
(E/Bound)	Capacity	243	262	505	258	245	504	1,009	265	277	542	270	258	528	1,070	279	288	567
	Volume	243	248	490	210	197	407	898	233	266	498	264	235	499	997	256	268	524
	Utilization(%)	99.7	94.6	97.1	81.4	80.3	80.9	89.0	87.8	95.9	92.0	97.5	91.2	94.4	93.2	91.9	93.0	92.5
(W/Bound)	Capacity	243	262	505	258	245	504	1,009	265	277	542	270	258	528	1,070	279	288	567
	Volume	119	101	221	103	106	209	429	116	110	226	127	126	254	480	113	105	218
	Utilization(%)	49.1	38.7	43.7	39.7	43.3	41.5	42.6	43.8	39.7	41.7	47.1	49.1	48.1	44.8	40.5	36.4	38.4

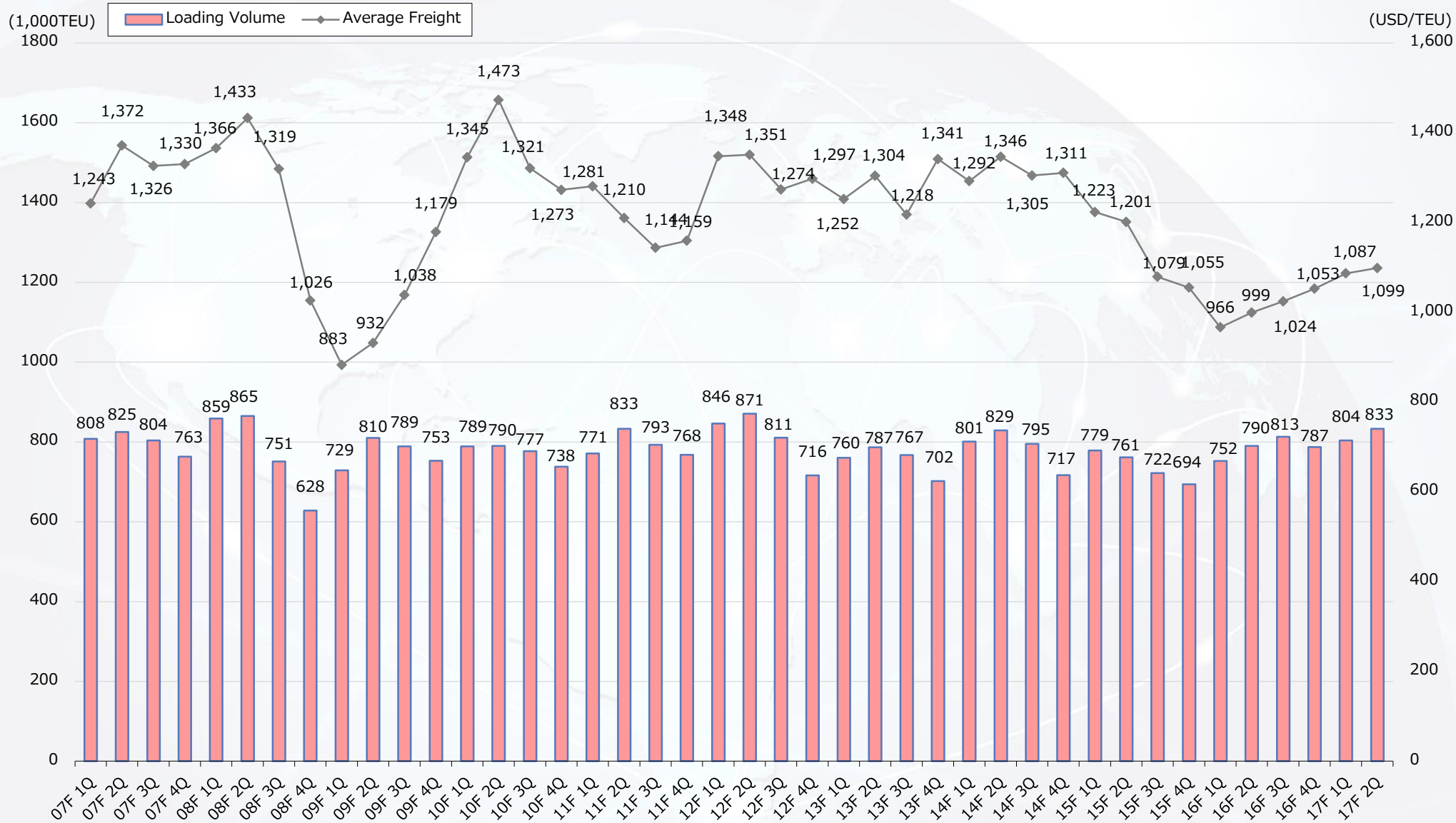
Asia / Europe		2015FY							2016FY							2017FY		
		1H		2H			FY	1H		2H			FY	1H				
		1Q	2Q	3Q	4Q	1Q		2Q	3Q	4Q	1Q	2Q						
(W/Bound)	Capacity	121	124	245	125	127	251	497	114	117	231	116	113	229	460.3	123	132	255
	Volume	103	103	206	101	100	200	406	100	104	204	106	109	214	418	115	122	237
	Utilization(%)	85.3	82.7	84.0	80.8	78.6	79.7	81.8	87.6	88.6	88.1	91.4	95.9	93.6	90.9	93.7	92.2	92.9
(E/Bound)	Capacity	121	124	245	125	127	251	497	114	117	231	116	113	229	460.3	123	132	255
	Volume	85	77	162	84	80	164	326	81	79	160	82	85	167	328	83	93	176
	Utilization(%)	70.1	62.3	66.1	67.7	62.8	65.2	65.7	71.5	67.1	69.3	70.9	75.3	73.1	71.2	67.6	70.5	69.1

A-2 『Containerships』 “Volume” “Share” of Asia/North America (EB) & Asia/Europe (WB)



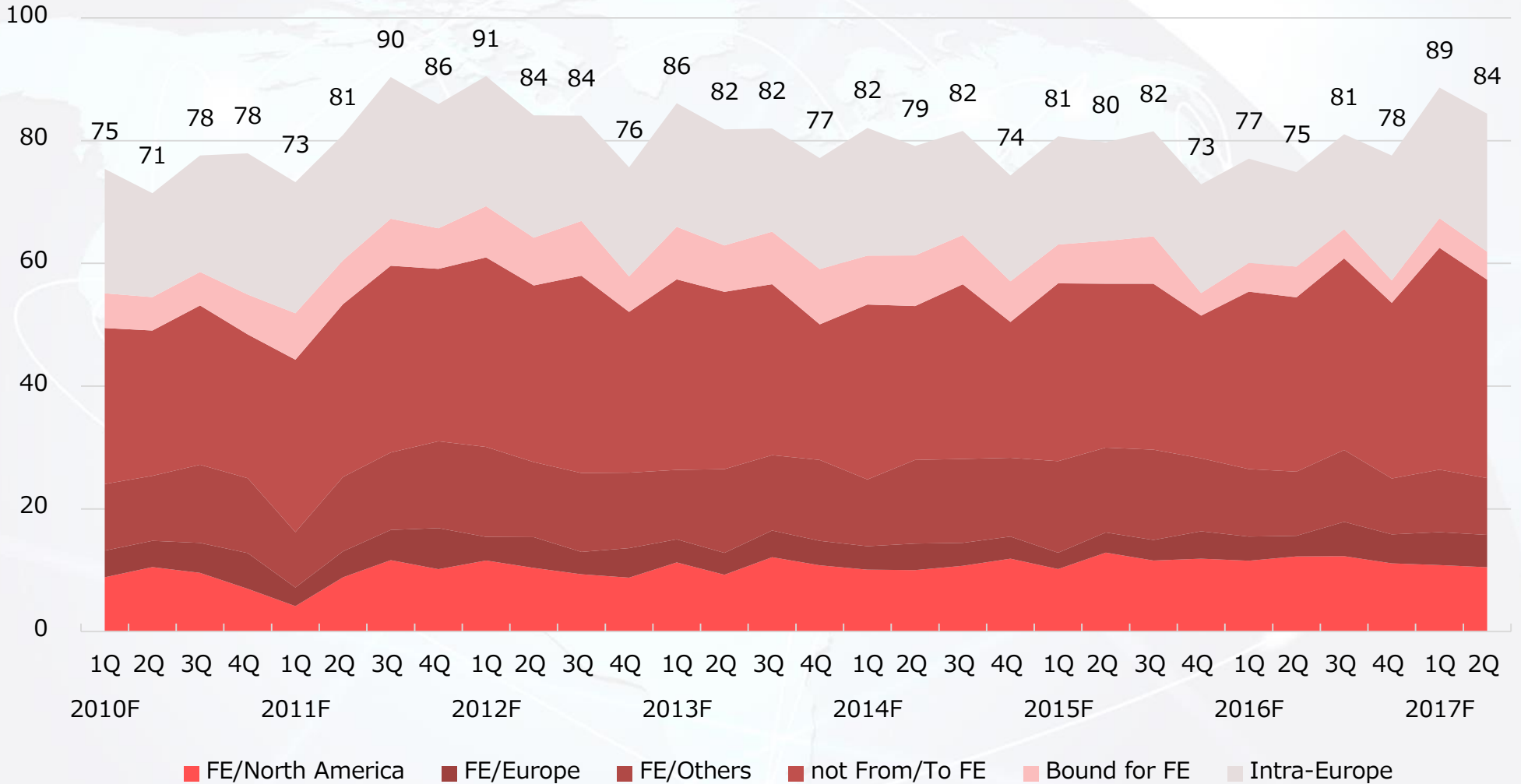
Asia/N.America (1,000TEU)	403	315	343	332	348	316	336	302	398	373	407	374	443	414	490	407	498	499	524
Asia/Europe (1,000TEU)	297	252	231	202	257	233	265	214	266	214	243	215	256	230	206	200	204	214	237
Asia/N.America Share (%)	5.7	5.4	5.7	5.4	4.8	4.8	4.6	4.5	5.0	5.2	5.1	4.9	5.1	5.1	5.2	4.9	5.2	5.5	5.1
Asia/Europe Share (%)	4.2	4.5	3.9	3.3	3.7	3.5	3.7	3.2	3.9	3.3	3.3	3.1	3.2	3.3	2.8	2.8	2.7	3.0	2.9

A-3 『Containerships』 “Average Freight” “Volume”



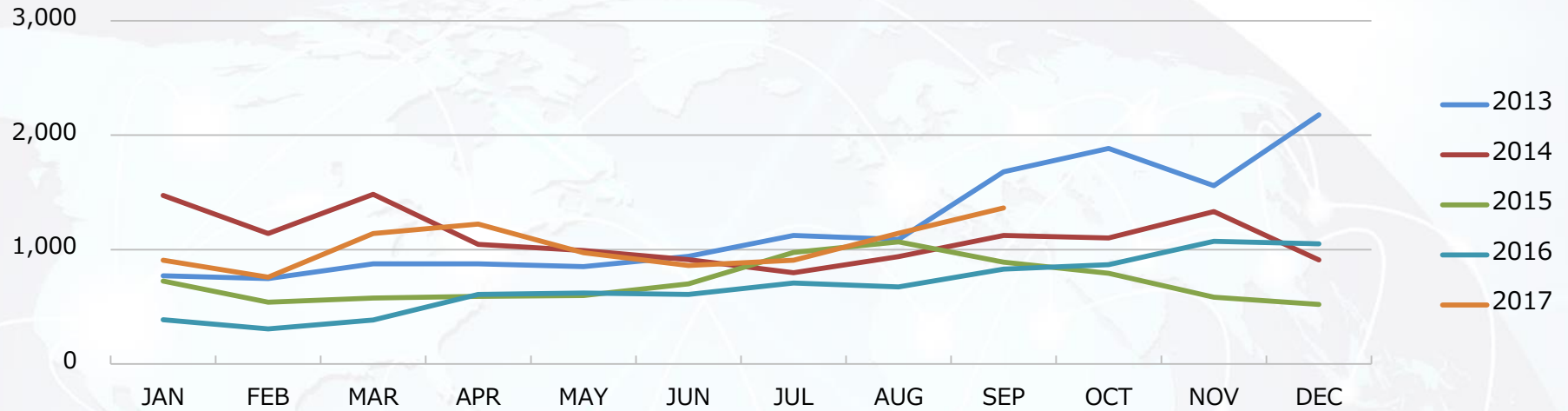
A-4 『Car Carriers』 “Volume” by Loading/Discharging Area

(10,000 Units)

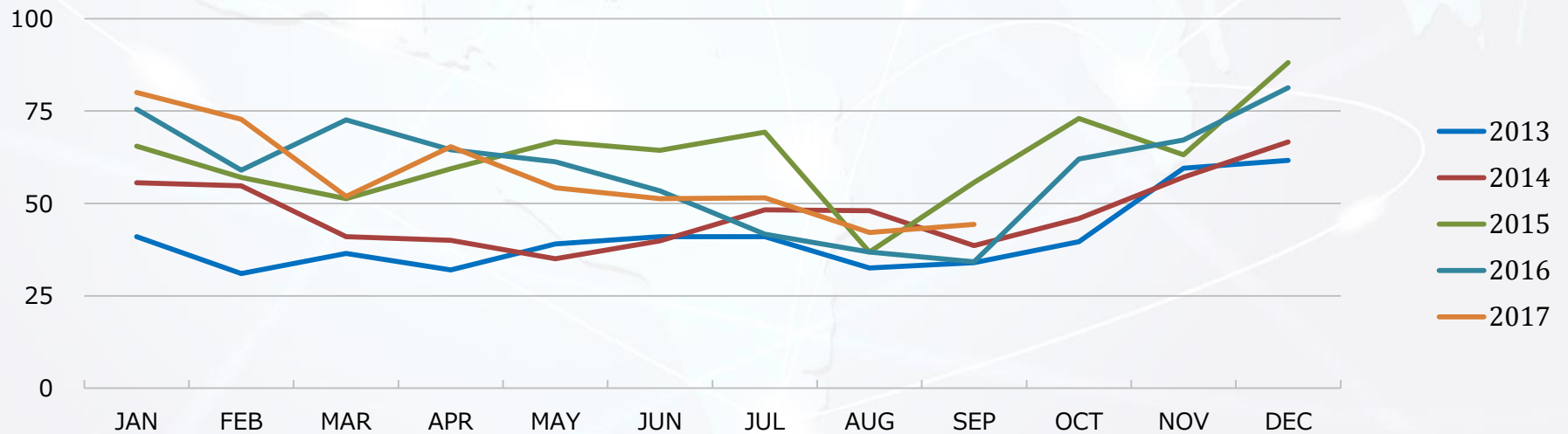


A-5 『Dry Bulk Carriers』 『Tankers』 “Baltic Dry Index” “World Scale”

Baltic Dry Index

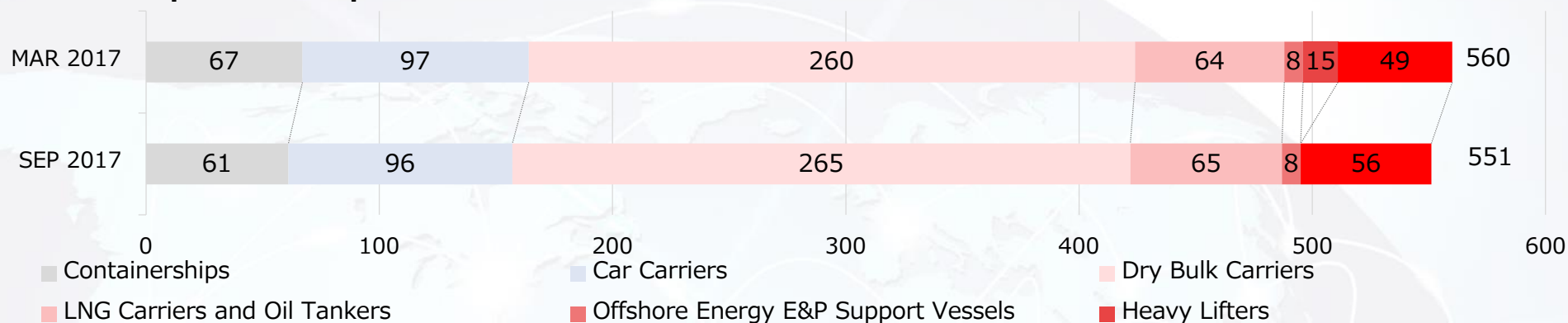


World Scale VLCC (AG/JPN)



B-1 "K"Line Group Vessels in Operation

"K"Line Group Fleet Composition



SEP 2017

MAR 2017

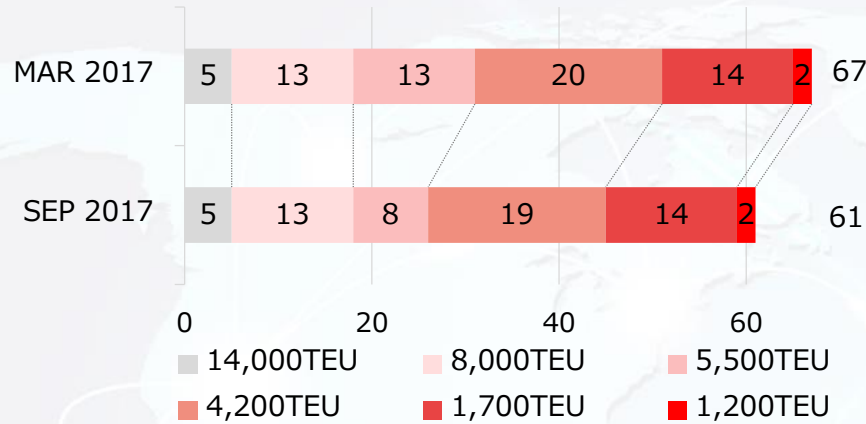
Type of Vessel	Owned		Chartered		Total		Total	
	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)
Containerships	7	460,448	54	3,566,273	61	4,026,721	67	4,430,588
Car Carriers	32	480,738	64	1,063,447	96	1,544,185	97	1,527,255
Dry Bulk Carriers	65	7,659,149	200	23,778,080	265	31,437,229	260	29,695,175
LNG Carriers	41	3,432,936	1	77,163	42	3,510,099	42	3,510,099
Oil Tankers	11	1,446,119	12	1,760,830	23	3,206,949	22	3,152,778
Offshore Support Vessels	7	32,481	0	-	7	32,481	7	32,481
Drillships	1	-	0	-	1	-	1	-
Heavy Lifters	0	-	0	-	0	-	15	158,118
Short Sea and Coastal ships	27	226,632	29	391,248	56	617,880	49	578,092
Total	191	13,738,503	360	30,637,041	551	44,375,544	560	43,084,586

* The number of owned vessels includes co-owned vessels, and deadweight tonnage includes share of other companies' ownership in co-owned vessels.

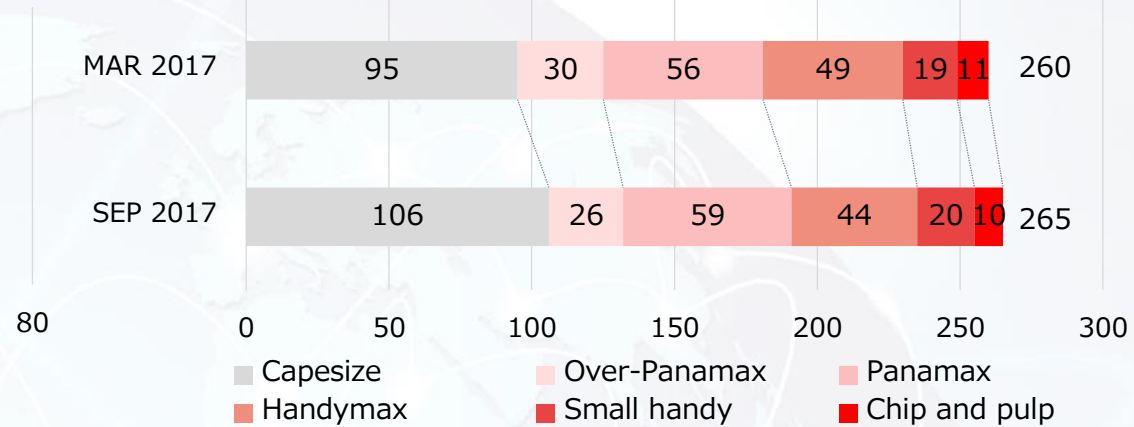
* Includes flagships and spot and/or short term activities at the end of term.

B-2 『Containerships』 『Car Carriers』 『Dry Bulk Carriers』 『LNG Carriers and Oil Tankers』

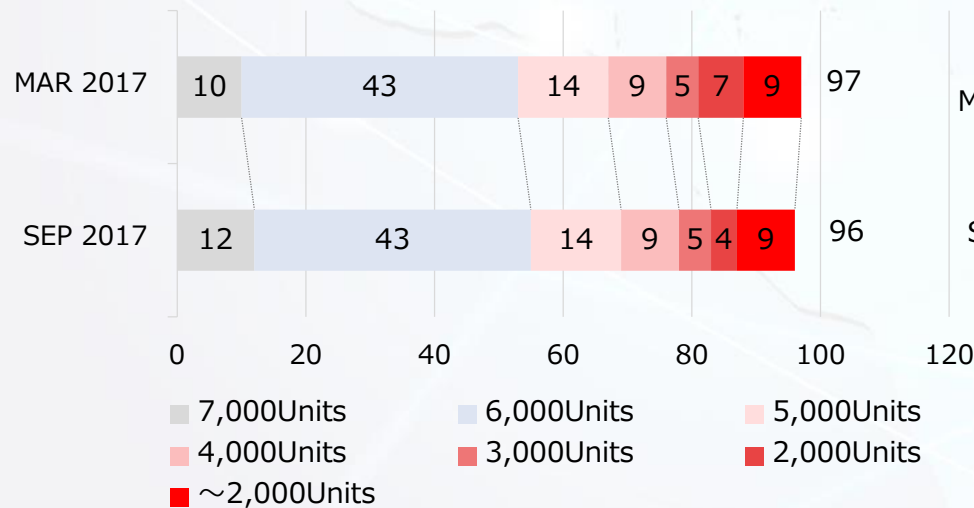
Containerships



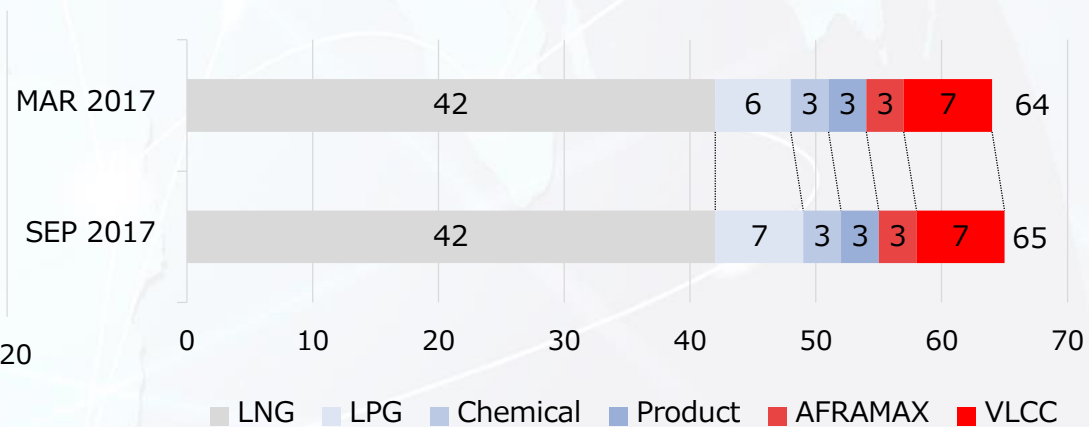
Dry Bulk Carriers



Car Carriers



LNG Carriers and Oil Tankers



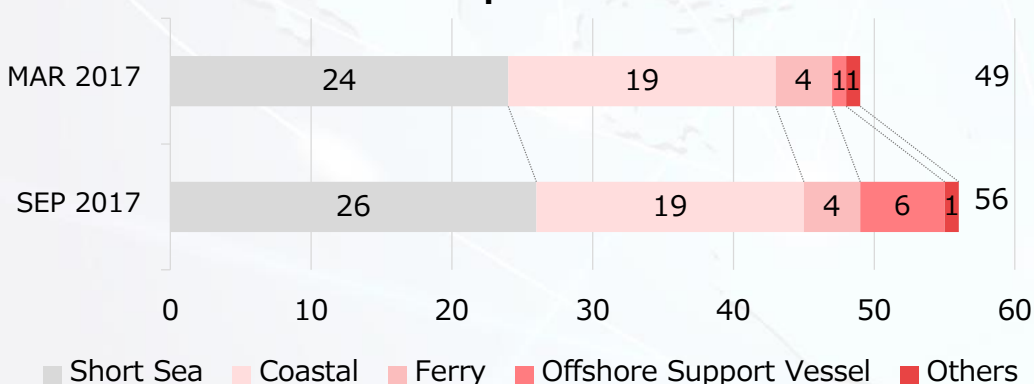
*The number of LNG Carriers includes 24 carriers owned by SPC of the projects.

B-3 『Offshore Energy E&P Support Vessels』 『Heavy Lifters』 『Short Sea/Coastal Ships』 New Building Delivery Schedule

Offshore Energy E&P Support Vessels



Short Sea and Coastal Ships



New Building Delivery Schedule

	FY2017	FY2018	FY2019
Containerships	3	0	0
14,000TEU	3	*	
Dry Bulk Carriers	9	7	7
Capesize	3	4	2
Panamax	1		
Handymax	2		
Smallhandy	1		
Chip/Pulp	1		
Corona	1	3	5
Car Carriers	2	3	0
7500Units	2	3	
LNG Carriers	4	2	0
Oil Tankers	2	5	0
VLCC	1	2	
AFRAMAX		2	
LPG	1	1	
Offshore Energy E&P Support Vessels	1	0	0
Offshore			
Drillship			
FPSO	1		
Short Sea and Coastal Ships	1	1	0
Total	22	18	7

* Two 14,000TEU type container ships, will delivery in 2018 are not covered by the above because they will be chartered by Ocean Network Express.

C-1 “Non-Operating Income and Expenses” “Extraordinary Profits and Losses”

(billion yen)

Non-Operating Income and Expenses

	1Q	2Q	1H
Financial Gain /Loss	△ 0.4	△ 1.0	△ 1.4
Equity in Earnings of Affiliated Companies	1.2	△ 1.8	△ 0.6
Exchange Gain/Loss	1.3	1.6	2.9
Reversal of Allowance for Loss Related to the Anti-Monopoly Act	-	3.6	3.6
Others	-	0.5	0.5
Consolidated Total	2.1	2.8	4.9

Extraordinary Profits and Losses

	1Q	2Q	1H
Gain on Sales of Fixed Assets	8.0	0.7	8.7
Loss on Liquidation of Subsidiaries	△ 0.1	0.1	0.0
Loss on Cancellation of Chartered Vessels	△ 0.0	△ 0.6	△ 0.7
Loss Related to the Anti-Monopoly Act	-	△ 0.8	△ 0.8
Others	0.1	1.8	1.8
Consolidated Total	7.9	1.2	9.1

C-2 Performance per Segment

Operating Revenues

(million yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Containership	562,100	590,517	684,781	622,962	524,082
Bulk Shipping	505,263	575,429	603,724	570,151	458,984
Offshore Energy E&P Support & Heavy Lifter	35,711	32,817	35,319	24,656	19,420
Others	90,641	79,508	86,414	87,225	79,970
Total	1,193,716	1,278,272	1,410,239	1,304,996	1,082,457
Adjustment	△58,945	△54,146	△57,818	△61,063	△52,266
Consolidated	1,134,771	1,224,126	1,352,421	1,243,932	1,030,191

Ordinary Income

	FY2012	FY2013	FY2014	FY2015	FY2016
Containership	6,630	△ 142	20,623	△ 10,049	△ 31,488
Bulk Shipping	24,064	41,261	36,501	24,656	△ 9,476
Offshore Energy E&P Support & Heavy Lifter	△ 2,422	△ 4,503	△ 5,670	△ 6,553	△ 5,119
Others	6,566	2,635	3,024	1,826	2,518
Total	34,839	39,252	54,477	9,879	△ 43,566
Adjustment	△ 6,250	△ 6,797	△ 5,497	△ 6,541	△ 8,822
Consolidated	28,589	32,455	48,981	3,338	△ 52,388

* From 2012FY, business segments have been revised.

Logistics Business: 「Other Business」 → 「Containership Business」

Energy Transportation Business Development・Offshore Support Vessels・Heavy Lifters: 「Bulk Shipping Business」 → 「Offshore Energy E&P Support & Heavy Lifter」 (New)