
Supplementary Report

13 May 2005

Kawasaki Kisen Kaisha, Ltd.

Supplemental Information-1

Shipping Markets

1-1. “K” Line Container Loading Volume

Loading Volume (Unit;1,000TEU)	E/W Bound	03F 1H	03F 2H	03F Yearly	04F 1H	04F 2H	04F Yearly
Asia/N. America	E/Bound	261	234	495	279	266	545
	W/Bound	109	109	218	107	114	222
		370	343	713	386	381	767
Asia/Europe	W/Bound	179	177	356	193	195	388
	E/Bound	110	126	236	121	117	238
		289	303	592	314	312	626

Load Factor(%)	E/W Bound	03F 1H	03F 2H	03F Yearly	04F 1H	04F 2H	04F Yearly
Asia/N. America	E/Bound	94.2%	85.8%	90.0%	89.9%	82.0%	85.9%
	W/Bound	58.0%	58.8%	58.4%	54.3%	52.5%	53.4%
		79.6%	74.9%	77.2%	76.0%	70.2%	73.0%
Asia/Europe	W/Bound	94.2%	87.5%	90.7%	93.6%	92.4%	93.0%
	E/Bound	75.0%	84.8%	79.9%	79.8%	76.5%	78.2%
		85.9%	86.3%	86.1%	87.8%	85.7%	86.7%

1-2. Line/Alliance wise Vessel/Capacity Comparison

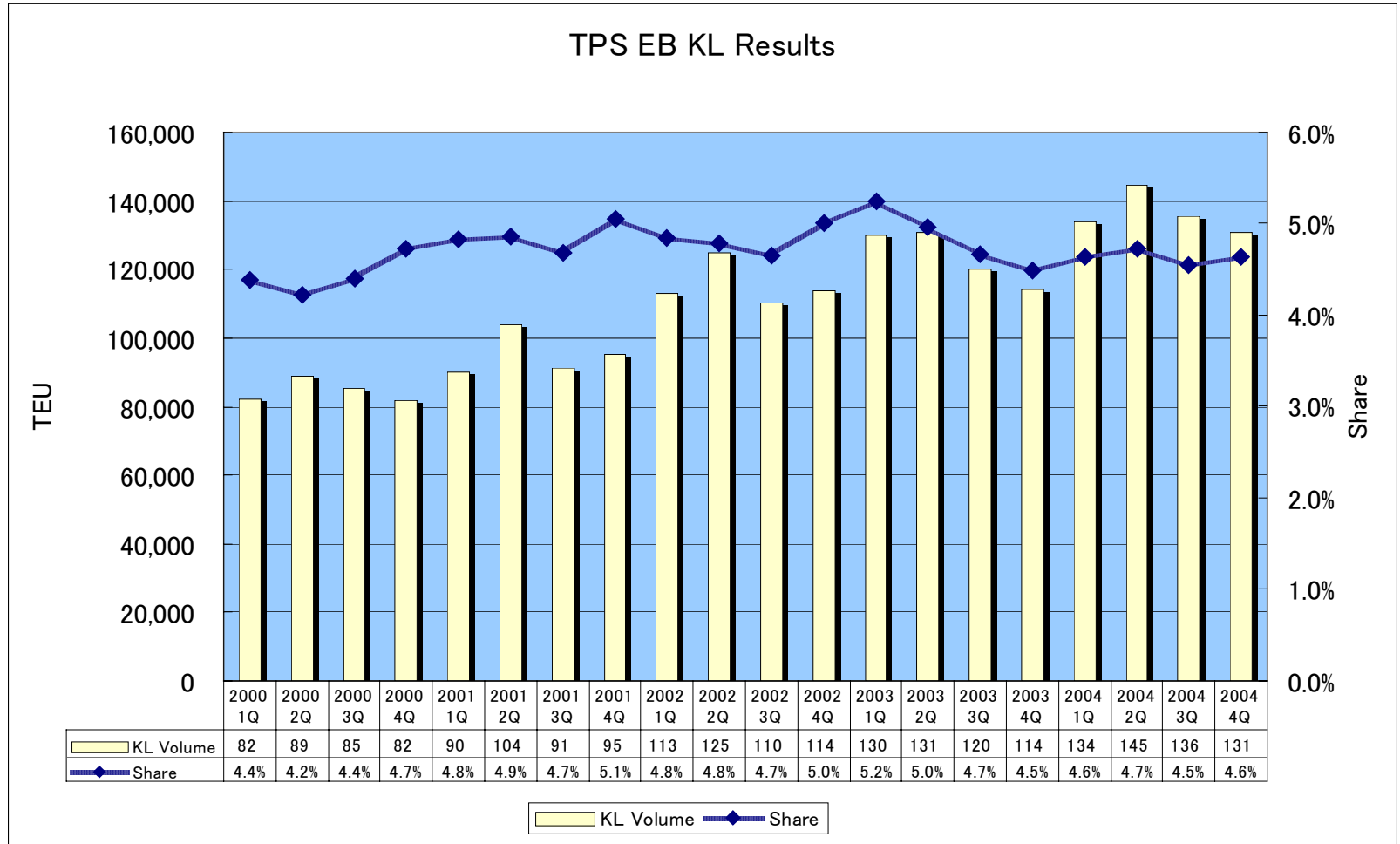
As of June/July 2004 (Carriers and BSL Shipping consultants)

TABLE 1: Top 20 container carriers ranked by operating capacity as of June/July 2004

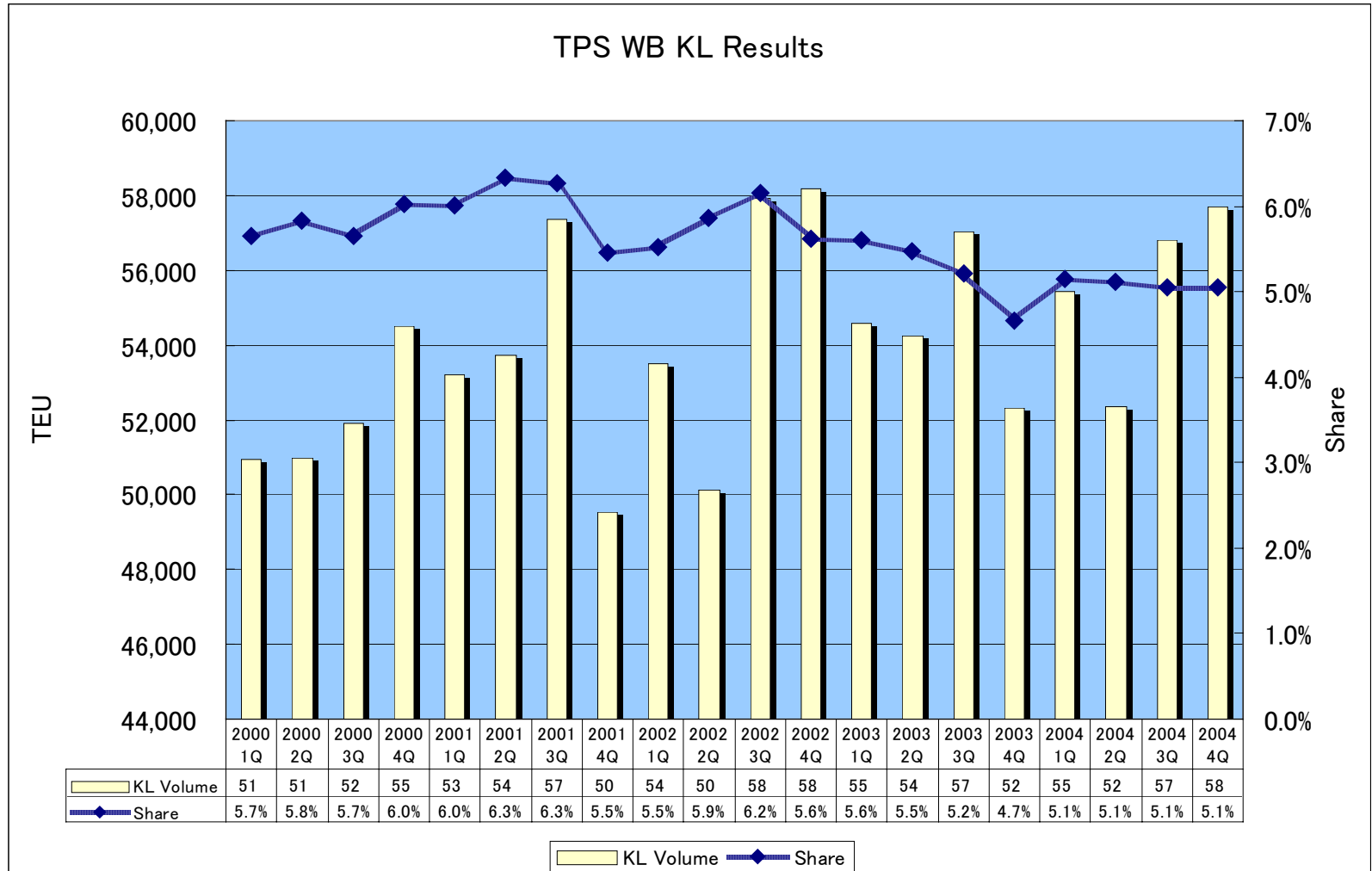
Ranking (Last Year)	Carrier/group	Total TEU capacity 2003	Total TEU capacity 2002
1 (1)	A.P. Moller group	932,804	875,086
2 (2)	Mediterranean Shipping Co.	622,759	525,090
3 (3)	Evergreen group	460,040	438,124
4 (4)	P&O Nedlloyd	423,101	421,803
5 (6)	CMA CGM group	370,639	264,790
6 (5)	Hanjin group	304,246	313,733
7 (8)	APL	278,025	248,641
8 (10)	NYK	272,060	207,953
9 (7)	COSCO Container Lines	263,874	249,771
10 (13)	MOL	232,718	190,271
11 (9)	China Shipping Container Lines	221,379	216,406
12 (14)	OOCL	215,202	184,975
13 (11)	CP Ships	194,100	203,350
14 (12)	"K" Line	193,440	191,558
Total of top 20 carriers		6,002,304	5,429,615
Average of top 20 carriers		300,115	271,481

Ranking	Alliance	Total TEU capacity 2003
1	Grand Alliance	1,096,220
2	CKYH	951,963
3	A.P. Moller group	932,804
4	The New World Alliance	657,908
5	Mediterranean Shipping Co.	622,759

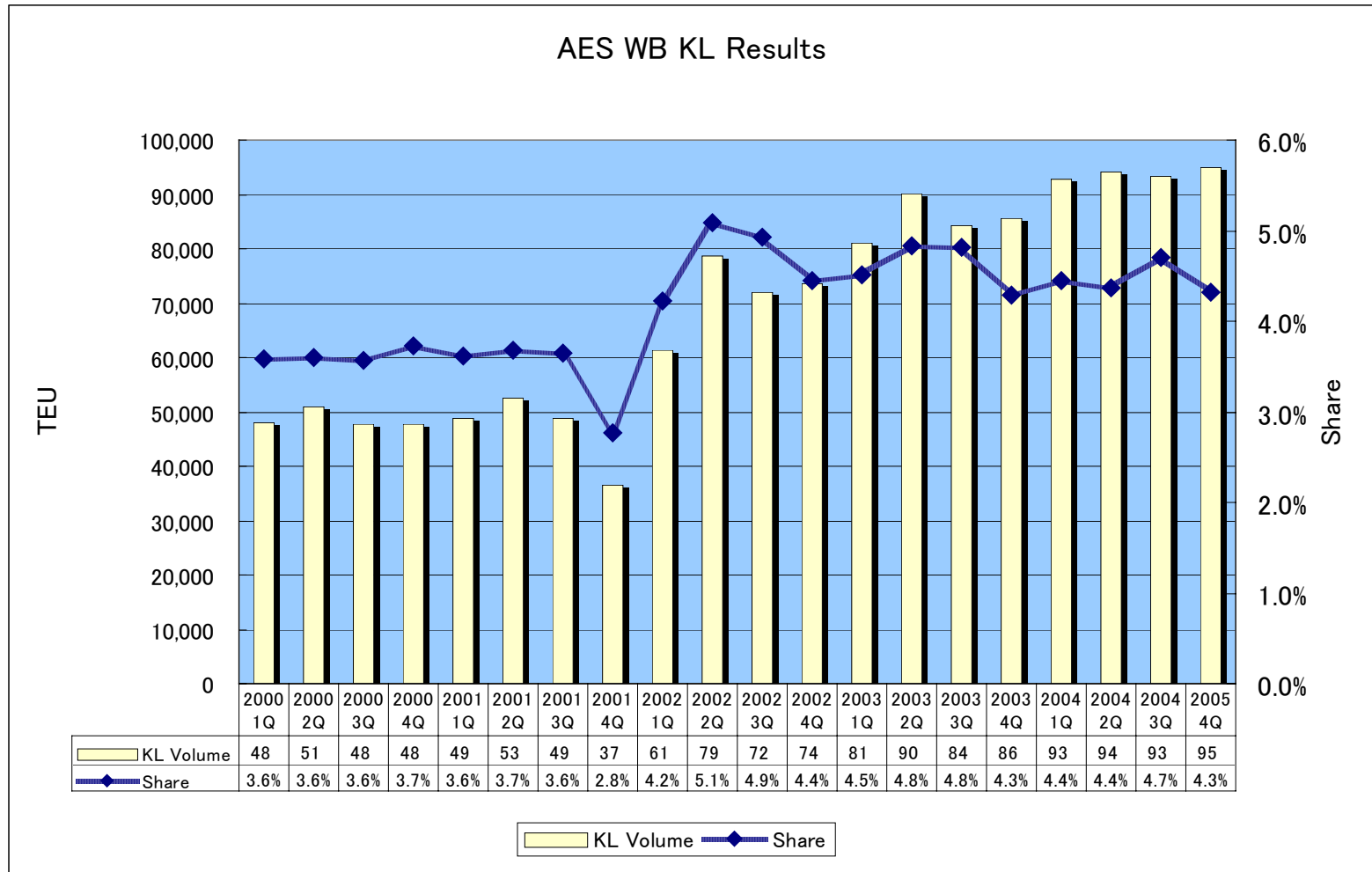
1-3. "K" Line Container Volume & Share (Asia to North America 00F-04F)



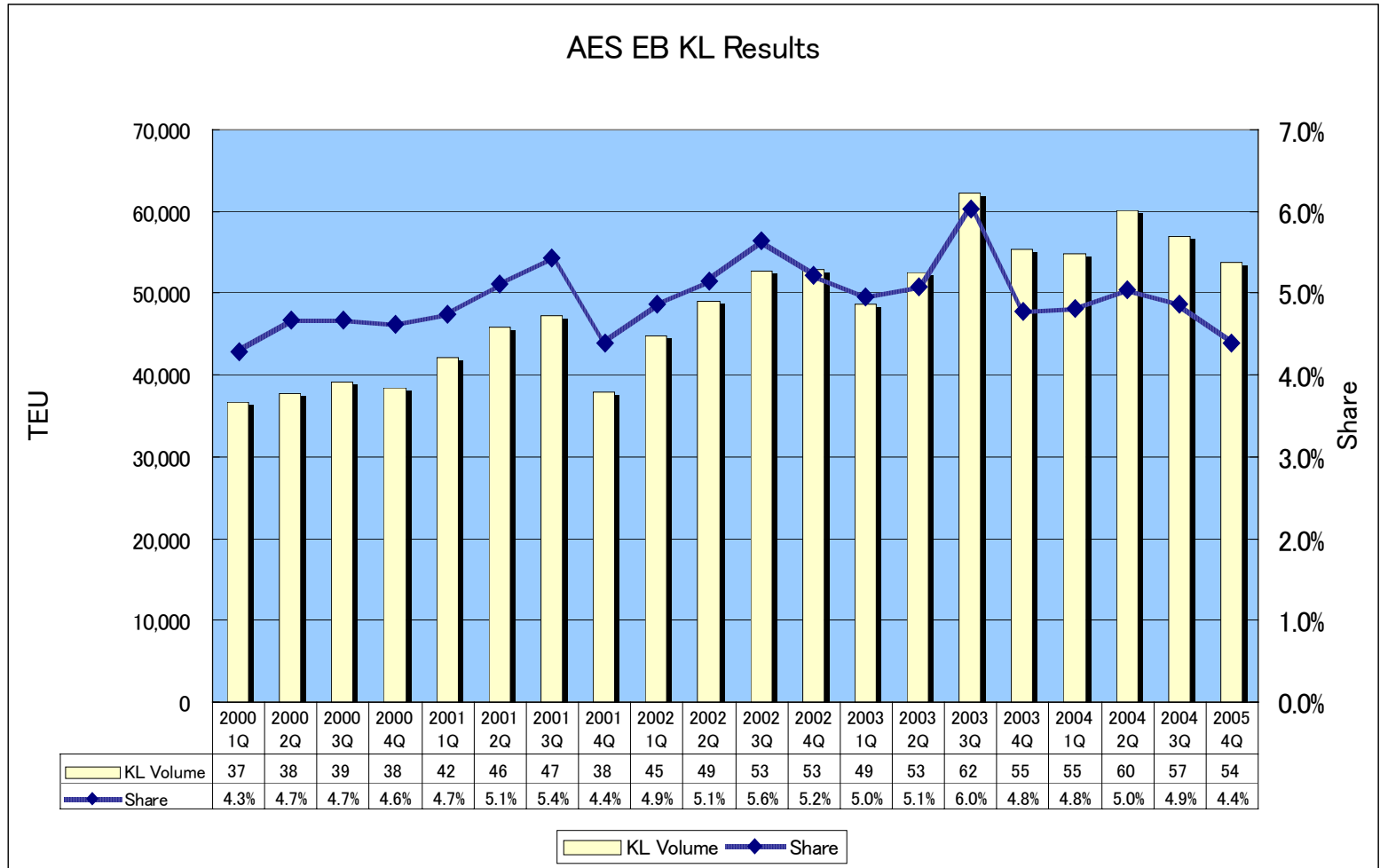
1-4. "K" Line Container Volume & Share (North America to Asia 00F-04F)



1-5. "K" Line Container Volume & Share (Asia (ex. India) to Europe 00F-04F)

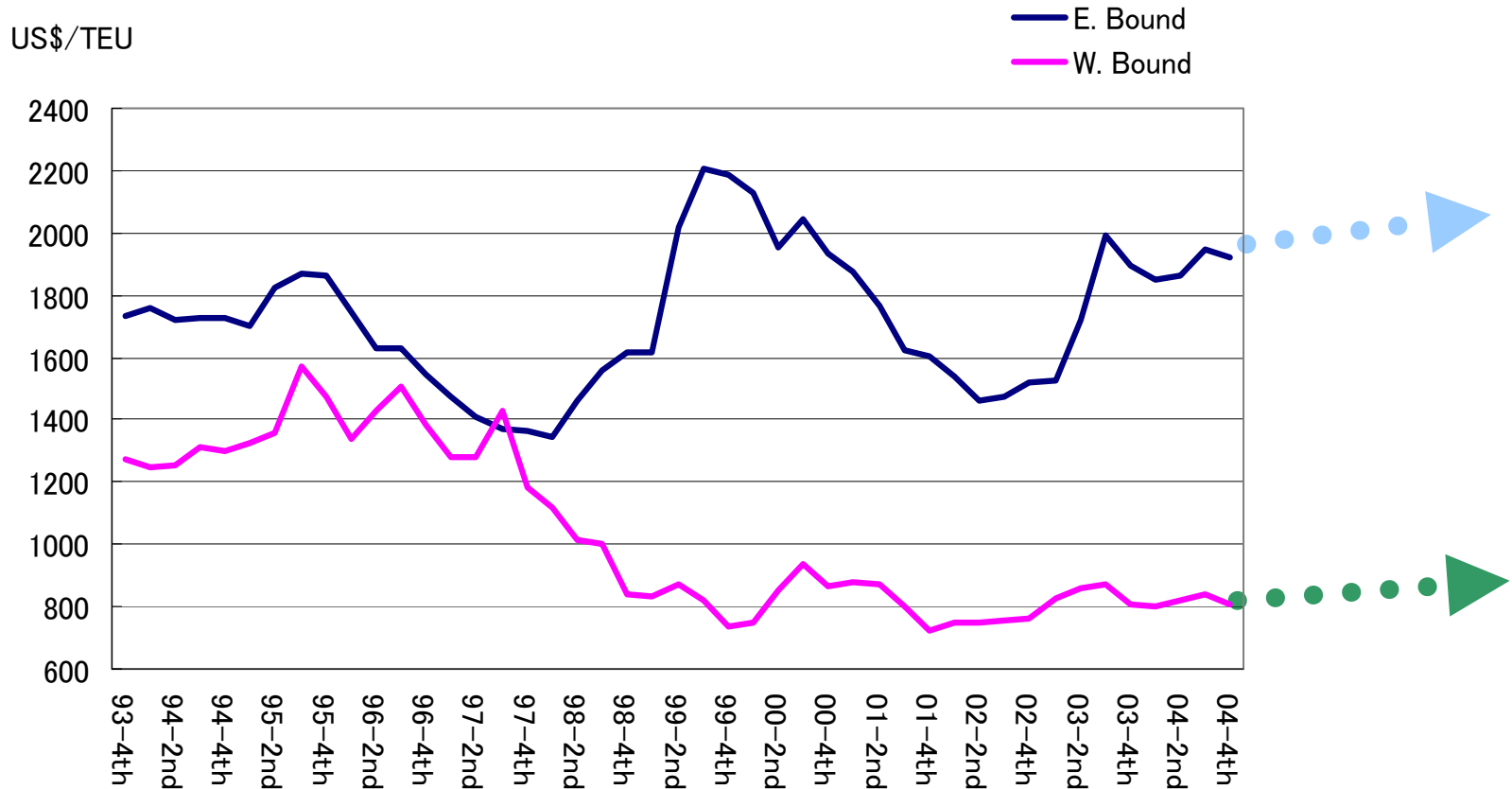


1-6. “K” Line Container Volume & Share (Europe to Asia (ex. India) 00F-04F)



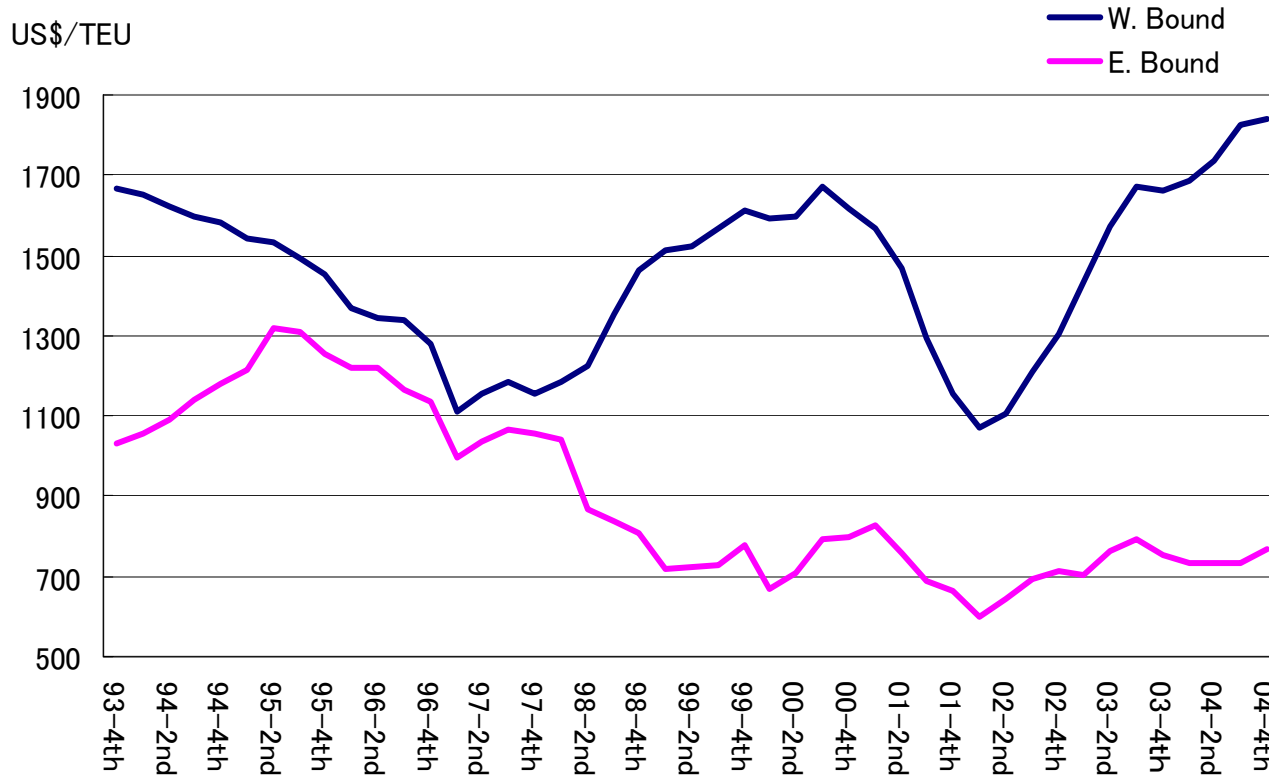
1-7. Trend of Average Container Freight (Asia-North America Trade)

(Data: CONTAINERIZATION INTERNATIONAL)

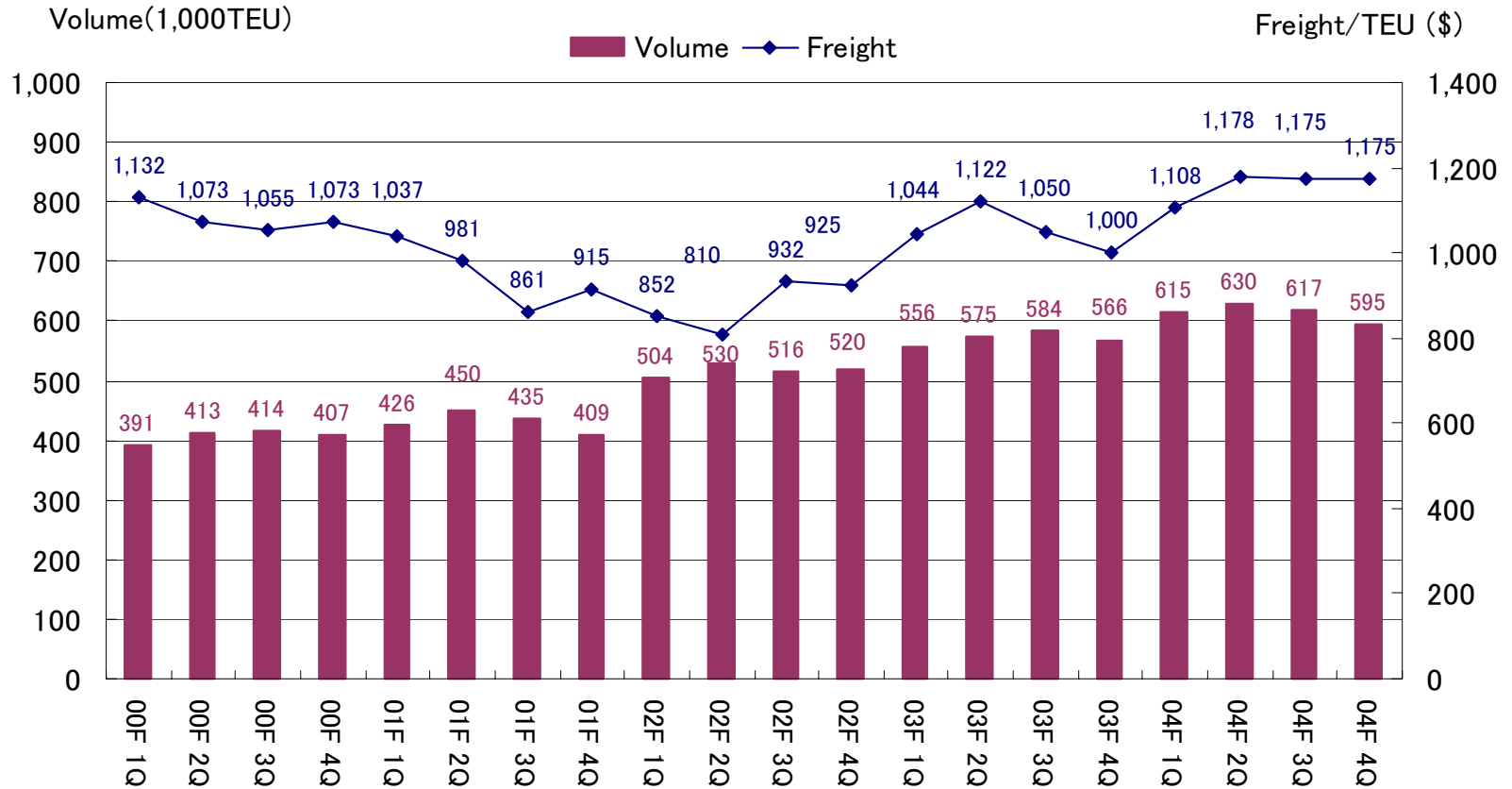


1-8. Trend of Average Container Freight (Asia-Europe Trade)

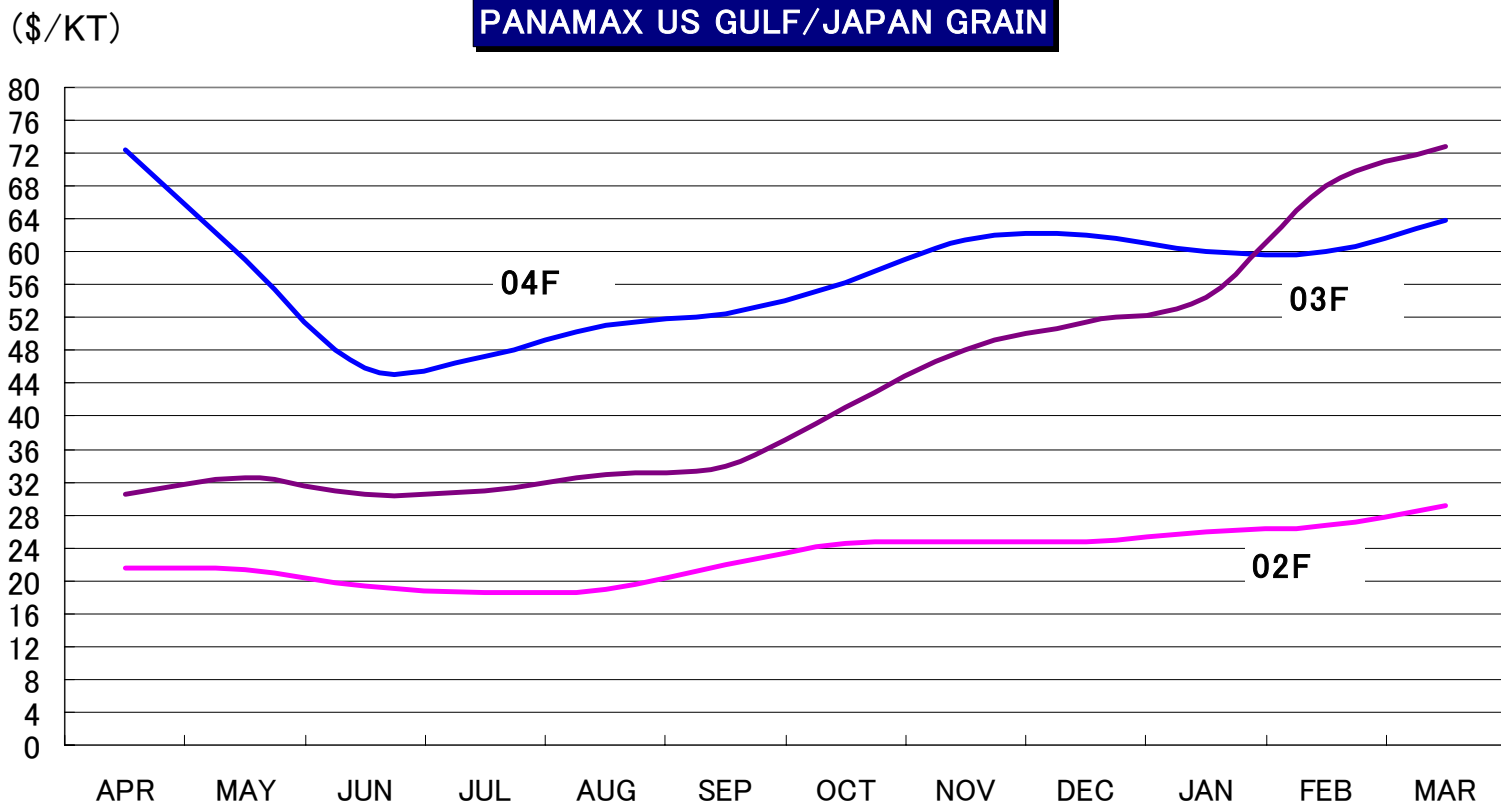
(Data : Containerization International)



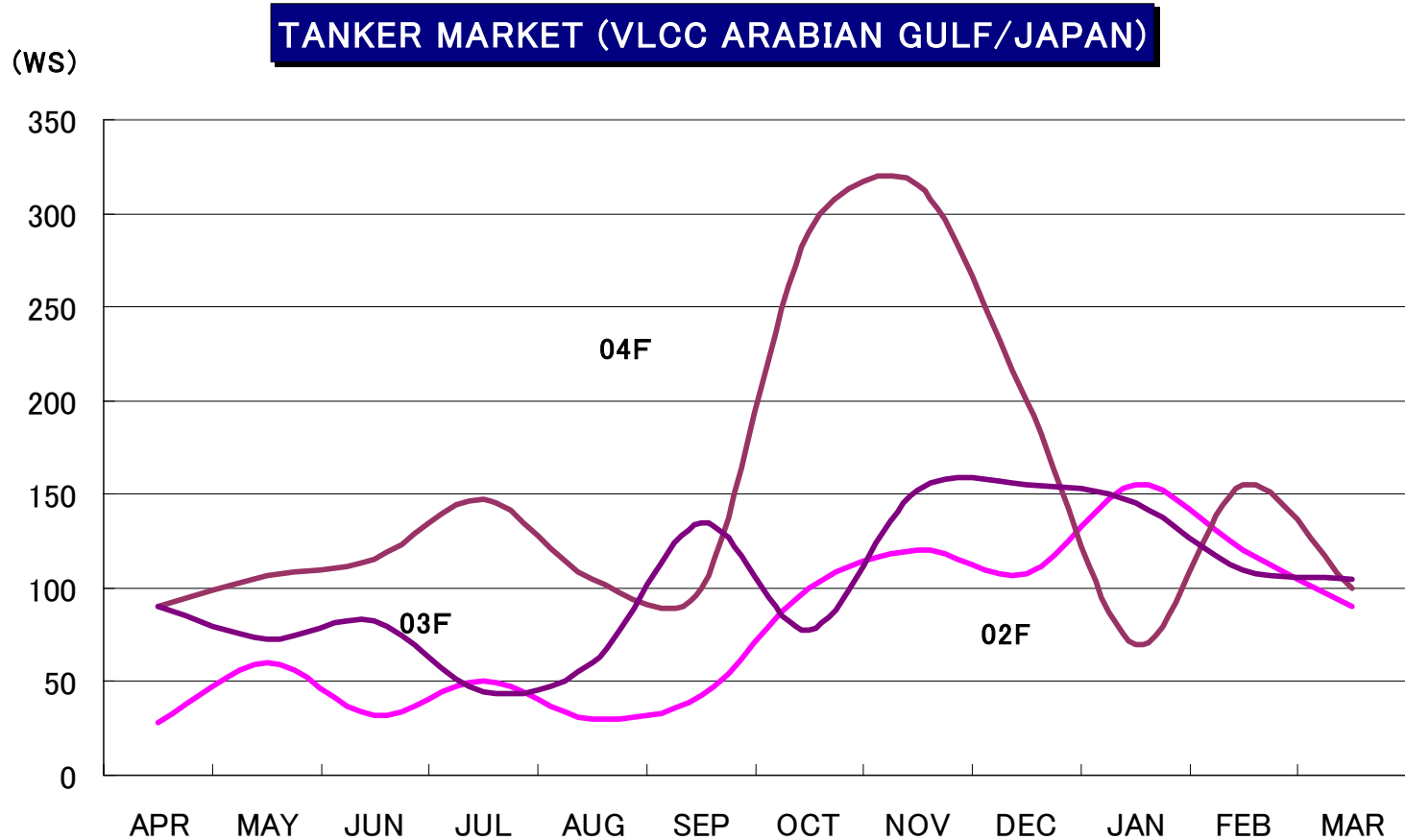
1-9. Trend of Average Container Freight/Volume ("K" Line All Trades)



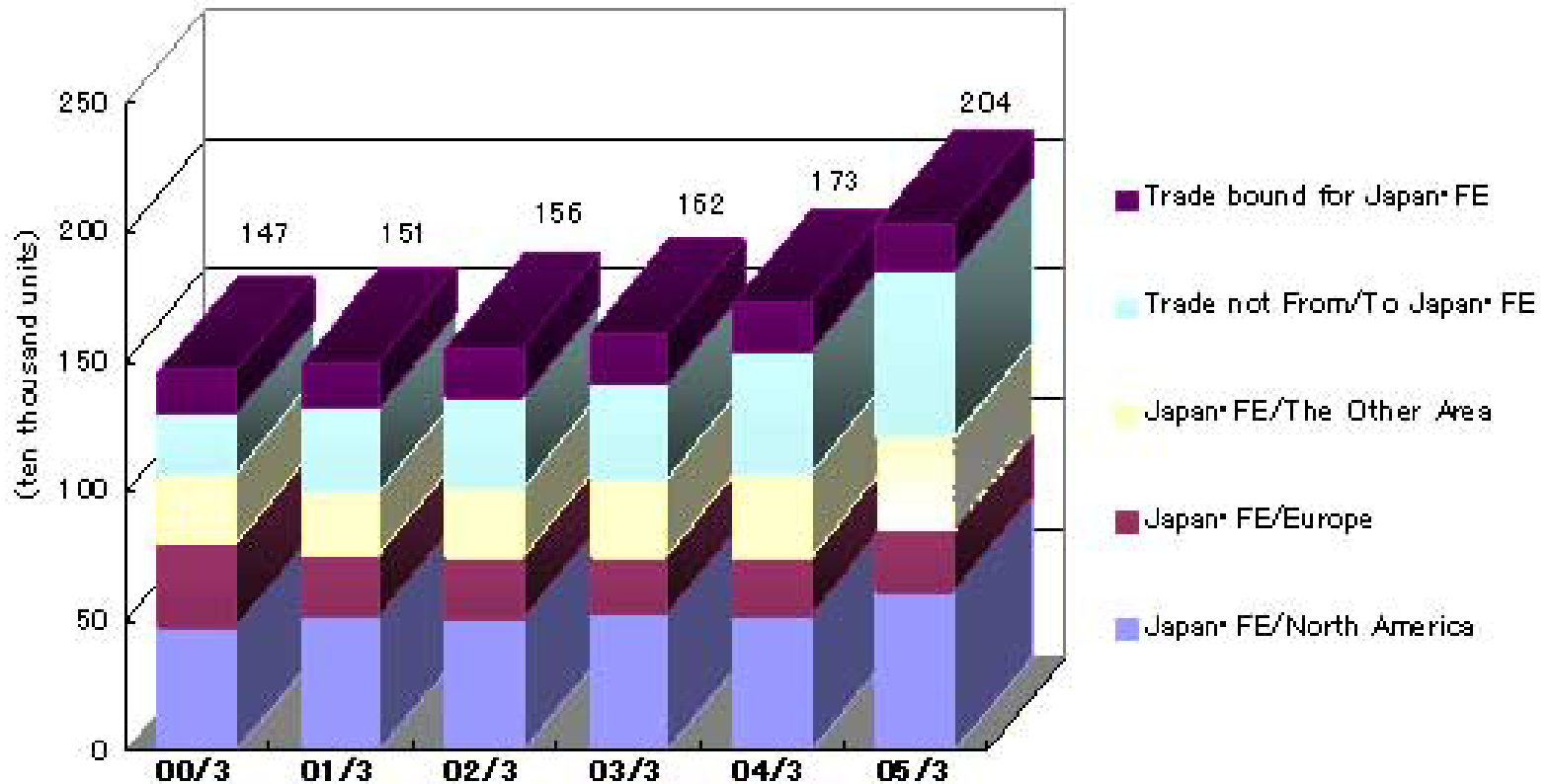
1-10. Bulker Market



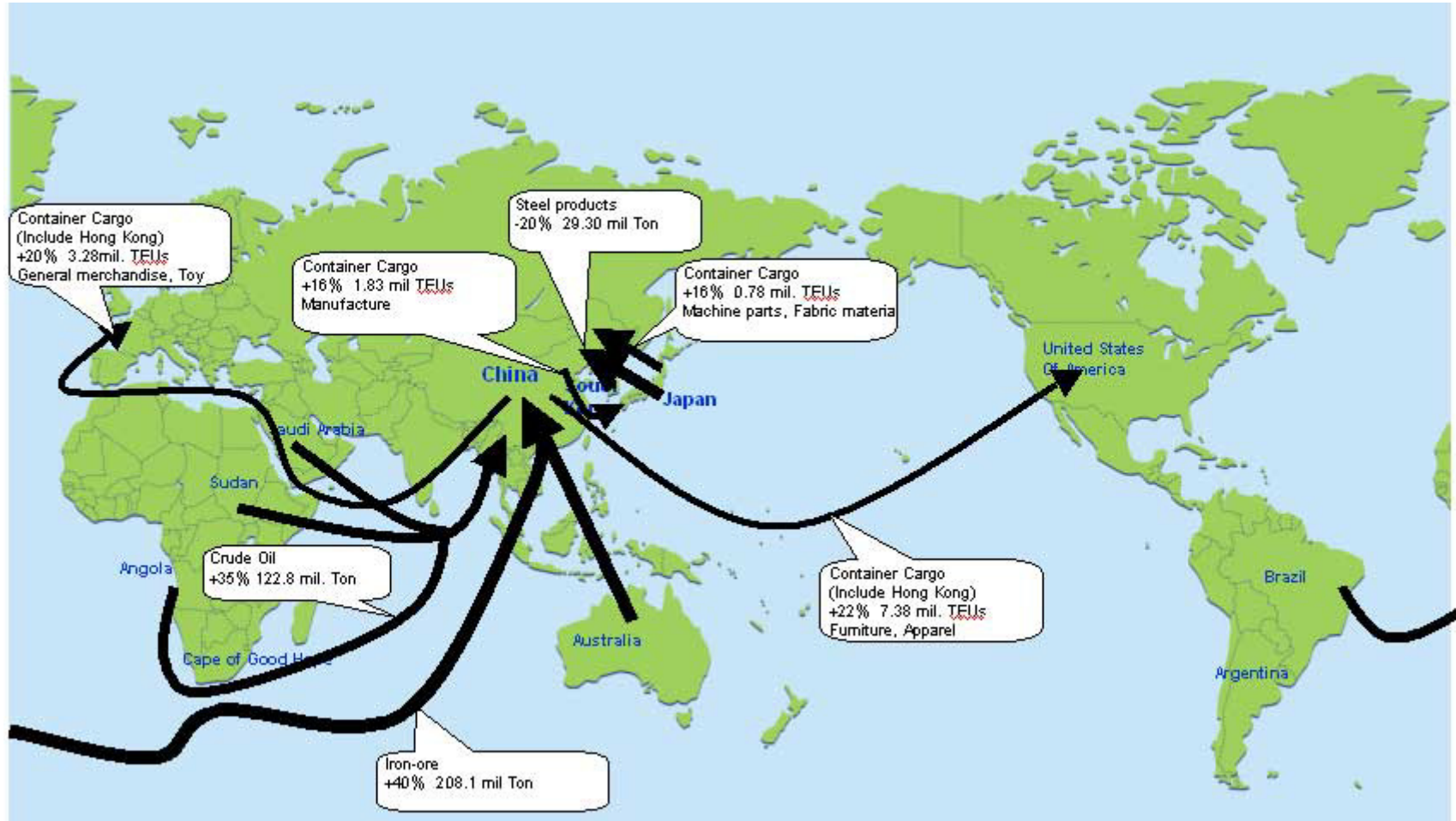
1-11. Tanker Market



1-12. Transition of Cars/Trucks Transported by “K” Line PCTC Fleet



1-13. China Impact on World Logistics



2004 actual result (Increase rate is YoY basis)

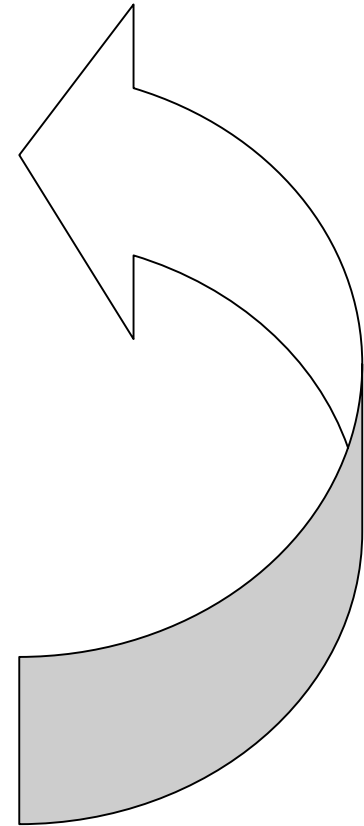
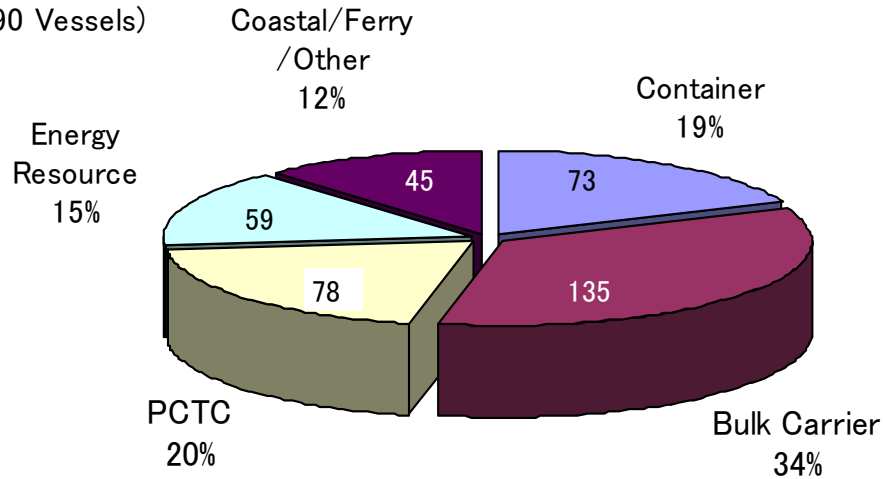
Source : Weekly Economist

1-14. China Factor to World Goods Production and Demand Expansion

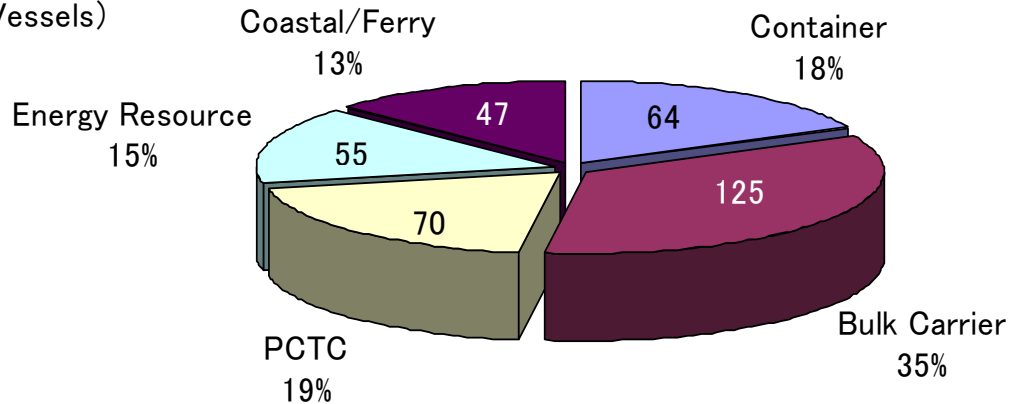
	1995	2004	95~04 Increase	Increase contribution
World Crude Steel Production (million ton)	752	1040	288	
(China)	93	310	217	75%
World Aluminum Metal Demand (ten-thousand ton)	2006	2820	814	
(China)	170	550	380	47%
World Oil Demand (ten-thousand barrel/day)	6990	8240	1250	
(China)	342	630	288	23%
World Soybean Demand (million ton)	131	208	76	
(China)	14	38	24	32%
World Car Production (ten-thousand units)	4998	6083	1085	
(China)	150	506	356	33%

1-15. “K” Line Vessel Fleet Composition

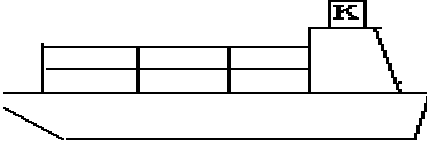
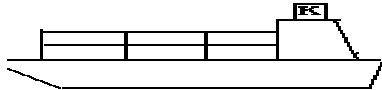



March 2005
 (Total 390 Vessels)



March 2004
 (Total 361 Vessels)

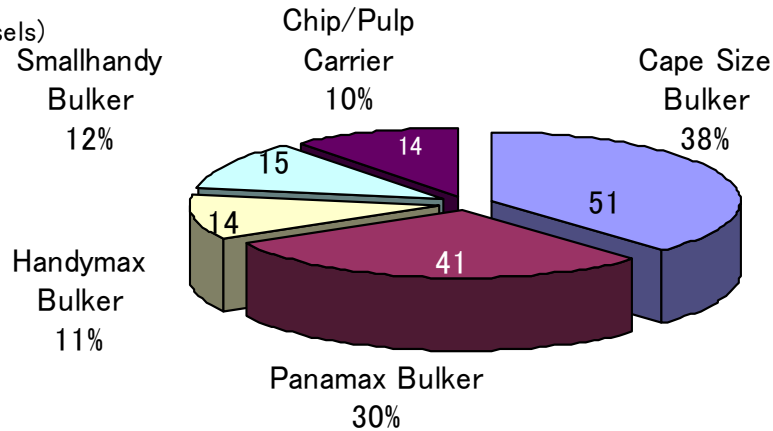


1-16. “K” Line Container Vessel Fleet Composition

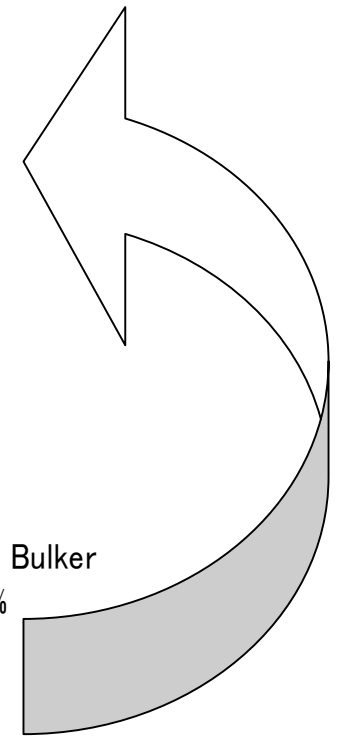
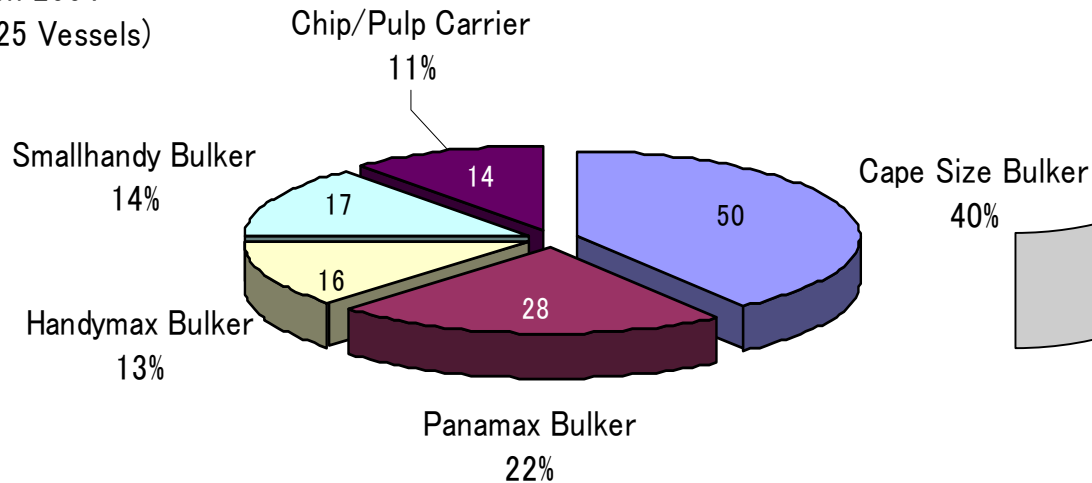
		March '04	March '05
	5500TEU over	13	13
	3500TEU(3400-4700)	17	22
	2800TEU(2700-2900)	4	5
	2000TEU(1500-2500)	13	11
	1400TEU or under	17	22
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	Total	64	73

1-17. "K" Line Bulk Carrier Fleet Composition

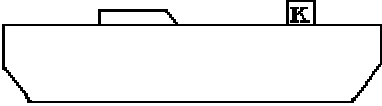
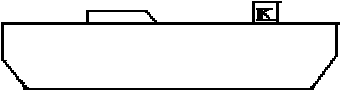
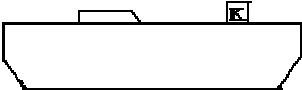
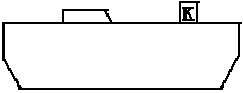
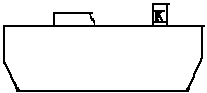
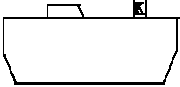
March 2005
(Total 135 Vessels)



March 2004
(Total 125 Vessels)

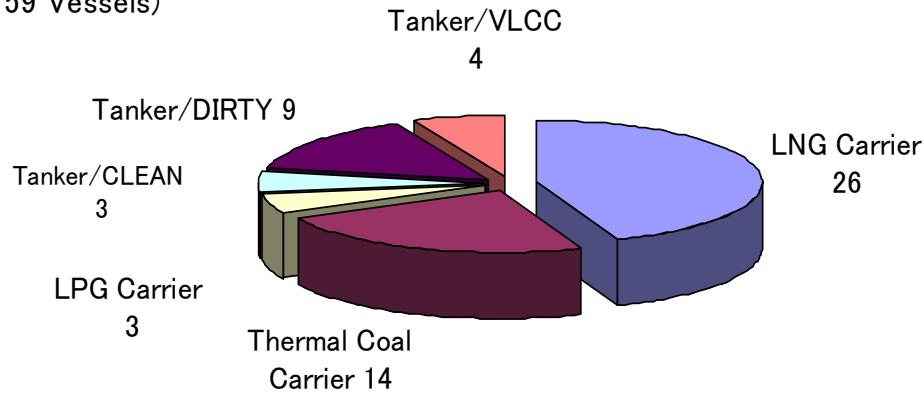


1-18. “K” Line PCTC Vessel Fleet Composition

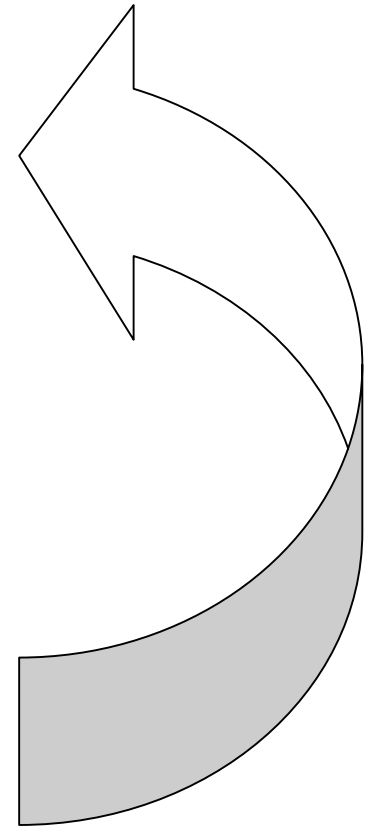
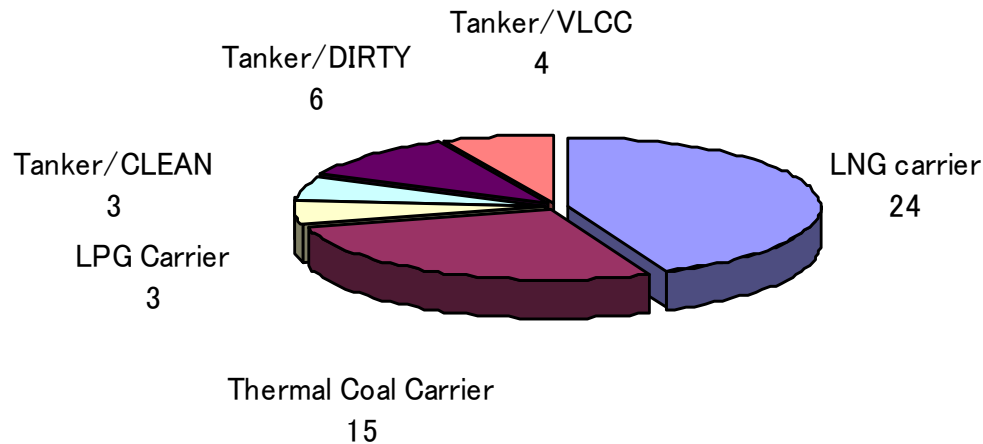
		March '04	March '05
	6000 units	7	10
	5000 units (4750-5650)	26	26
	4000 units (3800-4600)	15	17
	3000 units (2800-3500)	13	13
	2000 units (1600-2500)	4	2
	800 units (800-850)	5	10
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	Total	70	78

1-19. “K” Line Energy Transport Fleet Composition

March 2005
(Total 59 Vessels)



March 2004
(Total 55 Vessels)



Supplemental Information-2

Business Prospects for 2005F

< Business Prospects : Containership >

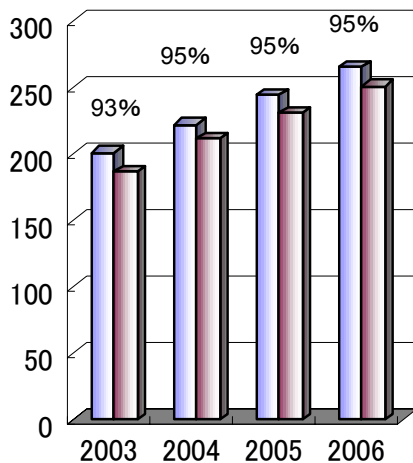
2-1. Containership Business

【Prospect of container movement increase】

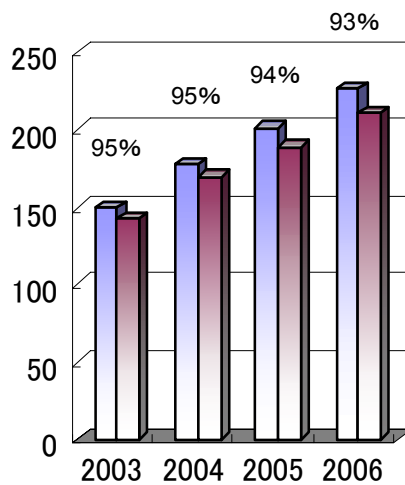
Shipping Route	2003	2004	2005	2006
Asia-N. America	8.5%	14.1%	10-12%	10-12%
Asia-E.U.	17.6%	16.3%	13-16%	13-16%

【Supply & Demand Balance】

Asia-N.America



Asia-E.U.



■ Supply ■ Demand

■ Supply ■ Demand

【Trend in Cargo Movement】

Asia-N. America : January '05 import restrictions on apparel under the WTO lifted >>> Export from China/India to be increased

Asia-E.U. : Enlarged E.U. pull stable cargo transportation

【Trend in Supply/Demand condition】

Supply & Demand situation balances in '05F

Asia-N. America : Capacity +12% vs. Cargo +10-12%

Asia-E.U. : Capacity +14% vs. Cargo +13-16%

【Trend in Freight Rate】

Various cost increase, such as Charterage, Fuel Oil Price, Ship Building cost, Security cost, etc.
>>> Pressure on freight restoration

【 Strategy】

- Strengthen cost competitiveness and expand scale of operation with enhancement of fleet
- Stabilize freight rate with spread of multiple- year shipping contracts

<Business Prospects : Bulk Carrier>

2-2. Coal & Iron Ore Carrier

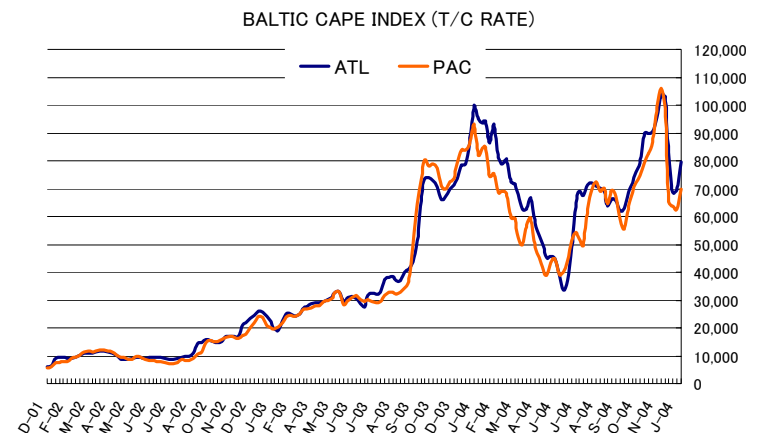
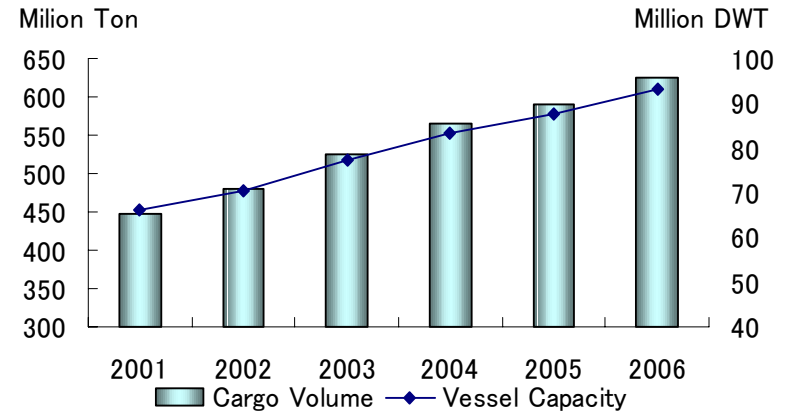
【Business Environment】

- World crude steel production recorded 1.03 billion tons in '04. Within a few years it will hit 1.1 billion tons. (The production in China prospected : '04- 0.26 billion tons, '10-0.36 billion tons)
- Coking Coal & Iron Ore trade volume by sea is expected to increase by approx. 40million tons per year.
- Expected increase of cape-size bulkers (40-50 vessels/year) almost matches demand increase due to trade volume growth and heavy congestion at ports. Demand /Supply situation does not substantially change, and freight market will stay at high level over three years.

【Strategy】

- Expanding business by positive investment (Business scale target for '04F, 10 million DWT and fleet scale of cape-size 50 and panamax type 25, achieved)
- Maintain the position as leading carrier by expanding fleet and upgrading service quality
- Continue strengthening of domestic business
- Ensure “K”LINE Brand with our know-how, human resources, development of technology and achievement of safe navigation
- Tackle business expansion in developing markets such as Asia, Europe and the U.S.

Seaborne Iron Ore Volume & Required Vessel Capacity



<Business Prospects : Bulk Carrier>

2-3. General Bulk Carrier

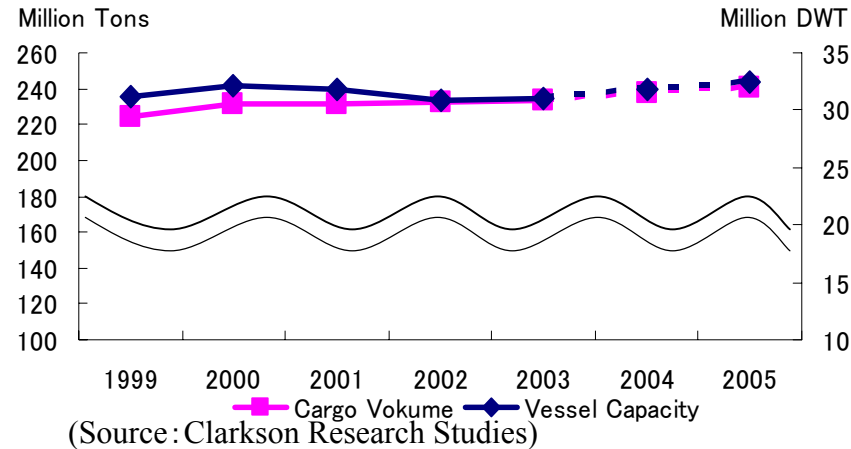
【Business environment】

- Positive cargo volume of major cargoes which much affect bulk market, such as soybeans/feed to Asia mainly China, or coal again to Asia/China, or E.U. which is in tendency to abolish nuclear power plants
- Panamax/Handymax market remaining at a high level for 1-2 years depending on the boom in Cape-size market
- High possibility of increase in demand to chip carriers because paper mills in China start operation after 2006

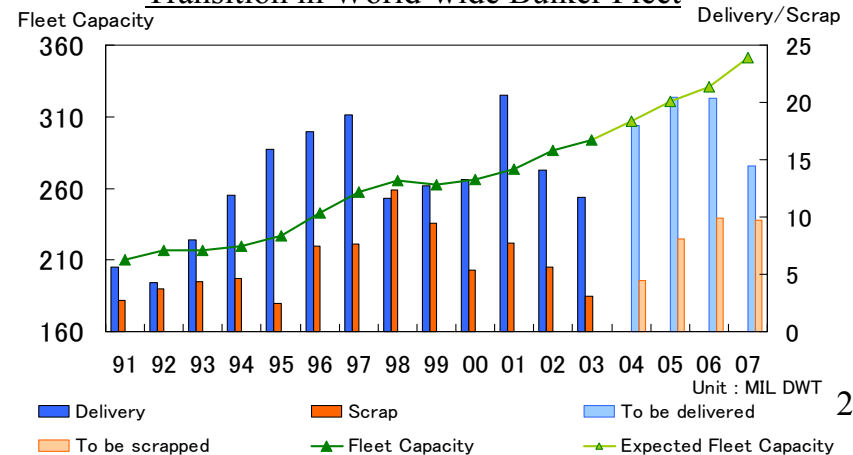
【Strategy】

- Increase and deepen business with existing customers
- Develop new category of cargo which could become core business, with cargoes to be connected with it

Seaborne Grain volume & Required Vessel Capacity



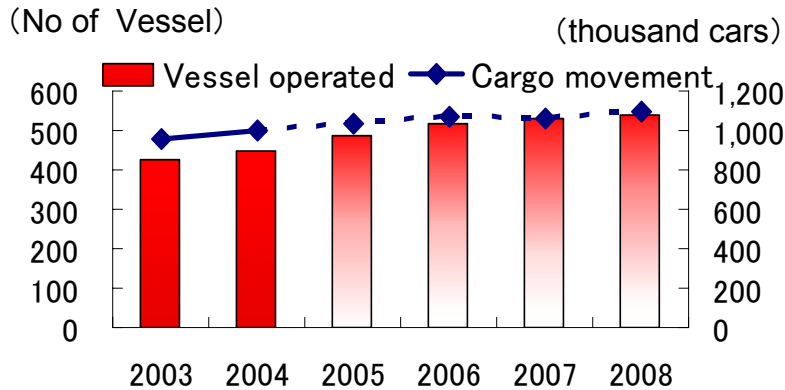
Transition in World-wide Bulker Fleet



<Business Prospects : Car Carrier>

2-4. Car Carrier Business

Global shipping capacity and cargo movement



【Business environment】

- Increase in off-Japan trade with globalization of automobile industry
- Increase of car sales in the U.S. to 17 million level with population growth is prospected
- Demand for new shipping route and additional cargo movement are expected with worldwide change or diversification of supply source
- East Europe/India/China is expected as new car sale market

>>>Expansion of world marine transport for complete cars

【Strategy】

- Expand business scale along with diversification of production sites and increase in marine transport of complete cars all over the world
- Strengthen transportation of non self-propelled cargoes such as agricultural/constructional machinery, vehicle, or general cargo, utilizing every kind of equipment for transportation
- Addressing stable transport and upgrading of transport service quality, as well as developing our IT-based transport services settle the “K”LINE corporate brand as a *Global RORO Carrier*
- Expand overseas business bases and promote independent regional businesses
- Establish long and trusted relationships with valued customers and promote service differentiation through the comprehensive capabilities of the “K”LINE Group

<Business Prospects : Energy Transportation>

2-5. LNG Carrier

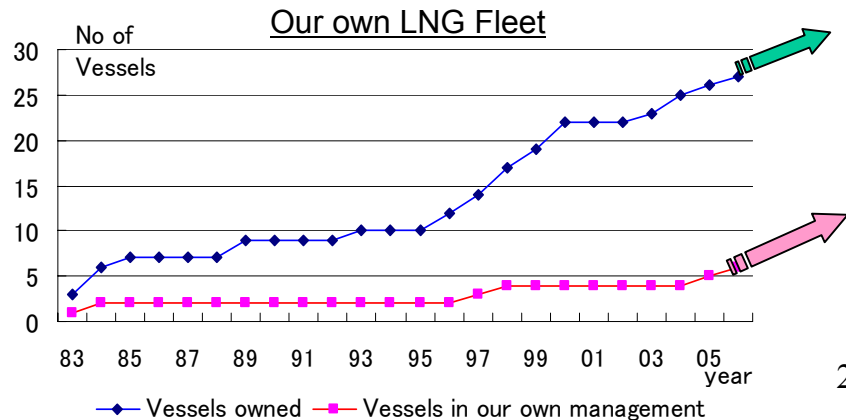
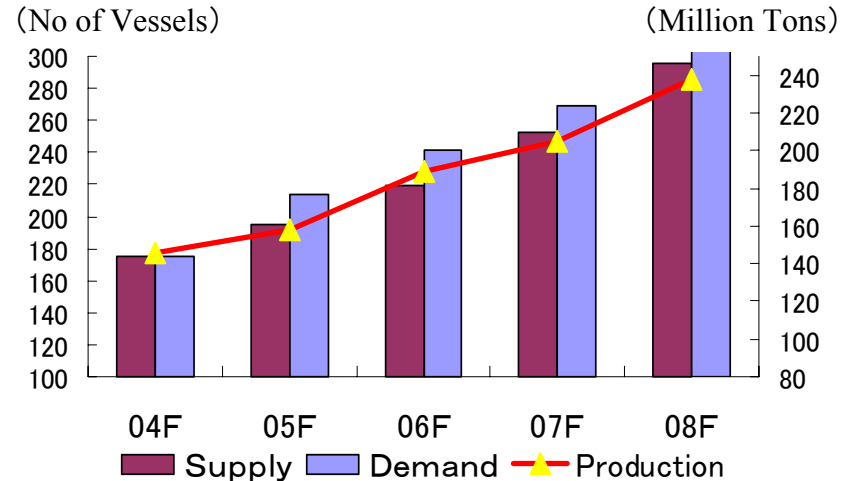
【Business environment】

- Increasing global demands for LNG centering on U.S.
- Increase in U.S. domestic gas production cost >>>Increase LNG cost competitiveness
- Respond to further flexible form of transportation contract
- Respond to new technologies (larger type vessels, new type of engine, CNG, etc.)

【Strategy】

- Promote new project based on selection and concentration
- Improve ship management for off-Japan trade

Seaborne LNG volume/LNG Fleet Prospects



<Business Prospects : Energy Transportation>

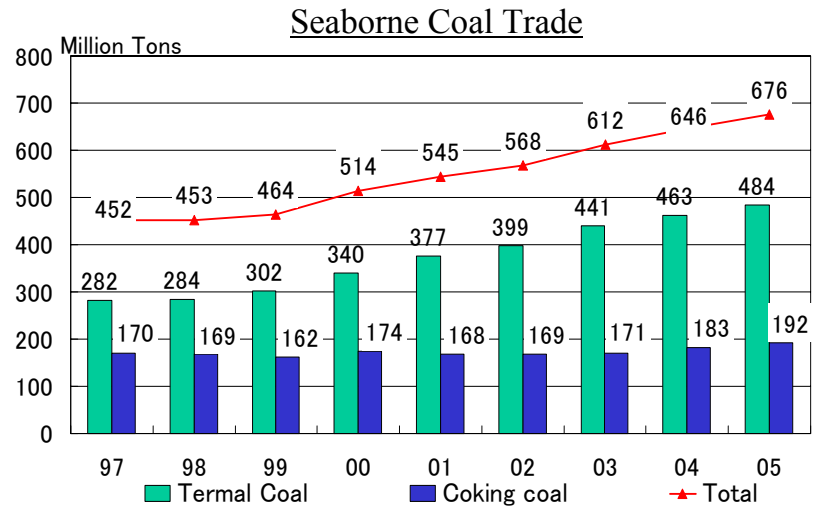
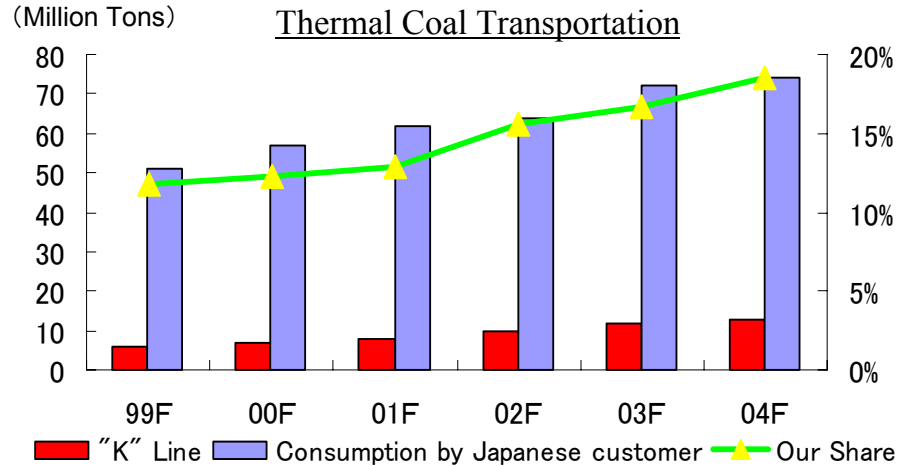
2-6. Thermal Coal Carrier

【Business environment】

- Coal-fired power plants expected to remain as main electric power source. The market size would reach the plateau of 70-75 million tons in Japan in 2004/2005 when all scheduled power plants there are completed

【Strategy】

- Respond flexibly to operating rate variation of coal-fired power plants
- Strengthen and improve our transport system with Corona-series fleet at both hardware and software, including supplementary panamax fleet



Source : Clarkson Dry Bulk Outlook ('05 Figure is Clarkson's estimation)

<Business Prospects : Energy Transportation>

2-7. Tanker

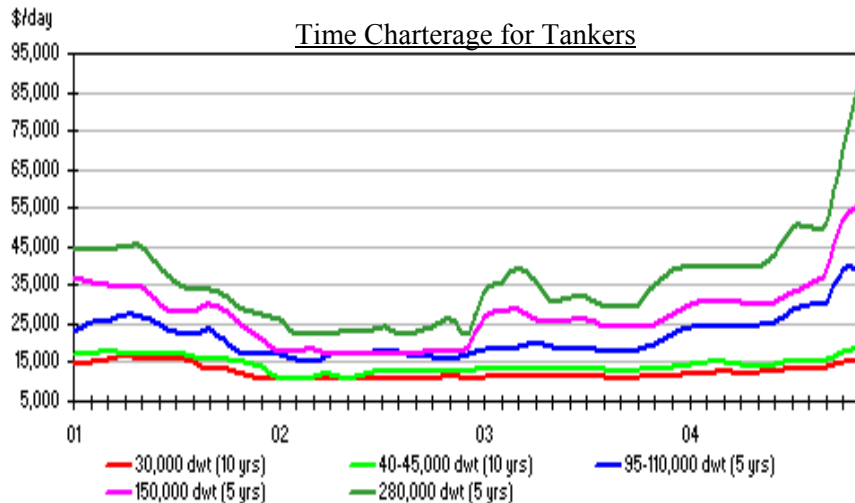
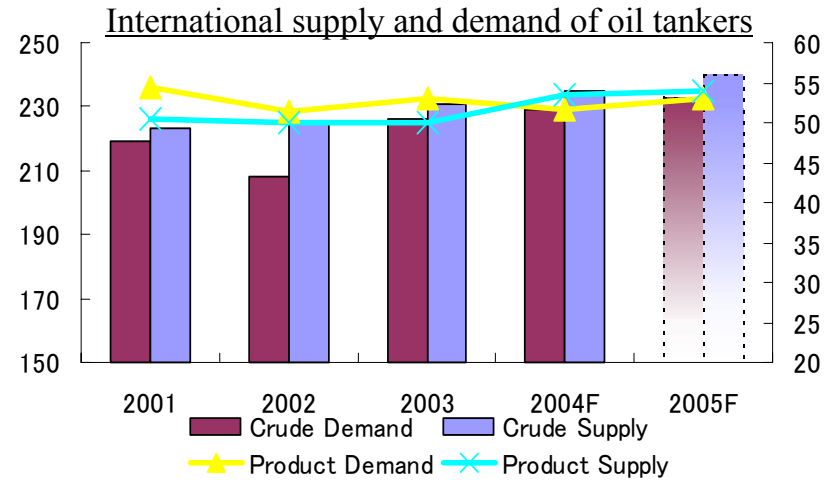
[Business environment]

- Prospect of Demand for Crude Oil in the world
 '04 82.4 million barrel / day (YoY +3.3%)
 '05 83.9 million barrel / day (YoY +1.7%)
- Seaborne trade volume prospects
 Crude Oil +2-3%, Oil Products +4-5%
 >>> Tanker market stable

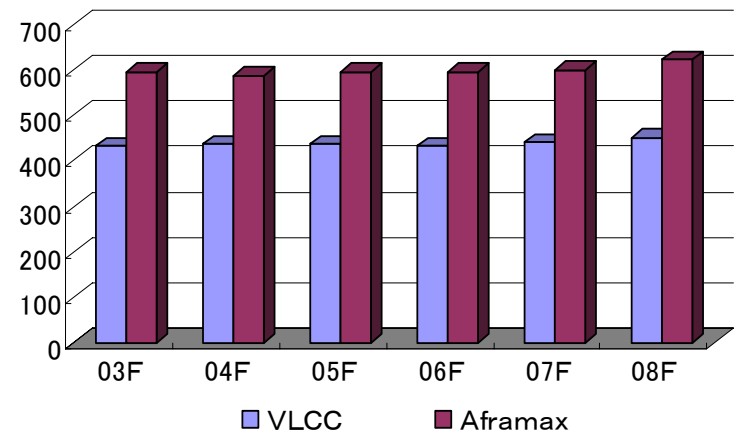
[Strategy]

- To be recognized as global operator with considerable size of fleet and qualified service
- To provide high quality service based on safety in ship operation

(Million weight tons)



VLCC/AFRAMAX prospects



Supplemental Information-3

Financial Data

3-1. Breakdown on Non-Operating, Extra-Ordinary Items (2004F Yearly)

1. Non-Operating Income/Loss

(unit : billion yen)

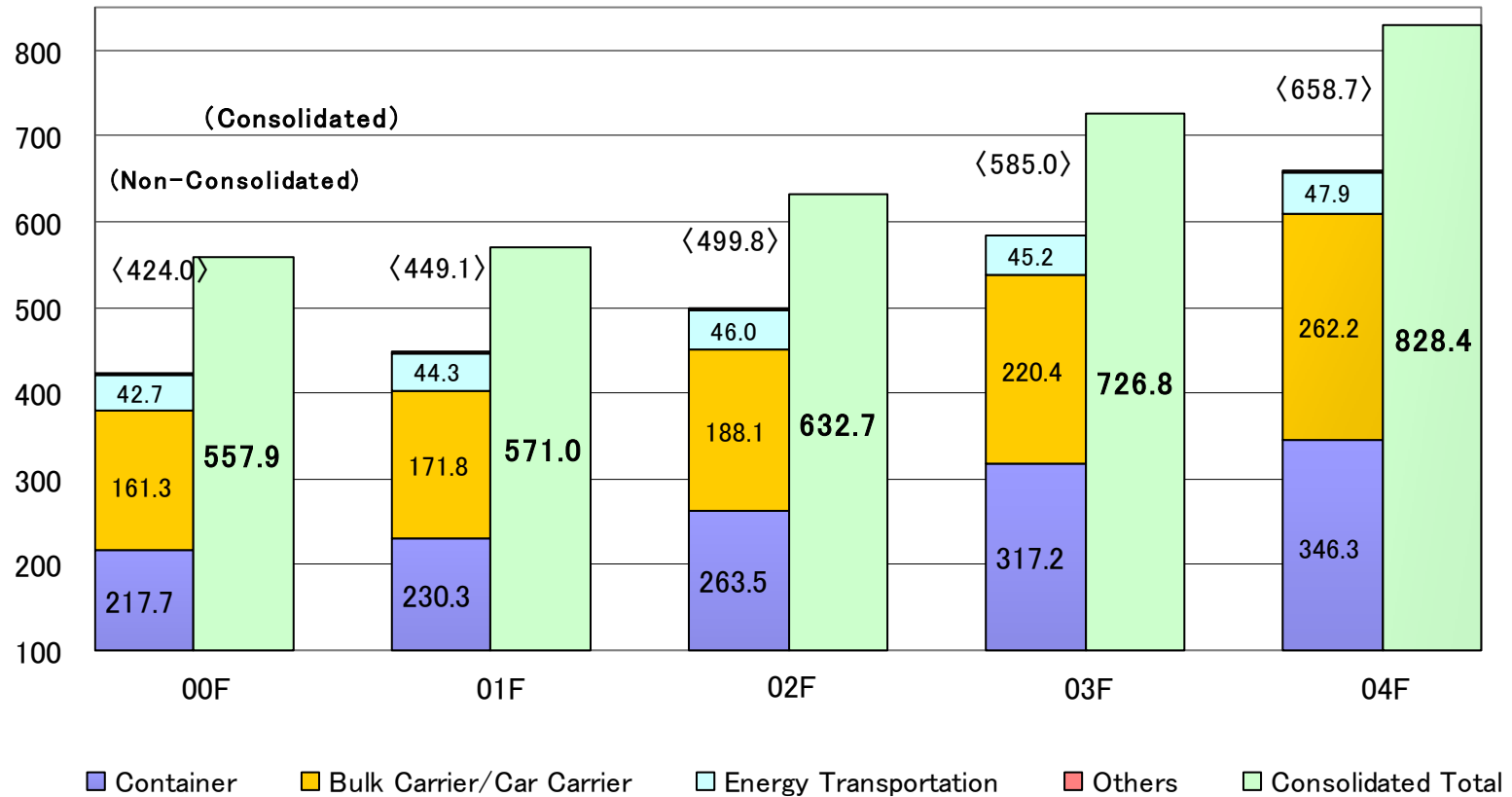
	1H	2H	Sum total		1H	2H	Sum total
Consolidated Total	1.7	-2.5	-0.8	Non-Consolidated Total	1.6	0.0	1.6
Financial Gain/Loss	-1.2	-1.3	-2.5	Financial Gain/Loss	-0.1	1.1	1.0
Exchange Gain/Loss	2.4	-1.9	0.5	Exchange Gain/Loss	1.7	-1.2	0.5
Others	0.5	0.7	1.2	Others	0.0	0.1	0.1

2. Extra-Ordinary Income/Loss

	1H	2H	Sum total		1H	2H	Sum total
Consolidated Total	-8.8	-2.9	-11.7	Non-Consolidated Total	-6.3	-2.4	-8.7
Impairment losses on fixed assets	-7.0	0.0	-7.0	Impairment losses on fixed assets	-4.7	0.0	-4.7
Sales and disposal of fixed assets	-0.7	0.5	-0.2	Sales and disposal of fixed assets	-1.0	0.0	-1.0
Affiliated company liquidation loss	0.0	-3.2	-3.2	Affiliated company liquidation loss	0.0	-2.8	-2.8
Others	-1.1	-0.2	-1.3	Others	-0.6	0.4	-0.2

3-2. Transition of Operating Revenues

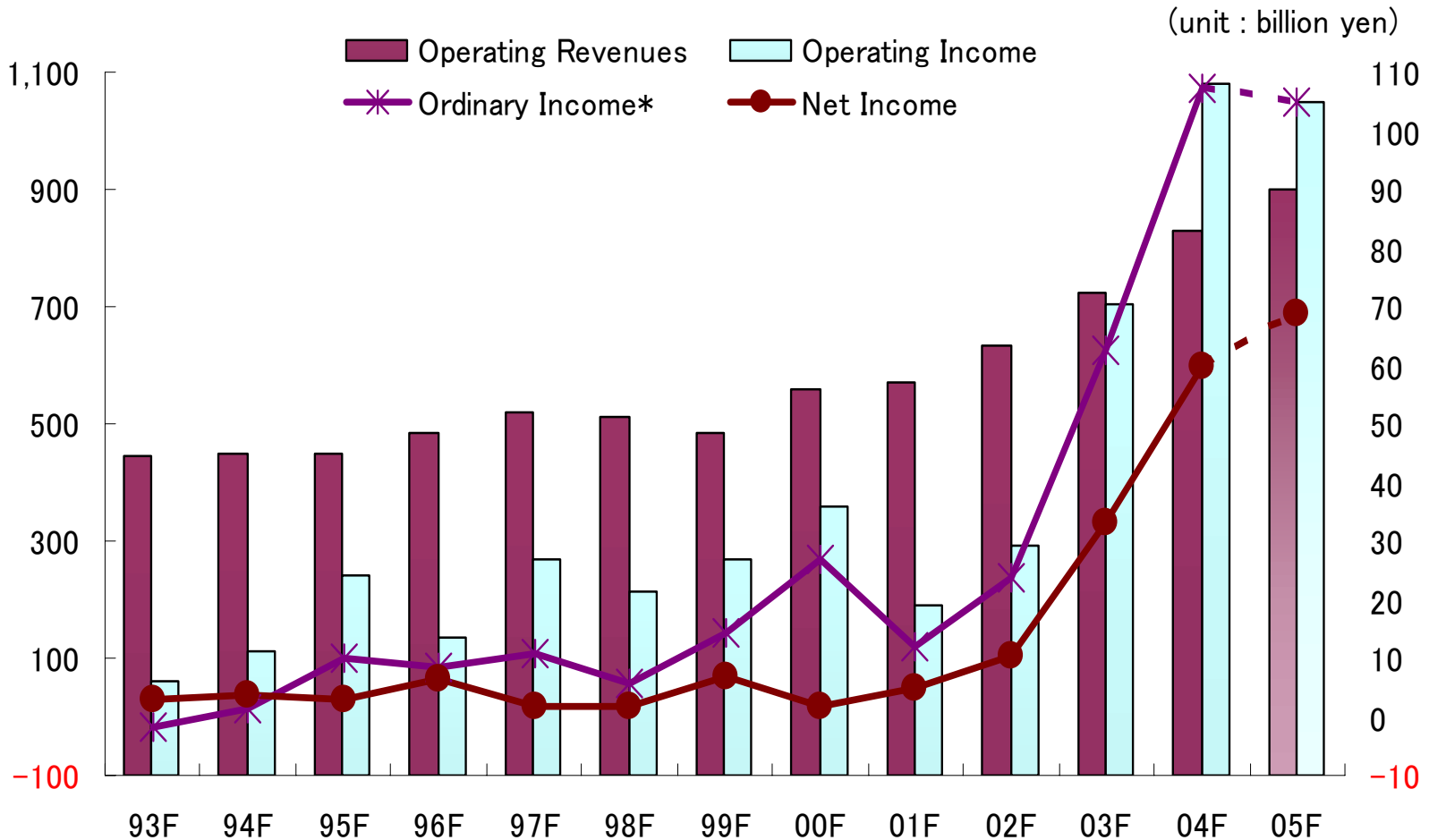
(unit : billion yen)



Supplemental Information-4

Historical Data

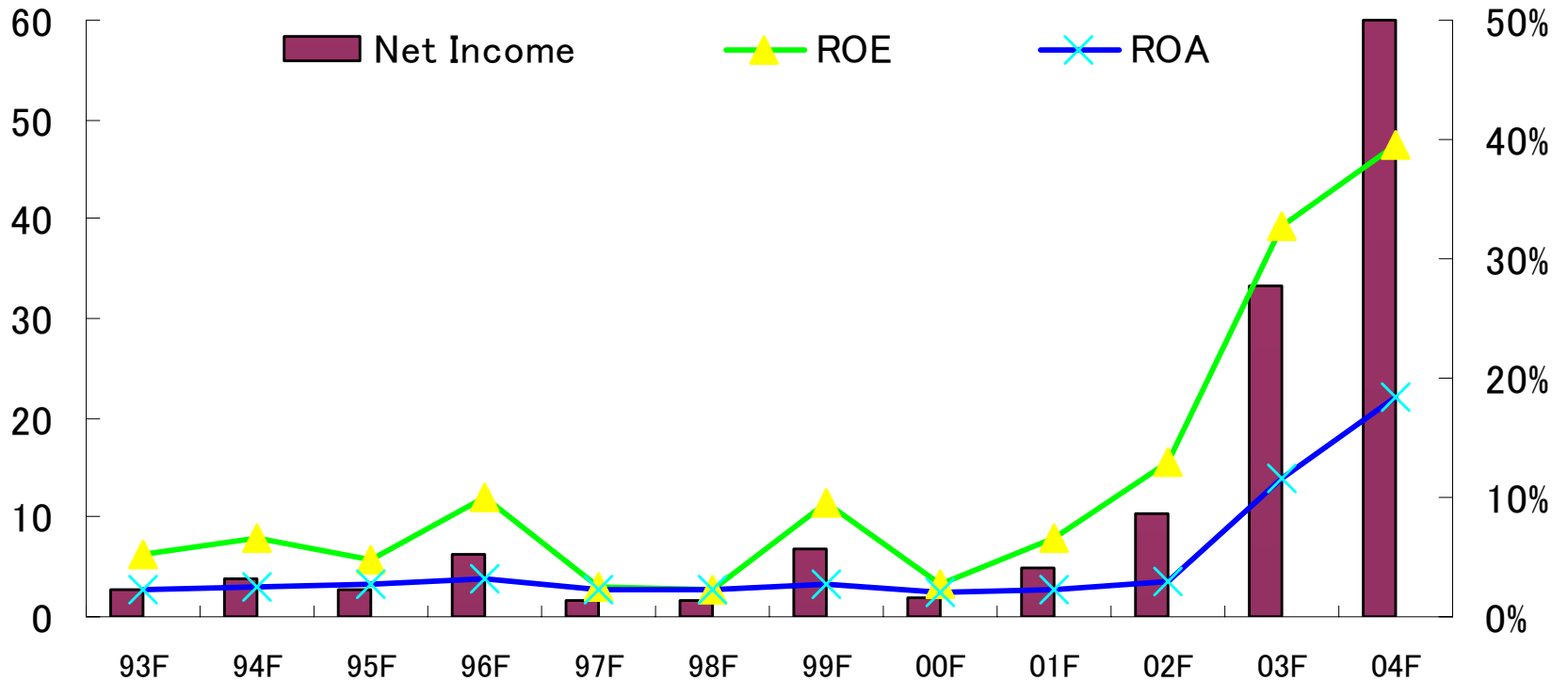
4-1. Consolidated Revenues & Incomes



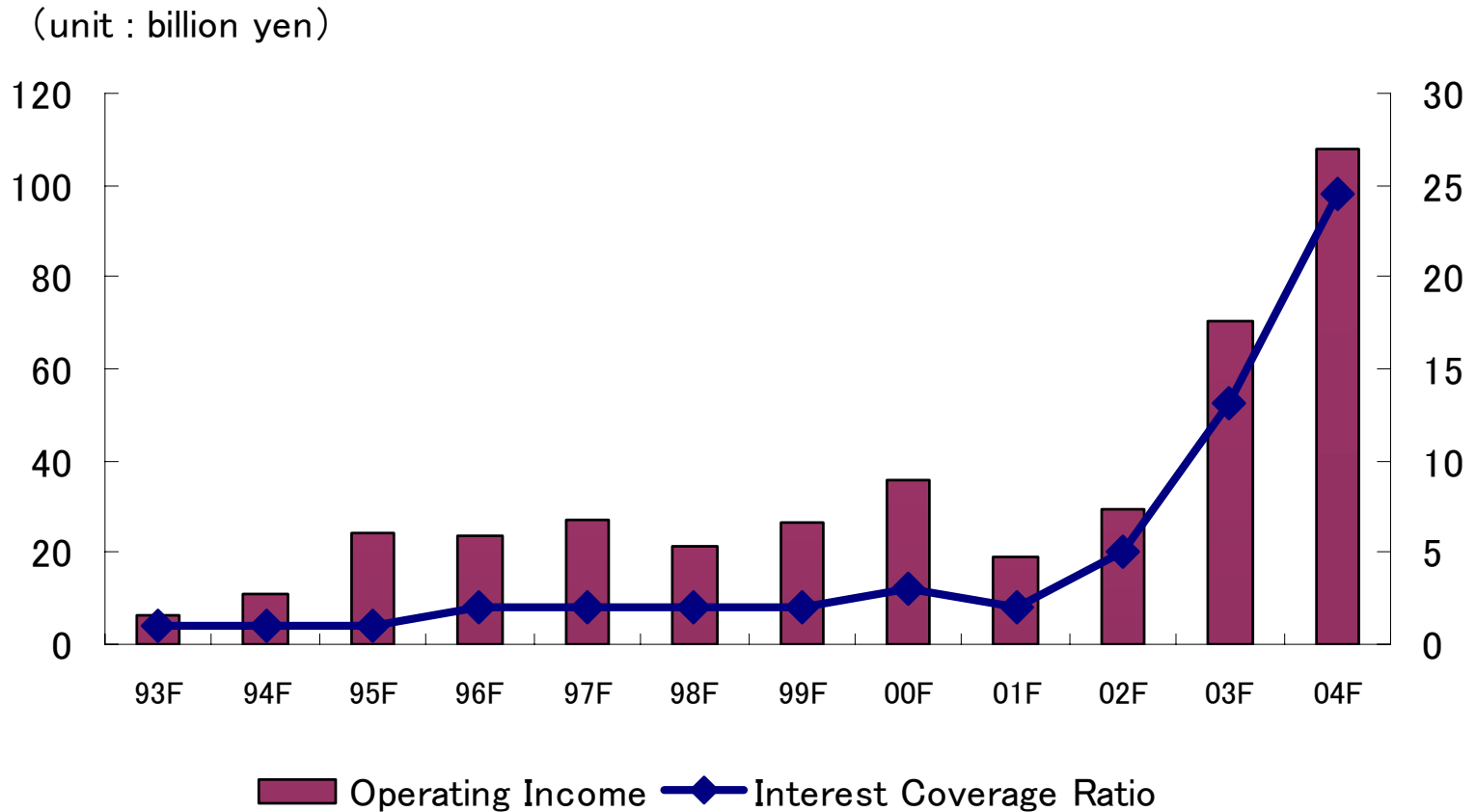
* Ordinary income is income before income taxes and extra-ordinary items.

4-2. Consolidated ROE/ROA

(unit : billion yen)

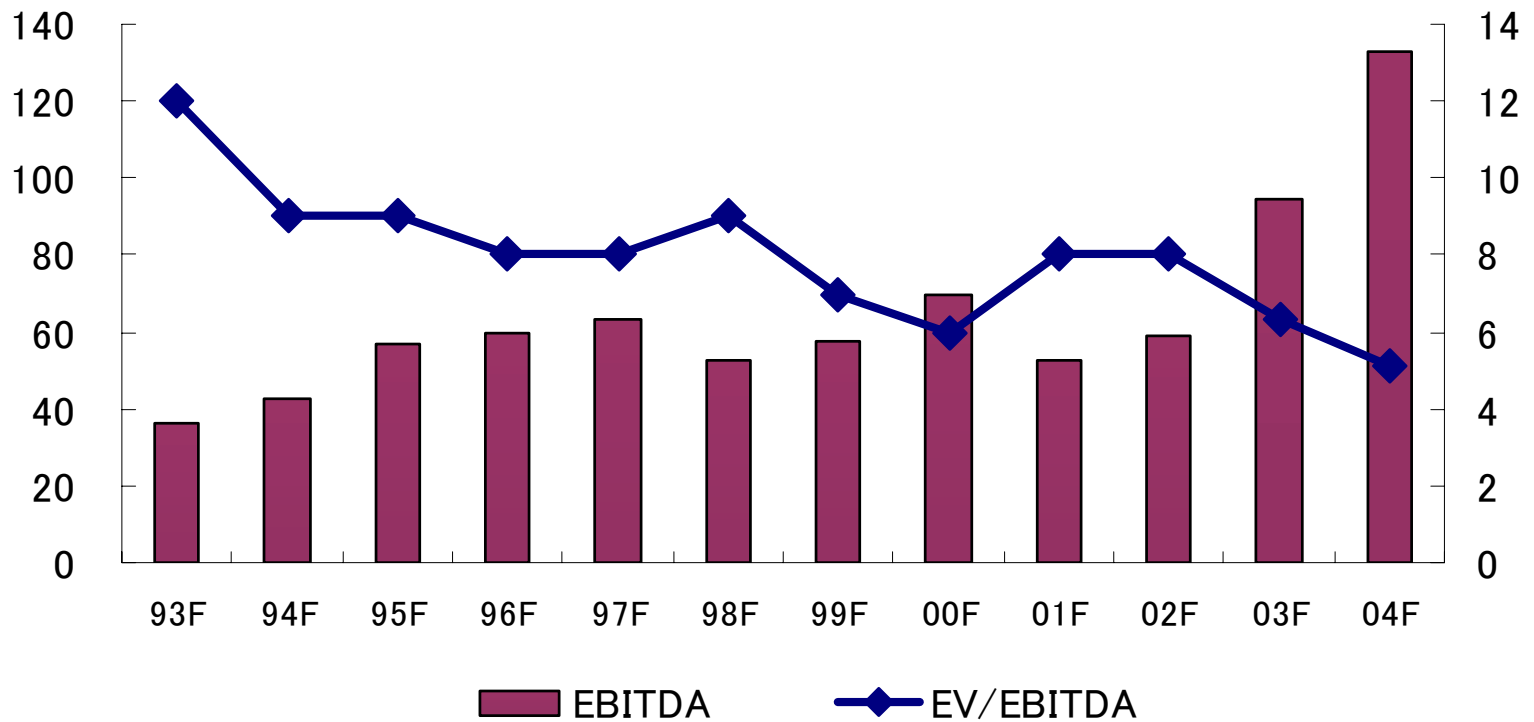


4-3. Consolidated Interest Coverage Ratio



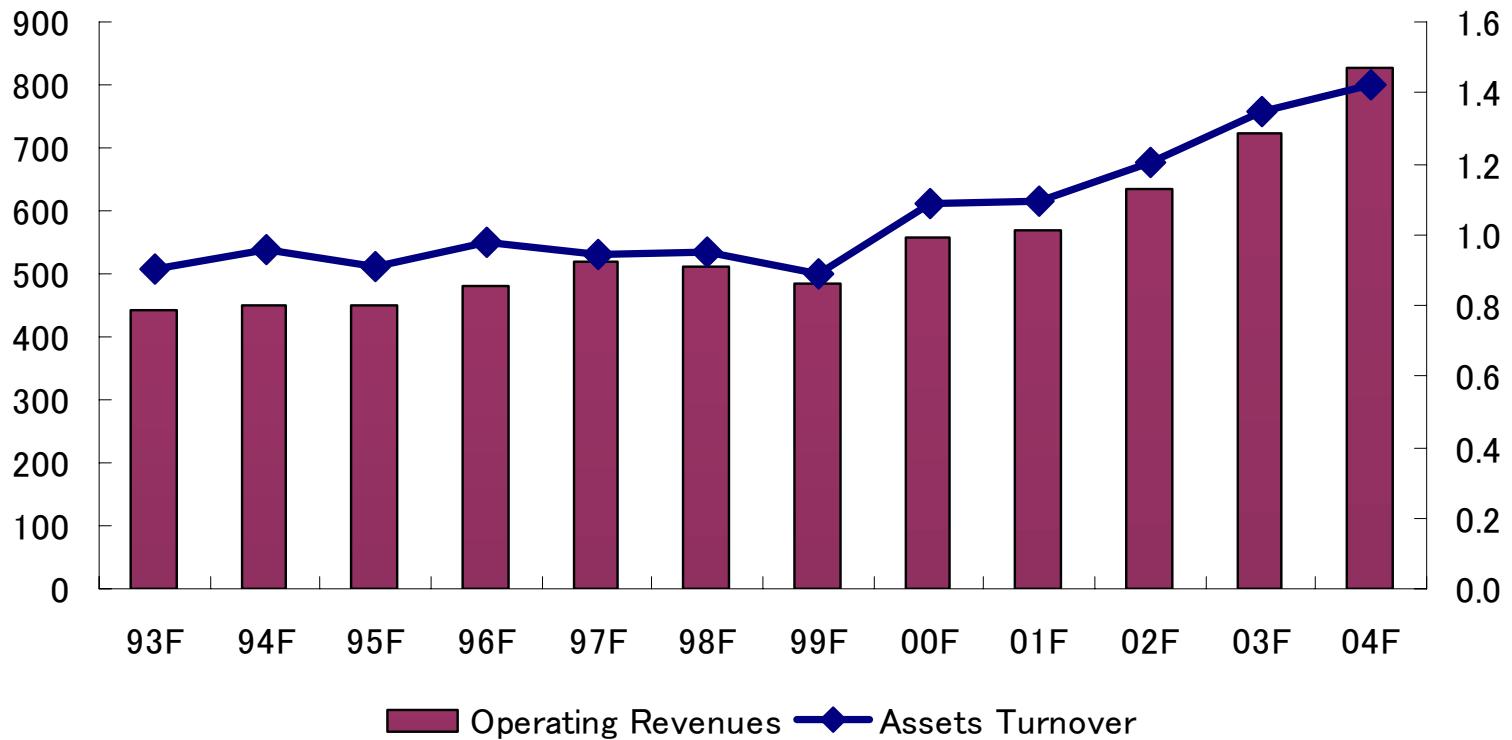
4-4. Consolidated EV/EBITDA

(unit : billion yen)

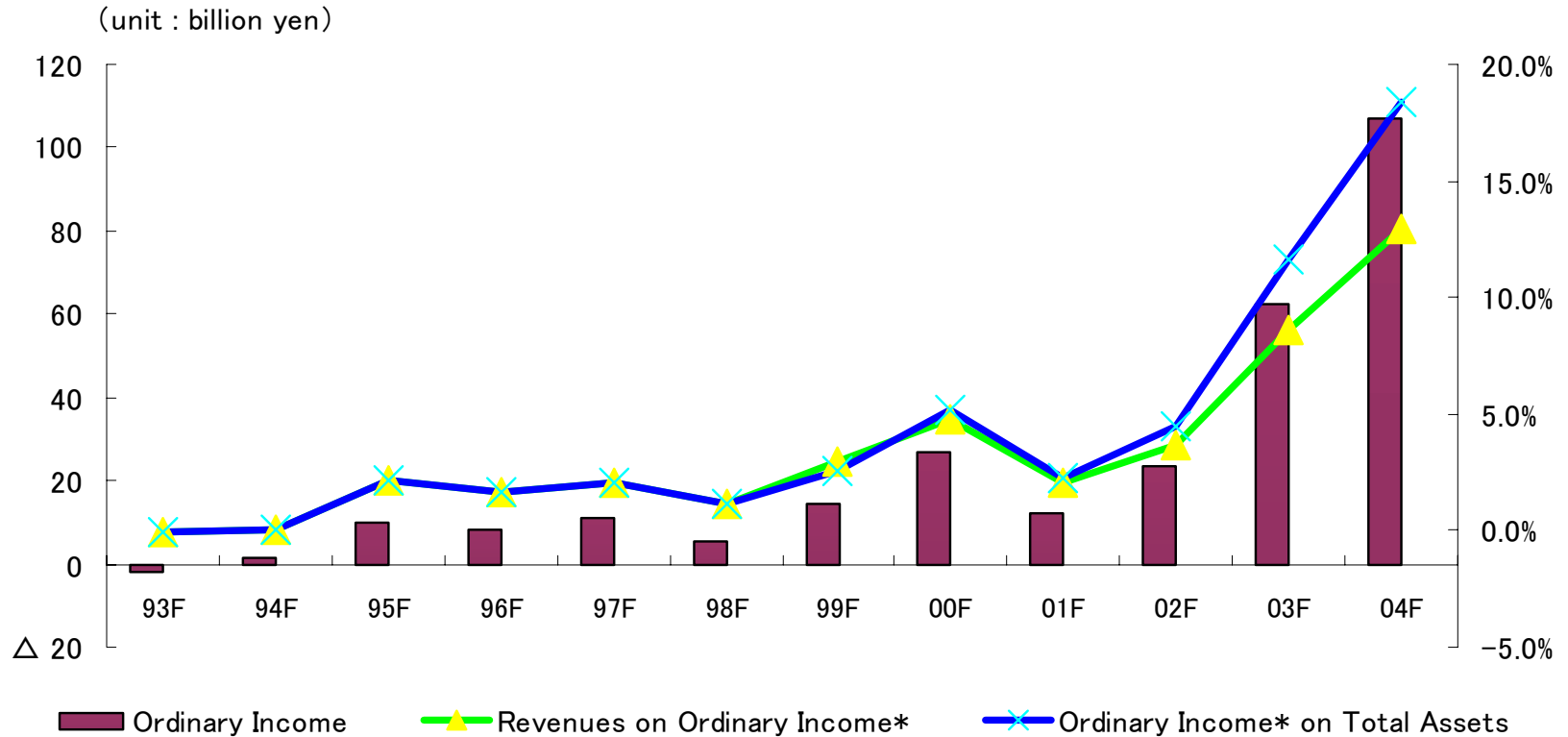


4-5. Consolidated Assets Turnover

(unit : billion yen)

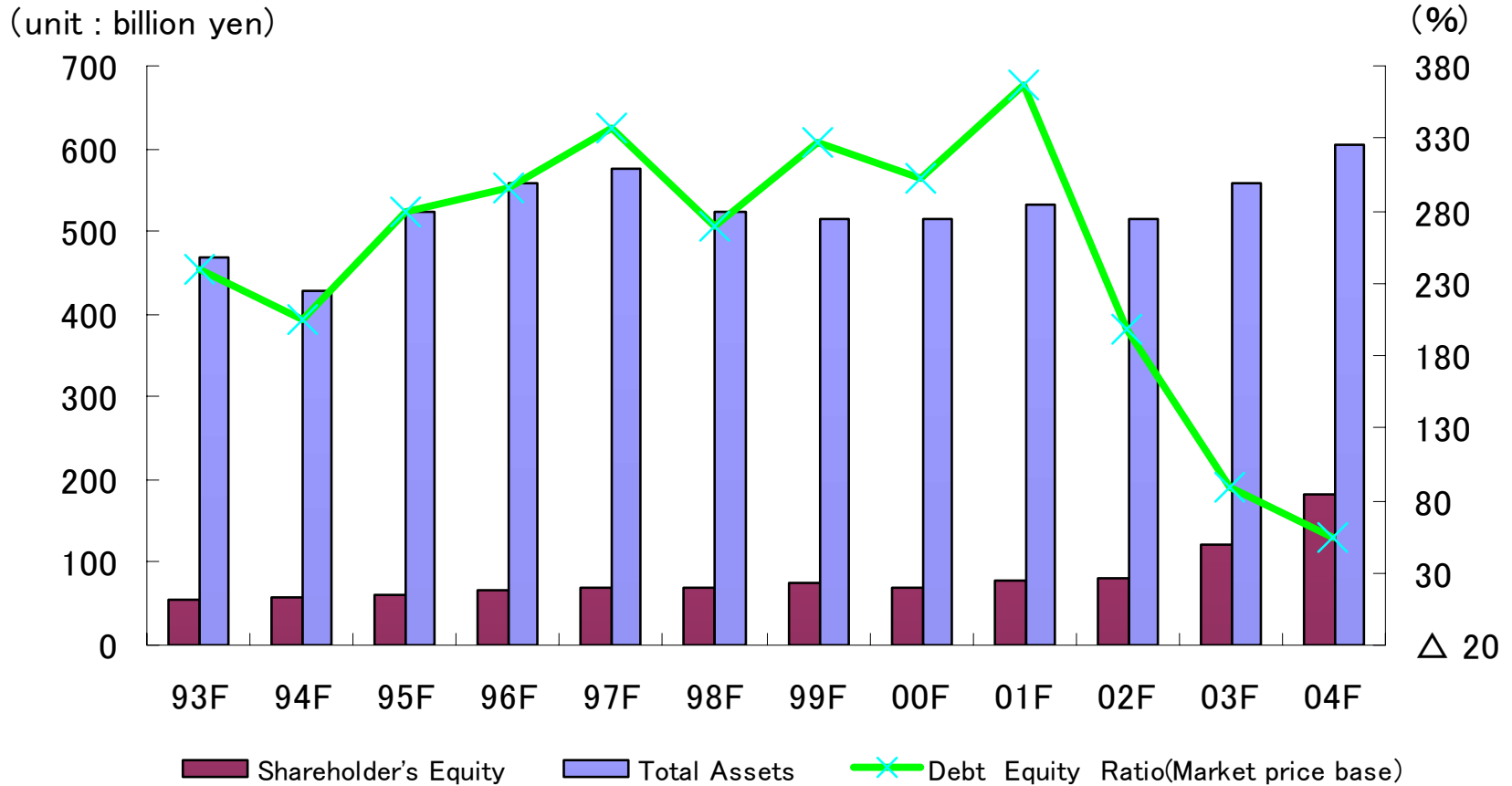


4-6. Consolidated Ordinary Income* on Revenues/Ordinary Income on Total Assets

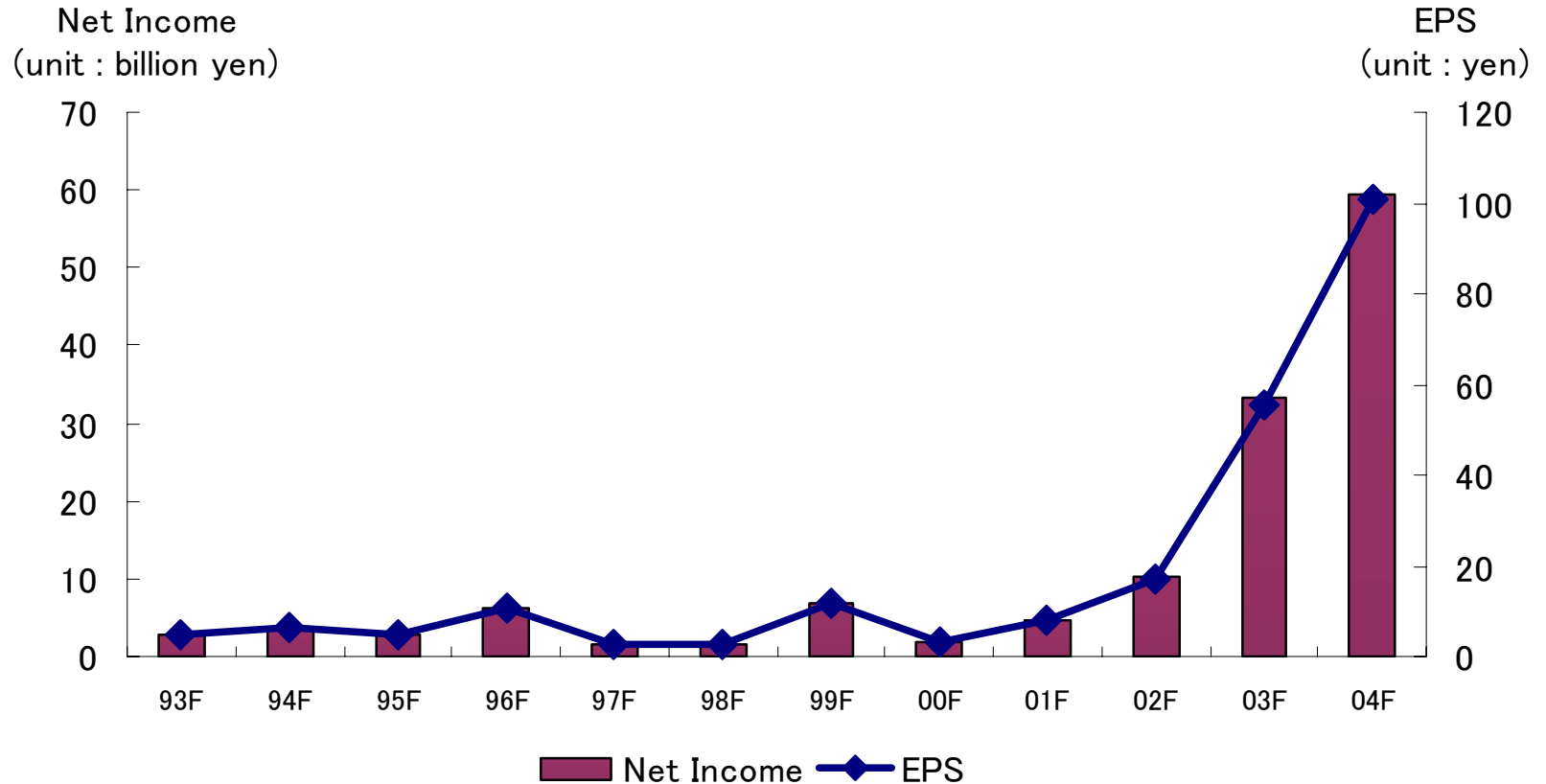


* Ordinary income is income before income taxes and extra-ordinary items.

4-7. Consolidated Debt Equity Ratio

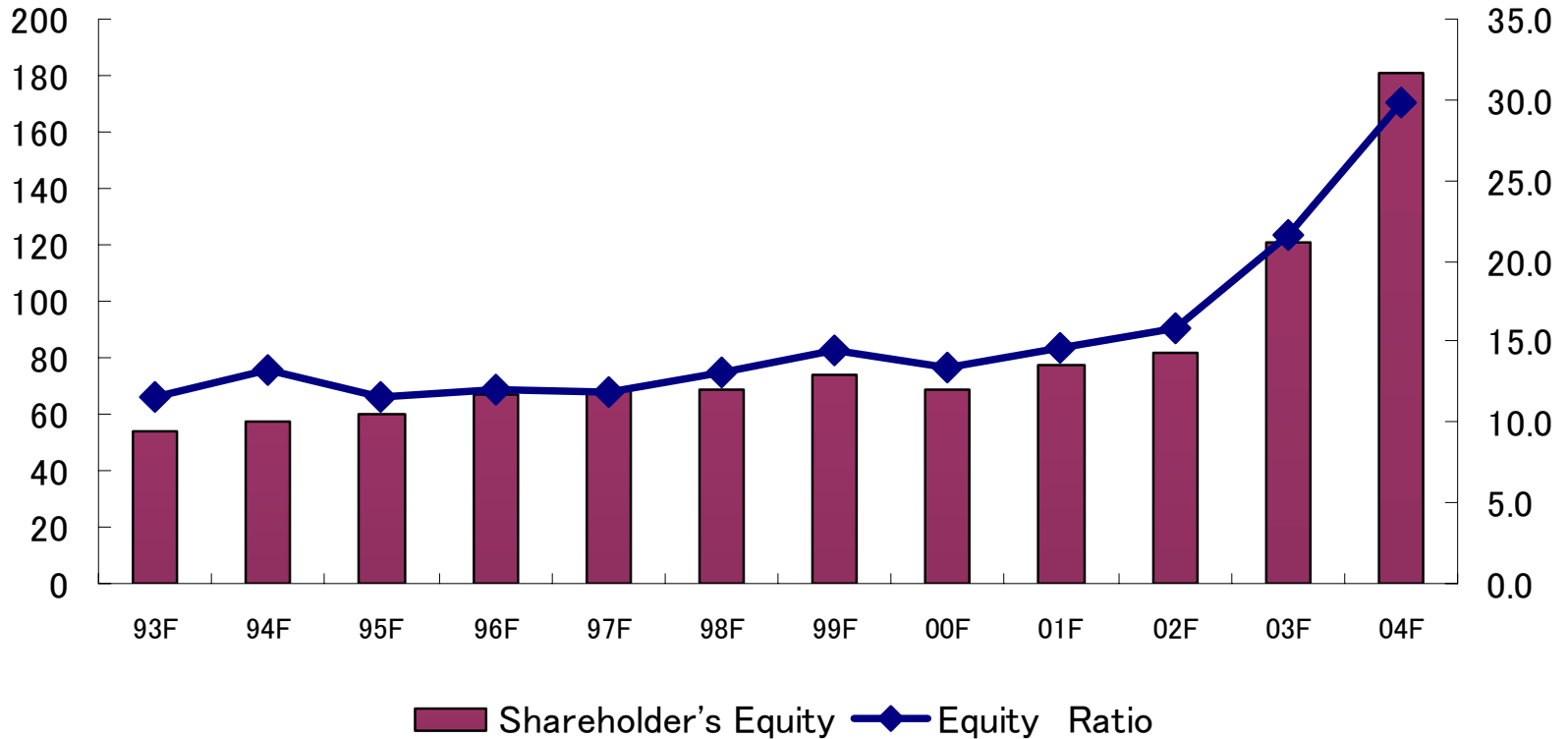


4-8. Consolidated Net Income & EPS

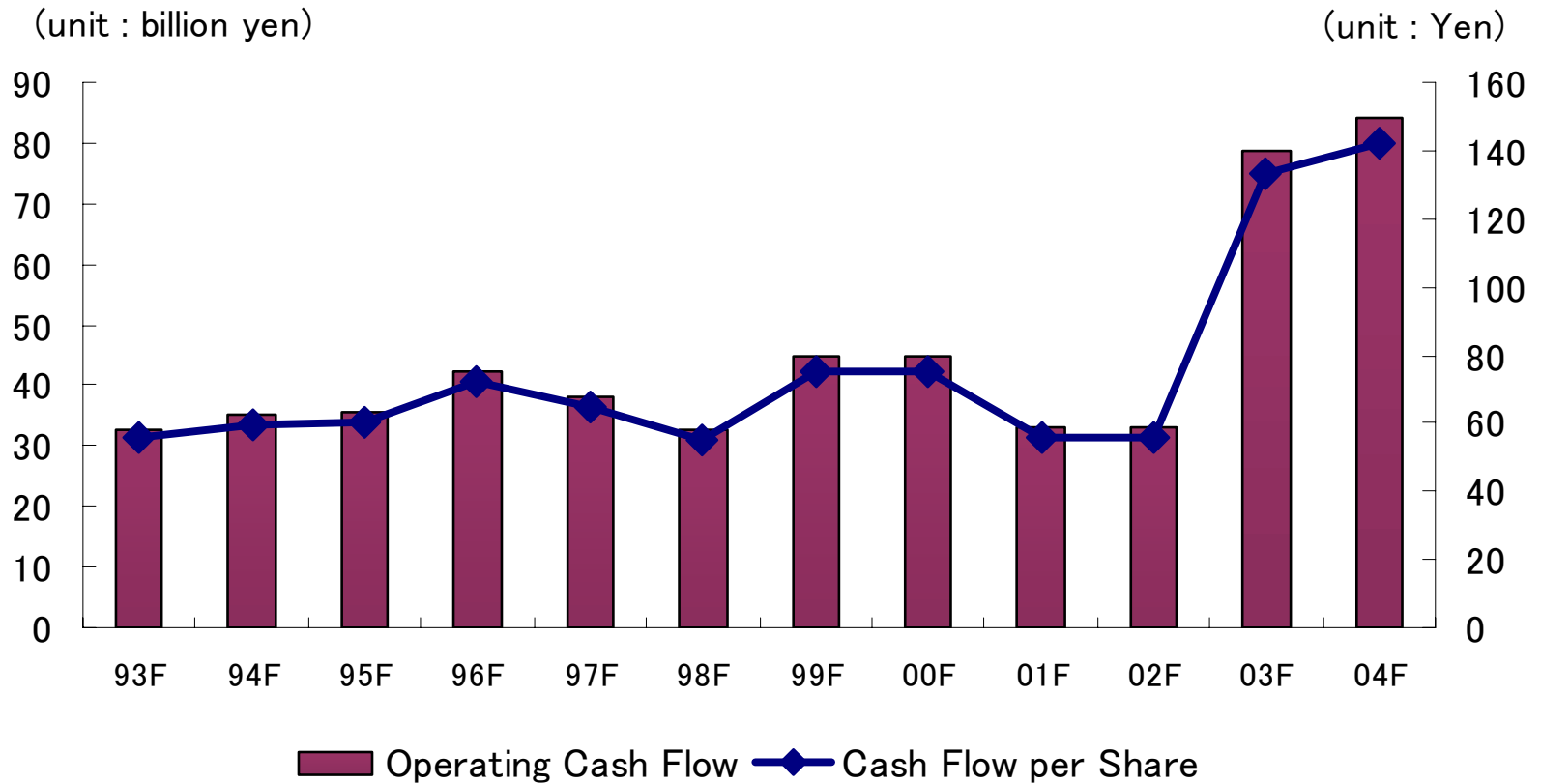


4-9. Consolidated Shareholder's Equity & Equity Ratio

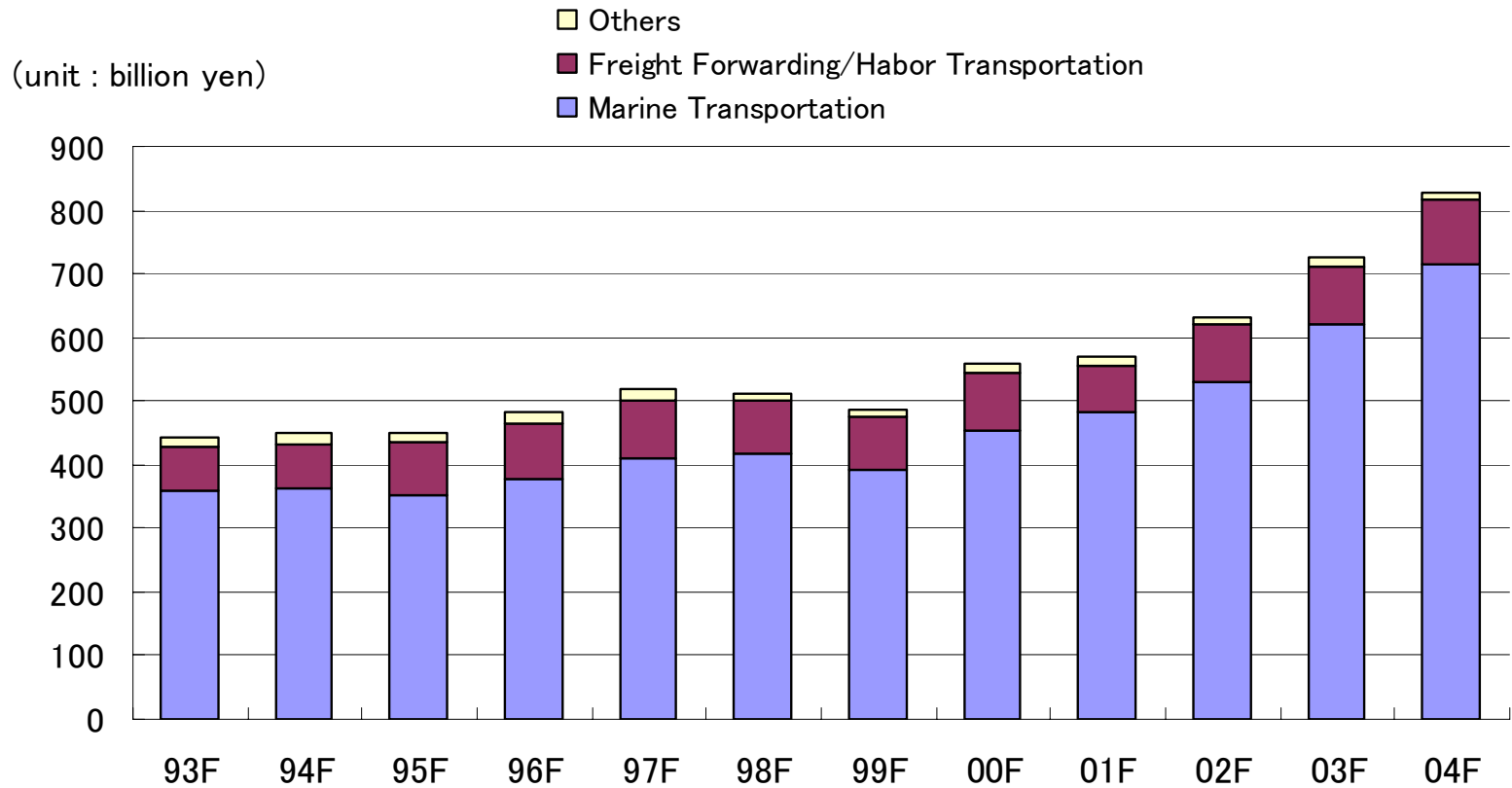
Shareholder's Equity
 (unit: billion yen)



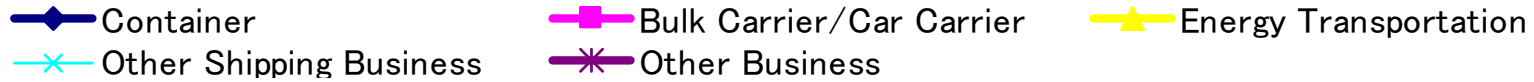
4-10. Consolidated Operating Cash Flow



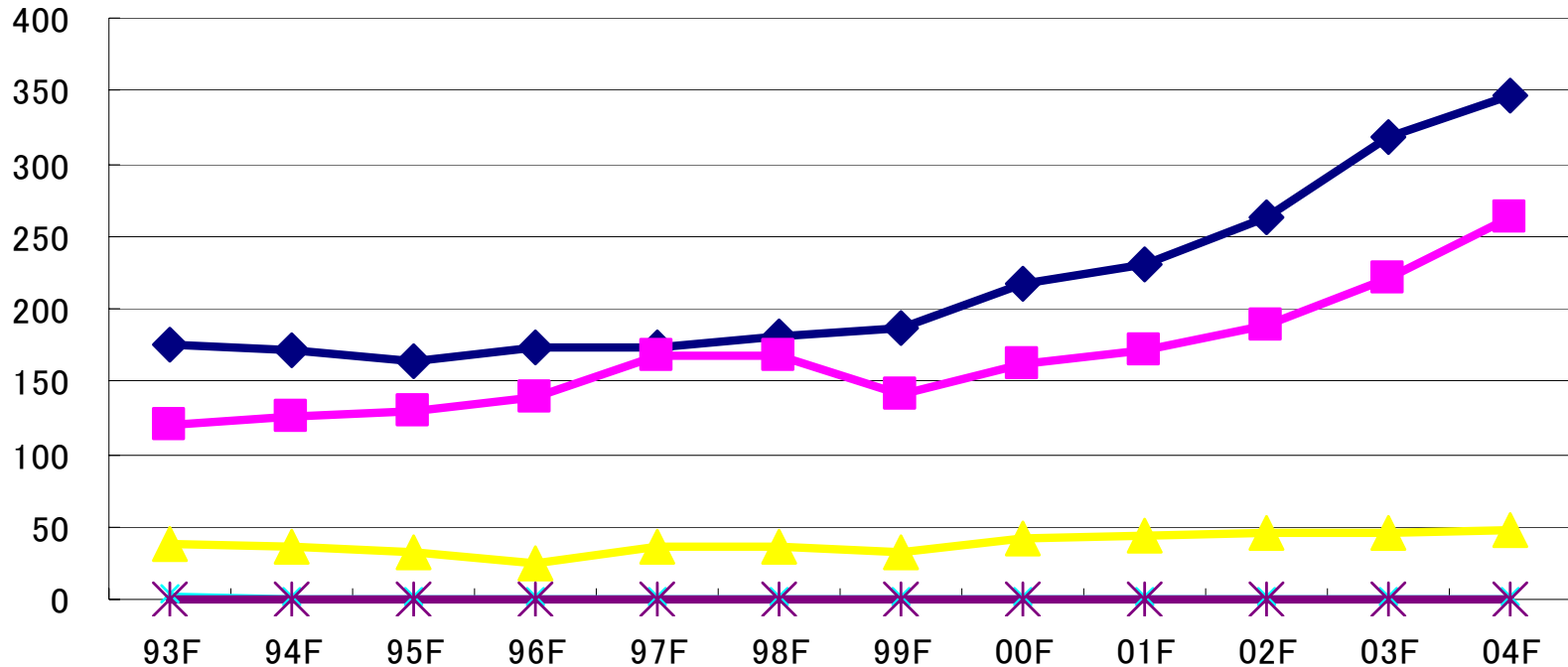
4-11. Consolidated Segment-wise Operating Revenues



4-12. Non-Consolidated Division-wise Operating Revenues



(unit : billion yen)



4-13. Consolidated Segment Information

(unit : million yen)

	95F	96F	97F	98F	99F	00F	01F	02F	03F	04F
Operating Revenues										
Marine Transportation	352,090	378,793	411,893	415,820	390,430	455,385	481,200	530,228	622,118	713,961
Freight Forwarding/ Harbor Transportation	82,075	86,271	89,951	83,614	83,407	89,527	75,757	88,773	89,885	101,710
Others	15,928	17,555	15,910	13,665	11,855	12,956	14,055	13,722	12,662	12,773
Total	450,093	482,619	517,754	513,099	485,692	557,868	571,012	632,723	724,665	828,444
Operating Income										
Marine Transportation	22,230	22,003	21,669	18,645	22,136	29,947	13,148	22,383	61,267	97,808
Freight Forwarding/ Harbor Transportation	1,566	308	3,686	1,220	3,893	4,885	4,536	4,800	8,062	8,865
Others	251	1,204	770	1,105	828	1,084	1,274	2,087	1,269	1,083
Total	24,047	23,515	26,125	20,970	26,857	35,916	18,958	29,270	70,598	107,756
Eliminations	18	84	795	536	-40	91	89	10	-65	298
Consolidated	24,065	23,599	26,920	21,506	26,817	36,007	19,047	29,280	70,533	108,054

4-14. Non-Consolidated Financial Data

(unit : million yen)

	95F	96F	97F	98F	99F	00F	01F	02F	03F	04F
Operating Revenues	328,122	348,611	379,601	385,482	362,029	424,021	449,153	499,791	584,958	658,699
Container	163,403	172,897	172,451	180,455	186,214	217,698	230,353	263,456	317,185	346,321
Bulk & Carrier	129,866	138,290	168,428	167,558	141,626	161,306	171,837	188,112	220,364	262,182
Energy Transportation	32,194	34,944	36,445	35,745	32,330	42,749	44,363	46,045	45,231	47,870
Other Shipping Business	2,659	2,480	2,277	1,722	1,858	1,809	1,800	1,396	1,291	1,372
Other Business	0	0	0	0	0	457	799	780	882	949
Operating Income	12,788	12,281	17,171	12,766	16,809	24,444	8,299	19,843	55,068	85,288
Ordinary Income*	9,827	6,949	10,258	8,233	11,133	21,582	7,115	16,434	49,670	86,873
Net Income	1,594	1,811	2,244	3,015	4,042	4,532	2,786	6,535	24,452	49,012
Total Assets	245,896	255,032	258,367	241,432	242,278	241,295	259,200	269,140	329,965	376,345
Total Liabilities	193,727	200,780	201,870	183,675	183,304	178,677	194,792	203,268	233,126	233,326
Shareholder's Equity	52,169	54,252	56,497	57,757	58,974	62,618	64,408	65,872	96,839	143,019
Dividend per Share	0	0	3	3	4	5	3	5	10	16.5
Dividend Yield	-	-	78.2	58.2	58.1	65.5	63.9	45.9	24.4	20.0

* Ordinary income is income before income taxes and extra-ordinary items.