April 30, 2013

Differences in Financial Results from Projections, Reporting of Non-Operating Income (Exchange Gains), Reversal of Deferred Tax Assets, and Payment of Dividends

Details of the matters referenced above are set forth below.

1. Differences in Financial Results from Forecast of Consolidated Financial Results for the Fiscal Year Ended March 2013

Differences arose between the forecast of consolidated financial results for the fiscal year ended March 2013 announced on January 31, 2013 and the financial results announced today.

(1) Differences in Financial Results

Consolidated Financial Results for the Full Year (April 1, 2012 – March 31, 2013)

	Full Year				
	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Net income per share (yen)
Forecast announced previously (A) (announced on January 31, 2013)	1,130,000	11,000	16,000	10,000	11.31
Actual Results (B)	1,134,771	14,886	28,589	10,669	12.07
Change (B – A)	4,771	3,886	12,589	669	0.76
Change (%)	0.4%	35.3%	78.7%	6.7%	6.7%
Reference: Consolidated results for prior fiscal year (fiscal year ended March 31, 2012)	972,310	(40,563)	(48,955)	(41,351)	(54.14)

(2) Reason for the Differences

Recovery of cargo movements in the containership business following the Chinese New Year holiday was slow and the protracted market downturn in the dry bulk business, particularly for large vessels, caused earnings to deteriorate, but consolidated operating income was substantially higher than the forecast announced in January mainly as a result of effects from converting dollar income to yen in conjunction with a decline in the value of the yen that exceeded expectations. The improvement in consolidated ordinary income was largely the result of reporting the foreign-exchange gains disclosed below.

Although consolidated ordinary income improved, a portion of deferred tax assets were reversed as disclosed below, resulting in an increase in deferred income taxes, and consequently, consolidated net income is at the same level as announced earlier.

2. Reporting of Non-Operating Income (Exchange Gains)

During the first three quarters of the fiscal year ended March 2013 (April 1 to December 31, 2012), "K" Line reported 3,032 million yen in exchange gains as non-operating income, but as a result of changes in exchange rates, exchange gains of 15,612 million yen arose during the fourth quarter of the fiscal year ended March 2013 (January 1 to March 31, 2013). Consequently, "K" Line reported 18,644 million yen in exchange gains as non-operating income for the fiscal year ended March 2013 (April 1, 2012 to March 31, 2013).

The exchange gains are primarily the result of foreign-exchange valuation of foreign currency-denominated assets and liabilities (including loans held by overseas consolidated subsidiaries denominated in currencies other than their accounting currency) arising from application of exchange rates as of the last day of the fiscal year ended March 2013.

3. Reversal of Deferred Tax Assets

Upon examination of the possibility of recovery of deferred tax assets based on forecasts for the next and following fiscal years and in consideration of the adoption on March 29, 2013 of a bill to revise tax legislation concerning the Japanese expanded tonnage tax system, "K" Line decided to reverse a portion of its deferred tax assets in the fourth quarter of the fiscal year and reported 12,571 million yen in income taxes-deferred.

4. Payment of Dividends

The Board of Directors today adopted a resolution to pay dividends with March 31, 2013 as the date of record.

(1) Details of Year-end Dividend

Details of Year-end Dividend

	Amount	Most recent dividend forecast (announced on January 31, 2013)	Year Ended March 31,
Record date	March 31, 2013	March 31, 2013	March 31, 2012
Year-end dividend per share of common stock	2.50 yen	(Undetermined)	0.00 yen
Total dividend	2,345 million yen	-	-
Effective date	June 26, 2013	-	-
Source of funds for dividend	Retained earnings	-	-

(2) Reason

The Company's highest priority is maximizing returns to shareholders while taking into consideration securing the internal reserves necessary for capital investment to achieve sustainable growth and reinforcing financial standing. In accordance with this policy, the year-end dividend per share for the fiscal year ended March 2013 will be 2.50 yen.

This matter will be implemented following approval by a resolution at the annual general meeting of shareholders for "K" Line's 145th term scheduled for June 25, 2013.

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