



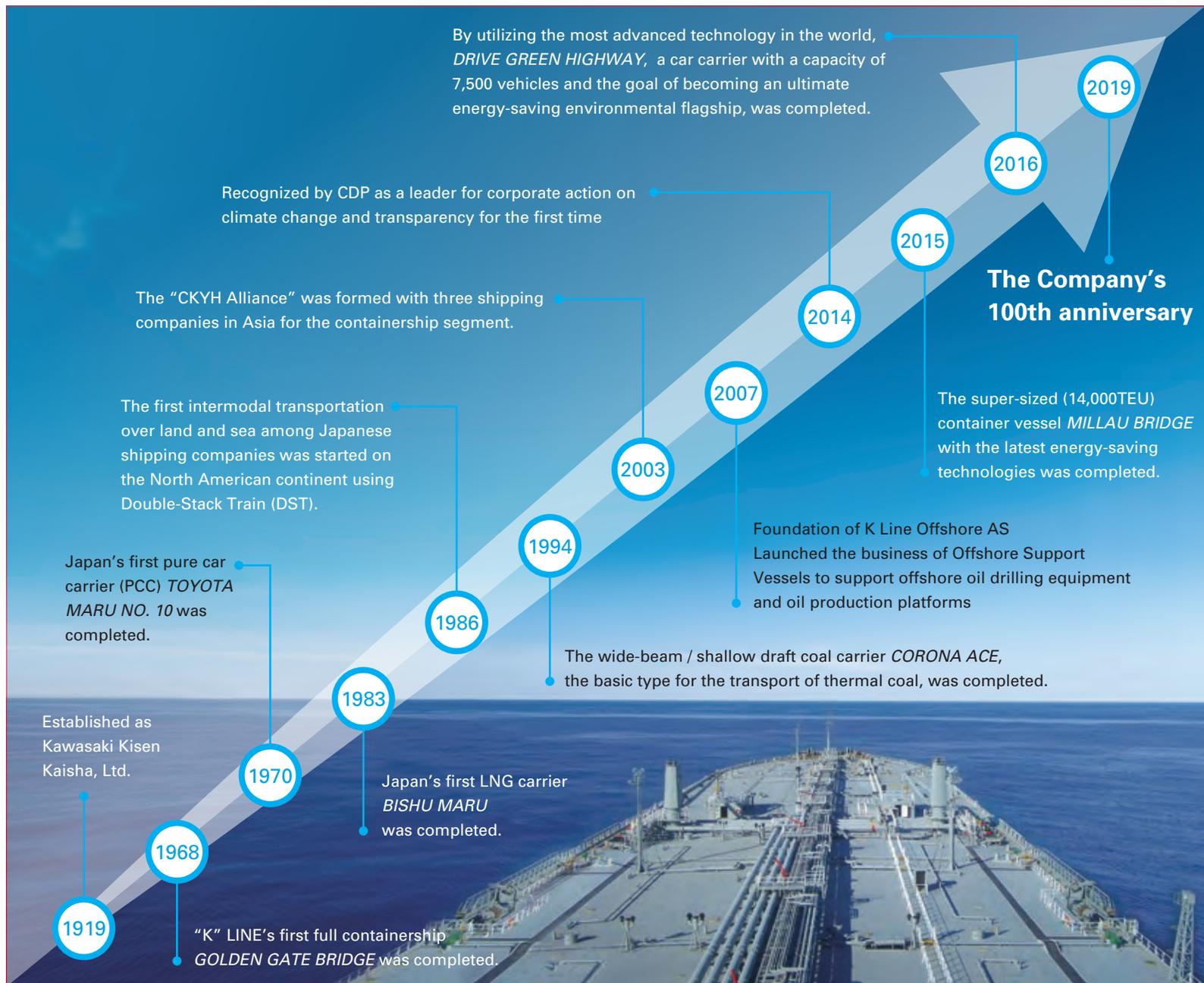
FACTBOOK 2016

Business Segment and Market Data

As of July 2016



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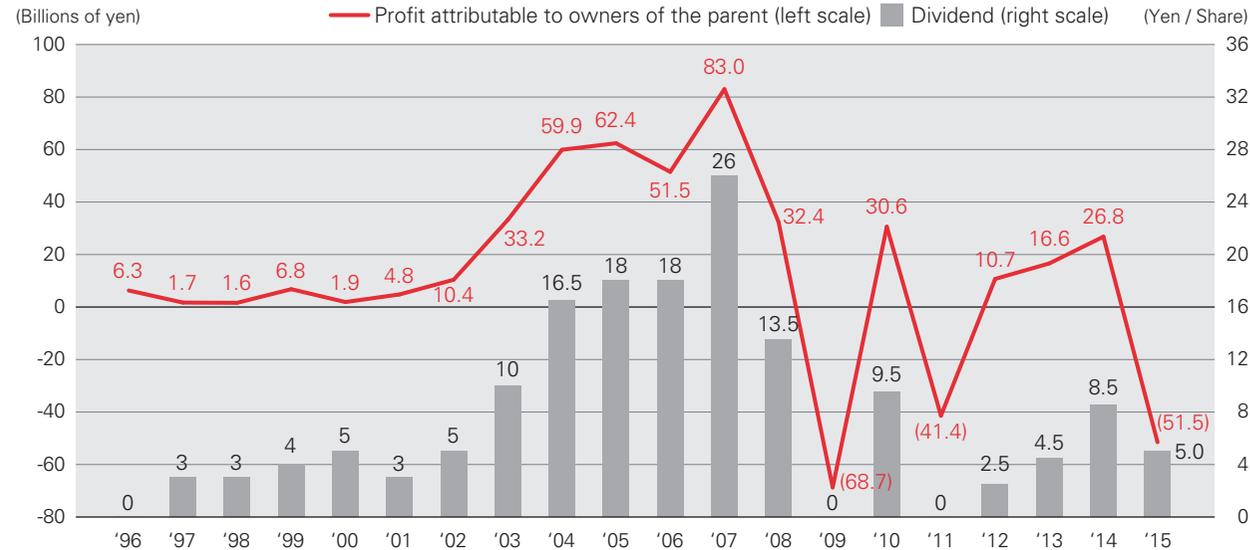
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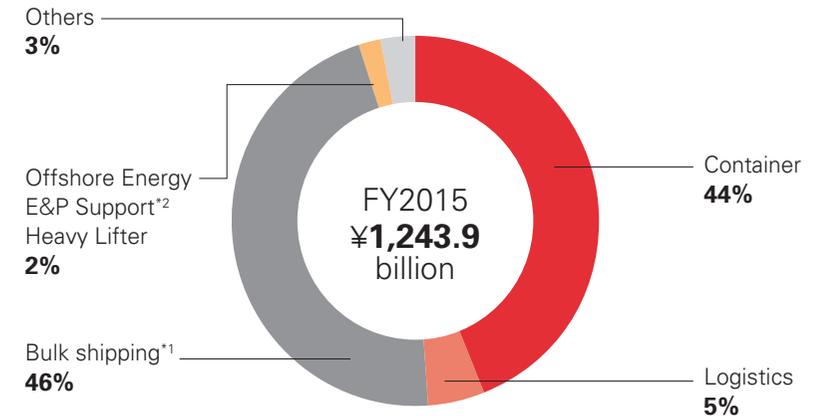
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I. "K" LINE at a Glance | Business Performance

Profit Attributable to Owners of the Parent and Dividend

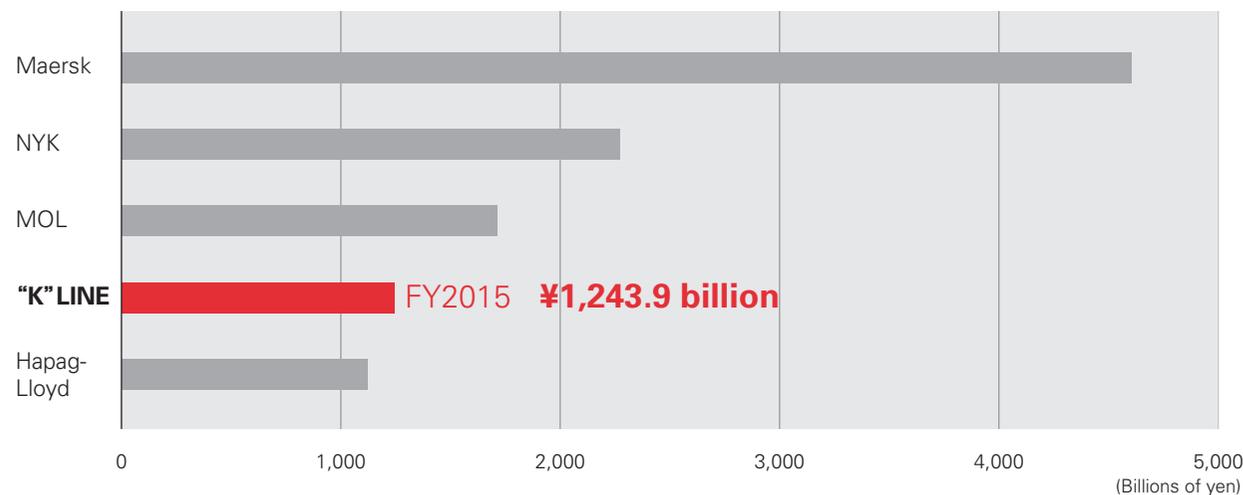


"K" LINE's Operating Revenues by Segment



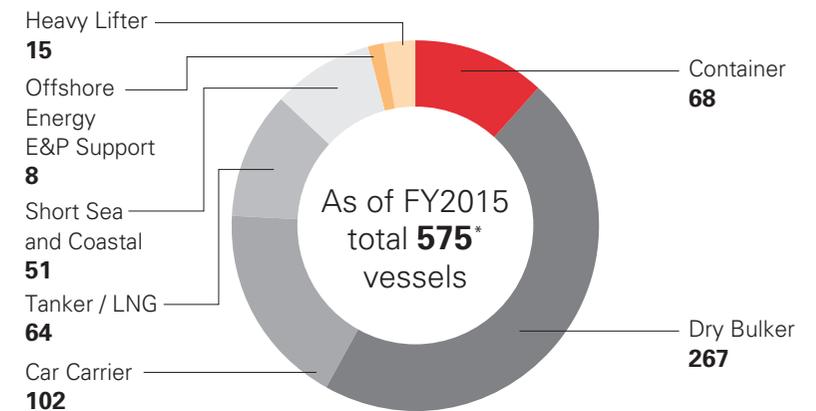
*1 Bulk Shipping includes Dry Bulker, Car Carrier, Tanker, LNG Carrier, Short Sea and Coastal Vessels, etc.
 *2 Offshore Energy E&P Support includes Offshore Support Vessels and Drillship.

Annual Revenue Ranking of Listed Shipping Companies



Source: Bloomberg

"K" LINE Group Vessels in Operation



*Includes project-use vessels owned by special purpose companies (SPCs) and short-term chartered vessels.

I. "K" LINE at a Glance | Financial and ESG Highlights

		FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
		(Millions of yen) ¹¹									
Operating results (for the year)	Operating revenues	¥1,085,539	¥1,331,048	¥1,244,317	¥838,033	¥985,085	¥972,311	¥1,134,772	¥1,224,126	¥1,352,421	¥1,243,932
	Operating income	61,357	129,649	71,604	(52,075)	58,610	(40,563)	14,887	28,854	47,988	9,428
	Ordinary income ^{*2}	63,928	125,868	60,011	(66,272)	47,350	(48,956)	28,589	32,455	48,981	3,339
	Profit attributable to owners of the parent	51,514	83,012	32,421	(68,721)	30,603	(41,351)	10,669	16,642	26,818	(51,499)
Financial position (at year-end)	Total assets	900,439	968,630	971,603	1,043,885	1,032,505	1,066,649	1,180,434	1,254,742	1,223,328	1,115,224
	Net assets	357,625	376,277	356,153	331,865	314,986	259,935	361,975	410,690	467,440	379,914
	Equity capital ^{*3}	344,476	355,763	334,773	308,122	291,669	242,573	340,571	388,837	441,532	355,376
	Interest-bearing liabilities	326,187	329,716	439,622	516,001	483,363	592,523	629,864	643,795	536,847	525,152
	Capital expenditures	121,386	161,333	168,446	181,489	148,993	239,197	134,555	93,378	89,502	116,593
	Depreciation and amortization	32,294	36,362	39,427	45,281	44,722	50,044	59,668	52,244	53,527	48,303
	Cash flows from operating activities	66,483	141,238	77,614	(23,941)	84,902	(2,909)	59,756	88,228	101,826	39,636
	Cash flows from investing activities	(102,853)	(145,541)	(148,304)	(63,737)	(54,117)	(83,233)	(27,212)	(5,113)	(11,177)	(29,569)
	Free cash flows	(36,370)	(4,303)	(70,690)	(87,678)	30,785	(86,142)	32,544	83,115	90,648	10,066
Cash flows from financing activities	53,377	(7,460)	99,844	109,411	(24,797)	86,307	26,364	(26,634)	(119,254)	(14,836)	
Per share data	Profit attributable to owners of the parent (¥)	86.67	131.36	50.89	(106.24)	40.08	(54.14)	12.07	17.75	28.60	(54.95)
	Net assets (¥)	556.55	558.46	525.43	403.53	381.87	317.59	363.18	414.66	471.10	379.18
	Cash dividends applicable to the year (¥)	18.00	26.00	13.50	—	9.50	—	2.50	4.50	8.50	5.00
	Dividend payout ratio (%)	20.8	19.8	26.5	—	23.7	—	20.7	25.4	29.7	—
Management index	Return on equity (ROE) ^{*4} (%)	17.1	23.7	9.4	(21.4)	10.2	(15.5)	3.7	4.6	6.5	(12.9)
	Return on assets (ROA) ^{*5} (%)	7.7	13.5	6.2	(6.6)	4.6	(4.7)	2.5	2.7	4.0	0.3
	Debt equity ratio (DER) ^{*6} (Times)	0.95	0.93	1.31	1.67	1.66	2.44	1.85	1.66	1.22	1.48
	Equity ratio (%)	38.3	36.7	34.5	29.5	28.2	22.7	28.9	31.0	36.1	31.9
Average during the period	Exchange rate (¥ / US\$)	117	115	101	93	86	79	82	100	109	121
	Fuel oil price (US\$ / ton)	319	407	504	407	489	672	671	626	541	295
Consolidated business data	Vessels in operation ^{*7}	453	499	504	499	522	559	566	583	584	575
Human resource data	Consolidated employees	7,041	7,615	7,706	7,740	7,895	7,703	7,667	7,703	7,834	8,097
	Unconsolidated employees	570	600	602	623	623	664	659	652	676	716
	Land	413	432	417	433	437	486	481	478	504	541
	Sea	157	168	185	190	186	178	178	174	172	175
	Women (%)	19.3	19.5	18.6	18.5	18.9	22.9	22.8	24.4	25.4	26.3
	Persons with disabilities (%)	2.69	2.56	2.05	2.12	1.60	1.60	1.90	1.93	1.87	1.94
	Industrial accidents	Land	0	1	0	0	0	0	0	0	0
	Sea	1	0	2	1	0	1	3	1	0	
Management ^{*8}	Directors	13	12	12	15	14	13	13	13	10	9
	Outside Directors	0	0	0	2	2	2	2	2	2	2
	Audit & Supervisory Board Members	4	4	4	5	5	5	5	4	4	4
	Outside Audit & Supervisory Board Members	2	2	2	3	3	3	3	3	3	3
Environmental data ^{*8, *9}	Fuel oil (thousands of tons)	4,257	4,550	4,392	3,563	3,802	3,949	3,966	3,651	3,646	3,942
	CO ₂ emissions (thousands of tons)	13,239	14,150	13,677	11,096	11,838	12,298	12,352	11,377	11,360	12,300
	SO _x emissions (thousands of tons)	243	255	240	197	208	214	209	190	182	190
	NO _x emissions (thousands of tons)	381	405	410	303	308	323	319	292	283	290

Notes: *1. Rounded to millions of yen

*2. Ordinary income consists of operating income and non-operating income / expenses.

*3. Equity capital: Net assets – (Non-controlling interests + Stock acquisition rights)

*4. Return on equity: Profit attributable to owners of the parent/Equity capital

*5. Return on assets: Ordinary income/Total assets

*6. Debt equity ratio: Interest-bearing liabilities/Equity capital

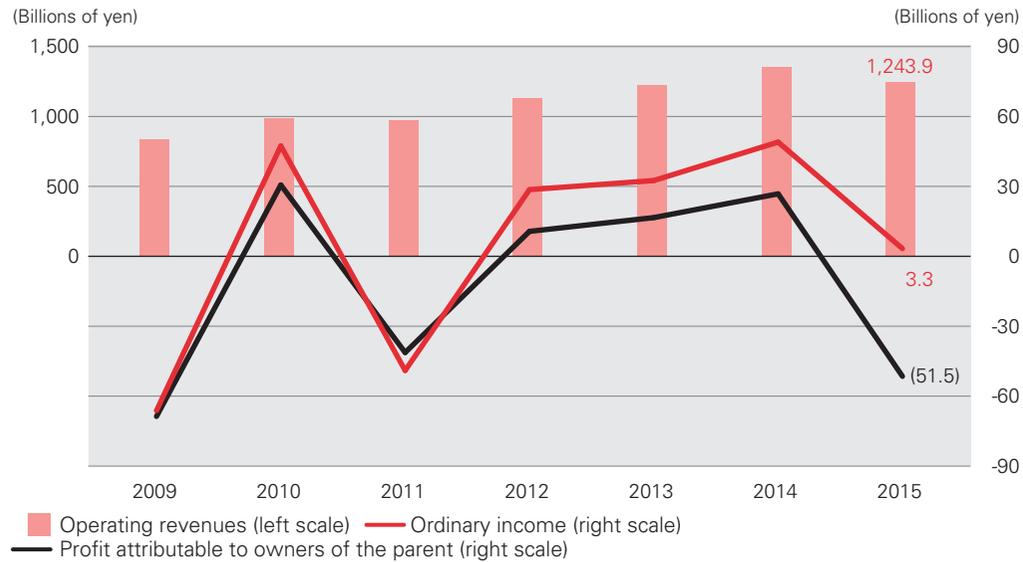
*7. Includes project-use vessels owned by special purpose companies (SPCs)

*8. For Kawasaki Kisen Kaisha, Ltd.

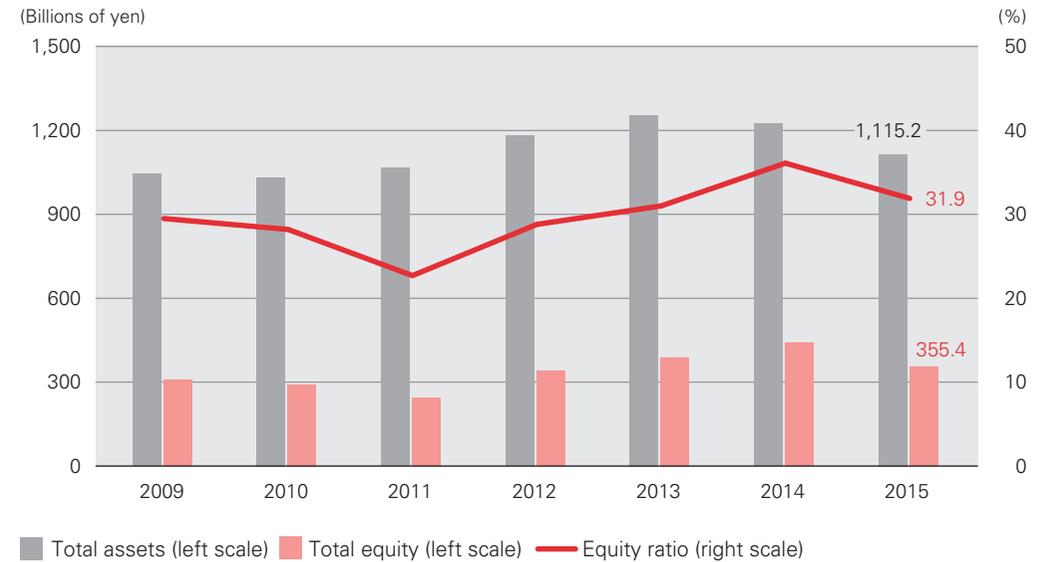
*9. Total amounts calculated based on fuels supplied to vessels (the number of the vessels do not agree with that of vessels in operation), for which "K" LINE arranged refueling. From 2008 onwards, the figures are calculated on a calendar year basis.

I. "K" LINE at a Glance | Financial Data

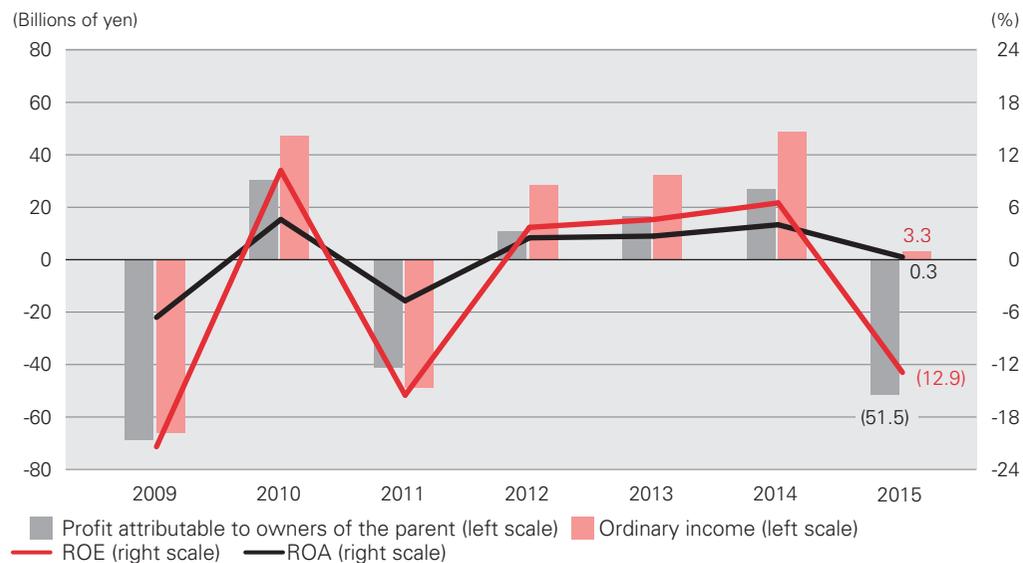
Operating Revenues, Ordinary Income, Profit Attributable to Owners of the Parent



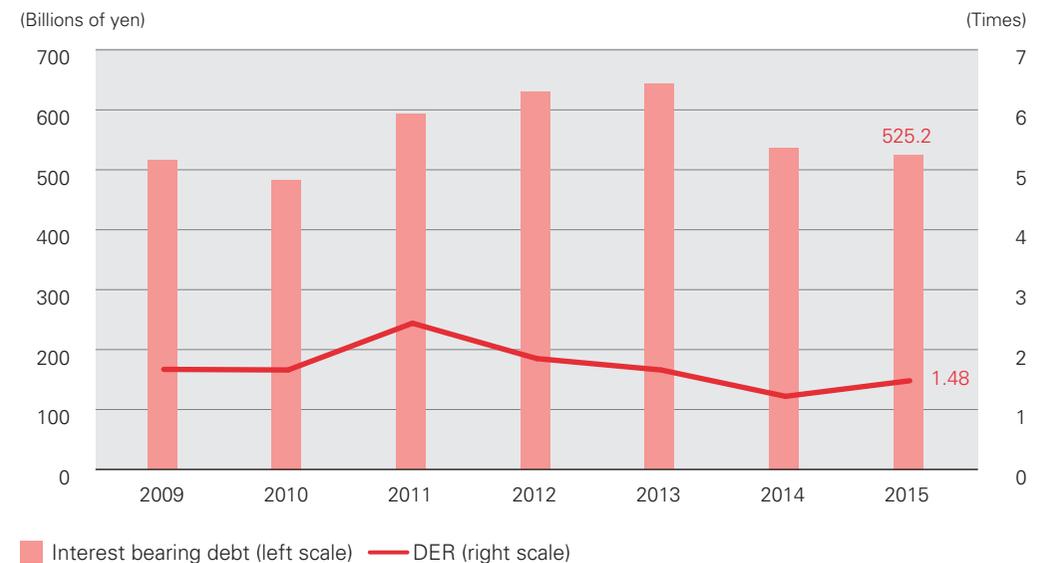
Total Assets, Total Equity, Equity Ratio



Profit Attributable to Owners of the Parent, Ordinary Income, Return on Equity (ROE), Return on Assets (ROA)

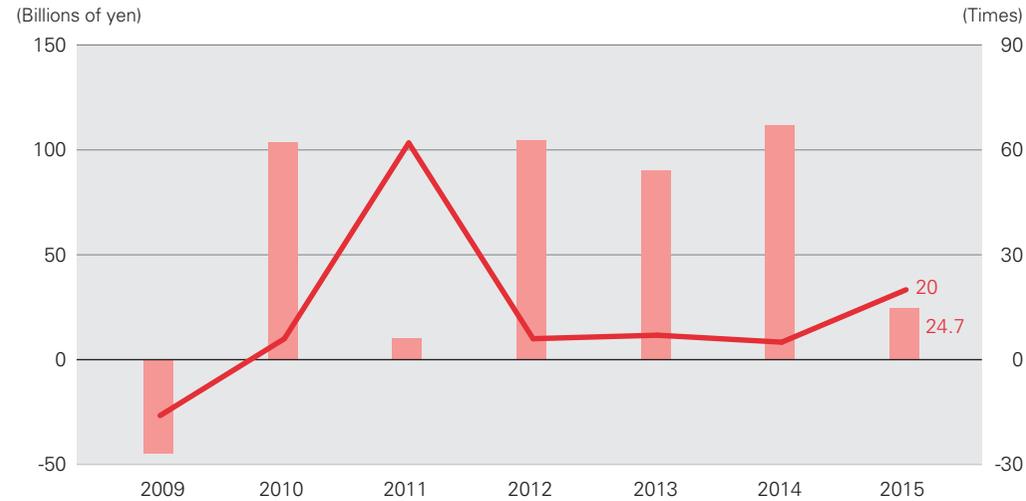


Interest Bearing Debt, Debt Equity Ratio (DER)



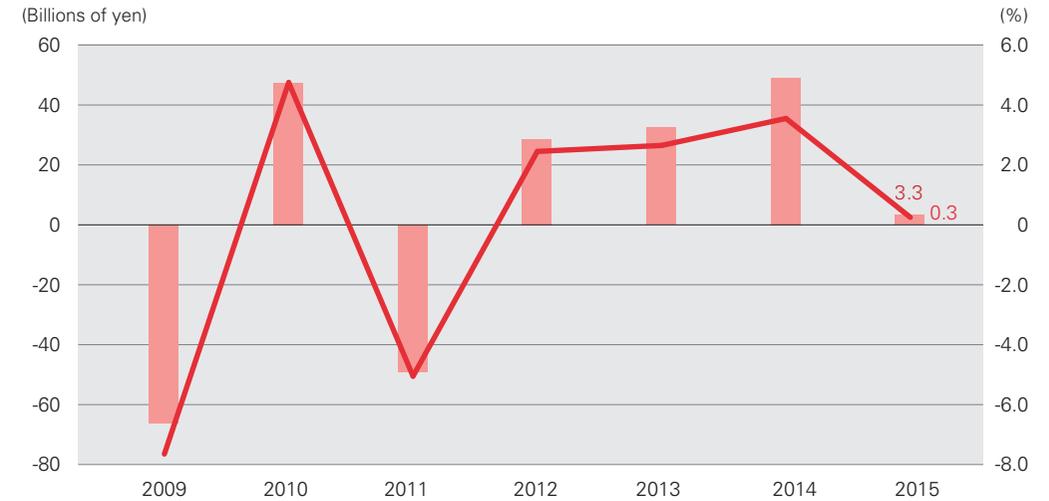
I. "K" LINE at a Glance | Financial Data

EV / EBITDA



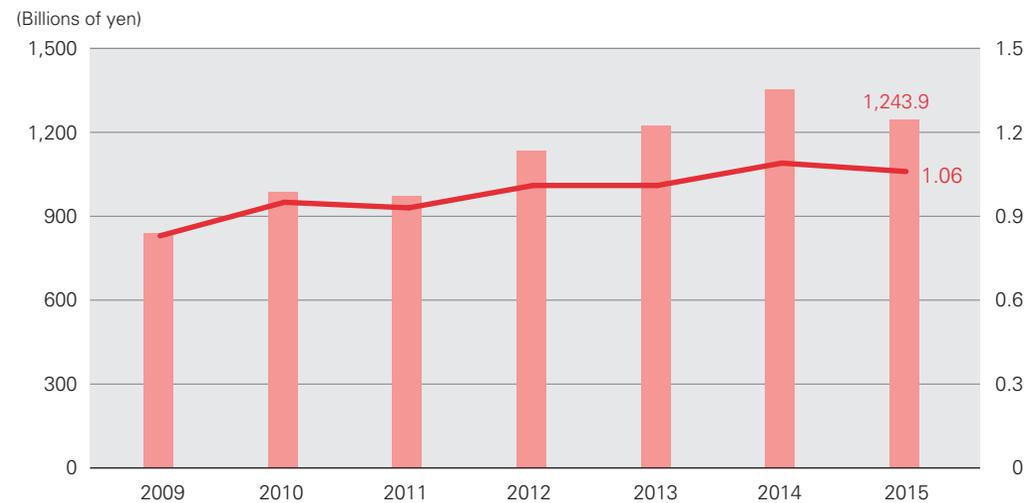
■ EBITDA (left scale) — EV / EBITDA (right scale)

Ordinary Income, Ordinary Income on Revenue



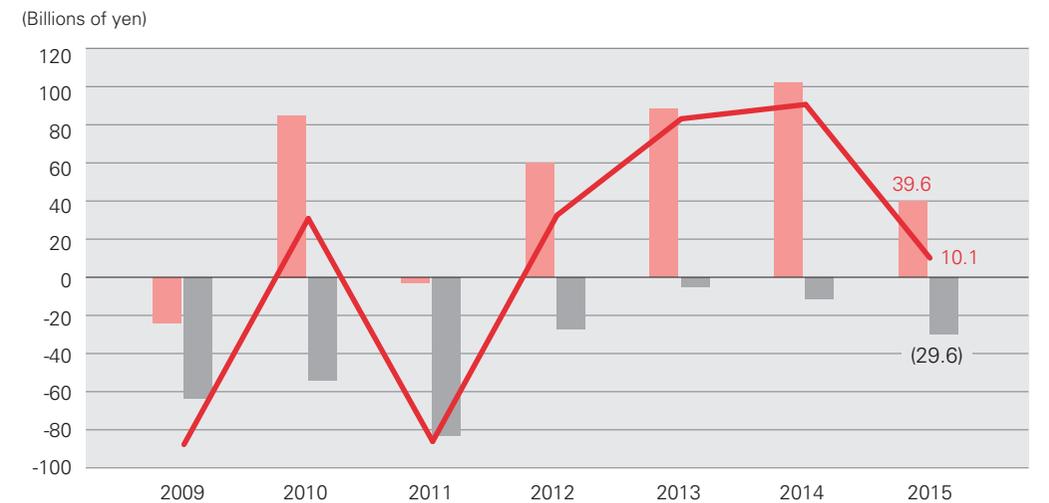
■ Ordinary income (left scale) — Ordinary income on revenue (right scale)

Operating Revenues, Assets Turnover



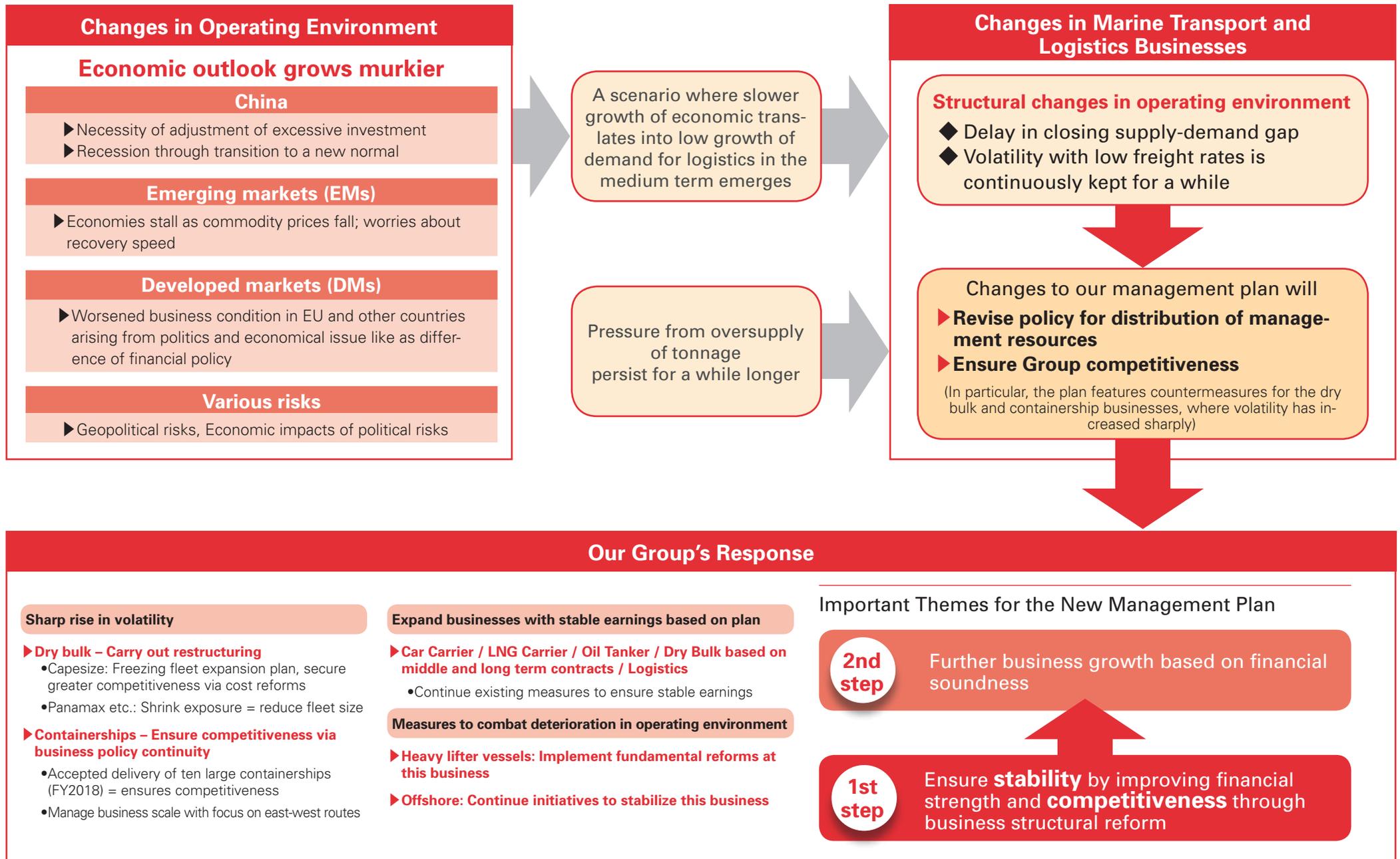
■ Operating revenues (left scale) — Assets turnover (right scale)

Cash Flows



■ Cash flows from operating activities ■ Cash flows from investing activities — Free cash flows

II. Review of Medium-term Management Plan | Business Environment: Changes and Key Themes (released April 28, 2016)



II. Review of Medium-term Management Plan | Business Structural Reform, Business Scale, Investment Plan

(released April 28, 2016)

Business Structural Reform

Business structural reform costs to ensure competitiveness to total ¥69.0 billion in FY2015 (¥34.0 billion) and FY2016 (¥35.0 billion)

► Specific measures

- Reforming fleet of Dry Bulk (middle and small size, and Capesize) vessels (FY2015 and FY2016)
- Structural reform at affiliates (FY2016)

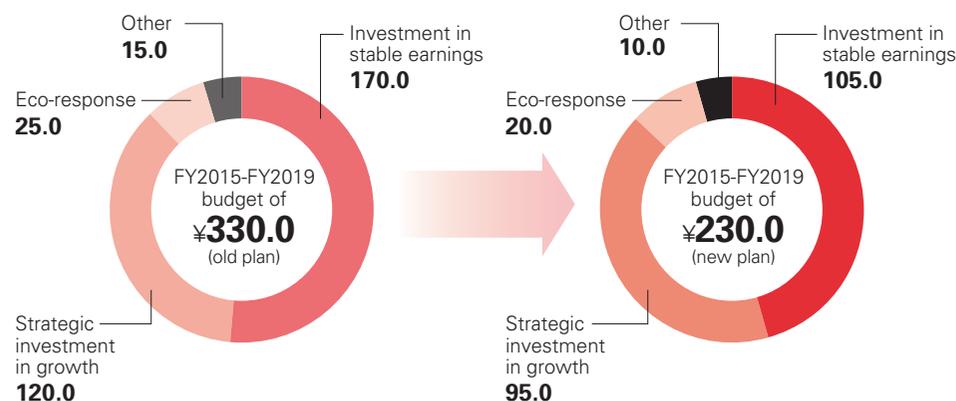
► Earnings boost

- Earnings boost of ¥10.0 billion in FY2016
- Earnings boost of ¥13.5 billion in FY2017

(Billions of yen)	Reform costs	Earnings boost	
		FY2016	FY2017
FY2015-FY2016 Reform effects	69.0	10.0	13.5

Investment Plan

(Billions of yen)



Changing investment plan totally ¥230.0 billion for 5 years based on revised policy for distribution of management resources

- Budget in original plan: ¥330.0 billion (of which, ¥120.0 billion is strategic investment for expansion)
- Budget in revised plan: ¥230.0 billion (of which, ¥95.0 billion is strategic investment for expansion)

Plan for Fleet Rationalization

(Number of vessels in fleet)	FY2014 result	FY2015 result	FY2019 target (original plan)	FY2019 target (new plan)	Difference (original vs. new at end-FY2019)
Containerships	70	63	61	59	(2)
Dry Bulk	218	212	239	196	(43)
Capesize	85	79	100	81	(19)
Panamax	46	45	48	39	(9)
Thermal coal carriers	23	24	27	31	4
Others	64	64	64	45	(19)
Car carriers	96	102	98	96	(2)
Tankers	25	23	24	27	3
LNG carriers	43	41	61	57	(4)
Offshore E&P & Heavy Lifter vessels	24	23	26	24	(2)
Other	50	51	55	55	0
Total	526	515	564	514	(50)

**Total vessels in fleet at end-FY2019:
564 in original plan → 514 in new plan**

► Dry Bulk vessels at end-FY2019: 239 in original plan → 196 in new plan

- Cape size: Cancel in new build, keep fleet at current size and improve competitiveness
- Panamax etc.: Adjustment of fleet size to reduce exposures

► Containerships at end-FY2019: 61 in original plan → 59 in new plan

- Optimize scale on receipt of ten 14,000-TEU vessels by FY2018, dispose of smaller vessels

► Others

- LNG carriers: Keep expanding fleet with a profitability focus in concert with project progress
- Car carriers: Greater competitiveness on receipt of 15 new 7,500-unit car carriers
- Tankers: Expand stable earnings sources based on medium- to long-term contracts

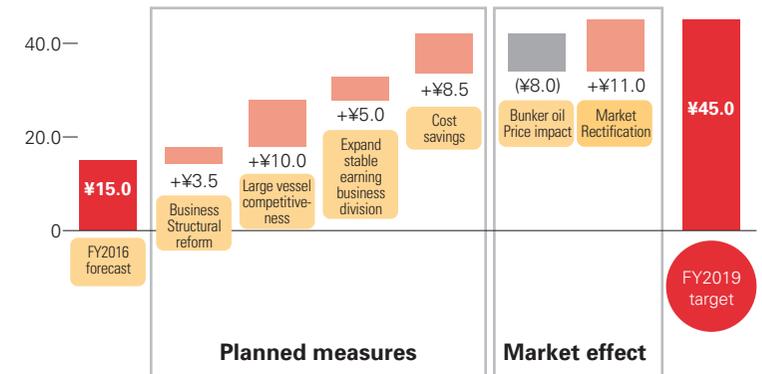
II. Review of Medium-term Management Plan | Projection for FY2019, Measure to Improving ROE (released May 27, 2016)

(Billions of yen)	FY2015 result	FY2016 forecast	FY2019 target (new plan)	Post-FY2020 target	FY2019 target (original plan)
Operating revenue	1,243.9	1,100.0	1,200.0		1,500.0
Ordinary income	3.3	15.0	45.0		85.0
Profit attributable to owners of the parent	(51.5)	(35.0)	33.0		over 60.0
EBITDA	24.7	33.0	93.0		150.0
ROE	(13%)	(11%)	8%	over 10%	over 10%
Equity capital	355.4	320.0	400.0	500.0	600.0
Equity ratio	32%	31%	36%	40%	40%
Interest-bearing liabilities	525.2	520.0	480.0	480.0	480.0
DER	148%	163%	120%		80%
NET DER	80%	113%			55%
Cash flows from operating activities	39.6	0	90.0		120.0
Cash flows from investing activities	(29.6)	(27.0)	(50.0)		(80.0)
Exchange rate	¥ 120.78	¥ 110.00	¥ 110.00		¥ 110.00
Bunker oil price (Per MT)	\$ 295	\$ 275	\$ 370		\$ 500

Key Measures to Improve Ordinary Income FY2016 vs FY2019

+¥15 billion → +¥45 billion(y on y)

(Billions of yen)
60.0—



Initiatives for Improving ROE

• In view of structural changes to the operating environment, we are moving back our target for 10% ROE attainment to FY2020 at the earliest

$$\text{ROE 10\% (target after FY2020)} = \text{ROA (based on ordinary income) of over 6\%} \times \text{2.5X target financial leverage}$$

- Revised policy for distribution of management resources
- Structural reform benefits: FY2016 +¥10.0 billion, FY2017 +¥13.5 billion
- Cost savings, earnings boost: FY2016 +¥18.8 billion
- Improved efficiency from paring unnecessary assets across "K" LINE Group

Given awareness of business volatility, we aim for:

- Shareholders' equity of ¥500.0 billion
- Equity ratio of 40%
- Interest-bearing liabilities of ¥480.0 billion

ROA(based on ordinary income)6% : it is same as ROA 4%(Net income base) after corporate tax payment) X leverage 2.5 = ROE 10%

Policy on Dividends

- Stable dividends will continue to be an ongoing plan
- FY2016 – not decided with restructuring costs for restructuring slated for FY2015-FY2016 to be recorded, our highest priorities are ensuring competitiveness and bolstering our finances, while keeping a close eye on future operating environment trends. As a result, we have not yet decided on a FY2016 dividend plan.

Forecast / Target for FY2019 by Main Segment

(Billions of yen)

Segment		FY2015 result	FY2016 forecast	FY2019 target
Containership Business	Operating revenue	623.0	580.0	660.0
	Segment asset	231.5	210.0	195.0
	Segment income	(10.0)	11.0	22.0
Bulk Shipping Business	Operating revenue	570.2	460.0	475.0
	Segment asset	686.2	650.0	710.0
	Segment income	24.7	9.0	23.0

Measures for FY2019

- Containership Business: Planning to replace asset of Containership Business and expand Logistics.
- Bulk Shipping Business: Planning to reduce asset by selling Dry Bulk vessels etc. and expand Car Carrier / LNG Carrier / Tanker Business.

III. Business Segment Data | Containership

Fleet Size of Container Operators

(as of April 2016)

Ranking	Operator	TEU	Vessels	Share
1	APM-Maersk	3,024,714	600	15%
2	MSC	2,667,718	486	13%
3	CMA CGM	1,816,468	451	9%
4	COSCON*	1,522,461	282	8%
5	Evergreen	930,686	187	5%
6	Hapag-Lloyd	911,450	168	5%
7	Hamburg Süd	650,525	130	3%
8	Hanjin	616,993	100	3%
9	OOCL	565,113	104	3%
10	UASC	549,958	57	3%
11	MOL	545,641	91	3%
12	APL	531,805	85	3%
13	Yang Ming	510,177	97	3%
14	NYK	492,911	97	2%
15	Hyundai	400,205	56	2%
16	"K" LINE	378,858	66	2%
17	PIL	343,166	138	2%
18	Zim	336,272	76	2%
19	Wan Hai	216,373	88	1%
20	X-Press Feeders	143,859	94	1%
	Others	2,987,449	1,720	15%
	Total	20,142,802	5,173	

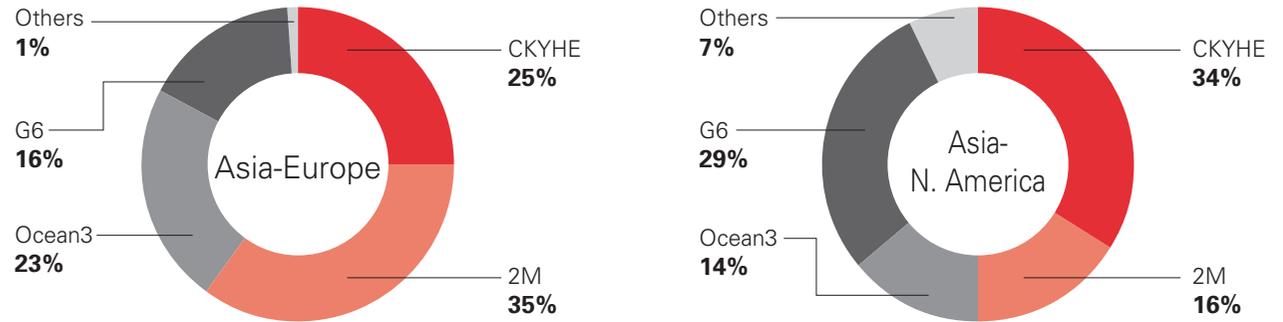
*includes CSCL

Members of each alliance

- CKYHE "K" LINE, COSCON, Yang Ming, Hanjin, Evergreen
- 2M Maersk, MSC
- G6 NYK, Hapag-Lloyd, OOCL, MOL, APL, Hyundai
- Ocean3 CMA-CGM, CSCL, UASC

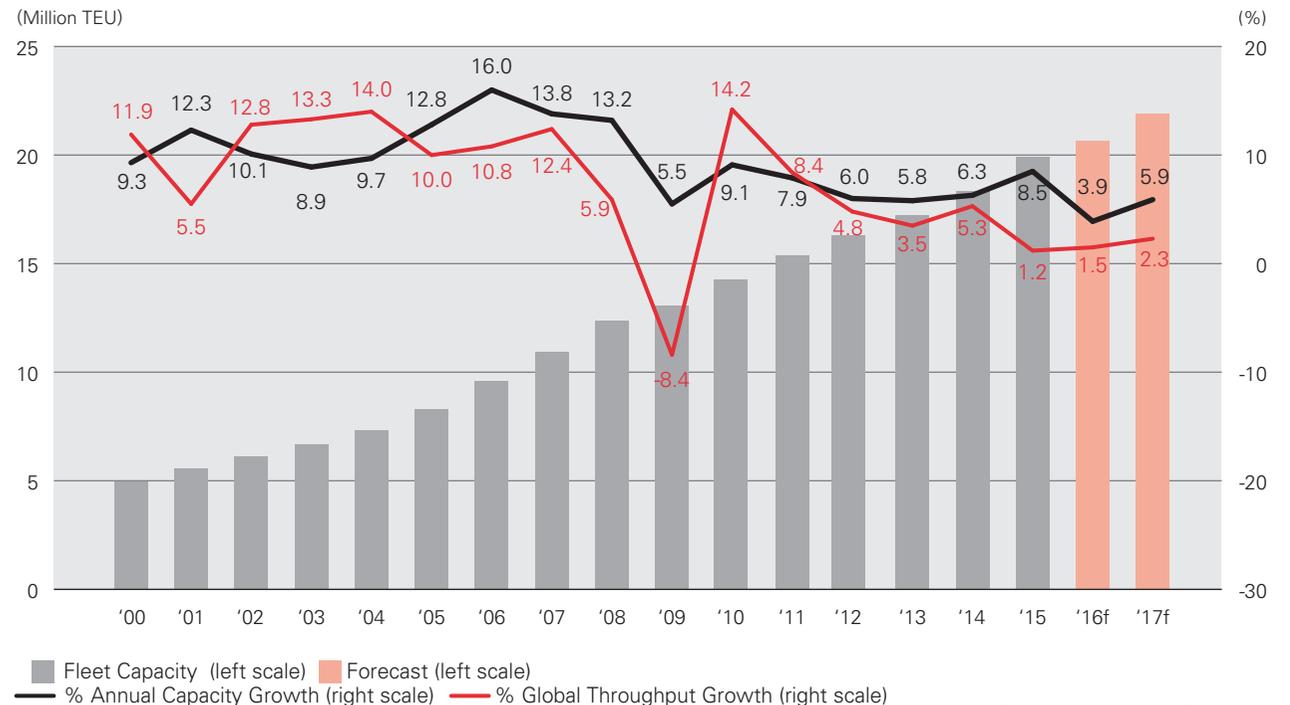
Source: Alphaliner April 2016

Alliance Share of Major Global Operators



Source: Alphaliner April 2016

Container Fleet Capacity, Supply and Demand

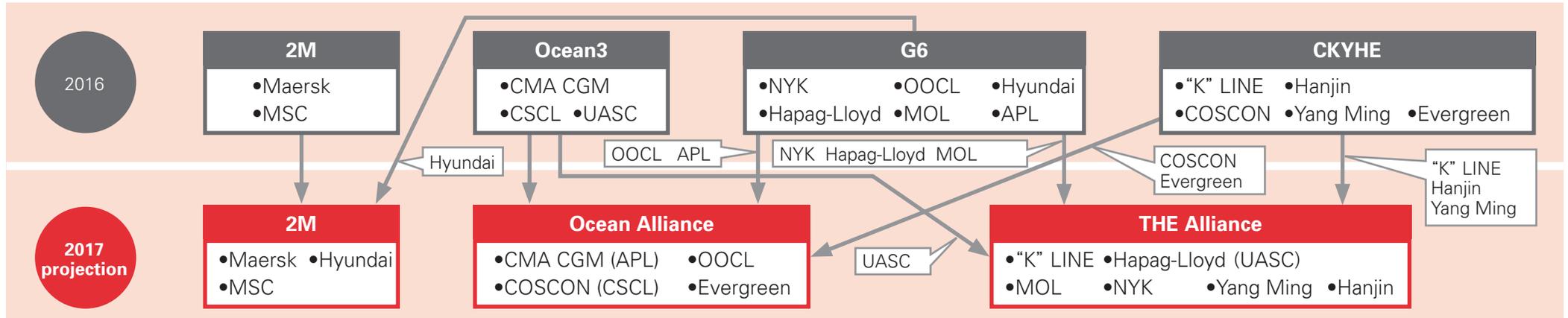


Source: Alphaliner May 2016

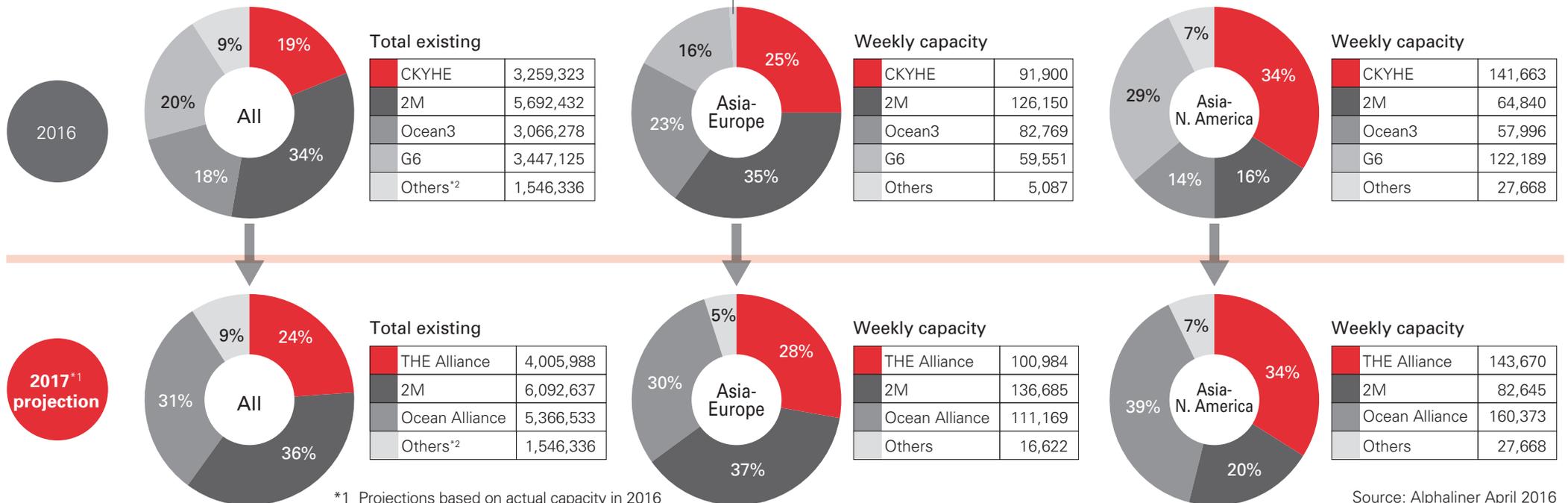
III. Business Segment Data | Containership

Alliance Restructuring

(as of July 2016)



Alliance Share of Major Global Operators / Capacity (TEU)



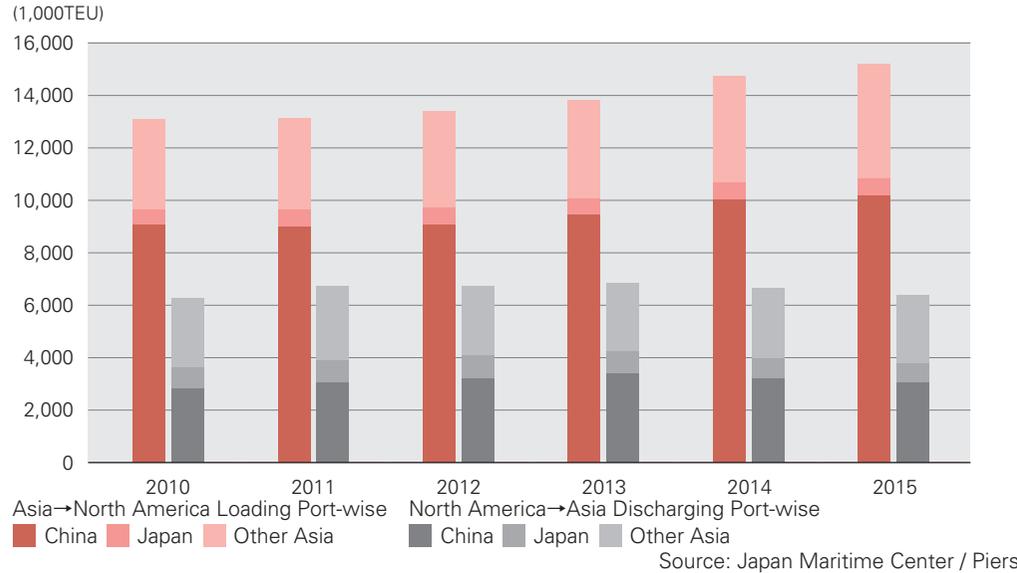
*1 Projections based on actual capacity in 2016

*2 Hamburg Süd, PIL, Zim, Wan Hai

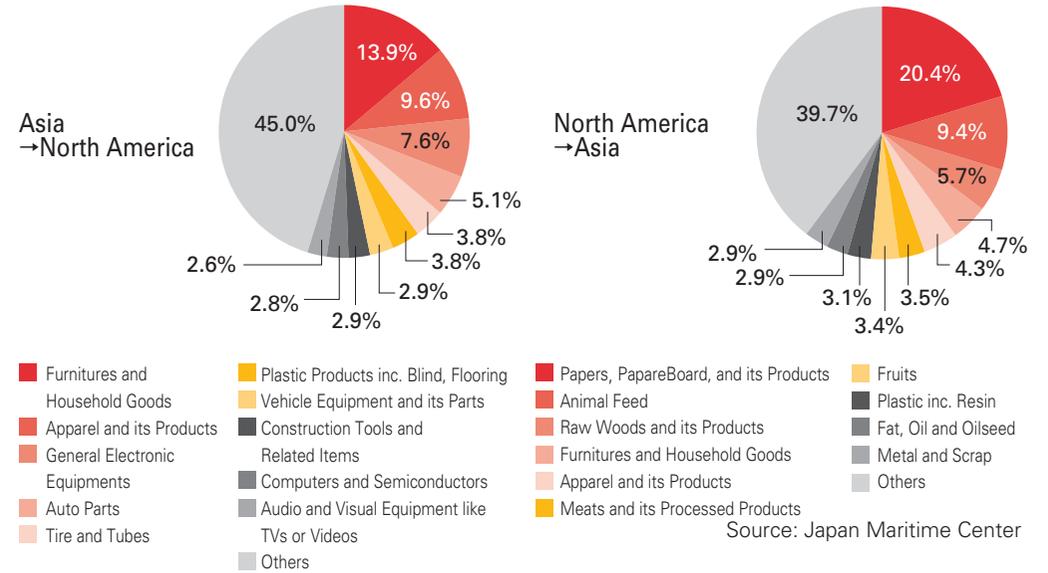
Source: Alphaliner April 2016

III. Business Segment Data | Containership

Asia-North America Cargo Volume



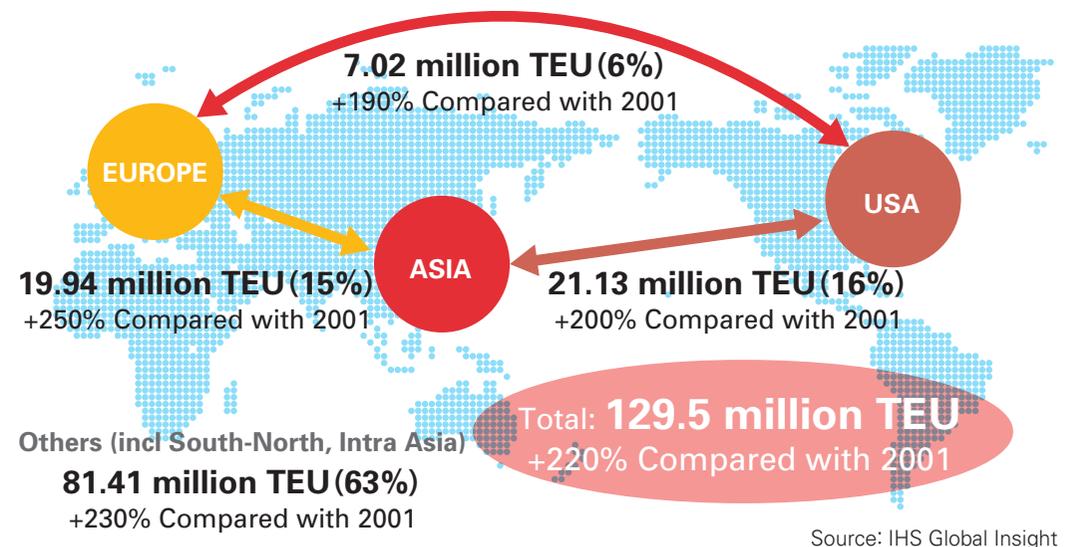
Asia-North America Trade Commodity Composition



Asia-Europe Cargo Volume

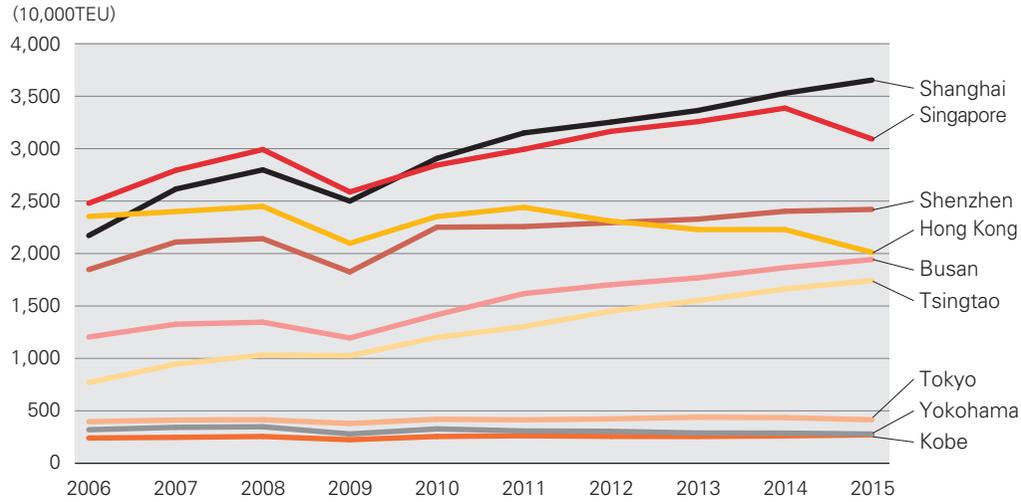


Container Cargo Movements (2015)



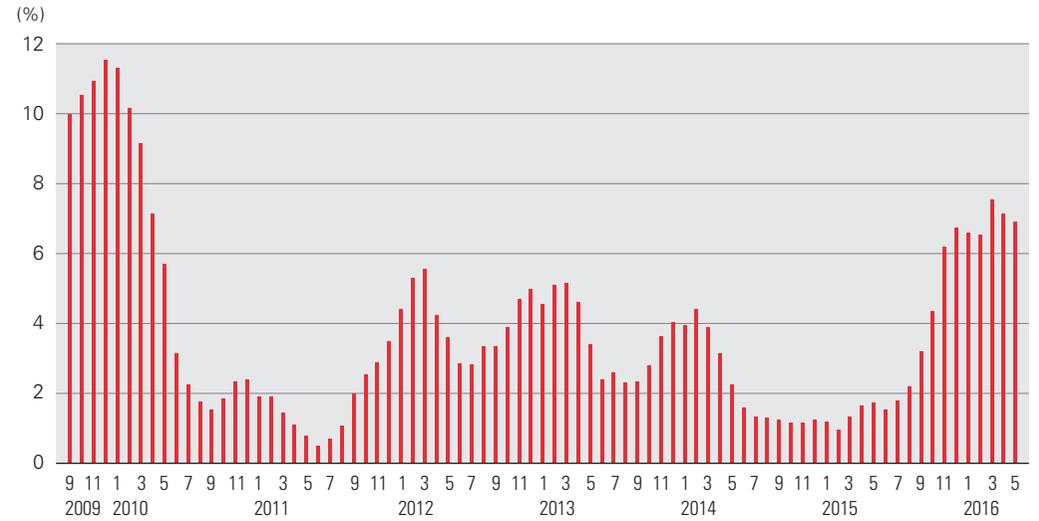
III. Business Segment Data | Containership

Containers Handled by Major Asian Ports



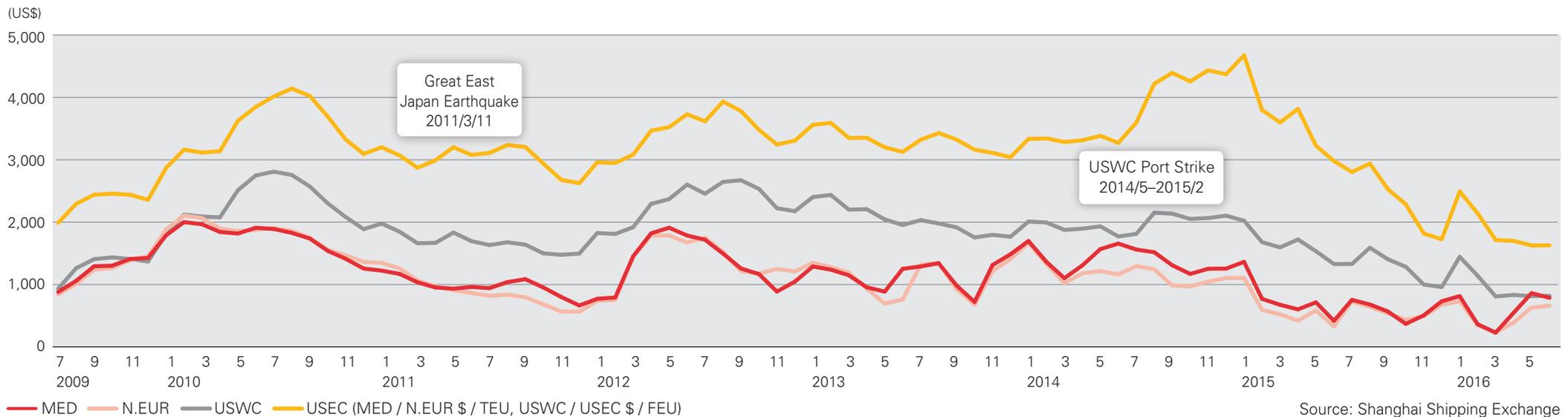
Source: The Japan Marine Daily

Lay-up of Containerships Worldwide



Source: Alphaliner

Transition of SCFI (Shanghai Containerized Freight Index)



Source: Shanghai Shipping Exchange

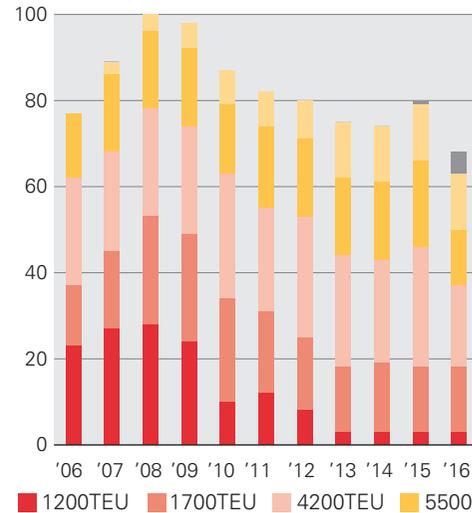
III. Business Segment Data | Containership

"K" LINE Containership Fleet

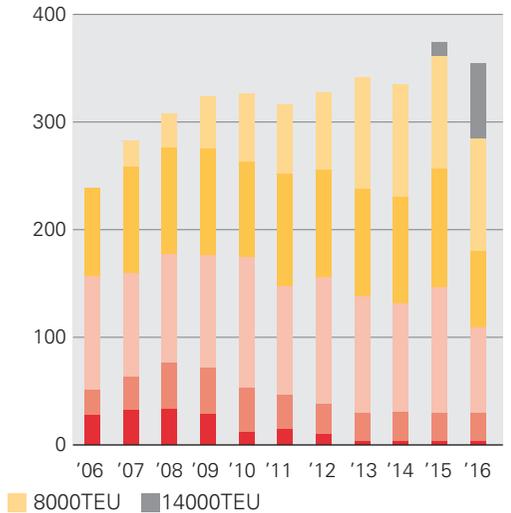
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
14000TEU type	—	—	—	—	—	—	—	—	—	1	5
8000TEU type	—	3	4	6	8	8	9	13	13	13	13
5500TEU type	15	18	18	18	16	19	18	18	18	20	13
4200TEU type	25	23	24	25	29	24	28	26	24	28	19
1700TEU type	14	18	25	25	24	19	17	15	16	15	15
1200TEU type	23	27	28	24	10	12	8	3	3	3	3
Total	77	89	99	98	87	82	80	75	74	80	68

Vessels : as of end of March

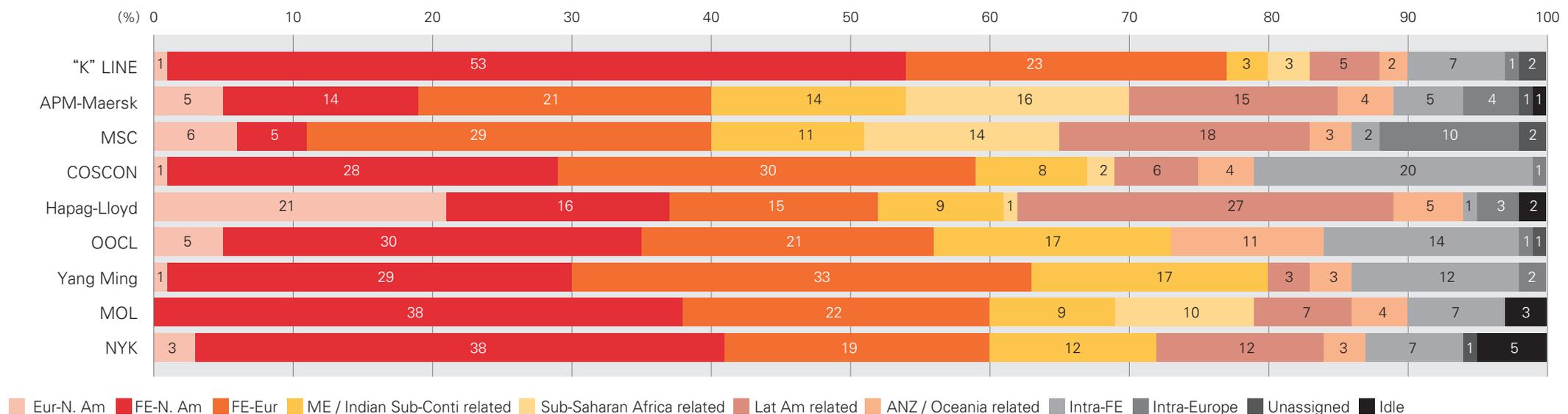
Transition of "K" LINE Containership Fleet Scale (Vessels)



(1,000TEU)



Main Carriers—Breakdown of Capacity Operated by Trade



Source: Alphaliner July 2016

III. Business Segment Data | Dry Bulk

Dry Bulk (All Types) Fleet

(as of June 2016)

Ranking	Operator	100,000DWT	Vessels
1	China COSCO Shipping	372.6	383
2	NYK	195.1	202
3	"K" LINE	156.1	131
4	MOL	147.9	126
5	China Merchants Group	127.8	110
6	Fredriksen Group	124.5	108
7	Imabari Shipbuilding	86.4	89
8	Mitsubishi Corporation	75.6	94
9	Wisdom Marine Group	55.5	107
10	Pacific Basin Shipping	39.7	101

Source: Clarkson

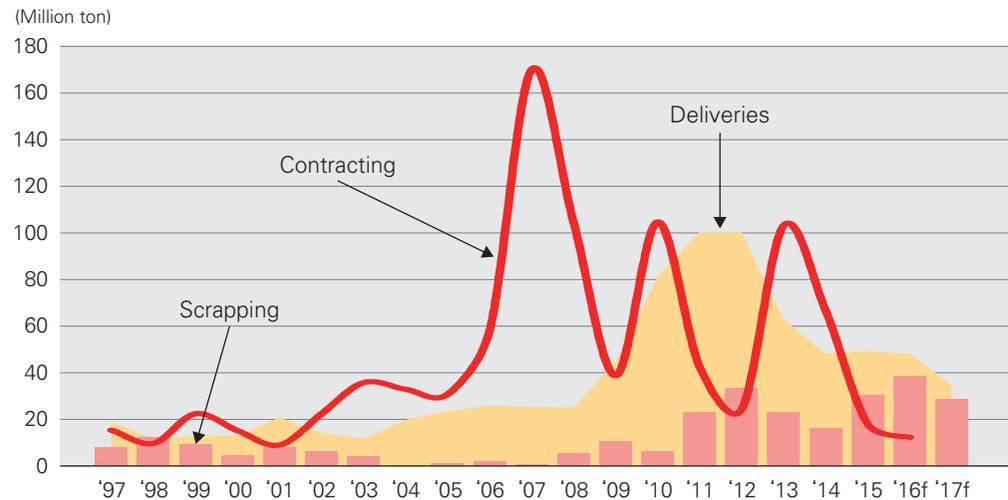
Cape-size Fleet

(as of June 2016)

Ranking	Operator	100,000DWT	Vessels
1	China COSCO Shipping	200.6	82
2	Berge Bulk Ltd.	110.5	43
3	NYK	104.9	54
4	MOL	99.6	47
5	"K" LINE	98.5	49
6	Angelicooussis Group	91.7	52
7	China Merchants Group	82.9	29
8	Polaris Shipping Co	82.0	31
9	Fredriksen Group	81.2	45
10	NS United	65.8	31

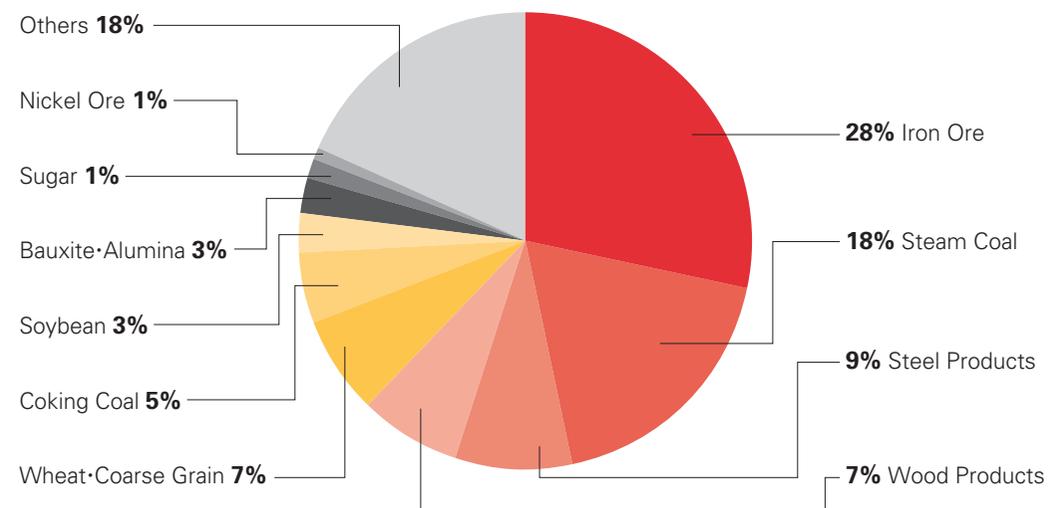
Source: Clarkson

Dry Bulk Delivery and Removal Progress



Source: Clarkson

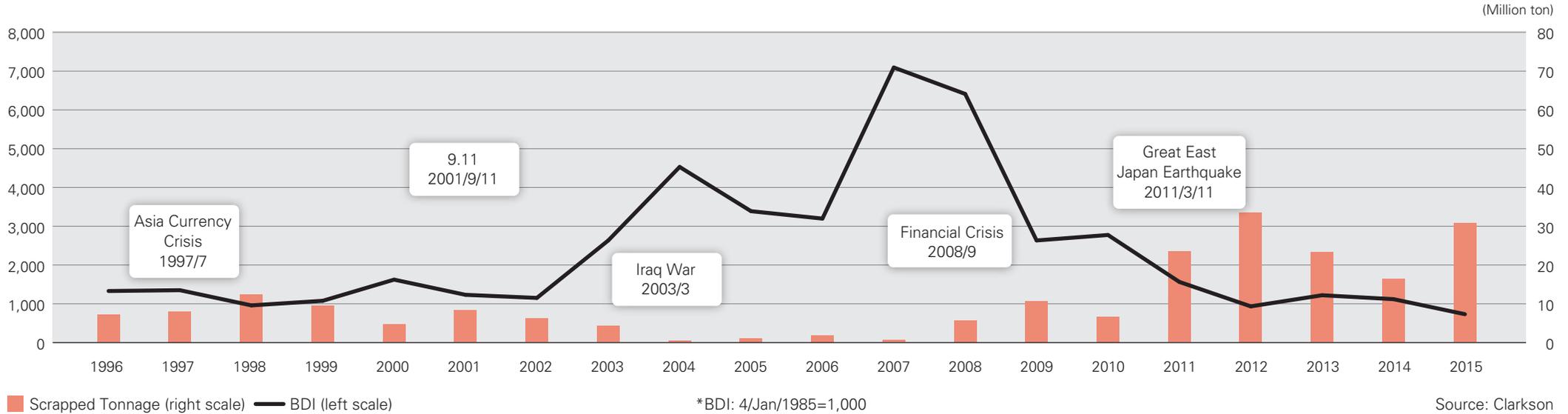
2015 Dry Bulk Cargo: Commodity Composition (metric ton)



Source: Clarkson

III. Business Segment Data | Dry Bulk

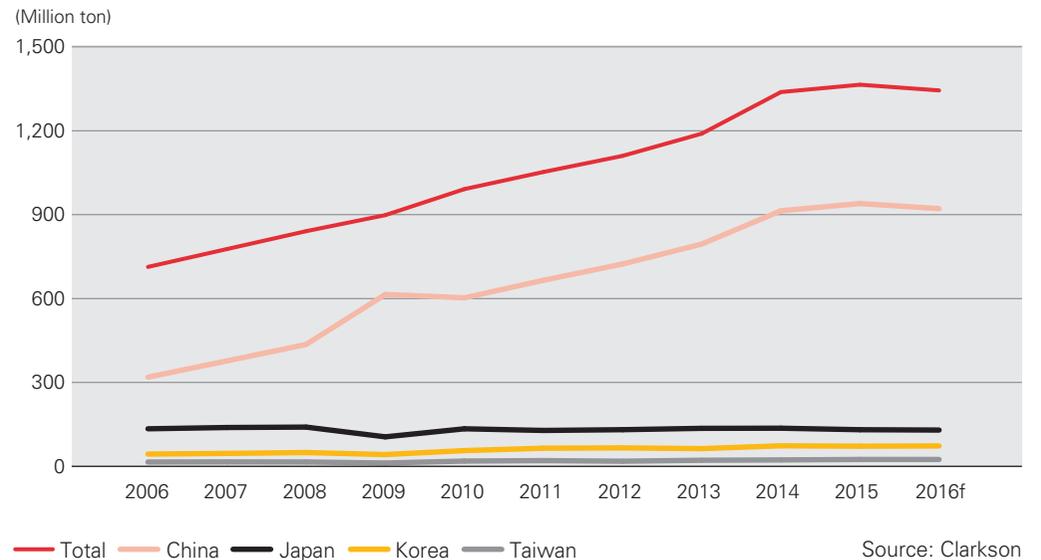
BDI (Baltic Dry Index)* and Transition of Scrapped Tonnage



Steel Production and Iron Ore Imports by China



Iron Ore Imports by Major Asian Countries



III. Business Segment Data | Dry Bulk

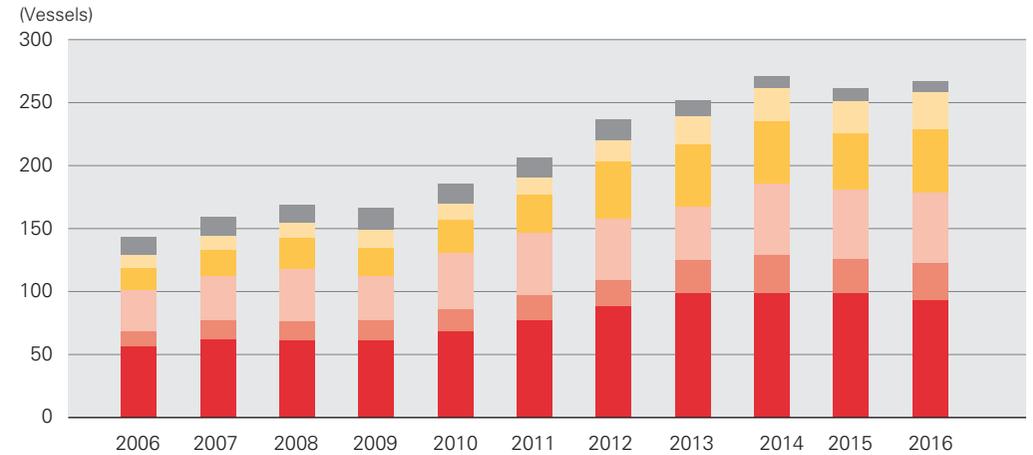
"K" LINE Dry Bulk Fleet

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capesize	56	62	61	61	68	77	88	99	99	99	93
Corona*	12	15	15	16	18	20	21	26	30	27	29
Panamax	33	35	42	35	44	49	48	42	56	55	56
Handymax	17	21	24	22	27	31	46	50	50	44	51
Small Handy	11	11	12	15	12	13	17	22	26	26	29
Chip + Pulp	14	15	15	17	16	16	16	13	10	10	9
Total	143	159	169	166	185	206	236	252	271	261	267

*Corona is Over-Panamax vessel used for Steaming Coal.

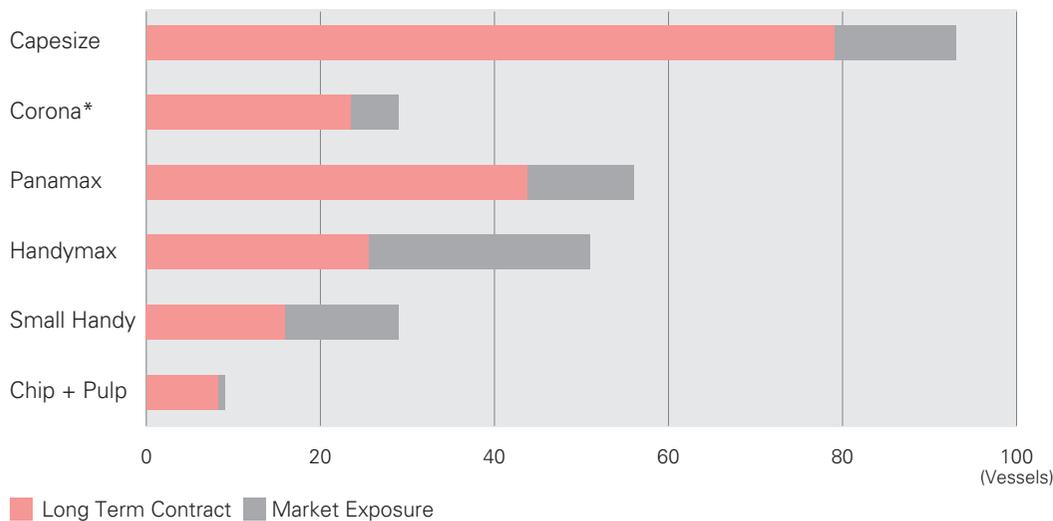
Vessels : as of end of March

Transition of "K" LINE Dry Bulk Fleet Scale

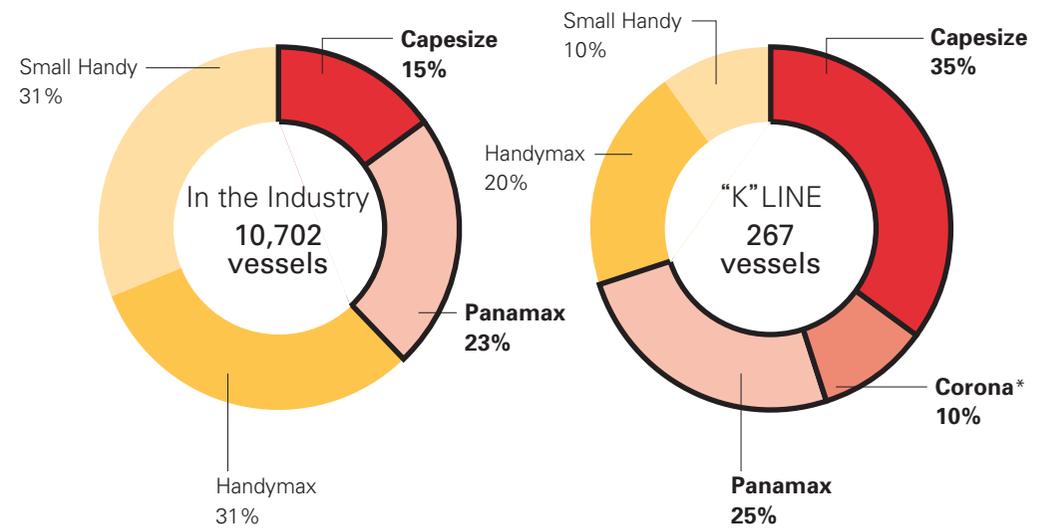


■ Capesize ■ Corona* ■ Panamax ■ Handymax ■ Small Handy ■ Chip + Pulp

"K" LINE's Dry Bulk Fleet Market Exposure 2016 (forecast)



Dry Bulk Fleet Composition (as of the March 2016)



Source: Clarkson

III. Business Segment Data | Car Carrier

Car Carrier Fleet Ranking

(as of May 2016)

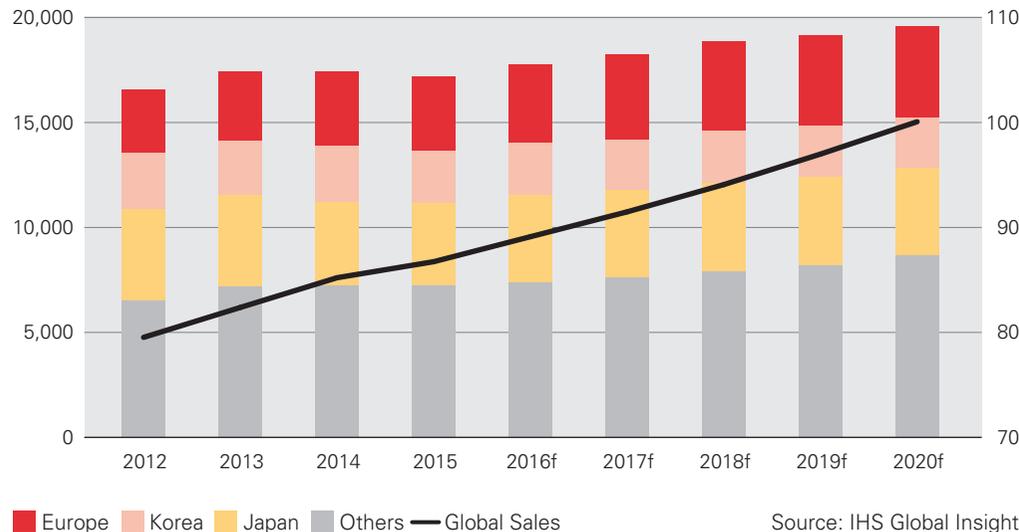
Ranking	Operator	Vessels	Share	Capacity (unit)	Share
1	NYK	111	14.6%	623,794	15.5%
2	MOL	106	14.0%	633,933	15.7%
3	"K" LINE	102	13.4%	527,410	13.1%
4	EUKOR	82	10.8%	536,676	13.3%
5	GLOVIS	64	8.4%	377,334	9.4%
6	Grimaldi	58	7.6%	230,860	5.7%
7	WWL	53	7.0%	352,862	8.7%
8	HOEGH	43	5.7%	266,845	6.6%
9	UECC (NYK+WWL)	19	2.5%	50,760	1.3%
10	TOYOFUJI	18	2.4%	56,970	1.4%
	Others	103	13.6%	375,453	9.3%
	Total	759		4,032,897	

Source: Marine Trader World PCTC / PCC / RORO Fleet List 2016

Car Ocean Transport Volume by Loading Area

(1,000 cars)

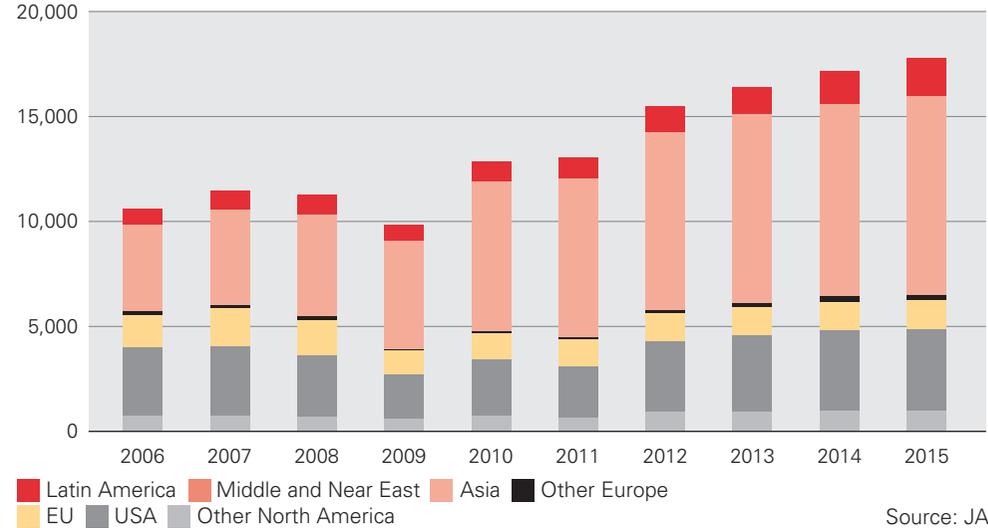
(Global Sales: Million Cars)



Source: IHS Global Insight

Overseas Vehicle Production by Japanese Automakers

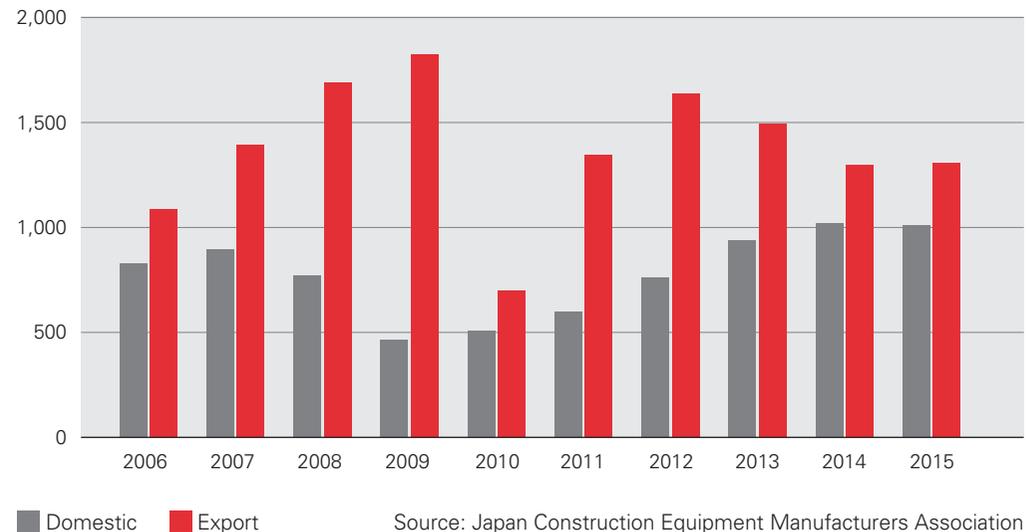
(1,000 cars)



Source: JAMA

Japanese Construction Machine Sales Results

(Billions of yen)



Source: Japan Construction Equipment Manufacturers Association

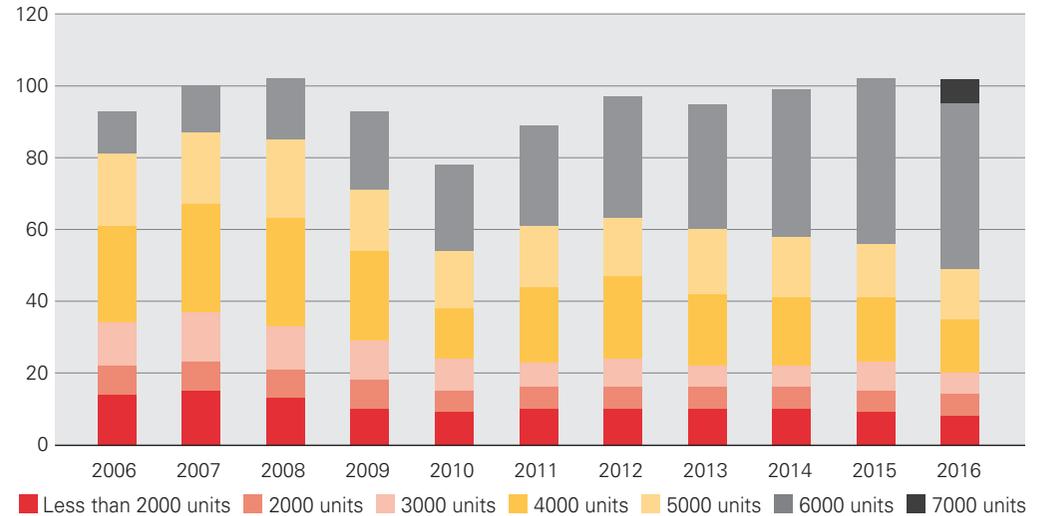
III. Business Segment Data | Car Carrier

"K" LINE Car Carrier Fleet

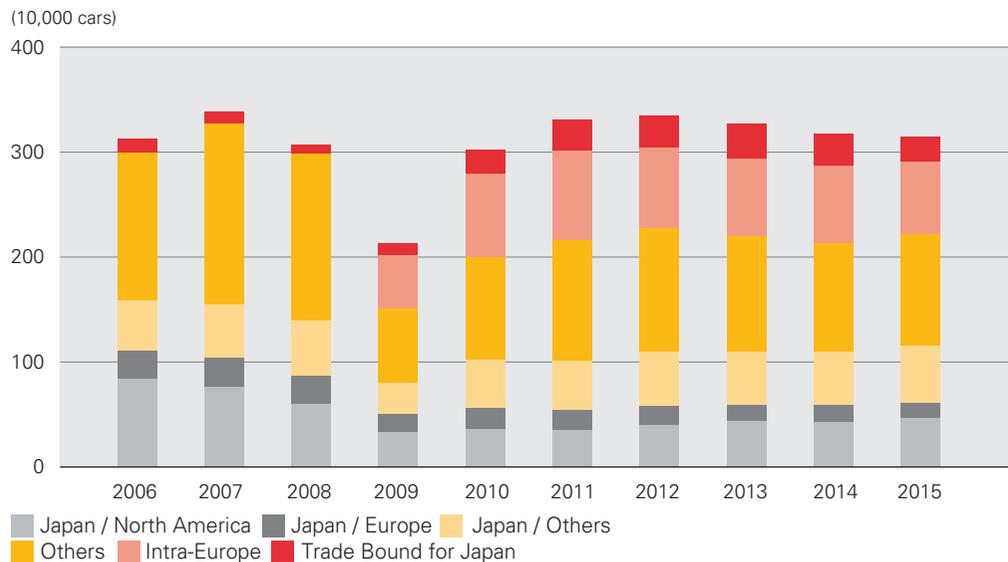
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
7000 units	—	—	—	—	—	—	—	—	—	—	7
6000 units	12	13	17	22	24	28	34	35	41	46	46
5000 units	20	20	22	17	16	17	16	18	17	15	14
4000 units	27	30	30	25	14	21	23	20	19	18	15
3000 units	12	14	12	11	9	7	8	6	6	8	6
2000 units	8	8	8	8	6	6	6	6	6	6	6
Less than 2000 units	14	15	13	10	9	10	10	10	10	9	8
Total	93	100	102	93	78	89	97	95	98	102	102

Vessels : as of end of March (including short-term chartered vessels)

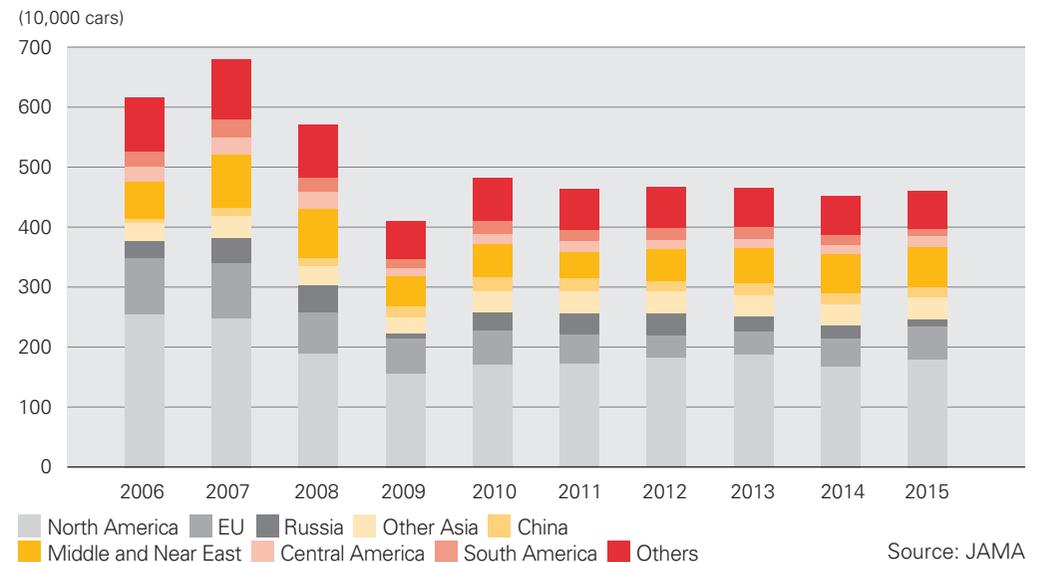
Transition of "K" LINE Fleet Scale (Vessels)



Cars and Trucks Transported by "K" LINE



Total Cars and Trucks Exported from Japan



Source: JAMA

III. Business Segment Data | Tanker

VLCC Fleet Ranking

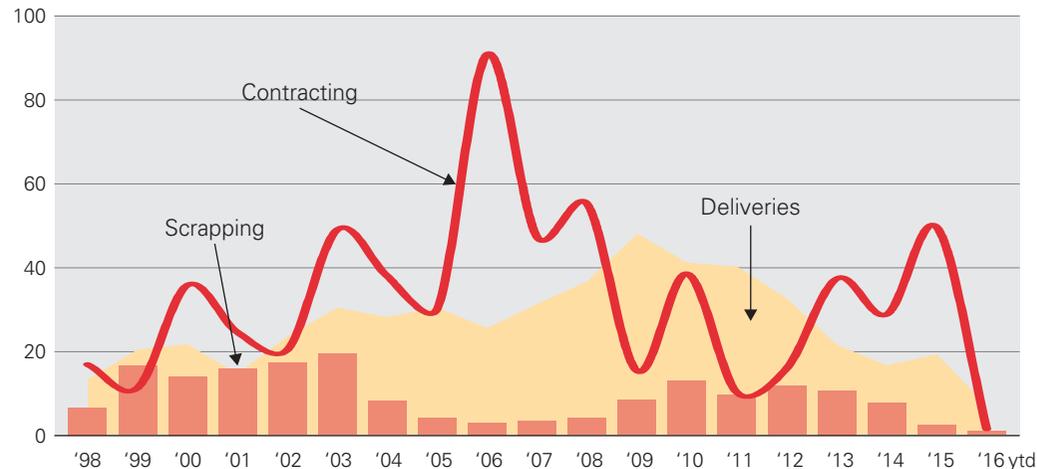
(as of June 2016)

Ranking	Operator	100,000DWT	Vessels
1	China Merchants Group	163.7	36
2	China COSCO Shipping	140.2	32
3	Bahri	143.1	36
4	Angelicoussis Group	116.0	31
5	NIOC	114.7	37
6	MOL	98.2	32
7	Euronav NV	91.1	29
8	Gener8 Maritime	86.1	17
9	Fredriksen Group	72.9	18
10	NYK	63.5	21
...			
21	"K" LINE	30.8	7

Source: Clarkson

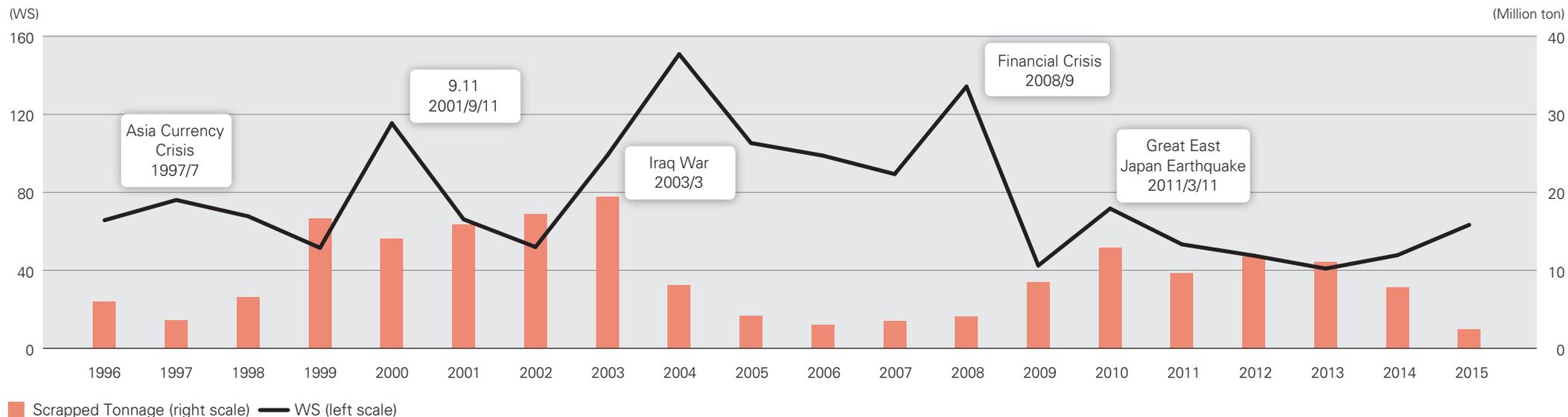
Tanker Delivery and Removal Progress

(Million ton)



Source: Clarkson Oil & Tanker Outlook

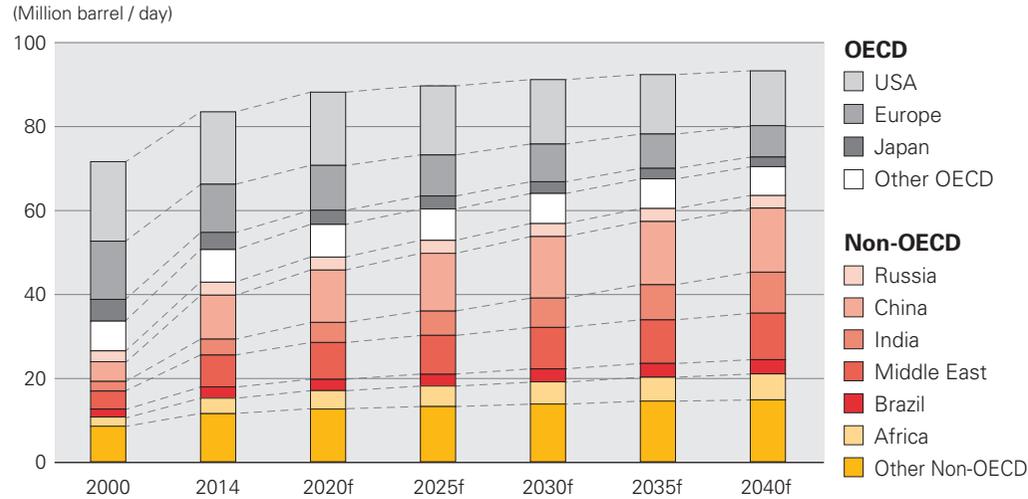
Tanker Freight Index (WS: World Scale) and Transition of Scrapped Tonnage



■ Scrapped Tonnage (right scale) — WS (left scale)

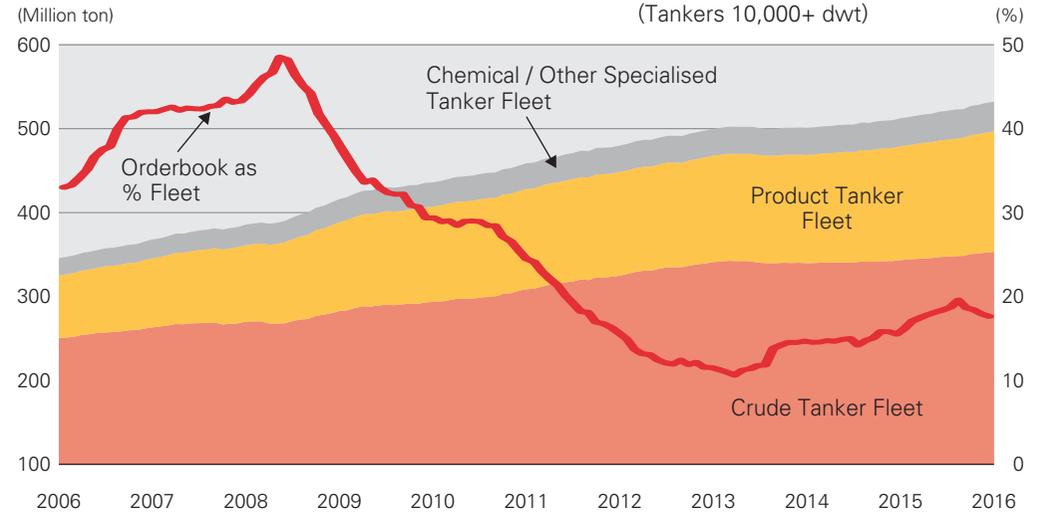
III. Business Segment Data | Tanker

Forecast of Oil Demand by Country



Source: World Energy Outlook

Tanker Fleet and Order Book



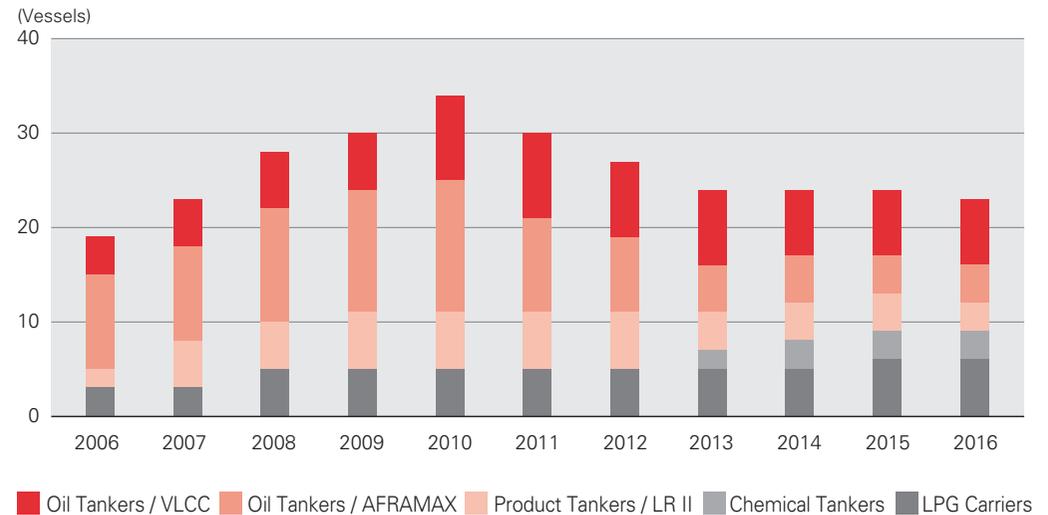
Source: Clarkson Oil & Tanker Outlook

"K" LINE Tanker Fleet

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Oil Tankers / VLCC	4	5	6	6	9	9	8	8	7	7	7
Oil Tankers / AFRAMAX	10	10	12	13	14	10	8	5	5	4	4
Product Tankers / LR II	2	5	5	6	6	6	6	4	4	4	3
Chemical Tankers	—	—	—	—	—	—	—	2	3	3	3
LPG Carriers	3	3	5	5	5	5	5	5	5	6	6
Total	19	23	28	30	34	30	27	24	24	24	23

Vessels : as of end of March

Transition of "K" LINE Tanker Fleet



III. Business Segment Data | LNG Carrier

LNG Carrier Fleet Ranking (inc. co-owned)

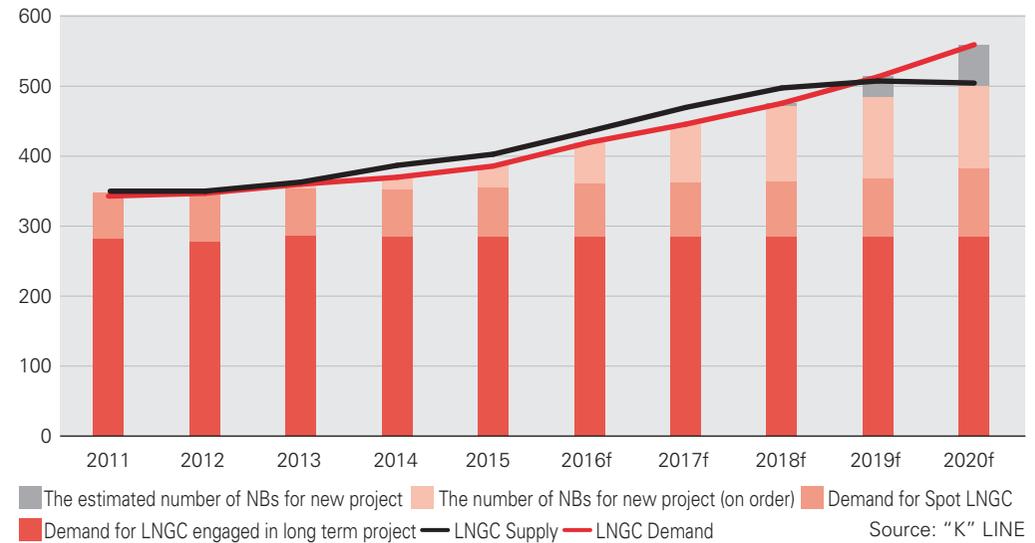
(as of June 2016)

Ranking	Operator	Vessels
1	MOL	70
2	NYK	68
3	Nakilat	63
4	"K" LINE	41
5	Teekay	30
6	MISC	27
7	Iino Lines	26
8	Maran Gas	19
9	GasLog	19
10	Bergesen Worldwide	15
11	Golar	15

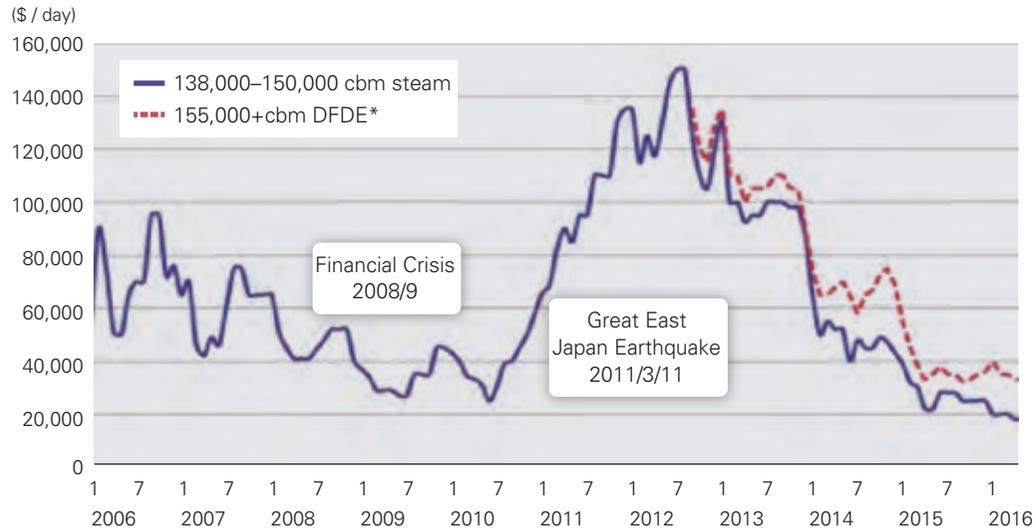
Source: "K" LINE

LNG Carrier Supply and Demand

(Vessels)



LNG Carrier Spot Market

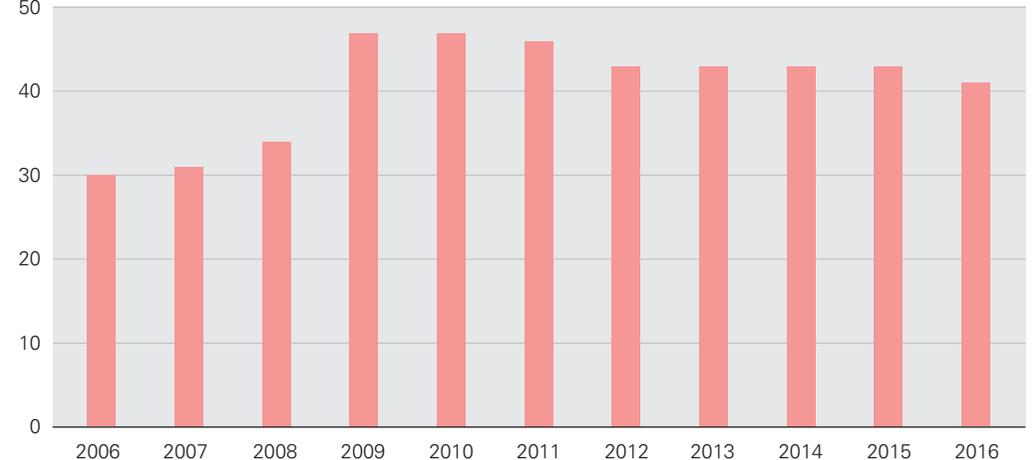


* DFDE (Dual Fuel Diesel Electric) propulsion system is propelled by electric motors utilizing power generated by Diesel Generators being fueled by boil-off gas and / or marine diesel oil.

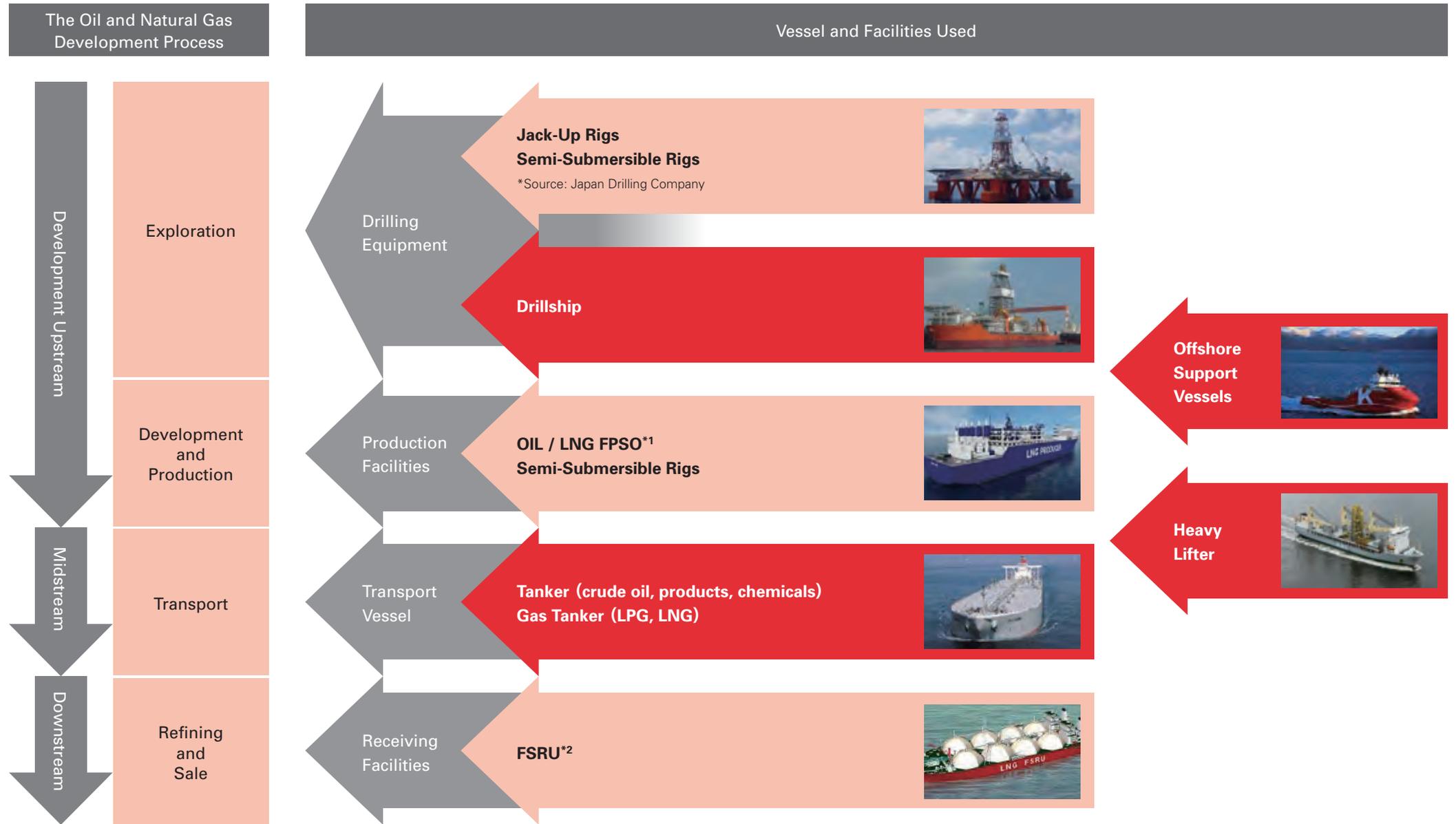
Source: SSY LNG LADAR

"K" LINE LNG Carrier Fleet (inc. co-owned)

(Vessels)



III. Business Segment Data | Energy Transportation • Offshore Energy E&P Support • Heavy Lifter



*1.FPSO: Floating Production Storage and Offloading System

*2.FSRU: Floating Storage and Regasification Unit

III. Business Segment Data | Offshore Energy Development

Offshore Support Vessels

"K" LINE provides **Offshore Support Vessels Service** through its subsidiary company called K Line Offshore AS (KOAS) in Norway.

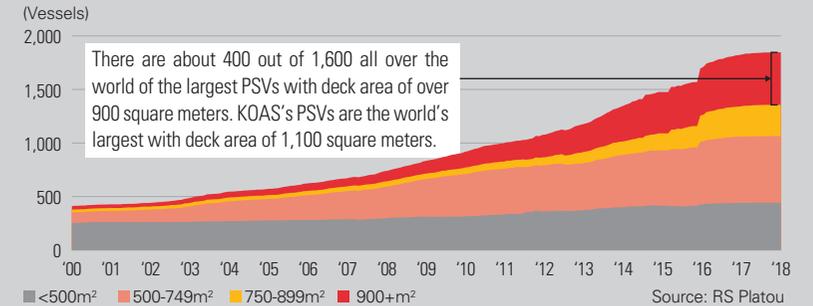
Platform Supply Vessel (PSV)



"5 high transport efficiency largest size PSVs"

PSVs are used to transport materials, equipment and fuel to offshore rig. KOAS's 5 PSVs have its deadweight capacity of 5,100 tons and deck area of 1,100 square meters. They are categorized largest size PSVs on the market.(1.5 times larger than general size)

PSV Fleet



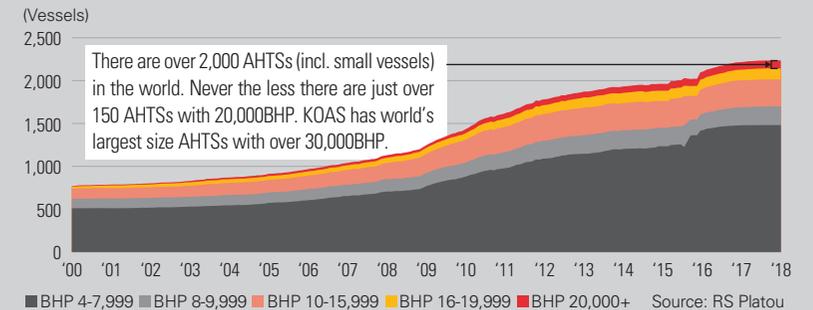
Anchor Handling Tug Supply (AHTS) Vessel



"2 AHTSs with the world's largest horsepower"

AHTSs are engaged in supporting for offshore drilling rigs when they are moving locations, such as raising anchors with a motor power. KOAS's 2 AHTSs have their length 95 meters, width 24 meters and 34,000BHP at the same level as VLCCs. KOAS's market share of largest AHTS over BHP30,000 is approx. 33%.

AHTS Fleet



Mobile Offshore Drilling Unit



Vessel Specification

ETESCO TAKATSUGU J

Builder: Samsung Heavy Industries Co., Ltd.

Delivery: December 2011

Length overall: 228 m

Breadth: 42 m

Displacement tonnage: 90,600 t

In 2009 "K" LINE participates in ETESCO project for ultra-deepwater drillship with NYK, Mitsui & Co. and Japan Drilling.

- This ship has been under charter to Petrobras since April 2012. The first well will be drilled in the Franco SW block in water approximately 2,000 meters deep about 200 kilometers off Rio de Janeiro. The area is located in pre-salt fields in which Petrobras holds an interest.
- It is capable of drilling in water depths of 10,000 feet (3,000 meters) and down to 30,000 feet (9,000 meters).

III. Business Segment Data | Heavy Lifter

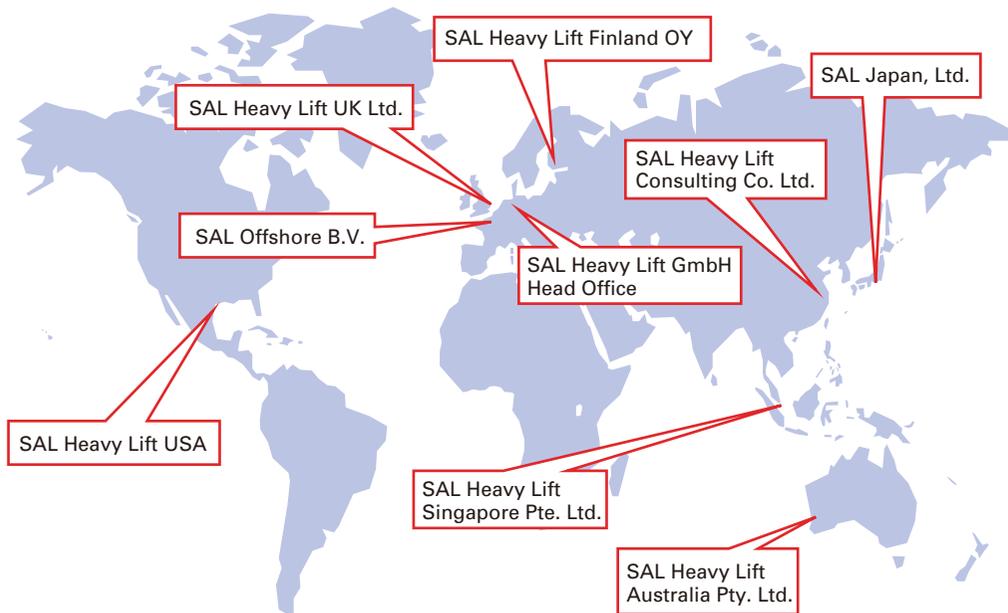
Heavy Lifter Fleet Ranking (500 ton-)

(as of June 2016)

Ranking	Carrier	Country	500-1,000 ton	1,000-2,000 ton	2,000 ton-	Total
1	BBC	Germany	47	0	0	47
2	Intermarine	USA	16	0	0	16
3	SAL ("K" LINE)	Germany	9	4	2	15
4	Big Lift	Netherland	12	3	0	15
5	AAL	Singapore	14	0	0	14
6	Jumbo	Netherland	7	4	2	13
7	Combi Lift	Denmark	12	0	0	12
8	COSCOL	China	12	0	0	12
9	Hansa Heavy Lift	Germany	5	5	0	10
10	Rickmers	Germany	10	0	0	10
	Others		31	0	0	31
Total			175	16	4	195

Source: "K" LINE

SAL's Global Networks



Project cargo: Drill equipment used for GOLIAT Project in Norway



Loading operation of large reactor for oil refinery



Project cargo: Assembled modules of LNG plant



Shiploader: Port facilities used for loading dry bulk cargo as Iron ore

Business Environment

Offshore Projects and related transport operations have been reduced due to the slump in crude oil prices. On the other hand, demand for ocean transportation involving projects in which electricity is produced by wind power is brisk; however, overall demand for Heavy Lifter transportation remains stagnant and recovery of the market will take more time.

Business History

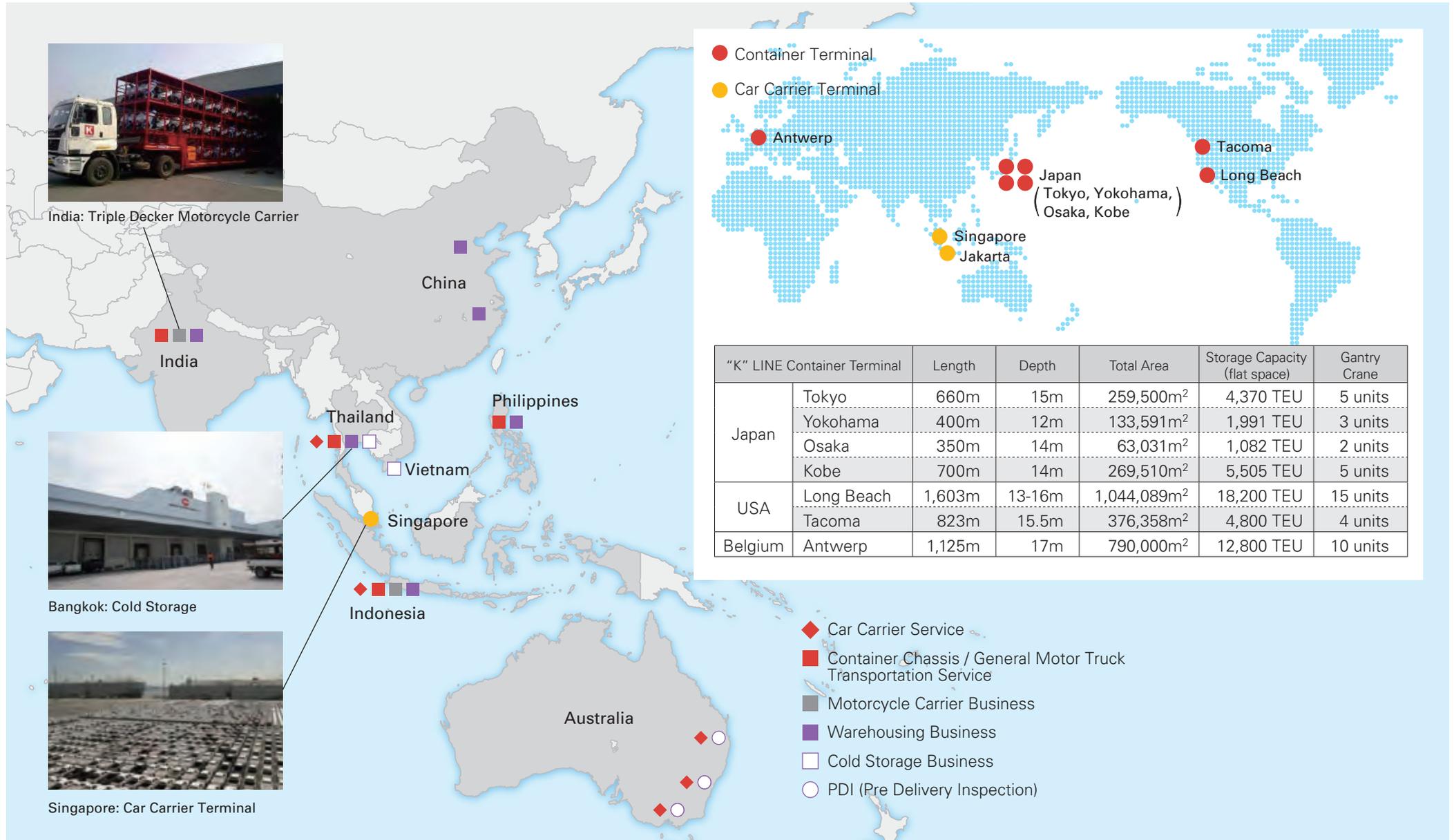
"K" LINE re-entered heavy lift transportation business in 2007 and acquired balanced 50% share of SAL Group in 2011, headquartered in Germany, which means "K" LINE became 100%owner of SAL Group. We developed the heavy lifter service as a core business.

Operating Fleet

The SAL Group operates a fleet of 15 heavy lifters with lifters with lifting capacity ranging from 600 to 2,000 tons. The SVENJA and LONE, two heavy lifters owned by the SAL GROUP equipment with the Dynamic Positioning System (DPS), will meet needs for the transport of oil and gas development facilities and offshore-related facilities, which require advanced transport techniques.

III. Business Segment Data | Logistics and Terminal

Local Community-based Total Logistics —Combination of Know-how and "K" LINE Global Network—



IV. Other Corporate Information | The Frameworks of CSR and Material Issues

Building a management structure that emphasizes social responsibility

Corporate governance → To page 29
Establishment of a management structure that responds to the demands of society

Stakeholder engagement
Expedition of dialogue with stakeholders

Managing the impact of business activities

Human rights
Preventing discrimination, respecting basic labor rights, preventing forced labor and child labor

Fair operating practices
Preventing corruption, preventing anti-competitive behavior

Environmental preservation → To page 28
Reinforcing environmental management, environment-friendly business activities

Labor practices
Preventing over-long working hours, improving occupational health and safety, promoting diverse work styles

Safety in navigation and cargo operations
Preventing major accidents

Risk management
Business continuity in times of major disaster, enhanced response capabilities for major accidents, crisis and risk management system

Creating new values

Human resource development
Improving corporate culture, developing global leaders, promoting diversity

Innovation
New value proposals through reduction of environmental burden and improvement of service quality

Community involvement and development
Assisting recovery / reconstruction from natural disasters

Employment creation and skills development
Support for education and employment creation

Safety in Navigation and Cargo Operations



Initiatives Based on the Medium-term Management Plan

When engaging in marine transportation business, it is an eternal mission to establish and maintain safety in navigation and cargo operation. The "K" LINE Group upholds the principle of "providing safe and reliable services" under the medium-term management plan and promoting three major activities – (1) enhancing safety management systems, (2) strengthening ship management systems, and (3) securing and training of maritime technical personnel – in order to perform its social responsibilities by thoroughly implementing safety in navigation and cargo operation.

Human Resource Development

Initiatives Based on the Medium-term Management Plan

Onshore division: In the global competitive environment, the most critical issue is training of personnel to enhance their skills so that they become to business leaders, through collaboration within the Group, which comprised of more than 8,000 employees on a consolidated basis. The Group believes that it can provide high-quality services required by customers by improving its personnel's professional expertise and organization management skills and enabling them to fully exercise their capabilities in accordance with their various working styles. Therefore, the Group will enhance career plans, including personnel rotation and training programs, and will promote personnel exchanges with overseas business locations.

Marine division: Securing and training of maritime technical personnel is one of a major pillar to enhance and maintain a firm safety administration system. Japanese maritime technical personnel are considered as the core personnel, and the Group aims to reinforce Japanese maritime technical personnel in terms of both quality and quantity. In addition, the Group is striving to adapt to future enhancement of its fleet through in-house training for crew members of various nationalities, including Asians and Europeans but mainly Philippines, in accordance with the vessel type and routes.

IV. Other Corporate Information | Environmental Preservation

Approach to Environmental Conservation Environmental Vision 2050

Securing Blue Seas for Tomorrow

Navigating for Sustainability
Leading to a Brighter Future

Initiatives Based on the Medium-term Management Plan

In the spring of 2015, the "K" LINE Group announced "K" LINE Environmental Vision 2050, which is a long-term environmental management vision, as an initiative to increase its corporate value. The Group recognizes that understanding the expectations and needs of stakeholders and providing new values to society, in addition to implementing counter-measures against expected global environmental problems, will lead to an increase in its corporate value in the future. Expressing the resolve to increase its corporate value in this way in the "K" LINE Environmental Vision 2050, the Group is striving to achieve specific numerical targets and conducting environmental preservation activity.



Environmental Conservation – Environmental Vision 2050

As a world-leading marine transport operator, "K" LINE has formulated our Environmental Vision for 2050, passing down a sustainable society and this blue and beautiful ocean to the next generation, and we have identified the 4 priority issues setting our goals toward 2050 and a milestone to be reached by 2019, the year marking the 100th anniversary of our foundation.

IV. Other Corporate Information | Corporate Governance and Risk Management

Corporate Governance

Establishment of the Corporate Governance Guidelines

In December 2015, the Company established the Corporate Governance Guidelines, which prescribe how governance should be exercised in order to increase corporate value from the following points of view: (i) securing the rights and equal treatment of shareholders; (ii) appropriate cooperation with stakeholders other than shareholders; (iii) ensuring appropriate information disclosure and of transparency; (iv) responsibilities of the Board of Directors; and (v) purposeful dialogue with shareholders

Establishment of the Nominating Advisory Committee and the Remuneration Advisory Committee

In order to further enhance its framework of corporate governance, the Company established the Nominating Advisory Committee and the Remuneration Advisory Committee as advisory bodies to the Board of Directors in November 2015.

Both advisory committees are comprised of all Outside Directors and the Director and Chairman and the President and Chief Executive Officer, while the chairmen are appointed from among the Outside Directors through mutual election among themselves. These committees conduct deliberations on the following matters upon consultation from the Board of Directors:

Nominating Advisory Committee: Reasonableness of proposals for appointment or dismissal of the Company's officers

Remuneration Advisory Committee: Institutional design of officer's remuneration and the level of officer's remuneration

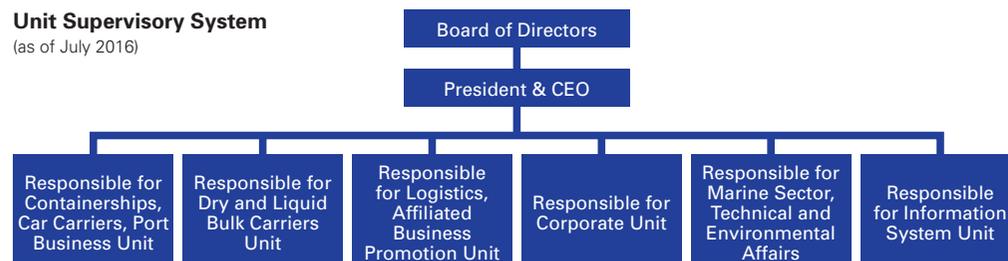
Introduction of the Unit Supervisory System

The Corporate Governance Code requires that the Board of Directors fulfill its roles and responsibilities, including "establishing an environment where appropriate risk-taking by the senior management is supported." As part of its effort to establish a framework of governance that meets the requirement, the Company introduced the Unit Supervisory System on April 1, 2016, in order to achieve greater efficiency and enhancement of the business execution system.

In the Unit Supervisory System, a total of six executive officers in charge of overseeing multiple operational and management divisions have been appointed under the President and Chief Executive Officer, and under these officers, there are executive officers in charge of managing individual divisions.

Unit Supervisory System

(as of July 2016)



Introduction of a Performance-based Share Remuneration Plan

In order to better clarify the link between the remuneration for directors (limited to executive directors) and executive officers and the Company's share value and enhance awareness about contributions to improvement in financial results and increase in corporate value in the medium- and long-term, the performance-based share remuneration plan called Board Benefit Trust (BBT) was introduced in fiscal 2016.

This plan is a performance-based share remuneration plan under which shares in the Company are acquired through a trust using cash provided by the Company as a financial source and shares and cash equivalent in amount to the value of shares calculated based on market prices are provided to directors and executive officers in accordance with the rules on share remuneration for officers prescribed by the Board of Directors. The shares and cash are provided to directors and executive officers at the time of their retirement from the post of director or executive officer in principle.

Risk Management



Risk Management System

We have established a system for managing crises and risks, which enables us to identify diverse management crises and risks, prepare for them and fulfill our corporate social responsibility when such risks become a reality. Specifically, we have identified four crisis and risk categories and established four Committees for responding to each category. We have also established a Crisis Management Committee to unify the four Committees and control and facilitate overall risk management activities.

IV. Other Corporate Information | Outline of the Company / Stock Information / Evaluation of Stakeholders

Outline of the Company / Stock Information

Outline of the Company (as of March 31, 2016)

Name	Kawasaki Kisen Kaisha, Ltd. ("K" LINE)
Established	April 5, 1919
Paid-in capital	¥75,457.64 million
President	Eizo Murakami
Employees	On-land Duty 541 / At-sea Duty 175 Total 716
Business lines	Marine transportation, Land transportation, Air transportation, Through transportation involving marine, land and air transportation, Harbor transportation, etc.
Offices	
Head office	Iino Building, 1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-8540, Japan Phone: (+81) 3-3595-5000 Fax: (+81) 3-3595-5001
Registered head office	Shinko Building, 8 Kaigandori, Chuo-ku, Kobe 650-0024, Japan Phone: (+81) 78-332-8020 Fax: (+81) 78-393-2676
Branches	Nagoya: Nagoya International Center Building, 47-1, Nagono 1-chome, Nakamura-ku, Nagoya 450-0001, Japan Phone: (+81) 52-589-4510 Fax: (+81) 52-589-4585 Kansai: Daidouseimei Kobe Building, 2-7, Sakaemachidori 1-chome, Chuo-ku, Kobe 650-0023, Japan Phone: (+81) 78-325-8727 Fax: (+81) 78-393-2676
Overseas representative offices	Manila, Yangon, Dubai
Overseas agents	Korea, China, Taiwan, Thailand, the Philippines, Singapore, Malaysia, Indonesia, Vietnam, India, Australia, United Arab Emirates, U.K., Germany, France, the Netherlands, Belgium, Italy, Finland, Denmark, Norway, Sweden, Spain, Portugal, Turkey, Canada, U.S.A., Mexico, Chile, Peru, Brazil, South Africa, etc.
Affiliated companies (to be consolidated)	27 (domestic), 314 (overseas)

Stock Information (as of March 31, 2016)

Authorized	2,000,000,000 shares of common stock
Issued	939,382,298 shares of common stock
Number of shareholders	43,216
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Listing of shares	Tokyo, Nagoya and Fukuoka

Principal shareholders

Shareholders	Number of shares held (thousands)	Percentage of shares held (%)
Goldman Sachs International	144,939	15.42
Royal Bank of Canada Trust Company (Cayman) Limited	93,824	9.98
The Master Trust Bank of Japan, Ltd. (trust account)	38,081	4.05
Trust & Custody Services Bank, Ltd. (Kawasaki Heavy Industries, Ltd. retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	32,923	3.50
Japan Trustee Services Bank, Ltd. (trust account)	30,325	3.22
JFE Steel Corporation	28,174	2.99
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	22,894	2.43
CGML PB CLIENT ACCOUNT / COLLATERAL	20,049	2.13
Sompo Japan Nipponkoa Insurance Inc.	19,107	2.03
Mizuho Bank, Ltd.	18,688	1.98

"K" LINE's Rating (as of July 2016)

R&I	JCR
BBB (Negative)	BBB+ (Negative)

Evaluation of Stakeholders



FTSE4Good





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You are requested to make investment decisions using your own judgment.

[Forward-looking statements]

This FACTBOOK contains forward-looking statements concerning future plans and forecast, these statements are based on information currently available.

Furthermore, “K” LINE therefore cautions readers that actual results may differ materially from economic conditions, supply and demand in the shipping industry, price of bunker, foreign currency exchange rates.