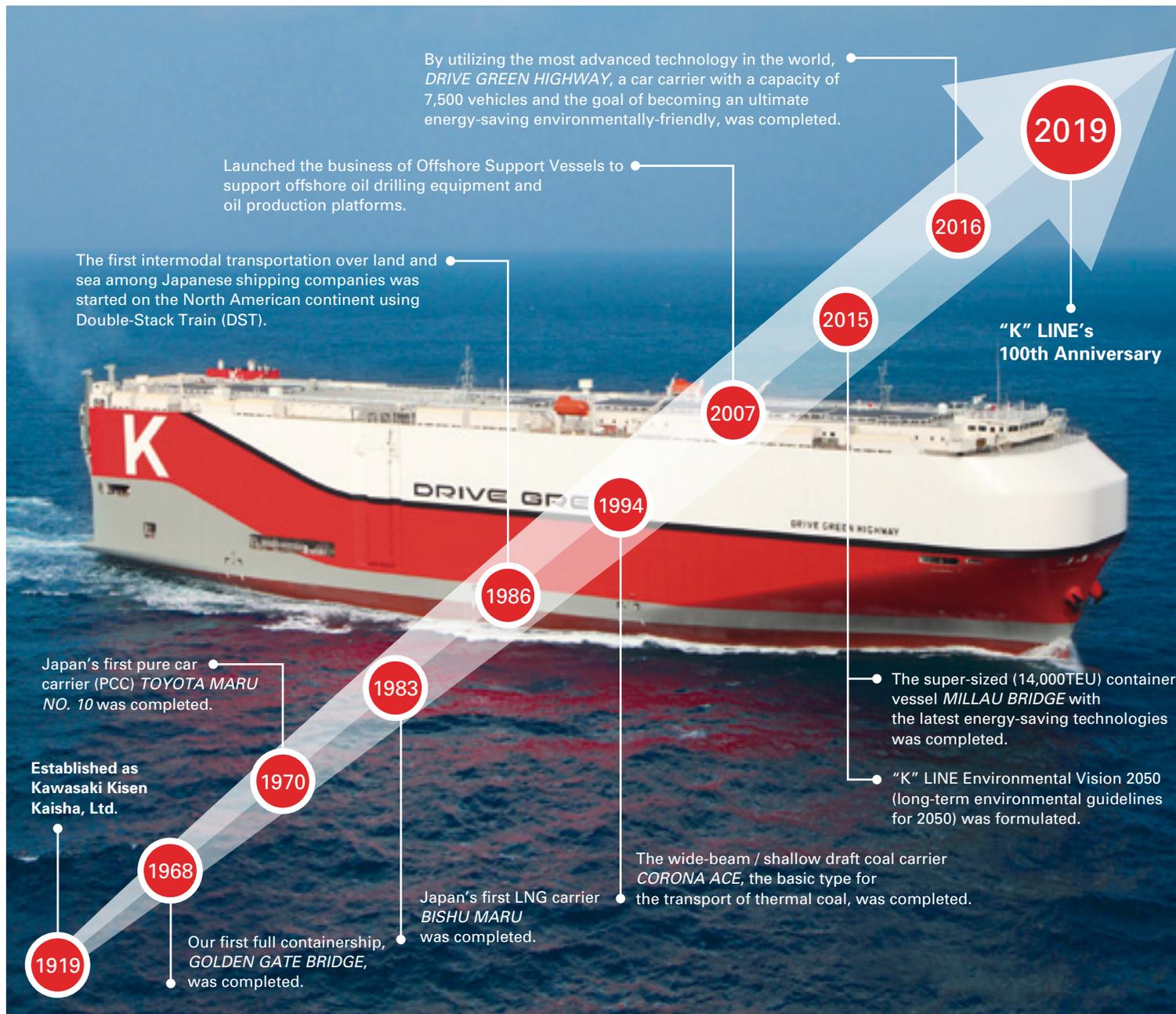


FACTBOOK 2017

Business Segment and Market Data

As of July 2017

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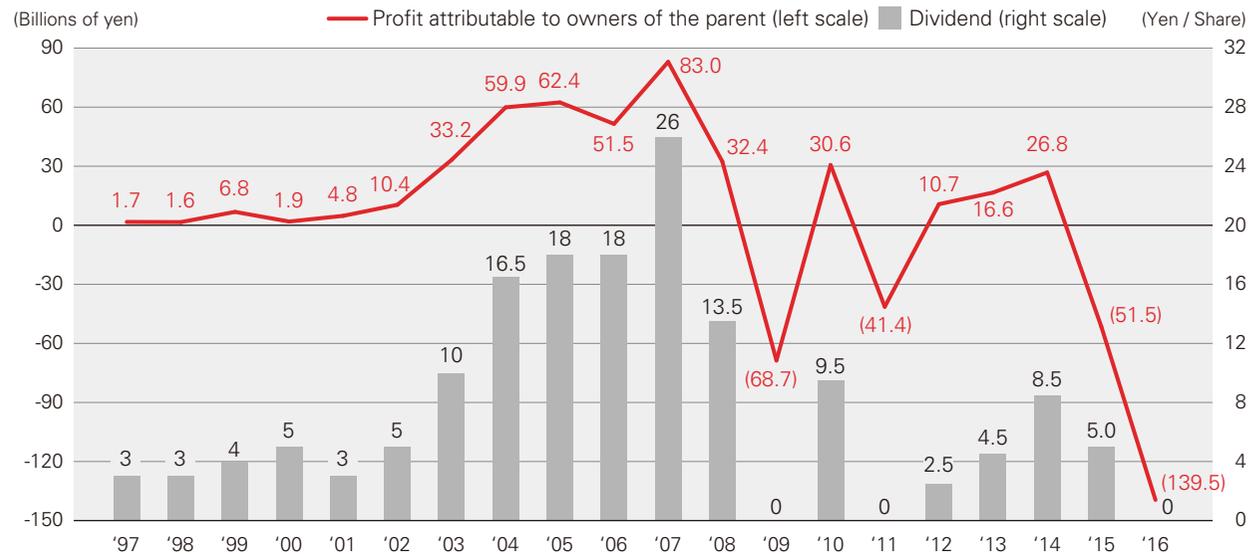
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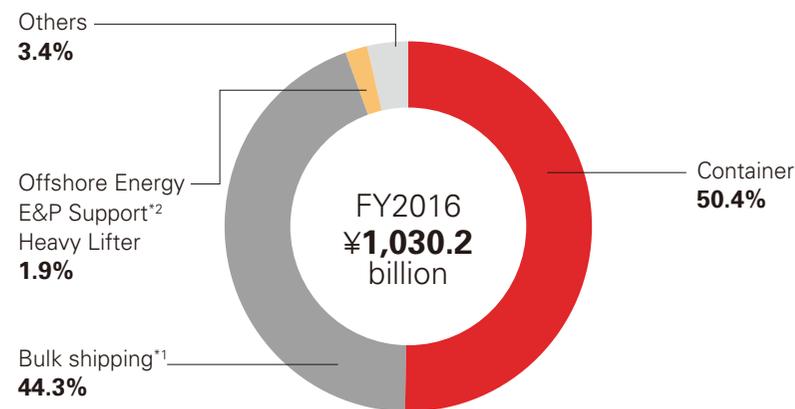
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I. "K" LINE at a Glance | Business Performance

Profit Attributable to Owners of the Parent and Dividend

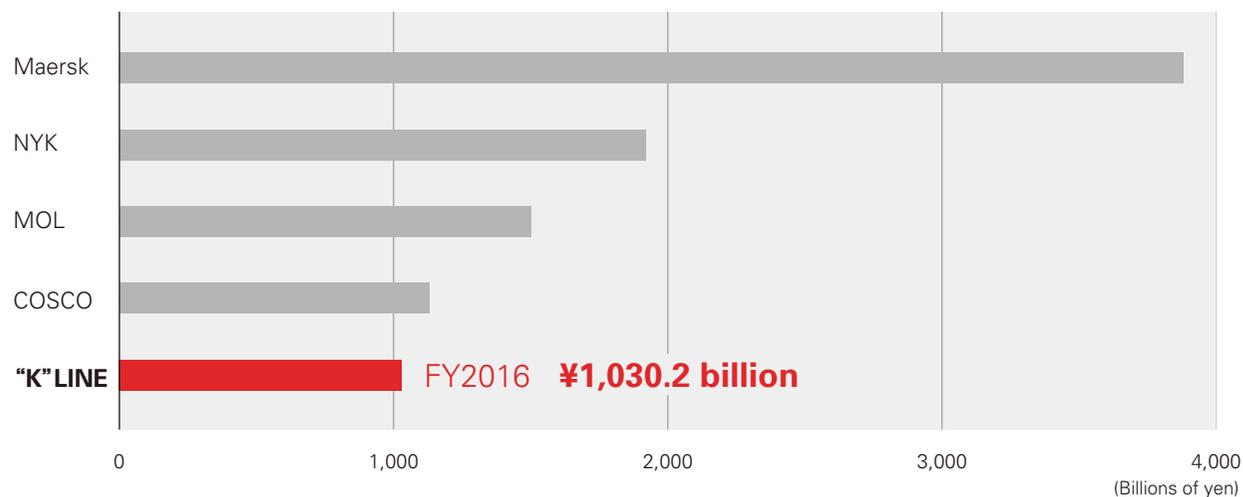


"K" LINE Group Operating Revenues by Segment



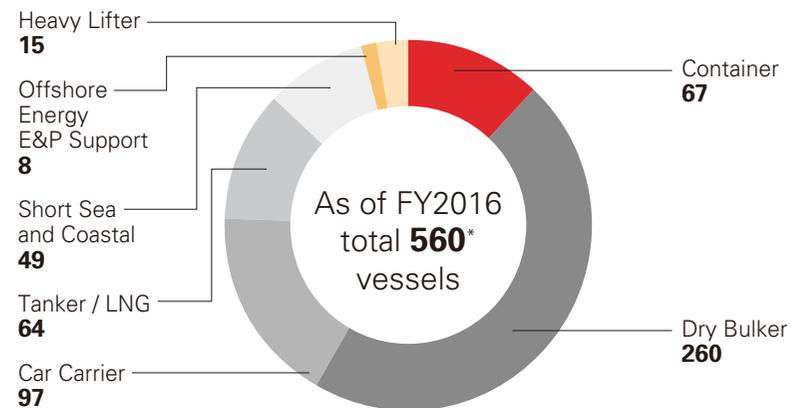
*1 Bulk Shipping includes Dry Bulker, Car Carrier, Tanker, LNG Carrier, Short Sea and Coastal Vessels, etc.
 *2 Offshore Energy E&P Support includes Offshore Support Vessels and Drillship.

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

		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
		(Millions of yen) ^{*1}									
Operating results (for the year)	Operating revenues	¥1,331,048	¥1,244,317	¥838,033	¥985,085	¥972,311	¥1,134,772	¥1,224,126	¥1,352,421	¥1,243,932	¥1,030,191
	Operating income	129,649	71,604	(52,075)	58,610	(40,563)	14,887	28,854	47,988	9,428	(46,037)
	Ordinary income ^{*2}	125,868	60,011	(66,272)	47,350	(48,956)	28,589	32,455	48,981	3,339	(52,389)
	Profit attributable to owners of the parent	83,012	32,421	(68,721)	30,603	(41,351)	10,669	16,642	26,818	(51,499)	(139,479)
Financial position (at year-end)	Total assets	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	1,045,210
	Net assets	376,277	356,153	331,865	314,986	259,935	361,975	410,690	467,440	379,914	245,482
	Equity capital ^{*3}	355,763	334,773	308,122	291,669	242,573	340,571	388,837	441,532	355,376	219,485
	Interest-bearing liabilities	329,716	439,622	516,001	483,363	592,523	629,864	643,795	536,847	525,152	550,512
	Capital expenditures	161,333	168,446	181,489	148,993	239,197	134,555	93,378	89,502	116,593	68,048
	Depreciation and amortization	36,362	39,427	45,281	44,722	50,044	59,668	52,244	53,527	48,303	47,421
	Cash flows from operating activities	141,238	77,614	(23,941)	84,902	(2,909)	59,756	88,228	101,826	39,636	(43,919)
	Cash flows from investing activities	(145,541)	(148,304)	(63,737)	(54,117)	(83,233)	(27,212)	(5,113)	(11,177)	(29,569)	(24,882)
	Free cash flows	(4,303)	(70,690)	(87,678)	30,785	(86,142)	32,544	83,115	90,648	10,066	(68,801)
Cash flows from financing activities	(7,460)	99,844	109,411	(24,797)	86,307	26,364	(26,634)	(119,254)	(14,836)	26,436	
Per share data	Profit attributable to owners of the parent (¥)	131.36	50.89	(106.24)	40.08	(54.14)	12.07	17.75	28.60	(54.95)	(148.82)
	Net assets (¥)	558.46	525.43	403.53	381.87	317.59	363.18	414.66	471.10	379.18	234.19
	Cash dividends applicable to the year (¥)	26.00	13.50	—	9.50	—	2.50	4.50	8.50	5.00	—
	Dividend payout ratio (%)	19.8	26.5	—	23.7	—	20.7	25.4	29.7	—	—
Management index	Return on equity (ROE) ^{*4} (%)	23.7	9.4	(21.4)	10.2	(15.5)	3.7	4.6	6.5	(12.9)	(48.5)
	Return on assets (ROA) ^{*5} (%)	13.5	6.2	(6.6)	4.6	(4.7)	2.5	2.7	4.0	0.3	(4.8)
	Debt equity ratio (DER) ^{*6} (Times)	0.93	1.31	1.67	1.66	2.44	1.85	1.66	1.22	1.48	2.51
	Equity ratio (%)	36.7	34.5	29.5	28.2	22.7	28.9	31.0	36.1	31.9	21.0
Average during the period	Exchange rate (¥ / US\$)	115	101	93	86	79	82	100	109	121	109
	Fuel oil price (US\$ / ton)	407	504	407	489	672	671	626	541	295	265
Consolidated business data	Vessels in operation ^{*7}	499	504	499	522	559	566	583	584	575	560
Human resource data	Consolidated employees	7,615	7,706	7,740	7,895	7,703	7,667	7,703	7,834	8,097	8,018
	Unconsolidated employees	600	602	623	623	664	659	652	676	716	735
	Land	432	417	433	437	486	481	478	504	541	552
	Sea	168	185	190	186	178	178	174	172	175	183
	Women (%)	19.5	18.6	18.5	18.9	22.9	22.8	24.4	25.4	26.3	24.9
	Persons with disabilities (%)	2.56	2.05	2.12	1.60	1.60	1.90	1.93	1.87	1.94	2.29
	Industrial accidents	Land	1	0	0	0	0	0	0	0	1
Sea	0	2	1	0	0	1	3	1	0	1	
Management ^{*8}	Directors	12	12	15	14	13	13	13	10	9	9
	Outside Directors	0	0	2	2	2	2	2	2	2	3
	Audit & Supervisory Board Members	4	4	5	5	5	5	4	4	4	4
	Outside Audit & Supervisory Board Members	2	2	3	3	3	3	3	3	3	2
Environmental data ^{*8,9}	Fuel oil (thousands of tons)	4,550	4,392	3,563	3,802	3,949	3,966	3,651	3,646	3,942	3,872
	CO ₂ emissions (thousands of tons)	14,150	13,677	11,096	11,838	12,298	12,352	11,377	11,360	12,300	12,079
	SO _x emissions (thousands of tons)	255	240	197	208	214	209	190	182	190	183
	NO _x emissions (thousands of tons)	405	410	303	308	323	319	292	283	290	274

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

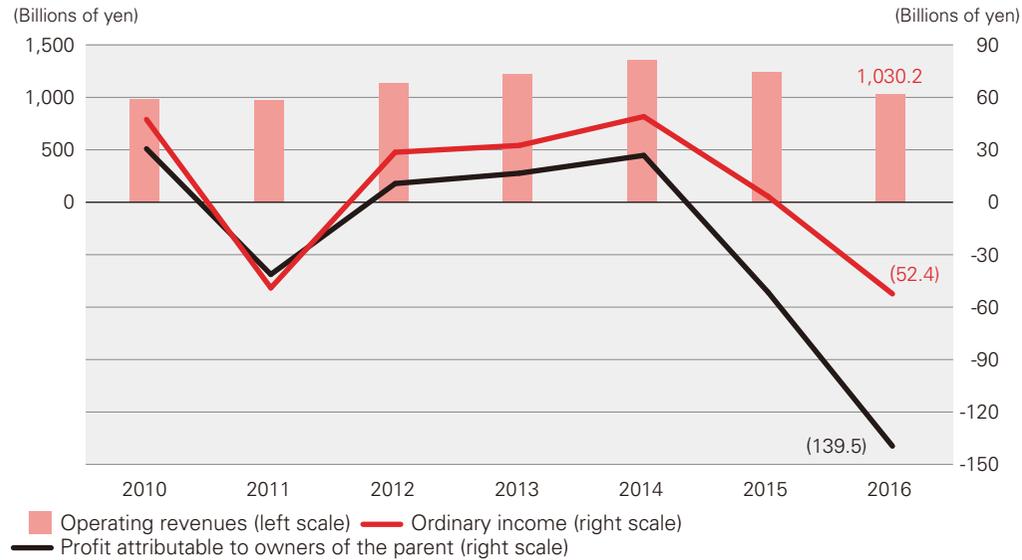
*7. Includes project-use vessels owned by special purpose companies (SPCs)

*8. For Kawasaki Kisen Kaisha, Ltd.

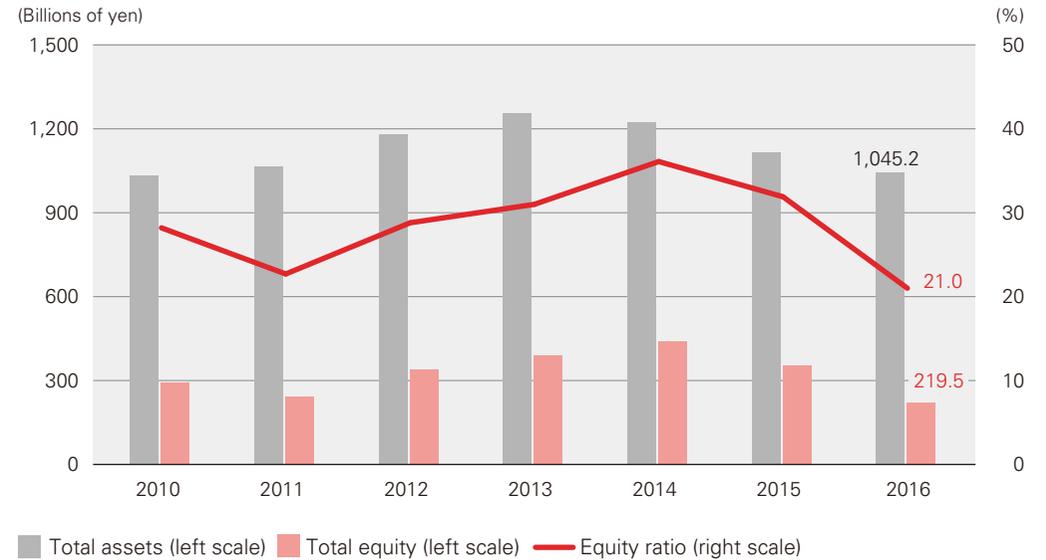
*9. Total amounts calculated based on fuels supplied to vessels for which "K" LINE arranged refueling. From 2008 onwards, the figures are calculated on a calendar year basis.

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

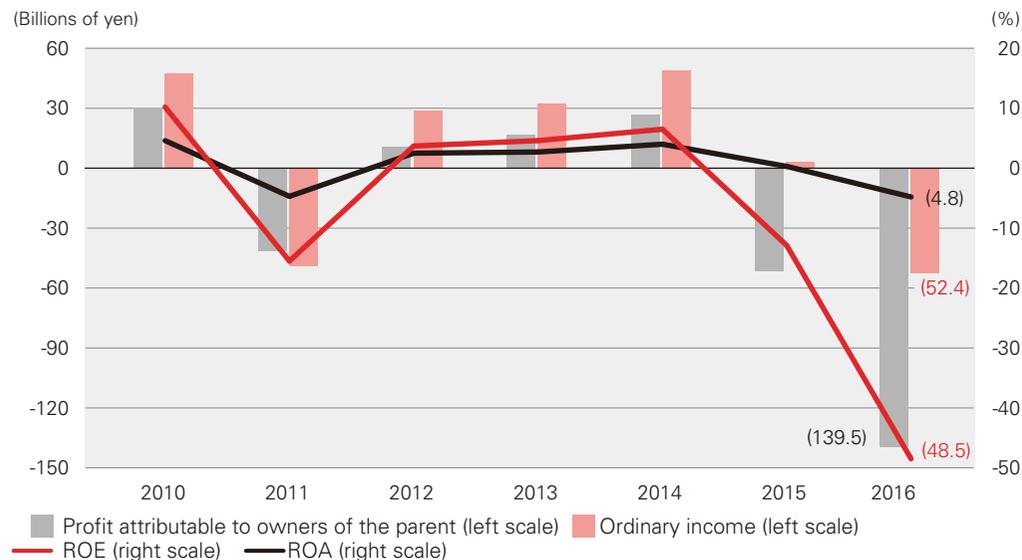
Operating Revenues, Ordinary Income, Profit Attributable to Owners of the Parent



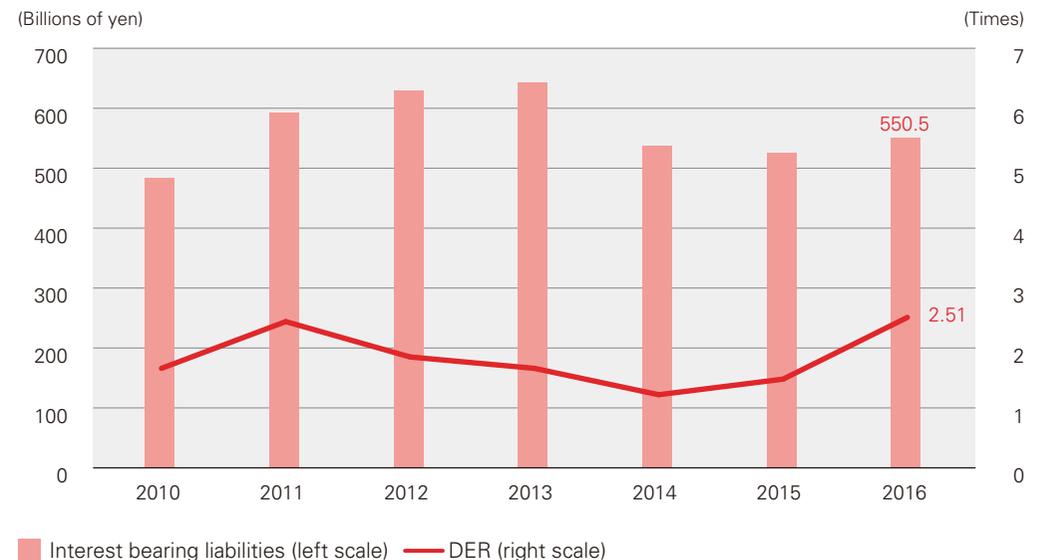
Total Assets, Total Equity, Equity Ratio



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

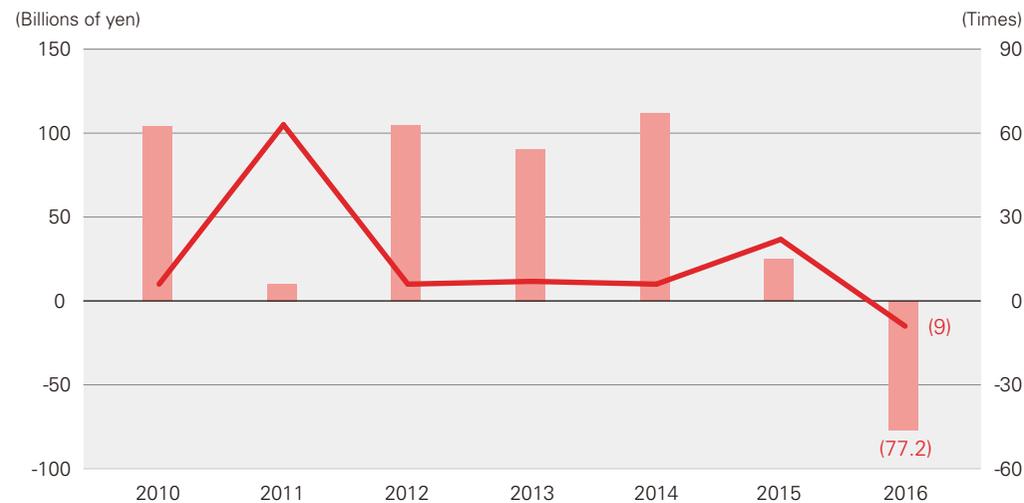


Interest Bearing Liabilities, Debt Equity Ratio (DER)



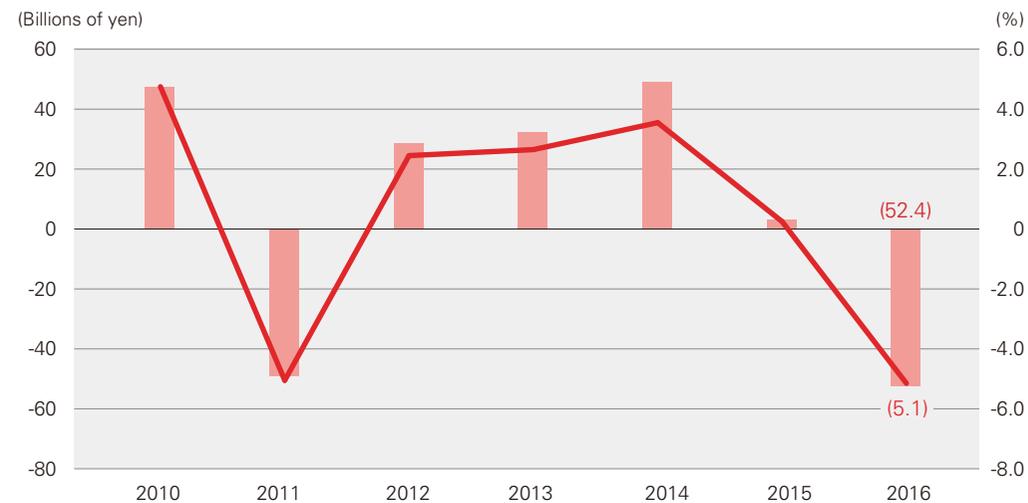
I. "K" LINE at a Glance | Financial Data

EV / EBITDA



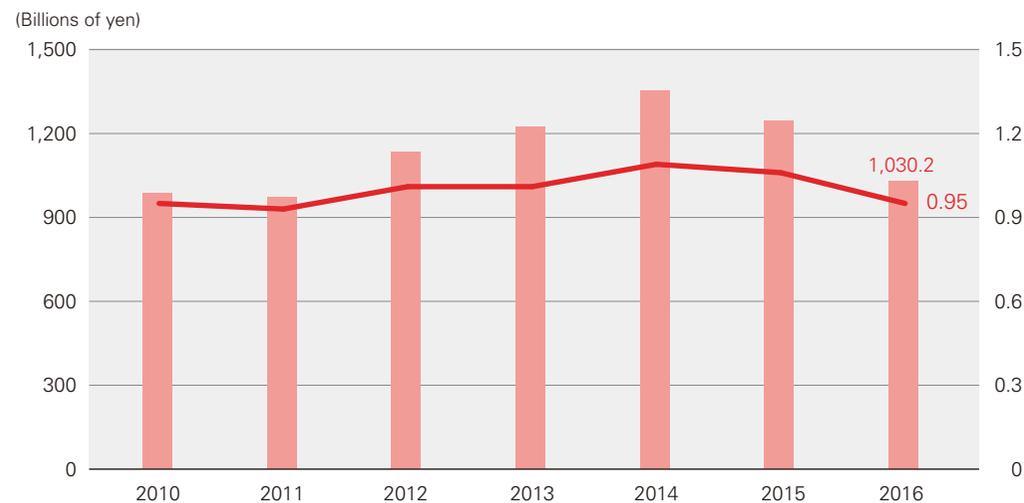
■ EBITDA (left scale) — EV / EBITDA (right scale)

Ordinary Income, Ordinary Income on Revenue



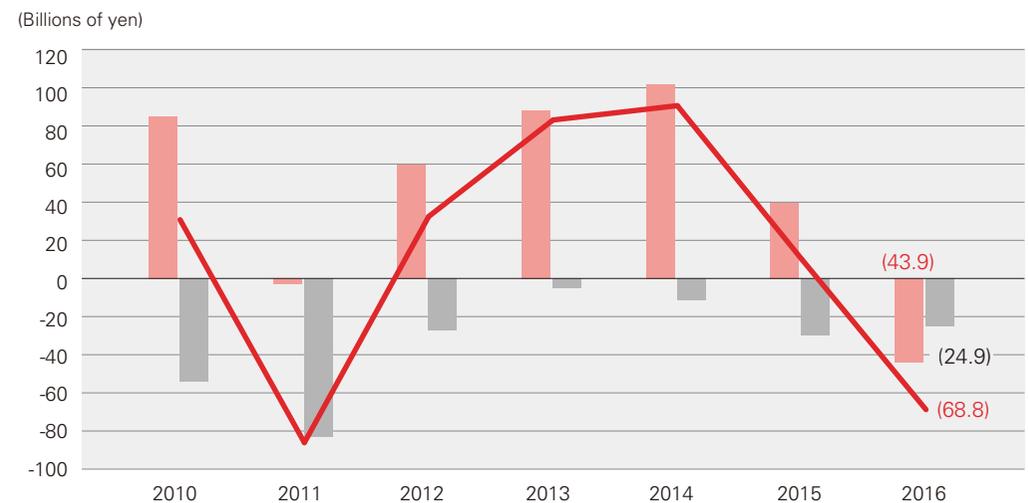
■ Ordinary income (left scale) — Ordinary income on revenue (right scale)

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. Management Policy and Medium-term Management Plan "Revival for Greater Strides"

Kawasaki Kisen Kaisha, Ltd. ("K" LINE) is pleased to introduce "K" LINE Group's new management policy and medium-term management plan: "Revival for Greater Strides" – "K" Value for our Next Century – which runs for three years, toward our 100th anniversary in 2019 in response to the big business environment change in marine transportation industry and aiming the rebuilding of management base to allowing us to grow consistently.

Management Policy Corporate Principle and Vision, Important management theme

◆ **With the formulation of this management plan, we reconfirmed our approach to customers and society in our Corporate Vision.**

Corporate
Principle

~ **K**: trust from all over the world ~

**As an integrated logistics company grown from shipping business,
the "K" LINE Group contributes to society so that people live well and prosperously.**

We always recognize this principle in our operations.

Vision

Our aim is to become an important infrastructure for global society, and to be the best partner with customers by providing the high-quality logistics services based on customer first policy.

Values the "K" LINE Group's prizes

- **Providing reliable and excellent services**..... Contributing to society
- **A fair way of business** Fostering trust from society
- **Relentless efforts to achieve innovation** Generating new values
- **Respecting humanity**..... Corporate culture that respects individuality and diversity

◆ **We recognize the following three themes as important management issues for "K" LINE Group in responding to the changing business environment.**

- **Maximize our strengths to ensure competitiveness**
- **Transform business portfolio to reduce influence from market volatility**
- **Achieve growth via technological and business model innovation**

II. Management Policy and Medium-term Management Plan "Revival for Greater Strides"

Medium-term Management Plan "Revival for Greater Strides"

The three years to FY2019 (100th anniversary of our foundation) is the period we make "Revival for Greater Strides." Our priority initiatives are (1) Rebuilding Portfolio Strategy, (2) Emphasizing Advancement of Management and Function-specific Strategies, and (3) Pursuing ESG Initiatives.

Target for Key Performance Indicators

Medium-term Management Plan (FY2017-FY2019)

- ▶ Return to profit in three years from FY2017
- ▶ Achieve 6% ROA (ordinary income) in stable business, and expand business scale
→ Increase ordinary income from stable business to over ¥30 billion in FY2019 from ¥25 billion in FY2016
- ▶ Ratio of Shareholders' equity – Targeting mid 20%'s
- ▶ Dividend policy – Our priority is to stabilize our business base and financial strength.
We are aiming to resume paying dividends soon.

Long-term target (mid-2020s)

- ▶ Achieve ROA (ordinary income) of 6%, ROE of double digits
– Foster both growing fields and stable-income foundation via advanced management
- ▶ Shareholders' equity of ¥400 billion
– Verify benefits from containership business merger, plan to reset
- ▶ Dividend policy – Return to a stable dividend policy

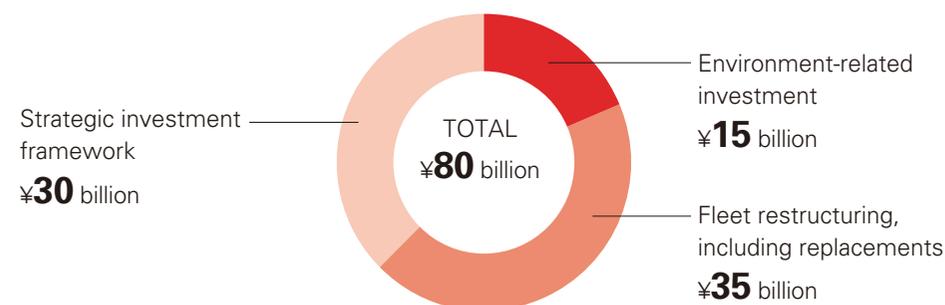
Fleet Planning and Investment Plans – Number of key fleet vessels (trend)

	FY2015 results	FY2016 results	FY2019 target	Difference (FY2019 vs. FY2015)
Containerships	63	58	—	—
Dry bulk carriers	225	200	194	(31)
Capesize	88	81	81	(7)
Panamax	104	87	73	(31)
Thermal coal carriers	24	23	31	+7
Wood chip carriers	9	9	9	0
Car carriers	102	93	91	(11)
Tankers	23	22	23	0
LNG carriers	41	42	49	+8
Offshore E&P Support	8	8	8	0
Heavy lifter vessels	15	15	15	0
Short sea, coastal and other	51	48	50	(1)
Total	465	428	430	(35)

* Total and difference vs. FY2015 does not include containerships

Three-year Investment Plan (FY2017-FY2019 excludes Containership Business)

- ▶ Careful selection of investments so as to improve financial strength
- ▶ Strategic investment framework of ¥30 billion (three years)

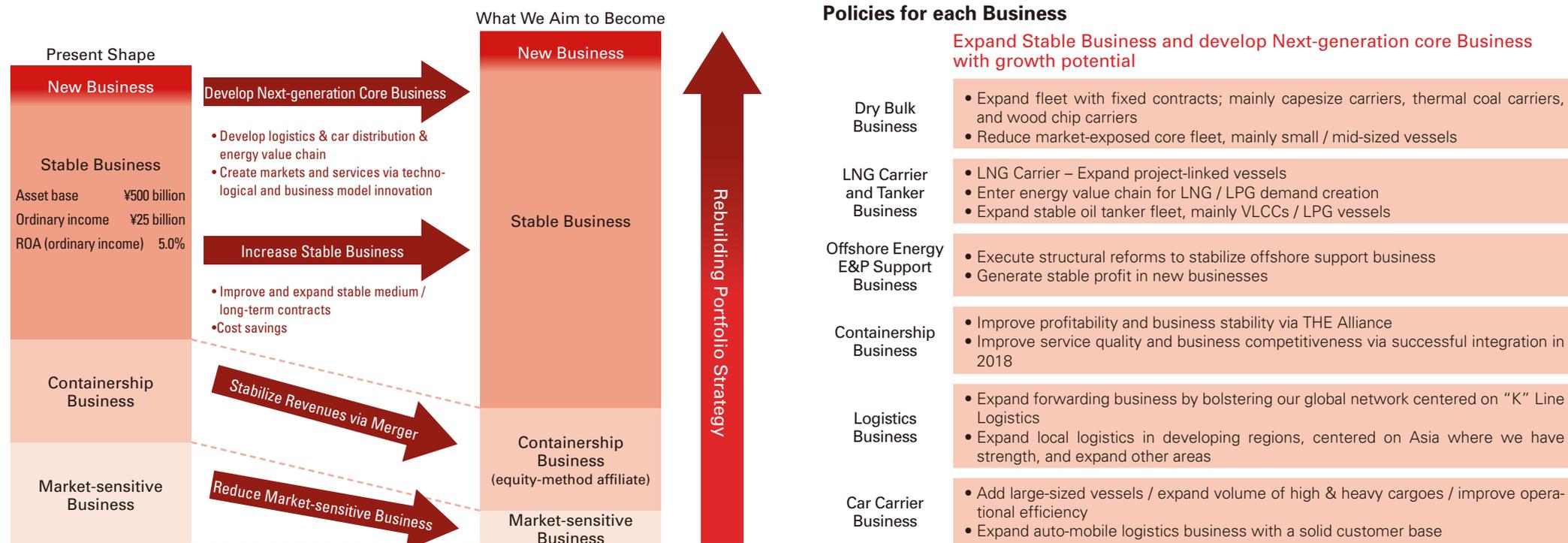


Strategic investment framework

In the three years of our "Revival for greater strides" plan, we will carefully screen investments with a focus on improving our financial strength, our strategic investment framework for stable-income and next-generation core businesses having been placed directly.

II. Management Policy and Medium-term Management Plan "Revival for Greater Strides"

Three Priority Initiatives (1) Rebuilding Portfolio Strategy



Three Priority Initiatives (2) Emphasizing Advancement of Management and Function-specific Strategies

1 Advancement of Management

→ Commences from FY2017 (we plan to disclose more on this program at a later date)

- ▶ Total risk-return management
- ▶ Introduce business assessment with a greater focus on capital costs
- ▶ Introduce PDCA cycle management

2 Function-specific Strategies

- ▶ Strengthen customer relationship management (CRM)
- ▶ Pursue high-quality service via technological and business model innovation
- ▶ Attract and retain human resources, nurture diversity

II. Management Policy and Medium-term Management Plan "Revival for Greater Strides"

Three Priority Initiatives (3) Pursuing ESG Initiatives

Environment

- ▶ Named to Climate A List for 2016 and to the Supplier Engagement Leader Board by CDP
- ▶ New interim CO₂ reduction target under "K" LINE Environmental Vision 2050 has been certified as a "Science Based Target" (SBT)
- ▶ Japanese SOx Scrubber System of eco-flagship *DRIVE GREEN HIGHWAY* acquired first certification from Panama
- ▶ Group environment management system established

Society

- ▶ Bolster stakeholder engagement, vessel tours to promote community engagement, implement volunteer activities
- ▶ Devise supply chain guidelines
- ▶ Devise and launch a new personnel system aimed at achieving diverse working styles.
- ▶ Offer diverse training to improve the know-how & skills and foster teamwork of maritime technical personnel via "K" Line Maritime Academy, etc.

Safety Navigation & Cargo Operation

World Leading in Safety Navigation & Cargo Operation

- ▶ Keep serious maritime accidents at zero
- ▶ Developed and introduced the K-IMS integrated vessel operation and performance management system
- ▶ Constructed an energy management system
- ▶ Bolster safe navigation hardware via K-DNA guidelines for installing safety equipment

Governance: Corporate Governance System

Corporate Governance Initiatives

2016- 3rd stage

Clarified executive officer system Stronger monitoring of Board

- Adoption of Unit Supervisory System
- Evaluating board effectiveness
- Increased number of Outside Directors from 2 to 3 Directors
- Appointment of a female to managerial position as Outside Audit & Supervisory Board Member

2015-2016 2nd stage

Review governance system

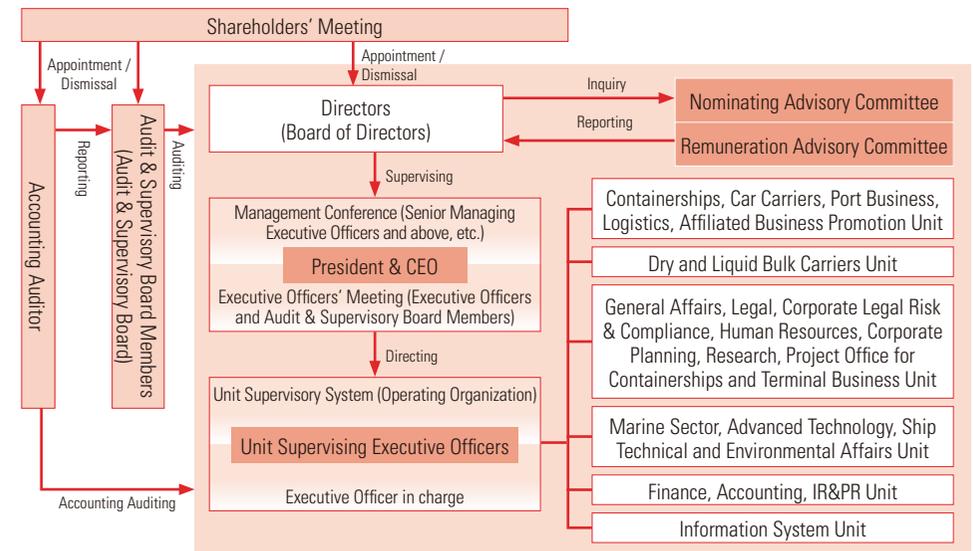
- Improvement of functions of Board of Directors, Management Conferences and Executive Officers Meetings
- Establishment of Nominating Advisory Committee & Remuneration Advisory Committee
- Corporate governance guidelines

-2015 1st stage

Governance reform

- Adoption of Executive Officer System (2006)
- Established single-year term system for board appointments (2009)
- Recruited outside directors to join our Board of Directors (2009)

Corporate Governance Structure



III. Business Segment Data | Containership

Fleet Size of Container Operators

(as of May 2017)

Ranking	Operator	TEU	Vessels	Share
1	APM-Maersk	3,317,023	633	16%
2	MSC	3,034,787	506	15%
3	CMA CGM	2,241,198	452	11%
4	COSCO	1,726,355	317	8%
5	Hapag-Lloyd	1,059,749	178	5%
6	Evergreen	1,022,831	194	5%
7	OOCL	665,560	106	3%
8	NYK	607,278	109	3%
9	Yang Ming	583,054	100	3%
10	Hamburg Süd	561,005	107	3%
11	MOL	512,013	78	2%
12	UASC	485,554	50	2%
13	HMM	436,532	68	2%
14	PIL	371,712	142	2%
15	"K" LINE	368,610	63	2%
16	Zim	307,260	69	1%
17	Wan Hai	237,717	89	1%
18	X-Press Feeders	142,077	87	1%
19	KMTC	119,416	60	1%
20	SITC	104,189	78	1%
	Others	2,896,021	2,498	13%
	Total	20,799,941	5,984	

*1 HMM has a partial joint operation service with 2M.

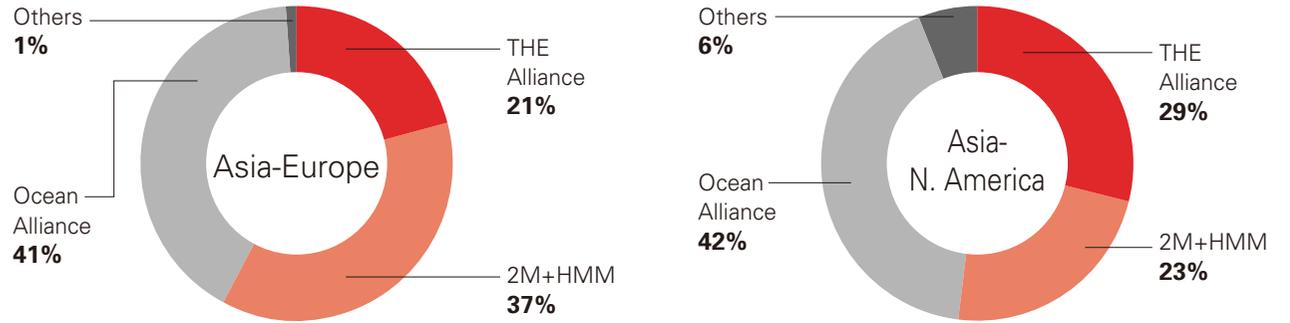
*2 "K" LINE, NYK and MOL announced establishment of the company for new integrated Containership Business in July 2017 and the services by the new company will start in April 2018.

Members of each alliance

- THE Alliance "K" LINE, NYK, MOL, Hapag-Lloyd (UASC), Yang Ming
- 2M APM-Maersk, MSC
- Ocean Alliance CMA CGM, COSCO, Evergreen

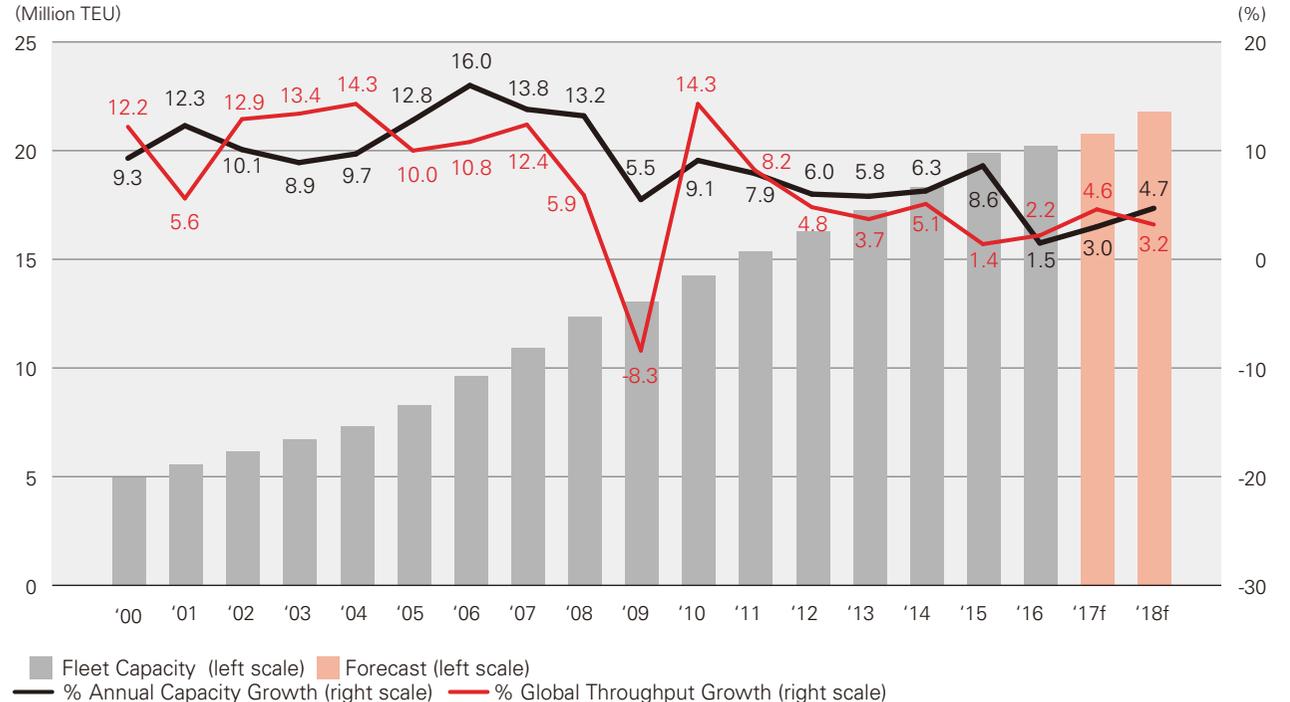
Source: Alphaliner

Trade Capacity Share by Alliance



Source: Alphaliner

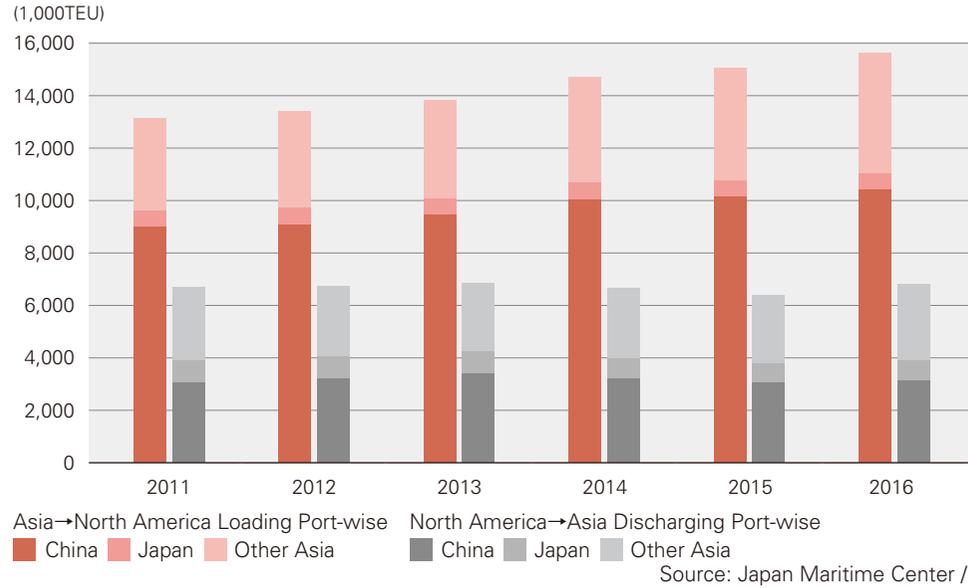
Container Fleet Capacity, Supply and Demand



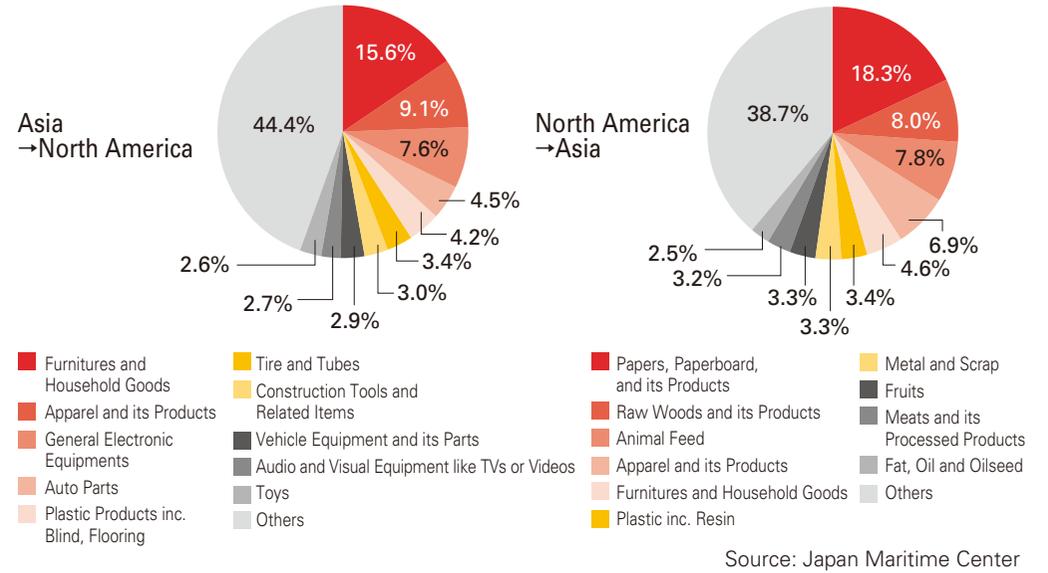
Source: Alphaliner

III. Business Segment Data | Containership

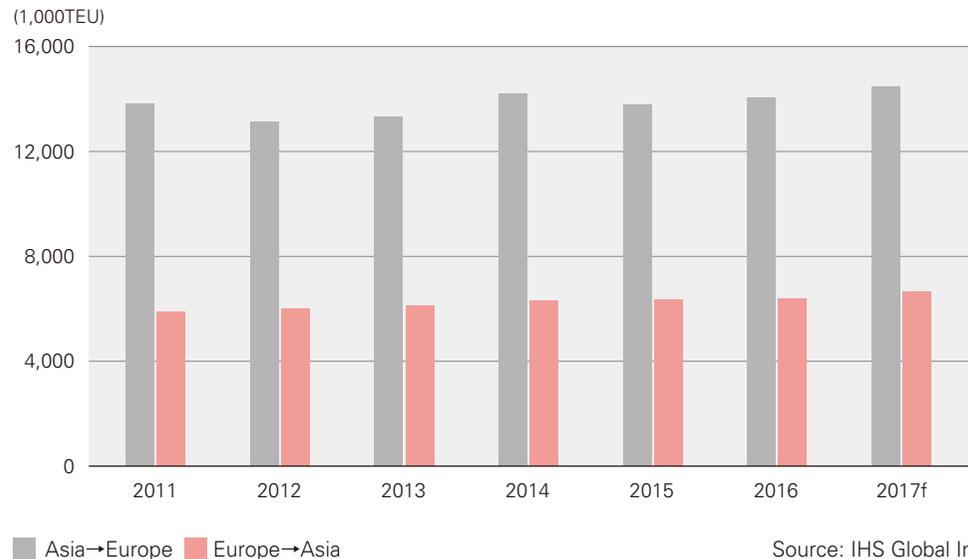
Asia-North America Cargo Volume



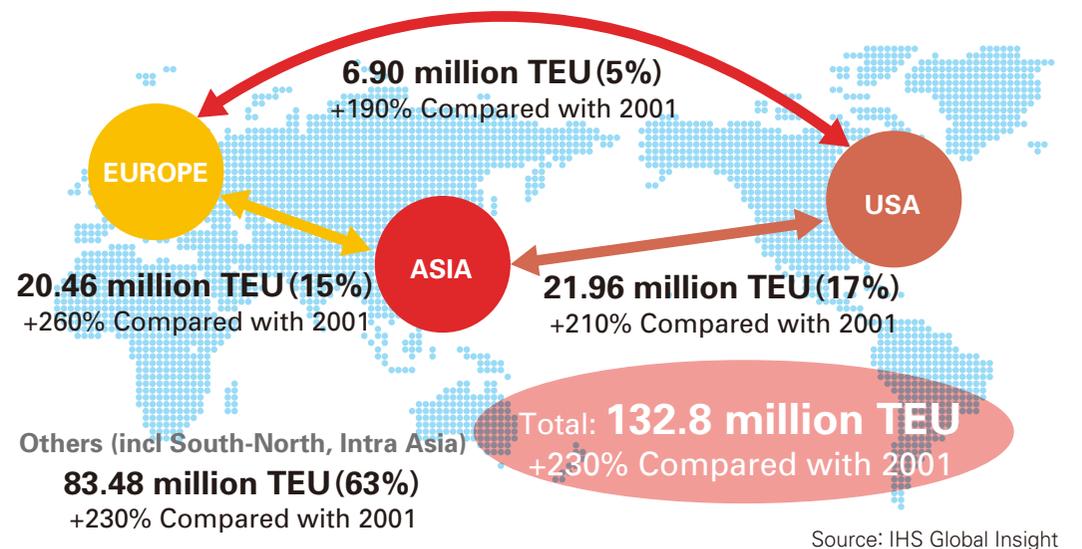
Asia-North America Trade Commodity Composition



Asia-Europe Cargo Volume

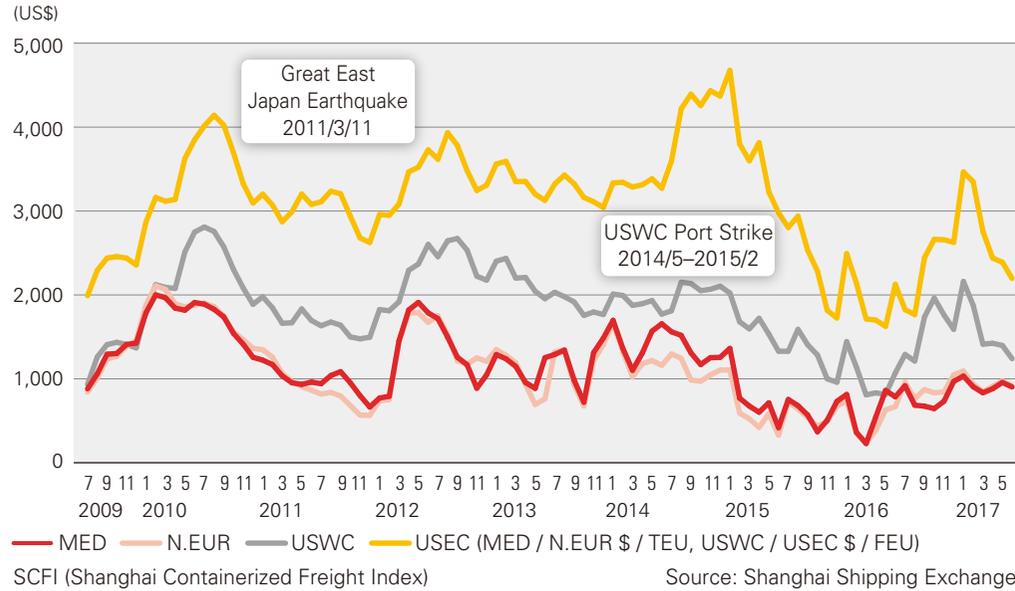


Container Cargo Movements (2016)

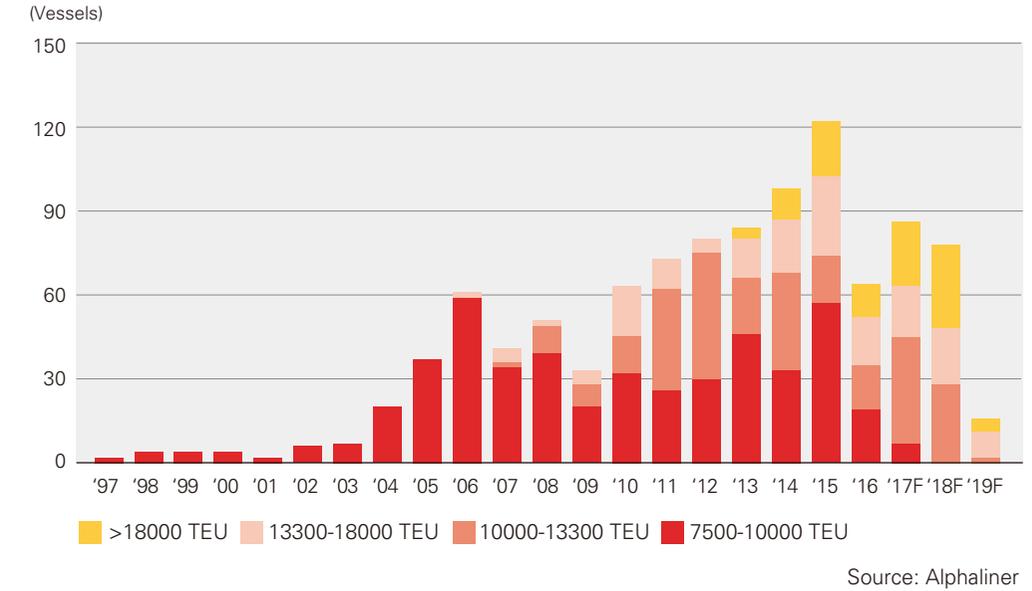


III. Business Segment Data | Containership

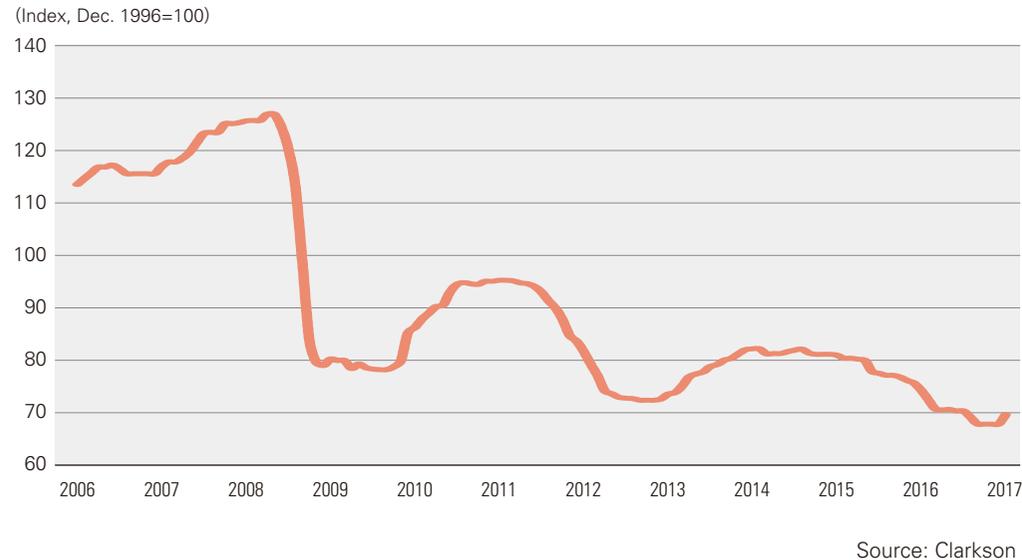
Transition of SCFI (Shanghai Containerized Freight Index)



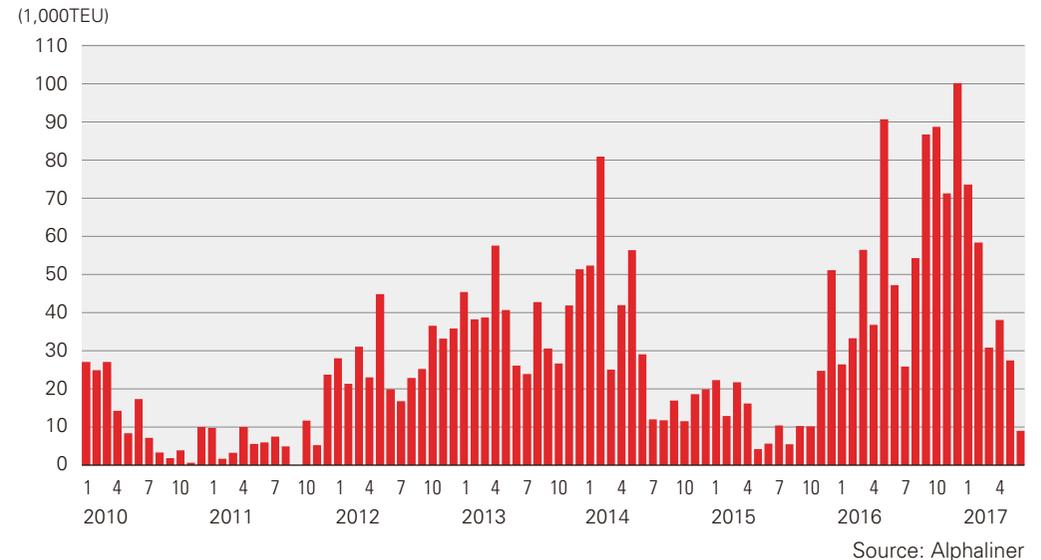
VLCS Fleet by Year of Delivery



Newbuilding Price Index



TEU Capacity of Containerships Sold for Demolition by Month

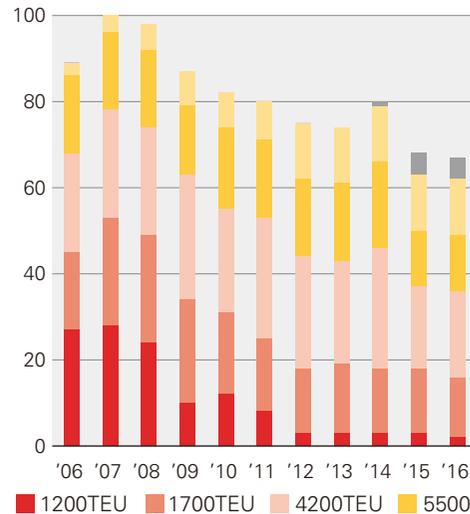


III. Business Segment Data | Containership

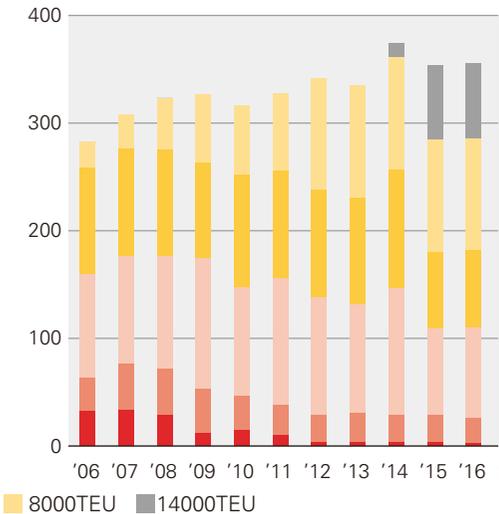
"K" LINE Containership Fleet

(FY)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
14000TEU type	—	—	—	—	—	—	—	—	1	5	5
8000TEU type	3	4	6	8	8	9	13	13	13	13	13
5500TEU type	18	18	18	16	19	18	18	18	20	13	13
4200TEU type	23	24	25	29	24	28	26	24	28	19	20
1700TEU type	18	25	25	24	19	17	15	16	15	15	14
1200TEU type	27	28	24	10	12	8	3	3	3	3	2
Total	89	99	98	87	82	80	75	74	80	68	67

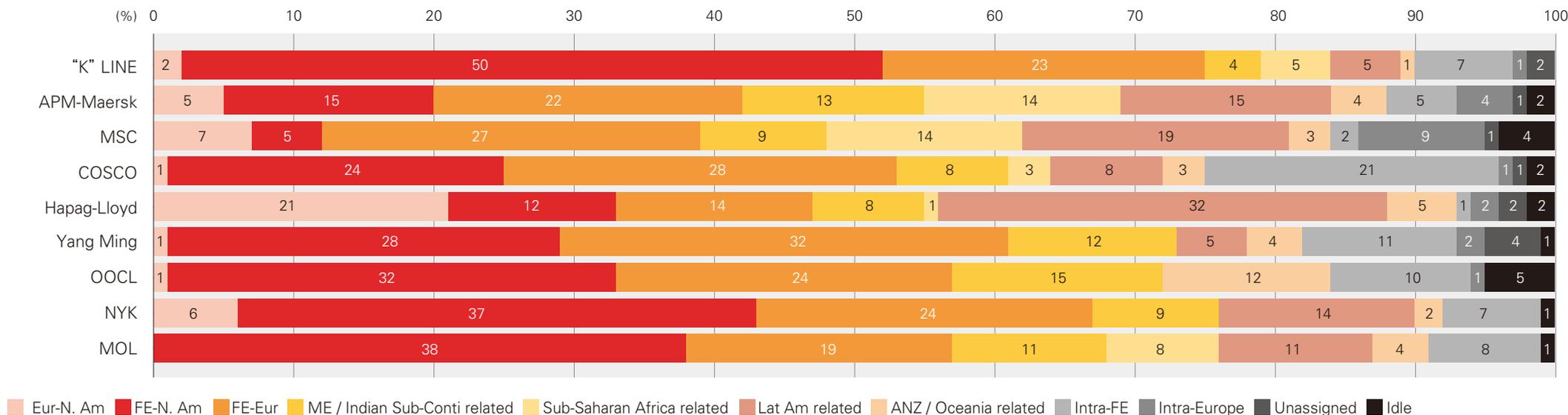
Transition of "K" LINE Containership Fleet Scale (Vessels)



(1,000TEU)

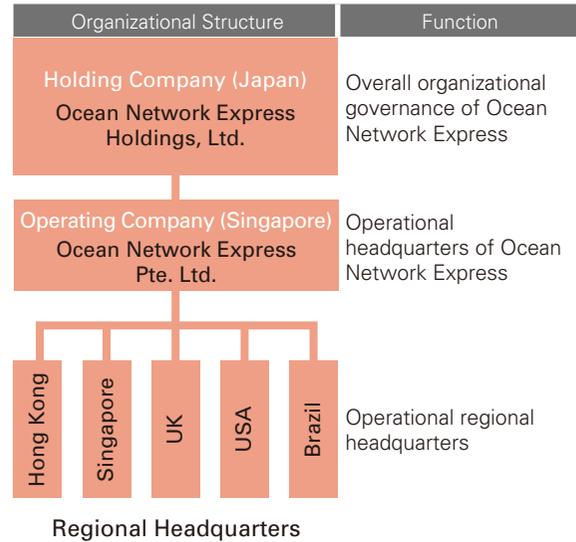


Main Carriers Breakdown of Capacity Operated by Trade



III. Business Segment Data | Integrated Container Shipping Business

Containership Organizational Structure

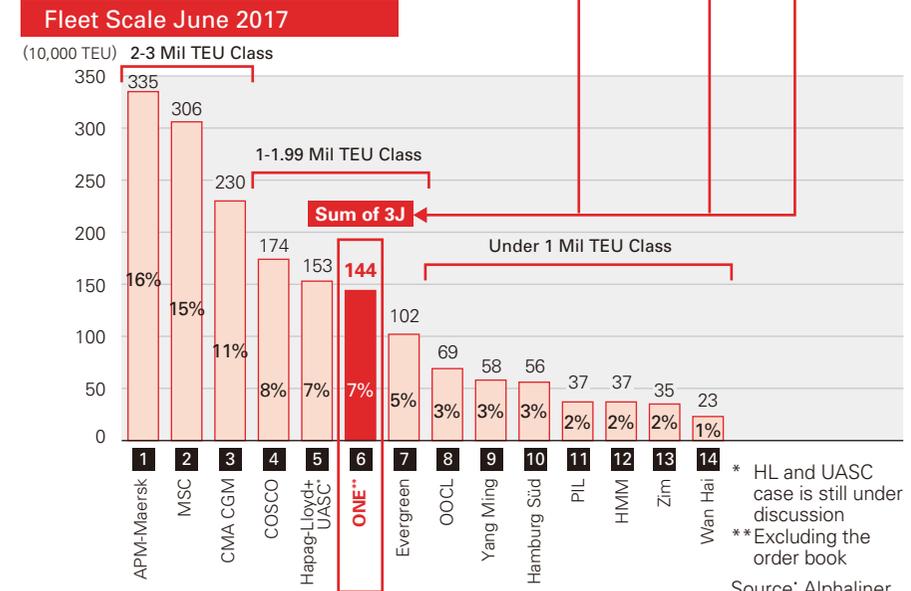
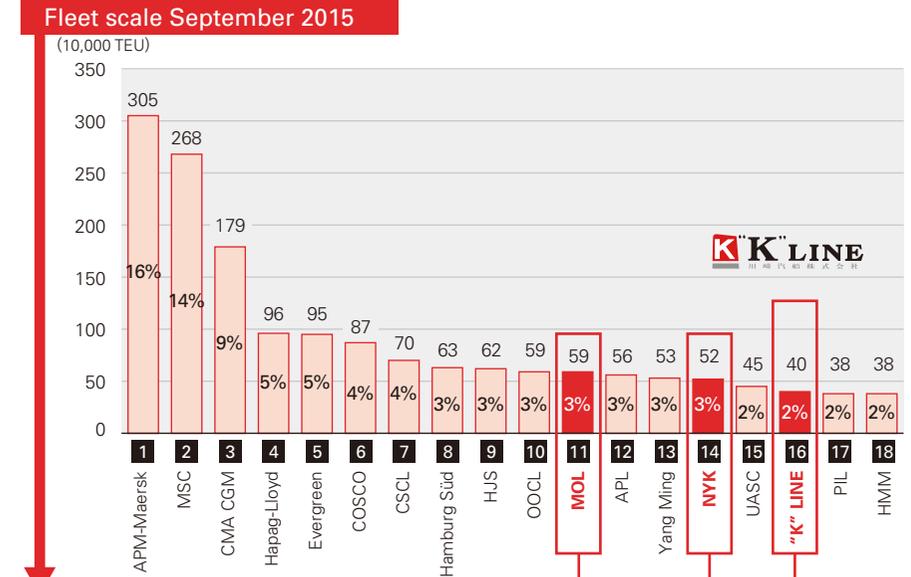


Operating Company Profile

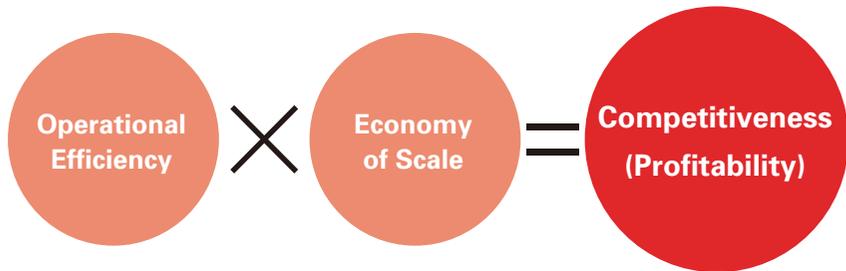
Tradename	OCEAN NETWORK EXPRESS PTE. LTD.
Location	Republic of Singapore
Representative	Jeremy Nixon
Shareholders / Contribution Ratio	<ul style="list-style-type: none"> • Kawasaki Kisen Kaisha: 31% • Mitsui O.S.K. Lines: 31% • Nippon Yusen Kabushiki Kaisha: 38%
Amount of Contribution*	Approx. 300 Billion JPY (Including fleets, share of terminals as investment in kind)
Business Domain	Container Shipping Businesses (Including worldwide terminal operation except for Japan)
Schedule	Date of Establishment: July 7th, 2017 Service Start (planned): April 1st, 2018

*Service start

Environment of Container Shipping Business —Evolution of the competitive landscape



The Aim of the Joint-Venture / Source of Competitiveness



By strengthening the global organization and enhancing the liner network, we will be able to provide higher quality services and unlock new value in order to exceed our clients' expectations.

Best Practice

Creation of more synergy and enhancement of operational efficiency by integration of each company's best practice

Larger Business Size

Achievement of economy of scale by bringing three companies' business

Synergy of Approx. 110 B JPY / year

Profit stabilization by accomplishment of synergy of approx. 110 B JPY / year

III. Business Segment Data | Dry Bulk

Dry Bulk (All Types) Fleet

(as of June 2017)

Ranking	Operator	100,000DWT	Vessels
1	China COSCO Shipping	346.0	334
2	NYK	179.6	192
3	"K" LINE	147.5	123
4	China Merchants Group	137.8	110
5	MOL	134.9	116
6	Fredriksen Group	130.2	111
7	Berge Bulk Ltd.	109.8	51
8	Pan Ocean	92.8	69
9	Angelicooussis Group	91.7	52
10	Oldendorff Carriers	86.8	91

*Owned vessels and a part of chartered vessels

Source: Clarkson

Capesize Fleet

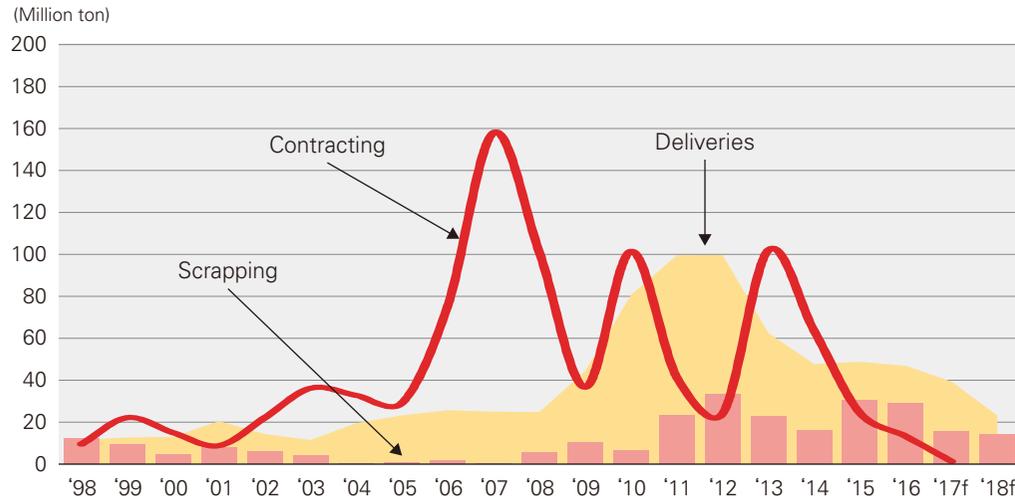
(as of June 2017)

Ranking	Operator	100,000DWT	Vessels
1	China COSCO Shipping	200.8	82
2	Berge Bulk Ltd.	107.0	43
3	China Merchants Group	95.0	32
4	"K" LINE	94.7	47
5	NYK	92.0	47
6	Angelicooussis Group	91.7	52
7	MOL	89.4	42
8	Fredriksen Group	86.9	48
9	Polaris Shipping Co	81.9	32
10	NS United	77.9	36

*Owned vessels and a part of chartered vessels

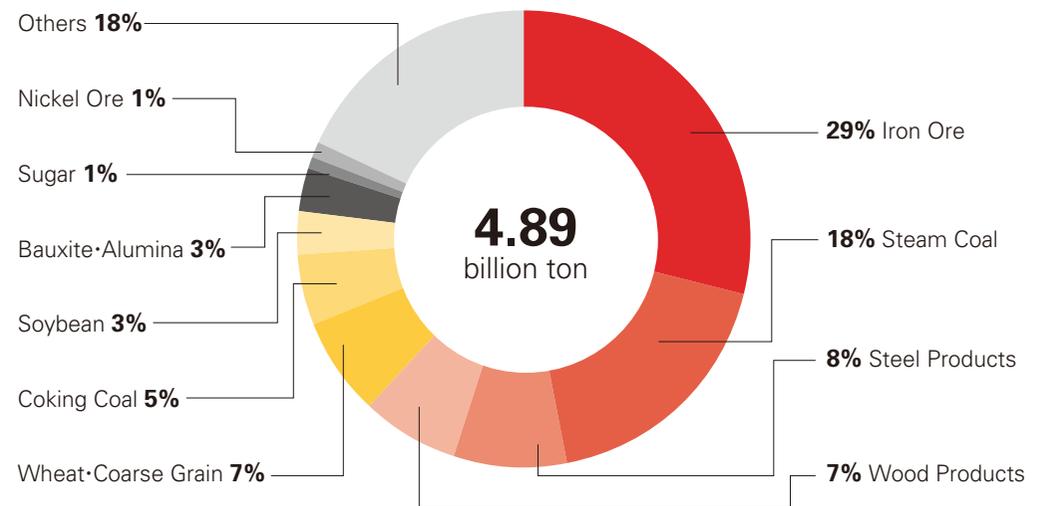
Source: Clarkson

Dry Bulk Delivery and Removal Progress



Source: Clarkson

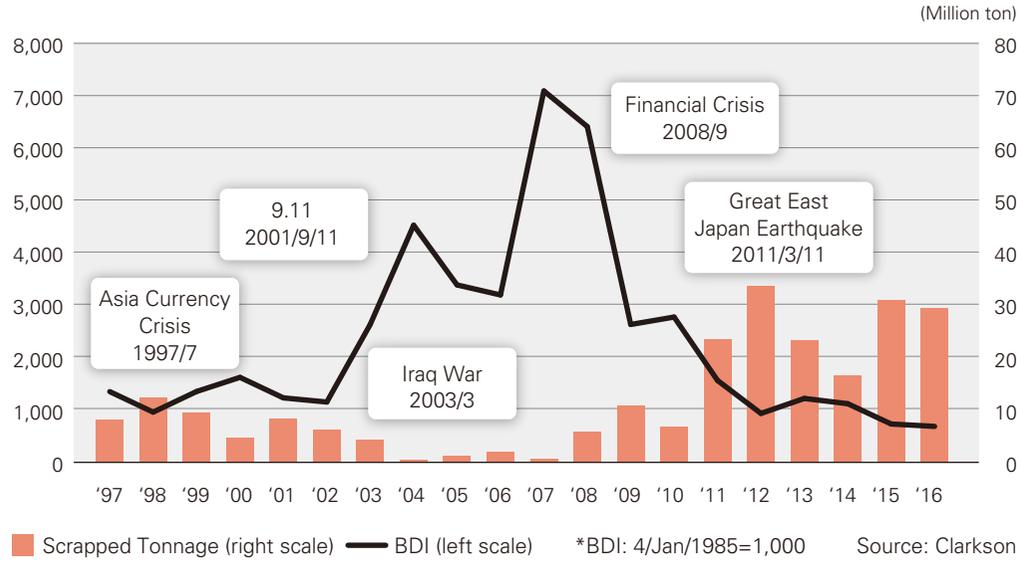
2016 Dry Bulk Cargo: Ocean Transport Commodity Breakdown (metric ton)



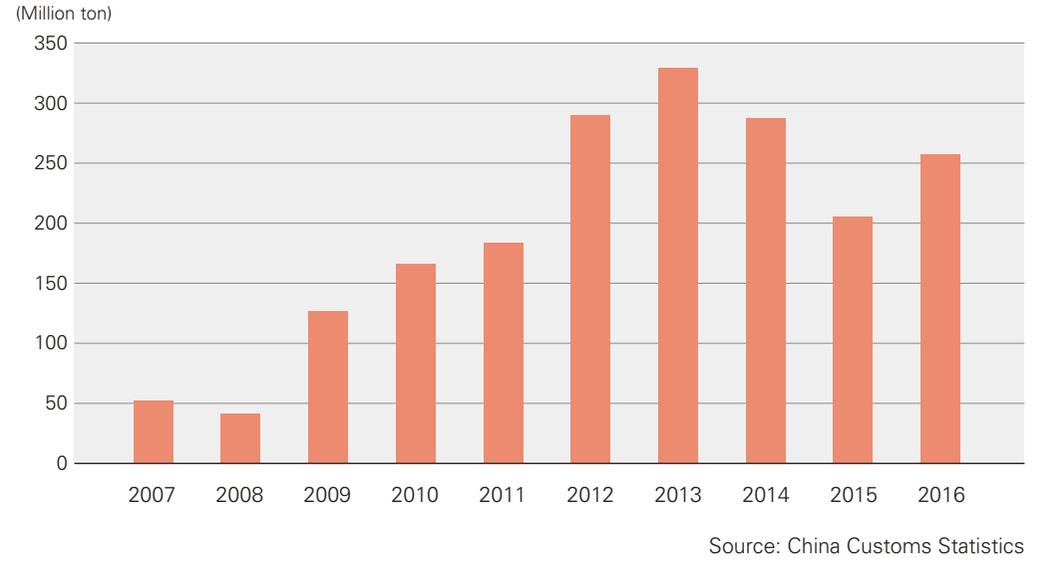
Source: Clarkson

III. Business Segment Data | Dry Bulk

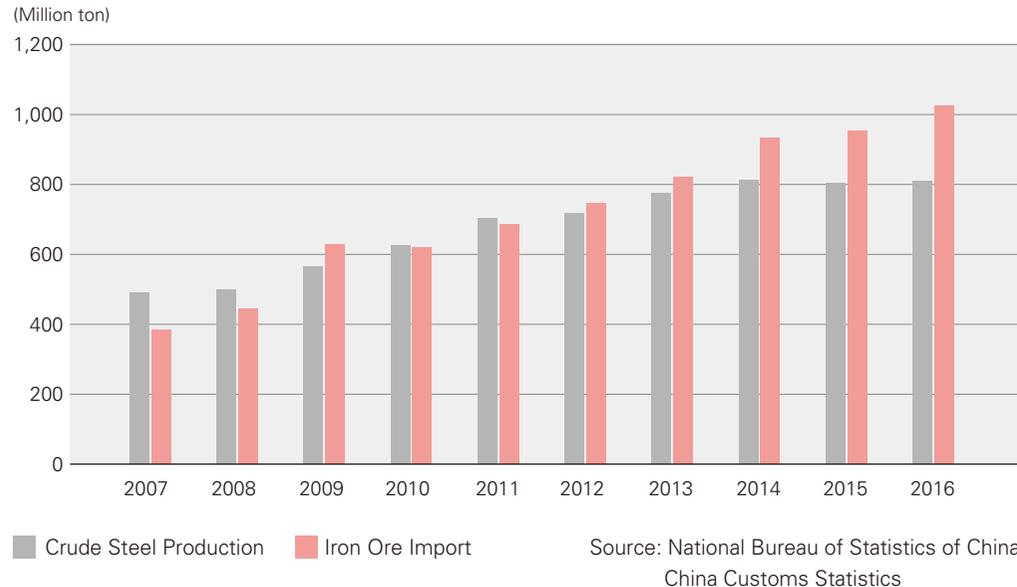
BDI (Baltic Dry Index)* and Transition of Scrapped Tonnage



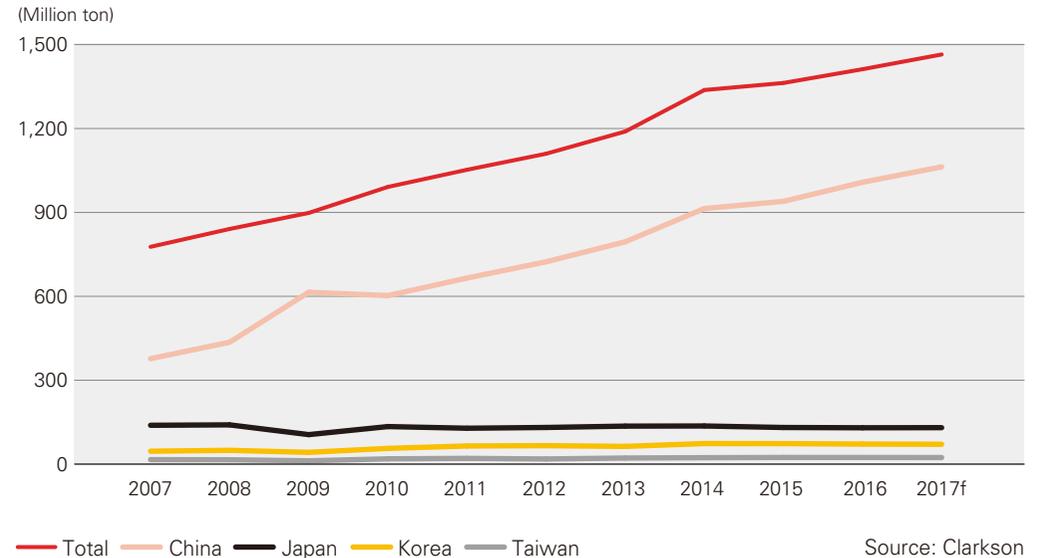
Coal Imports by China



Crude Steel Production and Iron Ore Imports by China



Iron Ore Imports by Major Asian Countries

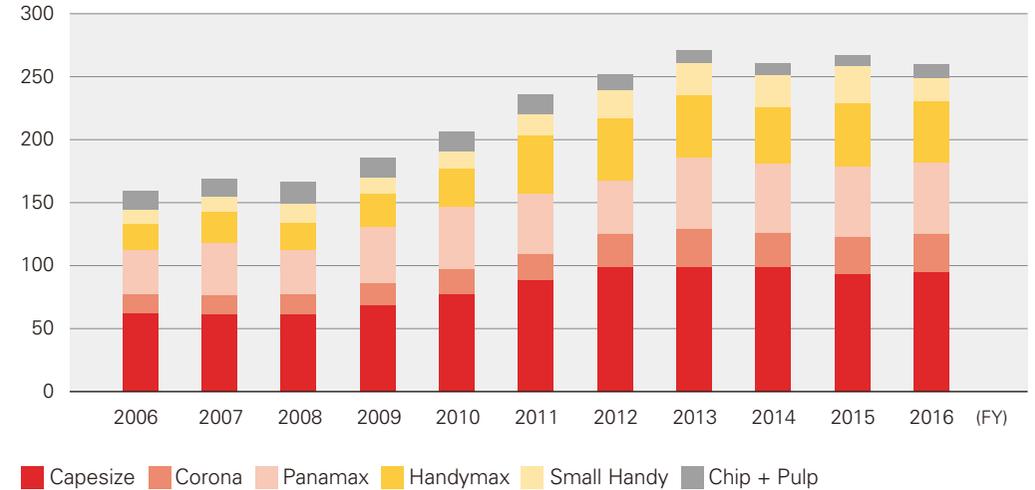


III. Business Segment Data | Dry Bulk

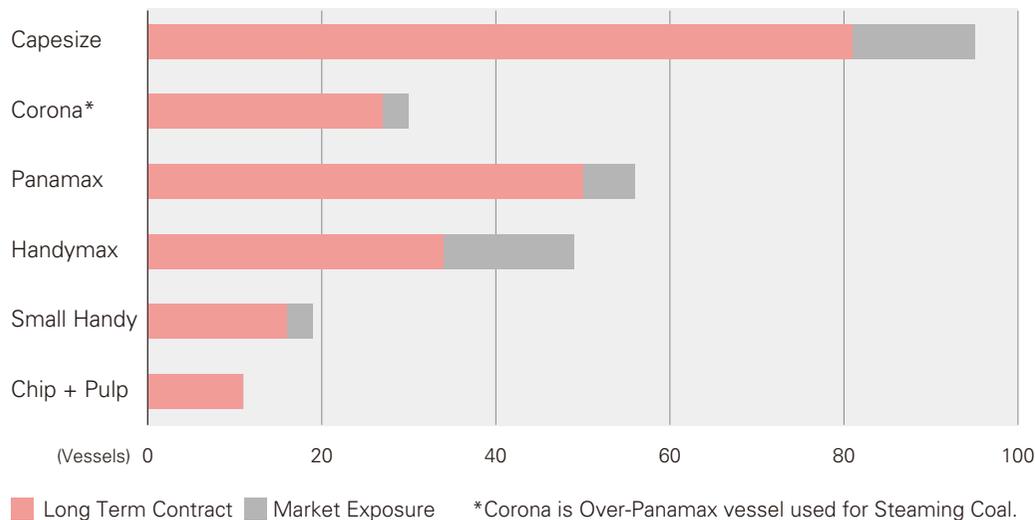
"K" LINE Dry Bulk Fleet

(FY)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capesize	62	61	61	68	77	88	99	99	99	93	95
Corona*	15	15	16	18	20	21	26	30	27	29	30
Panamax	35	42	35	44	49	48	42	56	55	56	56
Handymax	21	24	22	27	31	46	50	50	44	51	49
Small Handy	11	12	15	12	13	17	22	26	26	29	19
Chip + Pulp	15	15	17	16	16	16	13	10	10	9	11
Total	159	169	166	185	206	236	252	271	261	267	260

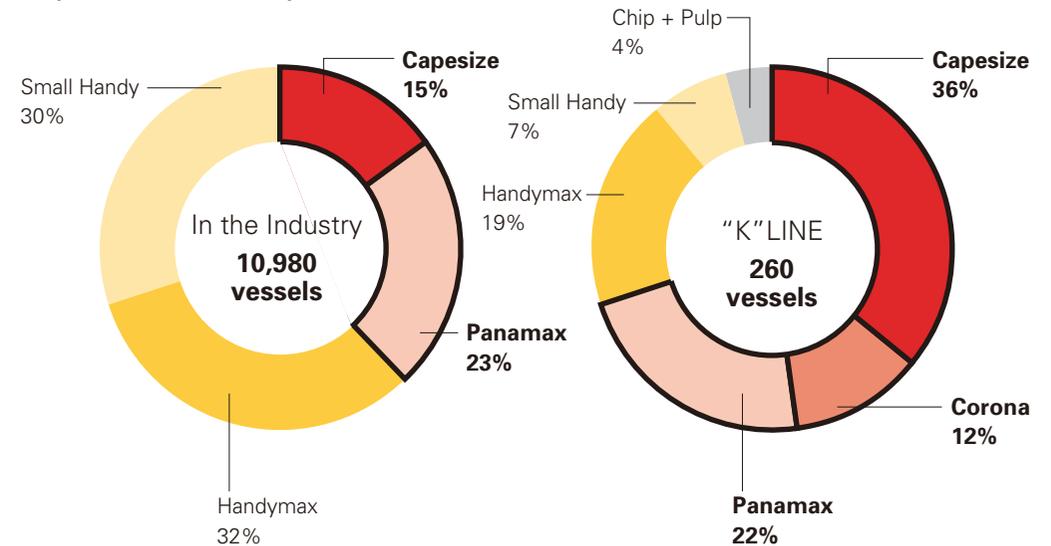
Transition of "K" LINE Dry Bulk Fleet Scale (Vessels)



"K" LINE's Dry Bulk Fleet Market Exposure 2017 (forecast)



Dry Bulk Fleet Composition (as of the March 2017)



Source: Clarkson

III. Business Segment Data | Car Carrier

Car Carrier Fleet Ranking

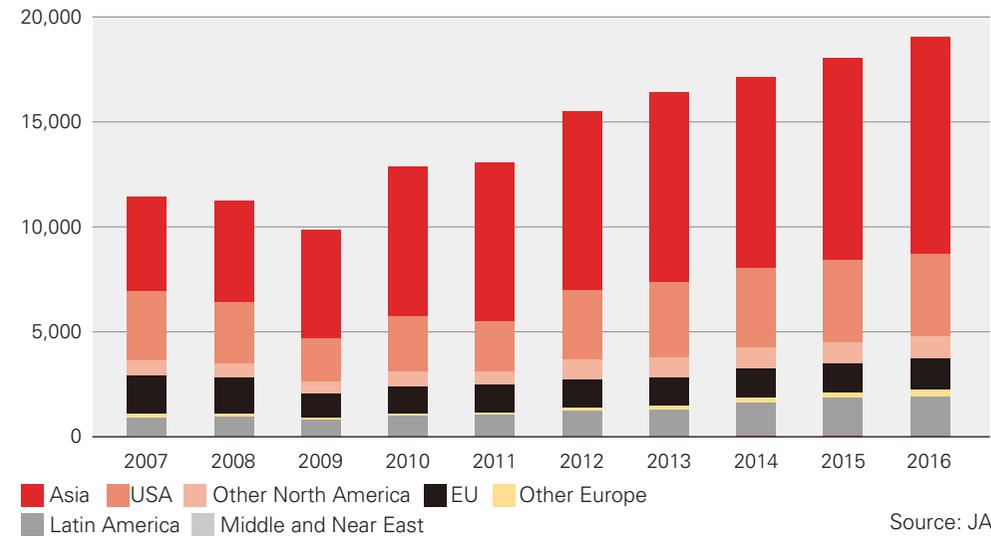
(as of March 2017)

Ranking	Operator	Vessels	Share	Capacity (unit)	Share
1	WWL ASA	121	16.1%	814,000	20.0%
2	MOL	116	15.4%	634,250	15.6%
3	NYK	108	14.4%	642,000	15.8%
4	"K" LINE	93	12.4%	487,790	12.0%
5	Grimaldi	56	7.5%	242,000	6.0%
6	GLOVIS	54	7.2%	337,000	8.3%
7	HOEGH	46	6.1%	304,000	7.5%
8	UECC (NYK+WWL)	13	1.7%	32,088	0.8%
9	TOYOFUJI	8	1.1%	42,000	1.0%
	Others	136	18.1%	529,200	13.0%
	Total	751		4,064,328	

Source: Own-editing based on Hesn's "The Car Carrier Market 2016"

Overseas Vehicle Production by Japanese Automakers

(1,000 cars)

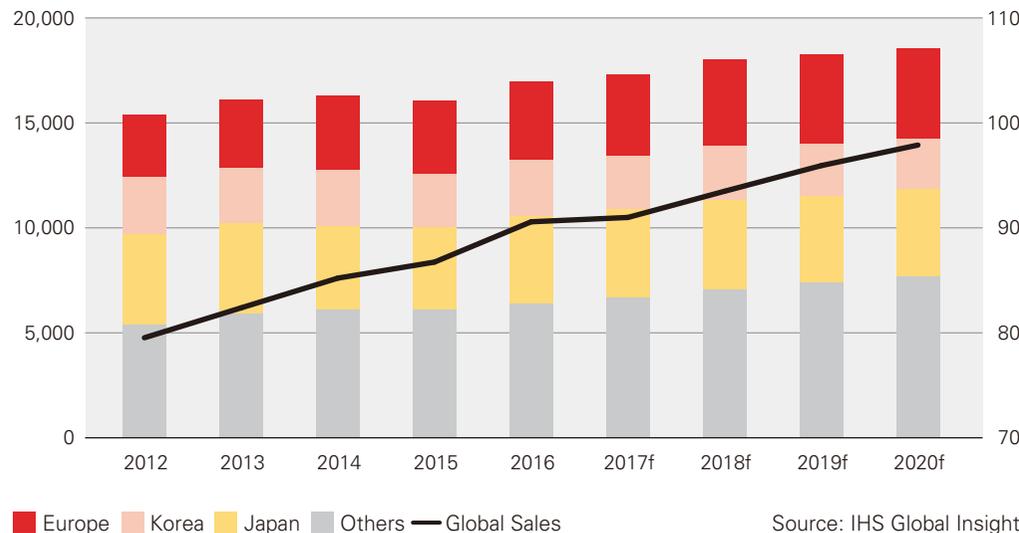


Source: JAMA

Worldwide Car Ocean Transport Volume

(1,000 cars)

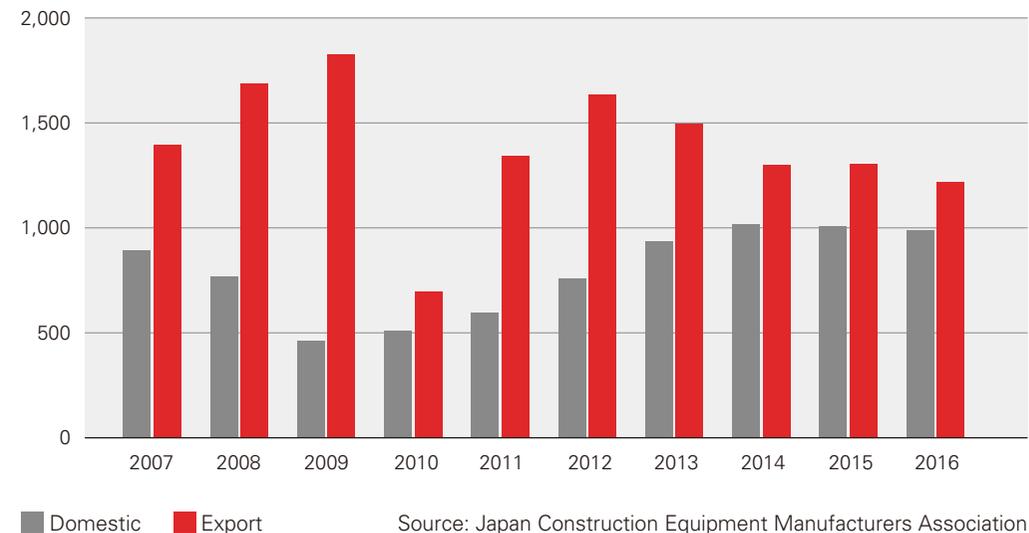
(Global Sales: Million Cars)



Source: IHS Global Insight

Japanese Construction Machine Sales Results

(Billions of yen)



Source: Japan Construction Equipment Manufacturers Association

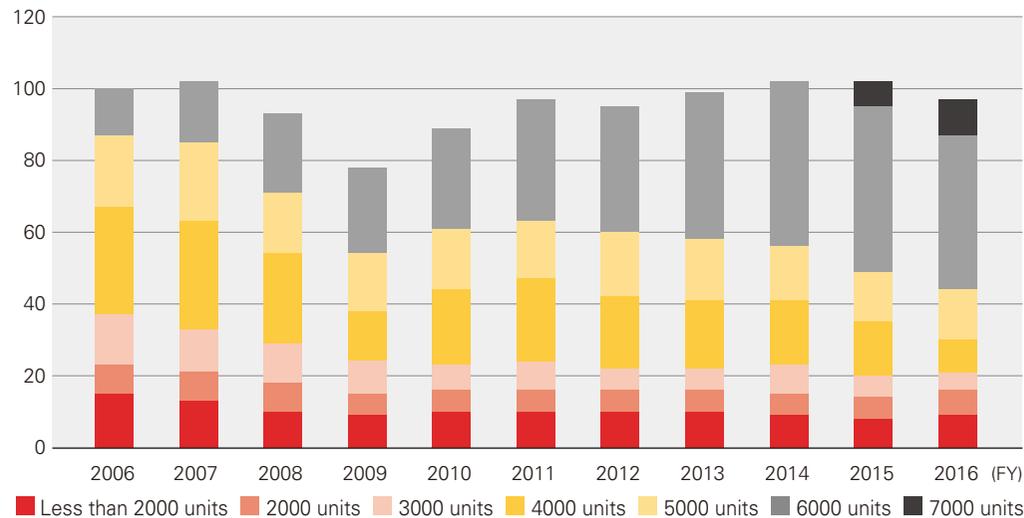
III. Business Segment Data | Car Carrier

"K" LINE Car Carrier Fleet

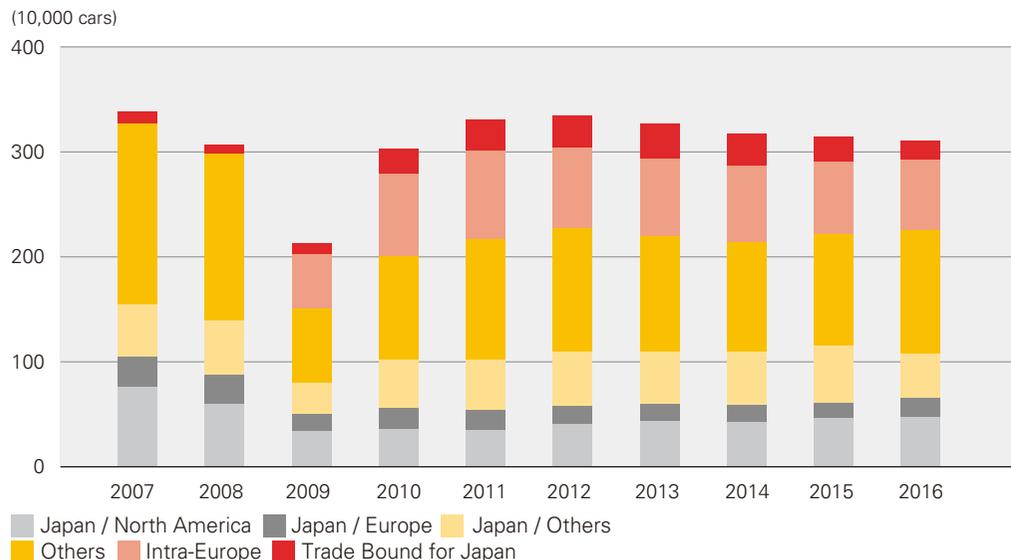
(FY)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
7000 units	—	—	—	—	—	—	—	—	—	7	10
6000 units	13	17	22	24	28	34	35	41	46	46	43
5000 units	20	22	17	16	17	16	18	17	15	14	14
4000 units	30	30	25	14	21	23	20	19	18	15	9
3000 units	14	12	11	9	7	8	6	6	8	6	5
2000 units	8	8	8	6	6	6	6	6	6	6	7
Less than 2000 units	15	13	10	9	10	10	10	10	9	8	9
Total	100	102	93	78	89	97	95	98	102	102	97

(including short-term chartered vessels)

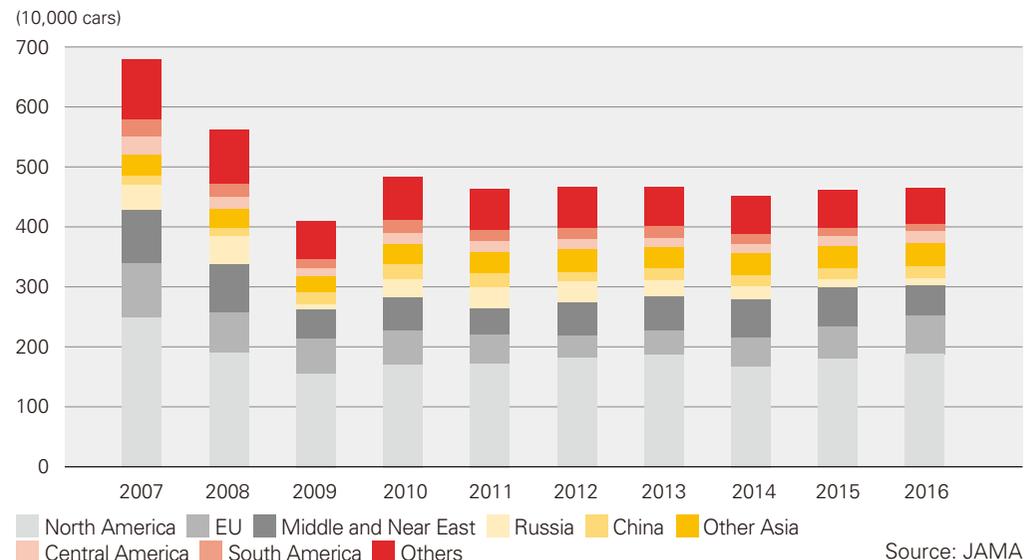
Transition of "K" LINE Fleet Scale (Vessels)



Cars and Trucks Transported by "K" LINE



Total Cars and Trucks Exported from Japan



Source: JAMA

III. Business Segment Data | Tanker

VLCC Fleet Ranking

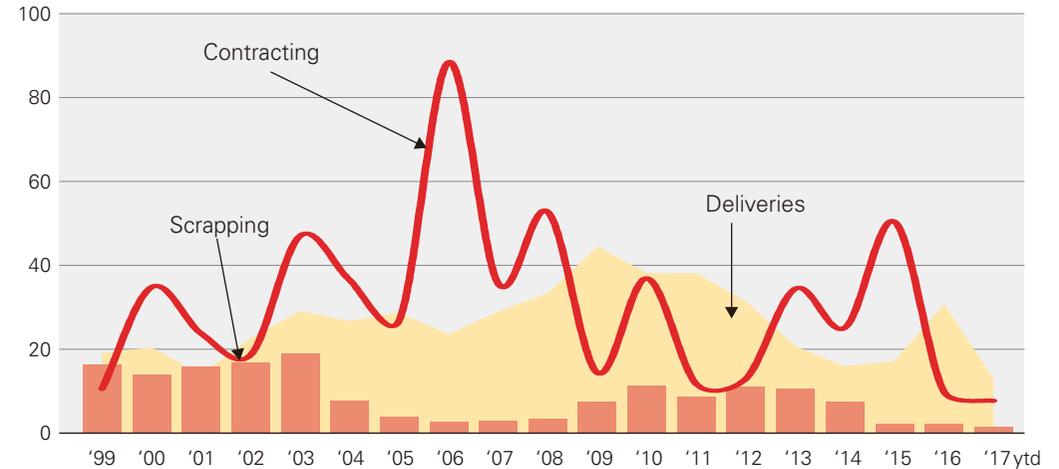
(as of June 2017)

Ranking	Operator	100,000DWT	Vessels
1	China Merchants Grp	129.3	42
2	NIOC	123.6	40
3	Bahri	116.1	37
4	China COSCO Shipping	106.2	35
5	Euronav NV	100.2	32
6	Angelicoussis Group	97.2	31
7	MOL	95.2	31
8	DHT Holdings	73.7	24
9	Gener8 Maritime	72.3	24
10	NYK	57.7	19
...			
20	"K" LINE	24.1	7

Source: Clarkson

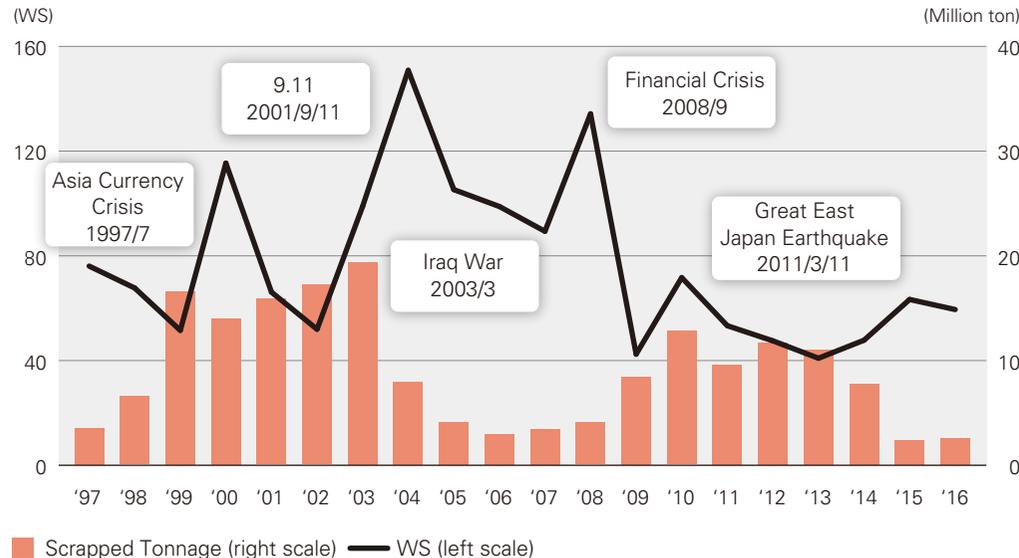
Tanker Delivery and Removal Progress

(Million ton)

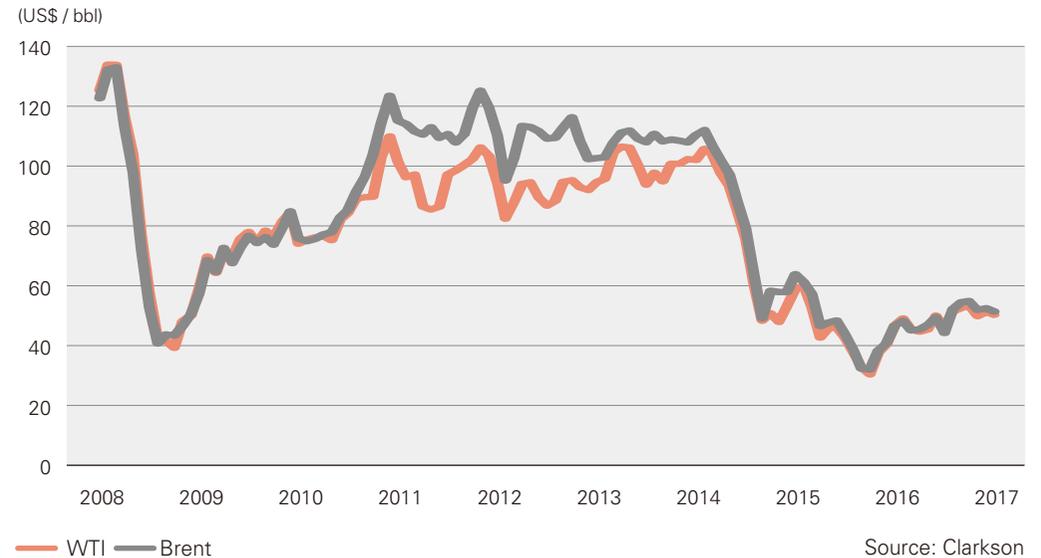


Source: Clarkson Oil & Tanker Outlook

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



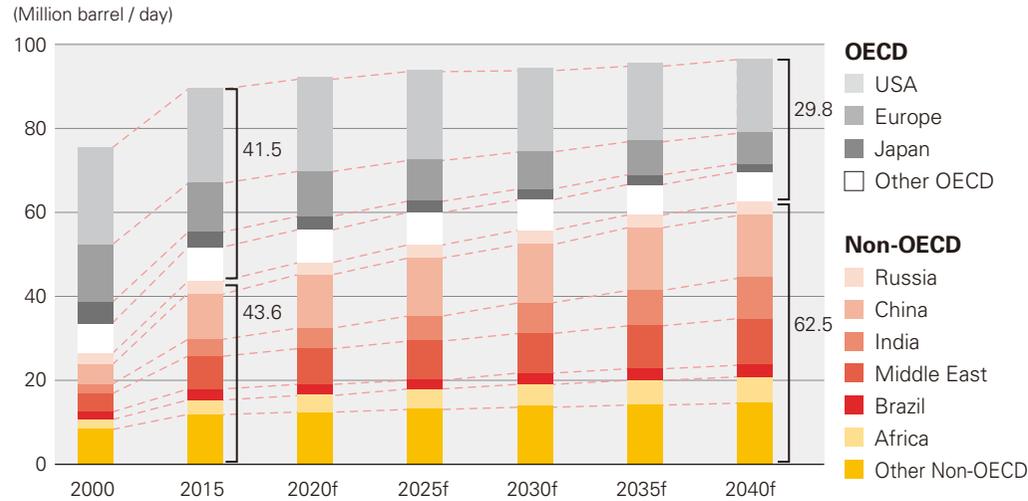
Historical Oil Price Trends



Source: Clarkson

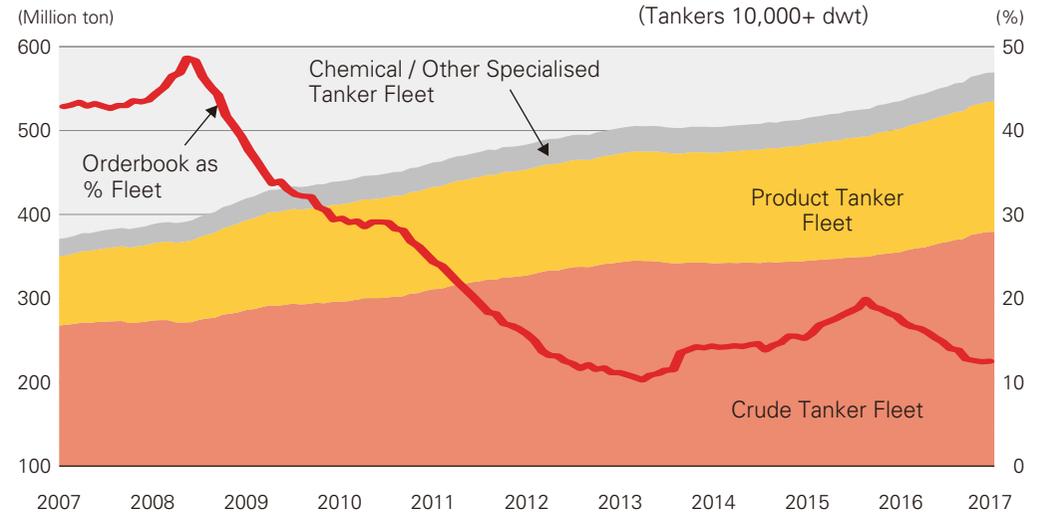
III. Business Segment Data | Tanker

Forecast of Oil Demand by Country



Source: World Energy Outlook

Tanker Fleet and Order Book

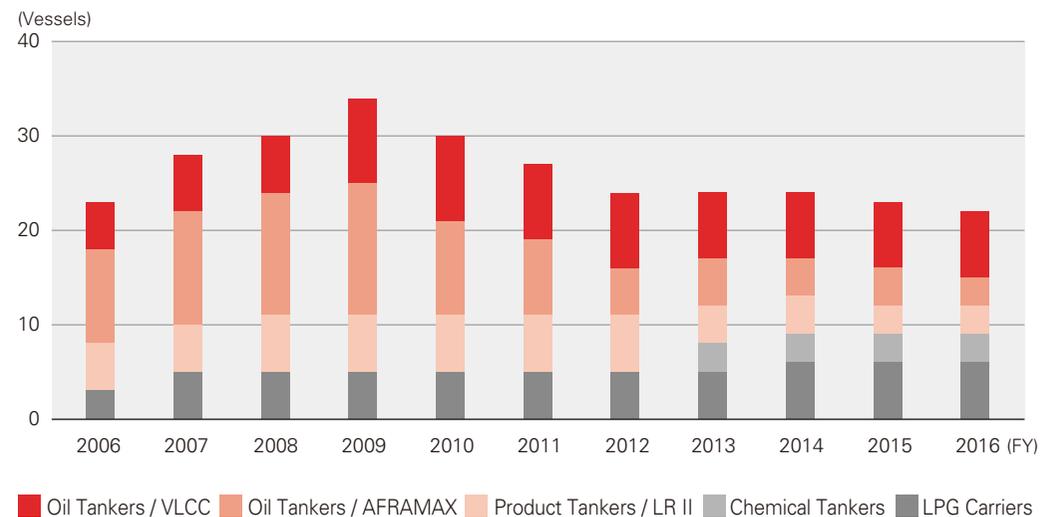


Source: Clarkson Oil & Tanker Outlook

"K" LINE Tanker Fleet

(FY)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Oil Tankers / VLCC	5	6	6	9	9	8	8	7	7	7	7
Oil Tankers / AFRAMAX	10	12	13	14	10	8	5	5	4	4	3
Product Tankers / LR II	5	5	6	6	6	6	4	4	4	3	3
Chemical Tankers	—	—	—	—	—	—	2	3	3	3	3
LPG Carriers	3	5	5	5	5	5	5	5	6	6	6
Total	23	28	30	34	30	27	24	24	24	23	22

Transition of "K" LINE Tanker Fleet



III. Business Segment Data | LNG Carrier

LNG Carrier Fleet Ranking (including co-owned)

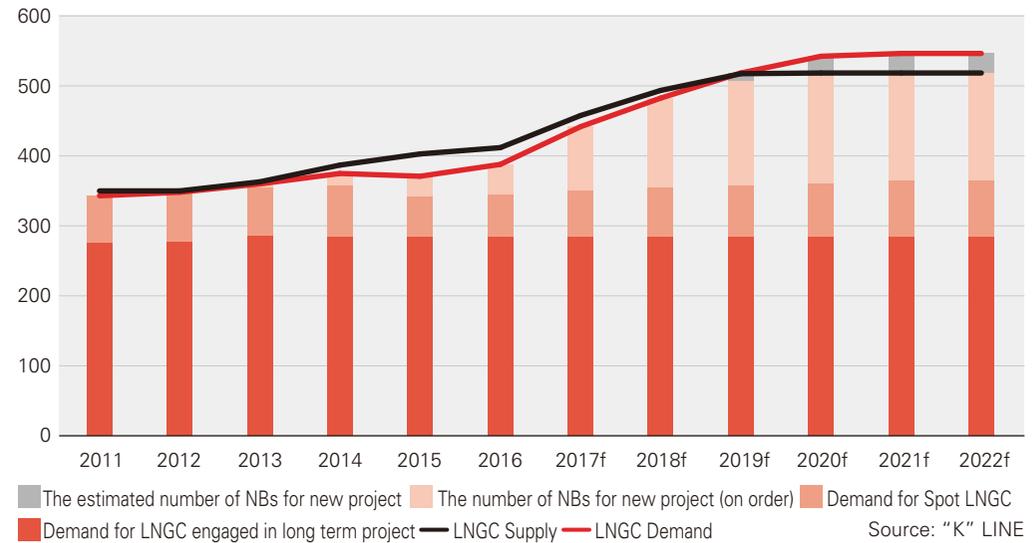
(as of June 2017)

Ranking	Operator	Vessels
1	MOL	71
2	NYK	70
3	Nakilat	64
4	"K" LINE	42
5	TeeKay	32
6	MISC	26
6	Iino Lines	26
6	Maran Gas	26
9	GasLog	23
10	Golar	16
11	Bergesen Worldwide	15

Source: "K" LINE

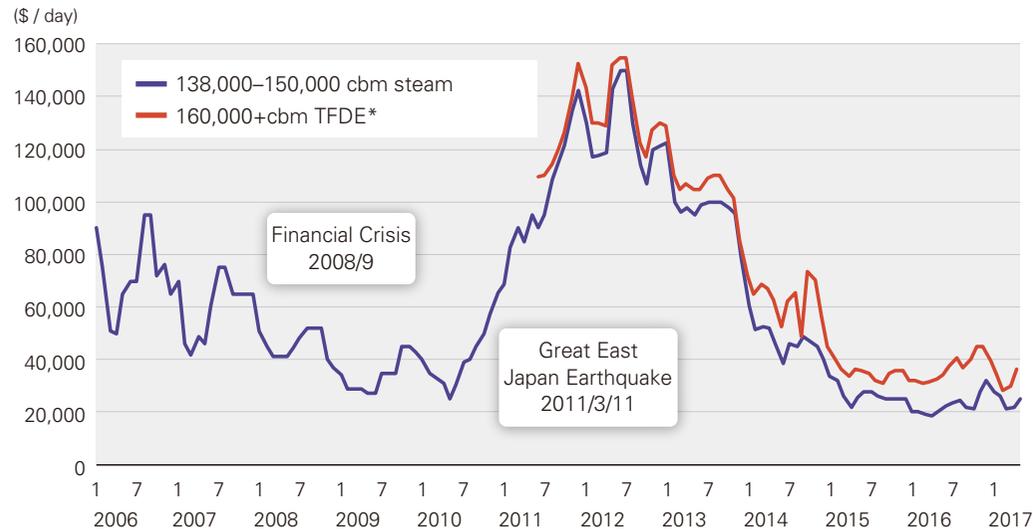
LNG Carrier Supply and Demand

(Vessels)



Source: "K" LINE

LNG Carrier Spot Market

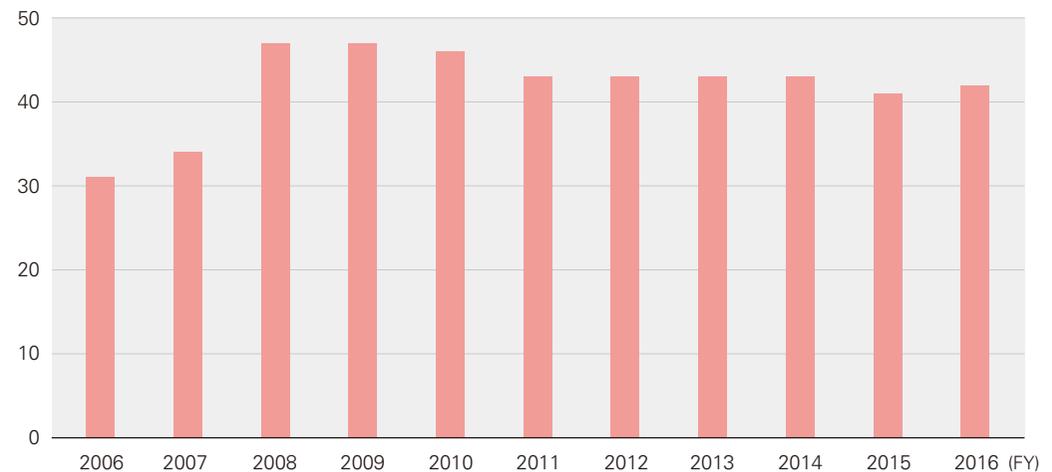


*TFDE (Tri Fuel Diesel Electric) propulsion system is propelled by electric motors utilizing power generated by diesel generators being fueled by boil-off gas or marine diesel oil or heavy oil.

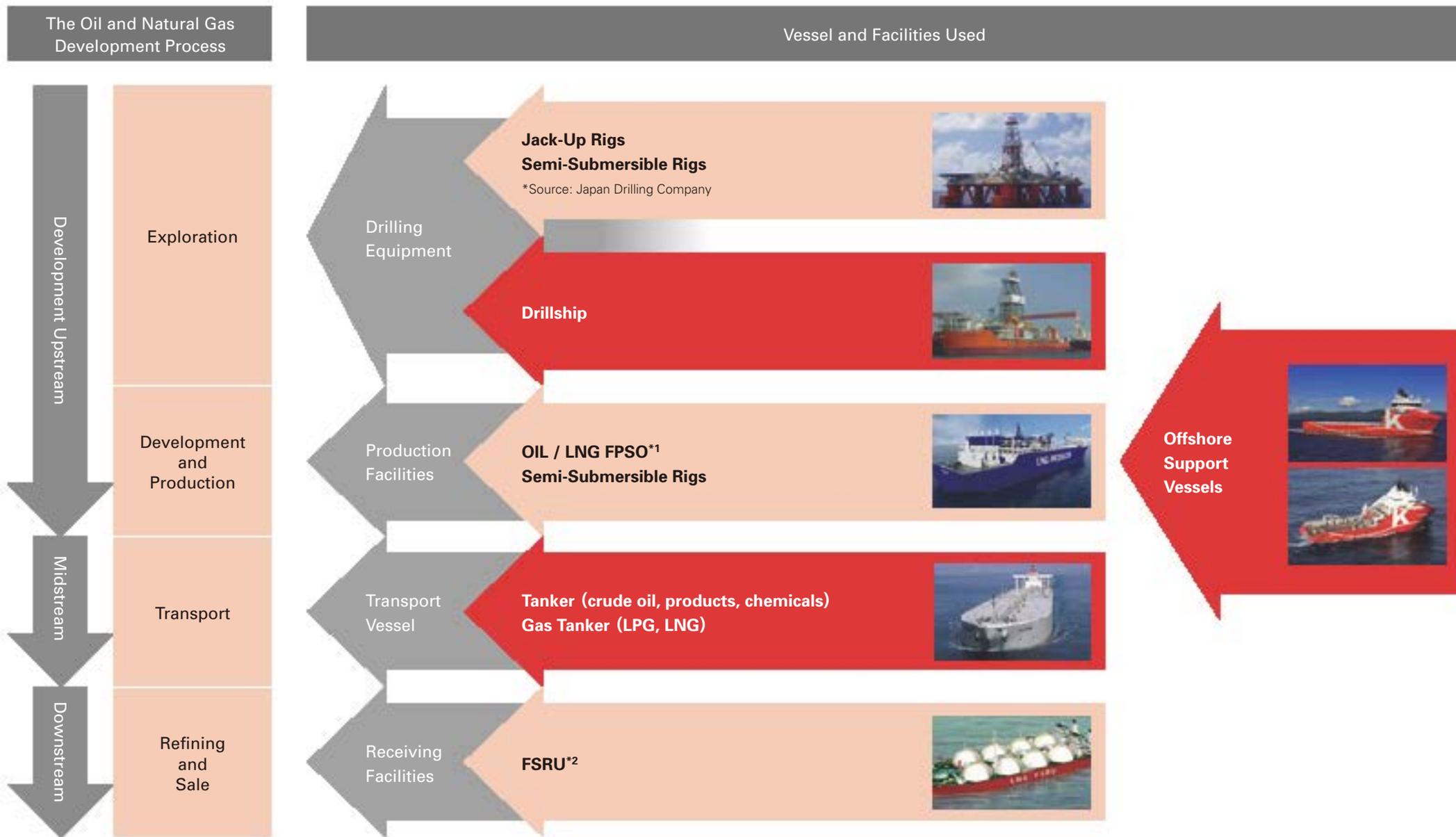
Source: SSY LNG RADAR

"K" LINE LNG Carrier Fleet (including co-owned)

(Vessels)



III. Business Segment Data | Energy Transportation • Offshore Energy E&P Support "K" LINE's Business Fields



*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 Services** through its subsidiary company called K Line Offshore AS (KOAS) in Norway.

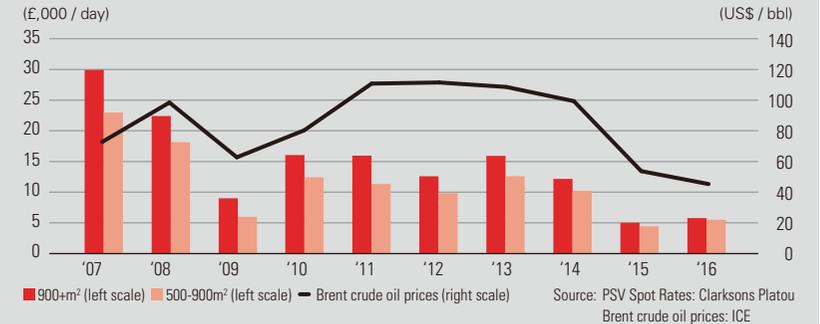
Platform Supply Vessel (PSV)



"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 Spot Rates Annual Avg and Brent Crude Oil Prices



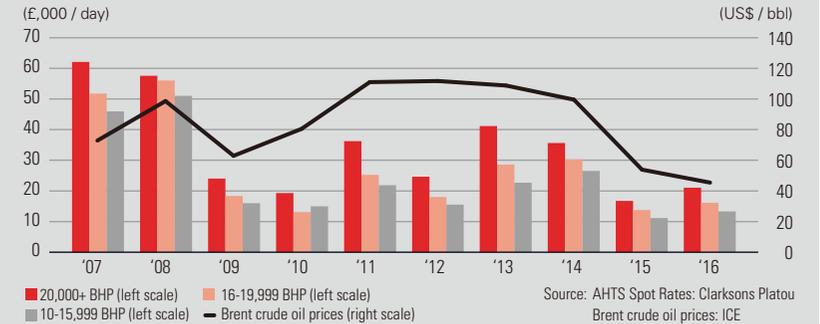
Anchor Handling Tug Supply (AHTS) Vessel



"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 Spot Rates Annual Avg and Brent Crude Oil Prices



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

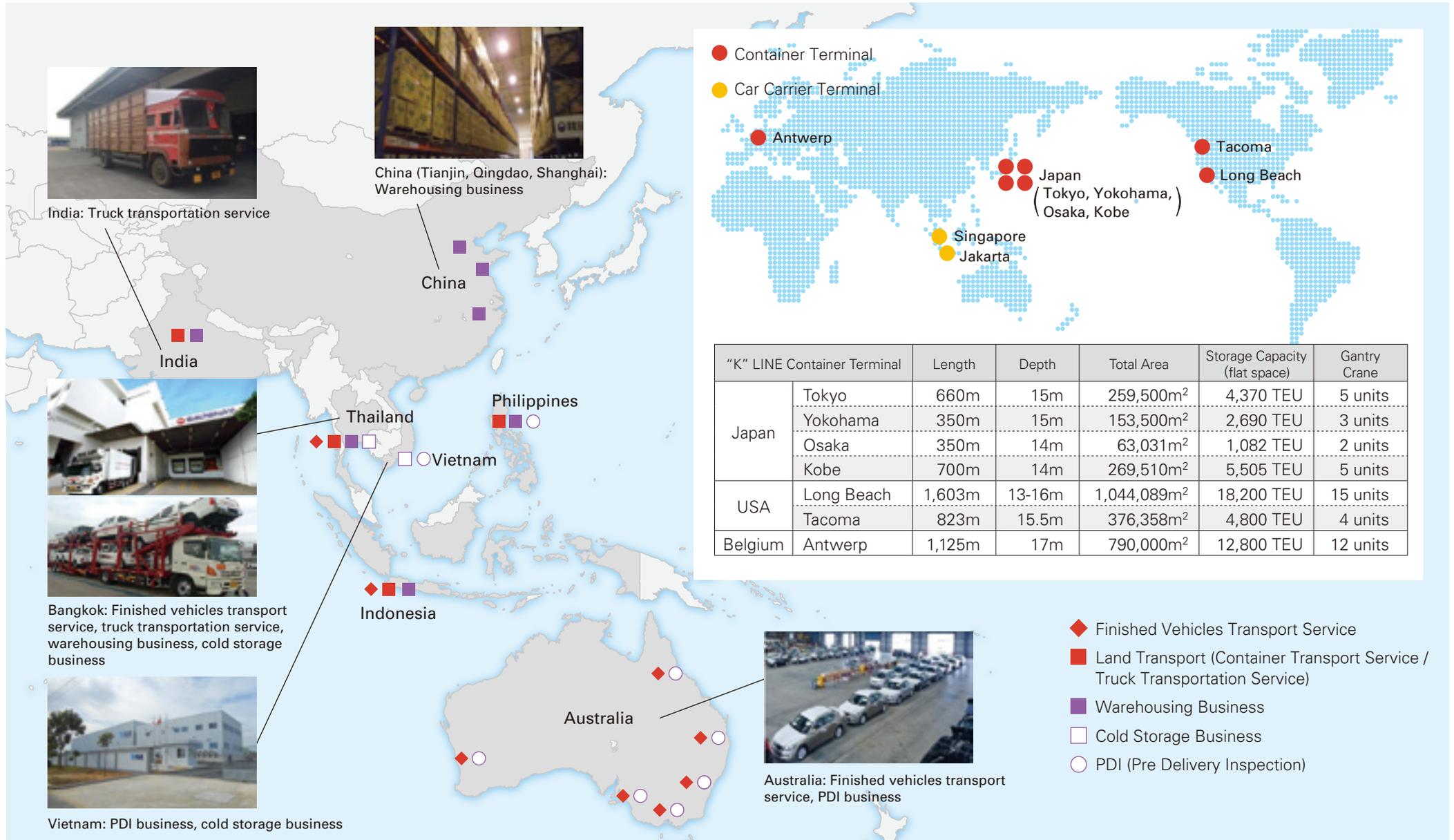
Displacement tonnage: 90,600 t

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 | Logistics and Terminal

We Will Expand Our Global Network and Stable Revenue Base with "K" Line Logistics, Ltd. as the Core.



- ◆ Finished Vehicles Transport Service
- Land Transport (Container Transport Service / Truck Transportation Service)
- Warehousing Business
- Cold Storage Business
- PDI (Pre Delivery Inspection)

IV. Other Corporate Information | "K" LINE Group's CSR – ESG Initiatives –

Basic CSR Policy

• Building a Management Structure that Emphasizes Social Responsibility

Corporate governance

Stakeholder engagement

• Managing the Impact of Business Activities

Human rights

Fair operating practices (Compliance)

Environmental preservation

Labor practices

Safety in navigation and cargo operations

Risk management

• Creating New Values

Human resource development

Innovation

Community involvement and development

Employment creation and skills development

CSR Initiatives

CSR Seminar

In March 2017, "K" LINE held a seminar on the theme of "Corporate Management and CSR." We invited Mr. Toshio Arima, a board member of UN Global Compact, as a speaker at the seminar, which was attended by its executives and employees as well as persons in charge of CSR from our domestic group companies.

CSR Guidelines for Supply Chain

In July 2016, the "K" LINE Group formulated "CSR Guidelines for Supply Chain." These guidelines outline corporate social responsibility initiatives to be promoted together with our business partners across our entire supply chain and a range of collaborative requirements for each of our business partners.

External Recognition



FTSE4Good Global Index

An index series developed by FTSE Russell, a subsidiary of the London Stock Exchange Group of the UK. Selects companies meeting international standards for ESG-oriented management and information disclosure. "K" LINE has been selected as a constituent for 15 years in a row since 2003.



ETHIBEL EXCELLENCE Investment Register

Forum Ethibel, a Belgium-based organization promoting socially responsible investment, selects companies based on human rights, human resources, environment, business behavior, corporate governance, community impact and other criteria. "K" LINE was included in the register in 2014 and 2017 consecutively.



FTSE Blossom Japan Index

An ESG index adopted by Government Pension Investment Fund (GPIF) that reflects the performance of companies with strong ESG practices. "K" LINE was selected as a constituent in July 2017.



Morningstar Socially Responsible Investment Index

Morningstar Japan selects the top 150 domestic listed companies in terms of social responsibility. It is Japan's first socially responsible investment index. "K" LINE was selected again in the periodic review in December 2016.



SNAM Sustainability Index

An index launched by Sompo Japan Nipponkoa Asset Management (SNAM) that emphasizes their own ESG rating system. "K" LINE has been selected five years in a row since 2013.



Dow Jones Sustainability Asia/Pacific Index

An SRI (socially responsible investment) index provided jointly by US-based Dow Jones and Switzerland-based Robeco SAM that evaluates the sustainability of the world's leading companies based on economic, environmental and social criteria. "K" LINE has been selected as a constituent for six years in a row since 2011.



MSCI Japan Empowering Women Index (WIN)

One of the ESG indices adopted by Government Pension Investment Fund (GPIF), it selects companies from various industries with high gender diversity scores as a theme-based social responsibility index. "K" LINE was selected in July 2017.

IV. Other Corporate Information | "K" LINE Group's CSR – ESG Initiatives –

Environment

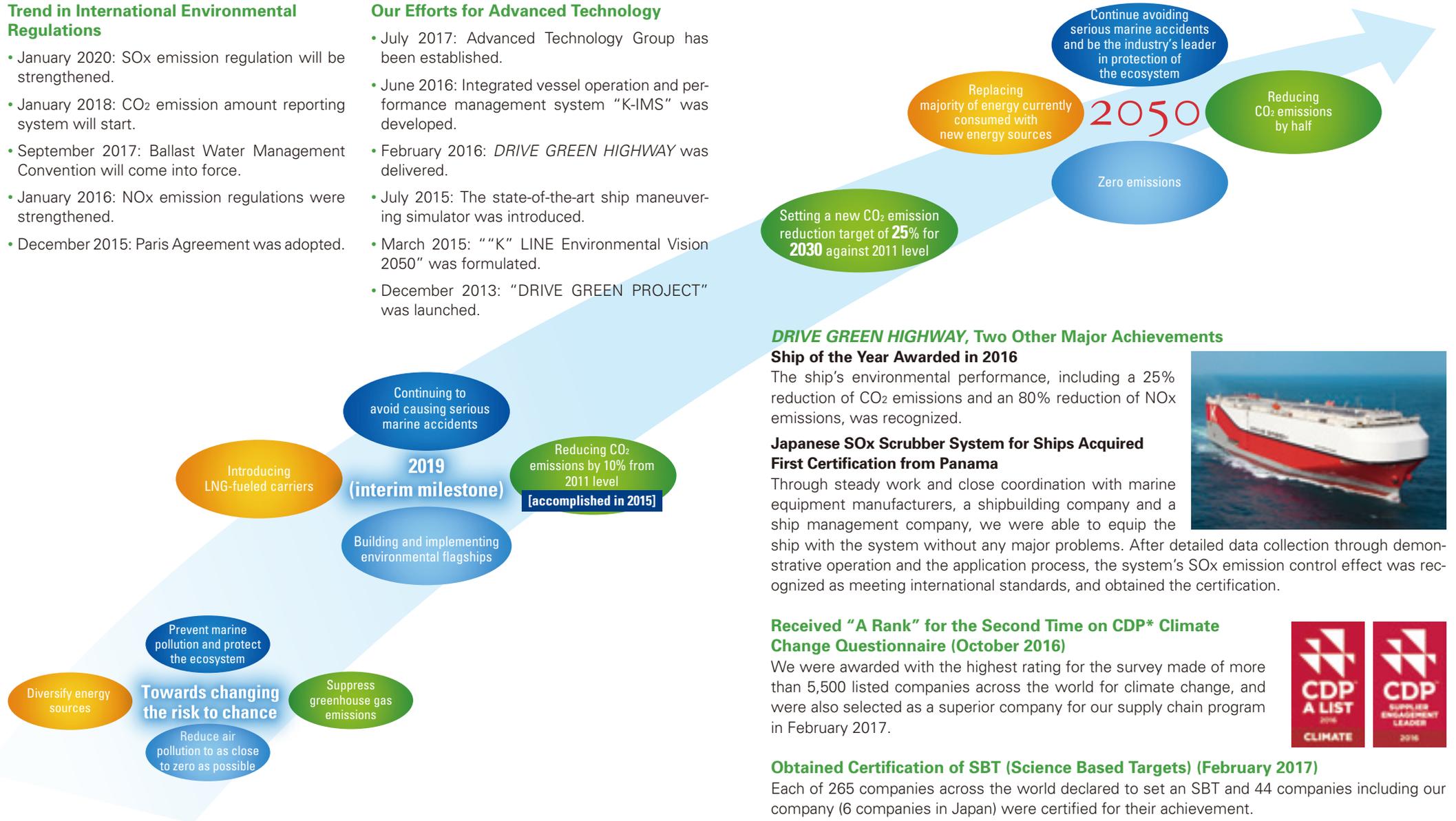
Environmental Preservation: Securing Blue Seas for Tomorrow to the Year 2050 and to the Future Ahead

Trend in International Environmental Regulations

- January 2020: SOx emission regulation will be strengthened.
- January 2018: CO₂ emission amount reporting system will start.
- September 2017: Ballast Water Management Convention will come into force.
- January 2016: NOx emission regulations were strengthened.
- December 2015: Paris Agreement was adopted.

Our Efforts for Advanced Technology

- July 2017: Advanced Technology Group has been established.
- June 2016: Integrated vessel operation and performance management system "K-IMS" was developed.
- February 2016: *DRIVE GREEN HIGHWAY* was delivered.
- July 2015: The state-of-the-art ship maneuvering simulator was introduced.
- March 2015: "K" LINE Environmental Vision 2050" was formulated.
- December 2013: "DRIVE GREEN PROJECT" was launched.



DRIVE GREEN HIGHWAY, Two Other Major Achievements

Ship of the Year Awarded in 2016

The ship's environmental performance, including a 25% reduction of CO₂ emissions and an 80% reduction of NOx emissions, was recognized.



Japanese SOx Scrubber System for Ships Acquired First Certification from Panama

Through steady work and close coordination with marine equipment manufacturers, a shipbuilding company and a ship management company, we were able to equip the ship with the system without any major problems. After detailed data collection through demonstrative operation and the application process, the system's SOx emission control effect was recognized as meeting international standards, and obtained the certification.

Received "A Rank" for the Second Time on CDP* Climate Change Questionnaire (October 2016)

We were awarded with the highest rating for the survey made of more than 5,500 listed companies across the world for climate change, and were also selected as a superior company for our supply chain program in February 2017.



Obtained Certification of SBT (Science Based Targets) (February 2017)

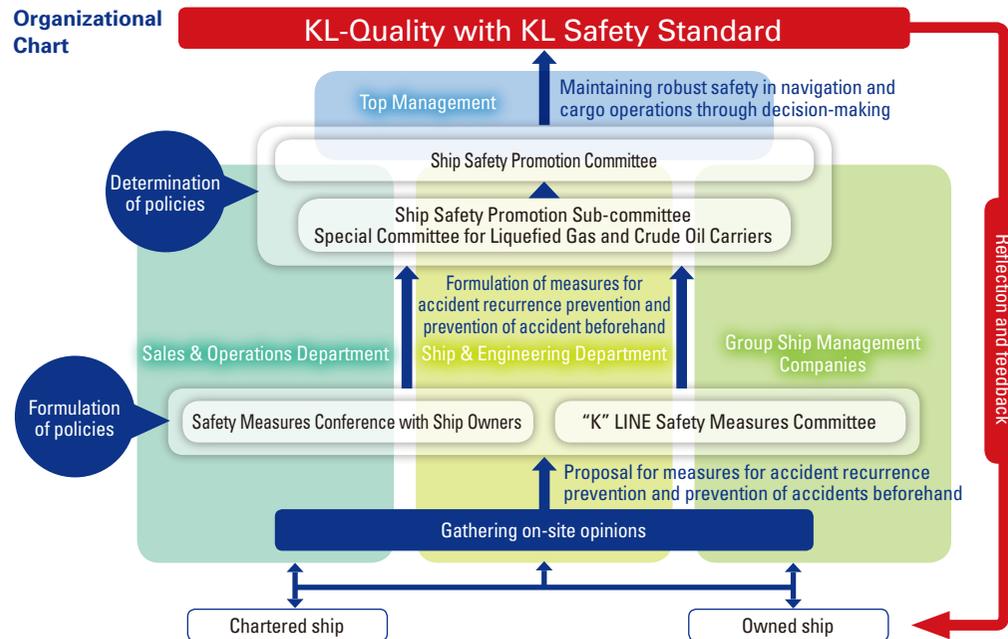
Each of 265 companies across the world declared to set an SBT and 44 companies including our company (6 companies in Japan) were certified for their achievement.

IV. Other Corporate Information | "K" LINE Group's CSR – ESG Initiatives –

Social

Safety in Navigation and Cargo Operations: Maintaining World-leading Safety in Navigation and Cargo Operations

Organizational Chart



Initiatives

(1) Five Initiatives to Prevent Accidents Beforehand

- (1) Ship collisions
- (2) Quay wall collisions when docking and undocking at piers
- (3) Fires
- (4) Main engine accidents
- (5) Accidents causing injury or death.

By taking specific hard and soft measures for each case and performing effective measurement together, we are trying to totally avoid ever causing a similar accident again while effectively implementing the PDCA cycle.

(2) Effort to Strengthen Ship Management System

- "K" Line Ship Management Co., Ltd.
Management of Containerships, Tankers and Gas Carriers

- "K" Line LNG Shipping (UK) Limited
Management of LNG Carriers
- Taiyo Nippon Kisen Co., Ltd.
Management of Car Carriers and Dry Bulk Carriers

(3) Efforts to Secure and Train Maritime Technical Personnel

Under the consistent maritime technical personnel training programs based on the "K" Line Maritime Academy" scheme which targets all seafarers of our ships, we strive to train maritime technical personnel; and at the same time, by providing them equal opportunities (career path) when being involved in both onboard and office work regardless of their nationality, we are improving our activities to secure and train skilled maritime technical personnel.

Governance

Corporate Governance

Corporate Governance Structure

"K" LINE is developing and strengthening its corporate governance and risk management framework in order to fulfill its social responsibility, respond to the mandate bestowed by its stakeholders, including shareholders, and achieve sustainable growth. While thoroughly enforcing its corporate ethics across the entire group, "K" LINE will continue to develop an organic and effective governance framework, strengthen its earnings / financial structure and enhance its corporate value.

→ For details on "Corporate Governance Structure", please refer to page 10

Characteristics of our Corporate Governance Structure

(1) Unit Supervisory System It is required under the "Corporate Governance Code" that the Board of Directors, as their primary role and responsibility, "create an environment to support appropriate risk taking by senior management." As one part of establishing a corporate governance system in line with this requirement, "K" LINE implemented the Unit Supervisory System in order to further streamline and enhance business execution.

(2) Nominating Advisory Committee, Remuneration Advisory Committee In our institutional design as a corporation with an Audit & Supervisory Board, "K" LINE has voluntarily established a "Nominating Advisory Committee" and a "Remuneration Advisory Committee" in order to enhance the functions of the Board of Directors. Each of these committees is comprised of all Outside Directors, the Chairman and President & CEO and the Chair is appointed by mutual vote of the Outside Directors residing on the committees.

IV. Other Corporate Information | "K" LINE Group's CSR – ESG Initiatives –

Corporate Governance

Officer Remuneration

Policy and Procedures for the Determination of Officer Remuneration Remuneration for Executive Directors shall reflect "K" LINE's medium- to long-term business performance and the latent risks borne by said Executive Directors and to further enhance their willingness to bring about sustainable growth and maximize corporate value. Remuneration for Outside Directors shall reflect the amount of time devoted to business of "K" LINE and the responsibility borne by them. In line with this policy, the Remuneration Advisory Committee is responsible for the deliberation and determination of the design of our remuneration system and standards etc. and reporting back to the Board of Directors. The Board of Directors is responsible for determining levels of remuneration based on this report.

Remuneration System In addition to monthly remuneration, remuneration paid to Directors is comprised of a Performance-based Share Remuneration Plan (BBT=Board Benefit Trust) approved by the Ordinary General Meeting of Shareholders held in June 2016. The purpose of the BBT is to raise the motivation of Directors to make contributions to enhance the Group's medium- to long-term performance and corporate value. See below for an overview of our remuneration system.

Remuneration Paid to Officers in FY2016

Classification	Number of people	Amount paid
Directors (Outside)	12 (4)	316 million yen (29 million yen)
Audit & Supervisory Board Members (Outside)	6 (4)	84 million yen (23 million yen)
Total	18 (8)	400 million yen (52 million yen)

Risk Management



Internal Control System

The Board of Directors is responsible for establishing the internal control system, evaluating its effectiveness and ensuring that it functions properly. In addition, through monitoring and verifying the status of the internal control system, the Internal Audit Group plays a role in supporting the Board of Directors in carrying out its responsibilities for the development, maintenance and enhancement of the internal control system. The Audit & Supervisory Board Members oversee the processes by which the Directors establish the internal control system and confirm that it is functioning effectively. Further, while respecting the autonomy of each of our group companies, "K" LINE supports and supervises the establishment and effective management of internal control systems within each of these companies to ensure that activities conducted across all group companies are appropriate.

Taking Advantage of External Perspectives to Enhance Corporate Value

"K" LINE is actively seeking to appoint external officers, taking advantage of an external perspective in order to enhance corporate value over the medium- to long-term. "K" LINE has established a set of criteria to determine the level of independence of Outside Directors and only Directors who do not fall under any of the set conditions are considered to be independent. For more information on Criteria for Independence of Outside Directors, please refer to the Notice of the Ordinary General Meeting of Shareholders.

In order to support the smooth execution of duties of Outside Directors, they are provided with the necessary briefings and information prior to meetings of the Board of Directors and receive reports on important business operations. Further, "K" LINE has appointed personnel to assist our Audit & Supervisory Board Members and has established regulations concerning these appointments in order to maintain the framework required to assist Audit & Supervisory Board Members in their role within the Company. These assistant personnel do not hold additional posts in connection with their duties and are examined by the Audit & Supervisory Board Members in order to maintain a level of independence from company Directors.

Compliance

Global Compliance Policy

As one part of strengthening an effective group compliance framework to ensure compliance with competition laws and prevent bribery and corruption, in January 2017 we established the "K" LINE Group Global Compliance Policy. The Global Compliance Policy serves as a more specific guideline on the group's policy of compliance with domestic and international laws / regulations and social norms for fair, transparent and free competition and fair trade as stated in our Charter of Conduct: "K" Line Group Companies and "K" Line Implementation Guideline for Charter of Conduct, and further clarifies our thinking on compliance as a company.

The Global Compliance Policy consists of the main policy and individual policies. The main policy sets forth common items applicable to general compliance, and the individual policies set forth items applicable to specific fields such as competition legislation and Anti-corruption Law. In response to regulations grounded in laws and ordinances to promote fair competition that steadily become stricter year after year, the "K" LINE Group aims to strengthen its compliance systems on a global level.

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

Outline of the Company / Stock Information

Outline of the Company (as of March 31, 2017)

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 552 / At-sea Duty 183 Total 735
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)	26 (domestic), 317 (overseas)

Stock Information (as of March 31, 2017)

Authorized	2,000,000,000 shares of common stock
Issued	939,382,298 shares of common stock
Number of shareholders	32,732
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 (%)
ROYAL BANK OF CANADA TRUST COMPANY (CAYMAN) LIMITED	210,164	22.37
CGML PB CLIENT ACCOUNT / COLLATERAL	80,084	8.52
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	51,745	5.50
Trust & Custody Services Bank, Ltd.(Kawasaki Heavy Industries, Ltd. retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	33,923	3.61
The Master Trust Bank of Japan, Ltd. (trust account)	30,498	3.24
IMABARI SHIPBUILDING CO., LTD.	28,300	3.01
JFE Steel Corporation	28,174	2.99
Japan Trustee Services Bank, Ltd. (trust account)	25,142	2.67
GOLDMAN SACHS INTERNATIONAL	19,324	2.05
Sompo Japan Nipponkoa Insurance Inc.	19,107	2.03

"K" LINE's Rating (as of April 2017)

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



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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.