

FACT BOOK

July, 2009



INDEX



1. Management Plan and Improvement of Business Structure

1-1. "K" Line Vision 100 General View		P1
1-2. From Vision 2008+=> Vision 100	① "K" Line Vision 2008+ => "K" Line Vision100	P2
	② Trends of Business Performance(P/L)	
	③ Improvement in Financial Position	
	④ Fleet Upgrading Plan	P3
	⑤ Newbuildings (Results and Plan)	
1-3. Trends of Financial Indices	① Net Income and Dividend per Share	P4
	② Consolidated ROE/ROA	
	③ Consolidated Assets Turnover	
	④ Consolidated EV/EBITDA	
	⑤ Operating Cash Flow	
	⑥ Consolidated Interest Coverage Ratio	
1-4. History of Management Plans		P5
1-5. Effort for Structural Reform	① No. of Seafarers/ "K" Line Employee	P6
	② Our Fleet Scale, Ordinary Revenues & Income	
1-6. Current Business Composition	① Revenues, Ordinary Income <Division-wise>	P7
	② Revenues, Ordinary Income <Segment-wise>	
	③ Fleet Composition	

2. Comparison to Major Shipping Companies

2-1. Fleet-scale Ranking	① Major Container Carriers	P8
	② Containership Asia-N.America Loading Volume	P9
	③ Historical Top 20 Container Carriers	P10
	④ Transition of Alliance for Containership	P11
	⑤ Cape-size Bulker Owned	
	⑥ Dry Bulk carriers (All Types) Owned	
	⑦ PCTC Operated	
	⑧ PCTC Owned	
	⑨ AFRAMAX Tanker Owned	P12
	⑩ LNG Fleet (Managed)	
	⑪ Heavy Lifter Owned	
	⑫ Product Tanker (LR II) Owned	

3. World Market

3-1. Fleet Scale by Vessel-type/Age	① Dry Bulk Carriers by Vessel-type/Age	P13
	② PCC Delivery by Vessel-type/Age	P14
	③ Oil Tanker Delivery by Vessel-type/Age	
	④ Containership Delivery by Vessel-type/Age	P15
3-2. Trend of Newbuildings	① Ship Price as of Placing Order	P16
	② Ship Price as of Delivery	
	③ World Newbuilding Orders	
	④ World Newbuilding Delivery	
	⑤ World Newbuilding Work In Progress	
	⑥ World Total Existing Tonnage	
	⑦ World Past Record of Scraps	P17
3-3. World Cargo Movements	① World Cargo Movements (Ton-mile)	P18
	② Dry Bulk Market	
	③ Tanker Market	
	④ Containership Freight for Our Trunk Lines	
3-4. Latest Economic Trends	① USA Home Construction	P19
	② Crude Steel Production	
	③ Steel Export and Import of China	
	④ Iron Ore Import	
	⑤ Sales of Automobiles	
	⑥ Process of Trade Volume at World Depression	

3-5. Emerging Markets (China)	① Real GDP Growth Rate	P20
	② Trade Trends for China	
	③ Energy Consumption in China	
	④ Chinese Economic Disparities between Regions	
	⑤ Gap of the No. of Durable Goods Owned between Urban and Rural Area, 2006	
3-6. Emerging Markets	① Economig Growth in India (Exports +Imports)	P21
	② Economic Growth in Vietnam (Exports +Imports)	P22
	③ Exports & Imports of BRICs (ex. China) & VISTA	P23
	④ Economig Growth in Turkey (Exports +Imports)	P24

4. Bulk Carrier Business

4-1. "K" Line Fleet	① "K" Line Dry Bulk Fleet	P25
	② Energy Transportation Fleet	
	③ Ship Price as of Placing Order (Dry Bulkers, Tankers)	
	④ Ship Price as of Completion (Dry Bulkers, Tankers)	
4-2. Drybulk Business Expansion into the World		P26
4-3. Demand on Dry Bulk	① Transition of Crude Steel Production	P27
	② World Coal Export	P28
	③ World Coal Import	
	④ Iron Ore Import into Major Asian Countries	
	⑤ World Coal Consumption	

5. Car Carrier Business

5-1. Fleet and Cargo Movements	① "K" Line PCC Fleet	P29
	② Cars/Trucks Transported by Our Fleet	
	③ Total Cars/Trucks Exported from Japan	
5-2. Demand on Vehicles	① World Automobile Production (2008)	P30
	② No. of Vehicles Possessed (Cars/1,000 People)	
	③ Transition of Overseas Production by Japanese Automakers	
	④ Car Production and Sales in USA	

6. Container Business

6-1. Fleet and Cargo Volume	① "K" Line Containership Fleet	P31
	② "K" Line Average Freight/Volume for All Services	
	③ "K" Line Volume & Share for Asia-N.America/Europe	
	④ "K" Line Volume & L/F for Asia-N.America/Europe	P32
6-2. Container Terminal Operated by "K" Line		P33
6-3. Cargo Movements	① Container Cargo Movements	P34
	② Asia=>N.America/Europe Country-wise Cargo Volume	
6-4. Port-wise Volume	① Port-wise Handling Volume in Asia	P35
	② Top 10 Ports for 2007 Container Handling	
	③ Transition of Container Handling among Major Ports in Asia	
6-5. Factory of the World	① Major Electric Device Nation-wise Production	P36
	② Trends of Export from Asian Major Nations and Regions	

7. New Businesses

	① Heavy Lift Shipping	P37
	② Offshore Support Vessels	
	③ Floating LNG Production	
	④ Drillship	

8. Financial Data

9. "K" Line Overview

9-1. "K" Line Corporate Governance System		P39
9-2. Safety Navigaton		P40
9-3. Enviroment Preservation		P41
9-4. Brief History		P42
9-5. Press Releases (Apr.2008-Mar.2009)		P43
9-6. Certification by Third-party Organization & Information on Convertible Bonds		P44
9-7. Corporate Principles and Charter of Conduct		P45

10. Tonnage Tax, Change in Circumstances for Japanese Vessels and Japanese Seafarers

P46



New Midterm Management Plan ("K" LINE Vision 100)

Themes: "Synergy for All and Sustainable Growth"

Corporate Principles of the "K" Line Group:

The basic principles of the "K" Line Group as a business organization centering on shipping lie in:

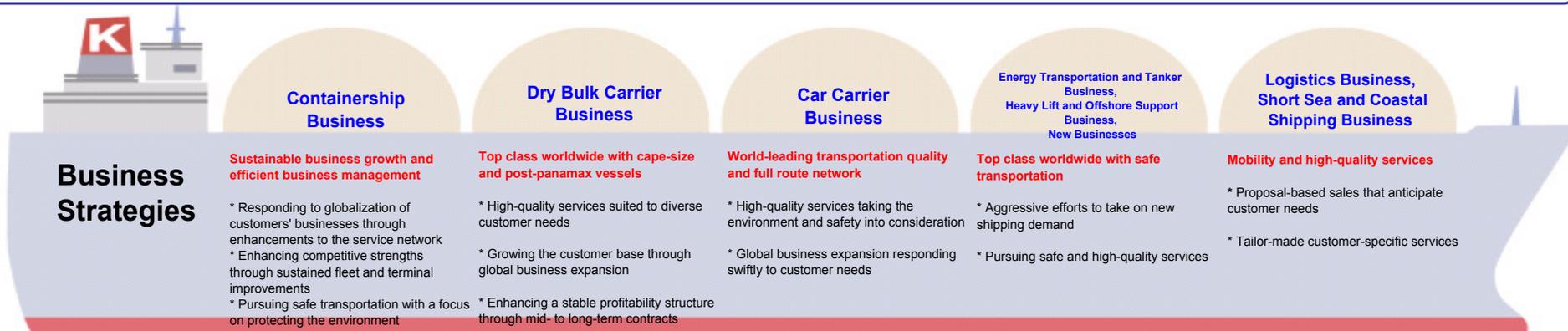
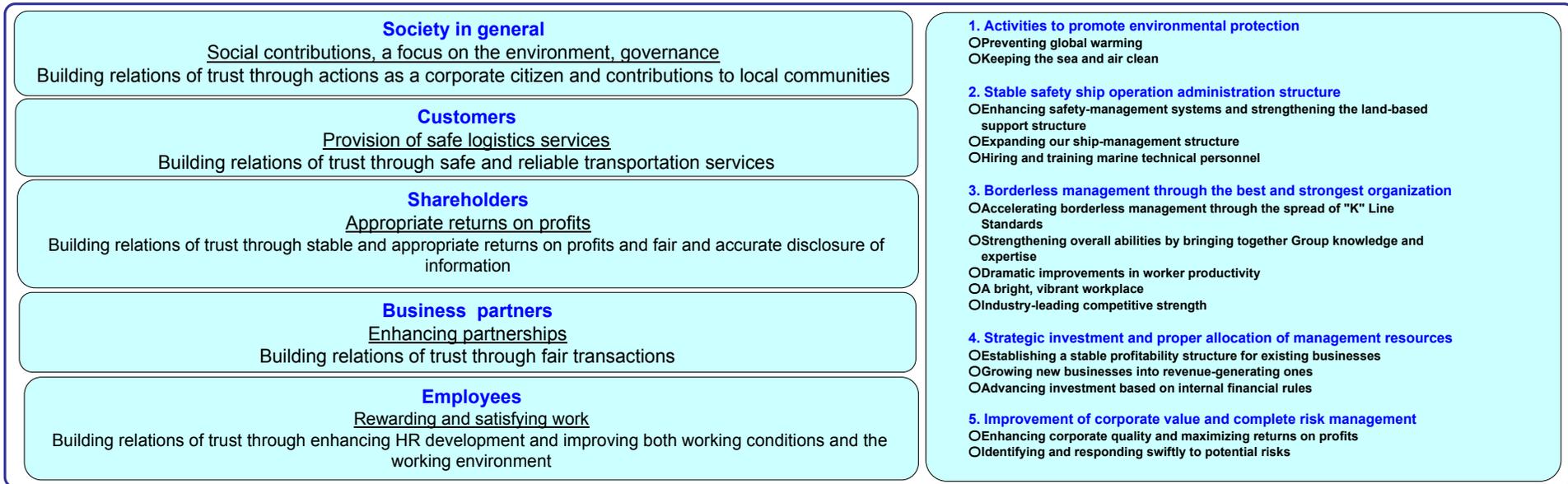
- a. Diligent efforts for safety in navigation and cargo operations as well as for environmental preservation;
- b. Sincere response to customer needs by making every possible effort; and
- c. Contributing to the world's economic growth and stability through continual upgrading of service quality.

Group Vision:

1. To be trusted and supported by customers in all corners of the world while being able to continue to grow globally with sustainability,
2. To build a business base that will be capable of responding to any and all changes in business circumstances, and to continually pursue and practice innovation for survival in the global market,
3. To create and provide a workplace where each and every employee can have hopes and aspirations for the future, and can express creativity and display a challenging spirit.

Efforts Toward Synergy for All and Sustainable Growth

Synergy for All: Mutually beneficial relations

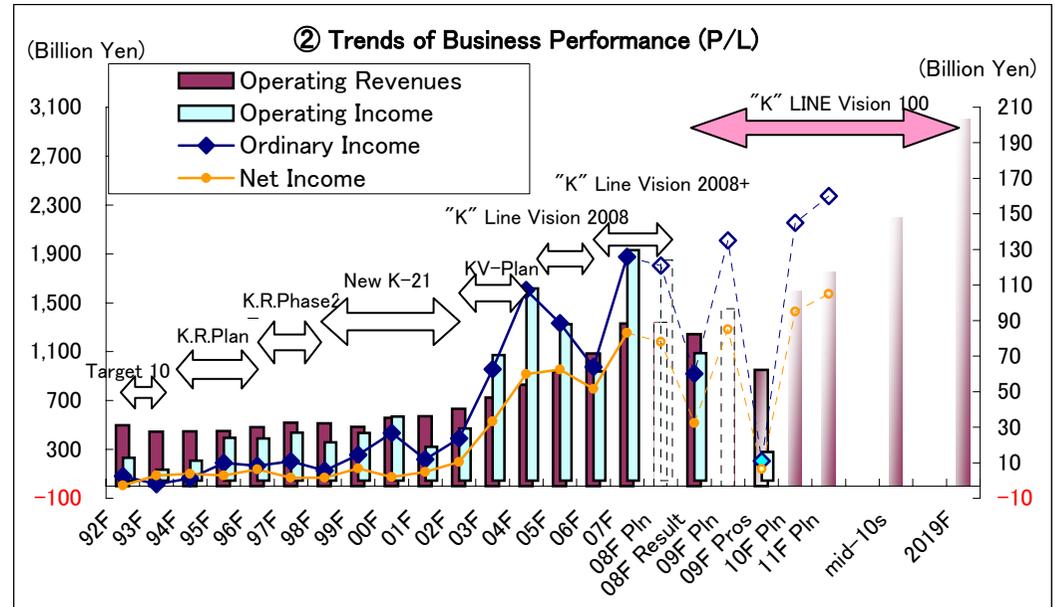


1-2. From "K"Line Vision2008+ to "K"Line Vision100

① From "K"Line Vision 2008+ to "K"Line Vision100

Unit: Billion Yen

	FY2007	FY2008	FY2008	FY2009	FY2009
	Results	Plan	Results	Plan	Prospect
Operating Revenues	1331.0	1340.0	1244.3	1450.0	950.0
Ordinary Income	125.9	121.0	60.0	135.0	11.0
Net Income	83.0	78.0	32.4	85.0	6.5
ROE	13%	12%	6%	-	2%
Shareholders' Equity	355.8	426.0	334.8	-	332.7
Equity Ratio	37%	37%	35%	-	37%
DER	93%	100%	131%	-	138%
Interest-bearing Debt/Operating CF	2.3	4.2	5.7	-	7.5
Payout Ratio	20%	22%	22%	-	23%



(Assumption of "K"Line Vision 100: Exchange Rate(Yen/US\$) 100yen/\$, Bunker Oil Price US\$520/MT)

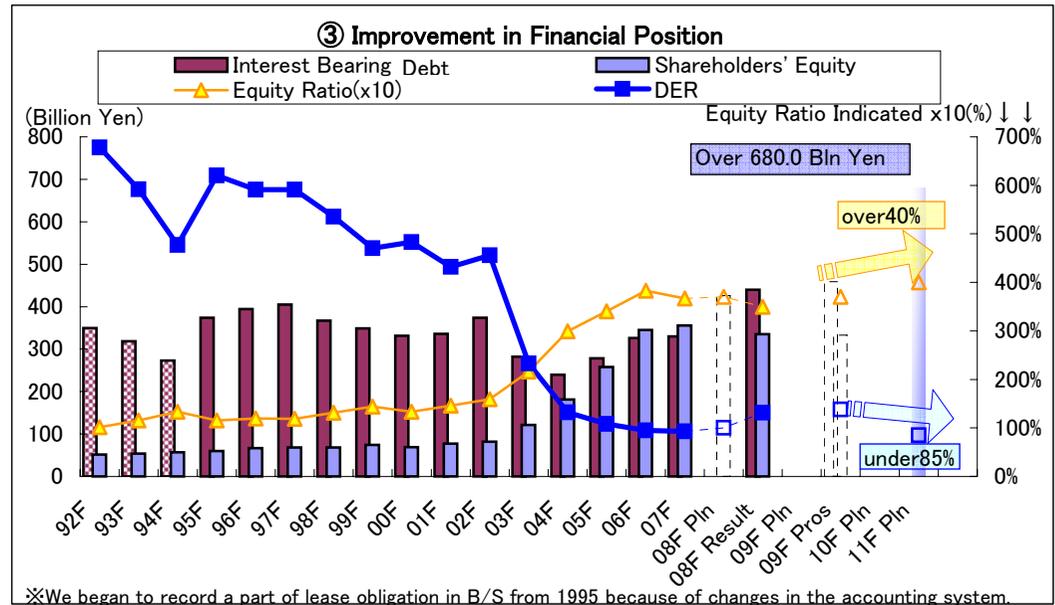


(Assumption of Plan as of April 2009: Exchange Rate(Yen/US\$) 100yen/\$, Bunker Price US\$300/MT)

*As for Mid-term management plan "K"Line Vision 100 settled on April 2008 will be reviewed sooner or later because of drastic change of business environment since the autumn of 2008.

The plans above mentioned are as of April 2008 and any change afterwards is not considered.

Prospect of 2009 is latest one which are prospected on April of 2009.



※We began to record a part of lease obligation in B/S from 1995 because of changes in the accounting system.

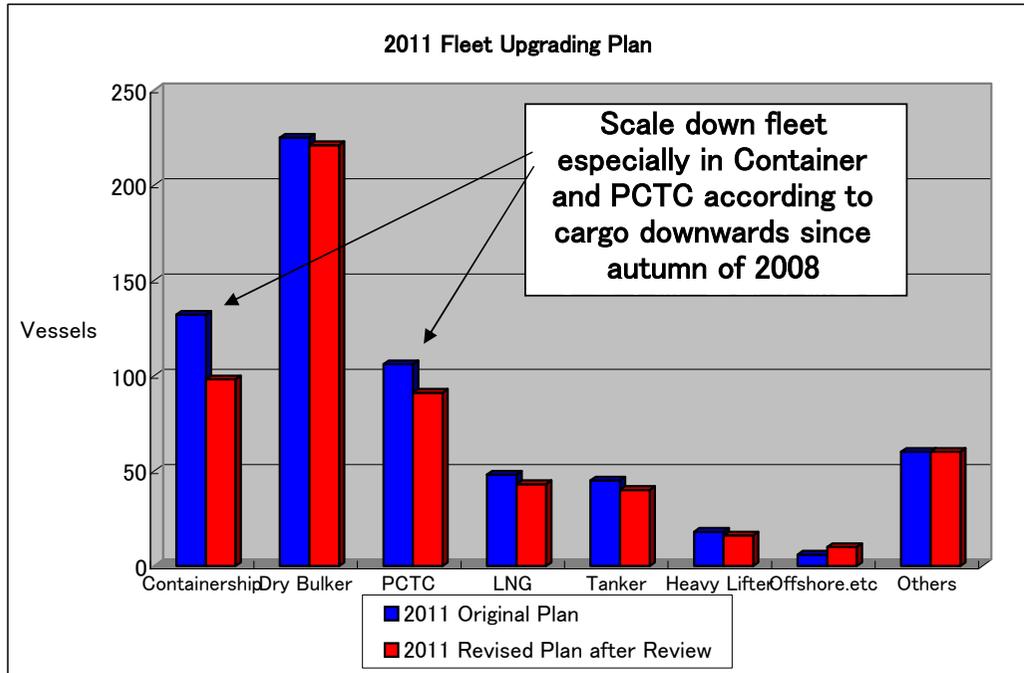
(Fiscal Year)	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
Average Exchange Rate (Yen/US\$)	125	108	99	96	113	123	128	112	110	125	122	114	107	113	117	115	101	100
Average Fuel Price (US\$/MT)	99	83	99	108	118	104	76	117	158	134	161	170	192	286	319	407	504	300

④ 【Fleet Upgrading Plan】

Review of Plan at end 2011 due to drastic change after autumn 2008 640 ⇒ 579 vessels

	As of Mar. '08	New Buildings					As of Mar. '12	Original Prospect	Reviewed Plan
		'08F	'09F	'10F	'11F	4-year total			
Containership	99	6	11	12	14	43	98	132	▲ 34
Dry Bulker	169	16	17	19	23	75	221	225	▲ 4
PCTC	102	4	10	7	8	29	91	106	▲ 15
LNG	34	14	1	0	0	15	43	48	▲ 5
Tanker	28	4	4	0	2	10	40	45	▲ 5
Heavy Lifter	15	3	0	0	0	3	16	18	▲ 2
Offshore.etc	0	0	0	3	4	7	10	6	4
Others	52	2	0	0	0	2	60	60	0
Total	499	49	43	41	51	184	579	640	▲ 61

Original Prospect		'08F	'09F	'10F	'11F	4-year total	As of Mar. '12
	-	44	48	46	42	180	640

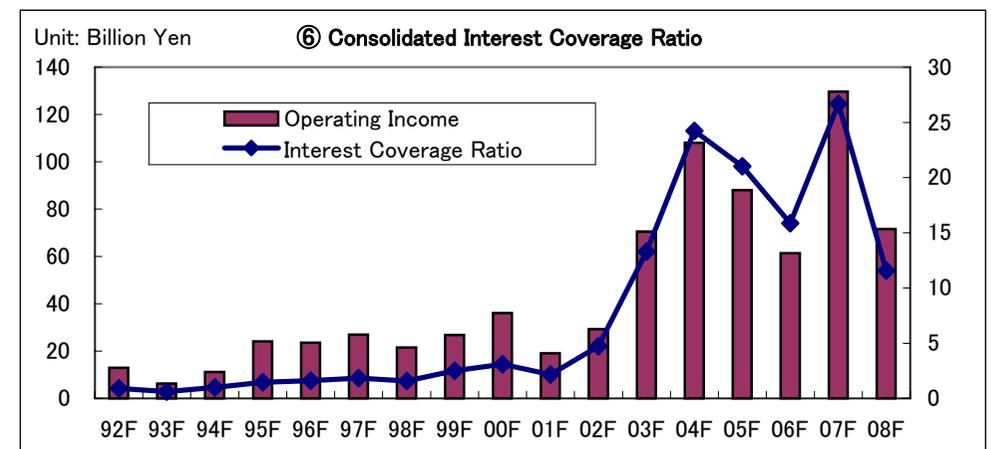
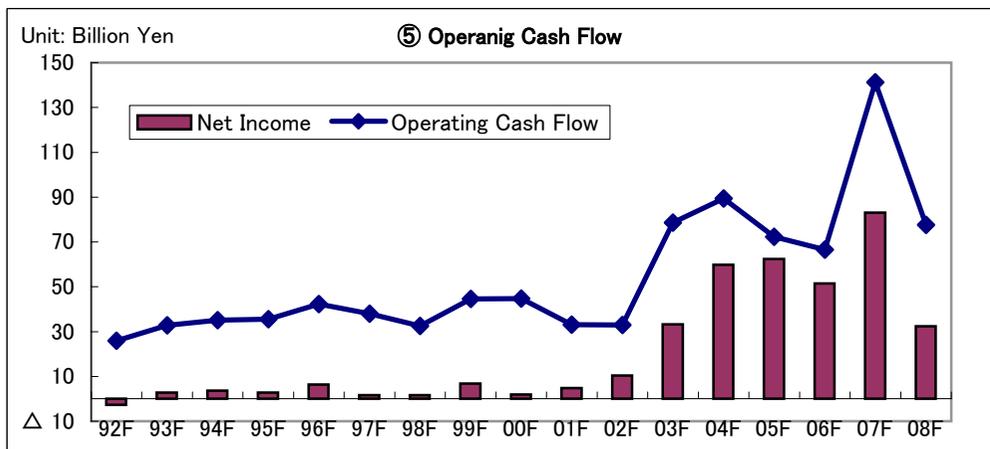
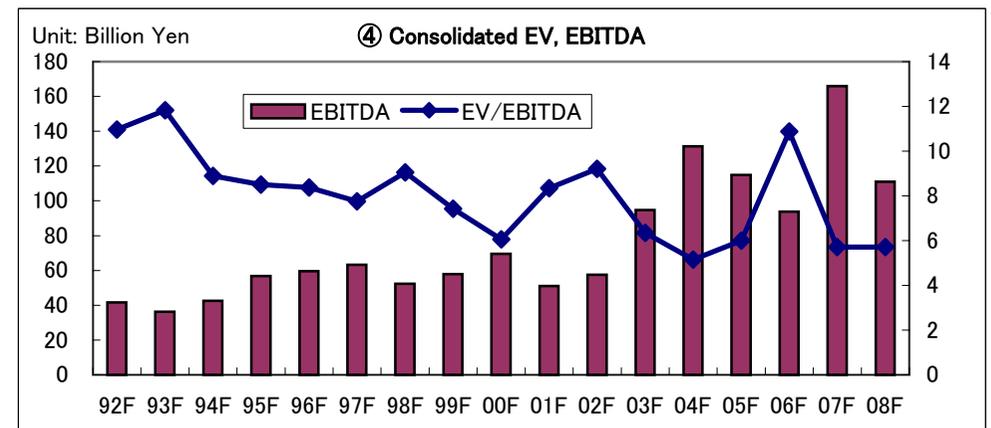
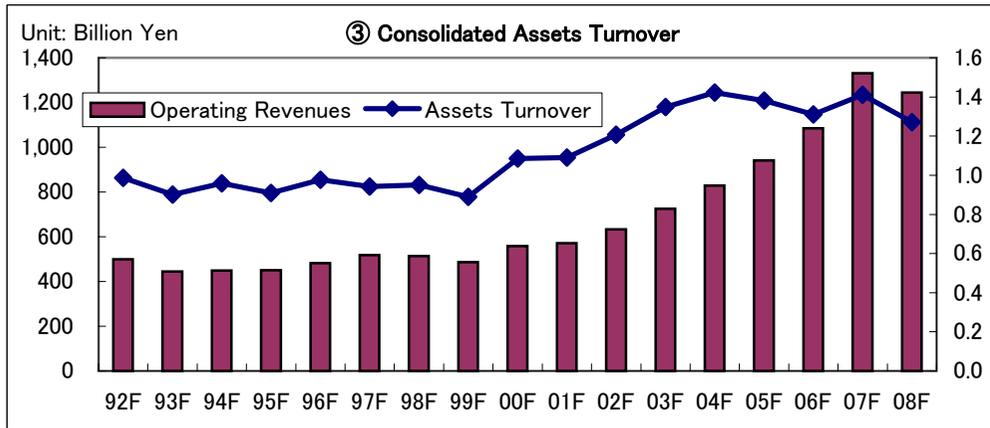
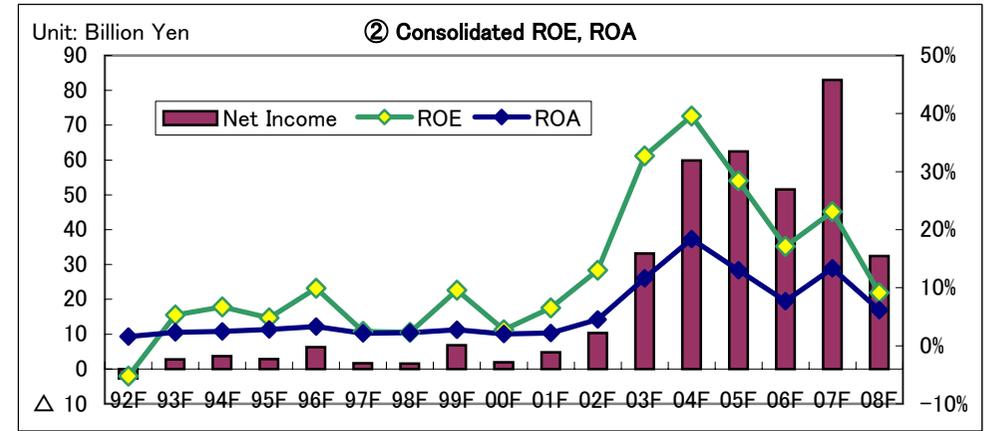
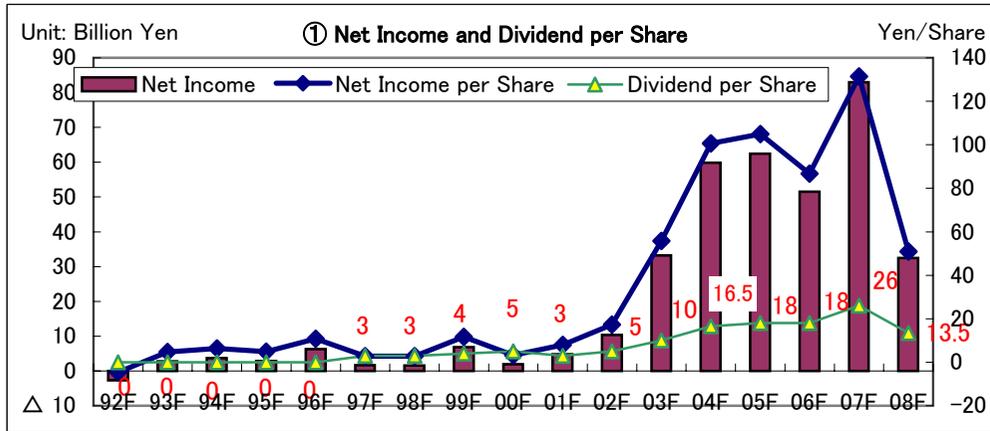


⑤ Newbuildings (Results and Plan)

(As of April 2009)

	2004F Results	2005F Results	2006F Results	2007F Results	2008F Results	2009F Plan	2010F Plan	2011F Plan
Containership	5	5	6	4	6	11	12	14
1,700TEU		0	0	3	3	3	0	0
2,400TEU		0	0	0	1	2	2	0
3,500TEU		3	0	0	0	4	0	0
4,500TEU		2	3	0	0	0	6	9
6,400TEU		0	0	0	0	0	4	1
8,000TEU		0	3	1	2	2	0	4
Dry Bulker	5	19	22	10	16	17	19	23
Capesize	3	8	9	2	6	7	10	15
Panamax	2	3	4	4	0	6	4	4
Handymax		5	4	2	2	0	5	2
SmallHandy		1	2	1	4	2	0	1
Chip/Pulp		0	1	0	3	0	0	0
Corona		2	2	1	1	2	0	1
PCTC	3	8	8	5	4	10	7	8
2,000 unit		2	2	0	0	1	1	0
3,800 unit		0	2	1	0	1	0	0
4,000 unit		1	2	0	0	2	2	2
5,000 unit		3	1	0	0	3	0	0
6,000 unit		2	1	4	4	3	4	6
LNG	2	4	2	2	14	1	0	0
Tanker	3	1	4	3	4	4	0	2
VLCC		0	1	1	0	3	0	0
AFRAMAX		1	1	0	2	0	0	1
LR II		0	2	0	1	1	0	0
LPG		0	0	2	1	0	0	1
Energy New Business						0	3	4
Offshore							3	3
Drillship							0	1
Heavy Lifter	0	0	0	1	3	0	0	0
Others	0	1	5	2	2	0	0	0
Total	18	38	47	27	49	43	41	51

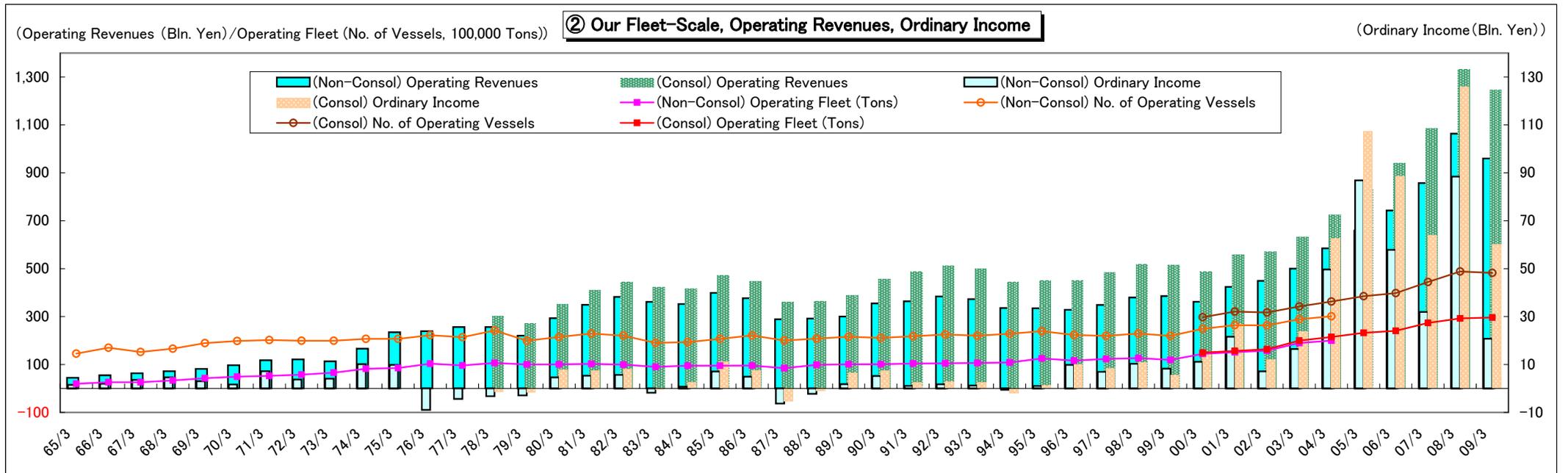
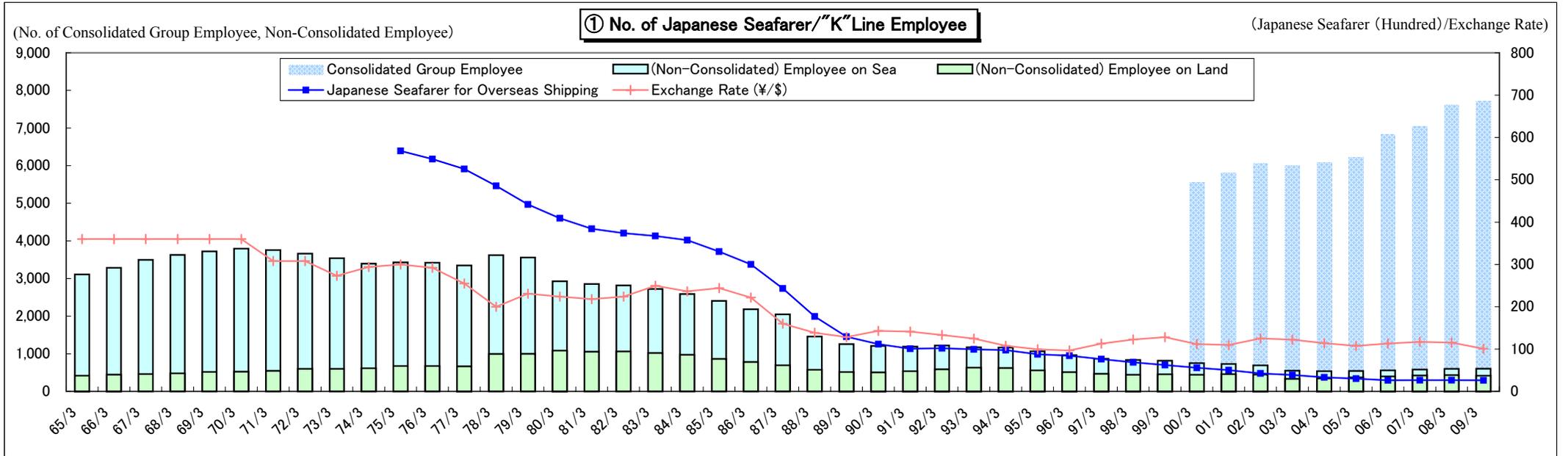
1-3. Trends of Financial Indices in Recent Years



1-4. History of Management Plans

	Plan name	Subjects	Remarks
Nov.1982 - Aug.1983	Emergency Plan for Strengthening the Corporate Foundation ("K" Plan) First Stage	1st theme: profitability improvement plan 2nd theme: efforts to modernize and increase the efficiency of operational systems 3rd theme: a cost-cutting campaign carried out with the participation of all personnel	Radical improvement in operational structure was targeted, feared continued simultaneous slump in three sales division and yen rising.
- Mar.1984	Emergency Plan for Strengthening the Corporate Foundation ("K" Plan) Second Stage	Reconstruction of system to implement "K" plan, mainly for above 2nd theme Promotion of office automation, Improvement in business procedure, Cost reduction etc	(Reference-in June 1983, the Head Office was relocated to current location)
Apr.1984 - Mar.1987	Intermediate-term Operational Improvement Plan (A part of this plan was named New "K" Plan.)	1) Emergency Measures (disposal of uneconomical ships, establishment land-based and marine personnel plan.) 2) Reinforcement of operational capabilities (development of an internationally competitive fleet, Enhancement of cost control, Promotion of new business) 3) Augmentaton of financial measures 4) Modernization and increasing the efficiency of operational organization (streamlining of land-based operations, reorganization and utilization of an information systems) 5)Promotion of safe vessel navigation and cost reduction	Aimed to establish the capability to resume dividend payment. (However, Plaza Accord in 1985 drastically rose yen to 150 yen per one U.S. dollar, and the U.S. Shipping Act of 1984 made container freight fall significantly. Our losses were expanded.)
Apr.1987 - Mar.1989	Emergency Ratiolization Plan	1) Disposal of uneconomical ships 2) Make the organization more efficient and streamlined. (inc. spinning off our subsidiaries) 3) Slashing of both of land and sea workforth with intoroduction of a special retirement policy. <"Emergeny Employment Measures"(agreed with All Japan Seamen's Union) 4) Improvement and reinforcement of operational capabilities 5) Measures against stronger yen 6) Implemantation of measures for cost reduction.	Almost all targets completed on schedule. =>Once Operating Income moved into the black F88.
While we did not have specific management plan during this period, there was a campaign for imporoving customer satisfaction (named 'One for All, All for One', April 1990 - March 1994), and "Project 20*20", an internal campaign in Containership division around 1991 (targeting at total USD 40 min. profit rise through revenue up by 20 mil. and cost down by 20 mil.) , etc.			
Dec.1992 '- Around Oct.1993	Target-10	- Reexamining costs and expenses from every angle	
Oct.1993 - Mar.1996	"K"Line Reengineering Program (K.R. Program)	- Strengthening international competitiveness through cost-saving and shift as many jobs as possible to overseas - Establishment of structure to respond customers' needs and to ensure stable profit even if faced with exchangerate rate 100 yen per one U.S. dollar,.	
Apr.1996 - Mar.1998	K.R.Phase II	- Realization of the situation to implement continual payment of dividends - Reconstruction of operation on a consolidated basis by the entire "K"Line group	Unfinished targets in K.R. Program. From non-consolidation to consolidation. Aiming for competetiveness matching shipping companies in developing Asia. ==>In F97 dividend paid after 15 year absense
Apr.1998 - Mar.2002	New"K"Line Spirit for 21(New K-21) *In '00, raised the numerical targets *Completed a year ahead of schedule as most targets achieved	- Standing firm in our basic policy of pursuit of profitability while trying to expand scale of business, and continuing stable payment of dividends - To expand shipping-based logistics business globally with customer-oriented attitude, and to aim at a corporate group which is soild, and fully committed to challenge with courage.	Aiming to make containership division move into the black, which was not achieved in K.R.PhaseII. Positive management plan for the first time in many years. =>Most targets achieved, though 9.11 changed conditions at all.
Apr.2002 - Mar.2004	KV-Plan *Completed a year ahead of schedule as most targets achieved	1. Further enhancing of Company's overall organization through cost reductions and profitable use of IT, etc. 2. Reinforcement of globalization firmly based on regional communities and pursuit of business synergy among business sectors. 3. Initiate stronger efforts to implement logistics business. 4. Pursuit of technical innovations in marine transport, perfection of safety in navigation and cargo operations, and further contribution to environmental preservation. 5. Strengthening of corporate governance aiming at more transparency and greater effectiveness in management.	Reconstruction of containership business-"Cost Slash 300" (Total 30 bln. yen cost reduction plan: 15 bln. is from deployment of larger ships) In F03 (ends Mar. '04) most of final targets inc. numerical ones were atained a year ahead of schedule. ==>"K"Line Vision 2008
Apr.2004 - Mar.2006	"K"LINE Vision 2008 -Sustainable Growth and Establishment of a Stable Profitability Structure- (Completed as most targets achieved)	1.Ensuring a stable profitability structure through reinforcing our business base 2.Creation of a high-level, refined and more matured culture of the "K" Line Group with materialization of dreams and upgrading of the "K" Line Brand 3.Reinforcement of corporate governance and response to risk management	Set a vision for F08, to regard the period from now to F09, our 90th anniversary, as a runway. As profit targets, set F04, 05 estimation & F08 vision Fulfilled most final numerical goals in F05/fuel price hike=>2008
Apr.2006 - Mar.2008	"K"LINE Vision 2008 -Sustainable Growth and Establishment of a Stable Profitability Structure- (Completed as most targets achieved)	-Measures to support systematic expansion of business scale (new target) - Response to changes in business enviroments (new target)	NOT achieved F06 targets due to container freight drop F07 results exceeded most targets for F08 in the plan due to dry bulk market hike and containership freight restoration, & condition change => "K"Line Vision 100
Apr.2008 - Mar.2012 + Image for 2019	"K"Line Vision 100 Themes: Synergy for All and Sustainable Growth	1. Activities to promote environmental protection 2. Stable safety ship operation administration structure 3. Borderless management through the best and strongest organization 4. Strategic investment and proper allocation of management resources 5. Improvement of corporate value and complete risk management	The plan based on what we will be like in 2019 when we celebrate our 100th anniversary. Detailed targets are set for 4years fom 2008F to 2011F

1-5. Effort for Structural Reform and Business Scale Expansion



1-6. Current Business Composition

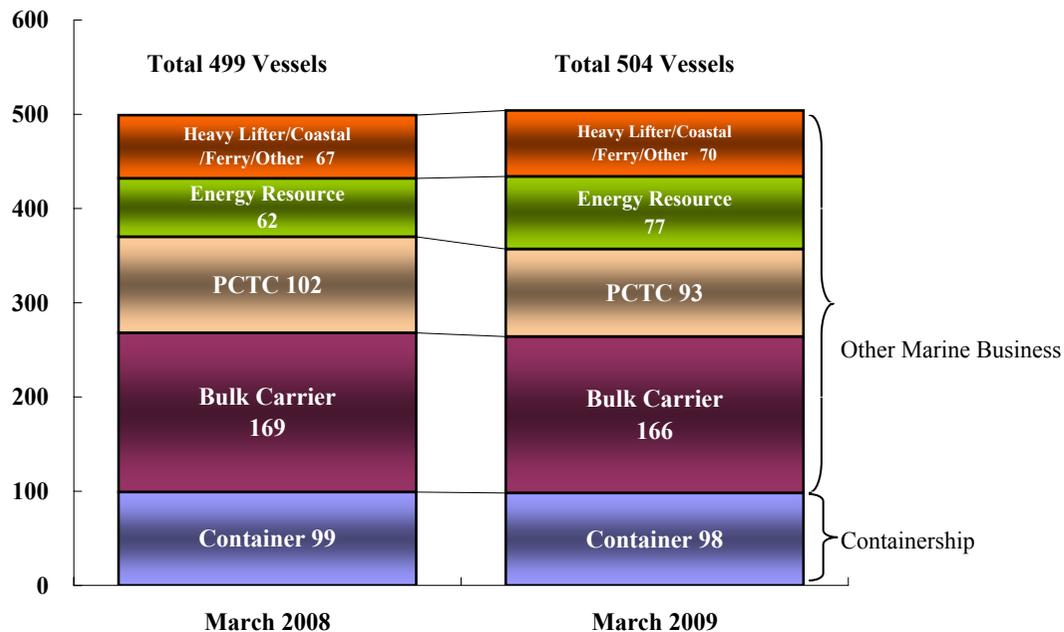
① Operating Revenues, Ordinary Income <Division-wise>

(Unit: Billion Yen) Billion Yen

Business Division		FY2005	FY2006	FY2007	FY2008
Containership Business	Operating Revenues	451.4	503.5	599.8	530.1
	Ordinary Income	30.5	-7.8	4.7	-37.3
Other Marine Business	Operating Revenues		468.4	615.8	609.1
	Ordinary Income		66.0	115.3	92.9
Others	Operating Revenues	289.4	113.6	115.4	105.2
	Ordinary Income	58.1	5.7	5.9	4.4
Total	Operating Revenues	740.8	1,085.5	1,331.0	1,244.3
	Ordinary Income	88.6	63.9	125.9	60.0

※ For FY2005, we disclosed our total results in two categories: Containership Business and Others

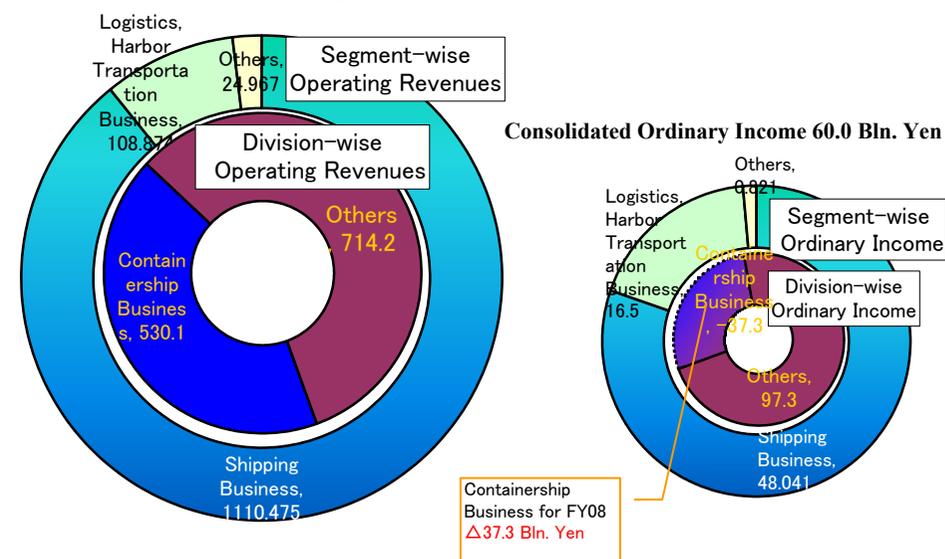
③ Fleet Composition



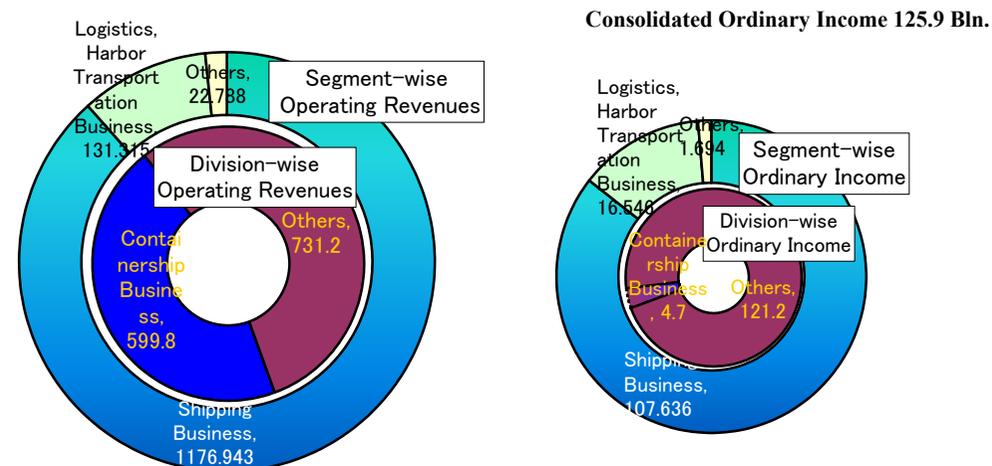
※ Long-term chartered ships are included above fleet

② "K"Line's Operating Revenues/Ordinary Income

FY2008 Consolidated Operating Revenues: 1,244.3 Bln. Yen

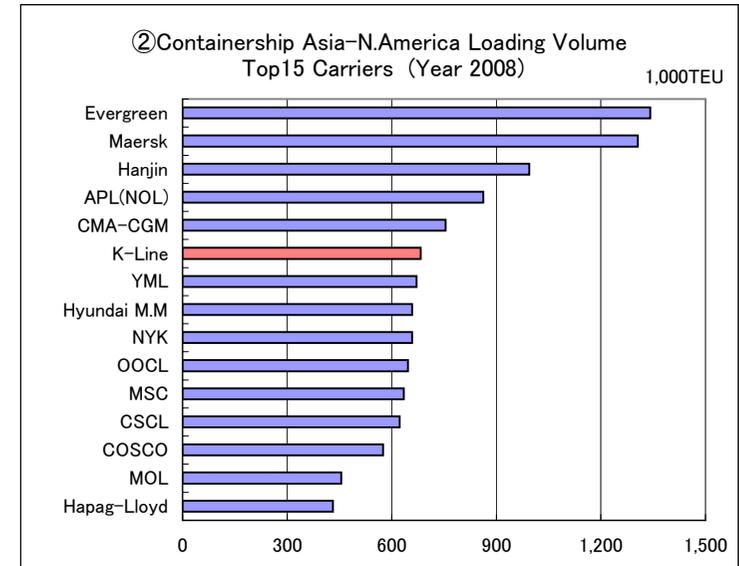
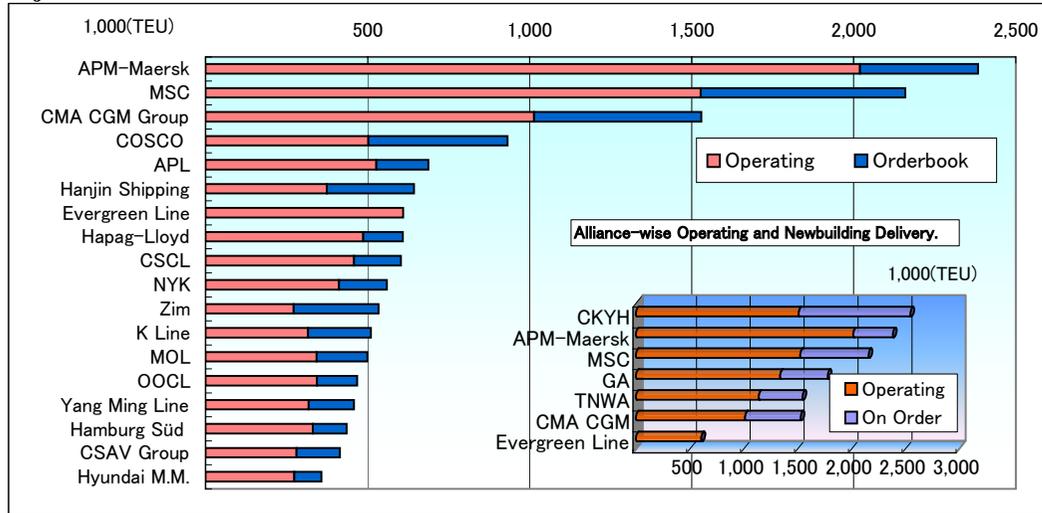


FY2007 Consolidated Operating Revenues: 1,331.0 Bln.



2. Comparison to Major Shipping Companies <2-1. Fleet-scale Ranking>

① Major Container Carriers



Top 18 Container Carriers ranked by operating capacity (TEU)

Rank	Operator	Operating	Orderbook	Total	Prev. Total	YoY
1	APM-Maersk	2,019,474	365,338	2,384,812	2,338,382	2.0%
2	MSC	1,527,600	632,204	2,159,804	1,833,496	17.8%
3	CMA CGM Group	1,013,516	516,962	1,530,478	1,484,550	3.1%
4	COSCO	502,641	430,202	932,843	812,516	14.8%
5	APL	526,813	162,176	688,989	667,995	3.1%
6	Hanjin Shipping	373,995	270,448	644,443	622,935	3.5%
7	Evergreen Line	609,487	0	609,487	636,104	▲ 4.2%
8	Hapag-Lloyd	486,870	122,500	609,370	637,751	▲ 4.5%
9	CSCL	457,759	146,544	604,303	651,266	▲ 7.2%
10	NYK	412,111	148,760	560,871	631,182	▲ 11.1%
11	Zim	272,222	262,210	534,432	463,251	15.4%
12	K Line	316,120	194,646	510,766	478,446	6.8%
13	MOL	342,369	157,736	500,105	556,784	▲ 10.2%
14	OOCL	343,804	125,054	468,858	484,949	▲ 3.3%
15	Yang Ming Line	318,035	141,402	459,437	439,321	4.6%
16	Hamburg Süd	331,343	104,670	436,013	461,194	▲ 5.5%
17	CSAV Group	280,343	135,437	415,780	415,399	0.1%
18	Hyundai M.M.	273,606	84,510	358,116	405,250	▲ 11.6%

Rank	Alliance	Operating	On Order	Total	Prev. Total	YoY
1	CKYH	1,510,791	1,036,698	2,547,489	2,353,218	8.3%
2	APM-Maersk	2,019,474	365,338	2,384,812	2,338,382	2.0%
3	MSC	1,527,600	632,204	2,159,804	1,833,496	17.8%
4	GA	1,341,192	439,074	1,780,266	1,836,770	▲ 3.1%
5	TNWA	1,142,788	404,422	1,547,210	1,630,029	▲ 5.1%
6	CMA CGM Group	1,013,516	516,962	1,530,478	1,484,550	3.1%
7	Evergreen Line	609,487	0	609,487	636,104	▲ 4.2%

Rank *	Operator	Cargo Loaded
1 (2)	Evergreen	1,342
2 (1)	Maersk	1,306
3 (3)	Hanjin	994
4 (4)	APL(NOL)	862
5 (12)	CMA-CGM	755
6 (8)	K-Line	683
7 (7)	YML	671
8 (10)	Hyundai M.M	659
8 (11)	NYK	659
10 (9)	OOCL	647
11 (13)	MSC	635
12 (5)	CSCL	623
13 (6)	COSCO	575
14 (14)	MOL	455
15 (15)	Hapag-Lloyd	431

Rank	Alliance	Cargo
1 (1)	CKYH (including K-Line)	2,923
2 (2)	TNWA	1,977
3 (3)	GA (except MISC)	1,737
4 (5)	Evergreen	1,342
5 (4)	Maersk	1,306

*() is ranking of 2007

Source: Piers, as of 2008

Source : AXSliner (<http://www1.axsmarine.com>), as of July 2009

2-1. Fleet-scale Ranking

③ Historical Top 20 Container Carriers Ranked by Operating Full Containership Capacity (From 1983, biyearly)

Rank	'83	'85	'87	'89	'91	'93	'95	'97	'99	'01	'03	'05	'07	'09
1	HAPAG	EVERGREEN	EVERGREEN	EVERGREEN	EVERGREEN	MAERSK	MAERSK	MAERSK	MAERSK/SL	MAERSK	MAERSK	MAERSK	MAERSK	MAERSK
2	SEA-LAND	USL	MAERSK	MAERSK	MAERSK	EVERGREEN	SEA-LAND	SEA-LAND	EVERGREEN	P&ON	MSC	MSC	MSC	MSC
3	MAERSK	MAERSK	NYK	SEA-LAND	SEA-LAND	EVERGREEN	EVERGREEN	P&ON	P&ON	EVERGREEN	P&O/FARREL	EVERGREEN	CMA CGM	CMA CGM
4	OCL	SEA-LAND	APL	APL	NYK	COSCO	COSCO	EVERGREEN	HANJIN/SEN	HANJIN	EVERGREEN	CMA CGM/ANL	EVERGREEN	COSCO
5	NYK	HAPAG	YANGMING	NYK	COSCO	NYK	NYK	COSCO	MSC	MSC	HANJIN/SEN	HAPAG	HAPAG	APL
6	OOCL	OCL	SEA-LAND	GOSCO	APL	P&OCL	P&OCL	HANJIN	COSCO	APL(NOL)	COSCO	HANJIN/SEN	CSCL	HANJIN
7	APL	NYK	HAPAG	HAPAG	MOL	HANJIN	NEDLLOYD	NOL/APL	NOL(APL)	COSCO	APL(NOL)	COSCO	COSCO	EVERGREEN
8	NEDLLOYD	OOCL	OOCL	HAPAG	OOCL	"K"LINE	HANJIN	MSC	NYK/TSK	CP SHIPS	CMA CGM/ANL	CSCL	NYK	HAPAG
9	EVERGREEN	"K"LINE	P&OCL	"K"LINE	HAPAG	NEDLLOYD	MOL	NYK	GMA/CGM	NYK	"K"LINE	APL(NOL)	APL(NOL)	CSCL
10	UASC	APL	"K"LINE	YANGMING	HANJIN	HAPAG	APL	HMM	CP	CMA CGM	NYK	NYK	HANJIN	NYK
11	MOL	MOL	MOL	HANJIN	"K"LINE	APL	HAPAG	MOL	ZIM	MOL	CP SHIPS	MOL	OOCL	ZIM
12	USL	COSCO	COSCO	MOL	YANGMING	YANGMING	DSR-SENATOR	MOL	MOL	OOCL	OOCL	OOCL	"K"LINE	"K"LINE
13	YANGMING	NEDLLOYD	NEDLLOYD	P&OCL	P&OCL	MOL	"K"LINE	YMTC	"K"LINE	"K"LINE	ZIM	ZIM	MOL	MOL
14	CGM	UASC	ZIM	NEDLLOYD	NOL	OOCL	OOCL	HMM	HMM	ZIM	OOCL	ZIM	ZIM	OOCL
15	ZIM	CGM	HANJIN	ZIM	ZIM	YANGMING	YANGMING	OOCL	OOCL	HL	HAPAG	ZIM	YANGMING	YANGMING
16	"K"LINE	ZIM	CGM	NOL	SCANDUTCH	ZIM	NOL	HL	YMTC	HMM	YANGMING	YANGMING	CSAV	HAMBURG SUD
17	BALTIC	YANGMING	UASC	CGM	UASC	HYUNDAI	HMM	HL	UASC	UASC	CSCL	HAMBURG SUD	HAMBURG SUD	CSAV
18	W.WILHELMSSEN	W.WILHELMSSEN	NOL	UASC	NEDLLOYD	UASC	ZIM	DSR-SENATOR	UASC	YANGMING	HMM	HMM	HMM	HMM
19	NOL	BALTIC	BSC	W.WILHELMSSEN	CHO YANG	CGM	GMA	CMA	CSAV	CSCL	HAMBURG SUD	PIL	PIL	PIL
20	COSCO	W.WILHELMSSEN	W.WILHELMSSEN	BSC	CGM	CHO YANG	MSC	CONTSIP	CHO YANG	HAMBURG SUD	CSAV	WAN HAI LINES	WAN HAI LINES	UASC

(Area-wise No. of Companies)	'83	'85	'87	'89	'91	'93	'95	'97	'99	'01	'03	'05	'07	'09
U.S.A	3	3	2	2	2	2	2	1	0	0	0	0	0	0
Europe	7	7	7	6	6	5	7	6	5	6	6	5	5	5
Japan	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Asia*	5	5	6	6	7	8	7	9	8	8	8	10	10	9
Other	2	2	2	2	2	2	1	1	4	3	2	2	2	3

- Top 20 as of '83: U.S.A.: 3, Europe: 7, Japan: 3, Asia (other than Japan): 5, Others 2
'07: Europe: 5, Japan: 3, Asia (other than Japan): 10, Others: 2; U.S. carriers went away, and Asian shipping companies increased
- The No. of European operators reduced, but through M&As after '95, business scale of each was enlarged. In '07, 4 of top 5 were Europeans.
- Because of Europeans' decrease, Asian companies specialized in containership business (like PIL, WAN HAI) came into top 20 recently.
- No. of Japanese Containership Operators:
 until '87 6 (Existing 3 + Yamashita Shinnihon Steamship Co. Ltd, Japan Line Ltd., Showa Line Ltd.)
 '88 4 ('Showa Line' withdrew, NLS*** (Nippon Liner System Co., Ltd.) formed.)
 '91 3 (NYK acquired NLS)

*** Joint Venture for containership business spun out of 'Yamashita Shinnihon' and 'Japan Line'.

- Time-series Major Events
 '84 U.S. Shipping Act 1984 effective
 '85 Plaza Accord
 '86 US Line busted. (No. of American carriers : 3=>2)
 'Emergency Employment Measure' introduced
 '88 Kaizoshin** Asia-N.America route Working Group's report issued
 Showa Line withdrew, and NLS*** established
 (No. of Japanese carriers: 6=>4)
 '91 NYK acquired NLS*** (No. of Japanese carriers: 4=>3)
 '96 P&O and NEDLLOYD merged. 'P&O NEDLLOYD' (P&ON) formed.
 '97 NOL acquired APL (No. of American carriers : 2=>1)
 '99 MEARSK acquired SEALAND (American carriers disappeared)
 '04 MAERSK acquired P&ON

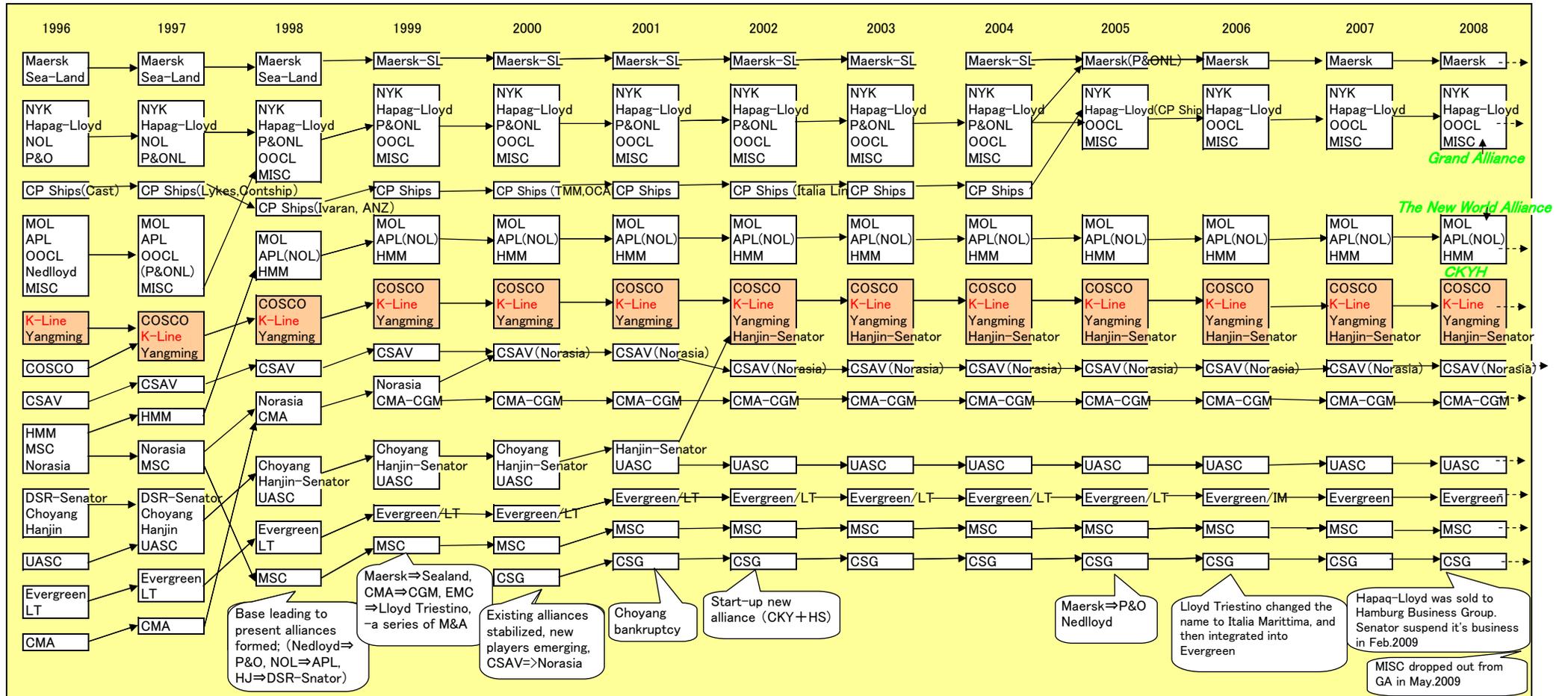
** Council for Rationalization of Shipping and Shipbuilding Industries

***Joint Venture for containership business spun out of 'Yamashita Shinnihon' and 'Japan Line'.

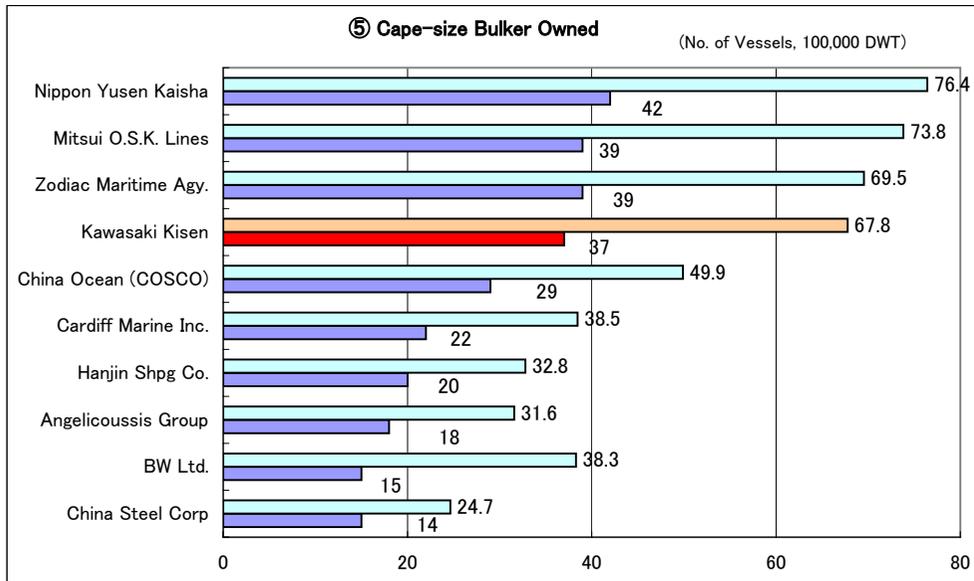
Data: Containerisation International Yearbook

2-1. Fleet-scale Ranking

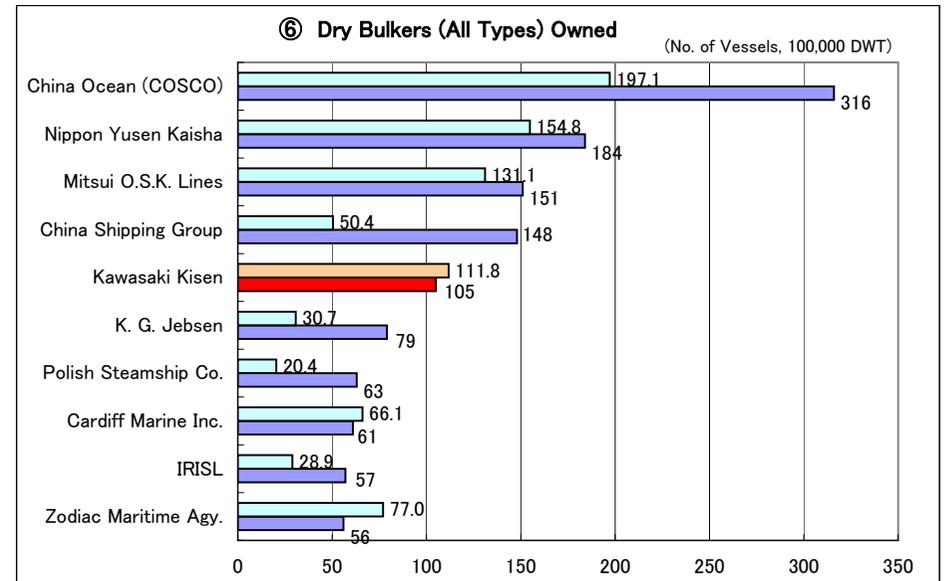
④ Transition of Alliances for Containership Business



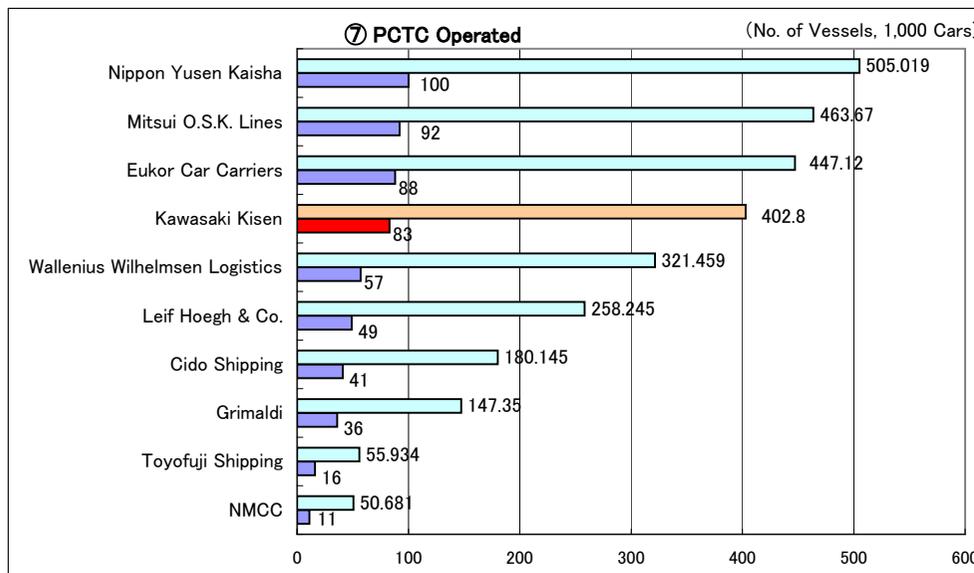
2-1. Fleet-scale Ranking



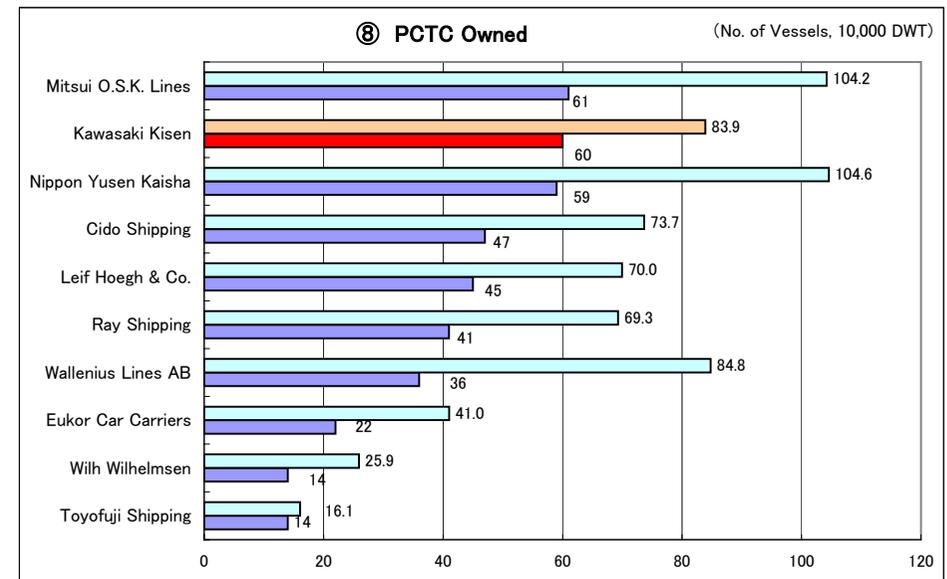
Clarkson as of June.2009



Clarkson as of June 2009

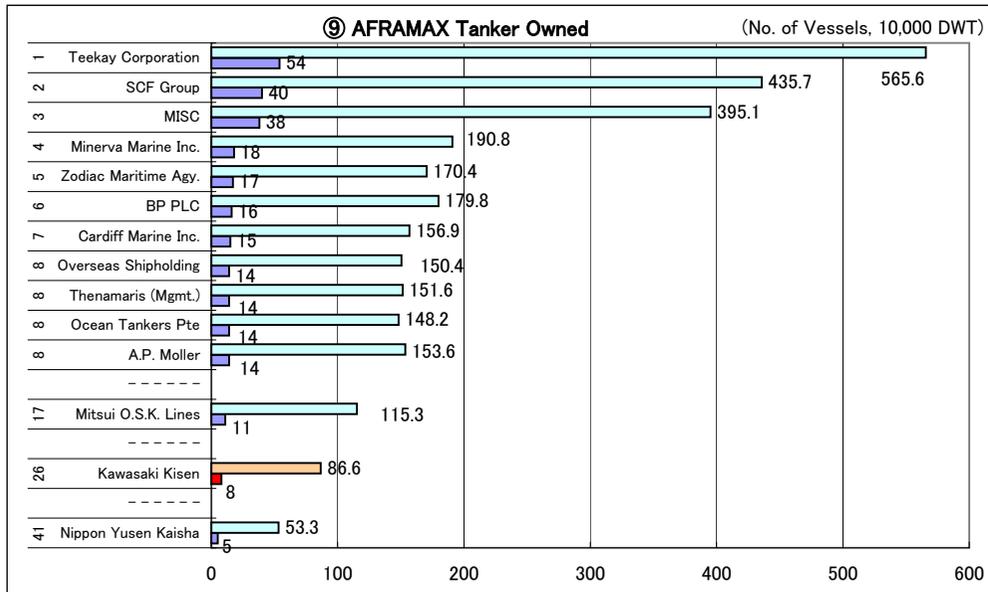


Fearnley World PCC Report July 2008

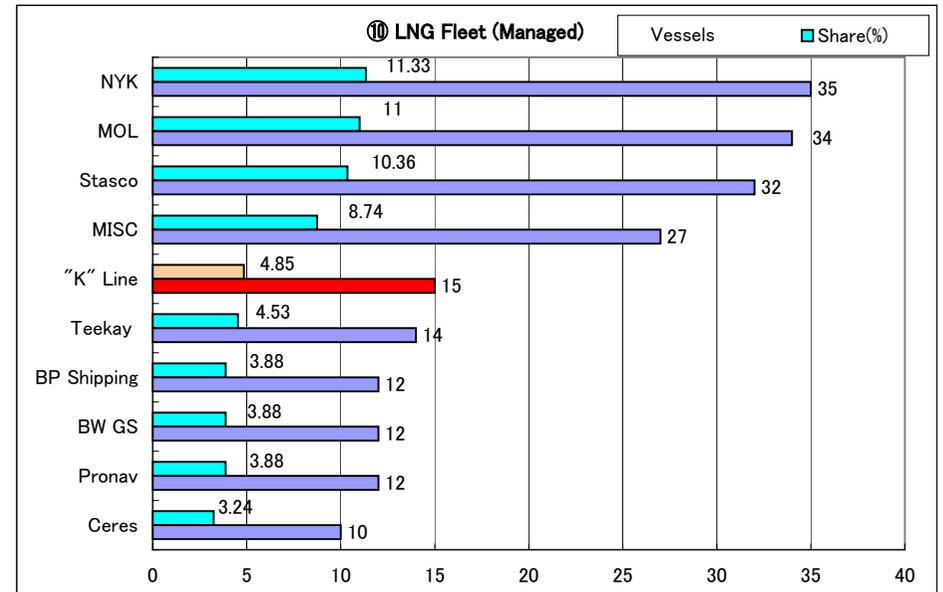


Clarkson as of June 2009

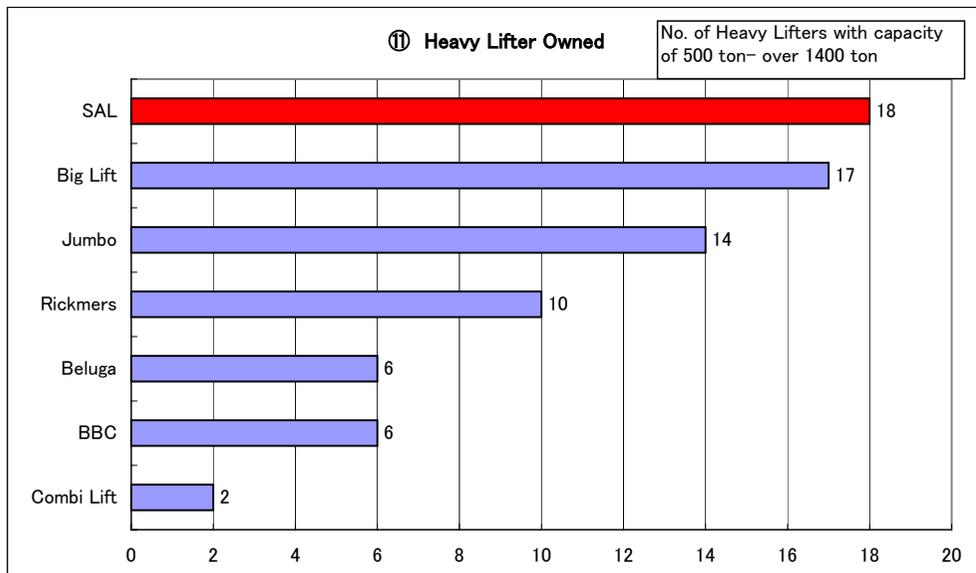
2-1. Fleet-scale Ranking



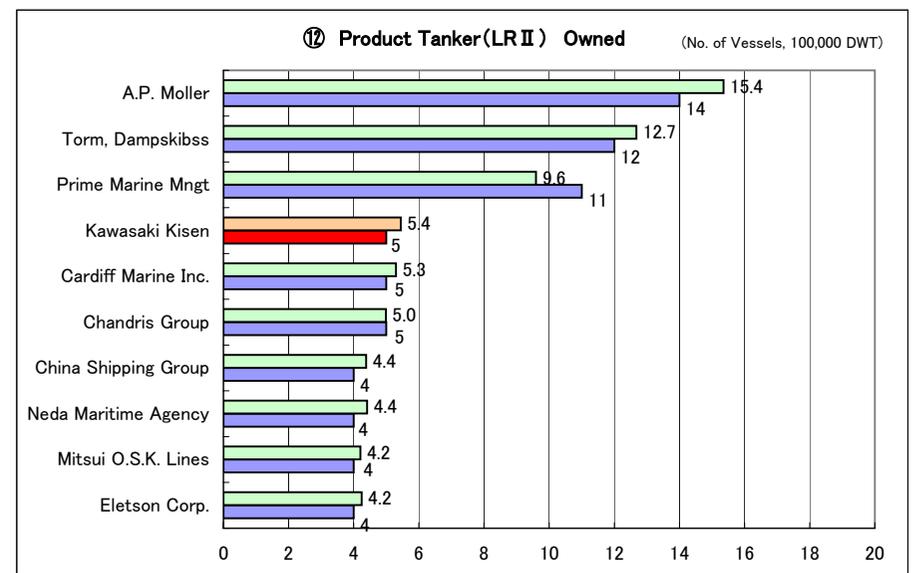
Clarkson as of June 2009



Reserched by "K"Line in June.2009



Reserched by "K"Line in June.2009

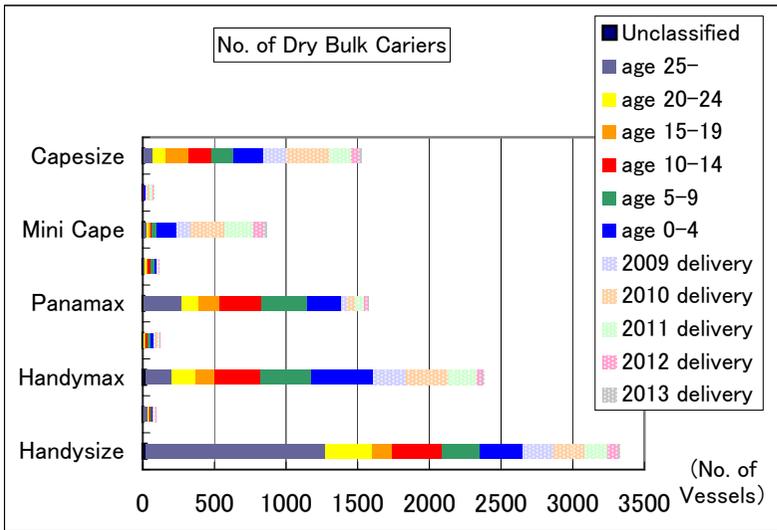


Clarkson as of June 2009

3. World Market <3-1. Fleet Scale by Vessel-type/Age>

Min/Max* Fleet Increase Schedule (Estimated)

① DryBulk Carrier Delivery by Vessel-type/Age



Lloyd's Shipping Economist as of April 1 2009

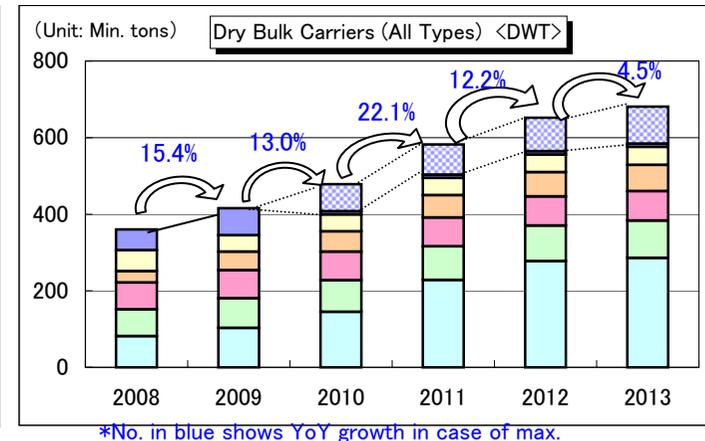
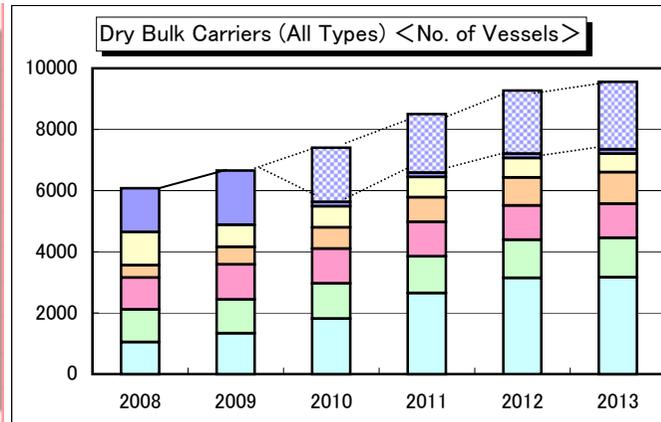
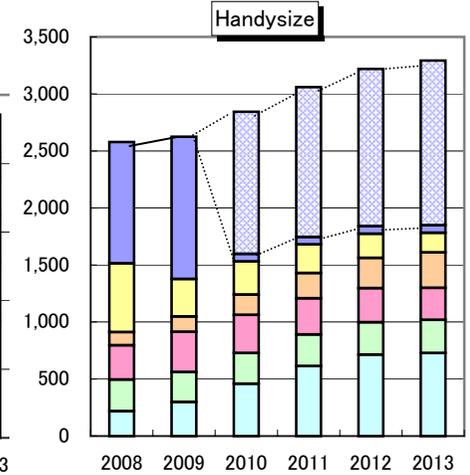
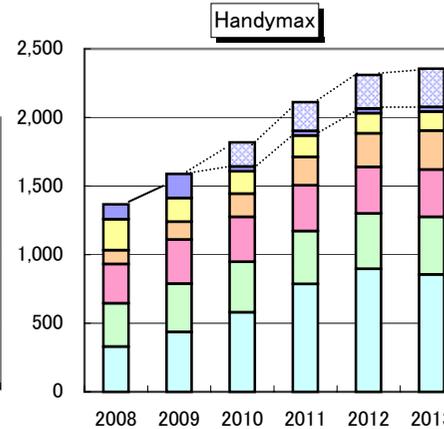
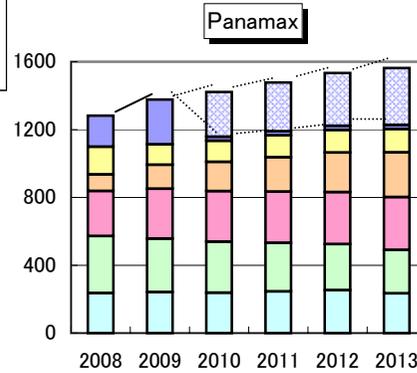
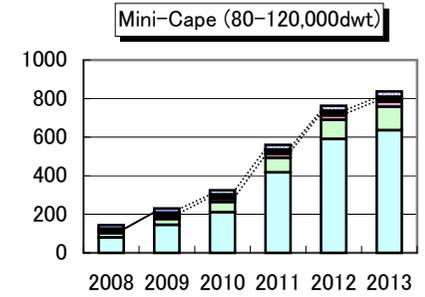
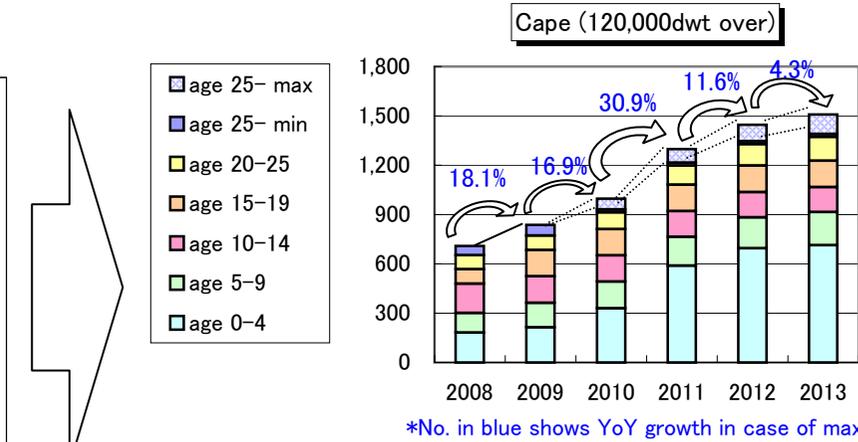
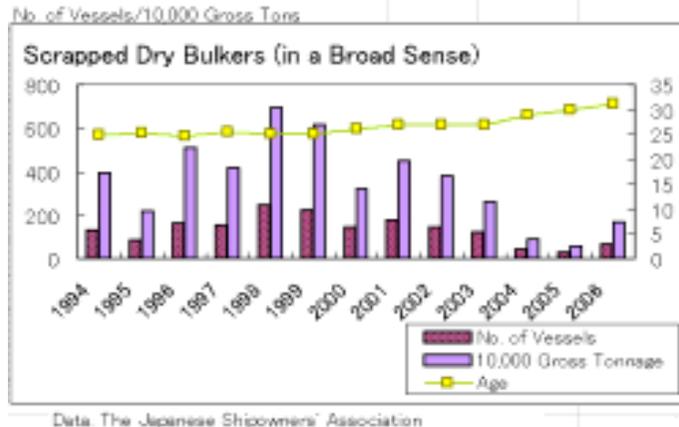
*min/max are set as follows:

age 25-max: all ships over age 25 are in operation continuously.

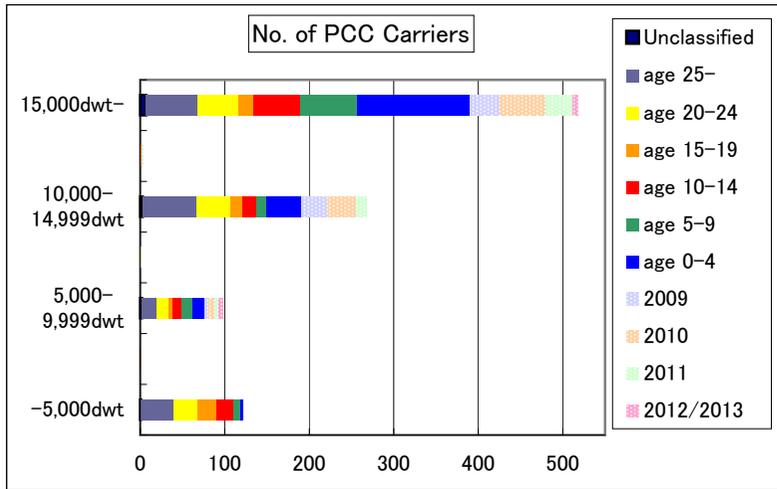
age 25-min: all ships are scrapped at the age of 25.

Actually, average life is approx.30, even in case of dry bulkers. (see below)

As calculation basis, ships are assumed to distribute evenly in each age category, which is same for containership and PCC fleet in following pages. (exc. oil tankers)

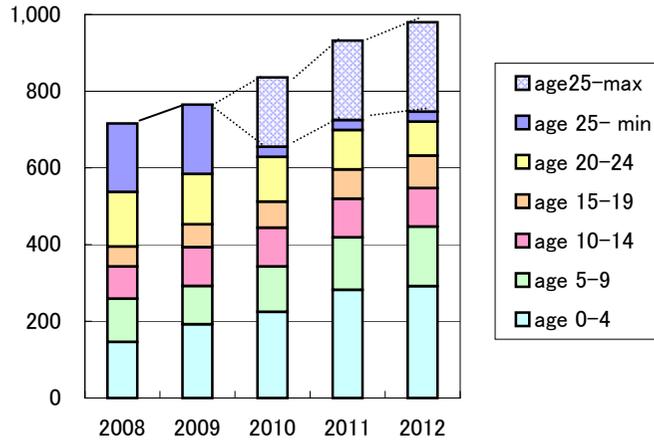


② PCC Delivery by Vessel-type/Age

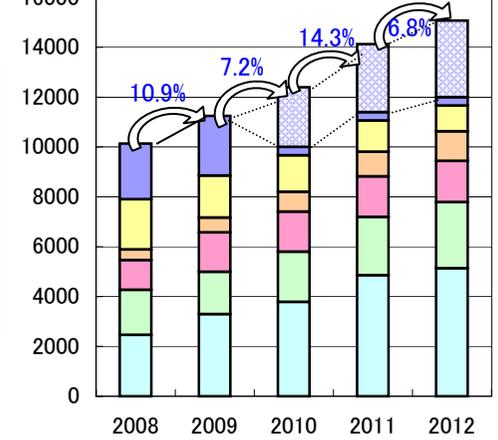


Lloyd's Shipping Economist as of April 1 2009

PCC<All Types> (No. of Vessels)

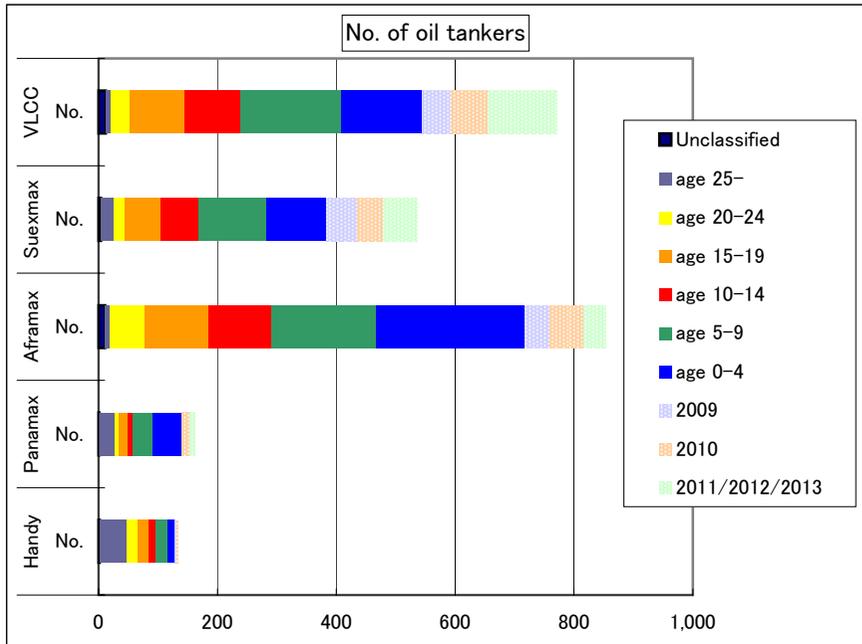


PCC<All Types> (DWT)

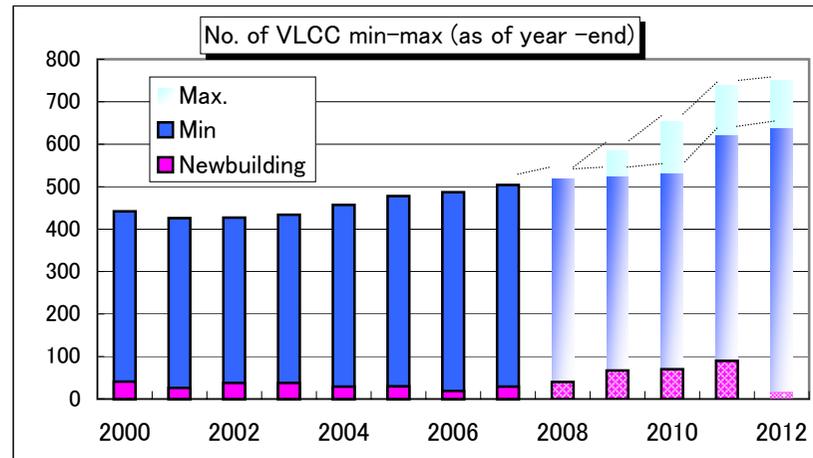


*No. in blue shows YoY growth in case of max.

③ Oil Tanker Delivery by Vessel-type/Age



Lloyd's Shipping Economist as of April 1 2009



"K" Line processed based on Fearnleys, etc.

* Data are as of the end of each year. '09 Jan., No. of VLCC: 518 (123 of non-double hull tankers, and 395 of double hull)

* Assumptions for no. of non-double hull tankers to be scrapped or converted after '09:

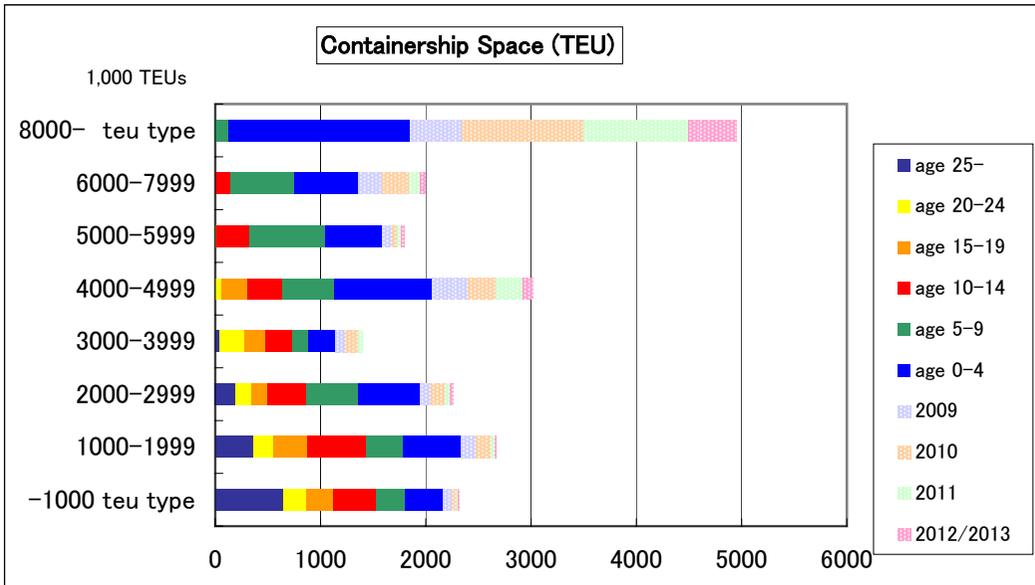
Min. Year '09, and '10 : Half of non-double hull ships still existing at the end of '08 will

be scrapped by half each year. By the end of '10, all of non-double hull will be demolished.

Max. After year '09, vessels only over 25 year old will be scrapped.

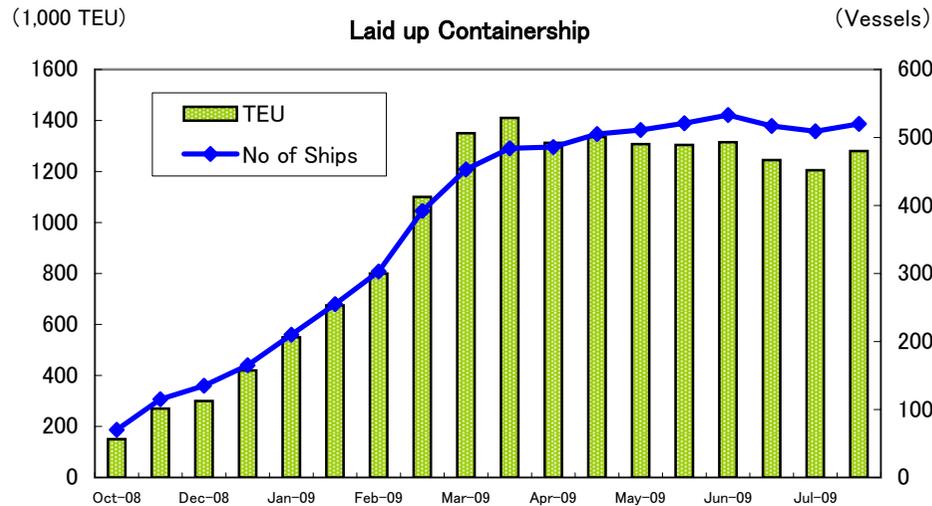
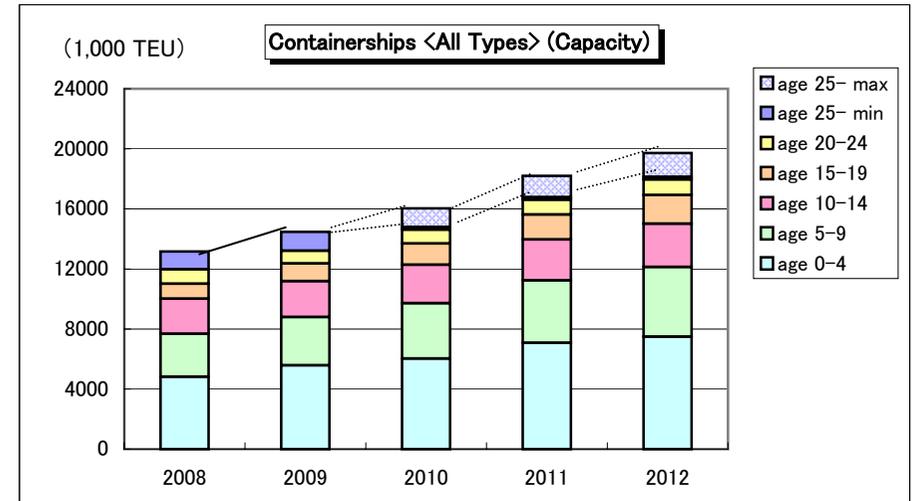
3. World Market <3-1. Fleet Scale by Vessel-type/Age>

④ Containership Delivery by Vessel-type/Age

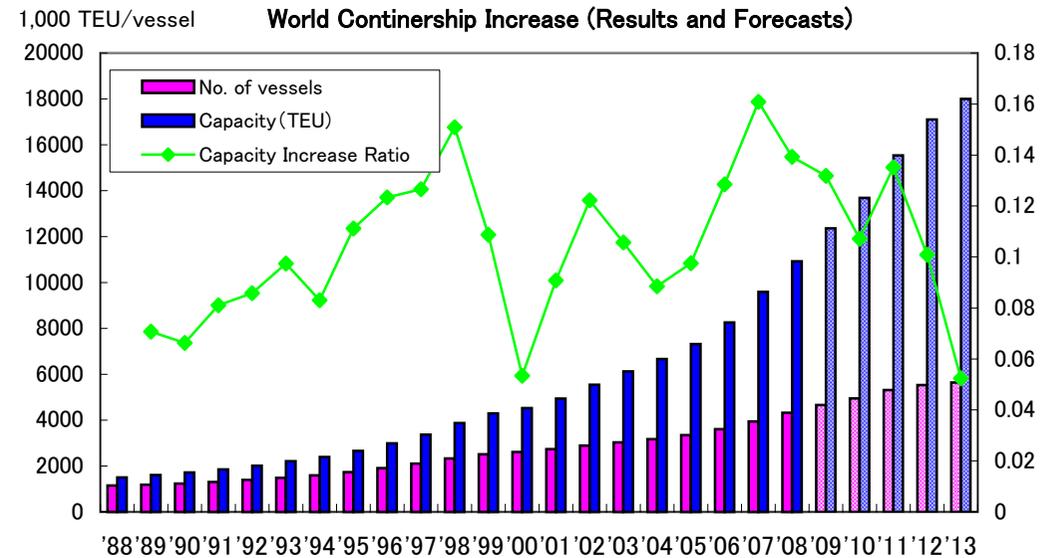


Lloyd's Shipping Economist as of April 1 2009

Min/Max* Fleet Increase Schedule (Estimated)

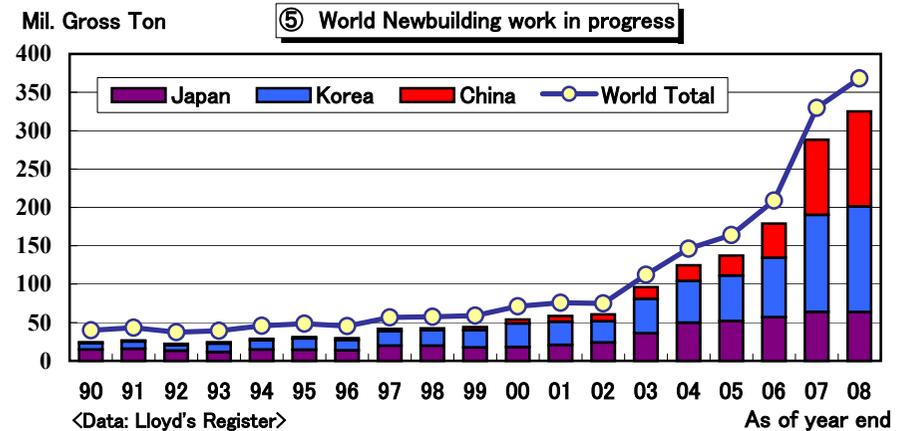
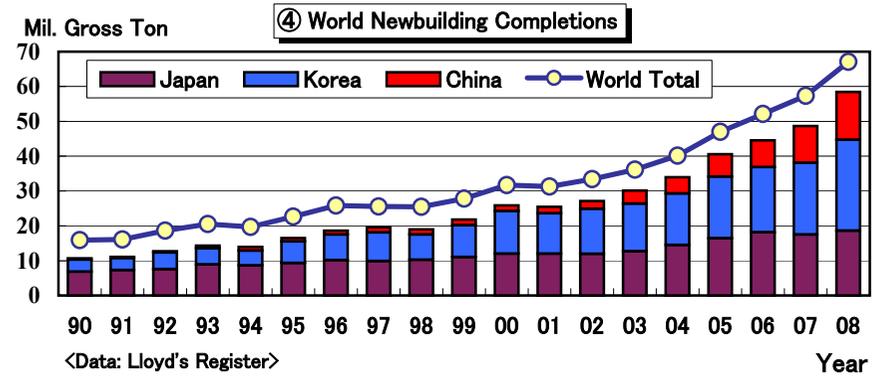
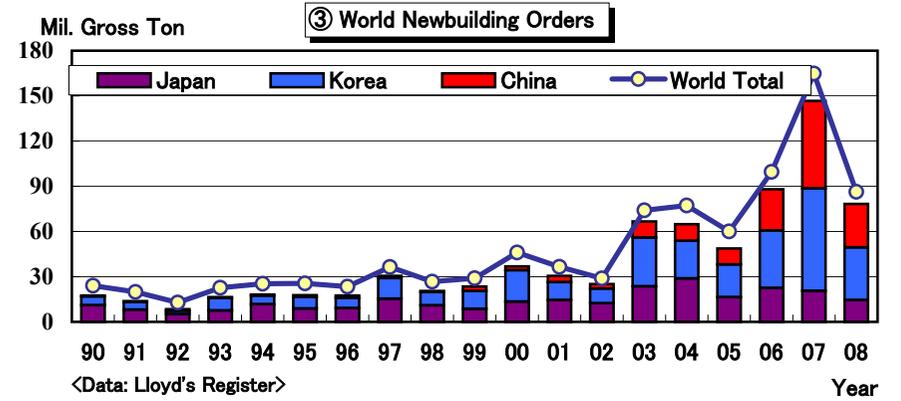
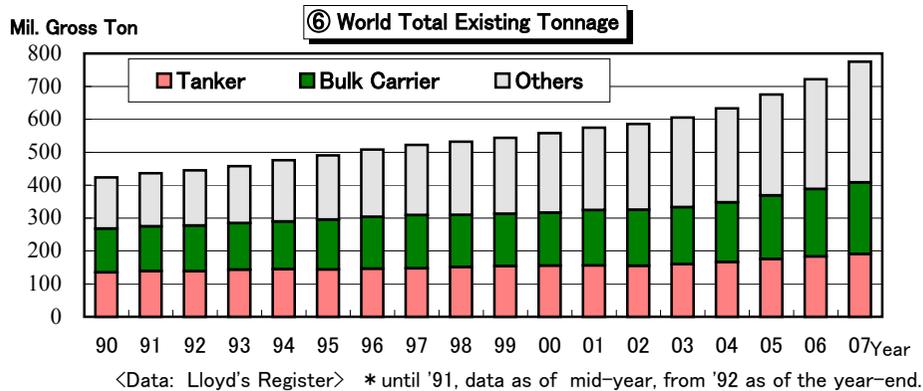
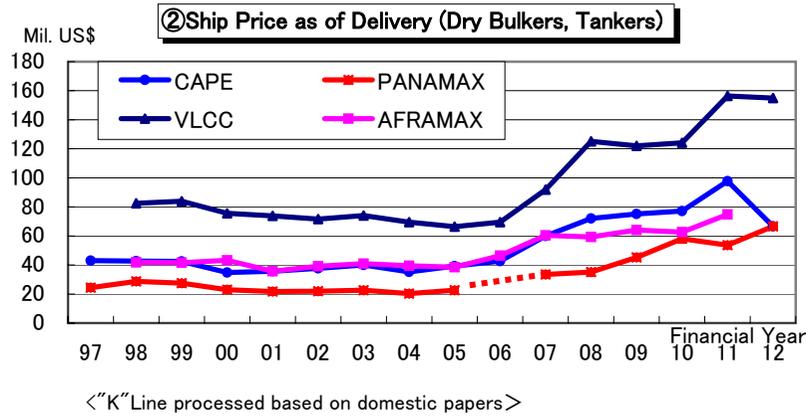
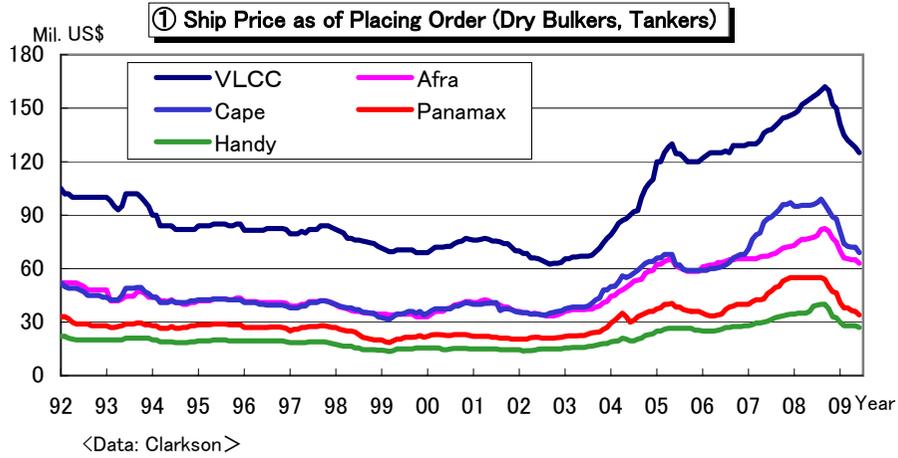


Source: AXS Marine

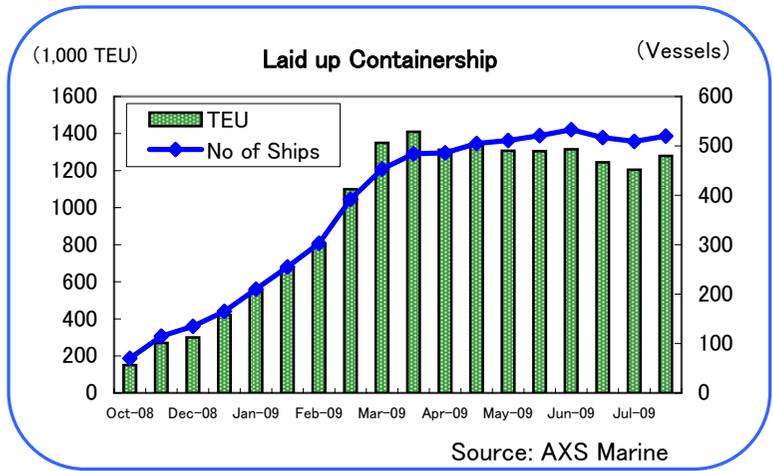
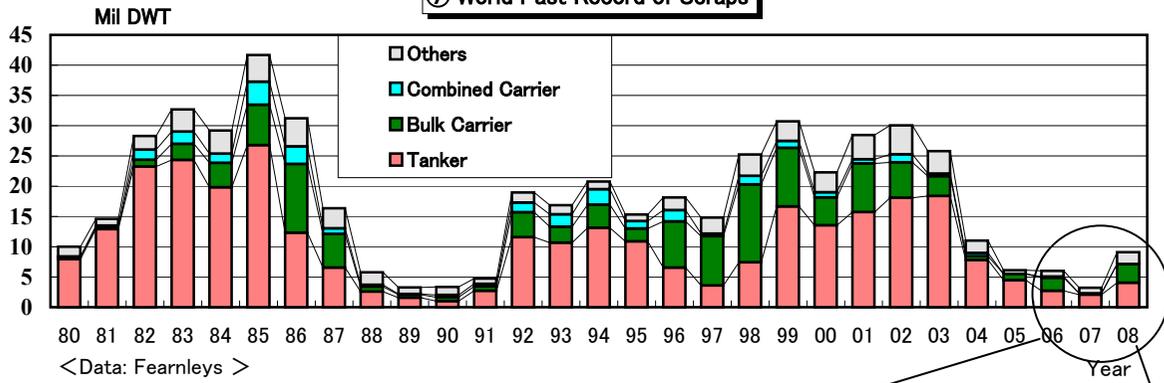


Alphaliner Report 2009 July

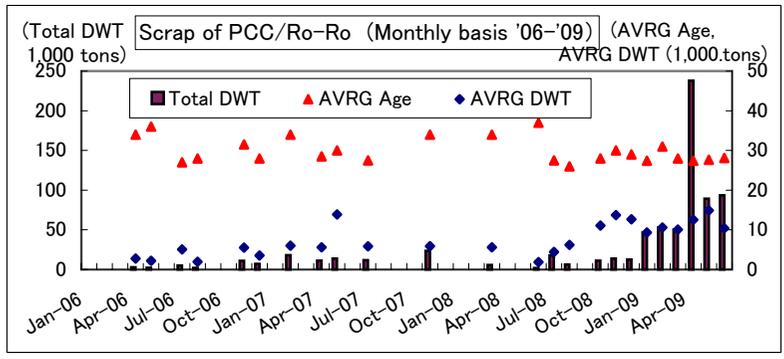
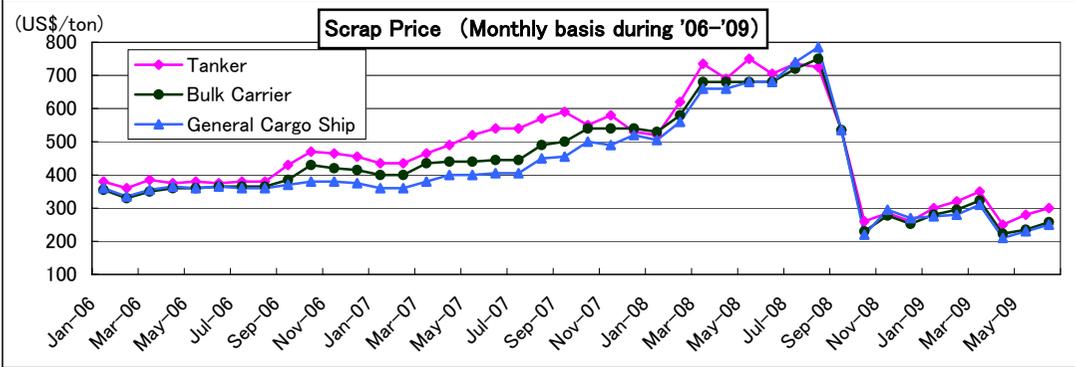
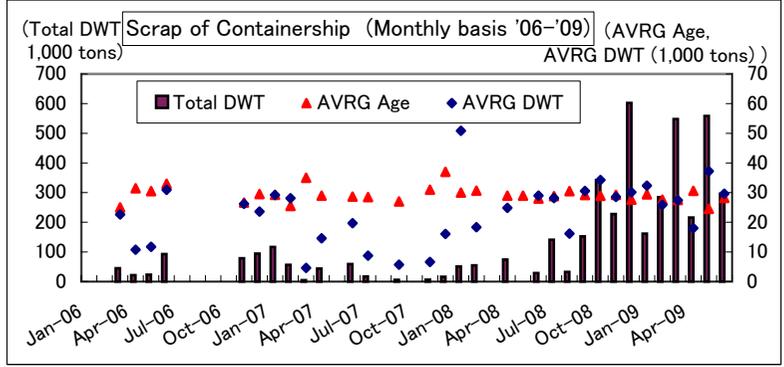
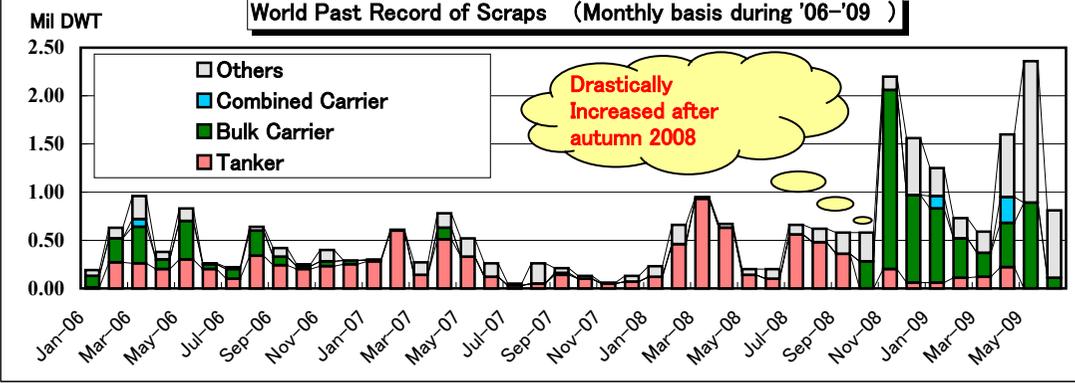
3-2. Trend of Newbuildings



⑦ World Past Record of Scraps



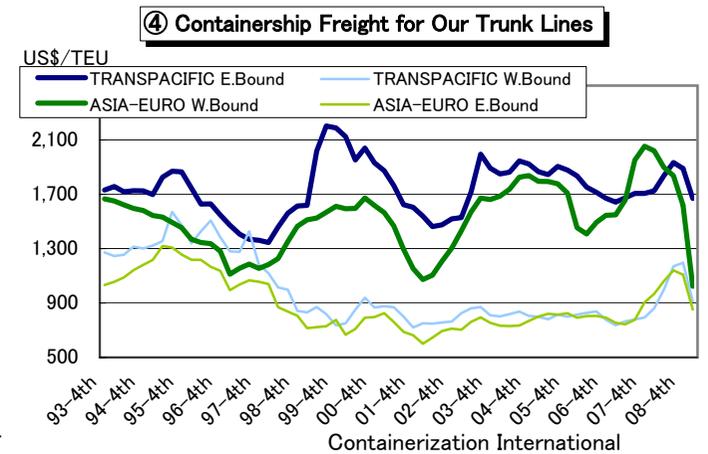
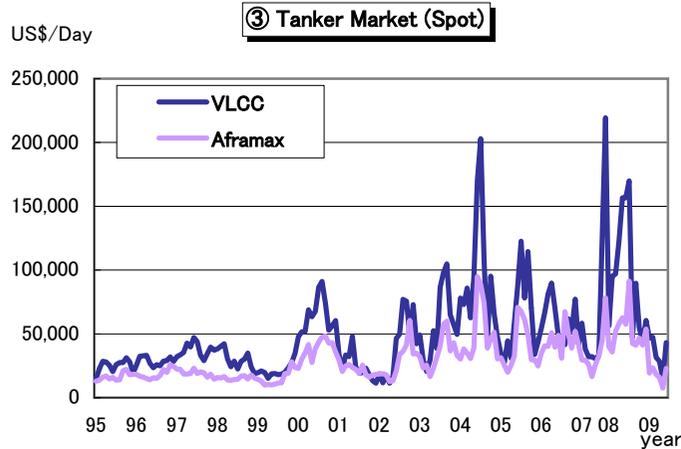
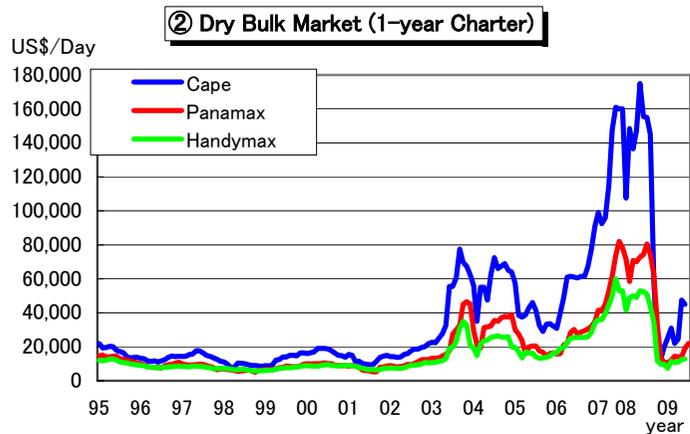
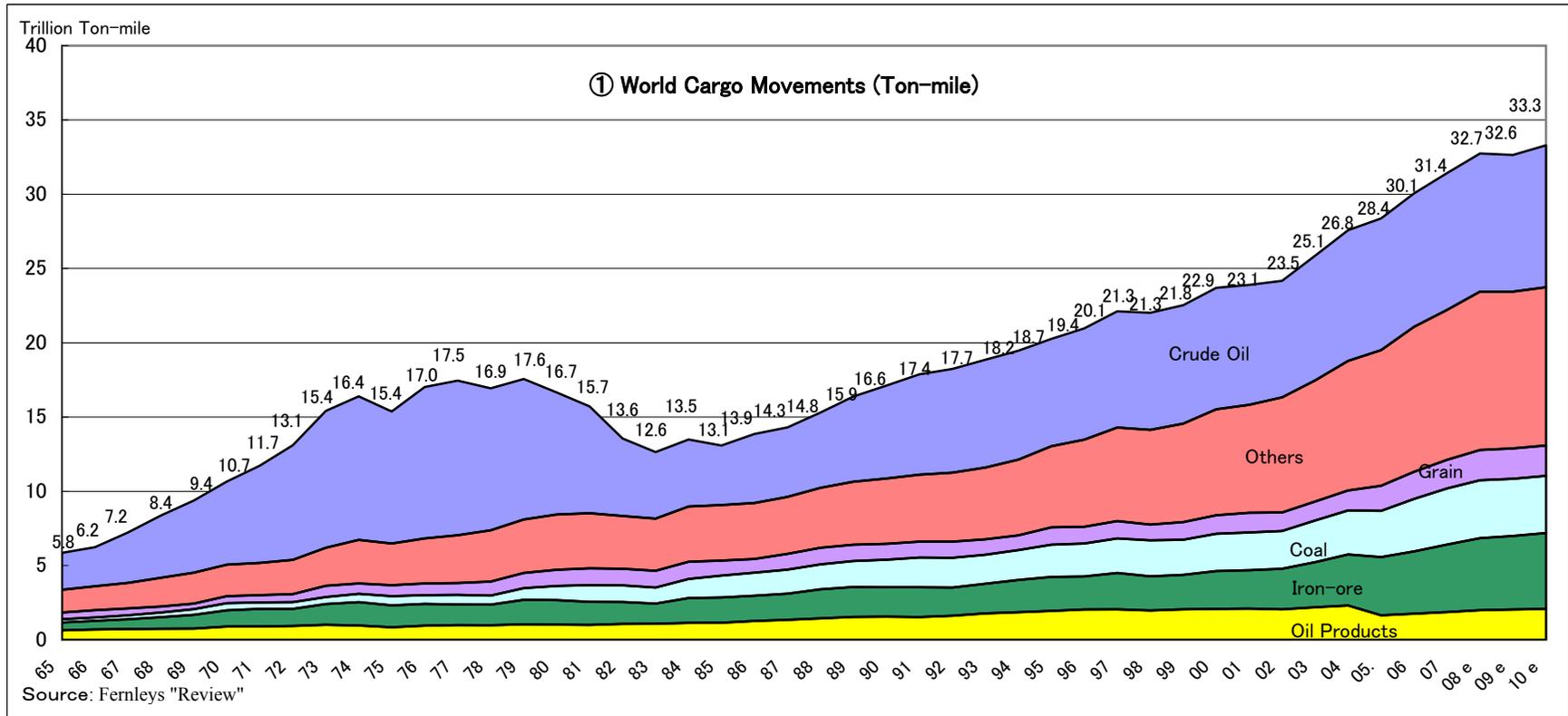
World Past Record of Scraps (Monthly basis during '06-'09)



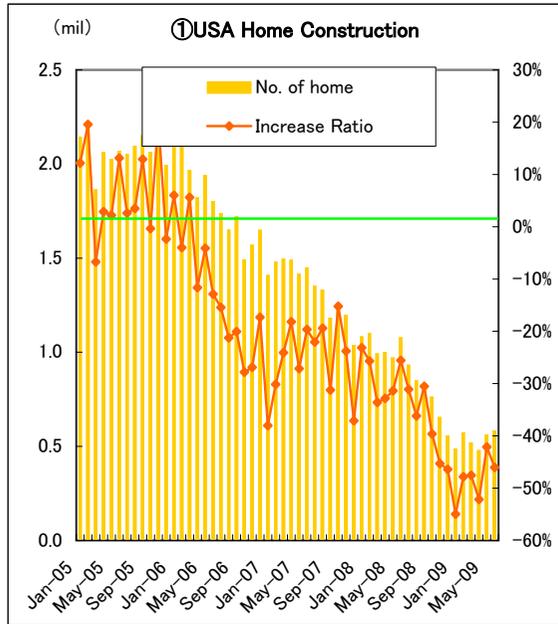
Data: Fearnleys

Clarkson

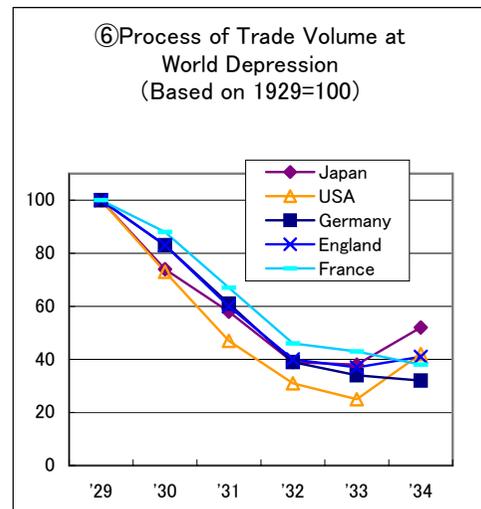
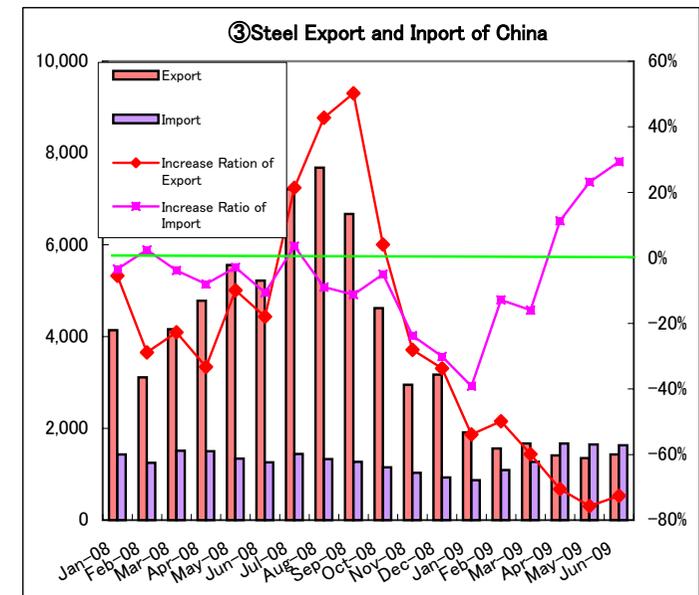
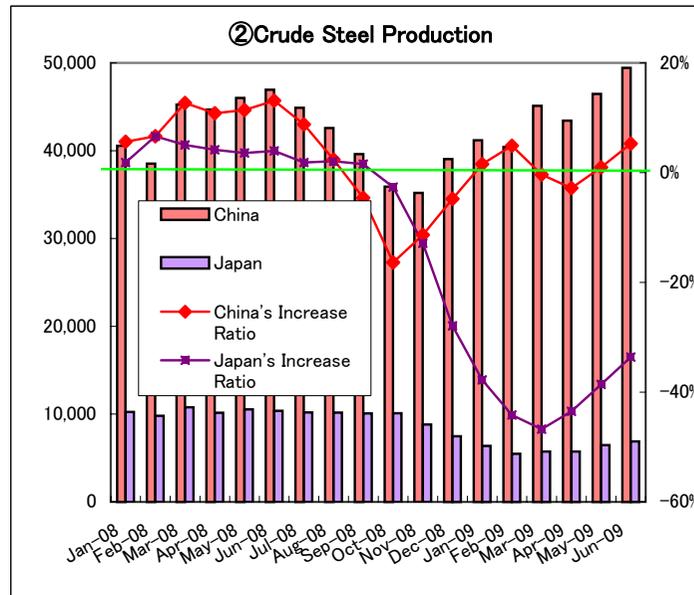
3-3. World Cargo Movements, Market



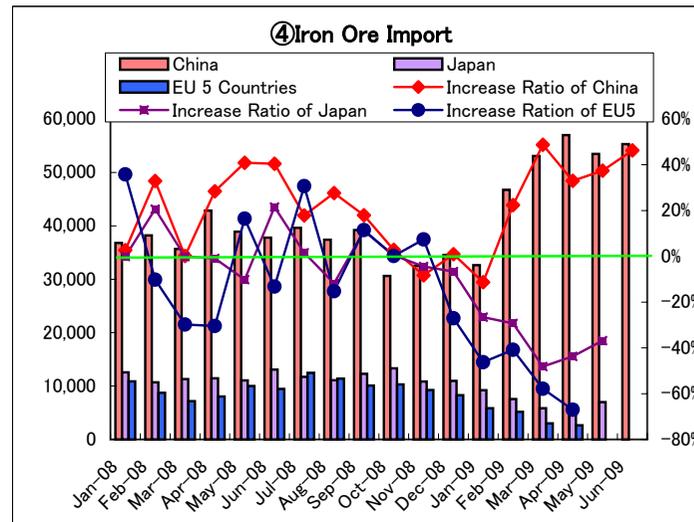
3-4. Latest Economic Trends



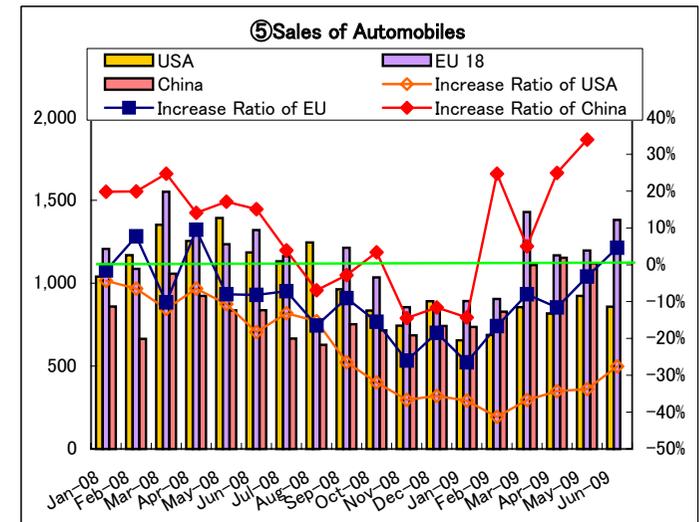
<Data:Census>



<Trade White Paper>



*EU5=Germany,France,England,Italy and Netherland

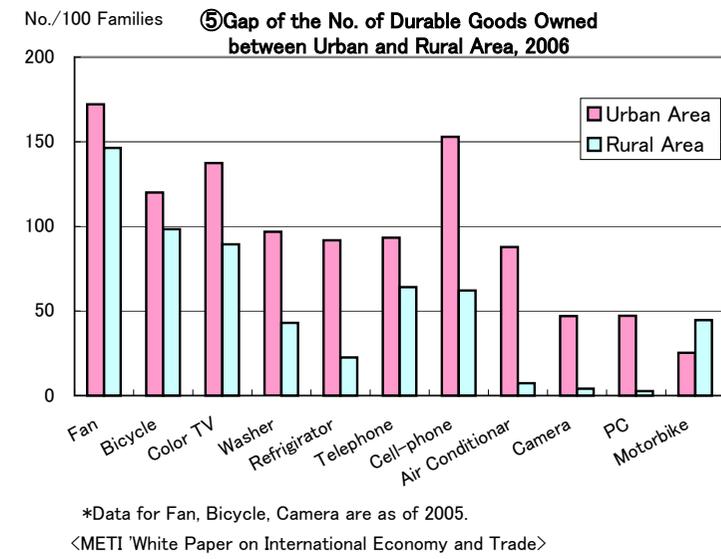
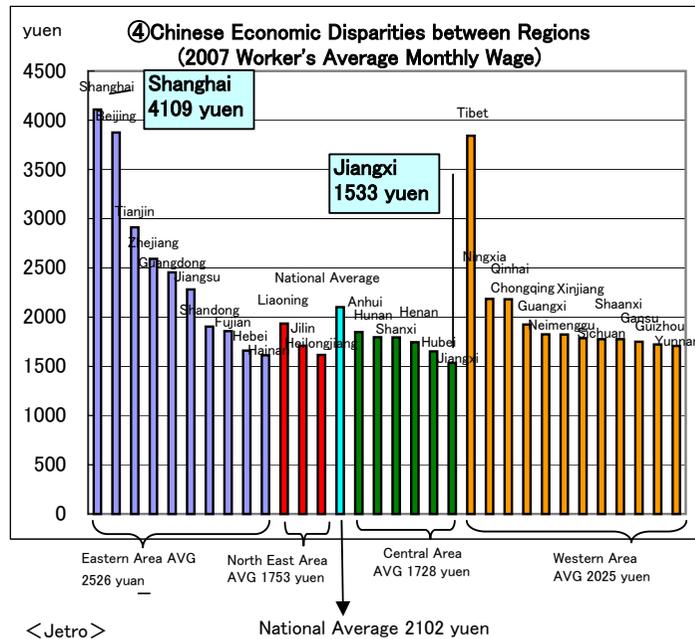
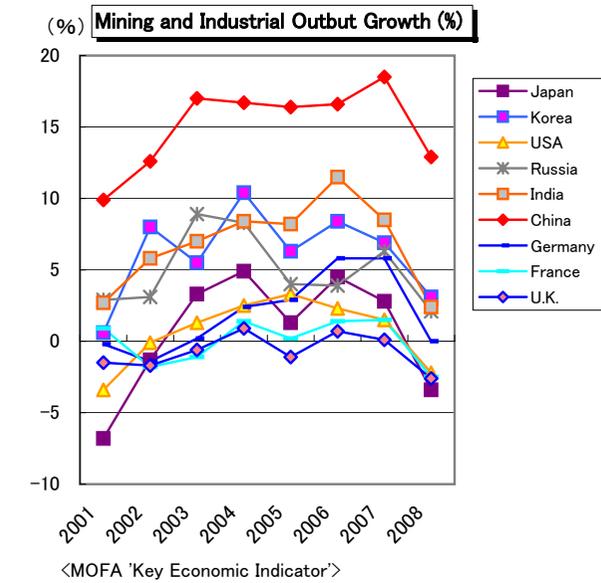
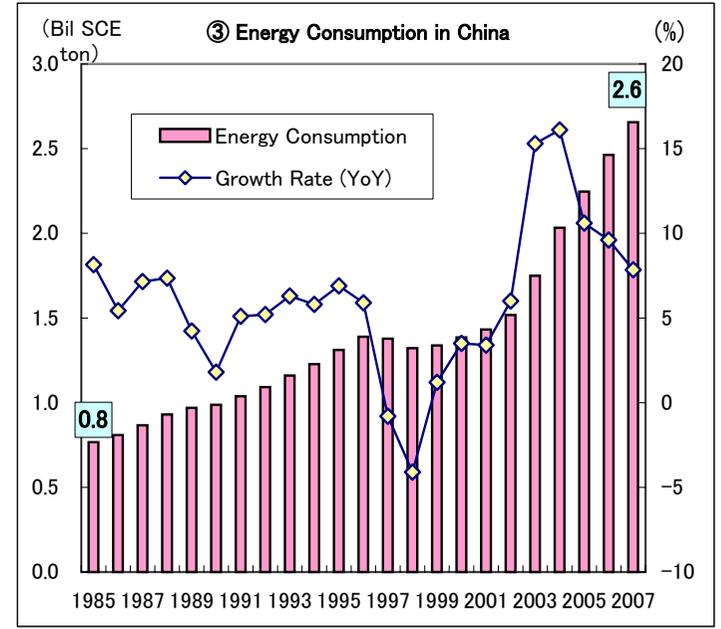
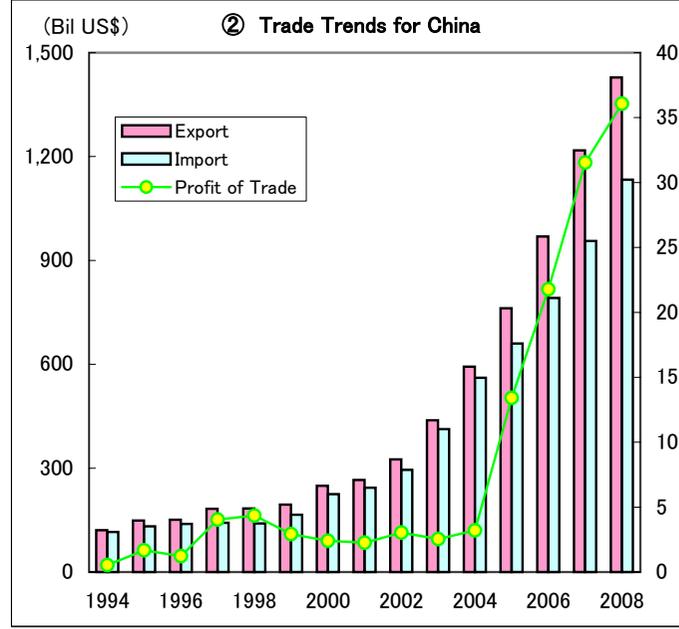
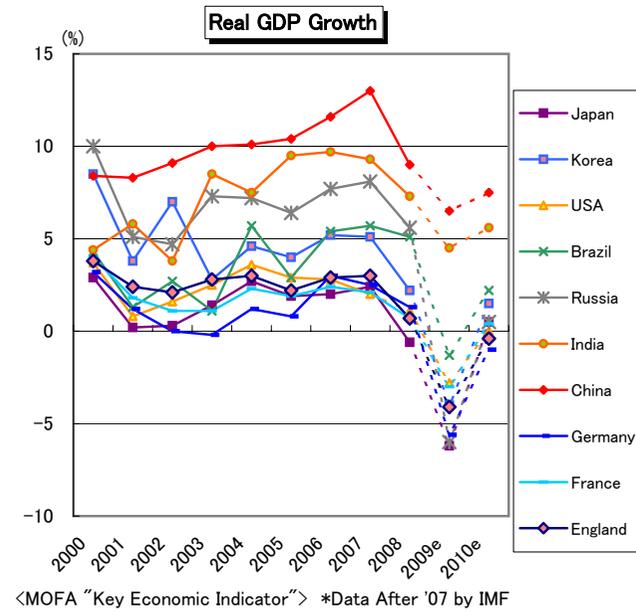


<The Japan Iron and Steel Federation, Japan Automobile Manufacturers Association, Inc. etc>

Increase Ratio: Year on Year

3-5. Emerging Markets (China)

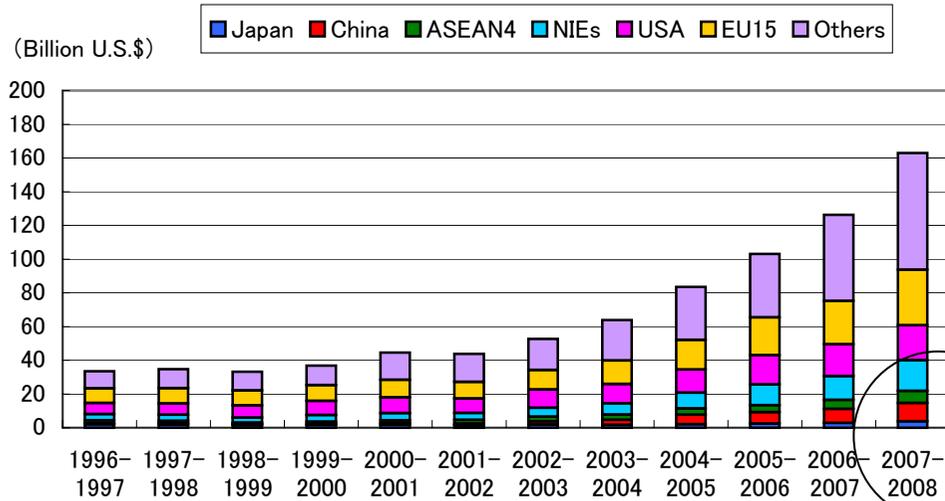
① Economic Growth Rate



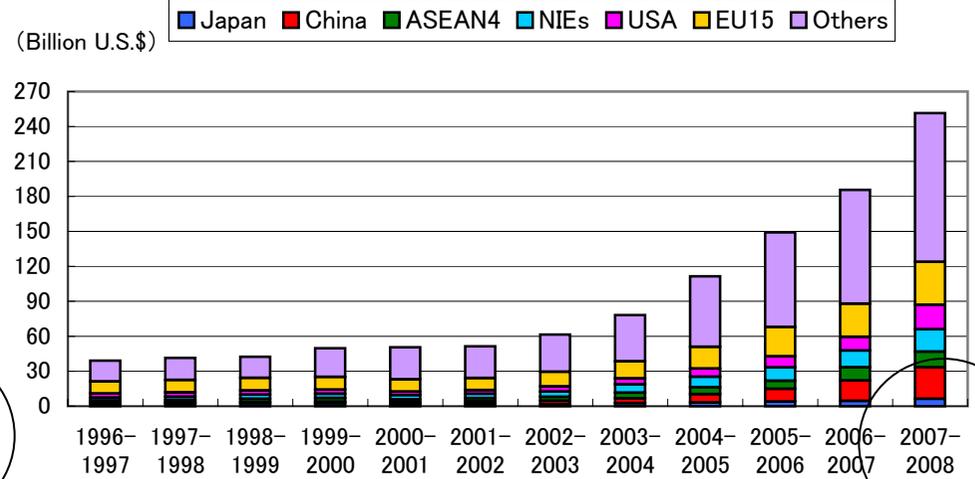
3-6. Emerging Markets (India, Vietnam)

① India

Trends of Exports from India

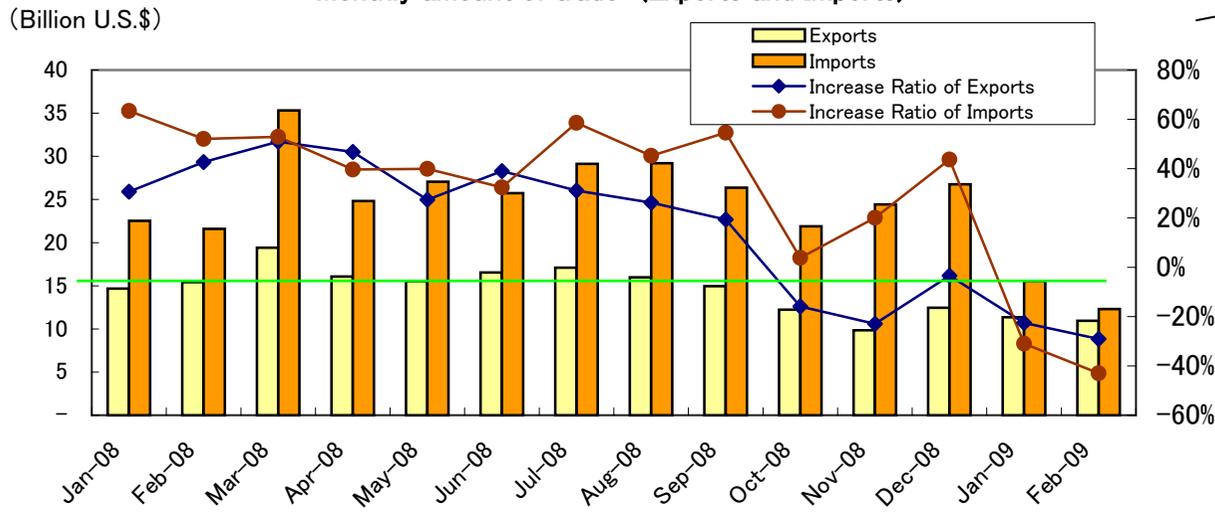


Trends of Imports into India

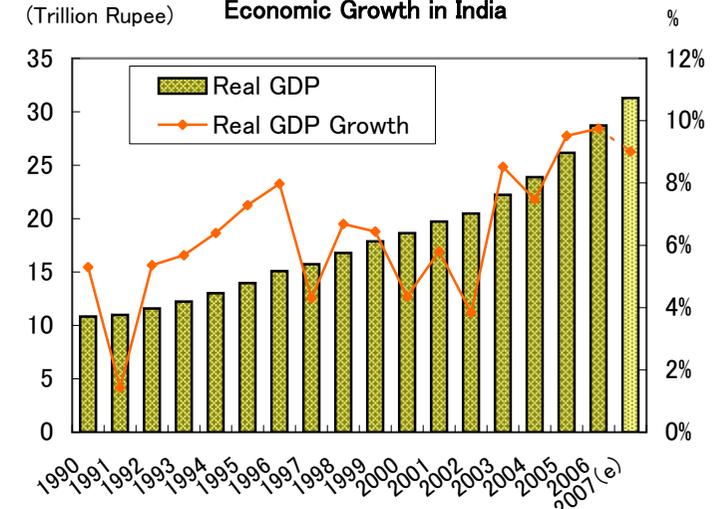


*Above fiscal year begins in April and ends in March

Monthly amount of trade (Exports and Imports)



Economic Growth in India



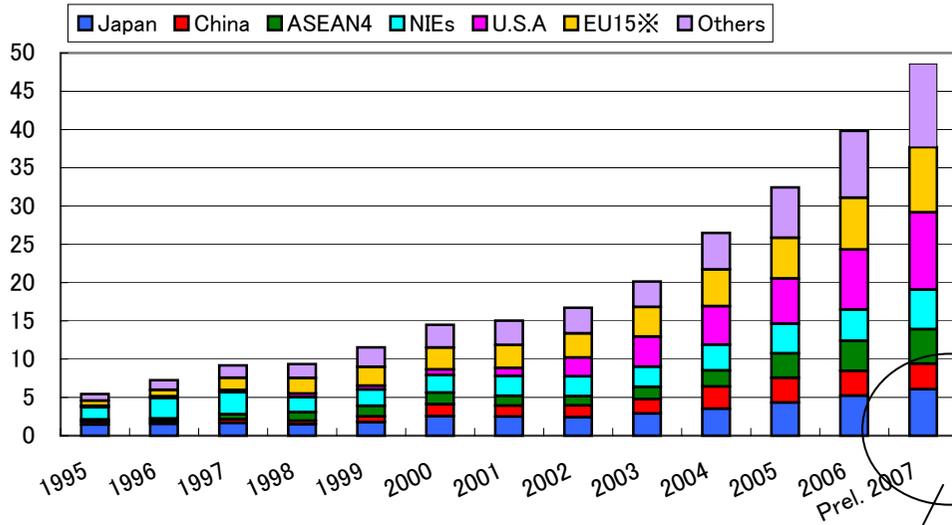
<Government of India, Ministry of Commerce & Industry, Dept. of Commerce>

② Vietnam

3-6. Emerging Markets (India, Vietnam)

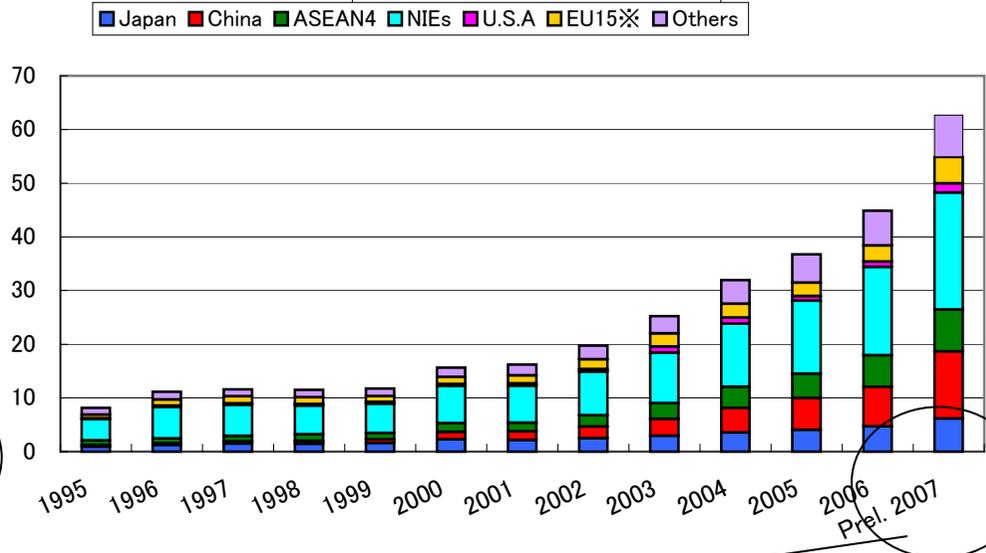
(Billion U.S.\$)

Trends of Exports from Vietnam



(Billion U.S.\$)

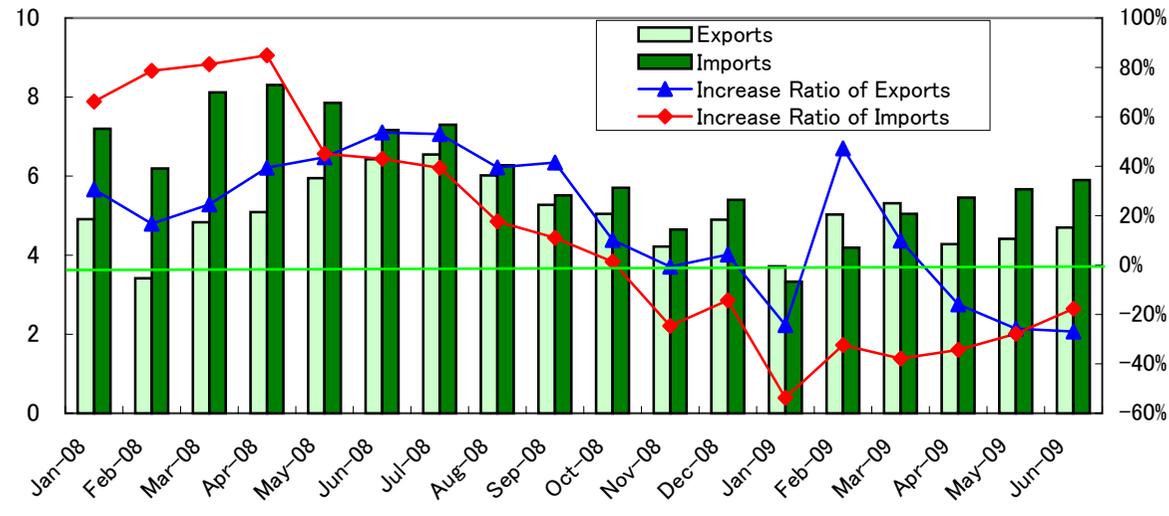
Trends of Imports into Vietnam



※W/O Data for Luxembourg Part of figures 2007 includes Estimate

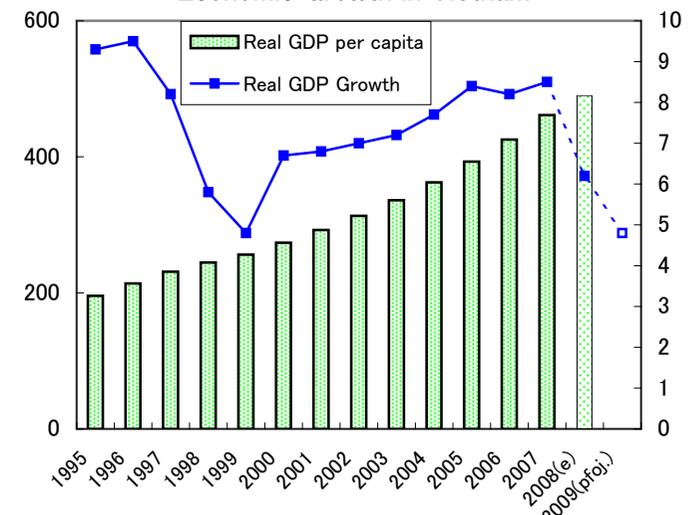
(Billion U.S.\$)

Monthly amount of trade(Exports and Imports)



trillion dong

Economic Growth in Vietnam



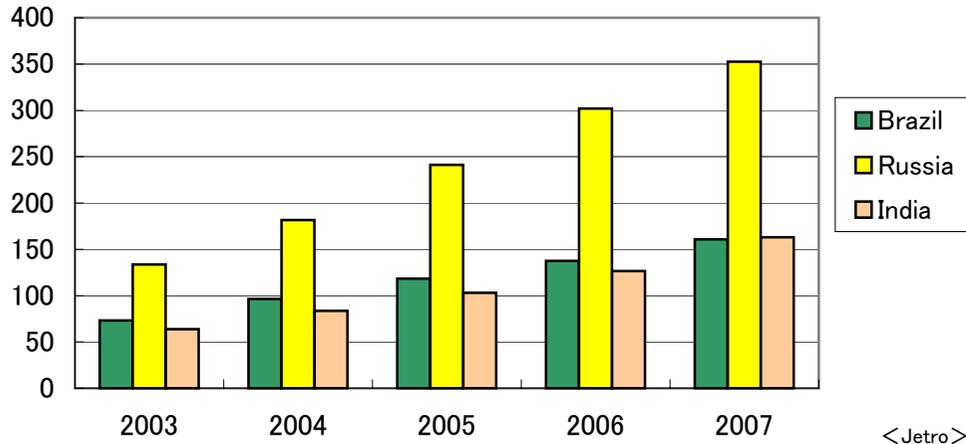
<General Statistics Office of Vietnam>

3-6. Emerging Markets (BRICs, VISTA, Turkey)

③ BRICs (Ex. China)

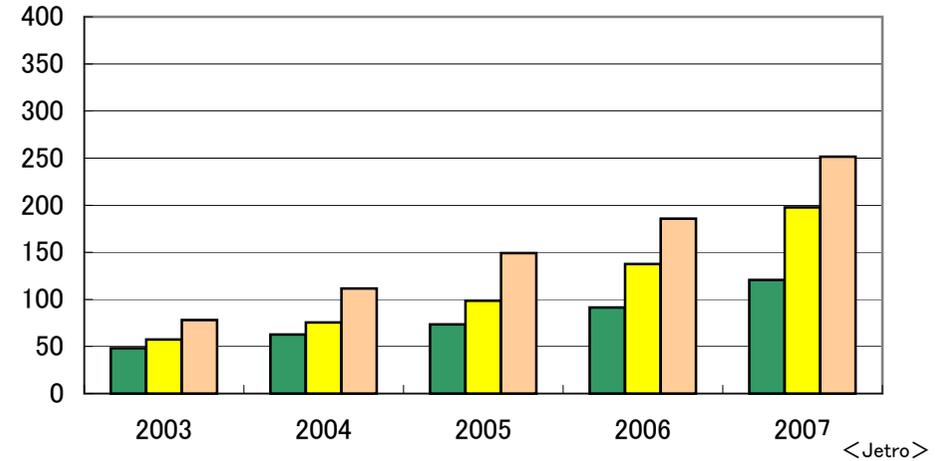
Trends of Exports from BRICs Countries
(Except China)

(10 Billion U.S.\$)

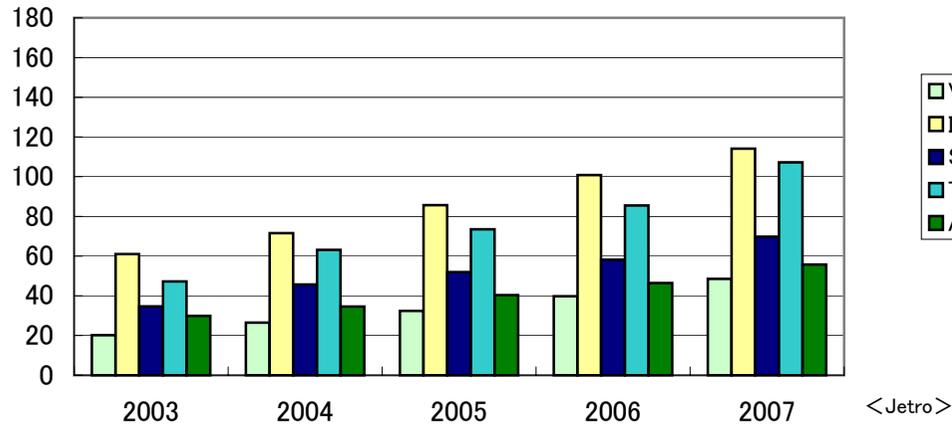


Trends of Imports into BRICs Countries
(Except China)

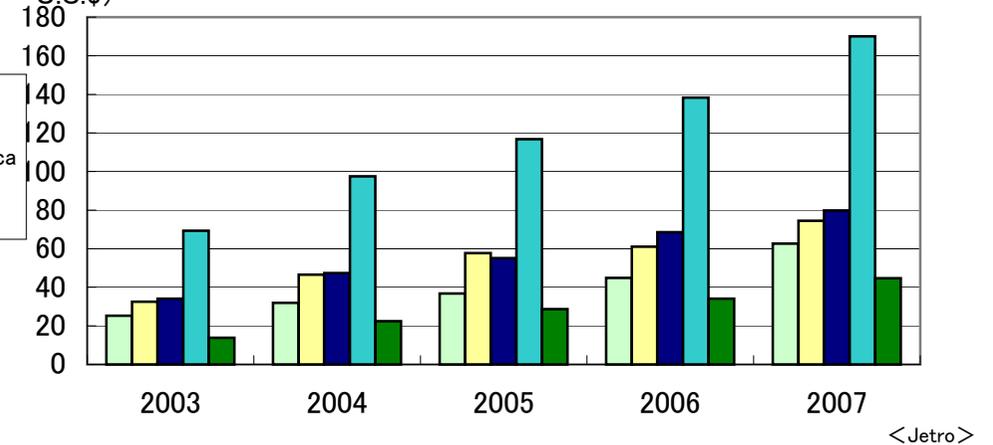
(10 Billion U.S.\$)



(10 Billion U.S.\$) Trends of Exports from VISTA Countries

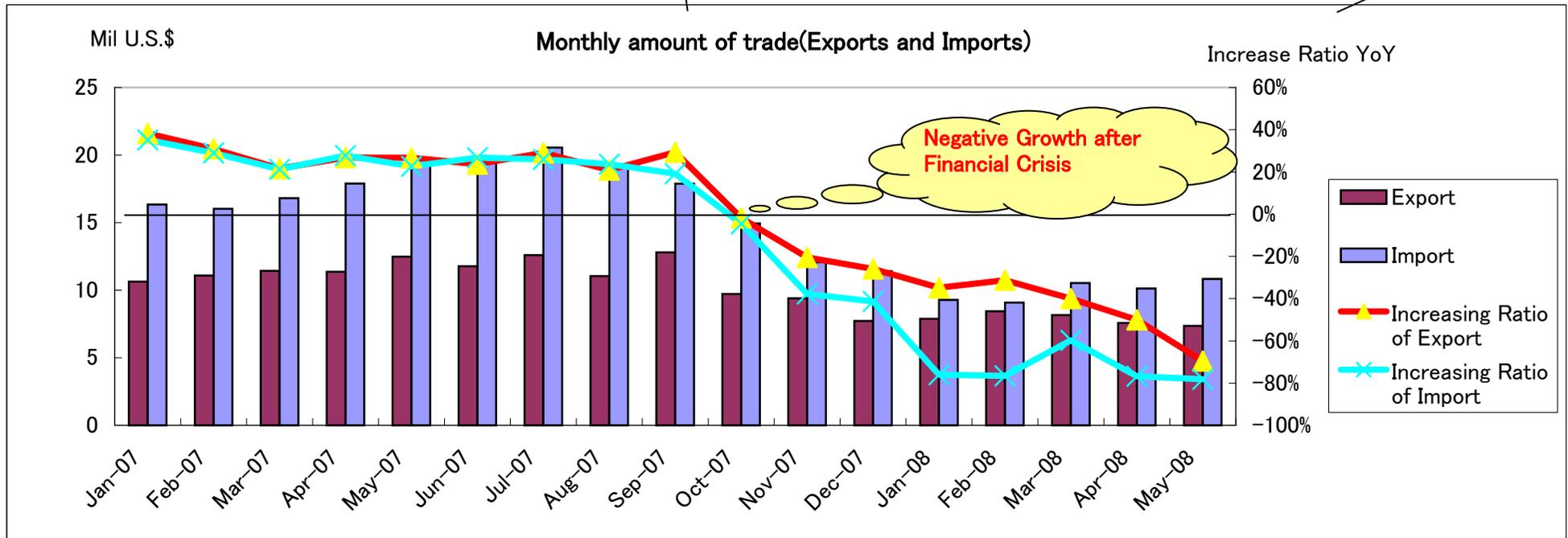
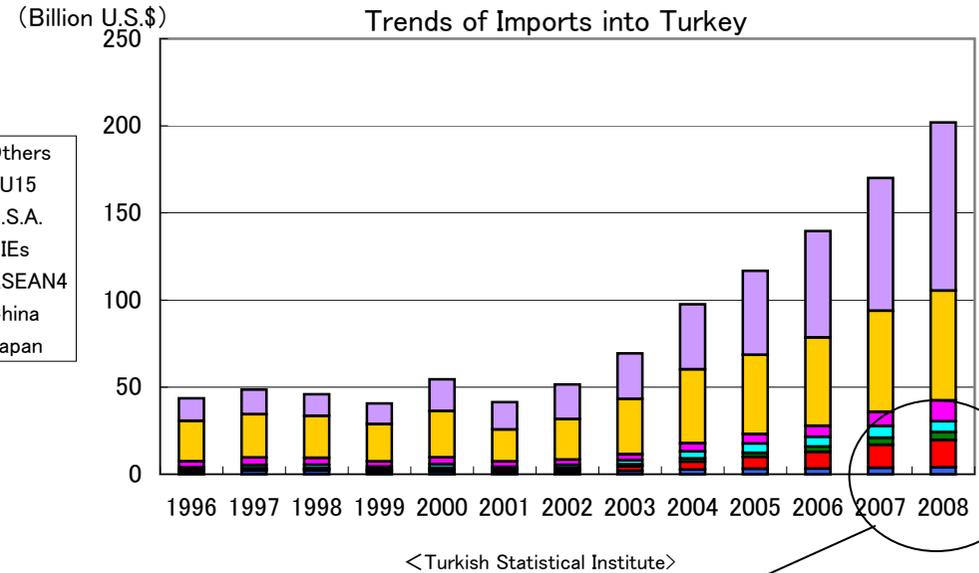
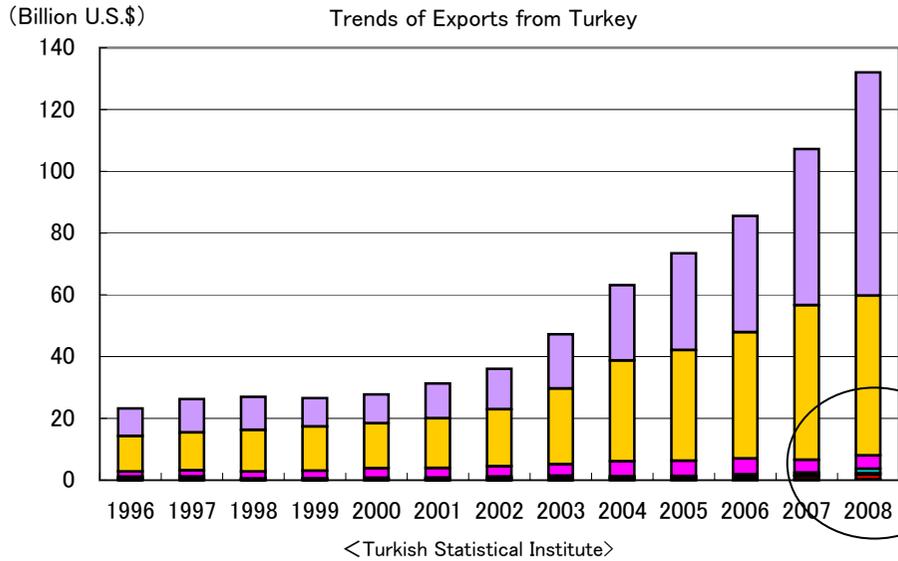


(10 Billion U.S.\$) Trends of Imports into VISTA Countries



3-6. Emerging Markets (BRICs, VISTA, Turkey)

④ Turkey



4. Bulk Carrier Business <4-1. "K" Line Fleet>

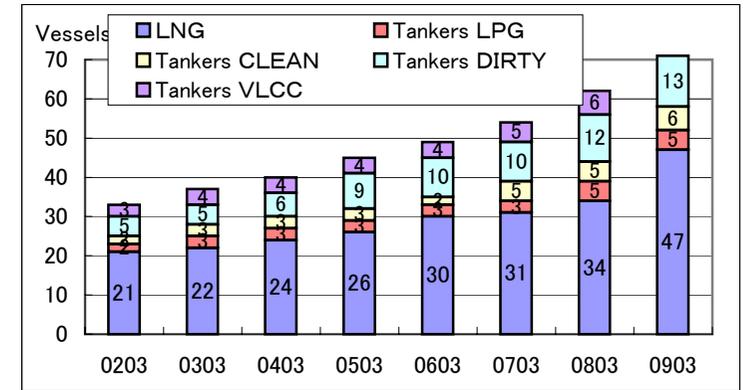
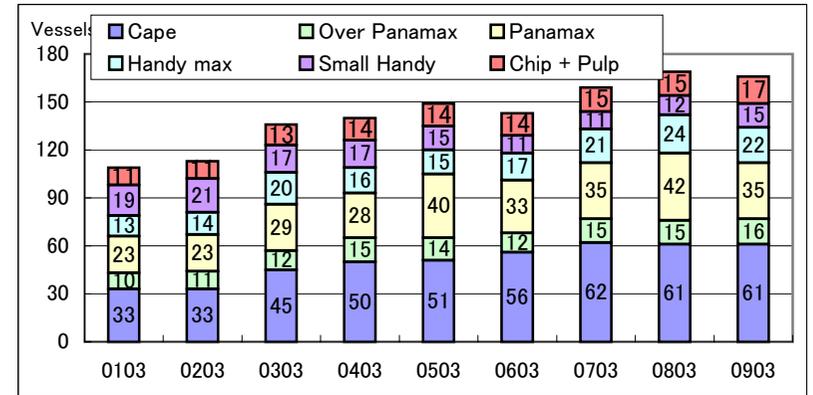
① K Line's Dry Bulk Fleet

		0103	0203	0303	0403	0503	0603	0703	0803	0903
Cape	(DWT 170,000 ton~)	33	33	45	50	51	56	62	61	61
Over Panamax	(DWT abt 100,000 ton)	10	11	12	15	14	12	15	15	16
Panamax	(DWT 6~70,000 ton)	23	23	29	28	40	33	35	42	35
Handy max	(DWT 4~50,000 ton)	13	14	20	16	15	17	21	24	22
Small Handy	(DWT 3~40,000 ton)	19	21	17	17	15	11	11	12	15
Chip + Pulp		11	11	13	14	14	14	15	15	17
Total		109	113	136	140	149	143	159	169	166

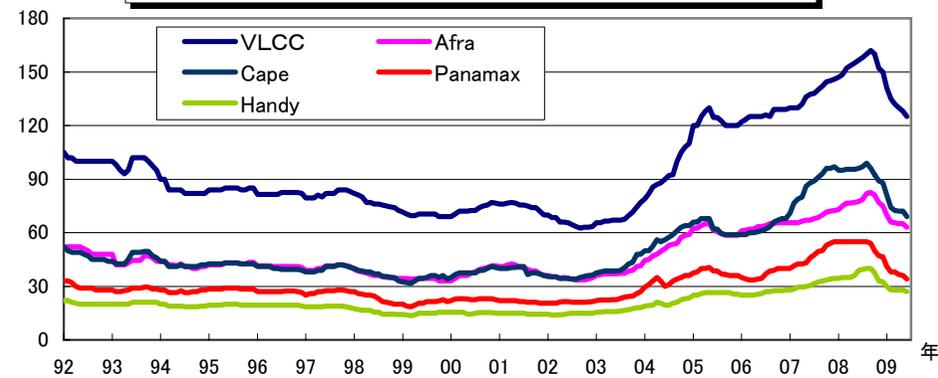
*Data for Over Panamax till 0503 show no. of vessels operated by thermal coal carrier division

② K Line's Energy Transportation Fleet

		0203	0303	0403	0503	0603	0703	0803	0903
LNG		21	22	24	26	30	31	34	47
Tankers	LPG	2	3	3	3	3	3	5	5
	CLEAN	2	3	3	3	2	5	5	6
	DIRTY	5	5	6	9	10	10	12	13
	VLCC	3	4	4	4	4	5	6	7
Tankers Total		12	15	16	19	19	23	28	31

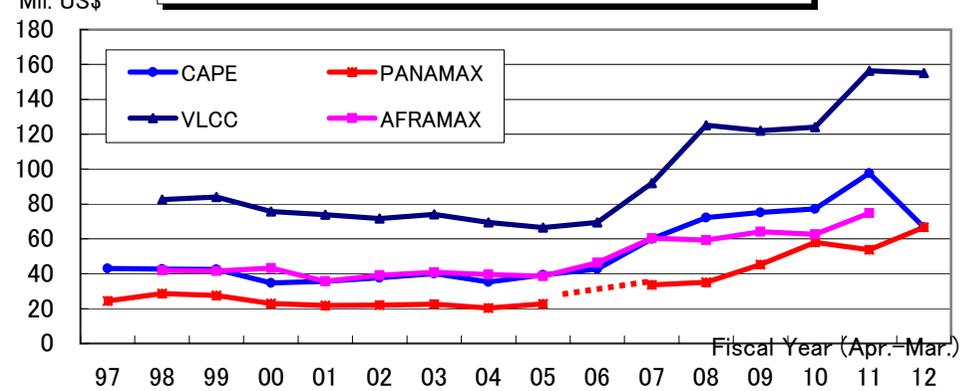


③ Ship Price as of Placing Order (Dry Bulkers, Tankers)



<Data: Clarkson>

④ Ship Price as of Completion (Dry Bulkers, Tankers)



<"K" Line processed based on domestic papers>

4-2. Drybulk Business Expansion into the World

1. Development of Organization

- 2002 May : Establishment of "Bulk & Gas Division" in "K" Line (Europe) Ltd. in UK.
- 2006 Feb. : Dispatch of Resident Officer in Charge of Dry Bulk Business to Shanghai, China.
- 2006 Jul. : Establishment of Drybulk Project Business Division in Headquarters of "K" Line Tokyo
- 2007 Jul. : Dispatch of Resident Officer in Charge of Dry Bulk Business to Mumbai, India.
- 2008 May. : Establishment its own shipping agency, "K" LINE INDIA and stated sales activity
- 2009 May. : Establishment its own shipping agency, "K" LINE RORO & BULK AGENCIA MARITIMA LTDA., in Brazil

2. Business Expansion in China

Contractor	Contract Period	Cargo, Volume	Vessel, Services	Trade Routes	Date Released
Jiangsu Shagang Group Co., Ltd	10 Years from 1Q of 2005	Iron Ore, 2 Mil. Tons per Year	Consecutive Voyage Charter, Large-sized Bulker	West Australia or S.Africa - China	2004/9/9
Baoshan Iron & Steel Co., Ltd	3 Years from 4Q of 2006	Iron Ore, 0.5 Mil. Tons per Year	185,000-ton Bulker	Brazil - China	2006/11/8
Baoshan Iron & Steel Co., Ltd	10 Years from 2H of 2008	Iron Ore, 2.4 Mil. Tons per Year	Consecutive Voyage Charter *200,000-ton Bulker	West Australia - China	2006/11/8
Baoshan Iron & Steel Co., Ltd	3 Years from 3Q of 2007	Iron Ore, 0.5 Mil. Tons per Year	170,000-ton Bulker	Brazil - China	2007/6/15
Baoshan Iron & Steel Co., Ltd	15 Years from 1Q of 2011	Iron Ore, 1.2 Mil. Tons per Year	Consecutive Voyage Charter *300,000-ton Bulker	Brazil - China	2007/6/15
Shougang Corp	5 Years from 3Q of 2007	Iron Ore, 0.5 Mil. Tons per Year	170,000-ton Bulker	Brazil - China	2007/6/15
Wuhan Iron and Steel Corp	5 Years from 1Q of 2008	Iron Ore, 0.5 Mil. Tons per Year	170,000-ton Bulker	Brazil - China	2007/6/15

3. Business Expansion in India

Contractor	Contract Period	Cargo, Volume	Vessel, Services	Trade Routes	Date Released
JSW Steel	7 Years from Jan. 2007	Coking Coal, 0.5 Mil. Tons per Year	Panamax 7 Voyages per Year	East Australia - India	2006/12/25
JSW Energy	15 Years from 2009	Thermal Coal, 2.5 Mil. Tons per Year	Consecutive Voyage Charter of 2 Post Panamax	Indonesia - India	2007/6/18
JSW Steel	15 Years from Apr. 2008	Coking Coal, 0.7 Mil. Tons per Year	Consecutive Voyage Charter of a Panamax or Post P'max	Australia, S.Africa, China - India	2007/9/28
JSW Group	10 Years from 2008-2009	Coking Coal and Thermal Coal, 12 Mil. Tons per Year	Consecutive Voyage Charter of 2 Panamax	Australia, Indonesia, S.Africa, China, etc. - East and West Coast of India	2008/3/17
	10 Years from 2012-2014		Consecutive Voyage Charter of 3 Post Panamax		
	10 Years from 2011-2014		Consecutive Voyage Charter of 5 Capesize		

4. Business Expansion in Europe

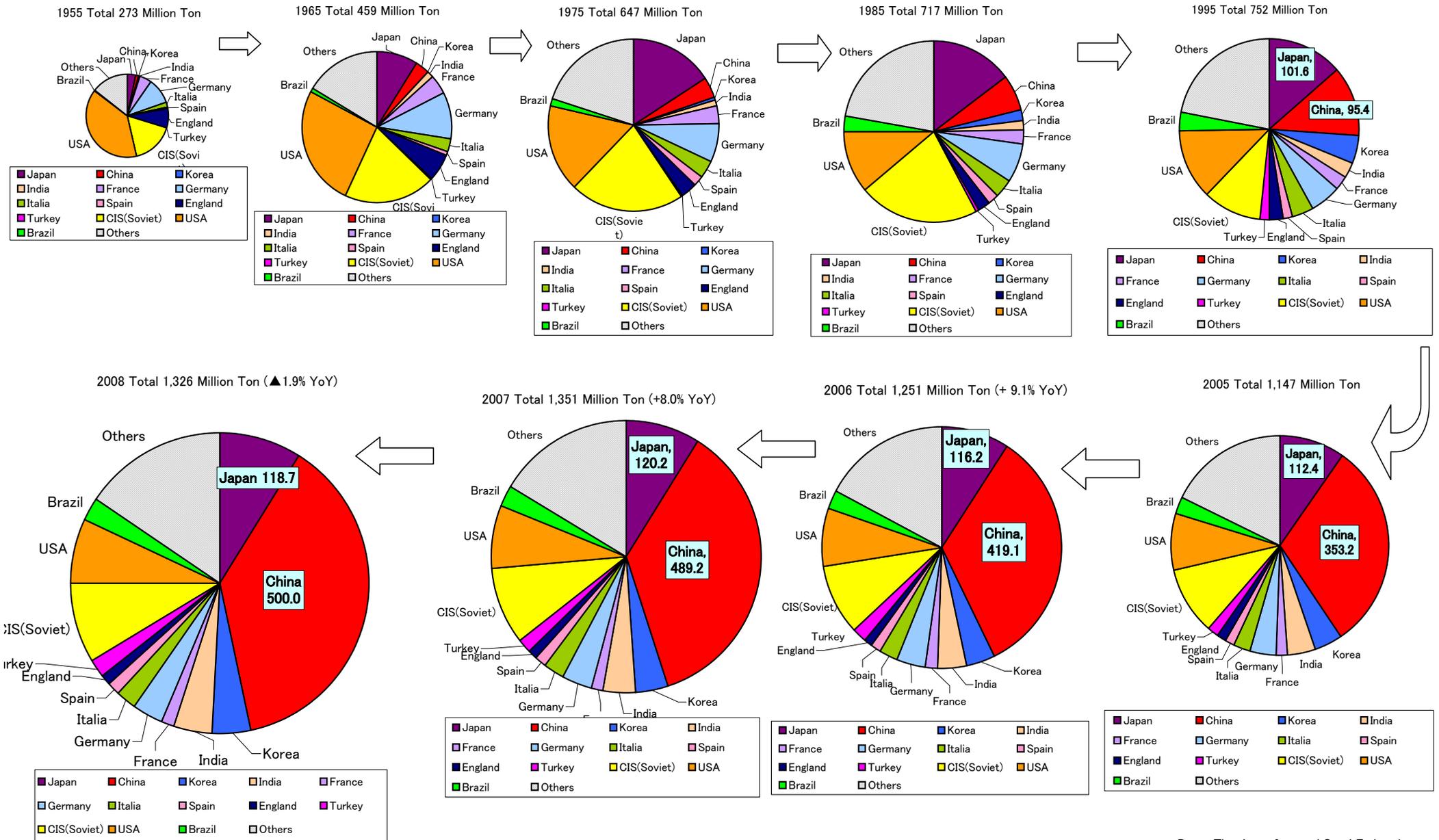
Contractor	Contract Period	Cargo, Volume	Vessel, Services	Trade Routes	Date Released
ILVA (Italy)	From 2009	Iron Ore	A Long-term Voyage Charter of 300,000-ton Bulker	Brazil - Italy	2004/5/24
Electricité de France	From 2009		A Long-term Time Charter of 170-180,000-ton Bulker		2006/11/17
Biowood Norway AS	From 2010	Wood chips	2 Wood Chip ships	from all over the Atlantic to the Norwegian port of Averoy	2009/3/12

5. Business Expansion in Other Area

Contractor	Contract Period	Cargo, Volume	Vessel, Services	Trade Routes	Date Released
Korea Western Power Co., Ltd.	10 Years from 2H of 2011	Thermal Coal, 2.5 Mil. Tons per Year	Consecutive Voyage Charter of a Capesize & Panamax	Australia, S.Africa, Indonesia, Canada, China - S.Korea	2008/1/30
Glovis Co., Ltd. (Korea)	20 Years from 2012	Iron Ore, 3 Mil. Tons per Year	Consecutive Voyage Charter of 250,000-ton Bulker	West Australia - South Korea	2008/2/29
Korea Western Power Co., Ltd.	10 Years from 2009	4.0 Mil. Tons per Year including abov	Consecutive Voyage Charter of a Capesize	Australia, S.Africa, Indonesia, Canada, China - S.Korea	2008/11/13

4-3. Demand on Dry Bulk

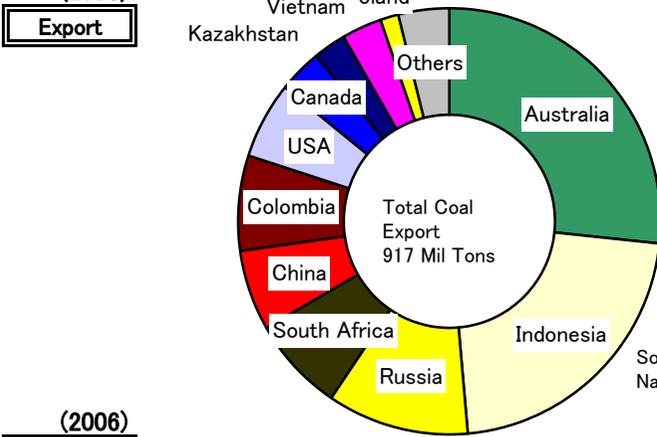
① Transition of World Crude Steel Production



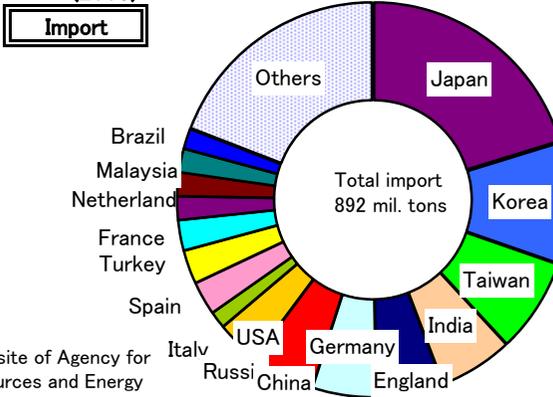
Data : The Japan Iron and Steel Federation

4-3. Demand on Dry Bulk

② World Coal Export (Thermal/Coking Coal) (2008)

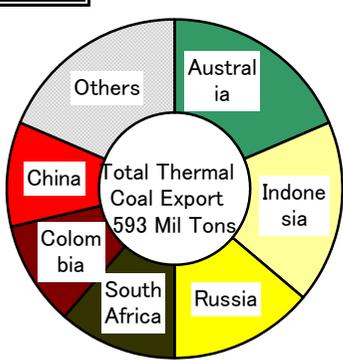


③ World Coal Import (2008)

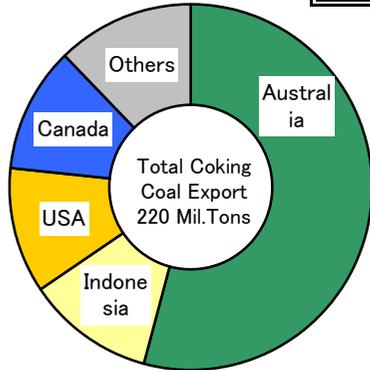


Source : Website of Agency for Natural Resources and Energy

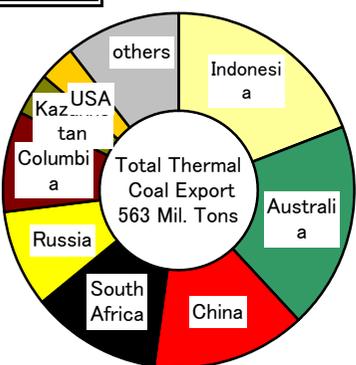
(2006) **Export**



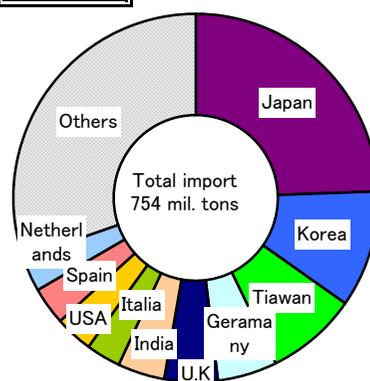
(2006) **Import**



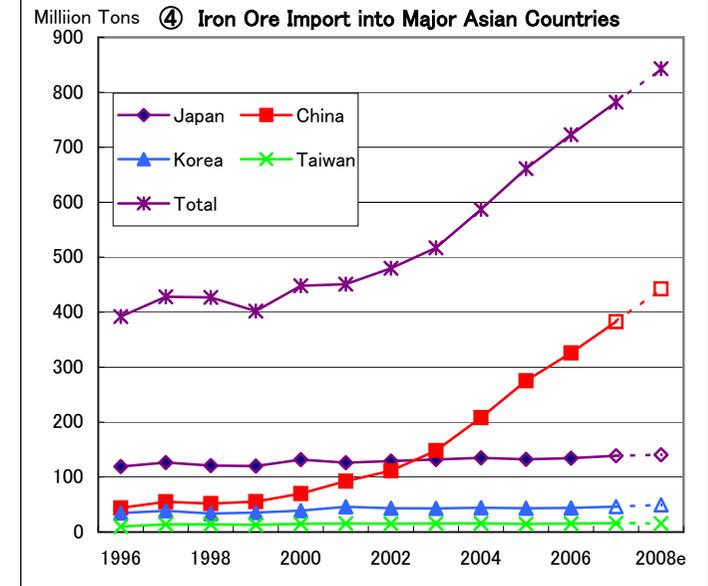
(2004) **Export**



(2004) **Import**

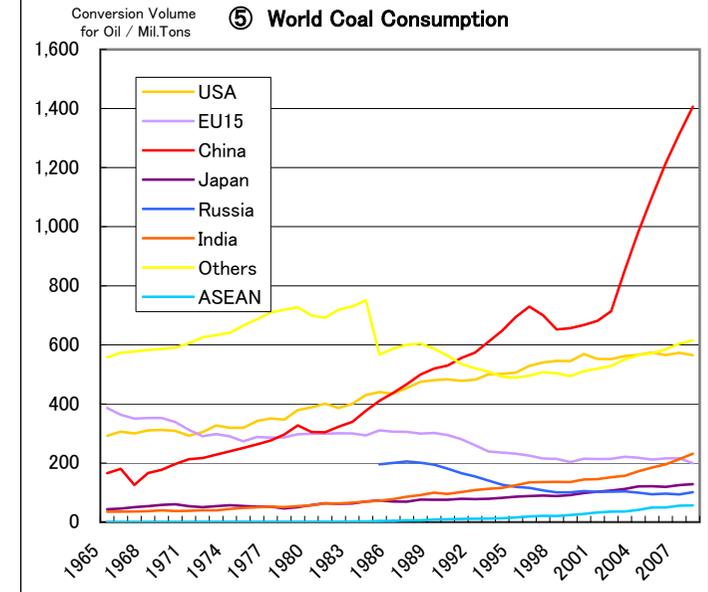


④ Iron Ore Import into Major Asian Countries



IISI Report', 'Handbook for Iron and Steel Statistics', 'Clarkson', etc.

⑤ World Coal Consumption



BP Statistical Review of World Energy June 2009
No date of Russia before 1984

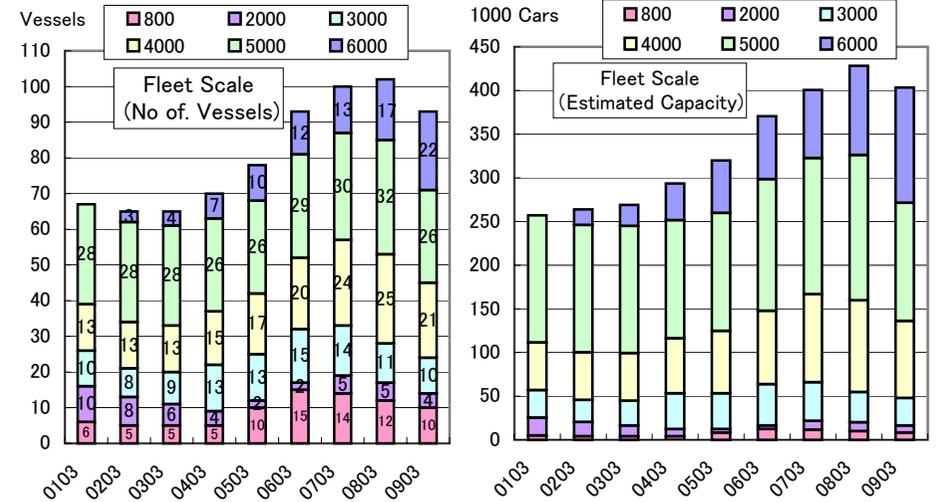
Quoted from different sources, total for 'Export' and 'Import' are not coincident.

Data: 'Annual Energy Report', etc.

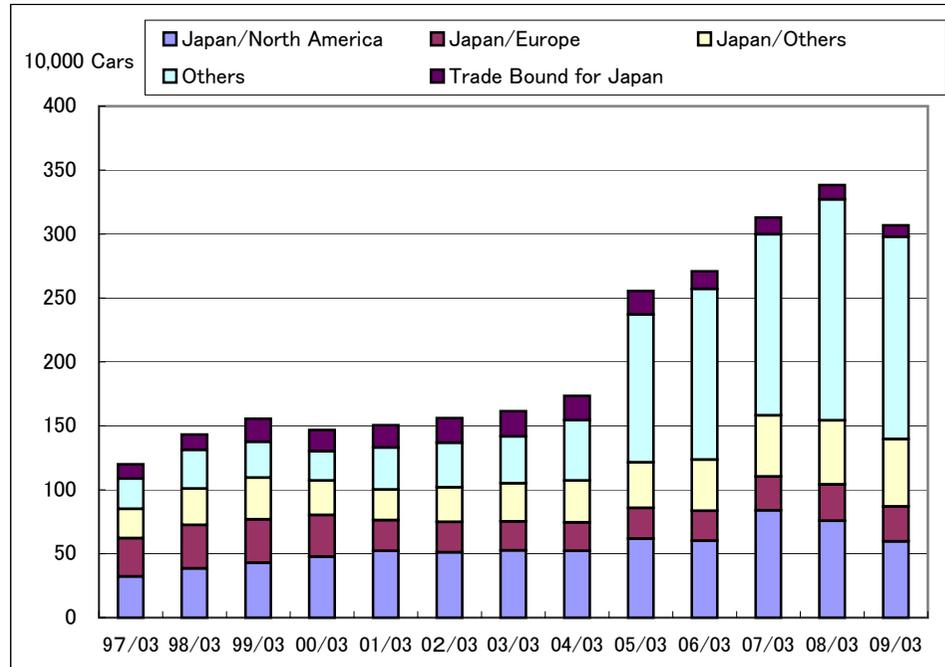
5. Car Carrier Business <5-1."K"Line Fleet and Cargo Movements>

① "K"Line PCC Fleet

No. of Cars (RT)	0103	0203	0303	0403	0503	0603	0703	0803	0903
6000	-	3	4	7	10	12	13	17	22
5000 (4750-5650)	28	28	28	26	26	29	30	32	26
4000 (3800-4600)	13	13	13	15	17	20	24	25	21
3000 (2800-3500)	10	8	9	13	13	15	14	11	10
2000 (1600-2500)	10	8	6	4	2	2	5	5	4
800 (800-850)	6	5	5	5	10	15	14	12	10
Total	67	65	65	70	78	93	100	102	93

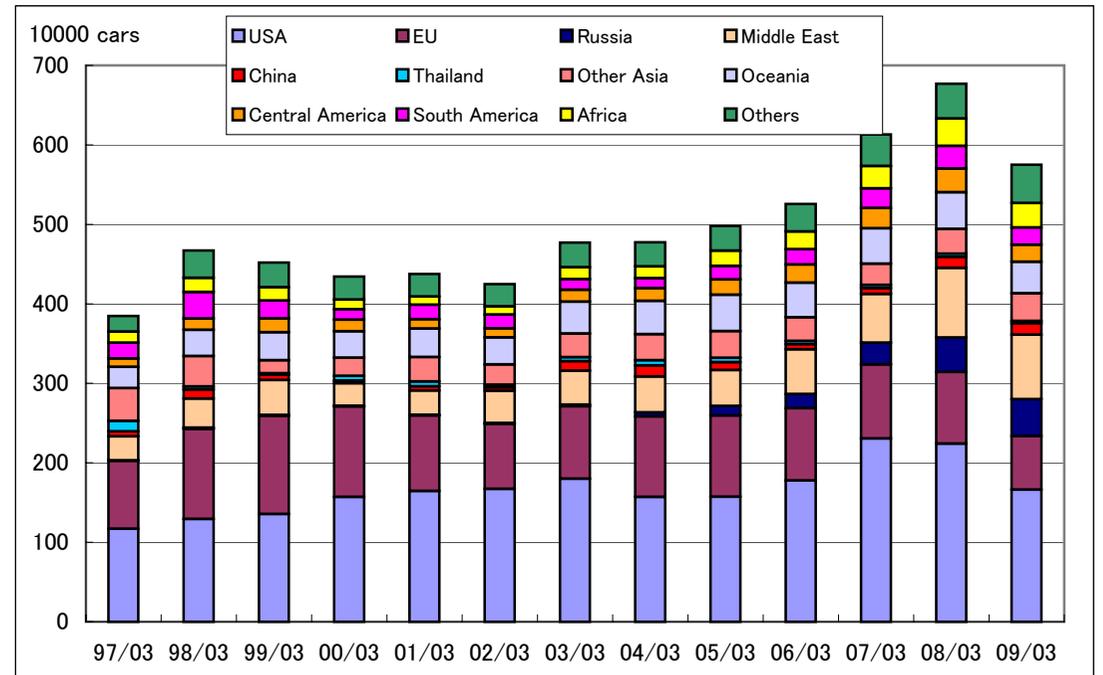


② Cars/Trucks Transported by Our Fleet



※ 'Others' includes short sea transportation in Europe from 04/09

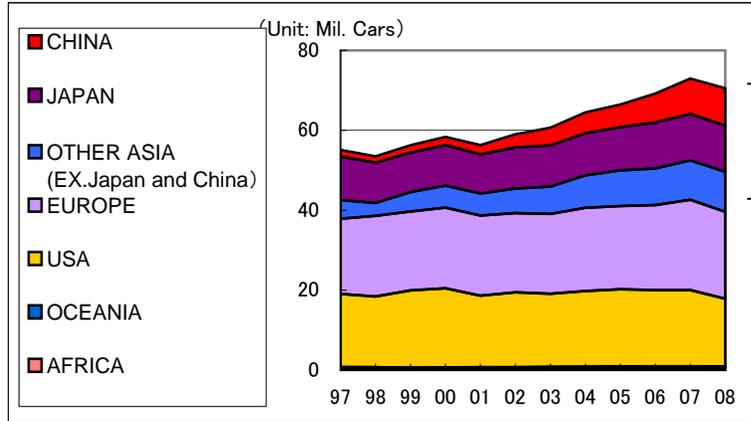
③ Total Cars/Trucks Expoted from Japan (Inc. Cars by GM Japan)



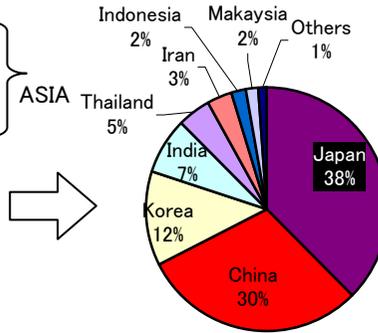
<Data: JAMA>

5-2. Demand on Vehicles

① World Automobile Production (2008) <OICA>

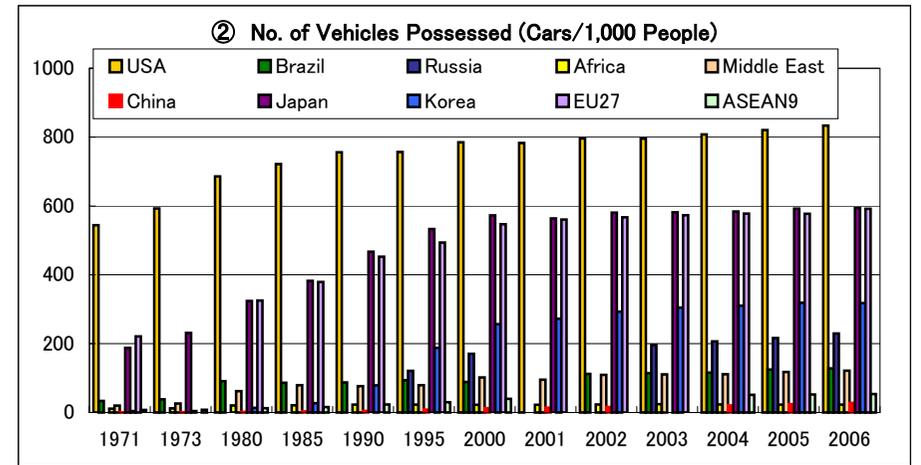
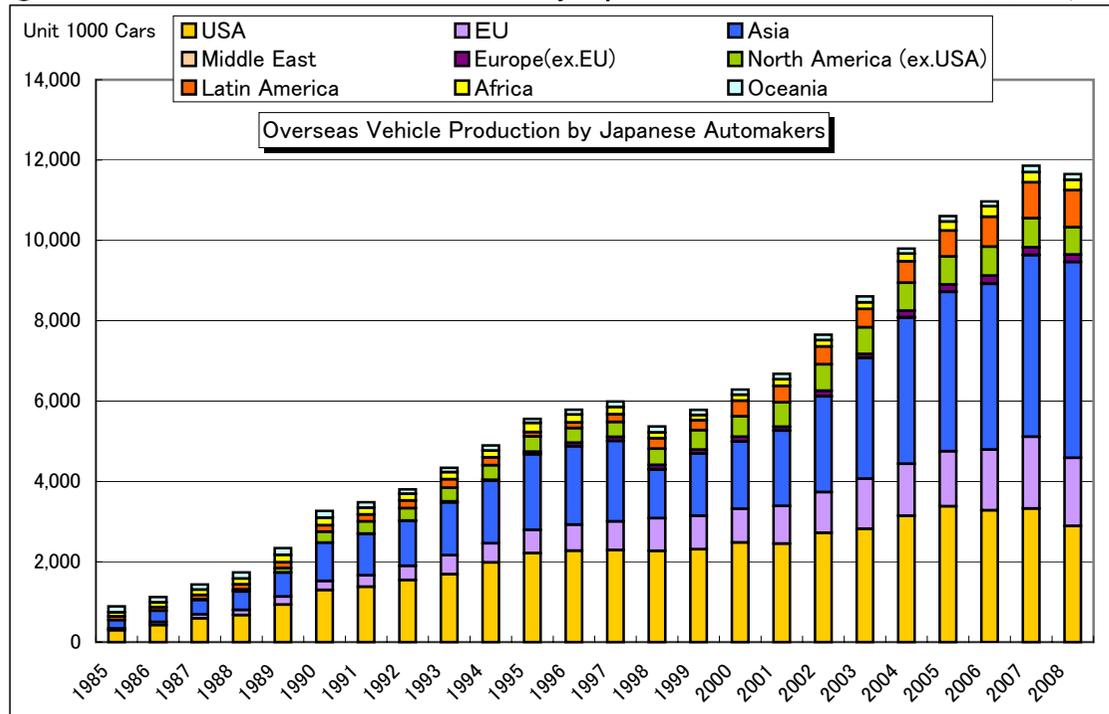


Breakdown in Asia (2008)

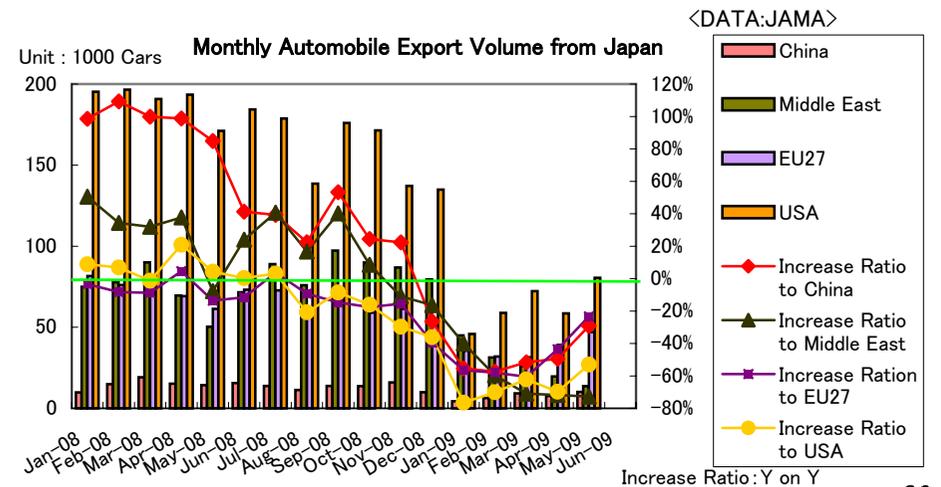
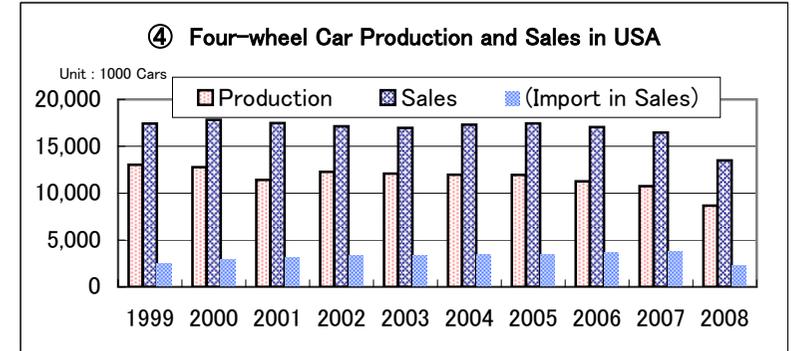


	(Y1997)	(Y2008)
ASIA	31.2%	43.9%
EUROPE	34.2%	30.9%
USA	33.2%	24.0%

③ Transition of Overseas Vehicle Production by Japanese Automakers <Data: JAMA>



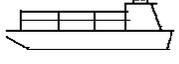
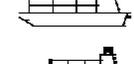
(Data: 'Handbook of Energy & Economic Statics in Japan')

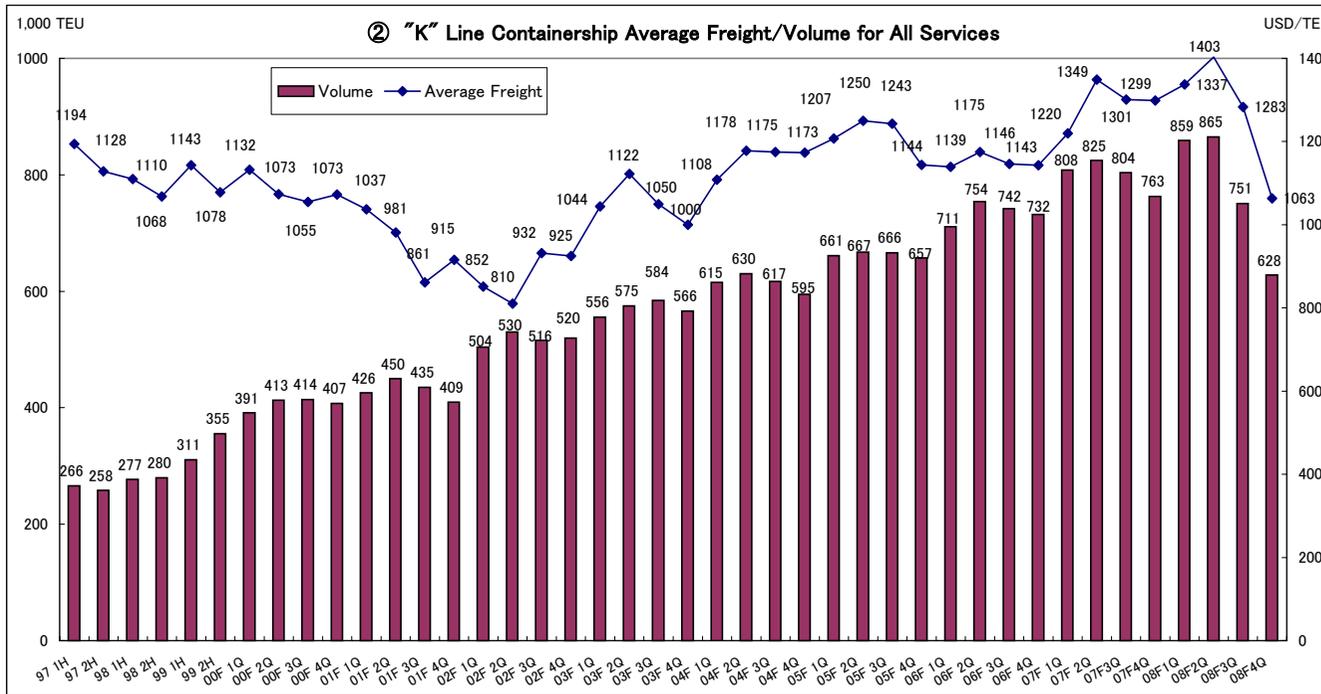
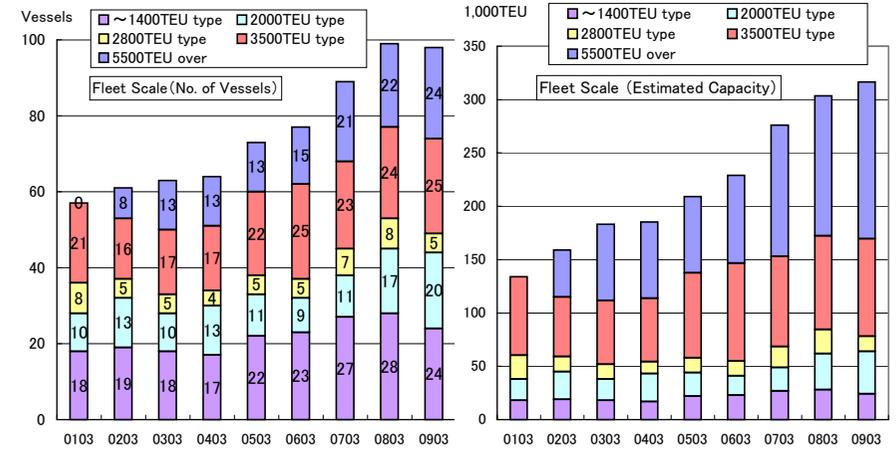


Increase Ratio: Y on Y

6. Container Business <6-1. "K" Line Fleet and Cargo Volume>

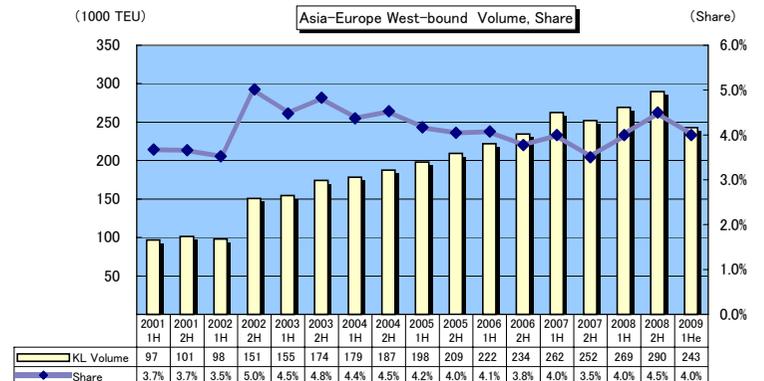
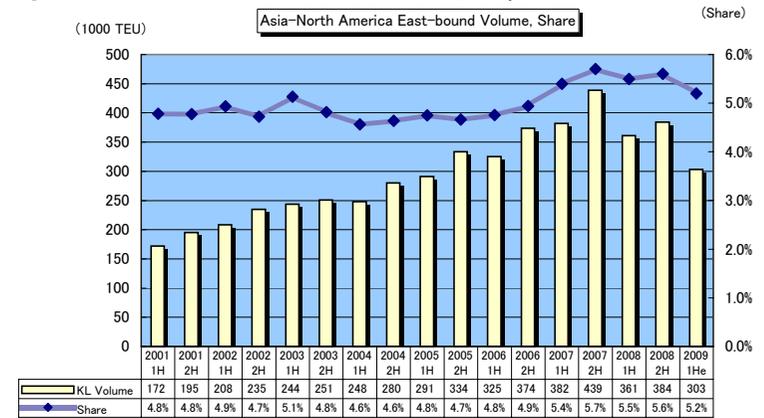
① "K" Line Containership Fleet

		0103	0203	0303	0403	0503	0603	0703	0803	0903
	5500TEU over (5500-8000)	0	8	13	13	13	15	21	22	24
	3500TEU type (3400-4000)	21	16	17	17	22	25	23	24	25
	2800TEU type (2700-2900)	8	5	5	4	5	5	7	8	5
	2000TEU type (1500-2500)	10	13	10	13	11	9	11	17	20
	~1400TEU type	18	19	18	17	22	23	27	28	24
Total		57	61	63	64	73	77	89	99	98



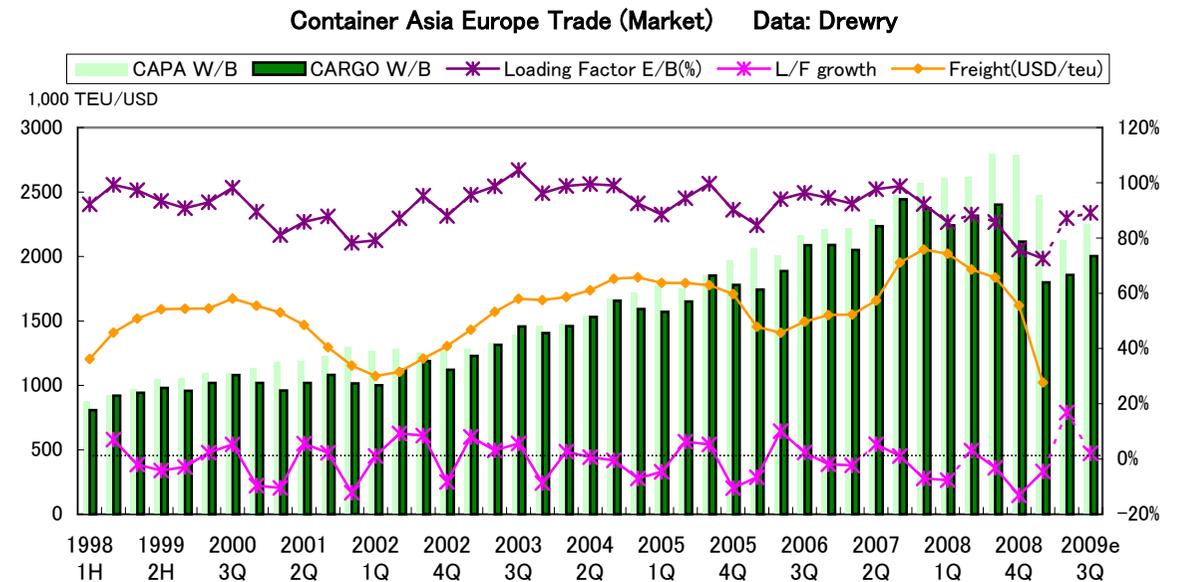
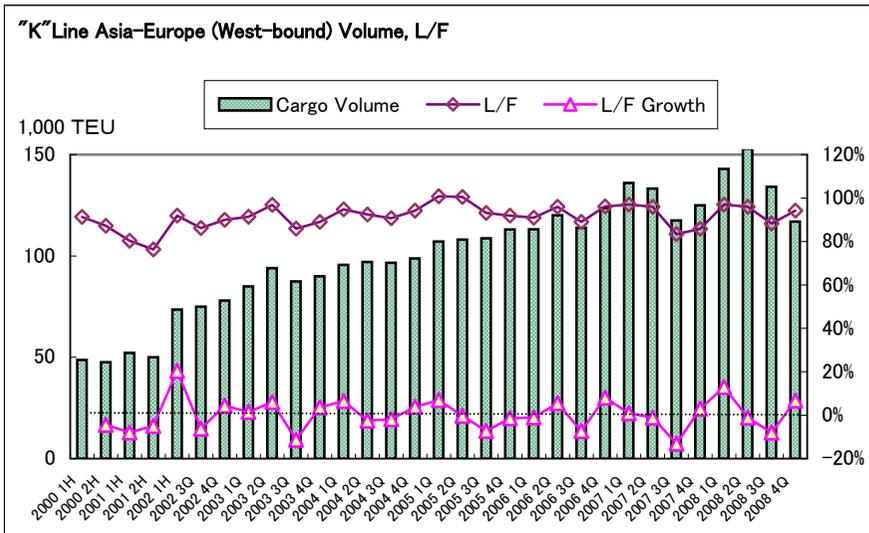
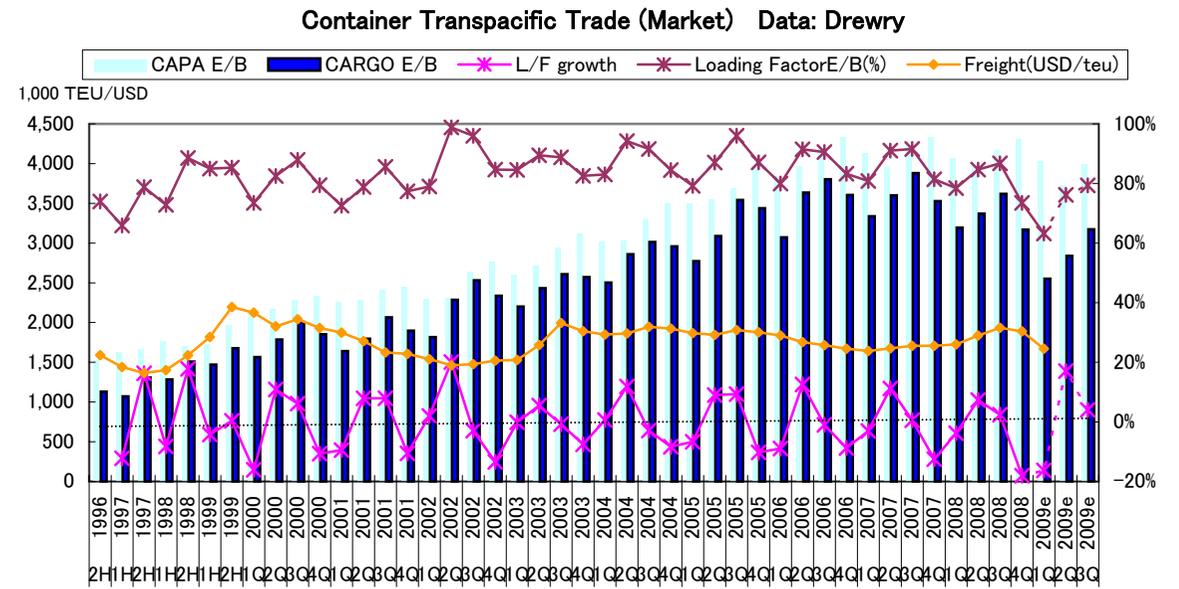
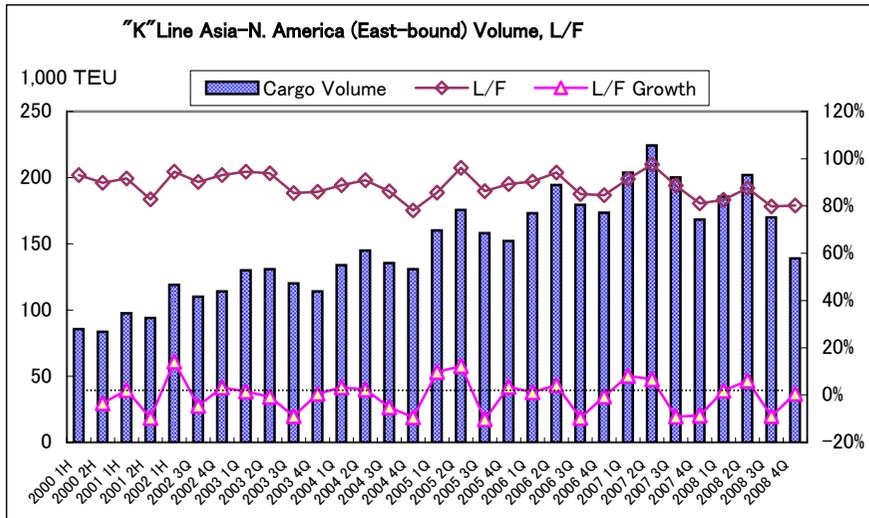
*As cargo volume for '97 1H-'99 2H, half of the actual data are indicated.

③ "K" Line Volume, Share for Asia-North America/Europe Routes



6-1. "K" Line Fleet and Cargo Volume

④ "K"Line/All Line Cargo Volume, Loading Factor for Asia-North America/Europe Services



6-2. Container Terminal Operated by "K"Line



	Terminal	Location	Length	Depth	Total Area	Storage Capacity*	Gantry Crane
Japan	"K"LINE Tokyo Container Terminal	Ohi No.1 and No.2 Berth	660 m	15 m	259,500 SQM	4,370 TEU	5 Units
	"K"LINE Yokohama Container Terminal	Honmoku Quay A No.5 and 6 Berth	400 m	12 m	133,591 SQM	1,968 TEU	3 Units
	"K"LINE Osaka Container Terminal	Nanko No.8 Berth	350 m	14 m	63,031 SQM	1,082 TEU	2 Units
	"K"LINE Kobe Container Terminal**	Rokko Terminal RC 4 West and RC 4/5 Berth	800 m	14 m	355,900 SQM	4,716 TEU	6 Units
USA	International Transportation Service, Inc.	Long Beach, CA., Pier G	1,920 m	13-16 m	955,000 SQM	15,905 TEU	19 Units
	Husky Terminal and Stevedoring Inc.	Tacoma, WA., Berth 3&4	830 m	16 m	376,000 SQM	4,800 TEU	4 Units
	TransBay Container Terminal Inc.	Oakland, CA., Berth 25	320 m	14 m	182,000 SQM	2,551 TEU	2 Units
Belgium	Antwerp Internatinal Terminal NV***	Antwerp, PSA-HNN Deurganck Terminal	350 m	15.5 m	175,000 SQM	2,990 TEU	3 Units

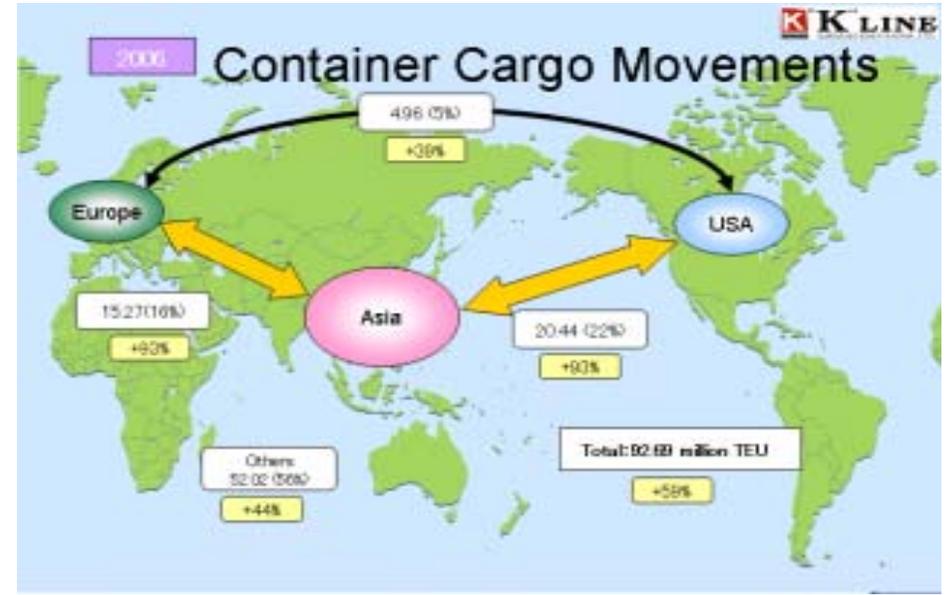
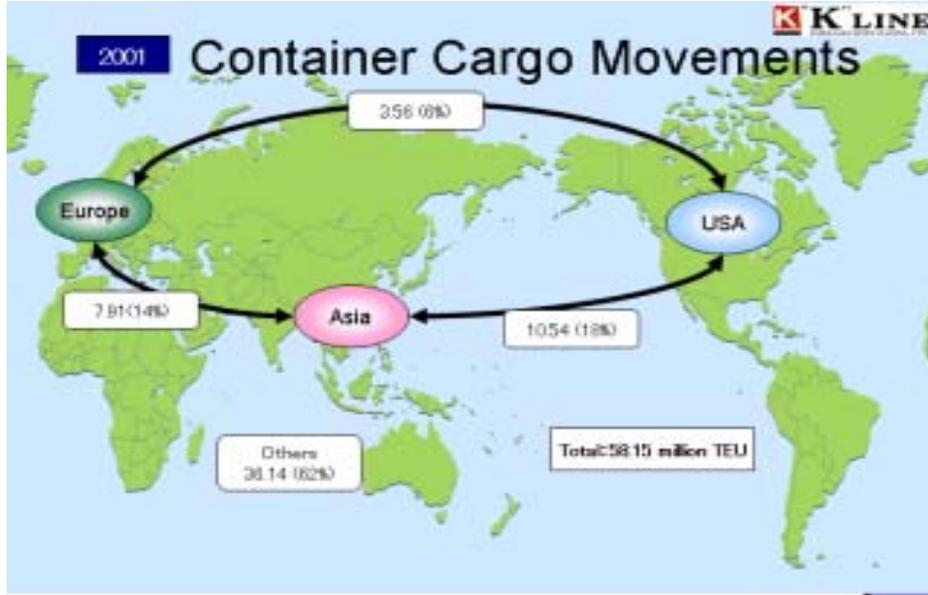
* Flat Space

**Operating with Maersk K.K.

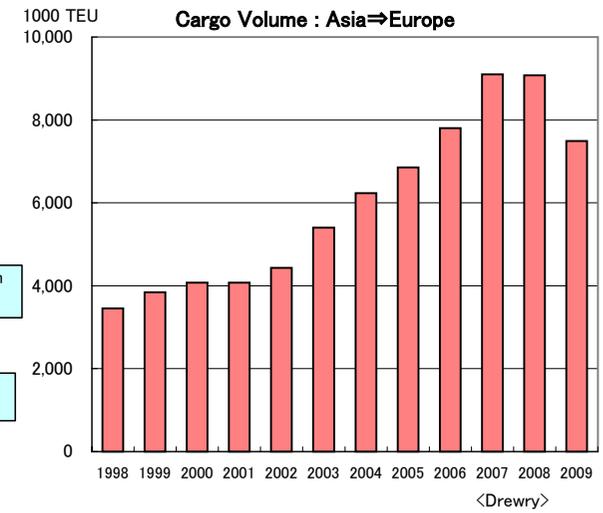
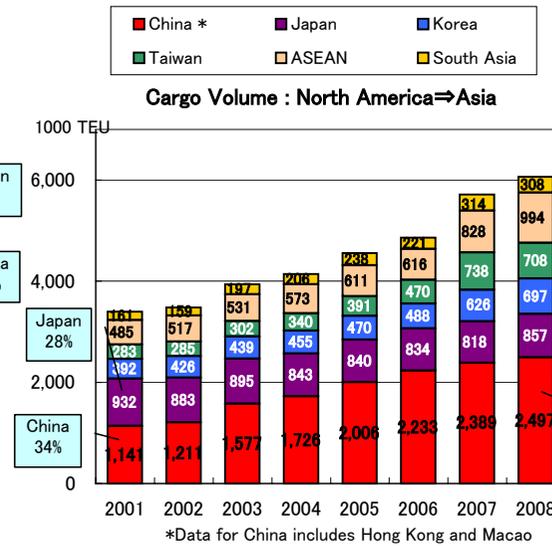
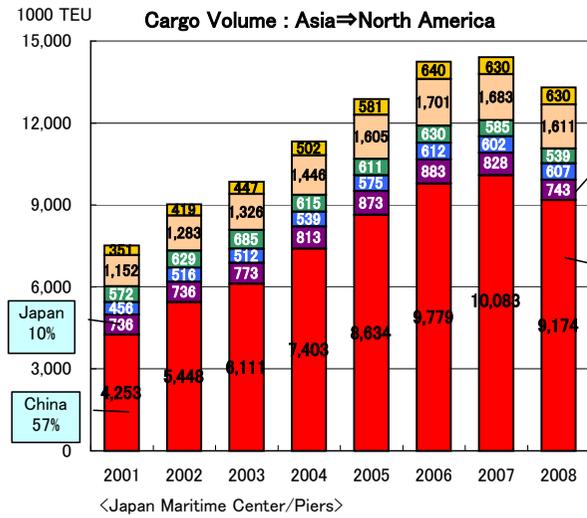
***Joint venture between K-Line ,Yang Ming Line,Hanjin Shipping and PSA-HMN.

6-3. Container Cargo Movements

① Container Cargo Movements

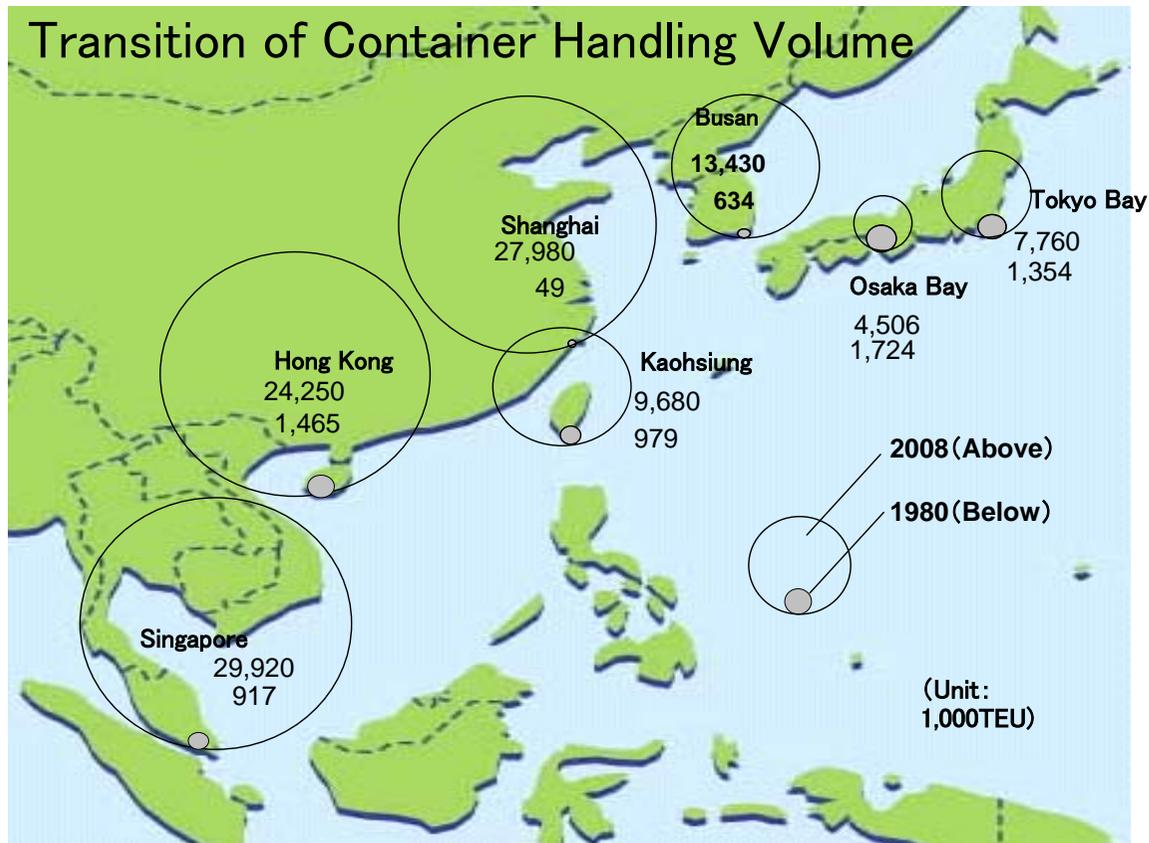


② Asia⇒North America/Europe Country-wise Cargo Volume



6-4. Port-wise Container Handling Volume

① Port-wise Container Handling Volume in Asia



② Top 10 Ports for 2008 Container Handling

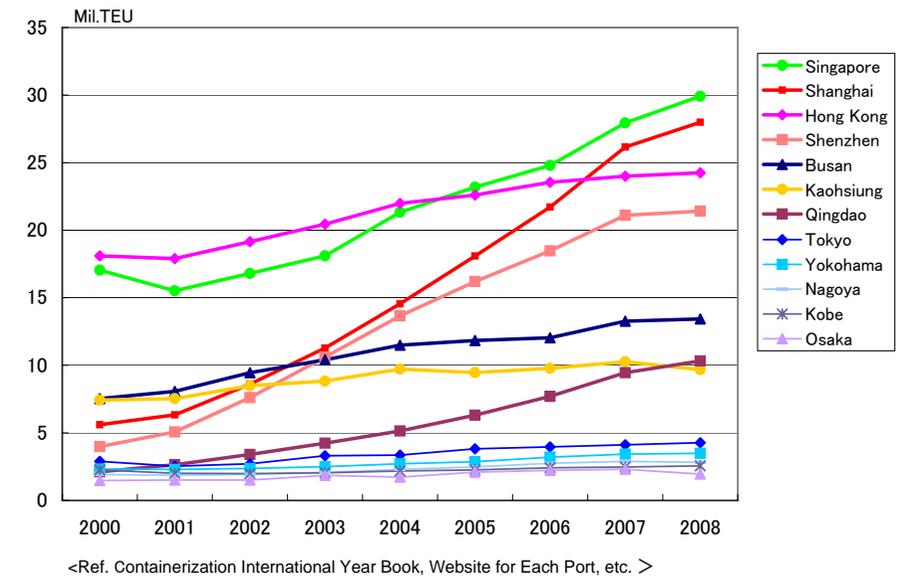
(Unit: Million TEU)

Port	2008	2007	Growth Rate	for reference 2006
1 Singapore	29.9	27.9	7.2%	Singapore
2 Shanghai	28.0	26.2	7.0%	Hong Kong
3 Hong Kong	24.3	23.9	1.5%	Shanghai
4 Shenzhen	21.4	21.1	1.5%	Shenzhen
5 Busan	13.4	13.3	1.2%	Busan
6 Dubai	11.8	10.7	11.1%	Kaohsiung
7 Ningbo	11.2	9.0	20.0%	Rotterdam
8 Guangzhou	11.0	8.8	19.6%	Hamburg
9 Rotterdam	10.8	10.8	0.0%	Dubai
10 Qingdao	10.3	9.5	9.1%	Los Angeles

(Containerization International)

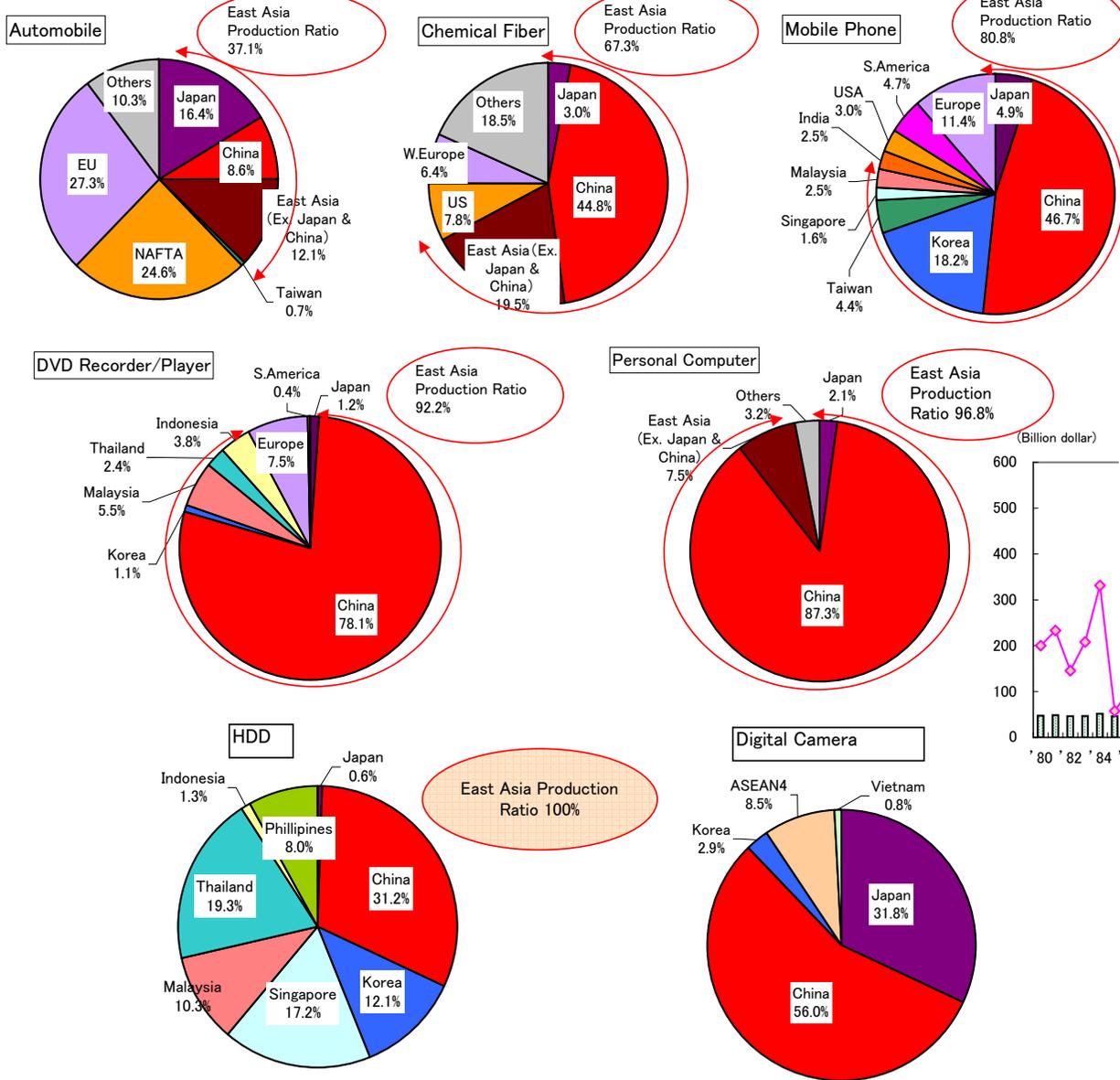
※ Ports in China

③ Transition of Container Handling among Major Ports in Asia

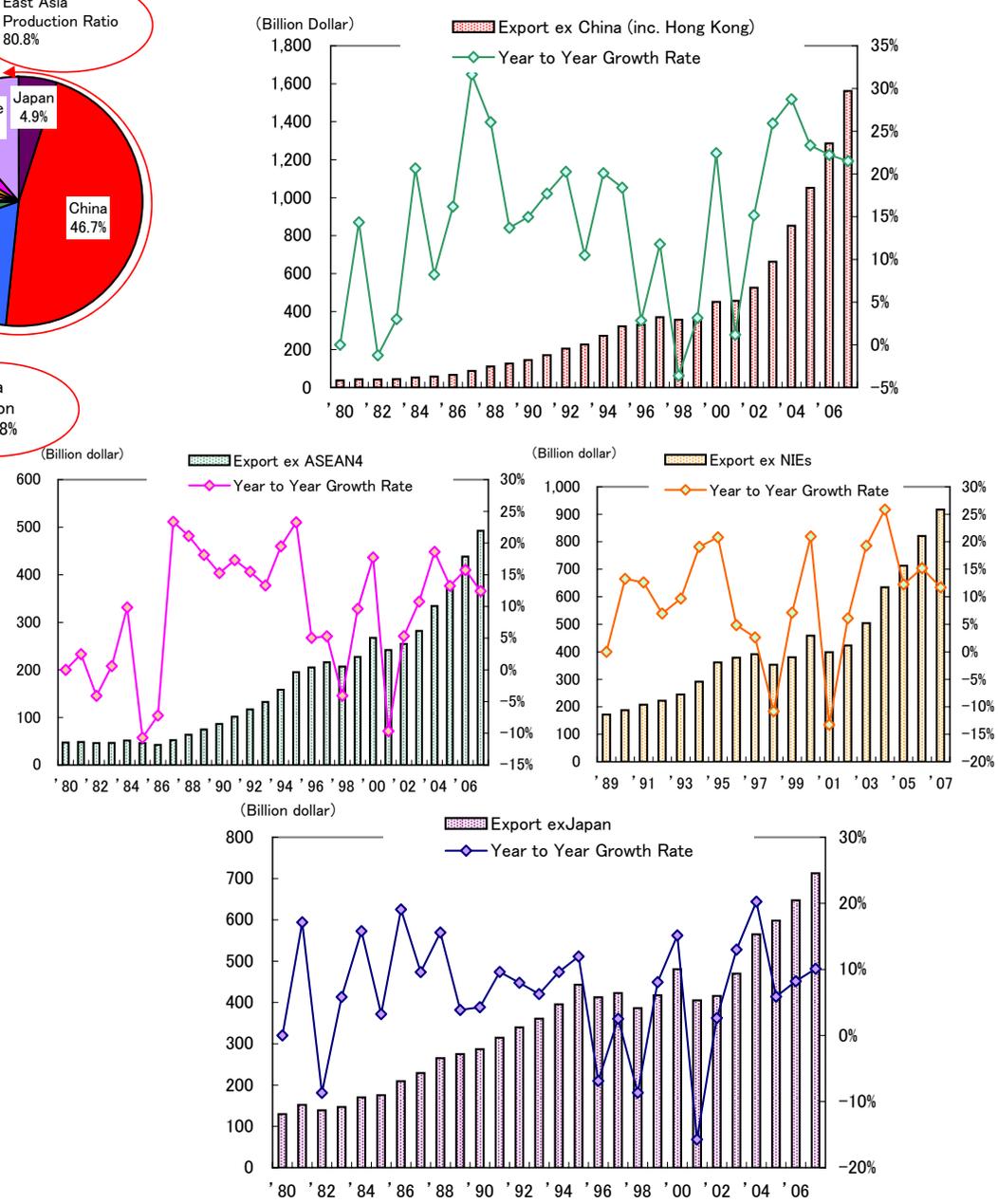


6-5. Factory of the World, Asia

① Major Electric Device Nation-wise Production



② Trends of Export from Asian Major Nations and Regions



<METI White Paper on International Economy and Trade>

* Data based on estimation for 2006.

7. New Businesses

① Heavy Lift Shipping

Commencing Time	Business Unit	Investment Ratio	Fleet	Future Plan	Remarks
April 2007	SAL* (Germany)	"K" Line 50% (Consolidated Subsidiary) Partner: SAL*	15 Vessels as of 2007	4 vessels with 2x700 ton cranes are delivered in 2008. 2 vessels with 2x1000 ton cranes will be delivered in 2009 and 2010, respectively.	Investment via "K" Line Heavy Lift (UK) Ltd.

*Schiffahrtskontor Altes Land GmbH & Co KG

Heavy Lift Ship



② Offshore Support Vessels

Commencing Time	Business Unit	Investment Ratio	Fleet	Future Plan	Remarks
Around 2011	K LINE OFFSHOER AS	Partner: CH. Sørensen Management AS (Norway)	6 Vessels as of 2011	Dec. 2010 – Jul. 2011 2 AHTS* will be delivered. 4 PSV** will be delivered. Shipyard: Aker Yards AS, Norway	Ship management is entrusted to OSM Group, Norway

*AHTS – Anchor Handling Tug and Supply Vessel which is a dual-purpose tug designed for transport of cargo in addition to anchor handling and towing duties of floating rigs (Jack Ups, Semi Submersibles, etc.)

**PSV – Platform Supply Vessel which is used for transport of cargo (Fuel, Food, Water, Dry-Bulk, Explosives, etc.) to and from offshore installations.

AHTS



③ Floating LNG Production

Commencing Time	Business Unit	Investment Ratio	Fleet	Future Plan	Remarks
After 2011	FLEX LNG Ltd. (Registered in British Virgin Islands, Listed in Norway OTC Market) http://www.flexlng.com	15% = aprox. 18 Billion Yen Other Major Shareholders: Security Houses, etc.	4 Vessels as of 2011	4 floating liquefaction units (LNG Producers) will be delivered in 2011. Shipyard: Samsung Heavy Industries, Korea	FLEX LNG already signed MoUs with Peak Petroleum and Rift Oil, respectively.

PSV



LNG Producer

④ Drillship

Commencing Time	Business Unit	Investment Ratio	Fleet	Future Plan	Remarks
After 2012	Etesco Drilling Services, LLC. ("EDS") of the United States,	20% Other Major Shareholders: Nippon Yusen Kabushiki Kaisha, Mitsui & Co. Ltd., Japan Drilling Co., Ltd.	1 Drillship	One drillship is scheduled to deliver at the end of January in 2012, from Samsung Heavy Industries Co., Ltd. of South Korea. Service will continue for 20 years in longest case.	Contract of chartering the drillship with Petrobras was already concluded.

Drillship



8. Financial Data <8-1. Trends of Major Financial Figures>

(Unit : Million Yen)

Our Financial Term	110th Ended in '78 Mar.	111th Ended in '79 Mar.	112th Ended in '80 Mar.	113th Ended in '81 Mar.	114th Ended in '82 Mar.	115th Ended in '83 Mar.	116th Ended in '84 Mar.	117th Ended in '85 Mar.	118th Ended in '86 Mar.	119th Ended in '87 Mar.	120th Ended in '88 Mar.	121st Ended in '89 Mar.	122nd Ended in '90 Mar.	123rd Ended in '91 Mar.	124th Ended in '92 Mar.	125th Ended in '93 Mar.	126th Ended in '94 Mar.	127th Ended in '95 Mar.	128th Ended in '96 Mar.	129th Ended in '97 Mar.	130th Ended in '98 Mar.	131st Ended in '99 Mar.	132nd Ended in '00 Mar.	133rd Ended in '01 Mar.	134th Ended in '02 Mar.	135th Ended in '03 Mar.	136th Ended in '04 Mar.	137th Ended in '05 Mar.	138th Ended in '06 Mar.	139th Ended in '07 Mar.	140th Ended in '08 Mar.	141th Ended in '09 Mar.	
No. of Consolidated Subsidiaries	17	18	19	20	20	19	19	20	20	24	27	31	39	48	53	53	59	82	90	95	91	88	87	93	114	142	177	186	207	220	275	311	
No. of Equity Method Affiliates	0	2	2	2	2	2	10	11	11	10	10	7	6	10	11	11	10	11	11	12	13	17	21	19	17	18	18	18	26	28	30	30	
Total	17	20	21	22	22	21	29	31	31	34	37	38	45	58	63	64	70	92	101	107	104	105	108	112	131	160	195	204	248	248	303	341	
Marine transportation operating revenues	266,396	230,692	309,424	366,024	398,368	378,152	369,981	417,404	395,279	309,293	312,946	323,908	383,541	394,933	413,470	402,960	359,809	361,318	352,090	378,793	411,893	416,308	398,602	464,341	493,832	540,208	633,564	730,633	831,638	961,419	1,203,183	1,132,348	
Other operating revenues	35,941	39,032	42,849	44,735	44,642	45,534	46,574	53,238	50,623	49,923	65,479	71,010	93,173	97,765	95,883	84,283	87,651	98,004	103,827	105,862	96,791	87,090	93,527	77,181	92,516	91,102	97,810	109,180	124,120	127,865	111,969		
Total Operating Revenues	302,337	269,724	352,273	410,759	443,010	423,686	416,555	470,640	447,172	359,196	362,869	389,387	454,551	488,107	511,235	498,843	444,093	448,969	450,095	482,620	517,755	513,100	485,693	557,869	571,013	632,725	724,666	828,443	940,818	1,085,539	1,331,048	1,244,317	
Marine transportation cost	242,330	204,391	271,059	322,707	348,586	342,986	328,673	361,772	348,040	275,833	276,898	273,747	319,454	330,387	333,125	333,645	298,281	289,322	272,963	299,352	322,695	338,768	323,902	370,014	410,022	446,189	496,401	550,443	659,447	811,439	973,758	966,226	
Other cost	33,223	35,318	37,954	41,067	43,060	41,093	42,079	46,746	49,173	52,106	52,684	58,979	68,718	85,524	93,761	92,140	79,831	87,879	103,784	108,403	116,961	103,075	87,839	103,351	92,740	105,816	105,151	115,656	132,356	146,408	153,259	139,119	
Total Cost of Sales	275,553	239,709	309,013	363,774	391,646	384,079	370,752	408,518	397,213	327,939	329,582	332,726	388,172	415,912	428,886	425,786	378,112	377,201	376,748	407,755	439,656	441,843	411,741	473,365	502,762	552,006	601,552	666,099	791,803	957,847	1,127,017	1,105,346	
Gross Profit on Sales	26,784	30,015	43,260	46,985	51,364	39,607	45,803	62,122	50,404	31,977	33,287	56,661	66,379	72,194	82,348	73,057	65,981	71,767	73,347	74,865	78,098	71,256	73,951	84,504	68,251	80,719	123,113	162,343	149,015	127,692	204,030	138,970	
Selling, General and Administrative Expenses	21,014	23,734	24,731	28,187	29,981	31,314	31,314	35,171	35,675	34,239	32,531	41,458	44,100	57,260	63,094	60,155	59,779	60,594	49,280	51,265	51,176	49,748	47,133	48,494	49,202	51,436	52,579	54,289	61,039	66,335	74,381	67,367	
Operating Income	5,770	6,281	18,529	18,798	21,383	8,293	13,289	26,951	14,729	Δ 2,262	756	15,203	22,279	14,934	19,254	12,902	6,202	11,173	24,067	23,599	26,922	21,507	26,817	36,009	19,048	29,282	70,534	108,053	87,976	61,356	129,648	71,603	
Interest and Dividends Received	3,858	3,105	3,382	3,760	4,216	4,791	3,213	2,995	2,662	2,240	2,000	2,135	2,559	3,267	2,748	2,716	2,046	1,588	1,701	1,960	1,841	2,157	2,100	1,992	1,463	1,332	1,904	2,030	3,213	5,696	6,547	4,962	
Equity in Earnings of Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	797	654	312	178	208	528	790	-	1,572	1,642	1,120	
Other Non-operating Income	3,887	4,558	2,625	1,530	2,565	6,046	5,176	1,772	8,190	13,517	14,939	7,588	6,655	9,203	6,241	6,402	6,305	4,188	5,570	1,344	1,304	1,442	1,944	1,164	1,680	1,118	827	1,319	2,590	1,763	2,044	1,643	
Total Non-operating Income	7,745	7,663	6,007	5,290	6,781	10,837	8,389	4,767	10,852	15,757	16,939	9,723	9,214	12,471	8,990	9,121	8,354	5,778	7,273	3,306	3,146	4,398	4,699	3,470	3,323	2,659	3,261	4,140	5,804	9,032	10,193	7,727	
Interest and Discount Expenses	13,165	13,222	15,158	16,280	17,472	17,728	18,587	18,386	17,264	17,455	17,574	17,902	21,297	22,443	22,457	17,159	13,746	12,767	17,720	15,840	15,652	15,128	11,241	12,240	9,478	6,689	4,551	4,546	4,336	4,228	5,105	6,181	
Other Non-operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other sales Expenses	1,737	2,243	1,631	480	2,634	1,836	574	2,218	833	1,370	1,114	636	2,869	2,688	2,946	2,367	2,752	2,913	3,636	2,734	3,610	5,281	5,564	434	925	1,781	5,778	412	742	2,233	8,869	13,138	
Total Non-operating Expenses	14,902	15,465	16,789	16,760	20,106	19,564	19,161	20,604	18,097	18,825	18,688	18,538	24,166	25,131	25,404	19,526	16,499	15,681	21,356	18,574	19,262	20,411	17,157	12,675	10,403	8,269	11,230	4,959	5,207	6,461	13,974	19,320	
Ordinary Income	Δ 1,387	Δ 1,521	7,747	7,328	8,058	Δ 434	2,517	11,114	7,484	Δ 5,330	Δ 993	6,388	7,327	2,214	2,840	2,496	Δ 1,943	1,271	9,853	8,331	10,906	5,494	14,358	26,804	11,968	23,672	62,564	107,253	88,573	63,927	125,867	60,010	
Extraordinary Income	4,694	5,296	4,963	5,997	5,928	11,026	5,566	2,900	3,493	5,838	13,275	6,639	2,647	2,829	10,753	2,957	9,898	10,745	5,043	6,920	2,927	7,899	4,232	2,579	14,505	4,263	1,860	1,980	8,498	14,384	11,834	6,392	
Extraordinary Losses	2,128	2,530	8,650	6,791	7,357	3,436	5,034	6,191	7,894	7,138	10,241	12,124	2,574	1,760	4,648	4,968	6,817	9,817	5,915	7,987	7,376	7,899	26,776	18,226	9,265	9,398	13,704	1,793	1,959	873	20,630		
Income before Income Taxes	1,179	1,245	4,060	6,534	6,629	7,156	3,049	7,823	3,083	Δ 6,630	Δ 8,209	903	7,400	3,342	8,946	2,518	3,886	5,199	5,208	9,336	5,745	6,018	10,691	2,606	8,247	18,680	50,026	95,510	95,278	76,352	136,288	45,772	
Income Taxes	747	977	2,241	3,742	2,975	2,976	1,480	3,084	2,995	1,323	1,202	1,762	4,839	6,193	4,846	5,037	3,334	1,780	2,649	3,387	4,762	4,044	4,855	8,626	3,985	8,662	20,103	37,420	27,126	23,006	47,579	6,997	
Deferred Corporate Tax (Δ=Plus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Minority Shareholders' Interests (Δ=Plus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Minority Shareholder Income/Loss (Δ=Plus)	19	Δ 268	0	Δ 162	Δ 193	86	Δ 97	64	Δ 130	Δ 361	Δ 625	197	210	489	623	398	Δ 114	Δ 141	30	333	250	-	-	-	-	-	-	-	-	-	-	-	
Foreign Currency Exchange Adjustments (Δ=Plus)	-	-	Δ 216	-	-	-	-	-	-	61	Δ 813	Δ 618	Δ 669	-	-	-	-	-	-	-	-	377	192	380	585	518	870	1,446	1,775	1,516	3,815	5,165	
Equity in Earnings of Affiliates (*=Plus)	-	-	-	-	-	-	649	96	3	222	124	279	336	248	418	209	119	152	306	687	248	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	413	536	2,035	3,192	4,073	4,079	2,371	4,802	160	Δ 6,557	Δ 8,044	Δ 108	2,687	Δ 3,092	4,355	Δ 2,707	2,787	3,712	2,834	6,303	1,667	1,596	6,843	1,948	4,767	10,373	33,196	59,852	62,423	51,514	83,011	32,420	
Total Assets	306,332	306,352	314,391	334,636	380,955	426,624	432,387	439,903	441,476	461,444	447,644	437,795	461,068	505,026	518,672	506,988	467,293	429,477	522,836	557,892	576,109	522,498	514,802	513,797	533,295	515,824	559,135	605,331	757,040	900,438	968,629	971,602	
Shareholders' Equity (Net Assets* from the Year Ended in '07 Mar.)	25,216	24,498	26,545	29,667	37,573	50,872	53,700	57,901	67,850	61,074	51,674	51,933	54,971	50,501	55,245	51,604	53,894	57,163	60,235	66,773	68,435	68,606	74,131	68,647	77,716	82,039							

9-2. Safety Navigation

"K" LINE is aggressively grappling with safety issues throughout the Company, focusing with highest priority on the workplace as the frontline. Essentially, this provides the groundwork for all our business activities in our effort to perform ship operations and cargo handling with utmost and total safety. Education/training will substantially contribute a great deal toward perfection in this most fundamental work. From this perspective, the subject of ongoing education/training for crewmembers is also being taken up here.



"K" LINE has taken the following steps: formation of a Ship Safety Promotion Committee in 1984 to ensure safe navigation for the entire fleet, including chartered vessels; establishment of a Standing Committee that includes ship management companies; detailed ship safety measures based on analyses of marine accident data; inspections of its entire fleet by ship safety inspectors/auditors; and a campaign for Zero Accidents.

"K" LINE's main direction is protecting safety of humans, ships and cargo, and contributing to protection of our earthly environment. Our Safety Management System's activities are composed of:

- making a comprehensive manual of all procedures for safety and protection of marine environment;
- distributing the standard and unified manual and documented instructions to all people concerned as well as crews for achieving perfection in practicing their day-to-day duties;
- making it a rule to record how practice is carried out along the lines of the manual and amending it if anything proves to be unpractical.

This manual system is what makes it happen—assuring that all people concerned are at the same level of knowledge and information. Every action is arranged to be integrated and produce synergetic power for safety. What is more, filing all information or records in a manual helps increase accountability and transparency to any interested outsiders such as our valued customers.

We understand that the set-up and steady development of an across-the-company Emergency Response System will lead and bring together all people concerned on shore and sea and related group personnel to effectively cope with whatever emergency that may be related to vessels, human lives and environment. It will also help raise awareness of the necessity for education and training as preparation for emergency response. If and when a marine pollution incident occurs due to an oil leak from a ship, an injury or death at sea, a serious marine calamity such as collision, fire, stranding, grounding or sinking, Management shall set up an Emergency Response Team, ordering staff concerned in accordance with the "Company Emergency Procedures" and take adequate measures to prevent further expansion of damage. Subject to the size and degree of an accident, an Emergency Response Headquarters shall be set up with the president or a director designated by the president as the commander, and all necessary measures shall be taken for the earliest settlement of any such accident and executed by making the best of functionality that the Company provides. Getting top management, assigned staff and operated vessels involved, the Company periodically carries out so-called "Table Top Drill" designed to identify and improve response emergency procedures for safe operation, environmental protection and information disclosure.

Work is shared and performed by crews of different countries, such as the Philippines, India, Bangladesh, etc., including Japan. Not only knowledge and skills but also "K" LINE safety policy must be commonly shared with each other for the best possible fulfillment of everyone's assignment.

"K" LINE Vision 100 advocates "Synergy for All and Sustainable Growth" as its main theme and we set up "Stable and safe ship operation administration structure" to achieve the theme. We established "'K" Line Safety Standard", our safe management system, which is built on our own know-how and global safety standards, to ensure safe navigation and improving ship quality for whole our operating fleet by enhancing "KL Quality" and strengthening on board inspection scheme. Moreover, in order to promote sharing of safety information in all groups, we try to reinforce safety management system and strengthen shore-base back-up structure including establishment of "KL Safety Network", etc. We enhance better ship management system by expansion of overseas bases of in-house ship management companies, promoting efficient ship management which specializes specific types of ship, and maintaining ship's quality with high quality seafarer and experienced ship superintendents. Furthermore, we try to develop and ensure high-level marine technicians by strengthening recruiting system at overseas sources, improvement of software of "K" Line Maritima Academy, upgrading crew training system, and providing more attractive workplaces, etc., to achieve "Stable and safe ship operation administration structure."

Ship Management Principle Supporting Safety Navigation

SKILL: Technical capabilities acquired from experience

PROFESSIONALISM: Professional dedication with thorough knowledge about each vessel

INTELLIGENCE: Intelligence that contributes to improving society worldwide

RESPONSIBILITY: Strong feeling of personal responsibility

INNOVATION: Innovate through new technology

TEAMWORK: Teamwork for achieving each target



← Operating Simulator



Engine Simulator →



Opening Ceremony of "K" Line Maritima Academy in Philippines ↑
Philippine President Gloria Arroyo and President Maekawa

9-3. Environment Preservation

The seas are the stage where our industry comes into play. It brings various benefits to humanity with ships that are an energy-efficient and eco-friendly mode of transportation. We are required to defend the earth, to make best use of its limited resources and to promote recycling. Respecting and defending humanity's beautiful and rich homeland is a social responsibility businesses must fulfill and also is an important homework assigned to us who are living in the 21st century.

"K" LINE and its entire Group have long been tackling environmental preservation/protection issues simultaneously with our pursuit of perfection in safe navigation and cargo operations. We established "K" LINE Group's Environmental Policy in order to further assure that all people within and outside the Group are well aware of how we are poised to effectively focus on environmental matters.

"K" LINE Group's Environmental Policy

As a global logistics business group centering on maritime transportation, we consider that it is an integral management assignment of eternal importance to address the issue of preservation of the earthly environment. We recognize in a proper manner that those exhaust emissions and wastes created by consumption of power sources necessitated directly and indirectly by business activities in the logistics industry can result in an increasingly heavy burden on the limited amount of resources of both our earthly and marine environment. We also recognize the importance of prevention of marine pollution caused by marine accidents. In order to contribute to society in general through our diligent and consistent efforts for preservation of the earthly environment, we, everyone throughout the entire "K" LINE Group, hereby commit ourselves that we will personally, fairly and severely observe environment-related treaties/conventions and rules/regulations, and make utmost efforts to eliminate and minimize any adverse environmental impact.

(Behavioral directions)

1. In carrying out business activities

- We will seek for perfection in safety of navigation and cargo operations in order to preemptively prevent the spillage of fuel, cargo oil and/or any other hazardous substances from ships during operation or at the time of any marine accident.
- We will properly manage exhausts and wastes deriving from both ship and shore operations. We will thereby try to exert our utmost efforts to the recycling of any such items.
- Through an upgrade in ship operation and work performance, we will encourage maximum conservation of energy and resources.

2. On development and introduction of environmental technology

- For the purpose of reduction in exhaust emissions which cause air pollution and global warming to be incurred, we are committed to the study and improvement of ship and shore facilities and fuel oil, and to the development and introduction of the most sophisticated equipment and related technology.
- We will refrain from using ship hull paints containing substances hazardous to marine life and also from using any ozone-depleting substances.

3. For the purpose of encouragement of environmental preservation

- We will implement restructuring of organizations with greater emphasis on studying/educating/training about safe navigation and environmental affairs.
- We will elevate awareness and understanding of all prevailing environmental issues among each member of the entire "K" LINE Group.
- We will practice information disclosure appropriately in relationship to the environment.
- The "K" LINE Group will support and participate in social activities contributing and dedicated to present and future preservation of our earthly environment.

Established in May 2001

In October 2001, we structured and commenced operation of "K" LINE's own Environmental Management System (EMS), and were awarded ISO14001 Certification for our EMS by Nippon Kaiji Kyokai (ClassNK) on February 26, 2002. Our EMS embraces the entire scope of marine transportation services in all "K" LINE sectors and branches in Japan as well as three ship management companies ("K" Line Ship Management Co., Ltd., Taiyo Nippon Kisen Co., Ltd. and Escobal Japan Ltd.) KLine (Japan) Ltd., Kawasaki Kinkai Kisen Kaisha, Ltd., Nitto Total Logistics Ltd. (Terminal Dept.) are involved in the program. (Present certification is valid until Feb.25, 2011).

As EMS encompasses all marine transportation services, its importance is directed to not only ship management itself but also ship operations and deployment planning. In cooperation with each group company concerned, "K" LINE is tackling all environmental issues covering marine transportation business from the widest possible perspective.

From 2004, we started publishing our own "Social & Environmental Report" that contains information about Corporate Social Responsibility. (till 2003 "Environmental Report" only.) If you are further interested in how we are tackling environmental preservation, we invite you to look through it. "Social & Environmental Report" may also be accessed on our website.



Line of Presidents in "K" Line and Brief History

Company Name	President	AD	Japanese Calender	History
(Kawasaki Dockyard) (ex. Kawasaki Heavy Industries)	Shozo Kawsaki	1837	Tenpo 8	Born in Kagoshima
		1853	Kaei 6	Started trading business in Nagasaki
		1878	Meiji 11	Established Kawasaki Tsukiji Shipyard in Tsukiji, Tokyo
		1881	14	Established Kawasaki Hyogo Shipyard in Hyogo
		1896	29	Incorporated Kawasaki Dockyard Co., Ltd.
		1904	37	Started marine transportation business, under name of KAWASAKI Marine Freight Department.
Kawasaki Kisen Kaisha Ltd.				
("K" Line)	1 Yoshitaro Kawasaki	1919	Taisho 8	Official registration of 'Kawasaki Kisen Kaisha, Ltd.', started business with the name
	2 Kojiro Matsukata	1920	9	
		1921	10	'Kawasaki Kisen', tying up 'Kawasaki Marine Freight Department', and 'Kokusai Kisen' formed "K" LINE.
		1927	Showa 2	'Kokusai Kisen' disengaged from "K" LINE
	3 Fusajiro Kashima	1928	3	
	4 Hachisaburo Hirao	1933	8	
			9	'Kawasaki Marine Freight Department' liquidated. 'Kawasaki Kisen' became the only operator for "K" LINE.
	5 Masasuke Itani	1935	10	
	6 Koichi Kimishima	1946	21	
		1948	23	Succeeded refloatation of KIYOKAWA MARU, sunk during the war.
	7 Motozo Hattori	1950	25	
		1951	26	Japan/Bangkok liner service inaugurated.
		1953	28	Started independent oil transport service (with vessel 'Andrew Dillon')
		1960	35	Iron ore carrier "FUKUKAWA MARU" is completed.
		1964	39	Japanese shipping industry consolidated into six groups. "K" Line merged with Iino Kisen
		1968	43	"K" Line's 1st full-container ship "GOLDEN GATE BRIDGE" delivered. "TOYOTA MARU NO.1" ('Car Bulker') delivered "TOYOTA MARU NO.10", the first Pure Car Carrier in Japan delivered
	8 Mamoru Adachi	1970	45	
	9 Kosuke Okada	1976	51	
	10 Kiyoshi Kumagai	1980	55	
		1983	58	"BISHU MARU", the first LNG carrier in Japan completed
11 Kiyoshi Ito	1985	60		
12 Hiroshige Matsunari	1988	63	"Manhattan Bridge" started service with 11 crew as the first Japanese 'pioneership'.	
13 Shiro Nagumo	1992	Heisei 4		
	1993	5	"K" Line Reengineering Program (K.R. Program) launched.	
14 Isao Shintani	1994	6		
	1996	8	"K" Line Re-engineering Phase II (K.R. PHASE II) started	
	1998	10	A 5-year management plan, New "K" Line Spirit for 21 (New K-21) established Resumption of dividend for the first time in 15 years	
15 Yasuhide Sakinaga	2000	12		
	2002	14	A 3-year management plan "KV-Plan" formulated.	
	2004	16	New management plan "K" LINE Vision 2008 adopted	
16 Hiroyuki Maekawa	2005	17		
	2006	18	Newly developed management plan "K" LINE Vision 2008+ started	
	2008	20	Newly developed management plan "K" LINE Vision 100 started	

- (1) Kawasaki Kisen inauguration Aim to one of the major international shipping companies along with NYK and MOL using stock boats prepared originally for extra demand by World War I.
- (2) "K" LINE formed Operation in the same flag, funnel mark, and trade name
- (3) KIYOKAWA MARU Our symbol of recovery from World War II; refloatation of KIYOKAWA MARU
- (4) Shipping industry consolidation Depression after boom in shipping by Korean War and closure of the Suez Canal - measures to strengthen shipping industry by the Japanese government

9-5. Press Releases for FY2008 (Apr.2008~Mar.2009)

(For details, please visit the following website: (http://www.kline.co.jp/news/2008/index_e.html))

<Apr. 2008>	<ul style="list-style-type: none"> • Establishment of "K" LINE (INDIA) PRIVATE LIMITED[Apr.30, 2008] • New Management Plan "K" Line Vision100 was released.[Apr.25, 2008] • Change of Executive Officers' Responsibilities [Apr.25, 2008] • Change of Auditors[Apr.25, 2008] • Revamp East Coast South America – US East Coast Service[Apr.25, 2008] • Education Partnership with Marine School in the Philippines[Apr.22, 2008] • New WHL and "K" Line Joint Venture Service[Apr.18, 2008] • CKYH 2008 SUMMIT Meeting[Apr.17, 2008]
<May 2008>	<ul style="list-style-type: none"> • "K" Line Issuer Rating Upgrades from A- to A[May 30, 2008] • Delivery of "Unimax Ore"-300,000 DWT type ore carrier named "GRANDE PROGRESSO"[May 30, 2008] • "K" LINE Expands Service Coverage between Asia and East Coast South America[May 22, 2008] • CKYH Alliance to Modify TPS Services and Link K-PNW and AES2 as Pendulum Service[May 19, 2008] • CKYH Alliance Resumes AWE-Central Service[May 14, 2008]
<Jun. 2008>	<ul style="list-style-type: none"> • "K" Line to become Strategic Investor in FLEX LNG[Jun. 24, 2008]
<Jul. 2008>	<ul style="list-style-type: none"> • The second "K" Line Maritime Academy Global Meeting took place in Philippines[Jul. 22, 2008] • Commencement of training on the third training ship for up-grading "SUMMIT RIVER"[Jul. 14, 2008] • "K" LINE Vision 100 "Stable and safe ship operation administration structure"[Jul. 10, 2008]
<Aug. 2008>	<ul style="list-style-type: none"> • "K" Line Launches New Feeder Service between the East Coast of the United States and Amazon region in Brazil[Aug. 28, 2008] • "K" Line to Invest in Titan Quanzhou Shipyard Ltd[Aug. 05, 2008]
<Oct. 2008>	<ul style="list-style-type: none"> • "K" LINE Launches New Asia-East Coast South America Service[Oct. 31, 2008] • "K" Line / PIL / WHL to cooperate in New Service from China to Middle East[Oct. 03, 2008]
<Nov. 2008>	<ul style="list-style-type: none"> • Delivery of 154,800m3 LNG Carrier "TANGGUH FOJA" for TANGGUH Production Sharing Contractors[Nov. 26, 2008] • CKYH to Rationalize European Services[Nov. 21, 2008] • CKYH to rationalize services[Nov. 13, 2008] • Agreement with Korea Western Power Co, Ltd for Consecutive Voyage Charter for Bituminous Coal Transportation[Nov. 13, 2008] • Port Dedicates First Shoreside Power Project First container ship, a "K"-Line vessel at Pier G, "plugs in" for clean[Nov. 12, 2008]
<Dec. 2008>	<ul style="list-style-type: none"> • "K" Line to Launch New Direct Service from Far East to Red Sea (RES)[Dec. 24, 2008] • "K" Line/PIL to Restructure Asia to South Africa Service[Dec. 10, 2008]
<Jan. 2009>	<ul style="list-style-type: none"> • Change of Representative Directors and Executive Officers[Jan.29, 2009] • Impairment of Investments in Securities and Investments in Unconsolidated Affiliates[Jan.13, 2009] • "K" Line to Implement Winter Program on Asia- Mexico/West Coast South America Service[Jan.09, 2009] • New Year Message from President[Jan.05, 2009]
<Feb. 2009>	<ul style="list-style-type: none"> • Change of Directors and Auditors[Feb.26, 2009] • Launching of "TOHOKU MARU" for Tohoku Electric Power Co., Inc.[Feb.05, 2009] • "K" Line Launches New Service for West Africa[Feb.03, 2009]
<Mar. 2009>	<ul style="list-style-type: none"> • CKYH to Rationalize Far East /U.S. East Coast Services[Mar.23, 2009] • Far East – East Coast South America Joint Service Restructure[Mar.18, 2009] • Long-term wood chip transport contract signed with Biowood Norway AS[Mar.12, 2009]

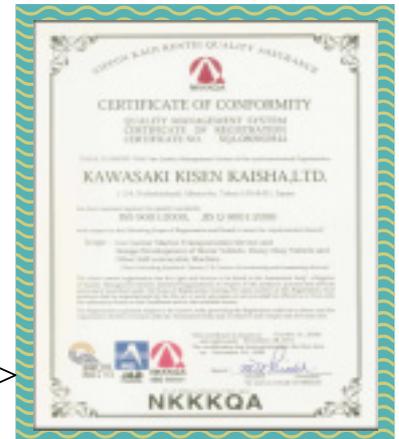
9-6. Certification by Third-party Organization and Information on Convertible Bonds

Certification by Third-party Organization on CSR /Environment



Environmental Management System ISO14001
Scope of Application : Marine Transportation Services
***Awarded in Feb.26 2002(valid for Feb. 25 2011)**

Quality Management System ISO9001 (Car Carrier)
Scope of Application : Car Carrier Marine Transportation Service and Design/Development of Motor Vehicle, Heavy Duty Vehicle and Other Self-conveyable Machine
***Awarded in Nov.29 1999 (valid for Nov.28, 2011)**



Quality Management System ISO9001 (Ship Planning Group, "K" Line Ship Management Co.Ltd. New Building Group)
Scope of Application : Planning, Development and Determination Business of Specification for New Shipbuilding, Approval Business of Plan and Drawings, Supervision Business in Shipyard
***Awarded in Mar.13 2008 (valid for Mar.13 2011)**



FTSE4 Good Index Series
FTSE (joint venture between The Financial Times and London Stock Exchange), a UK based famous global index company, has included our company for their SRI (Socially Responsible Investment) index FTSE4 Good Index series since Mar 2003.

Rating Information (for Long-term Bonds)

R&I						JCR						S&P					
2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
A-	A-	A-	A-	A	A	A	A	A	A	A	A	BB+	BBB-	BBB-	BBB	BBB	BBB-

Issued Convertible Bond Information

Date of Issue	Issued Amount	Coupon	Conversion Price	Maturity Date
22 March 2004	30 bil. Yen	zero-coupon	700yen/share	22 March 2011
4 April 2005	30 bil. Yen	zero-coupon	851yen/share	4 April 2013

9-7. Corporate Principles, Charter of Conduct, etc.

"K" LINE established its Corporate Principles and Vision, which promises the formation of a stable business base for the "K" LINE Group, in the management plan that was initiated from April 2004.

Corporate Principles of the "K" LINE Group

The basic principles of the "K" LINE Group as a shipping business organization centering on shipping lie in:

- a.) Diligent efforts for safety in navigation and cargo operations as well as for environmental preservation;
- b.) Sincere response to customer needs by making every possible effort; and
- c.) Contributing to the world's economic growth and stability through continual upgrading of service quality.

Vision

- 1 To be trusted and supported by customers in all corners of the world while being able to continue to grow globally with sustainability,
- 2 To build a business base that will be capable of responding to any and all changes in business circumstances, and to continually pursue and practice innovation for survival in the global market,
- 3 To create and provide a workplace where each and every employee can have hopes and aspirations for the future, and can express creativity and display a challenging spirit.

Charter of Conduct : "K" Line Group Companies

Kawasaki Kisen Kaisha, Ltd. and its group companies (hereinafter "K" Line Group) reemphasize that due respect for human rights and compliance with applicable laws, ordinances, rules are the fundamental foundations for corporate activities and that group companies' growth must be in harmony with society and therefore we herein declare to abide by "Charter of Conduct" spelled out below:

1 Human Rights

The "K" Line Group will consistently respect human rights and well consider personality, individuality and diversity of its corporate members and improve work safety and conditions to offer them comfort and affluence.

2 Compliance to the Principles of Corporate Ethics

The "K" Line Group promises to comply with applicable laws, ordinances, rules and spirit of the international community and conduct its corporate activities through fair, transparent and free competition.

3. Trustworthy Company Group

"K" Line Group continues to pay special attention to safety in navigation, achieving customer satisfaction and garnering trust from the community by providing safe and beneficial services

4. Environmental Efforts

The "K" Line Group recognize that global environmental efforts are a key issue for all of humanity and that they are essential both in business activities and existence of the company and therefore we are committed to a voluntary and proactive approach to such issues to protect and preserve the environment.

5 Disclosure of Corporate Information and Communication with Society

The "K" Line Group will protect personal information, properly manage corporate information and disclose corporate information timely and appropriately, widely promoting bidirectional communication with society including shareholders.

6 Contribution to Society

The "K" Line Group as a Good Corporate Citizen will make ongoing efforts to contribute to social development and improvement and support employee's voluntary participation in such activities.

7. Harmony in the International Society

The "K" Line Group will contribute to development of international society in pursuance of its business pertaining to international logistics and related businesses, respecting each country's culture and customs.

8. Confront Anti-social Forces

The "K" Line Group will resolutely confront anti-social forces or organizations which may threaten social order and public safety.

The management of each "K" Line Group Company recognizes that it is their role to realize the spirit of the Charter and to set the pace that is to be followed by every employee in their company as well as by business partners.

In the event of any incidents in breach of this Charter, the management of the respective "K" Line Group member company will demonstrate decisiveness to resolve the problem(s), conduct a thorough investigation to determine the cause and to take preventative measures.

Additionally, such management will expeditiously and accurately release information and fulfill their accountability to society.

This Charter of Conduct is accompanied by "Implementation Guidance for Charter of Conduct", which we have posted in our HP. (⇒<http://www.kline.co.jp/csr/Guideline.pdf>)

10. Tonnage Tax

Tonnage Tax, Change in Circumstances for Japanese Vessels and Japanese Seafarers

46

1. Basic Act on Ocean Policy (Enacted April 20, 2007, Effective July 20, 2007)

This act includes 'Securing Maritime Transport', which is :

(Securing Maritime Transport)

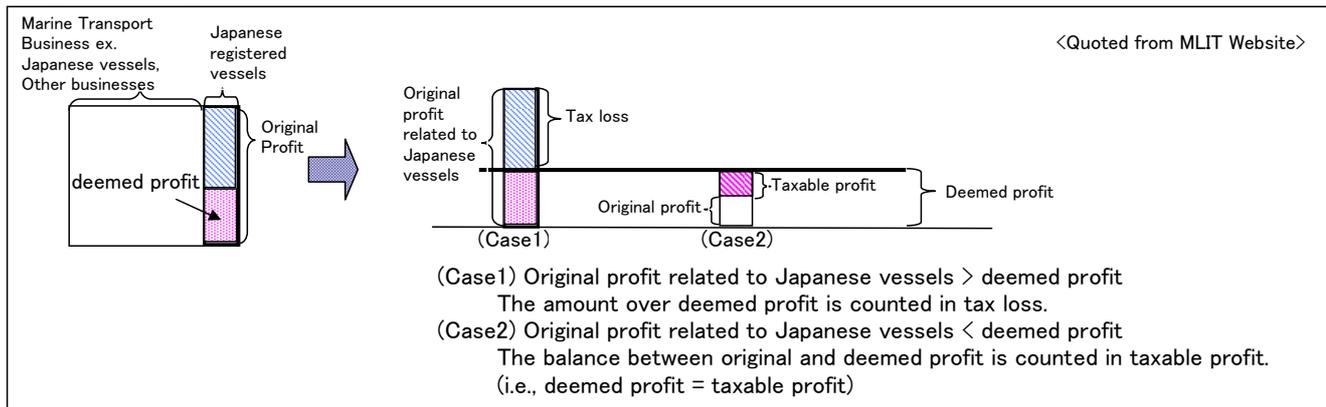
Article 20: The Government shall take necessary measures to secure an efficient and stable maritime transport, including the securing of Japanese registered vessels, fostering and securing seafarers, developing hub ports as base for international maritime transport network and others.

2. Revised Marine Transportation Law for Tonnage Tax System

(Enacted May 30, 2008, Effective July 17, 2008)

-Japanese ocean-going shipping companies that are approved by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) can select taxation on deemed profit instead of normal corporate tax for earnings connected to Japanese-registered vessels.

○Pattern Diagrams for Calculation of Tax



-Japanese tonnage tax system applies to Japanese flag vessels and offers a choice between the system and existing tax system. Once one of the two is chosen, we cannot change for 5 financial years starting on or after the date of MLIT's acceptance.

-In case Japanese oceangoing shipping companies choose tonnage tax system, they must receive approval from MLIT for their plans to secure Japanese registered vessels and to secure and foster Japanese seafarers as set forth in the basic policy issued by MLIT.

-Major standards for approval:

- ① more than double the number of Japanese registered vessels within 5 years
- ② train more than one Japanese seafarer per each Japanese registered vessel annually (training to acquire License for the 3rd Grade Maritime Officer)
- ③ deploy 4 Japanese seafarers per each Japanese registered vessel

-The special rule application requires such collaterals for suitable plans, (as, recommendations, revocation of approval, etc. in case of insufficiency,), and expansion of navigation order system to the area of international marine transportation.

3. First Approval of Plans to Secure Japanese Registered Vessels and Japanese Seafarers Concerning Tonnage Tax (March 24, 2009)

-As for applications for approval of plans to secure Japanese registered vessels and Japanese seafarers required under the tonnage tax system, after review by MLIT, all 10 business operators that applied, as listed below including ourselves, met the criteria and were approved by MLIT.

•【Business Operators (Alphabetical Order)】 Asahi Shipping Co., Ltd., Asahi Tanker Co., Ltd., Daiichi Chuo Kisen Kaisha, Iino Kaiun Kaisha, Ltd., Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K. Lines, Ltd., Nippon Yusen Kabushiki Kaisha, Nissho Shipping Co.,Ltd., The Sanko Steamship Co., Ltd., Shinwa Kaiun Kaisha, Ltd.

【Outline of the Plan by above 10 Operators】

- Duration of the Plan : 5 years (April 1, 2009 – March 31, 2014)
- Ocean-going Ships Planned to be Secured by all 10 Operators : 76.4 => 159.8 (approx. 2.1 times)
- Japanese Ocean-going Seafarers Planned to be Trained by all 10 Operators : 688 for 5 years (Inc. 352 OJT on Owned Ships)
- Japanese Ocean-going Seafarers Planned to be Secured by all 10 Operators : 1,050 => 1,138 (+88, approx. 1.1 times)



【Contact Information】

KAWASAKI KISEN KAISHA, LTD. IR&PR Group

Hibiya Central Bldg., 2-9, Nishi-Shinbashi 1-chome,
Minato-ku, TOKYO 105-8421, JAPAN

E-Mail: kjityoir@jp.kline.com

Tel. (+81)-(0)3-3595-5063

Fax. (+81)-(0)3-3595-5001

Home Page: <http://www.kline.co.jp/>

President Message

About "K" Line & Its Group

⇒ http://www.kline.co.jp/ir/index_e.html

⇒ http://www.kline.co.jp/corp/index_e.html

Financial Highlights

Annual Report

Social & Environmental Report

⇒ http://www.kline.co.jp/ir/financial_e.html

⇒ http://www.kline.co.jp/ir/annual_e.html

⇒ http://www.kline.co.jp/csr/report_e.htm

Investor Meeting

(PPT, Streaming, etc.)

⇒ http://www.kline.co.jp/ir/info_e.html

Management Plan

(PPT, Streaming, etc.)

⇒ http://www.kline.co.jp/ir/plan_e.html

⇒ <http://www.irwebcasting.com/080514/15/3f094726d4/index.html>

Business

(inc. Fleet List)

⇒ http://www.kline.co.jp/biz/container/index_e.html

Mailing List Registration

(Press Release etc.)

⇒ https://www.kline.co.jp/qa/qa_e.asp