

FACT BOOK

July, 2008

in English



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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:

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

Group Vision:

- To be trusted and supported by customers in all corners of the world while being able to continue to grow globally with sustainability,
- 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,
- 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

<p>Society in general Social contributions, a focus on the environment, governance Building relations of trust through actions as a corporate citizen and contributions to local communities</p>	<ol style="list-style-type: none"> Activities to promote environmental protection Preventing global warming Keeping the sea and air clean Stable safety ship operation administration structure Enhancing safety-management systems and strengthening the land-based support structure Expanding our ship-management structure Hiring and training marine technical personnel Borderless management through the best and strongest organization Accelerating borderless management through the spread of "K" Line Standards Strengthening overall abilities by bringing together Group knowledge and expertise Dramatic improvements in worker productivity OA bright, vibrant workplace Industry-leading competitive strength Strategic investment and proper allocation of management resources Establishing a stable profitability structure for existing businesses Growing new businesses into revenue-generating ones Advancing investment based on internal financial rules Improvement of corporate value and complete risk management Enhancing corporate quality and maximizing returns on profits Identifying and responding swiftly to potential risks
<p>Customers Provision of safe logistics services Building relations of trust through safe and reliable transportation services</p>	
<p>Shareholders Appropriate returns on profits Building relations of trust through stable and appropriate returns on profits and fair and accurate disclosure of information</p>	
<p>Business partners Enhancing partnerships Building relations of trust through fair transactions</p>	
<p>Employees Rewarding and satisfying work Building relations of trust through enhancing HR development and improving both working conditions and the working environment</p>	

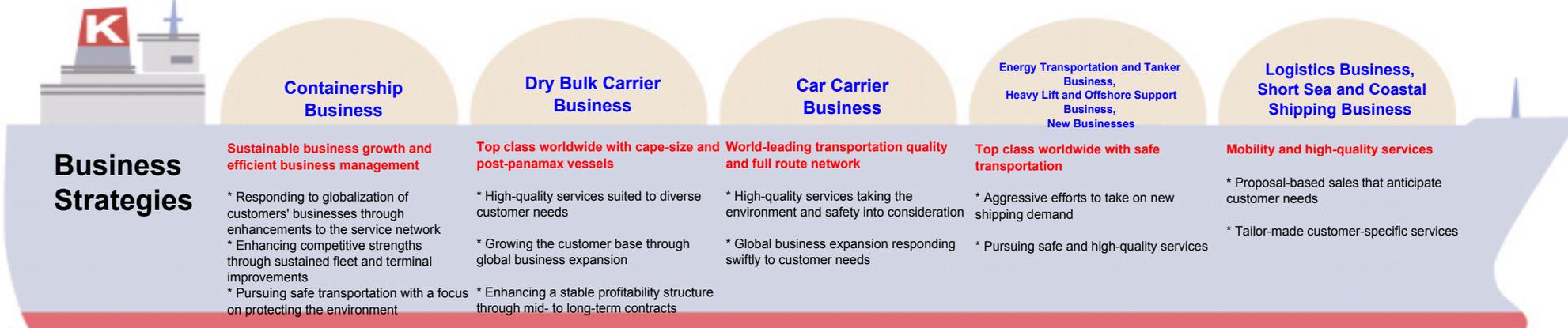
Consolidated financial targets (assumptions: exchange rate of 100 Yen = US\$1, Dubai oil price at US\$100/barrel, fuel-oil price at US\$520/MT)

	(Unit: billion yen)					(Unit: trillion yen)	
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Mid-2010's	100th anniversary
Operating revenues	1,331	1,340	1,450	1,600	1,750	Operating revenues: 2.2	Operating revenues: 3
Ordinary income	125.9	121	135	145	160		
Net income	83	78	85	95	105		
ROA	13%	12%			10% or higher		
Shareholders' equity	355.8	426			680 or higher		
Equity ratio	37%	37%			40% or higher		
DER	93%	100%			85% or lower		
Interest-bearing debt/operating CF	2.3	4.2			3.5 or lower		
Payout ratio	20%	22%			25%		30%

Fleet, shipping capacity

	End of FY 2007	Fleet upgrading plan (FY 2008 - FY 2011)	End of FY 2011	Mid-2010's	End of FY 2019
Containership	99	43	132	Approx. 750 vessels	Approx. 900 vessels
Dry bulk carriers	169	65	225		
Car carriers	102	27	106		
LNG carriers	34	15	48		
Oil Tankers	28	13	45		
Heavy lift /offshore carriers	15	13	24		
Coastal/RORO carriers	52	4	60		
Total	499	180	640		

(Approx. 1,180 billion yen)



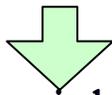
1-2. Starting New Management Plan "K"Line Vision 100, After "K"Line Vision 2008 +

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

	Unit: Billion Yen					
	FY2006 (Plan)	FY2006 (Results)	FY2007 (Plan)	FY2007 (Results)	FY2008 (Plan)	Performance
Operating Revenues	970.0	1,085.5	1,050.0	1,331.0	1,100.0	◎
Ordinary Income	75.0	63.9	90.0	125.9	110.0	◎
Net Income	53.0	51.5	60.0	83.0	70.0	◎
ROE	19%	17%	19%	24%	19%	◎
Shareholders' Equity	293.0	344.5	342.0	355.8	400.0	○
Equity Ratio	35%	38%	37%	37%	39%	○
DER	109%	95%	99%	93%	88%	○
Interest-bearing Debt	320.0	326.2	304.0	329.7	350.0	◎
Payout Ratio	20% on consolidated basis					◎

(Original Assumption: Exchange rate - JPY110/US\$, Fuel Oil Price-US\$300/MT)

◎ achieved beforehand
○ achieved as planned



Achieved most numerical targets beforehand.

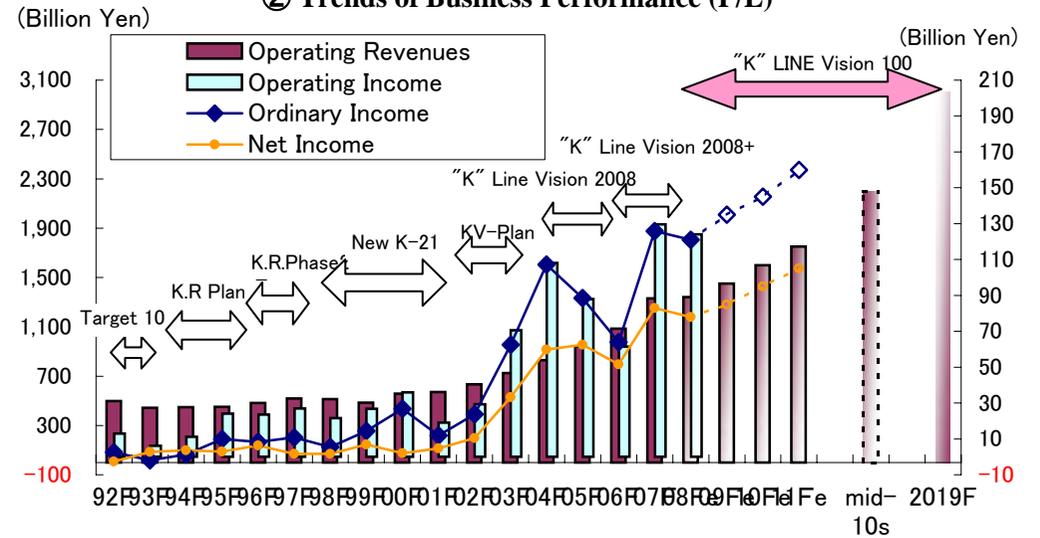
Started new mid-term management plan "K"Line Vision 100 from April 2008.

"K" LINE Vision 100 Financial Targets

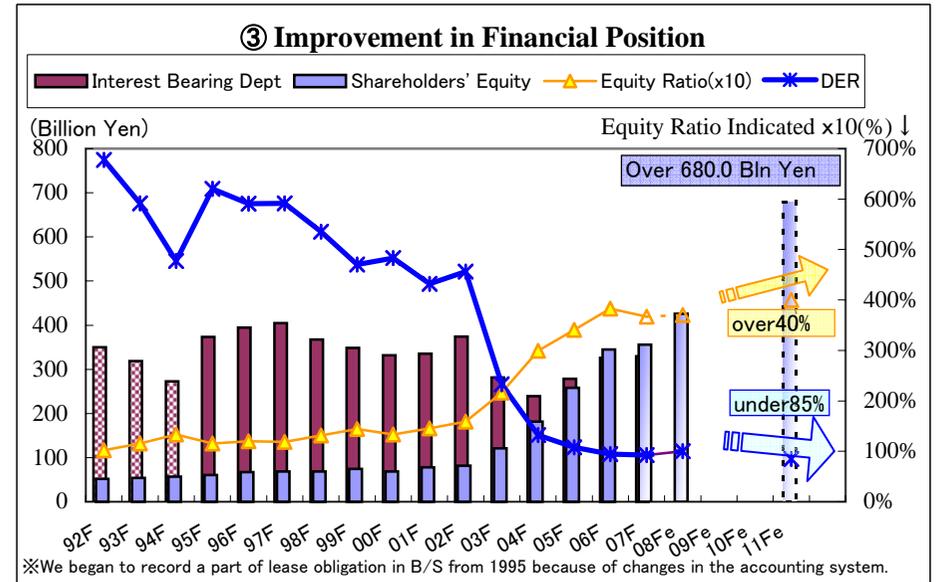
	Unit: Billion Yen					(Year 2019)	
	FY2007 Results	FY2008 Plan	FY2009 Plan	FY2010 Plan	FY2011 Plan	Mid-2010s	100th Anniversary
Operating Revenues	1,331.0	1,340.0	1,450.0	1,600.0	1,750.0	2.2	3.0
Ordinary Income	125.9	121.0	135.0	145.0	160.0	(Unit: Trillion Yen)	
Net Income	83.0	78.0	85.0	95.0	105.0		
ROA	13%	12%				over 10%	
Shareholders' Equity	355.8	426.0				over 680.0	
Equity Ratio	37%	37%				over 40%	
DER	93%	100%				under 85%	
Interest-bearing Debt/Operating CF	2.3	4.2				under 3.5	
Payout Ratio	20%	22%				30%	

(Assumption of the Plan: Exchange Rate (Yen/US\$) 100yen/\$, Bunker Oil Price US\$520/MT)

② Trends of Business Performance (P/L)



③ Improvement in Financial Position



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

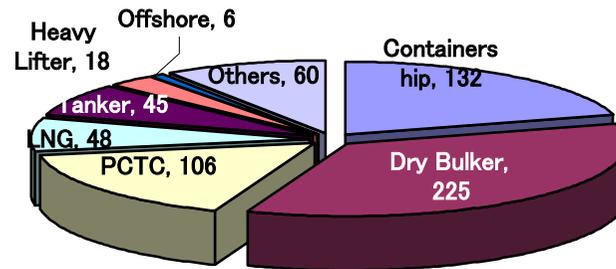
(Fiscal Year)	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08-'11
Average Exchange Rate (Yen/US\$)	125	108	99	96	113	123	128	112	110	125	122	114	107	113	117	115	100
Average Fuel Price (US\$/MT)	99	83	99	108	118	104	76	117	158	134	161	170	192	286	319	407	520

④ 【Fleet Upgrading Plan】

Toward a Fleet Scale about 900 Vessels in '19F: Investing Approx. 1.18 Trillion Yen on 180 Ships in '08-'11F ⑤ Newbuildings (Results and Plan)

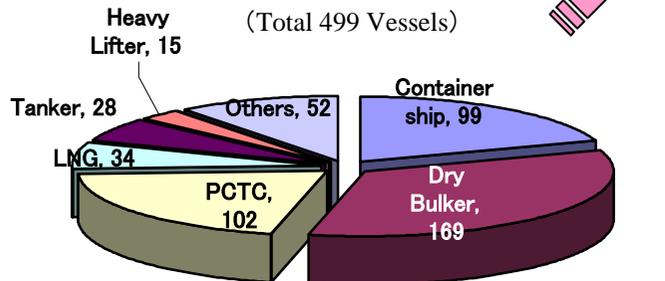
	As of Mar. '08	New Buildings					As of Mar. '12	Mid-'10s	End-'19F (100th Anniversary)
		'08F	'09F	'10F	'11F	4-year total			
Containership	99	4	15	15	9	43	132	Fleet of Approx. 750 Vessels	Fleet of Approx. 900 Vessels
Dry Bulker	169	13	16	16	20	65	225		
PCTC	102	4	10	8	5	27	106		
LNG	34	14	1	0	0	15	48		
Tanker	28	4	5	0	4	13	45		
Heavy Lifter	15	3	1	3	0	7	18		
Offshore	0	0	0	3	3	6	6		
Others	52	2	0	1	1	4	60		
Total	499	44	48	46	42	180	640		

No. of Vessels at the End of 2011F (Planned)
(Total 640 Vessels)



180 Newbuildings

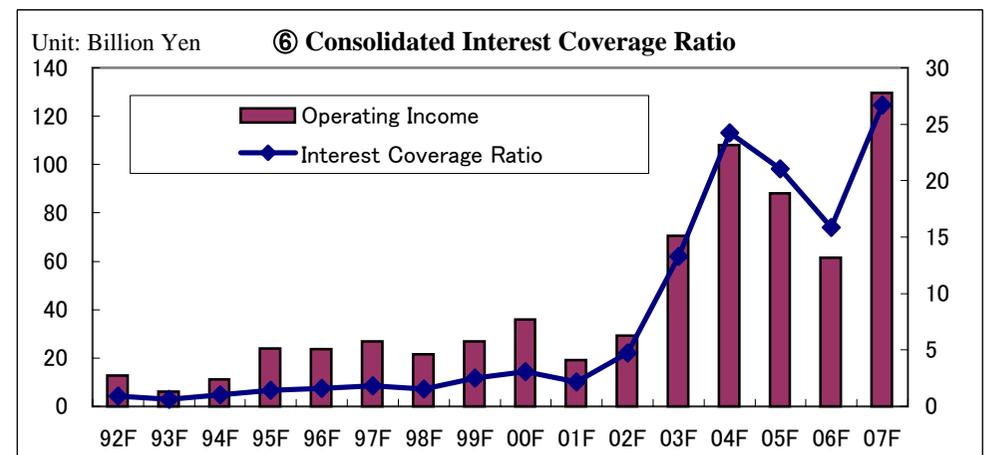
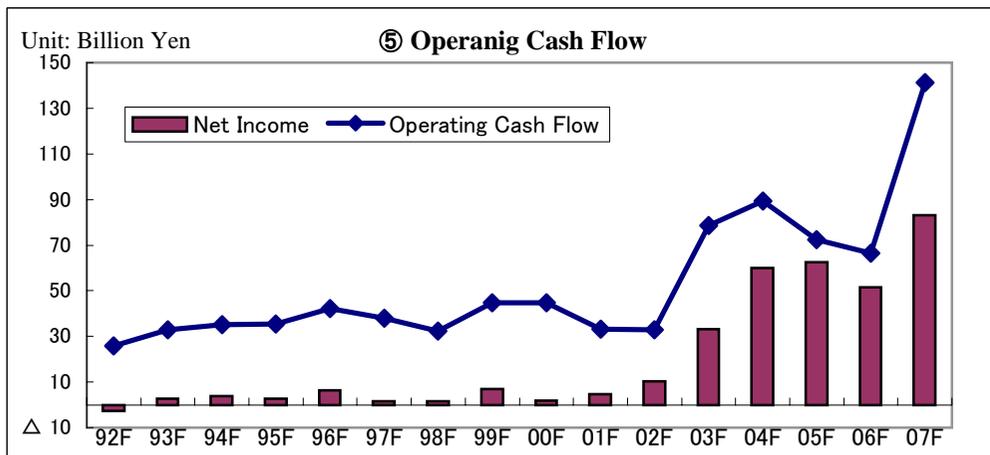
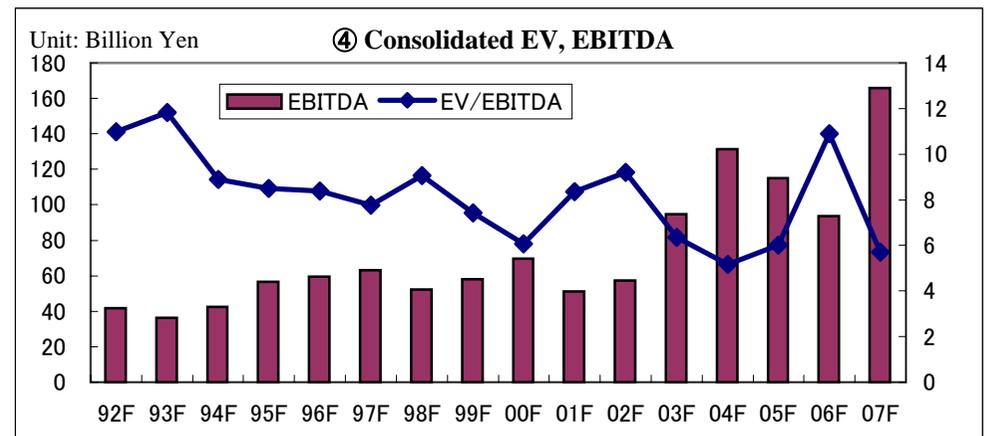
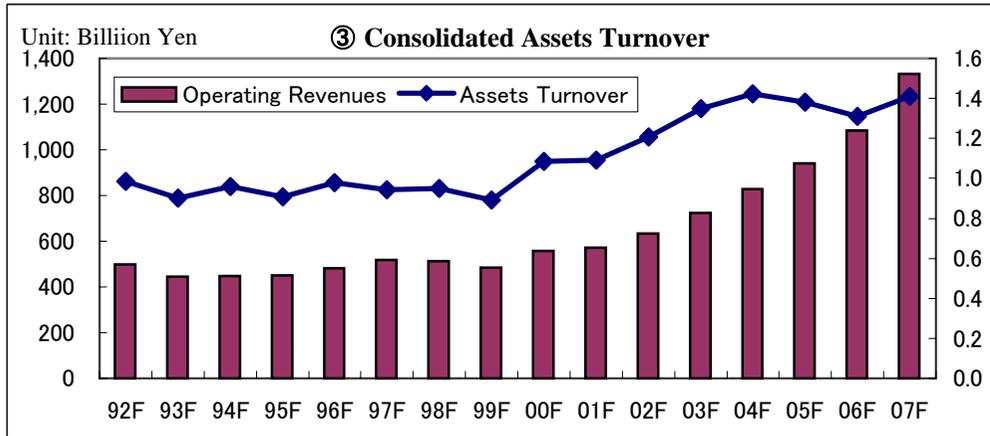
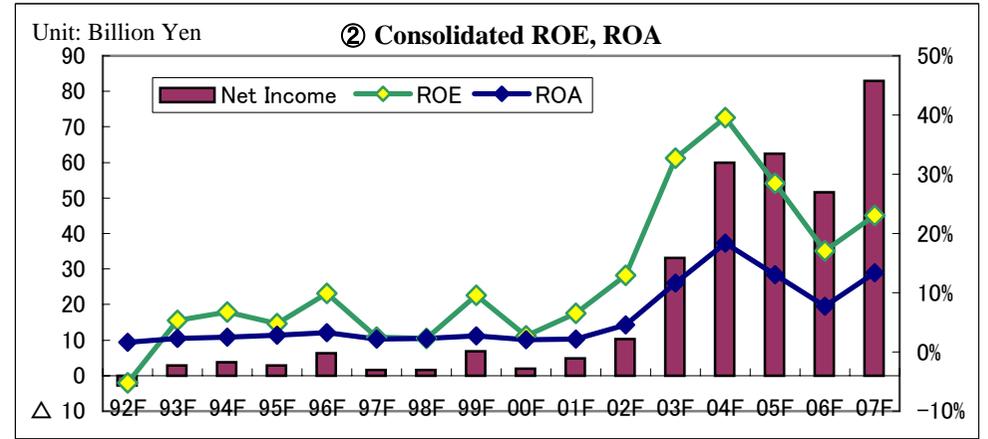
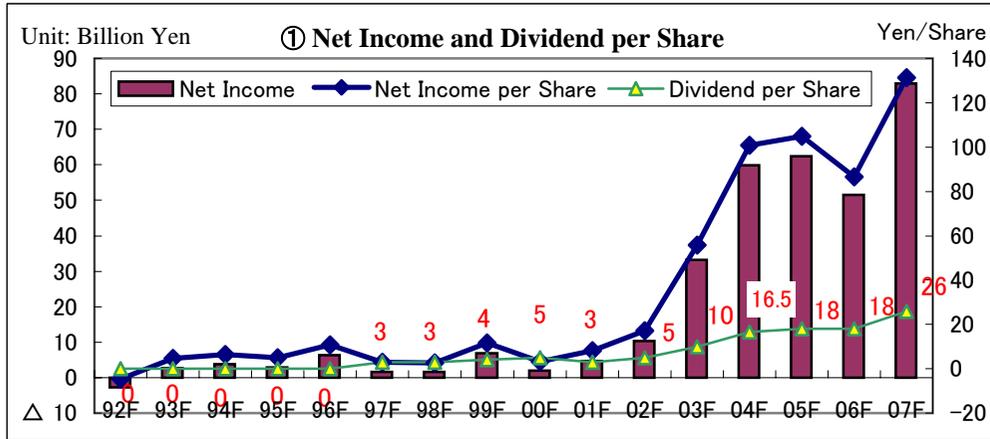
No. of Vessels at the End of 2007F
(Total 499 Vessels)



(As of April 2008)

	2004F Results	2005F Results	2006F Results	2007F Results	2008F Plan	2009F Plan
Containership	5	5	6	4	4	15
1,700TEU		0	0	3	2	4
2,400TEU		0	0	0	1	2
3,500TEU		3	0	0	0	4
4,500TEU		2	3	0	0	1
6,400TEU		0	0	0	0	1
8,000TEU		0	3	1	1	3
Dry Bulker	5	19	22	10	13	16
Capesize	3	8	9	2	4	7
Panamax	2	3	4	4	0	5
Handymax		5	4	2	2	0
SmallHandy		1	2	1	3	2
Chip/Pulp		0	1	0	3	0
Corona		2	2	1	1	2
PCTC	3	8	8	4	5	9
2,000 unit		2	2	0	0	1
3,800 unit		0	2	1	0	1
4,000 unit		1	2	0	0	2
5,000 unit		3	1	0	0	3
6,000 unit		2	1	4	4	3
LNG	2	4	2	2	14	1
Tanker	3	1	4	3	4	5
VLCC		0	1	1	0	4
AFRAMAX		1	1	0	2	0
LR II		0	2	0	1	1
LPG		0	0	2	1	0
Heavy Lifter	0	0	0	1	3	1
Others	0	1	5	2	2	0
Total	18	38	47	27	44	48

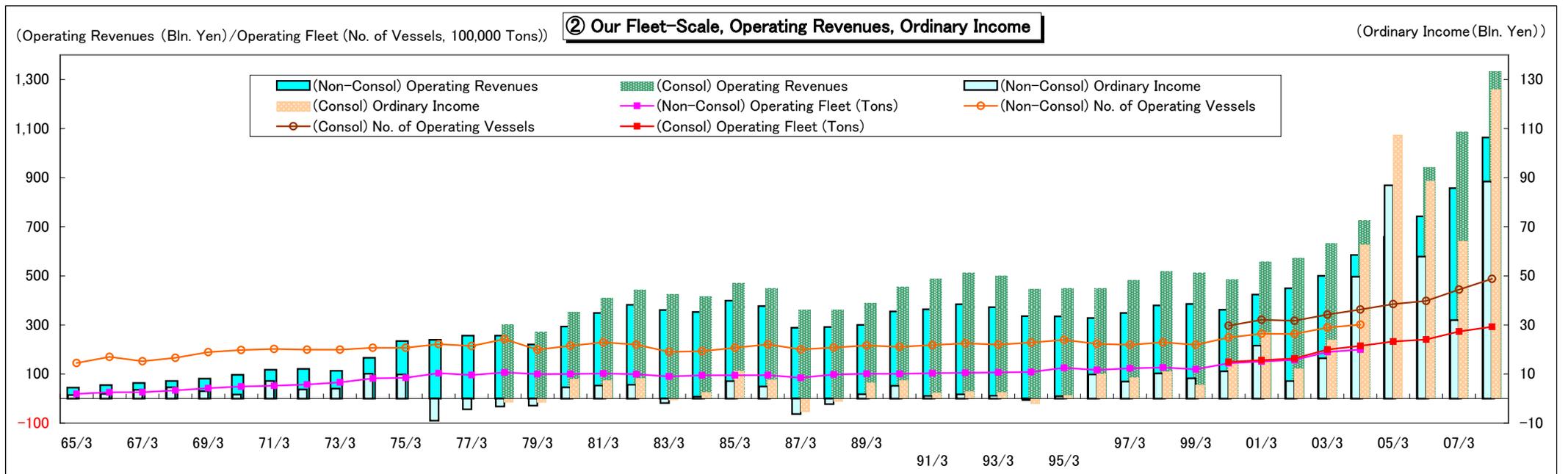
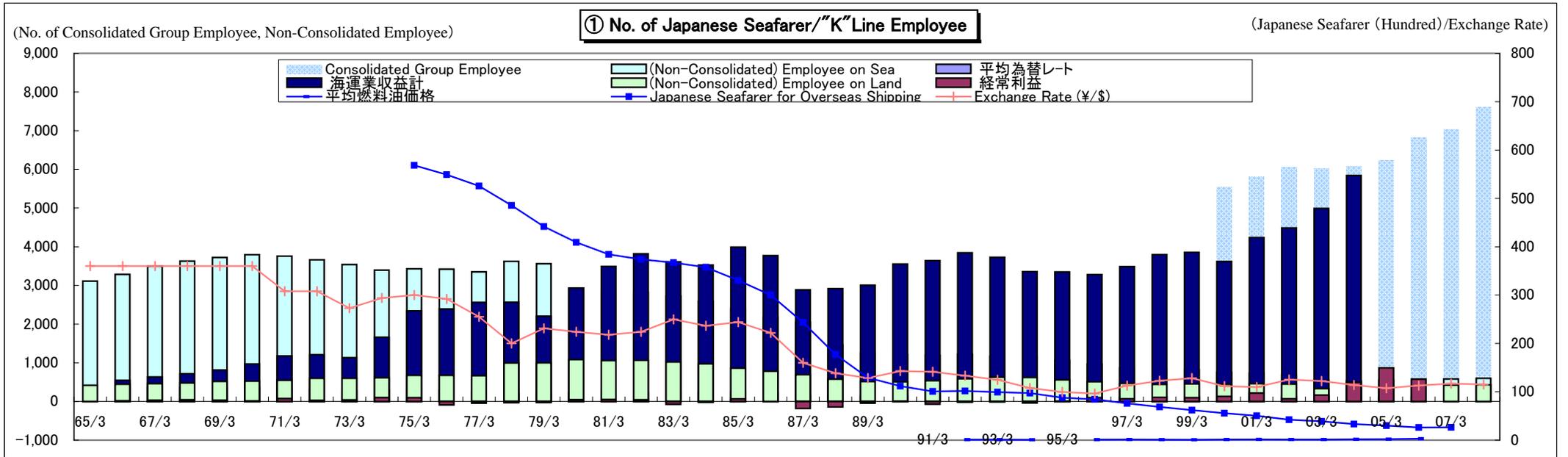
1-3. Trends of Financial Indices in Recent Years



1-4. History of Management Plans

	Plan name	Subjects	Remarks
Nov.1982	Emergency Plan for Strengthening the Corporate Foundation	1st theme: profitability improvement plan	Radical improvement in operational structure was targeted, feared continued simultaneous slump in three sales division and yen rising. (Reference-in June 1983, the Head Office was relocated to current location)
-	Emergency Plan for Strengthening the Corporate Foundation	2nd theme: efforts to modernize and increase the efficiency of operational systems	
Aug.1983	("K" Plan) First Stage	3rd theme: a cost-cutting campaign carried out with the participation of all personnel	
-	Emergency Plan for Strengthening the Corporate Foundation	Reconstruction of system to implement "K" plan, mainly for above 2nd theme	
Mar.1984	("K" Plan) Second Stage	Promotion of office automation, Improvement in business procedure, Cost reduction etc	
Apr.1984	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.)
Mar.1987	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) Implementation of measures for cost reduction.	Almost all targets completed on schedule. =>Once Operating Income moved into the black F88.
Apr.1987	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) Implementation of measures for cost reduction.	
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) Implementation of measures for cost reduction.	
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	Target-10	- Reexamining costs and expenses from every angle	
-	Around Oct.1993		
Oct.1993	"K"Line Reengineering Program (K.R. Program)	- Strengthening international competitiveness through cost-saving and shift as many jobs as possible to overseas - Establishment of structrure to respond customers' needs and to ensure stable profit even if faced with exchangerate rate 100 yen per one U.S. dollar..	
Mar.1996	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.1996	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	
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	
Apr.1998	New "K"Line Spirit for 21(New K-21)	- 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 9.11changed conditions at all.
-	*In '00, raised the numerical targets		
Mar.2002	*Completed a year ahead of schedule as most targets achieved		
Apr.2002	KV-Plan	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
Mar.2004	*Completed a year ahead of schedule as most targets achieved		
Apr.2004	"K"LINE Vision 2008	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
-	-Sustainable Growth and Establishment of a Stable Profitability Structure		
Mar.2006	(Completed as most targets achieved)		
Apr.2006	"K"LINE Vision 2008	-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
-	-Sustainable Growth and Establishment of a Stable Profitability Structure		
Mar.2008	(Completed as most targets achieved)		
Apr.2008	"K"Line Vision 100	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
-	Themes: Synergy for All and Sustainable Growth		
Mar.2012			
+			
Image for 2019			

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



1-6. Current Business Composition

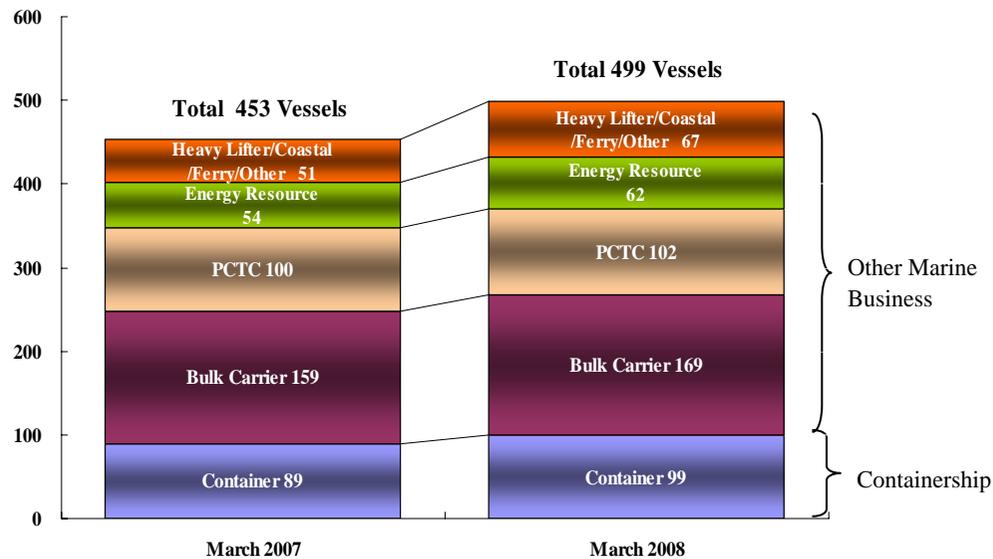
① Operating Revenues, Ordinary Income <Division-wise>

(Unit: Billion Yen)

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

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

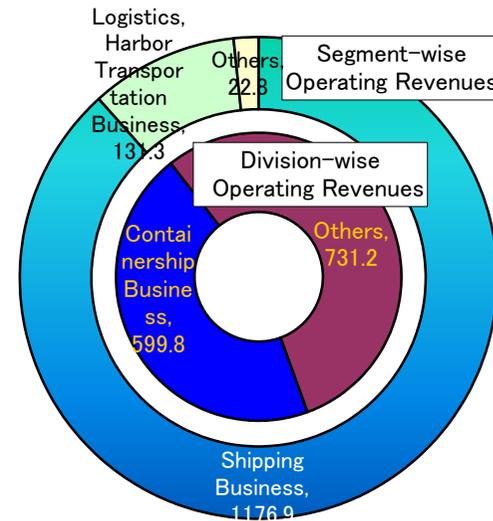
③ Fleet Composition



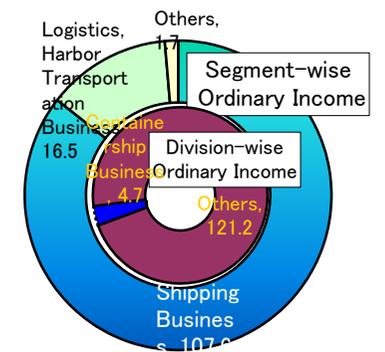
※ Long-term chartered ships are included above fleet

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

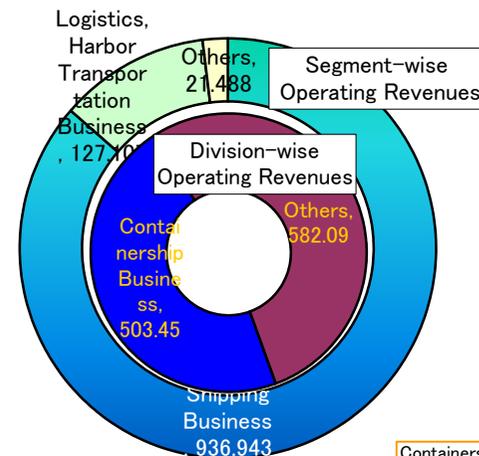
FY2007 Consolidated Operating Revenues: 1,331.0 Bln. Yen



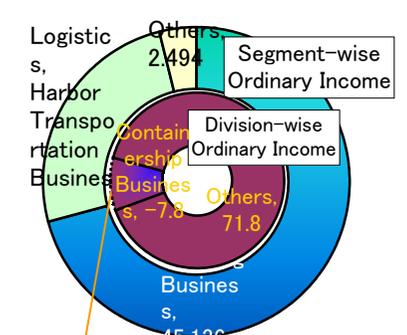
Consolidated Ordinary Income 125.9 Bln. Yen



FY2006 Consolidated Operating Revenues: 1,085.5 Bln.



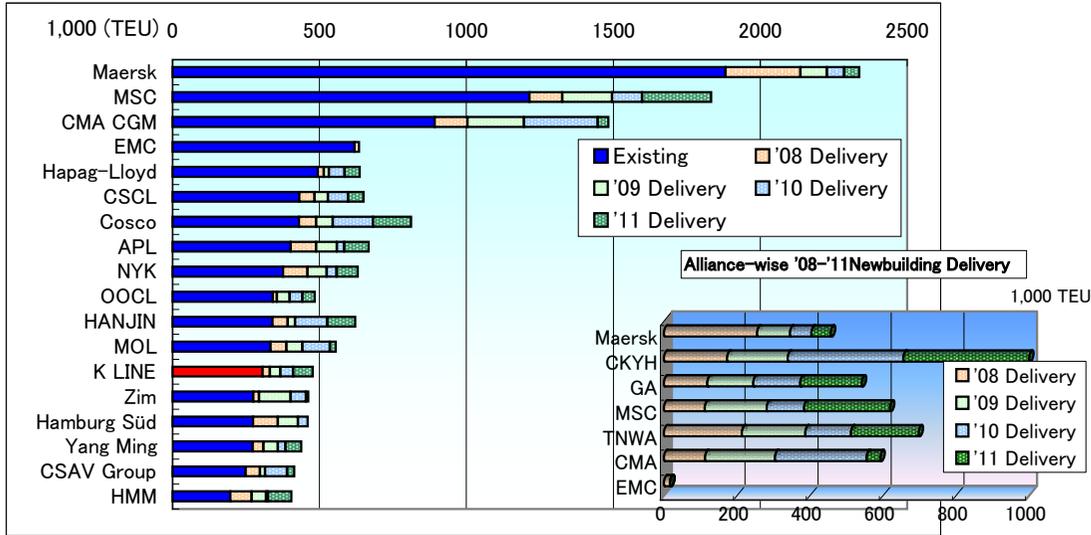
Consolidated Ordinary Income 63.9 Bln. Yen



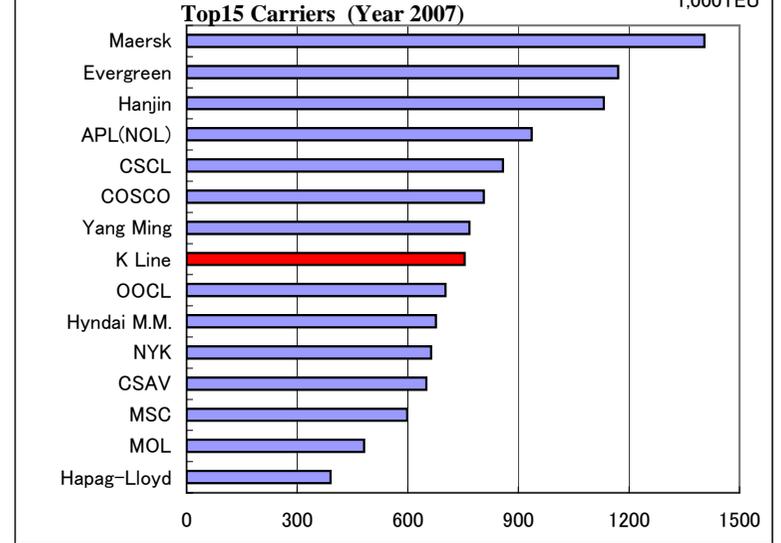
Containership Business for FY06
△7.8 Bln. Yen

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

① Major Container Carriers



② Containership Asia-N.America Loading Volume



Top 18 Container Carriers Ranked by Operating Capacity

Rank	Operator	Operating Fleet	'08-'11 Delivery	Total
1	Maersk	1,881,619	456,763	2,338,382
2	MSC	1,214,486	619,010	1,833,496
3	CMA CGM	891,803	592,747	1,484,550
4	EMC	619,462	16,642	636,104
5	HAPAG	494,516	143,235	637,751
6	CSCL	431,550	219,716	651,266
7	Cosco	430,472	382,044	812,516
8	APL	401,625	266,370	667,995
9	NYK	375,925	255,257	631,182
10	OOCL	341,583	143,366	484,949
11	HANJIN	339,681	283,254	622,935
12	MOL	333,857	222,927	556,784
13	K Line	306,486	171,960	478,446
14	Zim	274,828	188,423	463,251
15	Hamburg Süd	273,959	187,235	461,194
16	YML	272,813	166,508	439,321
17	CSAV	248,987	166,412	415,399
18	HMM	196,782	208,468	405,250

Rank	Operator	Cargo Loaded
1	Maersk	1,404,849
2	Evergreen	1,170,708
3	Hanjin	1,131,684
4	APL(NOL)	936,566
5	CSCL	858,519
6	COSCO	806,488
7	YML	767,464
8	"K" LINE	754,456
9	OOCL	702,425
10	Hyundai M.M.	676,409
11	NYK	663,401
12	CSAV	650,393
13	MSC	598,362
14	MOL	481,291
15	Hapag-Lloyd	390,236

Rank	Alliance	Operating	On Order	Total
1	Maersk	1,881,619	456,763	2,338,382
2	CKYH	1,349,452	1,003,766	2,353,218
3	GA	1,294,912	541,858	1,836,770
4	MSC	1,214,486	619,010	1,833,496
5	TNWA	932,264	697,765	1,630,029
6	CMA	891,803	592,747	1,484,550
7	EMC	619,462	16,642	636,104

Rank	Alliance	Cargo
1	CKYH (inc."K"line)	3,460,092
2	TNW	2,094,266
3	GA (ex.MISC)	1,756,062
4	Maersk	1,404,849
5	Evergreen	1,170,708

Source: Piers, as of 2007

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
1	HAPAG	EVERGREEN	EVERGREEN	EVERGREEN	EVERGREEN	MAERSK	MAERSK	MAERSK	MAERSK/SL	MAERSK	MAERSK	MAERSK	MAERSK
2	SEA-LAND	USL	MAERSK	MAERSK	MAERSK	EVERGREEN	SEA-LAND	SEA-LAND	EVERGREEN	P&ON	MSC	MSC	MSC
3	MAERSK	MAERSK	NYK	SEA-LAND	SEA-LAND	SEA-LAND	EVERGREEN	P&ON	P&ON	EVERGREEN	P&O/FARREL	EVERGREEN	CMA CGM
4	OCL	SEA-LAND	APL	APL	NYK	NYK	COSCO	EVERGREEN	HANJIN/SEN	HANJIN	EVERGREEN	CMA CGM/ANL	EVERGREEN
5	NYK	HAPAG	YANGMING	NYK	COSCO	COSCO	NYK	COSCO	MSC	MSC	HANJIN/SEN	HAPAG	HAPAG
6	OCL	SEA-LAND	SEA-LAND	COSCO	APL	P&OCL	P&OCL	HANJIN	COSCO	APL(NOL)	COSCO	HANJIN/SEN	CHINA SHIPPING
7	APL	NYK	HAPAG	OOCL	MOL	HANJIN	NEDLLOYD	NOL/APL	NOL(APL)	COSCO	APL	COSCO	COSCO
8	NEDLLOYD	OOCL	OOCL	HAPAG	OOCL	"K"LINE	HANJIN	MSC	NYK/TSK	CP SHIPS	CMA CGM/ANL	CHINA SHIPPING	NYK
9	EVERGREEN	"K"LINE	P&OCL	"K"LINE	HAPAG	NEDLLOYD	MOL	NYK	CMA CGM	NYK	"K"LINE	APL	APL
10	UASC	APL	"K"LINE	YANGMING	HANJIN	HAPAG	APL	HMM	CP	CMA CGM	NYK	NYK	HANJIN
11	MOL	MOL	MOL	HANJIN	"K"LINE	HAPAG	HAPAG	MOL	ZIM	MOL	CP SHIPS	MOL	OOCL
12	USL	COSCO	COSCO	MOL	YANGMING	YANGMING	DSR-SENATOR	ZIM	MOL	DOCL	MOL	OOCL	"K"LINE
13	YANGMING	NEDLLOYD	NEDLLOYD	P&OCL	P&OCL	MOL	"K"LINE	YMTC	"K"LINE	ZIM	ZIM	CSAV	MOL
14	CGM	UASC	ZIM	NEDLLOYD	NOL	NOL	OOCL	OOCL	HMM	ZIM	OOCL	"K"LINE	ZIM
15	ZIM	CGM	HANJIN	ZIM	ZIM	OOCL	YANGMING	"K"LINE	OOCL	HL	HAPAG	ZIM	YANGMING
16	"K"LINE	ZIM	CGM	NOL	SCANDUTCH	ZIM	NOL	HL	YMTC	HMM	YANGMING	YANGMING	CSAV
17	BALTIC	YANGMING	UASC	CGM	UASC	HYUNDAI	HMM	HL	HL	UASC	CHINA SHIPPING	HAMBURG SUD	HAMBURG SUD
18	W.WILHELMESEN	W.WILHELMESEN	NOL	UASC	NEDLLOYD	UASC	ZIM	DSR-SENATOR	UASC	YANGMING	HMM	HMM	HMM
19	NOL	BALTIC	BSC	W.WILHELMESEN	CHO YANG	CGM	CMA	WAN HAI	CSAV	CHINA SHIPPING	HAMBURG SUD	PIL	PIL
20	COSCO	NAL	W.WILHELMESEN	BSC	CGM	CHO YANG	MSC	CONTSIP	CHO YANG	HAMBURG SUD	CSAV	WAN HAI LINES	WAN HAI LINES

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

*Excluding Japan
 '84 US Shipping Act 1984
 '85 Plaza Accord
 '86 HANJIN ranked in
 '86 'Emergency Employment Measure'
 '88 Kaizoshin** Asia-N.America route WG's report issued
 '88 US Line busted
 '88 NLS established (Japanese 6=>4)
 '88 Showa Line withdrew
 '91 NYK acquiNLS*** (Japanese 4=>3)
 '92 HYUNDAI ranked in
 '96 'CKYH' alliance formed
 '96 P&O and Nedlloyd merger
 '97 NOL acquired APL
 '97 HANJIN acquired majority of DSR-SENATOR
 '99 MAERSK acquired SEALAND (Americans went away)
 '00 China Shipping ranked in
 '04 MAERSK acquired P&ON
 '05 HAPAG acquired CP SHIPS

- 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'.

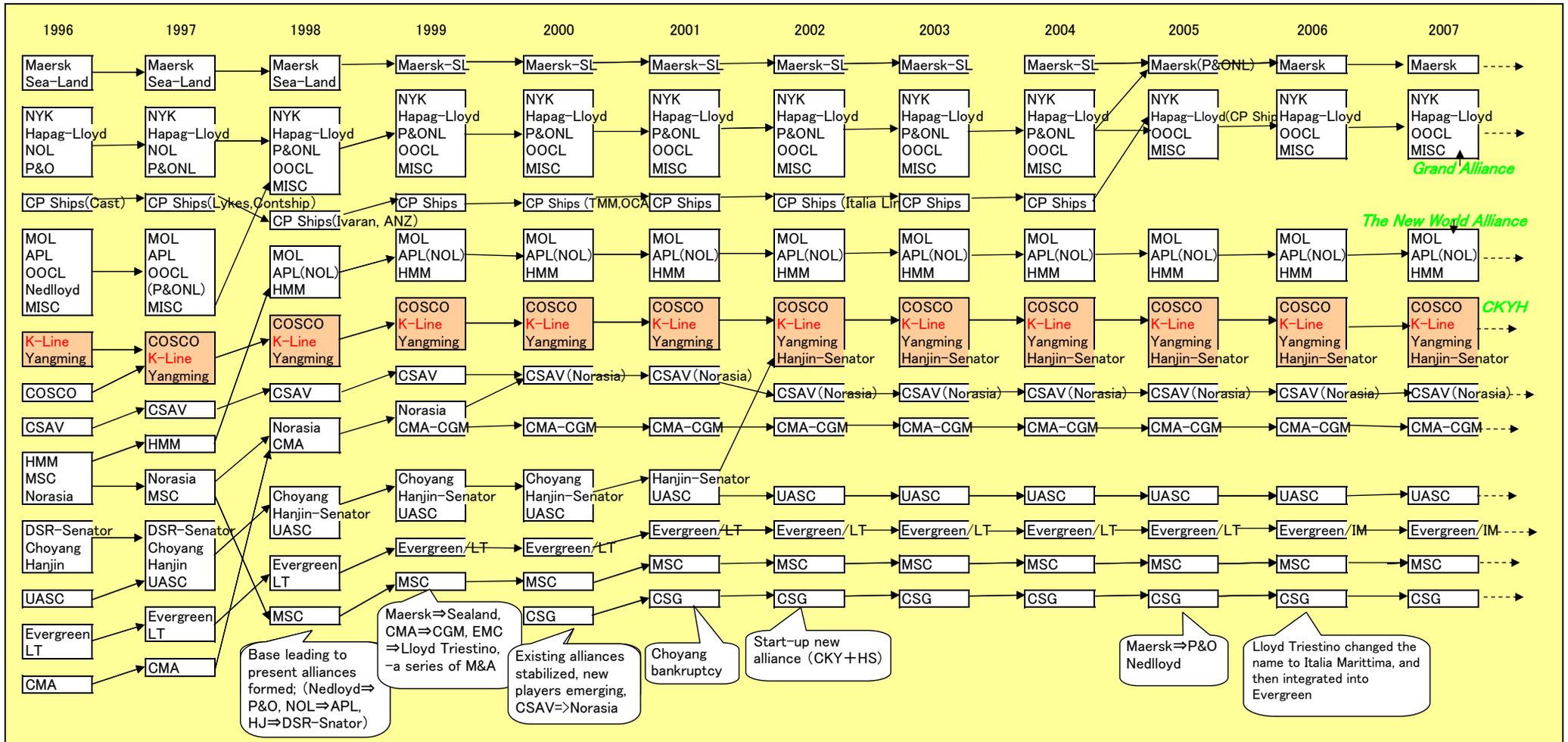
- Time-series Major Events
 '84 U.S. Shipping Act 1984 effective
 '85 Plaza Accord
 '86 US Line busted. (No. of American carriers : 3=>2)
 'Emergency Employment Measure' introduced
 '88 Kaizoshin** Asia-N.America route Working Group's report issued
 Showa Line withdrew, and NLS*** established
 (No. of 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'.

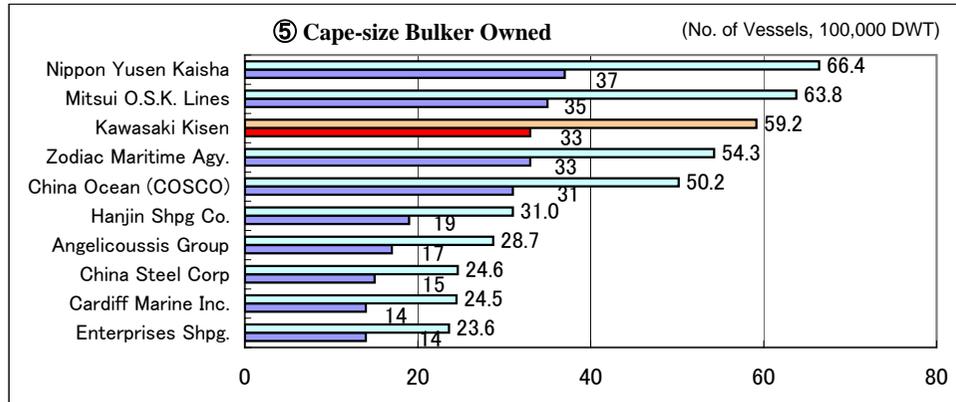
Data: Containerisation International Yearbook

2-1. Fleet-scale Ranking

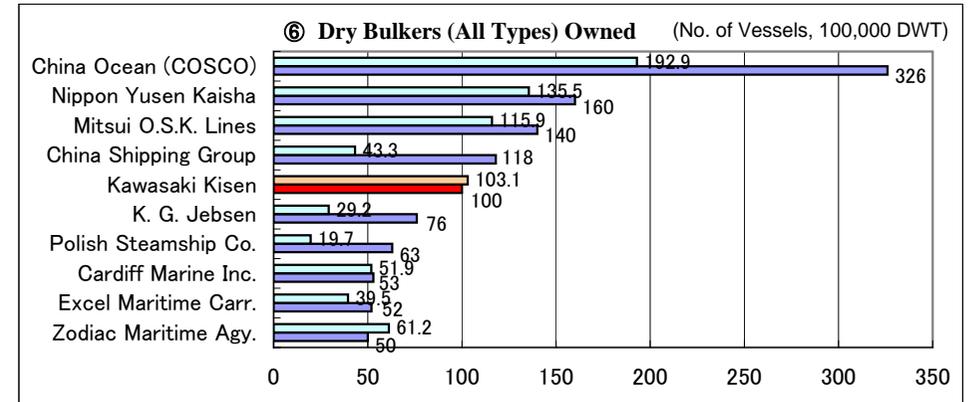
④ Transition of Alliances for Containership Business



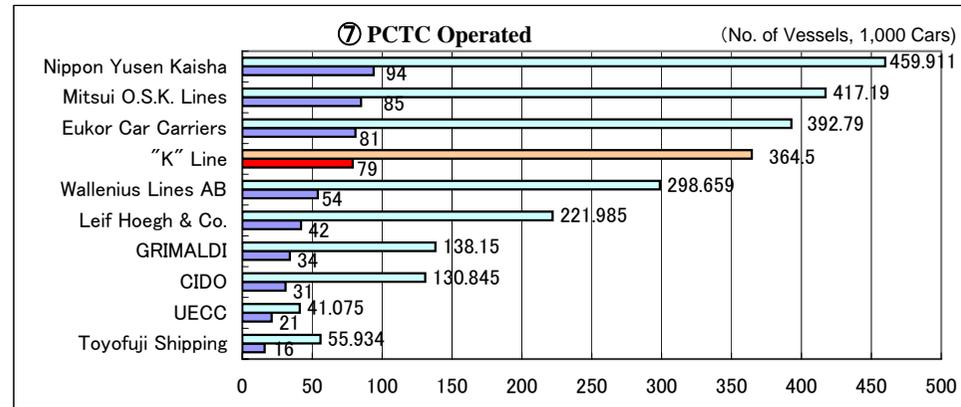
2-1. Fleet-scale Ranking



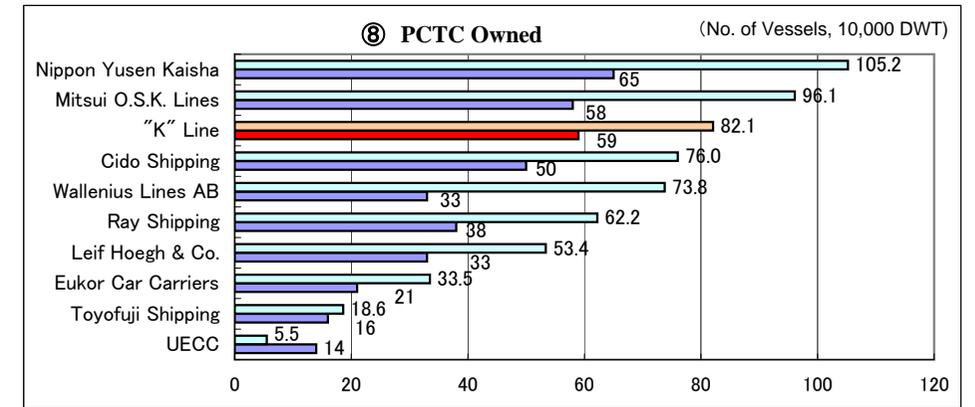
Clarkson



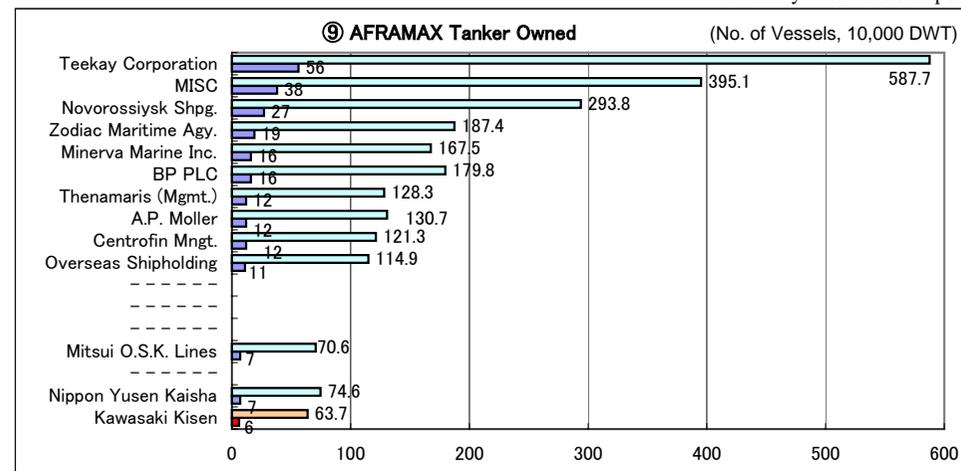
Clarkson



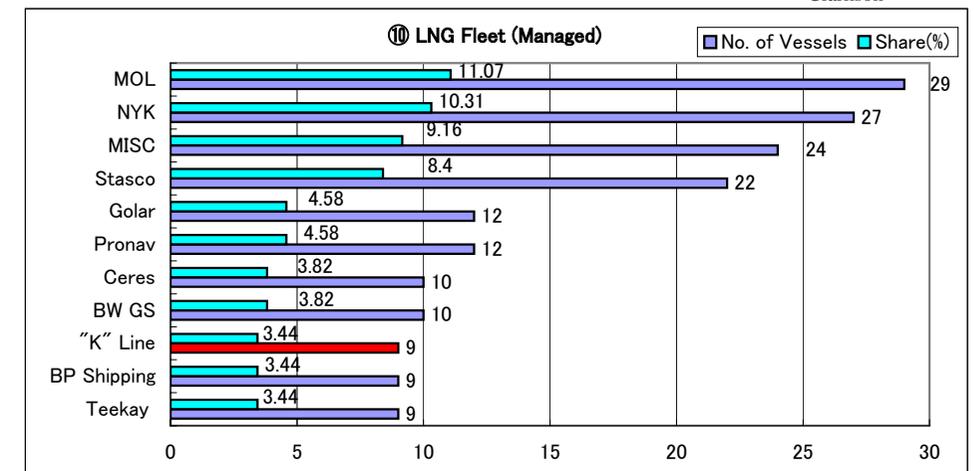
Fearnley World PCC Report



Clarkson

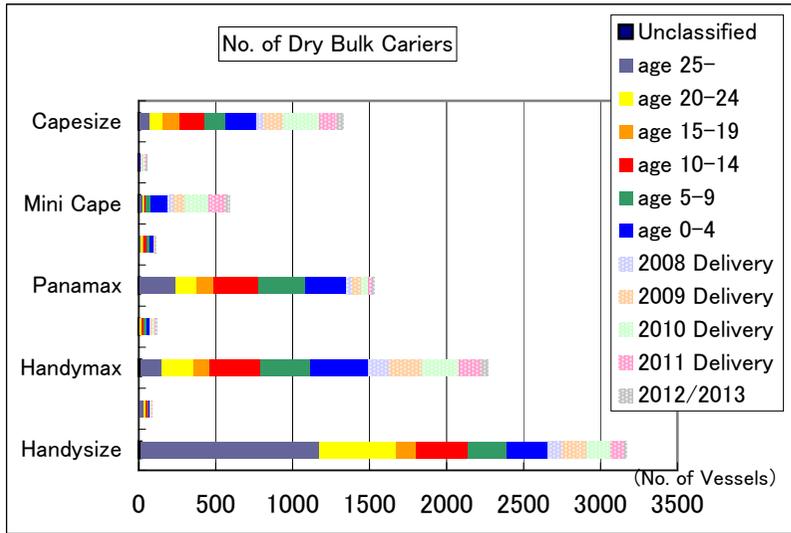


Clarkson



"K"Line Processed

① DryBulk Carrier Delivery by Vessel-type/Age



Lloyd's Shipping Economist as of April 1 2008

*min/max are set as follows:

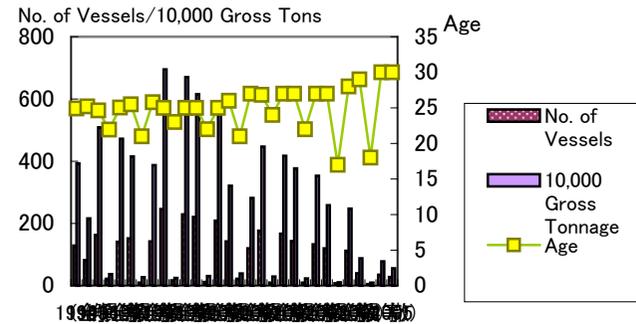
age 25-max: all ships over age 25 are in operation continuously.

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)

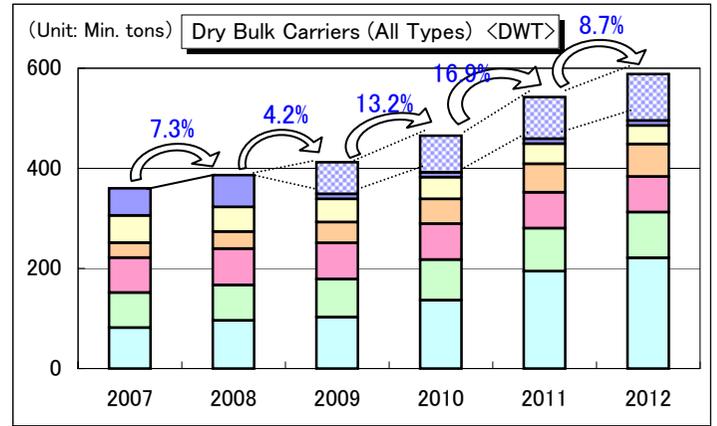
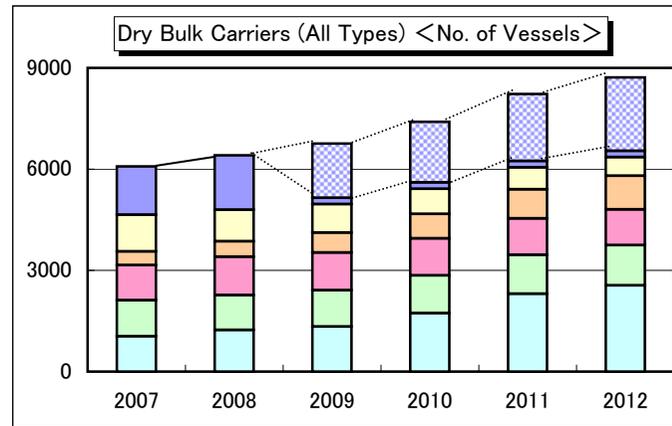
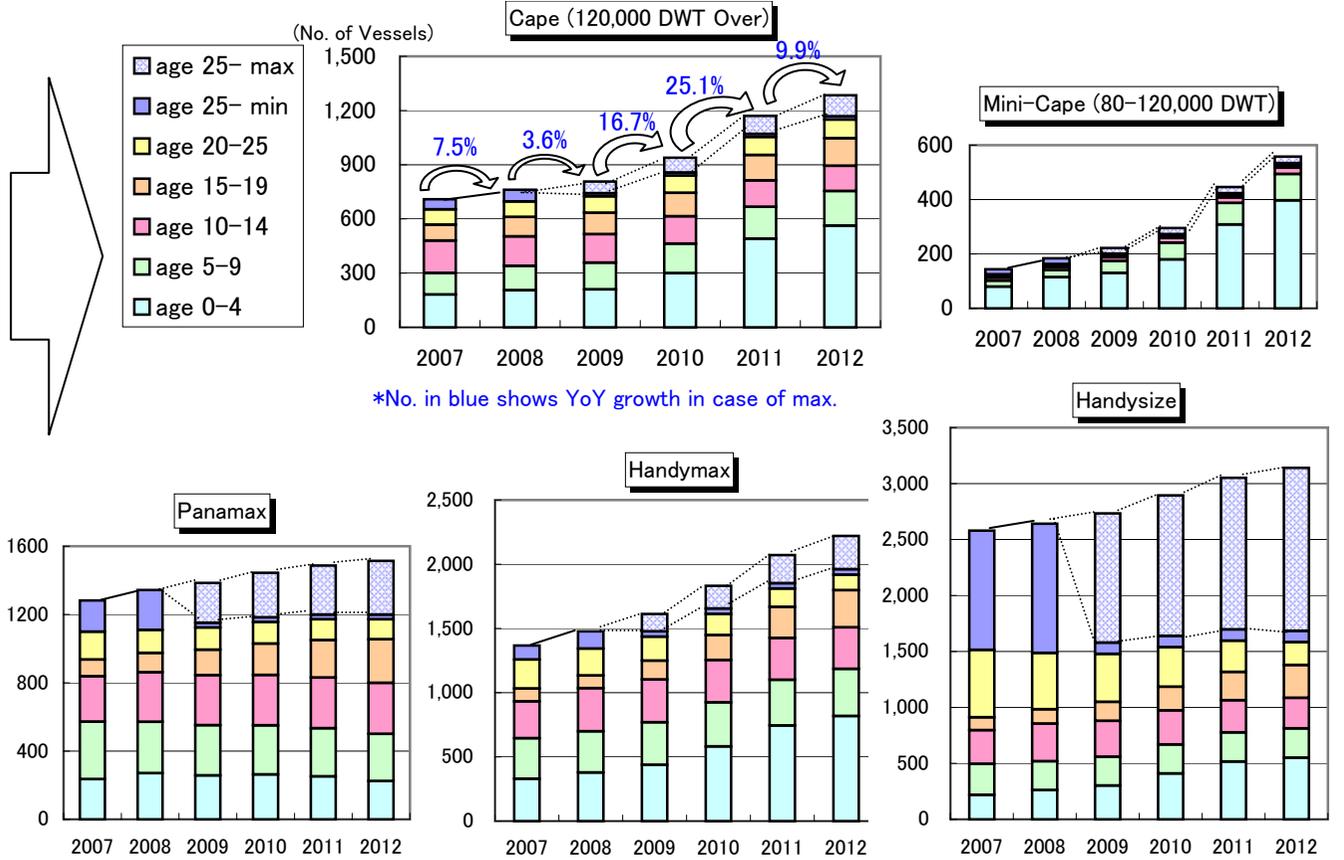
As calculation basis, ships are assumed to distribute evenly in each age category, which is same for containership and PCC fleet in following pages. (exc. oil tankers)

Scrapped Dry Bulk Carriers (in a Broad Sense)



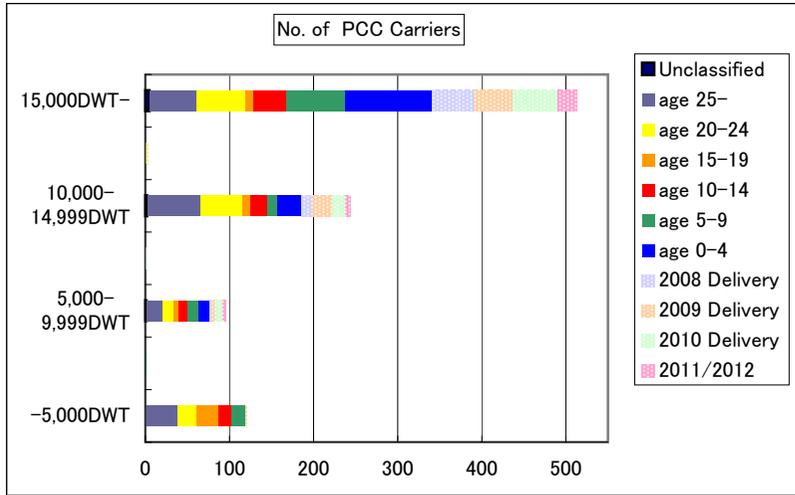
Data: The Japanese Shipowners' Association

Min/Max* Fleet Increase Schedule (Estimated)

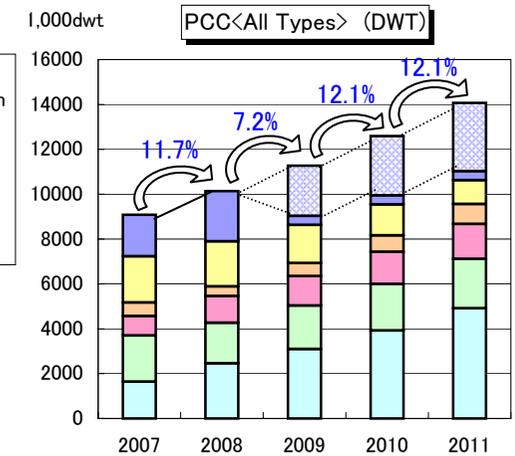
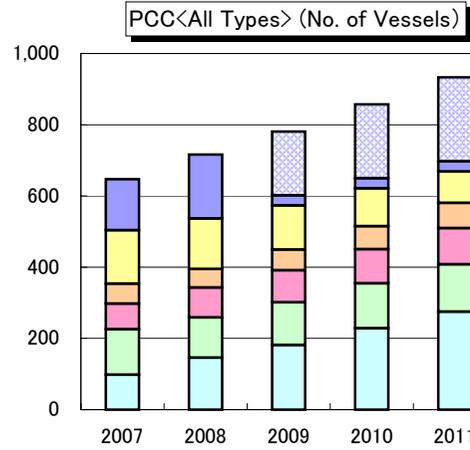


*No. in blue shows YoY growth in case of max.

② PCC Delivery by Vessel-type/Age

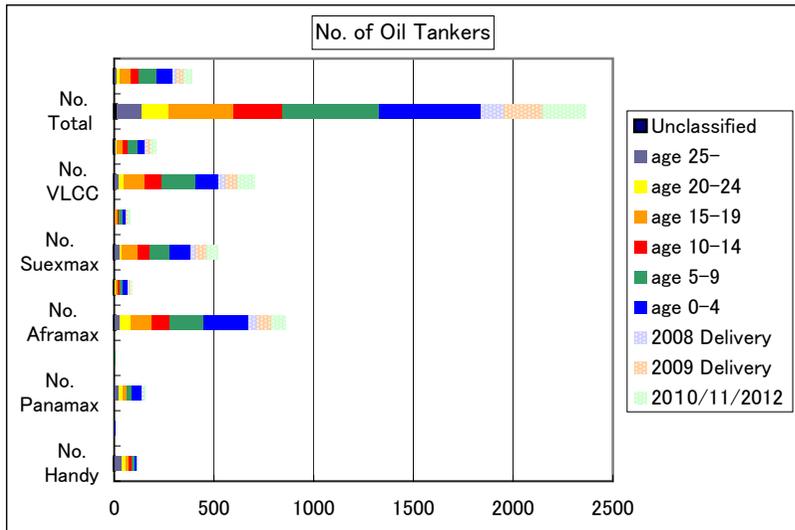


Lloyd's Shipping Economist as of April 1 2008

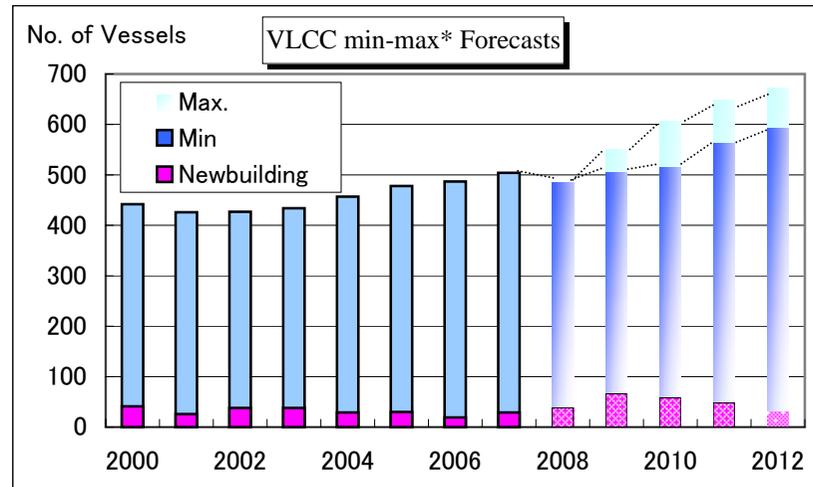


*No. in blue shows YoY growth in case of max.

③ Oil Tanker Delivery by Vessel-type/Age



Lloyd's Shipping Economist as of April 1 2008



"K"Line processed based on Fearnleys, etc.

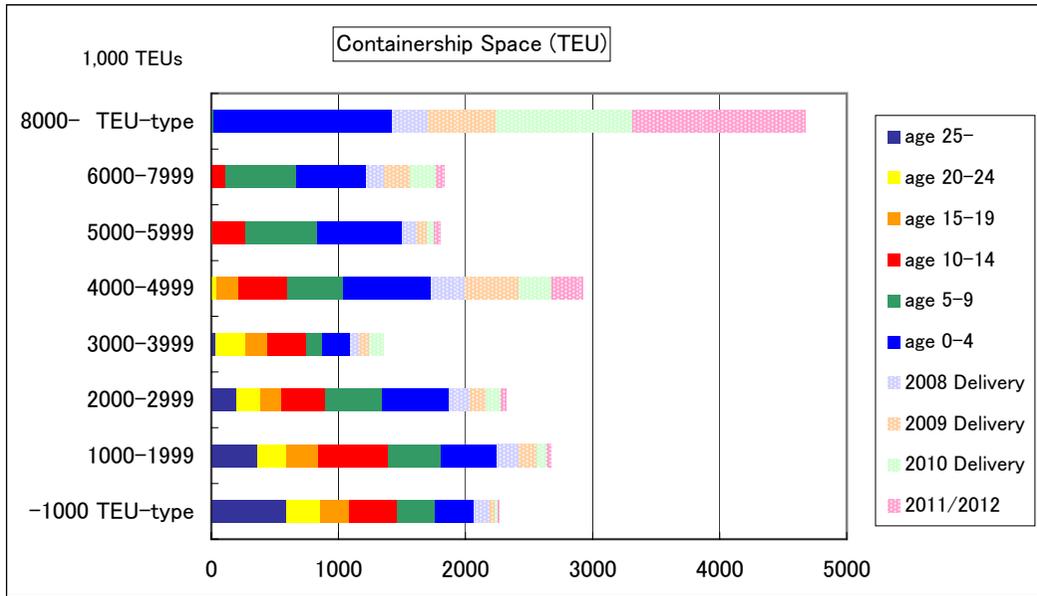
* Data are as of the end of each year. '08 Jan., No. of VLCC: 504 (151 of non-double hull tankers, and 353 of double hull)

* Assumptions for no. of non-double hull tankers to be scrapped or converted after '08:

Min. Year '08: Vessels already fixed to be converted, and age over 25 yrs are scrapped
 Year '09, and '10 : Half of 94 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.

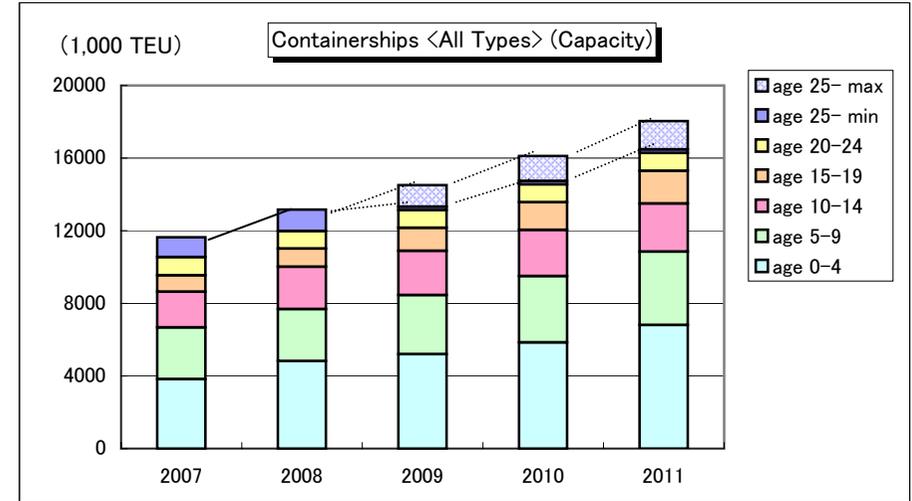
Max. After year '09, vessels only over 25 year old will be scrapped.

④ Containership Delivery by Vessel-type/Age

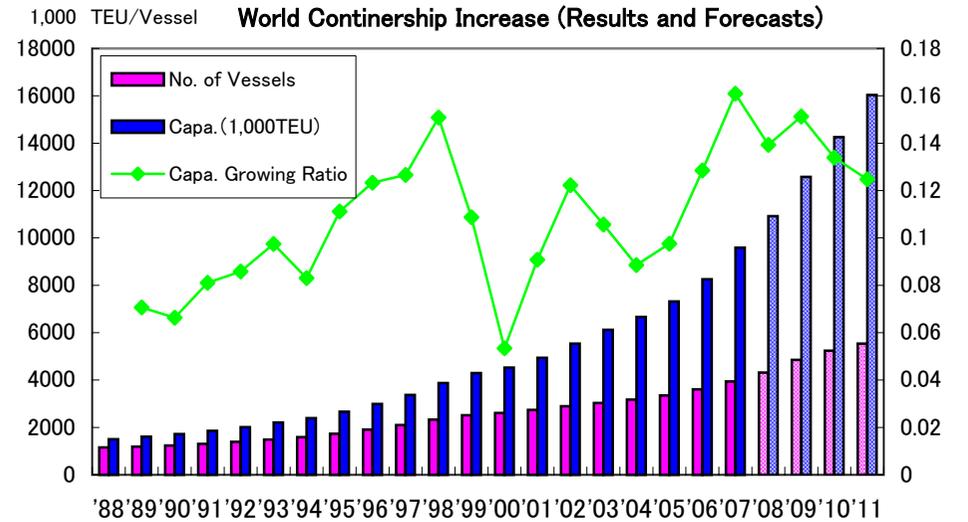
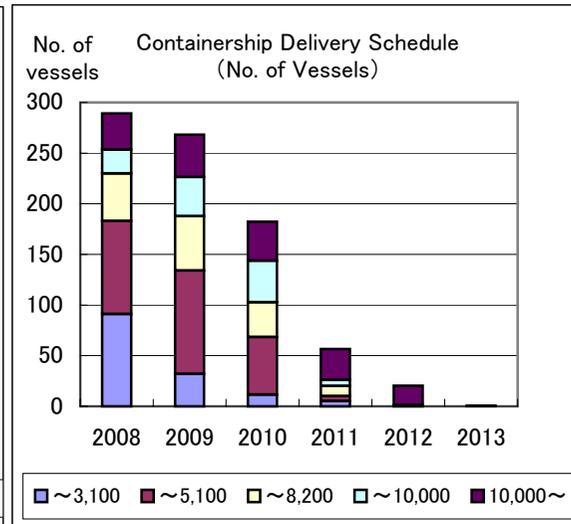
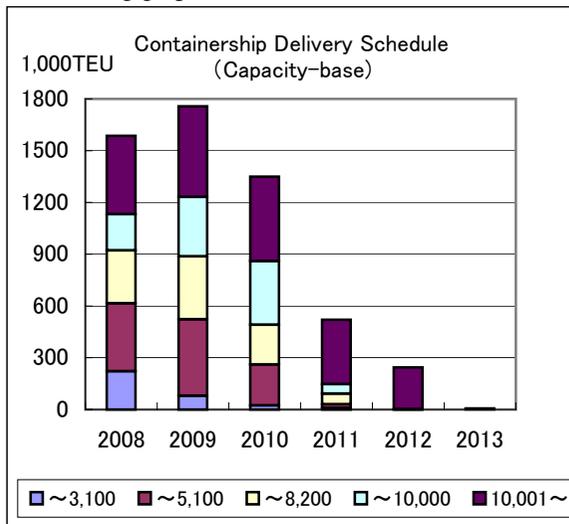


Lloyd's Shipping Economist as of April 1 2008

Min/Max* Fleet Increase Schedule (Estimated)

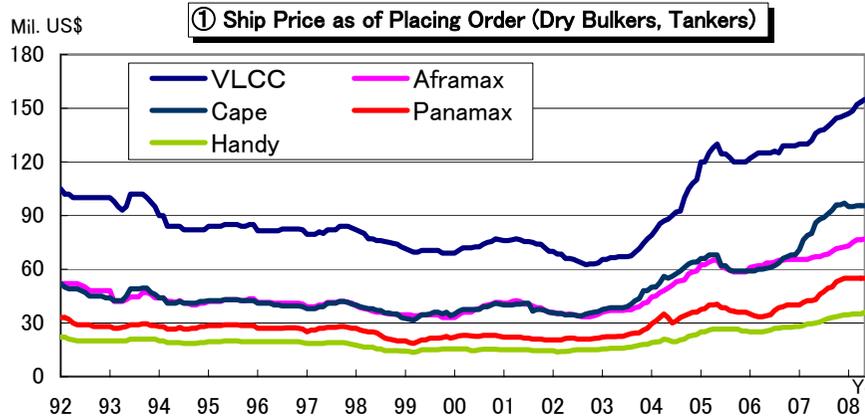


* Following graphs are based on other data-base to show no. of vessels, etc.

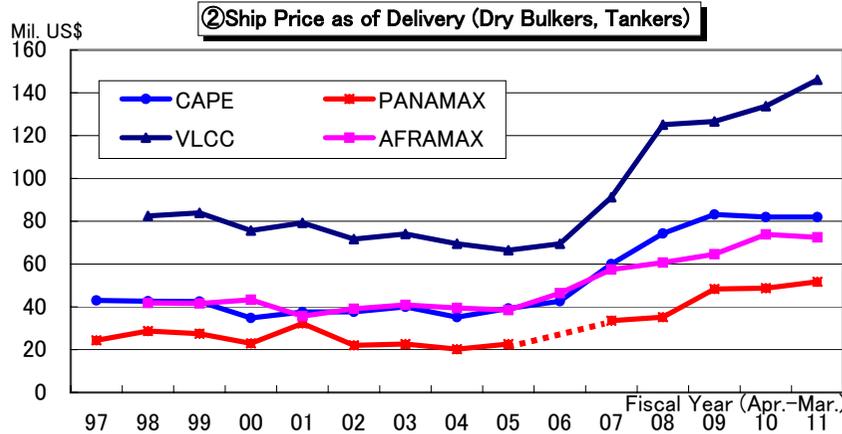


BRS-Alphaliner Annual Report2007 / Data as of 1 Jan. each year

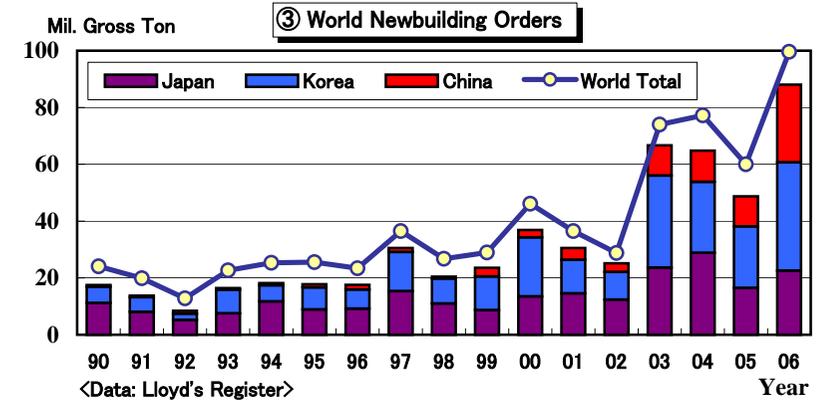
3-2. Trend of Newbuildings



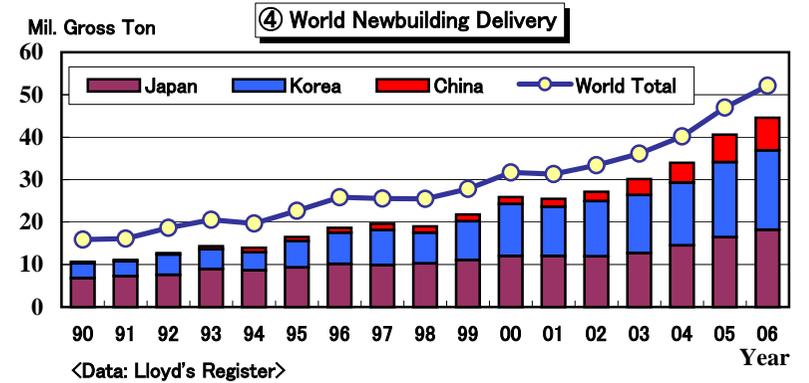
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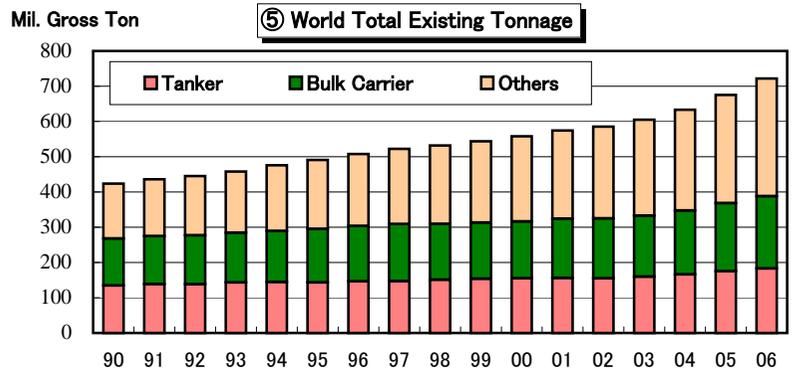
<"K" Line processed based on domestic papers>



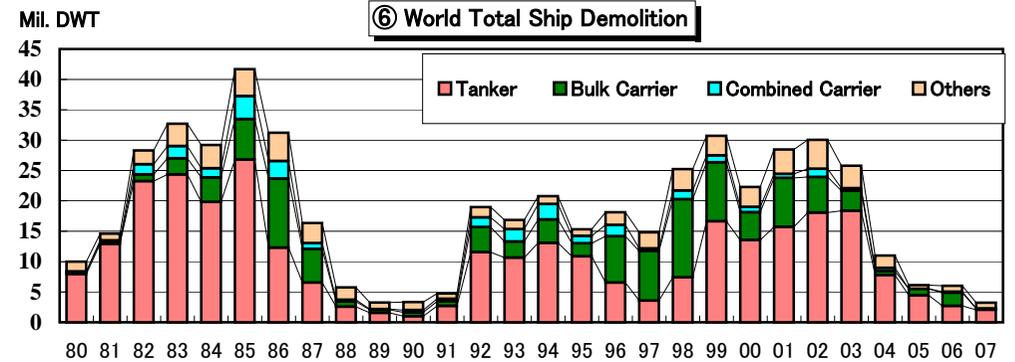
<Data: Lloyd's Register>



<Data: Lloyd's Register>

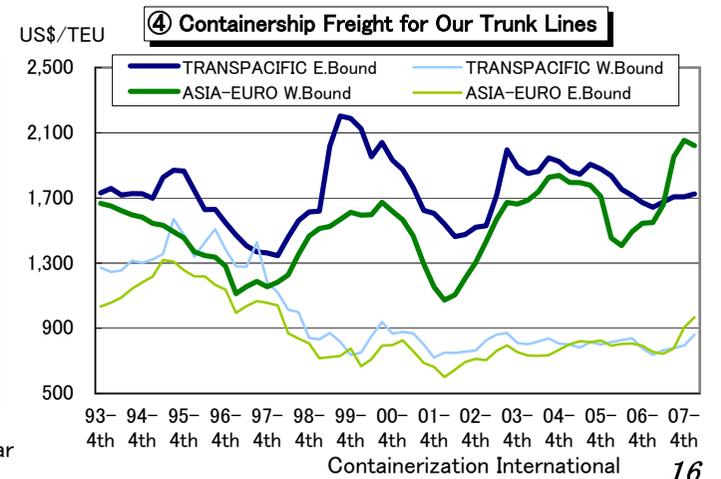
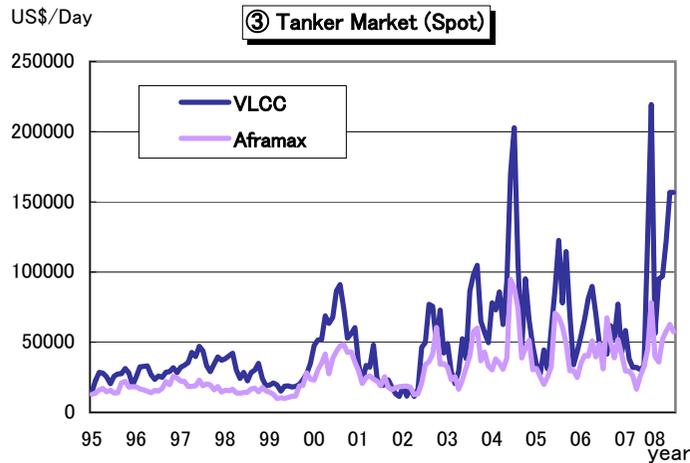
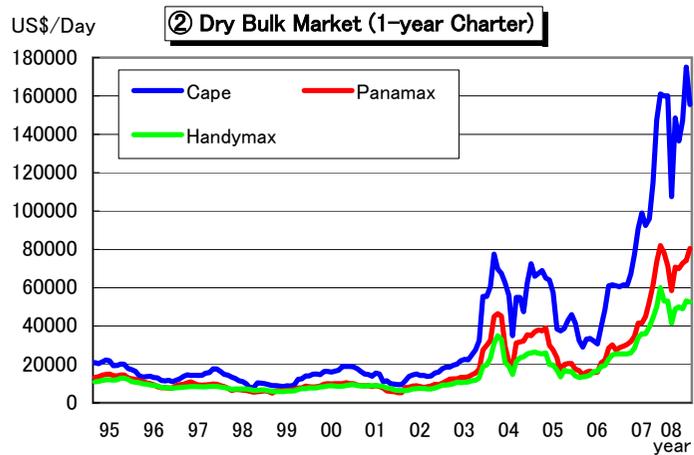
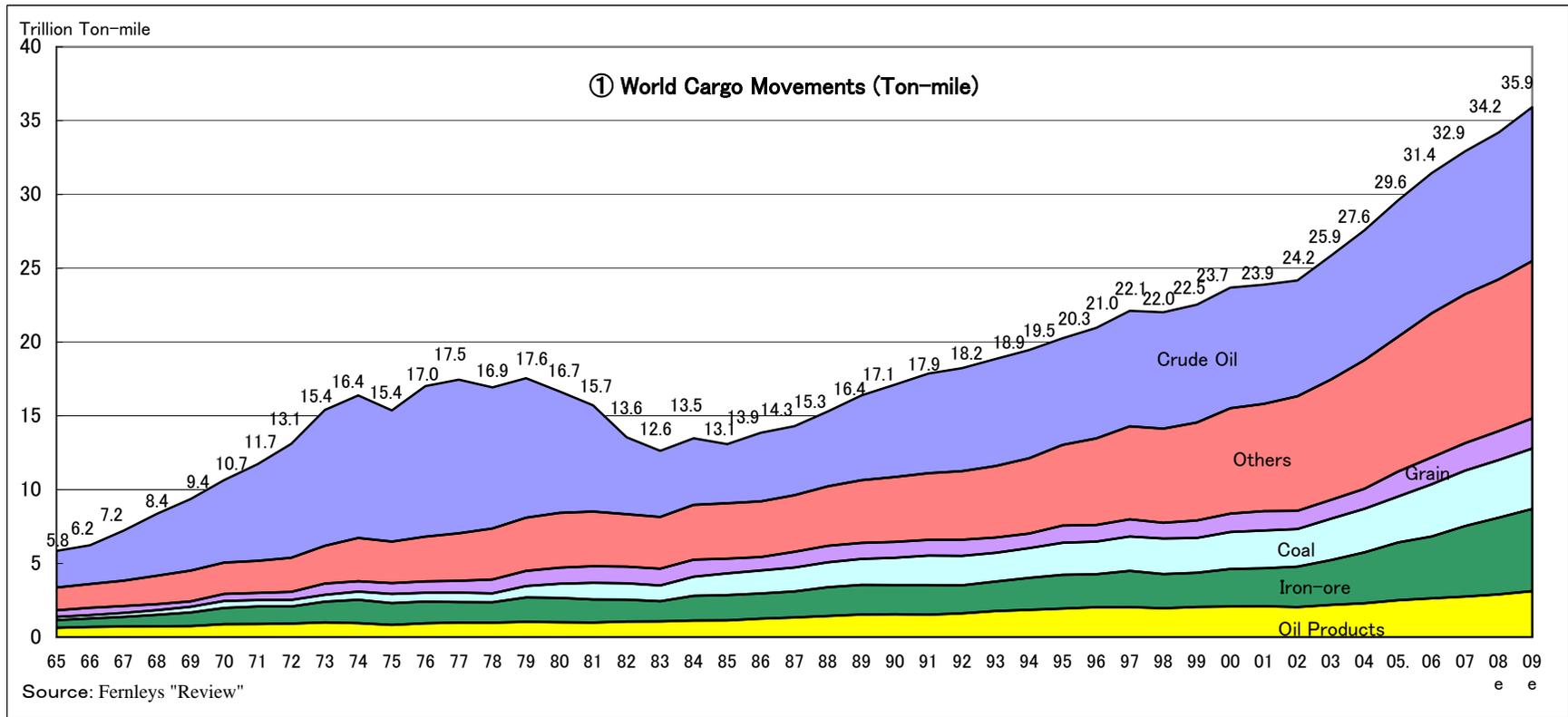


<Data: Lloyd's Register> * until '91, data as of mid-year, from '92 as of the year-end.



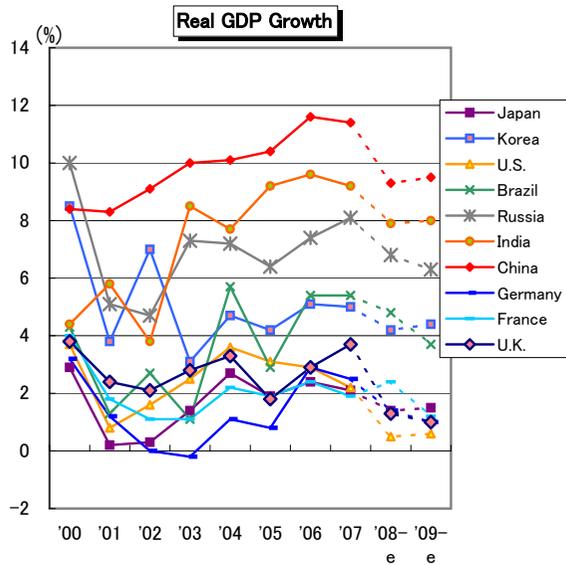
<Data: Fearnleys> * Based on ships sold for scrap

3-3. World Cargo Movements, Market



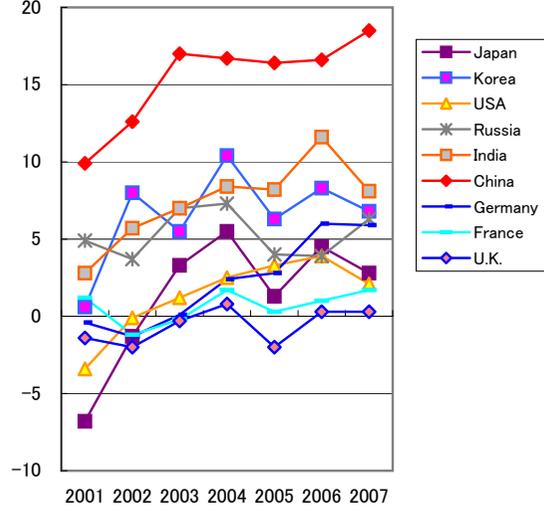
3-4. Emerging Markets (China)

① Economic Growth Rate

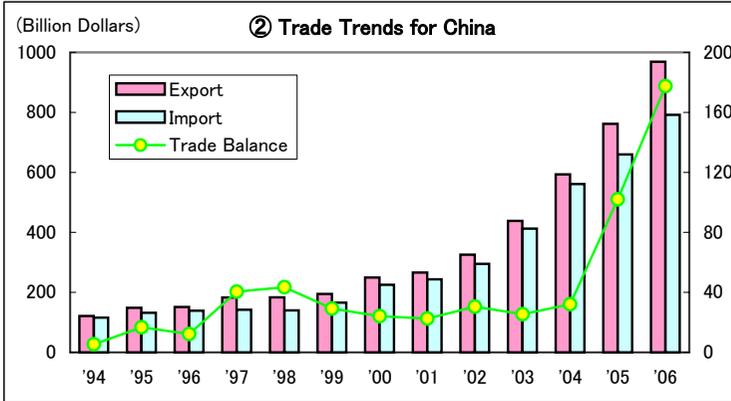


<MOFA "Key Economic Indicator"> *Data After '07 by IMF

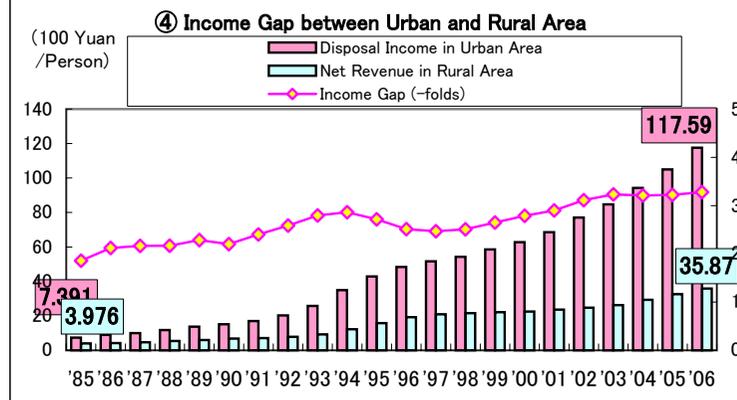
Mining and Industrial Output Growth (%)



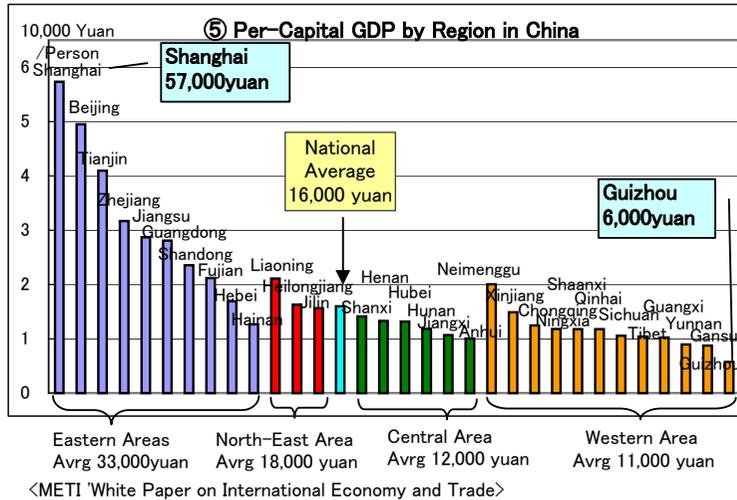
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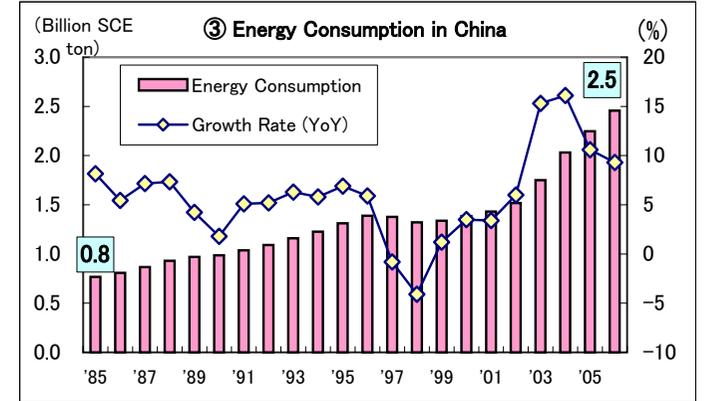
<METI "White Paper on International Economy and Trade">



<METI "White Paper on International Economy and Trade">

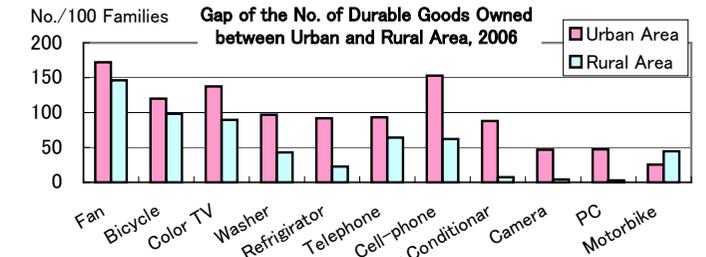


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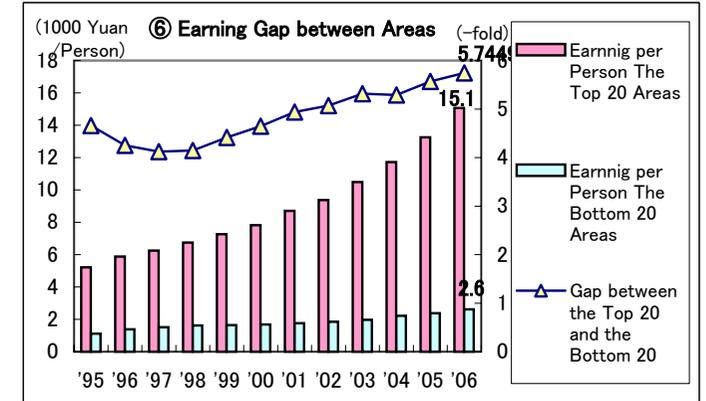
*SCE=Standard Coal Equivalent.

<METI "White Paper on International Economy and Trade">



*Data for Fan, Bicycle, Camera are as of 2005.

<METI "White Paper on International Economy and Trade">

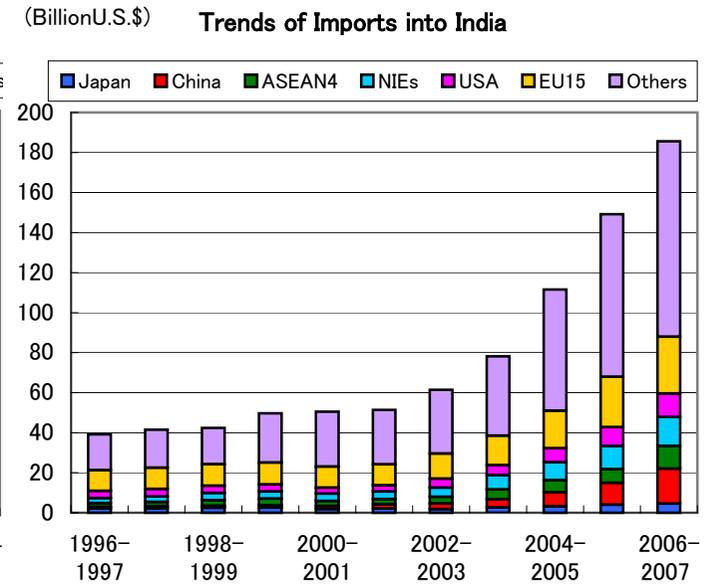
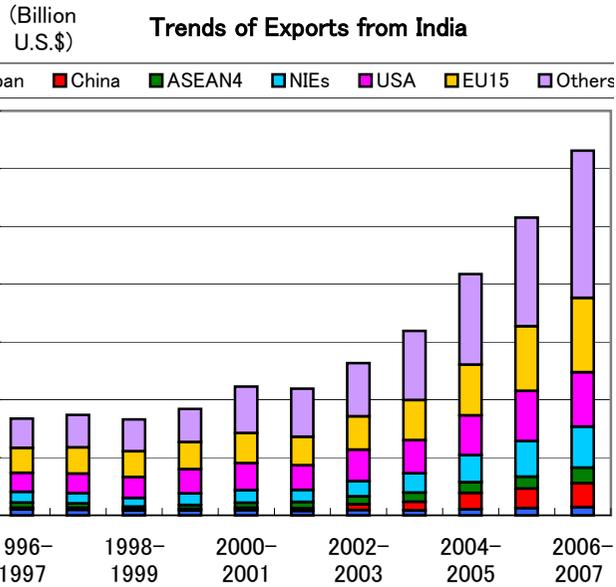
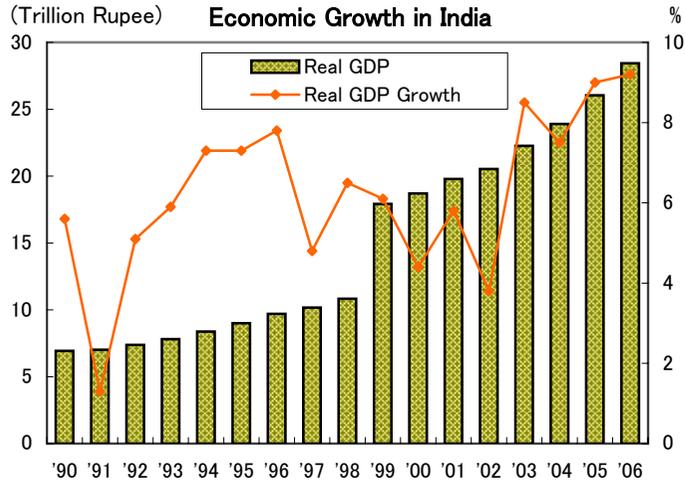


*Dividing each of 31 provinces and cities nationwide into urban and rural areas, income (disposal income for urban areas, and net revenue for rural) per-capita at each 62 area is calculated.

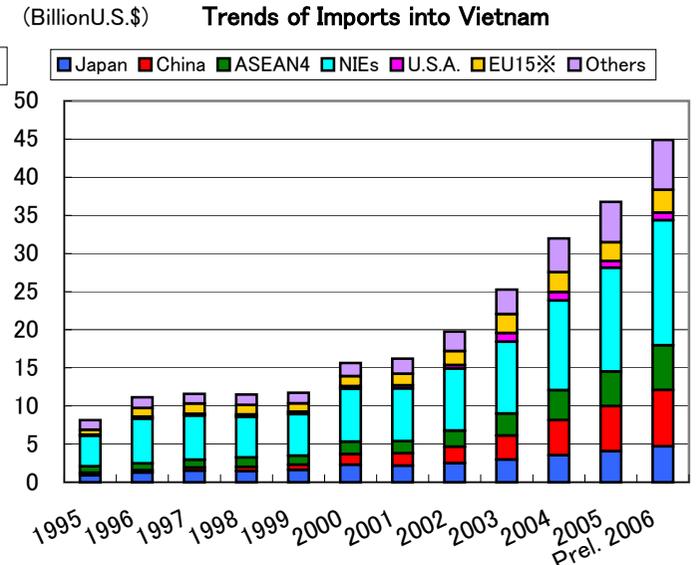
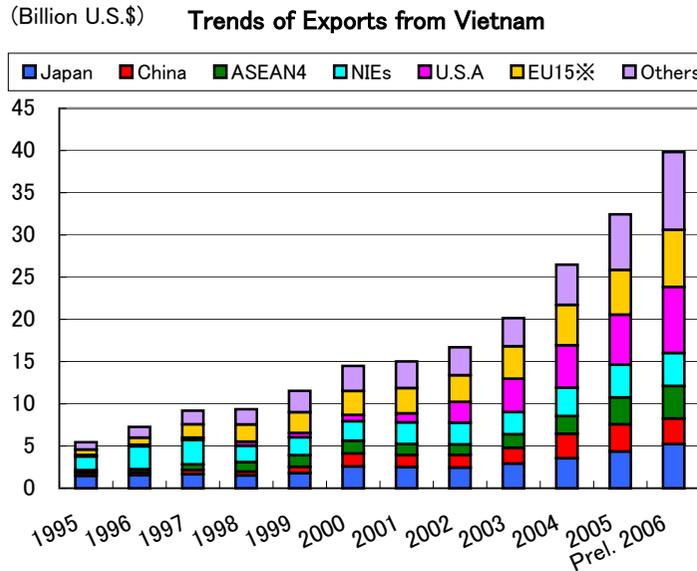
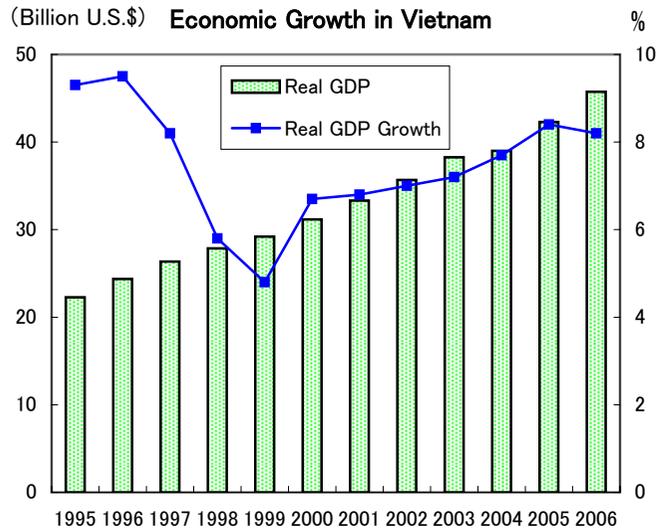
<METI "White Paper on International Economy and Trade">

3-5. Emerging Markets (India, Vietnam)

① India



② Vietnam



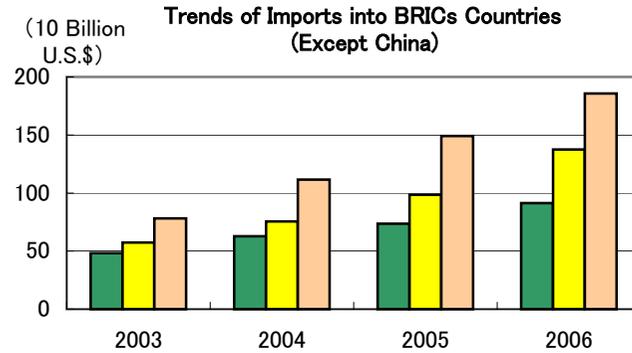
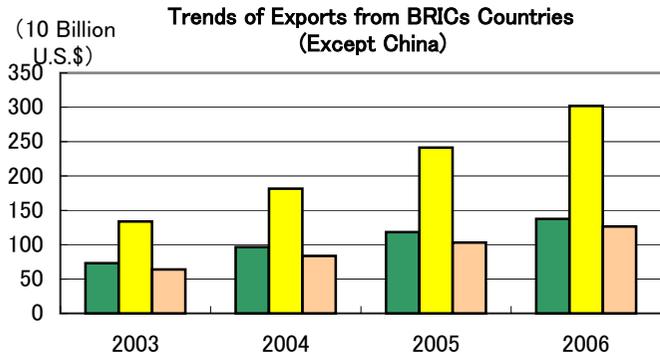
<Government of India, Ministry of Commerce & Industry, Dept. of Commerce>

※W/O Data for Luxemburg

<General Statistics Office of Vietnam>

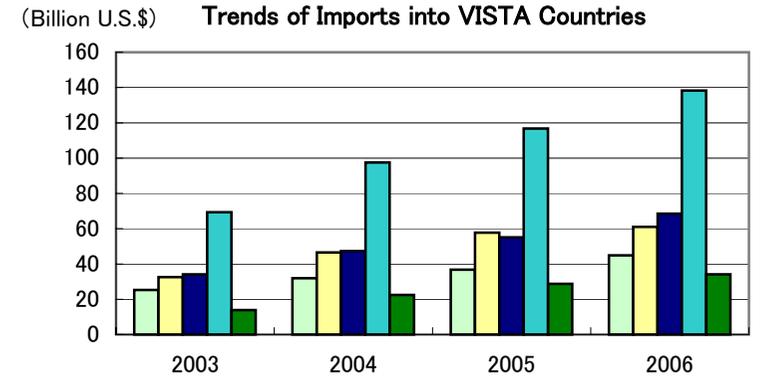
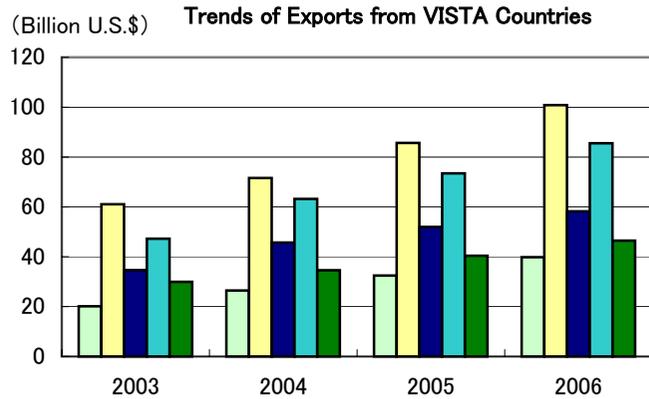
3-6. Emerging Markets (BRICs, VISTA, Turkey)

① BRICs (Ex. China)



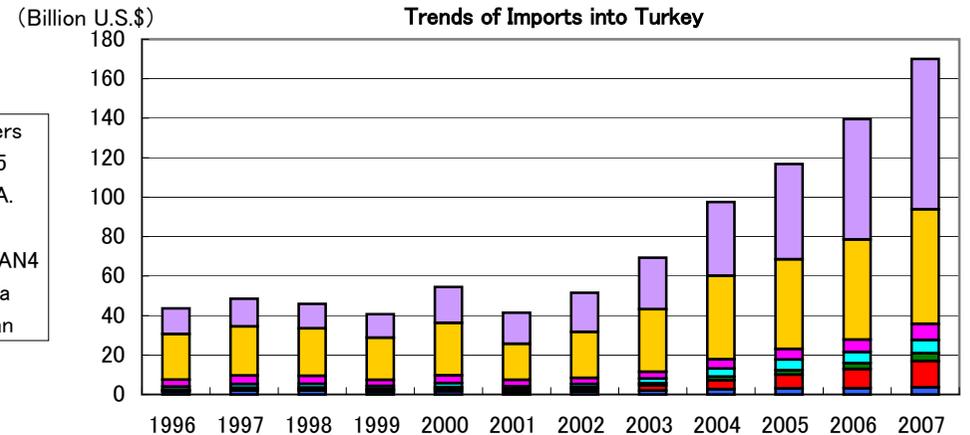
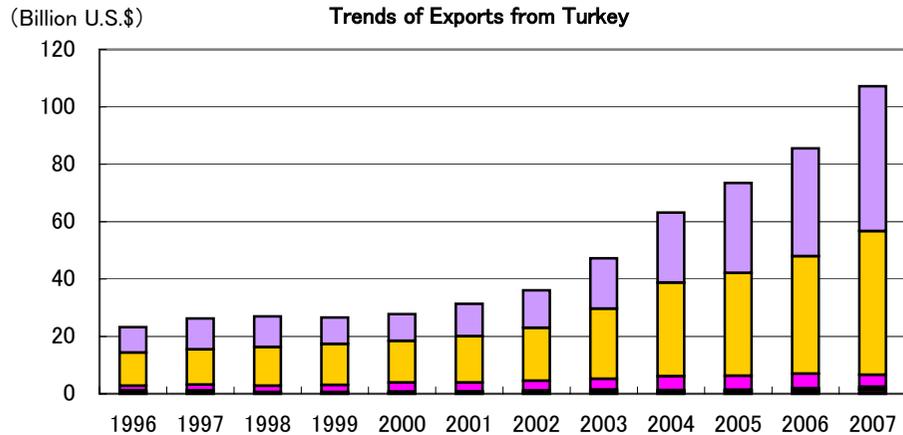
<JETRO>

② VISTA Countries



<JETRO>

③ Turkey



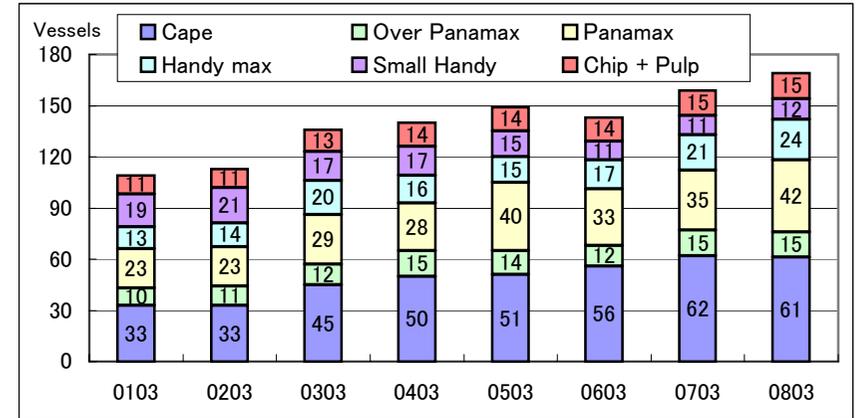
<Turkish Statistical Institute>

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

① K Line's Dry Bulk Fleet

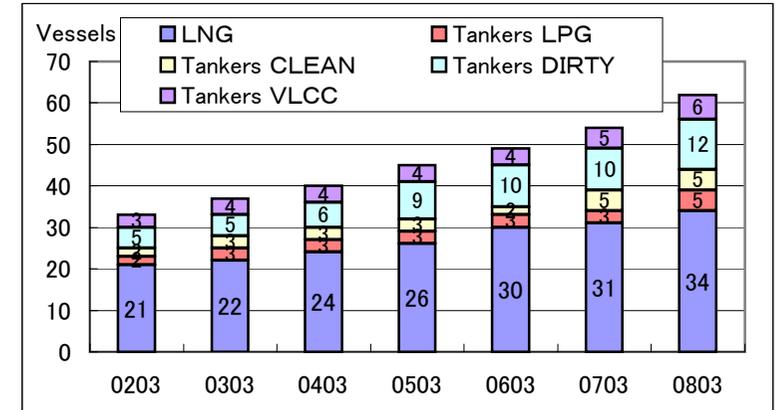
		0103	0203	0303	0403	0503	0603	0703	0803
Cape	(DWT 170,000 ton~)	33	33	45	50	51	56	62	61
Over Panamax	(DWT abt 100,000 ton)	10	11	12	15	14	12	15	15
Panamax	(DWT 6~70,000 ton)	23	23	29	28	40	33	35	42
Handy max	(DWT 4~50,000 ton)	13	14	20	16	15	17	21	24
Small Handy	(DWT 3~40,000 ton)	19	21	17	17	15	11	11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

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

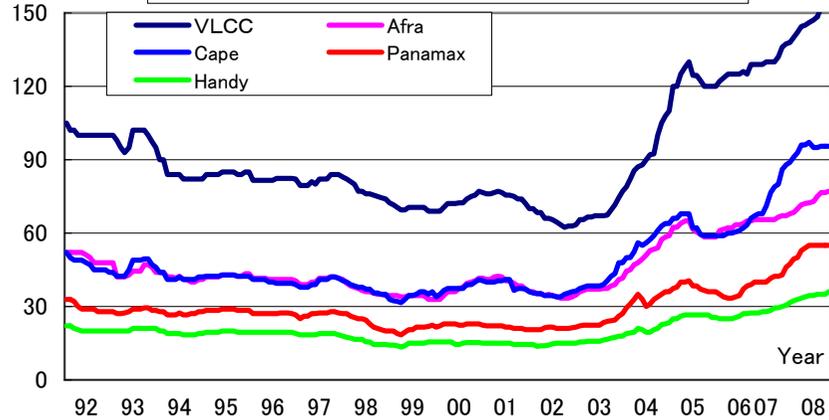


② K Line's Energy Transportation vessel Fleet

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

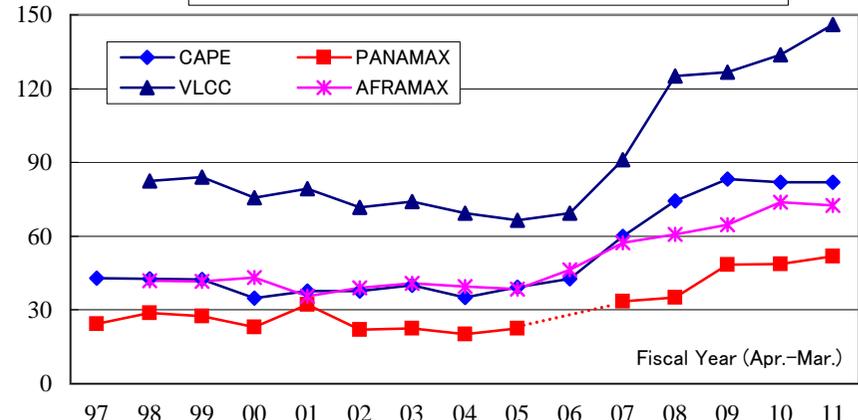


③ Ship Price as of Placing Order (Dry Bulkes, Tankers)



<Data: Clarkson>

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



<"K" Line processed based on domestic papers>

4-2. Business Expansion of Drybulk Business 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.

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

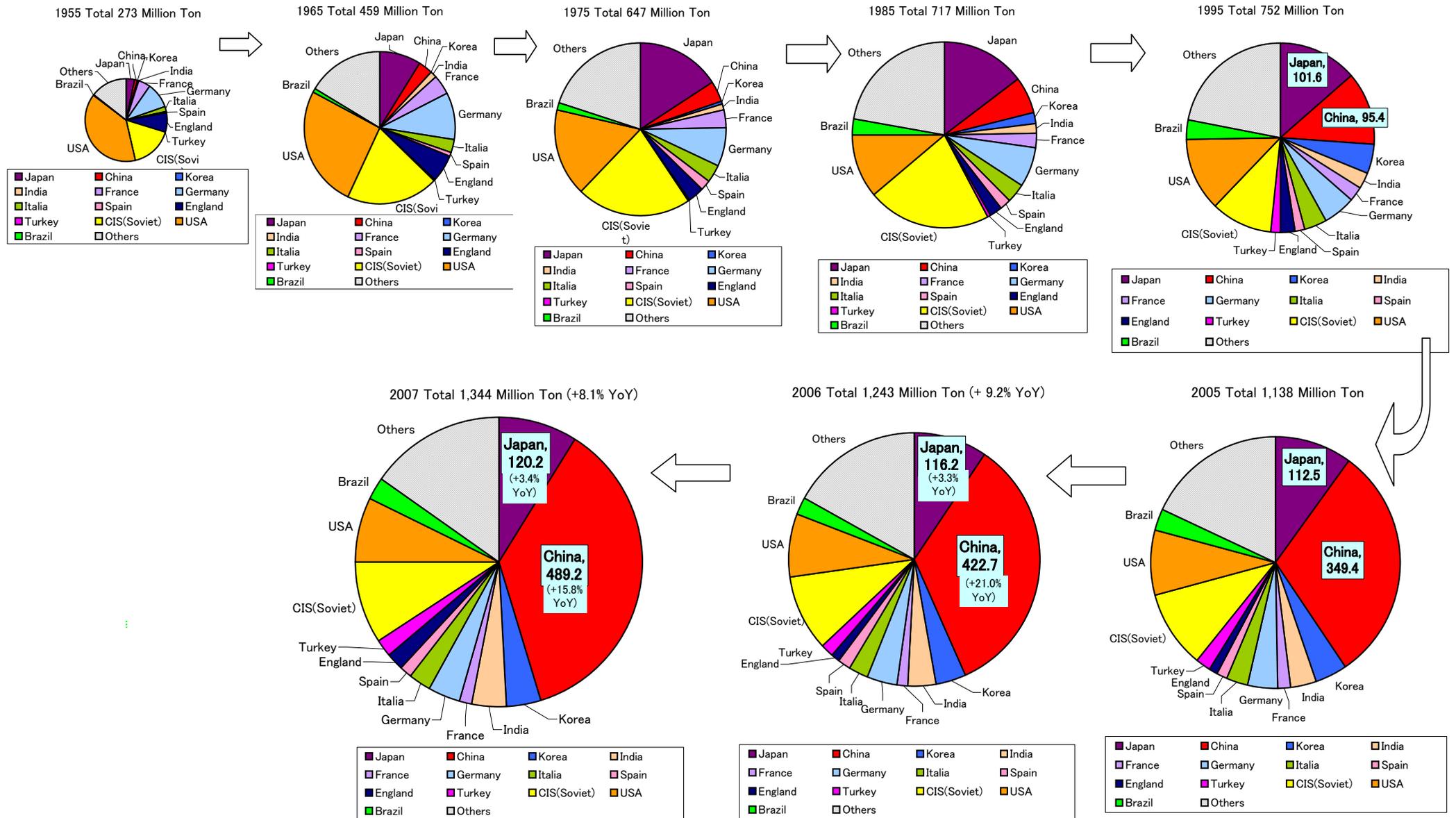
Contractor	Contract Period	Cargo, Volume	Vessel, Services	Trade Routes	Date Released
ILVA (Italy)	From 2009	Iron Ore	A Long-term Voyage Charter of 300,000-ton Bulker	Brazil - Italy	2004/5/24
Electricité de France	From 2009		A Long-term Time Charter of 170-180,000-ton Bulker		2006/11/17

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.	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

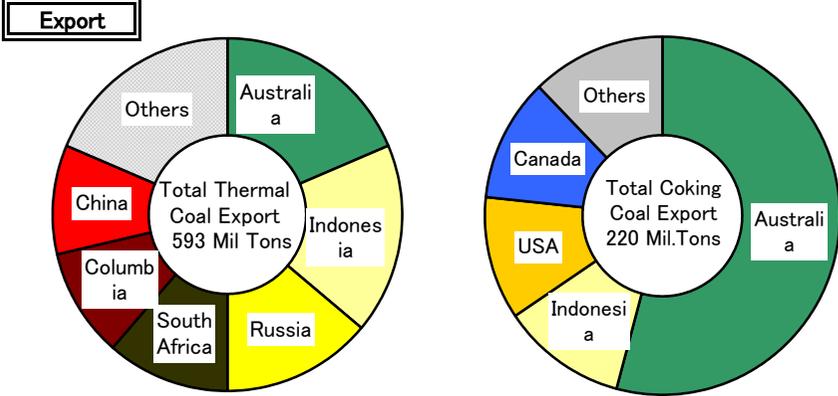
4-3. Demand on Dry Bulk

① Transition of World Crude Steel Production

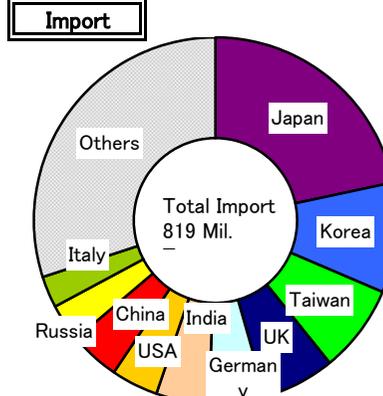


4-3. Demand on Dry Bulk

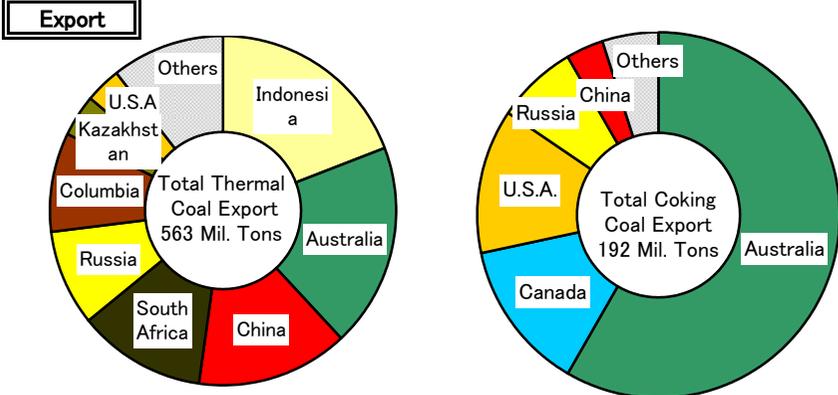
② World Coal Export (Thermal/Coking Coal) (2006)



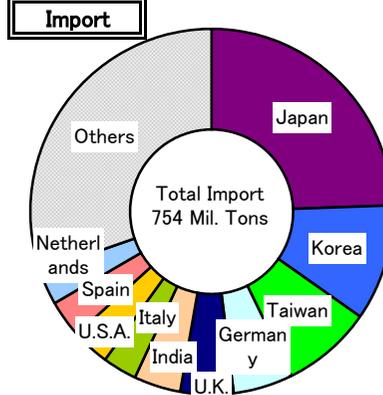
③ World Coal Import in Total (2006)



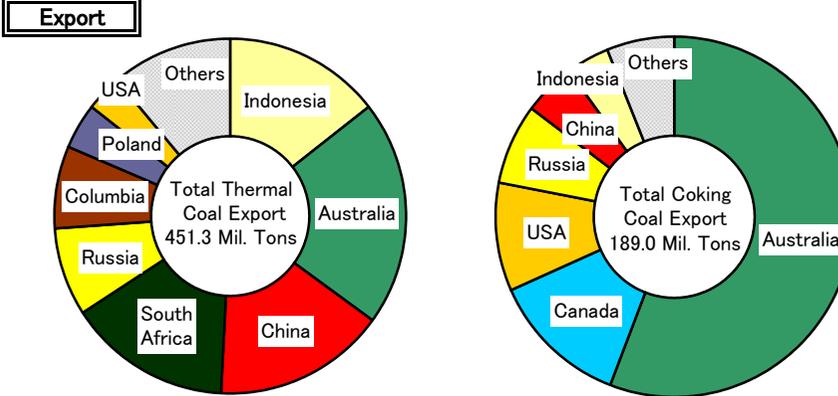
(2004)



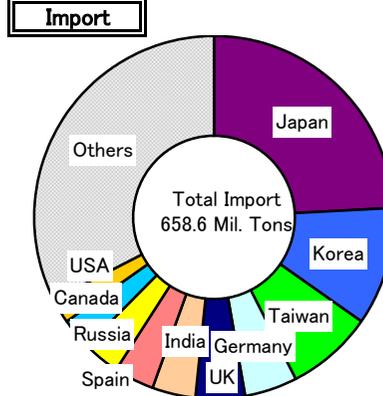
(2004)



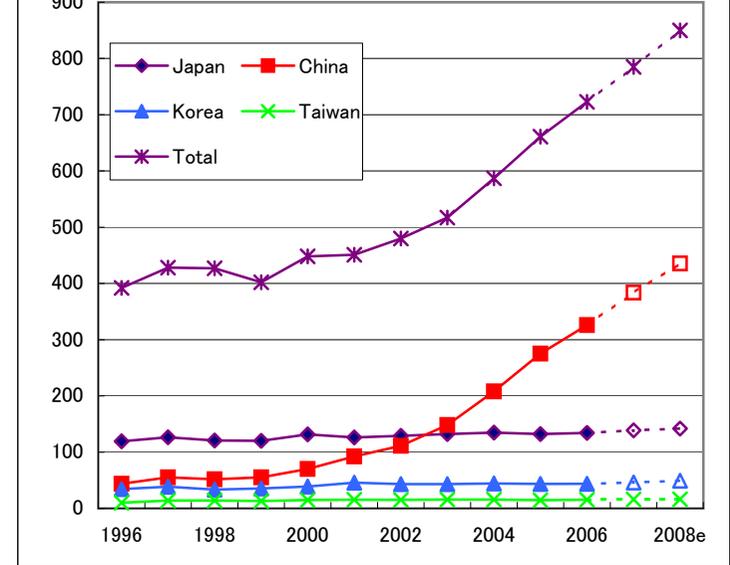
(2002)



(2002)

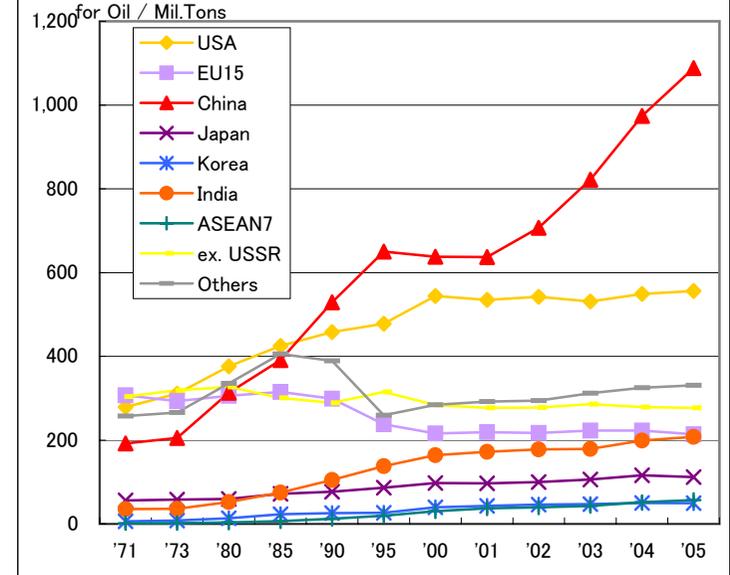


④ Iron Ore Import into Major Asian Countries



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

⑤ World Coal Consumption



Data: 'Handbook of Energy & Economic Statics in Japan', etc.

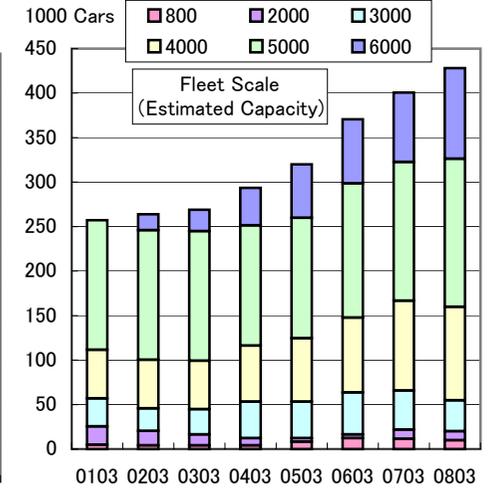
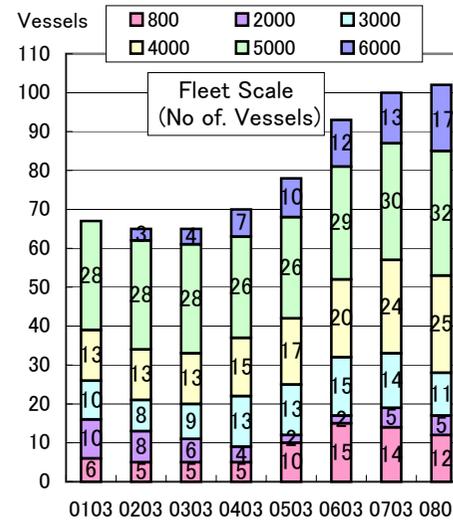
Quoted from different sources, total for 'Export' and 'Import' are not coincident.

Data: 'Annual Energy Report', etc.

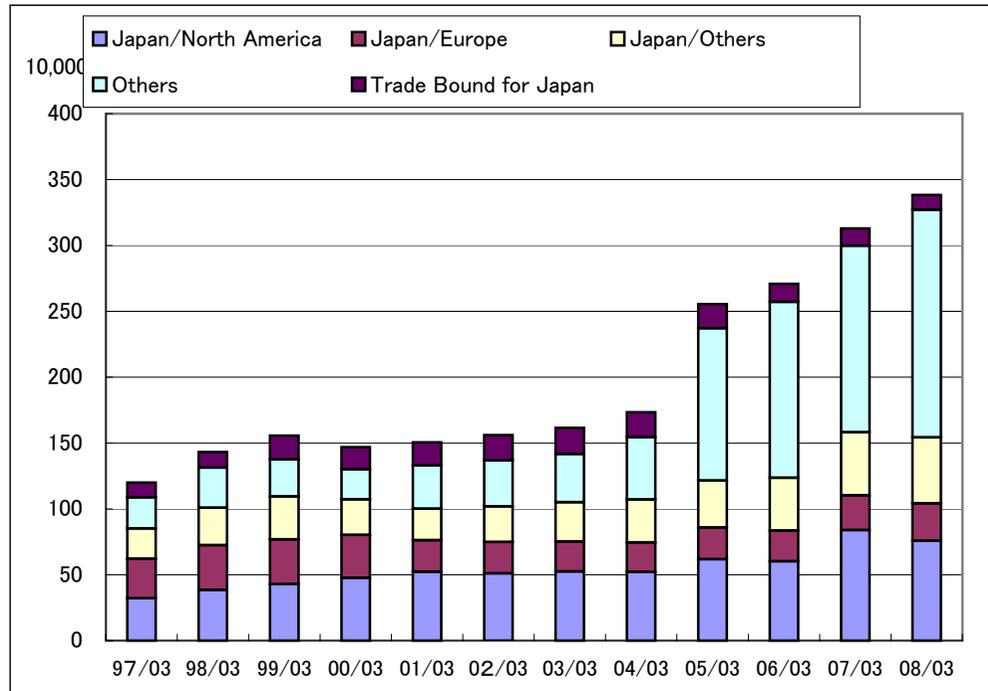
5. Car Carrier Business <5-1."K"Line Fleet and Cargo Movements>

① "K"Line PCC Fleet

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

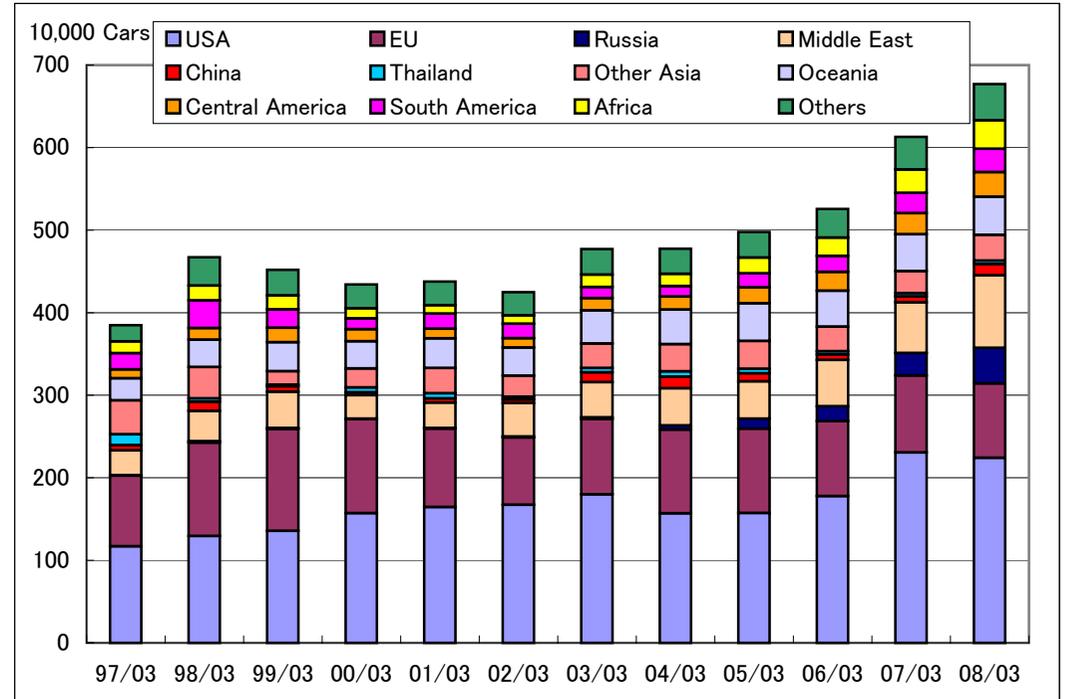


② Cars/Trucks Transported by Our Fleet (Each Half Year)



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

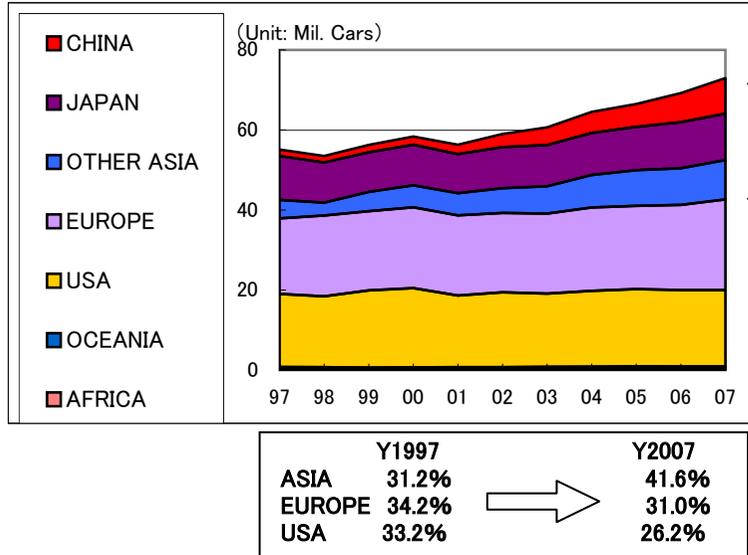
③ Total Cars/Trucks Expoted from Japan (Inc. Cars by GM Japan)



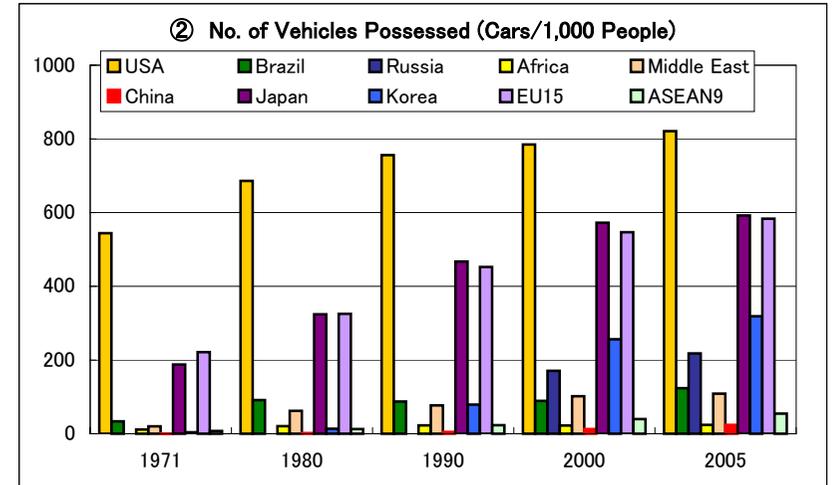
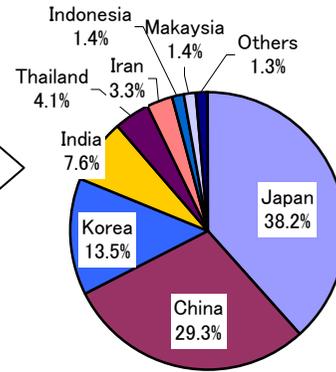
<Data: JAMA>

5-2. Demand on Vehicles

① World Automobile Production (2007) <OICA>



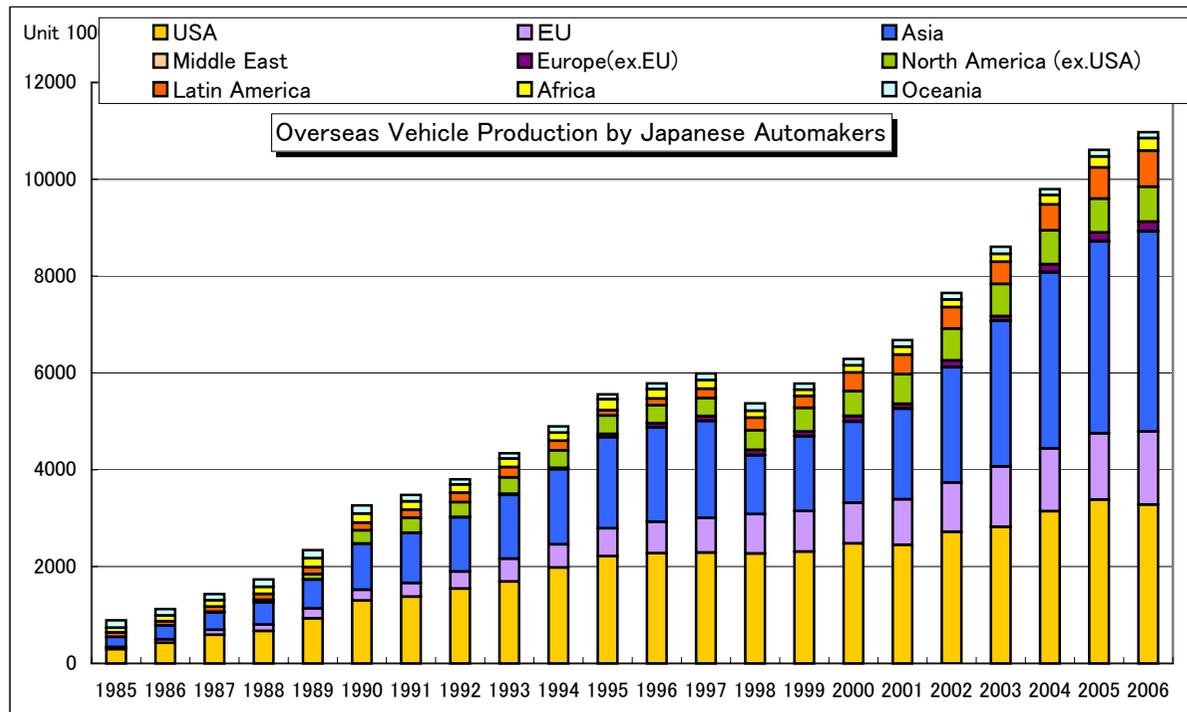
Breakdown in Asia (2007)



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

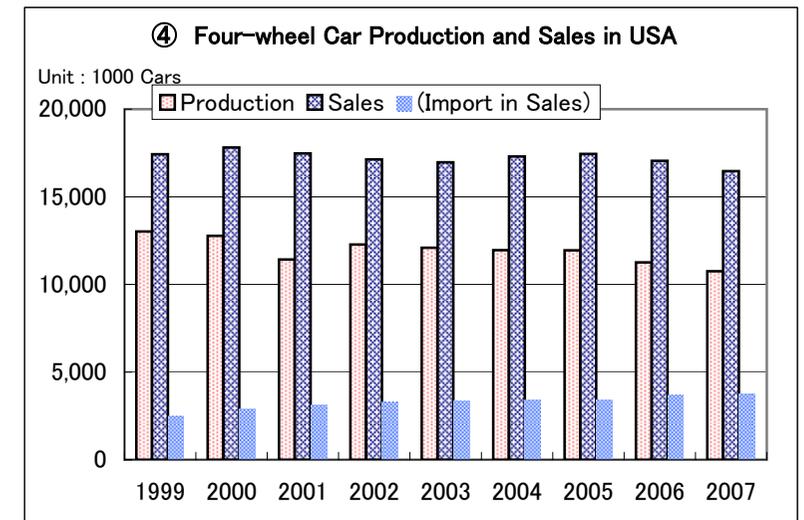
③ Transition of Overseas Vehicle Production by Japanese Automakers

<Data: JAMA>



④ Four-wheel Car Production and Sales in USA

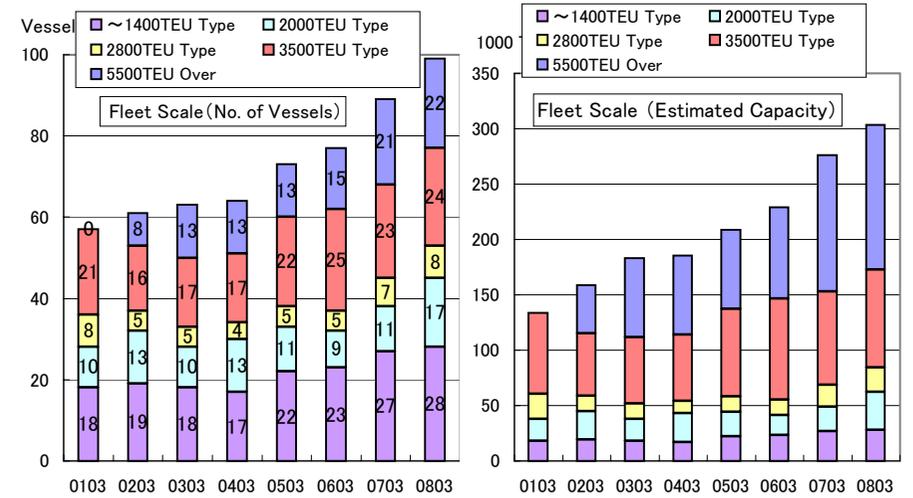
<Data: JAMA>



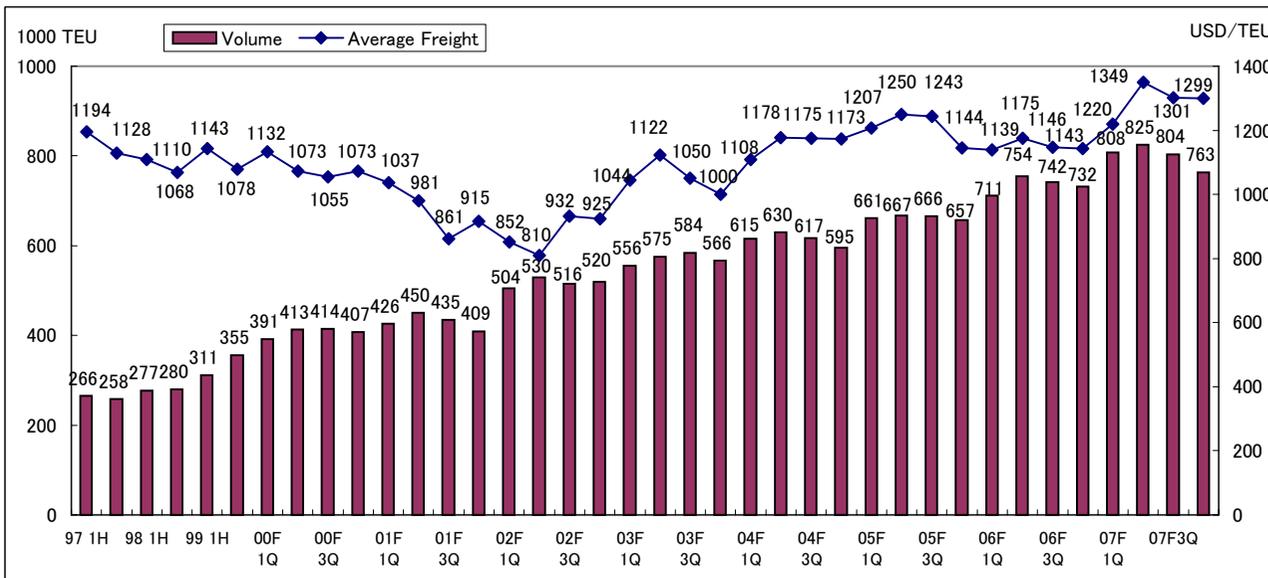
6. Container Business <6-1. "K" Line Fleet and Cargo Volume>

① "K" Line Containership Fleet

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



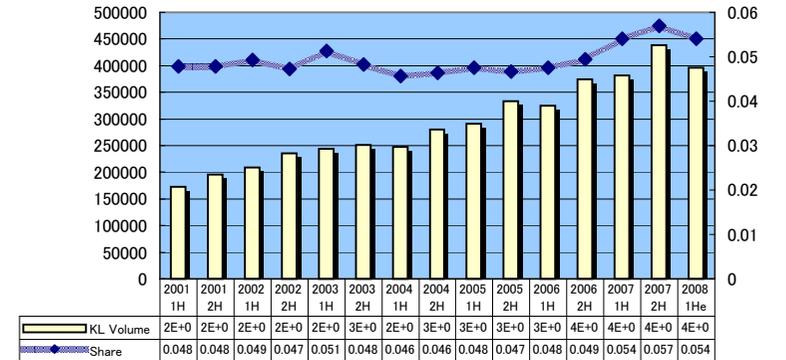
② "K" Line Containership Average Freight/Volume for All Services



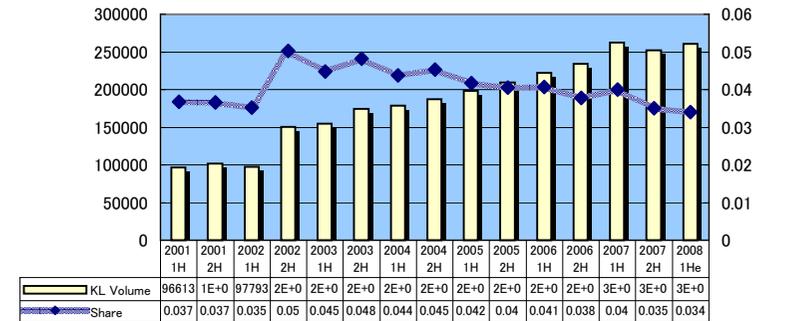
*As cargo volume for '97 1H-'99 2H, half of the actual data are indicated.

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

1000 TEU) Asia-North America East-bound Volume, Share (Share)

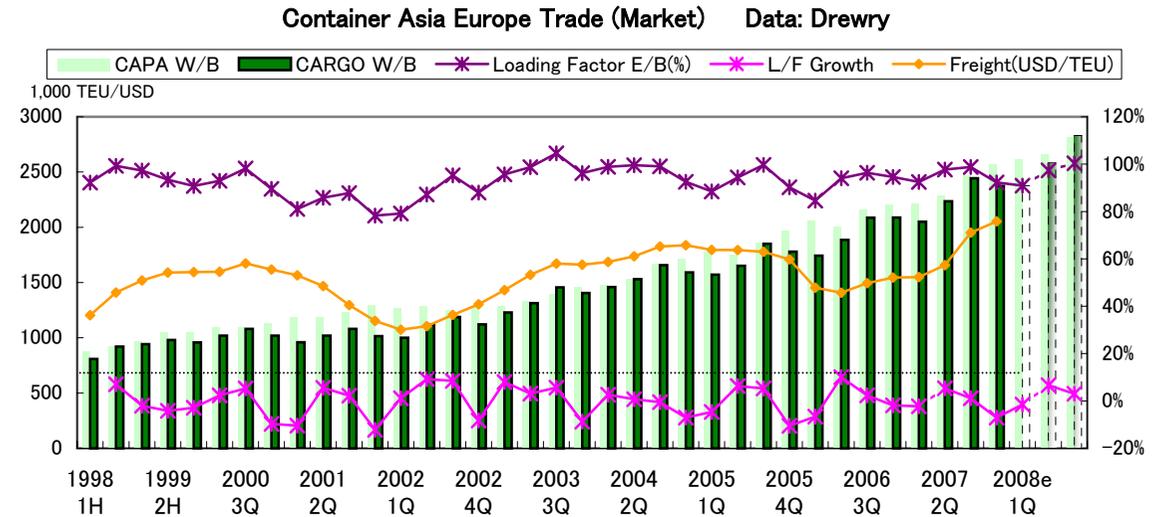
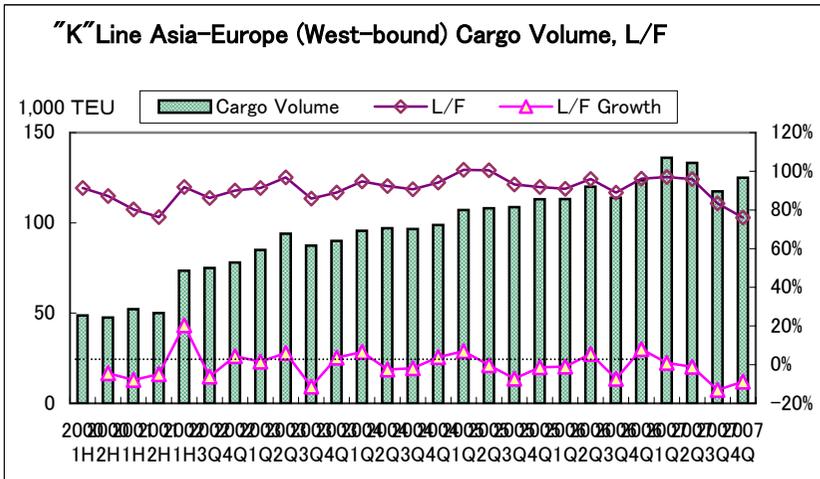
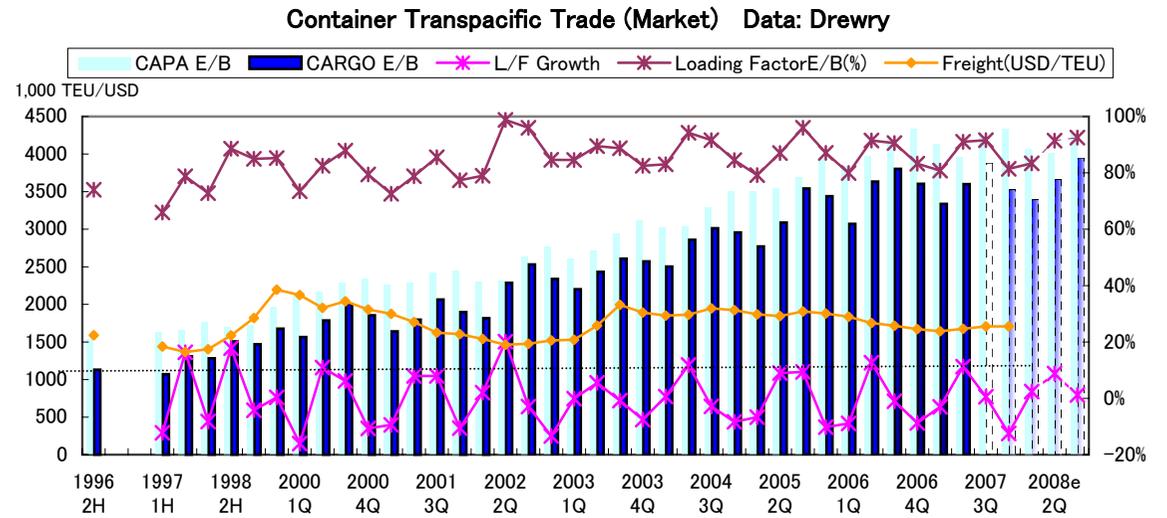
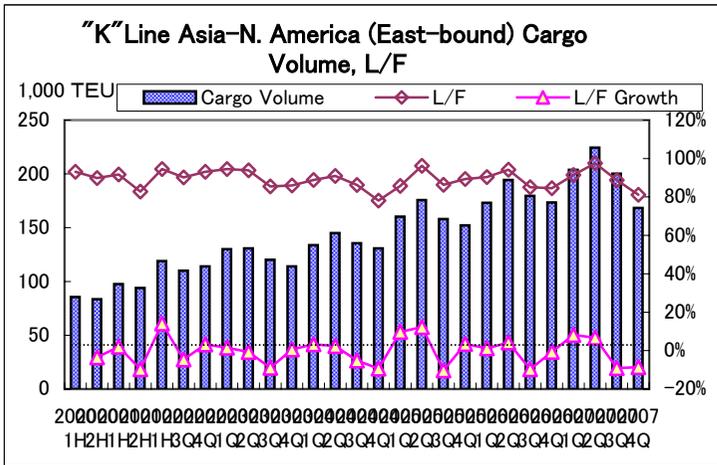


(1000 TEU) Asia-Europe West-bound Volume, Share (Share)



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

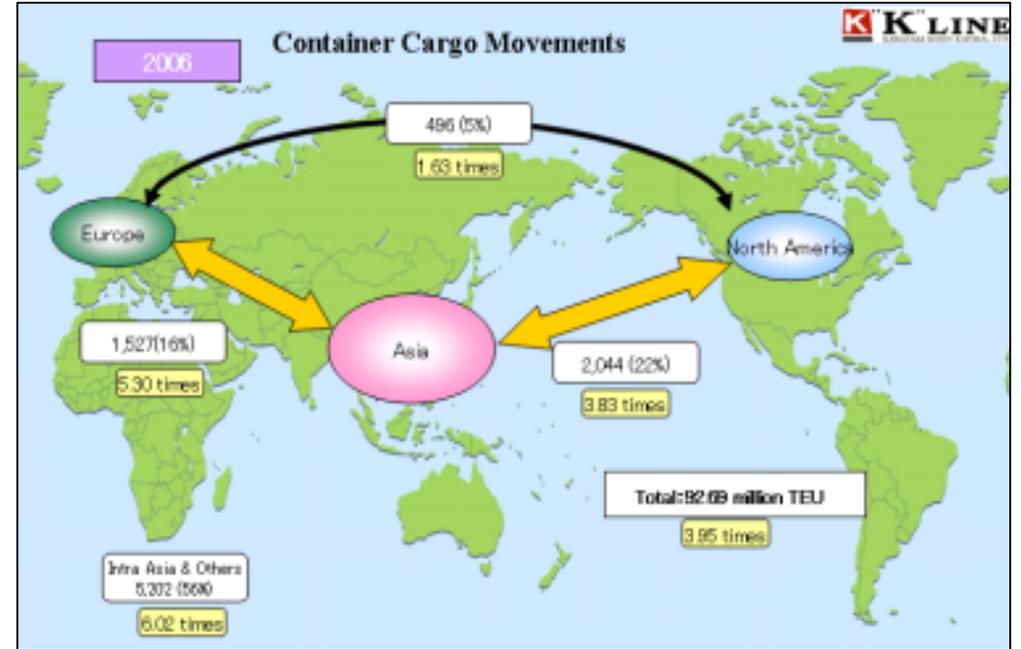
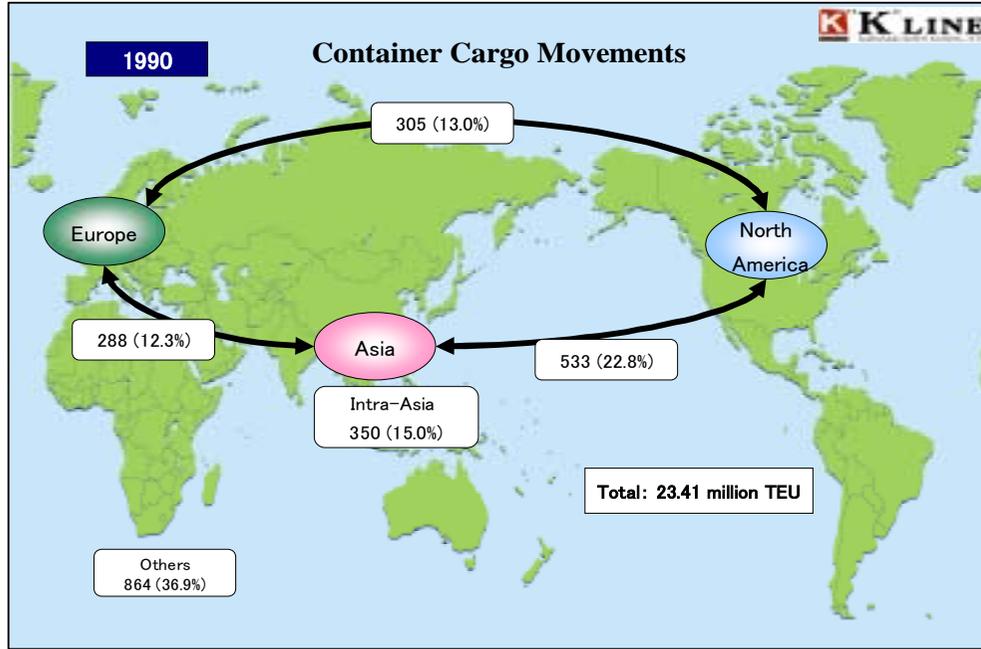
* Flat Space

**Operating with Maersk K.K.

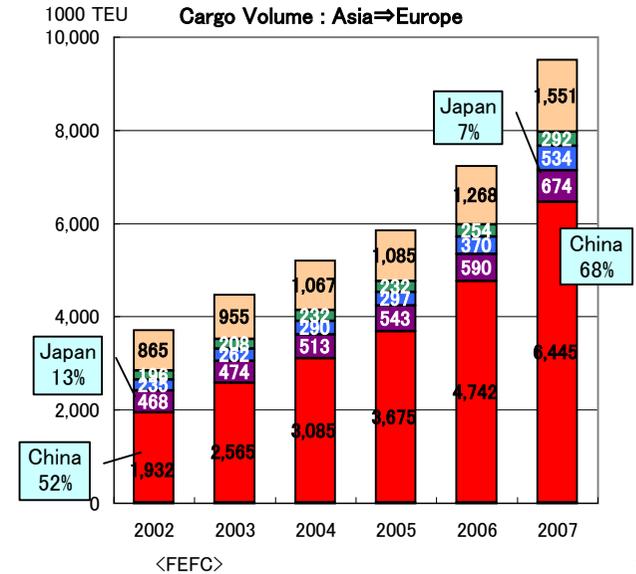
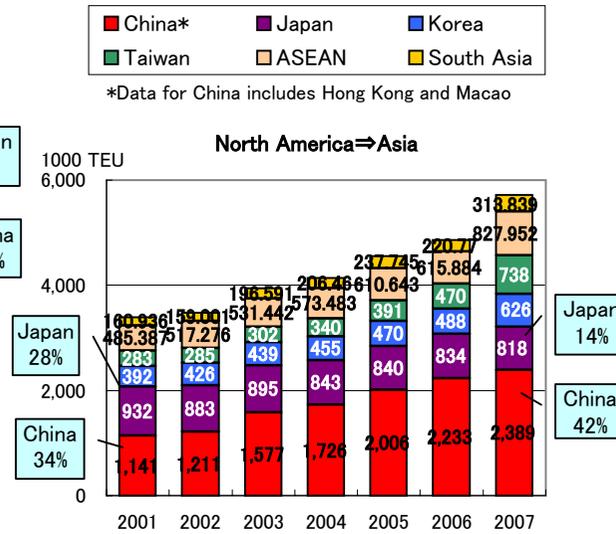
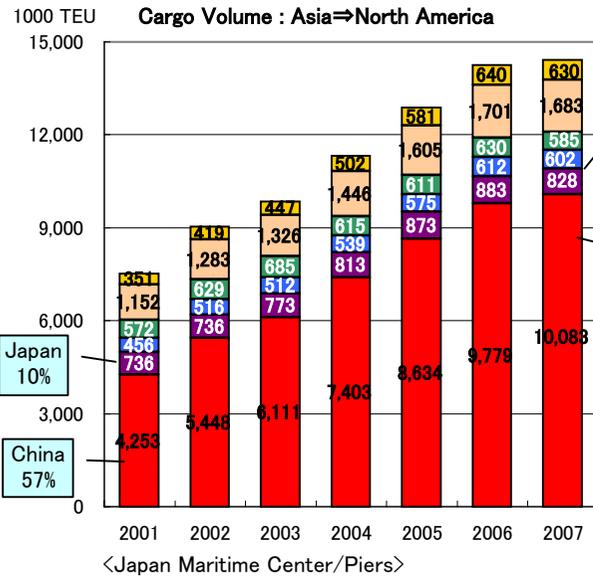
***Joint venture between K-Line ,Yang Ming Line,Hanjin Shipping and PSA-HMN.

6-3. Container Cargo Movements

① Container Cargo Movements

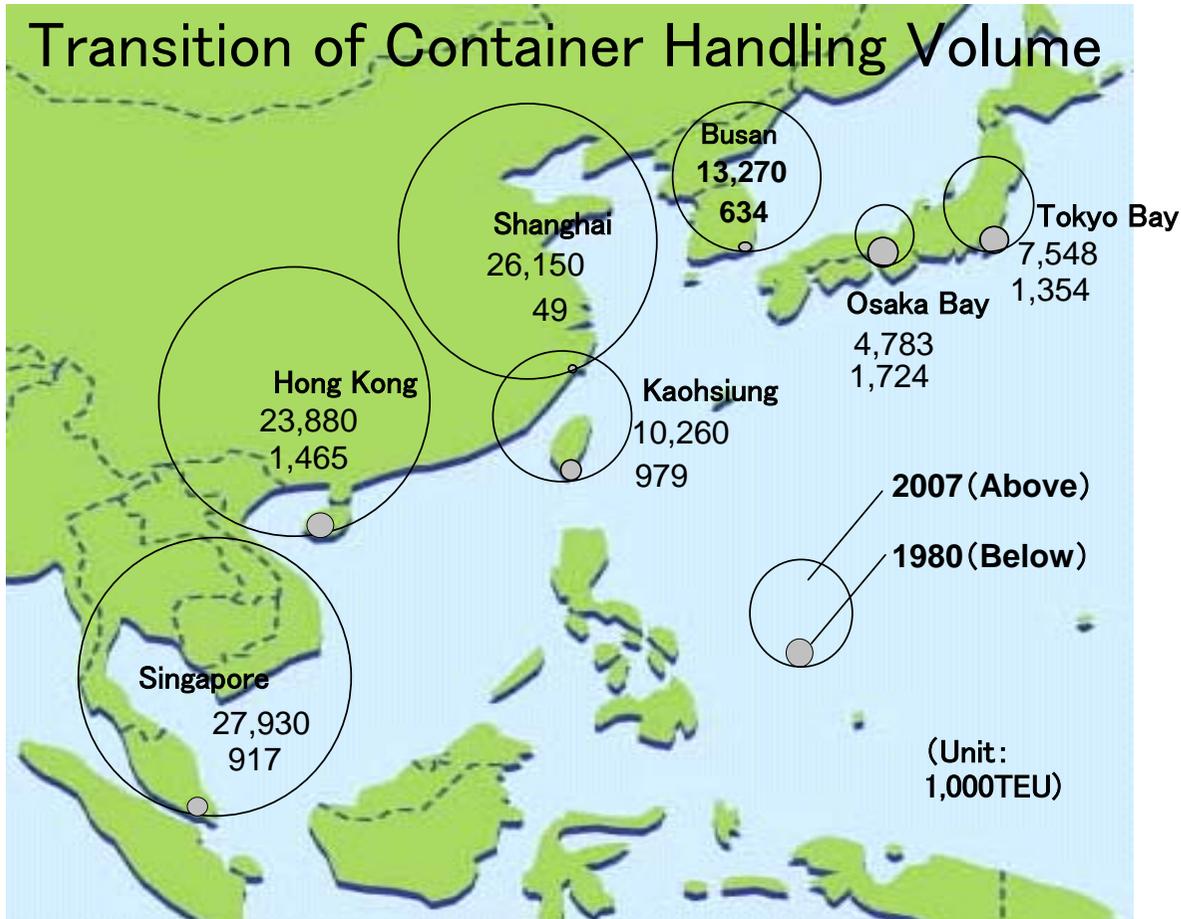


② Asia⇒North America/Europe Country-wise Cargo Volume



6-4. Port-wise Container Handling Volume

① Port-wise Container Handling Volume in Asia



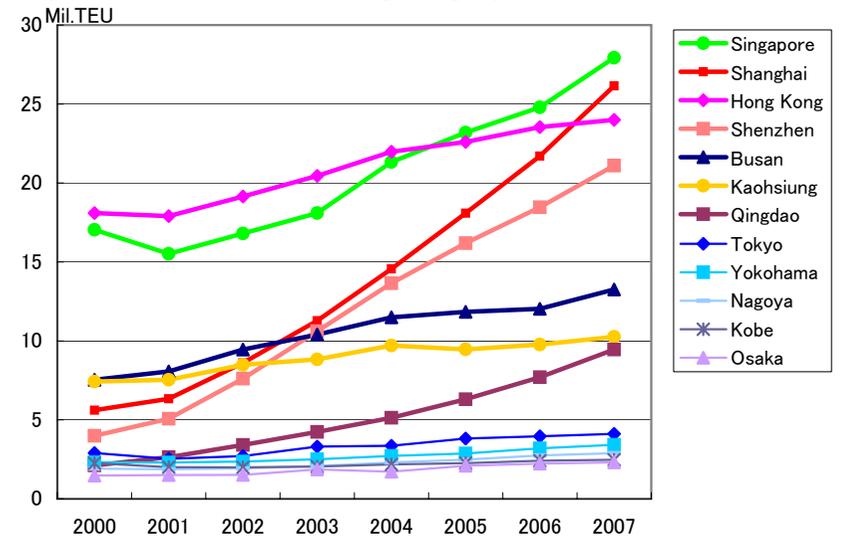
② Top 10 Ports for 2007 Container Handling

(Unit: Million TEU)

Port	2007	2006	Growth Rate
1 Singapore	27.9	24.8	12.5%
2 Shanghai	26.2	21.7	20.5%
3 Hong Kong	23.9	23.5	1.4%
4 Shenzhen	21.1	18.5	14.2%
5 Busan	13.3	12.0	10.3%
6 Rotterdam	10.8	9.7	11.8%
7 Dubai	10.7	8.9	19.4%
8 Kaohsiung	10.3	9.8	5.0%
9 Hamburg	9.9	8.9	11.7%
10 Qingdao	9.5	7.7	22.9%

※  Ports in China (Containerization International)

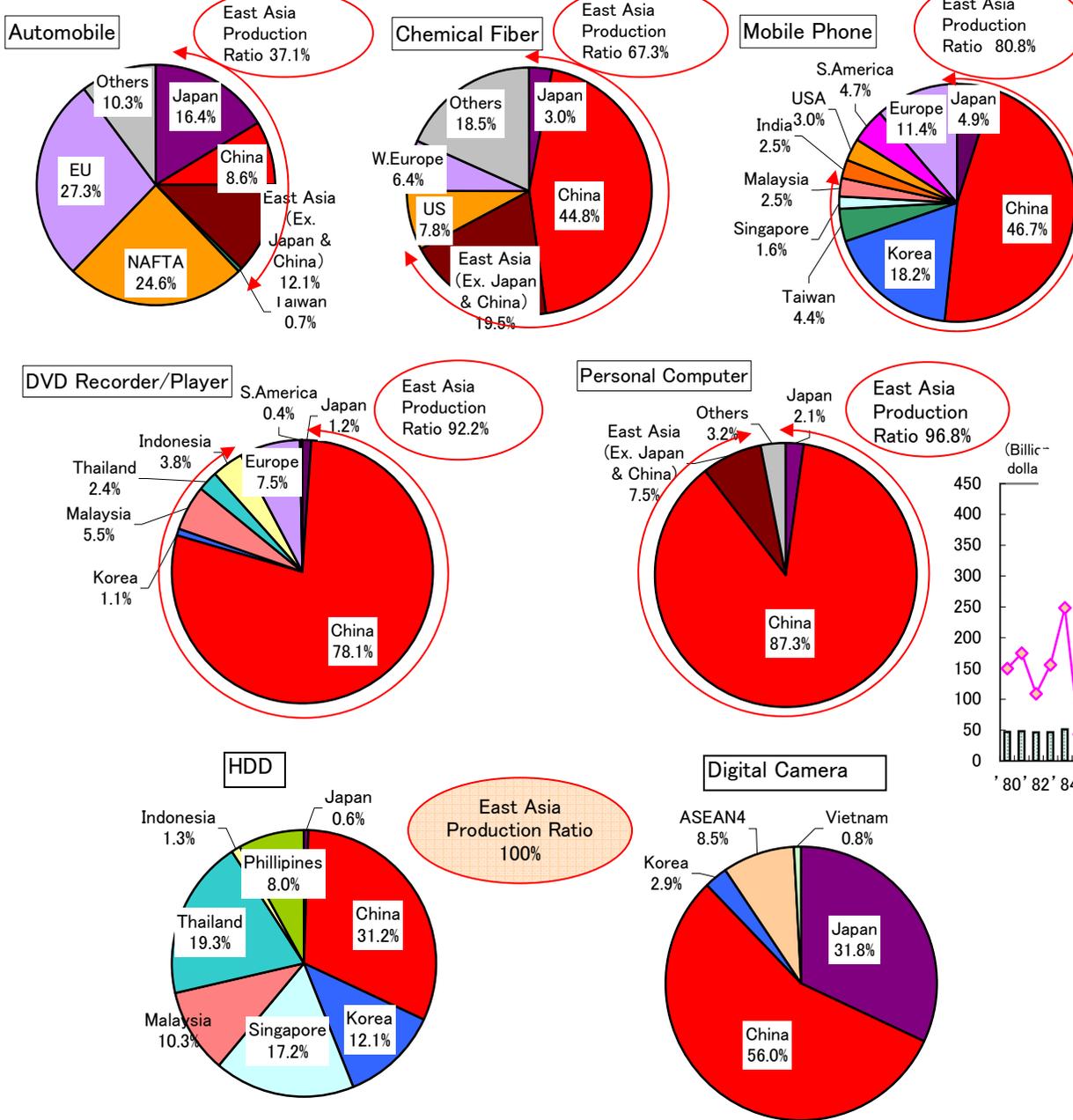
③ Transition of Container Handling among Major Ports in Asia



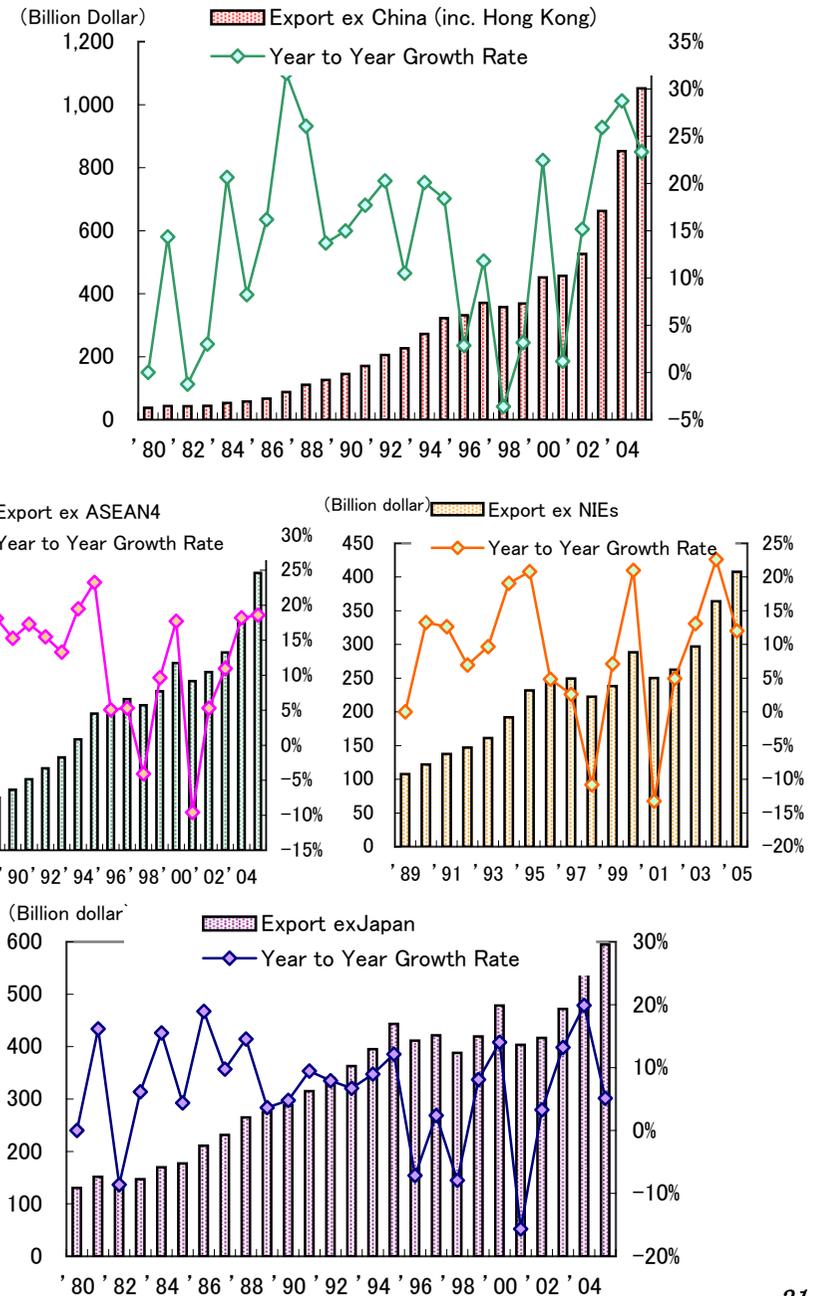
<Ref. Containerization International Year Book, Website for Each Port, etc. >

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

Heavy Lift Ship



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

② Offshore Support Vessels

AHTS



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.

PSV



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.



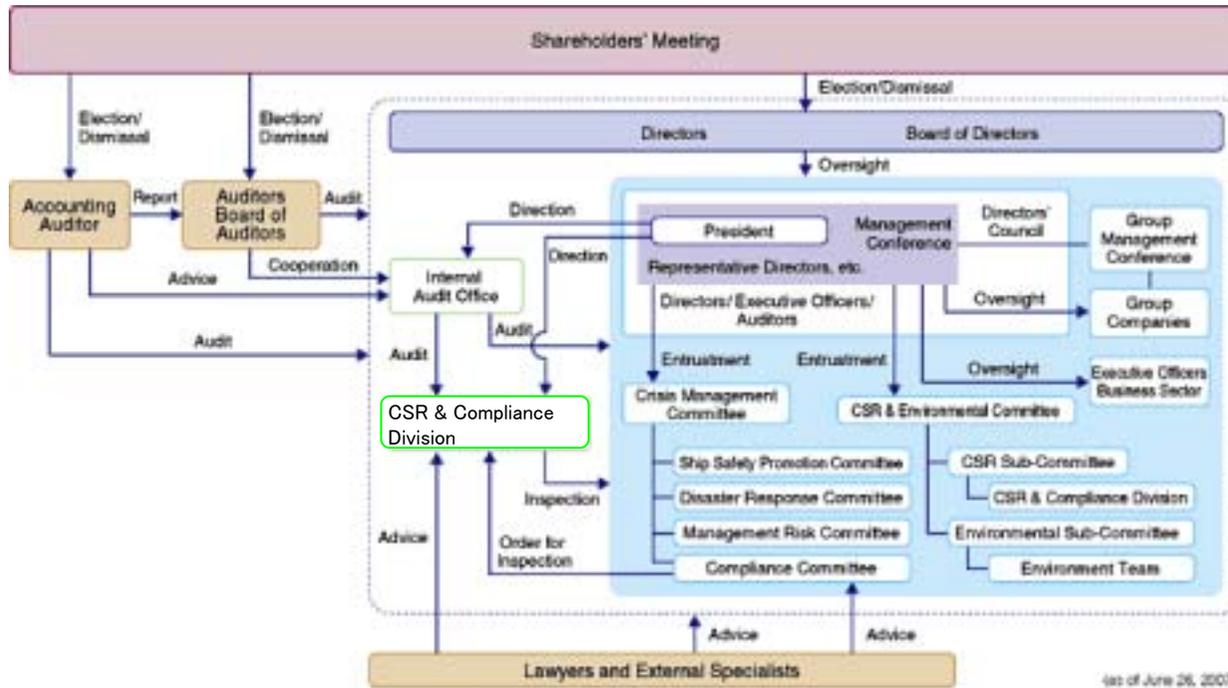
8. Financial Data <8-1. Trends of Major Financial Figures>

(Unit : Million Yen)

Our Financial Term	110th	111th	112th	113th	114th	115th	116th	117th	118th	119th	120th	121st	122nd	123rd	124th	125th	126th	127th	128th	129th	130th	131st	132nd	133rd	134th	135th	136th	137th	138th	139th	140th		
	Ended in '78 Mar.	Ended in '79 Mar.	Ended in '80 Mar.	Ended in '81 Mar.	Ended in '82 Mar.	Ended in '83 Mar.	Ended in '84 Mar.	Ended in '85 Mar.	Ended in '86 Mar.	Ended in '87 Mar.	Ended in '88 Mar.	Ended in '89 Mar.	Ended in '90 Mar.	Ended in '91 Mar.	Ended in '92 Mar.	Ended in '93 Mar.	Ended in '94 Mar.	Ended in '95 Mar.	Ended in '96 Mar.	Ended in '97 Mar.	Ended in '98 Mar.	Ended in '99 Mar.	Ended in '00 Mar.	Ended in '01 Mar.	Ended in '02 Mar.	Ended in '03 Mar.	Ended in '04 Mar.	Ended in '05 Mar.	Ended in '06 Mar.	Ended in '07 Mar.	Ended in '08 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		
No. of Equity Method Affiliates	0	2	2	2	2	2	10	11	11	10	10	7	6	10	10	11	11	10	11	12	13	17	21	19	17	18	18	18	26	28	28		
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	233	248	303		
Total Operating Revenues	302,337	269,724	352,273	410,759	443,010	423,686	416,555	470,640	447,617	359,916	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		
Total Cost of Sales	275,553	239,709	309,013	363,774	391,646	384,079	370,732	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		
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		
Selling, General and Administrative Expenses	21,014	23,734	24,731	28,187	29,981	31,314	32,514	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		
Operating Income	5,770	6,281	18,529	18,798	21,383	8,293	13,289	26,951	14,729	△ 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	108,054	87,976	61,356	129,648		
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	6,546		
Equity in Earnings of Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	797	654	312	178	208	528	790	-	1,572	1,642		
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	2,004		
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	10,192		
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	11,591	12,240	9,478	6,487	5,451	4,546	4,336	4,228	5,105		
Other Non-operating 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	871	2,233	8,868		
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	13,973		
Ordinary Income	△ 1,387	△ 1,521	7,747	7,328	8,058	△ 434	2,517	11,114	7,484	△ 5,330	△ 993	6,388	7,327	2,274	2,840	2,496	△ 1,943	1,271	9,983	8,331	10,806	5,494	14,358	26,804	11,968	23,672	62,565	107,235	88,573	63,927	125,867		
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	4,743	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		
Extraordinary Losses	2,128	2,530	8,650	6,791	7,357	3,436	5,034	6,191	7,894	7,138	20,491	12,124	2,574	1,760	4,658	2,935	4,068	6,817	9,817	5,915	7,987	7,376	7,899	26,776	18,226	9,255	9,398	13,704	1,793	1,959	873		
Income before Income Taxes	1,179	1,245	4,060	6,534	6,629	7,156	3,049	7,823	3,083	△ 6,300	△ 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	55,026	95,510	95,278	76,352	136,828		
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	4,386	5,037	1,334	1,780	2,649	3,387	4,074	4,044	4,855	8,626	3,985	8,662	20,103	37,420	27,126	23,006	47,579		
Deferred Corporate Tax (△=Plus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	△ 1,198	△ 8,348	△ 1,090	△ 872	857	△ 3,209	3,952	315	2,422
Minority Shareholders' Interests (△=Plus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Minority Shareholder Income/Loss (△=Plus)	19	△ 268	0	△ 162	△ 193	86	△ 97	64	△ 130	△ 361	△ 625	197	210	489	623	398	△ 114	△ 141	30	333	250	-	-	-	-	-	-	-	-	-	-		
Foreign Currency Exchange Adjustments (△=Plus)	-	-	△ 216	△ 238	△ 226	15	△ 56	△ 31	△ 61	△ 813	△ 618	△ 669	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	△ 6,557	△ 8,044	△ 108	2,687	△ 3,092	4,355	△ 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	51,515	83,012		
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		
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	121,006	181,276	257,809	357,624	376,277		
Average Exchange Rate	256.54	201.43	223.82	218.33	223.75	249.73	236.42	244.00	221.73	159.91	138.49	128.31	142.85	141.29	133.18	124.84	107.85	99.43	96.48	112.70	122.68	128.27	111.62	109.71	125.11	122.29	113.97	107.46	113.09	116.91	115.29		
Ordinary Income on Operating Revenues	-	-	2.20%	1.78%	1.82%	-	0.60%	2.36%	1.67%	-	-	1.64%	1.61%	0.47%	0.56%	0.50%	-	0.28%	2.22%	1.73%	2.09%	1.07%	2.96%	4.80%	2.10%	3.74%	8.63%	12.94%	9.41%	5.89%	9.46%		
ROE	-	2.16%	7.97%	11.36%	12.11%	9.22%	4.53%	8.61%	0.25%	-	-	-	5.03%	-	8.24%	-	5.28%	6.68%	4.83%	9.93%	2.47%	2.33%	9.59%	2.73%	6.51%	12.99%	32.70%	39.60%	28.43%	16.74%	22.62%		
Interest Bearing Liability	196,863	203,874	196,156	193,321	235,810	281,553	290,878	283,504	286,536	319,172	309,105	295,912	311,468	348,861	350,201	349,777	318,820	272,775	373,559	394,619	404,633	367,352	348,601	331,482	335,620	306,573	281,809	239,248	257,231	326,185	329,714		
Financial Account Balance	△ 9,307	△ 10,117	△ 11,776	△ 12,520	△ 13,256	△ 12,937	△ 15,374	△ 15,391	△ 14,602	△ 15,215	△ 15,574	△ 15,767	△ 18,738	△ 19,176	△ 19,709	△ 14,443	△ 11,700	△ 11,179	△ 16,019	△ 13,880	△ 13,811	△ 12,971	△ 9,491	△ 10,248	△ 8,015	△ 5,155	△ 3,547	△ 2,516	△ 1,123	1,468	1,441		
The Ratio of Consolidated to Non-Consolidated	(Operating Revenues)	1.18	1.22	1.20	1.18	1.16	1.17	1.18	1.18	1.19	1.25	1.24	1.30	1.28	1.34	1.33	1.34	1.32	1.34	1.37	1.38	1.36	1.33	1.34	1.32	1.27	1.27	1.24	1.26	1.27	1.27	1.25	
(Operating Income)	3.97	2.74	1.61	1.51	1.57	5.89	2.14	1.49	1.58	-	-	2.21	1.66	2.66	2.21	2.21	2.62	1.53	1.88	1.92	1.57	1.68	1.60	1.47	2.30	1.48	1.28	1.27	1.55	2.18	1.45		
(Ordinary Income)	-	-	1.69	1.39	1.43	-	3.34	1.57	1.53	-	-	3.59	1.41	2.18	1.65	2.11	-	1.29	1.02	1.20	1.05	0.67	1.29	1.24	1.68	1.44	1.26	1.23	1.53	2.00	1.42		
(Net Income)	5.88	4.05	102.07	1.59	1.90	1.41	1.74	1.46	-	-	-	-	0.88	-	1.20	-	-	70.04	1.78	3.48	0.74	0.53	1.69	0.43	1.71	1.59	1.36	1.22	1.61	2.04	1.41		
(Total Assets)	1.4																																

9. "K"Line Overview <9-1. Corporate Governance System>

Chart: "K"Line Corporate Governance System



© Countermeasures Against Corporate Takeover ©

By approval of the Company's shareholders at the Annual General Meeting of Shareholders held in June 2006, it was decided to draw up a strategy to protect the Company from a hostile takeover.

We laid down rules to govern the conditions under which large-scale purchases of the company's shares may be made and these rules will also stipulate the provision to the company's shareholders of adequate background information and time, and furthermore, in the event that the regulations are not observed, and/or in the event that it is clear that the proposed purchase would be harmful to the common interests of the Company's shareholders, the rule may enable us to ensure the feasibility of taking appropriate measures with the aim of saving the interests of the Company's shareholders.

Outline of Respective Internal Organizations

- **Board of Directors:**
The Board of Directors exists as an organization for decision-making on the basic direction of management, matters stipulated by laws and regulations, and other important management issues, as well as for overseeing the performance of duties. The Board is convened more than once every month.
- **Board of Auditors**
The two out of four auditors shall be the outside auditors specified in the Corporate Law of Japan.
- **Directors' Council**
The Directors' Council is convened two times every month, in principle, and all Directors, Auditors and Executive Officers participate in the Directors' Council in order to contribute to the President's decision-making through free discussion among all Board Members/Auditors/Executive Officers and to achieve full compliance and share information related to important management issues.
- **Management Conference**
A Management Conference is held once a week, in principle, for Representative Directors and Directors/Executive Officers who are involved in the respective issues, in order to freely exchange opinions on major management issues and in order to further enhance the transparency and promptness of management decisions and policies.

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

Opening Ceremony of "K" Line Maritime 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

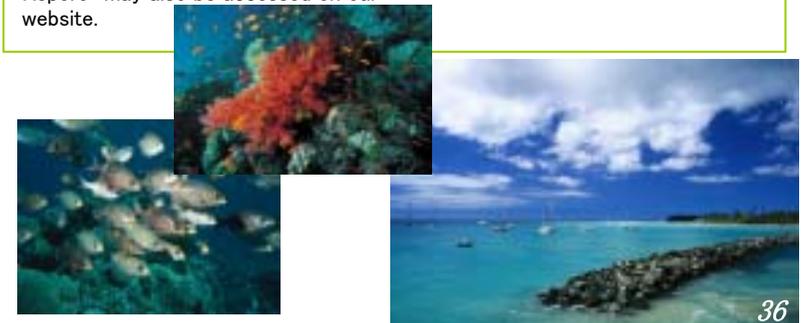
- We will implement restructuring of organizations with greater emphasis on studying/educating/training about safe navigation and environmental affairs.
- We will elevate awareness and understanding of all prevailing environmental issues among each member of the entire "K" LINE Group.
- We will practice 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.



9-4. Brief History

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 trasportation business, under name of KAWASAKI Marine Freight Department.
Kawasaki Kisen Kaisha Ltd. ("K"Line)	1 Yoshitaro Kawasaki 2 Kojiro Matsukata 3 Fusajiro Kashima 4 Hachisaburo Hirao 5 Masasuke Itani 6 Koichi Kimishima 7 Motozo Hattori 8 Mamoru Adachi 9 Kosuke Okada 10 Kiyoshi Kumagai 11 Kiyoshi Ito 12 Hiroshige Matsunari 13 Shiro Nagumo 14 Isao Shintani 15 Yasuhide Sakinaga 16 Hiroyuki Maekawa	1919	Taisho 8	Official registration of 'Kawasaki Kisen Kaisha, Ltd.', started business with the name
		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
		1928	3	
		1933	8	
			9	'Kawasaki Marine Freight Department' liquidated. 'Kawasaki Kisen' became the only operator for "K"LINE.
		1935	10	
		1946	21	
		1948	23	Succeeded refloatation of KIYOKAWA MARU, sunk during the war.
		1950	25	
		1951	26	Japan/Bangkok liner service inauguated.
		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
1970	45			
1976	51			
1980	55			
1983	58	"BISHU MARU", the first LNG carrier in Japan completed		
1985	60			
1988	63	"Manhattan Bridge" started service with 11crew as the first Japanese 'pioneership'.		
1992	Heisei 4			
1993	5	"K"Line Reengineering Program (K.R. Program) launched.		
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		
2000	12			
2002	14	A 3-year management plan "KV-Plan" formulated.		
2004	16	New management plan "K"LINE Vision 2008 adopted		
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 FY2007 (Apr.2007~Mar.2008)

(For details, please visit the following website: (http://www.kline.co.jp/news/2007/index_e.html))

<Apr. 2007>	<ul style="list-style-type: none"> • Plans for Singapore's First Dedicated Automobile Terminal Established[Apr.24, 2007] • To Launch Asia-East Coast South America Container Service[Apr.24, 2007] • To Launch North China - Straits Service[Apr.26, 2007] • Opening of Liaison Office in India[Apr.27, 2007] • Change of Directors and Auditors[Apr.27, 2007] • Start in Economical Speed Navigation in Ise/Mikawa Bay[Apr.27, 2007]
<May 2007>	<ul style="list-style-type: none"> • Delivery of 'Corona' Series Coal Carrier "CORONA MAJESTY"[May 24, 2007]
<June 2007>	<ul style="list-style-type: none"> • Ceremony for announcement of "K" Line Maritime Academy (India)[Jun.06, 2007] • Contracts with Major Chinese Steel Companies for Transport of Brazilian Iron Ore to China[Jun.15, 2007] • Agreement with JSW Energy Ltd. for Consecutive Voyage Charter.[Jun.18, 2007] • Wal-Mart Global Transportation presents "K" Line with award[Jun. 25, 2007]
<July 2007>	<ul style="list-style-type: none"> • CKYH Alliance Restructure to Mediterranean-Asia-U.S. Pendulum Service[Jul. 02, 2007] • "K" Line Receives Target Corporation's "Ocean Carrier of the Year" Award for 2006[Jul. 06, 2007] • "K" Line Maritime Academy 1st Global Meeting[Jul. 11, 2007] • "K" Line Embarks on New Containership Building Program[Jul. 20, 2007] • Education Partnership Starts for Maritime Engineers in India[Jul. 25, 2007]
<Aug.2007>	<ul style="list-style-type: none"> • CKY Reorganization of Mediterranean / US East Coast Service[Aug. 02, 2007] • "K" Line Honored as Lowe's Inaugural Ocean Carrier of the Year[Aug. 15, 2007] • "K" Line Launches Asia / Black Sea Service[Aug. 27, 2007] • "K" Line Bonds upgraded from BBB- to BBB[Aug. 28, 2007]
<Sept.2007>	<ul style="list-style-type: none"> • 1st Hybrid Transfer Crane was put into Operation at Container Terminal in Yokohama.[Sep. 14, 2007] • CKYH Alliance to call Prince Rupert by PNW butterfly Service[Sep. 20, 2007] • Agreement with JSW Steel Ltd. for Consecutive Voyage Charter[Sep. 28, 2007]
<Oct.2007>	<ul style="list-style-type: none"> • Training Program for Seafers on LNG Carriers Meets SIGTTO Standards[Oct. 24, 2007]
<Nov.2007>	<ul style="list-style-type: none"> • "K" Line Invests in Business of Offshore Support Vessels[Nov. 02, 2007] • CKYH Reshuffles Asia-North Europe Services[Nov. 15, 2007] • Upgrade Asia-Mexico/West Coast South America Services[Nov. 16, 2007]
<Dec.2007>	<ul style="list-style-type: none"> • Delivery of 145,000m3 LNG Carrier "CELESTINE RIVER" [Dec.14, 2007]
<Jan.2008>	<ul style="list-style-type: none"> • New Year Message from President[Jan.04, 2008] • Agreement with Korea Western Power Co, Ltd for Consecutive Voyage Charter[Jan.30, 2008] • Change of Executive Officers[Jan.31, 2008]
<Feb.2008>	<ul style="list-style-type: none"> • "K" Line Joins Central-China/Red Sea Service (CRS)[Feb.12, 2008] • Opening Ceremony of "K" Line Maritime Academy (Philippines)[Feb.22, 2008] • Agreement with Glovis Co., Ltd. for Consecutive Voyage Charter for Iron Ore Transportation[Feb.29, 2008]
<Mar.2008>	<ul style="list-style-type: none"> • "K" Line Launches 2nd Loop Service on Asia-Mexico/West Coast South America Route[Mar.12, 2008] • A giant En Bloc deal for Consecutive Voyage Charter with 10 vessels signed with JSW Group [Mar.17, 2008] • "K" Line's "Ship Planning Group" Acquires ISO9001 Accreditation for Quality Control[Mar.28, 2008] • Delivery of 154,900m3 LNG Carrier "TRINITY ARROW" for Cheniere Project[Mar.31, 2008]

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, 2008)



Quality Management System ISO9001 (Ship Planning Group, "K" Line Ship Management Co.Ltd. New Building roup)
 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					
2003	2004	2005	2006	2007	2008	2003	2004	2005	2006	2007	2008	2003	2004	2005	2006	2007	2008
BBB+	A-	A-	A-	A-	A	A-	A	A	A	A	A	BB+	BB+	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>)



【Contact Information】

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President Message

=> http://www.kline.co.jp/ir/index_e.html

About "K"Line & its group

=> http://www.kline.co.jp/corp/index_e.html

Financial Highlights

=> http://www.kline.co.jp/ir/financial_e.html

Annual Report

=> http://www.kline.co.jp/ir/annual_e.html

Social & Environmental Report

=> http://www.kline.co.jp/csr/report_e.htm

Investor Meeting

=> http://www.kline.co.jp/ir/info_e.html

(PPT, Streaming, etc.)

Management Plan

=> http://www.kline.co.jp/ir/plan_e.html

(PPT, Streaming, etc.)

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

Business

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

(inc. Fleet List)

Mailing List Registration

=> https://www.kline.co.jp/qa/qa_e.asp

(Press Release etc.)