Updated status of KV-Plan

November 2002
Kawasaki Kisen Kaisha,Ltd.
Updated status of KV-Plan

＜Fundamental assignments＞

1. Further strengthening of Company’s overall organization through cost reductions and profitable use of IT, etc.
2. Enhancement of those aspects of globalization that are firmly based on regional communities and are consistent with the pursuit of business synergy among different business sectors.
3. Redoubling efforts for implementing logistics business.
4. Pursuit of technical innovations in marine transport, perfection of safety in navigation/cargo operations and contributing to environmental preservation.
5. Strengthening of corporate governance aiming at more transparency and greater effectiveness in management.
< Fundamental assignments of KV-Plan No. 1 >
Further strengthening of Company’s overall organization through cost reductions and profitable use of IT, etc.

• Start of new container working system, global application network “GAPP” (Apr, 2002)
• Consolidation of both Osaka and Kobe Branch Offices into a newly re-structured Kansai Branch (Jul, 2002)
• High possibility of accomplishing our aim of cost cutting for 1st year (20 billion yen)
• Establishment of "K" Line Global Systems, Inc. in U.S.A. (Sep, 2002) as key basis of designing and implementing global IT strategy
• Transfer of job for B/L docs preparation in Japan to One Stop at Malaysia (Oct, 2002)
Enhancement of those aspects of globalization that are firmly based on regional communities and are consistent with the pursuit of business synergy among different business sectors.

- Renamed Korean agent as "K" Line (Korea) Ltd. (Apr, 2002)
- Opened a Business Base (in London) in Europe for Bulk/Energy Transport. (Jul, 2002)
- Established "K"Line (Japan) Ltd. as "K" Line’s general agent in Japan, mainly to strengthen containership business activities. (Oct, 2002)
- Placed order for two Aframax Tankers for use in Singapore-based business activity (Sep, 2002)
<Fundamental assignments of KV-Plan No. 3>
Redoubling efforts for implementing logistics business.

- Established "K" Line Total Logistics, LLP (KLTL), in U.S.A. (Jun, 2002) to strengthen SCM mainly in N.America.
- Pursuit of business synergy through KBHS, capital rebinding of domestic logistic companies, "K" Line Air Service (Jul, 2002)
- K Line (Thailand) Ltd. Group Started One-Stop Service for Total Logistics (Jul, 2002)
- Preparing for a J/V in Shanghai, aiming to strengthen our logistics business in China.
< Fundamental assignments of KV-Plan No. 4 >
Pursuit of technical innovations in marine transport, perfection of safety in navigation/cargo operations and contributing to environmental preservation.

- "K" LINE Acquired ISO 14001 in Recognition of its Environmental Management System (Mar, 2002)
- Simulated accident of tanker vessel (Nov, 2002)
< Fundamental assignments of KV-Plan No. 5 >

Strengthening of corporate governance aiming at more transparency and greater effectiveness in management.

• Introduced stock option (Sep, 2002)
• Introduced meeting for management of "K" Line groups every 3 months (after May, 2002)
• Restructured Taiyo Nippon Kisen Co., Ltd. and Kobe Pier Co., Ltd. into 100% Subsidiary Companies by Legalized Stock Exchange Provisions. (Sep, 2002)
• Announced closing accounts on consolidated basis every 3 months (as from 3rd quarter)