

Supplementary Report -FY2018-

26th Apr 2019



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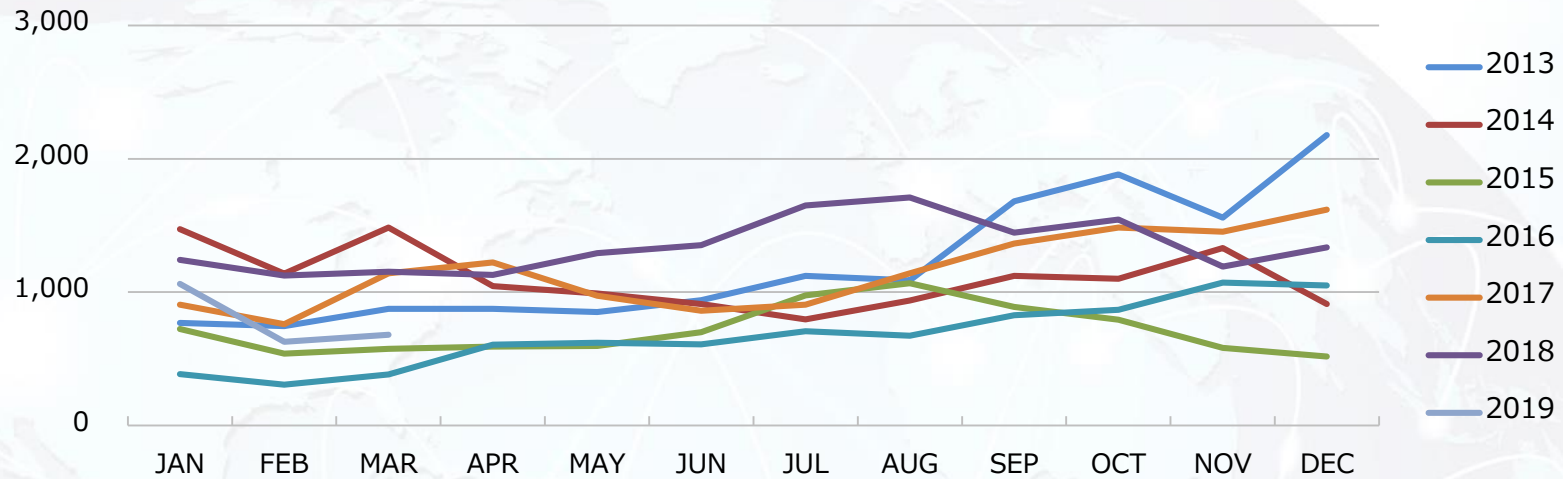
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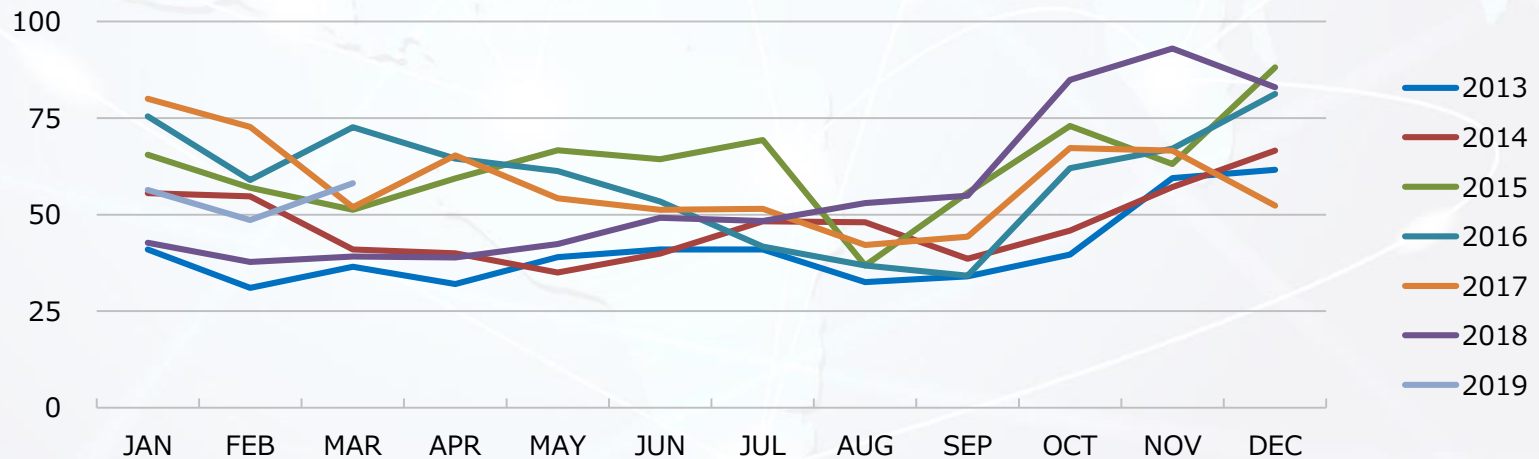
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A-1 『Dry Bulk Carriers』 『Tankers』 “Baltic Dry Index” “World Scale”

Baltic Dry Index

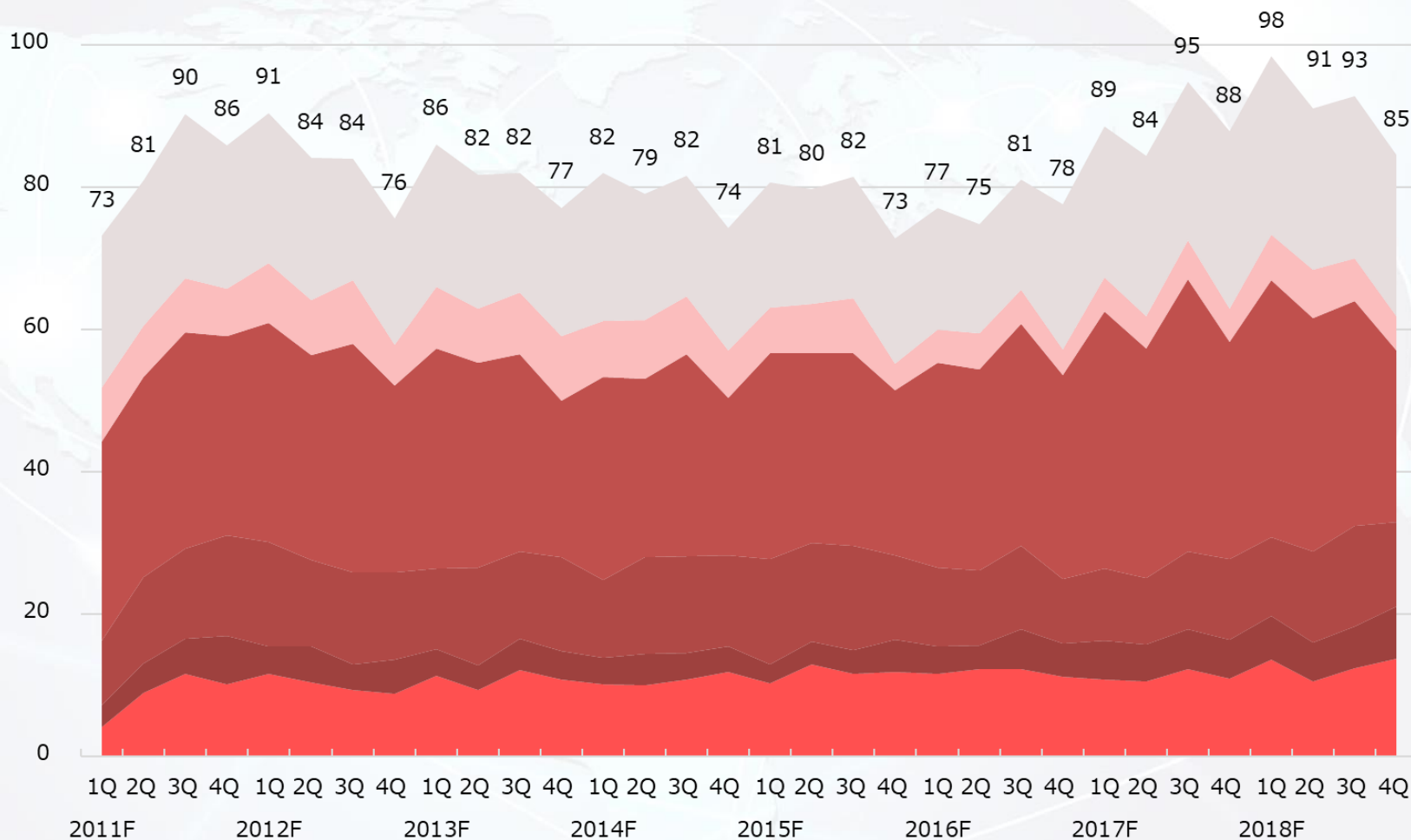


World Scale VLCC(AG/JPN)



A-2 『Car Carriers』 “Volume” by Loading/Discharging Area

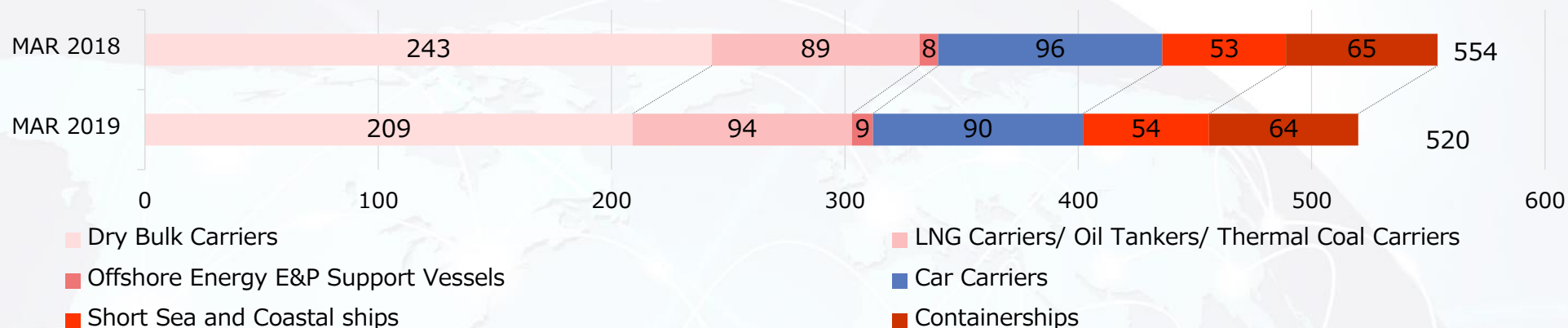
(10,000 Units)



■ FE/North America
 ■ FE/Europe
 ■ FE/Others
 ■ not From/To FE
 ■ Bound for FE
 ■ Intra-Europe

B-1 "K"Line Group Vessels in Operation

"K"Line Group Fleet Composition



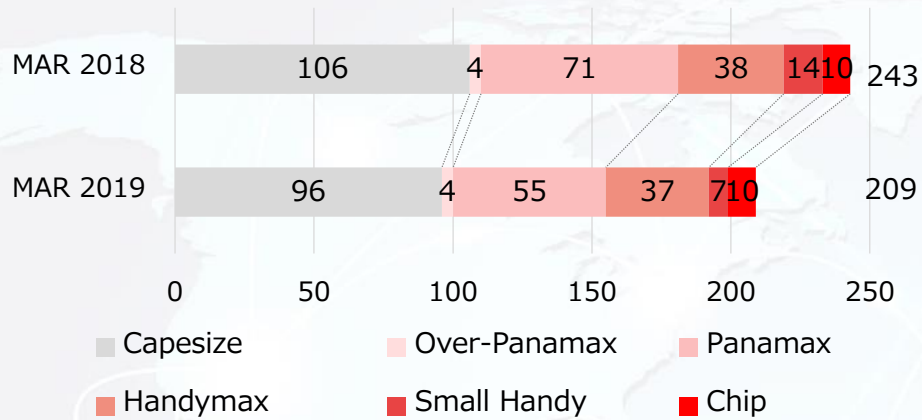
Type of Vessel	Owned		Chartered		Total		MAR 2018 Total	
	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)	No.	DWT(MT)
Dry Bulk Carriers	54	6,645,827	155	19,777,676	209	26,423,503	243	29,888,753
Thermal Coal Carriers	8	703,971	17	1,503,832	25	2,207,803	23	2,036,893
LNG Carriers	46	3,873,775	1	77,163	47	3,950,938	44	3,703,272
Oil Tankers	9	1,438,534	13	1,830,799	22	3,269,333	22	2,919,246
Offshore Support Vessels	7	32,481	0	-	7	32,481	7	32,481
Drillship	1	-	0	-	1	-	1	-
FPSO	1	-	0	-	1	-	0	-
Car Carriers	32	492,599	58	987,246	90	1,479,845	96	1,556,300
Short Sea and Coastal ships	26	213,709	28	398,342	54	612,051	53	584,631
Containerships	7	460,448	57	4,482,599	64	4,943,047	65	4,395,442
Total	191	13,861,344	329	29,057,657	520	42,919,001	554	45,117,018

* The number of owned vessels includes co-owned vessels, and deadweight tonnage includes share of other companies' ownership in co-owned vessels.

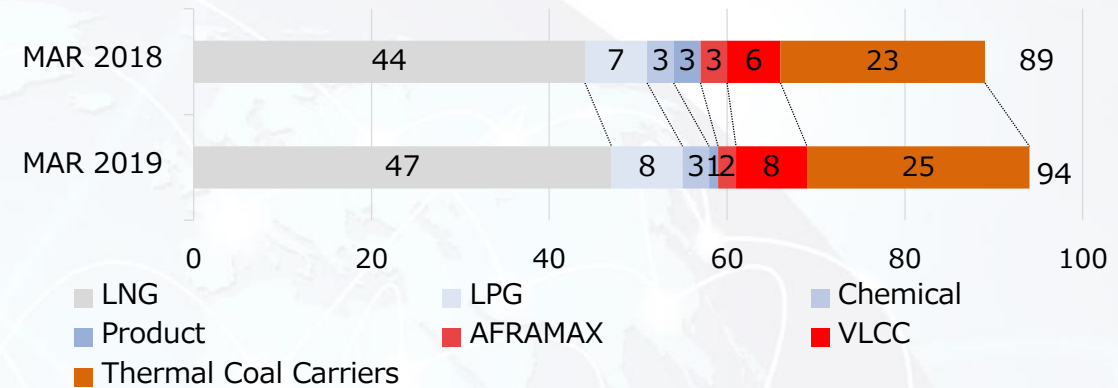
* Includes flagships and spot and/or short term activities at the end of term.

B-2 『Dry Bulk Carriers』 『LNG Carriers/Oil Tankers/Thermal Coal Carriers』 『Offshore Energy E&P Support』 『Car Carriers』

Dry Bulk Carriers

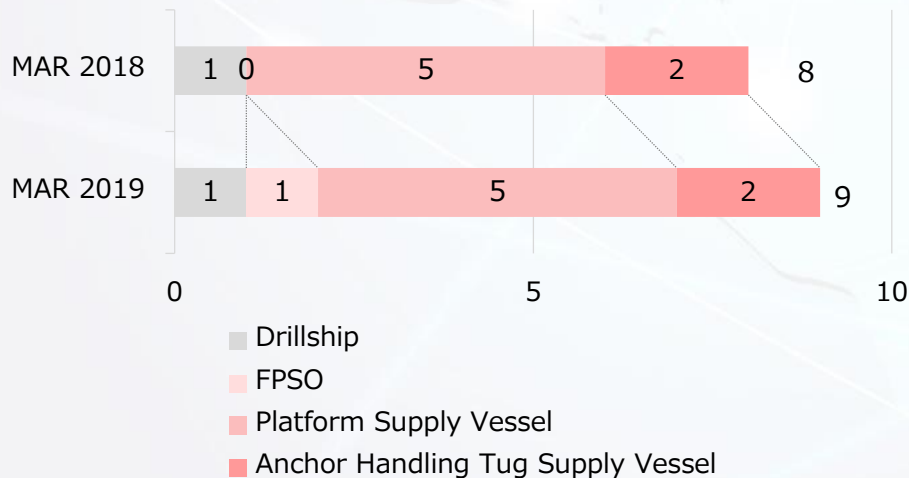


LNG Carriers/Oil Tankers/Thermal Coal Carriers

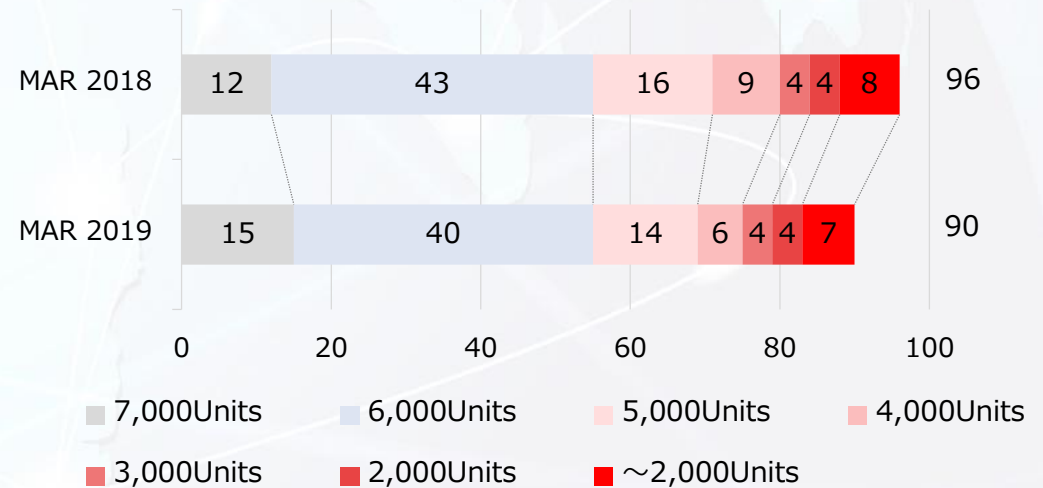


※The number of LNG Carriers includes 29 carriers owned by SPC of the projects.

Offshore Energy E&P Support

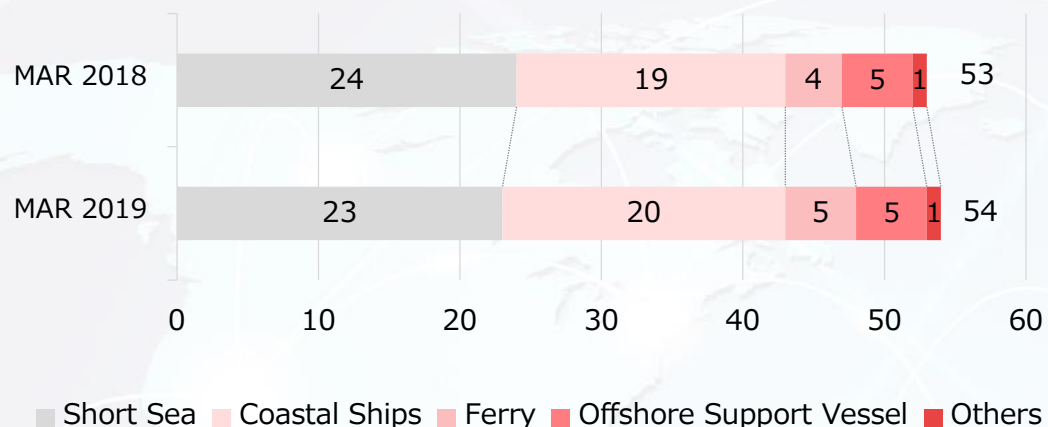


Car Carriers

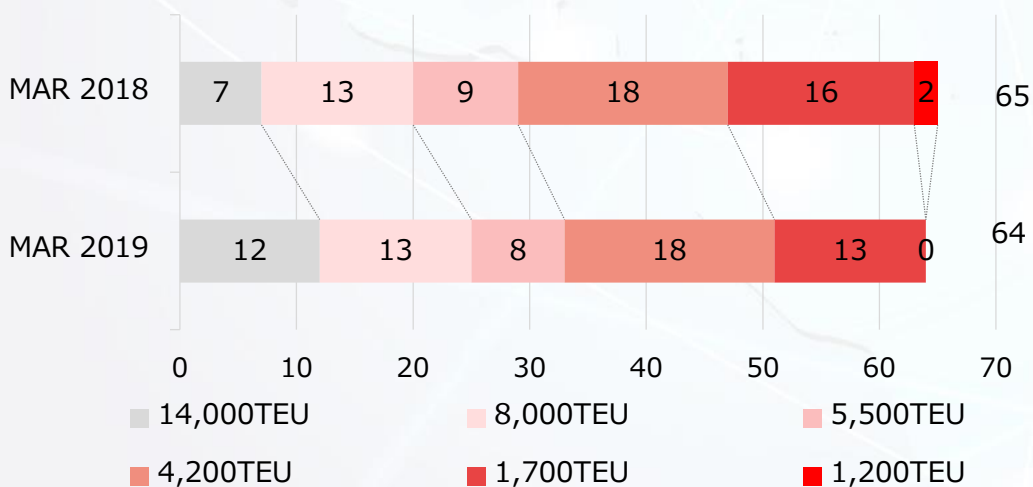


B-3 『Short Sea/Coastal Ships』 『Containerships』 New Building Delivery Schedule

Short Sea/Coastal Ships



Containerships



New Building Delivery Schedule

	FY2018	FY2019	FY2020
Dry Bulk Carriers	4	2	4
Capesize	4	2	3
Panamax			1
Handymax			
Small Handy			
Chip			
LNG Carriers	3	0	0
Oil Tankers	3	2	0
VLCC	2		
AFRAMAX		2	
LPG	1		
Thermal Coal Carriers	3	5	0
Offshore Energy E&P Support Vessels	1	0	0
Offshore			
Drillship			
FPSO	1		
LNG Bunkering Vessels	0	0	1
Car Carriers	3	0	1
7500Units	3		1
Short Sea and Coastal Ships	2	0	2
Containerships	0	0	0
14,000TEU	(*)		
Total	19	9	8

*Three 14,000TEU type containerships delivered in 2018 are not covered by the above because they are chartered by Ocean Network Express.

C-1 “Non-Operating Income and Expenses” “Extraordinary Profits and Losses”

Non-Operating Income and Expense (billion yen)

	1H	2H	Total
Financial gain / Loss	△ 2.6	△ 2.3	△ 4.9
Equity in Earnings of Affiliated Companies	△ 10.7	△ 8.1	△ 18.9
Exchange Gain/Loss	3.7	△ 2.7	0.9
Reversal of Allowance for Loss Related to the Anti-Monopoly Act	-	0.8	0.8
Others	0.7	△ 2.9	△ 2.2
Consolidated total	△ 9.0	△ 15.2	△ 24.2

Extraordinary Profits and Losses

	1H	2H	Total
Gain on Sales of Fixed Assets	2.3	4.3	6.6
Gain on Sales of Investments in Securities	-	1.6	1.6
Impairment Loss	△ 0.3	△ 8.7	△ 9.0
Loss on Cancellation of Chartered Vessels	-	△ 49.3	△ 49.3
Others	0.2	△ 0.6	△ 0.4
Consolidated total	2.3	△ 52.7	△ 50.5

C-2 Performance per Business Segment

Operating Revenue

(million yen)

	FY2014	FY2015	FY2016	FY2017
Containership	684,781	622,962	524,082	603,787
Bulk Shipping	603,724	570,151	458,984	523,940
Offshore Energy E&P Support & Heavy Lifter	35,319	24,656	19,420	7,472
Others	86,414	87,225	79,970	82,071
Total	1,410,239	1,304,996	1,082,457	1,217,270
Adjustment	△ 57,818	△ 61,063	△ 52,266	△ 55,245
Consolidated	1,352,421	1,243,932	1,030,191	1,162,025

Ordinary Income

	FY2014	FY2015	FY2016	FY2017
Containership	20,623	△ 10,049	△ 31,488	3,366
Bulk Shipping	36,501	24,656	△ 9,476	3,202
Offshore Energy E&P Support & Heavy Lifter	△ 5,670	△ 6,553	△ 5,119	△ 965
Others	3,024	1,826	2,518	3,341
Total	54,477	9,879	△ 43,566	8,945
Adjustment	△ 5,497	△ 6,541	△ 8,822	△ 6,982
Consolidated	48,981	3,338	△ 52,388	1,962

※ New Segment Basis

Operating Revenue

(million yen)

	FY2017	FY2018
Dry Bulk	249,043	273,986
Energy Resource Transport	75,415	88,701
Product Logistics	806,689	449,929
Others	87,018	82,129
Total	1,218,166	894,747
Adjustment	△ 56,141	△ 58,015
Consolidated	1,162,025	836,731

Ordinary Income

	FY2017	FY2018
Dry Bulk	△ 132	4,441
Energy Resource Transport	440	2,491
Product Logistics	5,777	△ 49,196
Others	3,017	1,124
Total	9,102	△ 41,139
Adjustment	△ 7,140	△ 7,794
Consolidated	1,962	△ 48,933

※From FY2018, We renewed our Business Segment for disclosure as below due to the Integration of Container Shipping Businesses as "Ocean Network Express".

(Old) 「Containerships」 「Bulk Shipping」 「Offshore Energy E&P Support & Heavy Lifter」 and 「Others」

→(New) 「Dry Bulk」 「Energy Resource Transport」 「Product Logistics」 and 「Others」

"K"LINE Group seek development of customer-oriented new business model and rebuild our business portfolio.