Financial Highlights
Brief Report for 1st Quarter FY2005

5 August 2005
Kawasaki Kisen Kaisha, Ltd.
# 1. Financial Highlights for 1Q 2005F

(Comparison **(a)-(b)**)

<table>
<thead>
<tr>
<th></th>
<th>05F 1Q (Result) (b)</th>
<th>05F 1Q (Prospect)** (a)</th>
<th>Comparison (a)-(b)</th>
<th>Comparison (Ratio)</th>
<th>04F 1Q (Result)</th>
<th>Comparison</th>
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</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consoli</td>
<td>221.1</td>
<td>215.0</td>
<td>6.1</td>
<td>+3%</td>
<td>199.0</td>
<td>22.1</td>
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<tr>
<td>Non</td>
<td>176.2</td>
<td>170.0</td>
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<td>161.0</td>
<td>15.2</td>
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<tr>
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<tr>
<td>Consoli</td>
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<td>21.0</td>
<td>3.0</td>
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<td>26.6</td>
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<td>20.9</td>
<td>-4.3</td>
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<td></td>
</tr>
<tr>
<td>Consoli</td>
<td>24.1</td>
<td>21.0</td>
<td>3.1</td>
<td>+15%</td>
<td>27.8</td>
<td>-3.7</td>
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<tr>
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<td>17.6</td>
<td>15.0</td>
<td>2.6</td>
<td>+17%</td>
<td>22.4</td>
<td>-4.8</td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Consoli</td>
<td>15.5</td>
<td>14.0</td>
<td>1.5</td>
<td>+11%</td>
<td>17.2</td>
<td>-1.7</td>
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<td>10.9</td>
<td>9.0</td>
<td>1.9</td>
<td>+21%</td>
<td>13.8</td>
<td>-2.9</td>
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<tr>
<td>Exchange Rate</td>
<td>Average</td>
<td>¥107.28</td>
<td>¥105</td>
<td>- ¥2</td>
<td>¥108.71</td>
<td>+ ¥1</td>
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<tr>
<td>Bunker Price</td>
<td>Average</td>
<td>$247.52</td>
<td>$250</td>
<td>- $2</td>
<td>$180.40</td>
<td>+ $67</td>
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</table>

* Ordinary income is income before income taxes and extra-ordinary items.

** 05F1Q Prospect is as of 13 May 2005, the date of announcement of Yearly 2004 financial close.

Rise/Fall 1 Yen/US$ in exchange rate affects the level of Ordinary Income* by -/+ 1.25 billion Yen annually.

Increase/Decrease of fuel oil prices at $10 per metric tons is around 2.7 billion Yen annually.

FYG; Non-Consolidate basis bunker consumption 964 thousand met. Tons (+0.06 met. Tons), cost 23.4 billion yen (+6.8 billion yen)
2. Trend of Division-wise Results 1Q 2005F
(for Container Business)

Container: Profits exceeded original prospects (9.3 billion Yen)

- Business expansion
  Enhancement in Asia/U.S. Pacific North West and Asia/U.S. East coast service contributes.
  *(Loaded cargo volume: 661 thousand TEU (approx. equal to original prospects, +7.4% (YoY))*)

- Freight restoration
  Freight restoration realized (esp. intra-Asia/trans-Atlantic trades)

- Cost reduction
  Reduce the impact from Charterage increase, Bunker oil price hike
3. Trend of Division-wise Results 1Q 2005F (for Bulker & Car Carrier Service)

Bulker & Car Carrier : Profits exceeded original prospects

- Bulker : Business expansion with delivery of new ships
  Freight market condition is in a correction phase, Cargo secured before the market declining.
  (Operating Tonnage : 35.6 mil. Ton (1Q’04F)
    >>>  37.6 mil. Ton (1Q’05F) +5.5%)

- Car Carrier : Increased volume, Operation cost reduction by efficient ship deployment
  (Units carried: 488 (1Q’04F)
    >>>527 thousand units (1Q’05F) +7.9%)
  Far East-Central and South America/the Caribbean Sea,
  Australia, Middle and Near East trades (+9.1%)
  Off-shore trades: Trans-Atlantic, Thailand/Australia trade (+37.2%)
4. Trend of Division-wise Results 1Q 2005F
(for Energy Transportation)

Energy Transportation: Securing of stable profit

- LNG Carrier: Stable progress in each project
  One new ship completion for RasGas II in May

- Thermal Coal Carrier: 15 vessel of our basic fleet in stable operation,
  Port congestion reducing, Efficient ship deployment
  *(Loaded Volume: 2.85 (1Q’04F)*
  >>> 3.11 mil. Ton (1Q’05F) +8.9%)*

- Tanker: Market condition softened temporarily
  Firm oil demand of the U.S.A and China
  >>> Trend of market recovery
  *(Operating Tonnage: 6.76 (1Q’04F)*
  >>> 7.45 mil. Ton (1Q’05F) +10%)*
## 5. Prospects for FY2005

<table>
<thead>
<tr>
<th></th>
<th>05F 1Q Results</th>
<th>05F 1H Prospects</th>
<th>04F 1H Results</th>
<th>05F Yearly Prospects</th>
<th>FY2004 Results</th>
<th>YoY Comparison</th>
<th>Comparison (Ratio)</th>
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</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Consoli</td>
<td>221.1</td>
<td>450.0</td>
<td>413.6</td>
<td>900.0</td>
<td>828.4</td>
<td>+71.6</td>
<td>+8.6%</td>
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<td>Non</td>
<td>176.2</td>
<td>360.0</td>
<td>332.0</td>
<td>710.0</td>
<td>658.7</td>
<td>+51.3</td>
<td>+7.8%</td>
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<tr>
<td><strong>Operating Income</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consoli</td>
<td>24.0</td>
<td>50.0</td>
<td>60.3</td>
<td>105.0</td>
<td>108.1</td>
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<td>-2.9%</td>
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<tr>
<td>Non</td>
<td>16.6</td>
<td>37.0</td>
<td>48.3</td>
<td>77.0</td>
<td>85.3</td>
<td>-8.3</td>
<td>-9.7%</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consoli</td>
<td>24.1</td>
<td>50.0</td>
<td>61.9</td>
<td>105.0</td>
<td>107.2</td>
<td>-2.2</td>
<td>-2.1%</td>
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<tr>
<td>Non</td>
<td>17.6</td>
<td>37.0</td>
<td>50.0</td>
<td>78.0</td>
<td>86.9</td>
<td>-8.9</td>
<td>-10.2%</td>
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<tr>
<td><strong>Net Income</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consoli</td>
<td>15.5</td>
<td>34.0</td>
<td>33.5</td>
<td>69.0</td>
<td>59.9</td>
<td>+9.1</td>
<td>+15.2%</td>
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<tr>
<td>Non</td>
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<td>23.0</td>
<td>27.2</td>
<td>48.0</td>
<td>49.0</td>
<td>-1.0</td>
<td>-2.0%</td>
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<tr>
<td><strong>Dividend</strong></td>
<td>Non</td>
<td>-</td>
<td>¥9</td>
<td>¥18</td>
<td>¥16.5</td>
<td>+¥1.5</td>
<td>+9.1%</td>
</tr>
<tr>
<td><strong>Exchange Rate</strong></td>
<td>Average</td>
<td>¥107</td>
<td>¥109.43</td>
<td>¥110</td>
<td>¥107.46</td>
<td>-¥2.54</td>
<td>-¥2.4</td>
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<tr>
<td><strong>Bunker Price</strong></td>
<td>Average</td>
<td>$248</td>
<td>$255</td>
<td>$184.24</td>
<td>$258</td>
<td>$191.71</td>
<td>+$73.3</td>
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</table>

*(unit: billion yen)*

*Ordinary income is income before income taxes and extra-ordinary items.
Rise/Fall 1 Yen/US$ in exchange rate affects Ordinary Income* by approx. +/- 1.25 (Consolidated), +/- 1.15 (Non-Consolidated) billion yen, annually.
Increase/Decrease of fuel oil prices at $10 per met. Tons does approx. by 2.7 (Consolidated), 2.6 (Non-Consolidated) billion yen, annually.
FYG; Bunker consumption 4.2 million met. Tons annually.
6. Key Points for FY2006 prospects

• The prospects for 1st Half is unchanged from original prospects released with the Yearly 2004F financial results.
  1Q ’05F: +3.1 billion yen from the original prospects
  1H ’05F: 
  Improvement factor  1. Weak yen ¥105 >>> ¥110 : +1.6 billion yen
  Negative factor  1. Fuel oil price $230 >>> $262 : -2.2 billion yen
                 2. Market downturn : -2.0 billion yen

• The prospect for the 2nd half is unchanged from the original prospects.
  Improvement factor  1. Weak yen ¥105 >>> ¥110 : +3.2 billion yen
                    2. Cost reduction : +2.9 billion yen
  Negative factor  1. Fuel oil price $220 >>> $260 : -5.4 billion yen
## 7. Fleet Order List and Major Financial Indices

### 04F Fleet Delivery Plan

<table>
<thead>
<tr>
<th></th>
<th>05F Fleet Delivery Plan</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>KL Group* On balance</td>
</tr>
<tr>
<td></td>
<td>Charter</td>
</tr>
<tr>
<td>Containerships</td>
<td>5</td>
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<tr>
<td>Capesize Bulklers</td>
<td>3</td>
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<tr>
<td>Panamax·Handy Bulkers</td>
<td>2</td>
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<tr>
<td>Car Carriers</td>
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</tr>
<tr>
<td>VLCC·AFRA Max Tanker</td>
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<tr>
<td>LNG Carriers</td>
<td>2</td>
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<tr>
<td>Total</td>
<td>18</td>
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</table>

* Asset disposition: Collection of ship building cost from sale of ship upon delivery in Japanese Operating Lease scheme

<table>
<thead>
<tr>
<th></th>
<th>FY2004 Results</th>
<th>FY2005 Prospects</th>
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<tbody>
<tr>
<td>Cash Flows from</td>
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<tr>
<td>Operating Activities</td>
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<td></td>
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<tr>
<td>(Depreciation)</td>
<td>89.4</td>
<td>78.0</td>
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<tr>
<td>Cash Flows from</td>
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<td></td>
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<tr>
<td>Investment Activities</td>
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<tr>
<td>Free Cash Flows</td>
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<td>Investment amount</td>
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<tr>
<td>Vessels</td>
<td>54.7</td>
<td>73.0</td>
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<tr>
<td>Others</td>
<td>18.9</td>
<td>24.0</td>
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<tr>
<td>Asset disposition*</td>
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<td>-27.0</td>
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<td>Shareholders’ Equity</td>
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<tr>
<td>Interest Bearing Liabilities</td>
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<td>ROE</td>
<td>39.6%</td>
<td>33%</td>
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<tr>
<td>ROA</td>
<td>18.4%</td>
<td>16%</td>
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<tr>
<td>Equity Ratio</td>
<td>30%</td>
<td>35%</td>
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<tr>
<td>Debt Equity Ratio</td>
<td>132%</td>
<td>101%</td>
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(unit:vessels) (unit: billion yen)
8. Cost Curtailing Campaign

Target for FY2005: 5 Billion Yen (unit: billion yen)

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<tr>
<th>Cost saving items</th>
<th>2004</th>
<th>2005</th>
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<tr>
<td>Vessel cost reduction</td>
<td>0.9</td>
<td>0.5</td>
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<tr>
<td>Various cargo charges reduction</td>
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<td>Service rationalization</td>
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<td>0.2</td>
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<td>Subsidiary company’s various cost reduction</td>
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<td>1.0</td>
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<tr>
<td>Administrative cost reduction</td>
<td>0.4</td>
<td>0.5</td>
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<tr>
<td>Container equipment related cost reduction</td>
<td>1.3</td>
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<tr>
<td><strong>Total</strong></td>
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(Division wise result/prospect)

<table>
<thead>
<tr>
<th>Division</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>Container Business (Inc. overseas subsidiaries)</td>
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<tr>
<td>Others (Inc. overseas subsidiaries)</td>
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<tr>
<td>Subsidiaries in Japan</td>
<td>1.2</td>
<td>1.0</td>
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