

FINANCIAL HIGHLIGHTS

brief report of the nine months ended December 31,2002, of fiscal year ended March 31,2003

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[Two Year Summary]

(Millions of Yen/Thousands of U.S.Dollars)

	Nine Months ended Dec.31,2002			Nine Months ended Dec.31,2002	Year ended Mar.31,2002
	Six Months ended Sep.30,2002	Three Months ended Dec.31,2002			
Consolidated					
Operating revenues	¥309,594	¥163,556	¥473,150	\$3,946,205	¥571,014
Operating income	11,271	9,098	20,369	169,884	19,049
Income before income taxes and extraordinary items	7,844	7,506	15,350	128,025	11,969
Non-consolidated					
Operating revenues	244,300	129,100	373,400	3,114,265	449,153
Operating income	7,180	6,511	13,691	114,184	8,299
Income before income taxes and extraordinary items	5,153	5,478	10,631	88,665	7,116

The U.S. dollar amounts are converted from the yen amount at ¥119.90=U.S.\$1.00, The exchange rate prevailing on December 31st, 2002.

Brief summary of the Company's Q3 Financial Achievements on a Consolidated Basis

The global economy during the Q3 period, from September 2002 through December 2002, proceeded with relative steadiness based on the solid support provided by the continuing strength of American personal consumption, despite worries prevailing over a possible turndown of the U.S. economy in the face of the imminent Iraq affair and other unsettled international matters. In China, the economic boom has continued its strong performance. In Japan, exports to the U.S. progressed favorably, and exports to Asia also continued to be in good shape, although domestic demand remained significantly low-key, due in a large part to the down-sizing of investment by the private sector and in personal consumption.

Under the above circumstances, "K" LINE poured determined and energetic efforts mainly into cost curtailment, reinforcement of competitiveness and expansion of business scale in line with its 3-year management plan "KV-Plan."

During the Q3 period, the Company was faced with some very unfavorable issues such as the waterfront lockout on the U. S. West Coast from the end of September 2002 and the hikes in bunker-oil price, etc. Nevertheless, "K" LINE's Q3 business results were greatly improved with Q3 consolidated operating

revenues amounting to Yen 163.556 billion in total. This specifically reflects such favorable factors as:

- Upturn in Bulker and Tanker markets
- Steady advance in Container cargo movement, particularly from China to Europe and to the U.S.
- Increases in car/vehicle units bound for the U.S. and for the Middle East countries

As a result, accumulated operating revenues for the first 9 months (Q1, Q2 and Q3) reached Yen 473.15 billion on a consolidated basis corresponding to a 77.6% achievement ratio against the prospected Yen 610.00 billion on a yearly basis.

Regarding operating income, "K" LINE could attain Yen 9.098 billion on a consolidated basis during the Q3 period. The 9-month accumulated operating income reached Yen 20.369 billion, corresponding to a 92.66% achievement ratio against the prospected Yen 22.000 billion on a yearly basis.

Regarding income before income taxes and extraordinary items, we could achieve Yen 7.506 billion on a consolidated basis during the Q3 period with the 9-month accumulated amount being Yen 15.350 billion, corresponding to a 93.0% ratio against the prospected Yen 16.50 billion on a yearly basis.

With a view to the above improvements, revisions are being made as under-mentioned to the Company's Nov. 2002 prospect for the yearly financial position as of March 31, 2003 on the preconditions of an exchange rate of Yen 120.00 against the U.S. \$ and bunker-oil price of U.S.\$180.00 per MT.

The revised prospect for fiscal 2002 on a consolidated

Operating revenues	Yen 630 billion	(10% increase compared with the previous year)
Operating income	Yen 29 billion	(53% increase compared with the previous year)
Income before income taxes and extraordinary items		
	Yen 22 billion	(84% increase compared with the previous year)
Net income	Yen 11 billion	(131% increase compared with the previous year)
Dividend per share	Yen 5.00	(Yen 2.00 increase compared with the previous year)

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the nine months ended December 31, 2002 and year ended March 31, 2002

(Millions of Yen/Thousands of U.S.Dollars)

	Nine Months ended Dec.31,2002			Nine Months ended Dec.31,2002	Year ended Mar.31,2002
	Six Months ended Sep.30,2002	Three Months ended Dec.31,2002			
Operating revenues :					
Freight and charter of vessels	¥264,611	¥140,001	¥404,612	\$3,374,582	¥493,832
Operating revenues other than shipping	44,983	23,555	68,538	571,623	77,182
Total operating revenues	309,594	163,556	473,150	3,946,205	571,014
Operating expenses :					
Expenses, other than depreciation, for vessels	208,819	108,407	317,226	2,645,752	382,667
Depreciation of vessels	12,108	5,885	17,993	150,063	27,356
Cost of operating revenues	52,018	27,402	79,420	662,387	92,740
Selling, general and administrative expenses	25,378	12,764	38,142	318,119	49,202
Total operating expenses	298,323	154,458	452,781	3,776,321	551,965
Operating income	11,271	9,098	20,369	169,884	19,049
Other income (expense):					
Interest and dividends income	736	221	957	7,980	1,464
Interest expenses	(3,306)	(1,685)	(4,991)	(41,622)	(9,478)
Others, net excluding extraordinary items	(857)	(128)	(985)	(8,217)	934
Total other income (expense) excluding extraordinary items	(3,427)	(1,592)	(5,019)	(41,859)	(7,080)
Income before income taxes and extraordinary items	¥7,844	¥7,506	¥15,350	\$128,025	¥11,969

Non-Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. for the nine months ended December 31, 2002 and year ended March 31, 2002

(Millions of Yen/Thousands of U.S.Dollars)

	Nine Months ended Dec. 31, 2002			Nine Months ended Dec. 31, 2002	Year ended Mar. 31, 2002
	Six Months ended Sep. 30, 2002	Three Months ended Dec. 31, 2002			
Operating revenues :					
Freight and charter of vessels	¥243,940	¥128,873	¥372,813	\$3,109,366	¥448,354
Other revenues	360	227	587	4,899	799
Total operating revenues	244,300	129,100	373,400	3,114,265	449,153
Operating expenses :					
Expenses, other than depreciation, for vessels	226,901	118,195	345,096	2,878,198	419,746
Depreciation of vessels	3,009	1,412	4,421	36,877	6,120
Selling, general and administrative expenses	6,964	2,890	9,854	82,182	14,447
Other expenses	246	92	338	2,824	541
Total operating expenses	237,120	122,589	359,709	3,000,081	440,854
Operating income	7,180	6,511	13,691	114,184	8,299
Other income (expenses) :					
Interest and dividends income	646	247	893	7,454	3,363
Interest expenses	(1,630)	(828)	(2,458)	(20,500)	(3,992)
Others, net excluding extraordinary items	(1,043)	(452)	(1,495)	(12,473)	(554)
Total other income (expenses) excluding extraordinary items	(2,027)	(1,033)	(3,060)	(25,519)	(1,183)
Income before income taxes and extraordinary items	¥5,153	¥5,478	¥10,631	\$88,665	¥7,116