

## FINANCIAL HIGHLIGHTS

Brief report of the six months ended September 30, 2008.

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

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

	Six months ended Sep.30, 2007	Six months ended Sep.30, 2008	Six months ended Sep.30, 2008
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 646,643	¥ 735,511	\$ 7,101,584
Operating income (Millions of yen / Thousands of U.S. dollars)	61,552	74,729	721,533
Net income (Millions of yen / Thousands of U.S. dollars)	44,044	51,156	493,931
Per share of common stock (Yen / U.S. dollars)	70.18	80.29	0.78

	Year ended Mar.31, 2008	Six months ended Sep.30, 2008	Six months ended Sep.30, 2008
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 968,629	¥ 1,080,422	\$ 10,431,810
Net assets (Millions of yen / Thousands of U.S. dollars)	376,277	415,736	4,014,062
Per share of common stock (Yen / U.S. dollars)	558.46	618.64	5.97

	Six months ended Sep.30, 2008	Six months ended Sep.30, 2008
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 54,643	\$ 527,602
Net cash used by investing activities (Millions of yen / Thousands of U.S. dollars)	(115,595)	(1,116,110)
Net cash provided by financing activities (Millions of yen / Thousands of U.S. dollars)	58,260	562,528

The U.S. dollar amounts are converted from the yen amount at ¥103.57=U.S.\$1.00.

The exchange rate prevailing on September 30, 2008.

## [Qualitative Information and Financial Statements]

### 1. Qualitative Information about the Consolidated Operating Results

During the 2nd Quarter of consolidated fiscal 2008 (July 1 through September 30, 2008), the global economy has faced turmoil in financial and stock markets triggered by the U.S. subprime lending issue, and the real economies have actually begun to slow down mainly in the U.S. and Europe. On the other hand, newly emerging countries and resource-producing countries, including the Arab Gulf countries, have maintained substantially favorable conditions for their economies. In the U.S. economy, the housing market further declined and capital investment also decreased, reflecting a worsening of corporate earnings. In addition, consumer spending dropped due to the loss in the value of assets in addition to rising prices. Even in the European countries, exports and capital investment have been on a downward trend, and an economic slowdown has been observed that is affected by sluggish consumer spending. The Japanese economy made a generally sluggish progress hit by the peaking of exports to the U.S. and Europe and leveled off personal consumption as a result of the lower purchasing power due to rising consumer prices. The Asian countries, mainly led by China, India and Vietnam, maintained high levels of exports, capital investment and consumer spending and economies in the region continued to expand.

In the environments surrounding the shipping industry, while the dry bulk markets, which continued to remain at a high level, suddenly entered a phase of adjustment after the middle of August, and adverse factors that are putting pressure on earnings including slowing cargo movements to the U.S. and soaring fuel oil prices have become increasingly conspicuous in the containership business. Under these circumstances, the “K” LINE Group has made every effort to secure long-term contracts for marine transportation and to reduce costs, including fuel and bunker oil costs, while striving to systematically expand the scale of business and to enhance business structures in accordance with the policies under the “K” LINE Vision 100 published in April this year. As a result, consolidated operating revenues for the 2nd Quarter of fiscal 2008 accounted for ¥386.021 billion, an increase by ¥48.552 billion compared with the same period of the preceding year. Consolidated operating income was ¥42.582 billion, an increase by ¥13.335 billion compared with the same period last year, and ordinary income was ¥41.806 billion, an increase by ¥14.143 billion compared with the same period last year. Consolidated net income for the 2nd Quarter of fiscal 2008 was ¥29.624 billion, an increase by ¥11.384 billion on a year-on-year basis. The Company’s cumulative consolidated operating revenues from April 1 to September 30, 2008\* were ¥735.511 billion. Cumulative consolidated operating income and ordinary income for the same period were ¥74.729 billion and ¥75.136 billion respectively. Cumulative consolidated net income for the same period stood at ¥51.156. Consolidated operating revenues, operating income, ordinary income and net income for the 2nd Quarter and those accumulated for the 2nd Quarter each hit an all-time high compared with the figure for any quarter or any cumulative quarterly period (6 months) in the past.

\*Note: As for Qualitative Information about the Consolidated Operating Results for the 1st Quarter of the fiscal year ending March 2009, please refer to the Brief report of the three months ended June 30, 2008 disclosed on July 25, 2008.

The following is a summary of the activities by business sector.

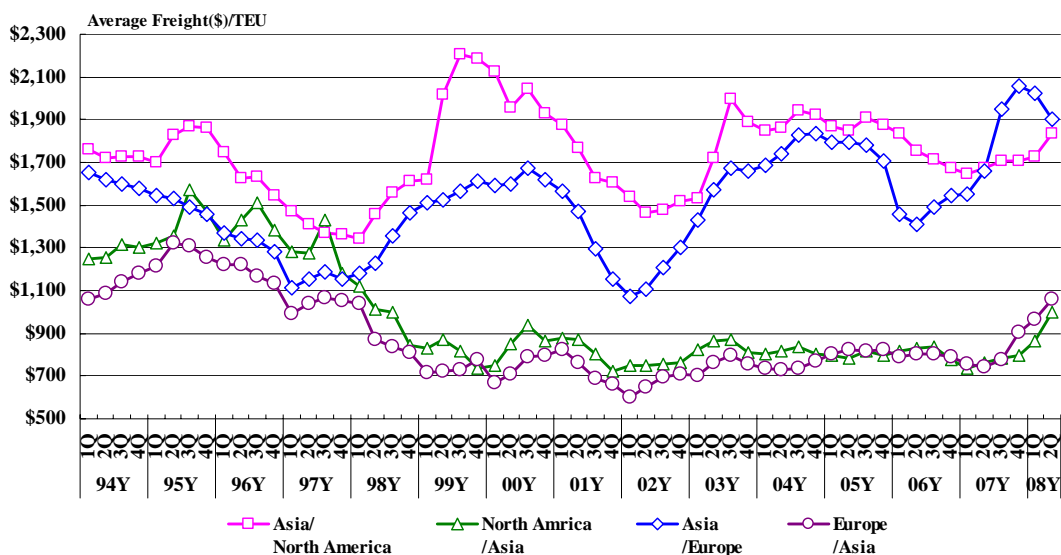
(1) Marine transportation

[Containership Business]

In the North American trade, cargo movements to North America shipped from Asia decreased due to sluggish U.S. economy and the number of loaded containers fell by about 10% compared with the same period last year. On the other hand, exports bound for Asian countries shipped from the North America have continued to increase and cargo movements rose significantly by 41% compared with the same period last year. Cargo movements in the European service routes have continued to steadily grow and the number of loaded containers increased by 11% compared with the same period last year, assisted partly by the effect of enhanced services with the launching of large-sized containerships. In the North/South service routes, including Asia/South America West Coast services and Asia/South America East Coast services where transportation capacity was reinforced with the commencement of new services, cargo movements sharply increased by 19% compared with the same period last year. As a result, the Company's total number of loaded containers climbed by 5% from the same period of the previous year.

Except for the European service routes, where freight rates dropped due to concerns over softening demand for transportation capacity, the average freight rates for the 2nd Quarter of fiscal 2008 exceeded those for the same period last year on the whole. However, the higher freight rates were unable to absorb increased operating costs due to the record high fuel and bunker oil prices, consequently, operating revenues increased but profits declined on a year-on-year basis.

Containerization International "Freight Rate Indicators"



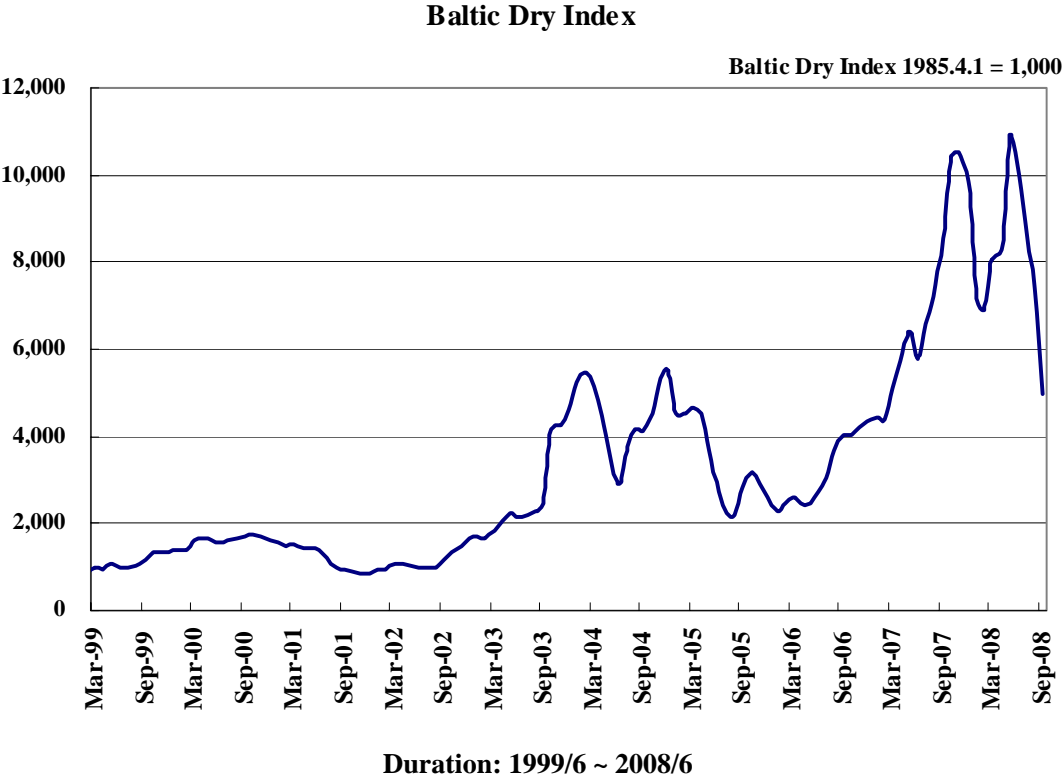
[Bulk Carrier and Car Carrier Business]

In the dry bulk transportation, the relationship of supply and demand in cargo capacity softened due to a decrease in demand for steel raw materials owing to the shutdown of steel production during the period of the Beijing Olympics in China, the slowing down in demand for transport capacity resulting from the tightening of the supply of iron ore to China by major Brazilian shippers, and concerns over the threat of a worldwide economic slowdown triggered

by the U.S. financial turmoil. The Baltic Dry Index sharply declined since the middle of August onward, hit by the factors mentioned above, whereas the Company strived to promote efficient ship operations, in addition to expanding the scale of its business with the completion of newly built vessels. As a result, the dry bulk carrier business increased both in terms of its operating revenues and profits on a year-on-year basis.

With respect to the car carrier business, the number of cars transported to the U.S. decreased, affected by slowing down of car sales due to the sluggish U.S. economy and hikes of gasoline prices. However, the total number of cars transported by the Company increased by 6% compared with the same period of the preceding year, assisted by strong demand from newly emerging countries and resource-producing countries. Two newly-built car carriers completed in the 2nd Quarter also contributed to the increase in car transportation.

Under such favorable business environment, the Company further promoted efficient ship operations. As a result, operating results for the overall bulk carrier and car carrier business for the 2nd Quarter of fiscal 2008 increased both in terms of operating revenues and profits on a year-on-year basis.



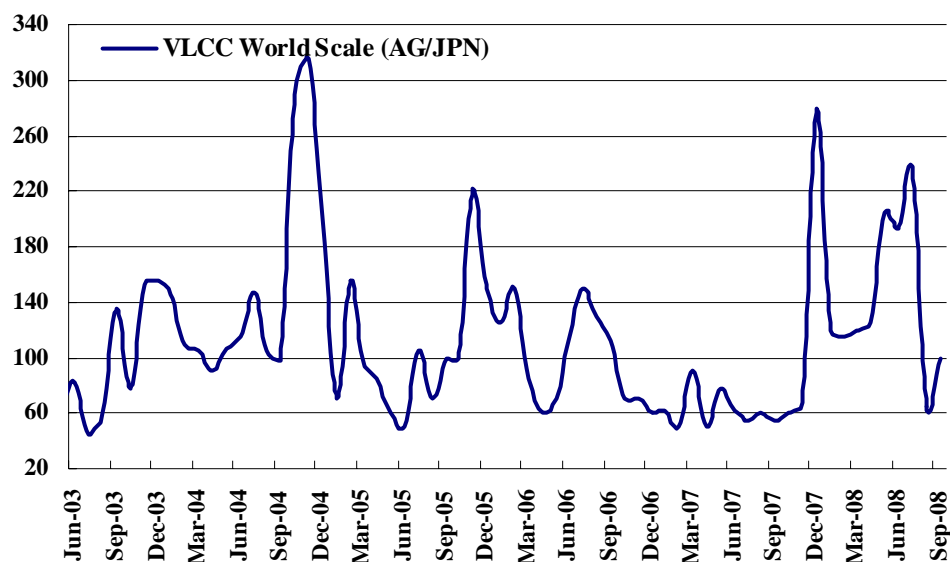
[Energy Transportation and Tanker Business]

As for LNG transportation, the fleet of LNG tankers that the Company owns or is involved with increased to 41 carriers with the completion of three newly-built large-sized carriers during the 2nd Quarter. In addition, the single LNG tanker, chartered for short-term trade operated smoothly. As a result, the LNG carrier business secured stable profits.

As for the tanker business, the operating results substantially exceeded those for the same period last year due to the recovery of freight rates for tankers of petroleum product.

Overall, the energy transportation and tanker business increased both in terms of operating revenues and profits on a year-on-year basis.

### Trends in Tanker Freight Rate



#### [Heavy Lift Shipping Business]

In the heavy lift shipping business, despite surging fuel and bulker oil prices, the fleet of heavy lifters consisting of 17 vessels, including one newly-built heavy lifter delivered in the 1st Quarter, operated smoothly, and the business of this segment secured earnings as expected, assisted by a growing demand for the construction of infrastructure, including power stations and the demand for the construction of oil refining facilities.

#### [Coastal Shipping Business]

In the coastal shipping business, limestone carriers maintained strong vessel operations by securing stable volumes of materials for transportation. In the regular roll-on roll-off service, transportation volumes increased due to the synergistic effects of the services of both the Tomakomai/Tokyo route and the Tomakomai/Hitachinaka route. In the Hitachi/Kitakyushu service route, the Company was actively involved in activities to acquire new cargoes including transit cargoes between Hokkaido. In addition, the Hachinohe/Tomakomai ferry services increased the transportation volume for trucks loaded with cargo for domestic delivery and agricultural and fisheries products. The overall operating results for the coastal shipping business exceeded those in the same period last year.

As a result, the overall operating revenues for the marine transportation segment amounted to ¥348.697 billion, and operating income stood at ¥38.192 billion.

#### (2) Logistics/Harbor Transportation

In the comprehensive logistics business, transportation volumes in the air cargo forwarding business declined mainly in the Pacific Ocean lines due to the spreading adverse effects of the U.S. economic slowdown. At the same time, in other harbor transportation businesses, cargo

volumes for forwarding, transport by land and storage declined. Both operating revenues and operating income for these business areas decreased on a year-on-year basis.

As a result, the overall operating revenues for this segment were ¥30.148 billion, and operating income stood at ¥3.477 billion.

### (3) Other Businesses

As for other businesses not mentioned above, the overall operating revenues amounted to ¥7.175 billion, and operating income was recorded at ¥0.901 billion.

## **2. Qualitative Information about Consolidated Financial Status**

As of the end of the 2nd Quarter of fiscal 2008, total assets increased by ¥111.792 billion from the end of the preceding fiscal year to ¥1,080.422 billion, due mainly to an increase in accounts receivable-trade with expansion of the scale of business and an increase in vessels and construction in progress resulting from the Company's active promotion of grading up of its fleet of vessels. Total liabilities increased by ¥72.333 billion against the end of the previous year to ¥664.686 billion, owing to increases in accounts payable-trade following expansion of the scale of business and long-term debt resulting from investment in vessels. Net assets increased by ¥39.459 billion from the end of the preceding year to ¥415.736 billion, due primarily to an increase in retained earnings.

## **3. Qualitative Information about Consolidated Prospects for Fiscal 2008**

With respect to the second half of fiscal 2008, it is considered that the overall freight market will remain in an adjustment phase due to the economic slowdown in the U.S. and Europe. In the containership business, there is fear that transportation volumes bound to North America and Europe will become stagnant. The Asia/European services and the Asia/South America services that have been enhanced by additional services and the westbound North American trade (exports from North America) are enjoying brisk cargo traffic, thus the number of containers loaded will continue to increase compared with the same period of the preceding year. However, the overall performance of the containership business will face a severe situation due to a decrease in cargo movements in the east bound North American services, the worsening of the freight rates in the European service routes and the increased costs of transportation owing to the highly fluctuating fuel oil prices. As for the dry bulk carrier and car carrier business, the dry bulk carrier business will continue to attain constant growth in demand for the transportation of iron ore bound for China, whereas any recovery in the freight rates will be moderate. Concerning the car carrier business, the cargo movements to North America are expected to falter, whereas those to newly emerging countries and resource-producing countries will be strong. The trend in overall cargo movements in the car carrier business is expected to grow steadily. In the energy transportation and tanker business, there is concern over the slowdown in global petroleum demand. However, compared to before, demand for longer distance transportation is showing signs of growth, such as for the exportation of high quality Far Eastern oil products to Europe due to environmental regulations, and tanker freight rates for petroleum products will continue to rise.

The business environment surrounding the shipping industry is difficult to forecast, as mentioned above, in addition to aspects of the supply-demand relationship, foreign exchange

rates and trends in interest rates. The Company will strive to further promote efficient ship operations and cost reductions.

In addition, with respect to the foreign exchange rate and fuel oil price for the 3rd Quarter onward, the Company assumes to be ¥100 per US\$ for the foreign exchange rate and to be US\$500 per MT for fuel oil price. The Company expects the consolidated operating results for fiscal 2008 to be ¥1,380 billion for operating revenues, ¥108 billion for operating income, ¥105 billion for ordinary income and ¥71 billion for net income, based on assumptions and the situation described above.

Adverse effects on real economy of the financial crises triggered by the U.S. have spread to international shipping industry, which has been worsening the business environment for the 2nd half including cargo movements and market freight rates. Under these situations, the Company has revised forecasts for operating results for the fiscal year ending March 2009, in which revised performances are slightly lower than those initially projected. Consequently, the Company intends to pay ¥13.5 per share for the interim dividend as originally forecasted and ¥11.5 per share for the year-end dividend (full-term dividend: ¥25 per share; dividend payout ratio: 22%).

## Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

### Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2008 and the year ended March 31, 2008

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

	Year ended Mar.31, 2008	Six months ended Sep. 30, 2008	Six months ended Sep. 30, 2008
<b>ASSETS</b>			
<b>Current assets :</b>			
Cash and time deposits	¥ 50,700	¥ 46,319	\$ 447,228
Accounts and notes receivable-trade	101,034	130,239	1,257,504
Short-term loans receivable	10,713	15,327	147,988
Marketable securities	22	23	222
Other inventories	34,204	44,913	433,653
Prepaid expenses and deferred charges	37,280	37,480	361,889
Other current assets	32,902	31,825	307,286
Allowance for doubtful receivables	(678)	(554)	(5,350)
<b>Total current assets</b>	<b>266,179</b>	<b>305,575</b>	<b>2,950,421</b>
<b>Fixed assets :</b>			
<b>(Tangible fixed assets)</b>			
Vessels	266,001	297,998	2,877,265
Buildings and structures	23,818	25,044	241,809
Machinery and vehicles	13,317	13,202	127,475
Land	32,440	32,301	311,877
Construction in progress	170,040	199,040	1,921,796
Other tangible fixed assets	9,049	8,828	85,246
<b>Total tangible fixed assets</b>	<b>514,669</b>	<b>576,415</b>	<b>5,565,466</b>
<b>(Intangible fixed assets)</b>			
Goodwill	9,120	8,071	77,929
Other intangible fixed assets	6,112	6,211	59,978
<b>Total intangible fixed assets</b>	<b>15,232</b>	<b>14,283</b>	<b>137,907</b>
<b>(Investments and other long-term assets)</b>			
Investments in securities	121,146	137,483	1,327,446
Long-term loans receivable	26,624	19,376	187,085
Other long-term assets	25,092	27,824	268,650
Allowance for doubtful receivables	(582)	(535)	(5,166)
<b>Total investments and other long-term assets</b>	<b>172,280</b>	<b>184,148</b>	<b>1,778,015</b>
<b>Total fixed assets</b>	<b>702,182</b>	<b>774,847</b>	<b>7,481,388</b>
<b>Deferred assets</b>	266	-	-
<b>Total assets</b>	<b>¥ 968,629</b>	<b>¥ 1,080,422</b>	<b>\$ 10,431,810</b>



## Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2008 and the year ended March 31, 2008

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

	Year ended Mar. 31, 2008	Six months ended Sep. 30, 2008	Six months ended Sep. 30, 2008
<b>LIABILITIES</b>			
<b>Current liabilities :</b>			
Accounts and notes payable-trade	¥ 82,075	¥ 113,143	\$ 1,092,433
Short-term loans and current portion of long-term debt	67,918	51,805	500,196
Commercial paper	-	13,000	125,519
Accrued income taxes	36,454	22,773	219,886
Allowance	2,905	2,399	23,169
Other current liabilities	57,127	56,337	543,959
Total current liabilities	246,481	259,459	2,505,163
<b>Long-term liabilities :</b>			
Bonds	57,741	57,641	556,541
Long-term debt, less current portion	198,856	269,098	2,598,231
Deferred income taxes for land revaluation	3,943	3,943	38,074
Accrued expenses for overhaul of vessels	24,655	26,076	251,780
Other allowance	11,695	11,024	106,447
Other long-term liabilities	48,979	37,441	361,511
Total long-term liabilities	345,870	405,226	3,912,585
<b>Total liabilities</b>	<b>592,352</b>	<b>664,686</b>	<b>6,417,748</b>
<b>NET ASSETS</b>			
<b>Shareholder's equity:</b>			
Common stock	45,819	45,869	442,883
Capital surplus	30,664	30,714	296,556
Retained earnings	281,384	323,576	3,124,231
Less treasury stock, at cost	(929)	(949)	(9,169)
Total shareholders' equity	356,938	399,210	3,854,500
<b>Valuation and translation adjustments</b>			
Net unrealized holding gain on investments in securities	17,808	9,873	95,330
Deferred gain on hedges	(23,140)	(12,528)	(120,970)
Revaluation reserve for land	4,186	4,186	40,423
Translation adjustments	(29)	(6,576)	(63,498)
Total valuation and translation adjustments	(1,175)	(5,045)	(48,714)
<b>Minority interests in consolidated subsidiaries</b>	<b>20,514</b>	<b>21,571</b>	<b>208,276</b>
<b>Total net assets</b>	<b>376,277</b>	<b>415,736</b>	<b>4,014,062</b>
<b>Total liabilities and net assets</b>	<b>¥ 968,629</b>	<b>¥ 1,080,422</b>	<b>\$ 10,431,810</b>

## Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2008

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

	Six months ended Sep. 30, 2008	Six months ended Sep. 30, 2008
Marine transportation and other operating revenues	¥ 735,511	\$ 7,101,584
Marine transportation and other operating expenses	624,240	6,027,230
Gross profits	111,270	1,074,355
Selling, general and administrative expenses	36,541	352,821
Operating income	74,729	721,533
Non-operating income :		
Interest income	1,119	10,807
Dividend income	1,697	16,391
Equity in earnings of affiliated companies	1,500	14,486
Other non-operating income	854	8,252
Total non-operating income	5,171	49,935
Non-operating expenses :		
Interest expenses	2,910	28,098
Exchange loss	1,535	14,827
Other non-operating expenses	318	3,078
Total non-operating expenses	4,764	46,003
Ordinary income	75,136	725,466
Extraordinary profits :		
Gain on sales of fixed assets	703	6,791
Gain on sales of investments in securities	277	2,680
Other extraordinary profits	38	375
Total extraordinary profits	1,019	9,846
Extraordinary losses :		
Loss on sales of fixed assets	10	105
Loss from devaluation of investment securities	78	762
Allowance for bad debts (extraordinary losses)	29	284
Total extraordinary losses	119	1,151
Income before income taxes	76,037	734,161
Income taxes	22,293	215,252
Minority interests	2,587	24,979
Net income	¥ 51,156	\$ 493,931

## Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the second quarter ended September 30, 2008

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

	2nd quarter ended Sep. 30, 2008	2nd quarter ended Sep. 30, 2008
Marine transportation and other operating revenues	¥ 386,021	\$ 3,727,152
Marine transportation and other operating expenses	324,286	3,131,081
Gross profits	61,735	596,070
Selling, general and administrative expenses	19,152	184,926
Operating income	42,582	411,145
Non-operating income :		
Interest income	575	5,560
Dividend income	511	4,939
Equity in earnings of affiliated companies	1,117	10,789
Other non-operating income	228	2,208
Total non-operating income	2,433	23,495
Non-operating expenses :		
Interest expenses	1,611	15,560
Exchange loss	1,581	15,274
Other non-operating expenses	16	155
Total non-operating expenses	3,209	30,989
Ordinary income	41,806	403,651
Extraordinary profits :		
Gain on sales of fixed assets	(70)	(677)
Gain on sales of investments in securities	216	2,086
Other extraordinary profits	38	375
Total extraordinary profits	184	1,783
Extraordinary losses :		
Loss on sales of fixed assets	7	77
Loss from devaluation of investment securities	78	762
Total extraordinary losses	86	839
Income before income taxes	41,903	404,596
Income taxes	10,835	104,624
Minority interests	1,443	13,935
Net income	¥ 29,624	\$ 286,037

## Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2008

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

	<b>Six months ended Sep.30,2008</b>	<b>Six months ended Sep.30,2008</b>
<b>Cash flows from operating activities :</b>		
Income before income taxes	¥ 76,037	\$ 734,161
Depreciation	19,277	186,128
Reversal of provision for employees' retirement benefits	(315)	(3,049)
Reversal of provision for directors' and corporate auditors' retirement benefits	(341)	(3,293)
Accrued expenses for overhaul of vessels	1,546	14,931
Interest and dividend income	(2,816)	(27,197)
Interest expense	2,910	28,098
Gain on sale of marketable securities and investments in securities	(277)	(2,680)
Gain and loss on sale of vessels, property and equipments	(692)	(6,687)
Increase in accounts and notes receivable – trade	(33,432)	(322,801)
Increase in accounts and notes payable – trade	32,037	309,328
Increase in inventories	(10,980)	(106,017)
Decrease in short-term assets	4,777	46,127
Other, net	1,427	13,780
Subtotal	89,156	860,829
Interest and dividends received	2,686	25,942
Interest paid	(2,666)	(25,744)
Income taxes paid	(34,532)	(333,425)
<b>Net cash provided by operating activities</b>	<b>54,643</b>	<b>527,602</b>
<b>Cash flows from investing activities :</b>		
Purchases of marketable securities and investments in securities	(32,453)	(313,348)
Proceeds from sale of marketable securities and investments in securities	2,846	27,481
Purchases of vessels, property and equipment	(96,782)	(934,467)
Proceeds from sale of vessels, property and equipment	10,332	99,767
Purchases of intangible fixed assets	(687)	(6,636)
Payment for long-term loans receivable	(5,249)	(50,684)
Proceeds from long-term loans receivable	8,850	85,454
Other, net	(2,452)	(23,677)
<b>Net cash used in investing activities</b>	<b>(115,595)</b>	<b>(1,116,110)</b>
<b>Cash flows from financing activities :</b>		
Decrease of short-term loans, net	(506)	(4,894)
Increase in commercial paper	13,000	125,519
Proceeds from long-term debt	73,997	714,466
Repayment of long-term debt and obligations under finance leases	(17,515)	(169,114)
Cash dividends paid	(8,919)	(86,119)
Cash dividends paid to minority shareholders	(1,770)	(17,099)
Other, net	(23)	(230)
<b>Net cash provided by financing activities</b>	<b>58,260</b>	<b>562,528</b>
Effect of exchange rate changes on cash and cash equivalents	(1,991)	(19,229)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,682)</b>	<b>(45,209)</b>
Cash and cash equivalents at beginning of the period	48,044	463,884
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	7	70
<b>Cash and cash equivalents at end of the period</b>	<b>¥ 43,369</b>	<b>\$ 418,745</b>

## Consolidated Segment Information

Business segment information

Six months ended Sep. 30,2008

(Millions of Yen)

	Logistics / harbour			Total	Eliminations	Consolidated
	Marine Transportation	Transportation	Other			
Revenues						
(1) Operating revenues	¥ 662,003	¥ 60,282	¥ 13,224	¥ 735,511	-	¥ 735,511
(2) Inter-group sales and transfers	5,843	30,059	23,519	59,422	(59,422)	-
<b>Total revenues</b>	<b>667,847</b>	<b>90,342</b>	<b>36,743</b>	<b>794,933</b>	<b>(59,422)</b>	<b>735,511</b>
Operating expenses	600,673	83,996	35,571	720,242	(59,460)	660,781
Operating income	67,173	6,345	1,171	74,690	38	74,729
Ordinary income	¥ 66,731	¥ 7,631	¥ 764	¥ 75,126	¥ 9	¥ 75,136

Six months ended Sep. 30,2008

(Thousands of U.S.Dollars)

	Logistics / harbour			Total	Eliminations	Consolidated
	Marine Transportation	Transportation	Other			
Revenues						
(1) Operating revenues	\$ 6,391,850	\$ 582,049	\$ 127,685	\$ 7,101,584	-	\$ 7,101,584
(2) Inter-group sales and transfers	56,423	290,232	227,087	573,741	(573,741)	-
<b>Total revenues</b>	<b>6,448,273</b>	<b>872,281</b>	<b>354,772</b>	<b>7,675,325</b>	<b>(573,741)</b>	<b>7,101,584</b>
Operating expenses	5,799,688	811,017	343,456	6,954,161	(574,110)	6,380,051
Operating income	648,585	61,264	11,315	721,164	369	721,533
Ordinary income	\$ 644,310	\$ 73,681	\$ 7,381	\$ 725,373	\$ 93	\$ 725,466

2nd quarter ended Sep. 30,2008

(Millions of Yen)

	Logistics / harbour			Total	Eliminations	Consolidated
	Marine Transportation	Transportation	Other			
Revenues						
(1) Operating revenues	¥ 348,697	¥ 30,148	¥ 7,175	¥ 386,021	-	¥ 386,021
(2) Inter-group sales and transfers	3,049	16,002	12,611	31,663	(31,663)	-
<b>Total revenues</b>	<b>351,747</b>	<b>46,150</b>	<b>19,786</b>	<b>417,684</b>	<b>(31,663)</b>	<b>386,021</b>
Operating expenses	313,555	42,672	18,885	375,113	(31,674)	343,438
Operating income	38,192	3,477	901	42,570	11	42,582
Ordinary income	¥ 36,911	¥ 4,256	¥ 646	¥ 41,815	¥ (9)	¥ 41,806

2nd quarter ended Sep. 30,2008

(Thousands of U.S.Dollars)

	Logistics / harbour			Total	Eliminations	Consolidated
	Marine Transportation	Transportation	Other			
Revenues						
(1) Operating revenues	\$ 3,366,786	\$ 291,089	\$ 69,277	\$ 3,727,152	-	\$ 3,727,152
(2) Inter-group sales and transfers	29,441	154,507	121,770	305,718	(305,718)	-
<b>Total revenues</b>	<b>3,396,227</b>	<b>445,596</b>	<b>191,047</b>	<b>4,032,870</b>	<b>(305,718)</b>	<b>3,727,152</b>
Operating expenses	3,027,470	412,019	182,347	3,621,836	(305,829)	3,316,007
Operating income	368,757	33,577	8,700	411,034	111	411,145
Ordinary income	\$ 356,395	\$ 41,100	\$ 6,247	\$ 403,742	\$ (91)	\$ 403,651

(Reference Information)

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2007

(Millions of Yen)

	Six months ended Sep. 30, 2007
Marine transportation and other operating revenues	¥ 646,643
Marine transportation and other operating expenses	549,426
Gross profits	97,217
Selling, general and administrative expenses	35,664
Operating income	61,552
Non-operating income :	
Interest income	1,984
Dividend income	1,815
Equity in earnings of affiliated companies	903
Other non-operating income	1,108
Total non-operating income	5,812
Non-operating expenses :	
Interest expenses	2,213
Exchange loss	489
Other non-operating expenses	946
Total non-operating expenses	3,649
Ordinary income	63,716
Extraordinary profits :	
Gain on sales of fixed assets	3,080
Gain on sales of investments in securities	5,582
Total extraordinary profits	8,662
Income before income taxes	72,378
Income taxes	27,258
Minority interests	1,075
Net income	¥ 44,044

## Consolidated Segment Information

### Business segment information

Six months ended Sep. 30,2007

(Millions of Yen)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
<b>Revenues</b>						
(1) Operating revenues	¥ 571,582	¥ 64,133	¥ 10,926	¥ 646,643	-	¥ 646,643
(2) Inter-group sales and transfers	5,324	31,397	22,821	59,544	(59,544)	-
<b>Total revenues</b>	<b>576,907</b>	<b>95,531</b>	<b>33,748</b>	<b>706,187</b>	<b>(59,544)</b>	<b>646,643</b>
<b>Operating expenses</b>	<b>523,032</b>	<b>89,290</b>	<b>32,385</b>	<b>644,709</b>	<b>(59,618)</b>	<b>585,090</b>
<b>Operating income</b>	<b>53,874</b>	<b>6,241</b>	<b>1,362</b>	<b>61,477</b>	<b>74</b>	<b>61,552</b>
<b>Ordinary income</b>	<b>¥ 54,345</b>	<b>¥ 7,649</b>	<b>¥ 1,667</b>	<b>¥ 63,662</b>	<b>¥ 53</b>	<b>¥ 63,716</b>