

March 26, 2018

To all related parties,

Kawasaki Kisen Kaisha, Ltd.  
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### **Announcement Regarding Transfer of Fixed Assets and Recording Extraordinary Gain**

Kawasaki Kisen Kaisha, Ltd (“K” LINE) announces that our board of directors resolved at a meeting held today, March 26<sup>th</sup>, 2018, to transfer the fixed assets owned by Daito Corporation, its consolidated subsidiary company.

#### 1. Outline of Subject Subsidiary Company

- (1) Company Name: Daito Corporation  
(2) Head Office: 2-1-13, Shibaura, Minato-Ku, Tokyo  
(3) President: Kazuhiro Matsukawa  
(4) Capital Amount: 842.5 Million Yen  
(5) Business Description: Harbor Transportation, Harbor Tugboat Service,  
Shipping Agency, Real Estate, and others  
(6) Date Established: September 3rd, 1934

#### 2. Reason for Transfer

In order to seek efficient utilization of business resources as well as to strengthen “K” LINE’s financial position, “K” LINE has reviewed the assets in possession. As a result, it has been decided to transfer the subject asset as follows.

#### 3. Details of Subject Asset to be Transferred

Details of Subject Asset and Location	Transfer Value of Subject Asset	Book Value of Subject Asset	Gain on Transfer of Subject Asset	Current Status of Subject Asset
Daito Tamachi Building 2-1, 4 Chome, Shibaura, Minato-ku, Tokyo (and others) Land: 4,022.22 m2 Structure: 15,965.17m2	(Remark-1)	(Remark-1)	14.1 Billion Yen (Remark-2)	Real Estate for Lease

(Remark-1)

“K” LINE refrains from disclosing the transfer value and book value of the subject assets at the request of Transferee, Transfer value has been determined through public bidding, however, it has been ensured that the price of transfer value is deemed fair value reflecting appraised value provided by 3<sup>rd</sup> party as well as market value.

(Remark-2)

Above mentioned value of Gain on Transfer of Subject Asset is estimated value after deducting the book value and administrative expenses regarding the subject transaction from Transfer value.

4. Outline of Transferee

“K” LINE refrains from disclosing the name of transferee, who is a Japanese corporation, in accordance with the agreement with the transferee, however, there is no capital, personal, or business relationship with the transferee and it is not a related party. And it is also ensured with Transferee that Transferee has no relationships with any antisocial forces.

5. Schedule of Transfer

Date of Board Resolution:	March 26 <sup>th</sup> , 2018
Date of Contract:	March 27 <sup>th</sup> , 2018 (Planned)
Date of Property Transfer:	March 27 <sup>th</sup> , 2018 (Planned)

6. Impact on Business Result

In line with the transfer of the aforementioned fixed assets, “K” LINE expects recording “Gain on sales of non-current assets of approximately 14.1 Billion Yen as extraordinary income in its consolidated financial statements for the fiscal year ending March 31<sup>st</sup>, 2018.

“K” LINE expects no changes to the forecast of consolidated financial results for the fiscal year ending March 31<sup>st</sup>, 2018 that was announced on January 31<sup>st</sup>, 2018.