

July 31, 2018

Notice of Differences from Previously-Announced Forecast of Financial Results
for First Half of Fiscal Year ending March 2019,
and Forecast for Interim Dividend for fiscal year ending March 2019

Kawasaki Kisen Kaisha, Ltd. (“K” Line) announces that forecast of consolidated financial results for first half of fiscal year ending March 2019 which we announced on April 27, 2018, has been revised as set forth below in paragraph 1); also that at Board of Directors meeting today, an update has been issued to Interim Dividend forecast as provided below in paragraph 2).

1. Differences from Forecast of Consolidated Financial Results for the First Half

1) Differences in Forecast of financial results (April 1, 2018 - September 30, 2018)

	First Half				
	Operating revenues (million yen)	Operating income (loss) (million yen)	Ordinary income (loss) (million yen)	Profit (loss) attributable to owners of the parent (million yen)	Profit (loss) attributable to owners of the parent per share (yen)
Forecast announced previously on April 27, 2018 (A)	382,000	Δ 7,500	Δ 9,000	2,500	26.80
Results (B)	411,500	Δ 10,000	Δ 12,000	Δ 15,000	Δ 160.82
Change (B – A)	29,500	Δ 2,500	Δ 3,000	Δ 17,500	Δ 187.62
Change (%)	7.72%	-	-	-	-
Reference: Consolidated results for prior fiscal year (1st half in fiscal year ended September 30, 2017)	578,928	6,247	11,146	13,175	140.78

2) Reason for the Difference

The Company has decided to revise forecasts of consolidated financial results in first half of the fiscal year ending March 31, 2019 (Fiscal 2018), because containership business earnings were lower than expected due to an increase in expenses in first quarter and also because Company’s earnings from its equity in OCEAN NETWORK EXPRESS (hereinafter referred to as “ONE”) in the first half were lower than expected.

Revision of the forecast of profit (loss) attributable to owners of the parent is due to a change in expected timing of the occurrence of extraordinary profit (loss) including but not limited to the transfer of overseas terminal businesses to ONE.

We have decided to leave forecasts of full-year financial results in Fiscal 2018 unchanged, but we will announce in due course once we decide if revision is necessary after watching future business performances.

2. Forecast for Interim Dividend for fiscal year ending March 2019

1) Details of Dividend Forecast

	Annual Dividend per share		
	Interim Dividend	Year-End Dividend	Annual Total
Previous Forecast (Announced on April 27, 2018)	(Undetermined)	(Undetermined)	(Undetermined)
Latest Forecast	0.00 yen	(Undetermined)	(Undetermined)
Current Period Actual			
Previous Year Actual (Fiscal year ended March 31, 2018)	0.00 yen	0.00 yen	0.00 yen

2) Reason for Dividend Forecast

Our important management task is to maximize returns to our shareholders while maintaining necessary internal reserves to fund investment for sustainable growth and strengthen our financial position. However, while leaving unchanged the forecasts of full-year financial results, it is with sincere regret that the Company announces it has decided to pay no interim dividend in consideration of the revision of forecasts of results in the first half of Fiscal 2018. The year-end dividend remains yet to be determined. We will update you again in due course once further judgment has been made as to dividend payment forecast after comprehensively taking into consideration the full-year forecasts and the Company’s financial conditions.

For further information, please contact:

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Note: The forecasts of financial results set forth in this document were calculated based on available information at the time of announcement. Actual results may differ from the forecast depending on various factors such as future developments in the business environment.