

April 28, 2017

Management Policy and Medium-term Management Plan

Kawasaki Kisen Kaisha, Ltd. ("K" Line) is pleased to introduce "K" Line Group's new management policy and medium-term management plan: "『Revival for Greater Strides』 – "K" Value for our Next Century- " which runs for three years from April 2017 toward our 100th anniversary in 2019 in response to the big business environment change in marine transportation industry and aiming the rebuilding of management base to allowing us to grow consistently.

(1) Management Policy

◇ Corporate Principles and Vision

We added one sentence to confirm our approach to customers and society in our corporate vision.

■ Corporate Principle : trust from all over the world~

As an integrated logistics company grown from shipping business, the "K" LINE Group contributes to society so that people live well and prosperously.

We always recognize this principle in our operations.

■ Vision

Our aim is to become an important infrastructure for global society, and to be the best partner with customers by providing the high-quality logistics services based on customer first policy.

Concepts that the "K" LINE Group pursues in business

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| ■ Providing reliable and excellent services | - Contributing to society |
| ■ A fair way of business | - Fostering trust from society |
| ■ Relentless efforts to achieve innovation | - Generating new values |
| ■ Respecting humanity | - Corporate culture that respect individuality and diversity |

◇ Important management theme

We recognize following three as our group's theme to respond business environment change.

- Maximize our strengths to ensure competitiveness
- Transform business portfolio to reduce influence from market volatility
- Achieve growth by technological and business model innovation

(2) Medium-term management plan: "『Revival for Greater Strides』– "K" Value for our Next Century -

◇ We will rebuild the base of business to realize our Vision for three years from April 2017 toward our 100th anniversary in 2019 through following three initiative.

- Rebuilding portfolio strategy
- Advanced management and strategy
- ESG Measures

◇ KPI Targets

Long-term target (Mid-2020s):

- Achieve ROA(ordinary income) of 6% and ROE of double digits
- Shareholders equity ¥ 400 billion (Verify benefits from containership business integration, plan to reset)
- Return to stable dividend policy

Medium-term management plan (FY2017-FY2019):

- Maintain profit for three consecutive years from FY2017
- Achieve 6% ROA(ordinary income) in stable-income business, and expand business scale
- Raising the equity ratio to 20+%
- Prioritize to stabilize our business base and financial position, but aiming to resume paying dividend soon

Please visit our following website for the details and related documents.

http://www.kline.co.jp/en/ir/library/plan/___icsFiles/afiedfile/2017/04/28/valueaction.pdf

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