




April 28, 2016

Review of Medium-Term Management Plan:  
“ Value for our Next Century - Action for Future - ”

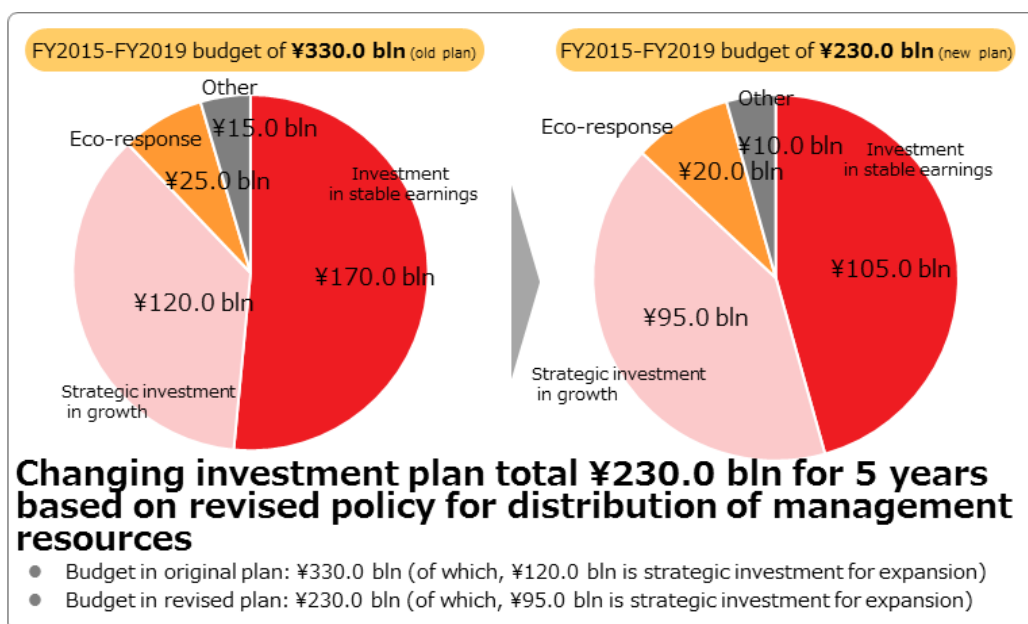
Kawasaki Kisen Kaisha, Ltd. (“K” Line) reviewed “K” Line Group’s medium-term management Plan, which was formulated in March 2015 as the business strategy toward our 100<sup>th</sup> anniversary in 2019, in response to the structural changes afoot in the business environment.

“K” Line formulated “ Value for our Next Century - Action for Future - ” newly adding the core theme: “Ensuring competitiveness through business structural reform” to one of previous three core themes: “Ensuring stability by improving financial strength” and will carry out initiatives for enhancing corporate value (  Value ) for our next 100 years.

New three core themes:

- 1) Ensuring stability by improving financial strength and competitiveness through business structural reform
- 2) Further business growth based on financial soundness
- 3) Dialogue and collaboration with stakeholders (in order to achieve sustainable growth and enhance corporate value)

◇ Investment Plan



## ◇ Fleet Upgrading Plan

(Number of vessels in fleet)	End-FY2014 results	End-FY2015 results	End-FY2019 target (original plan)	End-FY2019 target (new plan)	Difference (original vs. new at end-FY2019)
Containerships	70	63	61	59	▲ 2
Dry bulk carriers	218	212	239	196	▲ 43
Capesize	85	79	100	81	▲ 19
Panamax	46	45	48	39	▲ 9
Thermal coal carrier	23	24	27	31	4
Others	64	64	64	45	▲ 19
Car carriers	96	102	98	96	▲ 2
Tankers	25	23	24	27	3
LNG carriers	43	41	61	57	▲ 4
Offshore E&P & heavy lifter vessels	24	23	26	24	▲ 2
Other	50	51	55	55	0
<b>Total</b>	<b>526</b>	<b>515</b>	<b>564</b>	<b>514</b>	<b>▲ 50</b>

## ◇ Target of the new medium-term management plan

	FY2015 results	FY2016 forecast	FY2019 target (new plan)	Post-FY2020 targets	FY2019 targets (original plan)
Operating revenue (¥ bln)	1,243.9	1,100.0	1,200.0		1,500.0
Operating income (¥ bln)	3.3	15.0	45.0		85.0
Net income (¥ bln)	▲ 51.5	▲ 35.0	33.0		Over 60.0
EBITDA (¥ bln)	24.7	33.0	93.0		150.0
ROE (%)	▲ 13%	▲ 11%	8%	Over 10%	Over 10%
Shareholders' equity (¥ bln)	355.4	320.0	400.0	500.0	600.0
Equity ratio (%)	32%	31%	36%	40%	40%
Interest-bearing debt (¥ bln)	525.2	520.0	480.0	480.0	480.0
DER(%)	148%	163%	120%		80%
NET DER(%)	80%	113%			55%
Operating CF (¥ bln)	39.6	0	90.0		120.0
Investing CF (¥ bln)	▲ 29.6	▲ 27.0	▲ 50.0		▲ 80.0
Exchange rate (Yen-US\$)	¥ 120.78	¥ 110.00	¥ 110.00		¥ 110.00
Bunker oil price per mt (US\$)	\$ 295	\$ 275	\$ 370		\$ 500

“K” Line changed “Investment Plan”, “Fleet upgrading plan”, and “Target of the new medium-term management plan”, by the structural reform in this review as aforementioned; however, previous three core themes remain unchanged.

Please visit our following website for the details, such as related documents.

[http://www.kline.co.jp/en/ir/library/pr/\\_icsFiles/afieldfile/2016/04/28/2015\\_4\\_report\\_e.pdf](http://www.kline.co.jp/en/ir/library/pr/_icsFiles/afieldfile/2016/04/28/2015_4_report_e.pdf)

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