

October 31, 2014

Difference in Financial Results from Projections,
Revised Forecast of Financial Results

Kawasaki Kisen Kaisha, Ltd. (“K” Line) announces that some differences have arisen in the financial results announced today from the forecast of consolidated financial results for the first half of the fiscal year ending March 2015 announced on July 31, 2014, and also that, based on recent performance, the forecast of consolidated financial results for the fiscal year ending March 2015 has been revised as set forth below.

1. Differences in Financial Results from Forecast of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2015

(1) Details of the Differences

	First Half				
	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Net income per share (yen)
Forecast announced previously on July 31, 2014 (A)	650,000	18,000	15,000	11,000	11.73
Results (B)	659,762	24,909	25,884	21,181	22.59
Change (B – A)	+ 9,762	+ 6,909	+ 10,884	+ 10,181	+ 10.86
Change (%)	+ 1.5%	+ 38.4%	+ 72.6%	+ 92.6%	+ 92.6%
Reference: Consolidated results for first half of prior fiscal year (half ended September 30, 2013)	606,550	19,763	20,023	14,736	15.71

(2) Reason for the Differences

Although facing the deterioration in the business environment such as the sluggish market in dry bulk business and the gradual declining trend that continued in the number of ex-Japan built-up cars for transportation affecting car carrier business, we successfully increased income by working for cost cutting and improvement of vessel navigation efficiency.

Also in containership business we had better income upon a further restoration of freight rates principally in Japan-North America routes and the depreciation of the yen against the U.S. dollar in and after the middle of the second quarter. Combined with these factors, cumulative earning results for the first half surpassed the previous announced forecast.

2. Revised Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2015

(1) Details of the Revision

	Full Year				
	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Net income per share (yen)
Forecast announced previously on July 31, 2014 (A)	1,250,000	36,000	34,000	18,000	19.20
Revised forecast (B)	1,250,000	36,000	34,000	21,500	22.93
Change (B – A)	0	0	0	+ 3,500	+ 3.73
Change (%)	0.0%	0.0%	0.0%	+ 19.4%	+ 19.4%
Reference: Consolidated results for prior fiscal year (fiscal year ended March 31, 2014)	1,224,126	28,854	32,454	16,642	17.75

(2) Reason for the Revision

In and after the third quarter, the business environment is likely to continue somewhat uncertain as containership business begins to enter slack season while dry bulk business may remain under the lasting sluggish market conditions.

For these reasons, full-year operating income and ordinary income remains unchanged from the previously announced figures.

However, we expect that consolidated net income exceeding the previous forecast by reviewing items of extra-ordinary profit and loss related to rationalization measures such as sale of assets.

Note: The forecasts of financial results set forth in this document were calculated based on available information as of October 31 2014. Actual results may differ from the forecast because of various factors such as future developments in the business environment.

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