

October 31, 2013

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 2014 announced on July 31, 2013, and also that, based on recent performance, the forecast of consolidated financial results for the fiscal year ending March 2014 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 2014

(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, 2013 (A)	610,000	13,000	15,000	7,500	8.00
<b>Results (B)</b>	<b>606,550</b>	<b>19,763</b>	<b>20,023</b>	<b>14,736</b>	<b>15.71</b>
Change (B – A)	(3,450)	6,763	5,023	7,236	7.71
Change (%)	-0.6%	52.0%	33.5%	96.5%	96.4%
Reference: Consolidated results for first half of prior fiscal year (half ended September 30, 2013)	546,213	12,148	9,075	(1,124)	(1.34)

(2) Reason for the Differences

Although it is concerned that the freight rate market of containership business would be weakened following decrease of cargo movements, the dry bulk business recovered on expansion of cargo shipments to China, and the car carrier business saw smooth operations.

Combined with satisfactory progress in measures to improve profitability and cost cutting, these factors led to results for the first half surpassing the previous forecast.

The improvement in consolidated first half net income was the result of an improvement in consolidated ordinary income, in addition to extraordinary profit on the sale of real estate and other assets and the postponement of accounting for extraordinary losses, including those from the scrapping of vessels, to the second half.

## 2. Revised Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2014

### (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, 2013 (A)	1,180,000	28,000	27,000	14,500	15.46
<b>Revised forecast (B)</b>	<b>1,180,000</b>	<b>28,000</b>	<b>27,000</b>	<b>16,000</b>	<b>17.06</b>
Change (B – A)	0	0	0	1,500	1.60
Change (%)	0.0%	0.0%	0.0%	10.3%	10.3%
Reference: Consolidated results for prior fiscal year (fiscal year ended March 31, 2013)	1,134,771	14,886	28,589	10,669	12.07

### (2) Reason for the Revision

The financial results forecast was revised to reflect recent changes in the business environment.

While on the one hand improvement is expected for earnings and expenses in conjunction with the market recovery for dry bulk business, on the other hand the future of the European economy remains unclear and shipping rates have been lower than expected, even as new large vessels are coming on line in the containership business. Based on these factors, a deterioration of financial results is projected for the second half. Applying further momentum to profitability improvement and cost-cutting measures, we expect to record full-year operating income and ordinary income as stated in the previous forecast, as well as full-year consolidated net income exceeding the previous forecast, as shown above.

Note: The forecasts of financial results set forth in this document were calculated based on available information as of October 31<sup>st</sup> 2013. Actual results may differ from the forecast because of various factors such as future developments in the business environment.

For further information, please contact:

Masahiro Muroski  
 General Manager, Corporate Planning Group  
 Tel: +81-3-3595-5594 Fax: +81-3-3595-5175

Kiyoshi Tokonami  
 General Manager, IR & PR Group  
 Tel: +81-3-3595-5189 Fax: +81-3-3595-5001  
 Kawasaki Kisen Kaisha, Ltd. (“K” Line)