

October 31, 2012

Difference in Financial Results from Projections.
Revised Forecast of Financial Results and Resolution to Pay No Interim Dividend

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 2013 announced on July 31, 2012, and also that, based on recent performance, the forecast of consolidated financial results for the fiscal year ending March 2013 has been revised as set forth below. In addition, “K” Line announces that, at the Board of Directors Meeting which was held today, it has been resolved that no interim dividends be paid.

1. Differences in Financial Results from Forecast of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2013

(1) Details of the Revision

Forecast of Consolidated Financial Results for the First Half (April 1 – September 30, 2012)

	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, 2012 (A)	550,000	5,000	4,000	(5,000)	(5.96)
Results (B)	546,213	12,148	9,075	(1,124)	(1.34)
Change (B – A)	(3,787)	7,148	5,075	3,876	4.62
Change (%)	-0.7%	143.0%	126.9%	-	-
Reference: Consolidated results for first half of prior fiscal year (half ended September 30, 2011)	496,987	(18,391)	(20,313)	(18,610)	(24.35)

(2) Reason for the Revision

During the first half, in the containership business, there were signs of a weakening market on European trade, but North American trade remained strong. The dry bulk business continued to slump, particularly in the market for large vessels, but the impact on profit and loss in the first half was minimal, and the car carrier business remained solid.

Measures to improve profitability and cost cutting are being steadily implemented, and consolidated subsidiaries including container agents and logistics business companies also contributed to the improvement in profit and loss, resulting in financial results for the first half surpassing the previous forecast.

2. Revised Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2013

(1) Details of the Revision

Forecast of Consolidated Financial Results for the Full Year (April 1, 2012 – March 31, 2013)

	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 (A) (announced on July 31, 2012)	1,130,000	27,000	22,000	8,000	9.05
Revised forecast (B)	1,130,000	16,000	10,000	2,000	2.26
Change (B – A)	0	(11,000)	(12,000)	(6,000)	(6.79)
Change (%)	0.0%	-40.7%	-54.5%	-75.0%	-75.0%
Reference: Consolidated results for prior fiscal year (fiscal year ended March 31, 2012)	972,310	(40,563)	(48,955)	(41,351)	(54.14)

(2) Reason for the Revision

At the time of the previous forecast of financial results for the second half, there were many uncertain factors including fuel prices, exchange rates, market developments and the impact of the economic downturn in Europe on cargo movements, and therefore no changes were made to the assumptions based on which the profit and loss forecast had been projected at the beginning of the fiscal year. At this time, however, the forecast of financial results has been revised based on recent developments in the business environment.

In the containership business, there remain concerns that financial results might be worsened because of declining cargo movements on European trade, but further measures to improve profitability and cost cutting will be implemented, and profits in excess of the prior forecast will be secured. In the dry bulk business, it is expected that weak market conditions will commence to have direct impact on profit and loss in the second half, causing a substantial decline in financial results. Accordingly, the forecasts of consolidated operating income and ordinary income for the fiscal year were revised downward as indicated above.

Although consolidated ordinary income is expected to decline, the sale of vessels and other assets is further proceeding, and the forecast of net income for the fiscal year was revised as indicated above, with the Company aiming to maintain black figures for the year.

3. Resolution to Pay No Interim Dividend for the Fiscal Year Ending March 2013

(1) Details of the Resolution and the Reason

With respect to the interim dividend, “K” Line regrettably posted a consolidated net loss for the first half, and accordingly, the Board of Directors today resolved that no interim dividend be paid.

“K” Line’s dividend policy, which takes into consideration the consolidated dividend payout ratio, remains unchanged, and the highest priority is being placed on achieving a black consolidated net profit for the fiscal year so that the payment of dividends can be resumed at this fiscal year-end. However, there still remain many unpredictable factors in the business environment, and no revision concerning the year-end dividend has been made at this time. “K” Line will release further information when it determines that a prediction is possible taking into account the forecast for the full fiscal year and “K” Line’s financial status.

(Reference) Dividend Projection :

	Dividends per share (yen)		
	Interim Dividend	Year-end Dividend	Total
Forecast as of October 31, 2012		(Undetermined)	(Undetermined)
Results of Fiscal 2012	0.00 yen		
Actual results of Fiscal 2011	0.00 yen	0.00 yen	0.00 yen

Note: The forecasts of financial results set forth in this document were calculated based on available information as of October 31st 2012. 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 Murosaki
 General Manager, Corporate Planning Group
 Tel: +81-3-3595-5594 Fax: +81-3-3595-5175

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