March 2, 2015

"K" Line Group's New Medium-Term Management Plan
" K Value for our Next Century "

Kawasaki Kisen Kaisha, Ltd. ("K" Line) is pleased to introduce "K" Line Group's new medium-term management plan "K Value for our Next Century" which runs for five years from April 2015. The new medium-term management plan is founded on our new Corporate Principle and Vision which were revised in seeing "K" Line Group's 100th anniversary coming in 2019.

In the course of the new medium-term management plan, "K" Line Group sets following core themes in pursuit of improved Corporate Value (KValue) for our next 100 years.

- Stability by improving financial strength
- Further business growth based on financial soundness
- Dialogues and collaboration with stakeholders to grow consistently and raise corporate value

◇ Corporate Principle and Vision

Corporate Principle

~K : 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

Concepts that the "K" Line Group pursues in business

- ◆ 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

We pursue these concepts in our Vision and will progress further to the next stage.

◇ Target of the new medium-term management plan

	Forecast for 2014	Target for 2017	Target for 2019 K 100th anniversary
Operating revenue (¥100 million)	13,500	14,000	15,000
Ordinary income (¥100 million)	480	600	850
Net income (¥100 million)	250	450	more than 600
EBITDA (¥100 million)	1,080	1,300	1,500
ROE	6%	8～9%	more than 10%
Equity capital (¥100 million)	4,400	5,100	6,000
Equity ratio	36%	40%	40%
Interest-bearing liabilities (¥100 million)	5,350	4,600	4,800
DER	122%	80～90%	80%
NET DER	78%	60%	55%
Cash flows from operating activities (¥100 million)	770	980	1,200
Cash flows from investing activities (¥100 million)	▲ 220	▲ 700	▲ 800
Exchange rate	¥108.56	¥110.00	¥110.00
Fuel oil price (Per MT)	$560	$500	$500

◇ Fleet Upgrading Plan

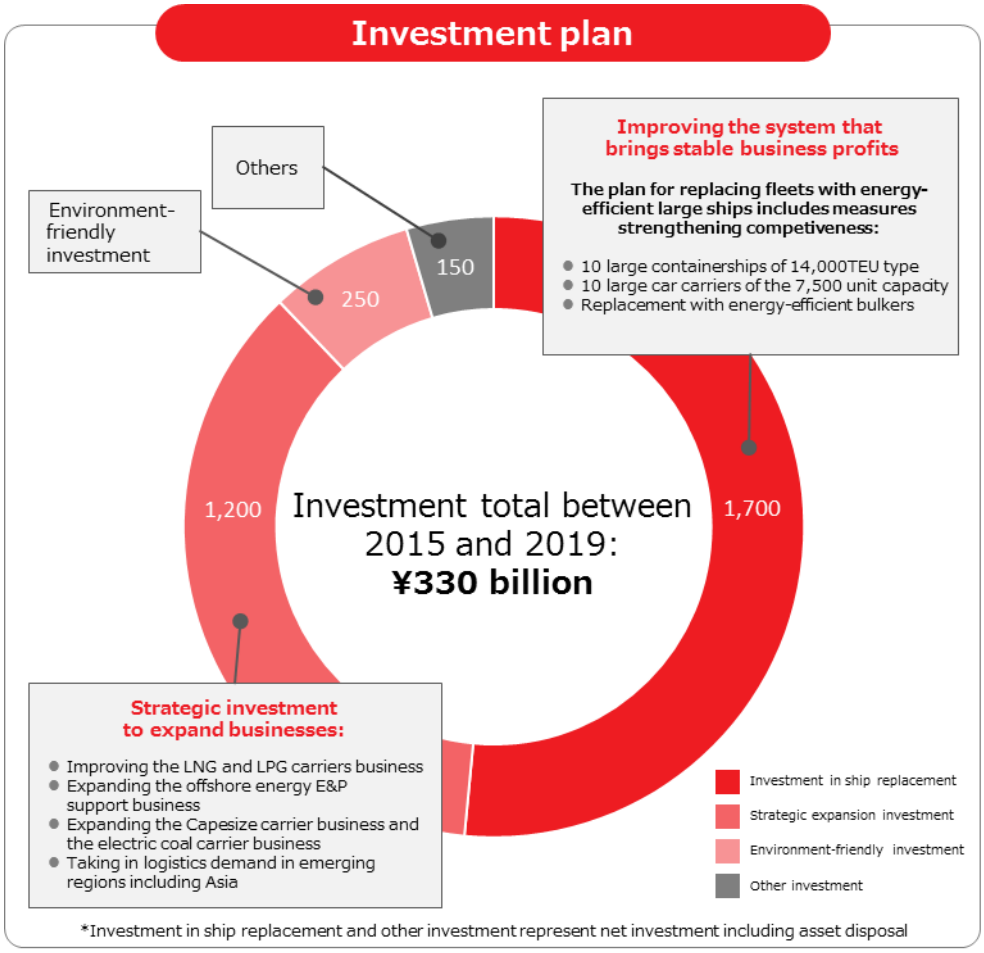
Fleet Upgrading Plan

Number of key fleets	The end of FY2014	The end of FY2017	The end of FY2019
Containerships	70	66	61
Dry bulk carriers	218	226	239
Capesize carriers	85	89	100
Over-Panamax(Electric coal carrier)/Panamax	69	71	75
Others	64	66	64
Car carriers	96	95	98
Tanker	25	26	24
LNG carriers	43	47	61
Offshore energy E&P support vessels/ Heavy lifter vessels	24	25	26
Others	50	54	55
Total	526	539	564

*The number of LNG carriers includes carriers owned by other companies

Strategic investment targets

◇ Investment Plan



"Value for our Next Century" is available on "K"Line's website at:
http://www.kline.co.jp/en/ir/library/plan/index.html

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