July 2, 2012

Revised Forecast of Financial Results

Kawasaki Kisen Kaisha, Ltd. ("K" Line) announces that, based on recent performance, it has revised its forecast of consolidated financial results for the first half and full fiscal year ending March 31, 2013 as set forth below.

1. Revised Forecast of Consolidated Financial Results for the First Half and Full Year

(1) Details of the Revision (Consolidated)

1) 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 April 27, 2012 (A)	540,000	(1,000)	(2,000)	1,000	1.31
Revised forecast (B)	550,000	2,000	1,000	(7,000)	(9.16)
Change (B – A)	10,000	3,000	3,000	(8,000)	(10.47)
Change (%)	1.9%	-	-	-	-
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) 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 April 27, 2012)	1,120,000	16,000	12,000	11,000	14.40
Revised forecast (B)	1,130,000	20,000	15,000	3,000	3.93
Change (B – A)	10,000	4,000	3,000	(8,000)	(10.47)
Change (%)	0.9%	25.0%	25.0%	-72.7%	-72.7%
Reference: Consolidated results for prior fiscal year (fiscal year ended March 31, 2012)	972,310	(40,563)	(48,955)	(41,351)	(54.14)

(2) Reasons for the Revision

In the first half of the fiscal year, the containership market is expected to remain firm in line with projections, but the dry bulk market has been slow to recover and expected to remain bearish. Factors such as declining fuel oil prices are having a positive effect on earnings and, accordingly, the forecast of operating income and ordinary income has been revised upwards as indicated above.

In the second half, declining fuel oil prices will be a factor to improve earnings, but there are many uncertain factors including trends in the dry bulk market and concerns that the yen-dollar exchange rate will remain in the 75 yen to 80 yen range. For these reasons, we believe that, at this point in time, it would be premature to review the current assumptions on which the current future forecasts are projected. For the second half, the factors that are reasonably certain at this stage are reflected in the figures released at the beginning of the fiscal year, and the financial results for the fiscal year have been revised accordingly.

Net income has worsened mainly because of impairment loss resulting from declines in the prices of investment securities held by the "K" Line Group companies. As announced separately today, "K" Line will post extraordinary losses of 15.9 billion yen for the impairment loss in the first quarter

"K" Line values investment securities in each fiscal quarter by the reversal method, and if a recovery in securities prices is recognized, a gain on reversal will be reported in the second quarter or later. However, no such gain on reversal is included in the current forecast of financial results for the full fiscal year.

Note: The forecasts of financial results set forth in this document were calculated based on available information as of July 2nd 2012. Actual results may differ from the forecast because of various factors such as future developments in the business environment.

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