

October 31, 2019

Notice on Differences between Consolidated Financial Forecasts and Results
for 1st Half of Fiscal Year ending March 2020
and Dividend from Retained Earnings (No Interim Dividend)

Kawasaki Kisen Kaisha, Ltd. ("K" LINE) announces that differences arose between the consolidated financial results for the 1st half of fiscal year ending March 2020 announced today and the previous forecasts announced on July 31, 2019.

"K" LINE also announces that it has been decided at Board of Directors meeting today to pay no interim dividend on September 30, 2019 as record date.

1. Differences from Financial Forecasts

1) Content of the Differences

Differences from Consolidated Financial Forecasts for 1st Half of FY2019 (April 1, 2019 - September 30, 2019)

	First Half				
	Consolidated operating revenues (million yen)	Consolidated operating income (loss) (million yen)	Consolidated ordinary income (loss) (million yen)	Profit (loss) attributable to owners of the parent (million yen)	Profit (loss) attributable to owners of the parent per share (yen)
Forecast announced previously on July 31, 2019 (A)	368,000	8,000	10,000	7,000	75.05
Results (B)	372,396	11,065	13,373	16,311	174.88
Change (B - A)	4,396	3,065	3,373	9,311	
Change (%)	1.2%	38.3%	33.7%	133.0%	
Reference: Consolidated results for prior fiscal year (fiscal year ended September 30, 2019)	416,129	(12,321)	(21,329)	(24,581)	(263.54)

2) Reason for the Differences

The operating income and ordinary income exceeded the forecasts previously announced mainly as a result of the robust cargo movements and the success by the realignment of trades in the car carrier business as well as recoveries of the market rates in Energy Resource Transport businesses especially in Tanker. In addition, the profit attributable to owners of the parent for the current fiscal period also exceeded the forecast previously announced due to factors such as the consistent review of the business portfolio through the selection and concentration policy in the 2nd quarter, and the changes in the estimated amount and time of accrual of extraordinary losses by the liquidation of the Company's

containership business affiliate, which had been estimated conservatively in the previous forecasts.

2. Decision of Dividend from Retained Earnings (Interim Dividend)

1) Content of the Decision

	Amount determined	Most recent dividend forecast (announced on July 31, 2019)	Actual dividend in the previous fiscal year
Record date	September 30, 2019	September 30, 2019	September 30, 2018
Dividend per share	0.00 yen	Undetermined	0.00 yen
Total amount of dividends	—	—	—
Effective date	—	—	—
Source of funds for dividends	—	—	—

2) Reason

“K” LINE’s important management task is to maximize returns to our shareholders by implementing stable dividend. However, the business environment remains critical toward achieving the consolidated full-year business forecasts, even though the consolidated financial results in the 1st half of the current fiscal year were better than expected. The Company will make a concerted effort to further improve its financial results, but it is with sincere regret that the Company announces it has decided to pay no interim dividend.

The Company strives to achieve a consolidated net profit that will put the Company in the black, with a view to resuming dividend payment. The year-end dividend remains to be undetermined. Update will be made again in due course once further judgment has been made as to year-end dividend payment forecast after comprehensively taking into consideration the full-year forecasts and the Company’s financial conditions.

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