FINANCIAL HIGHLIGHTS

Brief report of the three months ended June 30,2009.

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Three months ended Jun.30, 2008	Three months ended Jun.30, 2009	Three months ended Jun.30, 2009
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 349,489	¥ 191,926	$ 1,999,025
Operating (loss) income (Millions of yen / Thousands of U.S. dollars)	32,146	(22,129)	(230,492)
Net (loss) income (Millions of yen / Thousands of U.S. dollars)	21,531	(14,889)	(155,086)
Per share of common stock (Yen / U.S. dollars)	33.80	(23.37)	(0.24)

	Year ended Mar.31, 2009	Three months ended Jun.30, 2009	Three months ended Jun.30, 2009
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 971,602	¥ 1,017,044	$ 10,593,106
Net assets (Millions of yen / Thousands of U.S. dollars)	356,152	337,093	3,511,022
Per share of common stock (Yen / U.S. dollars)	525.43	492.31	5.13

	Three months ended Jun.30, 2008	Three months ended Jun.30, 2009	Three months ended Jun.30, 2009
Net cash (used in) provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 15,692	¥ (17,735)	$ (184,725)
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(47,159)	(28,206)	(293,791)
Net cash provided by financing activities (Millions of yen / Thousands of U.S. dollars)	32,776	48,534	505,510

The U.S. dollar amounts are converted from the yen amount at ¥96.01=U.S.$1.00.
The exchange rate prevailing on June 30, 2009.

[Qualitative Information and Financial Statements]

1. Qualitative Information about the Consolidated Operating Results

The global economy during the 1st Quarter of fiscal 2009 (April 1 through June 30, 2009) was faced with deteriorating corporate performance, as well as staggering consumer spending, in almost all countries amid the continuing slowdown in the real economies triggered by the turmoil in financial markets since the previous year. In the US economy, despite signs of bottoming out in some economic indicators, the housing market remained sluggish and car sales continued their decline for year-on-year basis. In European countries, both capital investment and consumer spending maintained their downward trend. In the Japanese economy, corporate performance significantly worsened, especially in export-oriented industries.

In the environment surrounding the shipping industry, the dry bulk market came out of its temporary slump and showed signs of recovery during the 1st Quarter, while cargo movements in both containership and car carrier sectors remained sluggish, with the shipping industry being confronted by a harsh business environment overall.

The “K” LINE Group formulated its medium-term management plan “K” LINE Vision 100 in April last year, but the business environment substantially changed from assumptions at the beginning of that medium-term business plan, as seen in the suddenly worsening supply-demand balance for freight capacity due to the sharp decline in ocean freight volumes. Under these circumstances, the “K” LINE Group focused on the implementation of quick-impact countermeasures, including mainly the curtailment of capital investments and cost reduction. However, such countermeasures were unable to counter the adverse effects of the sharply and significantly deteriorating business environment mentioned above. As a result, consolidated operating revenues for the 1st Quarter of fiscal 2009 accounted for ¥191.926 billion, a decrease of ¥157.563 billion compared with the same period of the preceding year. Consolidated operating income incurred a loss of ¥22.129 billion, a decrease of ¥54.276 billion compared with the same period last year, and consolidated ordinary income was a minus ¥22.710 billion, a decrease of ¥56.040 billion from the same period last year. Consolidated net income for the 1st Quarter of fiscal 2009 resulted in a loss of ¥14.889 billion, dropping ¥36.421 billion against the same period a year earlier.

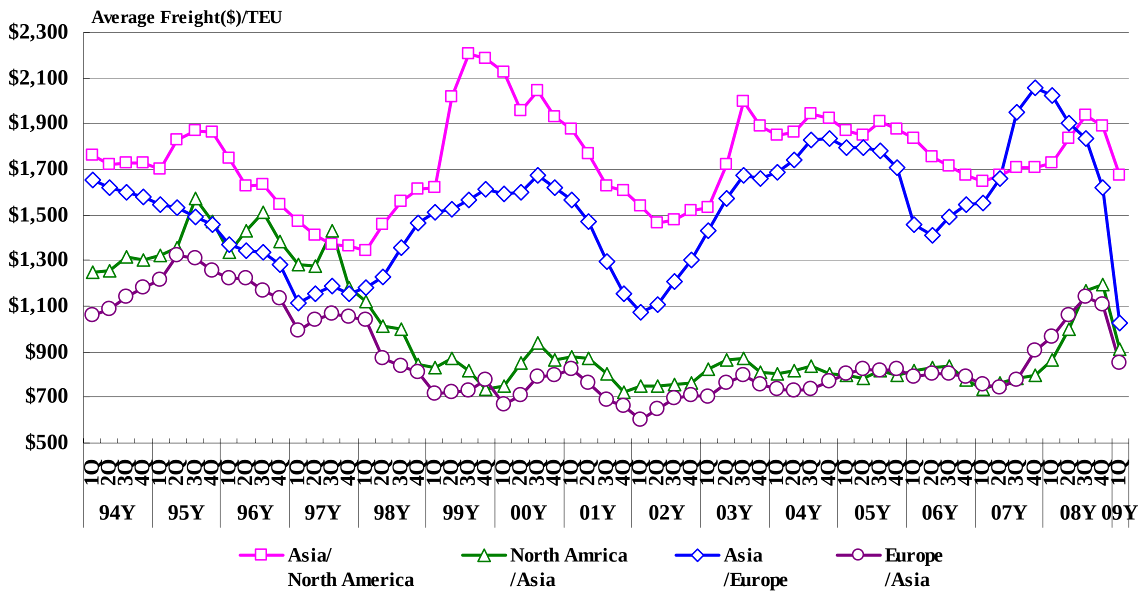
The following is a summary of activities by business sector:

(1) Marine transportation

[Containership Business]
In North American trade, cargo movements to North America shipped from Asia continued to decrease due to the sluggish US economy. As a result of the reduction in the scale of services corresponding to declining cargo volume, total number of our Company’s loaded containers in the North American trade dropped by 12% compared with the same period last year. On the European service routes, cargo movements also remained sluggish and the Company suspended one service for North Europe as a countermeasure. As a result, total number of loaded containers of the Company decreased by 9% against the same period last year. As volume of cargo movements declined due to sluggish economy spreading throughout the world, the Company’s loaded containers in the Asian services dropped by 20% overall, and

consequently, the Company's total number of loaded containers decreased by 15% for year-on-year basis. With falling cargo movements, demand for freight space worsened and freight rates dropped substantially. The Company endeavored to promote rationalization to reduce services, reduce the scale of transportation on East/West service routes such as North American and European routes and promote further rationalization of ship operations and cost reduction, including joint services with other shipping firms on the North/South service routes, as well as implementation of countermeasures to improve earnings such as raising freight rates on the European and North/South service routes. However, both operating revenues and profits decreased compared with same period of the preceding year.

Containerization International "Freight Rates Indicators"

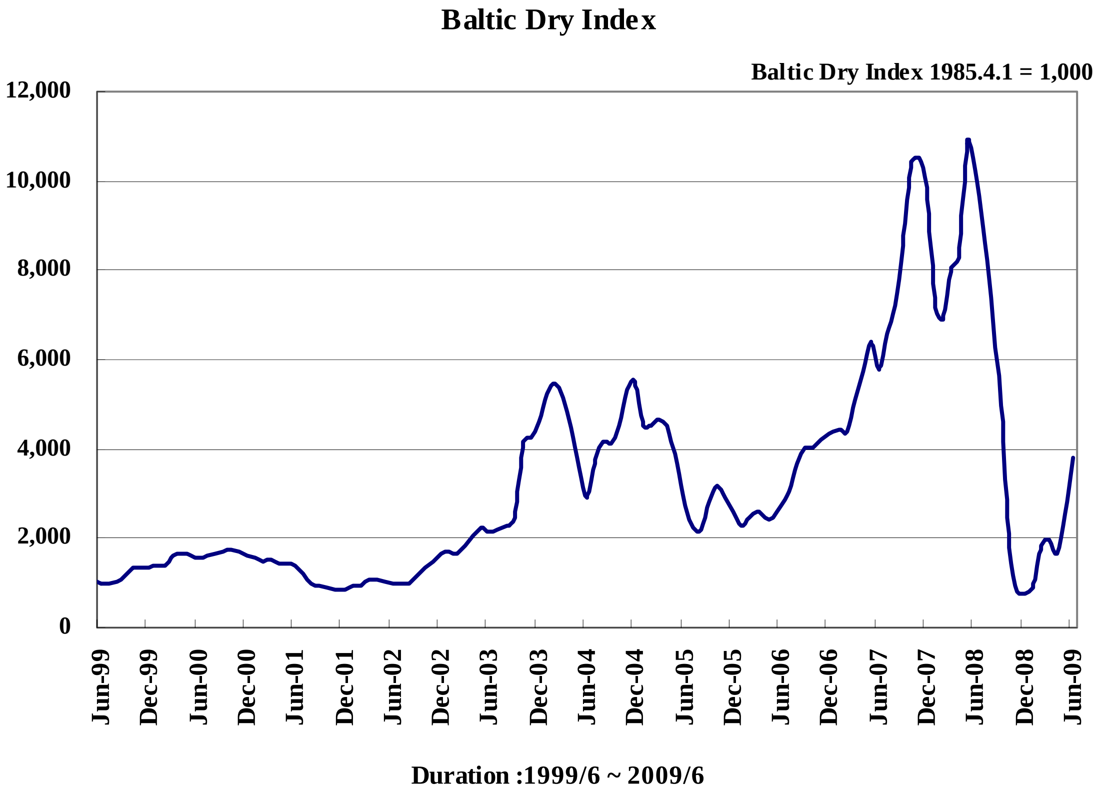


[Bulk Carrier and Car Carrier Business]

In dry bulk carrier transportation, market freight rates for large-sized carriers sharply recovered, backed up by China's significantly increasing volume of imports of iron ore which has been recovering since February and increased toward a level exceeding 50 million tons per month at the rate of about 30% increase for year-on-year basis since April this year. As a result, overall freight rates have recovered moderately from the lowest rates at the end of last year. The Company was able to enjoy a recovery of freight rates and at the same time made all possible efforts to reduce operational costs through efficient ship operations. However, both operating revenues and profits fell compared with the same period of the previous year.

With respect to car carrier business, global car sales significantly declined, severely hit by the worldwide recession, causing each automaker to implement inventory adjustments to correspond to the sharp decline in car sales. As a result, cargo movements substantially dropped in each service route, and the Company's volume of ocean transportation of cars for the 1st Quarter of fiscal 2009 fell by around 60% against the same period last year. The Company implemented emergency countermeasures including rationalization of ship operations, reduction of ship operation costs and adjustment of ship space through the scrapping of aged vessels. However, the Company was not able to compensate for the negative effects of a significant decline in the number of cars transported by the Company, with both operating revenues and profits falling compared with the same period last year.

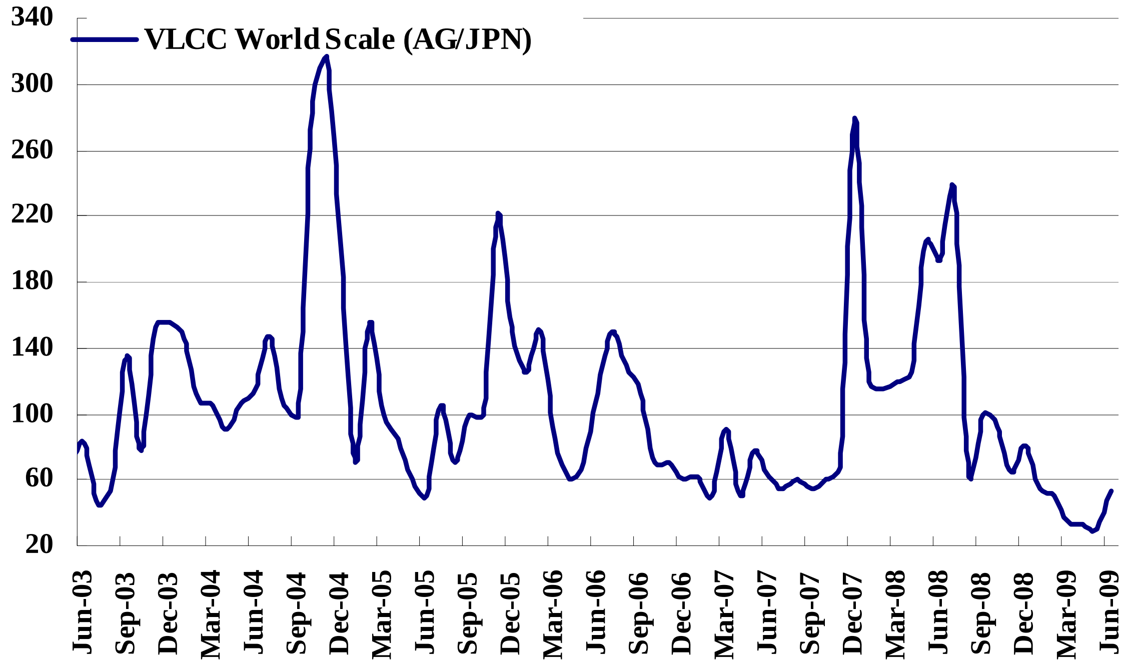
As a result, operating revenues and profits for the overall bulk carrier and car carrier business for the 1st Quarter decreased from the same period a year earlier.



[Energy Transportation and Tanker Business]
With respect to LNG transportation, cargo movements decreased, affected by the global recession, and profits from operations of vessels under long-term contracts were unable to compensate for the negative impacts from decreasing freight rates for short-term chartered vessels. Both operating revenues and profits for LNG carrier business decreased compared with the same period of the preceding year.
As for tanker business, a newly-built VLCC was completed during the 1st Quarter, expanding the Company’s fleet of VLCC to seven vessels. However, market rates for transportation of crude oil and petroleum products remained sluggish, due to adverse effects from the non-demand season in the northern hemisphere, in addition to the globally declining demand. As a result, both operating revenues and profits for the 1st Quarter declined against the same period last year.

The overall operating results of the energy transportation and tanker business decreased in both operating revenues and profits for year-on-year basis.

Trends in Tanker Freight Rate



[Heavy Lift Shipping Business]
In heavy lift shipping business, with the turmoil in financial markets, postponement and cancellation of new projects occurred in some areas and inquiries for transportation of heavy lift cargos decreased. However, the completion of a 4th large-sized vessel equipped with lifting capacity of 1,400 tons during the 1st Quarter, in addition to securing stable long-term transportation agreements, contributed to earnings for the 1st Quarter. As a result, both operating revenues and profits increased compared with the same period a year earlier.

[Coastal Shipping Business]
In coastal shipping business, cargo volumes in the non-regular liner service sharply decreased due to sluggish domestic and foreign demand. In the regular liner service, paper carriers secured a stable cargo volume. On the other hand, cargo volumes of general goods decreased due to the staggering domestic economy. The Hachinohe/Tomakomai ferry service increased its transportation of trucks and passengers, assisted by aggressive activities to attract passengers.

As a result, overall operating revenues for the marine transportation segment amounted to ¥165.941 billion, and operating loss stood at ¥23.874 billion.

(2) Logistics/Harbor Transportation

As for comprehensive logistics business, the air cargo forwarding market which sharply contracted from last autumn substantially worsened in this Quarter, since the total volume of consolidated air cargo from Japan decreased by 50% from the same period last year. The Company was unable to compensate for damage from such a deteriorating market even with support from the ocean freight business.
As a result, both operating revenues and operating income for this business segment significantly decreased for year-on-year basis.

Thus, the overall operating revenues for this segment were ¥20.201 billion, and operating income stood at ¥0.576 billion.

(3) Other Businesses

As for other businesses not mentioned above, the overall operating revenues amounted to ¥5.784 billion, and operating income stood at ¥1.149 billion.

2. Qualitative Information about Financial Position

Total assets at the end of 1st Quarter of fiscal 2009 resulted in value of ¥1,017.044 billion, increasing by ¥45.441 billion from the end of fiscal 2008, mainly due to the acquisition of more vessels, an increase of construction in progress and appraisal of investment securities.
Total liabilities were ¥679.95 billion, an increase of ¥ 64.50 billion from the end of fiscal 2008, mainly due to increased corporate bonds and borrowings.
Net assets decreased by ¥19.059 billion to ¥337.093 billion in comparison to the end of fiscal 2008, mainly due to a decrease in retained earnings.

3. Qualitative Information about Consolidated Prospects for Fiscal 2009

In containership business, cargo movements are expected to continue to stagger. The Company plans to normalize freight rates, following on from April this year, on principal service routes during the summer peak-season, in addition to promoting rationalization through adjusting the scale of operations and cost reductions. The Company is determined to make continuous efforts toward an improvement of earnings.
As for bulk carrier and car carrier business, there are some signs of recovery for future cargo movements in the dry bulk sector, supported by large-scale economic support packages by various countries including China. While the Company will further enhance its structure to secure stable earnings by utilizing specialized-carriers and making long-term agreements for transportation of certain cargo volumes, it will also focus on securing new revenue bases by actively promoting involvement to acquire new projects through global marketing activities. As for car carrier business, it is estimated that inventory adjustments by auto-makers in every area bottomed out around May this year, and shipments of cars are now on an upward trend' although full-recovery of car sales is estimated to be later than the initial projection. With respect to energy transportation and tanker business, the Company's fleet of LNG carriers will increase to 48 vessels due to completion of one newly-built carrier in 2nd Half of fiscal 2009. As for tanker business, the recovery of petroleum demand in Europe, U.S. and Japan is estimated to take more time, but in newly-emerging countries, including China and India, demand for petroleum is expected to show steady growth with cargo movements accordingly recovering gradually. In heavy lift shipping business, negative impacts from the financial crisis have begun to surface, and there are signs of a slowdown in cargo movements. However, the Company should secure stable earnings in this sector since it has transportation agreements that are unlikely to be affected by business fluctuations. As mentioned in the above, business environment surrounding the shipping industry is difficult to forecast in many aspects, including supply-and-demand balance, foreign exchange rates and trends in interest rates. Nevertheless, the Company will strive to improve profitability of its overall business by further promoting rationalization and cost reductions.

In addition, preconditions for foreign exchange rates and fuel oil prices for the 2nd Quarter onward are as follows:

	2nd Quarter (Jul. through Sept. 2009)	2nd Half (Oct. 2009 through Mar. 2010)
Foreign exchange rates (¥/US$)	¥95.00	¥95.00
Fuel oil prices (US$/MT)	$395.00	$400.00

Negative impacts from the global recession have continued to surface in the face of sharply decreasing cargo movements and the deterioration in market freight rates, with the exception of some business segments. Under this business environment, current prospects for operating results for fiscal 2009 have fallen substantially below initial projections and losses are expected. In addition, the general business environment, including ocean cargo movements from the 3rd Quarter of fiscal 2009, is very difficult to forecast at this stage. Against this background, as far as the payment of dividends for fiscal 2009 ending March 2010 is concerned, the Company has decided to currently keep the issue of any dividend payment pending for the time being, although the Company had planned to pay ¥2.5 per share at the start of the current fiscal year. The Company will address the issue of a dividend for the current fiscal year later when forecasts of performance for the full-term are available. Under the current uncertain business circumstances in which market freight rates, foreign exchange rates and trends in interest rates are difficult to forecast, the Company considers it necessary to maintain a sound financial structure as the top priority for its management, and will strive to continue to implement emergency countermeasures to improve profitability centering on thorough rationalization and cost reductions.

Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2009 and the year ended March 31, 2009

(Millions of Yen/Thousands of U.S.Dollars)

	Year ended Mar.31, 2009	Three months ended Jun.30, 2009	Three months ended Jun.30, 2009
ASSETS			
Current assets :			
Cash and time deposits	¥ 73,144	¥ 77,067	$ 802,701
Accounts and notes receivable-trade	72,740	60,223	627,260
Short-term loans receivable	15,399	19,157	199,536
Marketable securities	0	19	203
Raw material and supply	19,974	23,286	242,546
Prepaid expenses and deffered charges	22,963	25,358	264,123
Other current assets	30,766	30,607	318,795
Allowance for doubtful receivables	(504)	(415)	(4,328)
Total current assets	234,486	235,304	2,450,837
Fixed assets :			
(Tangible fixed assets)			
Vessels	347,898	369,130	3,844,707
Buildings and structures	23,932	23,768	247,566
Machinery and vehicles	10,934	10,960	114,155
Land	30,990	31,073	323,651
Construction in progress	155,652	161,275	1,679,779
Other tangible fixed assets	9,055	8,975	93,485
Total tangible fixed assets	578,463	605,183	6,303,343
(Intangible fixed assets)			
Goodwill	10,228	9,514	99,095
Other intangible fixed assets	5,986	6,150	64,061
Total intangible fixed assets	16,215	15,664	163,155
(Investments and other long-term assets)			
Investments in securities	89,618	102,726	1,069,954
Long-term loans receivable	17,603	16,659	173,519
Deferred income taxes	10,103	22,323	232,514
Other long-term assets	26,003	20,075	209,100
Allowance for doubtful receivables	(890)	(894)	(9,316)
Total investments and other long-term assets	142,437	160,890	1,675,771
Total fixed assets	737,116	781,739	8,142,269
Total assets	¥ 971,602	¥ 1,017,044	$ 10,593,106

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2009 and the year ended March 31, 2009

(Millions of Yen/Thousands of U.S.Dollars)

	Year ended Mar.31, 2009	Three months ended Jun.30, 2009	Three months ended Jun.30, 2009
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 63,058	¥ 61,578	$ 641,374
Short-term loans and current portion of long-term debt	55,343	61,222	637,670
Commercial paper	22,000	28,000	291,636
Accrued income taxes	4,594	1,540	16,043
Allowance	2,029	1,853	19,304
Other current liabilities	40,529	38,993	406,138
Total current liabilities	187,554	193,187	2,012,165
Long-term liabilities :			
Bonds	57,641	87,641	912,832
Long-term debt, less current portion	301,011	311,503	3,244,493
Deferred income taxes for land revaluation	2,635	2,635	27,447
Allowance			
Accrued expenses for overhaul of vessels	20,236	20,058	208,922
Other allowance	10,467	9,768	101,743
Other long-term liabilities	35,904	55,155	574,481
Total long-term liabilities	427,895	486,762	5,069,918
Total liabilities	615,450	679,950	7,082,083
NET ASSETS			
Shareholder's equity:			
Common stock	45,869	45,869	477,756
Capital surplus	30,714	30,714	319,907
Retained earnings	298,638	283,593	2,953,794
Less treasury stock, at cost	(938)	(938)	(9,777)
Total shareholders' equity	374,283	359,238	3,741,680
Valuation and translation adjustments			
Net unrealized holding gain (loss) on investments in securities	(4,874)	2,834	29,520
Deferred loss on hedges	(17,708)	(37,530)	(390,901)
Revaluation reserve for land	2,048	2,048	21,332
Translation adjustments	(18,975)	(12,920)	(134,573)
Total valuation and translation adjustments	(39,510)	(45,568)	(474,622)
Minority interests in consolidated subsidiaries	21,379	23,423	243,964
Total net assets	356,152	337,093	3,511,022
Total liabilities and net assets	¥ 971,602	¥ 1,017,044	$ 10,593,106

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2009 and 2008

(Millions of Yen/Thousands of U.S.Dollars)

	Three months ended Jun. 30, 2008	Three months ended Jun. 30, 2009	Three months ended Jun. 30, 2009
Marine transportation and other operating revenues	¥ 349,489	¥ 191,926	$ 1,999,025
Marine transportation and other operating expenses	299,954	197,562	2,057,727
Gross (loss) income	49,535	(5,635)	(58,702)
Selling, general and administrative expenses	17,388	16,493	171,790
Operating (loss) income	32,146	(22,129)	(230,492)
Non-operating income :			
Interest income	543	264	2,753
Dividend income	1,186	691	7,200
Equity in earnings of affiliated companies	382	-	-
Exchange gain	46	1,424	14,833
Other non-operating income	625	507	5,286
Total non-operating income	2,784	2,887	30,072
Non-operating expenses :			
Interest expenses	1,298	1,860	19,375
Equity in earnings of affiliated companies (loss)	-	281	2,934
Loss on cancellation of derivatives	-	788	8,217
Other non-operating expenses	302	537	5,597
Total non-operating expenses	1,601	3,468	36,122
Ordinary (loss) income	33,330	(22,710)	(236,542)
Extraordinary profits :			
Gain on sales of fixed assets	773	3,928	40,920
Gain on sales of investments in securities	61	0	4
Gain on reversal of accrued expenses for overhaul of vessels	-	827	8,615
Other extraordinary profits	-	5	59
Total extraordinary profits	835	4,761	49,598
Extraordinary losses :			
Loss on sales of fixed assets	2	26	272
Allowance for bad debts (extraordinary losses)	29	-	-
Loss on cancellation of chartered vessel	-	2,574	26,811
Other extraordinary losses	-	425	4,437
Total extraordinary losses	32	3,026	31,519
(Loss) income before income taxes	34,133	(20,974)	(218,464)
Income taxes	11,457	(7,263)	(75,650)
Minority interests	1,143	1,178	12,272
Net (loss) income	¥ 21,531	¥ (14,889)	$ (155,086)

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2009 and 2008

(Millions of Yen / Thousands of U.S.Dollars)

	Three months ended Jun.30,2008	Three months ended Jun.30,2009	Three months ended Jun.30,2009
Cash flows from operating activities :			
(Loss) income before income taxes and minority interests	¥ 34,133	¥ (20,974)	$ (218,464)
Depreciation and amortization	9,171	10,846	112,978
Reversal of employees' retirement benefits	(385)	(564)	(5,876)
Reversal of directors' and corporate auditors' retirement benefits	(348)	(189)	(1,976)
(Decrease) increase in accrued expenses for overhaul of vessels	153	(320)	(3,341)
Interest and dividend income	(1,729)	(955)	(9,953)
Interest expense	1,298	1,860	19,375
Gain on sale of marketable securities and investments in securities	(61)	(0)	(2)
Gain on sale of vessels, property and equipment	(770)	(3,902)	(40,648)
Decrease (increase) in accounts and notes receivable – trade	(31,007)	14,295	148,895
(Decrease) increase in accounts and notes payable – trade	36,459	(2,544)	(26,499)
Increase in inventories	(4,654)	(3,197)	(33,308)
(Increase) decrease in other current assets	8,105	(1,099)	(11,453)
Other, net	(2,658)	(5,541)	(57,721)
Subtotal	47,705	(12,288)	(127,995)
Interest and dividends received	1,346	657	6,846
Interest paid	(1,243)	(1,723)	(17,952)
Income taxes paid	(32,116)	(4,380)	(45,624)
Net cash (used in) provided by operating activities	15,692	(17,735)	(184,725)
Cash flows from investing activities :			
Purchases of marketable securities and investments in securities	(3,427)	(3,704)	(38,587)
Proceeds from sale of marketable securities and investments in securities	403	323	3,365
Purchases of vessels, property and equipment	(48,853)	(39,051)	(406,743)
Proceeds from sale of vessels, property and equipment	3,390	17,106	178,172
Purchases of intangible fixed assets	(297)	(254)	(2,653)
Increase in long-term loans receivable	(6,665)	(4,899)	(51,032)
Collection of long-term loans receivable	9,298	7,612	79,294
Other, net	(1,006)	(5,338)	(55,606)
Net cash used in investing activities	(47,159)	(28,206)	(293,791)
Cash flows from financing activities :			
Increase in short-term loans, net	3,503	2,612	27,213
Increase in commercial paper	8,000	6,000	62,493
Proceeds from long-term debt	37,172	20,900	217,693
Repayment of long-term debt and obligations under finance leases	(7,336)	(11,027)	(114,853)
Proceeds from Issuance of Bonds	-	29,855	310,959
Cash dividends paid	(8,432)	(5)	(58)
Cash dividends paid to minority shareholders	(119)	(146)	(1,529)
Proceeds from stock issuance to minority shareholders	-	346	3,612
Other, net	(10)	(1)	(20)
Net cash provided by financing activities	32,776	48,534	505,510
Effect of exchange rate changes on cash and cash equivalents	(3,819)	1,186	12,357
Net increase (decrease) in cash and cash equivalents	(2,509)	3,778	39,352
Cash and cash equivalents at beginning of the period	48,044	69,700	725,974
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	6	142	1,488
Cash and cash equivalents at end of the period	¥ 45,540	¥ 73,621	$ 766,815

Consolidated Segment Information

Business segment information

Three months ended June 30,2008 (Millions of Yen)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
Revenues						
(1) Operating revenues	¥ 313,305	¥ 30,134	¥ 6,049	¥ 349,489	-	¥ 349,489
(2) Inter-group sales and transfers	2,794	14,057	10,907	27,759	(27,759)	-
Total revenues	316,100	44,191	16,956	377,249	(27,759)	349,489
Operating expenses	287,118	41,324	16,686	345,128	(27,785)	317,343
Operating income	28,981	2,867	270	32,120	26	32,146
Ordinary income	¥ 29,819	¥ 3,374	¥ 117	¥ 33,311	¥ 19	¥ 33,330

Three months ended June 30,2009 (Millions of Yen)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
Revenues						
(1) Operating revenues	¥ 165,941	¥ 20,201	¥ 5,784	¥ 191,926	-	¥ 191,926
(2) Inter-group sales and transfers	3,391	11,198	10,735	25,324	(25,324)	-
Total revenues	169,332	31,399	16,519	217,251	(25,324)	191,926
Operating expenses	193,206	30,822	15,369	239,399	(25,343)	214,055
Operating income (loss)	(23,874)	576	1,149	(22,148)	18	(22,129)
Ordinary income (loss)	¥ (24,313)	¥ 553	¥ 1,139	¥ (22,619)	¥ (90)	¥ (22,710)

Three months ended June 30,2009 (Thousands of U.S.Dollars)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
Revenues						
(1) Operating revenues	$ 1,728,375	$ 210,406	$ 60,244	$ 1,999,025	-	$ 1,999,025
(2) Inter-group sales and transfers	35,323	116,635	111,814	263,773	(263,773)	-
Total revenues	1,763,699	327,041	172,058	2,262,798	(263,773)	1,999,025
Operating expenses	2,012,363	321,034	160,086	2,493,483	(263,966)	2,229,517
Operating income (loss)	(248,664)	6,007	11,972	(230,685)	193	(230,492)
Ordinary income (loss)	$ (253,240)	$ 5,769	$ 11,871	$ (235,600)	$ (942)	$ (236,542)