

FINANCIAL HIGHLIGHTS
Brief report of the year ended March 31, 2008.

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Year ended Mar.31, 2007	Year ended Mar.31, 2008	Year ended Mar.31, 2008
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 1,085,539	¥ 1,331,048	\$ 13,285,238
Operating income (Millions of yen / Thousands of U.S. dollars)	61,356	129,648	1,294,021
Net income (Millions of yen / Thousands of U.S. dollars)	51,514	83,011	828,536
Per share of common stock (Yen / U.S. dollars)	86.67	131.36	0.87
Total Assets (Millions of yen / Thousands of U.S. dollars)	900,438	968,629	9,667,921
Net assets (Millions of yen / Thousands of U.S. dollars)	357,624	376,277	3,755,634
Per share of common stock (Yen / U.S. dollars)	556.55	558.46	5.57
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	66,483	141,287	1,409,692
Net cash provided by investing activities (Millions of yen / Thousands of U.S. dollars)	(102,852)	(145,540)	(1,487,474)
Net cash provided by financing activities (Millions of yen / Thousands of U.S. dollars)	53,376	(7,480)	(74,658)
Non-consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	857,279	1,063,705	10,616,878
Operating income (Millions of yen / Thousands of U.S. dollars)	28,103	89,715	895,449
Net income (Millions of yen / Thousands of U.S. dollars)	25,250	58,938	588,262
Per share of common stock (Yen / U.S. dollars)	42.45	93.19	0.93
Cash dividends (Millions of yen / Thousands of U.S. dollars)	10,904	16,561	165,296
Per share of common stock (Yen / U.S. dollars)	18.00	26.00	0.26
Total Assets (Millions of yen / Thousands of U.S. dollars)	518,500	541,450	5,404,232
Net assets (Millions of yen / Thousands of U.S. dollars)	241,181	258,075	2,575,856
Per share of common stock (Yen / U.S. dollars)	389.35	404.80	4.04

The U.S. dollar amounts are converted from the yen amount at ¥100.19=U.S.\$1.00.
The exchange rate prevailing on March 31, 2008.

1. Brief Summary of the Operating Results and Financial Position for Fiscal 2007

(1) Operating Results

1) Summary of the Consolidated Operating Results for Fiscal 2007

(Unit: 100 million yen/Rounded off to the nearest 100 million)

	Fiscal 2006 (ended March 2007)	Fiscal 2007 (ended March 2008)	Increase (Decrease) in amount/rate
Operating revenues	10,855	13,310	+2,455/+23%
Operating income	614	1,296	+683/+111%
Ordinary income	639	1,259	+619/+97%
Net income	515	830	+315/+61%

During fiscal 2007 (April 1, 2007 through March 31, 2008), the economy grew steadily at home and abroad. Though there was a turmoil mainly in the U.S. and European financial and capital markets triggered by the issue of subprime lending in the U.S., it did not give material adverse effects on the real economy during the current fiscal year, except declines in housing sales in the U.S. Economies in the European countries grew firmly backed up by improved employment situations. In resources producing countries including BRICs and the Middle Eastern countries, economies continued to expand due to brisk capital investment and the growth in domestic consumption. The Japanese economy also showed a moderate growth assisted by favorably growing capital investment and consumer spending in addition to strong exports to China and newly emerging countries.

In the business environment surrounding the marine transportation industry, dry bulk market freight rates continued to record new high rates, and the containership and the car carrier businesses expanded their tonnage movements backed up by brisk cargo movements. The energy transportation and tanker business including oil tanker and LNG carrier also grew steadily and the overall marine transportation industry enjoyed the favorable business environment during fiscal 2007.

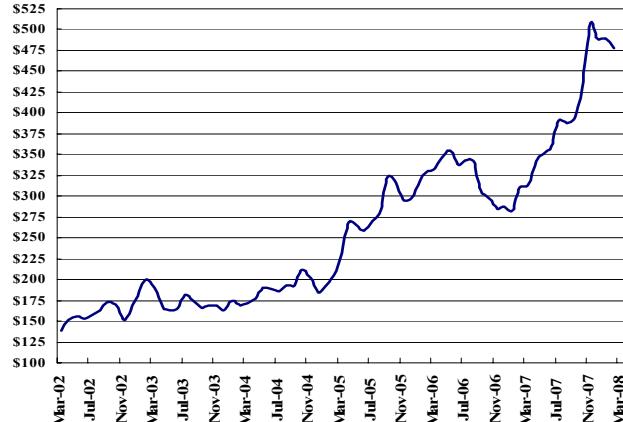
In addition, effects of the fluctuation in foreign exchange rates and fuel oil prices on the Company's ordinary income are as follows:

	Fiscal 2006	Fiscal 2007	Increase (Decrease)	Effect
Foreign exchange rate	¥116.91/US\$	115.29/US\$	+¥1.62/US\$	-¥1.9 billion
Fuel oil prices	US\$319/MT	US\$407/MT	+US\$88/MT	-¥22.9 billion

<Trends in foreign exchange rates>



<Trends in the unit prices of fuel oil consumed>



Under these circumstances, the “K” LINE Group focused on expanding its scale of business in accordance with the policies under the midterm management plan “K” LINE Vision 2008+. As a result, the consolidated operating revenues for fiscal 2007 accounted for ¥1,331.048 billion, an increase by ¥245.508 billion compared with the last year. Consolidated operating income was ¥129.648 billion, an increase by ¥68.292 billion compared with the last year, and ordinary income was ¥125.867 billion, an increase by ¥61.940 billion from fiscal 2006. Consolidated net income for fiscal 2007 was ¥83.011 billion, an increase by ¥31.497 billion against the previous year. Each income recorded a new record high. In addition, effective from fiscal 2007, the Company changed the accounting method to recognize freight revenues for containership business to the multiple transportation progress method. Under the multiple transportation progress method, freight revenues are recognized in accordance with the progress of transportation for each cargo. With this change, operating revenues, operating income, ordinary income and income before income taxes for fiscal 2007 decreased by ¥11.790 billion respectively for fiscal 2007.

In addition, operating revenues and operating income for fiscal 2007 by business segment are as follows:

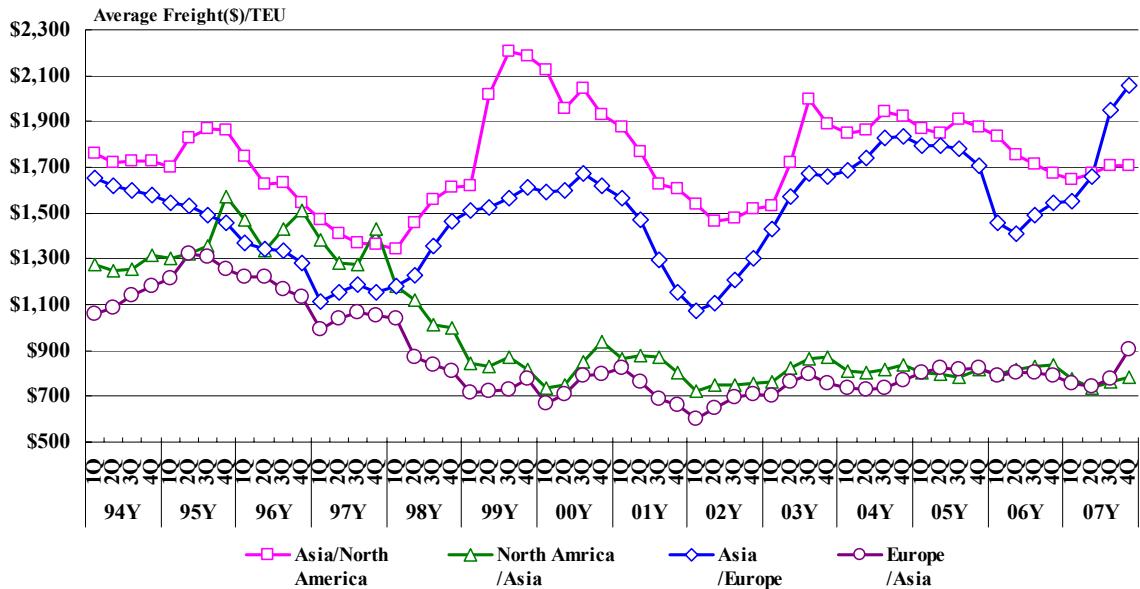
(Unit: 100 million yen/Rounded off to the nearest 100 million)				
		Fiscal 2006 (ended March 2007)	Fiscal 2007 (ended March 2008)	Increase (Decrease) in amount/rate
Marine Transportation	Operating revenues	9,369	11,769	+2,400/+25.6%
	Operating income	454	1,136	+682/+150.3%
Logistics/ Harbor Transportation	Operating revenues	1,271	1,313	+42/+3.3%
	Operating income	138	137	-1/-0.8%
Others Business	Operating revenues	215	228	+13/+6.1%
	Operating income	18	22	+4/+22.6%

(A) Marine transportation

<Containership Business>

In the containership business for fiscal 2007, overall cargo movements favorably increased on the whole supported by expanding global economy. Particularly, overall cargo movements in the European service routes increased by about 20% compared with the last year mainly in those for North Europe benefited by strong euro and those for Russia and the East European countries assisted by strong consumer spending. In the North American services, cargo movements shipped from Asia slowed down from the 2nd half of fiscal 2007 due to a decrease in cargo of housing related products, and cargo movements for the full-term nearly leveled off on a year-on-year basis. The Company's tonnage movements in the European routes increased by 9% compared with the last year, contributed by large-sized 8,000 TEU type containerships newly launched in this service since the middle of the year before last, and the levels of freight rates exceeded those in the last year. In the North American services, tonnage movements increased by 11% from the last year benefited by enhanced cargo spaces with two newly opened services in the U.S. East Coast service, and freight rates surpassed those in the preceding year. In the Inter-Asia services, export cargo from Japan in particular firmly grew, which contributed to the growth of the overall tonnage movements in the services. In the North/South service routes, two services connecting the South America East Coast and Europe and Asia respectively were newly opened and vessels in the South Africa service route were replaced by large-sized ones. Consequently, tonnage movements sharply increased by 36% from the last year and freight rates exceeded those in fiscal 2006. As a result, the overall operating results of the containership business increased in both operating revenues and profits compared with the last year, despite effects from the negative factor of further surging fuel oil prices and the change in the accounting policy.

Containerization International “Freight Rates Indicators”

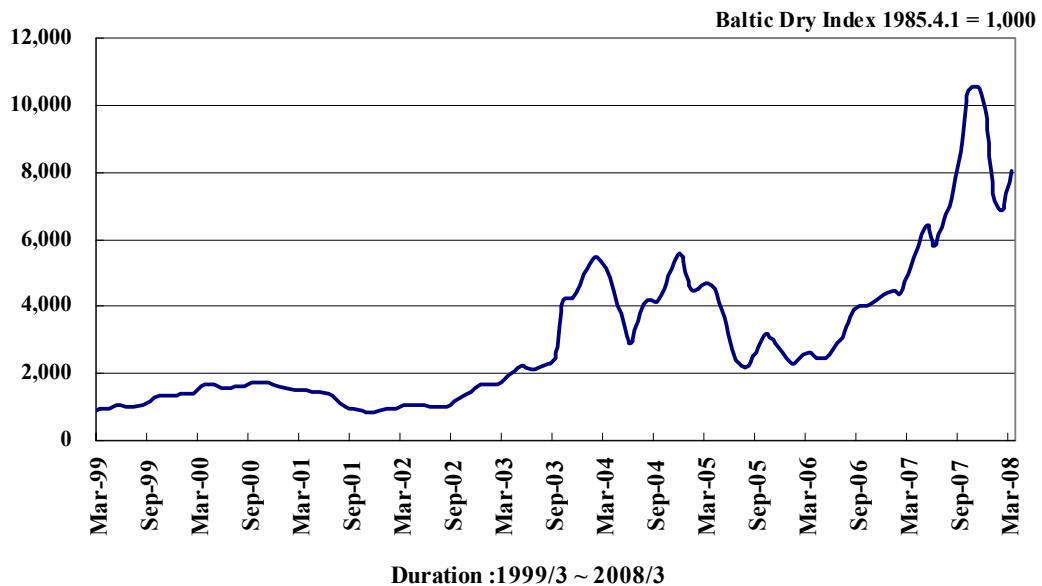


<Bulk Carrier and Car Carrier Business>

In the dry bulk business, market freight rates for large-sized bulk carriers remained in a high zone, since the relationship of supply and demand in cargo capacity continued to be tight throughout the year. China's imports of iron ore increased about 60 million tons against the previous year to 383 million tons, especially import of iron ore from Brazil which requires a long transportation distance increased by 25 million tons compared with the last year to around 100 million tons, which contributed to the sharp growth of the transportation distance per ton. Furthermore, lowered transportation efficiency due to prolonged demurrage in Australia was also a factor to tighten the relationship between supply and demand in shipping spaces. The Company's transportation services of steel raw materials, thermal coals, and woodchip and pulp secured stable profits by concluding a long-term transportation agreement with each customer, and at the same time, the Company operated efficient ship operations for spot contracts, enjoying hiking freight rates. As a result, the overall dry bulk carrier business increased both its operating revenues and profits against the last year.

With respect to the car carrier business, the overall transportation of completed cars from Japan increased by about 9% compared with the last year to around 3.4 million cars supported by brisk exports to newly emerging countries, despite a decrease in export bound to the U.S. due to sluggish auto sales in the area. Particularly, start-up of new services to China, India, Middle East and South Africa contributed to increases by about 22% in number of car transportation to the regions, and car transportation to the Central and South America and Caribbean region expanded by 38% compared with the last year. In addition, the Company's efforts to secure profitable opportunities with enhanced shipping capacity with completion of five newly built car carriers contributed to ensuring stable profits. As a result, operating results of the overall dry bulk carrier and car carrier business for fiscal 2007 rose in both operating revenues and profits compared with the last year.

Baltic Dry Index

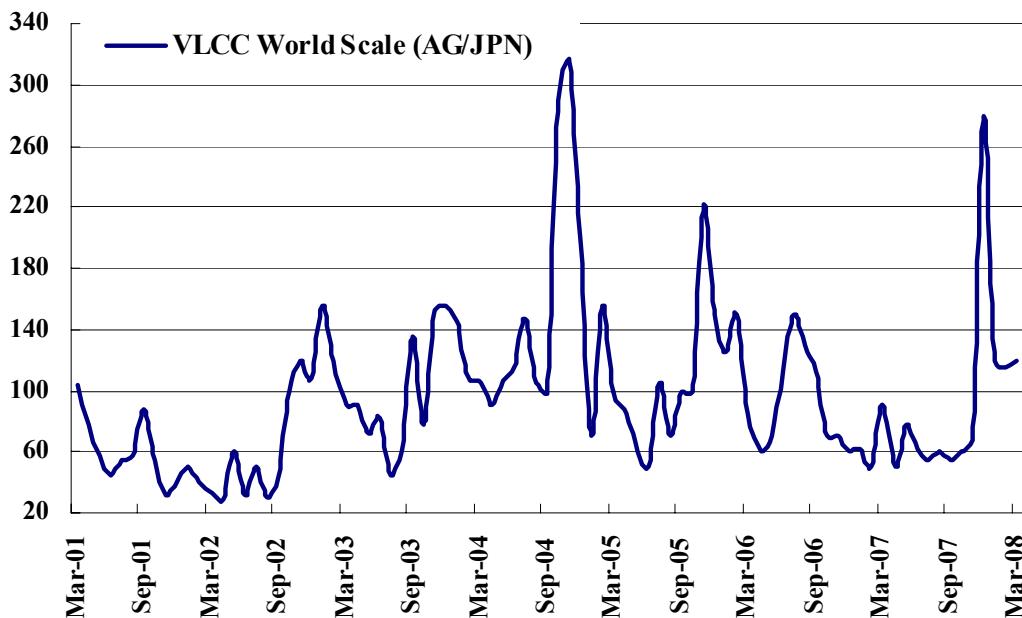


<Energy Transportation and Tanker Business>

As for LNG (Liquefied Natural Gas) carriers, the fleet of LNG tankers that the Company owns or is involved increased to 33 carriers due to the completion of two new carriers for the LNG bases in the US. In addition, the LNG tanker chartered for a short-term corresponding to strong spot demand operated smoothly. As a result, LNG carrier business secured stable profits.

In the tanker business, market freight rates were nearly the same to the level of the last year supported by strong demand for petroleum from China and India, despite sluggish growth of oil demand in transportation distance per ton and some weakened phases of market freight rates due to declines in demand for petroleum in Europe. Though one newly built VLCC and two newly built ammonia carriers joined the Company's fleet of tankers, profits slightly went below those in the last year due to hiking fuel oil cost and transportation cost. As a result, the overall energy transportation and tanker business increased in operating revenues, and decreased in profits compared with the last year.

<Trends in tanker freight rate>



<Heavy Lift Shipping Business>

In fiscal 2007, the Company took an equity stake in German-based SAL Group (“SAL”) specialized in heavy lift shipping by acquiring 50% of SAL’s shares, re-entering into the heavy lift shipping business. The heavy lift shipping business contributed to securing profits as expected as one of marine transportation businesses backed up by strong demand for transportation of large-sized cargo related to energy development due to increasing demand for resources and construction of infrastructures.

<Coastal Shipping Business>

The domestic liner services maintained strong vessel operations mainly in limestone carriers assisted by strong demand from domestic steel and cement industries. The Company expanded the business scale of the roll-on/roll-off (RORO) ship services by launching a newly built RORO ship for replacement, and by setting up new regular services. As for ferry services, the Company increased its services between Hachinohe and Tomakomai from two services per day to four services per day and consequently numbers of travelers and transportation volumes of trucks increased, which contributed to the substantial expansion of operating revenues.

As a result, the overall operating revenues for marine transportation amounted to ¥1,176.943 billion, an increase by 25.6% and operating income stood at ¥113.576 billion, an increase by 150.3% compared with the last year.

(B)Logistics/Harbor Transportation

The operating results of the comprehensive logistics business for the overall segment were ¥131.315 billion in operating revenues, an increase by 3.3% compared with the last year, but ¥13.714 billion in operating income, a decrease by 0.8% from the last year hit by negative factors including shifts of some parts of air cargo to marine transportation due to surging crude oil prices and increased fuel oil prices in overland transportation business.

(C)Other Businesses

As for other businesses not mentioned above, operating revenues amounted to ¥22.788 billion, an increase by 6.1% and operating income was recorded at ¥2.187 billion, an increase by 22.6% compared with the last year.

2) Prospects for Fiscal 2008

(Unit: 100 million yen/Rounded off to the nearest 100 million)

	Fiscal 2007 (ended March 2008)	Prospects for Fiscal 2008 (ending March 2009)	Increase (Decrease) in amount/rate
Operating revenues	13,310	13,400	+90/+1%
Operating income	1,296	1,240	-56/-4%
Ordinary income	1,259	1,210	-49/-4%
Net income	830	780	-50/-6%

Foreign exchange rate	¥115.29/US\$	¥100.00/US\$	+¥15.29/US\$
Fuel oil prices	US\$407/MT	US\$520/MT	+US\$113/MT

Assumptions for the prospects: Foreign exchange rate (For the full term): ¥100/US\$
Fuel oil price: rate (For the full term): US\$520/MT

As far as fiscal 2008 concerned, cargo movements in marine transportation are expected to be firm mainly from/to China and newly emerging countries, and the relationship between supply and demand in marine transportation will remain tight, despite uncertainties including economic performance of major countries, effects of the issue of subprime lending on the real economy, fluctuations in foreign exchange rates and crude oil prices.

In the containership business, though the growth in the North America services will slow down to leveling off hit by the issue of subprime lending, cargo movements in the Europe services and North/South services will continue to grow steadily. Under these circumstances of marine transportation services, enhancement of shipping capacities will be directed to the European services in which cargo movements are expected to continue to grow favorably, instead of the North America services where demand for cargo spaces will stagnate. In the European services having a long transportation distance in particular, it is being generally practiced to navigate carriers at low-speed with launching an additional carrier to reduce fuel oil costs, which will work as a function to adjust the supply and demand relationship to a certain extent. In the Inter-Asia and North/South services, cargo movements are expected to increase substantially due partly to brisk capital investment, expansion of domestic consumption resulting from increasing purchasing power. Under the circumstance where various costs including fuel costs, railway, truck and feeder charges, terminal-related expenses and environmental protection expenses rise, the Company will make all possible efforts to reduce costs and raise freight rates. The Company expects operating results of the containership business for fiscal 2008 to increase in operating revenues and decrease in operating profits on a year-on-year basis.

In the bulk carrier business, dry bulk freight rates are expected to continue to remain in high zones since demand for transportation of resources will increase globally. However, dry bulk rates may turn to be unstable compared with the last year due partly to uncertainties including the status of Chinese economy after the Beijing Olympics. Under these environments, the Company will strive to increase stable earnings through the expansion of the scale of the dry bulk business by launching 13 newly built carriers, as well as the increase of the number of medium and long-term cargo transportation agreements. In the car carrier business, brisk cargo movements are expected primarily in newly emerging countries and resources producing countries, and marine cargo movements are forecasted to be still very powerful. The Company will make efforts to expand the scale of its business and to ensure stable profits with launching four newly built carriers corresponding to the expanding completed car trade.

In the energy transportation and tanker business, the Company's fleet of LNG carriers will consist of 47 carriers thanks to the addition of 14 newly built carriers in fiscal 2008. The Company will respond flexibly and actively to the diversified needs for LNG transportation and make all possible efforts to expand further the scale of the business. In the tanker business, demand for cargo capacity may temporarily soften slightly due to an increase in supply capacity resulting from the completion of

newly built tankers. However, freight rates are expected generally to continue to rise firmly supported by globally increasing demand for petroleum mainly from China and India as well as estimated progress of disposal of single hull tankers owing to increasing requests for safety transportation and environmental protection. The Company will strive to operate vessels safely and efficiently and to secure stable earnings.

In the heavy lift shipping business in which the Company is deploying its operations jointly with SAL Group in Germany specialized in the heavy lift shipping, 3 newly built carriers equipped with a crane capable of hoisting weight of 1,400 tons (700 tons×2) will join the existing fleet of the heavy lift carriers, and the fleet will consist of 18 carriers. The business will respond to growing demand for transportation of heavy lift cargo with the high-performance fleet of carriers and sophisticated operational know-how and aims to ensure constant earnings.

In the coastal shipping business, the Company expects completion of two newly built carriers for domestic secondary transportation of coals and aims to improve earnings with launching cargo capacities having better competitiveness. In the ferry business, the Company will deploy aggressive sales operations under the structure of four services per day for the passenger ferry on Hachinohe – Tomakomai route, secure constant transportation volumes of travelers and trucks, and strive to reinforce the service structures.

As a result, the overall marine transportation for fiscal 2008 will see increases in operating revenues and decreases in earnings on a year-on-year basis, on the assumptions of the expansion of the business scale and firmly growing freight rates.

The logistics/harbor transportation business is forecasted to face a severe cost environment, but the Company will make all possible efforts to reduce costs and expenses with measures to improve fuel efficiency, and aims to expand profits further with continuing to promote aggressively activities to expand customers.

Other businesses are expected to achieve almost the same operating results as those of the preceding term.

The Company expects the consolidated operating results for fiscal 2008 to be ¥1,340 billion for operating revenues, ¥124 billion for operating income, ¥121 billion for ordinary income and ¥78 billion for net income. Also the foreign exchange rate for the US dollar is assumed to be ¥100, and US\$520 per metric ton for the fuel oil prices throughout fiscal 2008.

2. Analysis Concerning Financial Status

1) Assets, liabilities, and net assets

As of the end of March 2008, total assets were ¥968.629 billion, an increase by ¥68.190 billion from the end of the preceding year, due mainly to increased investment in vessels and construction in progress, despite a decrease in investment securities owing to declined stock prices.

Total liabilities at the end of March 2008 were ¥592.352 billion. Current liabilities increased ¥15.550 billion against the end of the previous year, due to an increase in accounts and notes payable-trade resulted from expanded scale of business and an increase in accrued income taxes, in spite of decreases in current portion of bonds payable and short-term loans. Long-term liabilities increased by ¥33.987 billion from the end of fiscal 2007 due to an increase in long-term debt despite a decline in bonds.

Net assets increased by ¥18.652 billion on a year-on-year basis to ¥376.277 billion, thanks to an increase in retained earnings, despite a decrease in valuation and translation adjustments owing to decreased holding gains on investment securities caused by falling stock prices.

2) Consolidated Cash Flow

(Unit: 100 million yen/Rounded off to the nearest 100 million)

Item	Fiscal 2006 (ended March 2007)	Fiscal 2007 (ended March 2008)	Increase/(decrease) on a year-on-year basis
Cash and cash equivalents at the beginning of the period	412	605	193
1) Cash flow from operating activities	665	1,412	748
2) Cash flow from investing activities	-1,029	-1,455	-427
3) Cash flow from financing activities	534	-75	-608
4) Effect of exchange rate changes on cash and cash equivalents	23	-7	-30
Net increase (decrease) in cash and cash equivalents	193	-124	-318
Cash and cash equivalents at the end of the period	605	480	-124

As of the end of this consolidated fiscal term, cash and cash equivalents were ¥48.044 billion, a decrease by ¥12.448 billion from the end of fiscal 2006. Details of consolidated cash flows for the first half of fiscal 2007 are as follows:

Cash flow from operating activities resulted in a gain of ¥141.237 billion, due to an increase income before income taxes (previous term: + ¥66.483 billion).

Cash flow from investing activities ended with a loss of ¥145.540 billion due to expenditures for acquisition of vessels (previous term: - ¥102.852 billion).

Cash flow from financing activities saw an outflow of ¥7.460 billion, owing mainly to expenditures for repayment of borrowings (previous term: +¥53.376).

(Reference) Changes in cash flow-related indicators

	Fiscal 2003 ended Mar. 2004	Fiscal 2004 ended Mar. 2005	Fiscal 2005 ended Mar. 2006	Fiscal 2006 ended Mar. 2007	Fiscal 2007 ended Mar. 2008
Equity ratio (%)	21.6	29.9	34.1	38.3	36.7
Equity ratio (Market cap.) (%)	57.1	72.3	54.3	76.9	63.7
Ratio of debt to cash flow period (Year)	3.6	2.7	3.8	4.9	2.3
Interest coverage ratio	14.3	19.5	16.2	16.0	27.7

* Equity ratio: Shareholders' equity divided by total assets

Equity ratio (Market cap.): Market capitalization divided by total assets

Ratio of debt to cash flow: Interest-bearing debt divided by cash flow

Interest coverage ratio: Cash flow divided by interest expenses

Notes:

1. Each indicator is calculated based on consolidated figures.
2. Market capitalization is calculated based on the number of shares outstanding not including treasury stocks.
3. Cash flow in the above refer to operating cash flow.
4. Interest-bearing debt is the sum of all liabilities on the consolidated balance sheets on which interest is paid (including ¥27.7 billion of Euro-yen Zero Coupon Convertible Bonds). In addition, interest expenses are corresponding figures shown on the consolidated statement of cash flows.

3) Basic Policy on the Payment of Dividends and Dividend Payment for the Current and Following Fiscal Year

“K” LINE considers the maximization of profits returned to the shareholders, after due consideration of matters such as securing internal reserves for capital spending and improvement and enhancement of corporate structure for the sustainable growth of the principal issue in the intermediate management plan, as one of its most important issues, and makes it our policy to increase the payout ratio gradually from 20% for fiscal 2007, with the interim target of 25% for fiscal 2011, taking account of the payout ratio of 30% of consolidated net income for the middle of 2010s. As far as final dividend for fiscal 2007 ended March 2008, the Company intends to pay ¥26 per share, of which, ¥12 per share was already paid to shareholders as the interim dividend.

After comprehensively viewing factors such as the Company’s financial status, forecast of the entire fiscal year for the final dividend for fiscal 2008, the Company intends to pay ¥27 pre share based on the principle of the payout ratio of 22-23% for fiscal 2008. Of the annual dividend of ¥27 per share, ¥13.5 will be paid to shareholders as the interim dividend with an annual payout ratio of 22-23%.

2. Management Policies

(1) Principles of Management

“K” LINE, as a business organization centering on shipping, makes it the basic principle of management to contribute to the peace and the prosperity of the world through “K” LINE Group’s business activities, and for the purpose, established its Corporate Principles and Vision as follows:

<Corporate Principles of the “K” LINE Group>

The basic principles of the “K” LINE Group as a business organization centering on shipping lie in:

- a. Diligent efforts for safety in navigation and cargo operations as well as for environmental preservations;
- b. Sincere response to customer needs by making every possible effort; and
- c. Contributing to the world’s economic growth and stability through continual upgrading of service quality.

<Group Vision>

- 1) To be trusted and supported by customers in all corners of the world while being able to continue to grow globally with sustainability,
- 2) To build a business base that will be capable of responding to any and all changes in business circumstances, and to continually pursue and practice innovation for survival in the global market, and
- 3) To create and provide a workplace where each and every employee can have hopes and aspirations for the future, and can express creativity and display a challenging spirit.

(2) Midterm Management Strategy for the Company and Management Indexes

“K” LINE Vision 100

“K” LINE carried out interim review for the midterm management plan “K” LINE Vision 2008 in March 2006, and established a newly-revised midterm management plan to be known as the “K” LINE Vision 2008+ as our navigator to meet the challenges for achieving higher management goals, with view pointing toward 3 years from fiscal 2006 to fiscal 2008 and the mid 2010s, having been involved in promoting the revised midterm management plan so far. Meanwhile, cargo movements in marine transportation have increased substantially beyond our initial projections, led by the fast economic growth of BRICs countries including China, and the dry bulk freight rates have recorded unprecedented surges, and consequently, business circumstances surrounding the marine transportation have significantly changed as seen in sharply hiking fuel oil prices, vessel prices and vessel-related expenses. Under these business environment, operating results for fiscal 2007 generally achieved targets for fiscal 2008, the last year of the management plan, a year ahead of schedule, and the Company has been placed in management situations where it should consider numerical targets for mid-2010s, which necessitated another revision of the midterm management plan. The newly established midterm management plan started lifting a sail of “K” LINE Vision 100 based on a hard look at what the Company will be like in 2019 when the Company will celebrate its 100th anniversary. The Company decided the main theme of the newly established management plan as “Synergy for All and Sustainable Growth”. The main slogan in the preceding management plan “Sustainable Growth” is to be maintained, with a new addition of “Synergy for All” which, in light of the premise of the importance of reciprocity relationship between each stakeholder, indicates sharing of mutual benefits among the Company’s stakeholders. Under the new midterm management plan, the Company will be involved in the following basic issues with viewing toward the Company’s 100th anniversary in 2019.

<Five management issues>

1. Activities to promote environmental protection
2. Stable safety ship operation administration structure
3. Borderless management through the best and strongest organization
4. Proper allocation of strategic investment and management resources
5. Improvement of corporate value and complete risk management

[Fiscal 2007 Results, Numerical Targets for Fiscal 2008 – 2011]

(Unit: 100 million yen/Rounded off to the nearest 100 million)

	Fiscal 2007 (Result)	Fiscal 2008 (Targeted)	Fiscal 2009 (Targeted)	Fiscal 2010 (Targeted)	Fiscal 2011 (Targeted)
Operating Revenues	13,310	13,400	14,500	16,000	17,500
Ordinary Income	1,259	1,210	1,350	1,450	1,600
Net income	830	780	850	950	1,050
Payout ratio	20%, consolidated basis		⇒		25%, consolidated basis
ROA	13%	12%	-	-	Over 10%
Shareholders' equity	3,558	4,260	-	-	Over 6,800
Equity ratio	37%	37%	-	-	Over 40%
Debt Equity Ratio (DER)	93%	100%	-	-	Below 85%
Interest-bearing debt/operating CF	2.3	4.2	-		Below 3.5
Scale of fleet	499 vessels		⇒		640 vessels

Assumptions for targets

	Fiscal 2007 (Result)	Fiscal 2008 (Targeted)	Fiscal 2009 (Targeted)	Fiscal 2010 (Targeted)	Fiscal 2011 (Targeted)
Foreign Exchange Rate	¥115.29/US\$	¥100/US\$	¥100/US\$	¥100/US\$	¥100/US\$
Fuel oil price	US\$407/MT	US\$520/MT	US\$520/MT	US\$520/MT	US\$520/MT

The figures above include the prospects for future operating results as of the date of publication of the management plan (April 2008). Actual results may differ significantly from the prospects above, due to risks or uncertainties related to the global economy and fluctuations in foreign exchange rates, and other unforeseen factors.

(3) Issues Requiring Responses from the Company

The Company will focus on the following issues at the “K” LINE Group’s whole capacity to realize “Synergy for All and Sustainable Growth”, the major tasks in “K” LINE Vision 100.

(1) Activities to promote environmental protection

In addition to measures in hardware such as adoption of energy-saving systems in shipping, onshore cargo handling operations and overland transportation, and efficient use of exhaust energy, the Company will make every effort to reduce emission of CO₂ as much as possible with measures in software including consistent promotion of navigation at the optimum speed, and contribute to prevention of the global warming. The Company will strive to achieve the “global environment surrounded by clean sea and air” precious for all human kind and natural life forms on earth.

(2) Stable safety ship operation administration structure

The Company will establish the “KL Safety Standard”, a control system consisting of the global standards and the Company’s own original know-how, and ensure the safety in navigation and cargo operation and qualitative improvement of all vessels in operation by upgrading the “KL

Quality” and enhancing the ship inspection system. In addition, the Company will construct the “KL Safety Network” to promote sharing of information over the whole Group and make all efforts to fulfill the safety control system and to strengthen the overland support system. At the same time, the Company will improve the ship-management system by reinforcing overseas bases of the ship management company in the “K” LINE Group, encouraging efficient ship-management being specialized in specific classes of ship and maintaining quality of ships through securing high quality crews and ship-management supervisors having broad experiences. Furthermore, to establish the stable safety ship operation control system, the Company will put its efforts into securing maritime technical personnel by strengthening the crew recruiting system at supply sources of foreign crews, upgrading software at the “K” Line Maritime Academy, enhancing the crew development system and providing attractive workplaces.

(3) Borderless management through the best and strongest organization

Amid the accelerating globalization of the “K” LINE Group’s business activities, it is essential for the Group’s business activities and its corporate culture in numbers of areas and regions in the world to deploy the borderless management based on sharing of the “K” LINE standards. The Company will strive to enhance its comprehensive business capability through promoting cooperation and exchange of human resources among the “K” LINE Group companies, and at the same time, will make every possible effort to significantly increase labor efficiency supporting the global competitiveness through reinforced development of personnel capable to participate the global community and unceasing reforms of operations. Furthermore, the Company will build worthwhile and lively work environments where “K” LINE Group employees worldwide are able to have a sense of satisfaction. “K” LINE will dedicate all its strength to reinforcing its competitiveness in fields of cost competitiveness, technical development capability and provision of high quality services as a leader in the marine transportation industry.

(4) Proper allocation of strategic investment and management resources

The Company will implement, based on internal financial disciplines, well-balanced allocation of management resources between investment contributing to expanding stable earnings and investment in new seeds of profit, such as continuous aggressive investment in enhancing business structures of existing containership, car carrier and dry bulk carrier businesses and investment in development of new demand for marine transportation in the energy transportation and tanker business, as well as investment required for early development of the strategic businesses the Company newly entered to profitable businesses including the heavy lift shipping business and the offshore support business.

(5) Improvement of corporate value and complete risk management

The Company aims to ensure the sustainable growth based on the stable profit-making structure through business deployment putting weight on the profitability and the efficient use of capital. At the same time, the Company will execute the thorough risk management including thrashing out various potential risks foreseen in various markets, foreign exchange, human resources and environment and accidents in the course of the business deployment above, investigating preventive measures and swiftly responding in case of surfacing of risk factors. Not only securing the soundness in its finances, the Company will also increase the soundness of management without limit with self-controlling off-balance-sheet risks, and increase the corporate value in line with its policy of the sustainable growth based on the firm profit-making corporate structure.

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 the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
ASSETS			
Current assets :			
Cash and time deposits	¥ 63,927	¥ 50,700	\$ 506,046
Accounts and notes receivable-trade	101,434	101,034	1,008,424
Short-term loans receivable	4,629	10,713	106,929
Marketable securities	995	22	224
Inventories	21,722	34,264	341,999
Prepaid expenses and deferred charges	29,351	37,280	372,102
Other current assets	31,323	32,841	327,797
Allowance for doubtful receivables	(587)	(678)	(6,771)
Total current assets	252,798	266,179	2,656,750
Fixed assets :			
(Tangible fixed assets)			
Vessels	238,151	266,001	2,654,971
Buildings and structures	24,189	23,818	237,737
Machinery and vehicles	11,404	13,317	132,927
Land	32,570	32,440	323,792
Construction in progress	85,862	170,040	1,697,184
Other tangible fixed assets	9,611	9,049	90,324
Total tangible fixed assets	401,789	514,669	5,136,936
(Intangible fixed assets)			
Goodwill	-	9,120	91,032
Other intangible fixed assets	6,091	6,112	61,006
Total intangible fixed assets	6,091	15,232	152,037
(Investments and other long-term assets)			
Investments in securities	163,739	121,146	1,209,164
Long-term loans receivable	34,194	26,624	265,740
Deferred income taxes	5,963	2,839	28,337
Other long-term assets	36,527	22,253	222,112
Allowance for doubtful receivables	(678)	(582)	(5,814)
Total investments and other long-term assets	239,746	172,280	1,719,540
Total fixed assets	647,626	702,182	7,008,513
Deferred assets	13	266	2,665
Total assets	¥ 900,438	¥ 968,629	\$ 9,667,928

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 75,914	¥ 82,075	\$ 819,201
Current portion of bonds payable	10,000	-	-
Short-term loans and current portion of long-term debt	83,201	67,918	677,897
Accrued income taxes	14,611	36,454	363,851
Accrued bonuses	2,063	2,415	24,107
Accrued bonuses for directors and corporate auditors	374	490	4,892
Current portion of obligations under finance leases	919	818	8,168
Other current liabilities	43,845	56,309	562,026
Total current liabilities	230,931	246,481	2,460,141
Long-term liabilities :			
Bonds	70,666	57,741	576,315
Long-term debt, less current portion	156,315	198,856	1,984,799
Deferred income taxes for land revaluation	2,632	3,943	39,359
Allowance for employees' retirement benefits	10,309	9,672	96,538
Allowance for directors' and corporate auditors' retirement benefits	2,765	2,022	20,190
Accrued expenses for overhaul of vessels	17,154	24,655	246,085
Obligations under finance leases	5,084	4,381	43,732
Consolidation negative goodwill (new regulation)	33	-	-
Other long-term liabilities	46,921	44,597	445,132
Total long-term liabilities	311,883	345,870	3,452,150
Total liabilities	542,814	592,352	5,912,291
NET ASSETS			
Shareholder's equity:			
Common stock	39,356	45,819	457,325
Capital surplus	24,201	30,664	306,061
Retained earnings	211,602	281,384	2,808,505
Less treasury stock, at cost	(988)	(929)	(9,276)
Total shareholders' equity	274,172	356,938	3,562,614
Valuation and translation adjustments			
Net unrealized holding gain on investments in securities	46,250	17,808	177,748
Deferred gain on hedges	14,214	(23,140)	(230,970)
Revaluation reserve for land	5,515	4,186	41,787
Translation adjustments	4,322	(29)	(294)
Total valuation and translation adjustments	70,303	(1,175)	(11,729)
Minority interests in consolidated subsidiaries	13,148	20,514	204,752
Total net assets	357,624	376,277	3,755,636
Total liabilities and net assets	¥ 900,438	¥ 968,629	\$ 9,667,928

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
Operating revenues	¥ 1,085,539	¥ 1,331,048	\$ 18,285,239
Costs and expenses	957,847	1,127,017	11,248,800
Gross profits	127,692	204,030	2,036,438
Selling, general and administrative expenses	66,335	74,381	742,407
Operating income	61,356	129,648	1,294,031
Non-operating income :			
Interest income	3,076	3,715	37,084
Dividend income	2,620	2,831	28,257
Equity in earnings of affiliated companies	1,572	1,642	16,397
Other non-operating income	1,763	2,004	20,006
Total non-operating income	9,032	10,193	101,744
Non-operating expenses :			
Interest expenses	4,228	5,105	50,958
Exchange loss	1,037	7,688	76,744
Other non-operating expenses	1,196	1,180	11,782
Total non-operating expenses	6,461	13,974	139,485
Ordinary income	63,927	125,867	1,256,290
Extraordinary profits :			
Gain on sales of fixed assets	8,411	3,941	39,341
Gain on sales of investments in securities	5,829	7,743	77,287
Other extraordinary profits	143	149	1,494
Total extraordinary profits	14,384	11,834	118,122
Extraordinary losses :			
Loss on sales of fixed assets	224	467	4,670
Loss from sale of investment securities	-	5	50
Loss from devaluation of investment securities	-	257	2,570
Impairment loss on fixed assets	1,061	-	-
Allowance for bad debts (extraordinary losses)	387	4	48
Other extraordinary losses	285	138	1,385
Total extraordinary losses	1,959	873	8,723
Income before income taxes	76,352	136,828	1,365,689
Income taxes : current	23,006	47,579	474,891
deferred	315	2,422	24,175
Minority interests	1,516	3,815	38,082
Net income	¥ 51,514	¥ 83,011	\$ 828,541

Consolidated Statements of Shareholders' Equity
 Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance March 31, 2006	¥ 29,689	¥ 14,534	¥ 169,430	¥ (1,031)	¥ 212,623
<u>Change of items during the term</u>					
Issuance of new shares	9,667	9,667	-	-	19,334
Cash dividends	-	-	(10,657)	-	(10,657)
Net Income	-	-	51,514	-	51,514
Purchase of treasury stocks	-	-	-	(182)	(182)
Disposal of treasury stocks	-	-	(40)	225	184
Director's bonus	-	-	(381)	-	(381)
Reversal of the revaluation reserve for land	-	-	950	-	950
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	787	-	787
Net increase/decrease during the term under review except in Shareholders' Equity	-	-	-	-	-
Net increase/decrease during the term	9,667	9,667	42,172	43	61,549
Balance March 31, 2007	¥ 39,356	¥ 24,201	¥ 211,602	¥ (988)	¥ 274,172

	Valuation and translation adjustments				
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Translation adjustments	Total valuation and translation adjustments
Balance March 31, 2006	¥ 36,928	-	¥ 6,466	¥ 1,790	¥ 45,186
<u>Change of items during the term</u>					
Issuance of new shares	-	-	-	-	-
Cash dividends	-	-	-	-	-
Net Income	-	-	-	-	-
Purchase of treasury stocks	-	-	-	-	-
Disposal of treasury stocks	-	-	-	-	-
Director's bonus	-	-	-	-	-
Reversal of the revaluation reserve for land	-	-	-	-	-
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	-	-	-
Net increase/decrease during the term under review except in Shareholders' Equity	9,322	14,214	(951)	2,531	25,116
Net increase/decrease during the term	9,322	14,214	(951)	2,531	25,116
Balance March 31, 2007	¥ 46,250	¥ 14,214	¥ 5,515	¥ 4,322	¥ 70,303

	Minority interests in consolidated subsidiaries	Total net assets
Balance March 31, 2006	¥ 11,233	¥ 269,043
<u>Change of items during the term</u>		
Issuance of new shares	-	19,334
Cash dividends	-	(10,657)
Net Income	-	51,514
Purchase of treasury stocks	-	(182)
Disposal of treasury stocks	-	184
Director's bonus	-	(381)
Reversal of the revaluation reserve for land	-	950
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	787
Net increase/decrease during the term under review except in Shareholders' Equity	1,915	27,032
Net increase/decrease during the term	1,915	88,581
Balance March 31, 2007	¥ 13,148	¥ 357,624

Consolidated Statements of Shareholders' Equity

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance March 31, 2007	¥ 39,356	¥ 24,201	¥ 211,602	¥ (988)	¥ 274,172
Change of items during the term					
Issuance of new shares	6,462	6,462	-	-	12,925
Cash dividends	-	-	(13,210)	-	(13,210)
Net Income	-	-	83,011	-	83,011
Purchase of treasury stocks	-	-	-	(247)	(247)
Disposal of treasury stocks	-	-	(12)	307	294
Reversal of the revaluation reserve for land	-	-	9	-	9
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	(15)	-	(15)
Net increase/decrease during the term under review except in Shareholders' Equity	-	-	-	-	-
Net increase/decrease during the term	6,462	6,462	69,781	59	82,765
Balance March 31, 2008	¥ 45,819	¥ 30,664	¥ 281,384	¥ (929)	¥ 356,938

	Valuation and translation adjustments				
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Translation adjustments	Total valuation and transnation adjustments
Balance March 31, 2007	¥ 46,250	¥ 14,214	¥ 5,515	¥ 4,322	¥ 70,308
Change of items during the term					
Issuance of new shares	-	-	-	-	-
Cash dividends	-	-	-	-	-
Net Income	-	-	-	-	-
Purchase of treasury stocks	-	-	-	-	-
Disposal of treasury stocks	-	-	-	-	-
Reversal of the revaluation reserve for land	-	-	-	-	-
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	-	-	-
Net increase/decrease during the term under review except in Shareholders' Equity	(28,442)	(37,355)	(1,328)	(4,351)	(71,478)
Net increase/decrease during the term	(28,442)	(37,355)	(1,328)	(4,351)	(71,478)
Balance Mach 31, 2008	¥ 17,808	¥ (23,140)	¥ 4,186	¥ (29)	¥ (1,175)

	Minority interests in consolidated subsidiaries	Total net assets
Balance March 31, 2007	¥ 13,148	¥ 357,624
Change of items during the term		
Issuance of new shares	-	12,925
Cash dividends	-	(13,210)
Net Income	-	83,011
Purchase of treasury stocks	-	(247)
Disposal of treasury stocks	-	294
Reversal of the revaluation reserve for land	-	9
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	(15)
Net increase/decrease during the term under review except in Shareholders' Equity	7,365	(64,113)
Net increase/decrease during the term	7,365	18,652
Balance March 31, 2008	¥ 20,514	¥ 376,277

Consolidated Statements of Shareholders' Equity

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

(Thousands of U.S. dollars)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance March 31, 2007	\$ 392,822	\$ 241,559	\$ 2,112,014	\$ (9,868)	\$ 2,736,527
Change of items during the term					
Issuance of new shares	64,502	64,502	-	-	129,005
Cash dividends	-	-	(131,859)	-	(131,859)
Net Income	-	-	828,541	-	828,541
Purchase of treasury stocks	-	-	-	(2,474)	(2,474)
Disposal of treasury stocks	-	-	(126)	3,066	2,940
Reversal of the revaluation reserve for land	-	-	90	-	90
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	(155)	-	(155)
Net increased/decrease during the term under review except in Shareholders' Equity	-	-	-	-	-
Net increase/decrease during the term	64,502	64,502	696,491	592	826,087
Balance March 31, 2008	\$ 457,325	\$ 306,061	\$ 2,808,505	\$ (9,276)	\$ 3,562,614

	Valuation and translation adjustments				
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Translation adjustments	Total valuation and translation adjustments
Balance March 31, 2007	\$ 461,632	\$ 141,879	\$ 55,047	\$ 43,141	\$ 701,698
Change of items during the term					
Issuance of new shares	-	-	-	-	-
Cash dividends	-	-	-	-	-
Net Income	-	-	-	-	-
Purchase of treasury stocks	-	-	-	-	-
Disposal of treasury stocks	-	-	-	-	-
Reversal of the revaluation reserve for land	-	-	-	-	-
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	-	-	-	-
Net increased/decrease during the term under review except in Shareholders' Equity	(283,884)	(372,848)	(13,260)	(43,435)	(713,427)
Net increase/decrease during the term	(283,884)	(372,848)	(13,260)	(43,435)	(713,427)
Balance March 31, 2008	\$ 177,748	\$ (230,970)	\$ 41,787	\$ (294)	\$ (11,729)

	Minority interests in consolidated subsidiaries	Total net assets
Balance March 31, 2007	\$ 131,240	\$ 3,569,465
Change of items during the term		
Issuance of new shares	-	129,005
Cash dividends	-	(131,859)
Net Income	-	828,541
Purchase of treasury stocks	-	(2,474)
Disposal of treasury stocks	-	2,940
Reversal of the revaluation reserve for land	-	90
Net change in retained earnings resulting from inclusion or exclusion of subsidiaries and other	-	(155)
Net increased/decrease during the term under review except in Shareholders' Equity	73,511	(639,916)
Net increase/decrease during the term	73,511	186,171
Balance March 31, 2008	\$ 204,752	\$ 3,755,636

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
Cash flows from operating activities :			
Income before income taxes	¥ 76,352	¥ 136,828	\$ 1,365,689
Depreciation	30,387	34,753	346,881
Amortization	1,907	1,608	16,054
Impairment losses on fixed assets	1,061	-	-
(Reversal of) provision for employees' retirement benefits	49	(637)	(6,362)
(Reversal of) provision for directors' and corporate auditors' retirement benefits	46	(741)	(7,399)
Accrued expenses for overhaul of vessels	3,799	7,567	75,535
Interest and dividend income	(5,696)	(6,546)	(65,341)
Interest expense	4,228	5,105	50,958
Gain on sale of marketable securities and investments in securities	(5,702)	(7,738)	(77,237)
Gain on sale of vessels, property and equipments	(8,411)	(3,941)	(39,341)
Loss on sale of vessels, property and equipments	224	467	4,670
Decrease in accounts and notes receivable – trade	6,315	1,320	18,183
Increase (decrease) in accounts and notes payable – trade	(8,742)	3,858	38,507
Increase in inventories	(1,725)	(12,381)	(123,576)
Increase in short-term assets	(5,880)	(10,122)	(101,029)
Other, net	(2,187)	16,309	162,787
Sub total	86,024	165,712	1,653,980
Interest and dividends received	5,664	6,441	64,288
Interest paid	(4,163)	(5,101)	(50,917)
Income taxes paid	(21,041)	(25,814)	(257,652)
Net cash provided by operating activities	66,483	141,287	1,409,699
Cash flows from investing activities :			
Purchases of marketable securities and investments in securities	(27,836)	(11,145)	(111,248)
Proceeds from sale of marketable securities and investments in securities	10,584	14,121	140,951
Payment for acquisition of newly consolidated subsidiaries	-	(12,090)	(120,672)
Purchases of vessels, property and equipment	(118,842)	(158,437)	(1,581,371)
Proceeds from sale of vessels, property and equipment	35,863	28,216	281,628
Purchases of intangible fixed assets	(1,323)	(1,204)	(12,019)
Payment for long-term loans receivable	(37,869)	(16,596)	(165,646)
Proceeds from long-term loans receivable	45,234	19,381	198,452
Other, net	(8,663)	(7,787)	(77,724)
Net cash used in investing activities	(102,852)	(145,540)	(1,452,647)
Cash flows from financing activities :			
Increase (decrease) of short-term loans, net	25,396	(7,723)	(77,089)
Decrease in commercial paper	(21,000)	-	-
Proceeds from long-term debt	90,047	77,225	770,790
Repayment of long-term debt and obligations under finance leases	(56,852)	(53,881)	(532,807)
Proceeds from issuance of bonds	29,754	-	-
Repayment of bonds	(3,000)	(10,000)	(99,810)
Cash dividends paid	(10,653)	(13,215)	(131,900)
Cash dividends paid to minority shareholders	(292)	(414)	(4,134)
Other, net	(23)	49	491
Net cash used in financing activities	53,376	(7,460)	(74,460)
Effect of exchange rate changes on cash and cash equivalents	1,890	(865)	(8,638)
Net increase (decrease) in cash and cash equivalents	18,898	(12,628)	(126,046)
Cash and cash equivalents at beginning of the period	41,157	60,493	603,784
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	440	186	1,858
Decrease in cash and cash equivalents arising from exclusion of subsidiaries in consolidation	(3)	(6)	(62)
Cash and cash equivalents at end of the period	¥ 60,493	¥ 48,044	\$ 479,538

Note : Cash and cash equivalents are reconciled to cash and time deposits reflected in the consolidated balance sheets at the end of each periods as follows.

	Mar.31,2007	Mar.31,2008	Mar.31,2008
Cash and time deposits	¥ 63,927	¥ 50,700	\$ 506,046
Time deposits with maturity of more than three months after the purchase date	(3,434)	(2,656)	(26,512)
Highly liquid marketable securities with low risk	0	-	-
Cash and cash equivalents	¥ 60,493	¥ 48,044	\$ 479,538

Consolidated Segment Information

(1) Business segment information

Year ended March 31,2007

(Millions of Yen)

	Logistics / Marine Transportation			Other	Total	Eliminations	Consolidated
Revenues							
(1) Operating revenues	¥ 936,943	¥ 127,107	¥ 21,488	¥ 1,085,539	-	¥ 1,085,539	-
(2) Inter-group sales and transfers	7,707	59,209	35,580	102,497	(102,497)		
Total revenues	944,651	186,316	57,069	1,188,037	(102,497)	1,085,539	
Operating expenses	899,282	172,486	55,285	1,127,053	(102,871)	1,024,182	
Operating income	45,368	13,830	1,783	60,983	373	61,356	
Ordinary income	¥ 45,136	¥ 16,178	¥ 2,494	¥ 63,810	¥ 117	¥ 63,927	
Assets, depreciation and capital expenditures							
Total assets	¥ 759,778	¥ 155,469	¥ 33,622	¥ 948,870	¥ (48,431)	¥ 900,438	
Depreciation	¥ 25,286	¥ 5,866	¥ 1,140	¥ 32,294	-	¥ 32,294	
Impairment loss	¥ 624	¥ 258	¥ 178	¥ 1,061	-	¥ 1,061	
Capital expenditures	¥ 114,888	¥ 5,938	¥ 558	¥ 121,386	-	¥ 121,386	

Year ended March 31,2008

(Millions of Yen)

	Logistics / Marine Transportation			Other	Total	Eliminations	Consolidated
Revenues							
(1) Operating revenues	¥ 1,176,943	¥ 181,315	¥ 22,788	¥ 1,331,048	-	¥ 1,331,048	-
(2) Inter-group sales and transfers	11,318	62,857	47,162	121,338	(121,338)		
Total revenues	1,188,262	194,173	69,951	1,452,386	(121,338)	1,331,048	
Operating expenses	1,074,685	180,458	67,763	1,322,907	(121,508)	1,201,399	
Operating income	113,576	13,714	2,187	129,478	170	129,648	
Ordinary income	¥ 107,636	¥ 16,546	¥ 1,694	¥ 125,877	(9)	¥ 125,867	
Assets, depreciation Impairment loss and capital expenditures							
Total assets	¥ 831,721	¥ 157,722	¥ 47,743	¥ 1,037,186	¥ (68,556)	¥ 968,629	
Depreciation	¥ 29,257	¥ 5,881	¥ 1,223	¥ 36,362	-	¥ 36,362	
Impairment loss	-	-	-	-	-	-	
Capital expenditures	¥ 150,294	¥ 8,089	¥ 2,948	¥ 161,332	-	¥ 161,332	

Year ended March 31,2008

(Thousands of U.S.Dollars)

	Logistics / Marine Transportation			Other	Total	Eliminations	Consolidated
Revenues							
(1) Operating revenues	\$ 11,747,118	\$ 1,810,663	\$ 227,458	\$ 13,285,239	-	\$ 13,285,239	-
(2) Inter-group sales and transfers	112,971	627,385	470,727	1,211,083	(1,211,083)		
Total revenues	11,860,089	1,938,048	698,184	14,496,321	(1,211,083)	13,285,239	
Operating expenses	10,726,477	1,801,162	676,352	13,203,991	(1,212,784)	11,991,208	
Operating income	1,133,612	136,886	21,833	1,292,330	1,701	1,294,031	
Ordinary income	\$ 1,074,325	\$ 165,153	\$ 16,912	\$ 1,256,390	\$ (100)	\$ 1,256,290	
Assets, depreciation and capital expenditures							
Total assets	\$ 8,301,442	\$ 1,574,230	\$ 476,525	\$ 10,352,197	\$ (684,270)	\$ 9,667,928	
Depreciation	\$ 292,017	\$ 58,701	\$ 12,216	\$ 362,935	\$ -	\$ 362,935	
Impairment loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital expenditures	\$ 1,500,095	\$ 80,741	\$ 29,433	\$ 1,610,268	\$ -	\$ 1,610,268	

(b) Geographical segment information

Year ended March 31, 2007

(Millions of Yen)

	Japan	North America	Europe	Asia	Other	Total	Eliminations	Consolidated
Revenues								
(1) Operating revenues	¥ 987,297	¥ 32,073	¥ 25,222	¥ 40,582	¥ 363	¥ 1,085,539	¥ -	¥ 1,085,539
(2) Inter-group sales and transfers	11,795	26,251	9,644	16,876	933	65,502	(65,502)	-
Total revenues	999,093	58,325	34,867	57,458	1,297	1,151,041	(65,502)	1,085,539
Operating expenses	958,954	55,345	29,610	45,311	1,100	1,090,322	(66,140)	1,024,182
Operating income	40,138	2,979	5,256	12,147	196	60,719	637	61,356
Ordinary income	¥ 41,609	¥ 3,287	¥ 5,295	¥ 13,763	¥ 571	¥ 64,527	¥ (600)	¥ 63,927
Total assets	¥ 769,741	¥ 33,554	¥ 53,302	¥ 82,005	¥ 3,446	¥ 942,050	¥ (41,611)	¥ 900,438

Year ended March 31, 2008

(Millions of Yen)

	Japan	North America	Europe	Asia	Other	Total	Eliminations	Consolidated
Revenues								
(1) Operating revenues	¥ 1,199,608	¥ 28,756	¥ 52,581	¥ 49,570	¥ 529	¥ 1,381,048	¥ -	¥ 1,381,048
(2) Inter-group sales and transfers	14,702	25,059	14,920	17,459	930	73,072	(73,072)	-
Total revenues	1,214,311	53,816	67,502	67,029	1,460	1,404,120	(73,072)	1,331,048
Operating expenses	1,112,764	51,765	53,383	55,360	1,298	1,274,572	(73,173)	1,201,399
Operating income	101,546	2,050	14,119	11,668	162	129,547	101	129,648
Ordinary income	¥ 97,015	¥ 2,644	¥ 13,648	¥ 13,363	¥ 547	¥ 127,219	¥ (1,351)	¥ 125,867
Total assets	¥ 803,184	¥ 31,394	¥ 90,905	¥ 91,107	¥ 4,722	¥ 1,021,314	¥ (52,684)	¥ 968,629

Year ended March 31, 2008

(Thousands of U.S.Dollars)

	Japan	North America	Europe	Asia	Other	Total	Eliminations	Consolidated
Revenues								
(1) Operating revenues	\$ 11,973,340	\$ 287,024	\$ 524,822	\$ 494,764	\$ 5,289	\$ 13,285,239	\$ -	\$ 13,285,239
(2) Inter-group sales and transfers	146,744	250,118	148,923	174,259	9,290	729,335	(729,335)	-
Total revenues	12,120,085	537,142	673,745	669,023	14,578	14,014,573	(729,335)	13,285,239
Operating expenses	11,106,544	516,678	532,821	552,558	12,958	12,721,559	(730,351)	11,991,208
Operating income	1,013,541	20,464	140,924	116,465	1,620	1,293,014	1,017	1,294,031
Ordinary income	\$ 968,312	\$ 26,400	\$ 136,223	\$ 133,379	\$ 5,467	\$ 1,269,780	\$ (13,490)	\$ 1,256,290
Total assets	\$ 8,016,609	\$ 313,353	\$ 907,333	\$ 909,845	\$ 47,137	\$ 10,193,777	\$ (525,849)	\$ 9,667,928

(c) International Business information

Year ended March 31,2007

	North America	Europe	Asia	Oceania	Other	Total	(Millions of Yen)
International revenues	¥ 296,627	¥ 202,054	¥ 221,959	¥ 104,233	¥ 89,131	¥ 914,006	
Consolidated revenues							1,085,539
International revenues as a percentage of consolidated revenues	27.3%	18.6%	20.5%	9.6%	8.2%	84.2%	

Year ended March 31,2008

	North America	Europe	Asia	Oceania	Other	Total	(Millions of Yen)
International revenues	¥ 330,871	¥ 231,325	¥ 326,822	¥ 121,146	¥ 129,443	¥ 1,139,609	
Consolidated revenues							1,381,048
International revenues as a percentage of consolidated revenues	24.9%	17.4%	24.5%	9.1%	9.7%	85.6%	

Year ended March 31,2008

	North America	Europe	Asia	Oceania	Other	Total	(Thousands of U.S.Dollars)
International revenues	\$ 3,302,437	\$ 2,308,872	\$ 3,262,030	\$ 1,209,169	\$ 1,291,980	\$ 11,374,487	
Consolidated revenues							13,285,239
International revenues as a percentage of consolidated revenues	24.9%	17.4%	24.5%	9.1%	9.7%	85.6%	

Transportation business earned outside Japan.

Each segment principally covers following countries or regions:

North America: U.S.A. and Canada

Europe: U.K., Germany, the Netherlands and France

Asia: South-East Asia, The Middle East, the People's Republic of China and India

Oceania: Australia, New Zealand

Other: Central and South America, Africa

Non-consolidated Financial Statements

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

Non-Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
ASSETS			
Current assets:			
Cash and time deposits	¥ 11,133	¥ 10,371	\$ 103,523
Accounts receivable	64,223	60,853	607,383
Short-term loans receivable	27,588	29,846	297,901
Advances payments-trade	8,626	10,171	101,523
Inventories	17,161	26,500	264,506
Prepaid expenses and deferred charges	28,318	35,013	349,476
Due from agents	5,663	4,035	40,277
Deferred income taxes	4,396	6,904	68,916
Other current assets	5,042	3,549	35,429
Allowance for doubtful receivables	(186)	(646)	(6,453)
Total current assets	171,967	186,602	1,862,482
Fixed assets :			
(Tangible fixed assets)			
Vessels	33,307	37,733	376,623
Buildings	4,829	4,650	46,413
Structures	194	166	1,663
Equipments	2,512	1,894	18,910
Land	19,518	19,454	194,174
Construction in progress	975	4,996	49,875
Other tangible fixed assets	1,149	1,214	12,125
Total tangible fixed assets	62,486	70,111	699,783
(Intangible fixed assets)			
Software	1,247	1,063	10,611
Software in progress	15	155	1,552
Other intangible fixed assets	10	10	102
Total intangible fixed assets	1,273	1,228	12,265
(Investments and other long-term assets)			
Investments in securities	135,083	87,995	878,289
Investments in stocks of affiliated company	37,770	42,392	423,118
Long-term loans receivable	83,341	132,621	1,323,705
Long-term prepaid expenses	3,613	4,542	45,339
Guaranty Deposits	3,088	3,222	32,165
Other long-term assets	20,613	13,014	129,895
Allowance for doubtful receivables	(748)	(280)	(2,803)
Total investments and other long-term assets	282,763	283,508	2,829,707
Total fixed assets	346,523	354,848	3,541,755
Deferred assets			
Bond-issuing expenses	9	-	-
Total deferred assets	9	-	-
Total assets	¥ 518,500	¥ 541,450	\$ 5,404,237

Non-Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
LIABILITIES			
Current liabilities			
Accounts payable	¥ 63,802	¥ 76,927	\$ 767,812
Current portion of bonds payable	10,000	-	-
Short-term loans and current portion of long-term debt	27,318	27,020	269,691
Accrued income taxes	10,168	30,441	303,841
Advance receipt	16,730	24,281	242,352
Deposit received	6,073	3,183	31,770
Due to agents	4,013	5,273	52,636
Accrued bonuses	795	1,228	12,264
Accrued directors' and corporate auditors' bonuses	136	183	1,827
Other current liabilities	3,301	2,123	21,195
Total current liabilities	142,340	170,662	1,703,388
Long-term liabilities			
Bonds	70,666	57,741	576,315
Long-term debt, less current portion	25,124	28,538	234,942
Allowance for employees' retirement benefits	333	603	6,019
Allowance for employees' retirement benefits	1,004	-	-
Accrued expenses for overhaul of vessels	1,413	1,753	17,502
Deferred income taxes	30,751	7,704	76,897
Deferred income taxes for land revaluation	2,289	3,610	36,037
Other long-term liabilities	3,396	17,761	177,278
Total long-term liabilities	134,979	112,712	1,124,990
Total liabilities	277,319	283,375	2,828,378
NET ASSETS			
Shareholder's equity:			
Common stock	39,356	45,819	457,325
Additional paid-in capital			
Capital surplus	24,201	30,664	306,061
Total additional paid-in capital	24,201	30,664	306,061
Retained earnings			
Legal reserve	2,540	2,540	25,355
Special reserve			
Special depreciation reserve	604	897	8,956
Reduced value entry reserve	919	1,755	17,527
Special account for reduced value entry reserve	949	-	-
Other reserve	95,552	110,552	1,103,423
Unappropriated earned surplus for current term	22,030	52,558	524,585
Total retained earnings	122,595	168,303	1,679,846
Treasury stock, at cost	(891)	(830)	(8,289)
Total shareholders' equity	185,262	243,956	2,434,943
Valuation and translation adjustments			
Unrealized holding gain on investments in securities	42,928	15,752	157,223
Deferred gain on hedges	9,219	(4,083)	(40,756)
Revaluation reserve for land	3,770	2,449	24,448
Total valuation and translation adjustments	55,918	14,118	140,916
Total net assets	241,181	258,075	2,575,859
Total liabilities and net assets	¥ 518,500	¥ 541,450	\$ 5,404,237

Non-Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

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

	Year ended Mar.31,2007	Year ended Mar.31,2008	Year ended Mar.31,2008
Revenues from shipping and other operating:			
Freight	¥ 694,940	¥ 842,865	\$ 8,412,676
Charter of vessels	143,291	196,324	1,959,524
Other operating revenues	17,977	23,362	233,180
Total shipping and other operating revenues	856,209	1,062,552	10,605,380
Expenses from shipping and other operating:			
Operating expenses	444,693	531,214	5,302,070
Shipping expenses	8,952	8,988	89,714
Hire of vessels	296,366	345,896	3,452,403
Other operating expenses	63,954	71,737	716,013
Total shipping and other operating expenses	813,966	957,836	9,560,200
Total shipping and other operating profits	42,243	104,716	1,045,180
Other revenues	1,069	1,152	11,499
Other expenses	423	516	5,152
Other profits	646	635	6,347
Gross profits	42,890	105,352	1,051,526
Selling, general and administrative expenses	14,786	15,637	156,074
Operating income	28,103	89,715	895,452
Non-operating income :			
Interest and dividend income	7,862	7,567	75,529
Other non-operating income	367	437	4,367
Total non-operating income	8,229	8,004	79,896
Non-operating expenses :			
Interest expenses	2,339	2,116	21,122
Exchange loss	1,659	6,965	69,523
Other non-operating expenses	391	216	2,158
Total non-operating expenses	4,391	9,298	92,804
Ordinary income	31,941	88,422	882,544
Extraordinary profits :			
Gain on sales of fixed assets	1,911	1	17
Gain on sales of investments in securities	5,786	7,741	77,268
Other extraordinary profits	847	4	40
Total extraordinary profits	8,545	7,747	77,325
Extraordinary losses :			
Loss on sales of fixed assets	-	238	2,330
Impairment losses on fixed assets	624	-	-
Transfer to reserve for possible loan losses	289	1	10
Loss from devaluation of investment securities	-	221	2,211
Loss on sales of investment securities	-	5	50
Other extraordinary losses	83	-	-
Extraordinary losses	997	460	4,600
Income before income taxes	39,489	95,708	955,269
Income taxes: current	15,271	37,939	378,671
deffered	(1,031)	(1,169)	(11,670)
Net income	¥ 25,250	¥ 58,938	\$ 588,268

Non-Consolidated Statements of Shareholders' Equity
 Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

(Millions of Yen)

	Shareholder's equity											Treasury stock, at cost	Total shareholders' equity		
	Common stock	Additional paid-in capital		Legal reserve	Retained earnings					Total retained earnings					
		Capital surplus	Total additional paid-in capital		Special depreciation reserve	Reduced value entry reserve	Special account for reduced value entry reserve	Other reserve	Unappropriated earned surplus for current term						
Balance March 31, 2006		¥ 29,689	¥ 14,534	¥ 14,534	¥ 2,540	¥ 1,528	¥ 2,251	-	¥ 67,052	¥ 38,940	¥ 107,812	¥ (934)	¥ 150,603		
Change in items during the term															
Issuance of new shares	9,667	9,667	9,667	-	-	-	-	-	-	-	-	-	19,334		
Cash dividends	-	-	-	-	-	-	-	-	(10,657)	(10,657)	-	-	(10,657)		
Transferred from reserve	-	-	-	-	(924)	(1,382)	-	-	2,256	-	-	-	-		
Provision for reserve	-	-	-	-	-	-	949	28,500	(29,449)	-	-	-	-		
Net Income	-	-	-	-	-	-	-	-	25,250	25,250	-	-	25,250		
Purchase of treasury stocks	-	-	-	-	-	-	-	-	-	-	-	-	(182)		
Disposal of treasury stocks	-	-	-	-	-	-	-	-	(40)	(40)	225	184			
Bonus to directors	-	-	-	-	-	-	-	-	(220)	(220)	-	-	(220)		
Reversal of revaluation reserve for land	-	-	-	-	-	-	-	-	950	950	-	-	950		
Net changes in items other than shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net changes during the term	9,667	9,667	9,667	-	(924)	(1,382)	949	28,500	(11,910)	15,282	48	34,659			
Balance March 31, 2007	¥ 89,356	¥ 24,201	¥ 24,201		¥ 2,540	¥ 604	¥ 919	¥ 949	¥ 95,552	¥ 22,080	¥ 122,595	¥ (891)	¥ 185,262		

	Valuation and translation adjustments				Total net assets
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance March 31, 2006	¥ 83,642	-	¥ 4,720	¥ 38,362	¥ 188,965
Change in items during the term					
Issuance of new shares	-	-	-	-	19,334
Cash dividends	-	-	-	-	(10,657)
Transferred from reserve	-	-	-	-	-
Provision for reserve	-	-	-	-	-
Net Income	-	-	-	-	25,250
Purchase of treasury stocks	-	-	-	-	(182)
Disposal of treasury stocks	-	-	-	-	184
Bonus to directors	-	-	-	-	(220)
Reversal of revaluation reserve for land	-	-	-	-	950
Net changes in items other than shareholders' equity	9,286	9,219	(950)	17,556	17,556
Net changes during the term	9,286	9,219	(950)	17,556	52,216
Balance March 31, 2007	¥ 42,928	¥ 9,219	¥ 8,770	¥ 55,918	¥ 241,181

Non-Consolidated Statements of Shareholders' Equity

Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

(Millions of Yen)

	Shareholder's equity												
	Common stock	Additional paid-in capital		Legal reserve	Retained earnings					Total retained earnings	Treasury stock, at cost	Total shareholders' equity	
		Capital surplus	Total additional paid-in capital		Special reserve			Special account for reduced value entry reserve	Other reserve				
Balance March 31, 2007		¥ 89,356	¥ 24,201	¥ 24,201	¥ 2,540	¥ 604	¥ 919	¥ 949	¥ 95,552	¥ 22,080	¥ 122,595	¥ (891)	¥ 185,262
Change in items during the term													
Issuance of new shares		6,462	6,462	6,462	-	-	-	-	-	-	-	-	12,925
Cash dividends		-	-	-	-	-	-	-	-	(18,210)	(18,210)	-	(18,210)
Transferred from reserve		-	-	-	-	(207)	(112)	(949)	-	1,269	-	-	-
Provision for reserve		-	-	-	-	500	949	-	15,000	(16,450)	-	-	-
Net Income		-	-	-	-	-	-	-	-	58,938	58,938	-	58,938
Purchase of treasury stocks		-	-	-	-	-	-	-	-	-	-	(246)	(246)
Disposal of treasury stocks		-	-	-	-	-	-	-	-	(12)	(12)	307	294
Reversal of revaluation reserve for land		-	-	-	-	-	-	-	-	(6)	(6)	-	(6)
Net changes in items other than shareholders' equity		-	-	-	-	-	-	-	-	-	-	-	-
Net changes during the term		6,462	6,462	6,462	-	293	836	(949)	15,000	80,528	45,708	60	58,894
Balance March 31, 2008		¥ 45,819	¥ 80,664	¥ 80,664	¥ 2,540	¥ 897	¥ 1,755	-	¥ 110,552	¥ 52,558	¥ 168,803	¥ (880)	¥ 248,956

	Valuation and translation adjustments				Total net assets
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance March 31, 2007	¥ 42,928	¥ 9,219	¥ 3,770	¥ 55,918	¥ 241,181
Change in items during the term					
Issuance of new shares	-	-	-	-	12,925
Cash dividends	-	-	-	-	(18,210)
Transferred from reserve	-	-	-	-	-
Provision for reserve	-	-	-	-	-
Net Income	-	-	-	-	58,938
Purchase of treasury stocks	-	-	-	-	(246)
Disposal of treasury stocks	-	-	-	-	294
Reversal of revaluation reserve for land	-	-	-	-	(6)
Net changes in items other than shareholders' equity	(27,176)	(18,302)	(1,320)	(41,800)	(41,800)
Net changes during the term	(27,176)	(18,302)	(1,320)	(41,800)	16,894
Balance March 31, 2008	¥ 15,752	¥ (4,088)	¥ 2,449	¥ 14,118	¥ 258,075

Non-Consolidated Statements of Shareholders' Equity

Kawasaki Kisen Kaisha, Ltd. for the year ended March 31, 2008 and 2007

(Thousands of U.S. Dollars)

	Shareholder's equity												Treasury stock, at cost	Total shareholders' equity	
	Common stock	Additional paid-in capital		Legal reserve	Retained earnings						Special reserve	Other reserve	Unappropriated earned surplus for current term		
		Capital surplus	Total additional paid-in capital		Special depreciation reserve	Reduced value entry reserve	Special account for reduced value entry reserve	Other reserve	Unappropriated earned surplus for current term	Total retained earnings					
Balance March 31, 2007	\$ 892,822	\$ 241,559	\$ 241,559	\$ 25,355	\$ 6,029	\$ 9,174	\$ 9,477	\$ 953,708	\$ 219,882	\$ 1,228,626	\$ (8,896)	\$ 1,849,111			
Change in items during the term															
Issuance of new shares	64,502	64,502	64,502	-	-	-	-	-	-	-	-	-	129,005		
Cash dividends	-	-	-	-	-	-	-	-	-	-	(181,859)	(181,859)	-	(181,859)	
Transferred from reserve	-	-	-	-	(2,071)	(1,125)	(9,477)	-	12,678	-	-	-	-	-	
Provision for reserve	-	-	-	-	4,999	9,477	-	149,716	(164,191)	-	-	-	-	-	
Net Income	-	-	-	-	-	-	-	-	588,268	588,268	-	-	588,268		
Purchase of treasury stocks	-	-	-	-	-	-	-	-	-	-	-	-	(2,459)	(2,459)	
Disposal of treasury stocks	-	-	-	-	-	-	-	-	(126)	(126)	3,066	3,066	2,940		
Reversal of revaluation reserve for land	-	-	-	-	-	-	-	-	(62)	(62)	-	-	(62)		
Net changes in items other than shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net changes during the term	64,502	64,502	64,502	-	2,927	8,352	(9,477)	149,716	304,708	456,221	607	585,838			
Balance March 31, 2008	\$ 457,325	\$ 306,061	\$ 306,061	\$ 25,355	\$ 8,956	\$ 17,527	-	\$ 1,108,428	\$ 524,585	\$ 1,679,846	\$ (8,896)	\$ 2,434,948			

	Valuation and translation adjustments				Total net assets
	Unrealized holding gain on investments in securities	Deferred gain on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance March 31, 2007	\$ 428,475	\$ 92,021	\$ 37,631	\$ 558,127	\$ 2,407,288
Change in items during the term					
Issuance of new shares	-	-	-	-	129,006
Cash dividends	-	-	-	-	(181,859)
Transferred from reserve	-	-	-	-	-
Provision for reserve	-	-	-	-	-
Net Income	-	-	-	-	588,268
Purchase of treasury stocks	-	-	-	-	(2,459)
Disposal of treasury stocks	-	-	-	-	2,940
Reversal of revaluation reserve for land	-	-	-	-	(62)
Net changes in items other than shareholders' equity	(271,251)	(182,777)	(18,182)	(417,211)	(417,211)
Net changes during the term	(271,251)	(182,777)	(18,182)	(417,211)	168,622
Balance March 31, 2008	\$ 157,228	\$ (40,756)	\$ 24,448	\$ 140,916	\$ 2,575,859