

New Midterm Management Plan ("K" LINE Vision 100)

Themes: "Synergy for All and Sustainable Growth"

Corporate Principles of the "K" Line Group:

The basic principles of the "K" Line Group as a business organization centering on shipping lie in:

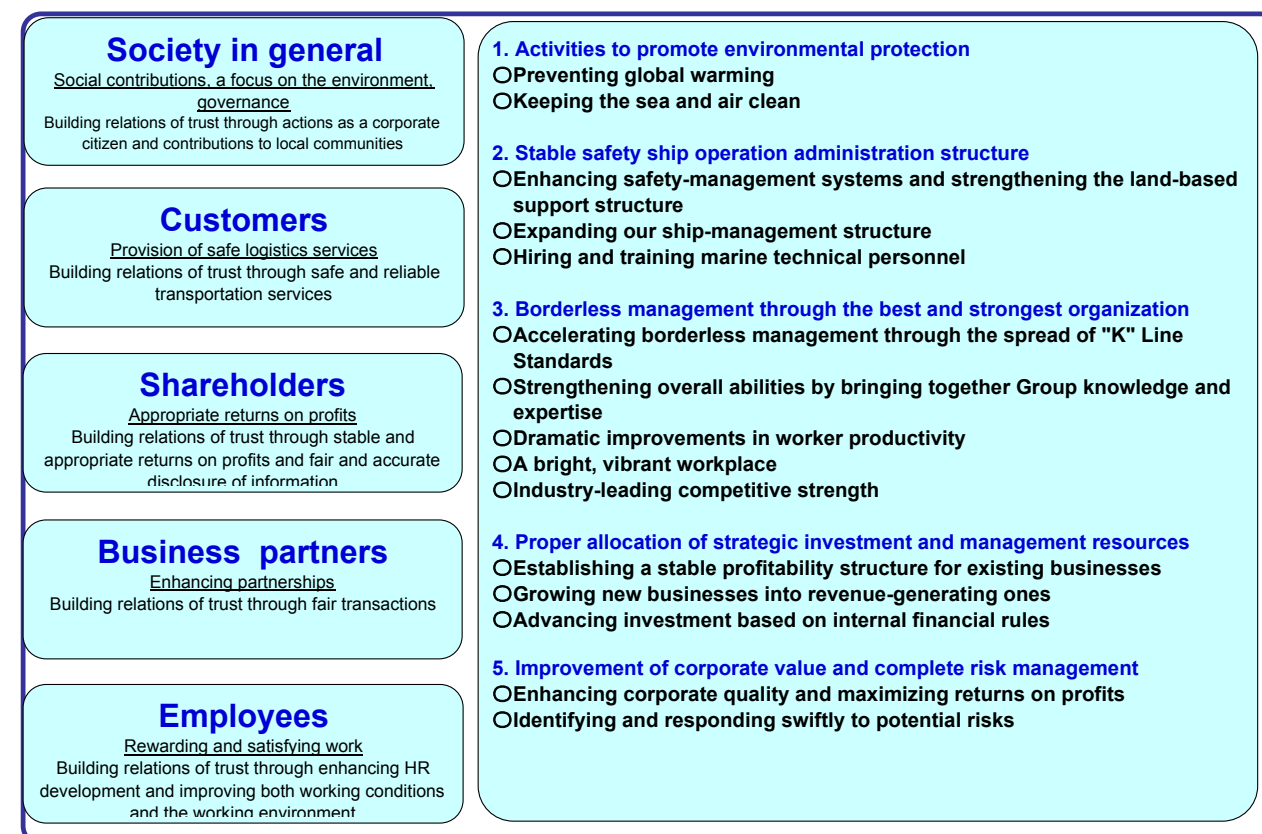
- Diligent efforts for safety in navigation and cargo operations as well as for environmental preservation;
- Sincere response to customer needs by making every possible effort; and
- Contributing to the world's economic growth and stability through continual upgrading of service quality.

Group Vision:

- To be trusted and supported by customers in all corners of the world while being able to continue to grow globally with sustainability,
- 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,
- 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.

Efforts Toward Synergy for All and Sustainable Growth

Synergy for All: Mutually beneficial relations



Consolidated financial targets (assumptions: exchange rate of 100 Yen = US\$1, Dubai oil price at US\$100/barrel, fuel-oil price at US\$520/MT)

	(Unit: billion yen)					(Unit: trillion yen)	
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Mid-2010's	100th anniversary
Operating revenues	1,331	1,340	1,450	1,600	1,750	Operating revenues: 2.2	Operating revenues: 3
Ordinary income	125.9	121	135	145	160		
Net income	83	78	85	95	105	30%	
ROA	13%	12%			10% or higher		
Shareholders' equity	355.8	426			680 or higher		
Equity ratio	37%	37%			40% or higher		
DER	93%	100%			85% or lower		
Interest-bearing debt/operating CF	2.3	4.2			3.5 or lower		
Payout ratio	20%	22%			25%		

Fleet, shipping capacity

	End of FY 2007	Fleet upgrading plan (FY 2008 - FY 2011)		End of FY 2011	Mid-2010's	End of FY 2019
Containership	99	43		132	Approx. 750 vessels	Approx. 900 vessels
Dry bulk carriers	169	65		225		
Car carriers	102	27		106		
LNG carriers	34	15		48		
Oil Tankers	28	13		45		
Heavy lift /offshore carriers	15	13		24		
Coastal/RORO carriers	52	4		60		
Total	499	180		640		

(Approx. 1,180 billion yen)

Business Strategies

Containership Business

Sustainable business growth and efficient business management

- * Responding to globalization of customers' businesses through enhancements to the service network
- * Enhancing competitive strengths through sustained fleet and terminal improvements
- * Pursuing safe transportation with a focus on protecting the environment

Dry Bulk Carrier Business

Top class worldwide with cape-size and post-panamax vessels

- * High-quality services suited to diverse customer needs
- * Growing the customer base through global business expansion
- * Enhancing a stable profitability structure through mid- to long-term contracts

Car Carrier Business

World-leading transportation quality and full route network

- * High-quality services taking the environment and safety into consideration
- * Global business expansion responding swiftly to customer needs

Energy Transportation and Tanker Business, Heavy Lift and Offshore Support Business, New Businesses

Top class worldwide with safe transportation

- * Aggressive efforts to take on new shipping demand
- * Pursuing safe and high-quality services

Logistics Business, Short Sea and Coastal Shipping Business

Mobility and high-quality services

- * Proposal-based sales that anticipate customer needs
- * Tailor-made customer-specific services