April 27,2012

Review of Medium-Term Management Plan
"K" LINE Vision 100 : Bridge to the Future

In April 2011, the "K" Line Group adopted " "K" LINE Vision 100 - A New Challenge " in order to respond to structural changes in markets and the future expansion of demand. However, the containership and dry bulk markets have deteriorated markedly, and the Great East Japan Earthquake, the high value of the yen, and rising fuel oil prices resulted in the Company reporting a net loss for fiscal year 2011.

In response to these developments, in April 2012, the "K" Line Group adopted " "K" LINE Vision 100 : Bridge to the Future " as a newly reformed medium-term management plan with three priority tasks: returning to profitability in fiscal year 2012, establishing stable earnings structures, and strengthening the Company's financial standing.

In following the Five Fundamental Tasks that remain ongoing issues in the new medium-term management plan, the entire "K" Line Group is committed to working together on the three priority tasks to achieve "synergy for all and sustainable growth"—the main theme of " "K" LINE Vision 100 " and will strive to the utmost to restore profitability and resume the payment of dividends in 2012.

A. Current Three Missions :

1. Generating ordinary income in FY2012
2. Building a stable earnings structure
3. Reinforcing financial standing

B. Current Five Strategies:

1. Implement sweeping cost reductions and report ordinary income in FY2012
2. Make structural reforms in the containership business
3. Expand stable earnings in the dry bulk business and car carrier business
4. Generate stable earnings in the energy resource transport business and new businesses
5. Strengthen financial standing through limits on investment

C. Current Five Missions (to be continued):

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

Principle numerical targets are as follows:

Item	Unit	FY2011	FY2012	FY2013	FY2014
Operating Revenues	(billion yen)	972	1,120	1,070	1,110
Ordinary Profit	(billion yen)	-49.0	12	39	60
Net Profit	(billion yen)	-41.4	11	25	42
EBITDA	(billion yen)	14	100	110	135
Shareholders' Equity	(billion yen)	243	260	280	330
Interest-bearing Debt	(billion yen)	593	580	540	490
Operating CF	(billion yen)	-2.9	67	90	113
Investment CF	(billion yen)	-83.2	-50.0	-50.0	-50.0
DER	–	244%	223%	193%	148%
ROA	–	-5%	1%	4%	6%
Equity Ratio	–	23%	23%	26%	30%
Interest-bearing debt / Operating CF	(times)	–	8.7	6.0	4.3
Exchange rate	(¥/US$)	79	80	80	80
Fuel oil Price	(US$/MT)	672	720	650	650
Change from previous plan 'New Challenges' (decrease of Investment CF)					
Investment CF	(billion yen)	11.8	30.0	15.0	–

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