FINANCIAL HIGHLIGHTS

Brief report of the six months ended September 30, 2015

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Six months ended September 30, 2014	**Six months ended September 30, 2015**	**Six months ended September 30, 2015**
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 659,762	**¥ 668,338**	**$ 5,571,343**
Operating income (Millions of yen / Thousands of U.S. dollars)	24,909	**18,774**	**156,505**
Net income attributable to owners of parent (Millions of yen / Thousands of U.S. dollars)	21,181	**11,678**	**97,349**
Per share of common stock (Yen / U.S. dollars)			
Basic	22.59	**12.46**	**0.10**
Diluted	19.30	**10.62**	**0.09**

	Year ended March 31, 2015	**Six months ended September 30, 2015**	**Six months ended September 30, 2015**
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,223,328	**¥ 1,221,087**	**$ 10,179,122**
Net assets (Millions of yen / Thousands of U.S. dollars)	467,440	**461,781**	**3,849,466**

	Six months ended September 30, 2014	**Six months ended September 30, 2015**	**Six months ended September 30, 2015**
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 46,060	**¥ 28,327**	**$ 236,142**
Net cash provided by investing activities (Millions of yen / Thousands of U.S. dollars)	4,793	**2,464**	**20,548**
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	(78,352)	**(11,838)**	**(98,684)**

The U.S. dollar amounts are converted from the yen amount at ¥119.96 = U.S.$1.00.
The exchange rate prevailing on September 30, 2015.

1. Qualitative Information and Financial Statement

(1) Qualitative Information about the Consolidated Operating Result

(Billion Yen; rounded to the nearest 100 million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Change	%Change
Operating revenues	659.8	668.3	8.6	1.3%
Operating income	24.9	18.8	(6.1)	(24.6%)
Ordinary income	25.9	16.0	(9.9)	(38.3%)
Net income attributable to owners of parent	21.2	11.7	(9.5)	(44.9%)

Exchange Rate (¥/US$) (6-month average)	¥102.52	¥121.76	¥19.24	18.8%
Fuel oil price (US$/MT) (6-month average)	US$611	US$352	(US$259)	(42.4%)

During the first six months of the fiscal year ending March 31, 2016 (from April 1, 2015 to September 30, 2015; hereinafter "the six-month period"), in the global economy, gradual recovery continued in advanced countries, primarily the U.S. and Europe, though there were some signs of slowing business conditions in emerging countries and others, such as Asia. The U.S. economy saw firm consumer spending on durable goods, under the influence of low oil prices. However, the country's interest rate rise was put on hold due to the destabilization of the international economy and financial situation, and the Federal Reserve Board decided to maintain its current fiscal policy. The European economy followed moderate recovery trend with attractive exports, supported by the euro depreciation effect associated with the additional quantitative easing measures of the European Central Bank, despite concerns over the Greek financial crisis. Meanwhile, China's economic growth slowed with dull investment on infrastructure and real estate development and notable restraint on capital expenditure, particularly in heavy industry and mining. The slowdown in the Chinese economy and other factors led to a general slump in exports from Asian countries, while growth turned negative in countries such as Russia and Brazil, in the wake of a decline in resource prices. The Japanese economy remained on a recovery trend overall, while it showed signs of sluggishness as consumer spending declined temporarily due to the impact of inclement weather.

In the business environment for the shipping industry, the tonnage supply and demand balance had deteriorated as tonnage supply pressure increased while demand faltered, causing the market to continue to slump in the Dry bulk business and the marine freight rates to fall in the Containership business, despite the low fuel prices due to the fall in oil prices and the continuing depreciation trend of the yen. Notwithstanding the continued efforts to reduce vessel operation costs, such as slow steaming, business performance deteriorated year on year.

As a result, operating revenues for the six-month period were ¥668.338 billion (up ¥8.576 billion year on year), operating income was ¥18.774 billion (down ¥6.134 billion), ordinary income was ¥15.970 billion (down ¥9.913 billion), and net income attributable to owners of parent was ¥11.678 billion (down ¥9.503 billion).
Performance per segment was as follows:

(Billion yen; rounded to the nearest 100 million yen)

		Six months ended September 30, 2014	Six months ended September 30, 2015	Change	%Change
Containership	Operating revenues	329.5	337.6	8.1	2.5%
	Segment income (loss)	9.5	3.1	(6.4)	(67.1%)
Bulk Shipping	Operating revenues	292.5	296.7	4.2	1.4%
	Segment income (loss)	17.5	18.8	1.3	7.6%
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	18.6	15.0	(3.5)	(19.1%)
	Segment income (loss)	(0.6)	(3.6)	(3.0)	-
Other	Operating revenues	19.2	19.0	(0.2)	(0.9%)
	Segment income (loss)	1.8	0.9	(0.9)	(49.5%)
Adjustment and elimination	Segment income (loss)	(2.3)	(3.3)	(1.0)	-
Total	Operating revenues	659.8	668.3	8.6	1.3%
	Segment income (loss)	25.9	16.0	(9.9)	(38.3%)

(i) Containership Business Segment

Containership Business

During the six-month period, cargo volume loaded on the Asia-North America service for round-trip voyages recorded solid growth and increased by around 6% year on year, supported by a firm undertone in the U.S. economy. However, cargo movements stalled in the Asia-Europe, Intra-Asia, and North-South services, where cargo volume loaded declined by over 10%, partly reflecting the continued cut-back in sailings in response to a drop in demand. Overall cargo volume loaded for the Group declined by around 6% year on year.

As the freight rate market declined due to deterioration in the supply-demand balance, the Group's average freight rate also declined year on year, especially in the Asia-Europe and North-South services. Despite taking cost-cutting measures such as slow steaming and enhanced container inventory control, the Group recorded a year on year increase in revenue and a decline in income for the six-month period.

Logistics Business

In the logistics business, including inland transportation and warehousing, domestic and international logistics services both performed strongly. The handling volume of air freight cargos from Japan declined; however, earnings for the logistics business overall were same level year on year.

As a result of the above, the Containership Business Segment overall recorded year on year higher revenues but lower income for the six-month period.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

In the large-vessel sector, the market slumped overall despite rallying temporarily to an average of US$ 20,000 per day during early August, as iron ore import volumes plateaued due to stagnating iron demand in China. In the small and medium-vessel sector, the freight market also slumped as the balance of vessel supply and demand became upset, mainly caused by a drop in the volume of coal transported to China, which declined by around 30% year on year, and by a shortening of waiting period in loading areas by leveling of interval of South American grain shipments. The Group continued the efforts to operate vessels efficiently and to save operating costs. However, the Group recorded year on year declines in both revenues and income.

Car Carrier Business

Cargo volumes faltered from Europe and North America to the Far East against a backdrop of decelerated economy in China, and also cargo movements within Europe also declined, reflecting a slump in the Russian economy. However, the overall volume of finished vehicles shipped by the Group, during the six-month period, was roughly the same level year on year, supported by the steady cargo movement within the Atlantic Basin and from Japan to North America and the Middle East. In these circumstances the Group recorded increases in both revenues and income year on year resulting from the continuous efforts to improve efficiency of vessel deployment and operation.

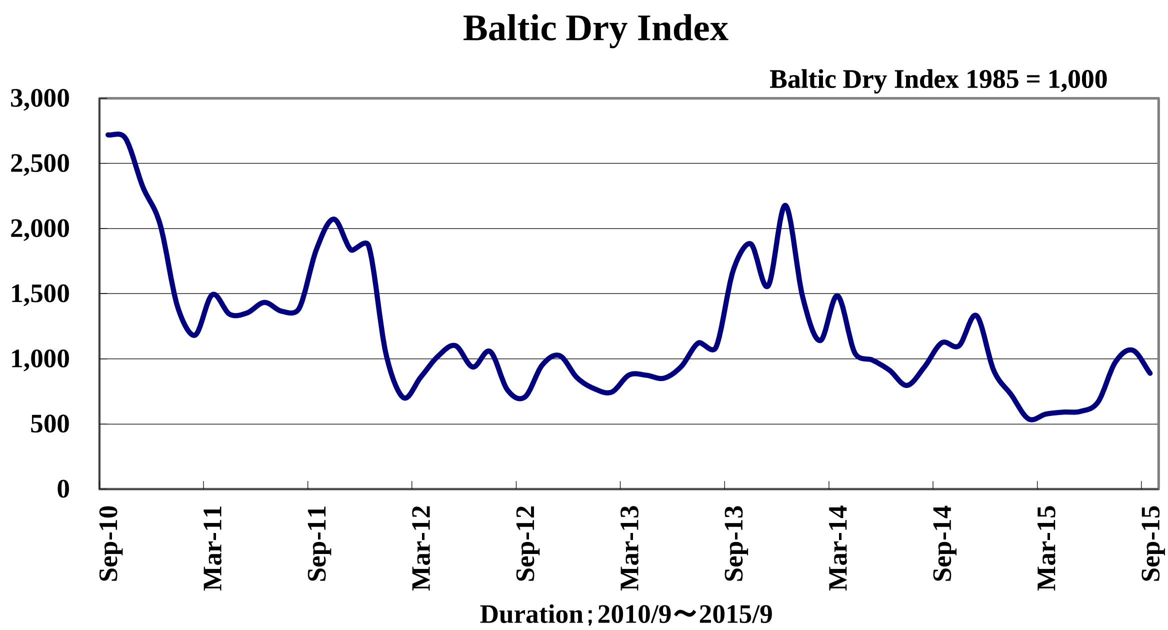
LNG Carrier Business and Tanker Business

LNG carriers, large crude tankers (VLCCs), and LPG carriers performed steadily on medium- and long-term charter contracts. Moreover, freight rate market in the oil tanker business continued to move briskly from the previous period. The LNG carrier business and Tanker business reported year on year increases in both revenues and income for the six-month period.

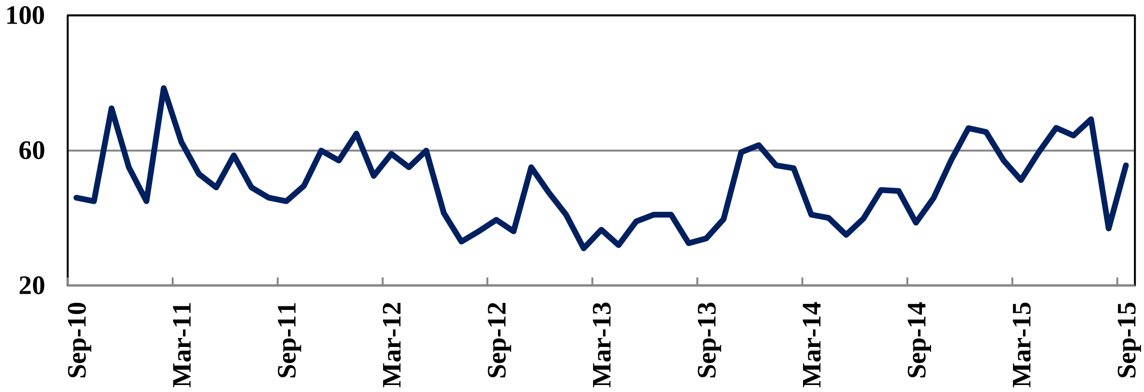
Short Sea and Coastal Business

In the short sea business, although shifts in the market were restricted to low price levels, the Group secured stable cargo volumes. In the coastal business, the Group achieved stable operations in the tramper service, and a year on year increase in cargo volumes in the liner service through sales promotion by launching large-sized vessels. In the short sea and coastal business as a whole, the Group posted a year on year decrease in revenues and an increase in income, partly due to a decrease in bunker adjustment charge resulting from a fall in fuel oil prices.

As a result of the above, the Bulk Shipping Business Segment overall recorded higher revenues and higher income compared with the same period of the previous fiscal year.



VLCC World Scale (AG/JPN)



Duration：2010/9～2015/9

(iii) Offshore Energy E&P Support and Heavy Lifter Business

Offshore Energy E&P Support Business

In the offshore support business, there was an impact from softening market conditions as offshore development stalled due to the slump in oil prices. The drill ship was deployed stably, contributing to stable long-term earnings. Overall, the offshore energy E&P support business recorded a loss, with lower revenues year on year partly due to incorporating a foreign-currency denominated debt valuation at a foreign subsidiary.

Heavy Lifter Business

In the heavy lifter business, market conditions deteriorated slightly year on year, following the fall in oil prices; however, the loss was flat year on year despite a decline in revenue due to the contribution of lower fuel prices and other factors.

As a result of the above, the Offshore Energy E&P Support and Heavy Lifter Business Segment overall recorded lower revenues year on year and its ordinary losses worsened.

(iv) Other Business

Other business includes the Group’s ship management service, travel agency service, and real estate rental and administration service. The segment recorded year on year declines in both revenues and income.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 2nd Quarter were ¥1,221.087 billion, a decrease of ¥2.240 billion over the end of the previous fiscal year as a result of a decrease in investments in securities and other factors.

Consolidated liabilities increased by ¥3.417 billion to ¥759.305 billion due to factors including an increase in bonds and other factors compared to the previous fiscal year.

Consolidated net assets were ¥461.781 billion, a decrease of ¥5.658 billion compared to the end of the previous fiscal year as a result of decrease in net unrealized holding gain on investments in securities and other factors.

(3) Qualitative Information on the Consolidated Prospects for FY2015

(Billion yen; rounded to the nearest 100 million)

	Prior Forecast (at the time of announcement dated July 31, 2015)	Current Forecast (at the time of announcement of the 2nd Quarter result)	Change	%Change
Operating revenues	1,350	1,300	(50)	(3.7%)
Operating income	39	24	(15)	(38.5%)
Ordinary income	40	20	(20)	(50.0%)
Net income attributable to owners of parent	23	12	(11)	(47.8%)

Exchange rate (¥/US$)	¥119.45	¥120.88	¥1.43	1.2%
Fuel oil price (US$/MT)	US$361	US$314	(US$47)	(13.0%)

In the global economy from the third quarter onward, advanced countries such as the U.S. are expected to continue posting moderate growth. However, while some countries will receive a positive effect from low oil prices, uncertainties remain; geopolitical risks such as the refugee issue in Europe, the slowdown in economies of emerging countries associated with the decline in resource prices, and future trends in the Chinese economy responding to these impacts by adjusting investment and surplus facilities. A further uncertainty is the prospect of an interest rate rise in the U.S.

Under this business environment, in the containership business, the full-fledged recovery of container market is expected to require more time as the slump in the tonnage supply and demand balance is expected to continue with the numerous launches of newly built large-sized container ships in the industry. However, the Group will work to improve income by maximizing the advantage of its alliances on the East-West services, strengthening its cost competitiveness by replacing the older vessels with the five newly-built, large-sized vessels featuring new energy-efficient technologies and a loading capacity of 14,000 TEU, taking initiatives on highly profitable cargo such as reefer cargo, strengthening profit management through advanced IT utilization, and rationalizing service capacity in line with market demand.

In the dry bulk business as well, it will take some more time for recovery of the supply and demand balance. However, the Group will work to capture the seasonal surge in cargo movement demand through second half of the year in addition to the transport demand of medium- to long-term contracts, as well as continuously working to achieve efficient allocation of vessels and cut-backs of vessel operating costs.

In the car carrier business, the Group will continue to reinforce the business to reflect the change in trade structure such as pursuing the cargos from South-East Asian countries and trade within the Atlantic Basin. At the same time, the Group will strive to enhance its revenue base by making maximum use of its successively completed fleet of large-sized and new-generation vessels, featuring larger loading capacity for heavy construction machinery and rail trains as well as improved fuel efficiency.

In the LNG carrier and tanker business, the Group expects to secure stable revenues for LNG carriers and LPG carriers, mainly through medium- and long-term contracts, and to improve cash flow in oil tanker services due to the recovery of freight market conditions and efficient allocation of vessels.

In the offshore energy E&P support business and the heavy lifter business, the deteriorated market are expected to continue due to the low oil prices; however, the Group will expand sales in the logistics business and the short sea and coastal business backed by firm demand.

Expecting a tough business environment, with concerns over the prolonged slump in market conditions mainly in the containership business sector and the dry bulk business sector, the Group is forecasting full-year operating income, ordinary income, and net income attributable to owners of parent to be lower than previously announced.

Our important task is to maximize returns to our shareholders while, maintaining necessary internal reserves to fund for our investments in plant and equipment and strengthen our financial position for the sake of sustainable growth, which is a priority of our management plan. Under our new medium-term management plan “ Value for our Next Century”, we are aiming to achieve an appropriate balance between stability and growth, while paying stable dividends and sharing profit exceeding a designated level in line with our total return ratio target.

For the annual dividend in the fiscal year ending March 31, 2016, although full-year business results are expected to be lower than the figures announced in the first-quarter financial report, in line with the above policy, we plan to pay an interim dividend of ¥2.5 per share as announced previously. We also plan to pay a year-end dividend of ¥2.5 per share.

As noted above, the business results forecast have changed from the figures disclosed on July 31, 2015. Please refer to the disclosure “Notice Regarding Revision of Full-Year Business Results Forecast” released today (October 30, 2015).

2. Matters Relating to Summary Information

Changes in Accounting Policies

(Application of Accounting Standard for Business Combinations and other standards)

The company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements”(ASBJ Statement No.22, September 13, 2013, hereinafter the “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, September 13, 2013, hereinafter the “Business Divestitures Standard”) and others effective from the first quarter of the consolidated fiscal year ending March 31, 2016. Accordingly, the Company’s accounting policies have been changed; the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control being recorded as capital surplus and acquisition costs being expensed in the consolidated fiscal year in which they are incurred. Furthermore, for business combinations to be performed at and after the beginning of the first quarter of the consolidated fiscal year ending March 31, 2016, the method has been changed to reflect adjustments to the provisional amount arising from the finalization of the tentative accounting treatment relating to the purchase price allocation in the consolidated financial statements for the quarter to which the date of business combination belongs. In addition, the expression for quarterly net profit, etc. has been changed, and “minority interests” has been changed to “non-controlling interests”. In order to reflect these changes, the second quarter and full-year consolidated financial statements for the fiscal year ending March 31, 2015 have been reclassified.

The Business Combinations Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2016. This change has no impact on the consolidated financial statements of the second quarter of the fiscal year ending March 31, 2016.

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, 2015 and six months ended September 30, 2015

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

	Year ended March 31, 2015	Six months ended September 30, 2015	Six months ended September 30, 2015
ASSETS			
Current assets :			
Cash and deposits	¥ 242,432	¥ 260,095	$ 2,168,184
Accounts and notes receivable-trade	94,132	91,901	766,102
Raw material and supply	35,312	32,225	268,633
Other current assets	72,375	72,478	604,186
Allowance for doubtful receivables	(1,999)	(1,644)	(13,709)
Total current assets	442,253	455,055	3,793,396
Fixed assets :			
(Tangible fixed assets)			
Vessels	529,408	517,218	4,311,592
Buildings and structures	19,945	19,264	160,592
Machinery and vehicles	7,700	8,034	66,978
Land	25,820	25,183	209,930
Construction in progress	45,824	53,896	449,291
Other tangible fixed assets	3,797	3,653	30,458
Total tangible fixed assets	632,496	627,251	5,228,840
(Intangible fixed assets)			
Goodwill	231	138	1,155
Other intangible fixed assets	4,356	4,222	35,200
Total intangible fixed assets	4,587	4,361	36,355
(Investments and other long-term assets)			
Investments in securities	93,991	73,464	612,405
Long-term loans receivable	16,935	17,330	144,469
Asset for retirement benefits	1,605	2,211	18,431
Other long-term assets	31,823	41,768	348,188
Allowance for doubtful receivables	(364)	(355)	(2,964)
Total investments and other long-term assets	143,991	134,418	1,120,530
Total fixed assets	781,075	766,031	6,385,725
Total assets	¥ 1,223,328	¥ 1,221,087	$ 10,179,122

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2015 and six months ended September 30, 2015

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

		Year ended March 31, 2015		Six months ended September 30, 2015		Six months ended September 30, 2015
LIABILITIES						
Current liabilities :						
Accounts and notes payable-trade	¥	101,324	¥	103,284	$	860,992
Short-term loans and current portion of long-term loans		81,475		65,280		544,189
Accrued income taxes		6,641		1,835		15,301
Allowance for loss related to the Anti-Monopoly Act		1,672		5,551		46,281
Other allowance		2,964		3,285		27,389
Other current liabilities		66,871		73,563		613,230
Total current liabilities		260,949		252,801		2,107,382
Long-term liabilities :						
Bonds		52,943		62,754		523,124
Long-term loans, less current portion		357,502		363,056		3,026,480
Accrued expenses for overhaul of vessels		14,127		12,809		106,785
Other allowance		1,531		1,428		11,910
Liability for retirement benefits		6,310		6,174		51,468
Other long-term liabilities		62,522		60,280		502,507
Total long-term liabilities		494,938		506,504		4,222,274
Total liabilities		755,887		759,305		6,329,656
NET ASSETS						
Shareholder's equity:						
Common stock		75,457		75,457		629,023
Capital surplus		60,312		60,312		502,768
Retained earnings		254,922		260,973		2,175,501
Less treasury stock, at cost		(1,071)		(1,073)		(8,950)
Total shareholders' equity		389,620		395,669		3,298,342
Accumulated other comprehensive income :						
Net unrealized holding gain on investments in securities		14,822		9,483		79,059
Deferred gain on hedges		8,719		5,778		48,170
Revaluation reserve for land		6,209		6,209		51,761
Translation adjustments		22,201		19,007		158,445
Retirement benefits liability adjustments		(41)		132		1,103
Total accumulated other comprehensive income, net		51,911		40,611		338,539
Non-controlling interests		25,908		25,501		212,585
Total net assets		467,440		461,781		3,849,466
Total liabilities and net assets	¥	1,223,328	¥	1,221,087	$	10,179,122

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2015 and 2014

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

		Six months ended September 30, 2014		**Six months ended September 30, 2015**		**Six months ended September 30, 2015**
Marine transportation and other operating revenues	¥	659,762	¥	**668,338**	$	**5,571,343**
Marine transportation and other operating expenses		598,154		**611,511**		**5,097,630**
Gross operating income		61,607		**56,826**		**473,713**
Selling, general and administrative expenses		36,698		**38,052**		**317,208**
Operaing income		24,909		**18,774**		**156,505**
Non-operating income :						
Interest income		526		**875**		**7,302**
Dividend income		935		**1,418**		**11,829**
Equity in earnings of subsidiaries and affiliates		1,483		**1,161**		**9,684**
Exchange gain		2,386		**-**		**-**
Other non-operating income		640		**993**		**8,279**
Total non-operating income		5,973		**4,449**		**37,094**
Non-operating expenses :						
Interest expenses		4,891		**4,265**		**35,561**
Exchange loss		-		**2,065**		**17,221**
Other non-operating expenses		105		**921**		**7,685**
Total non-operating expenses		4,997		**7,253**		**60,467**
Ordinary income		25,884		**15,970**		**133,133**
Extraordinary profits :						
Gain on sales of vessels, property and equipment		2,504		**9,299**		**77,519**
Gain on sales of investments in securities		47		**4,867**		**40,577**
Gain on sales of shares of subsidiaries and associates		10,714		**-**		**-**
Other extraordinary profits		1,499		**700**		**5,837**
Total extraordinary profits		14,765		**14,867**		**123,933**
Extraordinary losses :						
Loss from revaluation of investment securities		-		**8,133**		**67,805**
Provision of allowance for loss related to the Anti-Monopoly Ac		-		**3,952**		**32,945**
Other extraordinary losses		7,743		**1,033**		**8,612**
Total extraordinary losses		7,743		**13,119**		**109,363**
Income before income taxes		32,905		**17,718**		**147,703**
Income taxes :						
Current		4,603		**3,795**		**31,644**
Deferred		5,991		**690**		**5,755**
Total income taxes		10,594		**4,486**		**37,398**
Net income		22,311		**13,232**		**110,305**
Net income attributable to non-controlling interests		1,130		**1,554**		**12,956**
Net income attributable to owners of parent	¥	21,181	¥	**11,678**	$	**97,349**

Consolidated Statements of Comprehensive Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2015 and 2014

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

	Three months ended September 30, 2014	Three months ended September 30, 2015	Three months ended September 30, 2015
Net income	¥ 22,311	¥ 13,232	$ 110,305
Other comprehensive (loss) income			
Net unrealized holding (loss) gain on investments in securities	4,994	(5,397)	(44,991)
Deferred (loss) income on hedges	442	(3,238)	(26,993)
Translation adjustments	9,655	(4,285)	(35,724)
Retirement benefits liability adjustments	157	173	1,447
Share of other comprehensive income of subsidiaries and affiliates accounted for by the equity method	420	106	891
Total other comprehensive (loss) income	15,670	(12,640)	(105,370)
Comprehensive income	¥ 37,982	¥ 591	$ 4,935
(Breakdown)			
Comprehensive income attributable to:			
Owners of parent	¥ 36,185	¥ 377	$ 3,151
Non-controlling interests	1,797	213	1,784

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2015 and 2014

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

	Six months ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2015
Cash flows from operating activities :			
Income before income taxes and minority interests	¥ 32,905	¥ 17,718	$ 147,703
Depreciation and amortization	26,727	24,557	204,710
Decrease in liability for retirement benefits	(174)	(143)	(1,193)
(Increase) decrease in asset for retirement benefits	216	(605)	(5,049)
Reversal of allowance for directors' and audit and supervisory board members' retirement benefits	(183)	(101)	(848)
Decrease in accrued expenses for overhaul of vessels	(1,357)	(1,317)	(10,983)
Provision for allowance for loss related to the Anti-Monopoly Act	-	3,952	32,945
Interest and dividend income	(1,462)	(2,294)	(19,131)
Interest expense	4,891	4,265	35,561
Exchange loss (gain), net	(3,248)	1,492	12,441
Gain on sales of vessels, property and equipment, net	(2,486)	(9,190)	(76,615)
Gain on sales of marketable securities and investments in securities, net	(10,761)	(4,867)	(40,577)
Loss on revaluation of marketable securities and investments in securities	-	8,133	67,805
Decrease (increase) in accounts and notes receivable – trade	(2,358)	2,189	18,250
Decrease in inventories	1,838	3,079	25,669
Increase in other current assets	(1,547)	(1,977)	(16,488)
Increase in accounts and notes payable – trade	10,481	2,257	18,821
Increase (decrease) in other current liabilities	(59)	53	443
Other, net	5,659	(8,814)	(73,478)
Subtotal	59,080	38,385	319,987
Interest and dividends received	1,649	2,476	20,646
Interest paid	(5,202)	(4,319)	(36,008)
Payments related to the Anti-Monopoly Act	(5,698)	-	-
Income taxes paid	(3,768)	(8,215)	(68,483)
Net cash provided by operating activities	46,060	28,327	236,142
Cash flows from investing activities :			
Payments into time deposits	(11,050)	(1,924)	(16,039)
Proceeds from withdrawal of time deposits	11,218	1,601	13,347
Purchases of marketable securities and investments in securities	(1,282)	(2,874)	(23,965)
Proceeds from sales of marketable securities and investments in securities	14,627	10,469	87,279
Purchases of vessels, property and equipment	(46,317)	(54,742)	(456,338)
Proceeds from sales of vessels, property and equipment	38,164	51,068	425,714
Purchases of intangible fixed assets	(450)	(381)	(3,178)
Increase in long-term loans receivable	(1,046)	(486)	(4,058)
Collection of long-term loans receivable	1,964	589	4,915
Other, net	(1,033)	(855)	(7,128)
Net cash provided by investing activities	4,793	2,464	20,548
Cash flows from financing activities :			
Increase in short-term loans, net	70	1,257	10,482
Proceeds from long-term loans	20,557	59,483	495,865
Repayment of long-term loans and obligations under finance leases	(49,071)	(73,873)	(615,821)
Proceeds from Issuance of Bonds	-	10,000	83,361
Redemption of Bonds	(45,189)	(189)	(1,576)
Cash dividends paid	(4,219)	(5,616)	(46,816)
Cash dividends paid to non-controlling interests	(498)	(748)	(6,242)
Payments of commission for syndicate loan	-	(2,149)	(17,916)
Other, net	(1)	(2)	(21)
Net cash used in financing activities	(78,352)	(11,838)	(98,684)
Effect of exchange rate changes on cash and cash equivalents	6,768	(1,462)	(12,195)
Net increase (decrease) in cash and cash equivalents	(20,728)	17,491	145,811
Cash and cash equivalents at beginning of the period	222,606	209,424	1,745,784
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	708	5	48
Increase in cash and cash equivalents resulting from merger	-	11	100
Cash and cash equivalents at end of the period	¥ 202,586	¥ 226,933	$ 1,891,743

Segment information

Six months ended September 30, 2014

(Millions of Yen)

	Containership	Bulk shipping	Offshore Energy E&P Support and Heavy Lifter	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating Revenues from customers	¥ 329,487	¥ 292,529	¥ 18,552	¥ 19,193	¥ 659,762	¥ -	¥ 659,762
Inter-group revenues and transfers	3,797	1,394	-	22,999	28,190	(28,190)	-
Total revenues	333,284	293,923	18,552	42,192	687,953	(28,190)	659,762
Segment (loss) income	¥ 9,475	¥ 17,499	¥ (626)	¥ 1,798	¥ 28,146	¥ (2,262)	¥ 25,884

Six months ended September 30, 2015

(Millions of Yen)

	Containership	Bulk shipping	Offshore Energy E&P Support and Heavy Lifter	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating Revenues from customers	¥ 337,614	¥ 296,697	¥ 15,013	¥ 19,012	¥ 668,338	¥ -	¥ 668,338
Inter-group revenues and transfers	4,338	1,265	-	26,471	32,075	(32,075)	-
Total revenues	341,953	297,963	15,013	45,484	700,414	(32,075)	668,338
Segment income (loss)	¥ 3,114	¥ 18,832	¥ (3,612)	¥ 908	¥ 19,242	¥ (3,272)	¥ 15,970

Six months ended September 30, 2015

(Thousands of U.S. Dollars)

	Containership	Bulk shipping	Offshore Energy E&P Support and Heavy Lifter	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating Revenues from customers	$ 2,814,392	$ 2,473,305	$ 125,153	$ 158,493	$ 5,571,343	$ -	$ 5,571,343
Inter-group revenues and transfers	36,169	10,551	-	220,667	267,387	(267,387)	-
Total revenues	2,850,561	2,483,856	125,153	379,160	5,838,730	(267,387)	5,571,343
Segment income (loss)	$ 25,964	$ 156,986	$ (30,110)	$ 7,571	$ 160,410	$ (27,277)	$ 133,133