FINANCIAL HIGHLIGHTS

Brief report of the nine months ended December 31, 2016

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	**Nine months ended December 31, 2016**
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	**¥ 760,932**	¥ 977,783	**$ 6,532,168**
Operating (loss) income (Millions of yen / Thousands of U.S. dollars)	**(34,682)**	15,192	**(297,726)**
(Loss) profit attributable to Owners of the parent (Millions of yen / Thousands of U.S. dollars)	**(54,578)**	9,275	**(468,528)**
(Loss) profit attributable to Owners of the parent per share (Yen / U.S. dollars)			
Basic	**(58.24)**	9.90	**(0.50)**
Diluted	**-**	8.44	**-**

	Nine months ended December 31, 2016	Year ended March 31, 2016	**Nine months ended December 31, 2016**
Total assets (Millions of yen / Thousands of U.S. dollars)	**¥ 1,072,099**	¥ 1,115,223	**$ 9,203,363**
Net assets (Millions of yen / Thousands of U.S. dollars)	**335,443**	379,913	**2,879,594**

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	**Nine months ended December 31, 2016**
Net cash (used in) provided by operating activities (Millions of yen / Thousands of U.S. dollars)	**¥ (26,512)**	¥ 36,420	**$ (227,595)**
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	**(18,339)**	(10,176)	**(157,433)**
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	**(4,455)**	(31,199)	**(38,245)**

The U.S. dollar amounts are converted from the yen amount at ¥116.49 = U.S.$1.00.
The exchange rate prevailing on December 31, 2016.

1. Qualitative Information and Financial Statement

(1) Qualitative Information about the Consolidated Operating Result

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

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	% Change
Operating revenues	977.8	760.9	(216.9)	(22.2%)
Operating income (loss)	15.2	(34.7)	(49.9)	-
Ordinary income (loss)	11.7	(36.9)	(48.6)	-
Profit (loss) attributable to owners of the parent	9.3	(54.6)	(63.9)	-

Exchange Rate (¥/US$) (9-month average)	¥121.58	¥106.92	(¥14.66)	(12.1%)
Fuel oil price (US$/MT) (9-month average)	US$325	US$244	(US$81)	(24.8%)

During the first nine months of the fiscal year ending March 31, 2017 (from April 1, 2016 to December 31, 2016; hereinafter “the nine-month period”), the US economy expanded gradually amid firm employment environment and solid consumer spending. The European economy, after passing a temporary period of confusion due to the U.K. decision to exit the E.U., recovered a sense of stability and continued a gradual recovery supported by firm exports and solid consumer spending. The Chinese economy managed some respite from slowing growth, supported by an expansion of government public investments, but generally remained flat. In Brazil and other emerging countries, although a rise in resource prices marginally boosted some resource-rich countries, the impact of such price rise was uneven across the various countries, the overall tempo of recovery in the emerging economies weakened.

As for the Japanese economy, despite signs of a pickup concentrated on exports against the backdrop of yen depreciation, such effects were not enough to bolster consumer spending, keeping the pace of recovery slow overall.

In the business environment for the shipping industry, the outlook for the economic environment remained uncertain. Although a full market recovery is still expected to take some time, we expect a rise in resource prices and a gentle recovery in the global economy will gradually push freight rates out of the historical bottom of the freight market. In the container ship business, a loss was reported mainly due to low freight rate based on the vessel supply-demand gap, despite signs of a revenue pickup, such as improvement in the short-term freight market, particularly on East-West services.

In the dry bulk business, the market has lifted out of the historically low levels at the start of the year and is on a course for recovery. While the vessel supply-demand gap is still on the way to improve, the market conditions were weighed down.

The Group worked on measures to improve profitability, such as more efficient vessel allocation, and strove to reduce vessel operation costs. Nevertheless, business performance declined year on year.

As a result, operating revenues for the nine-month period were ¥760.932 billion (down ¥216.851 billion year on year), operating loss was ¥34.682 billion (compared to operating income of ¥15.192 billion for the previous fiscal year), ordinary loss was ¥36.906 billion (compared to ordinary income of ¥11.729 billion for the previous fiscal year), and loss attributable to owners of the parent was ¥54.578 billion (compared to profit attributable to owners of the parent of ¥9.275 billion for the previous fiscal year). Performance per segment was as follows.

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

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%Change
Containership	Operating revenues	482.7	381.4	(101.3)	(21.0%)
	Segment loss	(4.2)	(23.9)	(19.7)	-
Bulk Shipping	Operating revenues	445.8	338.5	(107.2)	(24.1%)
	Segment profit (loss)	26.3	(5.6)	(31.9)	-
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	20.9	14.9	(5.9)	(28.4%)
	Segment loss	(6.5)	(3.2)	3.3	-
Other	Operating revenues	28.5	26.1	(2.4)	(8.3%)
	Segment profit	1.2	1.9	0.6	50.9%
Adjustment and elimination	Segment loss	(5.1)	(6.1)	(1.1)	-
Total	Operating revenues	977.8	760.9	(216.9)	(22.2%)
	Segment loss	11.7	(36.9)	(48.6)	-

(i) Containership Business Segment

Containership Business

Cargo movements were steady, including those during the slack season following the National Day of the People's Republic of China, mainly on the East-West services, while cargo volume increased 9% year on year on the Asia-North America services, and cargo volume kept same level with the same period of the previous year for the Asia-Europe service. The Intra-Asia service declined around 3% year on year due to service restructuring focused on profitability. As a result, overall cargo volume increased 5% year on year.

Although the short-term freight rate market has rebounded upwards in comparison with the same period of the previous year, reflecting steady cargo movements, the gap between vessel supply and demand is yet to be fixed and reduced revenues year on year led to a loss larger than the same period of the previous year.

Logistics Business

In the logistics business, including inland transportation and warehousing, demand for domestic logistics services was somewhat weak in comparison with the previous year. International logistic services performed strongly, with an increase in transport demand for air cargo from Japan; however, partly due to the impact of the yen's year-on-year appreciation, the logistics business overall recorded year-on-year decreases in both revenues and profit.

As a result of the above, the Containership Business Segment overall recorded a loss, with lower revenues year on year.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

In the overall dry bulk sectors, market conditions improved from historically low levels and continued a recovery trend, supported by an increase in cargo volumes of iron ore and coal for China. Although the average market rate for large vessels on the main five services nearly reached US$20,000 per day at one stage, market conditions were weighed down by a gap between vessel supply and demand that partly due to a slowdown in the number of ships scrapped in the second half of the year after a strong start at the beginning of the year. The Group targeted uneconomical vessels for downsizing, and strove to cut operation costs and allocate vessels more efficiently, but its loss worsened with lower revenues year on year due to the market slump.

Car Carrier Business

During the nine-month period, cargo movements for finished vehicles sagged with respect to such cargoes shipped from Asia to resource-rich countries in the Middle East, Central and South America, and Africa due to falls in resource prices, and such cargoes shipped from Europe and North America to Asia against the backdrop of the economic slowdown in China. Cargo movements within Europe also declined, reflecting a slump in the Russian economy. As a result, the overall volume of finished vehicles shipped by the Group during the nine-month period decreased by around 3% year on year, despite such results having been supported by increases in cargo volumes that included shipments within the Atlantic Basin and shipments from Japan to Europe and North America. The Group recorded year-on-year declines in both revenues and profit despite adjusting tonnage in line with cargo volumes by scrapping aging vessels and so forth, and despite continuous efforts to improve efficiency of vessel allocation and operation.

LNG Carrier Business and Tanker Business

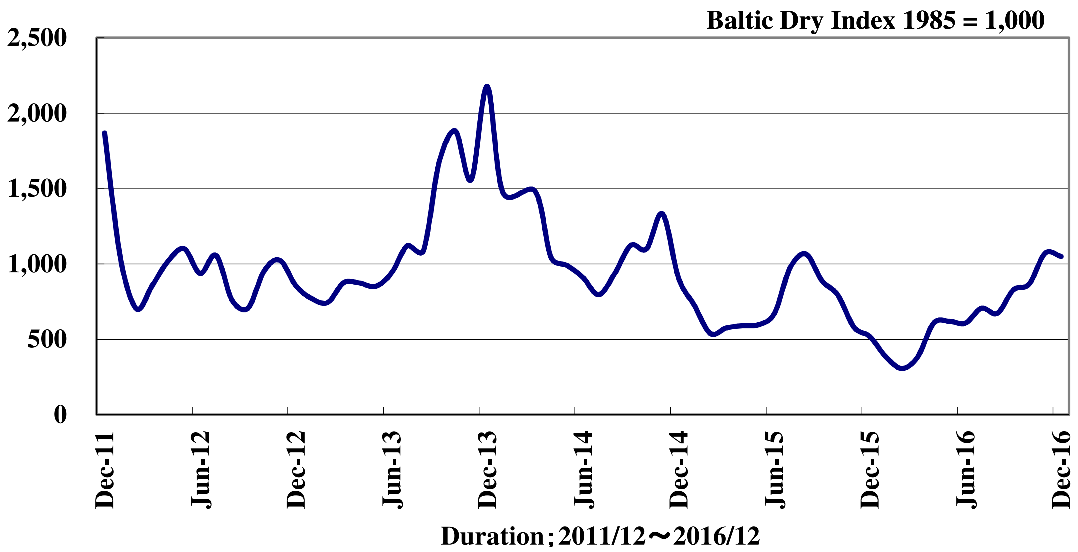
Although LNG carriers, large crude tankers (VLCCs), and LPG carriers performed steadily on medium- and long-term charter contracts, the LNG carrier business and Tanker business overall reported year-on-year declines in both revenues and profit due to the softening of the market condition.

Short Sea and Coastal Business

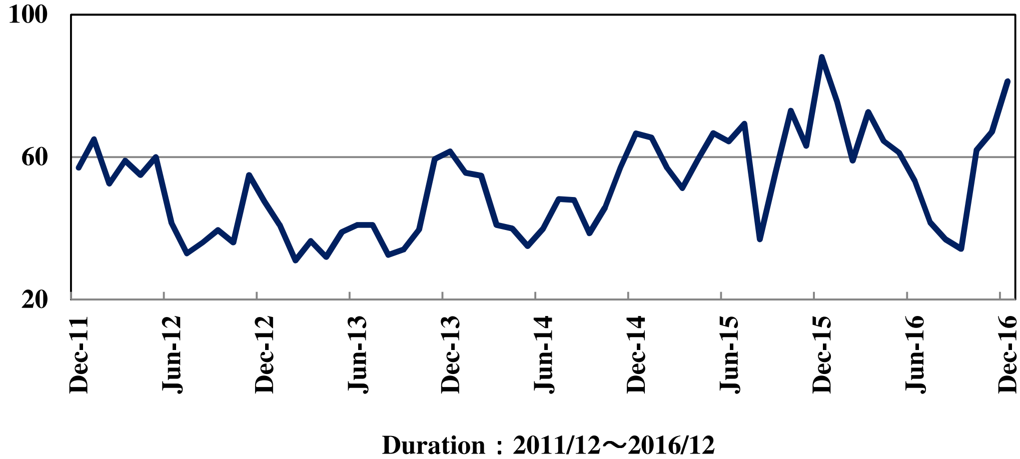
In the short sea and coastal business, the Group recorded year-on-year declines in both revenues and profit, mainly reflecting a year-on-year decline in transport volumes, partly due to the impact of typhoons, as well as the prolonged slump in the market in the short sea business and temporary expenses incurred for opening a new shipping route in the coastal business.

As a result of the above, revenues of the Bulk Shipping Business Segment overall declined year on year resulting in a loss.

Baltic Dry Index



VLCC World Scale　(AG/JPN)



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

Offshore Energy E&P Support Business

The drillship vessel continued to perform steadily, thereby helping to secure stable long-term earnings. However, in the offshore support business, softening market conditions continued due to stalled offshore development caused by the slump in crude oil prices. Overall, the offshore energy E&P support business narrowed its loss despite a year-on-year decline in revenues.

Heavy lifter business

In the heavy lifter business, the market was weaker year on year and the fleet was scaled down to match the demand, resulting in a decline in revenues. On the other hand, with regard to profitability, the business reduced its losses due to the rightsizing of the fleet and the effects of cost cutting.

As a result of the above, the Offshore Energy E&P Support and Heavy Lifter Business Segment overall had a year-on-year decline in revenues and a loss was recorded but narrowed.

(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 a year-on-year decline in revenues and increased profit.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 3rd Quarter were ¥1,072.099 billion, a decrease of ¥43.124 billion from the end of the previous fiscal year as a result of a decrease in cash and deposits, vessels and other factors.
Consolidated liabilities increased by ¥1.345 billion to ¥736.655 billion as a result of an increase in long term loans and other factors compared to the end of the previous fiscal year.
Consolidated net assets were ¥335.443 billion, a decrease of ¥44.470 billion compared to the end of the previous fiscal year as a result of decrease in retained earnings and other factors.

(3) Qualitative Information on the Consolidated Prospects for FY2016

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

	Prior Forecast (at the time of announcement Dated October 31, 2016)	Current Forecast (at the time of announcement of the 3rd Quarter result)	Change	% Change
Operating revenues	970	1,010	40	4.1%
Operating income (loss)	(44)	(43)	1	-
Ordinary income (loss)	(54)	(47)	7	-
Profit (loss) attributable to owners of the parent	(94)	(94)	-	-

Exchange rate (¥/US$)	¥103.66	¥108.23	¥4.57	4.4%
Fuel oil price (US$/MT)	US$268	US$260	(US$8)	(3.1%)

Looking at the global economy from the fourth quarter onward, while there are rising expectations for stimulation of the global economy through the aggressive fiscal initiatives and other policies of the new administration in the U.S., global economic trends are being monitored due to concerns that the new government's commitment to protectionism may cause global trade to stall. In Europe, the outlook remains uncertain as ever due to geopolitical risks such as terrorism, and overall the region is expected to lack vigor going forward.

In the containership business, although the freight rate market appears to have bottomed out, mainly in the East-West services, the recovery in short-term freight rates is expected to stall on account of an anticipated weakening of the freight market due to seasonal factors. The Company will strive to improve profits by adjusting vessel allocation through its alliance scale in line with supply and demand, strengthening its handling of relatively profitable cargo, such as reefer cargo, as well as taking even more meticulous cost cutting measures.

In the dry bulk business, although demand for marine transport continues to increase slightly, adjusting the global tonnage surplus is expected to take more time. In this situation, the Group will continue to take steps to improve operating efficiency, as well as ensuring cost competitiveness by targeting uneconomical vessels for downsizing and so forth, and strengthening an income structure that is resilient against market fluctuations.

In the car carrier business, the Group will continue to reinforce its business platform to reflect the change in the trade structure such as pursuing cargoes 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 cars as well as improved fuel efficiency. In addition, the Group will work to reduce vessel costs and operation costs.

In the LNG carrier business and Tanker business, the Group will work to secure stable revenues for LNG carriers, VLCCs and LPG carriers supported by medium- and long-term charter contracts.

In the offshore energy E&P support business and the heavy lifter business, although it is expected to take some time for the market to recover due to the continuous effect of crude oil prices, the Group will work to improve its profitability through cost cutting and other means. In the logistics business, short sea business and coastal business, the Group will continue to aggressively expand its business operations.

As noted above, although signs of recovery in the overall marine transportation market conditions are finally beginning to appear, it is going to take some time before the balance between vessel supply and demand improves fundamentally. In these conditions, the Group will strive to improve profitability through efficient vessel allocation and further cost cutting while implementing structural reforms as planned.

Our important task is to maximize returns to our shareholders while maintaining necessary internal reserves to fund our capital investment and strengthen our financial position for the sake of sustainable growth, which is a priority of our management plan. However we consider it an urgent management priority to improve our financial strength in light of the current fiscal year's forecast of a loss attributable to owners of parent. Accordingly, it is with sincere regret that the Company announces it has decided to pay no interim dividend and has forecasted no year-end dividend for the current fiscal year.

2. Matters Relating to Summary Information

Changes in Accounting Policies

(Application of Practical Solution on a change in depreciation method due to Tax Reform 2016)

Effective the first quarter of FY 2016, the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Accounting Standards Board of Japan(ASBJ) PITF No.32, issued June 17, 2016) was adopted, in accordance with the revision of the Corporation Tax Law of Japan. As a result, the depreciation method for facilities attached to buildings and for structures acquired on or after April 1, 2016 was changed from the declining-balance method to the straight-line method.

The impact of this change on the Company's consolidated operating result of the fiscal year ending March 31, 2017 is immaterial.

Additional Information

(Application of Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective the first quarter of FY 2016, the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, issued March 28, 2016) was adopted.

Consolidated Financial Statements

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

Consolidated Balance Sheet

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

	Nine months ended December 31, 2016	Year ended March 31, 2016	Nine months ended December 31, 2016
ASSETS			
Current assets :			
Cash and deposits	¥ 193,078	¥ 241,101	$ 1,657,472
Accounts and notes receivable-trade	93,374	79,652	801,569
Raw material and supply	25,370	22,131	217,788
Other current assets	61,989	58,926	532,141
Allowance for doubtful receivables	(1,851)	(597)	(15,890)
Total current assets	371,961	401,214	3,193,079
Non-current assets :			
(Vessels, property and equipment)			
Vessels, net	445,770	480,257	3,826,683
Buildings and structures, net	17,923	18,571	153,859
Machinery and vehicles, net	10,635	9,077	91,296
Land	24,817	24,862	213,048
Construction in progress	54,977	47,238	471,946
Other, net	3,894	3,544	33,431
Total vessels, property and equipment	558,017	583,552	4,790,264
(Intangible assets)			
Goodwill	-	43	-
Other intangible assets	4,141	4,157	35,550
Total intangible assets	4,141	4,200	35,550
(Investments and other assets)			
Investments in securities	80,518	70,896	691,207
Long-term loans receivable	18,134	18,887	155,671
Asset for retirement benefits	364	585	3,128
Other investments and other assets	39,308	37,086	337,444
Allowance for doubtful receivables	(347)	(1,199)	(2,980)
Total investments and other assets	137,978	126,256	1,184,470
Total non-current assets	700,137	714,009	6,010,284
Total assets	¥ 1,072,099	¥ 1,115,223	$ 9,203,363

Consolidated Balance Sheet

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

	Nine months ended December 31, 2016	Year ended March 31, 2016	Nine months ended December 31, 2016
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 99,085	¥ 99,745	$ 850,596
Short-term loans and current portion of long-term loans	44,109	71,787	378,654
Accrued income taxes	1,407	1,804	12,082
Allowance for loss related to the Anti-Monopoly Act	5,223	5,223	44,837
Other allowance	1,542	2,586	13,243
Other current liabilities	63,559	64,475	545,618
Total current liabilities	214,927	245,623	1,845,031
Non-current liabilities :			
Bonds	62,376	62,565	535,462
Long-term loans, less current portion	379,021	346,482	3,253,684
Accrued expenses for overhaul of vessels	11,748	12,064	100,858
Allowance for directors' and audit and supervisory board members' retirement benefits	1,533	1,643	13,164
Liability for retirement benefits	7,157	7,747	61,439
Other non-current liabilities	59,891	59,184	514,131
Total non-current liabilities	521,728	489,686	4,478,738
Total liabilities	736,655	735,309	6,323,769
NET ASSETS			
Shareholder's equity:			
Common stock	75,457	75,457	647,761
Capital surplus	60,334	60,297	517,938
Retained earnings	139,531	195,863	1,197,800
Less treasury stock	(1,081)	(1,077)	(9,286)
Total shereholiders' equity	274,242	330,541	2,354,212
Accumulated other comprehensive income :			
Net unrealized holding gain on investments in securities	9,414	6,485	80,818
Deferred gain on hedges	11,419	4,752	98,027
Revaluation reserve for land	6,264	6,266	53,779
Translation adjustments	10,713	9,689	91,969
Retirement benefits liability adjustments	(1,979)	(2,359)	(16,992)
Total valuation and translation adjustments	35,832	24,834	307,601
Non-controlling interests	25,369	24,537	217,781
Total net assets	335,443	379,913	2,879,594
Total liabilities and net assets	¥ 1,072,099	¥ 1,115,223	$ 9,203,363

Consolidated Statement of Operations

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

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Marine transportation and other operating revenues	¥ 760,932	¥ 977,783	$ 6,532,168
Marine transportation and other operating cost and expenses	738,955	904,242	6,343,508
Gross Profit	21,977	73,540	188,660
Selling, general and administrative expenses	56,659	58,348	486,386
Operating (loss) income	(34,682)	15,192	(297,726)
Non-operating income :			
Interest income	970	1,331	8,332
Dividend income	1,260	2,451	10,823
Equity in earnings of subsidiaries and affiliates	2,193	1,535	18,833
Other non-operating income	1,448	1,430	12,435
Total non-operating income	5,873	6,747	50,423
Non-operating expenses :			
Interest expenses	5,054	6,130	43,387
Exchange loss	1,061	2,877	9,108
Other non-operating expenses	1,982	1,201	17,018
Total non-operating expenses	8,097	10,210	69,514
Ordinary (loss) income	(36,906)	11,729	(316,817)
Extraordinary income :			
Gain on sales of vessels, property and equipment	4,258	10,200	36,560
Other extraordinary income	660	7,019	5,673
Total extraordinary income	4,919	17,219	42,233
Extraordinary losses :			
Loss on sales of vessels, property and equipment	7,384	108	63,394
Loss on impairment of vessels, property and equipment	2,682	3,976	23,026
Loss on cancellation of chartered vessels	4,880	-	41,893
Provision of allowance for loss related to the Anti-Monopoly Act	-	3,551	-
Other extraordinary losses	181	949	1,560
Total extraordinary losses	15,128	8,586	129,873
(Loss) profit before income taxes	(47,115)	20,362	(404,457)
Income taxes :			
Current	3,156	5,513	27,094
Deferred	2,720	3,380	23,351
Total income taxes	5,876	8,894	50,444
(Loss) profit	(52,991)	11,468	(454,901)
Profit attributable to non-controlling interests	1,587	2,193	13,627
(Loss) profit attributable to owners of the parent	¥ (54,578)	¥ 9,275	$ (468,528)

Consolidated Statement of Comprehensive Income

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

		Nine months ended December 31, 2016		Nine months ended December 31, 2015		Nine months ended December 31, 2016
(Loss) profit	¥	(52,991)	¥	11,468	$	(454,901)
Other comprehensive income (loss)						
Net unrealized holding gain (loss) on investments in securities		2,893		(9,735)		24,838
Deferred gain (loss) on hedges		6,258		(5,587)		53,729
Translation adjustments		1,049		(3,254)		9,013
Retirement benefits liability adjustments		387		214		3,330
Share of other comprehensive income of subsidiaries and affiliates accounted for by the equity method		1,030		129		8,846
Total other comprehensive income (loss)		11,620		(18,233)		99,755
Comprehensive loss	¥	(41,370)	¥	(6,764)	$	(355,146)
(Breakdown)						
Comprehensive loss attributable to:						
Owners of the parent	¥	(43,578)	¥	(7,838)	$	(374,101)
Non-controlling interests		2,208		1,073		18,955

Consolidated Statement of Cash Flows

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

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from operating activities :			
(Loss) profit before income taxes	¥ **(47,115)**	¥ 20,362	$ **(404,457)**
Depreciation and amortization	**35,759**	36,964	**306,974**
Decrease in liability for retirement benefits	**(623)**	(118)	**(5,352)**
Decrease (increase) in asset for retirement benefits	**221**	(859)	**1,901**
(Decrease) increase in allowance for directors' and audit and supervisory board members' retirement benefits	**(110)**	4	**(952)**
Decrease in accrued expenses for overhaul of vessels	**(265)**	(1,430)	**(2,282)**
Increase in allowance for loss related to the Anti-Monopoly Act	**-**	3,551	**-**
Interest and dividend income	**(2,231)**	(3,782)	**(19,157)**
Interest expenses	**5,054**	6,130	**43,387**
Exchange (gain) loss, net	**(986)**	973	**(8,465)**
Loss on impairment of vessels, property and equipment	**2,682**	3,976	**23,026**
Loss on cancellation of chartered vessels	**4,880**	-	**41,893**
Loss (gain) on sales of vessels, property and equipment, net	**3,125**	(10,091)	**26,834**
(Increase) decrease in accounts and notes receivable – trade	**(14,682)**	5,922	**(126,039)**
(Increase) decrease in inventories	**(3,251)**	8,182	**(27,910)**
(Increase) decrease in other current assets	**(113)**	1,937	**(971)**
Increase (decrease) in accounts and notes payable – trade	**14,843**	(8,338)	**127,427**
Increase in other current liabilities	**2,435**	741	**20,909**
Other, net	**(1,938)**	(15,439)	**(16,639)**
Subtotal	**(2,315)**	48,688	**(19,874)**
Interest and dividends received	**2,975**	4,628	**25,544**
Interest paid	**(4,866)**	(5,946)	**(41,773)**
Payments for cancellation of chartered vessels	**(18,535)**	-	**(159,115)**
Payments related to the Anti-Monopoly Act	**(285)**	(460)	**(2,450)**
Income taxes paid	**(3,486)**	(10,488)	**(29,926)**
Net cash (used in) provided by operating activities	**(26,512)**	36,420	**(227,595)**
Cash flows from investing activities :			
Payments into time deposits	**(85,043)**	(62,421)	**(730,046)**
Proceeds from withdrawal of time deposits	**83,682**	62,238	**718,368**
Purchases of marketable securities and investments in securities	**(4,203)**	(3,960)	**(36,087)**
Proceeds from sales of marketable securities and investments in securities	**1,157**	13,161	**9,935**
Purchases of vessels, property and equipment	**(48,470)**	(89,942)	**(416,089)**
Proceeds from sales of vessels, property and equipment	**34,242**	73,466	**293,952**
Purchases of intangible fixed assets	**(594)**	(588)	**(5,107)**
Increase in long-term loans receivable	**(227)**	(817)	**(1,955)**
Collection of long-term loans receivable	**1,161**	837	**9,971**
Other, net	**(43)**	(2,150)	**(373)**
Net cash used in investing activities	**(18,339)**	(10,176)	**(157,433)**
Cash flows from financing activities :			
(Decrease) increase in short-term loans, net	**(869)**	909	**(7,467)**
Proceeds from long-term loans	**63,459**	61,947	**544,759**
Repayments of long-term loans and obligations under finance leases	**(63,512)**	(92,662)	**(545,216)**
Proceeds from Issuance of Bonds	**-**	10,000	**-**
Redemption of Bonds	**(189)**	(189)	**(1,622)**
Cash dividends paid	**(2,349)**	(7,962)	**(20,166)**
Cash dividends paid to non-controlling interests	**(1,026)**	(1,087)	**(8,810)**
Other, net	**32**	(2,154)	**277**
Net cash used in financing activities	**(4,455)**	(31,199)	**(38,245)**
Effect of exchange rate changes on cash and cash equivalents	**(112)**	138	**(970)**
Net decrease in cash and cash equivalents	**(49,419)**	(4,817)	**(424,242)**
Cash and cash equivalents at beginning of the period	**198,745**	209,424	**1,706,116**
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	**-**	6	**-**
Increase in cash and cash equivalents resulting from merger	**-**	11	**-**
Cash and cash equivalents at end of the period	¥ **149,325**	¥ 204,625	$ **1,281,874**

Segment information

Nine months ended December 31, 2016

(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	**¥ 381,362**	**¥ 338,549**	**¥ 14,931**	**¥ 26,088**	**¥ 760,932**	**¥ -**	**¥ 760,932**
Inter-group revenues and transfers	**3,819**	**1,833**	**-**	**33,769**	**39,421**	**(39,421)**	**-**
Total revenues	**385,181**	**340,382**	**14,931**	**59,858**	**800,353**	**(39,421)**	**760,932**
Segment loss (profit)	**¥ (23,932)**	**¥ (5,568)**	**¥ (3,158)**	**¥ 1,879**	**¥ (30,779)**	**¥ (6,126)**	**¥ (36,906)**

Nine months ended December 31, 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	¥ 482,701	¥ 445,772	¥ 20,851	¥ 28,457	¥ 977,783	¥ -	¥ 977,783
Inter-group revenues and transfers	6,250	1,926	-	38,673	46,851	(46,851)	-
Total revenues	488,951	447,699	20,851	67,131	1,024,634	(46,851)	977,783
Segment profit (loss)	¥ (4,239)	¥ 26,289	¥ (6,498)	¥ 1,245	¥ 16,797	¥ (5,067)	¥ 11,729

Nine months ended December 31, 2016

(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	**$ 3,273,778**	**$ 2,906,251**	**$ 128,180**	**$ 223,959**	**$ 6,532,168**	**$ -**	**$ 6,532,168**
Inter-group revenues and transfers	**32,786**	**15,736**	**-**	**289,889**	**338,410**	**(338,410)**	**-**
Total revenues	**3,306,564**	**2,921,987**	**128,180**	**513,848**	**6,870,578**	**(338,410)**	**6,532,168**
Segment loss (profit)	**$ (205,447)**	**$ (47,804)**	**$ (27,111)**	**$ 16,138**	**$ (264,224)**	**$ (52,593)**	**$ (316,817)**