FINANCIAL HIGHLIGHTS

Brief report of the nine months ended December 31, 2017

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 884,066	¥ 760,932	$ 7,823,595
Operating income (loss) (Millions of yen / Thousands of U.S. dollars)	7,148	(34,682)	63,263
Profit (loss) attributable to owners of the parent (Millions of yen / Thousands of U.S. dollars)	9,295	(54,578)	82,265
Profit (loss) attributable to owners of the parent per share (Yen / U.S. dollars)			
Basic	99.43	(582.35)	0.88
Diluted	84.62	-	0.75

	Nine months ended December 31, 2017	Year ended March 31, 2017	Nine months ended December 31, 2017
Total assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,053,510	¥ 1,045,209	$ 9,323,102
Net assets (Millions of yen / Thousands of U.S. dollars)	259,930	245,482	2,300,268

	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net cash provided by (used in) operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 9,685	¥ (26,512)	$ 85,716
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(18,961)	(18,339)	(167,800)
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	(1,763)	(4,455)	(15,607)

The U.S. dollar amounts are converted from the yen amounts at ¥113.00 = U.S.$1.00,
the approximate rate of exchange prevailing on December 31, 2017.

<Note>
The Company consolidated its common stock at a ratio of ten shares to one share, effective October 1, 2017.
Accordingly, values for the items noted below have been recalculated on the assumption that the share consolidation took place at the beginning of the previous fiscal year.

・Profit (loss) attributable to owners of the parent per share
 -Basic
 -Diluted

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, 2017	Nine months ended December 31, 2016	Change	% Change
Operating revenues	**884.1**	760.9	123.1	16.2%
Operating income (loss)	**7.1**	(34.7)	41.8	-
Ordinary income (loss)	**9.4**	(36.9)	46.3	-
Profit (loss) attributable to owners of the parent	**9.3**	(54.6)	63.9	-

Exchange Rate (¥/US$) (9-month average)	**¥111.68**	¥106.92	¥4.76	4.5%
Fuel oil price (US$/MT) (9-month average)	**US$336**	US$244	US$92	37.5%

In the first nine months of the fiscal year ending March 31, 2018 (from April 1, 2017, to December 31, 2017; hereinafter “the nine-month period”), the global economy continued to be steady on the whole despite rising geopolitical tensions in some regions.

The U.S. economy stayed firm against the backdrop of continued favorable employment and income environments. As capital investment continued to grow due to a recovery in foreign demand and improvement in corporate earnings, the economy kept expanding. Meanwhile, the European economy grew at a moderate pace as private-sector consumption maintained relative high growth and exports remained firm in the euro zone despite a slowdown of the U.K. economy.

In China, although private consumption continued to expand against the backdrop of strong exports due to a recovery in the global economy and a favorable income environment, the pace of economic growth slowed down moderately because the increase in industrial production decelerated as a result of monetary tightening and strengthening of environmental regulation.

Emerging economies stayed generally strong because of such factors as the recovery of the economies of resource-rich countries due to a resource price rise, an improvement in the Indian economy and a pickup in domestic demand in ASEAN countries.

In Japan, production activity recovered moderately and exports stayed firm. As employment and income environments also remained steady, the Japanese economy continued to recover at a moderate pace on the whole.

As for the business environment for the shipping industry, cargo movements in the East-West services remained firm in the containership business, but as the supply-demand balance did not improve, freight rates remained top-heavy. As a result, the containership business lacked strong momentum even in the busy season ahead of the Chinese national day holiday. In the dry bulk business, market continued to recover moderately owing to continued strong steel product demand in China in the Cape-size sector and robust cargo movements of grain and coal in the medium and small vessel sector. In addition to the structural reforms carried out in the previous two fiscal years in order to enhance competitiveness, the Group implemented measures to improve its profitability, including continued cost reduction and improvement of vessel allocation efficiency.

As a result, operating revenue for the nine-month period was ¥884.066 billion (up ¥123.133 billion year on year), operating income was ¥ 7.148 billion (compared to operating loss of ¥34.682 billion in the same period of the previous fiscal year), and ordinary income was ¥9.395 billion (compared to ordinary loss of ¥36.906 billion in the same period of the previous fiscal year). Profit attributable to owners of the parent was ¥9.295 billion (compared to loss attributable to owners of the parent of ¥54.578 billion in the same period of the previous fiscal year).

Performance per segment was as follows.

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

		Nine months ended December 31, 2017	Nine months ended December 31, 2016	Change	% Change
Containership	Operating revenues	**458.1**	381.4	76.7	20.1%
	Segment profit (loss)	**7.0**	(23.9)	31.0	-
Bulk Shipping	Operating revenues	**392.2**	338.5	53.6	15.8%
	Segment profit (loss)	**5.4**	(5.6)	11.0	-
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	**7.0**	14.9	(8.0)	(53.4%)
	Segment loss	**(0.6)**	(3.2)	2.5	-
Other	Operating revenues	**26.8**	26.1	0.8	2.9%
	Segment profit	**2.5**	1.9	0.6	33.9%
Adjustments and eliminations	Segment loss	**(4.9)**	(6.1)	1.2	-
Total	Operating revenues	**884.1**	760.9	123.1	16.2%
	Segment profit (loss)	**9.4**	(36.9)	46.3	-

(i) Containership Business Segment

Containership Business

The Group's cumulative handling volume in dominant legs grew around 1% year on year in the Asia-North America services and around 14% in the Asia-Europe services. Handling volume increased around 10% year on year in the intra-Asia services due to robust cargo movements but declined 3% in the North-South services. Although freight rates did not rise to the initially expected level, overall handling volume, including in return legs, increased around 4% year on year, reflecting robust cargo movements. As a result, the Company's containership business recorded year-on-year growth in revenue and turned around to profit from the loss in the same period of the previous year, while profits in the 3rd quarter decreased as freight rates were lower than the expected level in the Asia-North America and other services.

Logistics Business

The domestic logistics sector recorded year-on-year growth in both revenue and profit as handling volume related to warehousing and inland transportation remained firm. The international logistics sector also posted year-on-year growth in both revenue and profit due to an increase in handling volume for air cargoes, the expansion of localized services, and new customer acquisition through buyers consolidation. Consequently, the overall logistics business recorded year-on-year growth in both revenue and profit.

As a result of the above, the overall Containership Business Segment registered year-on-year growth in revenue and returned to profitability from a loss in the same period of the previous year.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

In the Cape-size sector, market remained on an uptrend. For example, the average market rate in the five major services temporarily rose above 30,000 dollars per day as a result of increased demand for high-grade iron ore due to China's environmental regulation. In the medium and small vessel sector, market rates also continued to rise moderately because of the firmness of minor bulk movements in addition to increased coal demand in China in the winter season and strong demand for grain. Scrapped capacity declined steeply year on year because of the firmness of market rates, but progress was made toward resolving the supply-demand gap. As a result of the reduction in operation costs and efficient vessel allocation, the Group registered growth in revenue and losses shrank compared with the same period of the previous year.

Car Carrier Business

In the nine-month period, cargo movements for finished vehicles remained sluggish in shipments from Asia to resource-rich countries in the Middle East, Central and South America, and Africa, but cargo movements from Europe to North America and within Europe remained strong. As a result, the overall volume of finished vehicles shipped by the Group increased around 15% year on year. As the Group continued efforts to improve vessel allocation and operation efficiency while increasing the transportation volume, both revenue and profit grew year on year.

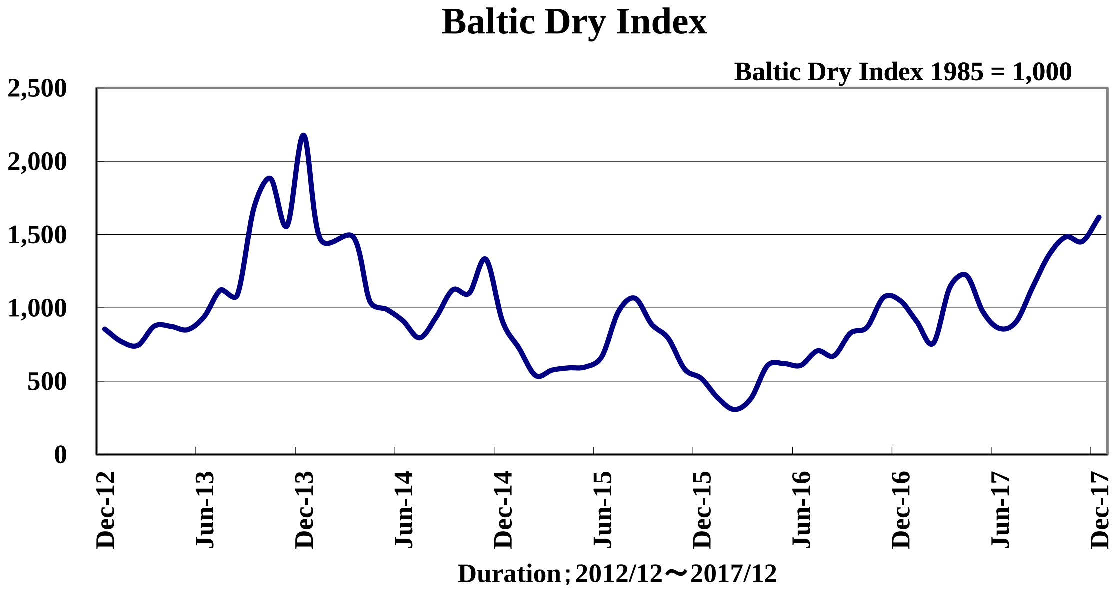
Energy Transportation Business (LNG Carrier, Tanker and Thermal Coal Carrier Business)

Concerning LNG carriers, large crude tankers (VLCCs), LPG carriers and thermal coal carriers, business was firm for medium- and long-term charter contracts. Contracts prone to freight rate fluctuations were affected by the weakening of the market. However, the overall Energy Transportation Business recorded growth in revenue and a smaller profit compared with the same period of the previous year.

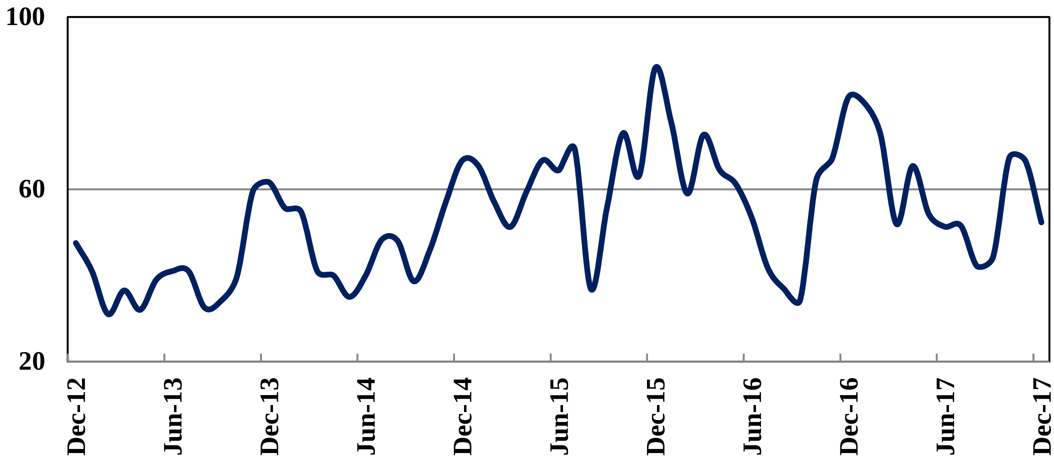
Short Sea and Coastal Business

The short sea and coastal businesses were affected by fuel oil price increase. However, as a result of a recovery in market rates in the short sea business and robust cargo movements in the coastal business, the overall short sea and coastal business recorded year-on-year growth in both revenue and profit.

As a result of the above, the overall Bulk Shipping Business Segment recorded year-on-year growth in revenue and returned to profitability from a loss in the same period of the previous year.



VLCC World Scale　(AG/JPN)



Duration：2012/12～2017/12

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

Offshore Energy E&P Support Business

The drillship vessel business continued to perform steadily and contributed to securing stable long-term earnings. However, in the offshore support business, the market remained weak due to sluggish marine resource development activities. Overall, the offshore energy E&P support business recorded year-on-year growth in revenue and losses shrank partly due to favorable foreign exchange effects.

Heavy lifter business

As announced in July 2017, the Company transferred all of its shares of SAL Heavy Lift GmbH, which is in charge of this business, to SALTO Holding GmbH & Co. KG.

As a result of the above, the overall Offshore Energy E&P Support and Heavy Lifter Business Segment recorded a decline in revenue but losses shrank in the same period of the previous year.

(iv) Other Business

Other business includes the Group's ship management service, travel agency service, and real estate rental and administration service. In the nine-month period, this segment achieved a year-on-year growth in both revenue and profit.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 3rd Quarter were ¥1,053.510 billion, an increase of ¥8.300 billion from the end of the previous fiscal year as a result of an increase in investments in securities and other factors.

Consolidated liabilities decreased by ¥6.147 billion to ¥793.580 billion as a result of a decrease in long-term loans and other factors compared to the end of the previous fiscal year.

Consolidated net assets were ¥259.930 billion, an increase of ¥14.448 billion compared to the end of the previous fiscal year as a result of an increase in retained earnings, net unrealized holding gain on investments in securities and other factors.

(3) Qualitative Information on the Consolidated Prospects for FY2017

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

	Current Forecast (at the time of announcement of the 3rd Quarter result)	Prior Forecast (at the time of announcement dated October 31, 2017)	Change	% Change
Operating revenues	**1,160.0**	1,140.0	20.0	1.8%
Operating income	**11.0**	13.0	(2.0)	(15.4%)
Ordinary income	**3.0**	13.0	(10.0)	(76.9%)
Profit attributable to owners of the parent	**8.5**	8.5	-	-

Exchange rate (¥/US$)	**¥111.51**	¥110.83	¥0.68	0.6%
Fuel oil price (US$/MT)	**US$349**	US$325	US$24	7.4%

In the fourth quarter and beyond, the global economy is expected to remain on the path of moderate growth on the whole despite signs of a slowdown of the Chinese economy, driven by the European and U.S. economies. However, a careful watch should be kept on the economic conditions, as a rise in geopolitical tensions or the rollback of monetary easing in various countries could cause the economy to slow down by inducing risk-aversion.

In the containership business, freight rates are recovering from the historic low recorded in the previous fiscal year, but it is expected to take some more time for the supply-demand balance to improve in earnest. While consolidation and mergers between shipping companies are proceeding, the business environment is expected to remain harsh including the anticipated effect from rising fuel price. In this environment, the Company will provide full support for the start of the Ocean Network Express business scheduled for April

2018 and make efforts to improve profitability by developing a high level of competitiveness and service quality through the synergy effects gained through the growth of the business scale.

In the dry bulk business, market is on the path of recovery as marine transport demand continues to increase slightly. Although it is likely to take some more time to resolve current situation of vessel supply being excessive, the supply-demand balance is expected to improve. In addition to continuing to improve the efficiency of vessel operation and reduce costs, the Group will strive to expand stable income by increasing medium- and long-term contracts through its strengths.

In the car carrier business, despite the lingering uncertainty over the future course of the economies of resource-rich and emerging countries as well as oil-producing countries, mainly in the Middle East, global demand for marine transport of finished vehicles is expected to stay firm over the medium to long term in line with growth in global vehicle sales. On the other hand, automakers' production bases are becoming increasingly diverse amid a shift to trends such as "promotion of Electric Vehicles (EVs)", "local production, local consumption", "mass production in the right place", and "appropriate production volume in the right place". In order to make a flexible and timely response to changes in and the increasing complexity of the trade structure, the Group will reorganize the trade network and maintain an optimal fleet scale in an appropriate manner. The Group is also strengthening its business foundation by winning new transport contracts for the period from 2018 onwards, mainly with European and U.S. shippers, for example. In addition, the Group will strive to enhance its revenue base by making maximum use of a new generation of large vessels featuring greater loading capacity for heavy construction machinery and rail cars. It will also continue strenuous efforts to reduce vessel expenditure and operation costs.

In the energy transportation business, the Group will strive to secure stable revenue for LNG carriers, VLCCs, LPG carriers and thermal coal carriers by maintaining medium- and long-term charter contracts.

In the offshore energy E&P support business, although it is expected to take some time for the market to recover, the Group will continue efforts to improve its profitability through cost cutting and other measures.

In the domestic logistics business, demand for logistics services is expected to remain firm, mainly for warehousing and inland transport, thereby securing stable revenue and profit. In the international logistics business, handling volume related to air cargoes, mainly of aircraft parts and semiconductors, is expected to remain firm. The Group will maximize its profit in the international logistics business by strengthening its global network developed through the containership business in addition to expanding localized services.

In the short sea and coastal business, the Group will strengthen its sales base through the expansion of existing businesses and diversification such as the offshore business.

As described above, although the market has started to recover moderately, mainly in the dry bulk business, it is expected to take some time before the vessel supply-demand gap is fully resolved. Although freight rates for containerships are recovering after hitting bottom, they have remained top-heavy since the third quarter. As a result, the forecasts of the Group's overall results in the full year have been revised downward.

The Group regards it to be its important task to maximize the return to its shareholders while maintaining necessary internal reserves to fund its capital investment and strengthen its financial position so that the Group can achieve sustainable growth, which is one of the priorities of its management plan. However, as outlined in the medium-term management plan announced in April 2017, improving the financial structure and stabilizing the business foundation are its top priorities for the current fiscal year. Therefore, as was already announced, the Group has maintained its forecast on no year-end dividend for the current fiscal year.

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)

	Year ended December 31, 2017	Year ended March 31, 2017	Year ended December 31, 2017
ASSETS			
Current assets :			
Cash and deposits	¥ 192,659	¥ 199,678	$ 1,704,953
Accounts and notes receivable-trade	96,449	83,580	853,537
Raw material and supply	31,279	29,546	276,810
Prepaid expenses and deferred charges	45,048	45,862	398,656
Other current assets	32,904	24,491	291,193
Allowance for doubtful receivables	(1,555)	(2,035)	(13,765)
Total current assets	396,786	381,123	3,511,385
Non-current assets :			
(Vessels, property and equipment)			
Vessels, net	396,578	412,285	3,509,542
Buildings and structures, net	16,780	18,239	148,497
Machinery and vehicles, net	10,793	10,952	95,513
Land	20,937	24,781	185,290
Construction in progress	37,511	55,551	331,961
Other, net	4,039	4,577	35,746
Total vessels, property and equipment	486,640	526,387	4,306,549
(Intangible assets)			
Other intangible assets	3,802	4,005	33,650
Total intangible assets	3,802	4,005	33,650
(Investments and other assets)			
Investments in securities	113,947	80,721	1,008,385
Long-term loans receivable	19,234	17,466	170,220
Asset for retirement benefits	506	493	4,480
Other investments and other assets	33,569	35,942	297,076
Allowance for doubtful receivables	(976)	(931)	(8,644)
Total investments and other assets	166,281	133,692	1,471,517
Total non-current assets	656,723	664,085	5,811,716
Total assets	¥ 1,053,510	¥ 1,045,209	$ 9,323,102

Consolidated Balance Sheet

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

	Year ended December 31, 2017	Year ended March 31, 2017	Year ended December 31, 2017
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 100,174	¥ 89,769	$ 886,496
Short-term loans and current portion of long-term loans	48,253	47,469	427,025
Accrued income taxes	1,376	1,268	12,183
Allowance for loss related to the Anti-Monopoly Act	1,672	5,223	14,796
Allowance for loss related to business restructuring	17,957	19,867	158,916
Other allowance	1,719	2,605	15,215
Other current liabilities	113,547	57,230	1,004,847
Total current liabilities	284,700	223,433	2,519,477
Non-current liabilities :			
Bonds	11,998	62,187	106,177
Long-term loans, less current portion	390,765	404,176	3,458,106
Allowance for loss related to business restructuring	15,591	28,022	137,978
Allowance for directors' and audit and supervisory board members' retirement benefits	1,847	1,645	16,350
Accrued expenses for overhaul of vessels	10,361	11,999	91,693
Liability for retirement benefits	6,959	7,514	61,585
Other non-current liabilities	71,355	60,748	631,467
Total non-current liabilities	508,879	576,293	4,503,356
Total liabilities	793,580	799,727	7,022,833
NET ASSETS			
Shareholders' equity:			
Common stock	75,457	75,457	667,767
Capital surplus	60,515	60,334	535,533
Retained earnings	65,560	55,753	580,179
Less treasury stock	(2,383)	(1,084)	(21,089)
Total shereholiders' equity	199,149	190,461	1,762,389
Accumulated other comprehensive income (loss):			
Net unrealized holding gain on investments in securities	14,299	8,849	126,546
Deferred gain on hedges	10,782	10,189	95,416
Revaluation reserve for land	6,049	6,263	53,535
Translation adjustments	4,934	6,555	43,666
Retirement benefits liability adjustments	(2,579)	(2,835)	(22,823)
Total accumulated other comprehensive income	33,486	29,022	296,341
Non-controlling interests	27,293	25,997	241,538
Total net assets	259,930	245,482	2,300,268
Total liabilities and net assets	¥ 1,053,510	¥ 1,045,209	$ 9,323,102

Consolidated Statement of Operations

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

	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Marine transportation and other operating revenues	¥ 884,066	¥ 760,932	$ 7,823,595
Marine transportation and other operating costs and expenses	820,905	738,955	7,264,654
Gross Profit	63,160	21,977	558,941
Selling, general and administrative expenses	56,011	56,659	495,678
Operating income (loss)	7,148	(34,682)	63,263
Non-operating income :			
Interest income	986	970	8,729
Dividend income	2,109	1,260	18,671
Equity in earnings of subsidiaries and affiliates	-	2,193	-
Reversal of allowance for loss related to the Anti-Monopoly Act	3,551	-	31,425
Exchange gain	2,097	-	18,559
Other non-operating income	981	1,448	8,690
Total non-operating income	9,726	5,873	86,074
Non-operating expenses :			
Interest expenses	5,103	5,054	45,168
Equity in loss of subsidiaries and affiliates	1,630	-	14,432
Exchange loss	-	1,061	-
Other non-operating expenses	745	1,982	6,593
Total non-operating expenses	7,479	8,097	66,193
Ordinary income (loss)	9,395	(36,906)	83,145
Extraordinary income :			
Gain on sales of vessels, property and equipment	10,119	4,258	89,549
Other extraordinary income	2,193	660	19,410
Total extraordinary income	12,312	4,919	108,958
Extraordinary losses :			
Loss on impairment of vessels, property and equipment	-	2,682	-
Loss on cancellation of chartered vessels	1,322	4,880	11,701
Loss related to the Anti-Monopoly Act	789	11	6,985
Other extraordinary losses	690	7,554	6,113
Total extraordinary losses	2,802	15,128	24,799
Income (loss) before income taxes	18,905	(47,115)	167,304
Income taxes :			
Current	3,589	3,156	31,767
Deferred	3,934	2,720	34,820
Total income taxes	7,524	5,876	66,586
Profit (loss)	11,381	(52,991)	100,718
Profit attributable to non-controlling interests	2,085	1,587	18,452
Profit (loss) attributable to owners of the parent	¥ 9,295	¥ (54,578)	$ 82,265

Consolidated Statement of Comprehensive Income

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

	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit (loss)	¥ 11,381	¥ (52,991)	$ 100,718
Other Comprehensive income (loss)			
Net unrealized holding gain on investments in securities	5,491	2,893	48,600
Deferred gain on hedges	231	6,258	2,045
Translation adjustments	(1,729)	1,049	(15,303)
Retirement benefits liability adjustments	236	387	2,090
Share of other comprehensive income of subsidiaries and affiliates accounted for by the equity method	1,172	1,030	10,373
Total other comprehensive income	5,401	11,620	47,804
Comprehensive income (loss)	¥ 16,782	¥ (41,370)	$ 148,522
(Breakdown)			
Comprehensive income (loss) attributable to owners of the parent	¥ 13,973	¥ (43,578)	$ 123,659
Comprehensive income attributable to non-controlling interests	2,809	2,208	24,863

Consolidated Statement of Cash Flows

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

	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities :			
Profit (loss) before income taxes	¥ 18,905	¥ (47,115)	$ 167,304
Depreciation and amortization	32,821	35,759	290,455
Decrease in liability for retirement benefits	(621)	(623)	(5,498)
Increase in retirement benefits liability adjustments	321	391	2,846
Decrease in allowance for directors' and audit and supervisory board members' retirement benefits	(16)	(110)	(147)
Decrease in accrued expenses for overhaul of vessels	(357)	(265)	(3,164)
Decrease in allowance for loss related to buisiness restructuring	(14,340)	-	(126,903)
Decrease in allowance for loss related to the Anti-Monopoly Act	(3,551)	-	(31,425)
Interest and dividend income	(3,096)	(2,231)	(27,400)
Interest expenses	5,103	5,054	45,168
Exchange gain, net	(531)	(986)	(4,704)
Loss on impairment of vessels, property and equipment	-	2,682	-
Loss on cancellation of chartered vessels	1,322	4,880	11,701
Loss related to the Anti-Monopoly Act	789	11	6,985
(Gain) loss on sales of vessels, property and equipment, net	(10,118)	3,125	(89,543)
Increase in accounts and notes receivable – trade	(11,678)	(14,682)	(103,347)
Increase in inventories	(2,385)	(3,251)	(21,111)
Increase in other current assets	(7,395)	(113)	(65,448)
Increase in accounts and notes payable – trade	9,151	14,843	80,986
Increase in other current liabilities	7,051	2,435	62,404
Other, net	(4,508)	(2,120)	(39,896)
Subtotal	16,866	(2,315)	149,260
Interest and dividends received	3,364	2,975	29,771
Interest paid	(4,886)	(4,866)	(43,247)
Payments for cancellation of chartered vessels	(1,322)	(18,535)	(11,701)
Payments related to the Anti-Monopoly Act	(789)	(285)	(6,986)
Income taxes paid	(3,546)	(3,486)	(31,382)
Net cash provided by (used in) operating activities	9,685	(26,512)	85,716
Cash flows from investing activities :			
Payments into time deposits	(84,406)	(85,043)	(746,963)
Proceeds from withdrawal of time deposits	83,615	83,682	739,958
Purchases of marketable securities and investments in securities	(24,981)	(4,203)	(221,076)
Proceeds from sales of marketable securities and investments in securities	775	1,157	6,865
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	3,660	-	32,389
Purchases of vessels, property and equipment	(65,513)	(48,470)	(579,765)
Proceeds from sales of vessels, property and equipment	68,550	34,242	606,638
Purchases of intangible assets	(480)	(594)	(4,251)
Payments of long-term loans receivable	(393)	(227)	(3,480)
Collection of long-term loans receivable	915	1,161	8,100
Other, net	(702)	(43)	(6,216)
Net cash used in investing activities	(18,961)	(18,339)	(167,800)
Cash flows from financing activities :			
Decrease in short-term loans, net	(638)	(869)	(5,647)
Proceeds from long-term loans	35,648	63,459	315,475
Repayments of long-term loans and obligations under finance leases	(32,557)	(63,512)	(288,118)
Redemption of bonds	(189)	(189)	(1,673)
Purchase of treasury stock	(1,300)	(4)	(11,512)
Cash dividends paid to non-controlling interests	(2,182)	(1,026)	(19,312)
Proceeds from share issuance to non-controlling interests	32	-	289
Purchases of shares of subsidiaries not resulting in change in scope of consolidation	(513)	-	(4,543)
Other, net	(64)	(2,312)	(567)
Net cash used in financing activities	(1,763)	(4,455)	(15,607)
Effect of exchange rate changes on cash and cash equivalents	1,545	(112)	13,674
Net decrease in cash and cash equivalents	(9,493)	(49,419)	(84,017)
Cash and cash equivalents at beginning of the period	156,791	198,745	1,387,539
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	1,403	-	12,418
Cash and cash equivalents at end of the period	¥ 148,701	¥ 149,325	$ 1,315,940

Segment information

Nine months ended December 31, 2017

(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	¥ 458,110	¥ 392,152	¥ 6,955	¥ 26,848	¥ 884,066	¥ -	¥ 884,066
Inter-group revenues and transfers	4,132	2,012	-	36,206	42,351	(42,351)	-
Total revenues	462,242	394,164	6,955	63,054	926,417	(42,351)	884,066
Segment profit (loss)	¥ 7,032	¥ 5,429	¥ (637)	¥ 2,516	¥ 14,341	¥ (4,946)	¥ 9,395

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 profit (loss)	¥ (23,932)	¥ (5,568)	¥ (3,158)	¥ 1,879	¥ (30,779)	¥ (6,126)	¥ (36,906)

Nine months ended December 31, 2017

(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	$ 4,054,073	$ 3,470,374	$ 61,555	$ 237,593	$ 7,823,595	$ -	$ 7,823,595
Inter-group revenues and transfers	36,571	17,806	-	320,412	374,790	(374,790)	-
Total revenues	4,090,644	3,488,180	61,555	558,005	8,198,385	(374,790)	7,823,595
Segment profit (loss)	$ 62,235	$ 48,052	$ (5,644)	$ 22,274	$ 126,916	$ (43,771)	$ 83,145

2. Matters Relating to Summary Information

(Change in Accounting Estimate)

As of the end of the previous fiscal year, the Company had recorded the allowance for loss related to the Anti-Monopoly Act taking into account a partial settlement of civil class action in the United States that was subject to the approval by the United States federal court. However, because the case was dismissed by the court during the current fiscal period, the Company reasonably re-estimated the allowance based on this judgment. As a result of this change in accounting estimate, ordinary income and income before income taxes increased by ¥3.551 billion for the nine-month period.

(Additional Information)

(Establishment of Holding Company and Operating Company for New Integrated Container Shipping Business)

For the integration of the container shipping businesses, including worldwide terminal operation businesses outside Japan, Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K. Lines, Ltd., and Nippon Yusen Kabushiki Kaisha have concluded a business integration contract and a shareholders agreement on October 31, 2016. Based on the contract and the agreement, we have established the below holding company and operating company.

The companies are scheduled to begin offering container shipping services from April 1, 2018.

Overview of new companies

1. Holding company

Trade name	Ocean Network Express Holdings, Ltd.
Amount of capital stock	JPY 50,000,000
Shareholders/ Contribution ratio	Kawasaki Kisen Kaisha, Ltd. 31% Mitsui O.S.K. Lines, Ltd. 31% Nippon Yusen Kabushiki Kaisha 38%
Location	Tokyo, JAPAN
Date of establishment	July 7, 2017

2. Operating company

Trade name	OCEAN NETWORK EXPRESS PTE. LTD.
Amount of capital stock	USD 600,000,000
Shareholders/ Contribution ratio	Kawasaki Kisen Kaisha, Ltd. 31% Mitsui O.S.K. Lines, Ltd. 31% Nippon Yusen Kabushiki Kaisha 38% (Including the indirect ownership)
Location	SINGAPORE
Date of establishment	July 7, 2017

(New performance-based share remuneration plan “Board Benefit Trust (BBT)”)

In accordance with the resolution at the 148th Ordinary General Meeting of Shareholders on June 24, 2016, the Company introduced a new performance-based share remuneration plan “Board Benefit Trust (BBT)” for the directors (executive directors only) and executive officers of the Company. This plan purports to further enhance the connection between the remuneration of the directors (executive directors only) and executive officers, and share value, and thereby raise the directors’ motivation to make contributions to increase the Company group’s long-term performance and corporate value.

1. Overview of transactions

In accordance with the “Regulations for Delivery of Shares to Officers” which was established by Board of Directors’ meeting, the Company awards points to the directors, etc. At the time of their retirement, the directors, etc. who satisfy requirements for beneficiaries will be provided shares in proportions to the points which the Company has granted to them. With regard to the shares which will be provided to officers in the future, a trust bank acquires the Company’s treasury shares through third-party allotment by using the money entrusted by the Company. Such shares are managed as trust assets separately.

2. Method of accounting for these transactions

The Company applies the same method as stipulated in the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employee etc. through Trusts (ASBJ PITF No.30, March, 2015)”.

3. Shares in the Company held by the trust bank

The book value (excluding incidental costs) of the Company share now held by the trust bank are accounted for as treasury stock in the net assets section of the Company’s balance sheet. At the end of the consolidated 3rd Quarter, the book value and total number of treasury stock held by the trust bank are respectively, 1,298 million yen and 448,100 stocks.

With an effective date of October 1, 2017, the Company carried out a share consolidation at a ratio of one share for ten shares of the Company’s common stock.