

# FINANCIAL HIGHLIGHTS

Brief report of the Nine months ended December 31, 2013

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Nine months ended December 31, 2013
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 802,442	¥ 918,009	\$ 8,710,591
Operating income (Millions of yen / Thousands of U.S. dollars)	10,627	24,119	228,862
Net income (Millions of yen / Thousands of U.S. dollars)	9,403	15,707	149,040
Per share of common stock (Yen / U.S. dollars)	10.83	16.75	0.16

	Year ended March 31, 2013	Nine months ended December 31, 2013	Nine months ended December 31, 2013
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,180,433	¥ 1,283,279	\$ 12,176,485
Net assets (Millions of yen / Thousands of U.S. dollars)	361,975	421,397	3,998,460

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Nine months ended December 31, 2013
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 34,092	¥ 78,550	\$ 745,330
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(42,312)	(14,882)	(141,214)
Net cash (used in) provided by financing activities (Millions of yen / Thousands of U.S. dollars)	34,273	(4,259)	(40,419)

The U.S. dollar amounts are converted from the yen amount at ¥105.39=U.S.\$1.00.

The exchange rate prevailing on December 31, 2013.

## 1. Qualitative Information and Financial Statements

### (1) Qualitative Information about the Consolidated Operating Result

(Billion Yen; rounded to nearest 100 million)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	% Change
Operating revenues	802.4	918.0	115.6	14.4%
Operating income (loss)	10.6	24.1	13.5	127.0%
Ordinary income (loss)	10.6	29.2	18.6	175.4%
Net income (loss)	9.4	15.7	6.3	67.0%

Exchange rate (¥/US\$) (9-month average)	¥79.75	¥98.54	¥18.79	23.6%
Fuel oil price (US\$/MT) (9-month average)	\$677	\$626	(\$52)	(7.6%)

The third cumulative consolidated fiscal year (April 1, 2013 to December 31, 2013, hereinafter referred to as the “Current Cumulative Period”) the world saw the U.S. economy on a mild recovery trend and signs of receding prolonged economic downturn owing to the sovereign debt issue in Europe. Among emerging countries, the Chinese economy showed signs of reversal from a slowdown while India and other countries continued to decelerate growth. Our domestic economy showed signs of recovery prompted by expansion of exports and private consumption.

The freight rates in containership sector went on at low levels, especially in Europe service routes, due to the stagnant European economy. In car carrier business, the growth of ex-Japan cargos lost momentum. On the other hand, the freight rates in the dry bulk sector substantially recovered in and after summer due particularly to increased shipments of China-bound iron ore.

Overall, despite continued instability of the business environment surrounding the shipping industry such as continued low freight rates, there were positive factors towards our business performance, including the easing of fuel oil price which improved profitability and the correction of excessive appreciation of yen lasted for past several years which increased revenues.

As a result of these developments, for the Current Cumulative Period the “K” Line Group posted operating revenues of ¥918.009 billion (an increase of ¥115.566 billion over the year-ago period), operating income of ¥24.119 billion (an increase of ¥13.492 billion over the year-ago period), ordinary income of ¥29.168 billion (an increase of ¥18.576 billion over the year-ago period) and net income of ¥15.707 billion (an increase of ¥6.303 billion over the year-ago period).

Performance per segment was as follows:

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

		Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	% Change
Containership	Operating revenues	393.9	436.4	42.5	10.8%
	Segment income (loss)	2.9	(1.1)	(4.0)	—
Bulk Shipping	Operating revenues	361.2	428.5	67.3	18.6%
	Segment income (loss)	9.4	34.3	24.9	266.0%
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	17.8	25.8	8.0	44.9%
	Segment income (loss)	(2.6)	(3.1)	(0.5)	—
Other	Operating revenues	29.6	27.3	(2.3)	(7.6%)
	Segment income (loss)	4.4	3.4	(1.0)	(22.6%)
Adjustment and eliminations	Segment income (loss)	(3.5)	(4.3)	(0.8)	—
Total	Operating revenues	802.4	918.0	115.6	14.4%
	Segment income (loss)	10.6	29.2	18.6	175.4%

#### (1) Containership Business Segment

##### Containership Business

The number of loaded containers transported in the Current Cumulative Period by the “K” Line Group recorded a slight increase from the year-ago period in Asia-North America service; while approximately 7% decrease in Asia-Europe service owing to downsizing of our service capacity to meet decreased demand stemming from weak European economies. In addition, we carried approximately 15% less cargos in Intra-Asia and North-South services as a result of streamlining of unprofitable service lines. In all, the overall result of transportation volume carried by the entire “K” Line Group was about 5% less than in the year-ago period. The freight rate level was lower compared to that in the year-ago period as freight rates for both East-West and North-South trade routes were unstable due to continued deliveries of newly-built large-size vessels. Our earnings for the Current Cumulative Period deteriorated from the year-ago period despite our aggressive attempt for the improvement of operating efficiency through the deployment of newly-built large energy-efficient vessels and for the cost cutting measures including slow steaming navigation.

##### Logistics Business

During the Current Cumulative Period we saw our domestic logistics business and international logistic business, principally in the Asian region, continue fairly strong; however, we suffered from a drop in outbound air cargos from Japan, reporting lower earnings on higher revenues than in the year-ago period.

As a result, in the Containership Business Segment as a whole, we have posted a loss in the Current Cumulative Period whereas we have gained more revenues than in the year-ago period owing to the correction of excessive appreciation of Japanese yen.

## (2) Bulk Shipping Business Segment

### Dry Bulk Business

In the Cape-size vessel sector, the freight rates substantially improved in and after summer due to a sharp increase in iron ore cargo bound for China, reaching to the highest level in the past three years. Despite some downturn of the spot rates in November for a cooling-off, the overall market remained at high levels. In the Panamax and Handymax sector, the market recovered from the sluggish performance in and after summer in reaction to the soaring Cape-size market as well as the increase in tonnage demand reflecting a rise in the trades of base cargo such as coal, grains, and nickel ore.

Following our effort made through the entire Current Cumulative Period toward reducing ship operating costs and forming efficient ship allocations for various trades, the “K” Line Group achieved to post increased revenues and income comparing with the year-ago period.

### Car Carrier Business

The business operations in the current cumulative period saw a steady performance in the transportation of ex-Europe and ex-North America cargos bound for Far Eastern markets as well as cargos in the Atlantic basin; whereas a weak performance in the activity of entire ex-Japan cargos except for North America-bound and the Middle East-bound. The total number of cars transported by us dropped about 3% from the year-ago period.

In such a business environment we had been engaged in further improvement of operating efficiency through renegotiation of shipping contracts and reorganization of service routes. By so doing we successfully secured profits in Middle East routes and Central/South America routes, and improved profitability in Atlantic basin routes. Consequently, we achieved to post increased revenues and income compared with the result in the year-ago period.

### LNG Carrier Business and Tanker Business

Our LNG carriers, VLCCs and LPG carriers operated steadily under long-/mid-term charter contracts. With respect to Aframax tankers and product tankers, our exposure to the sluggish market had been diminished to a limited level through downsizing our fleet by way of redelivery of chartered vessels or disposal of vessels in last fiscal year.

As a result, the financial performance of LNG Carrier and Tanker Business as a whole reported increased revenues and income in the Current Cumulative Period compared to the year-ago period.

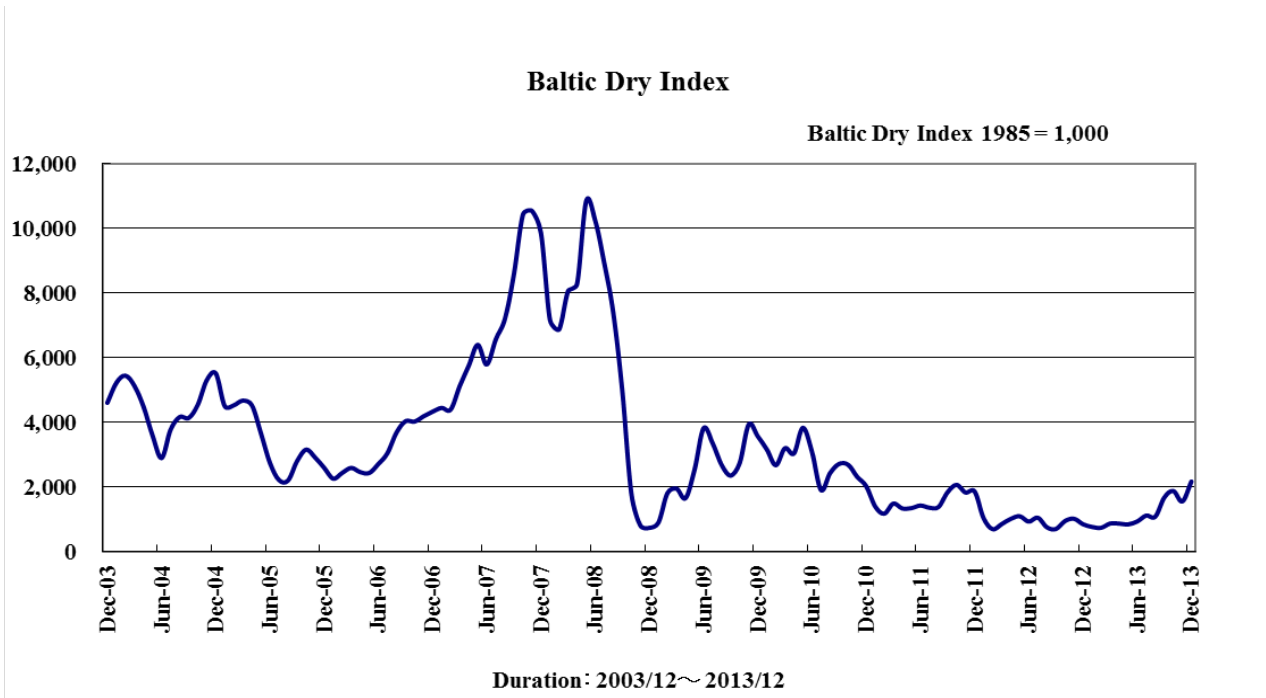
### Short Sea and Coastal Business

In short sea dry bulk sector, we enjoyed stable shipment demand for coal, gypsum, cement and other cargos. As for the timber transportation, the volume of import plywood decreased owing to increased domestic production and inventories. In addition, our chip transportation continued to suffer from a sluggish market. On the other hand, the volume of our shipment of steel and general cargo increased as compared to the year-ago period.

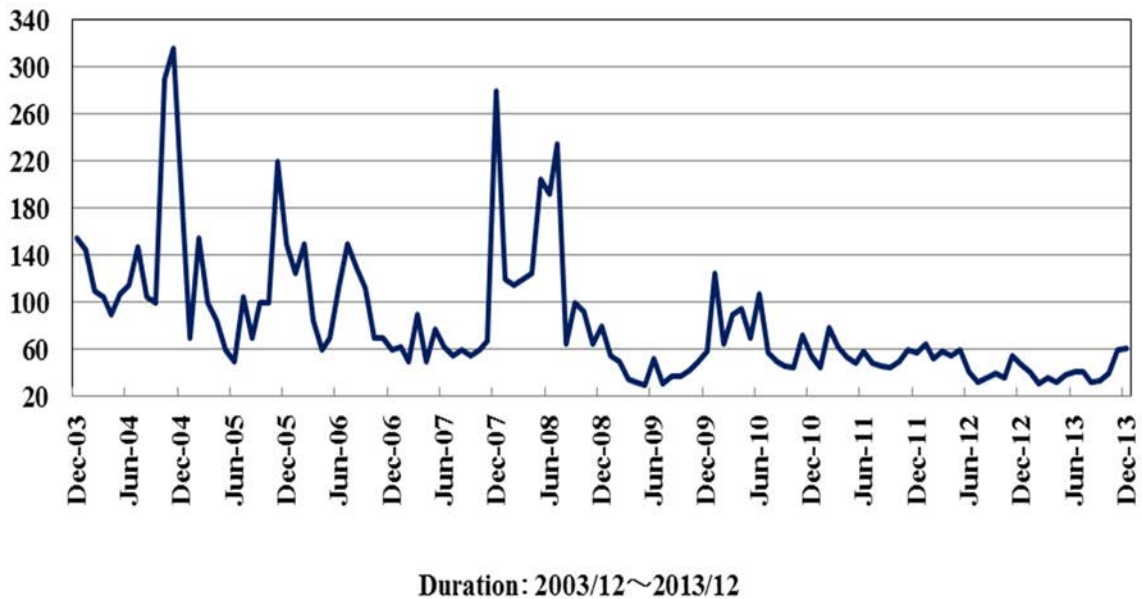
In coastal business sector, shipper-dedicated carriers of limestone and coal provided tramper services on a steady basis. The utilization of small-size cargo ships improved because of active cargo movements. In coastal liner service, the transportation volume resulted in increase as compared to year-ago period owing to our aggressive sales activities under such business environment where we saw competitiveness of Japanese products improving with correction of excessive appreciation of Japanese yen, and soaring consumer spending before a hike in consumption tax rate. Pertaining to our ferry service, the transportation volume resulted in slight increase for truck cargos such as postal parcels and machinery &

equipment; and increase for vehicles and passengers since the inauguration of our newly-built vessel.

As a result, in the Bulk Shipping Business Segment as a whole, we achieved an increase in both revenues and income in the Current Cumulative Period from the year-ago period.



### VLCC World Scale (AG/JPN)



### (3) Offshore Energy E&P Support and Heavy Lifter Business Segment

#### Offshore Energy E&P Support Business

In offshore support business, we had our entire fleet in steady operations resulting from firm tonnage demand for the active drilling operations at offshore oil and gas fields. The drill ship worked well and contributed to our earnings. In offshore energy E&P support business as a whole, we posted decreased income on increased revenues compared to the year-ago period due in part to the effect of foreign exchange valuation loss made at an overseas subsidiary.

#### Heavy Lifter Business

In heavy lifter business, we have continued our cost cutting measures towards the improvement of business earnings such as slow steaming navigation in the business environment where freight rates market remained sluggish throughout the period. In addition to this effort, the completion of amortization of goodwill which had been capitalized when we acquired this business led to a diminished loss compared to year-ago period.

As a result, in the Offshore Energy E&P Support and Heavy Lifer Business Segment as a whole, while we gained more revenues in the Current Cumulative Period, our loss widened compared to the year-ago period.

### (4) Other Business

In other business, which includes ship management service, travel agency service and real estate rental and administration service, we posted lower revenues and income in the Current Cumulative Period compared to the year-ago period.

## 2. Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the 3rd Quarter were ¥1,283.279 billion, an increase of ¥102.845 billion over the end of the previous fiscal year as a result of an increase in cash and deposits, in marketable securities and other factors.

Consolidated liabilities increased by ¥43.423 billion to ¥861.882 billion due to factors including an increase in bonds and accounts and notes payable-trade compared to the previous fiscal year.

Consolidated net assets were ¥421.397 billion, an increase of ¥59.422 billion compared to the end of the previous fiscal year as a result of an increase in net unrealized holding gain on investments in securities and translation adjustments and other factors.

### 3. Qualitative Information regarding Consolidated Prospects for FY2013

(Billion yen; rounded to nearest 100 million)

	Prior Forecast (at the time of announcement dated October 31, 2013)	Current Forecast (at the time of announcement of 3rd quarter result)	Change	% Change
Operating revenues	1,180.0	1,210.0	30.0	2.5%
Operating income (loss)	28.0	28.0	—	—
Ordinary income (loss)	27.0	30.0	3.0	11.1%
Net income (loss)	16.0	16.0	—	—

Exchange rate (¥/US\$)	¥99.02	¥99.66	¥0.64	0.6%
Fuel oil price (US\$/MT)	\$614	\$625	\$11	1.8%

In containership business, in view of continued persistent uncertainty in the freight rates market, we will keep ourselves engaged in prudent business operations. We will continue our efforts to improve profitability by reducing ship and business operating costs through tonnage adjustment in winter, enhancement of slow steaming navigation, and further implementing cost cutting measures globally.

In logistic business, there have been some signs of recovery from the bearish market of ex-Japan air cargo in the second half of the current fiscal year. We expect steady development in domestic logistics business like land transportation, and in international logistics service, particularly in intra-Asia logistics service.

In dry bulk business, we expect the freight rate market maintains steady developments for the time being under better supply and demand balance.

In car carrier business, despite our concern about a slowdown in economic growth in emerging markets including China, India and Russia, we expect steady developments of the demands for sea-borne transportation of complete cars on the global basis.

In LNG carrier and oil tanker business, we expect continued stable operations of our LNG carriers under long-/mid-term charter contracts. On the other hand, we will have VLCCs and LPG carriers operating under medium- to long-term contracts to secure stable revenues while seeking further profitability on Aframax tankers and product tankers through efficient vessel allocation.

In short sea business, we will keep ourselves in prudent business operations through making adjustments to our tonnage and reducing ship operating costs for enhanced competitiveness.

In coastal business, we anticipate an increase in the transportation demand owing to the recovery of domestic economy as well as soaring consumer spending before a hike in the consumption tax rates.

In energy E&P support vessel business, we expect continuous contribution to our earnings by offshore support vessels and drill ships through their stable operations.

In heavy lifter business, we expect that it will take some more time before the market recovers in mid-/small-sized vessels sectors where competition is rather tough due to excessive tonnage. With the expectation of a larger volume of cargo prompted by future increase in energy/infrastructure projects, we will improve our earnings by taking advantage of

highly profitable projects and increasing offshore cargo transportation.

Our important task is to maximize returns to our shareholders while, for the sake of sustainable growth which is a main task of our management plan, maintaining necessary internal reserve to fund for our investments in plant and equipment and strengthen our financial position. Our dividend policy is to raise distribution payment ratio gradually with an intermediate target of 30% of consolidated net profit to be achieved in mid-2010's.

As for annual dividend payment for the current fiscal year, we sustain our plan to pay ¥3.5 per share as have been previously announced based upon our forecast of financial result being the same as our previous announcement.



# 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, 2013 and nine months ended December 31, 2013

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

	Year ended March 31, 2013	Nine months ended December 31, 2013	Nine months ended December 31, 2013
<b>ASSETS</b>			
Current assets :			
Cash and deposits	¥ 162,126	¥ 186,791	\$ 1,772,382
Accounts and notes receivable-trade	86,883	102,858	975,984
Short-term loans receivable	1,961	2,965	28,141
Marketable securities	0	49,994	474,372
Raw material and supply	42,690	46,736	443,467
Prepaid expenses and deferred charges	41,090	45,581	432,500
Other current assets	20,455	22,014	208,884
Allowance for doubtful receivables	(962)	(935)	(8,880)
Total current assets	<u>354,246</u>	<u>456,006</u>	<u>4,326,850</u>
Fixed assets :			
(Tangible fixed assets)			
Vessels	560,474	569,474	5,403,496
Buildings and structures	23,675	21,864	207,458
Machinery and vehicles	7,202	7,968	75,608
Land	28,202	26,663	252,994
Construction in progress	39,291	42,429	402,593
Other tangible fixed assets	4,204	3,883	36,845
Total tangible fixed assets	<u>663,051</u>	<u>672,282</u>	<u>6,378,995</u>
(Intangible fixed assets)			
Goodwill	674	577	5,479
Other intangible fixed assets	5,223	5,003	47,472
Total intangible fixed assets	<u>5,898</u>	<u>5,580</u>	<u>52,951</u>
(Investments and other long-term assets)			
Investments in securities	87,118	98,685	936,382
Long-term loans receivable	16,711	16,999	161,303
Other long-term assets	53,740	34,092	323,485
Allowance for doubtful receivables	(332)	(366)	(3,481)
Total investments and other long-term assets	<u>157,238</u>	<u>149,410</u>	<u>1,417,689</u>
Total fixed assets	<u>826,187</u>	<u>827,273</u>	<u>7,849,636</u>
Total assets	<u>¥ 1,180,433</u>	<u>¥ 1,283,279</u>	<u>\$ 12,176,485</u>

## Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2013 and nine months ended December 31, 2013

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

	Year ended March 31, 2013	Nine months ended December 31, 2013	Nine months ended December 31, 2013
<b>LIABILITIES</b>			
Current liabilities :			
Accounts and notes payable-trade	¥ 82,606	¥ 96,846	\$ 918,938
Short-term loans and current portion of long-term debt	96,578	91,917	872,163
Accrued income taxes	1,990	2,839	26,939
Allowance for loss related to Anti-Monopoly Act	-	5,721	54,292
Accrued allowance	2,386	1,367	12,975
Other current liabilities	78,010	107,028	1,015,544
Total current liabilities	261,573	305,720	2,900,852
Long-term liabilities :			
Bonds	48,699	53,510	507,733
Long-term debt, less current portion	428,869	429,587	4,076,167
Accrued expenses for overhaul of vessels	16,483	16,502	156,584
Other allowance	8,878	8,863	84,097
Other long-term liabilities	53,954	47,698	452,593
Total long-term liabilities	556,884	556,161	5,277,173
Total liabilities	818,458	861,882	8,178,025
<b>NET ASSETS</b>			
Shareholder's equity:			
Common stock	75,457	75,457	715,985
Capital surplus	60,315	60,312	572,278
Retained earnings	223,287	233,419	2,214,812
Less treasury stock, at cost	(904)	(906)	(8,597)
Total shareholders' equity	358,155	368,282	3,494,477
Accumulated other comprehensive income (loss) :			
Net unrealized holding gain on investments in securities	2,475	14,131	134,092
Deferred gain (loss) on hedges	(8,104)	6,979	66,225
Revaluation reserve for land	2,350	6,054	57,444
Translation adjustments	(14,306)	3,238	30,726
Total accumulated other comprehensive income (loss), net	(17,584)	30,403	288,487
Minority interests in consolidated subsidiaries	21,404	22,711	215,496
Total net assets	361,975	421,397	3,998,460
Total liabilities and net assets	¥ 1,180,433	¥ 1,283,279	\$ 12,176,485

## Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2013 and 2012

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

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Nine months ended December 31, 2013
Marine transportation and other operating revenues	¥ 802,442	¥ 918,009	\$ 8,710,591
Marine transportation and other operating expenses	744,604	839,509	7,965,743
Gross income	57,838	78,499	744,847
Selling, general and administrative expenses	47,210	54,379	515,986
Operating income	10,627	24,119	228,862
Non-operating income :			
Interest income	805	953	9,047
Dividend income	2,109	1,765	16,753
Equity in earnings of affiliated companies	1,770	2,164	20,538
Exchange gain	3,032	7,275	69,037
Other non-operating income	1,395	2,324	22,058
Total non-operating income	9,113	14,484	137,434
Non-operating expenses :			
Interest expenses	7,649	8,352	79,250
Other non-operating expenses	1,500	1,083	10,283
Total non-operating expenses	9,149	9,435	89,533
Ordinary income	10,591	29,168	276,763
Extraordinary profits :			
Gain on sales of fixed assets	6,874	4,283	40,643
Gain on sales of investments in securities	751	1,545	14,661
Other extraordinary profits	803	398	3,782
Total extraordinary profits	8,430	6,227	59,086
Extraordinary losses :			
Loss on impairment of fixed assets	779	2,695	25,576
Loss from revaluation of investment securities	3,653	1,446	13,729
Provision of allowance for loss related to Anti-Monopoly Act	-	5,721	54,292
Other extraordinary losses	1,377	2,129	20,210
Total extraordinary losses	5,810	11,994	113,806
Income before income taxes	13,210	23,401	222,042
Income taxes :			
Current	5,930	6,029	57,216
Deferred	(3,861)	(173)	(1,647)
Total income taxes	2,069	5,856	55,569
Net income before minority interests	11,141	17,544	166,474
Minority interests	1,737	1,837	17,434
Net income	¥ 9,403	¥ 15,707	\$ 149,040

## Consolidated Statements of Comprehensive Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2013 and 2012

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

	Nine months ended December 31, 2012		Nine months ended December 31, 2013		Nine months ended December 31, 2013	
Income before minority interests	¥	11,141	¥	17,544	\$	166,474
Other comprehensive income						
Net unrealized holding gain on investments in securities		416		11,657		110,616
Deferred income on hedges		16,539		14,487		137,462
Revaluation reserve for land		-		272		2,582
Translation adjustments		(299)		17,180		163,019
Share of other comprehensive income of subsidiaries and affiliates accounted for by the equity method		627		1,312		12,451
Total other comprehensive income		17,284		44,909		426,129
Comprehensive income	¥	28,426	¥	62,454	\$	592,603
(Breakdown)						
Comprehensive income attributable to:						
Shareholders of Kawasaki Kisen Kaisha, Ltd.	¥	26,451	¥	60,130	\$	570,555
Minority interests		1,975		2,323		22,048

## Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2013 and 2012

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

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Nine months ended December 31, 2013
Cash flows from operating activities :			
Income before income taxes and minority interests	¥ 13,210	¥ 23,401	\$ 222,042
Depreciation and amortization	35,917	39,891	378,514
Provision for (reversal of) employees' retirement benefits	(192)	120	1,139
Reversal of directors' and corporate auditors' retirement benefits	(226)	(119)	(1,135)
Decrease in accrued expenses for overhaul of vessels	(903)	(81)	(770)
Increase in allowance for loss related to Anti-Monopoly Act	-	5,721	54,292
Interest and dividend income	(2,914)	(2,719)	(25,800)
Interest expense	7,649	8,352	79,250
Exchange gain	(2,452)	(3,119)	(29,598)
Gain on sales of vessels, property and equipment	(6,841)	(4,280)	(40,615)
Loss (gain) on sales of marketable securities and investments in securities	(716)	1	12
Loss on impairment of fixed assets	779	2,695	25,576
Loss on revaluation of marketable securities and investments in securities	3,653	1,446	13,729
Increase in accounts and notes receivable – trade	(14,012)	(12,350)	(117,193)
Increase in inventories	(1,393)	(3,321)	(31,515)
(Increase) decrease in other current assets	2,015	(844)	(8,011)
Increase in accounts and notes payable – trade	9,682	10,420	98,874
Increase (decrease) in other current liabilities	(222)	3,771	35,785
Change in derivative assets and liabilities, net	-	23,612	224,052
Other, net	2,324	(4,215)	(40,000)
Subtotal	45,357	88,382	838,627
Interest and dividends received	3,248	3,530	33,502
Interest paid	(7,292)	(8,055)	(76,434)
Income taxes paid	(5,346)	(5,307)	(50,365)
Other, net	(1,874)	-	-
Net cash provided by operating activities	34,092	78,550	745,330
Cash flows from investing activities :			
Purchases of marketable securities and investments in securities	(13,140)	(1,228)	(11,657)
Proceeds from sale of marketable securities and investments in securities	5,149	6,952	65,973
Purchases of vessels, property and equipment	(79,961)	(69,640)	(660,787)
Proceeds from sale of vessels, property and equipment	51,914	56,364	534,815
Purchases of intangible fixed assets	(730)	(685)	(6,505)
Increase in long-term loans receivable	(1,635)	(814)	(7,725)
Collection of long-term loans receivable	5,667	112	1,067
Other, net	(9,576)	(5,943)	(56,395)
Net cash used in investing activities	(42,312)	(14,882)	(141,214)
Cash flows from financing activities :			
(Decrease) increase in short-term loans, net	496	(2,180)	(20,690)
Decrease in commercial paper	(17,000)	-	-
Proceeds from long-term debt	92,296	72,603	688,907
Repayment of long-term debt and obligations under finance leases	(61,795)	(95,445)	(905,643)
Proceeds from Issuance of Bonds	-	49,939	473,854
Redemption of Bonds	(189)	(25,685)	(243,714)
Issuance of shares	20,852	-	-
Cash dividends paid	(2)	(2,341)	(22,220)
Cash dividends paid to minority shareholders	(415)	(1,148)	(10,898)
Proceeds from stock issuance to minority shareholders	32	-	-
Other, net	(1)	(1)	(16)
Net cash (used in) provided by financing activities	34,273	(4,259)	(40,419)
Effect of exchange rate changes on cash and cash equivalents	83	9,090	86,257
Net increase in cash and cash equivalents	26,137	68,498	649,954
Cash and cash equivalents at beginning of the period	92,756	159,075	1,509,398
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	23	30	290
Cash and cash equivalents at end of the period	¥ 118,917	¥ 227,604	\$ 2,159,641

\* Note of Consolidated Statements of Income

We recorded an extraordinary loss of 5,721 million yen as a loss provision related to the Anti-Monopoly Act during the consolidated third quarter term of Fiscal Year 2013. This is in preparation for losses that may occur in conjunction with the recent announcement titled “Receipt of Advance Notice of Draft Orders from the Japan Fair Trade Commission” dated January 9, 2014.

**Segment information**

Nine months ended December 31, 2012

(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	¥ 393,900	¥ 361,176	¥ 17,776	¥ 29,589	¥ 802,442	¥ -	¥ 802,442
Inter-group revenues and transfers	5,475	2,023	-	29,173	36,673	(36,673)	-
Total revenues	399,376	363,199	17,776	58,762	839,115	(36,673)	802,442
Segment income (loss)	¥ 2,908	¥ 9,359	¥ (2,611)	¥ 4,428	¥ 14,084	¥ (3,493)	¥ 10,591

Nine months ended December 31, 2013

(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	¥ 436,447	¥ 428,460	¥ 25,765	¥ 27,335	¥ 918,009	¥ -	¥ 918,009
Inter-group revenues and transfers	5,736	2,076	-	31,777	39,591	(39,591)	-
Total revenues	442,183	430,537	25,765	59,113	957,600	(39,591)	918,009
Segment (loss) income	¥ (1,117)	¥ 34,254	¥ (3,097)	¥ 3,428	¥ 33,467	¥ (4,299)	¥ 29,168

Nine months ended December 31, 2013

(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	\$ 4,141,257	\$ 4,065,474	\$ 244,480	\$ 259,379	\$ 8,710,591	\$ -	\$ 8,710,591
Inter-group revenues and transfers	54,433	19,707	-	301,523	375,663	(375,663)	-
Total revenues	4,195,690	4,085,182	244,480	560,902	9,086,254	(375,663)	8,710,591
Segment (loss) income	\$ (10,605)	\$ 325,022	\$ (29,393)	\$ 32,536	\$ 317,560	\$ (40,797)	\$ 276,763