

FINANCIAL HIGHLIGHTS

Brief report of the six months ended September 30, 2009.

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Six months ended Sep.30, 2008	Six months ended Sep.30, 2009	Six months ended Sep.30, 2009
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 735,511	¥ 400,458	\$ 4,439,179
Operating (loss) income (Millions of yen / Thousands of U.S. dollars)	74,729	(42,499)	(471,116)
Net (loss) income (Millions of yen / Thousands of U.S. dollars)	51,156	(43,258)	(479,534)
Per share of common stock (Yen / U.S. dollars)	80.29	(67.90)	(0.75)

	Year ended Mar.31, 2009	Six months ended Sep.30, 2009	Six months ended Sep.30, 2009
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 971,602	¥ 1,015,804	\$ 11,260,440
Net assets (Millions of yen / Thousands of U.S. dollars)	356,152	297,671	3,299,758
Per share of common stock (Yen / U.S. dollars)	525.43	431.06	4.78

	Six months ended Sep.30, 2008	Six months ended Sep.30, 2009	Six months ended Sep.30, 2009
Net cash (used in) provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 54,643	¥ (9,140)	\$ (101,329)
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(115,595)	(42,274)	(468,625)
Net cash provided by financing activities (Millions of yen / Thousands of U.S. dollars)	58,260	57,734	639,998

The U.S. dollar amounts are converted from the yen amount at ¥90.21=U.S.\$1.00.

The exchange rate prevailing on September 30, 2009.

[Qualitative Information and Financial Statements]

1. Qualitative Information about the Consolidated Operating Results

During the 2nd Quarter of consolidated fiscal 2009 (July 1 through September 30, 2009), the global economy remained sluggish since the second half of last year, as seen in the still high unemployment rates, despite some signs of an improvement and bottoming out in some economic indicators such as home sales in the U.S. and Europe. In the Japanese economy, severe business environment continued mainly in export-oriented industries, affected partly by a stronger yen, in spite of positive signs of an economic rebound in some fields.

The environment surrounding the shipping industry was unable to escape adverse effects of the staggering world economy, and the speed of recovery was slower than expected. The dry bulk market continued to grow steadily, despite a temporary adjustment phase after a sharp rise in freight rates in the 1st Quarter of fiscal 2009. The slump in cargo movements for the marine transportation of completed built-up cars bottomed out and cargo movements turned to a moderate recovery trend. In the containership business, restoration of freight rates made progress to some extent due to the rationalization of service routes corresponding to demand for ocean transportation. However, cargo movements did not fully recover, reflecting the still harsh business environment.

The “K” LINE Group formulated its medium-term management plan “K” LINE Vision 100 in April last year. To respond to rapid deterioration of the business environment as the presupposition for the medium-term business plan, the Company made efforts to promote structural reform measures including alteration of ship-building contracts and cancellation of charter parties which would result in an improvement in balance of payments from the following fiscal year onward, in addition to implementing profit-improving measures such as the adjustment of freight capacity corresponding to transportation demand and cost reductions which would have an immediate effect. However, these countermeasures could not cover the negative effects from sharp and substantial worsening of the above business environment. Consequently, consolidated operating revenues for the 2nd Quarter of fiscal 2009 were ¥208.531 billion, a decrease of ¥177.489 billion compared with the same period of the previous year. Consolidated operating income for the 2nd Quarter was a loss of ¥20.369 billion, a ¥62.952 billion decline from the same period last year, and ordinary income was a loss of ¥27.164 billion, falling by ¥68.971 against the same period a year earlier. Consolidated net income for the 2nd Quarter of fiscal 2009 was a loss of ¥28.369 billion, a decrease of ¥57.993 billion compared with the same period last year. The Company’s cumulative consolidated operating revenues from April 1, 2009 to September 30, 2009* were ¥400.458 billion. The cumulative consolidated operating account and ordinary account were losses of ¥42.499 billion and ¥49.875 billion respectively. The cumulative consolidated net account for the same period was a loss at ¥43.258 billion.

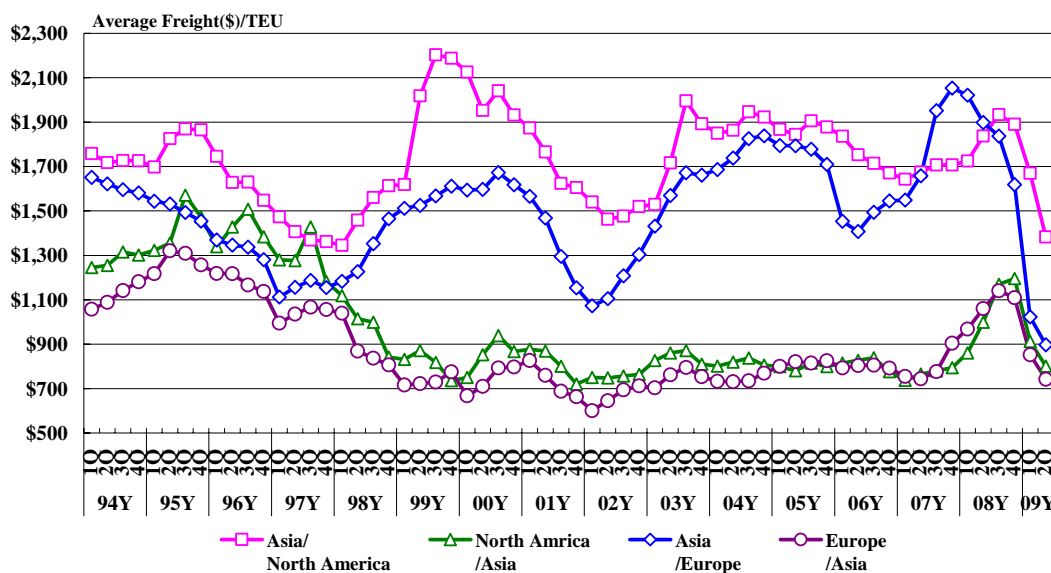
* Note: As for Qualitative Information about the Consolidated Operating Results for the 1st Quarter of the fiscal year ending March 31, 2010, please refer to the Brief report for the three months ended June 30, 2009 disclosed on July 27, 2009.

The following is a summary of activities by business sector.

(1) Marine transportation
[Containership Business]

In North American trade, cargo movements to North America shipped from Asia (eastbound) were sluggish, affected by the staggering U.S. economy, and the Company reduced the scale of its businesses to respond to decreased cargo movements. The number of loaded containers in the overall North American services decreased by 2% for a year-on-year basis, due to a decrease of 11% for a year-on-year basis in eastbound operations, despite an increase of 18% for a year-on-year basis in westbound operations. On North European service routes, overall cargo movements decreased, and the Company took countermeasures including the suspension of one service for North Europe. The volume of loaded containers on the overall European service routes dropped by 6% against the same period of the preceding year (a decrease of 21% in westbound operations and an increase by 32% in eastbound operations). Sluggish cargo movements affected by the economic downturn spread throughout the world, and, as a result, the Company's total loaded containers including those on the North/South service routes and those on the Asian services declined by 6% from the same period a year earlier. The average freight rate on North American service routes fell significantly below the level in the same period last year due to the revision of freight rate contracts this year. On the other hand, in both European and North/South services, the restoration of freight rates made progress, though low freight rates persisted. In addition to the efforts to correct freight rates, the Company endeavored to promote rationalization to reduce services, reduce the scale of transportation and integrate services with other marine transportation companies as well as cost reduction activities on all services routes. However, both operating revenues and profits decreased compared with the same period of the preceding year, and as a result, an ordinary loss was posted.

Containerization International "Freight Rates Indicators"



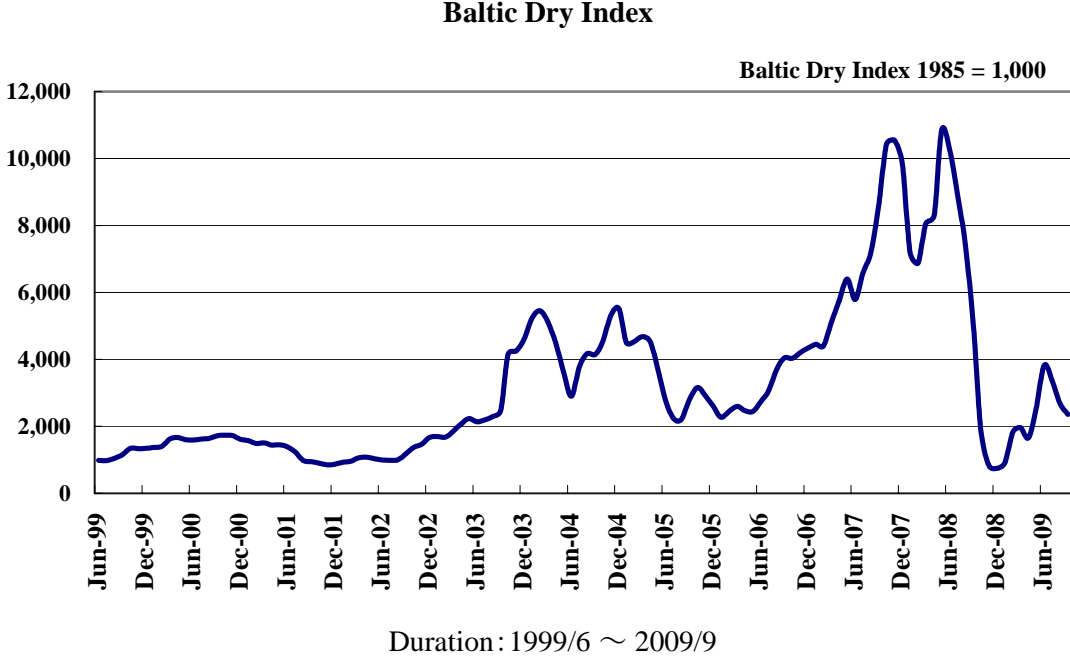
[Dry Bulk Carrier and Car Carrier Business]

In dry bulk carrier transportation, backed by China's high volume of imports of iron ore, which sharply recovered in February this year, market freight rates steadily improved up to early June driven by large carriers, but subsequently faced an adjustment phase from the middle of July, affected by decline in sales of iron ore. The Company strived to reduce operational costs through efficient ship operations and slow steaming navigation. However,

both operating revenues and profits declined compared with the same period of the previous year that hit a record high.

With respect to car carrier business, the Company’s volume of ocean transport of cars for the 2nd Quarter substantially decreased by nearly 50% against the same period last year, hit by each automaker’s implementation of inventory adjustment responding to a sharp decline in car sales in the U.S., Europe and emerging countries. In some areas, a sign of recovery in car sales surfaced, assisted by car sales stimulus measures in major countries, but cargo movements of cars did not fully recover. The Company made all possible efforts to promote a complete reduction of operational costs through rationalization of ship operations and reduction of fuel costs, and, at the same time, implemented adjustment of ship space through scrapping aged vessels. However, the Company was not able to escape from the negative impacts of decreased cargo movements, with both operating revenues and profits falling compared with the same period last year.

As a result, operating revenues and profits for the overall bulk carrier and car carrier business for the 2nd Quarter decreased from the same period a year earlier.

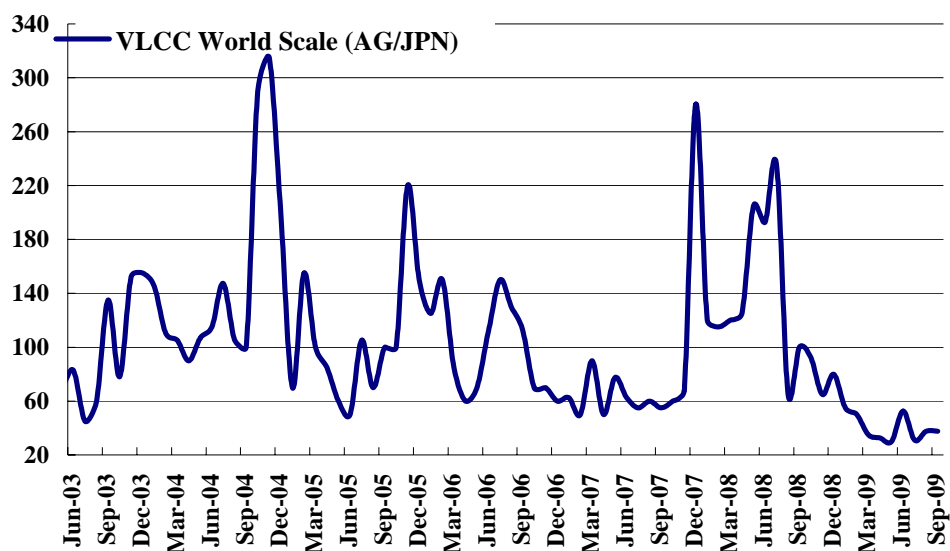


[Energy Transportation and Tanker Business]

With respect to LNG transportation, while vessels under long-term contracts operated constantly, market freight rates for short-term chartered vessels remained at lower levels due to sluggish cargo movements resulting from the global recession. Both operating revenues and profits for LNG Carrier business decreased compared with same period of the preceding year. In the tanker business, market rates for transportation of crude oil and petroleum products stayed at low levels, due to globally decreased demand. As a result, both operating revenues and profits for the 2nd Quarter declined from the same period last year. In addition, a newly built VLCC was completed in June, expanding the Company’s fleet of VLCCs to seven vessels.

The overall operating results of the energy transportation and tanker business decreased in both operating revenues and profits for a year-on-year basis.

Trends in Tanker Freight Rate



[Heavy Lift Business]

In the heavy-lift shipping business, a decrease in cargo movements due to the staggering world economy became evident, and freight rate competition among marine transport carriers intensified, mainly for smaller ones. The Company's operating revenues decreased, but profits increased against the same period a year earlier, contributed by the better rate levels for cargo shipments contracted at more attractive freight rates in the preceding fiscal year and acquisition of large-sized cargo by taking advantage of the newly-built vessel's lifting capacity.

[Coastal and Ferry Business]

In coastal and ferry business, steel carriers, cement carriers and paper carriers secured constant cargo volumes respectively. In the roll-on roll-off liner service, the Company centralized cargo to and from the Kanto area in the Tomakomai/Hitachinaka service by suspending the Tokyo/Tomakomai service in order to improve business efficiency. Furthermore, the Hachinohe/Tomakomai ferry service secured services exceeding projections and increased its transportation loadings, assisted by constant volume for trucks loaded with cargo for domestic home delivery, and benefited by good weather.

As a result, the overall operating revenues for the marine transportation segment amounted to ¥181.393 billion, and operating losses stood at ¥21.730 billion.

(2) Logistics/Harbor Transportation

In the comprehensive logistics business, cargo movements, having continued to decline from last autumn, seemed to have bottomed out and recovered mainly in air-cargo to and from China and Asia. However, recovery in overall cargo movements including marine cargo was still slow, and both operating revenues and profits decreased from the same period last year.

As a result, the operating revenues for this segment were ¥21.961 billion, and operating income stood at ¥0.854 billion.

(3) Other Businesses

As for other businesses not mentioned above, the overall operating revenues amounted to ¥5.176 billion, and operating income stood at ¥0.485 billion.

2. Qualitative Information about Financial Position

Total assets at the end of the 2nd Quarter of fiscal 2009 resulted in a value of ¥1,015.804 billion, an increase of ¥44.201 billion from the end of the preceding fiscal year, due to an increase in vessels and market valuation of securities at the term's end. Total liabilities increased ¥102.682 billion from the end of the previous year to ¥718.133 billion, due to increases in bonds and loans payable.

Net assets as of the end of the 2nd Quarter were ¥297.671 billion, a decrease by 58.481 billion against the end of the preceding year due to declined retained earnings.

3. Qualitative Information about Consolidated Prospects for Fiscal 2009

From the 3rd Quarter of fiscal 2009 onward, the world economy is turning to a moderate recovery phase, and business environment surrounding the Company will gradually improve, despite concerns over high unemployment rates in the U.S. and Europe.

In the containership business, cargo movements have been on a modest recovery trend, and the Company's profits are expected to improve with the implementation of adjustments in the scale of fleet corresponding to transportation demand and cost reductions through cooperative curtailment of service routes with alliance-partners, in spite of adverse effects from seasonal factors. As for the dry bulk carrier and car carrier business, dry bulk carrier business will continue to grow, assisted by the recovery of crude steel production and steady demand for grain carriers. In the car carrier business, inventory adjustments among automakers have been progressing and cargo movements have been on a moderate upswing, but uncertainties remain over sales movements after the expiry of car sales stimulus measures. The Company will continue to promote rationalization of ship operations. With respect to energy transportation and tanker business, a full-scale recovery of overall tanker business will be slow until demand for petroleum by developed countries recovers, though petroleum demand is growing in newly-developing countries. As for LNG carriers, freight rates for short-term chartered vessels will improve, assisted by an increase in demand for petroleum in the winter season, but cargo movements will not reach the same levels of the preceding year.

As mentioned above, the business environment surrounding the shipping industry is difficult to forecast in many aspects, including supply-and-demand balance, foreign exchange rates and trends in interest rates. Nevertheless, the Company will strive to promote efficient ship operations and further cost reductions.

In addition, preconditions for foreign exchange rates and fuel oil prices for the 3rd Quarter onward are as follows:

Foreign exchange rate (¥/US\$): ¥90.00

Fuel oil price (US\$/MT): \$450.00

As described above, the environment for international marine transportation is showing signs of recovery. However, recognizing that profit improvement in the containership business is the most urgent issue, the Company has decided to allocate structural reform expenses of ¥50.0 billion (including expenses posted in the first half) required for the implementation of countermeasures to speed up profit improvement from the following fiscal year onward. Such measures include postponement of the completion of and changes to other newly-built vessel

types which were already ordered and the cancellation of charter parties. As a result, the Company's operating results are expected to fall below projections, and regrettably the Company is forced to suspend the dividend payment for fiscal 2009. The Company considers reform of profits earning structure and maintenance of sound financial structure to be the most urgent management issues and will continue with activities to carry out emergency measures for profit improvement consisting mainly of complete rationalization and cost reduction including reform of its business structures.

4. Others

(1) Changes in number of material subsidiaries during the second quarter of fiscal 2009: None

(2) Application of the simplified accounting method or accounting peculiar to the preparation of quarterly financial statements:

With respect to assets to be depreciated using the declining-line method, the Company adopted the method to allocate amounts of depreciation for the relevant consolidated fiscal year to each accounting term of the fiscal year proportionally, according to the period.

(3) Changes in accounting principles, procedures and method of presentation: None

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 six months ended September 30, 2009 and the year ended March 31, 2009

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

	Year ended Mar.31, 2009	Six months ended Sep.30, 2009	Six months ended Sep.30, 2009
ASSETS			
Current assets :			
Cash and time deposits	¥ 73,144	¥ 80,597	\$ 893,445
Accounts and notes receivable-trade	72,740	66,335	735,341
Short-term loans receivable	15,399	19,239	213,269
Marketable securities	0	19	216
Raw material and supply	19,974	25,987	288,078
Prepaid expenses and deferred charges	22,963	27,648	306,491
Other current assets	30,766	20,335	225,424
Allowance for doubtful receivables	(504)	(523)	(5,809)
Total current assets	234,486	239,638	2,656,456
Fixed assets :			
(Tangible fixed assets)			
Vessels	347,898	384,025	4,257,015
Buildings and structures	23,932	26,909	298,295
Machinery and vehicles	10,934	10,172	112,761
Land	30,990	30,956	343,160
Construction in progress	155,652	136,961	1,518,249
Other tangible fixed assets	9,055	8,554	94,834
Total tangible fixed assets	578,463	597,579	6,624,315
(Intangible fixed assets)			
Goodwill	10,228	8,815	97,722
Other intangible fixed assets	5,986	6,345	70,337
Total intangible fixed assets	16,215	15,160	168,060
(Investments and other long-term assets)			
Investments in securities	89,618	100,235	1,111,139
Long-term loans receivable	17,603	14,082	156,113
Other long-term assets	36,106	49,995	554,217
Allowance for doubtful receivables	(890)	(889)	(9,860)
Total investments and other long-term assets	142,437	163,425	1,811,609
Total fixed assets	737,116	776,165	8,603,984
Total assets	¥ 971,602	¥ 1,015,804	\$ 11,260,440

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2009 and the year ended March 31, 2009

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

	Year ended Mar.31, 2009	Six months ended Sep.30, 2009	Six months ended Sep.30, 2009
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 63,058	¥ 67,207	\$ 745,010
Short-term loans and current portion of long-term debt	55,343	62,476	692,571
Commercial paper	22,000	8,000	88,682
Accrued income taxes	4,594	3,622	40,153
Allowance	2,029	1,907	21,146
Other current liabilities	40,529	49,394	547,546
Total current liabilities	187,554	192,608	2,135,109
Long-term liabilities :			
Bonds	57,641	92,663	1,027,192
Long-term debt, less current portion	301,011	338,101	3,747,935
Deferred income taxes for land revaluation	2,635	2,633	29,189
Accrued expenses for overhaul of vessels	20,236	17,467	193,629
Other allowance	10,467	9,933	110,116
Other long-term liabilities	35,904	64,726	717,511
Total long-term liabilities	427,895	525,524	5,825,573
Total liabilities	615,450	718,133	7,960,682
NET ASSETS			
Shareholder's equity:			
Common stock	45,869	45,869	508,473
Capital surplus	30,714	30,714	340,475
Retained earnings	298,638	255,221	2,829,196
Less treasury stock, at cost	(938)	(936)	(10,381)
Total shareholders' equity	374,283	330,868	3,667,764
Valuation and translation adjustments			
Net unrealized holding gain (loss) on investments in securities	(4,874)	1,703	18,884
Deferred loss on hedges	(17,708)	(44,812)	(496,761)
Revaluation reserve for land	2,048	2,044	22,666
Translation adjustments	(18,975)	(15,156)	(168,009)
Total valuation and translation adjustments	(39,510)	(56,220)	(623,220)
Minority interests in consolidated subsidiaries	21,379	23,022	255,214
Total net assets	356,152	297,671	3,299,758
Total liabilities and net assets	¥ 971,602	¥ 1,015,804	\$ 11,260,440

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2009 and 2008

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

	Six months ended Sep. 30, 2008	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2009
Marine transportation and other operating revenues	¥ 735,511	¥ 400,458	\$ 4,439,179
Marine transportation and other operating expenses	624,240	409,589	4,540,395
Gross (loss) income	111,270	(9,130)	(101,216)
Selling, general and administrative expenses	36,541	33,368	369,900
Operating (loss) income	74,729	(42,499)	(471,116)
Non-operating income :			
Interest income	1,119	590	6,542
Dividend income	1,697	1,092	12,112
Equity in earnings of affiliated companies	1,500	-	-
Exchange gain	-	1,158	12,840
Other non-operating income	854	1,450	16,076
Total non-operating income	5,171	4,291	47,571
Non-operating expenses :			
Interest expenses	2,910	4,099	45,448
Equity in loss of affiliated companies	-	723	8,023
Exchange loss	1,535	-	-
Loss on cancellation of derivatives	-	5,952	65,986
Other non-operating expenses	318	891	9,878
Total non-operating expenses	4,764	11,667	129,336
Ordinary (loss) income	75,136	(49,875)	(552,881)
Extraordinary profits :			
Gain on sales of fixed assets	703	4,827	53,519
Gain on sales of investments in securities	277	0	4
Gain on reversal of accrued expenses for overhaul of vessels	-	3,893	43,161
Other extraordinary profits	38	14	160
Total extraordinary profits	1,019	8,736	96,845
Extraordinary losses :			
Loss on sales of fixed assets	10	685	7,598
Loss from devaluation of investment securities	78	-	-
Allowance for bad debts (extraordinary losses)	29	-	-
Loss on cancellation of chartered vessels	-	3,297	36,552
Loss for change of ship building contracts	-	11,336	125,667
Other extraordinary losses	-	2,499	27,702
Total extraordinary losses	119	17,818	197,519
(Loss) income before income taxes	76,037	(58,957)	(653,555)
Income taxes : current	-	2,150	23,843
deferred	-	(20,249)	(224,467)
Income taxes	22,293	-	-
Total income taxes	22,293	(18,098)	(200,623)
Minority interests	2,587	2,399	26,602
Net (loss) income	¥ 51,156	¥ (43,258)	\$ (479,534)

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the second quarter ended September 30, 2009

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

	2nd quarter ended Sep. 30, 2008	2nd quarter ended Sep. 30, 2009	2nd quarter ended Sep. 30, 2009
Marine transportation and other operating revenues	¥ 386,021	¥ 208,531	\$ 2,311,628
Marine transportation and other operating expenses	324,286	212,026	2,350,368
Gross (loss) income	61,735	(3,494)	(38,740)
Selling, general and administrative expenses	19,152	16,875	187,065
Operating (loss) income	42,582	(20,369)	(225,805)
Non-operating income :			
Interest income	575	325	3,612
Dividend income	511	401	4,449
Equity in earnings of affiliated companies	1,117	-	-
Interest on refund of income taxes and other	-	438	4,863
Other non-operating income	228	504	5,588
Total non-operating income	2,433	1,669	18,512
Non-operating expenses :			
Interest expenses	1,611	2,239	24,828
Equity in loss of affiliated companies	-	442	4,900
Exchange loss	1,581	265	2,946
Loss on cancellation of derivatives	-	5,163	57,241
Other non-operating expenses	16	353	3,921
Total non-operating expenses	3,209	8,465	93,837
Ordinary (loss) income	41,806	(27,164)	(301,130)
Extraordinary profits :			
Gain on sales of fixed assets	(70)	899	9,969
Gain on sales of investments in securities	216	-	-
Gain on reversal of allowance for doubtful receivables	38	-	-
Gain on reversal of accrued expenses for overhaul of vessels	-	3,066	33,993
Other extraordinary profits	-	8	97
Total extraordinary profits	184	3,974	44,058
Extraordinary losses :			
Loss on sales of fixed assets	7	659	7,309
Loss from devaluation of investment securities	78	-	-
Loss on cancellation of chartered vessels	-	723	8,017
Loss for change of ship building contracts	-	11,336	125,667
Other extraordinary losses	-	2,073	22,980
Total extraordinary losses	86	14,792	163,973
(Loss) income before income taxes	41,903	(37,982)	(421,045)
Income taxes : current	-	816	9,051
deferred	-	(11,651)	(129,161)
Income taxes	10,835	-	-
Total income taxes	10,835	(10,835)	(120,110)
Minority interests	1,443	1,221	13,542
Net (loss) income	¥ 29,624	¥ (28,369)	\$ (314,477)

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2009 and 2008

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

	Six months ended Sep.30,2008	Six months ended Sep.30,2009	Six months ended Sep.30,2009
Cash flows from operating activities :			
(Loss) income before income taxes and minority interests	¥ 76,037	¥ (58,957)	\$ (653,555)
Depreciation and amortization	19,277	22,394	248,246
Reversal of employees' retirement benefits	(315)	(408)	(4,529)
Reversal of directors' and corporate auditors' retirement benefits	(341)	(173)	(1,925)
(Decrease) increase in accrued expenses for overhaul of vessels	1,546	(2,870)	(31,817)
Interest and dividend income	(2,816)	(1,682)	(18,654)
Interest expense	2,910	4,099	45,448
Loss on cancellation of derivatives	-	5,952	65,986
Loss on cancellation of chartered vessels	-	3,297	36,552
Loss for change of ship building contracts	-	11,336	125,667
Gain on sale of marketable securities and investments in securities	(277)	(0)	(4)
Gain on sale of vessels, property and equipment	(692)	(4,142)	(45,922)
Decrease (increase) in accounts and notes receivable – trade	(33,432)	11,246	124,671
Increase in accounts and notes payable – trade	32,037	2,332	25,858
Increase in inventories	(10,980)	(5,916)	(65,584)
(Increase) decrease in other current assets	4,777	(5,526)	(61,260)
Other, net	1,427	3,007	33,339
Subtotal	89,156	(16,010)	(177,483)
Interest and dividends received	2,686	1,584	17,561
Interest paid	(2,666)	(3,886)	(43,081)
Payment of cancellation of derivatives	-	(788)	(8,745)
Payment of cancellation of chartered vessels	-	(3,297)	(36,552)
Payment of change of ship building contract	-	(480)	(5,321)
Income taxes paid	(34,532)	(3,198)	(35,459)
Income taxes refund	-	16,937	187,752
Net cash (used in) provided by operating activities	54,643	(9,140)	(101,329)
Cash flows from investing activities :			
Purchases of marketable securities and investments in securities	(32,453)	(4,007)	(44,428)
Proceeds from sale of marketable securities and investments in securities	2,846	537	5,956
Purchases of vessels, property and equipment	(96,782)	(79,701)	(883,510)
Proceeds from sale of vessels, property and equipment	10,332	42,716	473,527
Purchases of intangible fixed assets	(687)	(732)	(8,125)
Increase in long-term loans receivable	(5,249)	(3,289)	(36,470)
Collection of long-term loans receivable	8,850	9,138	101,302
Other, net	(2,452)	(6,935)	(76,876)
Net cash used in investing activities	(115,595)	(42,274)	(468,625)
Cash flows from financing activities :			
Increase (decrease) in short-term loans, net	(506)	1,608	17,836
(Decrease) increase in commercial paper	13,000	(14,000)	(155,193)
Proceeds from long-term debt	73,997	62,695	694,995
Repayment of long-term debt and obligations under finance leases	(17,515)	(25,692)	(284,810)
Proceeds from Issuance of Bonds	-	35,110	389,214
Cash dividends paid	(8,919)	(21)	(240)
Cash dividends paid to minority shareholders	(1,770)	(2,311)	(25,626)
Proceeds from stock issuance to minority shareholders	-	346	3,844
Other, net	(23)	(1)	(22)
Net cash provided by financing activities	58,260	57,734	639,998
Effect of exchange rate changes on cash and cash equivalents	(1,991)	632	7,010
Net increase (decrease) in cash and cash equivalents	(4,682)	6,951	77,054
Cash and cash equivalents at beginning of the period	48,044	69,700	772,650
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	7	143	1,587
Cash and cash equivalents at end of the period	¥ 43,369	¥ 76,795	\$ 851,292

Consolidated Segment Information

Business segment information

2nd quarter ended September 30,2008

(Millions of Yen)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	¥ 348,697	¥ 30,148	¥ 7,175	¥ 386,021	-	¥ 386,021
(2) Inter-group sales and transfers	3,049	16,002	12,611	31,663	(31,663)	-
Total revenues	351,747	46,150	19,786	417,684	(31,663)	386,021
Operating expenses	313,555	42,672	18,885	375,113	(31,674)	343,438
Operating income	38,192	3,477	901	42,570	11	42,582
Ordinary income	¥ 36,911	¥ 4,256	¥ 646	¥ 41,815	¥ (9)	¥ 41,806

2nd quarter ended September 30,2009

(Millions of Yen)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	¥ 181,393	¥ 21,961	¥ 5,176	¥ 208,531	¥ -	¥ 208,531
(2) Inter-group sales and transfers	1,669	11,204	9,436	22,310	(22,310)	-
Total revenues	183,063	33,165	14,613	230,842	(22,310)	208,531
Operating expenses	204,794	32,310	14,127	251,232	(22,331)	228,901
Operating income (loss)	(21,730)	854	485	(20,390)	20	(20,369)
Ordinary income (loss)	¥ (28,110)	¥ 500	¥ 327	¥ (27,288)	¥ 123	¥ (27,164)

2nd quarter ended September 30,2009

(Thousands of U.S.Dollars)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	\$ 2,010,796	\$ 243,444	\$ 57,388	\$ 2,311,628	\$ -	\$ 2,311,628
(2) Inter-group sales and transfers	18,506	124,206	104,607	247,320	(247,320)	-
Total revenues	2,029,302	367,651	161,995	2,558,947	(247,320)	2,311,628
Operating expenses	2,270,192	358,175	156,610	2,784,978	(247,546)	2,537,432
Operating income (loss)	(240,891)	9,476	5,385	(226,030)	226	(225,805)
Ordinary income (loss)	\$ (311,680)	\$ 5,550	\$ 3,633	\$ (302,497)	\$ 1,367	\$ (301,130)

Six months ended September 30,2008

(Millions of Yen)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	¥ 662,003	¥ 60,282	¥ 13,224	¥ 735,511	-	¥ 735,511
(2) Inter-group sales and transfers	5,843	30,059	23,519	59,422	(59,422)	-
Total revenues	667,847	90,342	36,743	794,933	(59,422)	735,511
Operating expenses	600,673	83,996	35,571	720,242	(59,460)	660,781
Operating income	67,173	6,345	1,171	74,690	38	74,729
Ordinary income	¥ 66,731	¥ 7,631	¥ 764	¥ 75,126	¥ 9	¥ 75,136

Six months ended September 30,2009

(Millions of Yen)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	¥ 347,335	¥ 42,162	¥ 10,960	¥ 400,458	-	¥ 400,458
(2) Inter-group sales and transfers	5,060	22,402	20,171	47,635	(47,635)	-
Total revenues	352,396	64,564	31,132	448,093	(47,635)	400,458
Operating expenses	398,001	63,133	29,497	490,632	(47,674)	442,957
Operating income (loss)	(45,604)	1,431	1,635	(42,538)	38	(42,499)
Ordinary income (loss)	¥ (52,430)	¥ 1,054	¥ 1,467	¥ (49,908)	¥ 32	¥ (49,875)

Six months ended September 30,2009

(Thousands of U.S.Dollars)

	Logistics /			Total	Eliminations	Consolidated
	Marine Transportation	harbour Transportation	Other			
Revenues						
(1) Operating revenues	\$ 3,850,296	\$ 467,378	\$ 121,505	\$ 4,439,179	-	\$ 4,439,179
(2) Inter-group sales and transfers	56,101	248,341	223,611	528,052	(528,052)	-
Total revenues	3,906,397	715,719	345,116	4,967,231	(528,052)	4,439,179
Operating expenses	4,411,939	699,850	326,989	5,438,778	(528,483)	4,910,295
Operating income (loss)	(505,542)	15,869	18,127	(471,547)	431	(471,116)
Ordinary income (loss)	\$ (581,202)	\$ 11,690	\$ 16,267	\$ (553,245)	\$ 364	\$ (552,881)