

FINANCIAL HIGHLIGHTS

Brief report of the six months ended September 30, 2010.

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Six months ended Sep.30, 2009	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 400,458	¥ 520,358	\$ 6,208,048
Operating income (loss) (Millions of yen / Thousands of U.S. dollars)	(42,499)	50,008	596,622
Net income (loss) (Millions of yen / Thousands of U.S. dollars)	(43,258)	26,329	314,118
Per share of common stock (Yen / U.S. dollars)	(67.90)	34.48	0.41

	Year ended Mar.31, 2010	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,043,884	¥ 1,033,305	\$ 12,327,677
Net assets (Millions of yen / Thousands of U.S. dollars)	331,864	322,366	3,845,938
Per share of common stock (Yen / U.S. dollars)	403.53	392.45	4.68

	Six months ended Sep.30, 2009	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
Net cash provided by (used in) operating activities (Millions of yen / Thousands of U.S. dollars)	¥ (9,140)	¥ 56,410	\$ 672,992
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(42,274)	(17,992)	(214,658)
Net cash (used in) provided by financing activities (Millions of yen / Thousands of U.S. dollars)	57,734	(12,996)	(155,051)

The U.S. dollar amounts are converted from the yen amount at ¥83.82=U.S.\$1.00.
The exchange rate prevailing on September 30, 2010

[Qualitative Information and Financial Statements]

1. Qualitative Information about the Consolidated Operating Results

During the 2nd Quarter of fiscal year 2010 (July 1 through September 30, 2010), whereas strong economic growth continued in China, India and other developing countries, the gradual recovery trend in developed countries that had continued from the second half of the previous fiscal year lost impetus. In the U.S., economic recovery stalled, the unemployment rate remained high and monetary easing measures were implemented in August due to concerns about future economic prospects. In Europe, although gradual economic recovery continued on the whole, the financial turmoil in Greece was followed by a financial crisis in Ireland, and monetary easing measures were implemented in September. In Japan, which had shown signs of economic recovery against a backdrop of overseas demand, yen appreciation accelerated as a result of these developments, and business confidence abruptly deteriorated, especially among exporters.

Looking at the operating environment surrounding the shipping industry, in the containership business, recovery in outbound cargo movement from Asia exceeded expectations, due in part to customer inventory increases. Also, freight rate conditions improved markedly, owing in part to higher demand for shipping space as a result of eco-friendly slow steaming by shipping companies. In the dry bulk carrier business, market conditions for chartered vessels, principally small carriers, fluctuated but followed a firming trend as a result of robust demand for iron ore and grain in China and India. Movements of completed built-up cars recovered gradually, accompanying demand improvement in a number of countries.

With the aim of returning to profit in fiscal 2010 and quickly resuming dividend payments in accordance with the new KV 2010 medium-term management plan announced in January of this year, the "K" Line Group continued to mount an all-out effort to restore containership freight rates and to cut costs by various means including eco-friendly slow steaming. As a result, consolidated operating revenues for the 2nd Quarter of FY2010 were ¥266.578 billion, an increase of ¥58.046 billion compared with the same period of the previous year. Consolidated operating income was ¥26.945 billion, compared with an operating loss of ¥20.369 billion the same period last year, and ordinary income was ¥22.298 billion, compared with an ordinary loss of ¥27.164 billion the same period last year. Consolidated quarterly net income was ¥10.525 billion, compared with a net loss of ¥28.369 billion the same period last year.

Cumulative consolidated operating revenues for the period from April 1, 2010 to September 30, 2010* were ¥520.358 billion, operating income was ¥50.008 billion, ordinary income was ¥42.849 billion, and net income was ¥26.329 billion.

* For qualitative information about the consolidated operating results for the 1st Quarter of the fiscal year ending March 2011, please refer to the Financial Highlights of the three months ended June 30, 2010, disclosed on July 29, 2010.

The following is a summary of the activities in each business segment.

(1) Containership Business Segment

[Containership Business]

The Company disposed of excess vessels under the containership business structural reform initiative implemented the previous fiscal year, reducing total tonnage by approximately 10% in comparison with the same period of the previous year. Since the Company reduced tonnage on Asia-North American routes under uncertain economic conditions, although cargo movement from North America to Asia increased by more than 10% year-on-year, the Company's cargo volume from Asia to North America decreased by 2% year-on-year. The Company's cargo volume from North America to Asia fell 24% year-on-year due to softening of market conditions attendant on a decline in cargo movement coupled with expedition of the return of empty containers as a container shortage countermeasure. As a result, the Company's overall cargo volume on North American routes declined by 10%. On European routes, against a backdrop of solid cargo movement, the Company reversed a reduction in the number of voyages implemented as a winter off-season measure and partially resumed service. The above factors resulted in an increase of 8% year-on-year in cargo volume from Asia to Northern Europe and the Mediterranean. The Company's cargo volume from Northern Europe and the Mediterranean to Asia decreased by 9%. As a result, total cargo volume on European routes rose 2% year-on-year. Combined cargo volume including North-South routes and intra-Asian routes decreased by 2%. Restoration of freight rates progressed rapidly for all routes, and operating revenues increased by approximately 40% year-on-year. Although yen appreciation, a steep rise in fuel oil prices and other factors put pressure on earnings, the Company engaged in eco-friendly slow steaming and implemented other cost reduction measures, which enabled it to secure a profit.

As a result, overall operating revenues from the containership business segment were

¥128.447 billion, operating income was ¥17.214 billion and ordinary income was ¥16.689 billion.

(2) Bulk Shipping Business Segment

[Dry Bulk Carrier Business]

Following an adjustment phase in June, market conditions turned upward in August due to a number of factors, including an increase in iron ore transport to China, switching to more distant alternative import sources by wheat importing countries in response to Russia's ban on wheat exports following a bad harvest and anticipated transport demand for new wheat from North America from the autumn and beyond. Subsequently, mid-September brought yet another weakening trend as chartered vessel activity slowed prior to China's National Day holidays. Although profit declined, the Company grew revenue compared with the same period of the preceding year as a result of obtaining medium-term and long-term contracts and striving for efficient ship allocation that reflected differences in market conditions in different waters.

[Car Carrier Business]

Worldwide movements of completed built-up cars showed a gradual recovery trend. Notably, movements of cars from Japan and other Asian countries to Central and South America, Australia, Asia, Africa and the Middle East were strong. At the same time, movements of cars to North America and Europe lacked the previous dynamism due to factors including diminished competitiveness of Japanese-made vehicles as a result of yen appreciation. Although continuing high fuel oil prices and yen appreciation led to an increasingly adverse earnings environment, the Company achieved a revenue increase compared to the same period of the previous year and secured profits thanks to higher car movements and success with continuous efforts to reduce operating costs through the streamlining of carrier allocation and cargo handling cost reductions.

[Energy Transportation and Tanker Business]

With regard to LNG carrier services, business from carriers on long-term service contracts continued to develop favorably. Although market conditions for carriers in spot service firmed slightly due to higher electric power demand resulting from the extreme summer heat, this did not lead to marked improvement in profits. Market conditions for oil tanker services were stagnant, notwithstanding positive factors including the retirement of single-hull tankers and robust demand in China, because of increased supply pressure from factors including the completion of construction of new ships and the resumption of operation of

tankers previously used for floating storage. Despite the revenue-increasing effect of 3 newly constructed VLCCs put into service from June 2009 onward, the business for carriers on short-term charter was adversely affected by sluggish market conditions. As a result of these developments, the Company was able to increase revenues from the same period the previous year and reduce the operating loss.

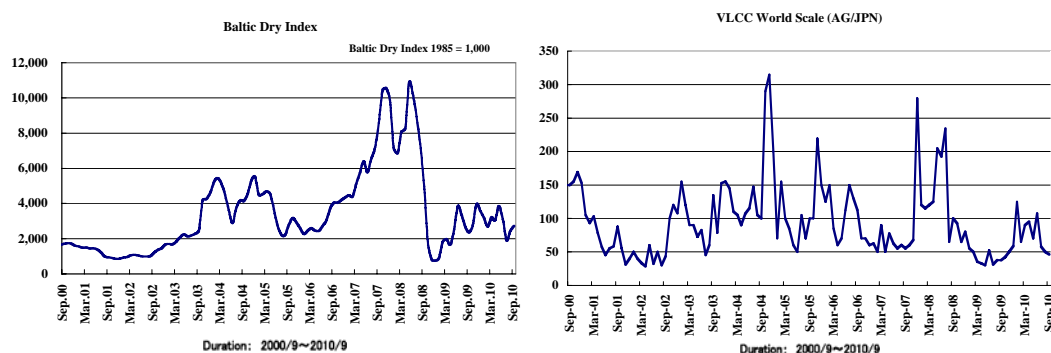
[Heavy Lifter Business]

The slump in movements of large cargo related to major projects, which stagnated following the onset of the global recession, continued in the 2nd Quarter, and market conditions remained unfavorable because of fierce competition for orders for spot cargo. As a result, operating revenues declined from the same period a year earlier, and an operating loss was recorded.

[Coastal and Ferry Business]

Business for dedicated limestone and coal carriers and small cargo carriers developed favorably. Profitability on regular domestic shipping routes developed favorably due to the impact of concentrating on the Hitachinaka-Tomakomai route, eliminating Tokyo-Tomakomai route, and efforts to win orders for the transport on other routes of machinery, drinking water, door-to-door parcel service cargo and frozen food.

As a result, overall operating revenues from the bulk shipping business segment were ¥115.350 billion, operating income was ¥9.310 billion, and ordinary income was ¥5.299 billion.



(3) Other Businesses

[Logistics/Harbor Transportation Business]

In the comprehensive logistics sector, although air cargo movements remained firm, the

Company was unable to sufficiently pass along in freight rates purchase cost increases attendant on a space shortage that resulted from recovery in cargo originating in Japan. In addition, gasoline prices in the overland transport sector remained high. Although these sectors had only a limited impact on profits due to these factors, harbor transport operations and other sectors supported profitability, resulting in increases in operating revenues and profits from the logistics business increased for a year-on-year basis.

As a result of these developments, overall operating revenues from the other businesses segment were ¥22.780 billion, operating income ¥1.632 billion, and ordinary income ¥1.502 billion.

2. Qualitative Information about Financial Status (Consolidated Basis)

Total assets at the end of the 2nd Quarter of FY2010 were ¥1,033.305 billion, a year-on-year decrease of ¥10.578 billion attributable to factors including a decrease in the market value of investments in securities.

Total liabilities decreased ¥1.080 billion year on year to ¥710.939 billion due to factors including a decrease in borrowings.

Net assets as of the end of the 2nd Quarter were ¥322.366 billion, a decrease of ¥9.498 billion year-on-year. The change is attributable to factors including an increase in retained earnings and a net unrealized holding loss on investments in securities.

3. Qualitative Information about the Prospects for FY2010 (Consolidated Basis)

In the containership business segment, in light of causes for concern that include financial instability in Europe and depressed home sales and a continued high unemployment rate in the U.S., the Company will closely track future supply and demand trends and strive to improve earnings through operating cost reductions from adjustment of the fleet size in accordance with transport demand and through the reinforcement of rigorous cost reduction measures, including slow steaming.

In the bulk shipping business segment, the Company anticipates market conditions for large dry bulk carriers to seesaw. Whereas prospects for a decline in the price of iron ore in October and beyond have given rise to expectations for activation of iron ore transport to

China, these expectations are tempered by concerns about sluggish growth in the volume of iron ore imports as measures by the government of China to curb production go into full effect. The Company forecasts firm market conditions for small carriers due to robust demand for the transport of thermal coal to China and India, the start of grain transport from North America and the impact of demand for alternative transport by importing countries in response to the ban on exports of Russian wheat.

With regard to cargo movements in the car carrier business, although the gradual recovery trend of the first half is likely to continue, the number of causes for concern is increasing, including uncertainty in the outlook for global business conditions and a yen trading near its historical high. Accordingly, the Company will strive to improve earnings by continuing to streamline fleet allocation, reduce operating costs and by implementing flexible shipping space adjustments.

In the energy transportation and tanker business, stable operation of LNG carriers on long-term service contracts is anticipated. The Company expects market conditions for LNG carriers in spot service to continue the upward trend begun in the first half, due to a wintertime demand increase, tightening of the balance of supply and demand for shipping space and the gradual appearance of positive impact on profits. As for oil tanker services, although arrival of the winter demand season is likely to bring gradual recovery in market conditions, supply pressure on shipping space due to the completion of new vessel construction remains high, and a marked recovery is not expected.

In the heavy lifter business, recovery in spot cargo movement has appeared, and market conditions are bottoming out. Transportation demand is increasing in response to the resumption of large projects in the next fiscal year and beyond, and profit improvement is expected to result from the gradual introduction of newly-built large carriers scheduled for completion beginning at the end of 2010.

Solid business conditions are expected to continue in the coastal and ferry business. The Company will aim to secure stable transport volumes, strive for greater vessel allocation efficiency through means including a review of the regular route network and reinforce sales activities.

The Company expects to be able to earn stable profits from its other businesses. Although in the logistics/harbor transportation business, purchase cost increases resulting from

factors including further flight cutbacks by airlines are a cause for concern in the comprehensive logistics sector, business in other sectors remains strong.

As described above, the business environment surrounding the marine transport business, including the supply and demand situation, exchange rates and interest rate trends, defies prediction. In these circumstances, the Company will strive to improve earnings through further streamlining and cost cutting.

Foreign exchange rate and fuel oil price assumptions for the 3rd Quarter and beyond are ¥80 to US\$1 and a bunker price of US\$470 per metric ton.

With regard to dividend, since the 1st Half business results exceeded the initial forecast and full-year business results are expected to exceed the initial forecast, the Company is revising the dividend forecast to an interim dividend of ¥4.0 per share and a year-end dividend of ¥6.0 per share, which is ¥1.5 and ¥3.0, respectively, higher than the previously announced forecast. (No interim or year-end dividend was paid in fiscal year 2009.) This will result in an annual dividend of ¥10 per share, ¥4.5 yen higher than the previously announced forecast.

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, 2010 and six months ended September 30, 2010

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

	Year ended Mar.31, 2010	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
ASSETS			
Current assets :			
Cash and time deposits	¥ 96,059	¥ 94,370	\$ 1,125,871
Accounts and notes receivable-trade	76,674	84,863	1,012,444
Short-term loans receivable	9,557	1,855	22,138
Marketable securities	0	24,998	298,237
Raw material and supply	26,510	26,390	314,849
Prepaid expenses and deferred charges	27,081	31,465	375,396
Other current assets	25,934	13,176	157,205
Allowance for doubtful receivables	(493)	(357)	(4,264)
Total current assets	261,325	276,763	3,301,877
Fixed assets :			
(Tangible fixed assets)			
Vessels	369,830	374,660	4,469,819
Buildings and structures	26,874	26,429	315,310
Machinery and vehicles	8,608	7,628	91,011
Land	30,995	30,961	369,375
Construction in progress	146,401	130,821	1,560,744
Other tangible fixed assets	7,151	6,337	75,605
Total tangible fixed assets	589,861	576,837	6,881,865
(Intangible fixed assets)			
Goodwill	7,392	5,955	71,050
Other intangible fixed assets	6,562	6,292	75,074
Total intangible fixed assets	13,955	12,248	146,124
(Investments and other long-term assets)			
Investments in securities	112,916	97,193	1,159,552
Long-term loans receivable	19,067	13,049	155,680
Other long-term assets	52,324	58,303	695,582
Allowance for doubtful receivables	(5,565)	(1,089)	(13,003)
Total investments and other long-term assets	178,741	167,456	1,997,811
Total fixed assets	782,558	756,542	9,025,800
Total assets	¥ 1,043,884	¥ 1,033,305	\$ 12,327,677

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2010 and six months ended September 30, 2010

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

	Year ended Mar.31, 2010	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 70,310	¥ 71,005	\$ 847,117
Short-term loans and current portion of long-term debt	61,960	60,744	724,698
Accrued income taxes	3,189	2,930	34,962
Accrued bonuses	1,627	1,649	19,676
Other current liabilities	53,865	53,270	635,533
Total current liabilities	190,954	189,599	2,261,986
Long-term liabilities :			
Bonds	90,329	90,140	1,075,400
Long-term debt, less current portion	348,767	332,866	3,971,207
Deferred income taxes for land revaluation	2,633	2,633	31,414
Accrued expenses for overhaul of vessels	17,770	16,095	192,021
Other allowance	10,011	9,709	115,841
Other long-term liabilities	51,554	69,895	833,870
Total long-term liabilities	521,065	521,339	6,219,753
Total liabilities	712,019	710,939	8,481,739
NET ASSETS			
Shareholder's equity:			
Common stock	65,031	65,031	775,848
Capital surplus	49,876	49,876	595,043
Retained earnings	229,661	256,359	3,058,448
Less treasury stock, at cost	(949)	(952)	(11,368)
Total shareholders' equity	343,619	370,314	4,417,970
Valuation and translation adjustments			
Net unrealized holding gain on investments in securities	8,545	217	2,594
Deferred loss on hedges	(28,936)	(50,503)	(602,527)
Revaluation reserve for land	2,044	2,044	24,394
Translation adjustments	(17,151)	(22,409)	(267,350)
Total valuation and translation adjustments	(35,498)	(70,650)	(842,889)
Minority interests in consolidated subsidiaries	23,743	22,703	270,857
Total net assets	331,864	322,366	3,845,938
Total liabilities and net assets	¥ 1,043,884	¥ 1,033,305	\$ 12,327,677

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2010 and 2009

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

	Six months ended Sep.30, 2009	Six months ended Sep.30, 2010	Six months ended Sep.30, 2010
Marine transportation and other operating revenues	¥ 400,458	¥ 520,358	\$ 6,208,048
Marine transportation and other operating expenses	409,589	437,980	5,225,256
Gross income (loss)	(9,130)	82,377	982,792
Selling, general and administrative expenses	33,368	32,368	386,170
Operating income (loss)	(42,499)	50,008	596,622
Non-operating income :			
Interest income	590	370	4,418
Dividend income	1,092	970	11,577
Exchange gain	1,158	-	-
Other non-operating income	1,450	819	9,772
Total non-operating income	4,291	2,159	25,766
Non-operating expenses :			
Interest expenses	4,099	4,290	51,190
Equity in loss of affiliated companies	723	175	2,099
Exchange loss	-	4,595	54,824
Loss on cancellation of derivatives	5,952	-	-
Other non-operating expenses	891	256	3,062
Total non-operating expenses	11,667	9,318	111,176
Ordinary income (loss)	(49,875)	42,849	511,213
Extraordinary profits :			
Gain on sales of fixed assets	4,827	3,892	46,443
Gain on sales of investments in securities	0	-	-
Gain on reversal of accrued expenses for overhaul of vessels	3,893	-	-
Other extraordinary profits	14	1,268	15,135
Total extraordinary profits	8,736	5,161	61,578
Extraordinary losses :			
Loss on sales of fixed assets	685	-	-
Loss from devaluation of investment securities	-	1,226	14,634
Loss on cancellation of chartered vessels	3,297	-	-
Loss for change of ship building contracts	11,336	-	-
Other extraordinary losses	2,499	4,265	50,887
Total extraordinary losses	17,818	5,491	65,521
Income (loss) before income taxes	(58,957)	42,519	507,270
Income taxes : current	2,150	2,954	35,251
deferred	(20,249)	12,510	149,254
Total income taxes	(18,098)	15,465	184,505
Income before minority interests	-	27,054	322,765
Minority interests	2,399	724	8,647
Net income (loss)	¥ (43,258)	¥ 26,329	\$ 314,118

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the second quarter ended September 30, 2010 and 2009

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

	2nd quarter ended Sep.30, 2009	2nd quarter ended Sep.30, 2010	2nd quarter ended Sep.30, 2010
Marine transportation and other operating revenues	¥ 208,531	¥ 266,578	\$ 3,180,364
Marine transportation and other operating expenses	212,026	223,559	2,667,140
Gross income (loss)	(3,494)	43,018	513,224
Selling, general and administrative expenses	16,875	16,072	191,752
Operating income (loss)	(20,369)	26,945	321,472
Non-operating income :			
Interest income	325	219	2,622
Dividend income	401	290	3,466
Interest on refund of income taxes and other	438	-	-
Other non-operating income	504	336	4,019
Total non-operating income	1,669	847	10,107
Non-operating expenses :			
Interest expenses	2,239	2,063	24,624
Equity in loss of affiliated companies	442	99	1,186
Exchange loss	265	3,250	38,785
Loss on cancellation of derivatives	5,163	-	-
Other non-operating expenses	353	80	961
Total non-operating expenses	8,465	5,494	65,556
Ordinary income (loss)	(27,164)	22,298	266,023
Extraordinary profits :			
Gain on sales of fixed assets	899	-	-
Gain on reversal of accrued expenses for overhaul of vessels	3,066	434	5,181
Gain on cancellation of chartered vessels	-	414	4,949
Other extraordinary profits	8	219	2,620
Total extraordinary profits	3,974	1,068	12,750
Extraordinary losses :			
Loss on sales of fixed assets	659	-	-
Loss from devaluation of investment securities	-	1,226	14,634
Loss on cancellation of chartered vessels	723	-	-
Loss for change of ship building contracts	11,336	-	-
Compensation	-	1,043	12,443
Other extraordinary losses	2,073	2,387	28,482
Total extraordinary losses	14,792	4,657	55,560
Income (loss) before income taxes	(37,982)	18,709	223,213
Income taxes : current	816	1,652	19,715
deferred	(11,651)	5,964	71,162
Total income taxes	(10,835)	7,617	90,877
Income before minority interests	-	11,092	132,336
Minority interests	1,221	566	6,761
Net income (loss)	¥ (28,369)	¥ 10,525	\$ 125,575

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended Sep 30, 2010 and 2009

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

	Six months ended Sep.30,2009	Six months ended Sep.30,2010	Six months ended Sep.30,2010
Cash flows from operating activities :			
Income (loss) before income taxes and minority interests	¥ (58,957)	¥ 42,519	\$ 507,270
Depreciation and amortization	22,394	22,584	269,436
Reversal of employees' retirement benefits	(408)	(45)	(543)
Reversal of directors' and corporate auditors' retirement benefits	(173)	(255)	(3,051)
Decrease in accrued expenses for overhaul of vessels	(2,870)	(1,618)	(19,304)
Interest and dividend income	(1,682)	(1,340)	(15,994)
Interest expense	4,099	4,290	51,190
Loss on cancellation of derivatives contracts	5,952	-	-
Loss on cancellation of chartered vessels	3,297	-	-
Loss on amendments to shipbuilding contracts	11,336	-	-
Gain on sales of marketable securities and investments in securities	(0)	-	-
Gain on sales of vessels, property and equipment	(4,142)	(3,809)	(45,449)
Loss of revaluation of marketable securities and investments in securities	-	1,226	14,634
(Increase) decrease in accounts and notes receivable – trade	11,246	(10,481)	(125,046)
Increase in accounts and notes payable – trade	2,332	2,218	26,466
Increase in inventories	(5,916)	(263)	(3,146)
Increase in other current assets	(5,526)	(4,464)	(53,265)
Increase in other current liabilities	-	8,744	104,327
Other, net	3,007	3,415	40,747
Subtotal	(16,010)	62,719	748,269
Interest and dividends received	1,584	1,276	15,232
Interest paid	(3,886)	(4,361)	(52,033)
Payment for cancellation of derivatives	(788)	-	-
Payment for cancellation of chartered vessels	(3,297)	-	-
Payment for amendments to shipbuilding contracts	(480)	-	-
Income taxes paid	(3,198)	(3,184)	(37,998)
Income taxes refunded	16,937	-	-
Other, net	-	(40)	(478)
Net cash provided (used in) by operating activities	(9,140)	56,410	672,992
Cash flows from investing activities :			
Purchases of marketable securities and investments in securities	(4,007)	(1,995)	(23,812)
Proceeds from sale of marketable securities and investments in securities	537	405	4,833
Purchases of vessels, property and equipment	(79,701)	(72,534)	(865,357)
Proceeds from sale of vessels, property and equipment	42,716	51,060	609,172
Purchases of intangible fixed assets	(732)	(475)	(5,669)
Increase in long-term loans receivable	(3,289)	(339)	(4,055)
Collection of long-term loans receivable	9,138	5,424	64,719
Other, net	(6,935)	461	5,511
Net cash used in investing activities	(42,274)	(17,992)	(214,658)
Cash flows from financing activities :			
(Increase) decrease in short-term loans, net	1,608	(4,251)	(50,717)
Increase in commercial paper	(14,000)	(9,000)	(107,373)
Proceeds from long-term debt	62,695	33,611	400,993
Repayment of long-term debt and obligations under finance leases	(25,692)	(33,020)	(393,949)
Proceeds from Issuance of Bonds	35,110	-	-
Redemption of Bonds	-	(189)	(2,255)
Cash dividends paid	(21)	(12)	(151)
Cash dividends paid to minority shareholders	(2,311)	(130)	(1,553)
Proceeds from stock issuance to minority shareholders	346	-	-
Other, net	(1)	(3)	(46)
Net cash (used in) provided by financing activities	57,734	(12,996)	(155,051)
Effect of exchange rate changes on cash and cash equivalents	632	(2,769)	(33,040)
Net increase in cash and cash equivalents	6,951	22,651	270,244
Cash and cash equivalents at beginning of the period	69,700	92,122	1,099,047
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	143	285	3,409
Cash and cash equivalents at end of the period	¥ 76,795	¥ 115,059	\$ 1,372,701

Segment information

(Business segment information)

2nd quarter ended September 30, 2009

(Millions of Yen)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
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)	¥ (28,116)	¥ 500	¥ 327	¥ (27,288)	¥ 123	¥ (27,164)

Six months ended September 30, 2009

(Millions of Yen)

	Marine Transportation	Logistics / harbour Transportation	Other	Total	Eliminations	Consolidated
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)

(Segment information)

Six months ended September 30, 2010

(Millions of yen)

	Container- ship	Bulk shipping	Other	Adjustment	Consolidated
Revenues					
Operating Revenues	¥ 240,713	¥ 233,771	¥ 45,873	¥ -	¥ 520,358
Inter-group sales and transfers	975	950	21,285	(23,211)	-
Total revenues	241,689	234,721	67,159	(23,211)	520,358
Segment income	¥ 25,559	¥ 17,014	¥ 2,175	¥ (1,899)	¥ 42,849

Six months ended September 30, 2010

(Thousands of U.S. dollars)

	Container- ship	Bulk shipping	Other	Adjustment	Consolidated
Revenues					
Operating Revenues	\$ 2,871,797	\$ 2,788,969	\$ 547,282	\$ -	\$ 6,208,048
Inter-group sales and transfers	11,638	11,337	253,947	(276,922)	-
Total revenues	2,883,434	2,800,306	801,229	(276,922)	6,208,048
Segment income	\$ 304,931	\$ 202,987	\$ 25,959	\$ (22,664)	\$ 511,213

2nd quarter ended September 30, 2010

(Millions of yen)

	Container- ship	Bulk shipping	Other	Adjustment	Consolidated
Revenues					
Operating Revenues	¥ 128,447	¥ 115,350	¥ 22,780	¥ -	¥ 266,578
Inter-group sales and transfers	550	478	11,612	(12,641)	-
Total revenues	128,997	115,828	34,392	(12,641)	266,578
Segment income	¥ 16,689	¥ 5,299	¥ 1,502	¥ (1,193)	¥ 22,298

2nd quarter ended September 30, 2010

(Thousands of U.S. dollars)

	Container- ship	Bulk shipping	Other	Adjustment	Consolidated
Revenues					
Operating Revenues	\$ 1,532,417	\$ 1,376,171	\$ 271,776	\$ -	\$ 3,180,364
Inter-group sales and transfers	6,570	5,705	138,543	(150,817)	-
Total revenues	1,538,987	1,381,876	410,319	(150,817)	3,180,364
Segment income	\$ 199,111	\$ 63,225	\$ 17,923	\$ (14,236)	\$ 266,023

(Supplemental information)

Effective the 1st quarter of 2010FY, the Company and its consolidated subsidiaries have adopted “Accounting Standard for Disclosures about Segments of and Enterprise and Related Information” (ASBJ standard No.17, issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of and Enterprise and Related Information” (ASBJ Guidance No.20, issued on March 21, 2008).