FINANCIAL HIGHLIGHTS

Brief report of the nine months ended December 31, 2015

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Nine months ended December 31, 2014	**Nine months ended December 31, 2015**	**Nine months ended December 31, 2015**
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 1,015,061	**¥ 977,783**	**$ 8,106,984**
Operating income (Millions of yen / Thousands of U.S. dollars)	40,327	**15,192**	**125,962**
Net income attributable to owners of parent (Millions of yen / Thousands of U.S. dollars)	33,006	**9,275**	**76,902**
Per share of common stock (Yen / U.S. dollars)			
Basic	35.20	**8.44**	**0.07**
Diluted	30.07	**9.90**	**0.08**

	Year ended March 31, 2015	**Nine months ended December 31, 2015**	**Nine months ended December 31, 2015**
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,223,328	**¥ 1,177,030**	**$ 9,758,983**
Net assets (Millions of yen / Thousands of U.S. dollars)	467,440	**451,772**	**3,745,732**

	Nine months ended December 31, 2014	**Nine months ended December 31, 2015**	**Nine months ended December 31, 2015**
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 67,963	**¥ 36,420**	**$ 301,970**
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(13,898)	**(10,176)**	**(84,377)**
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	(105,522)	**(31,199)**	**(258,683)**

The U.S. dollar amounts are converted from the yen amount at ¥120.61 = U.S.$1.00.
The exchange rate prevailing on December 31, 2015.

1. Qualitative Information and Financial Statement

(1) Qualitative Information about the Consolidated Operating Result

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

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Change	%Change
Operating revenues	1015.1	977.8	(37.3)	(3.7%)
Operating income	40.3	15.2	(25.1)	(62.3%)
Ordinary income	46.2	11.7	(34.5)	(74.6%)
Net income attributable to owners of parent	33.0	9.3	(23.7)	(71.9%)

Exchange Rate (¥/US$) (9-month average)	¥105.80	¥121.76	¥15.78	14.9%
Fuel oil price (US$/MT) (9-month average)	US$588	US$325	(US$263)	(44.8%)

During the first nine months of the fiscal year ending March 31, 2016 (from April 1, 2015 to December 31, 2015; hereinafter “the nine-month period”), in the global economy, the U.S. Federal Reserve Board revised its policy interest rate in December for the first time since December 2008, raising it from a range between 0% and 0.25% to a range between 0.25% and 0.5%. The move reflected strong performance in the U.S. economy backed by a recovery in personal consumption, housing investment, and other factors, driven by an improved employment situation. In Europe the major countries such as Germany displayed a gradual recovery as share prices increased and the euro depreciated due to quantitative easing by the European Central Bank. Meanwhile, the slowdown in the Chinese economy became clear, with ongoing reduction of excess investment and adjustment of surplus facilities. The sharp fall in resource prices such as crude oil also affected the business conditions in emerging markets in Asia, and the economies of Brazil and Russia also deteriorated.

The Japanese economy continued its recovery trend, with an upturn in personal incomes reflecting a modest improvement in the employment situation. However, the trend was too weak to boost consumer spending or capital expenditure.

In the business environment for the shipping industry, market conditions recovered in the oil tanker business amid a fall in fuel oil prices and the yen’s continued depreciation, due to expansion in stockpiles and transport demand associated with the drop in crude oil prices. Nevertheless, in the containership business, freight rate market slumped as the gap between tonnage supply and demand widened due to stagnating cargo movement combined with the continued launches of newly built large-sized containerships . In the dry bulk business as well, freight rates stagnated at record-low market levels as an oversupply of vessels overlapped a retreat in demand due to the slowdown in the Chinese economy and other factors. Amid this tough business environment, the Group worked on measures to improve profitability, such as more efficient vessel allocation, and strived to reduce vessel operating costs. Nevertheless, business performance declined year on year.

As a result, operating revenues for the nine-month period were ¥977.783 billion (down ¥37.277 billion year on year), operating income was ¥15.192 billion (down ¥25.135 billion), ordinary income was ¥11.729 billion (down ¥34.455 billion), and net income attributable to owners of parent was ¥9.275 billion (down ¥23.731 billion).
Performance per segment was as follows:

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

		Nine months ended December 31, 2014	Nine months ended December 31, 2015	Change	%Change
Containership	Operating revenues	503.8	482.7	(21.1)	(4.2%)
	Segment income (loss)	18.2	(4.2)	(22.5)	-
Bulk Shipping	Operating revenues	451.9	445.8	(6.2)	(1.4%)
	Segment income	32.7	26.3	(6.4)	(19.6%)
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	29.9	20.9	(9.0)	(30.3%)
	Segment income (loss)	(4.1)	(6.5)	(2.4)	-
Other	Operating revenues	29.4	28.5	(0.9)	(3.2%)
	Segment income	3.2	1.2	(1.9)	(60.5%)
Adjustment and elimination	Segment income (loss)	(3.8)	(5.1)	(1.3)	-
Total	Operating revenues	1015.1	977.8	(37.3)	(3.7%)
	Segment income	46.2	11.7	(34.5)	(74.6%)

(i) Containership Business Segment

Containership Business

During the nine-month period, cargo volume loaded on the Asia-North America service for round-trip voyages overall recorded an increase of approximately 2% year on year, supported by the firm undertone of the U.S. economy. However, in the Asia-Europe, Intra-Asia, and North-South services, cargo volumes declined by more than 10% as sailings were reduced and services rationalized in response to stalled cargo movements. Overall cargo volume loaded for the Group declined by around 7% year on year.

The freight rate market fell in the Asia-North America service from the third quarter due to deterioration in the supply-demand balance. The market also slumped in the Asia-Europe and North-South services due to a decline in cargo movements. The average freight rate for the Group across all routes dropped sharply from the same period of the previous fiscal year. The Group continued working to improve profitability and reduce costs by rationalizing services on the North-South and Intra-Asia services in response to a decline in demand, reducing surplus space by reducing sailings on the Asia-Europe and Asia-U.S. services, and taking other detailed operational measures. Despite these efforts, the Group's sales declined year on year resulting in a loss.

Logistics Business

In the logistics business, including inland transportation and warehousing, domestic logistics services performed strongly. In international logistics services, the handling of air freight cargos from Asia, including Japan, declined due to the clearing of a backlog at ports on the U.S. west coast and the slowdown in the Chinese economy. Overall, the logistics business saw both revenue and income declined year on year.

As a result of the above, the Containership Business Segment overall had a year-on-year decline in revenue and recorded a loss.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

In the large-vessel sector, the market slumped overall. The usual demand increase for winter seen in previous years was mostly absent, with plateauing iron ore import volumes due to stagnating iron demand in China. In the small- and medium-vessel sector, the freight market slump continued as the balance of vessel supply and demand became upset, mainly due to the volume of coal transported to China falling by 30% year on year and a shortening of the waiting period in loading areas due to leveling the interval of grain shipments loaded in South America. The Group responded to this protracted slump in market conditions by reducing the number of cargo-free vessels through disposal of vessels controlled by the Group, cutting operating costs, and allocating vessels efficiently. However, the Group recorded year-on-year declines in both revenues and income.

Car Carrier Business

Cargo movements for finished vehicles during the nine-month period faltered for cargos from Europe and North America to Asia against a backdrop of the economic slowdown in China. Cargo movements within Europe also declined, reflecting a slump in the Russian economy. As a result, the overall volume of finished vehicles shipped by the Group during the nine-month period declined slightly year on year, despite support from an increase in cargo volumes within the Atlantic Basin and from Japan to North America, the Middle East, and other areas. The Group recorded year-on-year declines in both revenues and income despite continuous efforts to improve efficiency of vessel allocation and operation.

LNG Carrier Business and Tanker Business

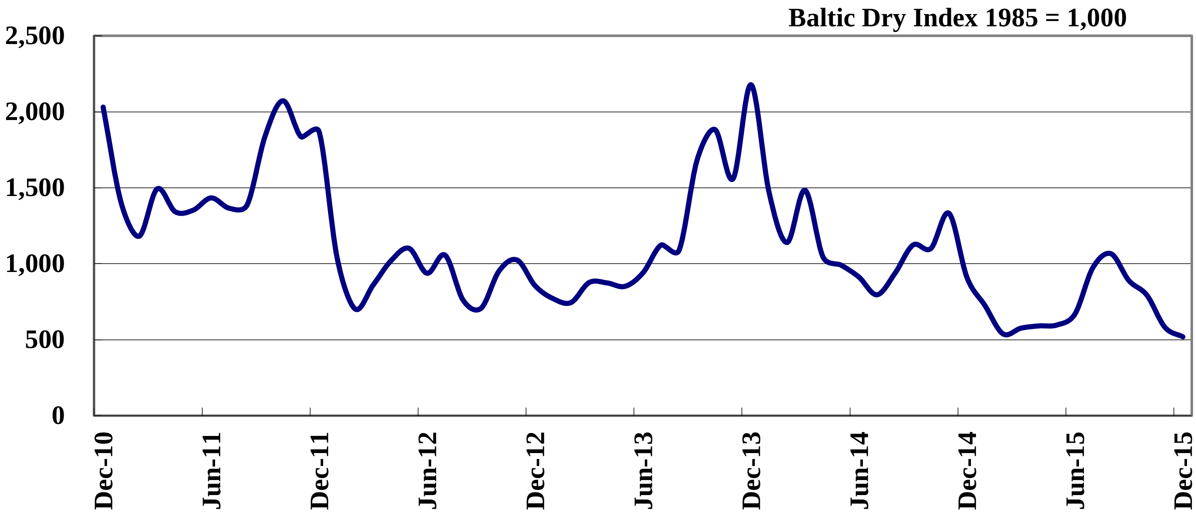
LNG carriers, large crude tankers (VLCCs), and LPG carriers performed steadily on medium- and long-term charter contracts. Moreover, the freight rate market in the oil tanker business continued to move briskly from the previous period. The LNG carrier business and Tanker business reported year-on-year increases in both revenues and income for the nine-month period.

Short Sea and Coastal Business

In the short sea business, although market prices stayed at low levels, the Group secured cargo volumes in line with the same period of the previous fiscal year. In the coastal business, the Group achieved strong performance in the tramper service, mainly in shipper-dedicated vessels, and a year-on-year increase in cargo volumes in the liner service through sales promotion by launching large-sized vessels. In the short sea and coastal business as a whole, the Group posted a year-on-year decrease in revenues and an increase in income, partly due to a decrease in bunker adjustment charge resulting from a fall in fuel oil prices.

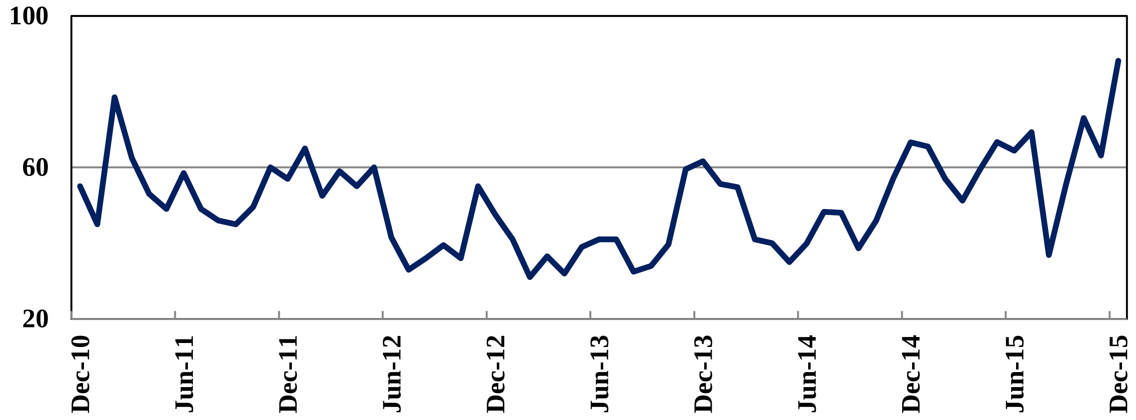
As a result of the above, the Bulk Shipping Business Segment overall recorded lower revenues and lower income compared with the same period of the previous fiscal year.

Baltic Dry Index



Duration : 2010/12～ 2015/12

VLCC World Scale (AG / JPN)



Duration : 2010/12～2015/12

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

Offshore Energy E&P Support Business

The drill ship saw brisk deployment, helping to secure stable long-term earnings. However, the offshore support business was negatively impacted by softening market conditions as offshore development stalled due to the slump in crude oil prices. Overall, offshore energy E&P support business recorded an increased loss as revenue was down year on year and the segment was also affected by valuation loss on foreign-currency denominated debt at a foreign subsidiary in the offshore support business.

Heavy Lifter Business

In the heavy lifter business, the Group strove to reduce costs amid a slump in market conditions, however its losses worsened as revenues declined year on year.

As a result of the above, the Offshore Energy E&P Support and Heavy Lifter Business Segment overall recorded lower revenues year on year, and its losses worsened.

(iv) Other Business

Other business includes the Group's ship management service, travel agency service, and real estate rental and administration service. The segment had a decline in both revenues and income for the nine-month period compared with the same period of the previous fiscal year.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 3rd Quarter were ¥1,177.030 billion, a decrease of ¥46.297 billion over the end of the previous fiscal year as a result of a decrease in vessels, investments in securities and other factors.

Consolidated liabilities increased by ¥30.629 billion to ¥725.258 billion due to factors including a decrease in long-term loans and other factors compared to the previous fiscal year.

Consolidated net assets were ¥451.772 billion, a decrease of ¥15.667 billion compared to the end of the previous fiscal year as a result of decrease in net unrealized holding gain on investments in securities and other factors.

(3) Qualitative Information on the Consolidated Prospects for FY2015

(Billion yen; rounded to the nearest 100 million)

	Prior Forecast (at the time of announcement dated October 30, 2015)	Current Forecast (at the time of announcement of the 3rd Quarter result)	Change	%Change
Operating revenues	1,300	1,275	(25)	(1.9%)
Operating income	24	11	(13)	(54.2%)
Ordinary income	20	7	(13)	(65.0%)
Net income attributable to owners of parent	12	5	(7)	(58.3%)

Exchange rate (¥/US$)	¥120.88	¥120.44	(¥0.44)	(0.4%)
Fuel oil price (US$/MT)	US$314	US$304	(US$10)	(3.2%)

In the global economy from the fourth quarter onward, advanced countries such as the U.S. are expected to continue posting moderate growth. However, there are concerns over the impact of mounting geopolitical risks, such as the refugee issue in Europe and the situation in the Middle East, as well as potential for a slowdown in economies in emerging countries and others, due to factors such as a further decline in resource prices and further interest rate hikes in the U.S.

In this business environment, recovery of the freight rate market for containership business is expected to take some time, although the expansion in tonnage supply due to the launch of newly built ships has eased. The Group will work to improve income by maximizing the advantage of its alliances on the East-West services, strengthening its cost competitiveness by replacing the older vessels with five newly-built, large-sized vessels featuring new energy-efficient technologies with loading capacity of 14,000 TEU, taking initiatives on highly profitable cargo such as reefer cargo, strengthening profit management through advanced IT utilization, reducing unprofitable service lines, rationalizing, and reducing service capacity in line with market demand.

In the dry bulk business as well, it will take some more time for recovery of the supply and demand balance. The Group will continue to make every effort to improve its income, such as efficiently allocating vessels and reducing vessel operating costs. At the same time, the Group will strive to build an income structure that is resilient against market fluctuations, including downsizing its fleet.

In the car carrier business, the Group will continue to reinforce the business platform to reflect the change in trade structure such as pursuing cargos from South-East Asian countries and trade within the Atlantic Basin. At the same time, the Group will strive to enhance its revenue base by making maximum use of its successively completed fleet of large-sized and new-generation vessels, featuring larger loading capacity for heavy construction machinery and rail cars as well as improved fuel efficiency.

In the LNG carrier business and tanker business, the Group expects to secure stable revenues for LNG carriers, VLCCs and LPG carriers supported by medium- and long-term contracts, and to improve its profitability in oil tanker services overall due to the recovery of freight market conditions.

In the offshore energy E&P support business and the heavy lifter business, the market is expected to continue to be affected by low oil prices; however, the Group will work to improve its profitability through efficient vessel allocation and other means. In the logistics business and the coastal business, the Group will aggressively expand its operations.

As noted above, the Group is facing a harsh business environment due to the prolonged slump in market conditions, mainly in the containership business sector and the dry bulk business sector. The Group therefore expects its full-year results for operating income, ordinary income, and net income attributable to owners of parent to be lower than the previously announced figures.

Our important task is to maximize returns to our shareholders while, maintaining necessary internal reserves to fund our investments in plant and equipment and strengthen our financial position for the sake of sustainable growth, which is a priority of our management plan. Under our new medium-term management plan "K Value for our Next Century", we are aiming to achieve an appropriate balance between stability and growth, while paying stable dividends and sharing profit exceeding a designated level in line with our total return ratio target.

For the annual dividend in the fiscal year ending March 31, 2016, although full-year business results are expected to be lower than the figures announced in the second-quarter financial report, we plan to pay a year-end dividend of ¥2.5 per share as announced previously in line with the above policy.

2. Matters Relating to Summary Information

Changes in Accounting Policies

(Application of Accounting Standard for Business Combinations and other standards)

The company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements”(ASBJ Statement No.22, September 13, 2013, hereinafter the “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, September 13, 2013, hereinafter the “Business Divestitures Standard”) and others effective from the first quarter of the consolidated fiscal year ending March 31, 2016. Accordingly, the Company’s accounting policies have been changed; the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control being recorded as capital surplus and acquisition costs being expensed in the consolidated fiscal year in which they are incurred. Furthermore, for business combinations to be performed at and after the beginning of the first quarter of the consolidated fiscal year ending March 31, 2016, the method has been changed to reflect adjustments to the provisional amount arising from the finalization of the tentative accounting treatment relating to the purchase price allocation in the consolidated financial statements for the quarter to which the date of business combination belongs. In addition, the expression for quarterly net profit, etc. has been changed, and “minority interests” has been changed to “non-controlling interests”. In order to reflect these changes, the third quarter and full-year consolidated financial statements for the fiscal year ending March 31, 2015 have been reclassified.

The Business Combinations Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2016. This change has no impact on the consolidated financial statements of the third quarter of the fiscal year ending March 31, 2016.

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, 2015 and nine months ended December 31, 2015

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

		Year ended March 31, 2015		Nine months ended December 31, 2015		Nine months ended December 31, 2015
ASSETS						
Current assets :						
Cash and deposits	¥	242,432	¥	237,676	$	1,970,617
Accounts and notes receivable-trade		94,132		88,071		730,214
Raw material and supply		35,312		27,085		224,567
Other current assets		72,375		66,677		552,833
Allowance for doubtful receivables		(1,999)		(1,629)		(13,509)
Total current assets		442,253		417,880		3,464,721
Fixed assets :						
(Tangible fixed assets)						
Vessels		529,408		504,885		4,186,102
Buildings and structures		19,945		19,190		159,111
Machinery and vehicles		7,700		9,142		75,800
Land		25,820		25,181		208,787
Construction in progress		45,824		55,635		461,283
Other tangible fixed assets		3,797		3,625		30,064
Total tangible fixed assets		632,496		617,661		5,121,145
(Intangible fixed assets)						
Goodwill		231		92		768
Other intangible fixed assets		4,356		4,208		34,891
Total intangible fixed assets		4,587		4,300		35,659
(Investments and other long-term assets)						
Investments in securities		93,991		75,247		623,894
Long-term loans receivable		16,935		17,467		144,827
Asset for retirement benefits		1,605		2,464		20,437
Other long-term assets		31,823		42,368		351,284
Allowance for doubtful receivables		(364)		(359)		(2,985)
Total investments and other long-term assets		143,991		137,188		1,137,458
Total fixed assets		781,075		759,150		6,294,262
Total assets	¥	1,223,328	¥	1,177,030	$	9,758,983

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2015 and nine months ended December 31, 2015

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

	Year ended March 31, 2015	Nine months ended December 31, 2015	Nine months ended December 31, 2015
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 101,324	¥ 92,494	$ 766,891
Short-term loans and current portion of long-term loans	81,475	79,004	655,042
Accrued income taxes	6,641	1,359	11,269
Allowance for loss related to the Anti-Monopoly Act	1,672	5,223	43,305
Other allowance	2,964	1,639	13,598
Other current liabilities	66,871	70,854	587,465
Total current liabilities	260,949	250,575	2,077,570
Long-term liabilities :			
Bonds	52,943	62,754	520,305
Long-term loans, less current portion	357,502	333,535	2,765,402
Accrued expenses for overhaul of vessels	14,127	12,697	105,280
Other allowance	1,531	1,534	12,726
Liability for retirement benefits	6,310	6,197	51,388
Other long-term liabilities	62,522	57,962	480,580
Total long-term liabilities	494,938	474,682	3,935,681
Total liabilities	755,887	725,258	6,013,251
NET ASSETS			
Shareholder's equity:			
Common stock	75,457	75,457	625,633
Capital surplus	60,312	60,312	500,059
Retained earnings	254,922	256,226	2,124,418
Less treasury stock, at cost	(1,071)	(1,076)	(8,926)
Total shareholders' equity	389,620	390,919	3,241,184
Accumulated other comprehensive income :			
Net unrealized holding gain on investments in securities	14,822	5,149	42,695
Deferred gain on hedges	8,719	3,388	28,092
Revaluation reserve for land	6,209	6,209	51,482
Translation adjustments	22,201	19,877	164,807
Retirement benefits liability adjustments	(41)	173	1,440
Total accumulated other comprehensive income, net	51,911	34,797	288,516
Non-controlling interests	25,908	26,055	216,033
Total net assets	467,440	451,772	3,745,732
Total liabilities and net assets	¥ 1,223,328	¥ 1,177,030	$ 9,758,983

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2015 and 2014

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

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Nine months ended December 31, 2015
Marine transportation and other operating revenues	¥ 1,015,061	¥ 977,783	$ 8,106,984
Marine transportation and other operating expenses	916,814	904,242	7,497,243
Gross operating income	98,246	73,540	609,741
Selling, general and administrative expenses	57,919	58,348	483,779
Operaing income	40,327	15,192	125,962
Non-operating income :			
Interest income	1,025	1,331	11,036
Dividend income	2,079	2,451	20,323
Equity in earnings of subsidiaries and affiliates	2,188	1,535	12,728
Exchange gain	7,030	-	-
Other non-operating income	1,105	1,430	11,859
Total non-operating income	13,428	6,747	55,946
Non-operating expenses :			
Interest expenses	7,381	6,130	50,829
Exchange loss	-	2,877	23,859
Other non-operating expenses	189	1,201	9,965
Total non-operating expenses	7,571	10,210	84,653
Ordinary income	46,185	11,729	97,255
Extraordinary profits :			
Gain on sales of vessels, property and equipment	3,512	10,200	84,572
Gain on sales of investments in securities	1,672	6,318	52,391
Gain on sales of shares of subsidiaries and associates	10,714	-	-
Other extraordinary profits	1,619	700	5,806
Total extraordinary profits	17,519	17,219	142,768
Extraordinary losses :			
Loss on impairment of fixed assets	2,483	3,976	32,972
Provision of allowance for loss related to the Anti-Monopoly Ac	-	3,551	29,442
Other extraordinary losses	7,887	1,058	8,776
Total extraordinary losses	10,371	8,586	71,190
Income before income taxes	53,332	20,362	168,833
Income taxes :			
Current	8,686	5,513	45,716
Deferred	9,363	3,380	28,031
Total income taxes	18,050	8,894	73,747
Net income	35,282	11,468	95,086
Net income attributable to non-controlling interests	2,276	2,193	18,185
Net income attributable to owners of parent	¥ 33,006	¥ 9,275	$ 76,902

Consolidated Statements of Comprehensive Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2015 and 2014

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

	Three months ended December 31, 2014	Three months ended December 31, 2015	Three months ended December 31, 2015
Net income	¥ 35,282	¥ 11,468	$ 95,086
Other comprehensive (loss) income			
Net unrealized holding (loss) gain on investments in securities	7,820	(9,735)	(80,715)
Deferred (loss) on hedges	(1,786)	(5,587)	(46,328)
Translation adjustments	25,693	(3,254)	(26,985)
Retirement benefits liability adjustments	166	214	1,782
Share of other comprehensive income of subsidiaries and affiliates accounted for by the equity method	929	129	1,071
Total other comprehensive (loss) income	32,822	(18,233)	(151,175)
Comprehensive (loss) income	¥ 68,105	¥ (6,764)	$ (56,089)
(Breakdown)			
Comprehensive (loss) income attributable to:			
Owners of parent	¥ 64,014	¥ (7,838)	$ (64,988)
Non-controlling interests	4,090	1,073	8,899

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for nine months ended December 31, 2015 and 2014

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

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Nine months ended December 31, 2015
Cash flows from operating activities :			
Income before income taxes and minority interests	¥ 53,332	¥ 20,362	$ 168,833
Depreciation and amortization	40,206	36,964	306,482
Decrease in liability for retirement benefits	(1,565)	(118)	(978)
(Increase) decrease in asset for retirement benefits	14	(859)	(7,127)
Provision for (reversal of) allowance for directors' and audit and supervisory board members' retirement benefits	(123)	4	35
Decrease in accrued expenses for overhaul of vessels	(1,759)	(1,430)	(11,860)
Provision for allowance for loss related to the Anti-Monopoly Act	-	3,551	29,442
Interest and dividend income	(3,105)	(3,782)	(31,359)
Interest expense	7,381	6,130	50,829
Exchange loss (gain), net	(787)	973	8,071
Loss on impairment of fixed assets	2,483	3,976	32,972
Gain on sales of vessels, property and equipment, net	(3,486)	(10,091)	(83,670)
Gain on sales of marketable securities and investments in securities, net	(1,668)	(6,315)	(52,362)
Gain on sales of shares of subsidiaries and associates	(10,714)	-	-
Decrease (increase) in accounts and notes receivable – trade	(8,770)	5,922	49,107
Decrease in inventories	7,579	8,182	67,845
Decrease (increase) in other current assets	(7,084)	1,937	16,066
(Decrease) increase in accounts and notes payable – trade	9,536	(8,338)	(69,135)
Increase in other current liabilities	2,336	741	6,144
Other, net	7,367	(9,123)	(75,648)
Subtotal	91,174	48,688	403,686
Interest and dividends received	4,074	4,628	38,372
Interest paid	(7,243)	(5,946)	(49,307)
Payments related to the Anti-Monopoly Act	(12,721)	(460)	(3,818)
Income taxes paid	(7,320)	(10,488)	(86,963)
Net cash provided by operating activities	67,963	36,420	301,970
Cash flows from investing activities :			
Payments into time deposits	(16,080)	(62,421)	(517,549)
Proceeds from withdrawal of time deposits	12,532	62,238	516,034
Purchases of marketable securities and investments in securities	(3,660)	(3,960)	(32,834)
Proceeds from sales of marketable securities and investments in securities	18,230	13,161	109,124
Purchases of vessels, property and equipment	(65,520)	(89,942)	(745,730)
Proceeds from sales of vessels, property and equipment	42,051	73,466	609,122
Purchases of intangible fixed assets	(606)	(588)	(4,881)
Increase in long-term loans receivable	(1,537)	(817)	(6,775)
Collection of long-term loans receivable	2,252	837	6,945
Other, net	(1,560)	(2,150)	(17,831)
Net cash used in investing activities	(13,898)	(10,176)	(84,377)
Cash flows from financing activities :			
Increase (decrease) in short-term loans, net	(661)	909	7,537
Proceeds from long-term loans	24,599	61,947	513,621
Repayment of long-term loans and obligations under finance leases	(80,527)	(92,662)	(768,284)
Proceeds from Issuance of Bonds	-	10,000	82,912
Redemption of Bonds	(45,189)	(189)	(1,567)
Cash dividends paid	(6,563)	(7,962)	(66,018)
Cash dividends paid to non-controlling interests	(1,133)	(1,087)	(9,020)
Proceeds from sales and leasebacks	3,958	-	-
Payments of commission for syndicate loan	-	(2,149)	(17,819)
Other, net	(5)	(5)	(45)
Net cash used in financing activities	(105,522)	(31,199)	(258,683)
Effect of exchange rate changes on cash and cash equivalents	12,179	138	1,149
Net decrease in cash and cash equivalents	(39,278)	(4,817)	(39,941)
Cash and cash equivalents at beginning of the period	222,606	209,424	1,736,376
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation	708	6	52
Increase in cash and cash equivalents resulting from merger	-	11	99
Cash and cash equivalents at end of the period	¥ 184,036	¥ 204,625	$ 1,696,586

Segment information

Nine months ended December 31, 2014

(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	¥ 503,828	¥ 451,947	¥ 29,900	¥ 29,384	¥ 1,015,061	¥ -	¥ 1,015,061
Inter-group revenues and transfers	5,689	2,401	-	35,458	43,549	(43,549)	-
Total revenues	509,517	454,348	29,900	64,842	1,058,610	(43,549)	1,015,061
Segment income (loss)	¥ 18,225	¥ 32,693	¥ (4,099)	¥ 3,154	¥ 49,973	¥ (3,788)	¥ 46,185

Nine months ended December 31, 2015

(Millions of Yen)

	Containership	Bulk shipping	Offshore Energy E&P Support and Heavy Lifter	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating Revenues from customers	¥ 482,701	¥ 445,772	¥ 20,851	¥ 28,457	¥ 977,783	¥ -	¥ 977,783
Inter-group revenues and transfers	6,250	1,926	-	38,673	46,851	(46,851)	-
Total revenues	488,951	447,699	20,851	67,131	1,024,634	(46,851)	977,783
Segment income (loss)	¥ (4,239)	¥ 26,289	¥ (6,498)	¥ 1,245	¥ 16,797	¥ (5,067)	¥ 11,729

Nine months ended December 31, 2015

(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	$ 4,002,165	$ 3,695,986	$ 172,886	$ 235,948	$ 8,106,984	$ -	$ 8,106,984
Inter-group revenues and transfers	51,822	15,976	-	320,653	388,450	(388,450)	-
Total revenues	4,053,986	3,711,962	172,886	556,600	8,495,435	(388,450)	8,106,984
Segment income (loss)	$ (35,147)	$ 217,967	$ (53,876)	$ 10,327	$ 139,271	$ (42,017)	$ 97,255