FINANCIAL HIGHLIGHTS

Brief report of the three months ended June 30, 2016

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Three months ended June 30, 2016	Three months ended June 30, 2015	Three months ended June 30, 2016
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 244,593	¥ 335,457	$ 2,376,769
Operating (loss) income (Millions of yen / Thousands of U.S. dollars)	(14,836)	11,243	(144,173)
(Loss) profit attributable to Owners of the parent (Millions of yen / Thousands of U.S. dollars)	(26,793)	10,194	(260,362)
(Loss) profit attributable to Owners of the parent per share (Millions of yen / Thousands of U.S. dollars)			
Basic	(28.59)	10.88	(0.28)
Diluted	-	9.27	-

	Three months ended June 30, 2016	Year ended March 31, 2016	Three months ended June 30, 2016
Total assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,056,087	¥ 1,115,223	$ 10,262,239
Net assets (Millions of yen / Thousands of U.S. dollars)	330,392	379,913	3,210,501
Per share of common stock (Yen / U.S. dollars)	414.66	363.18	4.03

	Three months ended June 30, 2016	Three months ended June 30, 2015	Three months ended June 30, 2016
Net cash (used in) provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ (12,689)	¥ 19,826	$ (123,305)
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(9,435)	(10,920)	(91,688)
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	(417)	(15,448)	(4,055)

The U.S. dollar amounts are converted from the yen amount at ¥102.91 = U.S.$1.00.
The exchange rate prevailing on June 30, 2016.

1. Qualitative Information and Financial Statement

(1) Qualitative Information about the Consolidated Operating Result

(Billion Yen; rounded to the nearest 100 million)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	% change
Operating revenues	335.5	244.6	(90.9)	(27.1%)
Operating income (loss)	11.2	(14.8)	(26.1)	-
Ordinary income (loss)	14.6	(22.5)	(37.1)	-
Profit (loss) attributable to owners of the parent	10.2	(26.8)	(37.0)	-

Exchange Rate (¥/US$) (3-month average)	¥120.97	¥111.12	(¥9.85)	(8.1%)
Fuel oil price (US$/MT) (3-month average)	US$366	US$208	(US$158)	(43.3%)

During the first three months of the fiscal year ending March 31, 2017 (from April 1, 2016 to June 30, 2016; hereinafter "the three-month period"), the global economy, while exhibiting much variability between regions, continued along a gradual recovery trend overall. However, international financial markets were temporarily in turmoil due to the result of the United Kingdom European Union membership referendum, and this has increased uncertainty, particularly with regard to the appreciation of the yen.

In the U.S., a gradual economic recovery continued amid increasing personal consumption and low levels of unemployment. Meanwhile the European economy was plagued with mounting concerns regarding the business outlook amid rising uncertainty regarding terrorism and the refugee crisis, in addition to turmoil on the financial markets. In Brazil and other emerging countries, falling resource prices continued their effect and there were no signs of any broad recovery. Whereas there was a pronounced slowing tendency of economic growth in China, consumer spending in India drove its economic growth.

As for the Japanese economy, although the employment and income environments have continued to improve, business confidence has been unstable due to languishing consumer spending combined with the strengthening yen and falling share prices.

In the business environment for the shipping industry, the containership business faced slumping freight rate market mainly in the Asia-North America service as the gap between vessel supply and demand did not decrease as a result of gradual increases in cargo movements being counteracted by the continuing supply pressure from completions of newly-built large-sized containerships. In the dry bulk business, freight rates also remained at low levels given that recovery with respect to some cargo movements has not helped to improve the balance of vessel supply and demand. The Group made efforts to improve profitability, such as more efficient vessel allocation, and strived to reduce vessel operation costs. Nevertheless, business performance declined year on year as a result of having recorded extraordinary losses associated with business structural reform, in addition to foreign exchange losses associated with yen appreciation.

As a result, operating revenues for the three-month period were ¥244.593 billion (down ¥90.864 billion year on year), operating loss was ¥14.836 billion (compared to operating income of ¥11.243 billion for the previous fiscal year), ordinary loss was ¥22.515 billion (compared to ordinary income of ¥14.587 billion for the previous fiscal year), and loss attributable to owners of the parent was ¥26.793 billion (compared to profit attributable to owners of the parent of ¥10.194 billion for the previous fiscal year).

Performance per segment was as follows:

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

		Three months ended June 30, 2015	Three months ended June 30, 2016	Change	% change
Containership	Operating revenues	171.7	122.2	(49.5)	(28.8%)
	Segment profit (loss)	4.1	(12.3)	(16.5)	-
Bulk Shipping	Operating revenues	146.2	109.2	(37.1)	(25.3%)
	Segment profit (loss)	10.4	(7.3)	(17.7)	-
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	8.1	4.6	(3.5)	(42.8%)
	Segment profit (loss)	0.5	(1.8)	(2.2)	-
Other	Operating revenues	9.4	8.5	(0.8)	(8.9%)
	Segment profit	0.6	0.1	(0.6)	(91.9%)
Adjustment and elimination	Segment profit (loss)	(1.1)	(1.2)	(0.1)	-
Total	Operating revenues	335.5	244.6	(90.9)	(27.1%)
	Segment profit (loss)	14.6	(22.5)	(37.1)	-

(i) Containership Business Segment

Containership Business

During the three-month period, despite firm U.S. economic indicators cargo movements of the overall Asia-North America service increased only slightly year on year due to a lack of robust business confidence, while cargo volume for round-trip voyages overall decreased by around 4% due to a languishing market dampened by a deteriorating supply-demand balance amid an increase in tonnage supply. As for the Asia-Europe service, cargo volume decreased by around 4% year on year as a result of the Company curbing cargo space in response to concerns of slowing economic recovery in Europe. In the Intra-Asia service, also plagued by a lack of momentum with respect to cargo movements, cargo volume decreased by roughly 7% year on year amid a deteriorating balance of supply and demand due to increased supply. Meanwhile, cargo volume increased by about 9% year on year in the North-South service amid signs of market recovery. As a result, overall cargo volume loaded for the Group declined by around 3% year on year.

The average freight rate of the Group fell below previous-year levels across all routes as a result of a deteriorating supply-demand balance globally. The Group took steps that included enhancing its competitive strengths by launching large-sized vessels and forming alliances, withdrawing from unprofitable routes, and engaging in ongoing initiatives to cut various costs. Despite these efforts, the containership business recorded a loss, with lower revenues year on year.

Logistics Business

In the logistics business, including inland transportation and warehousing, demand for domestic logistics services was somewhat weak in comparison with the same period of the previous fiscal year. International logistics services were adversely affected by a situation involving demand for air cargo transport in North America and Thailand returning to normal following a previous surge at the outset of last fiscal year, and the subsequent strengthening of the yen. As a result, the logistics business overall recorded year-on-year decreases in both revenues and profit.

As a result of the above, the Containership Business Segment overall recorded a loss, with lower revenues year on year.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

The large-vessel sector temporarily shifted course to an upward trend due to increasing demand with respect to iron ore shipping, largely due to rebounding Chinese crude steel production up until early spring. However, this did not result in a more favorable balance of vessel supply and demand, partially because companies have been opting not to lay vessels up, thereby weighing on upside potential in the sector. The downturn in the medium and small vessel sector has bottomed out largely due to increased demand for shipping of South American grain, but the sector has still remained stagnant amid the ongoing situation of surplus tonnage. Despite having carried out structural reforms that have involved reducing the numbers of cargo-free vessels and high-cost ships by cancelling vessel charter contracts and selling vessels, cutting operation costs and allocating vessels efficiently, the Group recorded a loss with lower revenues year on year, due to the market slump.

Car Carrier Business

During the three-month period, cargo movements for finished vehicles sagged with respect to such cargoes shipped from Europe and North America to Asia against the backdrop of the economic slowdown in China, and such cargoes shipped from Asia to resource-rich countries in the Middle East, Central and South America, and Africa due to falls in resource prices. 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 three-month period decreased by roughly 5% year on year, despite such results having been supported by increases in cargo volumes that included shipments within the Atlantic Basin and shipments from Japan to North America. The Group recorded year-on-year declines in both revenues and profit despite continuous efforts to improve efficiency of vessel allocation and operation.

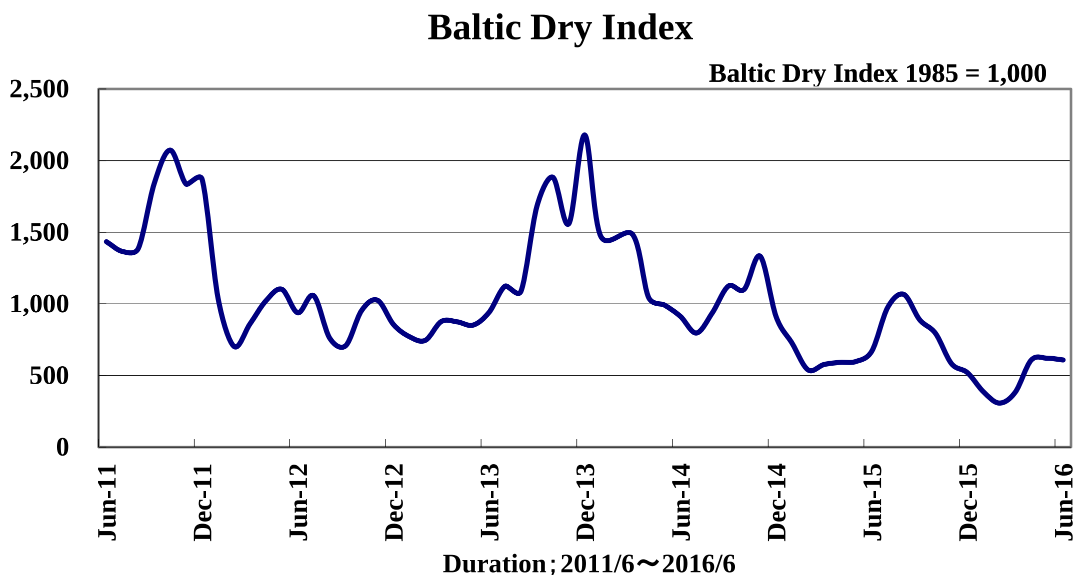
LNG Carrier Business and Tanker Business

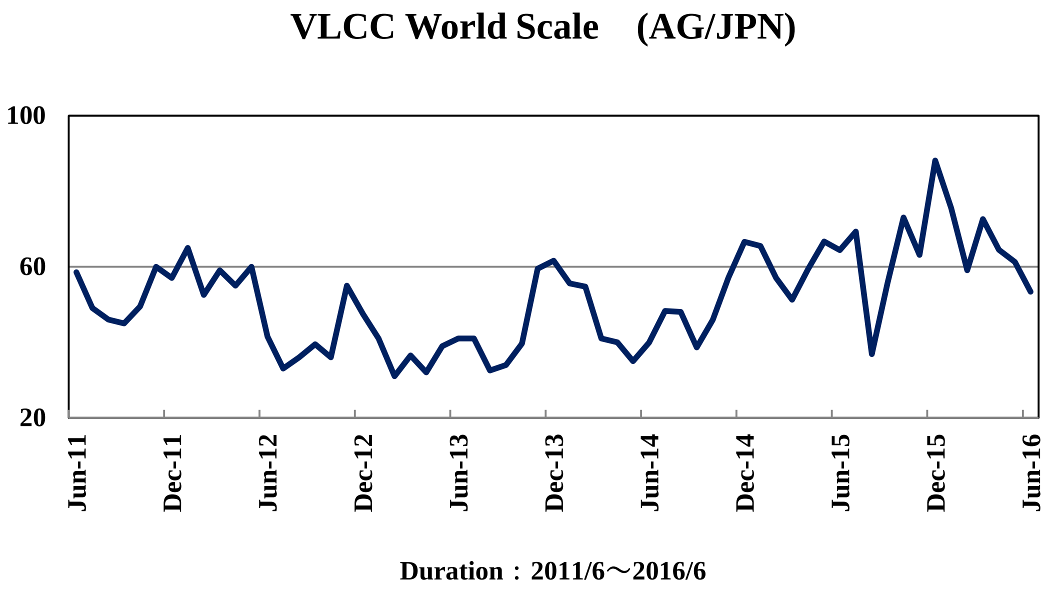
Although LNG carriers, large crude tankers (VLCCs), and LPG carriers performed steadily on medium- and long-term charter contracts, the LNG carrier business and Tanker business overall reported year-on-year declines in both revenues and profit due to impacts of foreign exchange rates and other factors.

Short Sea and Coastal Business

In the short sea and coastal business, the Group secured cargo volumes in line with the same period of the previous fiscal year, but still reported a loss with lower revenues year on year, largely due to the slumping market in short sea business, and expenses incurred for opening new shipping routes in the coastal business.

As a result of the above, revenues of the Bulk Shipping Business Segment overall declined year on year resulting in a loss.





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

Offshore Energy E&P Support Business

The drillship vessel continued to perform favorably, thereby helping to secure stable long-term earnings. However, in the offshore support business, softening market conditions continued due to stalled offshore development caused by the slump in crude oil prices. Overall, revenues declined year on year in the offshore energy E&P support business, recording a loss partially due to valuation loss on foreign-currency denominated debt at a foreign subsidiary in the offshore support business.

Heavy lifter business

In the heavy lifter business, although the market was weaker year on year, the business reduced its loss even while revenues were down year on year, due to the Group's efforts to cut costs by reducing fleets.

As a result of the above, the Offshore Energy E&P Support and Heavy Lifter Business Segment overall had a year-on-year decline in revenues and a loss was recorded.

(iv) Other Business

Other business includes the Group's ship management service, travel agency service, and real estate rental and administration service. The segment recorded year-on-year declines in both revenues and profit.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 1st Quarter were ¥1,056.087 billion, a decrease of ¥59.136 billion from the end of the previous fiscal year as a result of a decrease in cash and deposits, vessels and other factors.

Consolidated liabilities decreased by ¥9.615 billion to ¥725.694 billion as a result of a decrease in accounts and notes payable-trade, short-term loans and other factors compared to the end of the previous fiscal year.

Consolidated net assets were ¥330.392 billion, a decrease of ¥49.521 billion compared to the end of the previous fiscal year as a result of decrease in retained earnings, translation adjustments and other factors.

(3) Qualitative Information on the Consolidated Prospects for FY2016

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

	Prior Forecast (at the time of announcement dated April 28, 2016)	Current Forecast (at the time of announcement of the 1st Quarter result)	Change	% Change
Operating revenues	1,100	1,030	(70)	(6.4%)
Operating income (loss)	17	(13)	(30)	-
Ordinary income (loss)	15	(21.5)	(36.5)	-
Loss attributable to owners of the parent	(35)	(45.5)	(10.5)	-

Exchange rate (¥/US$)	¥110.00	¥106.02	(¥3.98)	(3.6%)
Fuel oil price (US$/MT)	US$275	US$267	(US$8)	(2.9%)

Looking at the global economy from the second quarter onward, there are continuing conditions of uncertainty such as a more pronounced slowdown of economic growth in China and economic sluggishness in the emerging countries. At the same time, there is concern that economic growth in the developed countries, notably in the United States, could weaken due to the effect of the uncertain outlook for the international financial markets following the United Kingdom's decision to leave the EU and the rising geopolitical risks in Europe.

Under this business environment, in the containership business, there are signs freight rate levels will recover in the second quarter onward for the Asia-Europe service, on which supply has reduced compared with the same period of the previous fiscal year, due to the recovery in cargo movements. This trend of market restoration in freight rates is set to continue through the second half of the fiscal year. For the Asia-North America service, meanwhile, although the freight rate level lowered due to one-year contract revisions at the beginning of the year, which were affected by the deterioration in the demand-supply balance, entering the summer peak-demand season, the short-term freight market appears to be now moving toward recovery. To further strengthen meticulous cost cutting activities and improve profit management, the Group is also continuing to flexibly reduce the number of vessels in response to changes to the supply-demand balance and utilize IT to reduce the cost burden from empty containers.

In the dry bulk business, although no significant increase in demand can be expected for marine cargo movement due to the slowing growth of the Chinese economy, there has been some progress toward the scrapping of vessels. Amid such an environment in which there has been a gentle recovery from historic low levels but stubborn resistance on the upward, the Group will work on ensuring competitiveness through structural reforms and strengthening an income structure that is resilient against market fluctuations.

In the car carrier business, there has been a slowdown in freight bound for the resource producing countries. Amid this environment, 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 allocate its vessels more efficiently and 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 will work to secure stable revenues for LNG carriers, VLCCs and LPG carriers supported by medium- and long-term charter contracts.

In the offshore energy E&P support business and the heavy lifter business, although it is expected to take some time for the market to recover due to the effect of crude oil prices, 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 continue to aggressively expand its business operations.

As noted above, amid a market environment that, while gently recovering, is stubbornly resisting the upward, the Group will strive to improve profitability through further cost cutting and rationalization while implementing structural reforms according to the plan. The Group expects its full-year results for operating income(loss), ordinary income(loss), and loss attributable to owners of the parent to be amounts that are lower than the previous announcement.

Our important task is to maximize returns to our shareholders while maintaining necessary internal reserves to fund our capital investment and strengthen our financial position for the sake of sustainable growth, which is a priority of our management plan. Although the Company continues to describe its basic policy as a policy of providing stable dividends, the annual dividend in the fiscal year ending March 31, 2017 has yet to be decided because loss attributable to owners of the parent is expected. We will give comprehensive consideration to the full year forecast, the Company’s financial position and other factors, and make another announcement when we publish the six-month results.

2. Matters Relating to Summary Information

Changes in Accounting Policies

(Application of Practical Solution on a change in depreciation method due to Tax Reform 2016)

Effective the first quarter of FY 2017, the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Accounting Standards Board of Japan(ASBJ) PITF No.32, issued June 17, 2016) was adopted, in accordance with the revision of the Corporation Tax Law of Japan. As a result, the depreciation method for facilities attached to buildings and for structures acquired on or after April 1, 2016 was changed from the declining-balance method to the straight-line method.

The impact of this change on the Company's consolidated operating result of the fiscal year ending March 31, 2017 is immaterial.

Additional Information

(Application of Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective the first quarter of FY 2017, the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, issued March 28, 2016) was adopted.

Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Consolidated Balance Sheet

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

	Three months ended June 30, 2016	Year ended March 31, 2016	**Three months ended June 30, 2016**
ASSETS			
Current assets :			
Cash and deposits	¥ **214,304**	¥ 241,101	$ **2,082,441**
Accounts and notes receivable-trade	**70,994**	79,652	**689,865**
Raw material and supply	**23,297**	22,131	**226,386**
Other current assets	**60,934**	58,926	**592,117**
Allowance for doubtful receivables	**(1,260)**	(597)	**(12,245)**
Total current assets	**368,270**	401,214	**3,578,565**
Non-current assets :			
(Vessels, property and equipment)			
Vessels, net	**458,383**	480,257	**4,454,222**
Buildings and structures, net	**18,322**	18,571	**178,045**
Machinery and vehicles, net	**7,807**	9,077	**75,868**
Land	**24,678**	24,862	**239,804**
Construction in progress	**51,478**	47,238	**500,228**
Other, net	**3,334**	3,544	**32,406**
Total vessels, property and equipment	**564,005**	583,552	**5,480,573**
(Intangible assets)			
Goodwill	**-**	43	**-**
Other intangible assets	**4,036**	4,157	**39,220**
Total intangible assets	**4,036**	4,200	**39,220**
(Investments and other assets)			
Investments in securities	**66,577**	70,896	**646,951**
Long-term loans receivable	**17,895**	18,887	**173,897**
Asset for retirement benefits	**330**	585	**3,212**
Other investments and other assets	**35,305**	37,086	**343,072**
Allowance for doubtful receivables	**(334)**	(1,199)	**(3,251)**
Total investments and other assets	**119,775**	126,256	**1,163,881**
Total non-current assets	**687,816**	714,009	**6,683,674**
Total assets	¥ **1,056,087**	¥ 1,115,223	$ **10,262,239**

Consolidated Balance Sheet

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

		Three months ended June 30, 2016		Year ended March 31, 2016		Three months ended June 30, 2016
LIABILITIES						
Current liabilities :						
Accounts and notes payable-trade	¥	95,460	¥	99,745	$	927,614
Short-term loans and current portion of long-term loans		67,271		71,787		653,694
Accrued income taxes		949		1,804		9,225
Allowance for loss related to the Anti-Monopoly Act		5,223		5,223		50,754
Other allowance		1,862		2,586		18,100
Other current liabilities		67,640		64,475		657,277
Total current liabilities		238,407		245,623		2,316,664
Non-current liabilities :						
Bonds		62,565		62,565		607,958
Long-term loans, less current portion		346,052		346,482		3,362,669
Accrued expenses for overhaul of vessels		11,430		12,064		111,077
Allowance for directors' and corporate auditors' retirement benefits		1,331		1,643		12,936
Liability for retirement benefits		7,291		7,747		70,849
Other non-current liabilities		58,615		59,184		569,584
Total non-current liabilities		487,286		489,686		4,735,074
Total liabilities		725,694		735,309		7,051,738
NET ASSETS						
Shareholder's equity:						
Common stock		75,457		75,457		733,239
Capital surplus		60,297		60,297		585,927
Retained earnings		166,727		195,863		1,620,130
Less treasury stock		(1,077)		(1,077)		(10,471)
Total shereholiders' equity		301,405		330,541		2,928,826
Accumulated other comprehensive income :						
Net unrealized holding gain on investments in securities		3,816		6,485		37,087
Deferred gain on hedges		2,964		4,752		28,804
Revaluation reserve for land		6,264		6,266		60,875
Translation adjustments		(4,511)		9,689		(43,842)
Retirement benefits liability adjustments		(2,220)		(2,359)		(21,576)
Total valuation and translation adjustments		6,313		24,834		61,349
Non-controlling interests		22,673		24,537		220,326
Total net assets		330,392		379,913		3,210,501
Total liabilities and net assets	¥	1,056,087	¥	1,115,223	$	10,262,239

Consolidated Statement of Operations

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

	Three months ended June 30, 2016	Three months ended June 30, 2015	Three months ended June 30, 2016
Marine transportation and other operating revenues	¥ 244,593	¥ 335,457	$ 2,376,769
Marine transportation and other operating cost and expenses	241,731	304,597	2,348,964
Gross Profit	2,861	30,859	27,805
Selling, general and administrative expenses	17,698	19,615	171,978
Operating (loss) income	(14,836)	11,243	(144,173)
Non-operating income :			
Interest income	332	468	3,232
Dividend income	665	1,028	6,463
Equity in earnings of subsidiaries and affiliates	530	488	5,158
Exchange gain	-	3,229	-
Other non-operating income	462	494	4,497
Total non-operating income	1,991	5,708	19,350
Non-operating expenses :			
Interest expenses	1,657	2,098	16,104
Exchange loss	7,786	-	75,666
Other non-operating expenses	225	266	2,194
Total non-operating expenses	9,669	2,364	93,964
Ordinary (loss) income	(22,515)	14,587	(218,787)
Extraordinary income :			
Gain on sales of vessels, property and equipment	1,085	2,135	10,549
Other extraordinary income	513	1,011	4,993
Total extraordinary income	1,599	3,147	15,542
Extraordinary losses :			
Loss on cancellation of chartered vessels	5,239	-	50,918
Provision of allowance for loss related to the Anti-Monopoly Act	-	3,858	-
Other extraordinary losses	25	471	246
Total extraordinary losses	5,265	4,330	51,164
(Loss) profit before income taxes	(26,181)	13,404	(254,409)
Income taxes :			
Current	1,618	2,319	15,726
Deferred	(1,066)	419	(10,362)
Total income taxes	552	2,738	5,364
(Loss) profit	(26,733)	10,665	(259,774)
Profit attributable to non-controlling interests	60	470	588
(Loss) profit attributable to owners of the parent	¥ (26,793)	¥ 10,194	$ (260,362)

Consolidated Statement of Comprehensive Income

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

	Three months ended June 30, 2016	Three months ended June 30, 2015	Three months ended June 30, 2016
(Loss) profit	¥ (26,733)	¥ 10,665	$ (259,774)
Other comprehensive (loss) income			
Net unrealized holding (loss) gain on investments in securities	(2,670)	261	(25,951)
Deferred (loss) gain on hedges	(1,835)	1,204	(17,840)
Translation adjustments	(14,758)	3,828	(143,411)
Retirement benefits liability adjustments	142	129	1,384
Share of other comprehensive loss of subsidiaries and affiliates accounted for by the equity method	(686)	(1)	(6,673)
Total other comprehensive (loss) income	(19,809)	5,422	(192,491)
Comprehensive (loss) income	¥ (46,542)	¥ 16,087	$ (452,265)
(Breakdown)			
Comprehensive (loss) income attributable to:			
Owners of the parent	¥ (45,313)	¥ 15,684	$ (440,318)
Non-controlling interests	(1,229)	403	(11,946)

Consolidated Statement of Cash Flows

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

		Three months ended June 30, 2016		Three months ended June 30, 2015		Three months ended June 30, 2016
Cash flows from operating activities :						
(Loss) profit before income taxes	¥	(26,181)	¥	13,404	$	(254,409)
Depreciation and amortization		11,462		12,331		111,388
(Decrease) increase in liability for retirement benefits		(456)		13		(4,436)
Decrease (increase) in asset for retirement benefits		255		(362)		2,480
Decrease in allowance for directors' and audit and supervisory board members' retirement benefits		(276)		(159)		(2,687)
Decrease in accrued expenses for overhaul of vessels		(624)		(1,410)		(6,066)
Increase in allowance for loss related to the Anti-Monopoly Act		-		3,858		-
Interest and dividend income		(997)		(1,496)		(9,695)
Interest expense		1,657		2,098		16,104
Exchange loss (gain), net		3,576		(1,821)		34,750
Loss on cancellation of chartered vessels		5,239		-		50,918
Gain on sales of vessels, property and equipment, net		(1,084)		(2,132)		(10,542)
Decrease in accounts and notes receivable – trade		5,702		7,193		55,412
Increase in inventories		(1,475)		(2,252)		(14,337)
Increase in other current assets		(2,287)		(1,589)		(22,224)
Increase in accounts and notes payable – trade		3,904		579		37,938
Increase (decrease) in other current liabilities		2,860		(574)		27,791
Other, net		(670)		(4,048)		(6,517)
Subtotal		603		23,632		5,867
Interest and dividends received		1,015		1,675		9,870
Interest paid		(1,446)		(1,645)		(14,056)
Payments for cancellation of chartered vessels		(10,125)		-		(98,395)
Payments related to the Anti-Monopoly Act		(285)		-		(2,774)
Income taxes paid		(2,451)		(3,835)		(23,818)
Net cash (used in) provided by operating activities		(12,689)		19,826		(123,305)
Cash flows from investing activities :						
Payments into time deposits		(1,557)		(1,932)		(15,132)
Proceeds from withdrawal of time deposits		1,326		392		12,895
Purchases of marketable securities and investments in securities		(1,135)		(1,487)		(11,038)
Proceeds from sales of marketable securities and investments in securities		509		388		4,954
Purchases of vessels, property and equipment		(16,246)		(21,390)		(157,872)
Proceeds from sales of vessels, property and equipment		7,529		13,608		73,167
Purchases of intangible fixed assets		(147)		(168)		(1,436)
Increase in long-term loans receivable		(139)		(130)		(1,352)
Collection of long-term loans receivable		277		295		2,699
Other, net		146		(495)		1,426
Net cash used in investing activities		(9,435)		(10,920)		(91,688)
Cash flows from financing activities :						
Decrease in short-term loans, net		(603)		(8)		(5,864)
Proceeds from long-term loans		18,565		4,047		180,402
Repayments of long-term loans and obligations under finance leases		(15,435)		(13,406)		(149,993)
Cash dividends paid		(2,345)		(5,627)		(22,794)
Cash dividends paid to non-controlling interests		(599)		(452)		(5,824)
Other, net		1		(1)		18
Net cash used in financing activities		(417)		(15,448)		(4,055)
Effect of exchange rate changes on cash and cash equivalents		(4,268)		2,637		(41,477)
Net decrease in cash and cash equivalents		(26,810)		(3,904)		(260,525)
Cash and cash equivalents at beginning of the period		198,745		209,424		1,931,255
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries		-		3		-
Cash and cash equivalents at end of the period	¥	171,934	¥	205,522	$	1,670,730

Segment information

Three months ended June 30, 2016

(Millions of Yen)

	Containership	Bulk shipping	Offshore energy E&P support and heavy lifter	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Operating revenues from customers	¥ 122,242	¥ 109,170	¥ 4,645	¥ 8,534	¥ 244,593	¥ -	¥ 244,593
Inter-group revenues and transfers	1,276	577	-	10,764	12,618	(12,618)	-
Total revenues	123,519	109,747	4,645	19,299	257,211	(12,618)	244,593
Segment profit (loss)	¥ (12,335)	¥ (7,256)	¥ (1,777)	¥ 50	¥ (21,319)	¥ (1,195)	¥ (22,515)

Three months ended June 30, 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	¥ 171,737	¥ 146,224	¥ 8,127	¥ 9,367	¥ 335,457	¥ -	¥ 335,457
Inter-group revenues and transfers	2,017	594	-	14,375	16,987	(16,987)	-
Total revenues	173,755	146,819	8,127	23,742	352,444	(16,987)	335,457
Segment profit (loss)	¥ 4,118	¥ 10,448	¥ 462	¥ 629	¥ 15,659	¥ (1,071)	¥ 14,587

Three months ended June 30, 2016

(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	$ 1,187,861	$ 1,060,834	$ 45,138	$ 82,936	$ 2,376,769	$ -	$ 2,376,769
Inter-group revenues and transfers	12,406	5,610	-	104,599	122,616	(122,616)	-
Total revenues	1,200,267	1,066,445	45,138	187,536	2,499,385	(122,616)	2,376,769
Segment profit (loss)	$ (119,869)	$ (70,515)	$ (17,275)	$ 494	$ (207,166)	$ (11,622)	$ (218,787)