FINANCIAL HIGHLIGHTS

Brief report of the three months ended June 30, 2015

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

	Three months ended June 30, 2014	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
Consolidated			
Operating revenues (Millions of yen / Thousands of U.S. dollars)	¥ 319,786	**¥ 335,457**	**$ 2,739,546**
Operating income (Millions of yen / Thousands of U.S. dollars)	9,685	**11,243**	**91,822**
Net income attributable to owners of parent (Millions of yen / Thousands of U.S. dollars)	4,280	**10,194**	**83,254**
Per share of common stock (Yen / U.S. dollars)			
Basic	4.56	**10.88**	**0.09**
Diluted	3.90	**9.27**	**0.08**

	Year ended March 31, 2015	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
Total Assets (Millions of yen / Thousands of U.S. dollars)	¥ 1,223,328	**¥ 1,235,005**	**$ 10,085,791**
Net assets (Millions of yen / Thousands of U.S. dollars)	467,440	**477,413**	**3,898,843**

	Three months ended June 30, 2014	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
Net cash provided by operating activities (Millions of yen / Thousands of U.S. dollars)	¥ 20,110	**¥ 19,826**	**$ 161,917**
Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars)	(3,246)	**(10,920)**	**(89,181)**
Net cash used in financing activities (Millions of yen / Thousands of U.S. dollars)	(57,237)	**(15,448)**	**(126,164)**

The U.S. dollar amounts are converted from the yen amount at ¥122.45 = U.S.$1.00.
The exchange rate prevailing on June 30, 2015.

1. Qualitative Information and Financial Statement

(1) Qualitative Information about the Consolidated Operating Result

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

	Three months ended June 30, 2014	Three months ended June 30, 2015	Change	%Change
Operating revenues	319.8	335.5	15.7	4.9%
Operating income	9.7	11.2	1.6	16.1%
Ordinary income	6.5	14.6	8.1	125.1%
Net income attributable to owners of parent	4.3	10.2	5.9	138.2%

Exchange Rate (¥/US$) (3-month average)	¥102.40	¥120.97	¥18.57	18.1%
Fuel oil price (US$/MT) (3-month average)	$615	$366	($250)	(40.5%)

During the first three months of the fiscal year ending March 31, 2016 (from April 1, 2015 to June 30, 2015; hereinafter “the three-month period”), the global economy continued along a gradual recovery trend overall, despite some concerns in certain areas. In the U.S., although there was a temporary slowdown due to the impacts from severely cold weather and port strikes on west coast at the beginning of the year, the economy recovered its pace to grow. On the other hand, the European economy maintained a recovery trend despite concerns over the response to the Greek debt crisis and its effects, and geopolitical risks. In emerging countries, Brazil, Indonesia and South Africa saw economic growth stagnated due to falls in resource prices, while China saw gradual slowing economic growth. The economy in India appeared to gradually turn to a recovery due to a fall in crude oil prices.

The Japanese economy showed signs of recovery in consumer spending and capital expenditure supported by continuing improvement in employment and the income environment, and the overall economic recovery trend in Japan continued.

In the business environment for the shipping industry, there were some negative factors, such as declines in market conditions in the containership business and dry bulk business. However, as a result of slow steaming and other ongoing cost-saving along with the effect of a recovery in the oil tanker market, the yen’s further depreciation, and the decline in fuel oil prices, business performance improved year on year.

As a result, operating revenues for the three-month period were ¥335.457 billion (up ¥15.670 billion year on year), operating income was ¥11.243 billion (up ¥1.558 billion), ordinary income was ¥14.587 billion (up ¥8.106 billion), and net income attributable to owners of parent was ¥10.194 billion (up ¥5.914 billion).

Performance per segment was as follows;

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

		Three months ended June 30, 2014	Three months ended June 30, 2015	Change	%Change
Containership	Operating revenues	158.4	171.7	13.3	8.4%
	Segment income (loss)	2.2	4.1	1.9	84.4%
Bulk Shipping	Operating revenues	143.7	146.2	2.6	1.8%
	Segment income (loss)	6.4	10.4	4	62.1%
Offshore Energy E&P Support and Heavy Lifter	Operating revenues	8.4	8.1	(0.3)	(3.3%)
	Segment income (loss)	(1.9)	0.5	2.4	-
Other	Operating revenues	9.3	9.4	0.1	0.8%
	Segment income (loss)	0.4	0.6	0.2	47.1%
Adjustment and elimination	Segment income (loss)	(0.7)	(1.1)	(0.4)	-
Total	Operating revenues	319.8	335.5	15.7	4.9%
	Segment income (loss)	6.5	14.6	8.1	125.1%

(i) Containership Business Segment

Containership Business

During the three-month period, cargo volume loaded on the Asia-North America service for round-trip voyages increased by around 9% year on year, supported by the economic recovery trend in the U.S. On the Asia-Europe service, however, the overall cargo volume loaded for round-trip voyages declined by around 11% year on year, due to decline of space demand owing to uncertainty over consumption trends, and consequently cargo space provided in our service was reduced. As a result, the Group's overall cargo volume loaded including the Intra-Asia and North-South services decreased by around 3% year on year.

Freight rate market on the Asia-Europe and Asia-South America was dull due to increase of supply by the delivery of new large-sized vessels. However, the rates on the Asia-North America service were stable year on year, and as a result of slow steaming and other cost-saving measures in addition to the effect of the decline of fuel oil prices, the Group recorded year on year increases in both revenues and income for the three-month period.

Logistics Business

In the logistics business, domestic logistics services such as inland transportation and warehousing performed steadily. In international logistics services, however, the handling volume of air freight cargos out of Asia declined, resulting in increased year on year revenue growth but lower income overall for the logistics business.

As a result of the above, the Containership Business Segment recorded year on year increases in both revenues and income for the three-month period.

(ii) Bulk Shipping Business Segment

Dry Bulk Business

In the large-vessel sector, freight rates were continuously at a low level due to a standing sense of an oversupply of vessels, as the pace of Chinese economic growth slackened, which reduced the speed of increase in iron ore import volumes owing to stagnancy of demand for iron in China. In the small and medium-vessel sector, the freight market also continued to slump as the balance of vessel supply and demand became upset, mainly due to a drop in the volume of coal transported to China, which declined by around 40% year on year, and an shortening of waiting period in loading areas by leveling of interval of South American grain shipments. Despite the Group made efforts to operate vessels efficiently and to save operating costs throughout the period, the Group recorded year on year decline in revenues and income.

Car Carrier Business

Cargo volumes were steady from Europe and North America to the Far East, and within the Atlantic basin; however, declining trend in cargo volumes from Japan continued, and cargo movements within Europe also declined, mainly reflecting a slump in the Russian economy.

Consequently during the three-month period, the overall volume of finished vehicles shipped by the Group declined by around 2% year on year. In these circumstances the Group recorded increases in both revenues and income year on year resulting from the continuous efforts to improve efficiency of vessel deployment and operation and the positive effect of the yen's depreciation.

LNG Carrier Business and Tanker Business

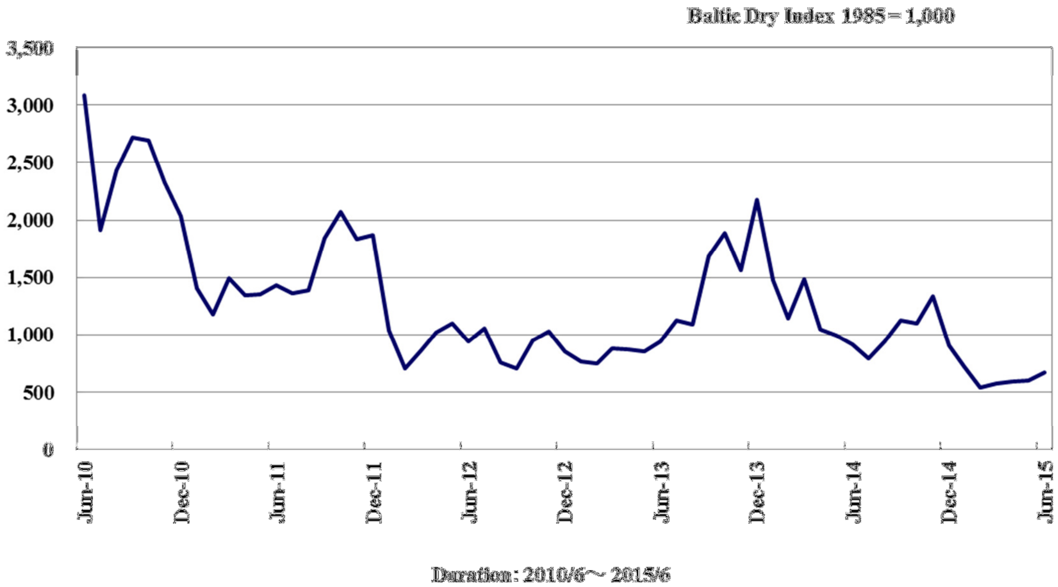
LNG carriers, large crude tankers (VLCCs), and LPG carriers performed steadily on medium- and long-term charter contracts. In addition, the oil tanker business significantly improved profitability as the freight rate market recovered. The LNG carrier business and tanker business in aggregate reported year on year increase in both revenues and income for the three-month period.

Short Sea and Coastal Business

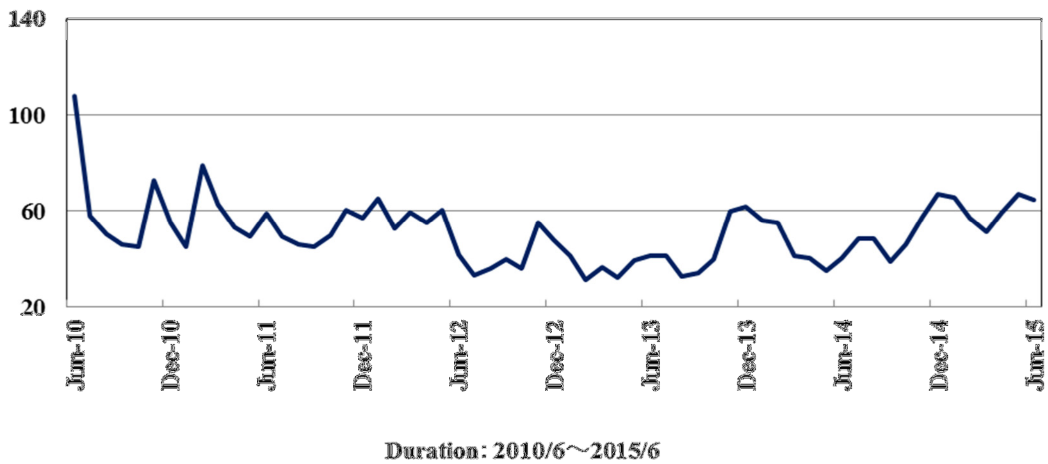
In the short sea business, although the market was continuously dull, the Group continuously concentrated on securing stable cargo volumes. In the coastal business, the Group achieved stable operations in the tramper service, and a year on year increase in cargo volumes in the liner service through sales promotion by launching large-sized vessels. As a result, in the short sea and coastal business as a whole, the Group posted a year on year decrease in revenues, partly due to a decrease in adjustment amounts resulting from a fall in fuel oil prices; however, its income went into the black.

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

Baltic Dry Index



VLCC World Scale (AG/JPN)



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

Offshore Energy E&P Support Business

In the offshore support business, all vessels were in steady operation, but decline of oil prices caused softening of the market condition. The drill ship was deployed stably, contributing to stable long-term earnings. Overall, the offshore energy E&P support business recorded lower revenues year on year, but its income went into the black partly due to recording a gain on foreign-currency denominated debt valuation at a foreign subsidiary.

Heavy Lifter Business

In the heavy lifter business, cargo transport volumes in the semi-liner service were steady, and also the effects of cost reductions since last year appeared. As a result, although revenues were flat year on year, its loss decreased.

As a result of the above, the Offshore Energy E&P Support and Heavy Lifter Business Segment overall recorded lower revenues year on year but it managed to go into the black.

(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 increase in both revenues and income.

(2) Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the consolidated 1st Quarter were ¥1,235,005 billion, a increase of ¥11.676 billion over the end of the previous fiscal year as a result of a increase in construction in progress and other factors.

Consolidated liabilities increased by ¥1.703 billion to ¥757.591 billion due to factors including a increase in allowance for loss related to the Anti-Monopoly Act and other factors compared to the previous fiscal year.

Consolidated net assets were ¥474.413 billion, an increase of ¥9.972 billion compared to the end of the previous fiscal year as a result of increase in retained earnings, translation adjustments 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 April 30, 2015)	Current Forecast (at the time of announcement of the 1st Quarter result)	Change	%Change
Operating revenues	1,460	1,350	(110)	(7.5%)
Operating income	43	39	(4)	(9.3%)
Ordinary income	40	40	-	-
Net income attributable to owners of parent	23	23	-	-

Exchange rate (¥/US$)	¥118.00	¥119.45	¥1.45	1.2%
Fuel oil price (US$/MT)	$350	$361	$11	3.1%

In the containership business, a recovery trend in line with improvements in employment and individual consumption is expected in the U.S. economy. However, the economic trends in Europe and the slowdown in the Chinese economy have given rise to uncertainties. In addition, deliveries of newly-built and large-sized vessels are continuously expected. These still lead a projection for adverse business environment. Under such circumstances, the Group will work to improve income by maximizing the advantage of alliance, mainly on the East-West services, strengthening its competitiveness with the launch of five energy-efficient, newly-built and large-sized vessels with a loading capacity of 14,000 TEU, and adjusting service capacity in line with market demand.

In the logistics business, the Group is forecasting steady demand for international logistics out of Asia, in addition to domestic logistics in Japan and the Asian region.

In the dry bulk business, the number of vessels being laid up and scrapped in the large vessel sector increases under a prolonged slump in market conditions. However, it will still take some more time for recovery of the supply-demand balance, and in the short term, freight rates are expected to continue at low levels. In the medium and small vessel sector, recovery from bottom of freight market can be seen. However, the sense of over-supply in vessels remains as strong, and freight market is expected to continuously struggle for upward. The Group will continue to take all measures to improve income, including securing medium- and long-term contracts, efficient allocation of vessels and reduction of vessel operating costs in an effort to build an income structure that is resilient against market fluctuations.

In the car carrier business, the Group will continue to reinforce business operations to pursue cargos from South-East Asian countries and trade within the Atlantic Basin in line with the changing trade structure. At the same time, the Group will work to build a more stable and stronger business platform, including the successive launch of large-sized, new-generation vessels, featuring larger loading capacity of heavy construction machinery and rail trains and improved fuel efficiency.

In the LNG carrier business and tanker business, the Group expects stable utilization of the LNG carriers, VLCCs, and LPG carriers based on medium- and long-term charter contracts. The Group also expects improvement of the market conditions for medium-sized crude oil carriers and oil product carriers, leading improvement of income based on efficient allocation of vessels.

In the short sea business, the Group will work to improve its income through efficient allocation of vessels and by strengthening its sales activity. In the coastal business, the Group expects stable cargo movements overall for shipper-dedicated vessels and liner services. In ferry services the Group plans to increase volume of trucks, cars and passengers on services through aggressive sales activities.

In the offshore energy E&P support business, contrary to the drill ship, for which stable utilization is expected, the Group anticipates market conditions for the offshore support vessels need some more time to recover. Under such circumstances, the Group will improve income by seeking the efficient allocation of vessels and all other measures.

In the heavy lifter business, the Group expects the market of profitable contacts such as transportation of project cargos will be smaller, and overall revenues are estimated to decline year on year. However, in semi-liner services, the Group will work to increase cargo volume and efficiency of allocation of vessels.

Despite the continuous uncertain outlook for market conditions in the containership business sector and dry bulk business sector, the Group will take all measures to improve its income, including efficient allocation of vessels and cost reduction.

Our important task is to maximize returns to our shareholders while, maintaining necessary internal reserves to fund for 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 a 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 as announced previously, we plan to pay ¥5.0 per share in accordance with above-mentioned policy (including an interim dividend of ¥2.5 per share).

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 first 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 first 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 three months ended June 30, 2015

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

	Year ended March 31, 2015	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
ASSETS			
Current assets :			
Cash and deposits	¥ 242,432	¥ **240,131**	$ **1,961,055**
Accounts and notes receivable-trade	94,132	**87,919**	**718,005**
Marketable securities	-	**1**	**9**
Raw material and supply	35,312	**37,683**	**307,747**
Other current assets	72,375	**75,510**	**616,661**
Allowance for doubtful receivables	(1,999)	**(1,795)**	**(14,664)**
Total current assets	442,253	**439,450**	**3,588,813**
Fixed assets :			
(Tangible fixed assets)			
Vessels	529,408	**531,405**	**4,339,776**
Buildings and structures	19,945	**19,719**	**161,039**
Machinery and vehicles	7,700	**7,744**	**63,245**
Land	25,820	**25,353**	**207,053**
Construction in progress	45,824	**57,986**	**473,556**
Other tangible fixed assets	3,797	**3,747**	**30,608**
Total tangible fixed assets	632,496	**645,957**	**5,275,277**
(Intangible fixed assets)			
Goodwill	231	**188**	**1,538**
Other intangible fixed assets	4,356	**4,266**	**34,843**
Total intangible fixed assets	4,587	**4,454**	**36,381**
(Investments and other long-term assets)			
Investments in securities	93,991	**95,068**	**776,390**
Long-term loans receivable	16,935	**16,650**	**135,976**
Asset for retirement benefits	1,605	**1,967**	**16,068**
Other long-term assets	31,823	**31,822**	**259,882**
Allowance for doubtful receivables	(364)	**(366)**	**(2,996)**
Total investments and other long-term assets	143,991	**145,142**	**1,185,320**
Total fixed assets	781,075	**795,554**	**6,496,978**
Total assets	¥ 1,223,328	¥ **1,235,005**	$ **10,085,791**

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2015 and three months ended June 30, 2015

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

	Year ended March 31, 2015	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
LIABILITIES			
Current liabilities :			
Accounts and notes payable-trade	¥ 101,324	¥ **102,918**	$ **840,498**
Short-term loans and current portion of long-term loans	81,475	**82,084**	**670,348**
Accrued income taxes	6,641	**5,173**	**42,246**
Allowance for loss related to the Anti-Monopoly Act	1,672	**5,530**	**45,168**
Other allowance	2,964	**1,891**	**15,451**
Other current liabilities	66,871	**74,316**	**606,911**
Total current liabilities	260,949	**271,915**	**2,220,621**
Long-term liabilities :			
Bonds	52,943	**52,943**	**432,364**
Long-term loans, less current portion	357,502	**351,407**	**2,869,804**
Accrued expenses for overhaul of vessels	14,127	**12,719**	**103,878**
Other allowance	1,531	**1,372**	**11,212**
Liability for retirement benefits	6,310	**6,324**	**51,652**
Other long-term liabilities	62,522	**60,908**	**497,416**
Total long-term liabilities	494,938	**485,676**	**3,966,326**
Total liabilities	755,887	**757,591**	**6,186,947**
NET ASSETS			
Shareholder's equity:			
Common stock	75,457	**75,457**	**616,232**
Capital surplus	60,312	**60,312**	**492,545**
Retained earnings	254,922	**259,490**	**2,119,158**
Less treasury stock, at cost	(1,071)	**(1,072)**	**(8,760)**
Total shareholders' equity	389,620	**394,187**	**3,219,175**
Accumulated other comprehensive income :			
Net unrealized holding gain on investments in securities	14,822	**15,104**	**123,356**
Deferred gain on hedges	8,719	**9,799**	**80,029**
Revaluation reserve for land	6,209	**6,208**	**50,700**
Translation adjustments	22,201	**26,198**	**213,954**
Retirement benefits liability adjustments	(41)	**88**	**727**
Total accumulated other comprehensive income, net	51,911	**57,400**	**468,765**
Non-controlling interests	25,908	**25,825**	**210,904**
Total net assets	467,440	**477,413**	**3,898,843**
Total liabilities and net assets	¥ 1,223,328	¥ **1,235,005**	$ **10,085,791**

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2015 and 2014

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

	Three months ended June 30, 2014	**Three months ended June 30, 2015**	**Three months ended June 30, 2015**
Marine transportation and other operating revenues	¥ 319,786	¥ **335,457**	$ **2,739,546**
Marine transportation and other operating expenses	292,383	**304,597**	**2,487,529**
Gross operating income	27,403	**30,859**	**252,017**
Selling, general and administrative expenses	17,717	**19,615**	**160,195**
Operaing income	9,685	**11,243**	**91,822**
Non-operating income :			
Interest income	215	**468**	**3,822**
Dividend income	804	**1,028**	**8,396**
Equity in earnings of subsidiaries and affiliates	650	**488**	**3,986**
Exchange gain	-	**3,229**	**26,373**
Other non-operating income	240	**494**	**4,041**
Total non-operating income	1,910	**5,708**	**46,618**
Non-operating expenses :			
Interest expenses	2,493	**2,098**	**17,138**
Exchange loss	2,589	**-**	**-**
Other non-operating expenses	31	**266**	**2,173**
Total non-operating expenses	5,115	**2,364**	**19,310**
Ordinary income	6,481	**14,587**	**119,130**
Extraordinary profits :			
Gain on sales of vessels, property and equipment	652	**2,135**	**17,441**
Other extraordinary profits	321	**1,011**	**8,259**
Total extraordinary profits	973	**3,147**	**25,700**
Extraordinary losses :			
Provision of allowance for loss related to the Anti-Monopoly Ac	-	**3,858**	**31,514**
Other extraordinary losses	38	**471**	**3,851**
Total extraordinary losses	38	**4,330**	**35,365**
Income before income taxes	7,416	**13,404**	**109,466**
Income taxes :			
Current	1,796	**2,319**	**18,943**
Deferred	928	**419**	**3,423**
Total income taxes	2,725	**2,738**	**22,366**
Net income	4,690	**10,665**	**87,100**
Net income attributable to non-controlling interests	410	**470**	**3,846**
Net income attributable to owners of parent	¥ 4,280	¥ **10,194**	$ **83,254**

Consolidated Statements of Comprehensive Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2015 and 2014

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

		Three months ended June 30, 2014		**Three months ended June 30, 2015**		**Three months ended June 30, 2015**
Net income	¥	4,690	¥	**10,665**	$	**87,100**
Other comprehensive income (loss)						
Net unrealized holding gain on investments in securities		1,534		**261**		**2,132**
Deferred income (loss) on hedges		(1,734)		**1,204**		**9,835**
Translation adjustments		(3,156)		**3,828**		**31,263**
Retirement benefits liability adjustments		146		**129**		**1,061**
Share of other comprehensive (loss) of subsidiaries and affiliates accounted for by the equity method		(253)		**(1)**		**(8)**
Total other comprehensive income (loss)		(3,462)		**5,422**		**44,282**
Comprehensive income	¥	1,228	¥	**16,087**	$	**131,382**
(Breakdown)						
Comprehensive income attributable to:						
Owners of parent	¥	962	¥	**15,684**	$	**128,090**
Non-controlling interests		266		**403**		**3,292**

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for three months ended June 30, 2015 and 2014

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

		Three months ended June 30, 2014		**Three months ended June 30, 2015**		**Three months ended June 30, 2015**
Cash flows from operating activities :						
Income before income taxes and minority interests	¥	7,416	**¥**	**13,404**	**$**	**109,466**
Depreciation and amortization		13,098		**12,331**		**100,709**
Increase (decrease) in liability for retirement benefits		(308)		**13**		**113**
(Increase) decrease in asset for retirement benefits		333		**(362)**		**(2,959)**
Reversal of allowance for directors' and audit and supervisory board members' retirement benefits		(258)		**(159)**		**(1,305)**
Decrease in accrued expenses for overhaul of vessels		(748)		**(1,410)**		**(11,522)**
Provision for (reversal of) allowance for loss related to the Anti-Monopoly Act		(67)		**3,858**		**31,514**
Interest and dividend income		(1,020)		**(1,496)**		**(12,218)**
Interest expense		2,493		**2,098**		**17,138**
Exchange (gain) loss, net		996		**(1,821)**		**(14,873)**
Gain on sales of vessels, property and equipment, net		(636)		**(2,132)**		**(17,412)**
Decrease in accounts and notes receivable – trade		5,456		**7,193**		**58,746**
Increase in inventories		(1,245)		**(2,252)**		**(18,394)**
Increase in other current assets		(335)		**(1,589)**		**(12,982)**
Increase in accounts and notes payable – trade		5,189		**579**		**4,732**
(Decrease) increase in other current liabilities		2,155		**(574)**		**(4,691)**
Other, net		(2,366)		**(4,048)**		**(33,062)**
Subtotal		30,153		**23,632**		**192,998**
Interest and dividends received		1,160		**1,675**		**13,681**
Interest paid		(2,283)		**(1,645)**		**(13,441)**
Payments related to the Anti-Monopoly Act		(5,698)		**-**		**-**
Income taxes paid		(3,222)		**(3,835)**		**(31,322)**
Net cash provided by operating activities		20,110		**19,826**		**161,917**
Cash flows from investing activities :						
Payments into time deposits		(919)		**(1,932)**		**(15,782)**
Proceeds from withdrawal of time deposits		351		**392**		**3,204**
Purchases of marketable securities and investments in securities		(387)		**(1,487)**		**(12,151)**
Proceeds from sales of marketable securities and investments in securities		294		**388**		**3,174**
Purchases of vessels, property and equipment		(31,979)		**(21,390)**		**(174,684)**
Proceeds from sales of vessels, property and equipment		29,872		**13,608**		**111,136**
Purchases of intangible fixed assets		(219)		**(168)**		**(1,378)**
Increase in long-term loans receivable		(997)		**(130)**		**(1,068)**
Collection of long-term loans receivable		994		**295**		**2,415**
Other, net		(254)		**(495)**		**(4,047)**
Net cash used in investing activities		(3,246)		**(10,920)**		**(89,181)**
Cash flows from financing activities :						
(Decrease) increase in short-term loans, net		388		**(8)**		**(68)**
Proceeds from long-term loans		14,201		**4,047**		**33,055**
Repayment of long-term loans and obligations under finance leases		(22,481)		**(13,406)**		**(109,486)**
Redemption of Bonds		(45,000)		**-**		**-**
Cash dividends paid		(4,222)		**(5,627)**		**(45,956)**
Cash dividends paid to non-controlling interests		(123)		**(452)**		**(3,698)**
Other, net		(0)		**(1)**		**(12)**
Net cash used in financing activities		(57,237)		**(15,448)**		**(126,164)**
Effect of exchange rate changes on cash and cash equivalents		(142)		**2,637**		**21,540**
Net decrease in cash and cash equivalents		(40,515)		**(3,904)**		**(31,888)**
Cash and cash equivalents at beginning of the period		222,606		**209,424**		**1,710,284**
Increase in cash and cash equivalents arising from inclusion of subsidiaries in consolidation		1		**3**		**25**
Cash and cash equivalents at end of the period	¥	182,092	**¥**	**205,522**	**$**	**1,678,421**

Segment information

Three months ended June 30, 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	¥ 158,425	¥ 143,663	¥ 8,404	¥ 9,292	¥ 319,786	¥ -	¥ 319,786
Inter-group revenues and transfers	1,801	673	-	10,792	13,268	(13,268)	-
Total revenues	160,227	144,337	8,404	20,085	333,055	(13,268)	319,786
Segment (loss) income	¥ 2,233	¥ 6,446	¥ (1,915)	¥ 427	¥ 7,192	¥ (711)	¥ 6,481

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 income (loss)	¥ 4,118	¥ 10,448	¥ 462	¥ 629	¥ 15,659	¥ (1,071)	¥ 14,587

Three months ended June 30, 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	$ 1,402,515	$ 1,194,159	$ 66,374	$ 76,498	$ 2,739,546	$ -	$ 2,739,546
Inter-group revenues and transfers	16,475	4,855	-	117,400	138,731	(138,731)	-
Total revenues	1,418,990	1,199,014	66,374	193,898	2,878,277	(138,731)	2,739,546
Segment income (loss)	$ 33,635	$ 85,328	$ 3,778	$ 5,141	$ 127,881	$ (8,751)	$ 119,130