

FINANCIAL HIGHLIGHTS

Brief report of six months ended September 30, 2011

Kawasaki Kisen Kaisha, Ltd.

[Two Year Summary]

| | Six months ended Sept. 30, 2010 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Consolidated | | | |
| Operating revenues (Millions of yen / Thousands of U.S. dollars) | ¥ 520,358 | ¥ 496,987 | \$ 6,483,859 |
| Operating (loss) income (Millions of yen / Thousands of U.S. dollars) | 50,008 | (18,391) | (239,940) |
| Net (loss) income (Millions of yen / Thousands of U.S. dollars) | 26,329 | (18,601) | (242,677) |
| Per share of common stock (Yen / U.S. dollars) | 34.48 | (24.35) | (0.32) |

| | Year ended March 31, 2011 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|---|---------------------------------|---------------------------------------|---------------------------------------|
| Total Assets (Millions of yen / Thousands of U.S. dollars) | ¥ 1,032,505 | ¥ 1,081,494 | \$ 14,109,517 |
| Net assets (Millions of yen / Thousands of U.S. dollars) | 314,986 | 281,250 | 3,669,286 |

| | Six months ended Sept. 30, 2010 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Net cash (used in) provided by operating activities (Millions of yen / Thousands of U.S. dollars) | ¥ 56,410 | ¥ (4,146) | \$ (54,096) |
| Net cash used in investing activities (Millions of yen / Thousands of U.S. dollars) | (17,992) | (71,552) | (933,491) |
| Net cash provided by (used in) financing activities (Millions of yen / Thousands of U.S. dollars) | (12,996) | 46,916 | 612,087 |

The U.S. dollar amounts are converted from the yen amount at ¥76.65=U.S.\$1.00.
The exchange rate prevailing on September 30, 2011.

Qualitative Information and Financial Statements

1. Qualitative Information about the Consolidated Operating Results

During the first half of this fiscal year (April 1 to September 30, 2011; hereafter, the “1st Half”), the global economy remained stagnant as a result of disorder in financial markets, sluggish consumer spending, high unemployment in the United States, and other factors. In Europe, uncertainty toward financial systems caused by the financial and fiscal crisis in the euro zone led to economic slowdown. In contrast, demand remained strong in China, India, and other emerging economy countries, but economic growth is starting to lose momentum. The Japanese economy is currently recovering after the far-reaching effects of the 3-11 Great East Japan Earthquake.

The marine transportation business environment deteriorated overall. The containership market slumped because of a lack of recovery in freight rates, which fell earlier in the year, even during the busy summer season and thereafter. The dry bulk market had been weak because of slack supply and demand caused by the completion of a large number of newbuildings, but demand recovered, particularly for large vessels, beginning in the summer as a result of strong demand in China and India. In the car carrier business, cargo movements of completely built-up units (hereafter, “CBU”) have recovered from the rapid drop immediately following the 3-11 earthquake, with a return to normal levels since the summer.

The “K” Line Group is facing an adverse business environment but has made all-out efforts to cut costs through measures such as eco-friendly slow steaming. However, we were unable to compensate for the losses incurred as a result of changes in the business environment due to the 3-11 earthquake, the market slowdown resulting from deterioration of supply and demand, ongoing yen appreciation, and other factors, resulting in consolidated operating revenues in the 1st Half totaling ¥496.987 billion, a ¥23.37 billion decrease year on year. Consolidated operating losses were ¥18.391 billion, compared to operating income of ¥50.008 billion in the same period of the previous year, while consolidated ordinary losses were ¥20.313 billion, compared to ordinary income of ¥42.849 billion in the same period of the previous year. Consolidated quarterly net losses were ¥18.601 billion, compared to a net income of ¥26.329 billion in the same period of last year. Summaries of developments in each business segment are provided below.

(1) Containership Business Segment

Containership business

Since the financial crisis in 2008, the “K” Line Group has maintained a reduced fleet size and engaged in cautious business management. The demand during the summer peak period for loaded containers shipped from Asia to North America was lower than expected, and the Group’s number of loaded containers fell by 3% from the same period of the previous year. Loaded containers shipped from North America to Asia increased by 16% from the same period of the previous year, and North American service routes were up 3%

overall. On the European service routes, the number of loaded containers shipped from Asia to Europe increased by 3% over the same period of the previous year, and loaded containers shipped from Europe to Asia increased by 15%. As a result, European service routes were up 9% overall. The “K” Line Group’s total number of loaded containers, including South/North and Intra-Asian service routes, rose 7%. Due to the lacking strength of cargo movements on North American, European, and South/North service routes during the peak period and the launch of mega containerships in other shipping companies, the restoration of freight charges did not proceed as initially anticipated.

In addition, high fuel oil prices and the high value of the yen also had a negative impact, and although the Group made efforts to maximize utilization of its shipping capacity and equipment, streamline ship operations in cooperation with other shipping companies, maximize the number of loaded containers shipped, and reduce costs, results were down significantly from the same period of the previous year, and the Group posted an operating loss for the 1st Half.

As a result of the above developments, operating revenues in the containership segment were ¥210.113 billion, operating losses were ¥17.723 billion, and ordinary losses were ¥18.308 billion.

(2) Bulk Shipping Business Segment

Dry Bulk business

During the 1st Half, although the bulk carrier market was sluggish due to an increase in supply as a result of the completion of a significant number of large newbuildings, iron ore imports by China increased at a strong pace starting in mid-August and the market rapidly improved. The small and mid-sized vessel market was supported by brisk cargo movements of Indonesian coal, however the market remained flat because of an abundance of capacity.

The “K” Line Group continued its efforts to improve income by efficiently allocating vessels and cutting operating costs, but the sluggish market combined with adverse business conditions including rising fuel oil prices and ongoing yen appreciation caused operating revenues to increase and income to decline compared with the same period of the previous year.

Car Carrier business

The forecast prepared prior to the 1st Half indicated that movement of CBU would increase substantially over the same period of the previous year, but movements from Japan fell sharply in the first quarter as a result of the 3-11 earthquake. Subsequently, production in Japan recovered more rapidly than initially anticipated, and exports of CBU recovered steadily. In addition, movements on inbound services and

other-than-Japan trade were strong, and as a result movement of CBU in the 1st Half was up 2.5% over the same period of the previous year.

Meanwhile, higher operating costs caused by big rises in fuel oil price and a decline in fleet allocation efficiency due to temporarily laying-up vessels and changes in fleet allocation sites from the effects of the earthquake disaster caused a decline in operating revenues from the same period of the previous year, and a loss was posted for the 1st Half.

Energy Transportation and Tanker business

In the LNG carrier services segment, business for long-term service contracts remained favorable, and the introduction of three vessels for medium-term service contracts contributed to the improvement in profitability. The Group responded to new transport demand by introducing older carriers whose long-term contracts had expired. In the tanker business, the Group secured stable income from long-term service contracts for VLCC (large tankers), however the market for AFRAMAX tankers (mid-size tankers) and clean petroleum product tankers did not meet expectations. In the offshore support vessel business, six newbuildings were completed by the end of June. Due in part to exchange gains, the Group posted higher operating revenues and income.

Consequently, results in the energy transportation and tanker business showed reduced revenues and decreased losses compared with the same period of the previous year.

Heavy Lifter business

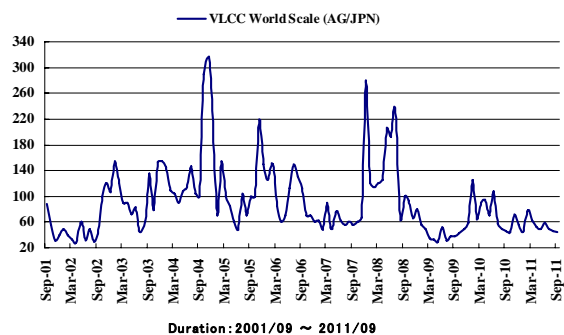
In the heavy lifter business, increased cargo movements and higher rates resulted in increased operating revenues compared to the same period of the previous year, and losses declined.

Coastal and Ferry business

In the tramp business, dedicated limestone carrier services for steel and cement makers secured stable shipping volumes. Following the 3-11 earthquake, it was necessary to reroute coastal RORO vessel services on the Kushiro, Tomakomai, and Kitakyushu routes. The services returned to normal in May, but shipping volumes have remained stagnant. On the Hachinohe-Tomakomai ferry service, Aomori Port was used as an alternative port of call for a time, and since the original route was restored in July, transport volumes of agricultural goods from Hokkaido have been brisk, while truck transport volumes have remained at last year's levels. With respect to passenger car and passenger transport, passenger demand was sluggish, and transport volumes therefore fell compared to the same period of the previous year.

As a result, the bulk shipping business segment reported operating revenues of ¥229.821 billion, operating

losses of ¥1.471 billion, and ordinary losses of ¥2.670 billion.



(3) Other Business

Logistics/Harbor Transportation business

In the air forwarding business, a decline in freight volume from Japan was seen as a result of the 3-11 earthquake, but export volumes to and from Asia remained solid, contributing to earnings. Revenues from the international logistics business also provided support, and operating revenues and income were up compared to the same period of the previous year.

As a result, other businesses including logistics and harbor transportation reported operating revenues of ¥57.052 billion, operating income of ¥3.217 billion, and ordinary income of ¥3.489 billion.

2. Qualitative Information on the Consolidated Financial Situation

Consolidated assets at the end of the 2nd Quarter were ¥1,081.494 billion, an increase of ¥48.989 billion over the end of the previous fiscal year as a result of an increase in vessels and other factors.

Consolidated liabilities increased by ¥82.724 billion to ¥800.243 billion due to factors including an increase in long-term debt, less current portion compared to the previous consolidated fiscal year.

Consolidated net assets were ¥281.250 billion, a decrease of ¥33.735 billion from the end of the previous fiscal year as a result of a decline in retained earnings, a decrease in minority interests in consolidated subsidiaries, expansion of deferred losses on hedges, a decrease in net unrealized holding gain on investments in securities relating to decreases in market prices, and other factors.

3. Qualitative Information regarding Consolidated Prospects for FY2011

We anticipate that demand in the containership segment will remain uncertain for the time being because

of financial instability in Europe, sluggish consumer spending, and the slow recovery of unemployment in the United States. Under these circumstances, we will closely monitor developments concerning demand on East-West routes, adjust the fleet size according to shipping demand, streamline ship operations by making use of alliances, and implement measures to reduce costs through slow steaming and other initiatives while continuing our efforts to restore freight rates. We will also work to improve profitability by expanding services on Intra-Asian routes, an area that is expected to experience firm growth in cargo movements.

In the bulk shipping business segment, shipping demand to China and India in the dry bulk business is firm, and demand for all vessel types is stable, driven by a recovery in the large vessel market. The supply of newbuildings, however, remains high, and the market outlook remains uncertain. We also expect business conditions to remain adverse in the second half with high fuel oil prices and yen appreciation. Securing stable income from special-purpose vessels and contracts of affreightment remain top-priority issues for the future, and the Group is addressing these issues by expanding its fleet to an optimal scale and working to secure new revenue sources by taking active measures to acquire new orders in rapidly-growing markets such as China and India.

In the car carrier business, automobile production in Japan has recovered from the effects of the earthquake and exports from Japan are steadily recovering. Meanwhile, uncertainty is continuing to rise in regards to the extreme appreciation of the yen, the floods in Thailand, and the weak global economy involving financial instability in Europe and the United States and other factors. We will continue to pay close attention to cargo movements amidst these rising uncertainties while working to improve profitability by implementing comprehensive and efficient allocation of vessels and restoration of freight rates.

In the energy transportation and tanker business, stable operation of LNG carriers under long-term and medium-term contracts is expected to remain stable. In the tanker business, supply is expected to increase as a result of completion of newbuildings, however the market is likely to remain sluggish due to the completion of newbuildings and stagnant demand in conjunction with the current economic downturn. The Group will respond by developing a stable revenue base by maintaining and extending existing contracts for VLCC. In the clean petroleum product tanker business, the Group will expand its customer base and work to improve profitability by increasing fleet allocation efficiency and reducing costs. The supply and demand environment for LPG carriers is improving as a result of increased demand, and consequently, higher income is expected. In the offshore support vessel business, the Group aims to acquire long-term, stable contracts for the six newbuildings that were recently completed.

In the heavy lifter business, although cargo movements will decline in the third quarter because of seasonal factors, the market is undergoing a moderate recovery and we anticipate improved profitability. However, the progress of projects that can be expected to offer high rates has been delayed, and full-scale recovery is not expected until the coming fiscal year at the earliest.

In the coastal and ferry business, despite the uncertainties over developments in the Japanese market, we will conduct more aggressive marketing activities and work to secure stable transport volumes.

In the logistics and harbor transportation business, cargo movements declined following the 3-11 earthquake, but are gradually recovering in conjunction with the restoration of supply chains. Although there are causes for concern including the financial instability in Europe and yen appreciation, we expect Asian markets to remain firm.

As discussed above, while the marine transportation business environment is expected to face ongoing adversity, the Group will continue to make further efforts to improve profitability through streamlining and cost-cutting measures. The Group's forecasts of financial results are significantly below those initially announced, and as a result, revised forecasts were released on October 3.

Foreign exchange rate and fuel oil price assumptions for the 3rd quarter and the second half are ¥77 per \$1 and US\$650 per metric ton.

With respect to the payment of dividends this fiscal year, the Group is expected to post a loss for the fiscal year because of the recent deterioration of the business environment, and consequently, the Group does not anticipate being in a position to pay a year-end dividend.

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, 2011 and six months ended September 30, 2011

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

| | Year ended March 31, 2011 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| Current assets : | | | |
| Cash and time deposits | ¥ 74,063 | ¥ 64,619 | \$ 843,051 |
| Accounts and notes receivable-trade | 78,313 | 84,864 | 1,107,175 |
| Short-term loans receivable | 1,903 | 6,783 | 88,500 |
| Marketable securities | 24,998 | 5,000 | 65,237 |
| Raw material and supply | 34,411 | 36,698 | 478,778 |
| Prepaid expenses and deferred charges | 32,448 | 37,077 | 483,730 |
| Other current assets | 17,232 | 15,370 | 200,522 |
| Allowance for doubtful receivables | (526) | (659) | (8,605) |
| Total current assets | 262,845 | 249,755 | 3,258,389 |
| Fixed assets : | | | |
| (Tangible fixed assets) | | | |
| Vessels | 379,295 | 484,549 | 6,321,581 |
| Buildings and structures | 25,422 | 25,997 | 339,176 |
| Machinery and vehicles | 6,629 | 6,593 | 86,017 |
| Land | 30,717 | 30,916 | 403,345 |
| Construction in progress | 136,114 | 91,543 | 1,194,309 |
| Other tangible fixed assets | 5,550 | 5,267 | 68,725 |
| Total tangible fixed assets | 583,728 | 644,868 | 8,413,153 |
| (Intangible fixed assets) | | | |
| Goodwill | 4,518 | 7,537 | 98,339 |
| Other intangible fixed assets | 5,845 | 5,649 | 73,703 |
| Total intangible fixed assets | 10,363 | 13,187 | 172,042 |
| (Investments and other long-term assets) | | | |
| Investments in securities | 101,312 | 84,323 | 1,100,111 |
| Long-term loans receivable | 15,896 | 12,290 | 160,351 |
| Other long-term assets | 59,662 | 77,886 | 1,016,134 |
| Allowance for doubtful receivables | (1,302) | (817) | (10,664) |
| Total investments and other long-term assets | 175,569 | 173,683 | 2,265,933 |
| Total fixed assets | 769,660 | 831,738 | 10,851,128 |
| Total assets | ¥ 1,032,505 | ¥ 1,081,494 | \$ 14,109,517 |

Consolidated Balance Sheets

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for the year ended March 31, 2011 and six months ended September 30, 2011

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

| | Year ended March 31, 2011 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------|---------------------------------------|---------------------------------------|
| LIABILITIES | | | |
| Current liabilities : | | | |
| Accounts and notes payable-trade | ¥ 76,750 | ¥ 79,313 | \$ 1,034,743 |
| Short-term loans and current portion of long-term debt | 55,783 | 59,040 | 770,260 |
| Accrued income taxes | 3,456 | 2,904 | 37,894 |
| Accrued allowance | 2,373 | 2,068 | 26,987 |
| Other current liabilities | 65,348 | 80,646 | 1,052,137 |
| Total current liabilities | 203,711 | 223,972 | 2,922,021 |
| Long-term liabilities : | | | |
| Bonds | 74,951 | 74,762 | 975,369 |
| Long-term debt, less current portion | 332,481 | 383,065 | 4,997,588 |
| Deferred income taxes on land revaluation | 2,632 | 2,632 | 34,349 |
| Accrued expenses for overhaul of vessels | 17,708 | 17,256 | 225,136 |
| Other allowance | 9,772 | 9,279 | 121,064 |
| Other long-term liabilities | 76,261 | 89,274 | 1,164,704 |
| Total long-term liabilities | 513,807 | 576,270 | 7,518,211 |
| Total liabilities | 717,519 | 800,243 | 10,440,231 |
| NET ASSETS | | | |
| Shareholder's equity: | | | |
| Common stock | 65,031 | 65,031 | 848,422 |
| Capital surplus | 49,892 | 49,892 | 650,913 |
| Retained earnings | 258,075 | 235,385 | 3,070,914 |
| Less treasury stock, at cost | (903) | (904) | (11,798) |
| Total shareholders' equity | 372,095 | 349,405 | 4,558,452 |
| Accumulated other comprehensive income (loss) : | | | |
| Net unrealized holding gain on investments in securities | 1,955 | 561 | 7,330 |
| Deferred loss on hedges | (55,305) | (58,518) | (763,450) |
| Revaluation reserve for land | 2,077 | 2,077 | 27,099 |
| Translation adjustments | (29,153) | (30,376) | (396,306) |
| Total accumulated other comprehensive loss, net | (80,426) | (86,256) | (1,125,327) |
| Minority interests in consolidated subsidiaries | 23,316 | 18,101 | 236,161 |
| Total net assets | 314,986 | 281,250 | 3,669,286 |
| Total liabilities and net assets | ¥ 1,032,505 | ¥ 1,081,494 | \$ 14,109,517 |

Consolidated Statements of Income

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2011 and 2010

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

| | Six months ended Sept. 30, 2010 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Marine transportation and other operating revenues | ¥ 520,358 | ¥ 496,987 | \$ 6,483,859 |
| Marine transportation and other operating expenses | 437,980 | 480,764 | 6,272,204 |
| Gross income | 82,377 | 16,223 | 211,654 |
| Selling, general and administrative expenses | 32,368 | 34,614 | 451,594 |
| Operating (loss) income | 50,008 | (18,391) | (239,940) |
| Non-operating income : | | | |
| Interest income | 370 | 480 | 6,264 |
| Dividend income | 970 | 1,932 | 25,206 |
| Equity in earnings of affiliated companies | - | 352 | 4,604 |
| Other non-operating income | 819 | 1,253 | 16,355 |
| Total non-operating income | 2,159 | 4,018 | 52,429 |
| Non-operating expenses : | | | |
| Interest expenses | 4,290 | 4,515 | 58,909 |
| Equity in loss of affiliated companies | 175 | - | - |
| Exchange loss | 4,595 | 1,215 | 15,852 |
| Other non-operating expenses | 256 | 210 | 2,745 |
| Total non-operating expenses | 9,318 | 5,940 | 77,506 |
| Ordinary (loss) income | 42,849 | (20,313) | (265,017) |
| Extraordinary profits : | | | |
| Gain on sales of fixed assets | 3,892 | 2,240 | 29,233 |
| Gain on share exchange | - | 6,963 | 90,848 |
| Other extraordinary profits | 1,268 | 1,174 | 15,317 |
| Total extraordinary profits | 5,161 | 10,378 | 135,398 |
| Extraordinary losses : | | | |
| Loss from revaluation of investment securities | 1,226 | 16,620 | 216,830 |
| Other extraordinary losses | 4,265 | 2,685 | 35,038 |
| Total extraordinary losses | 5,491 | 19,305 | 251,868 |
| (Loss) Income before income taxes | 42,519 | (29,240) | (381,487) |
| Income taxes : current | 2,954 | 2,973 | 38,787 |
| deferred | 12,510 | (14,371) | (187,501) |
| Total income taxes | 15,465 | (11,398) | (148,714) |
| Net (loss) income before minority interests | 27,054 | (17,842) | (232,774) |
| Minority interests | 724 | 759 | 9,903 |
| Net (loss) income | ¥ 26,329 | ¥ (18,601) | \$ (242,677) |

Consolidated Statements of Comprehensive Loss

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2011 and 2010

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

| | Six months ended Sept. 30, 2010 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Net (loss) income before minority interests | ¥ 27,054 | ¥ (17,842) | \$ (232,774) |
| Other comprehensive loss: | | | |
| Net unrealized holding loss on investments in securities | (7,933) | (1,387) | (18,095) |
| Deferred loss on hedges | (21,564) | (1,359) | (17,738) |
| Translation adjustments | (6,887) | (1,324) | (17,285) |
| Share of other comprehensive loss of subsidiaries and affiliates accounted for by the equity method | (454) | (1,794) | (23,418) |
| Total other comprehensive loss | (36,839) | (5,866) | (76,536) |
| Comprehensive loss | ¥ (9,785) | ¥ (23,708) | \$ (309,309) |
| (Breakdown) | | | |
| Comprehensive loss attributable to shareholders of Kawasaki Kisen Kaisha, Ltd. | (8,823) | (24,430) | (318,726) |
| Comprehensive income (loss) attributable to minority shareholders of consolidated subsidiaries | (962) | 721 | 9,417 |

Consolidated Statements of Cash Flows

Kawasaki Kisen Kaisha, Ltd. and Consolidated Subsidiaries for six months ended September 30, 2011 and 2010

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

| | Six months ended Sept. 30, 2010 | Six months ended Sept. 30, 2011 | Six months ended Sept. 30, 2011 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities : | | | |
| (Loss) income before income taxes and minority interests | ¥ 42,519 | ¥ (29,240) | \$ (381,487) |
| Depreciation and amortization | 22,584 | 24,204 | 315,776 |
| Reversal of employees' retirement benefits | (45) | (261) | (3,414) |
| Reversal of directors' and corporate auditors' retirement benefits | (255) | (227) | (2,964) |
| Decrease in accrued expenses for overhaul of vessels | (1,618) | (452) | (5,909) |
| Interest and dividend income | (1,340) | (2,412) | (31,470) |
| Interest expense | 4,290 | 4,515 | 58,909 |
| Gain on sales of vessels, property and equipment | (3,809) | (2,219) | (28,961) |
| Loss on revaluation of marketable securities and investments in securities | 1,226 | 16,620 | 216,830 |
| Gain on share exchange | - | (6,963) | (90,848) |
| Increase in accounts and notes receivable – trade | (10,481) | (2,947) | (38,451) |
| Increase in accounts and notes payable – trade | 2,218 | 279 | 3,650 |
| Increase in inventories | (263) | (2,200) | (28,702) |
| Increase in other current assets | (4,464) | (1,266) | (16,526) |
| Increase in other current liabilities | 8,744 | 2,428 | 31,685 |
| Other, net | 3,415 | 1,670 | 21,793 |
| Subtotal | 62,719 | 1,526 | 19,909 |
| Interest and dividends received | 1,276 | 2,440 | 31,841 |
| Interest paid | (4,361) | (4,514) | (58,901) |
| Income taxes paid | (3,184) | (3,598) | (46,946) |
| Other, net | (40) | - | - |
| Net cash (used in) provided by operating activities | 56,410 | (4,146) | (54,096) |
| Cash flows from investing activities : | | | |
| Purchases of marketable securities and investments in securities | (1,995) | (862) | (11,254) |
| Proceeds from sale of marketable securities and investments in securities | 405 | 1,283 | 16,745 |
| Purchases of vessels, property and equipment | (72,534) | (149,921) | (1,955,929) |
| Proceeds from sale of vessels, property and equipment | 51,060 | 94,281 | 1,230,028 |
| Purchases of intangible fixed assets | (475) | (316) | (4,123) |
| Increase in long-term loans receivable | (339) | (5,400) | (70,452) |
| Collection of long-term loans receivable | 5,424 | 3,010 | 39,270 |
| Payment for acquisition of shares in consolidated subsidiaries | - | (12,414) | (161,962) |
| Other, net | 461 | (1,212) | (15,815) |
| Net cash used in investing activities | (17,992) | (71,552) | (933,491) |
| Cash flows from financing activities : | | | |
| Increase (decrease) in short-term loans, net | (4,251) | 153 | 2,009 |
| Decrease in commercial paper | (9,000) | - | - |
| Proceeds from long-term debt | 33,611 | 79,704 | 1,039,852 |
| Repayment of long-term debt and obligations under finance leases | (33,020) | (28,426) | (370,858) |
| Redemption of Bonds | (189) | (189) | (2,466) |
| Cash dividends paid | (12) | (4,208) | (54,901) |
| Cash dividends paid to minority shareholders | (130) | (384) | (5,017) |
| Proceeds from stock issuance to minority shareholders | - | 268 | 3,497 |
| Other, net | (3) | (2) | (30) |
| Net cash provided by (used in) financing activities | (12,996) | 46,916 | 612,087 |
| Effect of exchange rate changes on cash and cash equivalents | (2,769) | (1,857) | (24,230) |
| Net (decrease) increase in cash and cash equivalents | 22,651 | (30,639) | (399,730) |
| Cash and cash equivalents at beginning of the period | 92,122 | 94,429 | 1,231,963 |
| Increase in cash and cash equivalents arising from inclusion of subsidiaries | 285 | 695 | 9,075 |
| Cash and cash equivalents at end of the period | ¥ 115,059 | ¥ 64,486 | \$ 841,308 |

Segment information

Six months ended September 30, 2010

(Millions of yen)

| | Container- ship | Bulk shipping | Other | Total | Adjustments and eliminations | Consolidated |
|------------------------------------|--------------------|---------------|----------|-----------|------------------------------------|--------------|
| Revenues | | | | | | |
| Operating Revenues from customers | ¥ 240,713 | ¥ 233,771 | ¥ 45,873 | ¥ 520,358 | ¥ - | ¥ 520,358 |
| Inter-group revenues and transfers | 975 | 950 | 21,285 | 23,211 | (23,211) | - |
| Total revenues | 241,689 | 234,721 | 67,159 | 543,570 | (23,211) | 520,358 |
| Segment income (loss) | 25,559 | 17,014 | 2,175 | 44,749 | (1,899) | 42,849 |

Six months ended September 30, 2011

(Millions of yen)

| | Container- ship | Bulk shipping | Other | Total | Adjustments and eliminations | Consolidated |
|------------------------------------|--------------------|---------------|----------|-----------|------------------------------------|--------------|
| Revenues | | | | | | |
| Operating Revenues from customers | ¥ 210,113 | ¥ 229,821 | ¥ 57,052 | ¥ 496,987 | ¥ - | ¥ 496,987 |
| Inter-group revenues and transfers | 1,993 | 1,096 | 21,131 | 24,222 | (24,222) | - |
| Total revenues | 212,106 | 230,918 | 78,184 | 521,209 | (24,222) | 496,987 |
| Segment (loss) income | (18,308) | (2,670) | 3,489 | (17,489) | (2,824) | (20,313) |

Six months ended September 30, 2011

(Thousands of U.S. dollars)

| | Container- ship | Bulk shipping | Other | Total | Adjustments and eliminations | Consolidated |
|------------------------------------|--------------------|---------------|------------|--------------|------------------------------------|--------------|
| Revenues | | | | | | |
| Operating Revenues from customers | \$ 2,741,205 | \$ 2,998,326 | \$ 744,328 | \$ 6,483,859 | \$ - | \$ 6,483,859 |
| Inter-group revenues and transfers | 26,009 | 14,310 | 275,690 | 316,008 | (316,008) | - |
| Total revenues | 2,767,213 | 3,012,635 | 1,020,018 | 6,799,867 | (316,008) | 6,483,859 |
| Segment (loss) income | (238,862) | (34,837) | 45,529 | (228,170) | (36,847) | (265,017) |