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November 2, 2023

Financial Highlights for 2nd Quarter FY2023

(Under Japanese GAAP) (Unaudited)

Company name:	Kawasaki Kisen Kaisha, Ltd.
Listing:	Prime Market of Tokyo Stock Exchanges
Securities code:	9107
URL:	https://www.kline.co.jp/en/
Representative:	Yukikazu Myochin, Representative Director, President & CEO
Inquiries:	Goro Kitamura, General Manager, Corporate Sustainability, Environment Management, IR and Communication Group
Telephone:	+81-3-3595-5189
Scheduled date to file annual quarterly securities report:	November 13, 2023
Scheduled date to commence dividend payments:	December 4, 2023
Preparation of supplementary material on quarter financial results:	Yes
Holding of quarterly financial results briefing:	Yes (for Analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	458,973	(5.0)	44,655	(15.7)	85,280	(85.0)	63,178	(88.8)
Six months ended September 30, 2022	482,897	35.1	52,998	420.5	567,540	138.4	565,430	129.8

Note: Comprehensive income for the six months ended September 30, 2023: ¥ 192,651 million [(72.0)%]

For the six months ended September 30, 2022: ¥ 686,859 million [176.2%]

	Profit (loss) per share	Profit (loss) per share-fully diluted
	Yen	Yen
Six months ended September 30, 2023	258.28	-
Six months ended September 30, 2022	2,009.74	-

*The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022. Accordingly, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2023	2,150,632	1,615,847	73.6
As of March 31, 2023	2,052,616	1,546,679	73.8

Reference: Shareholders' equity:

As of September 30, 2023: ¥ 1,583,718 million

As of March 31, 2023: ¥ 1,515,399 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	300.00	-	300.00	-
Year ending March 31, 2024	-	100.00			
Year ending March 31, 2024 (Forecast)			-	100.00	200.00

*Revision of forecast for dividends in this quarter: None

1. The Company implemented a 3-for-1 stock split of common shares on October 1, 2022.
2. The interim dividend for the fiscal year ended March 2023 which has a dividend record date of September 30, 2022, were paid based on the shares before the stock split.
3. The full-year dividend for the fiscal year ended March 2023 per share is not presented as simple comparisons are not possible due to the implementation of the stock split, however, the full-year dividend per share based on the shares following the stock split is 400.00 yen.

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of the parent		Profit (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Year ending March 31, 2024	930,000	(1.3)	92,000	16.7	135,000	(80.5)	105,000	(84.9)	Yen 435.40

*Revision to Consolidated Financial Forecasts in this quarter: Yes

4. Notes

(1) Changes in significant subsidiaries during the quarter period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	250,712,389 shares
As of March 31, 2023	250,712,389 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2023	13,593,471 shares
As of March 31, 2023	3,438,017 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2023	244,617,801 shares
Six months ended September 30, 2022	281,345,320 shares

*The Company split its common share on the basis of one (1) share into three (3) shares effective October 1, 2022. Accordingly, total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2023.

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Assumption for the forecast of consolidated financial results for the year ending March 31, 2024

The forecast is based on currently available information that KLINE deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

Refer to "5. Qualitative Information on Quarterly Financial Results (3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results" for assumptions related to the forecast.

5. Qualitative Information on Quarterly Financial Results

(1) Description of Operating Results

(Billion yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Change	% Change
Operating revenues	482.8	458.9	(23.9)	(5.0%)
Operating income (loss)	52.9	44.6	(8.3)	(15.7%)
Ordinary income (loss)	567.5	85.2	(482.2)	(85.0%)
Profit (loss) attributable to owners of the parent	565.4	63.1	(502.2)	(88.8%)

Exchange Rate (¥/US\$) (6-month average)	131.56	139.93	8.37	6.4%
Fuel oil price (US\$/MT) (6-month average)	850	605	(245)	(28.8%)

The company recorded 35.0 billion yen of equity in earnings of unconsolidated subsidiaries and affiliates for the consolidated cumulative second quarter of this fiscal year and OCEAN NETWORK EXPRESS PTE. LTD. (hereinafter referred to as "ONE") accounted for 32.2 billion yen of this amount.

Performance per segment was as follows.

(Billion yen)

		Six months ended September 30, 2022	Six months ended September 30, 2023	Change	% Change
Dry bulk	Operating revenues	171.5	137.5	(33.9)	(19.8%)
	Segment profit (loss)	24.8	2.8	(21.9)	(88.5%)
Energy resource transport	Operating revenues	50.7	51.4	0.6	1.3%
	Segment profit (loss)	8.9	5.2	(3.6)	(41.4%)
Product logistics	Operating revenues	254.6	264.6	9.9	3.9%
	Segment profit (loss)	536.9	79.8	(457.0)	(85.1%)
Other	Operating revenues	5.9	5.3	(0.5)	(9.9%)
	Segment profit (loss)	0.5	1.1	0.6	131.3%
Adjustments and eliminations	Segment profit (loss)	(3.6)	(3.8)	(0.1)	—
Total	Operating revenues	482.8	458.9	(23.9)	(5.0%)
	Segment profit (loss)	567.5	85.2	(482.2)	(85.0%)

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the six months ended September 30, 2023 and 2022 are presented based on the changed allocation method.

(i) Dry Bulk Segment

Dry Bulk Business

In the Cape-size sector, market rates softened as the demand for transporting iron ore for China temporarily improved, but the ship supply-demand balance loosened and softened due to the delayed recovery of China's actual demand and the easing of port congestion. However, there were seasonal factors such as expectations for the recovery of domestic steel demand in China and bauxite transportation demand from Guinea after the rainy season, which contributed to an upward trend.

The medium-small vessel sector, market rates declined due to a reduction in demand for coal and steel transportation to remote destinations such as Europe, as well as a decrease in demand for transportation to China due to restraint in purchases caused by a decline in grain futures prices. However, there was an increase in vessel congestion due to the full-scale increase in grain transportation demand and the impact of the drought of the Panama Canal, leading to a rise in the market at present.

Under these circumstances, the Group strived to manage the market exposures appropriately and reduce operation costs and improve vessel operation efficiency.

The overall Dry Bulk Segment recorded a year-on-year decrease both in revenue and profit.

(ii) Energy Resource Transport Segment

LNG Carrier, Electricity Business, Tanker Carrier and Offshore Business

Concerning LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading system), the business stayed firm for mid- and long-term charter contracts and contributed to secure stable profit.

On the other hand, partly due to reorganizations of operating ships conducted last year, the overall Energy Resource Transport Segment recorded a year-on-year increase in revenue but a decrease in profit.

(iii) Product Logistics Segment

Car Carrier Business

In the global car sales market, recovery continued while the impact of supply shortages of semiconductors and auto parts on production and shipments gradually decreased. Meanwhile, the Group continued efforts to restore freight rates and improve operational efficiency.

Logistics Business

In the domestic logistics and port business, the domestic container handling volume decreased year-on-year. In the towage business and warehousing business, work volume stayed firm. As for the international logistics sector, the downtrend in ocean and air cargo transportation demand continued, and market rates were sluggish in the forwarding business. In the finished vehicle transportation business, the port congestion resulting from the increase in the number of imported vehicles that failed to pass quarantine because they were carrying foreign plant seeds was serious in Australia, but demand was still high and both land transportation volume and storage volume increased year-on-year.

Short Sea and Coastal Business

In the short sea business, despite the decrease in the transportation volume of coal, the total transportation volume increased significantly due to the acquisition of new contracts for transportation of steel products. In the coastal business, while the transportation volume of trucks and chassis decreased due to the impact of rising prices, the transportation volume of cars and passengers increased due to the reduction of the impact of COVID-19.

Containership Business

In the container shipping business, despite entering the peak season, a recovery in cargo movement was weak, and with an increase in the delivery of new building vessels, the upward trend in short-term freight rates did not continue. The business performance of "ONE", the affiliate company accounted with the equity method, implemented reduced sailings and service rationalization, securing profitability, but experienced a significant decline in profit compared to the same period last year.

The overall Product Logistics Segment recorded a year-on-year increase in revenue but decrease in profit.

(iv) Other

Other includes but not limited to the Group's ship management service, travel agency service, and real estate and administration service. The segment recorded a year-on-year decrease in revenue but increase in profit.

(2) Description of Financial Position

Total assets at the end of the consolidated second quarter of this fiscal year were ¥2,150.6 billion, an increase of ¥98.0 billion from the end of the previous fiscal year as a result of an increase in investment securities and other factors.

Total liabilities increased by ¥28.8 billion to ¥534.7 billion as a result of an increase in bonds and other factors compared to the end of the previous fiscal year.

Total net assets were ¥1,615.8 billion, an increase of ¥69.1 billion compared to the end of the previous fiscal year as a result of an increase in foreign currency translation adjustments and other factors.

(3) Description of Information on Future Outlook, Including Forecast of Consolidated Financial Results

	(Billion yen)			
	Prior Forecast (at the time of announcement of the 1st Quarter result)	Current Forecast (at the time of announcement of the 2nd Quarter result)	Change	% Change
Operating revenues	900.0	930.0	30.0	3.3%
Operating income (loss)	89.0	92.0	3.0	3.4%
Ordinary income (loss)	135.0	135.0	—	—
Profit (loss) attributable to owners of the parent	120.0	105.0	(15.0)	(12.5%)
Profit (loss) per share (Yen)	485.29	435.40	(49.89)	
Exchange Rate (¥/US\$)	136.04	140.76	4.73	3.5%
Fuel Oil Price (US\$/MT)	613	624	11	1.8%

Mainly due to the revision of foreign exchange rate assumptions and estimated tax expenses, the Company revised estimation of Operating revenues, Operating income (loss), Profit (loss) attributable to owners of the parent and Profit (loss) per share in the consolidated financial forecast for full year of fiscal year ending March 31, 2024, from the previously announced forecasts on August 2, 2023.

In the Dry Bulk Segment, despite some factors of concerns, such as the uncertainty about the future of the Chinese economy, the economic stagnation caused by inflation and high interest rates mainly in Europe and the United States, the mid-term vessel supply-demand balance will be tight against the backdrop of limited building of new ships, and market rates are expected to stay firm overall with some fluctuations. The Group will watch out for changes in transportation demand and trade patterns and prepare to promptly respond. At the same time, amid growing need to deal with environmental problems, take advantage of its strength in high quality transportation, the Group will strive to secure stable profit by increasing vessel operation efficiency and reducing costs as well as increasing mid- and long-term contracts.

In the Energy Resource Transport Segment, the Group will continue efforts to secure stable profit as it expects to ensure smooth business operations, supported by mid- and long-term contracts, with respect to LNG carriers, thermal coal carriers, large crude oil tankers (VLCCs), LPG carriers, drillship and FPSO (Floating Production, Storage and Offloading systems).

As for the Product Logistics Segment, regarding the car carrier business, while geopolitical risks and risks of global economic stagnation will remain, the year-on-year recovery trends of production and shipment are expected to continue along with the recovery of supply of semiconductors and auto parts as economic activities become

normal. The Group will continue to strive to optimize our fleet and improve the efficiency of vessel operation and allocation.

In the logistics business, regarding the domestic logistics and port business, the container handling volume was still in the declining trend, and the volume throughout the fiscal year is uncertain. The income and expenditure in the towage business are expected to improve. In the warehouse business, the Group expects the same level of profits as a typical year. As for the international logistics sector, market rate trends are uncertain in the forwarding business due to declining demand for ocean and air transportation. In the finished vehicle transportation business, both land transportation volume and storage volume are expected to remain firm because the port congestion resulting from the increase in the number of imported vehicles that failed to pass quarantine because they were carrying foreign plant seeds at various ports in Australia has been improving gradually.

In the Short Sea and Coastal Business, as market rates are expected to stay at a low level in the short sea business, the Group will continue to manage the market exposures appropriately and strive to improve operational efficiency and reduce costs. In the coastal business, car transportation and passenger transportation by ferry are expected to increase year-on-year. As operational costs, particularly mainly personnel costs, are increasing, the Group will strive to restore freight rates while seeking understanding from customers.

In the container shipping business, although a gradual recovery in cargo volume is expected in the second half of the fiscal year, inventories in major consumer countries in the West remain at high levels, and with an increase in vessel supply, a challenging business environment is expected to persist. "ONE" will continue to closely monitor the economic environment and strive for steady business operations by implementing flexible measures to adapt to fluctuations in transportation demand.

Our basic policy is to improve shareholder profits over the medium and long terms by proactively promoting shareholder returns, including share buyback. This is done by taking cash flow into consideration and ensuring the investment level and financial stability necessary to improve our corporate value.

Based on this basic policy, regarding dividend for the fiscal year ending March 31, 2024, as previously announced on May 8, 2023, the Company implement payment of an interim dividend of 100 yen per share and plans the year-end dividend of 100 yen per share, resulting in annual dividend of 200 yen per share. The annual dividend of 200 yen per share is composed of basic dividend of 120 yen per share and an additional dividend of 80 yen per share.

Furthermore, regarding the repurchase of treasury stock conducted based on the resolution of the Board of Directors meeting held on August 2, 2023, as announced on October 18, 2023, total number of shares repurchased of 11,676,000 shares were acquired at total repurchase amount of 56,201,702,697 yen. In principle, the repurchased shares will be cancelled.

6. Consolidated Financial Statements

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

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
ASSETS		
Current assets :		
Cash and deposits	247,429	245,118
Accounts and notes receivable - trade and contract assets	107,522	112,461
Marketable securities	102,001	101,558
Raw materials and supplies	38,356	40,011
Deferred and prepaid expenses	22,018	23,207
Other current assets	18,639	30,933
Allowance for doubtful accounts	(1,074)	(1,253)
Total current assets	534,894	552,037
Non-current assets :		
(Vessels, property and equipment)		
Vessels, net	319,329	330,784
Buildings and structures, net	9,709	9,688
Machinery, equipment and vehicles, net	3,129	2,993
Land	15,537	15,554
Construction in progress	18,842	23,110
Other, net	5,599	5,636
Total vessels, property and equipment	372,147	387,768
(Intangible assets)		
Other intangible assets	3,808	4,277
Total intangible assets	3,808	4,277
(Investments and other assets)		
Investment securities	1,070,227	1,135,870
Long-term loans receivable	24,568	23,618
Asset for retirement benefits	1,400	1,415
Other investments and other assets	47,499	47,682
Allowance for doubtful accounts	(1,930)	(2,038)
Total investments and other assets	1,141,765	1,206,549
Total non-current assets	1,517,722	1,598,594
Total assets	2,052,616	2,150,632

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
LIABILITIES		
Current liabilities :		
Accounts and notes payable - trade	62,803	70,425
Short-term loans and current portion of long-term loans	50,691	55,506
Accrued income taxes	2,095	4,637
Provision for loss related to the Anti-Monopoly Act	1,692	1,649
Provision for loss on chartering contracts	9,609	4,804
Other provisions	5,012	4,437
Other current liabilities	53,474	54,435
Total current liabilities	185,378	195,897
Non-current liabilities :		
Bonds	—	8,000
Long-term loans, less current portion	267,313	267,512
Provision for directors' and audit and supervisory board members' retirement benefits	83	37
Provision for directors' stock benefits	1,192	1,047
Provision for periodic dry docking of vessels	14,810	15,586
Liability for retirement benefits	6,441	6,580
Other non-current liabilities	30,716	40,123
Total non-current liabilities	320,558	338,888
Total liabilities	505,937	534,785
NET ASSETS		
Shareholders' equity:		
Common stock	75,457	75,457
Capital surplus	29,102	29,102
Retained earnings	1,302,769	1,291,383
Treasury stock	(6,550)	(54,763)
Total shareholders' equity	1,400,779	1,341,180
Accumulated other comprehensive income :		
Net unrealized holding gain (loss) on investment securities	6,482	10,038
Deferred gain (loss) on hedges	2,100	2,248
Revaluation reserve for land	4,682	4,682
Foreign currency translation adjustments	103,353	227,206
Retirement benefits liability adjustments	(2,000)	(1,639)
Total accumulated other comprehensive income	114,619	242,537
Non-controlling interests	31,280	32,128
Total net assets	1,546,679	1,615,847
Total liabilities and net assets	2,052,616	2,150,632

Consolidated Statement of Operations

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Marine transportation and other operating revenues	482,897	458,973
Marine transportation and other operating costs and expenses	398,986	379,039
Gross profit (loss)	83,911	79,933
Selling, general and administrative expenses	30,912	35,277
Operating income (loss)	52,998	44,655
Non-operating income :		
Interest income	828	1,720
Dividend income	1,606	1,734
Equity in earnings of unconsolidated subsidiaries and affiliates	499,280	35,093
Foreign exchange gains	17,206	6,599
Other non-operating income	1,627	1,188
Total non-operating income	520,549	46,336
Non-operating expenses :		
Interest expenses	5,016	4,966
Other non-operating expenses	991	745
Total non-operating expenses	6,007	5,711
Ordinary income (loss)	567,540	85,280
Extraordinary income :		
Gain on sales of non-current assets	3,291	1,770
Other extraordinary income	18	908
Total extraordinary income	3,309	2,679
Extraordinary losses :		
Loss on valuation of shares of subsidiaries and affiliates	121	179
Loss on liquidation of subsidiaries and affiliates	8	280
Other extraordinary losses	17	74
Total extraordinary losses	147	534
Profit (loss) before income taxes	570,702	87,424
Income taxes :		
Current	2,478	12,374
Deferred	436	10,882
Total income taxes	2,914	23,257
Profit (loss)	567,788	64,167
Profit (loss) attributable to non-controlling interests	2,358	988
Profit (loss) attributable to owners of the parent	565,430	63,178

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	567,788	64,167
Other Comprehensive income :		
Net unrealized holding gain (loss) on investment securities	(642)	3,539
Deferred gain (loss) on hedges	(2,410)	(800)
Foreign currency translation adjustments	19,449	14,094
Retirement benefits liability adjustments	435	347
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	102,239	111,303
Total other comprehensive income	119,071	128,483
Comprehensive income	686,859	192,651
(Breakdown)		
Comprehensive income attributable to owners of the parent	683,896	191,096
Comprehensive income attributable to non-controlling interests	2,963	1,554

Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities :		
Profit (loss) before income taxes	570,702	87,424
Depreciation and amortization	21,133	22,094
Increase (decrease) in liability for retirement benefits	(100)	71
(Increase) decrease in asset for retirement benefits	(11)	(15)
Increase (decrease) in retirement benefits liability adjustments	285	308
Increase (decrease) in provision for directors' and audit and supervisory board members' retirement benefits	(64)	(45)
Increase (decrease) in provision for periodic dry docking of vessels	(253)	733
Increase (decrease) in provision for loss on chartering contracts	(7,067)	(4,804)
Interest and dividend income	(2,434)	(3,454)
Interest expenses	5,016	4,966
Foreign exchange losses (gains)	(11,563)	(5,602)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(499,280)	(35,093)
(Gain) loss on sales of vessels, property and equipment	(3,267)	(1,767)
Loss on valuation of shares of subsidiaries and affiliates	121	179
(Gain) loss on liquidation of subsidiaries and affiliates	8	(113)
(Increase) decrease in accounts and notes receivable - trade and contract assets	(22,502)	(2,585)
(Increase) decrease in inventories	(7,417)	(1,364)
(Increase) decrease in other current assets	(8,598)	(12,165)
Increase (decrease) in accounts and notes payable - trade	4,227	5,160
Increase (decrease) in other current liabilities	3,085	3,385
Other, net	3,084	(1,353)
Subtotal	45,103	55,956
Interest and dividends income received	110,536	91,842
Interest expenses paid	(5,001)	(4,814)
Payments for cancellation of chartered vessels	(546)	—
Payments related to the Anti-Monopoly Act	(399)	(48)
Income taxes paid	(3,871)	(9,829)
Net cash provided by (used in) operating activities	145,821	133,106
Cash flows from investing activities :		
Payments into time deposits	(2,666)	(2,889)
Proceeds from withdrawal of time deposits	2,258	1,528
Purchases of marketable securities and investment securities	(1,049)	(2,844)
Proceeds from sales of marketable securities and investment securities	584	559
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	4,887	33
Purchases of vessels, property and equipment	(49,538)	(37,796)
Proceeds from sales of vessels, property and equipment	16,144	11,278
Purchases of intangible assets	(244)	(744)
Payments of long-term loans receivable	(884)	(172)
Collection of long-term loans receivable	2,983	3,429
Other, net	358	(1,076)
Net cash provided by (used in) investing activities	(27,166)	(28,693)

Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities :		
Increase (decrease) in short-term loans, net	42	192
Proceeds from long-term loans	29,143	24,324
Repayments of long-term loans and obligations under finance leases	(46,824)	(27,936)
Proceeds from issuance of bonds	—	8,000
Redemption of bonds	(7,000)	—
Purchase of treasury stock	(20)	(48,212)
Cash dividends paid	(56,055)	(74,439)
Cash dividends paid to non-controlling interests	(3,312)	(740)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(289)	—
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	11	—
Other, net	(37)	(49)
Net cash provided by (used in) financing activities	(84,340)	(118,861)
Effect of exchange rate changes on cash and cash equivalents	14,945	8,554
Net increase (decrease) in cash and cash equivalents	49,260	(5,893)
Cash and cash equivalents at beginning of the period	244,316	346,831
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	1	0
Cash and cash equivalents at end of the period	293,578	340,939

7. Explanatory Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not Applicable.

(Notes on Significant Changes in Amount of Shareholders' Equity)

In the current cumulative second quarter, treasury stock increased by ¥48,209 million following the Company's repurchase of 10,154,700 shares of common stock in accordance with a resolution of the Board of Directors at its meeting held on August 2, 2023.

Segment information

Six months ended September 30, 2022

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	168,508	48,185	251,498	5,859	474,052	-	474,052
Other revenues	3,072	2,568	3,141	62	8,845	-	8,845
Operating revenues from customers	171,581	50,754	254,639	5,922	482,897	-	482,897
Inter-group revenues and transfers	5	3	2,672	30,865	33,546	(33,546)	-
Total revenues	171,586	50,757	257,311	36,787	516,444	(33,546)	482,897
Segment profit (loss)	24,858	8,913	536,911	510	571,195	(3,654)	567,540

Six months ended September 30, 2023

(Millions of yen)

	Dry bulk	Energy resource transport	Product logistics	Other	Total	Adjustments and eliminations	Consolidated
Revenues							
Revenues from contracts with customers	136,337	49,966	262,294	5,251	453,851	-	453,851
Other revenues	1,256	1,466	2,314	84	5,122	-	5,122
Operating revenues from customers	137,594	51,433	264,609	5,336	458,973	-	458,973
Inter-group revenues and transfers	64	7	2,159	35,602	37,834	(37,834)	-
Total revenues	137,659	51,440	266,769	40,938	496,808	(37,834)	458,973
Segment profit (loss)	2,864	5,227	79,860	1,182	89,134	(3,854)	85,280

Since the beginning of this fiscal year, The Company partly changed the allocation method of corporate expenses to present the condition of each segment in a more appropriate manner. Segment information for the six months ended September 30, 2023 and 2022 are presented based on the changed allocation method.