

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
At March 31, 2008 and 2007

	Millions of yen	
	2008	2007
ASSETS		
Current assets:		
Cash and time deposits (Note 3)	¥ 9,237	¥ 6,970
Notes and accounts receivable	5,679	4,790
Allowance for doubtful accounts	(36)	(45)
Inventories (Note 6)	2,658	1,991
Other current assets (Note 9)	7,132	6,098
Total current assets	24,670	19,804
Vessels, property and equipment:		
Vessels	107,634	96,713
Buildings	18,332	30,210
Equipment	227	529
Other fixed assets	1,135	1,282
Construction in progress	20,685	6,379
	148,013	135,113
Less: accumulated depreciation	(52,650)	(54,437)
	95,363	80,676
Land	39,097	39,097
Total vessels, property and equipment	134,460	119,773
Investments and other assets:		
Investment securities (Notes 4 and 7)	11,600	21,143
Investments in non-consolidated subsidiaries and affiliates	1,920	1,493
Long-term loans (Note 7)	125	241
Other assets (Notes 7 and 9)	3,577	4,406
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	¥ 17,098	27,159
Total assets	¥ 176,228	¥ 166,736

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(continued)
At March 31, 2008 and 2007

	Millions of yen	
	2008	2007
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings (Note 7)	¥ 19,334	¥ 1,660
Current portion of long-term debt (Note 7)	10,365	14,229
Accounts payable	10,655	6,625
Advances received	1,882	2,228
Income taxes payable	2,148	2,252
Deposits received	1,349	2,777
Other current liabilities	1,768	1,577
Total current liabilities	47,501	31,348
Long-term liabilities:		
Long-term debt (Note 7)	68,350	73,823
Accrued employees' pension and severance costs (Note 8)	1,445	1,367
Reserve for retirement benefits to directors and statutory auditors	105	94
Reserve for periodic overhaul of vessels	574	617
Other long-term liabilities	5,662	7,479
Total long-term liabilities	76,136	83,380
Total liabilities	123,637	114,728
Net assets		
Shareholders' equity:		
Common stock, no par value		
Authorized		
– 440,000,000 shares in 2008		
Issued and outstanding		
– 111,075,980 shares in 2008	13,092	13,092
Additional paid-in capital	6,431	6,430
Retained earnings	31,237	27,291
Treasury stock, at cost		
– 1,508,315 shares in 2008	(467)	(458)
Total Shareholders' equity	50,293	46,355
Revaluation and translation adjustments		
Unrealized gain (loss) on available-for-sale securities (Note 5)	804	4,605
Gain on deferred hedges	1,171	1,050
Translation Adjustments	4	-
Total revaluation and translation adjustments	1,979	5,655
Minority interests in consolidated subsidiaries	319	(2)
Total net assets	¥ 52,591	52,008
Total liabilities and net assets	¥ 176,228	166,736

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended March 31, 2008 and 2007

	Millions of yen	
	2008	2007
Revenue	¥ 95,090	¥ 80,516
Costs and expenses	72,074	61,278
Gross profit	23,016	19,238
Selling, general and administrative expenses	6,492	5,956
Operating income	16,524	13,282
Other income (expenses):		
Interest and dividend income	1,489	480
Interest expense	(2,591)	(2,731)
Foreign exchange gain(loss), net	(418)	(74)
Investment enterprise income	882	593
Gain on sale of fixed assets, net	192	186
Non-recurring depreciation	-	(3,475)
Rebuilding related loss	(7,787)	(1,940)
Impairment loss	-	-
Profit from liquidation of affiliates	-	-
Loss on write-down of investment securities	-	(11)
Equity in earnings of affiliates	97	87
Other income	444	152
Other expenses	(100)	(110)
	(7,792)	(6,843)
Income before corporate income taxes	8,732	6,439
Corporate income taxes (Note 9)		
Current	4,625	4,576
Deferred	(1,420)	(2,009)
	3,205	2,567
Minority interest in income (loss) of consolidated subsidiaries	6	(3)
Net income	¥ 5,521	¥ 3,875
		Yen
Net income per share, basic and diluted	¥50.39	¥35.36
Cash dividends per common share	¥15.00	¥15.00