

(Unaudited translation of earnings report (kessan tanshin), provided for reference only)

Consolidated Financial Results (Summary)

For the Six Months Ended September 30, 2011 - under Japanese GAAP

October 31, 2011

Iino Kaiun Kaisha, Ltd. (Iino Lines)

Stock code:	9119
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(Rounded to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2011

(April 1, 2011 to September 30, 2011)

(1) Operating Results (Six Months)

(The percentage figures represent changes from the previous corresponding period)

Q2(Apr-Sep)	Revenues		Operating Profit		Recurring Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2011	38,080	(0.6)	(42)	-	(1,133)	-	(687)	-
FY2010	38,319	1.4	1,531	(26.3)	718	(26.4)	364	(40.2)

Note: comprehensive income Q2 / FY2011 (1,278) million yen
Q2 / FY2010 620 million yen

Q2 (Apr-Sep)	Net income per share	Net income per share, fully diluted
	yen	yen
FY2011	(6.44)	-
FY2010	3.41	-

(2) Financial Position

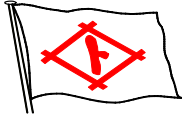
	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Q2(Apr-Sep) / FY2011	211,879	51,370	23.9
FY (Apr-Mar) 2010	184,842	52,871	28.3

Note: Treasury stock:

Q2 / FY2011: 50,724 million yen
FY2010: 52,625 million yen

2. Dividends

	Dividend per share				
	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY (Apr-Mar)
	yen	yen	yen	yen	yen
FY2010	-	4.00	-	2.00	6.00
FY2011	-	0.00	-	-	-
(Forecast)	-	-	-	-	-



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3. Forecast of Consolidated Earnings for the Year Ending March 31, 2011
(April 1, 2010 to March 31, 2011)

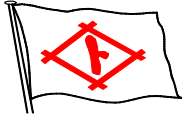
(The percentage figures represent changes from the previous corresponding period)

FY2011	Revenues		Operating Profit		Recurring Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY (Apr-Mar)	77,000	3.4	1,000	(58.2)	(700)	—	(700)	—

FY2011	Net income per share
FY (Apr-Mar)	(6.56) yen

Appropriate Use of Earnings Forecasts and Other Important Information

This report contains various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors.



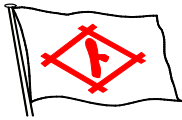
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Operating Results and Financial Position

1. Results for the Fiscal Second Quarter ended September 30, 2011

In the six months ended September 30, 2011, the risk of an economic downturn, particularly in developed countries, increased further in association with the growing severity of the fiscal crisis in Europe stemming from Greece's debt crisis as well concerns about a US economic slowdown. In the US, the pace of the economic recovery slowed with a downturn in personal consumption brought about by high unemployment and a weak housing market. Although the Obama administration announced a \$447 billion additional stimulus package to boost the economy, with the tight fiscal situation and the downgrade of US sovereign debt by a major credit rating agency, it is uncertain whether the US will be able to engineer an economic recovery. In Europe, the fiscal crisis that started in Greece is spreading to the rest of southern Europe, as evidenced by the bankruptcies of financial institutions with large holdings of bonds from southern European countries. Fiscal austerity in European countries is hampering the real economy, increasing the risk of an economic downturn. China's economy was relatively firm, supported by internal demand, but the pace of economic growth has slowed somewhat. Despite the government's monetary tightening, fixed asset investment continues to show strong growth and inflationary concerns persist, as a sense of economic overheating remains. Weak economic conditions in the US and Europe are starting to cast a shadow over Chinese exports, and this might put downward pressure on China's economy. In Japan, production and personal consumption have started to pick up following the plunge after the Great East Japan Earthquake which struck on March 11. However, the economic situation remains adverse, as in addition to the prolonged strength of the yen, deflation and the weak employment situation, there are concerns about the impacts of the global economic slowdown, restrictions on power supply, and the damage from the nuclear power plant accident.

Amid this environment, the Company worked to renew contracts at favorable terms, effectively deploy vessels and navigate efficiently, as well as reduce costs, all while keeping medium- to long-term contracts as the core business strategy. As a result, for the six months ended September 30, 2011, the Company posted consolidated revenues of ¥38,080 million (down 0.6% year-on-year), consolidated operating loss of ¥42 million (versus an operating profit of ¥1,531 million for the same period of the previous fiscal year), a consolidated recurring loss of ¥1,133 million (versus a consolidated recurring profit of ¥718 million for



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the same year-earlier period), and a consolidated net loss of ¥687 million (versus a consolidated net profit of ¥364 million for the same period of the previous fiscal year).

The following is an overview of performance by segment.

1) Oceangoing Shipping

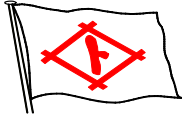
In the six months ended September 30, 2011, despite the growth in demand for oil from China and other emerging countries, oil tanker and petrochemical product tanker freight rates languished as overall tonnage supply-demand fundamentals weakened due to supply pressure from completed newbuilds.

Chemical tanker freight rates were relatively stable through May, although there was some impact on Asian routes due to the earthquake. However, from June marine transport volume declined due to the impacts of monetary tightening in China and the fiscal crisis in Europe. Consequently, freight rates softened through August, but then recovered in September as import demand from China picked up again and transport of palm oil from Southeast Asia received a boost.

In the bulk carrier market, freight rates were soft in general for all vessel types due to the downturn in China's crude steel production, and the excessive supply resulting from the completion of newbuilds. However, in August freight rates increased on the back of an improvement in tonnage supply-demand fundamentals, and in September the BDI (Baltic Dry Index) rose above 1,900 for the first time in nine months.

In the Oceangoing Shipping segment, the Company worked to secure stable revenues in the Oil Tanker Division and Petrochemical Product Tanker Division by keeping most of its vessels deployed on medium- to long-term contracts, although some tonnage was docked, resulting in a decline in the capacity utilization.

In the Chemical Tanker Division, transport remained stable on the Company's main Middle East-to-Asia routes and Middle East-to-Europe routes. Through a joint venture, vessels were deployed primarily in the Atlantic Ocean, which resulted in stable deployment by securing transport volume from the US and South America. Furthermore, in June the Company started deploying its 33,000DWT vessels in South America. However, this was not enough to cover the decline in revenues caused by the yen's appreciation and higher costs due to the surge in fuel oil prices. Amid this environment, the Company rearranged tonnage by redelivering five 19,000 DWT vessels and newly deploying one 25,000DWT vessel and



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two 33,000DWT vessels. Furthermore, efforts were made to raise profitability by renewing existing contracts on favorable terms, winning new contracts of affreightment, and aggressively capturing spot transport of palm oil.

The Large Gas Tanker Division worked to secure stable revenues by deploying LPG tankers and LNG tankers on existing contracts. The Bulk Carrier Division continued to achieve stable revenues from vessels hired to transport woodchips to paper makers and coal to electric utilities and general industries, and also worked to earn revenues through contracts of affreightment as well as chartering and deploying vessels efficiently in light of market conditions.

As a result, the Oceangoing Shipping segment posted an operating loss of ¥59 million (compared to an operating profit of ¥909 million in the same period of the previous fiscal year) on revenues of ¥31,309 million (down 0.3% year-on-year).

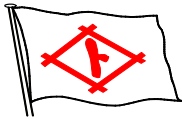
2) Regional Shipping

In the Regional Shipping segment, transport volumes of both commercial and household LPG were only 90% that of the previous year, due to the impacts of earthquake damage and higher temperatures in the summer months. Petrochemical gas transport volume remained low as a result of weak plant production activity, deteriorating market prices for products, and high domestic inventory levels.

In international short-haul transport, transport volume with China, which had been providing traction to the market, declined due to high inventory levels and weak exports of petrochemical products from China. Furthermore, exports from Japan declined as Japanese manufacturers tried to avoid unprofitable transactions caused by the strong yen, thereby resulting in a slackening of oceangoing tonnage supply-demand conditions.

On the domestic transport side, capacity utilization of tonnage under our control fell in the July through September period during which demand was low. However, in addition to stable transport with domestic transport vessels, some earthquake-stricken plants were shut down, resulting in longer transport distances in the April through June period, and thus capacity utilization increased for the period on the whole. Meanwhile, in the international short-haul market, the segment earned stable revenues by keeping most of its fleet deployed on medium- to long-term contracts.

As a result, the Regional Shipping segment earned operating profit of ¥34 million (a 79.4% decline from the same period of the previous fiscal year) on revenues of ¥4,291 million (up



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3.1% year-on-year).

3) Real Estate

In the six months ended September 30, 2011, vacancy rates of office buildings in the five wards in central Tokyo remained high, while office rents continued to fall at a mild pace. However, a sense of a bottoming out has emerged, as vacancy rates have fallen by just small margins for six consecutive months and the pace of decline in office rents is easing.

Amid this environment, the Real Estate and Leasing Division maintained stable occupancy rates, as it worked to provide high-quality service to tenants. The Iino Building's reconstruction work continued as initially planned, and the building opened on October 1.

The Real Estate Related Business Division, in addition to renting photo studio space, offers advertising, graphic design, photo retouching, and a wide variety of other services. During the six-month period ended September 30, 2011, the economic downturn following the earthquake caused a significant year-on-year decline in photo studio revenues, as photo studio utilization rates were low. However, there were some large graphic design orders, so overall revenues were roughly the same as the previous year

As a result, the Real Estate segment posted an operating loss of ¥17 million (versus an operating profit of ¥457 million for the year-earlier period) on revenues of ¥2,489 million (a 10.3% loss year-on-year).

2. Consolidated Financial Condition

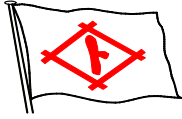
1) Assets, Liabilities, and Net Assets

Total assets at the end of the second fiscal quarter (September 30, 2011) were ¥211,879 million, an increase of ¥27,037 million from the end of the previous fiscal year (March 31, 2011). The increase was mainly attributable to an increase in construction in progress due to the investment in the Iino Building and the increase in vessels following the construction of newbuilds.

Total liabilities were ¥160,510 million at September 30, 2011, an increase of ¥28,539 million from March 31, 2011. This increase was mainly due to the increase in long-term borrowings for acquired fixed assets.

Net assets were ¥51,370 million at September 30, 2011, a decrease of ¥1,501 million from March 31, 2011.

Consequently, our shareholders' equity ratio was 23.9% at September 30, 2011.



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2) Cash Flows

Operating activities provided net cash of ¥3,868 million in the period ended September 30, 2011 (versus ¥5,372 million in the period ended September 30, 2010). This positive cash flow from operations was mainly due to the addition of depreciation and amortization to income before income taxes and minority interests.

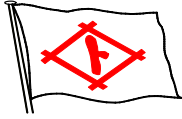
Investing activities used net cash of ¥32,541 million (versus ¥12,743 million in the year-earlier period), mainly because the ¥35,507 million spent to acquire fixed assets, primarily buildings and vessels, exceeded proceeds of ¥2,971 million from the sale of fixed assets, primarily vessels.

Financing activities provided net cash of ¥28,140 million (versus ¥6,804 million in the year-earlier period), mainly due to ¥35,034 million in proceeds from long-term borrowings.

As a result, cash and cash equivalents at September 30, 2011, were ¥12,370, compared to ¥12,869 million at September 30, 2010.

3. Outlook for the Full Year ending March 31, 2012

We have revised our full-year earnings outlook from the previous forecast announced on July 29, 2011, as described below. The revision was made in response to a number of factors. The yen appreciated much more against other currencies during the fiscal second quarter than we anticipated. Moreover, we envisage that exchange rates will remain close to current levels from the fiscal third quarter and beyond, and we believe that freight rates in tanker markets, our core area, are unlikely to improve to match our initial projections for the third quarter and beyond.



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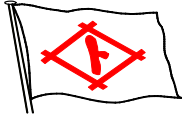
Forecast of Consolidated Earnings for the Year Ending March 31, 2012

(April 1, 2011 to March 31, 2012)

	Previous Forecast (Issued July 29, 2011)	Revised Forecast (Issued October 31, 2011)	Value Change/Percent Change
millions of yen			
Revenues	76,000	77,000	1,000/1.3%
Operating profit	1,700	1,000	(700/41.2%)
Recurring profit	(200)	(700)	(500)/-
Net income	(200)	(700)	(500)/-

* Assumptions regarding third quarter and beyond foreign exchange rates and the Port of Singapore bunker price are shown below.

	Previous Forecast (issued July 29, 2011)	Revised Forecast (issued October 31, 2011)
Foreign exchange rate	1US\$ = ¥80	1US\$ = ¥77.5
Bunker price	US\$675 / MT	US\$675 / MT



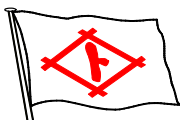
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

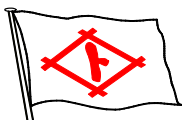
	As of September 30, 2011	As of March 31, 2011
Assets		
Current assets		
Cash and deposits	9,971	10,891
Notes and accounts receivable	4,987	5,344
Supplies	2,457	2,161
Merchandise	50	64
Real estate held for sale	206	228
Deferred and prepaid expenses	1,736	1,517
Deferred tax assets	89	88
Refund of corporation tax claimed as a result of tax loss carry-back, not taxable	7	91
Other current assets	4,742	4,563
Allowance for doubtful accounts	(2)	(2)
Total current assets	24,243	24,945
Fixed assets		
Tangible fixed assets		
Vessels, net	64,939	56,012
Buildings and structures, net	11,096	11,297
Land	40,019	40,019
Construction in progress	55,554	35,638
Other tangible fixed assets, net	167	176
Total tangible fixed assets	171,775	143,142
Intangible fixed assets		
Telephone subscription rights	9	9
Other intangible fixed assets	691	755
Total intangible fixed assets	700	764
Investments and other assets		
Investment securities	13,525	14,407
Long-term loans	148	148
Deferred income taxes	263	253
Other long-term assets	1,225	1,184
Allowance for doubtful accounts	-	-
Total investments and other assets	15,161	15,991
Total fixed assets	187,636	159,898
Total assets	211,879	184,842



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(In million yen)

	As of September 30, 2011	As of March 31, 2011
Liabilities		
Current liabilities		
Accounts payable	5,624	5,528
Current portion of bonds	250	300
Short-term borrowings	22,021	20,665
Accrued expenses	284	273
Deferred tax liabilities	69	717
Income taxes payable	96	85
Advances received	1,732	1,612
Reserve for bonuses	261	260
Other current liabilities	1,541	3,358
Total current liabilities	31,878	32,798
Fixed liabilities		
Bonds	400	500
Long-term borrowings	115,952	89,395
Reserve for employees' retirement benefits	1,312	1,180
Reserve for directors' retirement benefits	41	61
Reserve for special repairs	627	540
Leasehold deposits received	5,942	2,996
Deferred tax liabilities	1,415	1,524
Other fixed liabilities	2,944	2,977
Total liabilities	128,632	99,173
Total liabilities	160,510	131,971
Net assets		
Shareholders' capital		
Common stock	13,092	13,092
Additional paid-in capital	6,432	6,432
Retained earnings	32,462	33,362
Treasury stock	(2,305)	(2,305)
Total shareholders' capital	49,680	50,580
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on other securities	(317)	298
Deferred hedge gains (losses)	1,476	1,502
Foreign currency translation adjustments	(116)	(116)
Total valuation and translation adjustments	1,044	1,685
Minority Interests	646	606
Total net assets	51,370	52,871
Total liabilities and net assets	211,879	184,842



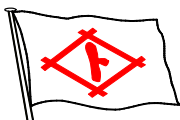
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(2) Consolidated Statements of Operations

Six Months Ended September 30, 2011/2010

(In million yen)

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
Revenues	38,080	38,319
Costs and expenses	34,945	33,561
Gross profit	3,135	4,758
Selling, general and administrative expenses	3,177	3,227
Operating profit(loss)	(42)	1,531
Non-operating income		
Interest income	41	45
Dividend income	130	339
Foreign exchange income	11	-
Equity income of non-consolidated subsidiaries and affiliates	18	142
Others	24	117
Total	225	643
Non-operating expenses		
Interest expenses	1,265	1,326
Foreign exchange expenses	-	117
Others	51	13
Total	1,316	1,456
Recurring profit(loss)	(1,133)	718
Extraordinary profit		
Gain on sale of fixed assets	1,167	9
Gain on reversal of reserve for special repairs	-	118
Cancellation fee for chartered ships	145	0
Total	1,312	127
Extraordinary losses		
Impairment loss	842	-
Loss on write-down of investment securities	2	281
Loss on disposal of fixed assets	0	0
Loss on cancellation of derivatives	-	68
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	56
Others	6	0
Total	850	406
Income(loss) before income taxes	(671)	439
Income tax, inhabitants tax and enterprise tax	44	73
Income before Minority interests (loss)	(714)	366
Minority interests in income (loss)	(28)	2
Net income(loss)	(687)	364



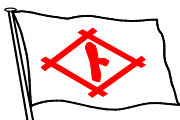
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(3) Consolidated Statements of Comprehensive Income (loss)

Six Months Ended September 30, 2011/2010	(In million yen)	
	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
Income before Minority interests (loss)	(714)	366
Other Comprehensive Income		
Net unrealized gains (losses) on other securities	(615)	(539)
Deferred hedge gains (losses)	45	813
Foreign currency translation adjustments	(0)	(24)
Equity income of non-consolidated subsidiaries and affiliates	6	3
Total of other Comprehensive Income(loss)	(563)	254
Comprehensive Income(loss)	(1,276)	620

(A breakdown of Comprehensive Income(loss))

Comprehensive Income attributable to the parent company's shareholders	(1,328)	486
Comprehensive Income attributable to the subsidiary company's shareholders	50	133

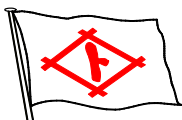


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(4) Consolidated Statements of Cash Flows

(In million yen)

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2010
Cash flows from operating activities		
Income(loss) before income taxes	(671)	439
Depreciation and amortization	4,115	4,346
Equity (income) expense of non-consolidated subsidiaries and affiliates	(18)	(142)
Increase (decrease) in reserve for employees' retirement benefits	131	96
Impairment loss	842	-
Interest and dividend income	(172)	(384)
Interest expenses	1,265	1,326
(Gain) loss on sale of tangible and intangible fixed assets	(1,167)	(9)
(Increase) decrease in accounts receivable, trade	357	(66)
Increase (decrease) in accounts payable, trade	97	(492)
Other	813	1,119
Sub Total	5,592	6,234
Interest and dividend received	160	362
Interest paid	(1,282)	(1,338)
Income taxes (paid) refund	(602)	114
Net cash provided by (used in) operating activities	3,868	5,372
Cash flows from investment activities		
Purchase of tangible and intangible fixed assets	(35,507)	(20,144)
Sale of tangible and intangible fixed assets	2,971	7,375
Purchase of investment securities	(2)	(2)
Other	(2)	28
Net cash provided by (used in) investing activities	(32,541)	(12,743)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,329	211
Proceeds from long-term borrowings	35,034	14,294
Repayment of long-term borrowings	(8,754)	(6,814)
Payments for redemption of bonds	(150)	(150)
Proceeds of treasury stock	0	0
Payments for treasury stock	(1)	(1)
Cash dividends paid	(213)	(640)
Cash dividends paid to minority shareholders	(10)	(9)
Repayment of lease obligations	(95)	(87)
Net cash provided by (used in) financing activities	28,140	6,804
Effect of exchange rate change on cash and cash equivalents	(189)	(291)
Increase (decrease) in cash and cash equivalents	(721)	(859)
Cash and cash equivalents at the beginning of the period	13,091	13,728
Cash and cash equivalents at the end of the period	12,370	12,869



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(5) Business Segment Information

Six Months Ended September 30, 2011 (April 1, 2011 to September 30, 2011)

(In million yen)

	Oceangoing Shipping	Regional Shipping	Real estate	Total	Adjustment	Consolidated
I. Revenues						
(1) External sales	31,555	4,036	2,489	38,080	-	38,080
(2) Inter-segment sales	(246)	256	0	10	(10)	-
Total	31,309	4,291	2,489	38,089	(10)	38,080
Segment profit (loss)	(59)	34	(17)	(42)	0	(42)

Six Months Ended September 30, 2010 (April 1, 2010 to September 30, 2010)

(In million yen)

	Oceangoing Shipping	Regional Shipping	Real estate	Total	Elimination or corporate	Consolidated
I. Revenues						
(1) External sales	31,634	3,909	2,776	38,319	-	38,319
(2) Inter-segment sales	(245)	254	0	10	(10)	-
Total	31,389	4,163	2,776	38,328	(10)	38,319
Operating profit (loss)	909	166	457	1,532	(1)	1,531