



(Unaudited translation of 'kessan tannshin', provided for reference only)

## Financial Results For the Nine Months Ended December 31, 2007—Consolidated

February 7, 2008

# Iino Kaiun Kaisha, Ltd.

Security code: 9119  
 Listings: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchanges  
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### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2007 (April 1, 2007 to December 31, 2007)

#### (1) Operating Results

(amounts rounded to the nearest million yen;  
percentage figures represent year-on-year changes)

	Revenues		Operating profit		Recurring profit	
	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2007	71,228	20.9	13,155	44.1	12,792	59.9
Nine months ended December 31, 2006	58,898	9.4	9,129	(0.9)	8,001	(4.4)
Year ended March 31, 2007	80,516	-	13,282	-	11,639	-

	Net income		Net income per share	Net income per share - fully diluted
	million yen	%	yen	yen
Nine months ended December 31, 2007	4,685	(4.3)	42.76	-
Nine months ended December 31, 2006	4,894	(21.3)	44.66	-
Year ended March 31, 2007	3,875	-	35.36	-

#### (2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Nine months ended December 31, 2007	180,717	52,719	29.1	480.43
Nine months ended December 31, 2006	168,009	52,488	31.2	478.98
Year ended March 31, 2007	166,736	52,008	31.2	474.66

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### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Nine months ended December 31, 2007	8,845	(18,254)	12,475	9,929
Nine months ended December 31, 2006	7,305	(16,483)	7,712	7,262
Year ended March 31, 2007	11,910	(18,168)	4,445	6,890

### 2. Dividends

	Dividend per share		
	Interim	Year-end	Full year
	yen	yen	Yen
Year ended March 31, 2007	6.00	9.00	15.00
Year ending March 31, 2008	6.00		15.00
Year ending March 31, 2008 (forecast)		9.00	

Note: Breakdown of year-end dividend

Year ending March 31, 2008: Ordinary dividend: ¥6.00 Special dividend: ¥3.00  
Year ended March 31, 2007: Ordinary dividend: ¥6.00 Special dividend: ¥3.00

### 3. Forecast of Consolidated Earnings for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(percentage figures represent year-on-year changes)

	Revenues		Operating profit		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	94,700	17.6	16,700	25.7	16,400	40.9	5,600	44.5	51.11

### 4. Other

- (1) Changes affecting the status of principal subsidiaries during the period (changes in the scope of consolidation): None
- (2) Use of simplified accounting methods: Yes  
Note: For details, refer to page 5 for the subsection titled "4. Other Matters" in the "Operating Results and Financial Position" section.
- (3) Changes in accounting policies from the last accounting period: None

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**Reference: Summary of Non-Consolidated Financial Results**

**1. Forecast of Non-consolidated Earnings for the Year Ending March 31, 2008  
(April 1, 2007 to March 31, 2008)**

(percentage figures represent year-on-year changes)

	Revenues		Operating profit		Recurring profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	79,000	7.8	13,700	21.2	15,800	39.3	5,100	40.3	46.55

**\* Appropriate Use of Earnings Forecasts and Other Important Information**

(Caution regarding forward-looking statements)

For information related to the earnings forecasts presented in this document, please see the following announcements, which were released on February 7, 2008: "Iino Lines Incurs (Increased) Extraordinary Loss and Revises Earnings Forecast," and "Iino Lines Revises Dividend Forecast for the Year Ending March 31, 2008."

These materials contain various forward-looking statements regarding earnings performance and other matters. Such statements are based information available at the time of preparation as well as certain assumptions thought to be reasonable. Actual results may differ substantially from those expressed or implied by forward-looking statements owing to a wide range of factors. For the assumptions underlying the earnings forecasts presented and other information regarding the use of such forecasts, refer to page 5 for the subsection titled "3. Outlook for the Full Year Ending March 31, 2008" in the "Operating Results and Financial Position" section.

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## Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Balance Sheets

(millions of yen)

	As of December 31, 2006 (A)	As of December 31, 2007 (B)	(B) – (A)		As of March 31, 2007
	Amount	Amount	Amount	%	Amount
<b>Assets</b>					
<u>Current assets</u>					
Cash and deposits	7,342	9,929	2,587		6,970
Notes and accounts receivable	4,673	5,597	924		4,790
Inventories	2,015	3,010	995		1,991
Other	3,904	6,597	2,693		6,098
Allowance for doubtful accounts	(71)	(30)	41		(45)
Total current assets	17,863	25,103	7,240	40.5	19,804
<u>Fixed assets</u>					
[Tangible fixed assets]					
Vessels	59,388	63,271	3,883		60,185
Buildings and structures	17,505	13,019	(4,486)		13,718
Land	39,228	39,097	(131)		39,097
Construction in progress	7,592	18,080	10,488		6,379
Other	469	444	(25)		394
Total tangible fixed assets	124,182	133,911	9,729	7.8	119,773
[Intangible fixed assets]					
Telephone subscription rights	642	607	(35)		617
Total intangible fixed assets	642	607	(35)	(5.5)	617
[Investments and other assets]					
Investment securities	21,075	17,182	(3,893)		22,636
Other	4,371	4,035	(336)		4,030
Allowance for doubtful accounts	(124)	(121)	3		(124)
Total investments and other assets	25,322	21,096	(4,226)	(16.7)	26,542
Total fixed assets	150,146	155,614	5,468	3.6	146,932
Total assets	168,009	180,717	12,708	7.6	166,736

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(millions of yen)

	As of December 31, 2006 (A)	As of December 31, 2007 (B)	(B) – (A)		As of March 31, 2007
	Amount	Amount	Amount	%	Amount
<b>Liabilities</b>					
<u>Current liabilities</u>					
Accounts payable	4,992	9,659	4,667		6,625
Current portion of bonds	1,000	600	(400)		1,600
Short-term borrowings	13,167	28,098	14,931		14,289
Income taxes payable	822	725	(97)		2,252
Reserve for bonuses	89	91	2		365
Other	3,916	6,101	2,185		6,217
Total current liabilities	23,986	45,274	21,288	88.8	31,348
<u>Fixed liabilities</u>					
Bonds	1,500	1,350	(150)		1,400
Long-term borrowings	77,445	73,317	(4,128)		72,423
Reserve for employees' retirement benefits	1,597	1,363	(234)		1,367
Reserve for directors' retirement benefits	127	101	(26)		94
Other	10,866	6,593	(4,273)		8,096
Total fixed liabilities	91,535	82,724	(8,811)	(9.6)	83,380
Total liabilities	115,521	127,998	12,477	10.8	114,728
<b>Net assets</b>					
<u>Shareholders' capital</u>					
Common stock	13,092	13,092	-		13,092
Additional paid-in capital	6,429	6,430	1		6,430
Retained earnings	28,310	30,402	2,092		27,291
Treasury stock	(455)	(467)	(12)		(458)
Total shareholders' capital	47,376	49,457	2,081	4.4	46,355
<u>Valuation and translation adjustments</u>					
Net unrealized gains (losses) on other securities	4,183	2,187	(1,996)		4,605
Gains (losses) on deferred hedge contract	925	993	68		1,050
Foreign currency translation adjustments	-	2	2		-
Total valuation and translation adjustments	5,108	3,182	(1,926)	(37.7)	5,655
Minority Interests	4	80	76	-	(2)
Total net assets	52,488	52,719	231	0.4	52,008
Total liabilities and net assets	168,009	180,717	12,708	7.6	166,736

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**(2) Condensed Consolidated Statements of Operations**

(millions of yen)

	Nine months ended December 31, 2006 (A)	Nine months ended December 31, 2007 (B)	(B) – (A)		Year ended March 31, 2007
	Amount	Amount	Amount	%	Amount
Revenues	58,898	71,228	12,330	20.9	80,516
Cost of sales	45,469	53,466	7,997	17.6	61,278
Gross profit	13,429	17,762	4,333	32.3	19,238
Selling, general and administrative expenses	4,300	4,607	307	7.1	5,956
Operating profit	9,129	13,155	4,026	44.1	13,282
Non-operating profit					
Interest profit	400	780	380		479
Other	502	938	436		752
Total	902	1,718	816	90.5	1,231
Non-operating expenses					
Interest expenses	2,006	1,971	(35)		2,731
Other	24	110	86		143
Total	2,030	2,081	51	2.5	2,874
Recurring profit	8,001	12,792	4,791	59.9	11,639
Extraordinary gains	6	247	241	-	268
Extraordinary losses	<u>13</u>	<u>5,371</u>	<u>5,358</u>	-	<u>5,468</u>
Extraordinary depreciation	-	-	-		3,475
Loss on reconstruction of office building	-	5,356	5,356		1,940
Other	13	15	2		53
Income before income taxes	7,994	7,668	(326)	(4.1)	6,439
Income tax adjustments	3,101	2,968	(133)	(4.3)	2,567
Minority interests in income (loss)	(1)	15	16	-	(3)
Net income	4,894	4,685	(209)	(4.3)	3,875

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**(3) Condensed Consolidated Statements of Changes in Shareholders' Capital**

Nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006)

(millions of yen)

	Shareholders' capital					Valuation and translation adjustments			Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized gains (losses) on other securities	Gains (losses) on deferred hedge contracts	Total valuation and translation adjustments		
Balance as of March 31, 2006	13,092	6,429	25,058	(451)	44,128	4,244	-	4,244	(76)	48,296
Change during the period										
Cash dividends			(1,644)		(1,644)					(1,644)
Directors' bonuses			(78)		(78)					(78)
Net income			4,894		4,894					4,894
Purchase/sale of treasury stock				(4)	(4)					(4)
Increase in retained earnings due to consolidation of additional subsidiaries			80		80					80
Net change in items other than shareholders' capital during the period						(61)	925	864	80	944
Total changes during the period	-	-	3,252	(4)	3,248	(61)	925	864	80	4,192
Balance as of December 31, 2006	13,092	6,429	28,310	(455)	47,376	4,183	925	5,108	4	52,488

Nine months ended December 31, 2007 (April 1, 2007 to December 31, 2007)

(millions of yen)

	Shareholders' capital					Valuation and translation adjustments				Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' capital	Net unrealized gains (losses) on other securities	Gains (losses) on deferred hedge contracts	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2007	13,092	6,430	27,291	(458)	46,355	4,605	1,050	-	5,655	(2)	52,008
Change during the period											
Cash dividends			(1,644)		(1,644)						(1,644)
Net income			4,685		4,685						4,685
Gain on sale of treasury stock		0			0						0
Purchase/sale of treasury stock				(9)	(9)						(9)
Increase in retained earnings due to mergers			70		70						70
Increase (decrease) in retained earnings due to consolidation of additional subsidiaries			(1)		(1)						(1)
Net change in items other than shareholders' capital during the period						(2,418)	(57)	2	(2,473)	82	(2,391)
Total changes during the period	-	0	3,111	(9)	3,102	(2,418)	(57)	2	(2,473)	82	711
Balance as of December 31, 2007	13,092	6,430	30,402	(467)	49,457	2,187	993	2	3,182	80	52,719

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**(4) Condensed Consolidated Statements of Cash Flows**

(millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year ended March 31, 2007
	Amount	Amount	Amount
<b>I Cash flows from operating activities</b>			
Income before income taxes	7,994	7,668	6,439
Depreciation and amortization	5,370	6,165	7,519
Extraordinary depreciation	-	-	3,475
Equity income of non-consolidated subsidiaries and affiliates	(63)	(55)	(87)
Increase (decrease) in reserve for employees' retirement benefits	48	(4)	(182)
Increase (decrease) in reserve for directors' retirement benefits	(391)	6	(424)
Interest and dividend income	(400)	(780)	(479)
Interest expenses	2,006	1,971	2,731
Gains on sale of tangible and intangible fixed assets	(1)	(189)	(187)
(Increase) decrease in accounts receivable, trade	(803)	(806)	(921)
Increase (decrease) in accounts payable, trade	659	3,034	2,293
Other	(426)	(2,489)	(944)
Sub total	13,993	14,521	19,233
Interest and dividend received	479	855	581
Interest paid	(1,997)	(1,978)	(2,714)
Income taxes paid	(5,170)	(4,553)	(5,190)
Net cash provided by (used in) operating activities	7,305	8,845	11,910
<b>II Cash flows from investing activities</b>			
Purchase of tangible and intangible fixed assets	(16,175)	(25,476)	(19,332)
Sale of tangible and intangible fixed assets	4	4,896	2,094
Purchase of investment securities	(880)	(145)	(1,882)
Redemption/sale of investment securities	-	2,093	300
Other	568	378	652
Net cash provided by (used in) investing activities	(16,483)	(18,254)	(18,168)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term borrowings	157	17,600	(1,788)
Proceeds from long-term borrowings	15,428	8,950	17,914
Repayment of long-term borrowings	(6,216)	(11,371)	(10,521)
Proceeds of issuance of bonds	-	-	500
Payments for redemption of bonds	-	(1,050)	-
Proceeds from treasury stocks	1	1	1
Payments for treasury stocks	(5)	(9)	(8)
Cash dividends paid	(1,644)	(1,644)	(1,644)
Cash dividends paid to minority shareholders	(9)	(2)	(9)
Net cash provided by (used in) financing activities	7,712	12,475	4,445
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	(4)	(121)	(28)
<b>V Increase (decrease) in cash and cash equivalents</b>	(1,470)	2,945	(1,841)
<b>VI Cash and cash equivalents at the beginning of the period</b>	8,669	6,890	8,669
<b>VII Increase in cash and cash equivalents due to change in scope of consolidation</b>	63	94	62
<b>VIII Cash and cash equivalents at the end of the period *</b>	7,262	9,929	6,890

\* Amounts rounded to the nearest million yen.

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## Segment Information

### 1. Business Segment Information

Nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
Revenues						
(1) External sales	50,999	6,460	1,439	58,898	-	58,898
(2) Inter-segment sales	-	79	43	122	(122)	-
Total	50,999	6,539	1,482	59,020	(122)	58,898
Operating expenses	43,534	4,855	1,502	49,891	(122)	49,769
Operating profit (loss)	7,465	1,684	(20)	9,129	-	9,129

(millions of yen)

Nine months ended December 31, 2007 (April 1, 2007 to December 31, 2007)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
Revenues						
(1) External sales	63,198	6,943	1,087	71,228	-	71,228
(2) Inter-segment sales	-	80	136	216	(216)	-
Total	63,198	7,023	1,223	71,444	(216)	71,228
Operating expenses	52,772	4,296	1,221	58,289	(216)	58,073
Operating profit (loss)	10,426	2,727	2	13,155	-	13,155

(millions of yen)

Year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
Revenues						
(1) External sales	69,760	8,906	1,850	80,516	-	80,516
(2) Inter-segment sales	-	106	56	162	(162)	-
Total	69,760	9,012	1,906	80,678	(162)	80,516
Operating expenses	58,978	6,502	1,916	67,396	(162)	67,234
Operating profit (loss)	10,782	2,510	(10)	13,282	-	13,282

(millions of yen)

### 2. Geographic Segment Information

Nine months ended December 31, 2006 (April 1, 2006 to December 31, 2006)

Geographic segment information is not provided herein as overseas subsidiaries account for less than 10% of total consolidated sales.

Nine months ended December 31, 2007 (April 1, 2007 to December 31, 2007)

Geographic segment information is not provided herein as overseas subsidiaries account for less than 10% of total consolidated sales.

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**For reference:**

**Change in Quarterly Results (Consolidated)**

Year ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(millions of yen, except for per share data or where otherwise stated)

	First quarter	Second quarter	Third quarter	Fourth quarter
	Apr. 1 – Jun. 30, 2007	Jul. 1 – Sep. 30, 2007	Oct. 1 – Dec. 31, 2007	Jan. 1 – Mar. 31, 2008
Revenues	22,886	23,961	24,381	
Operating profit	4,714	4,152	4,289	
Recurring profit	5,093	3,695	4,004	
Net Income, quarterly	1,748	1,225	1,712	
Net income per share, quarterly (yen)	15.96	11.17	15.63	
Total assets	168,496	171,848	180,717	
Net assets	52,919	53,175	52,719	
Shareholders' equity ratio (%)	31.5	30.9	29.1	
Net assets per share (yen)	483.81	484.81	480.43	

Year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

(millions of yen, except for per share data or where otherwise stated)

	First quarter	Second quarter	Third quarter	Fourth quarter
	Apr. 1 – Jun. 30, 2006	Jul. 1 – Sep. 30, 2006	Oct. 1 – Dec. 31, 2006	Jan. 1 – Mar. 31, 2007
Revenues	18,671	19,258	20,969	21,618
Operating profit	3,080	2,925	3,124	4,153
Recurring profit	2,769	2,509	2,723	3,638
Net Income, quarterly	1,654	1,567	1,673	(1,019)
Net income per share, quarterly (yen)	15.10	14.30	15.26	(9.30)
Total assets	157,369	165,902	168,009	166,736
Net assets	50,783	50,991	52,488	52,008
Shareholders' equity ratio (%)	32.2	30.7	31.2	31.2
Net assets per share (yen)	463.45	465.14	478.98	474.66

- Notes: 1. The above operating results are based on the results for the first quarter and the cumulative results for the first six, the first nine, and the full twelve months, and are computed by taking the difference between the two adjacent periods.
2. "Net income per share-fully diluted" data are not shown in the above table, as there are no residual securities outstanding.