



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

Financial Results
For the Six Months Ended September 30, 2008 - Consolidated

October 30, 2008

Iino Kaiun Kaisha, Ltd.

Security code: 9119
 Listings: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchanges
 URL: <http://www.iino.co.jp/kaiun/english/index.html>
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 Scheduled date to submit quarterly financial statements: November 12, 2008
 Scheduled date to commence interim dividend payment: December 2, 2008

(Rounded to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2008
(April 1, 2008 to September 30, 2008)

(1) Operating Results (Six Months)

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

	Revenues		Operating Profit		Recurring Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
H1 / FY2008	51,222	—	7,542	—	6,827	—	4,772	—
H1 / FY2007	46,847	23.5	8,866	47.6	8,788	66.5	2,973	Δ7.7

	Net income per share	Net income per share, fully diluted
	yen	yen
H1 / FY2008	43.56	—
H1 / FY2007	27.13	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets Per share
	million yen	million yen	%	yen
H1 / FY2008	177,710	55,929	31.3	508.27
FY2007	176,228	52,591	29.7	477.08

Note: Treasury stock:
 H1 / FY2008: 55,689 million yen, FY2007: 52,272 million yen

2. Dividends

	Dividend per share		
	Interim	Year-end	Full year
	yen	yen	yen
FY2007	6.00	9.00	15.00
FY2008 (Forecast)	7.50	7.50	15.00

Note: Breakdown of dividend:
 Year-end / FY2008: Ordinary dividend: 6.00yen, Special dividend: 1.50yen
 Interim / FY2008: Ordinary dividend: 6.00yen, Special dividend: 1.50yen
 Year-end / FY2007: Ordinary dividend: 6.00yen, Special dividend: 3.00yen

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

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

	Revenues		Operating Profit		Recurring Profit		Net Income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	99,200	4.3	13,800	Δ16.5	12,700	Δ20.9	8,300	50.3	75.75

4. Other

- (1) Changes in principal subsidiaries during the period (Changes in the subsidiaries resulting in changes in scope of consolidation): None
- (2) Use of simplified accounting method: Used
 Note: For details, see "4.Other Information" in "Operating Results and Financial Position" on page 7-8.
- (3) Change in accounting policies from the last accounting period: None
 Note: For details, see "4.Other Information" in "Operating Results and Financial Position" on page 7-8.
- (4) Number of shares issued and outstanding (Common stock):
 - i) Number of shares issued and outstanding at the end of the period (including treasury stock)
 H1 / FY2008: 111,075,980 shares FY2007: 111,075,980 shares
 - ii) Number of treasury stock at the end of the period
 H1 / FY2008: 1,510,237 shares FY2007: 1,508,315 shares
 - iii) Average number of shares in the period
 H1 / FY2008: 109,566,789 shares H1 / FY2007: 109,570,752 shares

Appropriate Use of Earnings Forecasts and Other Important Information

1. These materials contain 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. For the assumptions underlying the earnings forecasts presented and other information regarding the use of such forecasts, refer to "3.Outlook for the Full Year Ending March 31, 2009" page 7 in the "Operating Results and Financial Position" section.
2. Effective this financial year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). The consolidated financial statements for the three months ended June 30, 2008, were prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

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For reference:

Consolidated Financial Results for the Three Months Ended September 30, 2008

(July 1, 2008 to September 30, 2008)

Operating Results (Three Months)

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

	Revenues		Operating Profit		Recurring Profit		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Q2 / FY2008	27,898	—	3,822	—	3,282	—	2,378	—
Q2 / FY2007	23,961	24.4	4,152	41.9	3,695	47.3	1,225	Δ21.8

	Net income per share	Net income per share, fully diluted
	yen	yen
Q2 / FY2008	21.70	—
Q2 / FY2007	11.17	—

Operating Results and Financial Position

1. Operating Results

1) Overview of the Three Months Ended September 30, 2008

During the July–September quarter, the impact of the financial crisis on the global economy grew increasingly severe. Continued financial unrest caused by the subprime mortgage crisis precipitated insolvencies among major U.S. investment banks, simultaneous declines in stock markets worldwide, and other events. Emerging economies were increasingly weighed down by the crisis and saw growth slow even further. In the U.S., consumer spending declined due to a further decline in housing prices, falling corporate profits, and a worsening employment situation, and the economy appears to have entered a recession. In the Eurozone also, the economy is decelerating further due to factors such as decreased foreign demand caused by the global economic slowdown, slower domestic demand growth due to the fear of inflation, and the weakening of the euro after a period of strength. On one hand, the Asian economies are generally expanding, but the pace of the expansion is slowing due to high levels of inflation. In China, real estate investment has declined due to the government's tight monetary policy and export growth and stock prices look set for a correction. In response, the People's Bank of China has begun easing monetary policy and cut interest rates for the first time since February 2002. Japan's economy is cooling due to a decline in exports caused by the global economic slowdown, worsening corporate profits, a decline in capital expenditures, and weakening consumer spending.

In this operating environment, the shipping business performed favorably on the back of high levels of activity in the bulk carrier market. In the real estate business, work to demolish the Iino Building began after all tenants vacated as the rebuilding plan progressed. As a result, the Company achieved consolidated revenues of ¥27,898 million, operating profit of ¥3,822 million, recurring profit of ¥3,282 million, and net income of ¥2,378 million.

2) Segment Overview

a) Shipping Business

During the second quarter, the oil tanker market was sluggish due to a slowdown in cargo movements stemming from the impact of surging crude oil prices. The petroleum products tanker business was relatively solid, helped by a temporary tightening of shipping capacity supply and demand conditions because some tankers were used to transport crude and heavy oils. The chemical tanker business was slightly weaker due to production cuts at plants in China during the Beijing Olympic Games. The bulk carrier services market saw high levels of activity but weakened from summer due to sluggishness in iron ore shipments bound for China.

With regard to the Group's shipping business, the oil tanker division maintained stable earnings because most of the shipping capacity it controls is engaged in medium- to long-term contracts. This resulted in shipping revenues for the division of ¥2,402 million.

The chemical tanker division achieved improved earnings. The division worked to shore up shipping volumes by taking on spot contracts in addition to existing contracts of affreightment. To improve the efficiency of vessel allocation, it allocated more vessels

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to European routes during the Beijing Olympic Games. As a result, shipping revenues for the division totaled ¥10,414 million.

In the large gas tanker division, existing long-term contracts for both LPG and LNG tankers continued to generate stable earnings. Additionally, one large LPG tanker was completed at the end of September. As a result, shipping revenues for the division totaled ¥1,982 million.

In the small gas tanker division, cargo movements slowed during summer, and to compensate, we actively engaged in petrochemical gas shipping through the effective use of vessels that operate in both Japanese coastal and foreign waters. Meanwhile, expenses increased due to surging bunker oil prices, and we worked to pass these increases on into freight rates. In adjacent waters, most of the fleet was engaged in medium- to long-term contracts, which produced stable earnings. As a result, shipping revenues for the division totaled ¥2,663 million.

The bulk carrier division achieved growth in earnings. The division took on spot shipping contracts that augmented the stable earnings produced by ships specializing in shipping wood chips to paper companies and coal to power companies and earnings from contracts of affreightment for coal and fertilizers. As a result, shipping revenues for the division totaled ¥7,876 million.

With the addition of ¥762 million in revenues from other shipping divisions, total shipping revenues from the shipping business amounted to ¥26,100 million, and operating profit amounted to ¥3,606 million.

b) Real Estate Business

In the second quarter, general declines in land price growth and declines in land prices were seen in the three largest metropolitan areas of Tokyo, Osaka, and Nagoya as well as in regional areas. In the lease building market, vacancies in central Tokyo continued to increase, resulting in a slowdown in rent growth.

With regard to the Group's real estate business, in the lease building division, rental revenue decreased as all remaining Iino Building tenants vacated. As a result, net sales for the division totaled ¥1,036 million.

In the real estate-related business division, the photo studio business was affected by gradually more challenging conditions in the publishing and advertising industries, and this caused a decline in studio-based photo shoots and poster production. As a result, net sales for the division amounted to ¥318 million.

As a result, total revenues from the real estate business totaled ¥1,354 million, and operating profit was ¥215 million.

c) Retail Business

The petroleum retail business saw retail prices remain high due to the surge in crude oil prices, and as a result, revenues for the division amounted to ¥495 million. However, consumers holding off on purchases and other factors resulted in an operating profit of ¥1 million.

2. Consolidated Financial Position

1) Assets, Liabilities, and Capital

Total assets at the end of the second quarter stood at ¥177,710 million, an increase of

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¥1,482 million from the end of last fiscal year. The increase is primarily due to a decrease in fixed assets of ¥1,465 million due to sale of vessels and an increase in current assets of ¥2,946 million attributable to an increase in stored goods due to surging bunker oil prices.

Total liabilities at the end of the period totaled ¥121,780 million, a decrease of ¥1,857 million from the end of last fiscal year. The decrease is primarily due to a decrease in debt due to the gain on sale of vessels more than offsetting an increase in debt due to capital investments in vessels.

Net assets stood at ¥55,929 million, an increase of ¥3,338 from the end of last fiscal year. This is primarily due to an increase in retained earnings.

2) Cash Flows

Net cash provided by operating activities during the period totaled ¥3,435 million. This primarily reflects corporate tax payments of ¥2,151 million and a ¥1,984 million decrease in accounts payable, which were more than offset by quarterly net income before taxes of ¥7,818 million.

Net cash used in investing activities totaled ¥1,493. This is primarily reflects outlays of ¥26,976 million for the acquisition of fixed assets, most of which went to capital investments in vessels. This offset gains of ¥25,339 million from the sale of fixed assets, most of which came from the sale of vessels.

Net cash used in financing activities totaled ¥1,366 million. This primarily reflects a net decrease in long-term borrowings of ¥266 million and the payment of dividends in the amount of ¥986 million.

As a result of the above, cash and cash equivalents at the end of the quarter were ¥9,842 million, an increase of ¥606 million from the end of last fiscal year.

3. Outlook for the Full Year Ending March 31, 2009

In the six months ended September 30, 2008, Iino Kaiun achieved revenues and profit that exceed its previous forecast, released on July 31, 2008. This was due to higher-than-expected levels of activity in the bulk carrier market and the yen depreciating by more than was anticipated. From the third quarter onward, although we anticipate a global slowdown in cargo movement triggered by the U.S. financial crisis, we expect to secure stable revenues as we have allocated most of our fleet's shipping capacity to medium- to long-term contracts.

Based on this forecast, we have revised the full-year consolidated earnings forecast as follows.

Forecast of Consolidated Earnings for the Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Revenues	Operating Profit	Recurring Profit	Net Income
	million yen	million yen	million yen	%
Previous Forecast (issued July 31, 2008)	101,100	13,700	12,700	8,300
Revised Forecast (issued October 30, 2008)	99,200	13,800	12,700	8,300
Value Change	Δ1,900	100	—	—
Percent Change (%)	Δ1.9%	0.7%	—	—

* Assumptions regarding foreign exchange rates and the Port of Singapore bunker price used for the previous forecast, released on July 31, 2008, and the current forecast are shown below.

	Foreign exchange rate	Bunker price
Previous Forecast (issued July 31, 2008)	1US\$ = ¥100	US\$750 / MT
Revised Forecast (issued October 30, 2008)	1US\$ = ¥97.5	US\$500 / MT

In consideration of the interim results and the full-year forecast, the Group's Board of Directors, at its meeting held on October 30, 2008, resolved to pay an ordinary interim dividend of ¥6 per share and a special interim dividend of ¥1.5 per share, resulting in a total interim dividend of ¥7.5 per share. This represents an increase of ¥1.5 per share from the previous forecast, released on July 31, 2008. The Group also intends to pay a special year-end dividend of ¥1.5 per share, raising the total year-end dividend by ¥1.5 per share compared to the previous forecast. This will give a year-end dividend of ¥7.5 per share and a total annual dividend of ¥15 per share.

4. Other Information

- 1 Changes in principal subsidiaries during the period (changes in subsidiaries resulting in changes in scope of consolidation): None
2. Use of simplified accounting methods and/or accounting methods specific to the preparation of quarterly consolidated financial statements
 - 1) Simplified accounting methods
 - i) Inventory valuation

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Book values of inventory assets are reduced by estimating the net realizable value. This is done only for inventory assets for which there is a clear decline in profitability.

ii) Depreciation of fixed assets

The value of depreciation on fixed assets subject to the straight-line method for the consolidated fiscal year is allocated to quarterly periods in accordance with the length of those periods.

2) Accounting methods specific to the preparation of quarterly consolidated financial statements

The Company calculates tax liabilities as follows. A reasonable estimate is produced of the effective tax rate after apply tax-effect accounting to net income before taxes for the consolidated fiscal year under review, which includes the consolidated first quarter under review. This estimated effective tax rate is multiplied by net income before taxes to determine tax liabilities.

The value of income tax adjustments is included in income taxes in the financial statements.

3. Changes in accounting principles, procedures, and methods of disclosure used in the preparation of consolidated financial statements for the quarter under review

1) Effective this financial year, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). The consolidated financial statements for the three months ended June 30, 2008, were prepared based on the “Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements.”

2) Inventories held for sale in the ordinary course of business: The cost of real estate held for sale was previously determined with the indentified-cost method. The cost of other inventories was determined on a FIFO basis. Effective this first quarter under review, the Company has adopted the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006). Accordingly, the cost of real estate held for sale will be determined with the identified-cost method (with balance sheet values are reduced to reflect declining profitability), and the cost of other inventories will be determined on a FIFO basis (with balance sheet values reduced to reflect declining profitability).

As a result, quarterly net income before taxes decreased ¥76 million.

3) Effective this first quarter under review, the Company has adopted the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Statement Guidance No. 16). Non-ownership-transfer finance leases will now be treated as sales transactions. The effect of the changes is negligible.

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Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(In million yen)	
	As of September 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	9,842	9,237
Notes and accounts receivable	6,188	5,679
Supplies	2,639	2,149
Merchandise	81	76
Real estate held for sale	358	433
Deferred and prepaid expenses	1,665	1,502
Deferred tax assets	3,805	3,880
Other current assets	3,094	1,750
Allowance for doubtful accounts	(57)	(36)
Total current assets	27,616	24,670
Fixed assets		
Tangible fixed assets		
Vessels, net	74,765	61,435
Buildings and structures, net	12,562	12,825
Land	39,097	39,097
Construction in progress	6,501	20,685
Other tangible fixed assets, net	374	418
Total tangible fixed assets	133,299	134,460
Intangible fixed assets		
Telephone subscription rights	9	9
Other intangible fixed assets	560	598
Total intangible fixed assets	569	607
Investments and other assets		
Investment securities	14,264	13,520
Long-term loans	124	125
Other long-term assets	1,960	2,970
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	16,225	16,491
Total fixed assets	150,094	151,558
Total assets	177,710	176,228

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	(In million yen)	
	As of September 30, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Accounts payable	8,668	10,655
Current portion of bonds	1,100	100
Short-term borrowings	20,581	29,599
Accrued expenses	342	390
Income taxes payable	2,666	2,148
Advances received	2,232	1,882
Reserve for bonuses	374	384
Leasehold deposits received	-	1,349
Other current liabilities	1,421	994
Total current liabilities	<u>37,384</u>	<u>47,501</u>
Fixed liabilities		
Bonds	250	1,300
Long-term borrowings	76,030	67,050
Reserve for employees' retirement benefits	1,557	1,445
Reserve for directors' retirement benefits	112	105
Reserve for special repairs	435	574
Leasehold deposits received	2,922	2,574
Deferred tax liabilities	960	679
Other fixed liabilities	2,130	2,409
Total fixed liabilities	<u>84,397</u>	<u>76,136</u>
Total liabilities	<u>121,780</u>	<u>123,637</u>
Net assets		
Shareholders' capital		
Common stock	13,092	13,092
Additional paid-in capital	6,431	6,431
Retained earnings	35,024	31,237
Treasury stock	(470)	(467)
Total shareholders' capital	<u>54,078</u>	<u>50,293</u>
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities	728	804
Deferred hedge gains (losses)	888	1,171
Foreign currency translation adjustments	(4)	4
Total valuation and translation adjustments	<u>1,611</u>	<u>1,979</u>
Minority interests	241	319
Total net assets	<u>55,929</u>	<u>52,591</u>
Total liabilities and net assets	<u>177,710</u>	<u>176,228</u>

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(2) Consolidated Statements of Operations

	(In million yen)
	Six months ended September 30, 2008
Revenues	51,222
Costs and expenses	40,163
Gross profit	11,059
Selling, general and administrative expenses	3,517
Operating profit	7,542
Non-operating income	
Interest income	119
Dividend income	121
Equity income of non-consolidated subsidiaries and affiliates	365
Others	62
Total	667
Non-operating expenses	
Interest expenses	1,274
Foreign exchange losses	5
Others	104
Total	1,383
Recurring profit	6,827
Extraordinary profit	
Gain on sale of fixed assets	1,516
Gain on reversal of reserve for special repairs	79
Total	1,596
Extraordinary losses	
Loss on reconstruction of office building	524
Loss on write-down of real estate for sale	76
Loss on disposal of fixed assets	5
Total	604
Income before income taxes	7,818
Income tax, inhabitants tax and enterprise tax	3,051
Minority interests in income (loss)	(5)
Net income	4,772

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	(In million yen)
	Three months ended September 30, 2008
Revenues	27,898
Costs and expenses	22,260
Gross profit	5,638
Selling, general and administrative expenses	1,816
Operating profit	3,822
Non-operating income	
Interest income	63
Dividend income	8
Equity income of non-consolidated subsidiaries and affiliates	261
Others	51
Total	383
Non-operating expenses	
Interest expenses	654
Foreign exchange losses	228
Others	41
Total	923
Recurring profit	3,282
Extraordinary profit	
Gain on sale of fixed assets	913
Gain on reversal of reserve for special repairs	72
Total	984
Extraordinary losses	
Loss on reconstruction of office building	429
Loss on disposal of fixed assets	5
Total	433
Income before income taxes	3833
Income tax, inhabitants tax and enterprise tax	1466
Minority interests in income (loss)	(10)
Net income	2,378

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(3) Consolidated Statements of Cash Flows

	(In million yen)
	Six months ended September 30, 2008
Cash flows from operating activities	
Income before income taxes	7,818
Depreciation and amortization	4,210
Equity (income) loss of non-consolidated subsidiaries and affiliates	(365)
Increase (decrease) in reserve for employees' retirement benefits	112
Interest and dividend income	(240)
Interest expenses	1,274
(Gains) losses on sale of tangible and intangible fixed assets	(1,516)
(Increase) decrease in accounts receivable, trade	(514)
Increase (decrease) in accounts payable, trade	(1,984)
Other	(2,162)
Sub total	<u>6,632</u>
Interest and dividend received	195
Interest paid	(1,241)
Income taxes paid	(2,151)
Net cash provided by (used in) operating activities	<u>3,435</u>
Cash flows from investing activities	
Purchase of tangible and intangible fixed assets	(26,976)
Sale of tangible and intangible fixed assets	25,339
Purchase of investment securities	(11)
Other	156
Net cash provided by (used in) investing activities	<u>(1,493)</u>
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	8,659
Proceeds from long-term borrowings	14,572
Repayment of long-term borrowings	(6,179)
Payments for redemption of bonds	(50)
Proceeds of treasury stock	1
Payments for treasury stock	(3)
Cash dividends paid	(986)
Cash dividends paid to minority shareholders	(2)
Repayment of lease obligations	(60)
Net cash provided by (used in) financing activities	<u>(1,366)</u>
Effect of exchange rate change on cash and cash equivalents	30
Increase (decrease) in cash and cash equivalents	<u>606</u>
Cash and cash equivalents at the beginning of the period	<u>9,237</u>
Cash and cash equivalents at the end of the period	<u>9,842</u>

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From the fiscal year ending March 31, 2009, the Group has adopted Accounting Standards Board of Japan (ASBJ) Statement No. 12, "Accounting Standard for Quarterly Financial Reporting," and ASBJ Guidance No. 14, "Guidance on Accounting Standard for Quarterly Financial Reporting." Quarterly consolidated financial statements are prepared in accordance with the "Regulation on the Terminology, Forms, and Preparation of Quarterly Financial Statements."

(4) Note on the Going Concern Assumption

Not applicable

(5) Segment Information

a. Business Segment Information

Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)

(In million yen)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
I. Revenues:						
(1) External sales	47,564	2,841	817	51,222	-	51,222
(2) Inter-segment sales	-	15	99	114	(114)	-
Total	47,564	2,855	916	51,336	(114)	51,222
Operating profit/loss	7,086	465	(8)	7,542	(0)	7,542

Three months ended September 30, 2008 (July 1, 2008 to September 30, 2008)

(In million yen)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
I. Revenues:						
(1) External sales	26,100	1,346	452	27,898	-	27,898
(2) Inter-segment sales	-	7	43	51	(51)	-
Total	26,100	1,354	495	27,949	(51)	27,898
Operating profit/loss	3,606	215	1	3,822	(0)	3,822

Notes:

1. Classification of business segment

The Company's businesses are classified into shipping, real estate and retail distribution segments based on Japan Standard Industry Classification.

2. Business in each segment

<u>Segment</u>	<u>Main business content</u>
Shipping	Overseas shipping, domestic shipping, leasing, ship management
Real estate	Ownership, rental, and administration of real estate; design, control, and execution of building works; operation of photo studios
Retail distribution	Sale of oil such as gasoline

b. Geographic segment information

Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)

Three months ended September 30, 2008 (July 1, 2008 to September 30, 2008)

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

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c. Overseas Sales

Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)

(In million yen)

		North America	Middle East	Asia, Oceania	Other	Total
I	Overseas sales	3,403	16,432	13,459	7,935	41,229
II	Consolidated revenues					51,222
III	Ratio of overseas sales to total consolidated revenues	6.6%	32.1%	26.3%	15.5%	80.5%

Three months ended September 30, 2008 (July 1, 2008 to September 30, 2008)

(In million yen)

		North America	Middle East	Asia, Oceania	Other	Total
I	Overseas sales	2,117	8,119	7,488	4,826	22,550
II	Consolidated revenues					27,898
III	Ratio of overseas sales to total consolidated revenues	7.6%	29.1%	26.8%	17.3%	80.8%

Notes:

1. Overseas sales include overseas shipping sales of the Company and its consolidated subsidiaries in Japan and the sales of overseas consolidated subsidiaries (excluding inter-segment sales).
2. Geographic segmentation is based on geographic proximity.
3. Major countries or regions in each segment are as follows:
 - (1) North America: U.S., Canada
 - (2) Middle East: Saudi Arabia, Oman, etc.
 - (3) Asia, Oceania: Australia, Malaysia, Indonesia, India, etc.
 - (4) Other areas: Europe, Africa, etc.

(6) Note on Significant Changes in the Amount of Shareholders' Equity

Not applicable

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For Reference

Financial Statements and Other Information for the Six Months Ended September 30, 2007

(1) (Condensed) Consolidated Statements of Operations (April 1, 2007 to September 30, 2007)

	(In million yen)
	Six months ended September 30, 2007
I Revenues	46,847
I I Cost of sales	34,915
Gross profit	11,932
II I Selling, general and administrative expenses	3,066
Operating profit	8,866
IV Non-operating profit	1,407
Interest and dividend profit	661
Other	746
V Non-operating expenses	701
Interest expenses	1,331
Other	154
Recurring profit	8,788
VI Extraordinary gains	246
VII Extraordinary losses	4,493
Loss on reconstruction of office building	4,490
Other	3
Income before income taxes	4,541
Income tax, inhabitants tax and enterprise tax	1,558
Minority interests in income (loss)	10
Net income	2,973

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

(2) (Condensed) Consolidated Statements of Cash Flows (April 1, 2007 to September 30, 2007)

	(In million yen)
	Six months ended September 30, 2007
I Cash flows from operating activities	
Income before income taxes	4,541
Depreciation and amortization	3,991
Equity income of non-consolidated subsidiaries and affiliates	(37)
Increase (decrease) in reserve for employees' retirement benefits	(7)
Increase (decrease) in reserve for directors' retirement benefits	2
Interest and dividend income	(661)
Interest expenses	1,331
Gains on sale of tangible and intangible fixed assets	(189)
(Increase) decrease in accounts receivable, trade	(407)
Increase (decrease) in accounts payable, trade	2,432
Other	(1,025)
Sub total	9,971
Interest and dividend received	653
Interest paid	(1,347)
Income taxes paid	(2,309)
Net cash provided by (used in) operating activities	6,968
II Cash flows from investing activities	
Purchase of tangible and intangible fixed assets	(15,220)
Sale of tangible and intangible fixed assets	4,896
Purchase of investment securities	(143)
Sale and redemption of investment securities	2,093
Other	723
Net cash provided by (used in) investing activities	(7,651)
III Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	7,000
Proceeds from short-term borrowings	2,550
Repayment of long-term borrowings	(5,594)
Proceeds of treasury stock	0
Payments for treasury stock	(6)
Cash dividends paid	(986)
Cash dividends paid to minority shareholders	(2)
Net cash provided by (used in) financing activities	(1,912)
IV Effect of exchange rate change on cash and cash equivalents	(57)
V Increase (decrease) in cash and cash equivalents	1,172
VI Cash and cash equivalents at the beginning of the period	6,890
VII Increase in cash and cash equivalents due to change in scope of consolidation	13
VIII Cash and cash equivalents at the end of the period	8,075

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

(3) Segment Information

a. Business Segment Information

Six months ended September 30, 2007 (April 1, 2007 to September 30, 2007)

(In million yen)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
I. Revenues:						
(1) External sales	41,316	4,801	730	46,847	-	46,847
(2) Inter-segment sales	-	58	84	142	(142)	-
Total	41,316	4,859	814	46,989	(142)	46,847
Operating expenses	34,355	2,959	809	38,123	(142)	37,981
Operating profit	6,961	1,900	5	8,866	-	8,866

Notes:

1. Classification of business segment

The Company's businesses are classified into shipping, real estate and retail distribution segments based on Japan Standard Industry Classification.

2. Business in each segment

<u>Segment</u>	<u>Main business content</u>
Shipping	Overseas shipping, domestic shipping, leasing, ship management
Real estate	Ownership, rental, and administration of real estate; design, control, and execution of building works; operation of photo studios
Retail distribution	Sale of oil such as gasoline

b. Geographic segment information

Six months ended September 30, 2007 (April 1, 2007 to September 30, 2007)

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

c. Overseas Sales

Six months ended September 30, 200 (April 1, 2008 to September 30, 2007)

(In million yen)

		North America	Middle East	Asia, Oceania	Other	Total
I	Overseas sales	2,601	14,478	10,668	9,045	36,801
II	Consolidated revenues					46,847
III	Ratio of overseas sales to total consolidated revenues	5.6%	30.9%	22.8%	19.3%	78.6%

Notes:

- Overseas sales include overseas shipping sales of the Company and its consolidated subsidiaries in Japan and the sales of overseas consolidated subsidiaries (excluding inter-segment sales).
- Geographic segmentation is based on geographic proximity.
- Major countries or regions in each segment are as follows:
 - North America: U.S., Canada
 - Middle East: Saudi Arabia, Oman, etc.
 - Asia, Oceania: Australia, Malaysia, Indonesia, India, etc.
 - Other areas: Europe, Africa, etc.