



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

**Financial Results**  
**For the Nine Months Ended December 31, 2008 - Consolidated**

January 30, 2009

**Iino Kaiun Kaisha, Ltd.**

Security code: 9119  
 Listings: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchanges  
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 Scheduled date to submit quarterly financial statements: February 10, 2009

(Rounded to the nearest million yen)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2008**  
**(April 1, 2008 to December 31, 2008)**

**(1) Operating Results (Nine 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	%
Q3 / FY2008	75,000	—	10,533	—	9,108	—	5,630	—
Q3 / FY2007	71,228	20.9	13,155	44.1	12,792	59.9	4,685	Δ4.3

	Net income per share	Net income per share, fully diluted
	yen	yen
Q3 / FY2008	51.45	—
Q3 / FY2007	42.76	—

**(2) Financial Position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets Per share
	million yen	million yen	%	yen
Q3 / FY2008	172,925	54,417	31.2	505.92
FY2007	176,228	52,591	29.7	477.08

Note: Treasury stock:  
 Q3 / FY2008: 53,964 million yen, FY2007: 52,272 million yen

**2. Dividends**

	Dividend per share				
	Q1	Q2	Q3	Q4	Full year
	yen	yen	yen	yen	yen
FY2007	—	6.00	—	9.00	15.00
FY2008	—	7.50	—	—	—
(Forecast)	—	—	—	7.50	15.00

Note: Breakdown of dividend:  
 Interim / FY2008 : Ordinary dividend: 6.00yen, Special dividend: 1.50yen  
 Year-end / 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, 2009**  
**(April 1, 2008 to March 31, 2009)**

(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 / FY2008	95,100	0.0	12,000	Δ27.4	10,700	Δ33.4	5,700	3.2	52.41

**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)  
 Q3 / FY2008: 111,075,980 shares      FY2007: 111,075,980 shares
  - ii) Number of treasury stock at the end of the period  
 Q3 / FY2008: 4,410,535 shares      FY2007: 1,508,315 shares
  - iii) Average number of shares in the period  
 Q3 / FY2008: 109,429,401 shares      Q3 / FY2007: 109,569,893 shares

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

1. This report contains corrections to the Company's consolidated full-year earnings forecasts, previously issued on October 30, 2008.
2. 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.
3. 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 December 31, 2008**

**(October 1, 2008 to December 31, 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	%
Q3 / FY2008	23,778	–	2,991	–	2,282	–	857	–
Q3 / FY2007	24,381	16.3	4,289	37.3	4,004	47.0	1,712	2.3

	Net income per share	Net income per share, fully diluted
	yen	yen
Q3 / FY2008	7.85	–
Q3 / FY2007	15.63	–

## Operating Results and Financial Position

### 1. Operating Results

#### 1) Overview of the Fiscal Third Quarter (three months ended December 31, 2008)

In the fiscal third quarter, countries throughout the world suffered rapid deterioration in their real economies as the global financial crisis intensified. Although inflationary pressures abated by virtue of declines in crude oil and international commodity prices, even China and other emerging economies experienced slowdowns, raising the specter of global recession. Major countries have been successively unveiling large-scale economic stimulus packages and concertedly pursuing emergency monetary easing in response to the financial crisis. The US economy has been rapidly weakening. Its real GDP growth rate has been negative for the past two quarters amid deepening downturns in housing investment and capital spending. Meanwhile, US consumers have cut back on spending in response to an increasingly adverse job market and erosion of household wealth. The Eurozone economy is likewise weakening rapidly. Eurozone GDP growth has been negative since the fiscal second quarter and unemployment is rising amid a slump in both domestic and external demand. Asian economies also have decelerated dramatically. Even the Chinese economy has cooled in the wake of a sharp downshift in export growth, decline in real estate investment, and equity market downturn. The Japanese economy has been hard-hit by an export downturn exacerbated by precipitous yen appreciation. Japanese corporate profits also have worsened, while consumer spending has been dampened by an equity market slump and fears of major job cuts.

Amid such a challenging operating environment, the Company endeavored to limit its exposure to deterioration in shipping market conditions by advantageously renewing existing contracts in accord with a management focus on medium- to long-term contracts. By virtue of such efforts, the Company achieved consolidated revenues of ¥23,778 million, consolidated operating profit of ¥2,991 million, recurring profit of ¥2,282 million, and net income of ¥857 million.

#### 2) Segment Overview

##### a) Shipping Business

In the fiscal third quarter, the oil tanker market languished somewhat as tanker demand fell in anticipation of a continued decline in crude oil prices. The petroleum product tanker market softened due to slackening of its supply-demand balance amid a falloff in demand for petroleum products. In the chemical tanker market, freight rates turned downward globally in the wake of a drop in demand for chemical products and a decrease in marine transport volumes due to trade constriction triggered by the financial crisis. In the bulk carrier market, freight rates fell sharply across all market segments as the supply-demand balance slackened for all sizes of vessels. Rates for large bulk carriers in particular sustained an unprecedentedly steep decline in response to a decrease in shipments of raw materials for steelmaking.

Among the Group's shipping operations, the oil tanker division maintained stable quarterly shipping revenues of ¥2,520 million as most of its fleet was engaged in medium- to long-term contracts.

While the chemical tanker division's fleet was mainly deployed under existing contracts of affreightment for Middle Eastern export cargoes, the division also

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augmented its cargo volumes by proactively pursuing lucrative long-haul spot cargoes shipped from Asia to Europe or South America. From mid-November onward, it benefited from firm demand from Middle Eastern customers. This saw shipping revenues for the division hold steady at ¥8,865 million.

In the large gas tanker division, existing long-term contracts for both LPG and LNG tankers continued to generate stable earnings. This resulted in shipping revenues for the division of ¥1,810 million.

The small gas tanker division was hurt by sluggish domestic demand for seaborne gas transport, but it endeavored to increase revenues and efficiently deploy its fleet by proactively taking on domestic and export cargoes of petrochemical gases. In adjacent waters, the divisions entire fleet was engaged in medium- to long-term contracts. As a result, the division's shipping revenues were stable at ¥2,539 million.

The bulk carrier 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 held steady at ¥5,505 million.

With the addition of ¥875 million in revenues from other shipping divisions, total shipping revenues from the shipping business amounted to ¥22,102 million, and operating profit amounted to ¥2,811 million.

#### **b) Real Estate Business**

In the fiscal third quarter, land values gained downside momentum on a nationwide basis in response to the global credit contraction and a falloff in real estate investment. In the lease building market, vacancies in central Tokyo continued to rise. Some new office buildings have even fallen short of full occupancy by their opening dates. Rents also have sagged somewhat.

In the Group's real estate business, the lease building division is moving forward with plans to rebuild the old Iino Building now in the process of being demolished. As a result, net sales for the division were ¥1,054 million.

In the real estate-related business division, the studio photography and poster production revenues decreased in the wake of recession-induced cutbacks in advertising expenditures. generated quarterly revenues of ¥304 million.

As a result, total revenues from the real estate business totaled ¥1,355 million, and operating profit was ¥171 million.

#### **c) Retail Business**

The petroleum retail division achieved revenues of ¥407 million as sales were buoyed by increased sales prices that offset a decline in unit sales amid falling consumer spending. Benefiting from a decline in cost prices, operating profit was ¥8 million.

## 2. Consolidated Financial Position

### 1) Assets, Liabilities, and Net Asseets

Total assets at the end of the fiscal third quarter (December 31, 2008) totaled ¥172,925 million, a ¥3,304 million decrease from the end of last fiscal year (March 31, 2008). The decrease reflects a reduction in fixed assets, mainly due to sales of vessels, which more than offset growth in fixed assets from capital expenditure in vessels and other items.

Total liabilities at the end of the fiscal third quarter totaled ¥118,507 million, a decrease of ¥5,130 million from the end of last fiscal year, mainly because of a reduction in accounts payable.

Net assets at the end of the fiscal third quarter were ¥54,417 million, an increase of ¥1,826 million from the end of last fiscal year, mainly due to accretion of retained earnings that exceeded stock repurchase outlays.

### 2) Cash Flows

Net cash provided by operating activities was ¥3,831 million in the nine months ended December 31, 2008. This net cash inflow was mainly derived from net income before taxes and increased depreciation, partially offset by income tax payments and reduction in liabilities payable.

Net cash used in investing activities was ¥3,072 million in the nine months ended December 31, 2008. This was mainly the result of ¥28,807 million in outlays to acquire fixed assets, chiefly capital expenditures on vessels, less ¥25,552 million in proceeds from the sale of fixed assets, mainly vessels.

Net cash used in financing activities was ¥472 million in the nine months ended December 31, 2008. The main financing outflows were dividend payments of ¥1,718 million and treasury stock purchases of ¥1,834 million. These outflows were largely offset by a ¥3,221 million net increase in short- and long-term borrowings.

As a result of the above, cash and cash equivalents at the end of the fiscal third quarter were ¥9,218 million.

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

We now expect operating results for the full fiscal year ending March 31, 2009, will fall short of our initial forecast, mainly because of two factors. First, we revised our exchange rate assumptions in response to the yen's continued appreciation. Second, the slowdown in sea transport volumes stemming from the global economic downturn resulted in softer shipping market conditions than we had expected. The forecasts of net income appearing below account for an expected fixed-asset (vessel) impairment charge of around ¥1.5 billion that we expect to record in the fiscal fourth quarter and an expected year-end valuation loss on investment securities of around ¥0.7 billion.

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 October 30, 2008)	99,200	13,800	12,700	8,300
Revised Forecast (issued January 30, 2009)	95,100	12,000	10,700	5,700
Value Change	Δ4,100	Δ1,800	Δ2,000	Δ2,600
Percent Change (%)	Δ4.1%	Δ13.0%	Δ15.7%	Δ31.3%

\* 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 October 30, 2008)	1US\$ = ¥97.5	US\$500 / MT
Revised Forecast (issued January 30, 2009)	1US\$ = ¥90.0	US\$270 / MT

### 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  
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

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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

	As of December 31, 2008	As of March 31, 2008
<b>Assets</b>	million yen	million yen
Current assets		
Cash and deposits	9,218	9,237
Notes and accounts receivable	5,542	5,679
Supplies	1,491	2,149
Merchandise	74	76
Real estate held for sale	358	433
Deferred and prepaid expenses	1,882	1,502
Deferred tax assets	3,745	3,880
Other current assets	3,257	1,750
Allowance for doubtful accounts	(58)	(36)
Total current assets	25,508	24,670
Fixed assets		
Tangible fixed assets		
Vessels, net	71,597	61,435
Buildings and structures, net	12,788	12,825
Land	40,008	39,097
Construction in progress	6,778	20,685
Other tangible fixed assets, net	345	418
Total tangible fixed assets	131,515	134,460
Intangible fixed assets		
Telephone subscription rights	9	9
Other intangible fixed assets	535	598
Total intangible fixed assets	544	607
Investments and other assets		
Investment securities	13,433	13,520
Long-term loans	105	125
Other long-term assets	1,942	2,970
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	15,357	16,491
Total fixed assets	147,417	151,558
Total assets	172,925	176,228

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	As of December 31, 2008	As of March 31, 2008
<b>Liabilities</b>	million yen	million yen
Current liabilities		
Accounts payable	5,964	10,655
Current portion of bonds	1,100	100
Short-term borrowings	21,809	29,599
Accrued expenses	303	390
Income taxes payable	1,462	2,148
Advances received	1,905	1,882
Reserve for bonuses	82	384
Leasehold deposits received	-	1,349
Other current liabilities	1,135	994
Total current liabilities	<u>33,759</u>	<u>47,501</u>
Fixed liabilities		
Bonds	250	1,300
Long-term borrowings	76,040	67,050
Reserve for employees' retirement benefits	1,703	1,445
Reserve for directors' retirement benefits	117	105
Reserve for special repairs	476	574
Leasehold deposits received	3,007	2,574
Deferred tax liabilities	571	679
Other fixed liabilities	2,584	2,409
Total fixed liabilities	<u>84,748</u>	<u>76,136</u>
Total liabilities	<u>118,507</u>	<u>123,637</u>
<b>Net assets</b>		
Shareholders' capital		
Common stock	13,092	13,092
Additional paid-in capital	6,432	6,431
Retained earnings	35,060	31,237
Treasury stock	(2,300)	(467)
Total shareholders' capital	<u>52,284</u>	<u>50,293</u>
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities	437	804
Deferred hedge gains (losses)	1,268	1,171
Foreign currency translation adjustments	(25)	4
Total valuation and translation adjustments	<u>1,681</u>	<u>1,979</u>
Minority interests	453	319
Total net assets	<u>54,417</u>	<u>52,591</u>
Total liabilities and net assets	<u>172,925</u>	<u>176,228</u>

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**(2) Consolidated Statements of Operations**

	Nine months ended December 3, 2008
	million yen
Revenues	75,000
Costs and expenses	<u>59,425</u>
Gross profit	<u>15,754</u>
Selling, general and administrative expenses	<u>5,221</u>
Operating profit	<u>10,533</u>
Non-operating income	
Interest income	161
Dividend income	192
Equity income of non-consolidated subsidiaries and affiliates	608
Others	<u>83</u>
Total	<u>1,044</u>
Non-operating expenses	
Interest expenses	1,958
Foreign exchange losses	422
Others	<u>89</u>
Total	<u>2,468</u>
Recurring profit	<u>9,108</u>
Extraordinary profit	
Gain on sale of fixed assets	1,489
Gain on reversal of reserve for special repairs	<u>79</u>
Total	<u>1,568</u>
Extraordinary losses	
Loss on sale of fixed assets	11
Loss on reconstruction of office building	618
Loss on write-down of investment securities	744
Loss on write-down of real estate for sale	76
Loss on disposal of fixed assets	5
Loss on write-down of golf club memberships	<u>1</u>
Total	<u>1,454</u>
Income before income taxes	<u>9,223</u>
Income tax, inhabitants tax and enterprise tax	3,598
Minority interests in income (loss)	<u>(5)</u>
Net income	<u>5,630</u>

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	Three months ended December 31, 2008
	million yen
Revenues	23,778
Costs and expenses	19,083
Gross profit	4,695
Selling, general and administrative expenses	1,704
Operating profit	2,991
Non-operating income	
Interest income	42
Dividend income	71
Equity income of non-consolidated subsidiaries and affiliates	243
Others	50
Total	405
Non-operating expenses	
Interest expenses	684
Foreign exchange losses	417
Others	13
Total	1,114
Recurring profit	2,282
Extraordinary losses	
Loss on sale of fixed assets	39
Loss on reconstruction of office building	94
Loss on write-down of investment securities	744
Loss on disposal of fixed assets	0
Loss on write-down of golf club memberships	1
Total	877
Income before income taxes	1,405
Income tax, inhabitants tax and enterprise tax	548
Minority interests in income (loss)	(0)
Net income	857

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**(3) Consolidated Statements of Cash Flows**

	Nine months ended December 31, 2008 million yen
Cash flows from operating activities	
Income before income taxes	9,223
Depreciation and amortization	6,596
Equity (income) loss of non-consolidated subsidiaries and affiliates	(608)
Increase (decrease) in reserve for employees' retirement benefits	258
Interest and dividend income	(353)
Interest expenses	1,958
(Gains) losses on sale of tangible and intangible fixed assets	(1,478)
(Increase) decrease in accounts receivable, trade	137
Increase (decrease) in accounts payable, trade	(4,690)
Other	(1,357)
Sub total	9,687
Interest and dividend received	436
Interest paid	(1,973)
Income taxes paid	(4,319)
Net cash provided by (used in) operating activities	3,831
Cash flows from investing activities	
Purchase of tangible and intangible fixed assets	(28,807)
Sale of tangible and intangible fixed assets	25,552
Purchase of investment securities	(291)
Other	475
Net cash provided by (used in) investing activities	(3,072)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(6,646)
Proceeds from long-term borrowings	18,704
Repayment of long-term borrowings	(8,838)
Payments for redemption of bonds	(50)
Proceeds of treasury stock	2
Payments for treasury stock	(1,834)
Cash dividends paid	(1,718)
Cash dividends paid to minority shareholders	(2)
Repayment of lease obligations	(91)
Net cash provided by (used in) financing activities	(472)
Effect of exchange rate change on cash and cash equivalents	(305)
Increase (decrease) in cash and cash equivalents	(19)
Cash and cash equivalents at the beginning of the period	9,237
Cash and cash equivalents at the end of the period	9,218

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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

Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
	million yen	million yen	million yen	million yen	million yen	million yen
I. Revenues:						
(1) External sales	69,666	4,188	1,145	75,000	–	75,000
(2) Inter-segment sales	–	22	177	200	(200)	–
Total	69,666	4,210	1,323	75,199	(200)	75,000
Operating profit/loss	9,897	636	(0)	10,533	(0)	10,533

Three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
	million yen	million yen	million yen	million yen	million yen	million yen
I. Revenues:						
(1) External sales	22,102	1,347	328	23,778	–	23,778
(2) Inter-segment sales	–	8	78	86	(86)	–
Total	22,102	1,355	407	23,864	(86)	23,778
Operating profit/loss	2,811	171	8	2,991	(0)	2,991

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

Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

Three months ended December 31, 2008 (October 1, 2008 to December 31, 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

Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

		North America	Middle East	Asia, Oceania	Other	Total
		million yen	million yen	million yen	million yen	million yen
I	Overseas sales	4,252	23,064	20,118	13,118	60,552
II	Consolidated revenues					75,000
III	Ratio of overseas sales to total consolidated revenues	5.7%	30.8%	26.8%	17.4%	80.7%

Three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

		North America	Middle East	Asia, Oceania	Other	Total
		million yen	million yen	million yen	million yen	million yen
I	Overseas sales	850	6,632	6,659	5,182	19,323
II	Consolidated revenues					23,778
III	Ratio of overseas sales to total consolidated revenues	3.6%	27.9%	28.0%	21.8%	81.3%

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**

During the fiscal third quarter, the Company conducted a share repurchase in accord with Article 156 of Japan's Companies Act, applied pursuant to Article 165, paragraph 3, of that act. As a result of the repurchase, treasury stock increased by ¥1,830 million yen (2,900,000 shares).

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**For Reference**

**Financial Statements and Other Information for the Nine Months Ended December 31, 2007**

**(1) (Condensed) Consolidated Statements of Operations (April 1, 2007 to December 31, 2007)**

	Nine months ended December 31, 2007
	million yen
I Revenues	71,228
II Cost of sales	53,466
Gross profit	17,762
III Selling, general and administrative expenses	4,607
Operating profit	13,115
IV Non-operating profit	1,718
Interest and dividend profit	780
Other	938
V Non-operating expenses	2,081
Interest expenses	1,971
Other	110
Recurring profit	12,792
VI Extraordinary gains	247
VII Extraordinary losses	5,371
Loss on reconstruction of office building	5,356
Other	15
Income before income taxes	7,688
Income tax, inhabitants tax and enterprise tax	2,968
Minority interests in income (loss)	15
Net income	4,685

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

**(2) (Condensed) Consolidated Statements of Cash Flows (April 1, 2007 to December 31, 2007)**

	Nine months ended December 31, 2007
	million yen
I Cash flows from operating activities	
Income before income taxes	7,668
Depreciation and amortization	6,165
Equity income of non-consolidated subsidiaries and affiliates	(55)
Increase (decrease) in reserve for employees' retirement benefits	(4)
Increase (decrease) in reserve for directors' retirement benefits	6
Interest and dividend income	(780)
Interest expenses	1,971
Gains on sale of tangible and intangible fixed assets	(189)
(Increase) decrease in accounts receivable, trade	(806)
Increase (decrease) in accounts payable, trade	3,034
Other	(2,489)
Sub total	14,521
Interest and dividend received	855
Interest paid	(1,978)
Income taxes paid	(4,553)
Net cash provided by (used in) operating activities	8,845
II Cash flows from investing activities	
Purchase of tangible and intangible fixed assets	(25,476)
Sale of tangible and intangible fixed assets	4,896
Purchase of investment securities	(145)
Sale and redemption of investment securities	2,093
Other	378
Net cash provided by (used in) investing activities	(18,254)
III Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	17,600
Proceeds from short-term borrowings	8,950
Repayment of long-term borrowings	(11,371)
Payments for redemption of bonds	(1,050)
Proceeds of treasury stock	1
Payments for treasury stock	(9)
Cash dividends paid	(1,644)
Cash dividends paid to minority shareholders	(2)
Net cash provided by (used in) financing activities	12,475
IV Effect of exchange rate change on cash and cash equivalents	(121)
V Increase (decrease) in cash and cash equivalents	2,945
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	94
VIII Cash and cash equivalents at the end of the period	9,929

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

### (3) Segment Information

#### a. Business Segment Information

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

	Shipping	Real estate	Retail distribution	Total	Elimination or corporate	Consolidated
	million yen	million yen	million yen	million yen	million yen	million yen
I. 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	10,426	2,727	2	13,155	–	13,155

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

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 and total consolidated assets.