

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
At March 31, 2006 and 2005

	Millions of yen	
	2006	2005
ASSETS		
Current assets:		
Cash and time deposits	¥ 6,694	¥ 7,222
Notes and accounts receivable	3,768	3,517
Allowance for doubtful accounts	(74)	(73)
Inventories	1,701	1,336
Other current assets	6,207	6,916
Total current assets	18,296	18,918
Vessels, property and equipment:		
Vessels	86,152	80,712
Buildings	22,923	22,735
Equipment	373	321
Other fixed assets	1,040	1,189
Construction in progress	8,028	4,432
	118,516	109,389
Less: accumulated depreciation	(44,420)	(41,086)
	74,096	68,303
Land	39,222	39,046
Total vessels, property and equipment	113,318	107,349
Investments and other assets:		
Investment securities	19,367	13,808
Investments in non-consolidated subsidiaries and affiliates	1,194	1,225
Long-term loans	549	225
Other assets	4,059	6,376
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	25,045	21,510
Total assets	¥ 156,659	¥ 147,777

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(continued)
At March 31, 2006 and 2005

	Millions of yen	
	2006	2005
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings (Note 8)	¥ 3,449	¥ 4,806
Current portion of long-term debt (Note 8)	10,083	8,801
Accounts payable	4,218	3,570
Advances received	2,044	1,519
Income taxes payable	2,862	2,906
Other current liabilities	2,209	1,680
Total current liabilities	24,865	23,282
Long-term liabilities:		
Long-term debt	70,318	74,419
Accrued employees' pension and severance costs	1,519	1,742
Reserve for retirement benefits to directors and statutory auditors	506	413
Reserve for periodic overhaul of vessels	539	401
Other long-term liabilities	10,616	8,107
Total long-term liabilities	83,498	85,082
Total liabilities	108,363	108,364
Minority interests in consolidated subsidiaries	(76)	(112)
Commitments and contingent liabilities		
Shareholders' equity:		
Common stock, no par value		
Authorized		
– 398,300,000 shares in 2005		
– 440,000,000 shares in 2006		
Issued and outstanding		
– 111,075,980 shares in 2006 and 2005	13,092	13,092
Additional paid-in capital	6,429	6,425
Retained earnings	25,058	18,463
Unrealized gain on available-for-sale securities	4,244	1,985
Treasury stock, at cost		
– 1,497,061 shares in 2006 and 1,489,061 shares in 2005	(451)	(440)
Total shareholders' equity	48,372	39,525
Total liabilities, minority interests and shareholders' equity	¥156,659	¥ 147,777

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
For the years ended March 31, 2006 and 2005

	Millions of yen	
	2006	2005
Revenue	¥ 73,382	¥ 63,763
Costs and expenses	55,728	48,846
Gross profit	17,654	14,917
Selling, general and administrative expenses	5,224	5,372
Operating income	12,430	9,545
Other income (expenses):		
Interest and dividend income	376	236
Interest expense	(2,672)	(2,727)
Foreign exchange gain, net	40	334
Investment enterprise income	693	698
Restoration costs of soil pollution	-	(172)
Loss on write-down of real estate held for sale	-	(71)
Gain on sale of fixed assets, net	839	49
Impairment loss	(1,495)	-
Profit from liquidation of affiliates	2,700	-
Loss on write-down of investment securities	-	(53)
Equity in earnings of affiliates	113	29
Other income	450	394
Other expenses	(205)	(249)
Income before income taxes	839	(1,532)
Income before income taxes	13,269	8,013
Income taxes		
Current	4,723	3,710
Deferred	84	(575)
	4,807	3,135
Minority interest in income (loss) of consolidated subsidiaries	45	23
Net income	8,417	4,855
Retained earnings at beginning of year	18,463	14,453
Decrease:		
Effect of subsidiaries newly consolidated	-	(1)
Effect of changes in consolidation scope for affiliates	(19)	-
Bonuses to directors	(50)	(50)
Cash dividends	(1,753)	(794)
Retained earnings at end of year	¥ 25,058	¥ 18,463
	Yen	
Net income per share, basic and diluted	¥76.13	¥47.23
Cash dividends per common share	¥15.00	¥10.00