

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
At March 31, 2007 and 2006

	Millions of yen	
	2007	2006
ASSETS		
Current assets:		
Cash and time deposits	¥ 6,970	¥ 6,694
Notes and accounts receivable	4,790	3,768
Allowance for doubtful accounts	(45)	(74)
Inventories	1,991	1,701
Other current assets	6,098	6,207
Total current assets	19,804	18,296
Vessels, property and equipment:		
Vessels	96,713	86,152
Buildings	30,210	22,923
Equipment	529	373
Other fixed assets	1,282	1,040
Construction in progress	6,379	8,028
	135,113	118,516
Less: accumulated depreciation	(54,437)	(44,420)
	80,676	74,096
Land	39,097	39,222
Total vessels, property and equipment	119,773	113,318
Investments and other assets:		
Investment securities	21,143	19,367
Investments in non-consolidated subsidiaries and affiliates	1,493	1,194
Long-term loans	241	549
Other assets	4,406	4,059
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	27,159	25,045
Total assets	¥ 166,736	¥ 156,659

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

	Millions of yen	
	2007	2006
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	¥ 1,660	¥ 3,449
Current portion of long-term debt	14,229	10,083
Accounts payable	6,625	4,218
Advances received	2,228	2,044
Income taxes payable	2,252	2,862
Deposits received	2,777	-
Other current liabilities	1,577	2,209
Total current liabilities	31,348	24,865
Long-term liabilities:		
Long-term debt	73,823	70,318
Accrued employees' pension and severance costs	1,367	1,519
Reserve for retirement benefits to directors and statutory auditors	94	506
Reserve for periodic overhaul of vessels	617	539
Other long-term liabilities	7,479	10,616
Total long-term liabilities	83,380	83,498
Total liabilities	114,728	108,363
Minority interests in consolidated subsidiaries	-	(76)
Commitments and contingent liabilities		
Shareholders' equity:		
Common stock, no par value		
Authorized		
– 440,000,000 shares in 2006		
Issued and outstanding		
– 111,075,980 shares in 2006	-	13,092
Additional paid-in capital	-	6,429
Retained earnings	-	25,058
Unrealized gain on available-for-sale securities	-	4,244
Treasury stock, at cost		
–1,497,061 shares in 2006	-	(451)
Total shareholders' equity	-	48,372
Total liabilities and shareholders' equity	-	¥ 156,659

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(continued)
At March 31, 2007 and 2006

Net assets

Shareholders' equity:

Common stock, no par value

Authorized

– 440,000,000 shares in 2007

Issued and outstanding

– 111,075,980 shares in 2007

13,092

-

Additional paid-in capital

6,430

-

Retained earnings

27,291

-

Treasury stock, at cost

– 1,503,131 shares in 2007

(458)

-

Total Shareholders' equity

46,355

-

Revaluation and translation adjustments

Unrealized gain (loss) on available-for-sale securities

4,605

-

Gain on deferred hedges

1,050

-

Total revaluation and translation adjustments

5,655

-

Minority interests in consolidated subsidiaries

(2)

-

Total net assets

52,008

-

Total liabilities and net assets

¥166,736

-

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
For the years ended March 31, 2007 and 2006

	Millions of yen	
	2007	2006
Revenue	¥ 80,516	¥ 73,382
Costs and expenses	61,278	55,728
Gross profit	19,238	17,654
Selling, general and administrative expenses	5,956	5,224
Operating income	13,282	12,430
Other income (expenses):		
Interest and dividend income	480	376
Interest expense	(2,731)	(2,672)
Foreign exchange gain(loss), net	(74)	40
Investment enterprise income	593	693
Gain on sale of fixed assets, net	186	839
Non-recurring depreciation	(3,475)	-
Rebuilding related loss	(1,940)	-
Impairment loss	-	(1,495)
Profit from liquidation of affiliates	-	2,700
Loss on write-down of investment securities	(11)	-
Equity in earnings of affiliates	87	113
Other income	152	450
Other expenses	(110)	(205)
	(6,843)	839
Income before income taxes	6,439	13,269
Income taxes		
Current	4,576	4,723
Deferred	(2,009)	84
	2,567	4,807
Minority interest in income (loss) of consolidated subsidiaries	(3)	45
Net income	¥ 3,875	8,417
Retained earnings at beginning of year		18,463
Decrease:		
Effect of changes in consolidation scope for affiliates		(19)
Bonuses to directors		(50)
Cash dividends		(1,753)
Retained earnings at end of year		¥ 25,058
		Yen
Net income per share, basic and diluted	¥35.36	¥76.13
Cash dividends per common share	¥15.00	¥15.00