

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Revenues	¥ 77,031	¥ 94,496
Costs and expenses (Note 12)	66,433	75,534
Gross profit	10,598	18,962
Selling, general and administrative expenses	6,512	7,036
Operating profit	4,086	11,926
Other income (expenses):		
Interest and dividend income	1,004	1,019
Interest expense	(2,771)	(2,554)
Foreign exchange gain (loss), net	259	(3)
Gain on sale of fixed assets, net	811	1,579
Rebuilding related loss	(1,094)	(962)
Impairment loss	0	(1,700)
Loss on write-down of investment securities	(2)	(795)
Equity income (loss) in earnings of affiliates	(459)	874
Other income	265	200
Other expenses	(282)	(283)
	(2,269)	(2,625)
Income before corporate income taxes	1,817	9,301
Corporate income taxes (Note 9)		
Current	179	534
Deferred	1,409	3,176
	1,588	3,710
Minority interest in income (loss) of consolidated subsidiaries	50	(14)
Net income	¥ 180	¥ 5,605
		Yen
Net income per share, basic and diluted	¥1.69	¥51.54
Cash dividends per common share	¥12.00	¥15.00

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 2010 and 2009

	Millions of yen	
	2010	2009
ASSETS		
Current assets:		
Cash and time deposits (Note 3 and 4)	¥ 8,879	¥ 11,087
Notes and accounts receivable (Note 4)	4,370	5,033
Allowance for doubtful accounts	(19)	(11)
Supplies	2,279	1,325
Goods	49	46
Real estates held for sale	276	276
Other current assets (Note 9)	9,281	7,034
Total current assets	25,115	24,790
Vessels, property and equipment:		
Vessels	116,126	128,047
Buildings (Note 10)	19,010	18,923
Equipment (Note 10)	224	225
Other fixed assets (Note 10)	1,108	1,133
Construction in progress	22,349	5,912
	158,817	154,240
Less: accumulated depreciation	(60,987)	(58,747)
	97,830	95,493
Land (Note 10)	40,074	40,008
Total vessels, property and equipment	137,904	135,501
Investments and other assets:		
Investment securities (Notes 4, 5 and 7)	12,425	9,522
Investments in non-consolidated subsidiaries and affiliates (Note 4)	2,502	3,069
Long-term loans (Note 7)	131	117
Other assets (Notes 7 and 9)	2,658	2,932
Allowance for doubtful accounts	(0)	(123)
Total investments and other assets	17,716	15,517
Total assets	180,735	175,808

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
As of March 31, 2010 and 2009

	Millions of yen	
	2010	2009
LIABILITIES, MINORITY INTERESTS, AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings (Note 4 and 7)	¥ 7,345	¥ 11,690
Current portion of long-term debts (Note 4 and 7)	8,840	10,989
Accounts payable (Note 4)	4,535	4,904
Advances received	1,729	2,128
Income taxes payable (Note 9)	65	299
Other current liabilities (Note 9)	2,677	2,487
Total current liabilities	25,191	32,497
Long-term liabilities:		
Long-term debts (Note 7)	93,042	82,237
Accrued employees' pension and severance costs (Note 8)	1,290	1,500
Reserve for retirement benefits to directors and statutory auditors	78	121
Reserve for periodic overhaul of vessels	593	656
Other long-term liabilities (Note 9)	7,814	5,402
Total long-term liabilities	102,817	89,916
Total liabilities	128,008	122,413

IINO KAIUN KAISHA, LTD. AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
As of March 31, 2010 and 2009

	Millions of yen	
Net assets	2010	2009
Shareholders' equity:		
Common stock, no par value		
Authorized		
440,000,000 shares in 2010 (440,000,000 shares in 2009)		
Issued and outstanding		
– 111,075,980 shares in 2010 (111,075,980 shares in 2009)	¥ 13,092	¥ 13,092
Additional paid-in capital	6,432	6,432
Retained earnings	33,775	35,035
Treasury stock, at cost		
– 4,417,181 shares in 2009 (4,410,823 shares in 2009)	(2,303)	(2,300)
Total Shareholders' equity	<u>50,995</u>	<u>52,258</u>
Revaluation and translation adjustments		
Unrealized gain (loss) on available-for-sale securities (Note 6)	477	(143)
Gain on deferred hedges	816	1,018
Translation Adjustments	(49)	(52)
Total revaluation and translation adjustments	<u>1,244</u>	<u>823</u>
Minority interests in consolidated subsidiaries	<u>487</u>	<u>314</u>
Total net assets	<u>52,727</u>	<u>53,395</u>
Total liabilities and net assets	<u><u>180,735</u></u>	<u><u>175,808</u></u>