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Iino Lines' IEG14 Medium-Term Business Plan
—Growth and Evolution—
(Iino's Evolutionary Growth Plan to 2014)

The Iino Group has formulated IEG14, a medium-term business plan (for April 2011 – March 2014) that aims to promote new growth in its Shipping Business and enhance its Real Estate Business's earnings base.

Since fiscal 2007, the Iino Group has been working to achieve continuous growth under its previous medium-term business plan, ISG12 (Iino's Strategic Growth Plan to 2012). In its Real Estate Business, Iino Lines embarked on reconstruction of the Iino Building amid extremely difficult market conditions. In advance of its opening this fall, however, it has tentatively secured tenants for all floors of the building's lease area. In the Shipping Business, freight rates remain soft in the mainstay Chemical Tanker Division, and turmoil persists in the Dry Bulk Division in the wake of flooding in Australia and the recent earthquake and tsunami disaster in northeast Japan.

Amid this environment, the Iino Group's management determined that the current business environment is not conducive to achieving ISG12's goals, formulated in 2007 before the onset of the global financial crisis. Management therefore decided to formulate a new medium-term business plan before ISG12's original expiry date.

Under the new medium-term business plan, the Iino Group will make further qualitative improvements to its two-pronged business platform encompassing its Shipping Business and Real Estate Business. It will implement structural reforms aimed at generating further growth in the Shipping Business in particular.

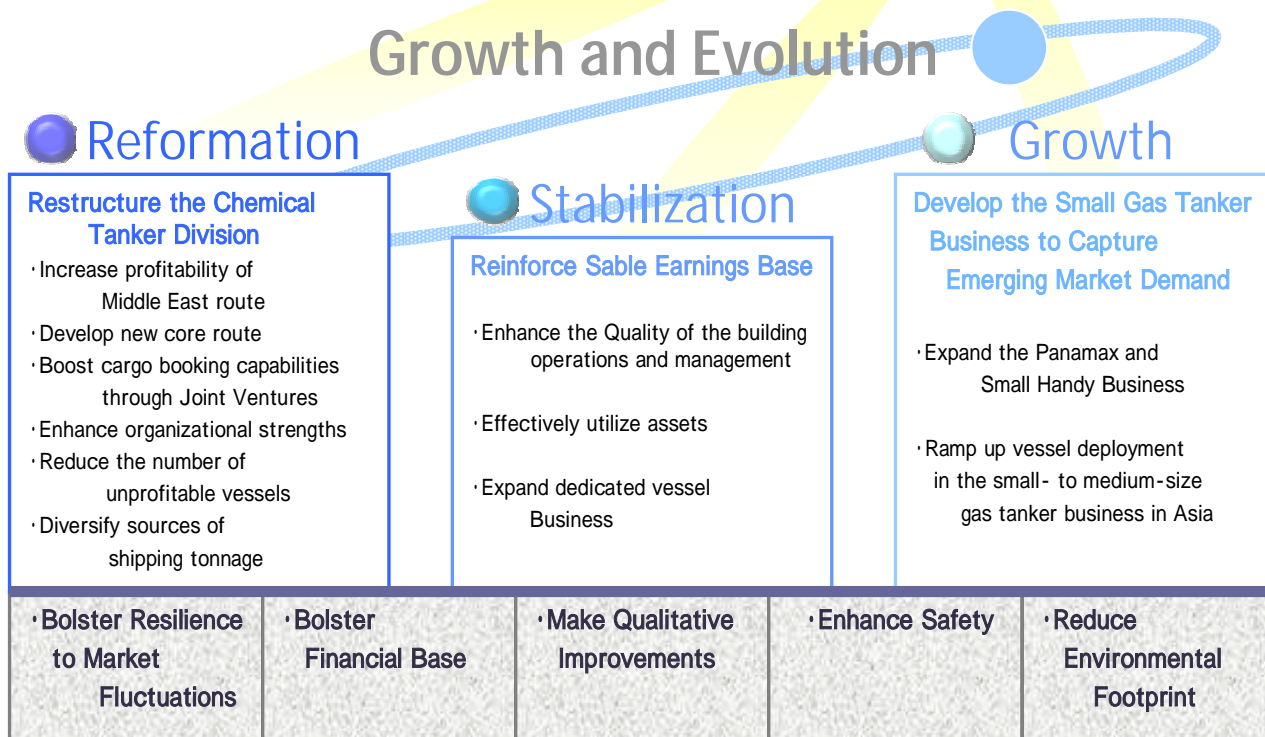
IEG14's 3 Pillars

1. Restructure the Chemical Tanker Division (Increase profitability of Middle East routes, develop new core routes, bolster cargo booking capabilities through joint ventures, enhance organizational strengths, reduce unprofitable vessels, and diversify sources of shipping tonnage)
2. Reinforce Stable Earnings Base including the Real Estate Business (Open the new Iino Building, expand dedicated vessel business)
3. Develop the Small- and Medium-Size Vessel Business to Capture Emerging Market Demand (dry bulk business, small and medium-size gas tanker business)

IEG14's 5 Cornerstones

1. Bolster Resilience to Market Fluctuations (Variable external factors including freight rates, foreign exchange rates, business costs, etc. → Enterprise risk management)
2. Bolster Financial Base (Reduce interest-bearing debt, diversify financing sources)
3. Make Qualitative Improvements (Enhance technological, organizational and marketing capabilities, develop personnel)
4. Enhance Safety (Vessel operation, building management)
5. Reduce Environmental Footprint (Vessels, buildings)

Iino's Evolutionary Growth Plan to 2014



Status of Facilities, Tonnage and Number of Buildings in operation

(For Reference)

		End of Fiscal 2007	~ ISG12 ~	End of Fiscal 2010	~ IEG14 ~	End of Fiscal 2013	Next Stage	Mid 2010s
Shipping Business	Oil tankers	11 vessels		8		8 or more	Initiatives to raise corporate value ahead of Iino's 200th anniversary	8 or more
	Chemical Tankers	37	· Increase scale of chemical tanker operations in Middle East	39	· Structurally reform chemical tanker operations and expand routes globally	Around 45		Around 50
	LNG tankers	13		13		13 or more		13 or more
	LPG tankers (including petchem tankers)	36	· Begin transport by Iino Gas Transport Co., Ltd. for regional trades	31	· Develop small gas tanker Business to capture demand from emerging markets	35 or more		40 or more
	Dry Bulk carriers	15		17		Around 22		Around 25
Real Estate Business	6 buildings	Reconstruction of Iino building	5	Iino Building begins operation	6		6 or more	

Aiming for operating profit of ¥10 billion in the mid 2010s, Iino Lines will build up its fleet to include roughly 50 chemical tankers and 25 bulk carriers. It will also conduct organizational strengthening to bolster its Real Estate Business, a source of stable earnings, and its dedicated vessel operations. Iino Lines aims to expand its Shipping Business by focusing on securing cargoes for short- to medium-term charters.

In conjunction with structural reforms of the Chemical Tanker Division in fiscal 2011, the Company will consider selling some of the vessels that it owns and replacing some of its assets.

Numerical Targets

(billions of yen)

	Fiscal 2010 ⁽¹⁾	Fiscal 2011	Fiscal 2012	Fiscal 2013	(For Reference) Mid 2010s
Revenues	73.0	76.0	83.0	86.0	100.0
Operating profit	2.2	2.0	5.4	6.2	10.0
Recurring profit	0.8	0.2	3.2	4.0	8.0
Net income	0.6	0.2	2.0	3.8	6.0
Shareholders' equity		52.7	54.1	56.9	65.0 or higher
Interest-bearing debt		140.4	144.1	135.2	127.0 or lower
Net D/E ratio		2.49	2.46	2.19	1.8 or lower
Operating CF		8.5	13.1	14.2	
Investing CF		(41.0)	(14.5)	(5.0)	

(1) The forecast figures for fiscal 2010 are the consolidated forecasts noted in the "Financial Results for the Nine Months ended December 31, 2010," announced on January 31, 2011.

Market Assumptions

Exchange rate ¥/US\$		85	85	85
Bunker oil US\$/MT		600	600	600
Panamax US\$/Day	(2)	18,000	20,000	20,000
Small Handy US\$/Day	(2)	13,000	14,000	14,000

(2) Market assumptions for Panamax and Small Handy carriers are based on the Pacific Round route.

Dividends

The fiscal 2010 year-end dividend and dividends for fiscal 2011 have not been determined.

From fiscal 2012, Iino Lines aims to be able to provide a stable dividend in the ¥8-10 range.

The forecasts of business performance and other forward-looking statements given in these materials reflect the Company's best judgment based on the information available at the time of preparation. These forward-looking statements are subject to various potential and underlying risks and uncertainties. Actual results may vary materially from forecasts due to changes in various factors