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Iino Line's "ISG12" Medium-Term Business Plan

—Towards continuous corporate growth—

(Iino's Strategic Growth Plan to 2012)

(Maintain ROE of 10%)

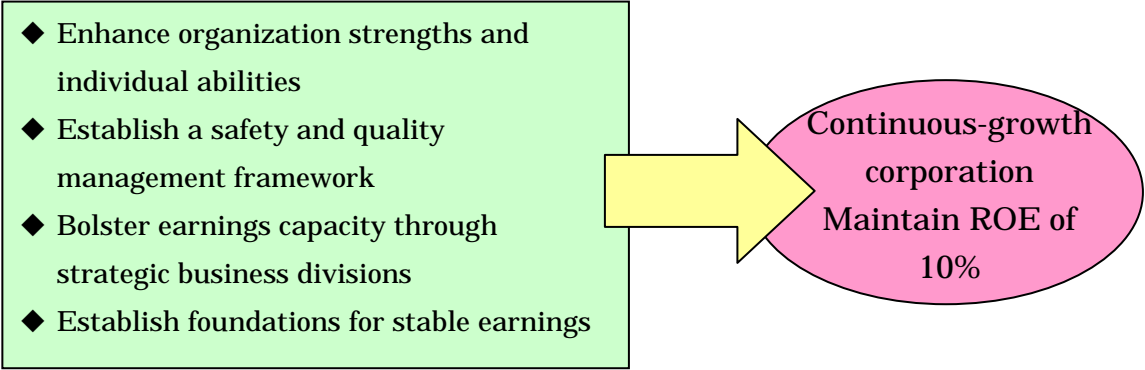
The Iino Line Group (hereinafter "the Company"), aiming to become a continuous-growth corporation, has formulated a five-year (April 2007–March 2012) medium-term business plan, ISG12.

Propelled by a recovery in the Japanese economic environment and favorable conditions in the shipping market, the Company exceeded initially planned targets during each year of the 2004 to 2006 medium-term business plan, IVC07 (Iino's Value Creation to 2007). Targets were reviewed at the beginning of each year for the duration of the plan, and revised upwards. The Company recorded a new historical high for recurring profit in the final year of the plan. Certain results were also achieved in terms of qualitative company-wide targets, with the Company's business foundations, which facilitate the enhancement of corporate value, continuing to exhibit healthy development.

The new medium-term business plan, "ISG12", aims to make "the Company a continuous-growth corporation", with a target of maintaining ROE of 10% as a means of measuring the extent to which this is achieved. The Company has developed a range of strategies in an effort to achieve its targets. In the Shipping Business, the Company hopes to make even further progress in its **Chemical Tanker Division**, which has so far led business performance, and aiming for growth that will make the division a source of stable earnings, the Company has positioned efforts targeting **Gas Transport Business** as part of its strategic undertakings. In the Real Estate Business, working towards the **reconstruction of the Iino building** in order to further strengthen the core of its stable earnings, the Company has formulated plans on the assumption that construction will be complete by fiscal 2010. To establish a safety and quality management framework for these three divisions and its vessels, the Company will be actively allocating managerial resources as required. With regard to the Vessel Management Division, in particular, the Company is putting effort into the **"development of marine personnel"** and the **"effective utilization of foreign seamen"**, and aiming to ensure safety and further strengthen reliability while enhancing customer satisfaction.

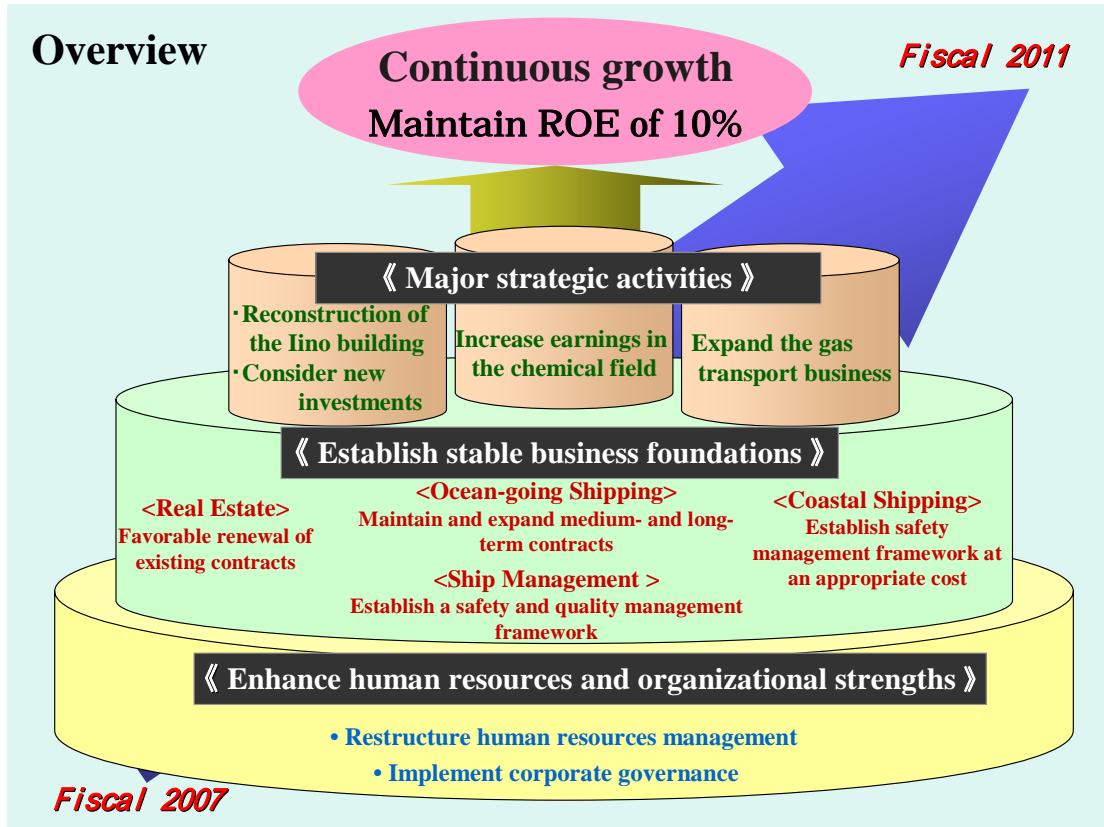
In order to implement these management policies and bolster foundations for further growth, the Company will be engaged in the task of **“enhancing organizational strengths and individual abilities”**, and while working to create an environment in which motivation and skills are constantly exhibited, the Company will also be independently constructing and strengthening frameworks in order to respond to the various demands made by society (CSR, corporate governance, and so forth).

With regard to dividends during the period of the plan, although earnings are expected to be lower due to the reconstruction of the Iino building, based on the forecast of continued favorable performance in the shipping business and the policy of maintaining a stable dividend, the Company expects to pay an annual dividend of ¥12 per share.

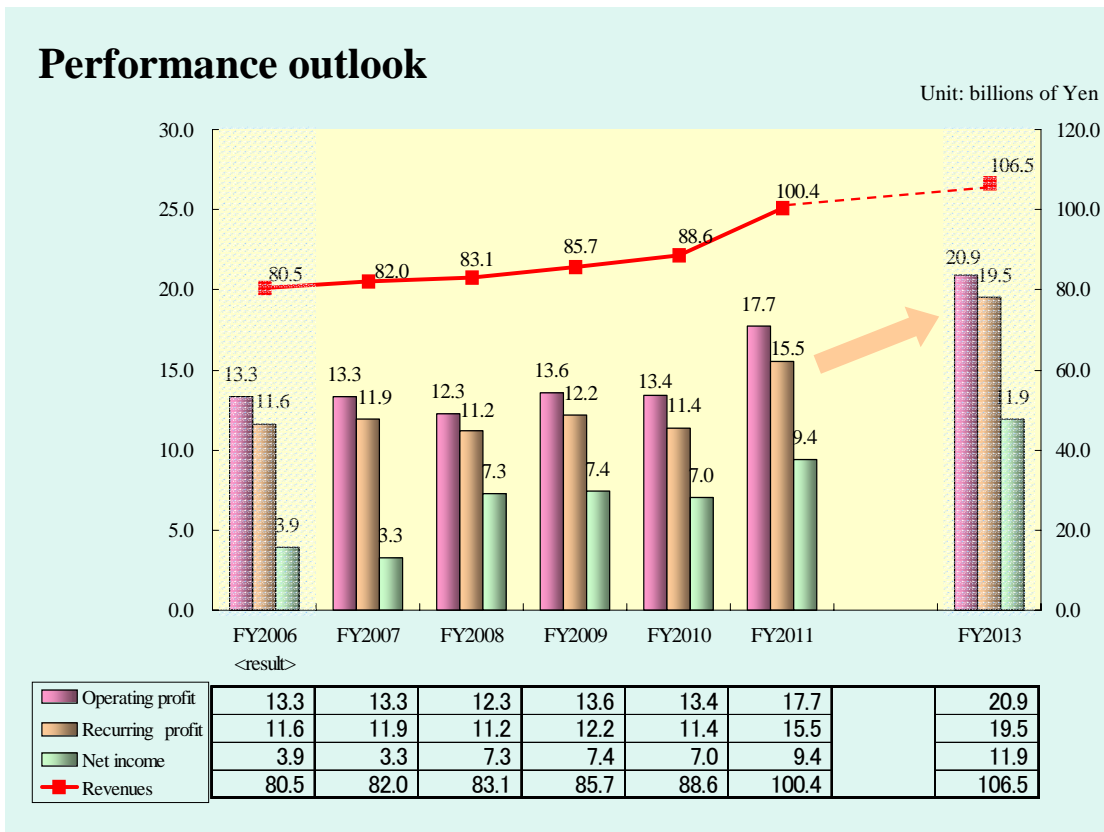


Please refer to the following pages (the ISG12 medium-term business plan) for details.

1. Overview of ISG12



2. Past performance and quantitative targets



Earnings plan

Unit: billions of Yen

	FY2006 <result>	FY2007	FY2008	FY2009	FY2010	FY2011		FY2013
Revenues	80.5	82.0	83.1	85.7	88.6	100.4		106.5
Operating profit	13.3	13.3	12.3	13.6	13.4	17.7		20.9
Recurring profit	11.6	11.9	11.2	12.2	11.4	15.5		19.5
Net income	3.9	3.3	7.3	7.4	7.0	9.4		11.9
Dividend	¥15*	¥12	¥12	¥12	¥12	¥12		¥12
ROE	7.7%	6.0%	12.2%	11.2%	9.7%	11.7%		11.9%
D/E ratio	1.72	1.92	1.81	1.64	1.63	1.20		0.74

*The dividend for fiscal 2006 includes a special dividend of ¥3 per share.

Assumptions

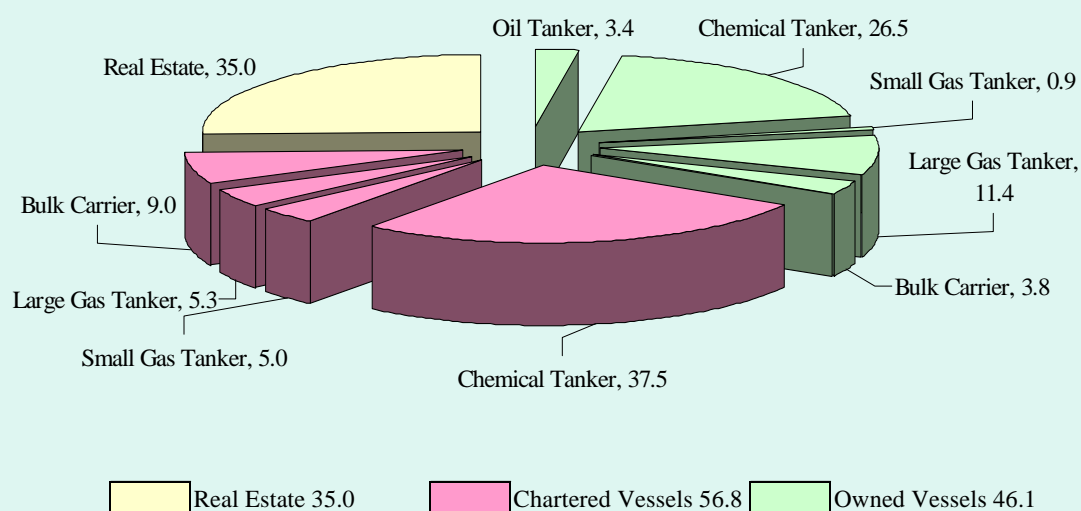
Exchange rate: US\$1 = ¥110

Bunker oil price: US\$300/metric ton (Singapore 380 CST)

	FY2007	FY2008	FY2009	FY2010	FY2011
Panamax	\$30,000	\$22,000	\$20,000	\$20,000	\$20,000

Investment plan for fiscal 2007 to fiscal 2011

Unit: billions of Yen



The forecasts of business performance and forward-looking statements given in these materials reflect the Company's best judgment based on the information available at the time of preparation. The forecasts and forward-looking statements are subject to various potential and underlying risks and uncertainties. Therefore, actual results may vary substantially from the forecasts provided due to changes in a wide range of factors.