



February 7, 2008

Company Name: Iino Kaiun Kaisha, Ltd.

Stock Code: 9119

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Iino Kaiun Kaisha Incurs (Increased) Extraordinary Loss and Revises Earnings Forecast

Iino Kaiun Kaisha, Ltd., (the "Company") announced today that it expects to incur an extraordinary loss associated with certain rebuilding efforts, as outlined below. Accordingly, and in consideration of its recent business performance, the Company revised its earnings forecast for the fiscal year ending March 31, 2008 (April 1, 2007 – March 31, 2008),

1. Background to and details of extraordinary loss

Loss associated with the rebuilding of the Iino Building

The Company announced plans to rebuild Iino Building in a press release dated December 21, 2006. Since the announcement, the Company has been working in cooperation with the parties involved, while also holding discussions with relevant government authorities. Given progress made to date, the Company now expects demolition expenses and other expenditures to be greater than initially projected, and the expected loss associated with the rebuilding efforts has been revised from approximately ¥6.5 billion to ¥7.7 billion. The Company will continue to provide updates on progress as the need arises.

2. Reason for revision of earnings forecast

With regard to full-year consolidated and non-consolidated earnings forecasts, the Company expects stable revenues across all divisions, with the chemical tanker and dry bulk shipping divisions continuing to lead performance. Reflecting this, sales, operating income, and ordinary income are expected to exceed previously announced forecasts, and the Company has upwardly revised its outlook accordingly. However, as described above, extraordinary losses are expected to exceed initial forecasts, and the forecast for net income has therefore been revised downward.

The earnings forecasts for the fourth quarter are based on an assumed exchange rate of ¥105/US\$ for February and March, 2008, and an assumed bunker oil price at the Port of Singapore of US\$500/MT for January through March.

Consolidated earnings forecasts for the fiscal year ending March 31, 2008

(millions of yen, except for EPS)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS(¥)
Previous forecast (Nov. 9, 2007)	92,700	16,100	15,900	6,200	56.59
Revised forecast	94,700	16,700	16,400	5,600	51.11
Increase/Decrease	2,000	600	500	(600)	(5.48)
FY 2006	80,516	13,282	11,639	3,875	35.36

Non-consolidated earnings forecasts for the fiscal year ending March 31, 2008

(millions of yen, except for EPS)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS(¥)
Previous forecast (Nov. 9, 2007)	75,900	13,000	15,100	5,300	48.37
Revised forecast	79,000	13,700	15,800	5,100	46.55
Increase/Decrease	3,100	700	700	(200)	(1.82)
FY 2006	73,298	11,308	11,346	3,636	33.18

The earnings forecasts presented above are projections based on information available to the Company at the time of the release of this document and subject to potential risks and uncertainties. Actual results may differ materially from the above forecasts due to changes in economic and other factors.