



To whom it may concern:

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Company Name:
SHINWA KAIUN KAISHA, LTD.
Company representative:
Hiroshi Sugiura, President
(Code number: 9110)
Contact for inquiry:
Takafumi Ihara,
General Manager,
Project Group
(TEL: +81-3-5290-6291)

Revision of Operating Performance Forecast and Dividend Distribution Forecast

This is to report that Shinwa Kaiun has revised its operating performance forecast originally announced on April 30, 2010, based on recent operating performance trends, as follows:

Revision of Operating Performance Forecast

Revision of consolidated operating performance forecast for the period up to the end of the 2nd quarter of fiscal year ending March 2011 (April 1, 2010 through September 30, 2010)

	Revenue (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Quarterly net income (Millions of Yen)	Quarterly net income per share (Yen)
Previous forecast(A)	56,000	3,500	3,000	1,700	10.50
Revised forecast(B)	58,000	3,800	3,700	2,700	16.68
Change (B-A)	2,000	300	700	1,000	--
Percentage Change (%)	3.6	8.6	23.3	58.8	--
Reference: Previous fiscal period (2nd quarter of the year ended March 2010)	45,600	2,450	1,926	1,476	9.11

Revision of consolidated operating performance forecast for full fiscal year ending March 2011 (April 1, 2010 through March 31, 2011)

	Revenue (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Net income (Millions of Yen)	Net income per share (Yen)
Previous forecast (A)	110,000	7,000	6,000	3,500	21.62
Revised forecast (B)	--	--	--	--	--
Change (B-A)	--	--	--	--	--
Percentage Change (%)	--	--	--	--	--
Reference: Previous fiscal period (For the year ended March 2010)	95,106	4,796	4,053	1,215	7.50

Reason for the forecast revisions

Prerequisite for the forecast are as follows;

2nd quarter (Jul - Sep) Exchange rate, Japanese yen to the US dollar

Revised forecast: 88 yen per dollar

Previous forecast: 90 yen per dollar

Fuel oil price ("Bunker C" heavy oil at Japan ports)

Revised forecast: US\$500 per ton

Previous forecast: US\$540 per ton

We will merge with Nippon Steel Shipping Co., Ltd. on October 1st, 2010 and change its name to "NS United Kaiun Kaisha, Ltd" as from the same date. For more information on this merger, please refer to "Announcement relating to the signing of a merger agreement between Shinwa Kaiun Kaisha, Ltd. and Nippon Steel Shipping Co., Ltd." announced on May 20, 2010. We have decided to take conservative approach and not to announce the forecast for the full fiscal year at this stage due to uncertainty of the effects of merger-accounting procedures which makes difficult to compute the figures. Therefore we revoke the previous forecast, and will revise the full-year forecast at the time of announcement of our 2nd quarter financial results.

Dividend Distribution Forecast

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	For full year
	(yen)	(yen)	(yen)	(yen)	(yen)
Previous forecast (As of October 30, 2009)	--	0.00	--	4.00	4.00
Revised forecast	--	0.00	--	--	--
Result for current fiscal year	--	--	--	--	--
Result for previous fiscal year (ended March 2009)	--	--	--	2.00	2.00

(Note)The above forecast is based on available information as of the release date of this report. The actual dividend distribution could be substantially different from this forecast, depending on various factors.

Reason of the revision

We set our target consolidated dividend payout ratio of 20%, and decide an interim dividend considering our earning performance of the first half of fiscal year as well as outlook for second half of fiscal year. However, we are in a situation where we are unable to estimate the forecast for full fiscal year 2010 at this stage as above mentioned.

With respect to the dividends distribution forecast for the fiscal year 2010, we have decided to suspend payment of the interim dividend as previously disclosed, and we will announce the forecast for the year-end dividend together with our 2nd quarter financial results.