

(Translation)

May 18, 2009

Corporate name: IHI Corporation
Code: 7013 (TSE, OSE, NSE
(First Section), FSE, and
SSE)
Representative: Kazuaki Kama
President and
Representative Director
Contact: Yoshio Takezono
PR/IR Manager
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Corporate name: Kurimoto, Ltd.
Code: 5602 (TSE and OSE (First
Section))
Representative: Hideaki Fukui
President and
Representative Director
Contact: Shinya Kojima
Officer and General
Manager of Finance Section
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Corporate name: Matsuo Bridge Co., Ltd.
Code: 5913 (TSE and OSE (First
Section))
Representative: Kiyoshi Usui
President and
Representative Director
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To Whom It May Concern:

Execution of Basic Agreement for Integration of Bridge,
Water Gate, and Other Steel Structure Businesses

IHI Corporation (“IHI”), Kurimoto, Ltd. (“Kurimoto”), and Matsuo Bridge Co., Ltd. (“Matsuo”) announced that they have entered into a basic agreement for integration of businesses (the “Basic Agreement”) pursuant to the resolutions of the respective board meetings held today for the integration of the bridge, water gate, and other steel structure businesses respectively operated by the three companies (including maintenance thereof; hereinafter collectively, the “Business”) (the “Integration”).

Pursuant to the Basic Agreement, a tender offer will be conducted first in order for IHI to acquire all shares of common stock issued by Matsuo (the “Tender Offer”), whereby

Matsuo will become a wholly-owned subsidiary of IHI. Then, they will start discussions for transferring to IHI the shares in Kurimoto Bridge, Ltd. ("Kurimoto Bridge") held by Kurimoto and the part of the Business operated by Kurimoto. The structure of this transfer may be subject to change, whether the Tender Offer will be successful or not and by other factors.

For details of the Tender Offer, please refer to the "Notice of Commencement of Tender Offer against Matsuo Bridge Co., Ltd." published by IHI on May 18, 2009.

1. Background and purpose of the Integration

Bridge and water gate markets in Japan have continued to be affected in recent years by cutbacks in public works projects in terms of both volume and value, and the future market outlook also remains unclear.

In bridge industry, despite the withdrawal of major heavy industry manufacturers or despite other factors, there continues to be a number of manufacturers, even though there has been a reduction in market size. Some manufacturers are reorganizing their production structure to pursue profits commensurate to their market share for survival, while others are actively working to integrate businesses through tie-ups and other arrangements. Although no manufacturers have yet conducted full-scale business integration, this movement is expected to increase further in the future. On the other hand, competitive differentiation over rival manufacturers is becoming increasingly important now that the comprehensive evaluation method has become a general standard in placing public works projects and that manufacturers' competitive strength both in terms of quality and technology has become a requirement on top of cost competitiveness.

Under these circumstances, at the initiative of IHI offering a proposal to Matsuo and Kurimoto, IHI and Matsuo started discussions from around December 2008 for potential integration. Then, with Kurimoto joining the proposal in April 2009, IHI, Matsuo, and Kurimoto started discussing the specific scheme for the business integration.

IHI's competitiveness is in its technology and materials procurement ability that it has developed as a total engineering company. On the other hand, Matsuo's and Kurimoto Bridge's strengths lie in their cost competitive production bases that they operate as manufacturers specializing in bridges, including their respective plants in Sakai-shi, Osaka, which are located adjacent to each other. It was judged that further productivity raise and enhancement of the production capacity would be possible by bringing IHI's technology and procurement ability together with the integration, reorganization, and reinforcement of the production facilities of such adjacent plants, as announced in the "Notice of Agreement on Joint Use of Plant Yards by Kurimoto Bridge, Ltd. and Matsuo Bridge Co., Ltd." in July 2008 by Matsuo and Kurimoto Bridge.

Companies in the water gate business are required to preserve and maintain their technology and production know-how, as they have a vital role in properly maintaining and renewing facilities as an important player in the water control service that serves to protect the safety of citizens. On the other hand, with the withdrawal of major heavy industry manufacturer and due to other factors, number of companies in the water gate business is decreasing as new water gate construction market size is in large decline.

Under these circumstances, IHI and Kurimoto, both being top players in the water gate business, have been respectively working to identify solutions for business sustainability in order to serve the social need. They repeated discussions since April 2009 over the feasibility of business integration in both the bridge and water gate businesses. As a result, they decided that it would be possible to respond to the social need as well as to sustain their respective businesses by using the Osaka Rinkai Factory of Kurimoto Bridge as the water gate manufacturing base of both IHI and Kurimoto. The Osaka Rinkai Factory was once used as a water gate production plant and has production facilities and know-how required for the water gate business.

Accordingly, IHI, Matsuo and Kurimoto decided to enter into the Basic Agreement for the Integration, as it is expected to bring about enhancing both cost competitiveness and technology by integrating the bridge businesses of IHI, Matsuo, and Kurimoto Bridge and the water gate businesses of IHI and Kurimoto, as explained above. They will work towards achieving a leading position in both the bridge and water gate industries and materializing our growth strategy with the synergy of enhanced technology development and increased volume of order intakes, by bringing together skilled engineers from each company.

2. Outline the merged company after the Integration

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| (1) Corporate name: | IHI Infrastructure Inc. (to be determined) |
| (2) Head office: | Sakai-shi, Osaka |
| (3) Scope of business: | Bridge and water gate businesses, and steel pipes, water pipe bridges, coastal marine structures, and other businesses |
| (4) Shareholder: | IHI Corporation (100%) |
| (5) Target annual sales: | JPY70 billion (consolidated basis) |
| (6) Number of employees: | 900 (consolidated basis) |
| (7) Key production base: | Sakai-shi, Osaka |
| (8) Domestic operation bases: | Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka, and Okinawa |

3. Outline of the Integration

- (1) In order to acquire all shares of common stock issued by Matsuo, IHI will conduct the Tender Offer starting from May 19, 2009, where 33,357,436 shares will be purchased at JPY122 per share of common stock of Matsuo (for details of the Tender Offer, please refer to the "Notice of Commencement of Tender Offer against Matsuo Bridge Co., Ltd." published by IHI on May 18, 2009). Matsuo will become a wholly-owned subsidiary of IHI, subject to the successful consummation of the Tender Offer.
- (2) Upon the commencement of the Tender Offer, Kurimoto and IHI will start discussions for transferring to IHI the shares in Kurimoto Bridge held by Kurimoto and the part of the Business operated by Kurimoto. The structure of the transfer may be subject to change whether the Tender Offer will be successful or not and by other factors.

- (3) If Matsuo becomes a wholly-owned subsidiary of IHI through the Tender Offer as stated in (1) above and the transfer stated in (2) above is successfully consummated, IHI, Kurimoto, and Matsuo will, subject to approvals of the competent authorities, merge their respective bridge, water gate, and other steel structure businesses and have the merged company launch its business as a wholly-owned subsidiary of IHI on or around October 1, 2009.
- (4) The method, terms, and timing of the Integration; details of business after the Integration; and other relevant matters will be discussed among the three companies and disclosed upon finalization.

4. Time schedule

The time schedule presently being discussed among the three companies is as follows. This schedule may be subject to change by discussions among the companies, approvals of competent authorities, and other required procedures. For a detailed time schedule for the Tender Offer, please refer to the "Notice of Commencement of Tender Offer against Matsuo Bridge Co., Ltd." published by IHI on May 18, 2009.

May 18, 2009 (Monday)	Resolution of board meetings for the execution of the Basic Agreement
May 18, 2009 (Monday)	Execution of the Basic Agreement
May 19, 2009 (Tuesday)*	Commencement of the Tender Offer
June 16, 2009 (Tuesday)*	End of the Tender Offer
End of August 2009*	Matsuo to become a wholly-owned subsidiary of IHI
End of August 2009*	Execution of a share transfer agreement for Kurimoto Bridge shares between IHI and Kurimoto, and closing of the transfer
End of August 2009*	Execution of a business transfer agreement for Kurimoto's water gate business between IHI and Kurimoto
October 1, 2009 (Thursday)*	Closing of the transfer of the water gate business, completion of the Integration, and incorporation of the merged company

(*to be determined)