

Company Fact Sheet for Year ended March 31, 2006

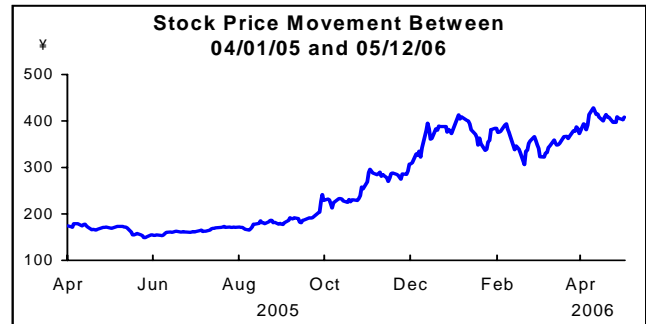
Profile

Ishikawajima-Harima Heavy Industries Co. Ltd. (IHI) is one of Japan's leading heavy machinery manufacturers, providing technology-oriented products and services to the nation's industrial, private and public sectors. IHI researches, consults, engineers, manufactures and supplies a range of machinery, equipment, plants, structures, ships and offshore facilities. IHI and its group of companies actively promote the selection and development of business to improve profitability in such fields as manufacturing, energy production, marine transportation, distribution and aerospace and environmental technologies. IHI is a national leader in the production of jet aircraft engines. IHI collaborates with Toshiba Corporation in the building of power plants, especially nuclear power plants.

Market Data

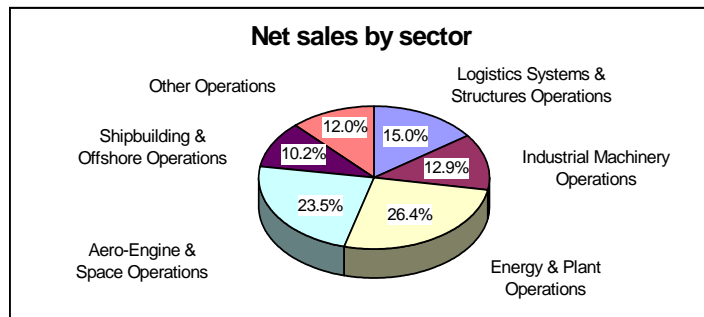
Market Data (as of May 15, 2006)

Price per share:	¥ 391
52-week high:	¥ 429
52-week low:	¥ 147
Total shares outstanding:	1,298.5 mn
Market cap:	¥ 507,711 mn



Financial Highlights for Year ended March 31, 2006 (YoY)

- Net sales increased by ¥ 38,028mn to ¥ 1,127,075mn.
- Operating income increased by ¥ 11,152mn to ¥ 21,771mn.
- Ordinary income increased by ¥ 11,635mn to ¥ 15,908mn.
- Net income increased by ¥ 3,103mn to ¥ 5,283mn.
- Fully diluted EPS increased by ¥ 2.37 to ¥ 3.93.



Operating Income by Sector

	¥mn	
	2005/03	2006/03
Logistics Systems & Structures Operations	(3,184)	(2,762)
Industrial Machinery Operations	2,092	7,537
Energy & Plant Operations	6,757	7,045
Aero-Engine & Space Operations	13,012	16,454
Shipbuilding & Offshore Operations	(13,553)	(8,648)
Other Operations	4,918	1,716
Elimination & Corporate	577	429
Total	10,619	21,771

Cash-Flows

	¥mn	
	2005/3	2006/03
Operating Activities	(4,408)	4,655
Investing Activities	(4,100)	2,761
Financing Activities	24,654	(13,179)
Cash and cash equivalents, end of year	139,684	137,382

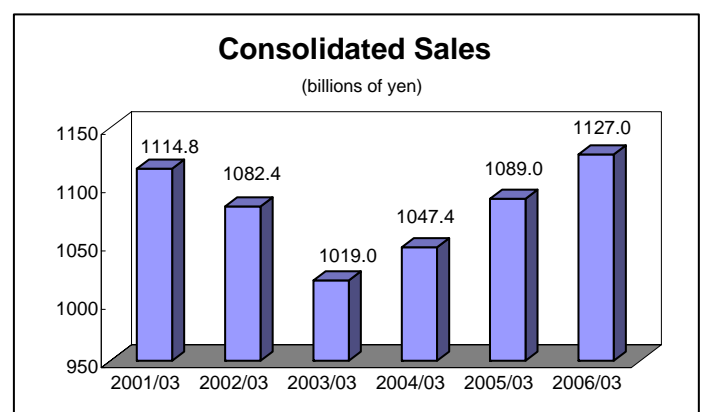
Key Strengths

- **Abundant capital:** an excellent financial standing that is indispensable for restructuring
- **Aero-engine and space operations:** medium-term growth potential and high profitability, especially in jet-engine maintenance where IHI dominates the market

Business Strategy

Target for Year ended March 31, 2007

	Consolidated
Net Sales	¥ 1,150bn
Ordinary Income	¥ 35bn



Company Fact Sheet for Year ended March 31, 2006**Foundation for V-shaped recovery in business performance**

Year ended March 31, 2007: Achieve the target for ordinary income of "JPY 35 billion" to put the company back on a growth track.

Rebuilding of Shipbuilding & Offshore Operations

Rebuilding system of production and improvement of production capacity
Profitability improvement by repair business strengthening
Expansion of engineering business and strengthening of group management

Other Growth Strategies

Aircraft Engines: Further strengthening and expansion of repair and maintenance business for commercial aircraft engines; careful focus on reducing the costs of parts manufacture; expand on supply.
Energy Solutions: To strengthen the company's capabilities in the solution business area in the diversified market for electric power supply, improve competitiveness and strive for business growth including gas and diesel engines.
Auto Turbochargers: Increase production with joint venture companies located in Europe, China, Thailand and the United States to make these enterprises more competitive; improve the company's business on a global basis.

Recent Events

- Transfer of material handling systems operations
To maximize the IHI Group's corporate value through achievement of IUK's growth strategy, IHI and IUK agreed on transferring IHI's material handling systems operations and parking systems operations to IUK.
- Transfer of pump facilities related operations
IHI is currently working to reallocate its management resources to highly profitable business areas with growth potential. In order to accelerate selection and concentration of its operations, IHI decided to transfer its pump facilities related operations to Ebara Corporation, with which IHI had developed a collaborative business relationship in wind and water powered machinery business.
- Boilers for a natural gas liquefaction plant for Sonatech of Algeria
IHI and Itochu Corporation jointly received an order for four boilers for a natural gas liquefaction plant from the Algeria's state-owned company Sonatech whose core business is development of oil and gas fields in the country.
- The 28AG large-sized gas engine at Niigata Power Systems Co., Ltd.
IHI and NPS achieved the world's highest power generation efficiency of 47.6% with the 28AG engine, a large-sized gas engine with output of 5,800kW. 28AG is the highest-end model of the AG Series of engines using the micro pilot ignition method.

Investor Relations Contacts

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Cautionary Statement

Statements made in this release with respect to IHI's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of IHI. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. IHI cautions you that a number of important factors such as general economic conditions and exchange rates could cause actual results to differ materially from those discussed in the forward-looking statements.