

(Translation)

Securities Code: 7013
April 1, 2008

To: Shareholders

IHI Corporation
Kazuaki Kama, President & CEO
1-1, Toyosu 3-chome, Koto-ku, Tokyo

**NOTICE OF CONVOCATION
OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of IHI Corporation (the "Company"). The meeting shall be held as described below.

If you are unable to attend the meeting on the date specified below, you can still exercise your voting rights by voting form (i.e., "Form for Exercising Voting Right") or via the Internet, etc. Please exercise your voting rights after reviewing the Reference Material for the General Meeting of Shareholders contained herein.

[If you exercise your voting rights by voting form]

Please exercise your voting rights by stating whether you are for or against the agenda item on the voting form enclosed herein and send the form back to us so that it reaches us by 5:30 p.m. on April 17, 2008 (Thursday).

[If you exercise your voting rights via the Internet, etc.]

Please exercise your voting rights by using the Internet, etc. through the website designated by the Company (<http://www.web54.net>) by 5:30 p.m. on April 17, 2008 (Thursday).

1. **Date and Time:** April 18, 2008 (Friday), 10:00 a.m.
2. **Place:** The "Hiten" main banquet hall, Grand Prince Hotel New Takanawa
13-1, Takanawa 3-chome, Minato-ku, Tokyo
(Please note that the place of the meeting is different from the place of last year's ordinary general meeting of shareholders.)
3. **Purposes**

Matters to be reported:

1. Report on the corrected business report and the corrected consolidated financial statements for the 190th fiscal term (from April 1, 2006 to March 31, 2007), and the results of the audit of the consolidated financial statements by the accounting auditor and the board of company auditors.
2. Report on the corrected financial statements for the 190th fiscal term (from April 1, 2006 to March 31, 2007).

Matters to be resolved:

Agenda item: To elect 5 directors

4. Predetermined Treatment regarding Convocation

- (1) If any voting rights are exercised redundantly by both the voting form and via the Internet, etc., the votes which reach us last shall be considered to be valid. If both the votes by the voting form and the votes via the Internet, etc. reach us on the same day, the votes cast via the Internet, etc. shall be considered to be valid.
- (2) If any voting rights are exercised via the Internet, etc. more than once, the votes cast last shall be considered to be valid.
- (3) If you do not state whether you are for or against each of the agenda items in exercising your voting rights by the voting form, you shall be considered to have stated that you are for the agenda item.

- END -

- 1. The reception of the attendees to the meeting at the reception desk shall start at 8:45 a.m.
- 2. We apologize for troubling you, however please submit the enclosed "Form for Exercising Voting Right" to the reception desk when you come to attend the meeting on the date of the meeting.
- 3. Please note that we shall post any amendments to the Reference Material for the General Meeting of Shareholders, the business report, the financial statements or the consolidated financial statements on our website (<http://www.ihico.jp>) if any such amendment is made.

Report on Correction of Financial Results for Previous Fiscal Year

We hereby deeply apologize for the great inconvenience and concern we have recently caused you in relation to the correction of the financial results for the fiscal year ending March 31, 2007.

While we have already provided you with a report on the correction of the financial results for the previous year in our disclosure documents, we hereby make a further report to you on the outline of the correction of the financial results for the previous year, the relevant facts which led to such correction, the results of the investigation and the future measures to be taken, as follows.

Centering on taking measures to prevent a recurrence as described below, we shall put together an organization to work to restore the confidence of our shareholders. We would like to ask for your continued understanding and support.

I. Outline of correction of financial results for previous fiscal year

We corrected the consolidated and non-consolidated financial results for the fiscal year that ended on March 31, 2007 and those for the interim term that ended on September 30, 2006 as follows, based on the results of the investigation by the Internal Investigation Committee and the External Investigation Committee, as well as the audit by the accounting auditors.

(1) Revisions to consolidated financial results

(In millions of yen)

	Category	Before revisions	After revisions	Difference
The 190 th term: the fiscal year that ended on March 31, 2007	Net Sales	1,234,851	1,221,016	-13,835
	Operating Income	24,617	-5,626	-30,243
	Ordinary Income	21,511	-8,732	-30,243
	Current Net Income	15,825	-4,593	-20,418
The 190 th term: the interim term that ended on September 30, 2006	Net Sales	518,936	517,531	-1,405
	Operating Income	1,061	-8,762	-9,823
	Ordinary Income	-492	-10,315	-9,823
	Interim Net Income	-2,817	-10,095	-7,278

(2) Revisions to non-consolidated financial results

(In millions of yen)

	Category	Before revisions	After revisions	Difference
The 190 th term: the fiscal year that ended on March 31, 2007	Net Sales	659,910	642,490	-17,420
	Operating Income	7,109	-17,589	-24,699
	Ordinary Income	12,741	-11,958	-24,699
	Current Net Income	6,134	-15,038	-21,172

	Category	Before revisions	After revisions	Difference
The 190 th term: the interim term that ended on September 30, 2006	Net Sales	266,804	261,853	-4,950
	Operating Income	-5,201	-15,280	-10,078
	Ordinary Income	-3,234	-13,312	-10,078
	Interim Net Income	-6,088	-13,517	-7,429

II. Relevant Facts

1. Investigation by the Internal Investigation Committee

At the Company's Management Committee meeting held on September 10, 2007, a "general review of the profit plans for FY 2007" was placed on the agenda, and it was reported that a large loss was expected in the Energy Plants Operations and the Environment & Plants Operations. Due to the sudden and considerable worsening of profit/loss figures reported, which was likely to have a serious impact on the Company's operations, the Company, in response to this report, established an Internal Investigation Committee on the same day in order to investigate the details and causes of the significant revisions to the operating performance forecast for FY 2007, and to discuss measures to be taken. The committee immediately started an investigation on the revisions to the operating performance forecast.

The Internal Investigation Committee consists of the following members:

Chairperson:	Kazuaki Kama, CEO
Vice-chairperson:	Kimiaki Gotoh, Managing Executive Officer
Vice-chairperson:	Kazuo Tsukahara, Executive Officer and General Manager of Corporate Planning Division
Member:	General Manager of Internal Audit Division
Member:	General Manager of Planning Group, Corporate Planning Division
Member:	Manager, Finance Group, Finance & Accounting Division
Member:	Deputy General Manager of Internal Control Planning & Promotion Division
Members:	Two Managers, Internal Control Planning & Promotion Division
Advisor:	Masahiko Nomura, Legal Counsel

Upon the investigation, the Internal Investigation Committee investigated, among others, materials concerning project management in the energy and plants business and materials concerning the financial results, and also conducted interviews with officers and employees involved in the energy and plants business, in order to report to the board of directors on the facts, reasons, internal control issues and measures to be taken related to the revisions to the operating performance forecast for the energy and plants business and the correction of the financial results for the previous year.

The Internal Investigation Committee reported the results of the investigation at the Company's extraordinary board meeting held on December 12, 2007. Based upon this report, the Company issued on the same day the "Report on Results of

Investigation on Revisions to Operating Performance Forecast and Correction of Financial Results for Previous Fiscal Year, and Our Policy for Response Measures”, and also released the “Outline of the Investigation Report” in the “Investigation Report of the Internal Investigation Committee”.

2. Investigation by the External Investigation Committee

In order to secure the objectivity of the internal investigation by the Internal Investigation Committee, the Company established an External Investigation Committee on October 9, 2007 which consists of independent third party experts who have no stake in the Company, and requested them to verify whether the investigation report of the Internal Investigation Committee accurately reflected the facts as premises and the reasons for the subject revisions to the operating performance forecast.

The External Investigation Committee consists of the following members:

Chairperson (attorney-at-law):	Tetsuo Kawawa
Member (certified public accountant):	Akio Okuyama (Guest Professor of Graduate School of Waseda University)
Member (attorney-at-law):	Mineo Enomoto
Member (attorney-at-law):	Iwao Toigawa

*Titles omitted, and in random order.

The External Investigation Committee was periodically reported to by the Internal Investigation Committee on the progress of the investigation and, based on such reports, requested the submission of a considerable number of internal materials in addition to the key internal materials listed in the internal investigation report, or else had some of its members visit the Company and inspect and analyze such information. The External Investigation Committee also conducted interviews with the Internal Investigation Committee, and officers and employees involved in the energy and plants business. Based on this obtained data, the External Investigation Committee verified the investigation report of the Internal Investigation Committee.

The Company disclosed the results of the investigation by the External Investigation Committee in a document entitled “Investigation Report of the External Investigation Committee” on December 12, 2007.

3. Investigation by the Accounting Auditors

The Company received the audit report from the accounting auditors on February 18, 2008.

III. Outline of Investigation Results

An outline of the facts which led to the correction of the financial results for the previous year, which have been found as the results of the above investigations, is as described below:

- (i) Cost reduction without objective consideration (approximately 1.5 billion yen)

As of April, 2007, the Energy Plants Operations, under the coercive instructions of the President of Energy Plants Operations, deemed it feasible to

achieve a 30% “profit to manufacturers’ cost ratio” in two of the projects of the Power Plant Division based on the assumption of cost reduction. However, the Internal Investigation Committee concluded that these cost reduction measures had a low probability of being achieved after all, because, although the President of Energy Plants Operations showed examples of the cost reduction measures which he had assumed, specific methods for taking such measures had not yet been examined.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work.

(ii) Appropriateness of the timing of revising the assessment of cost reduction effects (approximately 7 billion yen)

In the Power Plant Division, due to the increasing difficulty to achieve cost reduction because of the pressure of dealing with process disruptions and other issues, several of the projects were found in which the assessment of cost reduction effects should have been revised at the end of September 2006 and at the end of March 2007.

In the Environment & Plants Operations, although cost reduction through LNG tank weight reduction had been achieved to some extent, it was found that, as a result of a rise in steel prices, the expected cost reduction effects were not likely to be achieved in three of the projects.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work.

(iii) Failure by mistake to include cost increase factors (approximately 3.5 billion yen)

In the Power Plant Division, two projects were found in which the estimate of the total costs incurred should have been increased (worsening of profitability) at the time of the ordering of steel. However, the cost increase was not reflected in the estimate.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work.

(iv) Failure by mistake to include the facts identified in or before the last month of the fiscal year in the estimate of the total costs incurred (approximately 5.5 billion yen)

In the Power Plant Division, it was found that, although it could have recognized cost increases at the time it placed with contractors unofficial orders for facilities incidental to boilers in March 2007, it only recognized such cost increases at the time it placed official orders in April 2007.

In the Nuclear Power Division, it was found that it failed in three of the projects to include cost increase factors in the estimate of the total costs incurred for the respective projects, although the construction work ordered by the Company had almost been completed by March 2007.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work. As for construction work which had already been delivered, a reserve for cost price was allocated.

(v) Handling of compensation claimed by contractors (approximately 5 billion yen)

In two of the cement projects of the Environment & Plants Operations, repair work became necessary due to failures of contractors in construction work. In these cement projects, the terms and conditions of the contracts with these contractors provided that the contract price was fixed and that no additional payments would be made in principle. In the latter half of FY 2006 and thereafter, however, it became likely that if the Company did not make such payments to the contractors, it could not obtain cooperation from the contractors and would then fail to meet the deadline, which might result in a claim by the Company's clients for large amounts of compensation for damage. Therefore, in FY 2007, the Company made part of the payment to the contractors in an attempt to urge them to proceed with the construction work. In these projects, the delays in the construction work had proceeded to such a degree by March 2007 as would have made it impossible to make up for such delays in FY 2007. Accordingly, it was concluded that if considered objectively at that point in time, it would have been likely that the payment would be made to the contractors.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work.

(vi) Handling of cost increase items discovered in April-September 2007 (approximately 8 billion yen)

For five projects in which cost increase events occurred during FY 2006 but for which the cost calculation was delayed until the period from April to September 2007, the committee concluded that these cost increase items should be reflected in the financial statements for FY 2006, based on a conservative view that it would be desirable to reflect these items in the estimate of the total costs incurred adopted at the end of FY 2006 using a reasonable basis for calculation.

In response to the above conclusion, the estimate of the total costs incurred was increased, which resulted in a lower degree of progress of work, and accordingly, a decrease in sales. Further, an additional amount of contracted project loss allowance was allocated to money-losing construction work. As for construction work which had already been delivered, a reserve for cost price was allocated.

IV. Measures to Prevent Recurrence

The Company concluded that the subject correction of the financial results for the previous year was caused by (i) the problems of a deficiency in the head office's system for monitoring the information of the Operations and the Divisions; and (ii) the problems of a malfunction of the process to recognize essential information in calculating and checking the estimates of the total costs incurred in construction work subject to the percentage of completion method.

The above problems, in turn, were caused by the problem in the attitude of the Operations and the Divisions towards the achievement of profit goals, and the problem in the role of the cost management section of the energy and plants business.

In order to prevent any recurrence of similar problems, the Company shall implement the following measures for prevention of recurrence.

1. Improvement measures to directly address causes of the correction

- (1) Enhancement of monitoring function
 - (i) Improvement and enhancement of the review system for the acceptance of large-scale construction orders
 - (a) Enhancement of the organization of the Contracts & Legal Division
 - (b) Tightening and clarification of the method for review of order acceptance
 - (ii) Securing of the appropriateness of the profit/loss forecast for construction work subject to the percentage of completion method by establishing a Project Audit Division.
 - (iii) Enhancement by the Finance & Accounting Division of the cost management departments for the energy and plants business
 - (iv) Enhancement of the function and the lineup of the Finance & Accounting Division
- (2) Enhancement of the process to promptly recognize essential information
 - (i) Enhancement of work implementation structure and management structure at the Energy Plants Operations and the Environment & Plants Operations
 - (a) Stylization of the Project Monthly Report and enhancement of the function of the meeting for the confirmation of progress
 - (b) Enhancement and cultivation of project managers
 - (c) Involvement of the heads of the Divisions' procurement departments in the calculation of the estimated costs and intermediate costs
 - (d) Establishment of a system for the assessment of cost reduction effects
 - (e) Establishment of a risk management structure

- (ii) Assistance for the operation of the energy and plants business by the Information Systems Division
- (iii) Enhancement of the function of the procurement departments and the provision of information
- (iv) Establishment of company-wide, uniform operating standards for intermediate cost calculation procedures

2. Company-wide improvement measures to be conducted in relation to the background and cause of the correction

(1) Promotion of corporate culture reform

- (i) Shared recognition of causes and thorough implementation of measures
- (ii) Establishment and dissemination of action guidelines
- (iii) Enhancement of development of the company-wide awareness campaign “Team IHI Campaign”
- (iv) Other measures
 - (a) Establishment of a section dedicated to assessment under the internal control report system stipulated by the Financial Instruments and Exchange Law
 - (b) Establishment and dissemination of internal rules such as Power/Scope of Authority Rules
 - (c) Improvement of training concerning finance, internal control and compliance, and dissemination of accurate knowledge
 - (d) Continuous operation of the “Compliance Hotline” and establishment of a “Customer Inquiry Counter”

(2) Enhancement of corporate governance

- (i) Increase of outside officers
- (ii) Establishment of Operational Structure Improvement Monitoring Committee

We sincerely apologize for the great inconvenience and anxiety experienced by the Company’s shareholders, stock traders and many other stakeholders. In consideration of the tremendous impact of the incident exerted on the Company and each of its stakeholders, the Company has decided to impose the following punishment.

Chairman of the Board	Mototsugu Ito	Resignation as Director on December 31, 2007
President and Chief Executive Officer	Kazuaki Kama	100% reduction of remuneration for 6 months
Executive Vice President	Teiichi Tamaki	20% reduction of remuneration for 6 months
Executive Vice President	Yukiya Nakagawa	20% reduction of remuneration for 6 months
Executive Vice President	Toshiro Takei	20% reduction of remuneration for 6 months

Director and Managing Executive Officer	Kimiaki Gotoh	10% reduction of remuneration for 6 months
Director and Executive Officer	Makoto Serizawa	30% reduction of remuneration for 6 months
Director and Executive Officer	Masahiro Nagasaki	Resignation as Director and Executive Officer on December 31, 2007
Managing Executive Officer	Mutsumi Maruyama	Demotion to Executive Officer on January 1, 2008
Executive Officer	Ken Yamada	Demotion to Associate Director on January 1, 2008
Advisor (former Executive Vice President)		
	Isao Nakao	20% reduction of remuneration for 1 month
Advisor (former President of the former Energy & Plant Operations)		
	Yasuo Shinohara	Dismissed as Advisor on December 31, 2007
Auditor (former Vice President of the former Energy & Plant Operations)		
	Sakae Ando	30% reduction of remuneration for 3 months

- (Note) 1. Titles in parentheses indicate a title held until March 31, 2007.
2. Reduction of remuneration began with the remuneration for January 2008.

The Company regards the present situation that has required revisions to the previous financial results as an extremely serious event and deeply regrets this event. The Company intends to take measures in order to enhance the internal control and to improve the corporate culture of the entire company, not to mention the energy and plant business, and will do its best to regain the trust of the stakeholders in the Company. The Company has reflected deeply on undermining the confidence of the stock market, and shall endeavor to further reinforce its internal structure so that this sort of problem will never happen again in the future.

Reference Material for General Meeting of Shareholders

Agenda Item and Reference Matters

Agenda Item: To elect 5 directors

Approval is hereby requested for the election of 5 directors in total, as follows, since 4 directors are required to be elected in order to fill the 2 seats vacated by the two directors, Mototsugu Ito and Masahiro Nagasaki, who resigned on December 31, 2007, and the 2 seats to be vacated by two other directors, Teiichi Tamaki and Junichi Sato, who shall resign upon the close of this general meeting, while 1 director is required to be elected in order to increase the number of directors so as to reinforce the business execution structure and the monitoring/supervising function of the Company.

The term of office of the directors elected at this general meeting shall expire at the time when the term of office of the other incumbent directors would expire, pursuant to the provisions of the Articles of Incorporation of the Company.

The nominees for the offices of directors are as follows:

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	Number of the Company's shares owned by Nominee
1	Ichiro Hashimoto (October 23, 1947)	<p>Apr. 1970: Joined the Company</p> <p>Jul. 1998: General Superintendent of Soma Aero-Engine Works, Aero-Engine & Space Operations, the Company</p> <p>Feb. 2003: Managing Director, Niigata Power Systems Co., Ltd.</p> <p>Apr. 2005: President, Niigata Power Systems Co., Ltd.</p> <p>Apr. 2007: Executive Officer; President of Power Systems Operations, the Company</p> <p>Dec. 2007: Chairman, Niigata Power Systems Co., Ltd. (incumbent)</p> <p>Jan. 2008: Managing Executive Officer; President of Energy and Plants Operations, the Company (incumbent)</p>	11,000 shares
2	Kazuo Tsukahara (April 17, 1950)	<p>Apr. 1974: Joined the Company</p> <p>Jul. 2002: Manger of Human Resources Division, Company</p> <p>Apr. 2005: General Manager of Planning Group, Corporate Planning Division, the Company</p> <p>Apr. 2006: Executive Officer; General Manager of Corporate Planning Division, the Company</p> <p>Apr. 2008: Managing Executive Officer; General Manager of Corporate Planning Division, the Company (incumbent)</p>	16,000 shares
3	Tamotsu Saito (July 13, 1952)	<p>Apr. 1975: Joined the Company</p> <p>Jul. 2004: General Manager of Planning & Control Department, Aero-Engine & Space Operations, the Company</p> <p>Apr. 2006: Vice President of Aero-Engine & Space Operations, the Company</p> <p>Jun. 2006: Executive Officer, the Company (incumbent)</p> <p>Jan. 2008: President of Aero-Engine & Space Operations, the Company (incumbent)</p>	15,000 shares
4	Fusayoshi Nakamura (March 11, 1952)	<p>Apr. 1974: Joined the Company</p> <p>Jul. 2002: Manager of Engineering Department, Vehicular Turbocharger Division, Industrial Machinery Operations, the Company</p> <p>Apr. 2003: Division Director, Vehicular Turbocharger Division, Industrial Machinery Operations, the Company</p> <p>Oct. 2003: President, IHI Turbo America Co. (incumbent)</p> <p>Apr. 2007: Executive Officer(; Vice President of Vehicular Turbocharger Operations), the Company (incumbent)</p> <p>Jul. 2007: President, IHI Turbo Co., Ltd.</p> <p>Apr. 2008: Executive Officer; President of Vehicular Turbocharger Operations, the Company (incumbent)</p>	11,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	Number of the Company's shares owned by Nominee
5	Tomokazu Hamaguchi (April 20, 1944)	Apr. 1967: Joined Nippon Telegraph and Telephone Public Corporation Apr. 1985: Senior Manager, Administration Division, Public Administrations System Division, Data Communication Sector, NIPPON TELEGRAPH AND TELEPHONE CORPORATION Jul. 1988: Senior Manager, Corporate Strategy Planning Department, NTT DATA CORPORATION Jun. 1995: Senior Vice President, NTT DATA CORPORATION Jun. 1997: Executive Vice President, NTT DATA CORPORATION Jun. 2001: Senior Executive Vice President, NTT DATA CORPORATION Jun. 2003: President and Chief Executive Officer, NTT DATA CORPORATION Jun. 2007: Counselor and Director, NTT DATA CORPORATION (incumbent)	0 shares

Notes:

1. Each of the candidates has no special stake in the Company.
2. Mr. Tomokazu Hamaguchi is a candidate for outside director.
3. The matters to be noted in relation to the candidate for outside director are as follows:
 - (1) The reason we nominated Mr. Tomokazu Hamaguchi as a candidate for outside director is that we expect Mr. Hamaguchi to reflect on the management of the Company his broad-based knowledge from the viewpoint of a business person with a proven track record of assisting clients in their reform and also working on the reform of his own organization, as the top executive of a most advanced IT information and communications company. Another reason is to further enhance our corporate governance by reinforcing the management monitoring /supervising function through an increase of the number of highly independent outside directors.
 - (2) If Mr. Tomokazu Hamaguchi is elected as outside director as originally proposed by the Company, the Company intends to execute a contract with Mr. Hamaguchi to limit his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act.
The amount of the limitation of his liability for damages under the said contract shall be the amount stipulated by laws and regulations.

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