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**Toshiba and IHI Establish Joint Venture
to Manufacture Steam Turbine Parts for Nuclear Power Plants**

Tokyo, Japan, January 17, 2011--- IHI Corporation (TOKYO: 7013) and Toshiba Corporation (TOKYO: 6502) today announced that, further to a definitive agreement signed in July 2010, they have established a joint venture to manufacture steam turbine parts for nuclear power plants for the domestic and overseas markets. The JV will allow IHI to extend its operations to major components of turbines, alongside the manufacture of nuclear reactor pressure vessels and containment vessels, while Toshiba will enhance its turbine manufacturing capacity and strengthen its nuclear power plant business supply chain.

The new company, Toshiba IHI Power Systems Corporation, is located in a 30,000 square meter facility within IHI's Headquarters Representative's Office, Yokohama District, in Yokohama. The JV will combine state-of-the-art manufacturing facilities for large-scale components with an engineering structure integrating highly advanced IT, including state-of-the-art 3D-CAD systems. Operations will center on the manufacture of casings and nozzles, major components of steam turbines for both boiling-water reactors and pressurized-water reactors.

Recognition of nuclear power as an essential tool for securing long term energy security and countering climate change from rising CO₂ levels is driving demand for nuclear power plants. IHI and Toshiba have an established relationship and record of success in the construction of BWR plants and in maintenance services for installed equipment for BWR, and both companies are also reinforcing efforts to promote

business in the PWR market. IHI is a shareholder in Westinghouse Electric Company, the global leader in PWR power plants, which is majority owned by Toshiba.

Outline of the New Joint Venture

Name: Toshiba IHI Power Systems Corporation
Location: 1, Shin Nakahara-Cho, Isogo-ku, Yokohama, Kanagawa Prefecture, Japan (within IHI's Headquarters Representative's Office, Yokohama District)
Established: January 17, 2011
Paid in Capital: 310 million Japanese yen
Representatives: President: Yuji Yamada (Toshiba)
Vice President: Tatsuto Urabe (IHI)
Business: Manufacture, marketing and maintenance of steam turbine parts (LP casings, nozzles and associated equipment) for nuclear power plants
Ownership: IHI 52%, Toshiba 48%

About IHI

IHI, established in 1853, is a multinational leader in providing energy and chemical plants, physical distribution systems and steel structures, aero-engine and space technology, industrial machinery, shipbuilding and marine engineering, and mass-produced machinery. With annual net sales of nearly \$13 billion (U.S. dollars) and more than 24,000 employees, IHI contributes to the stable supply of electric power by providing the primary equipment for thermal and nuclear power systems.

About Toshiba

Toshiba is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products spanning information & communications systems; digital consumer products; electronic devices and components; power systems, including nuclear energy; industrial and social infrastructure systems; and home appliances.

Toshiba was founded in 1875, and today operates a global network of more than 730 companies, with 204,000 employees worldwide and annual sales surpassing 6.2 trillion yen (US\$75 billion). Visit Toshiba's web site at www.toshiba.co.jp/index.htm.

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