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To all related parties:

IHI Corporation

Representative: Kazuaki Kama
 President and Chief Executive Officer
 Securities code: 7013
 Contact: Ichiro Terai
 Board Director and Executive Officer,
 General Manager of Finance &
 Accounting Division
 Phone: +81-3-6204-7065

**IHI Revises Full-Year Earnings Forecast for the Fiscal Year Ended March 31, 2011,
 and Records Extraordinary Loss Due to the Great Eastern Japan Earthquake**

IHI Corporation (“IHI”) announced today that it has revised its full-year earnings forecast for the fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011), which was previously announced on February 4, 2011, as follows. IHI also notifies you that it will record extraordinary loss due to the damage arising from the Great Eastern Japan Earthquake.

Details

1. Revision to the full-year consolidated earnings forecast for the fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen, except per share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (Announced on February 4, 2011)	1,200,000	50,000	40,000	20,000	13.64 yen
Revised forecast (B)	1,187,000	61,000	51,000	29,000	19.78 yen
Change (B–A)	(13,000)	11,000	11,000	9,000	–
Percentage change	(1.1)%	22.0%	27.5%	45.0%	–
(Reference) Actual results for the previous fiscal year ended March 31, 2010	1,242,700	47,145	33,027	17,378	11.85 yen

2. Reasons for the revision

In the full-year consolidated earnings forecast, net sales is expected to slightly decrease from the previous forecast due to the impact of the Great Eastern Japan Earthquake and other factors while operating income and ordinary income are expected to increase from the previous forecast because the effects of the improvement of construction profitability and the reduction of sundry expenses are likely to be greater than anticipated. In addition, although extraordinary loss will be recorded as mentioned below, net income is expected to increase from the previous forecast because ordinary income was revised upward and a reversal of deferred tax assets is no longer required following the fact that the revision of the corporate tax rate was not enacted.

3. Details of extraordinary loss

As a result of estimating the amount of damages arising from the Great Eastern Japan Earthquake, such as removal and restoration expenses, loss on inventory loss, and operation resumption-related recovery expenses related to resumption of operations at facilities damaged by the earthquake, primarily at IHI's Soma No. 1 Aero-Engine Works and Soma No. 2 Aero-Engine Works, IHI will record 10.5 billion yen of extraordinary loss for the fiscal year ended March 31, 2011.

Moving forward, we will continue to put all our efforts toward a full recovery of the damaged works as announced in "Damage Arising from Tohoku Earthquake and Responsive Action (Third Report)" (The Tohoku Earthquake was later renamed the Great Eastern Japan Earthquake.).

(Note) Earnings forecasts above are based on information currently available to IHI and on certain assumptions deemed to be reasonable by IHI. IHI cautions that a number of factors could cause actual business and other results to differ materially from those discussed.

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