

August 30, 2011

To all related parties:

IHI Corporation

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**Notice Regarding Subscription to Tender Offers and
Revision to Forecast of Results**

IHI Corporation (“IHI”) announces that it resolved at a meeting of the Board of Directors held on August 29, 2011 to conclude a subscription agreement with LEVARE CO.,LTD. (“LEVARE”) concerning tender offers by LEVARE, which the company plans to implement from August 31, 2011, for the shares of TACHIHI ENTERPRISE CO., LTD. (“Tachihi”) and New Tachikawa Aircraft Co., Ltd. (“New Tachikawa”) (the “Tender Offers”), under which IHI will subscribe to the Tender Offers for all of the shares it holds of Tachihi and New Tachikawa, as follows.

In addition, IHI announces in the same notice that it revised its full-year forecast of consolidated results for the year ending March 31, 2012 (from April 1, 2011 to March 31, 2012), which was announced on May 6, 2011.

Details

1. Subscription to Tender Offers

(1) Reason for subscription to Tender Offers

IHI decided to subscribe to the Tender Offers because IHI believes that the purchase prices and other conditions of the Tender Offers are appropriate as a result of studies made into the contents of the Tender Offers, and the boards of directors of Tachihi and New Tachikawa endorse the Tender Offers. IHI has also concluded a share transfer agreement with LEVARE under which IHI will transfer the shares it holds of Tachihi Kaihatsu Co., Ltd. (“Tachihi Kaihatsu,” an affiliated company of IHI accounted for by the equity method), on its subscription to the Tender Offers, subject to conditions such as the implementation of either of the Tender Offers.

(2) Number of shares to be subscribed to Tender Offers

Tachihi shares:

Number of shares owned before subscription 1,403,363 shares (Ownership ratio: 10.09%)

Number of shares to be subscribed 1,403,363 shares (Ownership ratio: 10.09%)

Number of shares owned after subscription 0 shares (Ownership ratio: 0.00%)

New Tachikawa shares:

Number of shares owned before subscription 1,058,390 shares (Ownership ratio: 9.62%)

Number of shares to be subscribed 1,058,390 shares (Ownership ratio: 9.62%)

Number of shares owned after subscription 0 shares (Ownership ratio: 0.00%)

(3) Planned purchase price for Tender Offers

Tachihi shares 6,300 yen per share

New Tachikawa shares 5,200 yen per share

IHI expects to record approximately 14.0 billion yen (total transfer amount: approximately 17.0 billion yen) in gain on sales of investment securities in the year ending March 31, 2012, if the Tender Offers are implemented resulting in the transfer of all the shares IHI holds of Tachihi and New Tachikawa, as well as its shares of Tachihi Kaihatsu. In addition, as a result of the transfer of the shares IHI holds of Tachihi Kaihatsu, Tachihi Kaihatsu is scheduled to be removed from IHI's scope of consolidation as an affiliated company accounted for by the equity method.

(4) Time schedule of Tender Offers

August 30, 2011 Conclusion of subscription agreement

August 31, 2011 Public notice of commencement of Tender Offers

August 31 to October 19, 2011 Tender offer period

October 26, 2011 Date of commencement of settlement

2. Revision to forecast of results

As indicated in 1. (3), IHI expects to record gain on sales of investment securities as extraordinary income. As a consequence, IHI will revise its full-year forecast of consolidated results for the year ending March 31, 2012 (from April 1, 2011 to March 31, 2012), which was announced on May 6, 2011, as follows.

Revision to full-year forecast of consolidated results for the year ending March 31, 2012

(Millions of yen, except per share figures)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (Announced on May 6, 2011)	1,200,000	43,000	33,000	20,000	13.64 yen
Revised forecast (B)	1,200,000	43,000	33,000	28,000	19.09 yen
Change (B-A)	0	0	0	8,000	–
Percentage change	0.0%	0.0%	0.0%	40.0%	–
(Reference) Actual results for the previous fiscal year ended March 31, 2011	1,187,292	61,390	51,482	29,764	20.29 yen

(Note) The above results forecasts 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.