

(Translation)  
Securities Code: 7013  
June 4, 2009

To: Shareholders

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

**NOTICE OF CONVOCATION  
OF THE 192<sup>ND</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 192<sup>nd</sup> Ordinary 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 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 items on the voting form enclosed herein and send the form back to us so that it reaches us by 5:30 p.m. on June 25, 2009 (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. (JST) on June 25, 2009 (Thursday).

1. **Date and Time:** June 26, 2009 (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
3. **Purposes**

**Matters to be reported:**

1. Report on the business report and the consolidated financial statements for the 192<sup>nd</sup> fiscal year (from April 1, 2008 to March 31, 2009), 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 financial statements for the 192<sup>nd</sup> fiscal year (from April 1, 2008 to March 31, 2009).

**Matters to be resolved:**

- Agenda Item No. 1:** Partial amendment of the Articles of Incorporation  
**Agenda Item No. 2:** Election of fifteen (15) directors  
**Agenda Item No. 3:** Election of two (2) auditors

**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.

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1. The reception of the attendees to the meeting at the reception desk shall start at 8:45 a.m.
2. You are kindly requested to present the enclosed voting form to the receptionist when you attend 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.

(Attachment)

## **Business Report**

(From April 1, 2008 to March 31, 2009)

### **1. Matters on Current Status of Company Group**

#### **(1) Progress of Business Operations and their Results**

Japan's economy in this fiscal year turned sluggish as a result of a slowdown of exports reflecting the slump in the world's economy, especially in developed countries, and lower profitability due to the steep rise in the cost of energy and raw materials. The bankruptcy of Lehman Brothers, a major US investment bank, in mid-September initiated a financial crisis and intensified the worldwide economic slowdown even in newly developing countries. The volume of exports and production sharply declined, and corporations began looking at ways to reduce redundancy in human resources and facilities, causing Japan to slip into a serious recession.

In response to these harsh conditions, the IHI Group decided to subject business to consolidation and selection and each group company took every step to maximize profitability. As a whole, the group recorded orders received totaling 1,176.7 billion yen in this fiscal year. This amounted to a decrease of 24% when compared with the previous fiscal year which saw orders for large-scale plants. Net sales were up 3% from the previous year to 1,388.0 billion yen as a result of higher revenues from "Logistics Systems & Structures Operations", "Industrial Machinery Operations", "Energy & Plants Operations" and "Shipbuilding & Offshore Operations" despite negative effects on some equipment from the economic downturn. The order backlog as of the end of this fiscal year was 1,550.2 billion yen, down 16% from the previous fiscal year.

Operating income and ordinary income were up to 25.6 billion yen and 13.5 billion yen respectively despite declining profit margins due to the economic slowdown and price hikes for equipment and materials, and the appreciation of the yen. Much of the increase in operating and ordinary income is due to the recovery of the Energy & Plants Operations whose performance had deteriorated significantly in the previous fiscal year. Net loss of 7.4 billion yen was recorded due to extraordinary gains in sale of fixed assets (including land sold during the fiscal year) and transfer to provision for doubtful accounts.

The Company sincerely regrets that it has decided to withhold payment of interim dividends and year-end dividends due to the difficulty of gaining profits.

Business operations by sector are summarized as follows:

#### **○ Logistics Systems & Structures Operations**

In "Logistics Systems & Structures Operations", although this segment received some major orders, such as for bridge construction, orders received decreased 9% from the previous fiscal year to 174.7 billion yen largely because of the steep decline in demand for private capital investment. Major projects for which we received orders include the seismic reinforcement project for Arakawa Bay Bridge for Metropolitan Expressway Company Limited. On the other hand, net sales rose 11% from the previous fiscal year to 204.6 billion yen owing to increased sales from projects such as railroad vehicles and deck cranes, while the bridge construction recorded a decrease in sales. Major projects considered as sales include the Kise River Bridge for the Ministry of Land, Infrastructure, Transport and

Tourism.

An operating loss of 1.4 billion yen was attributable to the delayed recovery in the profitability in public capital investment projects.

○ **Industrial Machinery Operations**

In “Industrial Machinery Operations”, despite falling demand for automotive turbochargers due to the substantial drop in automobile sales worldwide, orders received rose 14% when compared with the previous fiscal year to 194.2 billion yen owing to steady performance of the industrial furnace business. Major projects for which we received orders include the demolition work of old No. 3 and No. 4 Blast Furnaces at Wakayama Steel Works of Sumitomo Metal Industries, Ltd. Despite the decrease in the sales of automotive turbochargers, sales for this segment were also up 14% from the previous fiscal year to 220.5 billion yen due to the favorable performance of the industrial furnace and rolling machine businesses. Major projects considered as sales include the No.3 Plate Heating Furnace at Fukuyama Works of JFE Steel Corporation.

However, operating income was only 12.6 billion yen, representing a 19% drop when compared with the previous fiscal year. This was largely due to the decreased income from automotive turbochargers and price hikes for equipment and materials outweighing the increased income from rolling machines.

○ **Energy & Plants Operations**

In “Energy & Plants Operations”, orders received fell 31% from the previous fiscal year to 299.8 billion yen due to the large order for chemical machinery received during the previous fiscal year and because of the decrease in orders for diesel/gas engines. This decrease was despite the favorable performance of the nuclear machinery business, etc. Major projects for which we received orders include the oxyfuel combustion refurbishment of No. 4 Unit at Callide ‘A’ Power Station in Australia. Sales rose 10% year-on-year to 436.4 billion yen owing to major construction work for chemical machinery and the steady performance of boiler/nuclear machinery maintenance and renovation business. Major projects considered as sales include coal-fired power facilities at the MC Shiohama Power Plant for the MC Shiohama Energy Service Corporation.

Despite significant improvements in boiler, storage and nuclear machinery businesses, this segment recorded an operating loss of 6.2 billion yen due to the appreciation of the yen.

○ **Aero-Engine & Space Operations**

In “Aero-Engine & Space Operations”, orders received remained almost the same level as the previous fiscal year at 323.6 billion yen despite the adverse effects of defense budget cuts. This slight gain is attributed to steady performance of civil aero-engines. Orders include those from the Ministry of Defense for F7 engines and F100 engine components and from private sources for V2500, CF34, GE90 and GEnx engines, as well as for components and V2500 and CF34 maintenance, in addition to space equipment. Sales were down 5% when compared with the previous fiscal year to 297.8 billion yen due to impact of the strong yen on aero-engine sales and decreased revenues from maintenance work.

Operating income was down 53% from the previous fiscal year to 11.0 billion yen due to the appreciation of the yen.

○ **Shipbuilding & Offshore Operations**

In “Shipbuilding & Offshore Operations”, orders received fell 72% when compared with the previous fiscal year to 78.9 billion yen due to a decrease in new shipbuilding orders. Despite the decrease in ship repairs (this year fell in between the periodic warship inspection schedule), sales rose 13% from the previous fiscal year to 181.7 billion yen due to the increased delivery of newly built ships. During the year, IHI delivered 18 new ships (3 tankers, 3 container vessels, 10 bulk carrier ships, 1 naval vessel and 1 electrical propulsion ship) totaling 1.79 million deadweight tons.

Despite the appreciation of the yen, operating income was up 19% from the previous fiscal year to 2.8 billion yen owing to improvements in profitability of new shipbuilding orders.

○ **Real Estate Operations**

In “Real Estate Operations”, orders received fell 20% year-on-year to 7.9 billion yen due to decreased real estate sales. Sales were 15.8 billion yen, representing 61% drop when compared with the previous fiscal year. This is due to the lull effect from a large number of the turn-over dates of units of the condominium complex in the Toyosu area (Koto-ku, Tokyo) being clustered together at the end of the previous fiscal year.

An operating income of 5.2 billion yen, representing 58% drop from the previous fiscal year, was attributable to this decreased income.

○ **Other Operations**

In “Other Operations”, orders received fell 35% to 97.3 billion yen from the previous fiscal year due to a decrease in orders for agricultural equipment, construction machinery and diesel engines, etc. resulting from the worldwide recession. Sales also fell 16% from the previous fiscal year to 140.4 billion yen due to a decrease in orders of agricultural equipment and construction machinery, etc.

Decrease in orders and sales resulted in an operating income of 2.4 billion yen, representing 52% drop from the previous fiscal year.

[Sales, Orders Received and Order Backlog by Business Segment]

(in millions of yen)

Business Segment	Sales		Orders Received		Order Backlog	
	Amount	%	Amount	%	Amount	%
Logistics Systems & Structures Operations	204,697	15	174,752	15	184,442	12
Industrial Machinery Operations	220,514	16	194,283	17	116,848	7
Energy & Plants Operations	436,468	31	299,857	25	394,841	25
Aero-Engine & Space Operations	297,840	22	323,690	27	336,491	22
Shipbuilding & Offshore Operations	181,705	13	78,914	7	476,220	31
Real Estate Operations	15,832	1	7,905	1	432	0
Other Operations	140,453	10	97,348	8	40,990	3
Elimination & Corporate	(109,467)	(8)	—	—	—	—
Total	1,388,042	100	1,176,749	100	1,550,264	100
Of which, overseas	606,663	44	427,812	36	823,948	53

**(2) Financing**

(Omission)

**(3) Capital Investment**

(Omission)

**(4) Absorption-type Merger, Absorption-type Company Split and Assignment of Business**

(Omission)

**(5) Problems to Overcome**

In respect to the future global economy, although the tension in the financial and capital markets is alleviating thanks to international cooperative efforts aimed at the restoration of the financial system, a recovery in the real economy supported by large-scale financial stimulus measures is expected to require some time to bear fruit. Under these conditions, the Japanese economy, which is highly dependent on external demand, will likely see strong, unabating recessionary pressure with a full recovery sometime in fiscal 2010 or later.

In such economic environment, the IHI Group has proceeded with the “selection and concentration of business operations”, under the “Group Management Policies 2007” prepared in November 2006, strengthen the

competitiveness in the global market, and built a system under which each company of the group makes efforts to improve profitability as a whole.

In the future, the Company will reduce costs and work on periodical inspections and quick turn around projects, strengthen its foreign exchange risk management, use strong yen effects in the procurement of machinery and materials and fortify its pre-order screening and after-order management all in an effort to increase profitability in the current obscure economic climate.

In the business area of energy & environment, we will prioritize the recovery of profitability by selecting products with technological advantages among LNG storage facilities, boilers, and nuclear power operations, selecting orders carefully and enhancing risk management.

In the business area of logistics and industrial bases, the Company will narrow down areas of focus among industries with relatively strong demand. In areas constituting social infrastructures such as bridges, shipbuilding and offshore operations, it will develop business operations globally based on the "selection and concentration of business operations". As part of these efforts, a basic agreement has been reached on May 18, 2009, by the Company with Kurimoto, Ltd. and Matsuo Bridge Co., Ltd. for the fusion of their bridge, floodgate and other steel structure businesses into a wholly owned subsidiary of the Company to be effected on October 1, 2009 (tentative).

In the business area of transportation & engines, we will strengthen technical and manufacturing capabilities so as to lead the aero-engine market, which is in a temporary slump due to the current business environment. We will also reinforce the operations for automotive turbochargers and diesel/gas engines and marine engines, from which demands for environmental reasons and those in the global market are increasing.

In the business area of security (safety and peace of mind), the Company will engage in hazardous substance detection equipment and antibody drug manufacturing plants and other activities that help realize a safe and secure society.

The Company appointed a Chief Regional Officer for Asia Region in April 2009 as yet another step in its efforts to strengthen operations on the global market following the establishment of Regional Management Headquarters in the United States in July 2008. We will construct a system using these bases with the aim of realizing further growth. In addition, to buttress "*Monozukuri Ryoku*" (manufacturing strengths), the source of our competitiveness, we established *Monozukuri* Innovation Initiative in April 2009 and will work to rebuild out group strengths in area of manufacturing such as through the optimal use of internal IHI Group resources.

The IHI Group has worked to improve its corporate governance and propped up its internal management systems, such as reinforcement of risk management systems and establishment of internal control systems, by establishing and operating business risk management systems, operating and evaluating internal control systems based on the Financial Instruments and Exchange Act, strengthening monthly results comprehension efforts, formulating a timely disclosure system and monitoring by the Operational Structure Improvement Monitoring Committee. In fiscal 2009, we will continue these efforts and strive to fortify our foreign exchange management and credit management, which was refined due to problems related to the allowance for doubtful accounts in Construction Machinery Operations, as well as other business risk management systems.

As measures geared toward mid- to long-term growth, the Company established in May 2009 its "IHI Group Vision", which is the basic policy for formulating the next mid-term management plan. In it, we clarified our corporate

image aim for “The IHI Group seeks to solve the various environmental, industrial, social, and energy related problems of the 21st century, through using engineering expertise to focus on ‘*Monozukuri*’ technology. In striving towards these goals, IHI is becoming a global enterprise offering the safety and security for the benefit of both the environment and humanity”. We also established our five business areas of “Energy and Resources”, “Ship Building, Social Infrastructure and Security”, “Industrial Machinery and Systems”, “Rotating Equipment and Mass Production Machinery” and “Aero Engine and Space” as well as our policy on creating leading businesses in each area. Upon ascertaining economic circumstances and the competitive strengths of each of our businesses, we will formulate the next mid-term management plan within fiscal 2009 as a successor to our “Group Management Policy 2007” and push forward measures geared toward mid- to long-term growth all in an effort to fulfill the expectations of our valued stakeholders.

We would like to ask for your continued understanding and support.



## Reference Material for the General Meeting of Shareholders

### Agenda Items and Reference Matters

#### Agenda Item No. 1: Partial amendment of the Articles of Incorporation

##### 1. Reasons for amendment

(1) Article 2 of the current Articles of Incorporation shall be partially amended to further clarify the business description of the Company. Also it shall be amended to reflect the terms utilized in the Pharmaceutical Affairs Act.

(2) Upon enforcement of the “Act for Partial Revision of the Act on Book-Entry Transfer of Company Bonds, etc. for Streamlining Settlement Concerning Stock Trading, etc.” (Act No. 88 of 2004), which was delivered on June 9, 2004, on January 5, 2009, the book-entry transfer system of stocks became applied to all the listed stocks (i.e. implementation of the share certificate dematerialization). In conjunction with this implementation, the following amendments shall be effected.

- 1) Deletion of the provisions pertaining to the issuance of share certificates (Current Articles 7 and 10)
- 2) Deletion of clauses pertaining to substantial shareholders (Current Article 11 and Paragraph 3 of Current Article 13)
- 3) Deletion of clauses pertaining to register of loss of share certificates (Paragraph 3 of Current Article 13)
- 4) Adjustment of the numbering of articles according to the deletion of Current Articles 7 and 10
- 5) Establishment of supplementary provisions to determine transitional measures relating to the aforementioned amendments

##### 2. Content of amendment

The amendments shall be as follows: (underlines show amendment)

Current Articles	Proposed Amendment
Article 2. (Object)  The object of the Company shall be to engage in the following lines of business:  1. Business relating to the design, manufacture, sales, purchase, lease, installation, repairing, overhaul and maintenance of the following products and parts thereof and integrated systems relevant thereto;  (1) to (3) (Omitted)	Article 2. (Object)  The object of the Company shall be to engage in the following lines of business:  1. Business relating to the design, manufacture, sales, purchase, lease, installation, repairing, overhaul and maintenance of the following products and parts thereof and integrated systems relevant thereto;  (1) to (3) (Unchanged)

Current Articles	Proposed Amendment
<p>(4) <u>Pneumatic and hydraulic machinery</u>, chemical machinery, cement plants, paper and pulp machinery, synthetic resin processing machinery, industrial furnaces, metalworking machinery, transportation machinery, parking systems, vehicular turbocharger and other automotive devices, physical distribution systems and equipment, marine equipment, construction machinery, rolling stocks, vehicles for guided railways, industrial vehicles, industrial robots, laser systems, weapons, machines for snow removal, and other various industrial and general equipment, machinery and devices;</p> <p>(5) Anti-pollution devices, domestic and commercial appliances, electric and electronic appliances, tele-communication devices, controlling and regulating equipment, inspection and measuring instruments, experimental and research instruments, analytical equipment and medical <u>appliances</u>;</p> <p>(6) to (8) (Omitted)</p> <p>2 to 18 (Omitted)</p> <p>Article 3. to Article 6. (Omitted)</p> <p><u>Article 7. (Issuance of Share Certificate)</u></p> <p><u>The Company shall issue share certificates for its shares.</u></p> <p>Article 8. to Article 9. (Omitted)</p> <p><u>Article 10. (Non-issuance of Certificates for Shares Less Than One Unit)</u></p> <p><u>The Company shall not issue share certificates for shares less than one unit. Provided, however, this provision shall not apply to the cases provided for by the Rules for Handling Shares.</u></p>	<p>(4) <u>Compressors, air blowers, separators, filters, superchargers for vehicles and ships</u>, chemical machinery, cement plants, paper and pulp machinery, synthetic resin processing machinery, industrial furnaces, metalworking machinery, transportation machinery, parking systems, vehicular turbocharger and other automotive devices, physical distribution systems and equipment, marine equipment, construction machinery, rolling stocks, vehicles for guided railways, industrial vehicles, industrial robots, laser systems, weapons, machines for snow removal, and other various industrial and general equipment, machinery and devices;</p> <p>(5) Anti-pollution devices, domestic and commercial appliances, electric and electronic appliances, tele-communication devices, controlling and regulating equipment, inspection and measuring instruments, experimental and research instruments, analytical equipment and medical <u>equipment</u>;</p> <p>(6) to (8) (Unchanged)</p> <p>2 to 18 (Unchanged)</p> <p>Article 3. to Article 6. (Unchanged)</p> <p>(Deleted)</p> <p>Article 7. to Article 8. (Unchanged)</p> <p>(Deleted)</p>

Current Articles	Proposed Amendment
<p>Article <u>11</u>. (Rights Regarding Shares Less Than One Unit)</p> <p>Shareholders of the Company (<u>inclusive of substantial shareholders, hereinafter the same</u>) may not exercise any rights other than those stipulated below regarding shares less than one unit.</p> <ol style="list-style-type: none"> <li>(1) Rights listed in Paragraph 2 of Art. 189 of the Corporation Law;</li> <li>(2) Rights to make demands pursuant to Paragraph 1 of Art. 166 of the Corporation Law;</li> <li>(3) Rights to receive allotment of shares and share purchase warrants in proportion to the number of shares owned by them;</li> <li>(4) Right to make demands as provided in the following article.</li> </ol>	<p>Article <u>9</u>. (Rights Regarding Shares Less Than One Unit)</p> <p>Shareholders of the Company may not exercise any rights other than those stipulated below regarding shares less than one unit.</p> <ol style="list-style-type: none"> <li>(1) Rights listed in Paragraph 2 of Art. 189 of the Corporation Law;</li> <li>(2) Rights to make demands pursuant to Paragraph 1 of Art. 166 of the Corporation Law;</li> <li>(3) Rights to receive allotment of shares and share purchase warrants in proportion to the number of shares owned by them;</li> <li>(4) Right to make demands as provided in the following article.</li> </ol>
<p>Article <u>12</u>. (Additional Purchase of Shares Less Than One Unit)</p> <p style="text-align: center;">(Omitted)</p>	<p>Article <u>10</u>. (Additional Purchase of Shares Less Than One Unit)</p> <p style="text-align: center;">(Unchanged)</p>
<p>Article <u>13</u>. (Administrator of Shareholders' Register)</p> <p>The Company shall have its administrator of its shareholders' register.</p> <p>The administrator of shareholders' register and the location of its office shall be designated by resolution of the Board of Directors and the Company shall give public notice thereof.</p> <p>The preparation and keeping of the register of shareholders of the Company (<u>inclusive of the register of substantial shareholders, hereinafter the same</u>), the register of share purchase warrants <u>and the register of loss of share certificates</u>, and other administrative businesses relative to the register of shareholders, the register of share purchase warrants <u>and the register of loss of share certificates</u> shall be entrusted to the administrator of shareholders' register, and these businesses shall not be handled by the Company.</p>	<p>Article <u>11</u>. (Administrator of Shareholders' Register)</p> <p>The Company shall have its administrator of its shareholders' register.</p> <p>The administrator of shareholders' register and the location of its office shall be designated by resolution of the Board of Directors and the Company shall give public notice thereof.</p> <p>The preparation and keeping of the register of shareholders of the Company <u>and</u> the register of share purchase warrants, and other administrative businesses relative to the register of shareholders <u>and</u> the register of share purchase warrants shall be entrusted to the administrator of shareholders' register, and these businesses shall not be handled by the Company.</p>
<p>Article <u>14</u>. to Article <u>43</u>. (Omitted)</p>	<p>Article <u>12</u>. to Article <u>41</u>. (Unchanged)</p>

Current Articles	Proposed Amendment
(New)	<p data-bbox="940 241 1273 275"><u>Supplementary Provision</u></p> <p data-bbox="823 293 1401 510"><u>The preparation and keeping of the register of loss of share certificates of the Company and other administrative business relative to the register of loss of share certificates shall be entrusted to the administrator of shareholders' register, and shall not be handled by the Company.</u></p> <p data-bbox="823 533 1401 622"><u>This supplementary provision shall be valid until January 5, 2010 and deleted as of January 6, 2010.</u></p>

**Agenda Item No. 2:** Election of fifteen (15) directors

Approval is hereby requested for the election of fifteen (15) directors in total, as follows, since the term of office of all fifteen (15) current directors will expire at the close of this General Meeting of Shareholders.

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	No. of the Company's shares owned by Nominee
1	Kazuaki Kama (December 26, 1948)	Jul. 1971: Joined the Company Jul. 1997: Manager of Planning & Budgeting Group, Finance & Accounting Division, the Company Jul. 2001: Manager of Planning & Budgeting Group, Finance & Accounting Division, the Company Jul. 2002: Deputy Manager of Finance & Accounting Division, the Company Jun. 2004: Executive Officer; General Manager of Finance & Accounting Division, the Company Apr. 2005: Managing Executive Officer, the Company Jun. 2005: Director, the Company Apr. 2007: President; Chief Executive Officer, the Company (incumbent)  (Position and Areas of Responsibility at the Company) President; Chief Executive Officer	61,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
2	Yasuyuki Watanabe (March 6, 1947)	<p>Apr. 1971: Joined the Company</p> <p>Jul. 1996: Manager of No. 2 Engineering Department, Defense Engine Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jul. 1999: Deputy General Manager of Civil Aero-Engine Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jul. 2000: General Manager of Civil Aero-Engine Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jun. 2003: Executive Officer; Vice President of Aero-Engine &amp; Space Operations, the Company</p> <p>Apr. 2005: Managing Executive Officer; President of Aero-Engine &amp; Space Operations, the Company</p> <p>Jun. 2005: Director, the Company</p> <p>Apr. 2008: Executive Vice President; (Senior Executive Officer), the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Executive Vice President; Assistant to the President</p> <p>(Representation of other Entities) Chairman, Japanese Aero Engines Corporation, President, Engineering Research Association for Supersonic Transport Propulsion Systems</p>	63,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
3	Yuji Hiruma (September 4, 1947)	<p>Apr. 1973: Joined the Company</p> <p>Jul. 1991: Vice President, IHI INC.</p> <p>Jul. 1999: Manager of Press Group, Sales Department I, International Operations, the Company</p> <p>Jul. 2000: President, IHI INC.</p> <p>Jul. 2003: General Manager of Planning Group, Corporate Planning Division, the Company</p> <p>Apr. 2005: Executive Officer; General Manager of Corporate Planning Division; Concurrently Vice President of Industrial Machinery Operations, the Company</p> <p>Apr. 2006: Managing Executive Officer; President of Logistics Systems &amp; Structures Operations, the Company</p> <p>Jun. 2006: Director, the Company</p> <p>Apr. 2009: Executive Vice President, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Executive Vice President; Assistant to the President and in charge of Global Strategy</p>	20,000 share
4	Yasuhiro Inagawa (January 1, 1944)	<p>Apr. 1967: Joined Ministry of International Trade and Industry</p> <p>Jun. 1995: Director-General, Kanto Bureau of International Trade and Industry</p> <p>Jun. 1996: Director-General, Environmental Protection and Industrial Location Bureau</p> <p>Jul. 1997: Director-General, Agency for Natural Resources and Energy</p> <p>Apr. 2000: Senior Executive Director, Development Bank of Japan</p> <p>Apr. 2002: Advisor, the Company</p> <p>Jun. 2002: Director(; Deputy General Manager of Technical Development), the Company (incumbent)</p> <p>Jun. 2003: Managing Executive Officer, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Director; Managing Executive Officer, General Manager of Superconductive Ship Propulsion System Project Collaboration Division, and in charge of Information Systems Division and Defense Project Collaboration Division</p>	32,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
5	Yoshiaki Shimojo (January 10, 1948)	<p>Apr. 1970: Joined the Company</p> <p>Jul. 1997: General Superintendent of Tanashi Aero-Engine Works, Manufacturing Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jul. 2000: General Manager of Defense Systems Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jul. 2002: General Manager of Manufacturing Division, Aero-Engine &amp; Space Operations, the Company</p> <p>Jul. 2003: Vice President of Aero-Engine &amp; Space Operations, the Company</p> <p>Apr. 2005: Executive Officer; Vice President of Industrial Machinery Operations, the Company</p> <p>Apr. 2007: Managing Executive Officer(; President of Industrial Machinery Operations), the Company (incumbent)</p> <p>Jun. 2007: Director, the Company (incumbent)</p> <p>Apr. 2009: General Manager, Monozukuri Innovation Initiative, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Director; Managing Executive Officer, General Manager, Monozukuri Innovation Initiative and in charge of Business Relating to Procurement</p>	34,000 shares



Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
6	Makoto Serizawa (March 17, 1954)	<p>Apr. 1976: Joined the Company</p> <p>Jul. 2001: Manager of General Accountant Group, Finance &amp; Accounting Division, the Company</p> <p>Jul. 2004: General Manager of Accounting &amp; Budgeting Group, Finance &amp; Accounting Division, the Company</p> <p>Apr. 2005: Deputy General Manager of Finance &amp; Accounting Division, the Company</p> <p>Apr. 2006: Executive Officer; General Manager of Finance &amp; Accounting Division, the Company (incumbent)</p> <p>Apr. 2007: General Manager of Internal Control Planning &amp; Promotion Division, the Company</p> <p>Jun. 2007: Director, the Company (incumbent)</p> <p>Apr. 2008: General Manager of Internal Control Assessment Division, the Company</p> <p>(Position and Areas of Responsibility at the Company) Director; Executive Officer, General Manager of Finance &amp; Accounting Division</p>	24,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
7	Ichiro Hashimoto (October 23, 1947)	<p>Apr. 1970: Joined the Company</p> <p>Jul. 1998: General Superintendent of Soma Aero-Engine Works, Aero-Engine &amp; 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> <p>Apr. 2008: Director, the Company (incumbent) (Position and Areas of Responsibility at the Company) Director; Managing Executive Officer, President of Energy and Plants Operations</p>	20,000 shares
8	Kazuo Tsukahara (April 17, 1950)	<p>Apr. 1974: Joined the Company</p> <p>Jul. 2002: Manger of Human Resources Division, the 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: Director(; Managing Executive Officer; General Manager of Corporate Planning Division), the Company (incumbent) (Position and Areas of Responsibility at the Company) Director; in charge of Corporate Planning, Human Resources and Business Relating to Public Relations and Investors Relations</p>	25,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
9	Tamotsu Saito (July 13, 1952)	<p>Apr. 1975: Joined the Company            Jul. 2004: General Manager of Planning &amp; Control Department, Aero-Engine &amp; Space Operations, the Company            Apr. 2006: Vice President of Aero-Engine &amp; Space Operations, the Company            Jun. 2006: Executive Officer, the Company            Jan. 2008: President of Aero-Engine &amp; Space Operations, the Company (incumbent)            Apr. 2008: Director, the Company (incumbent)            Apr. 2009: Managing Executive Officer, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company)            Director; Managing Executive Officer, President of Aero-Engine &amp; Space Operations</p>	30,000 shares
10	Fusayoshi Nakamura (March 11, 1952)	<p>Apr. 1974: Joined the Company            Jul. 2002: Manager of Engineering Department, Vehicular Turbocharger Division, Industrial Machinery Operations, the Company            Apr. 2003: Division Director, Vehicular Turbocharger Division, Industrial Machinery Operations, the Company            Oct. 2003: President, IHI Turbo America Co. (incumbent)            Apr. 2007: Executive Officer, the Company (incumbent)            Jul. 2007: President, IHI Turbo Co., Ltd.            Apr. 2008: Director; President of Vehicular Turbocharger Operations, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company)            Director; Executive Officer, President of Vehicular Turbocharger Operations</p>	16,000 shares

Nominee No.	Name (Date of Birth)	Brief Personal History, Position and Areas of Responsibility at the Company, and Representation of other Entities	No. of the Company's shares owned by Nominee
11	Fumio Sato (February 14, 1929)	<p>Apr. 1953: Joined TOSHIBA Corporation (former Tokyo Shibaura Electric Co., Ltd.)</p> <p>Jun. 1982: Vice President and Director, TOSHIBA Corporation</p> <p>Jun. 1984: Senior Vice President and Director, TOSHIBA Corporation</p> <p>Jun. 1986: Executive Vice President and Director, TOSHIBA Corporation</p> <p>Jun. 1988: Senior Executive Vice President and Director, TOSHIBA Corporation</p> <p>Jun. 1992: President and Chief Executive Officer, TOSHIBA Corporation</p> <p>Jun. 1996: Chairman of the Board and Executive Officer, TOSHIBA Corporation</p> <p>Jun. 1997: Director, the Company (incumbent)</p> <p>Jun. 1999: Advisor to the Board, TOSHIBA Corporation (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Board Director</p>	10,000 shares
12	Tomokazu Hamaguchi (April 20, 1944)	<p>Apr. 1967: Joined Nippon Telegraph and Telephone Public Corporation</p> <p>Apr. 1985: Senior Manager, Administration Division, Public Administrations System Division, Data Communication Sector, NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>Jul. 1988: Senior Manager, Corporate Strategy Planning Department, NTT DATA CORPORATION</p> <p>Jun. 1995: Senior Vice President, NTT DATA CORPORATION</p> <p>Jun. 1997: Executive Vice President, NTT DATA CORPORATION</p> <p>Jun. 2001: Senior Executive Vice President, NTT DATA CORPORATION</p> <p>Jun. 2003: President and Chief Executive Officer, NTT DATA CORPORATION</p> <p>Jun. 2007: Counselor and Director, NTT DATA CORPORATION (incumbent)</p> <p>Apr. 2008: Director, the Company (incumbent)</p> <p>(Position and Areas of Responsibility at the Company) Director</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	No. of the Company's shares owned by Nominee
13	Sadao Degawa (July 20, 1951)	<p>Apr. 1977: Joined the Company</p> <p>Jul. 1998: General Manager of Control Engineering &amp; System Development Department. Mechatronics Development Center. Technical Development. the Company</p> <p>Jul. 2003: General Manager of R&amp;D Project Center. Research &amp; Development. the Company</p> <p>Jul. 2004: Deputy General Manager of Corporate Research &amp; Development. the Company</p> <p>Apr. 2008: Executive Officer; General Manager of Corporate Research &amp; Development. the Company[incumbent]</p>	20,000 shares
14	Joji Sakamoto (November 23, 1952)	<p>Apr. 1976: Joined the Company</p> <p>Jul. 2001: Manager of General Affairs Department. Headquarters Representative's Office. Yokohama District. the Company</p> <p>Jul. 2002: Manager of Administration Division. The Company</p> <p>Jul. 2005: General Manager of Public Relations &amp; Advertising Division. the Company</p> <p>Apr. 2007: General Manager of Compliance Control Division and General Manager of Contracts &amp; Legal Division. the Company[incumbent]</p> <p>Apr. 2008: Executive Officer; General Manager of Reform the Internal Control System Project Division, the Company[incumbent]</p>	24,000 shares
15	Ichiro Terai (January 12, 1954)	<p>Apr. 1976: Joined the Company</p> <p>Feb. 1993: Loaned to IHI INC.</p> <p>Jul. 2002: Manager of Tax Accounting Group, Finance &amp; Accounting Division, the Company[incumbent]</p> <p>Apr. 2009: Executive Officer; Deputy General Manager of Finance &amp; Accounting Division. the Company[incumbent]</p>	1,000 shares

(Note)

1. Director Candidate Mr. Yasuyuki Watanabe is serving concurrently as Chairman of the Japanese Aero Engines Corporation (JAEC), which is involved with the Company as follows.
  - (1) The Company is subcontracted work from JAEC related to the research and development of civil aircraft jet engines and pays the private sector portion of its funding.
  - (2) The Company guarantees a portion of JAEC's loan obligations and debt guarantees.
  - (3) The Company receives subsidies from JAEC for developing civil aircraft jet engines.
  - (4) The Company manufactures and delivers civil aircraft jet engine components, etc. to JAEC.
  - (5) The Company pays a portion of expenses required for the profit-making activities of JAEC.
2. Director Candidate Mr. Yasuyuki Watanabe is serving concurrently as President of the Engineering Research Association for Supersonic Transport Propulsion System, from which the Company is subcontracted research and development tasks related to technology for improving the environmental friendliness of supersonic aircraft engines.
3. Mr. Fumio Sato and Mr. Tomokazu Hamaguchi are candidates for outside directors.
4. The matters to be noted in relation to the candidates for outside directors are as follows:
  - (1) The reasons we nominated Mr. Fumio Sato and Mr. Tomokazu Hamaguchi as candidates for outside directors
    - (i) Mr. Fumio Sato was selected as a candidate for outside director to fulfill management oversight and monitoring functions based on his abundant experience and broad insight as a business manager cultivated over many years managing TOSHIBA Corporation.
    - (ii) Mr. Tomokazu Hamaguchi was selected as a candidate for outside director to reflect on the management of the Company his broad insight from the perspective of a business manager with a track record supporting customer transformations and working to transform his own organization while at the helm of a state-of-the-art IT and telecommunications company as well as to improve management oversight and monitoring functions and enhance corporate governance through the addition of a highly independent Outside Director.

- (2) The number of years since the candidates for outside directors will have served as outside director
  - (i) At the conclusion of this meeting, the candidate, Mr. Fumio Sato will have served 12 years as outside director of the Company.
  - (ii) At the conclusion of this meeting, the candidate, Mr. Tomokazu Hamaguchi will have served 1 year as outside director of the Company.
  
- (3) Material facts relating to execution of duties while in office, prevention of occurrence of such facts and responses following occurrence.

While Mr. Fumio Sato was serving as outside director of the Company, the Company made corrections to the Annual Securities Report for the fiscal year ended March 31, 2007 and the Semi-annual Report for the six month period ended September 30, 2006. With respect to the making of these corrections the Company received a surcharge payment order from the Financial Services Agency dated July 9, 2008. Mr. Sato has made efforts on a daily basis to establish a compliance system, such as by taking part in discussions concerning the establishment of a basic conduct policy for the Company. After this incident occurred, Mr. Sato, who has had experience in the execution of operations at a large manufacturing company, participated in discussions concerning the prevention of reoccurrence, where he expressed his opinion on the importance of the management of order quantities to ensure they can be supported by management resources, and properly discharged his duties.
  
- (4) The Company has respectively concluded a contract with Mr. Fumio Sato and Mr. Tomokazu Hamaguchi to limit liability for damages prescribed in Article 423, Paragraph 1 of the Corporation Law, pursuant to the provisions of Article 427, Paragraph 1 of the same Law.

The amount of the limitation of liability for damages under the said contract shall be the amount stipulated by laws and regulations. If the reelection of the candidates for outside directors is approved, the Company shall continue the aforementioned contracts to limit liability with same, respectively.

**Agenda Item No. 3:** Election of two (2) auditors

Approval is hereby requested for the election of two (2) auditors in total, as follows, since out of the five (5) current auditors, the term of office of Mr. Akio Naruoka and Mr. Nobuo Ohashi will expire at the close of this General Meeting of Shareholders. Consent to submission of this agenda has already been obtained from the Board of Auditors.

The nominees for the offices of auditors 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	No. of the Company's shares owned by Nominee
1	Masakazu Maruyama (December 25, 1946)	<p>Apr. 1969: Joined the Company</p> <p>Aug. 2000: Manager of International Tax Accounting Group, Finance &amp; Accounting Division, the Company</p> <p>Feb. 2003: Associate Director; Deputy Manager of Corporate Planning &amp; Accounting Department, Ishikawajima Transport Machinery Co., Ltd.</p> <p>Jun. 2003: Director; Manager of Corporate Planning &amp; Accounting Department, Ishikawajima Transport Machinery Co., Ltd.</p> <p>Jun. 2005: Managing Director, (Manager of Corporate Planning &amp; Accounting Department), Ishikawajima Transport Machinery Co., Ltd. (incumbent)</p>	2,000 shares
2	Hisatsugu Nonaka (January 11, 1947)	<p>Apr. 1970: Joined TOSHIBA Corporation (former Tokyo Shibaura Electric Co., Ltd.)</p> <p>Apr. 2003: Executive Vice President, Digital Media Network Company of TOSHIBA Corporation</p> <p>Jun. 2003: Executive Officer; Corporate Vice President, TOSHIBA Corporation</p> <p>Jun. 2005: Executive Officer; Corporate Senior Vice President, TOSHIBA Corporation</p> <p>Jun. 2007: Executive Officer; Corporate Executive Vice President, TOSHIBA Corporation</p> <p>Jun. 2008: Director; Representative Executive Officer; Corporate Senior Executive Vice President, TOSHIBA Corporation (incumbent)</p>	0 shares

(Note)

1. Candidate for outside auditor, Mr. Hisatsugu Nonaka is Director, Representative Executive Officer and Corporate Senior Executive Vice President at TOSHIBA Corporation, with which the Company has a trading relationship. There is no special interest between Mr. Hisatugu Nonaka and the Company.



2. Mr. Hisatsugu Nonaka is a candidate for outside auditor.
3. The matters to be noted in relation to the candidate for outside auditor are as follows:
  - (1) Mr. Hisatsugu Nonaka was selected as a candidate for outside auditor to reflect to the auditing functions of the Company his global perspective utilizing experience fostered as a business manager in the area of digital devices at TOSHIBA Corporation.
  - (2) While Mr. Hisatsugu Nonaka served as executive officer at TOSHIBA Corporation (“that company”), that company was involved in an incident of hindering competitive bidding with respect to substation equipment ordered by the former New Tokyo International Airport Authority. As a result, one employee of that company received a summary order in December 2005 and, in March 2006, that company received a suspension of business order in accordance with the Construction Business Act (concerning electrical work relating to public projects effected in nine prefectures, including Tokyo; 30-day suspension period). In addition, that company, along with eight other heavy electric service providers, was involved in bid-rigging for electrical facilities for sewerage systems ordered by the City of Sapporo up to 2005. The eight other companies received cease and desist orders in accordance with the Antimonopoly Act and the involvement of that company therein was recognized. As a result, that company received a partial business suspension order in accordance with the Construction Business Act in April 2009. That company has since implemented legal compliance measures such as the establishment of sales compliance departments and the formulation of behavioral standards when conducting business with governmental agencies all in an effort to eradicate illegal orders and regain trust. Moreover, it has been found that that company made inappropriate modifications to flow meter testing data at nuclear and thermal power generation plants and, as a result, received a reprimand from the Nuclear and Industrial Safety Agency of the Ministry of Economy, Trade and Industry in April 2006. To prevent reoccurrences, that company has since established a compliance promotion organization, strengthened its quality control section, established a quality audit section as well as other measures to fortify its overall quality management system.
  - (3) If Mr. Hisatsugu Nonaka is elected as outside auditor as originally proposed by the Company, the Company intends to conclude a contract with Mr. Nonaka to limit his liability for damages prescribed in Article 423, Paragraph 1 of the Corporation Law, pursuant to the provisions of Article 427, Paragraph 1 of the same Law.  
The amount of the limitation of his liability for damages under the said contract shall be the amount stipulated by laws and regulations.

- End -