

Company Fact Sheet for Year ended March 31, 2007

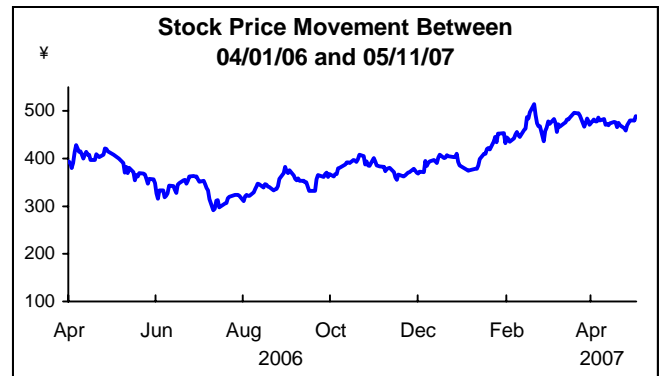
Profile

Ishikawajima-Harima Heavy Industries Co. Ltd. (IHI) is one of Japan's leading heavy machinery manufacturers, providing technology-oriented products and services to the nation's industrial, private and public sectors. IHI researches, consults, engineers, manufactures and supplies a range of machinery, equipment, plants, structures, ships and offshore facilities. IHI and its group of companies actively promote the selection and development of business to improve profitability in such fields as manufacturing, energy production, marine transportation, distribution and aerospace and environmental technologies. IHI is a national leader in the production of jet aircraft engines. IHI collaborates with Toshiba Corporation in the building of power plants, especially nuclear power plants.

Market Data

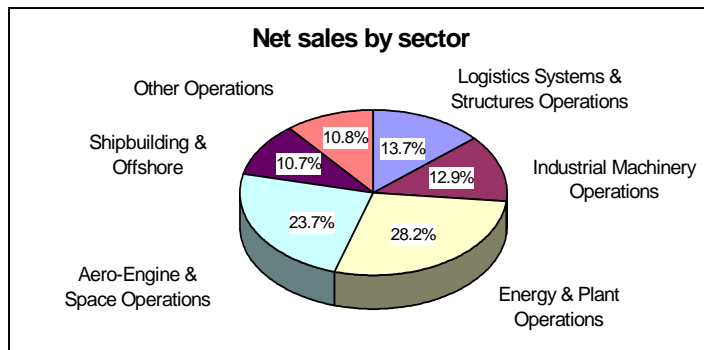
Market Data (as of May 11, 2007)

Price per share:	¥ 489
52-week high:	¥ 514
52-week low:	¥ 287
Total shares outstanding:	1,467.1 mn
Market cap:	¥ 717,391 mn



Financial Highlights for Year ended March 31, 2007 (YoY)

- Net sales increased by ¥ 107,776mn to ¥ 1,234,851mn.
- Operating income increased by ¥ 2,846mn to ¥ 24,617mn.
- Ordinary income increased by ¥ 5,603mn to ¥ 21,511mn.
- Net income increased by ¥ 10,542mn to ¥ 15,825mn.
- Fully diluted EPS increased by ¥ 8.00 to ¥ 11.93.



Operating Income by Sector

	¥mn	
	2006/03	2007/03
Logistics Systems & Structures Operations	(2,762)	(6,296)
Industrial Machinery Operations	7,537	11,491
Energy & Plant Operations	7,045	(2,789)
Aero-Engine & Space Operations	16,454	16,337
Shipbuilding & Offshore Operations	(8,648)	1,590
Other Operations	1,716	4,317
Elimination & Corporate	429	(33)
Total	21,771	24,617

Cash-Flows

	¥mn	
	2006/03	2007/3
Operating Activities	4,655	36,086
Investing Activities	2,761	(57,374)
Financing Activities	(13,179)	13,030
Cash and cash equivalents, end of year	137,382	129,939

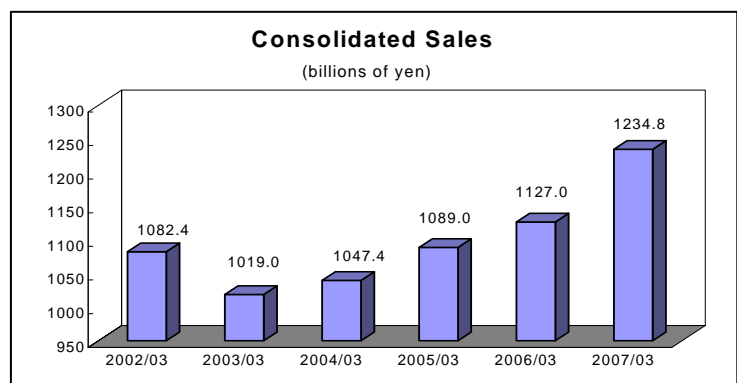
Key Strengths

- **Abundant capital:** an excellent financial standing that is indispensable for restructuring
- **Aero-engine and space operations:** medium-term growth potential and high profitability, especially in jet-engine maintenance where IHI dominates the market

Business Strategy

Target for Year ended March 31, 2010

	Consolidated
Net Sales	¥ 1,300bn
Operating Income	¥ 75bn



Company Fact Sheet for Year ended March 31, 2007**In the three fiscal years 2007-2009:**

- Concentrate resources in businesses that are flagship areas of profit
- Implement business strategies throughout, invest in human resources and operating processes that enhance competitiveness
- Expand global business
- Restructure organizations and affiliate companies to enable precise Group management
- Balanced growth in terms of profitability, scale and reliability

Other Growth Strategies

- Aircraft Engines:** Further strengthening and expansion of repair and maintenance business for commercial aircraft engines; careful focus on reducing the costs of parts manufacture; expand on supply.
- Energy Solutions:** To strengthen the company's capabilities in the solution business area in the diversified market for electric power supply, improve competitiveness and strive for business growth including gas and diesel engines.
- Auto Turbochargers:** Increase production with joint venture companies located in Europe, China, Thailand and the United States to make these enterprises more competitive; improve the company's business on a global basis.

Recent Events**• Appointment of New President**

IHI appointed Board Director and Managing Executive Officer Mr. Kazuaki Kama as its new President and Chief Executive Officer on April 1, 2007, replacing Mr. Mototsugu Ito, who takes on the position as Chairman of the Board. Mr. Kama was born in 1948 and graduated in economics from the University of Tokyo in 1971. He originally comes from the Finance and Accounting Division of the Company and also has been posted in New York.

• Capital increase through public offering

IHI carried out a capital increase through public offering in January 2007 to procure funds for capital investments in its aero-engine, vehicular turbocharger and nuclear power operations, initial investment following its entry into the civil aero-engine business, as well as for research and development investment in the nuclear energy business and repayment of debt. IHI was able to procure funding to the tune of 61.6 billion yen including a third-party allocation of new shares carried out in February 2007.

• Participation in the Pressurized Water Reactor-type (PWR) nuclear power generation plant business

IHI has invested in the nuclear power-related subsidiaries Toshiba Corporation has established in the U.S. and in the U.K. Toshiba Corporation succeeded in acquiring the PWR nuclear power generation plant business of Westinghouse. IHI has been working closely with Toshiba Corporation in the field of Boiling Water Reactor-type (BWR) nuclear power generation plant business and will enter into the PWR-type nuclear power generation plant business, the demand for which is expected to grow in the future, through its alliance with Toshiba Corporation.

Investor Relations Contacts

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Cautionary Statement

Statements made in this release with respect to IHI's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of IHI. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. IHI cautions you that a number of important factors such as general economic conditions and exchange rates could cause actual results to differ materially from those discussed in the forward-looking statements.