IHI

IHI Corporation

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Tokyo 135-8710, Japan

May 8, 2012

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2012 <Japanese GAAP>

IHI Corporation (IHI) is listed on the First Section of the Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange, Sapporo Securities Exchange and Fukuoka Stock Exchange with the securities code number 7013.

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Annual General Meeting of Shareholders: June 22, 2012 (planned)
Commencement of Dividend Payments: June 25, 2012 (planned)
Submission of Annual Securities Report: June 22, 2012 (planned)

Preparing supplementary material on financial results: Yes
Holding financial results presentation meeting: Yes (for institutional investors and analysts)

This consolidated financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures are in Japanese yen rounded to the nearest millions.

1. PERFORMANCE

(1) Business Results

(Millions of yen, except per share figures; percentages show the rate of increase or decrease from the previous year)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended March 31, 2012	**1,221,869**	**2.9%**	**43,333**	**(29.4)%**	**41,715**	**(19.0)%**
Fiscal year ended March 31, 2011	1,187,292	(4.5)%	61,390	30.2%	51,482	55.9%

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
Fiscal year ended March 31, 2012	**23,823**	**(20.0)%**	**16.26**	**15.37**	**9.8%**	**3.1%**	**3.5%**
Fiscal year ended March 31, 2011	29,764	71.3%	20.29	20.28	13.2%	3.7%	5.2%

(Note) Comprehensive income
Fiscal year ended March 31, 2012: ¥17,565 million (33.4)%
Fiscal year ended March 31, 2011: ¥26,364 million 20.6%

(Reference) Equity in earnings of affiliates

Fiscal year ended March 31, 2012: ¥614 million

Fiscal year ended March 31, 2011: ¥389 million

(2) Financial Position

(Millions of yen, except per share figures)

	Total Assets	Net Assets	Shareholders' Equity to Total Assets	Net Assets per Share of Common Stock (Yen)
March 31, 2012	**1,338,131**	**258,475**	**18.7%**	**170.84**
March 31, 2011	1,361,441	253,640	17.5%	162.33

(Reference) Shareholders' equity at the end of the period (consolidated)

March 31, 2012: ¥250,139 million

March 31, 2011: ¥238,086 million

(3) Cash Flows

(Millions of yen)

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended March 31, 2012	**24,743**	**(37,722)**	**(38,542)**	**63,498**
Fiscal year ended March 31, 2011	95,565	(77,798)	(25,907)	115,025

2. DIVIDENDS

	Dividends per Share			Total Amount of Dividend Payment (Millions of Yen)	Dividend Payout Ratio (Consolidated)	Dividend to Net Assets Ratio (Consolidated)
(Record Date)	Interim (Yen)	Year-end (Yen)	Annual (Yen)			
Fiscal year ended March 31, 2012	**0.00**	**4.00**	**4.00**	**5,857**	**24.6%**	**2.4%**
Fiscal year ended March 31, 2011	0.00	3.00	3.00	4,400	14.8%	2.0%
Fiscal year ending March 31, 2013 (Forecast)	0.00	4.00	4.00	—	23.4%	—

3. FORECAST OF RESULTS FOR THE YEAR ENDING MARCH 31, 2013

(Millions of yen; percentages show rates of increase and decrease from the previous year and the corresponding period of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
First Half of the Fiscal Year	580,000	10.3%	10,000	(47.6)%	5,000	(63.1)%	11,000	118.8%	7.51
Full-year	1,220,000	(0.2)%	40,000	(7.7)%	30,000	(28.1)%	25,000	4.9%	17.07

4. NOTES

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

(i) Changes in accounting policies due to revisions to accounting standards: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement of prior period financial statements after error corrections: None

(3) Number of shares issued (Common stock):

(i)	Number of shares issued at the end of the period (including treasury stock)	
	As of March 31, 2012	1,467,058,482 shares
	As of March 31, 2011	1,467,058,482 shares
(ii)	Number of shares of treasury stock owned at the end of the period	
	As of March 31, 2012	2,853,236 shares
	As of March 31, 2011	408,509 shares
(iii)	Average number of shares outstanding during the period	
	Fiscal year ended March 31, 2012	1,465,316,126 shares
	Fiscal year ended March 31, 2011	1,466,635,184 shares

* Indication regarding execution of audit procedures

At the time of disclosure of this financial report, the audit procedures in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of forecast of results, and other special matters

Earnings estimates made in this report 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 readers should not place undue reliance on them. IHI cautions that a number of important factors such as political and general economic conditions and currency exchange rates could cause actual results to differ materially from those discussed in the forward-looking statements, etc.

QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS

1. Business Results

Overview

A. Summary of consolidated performance

In Japan during the fiscal year under review, although supply constrictions due to the effects of the Great East Japan Earthquake caused the economy to decline at the start of the period, these constrictions receded faster than initially expected, and together with special demand related to power saving products and digital terrestrial broadcasting, this led to temporary growth in domestic consumption. However, the financial crisis in the euro area contributed to the strength of the yen becoming firmly established from the latter half of the fiscal year, leading to a lack of growth in exports, and the economy remained flat because of the slow pace of demand for restoration from the Great East Japan Earthquake.

The overseas economy as a whole slowed down because of monetary restraint in emerging countries such as China and India, as well as rising crude oil prices triggered by the financial crisis in the euro area and the situation in Iran, among other factors. Looking at the situation by region, the economy in Europe as a whole slowed down due to the effects of financial crises in some euro member countries, while there was economic stagnation in the US due to prolonged household balance sheet adjustments. In China and other emerging countries in Asia, however, economic conditions were comparatively firm, despite signs of deceleration.

In the IHI Group, our Soma Works (Soma City, Fukushima Prefecture) was damaged by the Great East Japan Earthquake, and there was a temporary impact from this unavoidable stoppage to operations. However, as a result of our collective group-wide strengths to restore the plant, Soma Works was fully restored earlier than initially planned, which reduced the impact to the IHI Group's business performance. In addition, the IHI Group is keenly aware of its mission as a group of companies that plays a part in the development of social infrastructure. Through various efforts such as restoring infrastructure damaged by the disaster, we will make optimum use of the IHI Group's resources as we devote our full energies towards recovery from the earthquake.

To ensure the IHI Group secures winning outcomes amid global competition that is expected to further intensify, we carried out business structural reform while implementing the measures outlined below.

In January 2012, IHI Marine United Inc. and Universal Shipbuilding Corporation concluded a basic agreement for business integration. The two companies are currently preparing to integrate their businesses and are making final adjustments towards the final agreement, which is expected to be concluded in August 2012. (The name of the new company is planned to be Japan Marine United Inc.) It is expected that this business integration will result in the enhancement of the product lineup, acceleration of product development, and better capability to procure material and equipment. The objective of the new company will be to come out on top when competing against the fierce competition from overseas shipyards, particularly in South Korea and China, and realize strategies for further growth as an established industry leader with cross-industry capabilities.

As a result of conducting a tender offer for common stock of IHI Transport Machinery Co., Ltd. and Ishikawajima Construction Materials Co., Ltd. from February 6 to March 16, 2012, IHI acquired 30.2% of the issued shares of IHI Transport Machinery Co., Ltd. to hold a 97.2% share of voting rights after the acquisition, and it acquired 38.9% of the issued shares of Ishikawajima Construction Materials Co., Ltd., to hold a 93.2% share of voting rights after the acquisition. IHI is continuing to undertake measures to make the companies wholly owned subsidiaries. By making these two companies wholly owned subsidiaries, IHI believes it will be ready to meet future intensification of the competitive environment in their respective industry segments and uncertain economic conditions, by being in a better position to boost synergies from sharing management resources such as design, sales and procurement capabilities and generating innovation by strengthening tie-ups with R&D functions.

Under this environment, all of IHI's business segments recorded an operating profit for three consecutive years, even though some business segments had declines in sales or profit compared to the previous fiscal year. Regarding orders received, an increase in Social Infrastructure Operations driven by projects including the Izmit Bay Bridge (Turkey) compensated for a decline mainly in Ships & Offshore Facilities Operations.

As a result, orders received increased 5.7% from the previous fiscal year to ¥1,269.6 billion. Although sales from Aero Engine & Space Operations and Rotating Equipment & Mass-Production Machinery Operations increased, there was a slight increase in sales as a whole (up 2.9% from the previous fiscal year) to ¥1,221.8 billion due mainly to a decline in Ships & Offshore Facilities Operations. In terms of profits, operating income for the entire Group decreased 29.4% from the previous fiscal year to ¥43.3 billion, while ordinary income also decreased, down 19.0% to ¥41.7 billion. The decreases reflected declines in profitability in Energy & Resources Operations, Social Infrastructure Operations and Ships & Offshore Facilities Operations, among other factors. Net income was down 20.0% from the previous fiscal year to ¥23.8 billion, due mainly to reversal of deferred tax assets as a result of tax reform, despite the recording of a ¥14.1 billion gain from subscription to the tender offers implemented by Levare Co., Ltd. for Tachihi Enterprise Co., Ltd. and New Tachikawa Aircraft Co., Ltd. under extraordinary income.

In addition, IHI achieved its target in its Group Management Policies 2010 for interest-bearing debt of no more than ¥400 billion for two consecutive years, with interest-bearing debt at the end of the fiscal year totaling ¥345.2 billion.

B. Summary of consolidated performance by segment

Energy & Resources
Despite an increase in orders for power systems, boilers and process plants, orders received decreased 6.0% from the previous fiscal year to ¥312.8 billion owing to substantial declines in orders for storage facilities and components for nuclear power plants.

Sales increased 1.9% from the previous fiscal year to ¥312.3 billion because of increased sales for boilers, storage facilities and power systems, despite a decrease in process plants and components for nuclear power plants.

Operating income declined 51.2% from the previous fiscal year to ¥10.9 billion because of decreases in sales of process plants and components for nuclear power plants and worsening in profitability in the businesses of boilers.

Ships & Offshore Facilities
Orders received decreased substantially from the previous fiscal year, by 52.3% to ¥76.7 billion. In the depressed maritime transportation market, this was because shipbuilding orders remained low at nine units (eleven units in previous fiscal year).

Sales declined 7.2% from the previous fiscal year to ¥176.2 billion because shipbuilding and ship repairs both decreased.

Regarding operating income, owing to the above-mentioned decrease in sales and the strength of the yen, there was a 27.9% decline from the previous fiscal year to ¥7.9 billion.

Social Infrastructure
Orders received increased 93.1% from the previous fiscal year to ¥199.5 billion because of a substantial increase in steel bridge orders reflecting the order for construction of the Izmit Bay Bridge (Turkey).

Sales decreased 6.3% from the previous fiscal year to ¥114.7 billion because of decreases in steel bridges and water gates, despite an increase in real estate rental.

Operating income declined 30.4% from the previous fiscal year to ¥8.2 billion because of the above-mentioned decrease in sales.

Logistics Systems & Industrial Machinery
As a result of increases in orders pertaining to the businesses of rolling mills and traffic systems in Japan and overseas, orders received increased 14.3% from the previous fiscal year to ¥165.5 billion.

Sales increased 7.8% from the previous fiscal year to ¥152.9 billion because of increase in sales of rolling mills and material handling systems.

Owing to the increase in sales of material handling systems and the contribution from improved profitability in physical distribution and factory automation systems, operating income increased 93.5% from the previous fiscal year to ¥5.6 billion.

Rotating Equipment & Mass-Production Machinery
Both orders received and sales increased in the vehicular turbocharger business because of the recovery in the automobile market. As a result, orders received in this business segment increased 13.9% from the previous fiscal year to ¥161.5 billion, and sales grew 18.1% from the previous fiscal year to ¥165.8 billion.

Operating income increased, by 9.6% from the previous fiscal year to ¥10.4 billion, reflecting the increased in sales, despite an increase in fixed costs.

Aero Engine & Space
Orders received increased 6.5% from the previous fiscal year to ¥331.1 billion because of increased orders for jet engines from the Japan Ministry of Defense.

Sales increased 9.4% from the previous fiscal year to ¥299.4 billion, reflecting increases in both of the Japan Ministry of Defense and civil jet engine sales.

Operating income increased, by 4.0% from the previous fiscal year to ¥6.0 billion, mainly because of the impact of the yen appreciation, despite increased sales and an improvement in profitability.

Others
Orders received declined 4.0% from the previous fiscal year to ¥105.2 billion because of a decrease in orders for agricultural machinery and construction machinery.

Sales declined 6.2% from the previous fiscal year to ¥107.3 billion, mainly because of decreases in sales of diesel engines for ships and agricultural machinery.

Operating income declined 46. 2% from the previous fiscal year to ¥1.1 billion.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	March 31, 2012	March 31, 2011
ASSETS		
Current assets:		
Cash and deposits	63,914	116,422
Notes and accounts receivable-trade	348,671	291,033
Short-term investment securities	2,736	1,183
Finished goods	23,320	20,733
Work in process	218,224	231,560
Raw materials and supplies	109,500	110,806
Deferred tax assets	29,597	35,177
Other	54,684	54,921
Allowance for doubtful accounts	(6,282)	(8,430)
Total current assets	844,364	853,405
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	153,596	154,851
Machinery, equipment and vehicles, net	59,214	52,900
Land	88,792	88,275
Lease assets, net	14,034	11,606
Construction in progress	5,914	8,945
Other, net	13,195	12,162
Total property, plant and equipment	334,745	328,739
Intangible assets:		
Goodwill	5,073	3,933
Software	14,784	14,237
Other	3,755	2,886
Total intangible assets	23,612	21,056
Investments and other assets:		
Investment securities	68,568	84,519
Deferred tax assets	42,946	46,073
Other	30,043	38,067
Allowance for doubtful accounts	(6,147)	(10,418)
Total investments and other assets	135,410	158,241
Total noncurrent assets	493,767	508,036
Total assets	1,338,131	1,361,441

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	March 31, 2012	March 31, 2011
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	293,493	269,445
Short-term loans payable	124,194	134,885
Current portion of bonds payable	10,000	10,000
Accrued expenses	40,737	35,959
Income taxes payable	13,208	10,273
Advances received	104,393	123,603
Provision for bonuses	24,700	25,073
Provision for construction warranties	15,526	16,037
Provision for loss on construction contracts	29,189	31,240
Provision for loss on disaster	386	4,864
Other provision	482	540
Other	33,385	29,212
Total current liabilities	689,693	691,131
Noncurrent liabilities:		
Bonds payable	53,450	53,565
Long-term loans payable	141,967	162,151
Deferred tax liabilities for land revaluation	5,811	6,660
Provision for retirement benefits	129,037	132,347
Other provision	4,392	4,469
Other	55,306	57,478
Total noncurrent liabilities	389,963	416,670
Total liabilities	1,079,656	1,107,801
Net assets		
Shareholders' equity:		
Capital stock	95,762	95,762
Capital surplus	43,044	43,037
Retained earnings	116,083	95,973
Treasury stock	(547)	(88)
Total shareholders' equity	254,342	234,684
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	(361)	6,508
Deferred gains or losses on hedges	(55)	(75)
Revaluation reserve for land	4,665	3,872
Foreign currency translation adjustment	(8,452)	(6,903)
Total accumulated other comprehensive income	(4,203)	3,402
Subscription rights to shares	462	388
Minority interests	7,874	15,166
Total net assets	258,475	253,640
Total liabilities and net assets	1,338,131	1,361,441

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Net sales	1,221,869	1,187,292
Cost of sales	1,025,884	976,846
Gross profit	195,985	210,446
Selling, general and administrative expenses:		
Inquiry expenses	15,191	15,649
Provision of allowance for doubtful accounts	(1,766)	215
Salaries for directors and employees	58,418	56,072
Traveling and transportation expenses	5,728	5,345
Research and development expenses	27,239	24,643
Business consignment expenses	6,485	6,046
Contribution for expenses common to all business segments	4,093	4,050
Depreciation	4,708	4,781
Other	32,556	32,255
Total selling, general and administrative expenses	152,652	149,056
Operating income	43,333	61,390
Non-operating income:		
Interest income	886	587
Dividends income	2,510	3,408
Equity in earnings of affiliates	614	389
Foreign exchange gains	55	–
Contribution to research and development costs	2,295	–
Other income	7,848	8,063
Total non-operating income	14,208	12,447
Non-operating expenses:		
Interest expenses	5,258	6,013
Foreign exchange losses	–	4,285
Other expenses	10,568	12,057
Total non-operating expenses	15,826	22,355
Ordinary income	41,715	51,482

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Extraordinary income:		
Gain on sales of investment securities	14,104	–
Gain on sales of noncurrent assets	3,468	–
Proceeds from accident insurance	2,000	–
Gain on negative goodwill	1,416	–
Gain on sale of affiliate stock	1,103	898
Distribution from undisclosed association	–	19,842
Total extraordinary income	22,091	20,740
Extraordinary loss:		
Cost of environment conservation measures	4,157	–
Impairment loss	2,182	1,782
Loss on valuation of investment securities	1,864	247
Provision for loss on subsidiaries and affiliates	1,288	2,180
Loss on disaster	–	10,590
Loss on project taken over from the consortium partner in liquidation	–	9,270
Restructuring loss	–	395
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	295
Total extraordinary losses	9,491	24,759
Income before income taxes and minority interests	54,315	47,463
Income taxes-current	16,003	12,716
Income taxes-deferred	13,144	4,156
Total income taxes	29,147	16,872
Income before minority interests	25,168	30,591
Minority interests	1,345	827
Net income	23,823	29,764

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Income before minority interests	25,168	30,591
Other comprehensive income:		
Valuation difference on available-for-sale securities	(6,847)	(2,955)
Deferred gains or losses on hedges	(12)	50
Revaluation reserve for land	837	–
Foreign currency translation adjustment	(1,532)	(918)
Share of other comprehensive income of associates accounted for using equity method	(49)	(404)
Total other comprehensive income	(7,603)	(4,227)
Comprehensive income	17,565	26,364
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	16,280	25,619
Comprehensive income attributable to minority interests	1,285	745

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Shareholders' equity		
Capital stock:		
Balance at the beginning of current period	95,762	95,762
Balance at the end of current period	95,762	95,762
Capital surplus:		
Balance at the beginning of current period	43,037	43,028
Changes of items during the period		
Disposal of treasury stock	7	9
Total changes of items during the period	7	9
Balance at the end of current period	43,044	43,037
Retained earnings:		
Balance at the beginning of current period	95,973	65,933
Changes of items during the period		
Dividends from surplus	(4,400)	–
Net income	23,823	29,764
Net increase from newly consolidated subsidiaries	673	304
Reversal of revaluation reserve for land	14	(28)
Total changes of items during the period	20,110	30,040
Balance at the end of current period	116,083	95,973
Treasury stock:		
Balance at the beginning of current period	(88)	(105)
Changes of items during the period		
Purchase of treasury stock	(484)	(5)
Disposal of treasury stock	25	22
Total changes of items during the period	(459)	17
Balance at the end of current period	(547)	(88)
Total shareholders' equity:		
Balance at the beginning of current period	234,684	204,618
Changes of items during the period		
Dividends from surplus	(4,400)	–
Net income	23,823	29,764
Purchase of treasury stock	(484)	(5)
Disposal of treasury stock	32	31
Net increase from newly consolidated subsidiaries	673	304
Reversal of revaluation reserve for land	14	(28)
Total changes of items during the period	19,658	30,066
Balance at the end of current period	254,342	234,684

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities:		
Balance at the beginning of current period	6,508	9,462
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,869)	(2,954)
Total changes of items during the period	(6,869)	(2,954)
Balance at the end of current period	(361)	6,508
Deferred gains or losses on hedges:		
Balance at the beginning of current period	(75)	38
Changes of items during the period		
Net changes of items other than shareholders' equity	20	(113)
Total changes of items during the period	20	(113)
Balance at the end of current period	(55)	(75)
Revaluation reserve for land:		
Balance at the beginning of current period	3,872	3,844
Changes of items during the period		
Net changes of items other than shareholders' equity	793	28
Total changes of items during the period	793	28
Balance at the end of current period	4,665	3,872
Foreign currency translation adjustment:		
Balance at the beginning of current period	(6,903)	(5,802)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,549)	(1,101)
Total changes of items during the period	(1,549)	(1,101)
Balance at the end of current period	(8,452)	(6,903)
Total accumulated other comprehensive income:		
Balance at the beginning of current period	3,402	7,542
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,605)	(4,140)
Total changes of items during the period	(7,605)	(4,140)
Balance at the end of current period	(4,203)	3,402
Subscription rights to shares:		
Balance at the beginning of current period	388	302
Changes of items during the period		
Net changes of items other than shareholders' equity	74	86
Total changes of items during the period	74	86
Balance at the end of current period	462	388
Minority interests:		
Balance at the beginning of current period	15,166	14,603
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,292)	563
Total changes of items during the period	(7,292)	563
Balance at the end of current period	7,874	15,166

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Total net assets:		
Balance at the beginning of current period	253,640	227,065
Changes of items during the period		
Dividends from surplus	(4,400)	–
Net income	23,823	29,764
Purchase of treasury stock	(484)	(5)
Disposal of treasury stock	32	31
Net increase from newly consolidated subsidiaries	673	304
Reversal of revaluation reserve for land	14	(28)
Net changes of items other than shareholders' equity	(14,823)	(3,491)
Total changes of items during the period	4,835	26,575
Balance at the end of current period	258,475	253,640

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	54,315	47,463
Depreciation and amortization	46,213	44,875
Depreciation and amortization on other	4,560	5,785
Impairment loss	2,182	1,782
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	295
Loss on project taken over from the consortium partner in liquidation	–	9,270
Distribution from undisclosed association	–	(19,842)
Loss on disaster	–	10,590
Restructuring loss	–	395
Cost of environment conservation measures	4,157	–
Increase (decrease) in allowance for doubtful accounts	(2,139)	(605)
Increase (decrease) in provision for bonuses	(476)	2,462
Increase (decrease) in provision for construction warranties	(502)	(2,603)
Increase (decrease) in provision for loss on construction contracts	(2,005)	4,997
Increase (decrease) in provision for retirement benefits	(3,627)	(2,835)
Increase (decrease) in provision for loss on disaster	(4,478)	–
Interest and dividends income	(3,396)	(3,995)
Interest expenses	5,258	6,013
Foreign exchange losses (gains)	(39)	489
Loss (gain) on sales of short-term and long term investment securities	(15,204)	(1,170)
Loss (gain) on valuation of short-term and long term investment securities	3,256	2,602
Equity in (earnings) losses of affiliates	(614)	(389)
Loss (gain) on disposal of property, plant and equipment	(1,262)	1,851
Decrease (increase) in notes and accounts receivable-trade	(54,972)	27,287
Increase (decrease) in advances received	(18,169)	(44,251)
Decrease (increase) in advance payments	(4,242)	(2,335)
Decrease (increase) in inventories	11,110	38,895
Increase (decrease) in notes and accounts payable-trade	21,179	(4,473)
Increase (decrease) in accrued expenses	638	1,114
Decrease (increase) in other current assets	1,461	1,736
Increase (decrease) in other current liabilities	(4,559)	(9,535)
Decrease (increase) in consumption taxes refund receivable	(3,251)	(6,483)
Other, net	(412)	1,731
Subtotal	34,982	111,116
Interest and dividends income received	4,186	3,845
Interest expenses paid	(5,134)	(6,150)
Income taxes paid	(9,291)	(13,246)
Net cash provided by (used in) operating activities	24,743	95,565

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr. 1, 2011 to Mar. 31, 2012	Apr. 1, 2010 to Mar. 31, 2011
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	997	(998)
Purchase of short-term and long term investment securities	(3,656)	(3,950)
Purchase of investments in subsidiaries	(7,320)	(25)
Proceeds from sales and redemption of short-term and long term investment securities	21,348	3,963
Purchase of property, plant and equipment and intangible assets	(51,356)	(51,398)
Proceeds from sales of property, plant and equipment and intangible assets	7,089	1,319
Payments for retirement of property, plant and equipment	(780)	(623)
Purchase of newly consolidated subsidiaries	(2,954)	–
Sale of consolidated subsidiary	–	1,544
Purchase of trust beneficiary right	–	(40,755)
Income by dividends according to termination of agreement for undisclosed association	–	15,874
Net decrease (increase) in short-term loans receivable	335	(222)
Payments of long-term loans receivable	(22)	(101)
Collection of long-term loans receivable	156	164
Decrease (increase) in other investments	(534)	(1,072)
(Decrease) increase in other fixed liabilities	(512)	(1,469)
Other, net	(513)	(49)
Net cash provided by (used in) investing activities	(37,722)	(77,798)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(28,361)	(18,266)
Proceeds from long-term loans payable	51,280	35,912
Repayment of long-term loans payable	(53,263)	(40,187)
Proceeds from issuance of bonds payable	10,000	23,000
Redemption of bonds	(10,000)	(20,500)
Repayments of lease obligations	(2,838)	(2,685)
Proceeds from stock issuance to minority shareholders	–	154
Decrease (increase) in treasury stock	(484)	(5)
Cash dividends paid	(4,377)	(2,910)
Cash dividends paid to minority shareholders	(499)	(527)
Other, net	–	107
Net cash provided by (used in) financing activities	(38,542)	(25,907)
Effect of exchange rate change on cash and cash equivalents	(1,279)	(2,025)
Net increase (decrease) in cash and cash equivalents	(52,800)	(10,165)
Cash and cash equivalents at beginning of period	115,025	124,870
Increase in cash and cash equivalents from newly consolidated subsidiary	1,273	129
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	191
Cash and cash equivalents at end of period	63,498	115,025

Notes to the Consolidated Financial Statements

I. Basis of preparation of the Consolidated Financial Statements

1. Scope of Consolidation

Number and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 99

Names of major consolidated subsidiaries: IHI Marine United Inc. and others

In the fiscal year under review, changes to consolidated subsidiaries were as follows. Two companies were added due to our additional acquisition of shares and three companies were added by new establishment. In addition, two non-consolidated subsidiaries were added changing the status to consolidated subsidiaries due to their increased materiality. One subsidiary was removed from the scope of consolidation due to its decreased materiality, one subsidiary was removed due to liquidation, and another subsidiary was removed due to a merger.

2. Application of the Equity Method

Number and names of major affiliated companies accounted for by the equity method

Number of affiliated companies accounted for by the equity method: 16

Names of major equity method affiliates: Turbo Systems United Co., Ltd. and others

In the fiscal year under review, one company was added due to its increased materiality. Two companies were removed owing to the sales of shares.

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3. Significant Accounting Policies

(1) Securities

Securities to be held until maturity are stated at amortized cost (by the straight-line method). Other securities with market prices available are stated at fair market value as of the balance sheet date. The related valuation differences are directly included into net assets and the sale price is computed by the moving-average method. Other securities without market prices available are stated at cost by the moving-average method.

(2) Derivatives

Derivatives are stated at fair market value.

(3) Inventories

Raw materials and supplies are stated at cost by the moving-average method, and finished goods and work in process are stated principally at identified cost. (For figures shown on balance sheet, the book value write-down method based on decreased profitability is used.)

(4) Depreciation and amortization

- Property, plant and equipment (except for lease assets)

These assets are depreciated by the declining-balance method. However, depreciation of lend-lease properties, assets of certain consolidated subsidiaries and buildings (excluding building fixtures) acquired on and after April 1, 1998, are computed by the straight-line method.

- Intangible assets (except for lease assets)

These assets are amortized by the straight-line method. Software used internally is amortized using the straight-line method over the useful life of the assets, estimated by IHI (within five years).

- Lease assets

Lease assets related to ownership transfer finance lease transactions are depreciated using the same method as that applied to property, plant and equipment.

Lease assets related to non-ownership transfer finance leases are depreciated over the lease period as useful period using the straight-line method with no residual value. IHI uses the method for ordinary rental transactions for non-ownership transfer finance leases for which lease agreements were concluded on and before March 31, 2008.

(5) Significant allowances and provisions

- Allowance for doubtful accounts

  To provide for losses on bad debts, the allowance for doubtful accounts is provided based on historical default rates for general receivables, plus individually estimated amounts for specific uncollectible receivables.

- Provision for bonuses

  For payment of employee bonuses, the provision for bonuses is provided for in the amount that is expected to be paid.

- Provision for directors' bonuses

  For payment of directors' bonuses, the provision for directors' bonuses is provided for in the amount that is expected to be paid.

- Provision for construction warranties

  To provide for guaranteed project expenses, the provision for construction warranties is recorded as an estimate of future expenditures based on historical experience.

- Provision for loss on construction contracts

  Provision for loss on construction contracts is provided for in the amount of estimated losses for undelivered projects at the end of the fiscal year.

- Provision for loss on disaster

  Provision for loss on disaster is provided for based on projected expenses for the disposal of assets damaged by disaster and expenses for related recovery work.
- Provision for retirement benefits

  Provision for retirement benefits is provided for based on projected benefit obligations and estimated pension fund assets at the end of the fiscal year. Some consolidated subsidiaries adopt the conventional method to determine a provision for retirement benefits.

  Past service costs are amortized using the straight-line method over a certain number of years within the average remaining service period of employees at the time of accrual in each year. In principle, actuarial differences are amortized from the next fiscal year of the fiscal year in which the difference occurs using the straight-line method over a certain number of years within the average remaining service period of employees.
- Provision for directors' retirement benefits

  For payment of retirement benefits to directors and corporate auditors, the provision for directors' retirement benefits is provided for at consolidated subsidiaries in Japan in the amount that would be required to pay, based on the internal policy, if all eligible directors and corporate auditors retired at the end of the fiscal year.
- Provision for loss on subsidiaries and affiliates

  Provision for loss on subsidiaries and affiliates is provided for in the amount of estimated loss to be borne by IHI in consideration of the contents of assets of subsidiaries and affiliates.

4. Changes to Presentation

Consolidated balance sheets

"Lease assets" which was included in "Other" under "Property, plant and equipment" in the previous fiscal year, amounted to more than 1% of total assets, and has therefore been separately presented in the fiscal year under review. To reflect this change to presentation, the consolidated financial statements of the previous fiscal year was reclassified.

As a result, ¥23,768 million presented as "Other" under "Property, plant and equipment" in the consolidated balance sheets of the previous fiscal year was reclassified to ¥11,606 million of "Lease assets" and ¥12,162 million of "Other."

Consolidated statements of income

"Expenses for delayed delivery" under "Non-operating expenses" which was separately presented in the previous fiscal year, amounted to 10% or less of total non-operating expenses, and has therefore been included in "Other expenses" in the fiscal year under review. To reflect this change to presentation, the consolidated financial statements of the previous fiscal year was reclassified.

As a result, ¥2,874 million presented as "Expenses for delayed delivery" under "Non-operating expenses" in the consolidated statements of income of the previous fiscal year was reclassified to "Other expenses."

Consolidated statements of cash flows

"Purchase of investments in subsidiaries" which was included in "Other, net" under "Net cash provided by (used in) investing activities" in the previous fiscal year, has been separately presented in the fiscal year under review due to its increased materiality. To reflect this change to presentation, the consolidated financial statements of the previous fiscal year was reclassified.

As a result, negative ¥74 million presented as "Other, net" under "Net cash provided by (used in) investing activities" in the consolidated statements of cash flows of the previous fiscal year was reclassified to negative ¥25 million of "Purchase of investments in subsidiaries" and negative ¥49 million of "Other, net."

5. Additional Information

Adoption of Accounting Standard for Accounting Changes and Error Corrections

For accounting changes and corrections of prior period errors made on and after the beginning of the fiscal year under review, IHI adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

Correction of deferred tax assets and liabilities due to change in effective corporation tax rates

Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), corporation tax rates will be reduced, and the special reconstruction corporation tax, a surtax for reconstruction funding after the Great East Japan Earthquake, will be imposed, for the fiscal years beginning on or after April 1, 2012.

As a result of this change, deferred tax assets (net of deferred tax assets and liabilities) decreased by ¥5,224 million. Moreover, deferred income taxes increased by ¥6,473 million.

Sale of property owned by IHI

There is no material change as of the end of the fiscal year under review in the information about the sale of property owned by IHI based on the resolution at a meeting of the Board of Directors held on May 23, 2011, which was stated in the section of significant subsequent events of the consolidated financial report for the previous fiscal year (this information was provided only in the Japanese original report).

The outline of the sale is shown below.

(1) Name and location of assets to be sold

A portion of land at 1-54, Toyosu 3-chome, Koto-ku, Tokyo (Approx. 10,880 sq. meters)

(2) Book value

Approx. ¥600 million

(3) Planned sales price

Approx. ¥14,100 million

(4) Purchaser

Mitsubishi Estate Co., Ltd. or an SPC (Specified Purpose Company) established by Mitsubishi Estate Co., Ltd.

(5) Time for conclusion of sales contract

In the first half of fiscal year 2012 (planned)

(6) Time for transfer of the equity

In the first half of fiscal year 2012 (planned)

The equity for sale and planned sales price may change by the time for conclusion of sales contract.

Management integration of IHI Marine United Inc. and Universal Shipbuilding Corporation

There is no material change as of the end of the fiscal year under review in the information about the management integration based on the resolution of a meeting of the Board of Directors held on January 30, 2012, of IHI Marine United Inc. ("IHI Marine United"), a consolidated subsidiary of IHI, and Universal Shipbuilding Corporation ("Universal Shipbuilding"), a group company of JFE Holdings, Inc. ("JFE Holdings") (the "Management Integration"), which was stated in the section of significant subsequent events of the consolidated financial report for the nine months ended December 31, 2011 (this information was provided only in the Japanese original report).

The outline of the management integration is shown below.

(1) Method of the Management Integration and conditions including ratio of allotment in connection with the Management Integration

(i) Schedule of the Management Integration

By August 31, 2012 (planned)	Execution of final agreement
By September 30, 2012 (planned)	General meetings of shareholders of the companies involved in the Management Integration
October 1, 2012 (planned)	Effective date of the Management Integration

(ii) Method of the Management Integration

Management integration through merger whereby Universal Shipbuilding will become the surviving company

(iii) Conditions including ratio of allotment in connection with the Management Integration

IHI Marine United and Universal Shipbuilding shall carry out the Management Integration on an equal footing. However, conditions including the ratio of allotment in connection with the Management Integration will be decided by executing the final agreement.

(2) Status of new company after integration created by the Management Integration

(i) Trade name of new company after integration

Japan Marine United Corporation

(ii) Location of head office, capital and fiscal year end

These details are not yet decided, and will be determined by the date of execution of final agreement on the Management Integration, upon consultation among the related parties.

(iii) Chairman and President of new company after integration

Chairman: Shigemi Kurahara (present President & Chief Executive Officer of IHI Marine United)

President: Shinjiro Mishima (present President and CEO of Universal Shipbuilding)

(iv) Major shareholders and ratio of shareholding

The following shareholders and shareholding ratios are expected. As each figure is rounded off to two decimal places, the total figure exceeds 100%.

IHI	45.93%
JFE Holdings	45.93%
Hitachi Zosen	8.15%

(v) Places of business and plants

Places of business and plants of the new company after integration shall be all the places of business and plants held by IHI Marine United and Universal Shipbuilding.

(vi) Employees

The new company after integration shall succeed all the employees of IHI Marine United and Universal Shipbuilding as of the effective date of the Management Integration.

The Management Integration is conditional on permission from the competent authorities and the approval of the respective general meetings of shareholders of both companies.

Segment information

a. Segment information

1. Overview of reportable segments

The reportable segments are constituent units of the IHI Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.
IHI organizes operation divisions by products and services and the operation divisions deploy business activities formulating both domestic and overseas strategies for each product and service comprehensively.
The IHI Group therefore categorizes segments based on the grouping together of operation divisions classified by markets and other similarities of products and services. The seven reportable segments are as follows: Energy & Resources, Ships & Offshore Facilities, Social Infrastructure, Logistics Systems & Industrial Machinery, Rotating Equipment & Mass-Production Machinery, Aero Engine & Space, and Others.

Main products and services belonging to each segment

(i) Energy & Resources
Boilers, gas turbines, components for nuclear power plants, storage facilities, process plants, power systems and floating LNG storage facilities

(ii) Ships & Offshore Facilities
Shipbuilding, ship repairs and offshore structures

(iii) Social Infrastructure
Bridges, construction materials and real estate sales and rental

(iv) Logistics Systems & Industrial Machinery
Material handling systems, physical distribution and factory automation systems, parking systems, traffic systems, steel manufacturing equipment, paper production machines and environmental control systems

(v) Rotating Equipment & Mass-Production Machinery
Compressors and vehicular turbochargers

(vi) Aero Engine & Space
Jet engines, space-related equipment and defense machinery

(vii) Others
Diesel engines, agricultural machinery, construction machinery and other services

Effective from the fiscal year ended March 31, 2012, in accordance with an entity conversion by the IHI Group, two of its reportable segments, Physical Distribution Systems & Social Infrastructure, and Rotating & Industrial Machinery, have been changed to three reportable segments: Social Infrastructure, Logistics Systems & Industrial Machinery, and Rotating Equipment & Mass-Production Machinery. After being restated to reflect this entity conversion, the information about sales, profit or loss, assets and liabilities, and other items by reportable segment for the fiscal year ended March 31, 2011 is as follows:

(Millions of yen)

	Reportable Segment									
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total	Adjustment (Note 1)	Consolidated
Sales										
Sales to outside customers	274,336	185,919	114,385	136,358	128,663	269,134	78,497	1,187,292	–	1,187,292
Intersegment sales and transfers	32,098	3,991	8,059	5,562	11,695	4,622	35,881	101,908	(101,908)	–
Total	306,434	189,910	122,444	141,920	140,358	273,756	114,378	1,289,200	(101,908)	1,187,292
Segment profit (Operating income)	22,482	10,996	11,920	2,912	9,491	5,826	2,160	65,787	(4,397)	61,390
Others										
Depreciation and amortization (Note 3)	5,675	3,686	3,123	1,699	4,940	12,906	2,262	34,291	1,805	36,096
Equity in income (loss) of affiliates	295	–	–	50	124	–	(65)	404	(15)	389
Increase in property, plant and equipment (Note 4)	7,685	5,888	51,139	1,011	6,274	9,584	2,647	84,228	2,141	86,369

Notes

1. Adjustment of segment profit represents intersegment transactions of ¥42 million and unallocated corporate expenses of negative ¥4,439 million.
   Corporate expenses mainly consist of general and administrative expenses that are unattributable to reportable segments.
2. Reportable segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or evaluating operating performance.
3. Depreciation and amortization represents depreciation and amortization of property, plant and equipment excluding lease assets. Adjustment of depreciation and amortization represents unallocated depreciation and amortization in property, plant and equipment.
4. Increase in property, plant and equipment does not include increase in lease assets. Adjustment of increase in property, plant and equipment represents unallocated increase in property, plant and equipment.

2. Calculation method used for sales, profit or loss, assets and liabilities and other items by reportable segment

The accounting method used for reportable business segments is the same as the method stated in “Basis of preparation of the Consolidated Financial Statements.” Profits from reportable segments are figures based on operating income. Intersegment income and transfers are based on actual market pricing.

3. Information about sales, profit or loss, assets and liabilities, and other items by reportable segment

Fiscal year ended March 31, 2011
As represented in “ 1. Overview of reportable segments ”.

Fiscal year ended March 31, 2012 (Millions of yen)

	Reportable Segment									
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total	Adjustment (Note 1)	Consolidated
Sales										
(1) Sales to outside customers	273,763	169,613	106,541	148,030	154,107	294,325	75,490	1,221,869	–	1,221,869
(2) Intersegment sales and transfers	38,593	6,639	8,222	4,907	11,721	5,137	31,820	107,039	(107,039)	–
Total	312,356	176,252	114,763	152,937	165,828	299,462	107,310	1,328,908	(107,039)	1,221,869
Segment profit (Operating income)	10,968	7,932	8,291	5,635	10,405	6,057	1,162	50,450	(7,117)	43,333
Others										
Depreciation and amortization (Note 3, 5)	6,165	4,242	5,063	1,561	5,612	14,033	2,292	38,968	2,187	41,155
Equity in income (loss) of affiliates	206	–	–	126	79	–	132	543	71	614
Increase in property, plant and equipment (Note 4, 5)	9,346	5,694	4,375	1,021	8,814	17,563	2,662	49,475	4,048	53,523

Notes
1. Adjustment of segment profit represents intersegment transactions of ¥143 million and unallocated corporate expenses of negative ¥7,260 million.
   Corporate expenses mainly consist of general and administrative expenses that are unattributable to reportable segments.
2. Reportable segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or evaluating operating performance.
3. Depreciation and amortization represents depreciation and amortization of property, plant and equipment. Adjustment of depreciation and amortization represents unallocated depreciation and amortization in property, plant and equipment.
4. Adjustment of increase in property, plant and equipment represents unallocated increase in property, plant and equipment.
5. Although the figures for depreciation and amortization and increase in property, plant and equipment did not include the figures related to lease assets in the previous fiscal year, they have been changed to include lease assets since such figures are used as the basis for deciding the allocation of management resources or evaluating operating performance starting with the fiscal year under review. Consequently, segment information figures have also been changed to include lease assets.

b. Related information

I. Fiscal year ended March 31, 2011

1. Product and service information

Information has been omitted, as classification is the same as for reportable segments.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	U.S.A.	Asia	Central and South America	Europe	Others	Total
675,251	125,956	138,945	92,427	90,834	63,879	1,187,292

Note: Sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

Information has been omitted, as the value of property, plant and equipment located in Japan exceeds 90% of the value of property, plant and equipment recorded on the consolidated balance sheets.

3. Information by major customer

(Millions of yen)

Name of customer or individual	Net sales	Related business segment
Japan Ministry of Defense	124,038	Aero Engine & Space and Ships & Offshore Facilities

II. Fiscal year ended March 31, 2012

1. Product and service information

Information has been omitted, as classification is the same as for reportable segments.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	U.S.A.	Asia	Central and South America	Europe	Others	Total
700,859	125,738	188,307	81,750	99,406	25,809	1,221,869

Note: Sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

Information has been omitted, as the value of property, plant and equipment located in Japan exceeds 90% of the value of property, plant and equipment recorded on the consolidated balance sheets.

3. Information by major customer

(Millions of yen)

Name of customer or individual	Net sales	Related business segment
Japan Ministry of Defense	128,323	Aero Engine & Space and Ships & Offshore Facilities

c. Information about impairment loss on noncurrent assets by reportable segment

Fiscal Year ended March 31, 2011

In accordance with an entity conversion by the IHI Group that took effect from the fiscal year ended March 31, 2012, impairment loss for the year ended March 31, 2011 has been presented based on the reportable segments after the entity conversion.

(Millions of yen)

	Reportable Segment								Adjustment	Consolidated
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total		
Impairment loss	373	–	1,404	–	–	–	5	1,782	–	1,782

Fiscal Year ended March 31, 2012

(Millions of yen)

	Reportable Segment								Adjustment	Consolidated
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery (Note)	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total		
Impairment loss	29	–	893	498	–	–	762	2,182	–	2,182

Note: The figure for Logistics Sytems & Industrial Machinery mainly represents impairment loss on goodwill.

d. Information about goodwill amortization amount and year-end balance by reportable segment

Fiscal year ended March 31, 2011

In accordance with an entity conversion by the IHI Group that took effect from the fiscal year ended March 31, 2012, goodwill amortization amount and year-end balance for the fiscal year ended March 31, 2011 has been presented based on the reportable segments after the entity conversion.

(Millions of yen)

	Reportable Segment								Adjustment	Consolidated
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total		
Amount for the fiscal year under review	38	232	4	560	64	–	–	898	–	898
Balance at the end of the fiscal year under review	133	141	–	3,723	37	–	–	4,034	–	4,034

Disclosure of amortization amount and year-end balance of negative goodwill that were recognized through business combination before April 1, 2010, is omitted since there is no significant necessity.

Fiscal year ended March 31, 2012 (Millions of yen)

	Reportable Segment									
	Energy & Resources	Ships & Offshore Facilities	Social Infrastructure	Logistics Systems & Industrial Machinery	Rotating Equipment & Mass-Production Machinery	Aero Engine & Space	Others	Total	Adjustment	Consolidated
Amount for the fiscal year under review	40	141	49	551	106	–	–	887	–	887
Balance at the end of the fiscal year under review	101	–	72	4,900	–	–	–	5,073	–	5,073

Disclosure of amortization amount and year-end balance of negative goodwill that were recognized through business combination before April 1, 2010, is omitted since there is no significant necessity.

e. Information about gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2011

Disclosure is omitted since there is no significant necessity.

Fiscal year ended March 31, 2012

¥1,416 million of gain on negative goodwill was recognized in the fiscal year under review. This is the total of ¥906 million of gain on negative goodwill recognized in the Social Infrastructure segment through the tender offer of common shares of Ishikawajima Construction Materials Co., Ltd. and ¥510 million of gain on negative goodwill recognized in the Logistics Systems & Industrial Machinery segment through the tender offer of common shares of IHI Transport Machinery Co., Ltd.

Per share information

1. Net assets per share: 170.84 yen

2. Net income per share: 16.26 yen

3. Number of shares used as a base of net income per share calculation: 1,465,316,126 shares

Omission of disclosure

Disclosure of explanations regarding the following matters is omitted since there is no significant necessity of such disclosure in the summary report on financial results:

- Consolidated balance sheets
- Consolidated statements of income
- Consolidated statements of comprehensive income
- Consolidated statements of changes in shareholders' equity
- Consolidated statements of cash flows
- Lease transactions
- Transactions with parties concerned
- Tax effect accounting
- Financial instruments
- Securities
- Derivative transactions
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Asset retirement obligations
- SPC
- Rental property