

(English Translation)

February 2, 2016

To all related parties:

IHI Corporation

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Notice of Costs (Extraordinary Losses) Relating to Late Deliveries

IHI Corporation announces the following extraordinary loss relating to late deliveries for the fiscal year ending March 31, 2016, as follows.

1. Details of Costs Relating to Late Deliveries

It has become more likely that IHI may not be able to meet contractual delivery deadlines on several projects because of construction delays stemming from efforts to address noncompliant welding (the use of welding materials differing from those in design instructions) on some boiler work.

After completing restoration work on the Izmit Bay Crossing Bridge after the collapse of a catwalk there in March 2015, IHI did its utmost to mitigate construction delays, but it became difficult to complete construction by the contractual deadline of February 2016.

Notwithstanding its ongoing commitment to keep pushing ahead with efforts to complete construction safely and swiftly, management allocated to extraordinary losses the potential damages that the Company could incur as a result of failing the contractual deadline.

2. Impact on Consolidated Results

Management has allocated ¥47,264 million to extraordinary losses for the year ending March 31, 2016, to cover the costs caused by the late deliveries.