

(English Translation)

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To all related parties:

**IHI Corporation**

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**Notice of Revisions to the First Half and Full Year Consolidated  
Financial Forecasts for the Fiscal Year ending March 31, 2016**

IHI Corporation (“IHI”) announces that the forecasts of consolidated results for the first half and full year for the fiscal year ending March 31, 2016 which were announced on May 8, 2015, have been revised as described below.

Details

1. Revision to the first half consolidated financial results forecast (from April 1, 2015 to September 30, 2015)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit (loss) attributable to owners of parent	Basic earnings per share
Previous forecasts (A) (Announced on May 8, 2015)	700,000	32,000	23,000	14,000	9.07 yen
Revised forecasts (B)	700,000	20,000	14,000	6,000	3.89 yen
Change (B-A)	0	(12,000)	(9,000)	(8,000)	-
Change (%)	0	(37.5)	(39.1)	(57.1)	-
(Reference) Results of the corresponding period of the previous fiscal year (First half of FY2014)	616,144	28,934	32,337	20,946	13.57 yen

2. Revision to full year consolidated financial results forecast (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit (loss) attributable to owners of parent	Basic earnings per share
Previous forecasts (A) (Announced on May 8, 2015)	1,580,000	90,000	75,000	49,000	31.75 yen
Revised forecasts (B)	1,580,000	75,000	63,000	39,000	25.27 yen
Change (B-A)	0	(15,000)	(12,000)	(10,000)	-
Change (%)	0	(16.7)	(16.0)	(20.4)	-
(Reference) Results of the corresponding period of the previous fiscal year (FY2014)	1,455,844	63,253	56,529	9,082	5.88 yen

### 3. Reasons for Revisions

In the previous fiscal year, regarding poor profitability for some projects received for F-LNG/Offshore structure Business, provision of loss has been recorded as an estimate for future expenditures. Upon entering the fiscal year 2015, there was an increase in catch-up expenses to respond to construction process delays accompanying repeated drawing revisions for the drill ship for Singapore. Because of the drill ship related process delays, moreover, it became difficult to secure working areas for later construction work. As a result, it became necessary to outsource overseas part of the shipbuilding project for FPSO (Floating Production Storage and Offloading Unit) for Norway, and with the outsourcing expenses and transfer costs increasing, the profitability of the project deteriorated significantly.

Relating to the Izmit Bay Crossing Bridge construction project in Turkey, the loss for the restoration of work has been recorded in the previous fiscal year through the amendment of estimated total cost of construction because of the accident that part of the scaffolding (“catwalk”) have dropped down to the sea. Upon entering the fiscal year 2015, there was an increase of estimated costs such as catch-up expenses to respond to construction process delays.

Consequently, IHI has revised its forecasts of profit for each category of the first half and full year for the fiscal year ending March 31, 2016. IHI has also taken into consideration some profit-increasing factors such as a timing difference in the reporting of a portion of selling, general and administrative expenses for operating profit forecast of the first half period, and improvements in share of profit (loss) of entities accounted for using equity method for ordinary profit forecast for the first half and full year for fiscal year ending March 31, 2016.

(Note) The above forecasts are based on information currently available to IHI and certain assumptions determined as rational. Actual performance may significantly differ from these forecasts due to various factors in the future.