

(English Translation)

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To all related parties:

IHI Corporation

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Notice of Recording of Non-operating Losses (foreign exchange losses)

IHI Corporation announces that in the three months ended June 30, 2016, (April 1, 2016 to June 30, 2016), non-operating expenses (foreign exchange losses) were recorded.

1. Details of Non-operating losses

Due to recent fluctuations in foreign currency exchange rates, in the three months ended June 30, 2016, foreign exchange losses of ¥8,993 million were recorded as non-operating expenses.

On the other hand, a “reversal of accrued expense for delayed delivery” of ¥3,907 million was recorded as non-operating income. This was primarily a reversal due to a revaluation, based on the exchange rate on June 30, 2016, of expenses for delayed delivery related to contracts denominated in foreign currencies, which had been estimated in the previous fiscal year.

2. Future outlook

As is stated in the simultaneously released Consolidated Financial Report for the Three Months Ended June 30, 2016, in light of the level of actual foreign exchange rate in the first quarter, for the full-year consolidated financial forecasts of results for the year ending March 31, 2017, foreign exchange rates of ¥105/US\$1 and ¥115/EUR1 have been assumed in and after the second quarter ending September 30, 2016.

(For reference) Consolidated Forecasts for current Fiscal Year Ending March 31, 2017 (Announced on July 29, 2016) and Consolidated Results for previous fiscal year ended March 31, 2016.

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Consolidated Forecasts for current fiscal year ending March 31, 2017	1,520,000	58,000	44,000	22,000
Consolidated Results for previous fiscal year ended March 31, 2016	1,539,388	22,048	9,716	1,529