

To all related parties:

IHI Corporation

Toyosu IHI Bldg.

1-1, Toyosu 3-chome, Koto-ku, Tokyo 135-8710, Japan

Securities code: 7013

Representative: Tsugio Mitsuoka,

President and Chief Executive Officer

Contact: Takeshi Yamada

Director and Managing Executive Officer,

Finance & Accounting Division

Tel: +81-3-6204-7065

(Amendments / Amendments of Numerical Data)

Notice Regarding Partial Amendments of “CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018<Japanese GAAP>” and “Financial Results for Second Quarter FY2018(for the year ending March 31, 2019)”

IHI Corporation hereby announces that it has made partial amendments to its disclosure documents mentioned in the title which were announced on November 1, 2018, as follows, due to an error in market valuation of securities. Amendments are underlined.

I. Details of amendments to “CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018<Japanese GAAP>”

(Page 1)

1. CONSOLIDATED PERFORMANCE FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018
(APRIL 1, 2018 to SEPTEMBER 30, 2018)

(1) Consolidated Business Results

[Before amendments]

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

	Net Sales	Percentage Change	Operating Profit	Percentage Change	Ordinary Profit	Percentage Change
Six months ended September 30, 2018	699,507	(9.6)%	45,217	30.6%	49,173	151.2%
Six months ended September 30, 2017	773,491	11.8%	34,622	189.6%	19,574	283.9%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six months ended September 30, 2018	28,429	313.1 %	184.23	184.09
Six months ended September 30, 2017	6,882	–	44.57	44.54

(Note) Comprehensive income

Six months ended September 30, 2018: ¥36,250 million 194.2%

Six months ended September 30, 2017: ¥12,323 million –%

[After amendments]

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

	Net Sales	Percentage Change	Operating Profit	Percentage Change	Ordinary Profit	Percentage Change
Six months ended September 30, 2018	699,507	(9.6)%	45,217	30.6%	49,173	151.2%
Six months ended September 30, 2017	773,491	11.8%	34,622	189.6%	19,574	283.9%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six months ended September 30, 2018	28,429	313.1 %	184.23	184.09
Six months ended September 30, 2017	6,882	–	44.57	44.54

(Note) Comprehensive income

Six months ended September 30, 2018:	<u>¥34,725 million</u>	<u>181.8%</u>
Six months ended September 30, 2017:	¥12,323 million	–%

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1. CONSOLIDATED PERFORMANCE FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018
(APRIL 1, 2018 to SEPTEMBER 30, 2018)

(2) Consolidated Financial Position

[Before amendments]

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
As of September 30, 2018	<u>1,655,514</u>	<u>380,771</u>	<u>21.3%</u>
As of March 31, 2018	1,633,488	350,217	19.9%

(Reference) Equity at the end of the period (consolidated)

September 30, 2018:	<u>¥352,389 million</u>
March 31, 2018:	¥324,601 million

[After amendments]

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
As of September 30, 2018	<u>1,653,989</u>	<u>379,246</u>	<u>21.2%</u>
As of March 31, 2018	1,633,488	350,217	19.9%

(Reference) Equity at the end of the period (consolidated)

September 30, 2018:	<u>¥350,864 million</u>
March 31, 2018:	¥324,601 million

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

A. Assets and liabilities, and net assets

[Before amendments]

Total assets at the end of the second quarter under review were ¥1,655.5 billion, up ¥22.0 billion compared with the end of the previous fiscal year. The items with the most significant increases were inventories including work in process, up ¥31.3 billion, other current assets including advance payments - trade, up ¥23.9 billion and investment securities, up ¥18.5 billion. The items with the most significant decreases were notes and accounts receivable - trade, down ¥42.0 billion and cash and deposits, down ¥7.4 billion.

Total liabilities were ¥1,274.7 billion, down of ¥8.5 billion compared with the end of the previous fiscal year. The items with the most significant decreases was notes and accounts payable - trade, down ¥29.2 billion, other current liabilities including accrued expenses, down ¥13.8 billion and provision for loss on construction contracts, down ¥5.8 billion. The item with the most significant increase were short-term loans payable, up ¥30.2 billion and long-term loans payable, up ¥13.5 billion. The balance on interest-bearing debt, including lease obligations, was ¥364.6 billion, up ¥42.3 billion from the end of the previous fiscal year.

Net assets were ¥380.7 billion, up ¥30.5 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥28.4 billion and decrease due to payment of dividends of ¥4.6 billion.

As a result of the above, the ratio of equity to total assets rose from 19.9% at the end of the previous fiscal year to 21.3%.

[After amendments]

Total assets at the end of the second quarter under review were ¥1,653.9 billion, up ¥20.5 billion compared with the end of the previous fiscal year. The items with the most significant increases were inventories including work in process, up ¥31.3 billion, other current assets including advance payments - trade, up ¥23.9 billion and investment securities, up ¥16.3 billion. The items with the most significant decreases were notes and accounts receivable - trade, down ¥42.0 billion and cash and deposits, down ¥7.4 billion.

Total liabilities were ¥1,274.7 billion, down of ¥8.5 billion compared with the end of the previous fiscal year. The items with the most significant decreases was notes and accounts payable - trade, down ¥29.2 billion, other current liabilities including accrued expenses, down ¥13.8 billion and provision for loss on construction contracts, down ¥5.8 billion. The item with the most significant increase were short-term loans payable, up ¥30.2 billion and long-term loans payable, up ¥13.5 billion. The balance on interest-bearing debt, including lease obligations, was ¥364.6 billion, up ¥42.3 billion from the end of the previous fiscal year.

Net assets were ¥379.2 billion, up ¥29.0 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥28.4 billion and decrease due to payment of dividends of ¥4.6 billion.

As a result of the above, the ratio of equity to total assets rose from 19.9% at the end of the previous fiscal year to 21.2%.

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(1) CONSOLIDATED BALANCE SHEETS

[Before amendments]

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	101,544
Notes and accounts receivable - trade	400,330	358,308
Finished goods	25,647	26,039
Work in process	282,245	301,208
Raw materials and supplies	120,630	132,607
Other	59,758	83,727
Allowance for doubtful accounts	(4,164)	(4,562)
Total current assets	<u>993,474</u>	<u>998,871</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	132,969
Other, net	218,011	218,103
Total property, plant and equipment	<u>349,046</u>	<u>351,072</u>
Intangible assets		
Goodwill	12,231	10,885
Other	23,789	22,946
Total intangible assets	<u>36,020</u>	<u>33,831</u>
Investments and other assets		
Investment securities	99,284	<u>117,873</u>
Other	157,388	<u>155,824</u>
Allowance for doubtful accounts	(1,724)	(1,957)
Total investments and other assets	<u>254,948</u>	<u>271,740</u>
Total non-current assets	<u>640,014</u>	<u>656,643</u>
Total assets	<u>1,633,488</u>	<u>1,655,514</u>

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	304,928	275,650
Short-term loans payable	81,515	111,767
Current portion of bonds	–	10,000
Income taxes payable	8,075	16,556
Advances received	177,819	175,547
Provision for bonuses	26,119	25,379
Provision for construction warranties	53,727	49,594
Provision for loss on construction contracts	27,266	21,416
Other provision	808	551
Other	131,398	117,560
Total current liabilities	811,655	804,020
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	186,055
Net defined benefit liability	154,125	154,018
Provision for loss on business of subsidiaries and affiliates	1,188	1,209
Other provision	1,150	928
Other	92,620	88,513
Total non-current liabilities	471,616	470,723
Total liabilities	1,283,271	1,274,743
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,400
Retained earnings	153,564	177,190
Treasury shares	(879)	(1,255)
Total shareholders' equity	313,256	336,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	4,189
Deferred gains or losses on hedges	(286)	(5)
Revaluation reserve for land	5,359	5,321
Foreign currency translation adjustment	3,679	5,641
Remeasurements of defined benefit plans	559	743
Total accumulated other comprehensive income	11,345	15,889
Subscription rights to shares	792	752
Non-controlling interests	24,824	27,630
Total net assets	350,217	380,771
Total liabilities and net assets	1,633,488	1,655,514

[After amendments]

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	101,544
Notes and accounts receivable - trade	400,330	358,308
Finished goods	25,647	26,039
Work in process	282,245	301,208
Raw materials and supplies	120,630	132,607
Other	59,758	83,727
Allowance for doubtful accounts	(4,164)	(4,562)
Total current assets	<u>993,474</u>	<u>998,871</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	132,969
Other, net	218,011	218,103
Total property, plant and equipment	<u>349,046</u>	<u>351,072</u>
Intangible assets		
Goodwill	12,231	10,885
Other	23,789	22,946
Total intangible assets	<u>36,020</u>	<u>33,831</u>
Investments and other assets		
Investment securities	99,284	<u>115,675</u>
Other	157,388	<u>156,497</u>
Allowance for doubtful accounts	(1,724)	(1,957)
Total investments and other assets	<u>254,948</u>	<u>270,215</u>
Total non-current assets	<u>640,014</u>	<u>655,118</u>
Total assets	<u>1,633,488</u>	<u>1,653,989</u>

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	304,928	275,650
Short-term loans payable	81,515	111,767
Current portion of bonds	–	10,000
Income taxes payable	8,075	16,556
Advances received	177,819	175,547
Provision for bonuses	26,119	25,379
Provision for construction warranties	53,727	49,594
Provision for loss on construction contracts	27,266	21,416
Other provision	808	551
Other	131,398	117,560
Total current liabilities	811,655	804,020
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	186,055
Net defined benefit liability	154,125	154,018
Provision for loss on business of subsidiaries and affiliates	1,188	1,209
Other provision	1,150	928
Other	92,620	88,513
Total non-current liabilities	471,616	470,723
Total liabilities	1,283,271	1,274,743
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,400
Retained earnings	153,564	177,190
Treasury shares	(879)	(1,255)
Total shareholders' equity	313,256	336,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	2,664
Deferred gains or losses on hedges	(286)	(5)
Revaluation reserve for land	5,359	5,321
Foreign currency translation adjustment	3,679	5,641
Remeasurements of defined benefit plans	559	743
Total accumulated other comprehensive income	11,345	14,364
Subscription rights to shares	792	752
Non-controlling interests	24,824	27,630
Total net assets	350,217	379,246
Total liabilities and net assets	1,633,488	1,653,989

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
 (2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF
 COMPREHENSIVE INCOME
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Cumulative)

[Before amendments]

	(Millions of yen)	
	April 1, 2017 to September 30, 2017	April 1, 2018 to September 30, 2018
Profit	8,838	31,493
Other comprehensive income		
Valuation difference on available-for-sale securities	355	<u>1,929</u>
Deferred gains or losses on hedges	(94)	42
Revaluation reserve for land	-	(12)
Foreign currency translation adjustment	2,754	2,234
Remeasurements of defined benefit plans, net of tax	32	205
Share of other comprehensive income of entities accounted for using equity method	438	359
Total other comprehensive income	<u>3,485</u>	<u>4,757</u>
Comprehensive income	<u>12,323</u>	<u>36,250</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,053	<u>33,131</u>
Comprehensive income attributable to non-controlling interests	2,270	3,119

[After amendments]

	(Millions of yen)	
	April 1, 2017 to September 30, 2017	April 1, 2018 to September 30, 2018
Profit	8,838	31,493
Other comprehensive income		
Valuation difference on available-for-sale securities	355	<u>404</u>
Deferred gains or losses on hedges	(94)	42
Revaluation reserve for land	-	(12)
Foreign currency translation adjustment	2,754	2,234
Remeasurements of defined benefit plans, net of tax	32	205
Share of other comprehensive income of entities accounted for using equity method	438	359
Total other comprehensive income	<u>3,485</u>	<u>3,232</u>
Comprehensive income	<u>12,323</u>	<u>34,725</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,053	<u>31,606</u>
Comprehensive income attributable to non-controlling interests	2,270	3,119

II. Details of amendments to “Financial Results for Second Quarter FY2018(for the year ending March 31, 2019)”

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1. Consolidated Results for Second Quarter FY2018

Balance Sheets

[Before amendments]

(In billion yen)

	As of March 31, 2018	As of September 30, 2018	Change
Total assets (*1)	1,633.4	1,655.5	22.0
(Trade receivables)	(400.3)	(358.3)	(▲ 42.0)
(Inventories)	(428.5)	(459.8)	(31.3)
(Investment securities)	(99.2)	(117.8)	(18.5)
Total liabilities (*1)	1,283.2	1,274.7	▲ 8.5
(Trade payables)	(304.9)	(275.6)	(▲ 29.2)
(Advance received)	(177.8)	(175.5)	(▲ 2.2)
(Provision)	(110.2)	(99.0)	(▲ 11.1)
(Interest-bearing debt) (*2)	(322.2)	(364.6)	(42.3)
Total net assets	350.2	380.7	30.5
Shareholders' equity	313.2	336.5	23.2
Accumulated other comprehensive income	11.3	15.8	4.5
Non-controlling interests and others	25.6	28.3	2.7
Total liabilities and net assets (*1)	1,633.4	1,655.5	22.0
D/E ratio(times) (*3)	0.92	0.96	0.04
Equity ratio	19.9%	21.3%	1.4%

(*1) Balance Sheets as of March 31, 2018 is partly adjusted due to the application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting”.

(*2) Interest-bearing debt includes the amount of lease obligations.
(as of March 31, 2018: ¥18.2 billion / as of September 30, 2018: ¥16.7 billion)

(*3) D/E ratio = Interest-bearing debt / net assets

[After amendments]

(In billion yen)

	As of March 31, 2018	As of September 30, 2018	Change
Total assets (*1)	1,633.4	1,653.9	20.5
(Trade receivables)	(400.3)	(358.3)	(▲ 42.0)
(Inventories)	(428.5)	(459.8)	(31.3)
(Investment securities)	(99.2)	(115.6)	(16.3)
Total liabilities (*1)	1,283.2	1,274.7	▲ 8.5
(Trade payables)	(304.9)	(275.6)	(▲ 29.2)
(Advance received)	(177.8)	(175.5)	(▲ 2.2)
(Provision)	(110.2)	(99.0)	(▲ 11.1)
(Interest-bearing debt) (*2)	(322.2)	(364.6)	(42.3)
Total net assets	350.2	379.2	29.0
Shareholders' equity	313.2	336.5	23.2
Accumulated other comprehensive income	11.3	14.3	3.0
Non-controlling interests and others	25.6	28.3	2.7
Total liabilities and net assets (*1)	1,633.4	1,653.9	20.5
D/E ratio(times) (*3)	0.92	0.96	0.04
Equity ratio	19.9%	21.2%	1.3%

(*1) Balance Sheets as of March 31, 2018 is partly adjusted due to the application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting”.

(*2) Interest-bearing debt includes the amount of lease obligations.
(as of March 31, 2018: ¥18.2 billion / as of September 30, 2018: ¥16.7 billion)

(*3) D/E ratio = Interest-bearing debt / net assets