

(English Translation)

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To all related parties:

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**Notice of Recording of Loss on Valuation of Shares of Subsidiaries and Affiliates  
(Non-Consolidated)**

IHI Corporation (hereinafter, "IHI") announces that IHI recorded ¥27.6 billion in loss on valuation of shares of subsidiaries and affiliates as extraordinary losses in its non-consolidated financial results for the nine months ended December 31, 2019. The details are as follows.

1. Details of loss on valuation of shares of subsidiaries and affiliates (non-consolidated)

Operating performance of IHI's affiliate Japan Marine United Corporation (hereinafter, "JMU") deteriorated significantly.

Accordingly, the actual value of the shares of JMU owned by IHI fell significantly below the book value. IHI investigated the recoverability of the share value.

As a result of the investigation, IHI deemed such recovery questionable for the time being, and recorded ¥27.6 billion in loss on valuation of shares of subsidiaries and affiliates as extraordinary losses in its non-consolidated financial results.

2. Impact on forecasts of consolidated financial results

The loss on valuation of shares of subsidiaries and affiliates mentioned in "1." above is eliminated in the consolidated financial statements as JMU is an entity accounted for using equity method. Accordingly, the loss on valuation of shares of subsidiaries and affiliates has no impact on the consolidated financial results.

Regarding the details of downturn in the operating performance of JMU, please refer to "Financial Results for Third Quarter FY2019 (for the year ending March 31, 2020)" announced today.