

**CONSOLIDATED FINANCIAL REPORT
 FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019
 <Japanese GAAP>**

IHI Corporation (IHI) is listed on the First Section of the Tokyo Stock Exchange, Nagoya Stock Exchange, Sapporo Securities Exchange and Fukuoka Stock Exchange with the securities code number 7013.

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Submission date of Quarterly Securities Report: November 13, 2019 (planned)
 Commencement of Dividend Payments: December 6, 2019 (planned)
 Preparing supplementary material on quarterly financial results: Yes
 Holding quarterly financial results presentation meeting: Yes (for institutional investors, analysts and the media)

This consolidated financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures are in Japanese yen rounded to the nearest millions.

**1. CONSOLIDATED PERFORMANCE FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019
 (APRIL 1, 2019 to SEPTEMBER 30, 2019)**

(1) Consolidated Business Results

(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, 2019	594,916	(15.0)%	10,586	(76.6)%	3,591	(92.7)%
Six months ended September 30, 2018	699,507	(9.6)%	45,217	30.6%	49,173	151.2%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six months ended September 30, 2019	(4,870)	—	(31.56)	—
Six months ended September 30, 2018	28,429	313.1%	184.23	184.09

(Note) Comprehensive income

Six months ended September 30, 2019: ¥(7,776) million —%
 Six months ended September 30, 2018: ¥34,725 million 181.8%

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
As of September 30, 2019	1,648,667	366,241	20.1%
As of March 31, 2019	1,664,529	381,692	21.0%

(Reference) Equity at the end of the period (consolidated)
As of September 30, 2019: ¥331,755 million
As of March 31, 2019: ¥349,180 million

2. DIVIDENDS

(Yen)

(Record Date)	Dividends per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Annual
Fiscal year ended March 31, 2019	—	30.00	—	40.00	70.00
Fiscal year ending March 31, 2020	—	30.00	—	—	—
Fiscal year ending March 31, 2020 (Forecast)	—	—	—	40.00	70.00

(Note) Revisions to the dividend forecasts most recently announced: No

3. CONSOLIDATED FORECASTS OF RESULTS FOR THE YEAR ENDING MARCH 31, 2020

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
Full-year	1,400,000	(5.6)%	65,000	(21.2)%	43,000	(34.6)%	20,000	(49.9)%	129.63

(Note) Revisions to the forecasts of results most recently announced: Yes

* NOTES

- (1) **Changes in significant subsidiaries during the six months under review**
(Changes in specified subsidiaries accompanying changes in scope of consolidation): Not applicable
- (2) **Application of special accounting for preparing quarterly consolidated financial statements:** Yes
(Note) For details, please refer to “(2) APPLICATION OF SPECIAL ACCOUNTING FOR PREPARING QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS” of “2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 6.
- (3) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**
- (i) Changes in accounting policies due to revisions to accounting standards: Yes
 - (ii) Changes in accounting policies due to other reasons: Not applicable
 - (iii) Changes in accounting estimates: Not applicable
 - (iv) Restatement of prior period financial statements after error corrections: Not applicable
- (Note) For details, please refer to “(3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS AFTER ERROR CORRECTIONS” of “2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 6.
- (4) **Number of shares issued (Common stock):**
- (i) Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2019	154,679,954 shares
As of March 31, 2019	154,679,954 shares
 - (ii) Number of treasury shares owned at the end of the period

As of September 30, 2019	542,698 shares
As of March 31, 2019	388,346 shares
 - (iii) Average number of shares outstanding during the period (cumulative quarterly period)

Six months ended September 30, 2019	154,286,780 shares
Six months ended September 30, 2018	154,315,464 shares

* The number of treasury shares excluded from the calculation of the “number of treasury shares owned at the end of the period,” and “average number of shares outstanding during the period,” includes shares of IHI owned by a trust account for the Board Benefit Trust (BBT).

* Quarterly financial reports are not required to be subjected to quarterly reviews.

* Proper use of forecast of results, and other special matters

Earnings estimates made in this report and other statements that are not historical facts are forward-looking statements about the future performance of the IHI Group. These statements are based on management’s assumptions and beliefs in light of the information currently available to it and therefore readers should not place undue reliance on them. IHI cautions that a number of important factors such as political and general economic conditions and currency exchange rates could cause actual results to differ materially from those discussed in the forward-looking statements, etc. For preconditions for forecast of results, please refer to “(3) EXPLANATION REGARDING FUTURE PREDICTION INFORMATION SUCH AS CONSOLIDATED FORECASTS OF RESULTS” of “1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS” on page 5.

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(1) EXPLANATION REGARDING BUSINESS RESULTS

Summary of consolidated performance for the six months ended September 30, 2019

During the six months under review, in the Japanese economy, weakness was observed mainly in export-related industry while the overall economy remained stable supported by moderate increases in capital investment and improvements in situation of employment and income. In the global economy, business conditions in China and Europe are in a slowdown trend, while overall moderate recovery continued mainly in the U.S. In addition, in the political side, the unstable situation remained from problems including the trade friction between the U.S. and China and the issue of U.K. regarding leaving EU.

Under this business environment, orders received of the IHI Group during the six months under review decreased 5.1% from the previous corresponding period to ¥616.0 billion. Net sales decreased 15.0% from the previous corresponding period to ¥594.9 billion.

In terms of profit, operating profit decreased ¥34.6 billion to ¥10.5 billion due mainly to a downturn of sales in the Civil aero engines Business caused by making its inspection process stricter and to the additional program costs in this business, in addition to the downturn of sales and the deterioration of profitability in the Boilers Business and decreased numbers of delivery in Europe and China in the Vehicular turbochargers Business. Ordinary profit decreased ¥45.5 billion to ¥3.5 billion due mainly to the increase in share of loss of entities accounted for using equity method and the increase in foreign exchange losses. Profit attributable to owners of parent decreased ¥33.2 billion to a loss of ¥4.8 billion.

Results by reportable segment for the six months under review are as follows:

Reportable segment	Orders received			Six months ended September 30, 2018		Six months ended September 30, 2019		Change from the previous corresponding period (%)	
	Six months ended September 30, 2018	Six months ended September 30, 2019	Change from the previous corresponding period (%)	Sales	Operating profit (loss)	Sales	Operating profit (loss)	Sales	Operating profit (loss)
	(Billions of yen)								
Resources, Energy and Environment	141.9	164.2	15.7	194.6	11.5	140.2	(7.2)	(27.9)	–
Social Infrastructure and Offshore Facility	54.1	61.1	12.8	60.7	4.0	68.1	5.1	12.1	25.3
Industrial System and General-Purpose Machinery	237.2	226.6	(4.4)	209.9	8.1	185.7	2.1	(11.5)	(73.4)
Aero Engine, Space and Defense	198.1	146.7	(25.9)	224.4	23.9	187.6	13.3	(16.4)	(44.3)
Total Reportable Segment	631.5	598.9	(5.2)	689.7	47.7	581.7	13.3	(15.7)	(72.0)
Others	39.2	38.6	(1.5)	30.4	0.4	33.7	0.8	10.8	73.7
Adjustment	(21.3)	(21.5)	–	(20.7)	(3.0)	(20.6)	(3.6)	–	–
Total	649.3	616.0	(5.1)	699.5	45.2	594.9	10.5	(15.0)	(76.6)

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

A. Assets and liabilities, and net assets

Total assets at the end of the second quarter under review were ¥1,648.6 billion, down ¥15.8 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts receivable - trade, down ¥57.8 billion and cash and deposits, down ¥33.3 billion. The item with the most significant increase was inventories including work in process, up ¥51.1 billion.

Total liabilities were ¥1,282.4 billion, down of ¥0.4 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts payable - trade, down ¥41.6 billion, and accrued expenses, down ¥12.9 billion. The balance on interest-bearing liabilities, including lease obligations, was ¥411.5 billion, up ¥56.4 billion from the end of the previous fiscal year.

Net assets were ¥366.2 billion, down ¥15.4 billion compared with the end of the previous fiscal year. This

decrease of ¥15.4 billion was composed of loss attributable to owners of parent of ¥4.8 billion and a decrease of ¥6.1 billion by dividends of surplus.

As a result of the above, the ratio of equity to total assets fell from 21.0% at the end of the previous fiscal year to 20.1%.

B. Cash flows

At the end of the second quarter under review, the outstanding balance of cash and cash equivalents (hereinafter, “cash”) was ¥59.7 billion, down ¥32.8 billion compared with the end of the previous fiscal year.

Net cash used in operating activities was ¥32.8 billion. This was mainly due to a decrease of notes and accounts receivable - trade of ¥54.7 billion and an increase of inventories of ¥53.5 billion and a decrease of notes and accounts payable - trade of ¥39.3 billion.

Net cash used in investing activities was ¥39.6 billion. This was mainly due to purchase of property, plant and equipment and intangible assets of ¥37.4 billion.

Net cash provided by financing activities was ¥41.6 billion. This was mainly due to an increase of commercial papers of ¥70.0 billion and repayments of long-term loans payable of ¥22.3 billion.

(3) EXPLANATION REGARDING FUTURE PREDICTION INFORMATION SUCH AS CONSOLIDATED FORECASTS OF RESULTS

In the global economy, there is a need to pay plenty of awareness to the increasingly uncertain outlook, particularly in regard to the prolonged antagonism between the U.S. and China, which is taking shape as a fight for dominance, and its impact, which is affecting not only trade between the two countries, but also investment in Asia and emerging countries. There is also a requirement for giving continuous attention to factors including heightened geopolitical risks at a global level and the impact in Japan of the consumption tax hike.

In the business environment surrounding the IHI Group, as social issues such as climate change on a global scale, large-scale natural disasters, global population increase, and resource depletion become increasingly severe, efforts to realize a sustainable society are accelerating with a long-term outlook. In response to these changes in the environment and social issues, the IHI Group, based on its “Group Management Policies 2019” with fiscal year 2019 as the first year, aims for significant reform from its situation where business and products have been centered on supplying hardware to a direction in which it creates new value by directly tackling the issues faced by society and its customers in order to contribute to realizing a sustainable society.

Regarding the full year consolidated forecasts of results, as “Notice of Revisions to Full-Year Consolidated Forecasts of Results for the Fiscal Year Ending March 31, 2020” announced on November 1, 2019, due mainly to the deterioration of profitability for some projects in the Resources, Energy and Environment Business, decreased numbers of delivery mainly in China in the Vehicular turbochargers Business, and losses from operational fluctuations caused by making inspection process stricter in the Civil aero engines Business, the IHI Group is forecasting consolidated net sales of ¥1,400.0 billion, operating profit of ¥65.0 billion, ordinary profit of ¥43.0 billion, and profit attributable to owners of parent of ¥20.0 billion for the fiscal year ending March 31, 2020.

Note that foreign exchange rates of ¥105/US\$1 and ¥120/EUR1 have been assumed in the above forecasts in and after the third quarter ending December 31, 2019.

Concerning dividends, IHI resolved at a meeting of the Board of Directors held on November 1, 2019 that the interim dividend (¥30 per share) would be paid. No changes have been made to the year-end dividend forecast.

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES DURING THE SIX MONTHS UNDER REVIEW

Not applicable

(2) APPLICATION OF SPECIAL ACCOUNTING FOR PREPARING QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Tax expense calculation

Tax expenses on profit before income taxes for the six months under review are calculated by multiplying profit before income taxes for the six months under review by the reasonably estimated effective tax rate for the fiscal year including the second quarter under review after applying tax effect accounting. Should the estimated effective tax rate be unavailable, however, tax expenses are calculated by using the statutory tax rate for profit before income taxes for the six months under review.

The deferred income taxes amount is shown inclusive of income taxes.

(3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS AFTER ERROR CORRECTIONS

Changes in accounting policies

Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements, etc.

IHI has applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, September 14, 2018) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using Equity Method” (ASBJ Practical Issues Task Force No. 24, September 14, 2018) effective from the beginning of the first quarter ended June 30, 2019.

The resulting effect on quarterly consolidated financial statements for the six months under review is nothing.

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	94,951	61,637
Notes and accounts receivable - trade	377,695	319,807
Finished goods	23,084	24,548
Work in process	276,238	323,778
Raw materials and supplies	142,588	144,717
Other	77,351	90,120
Allowance for doubtful accounts	(4,043)	(3,797)
Total current assets	987,864	960,810
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	137,156	145,213
Other, net	230,238	240,750
Total property, plant and equipment	367,394	385,963
Intangible assets		
Goodwill	10,032	8,487
Other	24,052	23,297
Total intangible assets	34,084	31,784
Investments and other assets		
Investment securities	117,967	110,826
Other	158,596	160,613
Allowance for doubtful accounts	(1,376)	(1,329)
Total investments and other assets	275,187	270,110
Total non-current assets	676,665	687,857
Total assets	1,664,529	1,648,667

(1) CONSOLIDATED BALANCE SHEETS

(Millions of yen)

As of March 31, 2019 As of September 30, 2019

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable — trade	290,043	248,344
Short-term loans payable	111,785	114,442
Commercial papers	—	70,000
Current portion of bonds	20,000	20,000
Income taxes payable	7,384	7,520
Advances received	157,546	167,721
Provision for bonuses	28,089	27,824
Provision for construction warranties	47,968	44,075
Provision for loss on construction contracts	21,212	20,413
Other provision	1,079	808
Other	138,003	122,228
Total current liabilities	823,109	843,375
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term loans payable	175,813	162,357
Net defined benefit liability	160,244	161,883
Provision for loss on business of subsidiaries and affiliates	1,212	1,212
Other provision	1,132	877
Other	91,327	92,722
Total non-current liabilities	459,728	439,051
Total liabilities	1,282,837	1,282,426
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,410	51,777
Retained earnings	184,092	172,997
Treasury shares	(1,170)	(1,490)
Total shareholders' equity	343,497	330,449
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,063	655
Deferred gains or losses on hedges	(190)	(531)
Revaluation reserve for land	5,321	5,321
Foreign currency translation adjustment	2,808	(1,183)
Remeasurements of defined benefit plans	(3,319)	(2,956)
Total accumulated other comprehensive income	5,683	1,306
Subscription rights to shares	659	616
Non-controlling interests	31,853	33,870
Total net assets	381,692	366,241
Total liabilities and net assets	1,664,529	1,648,667

(2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF INCOME (Cumulative)

(Millions of yen)

	April 1, 2018 to September 30, 2018	April 1, 2019 to September 30, 2019
Net sales	699,507	594,916
Cost of sales	560,680	492,970
Gross profit	138,827	101,946
Selling, general and administrative expenses	93,610	91,360
Operating profit	45,217	10,586
Non-operating income		
Interest income	519	398
Dividend income	624	638
Share of profit of entities accounted for using equity method	5,107	—
Foreign exchange gains	2,470	—
Other income	3,817	2,048
Total non-operating income	12,537	3,084
Non-operating expenses		
Interest expenses	1,506	2,111
Share of loss of entities accounted for using equity method	—	2,419
Foreign exchange losses	—	1,043
Other expenses	7,075	4,506
Total non-operating expenses	8,581	10,079
Ordinary profit	49,173	3,591
Extraordinary income		
Gain on sales of non-current assets	—	4,588
Gain on insurance claims	—	1,108
Gain on sales of shares of subsidiaries and affiliates	4,187	—
Total extraordinary income	4,187	5,696
Extraordinary losses		
Loss on valuation of investment securities	—	5,523
Impairment loss	1,560	108
Total extraordinary losses	1,560	5,631
Profit before income taxes	51,800	3,656
Income taxes	16,003	6,092
Income taxes for prior periods	4,304	—
Profit(loss)	31,493	(2,436)
Profit attributable to non-controlling interests	3,064	2,434
Profit(loss) attributable to owners of parent	28,429	(4,870)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Cumulative)

(Millions of yen)

	April 1, 2018 to September 30, 2018	April 1, 2019 to September 30, 2019
Profit(loss)	31,493	(2,436)
Other comprehensive income		
Valuation difference on available-for-sale securities	404	(333)
Deferred gains or losses on hedges	42	(170)
Revaluation reserve for land	(12)	—
Foreign currency translation adjustment	2,234	(5,076)
Remeasurements of defined benefit plans, net of tax	205	369
Share of other comprehensive income of entities accounted for using equity method	359	(130)
Total other comprehensive income	3,232	(5,340)
Comprehensive income	34,725	(7,776)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,606	(9,164)
Comprehensive income attributable to non-controlling interests	3,119	1,388

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	April 1, 2018 to September 30, 2018	April 1, 2019 to September 30, 2019
Cash flows from operating activities		
Profit before income taxes	51,800	3,656
Depreciation	25,874	27,417
Depreciation and amortization on other	4,176	3,304
Impairment loss	1,560	108
Increase (decrease) in allowance for doubtful accounts	478	(257)
Increase (decrease) in provision for bonuses	(808)	(154)
Increase (decrease) in provision for construction warranties	(4,145)	(3,675)
Increase (decrease) in provision for loss on construction contracts	(6,433)	(641)
Increase (decrease) in net defined benefit liability	123	1,778
Interest and dividend income	(1,143)	(1,036)
Interest expenses	1,506	2,111
Foreign exchange losses (gains)	448	(426)
Loss (gain) on sales of short-term and long-term investment securities	(4,199)	(19)
Loss (gain) on valuation of short-term and long-term investment securities	10	5,921
Share of (profit) loss of entities accounted for using equity method	(5,107)	2,419
Loss (gain) on disposal of property, plant and equipment	1,497	(4,196)
Gain on insurance claims	–	(1,108)
Decrease (increase) in notes and accounts receivable – trade	43,062	54,795
Increase (decrease) in advances received	(3,068)	11,006
Decrease (increase) in advance payments	(4,136)	(5,616)
Decrease (increase) in inventories	(31,736)	(53,584)
Increase (decrease) in notes and accounts payable - trade	(29,878)	(39,384)
Increase (decrease) in accrued expenses	(5,464)	(12,552)
Decrease (increase) in other current assets	(11,341)	(6,079)
Increase (decrease) in other current liabilities	(5,917)	(6,598)
Decrease (increase) in consumption taxes refund receivable	(4,256)	(1,123)
Other, net	(550)	427
Subtotal	12,353	(23,506)
Interest and dividend income received	1,461	1,273
Interest expenses paid	(1,517)	(2,137)
Proceeds from insurance income	–	1,737
Income taxes paid	(15,018)	(10,243)
Net cash provided by (used in) operating activities	(2,721)	(32,876)

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	April 1, 2018 to September 30, 2018	April 1, 2019 to September 30, 2019
Cash flows from investing activities		
Decrease (increase) in time deposits	20	366
Purchase of short-term and long-term investment securities	(11,842)	(4,080)
Proceeds from sales and redemption of short-term and long-term investment securities	3,421	548
Purchase of property, plant and equipment and intangible assets	(28,724)	(37,450)
Gain (loss) on sales or disposal of property, plant and equipment and intangible assets	760	5,733
Decrease (increase) in short-term loans receivable	(15)	(11)
Payments of long-term loans receivable	(371)	(5)
Collection of long-term loans receivable	15	175
Decrease (increase) in other investments	(2,182)	(4,489)
Increase (decrease) in other non-current liabilities	(735)	(408)
Other, net	13	1
Net cash provided by (used in) investing activities	(39,640)	(39,620)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	45,348	3,111
Net increase (decrease) in commercial papers	–	70,000
Proceeds from long-term loans payable	33,441	10,521
Repayments of long-term loans payable	(37,206)	(22,381)
Redemption of bonds	–	(10,000)
Proceeds from sales and leasebacks	893	21
Repayments of lease obligations	(4,258)	(2,300)
Decrease (increase) in treasury shares	(3)	–
Payments made to trust account for acquisition of treasury shares	(419)	(363)
Cash dividends paid	(4,620)	(6,163)
Proceeds from share issuance to non-controlling shareholders	1,766	673
Dividends paid to non-controlling interests	(3,099)	(1,421)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	–
Net cash provided by (used in) financing activities	31,842	41,698
Effect of exchange rate change on cash and cash equivalents	2,540	(2,348)
Net increase (decrease) in cash and cash equivalents	(7,979)	(33,146)
Cash and cash equivalents at beginning of period	107,323	92,608
Increase in cash and cash equivalents from consolidation of non-consolidated subsidiaries	523	261
Cash and cash equivalents at end of period	99,867	59,723

(4) NOTES TO THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PREMISE OF GOING CONCERN

Not applicable

NOTES WHEN THERE IS SIGNIFICANT CHANGES IN AMOUNTS OF EQUITY

Not applicable

SEGMENT INFORMATION

Segment information

I Six months ended September 30, 2018

1. Information about sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment				Total	Others (Note 1)	Consolidated	Adjustment (Note 2)	Amount on the consolidated statements of income
	Resources, Energy and Environment	Social Infrastructure and Offshore Facility	Industrial System and General-Purpose Machinery	Aero Engine, Space and Defense					
Sales:									
(1) Sales to outside customers	193,474	57,239	206,022	223,372	680,107	19,400	699,507	–	699,507
(2) Intersegment sales and transfers	1,131	3,508	3,951	1,094	9,684	11,093	20,777	(20,777)	–
Total	194,605	60,747	209,973	224,466	689,791	30,493	720,284	(20,777)	699,507
Segment profit (loss)	11,580	4,079	8,155	23,925	47,739	491	48,230	(3,013)	45,217
(Operating profit (loss))									

Notes: 1. The “Others” classification consists of business that is not included in reportable segments. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.

2. Adjustment of segment profit represents intersegment transactions of negative ¥80 million and unallocated corporate expenses of negative ¥2,933 million.

Corporate expenses mainly consist of general and administrative expenses that are unattributable to reportable segments.

2. Information about impairment loss of non-current assets, goodwill and gain on bargain purchase by reportable segment

Material impairment loss of non-current assets

In the Social Infrastructure and Offshore Facility segment, impairment loss on business assets was recorded. The amount of such impairment loss recorded was ¥28 million for the six months ended September 30, 2018.

Also, in the Industrial System and General-Purpose Machinery segment, impairment loss on business assets was recorded. The amount of such impairment loss recorded was ¥1,532 million for the six months ended September 30, 2018.

Material change in goodwill amount

Not applicable

Material gain on bargain purchase

Not applicable

II Six months ended September 30, 2019

1. Information about sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment					Others (Note 1)	Consolidated	Adjustment (Note 2)	Amount on the consolidated statements of income
	Resources, Energy and Environment	Social Infrastructure and Offshore Facility	Industrial System and General-Purpose Machinery	Aero Engine, Space and Defense	Total				
Sales:									
(1) Sales to outside customers	138,584	64,789	181,743	186,805	571,921	22,995	594,916	—	594,916
(2) Intersegment sales and transfers	1,631	3,334	4,044	795	9,804	10,799	20,603	(20,603)	—
Total	140,215	68,123	185,787	187,600	581,725	33,794	615,519	(20,603)	594,916
Segment profit (loss)									
(Operating profit (loss))	(7,267)	5,111	2,172	13,330	13,346	853	14,199	(3,613)	10,586

Notes: 1. The “Others” classification consists of business that is not included in reportable segments. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.

2. Adjustment of segment profit represents intersegment transactions of ¥79 million and unallocated corporate expenses of negative ¥3,692 million.

Corporate expenses mainly consist of general and administrative expenses that are unattributable to reportable segments.

Main businesses, products and services belonging to each segment are as follows:

Reportable segment	Main businesses, products and services
Resources, Energy and Environment	Power systems (power systems plants for land use and power systems for ships), boilers, plants (storage facilities, chemical plants and pharmaceutical plants), nuclear power (components for nuclear power plants)
Social Infrastructure and Offshore Facility	Bridges/water gates, transport systems, shield systems, concrete construction materials, urban development (real estate sales and rental)
Industrial System and General-Purpose Machinery	Vehicular turbochargers, parking, rotating machineries (compressors, separation systems, turbochargers for ships), thermal and surface treatment, transport machineries, logistics/industrial systems (logistics systems, industrial machineries), agricultural machineries, paper-making machineries
Aero Engine, Space and Defense	Aero engines, rocket systems/space utilization systems, defense systems

2. Information about impairment loss of non-current assets, goodwill and gain on bargain purchase by reportable segment

Material impairment loss of non-current assets

Not applicable

Material change in goodwill amount

Not applicable

Material gain on bargain purchase

Not applicable

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable