

Financial Results for Third Quarter FY2015 (for the year ending March 31, 2016)

February 2, 2016

IHI Corporation

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1. Consolidated Results for Third Quarter FY2015

1. Consolidated Results for Third Quarter FY2015

Summary of Financial Results

Note: Average exchange rates for FY2015.3Q US\$ 1.00= ¥120.13

(Billions of yen)

	FY2014.3Q	FY2015.3Q	Change
Orders received	1,143.4	986.0	▲ 157.4
Net sales	974.0	1,058.1	84.1
Operating income	45.6	5.5	▲ 40.1
Ordinary income	45.8	1.9	▲ 43.8
Income before income taxes	45.8	▲ 45.3	▲ 91.1
Profit attributable to owners of parent	26.8	▲ 34.2	▲ 61.1

1. Consolidated Results for Third Quarter FY2015

Financial Results by Segment

■ Orders received & Order backlog

(Billions of yen)

	Orders received			Order backlog		
	FY2014.3Q	FY2015.3Q	Change	FY2014	FY2015.3Q	Change
Resources, Energy and Environment	437.2	332.0	▲ 105.1	760.4	785.2	24.7
Social Infrastructure and Offshore Facility	133.7	104.5	▲ 29.1	231.9	222.6	▲ 9.3
Industrial System and General-Purpose Machinery	293.6	317.2	23.5	121.0	147.8	26.8
Aero Engine, Space and Defense	260.0	224.9	▲ 35.1	510.7	414.4	▲ 96.2
Total Reportable Segment	1,124.7	978.8	▲ 145.9	1,624.1	1,570.1	▲ 54.0
Others	58.2	47.8	▲ 10.4	31.2	33.0	1.8
Adjustment	▲ 39.5	▲ 40.6	▲ 1.1	-	-	-
Total	1,143.4	986.0	▲ 157.4	1,655.4	1,603.1	▲ 52.2
Overseas orders received / order backlog	599.5	432.5	▲ 166.9	808.7	658.6	▲ 150.1
% of Overseas orders received / order backlog	52%	44%	▲ 8%	49%	41%	▲ 8%

1. Consolidated Results for Third Quarter FY2015

Financial Results by Segment

■ Net sales & Operating income

(Billions of yen)

	Net sales			Operating income		
	FY2014.3Q	FY2015.3Q	Change	FY2014.3Q	FY2015.3Q	Change
Resources, Energy and Environment	268.8	312.6	43.7	11.8	▲ 7.4	▲ 19.3
Social Infrastructure and Offshore Facility	125.2	111.7	▲ 13.4	▲ 0.7	▲ 35.7	▲ 35.0
Industrial System and General-Purpose Machinery	290.8	289.4	▲ 1.3	6.9	7.2	0.2
Aero Engine, Space and Defense	286.4	334.6	48.2	30.9	43.4	12.4
Total Reportable Segment	971.3	1,048.5	77.1	49.0	7.4	▲ 41.6
Others	37.3	41.5	4.2	0.0	0.5	0.4
Adjustment	▲ 34.6	▲ 31.8	2.7	▲ 3.4	▲ 2.4	1.0
Total	974.0	1,058.1	84.1	45.6	5.5	▲ 40.1

1. Consolidated Results for Third Quarter FY2015

Financial Results by Segment

- Analysis of change in operating income from the previous corresponding period

(Billions of yen)

	Change in net sales	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Total
Resources, Energy and Environment	3.8	▲ 19.6	0.8	▲ 4.3	▲ 19.3
Social Infrastructure and Offshore Facility	▲ 1.1	▲ 33.6	0.1	▲ 0.4	▲ 35.0
Industrial System and General-Purpose Machinery	▲ 0.4	3.5	0.6	▲ 3.4	0.2
Aero Engine, Space and Defense	3.7	6.4	8.5	▲ 6.1	12.4
Total Reportable Segment	6.0	▲ 43.3	10.0	▲ 14.2	▲ 41.6
Others	0.9	0.2		▲ 0.6	0.4
Adjustment		1.4		▲ 0.4	1.0
Total	6.9	▲ 41.7	10.0	▲ 15.2	▲ 40.1

1. Consolidated Results for Third Quarter FY2015

Non-operating Income / Expenses and Extraordinary Income / Losses

■ Non-operating Income / Expenses and Extraordinary Income / Losses

(Billions of yen)

	FY2014.3Q	FY2015.3Q	Change
Net interest expense (incl. dividend income)	▲ 1.1	▲ 0.5	0.6
Share of profit / losses of entities accounted for using equity method	▲ 0.6	2.1	2.8
Foreign exchange gains / losses	9.0	▲ 2.3	▲ 11.3
Others	▲ 6.9	▲ 2.9	4.0
Non-operating income / expenses	0.1	▲ 3.5	▲ 3.7

	FY2014.3Q	FY2015.3Q	Change
Expenses for delayed delivery	—	▲ 47.2	▲ 47.2
Extraordinary losses	—	▲ 47.2	▲ 47.2

1. Consolidated Results for Third Quarter FY2015

Non-operating Income / Expenses and Extraordinary Income / Losses

Costs Relating to Late Deliveries

■ Details of Costs Relating to Late Deliveries

- It was discovered that some welded portions manufactured by IHI local Indonesian subsidiary PT Cilegon Fabricators used welding materials different from those specified in the design drawings (“Welding Noncompliant”) for some boiler projects before delivery contracted by IHI.
- It has become more likely that IHI may not be able to meet contractual delivery deadlines on several projects because of construction delays stemming from efforts to address this Welding Noncompliant.
- After completing restoration work on the Izmit Bay Crossing Bridge in Turkey, after the collapse of a catwalk there in March 2015, IHI did its utmost to mitigate construction delays, but it became difficult to complete construction by the contractual deadline of February 2016.
- Notwithstanding its ongoing commitment to keep pushing ahead with efforts to complete construction safely and swiftly, management allocated to extraordinary losses of ¥47.2 billion the potential damages that the Company could incur as a result of failing the contractual deadline.

1. Consolidated Results for Third Quarter FY2015

Balance Sheets

(Billions of yen)

	As of March 31, 2015	As of December 31, 2015	Change
Total assets	1,690.8	1,785.9	95.0
(Trade receivables)	(438.2)	(427.5)	(▲ 10.7)
(Inventories)	(399.3)	(475.6)	(76.3)
Total liabilities	1,331.2	1,476.0	144.7
(Trade payables)	(300.1)	(270.9)	(▲ 29.2)
(Advance received)	(125.1)	(179.5)	(54.4)
(Interest-bearing debt)	(410.6)	(474.0)	(63.3)
Total net assets	359.5	309.9	▲ 49.6
Shareholders' equity	313.5	269.9	▲ 43.5
Accumulated other comprehensive income	32.2	25.8	▲ 6.4
Total liabilities and net assets	1,690.8	1,785.9	95.0
D/E ratio (times)	1.14	1.53	0.39

Note: Interest-bearing debt includes the amount of lease obligations.

(as of March 31, 2015: 17.2 billion yen / as of December 31, 2015: 18.0 billion yen)

1. Consolidated Results for Third Quarter FY2015

Balance Sheets (Situation at Estaleiro Atlântico Sul S.A.)

Recorded loss on consolidated financial results for FY2014

In terms of Estaleiro Atlântico Sul S.A. (hereinafter, "EAS"), IHI's equity method affiliate, its financials and the cash position have weakened significantly due to the quick downturn in the Brazilian economy and the corruption scandal surrounding Petróleo Brasileiro S.A.

In anticipation of potential losses arising out of EAS's situation, IHI has recorded an extraordinary loss of ¥29.0 billion that IHI views to be possible in relation to its investment in Brazil.

Situation in consolidated financial results for the third quarter of FY2015

- IHI has performed a part of the guarantee obligation because of due for repayment. Additional losses have not been incurred in respect of the provision for loss on subsidiaries and affiliates related to the guarantee obligation recorded in FY2014.
- The IHI Group will continue to take steps to constrain surfacing of losses that were recorded in the previous fiscal year.

<Balance of provision for loss on subsidiaries and affiliates>

(Billions of yen)

	As of Mar.31,2015	As of Dec.31,2015	Change
EAS related	21.5	20.7	▲ 0.8
Others	1.0	1.1	0.1
Total	22.5	21.8	▲ 0.7

<Balance of EAS related guarantee obligation>

	As of Mar.31,2015	As of Dec.31,2015	Change
EAS related	19.4	10.8	▲ 8.5

1. Consolidated Results for Third Quarter FY2015 Supplementary Information

(1) Cash Flows

(Billions of yen)

	FY2014.3Q	FY2015.3Q	Change
Operating activities	1.2	▲ 16.6	▲ 17.8
Investing activities	▲ 55.4	▲ 41.1	14.3
Free cash flows	▲ 54.2	▲ 57.7	▲ 3.5
Financing activities	75.0	51.9	▲ 23.0

1. Consolidated Results for Third Quarter FY2015 Supplementary Information

(2) R&D/CAPEX/Depreciation & Amortization

(Billions of yen)

	FY2014.3Q	FY2015.3Q
R&D	22.9	28.2
CAPEX	39.5	32.5
Depreciation & Amortization	30.8	33.8

(3) Overseas Sales by Region

(Billions of yen)

	FY2014.3Q	FY2015.3Q
Asia	128.3	134.3
China	53.4	59.0
North America	196.1	256.0
Central and South America	24.7	16.8
Europe	126.8	108.7
Others	10.0	27.0
Total	539.5	602.1
% of overseas sales	55%	57%

2. Forecasts of the Consolidated Results for FY2015

2. Forecasts of the Consolidated Results for FY2015

Summary of Forecasts

<assumed exchange rate>

US\$ 1.00 = ¥115

Euro 1.00 = ¥130

(Billions of yen)

	FY2015 Forecast (In November)	FY2015 Forecast (In February)	Change
Orders received	1,600.0	1,500.0	▲ 100.0
Net sales	1,580.0	1,550.0	▲ 30.0
Operating income	50.0	25.0	▲ 25.0
Ordinary income	38.0	15.0	▲ 23.0
Profit attributable to owners of parent	18.0	▲ 30.0	▲ 48.0

<For reference> Sensitivity to foreign exchange rates by currency

1 yen per US\$ corresponds to 0.4 billion yen, and per Euro, 0.0 billion yen in operating income.

2. Forecasts of the Consolidated Results for FY2015 Forecasts by Segment

■ Orders received

(Billions of yen)

	FY2015 Forecast (In November)	FY2015 Forecast (In February)	Change
Resources, Energy and Environment	530.0	430.0	▲ 100.0
Social Infrastructure and Offshore Facility	140.0	140.0	0.0
Industrial System and General-Purpose Machinery	420.0	420.0	0.0
Aero Engine, Space and Defense	490.0	490.0	0.0
Total Reportable Segment	1,580.0	1,480.0	▲ 100.0
Others	70.0	70.0	0.0
Adjustment	▲ 50.0	▲ 50.0	0.0
Total	1,600.0	1,500.0	▲ 100.0

2. Forecasts of the Consolidated Results for FY2015 Forecasts by Segment

■ Net sales & Operating income

(Billions of yen)

	FY2015 Forecast (In November)		FY2015 Forecast (In February)		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Resources, Energy and Environment	480.0	24.0	450.0	2.0	▲ 30.0	▲ 22.0
Social Infrastructure and Offshore Facility	180.0	▲ 31.0	180.0	▲ 39.0	0.0	▲ 8.0
Industrial System and General-Purpose Machinery	410.0	12.0	410.0	12.0	0.0	0.0
Aero Engine, Space and Defense	490.0	47.0	490.0	49.0	0.0	2.0
Total Reportable Segment	1,560.0	52.0	1,530.0	24.0	▲ 30.0	▲ 28.0
Others	70.0	2.0	70.0	2.0	0.0	0.0
Adjustment	▲ 50.0	▲ 4.0	▲ 50.0	▲ 1.0	0.0	3.0
Total	1,580.0	50.0	1,550.0	25.0	▲ 30.0	▲ 25.0

2. Forecasts of the Consolidated Results for FY2015 Forecasts by Segment

- Analysis of change in operating income forecast from the previous forecast

(Billions of yen)

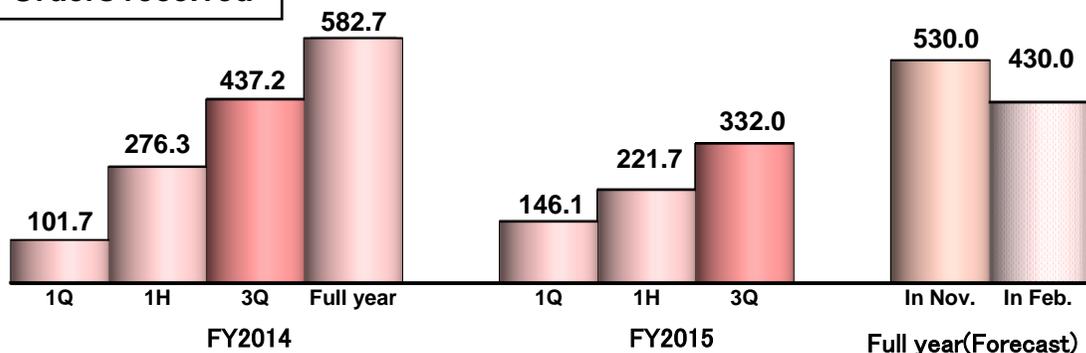
	Change in net sales	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Total
Resources, Energy and Environment	▲ 3.0	▲ 19.0			▲ 22.0
Social Infrastructure and Offshore Facility	2.0	▲ 9.0	▲ 1.0		▲ 8.0
Industrial System and General-Purpose Machinery					0.0
Aero Engine, Space and Defense			1.0	1.0	2.0
Total Reportable Segment	▲ 1.0	▲ 28.0	0.0	1.0	▲ 28.0
Others					0.0
Adjustment		3.0			3.0
Total	▲ 1.0	▲ 25.0	0.0	1.0	▲ 25.0

3. Financial Results by Segment

3. Financial Results by Segment Resources, Energy and Environment

(Billions of yen, accumulated amount)

Orders received



<Results by business segment>

【 Orders received】

Orders received declined from the previous corresponding period, reflecting a pullback from the Cove Point natural gas liquefaction facility in the U.S. secured in the previous corresponding period for Gas processes Business.

【 Net sales】

Sales increased from the previous corresponding period mainly reflecting increases in the Gas processes Business due to smooth progress at Cove Point natural gas liquefaction facility construction project in the U.S.

【 Operating income】

The boiler construction projects (4 projects) that needed repairs such as re-welding from Welding Noncompliant caused significant deterioration of profitability, resulting in an operating deficit.

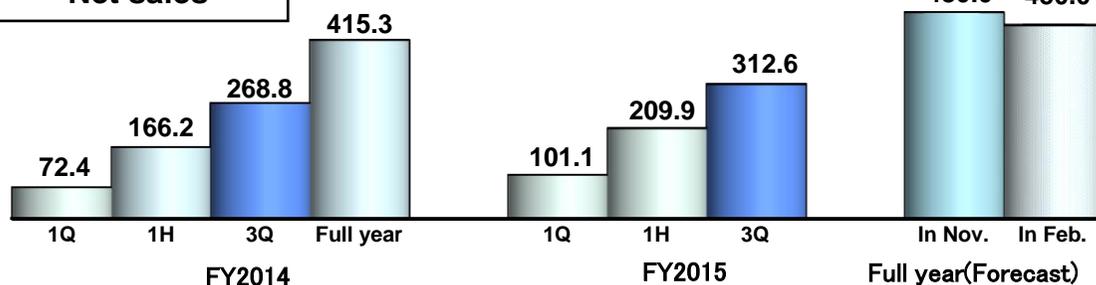
<FY2015 Forecasts (vs. In Nov.)>

Orders received are revised down significantly as a result of a different-than-expected schedule for orders received for overseas gas process projects due to the impact of cheaper crude oil.

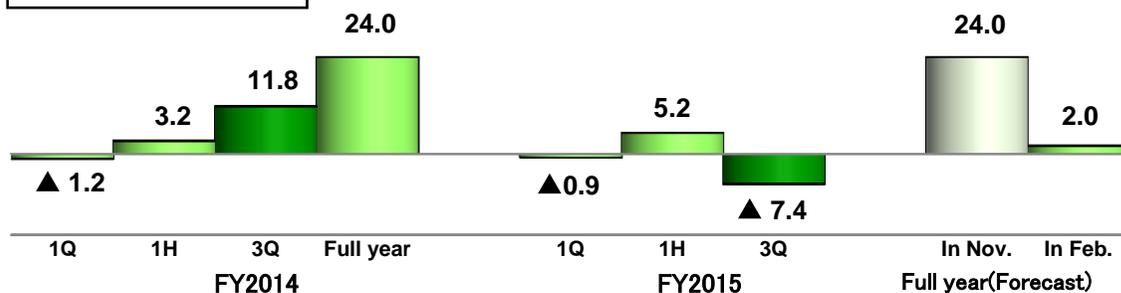
Sales are revised down as a result of a different-than-expected schedule for orders received for Gas process Business and the impact of process delays for some projects.

Operating income is revised down significantly owing to decreasing sales as well as the recording of repair costs related to Welding Noncompliant in Boiler Business.

Net sales



Operating income



3. Financial Results by Segment Resources, Energy and Environment

(Billions of yen)

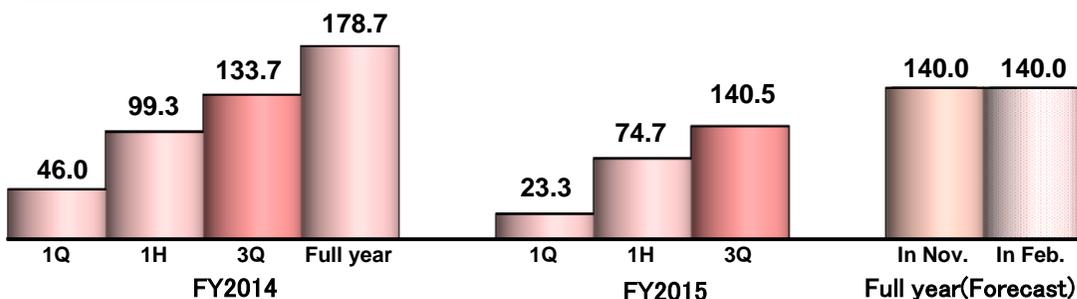
	Orders received		Net sales							
	FY2014 Full yaer	FY2015 Full yaer (Forecast)	FY2014				FY2015			
			1Q	1H	3Q	Full yaer	1Q	1H	3Q	Full yaer (Forecast)
Boiler	176.2	140.0	20.3	42.0	64.3	88.5	18.2	44.7	56.9	85.0
Power system plants	39.6	40.0	3.9	8.7	16.9	28.9	4.3	9.0	19.8	30.0
Power systems for land and marine use	78.9	80.0	15.3	34.2	50.7	75.6	20.9	37.6	57.7	75.0
Gas process	137.1	30.0	12.0	31.2	62.9	97.8	30.6	63.4	95.1	120.0
Nuclear power	33.5	30.0	2.9	10.4	16.2	30.2	3.4	10.3	13.7	30.0

3. Financial Results by Segment

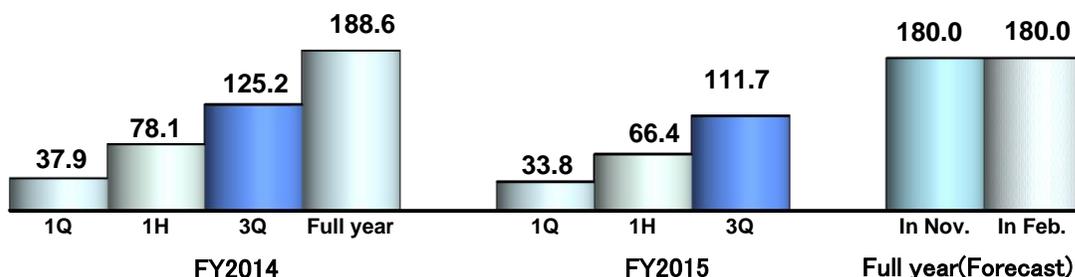
Social Infrastructure and Offshore Facility

(Billions of yen, accumulated amount)

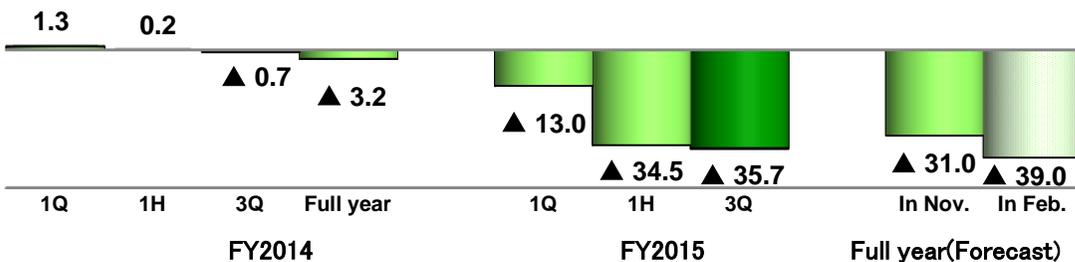
Orders received



Net sales



Operating income



<Results by business segment>

【 Orders received】

Orders received declined from the previous corresponding period, reflecting a pullback from large orders secured in the previous corresponding period for F-LNG/Offshore structure Business, for which order procurement activities have currently been effectively suspended, and decreases in the Water gate Business, partially offset by orders for new bridge construction and existing bridge repair work for Bangladesh received during the third quarter under review.

【 Net sales】

Sales decreased from the previous corresponding period owing mainly to the impact of decreased sales from the Izmit Bay Crossing Bridge construction project in Turkey.

【 Operating income】

The recording of additional costs in relation to production turmoil at Aichi Works for F-LNG/Offshore structure Business as well as the recording of construction schedule catch-up expenses related to the Izmit Bay Crossing Bridge construction project in Turkey resulted in an operating deficit.

<FY2015 Forecasts (vs. In Nov.)>

In orders received and net sales, there is an effect from an advance in condominium sales schedule, offsetting process delays for some projects, hence for the segment overall, the forecast remains unchanged.

Operating income is revised down owing to the deterioration of profitability in F-LNG/Offshore structure Business and Izmit Bay Crossing Bridge construction project partially offset by above-mentioned effect from an advance in condominium sales schedule.

3. Financial Results by Segment

Social Infrastructure and Offshore Facility

(Billions of yen)

	Orders received		Net sales							
	FY2014	FY2015	FY2014				FY2015			
	Full yaer	Full yaer (Forecast)	1Q	1H	3Q	Full yaer	1Q	1H	3Q	Full yaer (Forecast)
Bridge	33.4	60.0	21.0	42.1	67.0	94.2	15.4	29.7	47.2	70.0
F-LNG/ Offshore structure	38.4	0.3	0.8	7.7	11.7	16.8	3.6	6.8	14.4	30.0
Urban development	16.0	17.0	7.8	11.3	14.9	19.2	5.1	8.8	12.7	17.0

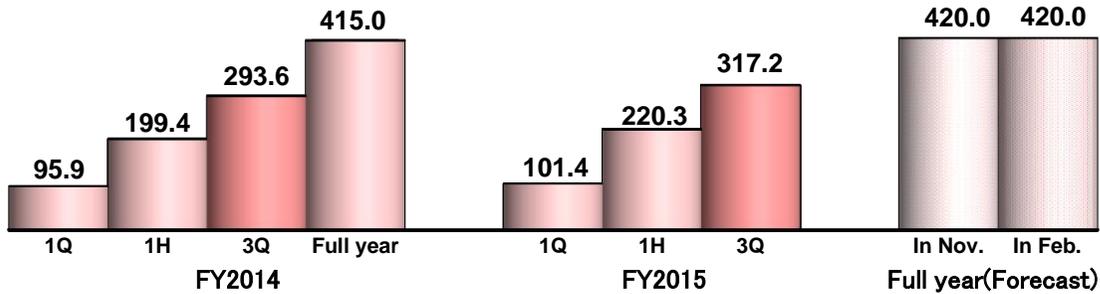
**For related information of “Urban development” in Toyosu,
please refer to <Appendices> on page 31, 32.**

3. Financial Results by Segment

Industrial System and General-Purpose Machinery

(Billions of yen, accumulated amount)

Orders received



<Results by business segment>

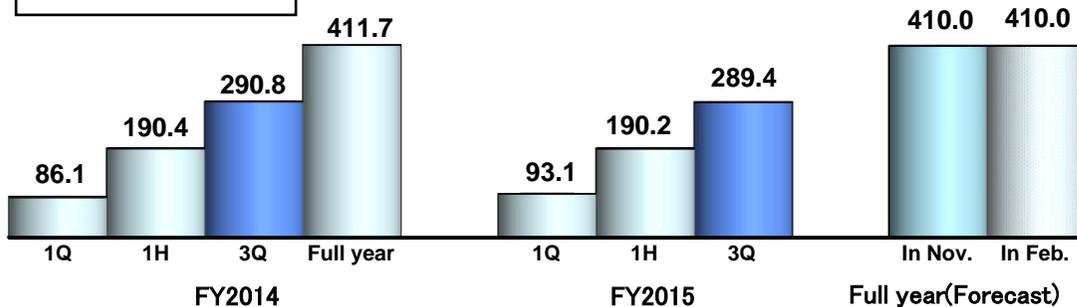
【 Orders received】

Orders received increased from the previous corresponding period owing to increases in Logistics system Business, Transport machinery Business and Compressor Business.

【 Net sales】

Sales were at the same level as the previous corresponding period, owing to decreases in Paper-making machinery Business, offsetting increases in Thermal and surface treatment Business.

Net sales

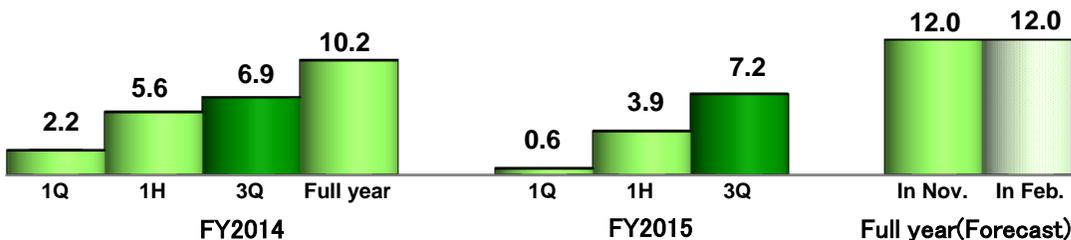


<Number of vehicular turbochargers delivered>

(10,000 Units)

	3Q	Full Year
FY2014	439	589
FY2015	407	549

Operating income



【 Operating income 】

Operating income was at the same level as the previous corresponding period, owing to increased revenue from the Thermal and surface treatment Business and improved profitability in Vehicular turbocharger Business, offsetting increased selling, general and administrative expenses such as R&D expenses.

<FY2015 Forecasts (vs. In Nov.)>

The forecast remains unchanged.

3. Financial Results by Segment

Industrial System and General-Purpose Machinery

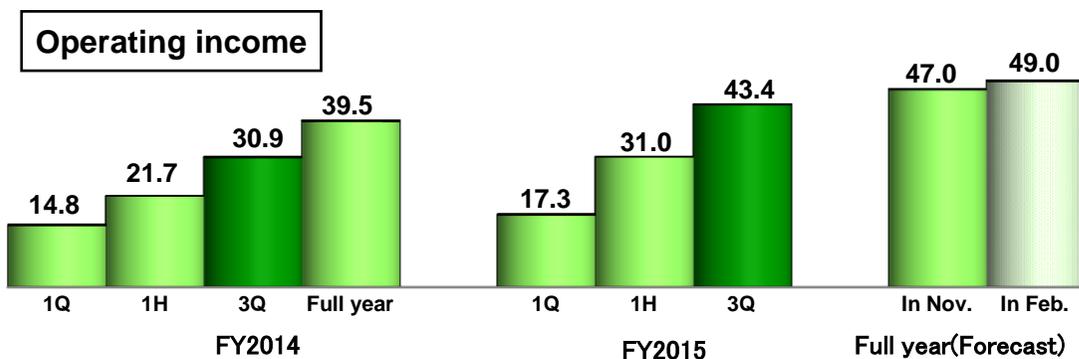
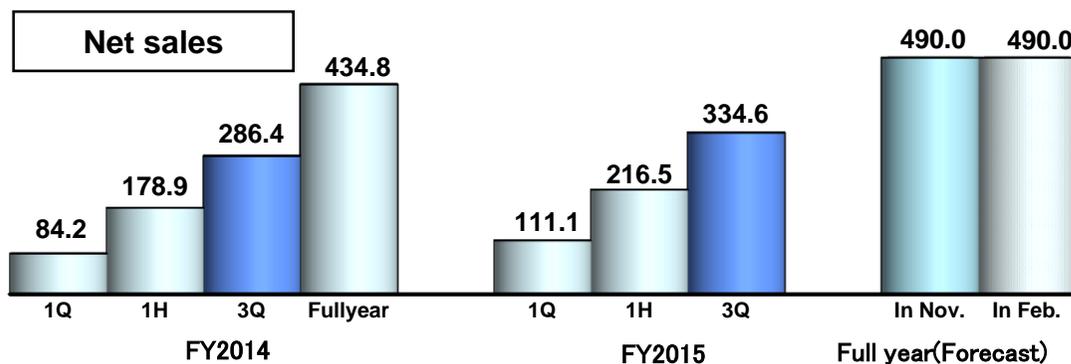
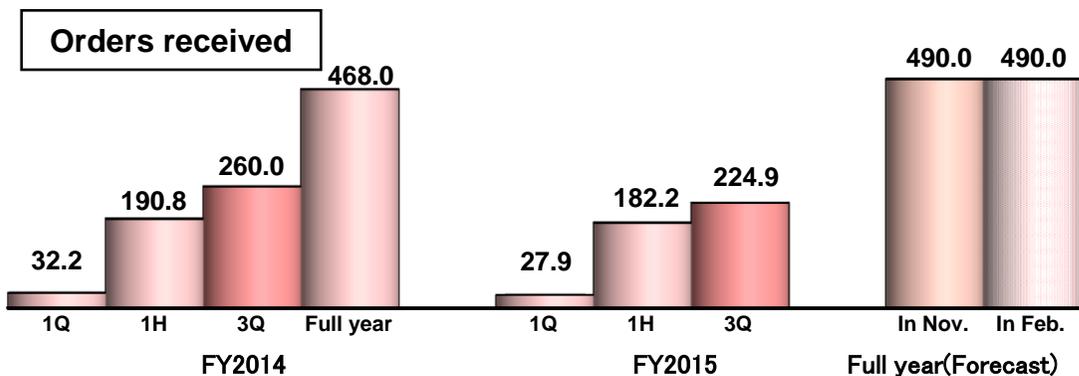
(Billions of yen)

	Orders received		Net sales							
	FY2014	FY2015	FY2014				FY2015			
	Full yaer	Full yaer (Forecast)	1Q	1H	3Q	Full yaer	1Q	1H	3Q	Full yaer (Forecast)
Transport machinery	28.2	30.0	2.8	6.8	14.0	20.4	3.5	9.8	15.6	25.0
Parking	39.8	40.0	6.5	16.7	27.1	42.1	8.7	19.5	29.8	40.0
Thermal and surface treatment	29.2	30.0	4.5	11.2	17.1	27.5	7.0	14.5	23.1	30.0
Vehicular turbocharger	168.2	165.0	40.7	83.2	123.3	167.7	44.0	82.8	121.8	165.0
Compressor	28.6	30.0	4.4	10.5	17.4	26.1	4.9	12.0	18.0	30.0

For details of "Vehicular turbocharger", please refer to <Appendices> on page 30.

3. Financial Results by Segment Aero Engine, Space and Defense

(Billions of yen, accumulated amount)



<Results by business segment>

【 Orders received】

Orders received decreased from the previous corresponding period due to a decrease in Rocket systems/space utilization system Business and projects for Japan Ministry of Defense in Aero engines Business.

【 Net sales】

Sales increased from the previous corresponding period, owing mainly to increases in civil aero engines as a result of the effect of yen depreciation in foreign exchange, and a delivery of gas turbines for naval vessels in Defense systems Business.

< Number of civil aero engines delivered >

	(Units)	
	3Q	Full Year
FY2014	1,046	1,352
FY2015	957	1,380

【 Operating income 】

Operating income increased from the previous corresponding period owing to the above-mentioned effect from sales increases and improved profitability for civil aero engines, partially offset by increases in expenses such as R&D expenses for the “GE9X” aero engine for the next-generation wide-body jet.

<FY2015 Forecasts (vs. In Nov.)>

Operating income is revised up owing mainly to effect of yen depreciation and decrease in SG&A expenses in light of the results for the third quarter of FY2015.

Orders received and sales remain unchanged.

3. Financial Results by Segment Aero Engine, Space and Defense

(Billions of yen)

	Orders received		Net sales							
	FY2014	FY2015	FY2014				FY2015			
	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Civil aircraft engine	253.5	280.0	62.5	126.7	197.3	267.0	77.8	149.0	224.2	295.0

For details of "Civil aircraft engine", please refer to <Appendices> on page 29.

<Appendices 1>

- Aero engines
- Vehicular turbocharger
- Urban development

(1) Net sales of civil aircraft engine

(Billions of yen)

	Actual										Forecast	
	'11	'12	'13	FY2014				FY2015				
				1Q	1H	3Q	Full Year	1Q	1H	3Q		Full Year
Net sales	143.6	169.8	226.0	62.5	126.7	197.3	267.0	77.8	149.0	224.2	295.0	

(2) Number of civil aircraft engine delivered

(Units)

	Actual (accumulated)											Main loading
	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15/3Q	
V2500	2,850	3,154	3,474	3,828	4,168	4,551	4,980	5,468	5,969	6,469	6,801	Airbus A319/320/321
GE90	464	579	742	896	1,071	1,223	1,399	1,589	1,806	2,039	2,211	Boeing B777
CF34	1,027	1,374	1,802	2,274	2,604	2,919	3,242	3,548	3,820	4,156	4,394	For regional jet (70 to 110 seats)
GEEx							118	259	468	751	966	Boeing B787/B747-8
Total	4,341	5,107	6,018	6,998	7,843	8,693	9,739	10,864	12,063	13,415	14,372	

(Note) The number of civil aircraft engine delivered is the number handed over to the airframe maker, and differs from the number of factory shipments.

Vehicular turbocharger

<Net sales by region>

(Billions of yen)

	Actual											Forecast
	'11	'12	'13	FY2014				FY2015				
				1Q	1H	3Q	Full Year	1Q	1H	3Q	Full Year	
Japan	33.1	33.9	35.3	9.0	18.4	27.5	37.5	8.4	17.2	25.5	33.0	
Asia	16.9	24.8	29.8	7.2	13.7	20.7	27.5	7.8	12.9	16.6	22.0	
China	14.3	18.1	23.4	6.3	12.8	17.5	24.3	7.1	11.8	17.9	28.0	
North America	1.1	1.3	1.6	0.4	0.9	1.3	1.8	0.5	1.2	1.8	2.0	
Central and South America	0.0	0.0	0.0	0.0	0.0	0.1	0.7	0.8	1.6	2.4	3.0	
Europe	43.7	43.2	60.2	17.6	37.2	55.8	75.6	19.2	37.8	57.3	77.0	
Others	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	109.4	121.6	150.7	40.7	83.2	123.3	167.7	44.0	82.8	121.8	165.0	

(1) Lease revenue in Toyosu

(Billions of yen)

	Actual										Forecast
	'11	'12	'13	FY2014				FY2015			
				1Q	1H	3Q	Full Year	1Q	1H	3Q	Full Year
Lease revenue	9.5	9.2	9.1	2.2	4.6	6.9	9.3	2.5	5.0	7.6	10.1

(2) Lease revenue and expense in Toyosu (FY2015.3Q)

(Billions of yen)

	Lease revenue	Lease expense		Lease income
		Depreciation	Others	
FY2015.3Q	7.6	2.8	1.8	2.9

Development Plan for Toyosu 1 to 3 chome Area

Kindergarten, Nursery school, Café, Marriage ceremonial hall.
 Site area : 19,492㎡
 Completed in March 2010 to February 2011

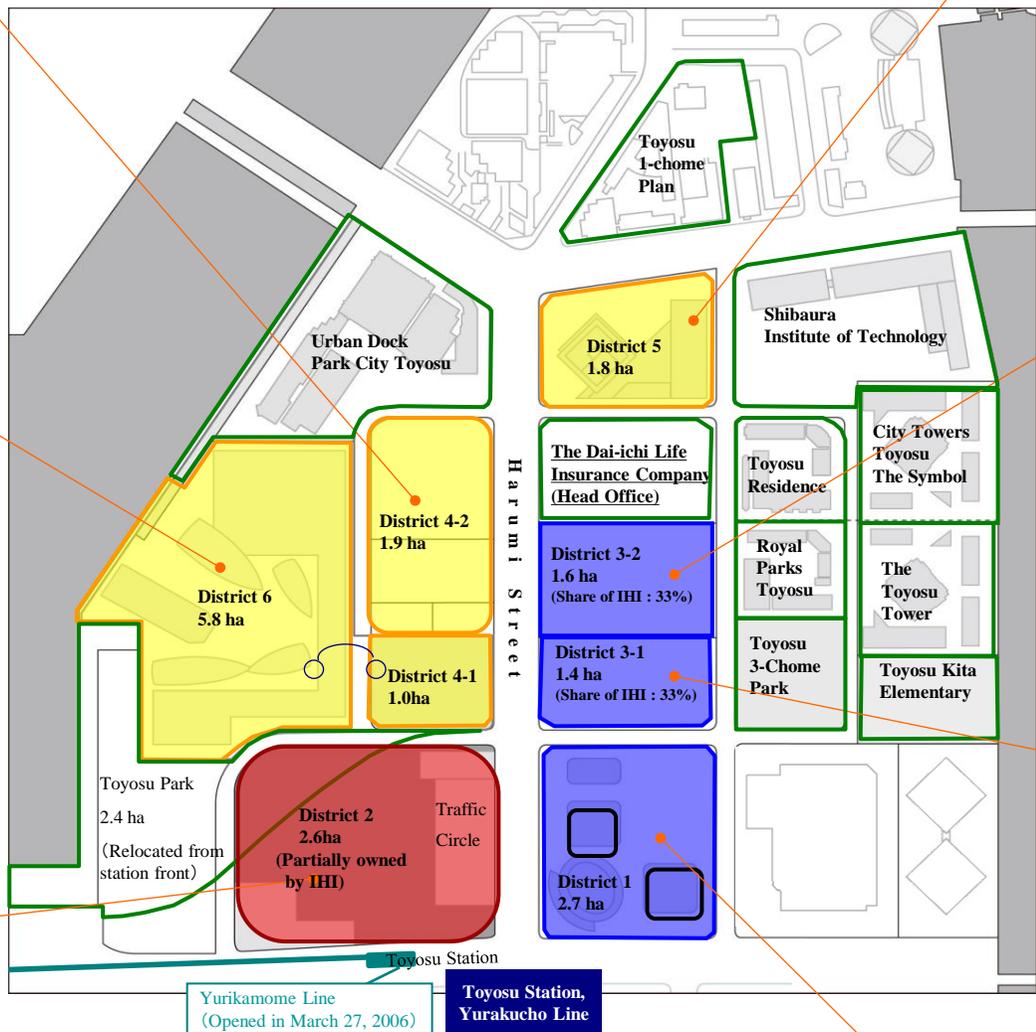


Urban Dock LaLaport Toyosu (Mitsui Fudosan Co., Ltd.)
 5 floors above ground, Approx. 25m high
 Store floor space : 62,000㎡
 Opened in October 2006



Offices building, (IHI and Mitsui Fudosan)
 Planning to redevelop

Civic Center : Opened in September 2015
Fire department : Under construction



Toyosu IHI Building
 25 floors above ground, Approx. 125m high
 Gross floor area : 97,617㎡
 Completed in February 2006



Toyosu Foresia (IHI & Mitsubishi Estate Company, Ltd.)
 16 floors above ground, Approx. 75m high,
 Gross floor area : 101,503㎡
 Completed in July 2014



Toyosu Front (IHI, Mitsubishi Estate Company, Ltd. and Mitsubishi UFJ Trust and Banking Corporation)
 15 floors above ground, Approx. 75m high
 Gross floor area : 106,861㎡
 Completed in August 2010



Toyosu Center Building
 37 floors above ground, Approx. 165m high
 Gross floor area : 100,069㎡
 Completed in October 1992

Toyosu Center Building Annex
 33 floors above ground, Approx. 150m high
 Gross floor area : 105,448㎡
 Completed in August 2006



※1 One of the way to redevelop that was defined by Urban Renewal Act.

<Appendices 2>

Progress of “Group Management Policies 2013”
Direction of “Group Management Policies 2016”

Progress of “Group Management Policies 2013”

Progress in large overseas project

Dominion Cove Point Liquefaction Project



(image of completed project)



(Site location map)



(image as of Dec 2015)



(MCHE installation)

IHI E&C International Corporation and Kiewit Energy Company have entered into an engineering, procurement and construction contract to develop the Cove Point liquefied natural gas facility located on the Chesapeake Bay in Lusby, Maryland. The IHI/Kiewit joint venture will design, construct, commission and start up the estimated 5.25 million tons per annum liquefaction facility.



(Liquefaction Pipe Rack Erection)

Key milestones

April 2013:	Contract award
September 2014:	FERC Order received & accepted
March 2015:	Groundbreaking Ceremony held
October 2015:	MCHE delivered to Project Site
Mid 2017:	Mechanical Completion
Late 2017:	Substantial Completion and commencement of operations

Current status (Dec. 2015)

- Engineering is approximately 97% complete.
- Procurement of equipment is 96+% complete.
- Construction is 22% complete.
- All piles have been installed.
- Main Cryogenic Heat Exchanger has been installed.
- Piping/structural steel installation are underway.
- Fabrication of piping and structural steel are underway.

Progress of “Group Management Policies 2013”

The major initiatives for Third quarter FY2015(1)

Resources, Energy and Environment

The Resources, Energy and Environment segment has secured an engineering, procurement, manufacturing, and installation order from Electric Power Development Co., Ltd., Japan’s largest electricity wholesalers, related to the installation of a large-scale ultra-supercritical coal-fired boiler (600MW x 1 unit) that will achieve world-leading level of electric power generating efficiency under a world-leading level of high-temperature steam conditions. The boiler to be constructed by the IHI Group will enable the plant to operate at higher efficiency through the use of extremely high steam temperature and pressure, which results in the reduction of fuel consumption and carbon dioxide emissions. Also, by achieving the world-leading level of high-temperature steam conditions, the further improvements in electric power generation efficiency will considerably contribute to reducing carbon emissions and protecting the atmospheric environment.



<Isogo Thermal Power Plant. (IHI Boilers are supplied.)>
©: Electric Power Development Co., Ltd. (J-POWER)

Dhaka city



(Project area of construction and existing bridges rehabilitation)

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Social infrastructure and Offshore facility

IHI subsidiary IHI Infrastructure Systems Co., Ltd., formed a joint venture with ODAYASHI CORPORATION, SHIMIZU CORPORATION, and JFE Engineering Corporation and received an order from the Roads and Highways Department, Ministry of Road Transport and Bridges, the People’s Republic of Bangladesh for the “Kanchpur, Meghna and Gumti 2nd Bridges Construction and Existing Bridges Rehabilitation Project.”

Many highly complex technologies are being used in this construction including steel-pipe sheet-pile well foundations and multi-span narrow-width box girders. By completing this project on schedule by using technologies and knowhow thus-far accumulated, we are contributing to the economic development of Bangladesh.

Progress of “Group Management Policies 2013”

The major initiatives for Third quarter FY2015(2)

Industrial system and General-Purpose machinery

IHI has acquired all shares of VTN Beteiligungsgesellschaft GmbH (currently IHI VTN GmbH), a leading general heat treatment job service company headquartered in Germany and operating mainly in that country.

In the field of heat treatment the IHI Group is expecting an expansion of the use of heat treatment technologies centered on components in the industrial machinery, automotive and aviation sectors as materials such as metal and non-metal are expected to provide more diverse and advanced function.

The IHI Group plans to become a fully active player in the heat treatment job service business in Europe. The IHI Group will provide proposals for units and heat treatment processes that are even more attractive to customers.



<PW1100G-JM Engine>

©: Japanese Aero Engines Corporation, (JAEC)

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Aero Engine, Space and Defense

In the Aero Engine, Space and Defense segment, the European Aviation Safety Agency and the U.S. Federal Aviation Administration granted type certificates to the Airbus A320neo which is fitted with the PW1100G-JM engine, which IHI, working under the Japanese Aero Engines Corporation, has been jointly developing with U.S. Pratt & Whitney and German MTU Aero Engines AG. On January 20, 2016 the first A320neo was delivered to the Lufthansa by the Airbus.

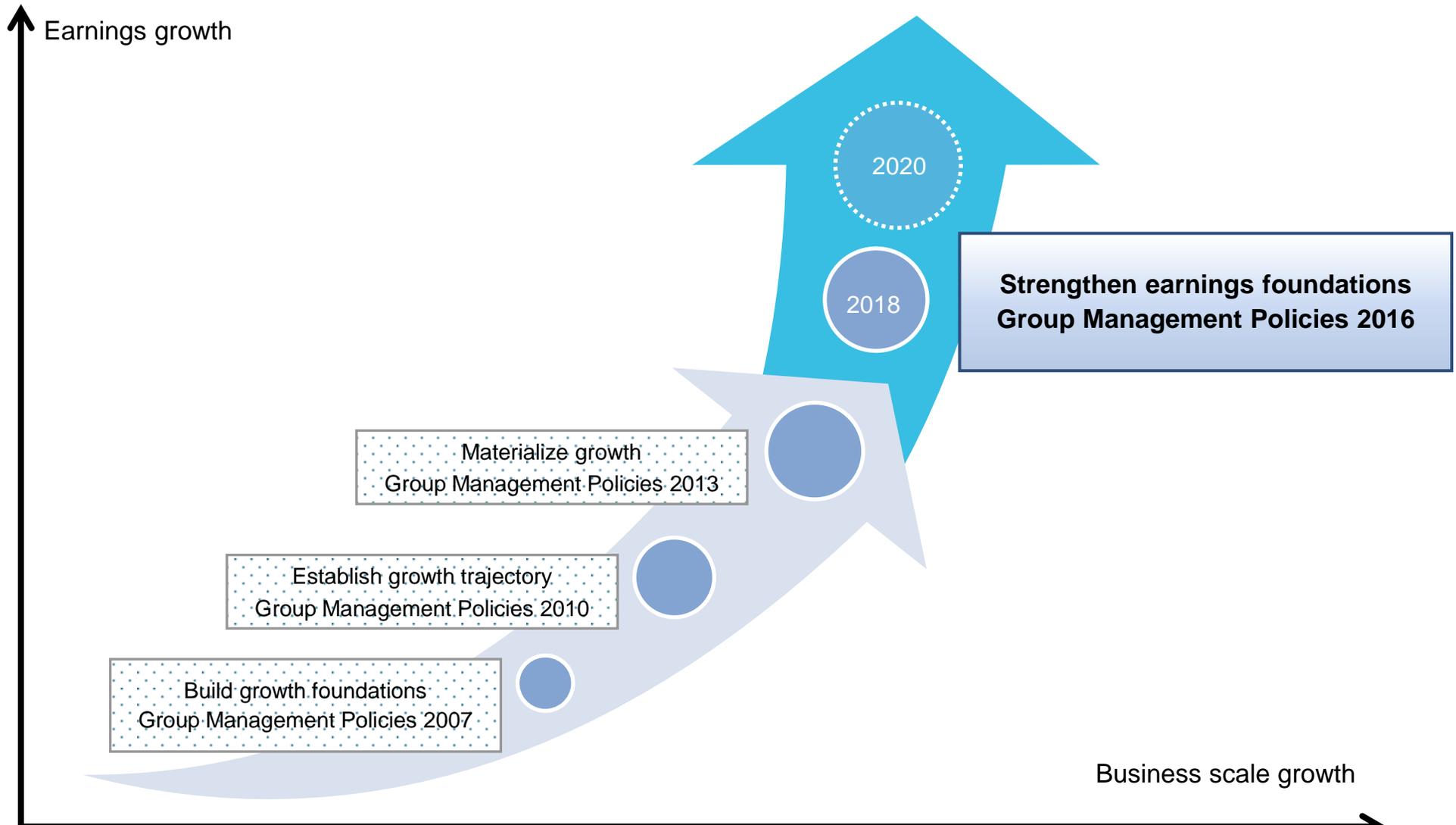
Participating with 15% stake in the PW1100G-JM program, IHI is in charge of the development, design, and production of key components such as fan modules and part of low-pressure compressors utilizing proprietary material and manufacturing technologies centered on composite materials. Already, orders for more than 2,000 units of PW1100G-JM have been received, and the IHI Group expects it to serve as a stable pillar of business.

The IHI Group will continue to play a part in the supply chain by providing a wide range of advanced manufacturing technologies, and contribute not only to the development of the aviation industry but also to the operation of safe and comfortable aircraft.

Direction of “Group Management Policies 2016” (1)

IHI Group vision

The IHI Group seeks to solve the various environmental, industrial, social, and energy related problems of the 21st century, through using engineering expertise to focus on “Monozukuri” technology. In striving towards these goals, IHI is becoming a global enterprise offering the safety and security for the benefit of both the environment and humanity.



Direction of “Group Management Policies 2016” (2)

Megatrends

Acceleration toward advanced information age

Diversifying social infrastructure

Increasingly complex global economy

Engineering capabilities centered around manufacturing technology

Group Management Policies 2013

Issues

Paradigm shift

- Life cycle focus
- Market needs-driven
- Global business operations

Group Management Policies 2016

Reinforce strategic implementation

Secure stable project earnings

Identify and deliver customer value

Initiatives

Pursue concentration and selection through new portfolio management approaches

Strengthen project implementation structure to bolster profitability

Employ common Group functions to transform business model

Strengthen earnings foundations

Grow sustainably and enhance corporate value

IHI
Realize your dreams

Forward-looking figures shown in this material with respect to IHI's performance outlooks and other matters are based on management's assumptions and beliefs in light of the information currently available to it, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. IHI cautions you that actual results could differ materially from those discussed in these performance outlooks due to a number of important factors. These important factors include political environments in areas in which IHI operates, general economic conditions, and the yen exchange rate including its rate against the US dollar.