

**CONSOLIDATED FINANCIAL REPORT  
 FOR THE NINE MONTHS ENDED DECEMBER 31, 2014  
 <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 of Quarterly Securities Report: February 12, 2015 (planned)  
 Preparing supplementary material on quarterly financial results: Yes  
 Holding quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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. PERFORMANCE

### (1) Business Results

(Millions of yen, except per share figures; percentages show the change from the previous corresponding period)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Nine months ended December 31, 2014</b>	<b>974,082</b>	<b>11.8</b>	<b>45,679</b>	<b>33.9</b>	<b>45,833</b>	<b>1.2</b>
Nine months ended December 31, 2013	871,533	0.4	34,121	39.3	45,271	86.8

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
<b>Nine months ended December 31, 2014</b>	<b>26,890</b>	<b>(14.1)</b>	<b>17.42</b>	<b>17.40</b>
Nine months ended December 31, 2013	31,317	74.1	21.40	20.23

(Note) Comprehensive income  
 Nine months ended December 31, 2014: ¥34,728 million (21.0)%  
 Nine months ended December 31, 2013: ¥43,949 million 119.5%

### (2) Financial Position

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity to Total Assets
<b>December 31, 2014</b>	<b>1,670,753</b>	<b>368,193</b>	<b>21.1</b>
March 31, 2014	1,496,361	362,555	23.1

(Reference) Shareholders' equity at the end of the period (consolidated)  
 December 31, 2014: ¥352,608 million  
 March 31, 2014: ¥345,236 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, 2014	—	0.00	—	6.00	6.00
Fiscal year ending March 31, 2015	—	3.00	—	—	—
Fiscal year ending March 31, 2015 (Forecast)	—	—	—	3.00	6.00

(Note) Revisions to the dividend forecasts most recently announced: None

## 3. FORECAST OF CONSOLIDATED RESULTS FOR THE YEAR ENDING MARCH 31, 2015

(Millions of yen, except per share figures; percentages show the change from the previous corresponding period)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)				
Full-year	1,460,000	12.0%	70,000	31.4%	62,000	16.5%	35,000	5.6%	22.68

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

## 4. NOTES

### (1) Changes in significant subsidiaries during the nine months under review

(Changes in specified subsidiaries accompanying changes in scope of consolidation): None

### (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 “MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 7.

### (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: None

(iii) Changes in accounting estimates: None

(iv) Restatement of prior period financial statements after error corrections: None

(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 “MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 7.

### (4) Number of shares issued (Common stock):

(i) Number of shares issued at the end of the period (including treasury shares)

As of December 31, 2014 1,546,799,542 shares

As of March 31, 2014 1,546,799,542 shares

(ii) Number of treasury shares owned at the end of the period

As of December 31, 2014 3,285,919 shares

As of March 31, 2014 3,369,103 shares

(iii) Average number of shares outstanding during the period (cumulative quarterly period)

Nine months ended December 31, 2014 1,543,504,987 shares

Nine months ended December 31, 2013 1,463,344,332 shares

#### \* Indication regarding execution of quarterly review procedures

This quarterly financial report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act are in progress.

#### \* 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 IHI. 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 Forecast Of Consolidated Results” of “QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS” on page 6.

## QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

### 1. Explanation Regarding Business Results

#### A. Summary of consolidated performance

During the nine months under review, the Japanese economy continued on a track of moderate recovery with observed weakness in private consumption recovery on one hand and clear signs of a pickup in capital investment and manufacturing production on the other.

Outside of Japan, despite weakening growth in certain countries and regions and geopolitical risks, the economy as a whole grew moderately led by the strongly performing U.S. economy.

Under this business environment, orders received of the IHI Group during the nine months increased 25.4% from the previous corresponding period to ¥1,143.4 billion. Net sales rose 11.8% to ¥974.0 billion, and operating income rose 33.9% to ¥45.6 billion. Ordinary income rose 1.2% to ¥45.8 billion despite an impact from deterioration in share of profit (loss) of entities accounted for using equity method and net income fell 14.1% to ¥26.8 billion due to an impact from recognition of gain on transfer from business divestitures in the previous corresponding period. (Operating income and ordinary income were at record highs for the nine months ended December 31<sup>st</sup>.)

Results by reportable segment are as follows:

#### Resources, Energy and Environment

Orders received increased by 44.5% from the previous corresponding period to ¥437.2 billion owing to order increases in Boiler Business, Power system plant Business, Environmental response system Business, and Gas process Business reflecting an order from the Cove Point natural gas liquefaction facility in the U.S.

Sales increased by 19.3% from the previous corresponding period to ¥268.8 billion owing to increases in Gas process Business and Boiler Business.

Operating income increased by 51.8% from the previous corresponding period to ¥11.8 billion, owing mainly to the above-mentioned increased sales and the positive effect of yen depreciation.

#### Social Infrastructure and Offshore Facilities

Orders received increased by 11.2% from the previous corresponding period to ¥133.7 billion owing to increases in Water gate Business, Shield tunneling machine Business and Transport system Business, partially offset by order decreases in Bridge Business.

Sales increased by 31.6% from the previous corresponding period to ¥125.2 billion owing to increases in Bridge Business, F-LNG/Offshore structure Business and Urban development Business.

Operating income/loss ended roughly level with the previous corresponding period at ¥0.7 billion in deficit, owing to the effect of poor profitability of F-LNG/Offshore structure Business partially offset by the profit-increasing factors of the positive effect of yen depreciation, generally smooth progress in Overseas bridge Business and increased revenue from Urban development Business.

#### Industrial Systems and General-Purpose Machinery

Orders received increased by 8.7% from the previous corresponding period to ¥293.6 billion owing to increases in Vehicular turbochargers Business and Transport machinery Business, partially offset by the impact of the divestiture of the business related to the rolling mills of IHI Metaltech Co., Ltd. in October 2013.

Sales increased by 5.3% from the previous corresponding period to ¥290.8 billion. This has been caused by the increases in Vehicular turbochargers Business and Papermaking machinery Business, partially offset by the decrease in Transport machinery Business and the impact of the above-mentioned divestiture of the business.

Operating income decreased by 35.7% from the previous corresponding period to ¥6.9 billion, owing to an increase in selling, general and administrative expenses, partially offset by the profit-increasing effect of an increase in revenues.

#### Aero Engine, Space and Defense

Orders received increased by 22.0% from the previous corresponding period to ¥260.0 billion owing to increases in Aero engine Business and Rocket systems/space utilization system Business.

Sales increased by 5.7% from the previous corresponding period to ¥286.4 billion. This has been caused by the positive effect of yen depreciation, and delivery increased in civil aero engines, partially offset by a decrease in sales from Defense system Business due to a delivery of gas turbines for naval vessels in the previous corresponding period.

Operating income increased by 14.4% from the previous corresponding period to ¥30.9 billion owing mainly to the positive effect of yen depreciation, and sales increase in Aero engine Business and improved profitability.

## B. Current status and outlook of management strategies

Looking ahead, the IHI Group is expecting the Japanese economy to continue to grow moderately by benefiting from improvements in the employment and income environments as well as from additional monetary easing from Bank of Japan and government-led economic measures.

Moreover, the IHI Group is also expecting the global economy to show moderate recovery underpinned by a solid U.S. economy despite an ongoing risk of economic recession on account of concerns of a slowdown in Europe, China and resource exporting countries.

Facing such an environment, the IHI Group has steadily proceeded with initiatives to accelerate growth of the IHI Group based on the three-year midterm business policy, “Group Management Policies 2013” that started from April 2013.

The major initiatives undertaken during the nine months under review are as follows.

In the Resources, Energy and Environment segment, IHI has received orders from Daewoo Engineering & Construction Co., Ltd. of South Korea for two boilers (output 693 MW) for the SAFI Independent Power Project in Morocco, which will be Africa’s first ultra-supercritical coal-fired power plant. The IHI Group shall handle the supply, etc. of the boiler unit equipment which is scheduled for delivery in 2017. The boiler is second project for IHI in Morocco rising electricity demand sharply and raises the electricity generation efficiency by using extremely high steam temperature and pressure, which results in reduction of fuel consumption and carbon dioxide emissions. The IHI Group will continue to provide highly efficient, high-quality eco-friendly electricity generation equipment and systems to the global market where demand for electricity is sharply rising as a result of economic and societal development, and contribute to reducing environmental burdens and supplying stable electricity.

In the Social Infrastructure and Offshore Facilities segment, the Nhat Tan Bridge (Vietnam-Japan Friendship Bridge), constructed by a joint venture between IHI Group company IHI Infrastructure Systems Co., Ltd. and Sumitomo Mitsui Construction Co., Ltd. in Hanoi City, Vietnam, was completed in December last year and a grandly staged opening ceremony was held in January. The Nhat Tan Bridge has a design that is rare even by global standards, boasting a total length of 3,080 meters, comprised of the main six-span continuous cable-stay bridge (1,500 meters) and its approach structures (1,580 meters). As it is expected to help relieve traffic congestion in the central city area, among other benefits, the bridge is regarded as an important part of the arterial road infrastructure that is essential for the development of Vietnam. Believing Southeast Asia to be a key region owing to its expanding demand for infrastructure, the IHI Group is boosting the engineering capabilities of IHI INFRASTRUCTURE ASIA CO., LTD. and reinforcing efforts to link the brand recognition earned in Bridge Business with other project development in Vietnam.

In the Industrial Systems and General-Purpose Machinery segment, the IHI Group has now manufactured an accumulated total of 50 million turbochargers. Currently, the IHI Group manufactures various models and kinds of turbochargers in six countries to meet a broad range of needs from small turbochargers for light vehicles to large turbochargers for buses and trucks. Turbochargers have various excellent points, such as making exhaust gas cleaner, lowering fuel costs and improving running performance. Turbochargers are also increasingly adopted to reduce the size of gasoline engines. In recent years, amid the tightening of environmental regulations in various countries, turbochargers have been attracting greater attention as eco-devices. Expecting global demand to expand in the future, the IHI Group will use its development and manufacturing technologies to globally develop its manufacturing and sales activities.

In the Aero Engine, Space and Defense segment, the PW1100G-JM model engine for Airbus S.A.S.’ A320neo received approval from the U.S. Federal Aviation Administration in December last year, formally approving its operation as a civil aircraft engine. The IHI Group participates in the engine program with approximately a 15% share of total, through the Japanese-side program by the Japanese Aero Engines Corporation, carrying out development, design and manufacturing of major parts such as the fan module and part of the low-pressure compressor, as well as engine maintenance. Technologies to advanced composite materials originally developed by the IHI Group are adopted for the fan case and structural guide vane, greatly contributing to making the engines lighter and improving fuel consumption. The IHI Group looks forward to playing its role in not only developing various advanced technologies to improve the fuel efficiency and reliability of civil aircraft engines, but also reducing the environmental burden and improving aircraft safety.

In line with the “IHI Group Environmental Vision 2013” formulated in April 2013, the IHI Group is working to conserve the global environment and reduce environmental burden in all its business activities. In recognition of these efforts, IHI has been positioned in the Climate Disclosure Leadership Index (CDLI) and the Climate Performance Leadership Index (CPLI) in October last year by CDP, an NPO based in the UK. Moreover, in

December last year, the IHI Group presented its environmental program to realizing society's dreams through manufacturing technology at Japan's foremost environmental fair Eco-Products 2014. This year, more than 5,000 people visited the IHI Group booth, which was more than the previous occasion. The IHI Group will continue to be engaged in environmental conservation through all its business activities, including those activities related to the provision of products and services.

## **2. Explanation Regarding Consolidated Financial Position**

### *Assets and liabilities, and net assets*

Total assets at the end of the quarter under review were ¥1,670.7 billion, up ¥174.3 billion compared with the end of the previous fiscal year. The items with the most significant increases were work in process, up ¥85.6 billion and cash and deposits, up ¥23.8 billion.

Total liabilities were ¥1,302.5 billion, an increase of ¥168.7 billion compared with the end of the previous fiscal year. The items with the most significant increases were advances received, up ¥34.6 billion, commercial papers, up ¥28.0 billion, net defined benefit liability, up ¥26.6 billion, and long-term loans payable, up ¥24.7 billion. The balance on interest bearing liabilities, including lease obligations, was ¥449.4 billion, up ¥91.6 billion compared with the end of the previous fiscal year.

Net assets were ¥368.1 billion, up ¥5.6 billion compared with the end of the previous fiscal year. This was the result of net income of ¥26.8 billion, a decline of ¥13.8 billion due to dividends of surplus, and a decline of ¥14.6 billion in retained earnings accompanying changes in the accounting standard for retirement benefits, etc. As a result of the above, the ratio of shareholders' equity to total assets dropped from 23.1% at the end of the previous fiscal year to 21.1%.

## **3. Explanation Regarding Future Prediction Information Such As Forecast Of Consolidated Results**

Considering the forecast of the consolidated results for the fiscal year ending March 31, 2015, net sales are expected to be ¥1,460.0 billion, which is ¥20.0 billion higher than the previously announced forecast, due partly to the effect of yen depreciation and the impact of the delay in the recognition of sales of some projects in Boiler Business and F-LNG/Offshore structure Business.

In terms of profit and loss, operating income is expected to be ¥70.0 billion, up ¥5.0 billion and ordinary income is expected to be ¥62.0 billion, up ¥5.0 billion from the previously announced forecast, after factoring in the effect of yen depreciation, deteriorated profitability in F-LNG/Offshore structure Business, improved profitability and a delay in the recognition of research and development expenses in Aero engine Business. Net income is expected to be ¥35.0 billion, which is the same as the previously announced forecast owing to the effect from the changes in the tax system expected in the future.

Note that a foreign exchange rate of ¥115/US\$1 and ¥135/EUR1 has been assumed in the above forecasts for the fourth quarter ending March 31, 2015.

## **MATTERS REGARDING SUMMARY INFORMATION (NOTES)**

### **1. Changes In Significant Subsidiaries During The Nine Months Under Review**

None

### **2. Application Of Special Accounting For Preparing Quarterly Consolidated Financial Statements**

#### *Tax expense calculation*

Tax expenses on income before income taxes and minority interests for the nine months under review are calculated by multiplying income before income taxes and minority interests for the nine months under review by the reasonably estimated effective tax rate for the fiscal year including the quarter under review after applying tax effect accounting. Should the estimated effective tax rate be unavailable, however, tax expenses are calculated using the statutory tax rate for income before income taxes and minority interests for the nine 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 Accounting Standard for Retirement Benefits and its Guidance*

For the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), IHI has additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from the first quarter ended June 30, 2014, and reviewed the determination of retirement benefit obligations and current service cost. Accordingly, IHI changed the method of attributing expected benefit to periods from the straight-line basis to mainly the benefit formula basis as well as amended the determination of discount rate from that based on a maturity period of bonds decided depending on a period of years approximate to the expected average remaining working lives of employees mainly to one that uses a single weighted average discount rate reflecting the estimated timing of retirement benefit payment and the estimated amount of each retirement benefit payments.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for retirement benefit obligations and current service cost has been added to or deducted from retained earnings as of the beginning of the nine month under review.

As a result of the change, as of the beginning of the nine months under review, net defined benefit liability increased by ¥22,053 million and retained earnings decreased by ¥14,625 million. In addition, the impact of this change on operating income, ordinary income and income before income taxes and minority interests for the nine months under review was immaterial.

**QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS****1. CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	December 31, 2014	March 31, 2014
Assets		
Current assets		
Cash and deposits	87,106	63,236
Notes and accounts receivable - trade	398,412	395,037
Securities	205	1,528
Finished goods	28,273	20,665
Work in process	307,912	222,237
Raw materials and supplies	117,073	112,983
Other	112,022	91,642
Allowance for doubtful accounts	(5,709)	(6,127)
Total current assets	1,045,294	901,201
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	141,076	133,148
Other, net	202,163	203,300
Total property, plant and equipment	343,239	336,448
Intangible assets		
Goodwill	25,180	22,958
Other	23,961	19,182
Total intangible assets	49,141	42,140
Investments and other assets		
Investment securities	172,448	162,165
Other	62,828	57,240
Allowance for doubtful accounts	(2,197)	(2,833)
Total investments and other assets	233,079	216,572
Total non-current assets	625,459	595,160
Total assets	1,670,753	1,496,361



**1. CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	December 31, 2014	March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	282,258	280,900
Short-term loans payable	130,798	110,340
Commercial papers	42,000	14,000
Current portion of bonds	–	20,000
Income taxes payable	14,932	16,692
Advances received	137,933	103,237
Provision for bonuses	13,561	24,590
Provision for construction warranties	33,204	25,485
Provision for loss on construction contracts	23,335	18,389
Other provision	230	566
Other	116,232	112,050
Total current liabilities	794,483	726,249
Non-current liabilities		
Bonds payable	70,000	30,000
Long-term loans payable	189,940	165,143
Net defined benefit liability	156,588	129,893
Other provision	2,777	3,112
Other	88,772	79,409
Total non-current liabilities	508,077	407,557
Total liabilities	1,302,560	1,133,806
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	54,438	54,439
Retained earnings	170,300	171,318
Treasury shares	(652)	(665)
Total shareholders' equity	331,251	332,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,129	8,424
Deferred gains or losses on hedges	(1,157)	36
Revaluation reserve for land	4,665	4,665
Foreign currency translation adjustment	6,173	4,912
Remeasurements of defined benefit plans	(3,453)	(5,058)
Total accumulated other comprehensive income	21,357	12,979
Subscription rights to shares	747	621
Minority interests	14,838	16,698
Total net assets	368,193	362,555
Total liabilities and net assets	1,670,753	1,496,361

## 2. CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### CONSOLIDATED STATEMENTS OF INCOME (Cumulative)

(Millions of yen)

	Apr. 1, 2014 to Dec. 31, 2014	Apr. 1, 2013 to Dec. 31, 2013
Net sales	974,082	871,533
Cost of sales	801,426	715,513
Gross profit	172,656	156,020
Selling, general and administrative expenses	126,977	121,899
Operating income	45,679	34,121
Non-operating income		
Interest income	406	462
Dividend income	1,556	1,388
Share of profit of entities accounted for using equity method	–	9,334
Foreign exchange gains	9,013	6,578
Other income	2,025	4,923
Total non-operating income	13,000	22,685
Non-operating expenses		
Interest expenses	3,147	3,020
Share of loss of entities accounted for using equity method	682	–
Other expenses	9,017	8,515
Total non-operating expenses	12,846	11,535
Ordinary income	45,833	45,271
Extraordinary income		
Gain on transfer from business divestitures	–	7,500
Total extraordinary income	–	7,500
Extraordinary losses		
Impairment loss	–	20
Total extraordinary losses	–	20
Income before income taxes and minority interests	45,833	52,751
Income taxes	19,248	19,951
Income before minority interests	26,585	32,800
Minority interests in income / loss	(305)	1,483
Net income	26,890	31,317

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Cumulative)**

(Millions of yen)

	Apr. 1, 2014 to Dec. 31, 2014	Apr. 1, 2013 to Dec. 31, 2013
Income before minority interests	26,585	32,800
Other comprehensive income		
Valuation difference on available-for-sale securities	6,672	5,460
Deferred gains or losses on hedges	(914)	53
Foreign currency translation adjustment	1,045	4,666
Remeasurements of defined benefit plans, net of tax	1,367	–
Share of other comprehensive income of entities accounted for using equity method	(27)	970
Total other comprehensive income	8,143	11,149
Comprehensive income	34,728	43,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,828	41,869
Comprehensive income attributable to minority interests	(100)	2,080

### 3. NOTES TO THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

#### NOTES ON THE PREMISE OF GOING CONCERN

None

#### NOTES WHEN THERE IS SIGNIFICANT CHANGES IN AMOUNTS OF EQUITY

None

#### SEGMENT INFORMATION

##### Segment information

##### I Nine months ended December 31, 2013

##### 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 Facilities	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense						
<b>Sales:</b>										
(1) Sales to outside customers	218,453	91,915	269,485	267,581	847,434	24,099	871,533	–	871,533	
(2) Intersegment sales and transfers	6,954	3,269	6,759	3,285	20,267	12,349	32,616	(32,616)	–	
Total	225,407	95,184	276,244	270,866	867,701	36,448	904,149	(32,616)	871,533	
Segment profit (loss) (Operating income (loss))	7,803	(634)	10,832	27,088	45,089	(265)	44,824	(10,703)	34,121	

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 ¥1 million and unallocated corporate expenses of ¥-10,704 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 negative goodwill by reportable segment

*Material impairment loss of non-current assets*

None

*Material change in goodwill amount*

None

*Material gain on negative goodwill*

None

## II Nine months ended December 31, 2014

### 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 Facilities	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense						
<b>Sales:</b>										
(1) Sales to outside customers	265,172	122,928	281,146	283,289	952,535	21,547	974,082	–	974,082	
(2) Intersegment sales and transfers	3,711	2,330	9,656	3,148	18,845	15,758	34,603	(34,603)	–	
Total	268,883	125,258	290,802	286,437	971,380	37,305	1,008,685	(34,603)	974,082	
Segment profit (loss)	11,846	(725)	6,960	30,980	49,061	36	49,097	(3,418)	45,679	
(Operating income (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 ¥-26 million and unallocated corporate expenses of ¥-3,392 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	Boiler, power systems plants, power systems for land and marine use, large power systems for ships, gas processes (storage facilities and process plants), nuclear power (components for nuclear power plants), environmental response systems, medical and pharmaceutical products (pharmaceutical plants)
Social Infrastructure and Offshore Facilities	Bridge, water gate, shield tunneling machines, transport system, urban development (real estate sales and rental), F-LNG (floating LNG storage facilities), offshore structures
Industrial Systems and General-Purpose Machinery	Machinery for ships, logistics system, transport machinery, parking, steel manufacturing equipment, industrial machinery, thermal and surface treatment, paper-making machinery, vehicular turbocharger, compressor, separation system, turbocharger for ships, construction machinery, agricultural machinery, small motors
Aero Engine, Space and Defense	Aero engines, rocket systems/space utilization systems (space-related equipment), defense systems

### 2. Information about impairment loss of non-current assets, goodwill and negative goodwill by reportable segment

*Material impairment loss of non-current assets*

None

*Material change in goodwill amount*

In the Resources, Energy and Environment segment, the companies IHI Southwest Technologies, Inc. and NitroCision, LLC have been made consolidated subsidiaries of the IHI Group due to their increased materiality. ¥318 million of gain on goodwill was recognized by this event in the nine months under review. Furthermore, in the Resources, Energy and Environment segment, Steinmüller Engineering GmbH became a consolidated subsidiary when it was acquired by IHI. ¥4,706 million of gain on goodwill was recognized by this event in the nine months under review.

*Material gain on negative goodwill*

None

## **SIGNIFICANT SUBSEQUENT EVENTS**

None

**SUPPLEMENTARY INFORMATION**
**Orders received by reportable segment**

(Millions of yen)

Reportable segment	Nine months ended December 31, 2014		Nine months ended December 31, 2013		Change from the previous corresponding period		Fiscal year ended March 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Resources, Energy and Environment	437,265	38	302,565	33	134,700	44.5	494,635	34
Social Infrastructure and Offshore Facilities	133,730	12	120,294	13	13,436	11.2	175,573	12
Industrial Systems and General-Purpose Machinery	293,674	25	270,073	30	23,601	8.7	370,691	26
Aero Engine, Space and Defense	260,089	23	213,258	23	46,831	22.0	406,968	28
Total Reportable Segment	1,124,758	–	906,190	–	218,568	–	1,447,867	–
Others	58,218	5	42,435	5	15,783	37.2	62,332	4
Adjustment	(39,504)	(3)	(36,515)	(4)	(2,989)	–	(51,215)	(4)
Total	1,143,472	100	912,110	100	231,362	25.4	1,458,984	100
Overseas orders received	599,530	52	440,387	48	159,143	36.1	676,146	46

**Net sales by reportable segment**

(Millions of yen)

Reportable segment	Nine months ended December 31, 2014		Nine months ended December 31, 2013		Change from the previous corresponding period		Fiscal year ended March 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Resources, Energy and Environment	268,883	28	225,407	26	43,476	19.3	344,093	26
Social Infrastructure and Offshore Facilities	125,258	13	95,184	11	30,074	31.6	150,313	12
Industrial Systems and General-Purpose Machinery	290,802	30	276,244	32	14,558	5.3	397,820	30
Aero Engine, Space and Defense	286,437	29	270,866	31	15,571	5.7	406,098	31
Total Reportable Segment	971,380	–	867,701	–	103,679	–	1,298,324	–
Others	37,305	4	36,448	4	857	2.4	58,953	5
Adjustment	(34,603)	(4)	(32,616)	(4)	(1,987)	–	(53,239)	(4)
Total	974,082	100	871,533	100	102,549	11.8	1,304,038	100
Overseas sales	539,565	55	445,363	51	94,202	21.2	618,599	47

Order backlog by reportable segment

(Millions of yen)

Reportable segment	As of December 31, 2014		As of March 31, 2014		Change from the end of the previous year		As of December 31, 2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Resources, Energy and Environment	737,732	46	535,230	40	202,502	37.8	449,602	37
Social Infrastructure and Offshore Facilities	250,368	16	235,241	18	15,127	6.4	236,461	19
Industrial Systems and General-Purpose Machinery	118,440	8	108,773	8	9,667	8.9	143,667	12
Aero Engine, Space and Defense	450,461	28	440,324	33	10,137	2.3	367,346	30
Total Reportable Segment	1,557,001	–	1,319,568	–	237,433	–	1,197,076	–
Others	36,938	2	19,305	1	17,633	91.3	22,099	2
Total	1,593,939	100	1,338,873	100	255,066	19.1	1,219,175	100
Overseas order backlog	768,269	48	628,173	47	140,096	22.3	546,558	45