

(English Translation)

November 10, 2020

For Immediate Release:

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**Notice Regarding Revisions to the Forecast of Full-Year Consolidated Results
and Dividend Forecasts for the Fiscal Year Ending March 31, 2021**

IHI Corporation (hereinafter, “the Company”) announces the following revisions to the forecast of full-year consolidated results and dividend forecasts for the fiscal year ending March 31, 2021.

1. Revisions to the Forecast of Full-Year Consolidated Results for the Fiscal Year Ending March 31, 2021

(1) International Financial Reporting Standards (IFRS) *1

(Millions of Yen)

	Revenue	Operating Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share
Previous Forecasts (A)	–	–	–	–
Revised Forecasts (B)	1,150,000	20,000	1,000	6.73 yen
Change (B-A)	–	–	–	–
Change (%)	–	–	–	–
Reference: Results of Fiscal Year Ended March 31, 2020 *2	1,259,000	48,000	7,000	46.01 yen

(2) Reference: Japanese Generally Accepted Accounting Principles (JGAAP)

(Millions of Yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share
Previous Forecasts (A)	Undetermined	Undetermined	Undetermined	Undetermined	Undetermined
Revised Forecasts (B)	1,150,000	8,000	(5,000)	0	0 yen
Change (B-A)	–	–	–	–	–
Change (%)	–	–	–	–	–
Reference: Results of Fiscal Year Ended March 31, 2020	1,386,503	60,797	32,251	12,812	84.21 yen

(*1) As the Company will adopt International Financial Reporting Standards (hereinafter, “IFRS”) effective from the full-year account of the fiscal year ending March 31, 2021, the forecast of full-year consolidated results for the fiscal year above have been disclosed based on IFRS.

(*2) Results of fiscal year ended March 31, 2020 based on IFRS are unaudited, provisional calculations, and are therefore approximate figures.

2. Reasons for Revisions to the Forecast of Full-Year Consolidated Results

The forecast of full-year consolidated results for the fiscal year ending March 31, 2021 had been undetermined due to the ambiguity of when the spread of the novel coronavirus disease (COVID-19) will resolve, and due to the difficulty to reasonably estimate its impact on the IHI Group’s earnings. However, the Company has decided to announce the forecasts of results, under certain assumptions, based on the information available at this point.

As there has been a dramatic drop in demand for international passenger air transport due to the impact of the spread of COVID-19, a considerable amount of time is needed for recovery before the demand levels with that of 2019. As a result, the revenue and operating profit of Civil aero engines are expected to undergo a significant decline compared to the previous fiscal year. In addition, the Company is considering the sale of assets held in order to secure funds for investment in business portfolio reform, with its expected effect factored into the forecast as gain on sales of non-current assets (*). Please note the exchange rate for the third quarter and thereafter is set at 105 yen per U.S. dollar.

* Under IFRS, gain on sales of non-current assets is recorded within operating profit (recorded as extraordinary income under JGAAP).

3. Revisions to Dividend Forecasts

(1) Details of Revisions

	Annual Dividends per Share		
	Interim	Year-End	Annual
Previous Forecasts (announced August 31, 2020)	0 yen	Undetermined	Undetermined
Revised Forecasts	–	0 yen	0 yen
Results of Fiscal Year Ending March 31, 2021	0 yen		
Results of Fiscal Year Ended March 31, 2020	30 yen	20 yen	50 yen

(2) Reasons for Revisions

The Company shall follow its basic policy to pay out stable dividends and determine the amount of dividends after taking into account a broad range of factors, including investments for improvement of corporate value and enhancement and reinforcement of equity capital with a target consolidated dividend payout ratio of around 30%.

After considering the level of profit of the forecasts of results for the current fiscal year, the forecast for year-end dividends of surplus for the fiscal year ending March 31, 2021 has been regrettably decided to be zero yen.

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