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To all related parties:

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**Notice of Recording of Non-Operating Losses  
(Share of Loss of Entities Accounted for Using Equity Method)  
and Revisions to the Full-Year Consolidated Financial Forecasts  
for the Fiscal Year Ending March 31, 2018**

IHI Corporation (hereinafter, "IHI") announces that IHI has decided to record ¥10.9 billion of non-operating losses (share of loss of entities accounted for using equity method) in its financial results for the nine months ended December 31, 2017, in accordance with the financial report of an affiliate, Japan Marine United Corporation (hereinafter "JMU").

Accordingly, IHI also announces the following revisions to the full-year consolidated results forecasts that it announced on November 1, 2017, for the fiscal year ending March 31, 2018.

There is no revision on the year-end dividend forecast for the fiscal year ending March 31, 2018 (¥30 per share).

1. Details of non-operating losses (share of loss of entities accounted for using equity method)

The construction schedule and costs relating to LNG vessels that IHI's affiliate JMU is currently building have been revised, due to process delays relating to thermal insulation work and so on. As a result, the estimate of construction costs for this project has increased compared with the end of the six months ended September 30, 2017, and the profitability has deteriorated. Consequently, in accordance with JMU's financial report, IHI reported a share of loss of entities accounted for using equity method of ¥10.9 billion in the first nine months of the fiscal period ending March 31, 2018.

2. Revisions to Full-Year Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2018

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share
Previous forecasts (A) (Announced on November 1, 2017)	1,550,000	65,000	57,000	23,000	148.97 yen
<b>Revised forecasts (B)</b>	<b>1,600,000</b>	<b>71,000</b>	<b>39,000</b>	<b>11,000</b>	<b>71.26 yen</b>
Change (B-A)	50,000	6,000	(18,000)	(12,000)	–
Change (%)	3.2	9.2	(31.6)	(52.2)	–
Reference: Fiscal year ended March 31, 2017	1,486,332	47,389	22,011	5,247	33.98 yen

### 3. Reasons for Revisions

Net sales are expected to be generally the same as the previously announced forecast.

With respect to profit and loss, although extra costs have been factored into operating profit on account of the process schedule catch-up at on-site construction work in the process plant project underway in North America, IHI still expects operating profit to increase due to improved profitability for civil aero engines, the positive turn in foreign exchange, and so on.

On the other hand, decreased profit is expected for ordinary profit and profit attributable to owners of parent after considering the impact on the share of loss of entities accounted for using equity method not only from the results for the first nine months ended December 31, 2017, but also from JMU's risk of facing increased raw material prices in the future.

Note: The above forecasts are based on information currently available to IHI and certain assumptions determined as rational. Actual performance may significantly differ from these forecasts owing to various future factors.