

(Translation purposes only)

Cover page

Document title	Amendment Report for Quarterly Securities Report
Clause of stipulation	Article 24-4-7, paragraph 4 of the Financial Instruments and Exchange Act
Place of filing	Director-General of the Kanto Local Finance Bureau
Filing date	November 27, 2018
Quarterly accounting period	The Second Quarter of 202nd term (from July 1, 2018 to September 30, 2018)
Company name	株式会社 I H I (Kabushiki Kaisha IHI)
Company name in English	IHI Corporation
Title and name of representative	Tsugio Mitsuoka, President and Chief Operating Officer
Address of registered head office	1-1, Toyosu 3-chome, Koto-ku, Tokyo, Japan
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Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya-city) Securities Membership Corporation Fukuoka Stock Exchange (14-2, Tenjin 2-chome, Chuo-ku, Fukuoka-city) Securities Membership Corporation Sapporo Securities Exchange (14-1, Minamiichijo-nishi 5-chome, Chuo-ku, Sapporo-city)

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1. Reason for filing Amendment Report for Quarterly Securities Report

IHI Corporation hereby files the Amendment Report for Quarterly Securities Report, according to the article 24-4-7, paragraph 4 of the Financial Instruments and Exchange Act, to amend a part of the Quarterly Securities Report for The Second Quarter of 202nd term (from July 1, 2018 to September 30, 2018) which was filed on November 12, 2018.

2. Amended Part

Part 1. Company information

I. Overview of company

1. Summary of business results

II. Overview of business

2. Analysis of financial position, operating results and cash flows from the viewpoint of business managers

(2) Analysis of financial position

IV. Financial information

1. Quarterly Consolidated financial statements

(1) Quarterly consolidated balance sheets

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of comprehensive income (cumulative)

3. Amendments to be made

The amended parts are underlined.

(Translation purposes only)

Part 1. Company information

I. Overview of company

1. Summary of business results

[Before amendments]

Term	201st term Six months ended September 30, 2017	202nd term Six months ended September 30, 2018	201st term
Accounting period	From April 1, 2017 To September 30, 2017	From April 1, 2018 To September 30, 2018	From April 1, 2017 To March 31, 2018
Net sales (Millions of yen)	773,491	699,507	1,590,333
Ordinary profit (Millions of yen)	19,574	49,173	21,425
Profit attributable to owners of parent (Millions of yen)	6,882	28,429	8,291
Comprehensive income (Millions of yen)	12,323	<u>36,250</u>	16,774
Net assets (Millions of yen)	348,127	<u>380,771</u>	350,217
Total assets (Millions of yen)	1,659,987	<u>1,655,514</u>	1,633,488
Basic earnings per share (Yen)	44.57	184.23	53.71
Diluted earnings per share (Yen)	44.54	184.09	53.67
Shareholders' equity ratio (%)	19.75	<u>21.29</u>	19.87
Cash flows from operating activities (Millions of yen)	43,144	(2,721)	99,018
Cash flows from investing activities (Millions of yen)	(4,685)	(39,640)	(47,977)
Cash flows from financing activities (Millions of yen)	(40,145)	31,842	(57,326)
Cash and cash equivalents at end of period (Millions of yen)	114,740	99,867	107,323

Term	201st term Second quarter of the fiscal year ended March 31, 2018	202nd term Second quarter of the fiscal year ending March 31, 2019
Accounting period	From July 1, 2017 To September 30, 2017	From July 1, 2018 To September 30, 2018
Basic earnings (loss) per share (Yen)	(31.33)	144.44

- Notes:
- Summary of business results of the reporting company are not presented, because IHI prepares quarterly consolidated financial statements.
 - Net sales do not include consumption taxes.
 - IHI has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter ended June 30, 2018. Accordingly, summary of results of the six months ended September 30, 2017 and the previous fiscal year ended March 31, 2018 reflected the retrospective application of the accounting policies.
 - IHI conducted a consolidation of common stock on a 10 for 1 basis on October 1, 2017.
Basic earnings(loss) per share and diluted earnings per share have been calculated under the assumption that this consolidation of common stock was conducted on April 1, 2017.
 - Monetary amounts and ratios less than one unit are rounded off.

(Translation purposes only)

[After amendments]

Term	201st term Six months ended September 30, 2017	202nd term Six months ended September 30, 2018	201st term
Accounting period	From April 1, 2017 To September 30, 2017	From April 1, 2018 To September 30, 2018	From April 1, 2017 To March 31, 2018
Net sales (Millions of yen)	773,491	699,507	1,590,333
Ordinary profit (Millions of yen)	19,574	49,173	21,425
Profit attributable to owners of parent (Millions of yen)	6,882	28,429	8,291
Comprehensive income (Millions of yen)	12,323	<u>34,725</u>	16,774
Net assets (Millions of yen)	348,127	<u>379,246</u>	350,217
Total assets (Millions of yen)	1,659,987	<u>1,653,989</u>	1,633,488
Basic earnings per share (Yen)	44.57	184.23	53.71
Diluted earnings per share (Yen)	44.54	184.09	53.67
Shareholders' equity ratio (%)	19.75	<u>21.21</u>	19.87
Cash flows from operating activities (Millions of yen)	43,144	(2,721)	99,018
Cash flows from investing activities (Millions of yen)	(4,685)	(39,640)	(47,977)
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Cash and cash equivalents at end of period (Millions of yen)	114,740	99,867	107,323

Term	201st term Second quarter of the fiscal year ended March 31, 2018	202nd term Second quarter of the fiscal year ending March 31, 2019
Accounting period	From July 1, 2017 To September 30, 2017	From July 1, 2018 To September 30, 2018
Basic earnings (loss) per share (Yen)	(31.33)	144.44

- Notes:
- Summary of business results of the reporting company are not presented, because IHI prepares quarterly consolidated financial statements.
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Basic earnings(loss) per share and diluted earnings per share have been calculated under the assumption that this consolidation of common stock was conducted on April 1, 2017.
 - Monetary amounts and ratios less than one unit are rounded off.

(Translation purposes only)

II. Overview of business

2. Analysis of financial position, operating results and cash flows from the viewpoint of business managers

(2) Analysis of financial position

[Before amendments]

Total assets at the end of the second quarter ended September 30, 2018 were ¥1,655.5 billion, up ¥22.0 billion compared with the end of the previous fiscal year. The items with the most significant increases were inventories including work in process, up ¥31.3 billion, other current assets including advance payments - trade, up ¥23.9 billion and investment securities, up ¥18.5 billion. The items with the most significant decreases were notes and accounts receivable - trade, down ¥42.0 billion and cash and deposits, down ¥7.4 billion.

Total liabilities were ¥1,274.7 billion, down of ¥8.5 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts payable - trade, down ¥29.2 billion, other current liabilities including accrued expenses, down ¥13.8 billion and provision for loss on construction contracts, down ¥5.8 billion. The item with the most significant increase were short-term loans payable, up ¥30.2 billion and long-term loans payable, up ¥13.5 billion.

Net assets were ¥380.7 billion, up ¥30.5 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥28.4 billion and decrease due to payment of dividends of ¥4.6 billion.

As a result of the above, the ratio of equity to total assets rose from 19.9% at the end of the previous fiscal year to 21.3%.

[After amendments]

Total assets at the end of the second quarter ended September 30, 2018 were ¥1,653.9 billion, up ¥20.5 billion compared with the end of the previous fiscal year. The items with the most significant increases were inventories including work in process, up ¥31.3 billion, other current assets including advance payments - trade, up ¥23.9 billion and investment securities, up ¥16.3 billion. The items with the most significant decreases were notes and accounts receivable - trade, down ¥42.0 billion and cash and deposits, down ¥7.4 billion.

Total liabilities were ¥1,274.7 billion, down of ¥8.5 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts payable - trade, down ¥29.2 billion, other current liabilities including accrued expenses, down ¥13.8 billion and provision for loss on construction contracts, down ¥5.8 billion. The item with the most significant increase were short-term loans payable, up ¥30.2 billion and long-term loans payable, up ¥13.5 billion.

Net assets were ¥379.2 billion, up ¥29.0 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥28.4 billion and decrease due to payment of dividends of ¥4.6 billion.

As a result of the above, the ratio of equity to total assets rose from 19.9% at the end of the previous fiscal year to 21.2%.

(Translation purposes only)

IV. Financial information

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

[Before amendments]

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	101,544
Notes and accounts receivable - trade	*2 *3 400,330	*2 *3 358,308
Finished goods	25,647	26,039
Work in process	282,245	301,208
Raw materials and supplies	120,630	132,607
Other	59,758	83,727
Allowance for doubtful accounts	(4,164)	(4,562)
Total current assets	993,474	998,871
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	132,969
Other, net	218,011	218,103
Total property, plant and equipment	349,046	351,072
Intangible assets		
Goodwill	12,231	10,885
Other	23,789	22,946
Total intangible assets	36,020	33,831
Investments and other assets		
Investment securities	99,284	117,873
Other	157,388	155,824
Allowance for doubtful accounts	(1,724)	(1,957)
Total investments and other assets	254,948	271,740
Total non-current assets	640,014	656,643
Total assets	1,633,488	1,655,514
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*3 304,928	*3 275,650
Short-term loans payable	81,515	111,767
Current portion of bonds	–	10,000
Income taxes payable	8,075	16,556
Advances received	177,819	175,547
Provision for bonuses	26,119	25,379
Provision for construction warranties	53,727	49,594
Provision for loss on construction contracts	27,266	21,416
Other provision	808	551
Other	131,398	117,560
Total current liabilities	811,655	804,020
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	186,055
Net defined benefit liability	154,125	154,018
Provision for loss on business of subsidiaries and affiliates	1,188	1,209
Other provision	1,150	928
Other	92,620	88,513
Total non-current liabilities	471,616	470,723
Total liabilities	1,283,271	1,274,743

(Translation purposes only)

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,400
Retained earnings	153,564	177,190
Treasury shares	(879)	(1,255)
Total shareholders' equity	313,256	336,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	4,189
Deferred gains or losses on hedges	(286)	(5)
Revaluation reserve for land	5,359	5,321
Foreign currency translation adjustment	3,679	5,641
Remeasurements of defined benefit plans	559	743
Total accumulated other comprehensive income	11,345	15,889
Subscription rights to shares	792	752
Non-controlling interests	24,824	27,630
Total net assets	350,217	380,771
Total liabilities and net assets	1,633,488	1,655,514

(Translation purposes only)

[After amendments]

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	101,544
Notes and accounts receivable - trade	*2 *3 400,330	*2 *3 358,308
Finished goods	25,647	26,039
Work in process	282,245	301,208
Raw materials and supplies	120,630	132,607
Other	59,758	83,727
Allowance for doubtful accounts	(4,164)	(4,562)
Total current assets	993,474	998,871
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	132,969
Other, net	218,011	218,103
Total property, plant and equipment	349,046	351,072
Intangible assets		
Goodwill	12,231	10,885
Other	23,789	22,946
Total intangible assets	36,020	33,831
Investments and other assets		
Investment securities	99,284	115,675
Other	157,388	156,497
Allowance for doubtful accounts	(1,724)	(1,957)
Total investments and other assets	254,948	270,215
Total non-current assets	640,014	655,118
Total assets	1,633,488	1,653,989
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*3 304,928	*3 275,650
Short-term loans payable	81,515	111,767
Current portion of bonds	–	10,000
Income taxes payable	8,075	16,556
Advances received	177,819	175,547
Provision for bonuses	26,119	25,379
Provision for construction warranties	53,727	49,594
Provision for loss on construction contracts	27,266	21,416
Other provision	808	551
Other	131,398	117,560
Total current liabilities	811,655	804,020
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	186,055
Net defined benefit liability	154,125	154,018
Provision for loss on business of subsidiaries and affiliates	1,188	1,209
Other provision	1,150	928
Other	92,620	88,513
Total non-current liabilities	471,616	470,723
Total liabilities	1,283,271	1,274,743

(Translation purposes only)

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,400
Retained earnings	153,564	177,190
Treasury shares	(879)	(1,255)
Total shareholders' equity	313,256	336,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	<u>2,664</u>
Deferred gains or losses on hedges	(286)	(5)
Revaluation reserve for land	5,359	5,321
Foreign currency translation adjustment	3,679	5,641
Remeasurements of defined benefit plans	559	743
Total accumulated other comprehensive income	11,345	<u>14,364</u>
Subscription rights to shares	792	752
Non-controlling interests	24,824	27,630
Total net assets	350,217	<u>379,246</u>
Total liabilities and net assets	1,633,488	<u>1,653,989</u>

(Translation purposes only)

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of comprehensive income (cumulative)

[Before amendments]

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	8,838	31,493
Other comprehensive income		
Valuation difference on available-for-sale securities	355	<u>1,929</u>
Deferred gains or losses on hedges	(94)	42
Revaluation reserve for land	–	(12)
Foreign currency translation adjustment	2,754	2,234
Remeasurements of defined benefit plans, net of tax	32	205
Share of other comprehensive income of entities accounted for using equity method	438	359
Total other comprehensive income	3,485	<u>4,757</u>
Comprehensive income	12,323	<u>36,250</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,053	<u>33,131</u>
Comprehensive income attributable to non-controlling interests	2,270	3,119

[After amendments]

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	8,838	31,493
Other comprehensive income		
Valuation difference on available-for-sale securities	355	<u>404</u>
Deferred gains or losses on hedges	(94)	42
Revaluation reserve for land	–	(12)
Foreign currency translation adjustment	2,754	2,234
Remeasurements of defined benefit plans, net of tax	32	205
Share of other comprehensive income of entities accounted for using equity method	438	359
Total other comprehensive income	3,485	<u>3,232</u>
Comprehensive income	12,323	<u>34,725</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,053	<u>31,606</u>
Comprehensive income attributable to non-controlling interests	2,270	3,119