

**CONSOLIDATED FINANCIAL REPORT  
FOR THE THREE MONTHS ENDED JUNE 30, 2013  
<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.

Representative: President and Chief Executive Officer, Tamotsu Saito  
 For further information contact: Board Director and Managing Executive Officer, Ichiro Terai,  
 Finance & Accounting Division  
 Tel: +81-3-6204-7065  
 URL: <http://www.ihico.jp>

Submission of Quarterly Securities Report: August 13, 2013 (planned)  
 Preparing supplementary material on quarterly financial results: Yes  
 Holding quarterly financial results presentation meeting: None

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 rate of increase or decrease from the previous corresponding period)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Three months ended June 30, 2013</b>	<b>252,959</b>	<b>(7.3)%</b>	<b>7,795</b>	<b>(23.9)%</b>	<b>15,216</b>	<b>53.2%</b>
Three months ended June 30, 2012	272,849	8.6%	10,237	(10.9)%	9,935	(7.2)%

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
<b>Three months ended June 30, 2013</b>	<b>9,163</b>	<b>110.5%</b>	<b>6.26</b>	<b>5.92</b>
Three months ended June 30, 2012	4,354	(15.4)%	2.97	2.81

(Note) Comprehensive income

Three months ended June 30, 2013:	¥15,356 million	147.8%
Three months ended June 30, 2012:	¥6,196 million	34.4%

### (2) Financial Position

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity to Total Assets
<b>June 30, 2013</b>	<b>1,353,085</b>	<b>308,033</b>	<b>21.9%</b>
March 31, 2013	1,364,239	299,282	21.1%

(Reference) Shareholders' equity at the end of the period (consolidated)

June 30, 2013:	¥296,346 million
March 31, 2013:	¥288,384 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, 2013	—	0.00	—	5.00	5.00
Fiscal year ending March 31, 2014	—	—	—	—	—
Fiscal year ending March 31, 2014 (Forecast)	—	0.00	—	5.00	5.00

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

## 3. FORECAST OF RESULTS FOR THE YEAR ENDING MARCH 31, 2014

(Millions of yen, except per share figures; percentages show the rate of increase or decrease from the previous corresponding period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
First Half of the Fiscal Year	560,000	(0.9)%	13,000	(10.5)%	12,000	3.1%	5,000	(57.8)%	3.42
Full-year	1,310,000	4.3%	48,000	13.9%	37,000	2.2%	23,000	(31.1)%	15.72

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

## 4. NOTES

- (1) Changes in significant subsidiaries during the three 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
- (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: None
  - (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
- (4) Number of shares issued (Common stock):**
  - (i) Number of shares issued at the end of the period (including treasury stock)

As of June 30, 2013	1,467,058,482 shares
As of March 31, 2013	1,467,058,482 shares
  - (ii) Number of shares of treasury stock owned at the end of the period

As of June 30, 2013	3,752,184 shares
As of March 31, 2013	3,748,665 shares
  - (iii) Average number of shares outstanding during the period (cumulative quarterly period)

Three months ended June 30, 2013	1,463,307,387 shares
Three months ended June 30, 2012	1,463,735,539 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.

## QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

### Summary of consolidated performance

In Japan during the three months under review, the economy gradually climbed out of its prolonged slump and domestic business conditions started to show signs of improvement, mainly because of optimism regarding “Abenomics” and a correction to the strong yen.

On the other hand, although the overseas economy as a whole headed toward recovery as the disorder caused by the debt problem in Europe eased and the U.S. economy continued to be firm, there were concerns about economic slowdowns in some Asian countries and regions including China.

Under this business environment, orders received by the IHI Group during the three months under review increased 19.1% from the same period of the previous fiscal year to ¥233.4 billion. Net sales and profits were affected by the exclusion from the scope of consolidation of IHI Marine United Inc. and its three subsidiaries, which made up the Ships & Offshore Facilities Operations segment until the previous fiscal year, and their new designation as equity method affiliates. Specifically, net sales decreased 7.3% from the same period of the previous fiscal year to ¥252.9 billion, while operating income declined 23.9% to ¥7.7 billion. Ordinary income increased 53.2% to ¥15.2 billion due to improvements in equity in earnings of affiliates and foreign exchange losses/gains, while net income increased 110.5% to ¥9.1 billion.

## MATTERS REGARDING SUMMARY INFORMATION (NOTES)

### 1. Changes in significant subsidiaries during the three 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 three months under review are calculated by multiplying income before income taxes and minority interests for the three months under review by the reasonably estimated effective tax rate for the fiscal year including the three months 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 three months under review.

The deferred income taxes amount is shown inclusive of income taxes.

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

(Millions of yen)

	June 30, 2013	March 31, 2013
Assets		
Current assets		
Cash and deposits	74,438	73,032
Notes and accounts receivable-trade	286,178	348,350
Short-term investment securities	1,825	395
Finished goods	20,332	19,741
Work in process	213,950	190,594
Raw materials and supplies	111,890	105,968
Other	90,746	83,441
Allowance for doubtful accounts	(5,866)	(6,735)
Total current assets	793,493	814,786
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	134,843	132,416
Other, net	193,245	188,641
Total property, plant and equipment	328,088	321,057
Intangible assets		
Goodwill	22,667	22,608
Other	16,187	16,535
Total intangible assets	38,854	39,143
Investments and other assets		
Investment securities	135,820	128,879
Other	59,787	62,631
Allowance for doubtful accounts	(2,957)	(2,257)
Total investments and other assets	192,650	189,253
Total noncurrent assets	559,592	549,453
Total assets	1,353,085	1,364,239

**1. CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	June 30, 2013	March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	252,766	266,299
Short-term loans payable	84,280	114,927
Commercial papers	12,000	6,000
Current portion of bonds payable	20,000	-
Income taxes payable	8,254	11,984
Advances received	122,067	106,377
Provision for bonuses	12,989	22,443
Provision for construction warranties	19,311	18,948
Provision for loss on construction contracts	18,580	21,510
Other provision	296	740
Other	96,250	96,224
Total current liabilities	646,793	665,452
Noncurrent liabilities		
Bonds payable	53,307	63,335
Long-term loans payable	157,364	151,449
Provision for retirement benefits	117,405	115,408
Other provision	3,743	4,217
Other	66,440	65,096
Total noncurrent liabilities	398,259	399,505
<b>Total liabilities</b>	<b>1,045,052</b>	<b>1,064,957</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	95,762	95,762
Capital surplus	43,047	43,047
Retained earnings	147,348	144,675
Treasury stock	(737)	(736)
Total shareholders' equity	285,420	282,748
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,890	6,158
Deferred gains or losses on hedges	(520)	(810)
Revaluation reserve for land	4,665	4,665
Foreign currency translation adjustment	(1,109)	(4,377)
Total accumulated other comprehensive income	10,926	5,636
Subscription rights to shares	563	563
Minority interests	11,124	10,335
<b>Total net assets</b>	<b>308,033</b>	<b>299,282</b>
<b>Total liabilities and net assets</b>	<b>1,353,085</b>	<b>1,364,239</b>

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

### CONSOLIDATED STATEMENTS OF INCOME (Cumulative)

(Millions of yen)

	Apr. 1, 2013 to Jun. 30, 2013	Apr. 1, 2012 to Jun. 30, 2012
Net sales	252,959	272,849
Cost of sales	206,581	227,131
Gross profit	46,378	45,718
Selling, general and administrative expenses	38,583	35,481
Operating income	7,795	10,237
Non-operating income		
Interest income	166	153
Dividends income	691	687
Equity in earnings of affiliates	5,196	513
Foreign exchange gains	655	-
Other	2,804	2,332
Total non-operating income	9,512	3,685
Non-operating expenses		
Interest expenses	1,017	1,174
Foreign exchange losses	-	1,707
Other	1,074	1,106
Total non-operating expenses	2,091	3,987
Ordinary income	15,216	9,935
Extraordinary loss		
Impairment loss	20	7
Loss on valuation of investment securities	-	2,752
Total extraordinary losses	20	2,759
Income before income taxes and minority interests	15,196	7,176
Income taxes	5,609	2,380
Income before minority interests	9,587	4,796
Minority interests	424	442
Net income	9,163	4,354

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

(Millions of yen)

	Apr. 1, 2013 to Jun. 30, 2013	Apr. 1, 2012 to Jun. 30, 2012
Income before minority interests	9,587	4,796
Other comprehensive income		
Valuation difference on available-for-sale securities	1,558	(643)
Deferred gains or losses on hedges	(117)	265
Foreign currency translation adjustment	3,573	1,759
Share of other comprehensive income of associates accounted for using equity method	755	19
Total other comprehensive income	5,769	1,400
Comprehensive income	15,356	6,196
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	14,450	5,686
Comprehensive income attributable to minority interests	906	510

## SEGMENT INFORMATION

### I Three months ended June 30, 2012

#### 1. Information about sales and profit or loss by reportable segment

As presented in “II Three months ended June 30, 2013, 2. Matters about change in reportable segments, etc.”

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

*Material impairment loss of noncurrent assets*

None

*Material change in goodwill amount*

In the Others, Meisei Electric Co., Ltd. was made IHI's subsidiary through a tender offer for stock on June 12, 2012. ¥3,681 million of gain on goodwill was recognized by this event in the three months ended June 30, 2012.

*Material gain on negative goodwill*

None

### II Three months ended June 30, 2013

#### 1. Information about sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment					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	Total				
<b>Sales:</b>									
(1) Sales to outside customers	54,001	23,439	87,995	82,176	247,611	5,348	252,959	–	252,959
(2) Intersegment sales and transfers	2,724	864	2,301	847	6,736	3,260	9,996	(9,996)	–
Total	56,725	24,303	90,296	83,023	254,347	8,608	262,955	(9,996)	252,959
Segment profit (loss)	(42)	(1,177)	4,732	7,864	11,377	(757)	10,620	(2,825)	7,795
(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 negative ¥23 million and unallocated corporate expenses of negative ¥2,802 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	Boilers, power systems, motors for land and marine use, large marine motors, gas processes (storage facilities and process plants), nuclear power (components for nuclear power plants), environmental systems, pharmaceuticals (pharmaceutical plants)
Social Infrastructure and Offshore Facilities	Bridges, water gates, shield tunneling machines, transportation systems, urban development (real estate sales and rental), F-LNG (floating LNG storage facilities), offshore structures
Industrial Systems and General-Purpose Machinery	Marine machinery, logistics systems, materials handling equipment, parking systems, steel manufacturing equipment, industrial machinery, heat / surface treatment machinery, papermaking machinery, vehicular turbochargers, compressors, separation equipment, marine turbochargers, construction machinery, agricultural machinery, small motors
Aero Engine, Space and Defense	Aero engines, rocket systems/space utilization systems (space-related equipment), defense systems

## 2. Matters about change in reportable segments, etc.

Effective from the first quarter ended June 30, 2013, the IHI Group has carried out an entity conversion in line with a review of its four business fields based on Group Management Policies 2013. In accordance with this change, the IHI Group's reportable segments have been changed on the basis of their business fields, from the seven segments of Energy & Resources Operations; Ships & Offshore Facilities Operations; Social Infrastructure Operations; Logistics Systems & Industrial Machinery Operations; Rotating Equipment & Mass-Production Machinery Operations; Aero Engine & Space Operations; and Others, to four segments. The four new segments are Resources, Energy and Environment; Social Infrastructure and Offshore Facilities; Industrial Systems and General-Purpose Machinery; and Aero Engine, Space and Defense.

After being restated to reflect this change, the information on sales and profit or loss by reportable segment for the three months ended June 30, 2012 is as follows:

(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	64,044	23,287	80,171	66,849	234,351	38,498	272,849	–	272,849	
(2) Intersegment sales and transfers	5,115	1,617	2,927	1,339	10,998	5,671	16,669	(16,669)	–	
<b>Total</b>	<b>69,159</b>	<b>24,904</b>	<b>83,098</b>	<b>68,188</b>	<b>245,349</b>	<b>44,169</b>	<b>289,518</b>	<b>(16,669)</b>	<b>272,849</b>	
Segment profit (loss) (Operating income (loss))	3,344	(776)	2,941	6,235	11,744	1,954	13,698	(3,461)	10,237	

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. It also includes sales of ¥35,535 million and operating income of ¥2,080 million that were attributable to the Ships & Offshore Facilities Operations segment before the change.

2. Adjustment of segment profit represents intersegment transactions of negative ¥331 million and unallocated corporate expenses of negative ¥3,130 million.

Corporate expenses mainly consist of general and administrative expenses that are unattributable to reportable segments.

3. Information about impairment loss of noncurrent assets, goodwill and negative goodwill by reportable segment

*Material impairment loss of noncurrent assets*

None

*Material change in goodwill amount*

None

*Material gain on negative goodwill*

None