

**CONSOLIDATED FINANCIAL REPORT
 FOR THE NINE MONTHS ENDED DECEMBER 31, 2018
 <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 date of Quarterly Securities Report: February 13, 2019 (planned)
 Start date of dividends payment: -
 Preparing supplementary material on quarterly financial results: Yes
 Holding quarterly financial results presentation meeting: Yes (for institutional investors, analysts and the media)

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. CONSOLIDATED PERFORMANCE FOR THE NINE MONTHS ENDED DECEMBER 31, 2018
 (APRIL 1, 2018 to December 31, 2018)**

(1) Consolidated 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 Profit	Percentage Change	Ordinary Profit	Percentage Change
Nine months ended December 31, 2018	1,047,235	(7.4)%	56,669	9.9%	57,573	94.3%
Nine months ended December 31, 2017	1,131,315	9.0%	51,544	164.5%	29,625	239.7%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Nine months ended December 31, 2018	34,175	247.2 %	221.49	221.34
Nine months ended December 31, 2017	9,842	-	63.75	63.70

(Note) Comprehensive income

Nine months ended December 31, 2018: ¥35,239 million 88.9%
 Nine months ended December 31, 2017: ¥18,658 million -%

* IHI conducted a consolidation of common stock on a 10 for 1 basis on October 1, 2017. Basic earnings 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.

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
As of December 31, 2018	1,717,173	376,495	20.2%
As of March 31, 2018	1,633,488	350,217	19.9%

(Reference) Equity at the end of the period (consolidated)

December 31, 2018: ¥346,342 million

March 31, 2018: ¥324,601 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, 2018	—	3.00	—	30.00	—
Fiscal year ending March 31, 2019	—	30.00	—	—	—
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	30.00	60.00

(Note) Revisions to the dividend forecasts most recently announced: No

*IHI conducted a consolidation of common stock on a 10 for 1 basis on October 1, 2017. Consequently, the effect of this consolidation of stock is factored into the year-end dividends per share for the previous fiscal year ended March 31, 2018. The annual dividends per share calculated on basis of the consolidation of common stock are ¥60.00.

3. CONSOLIDATED FORECASTS OF RESULTS FOR THE YEAR ENDING MARCH 31, 2019

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
Full-year	1,510,000	(5.1)%	87,000	20.4%	71,000	231.4%	42,000	406.6%	272.21

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

* NOTES

- (1) **Changes in significant subsidiaries during the nine months under review**
(Changes in specified subsidiaries accompanying changes in scope of consolidation): Not applicable
- (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 “2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 6.
- (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: Not applicable
 - (ii) Changes in accounting policies due to other reasons: Yes
 - (iii) Changes in accounting estimates: Not applicable
 - (iv) Restatement of prior period financial statements after error corrections: Not applicable
- (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 “2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)” on page 6.
- (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, 2018	154,679,954 shares
As of March 31, 2018	154,679,954 shares
 - (ii) Number of treasury shares owned at the end of the period

As of December 31, 2018	418,479 shares
As of March 31, 2018	344,435 shares
 - (iii) Average number of shares outstanding during the period (cumulative quarterly period)

Nine months ended December 31, 2018	154,294,895 shares
Nine months ended December 31, 2017	154,372,321 shares

* IHI conducted a consolidation of common stock on a 10 for 1 basis on October 1, 2017. The number of shares issued at the end of the period, number of treasury shares owned at the end of the period and average number of shares outstanding during the period have been calculated under the assumption that this consolidation of common stock was conducted on April 1, 2017.

* The number of treasury shares excluded from the calculation of the “number of treasury shares owned at the end of the period,” and “average number of shares outstanding during the period,” includes shares owned by a trust account for the Board Benefit Trust (BBT).

* Quarterly financial reports are not required to be subjected to quarterly reviews.

* 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 the IHI Group. 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 CONSOLIDATED FORECASTS OF RESULTS” of “1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS” on page 5.

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(1) EXPLANATION REGARDING BUSINESS RESULTS

Summary of consolidated performance for the nine months ended December 31, 2018

During the nine months under review of the Japanese economy, corporate earnings maintained on a trend of improvement and remained stable, as there continued to be an increase in capital investment and a pick-up in private consumption. In the global economy, although overall moderate growth continued, bolstered by steady growth in the U.S., the uncertain outlook regarding U.S. trade problems and policies in Europe has increased further.

Under this business environment, orders received of the IHI Group during the nine months under review decreased 4.4% from the previous corresponding period to ¥934.5 billion. Net sales also decreased 7.4% from the previous corresponding period to ¥1,047.2 billion.

In terms of profit, operating profit increased by ¥5.1 billion to ¥56.6 billion. Although profitability in the Civil aero engines Business deteriorated owing to increases in the number of new-model engines sold, the issue regarding deterioration of profitability in large projects under way in North America in the Process plants Business is being brought under control on the whole. Ordinary profit, increasing by ¥27.9 billion to ¥57.5 billion, saw an expanding of profit margin gain due mainly to the positive turn in share of profit of entities accounted for using equity method and a decrease of non-operating expenses. Profit attributable to owners of parent was ¥34.1 billion, an increase of ¥24.3 billion.

Also effective from the previous fiscal year, the closing date of the fiscal year of certain overseas consolidated subsidiaries has been changed from December 31 to March 31. As a result, those consolidated subsidiaries had a 12-month accounting period in the nine months ended December 31, 2017. The effect of these changes was an increase of ¥57.9 billion in net sales and an increase of ¥1.4 billion in operating profit.

Results by reportable segment for the nine months under review are as follows:

Reportable segment	Orders received			Nine months ended December 31, 2017		Nine months ended December 31, 2018		Change from the previous corresponding period (%)	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Change from the previous corresponding period (%)	Sales	Operating profit (loss)	Sales	Operating profit (loss)	Sales	Operating profit (loss)
Resources, Energy and Environment	265.1	216.7	(18.3)	351.8	(10.7)	271.6	4.0	(22.8)	–
Social Infrastructure and Offshore Facility	104.5	83.2	(20.4)	104.6	8.4	94.9	7.6	(9.3)	(10.0)
Industrial System and General-Purpose Machinery	352.6	351.2	(0.4)	331.4	10.9	314.1	13.2	(5.2)	21.5
Aero Engine, Space and Defense	235.8	254.9	8.1	326.5	46.7	349.3	35.8	7.0	(23.3)
Total Reportable Segment	958.2	906.1	(5.4)	1,114.6	55.4	1,030.0	60.8	(7.6)	9.8
Others	55.4	61.6	11.3	46.3	0.8	47.1	1.1	1.9	24.0
Adjustment	(36.1)	(33.3)	–	(29.6)	(4.7)	(29.9)	(5.2)	–	–
Total	977.5	934.5	(4.4)	1,131.3	51.5	1,047.2	56.6	(7.4)	9.9

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

Assets and liabilities, and net assets

Total assets at the end of the third quarter under review were ¥1,717.1 billion, up ¥83.6 billion compared with the end of the previous fiscal year. The items with the most significant increases were inventories including work in process, up ¥67.0 billion, other current assets including advance payments - trade, up ¥36.3 billion and investment securities, up ¥21.6 billion. The items with the most significant decreases were notes and accounts receivable - trade, down ¥31.0 billion and cash and deposits, down ¥22.0 billion.

Total liabilities were ¥1,340.6 billion, up of ¥57.4 billion compared with the end of the previous fiscal year. The

items with the most significant increase were commercial papers, up ¥70.0 billion, short-term loans payable, up ¥39.0 billion. The items with the most significant decreases were notes and accounts payable - trade, down ¥26.4 billion, advances received, down ¥16.3 billion. The balance on interest-bearing debt, including lease obligations, was ¥439.1 billion, up ¥116.8 billion from the end of the previous fiscal year.

Net assets were ¥376.4 billion, up ¥26.2 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥34.1 billion and decrease due to payment of dividends of ¥9.2 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 20.2%.

(3) EXPLANATION REGARDING FUTURE PREDICTION INFORMATION SUCH AS CONSOLIDATED FORECASTS OF RESULTS

The global economy is expected to continue on a moderate recovery, centered on steady economic recovery in the U.S. However, due to intensifying trade friction, downside risks for the global economy such as in China are increasing and it is necessary to pay sufficient attention to future prospects. Furthermore, there continues to be a need for caution regarding the influence from the fluctuation in financial capital markets and the rise in global geopolitical risks.

Also in the business environment surrounding the IHI Group, there are escalating risks of occurring sudden changes such as the global increasing interest in responding to environmental regulations including decarbonization and a switch to electric vehicles, and as the innovation of IoT technologies. The Group must accelerate initiatives for responding those changes.

Under these circumstances, regarding the full year consolidated forecasts of results, the IHI Group is forecasting net sales of ¥1,510.0 billion. In terms of profit, although the Resources, Energy and Environment Business Area recorded additional costs such as for the project under way in North America in the Process plants Business, because the deterioration remains within the range of the whole business risks which were assumed by the IHI Group and there was a positive turn of foreign exchange rate, operating profit is forecasted of ¥87.0 billion, an increase of ¥2.0 billion. In addition, as a result of reexamining the business risks to be included in non-operating income/expenses and extraordinary income/losses, ordinary profit is forecasted of ¥71.0 billion, an increase of ¥6.0 billion and profit attributable to owners of parent is forecasted of ¥42.0 billion, an increase of ¥10.0 billion.

Note that foreign exchange rates of ¥105/US\$1 and ¥130/EUR1 continue to be assumed in the above forecasts in the fourth quarter ending March 31, 2019.

Concerning the revision to the year-end dividend forecast (¥30 per share), in view of the dividend policy which IHI is considering in parallel with a new medium-term management plan, it will be announced on another occasion.

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES DURING THE NINE MONTHS UNDER REVIEW

Not applicable

(2) APPLICATION OF SPECIAL ACCOUNTING FOR PREPARING QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Tax expense calculation

Tax expenses on profit before income taxes for the nine months under review are calculated by multiplying profit before income taxes for the nine months under review by the reasonably estimated effective tax rate for the fiscal year including the third 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 profit before income taxes 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

Change of principal methods for hedge accounting

Forward foreign exchange rates had been applied for foreign receivables and payables under forward foreign exchange contracts if conditions had been met (the *furiate* method). Also, special treatment had been applied for interest rate swaps if conditions for the special treatment had been met.

As a result of reviewing management methods suitable for global business operation, the IHI Group changed the principal methods for hedge accounting to deferral hedge accounting in order to reflect on its consolidated financial statements more accurately the status of foreign receivables and payables and the status of derivative contracts from the first quarter ended June 30, 2018.

The change in accounting policies are not applied retrospectively, as the effect of this change on past periods was immaterial. Moreover, the effect of this change on operating profit, ordinary profit and profit before income taxes for the nine months under review was immaterial.

(4) ADDITIONAL INFORMATION

Reassessment of tax payable, based on the transfer pricing taxation, and policy response going forward

With regard to transactions between IHI and a foreign consolidated subsidiary located in Thailand conducted over the fiscal years ended March 31, 2013 to March 31, 2016, IHI received a reassessment of tax payable, based on the transfer pricing taxation, from the Tokyo Regional Taxation Bureau. In response, IHI recorded penalty taxes, including additional taxes and delinquent taxes, of ¥4,304 million on “Income taxes for prior periods.” Note that the penalty taxes were paid in July 2018.

From IHI’s perspective, with regard to the taxation system on setting of transaction prices within the corporate group (the so-called transfer pricing taxation), it is our perception that we have complied with the laws and regulations of Japan and other countries, have set appropriate transaction prices and have paid an appropriate amount of tax. In relation to this reassessment of tax payable, we made a request for examination to the Tokyo National Tax Tribunal in September 2018 that this reassessment be canceled in its entirety.

Application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting” and relevant Guidances

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. Accordingly, deferred tax assets were presented under “Investments and other assets” and deferred tax liabilities were presented under “Non-current liabilities.”

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	109,028	86,967
Notes and accounts receivable - trade	400,330	369,321
Finished goods	25,647	28,854
Work in process	282,245	330,072
Raw materials and supplies	120,630	136,627
Other	59,758	96,157
Allowance for doubtful accounts	(4,164)	(4,371)
Total current assets	993,474	1,043,627
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	131,992
Other, net	218,011	230,965
Total property, plant and equipment	349,046	362,957
Intangible assets		
Goodwill	12,231	9,829
Other	23,789	22,433
Total intangible assets	36,020	32,262
Investments and other assets		
Investment securities	99,284	120,926
Other	157,388	159,121
Allowance for doubtful accounts	(1,724)	(1,720)
Total investments and other assets	254,948	278,327
Total non-current assets	640,014	673,546
Total assets	1,633,488	1,717,173

(1) CONSOLIDATED BALANCE SHEETS

(Millions of yen)

As of March 31, 2018 As of December 31, 2018

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	304,928	278,458
Short-term loans payable	81,515	120,607
Commercial papers	–	70,000
Current portion of bonds	–	20,000
Income taxes payable	8,075	16,632
Advances received	177,819	161,465
Provision for bonuses	26,119	16,118
Provision for construction warranties	53,727	50,515
Provision for loss on construction contracts	27,266	20,966
Other provision	808	667
Other	131,398	123,743
Total current liabilities	811,655	879,171
Non-current liabilities		
Bonds payable	50,000	30,000
Long-term loans payable	172,533	182,732
Net defined benefit liability	154,125	154,309
Provision for loss on business of subsidiaries and affiliates	1,188	1,215
Other provision	1,150	1,046
Other	92,620	92,205
Total non-current liabilities	471,616	461,507
Total liabilities	1,283,271	1,340,678
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,402
Retained earnings	153,564	178,302
Treasury shares	(879)	(1,231)
Total shareholders' equity	313,256	337,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	569
Deferred gains or losses on hedges	(286)	(215)
Revaluation reserve for land	5,359	5,321
Foreign currency translation adjustment	3,679	2,461
Remeasurements of defined benefit plans	559	568
Total accumulated other comprehensive income	11,345	8,704
Subscription rights to shares	792	729
Non-controlling interests	24,824	29,424
Total net assets	350,217	376,495
Total liabilities and net assets	1,633,488	1,717,173

(2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF INCOME (Cumulative)

(Millions of yen)

	April 1, 2017 to December 31, 2017	April 1, 2018 to December 31, 2018
Net sales	1,131,315	1,047,235
Cost of sales	932,365	849,691
Gross profit	198,948	197,544
Selling, general and administrative expenses	147,404	140,875
Operating profit	51,544	56,669
Non-operating income		
Interest income	1,085	641
Dividend income	873	1,091
Share of profit of entities accounted for using equity method	–	6,765
Foreign exchange gains	–	132
Other income	1,908	4,619
Total non-operating income	3,866	13,248
Non-operating expenses		
Interest expenses	2,285	2,362
Share of loss of entities accounted for using equity method	11,087	–
Foreign exchange losses	139	–
Expenses for delayed delivery	4,582	245
Payments for contract adjustments for civil aero engines	6,488	–
Other expenses	1,204	9,737
Total non-operating expenses	25,785	12,344
Ordinary profit	29,625	57,573
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	4,200
Gain on transfer of business	1,586	1,108
Total extraordinary income	1,586	5,308
Extraordinary losses		
Impairment loss	–	1,603
Settlement-related expenses related to boiler facilities in customer's commercial operation	2,932	–
Total extraordinary losses	2,932	1,603
Profit before income taxes	28,279	61,278
Income taxes	14,982	18,796
Income taxes for prior periods	–	4,304
Profit	13,297	38,178
Profit attributable to non-controlling interests	3,455	4,003
Profit attributable to owners of parent	9,842	34,175

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Cumulative)

(Millions of yen)

	April 1, 2017 to December 31, 2017	April 1, 2018 to December 31, 2018
Profit	13,297	38,178
Other comprehensive income		
Valuation difference on available-for-sale securities	406	(1,289)
Deferred gains or losses on hedges	(111)	(118)
Revaluation reserve for land	–	(12)
Foreign currency translation adjustment	4,256	(1,394)
Remeasurements of defined benefit plans, net of tax	80	40
Share of other comprehensive income of entities accounted for using equity method	730	(166)
Total other comprehensive income	5,361	(2,939)
Comprehensive income	18,658	35,239
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,759	31,692
Comprehensive income attributable to non-controlling interests	3,899	3,547

(3) NOTES TO THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PREMISE OF GOING CONCERN

Not applicable

NOTES WHEN THERE IS SIGNIFICANT CHANGES IN AMOUNTS OF EQUITY

Not applicable

SEGMENT INFORMATION

Segment information

I Nine months ended December 31, 2017

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 Facility	Industrial System and General-Purpose Machinery	Aero Engine, Space and Defense						
Sales:										
(1) Sales to outside customers	349,897	100,255	325,711	324,905	1,100,768	30,547	1,131,315	–	–	1,131,315
(2) Intersegment sales and transfers	1,993	4,437	5,755	1,685	13,870	15,775	29,645	(29,645)	–	–
Total	351,890	104,692	331,466	326,590	1,114,638	46,322	1,160,960	(29,645)	–	1,131,315
Segment profit (loss)	(10,723)	8,480	10,930	46,745	55,432	890	56,322	(4,778)	–	51,544
(Operating profit (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 ¥79 million and unallocated corporate expenses of negative ¥4,857 million.

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

2. Matters about change in reportable segments, etc.

Changes to the fiscal year, etc. for consolidated subsidiaries

Effective from the previous fiscal year, the closing date of the fiscal year for 42 companies including IHI INC. has been changed from December 31 to March 31, and 13 companies including Wuxi IHI Turbo Co., Ltd. have been consolidated using March 31 as a provisional closing date.

As a result, for the nine months ended December 31, 2017, 55 companies including IHI INC. had a 12-month accounting period.

In the period from January 1, 2017 through March 31, 2017 included in the nine months ended December 31, 2017, sales for each segment were ¥28,902 million for the Resources, Energy and Environment segment, ¥27,800 million for the Industrial System and General-Purpose Machinery segment, and ¥183 million for the Aero Engine, Space and Defense segment. Operating profit was ¥1,616 million for the Industrial System and General-Purpose Machinery segment, and ¥72 million for the Aero Engine, Space and Defense segment. Operating loss was ¥117 million for Resources, Energy and Environment segment, and ¥1 million for the Social Infrastructure and Offshore Facility segment.

3. Information about impairment loss of non-current assets, goodwill and gain on bargain purchase by reportable segment

Material impairment loss of non-current assets

Not applicable

Material change in goodwill amount

Not applicable

Material gain on bargain purchase

Not applicable

II Nine months ended December 31, 2018

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 Facility	Industrial System and General-Purpose Machinery	Aero Engine, Space and Defense					
Sales:									
(1) Sales to outside customers	269,941	89,201	308,591	347,730	1,015,463	31,772	1,047,235	–	1,047,235
(2) Intersegment sales and transfers	1,683	5,733	5,513	1,622	14,551	15,410	29,961	(29,961)	–
Total	271,624	94,934	314,104	349,352	1,030,014	47,182	1,077,196	(29,961)	1,047,235
Segment profit (loss)	4,069	7,636	13,277	35,860	60,842	1,104	61,946	(5,277)	56,669
(Operating profit (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 ¥240 million and unallocated corporate expenses of negative ¥5,037 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 plants for land use, power systems for land and marine use, large power systems for ships, process plants (storage facilities and chemical plants), nuclear power (components for nuclear power plants), environmental response systems, pharmaceutical plants
Social Infrastructure and Offshore Facility	Bridges/water gates, shield systems, transport systems, concrete construction materials, urban development (real estate sales and rental), F-LNG (floating LNG storage facilities, offshore structures)
Industrial System and General-Purpose Machinery	Logistics/industrial systems (logistics systems, industrial machineries), transport machineries, parking, thermal and surface treatment, vehicular turbochargers, rotating machineries (compressors, separation systems, turbochargers for ships), agricultural machineries/small power systems, steel manufacturing equipment, paper-making machineries
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 gain on bargain purchase by reportable segment

Material impairment loss of non-current assets

In the Social Infrastructure and Offshore Facility segment, impairment loss on business assets was recorded. The amount of such impairment loss recorded was ¥71 million for the nine months under review.

Also, in the Industrial System and General-Purpose Machinery segment, impairment loss on business assets was recorded. The amount of such impairment loss recorded was ¥1,532 million for the nine months under review.

Material change in goodwill amount

Not applicable

Material gain on bargain purchase

Not applicable

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable