

Financial Results for Third Quarter FY2019 (for the year ending March 31, 2020)

IHI

February 6, 2020

IHI Corporation

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1. Consolidated Results for Third Quarter FY2019



1. Consolidated Results for Third Quarter FY2019

Summary of Financial Results

Note: Average exchange rates for FY2019.3Q US\$ 1.00= ¥108.95

(In billion yen)

	FY2018.3Q	FY2019.3Q	Change
Orders received	934.5	876.7	▲ 57.7
Net sales	1,047.2	922.0	▲ 125.1
Operating profit	56.6	27.2	▲ 29.4
Ordinary profit	57.5	8.6	▲ 48.9
Profit before income taxes	61.2	9.3	▲ 51.9
Profit attributable to owners of parent	34.1	▲ 1.7	▲ 35.9

1. Consolidated Results for Third Quarter FY2019

Financial Results by Segment

■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2018.3Q	FY2019.3Q	Change	FY2018	FY2019.3Q	Change
Resources, Energy and Environment	216.7	243.7	26.9	523.1	554.6	31.5
Social Infrastructure and Offshore Facility	83.2	103.4	20.1	191.6	183.2	▲ 8.4
Industrial System and General-Purpose Machinery	351.2	328.6	▲ 22.5	180.3	215.4	35.0
Aero Engine, Space and Defense	254.9	185.3	▲ 69.5	562.6	441.9	▲ 120.6
Total Reportable Segment	906.1	861.1	▲ 44.9	1,457.8	1,395.2	▲ 62.5
Others	61.6	49.2	▲ 12.4	20.4	29.0	8.5
Adjustment	▲ 33.3	▲ 33.7	▲ 0.4	-	-	-
Total	934.5	876.7	▲ 57.7	1,478.2	1,424.3	▲ 53.9
Overseas orders received / order backlog	385.9	392.7	6.8	579.8	507.4	▲ 72.3
% of Overseas orders received / order backlog	41%	45%	4%	39%	36%	▲ 3%

1. Consolidated Results for Third Quarter FY2019

Financial Results by Segment



■ Net sales & Operating profit

(In billion yen)

	Net sales			Operating profit		
	FY2018.3Q	FY2019.3Q	Change	FY2018.3Q	FY2019.3Q	Change
Resources, Energy and Environment	271.6	222.4	▲ 49.1	4.0	▲ 1.7	▲ 5.8
Social Infrastructure and Offshore Facility	94.9	102.7	7.7	7.6	8.0	0.3
Industrial System and General-Purpose Machinery	314.1	288.2	▲ 25.8	13.2	5.1	▲ 8.1
Aero Engine, Space and Defense	349.3	294.6	▲ 54.7	35.8	20.4	▲ 15.4
Total Reportable Segment	1,030.0	908.1	▲ 121.9	60.8	31.8	▲ 28.9
Others	47.1	44.9	▲ 2.2	1.1	1.5	0.4
Adjustment	▲ 29.9	▲ 31.0	▲ 1.0	▲ 5.2	▲ 6.1	▲ 0.8
Total	1,047.2	922.0	▲ 125.1	56.6	27.2	▲ 29.4

Overseas sales	547.6	459.7	▲ 87.9
% of overseas sales	52%	50%	▲ 2%

1. Consolidated Results for Third Quarter FY2019

Financial Results by Segment

- Analysis of change in operating profit from the corresponding previous period

(In billion yen)

	Change in net sales	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Total
Resources, Energy and Environment	▲ 7.0	▲ 0.4	▲ 0.2	1.8	▲ 5.8
Social Infrastructure and Offshore Facility	0.9	0.4	▲ 0.1	▲ 0.9	0.3
Industrial System and General-Purpose Machinery	▲ 10.1	▲ 1.3		3.3	▲ 8.1
Aero Engine, Space and Defense	▲ 7.1	▲ 7.9	▲ 1.1	0.7	▲ 15.4
Total Reportable Segment	▲ 23.3	▲ 9.2	▲ 1.4	4.9	▲ 28.9
Others				0.4	0.4
Adjustment		2.3		▲ 3.1	▲ 0.8
Total	▲ 23.3	▲ 6.9	▲ 1.4	2.2	▲ 29.4

There are cases that the aggregated amount of each segment or factor doesn't match to the total due to rounding off.

1. Consolidated Results for Third Quarter FY2019

Non-operating Income / Expenses

(In billion yen)

	FY2018.3Q	FY2019.3Q	Change
Net interest expenses (incl. dividend income)	▲ 0.6	▲ 1.5	▲ 0.9
Share of profit/loss(▲) of entities accounted for using equity method	6.7	▲ 9.2	▲ 15.9
Foreign exchange gains / losses (▲)	0.1	▲ 1.4	▲ 1.5
Others	▲ 5.3	▲ 6.4	▲ 1.0
Non-operating Income / Expenses (▲)	0.9	▲ 18.6	▲ 19.5

Change of the rate(US\$) FY2018.3Q +4.76yen (beginning 106.24yen→end 111.00yen)
 FY2019.3Q ▲1.43yen (beginning 110.99yen→end 109.56yen)

1. Consolidated Results for Third Quarter FY2019

Non-operating Income / Expenses

(Share of profit/loss of entities accounted for using equity method)

IHI

Downturn in the operating performance of Japan Marine United Corporation

Share of loss of entities accounted for using equity method was recorded due to the significant downturn in the operating performance of IHI's affiliate Japan Marine United Corporation (hereinafter, "JMU").

<Factors responsible for the downturn in the operating performance>

- Disruption in construction process caused by technical trouble such as coating and welding failure
- Effect of yen's appreciation
- Decline in operating rate due to the deterioration of market conditions
- Impairment loss due to specializing and restricting Maizuru shipyard to the Naval ship repair Business
- Reversal of deferred tax assets and so on

<Response going forward>

In order to create a robust construction structures to compete with overseas companies, IHI and JMU will accelerate the execution of drastic structure reforms.

- Concentrating management resources of the Merchant ship Business
- Fixed cost reductions and enhancement of competitiveness
- Streamlining future production systems for JMU and Imabari Shipbuilding Co., Ltd.

1. Consolidated Results for Third Quarter FY2019

Extraordinary Income / Losses

(In billion yen)

	FY2018.3Q	FY2019.3Q	Change
Gain on sales of non-current assets	—	4.3	4.3
Gain on insurance claims	—	1.1	1.1
Gain on sales of shares of subsidiaries and affiliates	4.2	—	▲ 4.2
Gain on transfer of business	1.1	—	▲ 1.1
Extraordinary Income	5.3	5.4	0.1
Losses on valuation of investment securities	—	▲ 4.6	▲ 4.6
Impairment loss	▲ 1.6	▲ 0.1	1.4
Extraordinary Losses	▲ 1.6	▲ 4.7	▲ 3.1
Extraordinary Income / Losses (▲)	3.7	0.6	▲ 3.0

1. Consolidated Results for Third Quarter FY2019

Balance Sheets

(In billion yen)

	As of March 31, 2019	As of December 31, 2019	Change
Total assets	1,664.5	1,703.0	38.5
(Trade receivables)	(377.6)	(343.4)	(▲ 34.2)
(Inventories)	(441.9)	(514.5)	(72.6)
(Investment securities)	(117.9)	(101.8)	(▲ 16.1)
Total liabilities	1,282.8	1,348.1	65.3
(Trade payables)	(290.0)	(259.8)	(▲ 30.2)
(Advance received)	(157.5)	(162.6)	(5.1)
(Interest-bearing liabilities) (*1)	(355.0)	(474.0)	(118.9)
Total net assets	381.6	354.8	▲ 26.8
Shareholders' equity	343.4	314.4	▲ 29.0
Accumulated other comprehensive income	5.6	4.9	▲ 0.7
Non-controlling interests and others	32.5	35.4	2.9
Total liabilities and net assets	1,664.5	1,703.0	38.5
D/E ratio(times) (*2)	0.93	1.34	0.41
Equity ratio	21.0%	18.8%	▲ 2.2%

(*1) Interest-bearing liabilities includes the amount of lease obligations.
(as of March 31, 2019: ¥17.4 billion / as of December 31, 2019: ¥26.1 billion)

(*2) D/E ratio = Interest-bearing liabilities / net assets

(1) Cash Flows

(In billion yen)

	FY2018.3Q	FY2019.3Q	Change
Cash flows from operating activities	▲ 66.0	▲ 67.4	▲ 1.3
Cash flows from investing activities	▲ 61.6	▲ 49.0	12.5
Free cash flows	▲ 127.7	▲ 116.4	11.2
Cash flows from financing activities	104.6	80.0	▲ 24.6

(2) R&D/CAPEX/Depreciation & Amortization

(In billion yen)

	FY2018.3Q	FY2019.3Q
R&D	23.7	23.8
CAPEX	53.1	52.4
Depreciation & Amortization	35.3	38.8

“CAPEX” and “Depreciation & Amortization” consist of amounts related to tangible fixed assets and software. (The figures in “FY2018.3Q” were modified since they were related to only tangible fixed assets until FY2018.)

(3) Overseas Sales by Region

(In billion yen)

	FY2018.3Q	FY2019.3Q
Asia	112.0	90.0
China	90.8	69.3
North America	250.1	238.8
Central and South America	9.5	6.7
Europe	75.6	50.4
Others	9.3	4.2
Total	547.6	459.7
% of overseas sales	52%	50%

2. Forecasts of the Consolidated Results for FY2019

2. Forecasts of the Consolidated Results for FY2019

Summary of Forecasts for FY2019

<assumed exchange rate>

US\$ 1.00 = ¥105 (assumed in November , ¥105)

Euro 1.00 = ¥120 (assumed in November , ¥120)

(In billion yen)

	FY2019 Forecast		FY2018 Actual	Change
	In November	In February		Vs. Forecast in November
Orders received	1,400.0	1,400.0	1,399.2	0.0
Net sales	1,400.0	1,400.0	1,483.4	0.0
Operating profit	65.0	60.0	82.4	▲ 5.0
Ordinary profit	43.0	34.0	65.7	▲ 9.0
Profit attributable to owners of parent	20.0	16.0	39.8	▲ 4.0

<For reference> Sensitivity to foreign exchange rates by currency

1 yen per US\$ corresponds to 0.2 billion yen, and per Euro, 0.0 billion yen in operating profit.

2. Forecasts of the Consolidated Results for FY2019

Forecasts for FY2019 by Segment

■ Orders received

(In billion yen)

	FY2019 Forecast (In November)	FY2019 Forecast (In February)	Change
Resources, Energy and Environment	330.0	340.0	10.0
Social Infrastructure and Offshore Facility	180.0	180.0	0.0
Industrial System and General-Purpose Machinery	440.0	440.0	0.0
Aero Engine, Space and Defense	420.0	420.0	0.0
Total Reportable Segment	1,370.0	1,380.0	10.0
Others	80.0	70.0	▲ 10.0
Adjustment	▲ 50.0	▲ 50.0	0.0
Total	1,400.0	1,400.0	0.0

2. Forecasts of the Consolidated Results for FY2019

Forecasts for FY2019 by Segment

■ Net sales & Operating profit

(In billion yen)

	FY2019 Forecast (In November)		FY2019 Forecast (In February)		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Resources, Energy and Environment	340.0	13.0	340.0	6.0	0.0	▲ 7.0
Social Infrastructure and Offshore Facility	170.0	15.0	170.0	15.0	0.0	0.0
Industrial System and General-Purpose Machinery	420.0	17.0	420.0	16.0	0.0	▲ 1.0
Aero Engine, Space and Defense	440.0	27.0	440.0	27.0	0.0	0.0
Total Reportable Segment	1,370.0	72.0	1,370.0	64.0	0.0	▲ 8.0
Others	80.0	2.0	80.0	2.0	0.0	0.0
Adjustment	▲ 50.0	▲ 9.0	▲ 50.0	▲ 6.0	0.0	3.0
Total	1,400.0	65.0	1,400.0	60.0	0.0	▲ 5.0

2. Forecasts of the Consolidated Results for FY2019

Forecasts for FY2019 by Segment

- Analysis of change in operating profit of forecasts(in November VS in February)
(In billion yen)

	Change in net sales	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Total
Resources, Energy and Environment	▲ 4.0	▲ 3.0			▲ 7.0
Social Infrastructure and Offshore Facility					0.0
Industrial System and General-Purpose Machinery	▲ 1.0				▲ 1.0
Aero Engine, Space and Defense	▲ 2.0		2.0		0.0
Total Reportable Segment	▲ 7.0	▲ 3.0	2.0	0.0	▲ 8.0
Others					0.0
Adjustment		3.0			3.0
Total	▲ 7.0	0.0	2.0	0.0	▲ 5.0

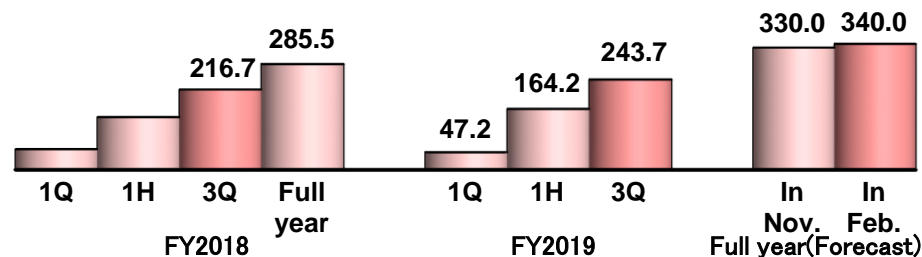
3. Financial Results by Segment

3. Financial Results by Segment

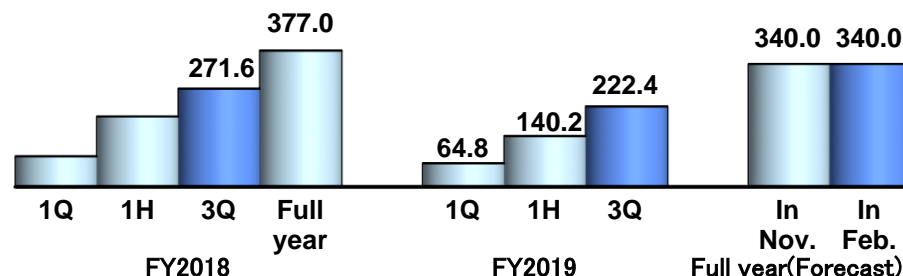
Resources, Energy and Environment

(In billion yen, accumulated amount)

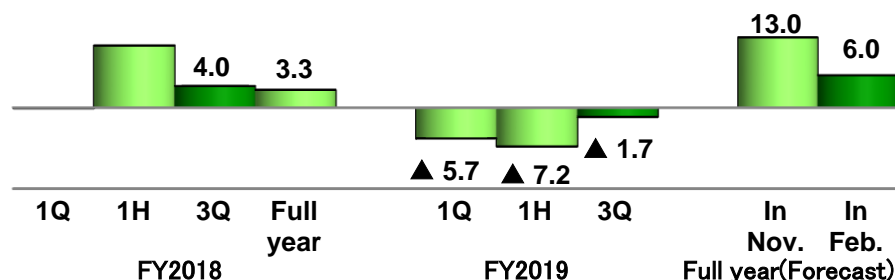
Orders received



Net sales



Operating profit



<Results by business segment>

【 Orders received 】

Orders received increased owing to an effect of receiving large-scale project in the Boilers Business, despite the decrease in the Plants Business.

【 Net sales 】

Net sales decreased due to a delay in project progress in the Boilers Business and to a reverse effect of the progress of large-scale projects in the Plants Business in FY2018.

【 Operating profit 】

Operating profit declined due to the decrease in sales in the Boilers Business.

<FY2019 Forecast (vs. In November)>

Orders received is expected to increase slightly overall, while net sales remain unchanged.

Operating profit is expected to decrease due mainly to the timing delay in sales for some projects.

3. Financial Results by Segment

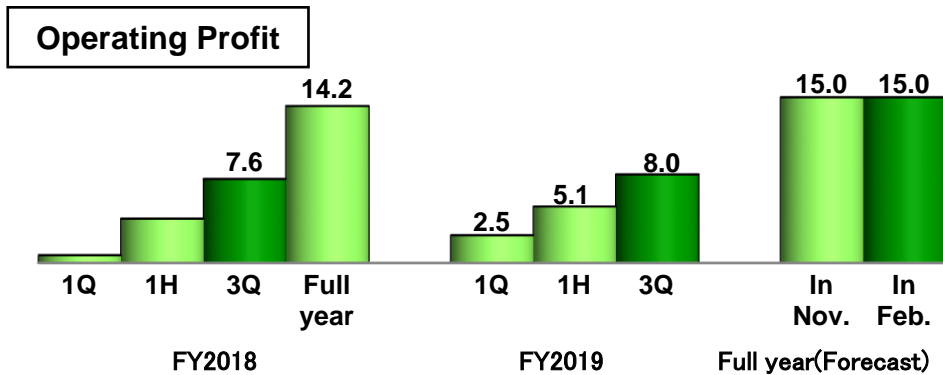
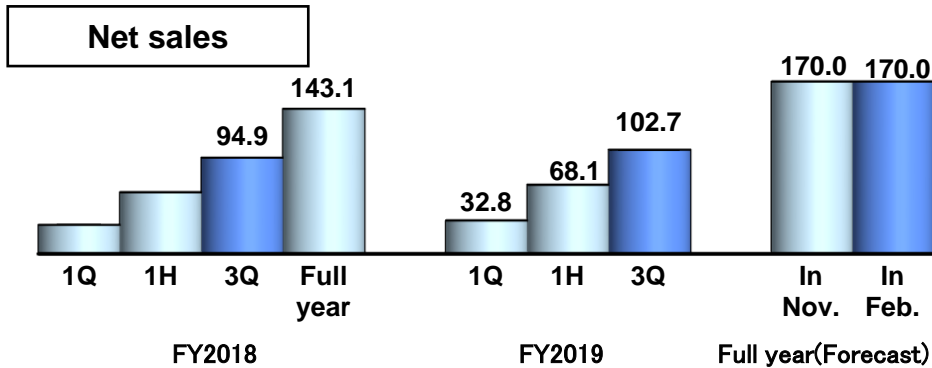
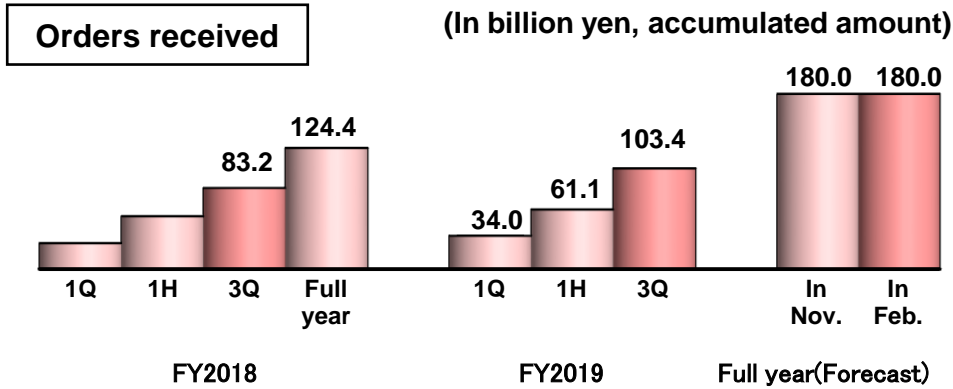
Resources, Energy and Environment

(In billion yen)

	Orders received		Net sales							
	FY2018 Full year	FY2019 Full year (Forecast)	FY2018				FY2019			
			1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Power Systems	82.8	90.0	17.9	42.2	63.2	93.4	17.9	36.0	53.4	90.0
Boilers	79.7	96.0	27.0	69.7	94.5	121.5	16.8	44.8	70.2	100.0
Plants	56.4	45.0	23.0	45.8	59.5	80.1	13.8	26.6	39.2	58.0
Nuclear power	30.5	30.0	5.0	12.0	16.7	33.1	4.8	8.9	13.5	30.0

3. Financial Results by Segment

Social Infrastructure and Offshore Facility



<Results by business segment>

【 Orders received 】

Orders received increased in the Shield systems Business and the Transport systems Business.

【 Net sales 】

Net sales increased in the Bridges/water gates Business.

【 Operating profit 】

Operating profit increased in the Bridges/water gates Business and the Transport systems Business.

<FY2019 Forecast (vs. In November) >

The forecasts of orders received, net sales and operating profit remain unchanged.

3. Financial Results by Segment

Social Infrastructure and Offshore Facility

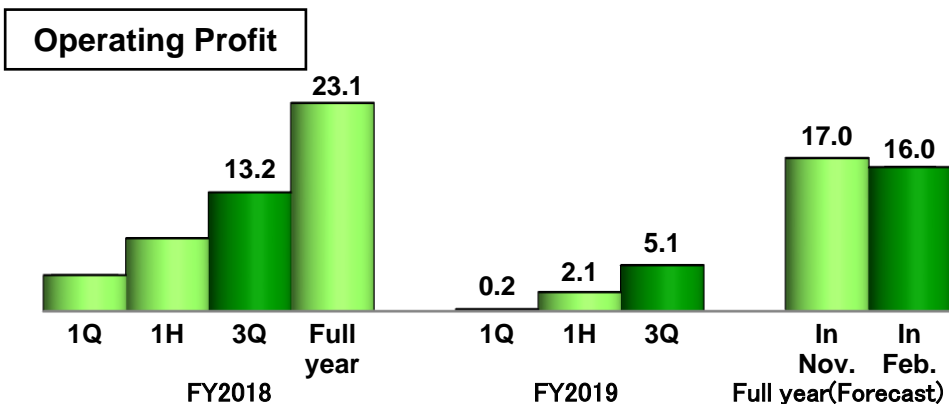
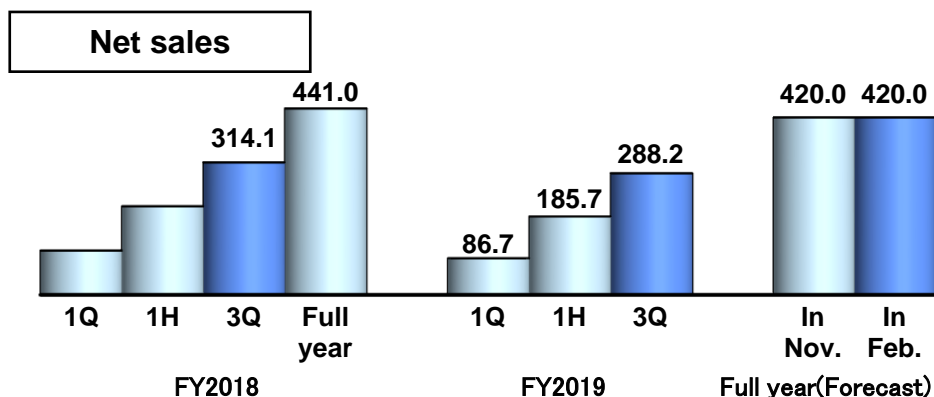
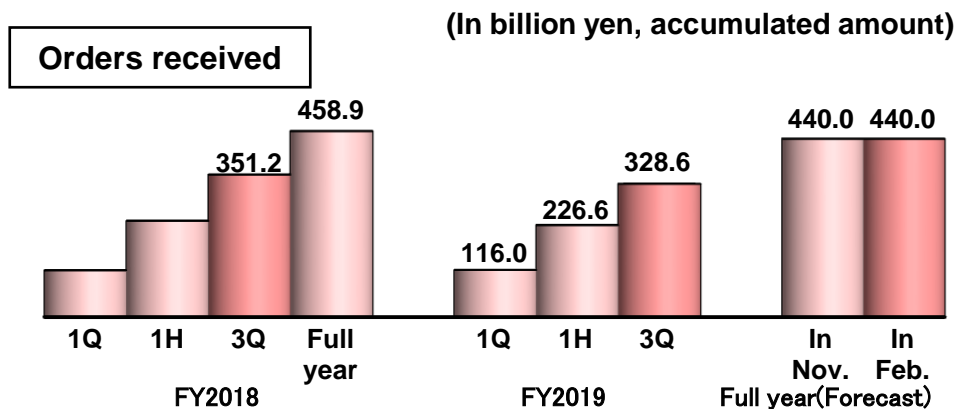
(In billion yen)

	Orders received		Net sales							
	FY2018 Full year	FY2019 Full year (Forecast)	FY2018				FY2019			
			1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Bridges/water gates	65.0	82.0	15.2	30.1	46.2	72.0	19.2	38.2	57.5	92.0
Shield systems	14.4	25.0	4.0	9.7	14.6	18.5	4.6	9.7	12.0	20.0
Urban development	16.3	16.0	3.7	7.9	11.9	16.3	3.9	7.9	11.8	17.0

For related information of “Urban development” in Toyosu, please refer to <Appendices> on page 36, 37.

3. Financial Results by Segment

Industrial System and General-Purpose Machinery



<Results by business segment>

【 Orders received 】

Orders received declined due to the decrease in the Vehicular turbochargers Business and the Thermal and surface treatment Business, despite the increase owing to an effect of receiving large-scale project in the Transport machineries Business.

【 Net sales 】

Net sales decreased due to the effect of transfer of the Small power systems Business in FY2018, in addition to down in the Vehicular turbochargers Business.

<Number of vehicular turbochargers delivered>

(1,000 Units)

	3Q	Full Year
FY2018	5,140	6,760
FY2019	4,640	6,200

【 Operating profit 】

Operating profit decreased in the Vehicular turbochargers Business and the Thermal and surface treatment Business.

<FY2019 Forecast (vs. In November) >

The forecasts of orders received and net sales remain unchanged.

Operating profit is expected to decrease in the Rotating machineries Business and the Transport machineries Business and so on.

3. Financial Results by Segment

Industrial System and General-Purpose Machinery

(In billion yen)

	Orders received		Net sales							
	FY2018 Full year	FY2019 Full year (Forecast)	FY2018				FY2019			
			1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Vehicular turbochargers	190.2	157.0	51.6	99.3	143.6	189.5	38.7	76.7	118.8	158.0
Parking	52.5	54.0	7.7	17.9	29.4	49.7	10.0	22.0	33.9	53.0
Rotating machineries	51.3	53.0	10.6	21.5	32.7	49.5	10.4	21.1	33.5	51.0
Thermal and surface treatment	41.3	36.0	11.1	21.0	31.1	41.6	9.8	19.7	29.1	39.0
Transport machineries	33.2	60.0	5.0	7.9	13.7	23.9	3.7	9.2	17.7	30.0

For details of “Vehicular turbochargers”, please refer to <Appendices> on page 35.

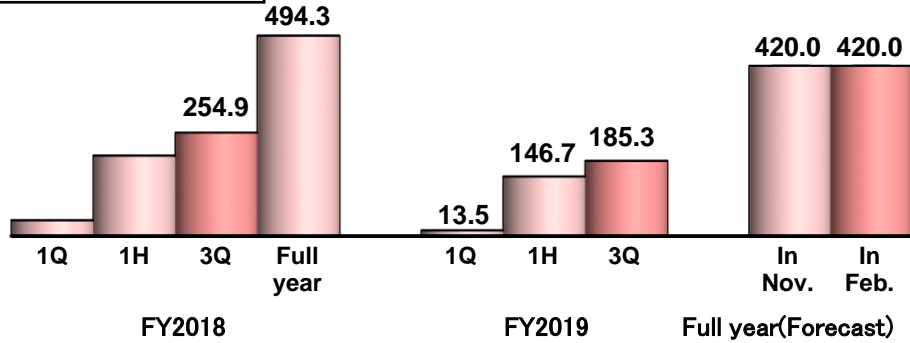
※Net sales for FY2018.3Q in the Vehicular turbochargers Business reflects intercompany adjustments made in FY2018.4Q.

3. Financial Results by Segment

Aero Engine, Space and Defense

Orders received

(In billion yen, accumulated amount)



<Results by business segment>

【 Orders received 】

Orders received decreased in the aero engines for Japan Ministry of Defense, the Civil aero engines Business and the Rocket systems/space utilization systems Business.

【 Net sales 】

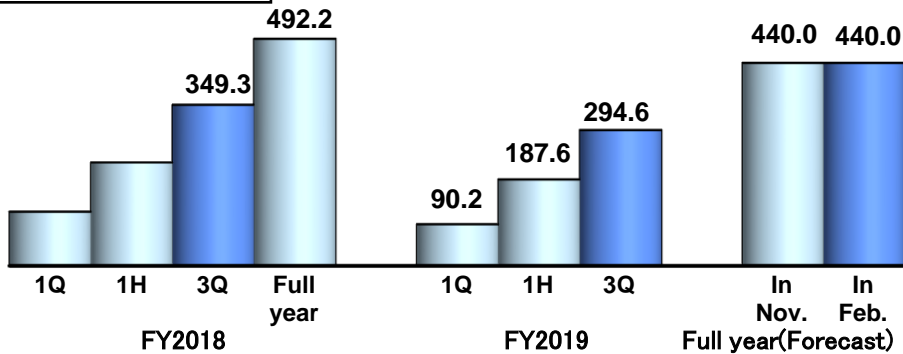
Net sales decreased in the aero engines for Japan Ministry of Defense and the Civil aero engines Business.

<Number of civil aero engines delivered>

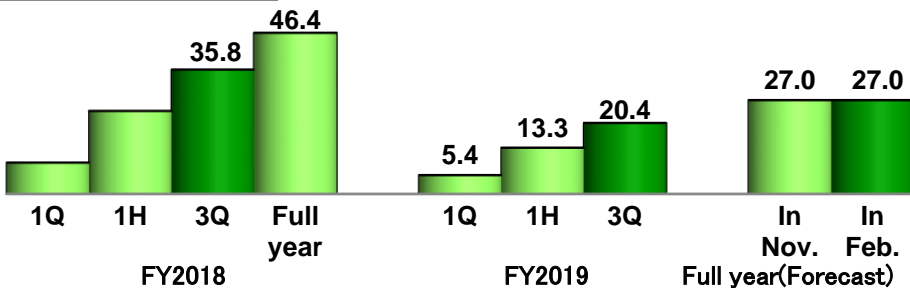
(Units)

	3Q	Full Year
FY2018	1,183	1,521
FY2019	1,061	1,450

Net sales



Operating profit



【 Operating profit 】

Operating profit in the Civil aero engines Business declined due to the decrease in sales caused by making its inspection process stricter in the maintenance business and to the additional program costs.

<FY2019 Forecast (vs. In November) >

The forecasts of orders received, net sales and operating profit remain unchanged.

3. Financial Results by Segment

Aero Engine, Space and Defense

(In billion yen)

	Orders received		Net sales							
	FY2018	FY2019	FY2018				FY2019			
	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Civil aero engines	334.8	300.0	73.1	152.5	243.2	318.5	65.1	131.5	208.1	280.0

For details of “Civil aero engines”, please refer to <Appendices> on page 34.

<Appendices>

- Financial Performance
- Progress in large overseas projects
- Topics in the Third Quarter under review
- Aero engines
- Vehicular turbochargers
- Urban development

(In billion yen)

	FY2015	FY2016	FY2017	FY2018	FY2019.3Q	FY2019 (Forecast)
Net sales	1,539.3	1,468.3	1,590.3	1,483.4	922.0	1,400.0
Operating margin	1.4%	3.2%	4.5%	5.6%	3.0%	4.3%
Operating profit	22.0	47.3	72.2	82.4	27.2	60.0
Ordinary profit/loss(▲)	9.7	22.0	21.4	65.7	8.6	34.0
Profit /loss(▲) attributable to owners of parent	1.5	5.2	8.2	39.8	▲1.7	16.0
ROE (※1)	0.5%	1.6%	2.6%	11.8%	—	—
ROIC (※2)	2.3%	5.0%	7.7%	8.7%	—	—
D/E ratio(times) (※3)	1.12	1.10	0.92	0.93	1.34	—
Dividends per share (yen)	3 Interim 3 Year-end 0	0	Interim 3 Year-end 30 (※4)	70 Interim 30 Year-end 40	Interim 30	70 Interim 30 Year-end 40
Exchange rate	¥118.27/\$	¥108.27/\$	¥111.00/\$	¥111.09/\$	¥108.95/\$	—

※1 : ROE(Return on Equity)=Profit attributable to owners of parent
/ (Average of equity for previous fiscal year end and current period end)

※2 : ROIC (Return On Invested Capital)
=(Operating profit + Interest income and dividend income) after tax / (Equity + Interest-bearing liabilities)

※3 : D/E ratio = Interest-bearing liabilities / net assets

※4 : Year-end dividend for FY2017 reflects the consolidation of stock.

Elba Liquefaction Project



Expected Completion Image

As of end of Dec 2019

<Status>

As of the end of December 2019, Commercial In-Service of MMLS#1, 3 and 4, Start-up of MMLS#2 (In-Service from 16 Jan. 2020), Commissioning of MMLS#5~8 and Punch clearing of MMLS #9 and 10 are ongoing. Progress of Engineering is 100%, Procurement is 100%, Construction is 99.4%, Commissioning is 77.7%, and Overall Project is 98.0%

<Key milestones>

March 2016: Contract Award
 November 2016: FERC Approval for the commencement of construction
 February 2017: Delivery commencement of MMLS #1 module
 September 2019: Commercial in Service of MMLS#1
 June 2020 : Substantial Completion of all facilities

<Project Brief>

- Contract: Lump Sum Turnkey EPC Agreement for the Elba Island Natural Gas Liquefaction Facility and the Southern LNG Expansion Facility
- Job Site: Elba Island, Chatham County, Savannah, Georgia, USA
- Scope: Engineering, Procurement, Construction, and Commissioning of 2.5 MTPA Liquefaction facility

MMLS: Movable Modular Liquefaction System

This project has totally 10 MMLSs and 1 MMLS consists 79 modules.

Jimah East Power coal fired power plant



As of end of Dec 2019

<Status>

As of end of Dec. 2019, #1 handed over (21 Aug 2019), and #2 handed over (26 Dec 2019). For boiler portion, 100% of engineering, 100% of procurement, 100% of erection and 100% of commissioning activities were completed. As total 100% was completed.

<Key Milestones>

Aug 2014: EPC Contract	Oct 2018: Initial Firing(#1)
Jan 2017: Boiler Erection Start(#1)	Apr 2019: Initial Firing(#2)
Jul 2017 : Boiler Erection Start(#2)	Aug 2019: COD (#1)
Apr 2018: Hydro Test(#1)	Dec 2019: COD (#2)
Nov 2018: Hydro Test(#2)	

<Project Brief>

- Contract: Full turn key contract for ultra-supercritical boiler for Jimah East Power Sdn. Bhd. (IPP)
- Site: Jimah, Negeri Sembilan, Malaysia
- Scope: Engineering, Procurement, Construction and Commissioning of Ultra-supercritical boiler

Elba Liquefaction Project <Status as of the end of January 2020>

MMLS No.	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10
Completion of mechanical, electrical & instrument installation	○	○	○	○	○	○	○	○	○	○
Mechanical Completion	○	○	○	○	○	○	○	○		
Commissioning(progress)	○	○	○	○	○ (90.0%)	○ (81.2%)	○ (66.0%)	○ (47.0%)	○ (14.4%)	○ (12.5%)
In-Service	○	○	○	○						(Plan: June 2020)

IHI receives order to convert power generation boiler to combust wood biomass exclusively

IHI has received an order from Suzukawa Energy Center Ltd. (“Suzukawa EC”) for the conversion of a power generation boiler at the latter’s thermal power plant to use wood biomass exclusively for fuel. This project will be the first PC-fired boiler in Japan to be converted exclusively to combust wood biomass. The facility is scheduled to begin operations in the spring of 2022.

Going forward, the IHI Group will continue to contribute to the realization of a carbon-free, recycling-based society by actively expanding its businesses in the Resources, Energy and Environment Business Area, such as by further improving the efficiency of power generation facilities, and developing approaches to capturing, storing and converting CO2 into a valuable resource.



<Thermal power plant (Suzukawa EC)>

IHI develops automated driving, parking and related services for use within parking facilities

IHI Transport Machinery Co., Ltd. (“IUK”), which has been working on the development of automated driving, parking and related services for use within parking facilities, has announced the first successful implementation in Japan, as follows.

- By establishing automated driving and parking technology for use within the enclosed spaces of self-driving parking systems and mechanical parking systems, IUK has succeeded in implementing “automated valet parking” (*a service in which vehicles are parked and retrieved on behalf of the driver) for the areas of mechanical parking systems into which users need not enter.
- IUK has jointly developed a drone landing/takeoff port with Blue innovation Co., Ltd. This enables the unmanned transfer of goods from a drone to a self-driving vehicle. This unmanned transfer utilizes the conveyor technology cultivated by IUK during the development and manufacture of its mechanical parking systems.

IUK will continue to work on initiatives to provide optimal solutions in response to the diverse needs of parking systems.



<Upper picture : Automated parking experiment
Lower picture : Drone landing/takeoff port >

(1) Net sales of civil aero engines

(In billion yen)

	Actual							Forecast	
	'13	'14	'15	'16	'17	FY2018		FY2019	
						3Q	Full Year	3Q	Full Year
Net sales	226.0	267.0	299.1	291.5	281.0	243.2	318.5	208.1	280.0

(2) Number of civil aero engines delivered

(Units)

	Actual (accumulated)									Main loading
	'11	'12	'13	'14	'15	'16	'17	'18	'19/3Q	
V2500	4,980	5,468	5,969	6,469	6,896	7,236	7,508	7,688	7,724	Airbus A319/320/321
GE90	1,399	1,589	1,806	2,039	2,257	2,457	2,617	2,715	2,794	Boeing B777
CF34	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	5,532	For regional jet (70 to 110 seats)
GEEx	118	259	468	751	1,035	1,295	1,542	1,826	2,050	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,514	Airbus A320Neo
Passport20							13	66	131	Bombardier Global7500
Total	9,739	10,864	12,063	13,415	14,675	15,957	17,163	18,684	19,745	

(Note) The number of civil aero engine delivered is the number handed over to the airframe maker, and differs from the number of factory shipments.

<Net sales by region>

(In billion yen)

	Actual									Forecast	
	'12	'13	'14	'15	'16	'17	FY2018		FY2019		
							3Q	Full Year	3Q	Full Year	
Japan	33.9	35.3	37.5	34.6	38.9	39.8	33.3	44.6	29.2	39.0	
Asia	24.8	29.8	27.5	21.6	15.8	11.7	8.3	11.0	7.8	11.0	
China	18.1	23.4	24.3	24.9	48.5	71.9	48.3	63.1	46.4	58.0	
North America	1.3	1.6	1.8	2.4	3.3	8.4	8.6	11.6	8.1	12.0	
Central and South America	0.0	0.0	0.7	3.4	6.1	7.4	5.8	7.5	4.9	7.0	
Europe	43.2	60.2	75.6	74.3	61.7	81.1	39.0	51.3	22.0	31.0	
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	121.6	150.7	167.7	161.6	174.6	220.5	143.6	189.5	118.8	158.0	

※Net sales for FY2018.3Q in Asia reflects intercompany adjustments made in FY2018.4Q.

(1) Lease revenue in Toyosu

(In billion yen)

	Actual									Forecast	
	'12	'13	'14	'15	'16	'17	FY2018		FY2019		
							3Q	Full Year	3Q	Full Year	
Lease revenue	9.2	9.1	9.3	10.1	9.3	9.2	7.0	9.3	7.1	9.4	

(2) Lease revenue and expense in Toyosu (FY2019.3Q)

(In billion yen)

	Lease revenue	Lease expense		Lease income
		Depreciation	Others	
FY2019.3Q	7.1	2.9	2.1	2.0

Development Plan for Toyosu 1 to 3 chome Area

Kindergarten, Nursery school, Café, Marriage ceremonial hall.
 Site area : 19,492㎡
 Completed in March 2010 to February 2011



Urban Dock LaLaport Toyosu ANNEX (Mitsui Fudosan Co., Ltd.)
 5 floors above ground, Approx. 25m high
 Store floor space : 24,721㎡
 Opened in October 2006



Complex building A•C, (IHI and Mitsui Fudosan)
 36 floors above ground, Approx. 178m high
 Gross floor area : 185,000㎡
 Scheduled for completion in April 2020



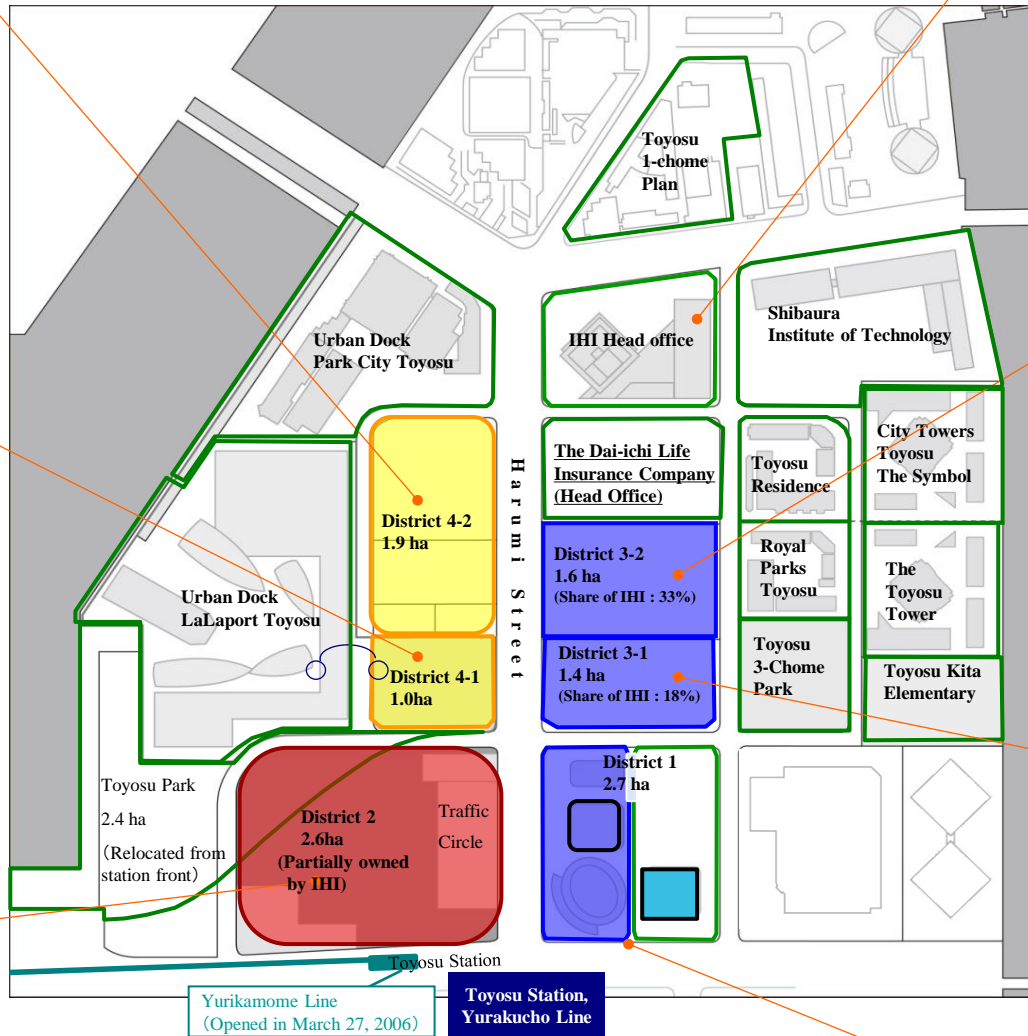
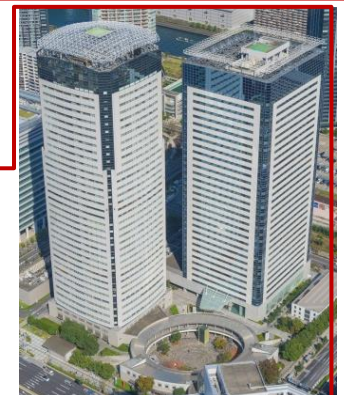
Toyosu IHI Building
 25 floors above ground, Approx. 125m high
 Gross floor area : 97,617㎡
 Completed in February 2006



Toyosu Foresia (IHI & Mitsubishi Estate Company, Ltd.)
 16 floors above ground, Approx. 75m high,
 Gross floor area : 101,503㎡
 Completed in July 2014



Toyosu Front (IHI, Mitsubishi Estate Company, Ltd. and Mitsubishi UFJ Trust and Banking Corporation)
 15 floors above ground, Approx. 75m high
 Gross floor area : 106,861㎡
 Completed in August 2010



Civic Center : Opened in September 2015
 Fire department office : Completed in June 2016

Property of IHI	Approx. 5ha

- Office Leasing
- Land Leasing
- Office Leasing (Leased land)
- Category 1 Urban Redevelopment Project ※1
- Sold, Donated, Exchanged

Toyosu Center Building
 37 floors above ground, Approx. 165m high
 Gross floor area : 100,069㎡
 Completed in October 1992

Toyosu Center Building Annex
 33 floors above ground, Approx. 150m high
 Gross floor area : 105,448㎡
 Completed in August 2006

※1 One of the way to redevelop that was defined by Urban Renewal Act.



Forward-looking figures shown in this material with respect to IHI's performance outlooks and other matters are based on management's assumptions and beliefs in light of the information currently available to it, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. IHI cautions you that actual results could differ materially from those discussed in these performance outlooks due to a number of important factors. These important factors include political environments in areas in which IHI operates, general economic conditions, and the yen exchange rate including its rate against the US dollar.