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To all related parties:

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

IHI Corporation (hereinafter, "IHI") has decided to record ¥32.0 billion of non-operating losses (share of loss of entities accounted for using equity method) in its financial results for the fiscal year ended March 31, 2018, in accordance with the financial report of an affiliate, Japan Marine United Corporation (hereinafter, "JMU").

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

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

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

The profitability of foreign-currency denominated works of IHI's equity-method affiliate JMU has deteriorated mainly because of fluctuations in foreign exchange during the fourth quarter. Furthermore, after JMU has prudently examined the recoverability of deferred tax assets, taking into account the current business environment and trends of operating results, JMU has decided to reverse the considerable amount of the deferred tax assets.

Consequently, in accordance with JMU's financial report, IHI reported a share of loss of entities accounted for using equity method of ¥32.0 billion (including ¥10.9 billion recorded in the nine months ended December 31, 2018, disclosed on February 1, 2018) in the fiscal year ended March 31, 2018.

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

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share
Previous forecasts (A) (Announced on February 1, 2018)	1,600,000	71,000	39,000	11,000	71.26 yen
Revised forecasts (B)	1,580,000	72,000	21,000	7,000	45.35 yen
Change (B-A)	(20,000)	1,000	(18,000)	(4,000)	-
Change (%)	(1.3)	1.4	(46.2)	(36.4)	-
Reference: Fiscal year ended March 31, 2017	1,486,332	47,389	22,011	5,247	33.98 yen

3. Reasons for Revisions

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

With respect to profit and loss, while profitability of the process plant project underway in North America has deteriorated as reported in our news release “Notice of Recording of Loss on Valuation of Shares of Subsidiaries and Affiliates (non-Consolidated)” also announced today, operating profit is expected to be generally the same as the previously announced forecast due to improvements in each reportable segment.

Decreased profit is expected for ordinary profit and profit attributable to owners of parent, mainly due to considering the effect mentioned in “1.” above into the share of loss of entities accounted for using equity method.

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