

To all related parties:

IHI Corporation

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Securities code: 7013

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(Amendments / Amendments of Numerical Data)

Notice Regarding Partial Amendments of “CONSOLIDATED FINANCIAL REPORT FOR THE THREE MONTHS ENDED JUNE 30, 2018<Japanese GAAP>” and “Financial Results for First Quarter FY2018(for the year ending March 31, 2019)”

IHI Corporation hereby announces that it has made partial amendments to its disclosure documents mentioned in the title which were announced on August 7, 2018, as follows, due to an error in market valuation of securities. Amendments are underlined.

I. Details of amendments to “CONSOLIDATED FINANCIAL REPORT FOR THE THREE MONTHS ENDED JUNE 30, 2018<Japanese GAAP>”

(Page 1)

1. CONSOLIDATED PERFORMANCE FOR THE THREE MONTHS ENDED JUNE 30, 2018 (APRIL 1, 2018 to JUNE 30, 2018)

(1) Consolidated Business Results

[Before amendments]

(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
Three months ended June 30, 2018	337,156	(16.2)%	12,743	(50.0)%	16,739	(23.3)%
Three months ended June 30, 2017	402,405	17.9%	25,463	139.2%	21,831	375.9%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Three months ended June 30, 2018	6,142	(47.6) %	39.80	39.77
Three months ended June 30, 2017	11,718	–	75.88	75.82

(Note) Comprehensive income

Three months ended June 30, 2018:	<u>¥8,612 million</u>	<u>(40.9)%</u>
Three months ended June 30, 2017:	¥14,564 million	–%

[After amendments]

(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
Three months ended June 30, 2018	337,156	(16.2)%	12,743	(50.0)%	16,739	(23.3)%
Three months ended June 30, 2017	402,405	17.9%	25,463	139.2%	21,831	375.9%

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Three months ended June 30, 2018	6,142	(47.6) %	39.80	39.77
Three months ended June 30, 2017	11,718	–	75.88	75.82

(Note) Comprehensive income

Three months ended June 30, 2018:	<u>¥7.260 million</u>	<u>(50.2)%</u>
Three months ended June 30, 2017:	¥14,564 million	–%

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1. CONSOLIDATED PERFORMANCE FOR THE THREE MONTHS ENDED JUNE 30, 2018 (APRIL 1, 2018 to JUNE 30, 2018)

(2) Consolidated Financial Position

[Before amendments]

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
June 30, 2018	<u>1,628,847</u>	<u>352,889</u>	<u>20.1%</u>
March 31, 2018	1,633,488	350,217	19.9%

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

June 30, 2018:	<u>¥327,074 million</u>
March 31, 2018:	¥324,601 million

[After amendments]

(Millions of yen)

	Total Assets	Net Assets	Equity to Total Assets
June 30, 2018	<u>1,627,495</u>	<u>351,537</u>	<u>20.0%</u>
March 31, 2018	1,633,488	350,217	19.9%

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

June 30, 2018:	<u>¥325,722 million</u>
March 31, 2018:	¥324,601 million

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

Assets and liabilities, and net assets

[Before amendments]

Total assets at the end of the first quarter under review were ¥1,628.8 billion, down ¥4.6 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts receivable - trade, down ¥22.7 billion and cash and deposits, down ¥15.0 billion. The items with the most significant increases were inventories including work in process, up ¥15.6 billion and investment securities, up ¥11.4 billion.

Total liabilities were ¥1,275.9 billion, down of ¥7.3 billion compared with the end of the previous fiscal year. The items with the most significant decreases were provision for bonuses, down ¥11.7 billion and notes and accounts payable - trade, down ¥9.9 billion. The item with the most significant increase was short-term loans payable, up ¥17.0 billion. The balance on interest-bearing debt, including lease obligations, was ¥339.5 billion, up ¥17.2 billion from the end of the previous fiscal year.

Net assets were ¥352.8 billion, up ¥2.6 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥6.1 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 20.1%.

[After amendments]

Total assets at the end of the first quarter under review were ¥1,627.4 billion, down ¥5.9 billion compared with the end of the previous fiscal year. The items with the most significant decreases were notes and accounts receivable - trade, down ¥22.7 billion and cash and deposits, down ¥15.0 billion. The items with the most significant increases were inventories including work in process, up ¥15.6 billion and investment securities, up ¥9.5 billion.

Total liabilities were ¥1,275.9 billion, down of ¥7.3 billion compared with the end of the previous fiscal year. The items with the most significant decreases were provision for bonuses, down ¥11.7 billion and notes and accounts payable - trade, down ¥9.9 billion. The item with the most significant increase was short-term loans payable, up ¥17.0 billion. The balance on interest-bearing debt, including lease obligations, was ¥339.5 billion, up ¥17.2 billion from the end of the previous fiscal year.

Net assets were ¥351.5 billion, up ¥1.3 billion compared with the end of the previous fiscal year. This includes profit attributable to owners of parent of ¥6.1 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 20.0%.

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(1) CONSOLIDATED BALANCE SHEETS

[Before amendments]

	(Millions of yen)	
	March 31, 2018	June 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	93,931
Notes and accounts receivable - trade	400,330	377,564
Finished goods	25,647	27,579
Work in process	282,245	292,217
Raw materials and supplies	120,630	124,402
Other	59,758	71,454
Allowance for doubtful accounts	(4,164)	(4,357)
Total current assets	<u>993,474</u>	<u>982,790</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,035	130,748
Other, net	218,011	218,637
Total property, plant and equipment	<u>349,046</u>	<u>349,385</u>
Intangible assets		
Goodwill	12,231	11,376
Other	23,789	22,904
Total intangible assets	<u>36,020</u>	<u>34,280</u>
Investments and other assets		
Investment securities	99,284	<u>110,770</u>
Other	157,388	<u>153,400</u>
Allowance for doubtful accounts	(1,724)	(1,778)
Total investments and other assets	<u>254,948</u>	<u>262,392</u>
Total non-current assets	<u>640,014</u>	<u>646,057</u>
Total assets	<u>1,633,488</u>	<u>1,628,847</u>

	March 31, 2018	June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	304,928	294,977
Short-term loans payable	81,515	98,556
Current portion of bonds	–	10,000
Income taxes payable	8,075	10,203
Advances received	177,819	179,935
Provision for bonuses	26,119	14,411
Provision for construction warranties	53,727	52,307
Provision for loss on construction contracts	27,266	24,002
Other provision	808	432
Other	131,398	129,495
Total current liabilities	811,655	814,318
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	173,112
Net defined benefit liability	154,125	154,378
Provision for loss on business of subsidiaries and affiliates	1,188	1,188
Other provision	1,150	895
Other	92,620	92,067
Total non-current liabilities	471,616	461,640
Total liabilities	1,283,271	1,275,958
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,406
Retained earnings	153,564	154,871
Treasury shares	(879)	(871)
Total shareholders' equity	313,256	314,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	3,413
Deferred gains or losses on hedges	(286)	(203)
Revaluation reserve for land	5,359	5,353
Foreign currency translation adjustment	3,679	3,209
Remeasurements of defined benefit plans	559	731
Total accumulated other comprehensive income	11,345	12,503
Subscription rights to shares	792	783
Non-controlling interests	24,824	25,032
Total net assets	350,217	352,889
Total liabilities and net assets	1,633,488	1,628,847

[After amendments]

(Millions of yen)

	March 31, 2018	June 30, 2018
Assets		
Current assets		
Cash and deposits	109,028	93,931
Notes and accounts receivable - trade	400,330	377,564
Finished goods	25,647	27,579
Work in process	282,245	292,217
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Buildings and structures, net	131,035	130,748
Other, net	218,011	218,637
Total property, plant and equipment	<u>349,046</u>	<u>349,385</u>
Intangible assets		
Goodwill	12,231	11,376
Other	23,789	22,904
Total intangible assets	<u>36,020</u>	<u>34,280</u>
Investments and other assets		
Investment securities	99,284	<u>108,821</u>
Other	157,388	<u>153,997</u>
Allowance for doubtful accounts	(1,724)	(1,778)
Total investments and other assets	<u>254,948</u>	<u>261,040</u>
Total non-current assets	<u>640,014</u>	<u>644,705</u>
Total assets	<u>1,633,488</u>	<u>1,627,495</u>

	March 31, 2018	June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	304,928	294,977
Short-term loans payable	81,515	98,556
Current portion of bonds	–	10,000
Income taxes payable	8,075	10,203
Advances received	177,819	179,935
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Other provision	808	432
Other	131,398	129,495
Total current liabilities	811,655	814,318
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term loans payable	172,533	173,112
Net defined benefit liability	154,125	154,378
Provision for loss on business of subsidiaries and affiliates	1,188	1,188
Other provision	1,150	895
Other	92,620	92,067
Total non-current liabilities	471,616	461,640
Total liabilities	1,283,271	1,275,958
Net assets		
Shareholders' equity		
Capital stock	107,165	107,165
Capital surplus	53,406	53,406
Retained earnings	153,564	154,871
Treasury shares	(879)	(871)
Total shareholders' equity	313,256	314,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,034	<u>2,061</u>
Deferred gains or losses on hedges	(286)	(203)
Revaluation reserve for land	5,359	5,353
Foreign currency translation adjustment	3,679	3,209
Remeasurements of defined benefit plans	559	731
Total accumulated other comprehensive income	11,345	<u>11,151</u>
Subscription rights to shares	792	783
Non-controlling interests	24,824	25,032
Total net assets	350,217	<u>351,537</u>
Total liabilities and net assets	1,633,488	<u>1,627,495</u>

3. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Cumulative)

[Before amendments]

	(Millions of yen)	
	April 1, 2017 to June 30, 2017	April 1, 2018 to June 30, 2018
Profit	13,157	7,375
Other comprehensive income		
Valuation difference on available-for-sale securities	378	<u>1,203</u>
Deferred gains or losses on hedges	9	(76)
Revaluation reserve for land	-	(12)
Foreign currency translation adjustment	1,053	(192)
Remeasurements of defined benefit plans, net of tax	(80)	181
Share of other comprehensive income of entities accounted for using equity method	47	133
Total other comprehensive income	<u>1,407</u>	<u>1,237</u>
Comprehensive income	<u>14,564</u>	<u>8,612</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,994	<u>7,426</u>
Comprehensive income attributable to non-controlling interests	1,570	1,186

[After amendments]

	(Millions of yen)	
	April 1, 2017 to June 30, 2017	April 1, 2018 to June 30, 2018
Profit	13,157	7,375
Other comprehensive income		
Valuation difference on available-for-sale securities	378	<u>(149)</u>
Deferred gains or losses on hedges	9	(76)
Revaluation reserve for land	-	(12)
Foreign currency translation adjustment	1,053	(192)
Remeasurements of defined benefit plans, net of tax	(80)	181
Share of other comprehensive income of entities accounted for using equity method	47	133
Total other comprehensive income	<u>1,407</u>	<u>(115)</u>
Comprehensive income	<u>14,564</u>	<u>7,260</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,994	<u>6,074</u>
Comprehensive income attributable to non-controlling interests	1,570	1,186

II. Details of amendments to “Financial Results for First Quarter FY2018(for the year ending March 31, 2019)”

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1. Consolidated Results for First Quarter FY2018

Balance Sheets

[Before amendments]

(In billion yen)

	As of March 31, 2018	As of June 30, 2018	Change
Total assets (*1)	1,633.4	1,628.8	▲ 4.6
(Trade receivables)	(400.3)	(377.5)	(▲ 22.7)
(Inventories)	(428.5)	(444.1)	(15.6)
Total liabilities (*1)	1,283.2	1,275.9	▲ 7.3
(Trade payables)	(304.9)	(294.9)	(▲ 9.9)
(Advance received)	(177.8)	(179.9)	(2.1)
(Provision for bonuses)	(26.1)	(14.4)	(▲ 11.7)
(Interest-bearing debt) (*2)	(322.2)	(339.5)	(17.2)
Total net assets	350.2	352.8	2.6
Shareholders' equity	313.2	314.5	1.3
Accumulated other comprehensive income	11.3	12.5	1.1
Non-controlling interests and others	25.6	25.8	0.1
Total liabilities and net assets (*1)	1,633.4	1,628.8	▲ 4.6
D/E ratio(times) (*3)	0.92	0.96	0.04
Equity ratio	19.9%	20.1%	0.2%

(*1) Balance Sheets as of March 31, 2018 is partly adjusted due to the application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting”.

(*2) Interest-bearing debt includes the amount of lease obligations.
(as of March 31, 2018: ¥18.2 billion / as of June 30, 2018: ¥17.8 billion)

(*3) D/E ratio = Interest-bearing debt / net assets

[After amendments]

(In billion yen)

	As of March 31, 2018	As of June 30, 2018	Change
Total assets (*1)	1,633.4	1,627.4	▲ 5.9
(Trade receivables)	(400.3)	(377.5)	(▲ 22.7)
(Inventories)	(428.5)	(444.1)	(15.6)
Total liabilities (*1)	1,283.2	1,275.9	▲ 7.3
(Trade payables)	(304.9)	(294.9)	(▲ 9.9)
(Advance received)	(177.8)	(179.9)	(2.1)
(Provision for bonuses)	(26.1)	(14.4)	(▲ 11.7)
(Interest-bearing debt) (*2)	(322.2)	(339.5)	(17.2)
Total net assets	350.2	351.5	1.3
Shareholders' equity	313.2	314.5	1.3
Accumulated other comprehensive income	11.3	11.1	▲ 0.1
Non-controlling interests and others	25.6	25.8	0.1
Total liabilities and net assets (*1)	1,633.4	1,627.4	▲ 5.9
D/E ratio(times) (*3)	0.92	0.97	0.05
Equity ratio	19.9%	20.0%	0.1%

(*1) Balance Sheets as of March 31, 2018 is partly adjusted due to the application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting”.

(*2) Interest-bearing debt includes the amount of lease obligations.
(as of March 31, 2018: ¥18.2 billion / as of June 30, 2018: ¥17.8 billion)

(*3) D/E ratio = Interest-bearing debt / net assets