(English Translation)

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To all related parties:

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Notice of Revisions to the Full-Year Consolidated Financial Forecast for the Fiscal Year Ended March 31, 2016

IHI Corporation (hereinafter, "IHI") announces the following revisions to the forecast of consolidated results that announced on February 2, 2016, for the fiscal year ended March 31, 2016.

1. Revisions to Full-Year Forecast of Consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit (Loss) Attributable to Owners of Parent	Basic Earnings per Share
Previous forecast (A) (Announced on February 2, 2016)	1,550,000	25,000	15,000	(30,000)	(19.43) yen
Revised forecast (B)	1,540,000	22,000	9,500	1,500	0.97 yen
Change (B－A)	(10,000)	(3,000)	(5,500)	31,500	―
Change (%)	(0.6)	(12.0)	(36.7)	―	―
Reference: Results for previous fiscal year ended March 31, 2015	1,455,844	63,253	56,529	9,082	5.88 yen

2. Reasons for Revisions

Concerning its forecast of the consolidated results for the fiscal year ended March 31, 2016, IHI forecasts net sales to roughly be as forecasted in the previous announcement.

IHI has, however, revised its forecast for profit and loss. In the Aero Engine, Space and Defense segment, profit prospects have improved as a result of yen depreciation in foreign exchange and an increased sales share of engines with good profitability. However, in the Resources, Energy and Environment segment, IHI has taken into consideration an expected increase in costs related to process plant construction. In the Social Infrastructure and Offshore Facility segment, the estimated total amount of construction costs now includes increased costs related to outsourcing to overseas shipping yards in the shipbuilding project for FPSO (Floating Production Storage and Offloading Unit) for Norway and increased material costs and construction-process promotion costs related to the construction delays of the Izmit Bay Crossing Bridge construction project in Turkey. As a result, IHI forecasts operating income will be lower than that of the previously announced forecast. IHI also forecasts ordinary income will be lower than that of the previously announced forecast because the valuation rate on foreign-currency receivables and payables has shifted more-than-expected toward yen appreciation, resulting in losses from exchange difference.

Furthermore, as detailed in “Announcement Regarding Transfer of Fixed Assets” dated March 28, 2016, in addition to recording extraordinary income for the gain on sale of non-current assets for the fiscal year ended March 31, 2016, the tax expenses have also reduced. As a result, IHI forecasts profit attributable to owners of parent will be higher than that of the previously announced forecast.

Concerning the costs stated in the previously announced forecast as reasons for downwardly revising profits, namely, repair costs for noncompliant welding on boilers, and contract delivery delay expenses that could be charged owing to construction process delays, IHI expects the amount of these costs to remain at the level assumed in the previously announced forecast.

There is no revision in the year-end dividends forecast. (0 yen per Share)

Note: The above forecast is based on information currently available to IHI and certain assumptions determined as rational. Actual performance may significantly differ from this forecast due to various factors in the future.