

Financial Results for FY2018 (for the year ended March 31, 2019)

IHI

May 8, 2019

IHI Corporation

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1. Consolidated Results for FY2018



1. Consolidated Results for FY2018 Summary of Financial Results

Note: Average exchange rates for FY2018 US\$ 1.00= ¥111.09

February 7, 2019 Forecast

(In billion yen)

	FY2017	FY2018		Change
Orders received	1,505.0	1,450.0	1,399.2	▲ 50.8 ▲ 105.7
Net sales	1,590.3	1,510.0	1,483.4	▲ 26.6 ▲ 106.8
Operating profit	72.2	87.0	82.4	▲ 4.6 10.2
Ordinary profit	21.4	71.0	65.7	▲ 5.3 44.3
Profit before income taxes	18.9		69.4	50.4
Income taxes	▲ 5.5		▲ 24.2	▲ 18.6
Profit attributable to owners of parent	8.2	42.0	39.8	▲ 2.2 31.5

¥4.3 billion of income taxes for prior periods is included in FY2018.

In FY2017, 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 overseas consolidated subsidiaries have a 15-month accounting period for FY2017. 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 in FY2017.

1. Consolidated Results for FY2018

Financial Results by Segment

■ Orders received & Order backlog

February 7, 2019 Forecast

(In billion yen)

	Orders received			Order backlog		
	FY2017	FY2018	Change	FY2017	FY2018	Change
Resources, Energy and Environment	378.0	285.5	▲ 92.4	648.5	523.1	▲ 125.3
Social Infrastructure and Offshore Facility	163.9	124.4	▲ 39.5	206.1	191.6	▲ 14.4
Industrial System and General-Purpose Machinery	474.0	458.9	▲ 15.0	161.0	180.3	19.3
Aero Engine, Space and Defense	463.8	494.3	30.4	533.0	562.6	29.5
Total Reportable Segment	1,479.9	1,363.2	▲ 116.6	1,548.7	1,457.8	▲ 90.9
Others	74.1	81.4	7.2	18.4	20.4	2.0
Adjustment	▲ 49.0	▲ 45.4	3.5	-	-	-
Total	1,505.0	1,399.2	▲ 105.7	1,567.1	1,478.2	▲ 88.9
Overseas orders received / order backlog	819.0	648.5	▲ 170.5	625.4	579.8	▲ 45.5
% of Overseas orders received / order backlog	54%	46%	▲ 8%	40%	39%	▲ 1%

1. Consolidated Results for FY2018

Financial Results by Segment

■ Net sales & Operating profit

February 7, 2019 Forecast

(In billion yen)

	Net sales			Operating profit		
	FY2017	FY2018	Change	FY2017	FY2018	Change
Resources, Energy and Environment	490.4	377.0	▲113.4	▲14.8	3.3	▲18.1
Social Infrastructure and Offshore Facility	154.5	143.1	▲11.3	13.9	14.2	▲0.3
Industrial System and General-Purpose Machinery	459.0	441.0	▲17.9	18.9	23.1	▲4.2
Aero Engine, Space and Defense	463.7	492.2	▲28.5	60.1	46.4	▲13.6
Total Reportable Segment	1,567.7	1,453.5	▲114.2	78.1	87.1	▲8.9
Others	73.5	79.3	▲5.7	2.7	2.3	▲0.3
Adjustment	▲50.9	▲49.4	▲1.5	▲8.6	▲7.0	▲1.6
Total	1,590.3	1,483.4	▲106.8	72.2	82.4	▲10.2

Overseas sales	808.0	713.5	▲94.4
% of overseas sales	51%	48%	▲3%

Regarding the effect to each segment caused by changes of the closing date of the fiscal year of certain overseas consolidated subsidiaries in FY2017, please refer to segment information found in the consolidated financial report.

1. Consolidated Results for FY2018

Financial Results by Segment

- Analysis of change in operating profit from the previous fiscal year

(In billion yen)

	Change in net sales	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Impact of change of FY period	Total
Resources, Energy and Environment	▲ 2.9	17.1	0.2	3.6	0.1	18.1
Social Infrastructure and Offshore Facility		1.0		▲ 0.7		0.3
Industrial System and General-Purpose Machinery	2.2	5.0		▲ 1.4	▲ 1.6	4.2
Aero Engine, Space and Defense	▲ 17.2	4.8	▲ 0.4	▲ 0.8		▲ 13.6
Total Reportable Segment	▲ 17.9	27.9	▲ 0.2	0.7	▲ 1.5	8.9
Others		▲ 0.2		▲ 0.3	0.1	▲ 0.3
Adjustment		1.9		▲ 0.3		1.6
Total	▲ 17.9	29.6	▲ 0.2	0.1	▲ 1.4	10.2

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 FY2018

Financial Results by Segment

Status of Project underway in North America in the Process Plants Business (in the Fourth Quarter)

In terms of construction progress, IHI E&C will complete the commissioning of No.1 train and plant ancillary facilities at the middle of May, and commercial operation in the area will be placed. In this context, additional expenses have been recorded in relation to the following matters.

- (1) In the final phase of installation, new items for adjustment arose during the quarter in question, leading to additional installation expenses being incurred.
- (2) The delay in the installation process led to an increase in the number of employees involved in commissioning, resulting in higher commissioning expenses.
- (3) There was an increase in the cost of dealing with defects related to civil and exterior construction works.

IHI E&C remains to cut back on receiving new large-scale orders and concentrating its resources into this project.

In preparation for the handover of each train from No.2 onward, IHI and IHI E&C will continue to implement progress management of projects with a focus on installation, commissioning and civil and exterior construction works.

In addition to above, IHI E&C received from the customer invoices of US\$112 million related to expenses for delayed delivery (liquid damages). On the other hand, IHI and IHI E&C continue to claim the extension of construction period due to a delay caused by the customer and correspond to secure the exemption of the liquid damages.

1. Consolidated Results for FY2018

Non-operating Income / Expenses

(In billion yen)

	FY2017	FY2018	Change	Note
Net interest expenses (incl. dividend income)	▲ 0.5	▲ 1.1	▲ 0.6	
Share of profit/loss(▲) of entities accounted for using equity method	▲ 33.0	4.1	37.1	Japan Marine United Corporation(JMU) +33.6 (FY2017:▲32.0, FY2018:1.6)
Foreign exchange gains / losses (▲)	▲ 3.8	0.0	3.8	
Others	▲ 13.4	▲ 19.6	▲ 6.2	FY2017: Payments for contract adjustments for civil aero engines ▲6.4 Expenses for delayed delivery ▲4.4 FY2018: Burden share of losses for delayed construction of SPB tanks ▲6.6 Expenses for delayed delivery ▲0.8
Non-operating Income / Expenses (▲)	▲ 50.8	▲ 16.7	34.1	

Change of the rate(US\$) FY2017 ▲5.95yen (beginning 112.19yen→end 106.24yen)
FY2018 +4.75yen (beginning 106.24yen→end 110.99yen)

1. Consolidated Results for FY2018

Extraordinary Income / Losses

(In billion yen)

	FY2017	FY2018	Change	Note
Gain on sales of shares of subsidiaries and associates	—	4.1	4.1	Sale of equity interest in operating companies related to the Small power systems Business
Gain on transfer of business	1.5	1.1	▲ 0.4	FY2018: Gain on transfer of the Small power systems Business 1.1
Extraordinary Income	1.5	5.3	3.7	
Impairment loss	▲ 1.0	▲ 1.6	▲ 0.5	FY2018: Impairment loss on fixed assets related to the Small power systems Business ▲1.5
Settlement-related expenses related to boiler facilities in customer's commercial operation	▲ 2.9	—	2.9	
Extraordinary Losses	▲ 4.0	▲ 1.6	2.4	
Extraordinary Income / Losses (▲)	▲ 2.4	3.6	6.1	

1. Consolidated Results for FY2018

Balance Sheets

(In billion yen)

	As of March 31, 2018	As of March 31, 2019	Change
Total assets (*1)	1,633.4	1,664.5	31.0
(Trade receivables)	(400.3)	(377.6)	(▲ 22.6)
(Inventories)	(428.5)	(441.9)	(13.3)
(Investment securities)	(99.2)	(117.9)	(18.6)
Total liabilities (*1)	1,283.2	1,282.8	▲ 0.4
(Trade payables)	(304.9)	(290.0)	(▲ 14.8)
(Advance received)	(177.8)	(157.5)	(▲ 20.2)
(Interest-bearing liabilities) (*2)	(322.2)	(355.0)	(32.8)
Total net assets	350.2	381.6	31.4
Shareholders' equity	313.2	343.4	30.2
Accumulated other comprehensive income	11.3	5.6	▲ 5.6
Non-controlling interests and others	25.6	32.5	6.8
Total liabilities and net assets (*1)	1,633.4	1,664.5	31.0
D/E ratio(times) (*3)	0.92	0.93	0.01
Equity ratio	19.9%	21.0%	1.1%
ROIC (*4)	7.7%	8.7%	0.9%

(*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 liabilities includes the amount of lease obligations.
(as of March 31, 2018: ¥18.2 billion / as of March 31, 2019: ¥17.4 billion)

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

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

1. Consolidated Results for FY2018

Cash Flows

	FY2017	FY2018	Change
Cash flows from operating activities	99.0	46.4	▲ 52.6
Cash flows from investing activities	▲ 47.9	▲ 79.2	▲ 31.3
Free cash flows	51.0	▲ 32.8	▲ 83.9
Cash flows from financing activities	▲ 57.3	16.4	73.7

1. Consolidated Results for FY2018 Supplementary Information

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

(In billion yen)

	FY2017	FY2018	FY2019(Forecast)
R&D	38.6	36.5	41.0
CAPEX	59.2	67.3	88.0
Depreciation & Amortization	44.8	42.9	48.0

(2) Overseas Sales by Region

(In billion yen)

	FY2017	FY2018
Asia	158.7	145.4
China	111.5	114.6
North America	351.3	327.0
Central and South America	22.8	12.1
Europe	132.6	102.2
Others	30.9	11.9
Total	808.0	713.5
% of overseas sales	51%	48%

1. Consolidated Results for FY2018 Supplementary Information

(3) Assets balance by Segment

(In billion yen)

	Assets balance		
	As of March 31, 2018	As of March 31, 2019	Change
Resources, Energy and Environment	338.6	292.6	▲ 46.0
Social Infrastructure and Offshore Facility	231.6	231.3	▲ 0.2
Industrial System and General-Purpose Machinery(※)	343.8	355.6	11.7
Aero Engine, Space and Defense	518.6	569.5	50.8
Total Reportable Segment(※)	1,432.8	1,449.2	16.3
Others	81.1	101.7	20.6
Adjustment	119.5	113.5	▲ 5.9
Total(※)	1,633.4	1,664.5	31.0

(※) 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. Forecasts of the Consolidated Results for FY2019

2. Forecasts of the Consolidated Results for FY2019

Summary of Forecasts

<assumed exchange rate>

US\$ 1.00 = ¥105

Euro 1.00 = ¥130

(In billion yen)

	FY2017 Actual	FY2018 Forecast	Change
Orders received	1,399.2	1,450.0	50.8
Net sales	1,483.4	1,400.0	▲ 83.4
Operating profit	82.4	80.0	▲ 2.4
Ordinary profit	65.7	58.0	▲ 7.7
Profit attributable to owners of parent	39.8	35.0	▲ 4.8

<For reference> Sensitivity to foreign exchange rates by currency

1 yen per US\$ corresponds to ¥1.0 billion, and per Euro, ¥0.0 billion in operating profit.

2. Forecasts of the Consolidated Results for FY2019

Forecasts by Segment

■ Orders received

(In billion yen)

	FY2018 Actual	FY2019 Forecast	Change
Resources, Energy and Environment	285.5	330.0	44.5
Social Infrastructure and Offshore Facility	124.4	180.0	55.6
Industrial System and General-Purpose Machinery	458.9	470.0	11.1
Aero Engine, Space and Defense	494.3	440.0	▲ 54.3
Total Reportable Segment	1,363.2	1,420.0	56.8
Others	81.4	80.0	▲ 1.4
Adjustment	▲ 45.4	▲ 50.0	▲ 4.6
Total	1,399.2	1,450.0	50.8

2. Forecasts of the Consolidated Results for FY2019

Forecasts by Segment

■ Net sales & Operating profit

(In billion yen)

	FY2018 Actual		FY2019 Forecast		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Resources, Energy and Environment	377.0	3.3	330.0	18.0	▲ 47.0	14.7
Social Infrastructure and Offshore Facility	143.1	14.2	170.0	15.0	26.9	0.8
Industrial System and General-Purpose Machinery	441.0	23.1	450.0	25.0	9.0	1.9
Aero Engine, Space and Defense	492.2	46.4	460.0	33.0	▲ 32.2	▲ 13.4
Total Reportable Segment	1,453.5	87.1	1,410.0	91.0	▲ 43.5	3.9
Others	79.3	2.3	80.0	2.0	0.7	▲ 0.3
Adjustment	▲ 49.4	▲ 7.0	▲ 90.0	▲ 13.0	▲ 40.6	▲ 6.0
Total	1,483.4	82.4	1,400.0	80.0	▲ 83.4	▲ 2.4

2. Forecasts of the Consolidated Results for FY2019

Forecasts by Segment

■ Analysis of change in operating profit

(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	▲ 2.3	17.0			14.7
Social Infrastructure and Offshore Facility	0.4	0.4			0.8
Industrial System and General-Purpose Machinery	0.6	1.3			1.9
Aero Engine, Space and Defense	▲ 6.0	▲ 1.4	▲ 6.0		▲ 13.4
Total Reportable Segment	▲ 7.3	17.3	▲ 6.0	0.0	3.9
Others		0.6		▲ 1.0	▲ 0.3
Adjustment		(*) ▲ 6.0			▲ 6.0
Total	▲ 7.3	11.9	▲ 6.0	▲ 1.0	▲ 2.4

(*)A buffer of negative ¥6.0 billion is included in adjustment to prepare for the risk of fluctuation in business.

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

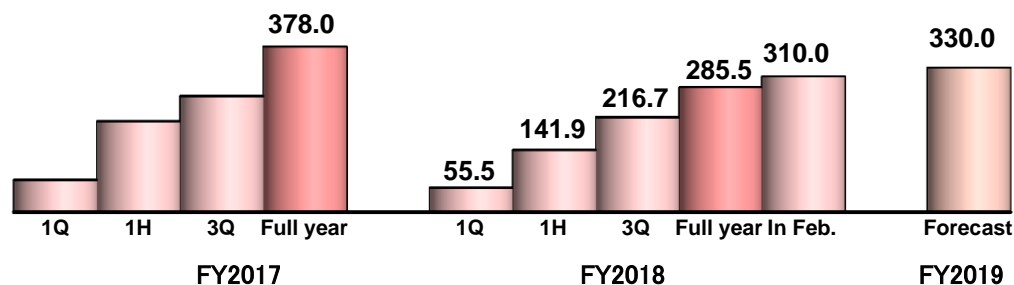
3. Financial Results by Segment

3. Financial Results by Segment

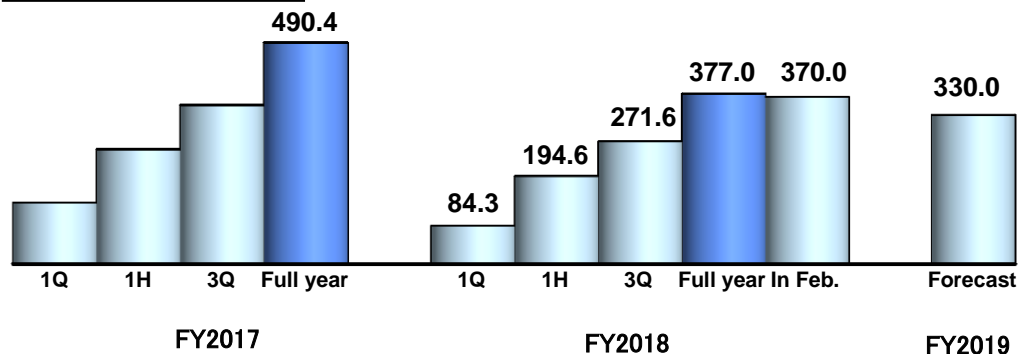
Resources, Energy and Environment

(In billion yen, accumulated amount)

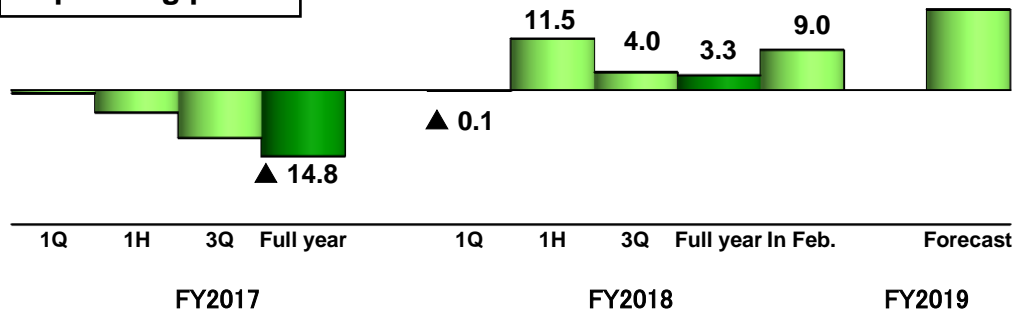
Orders received



Net sales



Operating profit



<Results by business segment>

【 Orders received】

Orders received decreased owing to a reverse effect of receiving large-scale projects in the Boilers Business and the Power systems plants Business in FY2017.

【 Net sales】

Net sales decreased owing to a pull back from the progress of large-scale projects in the Process plants Business in FY2017, in addition to the effect of the financial reporting periods unification (hereinafter “FRPU”) in FY2017.

【 Operating profit 】

Operating profit increased mainly because the issue regarding deterioration of profitability in the Process plants Business in FY2017 is being brought under control on the whole and a decrease in selling, general and administrative expenses.

<FY2018 Results (vs. Forecasts in February)>

Orders received decreased in the Boilers Business. Operating profit decreased due to recording of additional expenses in projects in North America in the Process plants Business.

<FY2019 Forecasts >

Orders received is expected to increase in the Boilers Business. Net sales is expected to decrease in the Boilers Business and the Process plants Business. Operating profit is expected to increase thanks to the profitability improvement in the Process plants Business.

3. Financial Results by Segment

Resources, Energy and Environment

(In billion yen)

	Orders received			Net sales								
	FY2017	FY2018	FY2019	FY2017				FY2018				FY2019
	Full year	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)
Boilers	130.4	79.7	97.0	25.4	70.0	99.8	148.1	27.0	69.7	94.5	121.5	100.0
Power systems plants	35.3	15.8		6.4	11.0	16.7	25.7	2.8	9.7	14.0	17.5	
Power systems for land and marine use	58.4	59.0		14.5	28.5	40.9	58.6	11.7	26.3	38.8	60.7	
Power systems			103.0									93.0
Process plants	44.0	45.5		69.1	99.7	126.3	149.1	22.2	42.9	54.7	74.5	
Plants			55.0									62.0
Nuclear power	21.9	30.5	29.0	5.2	10.3	16.9	33.8	5.0	12.0	16.7	33.1	35.0

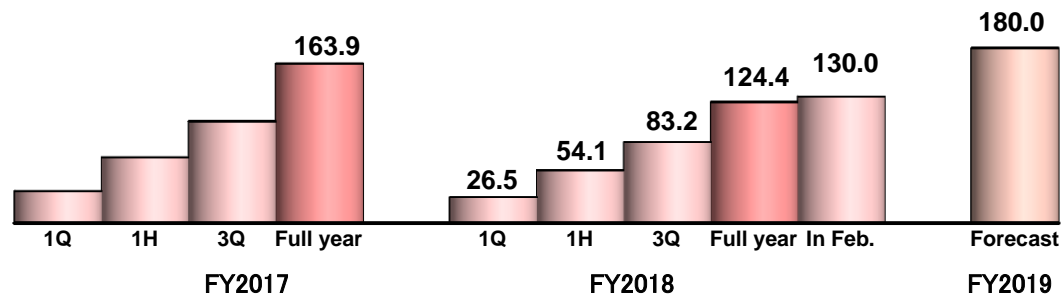
**The forecast for FY2019 is stated in SBUs (Strategic Business Units) after reorganization in the Resources, Energy and Environment Business Area.
For the reorganization, please refer to the notice released on January 28, 2019.**

3. Financial Results by Segment

Social Infrastructure and Offshore Facility

(In billion yen, accumulated amount)

Orders received



<Results by business segment>

【 Orders received】

Orders received decreased owing to a reverse effect of receiving large-scale overseas project in the Bridges/water gates Business in FY2017.

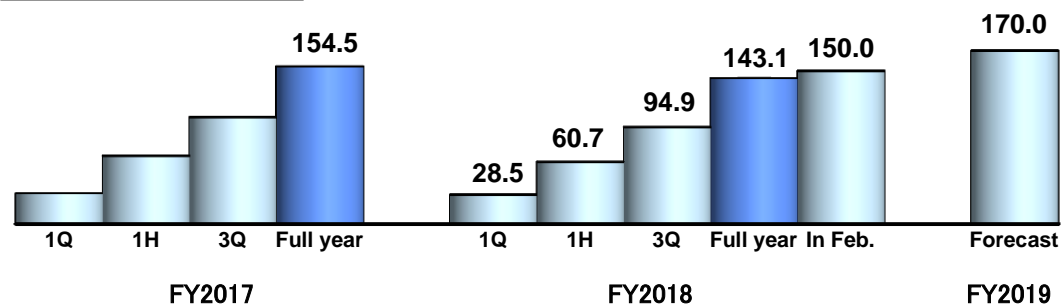
【 Net sales】

Net sales decreased in the F-LNG/Offshore structures Business and the Shield systems Business, while increased in the Bridges/water gates Business.

【 Operating profit】

Operating profit increased in the Bridges/water gates Business, while decreased in the F-LNG/Offshore structures Business and the Shield systems Business.

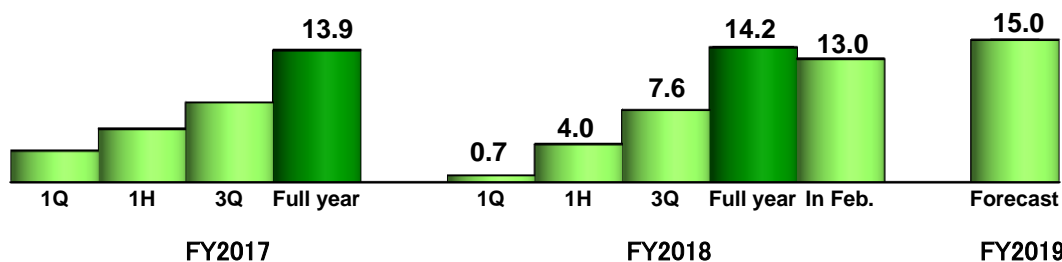
Net sales



<FY2018 Results (vs. Forecasts in February)>

Orders received decreased in the Shield systems Business. Operating profit increased in the F-LNG/Offshore structures Business and so on, while net sales decreased in the Bridges/water gates.

Operating Profit



<FY2019 Forecasts >

Orders received is expected to increase in the Bridges/water gates Business and the Transportation Systems Business.

Net sales and operating profit are expected to increase owing to the increase of orders received and progress of large-scale projects in the Bridges/water gates Business and the Transportation Systems Business.

3. Financial Results by Segment

Social Infrastructure and Offshore Facility

(In billion yen)

	Orders received			Net sales								
	FY2017 Full year	FY2018 Full year	FY2019 Full year (Forecast)	FY2017				FY2018				FY2019 Full year (Forecast)
				1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	
Bridges/water gates	103.1	65.0	84.0	12.8	26.7	42.7	67.3	15.2	30.1	46.2	72.0	91.0
Shield systems	10.2	14.4	26.0	5.9	11.5	18.9	24.4	4.0	9.7	14.6	18.5	22.0
F-LNG	▲ 0.7	-		2.4	9.1	10.3	11.2	0.9	1.4	1.5	1.5	
Urban development	16.2	16.3	17.0	4.2	8.9	12.5	16.9	3.7	7.9	11.9	16.3	17.0

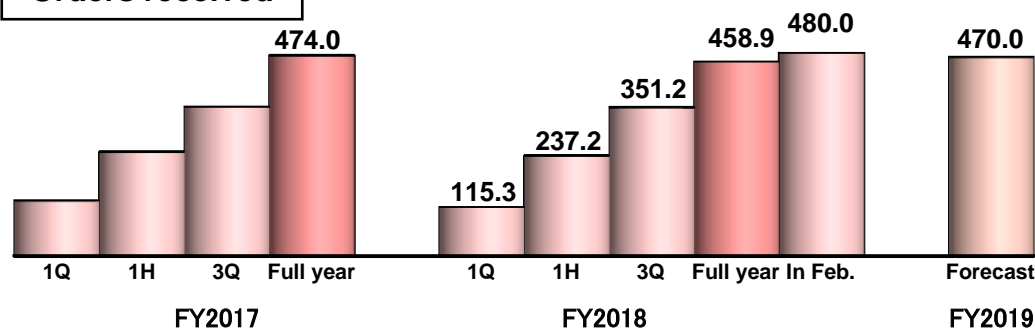
For related information of “Urban development” in Toyosu, please refer to <Appendices> on page 35, 36.

3. Financial Results by Segment

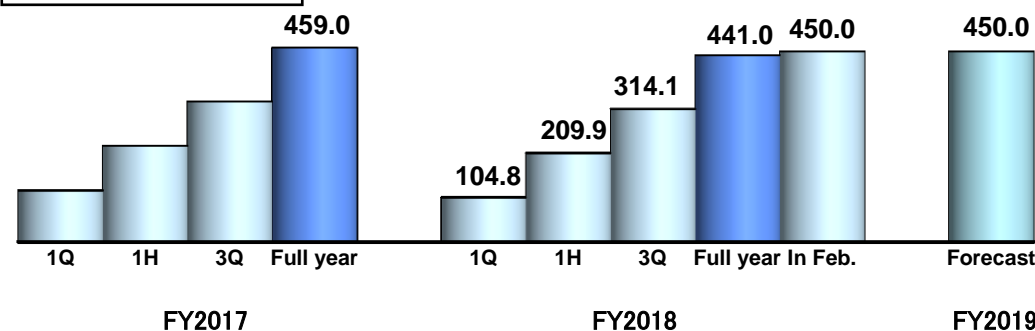
Industrial System and General-Purpose Machinery

(In billion yen, accumulated amount)

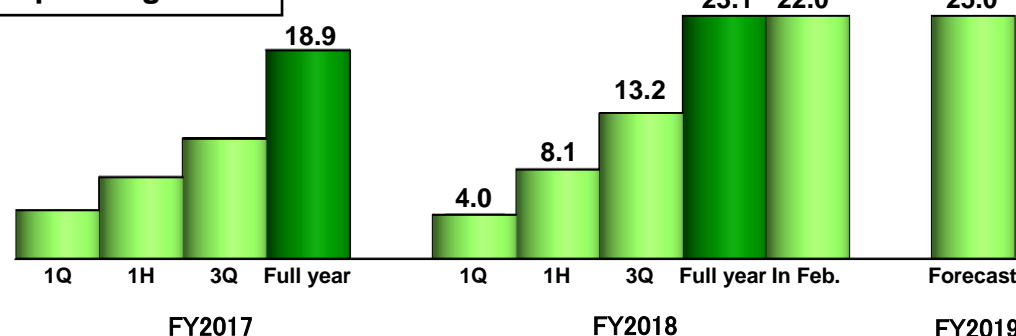
Orders received



Net sales



Operating Profit



<Results by business segment>

【 Orders received】

Orders received decreased due to the effect of FRPU in FY2017. Without the effect, the orders received increased in the Transport machineries Business and so on.

【 Net sales】

Net sales decreased due to the effect of FRPU in FY2017. Without the effect, the net sales increased in the Parking Business and the Rotating machineries Business.

< Number of vehicular turbochargers delivered >

(1,000 Units)

	Full Year
FY2017	7,900
FY2018	6,760
FY2019 (Forecast)	7,000

※ The effect of FRPU of 920 thousand units is included in FY2017.

【 Operating profit 】

Operating profit increased due to the above-mentioned increases in sales and the improvement of profitability in the Thermal and surface treatment Business, despite the effect of FRPU in FY2017.

<FY2018 Results (vs. Forecasts in February)>

Orders received and net sales are decreased in the Vehicular turbochargers Business.

Operating profit is increased in the Rotating machineries Business.

<FY2019 Forecasts >

Orders received is expected to increase in the Transport machineries Business.

Net sales and operating profit are expected to increase in Transport machineries Business etc.

3. Financial Results by Segment

Industrial System and General-Purpose Machinery

(In billion yen)

	Orders received			Net sales								
	FY2017 Full year	FY2018 Full year	FY2019 Full year (Forecast)	FY2017				FY2018				FY2019 Full year (Forecast)
				1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	
Transport machineries	25.2	33.2	48.0	3.2	10.5	17.8	28.3	5.0	7.9	13.7	23.9	31.0
Parking	51.3	52.5	53.0	7.8	17.1	28.9	42.8	7.7	17.9	29.4	49.7	52.0
Thermal and surface treatment	50.3	41.3	44.0	13.2	23.0	32.6	43.8	11.1	21.0	31.1	41.6	43.0
Vehicular turbochargers	220.1	190.2	185.0	69.1	117.9	166.4	220.5	51.6	99.3	147.7	189.5	185.0
Rotating machineries	48.1	51.3	54.0	8.2	18.8	29.8	43.5	10.6	21.5	32.7	49.5	52.0

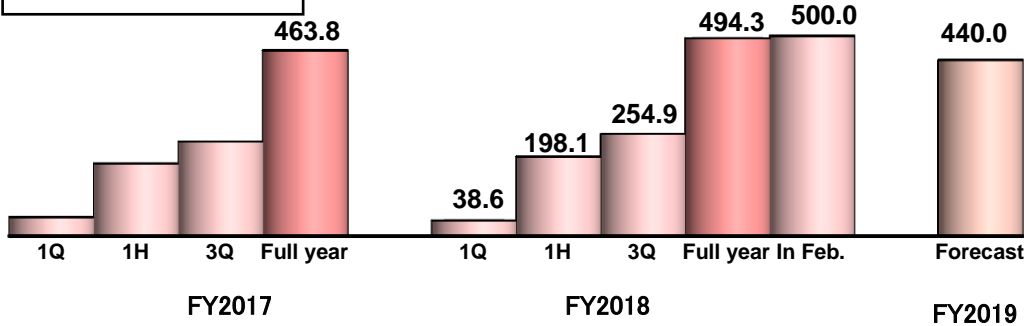
For details of “Vehicular turbocharger”, please refer to <Appendices> on page 34.

3. Financial Results by Segment

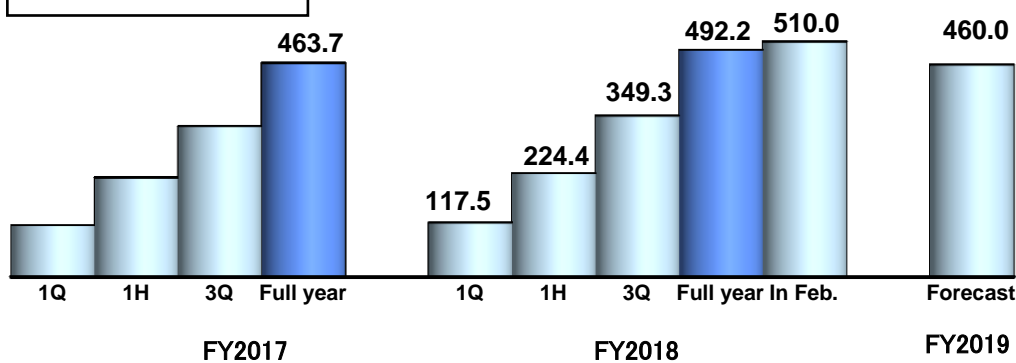
Aero Engine, Space and Defense

(In billion yen, accumulated amount)

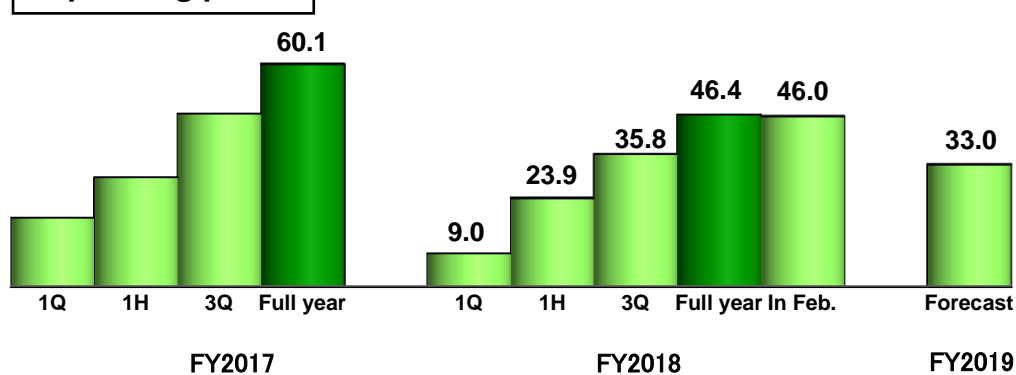
Orders received



Net sales



Operating profit



<Results by business segment>

【 Orders received 】

Orders received increased in the Civil aero engines Business and the Rocket Systems and Space Exploration Business.

【 Net sales 】

Net sales increased in the Civil aero engines Business.

<Number of civil aero engines delivered> (Units)

	Full Year
FY2017	1,206
FY2018	1,521
FY2019 (Forecast)	1,600

【 Operating profit 】

Operating profit decreased in the Civil aero engines Business due mainly to the effect of handover increase in the new PW1100G engine, despite the decrease of the cost of dealing with defects on the new engine.

<FY2018 Results (vs. Forecasts in February)>

Orders received is decreased in the aero engines for Japan Ministry of Defense.

Operating profit is increased, while net sales decreased in the Civil aero engines Business.

<FY2019 Forecasts >

Orders received and net sales are expected to decrease due to a down in the aero engines for Japan Ministry of Defense and the effect of the change of the revenue recognition method for the Civil aero engines Business.

Operating profit is expected to decrease due to the decrease in sales for Japan Ministry of Defense, the effect of foreign exchange and a handover increase in the PW1100G engine.

3. Financial Results by Segment

Aero Engine, Space and Defense

(In billion yen)

	Orders received			Net sales								
	FY2017	FY2018	FY2019	FY2017				FY2018				FY2019
	Full year	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)
Civil aero engines	319.1	334.8	320.0	69.7	141.3	216.6	281.0	73.1	152.5	243.2	318.5	305.0

For details of “Civil aero engines”, please refer to <Appendices> on page 33.

<Appendices>

- Financial Performance
- Progress in large overseas projects
- Topics in the Fourth quarter under review
- Aero engines
- Vehicular turbocharger
- Urban development

Financial Performance

IHI

(In billion yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Net Sales	1,455.8	1,539.3	1,468.3	1,590.3	1,483.4
Operating margin	4.3%	1.4%	3.2%	4.5%	5.6%
Operating profit	63.2	22.0	47.3	72.2	82.4
Ordinary profit	56.5	9.7	22.0	21.4	65.7
Profit attributable to owners of parent	9.0	1.5	5.2	8.2	39.8
ROE (※1)	2.6%	0.5%	1.6%	2.6%	11.8%
ROIC (※2)	5.8%	2.3%	5.0%	7.7%	8.7%
D/E ratio(times)(※3)	1.14	1.12	1.10	0.92	0.93
Dividends per share (yen)	6 Interim 3 Year-end 3	3 Interim 3 Year-end 0	0	Interim 3 Year-end 30 (※4)	70 Interim 30 Year-end 40
Exchange rate	¥110.31/\$	¥118.27/\$	¥108.27/\$	¥111.00/\$	¥111.09/\$

※1 : ROE(Return on Average Equity) = Profit attributable to owners of parent / Equity

※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 March 2019

<Status>

As of the end of March 2019, installation works of MMLS #2~10 and Commissioning of BOP are ongoing. Progress of Engineering is 100%, Procurement is 100%, Construction is 89.1%, Commissioning is 38.0%, and Overall Project is 87.0%.

<Key milestones>

March 2016: Contract Award
 November 2016: FERC Approval for the commencement of construction
 February 2017: Delivery commencement of MMLS #1 module
 May 2019 : Substantial Completion of MMLS #1 and BOP
 February 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



Expected Completion Image



As of end of March 2019

<Status>

As of end of March 2019, #1 commissioning activities started and erections of #2 piping and ESP are in progress. For boiler portion, 99% of engineering, 100% of procurement, 97% of erection and 79% of commissioning activities were completed. As total 98% 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)	Jun 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

Kansai International Airport Connecting Bridge Restoration Project

IHI's group company IHI Infrastructure Systems (hereinafter, "IIS") worked on the Kansai International Airport connecting bridge that was damaged by a tanker collision during Typhoon Jebi in September 2018, and subsequently removed. IIS was involved in work on the bridge girders on the outbound line, and the bridge was completely restored by April 8, 2019.

IIS' Sakai Works also suffered damage from the typhoon, but by the day after the typhoon, IIS had begun putting together a structure to restore functionality to the connecting bridge, removing the damaged portion within a short period of time and helping secure a route for traffic. For the manufacture of the bridge, we implemented an emergency response so that a fabrication process that normally takes more than one year was completed in around three months, and it was completely restored about seven months after the damage was incurred.

The IHI Group will continue to promote the expansion of its bridge business not only in Japan but also overseas, contributing to the development of these countries by means of the installation of social infrastructure.



<Kansai International Airport Connecting Bridge, Outbound Line Girders>



<LNG Smart Satellite>

"IHI Plant Services Corporation" begins operations through the integration of the plant businesses

In addition to IHI transferring the legacy plant businesses to group company IHI Plant Construction Co., Ltd. (hereinafter, "IPC") by means of a corporate split, IPC acquired another group company, IHI Plant Engineering Corporation, and established a new, integrated company called IHI Plant Services Corporation on April 1, 2019.

By uniting the management resources related to plants under IHI Plant Services Corporation, the IHI Group will build a united and seamlessly connected operational system encompassing the design, manufacture, installation, repair and service of plants to carry out business operations and personnel placements efficiently while, at the same time, providing high-quality solutions for the needs of customers for carbon-free and recycling societies.

(1) Net sales of civil aero engines

(In billion yen)

	Actual													Forecast
	'12	'13	'14	'15	'16	FY2017				FY2018				FY2019
						1Q	1H	3Q	Full Year	1Q	1H	3Q	Full Year	Full Year
Net sales	169.8	226.0	267.0	299.1	291.5	69.7	141.3	216.6	281.0	73.1	152.5	243.2	318.5	305.0

(2) Number of civil aero engines delivered

	Actual (accumulated)										Main loading
	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	
V2500	4,168	4,551	4,980	5,468	5,969	6,469	6,896	7,236	7,508	7,688	Airbus A319/320/321
GE90	1,071	1,223	1,399	1,589	1,806	2,039	2,257	2,457	2,617	2,715	Boeing B777
CF34	2,604	2,919	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	For regional jet (70 to 110 seats)
GEnx			118	259	468	751	1,035	1,295	1,542	1,826	Boeing B787/B747-8
PW1100G							16	148	398	1,058	Airbus A320Neo
Passport20									13	66	Bombardier Global7500
Total	7,843	8,693	9,739	10,864	12,063	13,415	14,675	15,957	17,163	18,684	

(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	FY2017				FY2018				FY2019
						1Q	1H	3Q	Full Year	1Q	1H	3Q	Full Year	Full Year
Japan	33.9	35.3	37.5	34.6	38.9	10.1	19.6	29.6	39.8	10.7	21.6	33.3	44.6	41.0
Asia	24.8	29.8	27.5	21.6	15.8	2.8	5.7	8.7	11.7	2.6	5.4	12.3	11.0	11.0
China	18.1	23.4	24.3	24.9	48.5	21.5	38.3	53.3	71.9	17.5	34.4	48.3	63.1	72.0
North America	1.3	1.6	1.8	2.4	3.3	0.7	1.9	4.9	8.4	2.8	5.5	8.6	11.6	12.0
Central and South America	0.0	0.0	0.7	3.4	6.1	1.1	2.8	5.1	7.4	2.1	4.2	5.8	7.5	9.0
Europe	43.2	60.2	75.6	74.3	61.7	32.7	49.2	64.7	81.1	15.6	27.9	39.0	51.3	40.0
Others	0.0	0.0	0.0	0.0	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	69.1	117.9	166.4	220.5	51.6	99.3	147.7	189.5	185.0

(1) Lease revenue in Toyosu

(In billion yen)

	Actual													Forecast
	'12	'13	'14	'15	'16	FY2017				FY2018				FY2019
						1Q	1H	3Q	Full Year	1Q	1H	3Q	Full Year	Full Year
Lease revenue	9.2	9.1	9.3	10.1	9.3	2.3	4.6	6.9	9.2	2.3	4.6	7.0	9.3	9.3

(2) Lease revenue and expense in Toyosu (FY2018)

(In billion yen)

	Lease revenue	Lease expense		Lease income
		Depreciation	Others	
FY2018	9.3	3.8	2.8	2.6

(3) Fair value as of March 31, 2019 of rental properties in Toyosu

(In billion yen)

	Amount recorded in the balance sheet			Fair value as of March 31, 2019(B)	(B) - (A)
	Balance as of April 1, 2018	Net change	Balance as of March 31, 2019(A)		
FY2018	56.1	▲ 2.6	53.5	186.4	132.9

(Note) The amount recorded in consolidated balance sheet is calculated by subtracting accumulated depreciation and impairment losses from acquisition cost.

The fair value at fiscal year-end is based on the values mainly in the appraisal report by external real estate appraisers.

Development Plan for Toyosu 1 to 3 chome Area

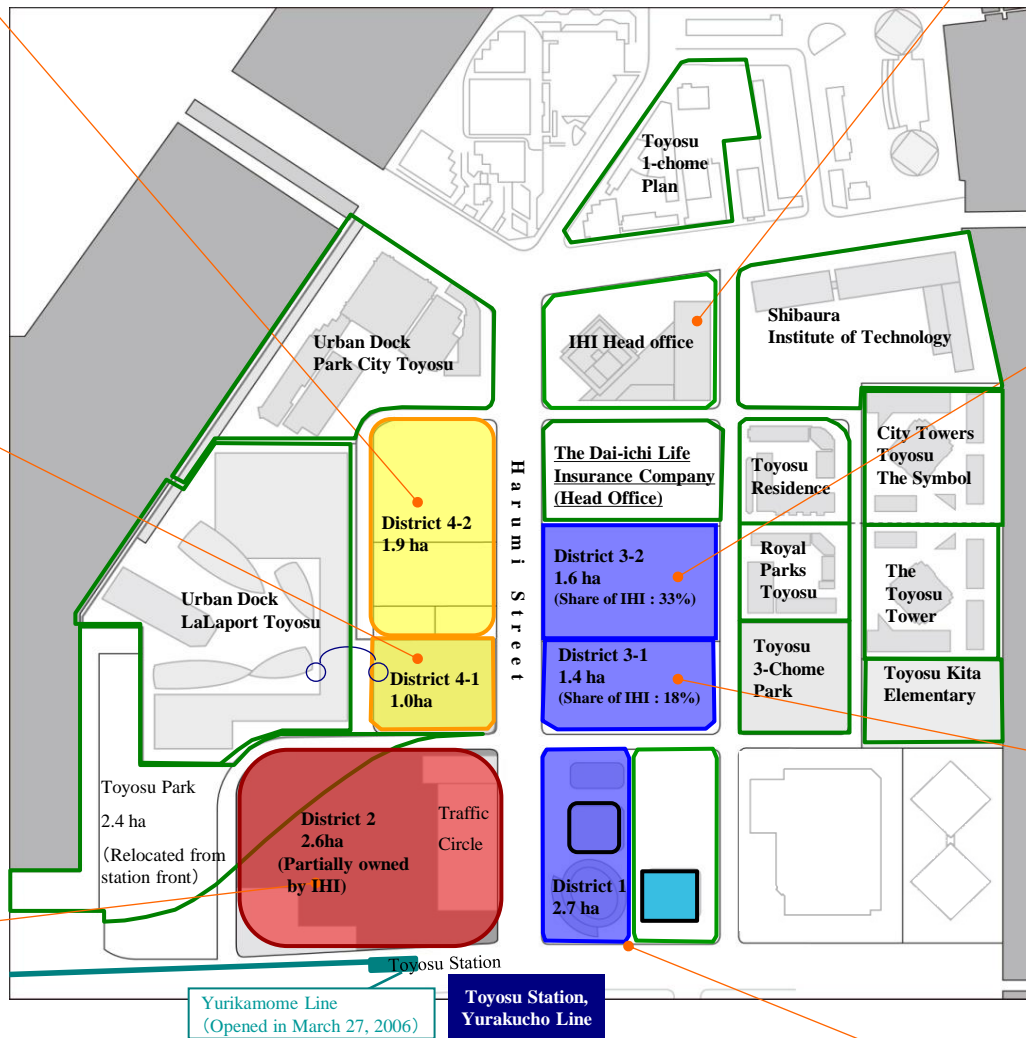
Kindergarten, Nursery school, Café, Marriage ceremonial hall.
 Site area : 19,492㎡
 Completed in March 2010 to February 2011



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

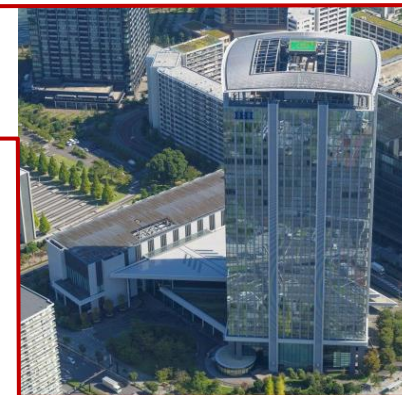


Civic Center : Opened in September 2015
 Fire department office : Completed in June 2016

Property of IHI	Approx. 5ha
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- Office Leasing
- Land Leasing
- Office Leasing (Leased land)
- Category 1 Urban Redevelopment Project ※1
- Sold, Donated, Exchanged

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



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.