

# Financial Results for First Quarter FY2021 (IFRS) (for the year ending March 31, 2022)

**IHI**

August 10, 2021

**IHI Corporation**

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# 1. Consolidated Results for First Quarter FY2021

- Overall Operating profit turned profitable.
- Secured revenue and operating profit at the level before COVID-19 (FY2019.1Q) or more in three segments of Resources, Energy and Environment, Social Infrastructure and Offshore Facilities and Industrial Systems and General-Purpose Machinery.
- In Aero Engine, Space and Defense, sales of spare parts recovered gradually, although the impact of the spread of COVID-19 in Civil aero engines remains.
- Continuing from the previous fiscal year, assets held was sold partially aiming at securing investment resources for creating growth businesses based on “Project Change”.
- Cash flows including working capital is favorable in line with the forecast.

# 1. Consolidated Results for First Quarter FY2021

## Summary of Financial Results

(In billion yen)

	FY2020.1Q	FY2021.1Q	Change
Orders received	186.2	241.5	55.2
Revenue	217.5	245.2	27.6
Operating profit	(7.9)	20.2	28.1
Profit before tax	(6.9)	21.7	28.6
Profit attributable to owners of parent	(6.1)	14.1	20.3

FY2020.1Q: Amount converted from Japanese GAAP to IFRS. The same applies hereinafter.

**Note: Average FX rate FY2020.1Q US\$ 1.00 = ¥107.37**  
**FY2021.1Q US\$ 1.00 = ¥110.44**

# 1. Consolidated Results for First Quarter FY2021

## Financial Results by Segment

### ■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2020.1Q	FY2021.1Q	Change	FY2020	FY2021.1Q	Change
Resources, Energy and Environment	45.8	60.8	15.0	482.3	467.7	(14.5)
Social Infrastructure and Offshore Facilities	28.9	44.7	15.7	226.4	237.6	11.2
Industrial Systems and General-Purpose Machinery	74.0	91.6	17.5	175.3	177.7	2.3
Aero Engine, Space and Defense	31.9	38.8	6.9	243.4	235.2	(8.2)
<b>Total Reportable Segment</b>	<b>180.7</b>	<b>236.1</b>	<b>55.3</b>	<b>1,127.5</b>	<b>1,118.3</b>	<b>(9.2)</b>
Others	14.6	14.4	(0.2)	37.4	38.5	1.0
Adjustment	(9.2)	(9.0)	0.1	-	-	-
<b>Total</b>	<b>186.2</b>	<b>241.5</b>	<b>55.2</b>	<b>1,165.0</b>	<b>1,156.8</b>	<b>(8.1)</b>

Overseas orders received / order backlog	71.2	97.2	26.0	313.2	289.0	(24.2)
% of Overseas orders received / order backlog	38%	40%	2%	27%	25%	(2)%

# 1. Consolidated Results for First Quarter FY2021

## Financial Results by Segment

### ■ Revenue & Operating profit

(In billion yen)  
(Reference: Estimated amount)

	Revenue			Operating profit		
	FY2020.1Q	FY2021.1Q	Change	FY2020.1Q	FY2021.1Q	Change
Resources, Energy and Environment	64.0	74.8	10.7	(2.9)	(0.2)	2.6
Social Infrastructure and Offshore Facilities	31.9	34.6	2.6	1.7	2.4	0.6
Industrial Systems and General-Purpose Machinery	77.9	88.8	10.9	(1.4)	2.9	4.3
Aero Engine, Space and Defense	42.7	44.1	1.4	(5.4)	(6.9)	(1.4)
<b>Total Reportable Segment</b>	<b>216.6</b>	<b>242.4</b>	<b>25.7</b>	<b>(7.9)</b>	<b>(1.8)</b>	<b>6.1</b>
Others	9.4	10.9	1.5	(0.1)	0.1	0.2
Adjustment	(8.5)	(8.1)	0.3	0.1	21.8	21.7
<b>Total</b>	<b>217.5</b>	<b>245.2</b>	<b>27.6</b>	<b>(7.9)</b>	<b>20.2</b>	<b>28.1</b>

Revenue	Operating profit
FY2019.1Q	
64.3	(4.8)
32.0	2.5
86.3	0.3
73.9	3.3
<b>256.5</b>	<b>1.3</b>

Overseas sales	82.0	117.1	35.0
% of overseas sales	38%	48%	10%

FY2019.1Q: IFRS based amount estimated based on Japanese GAAP financial data

# 1. Consolidated Results for First Quarter FY2021

## Financial Results by Segment

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

(In billion yen)

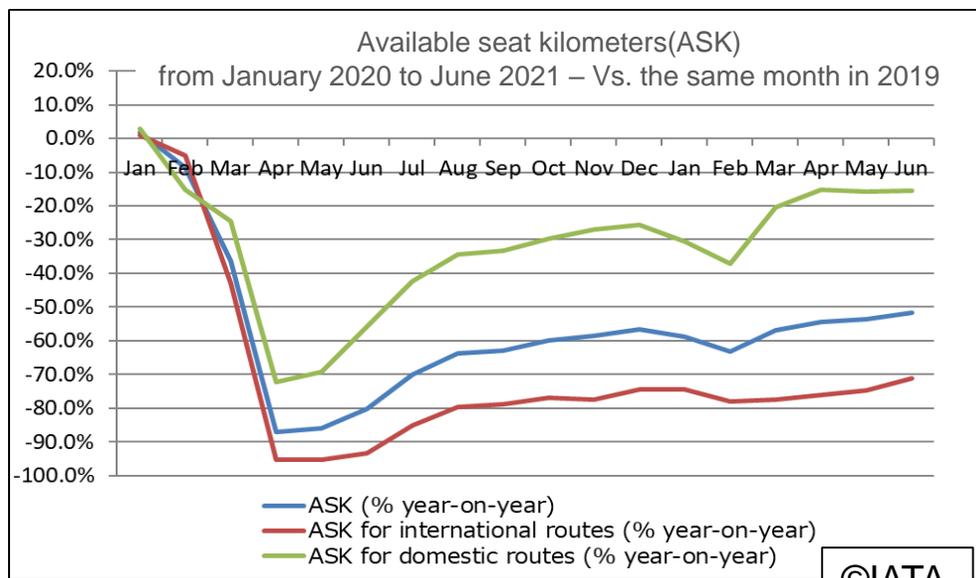
	Change in revenue	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Change in other income and expenses	Total
Resources, Energy and Environment	1.1	2.5	0.1	(0.7)	(0.4)	2.6
Social Infrastructure and Offshore Facilities		0.8		(0.3)	0.1	0.6
Industrial Systems and General-Purpose Machinery	4.6	1.5		(1.5)	(0.3)	4.3
Aero Engine, Space and Defense	(4.4)	1.7	0.9		0.4	(1.4)
<b>Total Reportable Segment</b>	<b>1.3</b>	<b>6.5</b>	<b>1.0</b>	<b>(2.5)</b>	<b>(0.2)</b>	<b>6.1</b>
Others	0.6			(0.4)		0.2
Adjustment	0.4			(0.3)	21.6	21.7
<b>Total</b>	<b>2.3</b>	<b>6.5</b>	<b>1.0</b>	<b>(3.2)</b>	<b>21.5</b>	<b>28.1</b>

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

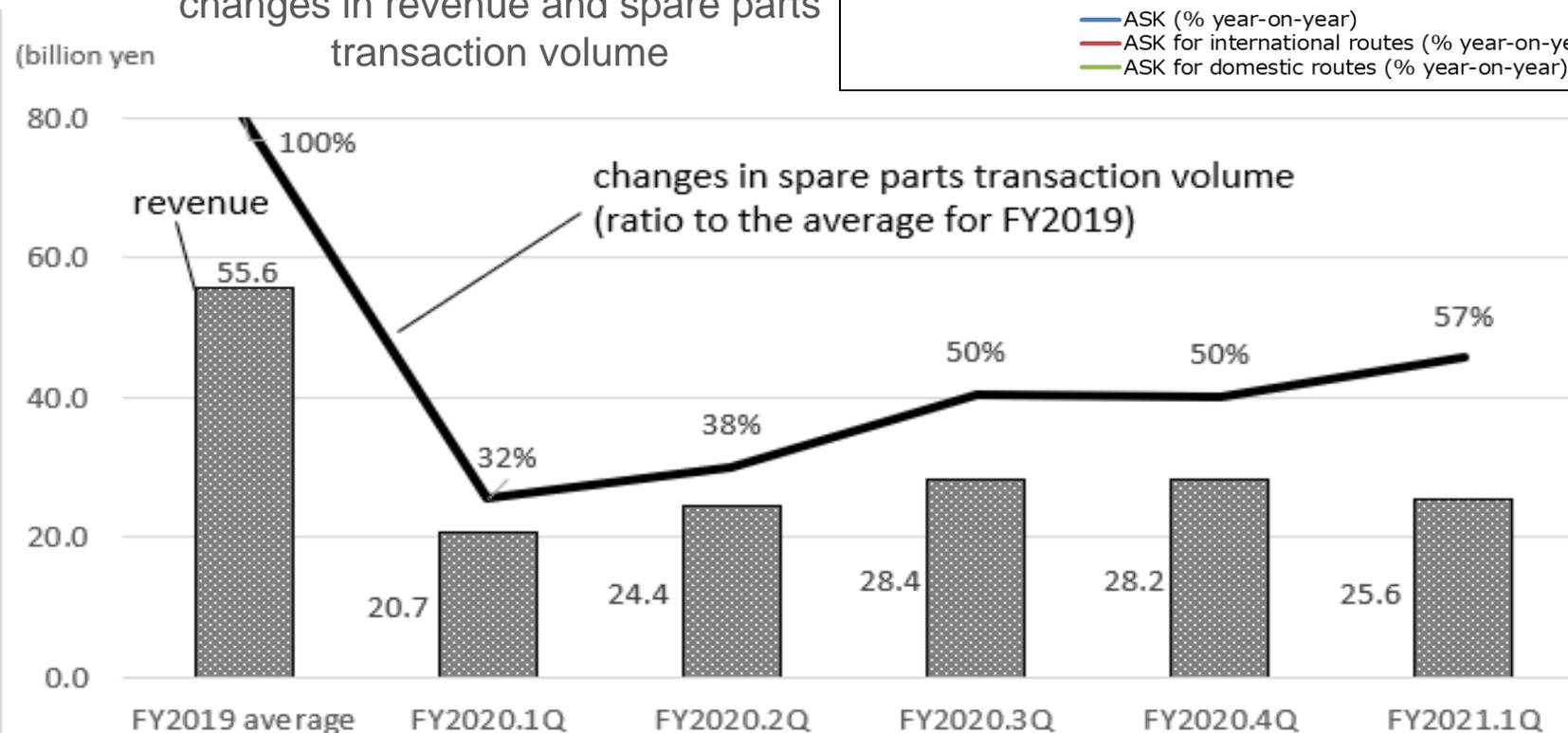
# 1. Consolidated Results for First Quarter FY2021

## Financial Results by Segment (Civil aero engines)

As shown by IATA data, demand for aero transportation has been gradually recovering after hitting the bottom in FY2020.1Q, and the transaction volume of spare parts is recovering due to this trend.



Civil aero engines changes in revenue and spare parts transaction volume



# 1. Consolidated Results for First Quarter FY2021

## Finance Income / Costs etc.

(In billion yen)

	FY2020.1Q	FY2021.1Q	Change
Foreign exchange gains (losses)	(0.8)	(0.4)	0.3
Share of profit (loss) of investments accounted for using equity method	2.3	2.5	0.1
Other finance income (costs)	(0.5)	(0.5)	0.0
<b>Finance income / costs etc.</b>	<b>0.9</b>	<b>1.4</b>	<b>0.4</b>

Change of FX rate(US\$) FY2020.1Q ¥(1.09) (US\$ 1.00=¥108.83→¥107.74)  
 FY2021.1Q ¥(0.09) (US\$ 1.00=¥110.65→¥110.56)

# 1. Consolidated Results for First Quarter FY2021

## Financial Position



(In billion yen)

	As of March 31, 2021	As of June 30, 2021	Change
<b>Total assets</b>	<b>1,832.8</b>	<b>1,771.8</b>	<b>(61.0)</b>
[Cash and cash equivalents]	[120.7]	[85.7]	[(35.0)]
[Trade receivables & contract assets]	[456.3]	[398.7]	[(57.6)]
[Inventories]	[326.4]	[353.0]	[26.5]
<b>Total liabilities</b>	<b>1,505.1</b>	<b>1,430.2</b>	<b>(74.8)</b>
[Trade payables etc.]	[234.4]	[208.0]	[(26.3)]
[Contract liabilities]	[165.8]	[168.3]	[2.5]
[Interest-bearing liabilities]	[605.9]	[564.8]	[(41.0)]
Bonds and borrowings	[463.1]	[424.0]	[(39.1)]
Lease liabilities *1	[142.8]	[140.8]	[(1.9)]
<b>Total equity</b>	<b>327.7</b>	<b>341.5</b>	<b>13.8</b>
Equity attributable to owners of parent	300.7	314.4	13.6
Non-controlling interests	26.9	27.1	0.2
<b>Total liabilities and equity</b>	<b>1,832.8</b>	<b>1,771.8</b>	<b>(61.0)</b>
<b>D/E ratio (times) *2</b>	<b>1.85</b>	<b>1.65</b>	<b>(0.20)</b>
<b>Ratio of equity attributable to owners of parent (%) *3</b>	<b>16.4</b>	<b>17.7</b>	<b>1.3</b>

\*1 Including liabilities corresponding to operating leases under Japanese GAAP (¥111.9 billion and ¥114.8 billion as of March 31, 2021 and June 30, 2021)

\*2 D/E ratio = Interest-bearing liabilities / Total equity

\*3 Ratio of equity attributable to owners of parent = Equity attributable to owners of parent / Total liabilities and equity

# 1. Consolidated Results for First Quarter FY2021

## Cash Flows

(In billion yen)

	FY2020.1Q	FY2021.1Q	Change
Profit before tax	(6.9)	21.7	28.6
Depreciation *1	17.5	16.8	(0.7)
Change in working capital *2	(18.1)	13.6	31.7
Other	(19.2)	*3(50.5)	(31.2)
<b>Cash flows from operating activities</b>	<b>(26.6)</b>	<b>1.6</b>	<b>28.3</b>
<b>Cash flows from investing activities</b>	<b>(24.5)</b>	<b>9.1</b>	<b>33.7</b>
<b>Free cash flows</b>	<b>(51.2)</b>	<b>10.7</b>	<b>62.0</b>
<b>Cash flows from financing activities</b>	<b>(12.8)</b>	<b>(45.8)</b>	<b>(32.9)</b>

\*1: Depreciation consists of depreciation of property, plant and equipment, investment property, right-of-use assets and software, does not include depreciation of capitalized development costs, patents and other intangible assets.

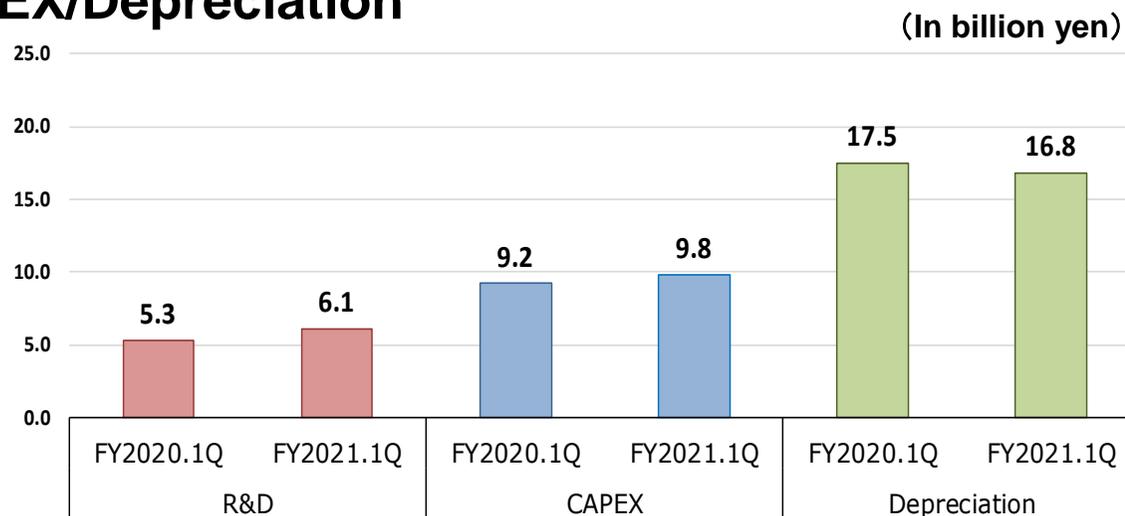
\*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

Working capital = trade receivables + contract assets + inventories + prepayments - contract liabilities  
- trade payables - refund liabilities

\*3: Other includes transfer of gain on sale of assets held to cash flows from investing activities.

# 1. Consolidated Results for First Quarter FY2021 Supplementary Information

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



CAPEX and depreciation consist of those of property, plant and equipment, investment property, right-of-use assets and software.

## (2) Revenue by Region

(In billion yen)

	FY2020.1Q	FY2021.1Q
<b>Japan</b>	<b>135.4</b>	<b>128.1</b>
<b>Asia</b>	<b>23.1</b>	<b>37.8</b>
<b>China</b>	<b>22.5</b>	<b>22.0</b>
<b>North America</b>	<b>24.9</b>	<b>34.6</b>
<b>Central and South America</b>	<b>0.6</b>	<b>3.3</b>
<b>Europe</b>	<b>9.3</b>	<b>17.1</b>
<b>Others</b>	<b>1.5</b>	<b>2.1</b>
<b>Total</b>	<b>217.5</b>	<b>245.2</b>

## 2. Forecasts of the Consolidated Results for FY2021

## 2. Forecasts of the Consolidated Results for FY2021

### Summary of Forecasts

Assumed FX rate US\$ 1.00 = ¥105

(in and after the second quarter ending September 30, 2021)

(In billion yen)

	FY2020 Results	FY2021 Forecast (in May)	FY2021 Forecast (in August)	Change Vs. Forecast (in May)
<b>Orders received</b>	<b>1,097.0</b>	<b>1,160.0</b>	<b>1,160.0</b>	<b>0.0</b>
<b>Revenue</b>	<b>1,112.9</b>	<b>1,180.0</b>	<b>1,180.0</b>	<b>0.0</b>
<b>Operating profit</b>	<b>27.9</b>	<b>70.0</b>	<b>70.0</b>	<b>0.0</b>
<b>Profit before tax</b>	<b>27.6</b>	<b>60.0</b>	<b>60.0</b>	<b>0.0</b>
<b>Profit Attributable to Owners of Parent</b>	<b>13.0</b>	<b>35.0</b>	<b>35.0</b>	<b>0.0</b>

(Reference)

FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US\$ ¥0.6 billion

Forecast of cash flows of results for the full fiscal year ending March 31, 2022 also remain unchanged.

## 2. Forecasts of the Consolidated Results for FY2021

### Forecasts by Segments

■ Orders received

(In billion yen)

	FY2020 Results	FY2021 Forecast (in May)	FY2021 Forecast (in August)	Change Vs. Forecast (in May)
Resources, Energy and Environment	274.7	310.0	310.0	0.0
Social Infrastructure and Offshore Facilities	166.1	160.0	160.0	0.0
Industrial Systems and General-Purpose Machinery	365.2	400.0	400.0	0.0
Aero Engine, Space and Defense	260.4	270.0	270.0	0.0
<b>Total Reportable Segment</b>	<b>1,066.5</b>	<b>1,140.0</b>	<b>1,140.0</b>	<b>0.0</b>
Others	78.8	70.0	70.0	0.0
Adjustment	(48.3)	(50.0)	(50.0)	0.0
<b>Total</b>	<b>1,097.0</b>	<b>1,160.0</b>	<b>1,160.0</b>	<b>0.0</b>

## 2. Forecasts of the Consolidated Results for FY2021

### Forecasts by Segments

#### ■ Revenue & Operating profit

(In billion yen)

	Revenue				Operating profit			
	FY2020 Results	FY2021 Forecast (in May)	FY2021 Forecast (in August)	Change Vs. Forecast (in May)	FY2020 Results	FY2021 Forecast (in May)	FY2021 Forecast (in August)	Change Vs. Forecast (in May)
Resources, Energy and Environment	317.6	340.0	340.0	0.0	19.1	23.0	23.0	0.0
Social Infrastructure and offshore facilities	157.9	180.0	180.0	0.0	17.1	17.0	17.0	0.0
Industrial Systems and General-Purpose Machinery	374.2	400.0	400.0	0.0	11.4	29.0	29.0	0.0
Aero Engine, Space and Defense	244.6	260.0	260.0	0.0	(40.4)	(27.0)	(27.0)	0.0
<b>Total Reportable Segment</b>	<b>1,094.4</b>	<b>1,180.0</b>	<b>1,180.0</b>	<b>0.0</b>	<b>7.2</b>	<b>42.0</b>	<b>42.0</b>	<b>0.0</b>
Others	66.8	60.0	60.0	0.0	3.6	3.0	3.0	0.0
Adjustment	(48.4)	(60.0)	(60.0)	0.0	17.0	25.0	25.0	0.0
<b>Total</b>	<b>1,112.9</b>	<b>1,180.0</b>	<b>1,180.0</b>	<b>0.0</b>	<b>27.9</b>	<b>70.0</b>	<b>70.0</b>	<b>0.0</b>

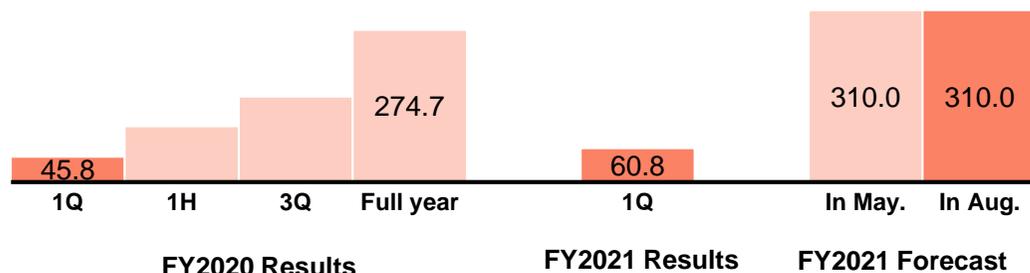
# 3. Financial Results by Segment



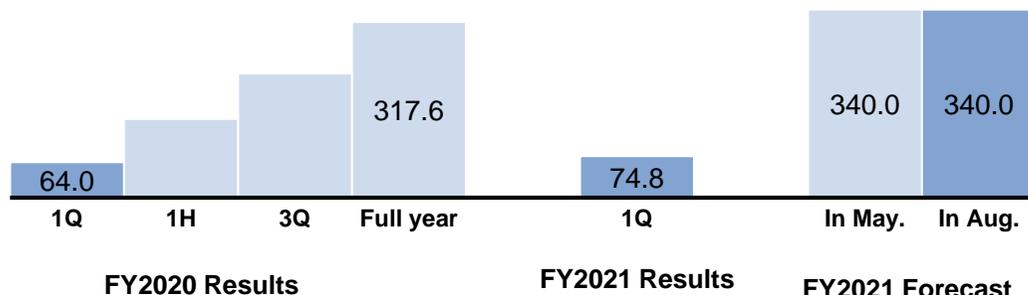
# 3. Financial Results by Segment Resources, Energy and Environment

(In billion yen, accumulated amount)

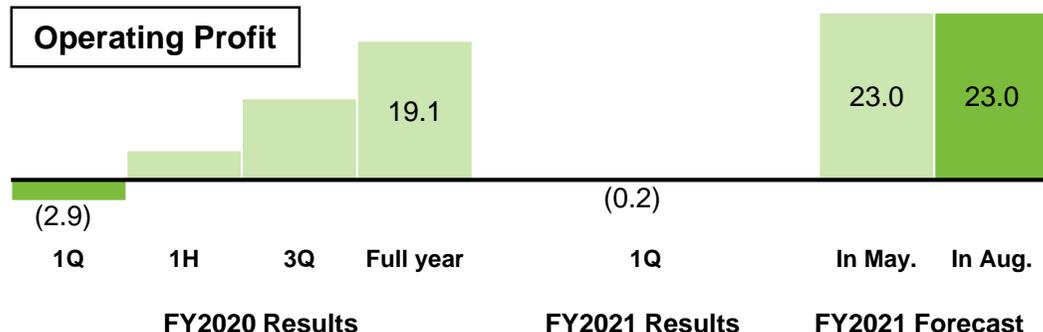
## Orders received



## Revenue



## Operating Profit



**Main Businesses : Power systems,  
Carbon solutions and Nuclear energy**

## Results (vs FY2020.1Q)

**【Orders received】**

Increased in Power systems.

**【Revenue】**

Increased in Carbon solutions and Nuclear energy.

**【Operating profit】**

Operating loss decreased due to increased revenue and improved profitability in Carbon solutions.

## Full year forecasts (unchanged)

### vs FY2020 results

- Revenue is expected to increase mainly in life cycle businesses in Nuclear energy and Power systems.
- Overall operating profit is expected to increase due to the improvement of profitability in Power systems etc., in addition to the effect of the above-mentioned increasing revenue.

### 3. Financial Results by Segment Resources, Energy and Environment

(In billion yen)

	Orders received				Revenue					
	FY2020		FY2021		FY2020				FY2021	
	1Q	Full year	1Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	Full year (Forecast)
Power systems	19.0	71.9	25.5	81.0	18.8	38.3	61.1	87.1	18.6	93.0
Carbon solutions *	13.5	119.9	15.4	144.0	33.0	78.7	119.2	159.4	35.2	157.0
Nuclear energy	9.1	42.6	10.4	31.0	4.5	10.0	18.1	32.7	6.0	43.0

\*In accordance with the SBU reorganization in FY2021, results in FY 2020 are rearranged.

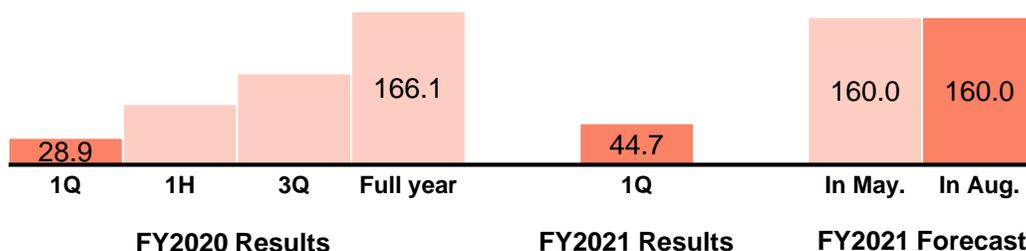
# 3. Financial Results by Segment

## Social Infrastructure and Offshore Facilities

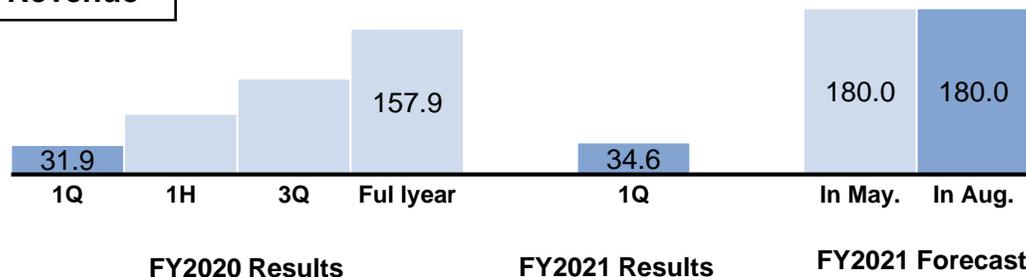
(In billion yen, accumulated amount)

**Main Businesses : Bridges and water gates, Shield systems, Urban development, Transport systems, and Concrete construction materials**

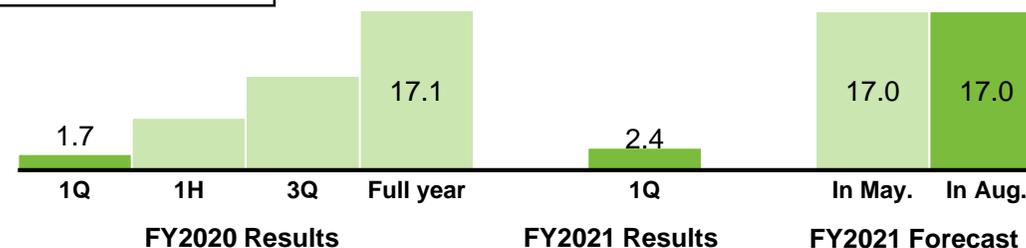
### Orders received



### Revenue



### Operating Profit



### Results (vs FY2020.1Q)

#### 【Orders received】

Increased in Bridges and water gates.

#### 【Revenue】

Increased in Bridges and water gates etc., while decreased due to decline in real estate sales in Urban development.

#### 【Operating profit】

Increased due to increased revenue and improved profitability in Bridges and water gates etc., while decreased due to decline in revenue in Urban development.

### Full year forecasts (unchanged)

#### vs FY2020 results

- Revenue is expected to increase due to the progress in the overseas large-scale project of Bridges and water gates and the growth of life cycle businesses.
- Overall operating profit is expected to be same level as the previous fiscal year mainly due to the improvement of profitability in Transport systems, in addition to the effect of the above-mentioned increasing revenue, while operating profit in Urban development is expected to decrease due to decline in real estate sales.

### 3. Financial Results by Segment

## Social Infrastructure and Offshore Facilities

(In billion yen)

	Orders received				Revenue					
	FY2020		FY2021		FY2020				FY2021	
	1Q	Full year	1Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	Full year (Forecast)
Bridges and water gates	11.1	79.3	31.2	87.0	15.1	31.2	49.4	76.8	17.8	102.0
Shield systems	4.7	21.7	1.2	18.0	3.5	9.1	12.3	19.4	5.8	22.0
Urban development	6.5	23.9	4.6	18.0	6.6	11.4	18.9	23.9	4.6	18.0

\*For related information of “Urban development” in Toyosu, please refer to <Appendices> on pages 35 and 36

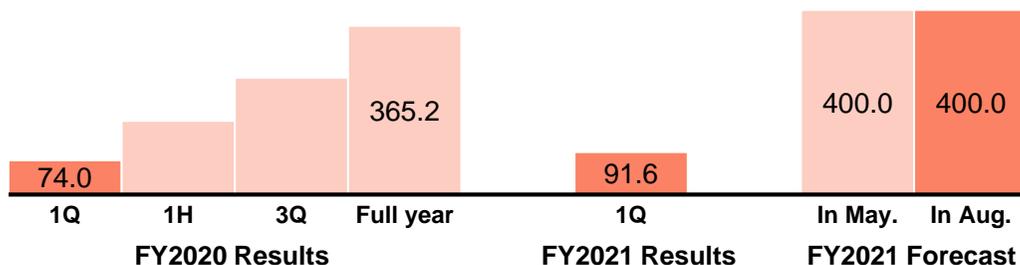
# 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

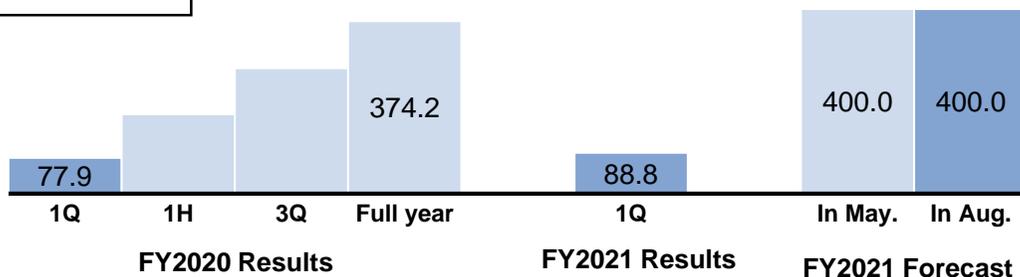
(In billion yen, accumulated amount)

**Main Businesses : Vehicular turbochargers, Parking, Rotating machineries, Heat treatment and surface engineering, Transport machineries and Logistics and industrial systems**

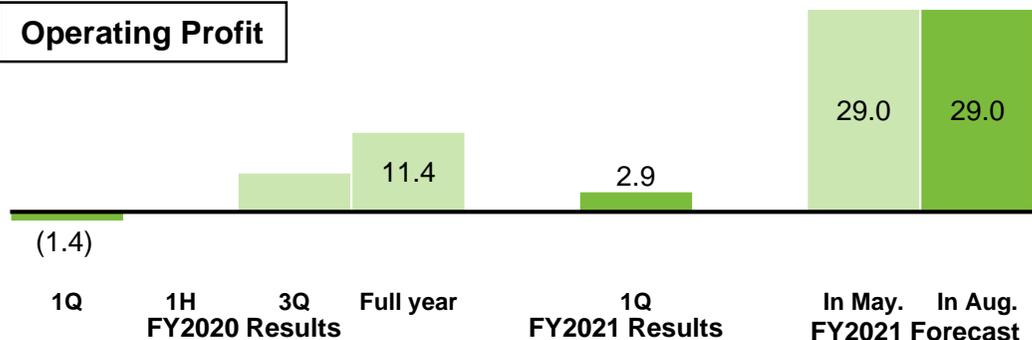
### Orders received



### Revenue



### Operating Profit



### Results (vs FY2020.1Q)

#### 【Orders received】

Increased in Vehicular turbochargers and Heat treatment and surface engineering.

#### 【Revenue】

Increased in Vehicular turbochargers and Heat treatment and surface engineering, while decreased in Transport machineries.

#### 【Operating profit】

Recorded operating surplus due to increased revenue and improved profitability in Vehicular turbochargers and Heat treatment and surface engineering etc.

### Full year forecasts (unchanged) vs FY2020 results

- According to the recovery of demands, orders received and revenue are expected to increase in the Automotive parts related businesses such as Vehicular turbochargers and Heat treatment and surface engineering.
- Operating profit is expected to largely increase due to the reinforcement of cost structure such as reduction of procurement costs and improvement of profitability centered on Vehicular turbochargers, in addition to the effect of the above-mentioned increases in revenue.

### 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

(In billion yen)

	Orders received				Revenue					
	FY2020		FY2021		FY2020				FY2021	
	1Q	Full year	1Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	Full year (Forecast)
Vehicular turbochargers	28.3	146.9	38.6	155.0	28.2	66.0	108.9	146.6	38.3	155.0
Parking	10.2	50.2	10.6	51.0	9.3	20.5	33.5	46.0	9.1	53.0
Rotating machineries	12.0	46.6	13.6	51.0	10.3	23.0	36.0	49.7	11.9	50.0
Heat treatment and surface engineering	5.6	29.8	10.7	39.0	6.7	13.7	21.4	30.4	8.7	37.0
Transport machineries	4.9	29.6	4.1	30.0	10.2	19.7	29.1	40.0	7.3	39.0

\*For details of “Vehicular turbochargers”, please refer to <Appendices> on page 33 and 34.

### < Number of vehicular turbochargers delivered >

(1,000 Units)

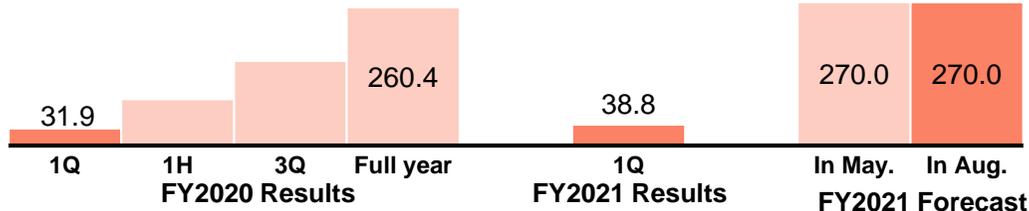
	1Q	Full Year
<b>FY2020</b>	<b>1,150</b>	<b>5,510</b>
<b>FY2021</b>	<b>1,260</b>	<b>5,700</b>

# 3. Financial Results by Segment

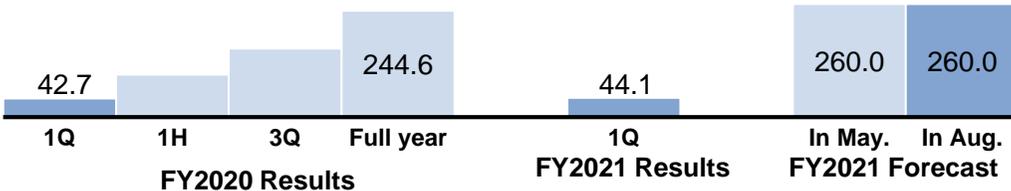
## Aero Engine, Space and Defense

(In billion yen, accumulated amount)

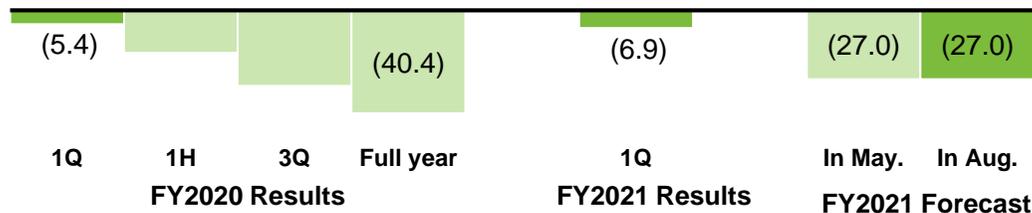
### Orders received



### Revenue



### Operating Profit



**Main Businesses : Aero engines, Rocket systems and space utilization systems and Defense systems**

### Results (vs FY2020.1Q)

#### 【Orders received】

Increased in Rocket systems and space utilization systems.

#### 【Revenue】

Increased in Civil aero engines, while decreased in Rocket systems and space utilization systems.

#### 【Operating profit】

Operating loss increased due to an increase in revenue of newly made engines with heavy burden in early stage, while profit increased due to increased sales of spare parts in Civil aero engines.

### Full year forecasts (unchanged)

#### vs FY2020 results

- In Civil aero engines, recovery of demands is not expected to contribute to earn profit, since an increase in revenue of newly made engines with heavy burden in early stage is expected despite a positive factor of increasing sales of spare parts.
- Operating loss is expected to be lessened from the previous fiscal year by reinforcement of cost structure mainly in the improvement of profitability of newly made engines.

### 3. Financial Results by Segment

## Aero Engine, Space and Defense

(In billion yen)

	Orders received				Revenue					
	FY2020		FY2021		FY2020				FY2021	
	1Q	Full year	1Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	Full year (Forecast)
Civil aero engines	21.5	100.8	25.7	120.0	20.7	45.1	73.5	101.7	25.6	120.0

\*For details of “Civil aero engines”, please refer to <Appendices> on page 32

### <Number of civil aero engines delivered>

(Units)

	1Q	Full Year
<b>FY2020</b>	<b>185</b>	<b>842</b>
<b>FY2021</b>	<b>205</b>	<b>999</b>

# < Appendices >

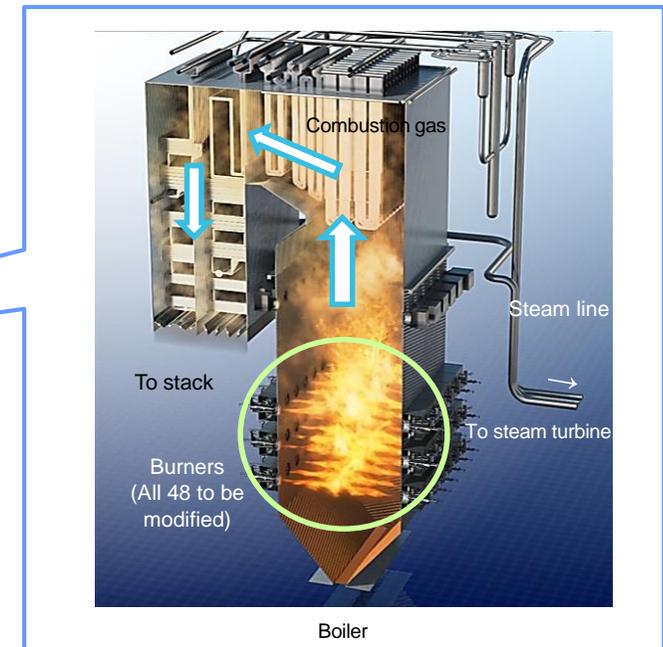
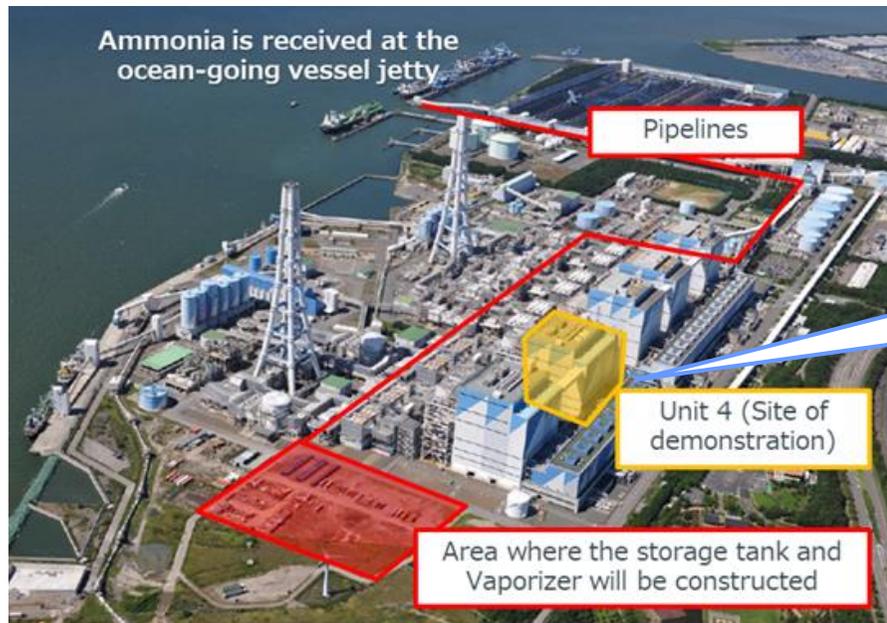
- Topics in the First Quarter
- Financial Performance
- Aero engines
- Vehicular turbochargers
- Urban development

## JERA and IHI start a Demonstration Project Related to Ammonia Co-firing at a Large-Scale Commercial Coal-Fired Power Plant

JERA Co., Inc. ("JERA") and IHI have received notice of acceptance of their joint grant application to conduct a demonstration project under the New Energy and Industrial Technology Development Organization's "Development of Technologies for Carbon Recycling and Next-Generation Thermal Power Generation / Research, Development and Demonstration of Technologies for Ammonia Co-Firing Thermal Power Generation" program.

In the project, JERA and IHI plan to demonstrate an ammonia co-firing rate of 20% at Unit 4 of JERA's Hekinan Thermal Power Station (power generation capacity: 1GW) in FY 2024. JERA is in charge of ammonia procurement and construction of related facilities such as the storage tank and vaporizer, while IHI's role is to develop the burners to be used in the demonstration. The two companies are moving forward with design and construction. Notably, this is the world's first demonstration project in which a large amount of ammonia will be co-fired in a large-scale commercial coal-fired power plant.

In addition, in order to ensure the reliability of high-volume ammonia co-firing, the two companies plan to verify the necessary parameters for developing the demonstration burners by conducting small-scale ammonia co-firing tests using burners of different materials at Unit 5 of the Hekinan Thermal Power Station (power generation capacity: 1GW) from August to December 2021.



<Hekinan Thermal Power Station (Hekinan City, Aichi Prefecture), where the demonstration project will be conducted> © JERA

## IHI Begins operations at the new Tsurugashima Aero-Engine Works maintenance site for civil aero engines



<Tsurugashima Works in Tsurugashima-city, Saitama Prefecture>

On June 18, 2021, IHI began operations at the Tsurugashima Aero-Engine Works it had been constructing in Tsurugashima-city, Saitama Prefecture, as a new maintenance site for civil aero engines. In preparation for the post-COVID-19 recovery and return to growth of demand in the civil aero engine industry, IHI is aiming to expand its lifecycle businesses.

Hitherto, IHI had conducted all the necessary processes for aero engine maintenance, such as disassembly, cleaning, inspection, component repair, assembly, and test operation of aero engines at its Mizuho Aero-Engine Works (Mizuho-machi, Nishitama-gun, Tokyo). This superior maintenance capability has resulted in receiving maintenance accreditation from aviation authorities in 19 countries around the world.

At the Tsurugashima Aero-Engine Works, a robust quality assurance system designed specifically for civil aero engine maintenance will form the foundation for the deployment of new technologies such as IoT and AI. By working to generate synergies with the business operations of the Mizuho Aero-Engine Works, the new facility aims to achieve world-leading levels of aircraft safety and quality as well as highly efficient maintenance services.

## IHI Corporation Enters Small Modular Reactor Market Through Investment in NuScale Power

IHI Corporation (IHI) has decided to enter the Small Modular Reactor (SMR) market by investing in NuScale Power, LLC (NuScale), a U.S.-based developer of SMR technology.

Load-following, scalable power sources that can complement renewable energy sources are becoming more important. SMR plants fill this role well because their multiple reactors can be operated independently thereby allowing the plant can change its power output quickly to meet fluctuating demand.

The SMR being developed by NuScale has a high level of safety and NuScale is the first SMR to obtain Standard Design Approval from the U.S. Nuclear Regulatory Commission, and NuScale is already in the process of commercializing its technology.

Based on IHI's rich experience in the nuclear industry, IHI plans to play a central role in NuScale's future projects through the supply of primary components and engineering support.



<NuScale SMR>

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## IHI has signed the technical collaboration agreement with AVL List GmbH regarding electric turbocharger for fuel cell system.

IHI and AVL LIST GmbH (Headquarters: Graz Austria, hereinafter "AVL") signed a Technology Collaboration Agreement on electric turbochargers for fuel cell systems. AVL is the world's largest independent company for the development, simulation and testing of powertrain systems and has been promoting fuel cell related business for about 20 years and has experienced many projects.

In this collaboration, firstly AVL plans to equip the HyTruck(\*) fuel cell system for commercial vehicles currently under development with electric turbocharger developed and manufactures by IHI, and IHI has already supplied prototypes.

AVL has knowledge and technology for fuel cell systems, power trains, batteries, motors, etc., whereas IHI has knowledge and technology for automotive turbochargers for internal combustion engines.

Together with AVL, IHI is aiming at realizing a fuel cell powertrain system with highest efficiency.

(\*) AVL development project name supported by the Austrian government.



<IHI's electric turbocharger for fuel cell system>

# Financial Performance

(In billion yen)

	Japanese GAAP			
	FY2016	FY2017	FY2018	FY2019
Orders received	1,389.8	1,505.0	1,399.2	1,373.9
Revenue	1,468.3	1,590.3	1,483.4	1,386.5
Operating profit	47.3	72.2	82.4	60.7
Profit attributable to owners of parent	5.2	8.2	39.8	12.8
Cash flows from operating activities	65.3	99.0	46.4	14.5
Cash flows from investing activities	(28.9)	(47.9)	(79.2)	(75.8)
Free cash flows	36.4	51.0	(32.8)	(61.3)
Dividends per share (yen)	0	Interim 3 Year-end 30* (*after share consolidation)	70 (Interim 30, Year-end 40)	50 (Interim 30, Year-end 20)
ROIC (%)	5.0	7.7	8.7	5.7
Operating margin (%)	3.2	4.5	5.6	4.4
CCC (days)	87	83	97	120
D/E ratio (times)	1.10	0.92	0.93	1.38
ROE (%)	1.6	2.6	11.8	3.8
Ratio of equity attributable to owners of parent (%)	18.8	19.9	21.0	18.7

IFRS			
FY2019	FY2020	FY2021.1Q	FY2021 (Forecast)
1,280.0	1,097.0	241.5	1,160.0
1,263.1	1,112.9	245.2	1,180.0
47.8	27.9	20.2	70.0
8.2	13.0	14.1	35.0
42.4	36.3	1.6	60.0
(85.5)	(40.4)	9.1	(30.0)
(43.0)	(4.1)	10.7	30.0
50 (Interim 30, Year-end 20)	0	-	60 (Interim 30, Year-end 30)
4.1	2.2	-	5.5
3.8	2.5	8.3	5.9
92	124	-	110
2.00	1.85	1.65	1.57
2.8	4.5	-	11.2
15.0	16.4	17.7	

ROIC = (Operating profit + Interest income and dividend income) after tax / (Equity attributable to owners of parent + Interest-bearing liabilities)

CCC = Working capital / Revenue \* 365 days

D/E ratio = Interest-bearing liabilities / Equity

ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

Ratio of equity attributable to owners of parent = Equity attributable to owners of parent / total liabilities and equity

## Revenue & Number of civil aero engines delivered

	Japanese GAAP								IFRS			Main loading
	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21/1Q	
Revenue (In billion yen)	143.6	169.8	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	25.6	
Accumulated number of civil aero engines delivered (Units)												
V2500	4,980	5,468	5,969	6,469	6,896	7,236	7,508	7,688	7,735	7,740	7,742	Airbus A319/320/321
GE90	1,399	1,589	1,806	2,039	2,257	2,457	2,617	2,715	2,824	2,885	2,894	Boeing B777
CF34	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,830	For regional jet (70 to 110 seats)
GENx	118	259	468	751	1,035	1,295	1,542	1,826	2,159	2,328	2,364	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,784	2,144	2,251	Airbus A320Neo
Passport20							13	66	142	202	221	Bombardier Global7500
<b>Total</b>	<b>9,739</b>	<b>10,864</b>	<b>12,063</b>	<b>13,415</b>	<b>14,675</b>	<b>15,957</b>	<b>17,163</b>	<b>18,684</b>	<b>20,255</b>	<b>21,097</b>	<b>21,302</b>	

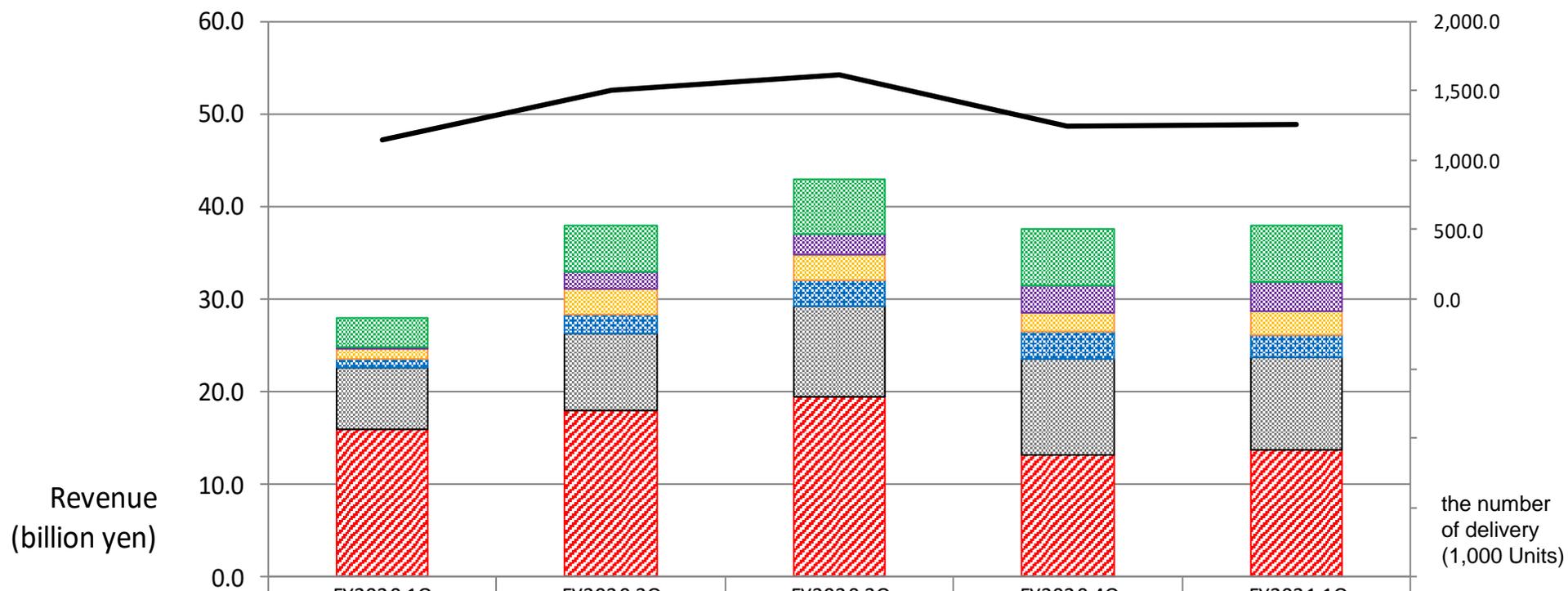
(Note) The number of civil aero engine delivered is the number handed over to the airframe maker, and differs from the number of factory shipments.

## Revenue by region

(In billion yen)

	Results										Forecasts	
	Japanese GAAP							IFRS				
	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21		
										1Q	Full year	
Japan	33.9	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	9.9	37.0	
Asia	24.8	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	2.5	11.0	
China	18.1	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	13.8	61.0	
North America	1.3	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	2.6	14.0	
Central and South America	0.0	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	3.1	11.0	
Europe	43.2	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	6.1	21.0	
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	
<b>Total</b>	<b>121.6</b>	<b>150.7</b>	<b>167.7</b>	<b>161.6</b>	<b>174.6</b>	<b>220.5</b>	<b>189.5</b>	<b>153.6</b>	<b>146.6</b>	<b>38.3</b>	<b>155.0</b>	

## Vehicular turbochargers : The number of delivery and revenue by region



	FY2020.1Q	FY2020.2Q	FY2020.3Q	FY2020.4Q	FY2021.1Q
Europe	3.0	5.0	5.8	6.1	6.1
Central and South America	0.2	1.7	2.2	2.8	3.1
North America	1.1	2.9	2.9	2.1	2.6
Asia	0.9	2.0	2.7	2.9	2.5
Japan	6.8	8.3	9.9	10.4	9.9
China	15.9	18.0	19.4	13.2	13.8
Total	28.2	37.8	42.9	37.7	38.3
Number of delivery	1,150	1,500	1,610	1,250	1,260

## (1) Lease revenue in Toyosu

(In billion yen)

	Results										Forecast	
	'12	'13	'14	'15	'16	'17	'18	'19	FY2020		FY2021	
									1Q	Full Year	1Q	Full Year
Lease revenue	9.2	9.1	9.3	10.1	9.3	9.2	9.3	9.4	3.0	12.3	3.0	12.0

## (2) Lease revenue and expense in Toyosu (FY2021.1Q)

(In billion yen)

	Lease revenue	Lease expense		Profit
		Depreciation	Others	
FY2021.1Q	3.0	1.3	1.0	0.6

(Note) The carrying amount is calculated by subtracting accumulated depreciation and impairment losses from acquisition cost. Fair value as of March 31, 2021 is based on the values mainly in the appraisal report by external real estate appraisers.

# Development Plan for Toyosu 1 to 3 chome Area

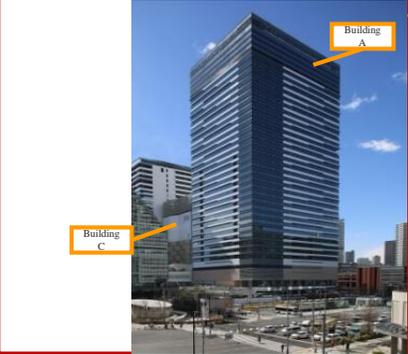
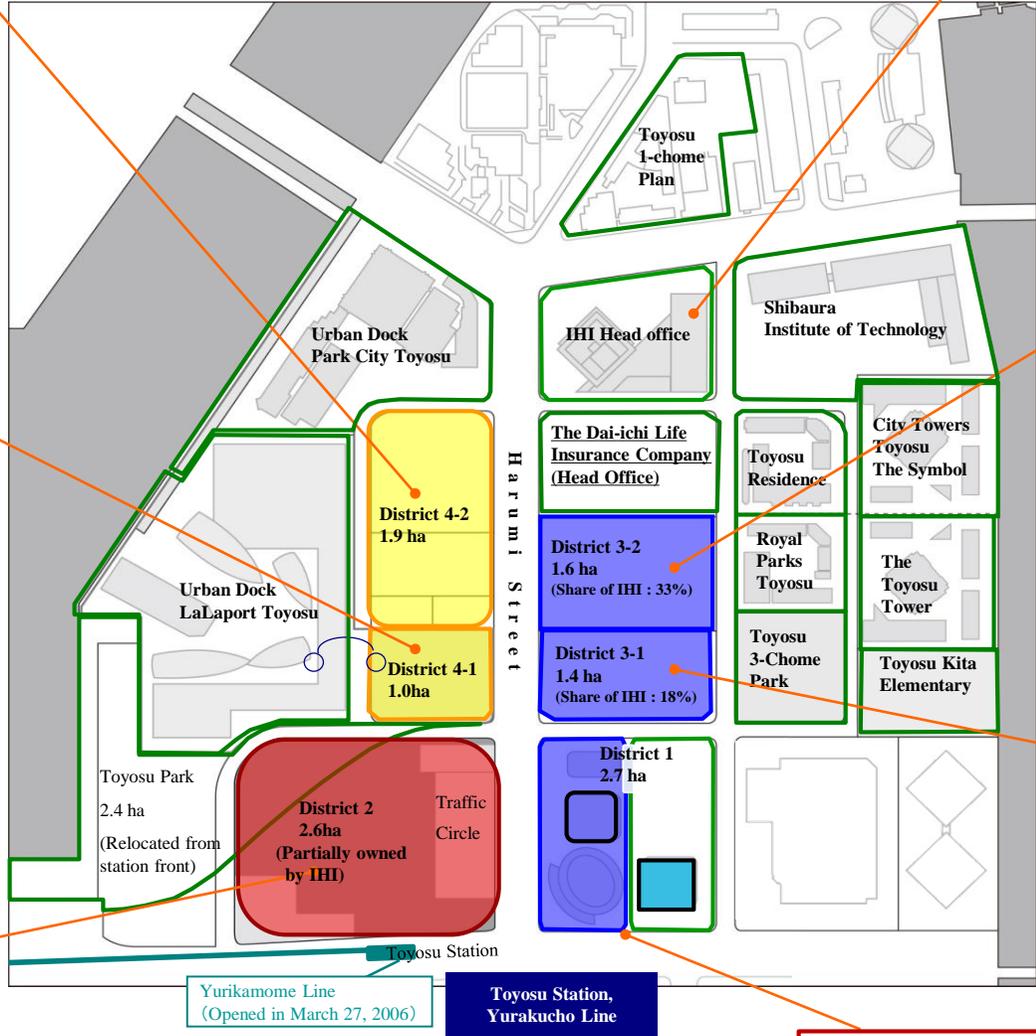
**Development Plan for District 4-2**  
 Site area : 19,493㎡  
 Planned construction schedule from 2022 spring to 2025 spring



**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



**Toyosu Bayside Cross Tower A+C (IHI and Mitsui Fudosan)**  
 36 floors above ground, Approx. 178m high  
 Gross floor area : 185,000㎡  
 Completed in March 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

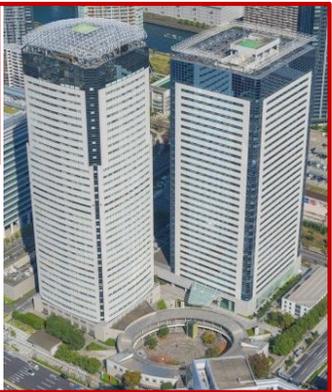


**Toyosu Front (IHI, Mitsubishi Estate Company, Ltd. and Mitsubishi UFJ Trust and Banking Corporation)**  
 15 floors above ground, Approx. 75m high  
 Gross floor area : 106,861㎡  
 Completed in August 2010



**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



Property of IHI	Approx. 5ha
-----------------	-------------

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

\* 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.