



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under IFRS)

May 8, 2025

Company name: IHI Corporation
 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 7013
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Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 23, 2025

Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors, analysts and the media)

(Yen amounts are rounded to the nearest millions.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	1,626,831	23.0	143,517	—	138,488	—	117,295	—
March 31, 2024	1,322,591	(2.2)	(70,138)	—	(72,280)	—	(64,850)	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
March 31, 2025	112,740	—	125,478	—	744.84	744.77
March 31, 2024	(68,214)	—	(34,412)	—	(450.78)	(450.78)

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets ratio	Ratio of operating profit to revenue
	%	%	%
Fiscal year ended			
March 31, 2025	26.3	6.4	8.8
March 31, 2024	(16.9)	(3.6)	(5.3)

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2025: ¥ 6,280 million
 For the fiscal year ended March 31, 2024: ¥ 774 million

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
March 31, 2025	2,240,392	508,660	481,726	21.5	3,182.56
March 31, 2024	2,097,810	402,268	375,989	17.9	2,484.13

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2025	177,634	(58,820)	(116,225)	136,809
March 31, 2024	62,117	(51,699)	(2,569)	138,805

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	50.00	—	50.00	100.00	15,190	—	3.7
Fiscal year ended March 31, 2025	—	50.00	—	70.00	120.00	18,229	16.1	4.2
Fiscal year ending March 31, 2026 (Forecast)	—	70.00	—	70.00	140.00		17.7	

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	1,650,000	1.4	150,000	4.5	135,000	(2.5)	120,000	6.4	789.94

(Note) Please refer to “A. Forecasts of consolidated results” of “(2) FUTURE OUTLOOK” in “1. SUMMARY OF BUSINESS RESULTS” on page 10 for the suppositions that form the assumptions for the forecasts above and related matters.

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS : Yes
- (ii) Changes in accounting policies due to other reasons : None
- (iii) Changes in accounting estimates : None

(3) Number of shares issued (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	154,679,954 shares
As of March 31, 2024	154,679,954 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	3,315,682 shares
As of March 31, 2024	3,323,344 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	151,361,135 shares
Fiscal year ended March 31, 2024	151,324,724 shares

[Reference] Overview of non-consolidated financial results (Japanese GAAP)

(Yen amounts are rounded down to millions.)

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	664,985	55.2	83,950	—	110,012	—	90,060	—
March 31, 2024	428,548	(19.9)	(121,704)	—	(89,906)	—	(72,840)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	595.00	594.94
March 31, 2024	(481.35)	(481.35)

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity to total assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,492,531	329,399	22.1	2,175.82
March 31, 2024	1,390,678	255,170	18.3	1,685.32

Reference: Equity at the end of the period (non-consolidated)

As of March 31, 2025: ¥ 329,342 million
As of March 31, 2024: ¥ 255,085 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of forecast of results, and other special matters

(Cautionary statements on forward-looking statements)

Earnings estimates made in this report and other statements that are not historical facts are forward-looking statements about the future performance of the IHI Group. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore readers should not place undue reliance on them. IHI cautions that a number of important factors such as political and general economic conditions and the yen exchange rate including its rate against US dollar could cause actual results to differ materially from those discussed in the forward-looking statements, etc.

(How to obtain supplementary material on financial results)

The supplementary material on financial results shall be posted on IHI's website.

1. SUMMARY OF BUSINESS RESULTS

(1) SUMMARY OF BUSINESS RESULTS AND FINANCIAL POSITION

A. Summary of business results for the fiscal year ended March 31, 2025

During the current fiscal year, the global economy experienced a moderate recovery overall, driven by the U.S. economy. Meanwhile, the European economy remains sluggish due to high costs of energy, etc. and a slowdown in domestic demand in China, and the Chinese economy continued to show weak performance due to stagnation in the real estate recession. In the Japanese economy, supported by improving employment and income environment, the economy has been recovering gradually, although it is the impact of rising prices.

In the IHI Group's main business of Aero Engine, Space and Defense, in the Civil aero engines Business, sales of spare parts have further expanded due to remaining steady demand for aero transportation. In the Defense Business, under the government policy of fundamentally reinforcing Japan's defense capabilities, the defense budget have greatly increased, and the IHI Group is continuing to respond to orders for large-scale projects. In order to respond to the expected increase in demand for civil aero engines, defense business, and space business in the future, the IHI Group will continue to enhance its producing capacity including securing resources and work towards achieving the world's highest level of production efficiency.

Regarding the additional inspection program for shipped PW1100G-JM engines, the IHI Group continue to work with its program partners to enhance maintenance capacity and reduce the number of aircraft on the ground. The IHI Group is committed to its efforts to reduce the impact on its airline customers and to restore their confidence.

The lifecycle businesses in the Conventional Businesses is temporarily decreasing the current fiscal year due to a transitional period in the project cycle, but it is expected steady growth in a medium- to long-term. Therefore, the IHI Group will continue to work towards expansion, aiming to contribute to group earnings and generate the investment capital.

In the Vehicular turbochargers Business, due to the trend toward EVs, orders expected to decrease at European base in Germany, the IHI Group consolidated the functions of this European base to its subsidiary in Italy. The IHI Group will fulfill its supply responsibilities to automobile manufacturers of Europe by transferring production to other group companies in different regions.

As part of efforts to reform business portfolio, the IHI Group has decided to transfer its businesses of Materials Handling System Business, Turf Care Machinery Business, and its consolidated subsidiary, IHI PACKAGED BOILER CO., LTD. and IHI CONSTRUCTION MATERIALS Co., Ltd., which are part of its Conventional Businesses. The IHI Group will continue its reforms with speed in order to build portfolio that can deliver stably growth while controlling volatility.

With regard to the misconduct related to the engine test run records in the Power systems Business, as the confirmation of the facts related to the misconduct was completed and as a policy for responding to the results of NOx emissions verification was formulated, the IHI Group submitted the Investigation Report to the Ministry of Land, Infrastructure, Transport and Tourism on August 21, 2024, it formulated and announced preventive measures as IHI Corporation and IHI Power Systems Co., Ltd. on October 30, 2024. The IHI Group have been notifying eligible customers of the implementation of fuel efficiency compensation from February 7, 2025. Regarding the misconduct in the snowblower in the Transport systems Business, based on the results of the investigation into the facts and causes, the comprehensive snow removal performance tests of the subject models have been conducted. The IHI Group measured to respond to customers and prevent recurrence of such behavior.

The mechanical parking system business, which was subject to an on-site inspection by the Japan Fair Trade

Commission (hereinafter “JFTC”) in September 2023, was determined to have engaged in a violation of the Antimonopoly Act on March 24, 2025. IHI Transport Machinery Co., Ltd has voluntarily reported the violation to JFTC by applying for leniency program, and consistently cooperated with the JFTC’s investigation, which resulted in the exemption from surcharges and a cease and desist order.

In response to the misconduct, the IHI Group is fully committed to preventing recurrence by implementing measures such as communication from top management, revising internal regulations, strengthening compliance training, enhancing personnel rotation, and conducting dialogue activities in workplace. The IHI Group have also worked on building a system to prevent misconduct behavior and reevaluating of organizational culture. The IHI Group will make sincere efforts as one to establish compliance as a true corporate culture and work to regain the stakeholders' trust.

With regard to business result, in the previous fiscal year, the IHI Group recorded a significant loss due to the additional inspection program for shipped PW1100G-JM engines and settlement of litigation involving IHI’s consolidated subsidiary. As a result, orders received and revenue in the previous fiscal year temporarily decreased significantly.

Orders received during the current fiscal year increased 27.2% from the previous corresponding period to ¥1,751.1 billion due to a rebound of the temporary decreases in the previous fiscal year.

Revenue increased 23.0% from the previous corresponding period to ¥1,626.8 billion due to a rebound of the temporary decrease in the previous fiscal year, an increase in sales of spare parts for civil aero engines, progress in a large-scale power plant project in Southeast Asia, and the effects of yen depreciation.

In terms of profit, operating profit increased ¥213.6 billion to ¥143.5 billion due to significant increasing revenue of Civil aero engines, despite the impact of reformation costs of business structure, etc. and expenses related to the improper conduct. Profit before tax is ¥138.4 billion, profit attributable to owners of parent is ¥112.7 billion.

The business environments by reportable segment for the fiscal year ended March 31, 2025 are as follows:

Resources, Energy and Environment

Energy security is becoming increasingly important of to ensure a stable energy supply in the face of growing uncertainties such as geopolitical risks in energy supply, rising various costs, and policy changes resulting from a change of U.S. administration. On the other hand, the major trend toward decarbonization as a medium- to long-term response remains unchanged. Moving forward, energy demand will tend to expand further not only economic growth but also the development of Digital Transformation (DX) and Green Transformation (GX), and energy sources that combine stable supply and decarbonization, especially nuclear power, are attracting increasing attention.

In this Business Area, the IHI Group is promoting the use of ammonia, which does not emit CO₂ during combustion, and infrastructure development, as well as the restart of nuclear power generation, the steady development of the Nuclear energy Business such as radioactive waste disposal, decontamination and decommissioning, and the spread of carbon recycling technologies such as methanation, which recycles CO₂ as a resource. For existing energy and industrial infrastructure, the IHI Group will develop value-added lifecycle businesses that contribute to reducing environmental impact, such as keeping operations at high efficiency and improving maintenance efficiency through the use of digital technology. By promoting these initiatives together with its customers, the IHI Group will contribute to the stable supply of energy and the transition to a carbon-neutral society.

Social Infrastructure

In Japan, the national land resilience plan continues to be promoted as a countermeasure against aging infrastructure and severe natural disasters caused by climate change. In addition to strengthening road network functions, maintaining and repairing aging bridges, and promoting watershed flood control, the shift to preventive maintenance infrastructure maintenance is making further progress. On the other hand, labor shortages in the construction sector remain severe, and the impact of the cap on overtime work in the construction industry, which came into in April 2024, continues to be felt. Therefore, efforts to improve productivity through the introduction of labor-saving and automation technologies and the promotion of DX are becoming increasingly important.

In this Business Area, the IHI Group will further expand its lifecycle business in Japan and abroad to enhance value for customers in the fields of transportation infrastructure, disaster prevention and mitigation, and water management. In addition, the IHI Group will contribute to the construction of robust and sustainable social infrastructure systems by providing innovative solutions using digital technology, such as inspection and monitoring technologies utilizing Artificial Intelligence (AI) and Internet of Things (IoT).

Industrial Systems and General-Purpose Machinery

The market conditions are uncertain, with material and labor costs increases throughout the industry becoming the norm, economic slowdowns in China and Europe, and changes in the international supply chain due to the policy changes resulting from the change of U.S. administration, etc. On the other hand, the growing demand for carbon neutrality in industry, labor shortages in developed countries due to declining working populations in mind are seen as medium- to long-term trends in the industrial sector.

In this Business Area, the IHI Group recognizes challenges the industry facing, such as decarbonization and labor shortages, as business opportunities and aim to expand the provision of value tailored to customers' lifecycle needs. In addition, by offering high-value-added solutions that promptly respond to changes in market conditions, such as demands for automation and labor-saving as well as mobility transformation, the IHI Group contributes to the development of a sustainable and carbon-neutral industrial society.

Aero Engine, Space and Defense

In the Civil aero engines Business, as global demand for aero transportation is growing steadily, revenue in the aftermarket continues to expand. In response to the increased defense budget and market expansion in the space industry, the IHI Group will also aim to create new value and improve its competitiveness in the defense and space businesses. On the other hand, supply chain disruptions, soaring prices, and geopolitical changes due to the policy changes resulting from the change of U.S. administration continue, and the future business environment remains uncertain. To build a business structure that can overcome these changes, the IHI Group will further promote production efficiency reforms and business structure reforms through the use of digital platforms and other measures to accelerate its growth.

In this Business Area, in addition to responding to additional maintenance for shipped PW1100G-JM engines, the IHI Group is also responding to future demand growth. In particular, the IHI Group is focusing on strengthening its supply chain and reinforce its response in the aftermarket, including the construction of a repair building at the Tsurugashima Aero-Engine Maintenance Works. In addition, the IHI Group is contributing to the international joint development of engines for the next-generation fighter (GCAP) and the improvement program for the current PW1100G-JM with its proprietary technologies, and is advancing the development of technologies related to next-generation aircraft, such as aircraft weight reduction, electrification, and the use of green fuel to become carbon-neutral in the future.

Results by reportable segment for the fiscal year ended March 31, 2025 are as follows:

(Billions of yen)

Reportable segment	Orders received			Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Changes from the previous fiscal year (%)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Changes from the previous fiscal year (%)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)
Resources, Energy and Environment	310.1	370.3	19.4	404.9	17.7	411.4	16.1	1.6	(8.9)
Social Infrastructure	159.3	166.7	4.6	170.9	15.0	162.3	9.4	(5.0)	(37.3)
Industrial Systems and General-Purpose Machinery	474.8	484.4	2.0	466.1	12.7	484.8	10.8	4.0	(15.4)
Aero Engine, Space and Defense (*)	423.7	719.9	69.9	270.4	(102.8)	555.7	122.7	105.5	–
Reportable segment total	1,368.1	1,741.4	27.3	1,312.5	(57.3)	1,614.3	159.1	23.0	–
Others	58.4	59.2	1.3	56.0	4.4	60.8	3.1	8.6	(29.6)
Adjustment	(49.6)	(49.5)	–	(46.0)	(17.2)	(48.4)	(18.7)	–	–
Total	1,376.8	1,751.1	27.2	1,322.5	(70.1)	1,626.8	143.5	23.0	–

Note: Monetary amounts less than first decimal are rounded down, and ratios less than one unit are rounded off.

(*) The revenue and operating profit (loss) for the fiscal year ended March 31, 2025 includes the impact of ¥ +0.9 billion due to exchange rate fluctuations for the additional inspection program for shipped PW1100G-JM engines.

For reference, as previously mentioned, excluding the impact of the additional inspection program for shipped PW1100G-JM engines and settlement of litigation involving IHI's consolidated subsidiary, which were recorded in the previous fiscal year, results by reportable segment are as follows.

(Billions of yen)

Reportable segment	Orders received			Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Changes from the previous fiscal year (%)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Changes from the previous fiscal year (%)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)
	Resources, Energy and Environment	324.8	370.3	14.0	419.6	32.4	411.4	16.1	(1.9)
Social Infrastructure	159.3	166.7	4.6	170.9	15.0	162.3	9.4	(5.0)	(37.3)
Industrial Systems and General-Purpose Machinery	474.8	484.4	2.0	466.1	12.7	484.8	10.8	4.0	(15.4)
Aero Engine, Space and Defense	579.7	719.9	24.2	426.3	56.8	555.7	122.7	30.3	116.1
Reportable segment total	1,538.7	1,741.4	13.2	1,483.1	117.0	1,614.3	159.1	8.8	36.0
Others	58.4	59.2	1.3	56.0	4.4	60.8	3.1	8.6	(29.6)
Adjustment	(49.6)	(49.5)	–	(46.0)	(17.2)	(48.4)	(18.7)	–	–
Total	1,547.5	1,751.1	13.2	1,493.2	104.2	1,626.8	143.5	8.9	37.7

Note: Monetary amounts less than first decimal are rounded down, and ratios less than one unit are rounded off.

B. Profit Distribution

IHI shall follow its basic policy to pay out stable dividends and determine the amount of dividends after taking into account a broad range of factors, including investments for improvement of corporate value and enhancement and reinforcement of equity capital.

In taking into account the profit level of the current fiscal year as previously announced, IHI plans to pay a dividend of ¥120 per share (interim dividend already paid: ¥50, year-end dividend: ¥70) for the fiscal year ended March 31, 2025.

C. Summary of financial position for the fiscal year ended March 31, 2025

Assets, liabilities and equity

Total assets at the end of the fiscal year ended March 31, 2025 were ¥2,240.3 billion, up ¥142.5 billion compared with the end of the previous fiscal year. The major item of increase was trade and other receivables, up ¥54.0 billion. The major item of decrease was contract assets, down ¥16.7 billion.

Total liabilities were ¥1,731.7 billion, up ¥36.1 billion compared with the end of the previous fiscal year. The major item of increase was contract liabilities, up ¥48.8 billion. The major item of decrease was refund liabilities, down ¥39.6 billion. And interest-bearing liabilities, including lease liabilities, was ¥514.7 billion, down ¥59.6 billion compared with the end of the previous fiscal year. The IHI Group has issued bonds within the current fiscal year and has ensured an adequate level of liquidity of funds.

Equity was ¥508.6 billion, up ¥106.3 billion compared with the end of the previous fiscal year, which included profit attributable to owners of parent of ¥112.7 billion.

As a result of the above, the ratio of equity attributable to owners of parent increased from 17.9% at the end of the previous fiscal year to 21.5%.

Cash flows

At the end of the current fiscal year, the outstanding balance of cash and cash equivalents was ¥136.8 billion, down ¥1.9 billion from the end of the previous fiscal year.

Net cash flows from operating activities were ¥177.6 billion excess of income. This was due to profit, while there were increases in trade receivables.

Net cash flows from investing activities were ¥58.8 billion excess of expenditure. This was due to an increase in expenditures as a result of further capital investment, while there were proceeds from the transfer of fixed assets.

Net cash flows from financing activities were ¥116.2 billion excess of expenditure. This was due mainly to repayment of borrowings.

(2) FUTURE OUTLOOK

A. Forecasts of consolidated results

As the outlook for the global economy remains uncertain, it is necessary to continue to pay attention to geopolitical risks surrounding Ukraine and the Middle East, concerns about the Chinese economy, and the uncertainty of policy trends under the new U.S. administration. U.S. tariff policies raise concerns about risks of economic downturns such as supply chain disruptions and rising prices due to cost pass-through.

The Japanese economy is expected to recover gradually as the employment and income environment improves, but continued vigilance is required regarding the impact of these factors.

The IHI Group is promoting initiatives based on “Group Management Policies 2023,” the three-year medium-term management plan that began in fiscal year 2023. In order to transform its business to achieve sustainable high growth even in the ongoing highly uncertain business environment, the IHI Group in the final year of the three-year medium-term management plan will strategically shift its management resources to Growth Businesses in the aero engines and rockets fields, which are driving growth, to Development-focus Businesses in the clean energy field, which is expected to become a future business pillar, and to capital-efficient businesses with market growth potential.

In the aero engines and rockets fields as Growth Businesses, global demand for aircraft is expected to grow steadily in the future. The IHI Group participates in the development and mass production of best-selling engines spanning small, large and ultra-large engine classes for civil aero engines, and aims to expand its business in the aftermarket, where demand is expected to increase. Regarding the maintenance business, the IHI Group is working to improve productivity through automation, advanced digital transformation (DX), and other measures to provide high-quality services promptly. Tsurugashima Aero-Engine Maintenance Works, one of our maintenance sites for civil aero engines, is scheduled to begin the operation of a new repair building in fiscal year 2026, and the IHI Group will accelerate the capture the demand for repairing high-value-added parts. Furthermore, the IHI Group will strengthen its production capacity and develop necessary technologies, to expand its defense-related and space-related businesses, which are expected to grow.

In the clean energy field, which is its Development-focus Business, the IHI Group will contribute to the realization of carbon neutrality by building its entire value chain for fuel ammonia, from production to storage, transportation, and utilization, while applying its technical capabilities.

In the Conventional Businesses of Resources, Energy and Environment, Social Infrastructure, and Industrial Systems and General-Purpose Machinery, the IHI Group will allocate necessary resources to businesses with market growth potential where the Group's strengths can be leveraged, aiming to generate stable cash. At the same time, the IHI Group will continue to advance structural reforms in businesses with low profitability and efficiency, aiming to realize sustained growth through the transformation of its business portfolio.

With regard to the consolidated forecasts of results for the fiscal year ending March 31, 2026, the IHI Group is expecting revenue of ¥1,650.0 billion, operating profit of ¥150.0 billion, profit before tax of ¥135.0 billion, and profit attributable to owners of parent of ¥120.0 billion.

Foreign exchange rate assumed in the above forecasts is ¥140/US\$1.

B. Profit distribution

For the fiscal year ending March 31, 2026, IHI plans to pay a dividend of ¥140 per share (interim dividend:¥70, year-end dividend:¥70), to secure the necessary funds for initiatives aimed at strengthening the IHI Group's financial foundation, while taking account of the implementation of stable dividend payments.

2. SELECTION OF ACCOUNTING STANDARDS

The IHI Group has adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2021. This change is aimed to facilitate the international comparability of the IHI Group's financial statements in capital markets and to improve the quality of group management through unification of accounting policies.

3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO

(1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	138,805	136,809
Trade and other receivables	452,665	506,718
Contract assets	130,734	113,959
Other financial assets	3,754	3,989
Inventories	422,251	444,066
Other current assets	62,499	73,296
Subtotal	1,210,708	1,278,837
Assets related to disposal groups classified as held for sale	—	23,426
Total current assets	1,210,708	1,302,263
Non-current assets:		
Property, plant and equipment	236,777	241,970
Right-of-use assets	101,904	102,766
Goodwill	6,338	6,276
Intangible assets	127,059	132,056
Investment property	134,724	143,838
Investments accounted for using equity method	61,873	72,719
Other financial assets	50,799	51,509
Deferred tax assets	98,173	119,535
Other non-current assets	69,455	67,460
Total non-current assets	887,102	938,129
Total assets	2,097,810	2,240,392

(1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities:		
Trade and other payables	258,581	287,201
Bonds and borrowings	177,021	126,125
Lease liabilities	17,642	17,386
Other financial liabilities	20,310	15,226
Income taxes payable	7,277	39,690
Contract liabilities	204,121	252,968
Provisions	25,190	26,049
Refund liabilities	192,679	153,002
Other current liabilities	148,243	175,192
Subtotal	1,051,064	1,092,839
Liabilities related to disposal groups classified as held for sale	—	25,086
Total current liabilities	1,051,064	1,117,925
Non-current liabilities:		
Bonds and borrowings	272,132	263,271
Lease liabilities	107,581	107,941
Other financial liabilities	82,242	66,875
Deferred tax liabilities	4,080	7,747
Retirement benefit liability	156,124	145,616
Provisions	6,631	6,728
Other non-current liabilities	15,688	15,629
Total non-current liabilities	644,478	613,807
Total liabilities	1,695,542	1,731,732
Equity		
Share capital	107,165	107,165
Capital surplus	46,362	46,384
Retained earnings	177,403	280,100
Treasury shares	(8,589)	(8,576)
Other components of equity	53,648	56,761
Other components of equity related to disposal groups classified as held for sale	—	(108)
Total equity attributable to owners of parent	375,989	481,726
Non-controlling interests	26,279	26,934
Total equity	402,268	508,660
Total liabilities and equity	2,097,810	2,240,392

(2) CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	1,322,591	1,626,831
Cost of sales	1,177,736	1,252,317
Gross profit (loss)	144,855	374,514
Selling, general and administrative expenses	212,837	223,638
Other income	10,206	16,623
Other expenses	12,362	23,982
Operating profit (loss)	(70,138)	143,517
Finance income	4,899	3,725
Finance costs	7,815	15,034
Share of profit (loss) of investments accounted for using equity method	774	6,280
Profit (loss) before tax	(72,280)	138,488
Income tax expense	(7,430)	21,193
Profit (loss)	(64,850)	117,295
Profit (loss) attributable to:		
Owners of parent	(68,214)	112,740
Non-controlling interests	3,364	4,555
Profit (loss)	(64,850)	117,295
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(450.78)	744.84
Diluted earnings (loss) per share (yen)	(450.78)	744.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(64,850)	117,295
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,176	3,044
Remeasurements of defined benefit plans	7,758	4,031
Share of other comprehensive income of investments accounted for using equity method	1,189	1,649
Total of items that will not be reclassified to profit or loss	12,123	8,724
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	17,952	(387)
Cash flow hedges	(46)	(358)
Share of other comprehensive income of investments accounted for using equity method	409	204
Total of items that may be reclassified to profit or loss	18,315	(541)
Other comprehensive income, net of tax	30,438	8,183
Comprehensive income	(34,412)	125,478
Comprehensive income attributable to:		
Owners of parent	(39,865)	121,135
Non-controlling interests	5,453	4,343
Comprehensive income	(34,412)	125,478

(3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	107,165	46,741	251,915	(8,746)	20,390	548	13,063
Profit (loss)			(68,214)				
Other comprehensive income					15,882	348	3,509
Total comprehensive income	—	—	(68,214)	—	15,882	348	3,509
Purchase of treasury shares				(5)			
Disposal of treasury shares		9		162			
Dividends			(15,189)				
Share-based remuneration transactions		40					
Changes in ownership interest in subsidiaries		(25)					
Transfer from other components of equity to retained earnings			8,788				(178)
Changes in non-controlling interest due to change in scope of consolidation							
Other		(403)	103				
Total transactions with owners	—	(379)	(6,298)	157	—	—	(178)
Balance as of March 31, 2024	107,165	46,362	177,403	(8,589)	36,272	896	16,394

	Equity attributable to owners of parent							
	Other components of equity			Total	Other components of equity related to disposal groups classified as held for sale	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total					
Balance as of April 1, 2023	—	169	34,170	431,245	—	431,245	25,006	456,251
Profit (loss)			—	(68,214)		(68,214)	3,364	(64,850)
Other comprehensive income	8,610		28,349	28,349		28,349	2,089	30,438
Total comprehensive income	8,610	—	28,349	(39,865)	—	(39,865)	5,453	(34,412)
Purchase of treasury shares			—	(5)		(5)		(5)
Disposal of treasury shares		(83)	(83)	88		88		88
Dividends			—	(15,189)		(15,189)	(5,699)	(20,888)
Share-based remuneration transactions			—	40		40		40
Changes in ownership interest in subsidiaries			—	(25)		(25)	628	603
Transfer from other components of equity to retained earnings	(8,610)		(8,788)	—		—		—
Changes in non-controlling interest due to change in scope of consolidation			—	—		—	806	806
Other			—	(300)		(300)	85	(215)
Total transactions with owners	(8,610)	(83)	(8,871)	(15,391)	—	(15,391)	(4,180)	(19,571)
Balance as of March 31, 2024	—	86	53,648	375,989	—	375,989	26,279	402,268

(3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	107,165	46,362	177,403	(8,589)	36,272	896	16,394
Profit (loss)			112,740				
Other comprehensive income					(199)	(139)	3,691
Total comprehensive income	—	—	112,740	—	(199)	(139)	3,691
Purchase of treasury shares				(11)			
Disposal of treasury shares		5		24			
Dividends			(15,191)				
Share-based remuneration transactions		17					
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			5,361				(319)
Transfer to other components of equity related to disposal groups classified as held for sale					89	20	(1)
Other			(213)				
Total transactions with owners	—	22	(10,043)	13	89	20	(320)
Balance as of March 31, 2025	107,165	46,384	280,100	(8,576)	36,162	777	19,765

	Equity attributable to owners of parent							
	Other components of equity			Total	Other components of equity related to disposal groups classified as held for sale	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total					
Balance as of April 1, 2024	—	86	53,648	375,989	—	375,989	26,279	402,268
Profit (loss)			—	112,740		112,740	4,555	117,295
Other comprehensive income	5,042		8,395	8,395		8,395	(212)	8,183
Total comprehensive income	5,042	—	8,395	121,135	—	121,135	4,343	125,478
Purchase of treasury shares			—	(11)		(11)		(11)
Disposal of treasury shares		(28)	(28)	1		1		1
Dividends			—	(15,191)		(15,191)	(3,915)	(19,106)
Share-based remuneration transactions			—	17		17		17
Changes in ownership interest in subsidiaries			—	—		—	227	227
Transfer from other components of equity to retained earnings	(5,042)		(5,361)	—		—		—
Transfer to other components of equity related to disposal groups classified as held for sale			108	108	(108)	—		—
Other		(1)	(1)	(214)		(214)		(214)
Total transactions with owners	(5,042)	(29)	(5,282)	(15,290)	(108)	(15,398)	(3,688)	(19,086)
Balance as of March 31, 2025	—	57	56,761	481,834	(108)	481,726	26,934	508,660

(4) CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before tax	(72,280)	138,488
Depreciation, amortization and impairment losses	75,828	76,765
Finance income and finance costs	1,506	2,366
Share of loss (profit) of investments accounted for using equity method	(774)	(6,280)
Loss (gain) on sale of property, plant and equipment, intangible assets and investment property	(6,944)	(10,544)
Decrease (increase) in trade receivables	(79,835)	(66,268)
Decrease (increase) in contract assets	16,712	13,208
Decrease (increase) in inventories and prepayments	(44,815)	(21,005)
Increase (decrease) in trade payables	6,406	18,159
Increase (decrease) in contract liabilities	2,378	55,049
Increase (decrease) in refund liabilities	154,037	(39,677)
Increase (decrease) in allowance for doubtful accounts	7,892	6,334
Other	22,384	16,733
Subtotal	82,495	183,328
Interest received	2,268	2,567
Dividends received	1,317	1,423
Interest paid	(4,926)	(6,208)
Income taxes paid	(19,037)	(3,476)
Net cash provided by (used in) operating activities	62,117	177,634
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and investment property	(60,993)	(60,249)
Proceeds from sale of property, plant and equipment, intangible assets and investment property	12,181	10,915
Purchase of investments (including investments accounted for using equity method)	(4,053)	(4)
Proceeds from sale and redemption of investments (including investments accounted for using equity method)	4,189	1,563
Proceeds from sale of equity interest in subsidiaries	160	–
Other	(3,183)	(11,045)
Net cash provided by (used in) investing activities	(51,699)	(58,820)

(4) CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	42,201	(59,397)
Proceeds from long-term borrowings	85,822	47,329
Repayments of long-term borrowings	(64,393)	(57,565)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	(10,000)	(10,000)
Repayments of lease liabilities	(21,646)	(20,763)
Decrease (increase) in treasury shares	96	(10)
Dividends paid	(15,145)	(15,155)
Capital contribution from non-controlling interests	1,292	227
Dividends paid to non-controlling interests	(5,699)	(3,915)
Increase in other financial liabilities	1,285	1,309
Decrease in other financial liabilities	(15,692)	(18,367)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(689)	—
Other	(1)	82
Net cash provided by (used in) financing activities	(2,569)	(116,225)
Effect of exchange rate change on cash and cash equivalents	6,213	619
Net increase (decrease) in cash and cash equivalents	14,062	3,208
Cash and cash equivalents at beginning of period	124,743	138,805
Cash and cash equivalents included in assets related to disposal groups classified as held for sale	—	(5,204)
Cash and cash equivalents at end of period	138,805	136,809

(5) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON PREMISE OF GOING CONCERN

Not applicable

MATERIAL ACCOUNTING POLICIES

Material accounting policies applied by the IHI Group in the consolidated financial statements are the same as those in the consolidated financial statements for the previous fiscal year, except for the following.

The IHI Group has applied the standard IAS 7 “Statement of Cash Flows” (amended in May 2023) and IFRS 7 “Financial Instruments: Disclosures” (amended in May 2023), (expanded disclosure of Supplier Finance Arrangements) effective for the fiscal year ended March 31, 2025.

SEGMENT INFORMATION

1. Overview of reportable segment

The business segments are constituent units of the IHI Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The IHI Group organizes SBUs by products and services and allocates Business Areas to control these SBUs. Each Business Area manages and supervises the SBUs’ execution of business strategies and, allocates management resources necessary for execution of the SBUs’ business strategies. SBUs shall be the units possessing complete business processes including sales, developments, designs, productions, constructions, services, etc. based on the visions and strategies drawn up by Business Areas. Each SBU is an organization executing business and responsible for ensuring a profit in the SBU.

Based on the above, the IHI Group consists of segments by these Business Areas and sets the Business Areas of “Resources, Energy and Environment,” “Social Infrastructure,” “Industrial Systems and General-Purpose Machinery,” and “Aero Engine, Space and Defense” as its reportable segment. There are no aggregated business segments when deciding the reportable segment.

Main businesses, products and services belonging to each segment are as follows:

Reportable segment	Main businesses, products and services
Resources, Energy and Environment	Power systems (power systems plants for land use and power systems for ships), Carbon solutions, Nuclear energy (components for nuclear power plants)
Social Infrastructure	Bridges and water gates, Transport systems, Shield systems, Concrete construction materials, Urban development (real estate sales and rental)
Industrial Systems and General-Purpose Machinery	Vehicular turbochargers, Parking, Rotating machineries (compressors, separation systems, turbochargers for ships), Heat treatment and surface engineering, Transport machineries, Logistics and industrial systems (logistics systems, industrial machineries)
Aero Engine, Space and Defense	Aero engines, Rocket systems and space utilization systems, Defense systems

2. Information about reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Total	Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Resources, Energy and Environment	Social Infrastructure	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense (Note 1)					
Revenue									
Revenue from external customers	402,503	165,394	457,132	266,896	1,291,925	30,666	1,322,591	—	1,322,591
Intersegment revenue and transfers	2,452	5,577	9,064	3,506	20,599	25,418	46,017	(46,017)	—
Total	404,955	170,971	466,196	270,402	1,312,524	56,084	1,368,608	(46,017)	1,322,591
Segment profit (loss) (Note 4)	17,715	15,066	12,763	(102,897)	(57,353)	4,465	(52,888)	(17,250)	(70,138)
Segment assets	345,278	315,796	363,728	847,531	1,872,333	185,500	2,057,833	39,977	2,097,810
Others									
Depreciation and amortization	6,803	10,254	13,297	29,436	59,790	1,755	61,545	9,222	70,767
Impairment losses	850	—	4,198	—	5,048	13	5,061	—	5,061
Share of profit (loss) of investments accounted for using equity method	(1,888)	—	567	196	(1,125)	1,899	774	—	774
Investments accounted for using equity method	307	—	5,205	37,502	43,014	18,859	61,873	—	61,873
Capital expenditures	9,408	10,707	13,307	25,794	59,216	2,326	61,542	9,750	71,292

- Notes:
- In fiscal year ended March 31, 2024, due to the additional inspection program for shipped PW1100G-JM engines, IHI reduced the revenue by ¥155,973 million as the consideration to be paid to customers under the maintenance contracts. This is because the number of maintenance units is expected to increase over the next few years, with an average of 350 aircraft on the ground expected from FY2024 to FY2026. As our company participates in this engine program with approximately a 15% share, we also anticipate incurring compensation costs and additional maintenance expenses.
 - The “Others” classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.
 - The details of adjustment are as follows:
 - Adjustment of segment profit (loss) represents intersegment transactions of ¥(621) million and unallocated corporate expenses of ¥(16,629) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
 - Adjustment of ¥39,977 million for segment assets includes eliminations of intersegment receivables and payables of ¥(199,966) million and corporate assets unallocated to each reportable segment of ¥239,943 million among cash and cash equivalents, property, plant and equipment, and other financial assets. It mainly consists of IHI’s surplus funds under management, including cash and deposits, and securities.
 - Adjustment of depreciation and amortization represents depreciation and amortization not allocated to each reportable segment.
 - Adjustment of capital expenditures represents corporate capital expenditures not allocated to each reportable segment.
 - Segment profit (loss) is adjusted with operating profit (loss) in the consolidated statement of profit or loss.

	Reportable segment				Total	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Resources, Energy and Environment	Social Infrastructure	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense					
Revenue									
Revenue from external customers	408,301	155,910	475,644	552,700	1,592,555	34,276	1,626,831	—	1,626,831
Intersegment revenue and transfers	3,162	6,431	9,208	3,004	21,805	26,617	48,422	(48,422)	—
Total	411,463	162,341	484,852	555,704	1,614,360	60,893	1,675,253	(48,422)	1,626,831
Segment profit (loss) (Note 3)	16,136	9,442	10,800	122,791	159,169	3,145	162,314	(18,797)	143,517
Segment assets	338,462	316,654	367,063	996,338	2,018,517	198,292	2,216,809	23,583	2,240,392
Others									
Depreciation and amortization	6,948	9,903	13,070	31,329	61,250	1,753	63,003	9,149	72,152
Impairment losses	282	3,715	616	—	4,613	—	4,613	—	4,613
Share of profit (loss) of investments accounted for using equity method	295	—	818	137	1,250	5,030	6,280	—	6,280
Investments accounted for using equity method	1,096	—	5,374	37,151	43,621	29,098	72,719	—	72,719
Capital expenditures	8,184	18,091	17,986	38,609	82,870	1,541	84,411	13,010	97,421

- Notes:
- The "Others" classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.
 - The details of adjustment are as follows:
 - Adjustment of segment profit (loss) represents intersegment transactions of ¥36 million and unallocated corporate expenses of ¥(18,833) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
 - Adjustment of ¥23,583 million for segment assets includes eliminations of intersegment receivables and payables of ¥(215,077) million and corporate assets unallocated to each reportable segment of ¥238,660 million among cash and cash equivalents, property, plant and equipment, and other financial assets. It mainly consists of IHI's surplus funds under management, including cash and deposits, and securities.
 - Adjustment of depreciation and amortization represents depreciation and amortization not allocated to each reportable segment.
 - Adjustment of capital expenditures represents corporate capital expenditures not allocated to each reportable segment.
 - Segment profit (loss) is adjusted with operating profit (loss) in the consolidated statement of profit or loss. IHI concluded an agreement on November 6, 2024, to transfer the Materials Handling System Business, which is part of the Industrial Systems and General-Purpose Machinery, to Tadano Ltd., and on March 27, 2025, to transfer IHI CONSTRUCTION MATERIALS Co., Ltd. (hereinafter "IKK"), which is responsible for the Concrete construction materials Business, a part of the Social Infrastructure, to Vertex Corporation. As a result, as of the end of the current consolidated fiscal year, the assets and liabilities subject to these transfers have been classified into disposal groups classified as held for sale. Among these, IKK has been measured at fair value less costs to sell, and the impairment loss on non-current assets is presented under "Other expenses." Consequently, the segment profit for the Social Infrastructure decreased by 3,327 million yen.

DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On November 6, 2024, IHI concluded an agreement to transfer the Materials Handling System Business, a part of the “Conventional Businesses” of the Industrial Systems and General-Purpose Machinery, to Tadano Ltd. (hereinafter “Tadano”) in order to achieve sustainable growth in this business by enhancing its competitiveness through expanding the product portfolio, broadening sales channels, and improving cost efficiency with integrating the procurement and production systems. Accordingly, the IHI Group has classified the Materials Handling System Business as a disposal group classified as held for sale in the third quarter of the current fiscal year. The assets of this disposal group are measured at their carrying amount because the fair value less costs to sell (estimated sales price) is expected to exceed the carrying amount.

The share transfer date of the Materials Handling System Business to Tadano is planned in July 2025.

In addition, on March 27, 2025, IHI concluded an agreement to transfer all of its shares of IHI CONSTRUCTION MATERIALS Co., Ltd. (hereinafter “IKK”), which is responsible for the Concrete construction materials Business, a part of the “Conventional Businesses” of the Social Infrastructure, to Vertex Corporation (hereinafter “Vertex”) in order to strengthen IKK’s competitiveness through the creation of mutual synergies and continuous investment in growth, and to achieve sustainable growth of IKK’s business. Accordingly, the IHI Group has classified IKK as a disposal group classified as a held for sale in the fourth quarter of the current fiscal year. The assets of this disposal group are measured at the fair value less costs to sell (estimated sales price) because the fair value less costs to sell is expected to be less than the carrying amount. An impairment loss on non-current assets amounting to 3,327 million yen is included in “Other expenses.” The fair value is based on the sales price, and the hierarchy of the fair value is Level 3. In connection with the transfer of all shares of IKK, an amount currently estimated to be incurred in the future has been recognized, and this amount is included in the consolidated statement of financial position under “Liabilities related to disposal groups classified as held for sale.”

The share transfer date of IKK to Vertex is planned in October 2025.

The breakdown of assets and liabilities related to disposal groups classified as held for sale are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets related to disposal groups classified as held for sale		
Cash and cash equivalents	—	5,204
Trade and other receivables	—	8,187
Contract assets	—	3,254
Inventories	—	3,427
Property, plant and equipment	—	857
Right-of-use assets	—	704
Other	—	1,793
Total assets	—	23,426
Liabilities related to disposal groups classified as held for sale		
Trade and other payables	—	6,133
Contract liabilities	—	5,405
Lease liabilities	—	2,111
Provisions	—	4,921
Retirement benefit liabilities	—	4,223
Other	—	2,293
Total liabilities	—	25,086

EARNINGS PER SHARE

(1) Basis for calculating basic earnings per share

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss) attributable to owners of parent	(68,214)	112,740
Profit (loss) not attributable to ordinary shareholders of parent	–	–
Profit (loss) used for calculating basic earnings per share	(68,214)	112,740
Weighted-average number of ordinary shares (Thousands of shares)	151,325	151,361
Basic earnings (loss) per share (Yen)	(450.78)	744.84

(2) Basis for calculating diluted earnings per share

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss) used for calculating basic earnings (loss) per share	(68,214)	112,740
Adjustment to profit (loss)	–	–
Profit (loss) used to calculate diluted earnings (loss) per share	(68,214)	112,740
Weighted-average number of ordinary shares (Thousands of shares)	151,325	151,361
Increase in ordinary shares		
Share acquisition rights (Thousands of shares)	–	14
Weighted-average number of ordinary shares after dilution (Thousands of shares)	151,325	151,376
Diluted earnings (loss) per share (Yen)	(450.78)	744.77

Note: Shares of IHI owned by a trust account for the Board Benefit Trust are included in the number of shares issued at the end of the fiscal year and the number of treasury shares excluded for the calculation of the weighted-average number of ordinary shares. For the fiscal year ended March 31, 2025, the weighted-average number of ordinary shares as treasury shares excluded for the calculation of basic earnings (loss) per share and diluted earnings (loss) per share is 546 thousand shares (567 thousand shares for the fiscal year ended March 31, 2024).

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable

ADDITIONAL INFORMATION

Reassessment of tax payable, based on the transfer pricing taxation

With regard to transactions between IHI and a foreign consolidated subsidiary located in Thailand conducted over the fiscal years ended March 31, 2013 to March 31, 2016, IHI received a reassessment of tax payable, based on the transfer pricing taxation, from the Tokyo Regional Taxation Bureau. In response, IHI recorded penalty taxes, including additional taxes and delinquent taxes, of ¥4,304 million on “Income taxes for prior periods.” for the fiscal year ending March 2019 and paid in July 2018.

With regard to the transfer pricing taxation, as IHI understood that it was complying with laws in Japan and other countries and paid appropriate taxes based on appropriate transaction prices, IHI filed a lawsuit in the Tokyo District Court seeking the complete cancellation of the disposition. The lawsuit was concluded in the fiscal year ended March 31, 2025, and the refund of the penalty taxes, including additional taxes and delinquent taxes, was finalized. By the end of the fiscal year ended March 31, 2025, a portion of this amount had been refunded and the remaining amount is recorded in “Trade and other receivables”.