

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

**IHI**

February 8, 2022

**IHI Corporation**

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# 1. Consolidated Results for Third Quarter FY2021



- In the segment of Aero Engine, Space and Defense, recovery from the impact of the spread of COVID-19 continued. The performance improved due to increased sales of spare parts for Civil aero engines, improved profitability, and the depreciation of the yen. It became profitable for the three months of FY.2021.3Q.
- In the three segments excluding Aero Engine, Space and Defense, the performance remained steady, despite the impact of the shortage of semiconductors, the supply chain disruptions, and soaring material prices and transportation costs, in some businesses.
- Free cash flows turned positive for the nine months of FY2021 due to the sale of assets held, in addition to the results of activities to improve the Cash Conversion Cycle (CCC).

# 1. Consolidated Results for Third Quarter FY2021

## Summary of Financial Results

(In billion yen)

	<b>FY2020.3Q YTD</b>	<b>FY2021.3Q YTD</b>	<b>Change</b>
<b>Orders received</b>	<b>683.3</b>	<b>843.8</b>	<b>160.5</b>
<b>Revenue</b>	<b>765.2</b>	<b>816.1</b>	<b>50.9</b>
<b>Operating profit</b>	<b>(1.1)</b>	<b>45.5</b>	<b>46.6</b>
<b>Profit before tax</b>	<b>(7.2)</b>	<b>47.7</b>	<b>55.0</b>
<b>Profit attributable to owners of parent</b>	<b>(10.1)</b>	<b>27.6</b>	<b>37.7</b>

FY2020.3Q YTD: Amount converted from Japanese GAAP to IFRS. The same applies hereinafter.

**Note: Average FX rate FY2020.3Q YTD US\$ 1.00 = ¥106.65**  
**FY2021.3Q YTD US\$ 1.00 = ¥111.62**

# 1. Consolidated Results for Third Quarter FY2021

## Financial Results by Segment

### ■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2020.3Q YTD	FY2021.3Q YTD	Change	FY2020	FY2021.3Q	Change
Resources, Energy and Environment	154.3	270.7	116.4	482.3	512.4	30.1
Social Infrastructure and Offshore Facilities	98.9	119.6	20.6	226.4	239.3	12.9
Industrial Systems and General-Purpose Machinery	253.1	272.7	19.6	175.3	173.6	(1.6)
Aero Engine, Space and Defense	165.5	170.3	4.7	248.5	237.6	(10.9)
<b>Total Reportable Segment</b>	<b>671.9</b>	<b>833.4</b>	<b>161.5</b>	<b>1,132.6</b>	<b>1,163.0</b>	<b>30.3</b>
Others	49.2	39.0	(10.2)	32.3	25.1	(7.2)
Adjustment	(37.8)	(28.6)	9.2	-	-	-
<b>Total</b>	<b>683.3</b>	<b>843.8</b>	<b>160.5</b>	<b>1,165.0</b>	<b>1,188.2</b>	<b>23.1</b>

Overseas orders received / order backlog	257.3	384.0	126.6	313.2	336.5	23.3
% of Overseas orders received / order backlog	38%	46%	8%	27%	28%	1%

# 1. Consolidated Results for Third Quarter FY2021

## Financial Results by Segment

### ■ Revenue & Operating profit

(In billion yen)  
(Reference: Estimated amount)

	Revenue			Operating profit			Revenue	Operating profit
	FY2020.3Q YTD	FY2021.3Q YTD	Change	FY2020.3Q YTD	FY2021.3Q YTD	Change	FY2019.3Q YTD	
Resources, Energy and Environment	224.1	242.7	18.6	11.2	12.2	1.0	220.5	(1.4)
Social Infrastructure and Offshore Facilities	103.9	111.7	7.8	10.1	5.2	(4.9)	99.9	7.7
Industrial Systems and General-Purpose Machinery	271.7	271.9	0.2	5.6	9.5	3.9	286.9	5.8
Aero Engine, Space and Defense	161.1	178.0	16.8	(29.8)	(5.5)	24.2	245.3	12.5
<b>Total Reportable Segment</b>	<b>760.9</b>	<b>804.5</b>	<b>43.6</b>	<b>(2.7)</b>	<b>21.4</b>	<b>24.1</b>	<b>852.8</b>	<b>24.6</b>
Others	34.4	42.4	8.0	1.8	3.8	2.0		
Adjustment	(30.0)	(30.8)	(0.7)	(0.1)	20.2	20.4		
<b>Total</b>	<b>765.2</b>	<b>816.1</b>	<b>50.9</b>	<b>(1.1)</b>	<b>45.5</b>	<b>46.6</b>		

Overseas revenue	298.6	359.4	60.8
% of overseas revenue	39%	44%	5%

FY2019.3Q YTD: IFRS based amount estimated based on Japanese GAAP financial data

# 1. Consolidated Results for Third Quarter FY2021

## Financial Results by Segment

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

(In billion yen)

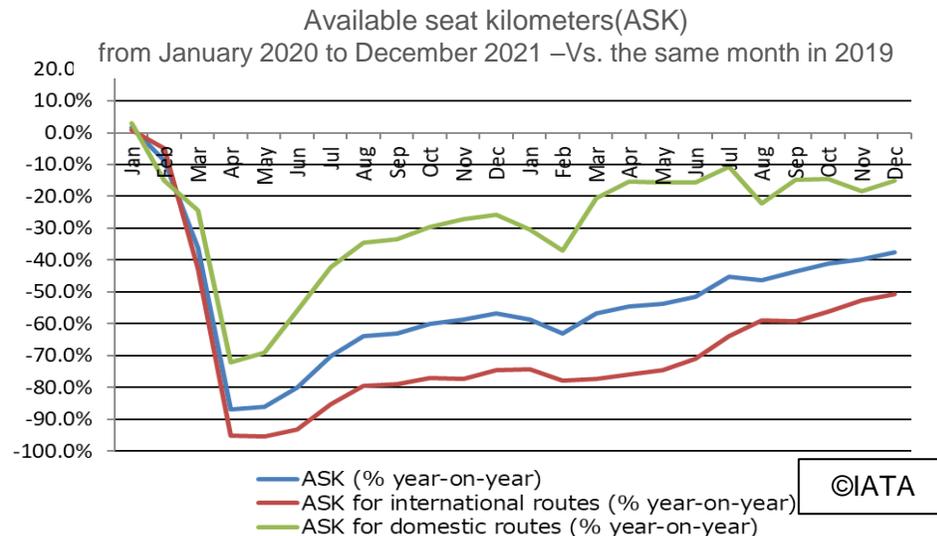
	Change in revenue	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Change in other income and expenses	Total
Resources, Energy and Environment	(1.0)	1.0	0.5	(0.6)	1.1	1.0
Social Infrastructure and Offshore Facilities	(0.8)	(0.6)	0.1	(0.9)	(2.7)	(4.9)
Industrial Systems and General-Purpose Machinery	1.5	2.3	0.1	(2.4)	2.3	3.9
Aero Engine, Space and Defense	5.7	7.5	4.1	0.3	6.6	24.2
<b>Total Reportable Segment</b>	<b>5.5</b>	<b>10.2</b>	<b>4.8</b>	<b>(3.6)</b>	<b>7.2</b>	<b>24.1</b>
Others	1.9	1.3		(0.6)	(0.5)	2.0
Adjustment	(0.2)			(4.4)	25.0	20.4
<b>Total</b>	<b>7.2</b>	<b>11.5</b>	<b>4.8</b>	<b>(8.6)</b>	<b>31.7</b>	<b>46.6</b>

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

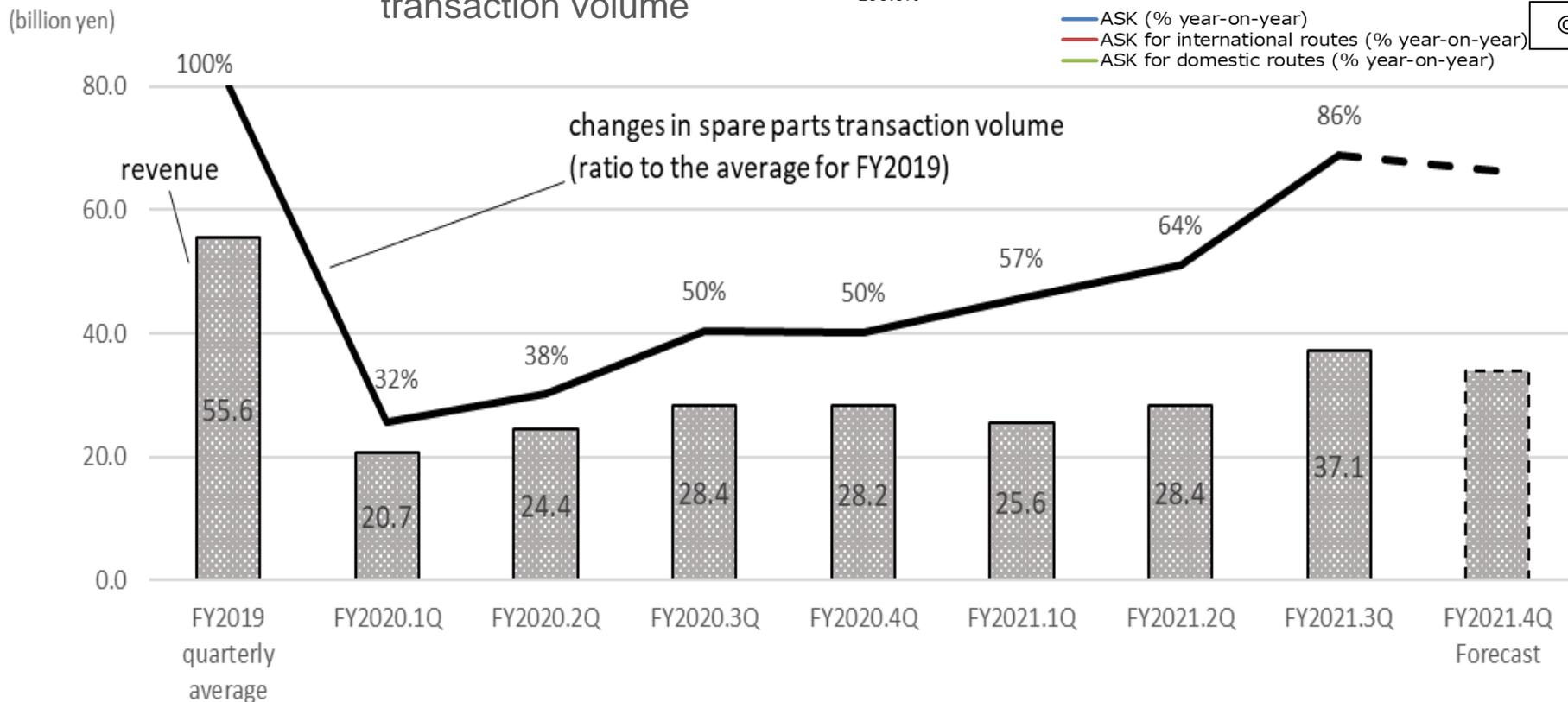
# 1. Consolidated Results for Third Quarter FY2021

## Financial Results by Segment (Civil aero engines)

Demand for aero transportation continues to recover, and the transaction volume of spare parts also recovered steadily.



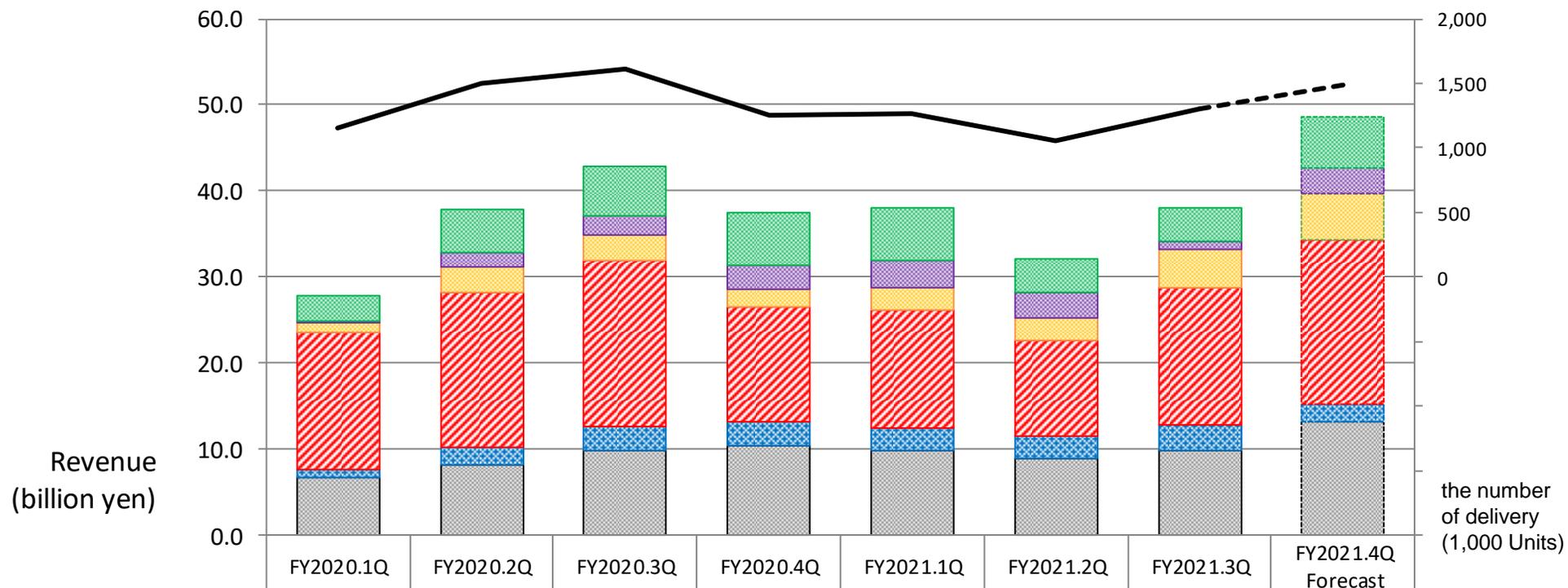
Civil aero engines changes in revenue and spare parts transaction volume



# 1. Consolidated Results for Third Quarter FY2021

## Vehicular turbochargers

Vehicular turbochargers : The number of delivery and revenue by region



Europe	3.0	5.0	5.8	6.1	6.1	4.0	3.9	6.0
Central and South America	0.2	1.7	2.2	2.8	3.1	3.0	0.9	3.0
North America	1.1	2.9	2.9	2.1	2.6	2.6	4.5	5.3
China	15.9	18.0	19.4	13.2	13.8	11.1	16.0	19.1
Asia	0.9	2.0	2.7	2.9	2.5	2.6	2.9	2.0
Japan	6.8	8.3	9.9	10.4	9.9	8.9	9.9	13.3
Total	28.2	37.8	42.9	37.7	38.3	31.9	38.1	48.7
Number of delivery	1,150	1,500	1,610	1,250	1,260	1,050	1,300	1,490

The number of delivery and revenue are recovering gradually from the impact of reduced automobile production caused by the shortage of semiconductors and the supply chain disruptions.

# 1. Consolidated Results for Third Quarter FY2021

## Finance Income / Costs etc.

(In billion yen)

	FY2020.3Q YTD	FY2021.3Q YTD	Change
Foreign exchange gains (losses)	(3.3)	3.2	6.6
Share of profit (loss) of investments accounted for using equity method	(0.4)	0.9	1.3
Other finance income (costs)	(2.3)	(1.9)	0.4
<b>Finance income / costs etc.</b>	<b>(6.1)</b>	<b>2.2</b>	<b>8.3</b>

Change of FX rate(US\$) FY2020.3Q YTD ¥(5.36) (beginning ¥108.83→end ¥103.47)  
 FY2021.3Q YTD ¥ 4.35 (beginning ¥110.65→end ¥115.00)

# 1. Consolidated Results for Third Quarter FY2021

## Financial Position

(In billion yen)

	As of March 31, 2021	As of December 31, 2021	Change
<b>Total assets</b>	<b>1,832.8</b>	<b>1,820.8</b>	<b>(12.0)</b>
[Cash and cash equivalents]	[120.7]	[82.7]	[(37.9)]
[Trade receivables & contract assets]	[456.3]	[442.1]	[(14.1)]
[Inventories]	[326.4]	[368.1]	[41.6]
<b>Total liabilities</b>	<b>1,505.1</b>	<b>1,466.7</b>	<b>(38.3)</b>
[Trade payables etc.]	[234.4]	[219.9]	[(14.5)]
[Contract liabilities]	[165.8]	[173.4]	[7.5]
[Interest-bearing liabilities]	[605.9]	[575.9]	[(30.0)]
Bonds and borrowings	[463.1]	[441.0]	[(22.1)]
Lease liabilities *1	[142.8]	[134.9]	[(7.9)]
<b>Total equity</b>	<b>327.7</b>	<b>354.0</b>	<b>26.3</b>
Equity attributable to owners of parent	300.7	330.0	29.2
Non-controlling interests	26.9	23.9	(2.9)
<b>Total liabilities and equity</b>	<b>1,832.8</b>	<b>1,820.8</b>	<b>(12.0)</b>
<b>D/E ratio (times) *2</b>	<b>1.85</b>	<b>1.63</b>	<b>(0.22)</b>
<b>Ratio of equity attributable to owners of parent (%) *3</b>	<b>16.4</b>	<b>18.1</b>	<b>1.7</b>

\*1 Including liabilities corresponding to operating leases under Japanese GAAP  
(¥111.9 billion and ¥109.1 billion as of March 31, 2021 and December 31, 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 Third Quarter FY2021

## Cash Flows



(In billion yen)

	FY2020.3Q YTD	FY2021.3Q YTD	Change
<b>Profit before tax</b>	(7.2)	47.7	55.0
<b>Depreciation *1</b>	52.5	50.0	(2.4)
<b>Change in working capital *2</b>	(84.6)	(32.5)	52.1
<b>Other</b>	(29.5)	*3 (61.0)	(31.5)
<b>Cash flows from operating activities</b>	<b>(68.9)</b>	<b>4.2</b>	<b>73.2</b>
<b>Cash flows from investing activities</b>	<b>(46.4)</b>	<b>1.5</b>	<b>47.9</b>
<b>Free cash flows</b>	<b>(115.4)</b>	<b>5.7</b>	<b>121.2</b>
<b>Cash flows from financing activities</b>	<b>63.6</b>	<b>(45.4)</b>	<b>(109.1)</b>

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

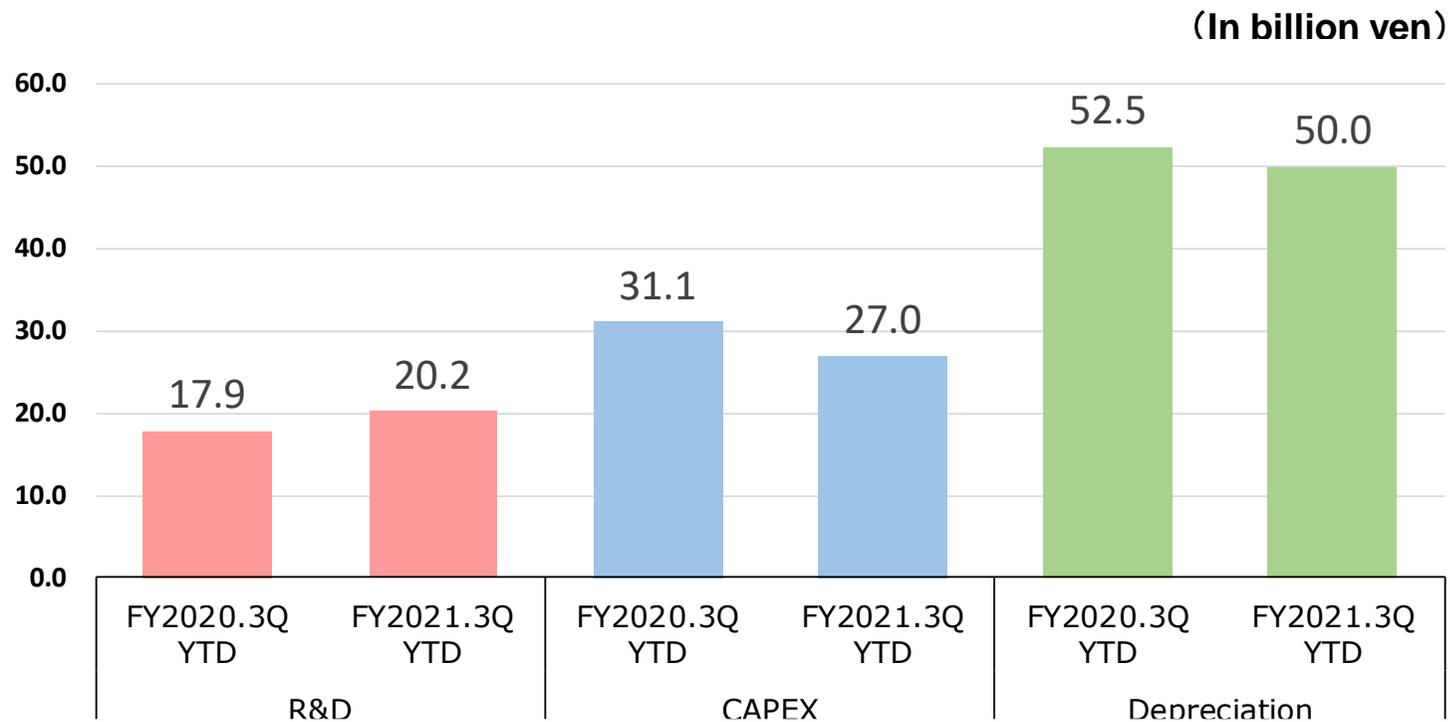
\*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

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 Third 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.

# 1. Consolidated Results for Third Quarter FY2021 Supplementary Information

## (2) Revenue by Region

(In billion yen)

	FY2020.3Q YTD	FY2021.3Q YTD
Japan	466.6	456.7
Asia	83.9	114.4
China	75.7	66.5
North America	92.1	114.6
Central and South America	5.4	8.0
Europe	36.1	49.2
Others	5.2	6.5
Total	765.2	816.1

## 2. Forecasts of the Consolidated Results for FY2021

## 2. Forecasts of the Consolidated Results for FY2021

### Summary of Forecasts

- Orders received is expected to increase in Nuclear energy, revenue is expected to increase in Carbon solutions and Nuclear energy.
- Operating profit is expected to increase due to increased sales of spare parts for Civil aero engines and the depreciation of the yen.

**Assumed FX rate US\$ 1.00 = ¥105**

**(in the fourth quarter of FY2021)**

**(In billion yen)**

	<b>FY2020 Results</b>	<b>FY2021 Forecast (in Nov.)</b>	<b>FY2021 Forecast (in Feb.)</b>	<b>Change Vs. Forecast (in Nov.)</b>
<b>Orders received</b>	<b>1,097.0</b>	<b>1,160.0</b>	<b>1,190.0</b>	<b>30.0</b>
<b>Revenue</b>	<b>1,112.9</b>	<b>1,180.0</b>	<b>1,190.0</b>	<b>10.0</b>
<b>Operating profit</b>	<b>27.9</b>	<b>70.0</b>	<b>80.0</b>	<b>10.0</b>
<b>Profit before tax</b>	<b>27.6</b>	<b>60.0</b>	<b>70.0</b>	<b>10.0</b>
<b>Profit attributable to owners of parent</b>	<b>13.0</b>	<b>35.0</b>	<b>40.0</b>	<b>5.0</b>

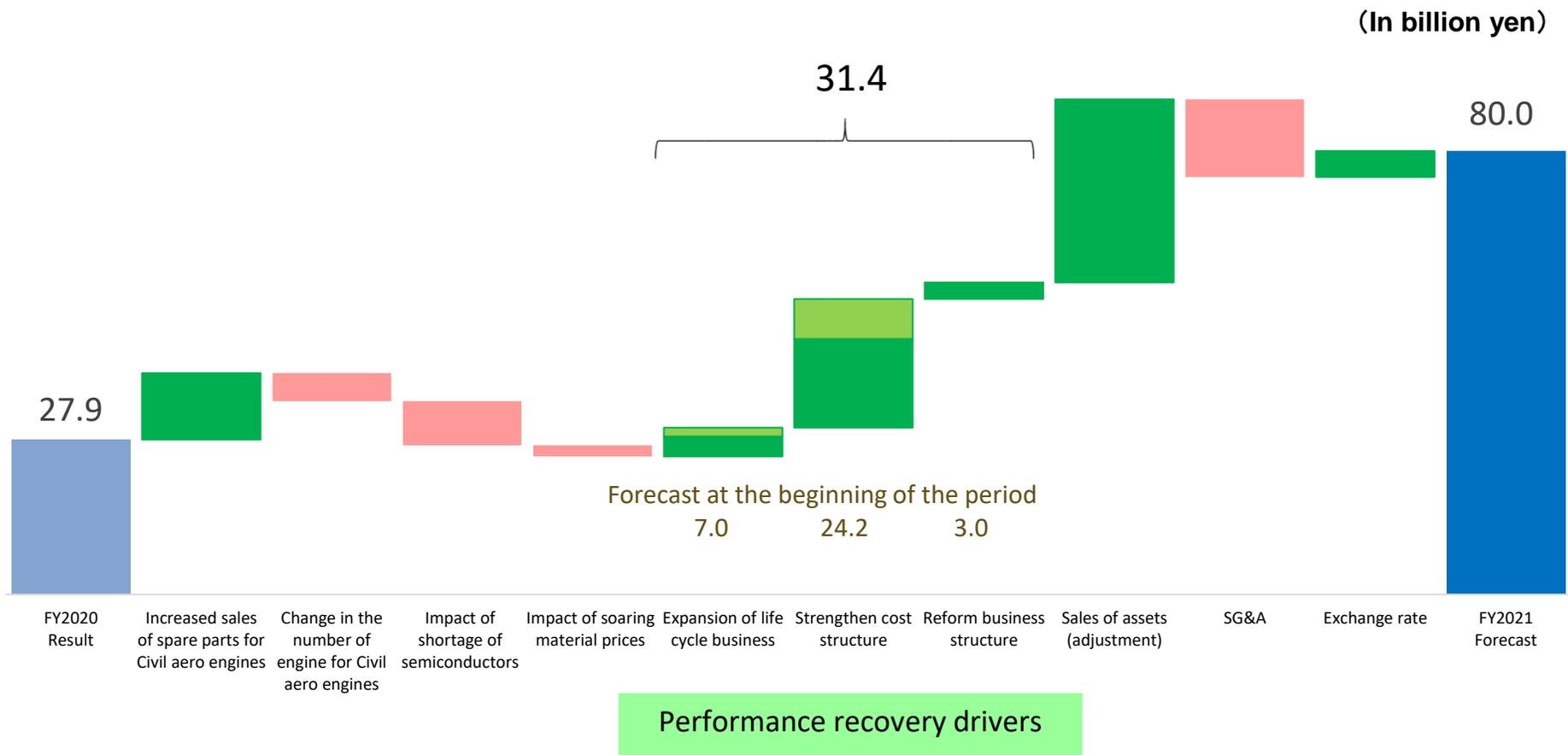
(Reference)

FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US\$ ¥0.3 billion

## 2. Forecasts of the Consolidated Results for FY2021

### Progress of performance recovery drivers

- Progress of performance recovery drivers is generally steadily.
- While performance in Civil aero engines is recovering steadily, some businesses are affected by the deteriorating external environment.
- Sale of assets held were carried out as planned.



## 2. Forecasts of the Consolidated Results for FY2021

### Forecasts by Segments

#### ■ Orders received

(In billion yen)

	FY2020 Results	FY2021 Forecast (in Nov.)	FY2021 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Resources, Energy and Environment	274.7	310.0	340.0	30.0
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	268.9	280.0	280.0	0.0
<b>Total Reportable Segment</b>	<b>1,075.0</b>	<b>1,150.0</b>	<b>1,180.0</b>	<b>30.0</b>
Others	70.7	60.0	60.0	0.0
Adjustment	(48.7)	(50.0)	(50.0)	0.0
<b>Total</b>	<b>1,097.0</b>	<b>1,160.0</b>	<b>1,190.0</b>	<b>30.0</b>

## 2. Forecasts of the Consolidated Results for FY2021

### Forecasts by Segments

#### ■ Revenue & Operating profit

- Operating profit in Industrial Systems and General-Purpose Machinery is expected to decrease due to slower than expected recovery from the shortage of semiconductors and the supply chain disruptions, as well as delayed improvement in profitability.
- Operating profit in Aero Engine, Space and Defense is expected to increase (loss narrow) due to increased sales of spare parts for Civil aero engines and the depreciation of the yen against assumed exchange rate.

(In billion yen)

	Revenue				Operating profit			
	FY2020 Results	FY2021 Forecast (in Nov.)	FY2021 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)	FY2020 Results	FY2021 Forecast (in Nov.)	FY2021 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Resources, Energy and Environment	317.6	340.0	350.0	10.0	19.1	23.0	23.0	0.0
Social Infrastructure and Offshore Facilities	157.9	170.0	170.0	0.0	17.1	16.0	15.0	(1.0)
Industrial Systems and General-Purpose Machinery	374.2	400.0	390.0	(10.0)	11.4	28.0	17.0	(11.0)
Aero Engine, Space and Defense	251.5	270.0	270.0	0.0	(40.1)	(25.0)	(13.0)	12.0
<b>Total Reportable Segment</b>	<b>1,101.4</b>	<b>1,180.0</b>	<b>1,180.0</b>	<b>0.0</b>	<b>7.5</b>	<b>42.0</b>	<b>42.0</b>	<b>0.0</b>
Others	60.5	60.0	60.0	0.0	2.3	3.0	3.0	0.0
Adjustment	(49.0)	(60.0)	(50.0)	10.0	18.0	25.0	35.0	10.0
<b>Total</b>	<b>1,112.9</b>	<b>1,180.0</b>	<b>1,190.0</b>	<b>10.0</b>	<b>27.9</b>	<b>70.0</b>	<b>80.0</b>	<b>10.0</b>

## 2. Forecasts of the Consolidated Results for FY2021

### Forecasts by Segments

- Analysis of change in operating profit of forecasts (in November VS in February)

(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						0.0
Social Infrastructure and Offshore Facilities		(1.0)				(1.0)
Industrial Systems and General-Purpose Machinery	(5.0)	(5.0)		(1.0)		(11.0)
Aero Engine, Space and Defense	7.0	(2.0)	2.0	1.0	4.0	12.0
<b>Total Reportable Segment</b>	<b>2.0</b>	<b>(8.0)</b>	<b>2.0</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>
Others	1.0			(1.0)		0.0
Adjustment	(1.0)			1.0	10.0	10.0
<b>Total</b>	<b>2.0</b>	<b>(8.0)</b>	<b>2.0</b>	<b>0.0</b>	<b>14.0</b>	<b>10.0</b>

## 2. Forecasts of the Consolidated Results for FY2021

### Cash Flows

- The increase in cash flows from operating activities is due to the inclusion of the revision to Forecasts of the Consolidated Results for FY2021.
- The increase in cash flows from investing activities is due to the postponement of capital investment spending including development in the Toyosu area and an increase in proceeds from the sale of assets.

(In billion yen)

	FY2020 Results	FY2021 Forecast (in Nov.)	FY2021 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Profit before tax	27.6	60.0	70.0	10.0
Depreciation *1	69.8	64.0	64.0	0.0
Change in working capital *2	(56.0)	10.0	10.0	0.0
Other	(5.0)	(74.0)	*3 (74.0)	0.0
<b>Cash flows from operating activities</b>	<b>36.3</b>	<b>60.0</b>	<b>70.0</b>	<b>10.0</b>
<b>Cash flows from investing activities</b>	<b>(40.4)</b>	<b>(30.0)</b>	<b>0.0</b>	<b>30.0</b>
<b>Free cash flows</b>	<b>(4.1)</b>	<b>30.0</b>	<b>70.0</b>	<b>40.0</b>

\*1: Depreciation consists of depreciation of property, plant and equipment, investment property, right-of-use assets and software, does not include amortization 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.

## 2. Forecasts of the Consolidated Results for FY2021

### Dividends

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 with a target consolidated dividend payout ratio of around 30%.

IHI decided to increase forecast for the year-end dividends of surplus for the FY2021, in consideration of the profit level of forecasts of the Consolidated Results for FY2021.

### Dividends per Share

	<b>FY2020 Results</b>	<b>FY2021 Forecast (in Nov.)</b>	<b>FY2021 Forecast (in Feb.)</b>	<b>Change Vs. Forecast (in Nov.)</b>
<b>Interim</b>	<b>0yen</b>	<b>30yen</b>	<b>30yen</b>	<b>0yen</b>
<b>Year-end</b>	<b>0yen</b>	<b>30yen</b>	<b>40yen</b>	<b>10yen</b>
<b>Annual</b>	<b>0yen</b>	<b>60yen</b>	<b>70yen</b>	<b>10yen</b>

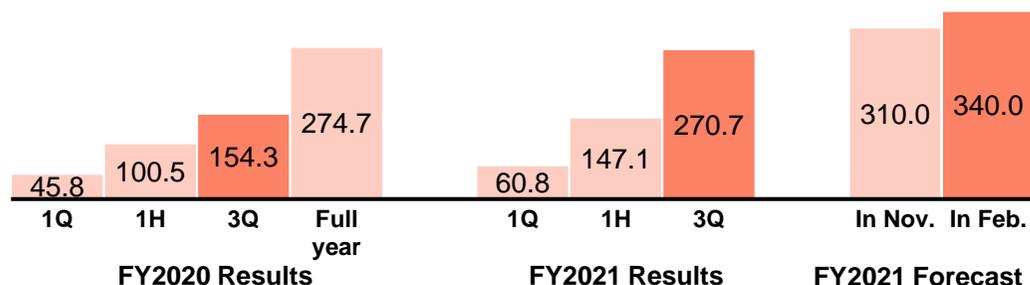
# 3. Financial Results by Segment



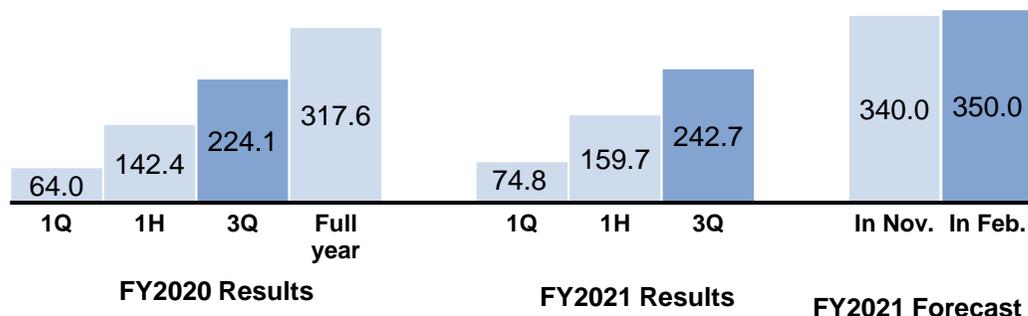
# 3. Financial Results by Segment Resources, Energy and Environment

(In billion yen, accumulated amount)

## Orders received



## Revenue



## Operating Profit



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

### Results (vs FY2020.3Q)

#### 【Orders received】

Increased in Carbon solutions, Nuclear energy and Power systems.

#### 【Revenue】

Increased in Nuclear energy, etc.

#### 【Operating profit】

Increased due to increased revenue in Nuclear energy and the improvement in profitability, despite a decrease in life cycle business in Carbon solutions and Power systems.

### Full year forecasts (vs In November)

- Orders received is expected to increase in Nuclear energy.
- Revenue is expected to increase due to the progress in overseas projects in Carbon solutions and an increase in projects in Nuclear energy.
- Operating profit remains unchanged due to a decrease in Power systems, despite an increase in revenue.

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

(In billion yen)

	Orders received								Revenue							
	FY2020				FY2021				FY2020				FY2021			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Power systems	19.0	35.2	50.5	71.9	25.5	41.4	60.4	81.0	18.8	38.3	61.1	87.1	18.6	38.4	61.0	89.0
Carbon solutions *	13.5	27.3	46.6	119.9	15.4	62.2	115.6	158.0	33.0	78.7	119.2	159.4	35.2	76.4	112.9	158.0
Nuclear energy	9.1	15.3	27.2	42.6	10.4	26.9	58.4	69.0	4.5	10.0	18.1	32.7	6.0	16.3	28.0	48.0

**\*In accordance with the SBU reorganization in FY2021, results in FY2020 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



### Results (vs FY2020.3Q)

#### 【Orders received】

Increased in Bridges and water gates.

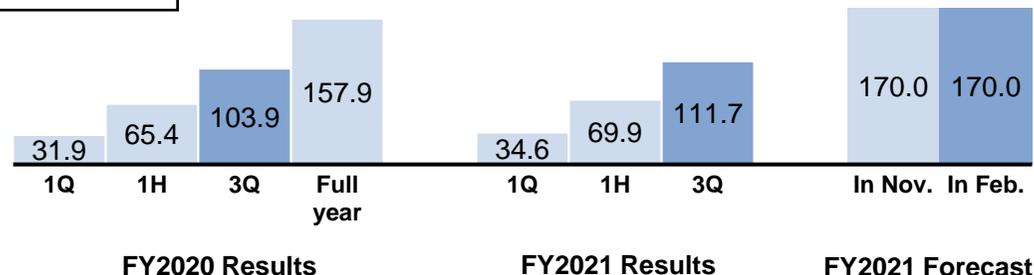
#### 【Revenue】

Although decreased due to a decline in real estate sales in Urban development, increased in Bridges and water gates and Shield systems.

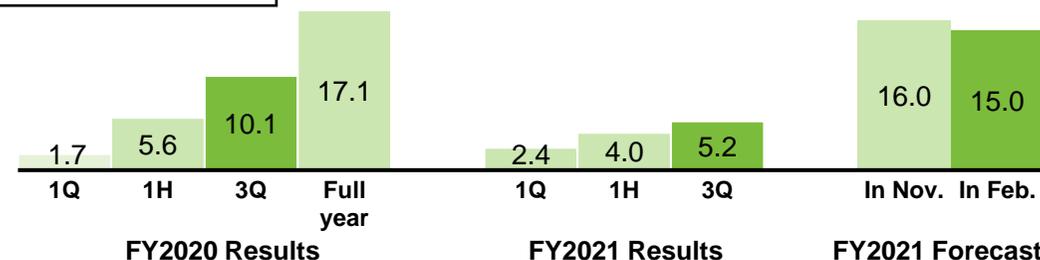
#### 【Operating profit】

Decreased due to the effect of gain on sales of assets recorded in the corresponding period of the previous fiscal year, in addition to a decline in real estate sales and the soaring steel prices and marine transportation costs in Bridges and water gates.

### Revenue



### Operating Profit



### Full year forecasts (vs In November)

- Operating profit is expected to decrease due to the progress in overseas projects in Bridges and water gates.

### 3. Financial Results by Segment

## Social Infrastructure and Offshore Facilities

(In billion yen)

	Orders received								Revenue							
	FY2020				FY2021				FY2020				FY2021			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Bridges and water gates	11.1	29.9	43.7	79.3	31.2	61.4	80.6	95.0	15.1	31.2	49.4	76.8	17.8	33.6	55.5	96.0
Shield systems	4.7	7.3	9.6	21.7	1.2	4.4	8.6	19.0	3.5	9.1	12.3	19.4	5.8	12.0	17.5	23.0
Urban development	6.5	12.7	18.9	23.9	4.6	9.4	14.1	18.0	6.6	11.4	18.9	23.9	4.6	9.6	14.0	18.0

\*For related information of “Urban development” in Toyosu, please refer to <Appendices> Urban development.

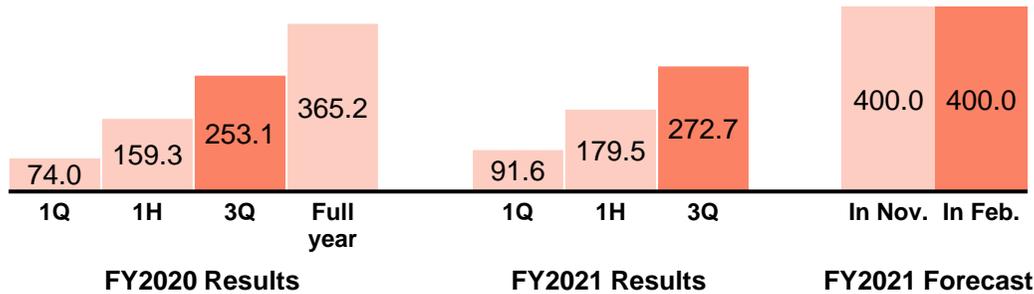
### 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

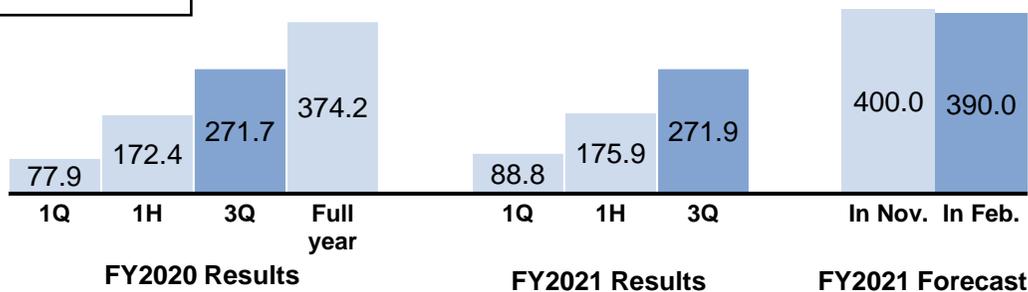
(In billion yen, accumulated amount)

**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 FY2020.3Q)

##### 【Orders received】

Increased in Heat treatment and surface engineering and Rotating machineries.

##### 【Revenue】

Despite a decrease in Transport machineries and Parking, increased in Heat treatment and surface engineering and Rotating machineries.

##### 【Operating profit】

Operating profit increased due to the effect of the restructuring cost recorded in Agricultural machineries Business in the corresponding period of the previous fiscal year, in addition to improved profitability and increased revenue.

#### Full year forecasts (vs In November)

- Operating profit in Vehicular turbochargers is expected to decrease due to slower than expected recovery from the impact of reduced automobile production caused by the shortage of semiconductors and the supply chain disruptions, as well as the delay in improvement in profitability .
- Operating profit is expected to decrease due to a decline in sales in Logistics and industrial systems and Parking.

### 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

(In billion yen)

	Orders received								Revenue							
	FY2020				FY2021				FY2020				FY2021			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Vehicular turbochargers	28.3	66.2	108.9	146.9	38.6	71.4	110.0	157.0	28.2	66.0	108.9	146.6	38.3	70.2	108.3	157.0
Parking	10.2	21.8	34.2	50.2	10.6	22.9	33.3	52.0	9.3	20.5	33.5	46.0	9.1	19.6	31.9	48.0
Rotating machineries	12.0	23.2	33.5	46.6	13.6	26.7	39.1	54.0	10.3	23.0	36.0	49.7	11.9	23.7	37.6	53.0
Heat treatment and surface engineering	5.6	11.8	19.3	29.8	10.7	20.9	32.6	41.0	6.7	13.7	21.4	30.4	8.7	18.6	28.5	41.0
Transport machineries	4.9	8.3	12.1	29.6	4.1	9.7	13.5	25.0	10.2	19.7	29.1	40.0	7.3	16.4	24.2	34.0

\*For details of “Vehicular turbochargers”, please refer to <Appendices> Vehicular turbochargers

#### <Number of vehicular turbochargers delivered>

(1,000 Units)

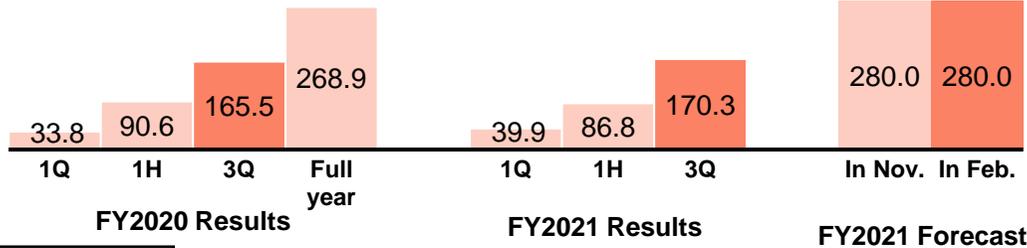
	3Q	Full Year
<b>FY2020</b>	<b>4,260</b>	<b>5,510</b>
<b>FY2021</b>	<b>3,610</b>	<b>5,100</b>

# 3. Financial Results by Segment

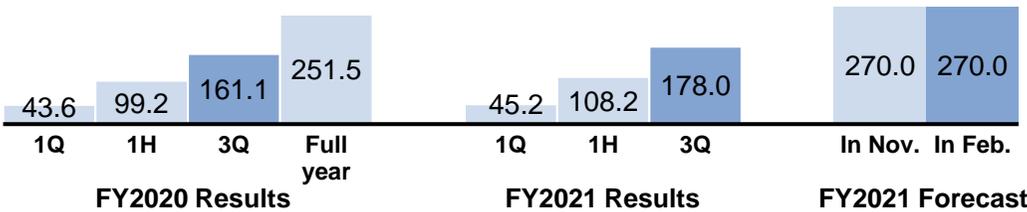
## Aero Engine, Space and Defense

(In billion yen, accumulated amount)

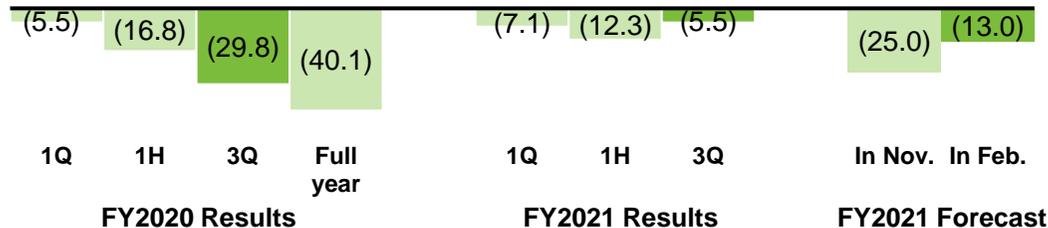
### Orders received



### Revenue



### Operating Profit



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

### Results (vs FY2020.3Q)

【Orders received】

Increased in Aero engines.

【Revenue】

In addition to increased sales of engines and spare parts in Civil aero engines, revenue increased in Rocket systems and space utilization systems.

【Operating profit】

The loss narrowed due to the depreciation of the yen compared to the corresponding period of the previous fiscal year, in addition to increased sales of spare parts and the improvement in profitability by strengthening the cost structure.

### Full year forecasts (vs In November)

- Operating profit is expected to increase due to reflecting increased sales of spare parts and the foreign exchange results up to the third quarter, in addition to a decrease in sales of newly made engines with heavy burden in early stage in Civil aero engines.

### 3. Financial Results by Segment

## Aero Engine, Space and Defense

(In billion yen)

	Orders received								Revenue							
	FY2020				FY2021				FY2020				FY2021			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year (Forecast)
Civil aero engines	21.5	44.3	72.4	100.8	25.7	53.5	89.9	125.0	20.7	45.1	73.5	101.7	25.6	54.0	91.1	125.0

\*For details of “Civil aero engines”, please refer to <Appendices> Aero engines.

#### <Number of civil aero engines delivered>

(Units)

	3Q	Full Year
<b>FY2020</b>	<b>646</b>	<b>842</b>
<b>FY2021</b>	<b>648</b>	<b>844</b>

# < Appendices >

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

## Successful launch of Epsilon-5 rocket Clean separation of nine satellites



The Epsilon-5 rocket, development and manufacture of which was overseen by a Group company IHI Aerospace Co., Ltd., on behalf of Japan Aerospace Exploration Agency (JAXA), was launched on November 9, 2021. A total of nine satellites were confirmed to have separated cleanly, including the Rapid Innovative Payload Demonstration Satellite-2, which was selected under the innovative satellite technology demonstration program.

This is the fifth consecutive successful Launch of the Epsilon, and the second time it has succeeded in launching multiple satellites simultaneously.

<Launch of Epsilon-5 rocket (left) ©JAXA>

## Reduced-Power Consumption/All-EV Charging System to go on sale; reduces EV charging capacity required to 1/8th of previous level\*

In April 2022, a Group company IHI Transport Machinery Co., Ltd. (IUK) will begin sales of a new mechanical parking system which, despite reduced power consumption, enables the charging of all electric vehicles (EVs) within the parking system. Previously IUK had successfully developed a mechanical parking system that allowed the charging of multiple EVs. However, installing a new system capable of charging all vehicles required enormous charging capacity equivalent to the number of EVs being charged.

In order to resolve these problems, IUK developed its “Reduced-Power Consumption/All-EV Charging System.”

※ Based on IUK simulation. The optimal charging capacity varies depending on the actual environment.

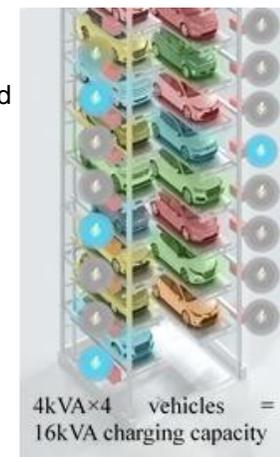
Conventional



reduces EV charging capacity required to 1/8th of previous level\*



Reduced-Power Consumption/All-EV Charging System



- Blue : Charging
- Green : Charging stand-by (stage 1)
- Red : Charging stand-by (stage 2)
- Yellow : Charging stand-by (stage 3)
- Orange : Charging stand-by (stage 4)

<Mechanical Parking System: power used while charging>

## Announcement of IHI ESG STORYBOOK

-“Create a World where Nature and Technology Work in Unity”-



In January 2022, IHI released IHI ESG STORYBOOK, which describes details of IHI Group’s ESG Management (announced in November 2021).

This book shows IHI Group’s ESG Management for the realization of a sustainable society and a sustainable growth as a company. It introduces the IHI Sustainability Goal, technologies and initiatives necessary for the achievement of carbon-neutral and the realization of preventing and mitigating disasters, as well as the ideas and initiatives regarding upholding human rights and diversity and inclusion, which IHI consider important for achieving them.

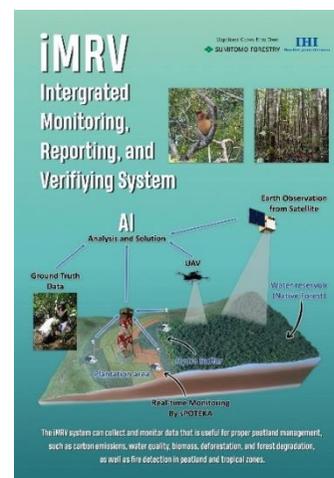
<IHI ESG STORYBOOK> Download the PDF file  
URL: [https://www.ihico.jp/csr/english/esg/i/IHI\\_ESG\\_STORYBOOK\\_en.pdf](https://www.ihico.jp/csr/english/esg/i/IHI_ESG_STORYBOOK_en.pdf)

## Sumitomo Forestry and IHI exhibiting at "COP26" in Glasgow, UK -Worldwide presentation of measures against climate change

Sumitomo Forestry Co., Ltd. and IHI are collaborating to realize a consulting business that properly manages tropical forests and peatlands.

We jointly exhibited at the Japan Pavilion in the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) held in Glasgow, UK. In addition, we participated in a booth exhibition and a special seminar organized by the Ministry of Economy, Trade and Industry, and introduced our initiatives and technologies for climate change countermeasures.

We will continue to work toward reducing CO<sub>2</sub> emissions caused by forest fires and peatland loss.



<An integrated monitoring, reporting and verification system that uses AI to analyze monitoring results from satellites, UAV, sPOTEKA and field research

<COP26 booth exhibition>

(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	FY2021.3Q YTD	FY2021 (Forecast)
1,280.0	1,097.0	843.8	1,190.0
1,263.1	1,112.9	816.1	1,190.0
47.8	27.9	45.5	80.0
8.2	13.0	27.6	40.0
42.4	36.3	4.2	70.0
(85.5)	(40.4)	1.5	0.0
(43.0)	(4.1)	5.7	70.0
50 (Interim 30, Year-end 20)	0	Interim 30	70 (Interim 30, Year-end 40)
4.1	2.2	-	6.5
3.8	2.5	5.6	6.7
92	124	-	110
2.00	1.85	1.63	1.40
2.8	4.5	-	12.6
15.0	16.4	18.1	

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 / Total 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	'21/3Q	
Revenue (In billion yen)	143.6	169.8	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	91.1	
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	7,753	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	2,913	Boeing B777
CF34	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,908	For regional jet (70 to 110 seats)
GENx	118	259	468	751	1,035	1,295	1,542	1,826	2,159	2,328	2,411	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,784	2,144	2,506	Airbus A320Neo
Passport20							13	66	142	202	254	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>21,745</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		
										3Q YTD	Full year	
<b>Japan</b>	33.9	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	28.7	42.0	
<b>Asia</b>	24.8	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	8.0	10.0	
<b>China</b>	18.1	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	40.9	60.0	
<b>North America</b>	1.3	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	9.7	15.0	
<b>Central and South America</b>	0.0	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	7.0	10.0	
<b>Europe</b>	43.2	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	14.0	20.0	
<b>Others</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	
<b>Total</b>	121.6	150.7	167.7	161.6	174.6	220.5	189.5	153.6	146.6	108.3	157.0	

## (1) Lease revenue in Toyosu

(In billion yen)

	Results											Forecast	
	'12	'13	'14	'15	'16	'17	'18	'19	FY2020		FY2021		
									3Q	Full Year	3Q	Full Year	
<b>Lease revenue</b>	<b>9.2</b>	<b>9.1</b>	<b>9.3</b>	<b>10.1</b>	<b>9.3</b>	<b>9.2</b>	<b>9.3</b>	<b>9.4</b>	<b>9.2</b>	<b>12.3</b>	<b>9.1</b>	<b>12.0</b>	

## (2) Lease revenue and expense in Toyosu (FY2021.3Q)

(In billion yen)

	Lease revenue	Lease expense		Profit
		Depreciation	Others	
<b>FY2021.3Q</b>	<b>9.1</b>	<b>3.9</b>	<b>3.0</b>	<b>2.1</b>

# Development Plan for Toyosu 1 to 3 chome Area

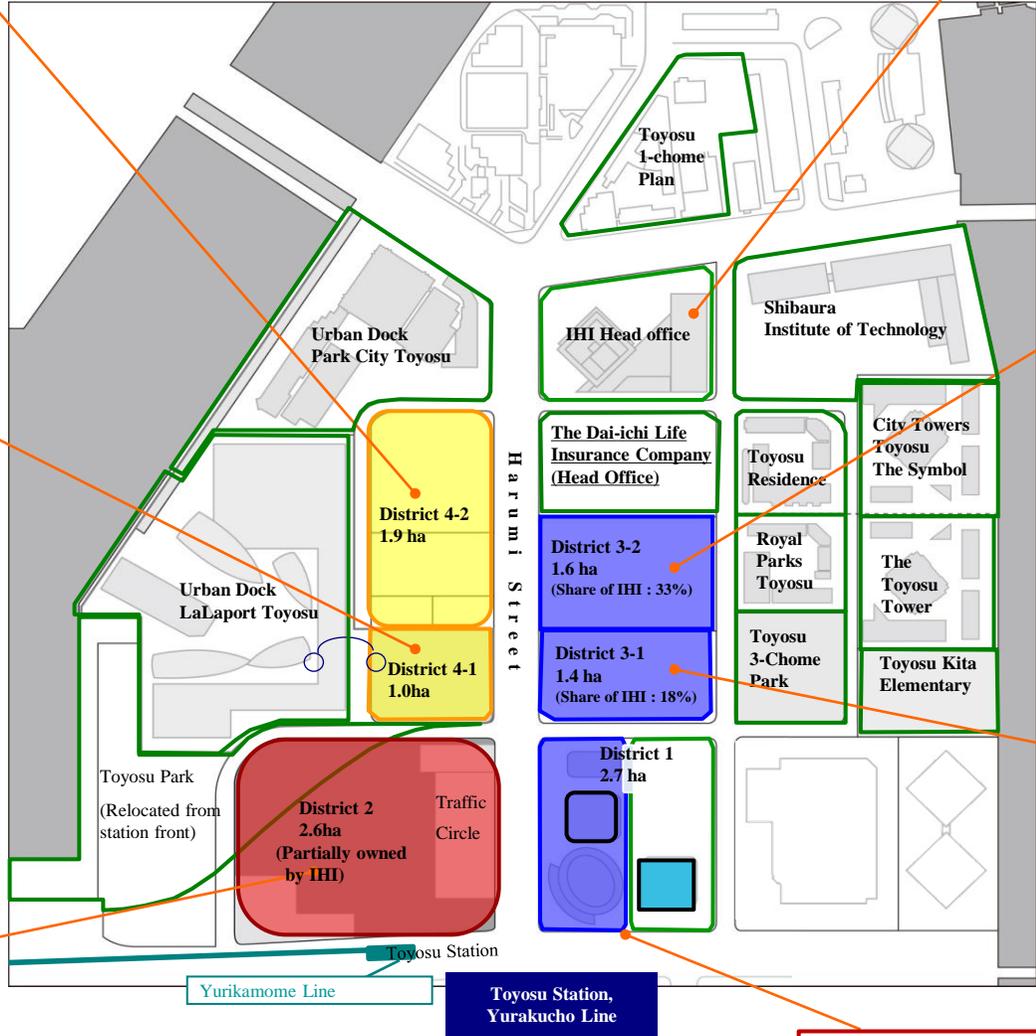
**Development Plan for District 4-2**  
 Site area : 19,493㎡  
 Planned construction schedule from 2022 summer to 2025 summer



**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



<p>Civic Center Fire department office</p>	<p>Office Leasing</p>
<p>Property of IHI</p>	<p>Land Leasing</p>
<p>Approx. 5ha</p>	<p>Office Leasing (Leased land)</p>
	<p>Category 1 Urban Redevelopment Project*</p>
	<p>Sold, Donated, Exchanged</p>

\* 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.