

October 23, 2024

IHI Corporation

Q&A for Aero Engine, Space & Defense Business Area Briefing

1. Sales revenue projections for fiscal 2030 and fiscal 2040

- This is our first time presenting figures.
- We target operating margins of 20% in the civil aero-engine business and about 15% across all business areas by fiscal 2030. (Note: External factors such as foreign exchange rates are not accounted for.)
- For the foreseeable future, the civil aero-engine business aims to expand sales by capitalizing on market growth. We are set to initiate new engine programs, so profit margins may not consistently rise, but we are targeting a 20% operating profit margin by fiscal 2030.

2. The Future of the Civil Aero-Engine Business

- In the development of civil aero-engines, we believe that the collaborative framework involving multiple companies will largely remain the same, considering the associated risks. However, we recognize it is necessary to continue discussions on revising information-sharing systems.
- We will also make a solid effort to capture aftermarket demand, including spare parts and maintenance. We are on track to expand the capacity at the Tsurugashima plant, which is our maintenance site. Also, we will increase the volume of high-value-added repair projects.

3. Regarding Defense-Related Business

- We target an operating margin of up to 10% for our defense-related business. Unlike the civil aero-engine business, government funding applies from the research and development stage. For missile-related projects, we will supply components as a subcontractor, but the level of profit margin will remain consistent.
- Although our business scale is currently limited, we anticipate more overseas business opportunities. We seek to leverage our strengths to contribute to areas such as next-generation fighter jets.