

Vehicular Turbocharger & Parking Business



June 2, 2026

IHI Corporation

Kiyoshi Nihei

Managing Executive Officer, President of Industrial Systems & General-Purpose Machinery Business Area

- **Vehicular Turbocharger Business**

We will capitalize on the global shift toward HEVs, concentrate on areas where we have clear strengths, and enforce strict fixed-cost discipline to improve profitability and generate cash flow.

- **Parking business**

With our leading market share in Japan and a substantial installed base, we will concentrate on LCBs of large-scale mechanical parking in major metropolitan areas to drive efficient, long-term cash flow generation.

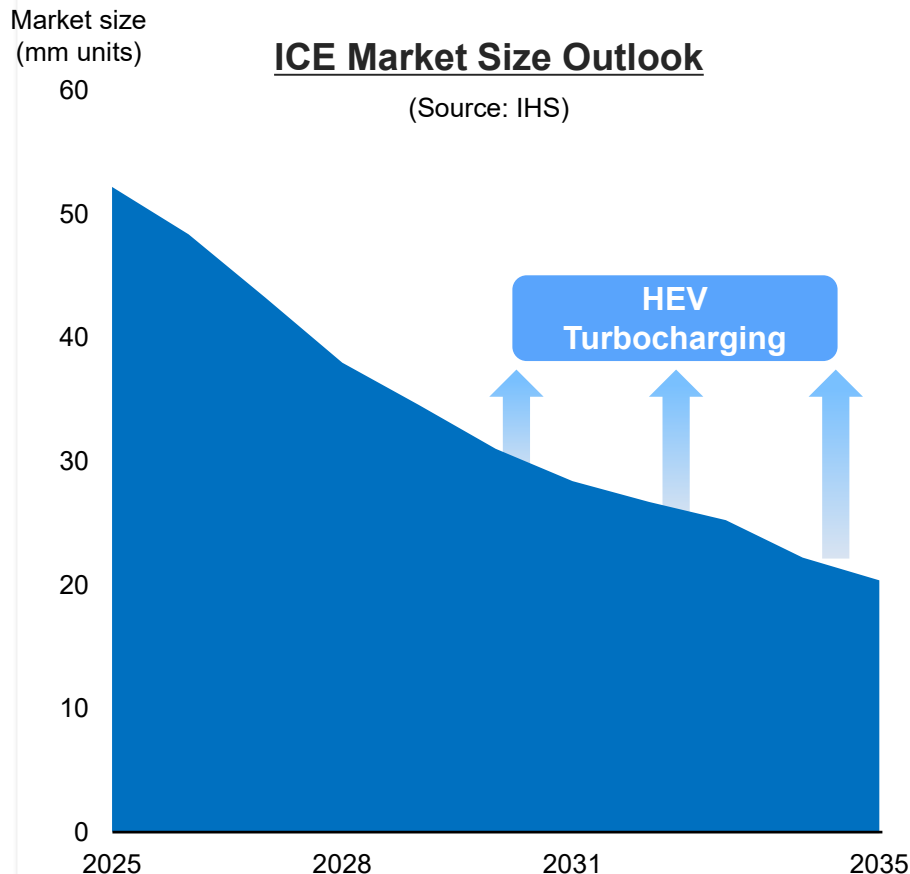
Vehicular Turbocharger Business



Due to the slowdown in electrification trends, Turbocharger business will remain more than initially anticipated

Market Size

Due to changes in CN trends and the increase of HEV turbocharging, the electrification trend is slowing down more than initially expected



Market Trends

■ Slowdown in electrification policies

- ✓ **Japan:** Continuing electrification including HEVs
- ✓ **North America:** Terminate EV subsidies and reduce federal subsidies
- ✓ **Europe:** Ease the 2035 ban on ICE vehicle sales
- ✓ **China:** Shift from EV-only to EV + PHEV

■ HEV shift by OEM

- ✓ **Japan:** Continuing expansion of HEVs
- ✓ **North America:** Partial suspension of EV investments; shift toward HEVs
- ✓ **Europe:** Revising EV Targets and extending HEV sales
- ✓ **China:** Expanding PHEV sales

Shift to HEVs

Advantage

01

Customized engineering capabilities to meet OEM requirements prioritizing engine performance optimization

Advantage

02

Advanced production system supporting high-mix, low-volume manufacturing allowing customized engine specifications

Advantage

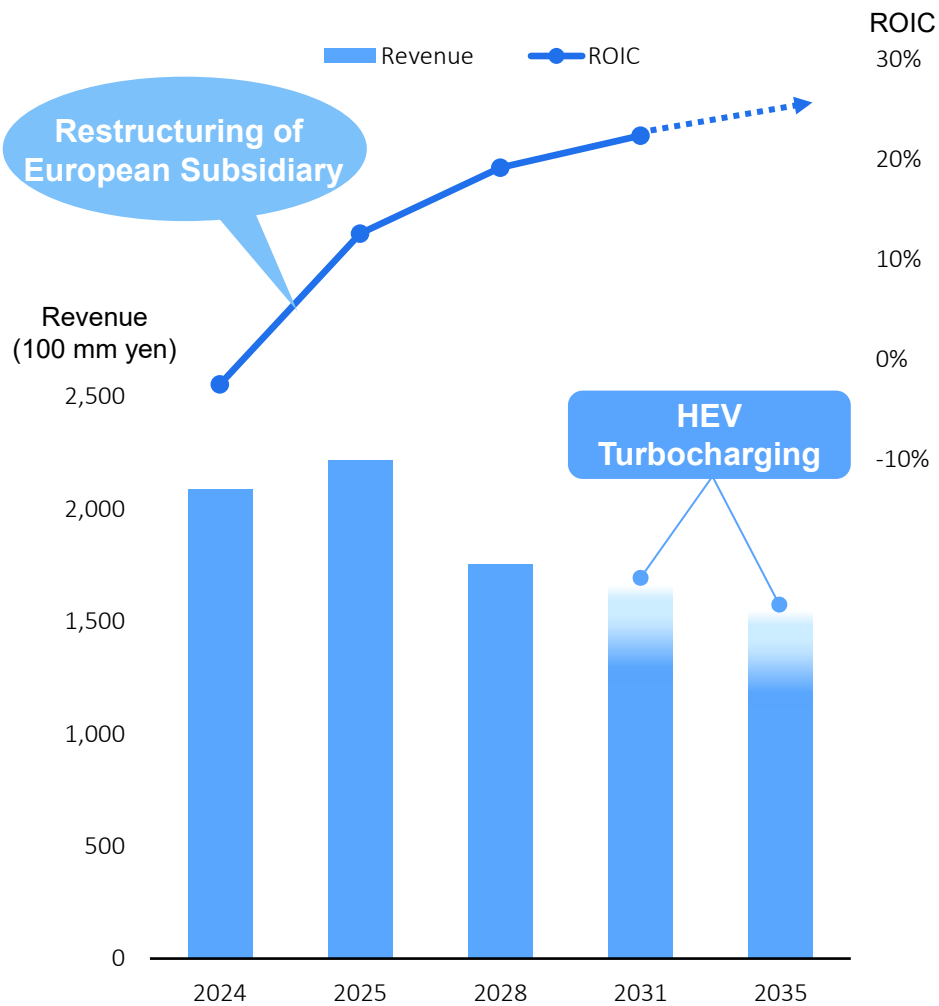
03

Strong customer relationships especially with Japanese OEMs based on a long-standing proven track record

**Transform to a high-margin, high-ROIC business
driven by rigorous fixed cost management (CCC ~70 days)**

Achieve 20%+ of ROIC by 2031, driven by optimizing fixed costs in response to declining demand and leveraging existing assets

Vehicular Turbocharger Business Revenue & ROIC*



Strengthening partnerships with OEMs

- ✓ Innovative proposals across development, design, and production
- ✓ Secured long-term stable orders leveraging its long-standing partnership

Optimizing the global production system

- ✓ Continuous optimization of production line and fixed cost in response to demand
- ✓ Leveraging existing assets
- ✓ Improving production efficiency through automation and labor-saving

Achieve OP margin of 10% and ROIC of 20%+ by rigorous fixed cost management

Parking Business

Top Manufacturers of Mechanical Parking Systems



Why mechanical parking systems?

- High land costs and limited space in Japan's urban centers
- Mechanical parking systems as key metropolitan infrastructure

Delivery Record
Approx.
500k units

Domestic Market
Share
No.1

Product Examples



Business Characteristics

- ✓ **Leading installed base × robust support & maintenance**
- ✓ **Track record of accumulated long-term maintenance contracts**
- ✓ **Urban asset concentration, allowing us efficient resource allocation**

LCB Operating Margin
Consistently
over 20%



Advantage

01

Leading market position driven by a full-lineup of mechanical parking (large-scale to small-scale)

Advantage

02

Large installed base built through a full-lineup strategy, with strong LCB-driven long-term cash flow potential

Advantage

03

End-to-end engineering expertise across development to O&M, backed by a strong execution track record

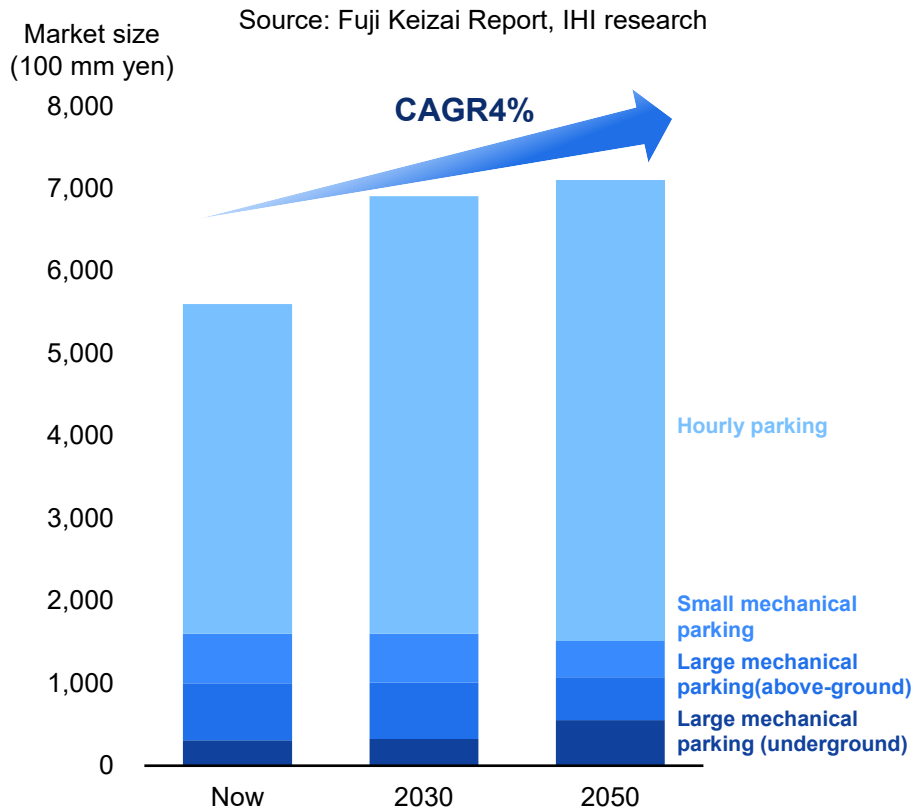
Transform to a high-margin, high-ROIC business driven by metro, large-scale mechanical parking LCBs (CCC ~70 days)

Concentrating in major metropolitan areas and large-scale mechanical parking:
2035 sales revenue of 100 billion yen, ROIC* to 20%+

Market Environment

Sustained supply-demand gap in metro areas driving continued market growth

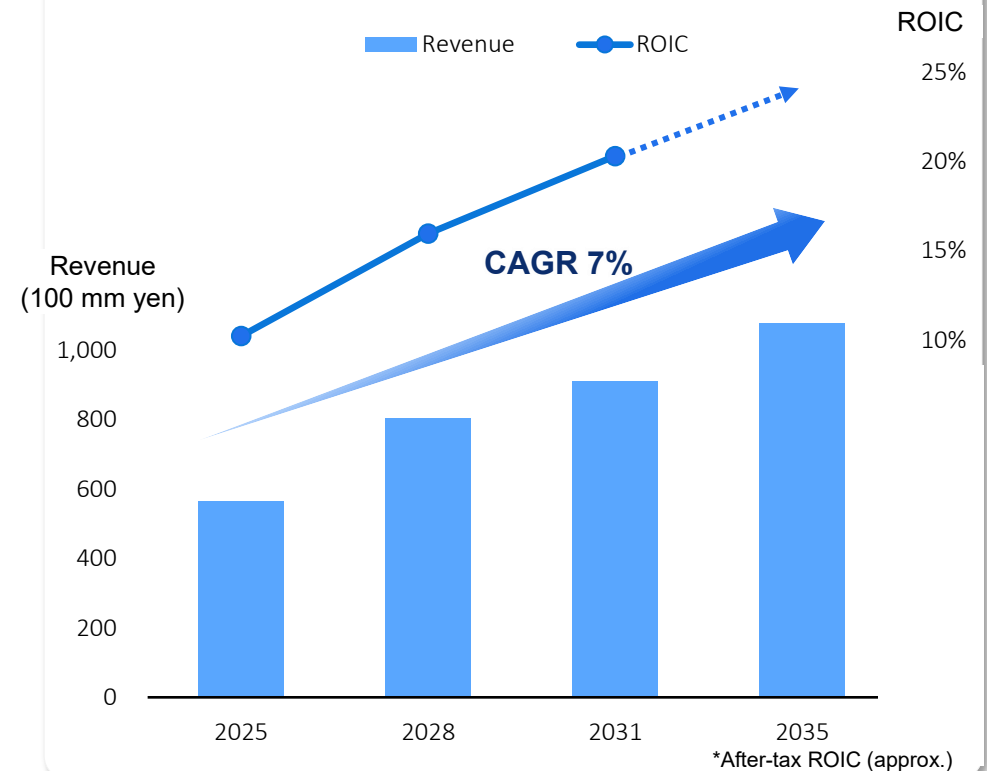
Parking Lot Market Size and Outlook



Our Business

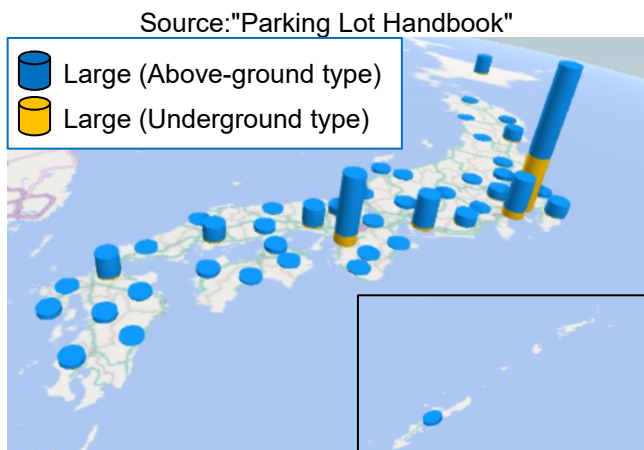
Expanding LCBs based on the domestic installed base to drive revenue and ROIC

Parking Business Revenue & ROIC*

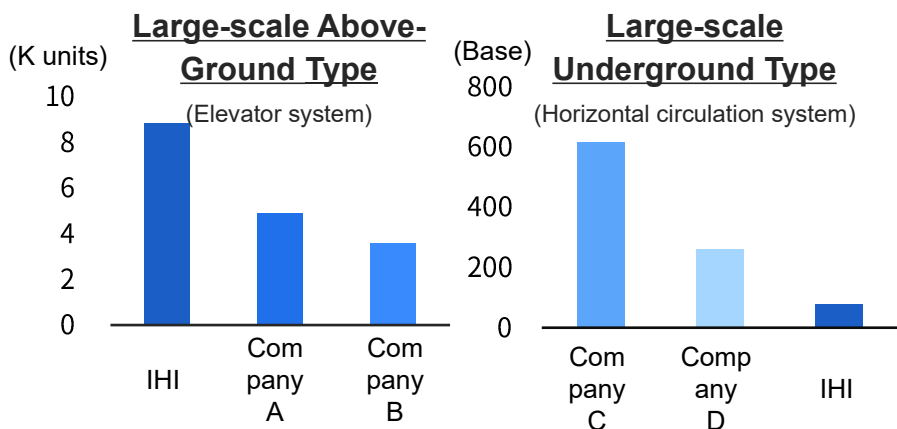


Driving cash flow by scaling LCBs of large-scale mechanical parking segment in metropolitan areas, leveraging existing installed base

Large-Scale Mechanical Parking Installed Base by Prefecture



Large-Scale Mechanical Parking Installed Base by Company



Resource concentration in metropolitan areas

- ✓ Shifting resources to profitable metropolitan areas
- ✓ Restructuring of low-margin local service centers

Focus on Large-scale Mechanical Parking

- ✓ Focus on highly profitable large-scale systems (above-ground type and underground type)
- ✓ Strengthening underground type, especially concentrated in major metropolitan areas

Achieving ROIC of 20%+ through LCB focus (LCB operating profit margin over 20%)



Forward-looking figures shown in this material with respect to IHI's performance outlooks and other matters are based on currently available information, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making investment decisions. Actual results could differ materially from those discussed in these performance outlooks due to several important factors. They include political environments in areas in which IHI operates, general economic conditions, and the yen exchange rate including its rate against the US dollar.