

Opening Remarks



June 2, 2026

株式会社 **IHI**

Hiroshi Ide

President and Chief Executive Officer

- **May 8** : "Medium-to- Longer Term Direction" and "Roadmap toward Medium-to Long- Term"
- **Today** : **Growth Strategy for each business**



✓ **Technology Strategy**

Further strengthen technologies that are difficult to replicate and serve as barriers to entry

✓ **Growth Business**

Drive significant profit growth through investment-led capacity expansion

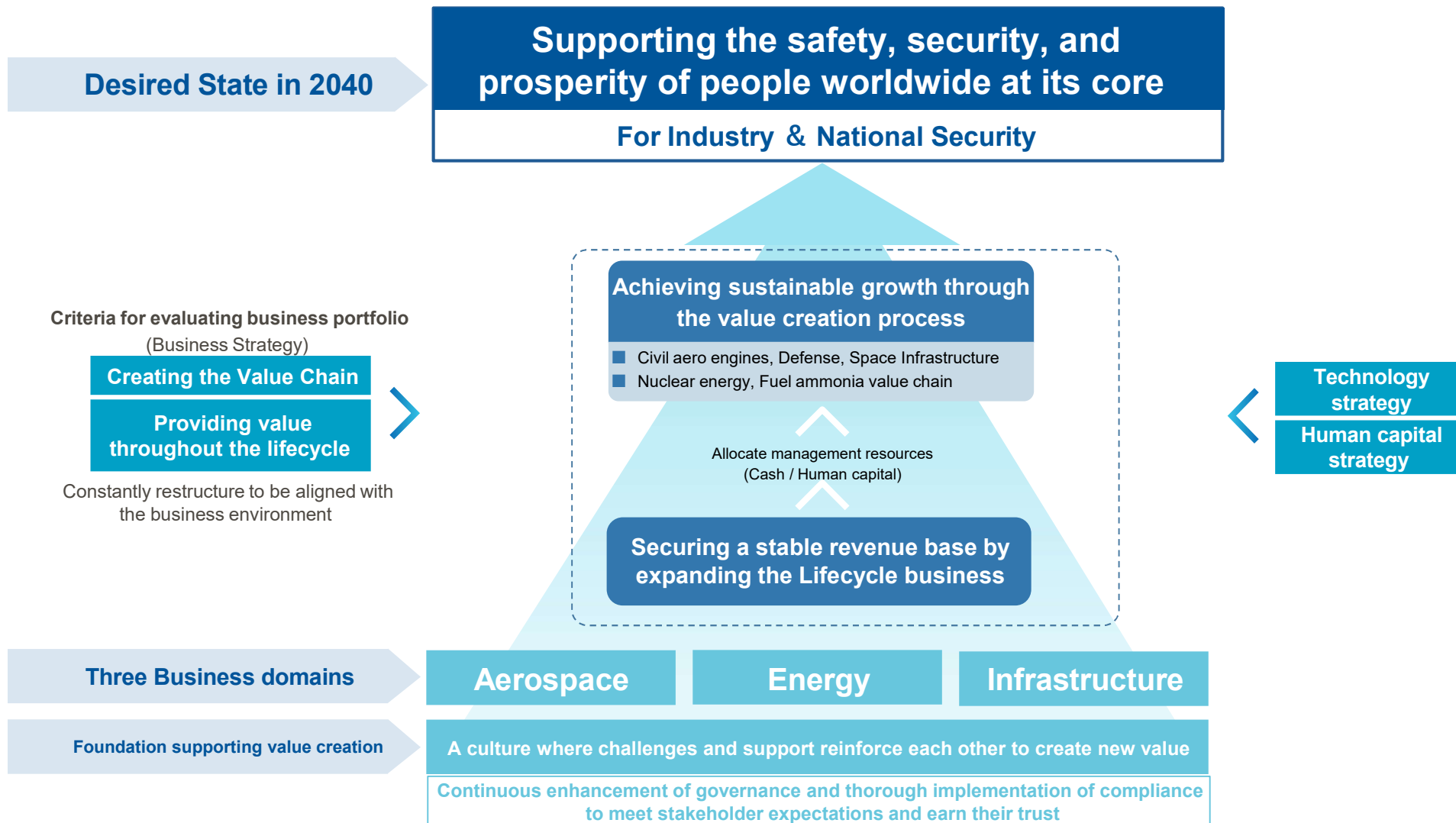
✓ **Stable revenue business**

Drive stable growth in profitability and ROIC through LCB expansion

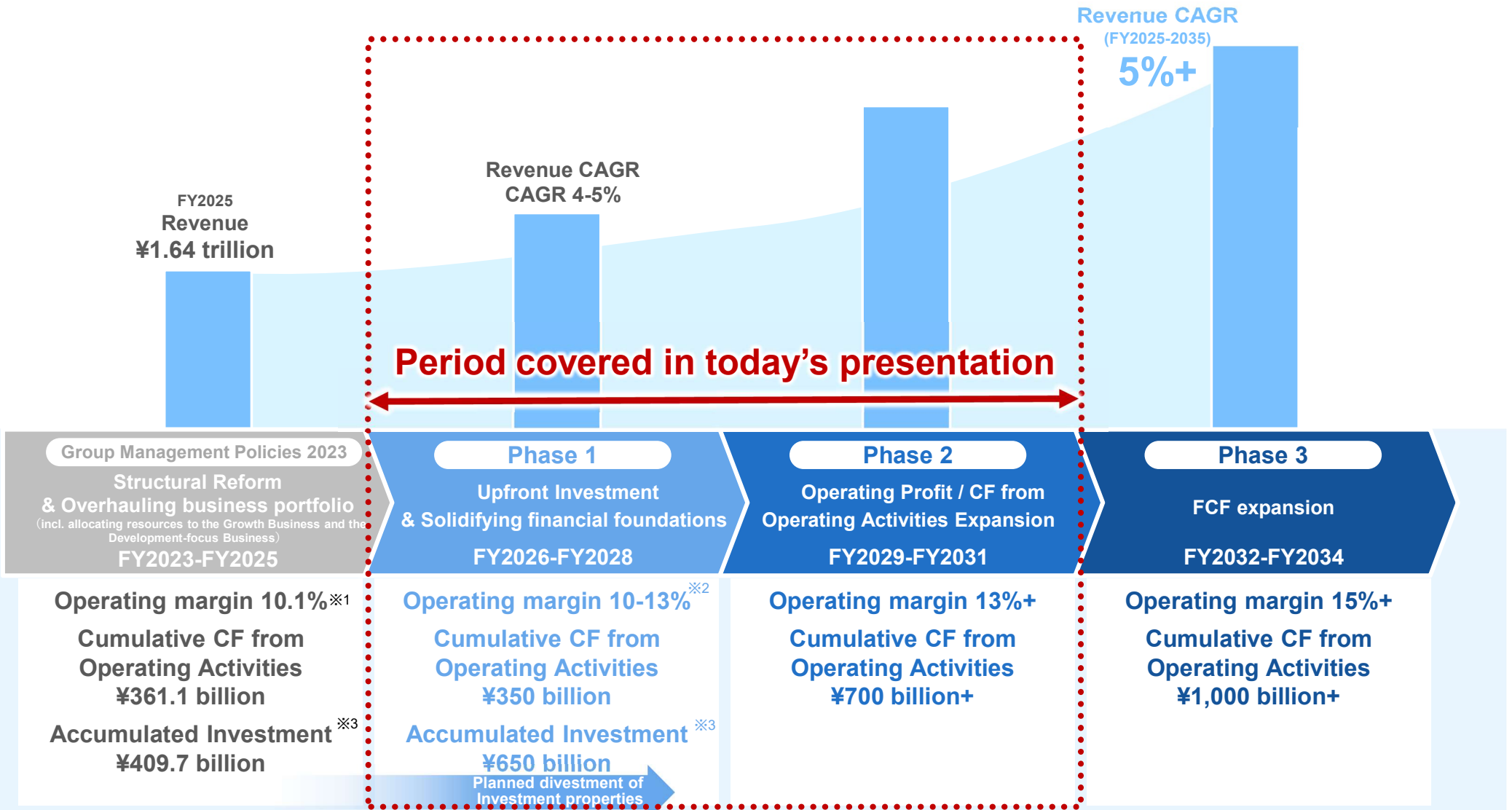
✓ **Financial strategy**

Substantially increase shareholder returns from Phase 2 onward

- IHI has tackled critical challenges since its founding at the industrial as well as national levels through technology, contributing to the safety, security, and prosperity of people in each country and region. This long history of accumulated challenges is the very source of IHI's competitive advantage.
- Looking toward 2040, IHI aims to play a key role in elevating Japan's industrial and national strength back to the world's top level, thereby contributing to the economic, national, and energy security of countries worldwide.

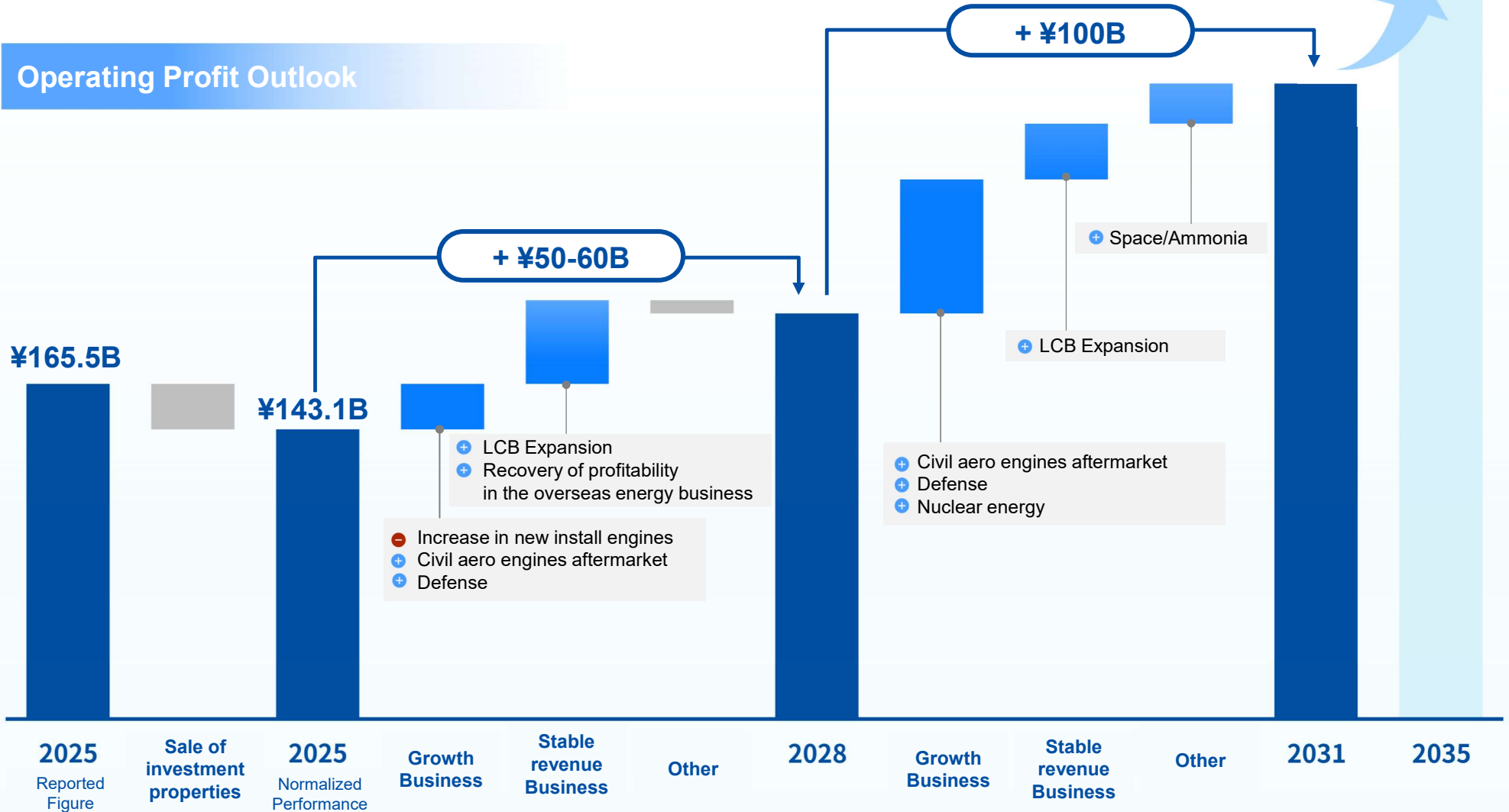


- Deliver **step-change profit growth** beyond past trajectory through disciplined execution of growth investments over the next three years




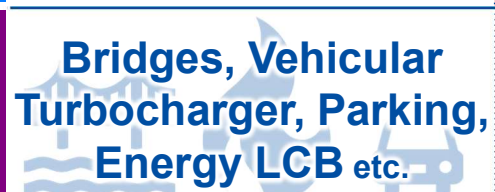


Step-change Profit Growth

Operating Profit Outlook



Strategies and Drivers for Profit Growth by Business

	Business	OPM [※]	Strategy for profit growth	Driver for profit growth	ROIC
Growth	 Civil aero engines	High	Top-line growth	Capacity Expansion	Mid
	 Defense	Mid	Top-line growth	Gov't Collaboration Capacity Expansion	High
	 Nuclear energy	High	Top-line growth	Capacity Expansion	High
Stable revenue	 Bridges, Vehicular Turbocharger, Parking, Energy LCB etc.	Mid	Margin improvement	LCB Expansion	High

※Operating profit margin

We will present three key strategies to deliver our high growth

Contents	Speaker
Opening Remarks	Hiroshi Ide President and Chief Executive Officer
Technology Strategy	Hideo Morita Representative Director and Senior Executive Officer
Growth Strategy	
Nuclear energy	Noriaki Ozawa Managing Executive Officer
Bridge	Jun Kobayashi Representative Director and Senior Executive Officer
Vehicular turbocharger and Parking	Kiyoshi Nihei Managing Executive Officer
Civil aero engines and Defense	Atsushi Sato Representative Director and Senior Executive Officer
Financial Strategy	Hiromi Oshima Managing Executive Officer
Break	
Questions and Answers	Speakers
Closing Remarks	Hiroshi Ide President and Chief Executive Officer

IHI

Realize your dreams

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Technology Strategy



June 2, 2026

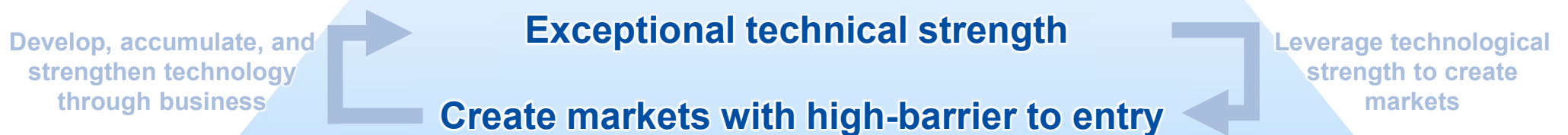
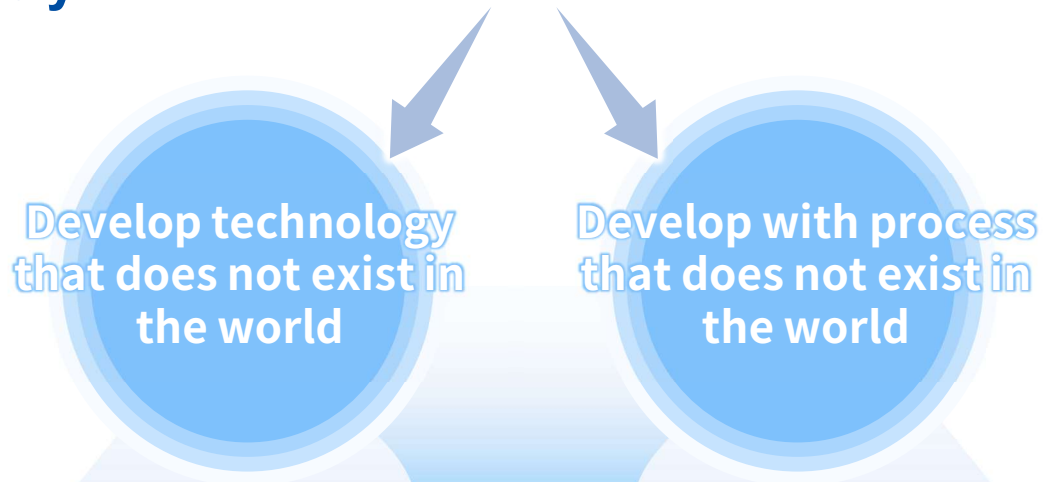
IHI Corporation

Hideo Morita

Representative Director and Senior Executive Officer

**Goal of
Technology
Development**

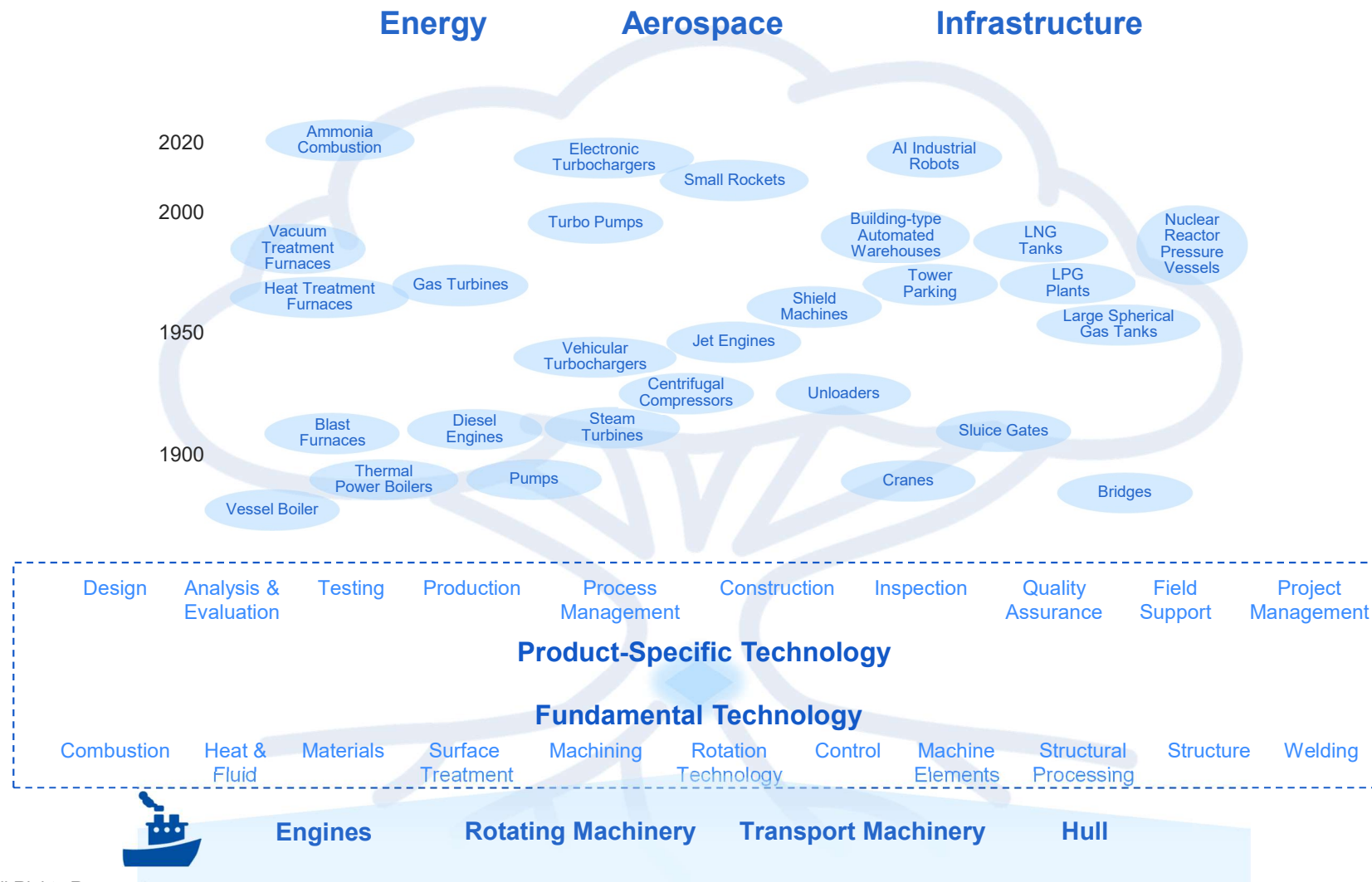
In our target business domains, develop technologies that competitors cannot easily replicate and that create barriers to entry.



Toward a Stage of Rapid Growth

“Exceptional technical strength seeds” nurtured by the accumulated, breadth, and depth of technology

- IHI Group products are realized through the harmony of numerous fundamental technologies and product-specific technologies.
- For over 170 years, we have pursued the optimal harmony of technologies to maximize the value of manufacturing, while developing, accumulating, and strengthening technology through our business operations



What is “Developing Technological Entry Barriers”?

Building Barriers through Unique Composite Materials × International Certification

- Initiated development of unique composite materials by leveraging technology, data, and expertise accumulated through business operations
- Contributed to addressing lightweighting—the biggest technical challenge for the second-generation engine—by applying IHI proprietary technology.
- Secured a competitive advantage by black-boxing core technical information—including materials, process design, test procedure—through FAA certification

Seed of New Technologies

- Acquisition of testing, analysis, and evaluation technologies
- Accumulation of data through inspections
- Establishment and enhancement of quality management systems
- Efficient production processes
- Continuous design refinement and improvement

Develop, accumulate, and strengthen technology through business

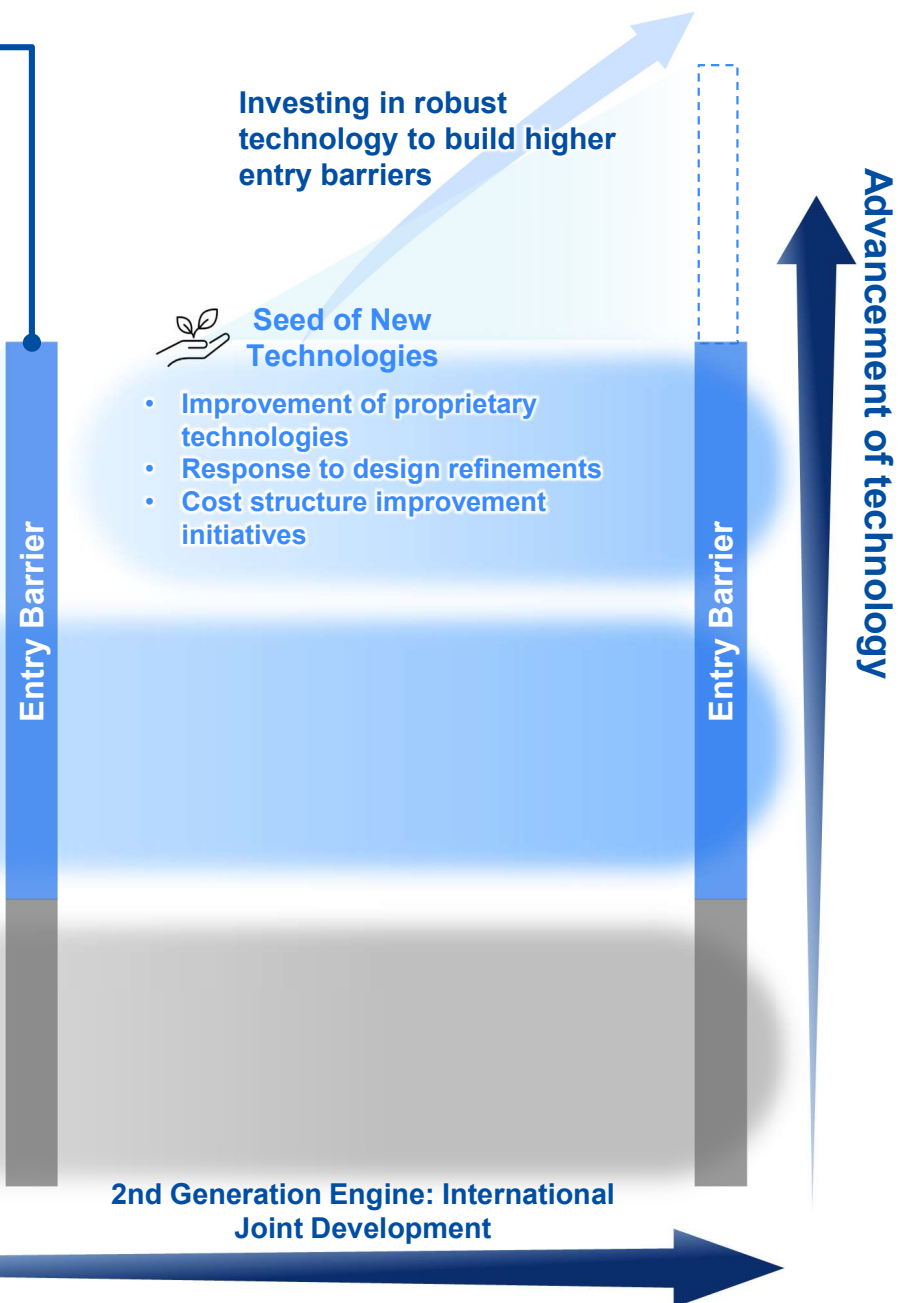
- ✓ Compliance with stringent quality standards
- ✓ Adherence to delivery schedules
- ✓ Response to design changes
- ✓ Building production capacity in response to demand fluctuations

Product-specific technology
Fundamental technology

Licensed Production of Defense Engines

Entry Barrier

1st Generation Engine: International Joint Development



Deepening technological capabilities

Prioritize investments on technology domains that build strong barriers to entry

Maximizing value through the optimal integration of our technologies

Innovative processes driven by production enhancement

Fuel Ammonia Value Chain

- Advancement of ammonia combustion technology
- Acquisition and enhancement of key technologies of value chain

Aero Engine Material Technology

- Development of new composite materials
- Establishment of a domestic supply chain

Nuclear energy Business

- Advanced production capability for reactor component
- Advancement of vitrification technology
- Establishment of nuclear fuel reprocessing technology

Bridges

- Development of maintenance technologies that enables labor-saving and shorter project timelines
- Advancement of long-span bridge construction



Accelerate the development of a digital technology utilization environment

Establish viable information security framework aligned with diverse requirements

Establishing an AI-enablement environment to accelerate technology development

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Nuclear Energy Business



June 2, 2026

IHI Corporation

Noriaki Ozawa

Managing Executive Officer, President of Resources, Energy and Environment Business Area

Key Messages for Today

- **Progress of Structural Reforms (Overseas Subsidiaries in Energy Segment)**

- ✓ Executing structural reforms for overseas subsidiaries.
- ✓ Continuous transformation of remaining non-core businesses to concentrate resources on Core Businesses.

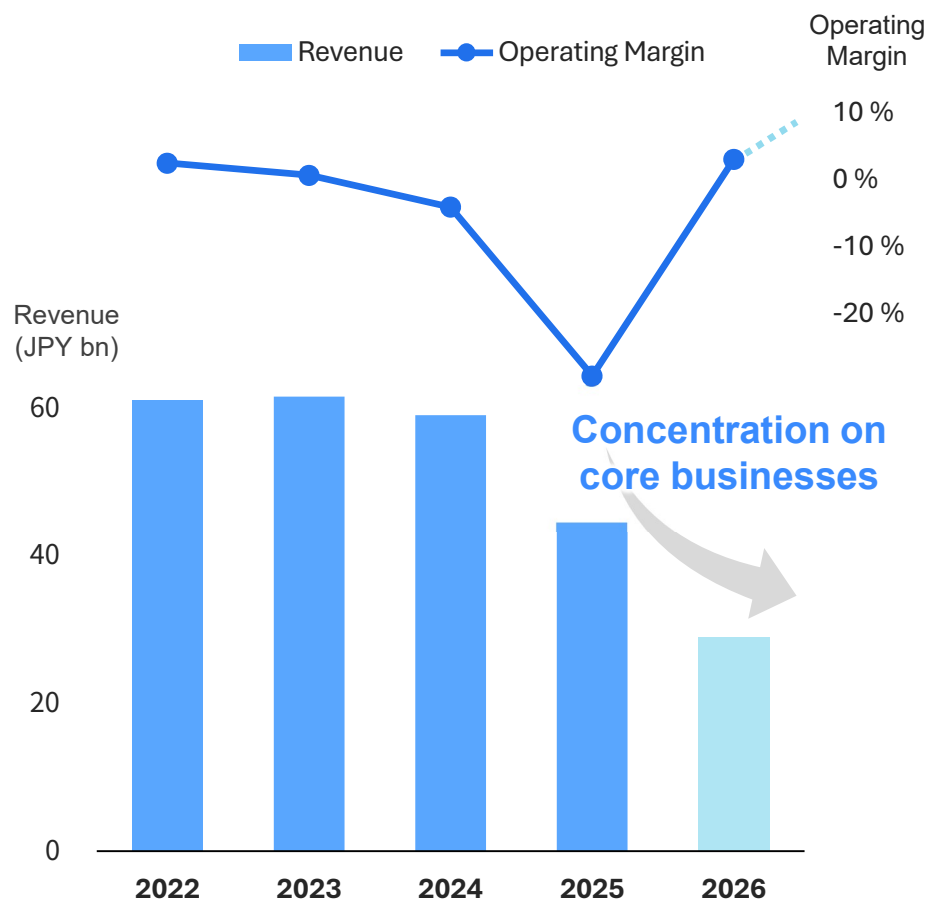
- **Nuclear Energy Business**

- ✓ Contributing to domestic nuclear plant utilization through initiatives in domestic nuclear plant restarts and reprocessing.
- ✓ Realize top-line growth by capturing new nuclear plant construction in overseas.

IHI will complete the structural reforms of remaining overseas subsidiary in Energy Segment during FY2026

Overseas Subsidiaries Revenue / Operating Margin

Stabilizing trend from FY2026 onward following project rationalization under structural reforms



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Progress of the Structural Reforms

Focusing resources on core businesses by restructuring non-core operations.

- ✓ **Divestiture of Energy O&M business in North America**
- ✓ **Right-sizing of Energy Management business in North America**
- ✓ **Withdrawal from Biomass fuel business in Southeast Asia**

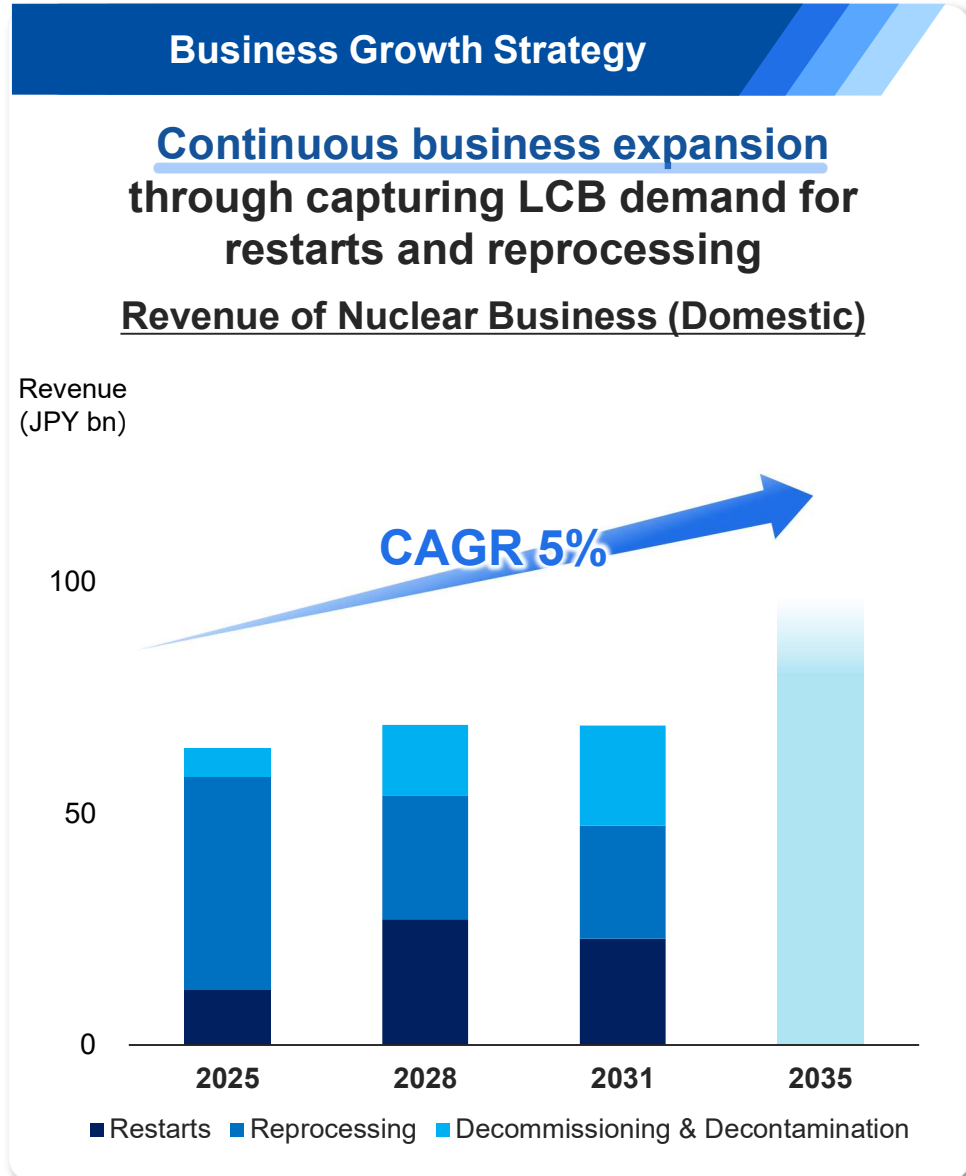
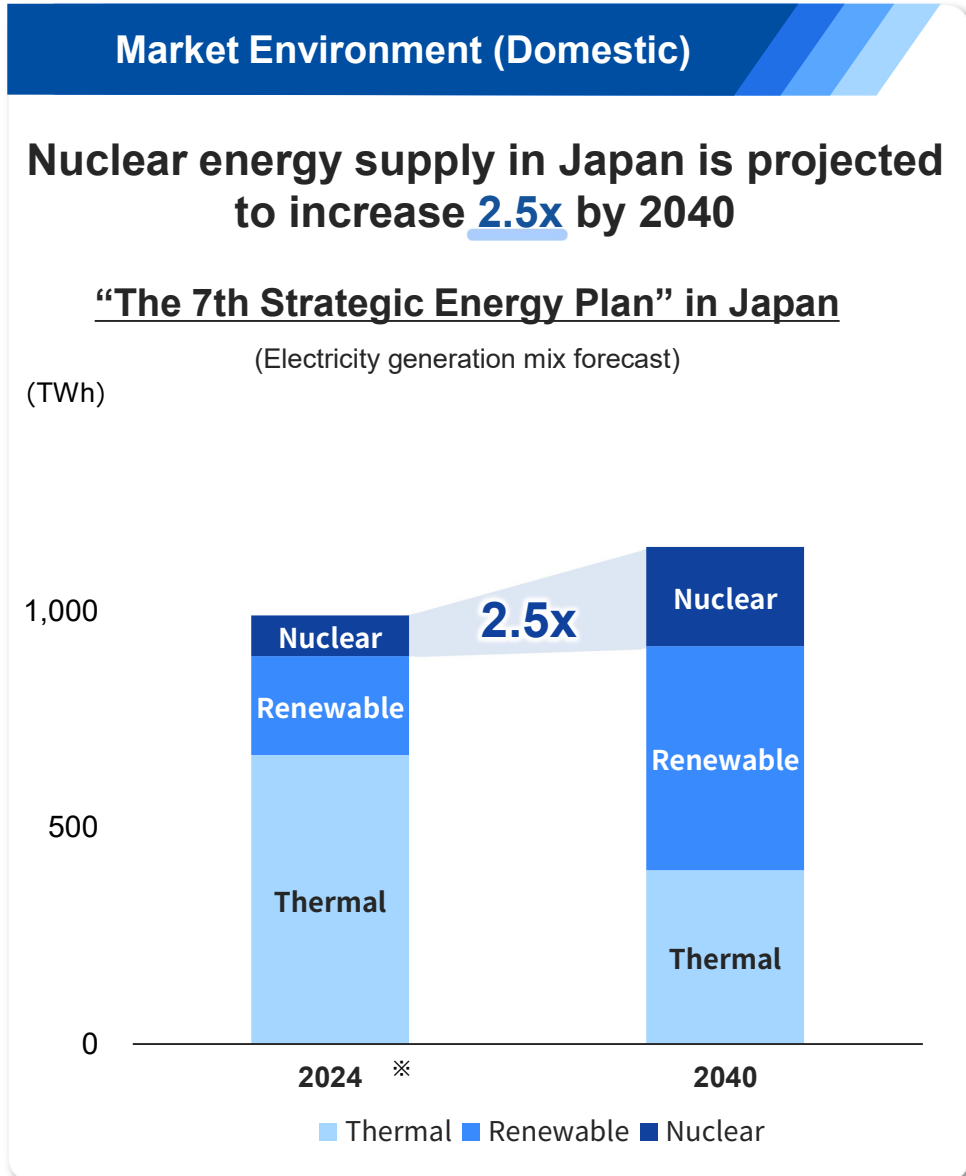
Transforming Remaining Non-Core Businesses

Steinmüller Engineering GmbH

- ✓ **Completed project cost reviews for backlogs**
- ✓ **Considering all options, including business restructuring**

Nuclear Energy Business

IHI aims for continuous business expansion in the domestic nuclear market by capturing on the trends of energy security and decarbonization.

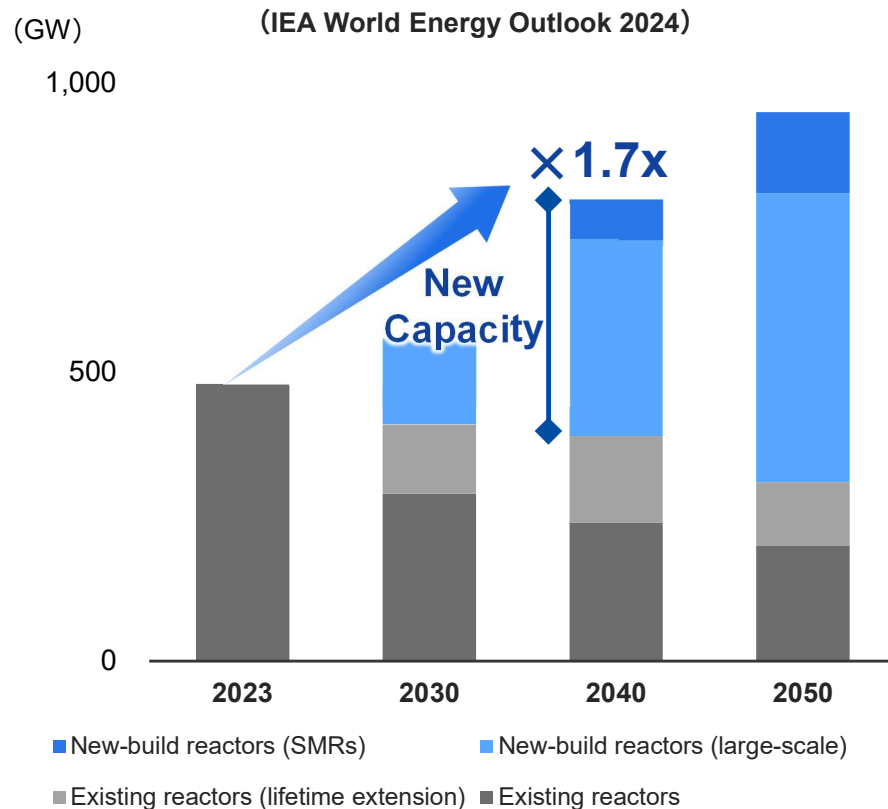


IHI will accelerate business growth in the overseas nuclear sector by capturing increasing global electricity demand

Market Environment (Overseas)

Global nuclear supply is expected to grow **1.7x by 2040**, requiring **over 400GW of new capacity**

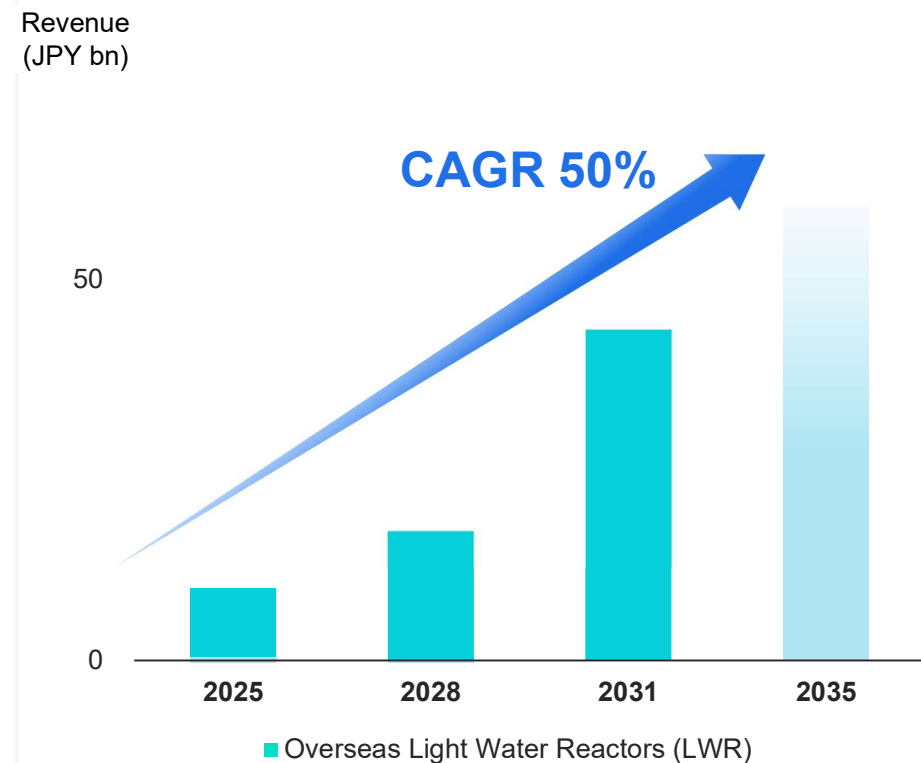
Global nuclear installed capacity outlook



Business Growth Strategy

Achieve **top-line growth** driven by **global demand for new builds**

Revenue of Nuclear Business (Overseas)



Advantage 01 Track Record & Technology:
50 years of experience in design, manufacturing, and maintenance for domestic BWR (Boiling Water Reactor) plants

Advanced piping and pressure vessel engineering capabilities
Robust quality assurance management


Advantage 02 Unique Technology:
The only owner of vitrification technology in Japan which is essential for the fuel reprocessing process



The Only One in Japan

Source : Japan Nuclear Fuel Limited

Advantage 03 Manufacturing Leadership:
World-class technology and capability for critical components (Pressure Vessels, Containment Vessels)



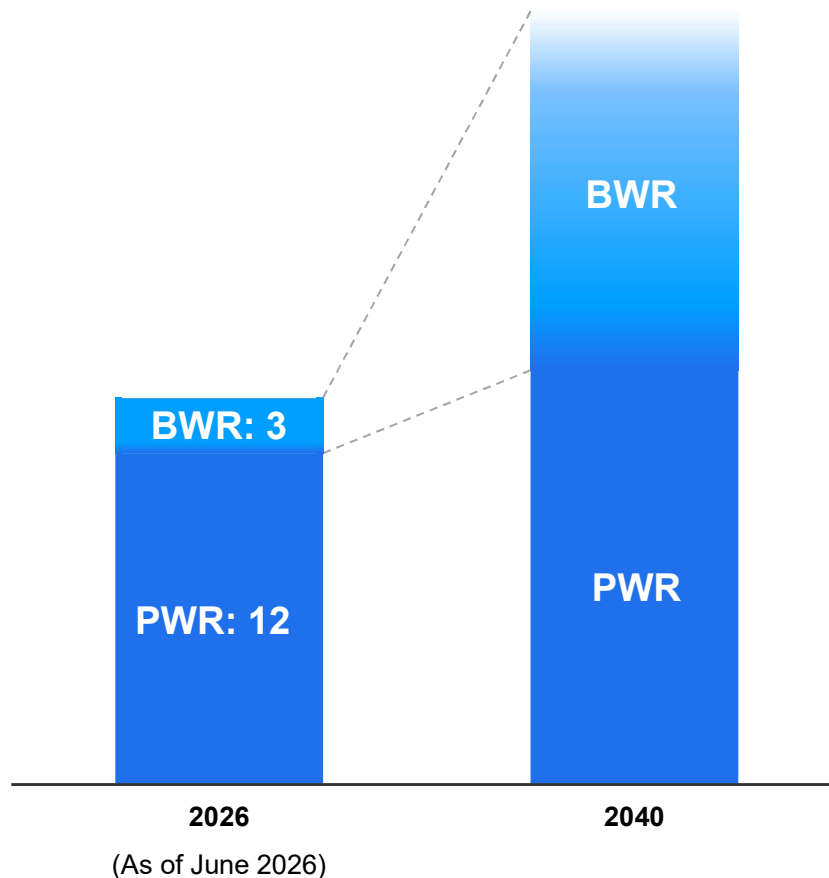
No.1 BWR Share in Japan
Pressure/Containment Vessels

Strategy for profit expansion Investments to expand manufacturing capacity and productivity to capture the upcoming new build opportunities

Contributing to the maximum utilization of nuclear energy by leveraging IHI's track record and technologies in the upcoming BWR restart phase in Japan

Outlook of Nuclear Power Plant Units

Moving to the BWR restart phase
(where IHI holds a competitive edge)



※BWR: Boiling Water Reactor
PWR: Pressurized Water Reactor

Revenue Expansion

Improve Profitability

Capturing demand for domestic BWR restarts

- ✓ Integrated capabilities from design to manufacturing and maintenance
- ✓ Strong engineering expertise in main piping and vessels
- ✓ High-level quality assurance management

Revenue Expansion

Broadening of operational scope

- ✓ Accelerate collaboration with energy companies and other manufacturers to broaden business opportunities

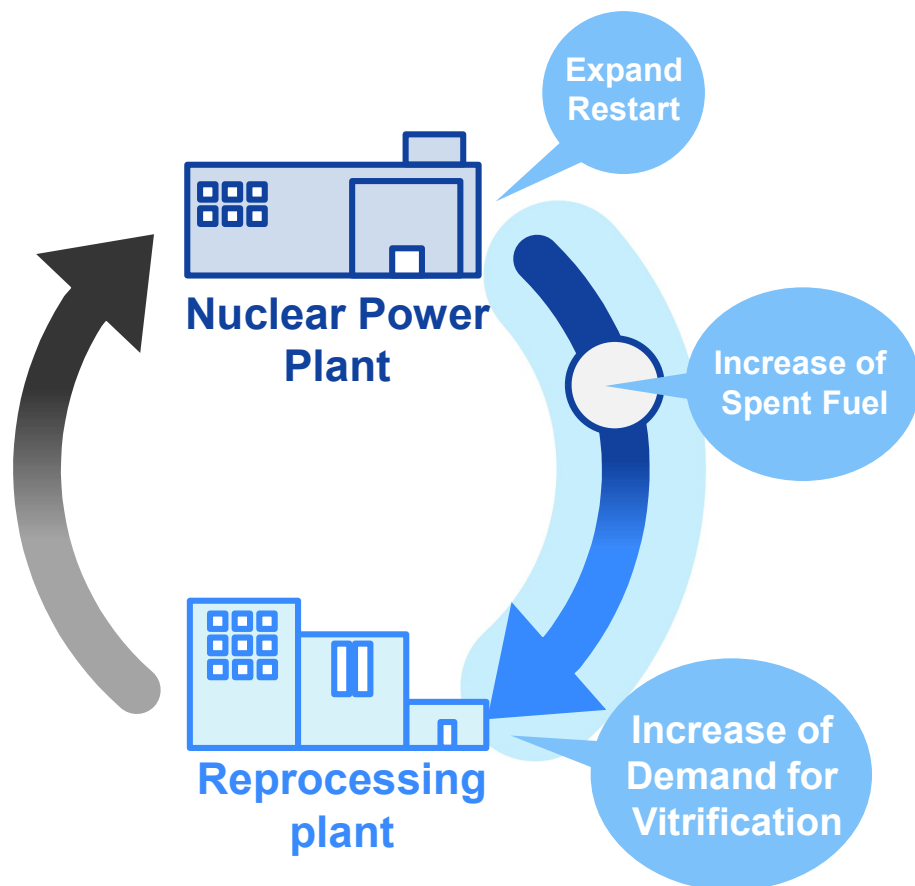


Drive the restarts by providing the capabilities through collaboration

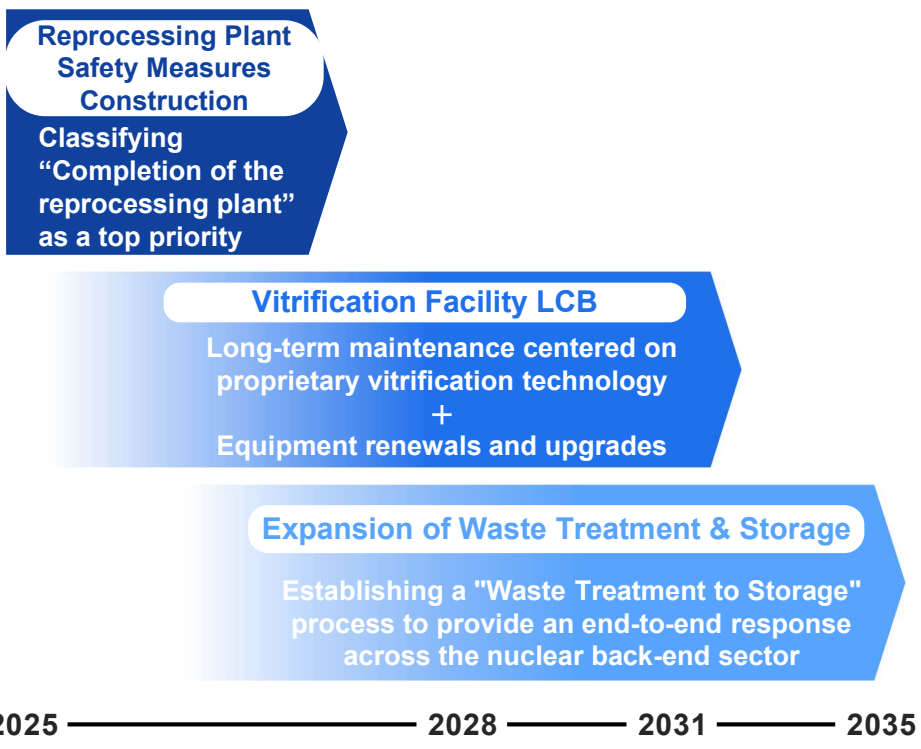
Expand the “back-end” business
 by leveraging unique vitrification technology in Japan

Market Outlook

As the restart of nuclear reactors progresses, fuel reprocessing cycle will be established



Roadmap of Reprocessing Business



Source : Japan Nuclear Fuel Limited

Vitrification facilities



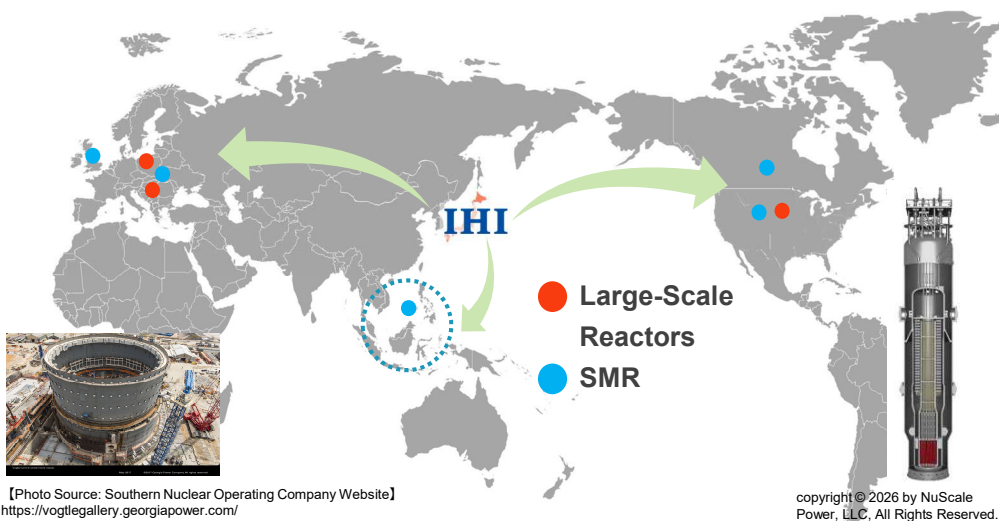
Source : Japan Nuclear Fuel Limited

Vitrified waste storage facility

Capturing global demand for new nuclear energy plants through world-class manufacturing technology

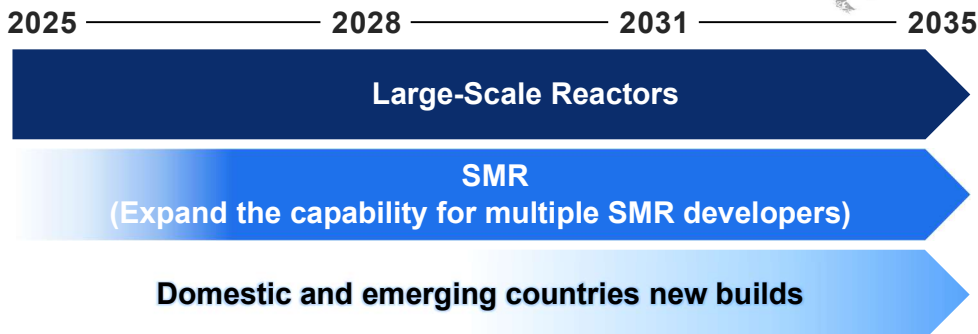
Global Expansion of Equipment Supply

Supply key devices to various OEMs as a supplier utilizing advanced manufacturing technology centered on welding



[Photo Source: Southern Nuclear Operating Company Website] <https://vogtlegallery.georgiapower.com/>

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Revenue Expansion

Improve Profitability

Production Expansion to Capture Demand

- ✓ Expand production capacity to more than double
 - Yokohama Works: Expanding the production area
 - Aoi Works: Transitioning the facility into a production hub
 - Efficiency: Improving throughput via automation, labor-saving, and AI integration

Revenue Expansion

Become key supplier to various OEMs

- ✓ Establishing collaborative relationships with multiple SMR developers
- ✓ Strengthening the capability to support a wide range of reactor types

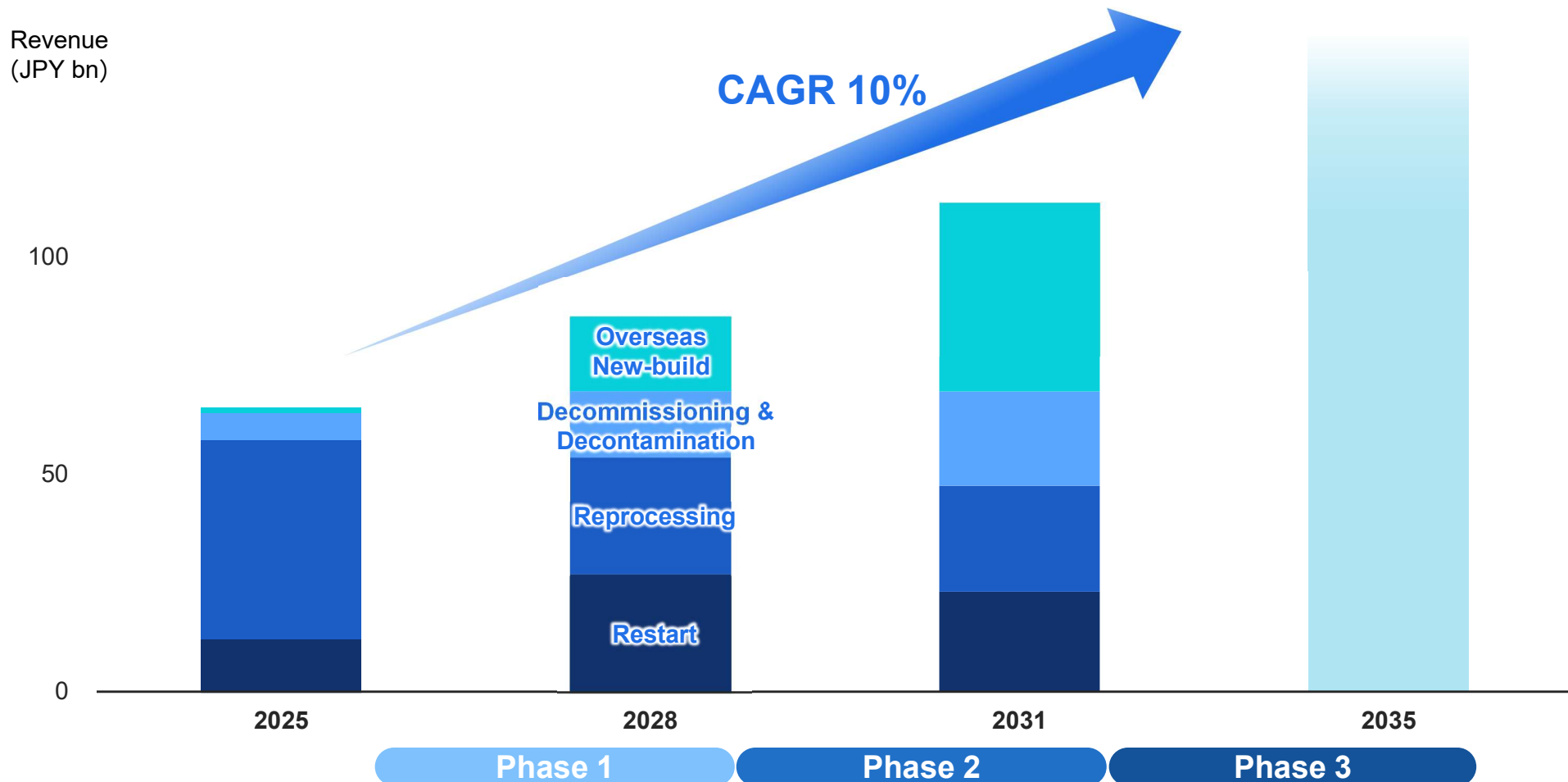
➤ **Leading the global market in nuclear equipment supply**

Short-to-Medium Term (Phase1 / 2)

Contributing to the establishment of the nuclear cycle through domestic restart and reprocessing businesses

Medium-to-Long Term (Phase2 / 3)

Accelerate profit growth through top-line expansion by more than doubling the production capability for overseas markets



IHI

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Bridge Business



June 2, 2026

IHI Corporation

Jun Kobayashi

Representative Director and Senior Executive Officer

What is the Bridge Business?

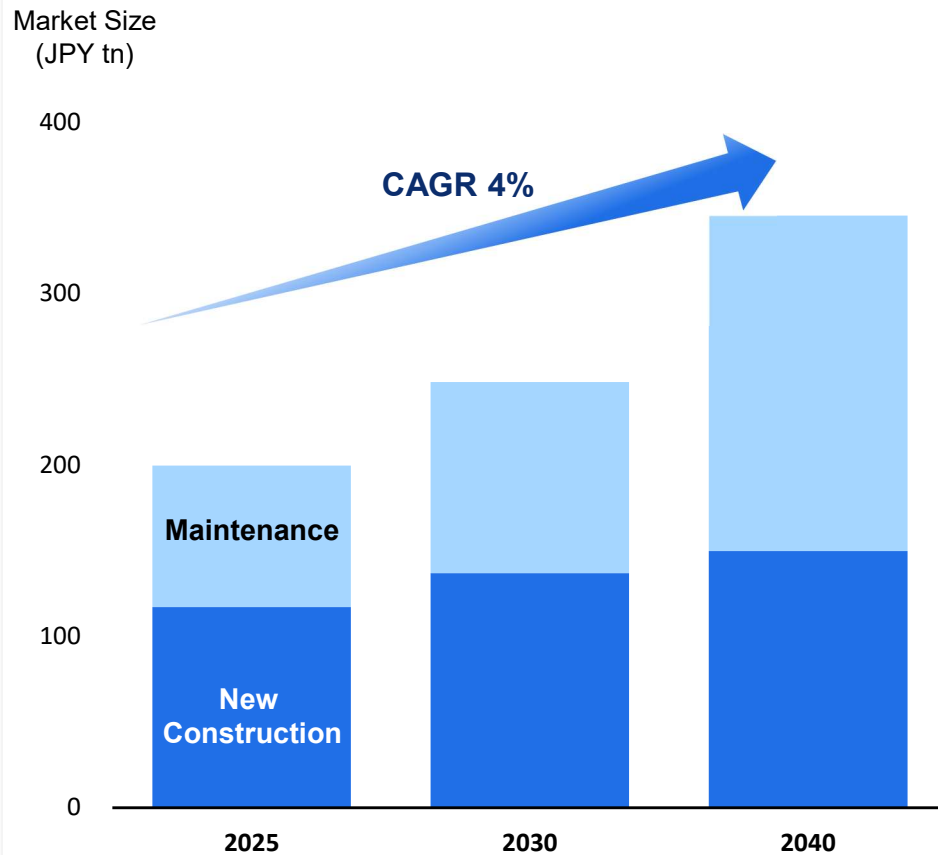
- Social infrastructure that connects separated areas and supports the prosperity of people at its core
- Directly linked to the safety and security; reliability is the paramount requirement for builders
- Stable demand towards future, underpinned by reliable financing.

Our Goals

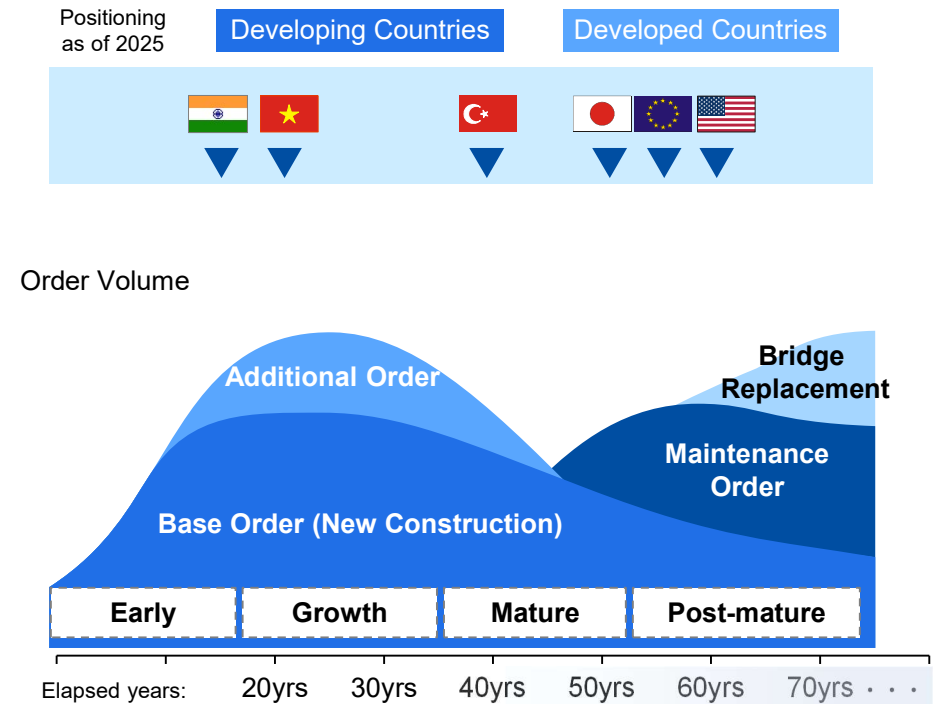
- Improve profitability by focusing on high-value-added projects, leveraging trust, track record, and core technologies built over 140 years
- Target aging infrastructure market in North America and Europe as strategic regions for growth, and become global leading player utilizing our strengths

The market size is approx. ¥200 trillion/year; a stable market dominated by public works
Developed country local market faces structural changes as aged bridges increases

Global bridge infrastructure market outlook



Illustrative order volume by Developed and Developing Countries



- Decline of local companies as new construction decreases. Loss of design expertise among project owners
- Expansion of integrated design-build contracts as maintenance needs grow

Advantage

01

Proven Track Record that are Recognized Globally

Advantage

02

Comprehensive Engineering Capability to Complete High-Value-added Projects

For Profit
Expansion

Establish solid partnership to capture the expanding maintenance market outside Japan

Records and trust established through continuous efforts in building bridges

Japan

Maintenance

Completed the 300m bridge replacement in an **ultra-short, 2-week window**

IABSE AWARDS 2025 For Rehabilitation



Expressway Daishi Bridge

Photo courtesy of Metropolitan Expressway Co., Ltd.

Romania

New Construction

Integrated design & construction of the **country's longest** bridge with Italian

leading partner JSCE Tanaka Award 2023, JSSC Achievement Award 2024



Braila Bridge

Turkey

New Construction

Maintenance

Lifecycle contribution from initial construction to upgrading, **seismic retrofitting**

executed with Turkish construction partner The 4th Japan Construction International Award (MLIT)



Second Bosphorus Bridge

US

Maintenance

Huey P. Long Bridge Widening (Upgrade) : together with US major contractors,

World-first method **shortened schedules** and **minimized river traffic restrictions** Alliant Build America Grand Award (2012)

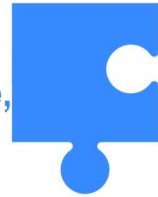
Why IHI?: Accumulation of Comprehensive Engineering Capability to Meet the Needs of Local Markets Worldwide

Realize total project optimization through combinations of core technologies towards bridge lifecycle and flexible collaboration with partners

IHI Core Technologies

Design

- ✓ Seismic/wind resistance, Life extension
- ✓ Steel-concrete hybrids



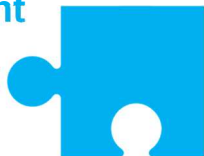
Construction

- ✓ Complex works
- ✓ Manage on-site work directly



Project Management

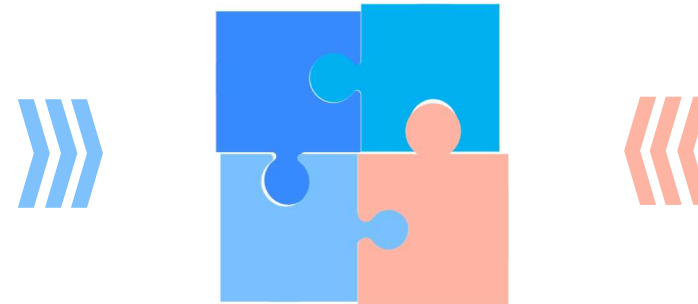
- ✓ Contract management
- ✓ Project development & Proposal



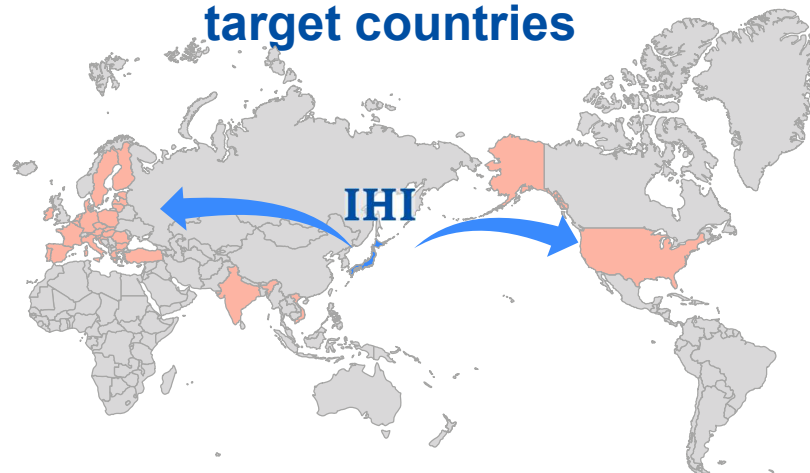
Partner Strength



- ✓ General construction
- ✓ Securing work force
- ✓ Local regulations
- ✓ Client relations



Achieve total optimization in high-value added projects in target countries



Expand High-Value-added maintenance projects, backed by technological synergies brought through new construction and maintenance projects, and achieve high profitability and ROIC
 Leverage the experience to further grow revenue in regions with solid partners

Synergy btw new construction & maintenance
 Leads to success in high-value-added projects



New Construction



Maintenance

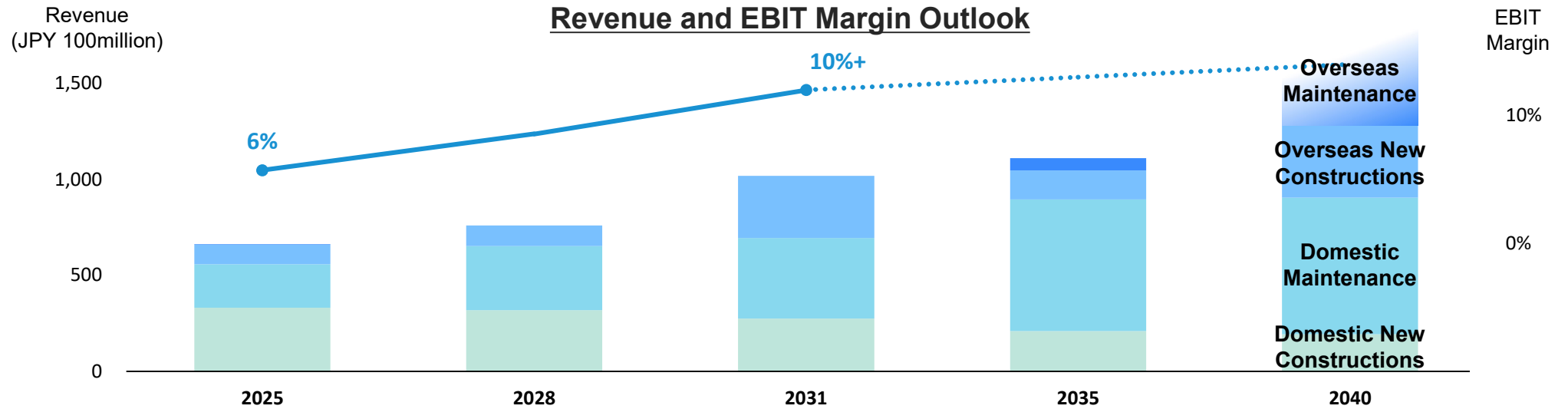
Photo courtesy of Metropolitan Expressway Co., Ltd.

Expand Revenue

Regional & Partnership Strategy

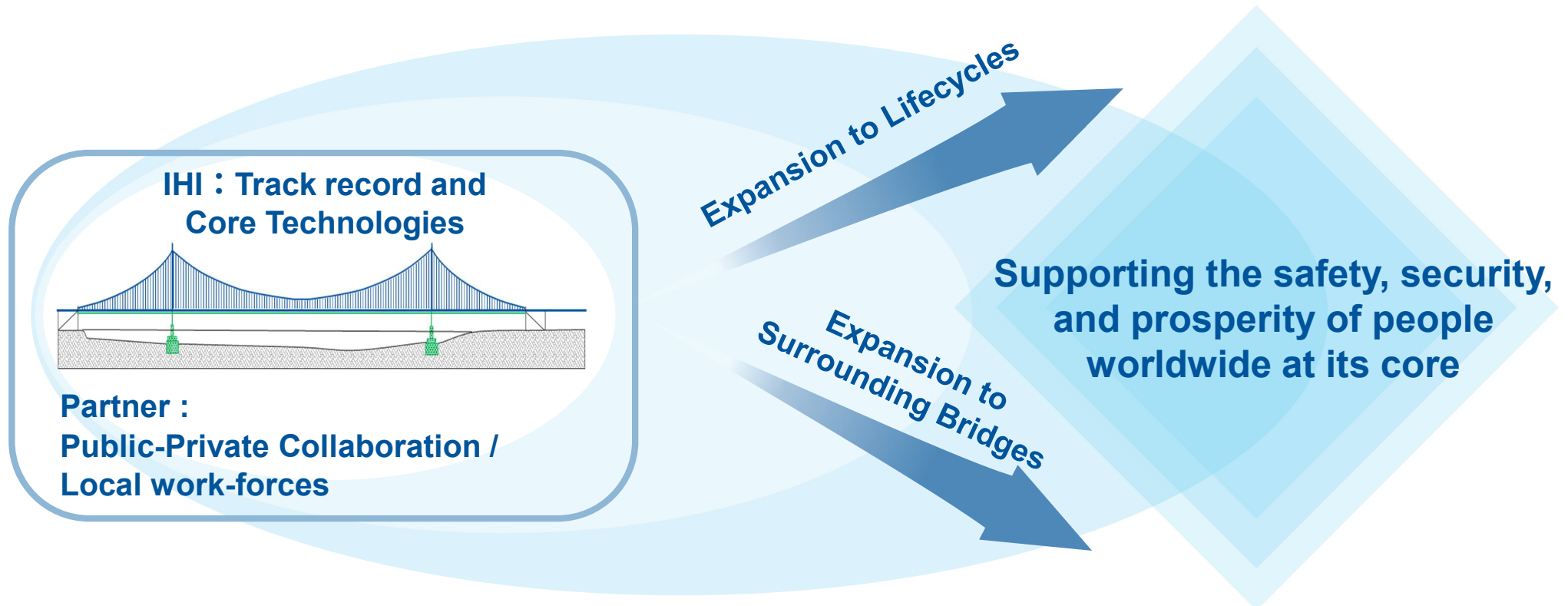
Improve Profitability, ROIC

Revenue and EBIT Margin Outlook



"From Points to Lines, and Lines to Areas"

Collaboration with leading local partners in North America and European countries



Previous Partnering

- ✓ Short-term Collaboration
- ✓ New Construction or Maintenance
- ✓ Specific Bridge Focus

⇒ 「Points」



Future Partnership

- ✓ Sustainable, Long-term Collaboration
- ✓ New Construction + Maintenance Synergy
- ✓ Expansion to Surrounding Bridge Networks

⇒ 「Points → Lines → Areas」

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Vehicular Turbocharger & Parking Business

IHI

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

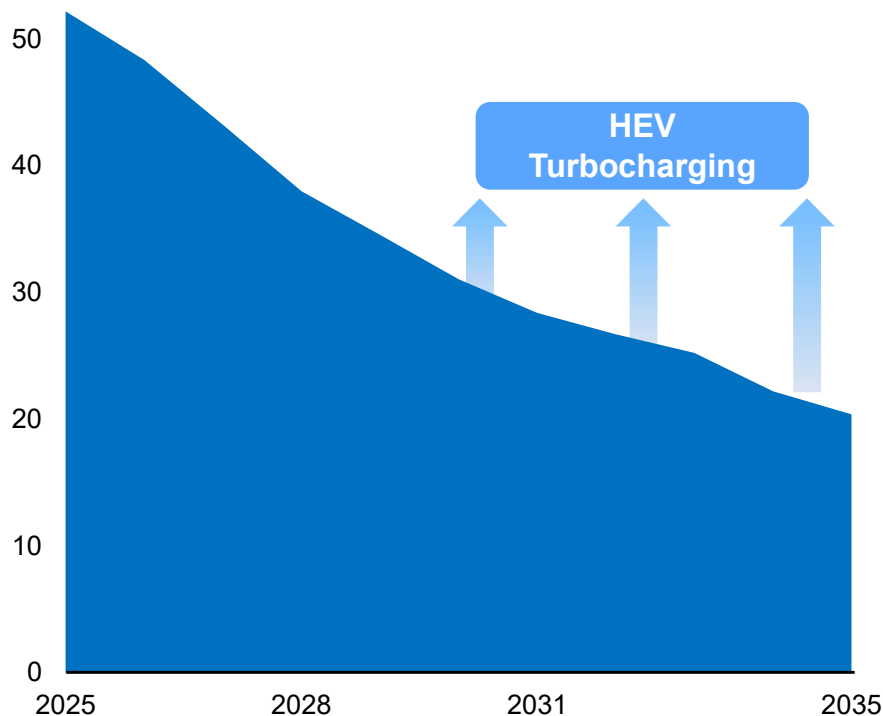
Market Size

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

Market size
(mm units)
60

ICE Market Size Outlook

(Source: IHS)



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

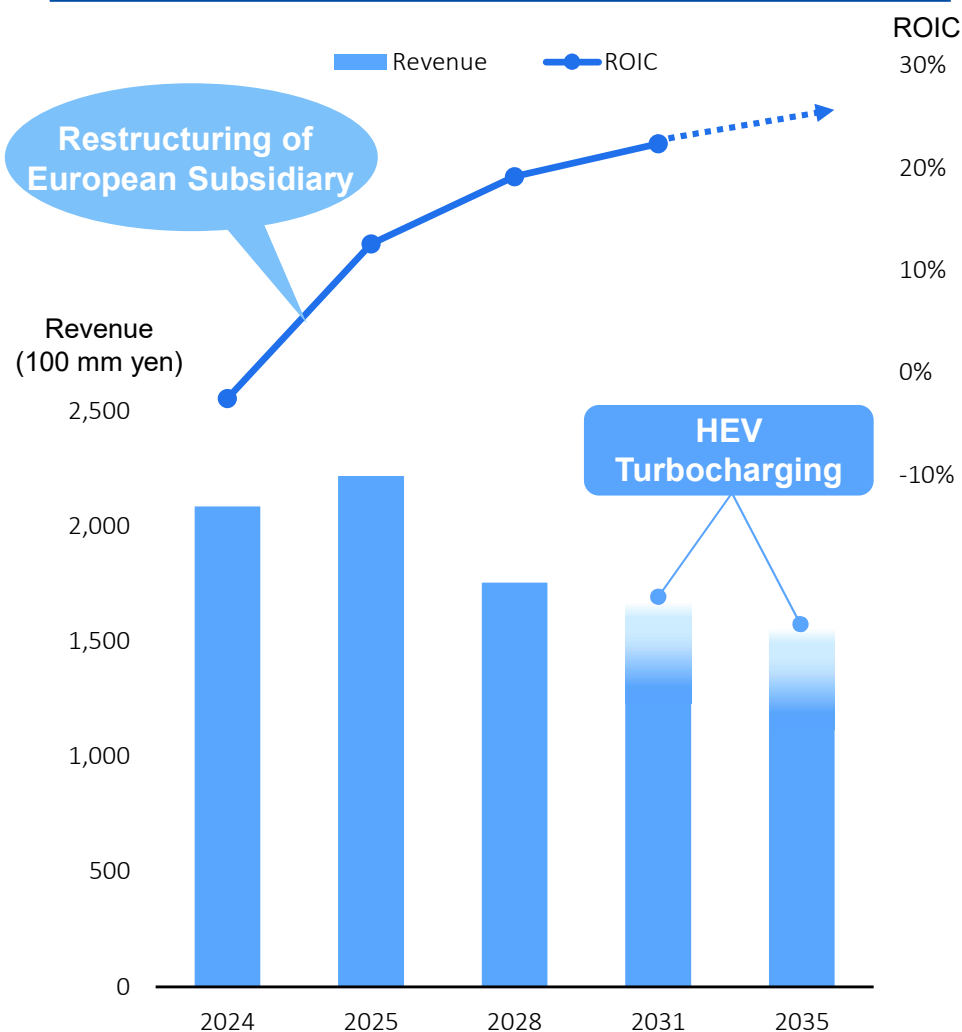
Advantage
03

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*



*After-tax ROIC (approx.)

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)

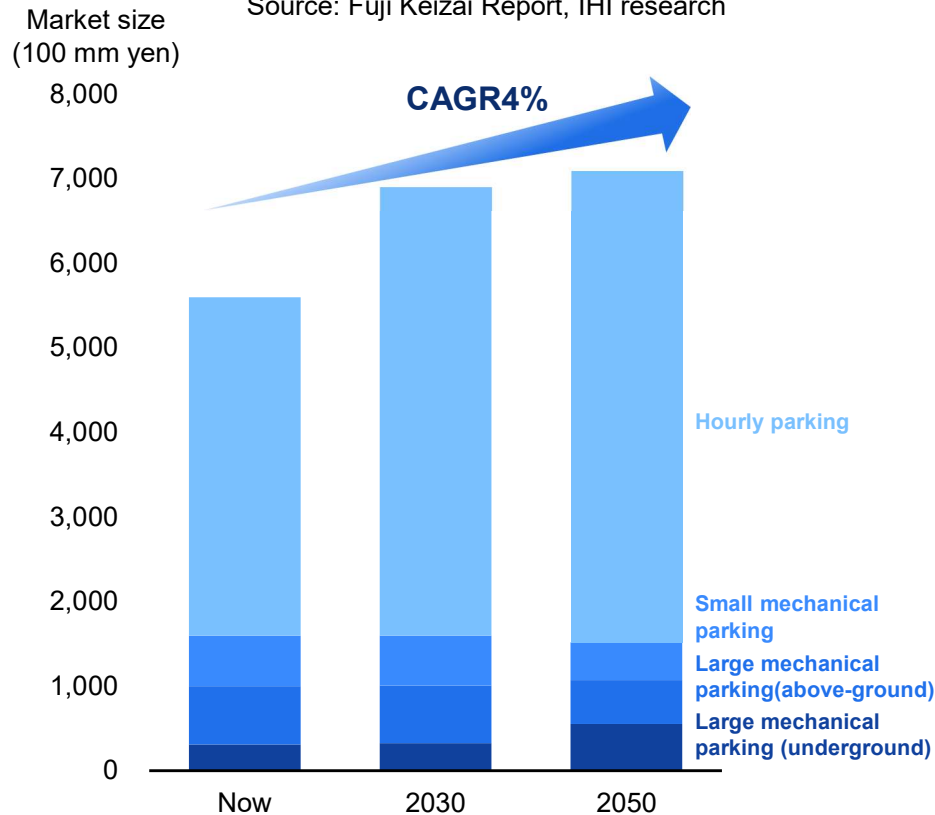
Concentrating in major metropolitan areas and large-scale mechanical parking:
2035 sales revenue of 100 billion yen, ROIC* to 20%+

Market Environment

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

Parking Lot Market Size and Outlook

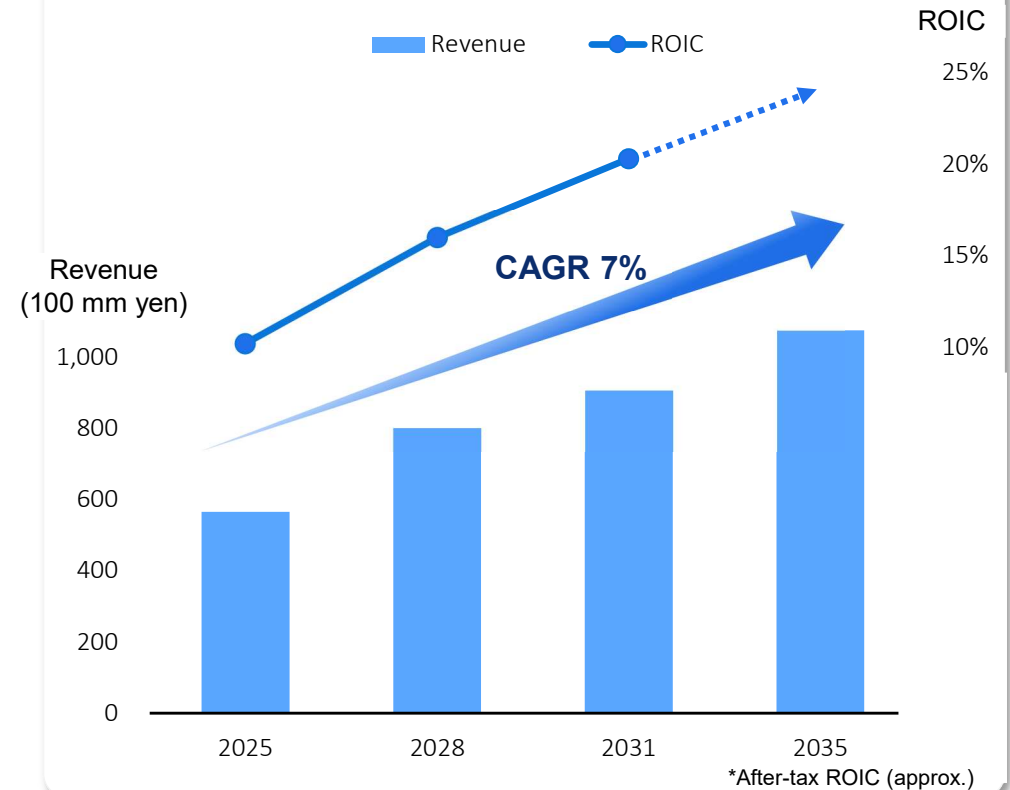
Source: Fuji Keizai Report, IHI research



Our Business

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

Parking Business Revenue & ROIC*

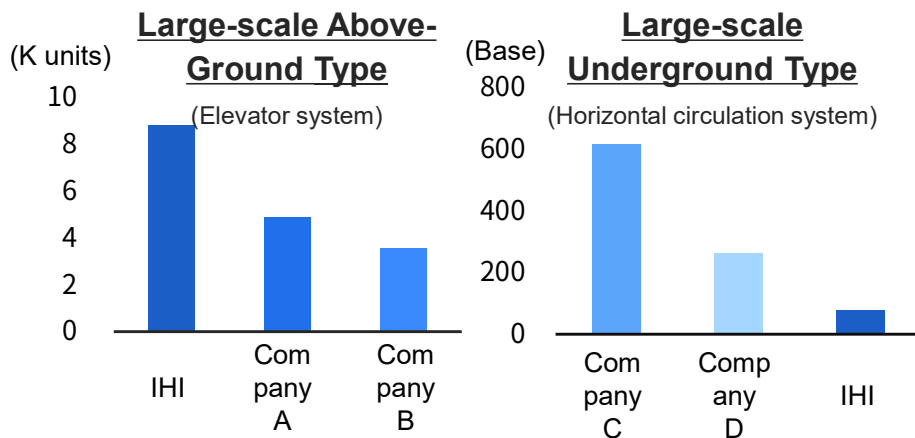


Driving cash flow by scaling LCBs of large-scale mechanical parking segment in metropolitan areas, leveraging existing installed base

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%)

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Civil Aero Engines Business Defense Business



June 2, 2026

IHI Corporation

Atsushi Sato

Representative Director and Senior Executive Officer,
President of Aero Engine, Space & Defense Business Area

● Civil aero engines business

- ✓ Earnings supported by 1st generation engines[※]; strong demand growth expected for 2nd generation engines[※].
- ✓ Growth acceleration via expanded parts production and MRO capacity.
- ✓ Advancing technologies for next-gen single-aisle aircraft to strengthen our future business foundation.

※ 1st generation engines : V2500/GE90/CF34

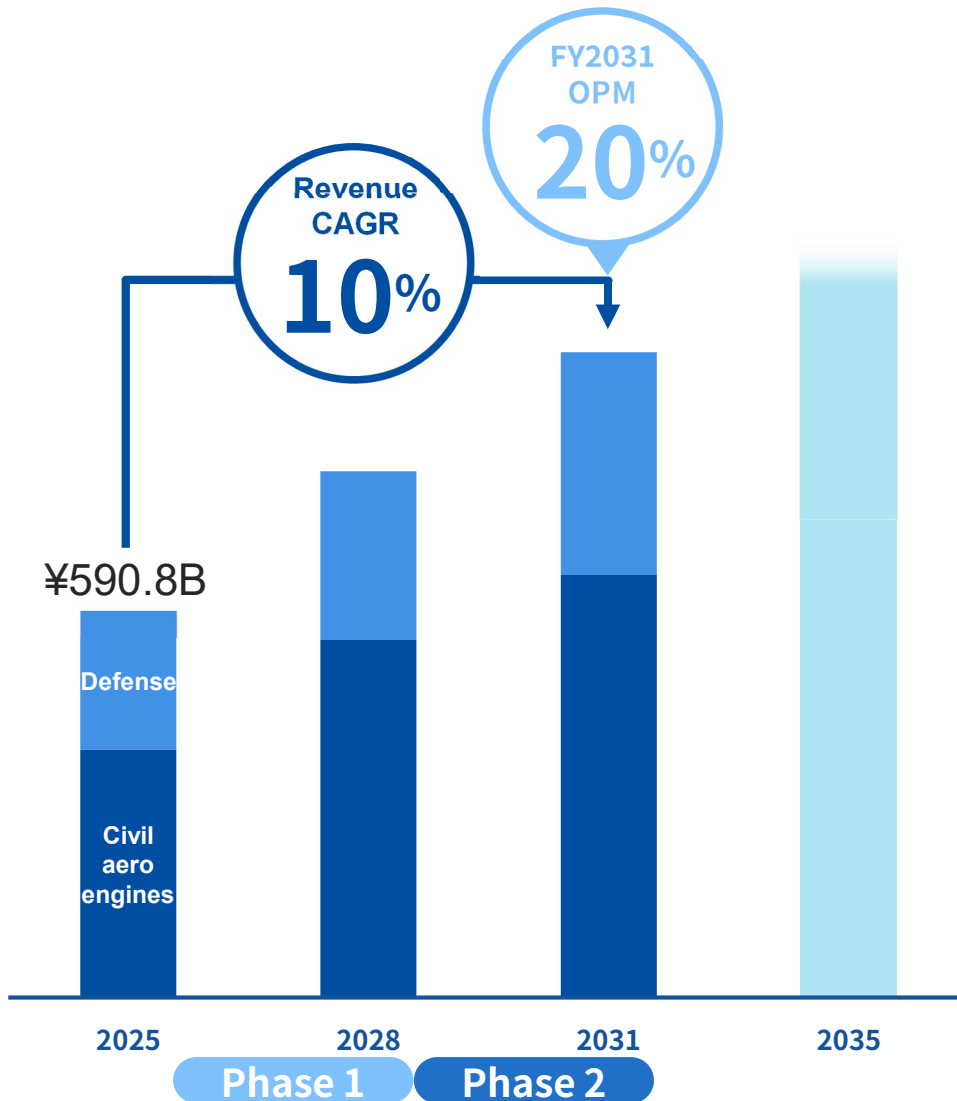
2nd generation engines : GENx/PW1100G-JM/Passport20/GE9X

● Defense business

- ✓ Expansion of Solid rocket motors business to capture growing demand in Japan and overseas.
- ✓ Accelerated expansion of the UUV[※] business, leveraging its potential in dual-use and security applications.
- ✓ Growth of Defense aero engines business, alongside accelerated global expansion.

Target ~10% CAGR through Phase 2 completion

Revenue



Civil aero engines

- ✓ Drive revenue growth from 2nd generation engines
- ✓ Capture strong demand for maintenance
- ✓ Improve profitability through the expansion of parts repair.

Defense

(Assumption for revenue outlook: Japan's defense spending at ~2% of GDP)

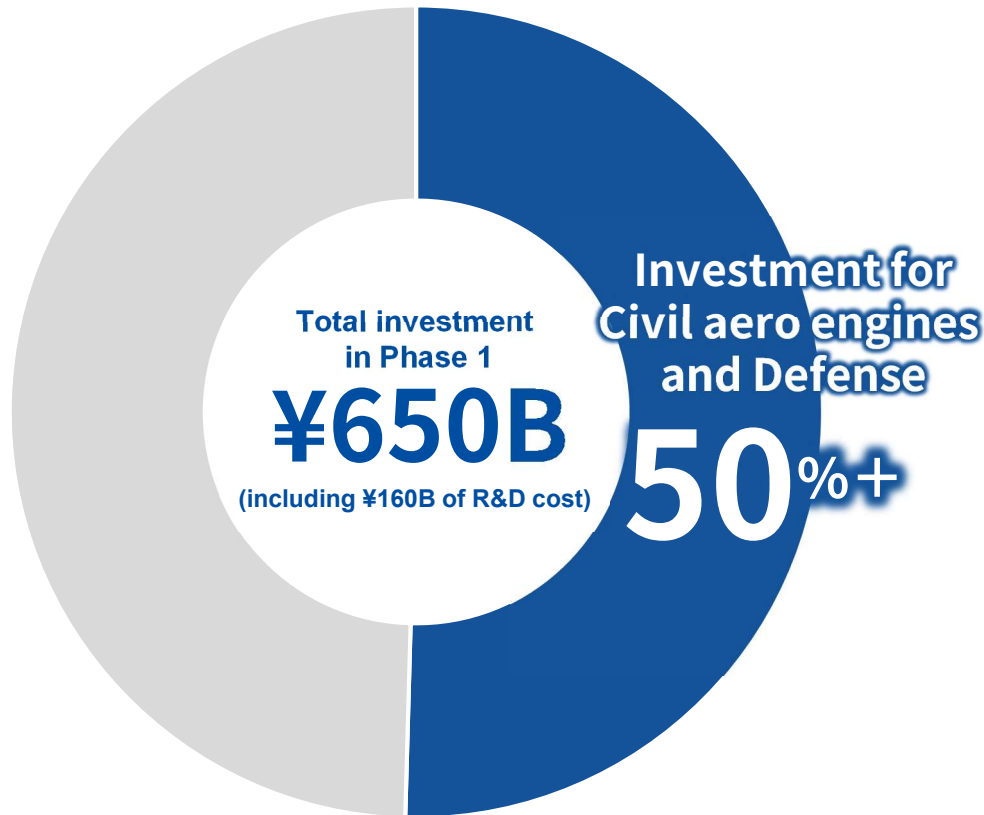
- ✓ Address the expansion in missile demand
- ✓ Promote the unmanned assets business
- ✓ Accelerate growth in the transfer of defense equipment and technology

※Operating profit margin

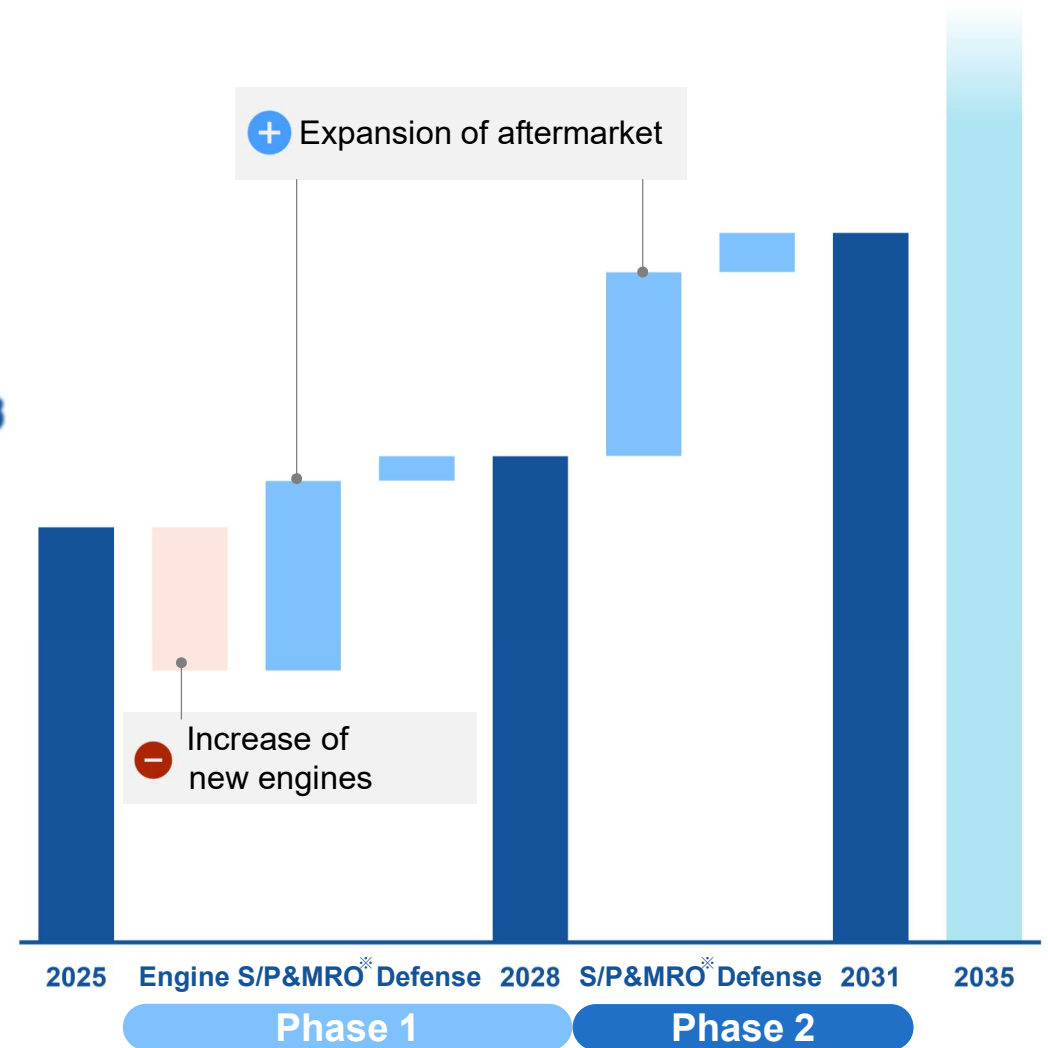
Solid revenue; steady OP growth despite new engine mix impact

Total Investment in Phase 1

(FY2026-FY2028)

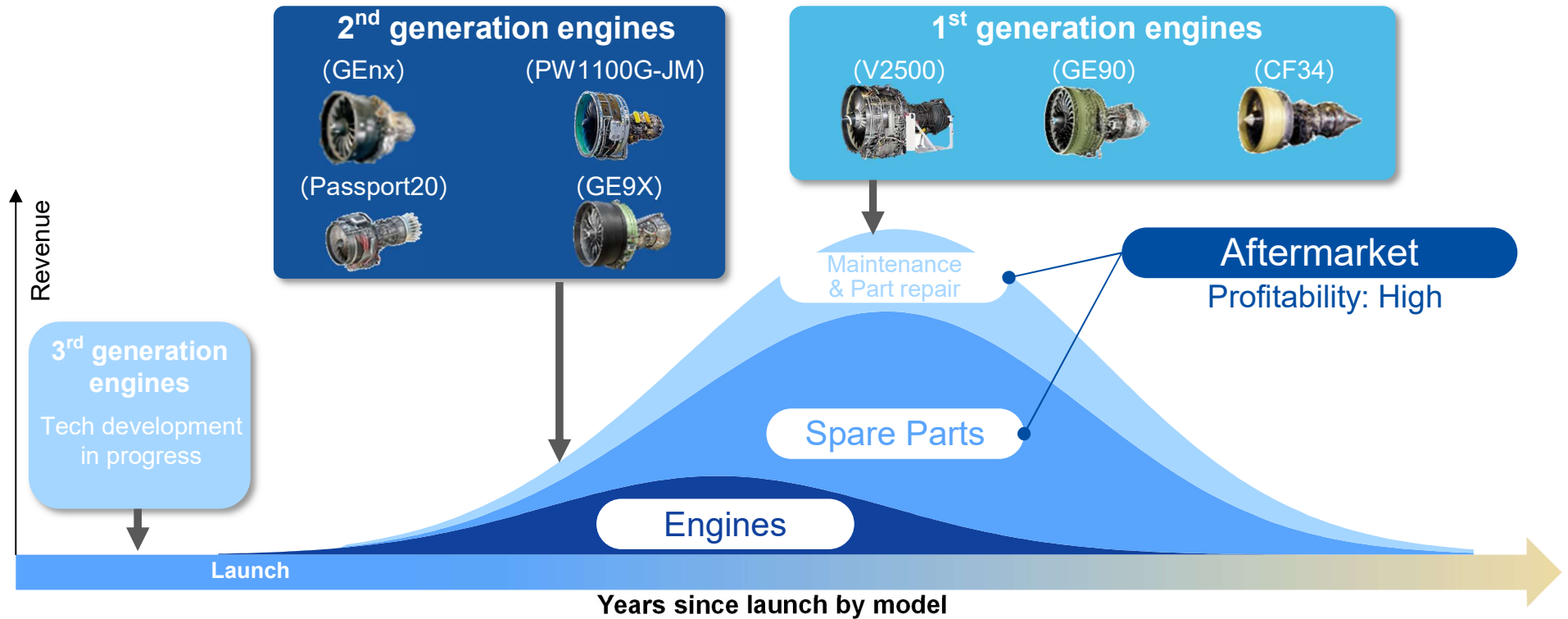


Operating Profit



2nd generation earnings building on 1st generation to drive further business expansion

Earnings profile of Civil aero engines business



2nd generation engines

Cumulative units sold as of FY2025

~90k
units

Cumulative units sold as of FY2035

~260k
units

1st generation engines

Cumulative units sold as of FY2025

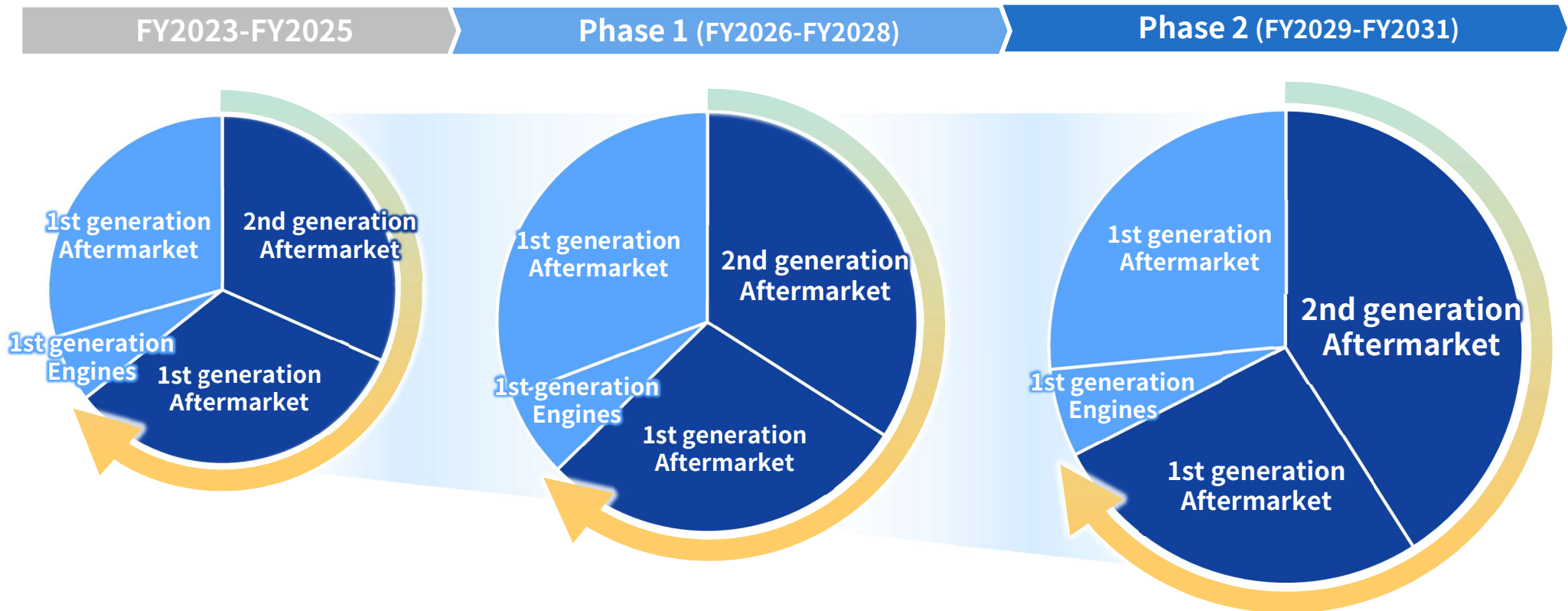
~170k
units

Cumulative units sold as of FY2035

~200k
units

2nd generation–driven aftermarket growth boosts profitability

Revenue mix of main units and aftermarket (image for reference)



※ 1st generation engines : V2500/GE90/CF34
 2nd generation engines : GEnx/PW1100G-JM/Passport20/GE9X

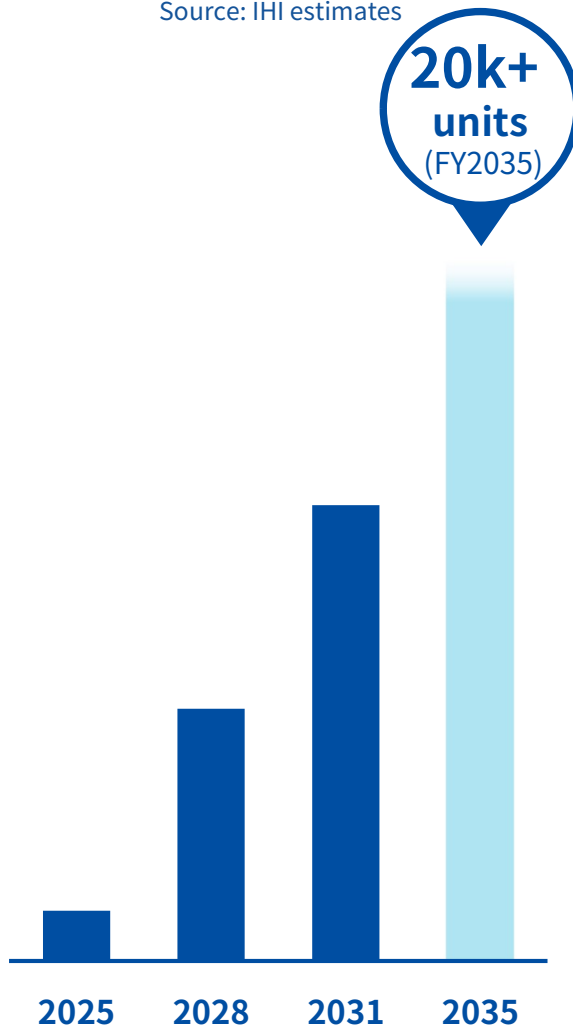
Note: The size of each pie chart represents the scale of revenue

S/P: Spare parts

Invest in facilities and supply chain to ramp up Engine & S/P production

Cumulative engine deliveries since FY2025

Source: IHI estimates



Strengthen production base for further ramp-up

- ✓ Upgrade aging facilities
- ✓ Automation & DX to 2x productivity
(Robotics, factory automation (FA) equipment, and AI)
- ✓ Ensure a stable supply of key materials
(Castings and forgings)

Enhance materials technologies for NGSA[※]

※NGSA: next-generation single-aisle aircraft

- ✓ Carbon fiber composites
- ✓ Ceramic matrix composites

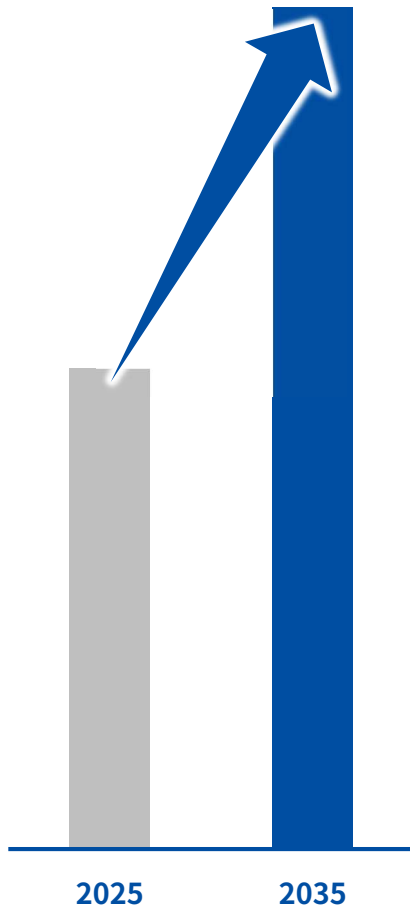
Establish a foundation to support significant revenue and profit expansion beyond Phase 2

※MRO: Engine Maintenance and Parts repair

Proactive capex to expand engine maintenance & parts repair capacity

Shop Visit Trends for Participating Engines

Source: IHI estimates



Capture growing maintenance demand

- ✓ Expansion of the maintenance facilities
- ✓ Establishment of a new training center
- ✓ Establishment of an engine test facility

Maintenance Capacity

4x

Expand parts repair capacity contributing to improved profitability

- ✓ Construction of a new repair facilities
 - Tsurugashima Repair Facility Phase 2
 - U.S. Repair Facility
- ✓ Development of parts repair technologies

Parts Repair Capacity

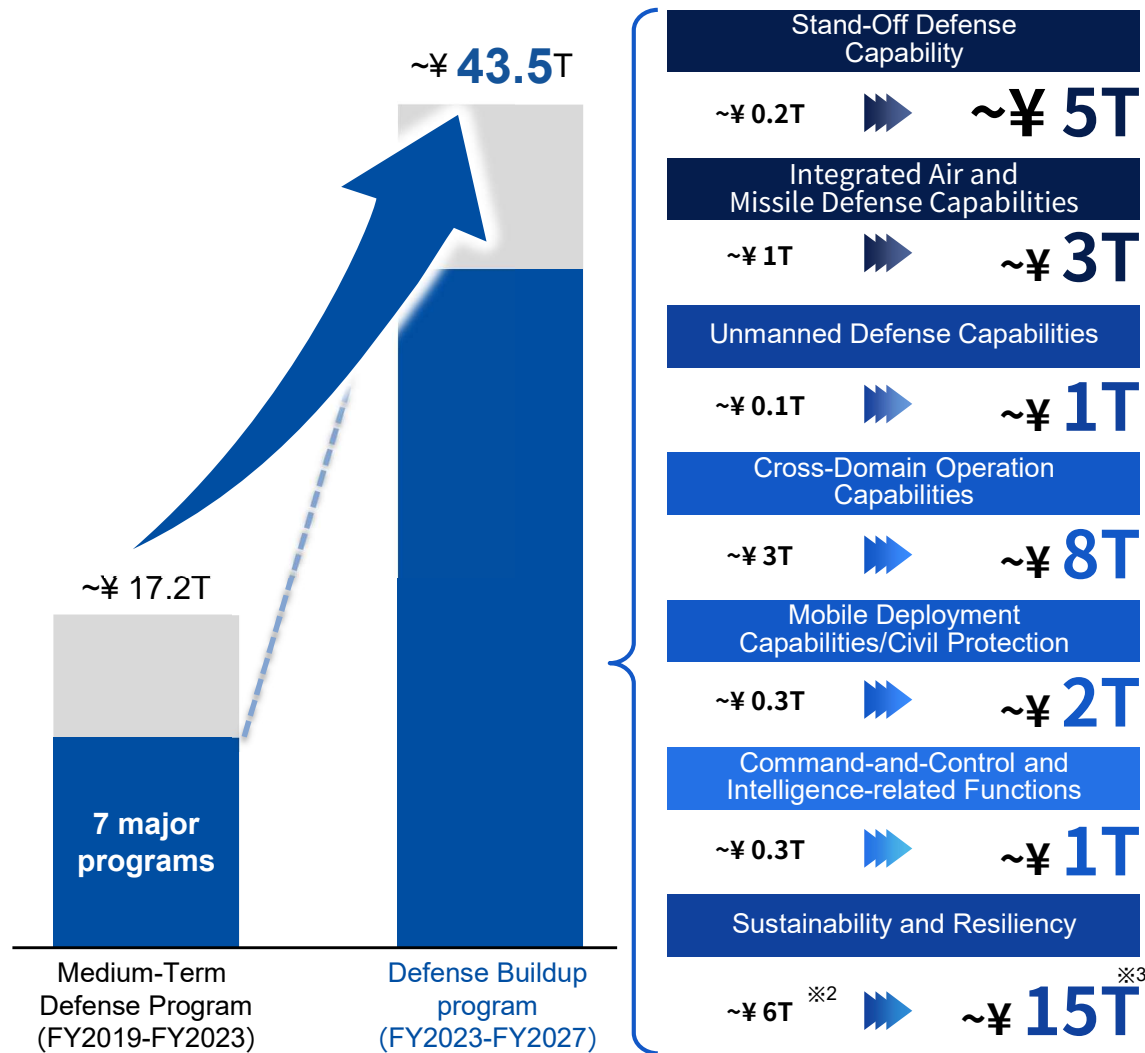
5x

Establish a foundation to support profitability improvement and profit expansion beyond Phase 2

IHI offers products and services for all 7 major programs to “Fundamental reinforcement of Japan’s defense capabilities”

The expenses^{※1} based on contracts to be newly concluded

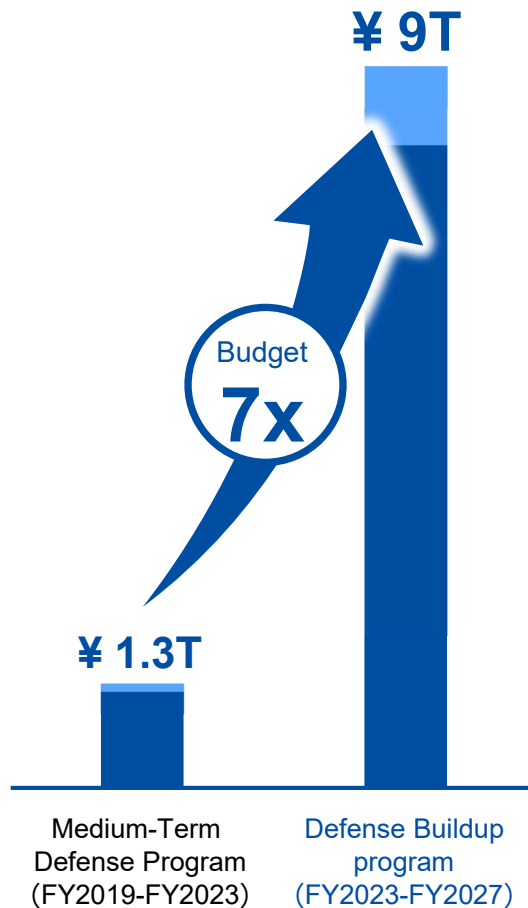
IHI products & Services



Drive further contribution to missile & unmanned defense capabilities

Related Budget

- Unmanned defense capability
- Stand-Off / Integrated Air and Missile Defense capability



Solid rocket motors[※] business ※Missile propulsion system

Address significant production ramp-up and new programs, including joint development with the U.S.

- ✓ Construct a dedicated facility under government support
- ✓ Strengthen talent & supply chain

UUV business

Establish a foundation for business expansion

- ✓ Expand production sites
- ✓ Enhance capabilities for new model development

Expand earnings through dual-use applications and global expansion

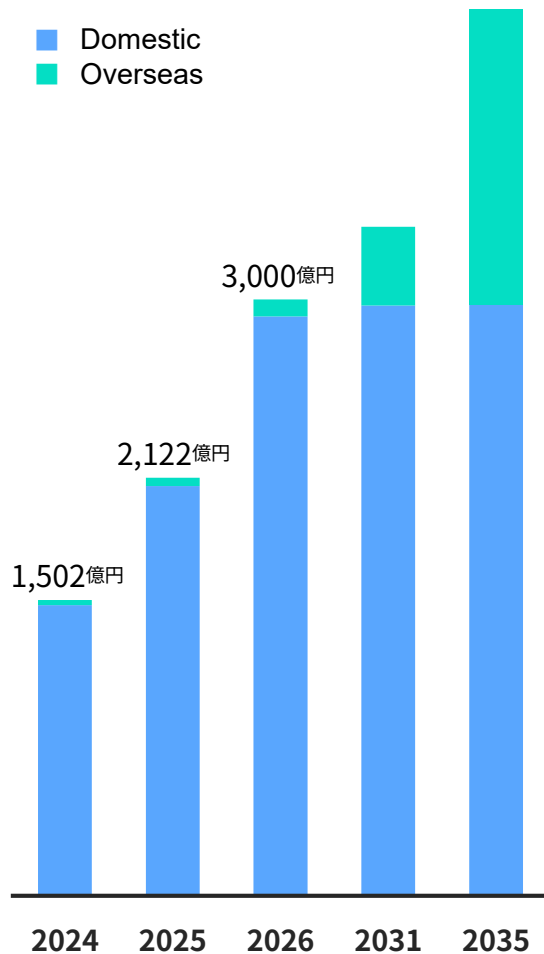
- ✓ Applied to civilian uses such as subsea infrastructure maintenance
- ✓ Expand globally leveraging advanced surveillance capabilities

Initiative 02: Global expansion of Defense aero engine business IHI

Collaborate with the government to expand equipment transfers and deliver on GCAP[※]
※Global Combat Air Programme

Defense business revenue by domestic and overseas markets

Assumption for revenue outlook:
 Japan's defense spending at ~2% of GDP



Global maintenance[※] and parts transfer[※] business

※F-35 Joint Strike Fighter Engine Regional Depot ※Transfer of F-15/F-16 fighter engine components

Capture strong demand to expand the business

- ✓ Build partnerships with other countries in collaboration with the Japanese government
- ✓ Expand production capacity, including the supply chain

GCAP

Steady progress toward 2035 entry into service

- ✓ Developed fighter aircraft engines exceeding 15 tons of thrust (FY2018)
- ✓ Participated in GCAP leveraging advanced technology (FY2022)
- ✓ Concluded the first engine development contract with Edgewing[※] (FY2026)
※ A joint venture responsible for aircraft development



Support profitability improvement and earnings growth beyond Phase 2

IHI

Realize your dreams

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.

CFO Session: Financial Strategy & Capital Allocation



June 2, 2026

IHI Corporation

Hiromi Oshima
Managing Executive Officer (Chief Financial Officer)

	Profit Growth Drivers	Operating Profit	Operating C/F	ROIC
Group Management Policies 2023 (FY2023-FY2025)	✓ Aftermarket for the Engine Business	FY2025 Normalized performance ¥143.1B	3-year cumulative ¥361.1B	11%
Phase 1 (FY2026-FY2028)	<ul style="list-style-type: none"> ✓ Aftermarket for the Engine Business ✓ Defense ✓ Expansion of Lifecycle business 	vs. FY2025 +¥50-60B	3-year cumulative ¥350B	11%
Phase 2 (FY2029-FY2031)	<ul style="list-style-type: none"> ✓ Aftermarket for the Engine Business ✓ Defense ✓ Nuclear ✓ Space/Ammonia 	vs. FY2025 +¥150-160B	3-year cumulative ¥750B	11%+

EPS Growth

FCF Expansion

Balancing Investment and Discipline

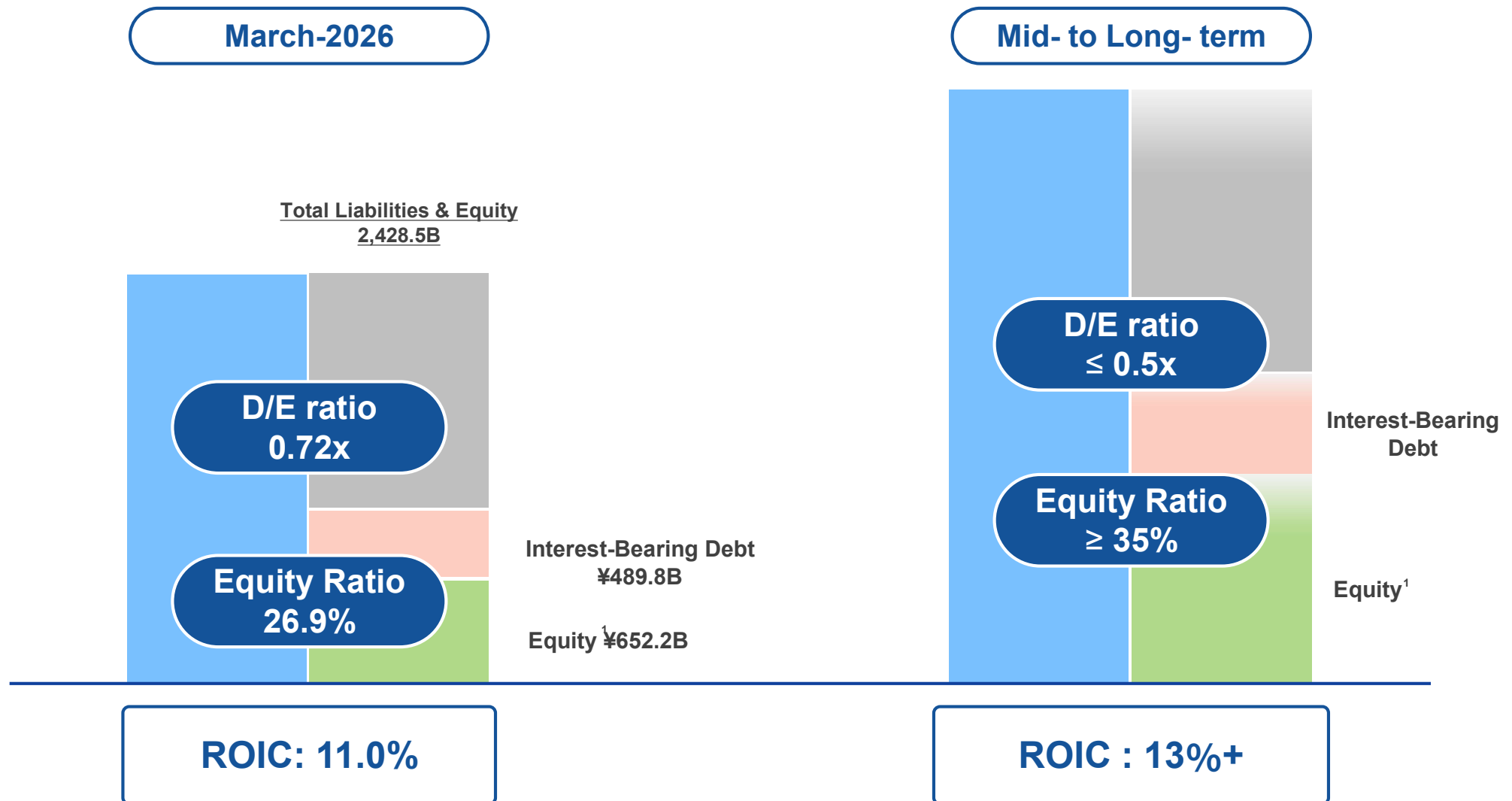
Not Factored In

Rising Geopolitical Risk, Expanded Impact of China Export Control, Further Real Estate Divestures, Defense Budget Expansion, Expansion of Overseas Engine MRO Sites, Further Nuclear Capacity Expansion, Further Expansion of Defense Equipment Transfer, Overseas Bridge Maintenance & Rehabilitation, HEV-Driven Turbocharger Electrification, M&A (Acquisition, Divesture)

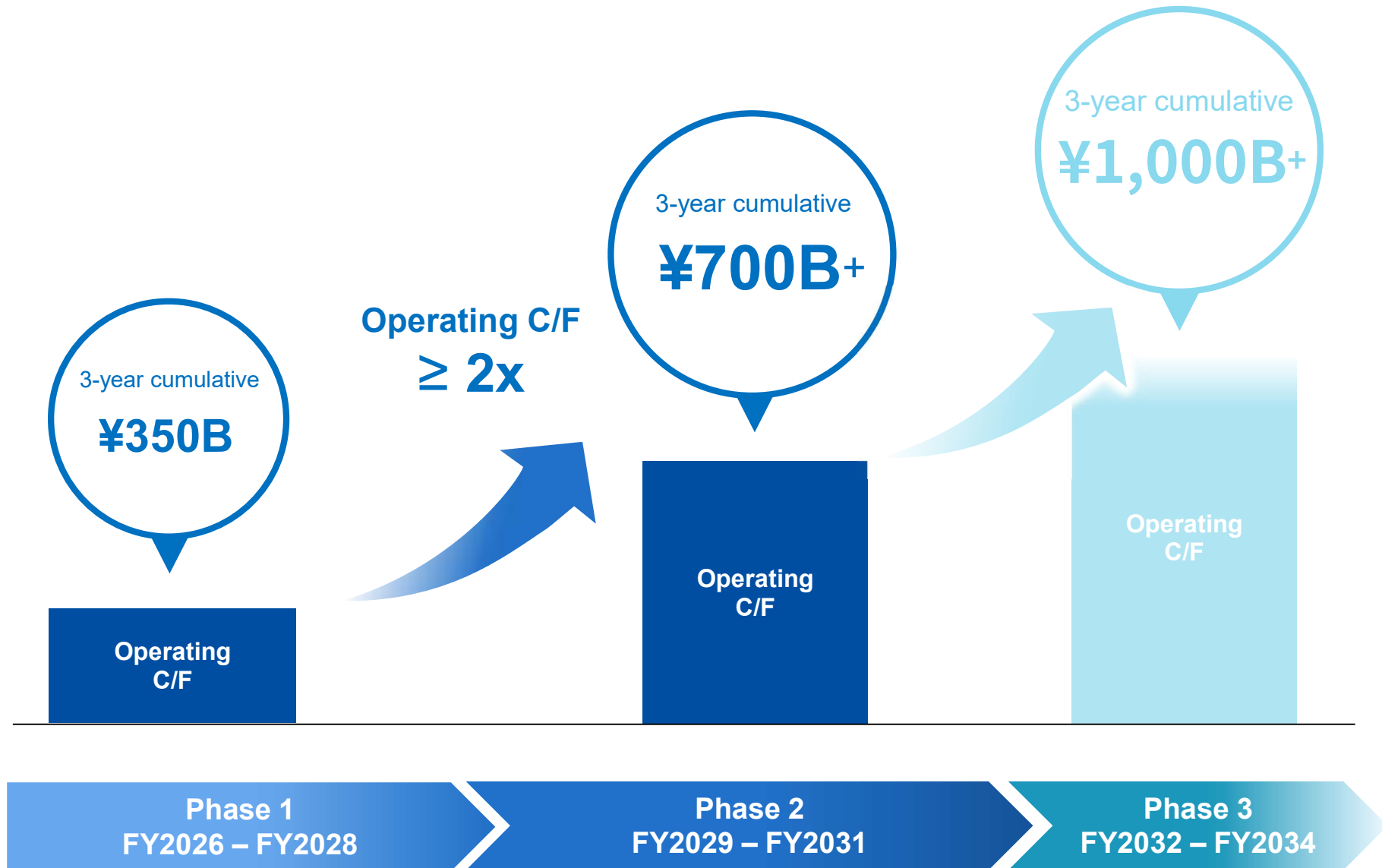
Building a resilient balance sheet and delivering high capital efficiency for Long-Term Growth

Enhancing corporate value by expanding earnings and C/F while widening the ROIC–WACC spread

Balance sheet Image



Drive operating cash flow growth through significant profit expansion in growth business

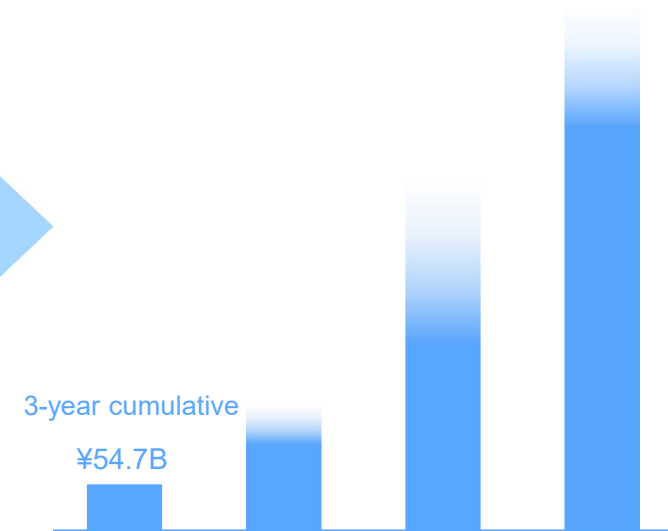
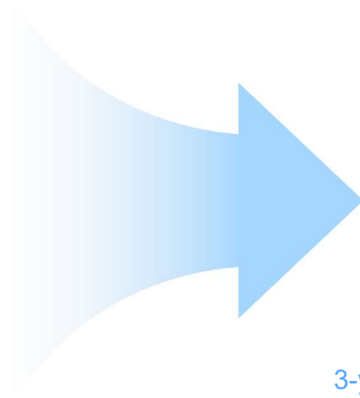
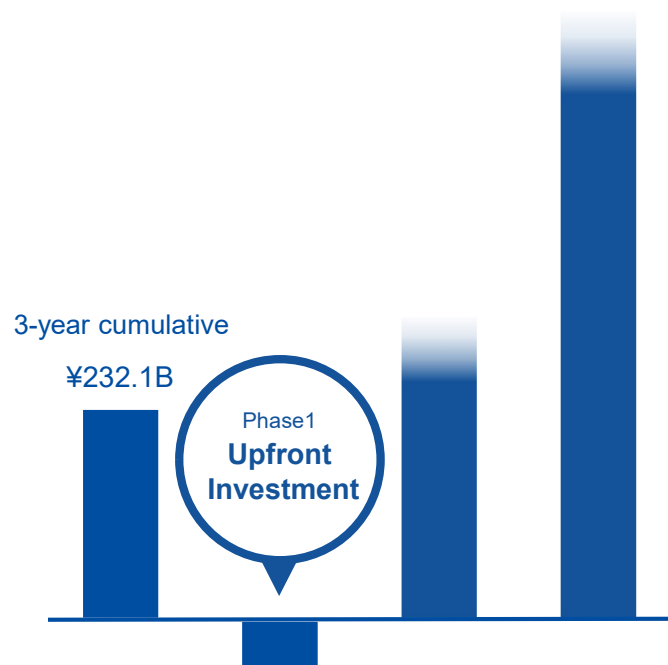


Phase 1: Aim for sustained growth in dividends per share

Phase 2 onward : Pursue further expansion of shareholder returns, considering options other dividends

Free Cash Flow

Shareholder Returns



Group Management Policies 2023 Phase 1 FY2026-2028 Phase 2 FY2029-2031 Phase 3 FY2032-2034

Group Management Policies 2023 Phase 1 FY2026-2028 Phase 2 FY2029-2031 Phase 3 FY2032-2034

Phase 1 Short-term negative due to upfront investments

Phase 2 Strong growth in the latter half by harvesting investment returns

Phase 1 Balancing upfront investments with steady enhancement of shareholder returns

Phase 2 Significant expansion of shareholder returns

IHI

Realize your dreams

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.

Appendix. Business Portfolio Reform

May 8, 2026
Presentation on Financial Report of 2025
(Reproduced)

- Executed decisive portfolio reforms via introducing external capital and liquidations to enhance profitability and capital efficiency

Publication date	Business	Overview
Oct.28, 2024	Packaged boiler	<ul style="list-style-type: none"> Completed transfer 100% shares of IHI PACKAGED BOILER CO.,LTD. to TAKUMA CO., LTD. (April 1, 2025)
Nov.6, 2024	Materials Handling Systems	<ul style="list-style-type: none"> Completed transfer the Materials Handling System business of IHI Transport Machinery Co.,Ltd. to Tadano Ltd. (July 1, 2025)
Nov.25, 2024	Turf care machinery	<ul style="list-style-type: none"> Completed transfer the Turf care machinery business of IHI Agri-Tech Corporation to Kyoisha Co., Ltd. (June 1, 2025)
Mar.27, 2025	Concrete construction materials	<ul style="list-style-type: none"> Completed transfer 100% shares of IHI CONSTRUCTION MATERIALS Co., Ltd., to Vertex Corporation. (October 1, 2025)
Jun.26, 2025	Investments accounted for using equity method	<ul style="list-style-type: none"> Completed transfer 15% shares of Japan Marine United Corporation, to Imabari Shipbuilding Co., Ltd. (January 5, 2026)
Aug.6, 2025	Transport systems	<ul style="list-style-type: none"> Completed transfer 100% shares of Niigata Transys Co.,LTD. to J-Will Partners Co., Ltd. Group (December 30, 2025)
Aug.6, 2025	Weather, disaster prevention, space	<ul style="list-style-type: none"> Completed transfer 100% shares of Meisei Electric Co., Ltd. to NOHMI BOSAI LTD. (February 2, 2026)
Feb.2, 2026	Carbon solution	<ul style="list-style-type: none"> Completed transfer 100% shares of Kotobuki Iron Works Co., Ltd. to TSUNEISHI IRON WORKS Co., Ltd. (February 1, 2026)
Feb.10, 2026	Carbon solution (Overseas)	<ul style="list-style-type: none"> Initiated the liquidation process (Employee dismissal etc.) for IHI Energy Solutions Inc. on January 12, 2026. Completed substantial liquidation within fiscal year 2025.
Mar.16, 2026	Carbon Solution (Overseas)	<ul style="list-style-type: none"> Agreed to transfer 100% shares of IHI Power Services Corp. to Kyushu Electric Power Group (Scheduled to transfer at the end of May 2026)
May.8, 2026	Carbon Solution (Overseas)	<ul style="list-style-type: none"> Initiated the liquidation process for IHI SOLID BIOMASS MALAYSIA SDN. BHD.
May.8, 2026	Logistics & Machinery	<ul style="list-style-type: none"> Agreed to transfer 100% shares of IHI Logistics & Machinery Corporation to Toyota Industries Corporation. (Scheduled to transfer 80% shares on April 1, 2027 and 20% of the remaining shares after approximately 5 years of retention)