

(English Translation)

June 2, 2026

To whom it may concern,

IHI Corporation  
3-1-1 Toyosu, Koto-ku, Tokyo  
Hiroshi Ide, Representative Director,  
President, and Chief Executive Officer  
(Securities Code: 7013)  
Contact: Keiichi Sakamoto, General  
Manager  
of Corporate Communication Division  
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### **Regarding Presentation Materials for “Investor Day”**

IHI Corporation (hereinafter “IHI”) hereby announces that the presentation materials to be used at the Investor Day scheduled to be held today are provided as attached.

At the Investor Day, based on the “Medium-to-Longer-Term Direction” announced on May 8, 2026, the management team will explain the Company’s growth strategy, business strategy, financial strategy, and other initiatives.

Through this Investor Day, the Company aims to further enhance constructive dialogue with institutional investors and analysts.

\*Investor Day is intended for institutional investors and analysts.

#### Attachment

1. Opening Remarks
2. Technology Strategy
3. Nuclear Energy Business
4. Bridge Business
5. Vehicular Turbocharger Business and Parking Business
6. Civil Aero Engine Business and Defense Business
7. Financial Strategy

—END—

# 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

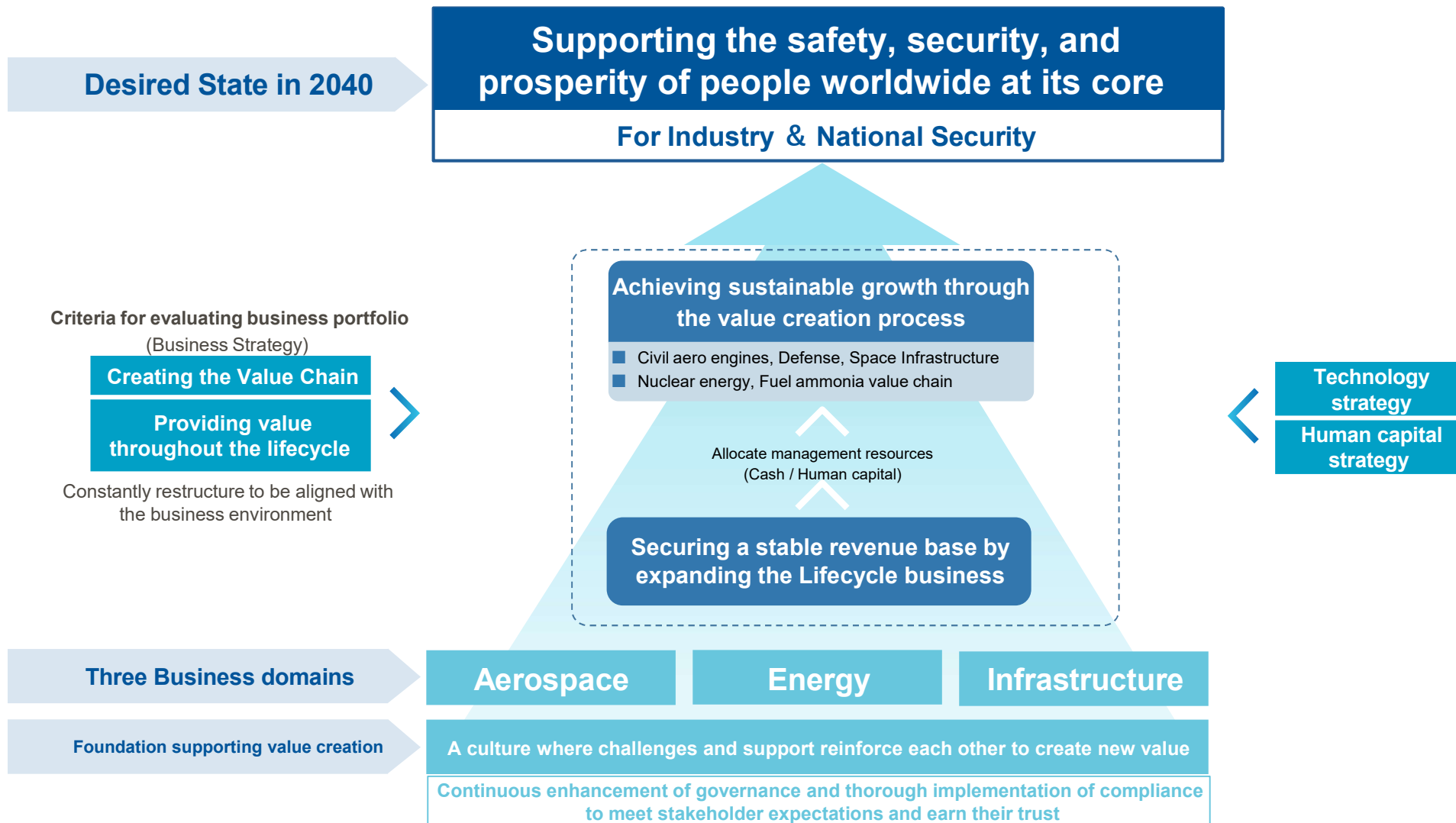
✓ **Stable revenue business**

Drive stable growth in profitability and ROIC through LCB expansion

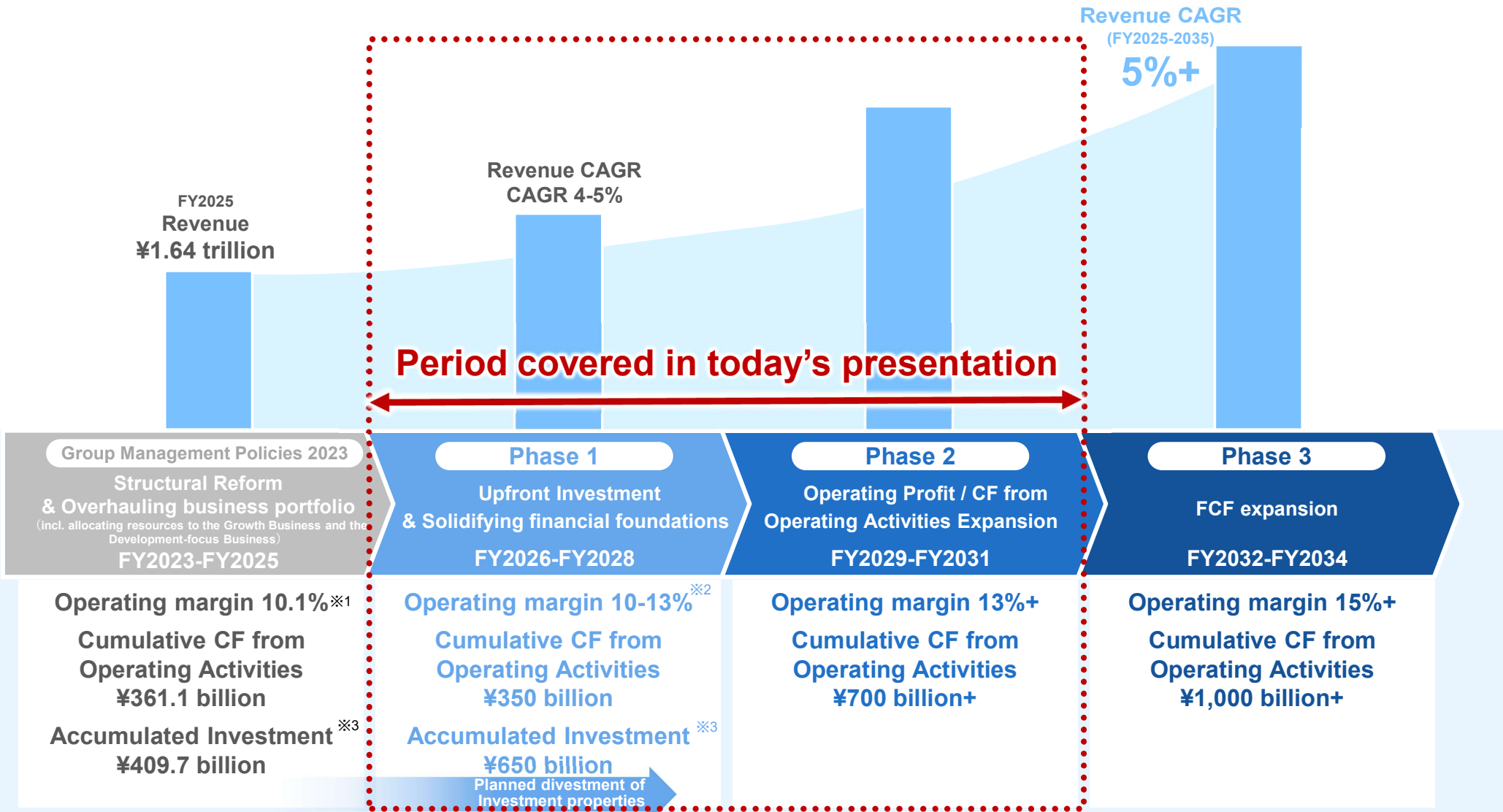
✓ **Financial strategy**

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.

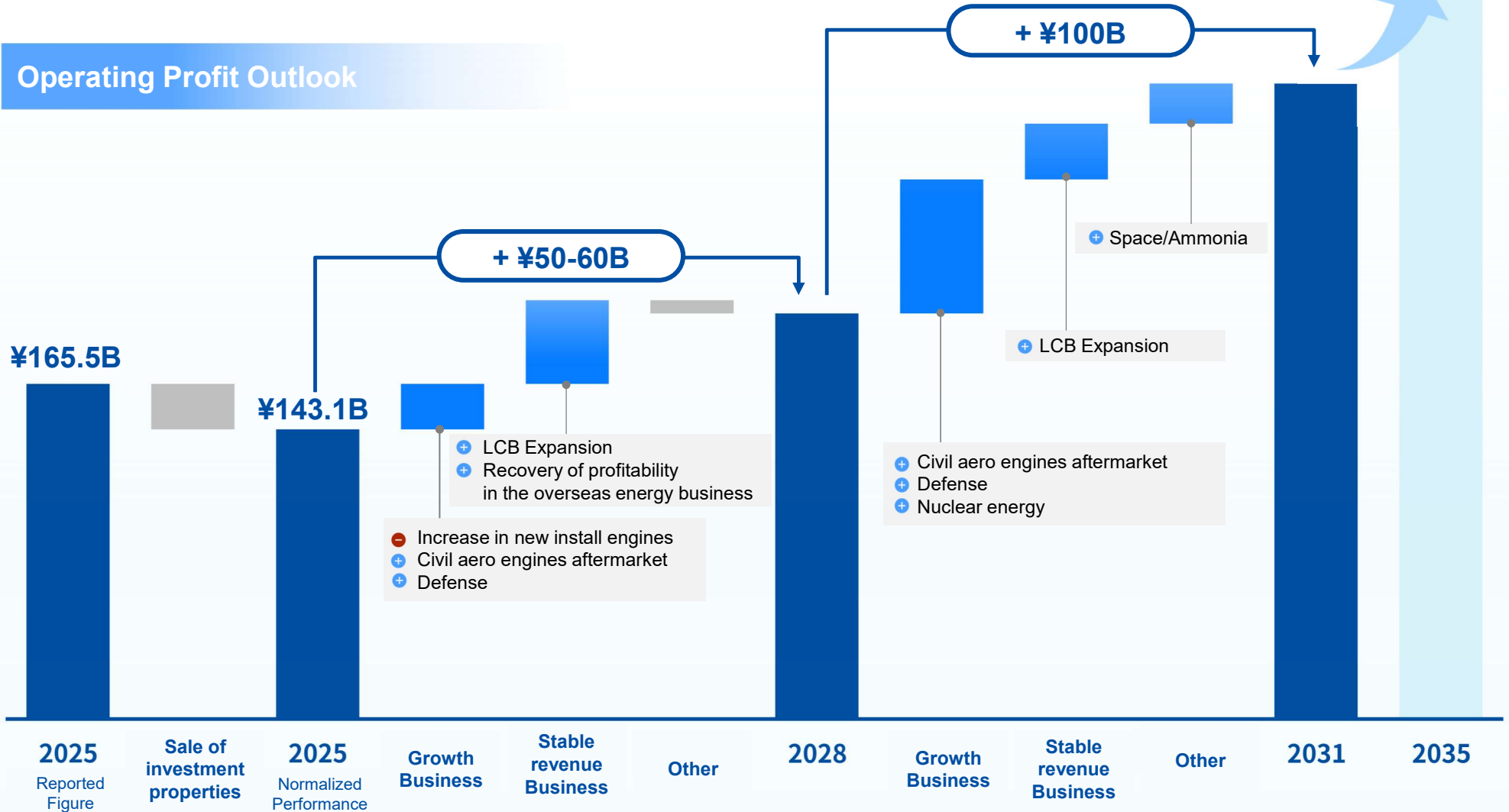


- Deliver **step-change profit growth** beyond past trajectory through disciplined execution of growth investments over the next three years




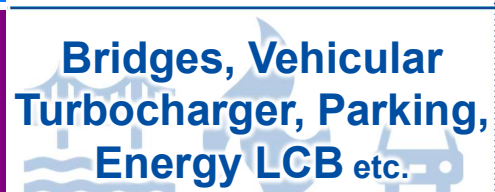


# Step-change Profit Growth

## Operating Profit Outlook



## Strategies and Drivers for Profit Growth by Business

	Business	OPM <sup>※</sup>	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



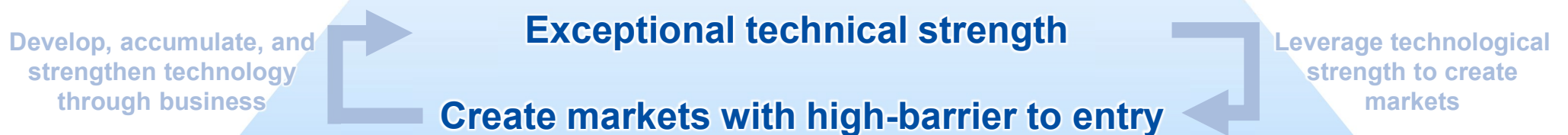
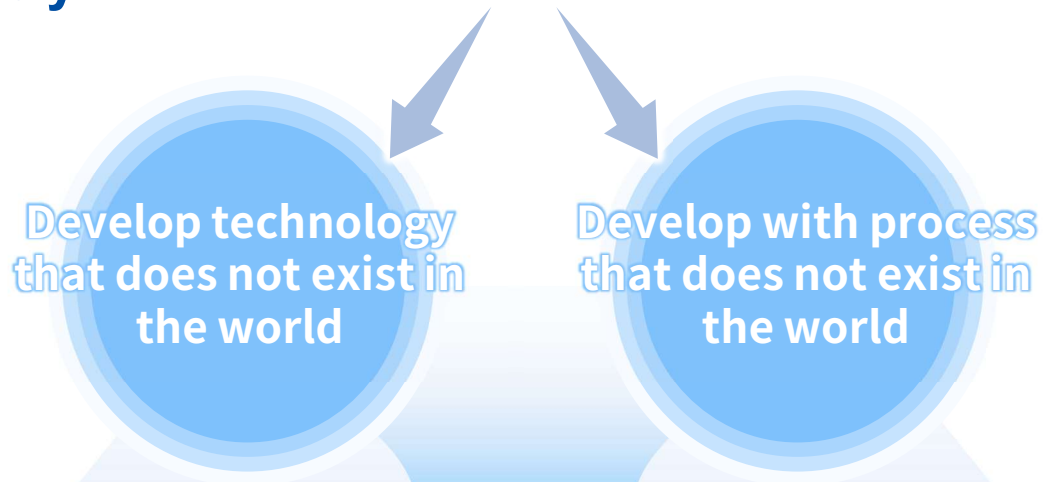
June 2, 2026

## IHI Corporation

Hideo Morita  
Representative Director and Senior Executive Officer

**Goal of  
Technology  
Development**

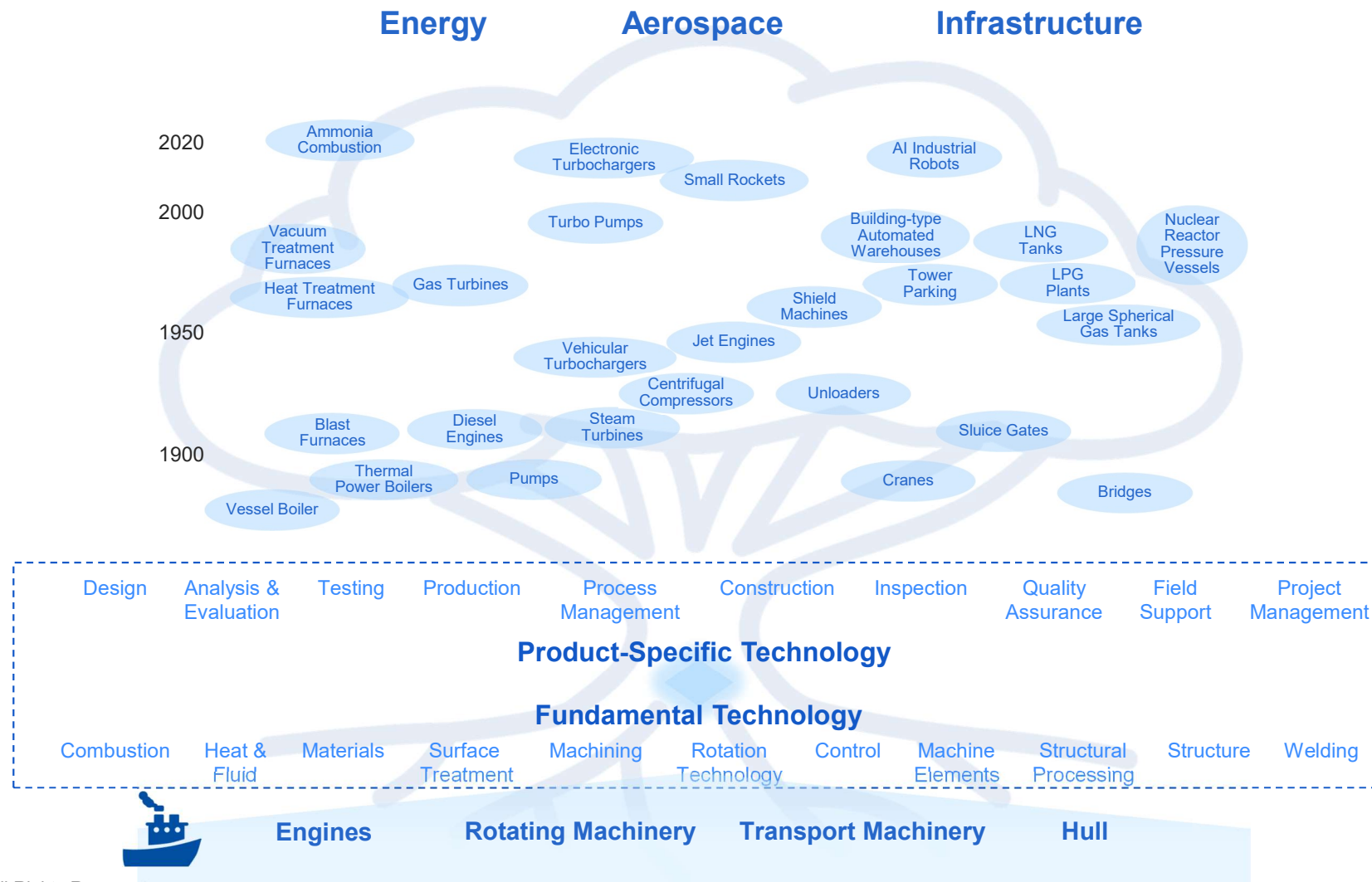
**In our target business domains, develop technologies that competitors cannot easily replicate and that create barriers to entry.**



**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

Entry Barrier

2nd Generation Engine: International Joint Development

Entry Barrier

Investing in robust technology to build higher entry barriers



### Seed of New Technologies

- Improvement of proprietary technologies
- Response to design refinements
- Cost structure improvement initiatives

Advancement of technology

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

# IHI

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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.

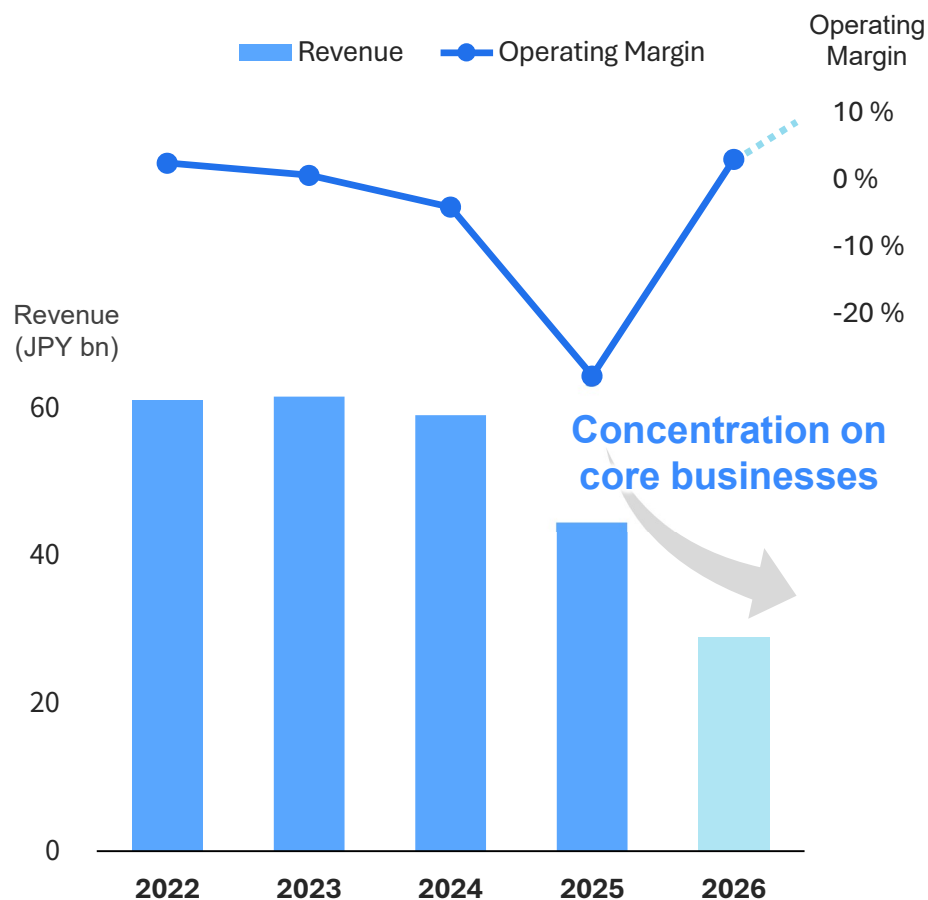
- **Nuclear Energy Business**

- ✓ 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**

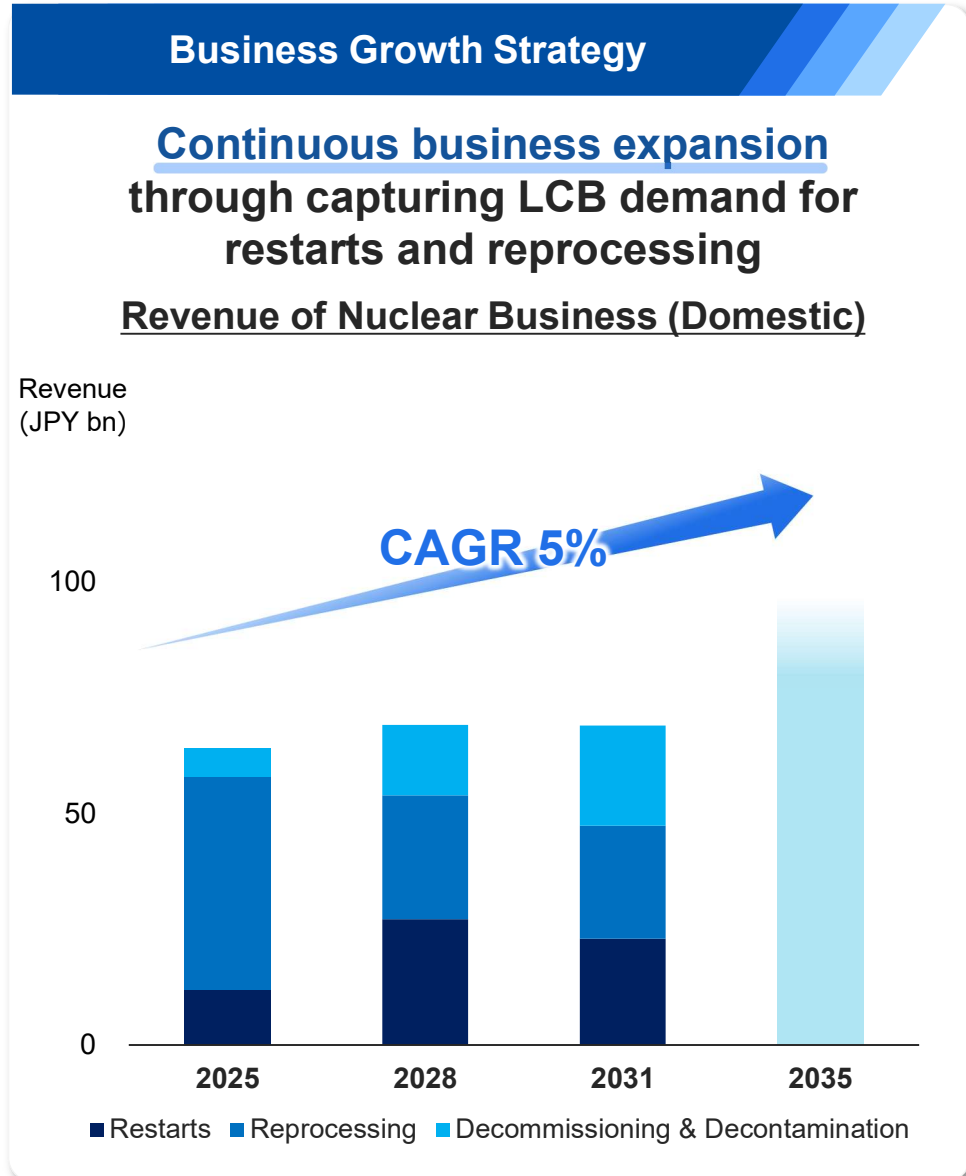
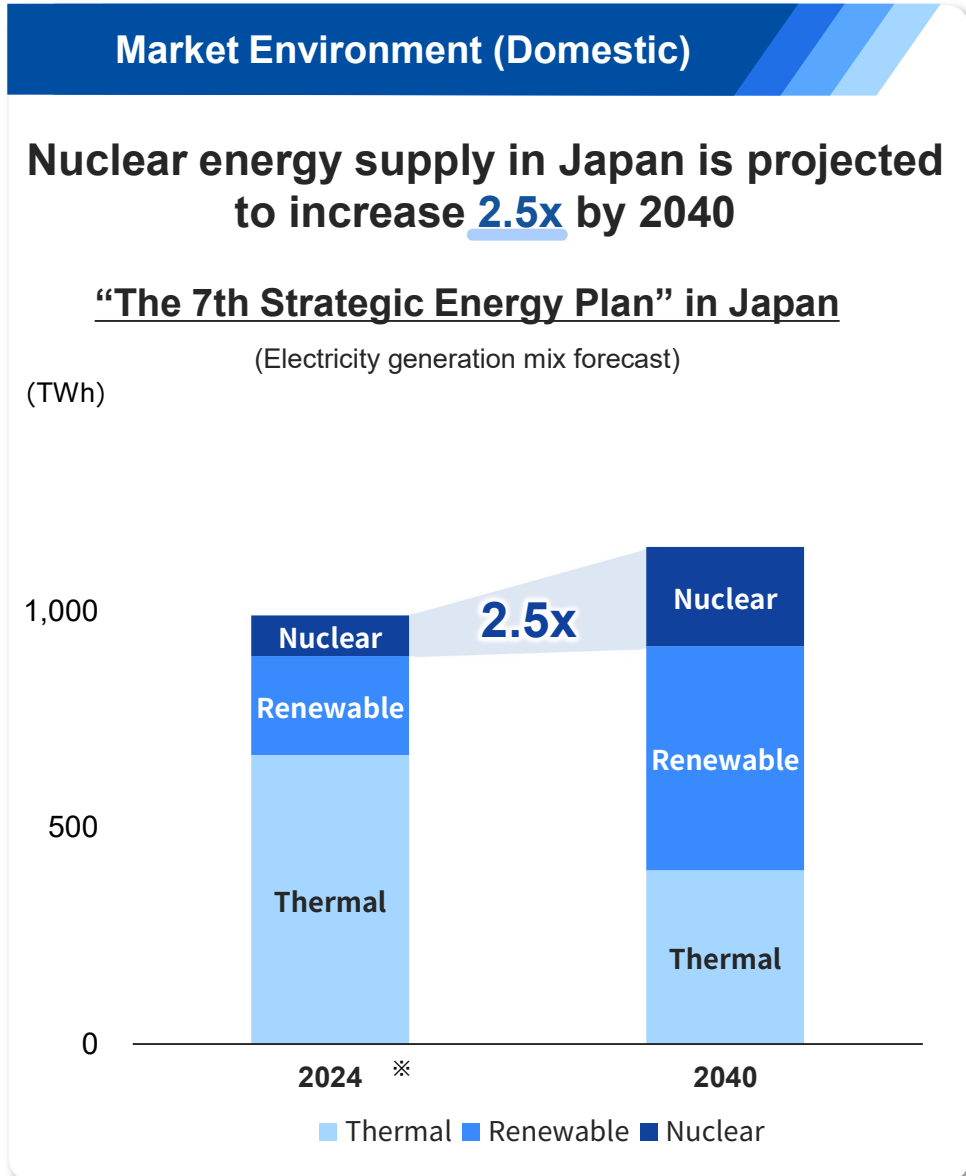
### Transforming Remaining Non-Core Businesses

#### 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.

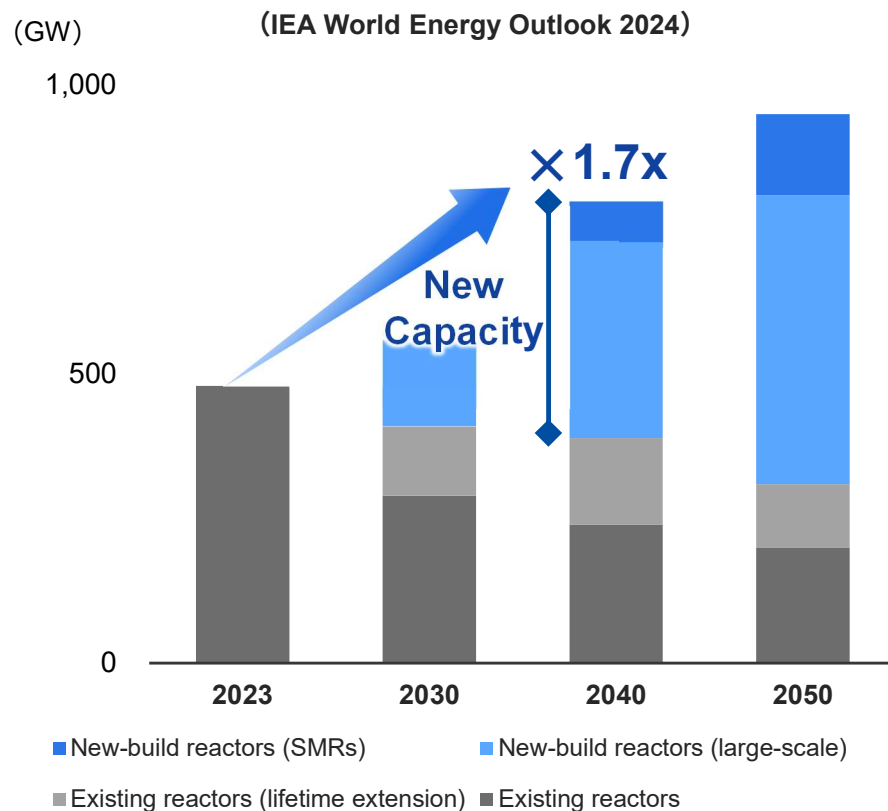


IHI will accelerate business growth in the overseas nuclear sector by capturing increasing global electricity demand

## Market Environment (Overseas)

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

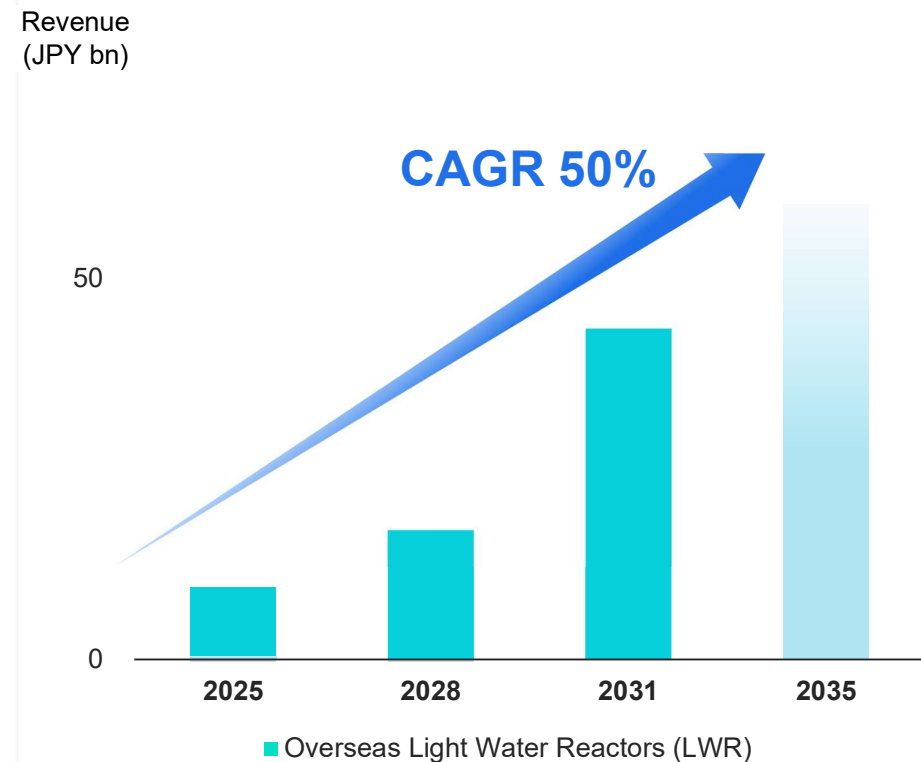
### Global nuclear installed capacity outlook



## 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



Source : Japan Nuclear Fuel Limited

Advantage  
**03**

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



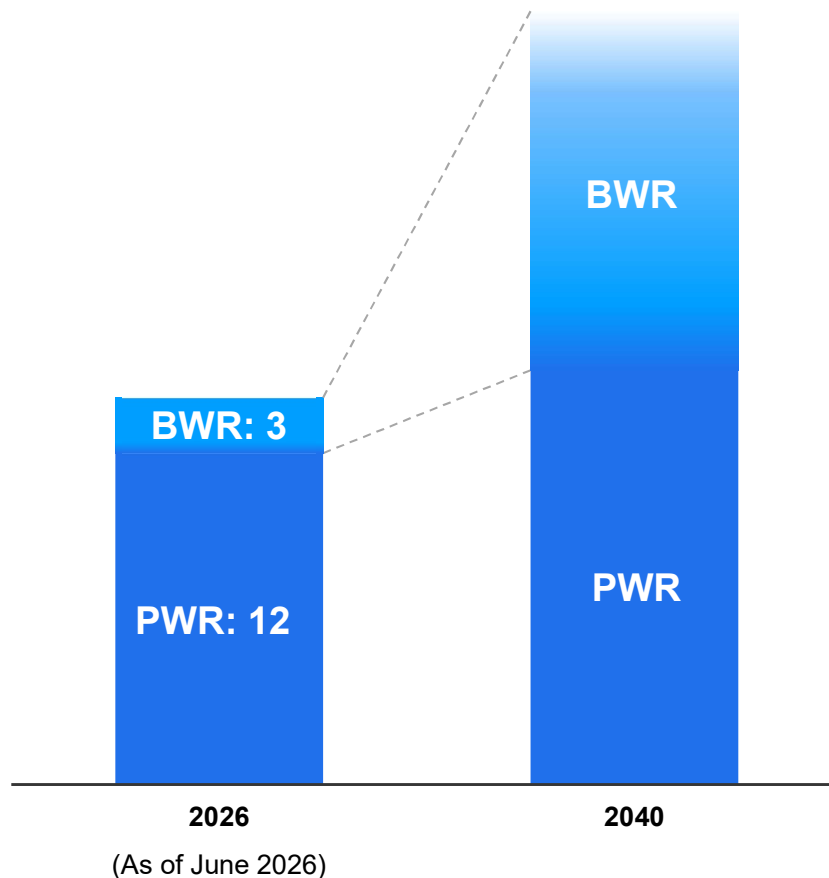
Strategy for profit expansion

**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

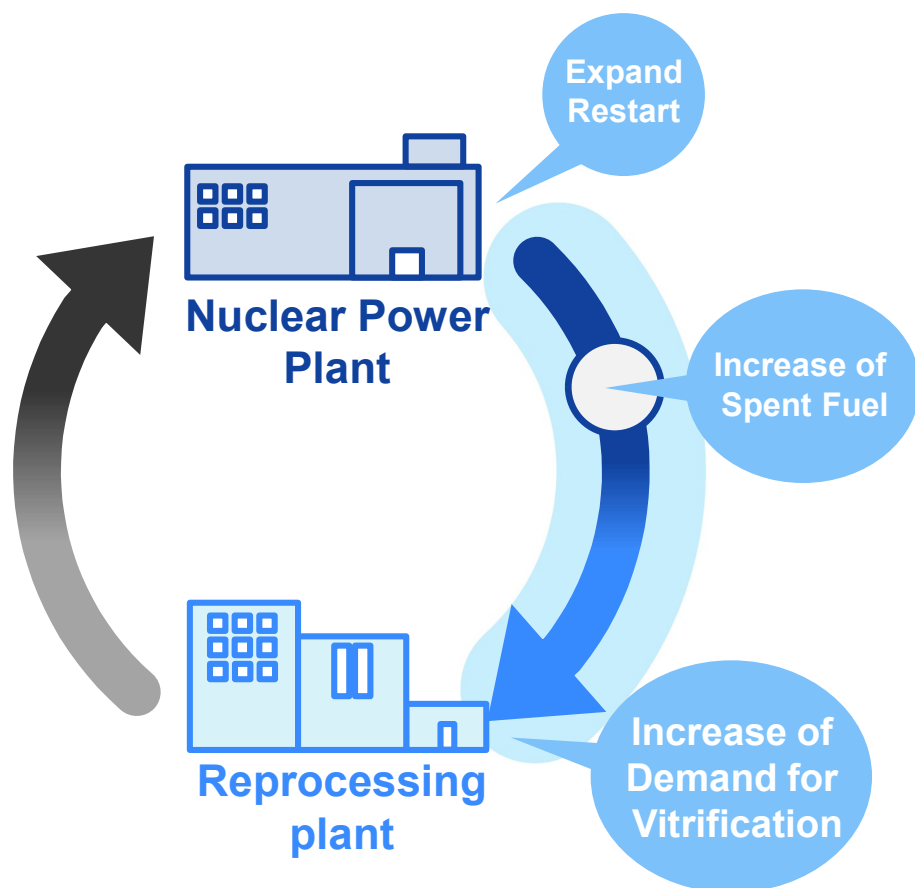


Drive the restarts by providing the capabilities through collaboration

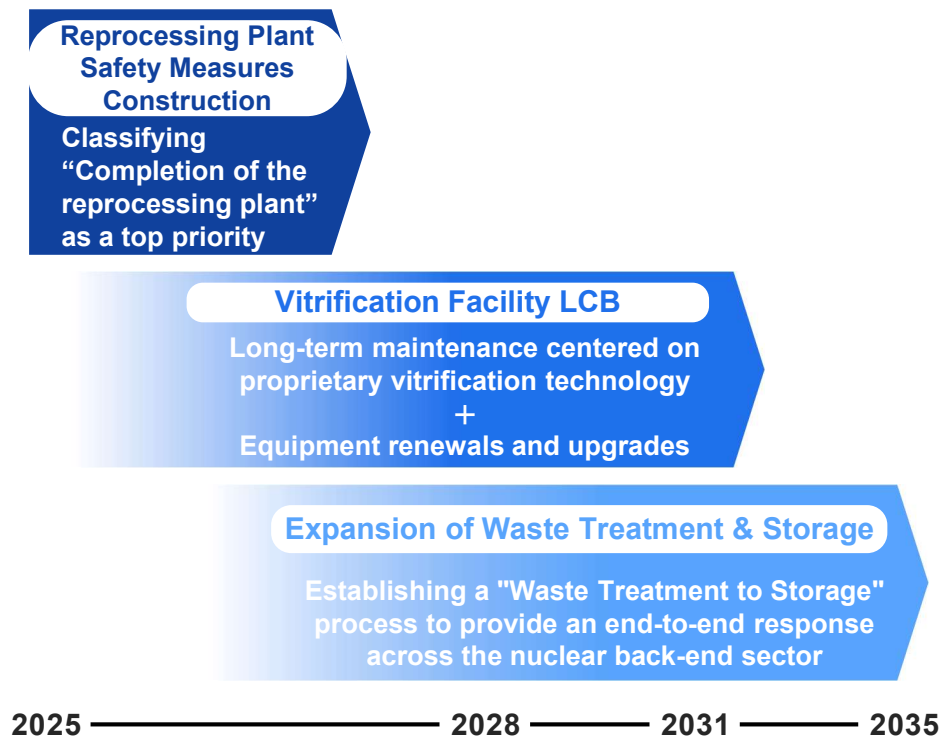
Expand the “back-end” business  
 by leveraging unique vitrification technology in Japan

**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



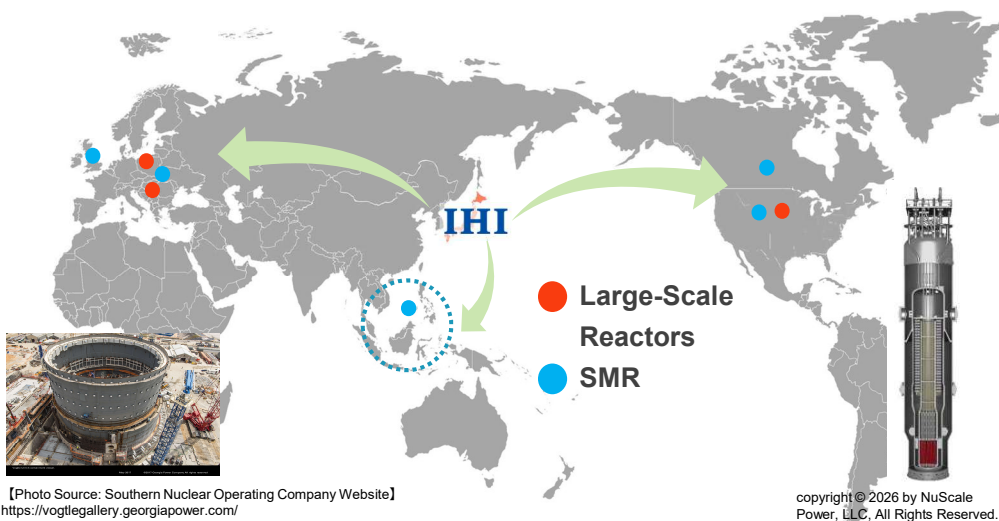
Source : Japan Nuclear Fuel Limited

Vitrified waste storage facility

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

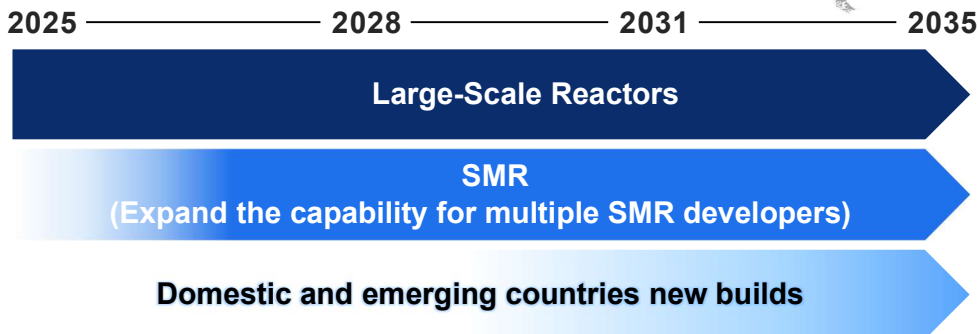
**Global Expansion of Equipment Supply**

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

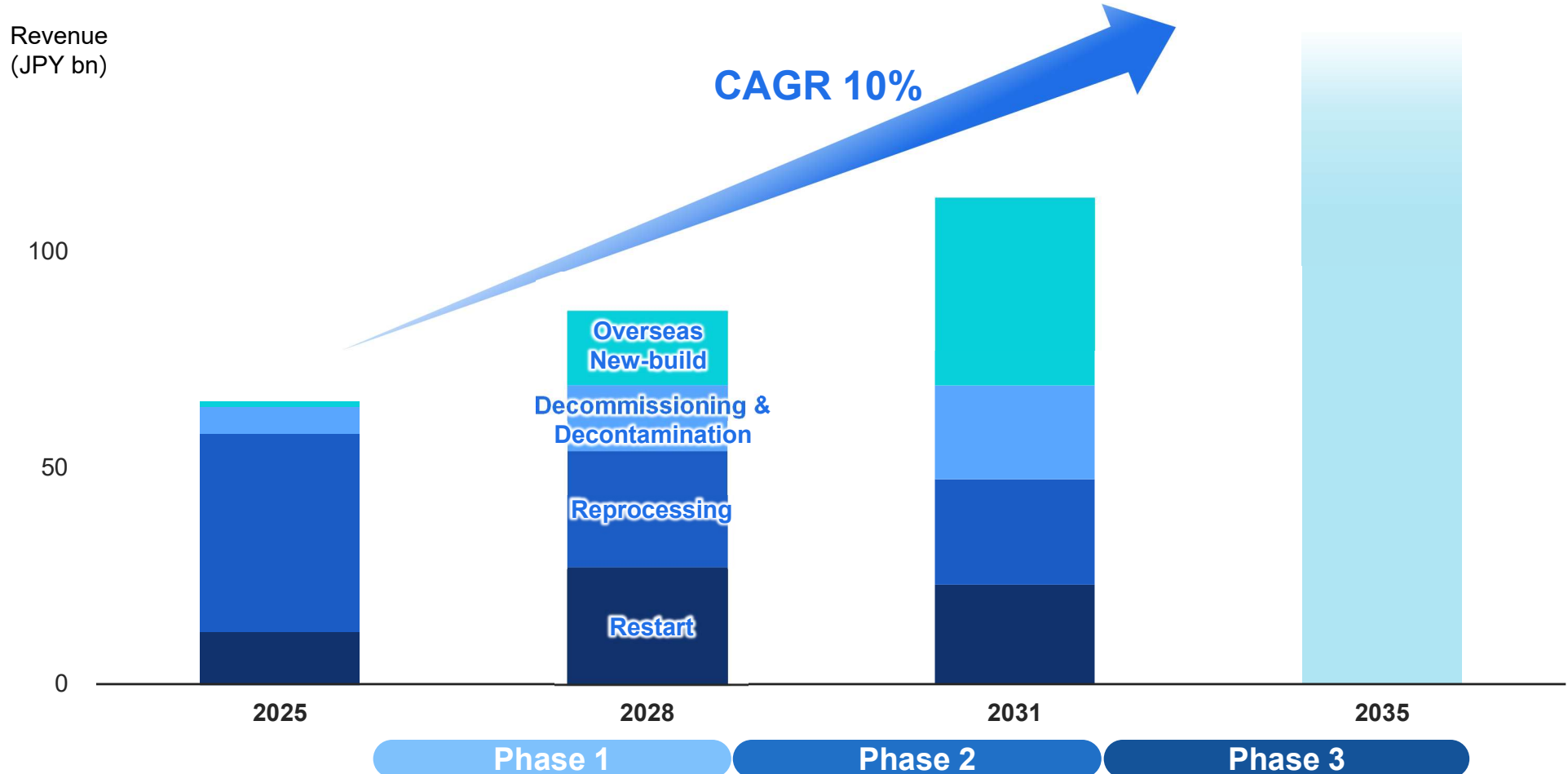
➤ **Leading the global market in nuclear equipment supply**

**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

**Realize your dreams**

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# Bridge Business



June 2, 2026

**IHI Corporation**

Jun Kobayashi

Representative Director and Senior Executive Officer

## What is the Bridge Business?

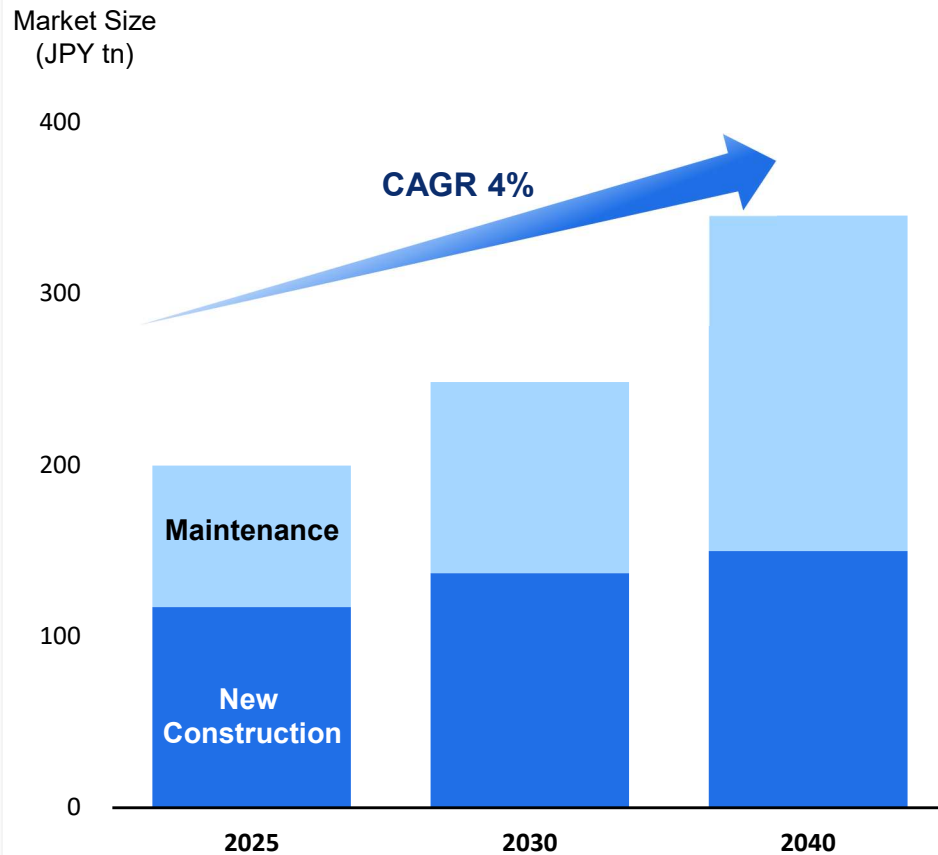
- Social infrastructure that connects separated areas and supports the prosperity of people at its core
- Directly linked to the safety and security; reliability is the paramount requirement for builders
- Stable demand towards future, underpinned by reliable financing.

## Our Goals

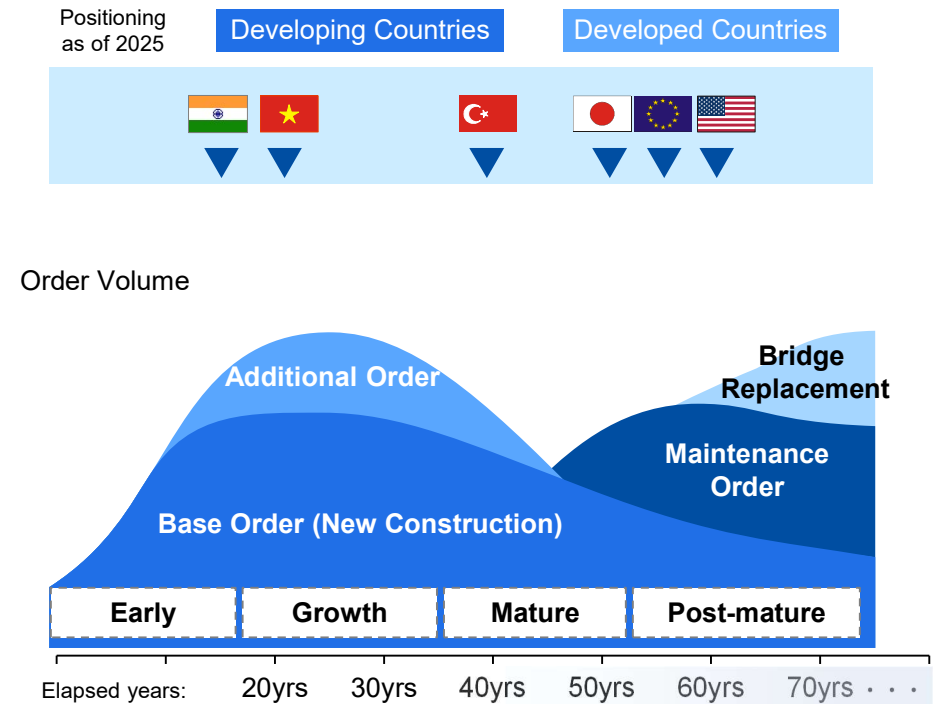
- Improve profitability by focusing on high-value-added projects, leveraging trust, track record, and core technologies built over 140 years
- Target aging infrastructure market in North America and Europe as strategic regions for growth, and become global leading player utilizing our strengths

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)

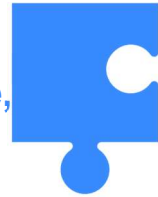
**Why IHI?: Accumulation of Comprehensive Engineering Capability to Meet the Needs of Local Markets Worldwide**

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

IHI Core Technologies

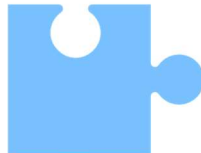
Design

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



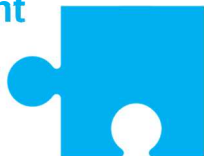
Construction

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



Project Management

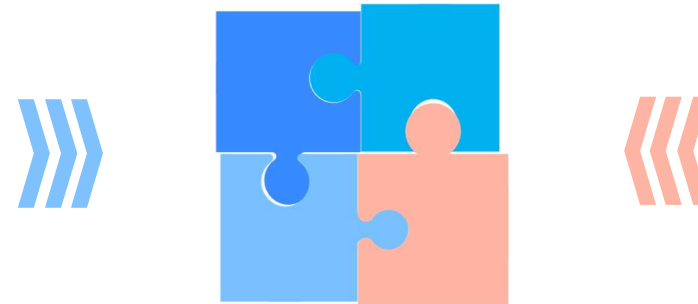
- ✓ Contract management
- ✓ Project development & Proposal



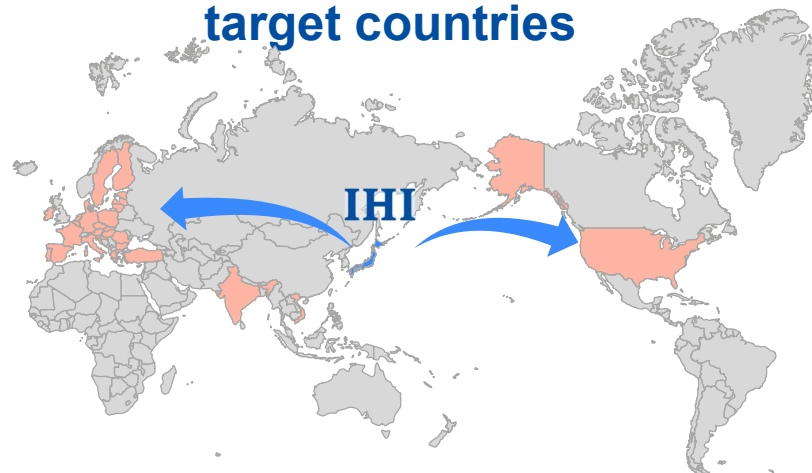
Partner Strength



- ✓ 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

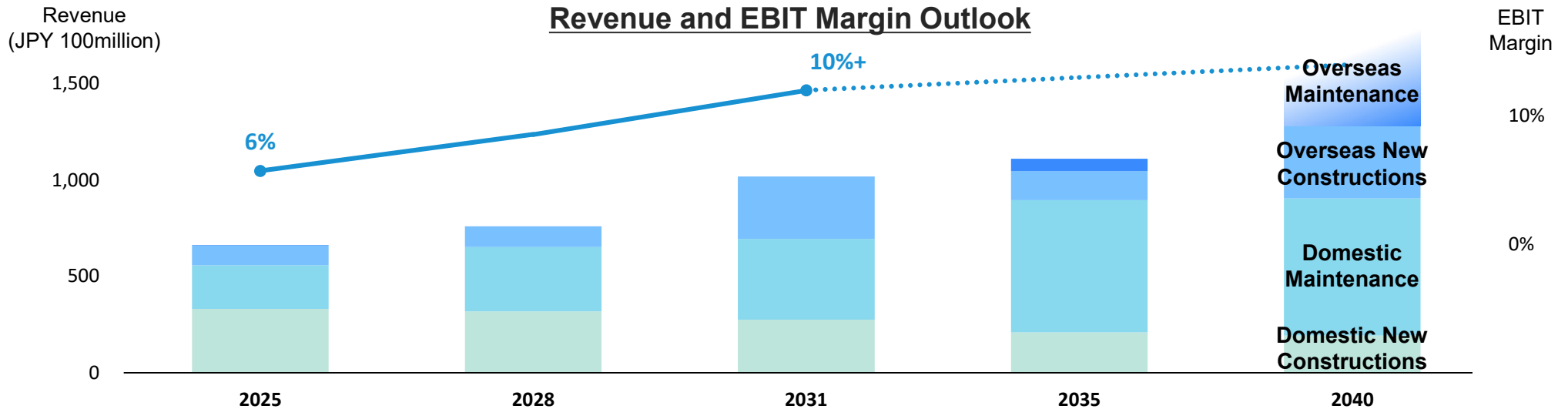
Photo courtesy of Metropolitan Expressway Co., Ltd.

Expand Revenue

Regional & Partnership Strategy

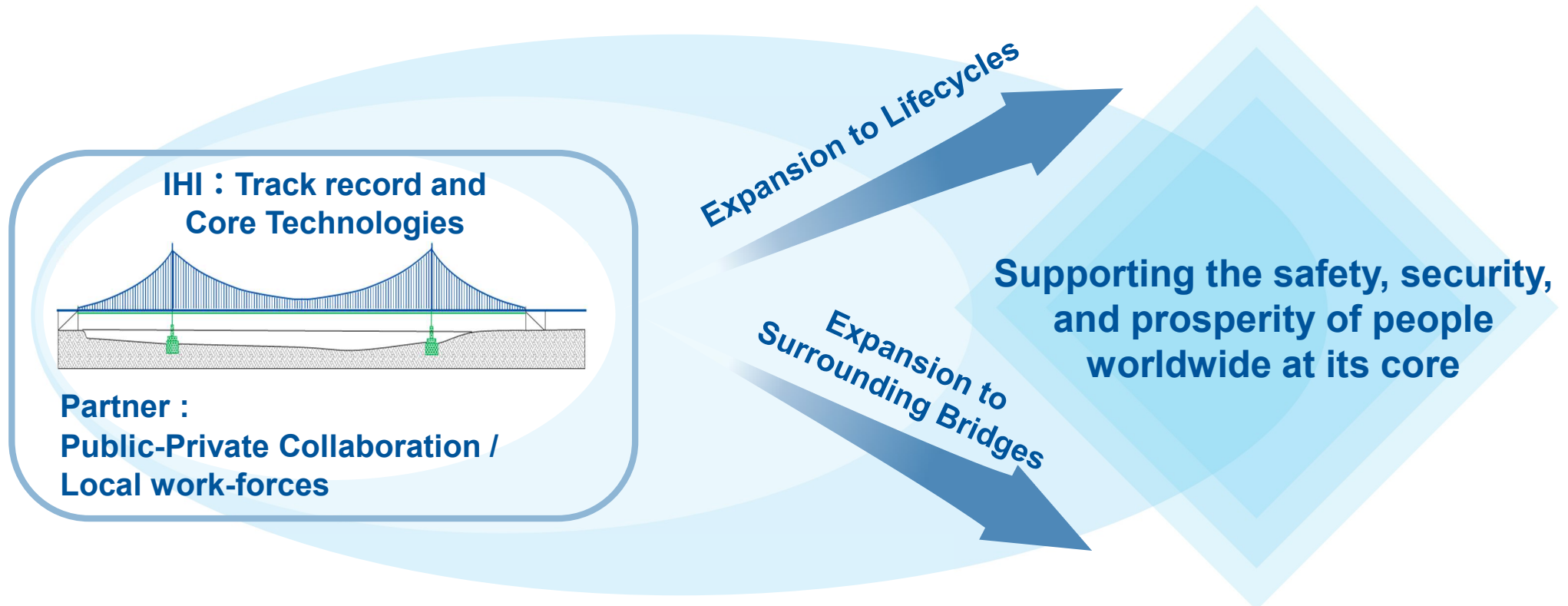
Improve Profitability, ROIC

### 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



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

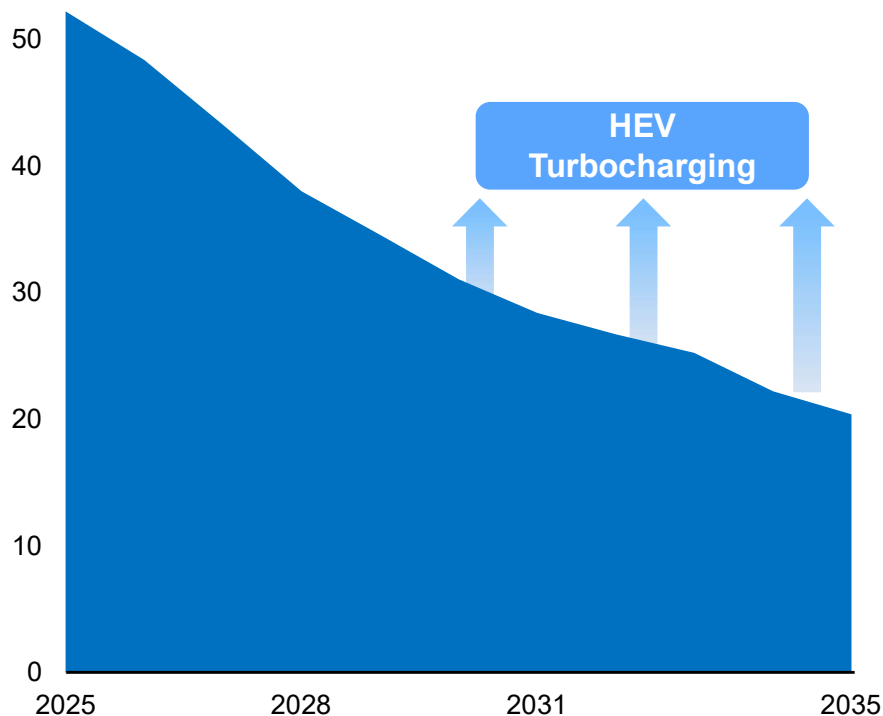
## Market Size

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

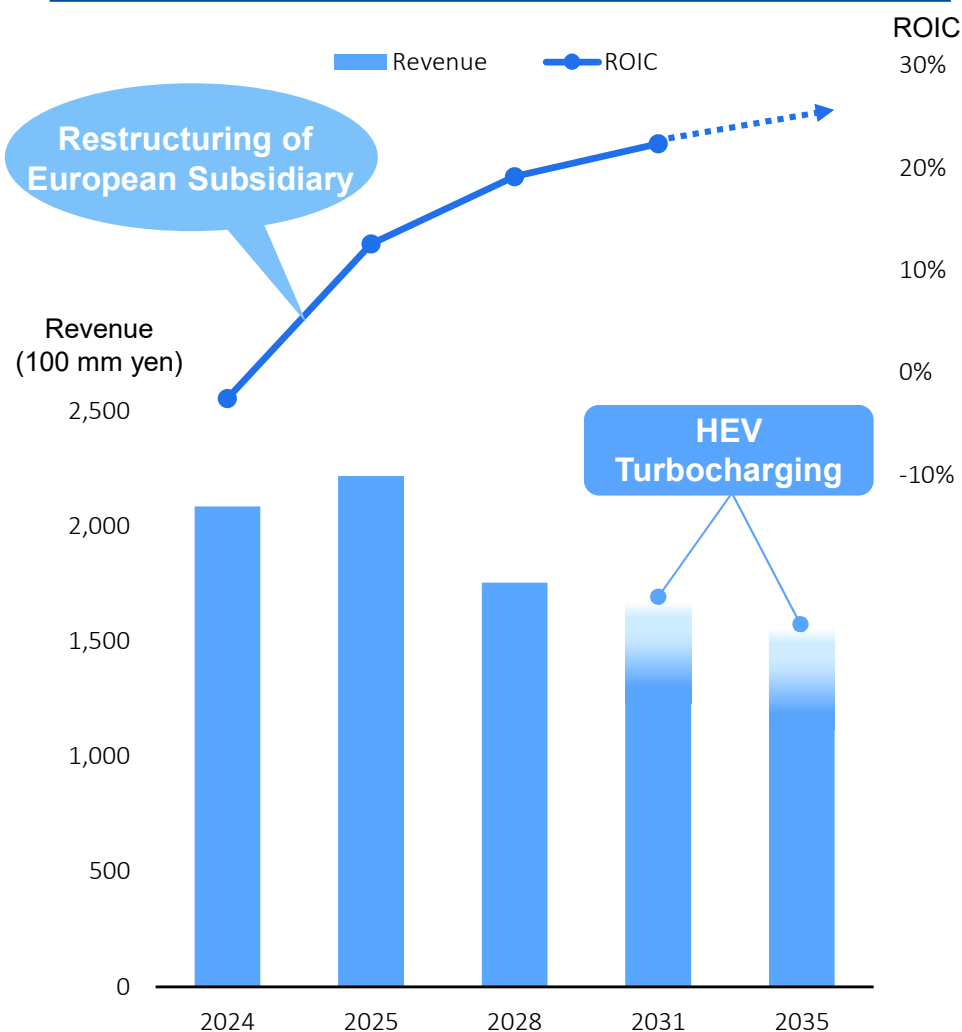
**03**

**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\*



### 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)

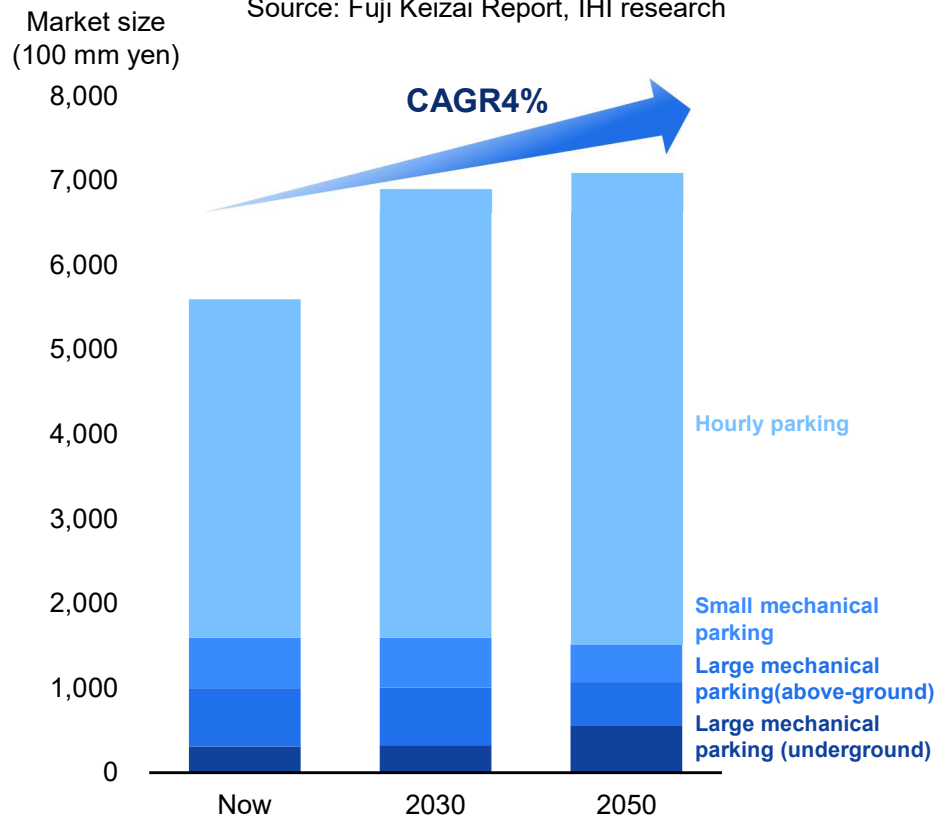
Concentrating in major metropolitan areas and large-scale mechanical parking:  
2035 sales revenue of 100 billion yen, ROIC\* to 20%+

## Market Environment

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

### Parking Lot Market Size and Outlook

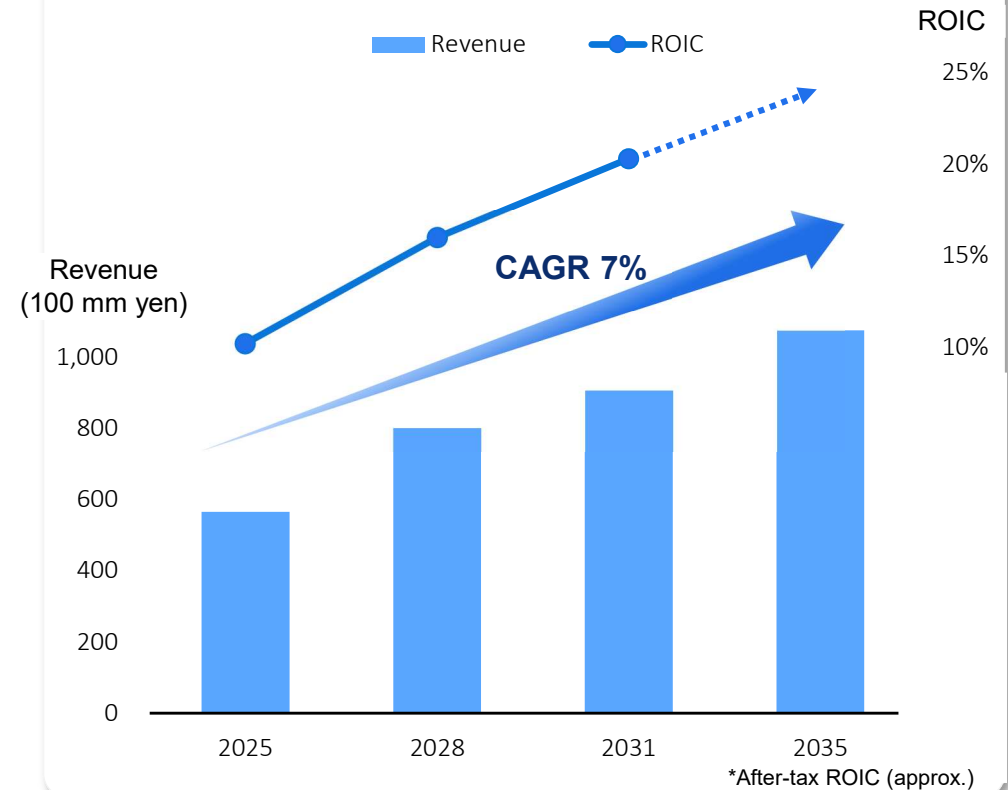
Source: Fuji Keizai Report, IHI research



## Our Business

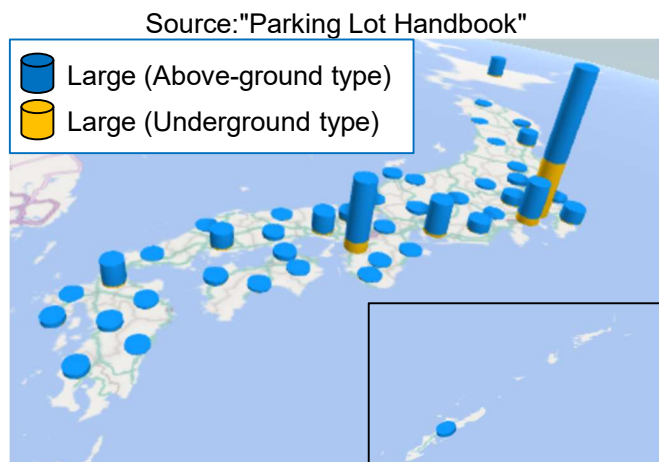
Expanding LCBs based on the domestic installed base to drive revenue and ROIC

### Parking Business Revenue & ROIC\*

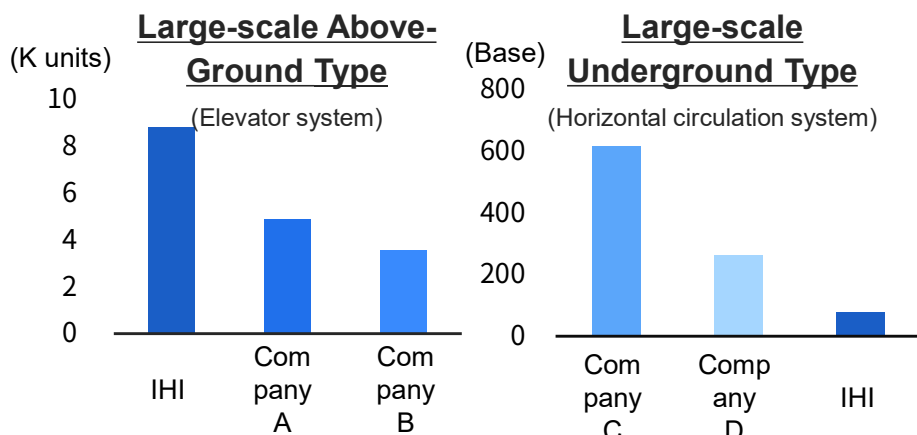


Driving cash flow by scaling LCBs of large-scale mechanical parking segment in metropolitan areas, leveraging existing installed base

## 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%)**

# IHI

**Realize your dreams**

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

※ 1<sup>st</sup> generation engines : V2500/GE90/CF34

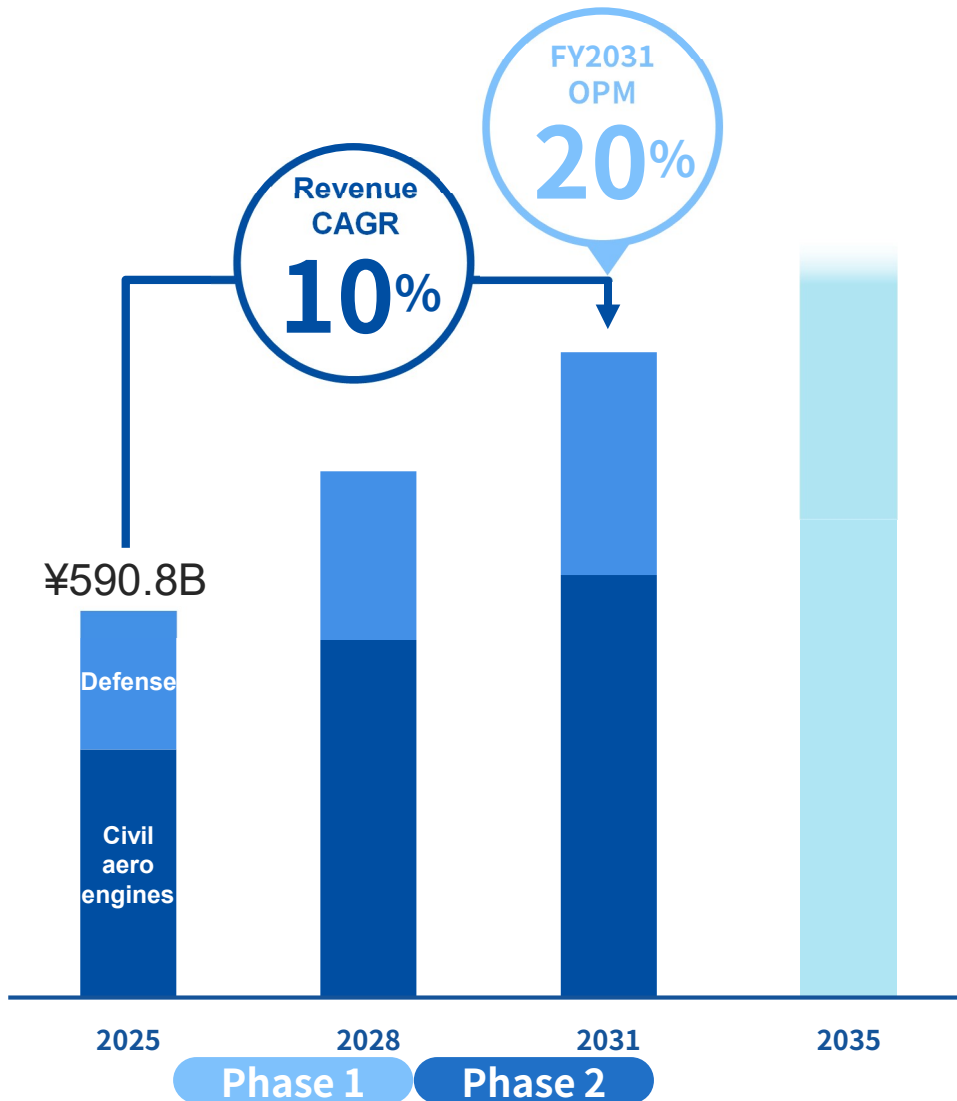
2<sup>nd</sup> generation engines : GENx/PW1100G-JM/Passport20/GE9X

## ● Defense business

- ✓ Expansion of Solid rocket motors business to capture growing demand in Japan and overseas.
- ✓ Accelerated expansion of the UUV<sup>※</sup> 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)

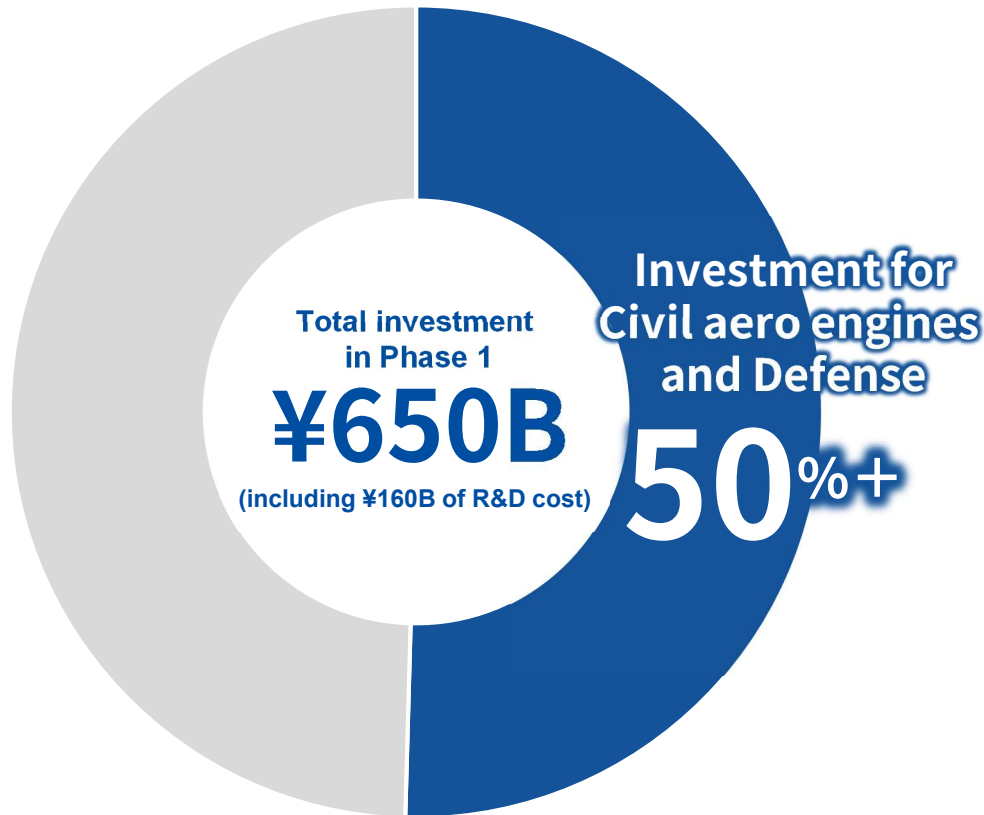
- ✓ Address the expansion in missile demand
- ✓ Promote the unmanned assets business
- ✓ Accelerate growth in the transfer of defense equipment and technology

※Operating profit margin

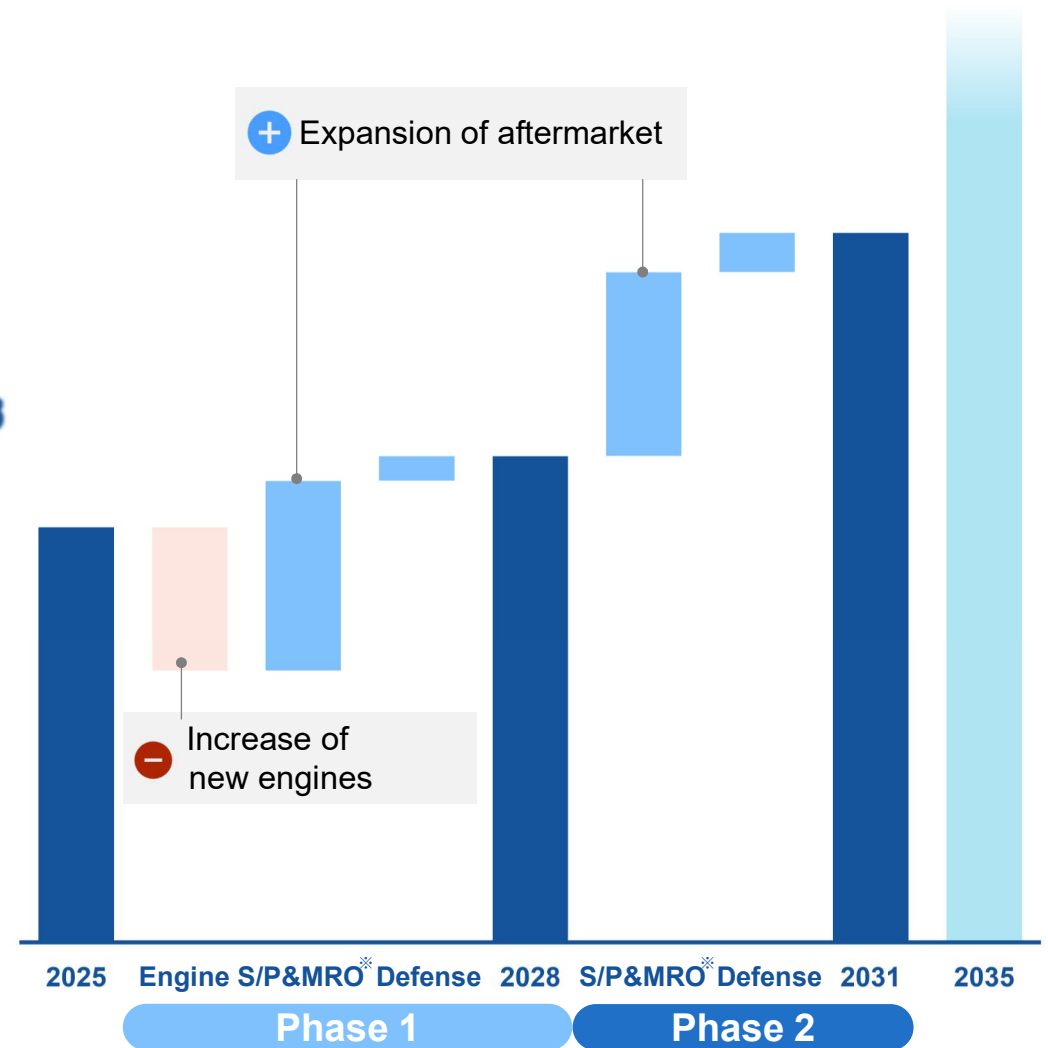
Solid revenue; steady OP growth despite new engine mix impact

## Total Investment in Phase 1

(FY2026-FY2028)

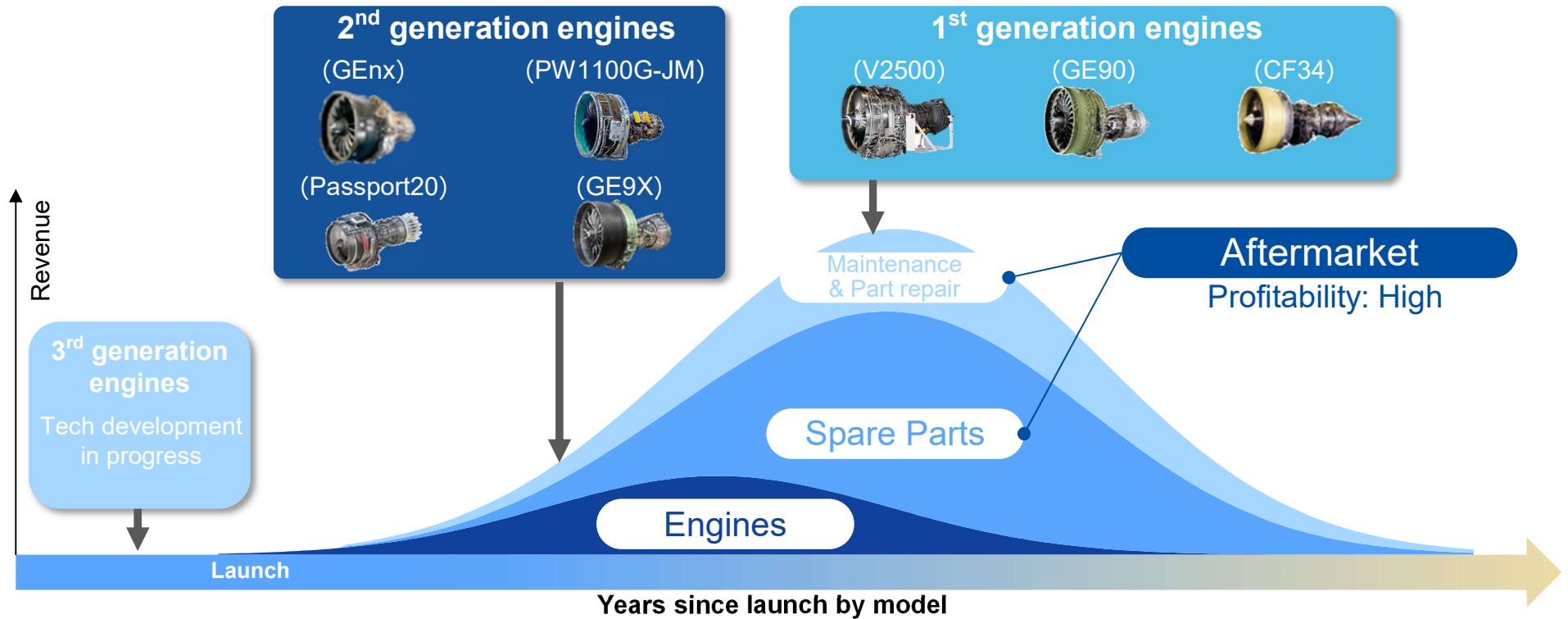


## Operating Profit



2<sup>nd</sup> generation earnings building on 1<sup>st</sup> generation to drive further business expansion

Earnings profile of Civil aero engines business



**2<sup>nd</sup> generation engines**

Cumulative units sold as of FY2025

**~90k**  
units

Cumulative units sold as of FY2035

**~260k**  
units

**1<sup>st</sup> generation engines**

Cumulative units sold as of FY2025

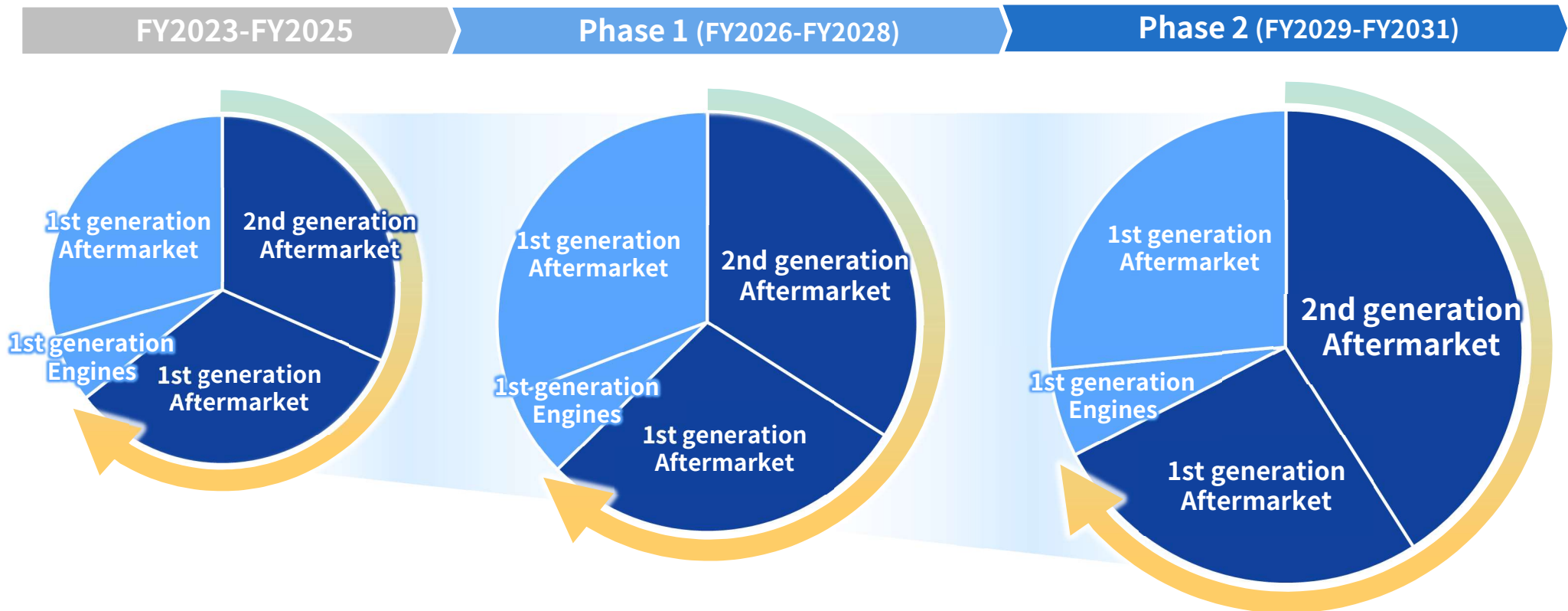
**~170k**  
units

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

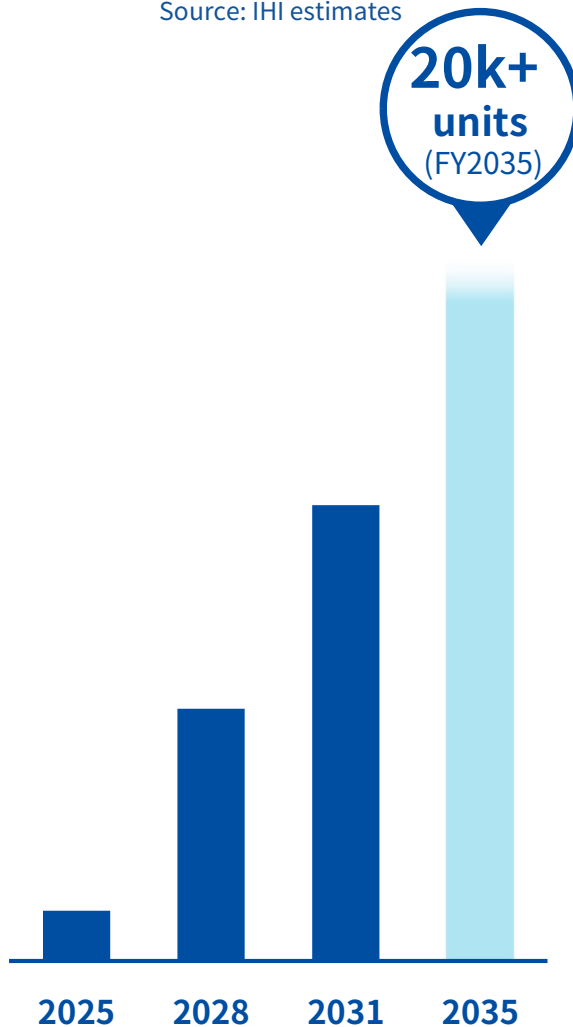
Note: The size of each pie chart represents the scale of revenue

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<sup>※</sup>

※NGSA: next-generation single-aisle aircraft

- ✓ Carbon fiber composites
- ✓ Ceramic matrix composites

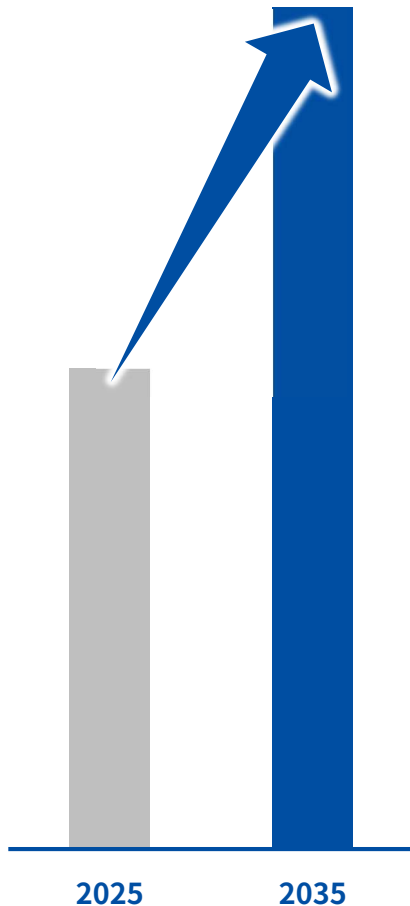
Establish a foundation to support significant revenue and profit expansion beyond Phase 2

※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

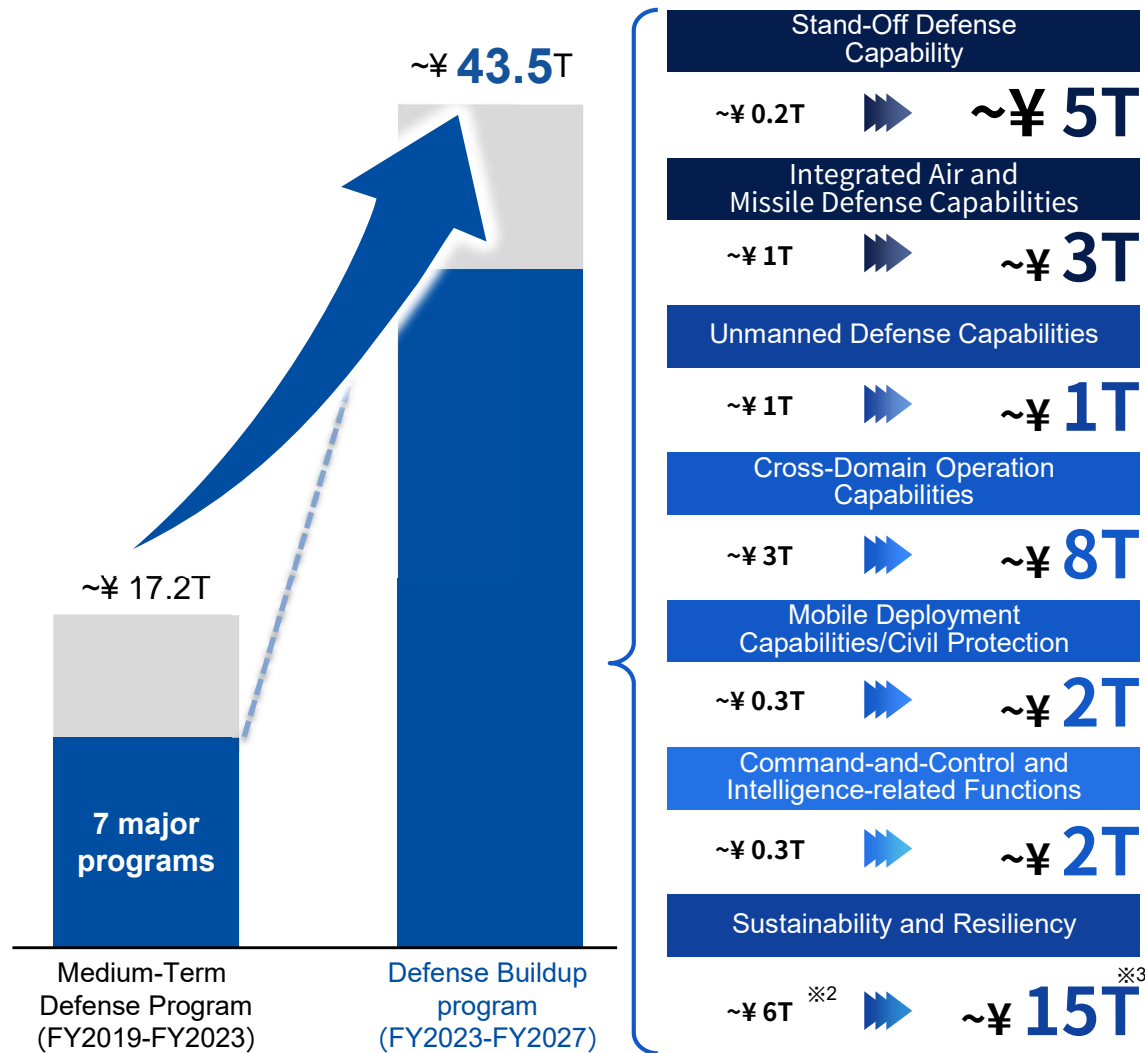
**5x**

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<sup>※1</sup> based on contracts to be newly concluded

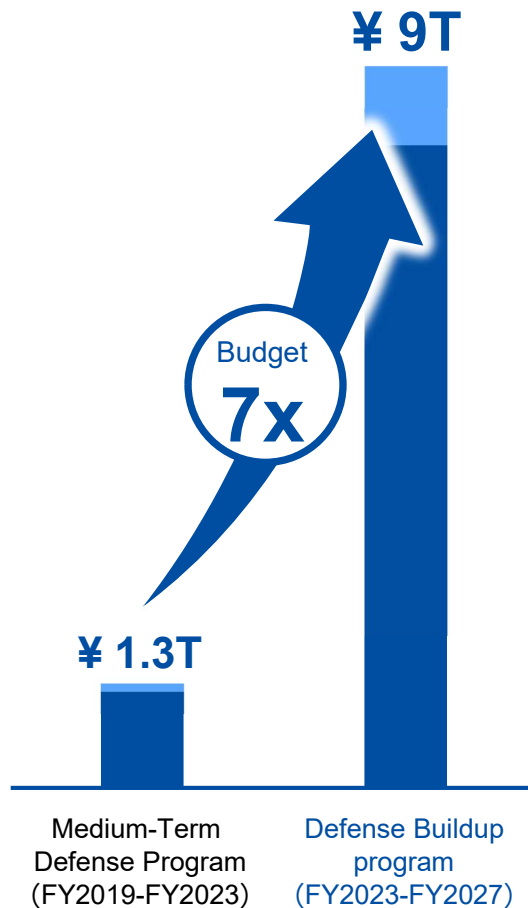
IHI products & Services



Drive further contribution to missile & unmanned defense capabilities

## Related Budget

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



## Solid rocket motors<sup>※</sup> 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**

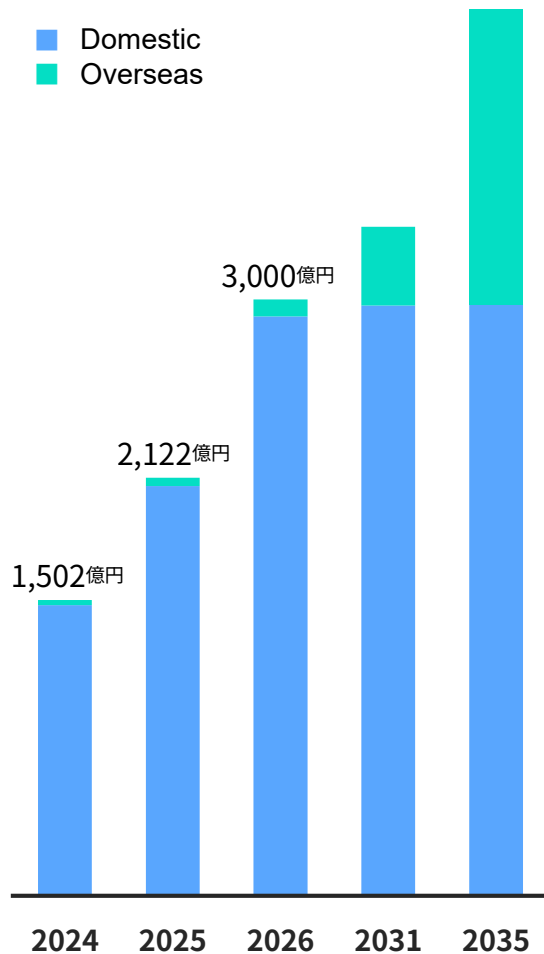
- ✓ Applied to civilian uses such as subsea infrastructure maintenance
- ✓ Expand globally leveraging advanced surveillance capabilities

# Initiative 02: Global expansion of Defense aero engine business IHI

Collaborate with the government to expand equipment transfers and deliver on GCAP<sup>※</sup>  
※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<sup>※</sup> and parts transfer business<sup>※</sup>

※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<sup>※</sup> (FY2026)  
※ A joint venture responsible for aircraft development



Support profitability improvement and earnings growth beyond Phase 2

# IHI

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

EPS Growth

FCF Expansion

Balancing Investment and Discipline

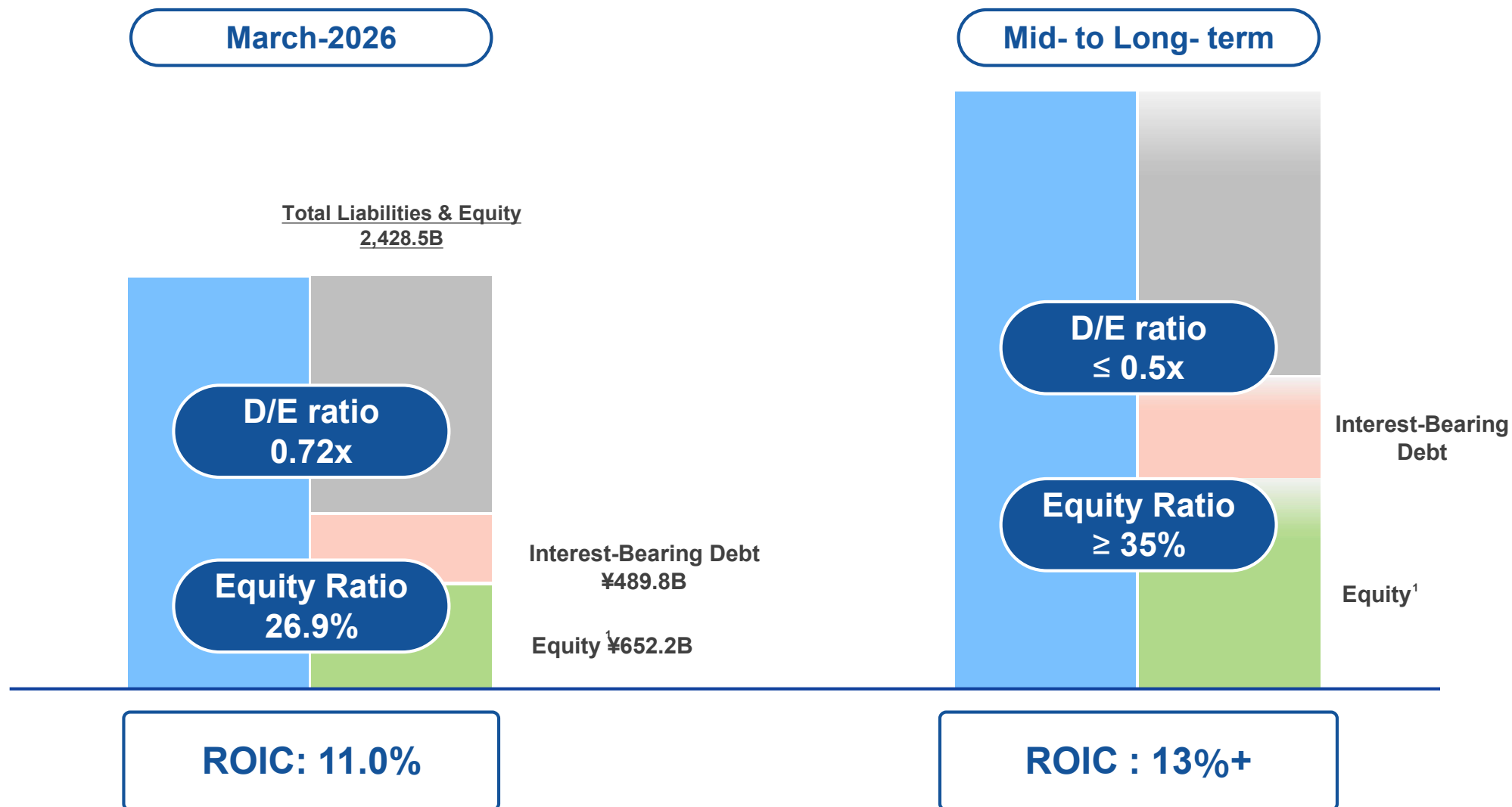
## Not Factored In

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)

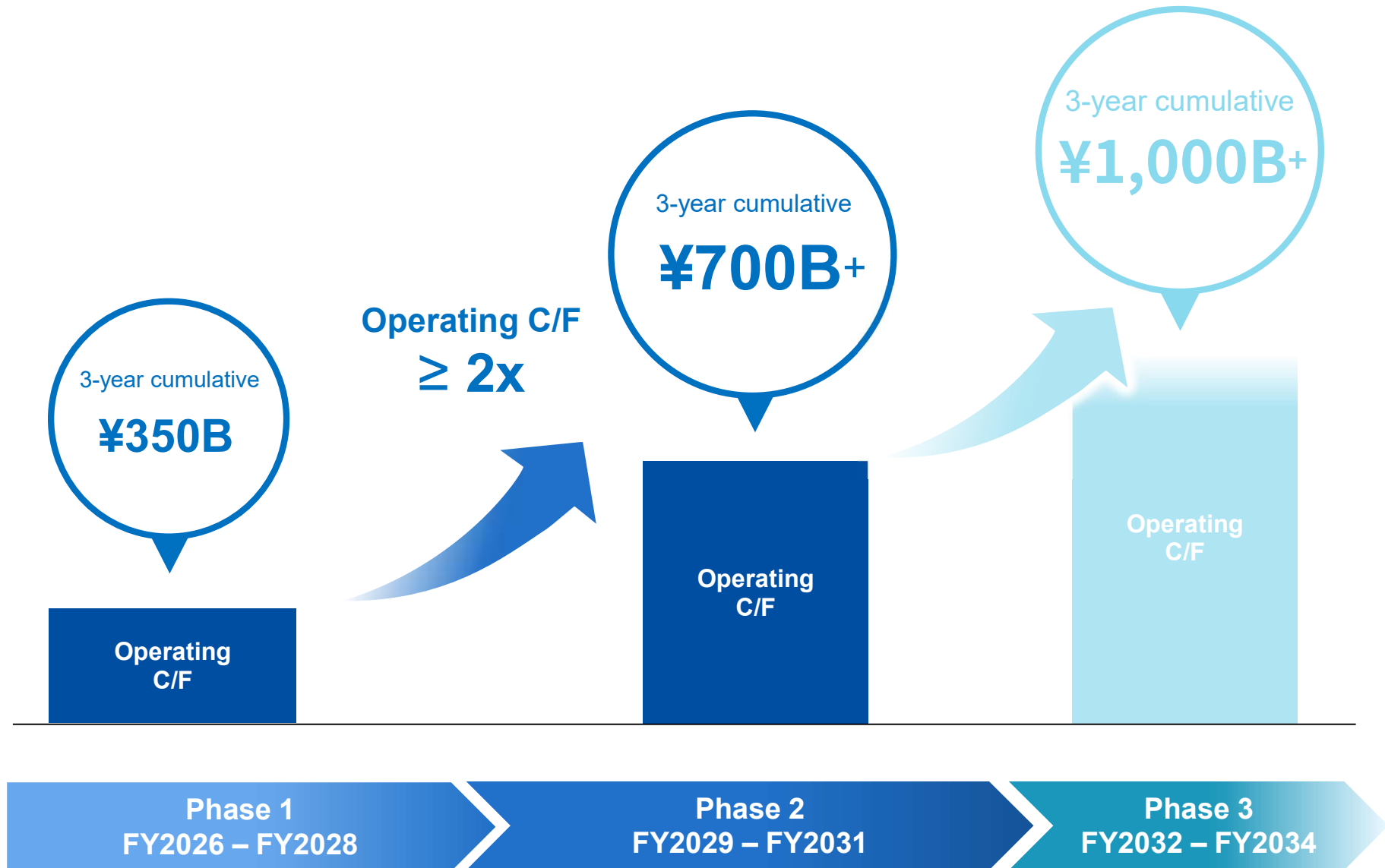
Building a resilient balance sheet and delivering high capital efficiency for Long-Term Growth

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

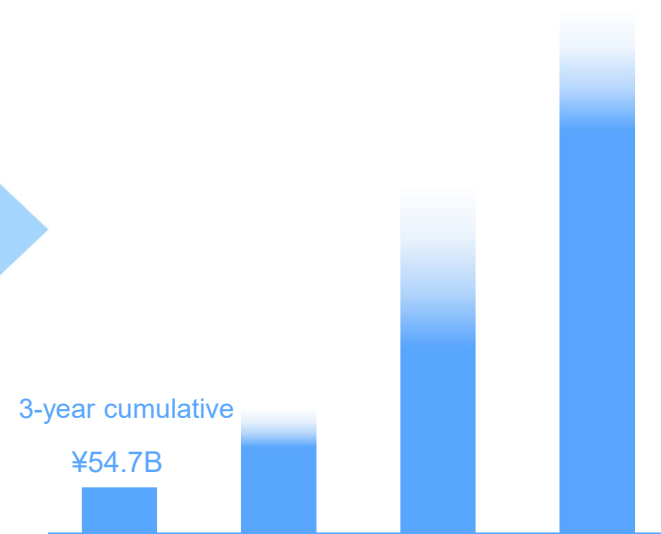
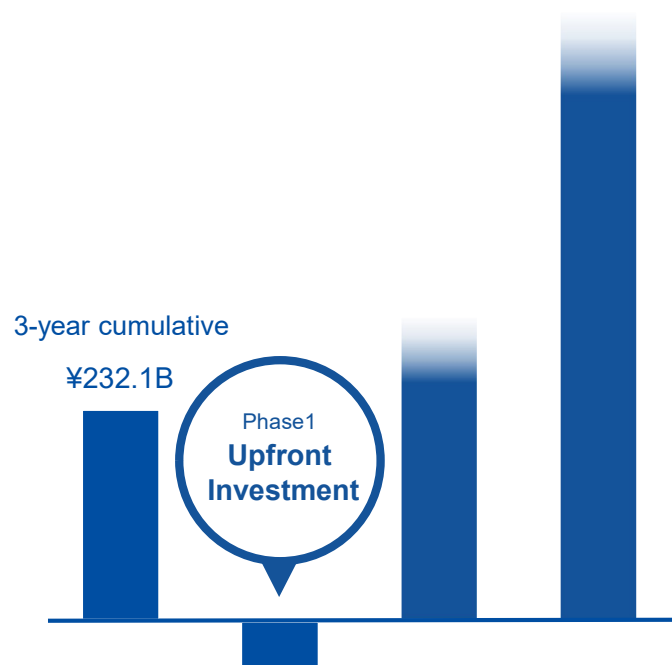


Phase 1: Aim for sustained growth in dividends per share

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**

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