

Financial Results for FY2021 (IFRS) (for the year ended March 31, 2022)

IHI

May 10, 2022

IHI Corporation

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1. Consolidated Results for FY2021



- Operating profit achieved the forecasted target of the consolidated results through the steady implementation of various measures set forth in “Project Change”.
- Overall, the performance remained steady in the three segments of Resources, Energy and Environment, Social Infrastructure and Offshore Facilities, and Industrial Systems and General Purpose Machinery. However, in Vehicular turbochargers, the impact of the lockdown in China is beginning to become apparent, in addition to the delay in recovery from reduced automobile production caused by the shortage of semiconductors, etc.
- In the segment of Aero Engine, Space and Defense, the recovery trend in demand for aero transportation remained unchanged in the fourth quarter, and sales of spare parts in Civil aero engines progressed as expected.
- Cash flows from operating activities were significantly excess of incomes due to reduction effort on working capital, such as promoting customer’s payments and inventory reduction.

1. Consolidated Results for FY2021 Summary of Financial Results

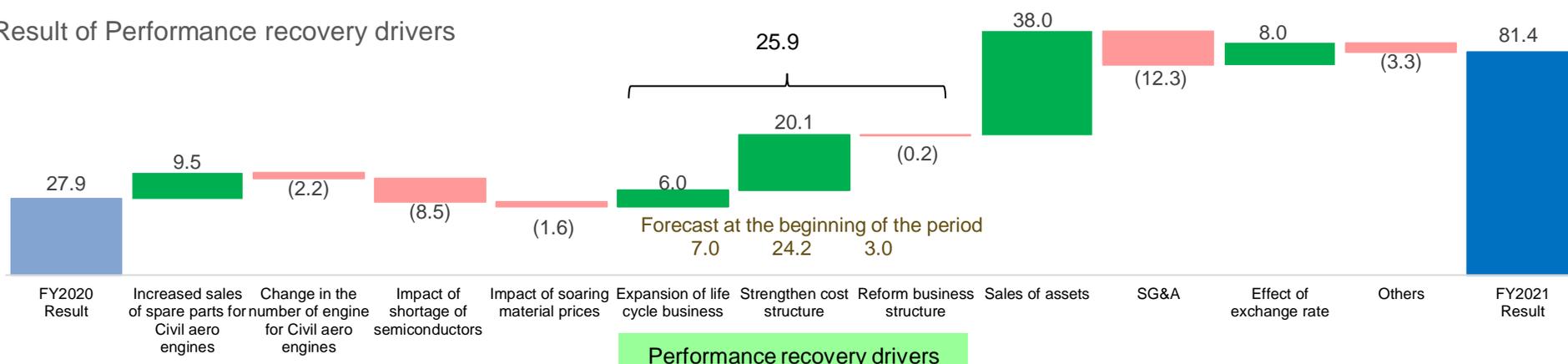
(In billion yen)

	FY2020	FY2021	Change
Orders received	1,097.0	1,190.0 1,261.2	71.2 164.2
Revenue	1,112.9	1,190.0 1,172.9	(17.0) 59.9
Operating profit	27.9	80.0 81.4	1.4 53.5
Profit before tax	27.6	70.0 87.6	17.6 60.0
Profit attributable to owners of parent	13.0	40.0 66.0	26.0 52.9

Top left of table : Forecast announced on February 8, 2022. Same for subsequent slides.

Note: Average FX rate FY2020 US\$ 1.00 = ¥106.40, FY2021 US\$ 1.00 = ¥112.68

Result of Performance recovery drivers



1. Consolidated Results for FY2021

Financial Results by Segment

Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Resources, Energy and Environment	274.7	340.0 373.8	33.8 99.0	482.3	527.5	45.2
Social Infrastructure and Offshore Facilities	166.1	160.0 181.0	21.0 14.9	226.4	250.0	23.6
Industrial Systems and General-Purpose Machinery	365.2	400.0 384.5	(15.4) 19.3	175.3	180.7	5.4
Aero Engine, Space and Defense	268.9	280.0 304.7	24.7 35.7	248.5	283.8	35.2
Total Reportable Segment	1,075.0	1,180.0 1,244.1	64.1 169.1	1,132.6	1,242.1	109.5
Others	70.7	54.7	(15.9)	32.3	22.8	(9.5)
Adjustment	(48.7)	(37.6)	11.0	-	-	-
Total	1,097.0	1,190.0 1,261.2	71.2 164.2	1,165.0	1,265.0	99.9

Overseas orders received / order backlog	367.9	511.8	143.9	313.2	342.3	29.0
% of Overseas orders received / order backlog	34%	41%	7%	27%	27%	0%

1. Consolidated Results for FY2021

Financial Results by Segment

■ Revenue & Operating profit

(In billion yen)

	Revenue			Operating profit		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Resources, Energy and Environment	317.6	350.0 344.4	(5.5) 26.7	19.1	23.0 22.9	0.0 3.8
Social Infrastructure and Offshore Facilities	157.9	170.0 167.3	(2.6) 9.3	17.1	15.0 15.3	0.3 (1.7)
Industrial Systems and General-Purpose Machinery	374.2	390.0 376.9	(13.0) 2.7	11.4	17.0 12.8	(4.1) 1.4
Aero Engine, Space and Defense	251.5	270.0 265.2	(4.7) 13.7	(40.1)	(13.0) (9.3)	3.6 30.8
Total Reportable Segment	1,101.4	1,180.0 1,154.0	(25.9) 52.6	7.5	42.0 41.8	(0.1) 34.2
Others	60.5	62.7	2.1	2.3	(1.0)	(3.3)
Adjustment	(49.0)	(43.9)	5.1	18.0	40.6	22.6
Total	1,112.9	1,190.0 1,172.9	(17.0) 59.9	27.9	80.0 81.4	1.4 53.5

Overseas revenue	413.9	495.5	81.5
% of overseas revenue	37%	42%	5%

1. Consolidated Results for FY2021

Financial Results by Segment

- Analysis of change in operating profit from the previous fiscal year

(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)	3.3	1.1	(0.1)	0.5	3.8
Social Infrastructure and Offshore Facilities	(1.4)		0.1	(0.8)	0.4	(1.7)
Industrial Systems and General-Purpose Machinery	0.8	1.6	0.3	(2.3)	1.0	1.4
Aero Engine, Space and Defense	7.3	10.6	6.5	(0.3)	6.7	30.8
Total Reportable Segment	5.6	15.5	8.0	(3.6)	8.7	34.2
Others	0.6	0.5			(4.4)	(3.3)
Adjustment	(0.8)			(8.7)	32.1	22.6
Total	5.4	16.0	8.0	(12.3)	36.4	53.5

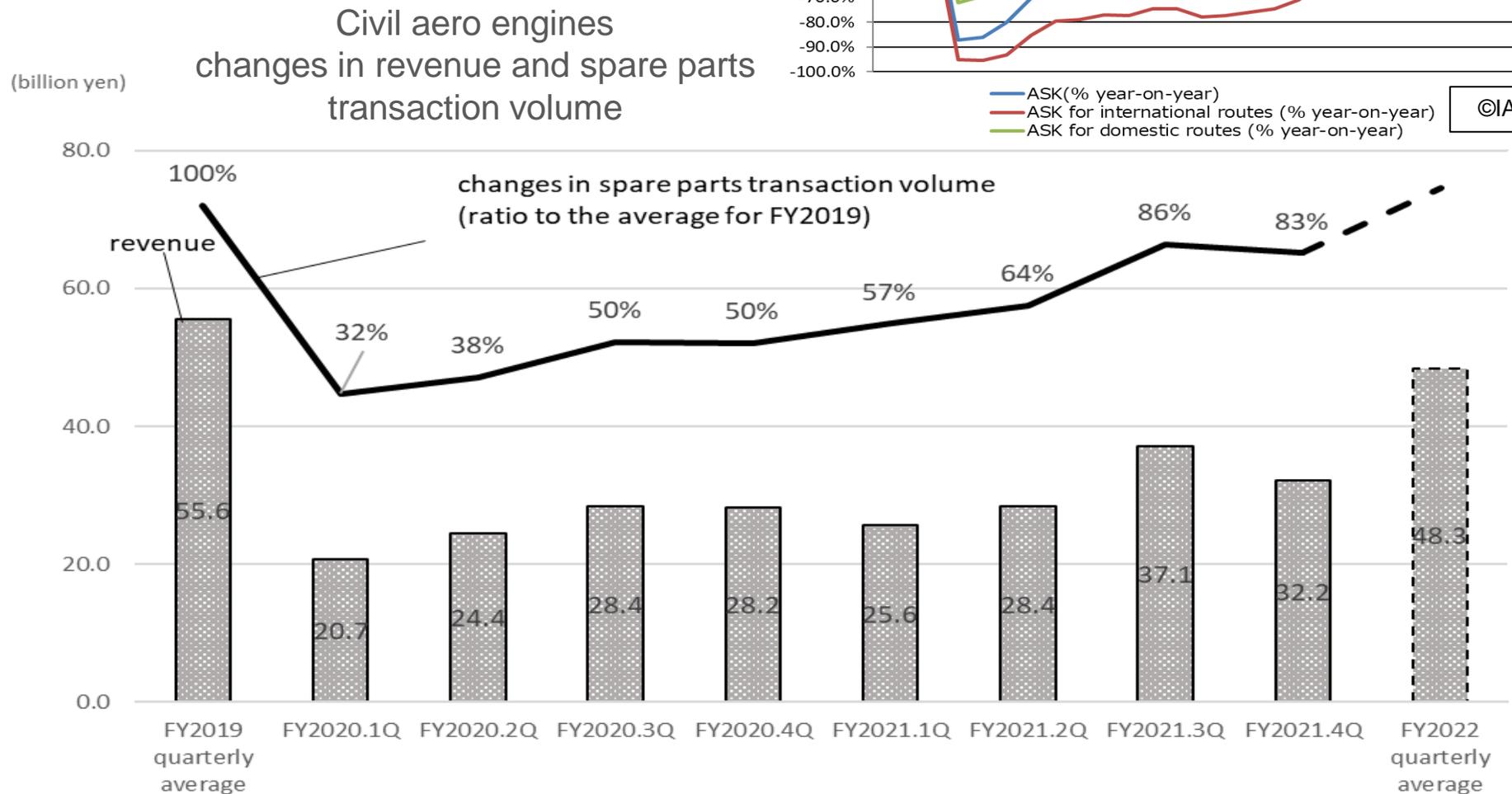
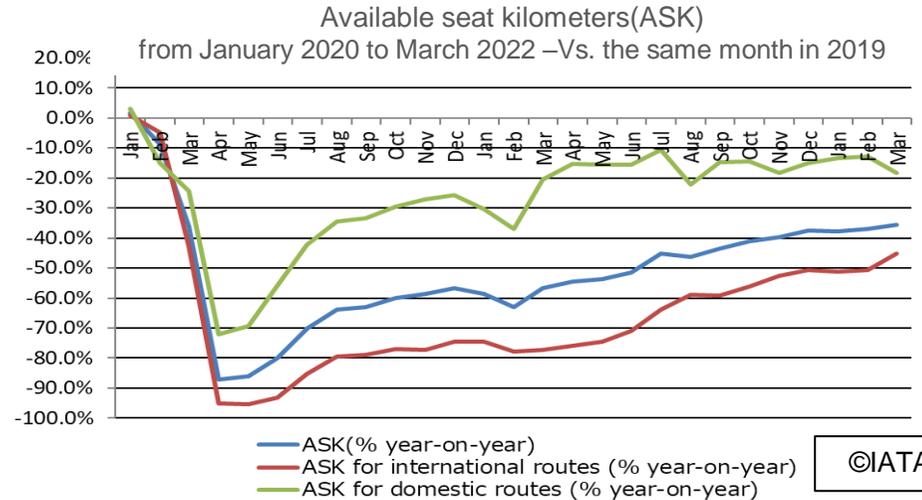
There are cases that the aggregated amount of each segment or factor doesn't match to the total due to rounding off.

1. Consolidated Results for FY2021

Financial Results by Segment (Civil aero engines)



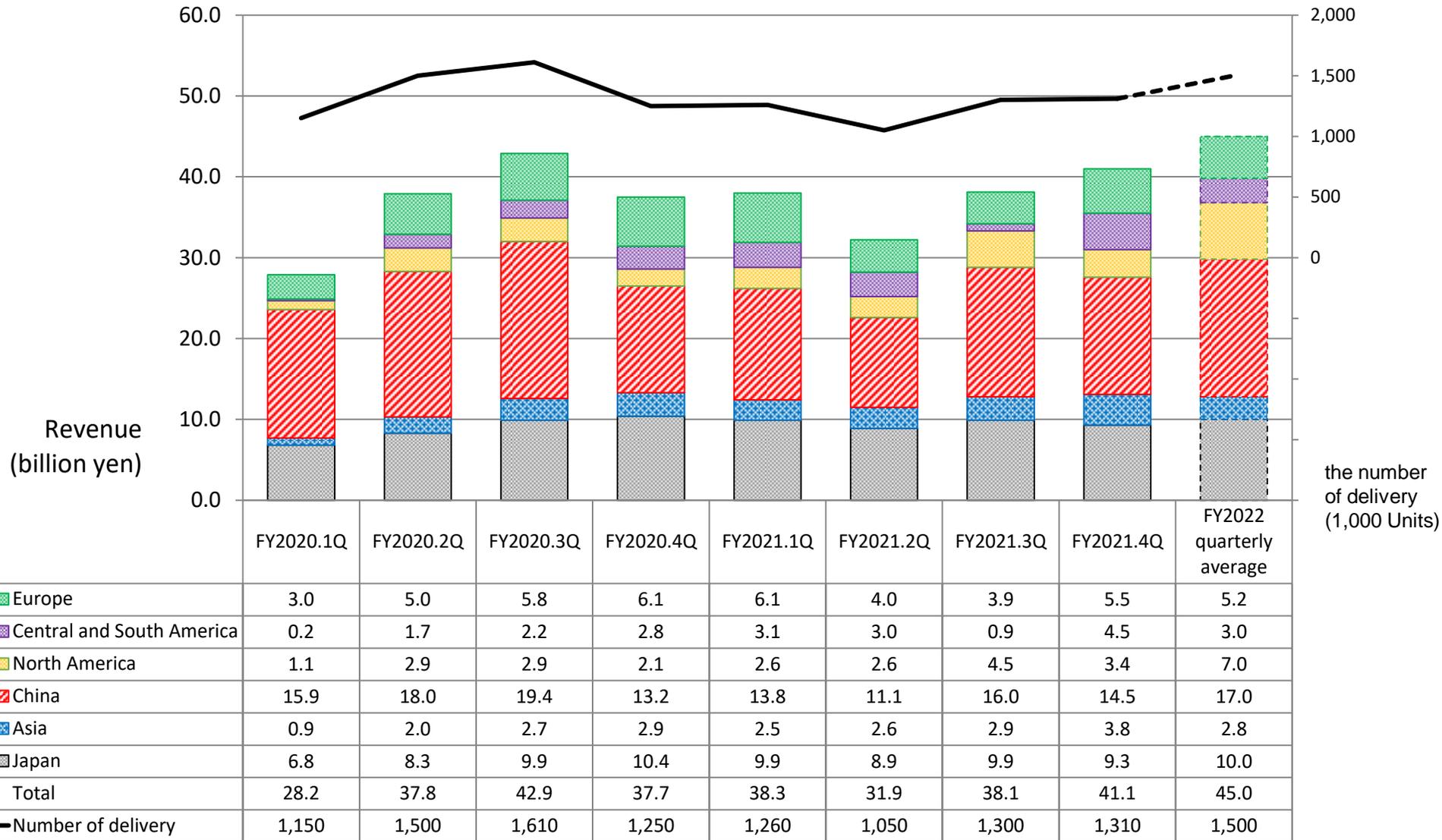
Demand for aero transportation continues to recover moderately, and the transaction volume of spare parts also continues to recover.



1. Consolidated Results for FY2021

Vehicular turbochargers

Vehicular turbochargers : The number of delivery and revenue by region



The impact of the lockdown in China is beginning to become apparent, in addition to the delay in recovery from reduced automobile production.

1. Consolidated Results for FY2021

Finance Income / Costs etc.

(In billion yen)

	FY2020	FY2021	Change
Foreign exchange gains (losses)	3.4	7.5	4.0
Share of profit (loss) of investments accounted for using equity method	(1.9)	1.1	3.1
Other finance income (costs)	(1.8)	(2.5)	(0.7)
Finance income / costs etc.	(0.3)	6.1	6.4

Change of FX rate(US\$) FY2020 ¥ 1.82 (beginning ¥108.83→end ¥110.65)
 FY2021 ¥ 11.74 (beginning ¥110.65→end ¥122.39)

1. Consolidated Results for FY2021

Financial Position

(In billion yen)

	As of March 31, 2021	As of March 31, 2022	Change
Total assets	1,832.8	1,879.6	46.7
[Cash and cash equivalents]	[120.7]	[145.4]	[24.7]
[Trade receivables & contract assets]	[456.3]	[474.5]	[18.1]
[Inventories]	[326.4]	[340.1]	[13.6]
Total liabilities	1,505.1	1,472.6	(32.5)
[Trade payables etc.]	[234.4]	[235.4]	[0.9]
[Contract liabilities]	[165.8]	[214.7]	[48.9]
[Interest-bearing liabilities]	[605.9]	[505.5]	[(100.3)]
Bonds and borrowings	[463.1]	[372.2]	[(90.9)]
Lease liabilities *1	[142.8]	[133.3]	[(9.4)]
Total equity	327.7	407.0	79.3
Equity attributable to owners of parent	300.7	382.1	81.3
Non-controlling interests	26.9	24.9	(2.0)
Total liabilities and equity	1,832.8	1,879.6	46.7
D/E ratio (times) *2	1.85	1.24	(0.61)
Ratio of equity attributable to owners of parent (%) *3	16.4	20.3	3.9
ROIC (%) *4	2.2	6.4	4.2
CCC (days) *5	124	112	(12)

*1 Including liabilities corresponding to operating leases under Japanese GAAP
(¥111.9 billion and ¥107.3 billion as of March 31, 2021 and March 31, 2022)

*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

*4 ROIC = (Operating profit + Interest income and dividend income) after tax / (Equity attributable to owners of parent + Interest bearing liabilities)

*5 CCC = Working capital / Revenue * 365 days

1. Consolidated Results for FY2021

Cash Flows

IHI

(In billion yen)

	FY2020	FY2021	Change
Profit before tax	27.6	87.6	60.0
Depreciation *1	69.8	67.5	(2.3)
Change in working capital *2	(56.0)	23.0	79.0
Other	(5.0)	^{*3} (64.0)	(58.9)
Cash flows from operating activities	36.3	114.1	77.7
Cash flows from investing activities	(40.4)	27.9	68.4
Free cash flow	(4.1)	142.0	146.1
Cash flows from financing activities	(23.7)	(121.4)	(97.7)

Top left of table : Forecast announced on February 8, 2022.

*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.

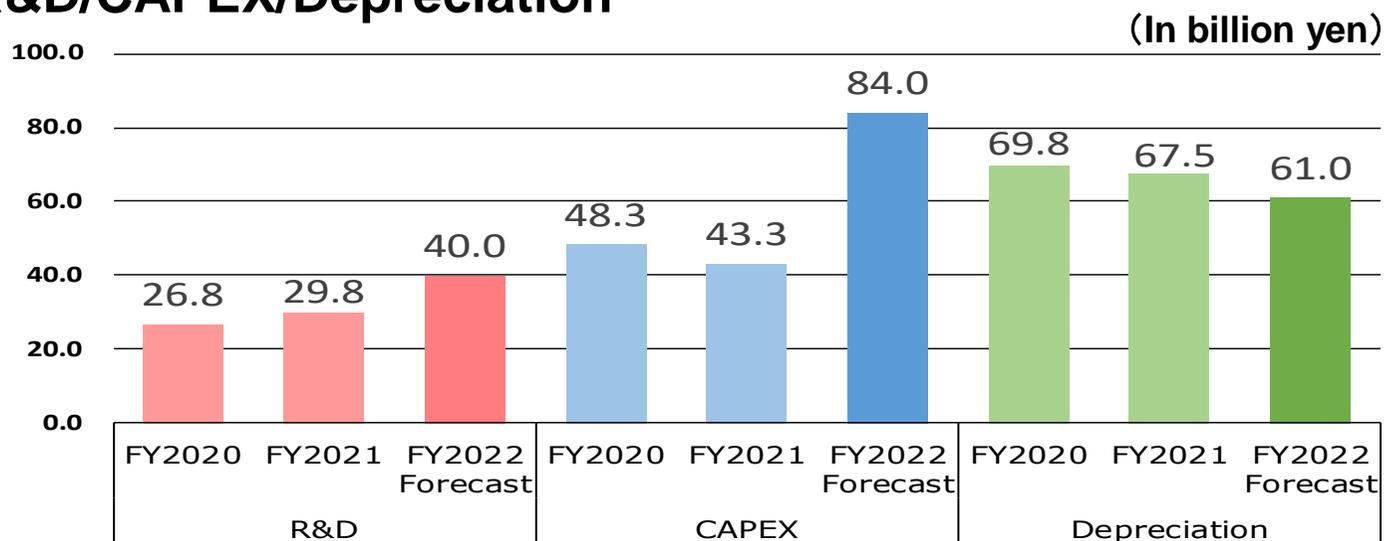
*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

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 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.

(2) Revenue by Region

(In billion yen)

	FY2020	FY2021
Japan	698.9	677.3
Asia	118.9	164.1
China	99.5	87.9
North America	126.1	153.9
Central and South America	8.5	13.4
Europe	52.8	67.0
Others	7.9	8.9
Total	1,112.9	1,172.9

(3) Assets balance by Segment

(In billion yen)

	Assets balance		
	As of March 31, 2021	As of March 31, 2022	Change
Resources, Energy and Environment	293.4	300.1	6.6
Social Infrastructure and Offshore Facilities	298.9	290.9	(7.9)
Industrial Systems and General-Purpose Machinery	335.5	329.7	(5.8)
Aero Engine, Space and Defense	692.8	716.3	23.4
Total Reportable Segment	1,620.8	1,637.1	16.3
Others	177.6	184.1	6.4
Adjustment	34.4	58.4	23.9
Total	1,832.8	1,879.6	46.7

2. Forecasts of the Consolidated Results for FY2022

2. Forecasts of the Consolidated Results for FY2022

Summary of Forecasts

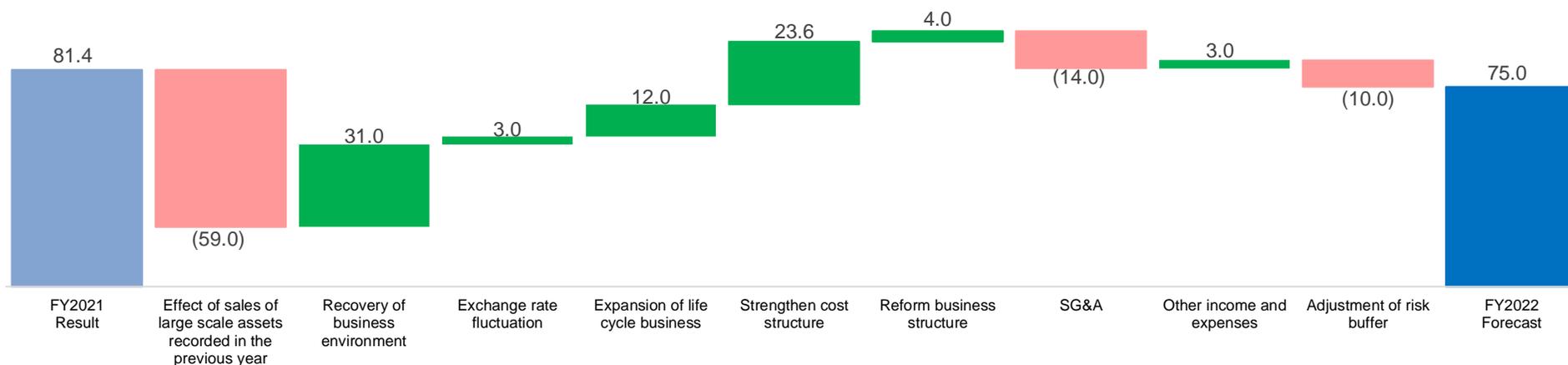
Assumed FX rate US\$ 1.00 = ¥115

(In billion yen)

	FY2021 Results	FY2022 Forecast	Change
Orders received	1,261.2	1,280.0	18.7
Revenue	1,172.9	1,300.0	127.0
Operating profit	81.4	75.0	(6.4)
Profit before tax	87.6	65.0	(22.6)
Profit attributable to owners of parent	66.0	40.0	(26.0)

(Reference) FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US\$ ¥1.2 billion

Analysis of change in operating profit from the previous fiscal year



Dividend forecast

80yen per share (Interim 40yen, year-end 40yen)

2. Forecasts of the Consolidated Results for FY2022

Forecasts by Segments

■ Orders received

(In billion yen)

	FY2021 Results	FY2022 Forecast	Change
Resources, Energy and Environment	373.8	340.0	(33.8)
Social Infrastructure and Offshore Facilities	181.0	170.0	(11.0)
Industrial Systems and General-Purpose Machinery	384.5	440.0	55.4
Aero Engine, Space and Defense	304.7	330.0	25.2
Total Reportable Segment	1,244.1	1,280.0	35.8
Others	54.7	50.0	(4.7)
Adjustment	(37.6)	(50.0)	(12.3)
Total	1,261.2	1,280.0	18.7

2. Forecasts of the Consolidated Results for FY2022

Forecasts by Segments

■ Revenue & Operating profit

(In billion yen)

	Revenue			Operating profit		
	FY2021 Results	FY2022 Forecast	Change	FY2021 Results	FY2022 Forecast	Change
Resources, Energy and Environment	344.4	360.0	15.5	22.9	26.0	3.0
Social Infrastructure and Offshore Facilities	167.3	170.0	2.6	15.3	17.0	1.6
Industrial Systems and General-Purpose Machinery	376.9	430.0	53.0	12.8	27.0	14.1
Aero Engine, Space and Defense	265.2	340.0	74.7	(9.3)	30.0	39.3
Total Reportable Segment	1,154.0	1,300.0	145.9	41.8	100.0	58.1
Others	62.7	50.0	(12.7)	(1.0)	2.0	3.0
Adjustment	(43.9)	(50.0)	(6.0)	40.6	(27.0)	(67.6)
Total	1,172.9	1,300.0	127.0	81.4	75.0	(6.4)

2. Forecasts of the Consolidated Results for FY2022

Forecasts by Segments

■ Analysis of change in operating profit from the previous fiscal year

- In the segment of Industrial Systems and General-Purpose Machinery, revenue and operating profit are expected to increase due to the expansion of life cycle business, the recovery of the business environment centered on Vehicular turbochargers, and the strengthening of cost structure by lowering the break-even point.
- In the segment of Aero Engine, Space and Defense, revenue and operating profit are expected to increase and return to profitability due to increased sales of spare parts and improved productivity in Civil aero engines.

(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	5.0	2.0		(4.0)		3.0
Social Infrastructure and Offshore Facilities		1.6		(1.0)	1.0	1.6
Industrial Systems and General-Purpose Machinery	8.0	5.1		(3.0)	4.0	14.1
Aero Engine, Space and Defense	31.0	14.4	3.0	(3.0)	(6.0)	39.3
Total Reportable Segment	44.0	23.1	3.0	(11.0)	(1.0)	58.1
Others	(1.0)			(1.0)	5.0	3.0
Adjustment		0.4		(2.0)	(66.0)	(67.6)
Total	43.0	23.5	3.0	(14.0)	(62.0)	(6.4)

2. Forecasts of the Consolidated Results for FY2022

Cash Flows

- Despite increase in revenue scale, cash flows from operating activities are expected to exceed that of FY2021 by suppressing working capital increase through inventory reduction, etc.
- Accelerate investments to create growth businesses.

(In billion yen)

	FY2021 Results	FY2022 Forecast	Change
Profit before tax	87.6	65.0	(22.6)
Depreciation *1	67.5	61.0	(6.5)
Change in working capital *2	23.0	0.0	(23.0)
Other	(64.0)	4.0	68.0
Cash flows from operating activities	114.1	130.0	15.8
Cash flows from investing activities	27.9	(90.0)	(117.9)
Free cash flows	142.0	40.0	(102.0)

*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

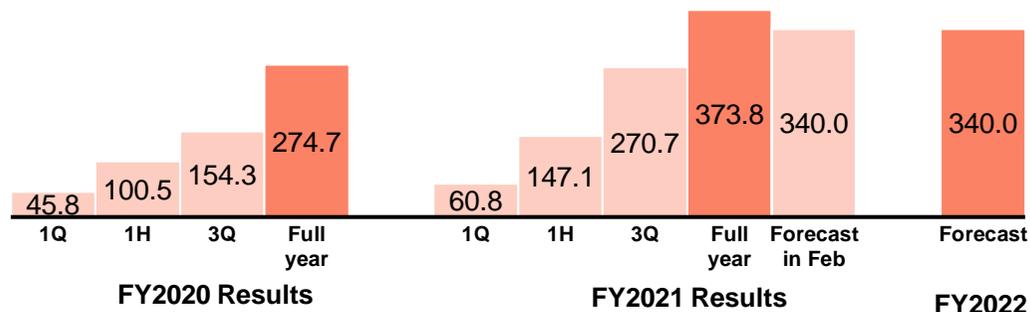
3. Financial Results by Segment



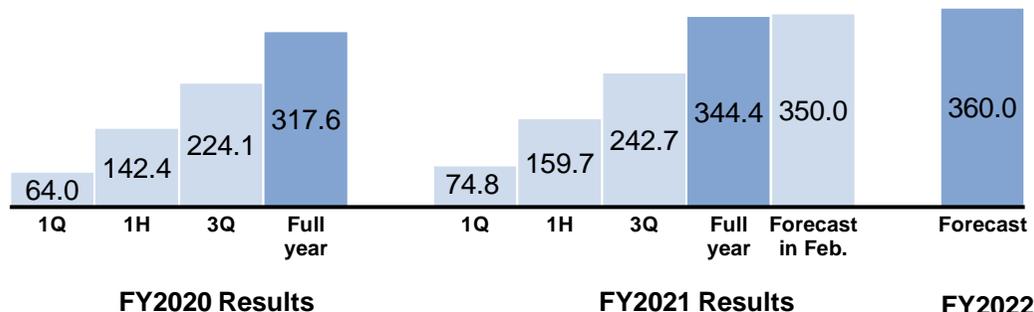
3. Financial Results by Segment Resources, Energy and Environment

(In billion yen, accumulated amount)

Orders received



Revenue



Operating Profit



Main Businesses : Power systems, Carbon solutions and Nuclear energy

FY2021 Results (vs FY2020 Results)

【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, in addition to the improvement in profitability in Carbon solutions and Power systems.

FY2022 Forecasts (vs FY2021 Results)

- Orders received is expected to decrease in Nuclear energy.
- Revenue and operating profit are expected to increase due to the expansion of life cycle business in Carbon solutions and Nuclear energy.

3. Financial Results by Segment Resources, Energy and Environment

(In billion yen)

	Orders received										Revenue								
	FY2020				FY2021				FY2022	FY2020				FY2021				FY2022	
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	
Power systems	19.0	35.2	50.5	71.9	25.5	41.4	60.4	84.6	86.0	18.8	38.3	61.1	87.1	18.6	38.4	61.0	88.9	87.0	
Carbon solutions *	13.5	27.3	46.6	119.9	15.4	62.2	115.6	159.1	173.0	33.0	78.7	119.2	159.4	35.2	76.4	112.9	155.8	163.0	
Nuclear energy	9.1	15.3	27.2	42.6	10.4	26.9	58.4	70.7	37.0	4.5	10.0	18.1	32.7	6.0	16.3	28.0	45.3	74.0	

***In accordance with the SBU reorganization in FY2021, results in FY2020 are rearranged.**

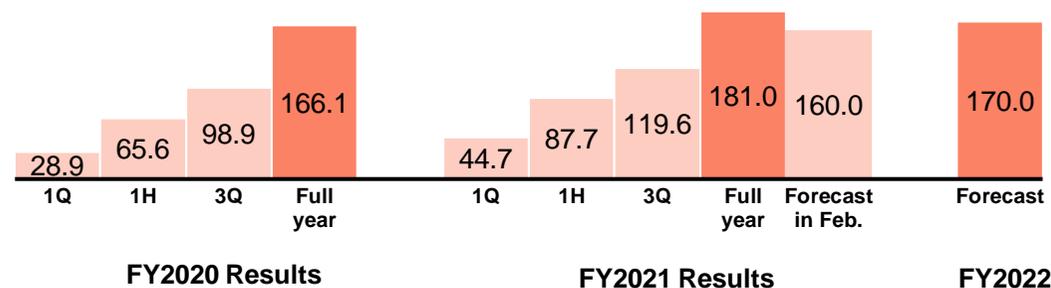
3. Financial Results by Segment

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



FY2021 Results (vs FY2020 Results)

【Orders received】

Increased in Bridges and water gates.

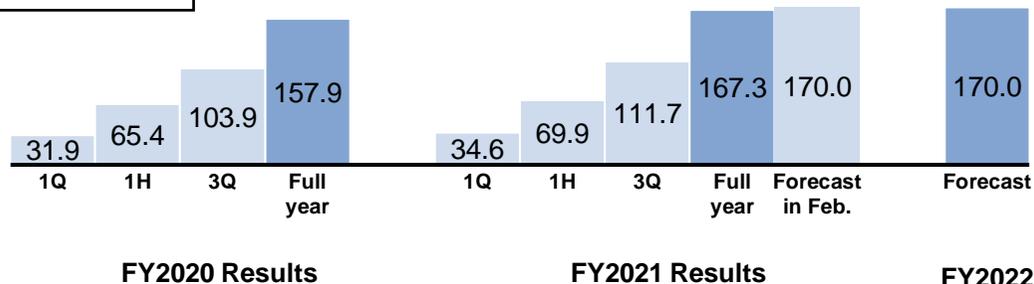
【Revenue】

Despite decreased real estate sales in Urban development, increased in Bridges and water gates and Shield systems.

【Operating profit】

Despite increased sales, decreased due to a decline in real estate sales and the impact of soaring steel prices and marine transportation costs in Bridges and water gates.

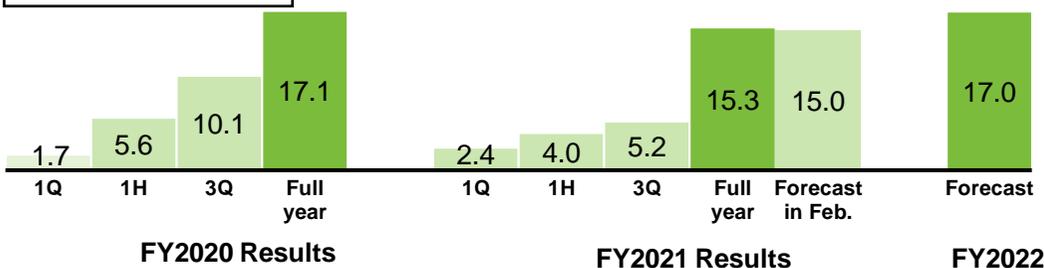
Revenue



FY2022 Forecasts (vs FY2021 Results)

- Orders received is expected to decrease in Bridges and water gates.
- Revenue and operating profit are expected to increase due to an increase in maintenance projects and the strengthening of the cost structure by thorough management of overseas projects in Bridges and water gates.

Operating Profit



3. Financial Results by Segment

Social Infrastructure and Offshore Facilities

(In billion yen)

	Orders received									Revenue								
	FY2020				FY2021				FY2022 Full year (Forecast)	FY2020				FY2021				FY2022 Full year (Forecast)
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year		1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	
Bridges and water gates	11.1	29.9	43.7	79.3	31.2	61.4	80.6	110.9	92.0	15.1	31.2	49.4	76.8	17.8	33.6	55.5	89.6	102.0
Shield systems	4.7	7.3	9.6	21.7	1.2	4.4	8.6	14.6	32.0	3.5	9.1	12.3	19.4	5.8	12.0	17.5	22.7	21.0
Urban development	6.5	12.7	18.9	23.9	4.6	9.4	14.1	18.4	17.0	6.6	11.4	18.9	23.9	4.6	9.6	14.0	18.6	17.0

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

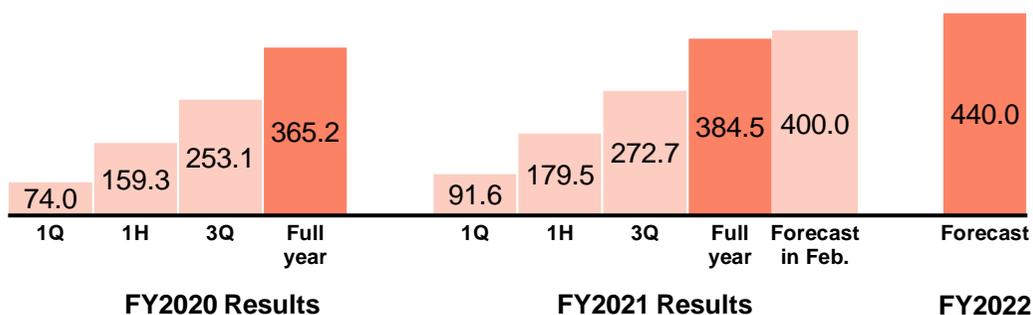
3. Financial Results by Segment

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



FY2021 Results (vs FY2020 Results)

【Orders received】

Increased in Heat treatment and surface engineering and Rotating machineries.

【Revenue】

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

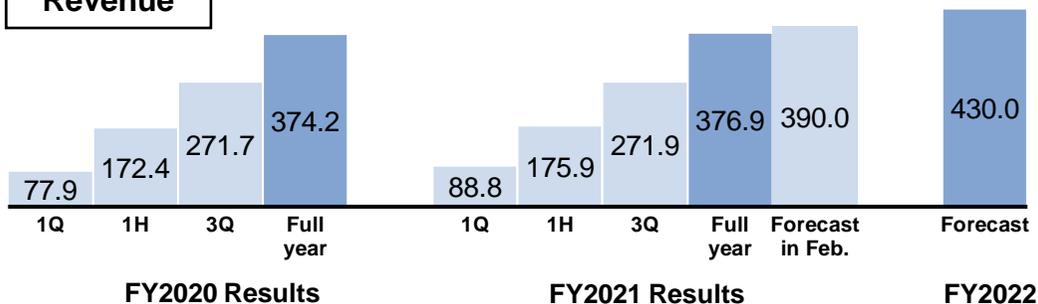
【Operating profit】

Although recorded restructuring cost in Vehicular turbochargers, increased due to the effect of the restructuring cost recorded in Agricultural machineries in the previous fiscal year, in addition to increased revenue and improved profitability.

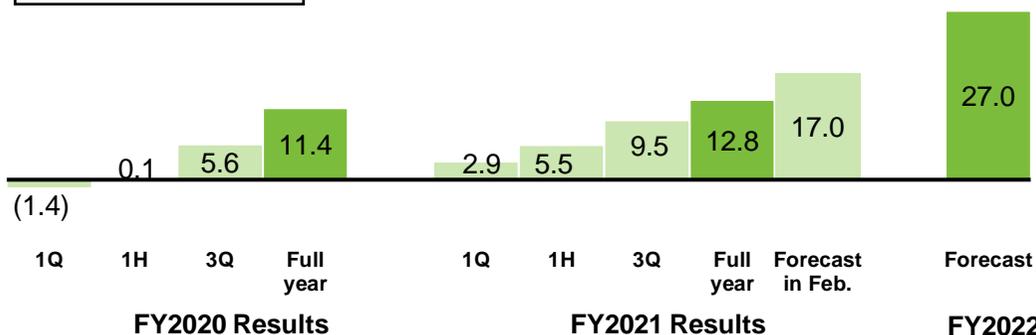
FY2022 Forecasts (vs FY2021 Results)

- Orders received is expected to increase in Vehicular turbochargers.
- Revenue and operating profit are expected to increase due to the effect of the restructuring cost recorded in the previous fiscal year, in addition to the expansion of life cycle business, the recovery of the business environment centered on Vehicular turbochargers, and the strengthening of cost structure by lowering the break-even point.

Revenue



Operating Profit



3. Financial Results by Segment

Industrial Systems and General-Purpose Machinery

(In billion yen)

	Orders received										Revenue								
	FY2020				FY2021				FY2022	FY2020				FY2021				FY2022	
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	
Vehicular turbochargers	28.3	66.2	108.9	146.9	38.6	71.4	110.0	151.8	180.0	28.2	66.0	108.9	146.6	38.3	70.2	108.3	149.4	180.0	
Parking	10.2	21.8	34.2	50.2	10.6	22.9	33.3	52.4	54.0	9.3	20.5	33.5	46.0	9.1	19.6	31.9	47.2	55.0	
Rotating machineries	12.0	23.2	33.5	46.6	13.6	26.7	39.1	55.9	58.0	10.3	23.0	36.0	49.7	11.9	23.7	37.6	52.7	56.0	
Heat treatment and surface engineering	5.6	11.8	19.3	29.8	10.7	20.9	32.6	43.5	45.0	6.7	13.7	21.4	30.4	8.7	18.6	28.5	39.6	43.0	
Transport machineries	4.9	8.3	12.1	29.6	4.1	9.7	13.5	23.0	32.0	10.2	19.7	29.1	40.0	7.3	16.4	24.2	31.0	33.0	

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

<Number of vehicular turbochargers delivered>

(1,000 Units)

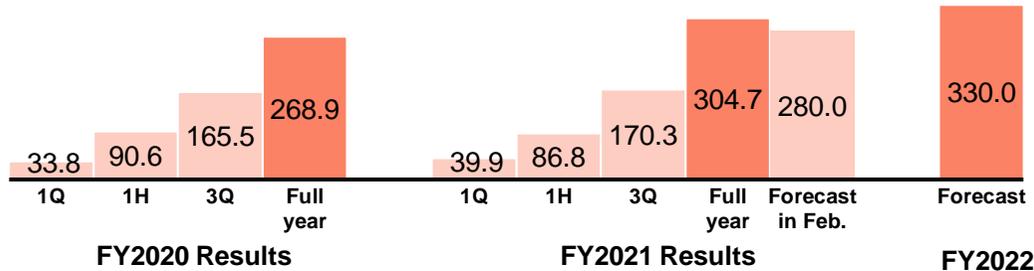
	Full Year
FY2020	5,510
FY2021	4,920
FY2022 Forecast	6,000

3. Financial Results by Segment

Aero Engine, Space and Defense

(In billion yen, accumulated amount)

Orders received



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

FY2021 Results (vs FY2020 Results)

【Orders received】

Increased in Civil aero engines.

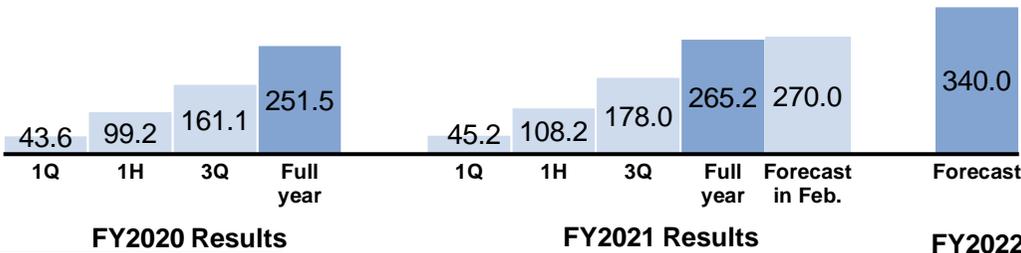
【Revenue】

Increased due to increased sales of engines and spare parts in Civil aero engines.

【Operating profit】

The loss narrowed due to the depreciation of the yen, in addition to increased sales of spare parts and strengthening the cost structure including reductions in overall costs.

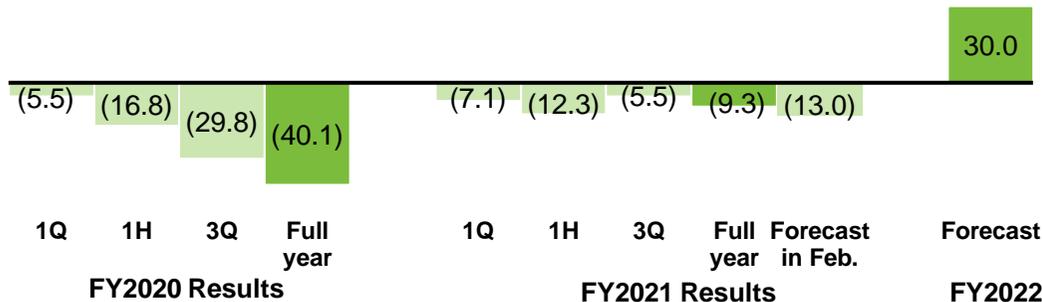
Revenue



FY2022 Forecasts (vs FY2021 Results)

- Orders received is expected to increase in Civil aero engines.
- Revenue and operating profit are expected to increase and return to profitability due to increased sales of spare parts and improved productivity in Civil aero engines.

Operating Profit



3. Financial Results by Segment

Aero Engine, Space and Defense

(In billion yen)

	Orders received									Revenue								
	FY2020				FY2021				FY2022	FY2020				FY2021				FY2022
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)
Civil aero engines	21.5	44.3	72.4	100.8	25.7	53.5	89.9	121.9	195.0	20.7	45.1	73.5	101.7	25.6	54.0	91.1	123.3	193.0

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

<Number of civil aero engines delivered>

(Units)

	Full Year
FY2020	842
FY2021	789
FY2022 Forecast	1,072

< Appendices >

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

Commencement of Technical and Economic Feasibility Study in order to Achieve Ammonia Co-Firing at a Coal Fired Power Plant in India



IHI, Adani Power Limited (“APL”), India's largest power generation company, and Kowa Company Ltd. have signed a basic agreement to verify the technology and economics of applying ammonia co-firing to the Adani Power Mundra Coal Fired Power Plant, owned by APL. The aim of the project is to reduce CO₂ emissions from Coal Fired Power Plants in India. We are going to conduct various technical studies based on the premise of 20% ammonia co-firing with the existing Coal Fired boilers at the Adani Power Mundra Coal Fired Power Plant, and also study and discuss the possibility of future higher co-firing ratio up to 100% mono-firing.

<Adani Power Mundra Coal Fired Power Plant (left)>

Order received for EPC Contract for Demonstration Plant at Australian Carbon-Free Hydrogen Project

The IHI Group was awarded a contract for an engineering procurement and construction contract for the Kogan Renewable Hydrogen Demonstration Plant from Australian electricity provider, CS Energy Ltd.

The project will produce green hydrogen through electrolysis powered by a nearby solar farm and through battery energy storage. It will sell surplus electricity to the power grid.

Through this new demonstration plant, IHI and CS Energy are going to lead decarbonization in Australia by leveraging the knowledge gained from developing and operating the Soma IHI Green Energy Center in Fukushima Prefecture that began operations in 2018.



<Impression of plant>

Order received for energy storage system for use with one of the largest solar power generation facilities in the United States



IHI Terrasun Solutions Inc. (“Terrasun”), a subsidiary located in the United States, has received orders for an energy storage system from the major US power operator Primergy Solar LLC, including storage batteries, and an energy management system (“EMS”) for simultaneous management of an entire power generation facility. The system will be used in the Gemini project comprising one of the largest solar power generation and energy storage facilities in the United States.

Terrasun will adopt technologies to efficiently store excess electricity supplied by the solar power facilities in storage batteries, instead of discarding it, and will be responsible for the entire EMS, which manages the various items of equipment. The company will also provide long-term lifecycle services, such as servicing, inspection and maintenance of the energy storage facility over a period of 25 years.

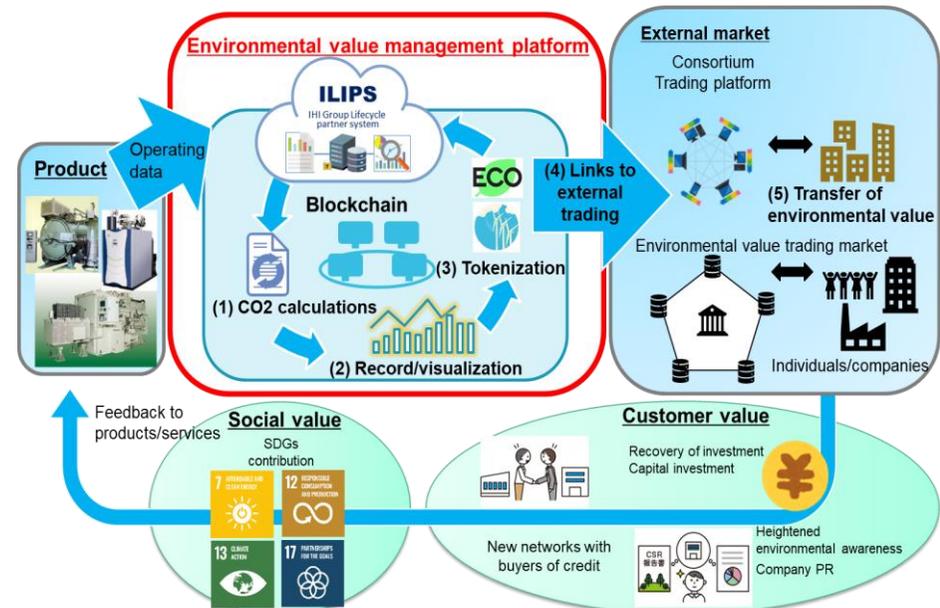
<Solar power generation/energy storage system (left)>

Construction and implementation of a digital platform for managing and converting CO₂ emissions and reductions into environmental value: using blockchain technology for external distribution

IHI has implemented an environmental value management function in its IoT platform, ILIPS (IHI group Lifecycle Partner System) that connects customers.

Under this framework, conventional amount of CO₂ emissions and reductions are automatically calculated, recorded and visualized in the blockchain based on operating data accumulated in the ILIPS cloud. In addition, a function has been implemented to enable the amount of CO₂ emissions reductions to be converted to an environmental value in the form of tokens (digital certificate), which can be linked to external market.

Using this framework, reduced CO₂ can be traded/converted in credit market and it will enable customers to recover their investments and move forward with additional capital investment, thus driving activities that help achieve a decarbonized society.



<System overview>

Financial Performance

(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	FY2022 (Forecast)
	1,280.0	1,097.0	1,261.2	1,280.0
	1,263.1	1,112.9	1,172.9	1,300.0
	47.8	27.9	81.4	75.0
	8.2	13.0	66.0	40.0
	42.4	36.3	114.1	130.0
	(85.5)	(40.4)	27.9	(90.0)
	(43.0)	(4.1)	142.0	40.0
	50 (Interim 30, Year-end 20)	0	70 (Interim 30, Year-end 40)	80 (Interim 40, Year-end 40)
	4.1	2.2	6.4	6.0
	3.8	2.5	6.9	5.8
	92	124	112	99
	2.00	1.85	1.24	1.09
	2.8	4.5	19.3	10.2
	15.0	16.4	20.3	22.5

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	
Revenue (In billion yen)	143.6	169.8	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	
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	7,756	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	2,925	Boeing B777
CF34	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,926	For regional jet (70 to 110 seats)
GEEx	118	259	468	751	1,035	1,295	1,542	1,826	2,159	2,328	2,425	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,784	2,144	2,585	Airbus A320Neo
Passport20							13	66	142	202	269	Bombardier Global7500
Total	9,739	10,864	12,063	13,415	14,675	15,957	17,163	18,684	20,255	21,097	21,886	

(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)

	Japanese GAAP							IFRS			
	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22 Forecast
Japan	33.9	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	40.0
Asia	24.8	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	11.0
China	18.1	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	68.0
North America	1.3	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	28.0
Central and South America	0.0	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	12.0
Europe	43.2	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	21.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Total	121.6	150.7	167.7	161.6	174.6	220.5	189.5	153.6	146.6	149.4	180.0
The number of delivery (1,000 Units)	5,180	5,540	5,890	5,360	6,100	7,900	6,760	6,000	5,510	4,920	6,000

(1) Lease revenue in Toyosu

(In billion yen)

	Results										Forecast
	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22
Lease revenue	9.2	9.1	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.1

(2) Lease revenue and expense in Toyosu (FY2021)

(In billion yen)

	Lease revenue	Lease expense		Profit
		Depreciation	Others	
FY2021	12.1	5.2	4.6	2.2

(3) Fair value of investment property in Toyosu (as of March 31, 2022)

(In billion yen)

	Carrying amount			Fair value as of March 31, 2022(B)	(B) - (A)
	Balance as of April 1, 2021	Net change	Balance as of March 31, 2022(A)		
FY2021	102.6	(3.0)	99.6	226.1	126.5

(Note) The carrying amount is calculated by subtracting accumulated depreciation and impairment losses from acquisition cost. Fair value as of March 31, 2022 is based on the values mainly in the appraisal report by external real estate appraisers.

Development Plan for Toyosu 1 to 3 chome Area

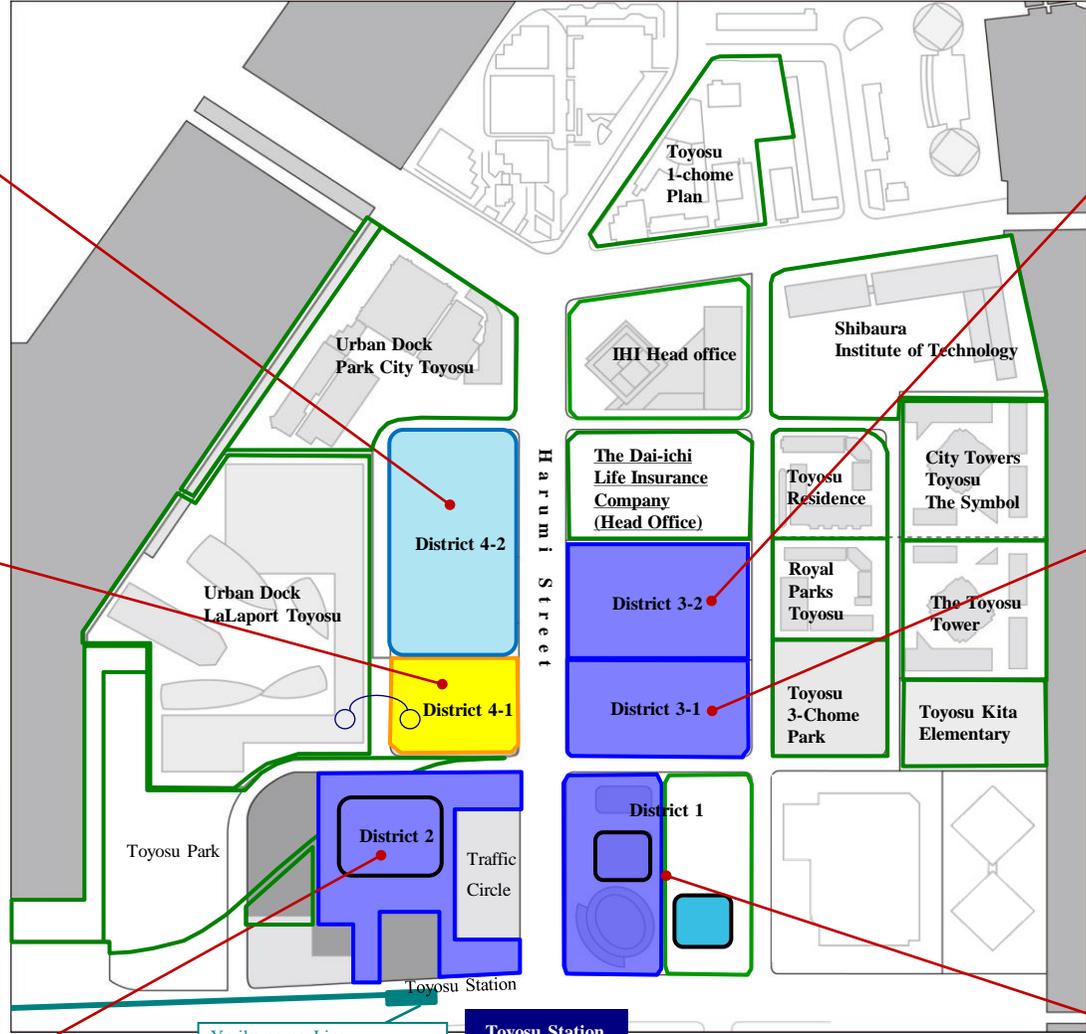
Development Plan for District 4-2
 Site area : 19,493㎡
 Planned construction schedule from 2022 summer to 2025 summer



Urban Dock LaLaport Toyosu ANNEX
 5 floors above ground, Approx. 25m high
 Store floor space : 24,721㎡
 Opened in October 2006



Toyosu Bayside Cross Tower A・C
 36 floors above ground, Approx. 178m high
 Gross floor area : 185,000㎡
 Completed in March 2020

Toyosu Foresia
 16 floors above ground, Approx. 75m high,
 Gross floor area : 101,503㎡
 Completed in July 2014



Toyosu Front
 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



Property of IHI	Approx. 5ha
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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.