

**CONSOLIDATED FINANCIAL REPORT
FOR THE THREE MONTHS ENDED JUNE 30, 2023
<IFRS>**

IHI Corporation (IHI) is listed on the Prime Market of the Tokyo Stock Exchange with the securities code number 7013.

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Submission date of Quarterly Securities Report: August 10, 2023 (planned)
Commencement of Dividend Payments: —

Preparing supplementary material on financial results: Yes
Holding financial results presentation meeting: Yes (for institutional investors, analysts and the media)

This consolidated financial report has been prepared in accordance with International Financial Reporting Standards (hereinafter, “IFRS”).

Figures are in Japanese yen rounded to the nearest millions.

1. CONSOLIDATED PERFORMANCE FOR THE THREE MONTHS ENDED JUNE 30, 2023 (APRIL 1, 2023 to JUNE 30, 2023)**(1) Consolidated Business Results**

(Millions of yen, except per share figures; percentage changes show the rate of increase or decrease from the previous corresponding period)

	Revenue	Percentage Change	Operating Profit	Percentage Change	Profit before Tax	Percentage Change	Profit	Percentage Change
Three months ended June 30, 2023	298,457	12.9%	8,929	18.2%	12,731	(24.7%)	6,771	(29.2%)
Three months ended June 30, 2022	264,290	7.8%	7,553	(62.7%)	16,902	(22.3%)	9,559	(37.7%)

	Profit Attributable to Owners of Parent	Percentage Change	Comprehensive Income	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Three months ended June 30, 2023	5,606	(34.0%)	19,731	5.4%	36.96	36.96
Three months ended June 30, 2022	8,494	(40.1%)	18,712	21.7%	56.15	56.15

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of June 30, 2023	1,988,868	466,864	441,512	22.2%
As of March 31, 2023	1,941,964	456,251	431,245	22.2%

2. DIVIDENDS

(Yen)

(Record Date)	Dividends per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Annual
Fiscal year ended March 31, 2023	—	40.00	—	50.00	90.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	50.00	—	50.00	100.00

(Note) Revisions to the dividend forecasts most recently announced: No

3. CONSOLIDATED FORECASTS OF RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2024 (APRIL 1, 2023 to MARCH 31, 2024)

(Millions of yen, except per share figures; percentages show the rate of changes from the previous fiscal year)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
Full-year	1,450,000	7.2%	90,000	9.8%	85,000	31.0%	50,000	12.2%	329.64

(Note) Revisions to the forecasts of results most recently announced: No

* NOTES

(1) Changes in significant subsidiaries during the three months

(Changes in specified subsidiaries accompanying changes in scope of consolidation): Not applicable

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: Not applicable
- (ii) Changes in accounting policies due to other reasons: Not applicable
- (iii) Changes in accounting estimates: Not applicable

(3) Number of shares issued (Ordinary shares):

- (i) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2023	154,679,954 shares
As of March 31, 2023	154,679,954 shares
- (ii) Number of treasury shares owned at the end of the period

As of June 30, 2023	3,385,751 shares
As of March 31, 2023	3,391,607 shares
- (iii) Average number of shares outstanding during the period

Three months ended June 30, 2023	151,682,035 shares
Three months ended June 30, 2022	151,260,902 shares

* This consolidated financial report is not subjected to quarterly reviews by certified public accountant or accounting auditor.

* Proper use of forecast of results, and other special matters

(Cautionary statements on forward-looking statements)

Earnings estimates made in this report and other statements that are not historical facts are forward-looking statements about the future performance of the IHI Group. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore readers should not place undue reliance on them. IHI cautions that a number of important factors such as political and general economic conditions and the yen exchange rate including its rate against US dollar could cause actual results to differ materially from those discussed in the forward-looking statements, etc.

(How to obtain supplementary material on financial results)

The supplementary material on financial results shall be posted on IHI's website.

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(1) EXPLANATION REGARDING BUSINESS RESULTS

During the three months ended June 30, 2023, the global economy has shown increasing signs of stagnation due to global inflation, monetary tightening and other factors. In addition, the recovery of the Chinese economy following the lifting of the zero-Covid policy is losing momentum. In the Japanese economy, amid an improving employment and income environment, the economy has been recovering gradually, although it is still affected by global inflation.

In the IHI Group's main business, the Civil aero engines Business, sales of spare parts remained steady along with the recovery in demand for aero transportation. The aviation industry continues to experience labor shortages as demand for aero transportation recovers and supply chain instability, and it is expected to take a little more time for the industry to fully recover. However, efforts are being made to secure parts inventories in preparation for future production increases.

While the continuing impact of the soaring prices of raw materials and equipment has been reflected in selling prices to a certain extent, the IHI Group will also accelerate efforts to strengthen the cost structure to respond flexibly to change in the environment.

R&D for aero engines as a growth business and the ammonia value chain business, etc. as a development business are progressing steadily, and efforts are underway to achieve results.

Under this business environment, orders received of the IHI Group during the three months increased 32.4% from the previous corresponding period to ¥315.4 billion. Revenue increased 12.9% from the previous corresponding period to ¥298.4 billion.

In terms of profit, operating profit increased ¥1.3 billion to ¥8.9 billion due to increases in sales of spare parts for civil aero engines and vehicular turbochargers, in addition to the effect of yen depreciation, despite decreased due to lower sales of nuclear energy related equipment and higher R&D and personnel costs. Profit before tax decreased ¥4.1 billion to ¥12.7 billion mainly due to the reduced impact of yen depreciation compared to the previous quarter, profit attributable to owners of parent decreased ¥2.8 billion to ¥5.6 billion.

Results by reportable segment for the three months ended June 30, 2023 are as follows:

(Billions of yen)

Reportable segment	Orders received			Three months ended		Three months ended		Changes from the previous corresponding period (%)	
	Three months ended June 30, 2022	Three months ended June 30, 2023	Changes from the corresponding period (%)	June 30, 2022		June 30, 2023		Revenue	Operating profit (loss)
				Revenue	Operating profit (loss)	Revenue	Operating profit (loss)		
Resources, Energy and Environment	49.0	91.7	87.1	77.2	3.5	85.1	0.1	10.1	(96.6)
Social Infrastructure	21.6	33.0	52.4	35.1	2.1	34.0	(1.2)	(3.2)	—
Industrial Systems and General-Purpose Machinery	106.6	114.0	6.9	92.7	2.2	100.2	2.5	8.0	10.6
Aero Engine, Space and Defense	59.2	74.3	25.6	57.4	1.7	78.2	9.3	36.3	451.1
Reportable segment total	236.5	313.1	32.4	262.5	9.7	297.5	10.8	13.3	11.1
Others	12.9	14.6	12.9	9.9	(0.1)	9.7	0.0	(1.3)	—
Adjustment	(11.2)	(12.3)	—	(8.1)	(1.9)	(8.8)	(1.9)	—	—
Total	238.2	315.4	32.4	264.2	7.5	298.4	8.9	12.9	18.2

Note: Monetary amounts less than first decimal are rounded down, and ratios less than one unit are rounded off.

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

Assets, liabilities and equity

Total assets at the end of the first quarter were ¥1,988.8 billion, up ¥46.9 billion compared with the end of the previous fiscal year. The major items of increase were inventories, up ¥51.2 billion and contract assets, up ¥7.3 billion. The major items of decrease were cash and cash equivalents, down ¥16.0 billion and trade and other receivables, down ¥11.5 billion.

Total liabilities were ¥1,522.0 billion, up ¥36.2 billion compared with the end of the previous fiscal year. The major item of increase was bonds and borrowings(current), up ¥69.4 billion. The major item of decrease was trade and other payables, down ¥29.0 billion. The balance of interest-bearing liabilities, including lease liabilities, was ¥588.7 billion, up ¥69.2 billion from the end of the previous fiscal year.

Equity was ¥466.8 billion, up ¥10.6 billion compared with the end of the previous fiscal year, which included profit attributable to owners of parent of ¥5.6 billion.

As a result of the above, the ratio of equity attributable to owners of parent unchanged from 22.2% at the end of the previous fiscal year.

Cash flows

At the end of the first quarter, the outstanding balance of cash and cash equivalents was ¥108.6 billion, down ¥16.0 billion from the end of the previous fiscal year.

Net cash flows from operating activities were ¥59.5 billion in excess of expenditures. This was due to increases in inventories and prepayments. Working capital has increased due to efforts to increase production for civil aero engines.

Net cash flows from investing activities were ¥13.8 billion in excess of expenditures. This was due to acquisitions of property, plant and equipment.

Net cash flows from financing activities were ¥55.4 billion in excess of incomes. This was due to proceeds from issuances of commercial papers.

(3) EXPLANATION REGARDING FUTURE PREDICTION INFORMATION SUCH AS CONSOLIDATED FORECASTS OF RESULTS

Global inflation and monetary tightening have raised fears of a global economic downturn, mainly centered around Europe and the U.S. Although the sharp rises in resource and materials prices and transportation costs have subsided, the pace of disinflation is slow, and continued vigilance is required regarding risk of a downturn due to persistently high interest rates. Expectations that the Chinese economy will grow in the same manner that it has thus far are also waning. The Japanese economy is expected to recover gradually as the employment and income environment improves.

The IHI Group is promoting initiatives based on “Group Management Policies 2023”, a three-year medium-term management plan that begins in fiscal 2023. In order to respond to drastic changes in the business environment and to transform its business into one that achieves sustainable high growth, the IHI Group will boldly shift its management resources and investments to growth businesses in the aero engines and rocket fields, which are driving its growth, and to development businesses in the clean energy field, which is expected to become future business pillars. In its core businesses of Resources, Energy and Environment, Social Infrastructure, and Industrial Systems and General-Purpose Machinery, the IHI Group will continue to create a continuous growth scenario through the transformation of its business portfolio and generate cash necessary for investments. In addition, the IHI Group will develop and acquire the human resources necessary for change, advance the sophistication of our digital infrastructure, and promote the transformation of its corporate culture and structure.

In the PW1100G-JM engines program, in which IHI participates in the Civil aero engines Business, additional inspections are required for some parts of engines shipped to customers. IHI will work in collaboration with partner companies to address this issue appropriately and make every effort to minimize the impact of future occurrences. Along with resolving this issue, IHI will provide maximum support to ensure that its customers' operations are not affected.

With regard to the consolidated forecasts of results for the fiscal year ending March 31, 2024, the overall forecasts for both revenue and profit remain unchanged from the previous forecasts (May 9, 2023) due to yen depreciation, although the IHI Group reflects the impact of delays in the supply of parts for civil aero engines caused by continuing supply chain instability. Note that foreign exchange rate of ¥130/US\$1 has been assumed in the above forecasts in and after the second quarter ending September 30, 2023. Concerning dividends, no changes have been made to the previous forecasts.

2. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	124,749	108,655
Trade and other receivables	378,446	366,884
Contract assets	144,740	152,077
Other financial assets	4,368	4,697
Inventories	374,523	425,787
Other current assets	58,918	69,271
Total current assets	1,085,744	1,127,371
Non-current assets:		
Property, plant and equipment	225,032	230,006
Right-of-use assets	102,432	102,068
Goodwill	6,486	6,947
Intangible assets	123,736	122,745
Investment property	142,550	140,884
Investments accounted for using equity method	56,578	60,168
Other financial assets	43,042	44,611
Deferred tax assets	82,280	81,137
Other non-current assets	74,084	72,931
Total non-current assets	856,220	861,497
Total assets	1,941,964	1,988,868

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities:		
Trade and other payables	247,086	218,024
Bonds and borrowings	140,370	209,839
Lease liabilities	16,726	16,441
Other financial liabilities	14,551	23,308
Income taxes payable	9,685	8,525
Contract liabilities	201,883	201,325
Provisions	22,942	23,651
Other current liabilities	178,358	166,852
Total current liabilities	831,601	867,965
Non-current liabilities:		
Bonds and borrowings	253,291	254,242
Lease liabilities	109,101	108,187
Other financial liabilities	95,479	95,559
Deferred tax liabilities	4,470	3,876
Retirement benefit liability	167,595	168,210
Provisions	7,948	8,247
Other non-current liabilities	16,228	15,718
Total non-current liabilities	654,112	654,039
Total liabilities	1,485,713	1,522,004
Equity		
Share capital	107,165	107,165
Capital surplus	46,741	46,626
Retained earnings	251,915	250,327
Treasury shares	(8,746)	(8,731)
Other components of equity	34,170	46,125
Total equity attributable to owners of parent	431,245	441,512
Non-controlling interests	25,006	25,352
Total equity	456,251	466,864
Total liabilities and equity	1,941,964	1,988,868

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	264,290	298,457
Cost of sales	215,334	240,219
Gross profit (loss)	48,956	58,238
Selling, general and administrative expenses	42,998	48,852
Other income	2,610	1,299
Other expenses	1,015	1,756
Operating profit (loss)	7,553	8,929
Finance income	10,707	7,863
Finance costs	2,104	4,933
Share of profit (loss) of investments accounted for using equity method	746	872
Profit (loss) before tax	16,902	12,731
Income tax expense	7,343	5,960
Profit (loss)	9,559	6,771
Profit (loss) attributable to:		
Owners of parent	8,494	5,606
Non-controlling interests	1,065	1,165
Profit (loss)	9,559	6,771
Earnings per share		
Basic earnings (loss) per share (yen)	56.15	36.96
Diluted earnings (loss) per share (yen)	56.15	36.96

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	9,559	6,771
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,170	1,223
Remeasurements of defined benefit plans	105	(8)
Share of other comprehensive income of investments accounted for using equity method	(57)	129
Total of items that will not be reclassified to profit or loss	2,218	1,344
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,445	11,451
Cash flow hedges	(1,393)	(34)
Share of other comprehensive income of investments accounted for using equity method	883	199
Total of items that may be reclassified to profit or loss	6,935	11,616
Other comprehensive income, net of tax	9,153	12,960
Comprehensive income	18,712	19,731
Comprehensive income attributable to:		
Owners of parent	17,015	17,980
Non-controlling interests	1,697	1,751
Comprehensive income	18,712	19,731

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended June 30, 2022

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2022	107,165	47,052	213,026	(8,815)	12,831	(313)	10,933
Profit (loss)			8,494				
Other comprehensive income					8,361	(2,064)	2,119
Total comprehensive income	—	—	8,494	—	8,361	(2,064)	2,119
Purchase of treasury shares				(5)			
Disposal of treasury shares		0		3			
Dividends			(6,074)				
Share-based remuneration transactions		(114)					
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			652				(547)
Other							
Total transactions with owners	—	(114)	(5,422)	(2)	—	—	(547)
Balance as of June 30, 2022	107,165	46,938	216,098	(8,817)	21,192	(2,377)	12,505

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total			
Balance as of April 1, 2022	—	255	23,706	382,134	24,905	407,039
Profit (loss)			—	8,494	1,065	9,559
Other comprehensive income	105		8,521	8,521	632	9,153
Total comprehensive income	105	—	8,521	17,015	1,697	18,712
Purchase of treasury shares			—	(5)		(5)
Disposal of treasury shares		(3)	(3)	—		—
Dividends			—	(6,074)	(886)	(6,960)
Share-based remuneration transactions			—	(114)		(114)
Changes in ownership interest in subsidiaries			—	—	20	20
Transfer from other components of equity to retained earnings	(105)		(652)	—		—
Other			—	—		—
Total transactions with owners	(105)	(3)	(655)	(6,193)	(866)	(7,059)
Balance as of June 30, 2022	—	252	31,572	392,956	25,736	418,692

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended June 30, 2023

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	107,165	46,741	251,915	(8,746)	20,390	548	13,063
Profit (loss)			5,606				
Other comprehensive income					10,871	162	1,349
Total comprehensive income	—	—	5,606	—	10,871	162	1,349
Purchase of treasury shares				(1)			
Disposal of treasury shares		3		16			
Dividends			(7,594)				
Share-based remuneration transactions		(93)					
Changes in ownership interest in subsidiaries		(25)					
Transfer from other components of equity to retained earnings			400				(408)
Other							
Total transactions with owners	—	(115)	(7,194)	15	—	—	(408)
Balance as of June 30, 2023	107,165	46,626	250,327	(8,731)	31,261	710	14,004

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total			
Balance as of April 1, 2023	—	169	34,170	431,245	25,006	456,251
Profit (loss)			—	5,606	1,165	6,771
Other comprehensive income	(8)		12,374	12,374	586	12,960
Total comprehensive income	(8)	—	12,374	17,980	1,751	19,731
Purchase of treasury shares			—	(1)		(1)
Disposal of treasury shares		(19)	(19)	—		—
Dividends			—	(7,594)	(755)	(8,349)
Share-based remuneration transactions			—	(93)		(93)
Changes in ownership interest in subsidiaries			—	(25)	(664)	(689)
Transfer from other components of equity to retained earnings	8		(400)	—		—
Other			—	—	14	14
Total transactions with owners	8	(19)	(419)	(7,713)	(1,405)	(9,118)
Balance as of June 30, 2023	—	150	46,125	441,512	25,352	466,864

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	16,902	12,731
Depreciation, amortization and impairment losses	17,026	16,944
Finance income and finance costs	535	297
Share of loss (profit) of investments accounted for using equity method	(746)	(872)
Loss (gain) on sale of property, plant and equipment, intangible assets and investment property	(80)	(17)
Decrease (increase) in trade receivables	33,879	10,832
Decrease (increase) in contract assets	(5,621)	(5,757)
Decrease (increase) in inventories and prepayments	(27,629)	(44,305)
Increase (decrease) in trade payables	(15,267)	(22,581)
Increase (decrease) in contract liabilities	7,390	562
Other	(10,302)	(16,139)
Subtotal	16,087	(48,305)
Interest received	110	386
Dividends received	573	662
Interest paid	(890)	(1,081)
Income taxes paid	(21,216)	(11,203)
Net cash provided by (used in) operating activities	(5,336)	(59,541)
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and investment property	(9,792)	(14,571)
Proceeds from sale of property, plant and equipment, intangible assets and investment property	149	21
Purchase of investments (including investments accounted for using equity method)	(222)	(1,006)
Proceeds from sale and redemption of investments (including investments accounted for using equity method)	74	2,203
Purchase of equity interest in subsidiaries	(64)	—
Proceeds from sale of equity interest in subsidiaries	426	—
Other	(1,224)	(531)
Net cash provided by (used in) investing activities	(10,653)	(13,884)

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(38,582)	6,443
Net increase (decrease) in commercial papers	—	70,000
Proceeds from long-term borrowings	358	5,300
Repayments of long-term borrowings	(386)	(12,643)
Proceeds from issuance of bonds	20,000	—
Repayments of lease liabilities	(4,923)	(4,589)
Dividends paid	(6,076)	(7,597)
Capital contribution from non-controlling interests	20	—
Dividends paid to non-controlling interests	(886)	(755)
Increase in other financial liabilities	185	328
Decrease in other financial liabilities	(300)	(359)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(689)
Other	(6)	(1)
Net cash provided by (used in) financing activities	(30,596)	55,438
Effect of exchange rate change on cash and cash equivalents	1,941	1,892
Net increase (decrease) in cash and cash equivalents	(44,644)	(16,095)
Cash and cash equivalents at beginning of period	145,489	124,743
Cash and cash equivalents at end of period	100,845	108,648

(5) NOTES TO THE CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON PREMISE OF GOING CONCERN

Not applicable

CHANGES IN ACCOUNTING POLICIES

Material accounting policies applied by the IHI Group in the condensed quarterly consolidated financial statements are the same as those in the consolidated financial statements for the previous fiscal year.

Income taxes for the condensed quarterly consolidated financial statements are calculated based on the estimated annual effective tax rate.

SEGMENT INFORMATION

1. Overview of reportable segment

The business segments are constituent units of the IHI Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The IHI Group organizes SBUs by products and services and allocates Business Areas to control these SBUs. Each Business Area manages and supervises the SBUs' execution of business strategies, and allocates management resources necessary for execution of the SBUs' business strategies. SBUs shall be the units possessing complete business processes including sales, developments, designs, productions, constructions, services, etc. based on the visions and strategies drawn up by Business Areas. Each SBU is an organization executing business and responsible for ensuring a profit in the SBU.

Based on the above, the IHI Group consists of segments by these Business Areas and sets the Business Areas of "Resources, Energy and Environment," "Social Infrastructure," "Industrial Systems and General-Purpose Machinery," and "Aero Engine, Space and Defense" as its reportable segment. There are no aggregated business segments when deciding the reportable segment. From the first quarter ended June 30, 2023, the name of the previous reportable segment of "Social Infrastructure and Offshore Facilities" has been changed to "Social Infrastructure".

Main businesses, products and services belonging to each segment are as follows:

Reportable segment	Main businesses, products and services
Resources, Energy and Environment	Power systems (power systems plants for land use and power systems for ships), Carbon solutions, Nuclear energy (components for nuclear power plants)
Social Infrastructure	Bridges and water gates, Transport systems, Shield systems, Concrete construction materials, Urban development (real estate sales and rental)
Industrial Systems and General-Purpose Machinery	Vehicular turbochargers, Parking, Rotating machineries (compressors, separation systems, turbochargers for ships), Heat treatment and surface engineering, Transport machineries, Logistics and industrial systems (logistics systems, industrial machineries)
Aero Engine, Space and Defense	Aero engines, Rocket systems and space utilization systems, Defense systems

2. Information about reportable segment

The IHI Group's information about reportable segment are as follows:

Intersegment revenue and transfers are based on actual market pricing.

Three months ended June 30, 2022

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Resources, Energy and Environment	Social Infrastructure	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense	Total				
Revenue									
Revenue from external customers	76,943	34,328	90,868	56,696	258,835	5,455	264,290	—	264,290
Intersegment revenue and transfers	351	803	1,882	707	3,743	4,449	8,192	(8,192)	—
Total	77,294	35,131	92,750	57,403	262,578	9,904	272,482	(8,192)	264,290
Segment profit (loss) (Note 3)	3,551	2,183	2,290	1,704	9,728	(199)	9,529	(1,976)	7,553

- Notes:
1. The "Others" classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.
 2. Adjustment of segment profit (loss) represents intersegment transactions of ¥110 million and unallocated corporate expenses of ¥(2,086) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
 3. Segment profit (loss) is adjusted with operating profit (loss) in the condensed quarterly consolidated financial statement of profit or loss.

Three months ended June 30, 2023

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Resources, Energy and Environment	Social Infrastructure	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense	Total				
Revenue									
Revenue from external customers	84,666	33,607	98,093	77,302	293,668	4,789	298,457	—	298,457
Intersegment revenue and transfers	458	396	2,120	925	3,899	4,990	8,889	(8,889)	—
Total	85,124	34,003	100,213	78,227	297,567	9,779	307,346	(8,889)	298,457
Segment profit (loss) (Note 3)	122	(1,237)	2,533	9,391	10,809	35	10,844	(1,915)	8,929

- Notes:
1. The "Others" classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, and other service operations.
 2. Adjustment of segment profit (loss) represents intersegment transactions of ¥(314) million and unallocated corporate expenses of ¥(1,601) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
 3. Segment profit (loss) is adjusted with operating profit (loss) in the condensed quarterly consolidated financial statement of profit or loss.

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable