Transition in Business Portfolio

The IHI Group recognizes that it has reached a point in its history where it is difficult to achieve sustained high growth for the company simply by extending the current growth path.

Since our founding, we have made significant changes to our core businesses in order to achieve our own development while solving the difficult social issues of each era. With this track record and experience, the Group will continue to build an optimal business portfolio with multiple pillars of operations.

> Spun off a paper manufacturing machinery division and established a joint venture with Voith Paper GmbH & Co. KG

Transferred pump facilities operations to **Ebara Corporation**

Kawasaki Plant Systems Ltd. Cement plants business

IHI Co., Ltd. Steelmaking machinery business in the blast furnace business field

Paul Wurth

2000 | 2001 | 2003 | 2004 | 2006 | 2007 | 2008 | 2009 | 2010 | 2012

Group Management Policy 200 Establish growth foundation From April 1, 2007

Group ManagementPolicy 2010 Establish a growth trajectory From April 1, 2010

IHI Infrastructure

business

Succeeded Nissan Motor's

aerospace business and founded IHI Aerospace Co., Ltd.

NIIGATA Power Systems Co., Ltd. is established, taking over the "engines and turbines" business from Niigata Engineering to IHI

IHI Machinery and Furnace Co., Ltd. Design, manufacture, and sales of vacuum heat treatment furnace, hot press, and others

IHI Turbo Co., Ltd. Manufacture and sales of vehicular turbochargers

IHI Rotating Machinery Co., Ltd. Manufacture, sales and service of rotating machineries

Systems Co., Ltd. Bridges/water gates/other

steel structures business Japan Tunnel **Systems Corporation Shield boring machines**

Major **Events**

2000: Succeeded Nissan Motor's aerospace business

Nissan Motor and Renault agreed on an alliance in March 1999. Under the "Nissan Revival Plan," in order to separate non-core businesses and concentrate management resources on the automobile business. Nissan's aerospace division was separated. The division became under the realm of IHI on July 1, 2000 and was transferred to IHI Aerospace. IHI Aerospace (IA) is now the base of space development for the IHI Group.

2003: Succeeded NIIGATA ENGINEERING's power systems business 2019: Integrated the power systems business into IHI Power Systems

In 2003, Niigata Power Systems was established to take over NIIGATA ENGINEERING's power systems business. NIIGATA ENGINEERING was the first company in Japan to develop and manufacture diesel engines for marine use, and it is the foundation of our current power systems business. In 2019, IHI Group's Power Systems Business was integrated to form IHI Power Systems Co., Ltd.

2009: Succeeded bridge and water gate businesses from Kurimoto Ltd. and Matsuo Bridge

The bridge and water gate business in Japan was facing fierce competition for orders due to a decline in public works projects. IHI took over bridge businesses from Kurimoto Ltd. and Matsuo Bridge, and a water gate business from Kurimoto Ltd., and established the businesses into IHI Infrastructure Systems (IIS). The plants of Kurimoto Ltd. and Matsuo Bridge adjacent to Sakai City, Osaka are currently being utilized.

Transition in Business Portfolio

Japan Marine United Corporation **Shipbuilding business** Mitsubishi-Hitachi Metals Machinery, Inc. Rolling mill business

JIM Technology Corporation Shield boring machines KATO WORKS CO., LTD. **Construction machinery** business

U.S. Caterpillar Inc. Small power systems business

Kobelco

Meisei Electric Co., Ltd. Manufacturing and sales of equipment for communication. electronic and electric measurement,

MITSUI E&S Holdings Large marine engine

Achieve growth

From April 1, 2013

2016 2017 2018 2019

information processing, etc.

business

Group Management Policy 2013

Group Management Policy 2016 Strengthen earnings foundations From April 1, 2016

Group Management Policy 2019 Full-scale business transformation From April 1, 2019

Preparation and transition for business transformation November 10, 2020 - March 31, 2023



IKNOW MACHINERY CO., LTD. Ship machinery business

IHI Rotating Machinery Engineering Co., Ltd.

Designing and manufacturing of compressors, large turbochargers, separators, marine equipment, gears, and oil feeders

IHI Agri-Tech Corporation

agricultural machinery. lawncare equipment, etc.

Manufacturing and sales of

Boilers equipment, wind and solar power generation equipment, storage and environmental plants, etc.

> IHI Power Systems Co., Ltd. Power systems business

Eco-Solutions Co., Ltd.

facility-related business

Industrial waste treatment

IHI Plant Services Corporation



CORPORATION **Pharmaceutical** manufacturing plant

business **PEO Construction**

business

JGC JAPAN

Machinery Operators Training Center Technical training



2009: Established Japan Tunnel Systems Corporation 2016: Established JIM TECHNOLOGY Corporation

The shield boring machine industry had a large number of companies compared to the shrinking market size, and each company was restructuring its production system in order to survive. Under these circumstances, IHI and JFE Engineering integrated their businesses in 2009 to establish Japan Tunnel Systems to strengthen the competitiveness of the shield boring machine business of both companies, and in October 2016, the tunnel shield boring machine business of Mitsubishi Heavy Industries was integrated to form the current JIM Technology.

2013: Merged IHIMU and Universal Shipbuilding Corporation (owned by JFE Holdings) to establish **Japan Marine United**

In 2002, IHI's shipbuilding and offshore business was spun off and integrated with Marine United (merger of the shipbuilding division of IHI and naval ship divisions of Sumitomo Heavy Industries) to establish IHI Marine United (IHIMU). Furthermore, in January 2013, IHIMU merged with Universal Shipbuilding (merger of ship divisions of Hitachi Zosen and NKK) to establish Japan Marine United.

2023: Transferred the large marine engine business of **IHI Power Systems to MITSUI E&S Holdings**

The large marine engine business of IHI Power Systems was transferred to MITSUI E&S Holdings, whose major business is marine engines. Through this transfer, IHI accelerated the reorganization of its power systems business portfolio.