

Financial/Non-financial Highlights

Business Overview

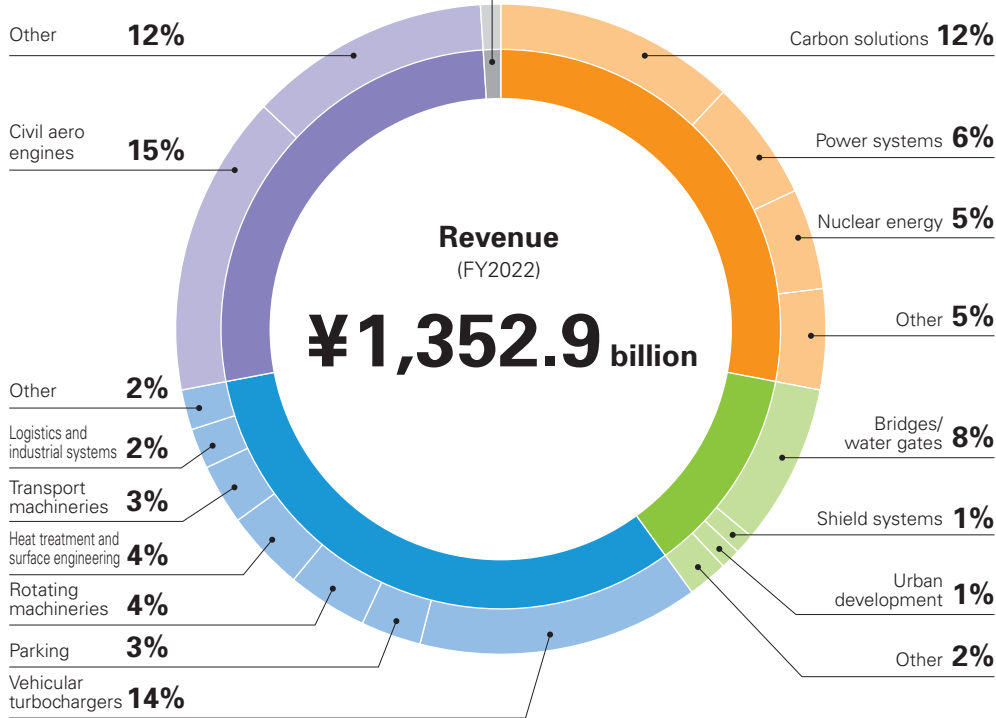
(FY2022)

Aero Engine, Space & Defense Business

¥364.1 billion
27%

Other and Adjustments
¥9.8 billion
1%

Resources, Energy & Environment Business
¥371.3 billion
27%



Industrial Systems & General-Purpose Machinery Business

¥436.5 billion
32%

Social Infrastructure & Offshore Facilities Business

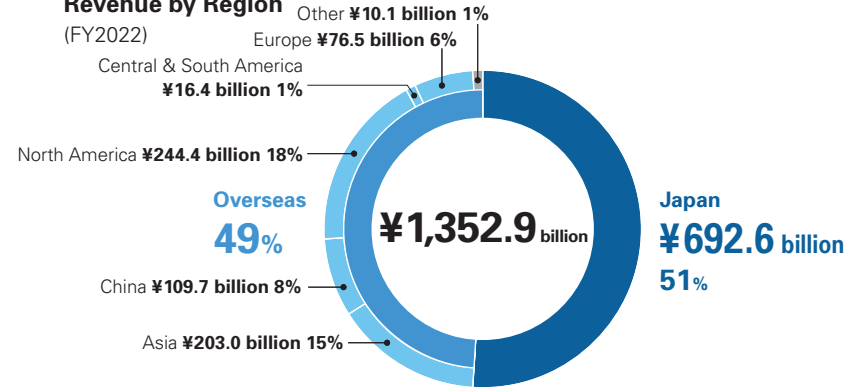
¥171.0 billion
13%

■ Resources, Energy & Environment
 ■ Social Infrastructure & Offshore Facilities
 ■ Industrial Systems & General-Purpose Machinery
 ■ Aero Engine, Space & Defense
 ■ Other and Adjustments

* Note: Sum of percentages for all segments may not total 100%, as figures are rounded to the nearest 100 million yen.

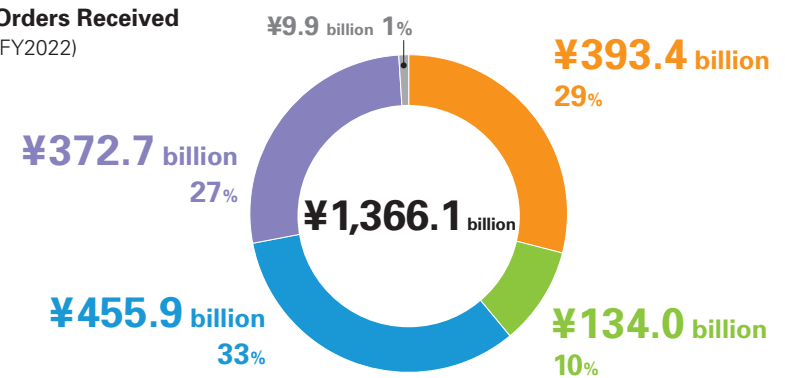
Revenue by Region

(FY2022)



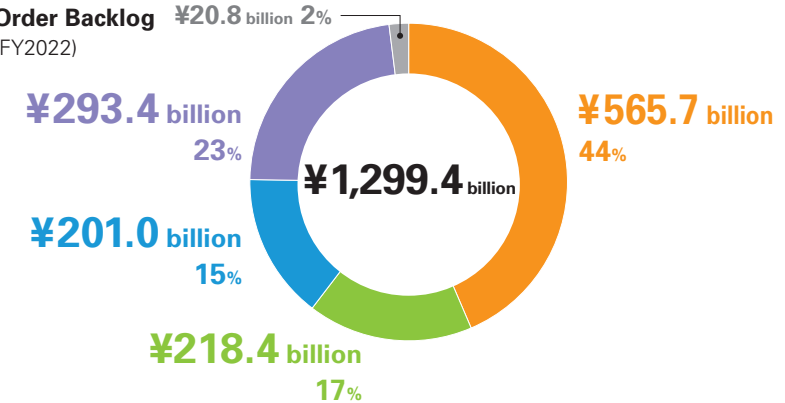
Orders Received

(FY2022)



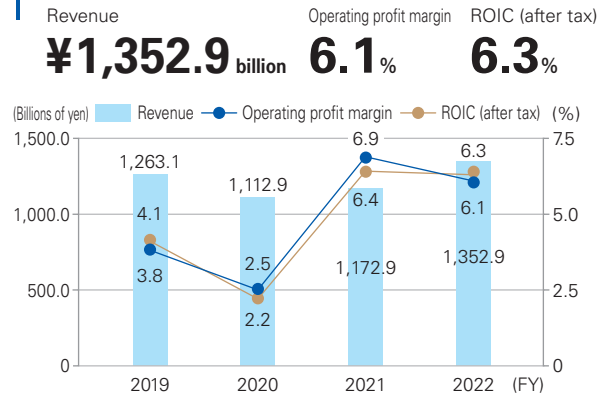
Order Backlog

(FY2022)



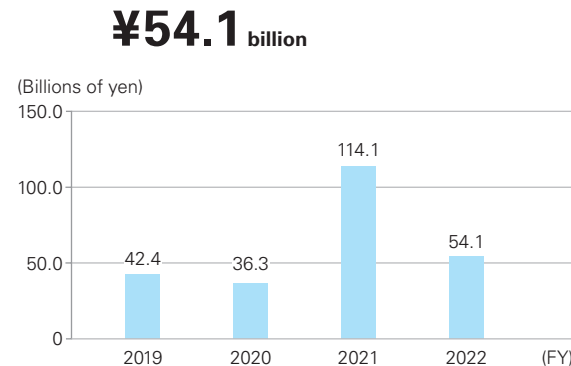
Financial/Non-financial Highlights

Financial Revenue, Operating Profit Margin, and ROIC (After Tax)



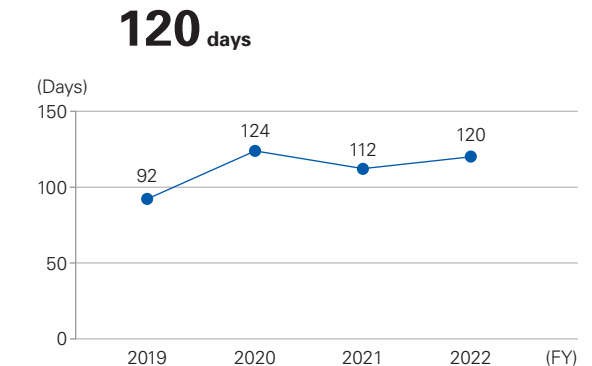
Fiscal 2022 revenue was 1,352.9 billion yen, an increase of 15.3% year on year. Operating profit increased 0.6% year on year to 81.9 billion yen, and the operating profit margin was 6.1%. Although impacted by the sales of assets held in the previous fiscal year, profit increased due to increased sales of spare parts for civil aero engines, cost reductions for new engines, decrease in program-related burdens associated with improved performance, as well as depreciation in yen. As a result, ROIC after tax was 6.3%, exceeding the initial forecast of 6.0%.

Financial Operating Cash Flows



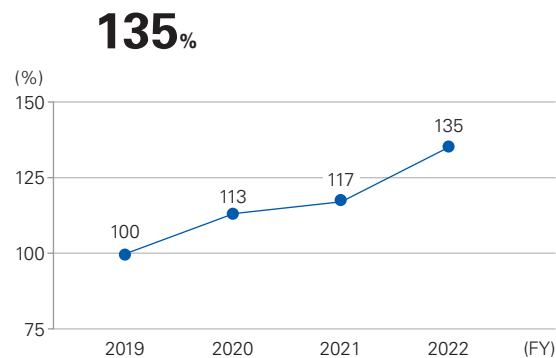
Cash flows from operating activities were in excess of 54.1 billion yen (in excess of 114.1 billion yen in the previous fiscal year), below the target figure of 130.0 billion yen. The primary reasons for the decrease of 60.0 billion yen in cash flows from operating activities compared to the previous fiscal year were: decrease in contract liabilities due to the decrease in advance received, increase in trade receivables due to increase in revenue, increase in inventories and prepayments, and inability to cover the negative factors such as income taxes paid with positive factors such as decrease in gain on sale of property, plant and equipment and investment property.

Financial Cash Conversion Cycle (CCC)

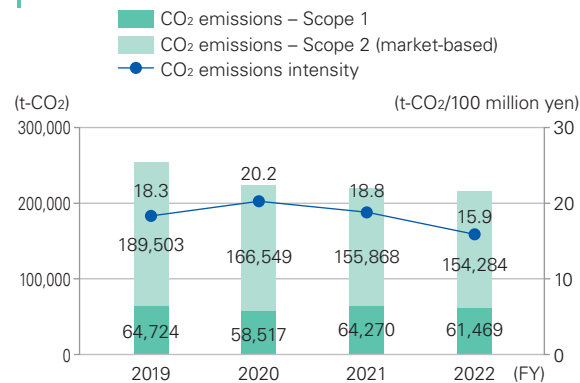


The CCC was 120 days, below the initial forecast of 99 days made at the beginning of the fiscal year. We regard that one of the factors for this result is our goal to become a LCB-centered entity mainly in the Resources, Energy & Environment Business Area. Furthermore, in the Aero Engine, Space & Defense Business Area, increase in production became almost certain for the time being thus we entered a period of purchasing ahead. We also regard that a temporary increase in inventories in response to the difficulties in the supply of materials and other items also contributed to this result. In the future, we will endeavor to improve CCC by implementing all measures to improve working capital.

Financial Life Cycle Businesses (LCB) Revenue Index

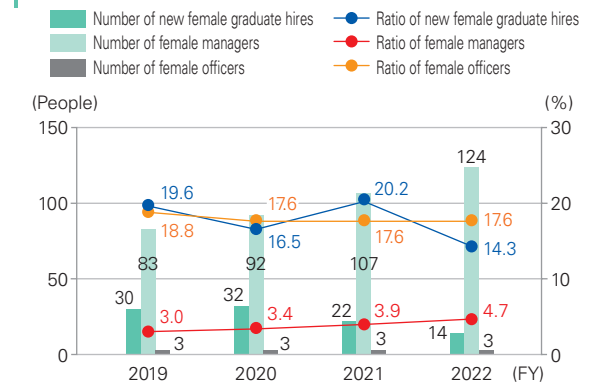


In fiscal 2022, LCB revenue excluding the Aero Engine, Space & Defense Business Area, increased 35% compared to fiscal 2019, the year we started to initiate LCB. The result exceeded the target of 30% increase in "Project Change." Efforts to shift resources, including human resources, DX promotion, and global deployments in LCB achieved results. Moving on, we will aim for further growth through exploit and evolution of LCB upheld in the "Group Management Policies 2023."

Non-financial CO₂ Emissions

In April 2023, the IHI Group endorsed the GX League initiative of Japan's Ministry of Economy, Trade and Industry. Aiming to achieve carbon neutral in 2050, the IHI Group aims to reduce CO₂ emissions (Scope 1, 2) from plants, offices, and other business facilities by half in 2030 (compared to fiscal 2019). CO₂ emissions intensity in fiscal 2022 was 15.9 t-CO₂/100 million yen, decreasing by 13% compared to the fiscal 2019 result of 18.3 t-CO₂/100 million yen. We will continue to reduce the amount toward the 2030 target.

Non-financial Active Participation of Women



The IHI Group strives to promote diversity and inclusion as part of its management strategy. With the aim of creating innovation and new value for solving social issues, we are promoting efforts such as diversifying candidates for senior management positions. Although the ratio of new female graduate hires decreased to 14.3% in fiscal 2022, it is expected to recover to a 20% level in the new graduate hires for fiscal 2023, as a result of various initiatives taken.