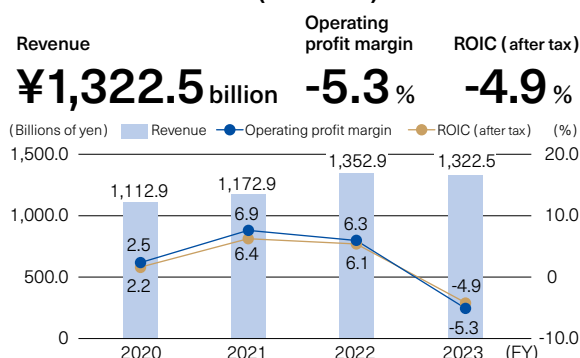


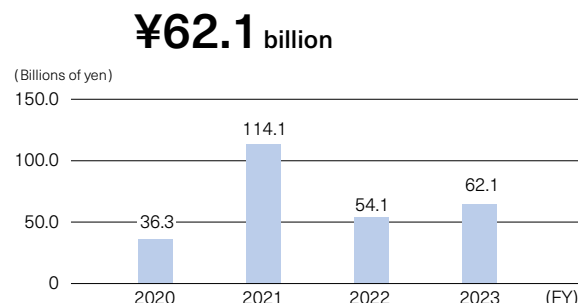
# Financial / Sustainability Highlights

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



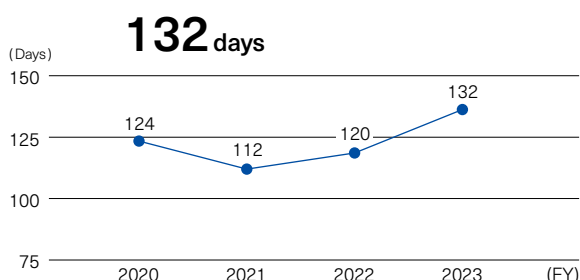
Fiscal 2023 revenue was 1,322.5 billion yen, a decrease of 2.2% year on year. However, the actual revenue excluding special factors of 170.6 billion year amounted to 1,493.2 billion yen, increasing by 10.4% year on year. Operating loss of 70.1 billion yen was recorded impacted by special factors of 174.3 billion yen. However, actual operating profit was the highest ever at 104.2 billion yen, an increase of 27.2% year on year. The operating profit margin was -5.3% and ROIC was -4.9%. However, the actual operating margin improved by 0.9 pt to 7.0%.

## Financial Operating/Investment Cash Flows



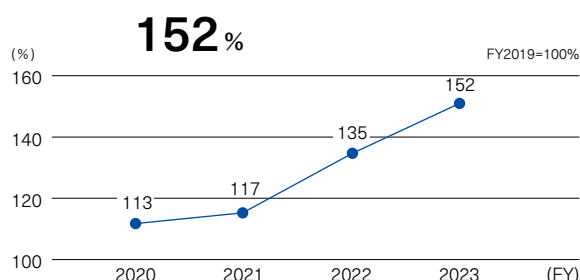
Cash flows from operating activities were in excess of 62.1 billion yen, increasing 8.0 billion yen compared to the previous fiscal year. EBITDA except for special factors reached 175.0 billion yen, increasing 23.9 billion yen year on year. Earning power has been reinforced, but there was an increase in the burden of working capital such as trade receivables and inventories. Cash flows from investing activities decreased 0.6 billion yen to 51.6 billion yen. In addition to expenditures for purchase of property, plant and equipment, and intangible assets of 60.9 billion yen, there were proceeds from a sale of assets of 12.1 billion yen.

## Financial Cash Conversion Cycle (CCC)



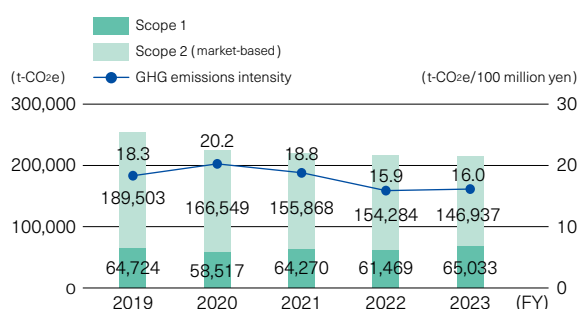
The CCC target for fiscal 2025, which is the last year of the "Group Management Policies 2023", is 100 days. The CCC for fiscal 2023 was 107 days, improving by 13 days year on year. However, the actual CCC, except for special factors mainly due to the impact of PW1100G-JM engines, was 132 days, decreasing by 12 days year on year. The CCC for fiscal 2024 is expected to be 129 days, through the strengthening of working capital management and reduction, particularly in inventories.

## Financial Life Cycle Businesses (LCB) Revenue Index



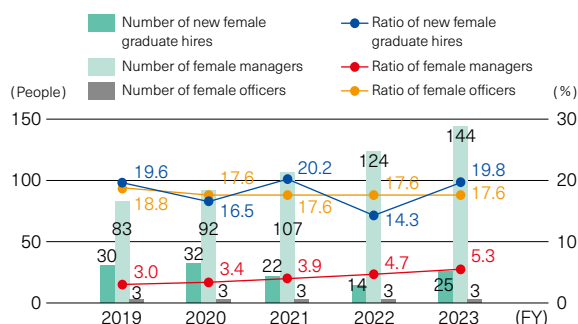
In fiscal 2023, LCB revenue excluding the Aero Engine, Space & Defense Business Area, steadily increased 52% compared to fiscal 2019, the year we started to strengthen LCB in the previous medium-term management plan, "Project Change". In fiscal 2023, we instituted a full-scale shift of our human resources and cash flows from the Conventional Businesses to Growth and Development-focus Businesses. While building the optimal portfolio in the Conventional Businesses, we will aim for a continuous growth through exploitation and evolution of the Lifecycle businesses unique to IHI.

## Sustainability GHG Emissions



In April 2023, we endorsed the GX League initiative established by Japan's Ministry of Economy, Trade and Industry. We are strengthening our efforts to achieve carbon neutrality in 2050 by reducing GHG emissions (Scopes 1 and 2) from plants and business facilities by half in 2030 compared to fiscal 2019. GHG emissions intensity in fiscal 2023 was 16.0 t-CO<sub>2</sub>e/100 million yen\*, decreasing by 12.6% compared to the fiscal 2019 result of 18.3 t-CO<sub>2</sub>e/100 million yen. We will continue to steadily implement reduction activities to achieve carbon neutrality. \*Without special factors: 14.2 t-CO<sub>2</sub>e/100 million yen

## Sustainability Active Participation of Women



We strive to promote DEI as part of our management strategy to create innovations to resolve social issues and realize our "Group Management Policies 2023" and Goal. In fiscal 2023, there were three female officers that remained unchanged in the past five years. However, the number of female managers increased by 61 in the past five years to 144, and the ratio of female managers has increased to 5.3%. In fiscal 2023, 25 female graduates were newly hired (ratio of new female graduate hires: 19.8%), of which 16 are technology-related staff.