Progress in Growth, Development-focus, and Conventional, Businesses

	Business	Role in the "Group Management Policies 2023"	Major management strategies
Growth Businesses	● Civil Aero-engines, Defense, and Space Businesses	● In parallel with the expansion of the civil aero-engine and defense businesses, working on bolstering operating cash flows ● Expanding and strengthening existing businesses centered on the aero-engine business so that they become pillars underpinning the medium- to long-term growth of the IHI Group ● Continuing to plant the seeds for new business field creation and making the IHI Group leap to becoming a sustainable high-growth company	● In the civil OEM aero-engine business, working to shorten inventory turnover days while sustaining an expanded production system ● In the civil MRO business, pursuing stable growth while enhancing maintenance and repair capability ● In the defense business, alongside the steady delivery of orders, focusing on achieving revenue with enhanced profitability ● In the space business, taking over solid fuel rocket operations from JAXA, establishing a mass production system, and advancing new ventures such as satellite constellations
Development-focus Businesses	● Fuel ammonia value chain businesses	● Aiming to become a pillar of the IHI Group in the medium to long term, with a focus on the clean energy field and the value created by core technologies as our strengths, joined by the pillar of our Growth Businesses ● After the current upfront investment phase, revenue contributions are expected to start around 2030	● Aiming to create and expand business by building a value chain from upstream (production) to midstream (storage and transportation) and downstream (utilization) processes for ammonia ● In production, working to develop various technologies and strengthen partnerships to produce ammonia at lower cost ● In storage and transportation, at each of the ammonia supply bases, studying the specifications of tanks and various equipment, conducting surveys on the allocation of ammonia carriers, and developing a business model for commercialization. In addition, unlocking storage terminals with high capital expenditure efficiency through the introduction of a new large-capacity tank ● In utilization, aiming to further expand the use of fuel ammonia, building on the results of a large-scale fuel ammonia conversion demonstration test (20% of heating value) and the successful demonstration voyage of a tugboat equipped with an ammonia reciprocating engine for marine use
Conventional Businesses	● Resources, Energy & Environment Business ● Social Infrastructure Business ● Industrial Systems & General-Purpose Machinery Business	● Generating cash through exploiting lifecycle businesses (LCBs) and restructuring businesses ● Generating management resources, such as cash and human capital, to be allocated to the Growth Businesses and Development-focus Businesses ● Playing a central role in the Group to stabilize performance toward stable and sustainable growth with limited volatility	● In the Resources, Energy & Environment Business, aiming to increase operating profit and maximize cash flow by optimizing our business structure through restructuring and resource reallocation ● In the Social Infrastructure Business, ensuring cash flow generation by visualizing information on individual projects and business unit working capital, improving administrative business processes, and strengthening monitoring systems ● In the Industrial Systems & General-Purpose Machinery Business, advancing collaboration across product and business areas to expand our LCBs and maximize cash flow

Progress in Growth, Development-focus, and Conventional, Businesses

	Main environmental factors	Achievements in FY2024 (including some from FY2025)
Growth Businesses	● In the civil aero-engine business, steady passenger demand accompanied by further expansion of spare parts sales ● In the defense business, significantly increasing defense budget in line with the Japanese government's policy of fundamental reinforcement of defense capabilities	● In the civil aero-engine business, investment in Tsurugashima Aero-Engine Works, and in the defense business, launch of the fighter aircraft engine maintenance business ● Expansion of exports to U.S. OEMs of engine parts for licensed fighter aircraft domestically produced
Development-focus Businesses	● In Japan, consumption of approx. 1.1 million tons of ammonia per year, mainly for fertilizer. About 20% is imported ● In 2024, provision of support by the Japanese government for the introduction and expansion of fuel ammonia, with the goal of increasing domestic demand for fuel ammonia to 3 million tons per year by 2030 ● Global consumption of approx. 200 million tons of ammonia per year	● Participation in green ammonia supply business in partnership with overseas chemical fertilizer manufacturers ● Successful manufacturing test of green ammonia using renewable energy ● Development and commercialization of utilization technologies (boilers, gas turbines, marine engines) ● Agreement with ACME, a leading renewable energy company, to explore investment in a green ammonia production project in India ● Demonstration voyage of a tugboat equipped with an ammonia reciprocating engine for marine use ● Successful fuel ammonia substitution demonstration test at JERA's Hekinan Thermal Power Station
Conventional Businesses	● Expectations on further growth in energy demand, with increasing focus on energy sources that combine a stable supply with decarbonization, especially nuclear power ● Ongoing actions in the Fundamental Plan for National Resilience in Japan to address aging infrastructure and natural disasters caused by climate change ● The global automobile market is seeing a temporary slowdown in the shift toward battery-electric vehicles (BEVs), with increased demand for plug-in hybrid electric vehicles (PHEVs) and hybrid electric vehicles (HEVs), and we expect a certain level of demand for vehicle turbochargers until around 2030.	● As part of business portfolio transformation efforts, ongoing transfer of the transport machinery and the turf care machinery businesses, which are part of our Conventional Businesses, and the transfer of consolidated subsidiaries IHI PACKAGED BOILER CO., LTD and IHI CONSTRUCTION MATERIALS Co., Ltd ● In the nuclear energy business, completion of the steel module mock-up for the NuScale Power small modular reactor (SMR) project in Romania as the first step toward the global deployment of next-generation advanced reactors ● In the carbon solutions business, proceeding with structural reforms of domestic businesses to improve profitability. Specifically, IHI and IHI Plant Services working together to optimize their organizations and allocate human capital more effectively, resulting in improved operational efficiency and cost reduction