

Stakeholder Engagement

Dialogue with stakeholders

The IHI Group views its primary stakeholders with a significant influence over ongoing corporate activities as its customers, business partners, shareholders, investors, government agencies, local communities, employees, and NPOs/ NGOs. As such, the Group values and engages in broad dialogue with these stakeholders. The *Integrated Report* and *Sustainability Data Book* are published and the sustainability website is updated as tools for this dialogue.

Topics with stakeholders that are considered particularly vital are reported to the Management Committee and Board of Directors, and are thus reflected in our corporate strategy.

Approach to communications with shareholders and investors

The IHI Group builds stronger relationships based on trust with all shareholders and other investors by recognizing accurate, timely disclosure of corporate information as a core principle of a sound financial instruments market, which is why the Group actively engages in communication efforts. For this reason, the IHI Group enhances the scope of various materials disclosed both online and offline for active and fair informational disclosure.

The Group's basic policy is to promote highly transparent management throughout the entire Group. The Group always discloses accurate and fair information on important management and business matters in a timely manner from the perspective of investors in capital markets. The Group also sees honest Group accountability as a basic policy to define its management direction and main businesses. In addition to stock investors, the Group also proactively engages in

dialogue with bond investors.

The IHI Group is deeply involved in active communication efforts with its domestic and overseas investors to gain greater understanding about the business activities. In fiscal 2024, we engaged in dialogue with 604 companies, 243 more than the previous fiscal year, both domestically and internationally (361 companies in fiscal 2023). In addition, the management team visited North America, Europe, and Asia and held dialogues with local institutional investors.

Main dialogue results with shareholders and investors (FY2024)

Investors		<ul style="list-style-type: none"> 604 companies (180 Japanese investors, 424 foreign investors) Focusing on active investors such as growth and value investors, analysts, portfolio managers, ESG personnel, voting rights exercisers, etc. of domestic and foreign institutional investors with a wide range of investment styles.
IHI Representative	CEO	<ul style="list-style-type: none"> Financial result briefings conducted: Twice Dialogue conducted with Japanese and overseas institutional investors: 28 times
	Officer in charge of Group Finance & Accounting	<ul style="list-style-type: none"> Financial result briefings conducted: 4 times Dialogue conducted with Japanese and overseas institutional investors: 101 times
	Senior Executive Officers, Executive Officers, Presidents of business areas	<ul style="list-style-type: none"> Dialogue conducted with Japanese and overseas institutional investors: 85 times
	IR/SR Managers	<ul style="list-style-type: none"> Dialogue conducted with Japanese and overseas institutional investors: 337 times

④ See the website below for dialogue with other stakeholders

https://www.ihi.co.jp/en/sustainable/sustainability_management/stakeholder/

Themes of the main dialogues held with shareholders and investors (FY2024)

Classification	Main Dialogue Topics
General	<ul style="list-style-type: none"> Status of deliberations regarding business portfolio Medium to long-term sales growth and profitability outlook for the civil aero-engine business Status of additional inspection program on PW1100G-JM Turbofan Engine Future outlook for the defense business Prospects for monetization of fuel ammonia value chain business Status of cash generation efforts (reducing working capital and improving CCC) and cash allocation policy Status of management consideration with awareness of capital costs and stock prices Progress of balance sheet reform Status of discussions at the Board of Directors following a series of scandals at subsidiaries and progress on measures to prevent recurrence Progress of efforts to reconstruct effective Group governance
E	<ul style="list-style-type: none"> Progress of initiatives to achieve IHI Carbon Neutrality by 2050 Future outlook for Scope 3 emissions Strengths and the uniqueness of the IHI Group in addressing climate change
S	<ul style="list-style-type: none"> Specific details about the initiative in the Group human resources strategy Scale of investment in human resources Scale and progress of human resource shift Utilization status of employee-awareness survey results Predicting human rights risks in the supply chain
G	<ul style="list-style-type: none"> Effectiveness of the Board of Directors Activities of Independent Directors Composition of the Board of Directors Status of deliberations at the Board of Directors regarding ESG and sustainability Background of the policy revision regarding cross-shareholdings

Stakeholder Engagement

Third-party evaluation (Sustainability-related)

MSCI Nihonkabu ESG Select Leaders Index

In fiscal 2024, IHI was selected as a constituent of the MSCI Nihonkabu ESG Select Leaders Index. The MSCI Nihonkabu ESG Select Leaders Index uses the MSCI Nihonkabu IMI Index as its parent index and selects the top ESG-rated companies within each industry sector. IHI has also been selected for the MSCI Japan ESG Select Leaders Index. In addition, IHI was selected for the first time as a constituent of the MSCI Japan Empowering Women Index (WIN), created by MSCI in the United States.

IHI received an AA MSCI ESG Rating in 2024.

**2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX**

**2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

**2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

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FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

IHI was selected as a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. By meeting various criteria, IHI was selected for the FTSE Blossom Japan Index for the second consecutive year and for the FTSE Blossom Japan Sector Relative Index for the fourth consecutive year.



**FTSE Blossom
Japan Index**



**FTSE Blossom
Japan Sector
Relative Index**

CDP

The IHI Group responds to Disclosure Insight Action's (CDP) questionnaire related to climate change on an annual basis. In fiscal 2024, the Group was evaluated as B (Management Level) for "Climate Change" and C (Awareness Level) for "Water Security".



EcoVadis

The IHI Group received the Committed Badge in EcoVadis' comprehensive sustainability assessment in four areas: environment, labor and human rights, ethics, and sustainable procurement.

