



## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026(Under IFRS)

May 8, 2026

Company name: IHI Corporation

Listing: Tokyo Stock Exchange (Prime Market)

Securities code: 7013

URL: <https://www.ihi.co.jp>

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Scheduled date of annual general meeting of shareholders: June 24, 2026

Scheduled date to commence dividend payments: June 25, 2026

Scheduled date to file annual securities report: June 22, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors, analysts and the media)

(Yen amounts are rounded to the nearest millions.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,643,402	1.0	165,534	15.3	185,490	33.9	165,224	40.9
March 31, 2025	1,626,831	23.0	143,517	—	138,488	—	117,295	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2026	160,992	42.8	199,910	59.3	151.88	151.86
March 31, 2025	112,740	—	125,478	—	106.41	106.40

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets ratio	Ratio of operating profit to revenue
Fiscal year ended	%	%	%
March 31, 2026	28.4	7.9	10.1
March 31, 2025	26.3	6.4	8.8

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 14,232 million

For the fiscal year ended March 31, 2025: ¥ 6,280 million

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Basic earnings per share and Diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	2,428,559	681,531	652,243	26.9	615.23
March 31, 2025	2,240,392	508,660	481,726	21.5	454.65

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Equity attributable to owners of parent per share has been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	121,360	(18,423)	(97,894)	155,084
March 31, 2025	177,634	(58,820)	(116,225)	136,809

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	50.00	—	70.00	120.00	18,229	16.1	4.2
Fiscal year ended March 31, 2026	—	70.00	—	10.00	—	21,278	13.2	3.7
Fiscal year ending March 31, 2027 (Forecast)	—	11.50	—	11.50	23.00		14.8	

(Note) Since the Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025, the dividend per share at the fiscal year-end for the fiscal year ending March 31, 2026 is stated as the amount reflecting the impact of this stock split. The dividend per share at the fiscal year-end for the fiscal year ending March 31, 2026 without reflecting the impact of the stock split would be 70.00 yen and the full-year total amount would be 140.00 yen.

## 3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	1,830,000	11.4	240,000	45.0	230,000	24.0	165,000	2.5	155.09

(Note) Please refer to “A. Forecasts of consolidated results” of “(2) FUTURE OUTLOOK” in “1. SUMMARY OF BUSINESS RESULTS” on page 9 for the suppositions that form the assumptions for the forecasts above and related matters.

## \* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS : None
- (ii) Changes in accounting policies due to other reasons : Yes
- (iii) Changes in accounting estimates : None

(3) Number of shares issued (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	1,082,759,678 shares
As of March 31, 2025	1,082,759,678 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	22,597,750 shares
As of March 31, 2025	23,209,774 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	1,059,967,279 shares
Fiscal year ended March 31, 2025	1,059,527,946 shares

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

**[Reference] Overview of non-consolidated financial results (Japanese GAAP)**

(Yen amounts are rounded down to millions.)

**Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	752,401	13.1	75,056	(10.6)	115,169	4.7	139,241	54.6
March 31, 2025	664,985	55.2	83,950	—	110,012	—	90,060	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	131.36	131.35
March 31, 2025	85.00	84.99

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Basic earnings per share and Diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity to total assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,633,956	445,689	27.3	420.35
March 31, 2025	1,492,531	329,399	22.1	310.83

Reference: Equity at the end of the period (non-consolidated)

As of March 31, 2026: ¥ 445,637 million

As of March 31, 2025: ¥ 329,342 million

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Net assets per share has been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of forecast of results, and other special matters

(Cautionary statements on forward-looking statements)

Earnings estimates made in this report and other statements that are not historical facts are forward-looking statements about the future performance of the IHI Group. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore readers should not place undue reliance on them. IHI cautions that a number of important factors such as political and general economic conditions and the yen exchange rate including its rate against US dollar could cause actual results to differ materially from those discussed in the forward-looking statements, etc.

(How to obtain supplementary material on financial results)

The supplementary material on financial results shall be posted on IHI's website.

# 1. SUMMARY OF BUSINESS RESULTS

## (1) SUMMARY OF BUSINESS RESULTS AND FINANCIAL POSITION

### A. Summary of business results for the fiscal year ended March 31, 2026

During the current fiscal year, the global economy remained generally resilient, although in some regions the pace of economic recovery showed signs of stagnation. The European economy was sluggish, reflecting higher costs, particularly for energy, and the impact of slowing domestic demand in China, while the Chinese economy also continued to be lackluster against the backdrop of stagnation in the real estate market. Meanwhile, although the U.S. economy was affected by uncertainty surrounding policy management, it was underpinned by AI-related investment and a solid employment environment. In the Japanese economy, despite the impact of rising prices, a gradual recovery trend has continued, supported by improvements in employment and income conditions.

In the IHI Group's main business of Aero Engine, Space and Defense, while demand for aircraft is expected to increase over the medium- to long-term, in the Civil aero engines Business, the aftermarket business has been steadily expanding, driven by increased flight operating hours, etc. In the Defense Business, under the government's policy of reinforcing Japan's defense capabilities, the IHI Group is continuing to respond to orders for large-scale projects. In order to accommodate the expected increasing demand for civil aero engines, defense business, and space business in the future, the IHI Group is enhancing its production capacity including securing resources and accelerating initiatives towards achieving the world's highest level of production efficiency.

Regarding the additional inspection program for shipped PW1100G-JM engines, the IHI Group continues to work with its program partners to enhance maintenance capacity and reduces the number of aircraft on the ground. The IHI Group is committed to its efforts to reduce the impact on its airline customers and to restore their confidence.

The lifecycle businesses in the Conventional Businesses is expected to achieve stable growth over the medium to long term. Therefore, the IHI Group will continue to work towards expansion, aiming to contribute to Group earnings and generate investment capital.

As a major initiative in reforming the IHI Group's business portfolio, during the current fiscal year the IHI Group completed the transfer of the Materials Handling System Business, which was part of the Industrial Systems and General-Purpose Machinery segment, the Turf Care Machinery Business of IHI Agri-Tech Corporation, and all shares of IHI PACKAGED BOILER CO., LTD., as well as all shares of IHI CONSTRUCTION MATERIALS Co., Ltd. and Niigata Transys Co., Ltd., which were part of the Social Infrastructure segment, and all shares of Meisei Electric Co., Ltd., which had been responsible for the meteorology, disaster prevention, and space-related business within the Aero Engine, Space and Defense segment. In addition, the IHI Group transferred a portion of its equity interest in its equity-method affiliate Japan Marine United Corporation ("JMU") to IMABARI SHIPBUILDING CO., LTD. ("Imabari Shipbuilding"). As a result, the voting interest ratios in JMU changed from Imabari Shipbuilding: 30%, JFE (\*): 35%, and IHI: 35% to Imabari Shipbuilding: 60%, JFE: 20%, and IHI: 20%. (\* JFE Holdings, Inc.)

In addition to the above, within the Social Infrastructure segment, which is the Conventional Businesses, IHI Infrastructure Systems Co., Ltd. and IHI Construction Service Co., Ltd., both of which were responsible for the Bridges and Water gates Business, were integrated on November 1, 2025. By combining the strengths and human resources of both companies, the IHI Group aims to establish a framework to address social challenges, secure a leading position in Japan's bridges and water gates industry, and achieve further growth through a global growth cycle.

The IHI Group will continue to aim for a leap toward becoming a sustainable high-growing company by building a portfolio that delivers stable and sustainable growth while controlling volatility, and by boldly shifting management resources to growth areas.

Under such a business environment, orders received by the IHI Group during the current fiscal year increased 11.6% from the previous fiscal year to ¥1,954.7 billion.

Although revenue was negatively affected by a decline resulting from business transfers in the Conventional Businesses and rebounds from the progress of large-scale projects in the previous fiscal year, it increased 1.0% from the previous fiscal year to ¥1,643.4 billion, reflecting expansion in the Defense Business and Civil aero engines, as well as increased demand and improved sales prices for vehicular turbochargers.

In terms of profit, although operating profit was negatively affected by higher maintenance costs for Civil aero engines, increased selling, general and administrative expenses such as research and development expenses, and deteriorated profitability in some overseas businesses in the Resources, Energy and Environment Business, it increased ¥22.0 billion from the previous fiscal year to ¥165.5 billion, driven by the rebound from restructuring costs for vehicular turbochargers recorded in the previous fiscal year, the recognition of a gain on the transfer of the Materials Handling System Business, and improved profitability in nuclear power. Profit before tax increased ¥47.0 billion from the previous fiscal year to ¥185.4 billion, mainly due to the impact of the depreciation of the yen and increased profit of investments accounted for using equity method. Profit attributable to owners of parent increased ¥48.2 billion to ¥160.9 billion.

The business environments by reportable segment for the fiscal year ended March 31, 2026 are as follows:

#### Resources, Energy and Environment

Amid continuing uncertainty stemming from geopolitical risks to energy supply caused by heightened tensions in the Middle East, the normalization of inflation, and a return to natural gas triggered by policy changes in the United States, energy security to ensure a stable energy supply is becoming increasingly important. At the same time, the major trend toward realizing a carbon-neutral society as a medium- to long-term response remains unchanged. Looking ahead, power and energy demand is expected to increase not only due to economic growth but also with the expansion of data centers and the use of AI, and moves to expand nuclear power, which can achieve both stable supply and carbon neutrality, are gaining momentum.

In this Business Area, the IHI Group will respond to the expanding nuclear power market through initiatives for the restart of nuclear power plants, efforts to realize the nuclear fuel cycle, the steady development of decontamination and decommissioning, and the promotion of initiatives toward the manufacturing of advanced reactors, including small modular reactors (SMRs). In thermal power generation, leveraging its extensive track record and combustion technologies, the IHI Group is promoting the use of ammonia, which does not emit CO<sub>2</sub> during combustion, and the development of related infrastructure. For existing energy and industrial infrastructure, the IHI Group will develop high value-added lifecycle businesses that contribute to the efficient use of energy and the reduction of environmental impact, such as maintaining high-efficiency operations and improving maintenance through the use of digital technologies. By promoting these initiatives together with its customers, the IHI Group will contribute to the stable supply of energy and the transition to a carbon-neutral society.

### Social Infrastructure

In Japan, the national land resilience plan continues to be promoted as a response to aging infrastructure and increasingly severe natural disasters caused by climate change. In addition to strengthening road network functions and promoting watershed flood control, preventive maintenance and planned renewal of existing infrastructure, including bridges, are progressing. On the other hand, labor shortages in the construction sector remain severe, and against the backdrop of the application of caps on overtime work in the construction industry, efforts to improve productivity through the introduction of labor-saving and automation technologies and the promotion of DX remain important.

In this Business Area, the IHI Group will further advance the provision of value throughout the lifecycle, mainly in the fields of transportation infrastructure, disaster prevention and mitigation, and water management in Japan and abroad. In addition, by providing innovative solutions that utilize digital technologies, such as inspection and monitoring technologies using Artificial Intelligence (AI) and the Internet of Things (IoT), the IHI Group will contribute to building robust and sustainable social infrastructure systems.

### Industrial Systems and General-Purpose Machinery

Geopolitical risks have further increased against the backdrop of China's export restrictions on rare earths and heightened tensions in the Middle East, and volatility in energy prices and elevated logistics costs have become the norm. The international supply chain is being reorganized in light of security risks, and the business environment is expected to remain uncertain. On the other hand, although the pace of electric vehicle (EV) adoption has slowed, demand for carbon neutrality in industry remains high, and together with labor shortages caused by declining working populations in developed countries, this is becoming a medium- to long-term structural trend in the industrial sector.

In this Business Area, the IHI Group views challenges faced by industry, such as decarbonization and labor shortages, as business opportunities and will expand the provision of value tailored to customers' lifecycle needs. In addition, by offering high value-added solutions that respond to needs for process optimization, mobility transformation, and automation and labor-saving, the IHI Group will contribute to the development of a sustainable and carbon-neutral industrial society.

### Aero Engine, Space and Defense

In the Civil Aero Engines Business, as global passenger demand for air transportation continues to grow steadily, revenue in the aftermarket continues to expand. Reflecting increases in defense budgets and the expansion of the space industry market, the IHI Group will also aim to create new value and enhance its competitiveness in the defense and space businesses. While medium- to long-term market growth is expected in each of these businesses, geopolitical risks are changing at an unprecedented pace, including the deterioration of the situation in the Middle East, the impact of export controls in China, supply chain disruptions, and soaring prices. To build a business structure that can overcome such environmental changes, the IHI Group will further promote reforms in production efficiency and business structure through the use of digital platforms and other measures, and will accelerate its growth.

In this Business Area, in addition to responding to additional maintenance for shipped PW1100G-JM engines, the IHI Group is also working to address future demand growth, with particular focus on strengthening its supply chain and reinforcing its response in the aftermarket, including the construction of a repair building at the Tsurugashima Aero-Engine Maintenance Works. In addition, the IHI Group is contributing to the international joint development of engines for the next-generation fighter (GCAP) and to the improvement program for the current PW1100G-JM through its proprietary technologies, and is advancing the development of technologies for next-generation aircraft, such as aircraft weight reduction, electrification, and the use of green fuel aimed at achieving carbon neutrality in the future.

Results by reportable segment for the fiscal year ended March 31, 2026 are as follows:

(Billions of yen)

Reportable segment	Orders received			Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Changes from the previous fiscal year (%)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Changes from the previous fiscal year (%)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)	Revenue	Operating profit (loss)
Resources, Energy and Environment	370.3	624.7	68.7	411.4	16.1	376.7	5.9	(8.4)	(63.1)
Social Infrastructure (*1)	150.4	133.2	(11.4)	146.0	(4.2)	131.9	3.7	(9.6)	—
Industrial Systems and General-Purpose Machinery	484.4	460.7	(4.9)	484.8	10.8	450.5	30.7	(7.1)	185.0
Aero Engine, Space and Defense (*2)	719.9	703.1	(2.3)	555.7	122.7	651.7	112.4	17.3	(8.4)
Reportable segment total	1,725.1	1,921.9	11.4	1,598.0	145.4	1,610.8	152.8	0.8	5.1
Other	75.5	81.1	7.4	77.2	16.8	84.3	35.8	9.2	113.2
Adjustment	(49.5)	(48.3)	—	(48.4)	(18.7)	(51.8)	(23.2)	—	—
Total	1,751.1	1,954.7	11.6	1,626.8	143.5	1,643.4	165.5	1.0	15.3

Note: Monetary amounts less than first decimal are rounded down, and ratios less than one unit are rounded off.

(\*1) The Urban Development Business, which was previously included in the “Social Infrastructure” segment during the fiscal year ended March 31, 2025, has been reclassified and is now presented under the “Other.”

(\*2) The revenue and operating profit (loss) for the fiscal year ended March 31, 2025 includes the impact of ¥ 0.9 billion due to exchange rate fluctuations for the additional inspection program for shipped PW1100G-JM engines. And the impact for the fiscal year ended March 31, 2026, was ¥ (5.0) billion.

## B. Profit Distribution

IHI shall follow its basic policy to pay out stable dividends and determine the amount of dividends after taking into account a broad range of factors, including investments for improvement of corporate value and enhancement and reinforcement of equity capital.

For dividends for the fiscal year ended March 31, 2026, taking into account the profit level for the year, IHI has set the interim dividend at ¥70 per share (before the stock split) and plans to pay a year-end dividend of ¥10 per share.

Note: Since the Company conducted a 7-for-1 stock split of its ordinary shares with an effective date of October 1, 2025, the dividend per share at the fiscal year-end for this consolidated fiscal year is stated as the amount reflecting the impact of this stock split. Without reflecting the impact of the stock split, the dividend per share at the fiscal year-end for this consolidated fiscal year would be ¥70 and the annual dividend per share would be ¥140.

## C. Summary of financial position for the fiscal year ended March 31, 2026

### Assets, liabilities and equity

Total assets at the end of the fiscal year ended March 31, 2026 were ¥2,428.5 billion, up ¥188.1 billion compared with the end of the previous fiscal year. The major item of increase was trade and other receivables, up ¥69.2 billion. The major item of decrease was assets related to disposal groups classified as held for sale, down ¥23.4 billion.

Total liabilities were ¥1,747.0 billion, up ¥15.2 billion compared with the end of the previous fiscal year. The major item of increase was trade and other payables, up ¥114.2 billion. The major item of decrease was refund liabilities, down ¥42.3 billion. And interest-bearing liabilities, including lease liabilities, were 489.8 billion, down ¥24.8 billion compared with the end of the previous fiscal year. The IHI Group ensures an adequate level of liquidity of funds.

Equity was ¥681.5 billion, up ¥172.8 billion compared with the end of the previous fiscal year, which included profit attributable to owners of parent of ¥160.9 billion.

As a result of the above, the ratio of equity attributable to owners of parent increased from 21.5% at the end of the previous fiscal year to 26.9%.

### Cash flows

At the end of the current fiscal year, the outstanding balance of cash and cash equivalents was ¥155.0 billion, up ¥18.2 billion from the end of the previous fiscal year.

Net cash flows from operating activities were ¥121.3 billion excess of income. This was due to an increase in trade payables.

Net cash flows from investing activities were ¥18.4 billion excess of expenditure. This was due to an increase in expenditure as a result of further capital investment, while there were proceeds from the transfer of fixed assets.

Net cash flows from financing activities were ¥97.8 billion excess of expenditure. This was due mainly to repayment of borrowings.



## (2) FUTURE OUTLOOK

### A. Forecasts of consolidated results

As the outlook for the global economy remains uncertain, it is necessary to continue to pay attention to heightened geopolitical risks surrounding Ukraine and the Middle East, concerns about deflationary pressures stemming from the deterioration of the real estate market and sluggish domestic demand in the Chinese economy, and the uncertainty of policy trends under the U.S. administration. In addition, it is also necessary to give due consideration to risks of economic downturns and fluctuations in financial and capital markets, such as the prolonged rise in energy prices caused by developments in the Middle East. Meanwhile, the Japanese economy is expected to recover gradually as the employment and income environment improves, however continued vigilance is required regarding the impact of these external factors.

The IHI Group has been promoting various initiatives based on “Group Management Policies 2023,” the three-year medium-term management plan that began in fiscal year 2023, and has been able to bring its structural reforms to a certain conclusion. From fiscal year 2026, with a view toward 2040, the IHI Group will move into a stage of accelerated growth aimed at realizing its medium- to long-term vision. Toward the achievement of its vision for 2040, we have positioned the three-year period from fiscal year 2026 to fiscal year 2028 as a phase intensively focusing on upfront investments and strengthening the financial foundation, with a view to a significant expansion of operating profit and operating cash flow from fiscal year 2029 onward, as well as free cash flow from fiscal year 2032 onward. In fiscal year 2026, the first year of this phase, the Group plans to systematically implement investments aimed at expanding capacity, primarily targeting Growth businesses that will drive future growth, including civil aero engines, defense, and nuclear power. In addition, the Group will work to strengthen Development-focus Businesses such as ammonia and the space domain, which are expected to become future business pillars, and will further reinforce its growth foundation for next-generation by continuing a strategic shift of management resources to capital-efficient businesses with anticipated market growth.

In the civil aero engines and defense fields as Growth Businesses, where global demand for aircrafts is expected to expand steadily, the IHI Group participates in the development and mass production of best-selling engines spanning small, large, and ultra-large engine classes for civil aero engines. The IHI Group aims to expand its business in the aftermarket, where further demand growth is expected. Regarding the maintenance business, the IHI Group is striving promptly to establish a capable structure which will provide high-quality services with improvement of productivity through automation, advanced digital transformation (DX), and other initiatives. At Tsurugashima Works, one of the IHI Group’s maintenance sites for civil aero engines, the IHI Group is advancing initiatives to deliver high-quality services quickly, while constructing a new repair building to capture further demand for repairs of high value-added parts. Furthermore, toward the expansion of defense-related businesses, which are expected to grow, the IHI Group will further accelerate the strengthening of production capacity and the development of necessary technologies. In addition, in the nuclear energy field, the IHI Group will steadily generate cash by reliably capturing demand for domestic lifecycle business related to reactor restarts and nuclear fuel reprocessing and enhance production capacity to achieve top-line growth through the acquisition of overseas new-build projects supported by the expansion of global demand for new construction.

In the ammonia field, which is a Development-focus Business, the IHI Group will contribute to realize carbon-free society by promoting the construction of a value chain spanning from fuel production to storage, transportation, and utilization, while leveraging our technical capabilities. Going forward, the IHI Group will continue its efforts toward the commercialization of ammonia gas turbines, including development of combustor using the large-scale combustion test facility for ammonia gas turbines which was newly established at the Aioi Works. In addition, in the space field, the IHI Group will seek to expand its space-related businesses

through initiatives such as the development of satellite constellations for the provision of satellite data for security, public, and commercial use.

In our stable earnings Businesses of Resources, Energy and Environment, Social Infrastructure, and Industrial Systems and General-Purpose Machinery where anticipated market growth and IHI Group can leverage our strengths, we will focus on lifecycle businesses that make maximum use of existing assets and installed bases, thereby aiming to generate cash efficiently and stably. At the same time, in businesses with low profitability and efficiency, the IHI Group will continue to advance business portfolio reformations, aiming to realize sustained growth.

#### B. Profit distribution

For the fiscal year ending March 31, 2027, IHI plans to pay a dividend of ¥23 per share (interim dividend:¥11.5, year-end dividend:¥11.5). This is aimed at capturing future growth opportunities through proactive upfront investments in growth areas and to take comprehensive account of stable dividend payments as well as the enhancement and strengthening of shareholders' equity.

## **2. SELECTION OF ACCOUNTING STANDARDS**

The IHI Group has adopted the International Financial Reporting Standards (IFRS Accounting Standards) from the fiscal year ended March 31, 2021. This change is aimed to facilitate the international comparability of the IHI Group's financial statements in capital markets and to improve the quality of group management through unification of accounting policies.

### 3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO

#### (1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	136,809	155,084
Trade and other receivables	506,718	575,965
Contract assets	113,959	104,903
Other financial assets	3,989	4,100
Inventories	444,066	504,223
Other current assets	73,296	107,119
Subtotal	1,278,837	1,451,394
Assets related to disposal groups classified as held for sale	23,426	—
Total current assets	1,302,263	1,451,394
<b>Non-current assets:</b>		
Property, plant and equipment	241,970	240,010
Right-of-use assets	102,766	112,038
Goodwill	6,276	4,931
Intangible assets	132,056	135,680
Investment property	143,838	144,817
Investments accounted for using equity method	72,719	79,758
Other financial assets	51,509	37,848
Deferred tax assets	119,535	127,618
Other non-current assets	67,460	94,465
Total non-current assets	938,129	977,165
<b>Total assets</b>	<b>2,240,392</b>	<b>2,428,559</b>

**(1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade and other payables	287,201	401,427
Bonds and borrowings	126,125	103,552
Lease liabilities	17,386	19,544
Other financial liabilities	15,226	10,878
Income taxes payable	39,690	23,923
Contract liabilities	252,968	311,447
Provisions	26,049	24,130
Refund liabilities	153,002	110,613
Other current liabilities	175,192	170,767
Subtotal	1,092,839	1,176,281
Liabilities related to disposal groups classified as held for sale	25,086	—
Total current liabilities	1,117,925	1,176,281
<b>Non-current liabilities:</b>		
Bonds and borrowings	263,271	255,981
Lease liabilities	107,941	110,816
Other financial liabilities	66,875	55,514
Deferred tax liabilities	7,747	2,996
Retirement benefit liability	145,616	121,401
Provisions	6,728	6,259
Other non-current liabilities	15,629	17,780
Total non-current liabilities	613,807	570,747
<b>Total liabilities</b>	<b>1,731,732</b>	<b>1,747,028</b>
<b>Equity</b>		
Share capital	107,165	107,165
Capital surplus	46,384	48,401
Retained earnings	280,100	441,645
Treasury shares	(8,576)	(9,454)
Other components of equity	56,761	64,486
Other components of equity related to disposal groups classified as held for sale	(108)	—
<b>Total equity attributable to owners of parent</b>	<b>481,726</b>	<b>652,243</b>
<b>Non-controlling interests</b>	<b>26,934</b>	<b>29,288</b>
<b>Total equity</b>	<b>508,660</b>	<b>681,531</b>
<b>Total liabilities and equity</b>	<b>2,240,392</b>	<b>2,428,559</b>

## (2) CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Revenue</b>	1,626,831	1,643,402
Cost of sales	1,252,317	1,263,891
<b>Gross profit (loss)</b>	374,514	379,511
Selling, general and administrative expenses	223,638	242,695
Other income	16,623	54,342
Other expenses	23,982	25,624
<b>Operating profit (loss)</b>	143,517	165,534
Finance income	3,725	14,783
Finance costs	15,034	9,059
Share of profit (loss) of investments accounted for using equity method	6,280	14,232
<b>Profit (loss) before tax</b>	138,488	185,490
Income tax expense	21,193	20,266
<b>Profit (loss)</b>	117,295	165,224
Profit (loss) attributable to:		
Owners of parent	112,740	160,992
Non-controlling interests	4,555	4,232
<b>Profit (loss)</b>	117,295	165,224
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	106.41	151.88
Diluted earnings (loss) per share (yen)	106.40	151.86

(Note) The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Basic earnings per share and Diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Profit (loss)</b>	117,295	165,224
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,044	4,938
Remeasurements of defined benefit plans	4,031	12,957
Share of other comprehensive income of investments accounted for using equity method	1,649	124
Total of items that will not be reclassified to profit or loss	8,724	18,019
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(387)	16,240
Cash flow hedges	(358)	777
Share of other comprehensive income of investments accounted for using equity method	204	(350)
Total of items that may be reclassified to profit or loss	(541)	16,667
Other comprehensive income, net of tax	8,183	34,686
Comprehensive income	125,478	199,910
<b>Comprehensive income attributable to:</b>		
Owners of parent	121,135	193,970
Non-controlling interests	4,343	5,940
Comprehensive income	125,478	199,910

### (3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	107,165	46,362	177,403	(8,589)	36,272	896	16,394
Profit (loss)			112,740				
Other comprehensive income					(199)	(139)	3,691
Total comprehensive income	—	—	112,740	—	(199)	(139)	3,691
Purchase of treasury shares				(11)			
Disposal of treasury shares		5		24			
Dividends			(15,191)				
Share-based remuneration transactions		17					
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			5,361				(319)
Transfer to other components of equity related to disposal groups classified as held for sale					89	20	(1)
Other			(213)				
Total transactions with owners	—	22	(10,043)	13	89	20	(320)
Balance as of March 31, 2025	107,165	46,384	280,100	(8,576)	36,162	777	19,765

	Equity attributable to owners of parent							
	Other components of equity			Total	Other components of equity related to disposal groups classified as held for sale	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total					
Balance as of April 1, 2024	—	86	53,648	375,989	—	375,989	26,279	402,268
Profit (loss)			—	112,740		112,740	4,555	117,295
Other comprehensive income	5,042		8,395	8,395		8,395	(212)	8,183
Total comprehensive income	5,042	—	8,395	121,135	—	121,135	4,343	125,478
Purchase of treasury shares			—	(11)		(11)		(11)
Disposal of treasury shares		(28)	(28)	1		1		1
Dividends			—	(15,191)		(15,191)	(3,915)	(19,106)
Share-based remuneration transactions			—	17		17		17
Changes in ownership interest in subsidiaries			—	—		—	227	227
Transfer from other components of equity to retained earnings	(5,042)		(5,361)	—		—		—
Transfer to other components of equity related to disposal groups classified as held for sale			108	108	(108)	—		—
Other		(1)	(1)	(214)		(214)		(214)
Total transactions with owners	(5,042)	(29)	(5,282)	(15,290)	(108)	(15,398)	(3,688)	(19,086)
Balance as of March 31, 2025	—	57	56,761	481,834	(108)	481,726	26,934	508,660



### (3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal year ended March 31, 2026

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	107,165	46,384	280,100	(8,576)	36,162	777	19,765
Profit (loss)			160,992				
Other comprehensive income					14,553	426	4,421
Total comprehensive income	—	—	160,992	—	14,553	426	4,421
Purchase of treasury shares				(1,368)			
Disposal of treasury shares		665		490			
Dividends			(21,273)				
Share-based remuneration transactions		955					
Transfer from other components of equity to retained earnings			22,246				(8,648)
Transfer to other components of equity related to disposal groups classified as held for sale					(89)	(20)	1
Other		397	(420)		(2,666)	(92)	(136)
Total transactions with owners	—	2,017	553	(878)	(2,755)	(112)	(8,783)
Balance as of March 31, 2026	107,165	48,401	441,645	(9,454)	47,940	1,091	15,403

	Equity attributable to owners of parent							
	Other components of equity			Total	Other components of equity related to disposal groups classified as held for sale	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total					
Balance as of April 1, 2025	—	57	56,761	481,834	(108)	481,726	26,934	508,660
Profit (loss)			—	160,992		160,992	4,232	165,224
Other comprehensive income	13,598		32,978	32,978		32,978	1,708	34,686
Total comprehensive income	13,598	—	32,978	193,970	—	193,970	5,940	199,910
Purchase of treasury shares			—	(1,368)		(1,368)		(1,368)
Disposal of treasury shares		(5)	(5)	1,150		1,150		1,150
Dividends			—	(21,273)		(21,273)	(3,746)	(25,019)
Share-based remuneration transactions			—	955		955		955
Transfer from other components of equity to retained earnings	(13,598)		(22,246)	—		—		—
Transfer to other components of equity related to disposal groups classified as held for sale			(108)	(108)	108	—		—
Other			(2,894)	(2,917)		(2,917)	160	(2,757)
Total transactions with owners	(13,598)	(5)	(25,253)	(23,561)	108	(23,453)	(3,586)	(27,039)
Balance as of March 31, 2026	—	52	64,486	652,243	—	652,243	29,288	681,531

**(4) CONSOLIDATED STATEMENT OF CASH FLOWS**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	138,488	185,490
Depreciation, amortization and impairment losses	76,765	86,822
Finance income and finance costs	2,366	526
Share of loss (profit) of investments accounted for using equity method	(6,280)	(14,232)
Loss (gain) on sale of property, plant and equipment, intangible assets and investment property	(10,544)	(24,537)
Decrease (increase) in trade receivables	(66,268)	(59,945)
Decrease (increase) in contract assets	13,208	5,490
Decrease (increase) in inventories and prepayments	(21,005)	(86,438)
Increase (decrease) in trade payables	18,159	102,472
Increase (decrease) in contract liabilities	55,049	58,653
Increase (decrease) in refund liabilities	(39,677)	(42,389)
Increase (decrease) in allowance for doubtful accounts	6,334	69
Other	16,733	(29,731)
Subtotal	183,328	182,250
Interest received	2,567	2,723
Dividends received	1,423	1,993
Interest paid	(6,208)	(7,392)
Income taxes paid	(3,476)	(58,214)
<b>Net cash provided by (used in) operating activities</b>	177,634	121,360
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and investment property	(60,249)	(91,770)
Proceeds from sale of property, plant and equipment, intangible assets and investment property	10,915	30,682
Purchase of investments (including investments accounted for using equity method)	(4)	770
Proceeds from sale and redemption of investments (including investments accounted for using equity method)	1,563	22,360
Proceeds from sale of equity interest in subsidiaries	—	19,069
Other	(11,045)	466
<b>Net cash provided by (used in) investing activities</b>	(58,820)	(18,423)

**(4) CONSOLIDATED STATEMENT OF CASH FLOWS**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(59,397)	15,943
Proceeds from long-term borrowings	47,329	28,737
Repayments of long-term borrowings	(57,565)	(66,041)
Proceeds from issuance of bonds	20,000	—
Redemption of bonds	(10,000)	(10,000)
Repayments of lease liabilities	(20,763)	(23,454)
Decrease (increase) in treasury shares	(10)	(883)
Dividends paid	(15,155)	(21,228)
Capital contribution from non-controlling interests	227	—
Dividends paid to non-controlling interests	(3,915)	(3,748)
Increase in other financial liabilities	1,309	1,373
Decrease in other financial liabilities	(18,367)	(19,104)
Other	82	511
<b>Net cash provided by (used in) financing activities</b>	<b>(116,225)</b>	<b>(97,894)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>619</b>	<b>8,028</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,208</b>	<b>13,071</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>138,805</b>	<b>136,809</b>
<b>Cash and cash equivalents included in assets related to disposal groups classified as held for sale</b>	<b>(5,204)</b>	<b>5,204</b>
<b>Cash and cash equivalents at end of period</b>	<b>136,809</b>	<b>155,084</b>

## **(5) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTES ON PREMISE OF GOING CONCERN**

Not applicable

### **MATERIAL ACCOUNTING POLICIES**

Material accounting policies applied by the IHI Group in the consolidated financial statements are the same as those in the consolidated financial statements for the previous fiscal year, except for the following.

#### **Change in the accounting treatment of selling, general and administrative expenses**

From the current consolidated fiscal year, the IHI Group has changed the accounting treatment for a portion of administrative expenses in the Aero Engine, Space and Defense Business, reclassifying them from cost of sales (manufacturing overhead) to selling, general and administrative expenses (SG&A).

In response to changes in the business environment, we have reviewed the roles, business processes, and IT infrastructure of the administrative departments in this business from the beginning of the current fiscal year. As part of strengthening our management functions, we have added certain strategic, legal and risk management, and human resources functions which had previously been handled by the corporate division to the business unit's administrative departments. Accordingly, we have changed the accounting treatment so that a portion of administrative expenses, which had previously been recorded as cost of sales (manufacturing overhead) as service department expenses, are now recorded as SG&A.

Due to the wide-ranging impact on cost accounting, it is difficult to retrospectively reflect the change in prior years' cost accounting results and to reasonably estimate the effects based on assumptions. Therefore, this change has been applied prospectively from the current consolidated fiscal year onward. As a result of this change, gross profit for the current consolidated fiscal year increased by 6,870 million yen, while operating profit and profit before income taxes decreased by 4,400 million yen, net profit decreased by 4,384 million yen, basic earnings per share decreased by 4.14 yen, diluted earnings per share decreased by 4.14 yen, and inventories decreased by 4,400 million yen.

Note: IHI conducted a stock split at a ratio of seven shares for each one common share on October 1, 2025. Basic and diluted earnings per share are calculated based on the number of shares after the stock split.

### **SEGMENT INFORMATION**

#### **1. Overview of reportable segment**

The business segments are constituent units of the IHI Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The IHI Group organizes SBUs by products and services and allocates Business Areas to control these SBUs. Each Business Area manages and supervises the SBUs' execution of business strategies and, allocates management resources necessary for execution of the SBUs' business strategies. SBUs shall be the units possessing complete business processes including sales, developments, designs, productions, constructions, services, etc. based on the visions and strategies drawn up by Business Areas. Each SBU is an organization executing business and responsible for ensuring a profit in the SBU.

Based on the above, the IHI Group consists of segments by these Business Areas and sets the Business Areas of "Resources, Energy and Environment," "Social Infrastructure," "Industrial Systems and General-Purpose Machinery," and "Aero Engine, Space and Defense" as its reportable segment. There are no aggregated business segments when deciding the reportable segment.

Main businesses, products and services belonging to each segment are as follows:

Reportable segment	Main businesses, products and services
Resources, Energy and Environment	Power systems (power systems plants for land use and power systems for ships), Carbon solutions, Nuclear energy (components for nuclear power plants)
Social Infrastructure	Bridges and water gates, Transport systems (*1), Shield systems, Concrete construction materials (*2)
Industrial Systems and General-Purpose Machinery	Vehicular turbochargers, Parking, Rotating machineries (compressors, separation systems, turbochargers for ships), Heat treatment and surface engineering, Transport machineries(*3), Logistics and machinery (logistics systems, industrial machineries)
Aero Engine, Space and Defense	Aero engines, Rocket systems and space utilization systems, Defense systems

(\*1) IHI transferred all issued shares of Niigata Transys Co., Ltd., its main consolidated subsidiary in the Transport Systems Business, to JKF Co., Ltd. on December 30, 2025.

(\*2) IHI transferred all issued shares of IHI CONSTRUCTION MATERIALS Co., Ltd., its main consolidated subsidiary in the Concrete Construction Materials Business, to Vertex Corporation on October 1, 2025.

(\*3) The share transfer of the Transport Machineries Business to Tadano Ltd. has completed on July 1, 2025.

## 2. Information about reportable segment

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment					Other (Note 3)	Total	Adjustment (Note 4)	Consolidated
	Resources, Energy and Environment	Social Infrastructure (Note 1)	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense (Note 2)	Total				
<b>Revenue</b>									
Revenue from external customers	408,301	139,736	475,644	552,700	1,576,381	50,450	1,626,831	—	1,626,831
Intersegment revenue and transfers	3,162	6,266	9,208	3,004	21,640	26,782	48,422	(48,422)	—
Total	411,463	146,002	484,852	555,704	1,598,021	77,232	1,675,253	(48,422)	1,626,831
Segment profit (loss) (Note 5)	16,136	(4,242)	10,800	122,791	145,485	16,829	162,314	(18,797)	143,517
Segment assets	338,462	165,029	367,063	996,338	1,866,892	349,917	2,216,809	23,583	2,240,392
<b>Other</b>									
Depreciation and amortization	6,948	9,903	13,070	31,329	61,250	1,753	63,003	9,149	72,152
Impairment losses	282	3,715	616	—	4,613	—	4,613	—	4,613
Share of profit (loss) of investments accounted for using equity method	295	—	818	137	1,250	5,030	6,280	—	6,280
Investments accounted for using equity method	1,096	—	5,374	37,151	43,621	29,098	72,719	—	72,719
Capital expenditures	8,184	2,849	17,986	38,609	67,628	16,783	84,411	13,010	97,421

- Notes: 1. From the current consolidated fiscal year, due to the change of the reporting segment for the Urban Development Business from Social Infrastructure to the “Other,” ¥ 16,174 million of Revenue from external customers, ¥ 165 million of Intersegment revenue and transfers, and ¥ 13,684 million of segment profit, ¥151,625 million of Segment assets, ¥15,242 million of Capital expenditures have been reclassified from Social Infrastructure segment to the “Other.”
2. The revenue and operating profit (loss) for the Fiscal year ended March 31, 2025, includes the impact of ¥ 0.9 billion due to exchange rate fluctuations for the additional inspection program for shipped PW1100G-JM engines.
3. The “Other” classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, urban development (real estate sales and rental), and other service operations.
4. The details of adjustment are as follows:
- (1) Adjustment of segment profit (loss) represents intersegment transactions of ¥36 million and unallocated corporate expenses of ¥ (18,833) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
  - (2) Adjustment of ¥23,583 million for segment assets includes eliminations of intersegment receivables and payables of ¥ (215,077) million and corporate assets unallocated to each reportable segment of ¥238,660 million among cash and cash equivalents, property, plant and equipment, and other financial assets. It mainly consists of IHI’s surplus funds under management, including cash and deposits, and securities.
  - (3) Adjustment of depreciation and amortization represents depreciation and amortization not allocated to each reportable segment.
  - (4) Adjustment of capital expenditures represents corporate capital expenditures not allocated to each reportable segment.

5. Segment profit (loss) is adjusted with operating profit (loss) in the consolidated statement of profit or loss. IHI concluded an agreement on November 6, 2024, to transfer the Materials Handling System Business, which is part of the Industrial Systems and General-Purpose Machinery, to Tadano Ltd., and on March 27, 2025, to transfer IHI CONSTRUCTION MATERIALS Co., Ltd. (hereinafter "IKK"), which is responsible for the Concrete Construction Materials Business, a part of the Social Infrastructure, to Vertex Corporation. As a result, as of the end of the fiscal year ended March 31, 2025, the assets and liabilities subject to these transfers have been classified into disposal groups classified as held for sale. Among these, IKK has been measured at fair value less costs to sell, and the impairment loss on non-current assets is presented under "Other expenses." Consequently, the segment profit for the Social Infrastructure decreased by 3,327 million yen.

	Reportable segment				Total	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Resources, Energy and Environment	Social Infrastructure	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense (Note 1)					
Revenue									
Revenue from external customers	373,475	129,642	438,896	648,135	1,590,148	53,254	1,643,402	—	1,643,402
Intersegment revenue and transfers	3,245	2,284	11,630	3,583	20,742	31,094	51,836	(51,836)	—
Total	376,720	131,926	450,526	651,718	1,610,890	84,348	1,695,238	(51,836)	1,643,402
Segment profit (loss) (Note 4)	5,959	3,727	30,778	112,429	152,893	35,881	188,774	(23,240)	165,534
Segment assets	335,964	123,289	350,362	1,209,290	2,018,905	259,774	2,278,679	149,880	2,428,559
Other									
Depreciation and amortization	6,789	3,235	12,859	34,693	57,576	1,733	59,309	17,032	76,341
Impairment losses	1,381	3,717	3,738	—	8,836	—	8,836	—	8,836
Share of profit (loss) of investments accounted for using equity method	(213)	—	611	5,190	5,588	8,644	14,232	—	14,232
Investments accounted for using equity method	1,277	—	5,477	45,166	51,920	27,838	79,758	—	79,758
Capital expenditures	7,245	2,582	12,033	49,082	70,942	12,509	83,451	14,203	97,654

- Notes:
- Effective from the current consolidated fiscal year, the IHI has changed its treatment for a portion of administrative expenses related to the Aero Engine, Space and Defense segment. These expenses are now classified as selling, general and administrative expenses instead of being included in cost of sales (manufacturing overhead).  
As a result of this change, segment profit for the period decreased by ¥4,400 million. For further details, please refer to “(5) Notes to the Consolidated Financial Statements (Material accounting policies).”  
The revenue and operating profit (loss) for the fiscal year ended March 31, 2026, includes the impact of ¥ (5.0) billion due to exchange rate fluctuations for the additional inspection program for shipped PW1100G-JM engines.
  - The “Other” classification consists of business that is not included in reportable segment. It includes inspection and measurement business, the manufacture and sale of equipment and the like related to such business, urban development (real estate sales and rental), and other service operations.
  - The details of adjustment are as follows:
    - (1) Adjustment of segment profit (loss) represents intersegment transactions of ¥1,358 million and unallocated corporate expenses of ¥ (21,882) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
    - (2) Adjustment of ¥149,880 million for segment assets includes eliminations of intersegment receivables and payables of ¥ (171,040) million and corporate assets unallocated to each reportable segment of ¥320,920 million among cash and cash equivalents, property, plant and equipment, and other financial assets. It mainly consists of IHI’s surplus funds under management, including cash and deposits, and securities.
    - (3) Adjustment of depreciation and amortization represents depreciation and amortization not allocated to each reportable segment.
    - (4) Adjustment of capital expenditures represents corporate capital expenditures not allocated to each reportable segment.
  - Segment profit (loss) is adjusted with operating profit (loss) in the consolidated financial statement of profit or loss.



## EARNINGS PER SHARE

### (1) Basis for calculating basic earnings per share

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (loss) attributable to owners of parent	112,740	160,992
Profit (loss) not attributable to ordinary shareholders of parent	—	—
Profit (loss) used for calculating basic earnings per share	112,740	160,992
Weighted-average number of ordinary shares (Thousands of shares)	1,059,528	1,059,967
Basic earnings (loss) per share (Yen)	106.41	151.88

### (2) Basis for calculating diluted earnings per share

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (loss) used for calculating basic earnings (loss) per share	112,740	160,992
Adjustment to profit (loss)	—	—
Profit (loss) used to calculate diluted earnings (loss) per share	112,740	160,992
Weighted-average number of ordinary shares (Thousands of shares)	1,059,528	1,059,967
Increase in ordinary shares		
Share acquisition rights (Thousands of shares)	101	138
Weighted-average number of ordinary shares after dilution (Thousands of shares)	1,059,629	1,060,106
Diluted earnings (loss) per share (Yen)	106.40	151.86

- Notes: 1. Shares of IHI owned by a trust account for the Board Benefit Trust are included in the number of shares issued at the end of the current semi-annual period and the number of treasury shares excluded for the calculation of the weighted-average number of ordinary shares.
- The weighted-average number of ordinary shares as treasury shares excluded for the calculation of basic earnings per share and diluted earnings per share is 3,746 thousand shares for the current semi-annual period (3,823 thousand shares fiscal year ended March 31, 2025).
2. IHI conducted a stock split at a ratio of seven shares for each one common share on October 1, 2025. In calculating basic earnings per share and diluted earnings per share, the above-mentioned stock split is assumed to have taken place at the beginning of the previous fiscal year.

## SIGNIFICANT SUBSEQUENT EVENTS

### Transfer of non-current assets

As the announcement on April 20, 2026, IHI transferred certain non-current assets for the purpose of improving capital efficiency, strengthening its Growth and Development-focus Businesses, and securing funds for investment in the transformation of its business portfolio.

#### (1) Description of the Assets to be Transferred

Details and location of assets	Gain on transfer	Type of assets
Interest in the land and building Koto-ku, Tokyo, Japan	Approximately 15.3 billion yen	Rental assets
Interest in the land and building Koto-ku, Tokyo, Japan	Approximately 24.0 billion yen	Rental assets
Total	Approximately 39.3 billion yen	

- Notes: 1. For each of the assets, the beneficiary rights in trust will be transferred after the trust is established.
2. At the request of the transferees, the transfer prices and book values of the assets are not disclosed. In addition, the gain on transfer is approximate figures obtained by deducting the book values, transfer-related expenses, etc. from the transfer prices.

(2) Schedule of transfer

April 20, 2026: Conclusion of the sales agreements and transfer of ownership interests

(3) Impact on consolidated operating results

Due to the above-mentioned transfer of non-current assets, IHI expects to record approximately 39.3 billion yen as other income in its consolidated financial statements for the fiscal year ending March 31, 2027.

## ADDITIONAL INFORMATION

### Succession of Business from Sumitomo Heavy Industries Material Handling Systems Co., Ltd.

On January 26 of this year, the IHI Group succeeded to transfer the mechanical parking system business of Sumitomo Heavy Industries Material Handling Systems Co., Ltd. to the IHI Transport Machinery Co., Ltd., a consolidated subsidiary of IHI, by means of an absorption-type company split, with IHI Transport Machinery Co., Ltd. as the succeeding company and Sumitomo Heavy Industries Material Handling Systems Co., Ltd. as the splitting company. The effective date for this absorption-type company split is scheduled for November 1 of this year.

### Transfer of Logistics and Machinery business

In its medium-term management plan, the “Group Management Policies 2023,” IHI has classified the businesses of the IHI Group into “Growth Businesses,” “Development -focus Businesses,” and “Conventional Businesses.” By optimizing the business portfolio within the Conventional Businesses and allocating the management resources (cash and human resources required for investment) thereby generated preferentially to the Growth businesses and Development -focus businesses, IHI has aimed to transform itself into a corporate structure capable of achieving sustainable high growth while responding to the rapidly changing external environment.

As announced on May 8 this year, IHI has entered into an agreement to transfer 80% of all shares in its consolidated subsidiary, IHI Logistics and Machinery Corporation (hereinafter “ILM”), including its subsidiary businesses. ILM is an integrated logistics manufacturer responsible for the Logistics and Machinery Business in the Industrial Systems and General-Purpose Machinery Business Area, which is one of the Conventional Businesses, and based on the know-how it has cultivated to date, ILM, together with its consolidated subsidiaries, has been providing solutions that realize greater efficiency and labor savings in logistics and distribution.

In recent years, however, against the backdrop of workstyle reform, and a declining labor population, needs for logistics solutions have diversified and become more complex, while demand and competition have expanded, resulting in a rapidly changing business environment. With the aim of enabling this business to achieve sustainable growth while responding swiftly to changes in the external environment, IHI has decided to transfer the business to Toyota Industries Corporation (hereinafter “TICO”). The transfer is scheduled to take place in April 2027. In addition, IHI plans to continue holding the remaining 20% equity interest for approximately five years before transferring it to TICO.

IHI expects to recognize a gain or loss on the transfer related to the above transaction in the fiscal year ending March 2028, however the exact amount is currently under scrutiny and will promptly announce it if any matters requiring disclosure arise in the future.