

Financial Results for First Quarter FY2026 (IFRS) (for the Year ended March 31, 2027)



August 5, 2026

IHI Corporation

Managing Executive Officer In Charge of Group Finance & Accounting
Hiromi Oshima

1. Highlights

2. Consolidated Results for First Quarter FY2026

3. Forecasts of Consolidated Results for FY2026

4. Appendix

Note 1: Figures for each item are rounded down to the nearest 0.1 billion yen.

Note 2: Segment abbreviations used in the text are as follows:

Resources, Energy & Environment Business Area: "Energy Segment"

Social Infrastructure Business Area: "Infrastructure Segment"

Industrial Systems & General-Purpose Machinery Business Area: "Industrial Systems Segment"

Aero Engine, Space & Defense Business Area: "Aerospace Segment"

Results for First Quarter FY2026

Summary of business results

- Civil aero engine demand remains strong, while overall orders received declined due to the rebound from large projects of the Energy business in the previous year
- Revenue and profit growth** driven by expanding domestic Civil aero engine and Nuclear energy, with solid contributions from Carbon solutions and Vehicular turbocharger; **record Q1 earnings achieved** even **excluding gain on sale of property**

Orders

¥360.7 Bil.

Year-on-Year (YoY): (¥63.6) Bil.

Revenue

¥374.5 Bil.

YoY: ¥36.7 Bil.

Operating profit
excluding gain on
sale of property

¥33.1 Bil. [8.8%]

YoY: ¥12.3 Bil.

Operating profit

¥73.2 Bil. [19.5%]

YoY: ¥52.3 Bil. [+13.4pt]

Profit attributable
to
owners of parent

¥53.5 Bil.

YoY: ¥41.9 Bil.

CF from
operating
activities

(¥43.2) Bil.

YoY: (¥37.9) Bil.

Forecasts of FY2026

Summary of business results

- FY2026 guidance raised** following strong first-quarter performance in the Aero Engine, Space & Defense segment; Orders received, Revenue and Operating profit increased by ¥10 billion, and Profit attributable to owners of parent by ¥7 billion
- Forecast to set **new record-high profits** for the full year FY2026

Orders

¥1,770.0 Bil.

¥10.0 Bil./ (¥184.7) Bil.

Revenue

¥1,840.0 Bil.

¥10.0 Bil./ ¥196.5 Bil.

Operating Profit
excluding gain on
sale of property

¥157.0 Bil. [8.5%]

¥7.0 Bil./ ¥13.9 Bil.

Operating profit

¥250.0 Bil. [13.6%]

¥10.0 Bil./ ¥84.4 Bil. [+3.5pt]

Profit attributable
to
owners of parent

¥172.0 Bil.

¥7.0 Bil./ ¥11.0 Bil.

CF from
operating
activities

¥100.0 Bil.

¥±0.0 Bil./ (¥21.3) Bil.

(*) Revision of forecast / Year-on-Year change are shown below each figures.

Consolidated Results for First Quarter FY2026



Consolidated Results for First Quarter FY2026

Overview of Financial Results

(¥ Bil.)		Q1 FY2025	Q1 FY2026	Change	
Orders received		424.3	360.7	[(15.0%)]	(63.6)
Revenue		(*) 337.7	(*) 374.5	[+10.9%]	+36.7
	Operating profit excluding gain on sale of property [%]	[6.2%] 20.8	[8.8%] 33.1	[+2.6pt]	+12.3
	Gain on sale of property	-	40.0		+40.0
Operating profit [%]		[6.2%] 20.8	[19.5%] 73.2	[+13.3pt]	+52.3
Finance income / costs etc.		(0.6)	8.7		+9.4
Profit before tax [%]		[6.0%] 20.2	[21.9%] 81.9	[+15.9pt]	+61.7
Profit attributable to owners of parent [%]		[3.4%] 11.6	[14.3%] 53.5	[+10.9pt]	+41.9
EBITDA [%]		[11.5%] 38.9	[25.1%] 93.8	[+13.6pt]	+54.8
Cash flows from operating activities		(5.3)	(43.2)		(37.9)
Average FX rate [Yen/USD]		145.56	160.52		+14.96
Closing FX rate [Yen/USD]		144.73	162.33		+17.60

(*) The revenue includes the impact of FX revaluation related to the additional inspection program for PW1100G-JM engines for ¥3.6 Bil. in Q1 FY2025, and (¥0.9) Bil. in Q1 FY2026.

There is no change in the total estimated amount (USD) of the impact related to the additional inspection program for PW1100G-JM engines.

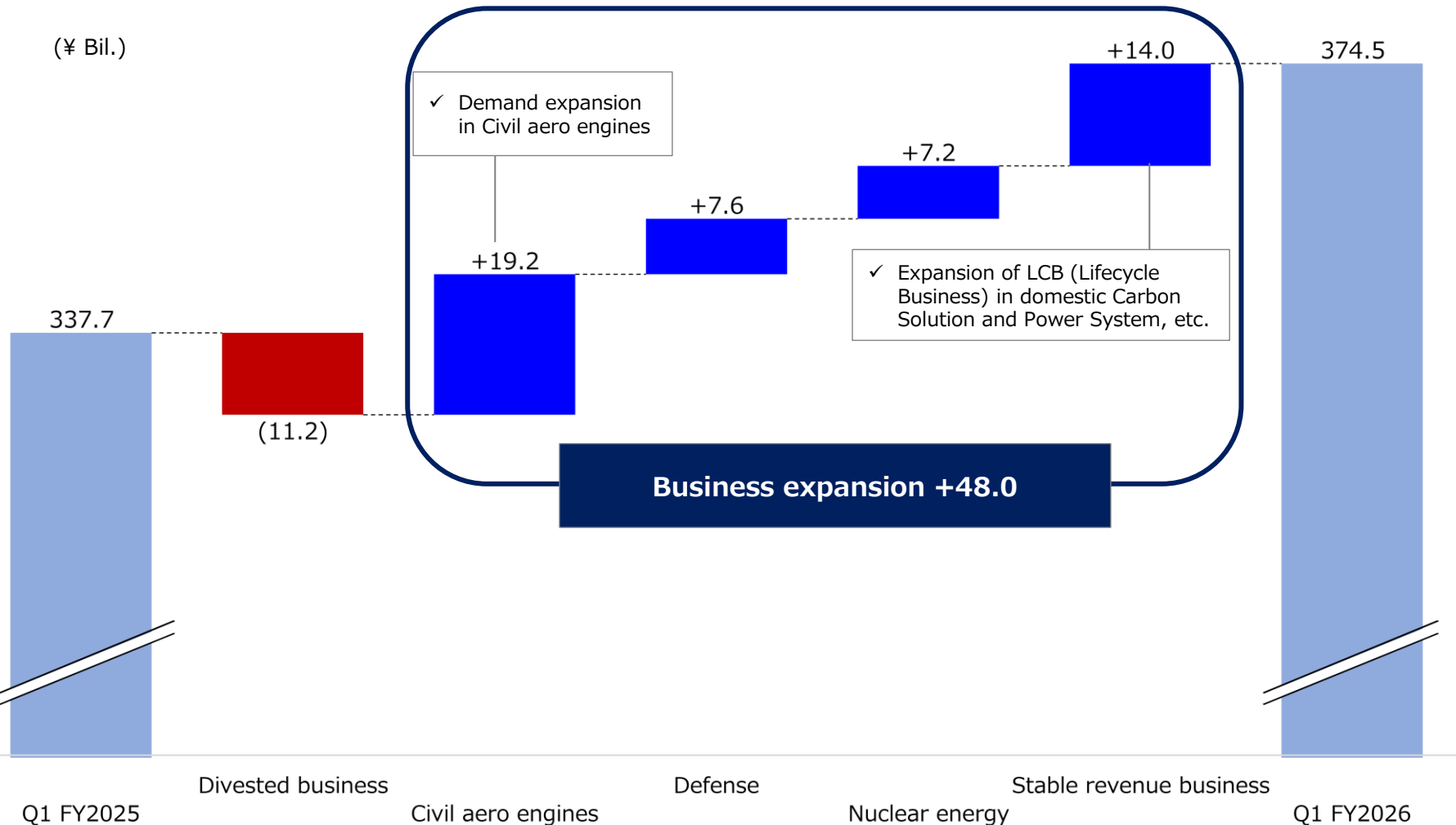
Consolidated Results for Q1 FY2026

Factors of Change in Revenue (Group-Wide)

IHI

- Strong revenue growth, driven by Growth Business in Civil aero engines, Defense and Nuclear energy, together with continued growth in Stable Revenue Businesses, more than offset the impact of prior-year business divestitures

(¥ Bil.)

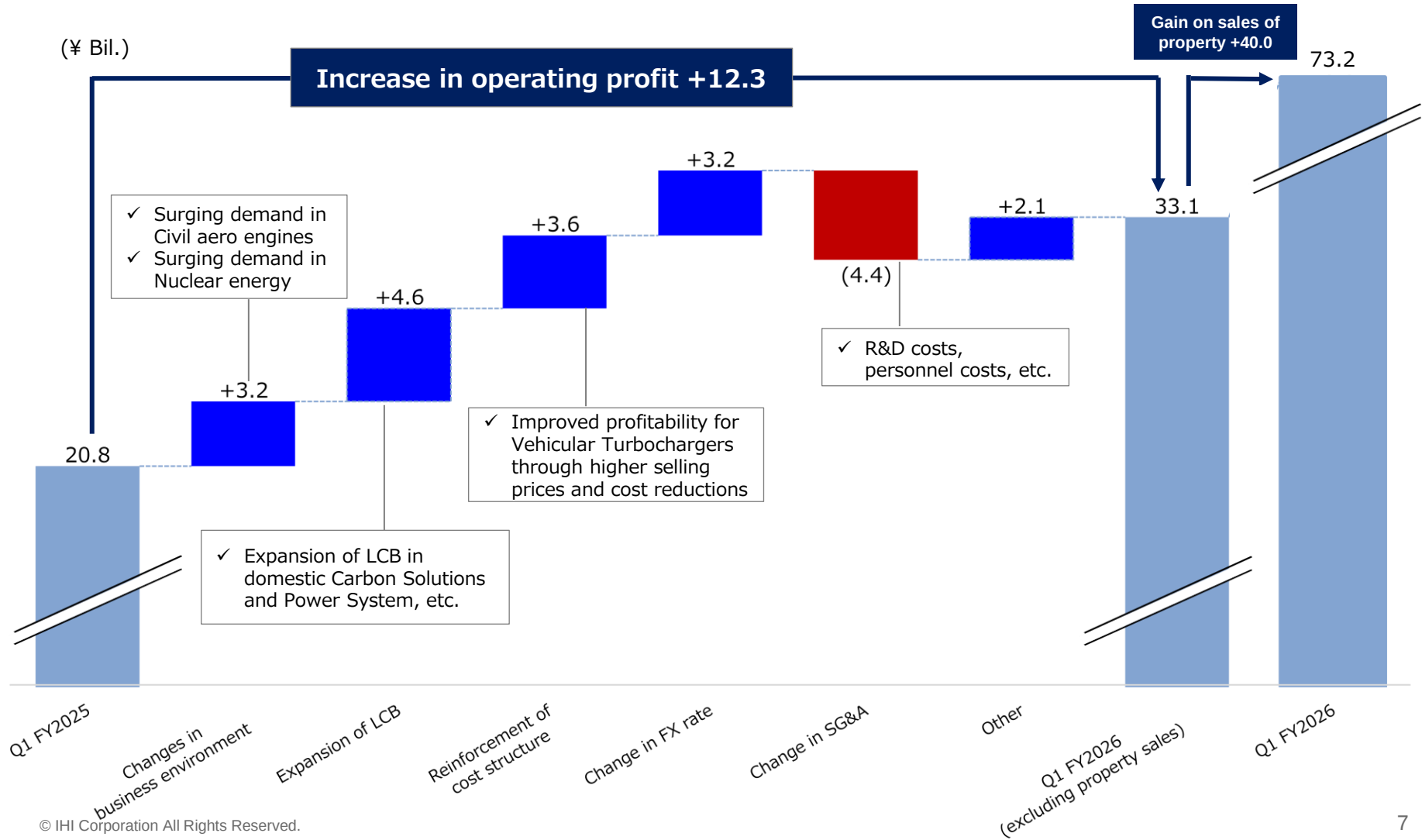


Consolidated Results for Q1 FY2026

Factors of Change in Operating Profit (Group-Wide)

IHI

- Operating profit expanded significantly, supported by continued growth in Growth Business in Civil aero engines and Nuclear energy, LCB expansion in domestic Carbon solutions and Power systems, and improved profitability in Vehicular turbochargers

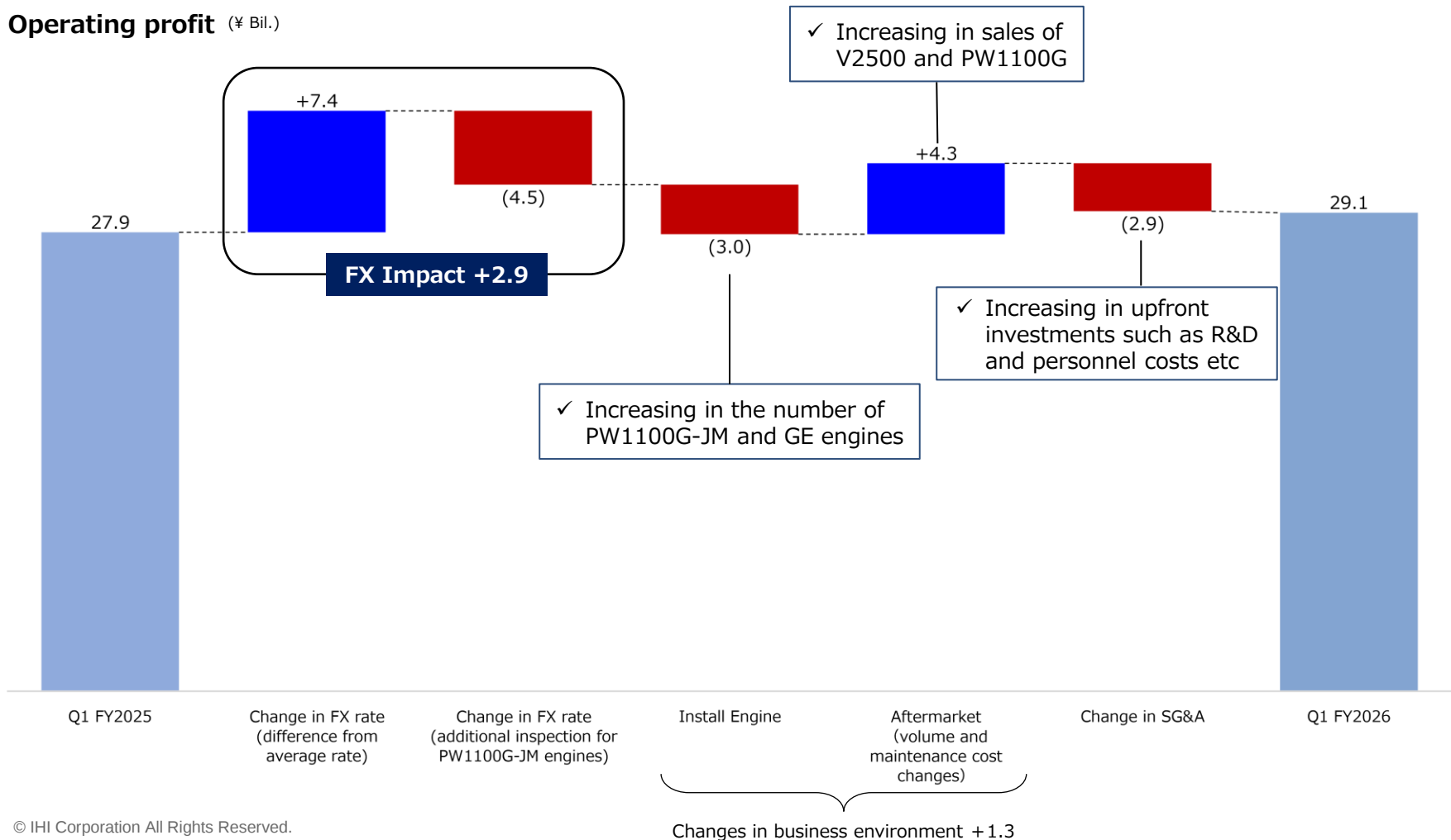


Consolidated Results for Q1 FY2026

Factors of Change in Operating Profit (Aero Engine, Space and Defense)

- Overall profits increased, supported by favorable FX movements and robust aftermarket performance in Civil aero engine
- Upfront investments and install engines deliveries, which will underpin future revenue growth, remain on track

Operating profit (¥ Bil.)



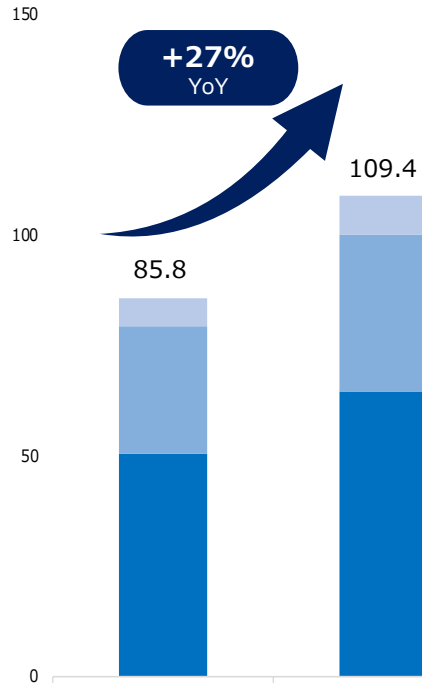
[Reference] Revenue^{*1} for Civil aero engines (JPY)

- Strong demand drives substantial revenue growth across both Install Engine and Aftermarket^{*2} businesses

Note: Excluding the impact of the additional inspection program for PW1100G-JM engines.

● Q1 Year on year

(¥ Bil.)

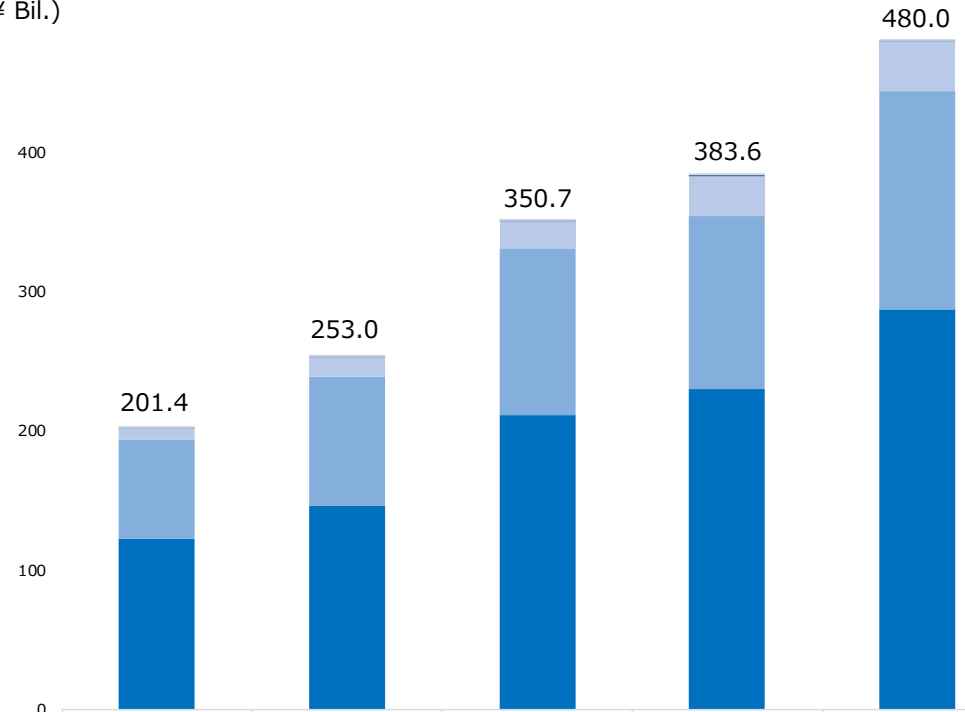


Percentage	Q1 FY2025	Q1 FY2026
Spare parts	59%	59%
Install Engine	34%	33%
Maintenance	7%	8%

■ Spare parts ■ Install Engine ■ Maintenance

● Trend from FY2022 to FY2026 Forecast

(¥ Bil.)



Percentage	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
Spare parts	61%	58%	60%	60%	60%
Install Engine	36%	37%	34%	33%	33%
Maintenance	3%	5%	6%	7%	7%

■ Spare parts ■ Install Engine ■ Maintenance

*1: Revenue based on accounting standards
(GAAP base : Generally Accepted Accounting Principles).

*2: After Market = Spare parts + Maintenance

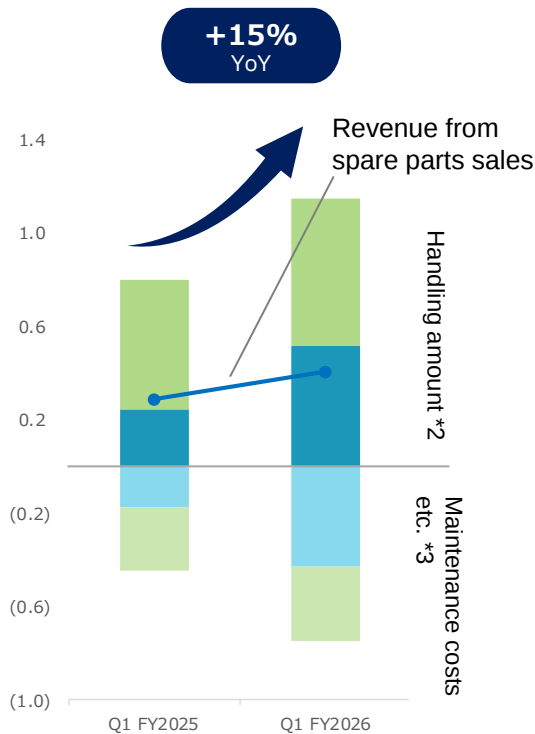
[Reference] KPI of Aftermarket business (USD)

■ Trend of spare parts revenue ^{*1}

● Q1 Year on year

Revenue expanded steadily year over year, led by the PW1100G-JM program

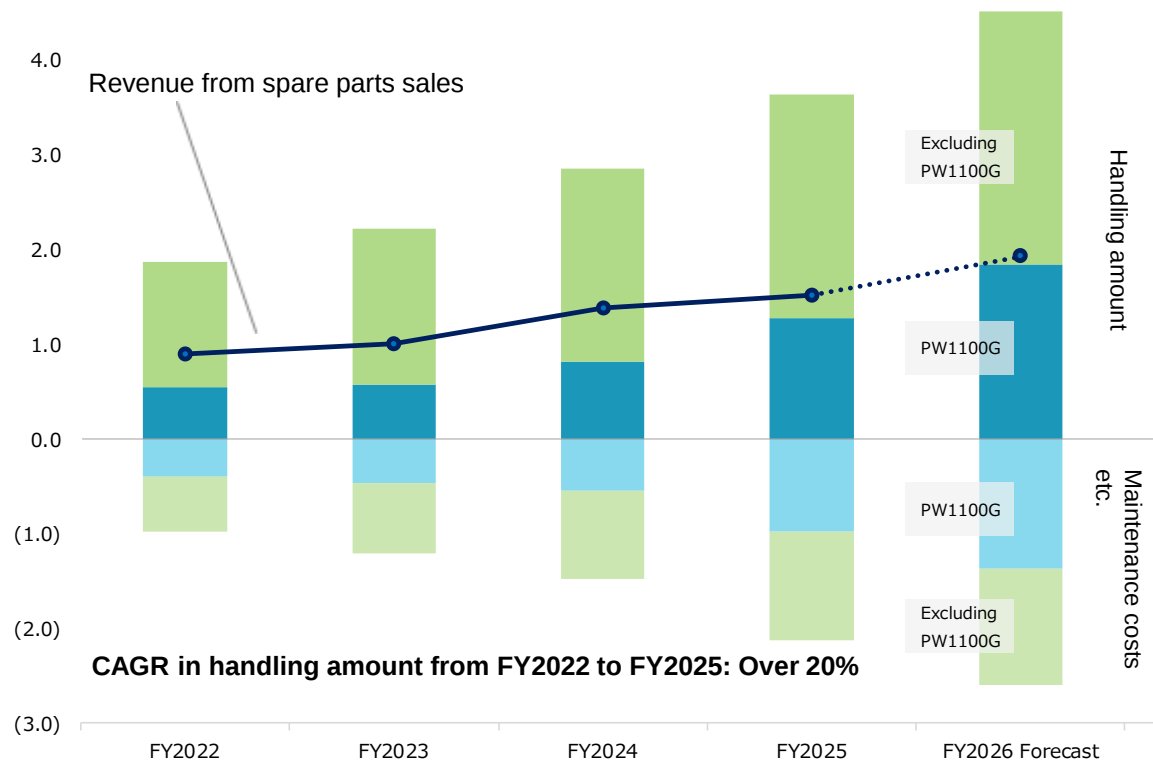
(Unit : Billion USD)



● Trend from FY2022 to FY2026 Forecast

No material impact from the Middle East situation identified to date; revenue growth forecast remains unchanged

(Unit : Billion USD)



^{*1}: Revenue based on accounting standards (GAAP base: Generally Accepted Accounting Principles).

Spare parts sales revenue = Gross-based sales – maintenance costs, etc.

^{*2}: Gross-based sales before the deduction of spare parts related costs, as used in management accounting.

^{*3}: Maintenance costs etc. for which participants of each engine programs are responsible.

Consolidated Results for First Quarter FY2026

Financial Position

IHI

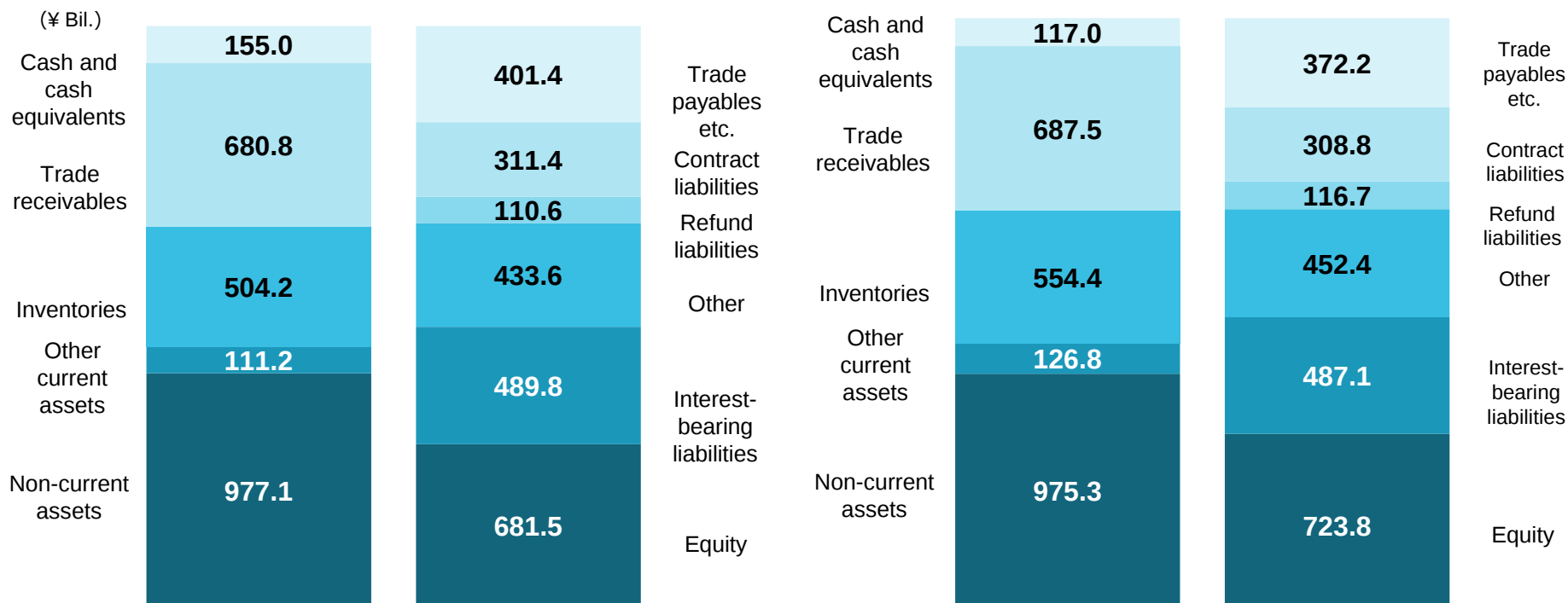
- Ratio of equity attributable to owners of parent improved, supported by earnings accumulation including property sales
- Inventories remain in an uptrend to support production ramp-up in Civil aero engine, while working capital improvements remain a key focus through fiscal year-end

As of March 31, 2026

As of June 30, 2026

Total assets : ¥ 2,428.5 Bil.
D/E ratio : 0.72 times
Ratio of equity attributable to owners of parent : 26.9%

Total assets : ¥ 2,461.2 Bil. [+¥32.6 Bil.]
D/E ratio : 0.67 times [improved 0.05pt]
Ratio of equity attributable to owners of parent : 28.3% [+1.4pt]



Consolidated Results for First Quarter FY2026

Cash Flows

- Operating cash flow declined due to the rebound of advance payments in prior-year and increased working capital supporting revenue growth
- Free cash flow improved on proceeds from property sales

(¥ Bil.)	Q1 FY2025	Q1 FY2026	Change
Profit before tax	20.2	81.9	+61.7
Depreciation	18.1	20.6	+2.5
Gain on sale of property	-	(40.0)	(40.0)
Expenditures related to the additional inspection program for PW1100G-JM engines *1	(8.4)	(11.3)	(2.9)
Change in working capital *2	39.2	(69.4)	(108.6)
Tax payments	(57.3)	(19.5)	+37.8
Other	(17.1)	(5.6)	+11.5
Cash flows from operating activities	(5.3)	(43.2)	(37.9)
Cash flows from investing activities	(15.6)	23.6	+39.2
Capital expenditures included in Cash flows from investing activities	(25.4)	(18.0)	+7.3
Free cash flows	(20.9)	(19.6)	+1.3

*1: Expenditures related to the additional inspection program of PW1100G-JM engines are shown separately from conventional "changes in working capital".

*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

Working capital = Trade receivables + Contract assets + Inventories + Prepayments - Contract liabilities - Trade payables - Refund liabilities

Forecasts of the Consolidated Results for FY2026

Forecasts of the Consolidated Results for FY2026

Performance Forecast

- Full-year forecast raised following strong first-quarter performance in Aero Engine, Space & Defense and progress on property sales
- Forecast to deliver record-high earnings for a second consecutive year

(¥ Bil.)	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in Aug.)	Change Aug. - May
Orders received	1,954.7	1,760.0	1,770.0	+10.0
Revenue	1,643.4	1,830.0	1,840.0	+10.0
Operating profit excluding gain on sale of property [%]	[8.7%] 143.1	[8.2%] 150.0	[8.5%] 157.0	+7.0
Gain on sale of property	22.4	90.0	93.0	+3.0
Operating profit [%]	[10.1%] 165.5	[13.1%] 240.0	[13.6%] 250.0	+10.0
Profit before tax [%]	[11.3%] 185.4	[12.6%] 230.0	[13.0%] 240.0	+10.0
Profit attributable to owners of parent [%]	[9.8%] 160.9	[9.0%] 165.0	[9.3%] 172.0	+7.0
EPS [Yen]	151.88	155.09	161.67	+6.58
EBITDA [%]	[14.7%] 241.8	[17.5%] 320.0	[17.9%] 330.0	+10.0
Assumed FX rate [Yen/USD]	151.09	145.00	145.00	-

(Reference) FX rate sensitivity (impact amount on operating profit from Q2 to Q4 by change of 1 yen) : USD 1.5 ¥Bil.

The FX impact of the additional inspection program for PW1100G-JM engines remains unchanged at the end of the previous fiscal year (159.85 yen/USD).
(FX rate sensitivity excludes this effect.)

Forecasts of the Consolidated Results for FY2026

Financial Forecasts by Segment

- Risk buffer (¥20.0 billion) included in Adjustment remains in place to address potential costs associated with business restructuring at overseas Energy subsidiaries
- The need for the buffer will continue to be assessed

(¥ Bil.)	Orders received				Revenue				Operating profit			
	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.
Resources, Energy and Environment	624.7	360.0	360.0	-	376.7	390.0	390.0	-	5.9 [1.6%]	33.0 [8.5%]	33.0 [8.5%]	-
Social Infrastructure	133.2	110.0	110.0	-	131.9	110.0	110.0	-	3.7 [2.8%]	7.0 [6.4%]	7.0 [6.4%]	-
Industrial Systems and General-Purpose Machinery	460.7	450.0	450.0	-	450.5	440.0	440.0	-	30.7 [6.8%]	30.0 [6.8%]	30.0 [6.8%]	-
Aero Engine, Space and Defense	703.1	810.0	820.0	+10.0	651.7	860.0	870.0	+10.0	112.4 [17.3%]	130.0 [15.1%]	137.0 [15.7%]	+7.0 [+0.6pt]
Total Reportable Segment	1,921.9	1,730.0	1,740.0	+10.0	1,610.8	1,800.0	1,810.0	+10.0	152.8	200.0	207.0	+7.0
Other	81.1	75.0	75.0	-	84.3	75.0	75.0	-	35.8	95.0	*1 98.0	+3.0
Adjustment (including corporate overhead costs)	(48.3)	(45.0)	(45.0)	-	(51.8)	(45.0)	(45.0)	-	(23.2)	(55.0)	*2 (55.0)	-
Total	1,954.7	1,760.0	1,770.0	+10.0	1,643.4	1,830.0	1,840.0	+10.0	165.5 [10.1%]	240.0 [13.1%]	250.0 [13.6%]	+10.0 [+0.5pt]

*1: Other includes a gain on sale of property of ¥93.0 billion.

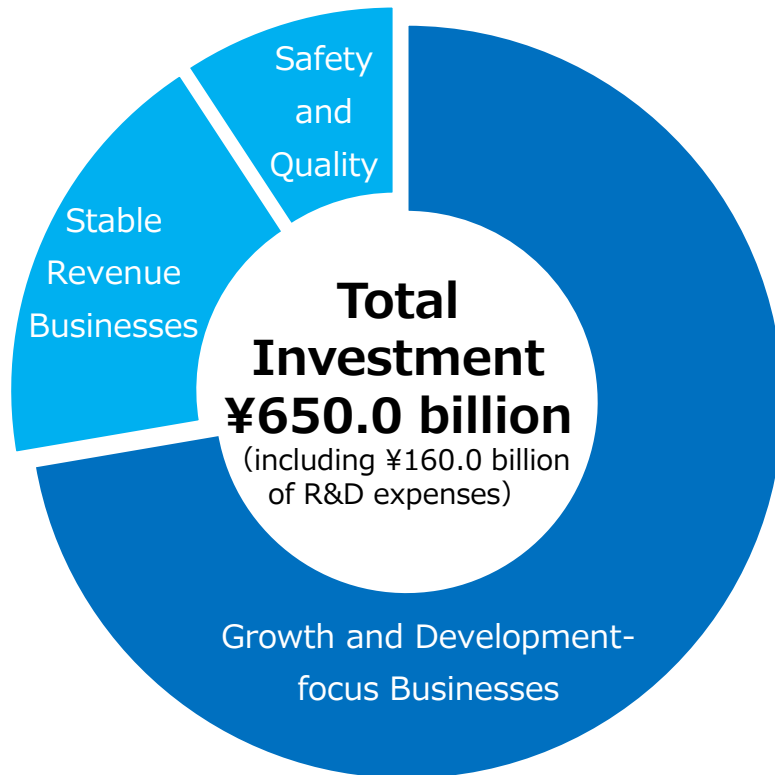
*2: Adjustment includes a risk buffer of (¥20.0 billion).

Appendix

Funding sources for the total investment of ¥650.0 billion for growth toward Phase 2 and beyond

- The main funding sources for the ¥510.0 billion in investments will be operating CF excluding R&D expenses and proceeds from property sales
- Returns are carefully evaluated for each project, and investments are made to ensure medium- to long-term growth

Investment Plan for the Next 3 Years (Phase 1: FY2026–FY2028)



Funding Sources for the Total Investment of ¥650.0 Billion

● Adjusted operating CF* : More than ¥510.0 billion

*Adjusted operating CF= (1) Operating CF + (2) R&D expenses

(1) Cumulative operating CF over 3 years
¥350.0 billion

(2) R&D expenses over 3 years
¥160.0 billion

● Proceeds from sales of properties etc. : More than ¥100.0 billion

- Planned property sales, primarily in the Toyosu area*

*Toyosu area : Koto-ku, Tokyo, Japan

Publication date	Business	Overview
Oct.28, 2024	Packaged boiler	Completed transfer of 100% shares of IHI PACKAGED BOILER CO.,LTD. to TAKUMA CO., LTD. (April 1, 2025)
Nov.6, 2024	Materials Handling Systems	Completed transfer of the Materials Handling System business of IHI Transport Machinery Co.,Ltd. to Tadano Ltd. (July 1, 2025)
Nov.25, 2024	Turf care machinery	Completed transfer of the Turf care machinery business of IHI Agri-Tech Corporation to Kyoeisha Co., Ltd. (June 1, 2025)
Mar.27, 2025	Concrete construction materials	Completed transfer of 100% shares of IHI CONSTRUCTION MATERIALS Co., Ltd., to Vertex Corporation. (October 1, 2025)
Jun.26, 2025	Investments accounted for using equity method	Completed transfer of 15% shares of Japan Marine United Corporation, to Imabari Shipbuilding Co., Ltd. (January 5, 2026)
Aug.6, 2025	Transport systems	Completed transfer of 100% shares of Niigata Transys Co., LTD. to J-Will Partners Co., Ltd. Group (December 30, 2025)
Aug.6, 2025	Weather, disaster prevention, space	Completed transfer of 100% shares of Meisei Electric Co., Ltd. to NOHMI BOSAI LTD. (February 2, 2026)
Feb.2, 2026	Carbon solutions	Completed transfer of 100% shares of Kotobuki Iron Works Co., Ltd. to TSUNEISHI IRON WORKS Co., Ltd. (February 1, 2026)
Feb.10, 2026	Carbon solutions (Overseas)	- Initiated the liquidation process (Employee dismissal etc.) for IHI Energy Solutions Inc. on January 12, 2026. - Completed substantial liquidation within fiscal year 2025.
Mar.16, 2026	Carbon solutions (Overseas)	Completed transfer of 100% shares of IHI Power Services Corp. to Kyushu Electric Power Group (June 1, 2026)
May.8, 2026	Carbon solutions (Overseas)	Initiated the liquidation process for IHI SOLID BIOMASS MALAYSIA SDN. BHD.
May.8, 2026	Logistics & Machinery	Agreed to transfer 100% shares of IHI Logistics & Machinery Corporation to Toyota Industries Corporation. (Scheduled to transfer 80% shares on April 1, 2027 and 20% of the remaining shares after approximately 5 years of retention)

Financial Results by Segment (Q1 FY2025 vs Q1 FY2026)

(¥ Bil.)	Orders received			Order backlog			Revenue			Operating profit [%]		
	Q1 FY2025	Q1 FY2026	Change	Q1 FY2025	Q1 FY2026	Change	Q1 FY2025	Q1 FY2026	Change	Q1 FY2025	Q1 FY2026	Change
Resources, Energy and Environment	143.1	79.9	(63.2)	698.5	693.0	(5.5)	70.9	88.8	+17.8	(3.3) [[4.7%]]	2.8 [3.2%]	+6.2 [+7.9pt]
Social Infrastructure	22.4	16.1	(6.3)	224.6	206.4	(18.1)	29.1	20.4	(8.7)	(1.7) [[6.2%]]	(1.8) [[8.8%]]	0.0 [(2.6pt)]
Industrial Systems and General-Purpose Machinery	112.7	118.1	+5.4	168.9	181.5	+12.5	104.6	102.3	(2.2)	0.3 [0.3%]	5.5 [5.5%]	+5.2 [+5.2pt]
Aero Engine, Space and Defense	137.0	138.0	+1.0	656.6	642.4	(14.1)	127.9	154.7	+26.8	27.9 [21.9%]	29.1 [18.9%]	+1.2 [(3.0pt)]
Total Reportable Segment	415.3	352.2	(63.0)	1,748.8	1,723.5	(25.3)	332.7	366.3	+33.6	23.1	35.8	+12.6
Other	21.3	21.2	0.0	19.5	20.0	+0.5	15.1	17.3	+2.1	0.5	42.1	+41.6
Adjustment (including corporate overhead costs)	(12.3)	(12.8)	(0.5)	-	-	-	(10.0)	(9.1)	+0.9	(2.7)	(4.7)	(2.0)
Total	424.3	360.7	(63.6)	1,768.3	1,743.6	(24.7)	337.7	374.5	+36.7	20.8 [6.2%]	73.2 [19.5%]	+52.3 [+13.3pt]
Overseas	215.9	203.0	(12.9)	361.6	355.0	(6.5)	197.2	216.0	+18.7			
Percentage of Overseas	51%	56%	+5pt	20%	20%	-	58%	58%	-			

Factors of Change in Operating Profit by Segment

(Q1 FY2025 vs Q1 FY2026)

(¥ Bil.)	Changes in business environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Other	Total
Resources, Energy and Environment	+0.5	+4.2	(0.6)	+0.2	+1.2		+0.7	+6.2
Social Infrastructure	(0.3)				(0.1)		+0.4	0.0
Industrial Systems and General-Purpose Machinery	+1.1	+0.4	+2.5	+0.1	+0.1		+1.0	+5.2
Aero Engine, Space and Defense	+1.3			+7.4	(2.9)			+1.2
The additional inspection program for PW1100G-JM engines				(4.5)				
Total Reportable Segment	+2.6	+4.6	+1.9	+3.2	(1.7)	-	+2.1	+12.6
Other	+0.6		+0.9				+40.0	+41.6
Adjustment (including corporate overhead costs)			+0.8		(2.7)			(2.0)
Total	+3.2	+4.6	+3.6	+3.2	(4.4)	-	+42.1	+52.3

Notes:

- There are cases where the aggregated amount of each segment or factor doesn't match the total due to rounding off.
Change in SG&A and change in other income and expenses exclude change in foreign exchange rate and other factors.

Financial Forecasts by Segment

(Forecasts of FY2026 announced in May vs August)

(¥ Bil.)	Orders received				Revenue				Operating profit			
	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change Aug. - May.
Resources, Energy and Environment	624.7	360.0	360.0	-	376.7	390.0	390.0	-	5.9 [1.6%]	33.0 [8.5%]	33.0 [8.5%]	- -
Social Infrastructure	133.2	110.0	110.0	-	131.9	110.0	110.0	-	3.7 [2.8%]	7.0 [6.4%]	7.0 [6.4%]	- -
Industrial Systems and General-Purpose Machinery	460.7	450.0	450.0	-	450.5	440.0	440.0	-	30.7 [6.8%]	30.0 [6.8%]	30.0 [6.8%]	- -
Aero Engine, Space and Defense	703.1	810.0	820.0	+10.0	651.7	860.0	870.0	+10.0	112.4 [17.3%]	130.0 [15.1%]	137.0 [15.7%]	+7.0 [+0.6pt]
Total Reportable Segment	1,921.9	1,730.0	1,740.0	+10.0	1,610.8	1,800.0	1,810.0	+10.0	152.8	200.0	207.0	+7.0
Other	81.1	75.0	75.0	-	84.3	75.0	75.0	-	35.8	95.0	98.0	+3.0
Adjustment (including corporate overhead costs)	(48.3)	(45.0)	(45.0)	-	(51.8)	(45.0)	(45.0)	-	(23.2)	(55.0)	(55.0)	-
Total	1,954.7	1,760.0	1,770.0	+10.0	1,643.4	1,830.0	1,840.0	+10.0	165.5 [10.1%]	240.0 [13.1%]	250.0 [13.6%]	+10.0 [+0.5pt]

Factors of Change in Operating Profit by Segment

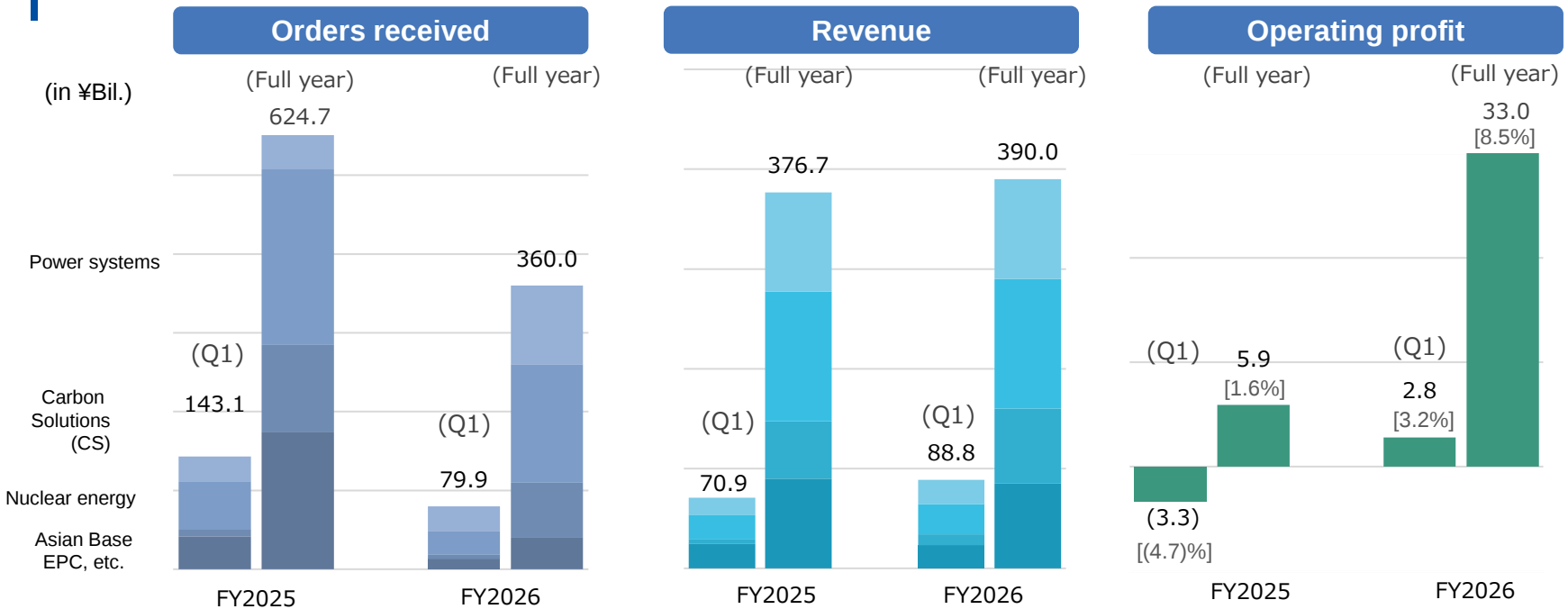
(Forecasts of FY2026 announced in May vs August)

(¥ Bil.)	Changes in business environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Other	Total
Resources, Energy and Environment								-
Social Infrastructure								-
Industrial Systems and General-Purpose Machinery								-
Aero Engine, Space and Defense				+7.0				+7.0
Total Reportable Segment	-	-	-	+7.0	-	-	-	+7.0
Other							+3.0	+3.0
Adjustment (including corporate overhead costs)								-
Total	-	-	-	+7.0	-	-	+3.0	+10.0

Note: There are cases that the aggregated amount of each segment or factor doesn't match to the total due to rounding off. Change in SG&A and change in other income and expenses exclude change in foreign exchange rate and other factors.

Financial Results & Forecasts by Segment

<Resources, Energy and Environment>



	Orders received			
	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Power Systems	31.3	117.2	31.1	100.0
Carbon Solutions	61.6	222.7	30.4	150.0
Nuclear Energy	8.5	110.4	5.3	70.0
Asian Base EPC, etc.	41.7	174.4	13.1	40.0
Total	143.1	624.7	79.9	360.0

	Revenue			
	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Power Systems	17.0	99.5	24.4	100.0
Carbon Solutions	24.8	129.8	30.1	130.0
Nuclear Energy	4.0	57.6	11.2	75.0
Asian Base EPC, etc.	25.1	89.8	23.1	85.0
Total	70.9	376.7	88.8	390.0

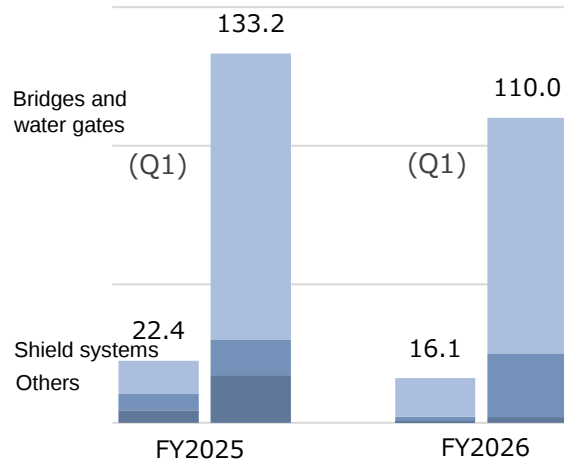
Additional explanation	
- Power systems recorded a significant increase in revenue due to the expansion of LCB. - Although Carbon solutions saw a decrease in orders due to the rebound from large projects in the previous fiscal year, revenue increased significantly due to the expansion of LCB. - In the Nuclear energy where the robust demand continues, revenue increased as construction on orders received in the previous fiscal year progressed smoothly. Further progress on these projects is expected in the second half, leading to an expansion in revenue.	

Financial Results & Forecasts by Segment

<Social Infrastructure>

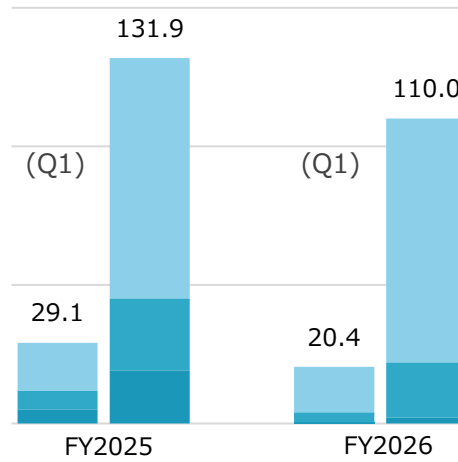
Orders received

(in ¥Bil.) (Full year) (Full year)



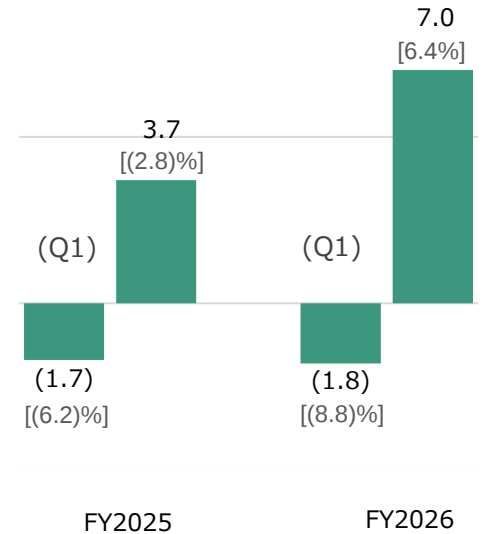
Revenue

(Full year) (Full year)



Operating profit

(Full year) (Full year)



	Orders received			
	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Bridges and Water gates	12.1	103.3	14.0	85.0
Shield Systems	5.9	12.8	1.6	23.0
Other (including divested businesses)	4.4	17.1	0.5	2.0
Total	22.4	133.2	16.1	110.0

	Revenue			
	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Bridges and Water gates	17.2	86.8	16.4	88.0
Shield Systems	6.9	26.0	3.6	20.0
Other (including divested businesses)	5.0	19.1	0.4	2.0
Total	29.1	131.9	20.4	110.0

Divested businesses	3.9	15.3	-	-
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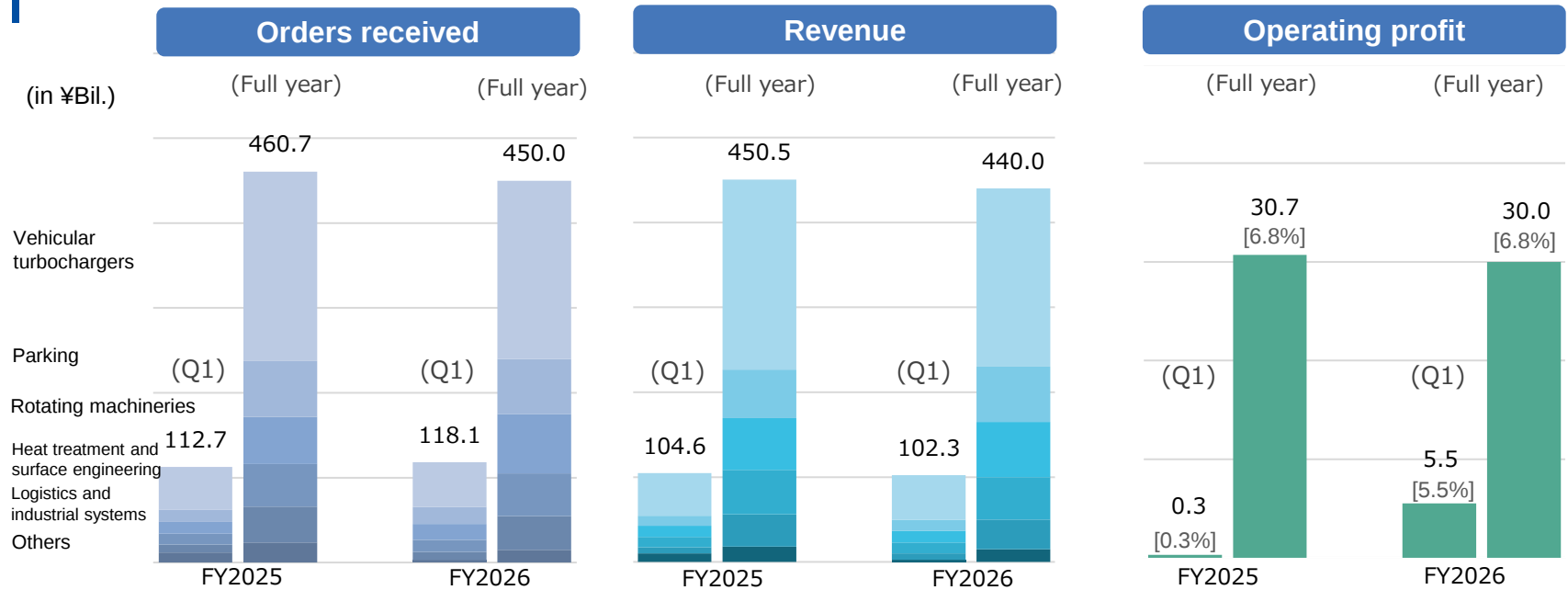
Divested businesses	4.6	17.4	-	-
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Additional explanation

- Orders received and revenue for Bridges & Watergates were roughly on par with the same period of the previous year.
- Orders received and revenue for Shield systems decreased due to the rebound effect from projects in the previous fiscal year.
- Orders received and revenue decreased due to the impact of the business transfers of the Transport systems and Concrete construction materials in the previous fiscal year.

Financial Results & Forecasts by Segment

<Industrial Systems and General-Purpose Machinery>



	Orders received				Revenue			
	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Vehicular Turbochargers	50.2	223.1	52.7	210.0	50.1	223.7	52.7	210.0
Parking	14.5	66.1	20.0	65.0	11.9	57.3	12.9	65.0
Rotating Machineries	14.1	55.3	18.6	70.0	12.9	61.0	13.7	65.0
Heat Treatment and Surface Engineering	12.8	50.4	14.3	50.0	12.3	52.3	13.0	50.0
Logistics and Industrial Systems	9.1	42.0	9.7	40.0	7.2	38.2	7.4	35.0
Other (including divested businesses)	12.0	23.8	2.8	15.0	10.2	18.0	2.6	15.0
Total	112.7	460.7	118.1	450.0	104.6	450.5	102.3	440.0
Divested businesses	11.0	11.0	-	-	6.6	6.6	-	-

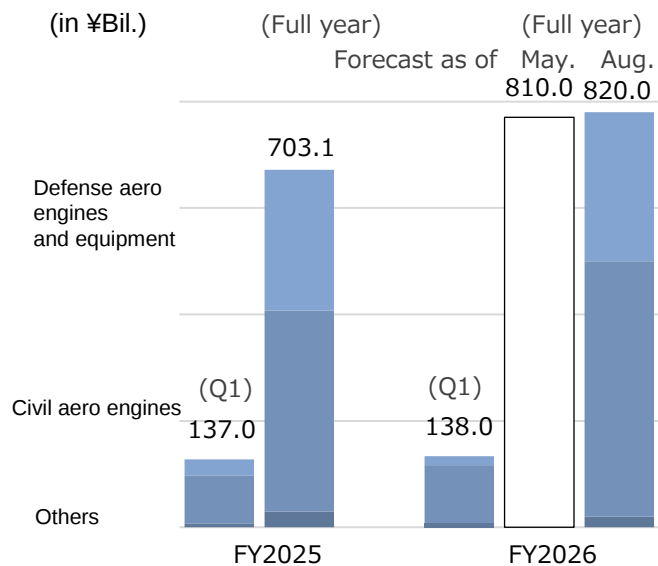
Additional explanation

- Although sales volume for Vehicular turbochargers decreased, revenue increased due to improved sales prices.
- Parking and Rotating machineries worked to expand LCB, resulting in increases in both orders received and revenue.
- Orders received and revenue for Heat treatment and Surface engineering were roughly on par with the previous fiscal year.
- Orders received and revenue decreased due to the impact of the business transfers of the Transport machineries and Turf care machinery in the previous fiscal year.

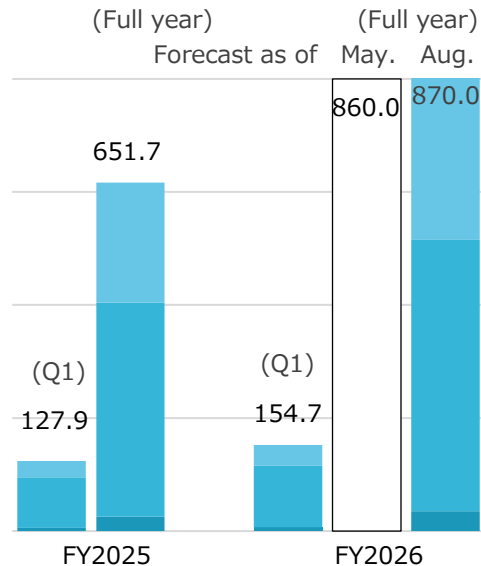
Financial Results & Forecasts by Segment

<Aero Engine, Space and Defense>

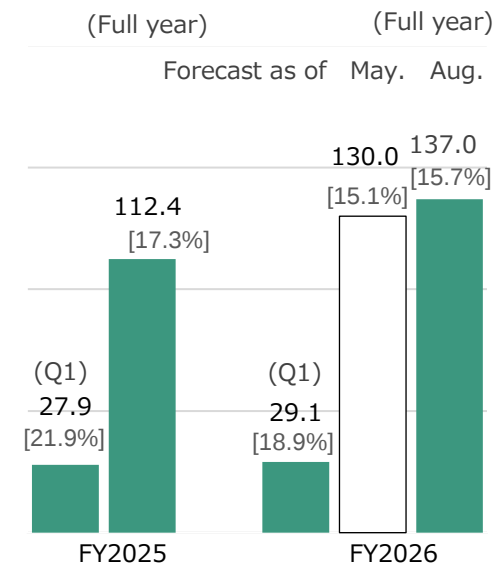
Orders received



Revenue



Operating profit



Orders received

	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Defense Aero-Engines and Equipment	30.0	264.4	17.2	280.0
Civil Aero-Engines	89.9	378.1	108.6	480.0
Space	9.7	31.3	4.3	40.0
Other	7.4	29.3	7.9	20.0
Total	137.0	703.1	138.0	820.0

Revenue

	Q1 FY25	FY2025 Full year	Q1 FY26	FY2026 Full year
Defense Aero-Engines and Equipment	28.9	212.1	36.6	300.0
Civil Aero-Engines	89.4	378.6	108.5	480.0
Space	4.0	35.2	2.5	55.0
Other	5.6	25.8	7.1	35.0
Total	127.9	651.7	154.7	870.0

Additional explanation

- In the 2nd half of the fiscal year, orders received and revenue for Defense aero engines and Equipment are expected to increase, driven by growth in aircraft engines and rocket motors.
- Reflecting the business environment for Civil aero engines, we have revised upward orders received and revenue by 10 billion yen and operating profit by 7 billion yen.

[Reference] Quarterly operating profit trends in Aero Engine, Space and Defense business (excluding impacts of FX and temporary factors)

- The aftermarket business continues to perform steadily in FY2026, maintaining a trend of profit growth

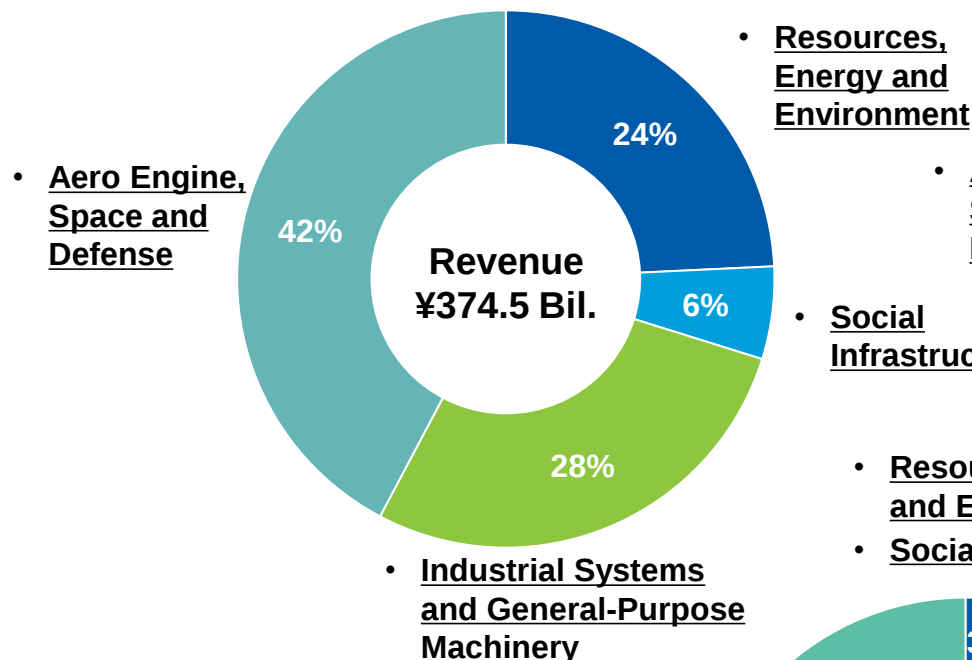
(Unit: ¥ Bil.)		FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	FY26 Q1	FY26 Q2-Q4 Average	FY23 Quarter Average	FY24 Quarter Average	FY25 Quarter Average	FY26 Quarter Average
Aero Engine, Space and Defense Segment Operating Profit		27.9	26.7	15.9	41.7	29.1	35.9	14.2	30.6	28.1	34.2
Adjustment	FX Impact A	(0.3)	(1.1)	(4.8)	(5.0)	(7.7)		(0.1)	(3.6)	(2.8)	(1.9)
	FX Impact B	(3.6)	2.8	4.4	1.4	0.9			(0.2)	1.3	0.2
	Bad debt expenses towards US-based airline								1.8		
Adjusted Operating Profit (Based on Exchange rate: ¥145/USD)		24.0	28.4	15.5	38.1	22.3	35.9	14.1	28.6	26.5	32.5

[Adjusted items]

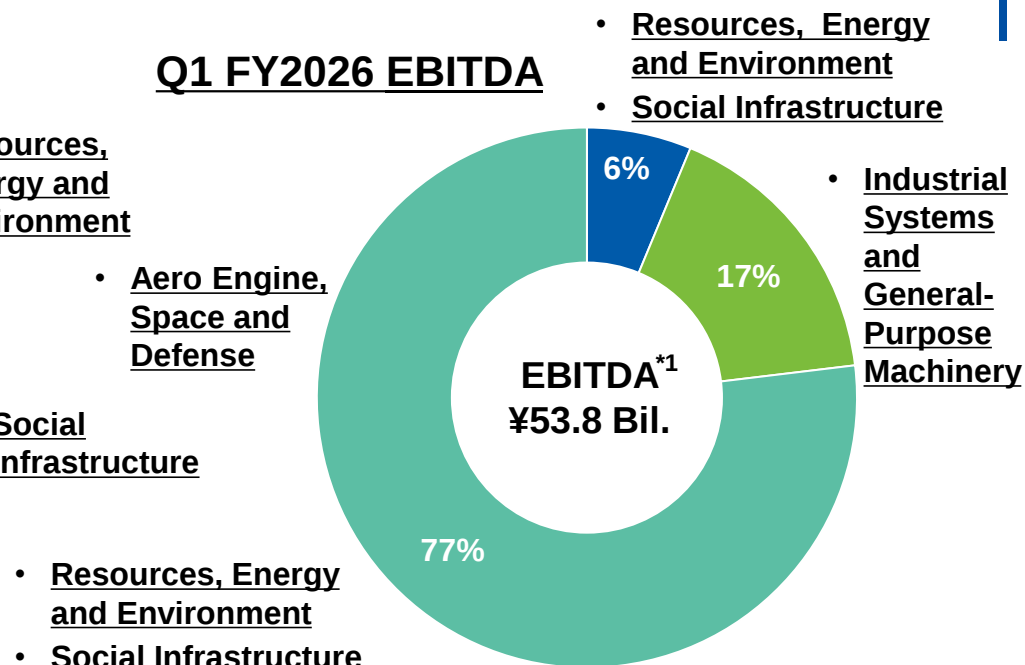
- FX impact A: Revise average FX rate of revenue to 145 Yen/USD.
- FX impact B: Excluding impact of FX rate change of the additional inspection program for PW1100G-JM engines.

Revenue, Operating Profit, and EBITDA by Segment

Q1 FY2026 Revenue

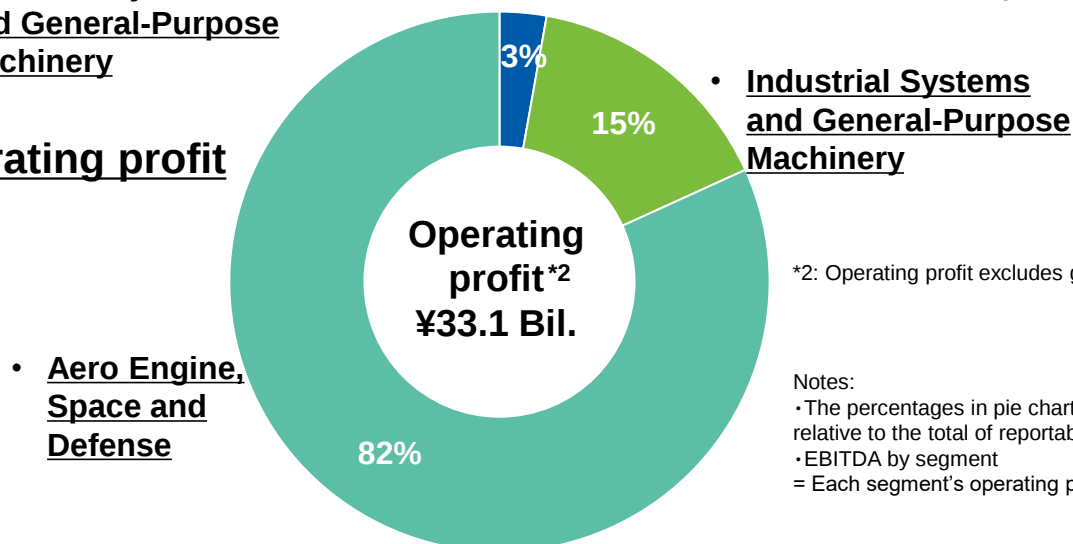


Q1 FY2026 EBITDA



*1: EBITDA excludes gain on sale of property (¥40.0 Bil.)

Q1 FY2026 Operating profit

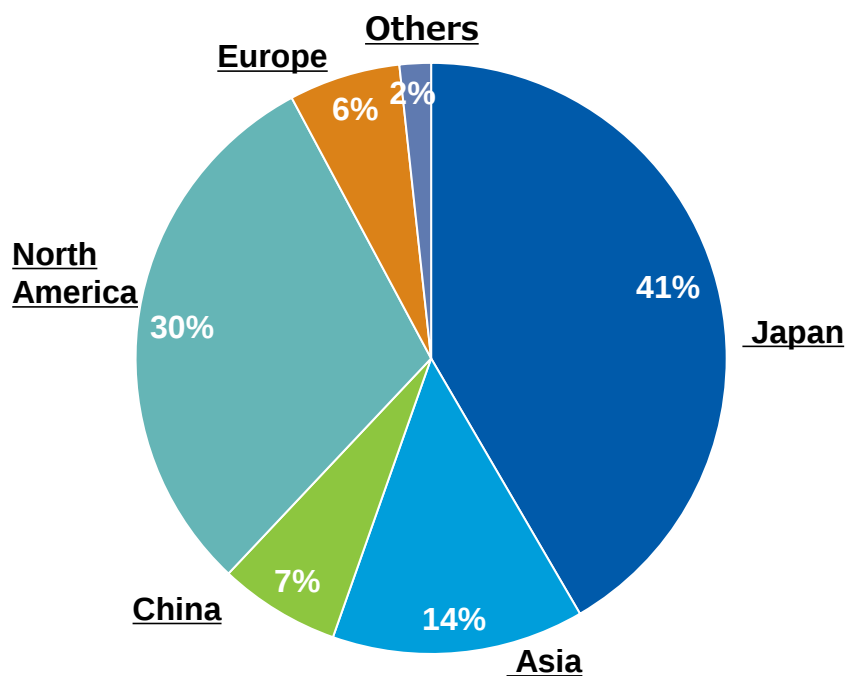


*2: Operating profit excludes gain on sale of property

Notes:

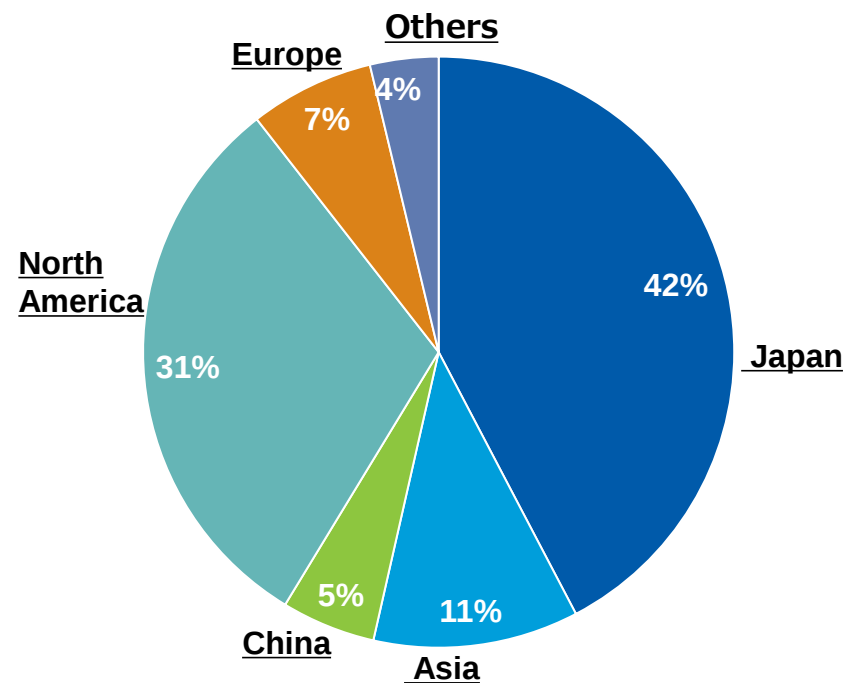
- The percentages in pie chart represent the composition ratio relative to the total of reportable segments.
- EBITDA by segment
= Each segment's operating profit + Each segment's depreciation

Q1 FY2025

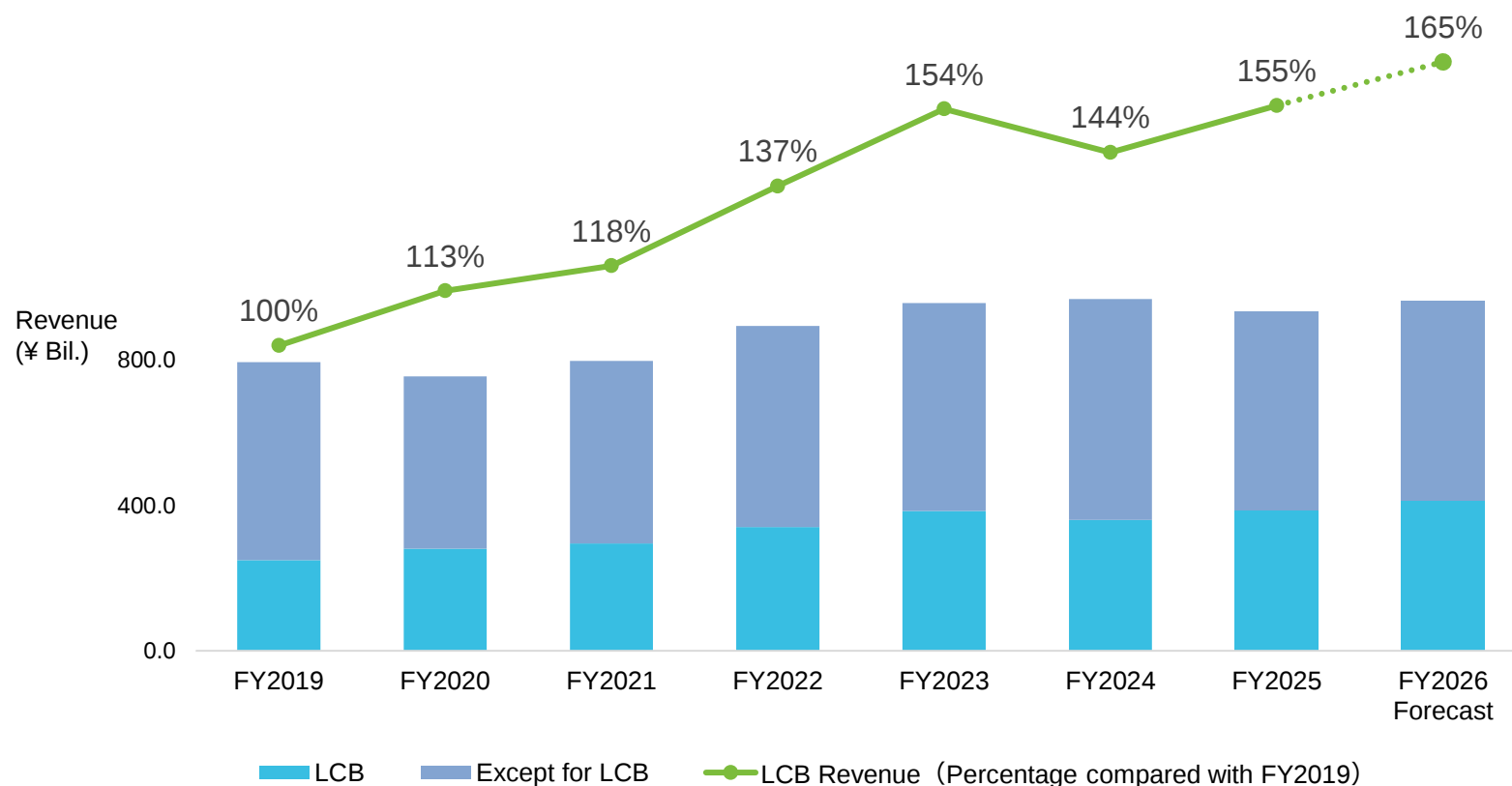


Overseas revenue
¥197.2 Bil.

Q1 FY2026



Overseas revenue
¥216.0 Bil.



Note 1: LCB includes Energy Business, Infrastructure Business, and Industrial Systems Business.

Note 2: Figures affected by business divestitures and segment changes which have been excluded from past results such as Concrete construction materials, Transport machineries and Urban development.

(¥ Bil.)	As of March 31, 2026	As of June 30, 2026	Change
Total assets	2,428.5	2,461.2	+32.6
Cash and cash equivalents	155.0	117.0	(38.0)
Trade receivables & contract assets	680.8	687.5	+6.7
Inventories	504.2	554.4	+50.2
Total liabilities	1,747.0	1,737.4	(9.6)
Trade payables etc.	401.4	372.2	(29.2)
Contract liabilities	311.4	308.8	(2.5)
Refund liabilities	110.6	116.7	+6.1
Interest-bearing liabilities	489.8	487.1	(2.7)
Bonds and borrowings	359.5	357.8	(1.7)
Lease liabilities	130.3	129.3	(1.0)
Total equity	681.5	723.8	+42.3
Equity attributable to owners of parent	652.2	696.6	+44.3
Non-controlling interests	29.2	27.2	(2.0)
Total liabilities and equity	2,428.5	2,461.2	+32.6

Cash Flows / R&D / CAPEX / Depreciation (Q1 FY2025 vs Q1 FY2026)

(¥ Bil.)	Q1 FY2025	Q1 FY2026	Change
Profit before tax	20.2	81.9	+61.7
Depreciation	18.1	20.6	+2.5
Gain on sale of property	-	(40.0)	(40.0)
Expenditures related to the additional inspection program for PW1100G-JM engines *1	(8.4)	(11.3)	(2.9)
Change in working capital *2	39.2	(69.4)	(108.6)
Tax payments	(57.3)	(19.5)	+37.8
Other	(17.1)	(5.6)	+11.5
Cash flows from operating activities	(5.3)	(43.2)	(37.9)
Cash flows from investing activities	(15.6)	23.6	+39.2
Capital expenditures included in Cash flows from investing activities	(25.4)	(18.0)	+7.3
Free cash flows	(20.9)	(19.6)	+1.3

*1: Expenditures related to the additional inspection program of PW1100G-JM engines are shown separately from conventional "changes in working capital".

*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

Working capital = Trade receivables + Contract assets + Inventories + Prepayments - Contract liabilities - Trade payables - Refund liabilities

(¥ Bil.)	Q1 FY2025	Q1 FY2026	Change
R&D	7.0	9.3	+2.3
CAPEX	26.1	21.6	(4.4)
Depreciation	18.1	20.6	+2.5

Cash Flows / R&D / CAPEX / Depreciation

(Forecasts of FY2026 announced in May vs August)

(¥ Bil.)	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change August - May
Profit before tax	185.4	230.0	240.0	+10.0
Depreciation	76.3	80.0	80.0	-
Gain on sale of property	(22.4)	(90.0)	(93.0)	(3.0)
Expenditures related to the additional inspection program of PW1100G-JM engines *1	(48.8)	(50.0)	(50.0)	-
Change in working capital *2	26.6	(100.0)	(100.0)	-
Other	(95.9)	30.0	23.0	(7.0)
Cash flows from operating activities	121.3	100.0	100.0	-
Cash flows from investing activities	(18.4)	(25.0)	(25.0)	-
Capital expenditures, etc. included in Cash flows from investing activities	(91.7)	(130.0)	(130.0)	-
Free cash flows	102.9	75.0	75.0	-

*1: Expenditures related to the additional inspection program of PW1100G-JM engines are shown separately from conventional "changes in working capital".

*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.
Working capital = Trade receivables + Contract assets + Inventories + Prepayments - Contract liabilities - Trade payables - Refund liabilities

(¥ Bil.)	FY2025	FY2026 Forecast (in May)	FY2026 Forecast (in August)	Change August - May
R&D	39.6	50.0	50.0	-
CAPEX	97.6	130.0	130.0	-
Depreciation	76.3	80.0	80.0	-

Financial Performance

IHI

(In billion yen)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Q1 FY2026	FY2026 (Forecast)	FY2026 (Forecast in May)
Orders received	1,097.0	1,261.2	1,366.1	1,376.8	1,751.1	1,954.7	360.7	1,770.0	1,760.0
Revenue	1,112.9	1,172.9	1,352.9	1,322.5	1,626.8	1,643.4	374.5	1,840.0	1,830.0
Operating profit	27.9	81.4	81.9	(70.1)	143.5	165.5	73.2	250.0	240.0
Profit attributable to owners of parent	13.0	66.0	44.5	(68.2)	112.7	160.9	53.5	172.0	165.0
EPS [Yen] (*1)	12.59	62.82	42.07	(64.40)	106.41	151.88	50.48	161.67	155.09
EBITDA (*2)	92.3	91.1	151.1	175.0	215.6	241.8	93.8	330.0	320.0
Cash flows from operating activities	36.3	114.1	54.1	62.1	177.6	121.3	(43.2)	100.0	100.0
Cash flows from investing activities	(40.4)	27.9	(52.3)	(51.6)	(58.8)	(18.4)	23.6	(25.0)	(25.0)
Free cash flows	(4.1)	142.0	1.7	10.4	118.8	102.9	(19.6)	75.0	75.0
Dividends per share (yen) (*1) (Interim/Year-end)	0	10.00 (4.29 / 5.71)	12.86 (5.71 / 7.14)	14.29 (7.14 / 7.14)	17.14 (7.14 / 10.00)	20.00 (10.00 / 10.00)	-	23.00 (11.50 / 11.50)	23.00 (11.50 / 11.50)
Operating margin [%]	2.5	6.9	6.1	(5.3)	8.8	10.1	19.5	13.6	13.1
ROIC [%]	2.2	6.4	6.3	(4.9)	10.5	11.0	-	(*3) 10.5	(*3) 10.1
ROE [%]	4.5	19.3	11.0	(16.9)	26.3	28.4	-	24.1	23.2
CCC [days] (*2)	124	112	120	132	115	109	-	120	120
D/E ratio [times]	1.85	1.24	1.14	1.43	1.01	0.72	0.67	0.54	0.54
Ratio of equity attributable to owners of parent [%]	16.4	20.3	22.2	17.9	21.5	26.9	28.3	32.6	31.8

ROIC = (Operating profit + Interest income and dividend income) after tax / (Equity attributable to owners of parent + Interest-bearing liabilities)

ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

CCC = Working capital / Revenue * 365 days

D/E ratio = Interest-bearing liabilities / Total equity

Ratio of equity attributable to owners of parent = Equity attributable to owners of parent / Total liabilities and equity

*1: Figures have been retrospectively adjusted for the 7-for-1 stock split implemented in October 2025. Rounded to the nearest second decimal place.

*2: Excluding loss related to the IHI E&C litigation settlement impact and the additional inspection program for PW1100G-JM engines.

*3: FY2026 forecasts exclude the impact of temporary factors(gain on sale of property and risk buffer).

Revenue & Number of Civil Aero Engines Delivered

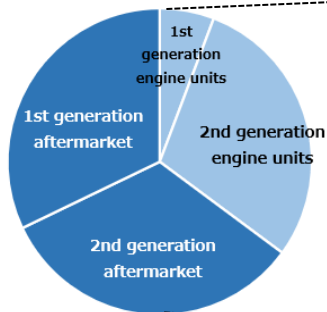
Number of Civil aero engines delivered

(Units)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26		Notes
											Q1	Forecast	
GE Engines	810	684	681	798	477	332	337	331	330	390	116		GE90, GENx, CF34, Passport20, GE9X
V2500	340	272	180	47	5	16	20	6	19	22	7		
PW1100G-JM	132	250	660	726	360	441	561	675	681	666	170		
Total	1,282	1,206	1,521	1,571	842	789	918	1,012	1,030	1,078	293	1,330	

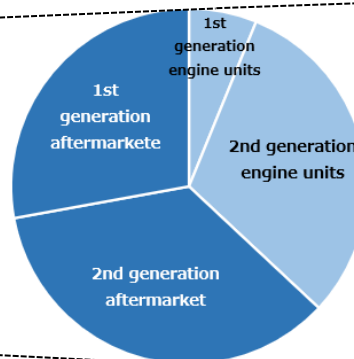
Revenue mix of main units and aftermarket (image for reference)

- Revenue from 2nd generation engine units will stay strong in Phase 1
- Profit will increase significantly after Phase 2, as aftermarket sales of 2nd generation engines expand.

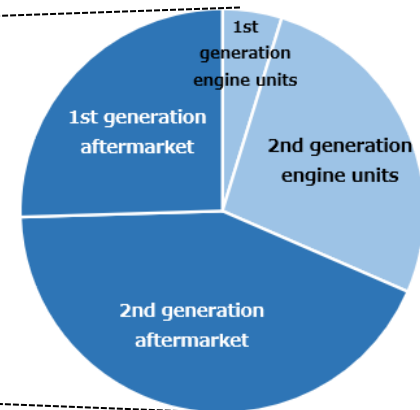
FY2025



Phase 1 (FY2026-FY2028)



Phase 2 (FY2029-FY2031)

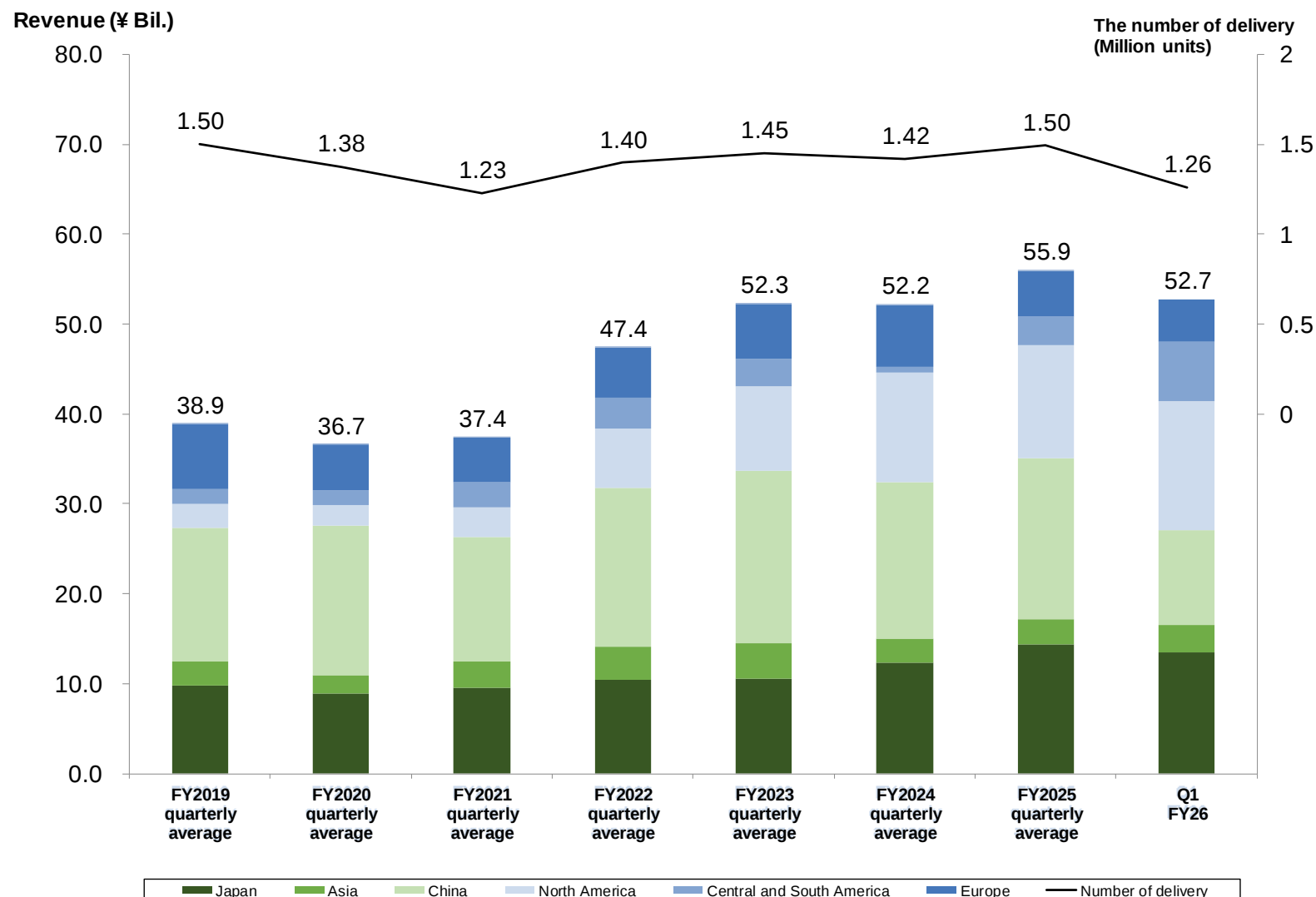


Note: The sizes of the pie charts indicate the relative scale of revenue

Revenue by Region & Number of Vehicular Turbochargers Delivered

(¥ Bil.)	Japanese GAAP			IFRS								
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY2026	
											Q1	Forecast
Japan	38.9	39.8	44.6	39.1	35.4	38.0	41.8	42.1	49.1	57.3	13.5	49.0
Asia	15.8	11.7	11.0	10.7	8.5	11.8	14.9	15.8	10.9	11.5	3.0	11.0
China	48.5	71.9	63.1	57.2	66.5	55.4	70.2	76.6	69.4	71.4	10.6	60.0
North America	3.3	8.4	11.6	10.8	9.0	13.1	26.4	37.8	49.2	50.6	14.3	45.0
Central and South America	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.1	2.3	12.8	6.7	31.0
Europe	61.7	81.1	51.3	28.9	19.9	19.5	22.3	24.5	27.5	19.9	4.6	14.0
Other	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0	0.0
Total	174.6	220.5	189.5	153.6	146.6	149.4	189.5	209.0	208.6	223.7	52.7	210.0
The number of delivery (Million Units)	6.10	7.90	6.76	6.00	5.51	4.92	5.59	5.81	5.67	5.98	1.26	5.90

Revenue by Region & Number of Vehicular Turbochargers Delivered



(1) Lease revenue in the Toyosu area

(¥ Bil.)	Japanese GAAP			IFRS							
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
											1Q
Lease revenue	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0	12.2	12.9	2.9

(2) Lease revenue and expenses in the Toyosu area

(¥ Bil.)	Lease revenue	Lease expense		Difference
		Depreciation	Others	
Q1 FY2026	2.9	1.0	1.0	+0.8

(3) Fair value of investment property of IHI (Group-Wide)

(¥ Bil.)	As of March 31, 2026 (A)	Fair value as of March 31, 2026 (B)	(B) - (A)
FY2025	144.8	357.1	212.3

Note: Amounts are shown as of the end of the previous year.

Results and Projected Property Sales for FY2026

No.	Property Subject to Sale	Gain on Sale (Approx. ¥ Bil.)	Sale Timing	Date of Announcement
1	Land and Buildings Koto-ku, Tokyo, Japan	15.3	Q1 FY2026	April 20, 2026
2	Land and Buildings Koto-ku, Tokyo, Japan	24.0	Q1 FY2026	April 20, 2026
3	Other Property (Multiple Properties)	0.7	Q1 FY2026	-
Subtotal	FY2026 1Q Results	40.0		
4	Land Koto-ku, Tokyo, Japan	14.6	Q3 FY2026	June 12, 2026
5	Land and Buildings Koto-ku, Tokyo, Japan	8.8	Q4 FY2026	March 27, 2026
6	Other Property (Multiple Properties)	29.6	Within FY2026	-
Subtotal	FY2026 2Q Onward	53.0		
Total	Projected Sales for FY2026	93.0		



Forward-looking figures shown in this material with respect to IHI's performance outlooks and other matters are based on management's assumptions and beliefs in light of the information currently available, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. Please be aware that actual results could differ materially from those discussed in these performance outlooks due to a number of important factors. These important factors include political environments in areas in which IHI operates, general economic conditions, and yen exchange rates including against the US dollar.