# Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under IFRS)

November 4, 2026

Company name: IHI Corporation
Listing: Tokyo Stock Exchange (Prime Market)
Securities code: 7013
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Scheduled date to file semi-annual securities report: November 9, 2026
Scheduled date to commence dividend payments: December 4, 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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)**

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Profit before tax | | Profit | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2026 | 779,318 | 9.2 | 114,979 | 65.6 | 122,750 | 64.3 | 85,715 | 50.3 |
| September 30, 2025 | 713,651 | (5.8) | 69,449 | (10.1) | 74,709 | 19.2 | 57,047 | 39.3 |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | Diluted earnings per share |
|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Yen | Yen |
| September 30, 2026 | 84,994 | 52.0 | 81,037 | 16.5 | 80.17 | 80.16 |
| September 30, 2025 | 55,912 | 42.2 | 69,573 | 77.6 | 52.76 | 52.75 |

(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, 2026.

(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 |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | Millions of yen | % |
| September 30, 2026 | 2,540,965 | 748,625 | 722,101 | 28.4 |
| March 31, 2026 | 2,428,559 | 681,531 | 652,243 | 26.9 |

**2. Cash dividends**

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2026 | — | 70.00 | — | 10.00 | — |
| Fiscal year ending March 31, 2027 | — | 11.50 | | | |
| Fiscal year ending March 31, 2027 (Forecast) | | | — | 13.50 | 25.00 |

(Note) Revisions to the dividend forecasts most recently announced: Yes

The Company conducted a 7-for-1 stock split for shares of its ordinary shares with an effective date of October 1, 2025. Reflecting the effect of the stock split, the dividend per share at the end of the second quarter for the fiscal year ended March 31, 2026 was 10.00 yen, and the full-year dividend per share was 20.00 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 | 1,880,000 | 14.4 | 270,000 | 63.1 | 260,000 | 40.2 | 185,000 | 14.9 | 173.88 |

(Note) Revisions to the forecasts of results most recently announced: Yes

* 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：Yes

(ii) Changes in accounting policies due to other reasons ：None

(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 September 30, 2026 | 1,082,759,678 | shares |
| As of March 31, 2026 | 1,082,759,678 | shares |

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

| | | |
|---|---|---|
| As of September 30, 2026 | 21,855,844 | shares |
| As of March 31, 2026 | 22,597,750 | shares |

(iii) Average number of shares outstanding during the period

| | | |
|---|---|---|
| Six months ended September 30, 2026 | 1,060,223,549 | shares |
| Six months ended September 30, 2025 | 1,059,779,811 | 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. Average number of shares outstanding during the period has been calculated under the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2026.

* This consolidated financial report is not subjected to semi-annual reviews by certified public accountant or accounting auditor.

* 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

During the current semi-annual period, although geopolitical risks, associated increases in energy prices and supply constraints, as well as uncertainties surrounding trade policies, continued, the global economy remained generally resilient, supported by expanding AI-related investment and other factors.
The European economy was sluggish, reflecting persistently high energy prices and stagnation in manufacturing activities, while the Chinese economy also continued to lack momentum due to the prolonged stagnation in the real estate market and sluggish domestic demand. 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 continued, supported by improvements in employment and income conditions.

In the IHI Group's Growth Businesses of Civil Aero Engine and Defense fields, while global demand for aircraft is expected to increase, aftermarket demand has been steadily expanding. In the Defense Business, demand for domestic defense programs is also expected to expand in line with an increase in the defense budget. The IHI Group is steadily implementing investments with the aim of expanding capacity mainly in Growth Businesses such as Civil Aero Engines, Defense and Nuclear Energy.
In the Stable revenue Businesses of Resources, Energy and Environment, Social Infrastructure, and Industrial Systems and General-Purpose Machinery fields, the IHI Group will continue to work toward expanding the Lifecycle Businesses to generate cash efficiently and steadily.

To concentrate management resources on Growth Business, on September 28, 2026, IHI resolved to transfer all of its equity interests in Steinmüller Engineering GmbH, a German subsidiary of IHI's Carbon Solutions Business, to mutares Holding 106 GmbH, a wholly owned subsidiary of Mutares SE & Co. KGaA (the "Transaction"), and completed the transfer on October 15, 2026. The Transaction is part of the restructuring of the Company's overseas Carbon Solutions Business. IHI will continue to pursue sustainable, high growth by shifting management resources to growth areas.

In addition, with the objectives of improving asset efficiency, strengthening its financial foundations, responding to business portfolio reforms, and securing funds for upfront investments in Growth and Development-focus Businesses, the IHI Group has been pursuing planned property sales. During the six months ended September 30, 2026, the IHI Group completed the transfers of a part of its properties located in Koto-ku, Tokyo.

On June 2, 2026, IHI AEROSPACE Co., Ltd., a consolidated subsidiary of IHI, received a five-month suspension of eligibility to participate in competitive tenders from the Japan Aerospace Exploration Agency (hereinafter "JAXA"), a National Research and Development Agency. The suspension was imposed on the grounds that JAXA had identified expense claims based on reports inconsistent with the facts under contracts relating to maintenance services for equipment and facilities and ended on November 1, 2026. The IHI Group will continue its efforts to foster an organizational culture in which each employee takes personal ownership of compliance and is empowered to resolve issues autonomously. Should this matter have any impact on the IHI Group's business results, such impact will be promptly reflected in the Group's earnings forecast.

Under such a business environment, orders received by the IHI Group during the current semi-annual period decreased by 12.8% from the previous corresponding period to ¥778.7 billion.
Revenue increased by 9.2% from the previous corresponding period to ¥779.3 billion, due in part to the expansion of Growth Businesses such as Civil Aero Engines, Defense and Nuclear Energy, despite a revenue decline resulting from the divestiture of multiple businesses in the previous fiscal period.
In terms of profit, operating profit increased by ¥45.5 billion to ¥114.9 billion, reflecting growing demand for Civil Aero Engine, expansion of Lifecycle Businesses including in the domestic Carbon Solutions and Power System Business, and a gain on sale of properties.
Profit before tax increased by ¥48.0 billion to ¥122.7 billion, mainly due to an increase in profit from

investments accounted for using the equity method, and Profit attributable to owners of parent increased by ¥29.0 billion to ¥84.9 billion.

Results by reportable segment for the current semi-annual period are as follows:

(Billions of yen)

| Reportable segment | Orders received | | | Six months ended September 30, 2025 | | Six months ended September 30, 2026 | | Changes from the previous corresponding period (%) | |
|---|---|---|---|---|---|---|---|---|---|
| | Six months ended September 30, 2025 | Six months ended September 30, 2026 | Changes from the corre-sponding period (%) | Revenue | Operating profit (loss) | Revenue | Operating profit (loss) | Revenue | Operating profit (loss) |
| Resources, Energy and Environment | 326.1 | 178.0 | (45.4) | 159.1 | (0.1) | 178.7 | 0.7 | 12.3 | — |
| Social Infrastructure | 59.1 | 24.9 | (57.9) | 59.2 | (3.3) | 39.3 | (4.4) | (33.6) | — |
| Industrial Systems and General-Purpose Machinery | 223.4 | 226.6 | 1.4 | 209.4 | 17.0 | 210.5 | 11.4 | 0.5 | (33.0) |
| Aero Engine, Space and Defense | 270.3 | 331.4 | 22.6 | 273.9 | 54.7 | 334.8 | 72.2 | 22.3 | 32.0 |
| Reportable segment total | 879.1 | 761.0 | (13.4) | 701.7 | 68.3 | 763.5 | 79.9 | 8.8 | 17.1 |
| Other | 40.8 | 41.5 | 1.8 | 36.6 | 6.8 | 35.8 | 45.7 | (2.4) | 565.3 |
| Adjustment | (26.4) | (23.7) | — | (24.8) | (5.7) | (20.0) | (10.7) | — | — |
| Total | 893.4 | 778.7 | (12.8) | 713.6 | 69.4 | 779.3 | 114.9 | 9.2 | 65.6 |

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

## (2) SUMMARY OF FINANCIAL POSITION

*Assets, liabilities and equity*

Total assets at the end of the current semi-annual period were ¥2,540.9 billion, up ¥112.4 billion compared with the end of the previous fiscal year. The major item of increase was inventories, up ¥86.4 billion. The major item of decrease was cash and cash equivalents, down ¥18.0 billion.

Total liabilities were ¥1,792.3 billion, up ¥45.3 billion compared with the end of the previous fiscal year. The major item of increase was bonds and borrowings, up ¥66.2 billion. The major item of decrease was trade and other payables, down ¥50.5 billion. And interest-bearing liabilities, including lease liabilities, were ¥563.2 billion, up ¥73.3 billion compared with the end of the previous fiscal year. The IHI Group ensures an adequate level of liquidity of funds.

Equity was ¥748.6 billion, up ¥67.0 billion compared with the end of the previous fiscal year, which included profit attributable to owners of parent of ¥84.9 billion.

As a result of the above, the ratio of equity attributable to owners of parent increased from 26.9% at the end of the previous fiscal year to 28.4%.

*Cash flows*

At the end of the current semi-annual period, the outstanding balance of cash and cash equivalents was ¥137.0 billion, down ¥18.0 billion from the end of the previous fiscal year.

Net cash flows from operating activities were ¥65.0 billion excess of expenditure. This was due to an increase in inventories and an increase in payments of trade payables.

Net cash flows from investing activities were ¥8.9 billion excess of income. This was due to an increase in expenses for the acquisition of fixed assets, while there were proceeds from the sale of real estate.

Net cash flows from financing activities were ¥38.4 billion excess of income. This was due to proceeds from issuances of commercial papers.

## (3) EXPLANATION REGARDING FUTURE PREDICTION INFORMATION SUCH AS CONSOLIDATED FORECASTS OF RESULTS

With respect to the outlook for the global economy, while expanding AI-related investment is supporting growth, it is necessary to remain vigilant regarding downside risks, including rising energy and food prices and impacts on supply chains due to heightened geopolitical risks and their intensification, as well as renewed trade frictions. It is also necessary to pay close attention to the impact that rising inflationary pressures and fluctuations in financial and capital markets, including interest rates and foreign exchange rates, may have on the global economy.
The Japanese economy is expected to recover gradually due to improvements in the employment and income environment and the effects of various policy measures. However, it is necessary to continue to pay close attention to the impact of rising prices on private consumption and fluctuations in financial and capital markets.

The IHI Group defined its desired state toward 2040 in its Medium-to-Longer-Term Direction announced on May 8, 2026. 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. The IHI Group positions the three-year period from fiscal year 2026 to fiscal year 2028 as a phase intensively focusing on upfront investments and solidifying our financial foundations, 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 is systematically implementing investments aimed at expanding capacity, with a focus on Growth Businesses that will drive future growth, including Civil Aero Engines, Defense, and Nuclear Energy. In August 2026, a new repair building was completed at Tsurugashima Aero-Engine Maintenance Works, one of the maintenance sites for civil aero engines, and investments aimed at growth are progressing steadily. In addition, the Group will work to strengthen Development-focus Businesses such as ammonia and the space fields, 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 Engine and Defense fields as Growth Businesses, where global demand for aircraft is expected to expand, 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 to establish a structure which enables the prompt delivery of high quality services. In defense-related businesses where demand is expected to increase against the backdrop of higher defense budgets, the IHI Group will further accelerate efforts to strengthen its production capacity and develop 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 the realization of a carbon-free society by promoting the establishment of a value chain spanning from fuel production to storage, transportation, and utilization, while leveraging its technical capabilities. 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 the Stable revenue Businesses of Resources, Energy and Environment, Social Infrastructure, and Industrial Systems and General-Purpose Machinery, for businesses where market growth is anticipated and the IHI Group

can leverage its 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. With the transfer of a German subsidiary in the Carbon solutions business in October 2026, the series of structural reforms implemented to date reached a major milestone. The IHI Group will continue to implement business portfolio reforms to improve capital efficiency and profitability, thereby achieving sustainable enhancement of corporate value.

With regard to the consolidated forecasts of results for the fiscal year ending March 31, 2027, based on the results of the Civil Aero Engine Business and Lifecycle Businesses during the current semi-annual period, the IHI Group has revised orders received to ¥1,890.0 billion, revenue to ¥1,880.0 billion, operating profit to ¥270.0 billion, profit before tax to ¥260.0 billion, and profit attributable to owners of parent to ¥185.0 billion. Note that a foreign exchange rate of ¥150/US$1 has been assumed in the above forecasts in and after the third quarter ending December 31, 2026.

Concerning dividends, the Board of Directors resolved today to pay an interim dividend of ¥11.5 per share, as previously announced in the dividend forecast. In consideration of the profit level projected for the current fiscal year, the forecast for the year-end dividend has been revised upward by ¥2 per share from the previous forecast to ¥13.5 per share.

# 2. CONDENSED SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO

## (1) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| **Assets** | | |
| **Current assets:** | | |
| Cash and cash equivalents | 155,084 | 137,001 |
| Trade and other receivables | 575,965 | 595,949 |
| Contract assets | 104,903 | 102,790 |
| Other financial assets | 4,100 | 5,804 |
| Inventories | 504,223 | 590,694 |
| Other current assets | 107,119 | 104,351 |
| Subtotal | 1,451,394 | 1,536,589 |
| Assets related to disposal groups classified as held for sale | — | 18,285 |
| Total current assets | 1,451,394 | 1,554,874 |
| **Non-current assets:** | | |
| Property, plant and equipment | 240,010 | 242,060 |
| Right-of-use assets | 112,038 | 122,298 |
| Goodwill | 4,931 | 4,820 |
| Intangible assets | 135,680 | 131,813 |
| Investment property | 144,817 | 131,533 |
| Investments accounted for using equity method | 79,758 | 90,279 |
| Other financial assets | 37,848 | 43,375 |
| Deferred tax assets | 127,618 | 128,419 |
| Other non-current assets | 94,465 | 91,494 |
| Total non-current assets | 977,165 | 986,091 |
| **Total assets** | 2,428,559 | 2,540,965 |

## (1) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| **Liabilities** | | |
| **Current liabilities:** | | |
| Trade and other payables | 401,427 | 350,925 |
| Bonds and borrowings | 103,552 | 196,815 |
| Lease liabilities | 19,544 | 18,522 |
| Other financial liabilities | 10,878 | 7,265 |
| Income taxes payable | 23,923 | 41,038 |
| Contract liabilities | 311,447 | 325,160 |
| Provisions | 24,130 | 25,298 |
| Refund liabilities | 110,613 | 102,161 |
| Other current liabilities | 170,767 | 154,939 |
| Subtotal | 1,176,281 | 1,222,123 |
| Liabilities related to disposal groups classified as held for sale | — | 15,206 |
| Total current liabilities | 1,176,281 | 1,237,329 |
| **Non-current liabilities:** | | |
| Bonds and borrowings | 255,981 | 228,944 |
| Lease liabilities | 110,816 | 119,009 |
| Other financial liabilities | 55,514 | 52,706 |
| Deferred tax liabilities | 2,996 | 2,833 |
| Retirement benefit liability | 121,401 | 131,041 |
| Provisions | 6,259 | 6,130 |
| Other non-current liabilities | 17,780 | 14,348 |
| Total non-current liabilities | 570,747 | 555,011 |
| **Total liabilities** | 1,747,028 | 1,792,340 |
| **Equity** | | |
| Share capital | 107,165 | 107,165 |
| Capital surplus | 48,401 | 49,333 |
| Retained earnings | 441,645 | 516,329 |
| Treasury shares | (9,454) | (9,142) |
| Other components of equity | 64,486 | 58,236 |
| Other components of equity related to disposal groups classified as held for sale | — | 180 |
| **Total equity attributable to owners of parent** | 652,243 | 722,101 |
| **Non-controlling interests** | 29,288 | 26,524 |
| **Total equity** | 681,531 | 748,625 |
| **Total liabilities and equity** | 2,428,559 | 2,540,965 |

## (2) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Revenue** | 713,651 | 779,318 |
| Cost of sales | 544,828 | 575,172 |
| **Gross profit (loss)** | 168,823 | 204,146 |
| Selling, general and administrative expenses | 114,231 | 118,647 |
| Other income | 21,768 | 47,098 |
| Other expenses | 6,911 | 17,618 |
| **Operating profit (loss)** | 69,449 | 114,979 |
| Finance income | 2,161 | 5,671 |
| Finance costs | 5,800 | 11,840 |
| Share of profit (loss) of investments accounted for using equity method | 8,899 | 13,940 |
| **Profit (loss) before tax** | 74,709 | 122,750 |
| Income tax expense | 17,662 | 37,035 |
| **Profit (loss)** | 57,047 | 85,715 |
| | | |
| Profit (loss) attributable to: | | |
| Owners of parent | 55,912 | 84,994 |
| Non-controlling interests | 1,135 | 721 |
| **Profit (loss)** | 57,047 | 85,715 |
| | | |
| Earnings (loss) per share | | |
| Basic earnings (loss) per share (yen) | 52.76 | 80.17 |
| Diluted earnings (loss) per share (yen) | 52.75 | 80.16 |

(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, 2026.

## CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Profit (loss)** | 57,047 | 85,715 |
| **Other comprehensive income** | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 8,893 | 562 |
| Share of other comprehensive income of investments accounted for using equity method | 164 | (1,860) |
| Total of items that will not be reclassified to profit or loss | 9,057 | (1,298) |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 3,476 | (3,475) |
| Cash flow hedges | 120 | (288) |
| Share of other comprehensive income of investments accounted for using equity method | (127) | 383 |
| Total of items that may be reclassified to profit or loss | 3,469 | (3,380) |
| Other comprehensive income, net of tax | 12,526 | (4,678) |
| Comprehensive income | 69,573 | 81,037 |
| **Comprehensive income attributable to:** | | |
| Owners of parent | 68,347 | 80,293 |
| Non-controlling interests | 1,226 | 744 |
| Comprehensive income | 69,573 | 81,037 |

## (3) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The previous semi-annual period

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Other components of equity | | |
| | Share capital | Capital surplus | Retained earnings | Treasury shares | 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) | | | 55,912 | | | | |
| Other comprehensive income | | | | | 3,386 | (8) | 9,057 |
| Total comprehensive income | — | — | 55,912 | — | 3,386 | (8) | 9,057 |
| Purchase of treasury shares | | | | (1,365) | | | |
| Disposal of treasury shares | | 665 | | 486 | | | |
| Dividends | | | (10,634) | | | | |
| Share-based remuneration transactions | | 928 | | | | | |
| Transfer from other components of equity to retained earnings | | | 2,790 | | | | (2,790) |
| Transfer to other components of equity related to disposal groups classified as held for sale | | | | | (89) | (20) | 1 |
| Other | | 402 | 49 | | 147 | (92) | (6) |
| Total transactions with owners | — | 1,995 | (7,795) | (879) | 58 | (112) | (2,795) |
| Balance as of September 30, 2025 | 107,165 | 48,379 | 328,217 | (9,455) | 39,606 | 657 | 26,027 |

| | Equity attributable to owners of parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Other components of equity | | | | | | | |
| | Remeasurements of defined benefit plans | Share acquisition rights | Total | Total | Other components of equity related to disposal groups classified as held for sale | Total | Non-controlling interests | Total |
| Balance as of April 1, 2025 | — | 57 | 56,761 | 481,834 | (108) | 481,726 | 26,934 | 508,660 |
| Profit (loss) | | | — | 55,912 | | 55,912 | 1,135 | 57,047 |
| Other comprehensive income | | | 12,435 | 12,435 | | 12,435 | 91 | 12,526 |
| Total comprehensive income | — | — | 12,435 | 68,347 | — | 68,347 | 1,226 | 69,573 |
| Purchase of treasury shares | | | — | (1,365) | | (1,365) | | (1,365) |
| Disposal of treasury shares | | | — | 1,151 | | 1,151 | | 1,151 |
| Dividends | | | — | (10,634) | | (10,634) | (2,793) | (13,427) |
| Share-based remuneration transactions | | | — | 928 | | 928 | | 928 |
| Transfer from other components of equity to retained earnings | | | (2,790) | — | | — | | — |
| Transfer to other components of equity related to disposal groups classified as held for sale | | | (108) | (108) | 108 | — | | — |
| Other | | | 49 | 500 | | 500 | 70 | 570 |
| Total transactions with owners | — | — | (2,849) | (9,528) | 108 | (9,420) | (2,723) | (12,143) |
| Balance as of September 30, 2025 | — | 57 | 66,347 | 540,653 | — | 540,653 | 25,437 | 566,090 |

## (3) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The current semi-annual period

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Other components of equity | | |
| | Share capital | Capital surplus | Retained earnings | Treasury shares | 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, 2026 | 107,165 | 48,401 | 441,645 | (9,454) | 47,940 | 1,091 | 15,403 |
| Profit (loss) | | | 84,994 | | | | |
| Other comprehensive income | | | | | (3,499) | 96 | (1,298) |
| Total comprehensive income | — | — | 84,994 | — | (3,499) | 96 | (1,298) |
| Purchase of treasury shares | | | | (2) | | | |
| Disposal of treasury shares | | 0 | | 0 | | | |
| Dividends | | | (10,639) | | | | |
| Share-based remuneration transactions | | 919 | | 314 | | | |
| Transfer from other components of equity to retained earnings | | | 392 | | | | (392) |
| Transfer to other components of equity related to disposal groups classified as held for sale | | | | | (159) | (21) | |
| Other | | 13 | (63) | | (977) | | |
| Total transactions with owners | — | 932 | (10,310) | 312 | (1,136) | (21) | (392) |
| Balance as of September 30, 2026 | 107,165 | 49,333 | 516,329 | (9,142) | 43,305 | 1,166 | 13,713 |

| | Equity attributable to owners of parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Other components of equity | | | | | | | |
| | Remeasurements of defined benefit plans | Share acquisition rights | Total | Total | Other components of equity related to disposal groups classified as held for sale | Total | Non-controlling interests | Total |
| Balance as of April 1, 2026 | — | 52 | 64,486 | 652,243 | — | 652,243 | 29,288 | 681,531 |
| Profit (loss) | | | — | 84,994 | | 84,994 | 721 | 85,715 |
| Other comprehensive income | | | (4,701) | (4,701) | | (4,701) | 23 | (4,678) |
| Total comprehensive income | — | — | (4,701) | 80,293 | — | 80,293 | 744 | 81,037 |
| Purchase of treasury shares | | | — | (2) | | (2) | | (2) |
| Disposal of treasury shares | | | — | 0 | | 0 | | 0 |
| Dividends | | | — | (10,639) | | (10,639) | (3,506) | (14,145) |
| Share-based remuneration transactions | | | — | 1,233 | | 1,233 | | 1,233 |
| Transfer from other components of equity to retained earnings | | | (392) | — | | — | | — |
| Transfer to other components of equity related to disposal groups classified as held for sale | | | (180) | (180) | 180 | — | | — |
| Other | | | (977) | (1,027) | | (1,027) | (2) | (1,029) |
| Total transactions with owners | — | — | (1,549) | (10,615) | 180 | (10,435) | (3,508) | (13,943) |
| Balance as of September 30, 2026 | — | 52 | 58,236 | 721,921 | 180 | 722,101 | 26,524 | 748,625 |

## (4) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit (loss) before tax | 74,709 | 122,750 |
| Depreciation, amortization and impairment losses | 39,647 | 42,161 |
| Finance income and finance costs | 1,638 | 3,662 |
| Share of loss (profit) of investments accounted for using equity method | (8,899) | (13,940) |
| Loss (gain) on sale of property, plant and equipment, intangible assets and investment property | (5,332) | (42,793) |
| Decrease (increase) in trade receivables | (13,811) | (31,142) |
| Decrease (increase) in contract assets | (14,683) | (1,330) |
| Decrease (increase) in inventories and prepayments | (101,627) | (97,409) |
| Increase (decrease) in trade payables | 25,032 | (53,613) |
| Increase (decrease) in contract liabilities | 42,229 | 19,517 |
| Increase (decrease) in refund liabilities | (24,692) | (8,438) |
| Other | (34,396) | 20,037 |
| Subtotal | (20,185) | (40,538) |
| Interest received | 1,333 | 1,212 |
| Dividends received | 1,215 | 1,098 |
| Interest paid | (3,275) | (3,976) |
| Income taxes paid | (36,218) | (22,814) |
| **Net cash provided by (used in) operating activities** | (57,130) | (65,018) |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment, intangible assets and investment property | (50,414) | (32,962) |
| Proceeds from sale of property, plant and equipment, intangible assets and investment property | 7,748 | 51,776 |
| Purchase of investments (including investments accounted for using equity method) | (1,069) | (3,168) |
| Proceeds from sale and redemption of investments (including investments accounted for using equity method) | 2,813 | 588 |
| Proceeds from sale of equity interest in subsidiaries | 12,144 | 624 |
| Other | 5,797 | (7,883) |
| **Net cash provided by (used in) investing activities** | (22,981) | 8,975 |

## (4) CONDENSED SEMI-ANNUAL CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Net increase (decrease) in short-term borrowings | (16,944) | 21,352 |
| Net increase (decrease) in commercial papers | 136,000 | 60,000 |
| Proceeds from long-term borrowings | 9,000 | — |
| Repayments of long-term borrowings | (44,555) | (14,259) |
| Redemption of bonds | (10,000) | — |
| Repayments of lease liabilities | (11,587) | (10,905) |
| Decrease (increase) in treasury shares | (879) | 312 |
| Dividends paid | (10,605) | (10,613) |
| Dividends paid to non-controlling interests | (2,793) | (3,508) |
| Increase in other financial liabilities | 671 | 745 |
| Decrease in other financial liabilities | (8,810) | (4,640) |
| Other | 528 | (7) |
| **Net cash provided by (used in) financing activities** | 40,026 | 38,477 |
| **Effect of exchange rate change on cash and cash equivalents** | 819 | (495) |
| **Net increase (decrease) in cash and cash equivalents** | (39,266) | (18,061) |
| **Cash and cash equivalents at beginning of period** | 136,809 | 155,084 |
| **Cash and cash equivalents included in assets related to disposal groups classified as held for sale** | 4,413 | (22) |
| **Cash and cash equivalents at end of period** | 101,956 | 137,001 |

## (5) NOTES TO THE CONDENSED SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

## MATERIAL ACCOUNTING POLICIES

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

Income taxes for the condensed semi-annual consolidated financial statements are calculated based on the estimated annual effective tax rate.

From the current consolidated fiscal year, the IHI Group has adopted the amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity," which were published on December 18, 2024. The adoption of these amendments had no material impact on the condensed semi-annual consolidated financial statements.

## 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, Shield systems |
| Industrial Systems and General-Purpose Machinery | Vehicular turbochargers, Parking, Rotating machineries (compressors, separation systems, turbochargers for ships), Heat treatment and surface engineering, Logistics and industrial systems (logistics systems, industrial machineries) |
| Aero Engine, Space and Defense | Aero engines, Rocket systems and space utilization systems, Defense systems |

## 2. Information about reportable segment

The IHI Group's information about reportable segment is as follows:
Intersegment revenue and transfers are based on actual market pricing.

The previous semi-annual period

(Millions of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| | Resources, Energy and Environment | Social Infrastructure | Industrial Systems and General-Purpose Machinery | Aero Engine, Space and Defense | Total | | | | |
| **Revenue** | | | | | | | | | |
| Revenue from external customers | 156,802 | 57,137 | 203,313 | 272,170 | 689,422 | 24,229 | 713,651 | — | 713,651 |
| Intersegment revenue and transfers | 2,387 | 2,143 | 6,089 | 1,746 | 12,365 | 12,469 | 24,834 | (24,834) | — |
| Total | 159,189 | 59,280 | 209,402 | 273,916 | 701,787 | 36,698 | 738,485 | (24,834) | 713,651 |
| Segment profit (loss) (Note 3) | (134) | (3,327) | 17,032 | 54,736 | 68,307 | 6,877 | 75,184 | (5,735) | 69,449 |

Notes: 1. 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.
2. Adjustment of segment profit (loss) represents intersegment transactions of ¥ (335) million and unallocated corporate expenses of ¥ (5,400) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
3. Segment profit (loss) is adjusted with operating profit (loss) in the condensed semi-annual consolidated financial statement of profit or loss.

The current semi-annual period

(Millions of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| | Resources, Energy and Environment | Social Infrastructure | Industrial Systems and General-Purpose Machinery | Aero Engine, Space and Defense | Total | | | | |
| **Revenue** | | | | | | | | | |
| Revenue from external customers | 177,871 | 39,305 | 205,546 | 333,775 | 756,497 | 22,821 | 779,318 | — | 779,318 |
| Intersegment revenue and transfers | 916 | 61 | 4,975 | 1,114 | 7,066 | 12,997 | 20,063 | (20,063) | — |
| Total | 178,787 | 39,366 | 210,521 | 334,889 | 763,563 | 35,818 | 799,381 | (20,063) | 779,318 |
| Segment profit (loss) (Note 3) | 750 | (4,420) | 11,406 | 72,263 | 79,999 | 45,750 | 125,749 | (10,770) | 114,979 |

Notes: 1. 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.
2. Adjustment of segment profit (loss) represents intersegment transactions of ¥ 280 million and unallocated corporate expenses of ¥ (11,050) million. Unallocated corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segment.
3. Segment profit (loss) is adjusted with operating profit (loss) in the condensed semi-annual consolidated financial statement of profit or loss.

## DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On May 8, 2026, IHI concluded an agreement to transfer the issued share of IHI Logistics & Machinery Corporation, a consolidated subsidiary of IHI (hereinafter "ILM"), to Toyota Industries Corporation (hereinafter "Toyota Industries") in order to strengthen ILM's competitiveness through the creation of mutual synergies and continuous investment in growth, and to achieve sustainable growth of ILM's business. Accordingly, the IHI Group has classified ILM as a disposal group classified as a held for sale from the first quarter of the current fiscal year. The assets of this disposal group are measured at their carrying amount because the fair value less costs to sell (estimated sales price) is expected to exceed the carrying amount.
IHI will transfer 80% of the issued shares of ILM held by IHI to Toyota Industries in April 2027. With respect to the remaining 20% equity interest, IHI plans to continue to hold such shares for a period of approximately five years and thereafter them to Toyota Industries.

The breakdown of assets and liabilities related to disposal groups classified as held for sale are as follows:

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| **Assets related to disposal groups classified as held for sale** | | |
| Trade and other receivables | — | 5,474 |
| Contract assets | — | 2,330 |
| Inventories | — | 2,933 |
| Property, plant and equipment | — | 2,675 |
| Other | — | 4,873 |
| Total assets | — | 18,285 |
| **Liabilities related to disposal groups classified as held for sale** | | |
| Trade and other payables | — | 2,548 |
| Contract liabilities | — | 5,498 |
| Retirement benefit liabilities | — | 1,881 |
| Other | — | 5,279 |
| Total liabilities | — | 15,206 |

## SIGNIFICANT SUBSEQUENT EVENTS

Not applicable

## NOTES ON PREMISE OF GOING CONCERN

Not applicable

## ADDITIONAL INFORMATION

As part of the restructuring of its overseas Carbon Solutions Business, IHI decided on September 28, 2026, to transfer all of its equity interests in Steinmüller Engineering GmbH, a consolidated subsidiary, to mutares Holding 106 GmbH, a wholly owned subsidiary of Mutares SE & Co. KGaA. Accordingly, for the current semi-annual period, ¥12,740 million, representing the amount estimated to be incurred upon completion of the transfer, is included in “Other expenses.” The transfer was completed on October 15, 2026.