



IHI Corporation

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Tokyo 135-8710, Japan
August 9, 2022

CONSOLIDATED FINANCIAL REPORT FOR THE THREE MONTHS ENDED JUNE 30, 2022 <IFRS>

IHI Corporation (IHI) is listed on the Prime Market of the Tokyo Stock Exchange, Nagoya Stock Exchange, Sapporo Securities Exchange and Fukuoka Stock Exchange with the securities code number 7013.

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Submission date of Quarterly Securities Report: August 10, 2022 (planned)
Commencement of Dividend Payments: —
Preparing supplementary material on financial results: Yes
Holding financial results presentation meeting: Yes (for institutional investors, analysts and the media)

This consolidated financial report has been prepared in accordance with International Financial Reporting Standards (hereinafter, “IFRS”).

Figures are in Japanese yen rounded to the nearest millions.

1. CONSOLIDATED PERFORMANCE FOR THE THREE MONTHS ENDED JUNE 30, 2022 (APRIL 1, 2022 to JUNE 30, 2022)

(1) Consolidated Business Results

(Millions of yen, except per share figures; percentage changes show the rate of increase or decrease from the previous corresponding period)

	Revenue	Percentage Change	Operating Profit	Percentage Change	Profit before Tax	Percentage Change	Profit	Percentage Change
Three months ended June 30, 2022	264,290	7.8%	7,553	(62.7%)	16,902	(22.3%)	9,559	(37.7%)
Three months ended June 30, 2021	245,262	12.7%	20,259	—	21,746	—	15,340	—

	Profit Attributable to Owners of Parent	Percentage Change	Comprehensive Income	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Three months ended June 30, 2022	8,494	(40.1%)	18,712	21.7%	56.15	56.15
Three months ended June 30, 2021	14,179	—	15,376	—	95.47	95.46

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of June 30, 2022	1,865,869	418,692	392,956	21.1%
As of March 31, 2022	1,879,673	407,039	382,134	20.3%

2. DIVIDENDS

(Yen)

(Record Date)	Dividends per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Annual
Fiscal year ended March 31, 2022	—	30.00	—	40.00	70.00
Fiscal year ending March 31, 2023	—	—	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	40.00	—	40.00	80.00

(Note) Revisions to the dividend forecasts most recently announced: No

3. CONSOLIDATED FORECASTS OF RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2023 (APRIL 1, 2022 to MARCH 31, 2023)

(Millions of yen, except per share figures; percentages show the rate of changes from the previous fiscal year)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
Full-year	1,350,000	15.1%	85,000	4.3%	80,000	(8.7%)	50,000	(24.3%)	338.20

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

* NOTES

(1) Changes in significant subsidiaries during the three months

(Changes in specified subsidiaries accompanying changes in scope of consolidation): Not applicable

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

- (i) Changes in accounting policies required by IFRS: Not applicable
- (ii) Changes in accounting policies due to other reasons: Not applicable
- (iii) Changes in accounting estimates: Not applicable

(3) Number of shares issued (Ordinary shares):

- (i) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2022	154,679,954 shares
As of March 31, 2022	154,679,954 shares
- (ii) Number of treasury shares owned at the end of the period

As of June 30, 2022	3,419,669 shares
As of March 31, 2022	3,419,631 shares
- (iii) Average number of shares outstanding during the period

Three months ended June 30, 2022	151,260,902 shares
Three months ended June 30, 2021	148,517,035 shares

* This consolidated financial report is not subjected to quarterly 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. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS

(1) EXPLANATION REGARDING BUSINESS RESULTS

During the three months ended June 30, 2022, the Japanese economy showed the sign of recovery as a whole caused by the easing of the restrictions on economic activities against the spread of COVID-19. The world economy also showed the sign while there is the risk of variant COVID-19 spreading in China. However, the outlook is getting severer because of worldwide material shortage, inflation and monetary tightening policies especially in the U.S., which were caused by increase in geopolitical risk due to the lengthening of the Russian invasion upon Ukraine.

In the IHI Group's main business, the Civil aero engines Business, sales of spare parts remained steady along with the recovery of the demand for aero transportation which had been depressed by COVID-19. On the other hand, the rapid recovery in demand for aero transportation has led to a serious labor shortage in the airline industry, and although the industry as a whole is taking measures to address the situation, the shortage recently begins affecting the results of IHI Group. In the Vehicular turbochargers Business, while production is gradually recovering from the production adjustment by automobile companies in response to the global shortage of semiconductors, the speed of the recovery has some gradations by regions such as restrained economic activity in China, and normalization in all productions in the world is not expected until the second half of FY2022 or later.

Under this business environment, orders received of the IHI Group during the three months decreased 1.4% from the previous corresponding period to ¥238.2 billion. Revenue increased 7.8% from the previous corresponding period to ¥264.2 billion.

In terms of profit, operating profit decreased ¥12.7 billion to ¥7.5 billion due mainly to the sales of property, plants and equipment in the previous corresponding period, despite increased profit resulted from increased sales of spare parts in the Civil aero engines Business and increased revenue in the Nuclear energy Business, as well as the effect of yen depreciation. Profit before tax decreased ¥4.8 billion to ¥16.9 billion due mainly to foreign exchange gain, profit attributable to owners of parent decreased ¥5.6 billion to ¥8.4 billion.

Results by reportable segment for the three months ended June 30, 2022 are as follows:

(Billions of yen)

Reportable segment	Orders received			Three months ended		Three months ended		Changes from the previous corresponding period (%)	
	Three months ended June 30, 2021	Three months ended June 30, 2022	Changes from the corresponding period (%)	June 30, 2021		June 30, 2022		Revenue	Operating profit (loss)
				Revenue	Operating profit (loss)	Revenue	Operating profit (loss)		
Resources, Energy and Environment	60.8	49.0	(19.5)	74.8	(0.2)	77.2	3.5	3.3	—
Social Infrastructure and Offshore Facilities	44.7	21.6	(51.6)	34.6	2.4	35.1	2.1	1.4	(11.1)
Industrial Systems and General-Purpose Machinery	91.6	106.6	16.4	88.8	2.9	92.7	2.2	4.3	(21.1)
Aero Engine, Space and Defense	39.9	59.2	48.1	45.2	(7.1)	57.4	1.7	26.9	—
Reportable segment total	237.2	236.5	(0.3)	243.5	(2.0)	262.5	9.7	7.8	—
Others	13.3	12.9	(2.5)	10.0	0.3	9.9	(0.1)	(1.4)	—
Adjustment	(8.9)	(11.2)	—	(8.3)	21.8	(8.1)	(1.9)	—	—
Total	241.5	238.2	(1.4)	245.2	20.2	264.2	7.5	7.8	(62.7)

(2) EXPLANATION REGARDING CONSOLIDATED FINANCIAL POSITION

Assets, liabilities and equity

Total assets at the end of the first quarter were ¥1,865.8 billion, down ¥13.8 billion compared with the end of the previous fiscal year. The major items of increase were inventories, up ¥36.6 billion and contract assets, up ¥9.2 billion. The major items of decrease were cash and cash equivalents, down ¥44.6 billion and trade and other receivables, down ¥25.8 billion.

Total liabilities were ¥1,447.1 billion, down ¥25.4 billion compared with the end of the previous fiscal year. The major items of decrease were bonds and borrowings(current), down ¥23.7 billion and trade and other payables, down ¥16.7 billion. The balance of interest-bearing liabilities, including lease liabilities, was ¥488.8 billion, down ¥16.6 billion from the end of the previous fiscal year.

Equity was ¥418.6 billion, up ¥11.6 billion compared with the end of the previous fiscal year, which included profit attributable to owners of parent of ¥8.4 billion.

As a result of the above, the ratio of equity attributable to owners of parent increased from 20.3% at the end of the previous fiscal year to 21.1%.

Cash flows

At the end of the first quarter, the outstanding balance of cash and cash equivalents (hereinafter, “cash”) was ¥100.8 billion, down ¥44.6 billion from the end of the previous fiscal year.

Net cash flows from operating activities were ¥5.3 billion excess of expenditure. This was due to increases inventories, prepayments and tax payment, while there were decreases in trade receivables.

Net cash flows from investing activities were ¥10.6 billion excess of expenditure. This was due mainly to acquisitions of property, plant and equipment.

Net cash flows from financing activities were ¥30.5 billion excess of expenditure. This was due mainly to repayments of borrowings.

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

Although social economic activities are normalizing while taking all possible measures against the spread of COVID-19, increased geopolitical risks by prolonging impacts of invasion of Ukraine by Russia, political conflicts between U.S. and China, recent trend of inflation over the world and monetary tightening in the U.S., are concerned to worsen current economic climate. Also, in the medium and long term, the trend to focus on environment, circular economies, sustainability such as respect for human rights is expected to develop, the responses of governments and companies will attract attention.

To respond to the speed of change in these environments, the IHI Group is promoting “Project Change” aimed returning to growth trajectory by further strengthening earnings foundations and expanding the lifecycle businesses, and creating growth businesses that contribute to the realization of a sustainable society.

As an effort for creating growth businesses, IHI has recently achieved the world’s first CO₂-free power generation using a gas turbine with 100% liquid ammonia combustion, which reduces greenhouse gas emissions during combustion by more than 99%. In addition, IHI has begun verifying technologies for ammonia co-firing and mono-firing at the thermal power plants of an Indonesia’s state-owned electricity company group.

Furthermore, IHI issued transition bond as fund to advance initiatives for carbon-free society.

While accelerating these efforts, the IHI Group is going ahead to build stronger earnings foundations by preparing multiple scenarios for responding to risks and flexibly implementing appropriate measures in response to changes in the environment.

The IHI Group’s consolidated forecasts of results for the full fiscal year ending March 31, 2023 reflected the impacts of changing foreign exchange rate assumption from ¥115/US\$1, which was set at the beginning of fiscal year, to ¥130/US\$1 due to the depreciation of the yen against the previous assumption and recent decreasing of spare parts sales towards regional jet in the Civil aero engines Business, which is more affected by insufficient staff of airline industry. As a result, revenue is expected to increase by ¥50.0 billion from the previous forecast announced on May 10, 2022, to ¥1,350.0 billion, operating profit is expected to increase by ¥10.0 billion to ¥85.0 billion, profit before tax is expected to increase by ¥15.0 billion to ¥80.0 billion, profit

attributable to owners is expected to increase by ¥10.0 billion to ¥50.0 billion.
Concerning dividends, no changes have been made to the previous forecasts.

2. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	145,489	100,845
Trade and other receivables	347,998	322,124
Contract assets	126,560	135,851
Other financial assets	3,193	6,091
Inventories	340,125	376,818
Other current assets	60,627	67,239
Total current assets	1,023,992	1,008,968
Non-current assets:		
Property, plant and equipment	230,306	227,822
Right-of-use assets	109,034	107,097
Goodwill	6,094	6,454
Intangible assets	120,998	120,136
Investment property	137,679	138,109
Investments accounted for using equity method	56,732	61,217
Other financial assets	43,167	44,990
Deferred tax assets	78,428	78,441
Other non-current assets	73,243	72,635
Total non-current assets	855,681	856,901
Total assets	1,879,673	1,865,869

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities:		
Trade and other payables	235,414	218,674
Bonds and borrowings	95,220	71,427
Lease liabilities	17,061	16,863
Other financial liabilities	14,636	21,103
Income taxes payable	18,005	8,473
Contract liabilities	214,726	224,049
Provisions	22,433	21,503
Other current liabilities	156,180	156,263
Total current liabilities	773,675	738,355
Non-current liabilities:		
Bonds and borrowings	276,987	285,975
Lease liabilities	116,285	114,619
Other financial liabilities	103,681	104,483
Deferred tax liabilities	3,485	3,955
Retirement benefit liability	175,328	176,898
Provisions	7,348	7,451
Other non-current liabilities	15,845	15,441
Total non-current liabilities	698,959	708,822
Total liabilities	1,472,634	1,447,177
Equity		
Share capital	107,165	107,165
Capital surplus	47,052	46,938
Retained earnings	213,026	216,098
Treasury shares	(8,815)	(8,817)
Other components of equity	23,706	31,572
Total equity attributable to owners of parent	382,134	392,956
Non-controlling interests	24,905	25,736
Total equity	407,039	418,692
Total liabilities and equity	1,879,673	1,865,869

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	245,262	264,290
Cost of sales	206,237	215,334
Gross profit (loss)	39,025	48,956
Selling, general and administrative expenses	40,418	42,998
Other income	22,980	2,610
Other expenses	1,328	1,015
Operating profit (loss)	20,259	7,553
Finance income	595	10,707
Finance costs	1,624	2,104
Share of profit (loss) of investments accounted for using equity method	2,516	746
Profit (loss) before tax	21,746	16,902
Income tax expense	6,406	7,343
Profit (loss)	15,340	9,559
Profit (loss) attributable to:		
Owners of parent	14,179	8,494
Non-controlling interests	1,161	1,065
Profit (loss)	15,340	9,559
Earnings per share		
Basic earnings (loss) per share (yen)	95.47	56.15
Diluted earnings (loss) per share (yen)	95.46	56.15

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	15,340	9,559
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(193)	2,170
Remeasurements of defined benefit plans	(176)	105
Share of other comprehensive income of investments accounted for using equity method	25	(57)
Total of items that will not be reclassified to profit or loss	(344)	2,218
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	495	7,445
Cash flow hedges	(102)	(1,393)
Share of other comprehensive income of investments accounted for using equity method	(13)	883
Total of items that may be reclassified to profit or loss	380	6,935
Other comprehensive income, net of tax	36	9,153
Comprehensive income	15,376	18,712
Comprehensive income attributable to:		
Owners of parent	14,127	17,015
Non-controlling interests	1,249	1,697
Comprehensive income	15,376	18,712

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended June 30, 2021

(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, 2021	107,165	51,735	148,428	(15,953)	1,102	(61)	7,939
Profit (loss)			14,179				
Other comprehensive income					423	(134)	(165)
Total comprehensive income	—	—	14,179	—	423	(134)	(165)
Purchase of treasury shares				(1)			
Disposal of treasury shares		4		11			
Dividends							
Share-based remuneration transactions		(102)					
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			(940)				764
Other			(345)			(46)	
Total transactions with owners	—	(98)	(1,285)	10	—	(46)	764
Balance as of June 30, 2021	107,165	51,637	161,322	(15,943)	1,525	(241)	8,538

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total			
Balance as of April 1, 2021	—	414	9,394	300,769	26,958	327,727
Profit (loss)			—	14,179	1,161	15,340
Other comprehensive income	(176)		(52)	(52)	88	36
Total comprehensive income	(176)	—	(52)	14,127	1,249	15,376
Purchase of treasury shares			—	(1)		(1)
Disposal of treasury shares		(16)	(16)	(1)		(1)
Dividends			—	—	(1,066)	(1,066)
Share-based remuneration transactions			—	(102)		(102)
Changes in ownership interest in subsidiaries			—	—	24	24
Transfer from other components of equity to retained earnings	176		940	—		—
Other			(46)	(391)	(2)	(393)
Total transactions with owners	176	(16)	878	(495)	(1,044)	(1,539)
Balance as of June 30, 2021	—	398	10,220	314,401	27,163	341,564

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended June 30, 2022

(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, 2022	107,165	47,052	213,026	(8,815)	12,831	(313)	10,933
Profit (loss)			8,494				
Other comprehensive income					8,361	(2,064)	2,119
Total comprehensive income	—	—	8,494	—	8,361	(2,064)	2,119
Purchase of treasury shares				(5)			
Disposal of treasury shares		0		3			
Dividends			(6,074)				
Share-based remuneration transactions		(114)					
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			652				(547)
Other							
Total transactions with owners	—	(114)	(5,422)	(2)	—	—	(547)
Balance as of June 30, 2022	107,165	46,938	216,098	(8,817)	21,192	(2,377)	12,505

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Share acquisition rights	Total			
Balance as of April 1, 2022	—	255	23,706	382,134	24,905	407,039
Profit (loss)			—	8,494	1,065	9,559
Other comprehensive income	105		8,521	8,521	632	9,153
Total comprehensive income	105	—	8,521	17,015	1,697	18,712
Purchase of treasury shares			—	(5)		(5)
Disposal of treasury shares		(3)	(3)	—		—
Dividends			—	(6,074)	(886)	(6,960)
Share-based remuneration transactions			—	(114)		(114)
Changes in ownership interest in subsidiaries			—	—	20	20
Transfer from other components of equity to retained earnings	(105)		(652)	—		—
Other			—	—		—
Total transactions with owners	(105)	(3)	(655)	(6,193)	(866)	(7,059)
Balance as of June 30, 2022	—	252	31,572	392,956	25,736	418,692

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit (loss) before tax	21,746	16,902
Depreciation, amortization and impairment losses	18,769	17,026
Finance income and finance costs	404	535
Share of loss (profit) of investments accounted for using equity method	(2,516)	(746)
Loss (gain) on sale of property, plant and equipment, intangible assets and investment property	(21,778)	(80)
Decrease (increase) in trade receivables	69,482	33,879
Decrease (increase) in contract assets	(10,667)	(5,621)
Decrease (increase) in inventories and prepayments	(27,685)	(27,629)
Increase (decrease) in trade payables	(21,549)	(15,267)
Increase (decrease) in contract liabilities	2,368	7,390
Other	(20,723)	(10,302)
Subtotal	7,851	16,087
Interest received	94	110
Dividends received	530	573
Interest paid	(935)	(890)
Income taxes paid	(5,916)	(21,216)
Net cash provided by (used in) operating activities	1,624	(5,336)
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and investment property	(10,382)	(9,792)
Proceeds from sale of property, plant and equipment, intangible assets and investment property	24,772	149
Purchase of investments (including investments accounted for using equity method)	(2,431)	(222)
Proceeds from sale and redemption of investments (including investments accounted for using equity method)	—	74
Purchase of equity interest in subsidiaries	—	(64)
Proceeds from sale of equity interest in subsidiaries	—	426
Other	(2,808)	(1,224)
Net cash provided by (used in) investing activities	9,151	(10,653)

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(74,270)	(38,582)
Net increase (decrease) in commercial papers	50,000	—
Proceeds from long-term borrowings	2,500	358
Repayments of long-term borrowings	(7,683)	(386)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	(10,000)	—
Repayments of lease liabilities	(5,385)	(4,923)
Dividends paid	(3)	(6,076)
Capital contribution from non-controlling interests	24	20
Dividends paid to non-controlling interests	(1,051)	(886)
Increase in other financial liabilities	—	185
Decrease in other financial liabilities	(252)	(300)
Other	270	(6)
Net cash provided by (used in) financing activities	(45,850)	(30,596)
Effect of exchange rate change on cash and cash equivalents	53	1,941
Net increase (decrease) in cash and cash equivalents	(35,022)	(44,644)
Cash and cash equivalents at beginning of period	120,766	145,489
Cash and cash equivalents at end of period	85,744	100,845

(5) NOTES TO THE CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON PREMISE OF GOING CONCERN

Not applicable

CHANGES IN ACCOUNTING POLICIES

Significant accounting policies applied by the IHI Group in the condensed quarterly consolidated financial statements are the same as those in the consolidated financial statements for the previous fiscal year.

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

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, allocates management resources necessary for execution of the SBUs' business strategies. SBUs shall be the units possessing complete business process 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 and Offshore Facilities," "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 (boilers and storage facilities), Nuclear energy (components for nuclear power plants)
Social Infrastructure and Offshore Facilities	Bridges and water gates, Transport systems, Shield systems, Concrete construction materials, Urban development (real estate sales and rental)
Industrial Systems and General-Purpose Machinery	Vehicular turbochargers, Parking, Rotating machineries (compressors, separation systems, turbochargers for ships), Heat treatment and surface engineering, Transport machineries, 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 are as follows:
Intersegment revenue and transfers are based on actual market pricing.

Three months ended June 30, 2021

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Resources, Energy and Environment	Social Infrastructure and Offshore Facilities	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense	Total				
Revenue									
Revenue from external customers	74,281	33,588	86,861	44,566	239,296	5,966	245,262	—	245,262
Intersegment revenue and transfers	526	1,045	2,029	661	4,261	4,079	8,340	(8,340)	—
Total	74,807	34,633	88,890	45,227	243,557	10,045	253,602	(8,340)	245,262
Segment profit (loss) (Note 3)	(265)	2,456	2,902	(7,111)	(2,018)	391	(1,627)	21,886	20,259

- Notes:
1. The "Others" 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, and other service operations.
 2. Adjustment of segment profit (loss) represents intersegment transactions of ¥156 million and unallocated corporate income of ¥21,730 million. Unallocated corporate income mainly consists of gain on sale of property, plant and equipment and gain on sale of investment property.
 3. Segment profit (loss) is adjusted with operating profit (loss) in the condensed quarterly consolidated financial statement of profit or loss.

Three months ended June 30, 2022

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Resources, Energy and Environment	Social Infrastructure and Offshore Facilities	Industrial Systems and General- Purpose Machinery	Aero Engine, Space and Defense	Total				
Revenue									
Revenue from external customers	76,943	34,328	90,868	56,696	258,835	5,455	264,290	—	264,290
Intersegment revenue and transfers	351	803	1,882	707	3,743	4,449	8,192	(8,192)	—
Total	77,294	35,131	92,750	57,403	262,578	9,904	272,482	(8,192)	264,290
Segment profit (loss) (Note 3)	3,551	2,183	2,290	1,704	9,728	(199)	9,529	(1,976)	7,553

- Notes:
1. The "Others" 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, and other service operations.
 2. Adjustment of segment profit (loss) represents intersegment transactions of ¥110 million and unallocated corporate expenses of ¥(2,086) 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 quarterly consolidated financial statement of profit or loss.

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable