

Financial Results for FY2023 (IFRS) (for the year ended March 31, 2024)



May 8, 2024

IHI Corporation

1. Consolidated Results for FY2023

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*Figures for each item are rounded down to the nearest 0.1 billion yen.

Consolidated Results for FY2023



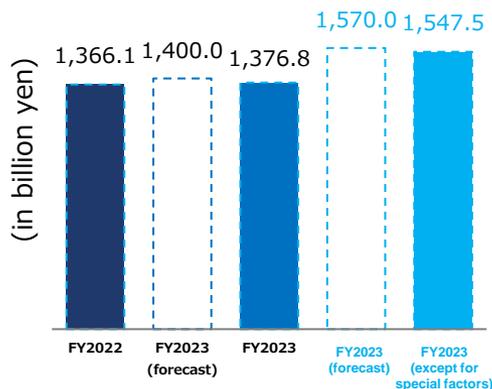
Consolidated Results for FY2023 Summary

*blue : except for special factors

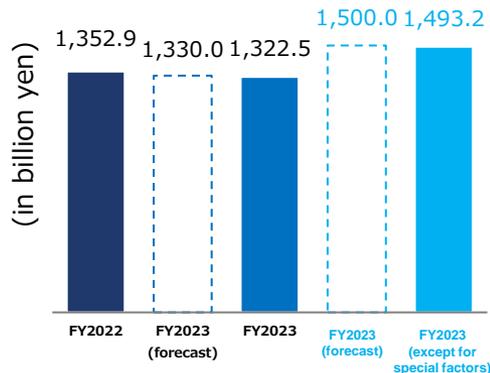
IHI

Orders received

(forecast) : forecast in Feb.



Revenue



Profitability-related indicators

Operating profit
(70.1 billion yen)
 YoY (152.1 billion yen)
104.2 billion yen
 YoY +22.2 billion yen

Operating margin
(5.3%)
 YoY (11.4%)pts
7.0%
 YoY +0.9%pts

EBITDA
0.6 billion yen
 YoY (150.5 billion yen)
175.0 billion yen
 YoY 23.9 billion yen

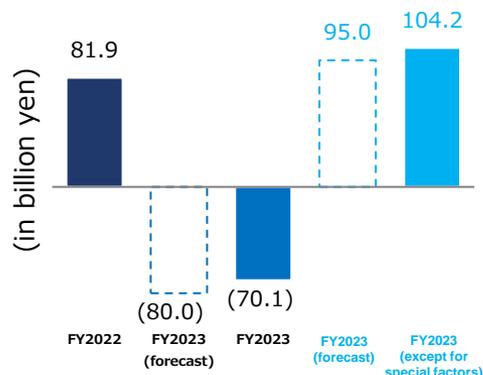
Cash flows from operating activities
62.1 billion yen
 YoY +8.0 billion yen

ROIC
(4.9%)
 YoY (11.2%)pts

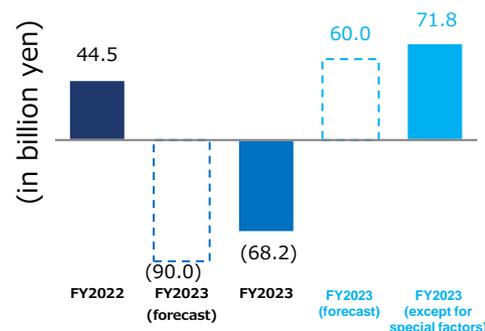
ROE
(16.9%)
 YoY (27.9%)pts

Special factors (The only change after 2Q is the exchange rate) (in billion yen)
 Impact of PW1100G Orders received / Revenue (155.9), Operating profit (159.7)
 Impact of E&C settlement Orders received / Revenue / Operating profit (14.6)

Operating profit



Profit attributable to owners of parent



Financial Soundness Indicators

CCC
107 days
 YoY (13 days)
132 days
 YoY +12 days

Interest-bearing liabilities
574.3
 YoY +54.8 billion yen

D/E ratio
1.43
 YoY +0.29pts

Ratio of equity attributable to owners of parent
17.9%
 YoY (4.3%)pts

Consolidated Results for FY2023

Highlights

Except for special factors, the IHI Group steadily achieved profits in the first year of the "Group Management Policies 2023."

Main points

Special factors	<ul style="list-style-type: none">No change in assumptions regarding estimated recording costs for additional inspection program for shipped PW1100G-JM engines. (The only change is due to exchange rate.)
Orders received	<ul style="list-style-type: none">Increased due to recovery in passenger demand for civil aero engines and expansion of demand in the Defense systems. (Orders received in Defense systems was the highest ever.)Decreased due to a rebound of large projects in the previous fiscal year in Carbon solutions.
Revenue	<ul style="list-style-type: none">Increased in sales of new engines and spare parts for civil aero engines due to recovery in passenger demand.Achieve results of efforts to expand lifecycle businesses (LCB).
Operating profit	<ul style="list-style-type: none">Sales of spare parts for civil aero engines increased steadily.Expansion of LCB contributed significantly to the increase in profits.The sale of real estate (Tomei Ayase) contributed to the recovery of financial base.Expenses related to the reformation of business structure were recorded in Vehicular turbochargers.
Cash flows from operating activities	<ul style="list-style-type: none">Increased from the previous fiscal year due to earlier receipt of deposits, etc.The impact of the PW1100G-JM will affect cash flows in FY2024 and beyond.

Consolidated Results for FY2023

Overview of Financial Results

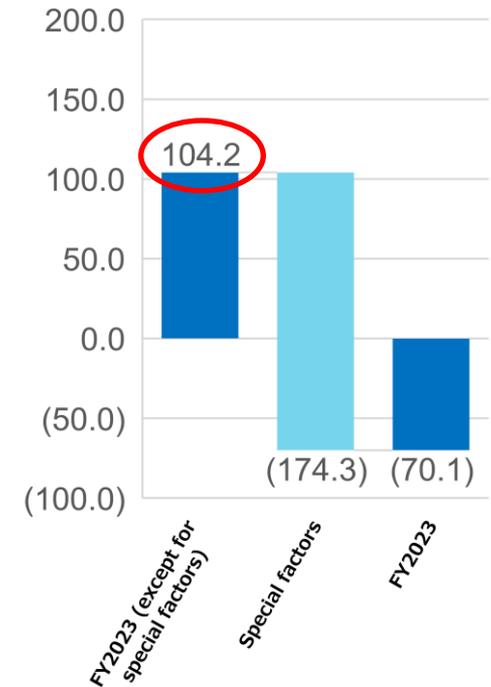
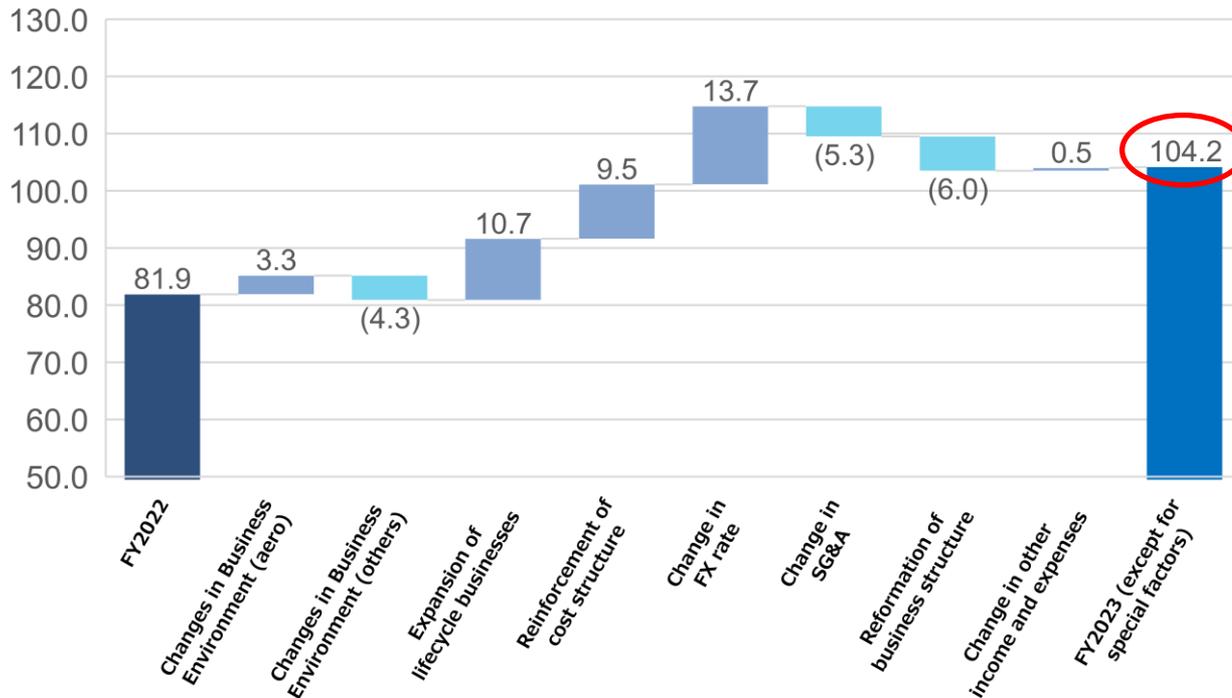
(In billion yen)		FY2022	FY2023	Change		special factors	FY2023 (except for special factors)
Orders received		1,366.1	1,376.8	[0.8%]	10.6	(170.6)	1,547.5
Revenue		1,352.9	1,322.5	[(2.2%)]	(30.3)	(170.6)	1,493.2
Operating profit [%]		[6.1%] 81.9	[(5.3%)] (70.1)	-	(152.1)	(174.3)	[7.0%] 104.2
Finance Income / Costs etc.	Foreign exchange gains (losses)	(5.7)	1.1		6.9	-	1.1
	Share of profit () of investments accounted for using equity method	(8.3)	0.7		9.1	-	0.7
	Other finance income (costs)	(2.9)	(4.1)		(1.1)	-	(4.1)
	total	(17.1)	(2.1)		14.9	-	(2.1)
Profit before tax [%]		[4.8%] 64.8	[(5.5%)] (72.2)	-	(137.1)	(174.3)	[6.8%] 102.1
Profit Attributable to Owners of Parent [%]		[3.3%] 44.5	[(5.2%)] (68.2)	-	(112.7)	(140.0)	[4.8%] 71.8
EBITDA [%]		[11.2%] 151.1	[0.0%] 0.6	-	(150.5)	-	[11.7%] 175.0
ROIC		6.3%	(4.9%)		(11.2%)	-	-
ROE		11.0%	(16.9%)		(27.9%)	-	-
Average FX rate		134.32	145.27		10.95	-	-
Closing FX rate		133.41	151.26		17.85	-	-

Consolidated Results for FY2023

Factors of Change in Operating Profit

Except for special factors, profits increased substantially due to growth in civil aero engines, expansions of lifecycle businesses, and reinforcement of the cost structure.

(in billion yen)



<Main factors of change>

- Changes in Business Environment : Sales of spare parts for civil aero engines increased due to recovery in passenger demand, while large projects decreased in Carbon solutions.
- Expansion of LCB : Profits increased mainly in Carbon Solutions.
- Reinforcement of cost structure : Increase due to cost reductions, etc. in Civil aero engines and Carbon solutions.
- Reformation of business structure : Recorded expenses related to Reformation of business structure, including impairment of fixed assets.

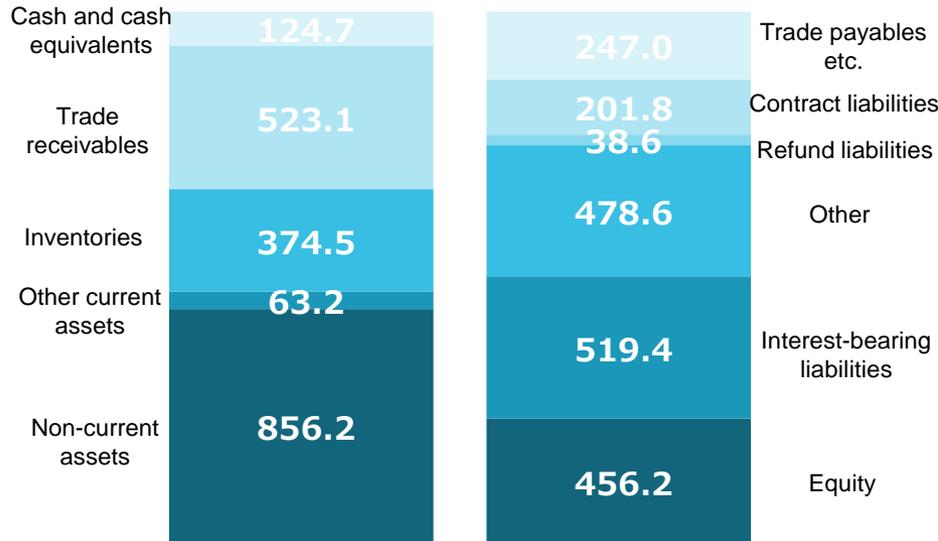
Consolidated Results for FY2023

Financial Position

As of March 31, 2023

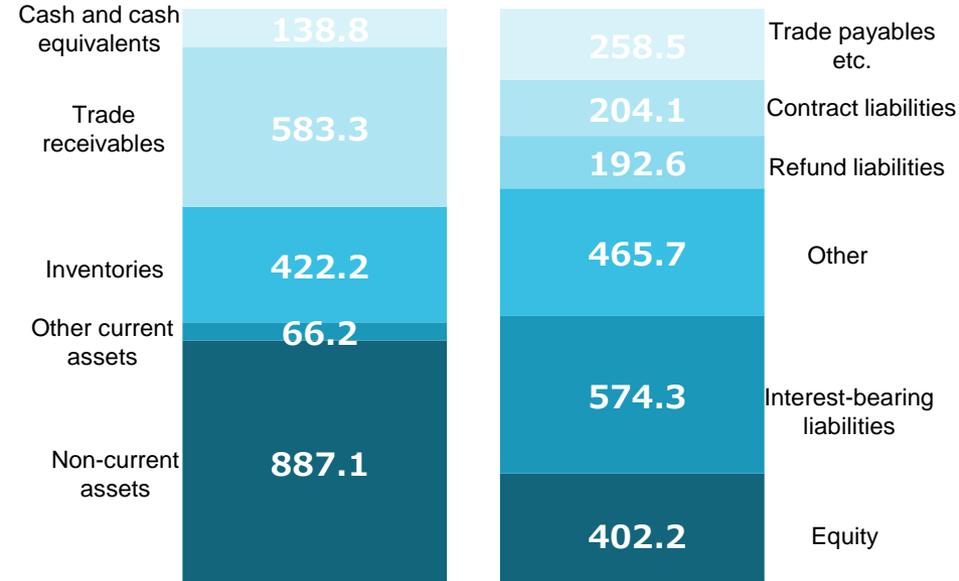
(in billion yen)

Total assets : 1,941.9 billion yen
 D/E ratio 1.14 times
 Ratio of equity attributable to owners of parent 22.2%



As of March 31, 2024

Total assets : 2,097.8 billion yen [up 155.8 billion yen]
 D/E ratio 1.43 times [up 0.29 times]
 Ratio of equity attributable to owners of parent 17.9% [down 4.3%]



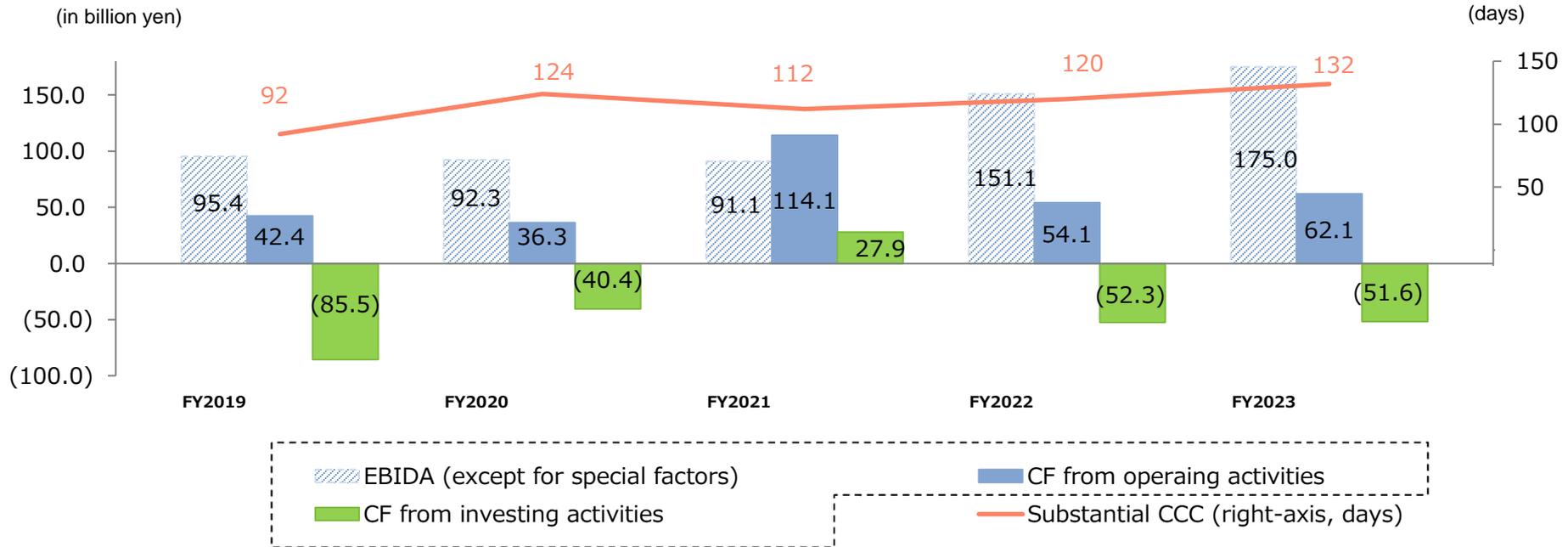
<Main factors of change>

- Assets : Trade receivables and inventories increased. (Increased in working capital due to increased production of civil aero engines and unstable supply chains.)
- Liabilities : Refund liabilities increased due to additional inspection program for PW1100G-JM engines. Interest-bearing liabilities increased due to higher working capital. As a result, D/E ratio became higher.
- Equity : Ratio of equity attributable to owners of parent decreased due to the loss of the current period.

Consolidated Results for FY2023

Cash Flows

Cash Flows & CCC Trends



<Main factors of change>

- CF from operating activities : EBITDA is steadily increasing, strengthening earning capacity. On the other hand, working capital is increasing due to higher inventories, etc.
- CF from investing activities : While selling assets in well-planned manner, the IHI Group is executing focused investments in accordance with the "Group Management Policies 2023."
- CCC : Except for special factors, CCC increased to 132 days.
⇒Manage working capital more strictly.

Forecasts of the Consolidated Results for FY2024



Forecasts of the Consolidated Results for FY2024

Highlights

All businesses are performing well and the IHI Group is on track to achieve the “Group Management Policies 2023.”

Main points *except for special factors

Orders received	<ul style="list-style-type: none"> Orders received remains steady in Defense systems and is expected to expand further. Both new engines and spare parts expanded in Civil aero engines. Lifecycle businesses will continue to expand.
Revenue	<ul style="list-style-type: none"> Defense systems will expand steadily. Both new engines and spare parts will be steady in Civil aero engines. Lifecycle businesses are in a transitional period in Carbon solution, Nuclear energy, etc., but overall business remains at a high level.
Operating profit	<ul style="list-style-type: none"> Defense systems and Civil aero engines will continue to grow and generate profits. Profitability recovered in conventional businesses due to the effects of sales price improvement and cost reductions, etc. Expenses of reformation of business structure are planned in order to transform the IHI Group into a company that can achieve sustainable high growth. Plan to sell real estate (Toyosu) and accelerate efforts to quickly restore financial base.
Cash flows from operating activities	<ul style="list-style-type: none"> Strengthen company-wide efforts to increase cash flows from operating activities. Although expenses related to additional inspection program for PW1100G-JM engines will be incurred from FY2024, the IHI Group will secure a level that exceeds the previous fiscal year.

Forecasts of the Consolidated Results for FY2024

Forecasts for FY2024

(In billion yen)	FY2023	FY2024	Change
Orders received	1,376.8	1,720.0	[24.9%] 343.1
Revenue	1,322.5	1,600.0	[21.0%] 277.4
Operating profit [%]	[(5.3%)] (70.1)	[6.9%] 110.0	– 180.1
Profit before tax [%]	[(5.5%)] (72.2)	[6.3%] 100.0	– 172.2
Profit Attributable to Owners of Parent [%]	[(5.2%)] (68.2)	[3.8%] 60.0	– 128.2
Dividends per share (yen)	100 (Interim 50, Year-end 50)	100 (Interim 50, Year-end 50)	-
EBITDA [%]	[0.0%] 0.6	[11.3%] 180.0	– 179.4
ROIC	(4.9%)	8.3%	13.2%
ROE	(16.9%)	15.5%	32.4%
Assumed FX rate	145.27	140.00	(5.27)

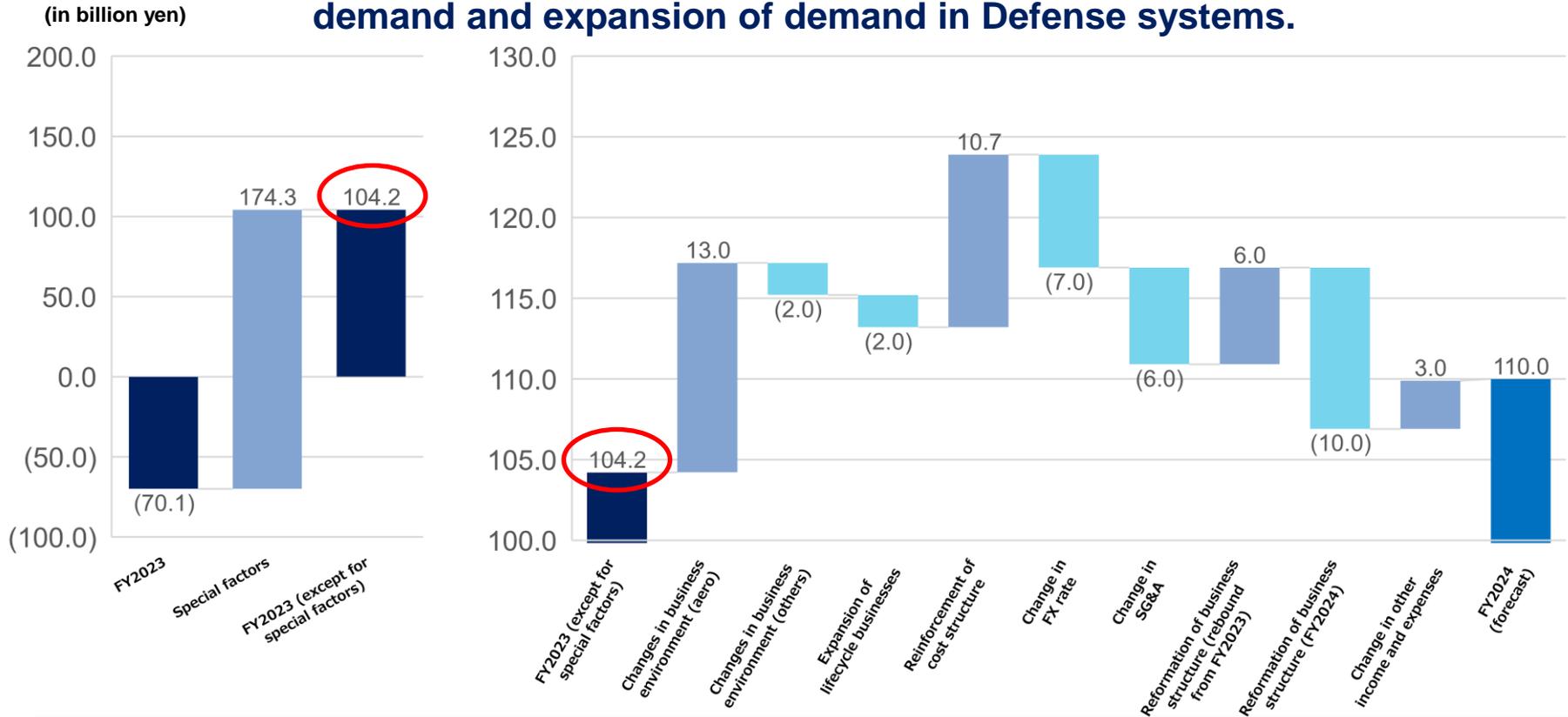
(Reference) FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US\$ ¥1.4 billion
(except for the impact of additional inspection program for PW1100G-JM engines)

(In billion yen)	FY2023	FY2024	Change
Cash flows from operating activities	62.1	75.0	12.8
Cash flows from investing activities	(51.6)	(90.0)	(38.3)
Free cash flows	10.4	(15.0)	(25.4)

Forecasts of the Consolidated Results for FY2024

Factors of Change in Operating Profit

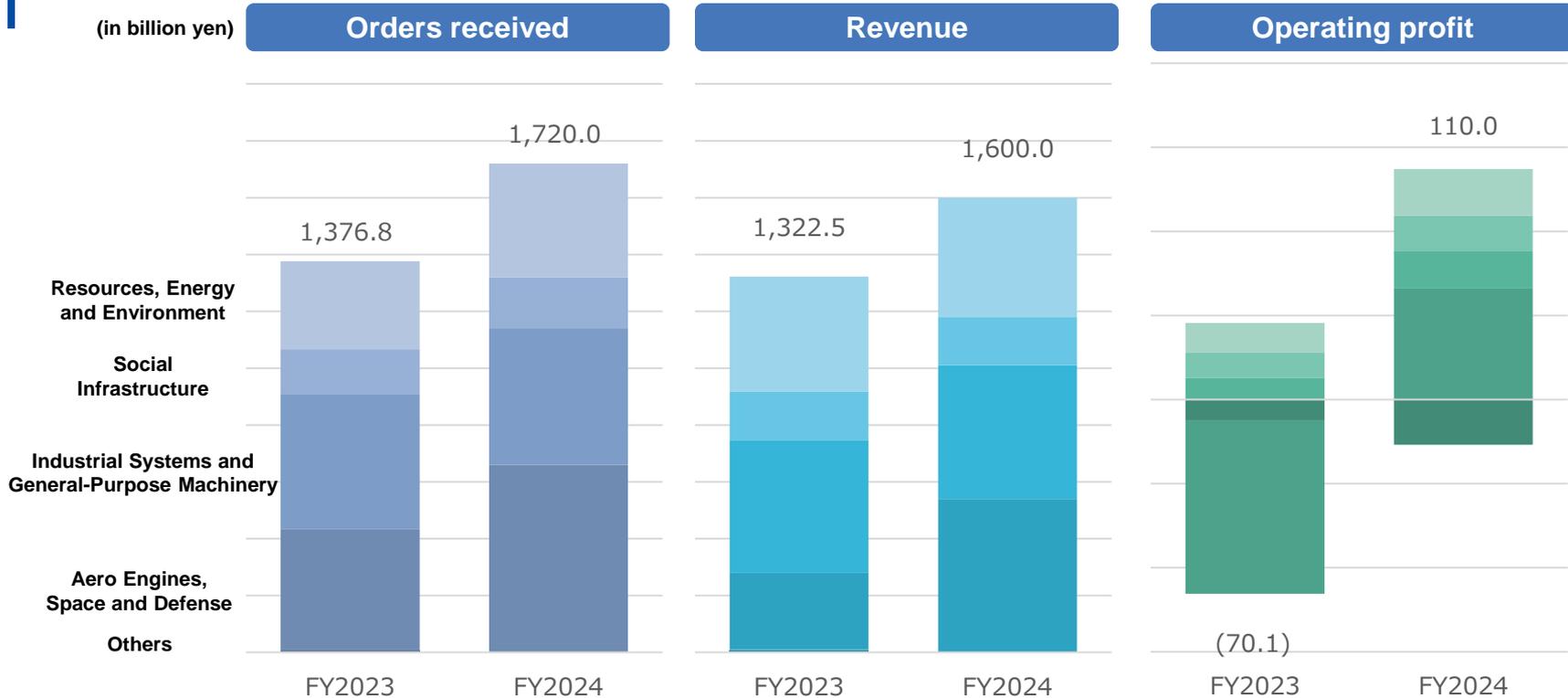
A new record profit of 110.0 billion yen is expected due to a recovery in passenger demand and expansion of demand in Defense systems.



- Changes in Business Environment : Profit is expected to increase due to recovery in passenger demand and expansion of demand in Defense systems in Aero Engine, Space and Defense.
- Expansion of LCB : Profit is expected to decline in FY2024, but is expected to expand again in FY2025 and beyond.
- Reinforcement of cost structure : Profit is expected to increase due to various measures to improve profitability (sales price improvement, cost reduction, etc.)
- Reformation of business structure : Expenses of reformation of business structure are planned in order to transform the IHI Group into a company that can achieve sustainable high growth.
- Change in other income and expenses : Plans to sell ownership in real estate (Toyosu) (already disclosed in March 2022)

Forecasts of the Consolidated Results for FY2024

Forecasts for FY2024 by Segment

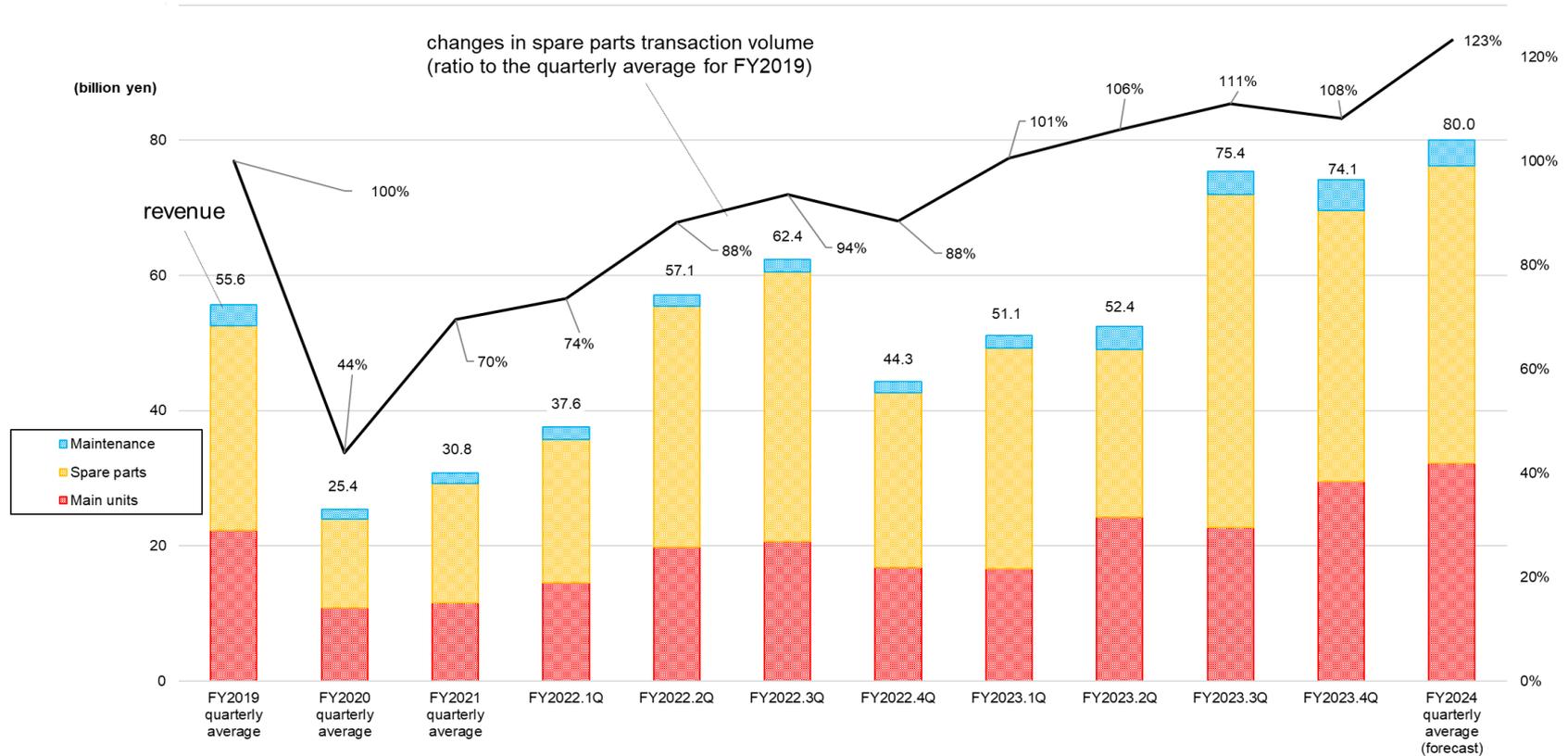


	Orders received		Revenue		Operating profit	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Resources	310.1	400.0	404.9	420.0	17.7	28.0
Social Infrastructure	159.3	180.0	170.9	170.0	15.0	21.0
Industrial Systems	474.8	480.0	466.1	470.0	12.7	22.0
Aero	423.7	660.0	270.4	540.0	(102.8)	66.0
Others	8.7	0.0	10.0	0.0	(12.7)	(27.0)
Total	1,376.8	1,720.0	1,322.5	1,600.0	(70.1)	110.0

Forecasts of the Consolidated Results for FY2024

Status of Civil Aero Engines

Revenue (*) and changes in spare parts transaction volume of Civil aero engines (USD)



FY2022 Percentage of Main units is 36%, Spare parts is 61%.

FY2023 Percentage of Main units is 37%, Spare parts is 58%.

FY2024 Percentage of Main units is 40%, Spare parts is 55%.

*Revenue excludes the impact of PW1100G

Appendix

Financial Results by Segment (FY2022 vs FY2023)

(In billion yen)	Orders received			Revenue			Operating profit		
	FY2022	FY2023	Change	FY2022	FY2023	Change	FY2022	FY2023	Change
Resources, Energy and Environment	393.4	310.1	(83.2)	371.3	404.9	33.5	26.2	17.7	(8.5)
Social Infrastructure	134.0	159.3	25.3	171.0	170.9	(0.0)	17.0	15.0	(2.0)
Industrial Systems and General-Purpose Machinery	455.9	474.8	18.8	436.5	466.1	29.6	18.0	12.7	(5.2)
Aero Engine, Space and Defense	372.7	423.7	50.9	364.1	270.4	(93.7)	36.1	(102.8)	(139.0)
Total Reportable Segment	1,356.2	1,368.1	11.8	1,343.1	1,312.5	(30.6)	97.5	(57.3)	(154.8)
Others	53.9	58.4	4.5	54.2	56.0	1.8	1.3	4.4	3.1
Adjustment	(44.0)	(49.6)	(5.6)	(44.4)	(46.0)	(1.5)	(16.8)	(17.2)	(0.3)
Total	1,366.1	1,376.8	10.6	1,352.9	1,322.5	(30.3)	81.9	(70.1)	(152.1)

Financial Results by Segment (FY2022 vs FY2023)

*except for special factors

(In billion yen)	Orders received			Revenue			Operating profit		
	FY2022	FY2023	Change	FY2022	FY2023	Change	FY2022	FY2023	Change
Resources, Energy and Environment	393.4	324.8	(68.5)	371.3	419.6	48.2	26.2	32.4	6.1
Social Infrastructure	134.0	159.3	25.3	171.0	170.9	(0.0)	17.0	15.0	(2.0)
Industrial Systems and General-Purpose Machinery	455.9	474.8	18.8	436.5	466.1	29.6	18.0	12.7	(5.2)
Aero Engine, Space and Defense	372.7	579.7	206.9	364.1	426.3	62.2	36.1	56.8	20.6
Total Reportable Segment	1,356.2	1,538.7	182.5	1,343.1	1,483.1	140.0	97.5	117.0	19.4
Others	53.9	58.4	4.5	54.2	56.0	1.8	1.3	4.4	3.1
Adjustment	(44.0)	(49.6)	(5.6)	(44.4)	(46.0)	(1.5)	(16.8)	(17.2)	(0.3)
Total	1,366.1	1,547.5	181.3	1,352.9	1,493.2	140.3	81.9	104.2	22.2

Factors of Change in Operating Profit by Segment

(FY2022 vs FY2023)

(In billion yen)	Changes in Business Environment	Expansion of lifecycle businesses	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Change in other income and expenses	Impact of PW1100G	Impact of E&C settlement	Total
Resources, Energy and Environment	(5.3)	8.1	3.3	1.0	(0.4)		(0.5)		(14.6)	(8.5)
Social Infrastructure	(3.0)	2.6	(1.8)		(1.7)		1.9			(2.0)
Industrial Systems and General-Purpose Machinery	3.6		(0.7)	0.8	(1.4)	(6.0)	(1.6)			(5.2)
Aero Engine, Space and Defense	3.3		5.9	12.0	0.2		(0.8)	(159.7)		(139.0)
Total Reportable Segment	(1.5)	10.7	6.7	13.8	(3.3)	(6.0)	(1.0)	(159.7)	(14.6)	(154.8)
Others	0.6		2.1	(0.1)	(1.0)		1.6			3.1
Adjustment	(0.2)		0.7		(0.9)					(0.3)
Total	(1.0)	10.7	9.5	13.7	(5.3)	(6.0)	0.5	(159.7)	(14.6)	(152.1)

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 by Segment (FY2023 vs Forecasts of FY2024)

(In billion yen)	Orders received			Revenue			Operating profit		
	FY2023	FY2024	Change	FY2023	FY2024	Change	FY2023	FY2024	Change
Resources, Energy and Environment	310.1	400.0	89.8	404.9	420.0	15.0	17.7	28.0	10.2
Social Infrastructure	159.3	180.0	20.6	170.9	170.0	(0.9)	15.0	21.0	5.9
Industrial Systems and General-Purpose Machinery	474.8	480.0	5.1	466.1	470.0	3.8	12.7	22.0	9.2
Aero Engine, Space and Defense	423.7	660.0	236.2	270.4	540.0	269.5	(102.8)	66.0	168.8
Total Reportable Segment	1,368.1	1,720.0	351.8	1,312.5	1,600.0	287.4	(57.3)	137.0	194.3
Others	58.4	50.0	(8.4)	56.0	50.0	(6.0)	4.4	1.0	(3.4)
Adjustment	(49.6)	(50.0)	(0.3)	(46.0)	(50.0)	(3.9)	(17.2)	(28.0)	(10.7)
Total	1,376.8	1,720.0	343.1	1,322.5	1,600.0	277.4	(70.1)	110.0	180.1

Financial Results by Segment (FY2023 vs Forecasts of FY2024)

*except for special factors

(In billion yen)	Orders received			Revenue			Operating profit		
	FY2023	FY2024	Change	FY2023	FY2024	Change	FY2023	FY2024	Change
Resources, Energy and Environment	324.8	400.0	75.1	419.6	420.0	0.3	32.4	28.0	(4.4)
Social Infrastructure	159.3	180.0	20.6	170.9	170.0	(0.9)	15.0	21.0	5.9
Industrial Systems and General-Purpose Machinery	474.8	480.0	5.1	466.1	470.0	3.8	12.7	22.0	9.2
Aero Engine, Space and Defense	579.7	660.0	80.2	426.3	540.0	113.6	56.8	66.0	9.1
Total Reportable Segment	1,538.7	1,720.0	181.2	1,483.1	1,600.0	116.8	117.0	137.0	19.9
Others	58.4	50.0	(8.4)	56.0	50.0	(6.0)	4.4	1.0	(3.4)
Adjustment	(49.6)	(50.0)	(0.3)	(46.0)	(50.0)	(3.9)	(17.2)	(28.0)	(10.7)
Total	1,547.5	1,720.0	172.4	1,493.2	1,600.0	106.7	104.2	110.0	5.7

Factors of Change in Operating Profit by Segment

(FY2023 vs Forecasts of FY2024)

(In billion yen)	Changes in Business Environment	Expansion of lifecycle businesses	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Change in other income and expenses	Rebound from the Impact of PW1100G	Rebound from the impact of E&C settlement	Total
Resources, Energy and Environment		(5.0)	0.6						14.6	10.2
Social Infrastructure			2.9				3.0			5.9
Industrial Systems and General-Purpose Machinery	(1.0)	3.0	3.2		(2.0)	6.0				9.2
Aero Engine, Space and Defense	13.0		6.1	(7.0)	(3.0)			159.7		168.8
Total Reportable Segment	12.0	(2.0)	12.8	(7.0)	(5.0)	6.0	3.0	159.7	14.6	194.1
Others	(1.0)		(2.4)							(3.4)
Adjustment			0.3		(1.0)	(10.0)				(10.7)
Total	11.0	(2.0)	10.7	(7.0)	(6.0)	(4.0)	3.0	159.7	14.6	180.1

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.

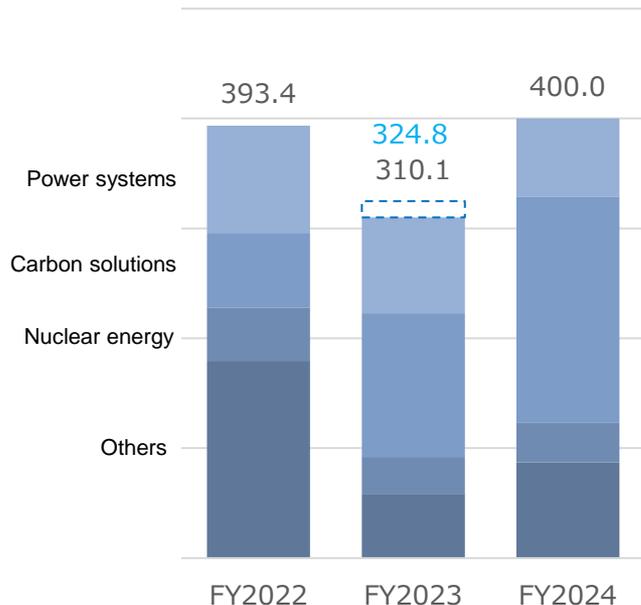
Financial Results & Forecasts by Segment <Resources, Energy and Environment>

*blue : except for special factors

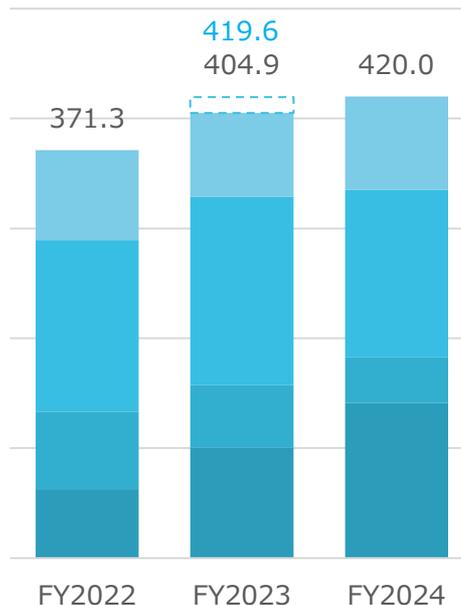
IHI

(in billion yen)

Orders received



Revenue



Operating profit



Points

Orders received

- Temporarily decreased in FY2023 mainly due to a rebound from large projects orders in FY2022. A recovery is expected in FY2024.

Revenue

- Expanded steadily until FY2023, but it will temporarily decrease in FY2024 due to a transitional period.
- Construction volume for Nuclear energy is on a downward trend.
- Large power generation projects in Southeast Asia are progressing steadily.

Operating profit

- Increased in FY2023 except for special factors. But it is expected to decrease in FY2024 due to the impact of lower sales in Carbon solutions and Nuclear energy.

Orders received

	FY2022	FY2023	FY2024
Power systems	97.6	87.2	71.0
Carbon solutions	67.7	130.9	206.0
Nuclear energy	48.7	33.6	36.0
Others	179.4	58.4	87.0
Total	393.4	310.1	400.0

Revenue

	FY2022	FY2023	FY2024
Power systems	81.8	76.0	85.0
Carbon solutions	156.2	171.8	152.0
Nuclear energy	71.0	56.8	42.0
Others	62.3	100.3	141.0
Total	371.3	404.9	420.0

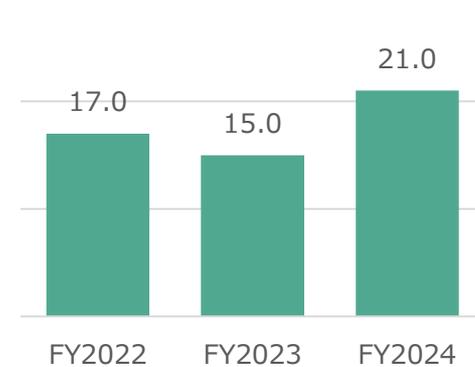
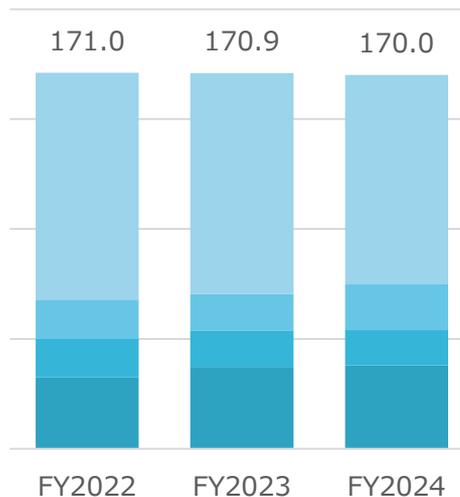
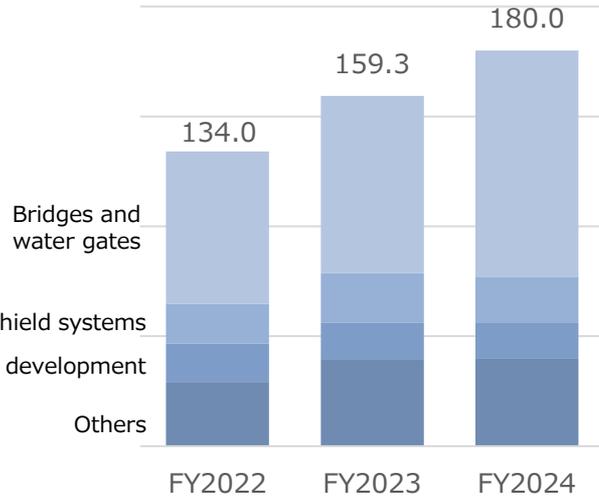
Financial Results & Forecasts by Segment <Social Infrastructure>

(in billion yen)

Orders received

Revenue

Operating profit



Points

Orders received

- On an increasing trend, especially in Bridges and water gates.

Revenue

- Remain almost unchanged in FY2023 and FY2024

Operating profit

- Decreased in FY2023 mainly due to recording the necessary costs in advance in Bridges and water gates. In FY2024, the increase is expected due to a steady increase in contract payments and efforts to improve profitability.
- Plans to sell ownership in real estate (Toyosu) in FY2024.

	Orders received		
	FY2022	FY2023	FY2024
Bridges and water gates	69.2	80.5	103.0
Shield systems	18.1	22.5	21.0
Urban development	17.5	16.6	16.0
Others	29.2	39.7	40.0
Total	134.0	159.3	180.0

	Revenue		
	FY2022	FY2023	FY2024
Bridges and water gates	103.1	100.5	95.0
Shield systems	18.0	16.5	21.0
Urban development	17.5	16.6	16.0
Others	32.4	37.3	38.0
Total	171.0	170.9	170.0

Financial Results & Forecasts by Segment

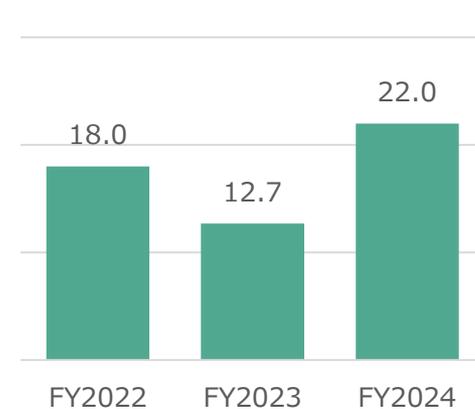
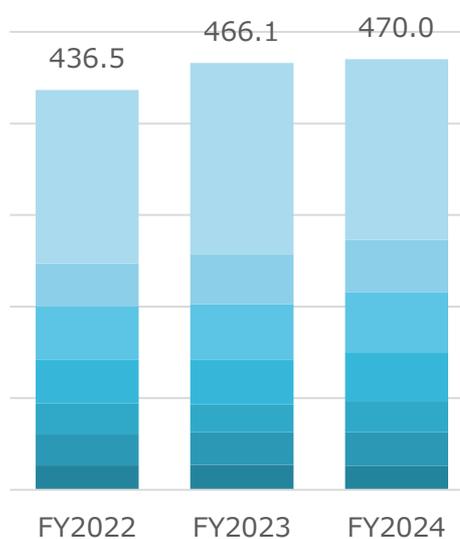
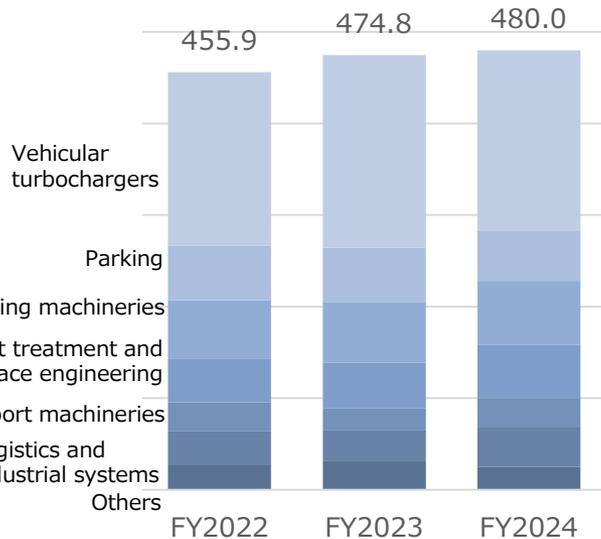
<Industrial Systems and General-Purpose Machinery>

(in billion yen)

Orders received

Revenue

Operating profit



Points

Orders received / Revenue

- Increased mainly in Vehicular turbochargers. In FY2024, although decrease in Vehicular turbochargers, expected to grow throughout the period due to increases in other businesses.

Operating profit

- Decreased in FY2023 due to recording expenses related to reformation of business structure (including impairment of fixed assets) in Vehicular turbochargers. It is expected to increase in FY2024 including a rebound of that expenses.
- Measures to improve profitability, such as sales price improvement, will be implemented in other businesses as well.

Orders received			
	FY2022	FY2023	FY2024

Revenue			
	FY2022	FY2023	FY2024

Vehicular turbochargers	189.2	210.3	197.0	189.5	209.0	197.0
Parking	60.0	59.5	55.0	46.3	54.6	57.0
Rotating machineries	63.2	66.0	70.0	58.9	60.9	66.0
Heat treatment and surface engineering	48.4	50.3	58.0	47.7	48.3	53.0
Transport machineries	31.4	24.1	32.0	33.9	30.4	34.0
Logistics and industrial systems	36.0	33.4	43.0	33.6	35.5	37.0
Others	27.7	31.2	25.0	26.6	27.4	26.0
Total	455.9	474.8	480.0	436.5	466.1	470.0

Financial Results & Forecasts by Segment <Aero Engine, Space and Defense>

*blue : except for special factors

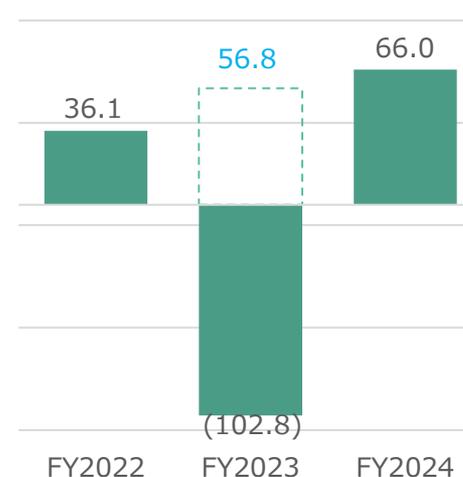
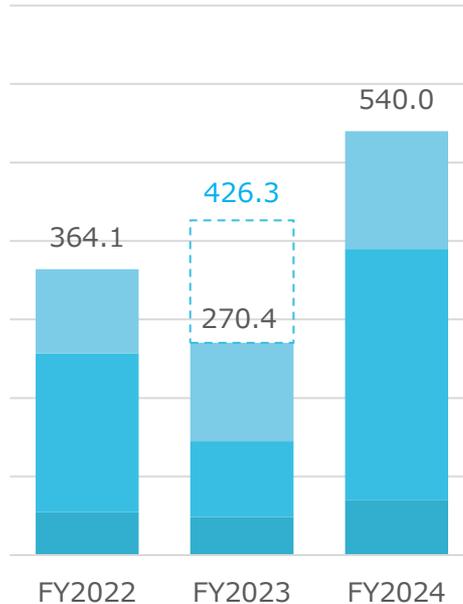
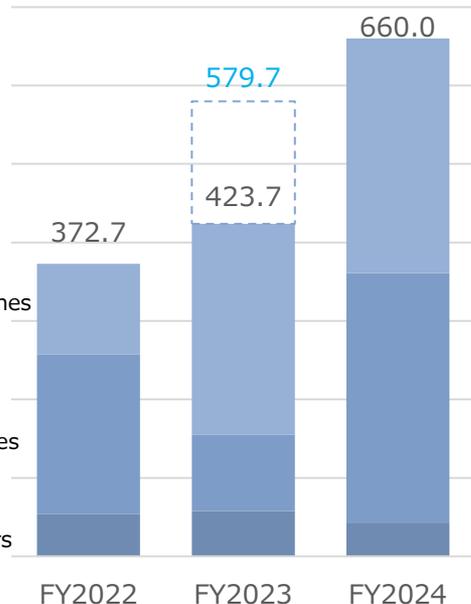
IHI

(in billion yen)

Orders received

Revenue

Operating profit



Points

Orders received / Revenue

- Except for special factors, increasing due to recovery in passenger demand in Civil aero engines.
- Orders received reached a new record in FY2023 due to increased demand in Defense systems, and is expected to further exceed the record in FY2024.

Operating profit

- Increasing due to expansion of revenue in Defense systems. Both new engines and spare parts are recovering and expanding steadily.
- Continue to reduce costs, especially for the PW1100G-JM engines, which continues to increase production.

	Orders received		
	FY2022	FY2023	FY2024
Defense aero engines and equipment	115.6	268.4	299.0
Civil aero engines	203.0	97.3	319.0
Others	54.1	58.0	42.0
Total	372.7	423.7	660.0

	Revenue		
	FY2022	FY2023	FY2024
Defense aero engines and equipment	107.7	125.4	150.0
Civil aero engines	201.4	96.6	320.0
Others	55.0	48.4	70.0
Total	364.1	270.4	540.0

Revenue & Operating profit & EBITDA by Segment

FY2023 Revenue

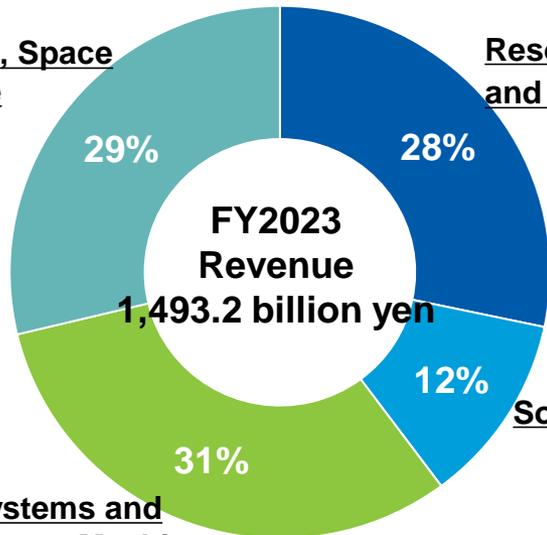
FY2023 EBITDA

*except for special factors

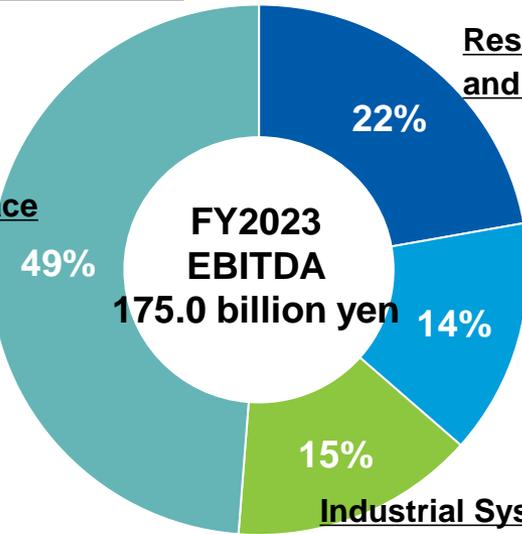
Aero Engine, Space and Defense

Resources, Energy and Environment

Resources, Energy and Environment



Aero Engine, Space and Defense



Social Infrastructure

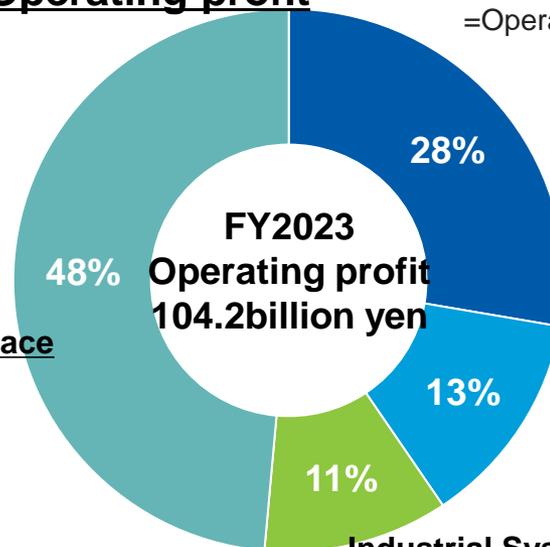
Industrial Systems and General-Purpose Machinery

Industrial Systems and General-Purpose Machinery

FY2023 Operating profit

*EBITDA by Segment

=Operating profit by Segment + Depreciation by Segment



Resources, Energy and Environment

Social Infrastructure

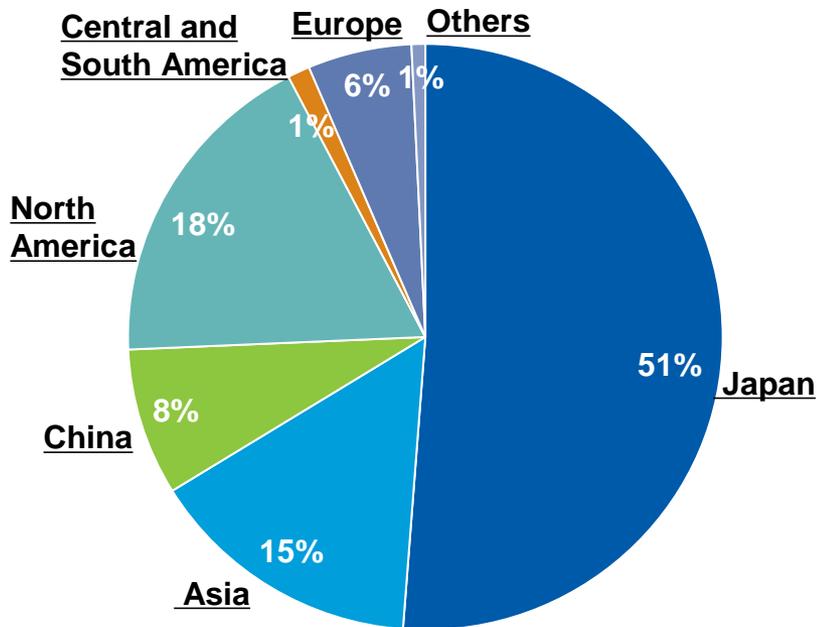
Industrial Systems and General-Purpose Machinery

Aero Engine, Space and Defense

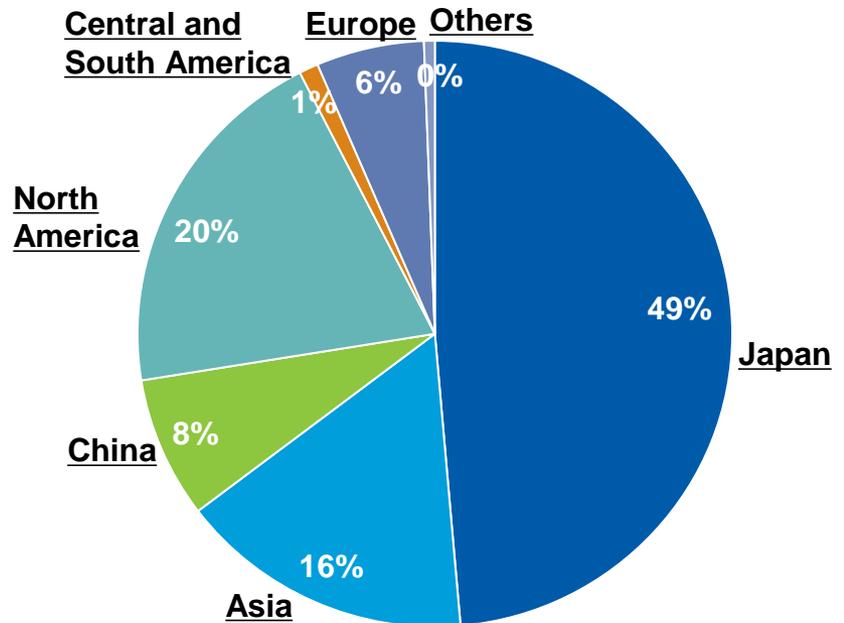
*except for special factors

FY2022 Revenue by Region

FY2023 Revenue by Region



FY2022 Overseas revenue
660.2 billion yen



FY2023 Overseas revenue
767.2 billion yen

Financial Position

(In billion yen)	As of March 31, 2023	As of March 31, 2024	Change
Total assets	1,941.9	2,097.8	155.8
Cash and cash equivalents	124.7	138.8	14.0
Trade receivables & contract assets	523.1	583.3	60.2
Inventories	374.5	422.2	47.7
Total liabilities	1,485.7	1,695.5	209.8
Trade payables etc.	247.0	258.5	11.4
Contract liabilities	201.8	204.1	2.2
Refund liabilities	38.6	192.6	154.0
Interest-bearing liabilities	519.4	574.3	54.8
Bonds and borrowings	393.6	449.1	55.4
Lease liabilities	125.8	125.2	(0.6)
Total equity	456.2	402.2	(53.9)
Equity attributable to owners of parent	431.2	375.9	(55.2)
Non-controlling interests	25.0	26.2	1.2
Total liabilities and equity	1,941.9	2,097.8	155.8

Assets Balance by Segment

(In billion yen)	Assets balance		
	As of March 31, 2023	As of March 31, 2024	Change
Resources, Energy and Environment	352.3	345.2	(7.0)
Social Infrastructure	298.8	315.7	16.9
Industrial Systems and General-Purpose Machinery	340.1	363.7	23.5
Aero Engine, Space and Defense	744.0	847.5	103.4
Total Reportable Segment	1,735.3	1,872.3	136.9
Others	193.9	185.5	(8.4)
Adjustment	12.5	39.9	27.3
Total	1,941.9	2,097.8	155.8

Cash Flows & R&D / CAPEC / Depreciation

(In billion yen)	FY2022	FY2023	FY2024
Profit before tax	64.8	(72.2)	100.0
Depreciation	69.1	70.7	70.0
Impact of PW1100G *1	0.0	155.9	0.0
Other	17.1	20.5	10.0
EBITDA (except for special factors)	151.1	175.0	180.0
Change in working capital *2	(77.2)	(101.0)	(93.0)
Other	(19.7)	(11.7)	(12.0)
Cash flows from operating activities	54.1	62.1	75.0
Cash flows from investing activities	(52.3)	(51.6)	(90.0)
Free cash flows	1.7	10.4	(15.0)

(In billion yen)	FY2022	FY2023	FY2024
R&D	34.0	39.3	40.0
CAPEX	61.1	71.2	96.0
Depreciation	69.1	70.7	70.0

*1: The impact of PW1100G is shown separately from changes in conventional 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*

Financial Performance

(In billion yen)

	Japanese GAAP		IFRS						IFRS
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)	FY2023 (Forecast) (in Feb.)
Orders received	1,505.0	1,399.2	1,280.0	1,097.0	1,261.2	1,366.1	1,376.8	1,720.0	1,400.0
Revenue	1,590.3	1,483.4	1,263.1	1,112.9	1,172.9	1,352.9	1,322.5	1,600.0	1,330.0
Operating profit	72.2	82.4	47.8	27.9	81.4	81.9	(70.1)	110.0	(80.0)
Profit attributable to owners of parent	8.2	39.8	8.2	13.0	66.0	44.5	(68.2)	60.0	(90.0)
EBITDA (except for special factors)	8.2	78.2	95.4	92.3	91.1	151.1	175.0	180.0	-
Cash flows from operating activities	99.0	46.4	42.4	36.3	114.1	54.1	62.1	75.0	65.0
Cash flows from investing activities	(47.9)	(79.2)	(85.5)	(40.4)	27.9	(52.3)	(51.6)	(90.0)	(80.0)
Free cash flows	51.0	(32.8)	(43.0)	(4.1)	142.0	1.7	10.4	(15.0)	(15.0)
Dividends per share (yen)	Interim 3 Year-end 30* (*after share consolidation)	70 (Interim 30, Year-end 40)	50 (Interim 30, Year-end 20)	0	70 (Interim 30, Year-end 40)	90 (Interim 40, Year-end 50)	100 (Interim 50, Year-end 50)	100 (Interim 50, Year-end 50)	100 (Interim 50, Year-end 50)
Operating margin (%)	4.5	5.6	3.8	2.5	6.9	6.1	(5.3)	6.9	(6.0)
ROIC (%)	7.7	8.7	4.1	2.2	6.4	6.3	(4.9)	8.3	(11.6)
ROE (%)	2.6	11.8	2.8	4.5	19.3	11.0	(16.9)	15.5	(23.9)
CCC (days) (except for special factors)	83	97	92	124	112	120	132	129	-
D/E ratio (times)	0.92	0.93	2.00	1.85	1.24	1.14	1.43	1.41	1.66
Ratio of equity attributable to owners of parent (%)	19.9	21.0	15.0	16.4	20.3	22.2	17.9	19.3	17.4

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

$CCC = \text{Working capital} / \text{Revenue} * 365 \text{ days}$

$D/E \text{ ratio} = \text{Interest-bearing liabilities} / \text{Total equity}$

$ROE = \text{Profit attributable to owners of parent} / \text{Equity attributable to owners of parent}$

$\text{Ratio of equity attributable to owners of parent} = \text{Equity attributable to owners of parent} / \text{Total liabilities and equity}$

Revenue & Number of civil aero engines delivered

	Japanese GAAP					IFRS						Main loading
	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24 (forecast)	
Revenue (In billion yen)	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	201.4	96.6	320.0	
Accumulated number of civil aero engines delivered (Units)												
V2500	6,469	6,896	7,236	7,508	7,688	7,735	7,740	7,756	7,776	7,782		Airbus A319/320/321
GE90	2,039	2,257	2,457	2,617	2,715	2,824	2,885	2,925	2,968	3,029		Boeing B777
CF34	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,926	6,085	6,201		For regional jet (70 to 110 seats)
GENx	751	1,035	1,295	1,542	1,826	2,159	2,328	2,425	2,494	2,577		Boeing B787/B747-8
PW1100G		16	148	398	1,058	1,784	2,144	2,585	3,146	3,821		Airbus A320neo
Passport20				13	66	142	202	269	335	406		Bombardier Global7500
Total	13,415	14,675	15,957	17,163	18,684	20,255	21,097	21,886	22,804	23,816	25,214	
Single FY number of civil aero engines delivered (Units)	1,352	1,260	1,282	1,206	1,521	1,571	842	789	918	1,012	1,398	

The number of civil aero engine delivered is the number handed over to the airframe maker, and differs from the number of factory shipments.

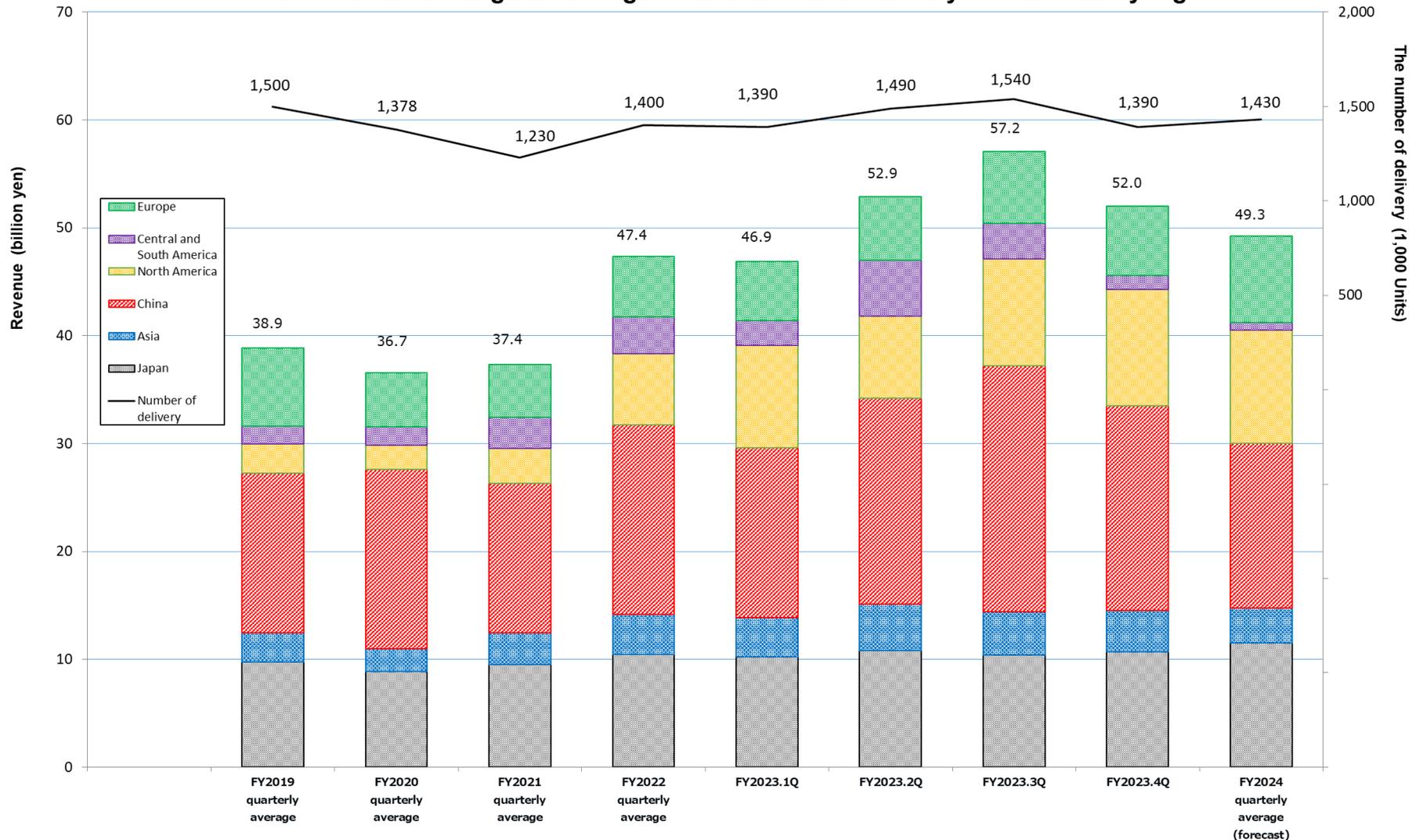
Revenue by region & Number of delivery

(In billion yen)	Japanese GAAP					IFRS					
	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24 Forecast
Japan	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	41.8	42.1	46.0
Asia	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	14.9	15.8	13.0
China	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	70.2	76.6	61.0
North America	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	26.4	37.8	42.0
Central and South America	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.1	3.0
Europe	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	22.3	24.5	32.0
Others	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Total	167.7	161.6	174.6	220.5	189.5	153.6	146.6	149.4	189.5	209.0	197.0
The number of delivery (1,000 Units)	5,890	5,360	6,100	7,900	6,760	6,000	5,510	4,920	5,590	5,810	5,700

Vehicular Turbochargers

Status of Vehicular Turbochargers

Vehicular turbochargers : Changes in the number of delivery and revenue by region



(1) Lease revenue in Toyosu

(In billion yen)	Japanese GAAP					IFRS					
	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24 Forecast
Lease revenue	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0	12.3

(2) Lease revenue and expense in Toyosu (FY2023)

(In billion yen)	Lease revenue	Lease expense		Difference
		Depreciation	Others	
FY2023	12.0	5.4	4.4	2.2

(3) Fair value of investment property in Toyosu (as of March 31,2024)

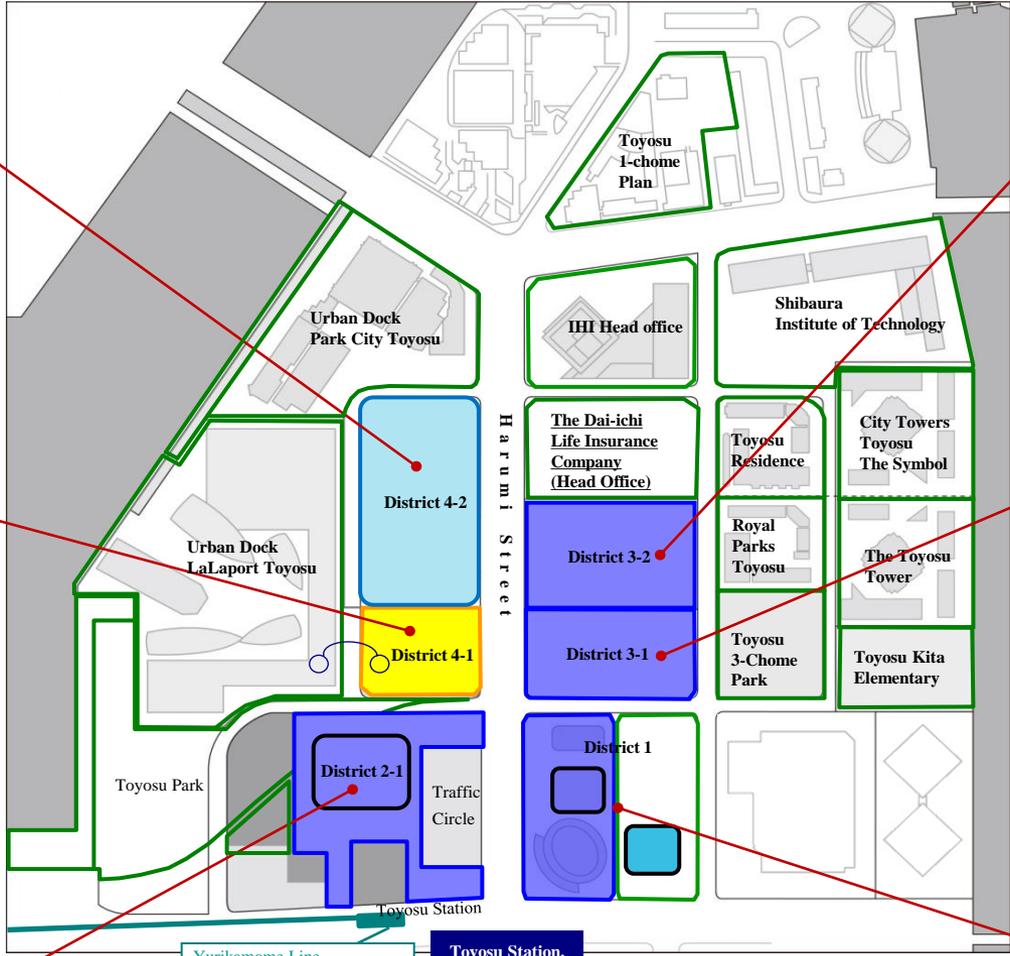
(In billion yen)	Carrying amount Balance			Fair value as of March 31, 2024(B)	(B) - (A)
	as of April 1, 2023	Net change	as of March 31, 2024(A)		
FY2023	101.1	(3.8)	97.3	229.8	132.4

Development Plan for Toyosu 1 to 3 chome Area

Development Plan for District 4-2
 Site area : 19,493㎡
 Planned construction schedule from July 2022 to June 2025

Urban Dock LaLaport Toyosu ANNEX
 5 floors above ground, Approx. 25m high
 Store floor space : 24,721㎡
 Opened in October 2006

Toyosu Bayside Cross Tower A•C
 36 floors above ground, Approx. 178m high
 Gross floor area : 185,000㎡
 Completed in March 2020



Property of IHI	Approx. 5ha
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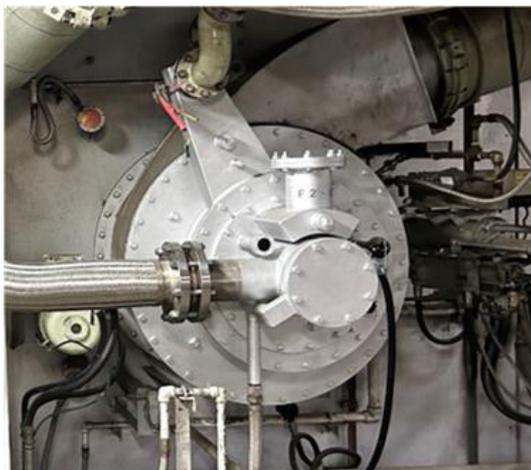
Toyosu Foresia
 16 floors above ground, Approx. 75m high,
 Gross floor area : 101,503㎡
 Completed in July 2014

Toyosu Front
 15 floors above ground, Approx. 75m high
 Gross floor area : 106,861㎡
 Completed in August 2010

Toyosu Center Building Annex
 33 floors above ground, Approx. 150m high
 Gross floor area : 105,448㎡
 Completed in August 2006

Toyosu Center Building
 37 floors above ground, Approx. 165m high
 Gross floor area : 100,069㎡
 Completed in October 1992

Start of Demonstration Testing of Fuel Ammonia Substitution at JERA's Hekinan Thermal Power Station: ~The World's First Demonstration Testing of 20% Ammonia Substitution at a Large-Scale Commercial Coal-Fired Thermal Power Plant



<Test Burner>

- IHI, the New Energy and Industrial Technology Development Organization (“NEDO”), and JERA Co., Inc. (“JERA”) are working together on the “Development of Technologies for Carbon Recycling and Next-Generation Thermal Power Generation / Research, Development, and Demonstration of Technologies for Ammonia Co-Firing Thermal Power Generation.” Under the project, IHI and JERA began, at JERA's Hekinan Thermal Power Station in Hekinan City, Aichi Prefecture, the world's first demonstration testing of large-volume fuel ammonia substitution (20% of heating value) at a large-scale commercial coal-fired thermal power plant. This demonstration testing is planned to be carried out through June 2024.
- In addition to steadily carrying out the current demonstration testing, IHI will apply the knowledge gained through the project to establish technology for high-ratio combustion of 50% ammonia or more at thermal power plants and to develop burners for 100% ammonia combustion. IHI will also deploy the results of the demonstration testing to other thermal power plants in Japan and overseas will contribute to global decarbonization through fuel ammonia.

IHI and Subsidiary Conclude Thai Green Utility Supply Services Feasibility Accord

- IHI and its Thailand local affiliate IHI ASIA PACIFIC (Thailand) Co., Ltd., have signed a memorandum of understanding with the Industrial Estate Authority of Thailand to study the feasibility of green utility supply services to help that entity's sites automate operations and become carbon neutral. Under this accord, IHI will conduct a one-year basic study of the operational status of facilities, renewable energy usage and prospects for producing renewable energy on-site and cutting carbon dioxide emissions and energy consumption.
- As well as manufacturing an array of general industrial equipment, the IHI Group provides boilers and other technologies to ensure stable energy supply generation, and is working to have such facilities run on green energy. It will draw on its expertise to minimize and streamline energy usage by consolidating and leveling the operation of heat and such utilities as industrial machinery while deploying its business across the Asia-Pacific region.



<Signing ceremony at the Thai Embassy>

Completion of India's longest "Sea Road Bridge" on Mumbai Trans Harbour Link ~Improved connectivity in the Mumbai Metropolitan Region, contributing to a significant reduction in travel time

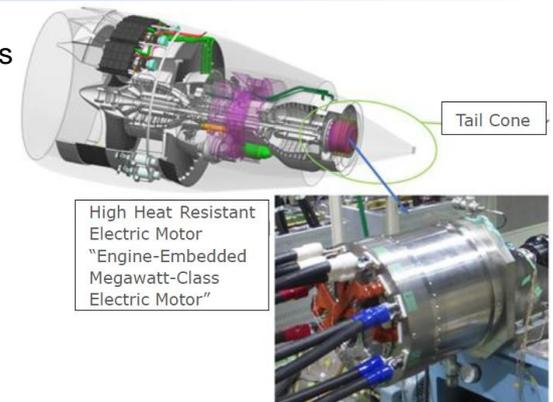


<Sea Road Bridge>

- IHI Infrastructure Systems Co., Ltd. ("IIS") has completed the construction of the sea road bridge on the Mumbai Trans Harbour Link for the Mumbai Metropolitan Region Development Authority (MMRDA), which was constructed in a consortium with Larsen & Toubro (L&T) Limited of India. Located in the Mumbai Metropolitan Region of Maharashtra state, the project is the longest sea road in India with a total length of approximately 22 km connecting Sewri, Mumbai city center on the peninsula side, to Navi Mumbai city and the eastern suburbs across Mumbai Bay. The consortium was responsible for the construction of approximately 10 km starting from Sewri. The project is a Japanese Official Development Assistance (ODA) yen loan funded project that contributes to a "high-quality infrastructure partnership" promoted by the Japanese government from the viewpoint of applying Japan's high technological abilities and expertise. To contribute to the development of other countries through the improvement of social infrastructure, the IHI Group will continue to promote overseas bridge ordering activities in the future.

IHI Brings the Planet Closer to a Carbon-Free Future by Developing World's First Aircraft Engine-Embedded Megawatt-Class Electric Motor

- IHI and several domestic partners have jointly developed the world's first one-megawatt-class engine-embedded electric motor mounted inside a jet engine tail cone, as a technological innovation initiative to help cut aircraft carbon dioxide emissions. IHI's electric motor could provide power for aircraft and also serve as a key technology in hybrid electric propulsion systems for which R&D is underway around the world.
- IHI will continue developing and demonstrating engine-embedded electric motors in engine-mounted configurations during the middle of this decade. In addition, by combining a high-power electric motor for aircraft propulsion, an electric turbo compressor, a high-flux plastic magnet rotor, and an electric hydrogen turbo-blower, which are also under development, IHI will electrify and optimize a range of propulsion systems, including hybrid electric propulsion systems for the future, and aircraft systems overall.



< Right: Image and "Engine-Embedded Megawatt-Class Electric Motor" >



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 to it, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. IHI cautions you 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 the yen exchange rate including its rate against the US dollar.