

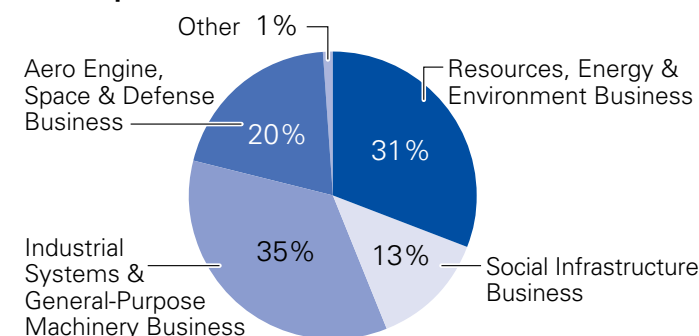
Basic Information

About IHI (as of March 31, 2024)

Company Name	IHI Corporation
Head Office	Toyosu IHI Building, 1-1, Toyosu 3-chome, Koto-ku, Tokyo 135-8710, Japan
President	Hiroshi Ide, President and Chief Executive Officer
Year of Establishment	December 5, 1853
Capital	107.1 billion JPY
Revenue (Consolidated)	1,322.6 billion JPY (Fiscal year 2023 ended March 31, 2024)
Number of Employees	7,840
Employees (Consolidated)	28,237
Works	7
Branches in Japan	8
Overseas Business Development Hubs	20
Group Companies	143 consolidated subsidiaries 60 affiliated companies in Japan (41 subsidiaries and 19 associated companies) 135 affiliated companies overseas (113 subsidiaries and 22 associated companies)

Overall Business Framework (Fiscal Year Ended March 31, 2024)

● Sales-profit Ratio



Main Businesses

Resources, Energy & Environment Business

Power systems (power system plants for land use and power systems for ships), Carbon solutions, and Nuclear energy (components for nuclear power plants)

Social Infrastructure Business

Bridges and water gates, transport systems, shield systems, concrete construction materials, and urban development (real estate sales and rental)

Industrial Systems & General-Purpose Machinery Business

Vehicular turbochargers, parking systems, heat treatment and surface engineering, transport machinery, rotating machines (compressors, separation systems, and turbochargers for ships), and logistics and industrial systems (logistics systems and industrial machines)

Aero Engine, Space & Defense Business

Aero engines, rocket systems and space utilization systems, and defense systems

web Products

web Offices

Basic Information

Medium-term Management Plan

The IHI Group launched the Group Management Policies 2023 as a medium-term management policy to implement from fiscal 2023. The IHI Group launched Project Change in November 2020 and has pursued a return to growth trajectory and creation of new growth businesses. The groundwork for business transformation was laid in Project Change, while instability in societal conditions have become the norm, including heightened geopolitical risks.

Despite these conditions, the IHI Group established the Group Management Policies 2023 to 1) fully realize **sustained high growth through business transformation** and 2) accelerate **transformation to a corporate entity able to adapt to changes in the business environment**.

(1) Business transformation to realize sustained high growth

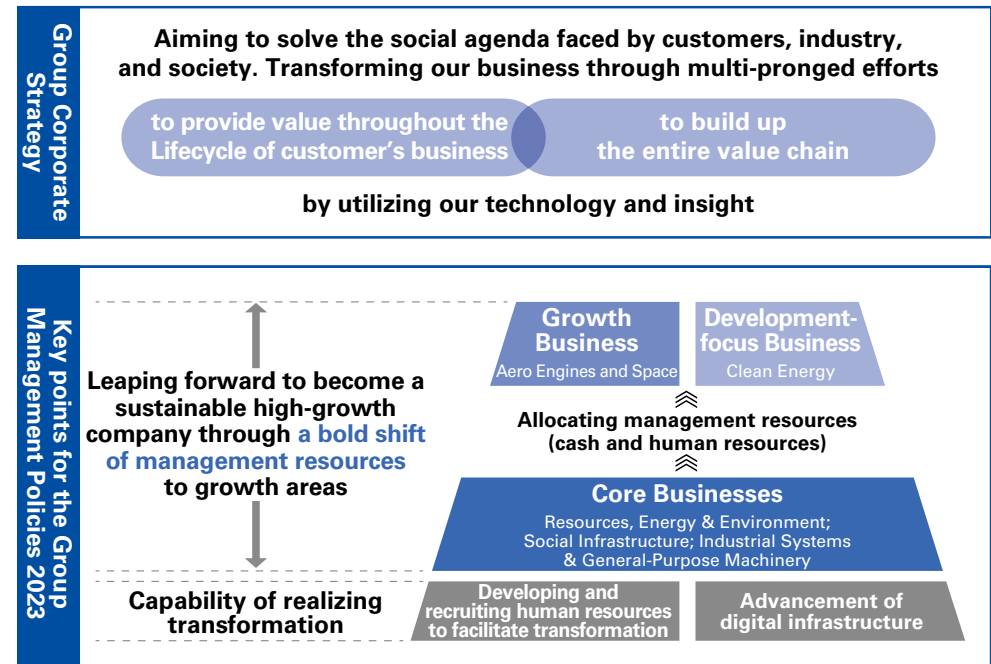
Providing value throughout the life cycle of customers' projects and increasing value by building out the value chain are essential to solving social challenges through business and achieving sustained high growth for both society and the IHI Group. The Group Management Policies 2023 categorizes the IHI Group's business into three areas to guide these efforts while focusing on the life cycle and value chain.

- Growth Business: Aero Engines & Rockets field
- Development-focus Business: Clean Energy field
- Core Businesses: Resources, Energy & Environment, Social Infrastructure, Industrial Systems & General-Purpose Machinery fields

(2) Transformation to a corporate entity able to adapt to changes in the business environment

Recruiting and developing human resources able to achieve our corporate transformation is key to driving our business transformation. We will cultivate a corporate culture where employees are fully able to demonstrate their talents through reskilling, obtaining specializations and management capabilities at the global level, and increasing engagement and well-being. We will also continue to upgrade digital infrastructure required for business transformation.

Overview of Group Management Policies 2023



Resource Allocation



Management Targets (FY2025)

Operating Profit Margin	ROIC	CCC	(Reference) Revenue
7.5%	8% or higher	100 days	1.7 trillion JPY

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

* Cash Conversion Cycle: Working capital / Revenue x 365 days

Basic Information

Basic Code of Conduct for the IHI Group

The IHI Group knows that living up to the expectations of stakeholders and earning their trust is vital to drive the sustainable growth of both customers and society. The Basic Code of Conduct for the IHI Group defines the practices necessary to embody this belief.

● Basic Code of Conduct for the IHI Group

web Your Guide to IHI Group's "Basic Code of Conduct"

We at the IHI Group are committed to implementing what is necessary to meet the expectations and gain the trust of not only our customers, business partners, shareholders and colleagues, but also the local and international communities, while maintaining an awareness of global issues. By doing so, we aim to enhance our existential value as we move forward into the future and realize our Group's management philosophies of "Contribute to the development of society through technology" and "Human resources are our single most valuable asset."

Fundamental and Universal Principles of the Entire IHI Group

Respect for the rule of law and ethical conduct

We strictly observe laws and ordinances based on a clear understanding of their meaning. We also act sincerely and fairly and in accordance with high ethical standards so that we do not violate social rules or international norms.

Respect for human rights

We fully recognize the importance of, and always strive to respect, human rights during our business activities.

Promotion of mutual understanding

In order to promote mutual understanding with those around us, we strive to disseminate information on our business activities, explain the effects of these activities on the surrounding environment, and engage in an exchange of opinions with our broader communities on a daily basis.

Responsibilities toward People, Society, and the Environment

Responsibilities toward people connected with the IHI Group via our products and services

- ① We establish relationships of mutual trust with the people with whom we are involved in the course of our business, help solve social issues in a variety of fields by using our abilities to the utmost, and develop and provide products and services to assure more comfortable lives for people around the world.
- ② We pay full attention to the safety of the products and services we develop and provide and constantly strive to raise the quality level of our products and services by confirming whether they satisfy customers and users.
- ③ We deal appropriately with other parties in our business transactions and seek profit fairly, while at the same time we strive to establish fair and mutually-productive relationships with our customers and business partners.

Responsibilities toward those with whom we work

We strive to respect mutually the character and individuality of all people with whom we work and maintain a safe, supportive, and comfortable environment in which we can work easily.

Responsibilities toward local and international communities

- ① With an awareness that each one of us is a member of society, we actively take part in initiatives to solve the problems faced by society.
- ② No matter the region of the world where we conduct our business, we understand the value of the culture unique to each region and strive to meet the expectations of people living there.
- ③ We take a resolute attitude against organizations and forces that threaten social order and safety.

Responsibilities toward the global environment

Based on our recognition that the global environment provides the foundation for the existence of all societies and cultures, we take care so as not harm that which also will be needed by future generations and strive to protect, and reduce the burdens on, the global environment, not only in the course of our provision of products and services but also in all other aspects of our business activities.

Roles and Responsibilities of Senior Management

Roles of Senior Management

- ① Senior Management recognizes that their role is to ensure the realization of this Code of Conduct and takes the initiative to demonstrate leadership in order to put the purposes of this Code of Conduct into practice.
- ② Senior Management ensures that this Code of Conduct is known to all people with whom they work and constantly strives to establish, maintain, and improve effective internal systems and to enhance our corporate value.

Responsibilities of Senior Management

If a violation of this Code of Conduct occurs, Senior Management will strive to take the initiative to solve the problem, discover its cause, and prevent the recurrence of similar violations. They also will promptly disclose accurate information to society, clarify the responsibilities and scope of the authority of the persons involved, and impartially take disciplinary action even upon themselves.

IHI Group Code of Action

In order to comply with this Code of Conduct, we establish "IHI Group Code of Action" as the code prescribing how directors, officers, and employees of the IHI Group should make decision and take action in their daily work.

Basic Information

Third-party Evaluation

ESG Investment Index

FTSE Blossom Japan Index

IHI has been selected as a constituent brand of the FTSE Blossom Japan Index, which is made up of Japanese companies that demonstrate strong ESG practices.



FTSE Blossom Japan Sector Relative Index

IHI has been selected for the FTSE Blossom Japan Sector Relative Index, which is made up of Japanese companies that demonstrate strong ESG practices relatively in each sector.



MSCI Japan ESG Select Leaders Index

IHI has been selected as a constituent brand of the MSCI Japan ESG Select Leaders Index. Additionally, it received an AA rating in the 2023 MSCI ESG Rating.

2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

THE INCLUSION OF IHI IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF IHI BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index

IHI has been selected for the S&P/JPX Carbon Efficient Index, which chooses brands based on the level of environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue).



Sompo Sustainability Index

IHI has been selected for the Sompo Sustainability Index, which is composed of approximately 300 companies with outstanding ESG initiatives.



ESG Activity

CDP

The IHI Group responds to Disclosure Insight Action's (CDP) questionnaire related to climate change on an annual basis. In fiscal 2023, the Group was evaluated as Management Level score of B.



EcoVadis Silver Medal

The IHI Group received the Silver Medal for the top 25% of EcoVadis' comprehensive sustainability assessment in four areas: environment, labor and human rights, ethics, and sustainable procurement.



Health & Productivity Companies 2024 (White 500)

The IHI Group's 23 companies* have been selected as Health & Productivity Companies 2024 (White 500), which is jointly awarded by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi to recognize companies with particularly excellent health and productivity management practices.



PRIDE Index Gold Award 2023

IHI received the highest rating of Gold for the sixth consecutive year in the PRIDE Index 2023 developed by work with Pride, an association that aims to create a workplace that is friendly to LGBTQ+ people



Resilience Certification

IHI received the Resilience Certification from the Association for Resilience Japan, which targets companies that proactively work to ensure their business continuity to build national resilience, and has been renewing this certification since 2016.



Nikkei SDGs Management Survey

IHI received 3 stars in the 5th Nikkei SDGs Management Survey, which comprehensively evaluates companies' SDGs management on a 10-point scale from 0.5 to 5 stars, targeting listed companies and leading unlisted companies.



Nikkei Smart Work Management Survey

IHI received 3.5 stars (maximum 5 stars) in the 7th Nikkei Smart Work Management Survey, which selects advanced companies that are leading the productivity revolution through work style reform.



* IHI Corporation, IHI Scube, IHI Plant Services, IHI Power Systems, Nico Precision, IHI Infrastructure Systems, IHI Aerospace, IHI Finance Support, Takashima Giken, Japan Marine United, IHI Castings, IHI Rotating Machinery Engineering, IHI Logistics & Machinery, IHI Turbo, IHI Construction Service, IHI Business Support, IHI Agri-Tech, Paul Wurth IHI, Central Conveyor, IHI Fuso Engineering, Voith Paper IHI Technology, IHI Aerospace Engineering, IHI Machinery and Furnace