

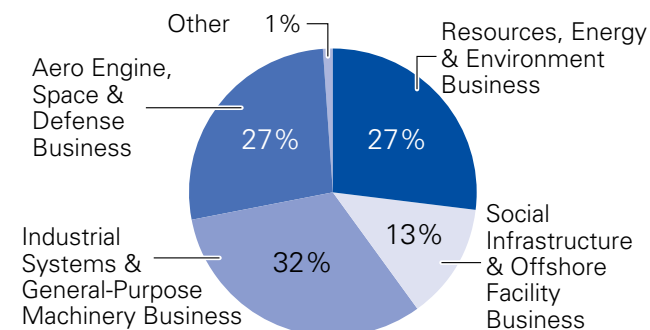
# Basic Information

## About IHI (as of March 31, 2023)

<b>Company Name</b>	<b>IHI Corporation</b>
<b>Head Office</b>	<b>Toyosu IHI Building, 1-1, Toyosu 3-chome, Koto-ku, Tokyo 135-8710, Japan</b>
<b>President</b>	<b>Hiroshi Ide, President and Chief Executive Officer</b>
<b>Year of Establishment</b>	<b>December 5, 1853</b>
<b>Capital</b>	<b>107.1 billion JPY</b>
<b>Revenue (Consolidated)</b>	<b>1,352.9 billion JPY (Fiscal year 2022 ended March 31, 2023)</b>
<b>Number of Employees</b>	<b>7,768</b>
<b>Employees (Consolidated)</b>	<b>28,486</b>
<b>Works</b>	<b>7</b>
<b>Branches in Japan</b>	<b>8</b>
<b>Overseas Business Development Hubs</b>	<b>21 (as of April 1, 2023)</b>
<b>Group Companies</b>	<b>145 consolidated subsidiaries 61 affiliated companies in Japan (43 subsidiaries and 18 associated companies) 138 affiliated companies overseas (116 subsidiaries and 22 associated companies)</b>

## Overall Business Framework (Fiscal Year Ended March 31, 2023)

### ● 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 & Offshore Facility 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 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

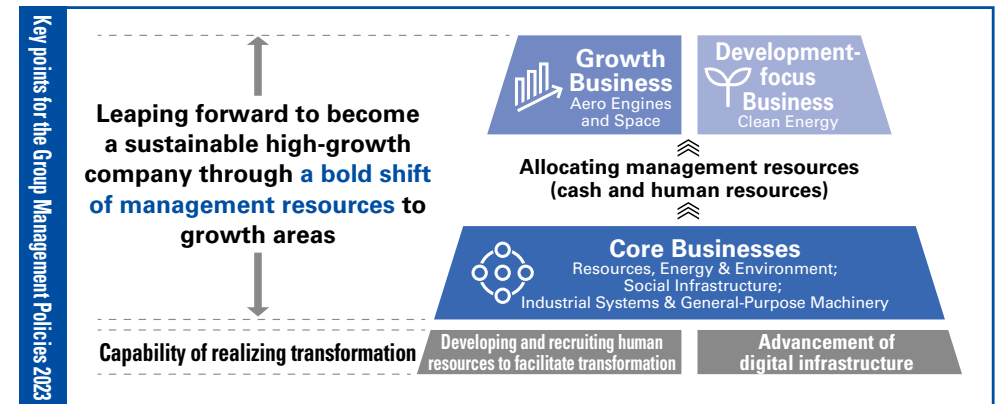
Providing value throughout the life cycle of customers' projects and increasing value by building out the value chain are essential to solving social challenges through business and achieving sustained high growth for both society and the IHI Group. The Group Management Policies 2023 categorizes the 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 365days

## 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

#### S&P/JPX Carbon Efficient Index

The IHI Group has been selected as a constituent brand of the S&P/JPX Carbon Efficient Index.

The index selects brands satisfying environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue) standards according to their constituent selection and weighting process.



#### FTSE Blossom Japan Sector Relative Index

IHI Corporation has been selected as a constituent brand of the FTSE Blossom Japan Sector Relative Index, a stock market index for ESG investment.

The index is designed by FTSE Russell, a global index provider, to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices. The index is constructed so that each sector weights align with the Japanese equity market.



#### EcoVadis Silver Medal

The IHI Group received a Silver Medal for sustainability in an assessment program by EcoVadis of France.

EcoVadis uses a cloud-based platform to provide assessment data on companies' sustainability efforts. The sustainability assessment is a comprehensive rating across the four areas of the environment, labor and human rights, ethics, and sustainable procurement. The Silver Medal means that the IHI Group is ranked in the top 25% of the companies assessed by EcoVadis.



#### CDP

The IHI Group responds to Disclosure Insight Action's (CDP) questionnaire related to climate change on an annual basis. In fiscal 2022, we were evaluated as Management Level score of B.

CDP is a non-profit charity established by responsible investors worldwide. The CDP sends an annual questionnaire to companies and local governments and releases the results in an effort to encourage more action on climate change.



#### Digital Transformation Stock Selection 2023

IHI Corporation has been selected in the Digital Transformation Stock (DX Stock) Selection 2023.

DX Stock is constructed by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to select outstanding companies from among TSE-listed companies that have established internal systems for promoting digital transformation, which is an approach that contributes to improving corporate value, and that have achieved outstanding digital utilization.



#### Kurumin Certification

The Minister of Health, Labour and Welfare recognized IHI Corporation as a company that supports child-raising and granted us the Kurumin certification in 2007, 2011, 2015, and 2020. Kurumin certification is a program that certifies companies that formulate an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and achieves the set goals as well as set conditions.



#### Eruboshi Certification

The Minister of Health, Labour and Welfare certified IHI Corporation as an Eruboshi Company (2nd level) in 2017.

Eruboshi certification is a program that certifies companies that excel in promoting advancement of women and fulfill set standards based on the Act on Promotion of Women's Active Engagement in Professional Life.



## Basic Information

### Health & Productivity Companies 2023 (White 500)

Nineteen companies\* of the IHI Group have been selected as Health & Productivity Companies 2023 (White 500).

The Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council) co-launched the White 500 program to recognize companies that consider employee health management from a corporate management standpoint and strategically implement activities to maintain and promote health.

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



### PRIDE Index Gold Award 2022

IHI Corporation has been awarded the highest honor of the Gold Award in the PRIDE Index 2022, the fifth consecutive year it has received the honor. IHI Corporation's human resource policies for LGBTQ+, launch of a consultation desk, expansion of an ally program, and training to promote greater understanding about gender minorities were recognized and led to receiving the award.

The goal of the PRIDE Index is to help build working environments friendly to LGBTQ+ and other gender minorities. This index evaluates company initiatives via categories for the code of conduct, gender minority communities, enlightenment programs, personnel policies and programs, social contributions, and public relation practices.



### Resilience Certification

The IHI Group renewed the Resilience Certification acquired in 2016 with the aim of improving its business continuity as a company that supports social infrastructure.

Resilience Certification is a certification system of the Association for Resilience Japan based on the guidelines for the certification of organizations contributing to national resilience. This certification certifies business operators that endorse the ideas of strengthening national resilience published by the Cabinet Secretariat's National Resilience Promotion Office and proactively work to ensure their business continuity.

