

# Financial Results for Second Quarter FY2025 (IFRS) (For the Year Ended March 31, 2026)



November 6, 2025

**IHI Corporation**

Executive Officer In Charge of Group Finance & Accounting  
Hiromi Oshima

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

## Results for Second Quarter FY2025

### Summary of business results

- Orders: **Achieved a record-high for Q2**. Significantly expanded in Resources, Energy and Environment driven by strong demand in Nuclear energy etc.,
- Revenue & Profit: **Achieved a record-high profit attributable to owners of parent for Q2** driven by favorable foreign exchange (FX) and improved tax expenses, despite declines in revenue & operating profit year-on-year due to rebounding from large projects from the previous year.

Orders **¥893.4 Bil.**  
Year-on-Year (YoY): +¥133.2 Bil.

Revenue **¥713.6 Bil.**  
YoY: (¥43.8) Bil.

Operating Profit **¥69.4 Bil. [9.7%]**  
YoY: (¥7.8) Bil. [(0.5) pt.]

EBITDA **¥106.2 Bil. [14.9%]**  
YoY: (¥6.0) Bil. [0.1 pt.]

Profit Attributable to Owners of Parent **¥55.9 Bil.**  
YoY: ¥16.6 Bil.

CF from Operating Activities **(¥57.1) Bil.**  
YoY: (¥49.6) Bil.

## Forecasts of FY2025

### Summary of business results

- **Revised Orders upward by ¥60 bil.**, driven by expansion in Nuclear energy and Defense systems. **Revised Operating Profit upward by ¥10 bil.**, reflecting steady growth in Civil aero engines. **Revised Profit Attributable to Owners of Parent upward by ¥5 bil.**
- For FY2025, **Orders, Revenue, Operating Profit, and Profit Attributable to Owners of Parent** are all expected to reach **record-highs**.

Orders **¥1,850.0 Bil.**  
+¥60.0 Bil. / +¥98.8 Bil. (\*)

Revenue **¥1,640.0 Bil.**  
(¥10.0) Bil. / +¥13.1 Bil.

Operating Profit **¥160.0 Bil. [9.8%]**  
+¥10.0 Bil. / +¥16.4 Bil.

EBITDA **¥230.0 Bil. [14.0%]**  
+¥10.0 Bil. / +¥14.3 Bil.

Profit Attributable to Owners of Parent **¥125.0 Bil.**  
+¥5.0 Bil. / +¥12.2 Bil.

CF from Operating Activities **¥100.0 Bil.**  
±¥0.0 Bil. / (¥77.6) Bil.

# **Consolidated Results for Second Quarter FY2025**



# Consolidated Results for Second Quarter FY2025

## Overview of Financial Results

- **Orders:** Achieved a record-high, driven by strong demand in Nuclear energy etc.,
- **Profit Attributable to Owners of Parent:** Achieved a record-high driven by favorable FX and improved tax expenses, despite declines in revenue & operating profit YoY due to rebounds of large projects from the previous year.

(¥ Bil.)		Q2 FY2024	Q2 FY2025	Change	
Orders received		760.2	893.4	[+17.5%]	+133.2
Revenue		* 757.4	* 713.6	[(5.8%)]	(43.8)
Operating profit [%]		[10.2%] 77.2	[9.7%] 69.4	[(0.5pt)]	(7.8)
Finance income / costs etc.	Foreign exchange gains (losses)	(16.9)	(1.4)		+15.5
	Share of profit (loss) of investments accounted for using equity method	4.4	8.8		+4.4
	Other finance income (costs)	(2.0)	(2.1)		(0.1)
	Total	(14.6)	5.2		+19.8
Profit before tax [%]		[8.3%] 62.6	[10.5%] 74.7	[+2.2pt]	+12.0
Profit attributable to owners of parent [%]		[5.2%] 39.3	[7.8%] 55.9	[+2.6pt]	+16.6
EBITDA [%]		[14.8%] 112.3	[14.9%] 106.2	[+0.1pt]	(6.0)
Cash flows from operating activities		(7.4)	(57.1)		(49.6)
Average FX rate [Yen/USD]		153.38	146.57		(6.81)
Closing FX rate [Yen/USD]		142.62	148.81		+6.19

\*The revenue includes the impact of FX revaluation related to the additional inspection program for PW1100G-JM engines for +¥8.3 Bil. in Q2 FY2024, and +¥0.8 Bil. in Q2 FY2025.

There is no change in the total estimated amount (USD) of the impact related to the additional inspection program for PW1100G-JM engines.

Additional maintenance work is in progress, and there is no change in the assumptions regarding payments for compensation for aircraft on the ground.

# Consolidated Results for Second Quarter FY2025

## Overview of Financial Results by Segment

- Continuous Orders grew in the Resources, Energy and Environment segment, driven by strong demand for large domestic projects in the Carbon Solutions Business(\*) and Nuclear energy.
- In Aero Engine, Space and Defense segment, the aftermarket business has maintained its strong growth momentum, although profit decreased due to effects of FX and the rebound of the previous year.

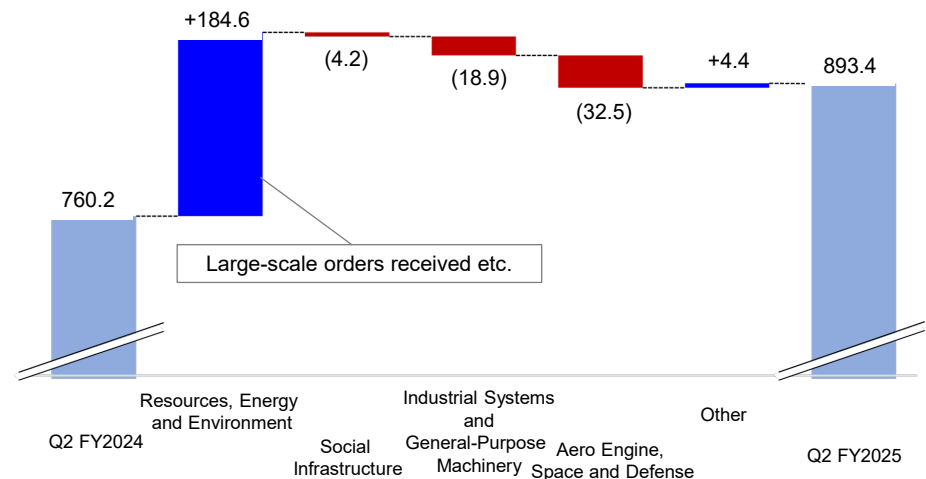
(\*) "Carbon Solutions" will be referred to as "CS" hereafter.

### Financial Results by Segment (¥ Bil.)

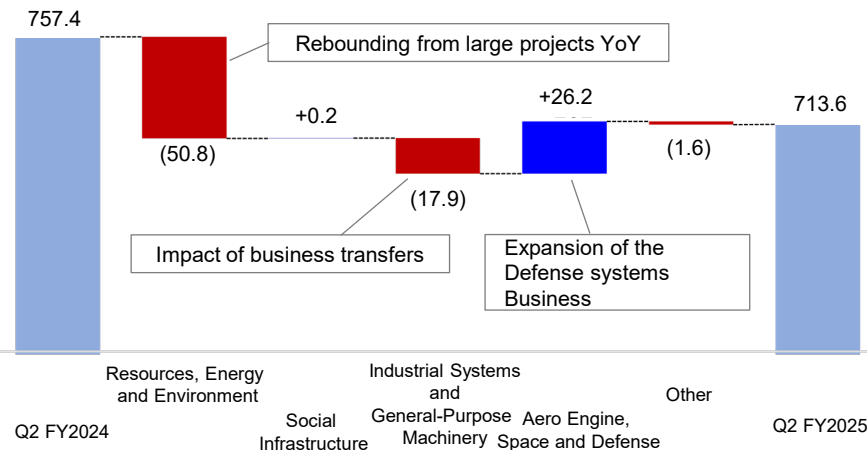
	Orders		Revenue		Operating profit	
	Q2 FY2025	Change	Q2 FY2025	Change	Q2 FY2025	Change
Resources, Energy and Environment	326.1	+184.6	159.1	(50.8)	(0.1)	(7.9)
Social Infrastructure*	59.1	(4.2)	59.2	+0.2	(3.3)	+1.5
Industrial Systems and General-Purpose Machinery	223.4	(18.9)	209.4	(17.9)	17.0	+18.0
Aero Engine, Space and Defense	270.3	(32.5)	273.9	+26.2	54.7	(21.9)
Other*	14.3	+4.4	11.8	(1.6)	1.1	+2.4
Total	893.4	+133.2	713.6	(43.8)	69.4	(7.8)

\*Due to the change in the reporting segment, the results for Urban development have been reclassified from "Social Infrastructure" to "Other."

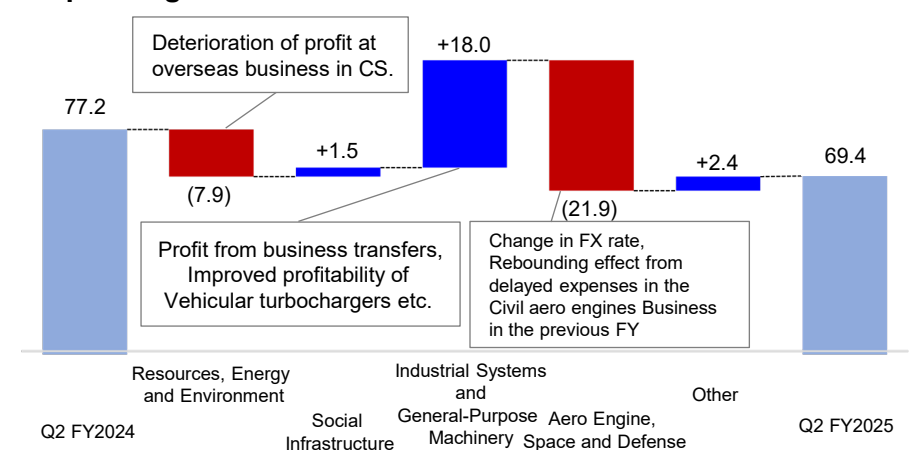
### <Orders (¥ Bil.) >



### <Revenue (¥ Bil.) >



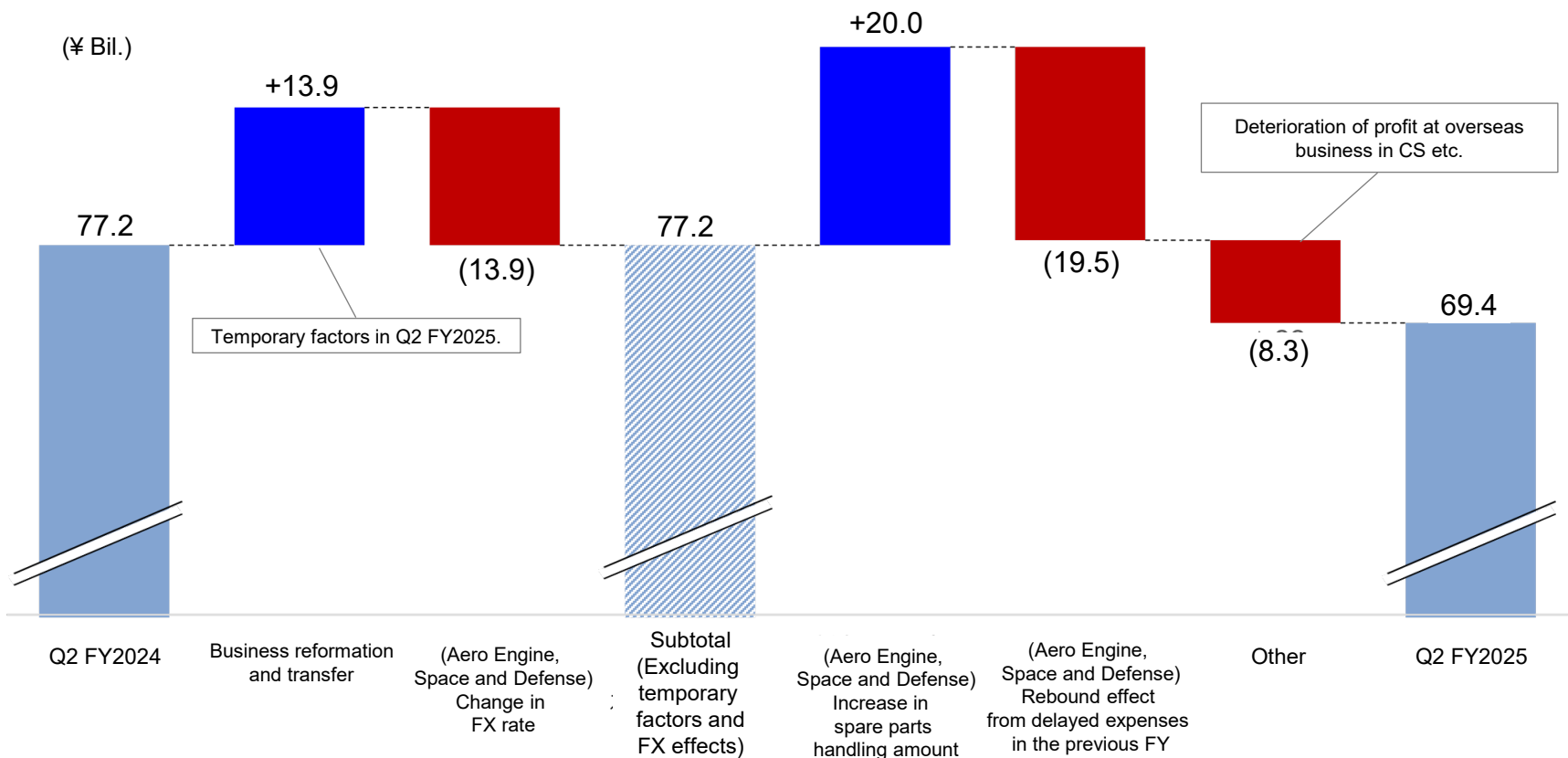
### <Operating Profit (¥ Bil.) >



# Consolidated Results for Second Quarter FY2025

## Factors of Change in Operating Profit (Group-Wide)

- Excluding temporary factors and FX effects, robust growth continued mainly in the Civil aero engines Business.
- Meanwhile, deteriorating profitability in the overseas CS Business within the Resources, Energy and Environment segment significantly pushed Group-Wide operating profit downward.

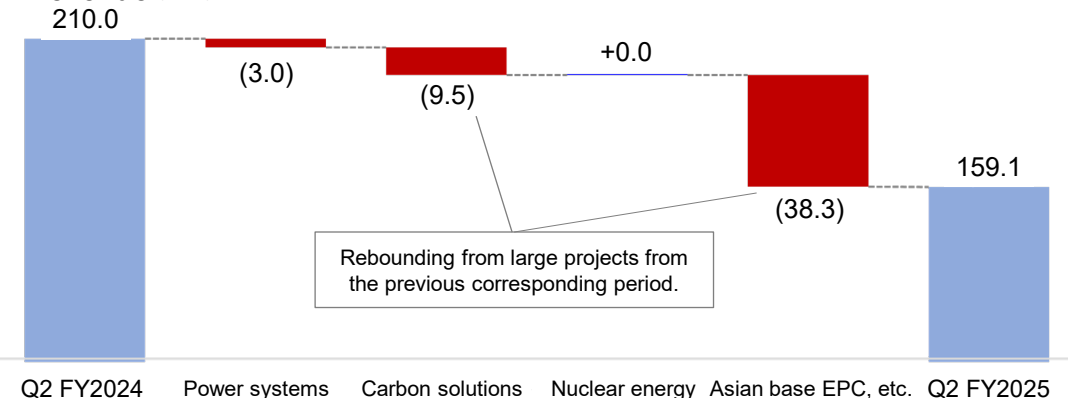


# Financial Results by Segment

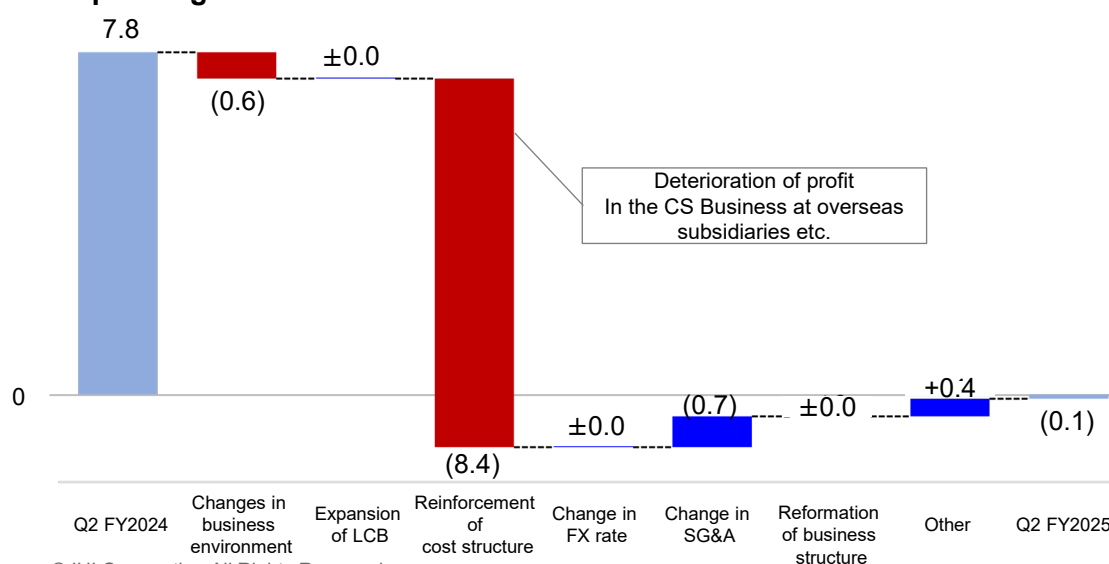
## <Resources, Energy and Environment>

- Revenue and profit declined due to rebounding from large projects from the previous year and deteriorated performance in the CS Business at overseas subsidiaries.
- Power systems and Nuclear energy have robust performance, CS overseas subsidiaries are conducting the restructuring to improve profitability.

### <Revenue (¥ Bil.) >



### <Operating Profit (¥ Bil.) >



### <Revenue>

- Decreased due to rebounding from large projects from the previous corresponding period mainly in CS and Asian base EPC.

### <Operating Profit>

- Changes in business environment:
  - ✓ Rebounding from large projects from the previous corresponding period.
  - ✓ Profit corresponding to cost, which was recognized proactively in the previous quarter, has mostly caught up.
- Reinforcement of cost structure:
  - ✓ Profitability deteriorated significantly in CS, mainly at overseas subsidiaries.

### <Overview of Business>

- CS:
  - ✓ Accelerating the reformation of business structure for earlier improvement of profitability.
  - ✓ Reducing fixed cost and strengthen cost management of projects.
- Power systems, Nuclear energy:
  - ✓ Progress on improving profitability and business expansion is underway and steady thanks to strong demands.

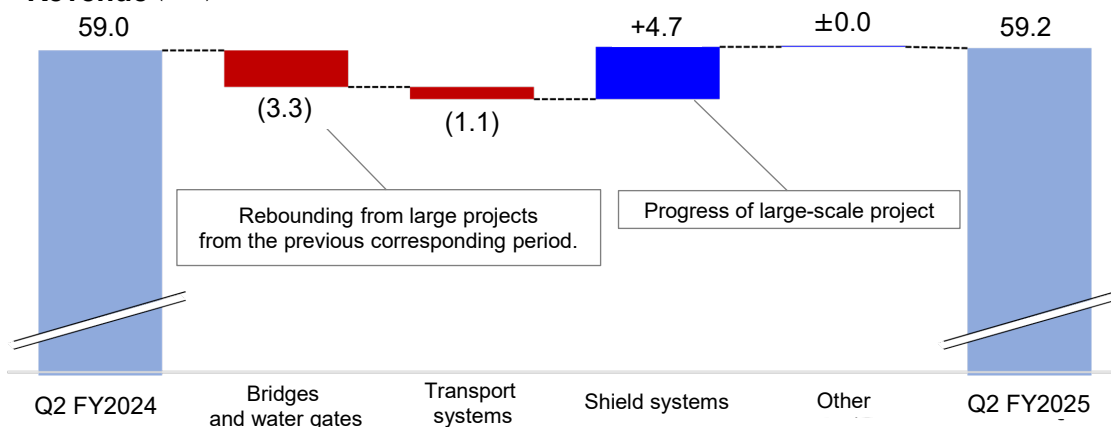


# Financial Results by Segment

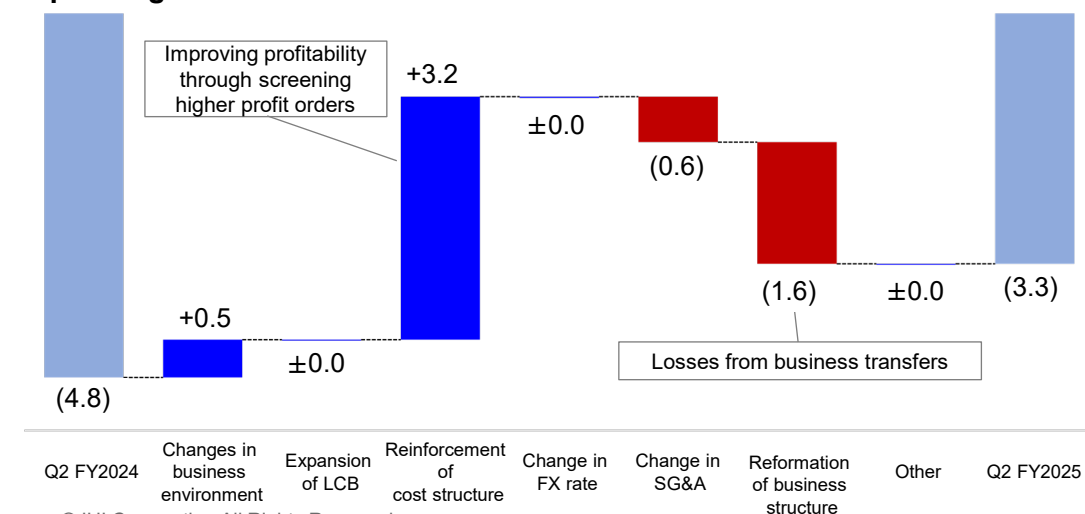
## <Social Infrastructure>

- Driven by the Bridges and water gates business, performance has made stable progress, with continued improvement in profitability.
- Offset with losses from business divestiture, overall profit increased due to improvement of profitability in the Bridges and water gates business.

### <Revenue (¥ Bil.) >



### <Operating Profit (¥ Bil.) >



### <Revenue>

- Despite decreasing revenue in the Bridges and water gate business, overall segment revenue remained at the same level as the previous corresponding FY thanks to the progress of large-scale projects in the Shield systems business.

### <Operating profit>

- Reinforcement of cost structure:
  - ✓ Profitability has improved mainly for the Bridges and water gates business.
- Business reformation:
  - ✓ Recognized the impairment loss of fixed assets related to the business transfer of Transport systems.

### <Overview of Business>

- Bridges and water gates:
  - ✓ IHI Infrastructure Systems Co., Ltd. and IHI Construction Service Co., Ltd. were integrated on Nov. 1, 2025.
  - ✓ Striving to strengthen competitiveness of businesses while creating synergies through integration.
- Concrete construction material:
  - ✓ Completed the transfer of all shares of IHI CONSTRUCTION MATERIALS Co., Ltd. on Oct. 1, 2025.
- Transport systems:
  - ✓ Scheduled to complete the transfer of all shares of Niigata Transys Co., Ltd. on Dec. 30, 2025.

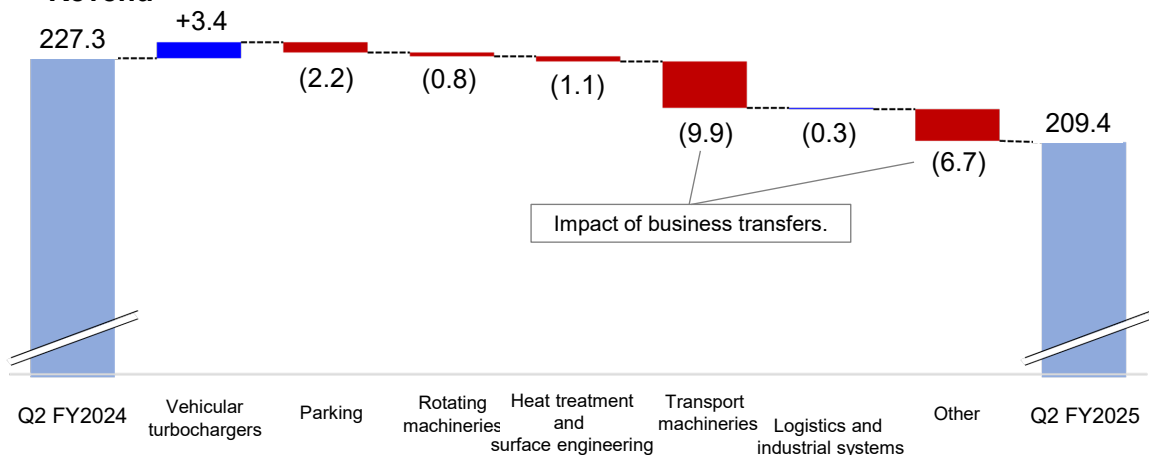
# Financial Results by Segment

## <Industrial Systems and General-Purpose Machinery>

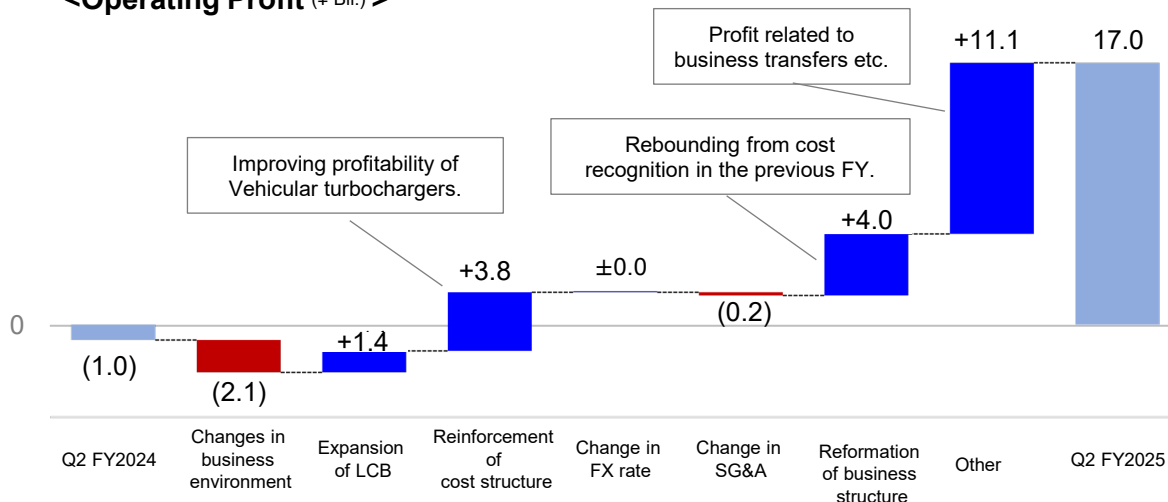
IHI

- Overall revenue decreased and profit increased mainly due to the effect of business divestiture.
- In the Vehicular turbochargers Business, initiative to pass on costs and optimize fixed cost are making good progress.

### <Revenue (¥ Bil.) >



### <Operating Profit (¥ Bil.) >



### <Revenue>

- Decreased mainly due to deconsolidation through business transfers.
- Completed businesses transfers:
  - ✓ Packaged boiler business (Apr. 1, 2025)
  - ✓ Turf care machinery business (Jun. 1, 2025)
  - ✓ Materials handling system business (Jul. 1, 2025)

### <Operating Profit>

- Reinforcement of cost structure:
  - ✓ Enhanced profitability through sales price improvements and fixed cost reductions, etc. in Vehicular turbochargers.
- Other:
  - ✓ Impacted mainly by profit from business transfers (gains on transfers and impacts of exclusion from consolidation).

### <Overview of Business>

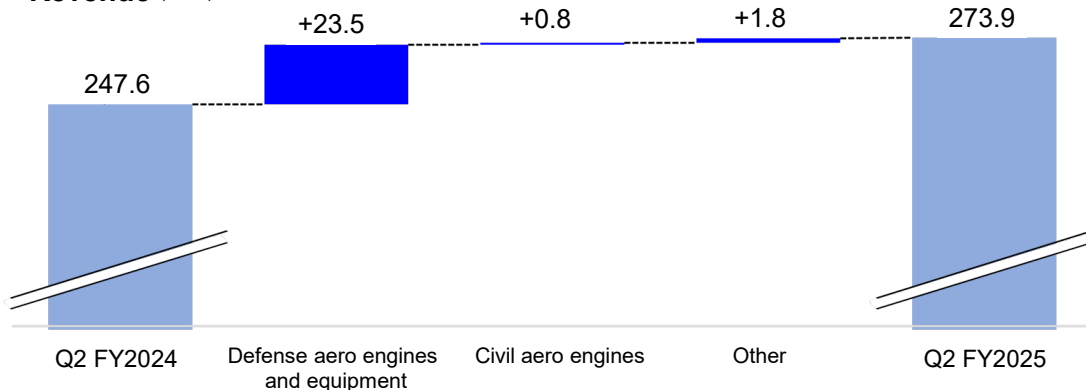
- Vehicular turbochargers:
  - ✓ The annual impact of the US tariffs is expected to be minimal as negotiations have moved forward based on cost sharing with customers.

# Financial Results by Segment

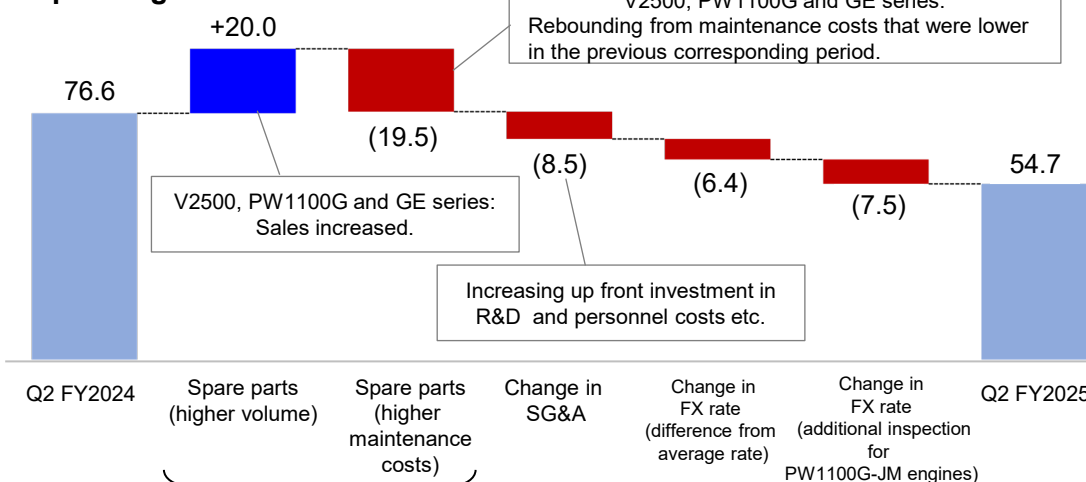
## <Aero Engine, Space and Defense>

- The revenue of Defense systems has increased significantly with robust demand.
- Whereas the Civil aero engines Business continues to demonstrate robust growth, profits are being impacted by maintenance costs that were not occurred last year, and by FX.

### <Revenue (¥ Bil.) >



### <Operating Profit (¥ Bil.) >



Changes in business environment: +¥0.5 Bil.

### <Revenue>

- Defense aero engines and equipment:  
Increased significantly, driven mainly by spare parts.

### <Operating profit>

- Overview:
  - ✓ For Civil aero engines, profit was suppressed by the impact of delaying accrual of maintenance costs and changes in the FX rate.
  - ✓ Businesses have a strong growth momentum.
- Changes in business environment:
  - ✓ Spare parts sales continue to grow robustly (see page 13).
- Change in SG&A:
  - ✓ Mainly due to upfront investments such as R&D and personnel costs.

### <Overview of business>

- Tariff impact:
  - ✓ Civil aircraft and aircraft parts exported from Japan will no longer be subject to US tariffs, by US executive order signed in Sep. 2025.
- Supply chain management:
  - ✓ Cooperate with partners to alleviate impending supply chain problems.

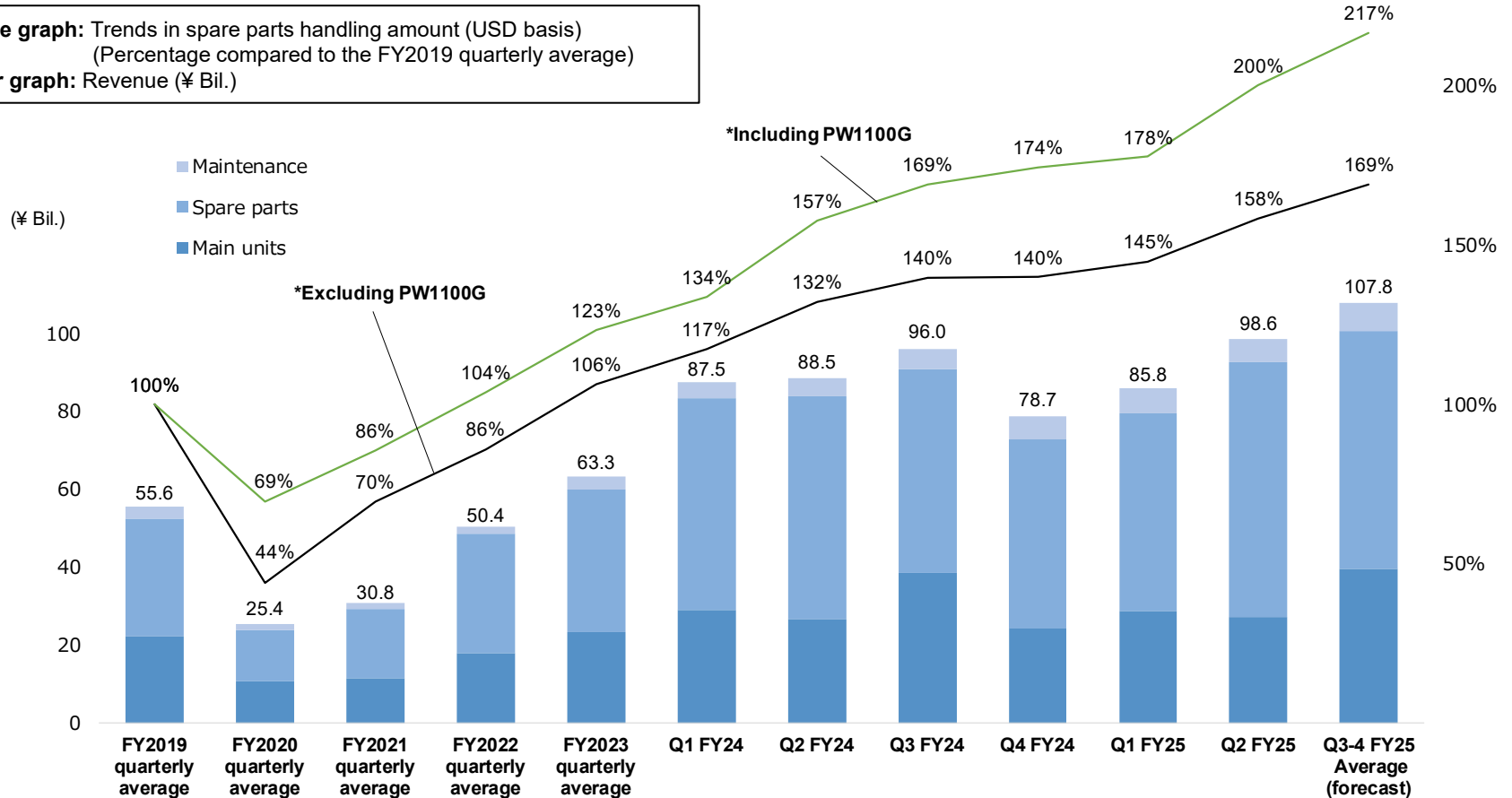
# (Reference) Revenue for Civil Aero Engines, (\*1)

## Trends in Spare Parts Handling Amount Growth Rate (\*2)

	Percentage of main units	Percentage of spare parts
FY2024	34%	60%
Q2 FY2025	30%	63%
Forecasts of FY2025	34%	59%

**Line graph:** Trends in spare parts handling amount (USD basis)  
(Percentage compared to the FY2019 quarterly average)

**Bar graph:** Revenue (¥ Bil.)

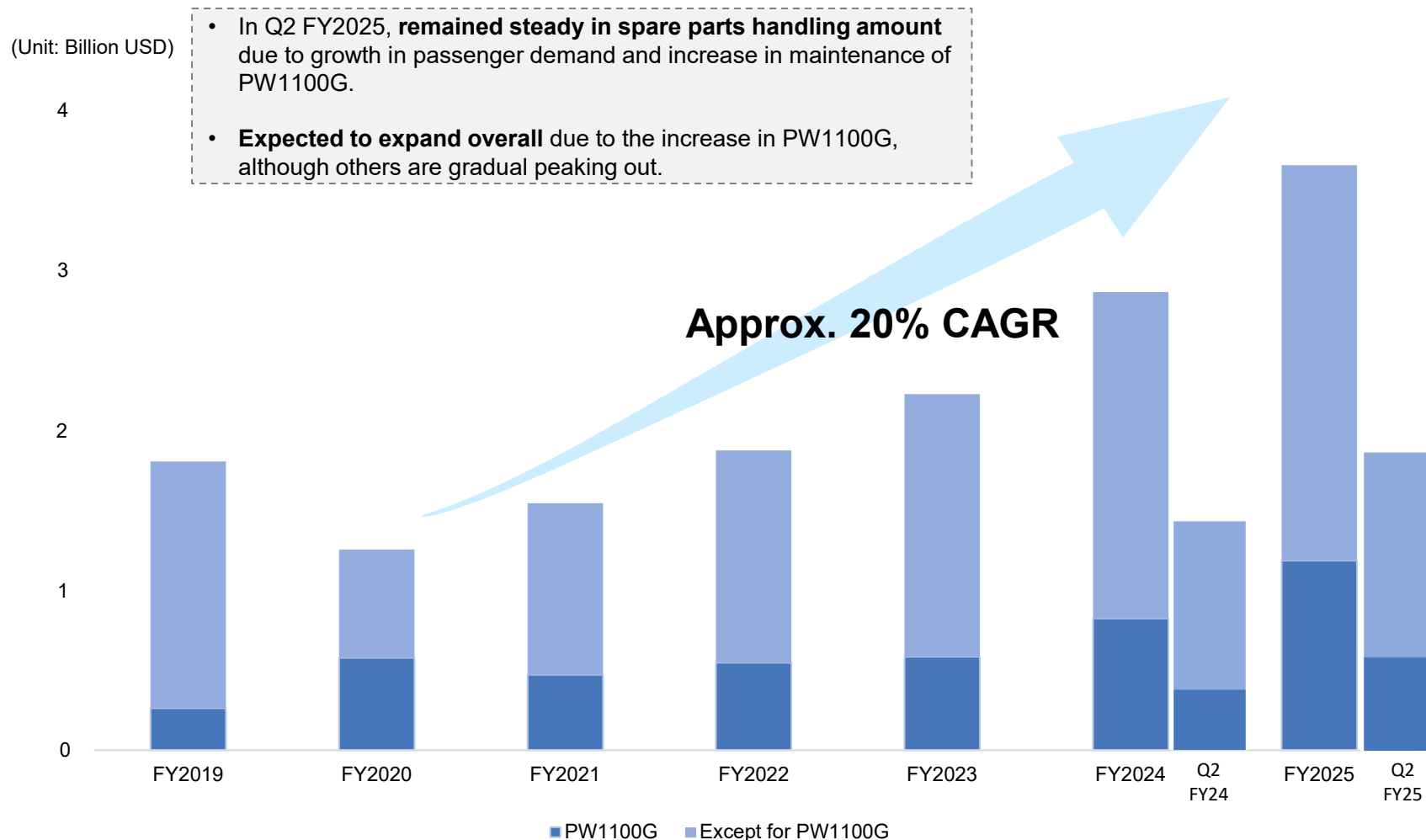


Note: Excluding the impact of the additional inspection program for PW1100G-JM engines.

\*1: Revenue based on accounting standards  
(GAAP base : Generally Accepted Accounting Principles).

\*2: Gross-based sales before the deduction of spare parts related costs,  
as used in management accounting.

# (Reference) Trends in Spare Parts Handling Amount\*



\* Gross-based sales before the deduction of spare parts related costs, as used in management accounting.

# Consolidated Results for Second Quarter FY2025

## Financial Position

- Ratio of equity attributable to owners of parent improved to 23.1%.
- Although inventories increased due to production expansion in Civil aero engines and Defense systems, they are expected to decrease toward the end of the fiscal year.
- Continue to focus on balance sheet management.

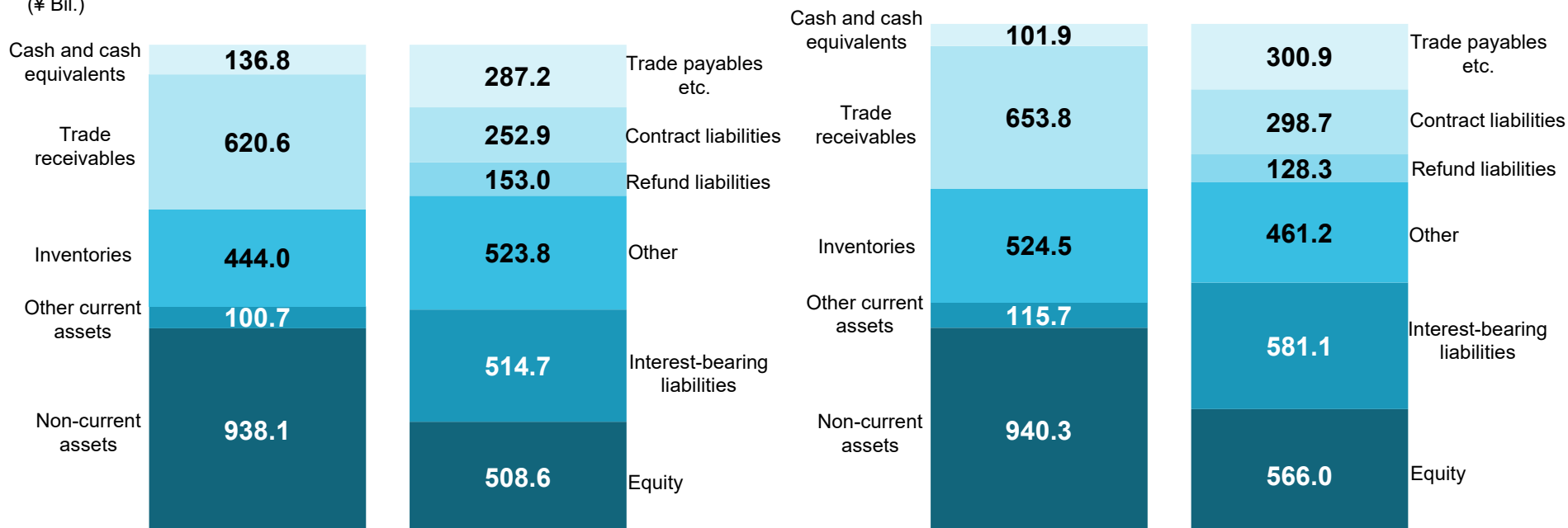
As of March 31, 2025

As of September 30, 2025

Total assets : 2,240.3 ¥ Bil.  
D/E ratio : 1.01 times  
Ratio of equity attributable to owners of parent : 21.5%

Total assets : 2,336.5 ¥ Bil. [+96.1 ¥ Bil.]  
D/E ratio : 1.03 times [+0.02 pt.]  
Ratio of equity attributable to owners of parent : 23.1% [+1.6 pt.]

(¥ Bil.)



# Consolidated Results for Second Quarter FY2025

## Cash Flows

- Cash flows from operating activities in Q2 was in line with the plan.
- Despite improved working capital, cash flows deteriorated due to increased expenditures related to powder metallurgy issues and tax payments.

( ¥ Bil.)		Q2 FY2024	Q2 FY2025	Change
	Profit before tax	62.6	74.7	+12.0
	Depreciation	35.0	36.7	+1.7
	Other	14.6	(5.2)	(19.8)
	EBITDA	112.3	106.2	(6.0)
	Expenditures related to the additional inspection program for PW1100G-JM engines *1	(9.0)	(20.6)	(11.6)
	Change in working capital *2	(97.5)	(66.9)	+30.5
	Tax payments	(5.1)	(49.4)	(44.2)
	Other	(8.0)	(26.3)	(18.3)
	Cash flows from operating activities	(7.4)	(57.1)	(49.6)
	Cash flows from investing activities	(25.2)	(22.9)	+2.3
	Free cash flows	(32.7)	(80.1)	(47.3)

\*1: "Expenditures related to the additional inspection program for PW1100G-JM engines" are shown separately from conventional "Change in 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.

# **Forecasts of the Consolidated Results for FY2025**



# Forecasts of the Consolidated Results for FY2025

## Performance Outlooks

- Orders were revised upward, reflecting the increase in orders with robust demand of Nuclear energy and Defense systems.
- Operating profit and profit attributable to owners of parent were revised upward in consideration of the strong performance of the Civil aero engines Business and other factors.
- Expect to achieve **record highs across all benchmarks: orders received, revenue, operating profit, and profit attributable to owners of parent.**

(¥ Bil.)	FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.
Orders received	1,751.1	1,790.0	1,850.0	+60.0
Revenue	1,626.8	1,650.0	1,640.0	(10.0)
Operating profit [%]	[8.8%] 143.5	[9.1%] 150.0	[9.8%] 160.0	+10.0
Profit before tax [%]	[8.5%] 138.4	[8.2%] 135.0	[8.8%] 145.0	+10.0
Profit attributable to owners of parent [%]	[6.9%] 112.7	[7.3%] 120.0	[7.6%] 125.0	+5.0
EPS [Yen] (*)	106.41	112.85	117.49	+4.64
EBITDA [%]	[13.3%] 215.6	[13.3%] 220.0	[14.0%] 230.0	+10.0
Cash flows from operating activities	177.6	100.0	100.0	-
Assumed FX rate [Yen/USD]	152.84	140.00	140.00	-

(Reference) FX rate sensitivity (impact of a 1-yen fluctuation on operating profit from Q3 to Q4) : USD 0.9 ¥ Bil.

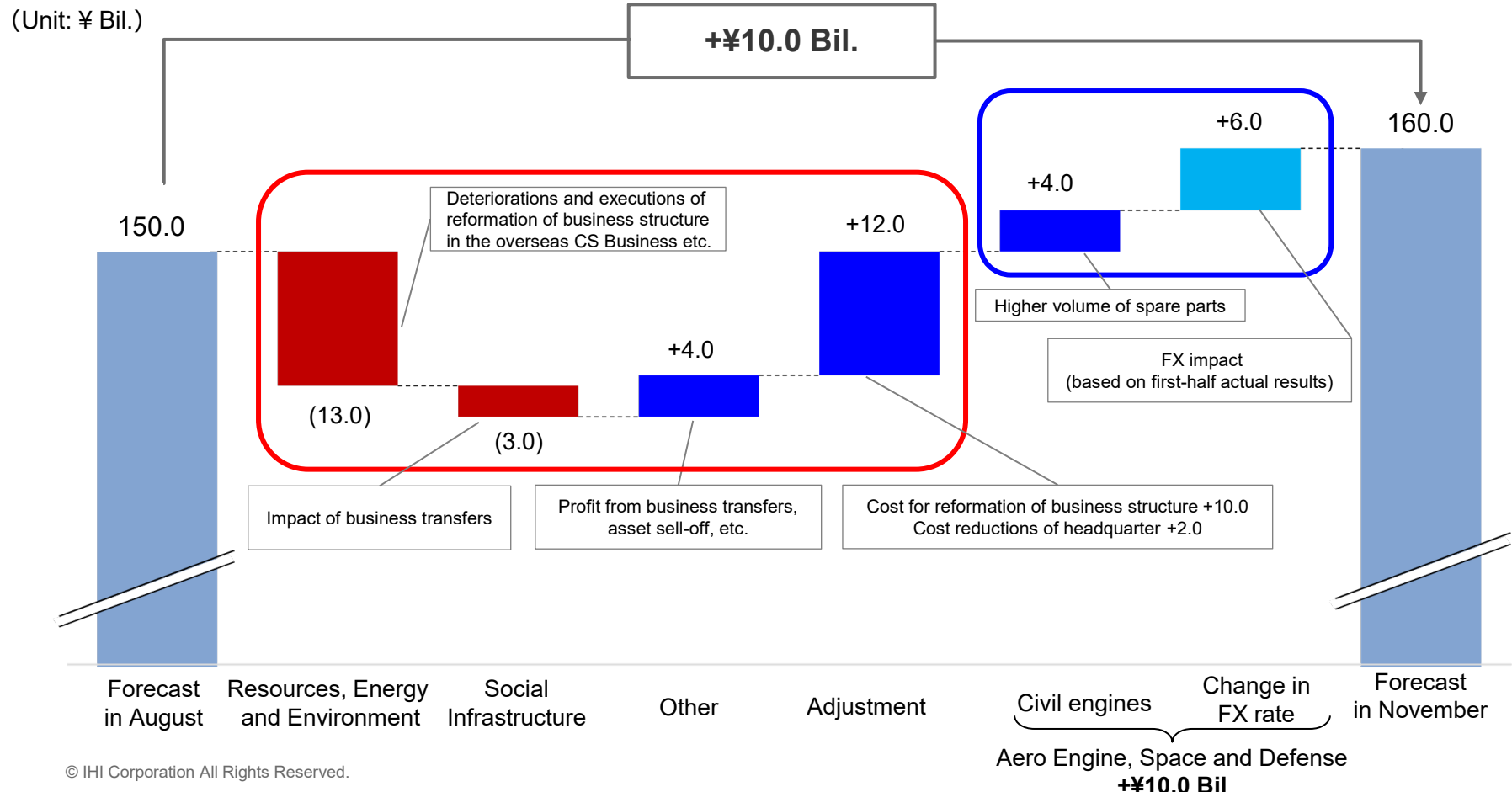
The FX impact of the additional inspection program for PW1100G-JM engines remains unchanged at the end of the previous fiscal year (¥149.45 / USD).  
(The FX rate sensitivity excludes this effect.)

(\*) Figures have been retroactively adjusted to reflect the 7-for-1 stock split implemented in October 2025. Values are rounded to the third decimal place.

# Forecasts of the Consolidated Results for FY2025

## Factors of Change in Operating Profit (Group-Wide)

- Downward revision were necessary for Resources, Energy and Environment (due to deterioration in the overseas CS Business) and Social Infrastructure (due to the impact of business transfers).
- Consolidated operating profit was revised by ¥10 Bil., reflecting cost improvements of headquarter and the upward revision of the steadily growing Aero Engine, Space and Defense segment.



# Forecasts of the Consolidated Results for FY2025

## Financial Forecasts by Segment

(¥ Bil.)	Orders received			Revenue			Operating profit		
	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.
Resources, Energy and Environment	470.0	500.0	+30.0	380.0	370.0	(10.0)	24.0 [6.3%]	11.0 [3.0%]	(13.0) [(3.3pt)]
Social Infrastructure	140.0	130.0	(10.0)	130.0	120.0	(10.0)	7.0 [5.4%]	4.0 [3.3%]	(3.0) [(2.1pt)]
Industrial Systems and General-Purpose Machinery	450.0	450.0	-	440.0	440.0	-	40.0 [9.1%]	40.0 [9.1%]	- [-]
Aero Engine, Space and Defense	710.0	750.0	+40.0	680.0	690.0	+10.0	109.0 [16.0%]	119.0 [17.2%]	+10.0 [+1.2pt]
Total Reportable Segment	1,770.0	1,830.0	+60.0	1,630.0	1,620.0	(10.0)	180.0	174.0	(6.0)
Other	70.0	70.0	-	70.0	70.0	-	10.0	14.0	+4.0
Adjustment	(50.0)	(50.0)	-	(50.0)	(50.0)	-	(40.0)	(28.0)	+12.0
Total	1,790.0	1,850.0	+60.0	1,650.0	1,640.0	(10.0)	150.0 [9.1%]	160.0 [9.8%]	+10.0 [+0.7pt]

# Appendix

# Financial Results by Segment (Q2 FY2024 vs. Q2 FY2025)

(¥ Bil.)	Orders received			Order backlog			Revenue			Operating profit [%]		
	Q2 FY2024	Q2 FY2025	Change	FY2024	Q2 FY2025	Change	Q2 FY2024	Q2 FY2025	Change	Q2 FY2024	Q2 FY2025	Change
Resources, Energy and Environment	141.5	326.1	+184.6	437.6	610.7	+173.0	210.0	159.1	(50.8)	7.8 [3.7%]	(0.1) [(0.1%)]	(7.9) [(3.8pt)]
Social Infrastructure	63.4	59.1	(4.2)	217.0	215.8	(1.1)	59.0	59.2	+0.2	(4.8) [(8.2%)]	(3.3) [(5.6%)]	+1.5 [+2.6pt]
Industrial Systems and General-Purpose Machinery	242.4	223.4	(18.9)	206.1	217.0	+10.8	227.3	209.4	(17.9)	(1.0) [(0.5%)]	17.0 [8.1%]	+18.0 [+8.6pt]
Aero Engine, Space and Defense	302.8	270.3	(32.5)	605.9	607.7	+1.8	247.6	273.9	+26.2	76.6 [30.9%]	54.7 [20.0%]	(21.9) [(10.9pt)]
Total Reportable Segment	750.3	879.1	+128.8	1,466.7	1,651.3	+184.6	744.0	701.7	(42.2)	78.5	68.3	(10.2)
Other	34.5	40.8	+6.2	20.6	23.0	+2.4	32.1	36.6	+4.5	2.7	6.8	+4.1
Adjustment	(24.6)	(26.4)	(1.8)	-	-	-	(18.6)	(24.8)	(6.1)	(4.0)	(5.7)	(1.6)
Total	760.2	893.4	+133.2	1,487.3	1,674.3	+187.0	757.4	713.6	(43.8)	77.2 [10.2%]	69.4 [9.7%]	(7.8) [(0.5pt)]
Overseas	377.0	456.0	+79.0	289.1	351.2	+62.1	453.2	396.2	(57.0)			
Percentage of Overseas	50%	51%	+1pt	19%	21%	+2pt	60%	56%	(4pt)			

Note: Due to the change in the reporting segment, the results for Urban development have been reclassified from “Social Infrastructure” to “Other.”

# Factors of Change in Operating Profit by Segment

(Q2 FY2024 vs. Q2 FY2025)

(¥ Bil.)	Changes in Business Environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Other	Total
Resources, Energy and Environment	(0.6)		(8.4)		+0.7		+0.4	(7.9)
Social Infrastructure	+0.5		+3.2		(0.6)	(1.6)		+1.5
Industrial Systems and General-Purpose Machinery	(2.1)	+1.4	+3.8		(0.2)	+4.0	+11.1	+18.0
Aero Engine, Space and Defense	+0.5			(6.4)	(8.5)			(21.9)
The additional inspection program for PW1100G-JM engines				(7.5)				
<b>Total Reportable Segment</b>	<b>(1.7)</b>	<b>+1.4</b>	<b>(1.4)</b>	<b>(13.9)</b>	<b>(8.6)</b>	<b>+2.4</b>	<b>+11.5</b>	<b>(10.2)</b>
Other	+0.6				(0.4)		+3.9	+4.1
Adjustment					(1.6)			(1.6)
<b>Total</b>	<b>(1.1)</b>	<b>+1.4</b>	<b>(1.4)</b>	<b>(13.9)</b>	<b>(10.6)</b>	<b>+2.4</b>	<b>+15.4</b>	<b>(7.8)</b>

## Notes:

- There are cases where the aggregated amount of each segment or factor doesn't match 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.
- Due to the change in the reporting segment, the results for Urban development have been reclassified from "Social Infrastructure" to "Other."

# Financial Forecasts by Segment

(FY2025 forecasts announced in August vs. November)

(¥ Bil.)	Orders received				Revenue				Operating profit			
	FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.	FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.	FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.
Resources, Energy and Environment	370.3	470.0	500.0	+30.0	411.4	380.0	370.0	(10.0)	16.1 [3.9%]	24.0 [6.3%]	11.0 [3.0%]	(13.0) [(-3.3pt)]
Social Infrastructure	150.4	140.0	130.0	(10.0)	146.0	130.0	120.0	(10.0)	(4.2) [(2.9%)]	7.0 [5.4%]	4.0 [3.3%]	(3.0) [(-2.1pt)]
Industrial Systems and General-Purpose Machinery	484.4	450.0	450.0	-	484.8	440.0	440.0	-	10.8 [2.2%]	40.0 [9.1%]	40.0 [9.1%]	- [-]
Aero Engine, Space and Defense	719.9	710.0	750.0	+40.0	555.7	680.0	690.0	+10.0	122.7 [22.1%]	109.0 [16.0%]	119.0 [17.2%]	+10.0 [+1.2pt]
Total Reportable Segment	1,725.1	1,770.0	1,830.0	+60.0	1,598.0	1,630.0	1,620.0	(10.0)	145.4	180.0	174.0	(6.0)
Other	75.5	70.0	70.0	-	77.2	70.0	70.0	-	16.8	10.0	14.0	+4.0
Adjustment	(49.5)	(50.0)	(50.0)	-	(48.4)	(50.0)	(50.0)	-	(18.7)	(40.0)	(28.0)	+12.0
Total	1,751.1	1,790.0	1,850.0	+60.0	1,626.8	1,650.0	1,640.0	(10.0)	143.5 [8.8%]	150.0 [9.1%]	160.0 [9.8%]	+10.0 [+0.7pt]

Note: Due to the change in the reporting segment, the results for Urban development have been reclassified from “Social Infrastructure” to “Other.”

# Factors of Change in Operating Profit by Segment

(FY2025 forecasts announced in August vs. November)

(¥ Bil.)	Changes in Business Environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Other	Total
Resources, Energy and Environment	+3.0		(11.0)			(5.0)		(13.0)
Social Infrastructure						(3.0)		(3.0)
Industrial Systems and General-Purpose								-
Aero Engine, Space and Defense	+4.0			+6.0				+10.0
<b>Total Reportable Segment</b>	<b>+7.0</b>	<b>-</b>	<b>(11.0)</b>	<b>+6.0</b>	<b>-</b>	<b>(8.0)</b>	<b>-</b>	<b>(6.0)</b>
Other							+4.0	+4.0
Adjustment					+2.0	+10.0		+12.0
<b>Total</b>	<b>+7.0</b>	<b>-</b>	<b>(11.0)</b>	<b>+6.0</b>	<b>+2.0</b>	<b>+2.0</b>	<b>+4.0</b>	<b>+10.0</b>

Note: There are cases where the aggregated amount of each segment or factor doesn't match 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.

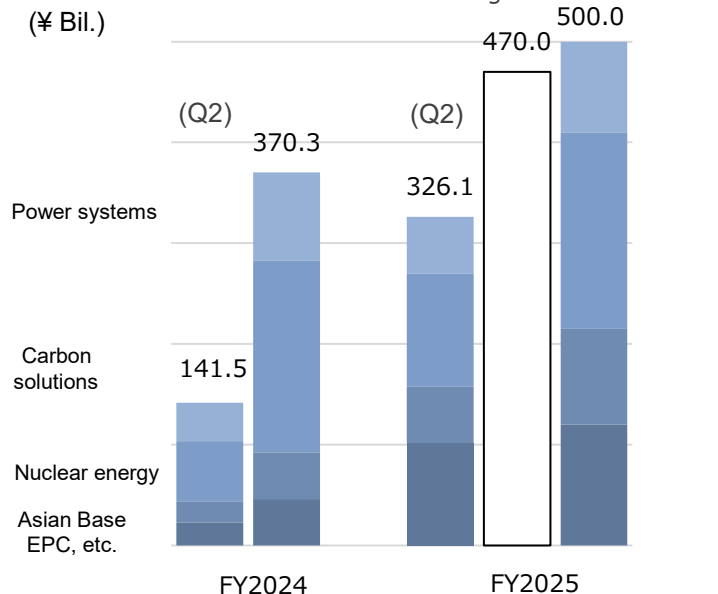


# Financial Results & Forecasts by Segment

## <Resources, Energy and Environment>

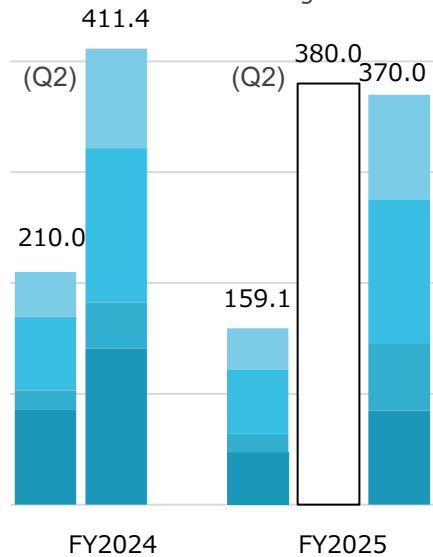
### Orders received

(Full year) (Full year)  
In August In November



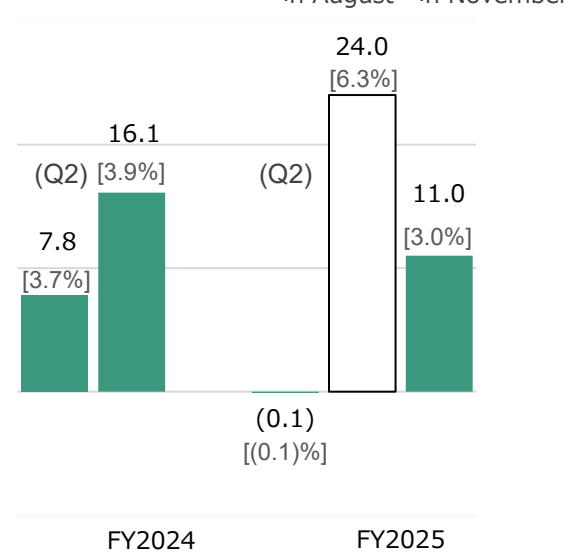
### Revenue

(Full year) (Full year)  
In August In November



### Operating profit

(Full year) (Full year)  
In August In November



	Orders received			
	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year
Power systems	38.1	87.4	56.4	90.0
Carbon solutions	59.5	190.4	112.2	195.0
Nuclear energy	21.0	46.4	55.8	95.0
Asian Base EPC, etc.	22.9	46.1	101.7	120.0
<b>Total</b>	<b>141.5</b>	<b>370.3</b>	<b>326.1</b>	<b>500.0</b>

	Revenue			
	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year
Power systems	40.1	89.7	37.1	95.0
Carbon solutions	67.1	139.1	57.5	130.0
Nuclear energy	17.4	41.9	17.4	60.0
Asian Base EPC, etc.	85.4	140.7	47.1	85.0
<b>Total</b>	<b>210.0</b>	<b>411.4</b>	<b>159.1</b>	<b>370.0</b>

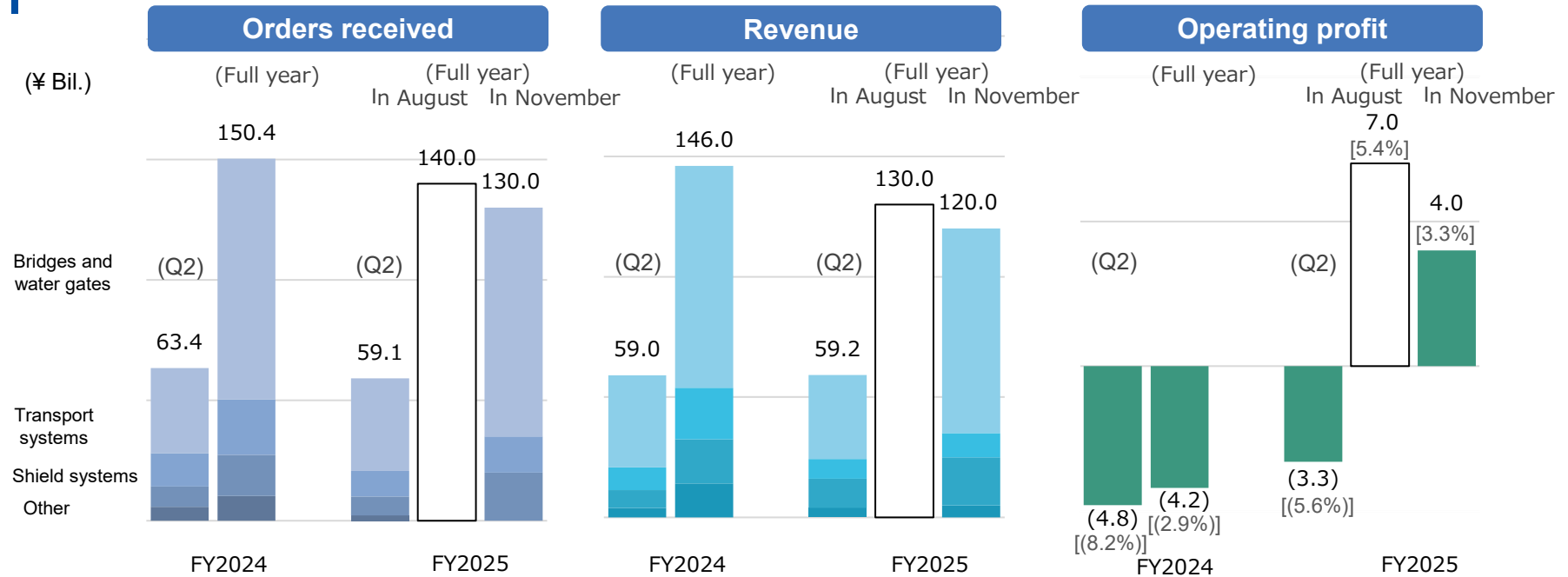
### Additional notes

#### Full year forecast

- Orders received: Upward revision by ¥25.0 Bil. for Nuclear energy and ¥5.0 Bil. for Power systems considering steady business growth.
- Revenue: Downward revision by ¥10.0 Bil. for CS and Asian Base EPC each incorporating delay of order received etc. Upward revision by ¥10.0 Bil. for Nuclear energy.
- Operating profit: Incorporated deterioration of performance at overseas subsidiaries for CS and business reformation costs into the full-year forecast.

# Financial Results & Forecasts by Segment

## <Social Infrastructure>

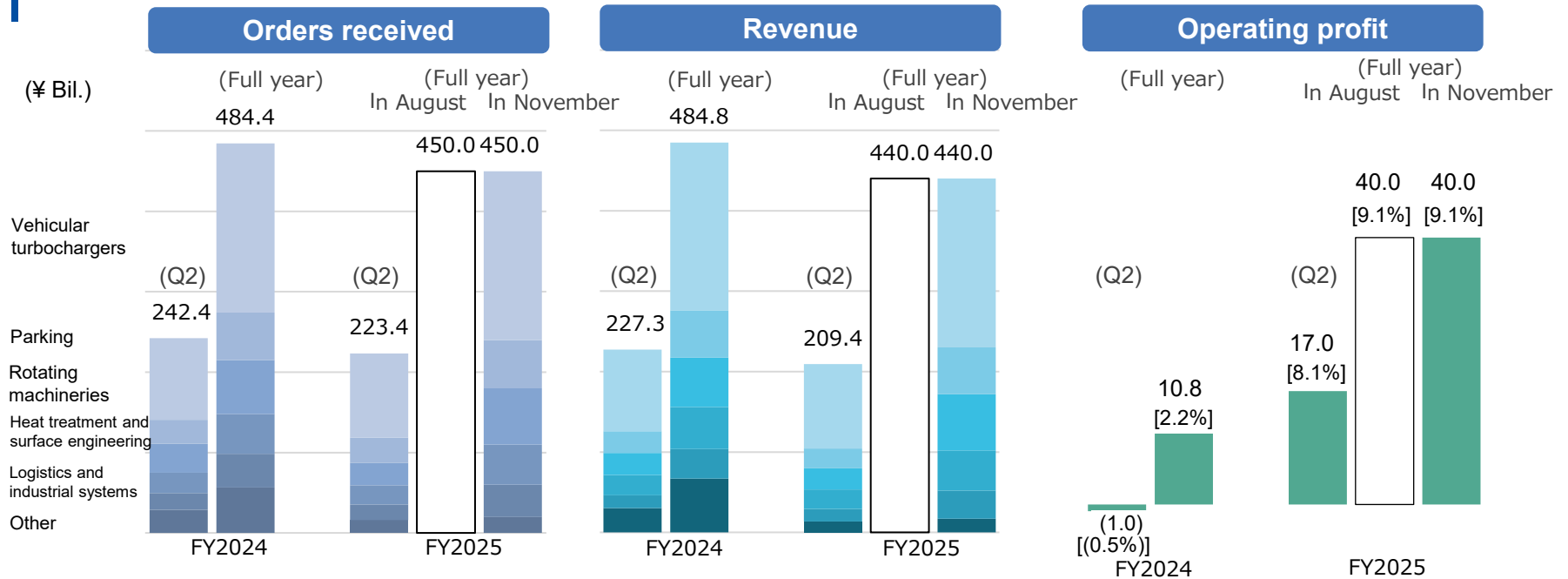


	Orders received				Revenue				Additional notes
	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year	
Bridges and water gates	35.4	100.1	38.5	95.0	38.2	92.2	34.9	85.0	<b>Full year forecast</b> • Incorporated the business transfer impact on the forecast of order received, revenue and operating profit for Transportation systems.
Transport systems	13.8	23.0	10.6	15.0	9.4	21.3	8.2	10.0	
Shield systems	8.4	17.0	7.8	17.0	7.4	18.4	12.1	20.0	
Other	5.8	10.3	2.2	3.0	4.0	14.1	4.0	5.0	
Total	63.4	150.4	59.1	130.0	59.0	146.0	59.2	120.0	

Note: Due to the change in the reporting segment, the results of Urban development have been reclassified from "Social Infrastructure" to "Other."

# Financial Results & Forecasts by Segment

## <Industrial Systems and General-Purpose Machinery>



	Orders received				Revenue			
	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year
Vehicular turbochargers	101.5	210.2	104.9	210.0	101.4	208.6	104.9	210.0
Parking	30.0	59.2	31.6	60.0	26.9	58.7	24.6	58.0
Rotating machineries	35.9	66.8	27.4	70.0	27.5	61.6	26.6	70.0
Heat treatment and surface engineering	25.2	49.8	24.1	50.0	25.2	52.1	24.0	50.0
Logistics and industrial systems	20.8	41.9	19.4	40.0	16.0	36.7	15.6	35.0
Other	29.0	56.5	16.0	20.0	30.3	67.1	13.7	17.0
<b>Total</b>	<b>242.4</b>	<b>484.4</b>	<b>223.4</b>	<b>450.0</b>	<b>227.3</b>	<b>484.8</b>	<b>209.4</b>	<b>440.0</b>

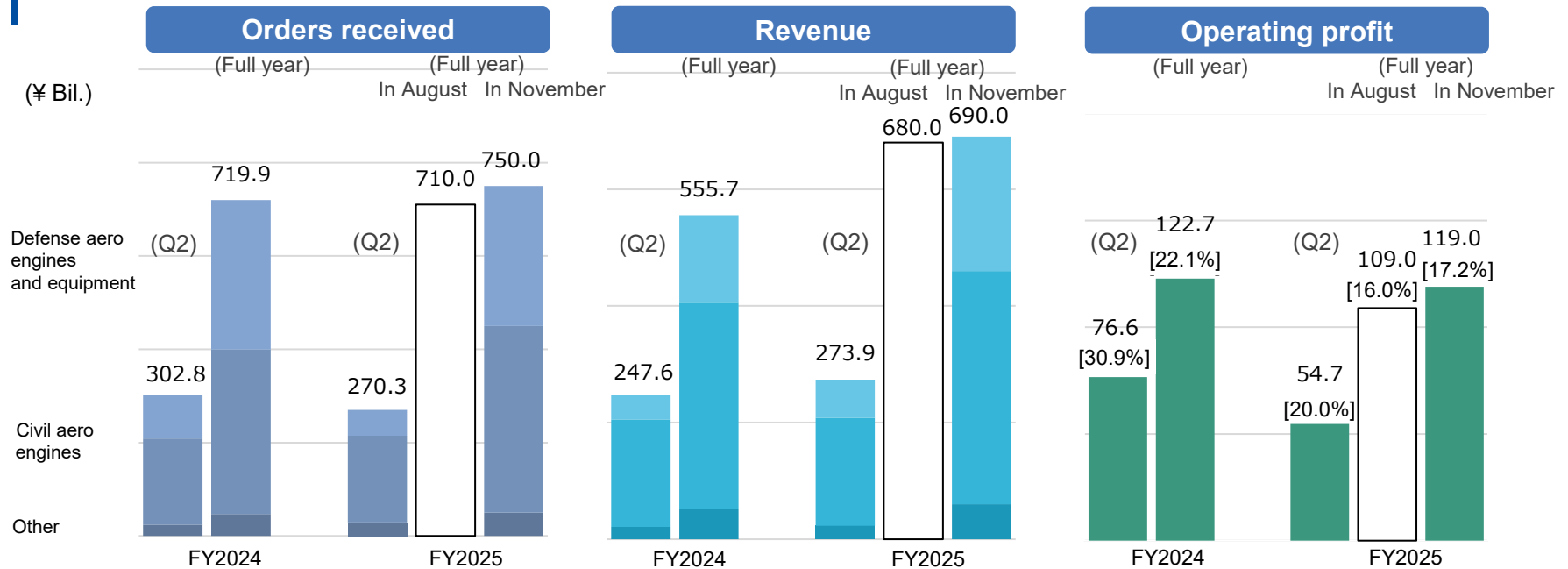
### Additional notes

- Income was recognized upon the completion of the business transfer of Materials handling system on Jul. 1, 2025.
- There are no revisions to the full-year forecasts for orders received, revenue, or profit.

# Financial Results & Forecasts by Segment

## <Aero Engine, Space and Defense>

IHI



	Orders received				Revenue			
	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year	Q2 FY24	FY2024 Full year	Q2 FY25	FY2025 Full year
Defense aero engines and equipment	94.1	320.5	55.3	300.0	42.2	150.2	65.7	230.0
Civil aero engines	184.3	352.4	185.9	400.0	184.3	351.6	185.1	400.0
Other	24.4	47.0	29.1	50.0	21.1	53.9	23.1	60.0
<b>Total</b>	<b>302.8</b>	<b>719.9</b>	<b>270.3</b>	<b>750.0</b>	<b>247.6</b>	<b>555.7</b>	<b>273.9</b>	<b>690.0</b>

### Additional notes

#### Full year forecast

- Orders received: Upward revision by ¥20.0 Bil. for Defense considering steady business growth. Upward revision by ¥10.0 Bil. for Civil aero engines and Other (such as Space business) each incorporating strong sales results.
- Revenue, Operating profit: Upward revision of both revenue and operating profit for Civil aero engines based on the strong sales results in spare parts.
- Upon the completion of the business transfer of Meisei Electric Co., Ltd. on February 2, 2026, the company will be deconsolidated.

(Reference)

# Operating Profit for Aero Engine, Space and Defense

IHI

(Excluding temporary factors and FX effects)

- ✓ Excluding FX effects and other factor, segment operating profit for the current period remains at the same level as the previous period.

(Unit: ¥ Bil.)		FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3-4 Average	FY23 Quarter Average	FY24 Quarter Average	FY25 Quarter Average
Aero Engine, Space and Defense Segment Operating Profit		23.8	52.7	18.0	28.1	27.9	26.7	32.1	14.2	30.6	29.7
Adjustment	FX Impact A	(7.9)	(4.3)	(4.7)	(6.0)	(2.5)	(3.3)		(2.3)	(5.7)	(1.4)
	FX Impact B	9.8	(18.1)	14.3	(6.9)	(3.6)	2.8			(0.2)	(0.2)
	Allowance for doubtful accounts related to U.S. airlines			7.0						1.8	
Adjusted Operating Profit (Based on Exchange rate: ¥140/USD)		25.7	30.3	34.6	15.2	21.8	26.2	32.1	11.9	26.5	28.1

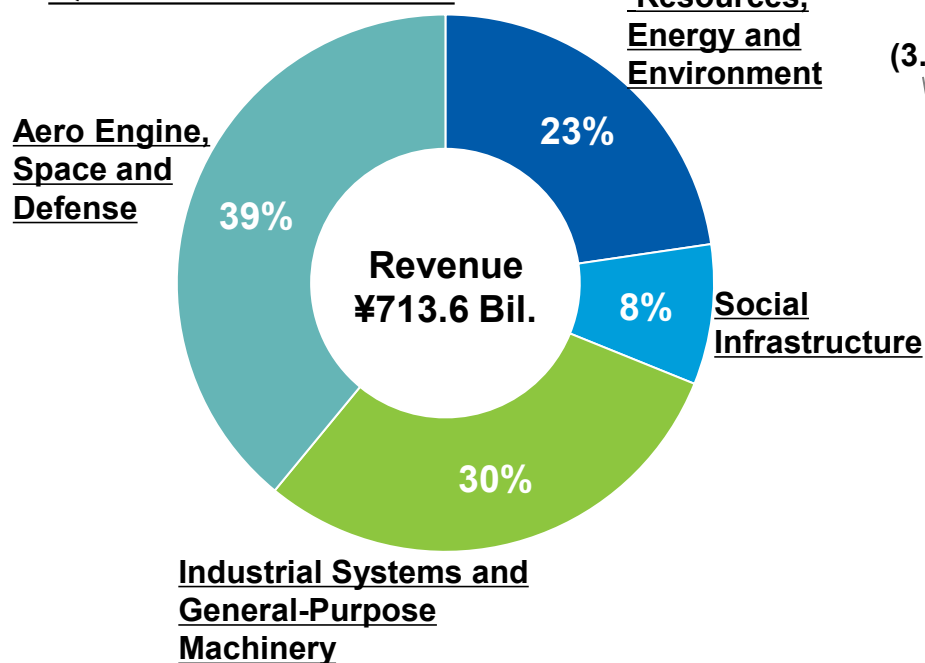
(Adjustment)

- FX Impact A: Revised the average FX rate to ¥140/USD.
- FX Impact B: Excluded the FX impact of the additional inspection program for PW1100G-JM engines.

Operating profit increased steadily, driven by the growth of the Civil aero engines aftermarket business

# Revenue, Operating Profit, and EBITDA by Segment

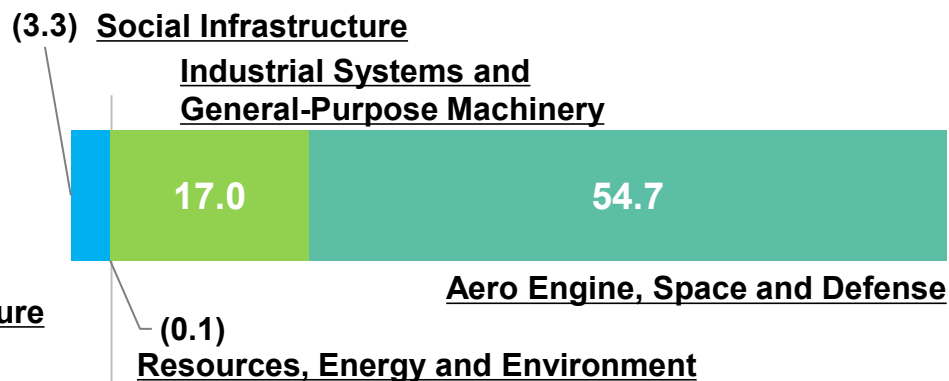
## Q2 FY2025 Revenue



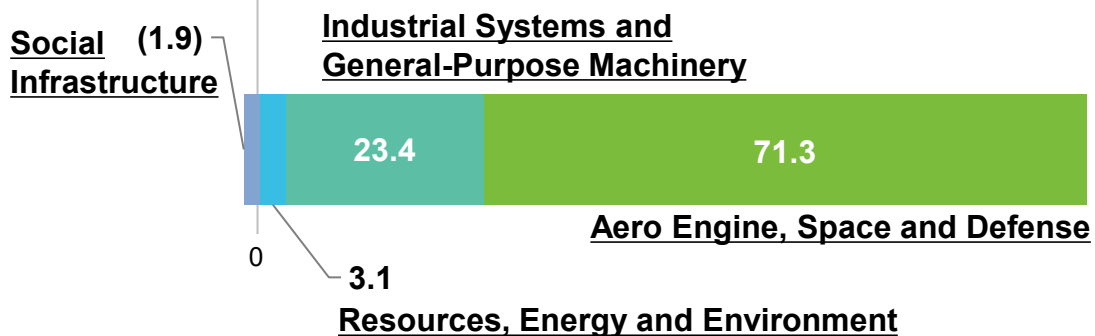
### Notes:

- Following the organizational restructuring in FY2025, Urban development has been retrospectively reclassified from “Social Infrastructure” to “Other” retrospectively.
- The percentages in pie chart represents the composition ratio relative to the total of reportable segments.
- EBITDA by segment  
= Each segment's operating profit + Each segment's depreciation

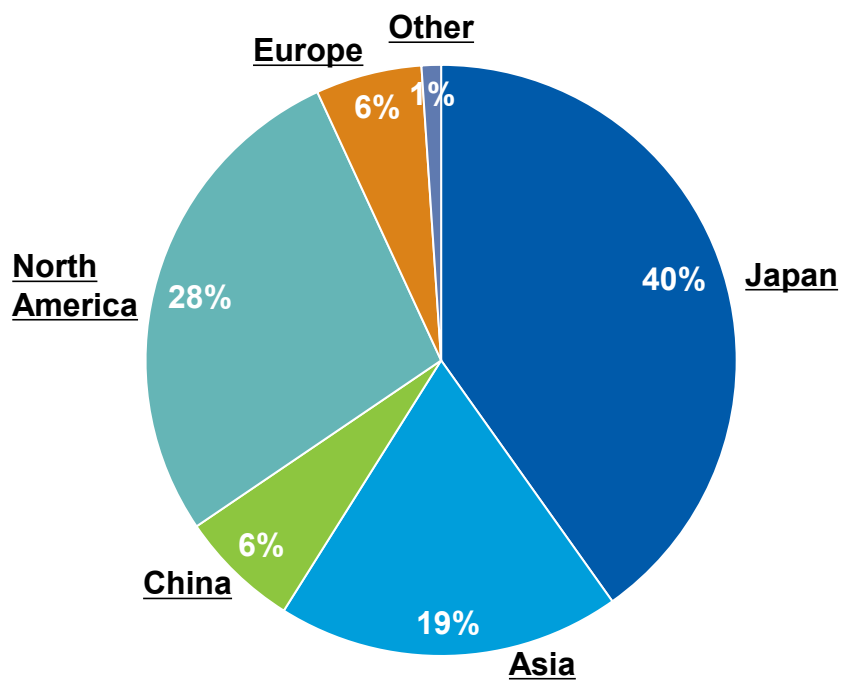
## Q2 FY2025 Operating profit ¥69.4 Bil.



## Q2 FY2025 EBITDA ¥106.2 Bil.

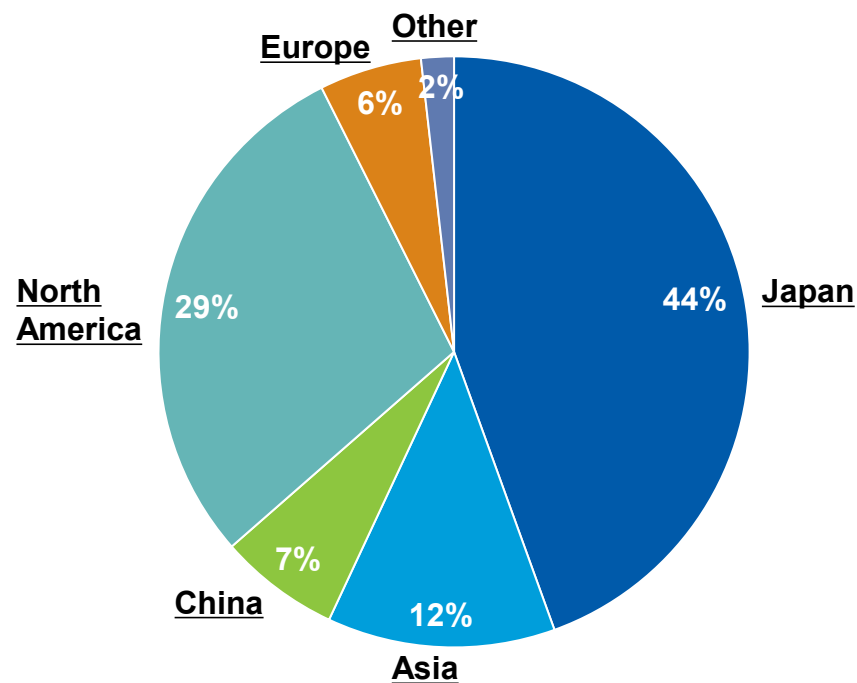


**Q2 FY2024**



Overseas revenue  
¥453.2 Bil.

**Q2 FY2025**

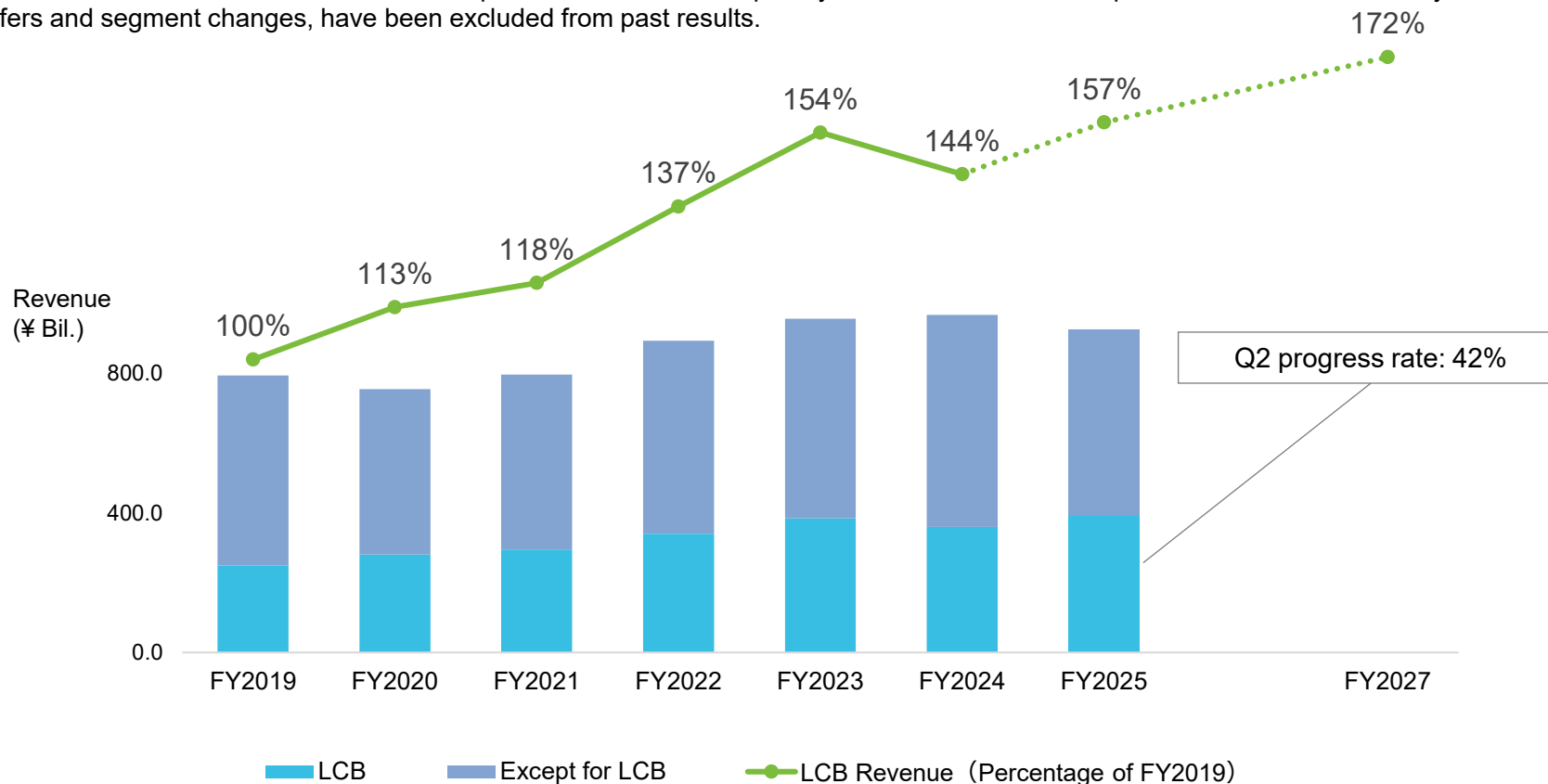


Overseas revenue  
¥396.2 Bil.

# The Status of LCB in Conventional Businesses

Note 1: Conventional Businesses: Resources, Energy and Environment; Social Infrastructure; Industrial Systems and General-Purpose Machinery.

Note 2: Concrete construction materials, Transport machineries, Transport systems and Urban development, which are affected by business transfers and segment changes, have been excluded from past results.



LCB (Lifecycle business) sales tend to be concentrated at the fiscal year end. The Q2 progress rate is in line with expectations.



# Financial Position

(¥ Bil.)	As of March 31, 2025	As of September 30, 2025	Change
<b>Total assets</b>	<b>2,240.3</b>	<b>2,336.5</b>	<b>+96.1</b>
Cash and cash equivalents	136.8	101.9	(34.8)
Trade receivables & contract assets	620.6	653.8	+33.2
Inventories	444.0	524.5	+80.5
<b>Total liabilities</b>	<b>1,731.7</b>	<b>1,770.4</b>	<b>+38.7</b>
Trade payables etc.	287.2	300.9	+13.7
Contract liabilities	252.9	298.7	+45.7
Refund liabilities	153.0	128.3	(24.6)
Interest-bearing liabilities	514.7	581.1	+66.4
Bonds and borrowings	389.3	462.5	+73.1
Lease liabilities	125.3	118.6	(6.6)
<b>Total equity</b>	<b>508.6</b>	<b>566.0</b>	<b>+57.4</b>
Equity attributable to owners of parent	481.7	540.6	+58.9
Non-controlling interests	26.9	25.4	(1.4)
<b>Total liabilities and equity</b>	<b>2,240.3</b>	<b>2,336.5</b>	<b>+96.1</b>

# Cash Flows / R&D / CAPEX / Depreciation (Q2 FY2024 vs Q2 FY2025)

(¥ Bil.)	Q2 FY2024	Q2 FY2025	Change
<b>Profit before tax</b>	62.6	74.7	+12.0
<b>Depreciation</b>	35.0	36.7	+1.7
<b>Other</b>	14.6	(5.2)	(19.8)
<b>EBITDA</b>	112.3	106.2	(6.0)
<b>Expenditures related to the additional inspection program for PW1100G-JM engines *1</b>	(9.0)	(20.6)	(11.6)
<b>Change in working capital *2</b>	(97.5)	(66.9)	+30.5
<b>Tax payments</b>	(5.1)	(49.4)	(44.2)
<b>Other</b>	(8.0)	(26.3)	(18.3)
<b>Cash flows from operating activities</b>	(7.4)	(57.1)	(49.6)
<b>Cash flows from investing activities</b>	(25.2)	(22.9)	+2.3
<b>Free cash flows</b>	(32.7)	(80.1)	(47.3)

\*1: Expenditures related to the additional inspection program for PW1100G-JM engines are shown separately from conventional "change in 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.

(¥ Bil.)	Q2 FY2024	Q2 FY2025	Change
<b>R&amp;D</b>	14.1	15.6	+1.4
<b>CAPEX</b>	29.7	40.2	+10.4
<b>Depreciation</b>	35.0	36.7	+1.7

# Cash Flows / R&D / CAPEX / Depreciation

(Forecasts of FY2025 announced in August vs. November)

(¥ Bil.)		FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.
	Profit before tax	138.4	135.0	145.0	+10.0
	Depreciation	72.1	70.0	70.0	-
	Other	5.0	15.0	15.0	-
	<b>EBITDA</b>	215.6	220.0	230.0	+10.0
	Expenditures related to the additional inspection program of PW1100G-JM engines *1	(39.3)	(45.0)	(45.0)	-
	Change in working capital *2	(1.2)	(43.0)	(43.0)	-
	Other	2.4	(32.0)	(42.0)	(10.0)
	<b>Cash flows from operating activities</b>	177.6	100.0	100.0	-
	<b>Cash flows from investing activities</b>	(58.8)	(90.0)	(90.0)	-
	<b>Free cash flows</b>	118.8	10.0	10.0	-

\*1: Expenditures related to the additional inspection program for PW1100G-JM engines are shown separately from conventional "change in 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

(¥ Bil.)		FY2024	FY2025 Forecast (in August)	FY2025 Forecast (in November)	Change Nov. - Aug.
	<b>R&amp;D</b>	34.0	45.0	45.0	-
	<b>CAPEX</b>	97.4	110.0	110.0	-
	<b>Depreciation</b>	72.1	70.0	70.0	-

# Financial Performance

IHI

(¥ Bil.)

	IFRS								IFRS
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Q2 FY2025	FY2025 (Forecast)	FY2025 (Forecast in Aug.)
Orders received	1,280.0	1,097.0	1,261.2	1,366.1	1,376.8	1,751.1	893.4	1,850.0	1,790.0
Revenue	1,263.1	1,112.9	1,172.9	1,352.9	1,322.5	1,626.8	713.6	1,640.0	1,650.0
Operating profit	47.8	27.9	81.4	81.9	(70.1)	143.5	69.4	160.0	150.0
Profit attributable to owners of parent	8.2	13.0	66.0	44.5	(68.2)	112.7	55.9	125.0	120.0
EPS [Yen] (*1)	7.70	12.59	62.82	42.07	(64.40)	106.41	52.76	117.49	112.85
EBITDA	95.4	92.3	91.1	151.1	(*) 175.0	215.6	106.2	230.0	220.0
Cash flows from operating activities	42.4	36.3	114.1	54.1	62.1	177.6	(57.1)	100.0	100.0
Cash flows from investing activities	(85.5)	(40.4)	27.9	(52.3)	(51.6)	(58.8)	(22.9)	(90.0)	(90.0)
Free cash flows	(43.0)	(4.1)	142.0	1.7	10.4	118.8	(80.1)	10.0	10.0
Dividends per share (yen) (*1) (Interim/Year-end)	7.14 (4.29 / 2.86)	0	10.00 (4.29 / 5.71)	12.86 (5.71 / 7.14)	14.29 (7.14 / 7.14)	17.14 (7.14 / 10.00)	-	20.00 (10.00 / 10.00)	20.00 (10.00 / 10.00)
Operating margin [%]	3.8	2.5	6.9	6.1	(5.3)	8.8	9.7	9.8	9.1
ROIC [%]	4.1	2.2	6.4	6.3	(4.9)	10.5	-	10.6	9.9
ROE [%]	2.8	4.5	19.3	11.0	(16.9)	26.3	-	23.8	23.0
CCC [days]	92	124	112	120	(*) 132	(*) 115	-	-	(*) 123
D/E ratio [times]	2.00	1.85	1.24	1.14	1.43	1.01	1.03	0.97	0.98
Ratio of equity attributable to owners of parent [%]	15.0	16.4	20.3	22.2	17.9	21.5	23.1	24.5	24.4

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

ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

CCC = Working capital / Revenue \* 365 days

D/E ratio = Interest-bearing liabilities / Total equity

Ratio of equity attributable to owners of parent = Equity attributable to owners of parent / Total liabilities and equity

(\*1): Figures have been retrospectively adjusted for the 7-for-1 stock split implemented in October 2025 and rounded to the nearest second decimal place.

(\*2): Excluding loss related to the IHI E&C litigation settlement impact and the additional inspection program for PW1100G-JM engines.

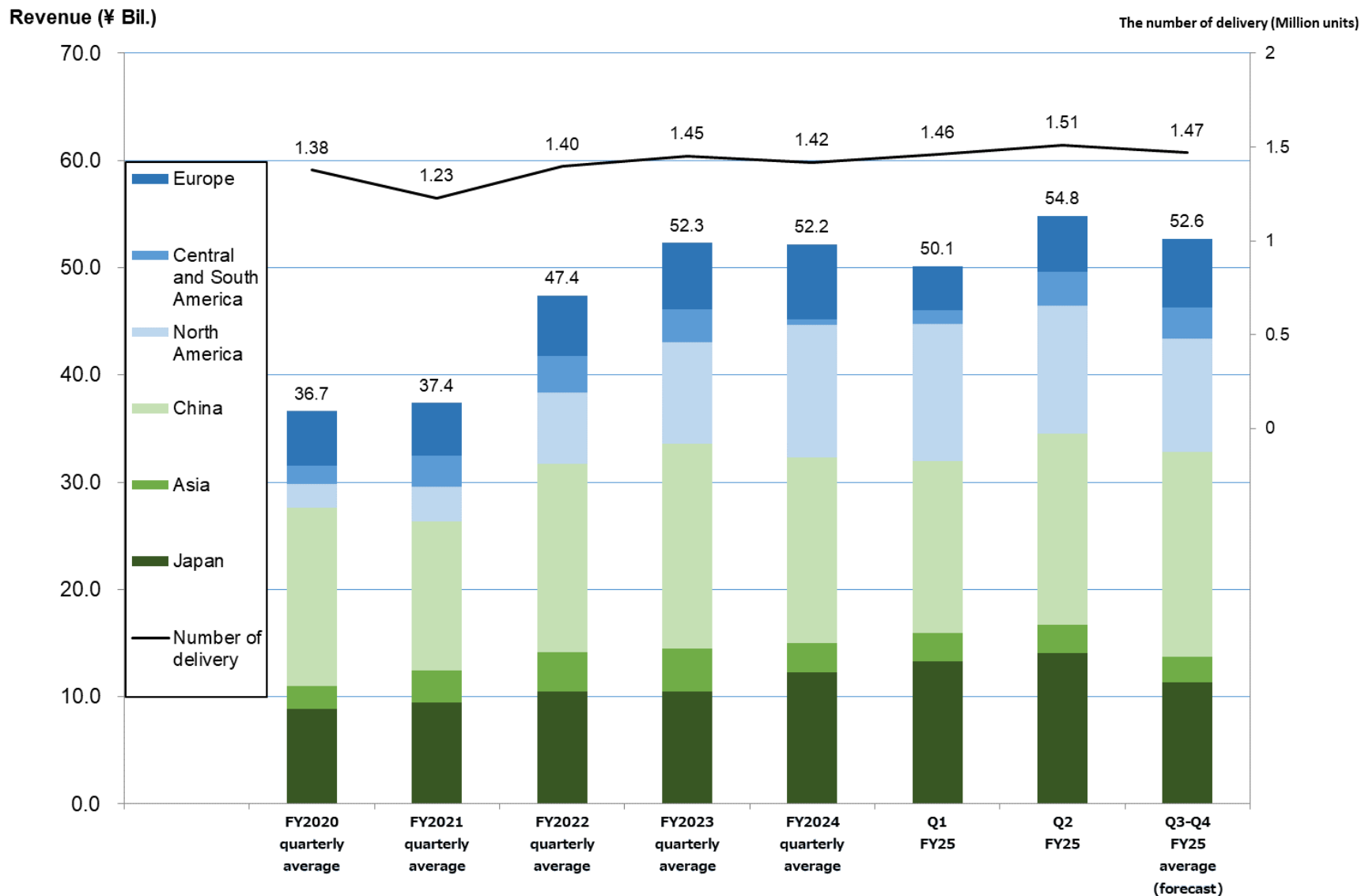
# Revenue & Number of Civil Aero Engines Delivered

	Japanese GAAP				IFRS								Main aircraft
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25		
											Q2	Forecast	
Revenue (¥ Bil.)	299.1	291.5	281.0	318.5	222.4	101.7	123.3	201.4	97.0	351.6	185.1	400.0	
Cumulative total of civil aero engines delivered (Units)													
V2500	6,896	7,236	7,508	7,688	7,735	7,740	7,756	7,776	7,782	7,801	7,808		Airbus A319/320/321
GE90	2,257	2,457	2,617	2,715	2,824	2,885	2,925	2,968	3,029	3,085	3,116		Boeing B777
CF34	4,471	4,821	5,085	5,331	5,611	5,798	5,926	6,085	6,201	6,321	6,380		Regional jets (70 to 110 pessangers)
GE <sub>nx</sub>	1,035	1,295	1,542	1,826	2,159	2,328	2,425	2,494	2,577	2,657	2,717		Boeing B787/B747-8
PW1100G	16	148	398	1,058	1,784	2,144	2,585	3,146	3,821	4,502	4,823		Airbus A320neo
Passport 20			13	66	142	202	269	335	406	480	513		Bombardier Global 7500
GE9X											3		Boeing B777X
Total	14,675	15,957	17,163	18,684	20,255	21,097	21,886	22,804	23,816	24,846	25,360	26,149	
Number of Civil aero engines delivered in a single fiscal year (Units)	1,260	1,282	1,206	1,521	1,571	842	789	918	1,012	1,030	514	1,303	

# Revenue by Region & Number of Vehicular Turbochargers Delivered

(¥ Bil.)	Japanese GAAP				IFRS							
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY 25	
											2Q YTD	Forecast
Japan	34.6	38.9	39.8	44.6	39.1	35.4	38.0	41.8	42.1	49.1	27.4	50.0
Asia	21.6	15.8	11.7	11.0	10.7	8.5	11.8	14.9	15.8	10.9	5.2	10.0
China	24.9	48.5	71.9	63.1	57.2	66.5	55.4	70.2	76.6	69.4	33.9	72.0
North America	2.4	3.3	8.4	11.6	10.8	9.0	13.1	26.4	37.8	49.2	24.8	46.0
Central and South America	3.4	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.1	2.3	4.3	10.0
Europe	74.3	61.7	81.1	51.3	28.9	19.9	19.5	22.3	24.5	27.5	9.3	22.0
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.0	0.0
Total	161.6	174.6	220.5	189.5	153.6	146.6	149.4	189.5	209.0	208.6	104.9	210.0
The number of delivery (Million Units)	5.36	6.10	7.90	6.76	6.00	5.51	4.92	5.59	5.81	5.67	2.97	5.90

# Revenue by Region & Number of Vehicular Turbochargers Delivered IHI



## (1) Lease revenue in the Toyosu area

(¥ Bil.)	Japanese GAAP				IFRS							
	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	
											Q2	Forecast
Lease revenue	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0	12.2	6.2	12.6

## (2) Lease revenue and expenses in the Toyosu area

(¥ Bil.)	Lease revenue	Lease expense		Difference
		Depreciation	Others	
Q2 FY2025	6.2	2.2	2.2	+1.7

## (3) Fair value of investment property in the Toyosu area

(¥ Bil.)	Carrying amount balance			Fair value as of March 31, 2025 (B)	(B) - (A)
	As of April 1, 2024	Net change	As of March 31, 2025 (A)		
FY2024	97.3	(4.4)	92.9	222.6	129.6

Note: Amounts are as of the end of the previous year.



# Progress on Reformation of Business Structure

Implement business structural reforms to thoroughly improve profitability and efficiency.

Publication date	Business	Overview
FY2023	Vehicular turbochargers	<ul style="list-style-type: none"> <li>Structural reforms, such as impairment losses on fixed assets in the overseas consolidated subsidiary, IHI Charging Systems International GmbH (ICSI)</li> </ul>
Sep.26, 2024	Vehicular turbochargers	<ul style="list-style-type: none"> <li>Policy resolution for the dissolution of ICSI</li> </ul>
Oct.28, 2024	Packaged boiler	<ul style="list-style-type: none"> <li>Decision to transfer shares of IHI PACKAGED BOILER CO.,LTD. (IBK) to TAKUMA CO., LTD.</li> <li>Completed transfer of 100% of IBK shares on April 1, 2025</li> </ul>
Nov.6, 2024	Materials handling systems	<ul style="list-style-type: none"> <li>Decision to transfer the Materials handling system business of IHI Transport Machinery Co.,Ltd. (IUK) to Tadano Ltd.</li> <li>Completed transfer on July 1, 2025</li> </ul>
Nov.25, 2024	Turf Care Machinery	<ul style="list-style-type: none"> <li>Decision to transfer the Turf Care Machinery Business of IHI Agri-Tech Corporation (IAT) to Kyoisha Co., Ltd.</li> <li>Completed transfer on June 1, 2025</li> </ul>
Mar.27, 2025	Concrete construction materials	<ul style="list-style-type: none"> <li>Decision to transfer shares of IHI CONSTRUCTION MATERIALS Co., Ltd. (IKK), to Vertex Corporation.</li> <li>Completed transfer 100% of IKK shares on October 1, 2025</li> </ul>
Jun.26, 2025	Investments accounted for using equity method	<ul style="list-style-type: none"> <li>Agreed to transfer some shares of Japan Marine United Corporation (JMU), to Imabari Shipbuilding Co., Ltd.</li> <li>Scheduled to transfer 15% of JMU shares after notifications to and approvals from relevant domestic and international authorities.</li> </ul>
Aug.6, 2025	Transport systems	<ul style="list-style-type: none"> <li>Decision to transfer shares of NIIGATA TRANSYS CO.,LTD. (NTS) to J-Will Partners Co., Ltd. Group</li> <li>Scheduled to transfer 100% of NTS shares on December 30, 2025</li> </ul>
Aug.6, 2025	Weather, Disaster prevention, Space	<ul style="list-style-type: none"> <li>Decision to transfer shares of Meisei Electric Co., Ltd. (MEISEI) to NOHMI BOSAI LTD.</li> <li>Scheduled to transfer 100% of MEISEI shares on February 2, 2026</li> </ul>

# Impact of Business Portfolio Reform

- ✓ “FY2024 Proforma” is shown as performance of FY2024 in the assumption of business portfolio reform announced, would have been completed by end of FY2023.

	<b>FY2024 Published actual results</b>	<b>FY2024 Proforma</b>	<b>Difference</b>
<b>Revenue</b>	<b>1,626.8 Bil.</b>	<b>1,532.0 Bil.</b>	<b>(94.8) Bil.</b>
<b>Operating profit</b>	<b>8.8%</b>	<b>9.7%</b>	<b>+ 1pt</b>
<b>ROIC</b>	<b>10.5%</b>	<b>11.5%</b>	<b>+ 1pt</b>



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, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. Please be aware 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 yen exchange rates including against the US dollar.