

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

IHI

May 8, 2026

IHI Corporation

Managing Executive Officer In Charge of Group Finance & Accounting
Hiromi Oshima

- 1. Highlights**
- 2. Consolidated Results for FY2025**
- 3. Forecasts of Consolidated Results for FY2026**
- 4. Capital Allocation Plan (FY2026-FY2028)**
- 5. Appendix**

Note 1: Figures for each item are rounded down to the nearest 0.1 billion yen.

Note 2: Segment abbreviations used in the text are as follows:

Resources, Energy & Environment Business Area: "Energy Segment"

Social Infrastructure Business Area: "Infrastructure Segment"

Industrial Systems & General-Purpose Machinery Business Area: "Industrial Systems Segment"

Aero Engine, Space & Defense Business Area: "Aerospace Segment"

Results for FY2025

Summary of business results

- Surging demand in Nuclear energy business propels [order intake to historic peaks](#)
- Record Revenue and Operating profit achieved as growth in Defense and Nuclear businesses and asset disposals effectively offsets structural transformation costs
- Achieving [all-time high Net Income](#) through enhanced profitability and tax effect

Orders	¥1,954.7 Bil. Year-on-Year(YoY):+¥203.6 Bil.	Revenue	¥1,643.4 Bil. YoY:+¥16.5 Bil.	Operating Profit	¥165.5 Bil. [10.1%] YoY:+¥22.0 Bil. [+1.3 pt.]
EBITDA	¥241.8 Bil. [14.7%] YoY:+¥26.2 Bil. [+1.4 pt.]	Profit Attributable to Owners of Parent	¥160.9 Bil. YoY:+¥48.2 Bil.	CF from Operating Activities	¥121.3 Bil. YoY:(¥56.2) Bil.

Forecasts of FY2026

Summary of business results

- Despite the expansion of orders in the Civil aero engines and Defense business, overall orders are expected to decline due to the rebound from large projects in the energy business in FY2025
- [Record Revenue, Operating Profit, and Profit Attributable to Owners of Parent are expected to achieve for three consecutive fiscal years](#), driven by strong growth in the Civil aero engines and Defense business as well as large planned asset sales, although buffers for geopolitical and other risks have been incorporated

Orders	¥1,760.0 Bil. YoY:(¥194.7) Bil.	Revenue	¥1,830.0 Bil. YoY:+¥186.5 Bil.	Operating Profit	¥240.0 Bil. [13.1%] YoY:+¥74.4 Bil. [+3.0 pt.]
EBITDA	¥320.0 Bil. [17.5%] YoY:+¥78.1 Bil. [+2.8 pt.]	Profit Attributable to Owners of Parent	¥165.0 Bil. YoY:+¥4.0 Bil.	CF from Operating Activities	¥100.0 Bil. YoY:(¥21.3) Bil.

Consolidated Results for FY2025

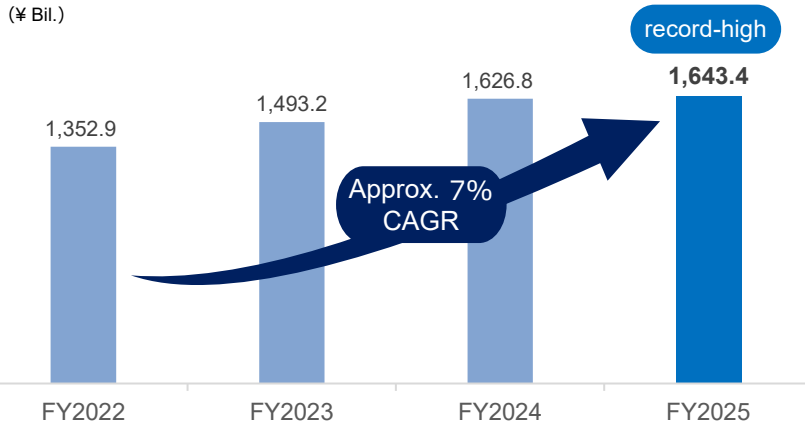


Consolidated Results for FY2025

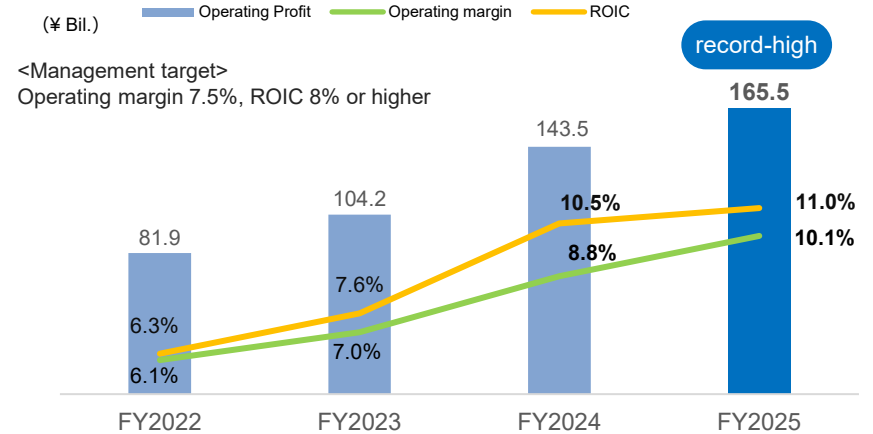
Results of Group Management Policies 2023

- Operating margin and ROIC targets achieved ahead of plan, but CCC remains unmet and cash generation is still a challenge
- Delivering record-high Revenue and Operating profit results with robust EPS growth

Expansion of Revenue



Improvements in profitability and efficiency



Cash generation

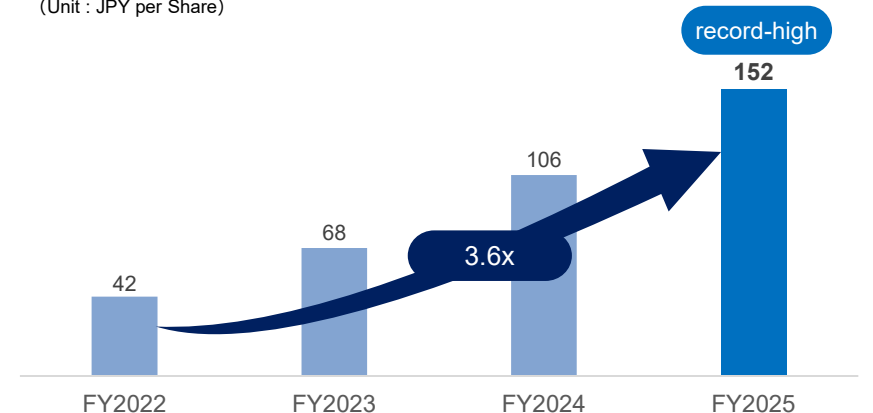
<Management target> CCC 100 days

CCC (in FY2025)	109 days
Cumulative operating CF (3-year Total)	¥ 361.1 Bil.
Asset disposals* (3-year Total)	Approx. ¥ 100.0 Bil.

*Sale of investment property, sales of cross-held shares, and business divestitures

Growth in EPS

(Unit : JPY per Share)



[Note] Excluding special factors in FY2023 (the additional inspection program for PW1100G-JM engines and losses related to the IHI E&C litigation impact)

Consolidated Results for FY2025

Overview of Financial Results



- Significant revenue and profit growth driven by Civil aero engines, Defense, and Nuclear energy, supported by asset disposals and tax effects
- Record highs across Orders, Revenue, Operating profit, Profit before tax and Profit attributable to owners of parent

(¥ Bil.)	FY2024	FY2025	Change
Orders received	1,751.1	1,954.7	[+11.6%] +203.6
Revenue	1,626.8	1,643.4	[1.0%] +16.5
Operating profit [%]	[8.8%] 143.5	[10.1%] 165.5	[+1.3pt] +22.0
Finance income / costs etc.	(5.0)	19.9	+24.9
Profit before tax [%]	[8.5%] 138.4	[11.3%] 185.4	[+2.8pt] +47.0
Profit attributable to owners of parent [%]	[6.9%] 112.7	[9.8%] 160.9	[+2.9pt] +48.2
EPS [Yen]	106.41	151.88	+45.47
EBITDA [%]	[13.3%] 215.6	[14.7%] 241.8	[+1.4pt] +26.2
Cash flows from operating activities	177.6	121.3	(56.2)
ROIC	10.5%	11.0%	+0.5 pt
ROE	26.3%	28.4%	+2.1 pt
Average FX rate [Yen/USD]	152.84	151.09	(1.75)
Closing FX rate [Yen/USD]	149.45	159.84	+10.39

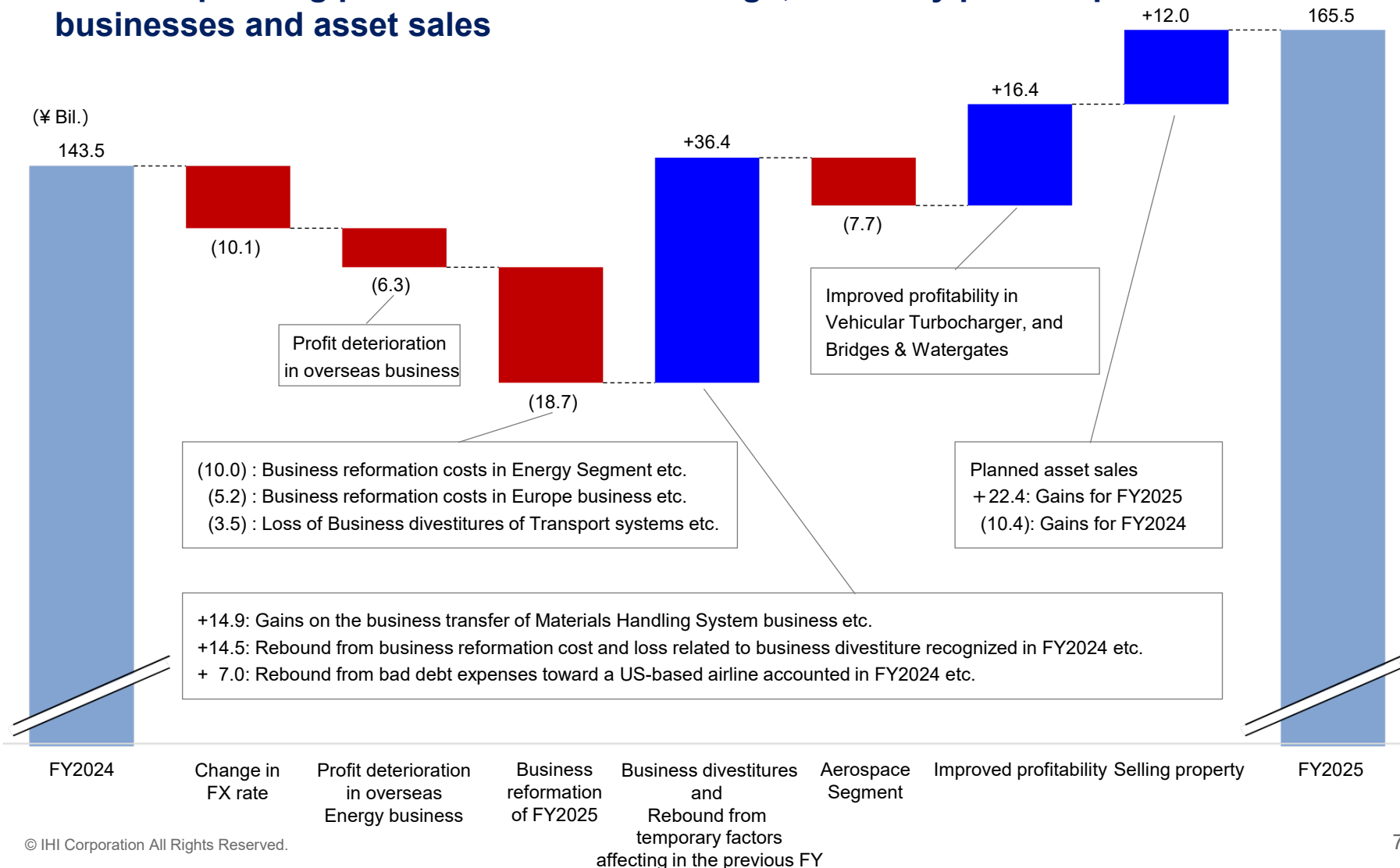
[Note]

The revenue includes the impact of FX revaluation related to the additional inspection program for PW1100G-JM engines for ¥0.9 Bil. in FY2024, and (¥5.0) Bil. in FY2025. There is no change in the total estimated amount (USD) of the impact related to the additional inspection program for PW1100G-JM engines.

Consolidated Results for FY2025

Factors of Change in Operating Profit (Group-Wide)

- Executed thorough business reformation primarily in the overseas Energy business which is facing profit deterioration
- Overall operating profit reached a record-high, driven by profit improvement in other businesses and asset sales

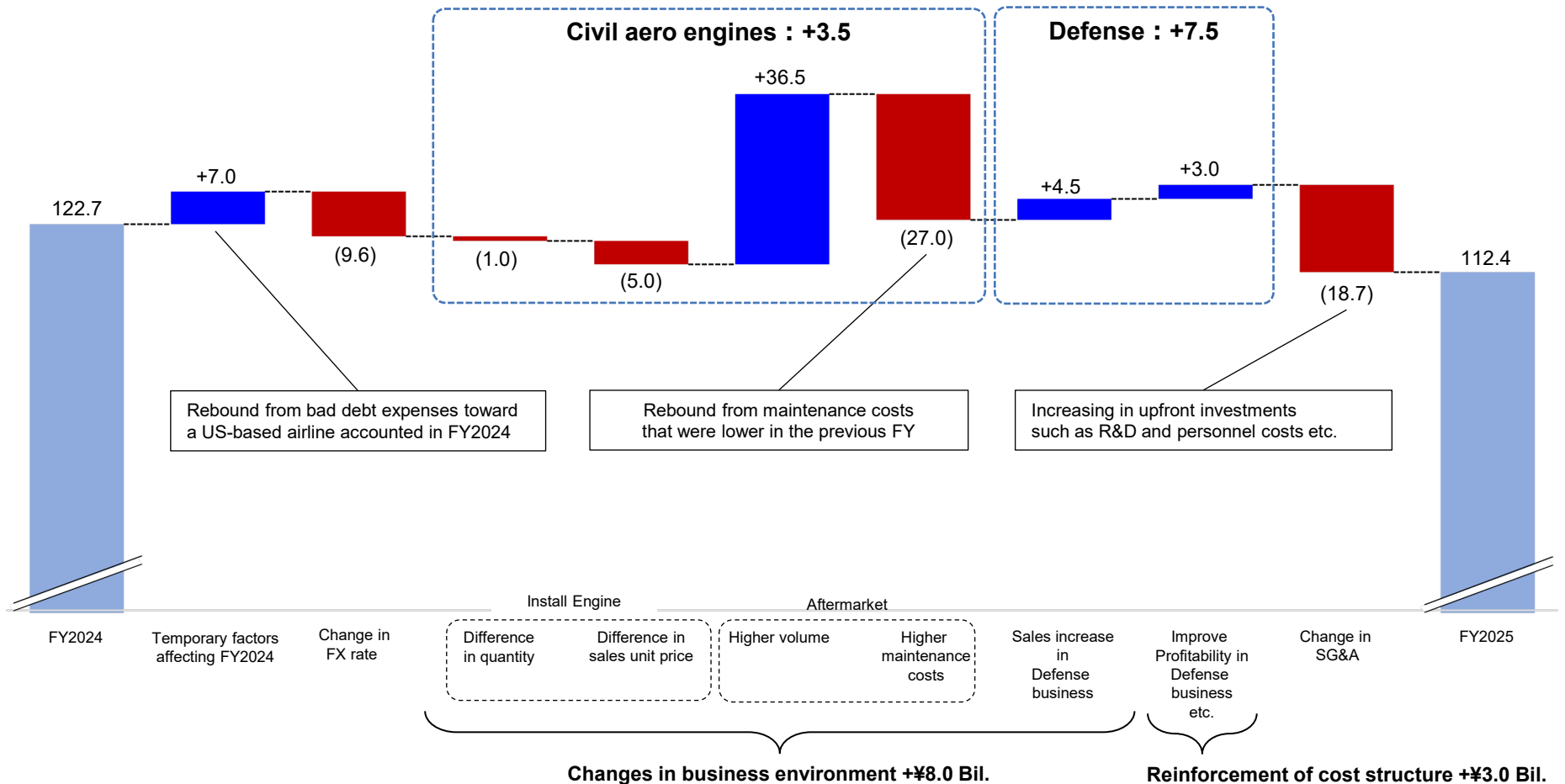


Consolidated Results for FY2025

Factors of Change in Operating Profit (Aerospace Segment)

- The aftermarket business in the Civil aero engines continued to expand steadily, with delayed maintenance cost recognition from previous FY
- Despite increasing profit in the Defense business, upfront investments such as R&D costs dragged down the overall operating profit

(¥ Bil.)



Consolidated Results for FY2025

Financial Position

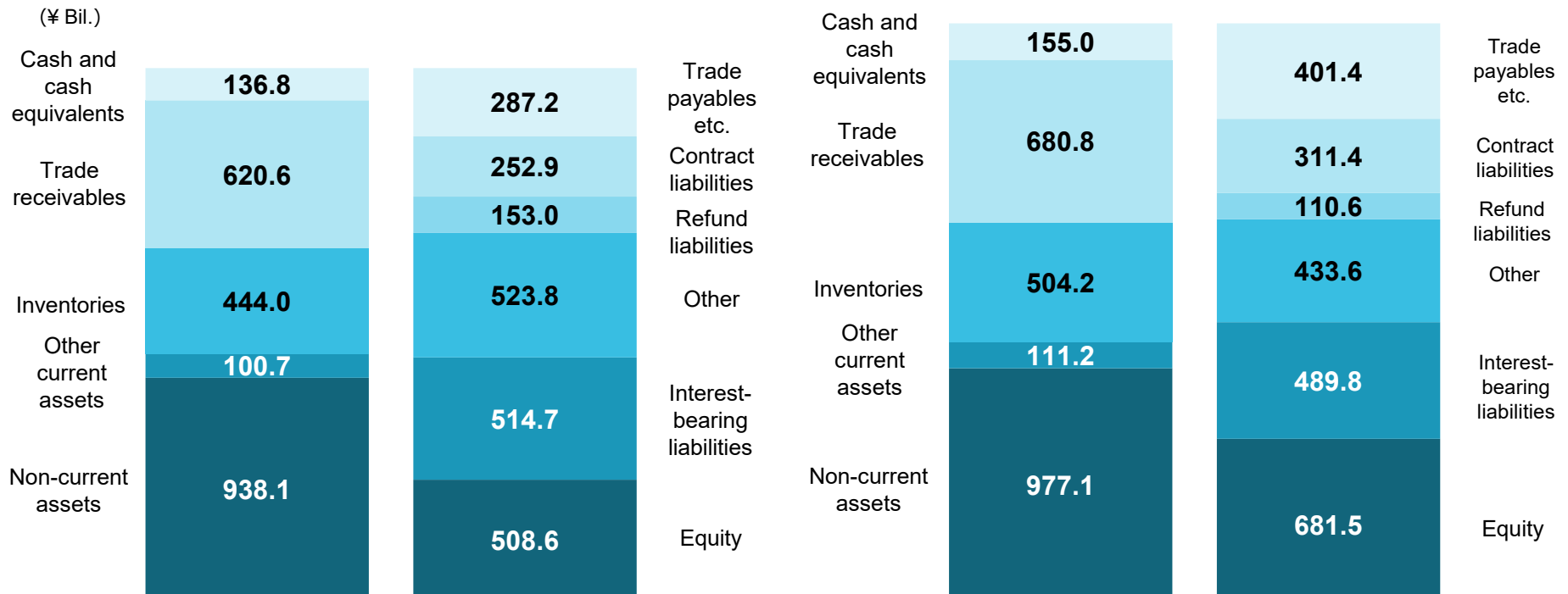
- The D/E ratio and the Ratio of equity attributable to owners of parent improved, reflecting profit accumulation and repayment of interest-bearing liabilities
- CCC and ROIC continue to improve, despite an increase in total assets in line with business expansion

As of March 31, 2025

Total assets : ¥ 2,240.3 Bil.
 D/E ratio : 1.01 times
 Ratio of equity attributable to owners of parent : 21.5%
 CCC : 115 days
 ROIC : 10.5%

As of March 31, 2026

Total assets : ¥ 2,428.5 Bil. [+¥188.1 Bil.]
 D/E ratio : 0.72 times [improved 0.29pt]
 Ratio of equity attributable to owners of parent : 26.9% [+5.4pt]
 CCC : 109 days [improved 6 days]
 ROIC : 11.0% [+0.5pt]



Forecasts of Consolidated Results for FY2026



Forecasts of Consolidated Results for FY2026

Performance Outlooks

- Civil aero engines and Defense posted higher orders, yet overall orders are expected to fall as orders in the Energy business decline due to large projects rebound
- Significant Revenue and Operating profit expansion driven by Civil aero engines and Defense businesses growth and active portfolio optimization
- Revenue, Operating profit, Profit before tax, and Profit attributable to owners of parent expected to reach record highs for the third consecutive year

(¥ Bil.)	FY2025	FY2026	Change
Orders received	1,954.7	1,760.0	(194.7)
Revenue	1,643.4	1,830.0	+186.5
Operating profit [%]	[10.1%] 165.5	[13.1%] 240.0	+74.4
Profit before tax [%]	[11.3%] 185.4	[12.6%] 230.0	+44.5
Profit attributable to owners of parent [%]	[9.8%] 160.9	[9.0%] 165.0	+4.0
EPS [Yen]	151.88	155.09	+3.21
EBITDA [%]	[14.7%] 241.8	[17.5%] 320.0	+78.1
Assumed FX rate [Yen/USD]	151.09	145.00	(6.09)

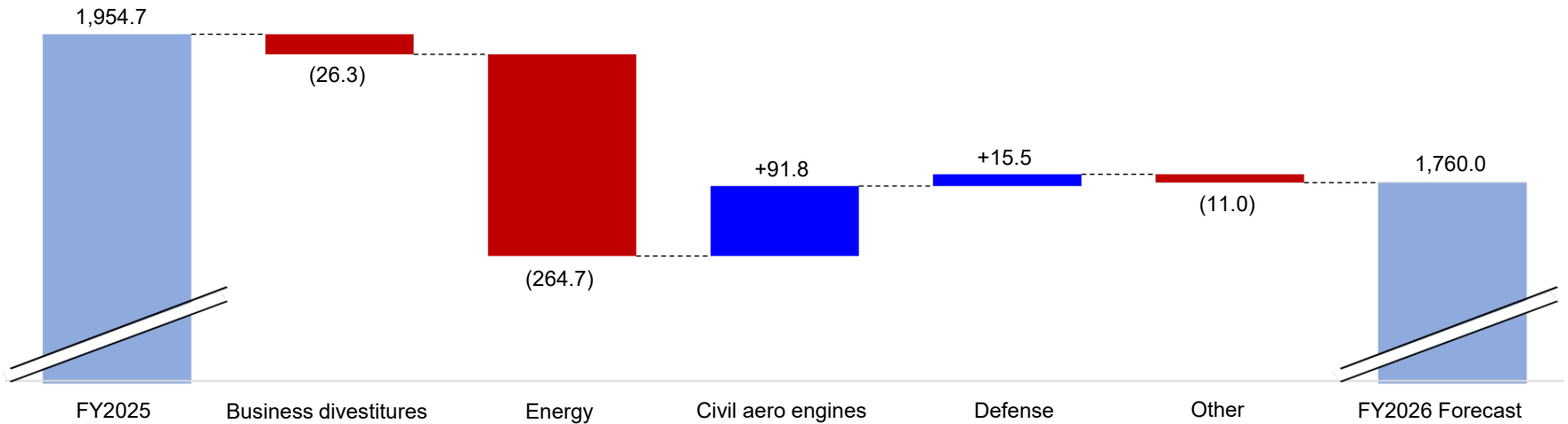
[Reference] FX rate sensitivity (impact of a 1-yen fluctuation on operating profit for FY2026 forecast: USD 2.0 ¥ Bil.
(Excluding the FX impact of the additional inspection program for PW1100G-JM.)

Forecasts of Consolidated Results for FY2026

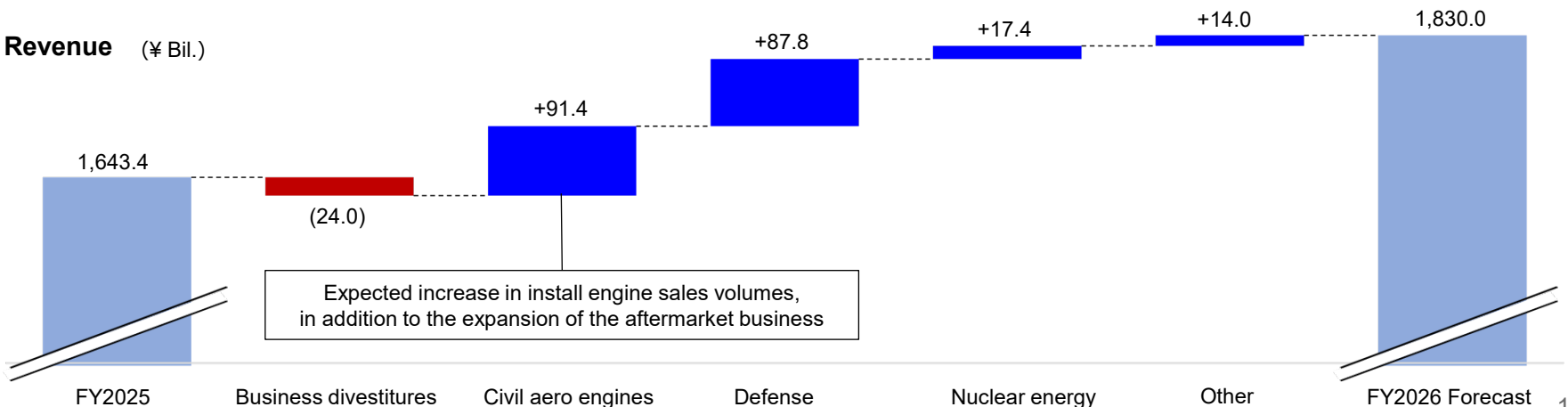
Factors of Change in Revenue (Group-Wide)

- **Orders:** The Civil aero engines business is expected to expand steadily, while expected declines in the Energy business due to a rebound from large projects in the previous year
- **Revenue:** Expected to reach a record-high, significantly contributed by the Civil aero engines and Defense businesses

Orders (¥ Bil.)



Revenue (¥ Bil.)



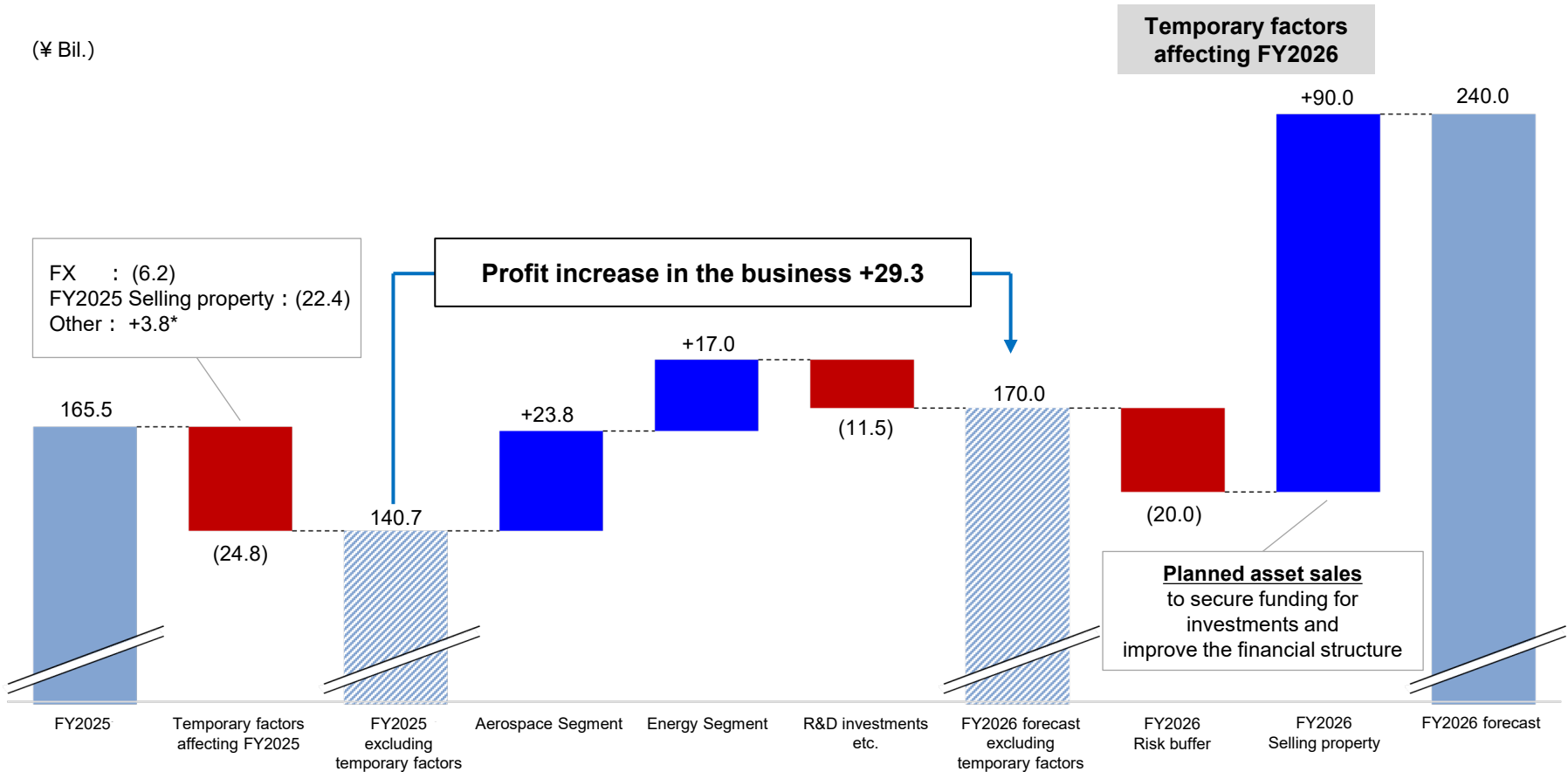
Forecasts of Consolidated Results for FY2026

Factors of Change in Operating Profit (Group-Wide)

- Record-high profit is expected, supported by significant profit in Aerospace segment and Energy segment as well as asset disposals, even after factoring in buffers for geopolitical risks and structural reforms

Assumed exchange rate for FY2026 earnings forecast : 145 JPY/USD
 (FX rate sensitivity (impact of a 1-yen fluctuation on operating profit for FY2026 forecast: USD 2.0 ¥ Bil.)

(¥ Bil.)

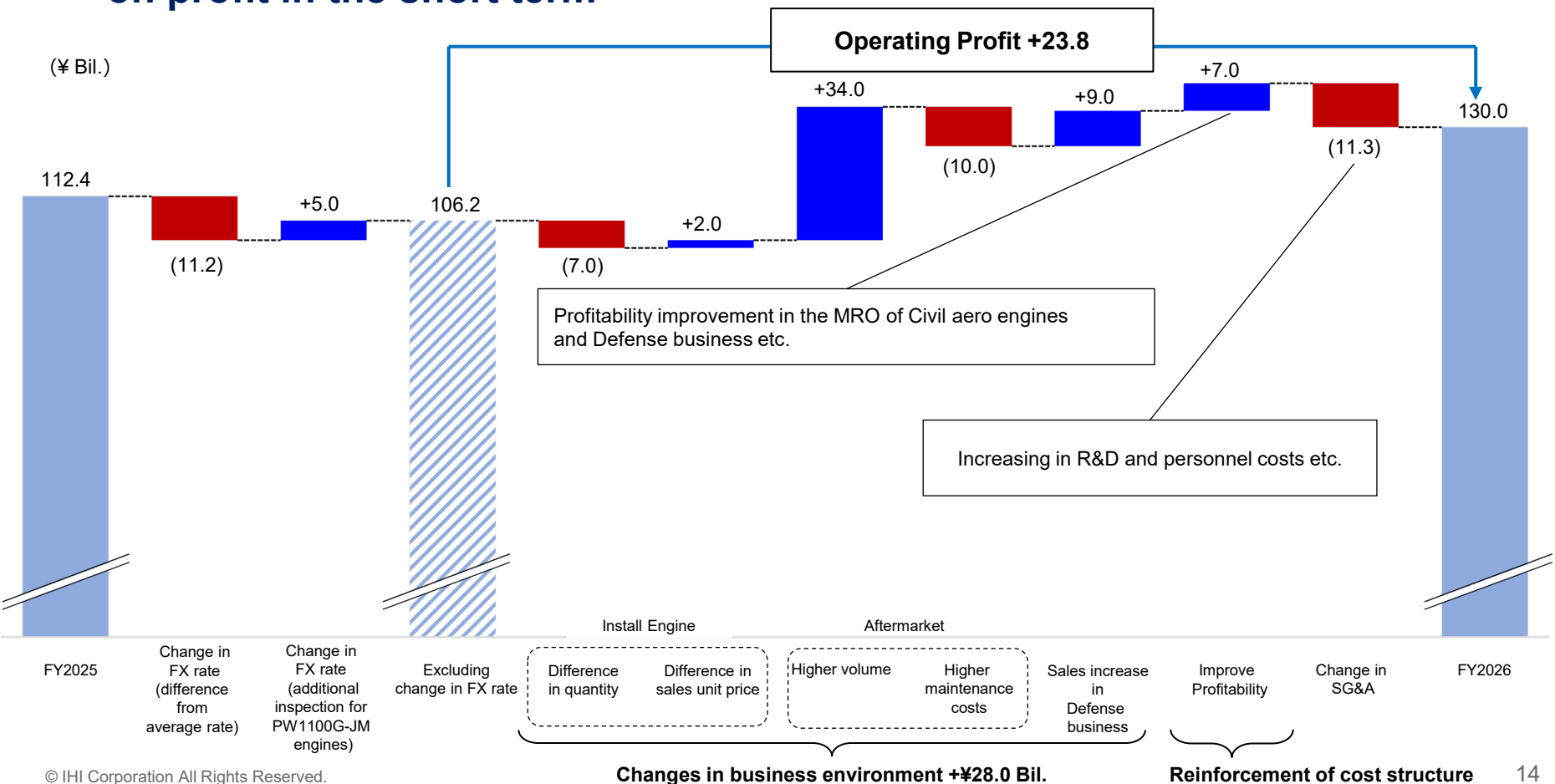


*+3.8 : Rebound from business reformation cost in FY2025 + 18.7, Rebound from gains on business transfer of Materials handling system etc. in FY2025 (14.9)

Forecasts of Consolidated Results for FY2026

Factors of Change in Operating Profit (Aerospace Segment)

- Profit is expected to increase significantly as the Civil aero engines and Defense businesses grow steadily
- Higher install engine sales volumes are expected to contribute substantially to future profit growth, despite exerting downward pressure on profit in the short term



Business Portfolio Reform

- Executed decisive portfolio reforms via introducing external capital and liquidations to enhance profitability and capital efficiency

Publication date	Business	Overview
Oct.28, 2024	Packaged boiler	<ul style="list-style-type: none"> Completed transfer 100% shares of IHI PACKAGED BOILER CO.,LTD. to TAKUMA CO., LTD. (April 1, 2025)
Nov.6, 2024	Materials Handling Systems	<ul style="list-style-type: none"> Completed transfer the Materials Handling System business of IHI Transport Machinery Co.,Ltd. to Tadano Ltd. (July 1, 2025)
Nov.25, 2024	Turf care machinery	<ul style="list-style-type: none"> Completed transfer the Turf care machinery business of IHI Agri-Tech Corporation to Kyoeshisa Co., Ltd. (June 1, 2025)
Mar.27, 2025	Concrete construction materials	<ul style="list-style-type: none"> Completed transfer 100% shares of IHI CONSTRUCTION MATERIALS Co., Ltd., to Vertex Corporation. (October 1, 2025)
Jun.26, 2025	Investments accounted for using equity method	<ul style="list-style-type: none"> Completed transfer 15% shares of Japan Marine United Corporation, to Imabari Shipbuilding Co., Ltd. (January 5, 2026)
Aug.6, 2025	Transport systems	<ul style="list-style-type: none"> Completed transfer 100% shares of Niigata Transsys Co.,LTD. to J-Will Partners Co., Ltd. Group (December 30, 2025)
Aug.6, 2025	Weather, disaster prevention, space	<ul style="list-style-type: none"> Completed transfer 100% shares of Meisei Electric Co., Ltd. to NOHMI BOSAI LTD. (February 2, 2026)
Feb.2, 2026	Carbon solution	<ul style="list-style-type: none"> Completed transfer 100% shares of Kotobuki Iron Works Co., Ltd. to TSUNEISHI IRON WORKS Co., Ltd. (February 1, 2026)
Feb.10, 2026	Carbon solution (Overseas)	<ul style="list-style-type: none"> Initiated the liquidation process (Employee dismissal etc.) for IHI Energy Solutions Inc. on January 12, 2026. Completed substantial liquidation within fiscal year 2025.
Mar.16, 2026	Carbon Solution (Overseas)	<ul style="list-style-type: none"> Agreed to transfer 100% shares of IHI Power Services Corp. to Kyushu Electric Power Group (Scheduled to transfer at the end of May 2026)
May.8, 2026	Carbon Solution (Overseas)	<ul style="list-style-type: none"> Initiated the liquidation process for IHI SOLID BIOMASS MALAYSIA SDN. BHD.
May.8, 2026	Logistics & Machinery	<ul style="list-style-type: none"> Agreed to transfer 100% shares of IHI Logistics & Machinery Corporation to Toyota Industries Corporation. (Scheduled to transfer 80% shares on April 1, 2027 and 20% of the remaining shares after approximately 5 years of retention)

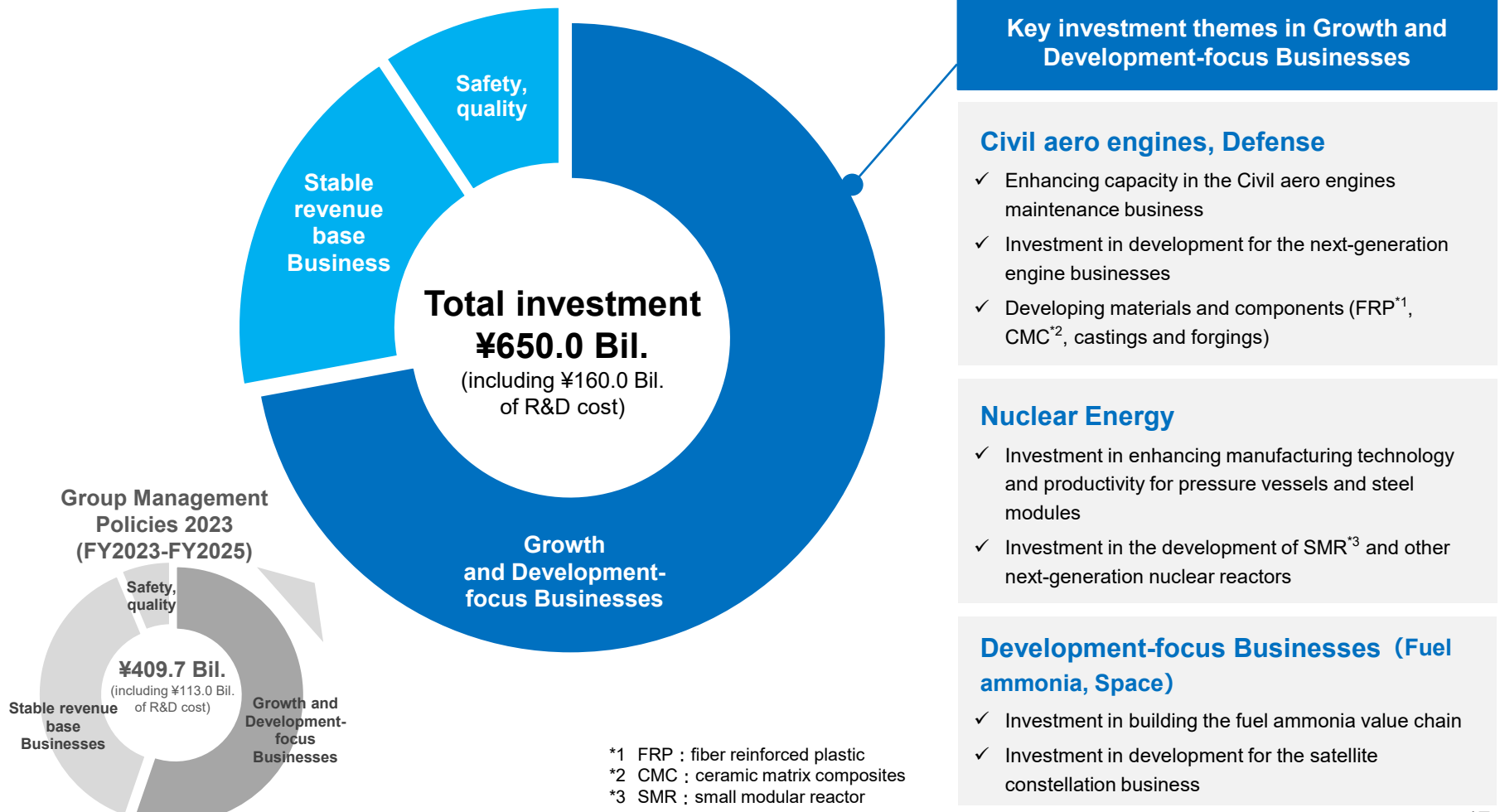
Capital Allocation Plan

(FY2026-FY2028)



Capital Allocation Plan (FY2026-FY2028)

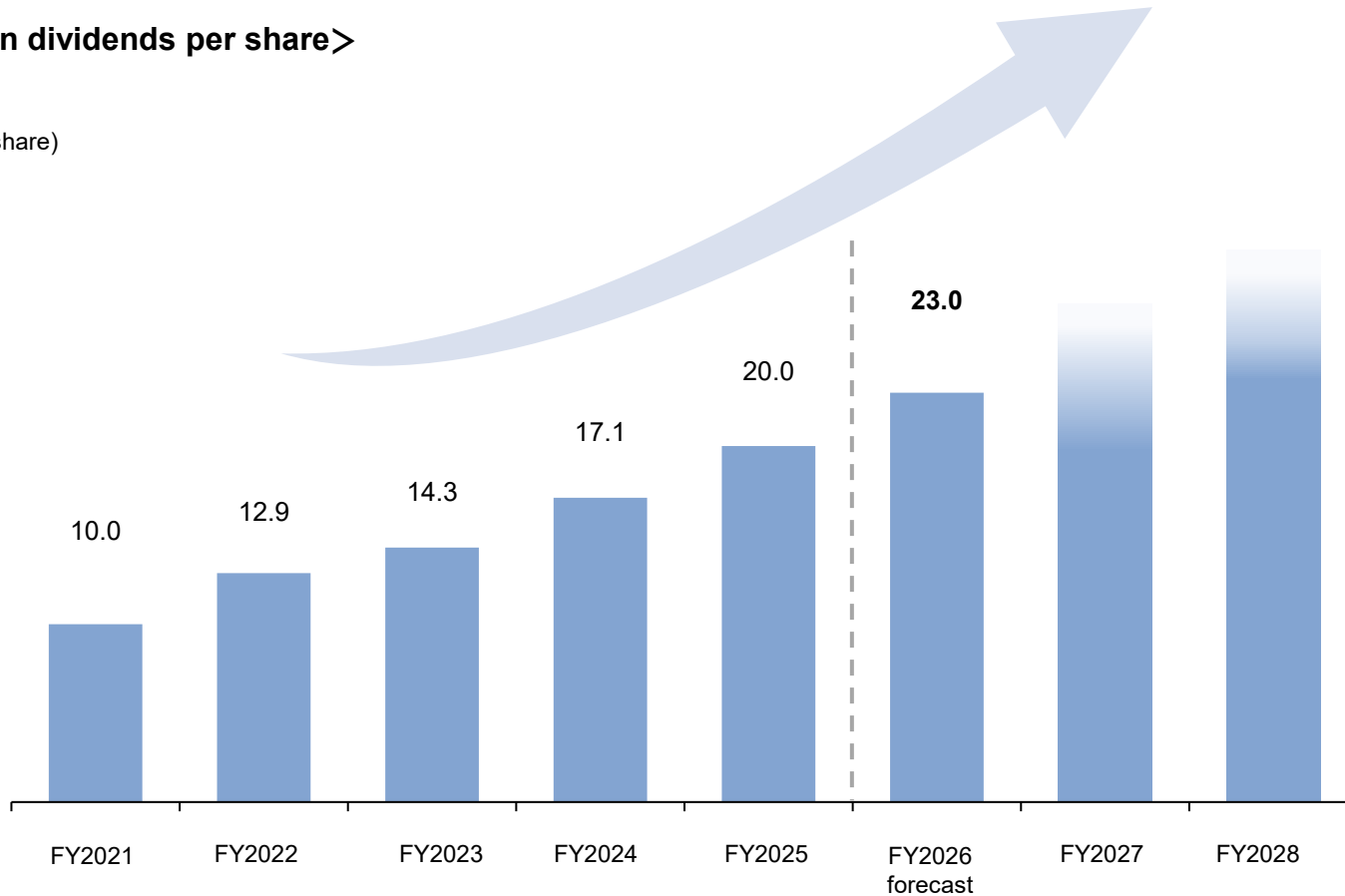
- Over the next three years, prioritizing capital allocation toward Civil aero engines, Defense, and Nuclear energy with strong mid-to-long-term growth potential, as well as to Development-focus Businesses as new growth-platform
- Targeting significant profitability enhancement and cash flow expansion from FY2029 and beyond



- Shareholder returns policy aims to balance stable dividend growth with prudent financial discipline

<Trend in dividends per share>

(¥ per share)



Aim for sustainable growth in dividends per share.

Appendix

Consolidated Results for FY2025

Year-on-Year

Overview of Financial Results by Segment (FY2024 vs. FY2025)

IHI

(¥ Bil.)	Orders received			Order backlog			Revenue			Operating profit [%]		
	FY2024	FY2025	Change	FY2024	FY2025	Change	FY2024	FY2025	Change	FY2024	FY2025	Change
Resources, Energy and Environment	370.3	624.7	+254.4	437.6	698.5	+260.9	411.4	376.7	(34.7)	16.1 [3.9%]	5.9 [1.6%]	(10.1) [(-2.3pt)]
Social Infrastructure	150.4	133.2	(17.1)	217.0	224.6	+7.6	146.0	131.9	(14.0)	(4.2) [(-2.9%)]	3.7 [2.8%]	+7.9 [+5.7pt]
Industrial Systems and General-Purpose Machinery	484.4	460.7	(23.6)	206.1	168.9	(37.1)	484.8	450.5	(34.3)	10.8 [2.2%]	30.7 [6.8%]	+19.9 [+4.6pt]
Aero Engine, Space and Defense	719.9	703.1	(16.8)	605.9	656.6	+50.6	555.7	651.7	+96.0	122.7 [22.1%]	112.4 [17.3%]	(10.3) [(-4.8pt)]
Total Reportable Segment	1,725.1	1,921.9	+196.8	1,466.7	1,748.8	+282.0	1,598.0	1,610.8	+12.8	145.4	152.8	+7.4
Other	75.5	81.1	+5.5	20.6	19.5	(1.1)	77.2	84.3	+7.1	16.8	35.8	+19.0
Adjustment (including corporate overhead costs)	(49.5)	(48.3)	+1.1	-	-	-	(48.4)	(51.8)	(3.4)	(18.7)	(23.2)	(4.4)
Total	1,751.1	1,954.7	+203.6	1,487.3	1,768.3	+280.9	1,626.8	1,643.4	+16.5	143.5 [8.8%]	165.5 [10.1%]	+22.0 [+1.3pt]
Overseas	814.0	898.1	+84.0	289.1	361.6	+72.4	873.8	832.3	(41.5)			
Percentage of Overseas	46%	46%	-	19%	20%	+1pt	54%	51%	(3pt)			

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

(FY2024 vs. 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	+0.7	+0.6	(6.3)	(0.5)	+0.6	(10.0)	+4.8	(10.1)
Social Infrastructure	+0.7		+5.2		(1.3)	(3.5)	+6.8	+7.9
Industrial Systems and General-Purpose Machinery	+0.3	+2.6	+12.5		(1.3)	(5.2)	+11.0	+19.9
Aero Engine, Space and Defense	+8.0		+3.0	(3.7)	(18.7)		+7.0	
The additional inspection program for PW1100G-JM engines				(5.9)				(10.3)
Total Reportable Segment	+9.7	+3.2	+14.4	(10.1)	(20.7)	(18.7)	+29.6	+7.4
Other	+0.2						+18.8	+19.0
Adjustment (including corporate overhead costs)					(4.4)			(4.4)
Total	+9.9	+3.2	+14.4	(10.1)	(25.1)	(18.7)	* +48.4	+22.0

* The total change in "Other" of +48.4 includes +36.4 from "Business divestitures and Rebound from temporary factors affecting in the previous FY" and +12.0 from "Selling property", as explained on page 7.

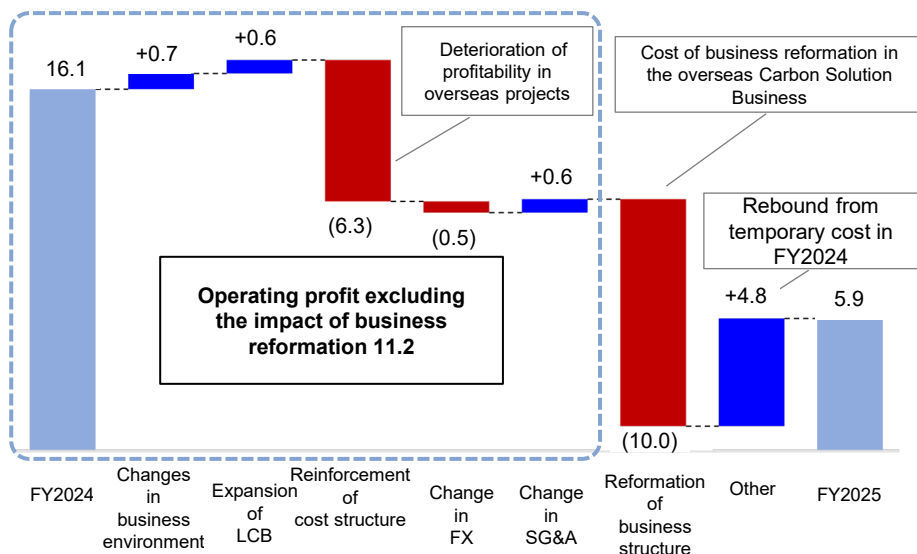
Notes:

- There are cases where the aggregated amount of each segment or factor doesn't match the total due to rounding. 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."

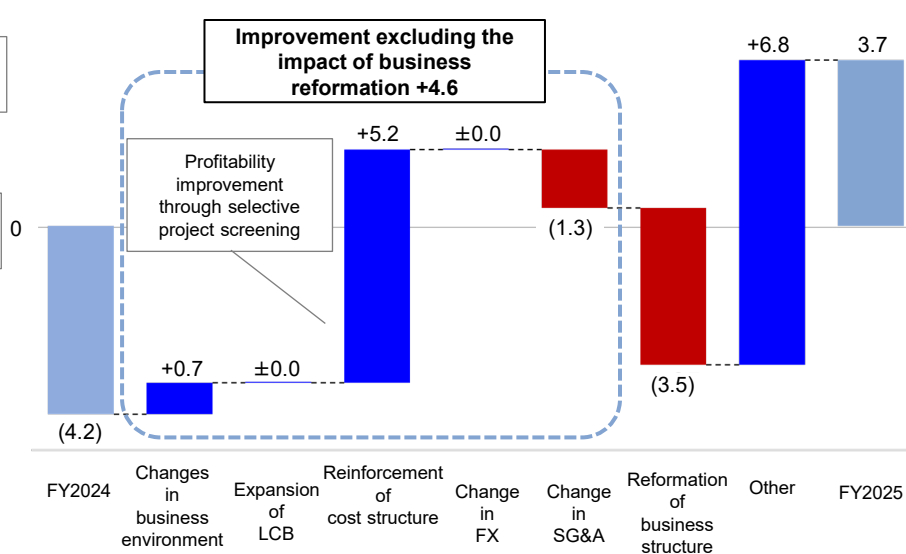
Consolidated Results for FY2025

Operating Profit

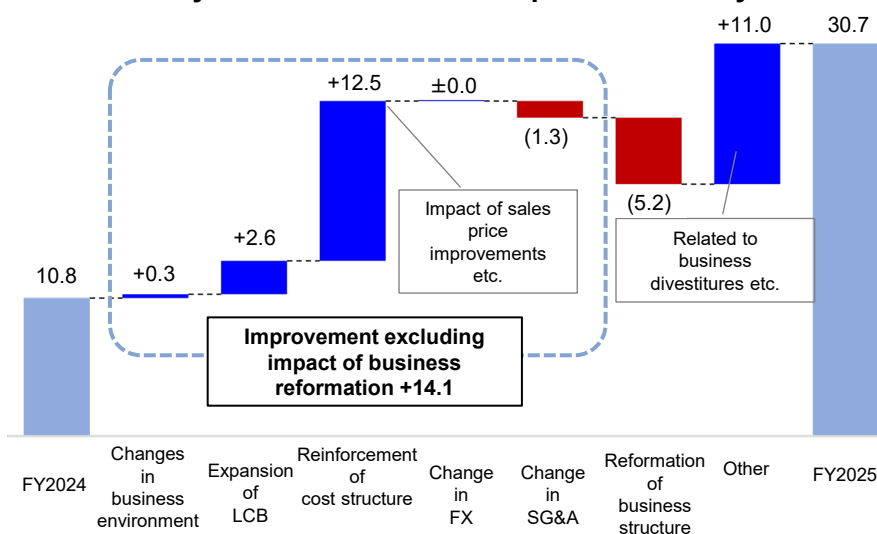
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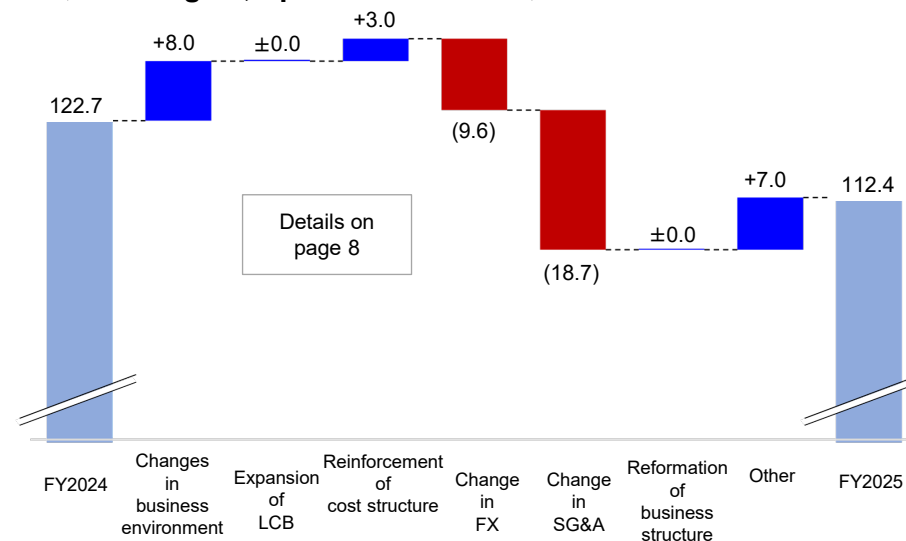
<Social Infrastructure>



<Industrial Systems and General-Purpose Machinery>



<Aero Engine, Space and Defense>



Consolidated Results for FY2025

Cash Flows

(¥ Bil.)		FY2024	FY2025	Change
	Profit before tax	138.4	185.4	+47.0
	Depreciation	72.1	76.3	+4.1
	Other	5.0	(19.9)	(24.9)
	EBITDA	215.6	241.8	+26.2
	Expenditures related to the additional inspection program for PW1100G-JM engines *1	(39.3)	(48.8)	(9.5)
	Change in working capital *2	(1.2)	26.6	+27.8
	Tax payments	4.9	(79.3)	(84.3)
	Other	(2.4)	(19.0)	(16.5)
	Cash flows from operating activities	177.6	121.3	(56.2)
	Cash flows from investing activities	(58.8)	(18.4)	+40.3
	Free cash flows	118.8	102.9	(15.8)
	Cash flows from financing activities	(116.2)	(97.8)	+18.3

*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 Consolidated Results for FY2026

Financial Forecasts by Segment (FY2025 vs. FY2026)

(¥ Bil.)	Orders received			Revenue			Operating profit		
	FY2025	FY2026	Change	FY2025	FY2026	Change	FY2025	FY2026	Change
Resources, Energy and Environment	624.7	360.0	(264.7)	376.7	390.0	+13.2	5.9 [1.6%]	33.0 [8.5%]	+27.0 [+6.9pt]
Social Infrastructure	133.2	110.0	(23.2)	131.9	110.0	(21.9)	3.7 [2.8%]	7.0 [6.4%]	+3.2 [+3.6pt]
Industrial Systems and General-Purpose Machinery	460.7	450.0	(10.7)	450.5	440.0	(10.5)	30.7 [6.8%]	30.0 [6.8%]	(0.7) [-]
Aero Engine, Space and Defense	703.1	810.0	+106.8	651.7	860.0	+208.2	112.4 [17.3%]	130.0 [15.1%]	+17.5 [(2.2pt)]
Total Reportable Segment	1,921.9	1,730.0	(191.9)	1,610.8	1,800.0	+189.1	152.8	200.0	+47.1
Other	81.1	75.0	(6.1)	84.3	75.0	(9.3)	35.8	95.0	+59.1
Adjustment (including corporate overhead costs)	(48.3)	(45.0)	+3.3	(51.8)	(45.0)	+6.8	(23.2)	(55.0)	(31.7)
Total	1,954.7	1,760.0	(194.7)	1,643.4	1,830.0	+186.5	165.5 [10.1%]	240.0 [13.1%]	+74.4 [+3.0pt]

Factors of Change in Operating Profit by Segment

(FY2025 vs. FY2026 forecast)

(¥ 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		+1.5	+11.0		+4.5		+10.0	+27.0
Social Infrastructure	(1.0)		(0.3)		+1.0		+3.5	+3.2
Industrial Systems and General-Purpose Machinery		+1.5	+0.9				(3.1)	(0.7)
Aero Engine, Space and Defense	+28.0		+7.0	(6.2)	(11.3)			+17.5
Total Reportable Segment	+27.0	+3.0	+18.6	(6.2)	(5.8)	-	+10.4	+47.1
Other	(2.0)		+0.2				+61.0	+59.1
Adjustment (including corporate overhead costs)			(0.7)		(11.0)	(20.0)		(31.7)
Total	+25.0	+3.0	+18.1	(6.2)	(16.8)	(20.0)	* +71.4	+74.4

* The total change in "Other" of +71.4 includes (22.4) from "FY2025 Selling property", +3.8 from "Other", and +90.0 from "FY2025 Selling property", as explained on page 13.

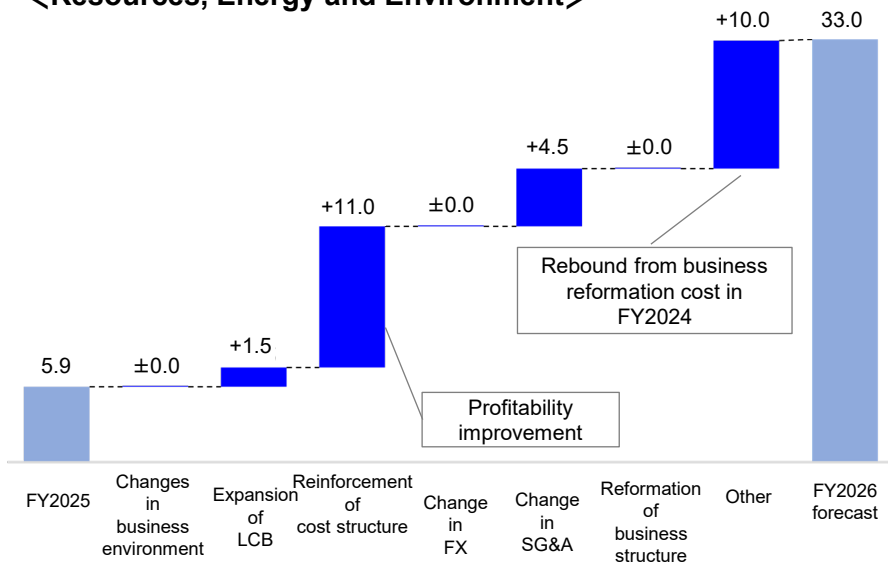
Note:

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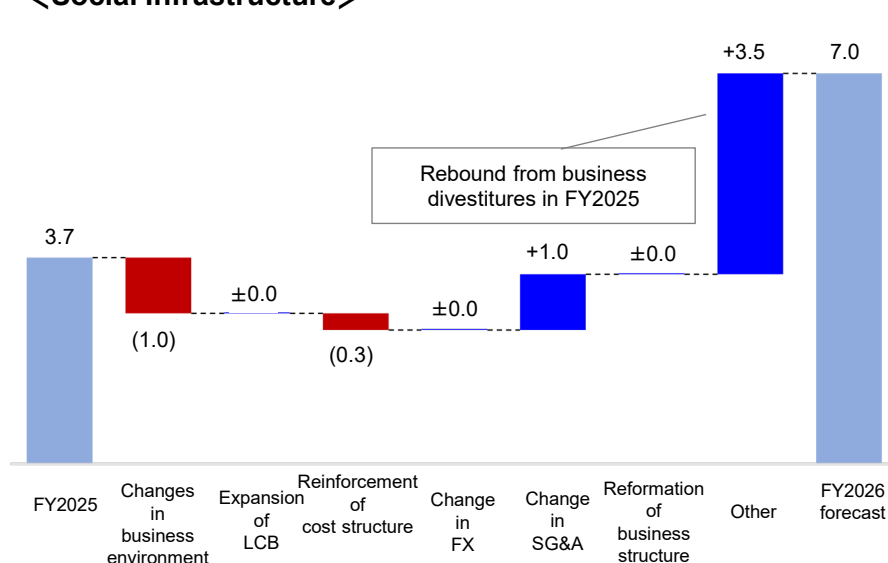
Forecasts of Consolidated Results for FY2026

Operating Profit

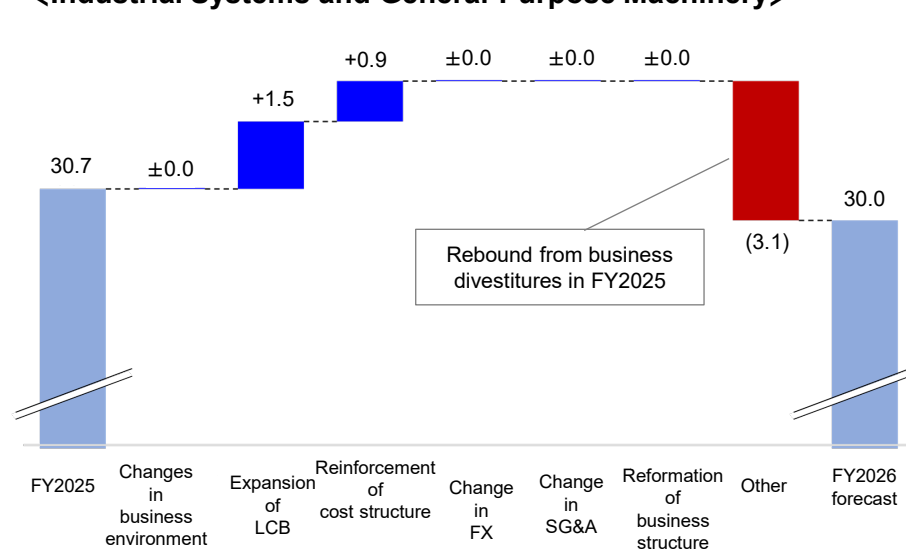
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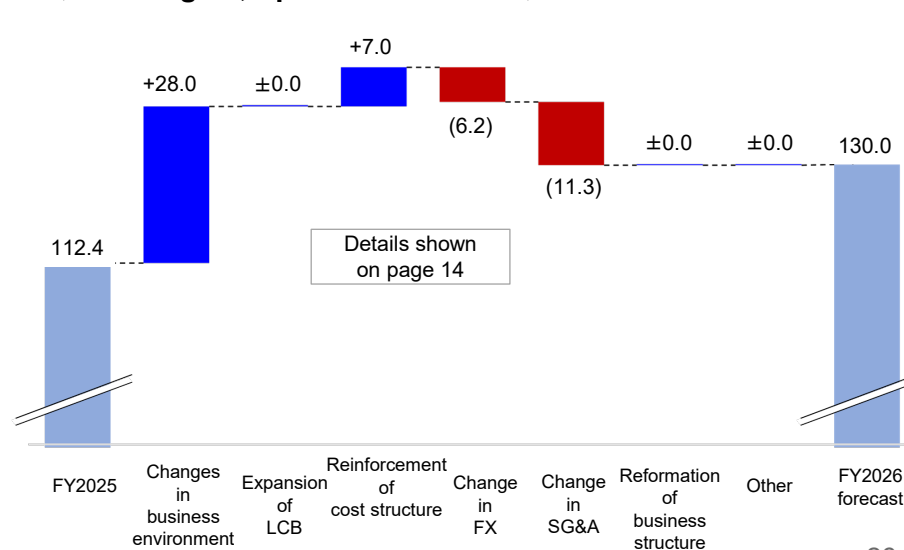
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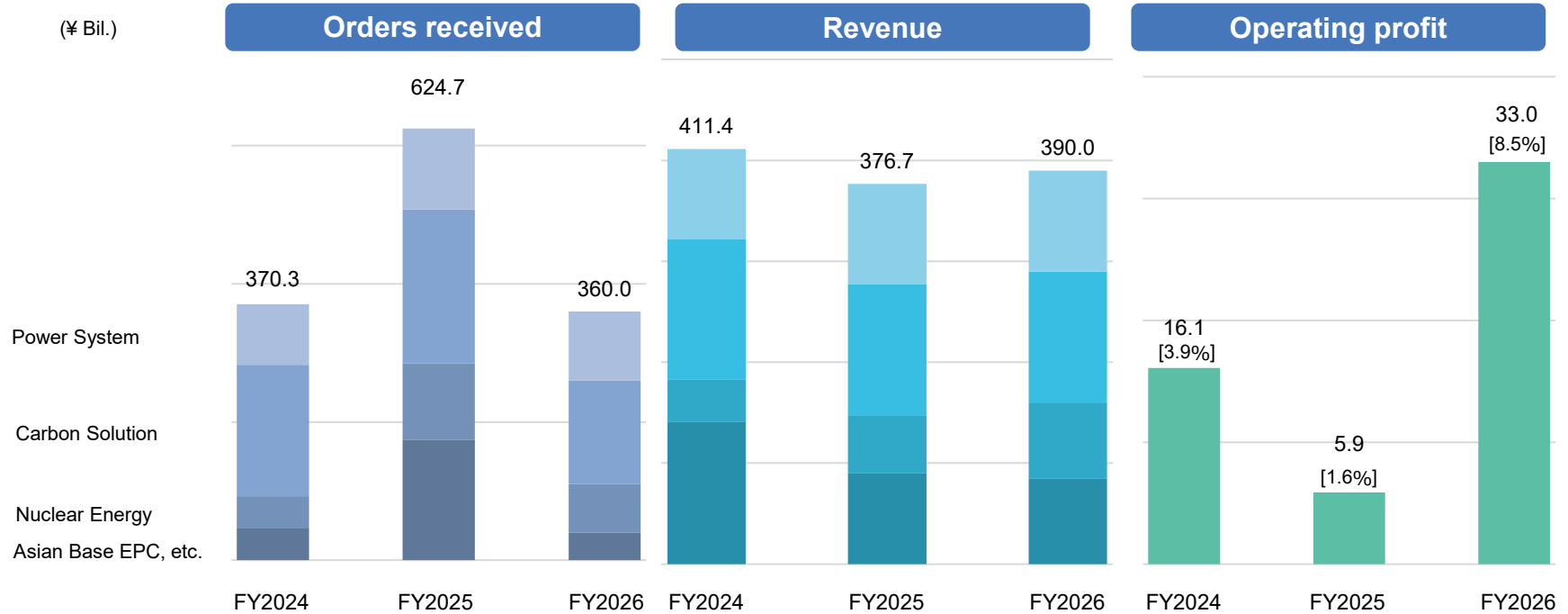


<Aero Engine, Space and Defense>



Financial Results & Forecasts by Segment

<Resources, Energy and Environment>



	Orders received			Revenue		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Power System	87.4	117.2	100.0	89.7	99.5	100.0
Carbon Solution	190.4	222.7	150.0	139.1	129.8	130.0
Nuclear Energy	46.4	110.4	70.0	41.9	57.6	75.0
Asian Base EPC	48.1	176.6	40.0	142.7	91.7	85.0

Additional notes
<p>FY2026 forecast</p> <ul style="list-style-type: none"> Revenue is expected to increase as progress on existing orders continues, despite a decline in orders received due to a rebound from large projects in FY2025. Operating profit is expected to increase driven by improved profitability in the overseas CS businesses and a rebound from business reformation costs incurred in FY2025.

Financial Results & Forecasts by Segment

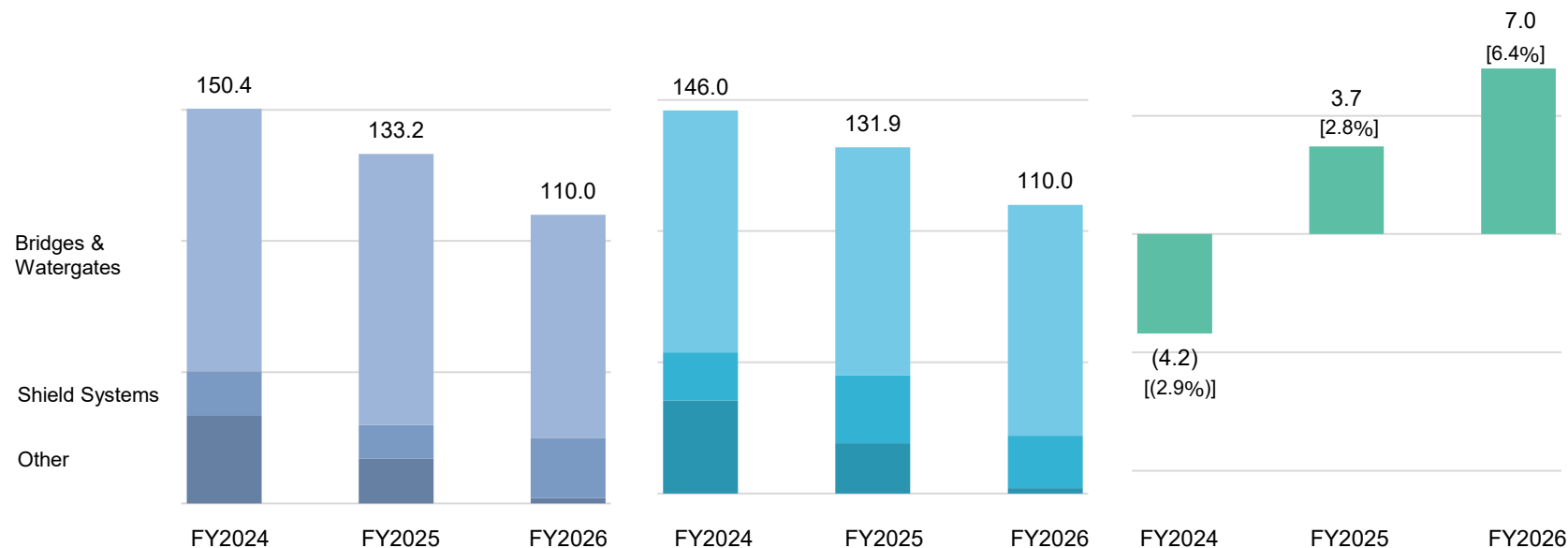
<Social Infrastructure>

(¥ Bil.)

Orders received

Revenue

Operating profit



Orders received

Revenue

Additional notes

	Orders received			Revenue		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Bridges & Watergates	100.1	103.3	85.0	92.2	86.8	88.0
Shield Systems	17.0	12.8	23.0	18.4	26.0	20.0
Divested businesses	32.0	15.3	-	34.0	17.4	-

FY2026 forecast

- **Orders received and revenue are expected to decline YoY** due to the business divestitures of Concrete construction materials business (Oct. 1, 2025) and Transport systems business (Dec. 31, 2025).
- **Operating profit is expected to increase** due to improved profitability in Bridges & Watergates business and a rebound from the loss related to business divestitures in FY2025.

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

Financial Results & Forecasts by Segment

<Industrial Systems and General-Purpose Machinery>

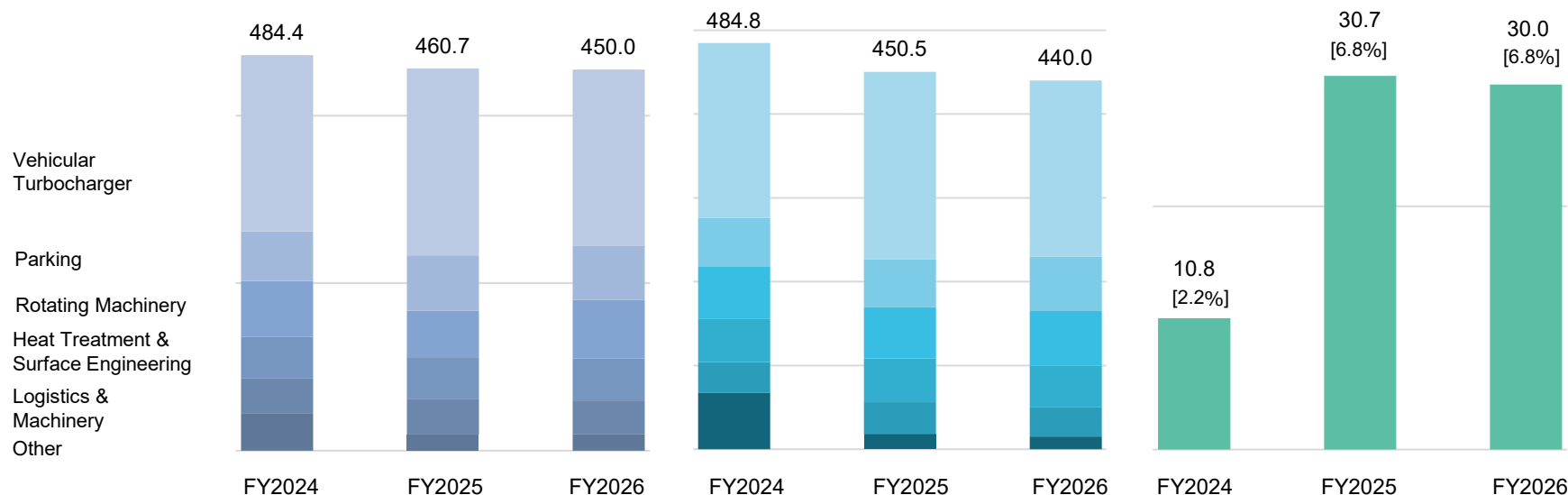


(¥ Bil.)

Orders received

Revenue

Operating profit



	Orders received			Revenue		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Vehicular Turbocharger	210.2	223.1	210.0	208.6	223.7	210.0
Parking	59.2	66.1	65.0	58.7	57.3	65.0
Rotating Machinery	66.8	55.3	70.0	61.6	61.0	65.0
Heat Treatment & Surface Engineering	49.8	50.4	50.0	52.1	52.3	50.0
Logistics & Machinery	41.9	42.0	40.0	36.7	38.2	35.0
Divested businesses	47.0	11.0	-	51.7	6.6	-

Additional notes
<p>FY2025 results</p> <ul style="list-style-type: none"> • Operating profit increased significantly from FY2024, due to improved profitability in the Vehicular Turbocharger business as well as gain on business divestitures. • However, profit fell short of the Feb. 2026 forecast due to the Q4 FY2025 post-closing adjustments related to the business divestitures and upfront actions to optimize the fixed costs of the Vehicular Turbocharger business and Heat Treatment & Surface Engineering business in Europe. <p>FY2026 forecast</p> <ul style="list-style-type: none"> • Despite the rebounding from the profit on business divestitures in FY2025, operating profit is expected to remain at the same level as FY2025 due to increased sales and improved profitability.

Financial Results & Forecasts by Segment

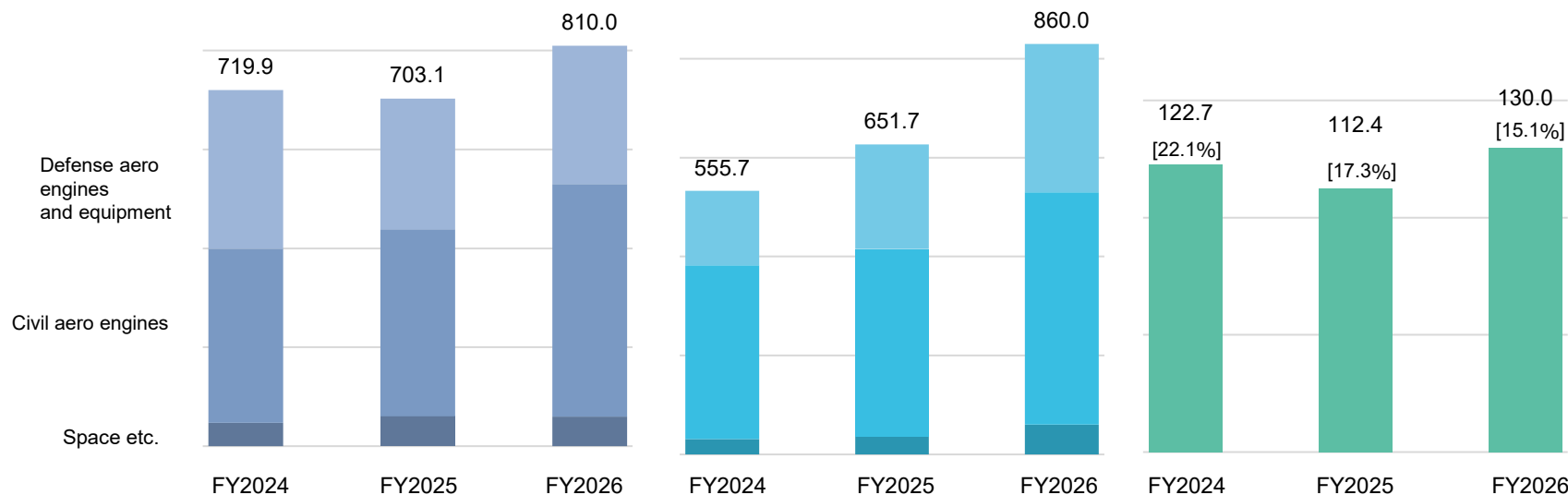
<Aero Engine, Space and Defense>

(¥ Bil.)

Orders received

Revenue

Operating profit



Orders received

Revenue

Additional notes

	Orders received			Revenue		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Defense aero engines and Equipment	320.5	264.4	280.0	150.2	212.1	300.0
Civil aero engines	352.4	378.1	470.0	351.6	378.6	470.0
Space	58.8	31.3	40.0	29.7	35.2	55.0

FY2026 forecast

- Orders received and revenue are expected to **increase significantly** in line with the expansion of the Civil aero engines business and Defense aero engines and equipment business.
- **Operating profit is expected to increase** driven by growth in the Civil aero engines aftermarket business, as well as the expansion and improved profitability of the Defense aero engines and equipment business.

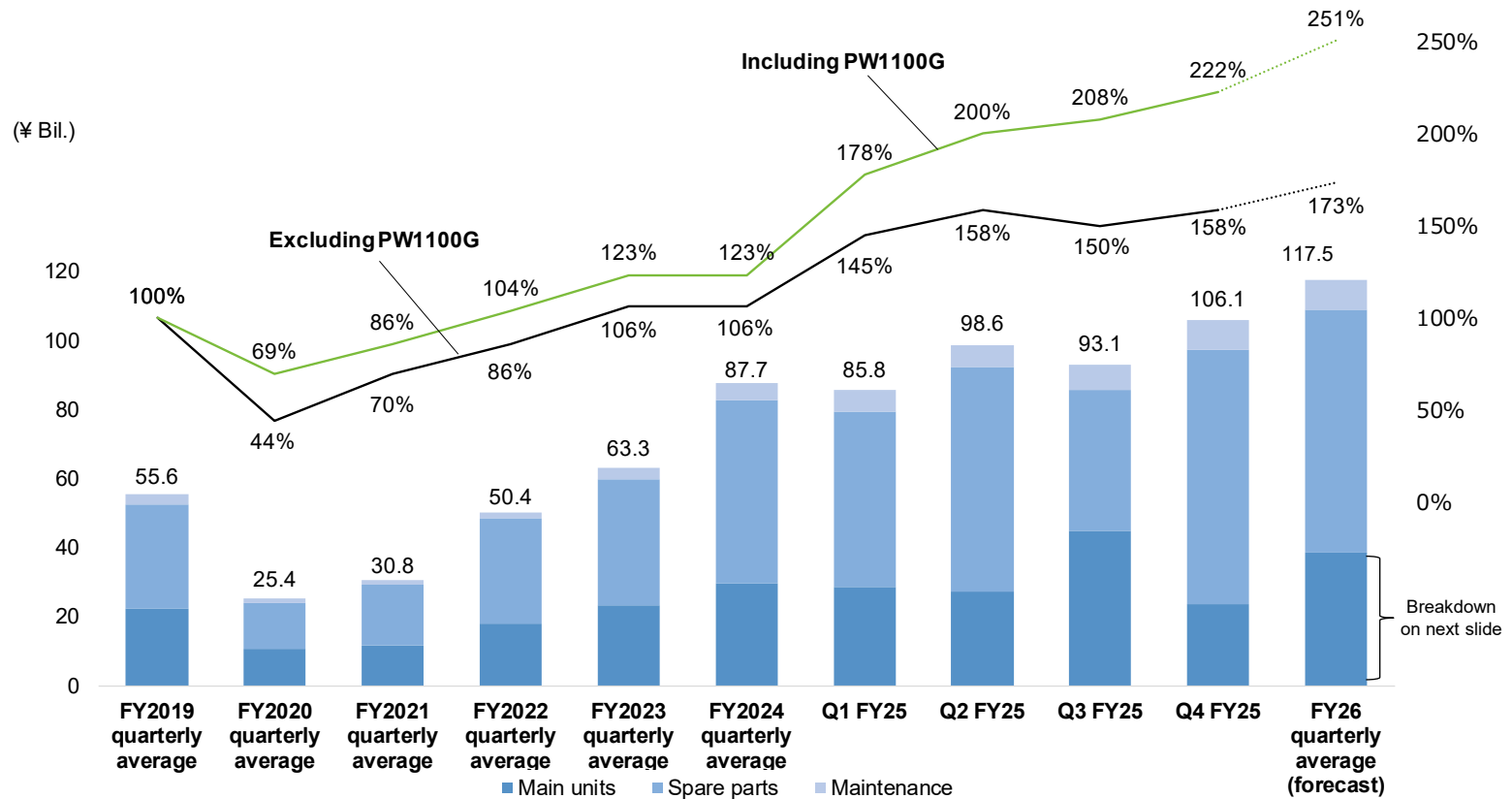
[Reference] Revenue^{*1} for Civil aero engines

■ Trend in revenue and spare parts handling amount of Civil aero engine business^{*2}

Line graph: Trends in spare parts handling amount (USD basis)
(Percentage compared to the FY2019 quarterly average)
Bar graph : Revenue (¥ Bil.)

■ Percentage of main units, spare parts and maintenance in revenue

	Percentage of spare parts	Percentage of main units	Percentage of maintenance
FY2024	60%	34%	6%
FY2025	60%	33%	7%
Forecasts of FY2026	60%	33%	7%



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

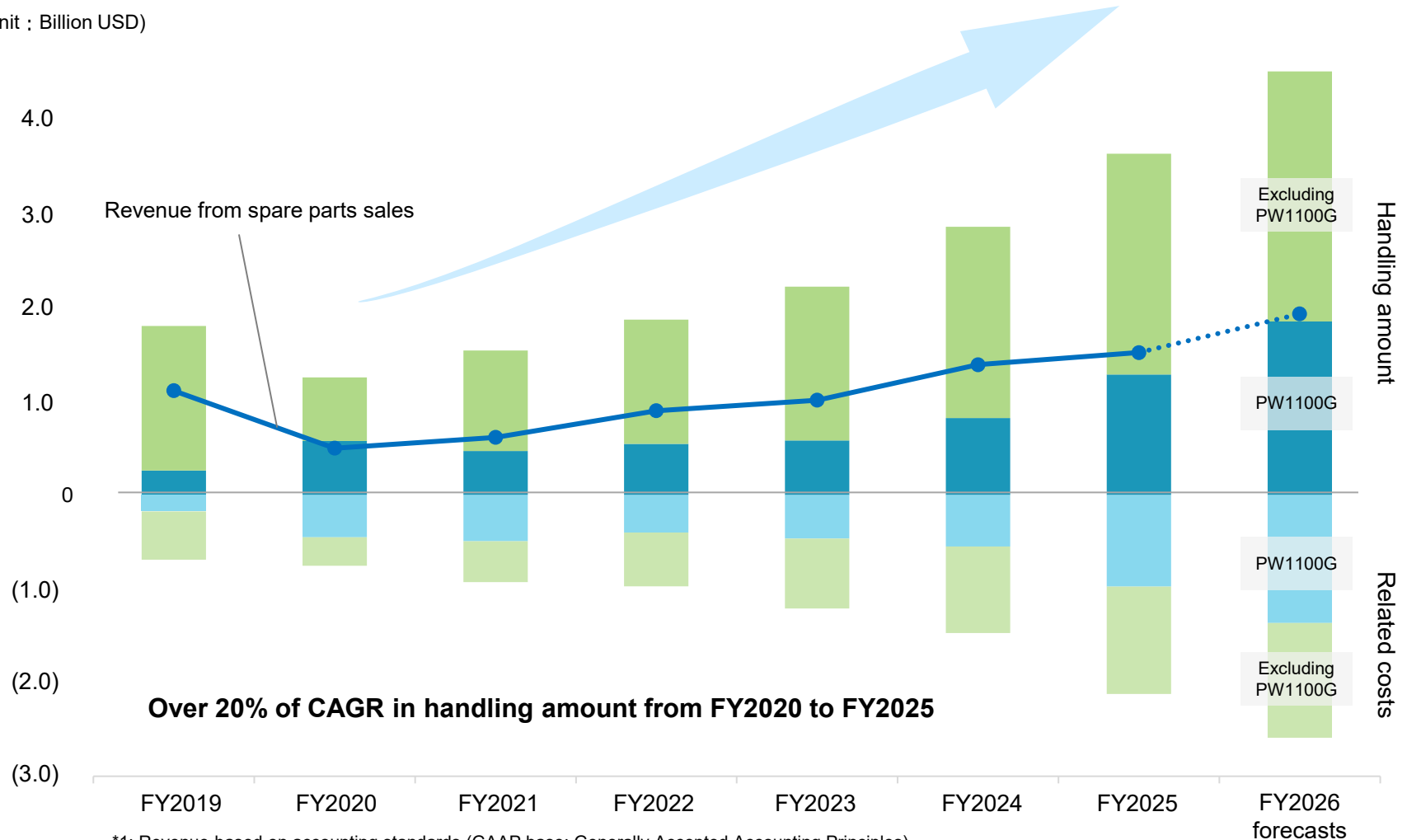
*1: Revenue based on accounting standards (GAAP base : Generally Accepted Accounting Principles).

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

[Reference] KPI of Aftermarket business

■ Trend of spare parts revenue (Revenue^{*1} = Handling amount^{*2} – Related costs^{*3})

(Unit : Billion USD)



*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.

*3: Maintenance costs etc. for which participants of each engine programs are responsible.

[Reference] Quarterly operating profit trends in Aero engine, Space and Defense business (excluding impacts of FX and temporary factors)

- Spare parts sales remained strong despite deferred cost recognition from FY2024 to FY2025 due to delayed shipments of serviced engines
- Profits are expected to expand in FY2026

(Unit: ¥ Bil.)		FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	FY23 Quarter Average	FY24 Quarter Average	FY25 Quarter Average	FY26 (Forecast) Quarter Average
Aero Engine, Space and Defense Segment Operating Profit		23.8	52.7	18.0	28.1	27.9	26.7	15.9	41.7	14.2	30.6	28.1	32.5
Adjustment	FX Impact A	(5.7)	(2.2)	(2.5)	(3.9)	(0.3)	(1.1)	(4.8)	(5.0)	(0.1)	(3.6)	(2.8)	0.0
	FX Impact B	9.8	(18.1)	14.3	(6.9)	(3.6)	2.8	4.4	1.4		(0.2)	1.3	0.0
	Bad debt expenses towards US-based airline			7.0							1.8		
Adjusted Operating Profit <small>(Based on Exchange rate: ¥145/USD)</small>		27.9	32.4	36.8	17.3	24.0	28.4	15.5	38.1	14.1	28.6	26.5	32.5

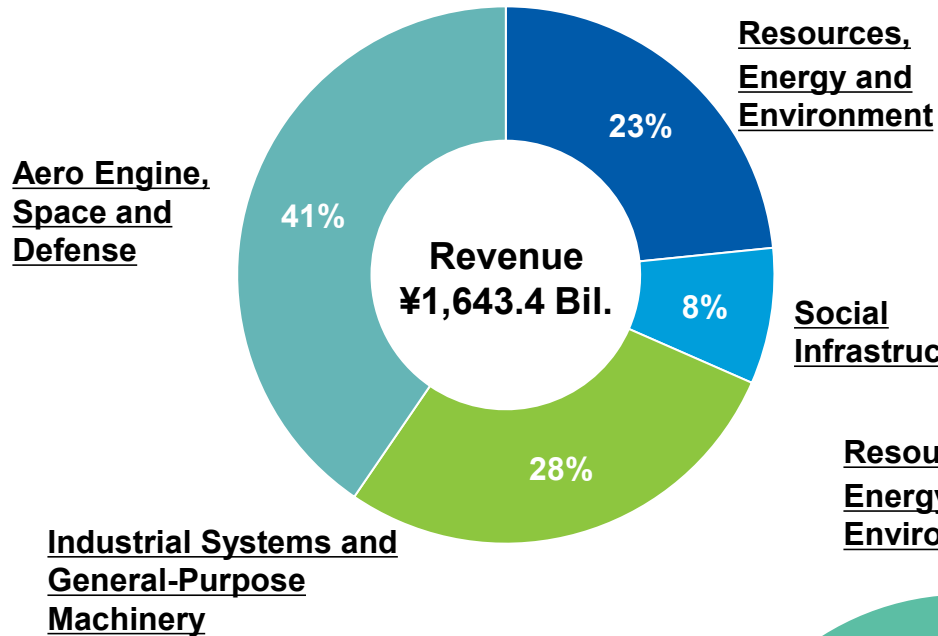
This includes the impact of deferred costs associated with increased shipments of serviced engines.

[Adjusted items]

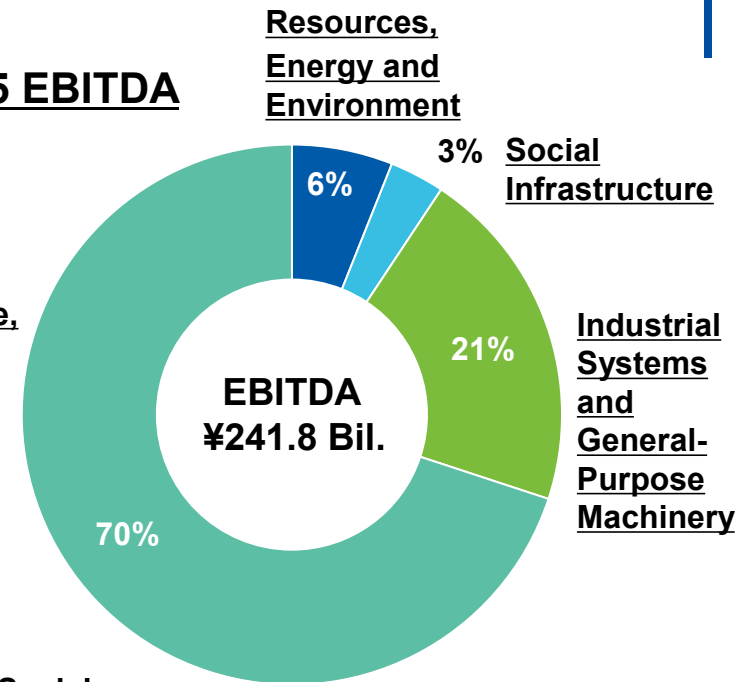
- FX impact A: Revise average FX rate of revenue to 145 Yen/USD.
- FX impact B: Excluding impact of FX rate change of the additional inspection program for PW1100G-JM engines.

Revenue, Operating Profit, and EBITDA by Segment

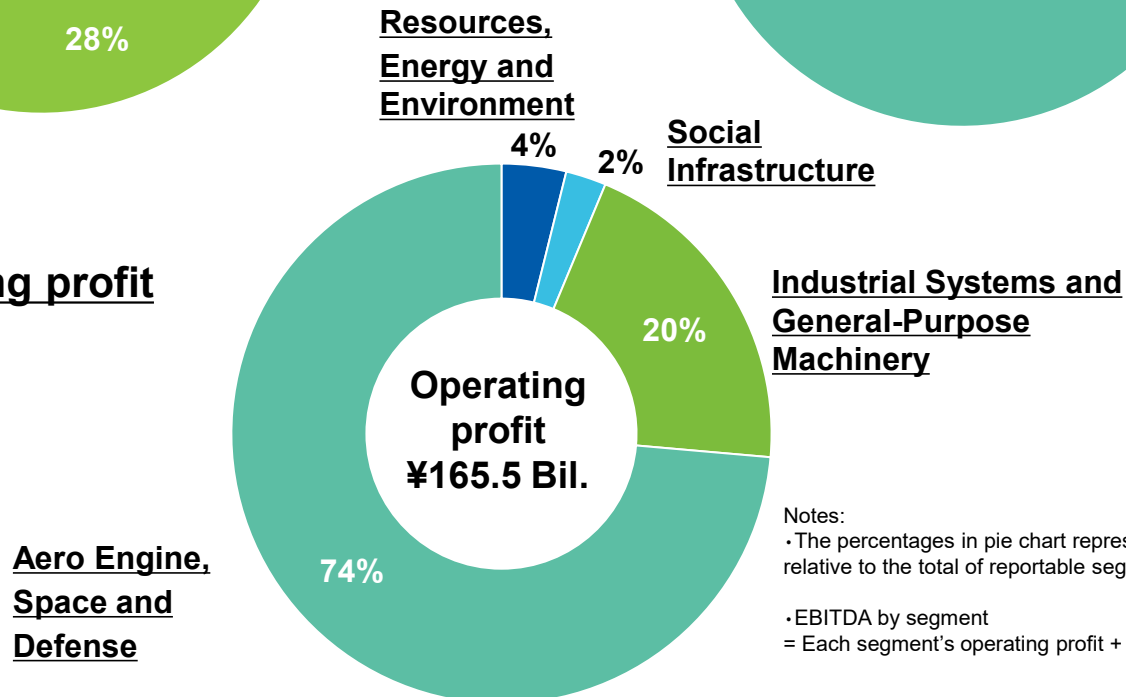
FY2025 Revenue



FY2025 EBITDA



FY2025 Operating profit



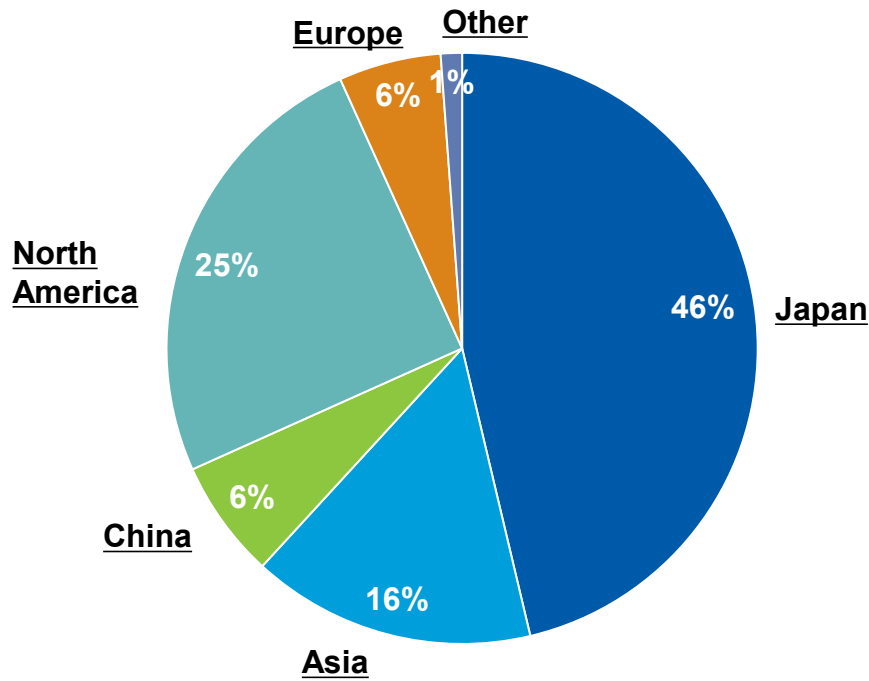
Notes:

• The percentages in pie chart represent the composition ratio relative to the total of reportable segments.

• EBITDA by segment

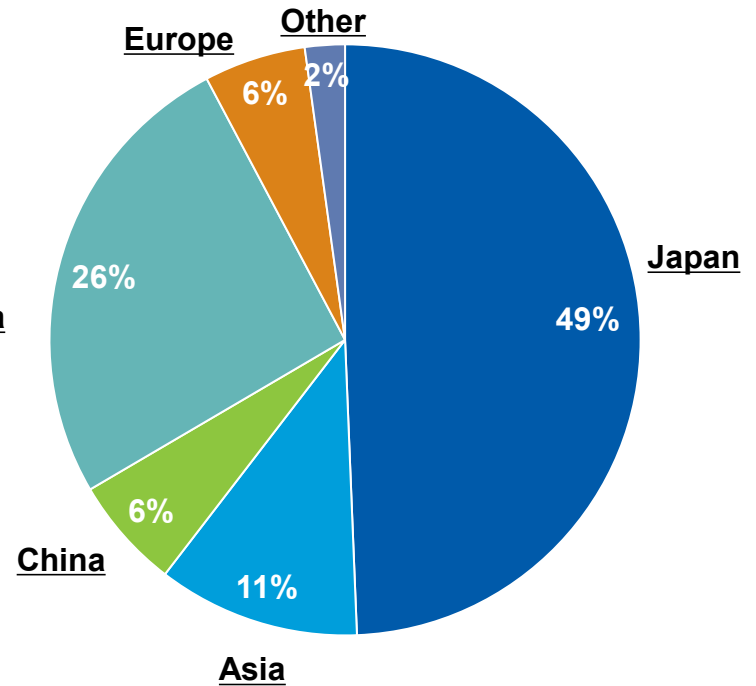
= Each segment's operating profit + Each segment's depreciation

FY2024



Overseas revenue
¥873.8 Bil.

FY2025

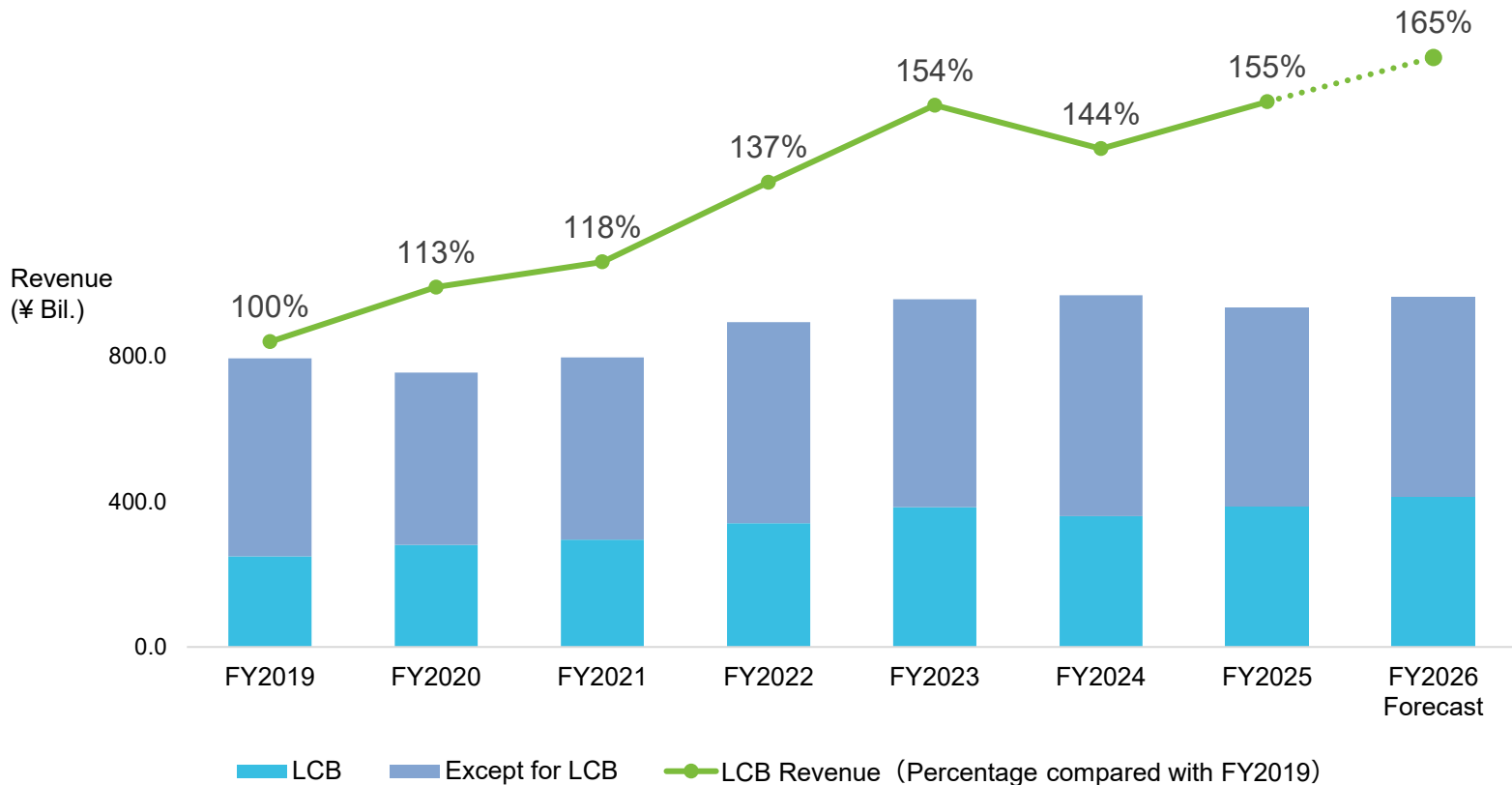


Overseas revenue
¥832.3 Bil.

The Status of LCB in Conventional Businesses

Note 1: Conventional Businesses: Energy Business, Infrastructure Business, and Industrial Systems Business.

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



Financial Position

(¥ Bil.)	As of March 31, 2025	As of March 31, 2026	Change
Total assets	2,240.3	2,428.5	+188.1
Cash and cash equivalents	136.8	155.0	+18.2
Trade receivables & contract assets	620.6	680.8	+60.1
Inventories	444.0	504.2	+60.1
Total liabilities	1,731.7	1,747.0	+15.2
Trade payables etc.	287.2	401.4	+114.2
Contract liabilities	252.9	311.4	+58.4
Refund liabilities	153.0	110.6	(42.3)
Interest-bearing liabilities	514.7	489.8	(24.8)
Bonds and borrowings	389.3	359.5	(29.8)
Lease liabilities	125.3	130.3	+5.0
Total equity	508.6	681.5	+172.8
Equity attributable to owners of parent	481.7	652.2	+170.5
Non-controlling interests	26.9	29.2	+2.3
Total liabilities and equity	2,240.3	2,428.5	+188.1

Asset Balance by Segment

Note: Following the organizational restructuring in FY2025, Urban development has been retroactively reclassified from “Social Infrastructure” to “Other.”

(¥ Bil.)	Assets balance		
	As of March 31, 2025	As of March 31, 2026	Change
Resources, Energy and Environment	338.4	335.9	(2.4)
Social Infrastructure	165.0	123.2	(41.7)
Industrial Systems and General-Purpose Machinery	367.0	350.3	(16.7)
Aero Engine, Space and Defense	996.3	1,209.2	+212.9
Total Reportable Segment	1,866.8	2,018.9	+152.0
Other	349.9	259.7	(90.1)
Adjustment	23.5	149.8	+126.2
Total	2,240.3	2,428.5	+188.1

Cash Flows / R&D / CAPEX / Depreciation

(¥ Bil.)	FY2024	FY2025	FY2026 Forecast
Profit before tax	138.4	185.4	230.0
Depreciation	72.1	76.3	80.0
Other	5.0	(19.9)	10.0
EBITDA	215.6	241.8	320.0
Expenditures related to the additional inspection program of PW1100G-JM engines *1	(39.3)	(48.8)	(50.0)
Change in working capital *2	(1.2)	26.6	(100.0)
Other	2.4	(98.3)	(70.0)
Cash flows from operating activities	177.6	121.3	100.0
Cash flows from investing activities	(58.8)	(18.4)	(25.0)
Capital expenditures, etc. included in Cash flows from investing activities	(60.2)	(91.7)	(130.0)
Free cash flows	118.8	102.9	75.0

*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	FY2026 Forecast
R&D	34.0	39.6	50.0
CAPEX	97.4	97.6	130.0
Depreciation	72.1	76.3	80.0

Financial Performance

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
Orders received	1,280.0	1,097.0	1,261.2	1,366.1	1,376.8	1,751.1	1,954.7	1,760.0
Revenue	1,263.1	1,112.9	1,172.9	1,352.9	1,322.5	1,626.8	1,643.4	1,830.0
Operating profit	47.8	27.9	81.4	81.9	(70.1)	143.5	165.5	240.0
Profit attributable to owners of parent	8.2	13.0	66.0	44.5	(68.2)	112.7	160.9	165.0
EPS [Yen] (*1)	7.70	12.59	62.82	42.07	(64.40)	106.41	151.88	155.09
EBITDA (*2)	95.4	92.3	91.1	151.1	175.0	215.6	241.8	320.0
Cash flows from operating activities	42.4	36.3	114.1	54.1	62.1	177.6	121.3	100.0
Cash flows from investing activities	(85.5)	(40.4)	27.9	(52.3)	(51.6)	(58.8)	(18.4)	(25.0)
Free cash flows	(43.0)	(4.1)	142.0	1.7	10.4	118.8	102.9	75.0
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)	23.00 (11.50 / 11.50)
Operating margin [%]	3.8	2.5	6.9	6.1	(5.3)	8.8	10.1	13.1
ROIC [%]	4.1	2.2	6.4	6.3	(4.9)	10.5	11.0	(*3) 10.1
ROE [%]	2.8	4.5	19.3	11.0	(16.9)	26.3	28.4	23.2
CCC [days] (*2)	92	124	112	120	132	115	109	120
D/E ratio [times]	2.00	1.85	1.24	1.14	1.43	1.01	0.72	0.54
Ratio of equity attributable to owners of parent [%]	15.0	16.4	20.3	22.2	17.9	21.5	26.9	31.8

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 second decimal place.

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

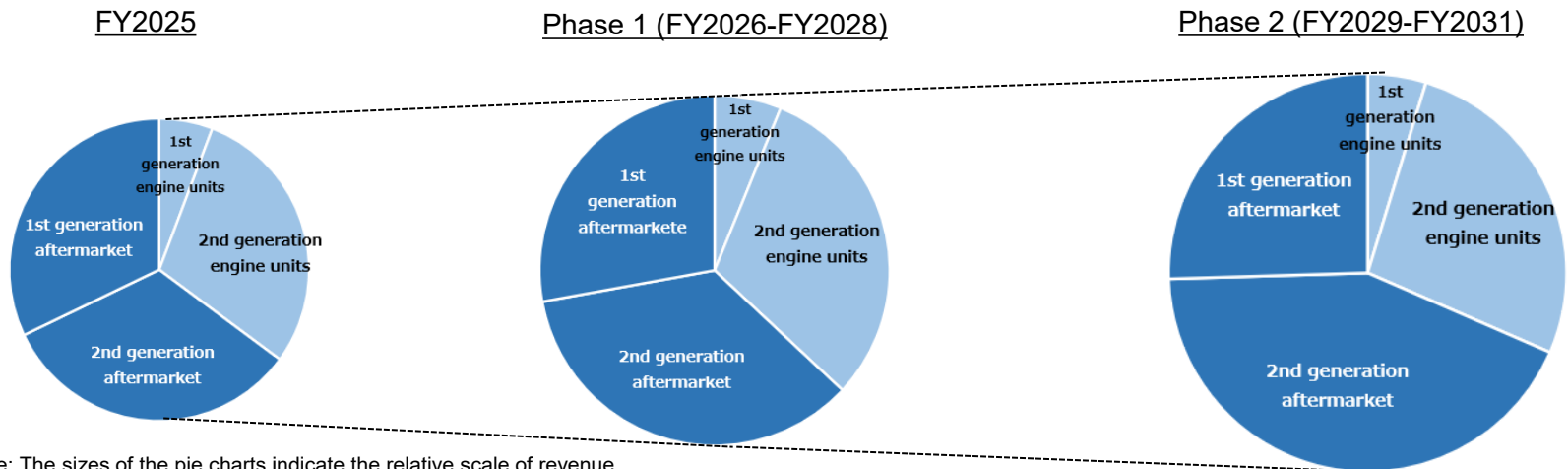
(*3): FY2026 forecasts exclude the impact of temporary factors.

Number of Civil aero engines delivered

(Units)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26 Forecast	Notes
GE Engines	817	810	684	681	798	477	332	337	331	330	390		GE90, GEnx, CF34, Passport20, GE9X
V2500	427	340	272	180	47	5	16	20	6	19	22		
PW1100G-JM	16	132	250	660	726	360	441	561	675	681	666		
Total	1,260	1,282	1,206	1,521	1,571	842	789	918	1,012	1,030	1,078	1,330	

Revenue mix of main units and aftermarket (image for reference)

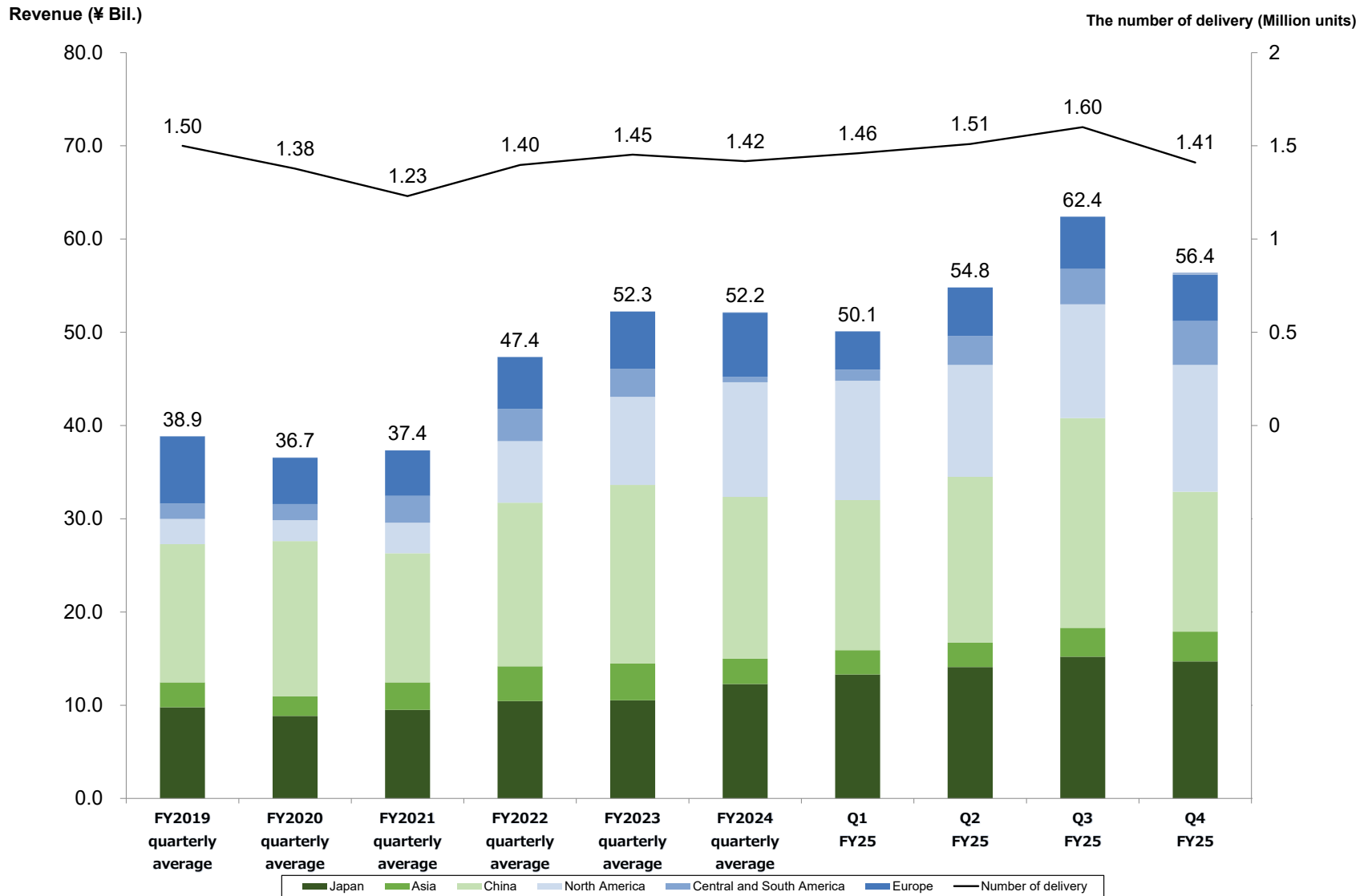
- Revenue from 2nd generation engine units will stay strong in Phase 1.
- Profit will increase significantly after Phase 2, as aftermarket sales of 2nd generation engines expand.



Revenue by Region & Number of Vehicular turbochargers Delivered

(¥ Bil.)	Japanese GAAP				IFRS							
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26 Forecast
Japan	34.6	38.9	39.8	44.6	39.1	35.4	38.0	41.8	42.1	49.1	57.3	50.0
Asia	21.6	15.8	11.7	11.0	10.7	8.5	11.8	14.9	15.8	10.9	11.5	12.0
China	24.9	48.5	71.9	63.1	57.2	66.5	55.4	70.2	76.6	69.4	71.4	60.0
North America	2.4	3.3	8.4	11.6	10.8	9.0	13.1	26.4	37.8	49.2	50.6	44.0
Central and South America	3.4	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.1	2.3	12.8	30.0
Europe	74.3	61.7	81.1	51.3	28.9	19.9	19.5	22.3	24.5	27.5	19.9	14.0
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0
Total	161.6	174.6	220.5	189.5	153.6	146.6	149.4	189.5	209.0	208.6	223.7	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	5.98	5.90

Revenue by Region & Number of Vehicular turbochargers Delivered



(1) Lease revenue in the Toyosu area

¥ Bil.)	Japanese GAAP				IFRS						
	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25
Lease revenue	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0	12.2	12.9

(2) Lease revenue and expenses in the Toyosu area

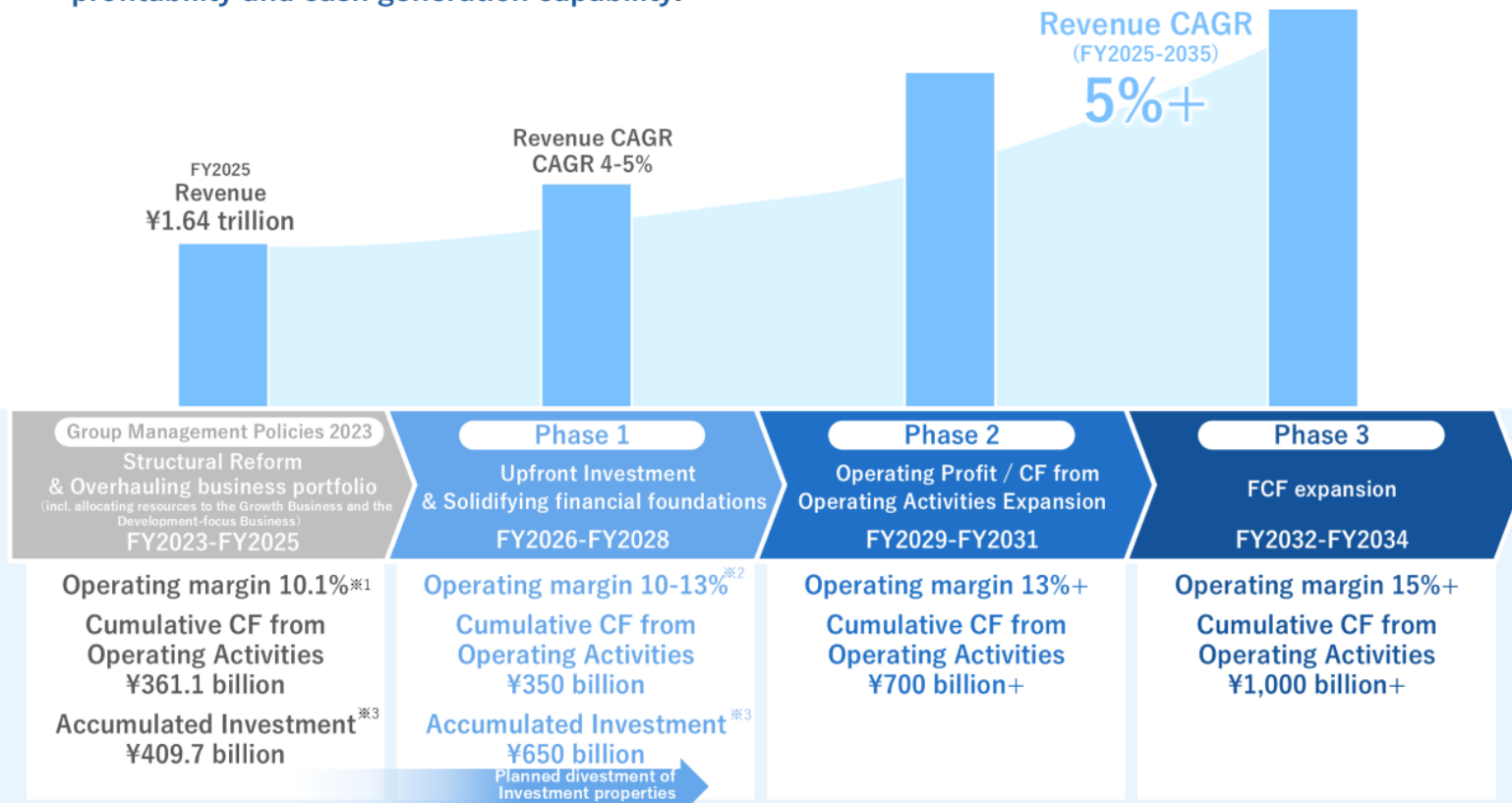
¥ Bil.)	Lease revenue	Lease expense		Difference
		Depreciation	Others	
FY2025	12.9	5.9	5.0	+2.0

(3) Fair value of investment property of IHI (Group-Wide)

¥ Bil.)	As of March 31, 2026 (A)	Fair value as of March 31, 2026 (B)	(B) - (A)
FY2025	144.8	356.1	211.3

Roadmap toward Medium- to Long-Term

- Over the next three years, we will focus on upfront investments and solidifying our financial foundations to enable a significant expansion of operating profit and CF from operating activities FY2029 onward, and a substantial expansion of FCF from FY2032 onward.
- While executing investments without missing growth opportunities, we will steadily enhance profitability and cash generation capability.



※1 : FY2025 ※2 : Indicative range for operating for FY2026-FY2028 ※3 : Does not correspond to CF from investing activities, as it includes R&D expenses and excludes divestment of Investment properties.
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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.