Financial Results for First Quarter FY2024 (IFRS) (for the year ended March 31, 2025)

August 6, 2024

IHI Corporation

Notice of Misconduct by a consolidated Subsidiary of the Company

IHI

With regard to the misconduct related to the engine test run records that occurred at IHI Power Systems Co., Ltd announced on April 24, 2024, the IHI Group submitted the interim report to the Ministry of Land, Infrastructure, Transport and Tourism on June 4 of this year. The investigation by the special investigation committee comprising outside experts is ongoing.

In addition, with regard to the misconduct in a test to measure the maximum capacity of snowblower equipped with rotary snowplows for roads which were manufactured and sold by NIIGATA TRANSYS CO.,LTD. announced on July 31, 2024, is currently investigating the facts and determining the cause of the issue.

The IHI Group will sincerely respond to the customers to whom the subject products delivered.

The impact of these matters on the financial results is currently under scrutiny, and will promptly announced any anticipated impact.

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

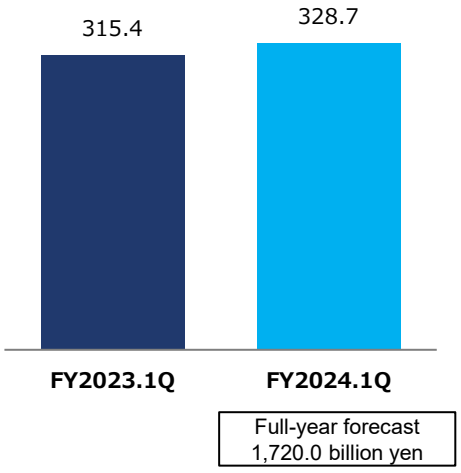
Consolidated Results for First Quarter FY2024

Consolidated Results for First Quarter FY2024 Summary

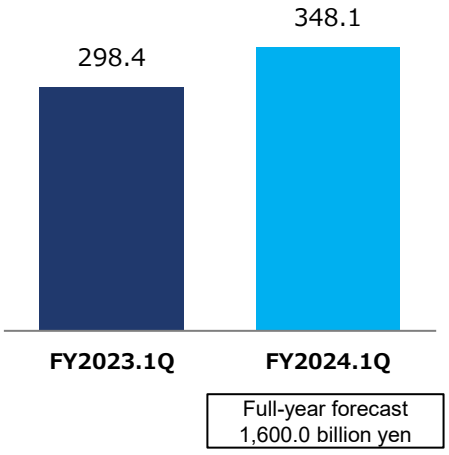
IHI

Orders received

(in billion yen)



Revenue



Profitability-related indicators

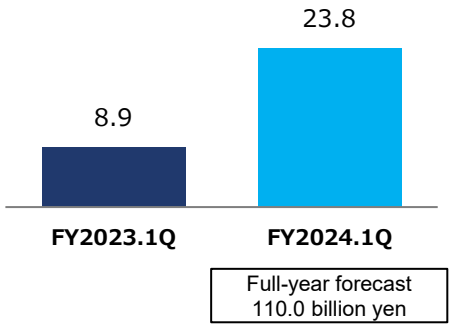
Operating profit
23.8 billion yen
YoY +14.9 billion yen

Operating margin
6.8%
YoY +3.8pts

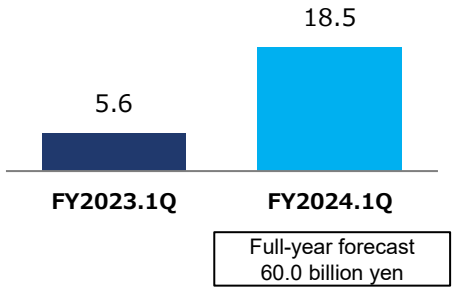
EBITDA
41.1 billion yen
YoY +15.2 billion yen

Cash flows from operating activities
4.4 billion yen
YoY +63.9 billion yen

Operating profit



Profit attributable to owners of parent



Financial Soundness Indicators

Interest-bearing liabilities
576.4 billion yen
vs End of FY2023
+2.1 billion yen

D/E ratio
1.36
vs End of FY2023
(0.07pts)

Equity attributable to owners of parent
399.3 billion yen
vs End of FY2023
+23.3 billion yen

Ratio of equity attributable to owners of parent
18.6%
vs End of FY2023
+0.7pts

Consolidated Results for First Quarter FY2024 Highlights

The Civil aero engines Business became a growth driver, achieving increased revenue and profits.

Main points

Orders received		• Significantly increased due to sales of new engines and spare parts for Civil aero engines. • Decreased due to a rebound from large projects orders from the previous fiscal year in Asian Base EPC*.
Revenue		• Increase in sales of new engines and spare parts for Civil aero engines. • Increase in revenue due to the construction progress of large power plant projects in Asian Base EPC.
Operating profit		• The sale of spare parts in Civil aero engines contribute to a significant increase in profits. • Profitability of Vehicular turbochargers deteriorated due to delay in progress of sales price negotiations.
Cash flows from operating activities		• In addition to the steady growth of EBITDA, the steady progress in collection of construction payments turned cash flows from operating activities positive.
The impact of additional inspection program for PW1100G-JM engines		• No change in the total estimated amount (USD) of the impact. However, the yen equivalent amount has increased due to yen depreciation. • Compensation to airlines, etc. program-related expenditures began.

*Asian Base EPC (Engineering / Procurement / Construction)
: Construction and maintenance of various power generation and industrial plants in Asia, the Middle East, and Africa, and EPC business for thermal power and combined cycle plants, etc.

Consolidated Results for First Quarter FY2024
Overview of Financial Results

IHI

(In billion yen)		FY2023.1Q	FY2024.1Q	Change
Orders received		315.4	328.7 [4.2%]	13.2
Revenue		298.4	* 348.1 [16.7%]	49.7
Operating profit [%]		[3.0%] 8.9	[6.8%] 23.8	14.9
Finance Income / Costs etc.	Foreign exchange gains (losses)	6.9	8.2	1.3
	Share of profit () of investments accounted for using equity method	0.8	2.3	1.4
	Other finance income (costs)	(3.9)	(2.7)	1.2
	total	3.8	7.8	4.0
Profit before tax [%]		[4.3%] 12.7	[9.1%] 31.6	18.9
Profit Attributable to Owners of Parent [%]		[1.9%] 5.6	[5.3%] 18.5	12.9
EBITDA [%]		[8.7%] 25.8	[11.8%] 41.1	15.2
Cash flows from operating activities		(59.5)	4.4	63.9
Average FX rate [Yen/USD]		137.44	157.79	20.35
Closing FX rate [Yen/USD]		144.86	160.95	16.09

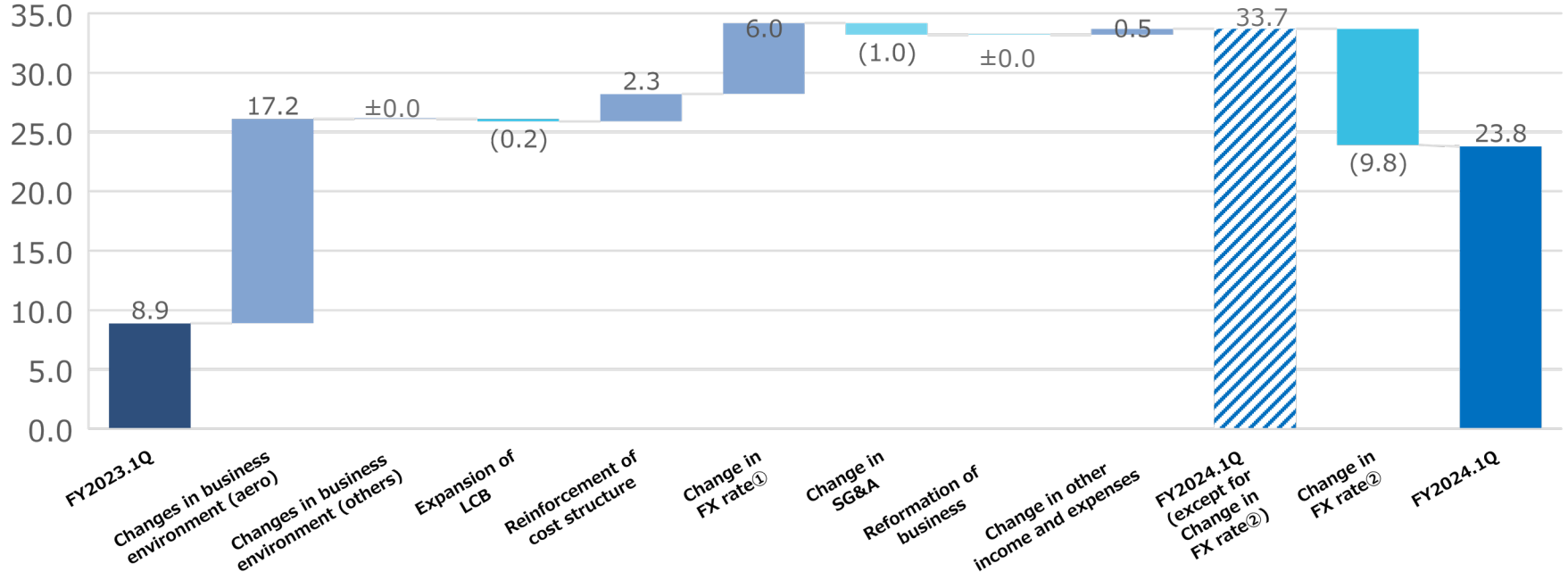
*Includes the impact of ¥(9.8) billion yen due to exchange rate revaluation related to the additional inspection program for PW1100G-JM engines.

Consolidated Results for First Quarter FY2024
Factors of Change in Operating Profit

IHI

Significant profit increase compared to the previous corresponding period, mainly Civil aero engines.

(in billion yen)



<Main factors of change>

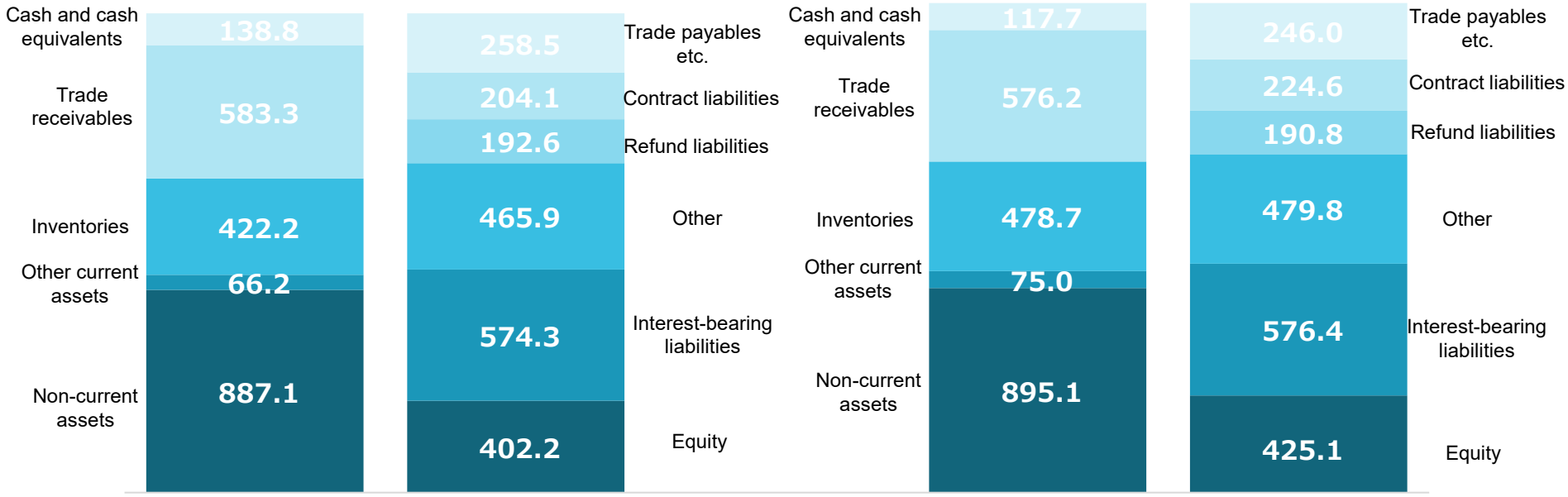
- Changes in Business Environment : The demand for aero transportation is steady and the sale of spare parts increased in Civil aero engines.
- Expansion of LCB : Although Carbon Solutions and Nuclear energy are in a transitional period of the project cycle, maintained the same level as the previous corresponding period.
- Reinforcement of cost structure : Increased due to improved profitability in Civil aero engines and Bridges and water gates.
- Change in FX rate ①: Mainly the effect of yen depreciation on sales of Civil aero engines.
- Change in FX rate ②: Unfavorable yen depreciation impact to foreign currency debt related to the additional inspection program for PW1100G-JM engines.

Consolidated Results for First Quarter FY2024
Financial Position

IHI

As of March 31, 2024	As of June 30, 2024
Total assets : 2,097.8 billion yen	Total assets : 2,142.8 billion yen [+45.0 billion yen]
D/E ratio 1.43 times	D/E ratio 1.36 times [(0.07pts)]
Ratio of equity attributable to owners of parent 17.9%	Ratio of equity attributable to owners of parent 18.6% [+0.7pts]

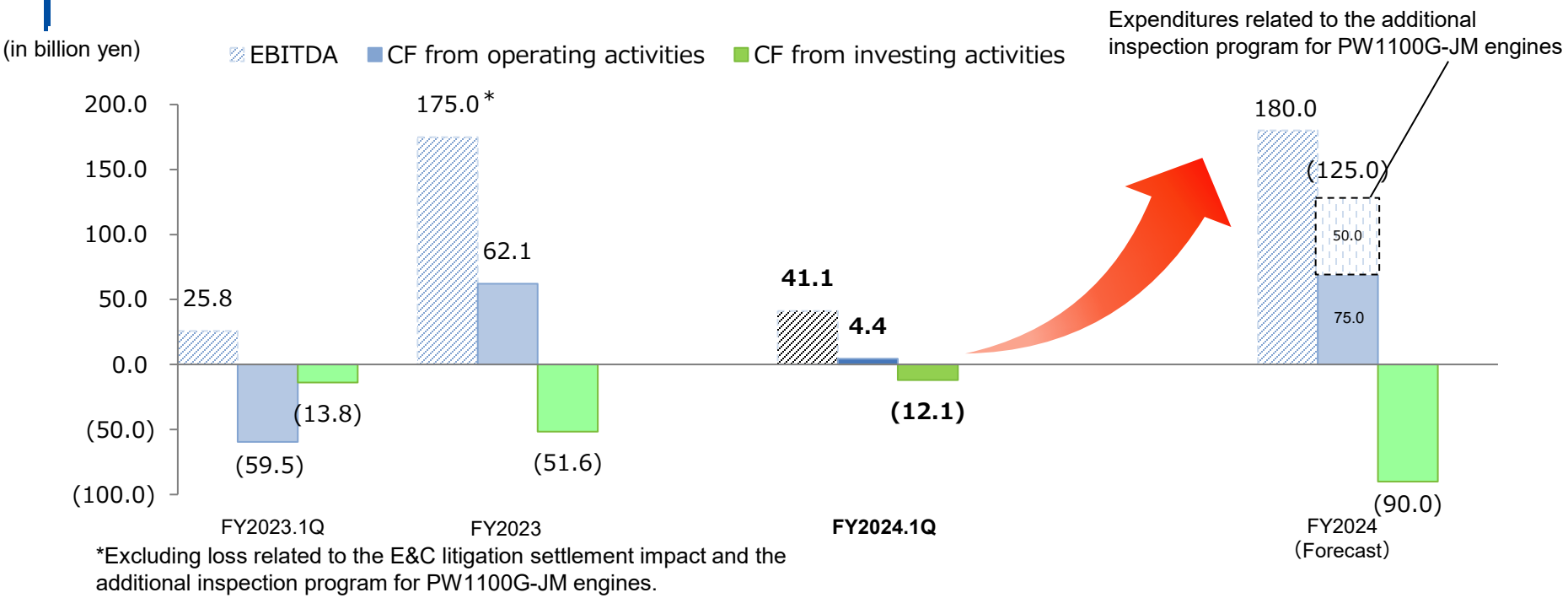
(in billion yen)



<Main factors of change>

- Assets : While inventories increased due to increased production in Civil aero engines and progress in Defense systems orders received in the previous fiscal year, etc., trade receivables decreased due to steady progress in collecting payments for overseas projects, etc..
- Liabilities : Contract liabilities increased due to promotion of advance received in Defense systems and Civil aero engines.
- Equity : Ratio of equity attributable to owners of parent increased due to the profit of the current period.

Consolidated Results for First Quarter FY2024
Cash Flows



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

<Main factors of change (vs FY2023.1Q)>

- CF from operating activities : In addition to the steady increase in EBITDA, CF from operating activities improved significantly and returned to positive due to steady progress in the collection of construction payment.
  Inventories tend to increase around the beginning of a fiscal year, mainly in the Aero Engine, Space and Defense, as expected. Reduce working capital through completion and delivery in the second half of the fiscal year to achieve the forecast of CF from operating activities.
- CF from investing activities : The first quarter FY2024 results were as initially expected. Invest mainly in Growth and Development-focus Business, implement towards the second half of the fiscal year.

Forecasts of the Consolidated Results for FY2024

Forecasts of the Consolidated Results for FY2024 Highlights

IHI

Steady progress toward achieving record-high operating profit of ¥110.0 billion yen

*Unchanged from the previous forecast.
The previous forecast was announced on May 8, 2024. The same applies to the following slides.

Main points

Orders received	• Both new engines and spare parts expand in Civil aero engines. • Expect to exceed the previous year's level in Carbon solutions, Defense systems, which continue to perform well.
Revenue	• Civil aero engines is in the expanding trend as initially expected, with the growth in the demand for aero transportation. • Reinforced production capacity in Defense systems where orders are increasing. • No change from the previous forecast for Lifecycle businesses. Expect the same level as the previous year, although in a transitional period.
Operating profit	• The steady Civil aero engines continue driving profits throughout the full-year. • Expect the effects of harvesting the cost allocation in advance and strengthening the cost structure in the Core businesses. • Promote business portfolio reform, including structural reforms of Vehicular turbochargers. • Proceed as planned to quickly restore the financial base through the sale of property.
Cash flows from operating activities	• No change from the previous forecast due to the expected effects of corporate-wide efforts to reduce working capital.
The impact of additional inspection program for PW1100G-JM engines	• Continue to work with its program partners to enhance maintenance capacity and reduce the number of aircraft grounded. • Expenditures related to the program are expected to begin in earnest from 2Q onward.

Forecasts of the Consolidated Results for FY2024
Overviews of Forecasts

IHI

(In billion yen)	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May
Orders received	1,376.8	1,720.0	1,720.0	-
Revenue	1,322.5	1,600.0	1,600.0	-
Operating profit [%]	[(5.3%)] (70.1)	[6.9%] 110.0	[6.9%] 110.0	-
Profit before tax [%]	[(5.5%)] (72.2)	[6.3%] 100.0	[6.3%] 100.0	-
Profit Attributable to Owners of Parent [%]	[(5.2%)] (68.2)	[3.8%] 60.0	[3.8%] 60.0	-
Dividends per share [yen]	100 (Interim 50, Year-end 50)	100 (Interim 50, Year-end 50)	100 (Interim 50, Year-end 50)	-
EBITDA [%]	[0.0%] 0.6	[11.3%] 180.0	[11.3%] 180.0	-
ROIC	(4.9%)	8.3%	8.3%	-
ROE	(16.9%)	15.5%	15.5%	-
Assumed FX rate [Yen/USD]	145.27	140.00	140.00	-

(Reference) FX rate sensitivity (impact amount on operating profit from the second quarter by change of 1 yen) : USD ¥1.0 billion yen

*The foreign exchange impact of the additional inspection program for PW1100G-JM engines remains unchanged at the end of the previous fiscal year (151.26 yen/USD).
(FX rate sensitivity excludes this effect.)

(In billion yen)	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May
Cash flows from operating activities	62.1	75.0	75.0	-
Cash flows from investing activities	(51.6)	(90.0)	(90.0)	-
Free cash flows	10.4	(15.0)	(15.0)	-

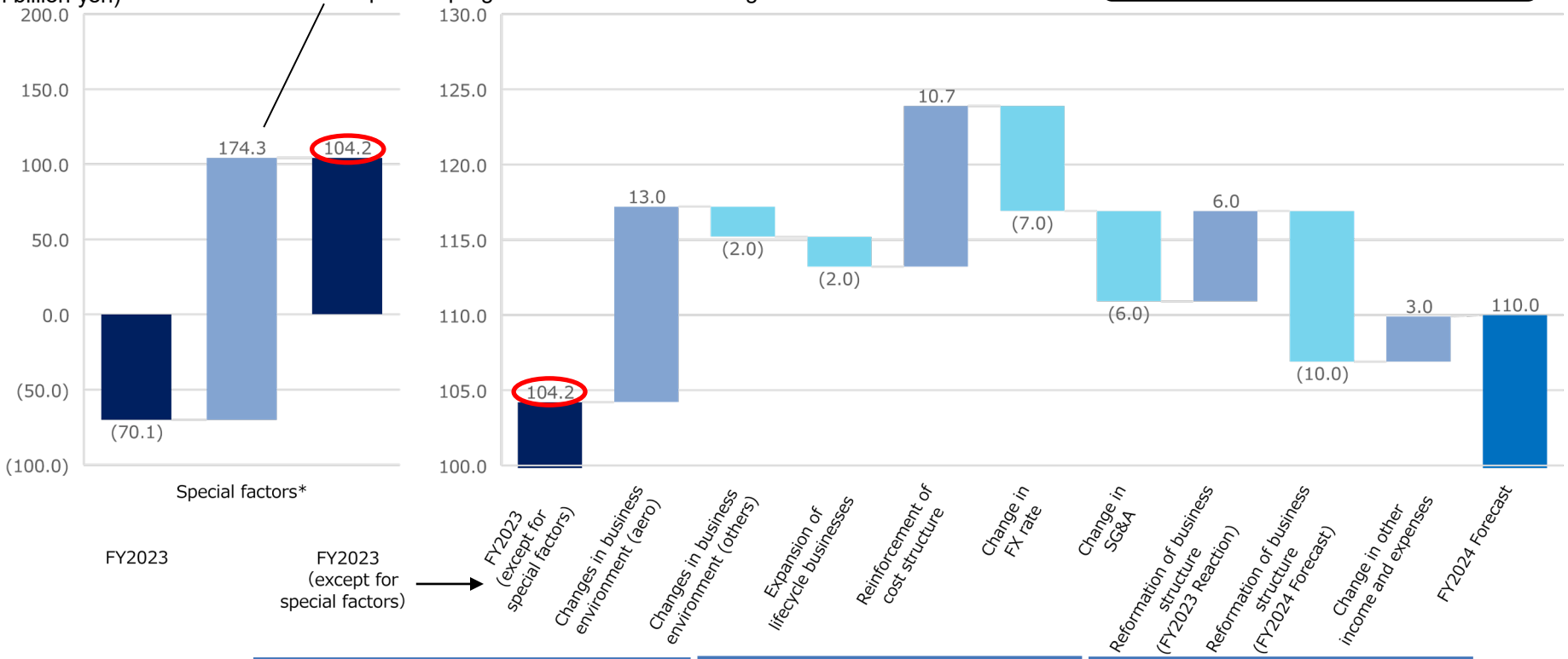
Forecasts of the Consolidated Results for FY2024
Factors of Change in Operating Profit / Financial Results by Segment

IHI

*Losses recorded in FY2023 related to the E&C litigation settlement impact and the additional inspection program for PW1100G-JM engines.

Unchanged from the previous forecast.

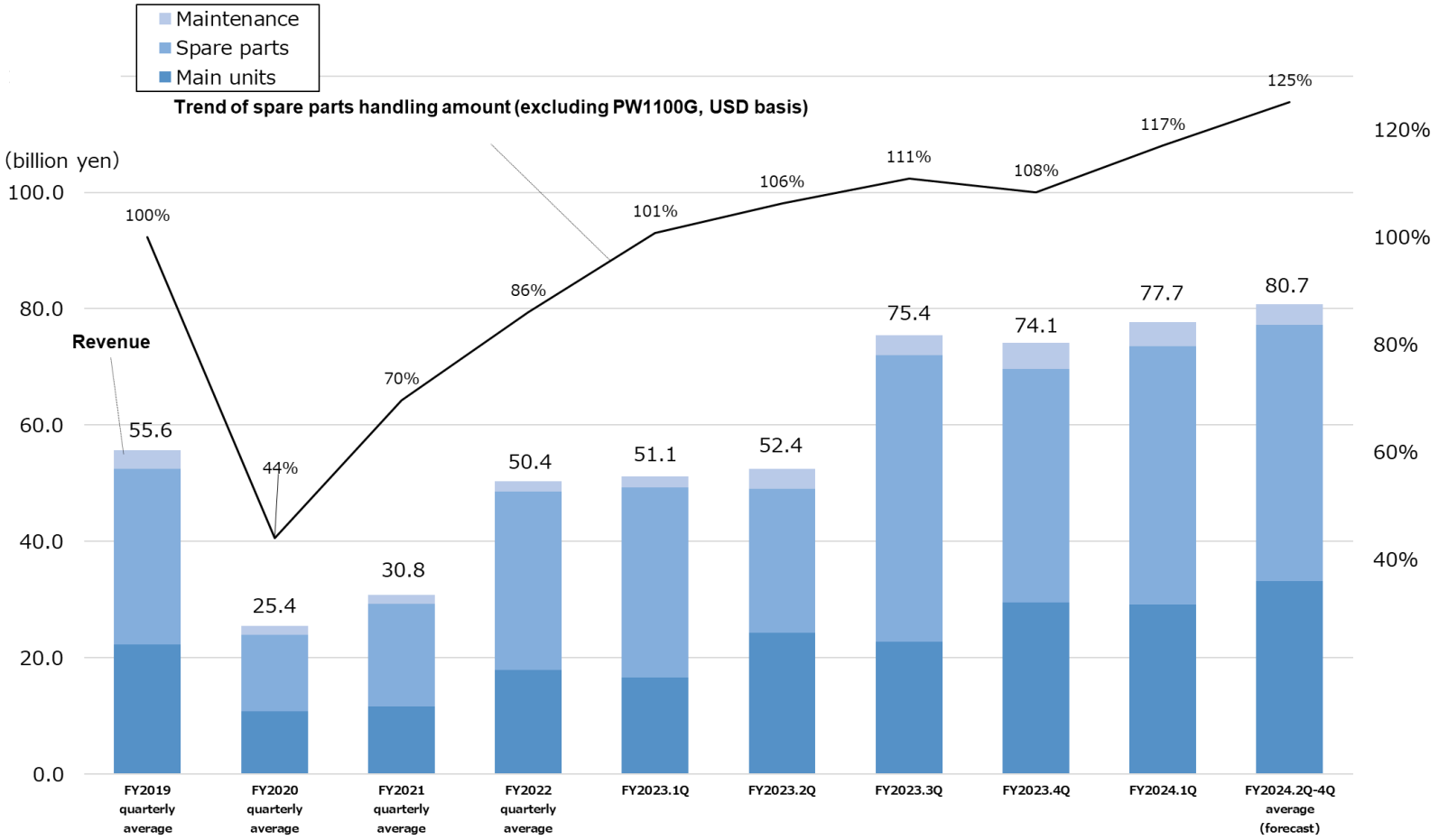
(in billion yen)



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

Forecasts of the Consolidated Results for FY2024

Trend of revenue and spare parts handling amount for Civil Aero Engines

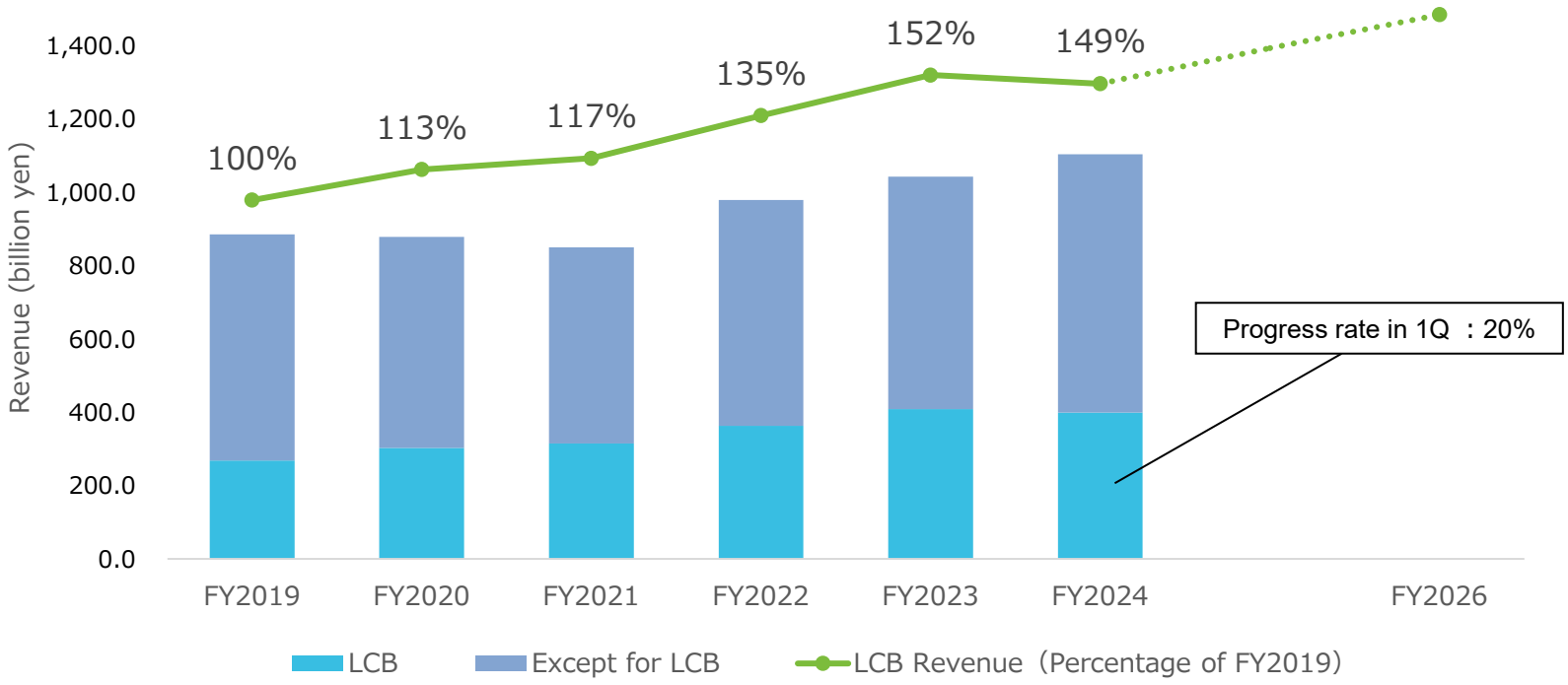


*Excluding the impact of additional inspection program for PW1100G-JM engines in FY2023.
Including only exchange rate revaluation for the program in FY2024.1Q.

	Percentage of Main units	Percentage of Spare parts
FY2023	37%	58%
FY2024.1Q	37%	57%
FY2024 Forecast	40%	55%

Forecasts of the Consolidated Results for FY2024
Status of Lifecycle business (LCB) in Core businesses

*Core businesses: Resources, Energy and Environment, Social Infrastructure, Industrial Systems and General-Purpose Machinery



<Points>

- LCB businesses is steadily expanding (50% increase compared to FY2019), but it is temporarily decreasing this year due to a transitional period of the project cycle.
- Progress is generally as planned for the first quarter FY2024.
- Aiming for further expansion beyond FY2025, extend the reach to the upstream and downstream of the customers, or to peripheral equipment of the customers, to accelerate growth.

Appendix

Financial Results by Segment (FY2023.1Q vs FY2024.1Q)

IHI

(In billion yen)	Orders received			Order backlog			Revenue			Operating profit [%]		
	FY2023.1Q	FY2024.1Q	Change	FY2023	FY2024.1Q	Change	FY2023.1Q	FY2024.1Q	Change	FY2023.1Q	FY2024.1Q	Change
Resources, Energy and Environment	91.7	61.8	(29.8)	483.4	455.6	(27.7)	85.1	99.3	14.2	0.1 [0.1%]	0.6 [0.7%]	0.5 [0.6pts]
Social Infrastructure	33.0	42.7	9.7	210.2	215.8	5.6	34.0	35.9	1.9	(1.2) [(3.6%)]	0.1 [0.4%]	1.3 [4.0pts]
Industrial Systems and General-Purpose Machinery	114.0	121.2	7.2	205.4	216.8	11.3	100.2	110.3	10.1	2.5 [2.5%]	0.5 [0.5%]	(1.9) [(2.0pts)]
Aero Engine, Space and Defense	74.3	100.7	26.3	450.9	449.7	(1.2)	78.2	100.0	21.8	9.3 [12.0%]	23.8 [23.8%]	14.4 [11.8pts]
Total Reportable Segment	313.1	326.5	13.4	1,350.0	1,338.1	(11.9)	297.5	345.7	48.1	10.8	25.2	14.4
Others	14.6	14.0	(0.5)	22.3	24.1	1.8	9.7	10.0	0.2	0.0	0.1	0.1
Adjustment	(12.3)	(11.9)	0.4	-	-	-	(8.8)	(7.6)	1.2	(1.9)	(1.6)	0.3
Total	315.4	328.7	13.2	1,372.3	1,362.2	(10.0)	298.4	348.1	49.7	8.9 [3.0%]	23.8 [6.8%]	14.9 [3.8pts]
Overseas	182.4	172.7	(9.6)	344.1	311.9	(32.2)	167.0	215.5	48.4			
Percentage of Overseas	58%	53%	(5.0pts)	25%	23%	(2.0pts)	56%	62%	6.0pts			

Factors of Change in Operating Profit by Segment

(FY2023.1Q vs FY2024.1Q)

(In billion yen)	Changes in Business Environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Change in other income and expenses	Total
Resources, Energy and Environment		(0.2)	0.4	0.4	(0.2)		0.2	0.5
Social Infrastructure			1.8				(0.4)	1.3
Industrial Systems and General-Purpose Machinery			(2.4)	0.3	(0.4)		0.5	(1.9)
Aero Engine, Space and Defense	17.2		2.5	5.3	(0.7)			14.4
The additional inspection program for PW1100G-JM engines				(9.8)				
Total Reportable Segment	17.2	(0.2)	2.3	(3.8)	(1.3)	-	0.3	14.4
Others							0.2	0.1
Adjustment					0.3			0.3
Total	17.2	(0.2)	2.3	(3.8)	(1.0)	-	0.5	14.9

There are cases that the aggregated amount of each segment or factor doesn't match to the total due to rounding off.
Change in SG&A and Change in other income and expenses exclude change in foreign exchange rate and other factors.

Financial Results by Segment

(Forecasts of FY2024 in May vs Forecasts of FY2024 in August)

(In billion yen)	Orders received				Revenue				Operating profit			
	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May
Resources, Energy and Environment	310.1	400.0	400.0	-	404.9	420.0	420.0	-	17.7	28.0	28.0	-
Social Infrastructure	159.3	180.0	180.0	-	170.9	170.0	170.0	-	15.0	21.0	21.0	-
Industrial Systems and General-Purpose Machinery	474.8	480.0	480.0	-	466.1	470.0	470.0	-	12.7	22.0	22.0	-
Aero Engine, Space and Defense	423.7	660.0	660.0	-	270.4	540.0	540.0	-	(102.8)	66.0	66.0	-
Total Reportable Segment	1,368.1	1,720.0	1,720.0	-	1,312.5	1,600.0	1,600.0	-	(57.3)	137.0	137.0	-
Others	58.4	50.0	50.0	-	56.0	50.0	50.0	-	4.4	1.0	1.0	-
Adjustment	(49.6)	(50.0)	(50.0)	-	(46.0)	(50.0)	(50.0)	-	(17.2)	(28.0)	(28.0)	-
Total	1,376.8	1,720.0	1,720.0	-	1,322.5	1,600.0	1,600.0	-	(70.1)	110.0	110.0	-

Unchange from the previous forecast.

Factors of Change in Operating Profit by Segment

(Forecasts of FY2024 in May vs Forecasts of FY2024 in August)

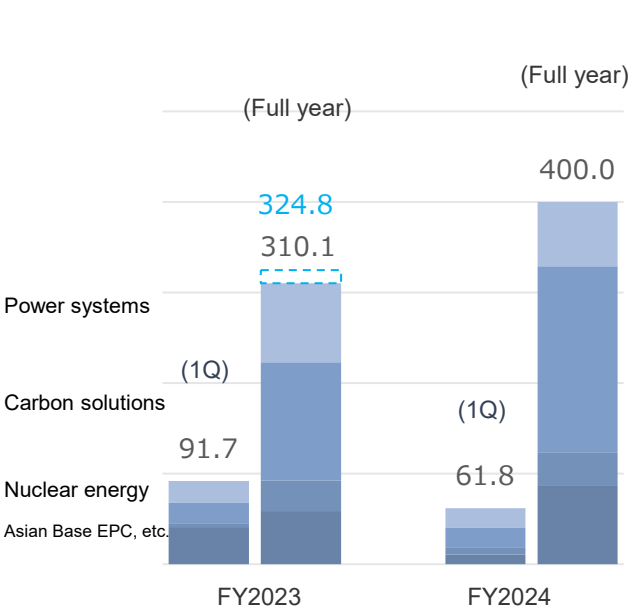
(In billion yen)	Changes in Business Environment	Expansion of LCB	Reinforcement of cost structure	Change in foreign exchange rate	Change in SG&A	Reformation of business structure	Change in other income and expenses	Total
Resources, Energy and Environment								
Social Infrastructure								
Industrial Systems and General-Purpose Machinery								
Aero Engine, Space and Defense								
Total Reportable Segment	-	-	-	-	-	-	-	-
Others								
Adjustment								
Total	-	-	-	-	-	-	-	-

Both segment and factor unchanged from the previous forecast.

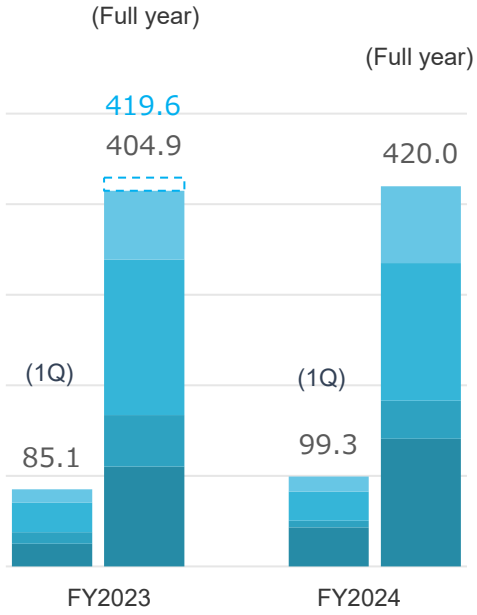
Financial Results & Forecasts by Segment <Resources, Energy and Environment>

(in billion yen)

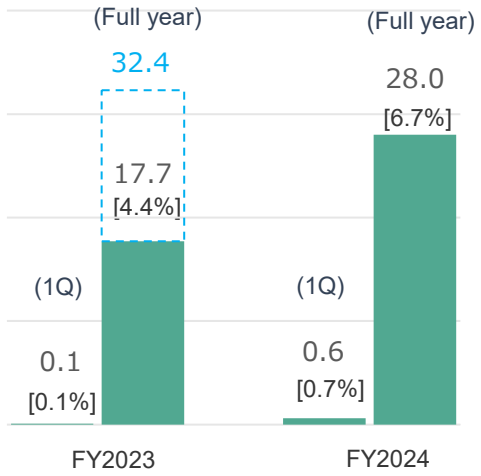
Orders received



Revenue



Operating profit



Orders received

	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
Power systems	23.7	87.2	21.3	71.0
Carbon solutions	22.8	130.9	21.8	206.0
Nuclear energy	4.5	33.6	8.2	36.0
Asian Base EPC, etc.	40.7	58.4	10.5	87.0
Total	91.7	310.1	61.8	400.0

Revenue

FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
14.7	76.0	16.7	85.0
32.8	171.8	32.2	152.0
12.6	56.8	7.4	42.0
25.0	100.3	43.0	141.0
85.1	404.9	99.3	420.0

Points (vs FY2023.1Q)

Orders received

- Decreased due to the reaction from large-scale projects received in the previous fiscal year in Asian Base EPC.

Revenue

- Increased in Power systems and Asian Base EPC, although decreased in Nuclear energy.

Operating profit

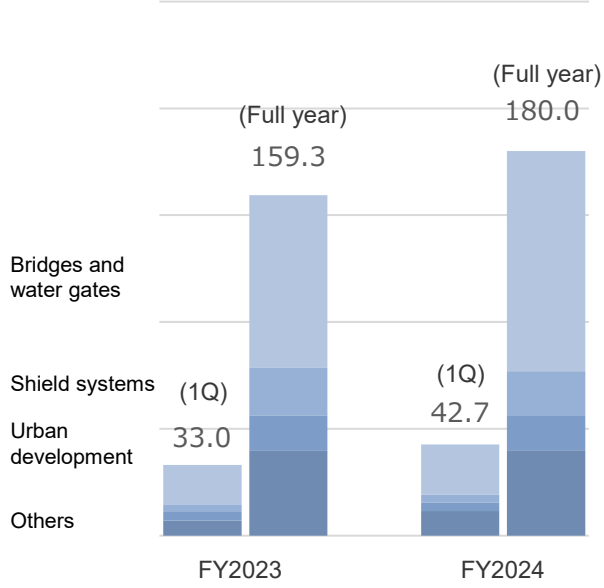
- Maintained around the same level as the same period of the previous fiscal year.

*Blue : except for the impact of E&C litigation settlement in FY2023

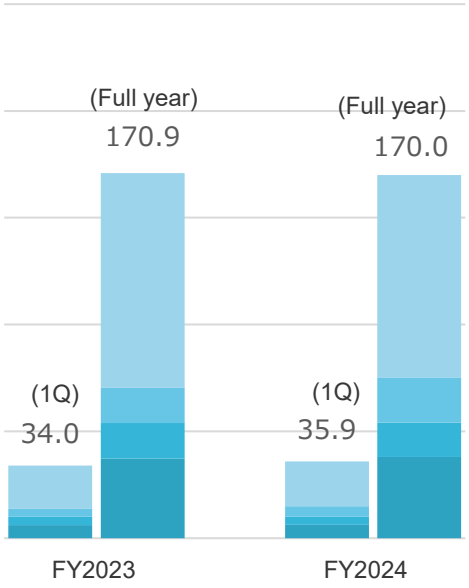
Financial Results & Forecasts by Segment <Social Infrastructure>

(in billion yen)

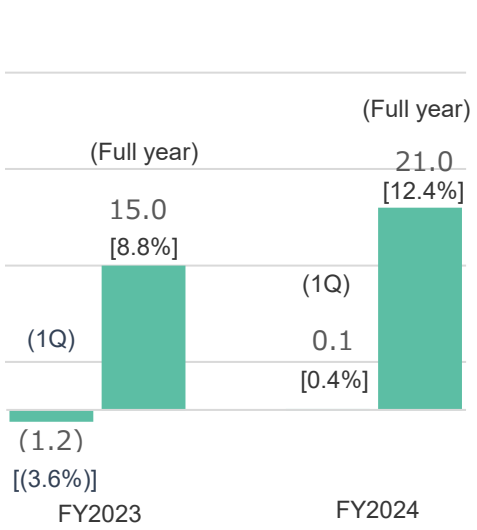
Orders received



Revenue



Operating profit



Orders received

	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
Bridges and water gates	18.4	80.5	23.5	103.0
Shield systems	3.5	22.5	3.7	21.0
Urban development	4.1	16.6	4.0	16.0
Others	7.0	39.7	11.5	40.0
Total	33.0	159.3	42.7	180.0

Revenue

FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
20.2	100.5	20.9	95.0
3.6	16.5	4.8	21.0
4.1	16.6	4.0	16.0
6.1	37.3	6.2	38.0
34.0	170.9	35.9	170.0

Points (vs FY2023.1Q)

Orders received

- Increased mainly in Bridges and water gates and Transportation systems.

Revenue

- Increased in Bridges and water gates and Shield systems.

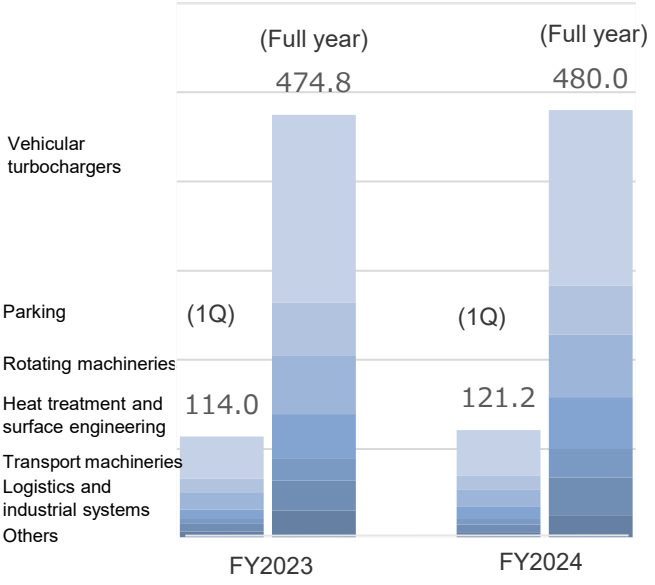
Operating profit

- Increased due to improved profitability as a result of increased contract payments in Bridges and water gates.

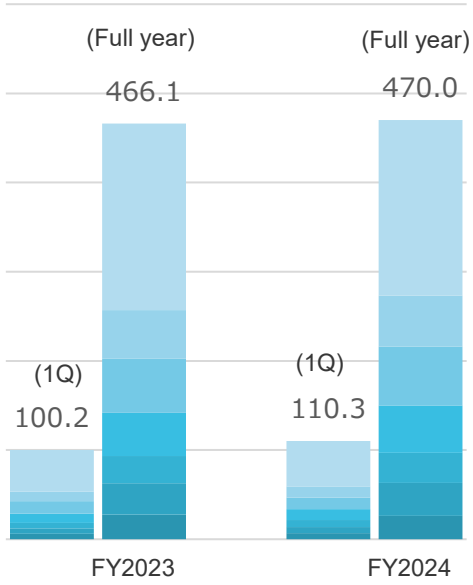
Financial Results & Forecasts by Segment <Industrial Systems and General-Purpose Machinery>

(in billion yen)

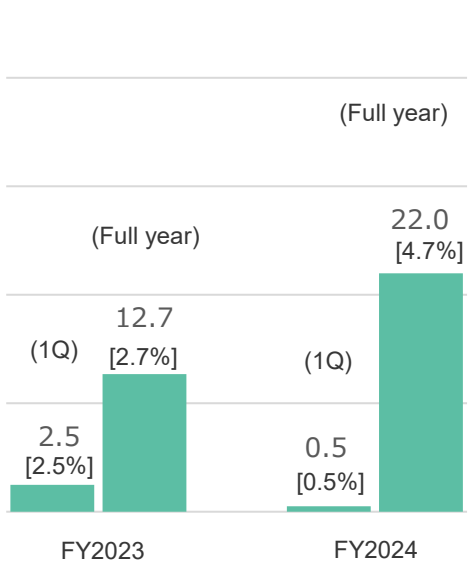
Orders received



Revenue



Operating profit



	Orders received				Revenue			
	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
Vehicular turbochargers	46.9	210.3	51.4	197.0	46.9	209.0	51.3	197.0
Parking	15.5	59.5	15.2	55.0	10.8	54.6	12.4	57.0
Rotating machineries	19.6	66.0	19.7	70.0	13.9	60.9	13.0	66.0
Heat treatment and surface engineering	9.6	50.3	12.3	58.0	10.4	48.3	12.2	53.0
Transport machineries	5.6	24.1	7.4	32.0	6.2	30.4	7.9	34.0
Logistics and industrial systems	9.3	33.4	8.6	43.0	6.0	35.5	6.8	37.0
Others	7.5	31.2	6.6	25.0	6.0	27.4	6.7	26.0
Total	114.0	474.8	121.2	480.0	100.2	466.1	110.3	470.0

Points (vs FY2023.1Q)

Orders received

- Increased in Vehicular turbochargers and Heat treatment and surface engineering.

Revenue

- Increased in Vehicular turbochargers and Parking.

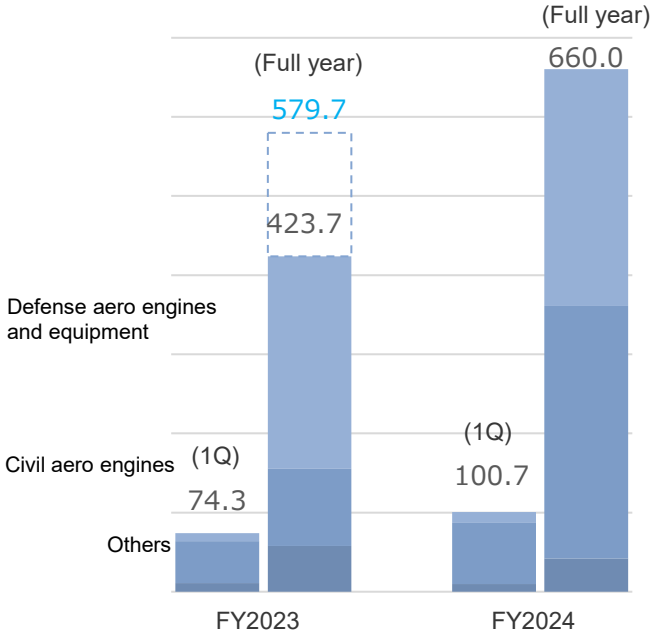
Operating profit

- Decreased due to deteriorated profitability resulting from delay in progress of in sales price negotiations for some projects in Vehicular turbochargers.

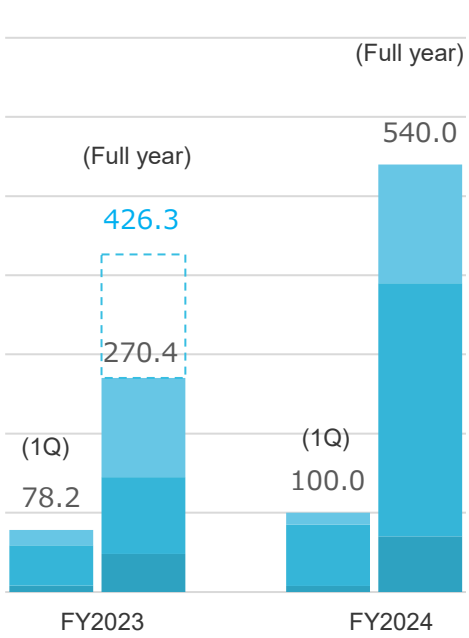
Financial Results & Forecasts by Segment <Aero Engine, Space and Defense>

(in billion yen)

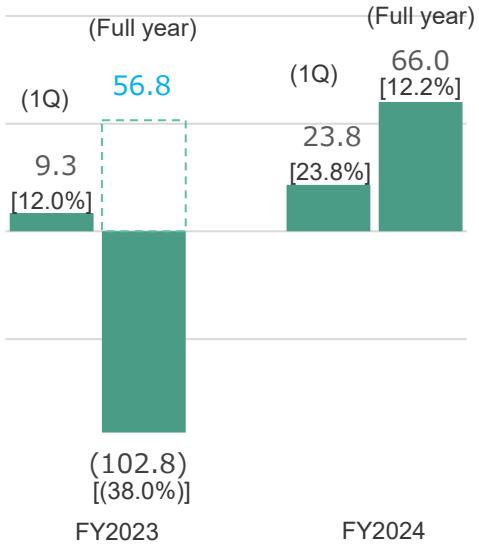
Orders received



Revenue



Operating profit



	Orders received				Revenue			
	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year	FY2023.1Q	FY2023 Full year	FY2024.1Q	FY2024 Full year
Defense aero engines and equipment	10.4	268.4	14.2	299.0	19.3	125.4	14.8	155.0
Civil aero engines	52.8	97.3	77.0	320.0	51.1	97.0	77.7	320.0
Others	11.1	58.0	9.5	41.0	7.8	48.0	7.5	65.0
Total	74.3	423.7	100.7	660.0	78.2	270.4	100.0	540.0

*Blue : except for the impact of additional inspection program for PW1100G-JM engines

Points (vs FY2023.1Q)

Orders received / Revenue

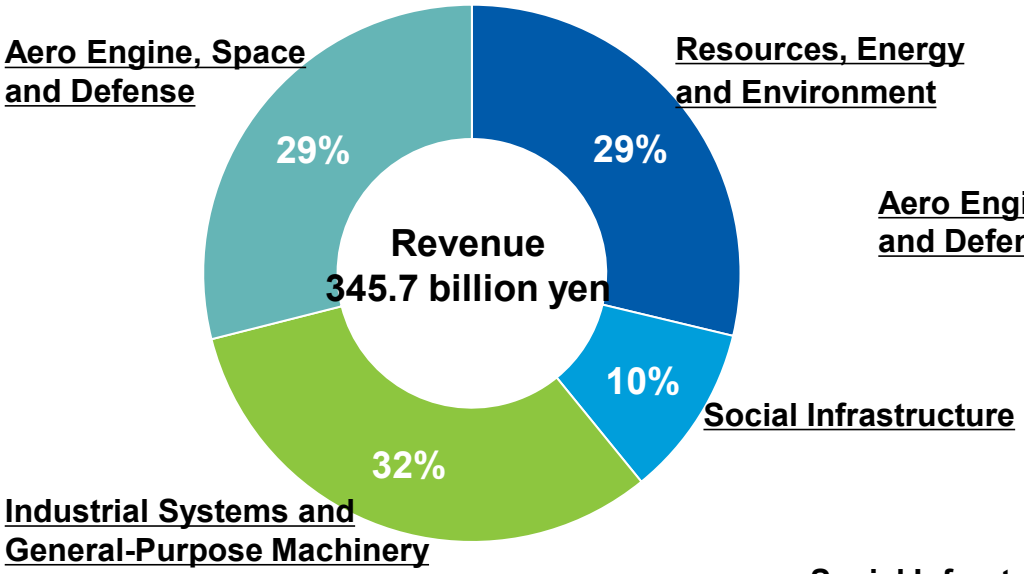
- Increased due to increased sales of new engines and spare parts for Civil aero engines.

Operating profit

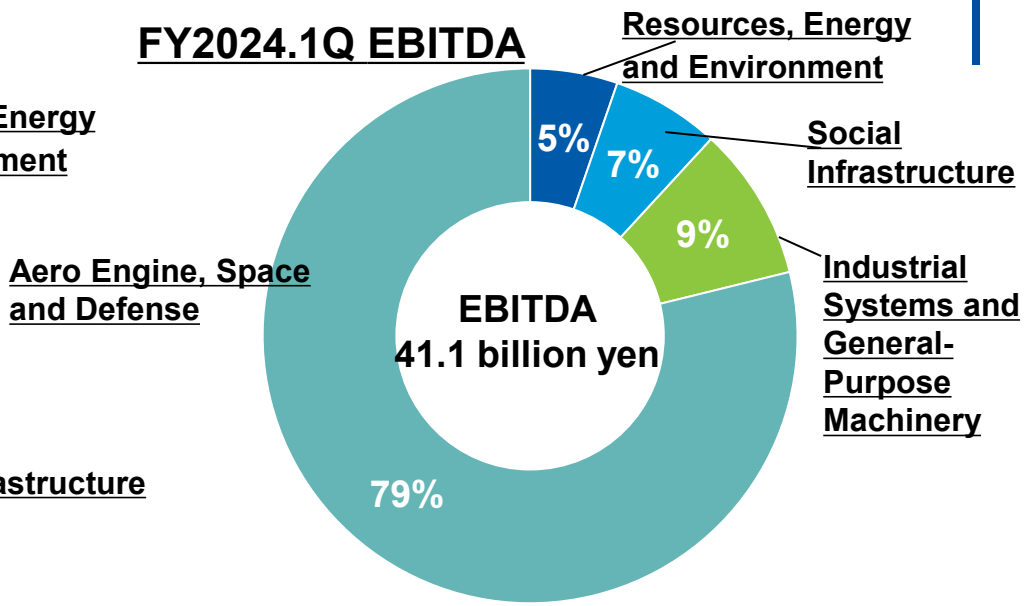
- Increase due to higher spare parts handling amount for civil aero engines, as well as the effect of a delay in after-market expenses.
- Includes the impact of ¥(9.8) billion yen due to exchange rate revaluation related to the additional inspection program for PW1100G-JM engines.

Revenue & Operating profit & EBITDA by Segment

FY2024.1Q Revenue

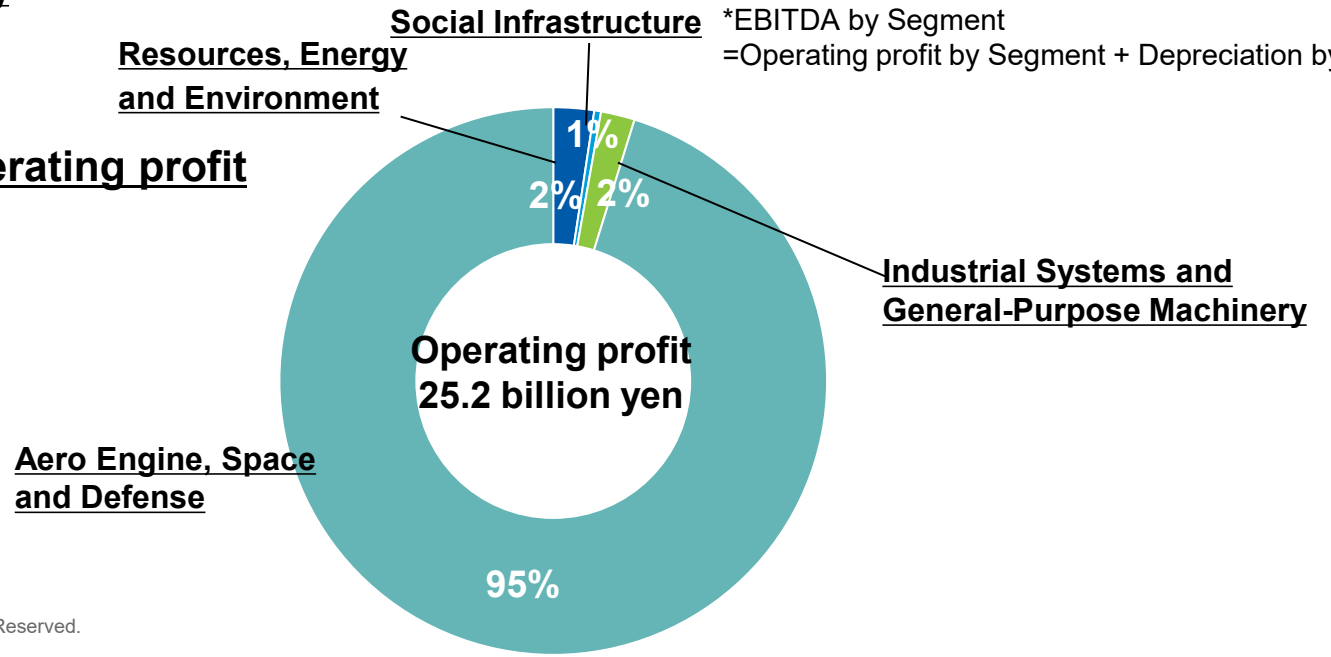


FY2024.1Q EBITDA



*EBITDA by Segment
=Operating profit by Segment + Depreciation by Segment

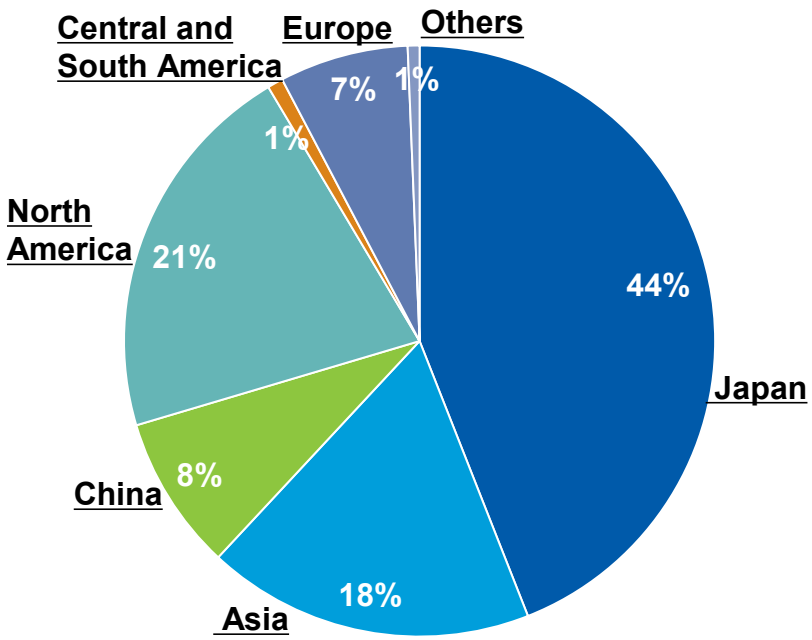
FY2024.1Q Operating profit



Revenue by Region

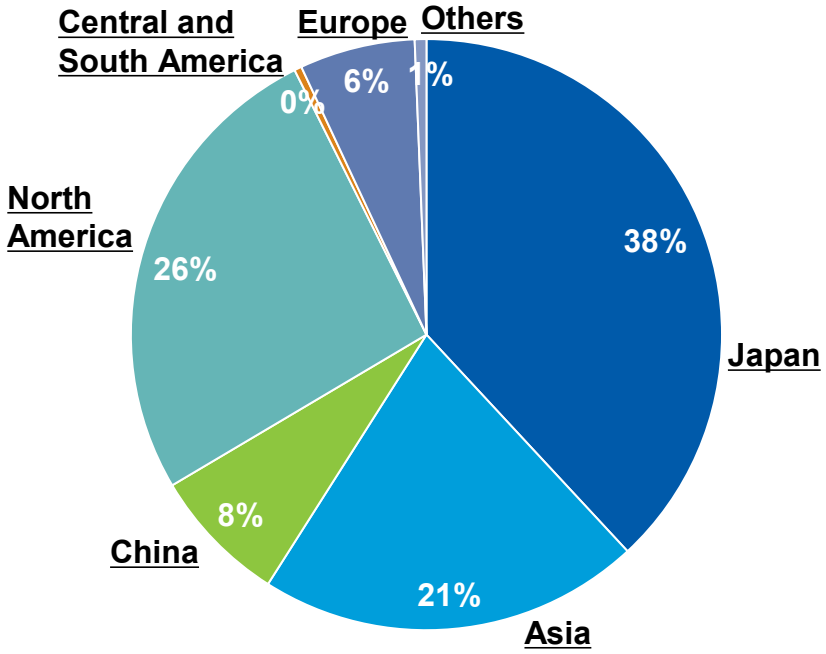
IHI

FY2023.1Q



Overseas revenue
167.0 billion yen

FY2024.1Q



Overseas revenue
215.5 billion yen

Financial Position

(In billion yen)	FY2023	As of June 30, 2024	Change
Total assets	2,097.8	2,142.8	45.0
Cash and cash equivalents	138.8	117.7	(21.1)
Trade receivables & contract assets	583.3	576.2	(7.1)
Inventories	422.2	478.7	56.4
Total liabilities	1,695.5	1,717.6	22.1
Trade payables etc.	258.5	246.0	(12.5)
Contract liabilities	204.1	224.6	20.4
Refund liabilities	192.6	190.8	(1.8)
Interest-bearing liabilities	574.3	576.4	2.1
Bonds and borrowings	449.1	449.0	(0.1)
Lease liabilities	125.2	127.4	2.2
Total equity	402.2	425.1	22.9
Equity attributable to owners of parent	375.9	399.3	23.3
Non-controlling interests	26.2	25.8	(0.4)
Total liabilities and equity	2,097.8	2,142.8	45.0

Cash Flows / R&D / CAPEX / Depreciation

(FY2023.1Q vs FY2024.1Q)

(In billion yen)	FY2023.1Q	FY2024.1Q	Change
Profit before tax	12.7	31.6	18.9
Depreciation	16.9	17.3	0.3
Other	(3.8)	(7.8)	(4.0)
EBITDA	25.8	41.1	15.2
Expenditures related to the additional inspection program of PW1100G-JM engines *1	-	(2.9)	(2.9)
Change in working capital *2	(61.5)	(24.9)	36.6
Other	(23.8)	(8.8)	14.9
Cash flows from operating activities	(59.5)	4.4	63.9
Cash flows from investing activities	(13.8)	(12.1)	1.7
Free cash flows	(73.4)	(7.7)	65.6
Cash flows from financing activities	55.4	(16.7)	(72.1)

(In billion yen)	FY2023.1Q	FY2024.1Q	Change
R&D	7.0	6.7	(0.2)
CAPEX	13.1	16.3	3.1
Depreciation	16.9	17.3	0.3

*1: Expenditures related to the additional inspection program of PW1100G-JM engines are shown separately from conventional "changes 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
(Same for the next page.)

Cash Flows / R&D / CAPEX / Depreciation

(Forecasts of FY2024 in May vs Forecasts of FY2024 in August)

(In billion yen)	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May
Profit before tax	(72.2)	100.0	100.0	-
Depreciation	70.7	70.0	70.0	-
The additional inspection program of PW1100G-JM engines Loss Estimate	155.9	-	-	-
Other	20.5	10.0	10.0	-
EBITDA	*1 175.0	180.0	180.0	-
Expenditures related to the additional inspection program of PW1100G-JM engines *2	-	(50.0)	(50.0)	-
Change in working capital	(101.0)	(43.0)	(43.0)	-
Other	(11.7)	(12.0)	(12.0)	-
Cash flows from operating activities	62.1	75.0	75.0	-
Cash flows from investing activities	(51.6)	(90.0)	(90.0)	-
Free cash flows	10.4	(15.0)	(15.0)	-

(In billion yen)	FY2023	FY2024 Forecast (in May)	FY2024 Forecast (in August)	Change August - May
R&D	39.3	40.0	40.0	-
CAPEX	71.2	96.0	96.0	-
Depreciation	70.7	70.0	70.0	-

*1: Excluding loss related to the E&C litigation settlement impact and the additional inspection program for PW1100G-JM engines.
*2: Expenditures related to the additional inspection program of PW1100G-JM engines are shown separately from conventional "changes in working capital".

Financial Performance

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

(In billion yen)

	Japanese GAAP	IFRS						
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024.1Q	FY2024 (Forecast)
Orders received	1,399.2	1,280.0	1,097.0	1,261.2	1,366.1	1,376.8	328.7	1,720.0
Revenue	1,483.4	1,263.1	1,112.9	1,172.9	1,352.9	1,322.5	348.1	1,600.0
Operating profit	82.4	47.8	27.9	81.4	81.9	(70.1)	23.8	110.0
Profit attributable to owners of parent	39.8	8.2	13.0	66.0	44.5	(68.2)	18.5	60.0
EBITDA	78.2	95.4	92.3	91.1	151.1	* 175.0	41.1	180.0
Cash flows from operating activities	46.4	42.4	36.3	114.1	54.1	62.1	4.4	75.0
Cash flows from investing activities	(79.2)	(85.5)	(40.4)	27.9	(52.3)	(51.6)	(12.1)	(90.0)
Free cash flows	(32.8)	(43.0)	(4.1)	142.0	1.7	10.4	(7.7)	(15.0)
Dividends per share (yen)	70 (Interim 30, Year-end 40)	50 (Interim 30, Year-end 20)	0	70 (Interim 30, Year-end 40)	90 (Interim 40, Year-end 50)	100 (Interim 50, Year-end 50)	-	100 (Interim 50, Year-end 50)
Operating margin (%)	5.6	3.8	2.5	6.9	6.1	(5.3)	6.8	6.9
ROIC (%)	8.7	4.1	2.2	6.4	6.3	(4.9)	-	8.3
ROE (%)	11.8	2.8	4.5	19.3	11.0	(16.9)	-	15.5
CCC (days)	97	92	124	112	120	* 132	-	129
D/E ratio (times)	0.93	2.00	1.85	1.24	1.14	1.43	1.36	1.41
Ratio of equity attributable to owners of parent (%)	21.0	15.0	16.4	20.3	22.2	17.9	18.6	19.3

ROIC = (Operating profit + Interest income and dividend income) after tax / (Equity attributable to owners of parent + Interest-bearing liabilities)
*CCC = Working capital / Revenue * 365 days*
D/E ratio = Interest-bearing liabilities / Total equity
ROE = Profit attributable to owners of parent / Equity attributable to owners of parent
Ratio of equity attributable to owners of parent = Equity attributable to owners of parent / Total liabilities and equity

Revenue & Number of civil aero engines delivered

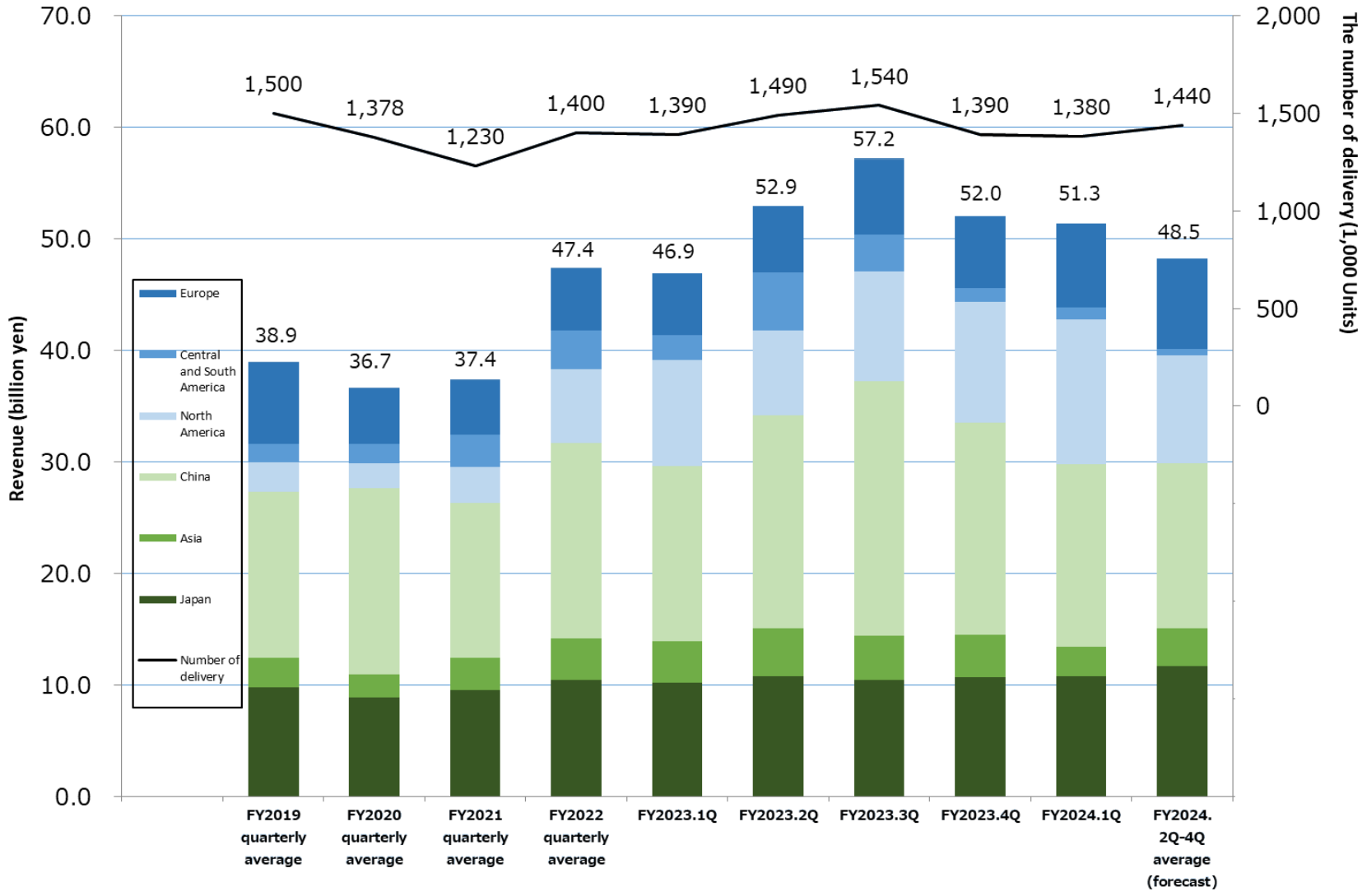
	Japanese GAAP					IFRS							Main loading
	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24 1Q	'24 (Forecast)	
Revenue (In biilion yen)	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	201.4	97.0	77.7	320.0	
Accumulated number of civil aero engines delivered (Units)													
V2500	6,469	6,896	7,236	7,508	7,688	7,735	7,740	7,756	7,776	7,782	7,787		Airbus A319/320/321
GE90	2,039	2,257	2,457	2,617	2,715	2,824	2,885	2,925	2,968	3,029	3,044		Boeing B777
CF34	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,926	6,085	6,201	6,231		For regional jet （70 to 110 seats）
GEnx	751	1,035	1,295	1,542	1,826	2,159	2,328	2,425	2,494	2,577	2,588		Boeing B787/B747-8
PW1100G		16	148	398	1,058	1,784	2,144	2,585	3,146	3,821	3,986		Airbus A320neo
Passport20				13	66	142	202	269	335	406	426		Bombardier Global7500
Total	13,415	14,675	15,957	17,163	18,684	20,255	21,097	21,886	22,804	23,816	24,062	25,214	
Single FY number of civil aero engines delivered (Units)	1,352	1,260	1,282	1,206	1,521	1,571	842	789	918	1,012	246	1,398	

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

Revenue by region & Number of Vehicular Turbochargers delivered

(In billion yen)	Japanese GAAP					IFRS						
	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	
											1Q	(Forecast)
Japan	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	41.8	42.1	10.8	46.0
Asia	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	14.9	15.8	2.6	13.0
China	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	70.2	76.6	16.4	61.0
North America	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	26.4	37.8	13.0	42.0
Central and South America	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.1	1.0	3.0
Europe	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	22.3	24.5	7.6	32.0
Others	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Total	167.7	161.6	174.6	220.5	189.5	153.6	146.6	149.4	189.5	209.0	51.3	197.0
The number of delivery (1,000 Units)	5,890	5,360	6,100	7,900	6,760	6,000	5,510	4,920	5,590	5,810	1,380	5,700

Revenue by region & Number of Vehicular Turbochargers delivered



Urban Development

(1) Lease revenue in Toyosu

(In billion yen)	Japanese GAAP					IFRS						
	’14	’15	’16	’17	’18	’19	’20	’21	’22	’23	’24	
											1Q	Forecast
Lease revenue	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0	3.0	12.3

(2) Lease revenue and expense in Toyosu

(In billion yen)	Lease revenue	Lease expense		Difference
		Depreciation	Others	
FY2024.1Q	3.0	1.3	0.9	0.6

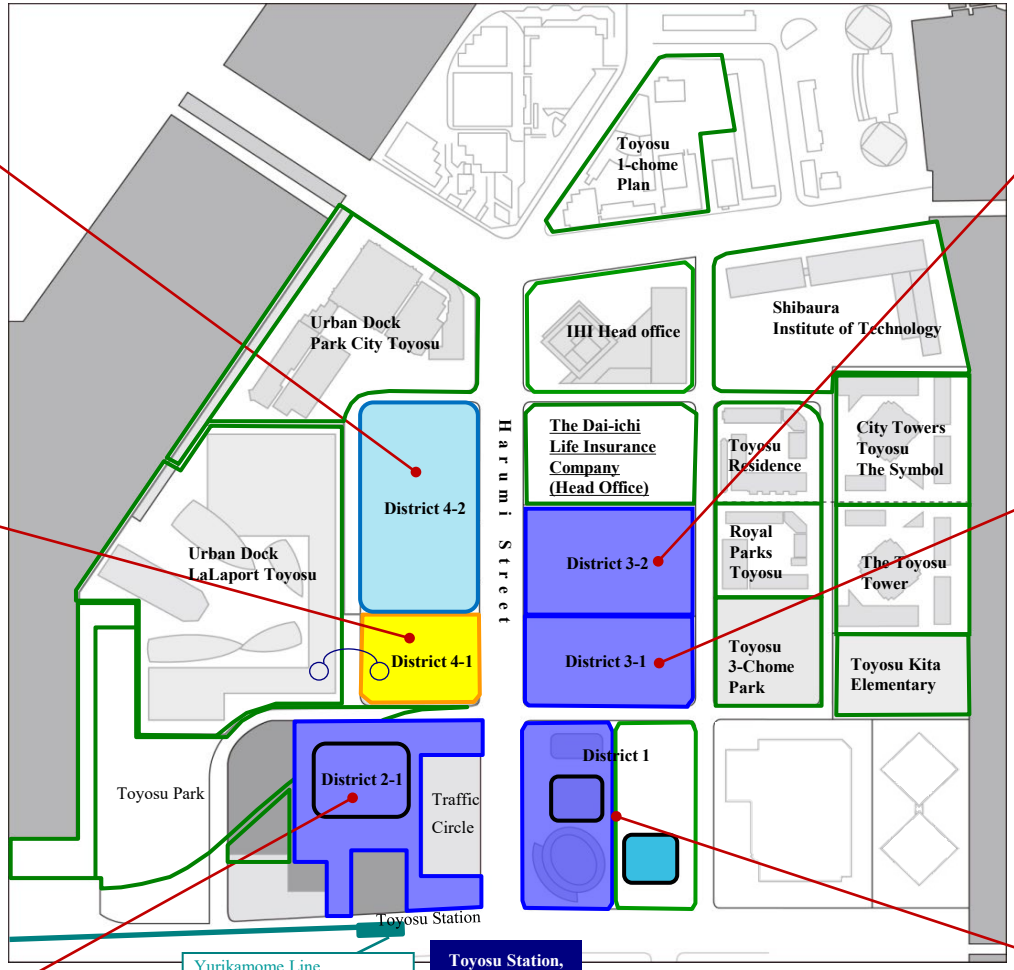
As of August 2024

Development Plan for Toyosu 1 to 3 chome Area

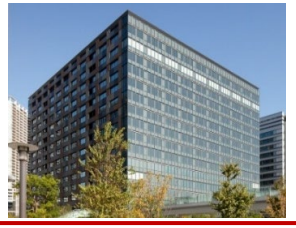
Development Plan for District 4-2
Site area : 19,493㎡
Planned construction schedule from July 2022 to June 2025

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

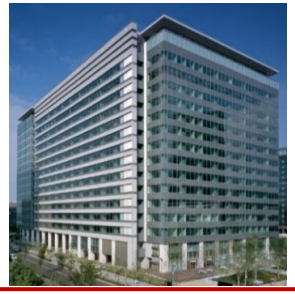
Toyosu Bayside Cross Tower A・C,
36 floors above ground, Approx. 178m high
Gross floor area : 185,000㎡
Completed in March 2020



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

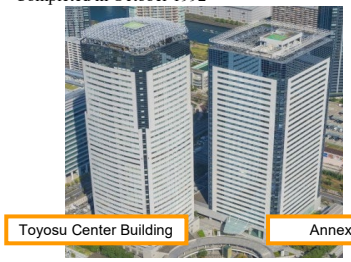


Toyosu Front
15 floors above ground , Approx. 75m high
Gross floor area : 106,861㎡
Completed in August 2010



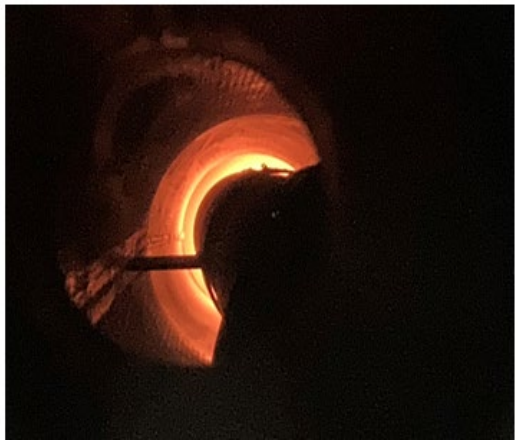
Toyosu Center Building Annex
33 floors above ground, Approx. 150m high
Gross floor area : 105,448㎡
Completed in August 2006

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



Topics in the First Quarter

IHI and JERA Complete Fuel Ammonia Substitution Demonstration Testing at Hekinan Thermal Power Station



- IHI and JERA are collaborating on a project that the New Energy and Industrial Technology Development Organization (“NEDO”) has subsidized. The name of that initiative is the Development of Technologies for Carbon Recycling and Next-Generation Thermal Power Generation / R&D and Demonstration Project for Ammonia Co-Firing Thermal Power Generation Technology. IHI and JERA completed the world’s first large-volume ammonia substitution demonstration testing (representing 20% of heating value) at a large scale commercial coal-fired facility. In this demonstration test, 20% substitution of fuel ammonia for operation of rated output of one-gigawatt has been achieved successfully. This effort yielded favorable environmental outcomes. It is confirmed that nitrogen oxide(NOx) emissions were equal to or less than when before ammonia substitution, and sulfur oxide(SOx) emissions were down about 20%. IHI and JERA also confirmed that operability was equivalent to that before the conversion to fuel ammonia.
- IHI will apply the knowledges gained through the demonstration test to establish a combustion technology that increases the ammonia ratio to more than 50% at thermal power plants and develop burners for 100% ammonia combustion.

＜inspection window view of 20% ammonia substitution in burner＞

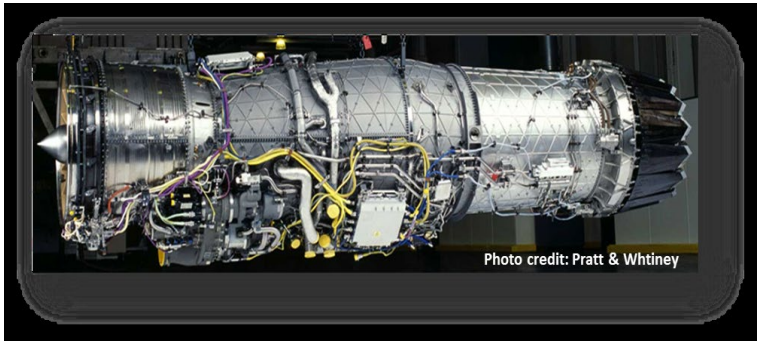
Decision to install small-scale Sustainable Aviation Fuel (SAF) production test rig for further development of CO_2 to SAF synthesis technologies -The next stage of world-class synthesis technology development-

- IHI Corporation together with the Institute of Sustainability for Chemicals, Energy and Environment (ISCE²), a research institute under the Agency for Science, Technology and Research, Singapore, has been working on the development of technology for the synthesis of sustainable aviation fuel (SAF). The decision has now been a test rig to verify the process of synthesizing liquid hydrocarbons from SAF raw materials, CO_2 and hydrogen, will be installed. Small-scale testing on the above rig with an injection rate of 100 kg CO_2 per day is scheduled to start by the end of the year.
- IHI and ISCE² have previously developed a novel catalyst for SAF synthesis in 2022, which was confirmed to have world-class performance in laboratory tests. The performance and durability of this catalyst will now be evaluated in the newly installed test rig. In addition, both parties will further optimize the operating conditions of the synthesis plant and acquire reactor data to verify the entire process.

＜Test rig installation plan＞

Topics in the First Quarter

IHI Starts Shipping F-35 Joint Strike Fighter Engine Components as Part of Drive to Bolster Reach in Global Defense Sector



＜F135 engine incorporating shipped components＞

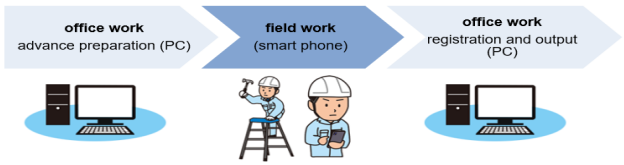
- IHI Corporation began shipping Stage 1 Integrally Bladed Rotors to Pratt & Whitney in the United States on April 26. The Rotor is a component of the F135 turbofan engine installed on the F-35 joint strike fighter, which is operated in the Japan Air Self-Defense Force. The Rotors were manufactured at the Soma Aero-Engine Works in Fukushima Prefecture, this being the first time to be mass-produced for the global market. The high-value-added rotors employ the latest joining technology. Apart from Pratt & Whitney, only IHI has this manufacturing capability.
- The recent shipment marked a milestone in IHI's preparations to lift production capacity. IHI will keep collaborating with Pratt & Whitney to supply top-quality equipment and support countries which use F-35 as part of efforts to bolster its reach in the global defense sector.

IHI Develops Two Tools to Support Inspection and Diagnosis of Bridges and Other Infrastructure Structures -Improving inspection and diagnosis quality, enhancing work efficiency, and reducing costs-

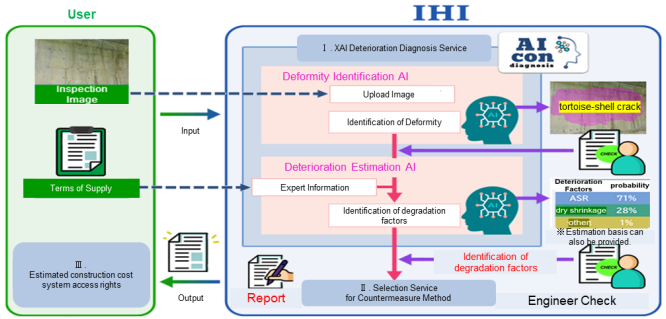
- IHI, IHI Infrastructure Systems CO.,LTD., and IHI Construction Service Co.,Ltd. has developed and launched services for two tools to support the inspection and diagnosis of bridges and other infrastructure structures.

1. Smartphone system to support more efficient periodic bridge inspections
   "Smartphone Inspector ®" (device lease)
2. AI diagnosis + expert check of concrete deterioration factors with expert selection of appropriate remedial construction methods
   "AIcon Diagnosis Services" (contracted service)

- Aging infrastructure structures that were built at a rapid pace during the period of high economic growth have become a serious problem. In particular, there is expected to be a shortage of engineers for the inspection and diagnosis of road structures such as bridges. Thus, there is a need to enhance the efficiency of such work as well as the quality of results through the utilization of new technologies.
- The IHI Group will solve these social issues by combining ICT and AI technologies with the bridge technologies it has developed in the new construction and maintenance business for steel and concrete bridges, and endeavor to develop technologies that promote the digital transformation of maintenance and management operations for infrastructure structures.



< Above : Contract and lease product provision of "Smartphone Inspector">



< Above : Flow of "AIcon Diagnostic Service">

IHI

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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 to it, and therefore contain risks and uncertainties. Consequently, you should not place undue reliance on these performance outlooks in making judgments. IHI cautions you that actual results could differ materially from those discussed in these performance outlooks due to a number of important factors. These important factors include political environments in areas in which IHI operates, general economic conditions, and the yen exchange rate including its rate against the US dollar.