

(English Translation)

May 18, 2023

To whom it may concern,

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President and Chief Executive Officer
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**(Amendments) Notice Regarding Partial Amendments of
“Financial Results for FY2022 (for the year ended March 31, 2023)”**

IHI Corporation (hereinafter, “IHI”) hereby announces that it has made partial amendments to “Financial Results for FY2022 (for the year ended March 31, 2023)” which was announced on May 9, 2023, as follows.

There is no change to the year-end dividend forecast (50 yen per share) for the fiscal year 2022 (ended March 31, 2023) and the consolidated earnings forecast for the fiscal year 2023 (ending March 31, 2024) as results of these amendments.

1. Reason for Amendments

On May 2, 2023, Go Airlines (India) Limited announced that it had filed for bankruptcy protection. Although IHI had no direct trade receivables against that airline, through International Aero Engines, LLC, an international joint venture for civil aero engines, it was found that IHI has trade receivables against that airline. As a result, because the possibility has occurred that IHI would not be able to collect some of the trade receivables holding indirectly, as revised subsequent events, IHI has recorded a provision for allowance for doubtful accounts of 7,537 million yen in selling, general and administrative expenses.

2. Details of Amendments

Due to the large number of amendments, the full text of the amended version is attached, and the amended sections are underlined.

(END)

After amendments

Financial Results for FY2022 (IFRS) (for the year ended March 31, 2023)

IHI

May 9, 2023

IHI Corporation

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1. Consolidated Results for FY2022

- Revenue and profits increased in all segments, and returned to profitability.
- In the Civil aero engines Business, the recovery trend in sales of spare parts remained unchanged. In addition, profits further increased due to improved profitability and yen depreciation.
- In the Vehicular turbochargers Business, although sales have recovered from the decline, there are challenges to reflect soaring prices of raw materials and other into increased contract amount.
- Other businesses remained steady.
- Cash earning ability has been stronger, but working capital reduction is a challenge.

1. Consolidated Results for FY2022

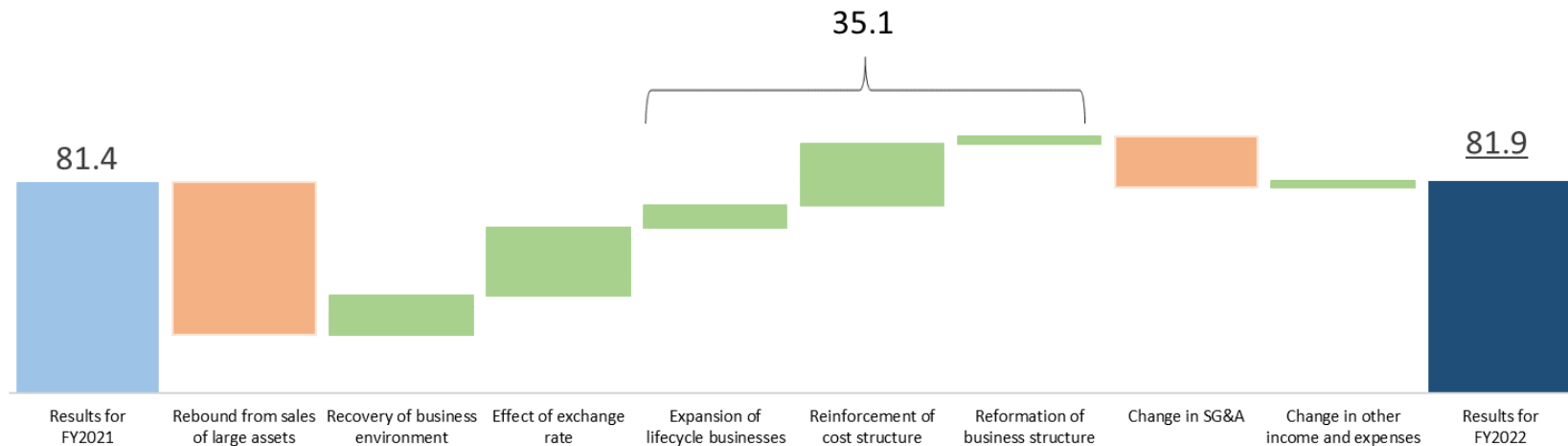
Summary of Financial Results

(In billion yen)

	FY2021	FY2022	Change
Orders received	1,261.2	1,366.1	104.9
Revenue	1,172.9	1,352.9	180.0
Operating profit	81.4	81.9	0.4
Profit before tax	87.6	64.8	(22.7)
Profit attributable to owners of parent	66.0	44.5	(21.5)

Top left of table : Forecast announced on February 7, 2023. Same for subsequent slides.

Note: Average FX rate FY2021 US\$ 1.00 = ¥112.68, FY2022 US\$ 1.00 = ¥134.32



1. Consolidated Results for FY2022

Financial Results by Segment

■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2021	FY2022	Change	FY2021	FY2022	Change
Resources, Energy and Environment	373.8	420.0 393.4	(26.5) 19.5	527.5	565.7	38.1
Social Infrastructure and Offshore Facilities	181.0	140.0 134.0	(5.9) (46.9)	250.0	218.4	(31.6)
Industrial Systems and General-Purpose Machinery	384.5	440.0 455.9	15.9 71.4	180.7	201.0	20.2
Aero Engine, Space and Defense	304.7	360.0 372.7	12.7 67.9	283.8	293.4	9.6
Total Reportable Segment	1,244.1	1,360.0 1,356.2	(3.7) 112.0	1,242.1	1,278.6	36.4
Others	54.7	53.9	(0.8)	22.8	20.8	(1.9)
Adjustment	(37.6)	(44.0)	(6.3)	-	-	-
Total	1,261.2	1,360.0 1,366.1	6.1 104.9	1,265.0	1,299.4	34.4
Overseas orders received / order backlog	511.8	683.9	172.1	342.3	390.7	48.4
% of Overseas orders received / order backlog	41%	50%	9%	27%	30%	3%

■ The change in order backlog include the effect of exchange rate changes.

1. Consolidated Results for FY2022

Financial Results by Segment

■ Revenue & Operating profit

(In billion yen)

	Revenue			Operating profit		
	FY2021	FY2022	Change	FY2021	FY2022	Change
Resources, Energy and Environment	344.4	380.0 371.3	(8.6) 26.9	22.9	26.0 26.2	0.2 3.2
Social Infrastructure and Offshore Facilities	167.3	170.0 171.0	1.0 3.6	15.3	16.0 17.0	1.0 1.7
Industrial Systems and General-Purpose Machinery	376.9	430.0 436.5	6.5 59.5	12.8	18.0 18.0	0.0 5.1
Aero Engine, Space and Defense	265.2	370.0 364.1	(5.8) 98.8	(9.3)	43.0 36.1	(6.8) 45.5
Total Reportable Segment	1,154.0	1,350.0 1,343.1	(6.8) 189.0	41.8	103.0 97.5	(5.4) 55.7
Others	62.7	54.2	(8.4)	(1.0)	1.3	2.3
Adjustment	(43.9)	(44.4)	(0.5)	40.6	(16.8)	(57.5)
Total	1,172.9	1,350.0 1,352.9	2.9 180.0	81.4	85.0 81.9	(3.0) 0.4

Overseas revenue	495.5	660.2	164.6
% of overseas revenue	42%	49%	7%

1. Consolidated Results for FY2022

Financial Results by Segment

- Analysis of change in operating profit from the previous fiscal year

(In billion yen)

	Change in revenue	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Change in other income and expenses	Total
Resources, Energy and Environment	2.3	3.2	2.5	(3.6)	(1.2)	3.2
Social Infrastructure and Offshore Facilities	(1.2)	2.0	0.3	(0.8)	1.5	1.7
Industrial Systems and General-Purpose Machinery	2.9	(2.1)	1.9	(2.0)	4.4	5.1
Aero Engine, Space and Defense	18.4	19.6	22.0	<u>(9.1)</u>	(5.4)	<u>45.5</u>
Total Reportable Segment	22.5	22.7	26.7	<u>(15.5)</u>	(0.7)	<u>55.7</u>
Others	(1.8)	0.2	(0.5)	(0.2)	4.7	2.3
Adjustment	(0.4)			(4.2)	* ₁ (53.0)	(57.5)
Total	20.3	22.9	26.2	<u>(19.9)</u>	(49.0)	<u>0.4</u>

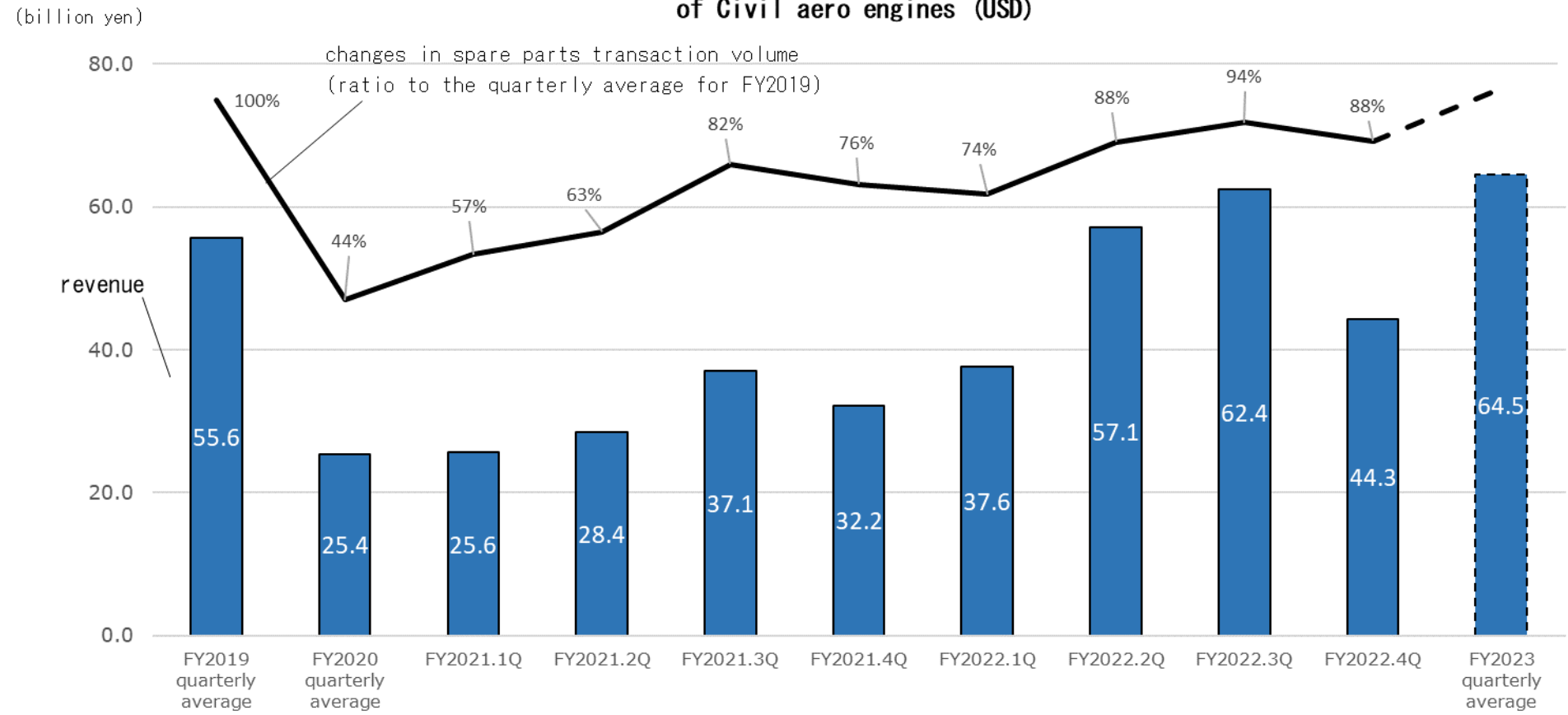
There are cases that the aggregated amount of each segment or factor doesn't match to the total due to rounding off. Change in SG&A and Change in other income and expenses exclude change in foreign exchange rate and other factors.

*1: Includes (52.9) billion yen impact of asset sales recorded in the previous fiscal year

1. Consolidated Results for FY2022

Financial Results by Segment (Civil aero engines)

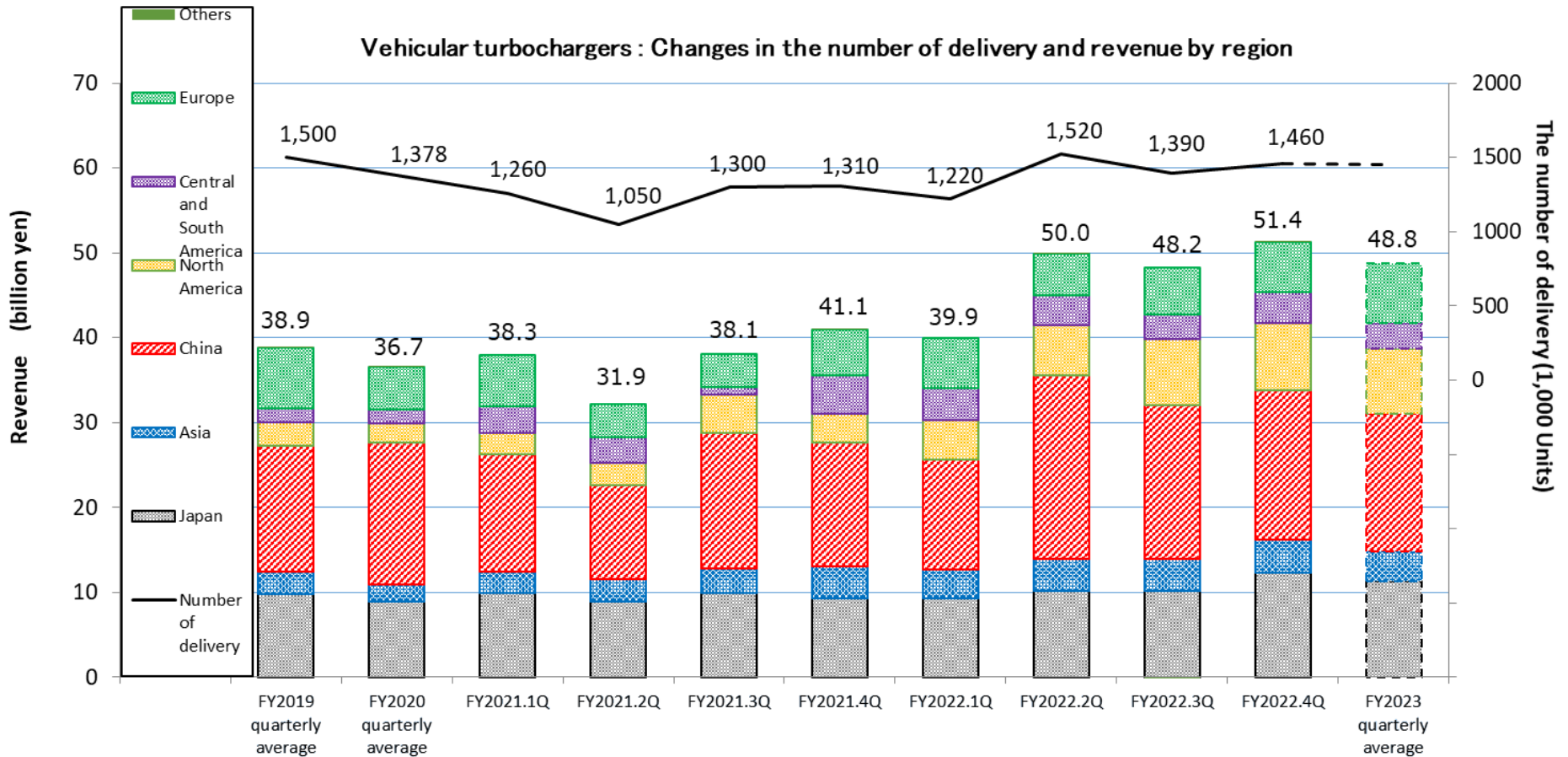
Revenue and changes in spare parts transaction volume of Civil aero engines (USD)



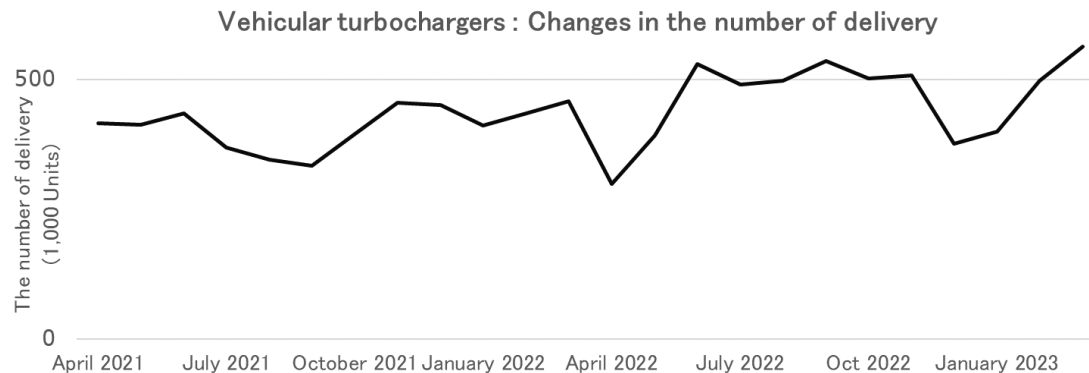
■ The spare parts transaction volume is steadily recovering.

1. Consolidated Results for FY2022

Financial Results by Segment (Vehicular turbochargers)



■ Although sales are recovering from the decline caused by the shortage of semiconductors and the spread of COVID-19, they are expected to recover only moderately.



1. Consolidated Results for FY2022

Finance Income / Costs etc.

(In billion yen)

	FY2021	FY2022	Change
Foreign exchange gains (losses)	7.5	(5.7)	(13.2)
Share of profit (loss) of investments accounted for using equity method	1.1	(8.3)	(9.5)
Other finance income (costs)	(2.5)	(2.9)	(0.4)
Finance income / costs etc.	6.1	(17.1)	(23.2)

Change of FX rate (US\$) FY2021 ¥11.74 (beginning ¥110.65→end ¥122.39)
 FY2022 ¥11.02 (beginning ¥122.39→end ¥133.41)

1. Consolidated Results for FY2022

Financial Position



(In billion yen)

	As of March 31, 2022	As of March 31, 2023	Change
Total assets	1,879.6	<u>1,941.9</u>	<u>62.2</u>
[Cash and cash equivalents]	[145.4]	[124.7]	[(20.7)]
[Trade receivables & contract assets]	[474.5]	<u>[523.1]</u>	<u>[48.6]</u>
[Inventories]	[340.1]	[374.5]	[34.3]
Total liabilities	1,472.6	1,485.7	13.0
[Trade payables etc.]	[235.4]	[247.0]	[11.6]
[Contract liabilities]	[214.7]	[201.8]	[(12.8)]
[Interest-bearing liabilities]	[505.5]	[519.4]	[13.9]
Bonds and borrowings	[372.2]	[393.6]	[21.4]
Lease liabilities	[133.3]	[125.8]	[(7.5)]
Total equity	407.0	<u>456.2</u>	<u>49.2</u>
Equity attributable to owners of parent	382.1	<u>431.2</u>	<u>49.1</u>
Non-controlling interests	24.9	25.0	0.1
Total liabilities and equity	1,879.6	<u>1,941.9</u>	<u>62.2</u>
D/E ratio (times) *1	1.24	<u>1.14</u>	<u>(0.10)</u>
Ratio of equity attributable to owners of parent (%) *2	20.3	<u>22.2</u>	<u>1.9</u>
ROIC (%) *3	6.4	<u>6.3</u>	<u>(0.1)</u>
CCC (days) *4	112	120	8
ROE (%) *5	19.3	<u>11.0</u>	<u>(8.3)</u>

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

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

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

*4 CCC = Working capital / Revenue * 365 days

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

1. Consolidated Results for FY2022

Cash Flows

(In billion yen)

	FY2021	FY2022	Change
Profit before tax	87.6	64.8	(22.7)
Depreciation *1	67.5	62.9	(4.5)
Other	*3 (64.0)	3.5	67.6
Subtotal	91.1	131.3	40.2
Change in working capital *2	23.0	(77.2)	(100.2)
Cash flows from operating activities	114.1	80.0 54.1	(25.8) (60.0)
Cash flows from investing activities	27.9	(80.0) (52.3)	27.6 (80.2)
Free cash flow	142.0	0.0 1.7	1.7 (140.3)
Cash flows from financing activities	(121.4)	(24.0)	97.4

*1: Depreciation consists of depreciation of property, plant and equipment, investment property, right-of-use assets and software, does not include amortization of capitalized development costs, patents and other intangible assets.

*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

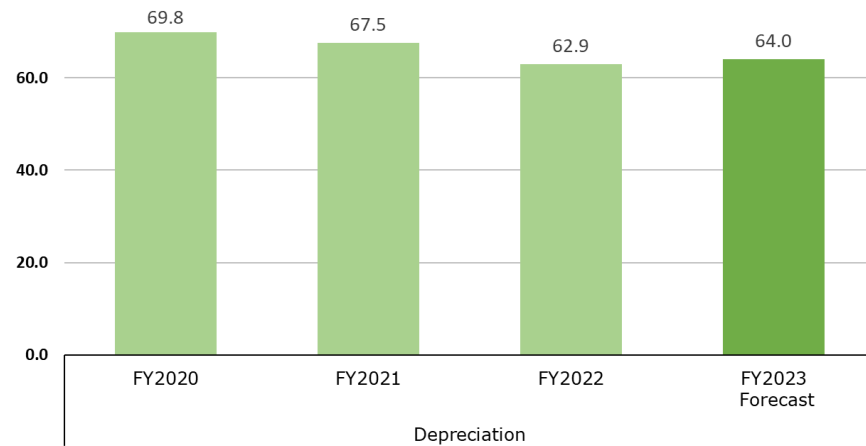
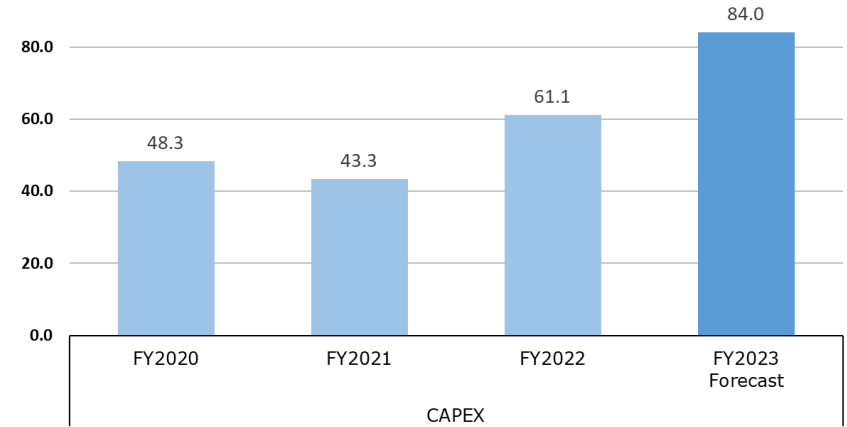
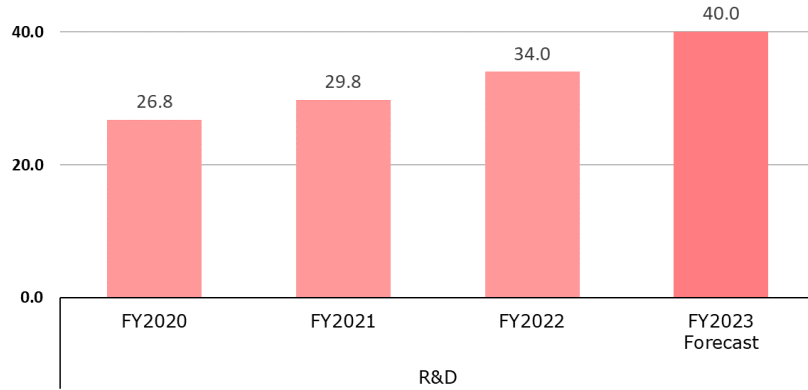
*Working capital = Trade receivables + Contract assets + Inventories + Prepayments - Contract liabilities
- Trade payables - Refund liabilities*

*3: Other includes transfer of gain on sale of assets held to cash flows from investing activities.

1. Consolidated Results for FY2022 Supplementary Information

(1) R&D/CAPEX/Depreciation

(In billion yen)



• CAPEX and depreciation consist of those of property, plant and equipment, investment property, right-of-use assets and software.

1. Consolidated Results for FY2022 Supplementary Information

(2) Revenue by Region

(In billion yen)

	FY2021	FY2022
Japan	677.3	692.6
Asia	164.1	203.0
China	87.9	109.7
North America	153.9	244.4
Central and South America	13.4	16.4
Europe	67.0	76.5
Others	8.9	10.1
Total	1,172.9	1,352.9

(3) Assets balance by Segment

(In billion yen)

	Assets balance		
	As of March 31, 2022	As of March 31, 2023	Change
Resources, Energy and Environment	300.1	352.3	52.2
Social Infrastructure and Offshore Facilities	290.9	298.8	7.8
Industrial Systems and General-Purpose Machinery	329.7	340.1	10.3
Aero Engine, Space and Defense	716.3	<u>744.0</u>	<u>27.7</u>
Total Reportable Segment	1,637.1	<u>1,735.3</u>	<u>98.2</u>
Others	184.1	193.9	9.8
Adjustment	58.4	12.5	(45.8)
Total	1,879.6	<u>1,941.9</u>	<u>62.2</u>

2. Forecasts of the Consolidated Results for FY2023

- FY2023 is an important starting year for the “Group Management Policies 2023”.
- In order to realize the reforms set forth in the management policy, the IHI Group will secure 100 billion yen in operating cash flow, boldly shift management resources to growth and development businesses, and execute investments.
- Although the IHI Group will aggressively invest in human resources and R&D that will contribute to future growth, and record restructuring costs, the IHI Group will secure operating profit above the FY2022 level.

2. Forecasts of the Consolidated Results for FY2023

Summary of Forecasts

Assumed FX rate US\$ 1.00 = ¥130

(In billion yen)

	FY2022 Results	FY2023 Forecast	Change
Orders received	1,366.1	1,500.0	133.8
Revenue	1,352.9	1,450.0	97.0
Operating profit	81.9	90.0	8.0
Profit before tax	64.8	85.0	20.1
Profit attributable to owners of parent	44.5	50.0	5.4

(Reference)

FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US\$ ¥1.4 billion

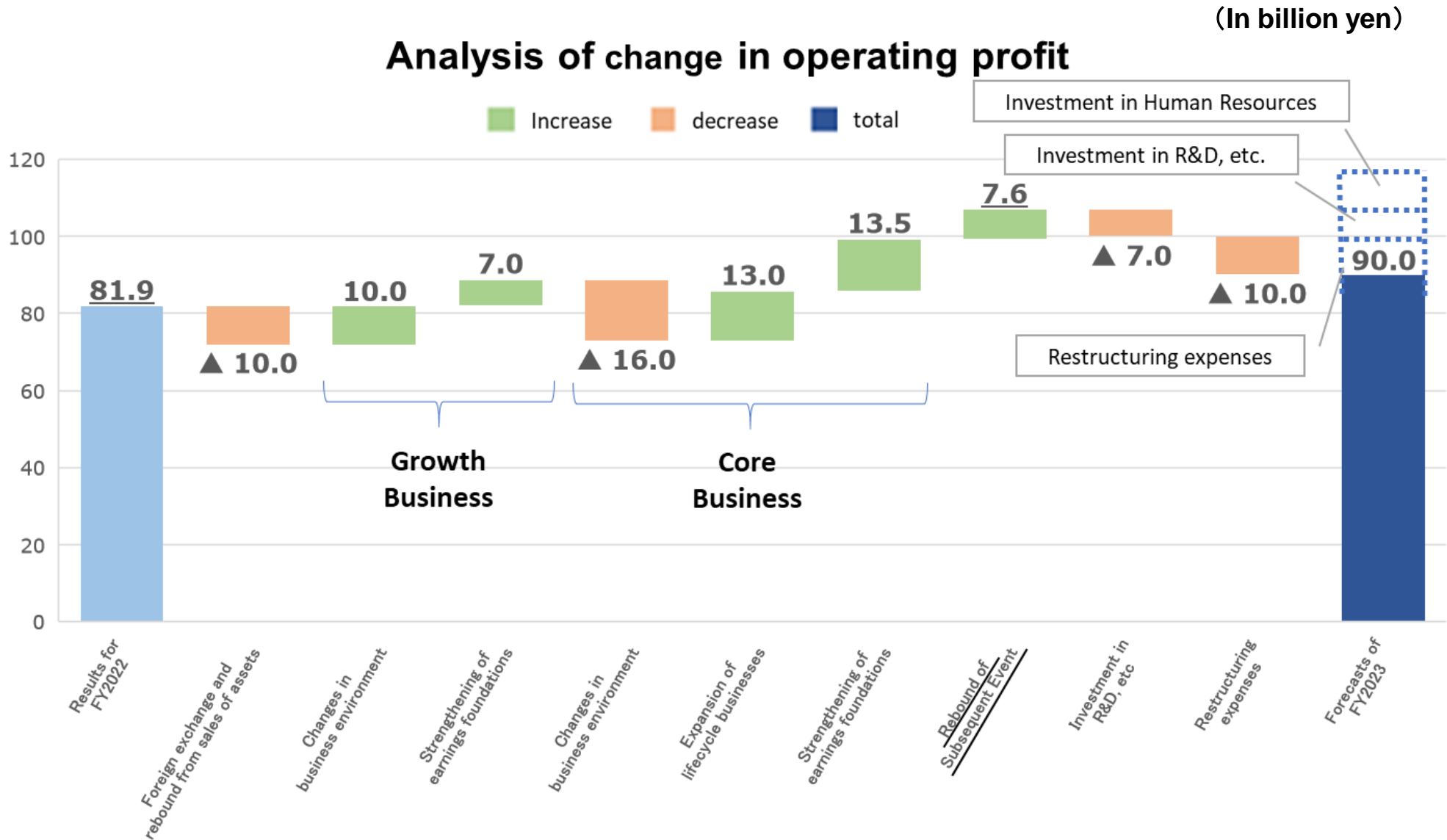
Dividend forecast 100yen per share (Interim 50yen, year-end 50yen)

Consolidated dividend payout ratio : 30.4%

2. Forecasts of the Consolidated Results for FY2023

Summary of Forecasts

- Analysis of change in operating profit from the previous fiscal year



2. Forecasts of the Consolidated Results for FY2023

Forecasts by Segments

■ Orders received

- In the segment of Aero Engine, Space and Defense, orders received for both of main units and spare parts for civil aero engines are expected to increase.
- In the segment of Social Infrastructure, orders received is expected to increase in Bridges and water gates.

(In billion yen)

	FY2022 Results	FY2023 Forecast	Change
Resources, Energy and Environment	393.4	380.0	(13.4)
Social Infrastructure	134.0	180.0	45.9
Industrial Systems and General-Purpose Machinery	455.9	470.0	14.0
Aero Engine, Space and Defense	372.7	470.0	97.2
Total Reportable Segment	1,356.2	1,500.0	143.7
Others	53.9	50.0	(3.9)
Adjustment	(44.0)	(50.0)	(5.9)
Total	1,366.1	1,500.0	133.8

2. Forecasts of the Consolidated Results for FY2023

Forecasts by Segments

■ Revenue & Operating profit

- In the segment of Aero Engine, Space and Defense, revenue for both of main units and spare parts for civil aero engines are expected to increase.

(In billion yen)

	Revenue			Operating profit		
	FY2022 Results	FY2023 Forecast	Change	FY2022 Results	FY2023 Forecast	Change
Resources, Energy and Environment	371.3	380.0	8.6	26.2	26.0	(0.2)
Social Infrastructure	171.0	190.0	18.9	17.0	13.0	(4.0)
Industrial Systems and General-Purpose Machinery	436.5	460.0	23.4	18.0	24.0	5.9
Aero Engine, Space and Defense	364.1	430.0	65.8	<u>36.1</u>	51.0	<u>14.8</u>
Total Reportable Segment	1,343.1	1,460.0	116.8	<u>97.5</u>	114.0	<u>16.4</u>
Others	54.2	50.0	(4.2)	1.3	3.0	1.6
Adjustment	(44.4)	(60.0)	(15.5)	(16.8)	(27.0)	(10.1)
Total	1,352.9	1,450.0	97.0	<u>81.9</u>	90.0	<u>8.0</u>

2. Forecasts of the Consolidated Results for FY2023

Forecasts by Segments

- Analysis of change in operating profit from the previous fiscal year
 - In the segment of Aero Engine, Space and Defense, operating profit is expected to increase due to higher sales of spare parts and improved profitability, although it is expected to decreased due to higher sales of main units for civil aero engines.
 - In the segment of Social Infrastructure, operating profit is expected to decrease due to the impact of the gain on sales of investment property recorded in FY2022 in Urban development.

(In billion yen)

	Change in revenue	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Change in other income and expenses	Total
Resources, Energy and Environment	(2.0)	2.8		(1.0)		(0.2)
Social Infrastructure	1.0				(5.0)	(4.0)
Industrial Systems and General-Purpose Machinery	4.0	1.9				5.9
Aero Engine, Space and Defense	10.0	7.2	(5.0)	<u>2.5</u>		<u>14.8</u>
Total Reportable Segment	13.0	11.9	(5.0)	<u>1.5</u>	(5.0)	<u>16.5</u>
Others		1.6				1.6
Adjustment		0.9		(1.0)	(10.0)	(10.1)
Total	13.0	14.4	(5.0)	<u>0.5</u>	(15.0)	<u>8.0</u>

2. Forecasts of the Consolidated Results for FY2023

Cash Flows

(In billion yen)

	FY2022 Results	FY2023 Forecast	Change
Profit before tax	<u>64.8</u>	85.0	<u>20.1</u>
Depreciation *1	62.9	<u>64.0</u>	<u>1.0</u>
Other	<u>3.5</u>	<u>(29.0)</u>	<u>(32.5)</u>
Subtotal	131.3	120.0	(11.3)
Change in working capital *2	(77.2)	(20.0)	57.2
Cash flows from operating activities	54.1	100.0	45.8
Cash flows from investing activities	(52.3)	(100.0)	(47.6)
Free cash flows	1.7	0.0	(1.7)

*1: Depreciation consists of depreciation of property, plant and equipment, investment property, right-of-use assets and software, does not include amortization of capitalized development costs, patents and other intangible assets.

*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*

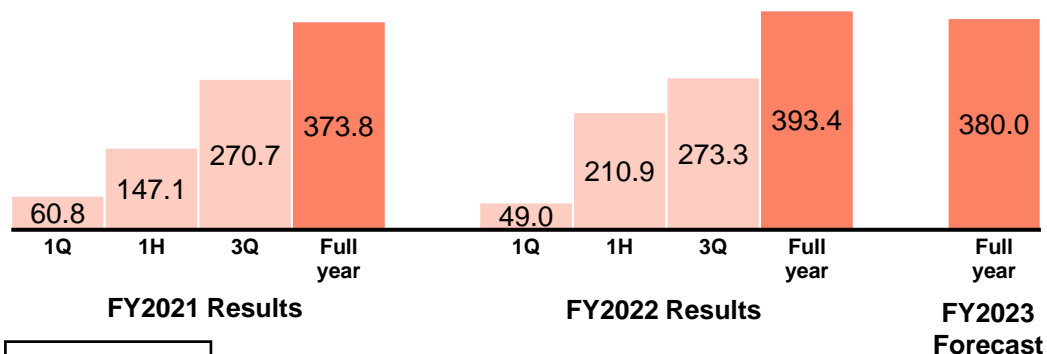
3. Financial Results by Segment



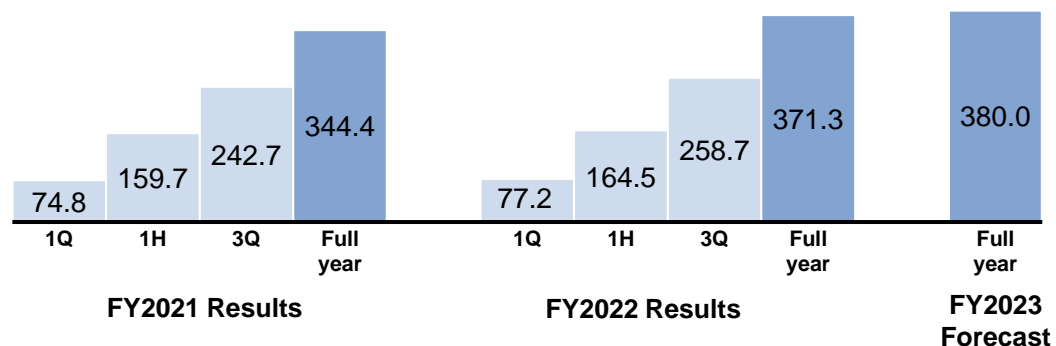
3. Financial Results by Segment Resources, Energy and Environment

(In billion yen, accumulated amount)

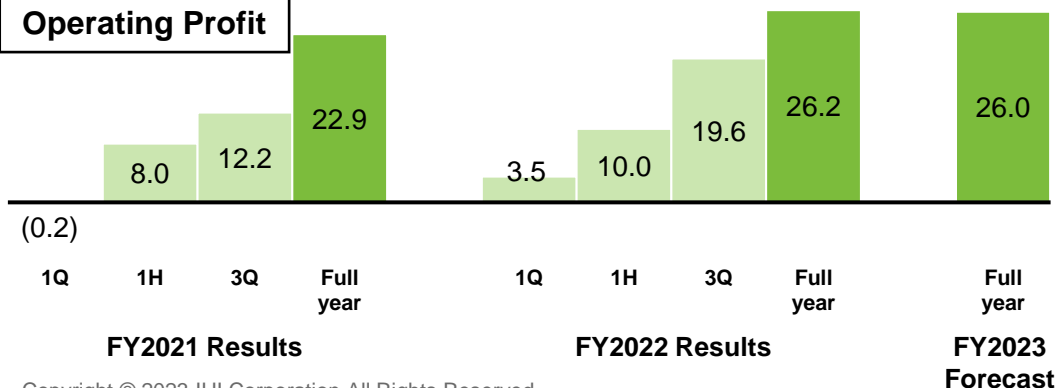
Orders received



Revenue



Operating Profit



Main Businesses : Power systems, Carbon solutions and Nuclear energy

FY2022 Results (vs FY2021 Results)

【Orders received】

Increased due to orders for large-scale power plant project in Southeast Asia.

【Revenue】

Increased in Nuclear energy.

【Operating profit】

Increased due to the progress of construction in Nuclear energy and improved profitability in Carbon solutions.

FY2023 Forecasts (vs FY2022 Results)

- Orders received is expected to decrease slightly due to decrease in Nuclear energy, despite increase in Carbon solutions.
- The forecast of revenue and operating profit are expected to be on a par with FY2022 results due to higher sales and operating profit because of the expansion of the lifecycle businesses in Carbon solutions and improved profitability in Power systems, despite decrease revenue and operating profit in Nuclear energy.

3. Financial Results by Segment Resources, Energy and Environment

(In billion yen)

	Orders received									Revenue								
	FY2021				FY2022				FY2023	FY2021				FY2022				FY2023
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)
Power systems	25.5	41.4	60.4	84.6	22.2	49.1	75.9	97.6	74.0	18.6	38.4	61.0	88.9	15.7	32.6	53.2	81.8	80.0
Carbon solutions	15.4	62.2	115.6	159.1	3.3	23.9	39.6	67.7	182.0	35.2	76.4	112.9	155.8	32.3	73.7	111.1	156.2	163.0
Nuclear energy	10.4	26.9	58.4	70.7	11.3	25.5	33.3	48.7	34.0	6.0	16.3	28.0	45.3	15.9	28.7	45.3	71.0	55.0

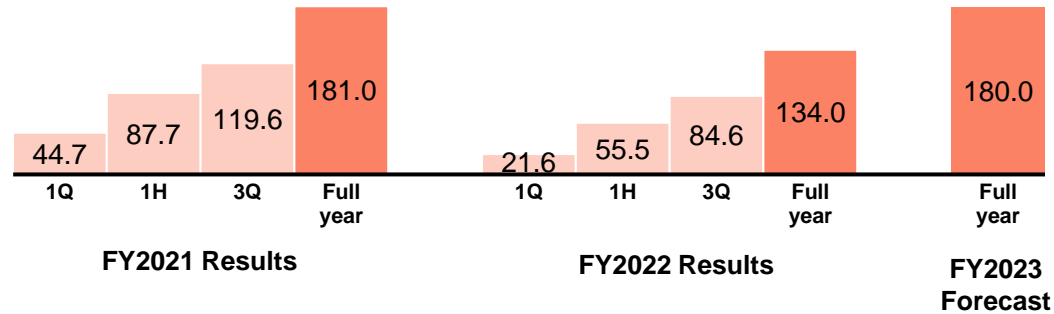
3. Financial Results by Segment

Social Infrastructure and Offshore Facilities

(In billion yen, accumulated amount)

Main Businesses : Bridges and water gates, Shield systems, Urban development, Transport systems, and Concrete construction materials

Orders received



FY2022 Results (vs FY2021 Results)

【Orders received】

Decreased in Bridges and water gates.

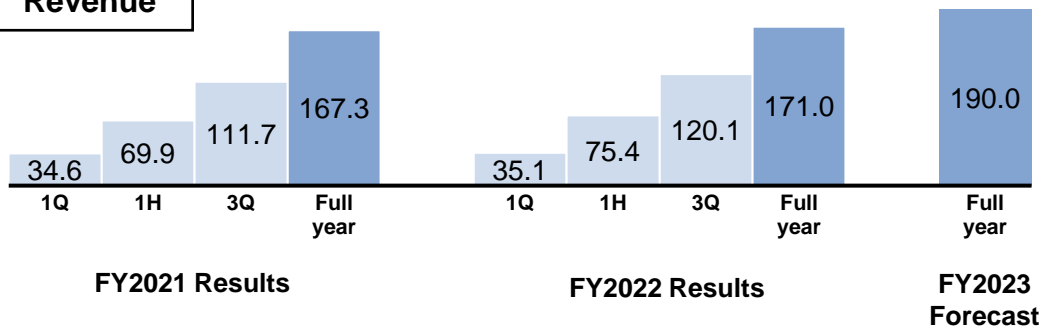
【Revenue】

Increased in Bridges and water gates.

【Operating profit】

Increased due to higher sales and improved profitability of overseas projects in Bridges and water gates.

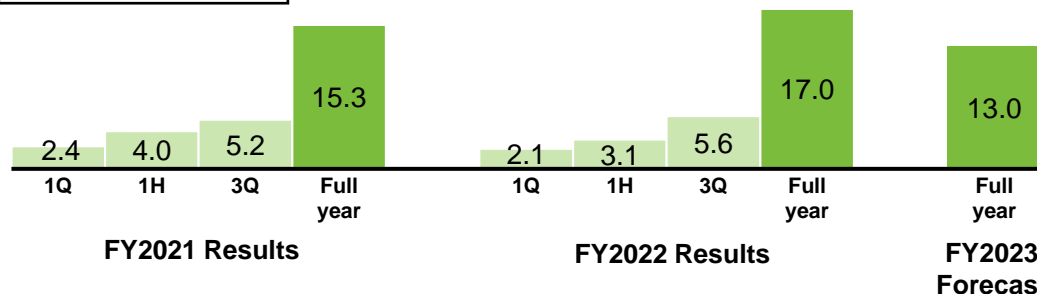
Revenue



FY2023 Forecasts (vs FY2022 Results)

- Orders received is expected to increase in Bridges and water gates.
- Revenue is expected to increase in Bridges and water gates.
- Operating profit is expected to decrease due to the impact of the gain on sales of investment property recorded in FY2022 in Urban development, despite increase due to higher sales in Bridges and water gates.

Operating Profit



3. Financial Results by Segment

Social Infrastructure and Offshore Facilities

(In billion yen)

	Orders received										Revenue								
	FY2021				FY2022				FY2023	FY2021				FY2022				FY2023	
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	
Bridges and water gates	31.2	61.4	80.6	110.9	9.3	27.4	40.1	69.2	104.0	17.8	33.6	55.5	89.6	20.2	43.8	70.1	103.1	113.0	
Shield systems	1.2	4.4	8.6	14.6	1.4	4.3	9.8	18.1	27.0	5.8	12.0	17.5	22.7	5.1	9.3	14.4	18.0	24.0	
Urban development	4.6	9.4	14.1	18.4	4.3	8.5	13.2	17.5	17.0	4.6	9.6	14.0	18.6	4.1	8.5	13.1	17.5	17.0	

*For related information of “Urban development” in Toyosu, please refer to <Appendices> Urban development.

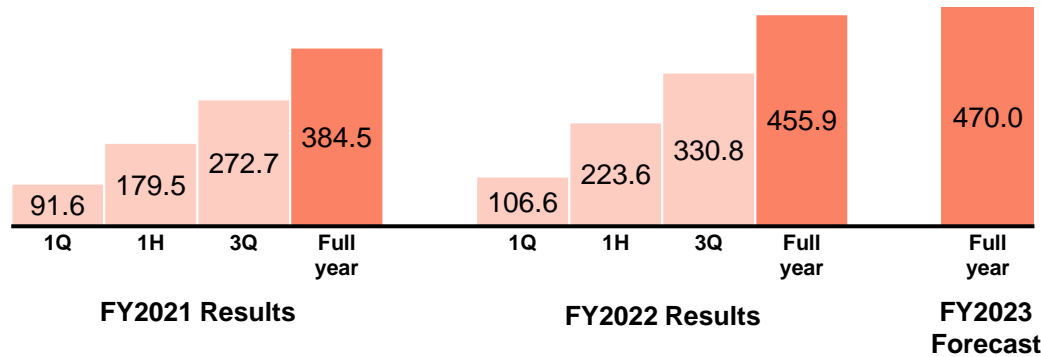
3. Financial Results by Segment

Industrial Systems and General-Purpose Machinery

(In billion yen, accumulated amount)

Main Businesses : Vehicular turbochargers, Parking, Rotating machineries, Heat treatment and surface engineering, Transport machineries and Logistics and industrial systems

Orders received



FY2022 Results (vs FY2021 Results)

【Orders received】

Increased in Vehicular turbochargers and Transport machineries.

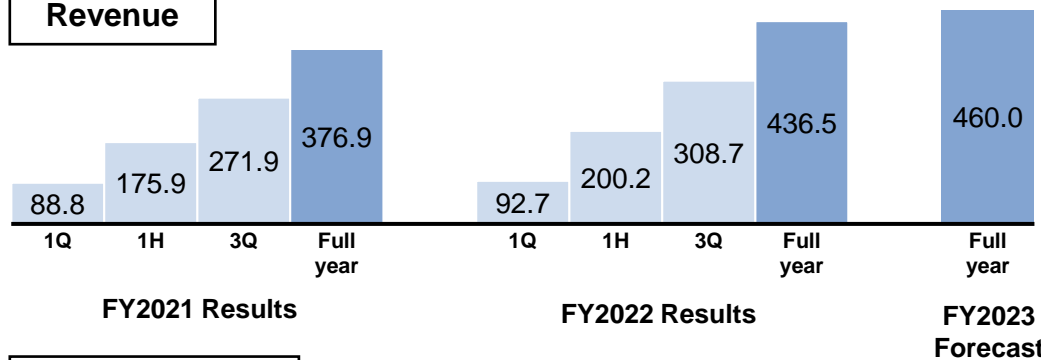
【Revenue】

Increased in Vehicular turbochargers, Heat treatment and surface engineering, and Rotating machineries.

【Operating profit】

Increased in Vehicular turbochargers and Rotating machineries, although decreased in Parking and Logistics and industrial systems. However, there are challenges to reflect soaring prices of raw materials and other into increased contract amount.

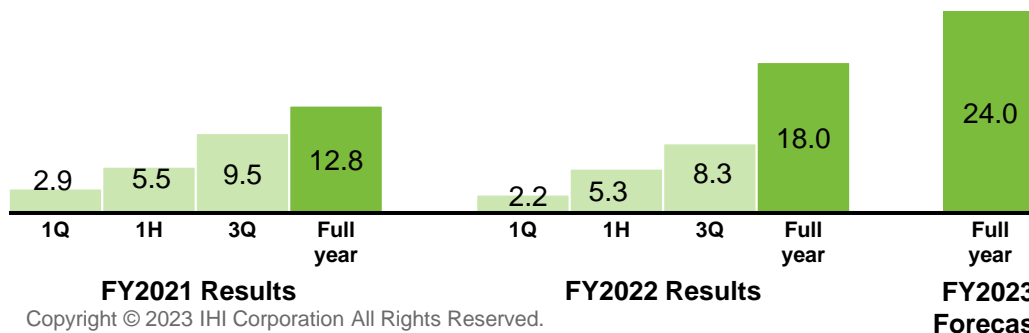
Revenue



FY2023 Forecasts (vs FY2022 Results)

- Orders received is expected to increase in Logistics and industrial systems and Heat treatment and surface engineering.
- Revenue and operating profit are expected to increase due to the expansion of the lifecycle businesses and improved profitability in Logistics and industrial systems and Parking.

Operating Profit



3. Financial Results by Segment

Industrial Systems and General-Purpose Machinery

(In billion yen)

	Orders received										Revenue									
	FY2021				FY2022				FY2023	FY2021				FY2022				FY2023		
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)		
Vehicular turbochargers	38.6	71.4	110.0	151.8	39.7	89.7	138.1	189.2	194.0	38.3	70.2	108.3	149.4	39.9	89.9	138.1	189.5	195.0		
Parking	10.6	22.9	33.3	52.4	11.6	27.7	40.2	60.0	58.0	9.1	19.6	31.9	47.2	9.4	20.0	32.3	46.3	57.0		
Rotating machineries	13.6	26.7	39.1	55.9	18.4	34.5	46.5	63.2	63.0	11.9	23.7	37.6	52.7	11.7	26.3	40.6	58.9	63.0		
Heat treatment and surface engineering	10.7	20.9	32.6	43.5	13.5	25.3	38.3	48.4	54.0	8.7	18.6	28.5	39.6	10.1	21.6	34.1	47.7	50.0		
Transport machineries	4.1	9.7	13.5	23.0	8.5	16.9	21.9	31.4	33.0	7.3	16.4	24.2	31.0	8.9	15.9	24.2	33.9	33.0		
Logistics and industrial systems	4.9	13.1	23.4	31.9	7.7	15.9	26.4	36.0	45.0	6.7	14.9	23.5	32.3	6.6	14.1	21.3	33.6	41.0		

*For details of “Vehicular turbochargers”, please refer to <Appendices> Vehicular turbochargers

<Number of vehicular turbochargers delivered>

(1,000 Units)

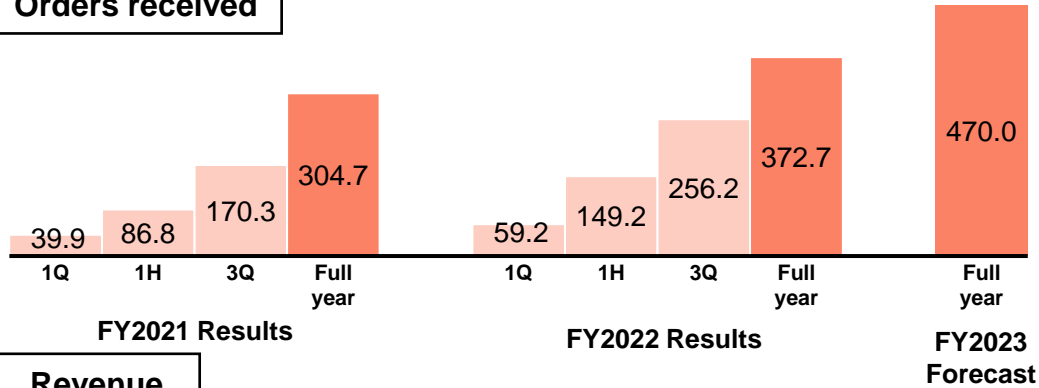
	Full Year
FY2021	4,920
FY2022	5,590
FY2023 Forecast	5,800

3. Financial Results by Segment

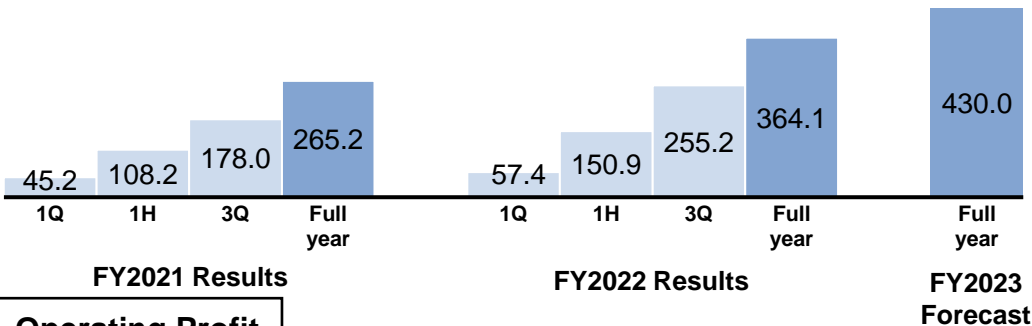
Aero Engine, Space and Defense

(In billion yen, accumulated amount)

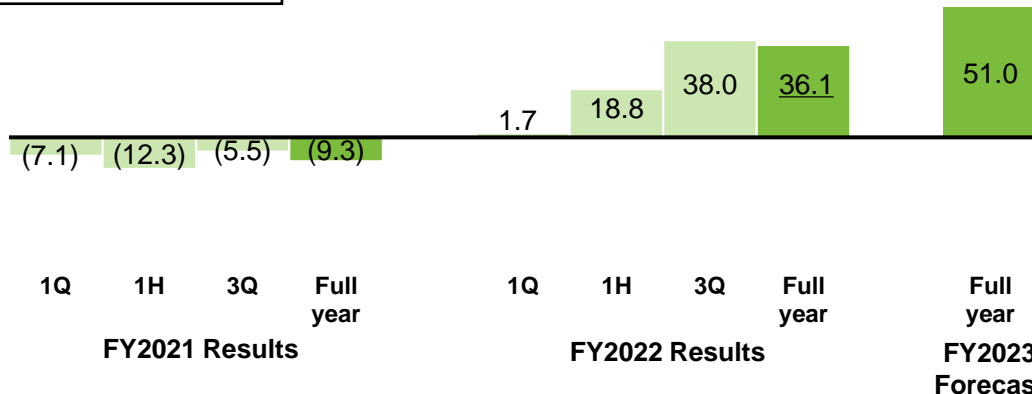
Orders received



Revenue



Operating Profit



Main Businesses : Aero engines, Rocket systems and space utilization systems and Defense systems

FY2022 Results (vs FY2021 Results)

【Orders received】

Increased in Civil aero engines, etc.

【Revenue】

Increased due to increased sales of both main units and spare parts for civil aero engines and yen depreciation in Civil aero engines.

【Operating profit】

Increased due to increased sales of spare parts, cost reductions for new engines, decrease in program-related burdens associated with improved performance, as well as yen depreciation in Civil aero engines.

FY2023 Forecasts (vs FY2022 Results)

- Orders received is expected to increase for civil aero engines and for Ministry of Defense.
- Revenue is expected to increase in Civil aero engines.
- Operating profit is expected to increase due to higher sales of spare parts and cost reduction, despite decrease due to higher sales of main units for new engines and higher R&D expenses.

3. Financial Results by Segment

Aero Engine, Space and Defense

(In billion yen)

	Orders received										Revenue								
	FY2021				FY2022				FY2023	FY2021				FY2022				FY2023	
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	Full year (Forecast)	
Civil aero engines	25.7	53.5	89.9	121.9	37.1	94.9	157.6	203.0	256.0	25.6	54.0	91.1	123.3	37.6	94.7	157.1	201.4	258.0	

*For details of “Civil aero engines”, please refer to <Appendices> Aero engines.

<Number of civil aero engines delivered>

(Units)

	Full Year
FY2021	789
FY2022	918
FY2023 Forecast	1,204

< Appendices >

- Financial Performance
- Aero engines
- Vehicular turbochargers
- Urban development

(In billion yen)

	Japanese GAAP			IFRS				
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Orders received	1,389.8	1,505.0	1,399.2	1,280.0	1,097.0	1,261.2	1,366.1	1,500.0
Revenue	1,468.3	1,590.3	1,483.4	1,263.1	1,112.9	1,172.9	1,352.9	1,450.0
Operating profit	47.3	72.2	82.4	47.8	27.9	81.4	<u>81.9</u>	90.0
Profit attributable to owners of parent	5.2	8.2	39.8	8.2	13.0	66.0	<u>44.5</u>	50.0
Cash flows from operating activities	65.3	99.0	46.4	42.4	36.3	114.1	54.1	100.0
Cash flows from investing activities	(28.9)	(47.9)	(79.2)	(85.5)	(40.4)	27.9	(52.3)	(100.0)
Free cash flows	36.4	51.0	(32.8)	(43.0)	(4.1)	142.0	1.7	0.0
Dividends per share (yen)	0	Interim 3 Year-end 30* (*after share consolidation)	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)
ROIC (%)	5.0	7.7	8.7	4.1	2.2	6.4	<u>6.3</u>	6.4
Operating margin (%)	3.2	4.5	5.6	3.8	2.5	6.9	<u>6.1</u>	6.2
CCC (days)	87	83	97	92	124	112	120	124
D/E ratio (times)	1.10	0.92	0.93	2.00	1.85	1.24	<u>1.14</u>	1.13
ROE (%)	1.6	2.6	11.8	2.8	4.5	19.3	<u>11.0</u>	11.0
Ratio of equity attributable to owners of parent (%)	18.8	19.9	21.0	15.0	16.4	20.3	<u>22.2</u>	23.2

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

$CCC = \text{Working capital} / \text{Revenue} * 365 \text{ days}$

$D/E \text{ ratio} = \text{Interest-bearing liabilities} / \text{Total equity}$

$ROE = \text{Profit attributable to owners of parent} / \text{Equity attributable to owners of parent}$

$\text{Ratio of equity attributable to owners of parent} = \text{Equity attributable to owners of parent} / \text{Total liabilities and equity}$

Revenue & Number of civil aero engines delivered

	Japanese GAAP						IFRS				Main loading
	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	
Revenue (In billion yen)	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	201.4	
Accumulated number of civil aero engines delivered (Units)											
V2500	5,969	6,469	6,896	7,236	7,508	7,688	7,735	7,740	7,756	7,776	Airbus A319/320/321
GE90	1,806	2,039	2,257	2,457	2,617	2,715	2,824	2,885	2,925	2,968	Boeing B777
CF34	3,820	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,926	6,085	For regional jet (70 to 110 seats)
GEEx	468	751	1,035	1,295	1,542	1,826	2,159	2,328	2,425	2,494	Boeing B787/B747-8
PW1100G			16	148	398	1,058	1,784	2,144	2,585	3,146	Airbus A320neo
Passport20					13	66	142	202	269	335	Bombardier Global7500
Total	12,063	13,415	14,675	15,957	17,163	18,684	20,255	21,097	21,886	22,804	

(Note) 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

	Japanese GAAP						IFRS				
	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23 Forecast
Japan	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	41.8	45.0
Asia	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	14.9	14.0
China	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	70.2	65.0
North America	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	26.4	31.0
Central and South America	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	13.8	12.0
Europe	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	22.3	28.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Total	150.7	167.7	161.6	174.6	220.5	189.5	153.6	146.6	149.4	189.5	195.0
The number of delivery (1,000 Units)	5,540	5,890	5,360	6,100	7,900	6,760	6,000	5,510	4,920	5,590	5,800

(1) Lease revenue in Toyosu

(In billion yen)

	Japanese GAAP						IFRS				
	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23 Forecast
Lease revenue	9.1	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	12.2	12.0

(2) Lease revenue and expense in Toyosu (FY2022)

(In billion yen)

	Lease revenue	Lease expense		Profit
		Depreciation	Others	
FY2022	12.2	5.4	4.8	1.9

(3) Fair value of investment property in Toyosu (as of March 31,2023)

(In billion yen)

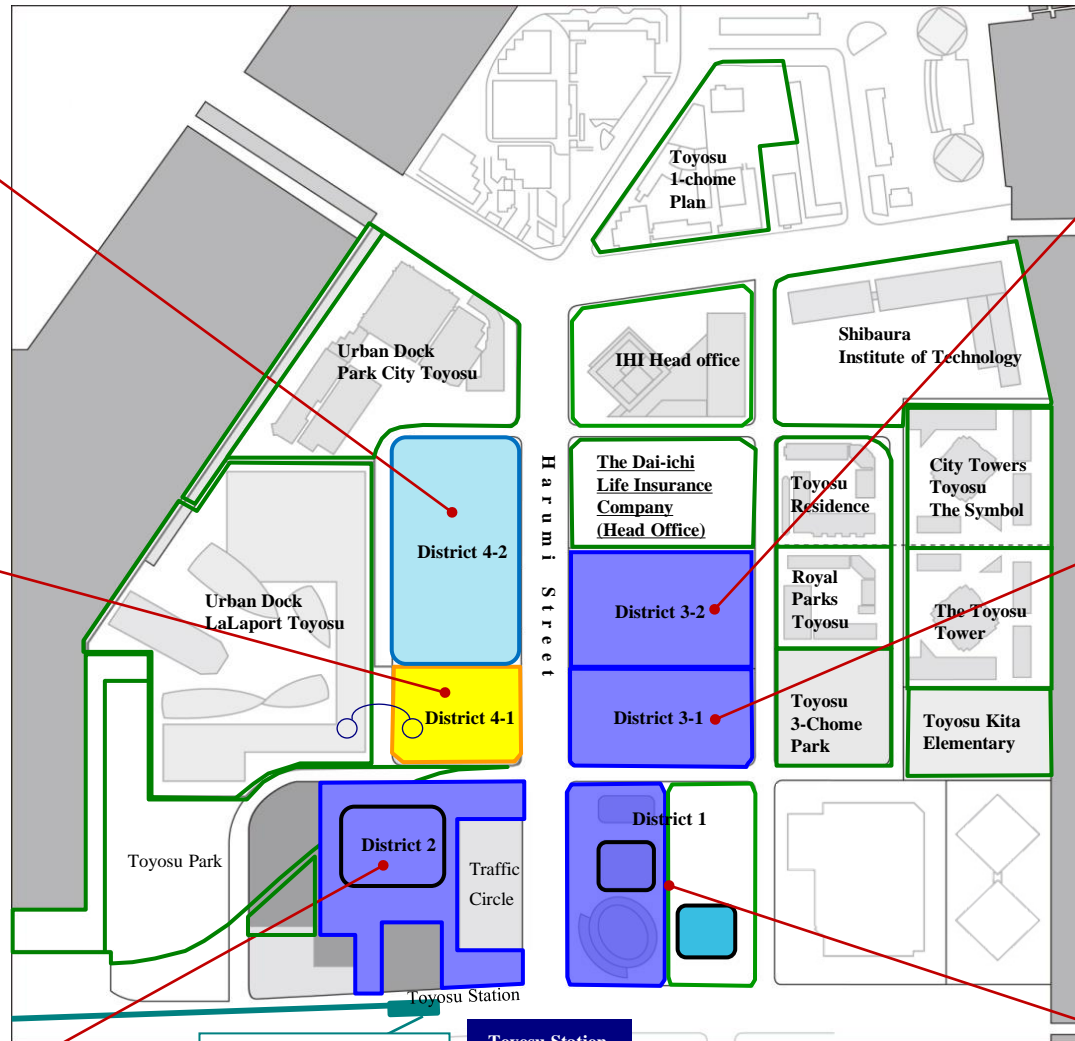
	Carrying amount			Fair value as of March 31, 2023(B)	(B) - (A)
	Balance as of April 1, 2022	Net change	Balance as of March 31, 2023(A)		
FY2022	99.6	1.5	101.1	230.6	129.4

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
 37 floors above ground, Approx. 165m high
 Gross floor area : 100,069㎡
 Completed in October 1992
Toyosu Center Building Annex
 33 floors above ground, Approx. 150m high
 Gross floor area : 105,448㎡
 Completed in August 2006

Property of IHI	Approx. 5ha
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- Office Leasing
- Land Leasing
- Office Leasing (Leased land)
- Under development
- Sold, Donated, Exchanged



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.