Financial Results for Third Quarter FY2022 (IFRS) (for the year ending March 31, 2023)

IHI

February 7, 2023

IHI Corporation

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1. Consolidated Results for Third Quarter FY2022

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Overview

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- Operating profits were secured in all segments.
- In the Civil aero engines Business, the recovery trend remained unchanged due to steady sales of spare parts. In addition, profits further increased due to improved profitability and yen depreciation.
- In the Vehicular turbochargers Business, although the recovery from production adjustment by automobile companies continues, profit growth slowed down due to lower sales caused by the spread of COVID-19 in China and soaring prices of raw materials.
- Other businesses remained steady.

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1. Consolidated Results for Third Quarter FY2022

Summary of Financial Results

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(In billion yen)

	FY2021.3Q	FY2022.3Q	Change
Orders received	843.8	948.4	104.6
Revenue	816.1	946.3	130.1
Operating profit	45.5	64.9	19.4
Profit before tax	47.7	52.3	4.5
Profit attributable to owners of parent	27.6	27.0	(0.5)

Note: Average FX rate FY2021.3Q US$ 1.00 = ¥111.62
FY2022.3Q US$ 1.00 = ¥134.73

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Financial Results by Segment

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■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2021.3Q	FY2022.3Q	Change	FY2021	FY2022.3Q	Change
Resources, Energy and Environment	270.7	273.3	2.5	527.5	557.4	29.9
Social Infrastructure and Offshore Facilities	119.6	84.6	(35.0)	250.0	220.5	(29.5)
Industrial Systems and General-Purpose Machinery	272.7	330.8	58.0	180.7	201.5	20.7
Aero Engine, Space and Defense	170.3	256.2	85.9	283.8	285.9	2.1
Total Reportable Segment	833.4	945.0	111.5	1,242.1	1,265.4	23.2
Others	39.0	37.7	(1.2)	22.8	22.7	(0.1)
Adjustment	(28.6)	(34.3)	(5.6)	-	-	-
Total	843.8	948.4	104.6	1,265.0	1,288.1	23.0

Overseas orders received / order backlog	384.0	499.3	115.3	342.3	368.9	26.5
% of Overseas orders received / order backlog	46%	53%	7%	27%	29%	2%

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

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1. Consolidated Results for Third Quarter FY2022

Financial Results by Segment

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■ Revenue & Operating profit

（In billion yen）

	Revenue			Operating profit		
	FY2021.3Q	FY2022.3Q	Change	FY2021.3Q	FY2022.3Q	Change
Resources, Energy and Environment	242.7	258.7	15.9	12.2	19.6	7.3
Social Infrastructure and Offshore Facilities	111.7	120.1	8.3	5.2	5.6	0.4
Industrial Systems and General-Purpose Machinery	271.9	308.7	36.7	9.5	8.3	(1.1)
Aero Engine, Space and Defense	178.0	255.2	77.2	(5.5)	38.0	43.6
Total Reportable Segment	804.5	942.8	138.2	21.4	71.6	50.2
Others	42.4	33.6	(8.8)	3.8	0.7	(3.1)
Adjustment	(30.8)	(30.1)	0.7	20.2	(7.4)	(27.7)
Total	816.1	946.3	130.1	45.5	64.9	19.4

Overseas revenue	359.4	496.5	137.1
% of overseas revenue	44%	52%	8%

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Financial Results by Segment

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■ Analysis of change in operating profit from the previous corresponding period

(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	5.4	2.8	2.1	(1.6)	(1.4)	7.3
Social Infrastructure and Offshore Facilities	(1.1)	0.2	0.3	(0.6)	1.7	0.4
Industrial Systems and General-Purpose Machinery	1.3	(4.7)	1.3	(0.8)	1.7	(1.1)
Aero Engine, Space and Defense	17.8	13.1	20.1	(1.1)	(6.3)	43.6
Total Reportable Segment	23.4	11.4	23.8	(4.1)	(4.3)	50.2
Others	(2.2)	0.3	(0.3)	(0.6)	(0.3)	(3.1)
Adjustment	(0.1)			(2.6)	*1 (25.0)	(27.7)
Total	21.1	11.7	23.5	(7.3)	(29.6)	19.4

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 (25.0) billion yen impact of asset sales recorded in the same period of the previous fiscal year

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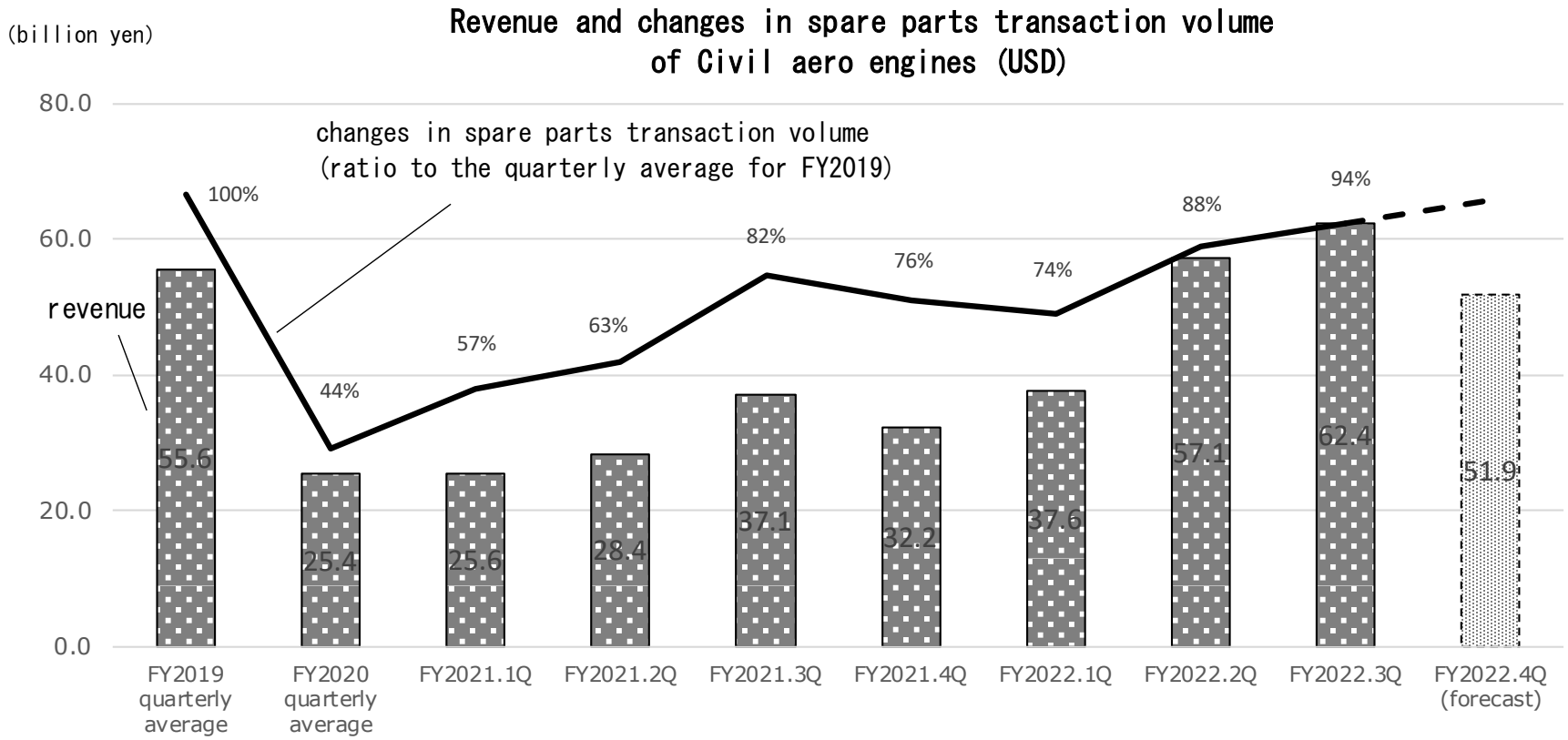
1. Consolidated Results for Third Quarter FY2022

Financial Results by Segment (Civil aero engines)



■ The spare parts transaction volume is steadily recovering.

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1. Consolidated Results for Third Quarter FY2022

Financial Results by Segment (Vehicular turbochargers)

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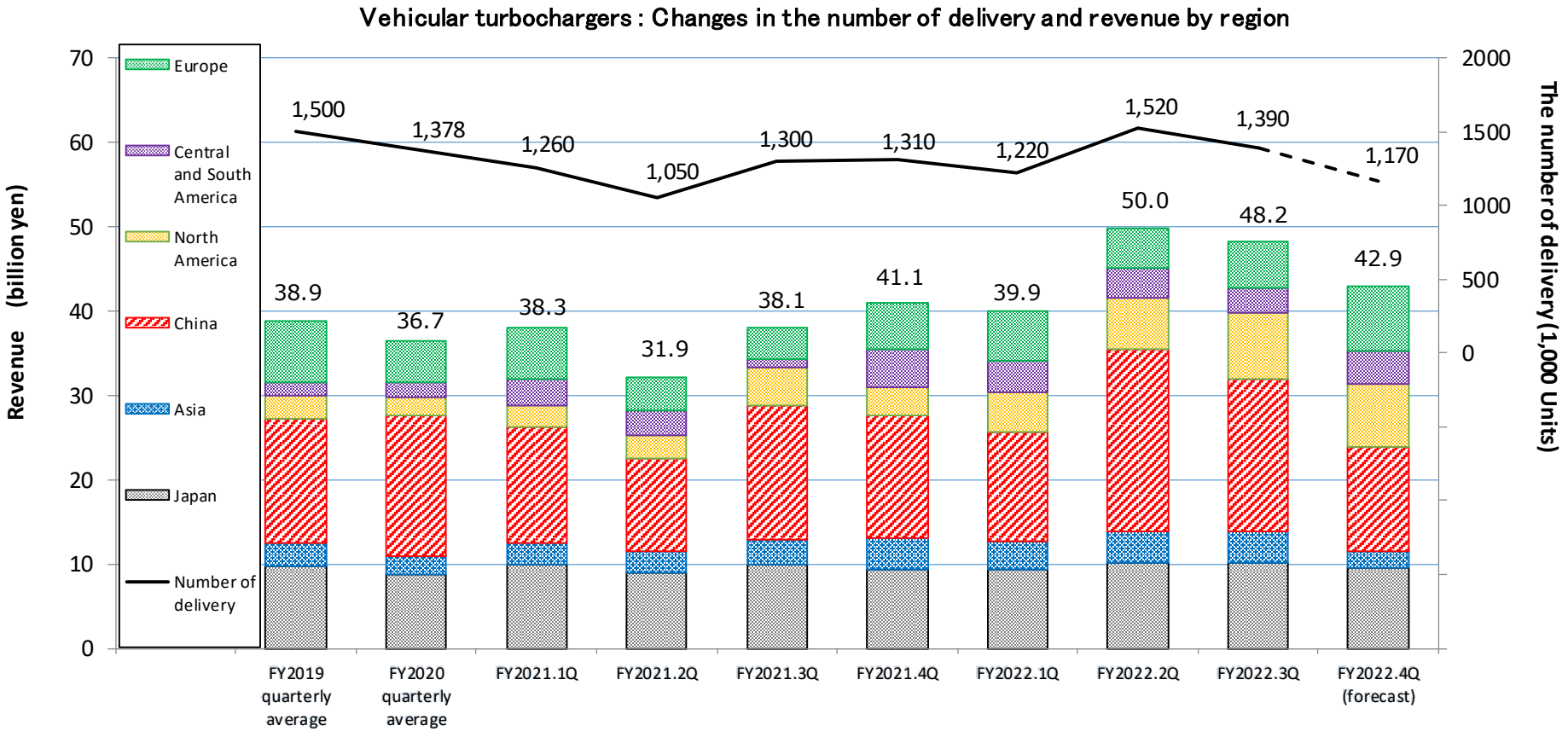
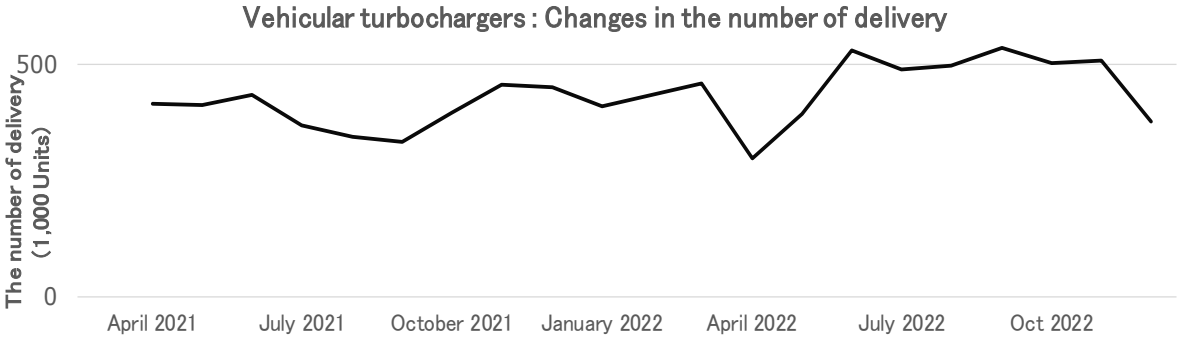


- Sales have recently declined due to the spread of COVID-19 in China.



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Finance Income / Costs etc.

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（In billion yen）

	FY2021.3Q	FY2022.3Q	Change
Foreign exchange gains (losses)	3.2	(6.3)	(9.5)
Share of profit (loss) of investments accounted for using equity method	0.9	(5.1)	(6.0)
Other finance income (costs)	(1.9)	(1.1)	0.7
Finance income / costs etc.	2.2	(12.5)	(14.8)

Change of FX rate (US$) FY2021.3Q ¥4.35（beginning ¥110.65→end ¥115.00）
FY2022.3Q ¥10.18（beginning ¥122.39→end ¥132.57）

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1. Consolidated Results for Third Quarter FY2022

Financial Position

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(In billion yen)

	As of March 31, 2022	As of December 31, 2022	Change
Total assets	**1,879.6**	**1,949.7**	**70.0**
[Cash and cash equivalents]	[145.4]	[101.5]	[(43.9)]
[Trade receivables & contract assets]	[474.5]	[514.4]	[39.9]
[Inventories]	[340.1]	[406.1]	[66.0]
Total liabilities	**1,472.6**	**1,519.4**	**46.8**
[Trade payables etc.]	[235.4]	[226.9]	[(8.4)]
[Contract liabilities]	[214.7]	[197.1]	[(17.5)]
[Interest-bearing liabilities]	[505.5]	[581.9]	[76.3]
Bonds and borrowings	[372.2]	[456.8]	[84.6]
Lease liabilities	[133.3]	[125.1]	[(8.2)]
Total equity	**407.0**	**430.2**	**23.2**
Equity attributable to owners of parent	382.1	406.0	23.9
Non-controlling interests	24.9	24.2	(0.6)
Total liabilities and equity	**1,879.6**	**1,949.7**	**70.0**
D/E ratio (times) *1	**1.24**	**1.35**	**0.11**
Ratio of equity attributable to owners of parent (%) *2	**20.3**	**20.8**	**0.5**

*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*

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1. Consolidated Results for Third Quarter FY2022

Cash Flows

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（In billion yen）

	FY2021.3Q	FY2022.3Q	Change
Profit before tax	47.7	52.3	4.5
Depreciation *1	50.0	47.4	(2.6)
Change in working capital *2	(32.5)	(124.1)	(91.6)
Other	*3 (54.9)	0.0	54.9
Subtotal	10.3	(24.3)	(34.7)
Income taxes	(6.1)	(28.8)	(22.6)
Cash flows from operating activities	**4.2**	**(53.1)**	**(57.4)**
Cash flows from investing activities	**1.5**	**(38.6)**	**(40.2)**
Free cash flows	**5.7**	**(91.8)**	**(97.6)**
Cash flows from financing activities	**(45.4)**	**47.8**	**93.3**

*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 of (31.2) billion yen.

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Supplementary Information

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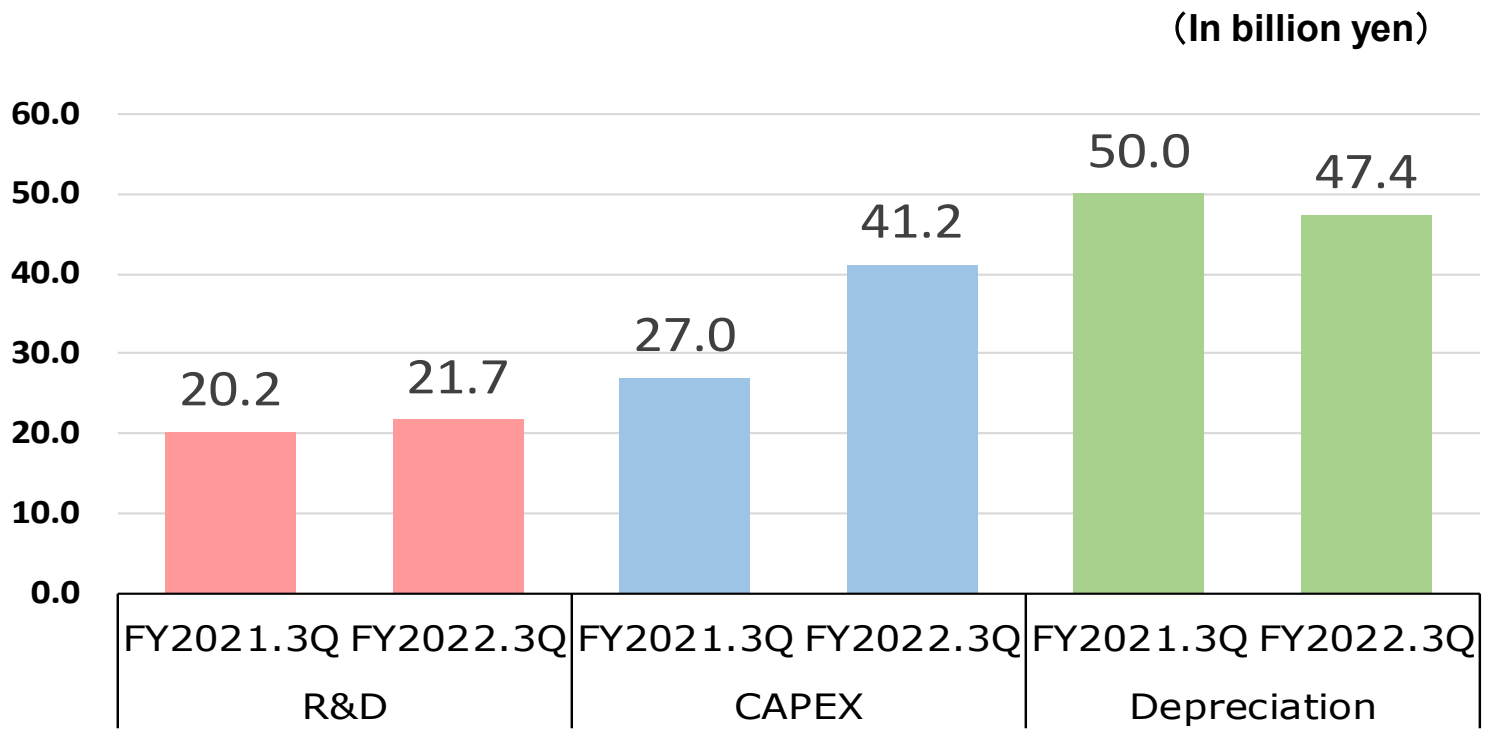
(1) R&D/CAPEX/Depreciation



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

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(2) Revenue by Region

（In billion yen）

	FY2021.3Q	FY2022.3Q
Japan	456.7	449.8
Asia	114.4	153.1
China	66.5	83.6
North America	114.6	185.8
Central and South America	8.0	12.3
Europe	49.2	54.3
Others	6.5	7.1
Total	816.1	946.3

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2. Forecasts of the Consolidated Results for FY2022

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2. Forecasts of the Consolidated Results for FY2022

Summary of Forecasts

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Assumed FX rate US$ 1.00 = ¥130
(in the fourth quarter ending March 31, 2023)

（In billion yen）

	FY2021 Results	FY2022 Forecast (in Nov.)	FY2022 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Orders received	1,261.2	1,330.0	1,360.0	30.0
Revenue	1,172.9	1,350.0	1,350.0	0.0
Operating profit	81.4	85.0	85.0	0.0
Profit before tax	87.6	80.0	80.0	0.0
Profit attributable to owners of parent	66.0	50.0	50.0	0.0

(Reference)
FX rate sensitivity (impact amount on operating profit by change of 1 yen) : US$ ¥0.3 billion

Dividend forecast (changed)　90yen per share (Interim 40yen, year-end 50yen (up 10yen))

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Forecasts by Segments

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Orders received

(In billion yen)

	FY2021 Results	FY2022 Forecast (in Nov.)	FY2022 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Resources, Energy and Environment	373.8	360.0	420.0	60.0
Social Infrastructure and Offshore Facilities	181.0	170.0	140.0	(30.0)
Industrial Systems and General-Purpose Machinery	384.5	450.0	440.0	(10.0)
Aero Engine, Space and Defense	304.7	350.0	360.0	10.0
Total Reportable Segment	1,244.1	1,330.0	1,360.0	30.0
Others	54.7	50.0	50.0	0.0
Adjustment	(37.6)	(50.0)	(50.0)	0.0
Total	1,261.2	1,330.0	1,360.0	30.0

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2. Forecasts of the Consolidated Results for FY2022

Forecasts by Segments

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■ Revenue & Operating profit

(In billion yen)

	Revenue				Operating profit			
	FY2021 Results	FY2022 Forecast (in Nov.)	FY2022 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)	FY2021 Results	FY2022 Forecast (in Nov.)	FY2022 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Resources, Energy and Environment	344.4	380.0	380.0	0.0	22.9	26.0	26.0	0.0
Social Infrastructure and Offshore Facilities	167.3	170.0	170.0	0.0	15.3	17.0	16.0	(1.0)
Industrial Systems and General-Purpose Machinery	376.9	440.0	430.0	(10.0)	12.8	27.0	18.0	(9.0)
Aero Engine, Space and Defense	265.2	360.0	370.0	10.0	(9.3)	40.0	43.0	3.0
Total Reportable Segment	1,154.0	1,350.0	1,350.0	0.0	41.8	110.0	103.0	(7.0)
Others	62.7	50.0	50.0	0.0	(1.0)	2.0	0.0	(2.0)
Adjustment	(43.9)	(50.0)	(50.0)	0.0	40.6	(27.0)	(18.0)	9.0
Total	1,172.9	1,350.0	1,350.0	0.0	81.4	85.0	85.0	0.0

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Forecasts by Segments

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Analysis of change in operating profit of forecast (in November VS in February)

- In the segment of Industrial Systems and General-Purpose Machinery, forecasted operating profit decreased due to higher procurement prices in the Vehicular turbochargers Business, etc., the spread of COVID-19 in China, and delays in orders and sales in some other businesses.

（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)	1.0	2.0	(1.0)		0.0
Social Infrastructure and Offshore Facilities	(1.0)					(1.0)
Industrial Systems and General-Purpose Machinery	(5.0)	(5.0)	1.0	1.0	(1.0)	(9.0)
Aero Engine, Space and Defense		1.0	2.0			3.0
Total Reportable Segment	(8.0)	(3.0)	5.0	0.0	(1.0)	(7.0)
Others	(1.0)				(1.0)	(2.0)
Adjustment				(1.0)	10.0	9.0
Total	(9.0)	(3.0)	5.0	(1.0)	8.0	0.0

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2. Forecasts of the Consolidated Results for FY2022

Cash Flows

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■ The forecast has changed to reflect the results through the third quarter.

（In billion yen）

	FY2021 Results	FY2022 Forecast (in Nov.)	FY2022 Forecast (in Feb.)	Change Vs. Forecast (in Nov.)
Profit before tax	87.6	80.0	80.0	0.0
Depreciation *1	67.5	61.0	61.0	0.0
Change in working capital *2	23.0	0.0	(50.0)	(50.0)
Other	(64.0)	(11.0)	(11.0)	0.0
Cash flows from operating activities	**114.1**	**130.0**	**80.0**	**(50.0)**
Cash flows from investing activities	**27.9**	**(90.0)**	**(80.0)**	**10.0**
Free cash flows	**142.0**	**40.0**	**0.0**	**(40.0)**

*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

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3. Financial Results by Segment

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3. Financial Results by Segment
Resources, Energy and Environment

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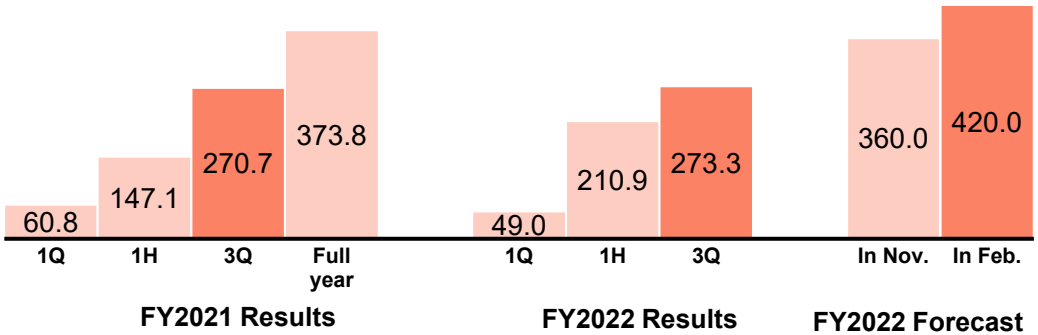
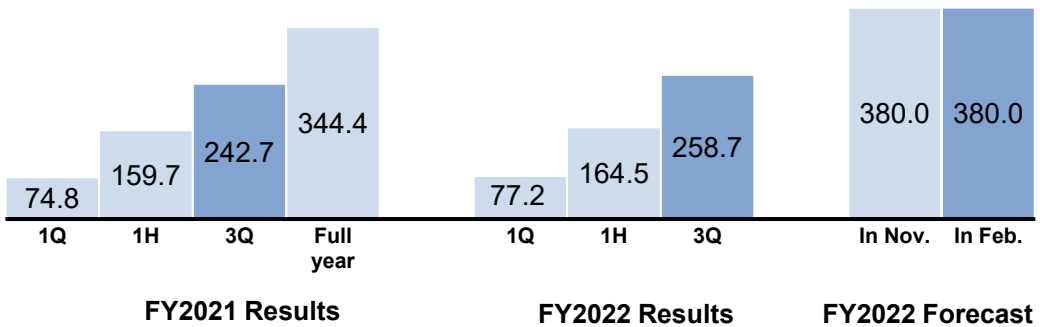
(In billion yen, accumulated amount)

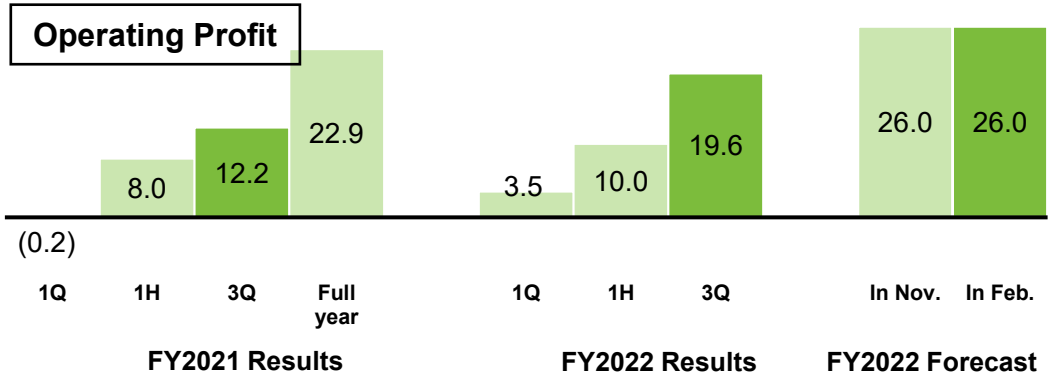
Orders received



Revenue



Operating Profit



Main Businesses : Power systems, Carbon solutions and Nuclear energy

Results (vs FY2021.3Q)

【Orders received】

Increased due to an order for a large-scale power plant project in Southeast Asia.

【Revenue】

Despite decreased in Power systems, increased in Nuclear energy.

【Operating profit】

Increased due to the progress of construction in Nuclear energy, despite recording of structuring expenses in Power systems.

Full year Forecasts (vs In November)

- Orders received is expected to increase due to an order for a large-scale power plant project in Southeast Asia.
- The forecast of revenue and operating profit remain unchanged as a whole, taking into account the situation up to the third quarter.

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3. Financial Results by Segment
Resources, Energy and Environment

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(In billion yen)

	Orders received								Revenue							
	FY2021				FY2022				FY2021				FY2022			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year
Power systems	25.5	41.4	60.4	84.6	22.2	49.1	75.9	90.0	18.6	38.4	61.0	88.9	15.7	32.6	53.2	82.0
Carbon solutions	15.4	62.2	115.6	159.1	3.3	23.9	39.6	178.0	35.2	76.4	112.9	155.8	32.3	73.7	111.1	161.0
Nuclear energy	10.4	26.9	58.4	70.7	11.3	25.5	33.3	46.0	6.0	16.3	28.0	45.3	15.9	28.7	45.3	71.0

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3. Financial Results by Segment

Social Infrastructure and Offshore Facilities

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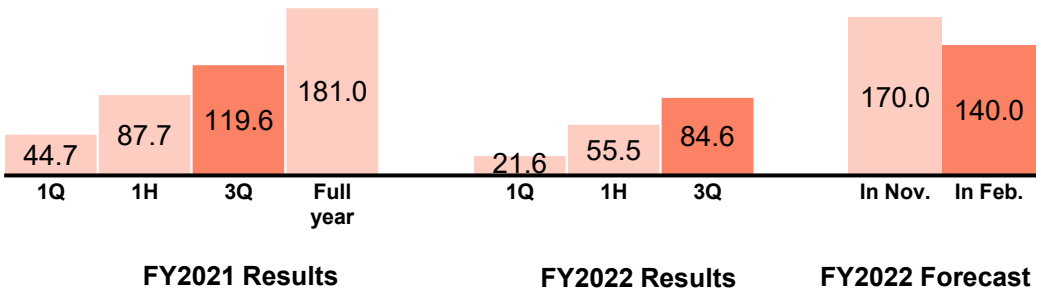
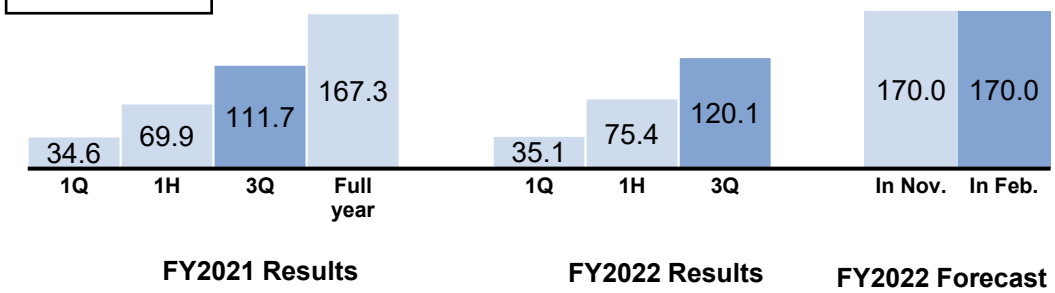
(In billion yen, accumulated amount)

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

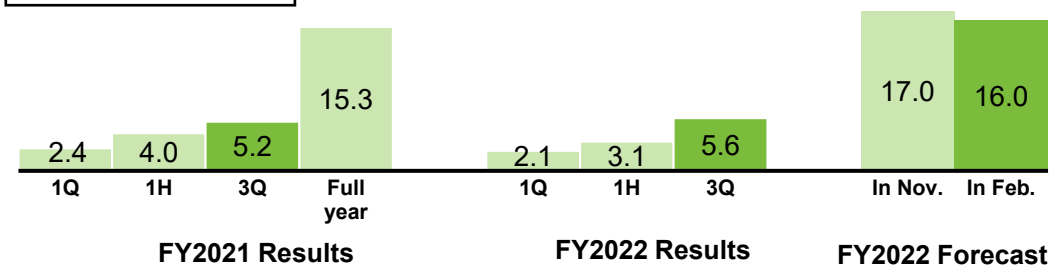
Orders received



Revenue



Operating Profit



Results (vs FY2021.3Q)

【Orders received】

Decreased in Bridges and water gates.

【Revenue】

Despite decreased in Shield systems, increased in Bridges and water gates.

【Operating profit】

Despite decreased in Shield systems etc., increased due to higher sales in Bridges and water gates.

Full year Forecasts (vs In November)

- Orders received is expected to decrease due to delays in orders in Bridges and water gates and Shield systems.
- Operating profit is expected to decrease due to delays in the progress of construction in Shield systems etc.

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3. Financial Results by Segment

Social Infrastructure and Offshore Facilities

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(In billion yen)

	Orders received								Revenue							
	FY2021				FY2022				FY2021				FY2022			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year
Bridges and water gates	31.2	61.4	80.6	110.9	9.3	27.4	40.1	73.0	17.8	33.6	55.5	89.6	20.2	43.8	70.1	108.0
Shield systems	1.2	4.4	8.6	14.6	1.4	4.3	9.8	18.0	5.8	12.0	17.5	22.7	5.1	9.3	14.4	17.0
Urban development	4.6	9.4	14.1	18.4	4.3	8.5	13.2	17.0	4.6	9.6	14.0	18.6	4.1	8.5	13.1	17.0

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

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3. Financial Results by Segment

Industrial Systems and General-Purpose Machinery

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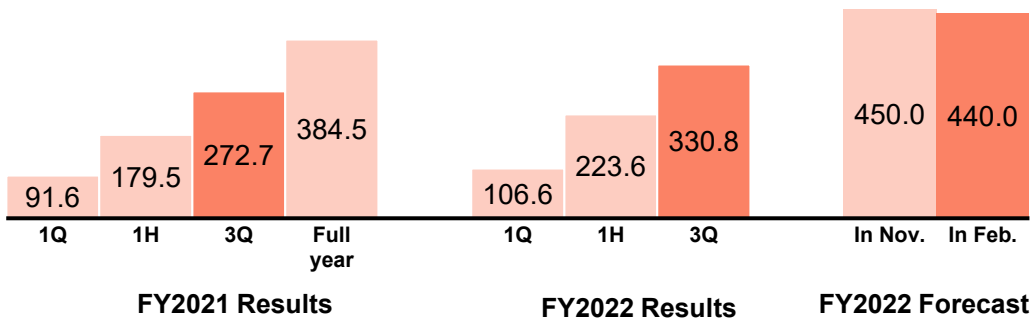
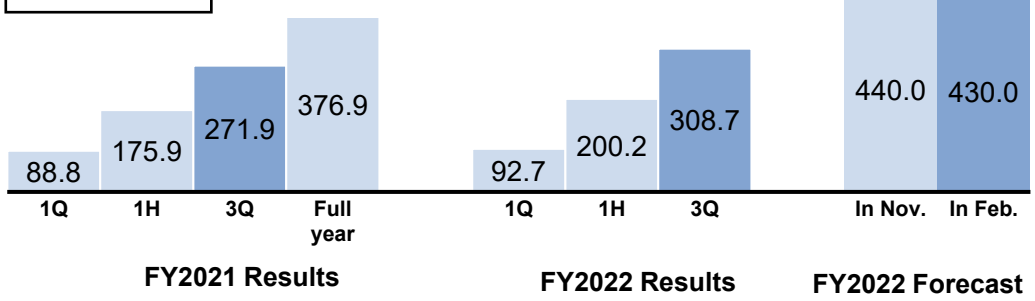
(In billion yen, accumulated amount)

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

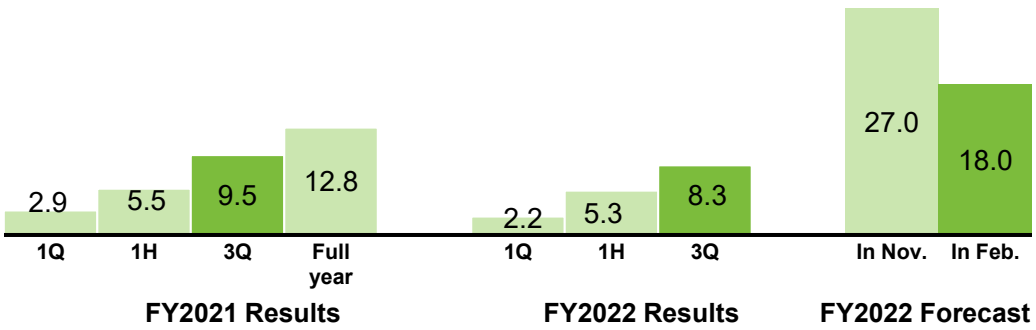
Orders received



Revenue



Operating Profit



Results (vs FY2021.3Q)

【Orders received】

Increased in Vehicular turbochargers and Transport machineries.

【Revenue】

Increased in Vehicular turbochargers and Heat treatment and surface engineering.

【Operating profit】

Decreased due delays in orders and sales in Logistics and industrial systems and Parking, although increased in Rotating machineries and Heat treatment and surface engineering.

Full year Forecasts (vs In November)

- Orders received is expected to decrease in Vehicular turbochargers, Parking and Logistics and industrial systems.
- Revenue and operating profit are expected to decrease due to higher procurement prices in Vehicular turbochargers, etc., the spread of COVID-19 in China and delays in orders and sales in Logistics and industrial systems and Parking.

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3. Financial Results by Segment

Industrial Systems and General-Purpose Machinery

IHI

(In billion yen)

	Orders received								Revenue							
	FY2021				FY2022				FY2021				FY2022			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year
Vehicular turbochargers	38.6	71.4	110.0	151.8	39.7	89.7	138.1	181.0	38.3	70.2	108.3	149.4	39.9	89.9	138.1	181.0
Parking	10.6	22.9	33.3	52.4	11.6	27.7	40.2	59.0	9.1	19.6	31.9	47.2	9.4	20.0	32.3	47.0
Rotating machineries	13.6	26.7	39.1	55.9	18.4	34.5	46.5	62.0	11.9	23.7	37.6	52.7	11.7	26.3	40.6	59.0
Heat treatment and surface engineering	10.7	20.9	32.6	43.5	13.5	25.3	38.3	52.0	8.7	18.6	28.5	39.6	10.1	21.6	34.1	48.0
Transport machineries	4.1	9.7	13.5	23.0	8.5	16.9	21.9	28.0	7.3	16.4	24.2	31.0	8.9	15.9	24.2	33.0
Logistics and industrial systems	4.9	13.1	23.4	31.9	7.7	15.9	26.4	46.0	6.7	14.9	23.5	32.3	6.6	14.1	21.3	34.0

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

＜Number of vehicular turbochargers delivered＞

（1,000 Units）

	3Q	Full Year
FY2021	3,610	4,920
FY2022	4,130	5,300

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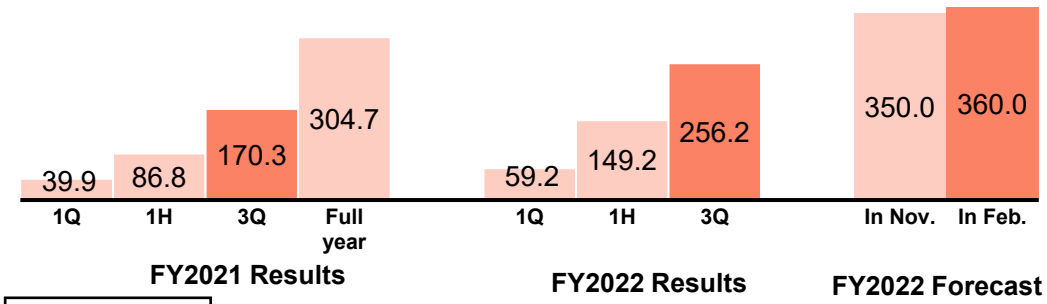
3. Financial Results by Segment

Aero Engine, Space and Defense

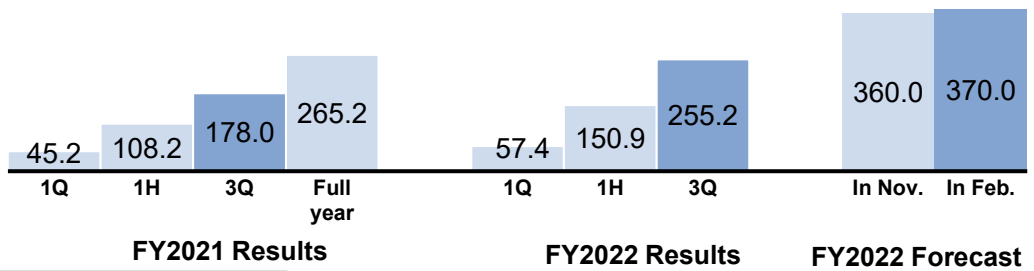
IHI

(In billion yen, accumulated amount)

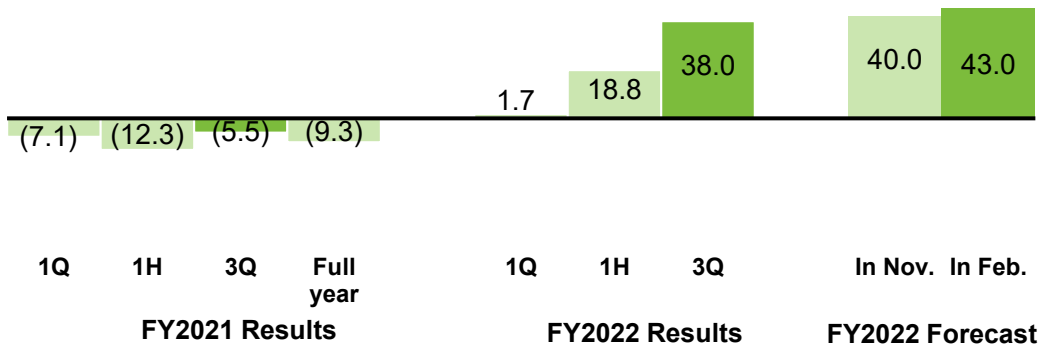
Orders received



Revenue



Operating Profit



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

Results (vs FY2021.3Q)

【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.

Full year Forecasts (vs In November)

- Orders received and revenue are expected to increase due to yen depreciation.
- Operating profit is expected to increase due to higher sales and improvement of profitability.

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3. Financial Results by Segment
Aero Engine, Space and Defense

IHI

(In billion yen)

	Orders received								Revenue							
	FY2021				FY2022				FY2021				FY2022			
	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year	1Q	1H	3Q	Full year
Civil aero engines	25.7	53.5	89.9	121.9	37.1	94.9	157.6	210.0	25.6	54.0	91.1	123.3	37.6	94.7	157.1	209.0

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

<Number of civil aero engines delivered>

（Units）

	3Q	Full Year
FY2021	648	789
FY2022	721	1,077

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＜Appendices＞

- Topics in the Third Quarter
- Financial Performance
- Aero engines
- Vehicular turbochargers
- Urban development

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Topics in the Third Quarter

IHI

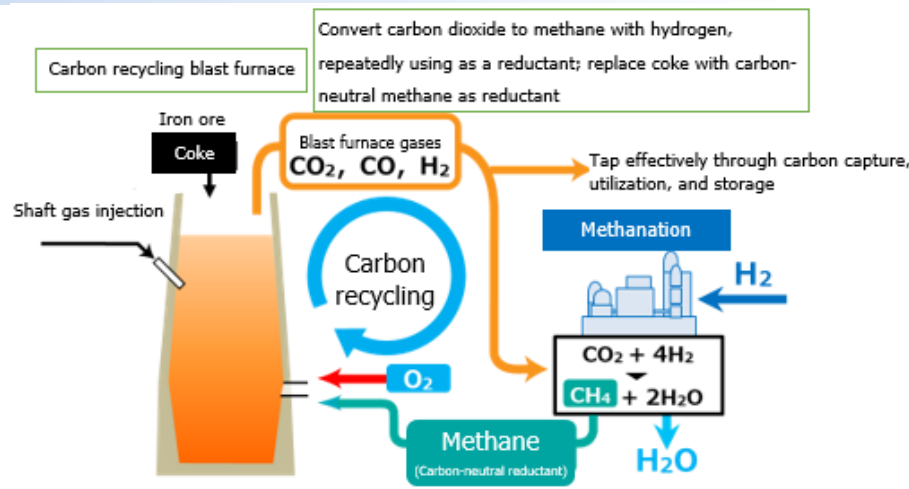
GE and IHI Sign Memorandum of Understanding to Develop Gas Turbines that Can Operate on 100% Ammonia

<A visit to the Ministry of Economy, Trade and Industry to report on joint development>
(From left: Mr. Turley, Minister-Counselor for Commercial Affairs of U.S. Embassy; Mr. Strazik, CEO of GE Vernova; Mr. Shin Hosaka, Director-General of Agency for Natural Resources and Energy; Mr. Ide, President of IHI)

- IHI and GE Gas Power ("GE") have signed a Memorandum of Understanding ("MOU") to jointly develop ammonia combustion technologies for heavy duty gas turbines to generate electricity with reduced or near zero CO_2 emissions. The collaboration aligns with the companies' commitment to support the global transition towards a lower-carbon future in the power generation sector.
- Based on this MOU, the both parties will further define a technology roadmap to develop gas turbine technologies by 2030 that will enable GE's F-type gas turbines to fire up to 100% ammonia in a safe, commercially competitive and environmentally friendly manner, with potential implementation across additional gas turbines in the future.

Order Received for World's Largest Methanation Unit －Effective utilization of CO_2 in Exhaust Gases for JFE Steel's test blast furnace

- IHI and its subsidiary, IHI Plant Services Corporation have received an order from JFE Steel Corporation for a methanation unit that will recycle 24 metric tons of CO_2 from test blast furnace gas per day, producing 500 normal cubic meters of methane per hour. This unit will have what is currently the world's largest manufacturing capacity as such a facility.
- IHI will push ahead with development that centers on upgrading catalysts, enlarging reactors, and enhancing processes to tap reaction heat effectively for the methanation unit. IHI plans to deliver it in the fiscal year ending March 2025.
- We are also working to further increase the size of the unit for the future, and plan to commercialize a methanation unit in Japan and abroad in the range several thousand and tens of thousands of normal cubic meters per hour by 2030.



<Carbon recycling blast furnace>
(Source: JFE Steel Corporation, Carbon Neutral Strategy Presentation, announced September 1,2022)

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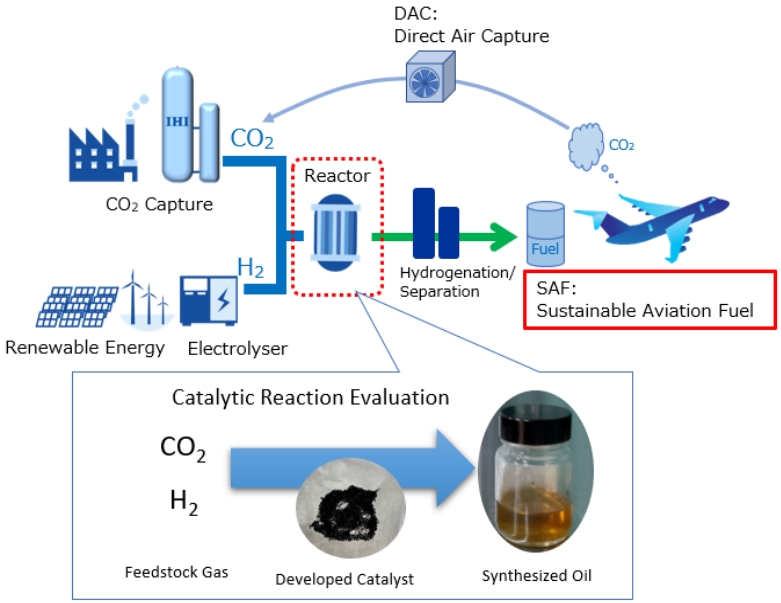
Topics in the Third Quarter

IHI

Technology Developed for SAF Synthesis Verified as Achieving Top-ranking Yield Worldwide in Production of Hydrocarbons Derived from CO_2



<IHI's SAF Concept>

- IHI has developed a new catalyst for synthesis of sustainable aviation fuel (SAF) derived from CO_2 jointly with ISCE²(*1), a research institution under Singapore's Agency for Science, Technology And Research (A*STAR). The SAF synthesis catalyst, which causes direct reaction between H_2 and CO_2, has been shown to achieve worldwide top-level liquid hydrocarbon yield(*2) of 26%.
- IHI has embarked on joint research on development of SAF synthesis technologies in conjunction with ISCE² since this fiscal year. With efforts having culminated in the development of a catalyst capable of achieving high performance in synthesizing SAF as a result of initiatives that have involved effectively undertaking exploration and calibration of test conditions such as catalyst composition and reactive conditions while drawing on approaches such as machine learning, which is a subset of artificial intelligence.

*1 : Institute of Sustainability for Chemicals, Energy and Environment

*2 : The term "yield" refers to the ratio of carbon contained in CO_2 that has been injected into a reactor and converted into the target hydrocarbon (these development efforts involve liquid hydrocarbons with five or more carbon atoms). Yield serves as a descriptive benchmark of catalytic performance.

IHI Participating in Trinational Next-Generation Fighter Development Program

- IHI is participating in the next-generation fighter development program initiated by the Japan's Ministry of Defense in 2020 as the company in charge of engines, and the Japanese government has now decided that this project will be developed jointly with the United Kingdom and Italy. IHI will work more closely with the government and related companies for joint development between three countries.
- Participating in this project, IHI will play a vital role in cooperation with the U.K. and Italy, which are leading countries in the aerospace industries, while based on our experience and the technological development achievements.

<Concept images of Japan's next-generation fighter>
*The image is for illustrative purposes only and have not been finalized.

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Financial Performance

IHI

(In billion yen)

	Japanese GAAP			IFRS					IFRS
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 3Q	FY2022 (Forecast)	FY2022 (Forecast) (in Nov.)
Orders received	1,389.8	1,505.0	1,399.2	1,280.0	1,097.0	1,261.2	948.4	1,360.0	1,330.0
Revenue	1,468.3	1,590.3	1,483.4	1,263.1	1,112.9	1,172.9	946.3	1,350.0	1,350.0
Operating profit	47.3	72.2	82.4	47.8	27.9	81.4	64.9	85.0	85.0
Profit attributable to owners of parent	5.2	8.2	39.8	8.2	13.0	66.0	27.0	50.0	50.0
Cash flows from operating activities	65.3	99.0	46.4	42.4	36.3	114.1	(53.1)	80.0	130.0
Cash flows from investing activities	(28.9)	(47.9)	(79.2)	(85.5)	(40.4)	27.9	(38.6)	(80.0)	(90.0)
Free cash flows	36.4	51.0	(32.8)	(43.0)	(4.1)	142.0	(91.8)	0.0	40.0
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)	80 (Interim 40, Year-end 40)
ROIC (%)	5.0	7.7	8.7	4.1	2.2	6.4	-	6.6	6.8
Operating margin (%)	3.2	4.5	5.6	3.8	2.5	6.9	6.9	6.3	6.3
CCC (days)	87	83	97	92	124	112	-	110	96
D/E ratio (times)	1.10	0.92	0.93	2.00	1.85	1.24	1.35	1.17	1.05
ROE (%)	1.6	2.6	11.8	2.8	4.5	19.3	-	12.6	12.6
Ratio of equity attributable to owners of parent (%)	18.8	19.9	21.0	15.0	16.4	20.3	20.8	22.3	22.9

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

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Revenue & Number of civil aero engines delivered

	Japanese GAAP								IFRS					Main loading
	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	22/3Q YTD	'22 Forecast	
Revenue (In biilion yen)	143.6	169.8	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	157.1	209.0	
Accumulated number of civil aero engines delivered (Units)														
V2500	4,980	5,468	5,969	6,469	6,896	7,236	7,508	7,688	7,735	7,740	7,756	7,772	7,773	Airbus A319/320/321
GE90	1,399	1,589	1,806	2,039	2,257	2,457	2,617	2,715	2,824	2,885	2,925	2,961	2,983	Boeing B777
CF34	3,242	3,548	3,820	4,156	4,471	4,821	5,085	5,331	5,611	5,798	5,926	6,050	6,150	For regional jet (70 to 110 seats)
GEnx	118	259	468	751	1,035	1,295	1,542	1,826	2,159	2,328	2,425	2,483	2,497	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,784	2,144	2,585	3,028	3,210	Airbus A320neo
Passport20							13	66	142	202	269	313	350	Bombardier Global7500
Total	9,739	10,864	12,063	13,415	14,675	15,957	17,163	18,684	20,255	21,097	21,886	22,607	22,963	

(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.

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Vehicular turbochargers

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Revenue by region

（In billion yen）

	Japanese GAAP							IFRS				
	’12	’13	’14	’15	’16	’17	’18	'19	’20	'21	'22 3Q YTD	'22 Forecast
Japan	33.9	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	29.5	39.0
Asia	24.8	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	11.0	13.0
China	18.1	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	52.6	65.0
North America	1.3	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	18.5	26.0
Central and South America	0.0	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	10.1	14.0
Europe	43.2	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	16.4	24.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
Total	121.6	150.7	167.7	161.6	174.6	220.5	189.5	153.6	146.6	149.4	138.1	181.0
The number of delivery (1,000 Units)	5,180	5,540	5,890	5,360	6,100	7,900	6,760	6,000	5,510	4,920	4,130	5,300

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Urban development

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(1) Lease revenue in Toyosu

（In billion yen）

	Japanese GAAP							IFRS				
	’12	’13	’14	’15	’16	’17	’18	’19	’20	’21	’22 3Q YTD	’22 Forecast
Lease revenue	9.2	9.1	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	9.1	12.1

(2) Lease revenue and expense in Toyosu (FY2022.3Q)

（In billion yen）

	Lease revenue	Lease expense		Profit
		Depreciation	Others	
FY2022.3Q	9.1	4.0	3.2	1.8

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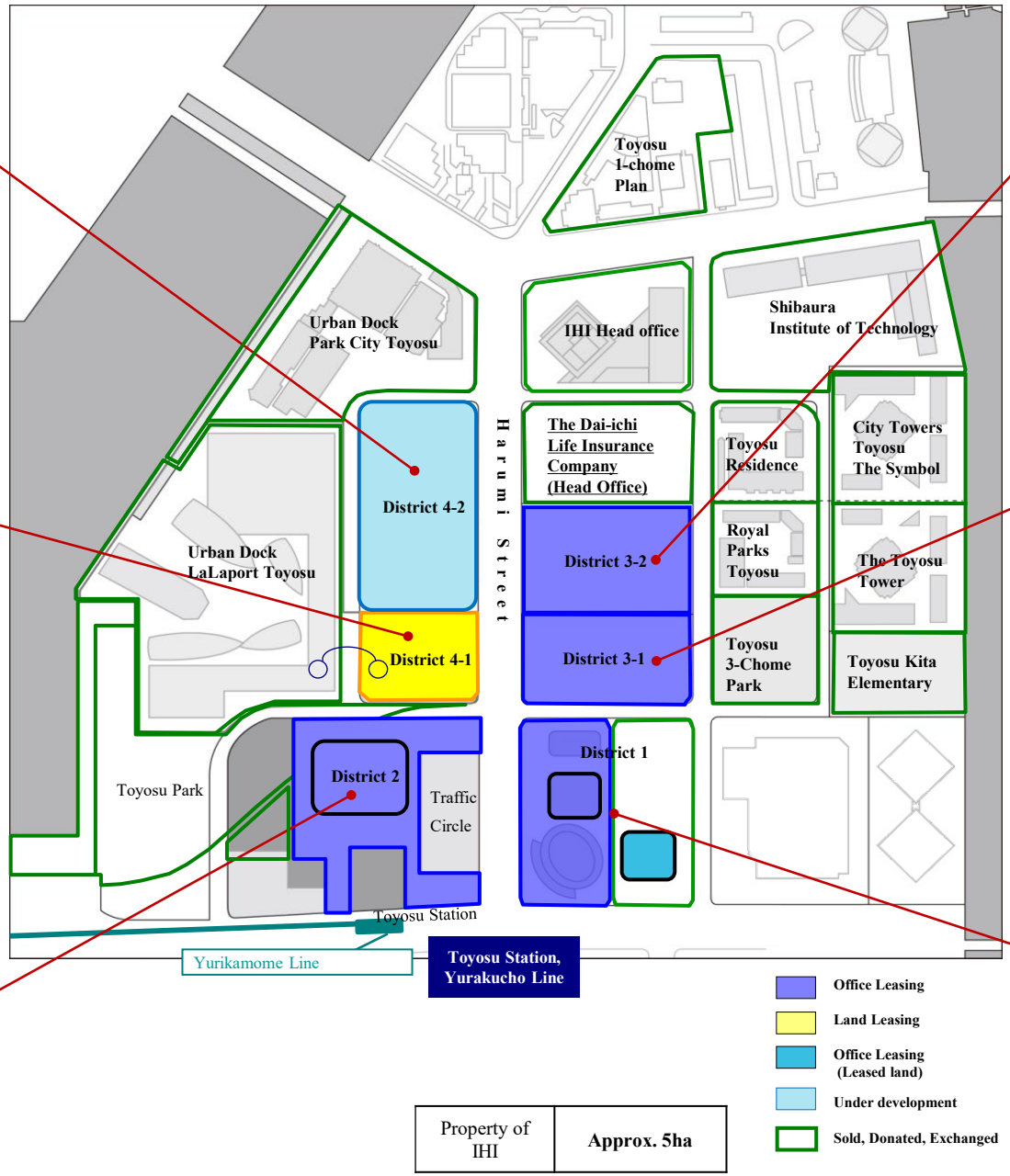
As of February 2023

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

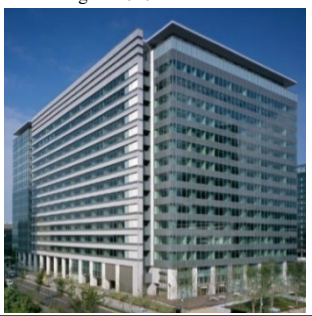
Toyosu Bayside Cross Tower A･C,
36 floors above ground, Approx. 178m high
Gross floor area : 185,000㎡
Completed in March 2020



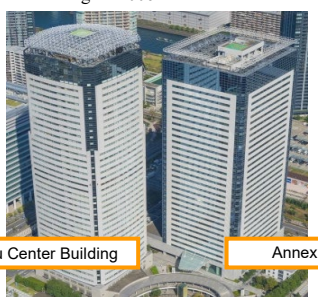
Property of IHI	Approx. 5ha

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



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