

# **Financial Results for Second Quarter FY2022 (IFRS) (for the year ending March 31, 2023)**

**IHI**

November 8, 2022

**IHI Corporation**

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# 1. Consolidated Results for Second Quarter FY2022



- Operating profits were secured in all segments.
- In the Civil aero engines Business, despite the impact of labor shortage in the airline industry, the overall recovery trend remained unchanged and profits further increased due to improved profitability and yen depreciation.
- In the Vehicular turbochargers Business, despite the impact of soaring prices of raw materials, the recovery from production adjustment by automobile companies continues.
- Other businesses also remained steady.

# 1. Consolidated Results for Second Quarter FY2022

## Summary of Financial Results

(In billion yen)

	FY2021.2Q	FY2022.2Q	Change
<b>Orders received</b>	508.3	642.8	134.4
<b>Revenue</b>	516.5	594.4	77.9
<b>Operating profit</b>	26.3	33.5	7.1
<b>Profit before tax</b>	26.6	39.5	12.9
<b>Profit attributable to owners of parent</b>	15.1	21.1	5.9

Note: Average FX rate FY2021.2Q US\$ 1.00 = ¥110.34  
 FY2022.2Q US\$ 1.00 = ¥131.56

# 1. Consolidated Results for Second Quarter FY2022

## Financial Results by Segment

### ■ Orders received & Order backlog

(In billion yen)

	Orders received			Order backlog		
	FY2021.2Q	FY2022.2Q	Change	FY2021	FY2022.2Q	Change
Resources, Energy and Environment	147.1	210.9	63.8	527.5	599.8	72.3
Social Infrastructure and Offshore Facilities	87.7	55.5	(32.2)	250.0	233.6	(16.4)
Industrial Systems and General-Purpose Machinery	179.5	223.6	44.1	180.7	204.9	24.1
Aero Engine, Space and Defense	86.8	149.2	62.3	283.8	282.7	(1.0)
<b>Total Reportable Segment</b>	<b>501.2</b>	<b>639.3</b>	<b>138.1</b>	<b>1,242.1</b>	<b>1,321.1</b>	<b>78.9</b>
Others	24.8	25.5	0.6	22.8	22.8	(0.0)
Adjustment	(17.6)	(22.0)	(4.3)	-	-	-
<b>Total</b>	<b>508.3</b>	<b>642.8</b>	<b>134.4</b>	<b>1,265.0</b>	<b>1,344.0</b>	<b>78.9</b>

Overseas orders received / order backlog	227.8	345.0	117.2	342.3	410.2	67.8
% of Overseas orders received / order backlog	45%	54%	9%	27%	31%	3%

# 1. Consolidated Results for Second Quarter FY2022

## Financial Results by Segment

### ■ Revenue & Operating profit

(In billion yen)

	Revenue			Operating profit		
	FY2021.2Q	FY2022.2Q	Change	FY2021.2Q	FY2022.2Q	Change
Resources, Energy and Environment	159.7	164.5	4.8	8.0	10.0	2.0
Social Infrastructure and Offshore Facilities	69.9	75.4	5.4	4.0	3.1	(0.9)
Industrial Systems and General-Purpose Machinery	175.9	200.2	24.2	5.5	5.3	(0.1)
Aero Engine, Space and Defense	108.2	150.9	42.6	(12.3)	18.8	31.1
<b>Total Reportable Segment</b>	<b>513.8</b>	<b>591.1</b>	<b>77.2</b>	<b>5.2</b>	<b>37.4</b>	<b>32.1</b>
Others	24.5	22.0	(2.4)	1.4	0.1	(1.2)
Adjustment	(21.9)	(18.8)	3.0	19.6	(4.0)	(23.6)
<b>Total</b>	<b>516.5</b>	<b>594.4</b>	<b>77.9</b>	<b>26.3</b>	<b>33.5</b>	<b>7.1</b>

Overseas revenue	227.5	312.4	84.9
% of overseas revenue	44%	53%	9%

# 1. Consolidated Results for Second Quarter FY2022

## Financial Results by Segment

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

(In billion yen)

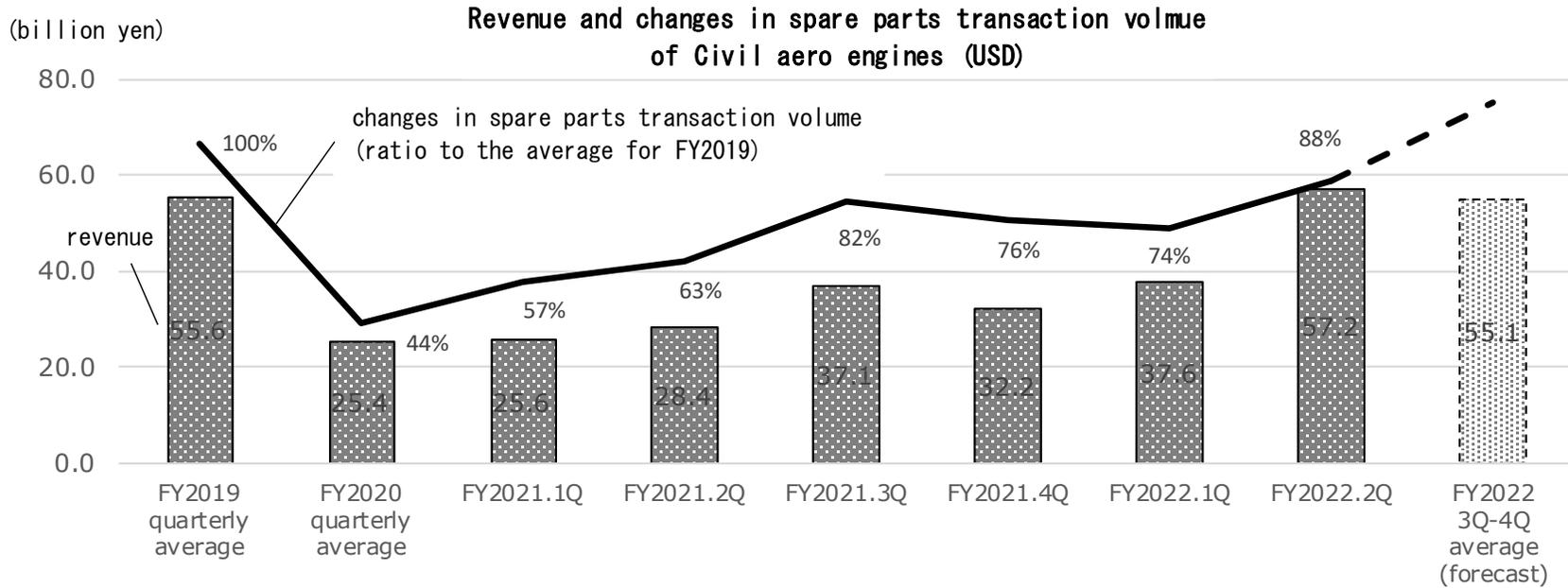
	Change in revenue	Change in construction profitability	Change in foreign exchange rate	Change in SG&A	Change in other income and expenses	Total
Resources, Energy and Environment	2.6	1.1	1.0	(1.4)	(1.3)	2.0
Social Infrastructure and Offshore Facilities	(0.8)	0.1	0.1	(0.3)		(0.9)
Industrial Systems and General-Purpose Machinery	1.3	(3.4)	1.0	(0.9)	1.8	(0.1)
Aero Engine, Space and Defense	9.8	9.1	13.0	(0.8)		31.1
<b>Total Reportable Segment</b>	<b>12.9</b>	<b>6.9</b>	<b>15.1</b>	<b>(3.4)</b>	<b>0.5</b>	<b>32.1</b>
Others	(0.9)		(0.2)	(0.7)	0.6	(1.2)
Adjustment	(0.1)			(1.7)	* <sub>1</sub> (21.8)	(23.6)
<b>Total</b>	<b>11.8</b>	<b>6.9</b>	<b>14.9</b>	<b>(5.8)</b>	<b>(20.7)</b>	<b>7.1</b>

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.

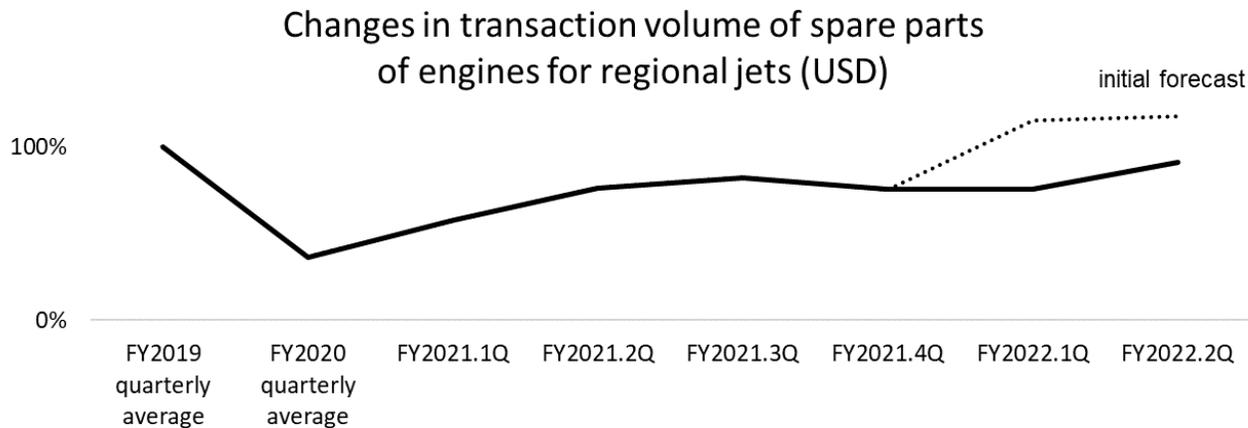
\*1: Includes (21.7) billion yen impact of asset sales recorded in the same period of the previous fiscal year

# 1. Consolidated Results for Second Quarter FY2022

## Financial Results by Segment (Civil aero engines)



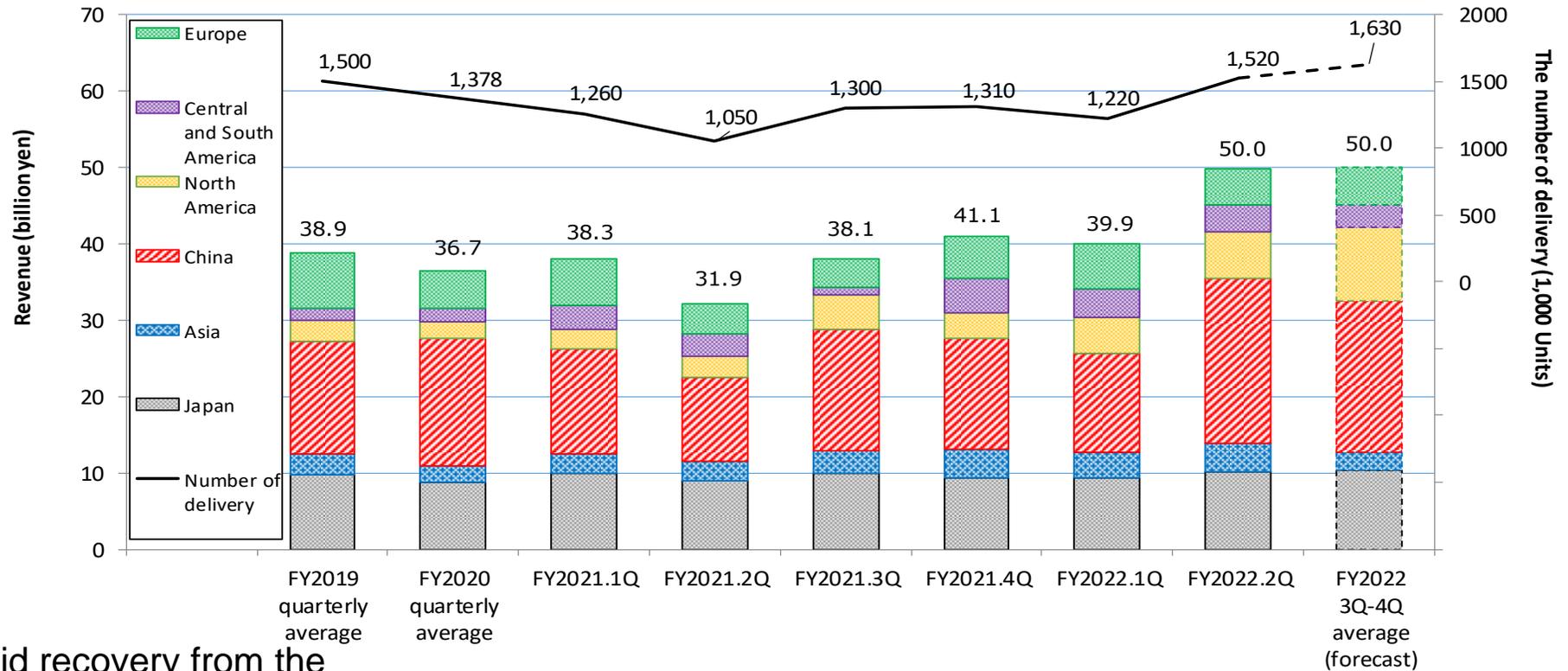
The spare parts transaction volume continues to recover despite the impact of labor shortage in the airline industry.



# 1. Consolidated Results for Second Quarter FY2022

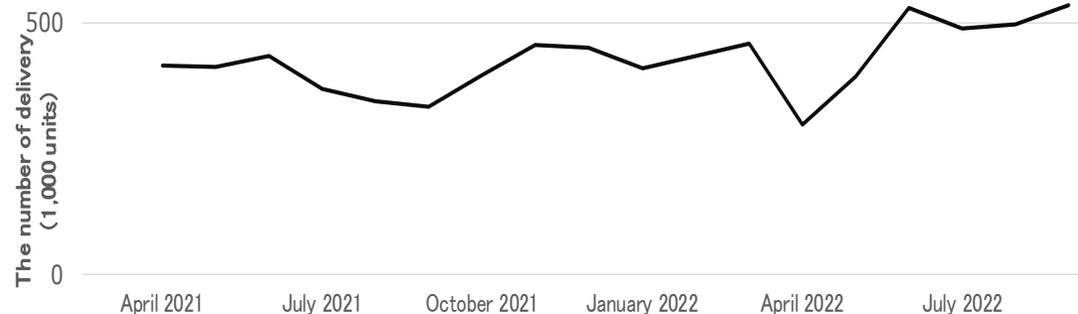
## Financial Results by Segment (Vehicular turbochargers)

Vehicular turbochargers : Changes in the number of delivery and revenue by region



A rapid recovery from the impact of the China lockdown after bottoming out in April. The impact of soaring prices of raw materials has become apparent, and negotiations with customers in progress to reflect this impact into contract amounts.

Vehicular turbochargers : Changes in the number of delivery



# 1. Consolidated Results for Second Quarter FY2022

## Finance Income / Costs etc.

(In billion yen)

	FY2021.2Q	FY2022.2Q	Change
Foreign exchange gains (losses)	0.7	11.3	10.5
Share of profit (loss) of investments accounted for using equity method	0.8	(3.6)	(4.4)
Other finance income (costs)	(1.3)	(1.7)	(0.3)
<b>Finance income / costs etc.</b>	<b>0.2</b>	<b>5.9</b>	<b>5.7</b>

Change of FX rate (US\$) FY2021.2Q ¥1.27 (beginning ¥110.65→end ¥111.92)  
 FY2022.2Q ¥22.34 (beginning ¥122.39→end ¥144.72)

# 1. Consolidated Results for Second Quarter FY2022

## Financial Position



(In billion yen)

	As of March 31, 2022	As of September 30, 2022	Change
<b>Total assets</b>	<b>1,879.6</b>	<b>1,903.4</b>	<b>23.7</b>
[Cash and cash equivalents]	[145.4]	[95.3]	[(50.1)]
[Trade receivables & contract assets]	[474.5]	[484.5]	[10.0]
[Inventories]	[340.1]	[394.7]	[54.6]
<b>Total liabilities</b>	<b>1,472.6</b>	<b>1,465.7</b>	<b>(6.9)</b>
[Trade payables etc.]	[235.4]	[222.0]	[(13.3)]
[Contract liabilities]	[214.7]	[219.6]	[4.9]
[Interest-bearing liabilities]	[505.5]	[507.6]	[2.0]
Bonds and borrowings	[372.2]	[378.5]	[6.3]
Lease liabilities	[133.3]	[129.0]	[(4.2)]
<b>Total equity</b>	<b>407.0</b>	<b>437.7</b>	<b>30.6</b>
Equity attributable to owners of parent	382.1	411.0	28.9
Non-controlling interests	24.9	26.6	1.7
<b>Total liabilities and equity</b>	<b>1,879.6</b>	<b>1,903.4</b>	<b>23.7</b>
<b>D/E ratio (times) *1</b>	<b>1.24</b>	<b>1.16</b>	<b>(0.08)</b>
<b>Ratio of equity attributable to owners of parent (%) *2</b>	<b>20.3</b>	<b>21.6</b>	<b>1.3</b>

\*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

# 1. Consolidated Results for Second Quarter FY2022

## Cash Flows

(In billion yen)

	FY2021.2Q	FY2022.2Q	Change
<b>Profit before tax</b>	26.6	39.5	12.9
<b>Depreciation *1</b>	33.4	31.5	(1.9)
<b>Change in working capital *2</b>	(12.8)	(59.9)	(47.0)
<b>Other</b>	*3 (44.5)	1.9	46.4
<b>Subtotal</b>	2.6	13.0	10.3
<b>Income taxes</b>	(2.4)	(23.0)	(20.5)
<b>Cash flows from operating activities</b>	0.1	(9.9)	(10.1)
<b>Cash flows from investing activities</b>	2.7	(21.6)	(24.3)
<b>Free cash flows</b>	2.9	(31.6)	(34.5)
<b>Cash flows from financing activities</b>	(43.8)	(19.3)	24.4

\*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.

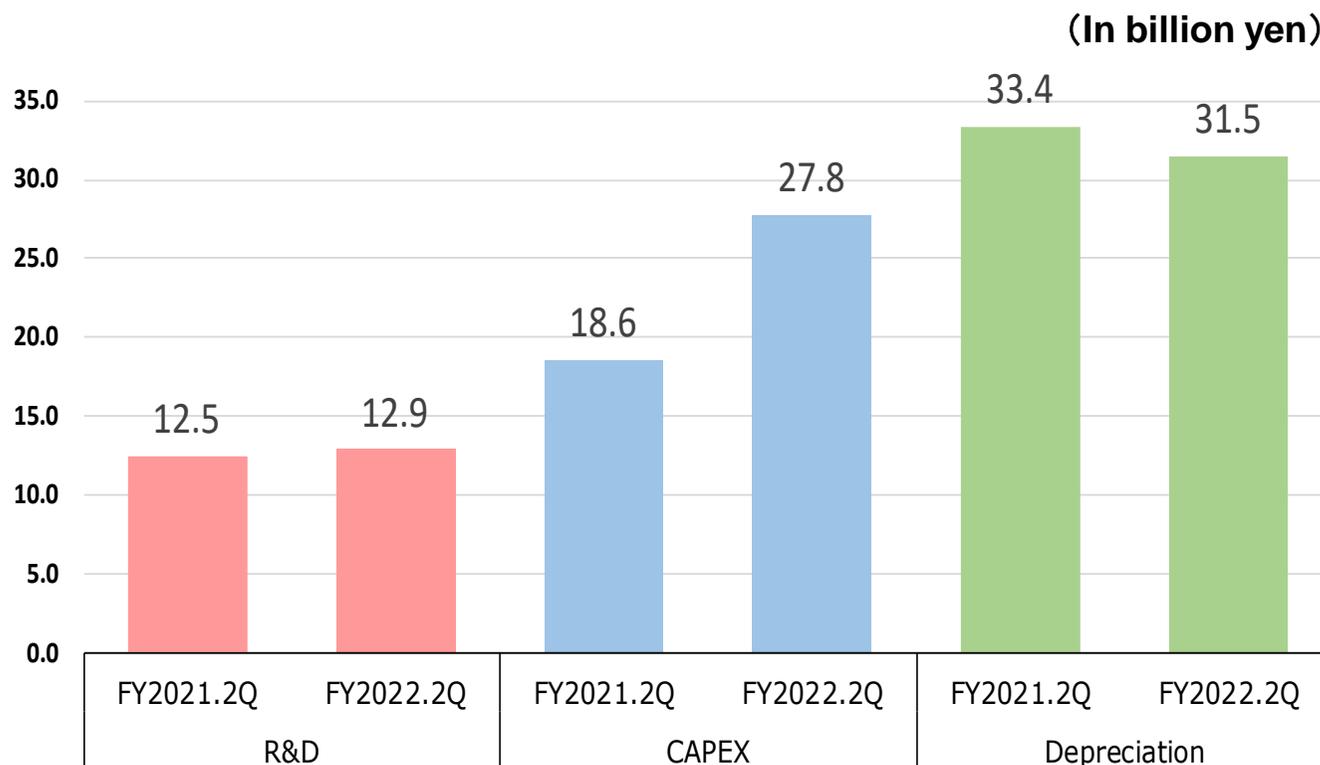
\*2: Change in working capital consists of change in trade receivables, contract assets, inventories, prepayments, contract liabilities, trade payables and refund liabilities.

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 of (21.7) billion yen.

# 1. Consolidated Results for Second Quarter FY2022 Supplementary Information

## (1) R&D/CAPEX/Depreciation



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

# 1. Consolidated Results for Second Quarter FY2022 Supplementary Information

## (2) Revenue by Region

(In billion yen)

	<b>FY2021.2Q</b>	<b>FY2022.2Q</b>
<b>Japan</b>	<b>288.9</b>	<b>281.9</b>
<b>Asia</b>	<b>74.0</b>	<b>94.3</b>
<b>China</b>	<b>42.0</b>	<b>55.9</b>
<b>North America</b>	<b>69.2</b>	<b>111.5</b>
<b>Central and South America</b>	<b>6.4</b>	<b>8.7</b>
<b>Europe</b>	<b>31.6</b>	<b>36.7</b>
<b>Others</b>	<b>4.1</b>	<b>5.1</b>
<b>Total</b>	<b>516.5</b>	<b>594.4</b>

## 2. Forecasts of the Consolidated Results for FY2022

## 2. Forecasts of the Consolidated Results for FY2022

### Summary of Forecasts

Assumed FX rate US\$ 1.00 = ¥130  
(in and after the third quarter ending December 31, 2022)

(In billion yen)

	FY2021 Results	FY2022 Forecast (in Aug.)	FY2022 Forecast (in Nov.)	Change Vs. Forecast (in Aug.)
Orders received	1,261.2	1,330.0	1,330.0	0.0
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\$ ¥0.6 billion

Dividend forecast (unchanged) 80yen per share (Interim 40yen, year-end 40yen)

## 2. Forecasts of the Consolidated Results for FY2022

### Forecasts by Segments

- Orders received

(In billion yen)

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

## 2. Forecasts of the Consolidated Results for FY2022

### Forecasts by Segments

#### ■ Revenue & Operating profit

(In billion yen)

	Revenue				Operating profit			
	FY2021 Results	FY2022 Forecast (in Aug.)	FY2022 Forecast (in Nov.)	Change Vs. Forecast (in Aug.)	FY2021 Results	FY2022 Forecast (in Aug.)	FY2022 Forecast (in Nov.)	Change Vs. Forecast (in Aug.)
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	17.0	0.0
Industrial Systems and General-Purpose Machinery	376.9	440.0	440.0	0.0	12.8	27.0	27.0	0.0
Aero Engine, Space and Defense	265.2	360.0	360.0	0.0	(9.3)	40.0	40.0	0.0
<b>Total Reportable Segment</b>	<b>1,154.0</b>	<b>1,350.0</b>	<b>1,350.0</b>	<b>0.0</b>	<b>41.8</b>	<b>110.0</b>	<b>110.0</b>	<b>0.0</b>
Others	62.7	50.0	50.0	0.0	(1.0)	2.0	2.0	0.0
Adjustment	(43.9)	(50.0)	(50.0)	0.0	40.6	(27.0)	(27.0)	0.0
<b>Total</b>	<b>1,172.9</b>	<b>1,350.0</b>	<b>1,350.0</b>	<b>0.0</b>	<b>81.4</b>	<b>85.0</b>	<b>85.0</b>	<b>0.0</b>

## 2. Forecasts of the Consolidated Results for FY2022

### Forecasts by Segments

- Analysis of change in operating profit of forecast (in August VS in November)
  - In the segment of Resources, Energy and Environment, forecasted operating profit remain unchanged despite expected improvement in construction profitability due to recording of restructuring expenses in the Power systems Business.
  - In the segment of Aero Engine, Space and Defense, forecasted operating profit remain unchanged despite improvement of profitability and yen depreciation due to the impact of the slowdown in sales of spare parts caused by labor shortage in the airline industry in the Civil aero engines Business.

(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		1.0			(1.0)	0.0
Social Infrastructure and Offshore Facilities						0.0
Industrial Systems and General-Purpose Machinery						0.0
Aero Engine, Space and Defense	(7.0)	5.0	2.0			0.0
<b>Total Reportable Segment</b>	<b>(7.0)</b>	<b>6.0</b>	<b>2.0</b>	<b>0.0</b>	<b>(1.0)</b>	<b>0.0</b>
Others						0.0
Adjustment						0.0
<b>Total</b>	<b>(7.0)</b>	<b>6.0</b>	<b>2.0</b>	<b>0.0</b>	<b>(1.0)</b>	<b>0.0</b>

## 2. Forecasts of the Consolidated Results for FY2022

### Cash Flows

(In billion yen)

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

\*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

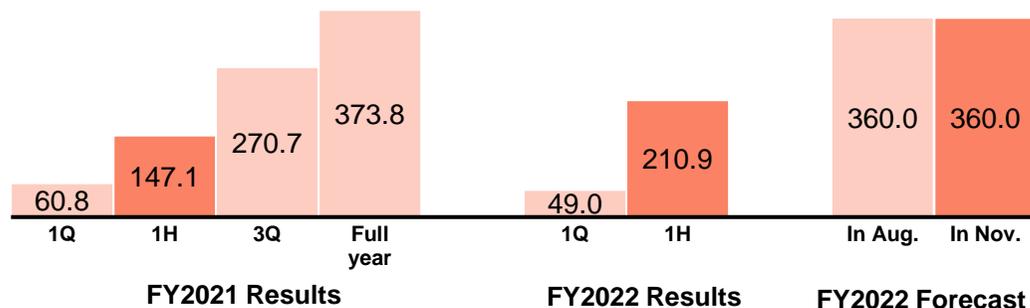
# 3. Financial Results by Segment



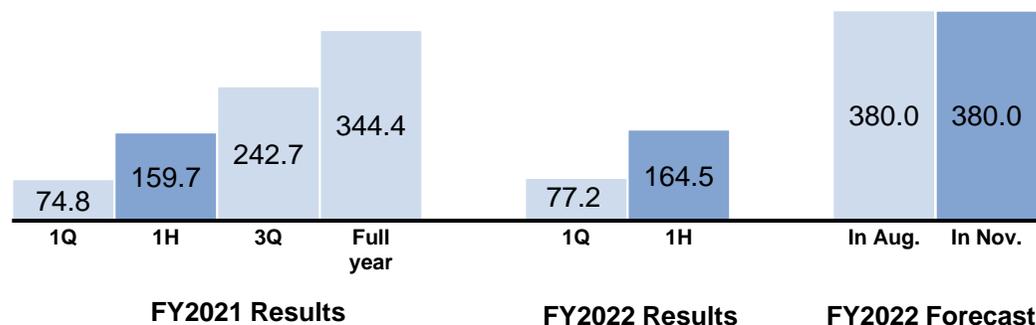
# 3. Financial Results by Segment Resources, Energy and Environment

(In billion yen, accumulated amount)

## Orders received



## Revenue



## Operating Profit



## Main Businesses : Power systems, Carbon solutions and Nuclear energy

### Results (vs FY2021.1H)

#### 【Orders received】

Increased at subsidiaries in Southeast Asia.

#### 【Revenue】

Despite decreased in Power systems, increased in Nuclear energy, etc.

#### 【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 August)

- The forecast of orders received remain unchanged.
- The forecast of revenue and operating profit remain unchanged despite expected improvement in construction profitability due to recording of restructuring expenses in Power systems.

### 3. Financial Results by Segment Resources, Energy and Environment

(In billion yen)

	Orders received							Revenue						
	FY2021				FY2022			FY2021				FY2022		
	1Q	1H	3Q	Full year	1Q	1H	Full year	1Q	1H	3Q	Full year	1Q	1H	Full year
Power systems	25.5	41.4	60.4	84.6	22.2	49.1	86.0	18.6	38.4	61.0	88.9	15.7	32.6	86.0
Carbon solutions	15.4	62.2	115.6	159.1	3.3	23.9	180.0	35.2	76.4	112.9	155.8	32.3	73.7	163.0
Nuclear energy	10.4	26.9	58.4	70.7	11.3	25.5	37.0	6.0	16.3	28.0	45.3	15.9	28.7	75.0

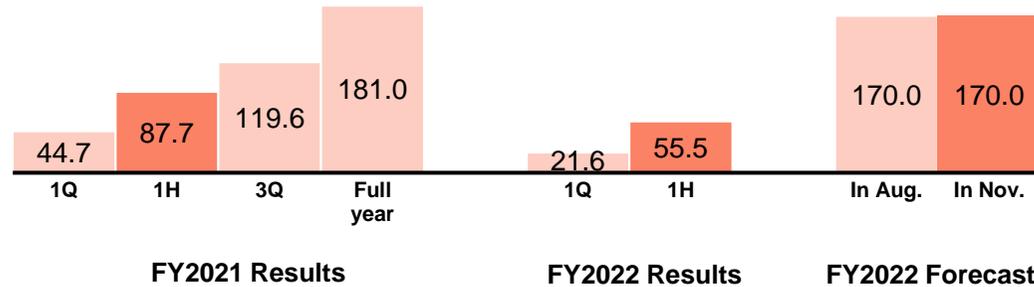
# 3. Financial Results by Segment

## 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



### Results (vs FY2021.1H)

#### 【Orders received】

Decreased in Bridges and water gates.

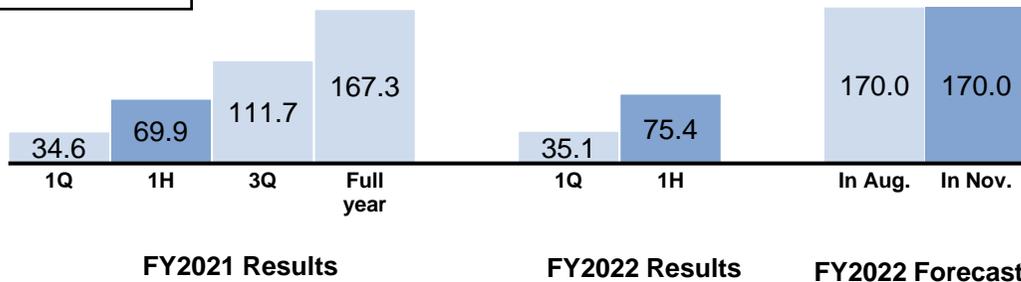
#### 【Revenue】

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

#### 【Operating profit】

Despite increased in Bridges and water gates, decreased due to a decline in sales in Shield systems and Urban development.

### Revenue



### Operating Profit



### Full year Forecasts (vs In August)

- The forecasts of orders received, revenue and operating profit remain unchanged.

### 3. Financial Results by Segment

## Social Infrastructure and Offshore Facilities

(In billion yen)

	Orders received							Revenue						
	FY2021				FY2022			FY2021				FY2022		
	1Q	1H	3Q	Full year	1Q	1H	Full year	1Q	1H	3Q	Full year	1Q	1H	Full year
Bridges and water gates	31.2	61.4	80.6	110.9	9.3	27.4	91.0	17.8	33.6	55.5	89.6	20.2	43.8	103.0
Shield systems	1.2	4.4	8.6	14.6	1.4	4.3	33.0	5.8	12.0	17.5	22.7	5.1	9.3	22.0
Urban development	4.6	9.4	14.1	18.4	4.3	8.5	17.0	4.6	9.6	14.0	18.6	4.1	8.5	17.0

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

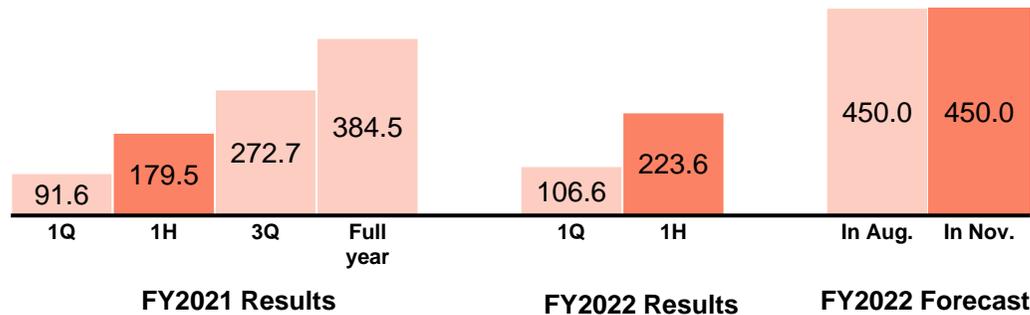
### 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

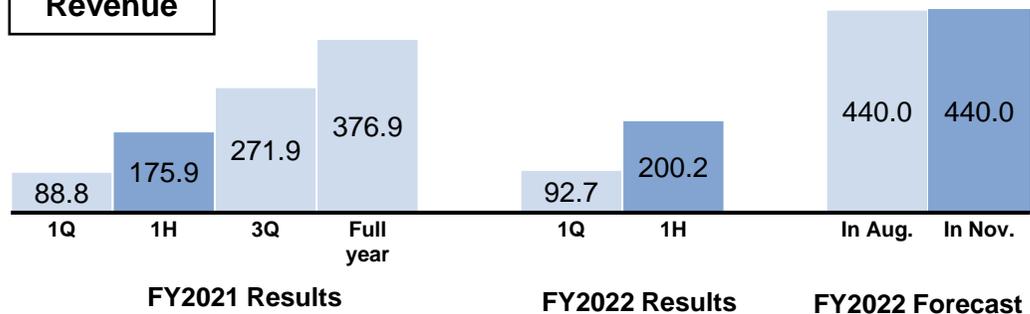
(In billion yen, accumulated amount)

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

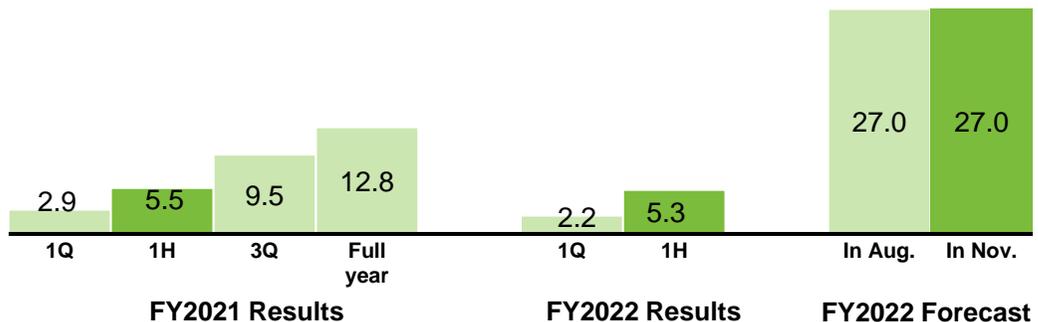
#### Orders received



#### Revenue



#### Operating Profit



#### Results (vs FY2021.1H)

##### 【Orders received】

Increased in Vehicular turbochargers and Rotating machineries.

##### 【Revenue】

Increased in Vehicular turbochargers and Heat treatment and surface engineering.

##### 【Operating profit】

Decreased due to less favorable profitable projects in Logistics and industrial systems and Parking, although increased in Rotating machineries and Heat treatment and surface engineering.

#### Full year Forecasts (vs In August)

- The forecasts of orders received, revenue and operating profit remain unchanged.

### 3. Financial Results by Segment

## Industrial Systems and General-Purpose Machinery

(In billion yen)

	Orders received							Revenue							
	FY2021				FY2022			FY2021				FY2022			
	1Q	1H	3Q	Full year	1Q	1H	Full year	1Q	1H	3Q	Full year	1Q	1H	Full year	
Vehicular turbochargers	38.6	71.4	110.0	151.8	39.7	89.7	190.0	38.3	70.2	108.3	149.4	39.9	89.9	190.0	
Parking	10.6	22.9	33.3	52.4	11.6	27.7	54.0	9.1	19.6	31.9	47.2	9.4	20.0	52.0	
Rotating machineries	13.6	26.7	39.1	55.9	18.4	34.5	63.0	11.9	23.7	37.6	52.7	11.7	26.3	61.0	
Heat treatment and surface engineering	10.7	20.9	32.6	43.5	13.5	25.3	51.0	8.7	18.6	28.5	39.6	10.1	21.6	47.0	
Transport machineries	4.1	9.7	13.5	23.0	8.5	16.9	32.0	7.3	16.4	24.2	31.0	8.9	15.9	33.0	
Logistics and industrial systems	4.9	13.1	23.4	31.9	7.7	15.9	49.0	6.7	14.9	23.5	32.3	6.6	14.1	43.0	

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

#### <Number of vehicular turbochargers delivered>

(1,000 Units)

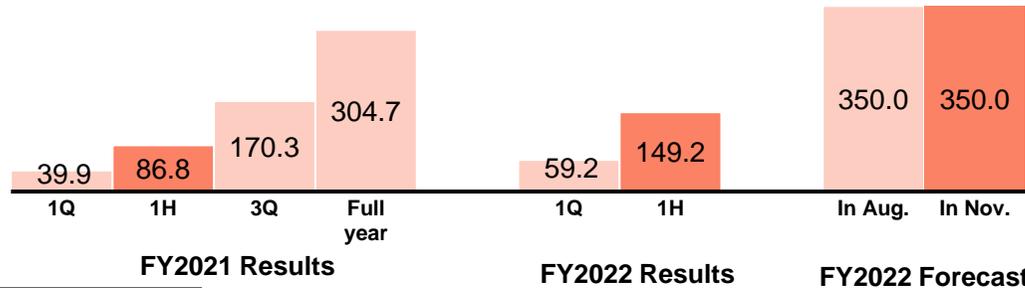
	1H	Full Year
<b>FY2021</b>	<b>2,310</b>	<b>4,920</b>
<b>FY2022</b>	<b>2,740</b>	<b>6,000</b>

# 3. Financial Results by Segment

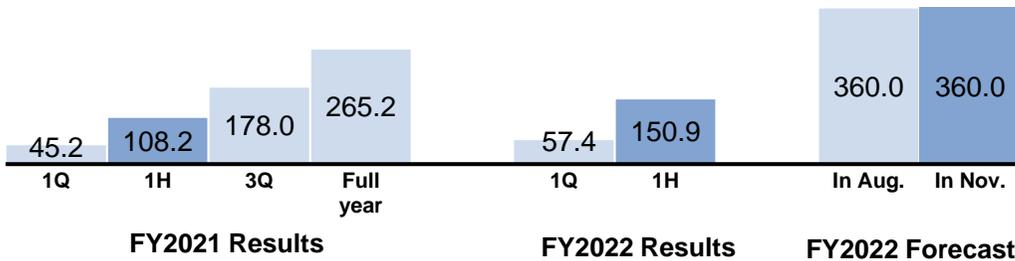
## Aero Engine, Space and Defense

(In billion yen, accumulated amount)

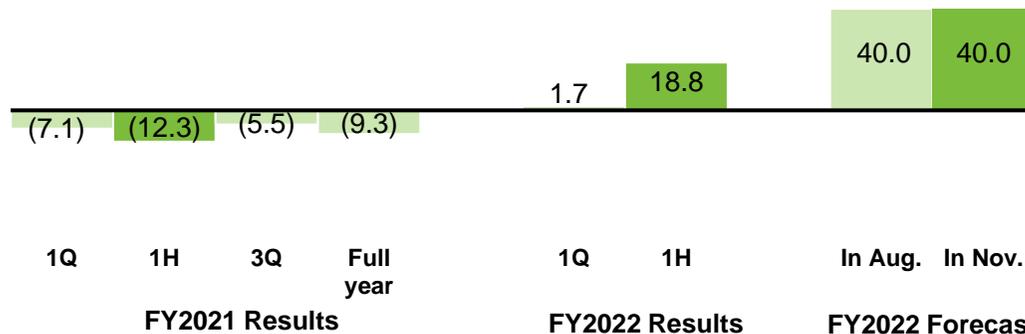
### Orders received



### Revenue



### Operating Profit



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

#### Results (vs FY2021.1H)

##### 【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, improved profitability and yen depreciation in Civil aero engines.

#### Full year Forecasts (vs In August)

- The forecast of orders received remain unchanged.
- The forecast of revenue and operating profit remain unchanged despite improvement of profitability and yen depreciation, due to the impact of the slowdown in sales of spare parts caused by labor shortage in the airline industry in the Civil aero engines.

### 3. Financial Results by Segment

## Aero Engine, Space and Defense

(In billion yen)

	Orders received							Revenue						
	FY2021				FY2022			FY2021				FY2022		
	1Q	1H	3Q	Full year	1Q	1H	Full year	1Q	1H	3Q	Full year	1Q	1H	Full year
Civil aero engines	25.7	53.5	89.9	121.9	37.1	94.9	206.0	25.6	54.0	91.1	123.3	37.6	94.6	205.0

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

#### <Number of civil aero engines delivered>

(Units)

	1H	Full Year
FY2021	420	789
FY2022	460	1,077

# < Appendices >

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

## Clean Ammonia Supply Chain Demonstration linking UAE and Japan

- INPEX CORPORATION, IHI, and Mitsui O.S.K. Lines, Ltd. have executed the demonstration of a clean ammonia supply chain linking the United Arab Emirates (“UAE”) with Japan.
- The clean ammonia used for the demonstration was supplied by Abu Dhabi National Oil Company (“ADNOC”). It was produced by Fertiglobe, a major fertilizer manufacturer and a joint venture between ADNOC and OCI.N.V., using natural gas produced in Abu Dhabi. The CO<sub>2</sub> emitted during the production of ammonia is captured and injected underground at the Abu Dhabi onshore oil fields in which INPEX participates, thereby reducing CO<sub>2</sub> emissions.
- IHI also utilized the clean ammonia to conduct a combustion experiment using an ammonia combustion turbine which is under development.



<Ceremony for clean ammonia supply chain demonstration at IHI>

## Establishment of IHI × Tohoku University Co-creation Research Center of Ammonia Value Chain — Industry-Academia Partnership Facilitating Early Implementation in Society



<Opening Ceremony at Tohoku University>  
(From left: Hideo Ohno, President, Tohoku University;  
Tamotsu Saito, Advisor, IHI)

- Since 2013, Tohoku University and IHI have been pursuing a joint initiative to be global frontrunners in the research and development of technology to utilize fuel ammonia with a focus on the fuel combustion sector. We have actively driven joint application for a nation-led project, joint research, dispatched of researchers from IHI, and mutual technological exchange. The two parties have taken steps to further strengthen our cooperative relationship through the establishment of the Co-creation Research Center, and by collaboratively searching and solving problems in the entire value chain, we are working toward achieving carbon neutrality through the utilization of ammonia.
- The Co-creation Research Center conducts co-creation activities not only with its members but also by flexibly engaging experts from Tohoku University and IHI to meet task requirements. By conducting task identification and establishing solutions to problems in the ammonia value chain, we are accelerating implementation in society.

## Construction Completion of “MFLP Tomei Ayase”, Close to Ayase Smart Interchange



<MFLP Tomei Ayase appearance>

- On August 14, 2022, IHI and Mitsui Fudosan Co., Ltd. completed construction of the “MFLP Tomei Ayase”, a logistics facility developed as a joint project.
- The facility is an inventory-dispatch-type logistics center that services a growing network of stores owned by consignor clients. Working in cooperation with IHI Logistics & Machinery Corporation, the facility provides proposals for mechanization of material handling, etc. to the tenants, thereby contributing to functional enhancement and increased labor-saving that meet tenant needs.



<Aluminum Deck Helipad>

- It is also the first logistics center in Japan to have an aluminum deck helipad on its roof. In collaboration with the Ayase City Fire Department and the Tokai University Hospital Advanced Emergency and Critical Care Medical Center, the logistics center contributes to the region as base for emergency medical care at ordinary times and as disaster response base for emergency services staffs, emergency supplies, etc. in times of disasters.

## IHI’s Electric Turbocharger will be equipped in the fuel cell system of the world's largest automotive powertrain engineering company

- IHI has been collaborating with AVL List GmbH (headquartered in Graz, Austria; hereinafter "AVL"), the world's largest powertrain engineering company engaged in automotive powertrain development, simulation, and testing, on electric turbochargers for fuel cell systems. IHI's electric turbocharger was adopted to be equipped in the HyTruck fuel cell system, which is scheduled to be equipped in a demonstration truck developed by AVL.
- IHI's electric turbocharger has an oil-free structure with air bearings to avoid poisoning of the stack, and the integration of the motor and inverter and turbine assist enable downsizing and power saving.



<IHI's Electric Turbocharger (ETC) M size>

# Financial Performance

(In billion yen)

	Japanese GAAP			IFRS					IFRS
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q	FY2022 (Forecast)	FY2022 (Forecast) (in Aug.)
Orders received	1,389.8	1,505.0	1,399.2	1,280.0	1,097.0	1,261.2	642.8	1,330.0	1,330.0
Revenue	1,468.3	1,590.3	1,483.4	1,263.1	1,112.9	1,172.9	594.4	1,350.0	1,350.0
Operating profit	47.3	72.2	82.4	47.8	27.9	81.4	33.5	85.0	85.0
Profit attributable to owners of parent	5.2	8.2	39.8	8.2	13.0	66.0	21.1	50.0	50.0
Cash flows from operating activities	65.3	99.0	46.4	42.4	36.3	114.1	(9.9)	130.0	130.0
Cash flows from investing activities	(28.9)	(47.9)	(79.2)	(85.5)	(40.4)	27.9	(21.6)	(90.0)	(90.0)
Free cash flows	36.4	51.0	(32.8)	(43.0)	(4.1)	142.0	(31.6)	40.0	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)	-	80 (Interim 40, Year-end 40)	80 (Interim 40, Year-end 40)
ROIC (%)	5.0	7.7	8.7	4.1	2.2	6.4	-	6.8	6.8
Operating margin (%)	3.2	4.5	5.6	3.8	2.5	6.9	5.6	6.3	6.3
CCC (days)	87	83	97	92	124	112	-	96	96
D/E ratio (times)	1.10	0.92	0.93	2.00	1.85	1.24	1.16	1.05	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	21.6	22.9	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

## Revenue & Number of civil aero engines delivered

	Japanese GAAP								IFRS				Main loading
	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22/2Q YTD	
Revenue (In billion yen)	143.6	169.8	226.0	267.0	299.1	291.5	281.0	318.5	222.4	101.7	123.3	94.6	
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	7,765	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	2,946	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	6,006	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	2,464	Boeing B787/B747-8
PW1100G					16	148	398	1,058	1,784	2,144	2,585	2,865	Airbus A320neo
Passport20							13	66	142	202	269	300	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	22,346	

(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

(In billion yen)

	Japanese GAAP							IFRS				
	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	
											2Q YTD	Forecast
Japan	33.9	35.3	37.5	34.6	38.9	39.8	44.6	39.1	35.4	38.0	19.4	40.0
Asia	24.8	29.8	27.5	21.6	15.8	11.7	11.0	10.7	8.5	11.8	7.2	12.0
China	18.1	23.4	24.3	24.9	48.5	71.9	63.1	57.2	66.5	55.4	34.5	74.0
North America	1.3	1.6	1.8	2.4	3.3	8.4	11.6	10.8	9.0	13.1	10.7	30.0
Central and South America	0.0	0.0	0.7	3.4	6.1	7.4	7.5	6.6	6.9	11.5	7.2	13.0
Europe	43.2	60.2	75.6	74.3	61.7	81.1	51.3	28.9	19.9	19.5	10.8	21.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0
<b>Total</b>	<b>121.6</b>	<b>150.7</b>	<b>167.7</b>	<b>161.6</b>	<b>174.6</b>	<b>220.5</b>	<b>189.5</b>	<b>153.6</b>	<b>146.6</b>	<b>149.4</b>	<b>89.9</b>	<b>190.0</b>
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	2,740	6,000

## (1) Lease revenue in Toyosu

(In billion yen)

	Japanese GAAP							IFRS				
	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	
											2Q YTD	Forecast
Lease revenue	9.2	9.1	9.3	10.1	9.3	9.2	9.3	9.4	12.3	12.1	6.0	12.1

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

(In billion yen)

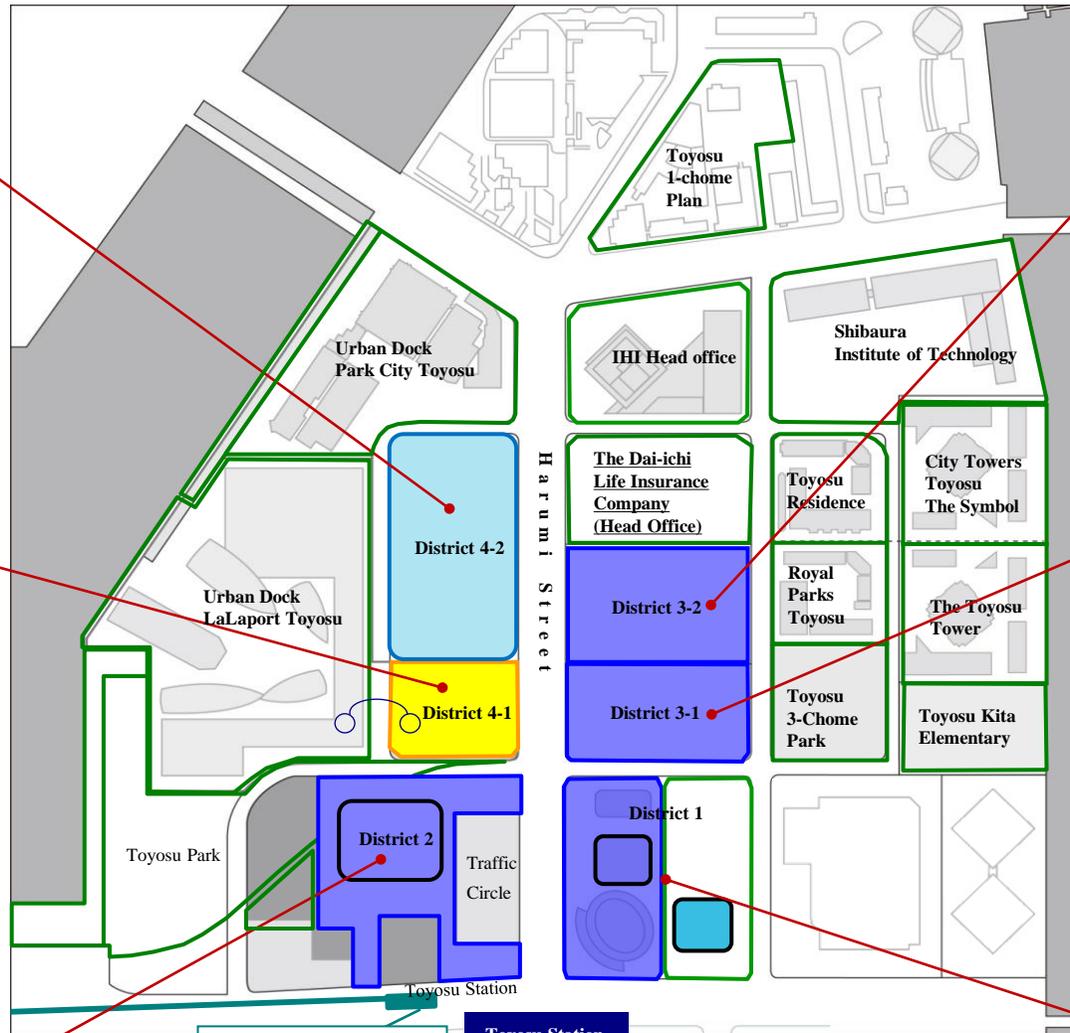
	Lease revenue	Lease expense		Profit
		Depreciation	Others	
FY2022.2Q	6.0	2.6	2.1	1.2

# 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.