

November 17, 2014

IHI Corporation

Highlights of Q&A at Aero-Engines Presentation

- 1. We understand that the business has entered the second cycle development stage, but it is expected to see less new development activities upon conclusion of GE9X development. What kind of engine development is planned afterwards?**
 - We will continue to participate as necessary in the development of engines derived or improved from the current models, even after the start of commercial operation. As such, continuous efforts toward technology development are essential.

- 2. How would IHI respond to the rising costs associated with performance improvement and new materials for the new engine development?**
 - With respect to the components with new material technology, the value of such technology contributing to better performance shall be reevaluated and reallocated accordingly amongst OEM partners. There is, of course, a need for continuous cost management based on the new manufacturing process that employs new equipment.

- 3. What is strategic rationale for IHI's investment in the aero-engine company set up by Mitsubishi Heavy Industries?**
 - Highlight is that IHI will cooperate in the production of low-pressure turbine blades Mitsubishi Heavy Industries is responsible for. IHI expects to enhance cost competitiveness by utilizing existing equipment and resources to secure production volume with greater stability.

- 4. Are aero-engines generally becoming more powerful and faster as heat resistant alloys are introduced?**
 - We expect new material technology to contribute to greater heat resistance and durability, as well as weight cut. Our goal is to establish the best partnership with Japanese companies who are involved in various related technologies such as fiber manufacturing, textile technology, and metal materials for composite materials.