

(English Translation)

February 27, 2017

To all related parties:

IHI Corporation

Representative: Tsugio Mitsuoka,
President and Chief Operating Officer

Securities code: 7013

Contact: Mikio Mochizuki

Director and Managing Executive Officer,
Finance & Accounting Division

Phone: +81-3-6204-7065

Announcement Regarding Transfer of Fixed Assets

IHI Corporation (hereinafter “IHI”) announces that our board of directors resolved at a meeting held today, February 27, 2017, to transfer the fixed assets as follows.

1. Reason for Transfer

IHI has decided to transfer part of the land in the Toyosu area (Trust beneficiary right of land of “Toyosu Center Building Annex”) owned by IHI to strengthen its financial position and secure funds to pay structural reform costs.

2. Details of Subject Asset to be Transferred

Details of Subject Asset and Location	Gain on sales of non-current assets	Current status
9-15, Toyosu 3-chome, Koto-ku, Tokyo (11,540 m ²)	17,883 million yen	Leased land

Note: In accordance with the agreement entered into with the transferee, IHI refrains from disclosing the transfer price and book value of the asset.

3. Outlines of Transferee

Trade Name:	Mitsui Fudosan Co., Ltd.
Location of Office:	1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo
Capital Amount:	339,766 million yen (as of December 31, 2016)
Business Description:	Real estate business
Relationship between IHI and Transferee:	No particular capital and personnel relationship

4. Schedule of Transfer (Planned)

Date of Contract and Property Transfer: March 29, 2017

5. Impact on business results

In line with the transfer of the aforementioned fixed assets, IHI expects recording “Gain on sales of non-current assets” of approximately 17.8 billion yen as extraordinary income in its consolidated and non-consolidated financial statements for the fiscal year ending March 31, 2017.

The extraordinary income which is described above and in reference below had reflected into the forecasts of consolidated results for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017), which were announced on February 1, 2017.

While the business structural reform currently under consideration is proceeding, there is the possibility that structural reform costs and the like will be incurred in the future. However, IHI is aiming to maintain and strengthen its financial position by implementing the transfer of the aforementioned asset.

[Reference]

IHI has also decided to transfer the land on which stands the Toyosu IHI Building and the land on which stands Sakai Works, which is owned by IHI's consolidated subsidiary IHI Infrastructure Systems Co., Ltd. All of said land is owned by IHI. Although these matters fall within the scope to which immateriality standards in the timely disclosure rules apply, IHI will, considering the possible impact on the consolidated financial results for the fiscal year ending March 31, 2017, also announce said matters.

Regarding these transfer of fixed asset, IHI expects recording "Gain on sales of non-current assets" of approximately 8.7 billion yen as extraordinary income.

[Outline of the Asset (Land of "Toyosu IHI Building") to be Transferred]

i) Details of Subject Asset to be Transferred

Details of Subject Asset to be Transferred
1-1, Toyosu 3-chome, Koto-ku, Tokyo (18,185 m ²)

Note: In accordance with the agreement entered into with the transferee, IHI refrains from disclosing the transfer price and book value of the asset.

ii) Outlines of Transferee

IHI refrains from disclosing the name of the transferee in accordance with the agreement with the transferee, however, there is no personnel, capital or business relationship between the transferee and IHI and it is not a related party of IHI.

iii) Schedule of Transfer (Planned)

Date of Contract: March 15, 2017

Date of Property Transfer: March 30, 2017

[Outline of the Asset (Land of "Sakai works of IHI Infrastructure System Co., Ltd.") to be Transferred]

i) Details of Subject Asset to be Transferred

Details of Subject Asset to be Transferred
2-1 & 2-2, Ohama-nishimachi, Sakai-ku, Sakai-shi, Osaka (87,478 m ²)

Note: In accordance with the agreement entered into with the transferee, IHI refrains from disclosing the transfer price and book value of the asset.

ii) Outlines of Transferee

IHI refrains from disclosing the name of the transferee in accordance with the agreement with the transferee, however, there is no personnel, capital or business relationship between the transferee and IHI and it is not a related party of IHI.

iii) Schedule of Transfer (Planned)

Date of Contract and Property Transfer: March 3, 2017