

September 8, 2017

Dear customers and business partners:

Notice of Transfer of IHI's Rotating Machinery Business to IHI's Wholly-Owned Subsidiary

IHI Corporation (hereafter, "IHI") hereby announce that we will transfer our business relating to development, design, manufacturing, sales and service of rotating machinery to IHI Compressor and Machinery Co., Ltd. (hereafter, "ICM"), as a wholly owned subsidiary of IHI on October 1st, 2017 (hereafter, the "Business Transfer"). Through the Business Transfer, ICM will receive the assets, liabilities, rights, obligations and contracts relating to IHI's Rotating Machinery Business.

In addition, ICM will change its name as below on the same day;

IHI Rotating Machinery Engineering Co., Ltd. (hereafter IRM)

Details as follows:

1. Purpose of the Business Transfer

The various operations in the Rotating Machinery Business (Compressor, Separator, Marine Turbocharger, etc.) of IHI Group, such as development, sales, design, manufacturing, and after-sales service, have been split between IHI and ICM. In order to establish a more coherent business structure from sales to after-sales service and to ensure effective business operation and allocation of human resources, IHI will combine these functions with ICM (IRM) through the Business Transfer to enhance our global competitiveness and capability to meet the needs of our customers.

2. Schedule of the Business Transfer

Effective Date	October 1, 2017
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3. Operations to be transferred

Research & Development, Engineering, Manufacturing, Sales and businesses concerning Rotating Machinery (Compressor, Separator, Marine Turbocharger etc.)

4. Summary of Companies Concerned (After the Business Transfer)

	IHI	IRM
Trade Name	IHI Corporation	IHI Rotating Machinery Engineering Co., Ltd.
Location of Headquarters	1-1 Toyosu 3-chome, Koto-ku, Tokyo	7-12 Shinonome 1-chome, Koto-ku, Tokyo
Name and Title of the Representative	Tsugio Mitsuoka Representative director and President	Hideaki Ishige Representative director and President
Capital	JPY 107,165 Million	JPY 1,033 Million
Number of employees	About 8,630	About 1,300
Major Shareholders	Japan Trustee Services Bank, Ltd. and others.	IHI Corporation, 100%

Contact Details:

(Compressors)

Website: https://contact.ihico.jp/index.php/compressor_en/compressor/form_20217

Tel : +81-3-6219-5071

(Separators)

Website: https://contact.ihico.jp/index.php/separator_eng/separator/form_20311

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Hideaki Ishige

Associate Director

President of Rotating Machinery Business Unit

Industrial Systems & General-Purpose Machinery Business Area