

(English Translation)

January 31, 2017

To all related parties:

**IHI Corporation**

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**Notice of Transfer of IHI-Held Shares of UNIGEN Inc.**

As per “Notice Regarding Influenza Vaccine Drug Substance Manufacturing Business” announced on January 11, 2017, IHI Corporation (hereinafter “IHI”) has assessed with UMN Pharma Inc. (hereinafter “UMN Pharma”) the future of the influenza vaccine drug substance manufacturing business since Astellas Pharma Inc. and UMN Pharma announced the withdrawal of their application for manufacturing and marketing approval of recombinant influenza HA vaccine.

As a result, IHI and UMN Pharma have decided to transfer, on January 31, 2017, all the shares of UNIGEN Inc. (a consolidated subsidiary of UMN Pharma; hereinafter “UNIGEN”) owned by IHI and UMN Pharma to API Co., Ltd. (hereinafter “API”), which wishes to become a sponsor of UNIGEN. There will be a smooth succession of the influenza vaccine drug substance manufacturing business and the manufacturing facilities to API, and UNIGEN will continue its business under the support of API.

Upon the execution of this share transfer, the “Basic Agreement on Business Collaboration” that IHI and UMN Pharma concluded to jointly operate the influenza vaccine drug substance manufacturing business will terminate. No changes have been made to IHI’s full-year forecasts of consolidated results for the year ending March 31, 2017 as a result of this matter.

Overview of API Co., Ltd.

Company Name	API Co., Ltd.
Incorporated	October 1972 (Originally founded in 1907)
Headquarters	1-1 Kanohsakurada-cho, Gifu-shi, Gifu 500-8558, Japan
Representative Director	Takahiko Nonogaki
Paid in Capital	¥48,000 thousand
Number of employees	975 (as of end of August 2016)
Nature of Business	<ul style="list-style-type: none"><li>●Manufacturing and sales of honey, royal jelly and other bee products, health foods and drugs</li><li>●Beekeeping support and sales of beekeeping equipment</li><li>●Health food research</li></ul>
Recent Achievement	Period ended August 2016 Sales: ¥31,120 million / Profits: ¥1,312 million

Overview of UNIGEN Inc.

Company Name	UNIGEN Inc.
Incorporated	May 18, 2010
Paid in Capital	¥1,750 million
Nature of Business	Contract manufacturing of biopharmaceuticals
President & CEO	Junichi Kotera
Head Office/Head Office Plant	4-2-3, Gosyonoyumoto, Akita, Akita 010-1415, Japan
Gifu Plant	11 Aza Kamikasugo, Miyaji, Ikeda-cho, Ibi-gun, Gifu 503-2406, Japan
Shareholders	UMN Pharma Inc. 260,000 shares (50.00%) IHI Corporation 260,000 shares (50.00%)