

(English Translation)

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For immediate release:

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Concerning Administrative Sanctions from Ministry of Economy Trade and Industry for Inadequate Practices Occurring in IHI's Civil Aero Engine Maintenance Business

As announced in the "Interim Report on Inadequate Practices Occurring in IHI's Civil Aero Engine Maintenance Business," it has become clear that multiple inadequate practices had been occurred in IHI Corporation ("IHI") concerning IHI's Civil Aero Engine Maintenance Business, and an investigation was accordingly carried out. Today IHI has received an order from the Ministry of Economy, Trade and Industry ("METI") to "carry out operations in accordance with the repair methods for aero engines that are approved under the Aircraft Manufacturing Industry Act."

In the previous interim report, the main target was the engines that IHI was performing maintenance on for domestic airline companies, which are under the jurisdiction of the Ministry of Land, Infrastructure, Transport, and Tourism ("MLIT"). This time, however, IHI reported to METI the results of an investigation of all 213 civil aero engines that IHI has carried out maintenance on and delivered over the past two years (January 1, 2017 to January 31, 2019), that were for both domestic and international airlines. Out of the 213 engines, the investigation result shows that inadequate practices occurred in 209 of those engines, and it is for those results that IHI has received the order.

A total of 620,000 maintenance jobs were carried out for the total 213 engines, and of those, 6,340 jobs were found as inadequate practices.

Out of those 6,340 jobs found as inadequate practices, noncompliance of inspection stamp procedures was found in 5,846 jobs, changes to the process sequence not followed by the correct procedures and mismatches between the date of inspection work implementation and the date of such inspection record were found in 494 jobs, and the contents of those inadequate practices are same as the contents described in the interim report.

Furthermore, we have reported the issues to all of the related engine manufacturers and received opinions to the effect that airworthiness has not been compromised.

IHI recognizes that it is extremely regrettable that inadequate practices described above were carried out. We offer our most sincere apologies for the immense trouble and concern caused to all parties concerned, including the airline companies and related organizations involved, and all of our stakeholders.

While continuing to cooperate in currently ongoing investigations of MLIT, we are working to restore trust by deploying comprehensive inspections of our quality horizontally across the entire IHI Group, while taking steps to ensure the thoroughness of compliance awareness and implementing sound measures for preventing recurrence.