

(English Translation)

March 23, 2020

For Immediate Release:

IHI Corporation
Securities Code 7013
Tsugio Mitsuoka
President and Chief Executive Officer

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Notice Regarding Changes in Specified Subsidiaries

IHI Corporation (“the Company”) , in terms of the Board of Directors meeting held today, hereby announces the resolution to transfer a portion of equity in the Company’s specified subsidiary IHI Investment for Aero Engine Leasing LLC (hereinafter “IHI-IAEL”).

1. Reason for Change

IHI-IAEL was established in 2016 as means to invest in a specialist engine leasing company regarding civil aircraft engine programs which the Company participates in. In order to reduce the investment burden, the Company will transfer 20% out of the 65% equity interest it holds in IHI-IAEL.

2. Overview of the Subsidiary Involved

(1) Trade Name	IHI Investment for Aero Engine Leasing LLC	
(2) Headquarters	1251 Avenue of the Americas, 7th Floor, Suite #750, New York, NY 10020 U.S.A.	
(3) Title and Name of Representative	Tetsuji FUJIMURA, Director and Chief Executive Officer	
(4) Business Details	Investment in Specialist Engine Leasing Company	
(5) Capital	187,796,100 US Dollars (19,718 Million Yen*)	
(6) Establishment	July 6, 2016	
(7) Major Shareholders and Shareholding Ratio	IHI Corporation	65%
	Kawasaki Heavy Industries, Ltd.	25%
	Mitsubishi Heavy Industries, Ltd.	10%
(8) Relationship between the Listed Company and the Subsidiary	Capital Relationship	IHI-IAEL is a consolidated subsidiary in which the Company holds a 65% interest.
	Personal Relationship	The Company has assigned officers to IHI-IAEL.
	Business Relationship	The Company guarantees debt of IHI-IAEL.

(Note)

As IHI-IAEL is a company established for the purpose of investment, the business performance and financial condition of the specialist engine leasing company, or the substantial operating company, should be indicated in this section; however, such information will not be disclosed based on a confidentiality agreement with the investors.

* “Capital” is calculated with USD exchange rate of 1 USD equaling 105yen.

3. Overview of the Counterparty of the Equity Transfer

The counterparty will not be disclosed based on the agreement between the parties, however, the counterparty is a business entity. There are no significant capital, personal and/or business relationships between the Company and the counterparty.

4. Number of Shares to be Transferred, Transfer Price, and the Status of Ownership of Shares Before and After Transfer

IHI-IAEL has not issued any stock; hence, the amount of the investment is as indicated. Although the transfer price will not be disclosed based on the agreement between the parties, it will be set at an appropriate level by assessing the IHI-IAEL’s asset value, etc.

(1) Interest Held Before Transfer	124,300,000 US Dollars (13,051 Million Yen, Owned Percentage 65%)
(2) Amount of Interest to be Transferred	38,200,000 US Dollars (4,011 Million Yen)
(3) Interest Held After Transfer	86,100,000 US Dollars (9,040 Million Yen, Owned Percentage 45%)

5. Schedule

(1) Resolution by the Board of Directors	March 23, 2020
(2) Execution date of the equity transfer agreement	March 27, 2020 (planned)
(3) Date of the equity transfer	March 31, 2020 (planned)

6. Future Outlook

Upon the equity transfer, IHI-IAEL will cease to be a consolidated subsidiary of the Company. The effect from this equity transfer on the IHI Group’s consolidated financial performance is minimal.