

(English Translation)

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For Immediate Release:

IHI Corporation

Representative: Hiroshi Ide
President and Chief Operating Officer
Securities Code: 7013

Contact: Chie Fukuoka
Corporate Communication Division, General Manager
Phone: +81-3-6204-7030

Notice Regarding the Transfer of Non-current Assets

As announced on March 8, 2021, IHI Corporation ("IHI") has been negotiating with Oono Associates Inc. for the sale of part of the land and buildings of the former Aichi Plant. Ltd. IHI hereby announces that the sale to Oono Associates Inc. was officially decided at a meeting of the Board of Directors held today.

1. Reason for the Transfer

IHI's former Aichi Plant. Ltd. ceased to function as a production site at the end of November 2018, and the Company has been earnestly considering measures for its effective utilization. IHI believes that the business plan proposed by Oono Associates Inc. will make the most of the characteristics of the site, and we have thus reached the decision to transfer the site.

The funds obtained from the sale of these non-current assets will be used as funds investment for the transformation of the business portfolio based on "Project Change" announced on November 10, 2020.

2. Description of the Assets to be Transferred

Details and location of assets	Gain on sale	Type of asset
Land and buildings (including incidental non-current assets) 11-1, Kitahama-machi, Chita-city, Aichi, Japan (approximately 393,300 m ²)	Approximately ¥16.0 billion	Idle asset

Note: Due to the request of the transferees, the transfer prices and book values of the assets will not be disclosed. In addition, the gains on sale are approximate figures obtained by deducting the book values, transfer-related expenses, etc. from the transfer prices.

3. Overview of the Transferees

Company name	Oono Development Co., Ltd.
Headquarters	184, Kita-Umemoto-machi Kou, Matsuyama-city, Ehime
Name and title of representative	Tsuyoshi Oono, Representative Director
Main business activities	Collection, transportation, intermediate disposal, and final disposal of industrial waste and specially controlled industrial waste; contracting and construction of civil engineering demolition work, etc.
Date of establishment	November 19, 1973
Relationship with IHI	There are no capital, personnel, business relationships, related parties, or other matters that require special mention.

4. Schedule of Transfer (planned)

April 28, 2021: Conclusion of sales agreement

May 13, 2021: Transfer of ownership

5. Impact on Business Results

Due to the above-mentioned transfer of non-current assets, IHI expects to record a gain on sales of non-current assets of approximately 16.0 billion yen as extraordinary income in the non-consolidated financial statements, and the other income of approximately 16.0 billion yen in the consolidated financial statements for the fiscal year ending March 31, 2022.

IHI plans to announce its full-year forecast of consolidated financial results for the fiscal year ending March 31, 2022, on May 13, 2021, which will incorporate such earnings.

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