

(English Translation)

March 31, 2022

To whom it may concern,

**IHI Corporation**

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Hiroshi Ide, Representative Director,  
President and Chief Executive Officer  
(Securities Code: 7013)  
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**Signing of Memorandum of Understanding Regarding Succession of Business Related to Marine Large Bore Engines and its Incidental Business of IHI Power Systems Co., Ltd.**

IHI Corporation (“IHI”) hereby announces that on March 31, 2022, IHI signed a memorandum of understanding with Mitsui E&S Holdings Co., Ltd. (location: Chuo-ku, Tokyo; President & CEO, Representative Director: Ryoichi Oka; “MESHD”) with respect to initiating discussions concerning and considerations with respect to MESHD succeeding to the business related to marine large bore engines and its incidental business (the “Business”) of IHI Power Systems Co., Ltd. (location: Chiyoda-ku, Tokyo; President: Masao Akamatsu; “IPS”), IHI’s wholly owned subsidiary company, (the “Action”) as below.

The Action does not fall under the criteria for timely disclosure set forth in the Tokyo Stock Exchange’s rules. However, IHI hereby makes this voluntary disclosure since IHI determined that this was useful information.

1. Reason for the Memorandum of Understanding for the Action

In recent years, in the environment surrounding the Business, fuel conversion must be dealt with due to the reorganization of international shipbuilding companies and the global movement towards decarbonization, and engine manufacturers are under pressure to increase international competitiveness by concentrating their resources. In this market environment, IHI believes that engine manufacturers have to aim to meet the needs of the shipbuilding industry and stakeholders in that industry, by improving their power to meet various needs, mainly by using the world’s leading technology.

In recognition of the foregoing, IHI and MESHD agreed and mutually confirmed that they would start discussions concerning and consideration of realization of the Action, to improve the efficiency of each party’s management and capital with regard to the Business, increase profitability, and continuously develop each party and the Business by enhancing their corporate foundations and strengthening their competitiveness.

The details, including the specific content and scope of the Business, and method of the Action, will be decided after continuing discussions between IHI, IPS, and MESHD.

2. Schedule

Date of Signing of Memorandum of Understanding	March 31, 2022
Date of Conclusion of Final Agreement	September, 2022 (tentative)
Completion of the Action	April, 2023 (tentative)

3. Future Outlook

If any matter to be disclosed arises in the future, IHI will announce it immediately.

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