

(English Translation)

March 27, 2025

To whom it may concern,

IHI Corporation

3-1-1 Toyosu, Koto-ku, Tokyo

Hiroshi Ide, Representative Director,
President, and Chief Executive Officer
(Securities Code 7013)

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Notice Regarding the Transfer of Shares of IHI CONSTRUCTION MATERIALS Co., Ltd.

IHI Corporation (hereinafter "IHI") hereby announces that it has decided to transfer its shares of consolidated subsidiary, IHI CONSTRUCTION MATERIALS Co., Ltd. (hereinafter "IKK"), to Vertex Corporation (hereinafter "Vertex") as detailed below.

1. Reasons for the transfer

IHI has categorized its group's businesses into "Growth Businesses," "Development-focus Businesses," and "Conventional Businesses" in the group's mid-term management plan, "Group Management Policies 2023". By allocating management resources (cash and personnel necessary for investment) generated from "Conventional Businesses" to "Growth Businesses" and "Development-focus Businesses" as a result of optimizing its business portfolio, IHI attempts to transform itself into a corporate structure capable of achieving sustainable high growth, as well as adapt to the rapidly changing external environment.

IKK, which is a part of "Conventional Businesses", engages in the engineering, development, manufacturing, sales, and services of concrete products essential for social infrastructure development, primarily segments used in tunnel excavation projects for underground highways, subways, utility tunnels, and water and sewage systems. In recent years, IKK has worked on expanding its lineup of products and services related to the precast business and the engineering business in addition to the main segment business. Furthermore, IKK has been striving to expand its business by addressing social issues, including a development of geopolymer concrete "Cemenon" that contribute to CO₂ reduction. However, the business environment has been changing rapidly mainly due to the diversification of needs for product development and intensifying competition.

Given these circumstances, in order to ensure the sustainable growth of IKK as well as quickly adapting to changes in the external environment, IHI has been considering a wide range of strategic options, and has held numerous discussions with Vertex regarding the transfer.

Vertex, which has recently signed a share transfer agreement with IHI, was established in October 2018 through the management integration of several companies involved in concrete businesses across various regions and sectors. Vertex handles a wide range of concrete products, including those for sewage systems, flood control, roads, railroads, and concrete piles, as well as products for slope disaster protection against falling rocks and landslide. It is a leading company in the precast concrete industry, known for its strong technical and development

capabilities, holding numerous patents and offering many top-market-share products.

Based on the above considerations, IHI has concluded that transferring its shares to Vertex will strengthen competitiveness through mutual synergies between both companies and continuous growth investments, which contribute to the sustainable growth of IKK. Accordingly, IHI has decided to proceed with this transaction.

2. Method of Transfer

IHI will transfer all issued shares of IKK that it holds to Vertex.

3. Schedule

Resolution date regarding the share transfer March 27, 2025
Share transfer date October 1, 2025 (scheduled)

4. Overview of the subsidiary

Name	IHI CONSTRUCTION MATERIALS Co., Ltd.			
Location	2-10-14 Ryogoku, Sumida-ku, Tokyo, Japan			
Representative	Representative Director and President Susumu ISHIHARA			
Principal Business	Design, development, manufacturing, and sales of civil engineering and construction materials, primarily focusing on concrete products for tunnels, bridges, plants, and similar structures.			
Share Capital	495 million yen (as of the end of March 2024)			
Date of Establishment	December 2, 1974			
Number of Employees	195			
Major Shareholders and Their Shareholding Ratio	IHI Corporation 100%			
Relationship between IHI and said Company	Capital relationship	IHI owns 100% of issued shares		
	Personnel relationship	IHI dispatches three officers; directors and audit and supervisory board members		
	Business relationship	There are transactions such as loans between IHI and IKK		
Financial position and operating results for the past three years (millions of yen)		2022FY	2023FY	2024FY
	Net Asset	5,362	4,576	3,679
	Share capital	16,212	12,521	13,844
	Share capital per Share	335	286	229
	Sales	15,185	10,293	12,613
	Operating Profit	1,102	16	△10
	Ordinary Profit	1,080	△114	△56
	Profit attributable to owners of parent	711	△162	△49
Profit attributable to owners of parent per share	44	△10	△3	

5. Overview of the Transferee

Name	VERTEX Corporation	
Location	5-7-2, Koujimachi, Chiyoda-ku, Tokyo, Japan	
Representative	Representative Director and President Akihide TSUCHIYA	
Business Activities	Manufacturing and sales of secondary concrete products, as well as installation work; manufacturing and sales of concrete pile products, along with pile driving work; and manufacturing, sales, and installation of disaster prevention products.	
Share Capital	3,000 million yen	
Date of Establishment	October 1, 2018	
Net Asset	33,859 million yen (fiscal year ending March 2024)	
Total Asset	52,024 million yen (fiscal year ending March 2024)	
Number of employees	1,007 (as of the end of March 2024)	
Major Shareholders and their shareholding ratio	TAIHEIYO CEMENT CORPORATION	9.36%
	GOLDMAN SACHS INTERNATIONAL	6.80%
	GOLDMAN SACHS & CO. REG	6.45%
	Vertex Green foundation (general incorporated foundation)	4.61%
	IWASAKI SEISHICHI SHOTEN Co., Ltd.	2.87%
Relationship between IHI and Vertex	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

6. Number of Transferred Shares, Transfer Price, and Ownership Status Before and After Transfer

Number of Shares Owned Before Transfer	16 shares (Voting Rights Ratio 100.0%)
Number of Transferred Shares	16 shares
Transfer Price	The transfer price is not disclosed, however it has been determined through a fair process and is considered to reflect the company's value.
Number of Shares Owned After Transfer	0 shares (Voting Rights Ratio 0.0%)

7. Future Outlook

The impact on the full-year consolidated earnings forecast is expected to be minor.

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(Reference) Forecast of the consolidated results for the fiscal year ending March 31, 2025 (announced on February 7, 2025) and the consolidated results for the fiscal year ended March 31, 2024

International Financial Reporting Standards (IFRS) (Millions of yen)

	Revenue	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Basic Earnings per Share
Forecast of the consolidated results for the fiscal year ending March 31, 2025	1,600,000	145,000	125,000	90,000	592.46 yen
Consolidated results for the fiscal year ended March 31, 2024	1,322,591	(70,138)	(72,280)	(68,214)	(450.78) yen