

(English Translation)

December 27, 2021

To whom it may concern,

IHI Corporation
3-1-1 Toyosu, Koto-ku, Tokyo
President and Chief Executive Officer: Hiroshi Ide
(Securities Code: 7013)
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Notice Regarding the Transfer of Non-current Assets

IHI Corporation (“IHI”) hereby announces that it has transferred some of its non-current assets as described below.

1. Reason for the Transfer

IHI’s former Aichi Works, ceased to function as a production site at the end of November 2018, and although the Company has already transferred part of the site, it has been earnestly considering measures to effectively utilize the remaining land. After receiving new business plan proposals from two companies, IHI believes that the business plans will make the most of the characteristics of the former Aichi Works, 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 for 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 (including incidental non-current assets) Kitahama-machi, Chita-city, Aichi, Japan (approximately 53,000m ²)	Approximately ¥2.0 billion	Idle asset
Land and buildings (including incidental non-current assets) Kitahama-machi, Chita-city, Aichi, Japan (approximately 45,000m ²)	Approximately ¥1.2 billion	

Note: Due to the request of the transferees, the transfer price and book value of each asset 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

Although the transferees are general business companies in Japan, detailed information of the transferees will not be disclosed according to their request.

In addition, there are no capital, personal or business relationships between the transferees and IHI to be reported, and the transferees are not a related party of IHI. IHI has also confirmed that the transferees do not belong to an anti-social force.

4. Schedule of Transfer

December 2021: Conclusion of sales agreement and Transfer of ownership

5. Impact on Business Results

Due to the above-mentioned transfer of non-current assets, IHI expects to record other income of approximately 3.2 billion yen in the consolidated financial statements for the fiscal year ending March 31, 2022. There is no change to the consolidated earnings forecast for the fiscal year ending March 31, 2022 announced on November 9, 2021.

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