

(English Translation)

February 8, 2022

To all related parties:

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Notice of Dividends of Surplus (Increment of Dividends)

IHI Corporation (hereinafter, "IHI") hereby announces that its Board of Directors decided to revise its forecast for dividends of surplus with March 31, 2022 as the record date at its meeting held on February 8, 2022. The dividends of surplus will be implemented via the resolution of the 205th Ordinary General Meeting of Shareholders scheduled to be held on June, 2022. The details are as follows.

1. Details of the year-end dividend for the fiscal year ended March 31, 2022

	Amount decided	Most recent dividend forecast (announced on November 9, 2021)	Dividends paid in the previous fiscal year (fiscal year ended March, 2021)
Record date	March 31, 2022	Same the date state left	March 31, 2021
Dividends per share	¥40	¥30	¥0
Total dividends	¥6,074 million	-	-
Effective date	Late June, 2022	-	-
Fund used for dividends payment	Retained earnings	-	-

Note: Less than one million yen of total dividends are rounded off.

2. Reason for increment of dividends

IHI aims continuous provision of stable dividends to shareholders. Also, IHI sets its target consolidated dividend payout ratio as around 30%, taking into consideration a broad range of factors, including investments for improvement of corporate value, enhancement and reinforcement of equity capital.

After taking into consideration the broad range of factors according to the above dividend policy and

revisions of full year consolidated forecasts for the fiscal year ending March 31, 2022 as below, IHI decided to pay the year-end dividends per share of ¥40, increased by ¥10 from the dividend forecast previously announced.

As a result, the annual dividends per share for the fiscal year ended March 31, 2022 are ¥70, after added interim dividends of ¥30.

Revisions of full year consolidated forecasts for the fiscal year ending March 31, 2022

(millions of yen)

	Revenue	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Basis Earnings Per Share
Previous (A)	1,180,000	70,000	60,000	35,000	¥234.59
Revised forecast (B)	1,190,000	80,000	70,000	40,000	¥266.88
Change (B-A)	10,000	10,000	10,000	5,000	-
Change (%)	0.8	14.3	16.7	14.3	-
Reference: Results of fiscal year ended March 31, 2021	1,112,906	27,961	27,617	13,093	¥88.13

(Reason for revisions of full year consolidated forecasts for the fiscal year ending March 31, 2022)

Revenue is expected to increase by ¥10.0 billion from the previous forecast announced on November 9, 2021, because revenue is expected to increase in the Resources, Energy and Environment Business Area due to the progress in the overseas projects in the Carbon Solutions Business and increased works in the Nuclear Energy Business. With regard to profitability, operating profit and profit before tax is expected to increase by ¥10.0 billion, and profit attributable to owners of parent is expected to increase by ¥5.0 billion, due to increased sales of spare parts and the effect of a yen depreciation in the Civil Aero-Engine Business, while the Vehicular Turbochargers Business have been affected by effects of semiconductor shortages.

(Reference) Details of annual dividends per share

Record date	Dividends per share		
	Interim	Year-end	Annual
Most recent dividend forecast (announced on November 9, 2021)	¥30	¥30	¥60
Revisions of forecast (Fiscal year ended March 31, 2022)		¥40	¥70
Fiscal year ended March 31, 2022	¥30		
Fiscal year ended March 31, 2021	¥0	¥0	¥0

(END)