

(English Translation)

November 6, 2024

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 Materials Handling System Business of  
IHI Transport Machinery Co., Ltd.**

IHI Corporation (hereinafter "IHI") hereby announces that it has resolved to transfer Materials Handling System Business (hereinafter "Target Business") of its consolidated subsidiary, IHI Transport Machinery Co., Ltd. (hereinafter "IHI Transport Machinery"), to a newly established company (hereinafter "New Company") by means of an absorption-type company split (hereinafter referred to as the "Absorption-Type Split"), and subsequently, to transfer all shares of New Company to Tadano Ltd. (hereinafter "Tadano"), at the Board meeting held today, 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.

Target Business, which is a part of its "Conventional Businesses," offers a wide range of transport machinery products such as jib climbing cranes used at construction sites of high-rise buildings and unloaders for industrial, logistics, and port operations and has built a stable earnings foundation mainly due to a robust market environment and its measures expanding the lifecycle business. However, in light of the recent global trend towards decarbonization and acceleration of fuel switching, the environment surrounding Target Business has been rapidly changing.

Given these circumstances, and in order to sustain and grow Target Business while swiftly adapting to changes in the external environment, IHI has been extensively considering a wide range of strategic options and has held numerous discussions with Tadano regarding the transfer of Target Business.

Tadano, the transferee, manufactures and sells construction cranes, truck loader cranes, and aerial work platforms, and is a leading company in the mobile crane industry. Since 2008, Tadano has defined "Lifting Equipment" as its business domain and has been actively challenging new business under the slogan "Reaching new heights" in its current mid-term management plan.

Based on the above considerations, IHI believes that transferring Target Business to Tadano will enhance its competitiveness by expanding the product portfolio, broadening sales channels, and improving cost efficiency through the integration of procurement and production systems, which will enable the global deployment of higher value-added products and services. Accordingly, IHI has concluded that this move will establish a business structure capable of adapting to significant changes in the market environment and contribute to the sustainable growth of Target Business, and therefore, has resolved to proceed with this transaction.

## 2. Summary of the Transfer

### (1) Schedule

|   |  |
|---|--|
| Resolution Date at the Board of Directors Meeting | November 6, 2024   |
| Signing Date of Share Transfer Agreement          | November 6, 2024   |
| Establishment Date of New Company                 | March 2025 (Scheduled)                                       |
| Signing Date of Absorption-Type Split Agreement   | To be determined<br>(after the establishment of New Company) |
| Effective Date of Absorption-Type Split           | July 2025 (Scheduled)  |
| Execution Date of Share Transfer                  | July 2025 (Scheduled)  |

### (2) Method of Absorption-Type Split

This is an absorption-type company split where IHI Transport Machinery will be the splitting company, and New Company will be the succeeding company.

### (3) Allocation Details of Absorption-Type Split

In Absorption-Type Split, the succeeding company will newly issue 10 shares of common stock (hereinafter "Consideration Shares") and allocate all of them to the splitting company. Additionally, the splitting company, upon receiving the Consideration Shares from the succeeding company, will distribute all of Consideration Shares as a dividend of surplus to IHI.

### (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Absorption-Type Split

Not applicable.

### (5) Changes in Capital Due to Absorption-Type Split

There will be no change in capital due to Absorption-Type Split.

### (6) Rights and Obligations to be Succeeded by New Company

New Company will succeed the rights and obligations related to the assets and liabilities of Target Business as defined in the Absorption-Type Split agreement on the effective date.

### (7) Prospects for the Fulfillment of Obligations

IHI has determined that there will be no problems as to whether New Company can perform its obligations after the company split.

### (8) Overview of the Share Transfer

IHI plans to transfer all shares of New Company to Tadano on the execution date of the share transfer. For details regarding the transferee, please refer to "6. Overview of the Transferee of Consideration Shares."

### 3. Overview of the parties of Absorption-Type Split

|  | Splitting Company  | Succeeding Company  |
|--|--|---|
| Name   | IHI Transport Machinery Co., Ltd.  | To Be Determined  |
| Location   | 8-1, Akashi-cho, Chuo-ku, Tokyo  | To Be Determined  |
| Representative   | Representative Director and CEO,<br>Masao Akamatsu   | To Be Determined  |
| Principal Business   | Activities related to the plan,<br>development, design, manufacture,<br>sales, lease, installation, maintenance,<br>remodeling, and management services<br>of parking systems and transport<br>machineries | Activities related to the plan,<br>development, design, manufacture,<br>sales, lease, installation, maintenance,<br>remodeling, and management services<br>of transport machineries |
| Share Capital  | 2,647 million yen  | 100 million yen (Scheduled)   |
| Date of Establishment  | April 2, 1973  | March 2025 (Scheduled)  |
| Number of Issued Shares  | 41 Shares  | 10 shares (At Establishment, Scheduled)   |
| Major Shareholders and<br>Their Shareholding Ratio   | IHI Corporation 100%   | IHI Corporation 100%  |
| Consolidated operating results and consolidated financial positions of said company for the last three years |  |   |
| Net Assets   | 19,082 million yen   | -   |
| Total Assets   | 57,383 million yen   | -   |
| Net Assets per share   | 465 million yen  | -   |
| Sales  | 73,389 million yen   | -   |
| Operating Profit   | 2,310 million yen  | -   |
| Ordinary Profit  | 2,784 million yen  | -   |
| Profit Attributable to<br>Owners of Parent   | 2,048 million yen  | -   |
| Profit Attributable to<br>Owners of Parent per share   | 50 million yen   | -   |

### 4. Overview of Target Business of Absorption-Type Split

#### (1) Business Description

Activities related to the plan, development, design, manufacture, sales, lease, installation, maintenance, remodeling, and management services of transport machineries.

#### (2) Consolidated Operating Performance of Target Business

Sales: 30,960 million yen

#### (3) Items and Book Values of the Split Assets and Liabilities

The Items and book values of the split assets and liabilities are under scrutiny. IHI will promptly announce them as soon as it is confirmed.

## 5. Situation After the Absorption-Type Split

There will be no changes as to the name, location, representative's position and name, business content, capital, or fiscal year of IHI Transport Machinery due to Absorption-Type Split.

Additionally, IHI Transport Machinery will continue to operate the parking system business as a consolidated subsidiary of IHI.

## 6. Overview of the Transferee of Consideration Shares

|   |  |                |
|---|--|----------------|
| Name  | Tadano Ltd.  |                |
| Location  | Ko-34 Shinden-cho, Takamatsu, Kagawa   |                |
| Representative                                  | President, CEO, and Representative Director, Toshiaki Ujiie  |                |
| Principal Business                              | Production and distribution of construction cranes, truck loader cranes and aerial work platforms, etc.  |                |
| Share Capital                                   | 13,021 million yen   |                |
| Date of Establishment                           | August 24, 1948  |                |
| Net Assets                                      | 181,354 million yen (consolidated)   |                |
| Total Assets                                    | 365,244 million yen (consolidated)   |                |
| Major Shareholders and Their Shareholding Ratio | The Master Trust Bank of Japan, Ltd. (Holder in Trust)   | 11.83%         |
|   | The Custody Bank of Japan, Ltd. (Holder in Trust)  | 6.65%          |
|   | Nippon Life Insurance Company  | 4.96%          |
|   | NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (Standing Proxy, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) | 4.50%          |
|   | Mizuho Bank, Ltd.  | 4.13%          |
|   | The Hyakujushi Bank, Ltd.  | 4.07%          |
|   | Meiji Yasuda Life Insurance Company  | 3.29%          |
|   | MUFG Bank, Ltd.  | 2.65%          |
|   | Tadano Suppliers Stock Ownership Association   | 2.61%          |
|   | NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing Proxy, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)                                     | 2.21%          |
| Relationship between IHI and said Company       | Capital relationship   | Not applicable |
|   | Personnel relationship   | Not applicable |
|   | Business relationship  | Not applicable |
|   | Related party relationship   | Not applicable |

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

|  |   |
|--|---|
| Number of Shares Owned Before Transfer | 20 shares (Number of Voting Rights: 20)<br>(Voting Rights Ratio: 100.0%)  |
| Number of Transferred Shares           | 20 shares   |
| Transfer Price                         | The transfer price is not disclosed due to contractual confidentiality obligations, 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 (Number of Voting Rights: 0)<br>(Voting Rights Ratio: 0.0%)  |

## 8. Outlook

IHI expects to record profit and loss related to this transaction in the fiscal year ending March 2026. However, the exact amount is currently under scrutiny, and it will announce as soon as it is confirmed. The impact on the full-year consolidated earnings forecast for the fiscal year ending March 2025, announced today, is expected to be minor.

(END)

(Reference) Forecast of the consolidated results for the fiscal year ending March 31, 2025 (announced on November 6, 2024) 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           | 85,000                                  | 559.55 yen               |
| Consolidated results for the fiscal year ended March 31, 2024                  | 1,322,591 | (70,138)         | (72,280)          | (68,214)                                | (450.78) yen             |