

(English Translation)

July 22, 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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**(Progress of Disclosed Matter)  
Notice of Misconduct by IHI's Consolidated Subsidiary  
Niigata Transys Co., Ltd.**

IHI Corporation (hereinafter "IHI") hereby announces that IHI and its consolidated subsidiary, Niigata Transys Co., Ltd. (hereinafter "Niigata Transys") has completed the investigation regarding the misconduct in relation to certain type of rotary snowplows (hereinafter "Snowplows") manufactured and sold by Niigata Transys, which were delivered with specifications differing from those presented to customers (hereinafter the "Matter"), as disclosed on July 31, 2024.

The Matter came to light in the course of investigations aimed at eradicating misconduct within IHI group, by a report made by an employee during an internal meeting at Niigata Transys. The following investigation revealed that, in order to improve the likelihood of passing snow removal performance tests and to increase the maximum snow removal capacity, modifications were made to the snow removal equipment installed on test vehicles. These modifications included changes to the gear distributing power, the rotation speed of the snow shoveling device (auger), and the shape of the snow discharge port.

We deeply regret that such misconduct has occurred within IHI group, and we sincerely apologize once again for the significant inconvenience and concern caused to our customers and all other stakeholders.

Niigata Transys subsequently conducted snow removal performance tests on the ten models involved in the Matter. As a result, nine models passed the tests. Although one model (NR301) did not pass the test using a vehicle already sold, it successfully passed the retest after replacing certain components. With reference to the retest, appropriate measures will be taken for the 107 units of the model in question (NR301) that have already been sold to customers.

<For Reference: Breakdown of the Number of Snowplows by Model Involved in the Matter>

Model	NR84	NR103T	NR104T	NR144	NR282	NR301	NR302	NR303	NR401	NR402	Total
No. of units	170	13	32	66	<u>170</u>	<u>107</u>	221	414	20	20	1,233

\* As a result of re-evaluation, the number of NR282 units was revised from 171 to 170, and the number of NR301 units was revised from 106 to 107, as disclosed on July 31, 2024. There is no change to the total count.

Based on the findings of this investigation, Niigata Transys will implement measures to prevent recurrence, including the establishment and clarification of product development processes, the

enhancement of the authority and responsibilities of the quality assurance department, fostering an open organizational culture, revising educational programs, and promoting more dynamic personnel rotations. As the IHI Group, we will also strengthen our quality assurance system through corporate audits of affiliated companies, restructure human resource development programs, and create workplaces where employees feel encouraged to speak up. Through these efforts, we are committed to improving quality compliance and working collectively to restore the trust of our stakeholders.

In response to the Matter, we disclosed on November 6, 2024, that Representative Director, President, and Chief Executive Officer of IHI Hiroshi IDE, along with relevant executive officers of IHI, would return a portion of their remuneration. In addition, the officers of Niigata Transys will also return a portion of their remuneration, as outlined below. The impact of the Matter on IHI's consolidated operating results is minor.

Title	Name	Remuneration Return
Representative Director, President, and Chief Executive Officer of Niigata Transys	Haruhiko SHIMADA	10% of monthly remuneration for two months
Director of Niigata Transys	Shinsuke WATANABE	10% of monthly remuneration for one month
Director of Niigata Transys	Masashi YOSHINO	10% of monthly remuneration for one month

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