

(English Translation)

January 26, 2026

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)
Contact: Keiichi Sakamoto, General Manager
of Corporate Communication Division
Phone: +81-3-6204-7030

Notice Regarding the Succession of Business from Sumitomo Heavy Industries Material Handling Systems Co., Ltd. by Consolidated Subsidiary

IHI Corporation (hereinafter "IHI") hereby announces that it was resolved that IHI Transport Machinery Co., Ltd. (hereinafter "IHI Transport Machinery"), a consolidated subsidiary of IHI, will succeed the mechanical parking system business (hereinafter "Target Business") of Sumitomo Heavy Industries Material Handling Systems Co., Ltd. (hereinafter "Sumitomo Heavy Industries Material Handling Systems") by means of an absorption-type company split (hereinafter "the Absorption-Type Split"), with IHI Transport Machinery as the succeeding company and Sumitomo Heavy Industries Material Handling Systems as the splitting company, as detailed below.

1. Purpose of the Absorption-Type Split

IHI is advancing transformation to a corporate structure capable of achieving sustainable high growth even under a highly uncertain business environment, based on the group's mid-term management plan, "Group Management Policies 2023". As part of this, IHI is proactively allocating resources to businesses expected to grow and where strengths can be leveraged.

IHI Transport Machinery belongs to Industrial Systems & General-Purpose Machinery Business Area of IHI group and operates the parking system business. Since delivering first tower-type parking system in Japan in 1962, IHI's parking system business has built a strong foundation of extensive experience, trust, and proprietary technology, which has enhanced the quality of parking system and solidified its position as a leading company in the parking system industry. Under the management vision of "Leading social transformation toward a safe, secure, and comfortable urban mobility society through outstanding engineering capabilities", IHI Transport Machinery is currently committed to further value creation.

Meanwhile, Target Business of Sumitomo Heavy Industries Material Handling Systems provides underground parking systems and maintenance/renovation services for offices, condominiums, and commercial facilities, and is highly regarded as a pioneer in puzzle-type parking systems.

Amidst consideration of various strategies to leverage the strengths of parking system business of IHI to resolve social issues, IHI has concluded that integrating the Target Business, which is highly evaluated in underground parking system, with IHI Transport Machinery, which is the top company of tower-type and two level/multi-level mechanical parking business, will enable to utilize a common management foundation, improve efficiency, and build a stronger business structure, thereby driving growth. Accordingly, IHI has resolved to implement this Absorption-Type Split.

2. Summary of the Absorption-Type Split

(1) Schedule

Resolution Date Regarding the Absorption-Type Split	January 26, 2026
Signing Date of Basic Agreement on the Absorption-Type Split	January 26, 2026
Signing Date of Absorption-Type Split Agreement	March 31, 2026 (scheduled)
Effective Date of Absorption-Type Split	November 1, 2026 (scheduled)

(2) Method of Absorption-Type Split

This is an absorption-type company split, with Sumitomo Heavy Industries Material Handling Systems as the splitting company and IHI Transport Machinery as the succeeding company.

(3) Allocation Details of Absorption-Type Split

The details of the allocation relating to this Absorption-Type Split are undisclosed due to confidentiality obligations.

(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

The succeeding 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 the succeeding Company can perform its obligations after the company split.

3. Overview of the parties of Absorption-Type Split

	Splitting Company	Succeeding Company
(1) Name	Sumitomo Heavy Industries Material Handling Systems Co., Ltd.	IHI Transport Machinery Co., Ltd.
(2) Location	1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo	8-1 Akashi-cho, Chuo-ku, Tokyo
(3) Representative	Representative Director, President, and CEO, Shinya Saitoh	Representative Director, President, and CEO, Masao Akamatsu
(4) Principal Business	<ol style="list-style-type: none"> 1. Design, manufacture, installation, sales, modification, repair, inspection, adjustment, and maintenance services of material handling machinery, logistics machinery, parking systems, inspection equipment, construction machinery, and other industrial and general machinery. 2. Consulting on relating to system planning, design, manufacture, installation, adjustment, and maintenance services associated with item 1. 	Planning, development, design, manufacture, sales, lease, installation, maintenance, remodeling, and management services of parking systems.
(5) Share Capital	480 million yen	2,647 million yen
(6) Date of Establishment	April 1, 1978	April 2, 1973
(7) Number of Issued Shares	11,601 shares	41 shares
(8) Fiscal Year End	December 31	March 31
(9) Major Shareholders and Their Shareholding Ratio	Sumitomo Heavy Industries, Ltd.: 100%	IHI: 100%
(10) Financial Results (Most Recent Fiscal Year)		
Fiscal Year Ended	December 31, 2024	March 31, 2025
Net Assets	30,711 million yen	21,667 million yen
Total Assets	49,811 million yen	58,130 million yen
Net Assets per Share	3 million yen	528 million yen
Sales	49,877 million yen	82,381 million yen
Operating Profit	5,452 million yen	5,472 million yen
Ordinary Profit	5,140 million yen	5,767 million yen
Profit Attributable to Owners of Parent	3,874 million yen	4,946 million yen
Profit Attributable to Owners of Parent per share	0.3 million yen	120 million yen

4. Overview of the Split Business

(1) Business Description

Design, manufacture, installation, sales, modification, repair, inspection, adjustment, and maintenance services related to mechanical parking systems and associated ancillary operations.

(2) Operating Performance of Target Business (Fiscal Year Ended December 31, 2024)

Sales: 7,090 million yen

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

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	6,343 million yen	Current Liabilities	2,366 million yen
Non-Current Assets	364 million yen	Non-Current Liabilities	128 million yen
Total	6,707 million yen	Total	2,494 million yen

The above amounts are based on the balance sheet as of December 31, 2024, and the actual amounts to be succeeded will reflect any changes up to the effective date.

5. Situation after the Absorption-Type Split

There will be no change in the name, location, representative's position and name, business content, capital, or fiscal year of the succeeding company as a result of the Absorption-Type Split.

6. Future Outlook

The impact on the consolidated financial results forecast for the fiscal year ending March 31, 2026, is expected to be minor.

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(Reference) Forecast of the consolidated results of the fiscal year ending March 31, 2026 (announced on November 6, 2025) and the consolidated results for the Fiscal Year ended March 31, 2025.

International Financial Reporting Standards (IFRS) (Unit: 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, 2026	1,640,000	160,000	145,000	125,000	117.49 yen
Consolidated results for the fiscal year ended March 31, 2025	1,626,831	143,517	138,488	112,740	744.84 yen