

(English Translation)

August 6, 2025

To whom it may concern,

IHI Corporation
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Hiroshi Ide, Representative Director,
President, and Chief Executive Officer
(Securities Code 7013)
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Notice Regarding the Transfer of Shares of Niigata Transys Co., Ltd.

IHI Corporation (hereinafter “IHI”) hereby announces that it resolved at the Board of Directors meeting held today, to transfer all shares of Niigata Transys Co., Ltd., a consolidated subsidiary of IHI (hereinafter “Niigata Transys”), to JKF Co., Ltd. (hereinafter “JKF.”), which was established by a fund that is managed and administered by J-Will Partners Co., Ltd. (hereinafter “JWP”) (hereinafter the “Transaction”). Details are as below.

1. Reasons for Transfer

Niigata Transys develops the business of design, manufacture and maintenance of rolling stock, including passenger carriages, light rail transit and railway maintenance vehicles, and machines for snow removal. In particular, the company is the industry’s leader in the domestic markets of maintenance vehicles and machines for snow removal.

In the rolling stock market, demand is projected to grow alongside a population increase overseas, and the snowplow market is expected to see its demand expand mainly in the US and China. Niigata Transys needs to expand its business mainly through product development that can meet these various needs and the expansion of its presence in the overseas market.

Given these circumstances, IHI has been extensively considering a wide range of strategic options that could grow the businesses of rolling stock and machines for snow removal higher than ever.

As a result, IHI has reached the conclusion that the best way is to aim to further strengthen the company’s competitiveness by making maximum use of JWP’s extensive track record and knowledge in supporting the growth, rehabilitation, business succession, etc. of small and medium-sized companies throughout Japan.

Since its founding, pursuing the mission “Drive the circulation of domestic funds and the utilization of Japan’s management resources, thereby contributing to progress in the Japanese economy and society,” JWP has provided support through investments to approximately 230 cases of companies, including manufacturers in a broad range of industries. As the JWP Group, including JWP, experienced professional members inside and outside the group have been assisting companies in which the group has a stake in growing their business.

From now on, Niigata Transys will provide attractive products and services in Japan and overseas by strengthening its competitiveness in the domestic maintenance vehicle and snowplow markets and expanding into an untapped overseas market that is expected to grow.

Based on the above considerations, IHI has concluded that the transfer of shares of Niigata Transys to JKF will contribute to the sustainable growth of Niigata Transys, which will enable the two companies to make mutual efforts to enhance the added value of products and services and expand their businesses in Japan and overseas. Therefore, IHI has decided to proceed with the Transaction. IHI will continue to aim at making the leap to become a company that can achieve sustainable and high growth through building a portfolio that helps IHI grow stably and sustainably and drastically shifting management resources to growth domains.

2. Method of Transfer

IHI will transfer all the shares of Niigata Transys that are held by IHI to JKF.

3. Schedule

Resolution date regarding the share transfer: August 6, 2025

Share transfer date: December 30, 2025 (scheduled)

4. Overview of the Subsidiary

(1) Name	Niigata Transys Co., Ltd.		
(2) Location	5-2756-3, Higashiko, Seiro-machi, Kitakanbara-gun, Niigata Prefecture, Japan		
(3) Representative	Haruhiko Shimada, Representative Director, President, and CEO		
(4) Principal Business	<ul style="list-style-type: none"> • Design, manufacture, modification, maintenance and sale of rolling stock • Design, manufacture, maintenance, and sale of automated guideway transit facilities • Design, manufacture, sale and service of machines for snow removal 		
(5) Share Capital	1,000 million yen		
(6) Date of Establishment	February 3, 2003		
(7) Number of Employees	418 (as of March 2025)		
(8) Major Shareholders and Their Shareholding Ratio	IHI Corporation 100%		
(9) Relationship between IHI and said Company	Capital relationship	IHI owns 100% of issued shares	
	Personnel relationship	IHI has dispatched five officers.	
	Business relationship	With IHI, there are transactions, such as purchase of parts for maintenance vehicles and loans of funds.	
(10) Financial Position and Operating Results for the Past Three Years			
Fiscal year	ended March 2023	ended March 2024	ended March 2025
Net Assets	3,531 million yen	4,306 million yen	2,903 million yen
Total Assets	20,547 million yen	21,341 million yen	19,826 million yen
Net Assets per Share	176,562 yen	215,328 yen	145,167 yen
Sales	20,796 million yen	23,620 million yen	20,025 million yen
Operating Profit	1,746 million yen	2,145 million yen	(511 million yen)
Ordinary Profit	1,882 million yen	2,331 million yen	(579 million yen)
Profit Attributable to Owners of Parent	1,321 million yen	1,568 million yen	(462 million yen)
Profit Attributable to Owners of Parent per Share	66,099 yen	78,425 yen	(23,105 yen)

(Note) Items other than the above are not disclosed for business reasons.

5. Overview of the Transferee

(1) Name	JKF Co., Ltd.		
(2) Location	1-4, Shimomiyabi-cho, Shinjuku-ku, Tokyo		
(3) Representative	Hideji Miyazaki, President		
(4) Principal Business	Control and management of business activities through the holding of shares, etc.		
(5) Share Capital	150,000 yen		
(6) Date of Establishment	November 24, 2023		
(7) Number of Employees	0 (as of March 2025)		
(8) Major Shareholders and Their Shareholding Ratio	100.0%	JEI LLC	
(9) Relationship between IHI and said Company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
(10) Financial Position and Operating Results for the Past Three Years			
Fiscal year	-	ended March 2024	ended March 2025
Net Assets	-	276,700 yen	206,700 yen
Total Assets	-	300,000 yen	300,000 yen
Net Assets per Share	-	922.33 yen	689 yen
Sales	-	-	-
Operating Profit	-	-	-
Ordinary Profit	-	-	-
Profit Attributable to Owners of Parent	-	(23,300 yen)	(70,000 yen)
Profit Attributable to Owners of Parent per Share	-	(77.66 yen)	(233.33 yen)
Dividend per share	-	-	-

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

(1) Number of Shares Owned Before Transfer	20,000 shares (Voting Rights Ratio: 100.0%)
(2) Number of Transferred Shares	20,000 shares
(3) Transfer Price	The transfer price is not disclosed, however it has been determined through a fair process and is considered to reflect the company's value.
(4) Number of Shares Owned After Transfer	0 shares (Voting Rights Ratio: 0.0%)

7. Future Outlook

The impact of the Transaction on IHI's full-year consolidated earnings forecast is minor. IHI will promptly announce any matters that should be disclosed in the future.

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(Reference) Consolidated earnings forecast for the current fiscal year (the one announced on May 8, 2025)
and consolidated results for the previous fiscal year

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 consolidated results for the current fiscal year (ending March 2026)	1,650,000	150,000	135,000	120,000	789.94 yen
Consolidated results for the previous fiscal year (ended March 2025)	1,626,831	143,517	138,488	112,740	744.84 yen