

(English Translation)

June 2, 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)
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Manager
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**Notice of Suspension of Eligibility to Participate in Competitive Bidding Imposed
on Our Consolidated Subsidiary, IHI AEROSPACE CO., LTD.**

IHI Corporation (hereinafter “IHI”) hereby announces that its consolidated subsidiary, IHI AEROSPACE CO., LTD. (hereinafter “IHI AEROSPACE”), received a five-month suspension of eligibility to participate in competitive bidding as of June 2, 2026 from the Japan Aerospace Exploration Agency (hereinafter “JAXA”), due to the confirmation of claims for payment based on reports that were inconsistent with the facts in contracts related to maintenance work for tools and equipment, etc. with JAXA. It has been revealed that IHI AEROSPACE made false reports claiming completion of unfinished work for some of the aforementioned tasks ordered by JAXA, and based on those reports, billed JAXA for the full contract price.

IHI takes this situation very seriously. We deeply apologize for the significant inconvenience and concern caused to our customers and other stakeholders.

The summary of this matter is as follows.

1. Details of this matter

This matter arose in the maintenance work for tools and equipment (such as special-purpose jigs and fixtures) necessary for the manufacturing of space-related devices, and in the procurement of parts for space-related devices, conducted under contracts with JAXA. In these contracts, the tools, equipment, and parts themselves are not delivered to JAXA; instead, the submission of a completion report to JAXA is considered as the completion of the work. However, in some of these contracts, reports claiming the completion of work were submitted despite some of the contractual obligations remaining unfinished, and the full contract price was claimed based on these reports.

This matter was discovered by IHI AEROSPACE during coordination with JAXA regarding the maintenance work for tools and equipment, and the facts were reported to JAXA in December 2025. The internal investigation has continued, and further reports have been made to JAXA.

2. Findings from the internal investigation up to this point

The investigation has covered contracts held by IHI AEROSPACE from April 2016 onwards that fall within the 10-year document retention period, focusing on contracts in which payments are claimed solely based on the submission of reports, without the delivery of goods, including those related to maintenance work for tools and equipment and procurement of parts. As a result of the investigation, similar improper billings were identified in 14 contracts (13 related to maintenance work for tools and equipment and one related to procurement of parts) out of the 438 contracts examined.

3. Product quality

The products manufactured using the tools and equipment in question underwent specified inspections and evaluations by the quality assurance division, an independent organization within IHI AEROSPACE, to confirm compliance with product requirements before delivery. Therefore, we have determined that there is no impact on product quality.

Regarding the procurement of parts, it has been confirmed that procurement was completed by the time the parts were actually needed for use, and there was no impact on the assembly of the products.

4. Future actions

The IHI Group will fully cooperate with the investigation to be conducted by JAXA and will thoroughly identify the root cause and implement measures to prevent recurrence.

The impact of this matter on our operating results is currently being assessed, and any impact to be expected will be promptly announced.

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Outline of IHI AEROSPACE CO., LTD.

Head Office:	900 Fujiki, Tomioka-city, Gunma
Representative:	Kazuhiro Yagi (assumed office on April 1, 2026)
Principal Business:	Design, development, production, and sales of space equipment systems, defense rocket systems and other aerospace related products, etc.
Capital:	5 billion yen
Net Sales:	66.6 billion yen (fiscal year ended March 31, 2025)
Number of Employees:	Approx. 1,300 (as of April 1, 2026)
History:	2000 Founded IHI AEROSPACE CO., LTD. 2003 Merged part of the Space Development Division of Ishikawajima-Harima Heavy Industries Co., Ltd. 2008 Changed the company name to IHI AEROSPACE CO., LTD. 2024 Moved the head office from Toyosu, Tokyo to Tomioka-city, Gunma