



# PRESS RELEASE

*Tokyo (Japan) - October 25th, 2016*

We, Kato Works Co., Ltd. (hereafter called KATO) and IHI Corporation Ltd., (hereafter called IHI) have signed a stock transfer contract today agreeing to transfer 100% shares of IHI Construction Machinery Ltd., (hereafter called IK) from IHI to KATO.

We expect that the product lineup will be enhanced in the synergy effects between our products and IK products such as mini-excavators, crawler cranes and other crawler equipment.

All current facilities and network including overseas will be kept without major changes for the time being. The two companies will be assimilated over time, and both companies shall enter to new stages while we are confirming synergy effects practically in the market.

The name IK will be changed from IK to a new one to be recognized as one of the KATO Group after the transfer has been completed.

The transfer is subject to regulatory approval, with a scheduled transfer date of November 25th, 2016.