

(Note) This is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Cover

Type of document:	Extraordinary Report
Filed with:	Director of Kanto Local Finance Bureau
Date of filing:	March 30, 2017
Corporate name:	Mitsubishi Heavy Industries, Ltd.
Corporate name in English:	Mitsubishi Heavy Industries, Ltd.
Representative:	Shunichi Miyanaga, President and CEO
Location of head office:	16-5, Konan 2-Chome, Minato-ku, Tokyo
Telephone number of head office:	+81-3-6716-3111 (Main)
Contact person at head office:	Kazuo Ogura, Manager, Administration Group, Legal & General Affairs Department
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1. [Reason for Filing]

Due to the occurrence of an event that may have serious effects on the financial position, operating results and cash flow conditions of Mitsubishi Heavy Industries, Ltd. (“the Company”), the Company is filing this Extraordinary Report pursuant to Article 24-5, Clause 4 of Financial Instruments and Exchange Act and Article 19, Clause 2, Item 12 of Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

2. [Text of Report]

(1) Date on Which the Event Occurred

March 30, 2017

(2) Details of the Event

In order to make effective use of management resources and strengthen the financial structure, the Company decided to transfer the following assets.

After the transfer, Transferred Assets is to be leased from the Transferee by the Company and its Group Companies except for some floors.

(i) Details of the Transferred Assets

Details and Location of the Assets	Transfer Price	Book Value	Capital Gain	Current State
Land Total land area: 20,176.90 m ² 1 ~ 3, Minato Mirai 3-Chome, Nishi-ku, Yokohama Building Gross floor area: 109,587.58m ² 3, Minato Mirai 3-Chome, Nishi-ku, Yokohama	¥ 76.1 billion	Approx. ¥24.47 billion	Approx. ¥51.63 billion	MHI Yokohama Building and Land temporarily used as a housing exhibition center

*Because of the intention of the transferee, a trust is going to be established on the assets and two beneficiary rights based on the trust are to be transferred to the transferee.

(ii) Transferee and Transfer Price

Transferee	Transfer Price
Hulic Co., Ltd.	¥ 60 billion
KRF 48 Limited Liability Company	¥ 16.1 billion

(iii) Overview of Hurick Co., Ltd. (Transferee)

Name	Hurick Co., Ltd.	
Office	7-3, Odenma-cho, Nihonbashi, Chuo-ku, Tokyo	
Representative	President and Representative Director Manabu Yoshitome	
Details of Business	Real estate holding, leasing, sales and brokerage	
Capital Stock (as of December 31, 2016)	¥ 62,695 million	
Date of Establishment	March, 1957	
Net Assets (as of December 31, 2016)	¥ 341,087 million	
Total Assets (as of December 31, 2016)	¥ 1,133,994 million	
Major Shareholders and the Holding Ratio (as of December 31, 2016)	Meiji Yasuda Life Insurance Company	7.18%
	Sompo Japan Nipponkoa Insurance Inc.	7.17%
	Tokyo Tatemono Co., Ltd.	6.31%
Relations with the Company	Capital Relationship	Nothing worth mentioning.
	Personal Relationship	Nothing worth mentioning.
	Business Relationship	Nothing worth mentioning.
	Related Party Status	Nothing worth mentioning.

(iv) Overview of KRF 48 Limited Liability Company (Transferee)

Name	KRF 48 Limited Liability Company	
Office	6-5, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo	
Representative	Representative Partner General Incorporation Foundation Calisto Officer Performing Duties Tadatsugu Ishii	
Details of Business	1. Real estate sales, holding, leasing, and management 2. Sales and holding of real estate trust beneficiary rights 3. Any other businesses ancillary to the foregoing items	
Capital Stock (as of March 6, 2017)	¥ 1million	
Date of Establishment	March 10, 2014	
Net Assets (as of March 6, 2017)	¥ 1 million	
Total Assets (as of March 6, 2017)	¥ 1 million	

Major Shareholders and the Holding Ratio (As of March 6, 2017)	General Incorporation Foundation Calisto 100%	
Relations with the Company	Capital Relationship	Nothing worth mentioning.
	Personal Relationship	Nothing worth mentioning.
	Business Relationship	Nothing worth mentioning.
	Related Party Status	Nothing worth mentioning.

(v) Schedule

Date of the Resolution of the Board of Directors	March 30, 2017
Date of Agreement	March 30, 2017
Date of Transfer	March 30, 2017

*The above Date of Transfer is the date of the transfer of the trust beneficiary rights for the assets.

(3) Effect of the Event on Profit and Loss

Due to the transfer of the assets, the gain from sales of fixed assets of approximately 50 billion yen is to be reported as the extraordinary profit in the Company's financial result for the fiscal year ended March 2017.

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