

(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:	May 7, 2020
Corporate name:	Mitsubishi Heavy Industries, Ltd.
Corporate name in English:	Mitsubishi Heavy Industries, Ltd.
Representative:	Seiji Izumisawa, President and CEO
Location of head office:	2-3, Marunouchi 3-Chome, Chiyoda-ku, Tokyo
Telephone number of head office:	+81-3-6275-6200 (Main)
Contact person at head office:	Tatsuya Sekine, Manager, Legal Group IV, Legal & General Affairs Department
Local point of contact:	2-3, Marunouchi 3-Chome, Chiyoda-ku, Tokyo
Telephone number of above:	+81-3-6275-6200 (Main)
Contact person at above:	Tatsuya Sekine, Manager, Legal Group IV, Legal & General Affairs Department
Places at which copies of this Extraordinary Report are offered for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya) Fukuoka Stock Exchange, securities membership corporation (14-2, Tenjin 2-chome, Chuo-ku, Fukuoka) Sapporo Securities Exchange, securities membership corporation (14-1, Minamiichijo-nishi 5-chome, Chuo-ku, Sapporo)

[1. Reason for Filing]

Mitsubishi Heavy Industries, Ltd. (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 19 of Cabinet Office Ordinance on Disclosure of Corporate Information, etc. due to the occurrence of an event that may have serious effects on the financial position, operating results and cash flow conditions of the Company’s group (“Group”).

[2. Text of Report]

(1) Date on which the Event Occurred

May 7, 2020

(2) Details of the Event

The Company and Bombardier, Inc. (“Bombardier”) agreed that all closing condition had been met for the pertaining transaction under a definitive agreement as of June 25, 2019, the transaction in which the Group will acquire the maintenance, support, refurbishment, marketing, and sales activities for the CRJ Series* aircraft, along with the type certificates, and that the transaction will close on June 1, 2020.

* The Canadair Regional Jet (CRJ) is a series of small passenger jets seating 50 to 100 persons, manufactured and sold by Bombardier Aerospace, the aircraft division of Bombardier Inc

The transaction is an “acquisition” accounted for under IFRS 3 Business Combinations, with goodwill and intangible assets expected to be incurred. After the completion, the amount of goodwill and fair value of the assets acquired and liabilities assumed will be measured based on the determined transfer price including working capital adjustment, and the goodwill will be allocated to the relevant cash-generating units.

Since it is difficult to estimate the cash flow in the future for the SpaceJet business at present, the full amount of goodwill and other assets allocated to the SpaceJet business unit are planned to be written down in MHI’s consolidated Balance Sheet for the fiscal year ended March 2021.

(3) Effect of the Event on Profit and Loss of consolidated and non-consolidated financial results

The amount of the planned write-down is expected to range from 50 billion to 70 billion yen, subject to the fluctuation of the measured amount of goodwill and fair value of the assets acquired and liabilities assumed.

(End of Document)