

Notice Concerning Conclusion of Absorption-type Split Agreement
Relating to Transfer of Hull Block Manufacturing Business
To New Consolidated Group Company

Tokyo, July 31, 2015 – Mitsubishi Heavy Industries, Ltd. (MHI) announced its intent to establish a company dedicated to the manufacture of hull blocks, with plans calling for the creation of a wholly owned preparatory company to be followed by an absorption-type split. Effective July 31 the preparatory company named MHI Hull Production Co., Ltd. (MHI Hull Production) was established and today MHI and MHI Hull Production have concluded an absorption-type split agreement (the “Agreement”) under the terms described below. Because the split corresponds to the creation of a wholly owned group company, some disclosure items and details have been omitted.

1. Purpose of the Company Split

Effective October 1 MHI will launch a wholly owned hull block manufacturing company, from which time all operations in hull blocks will be transferred to the new entity. The new entity will specialize in large-scale hull blocks, an area in which the Koyagi Plant excels, and will expand production scale, pursue enhanced productivity primarily by continuous construction of such blocks and investment in production streamlining. The firm will also promote their sale to customers outside the MHI Group, looking to progressively expand for annual production volume.

2. Outline of the Company Split

(1) Schedule

Date of the Agreement Signing	July 31, 2015
Effective Date of Company Split	October 1, 2015 (subject to change)

* The company split will be of the simple absorption type pursuant to Article 784, Paragraph 2 of the Companies Act of Japan. Therefore, the move does not require approval at a general shareholders meeting as stipulated in Article 783, Paragraph 1 of said Act.

(2) Company Split Method

MHI will serve as the splitting company, with MHI Hull Production functioning as the succeeding company.

(3) Allotment under the Company Split

In conjunction with this company split, MHI Hull Production will issue 590 shares of common stock, the entirety of which will be allotted to MHI.

**(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights
Accompanying the Company Split**

Obligations based on stock acquisition rights of the splitting company will neither be transferred nor taken over by the succeeding company. MHI has not issued any bonds with stock acquisition rights.

(5) Changes in Capital Amount Accompanying the Company Split

The company split will result in no decreases in MHI's capitalization or capital reserves.

(6) Rights and Obligations Transferred to the Succeeding Company

- a. The succeeding company will succeed to the assets, liabilities, and their ancillary rights and obligations pertaining to the business operations of the splitting company (with the exception of any rights and/or obligations stipulated in the absorption-type split agreement as non-successive).
- b. All liabilities and other obligations taken over by the succeeding company from the splitting company as a result of this company split will be succeeded to on a cumulative basis.

(7) Outlook on Performance of Obligations

In conjunction with the company split, the splitting company and succeeding company are both expected to encounter no difficulty in carrying out their respective due obligations.

3. Profile of the Parties to the Company Split

	Splitting Company (as of March 31, 2015)	Succeeding Company (as of July 31, 2015)
(1) Name	Mitsubishi Heavy Industries, Ltd.	MHI Hull Production Co., Ltd.
(2) Head office	16-5, Konan 2-chome, Minato-ku, Tokyo, Japan	180, Koyagi-machi, Nagasaki City, Nagasaki, Japan
(3) Representative	Shunichi Miyanaga, President and CEO	Masahiro Ishiguro, President
(4) Business	Manufacture of ships, marine products, power systems, machinery, steel structures, aircraft, space systems, industrial machinery, special vehicles, etc.	Manufacture of ships.
(5) Capital	265,608 million yen	10million yen
(6) Establishment	January 11, 1950	July 31,2015
(7) Number of issued shares	3,373,647,813	10
(8) Fiscal year end	March 31	March 31
(9) Major	• The Master Trust Bank of 4.32%	Mitsubishi

shareholders and shareholding ratios	Japan, Ltd. (Trust Account)	Heavy Industries, Ltd.	100%
	• Japan Trustee Services Bank, Ltd. (Trust Account) 3.99%		
	• The Nomura Trust and Banking Co., Ltd. (Retirement Allowance Trust, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Account) 3.72%		
	• Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.) 2.37%		
	• The Bank of New York Mellon SA/NV 10 1.70%		

(10) Business Results and Financial Status of Splitting Company in Most Recent Fiscal Year (consolidated basis)

Net assets	2,120,014 million yen
Total assets	5,520,357 million yen
Net assets per share	530.65 yen
Revenues	3,992,110 million yen
Operating income	296,140 million yen
Ordinary income	274,787 million yen
Net income	110,412 million yen
Net income per share	32.90 yen

(11) Description of the Business to be Split or Succeeded to

The business concerning and quality assurance of hull blocks constructed in Nagasaki (with the exception Destroyers, Submarines and Passenger Ships).

(12) Business Results of the Business to be Split or Succeeded to

	Results of splitting business (a)	FY2014 business results (consolidated basis) (b)	Percentage (a/b)
Revenues	7,232million yen	3,992,110 million yen	0.2%

(13) Assets and Liabilities of Splitting or Succeeding Operations

Assets	3,100million yen
Liabilities	2,500million yen

4. Profile of the Listed Company Post-Split

	Splitting Company
(1) Name	Mitsubishi Heavy Industries, Ltd.
(2) Head office	16-5, Konan 2-chome, Minato-ku, Tokyo, Japan
(3) Representative	Shunichi Miyanaga, President and CEO
(4) Business	Manufacture of ships, marine products, power systems, machinery, steel structures, aircraft, space systems, industrial machinery, special vehicles, etc.
(5) Capital	265,608 million yen
(6) Fiscal year end	March 31

5. Profile of the Succeeding Company Post-Split

	Succeeding Company
(1) Name	To Be Determined
(2) Head office	180, Koyagi-machi, Nagasaki City, Nagasaki, Japan
(3) Representative	Koji Murakami, President
(4) Business	Manufacture of ships, etc.
(5) Capital	300million yen
(6) Fiscal year end	Mach 31

6. Outlook

The impact of the company split on the business results of MHI will be minimal, on both a consolidated and non-consolidated basis.

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