

No. 1952

## MHI to Split Off Air-Conditioning & Refrigeration Business to Wholly-owned Group Company

Tokyo, February 4, 2016 – Effective October 1, 2016, Mitsubishi Heavy Industries, Ltd. (MHI) will split off its air-conditioning & refrigeration business to a wholly-owned group company of MHI. In separating air-conditioning & refrigeration business, MHI initially will establish a preparatory company, which later will succeed the pertinent business from MHI in an absorption-type company split.

### 1. Purpose of the Company Split

The air-conditioning & refrigeration (AC & R) business is being operated in the market vulnerable to changes in economic trends and environmental regulations. MHI has steadily expanded its AC & R business in such business environment; however, in order to win in the global competition, dynamic business management and agile decision making responding to changes have become indispensable more than ever. Through its initiative to launch a company dedicated to AC & R business by splitting off the business from the company, MHI aims at further strengthening of the competitiveness and expansion of the business in the global market.

### 2. Outline of the Company Split

#### a. Description of the Business to be Split:

The business concerned involves operations in air-conditioning & refrigeration systems and ancillary operation.

#### b. Profile of the Preparatory Company (planned to be the successor company later):

Company name:	<i>MHI Air-conditioning &amp; Refrigeration, Co., Ltd.</i>
Head office location:	16-5, Konan 2-chome, Minato-ku, Tokyo, Japan
Representative:	<i>Kaoru Kusumoto, President and CEO</i>
Business description:	Design, manufacture, sales and after-sales services of air-conditioning & refrigeration system and its ancillary products.
Capital:	Undecided
Shareholder:	Mitsubishi Heavy Industries, Ltd. (100%)
Date of establishment:	February 2016 (scheduled)

**c. Schedule for the Company Split (planned)**

Conclusion of agreement: May 2016

Effective date of company split: October 1, 2016

**d. Others**

Other details will be disclosed as soon as they are determined.

**3. 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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