

## **MHI to Split Off Defense Aero Engines Business to its Group Company**

Tokyo, August 4, 2016 – Mitsubishi Heavy Industries, Ltd. (MHI) will split off its defense aero engines business to Mitsubishi Heavy Industries Aero Engines, Ltd. (MHIAEL), a group company of MHI engaged in the commercial aero engine business. The details are as described below.

### **1. Purpose of company split**

MHI seeks to make its aero engine business operations more flexible and agile, and able to make quick decisions, with larger scale and strengthened ability to take on new fields and technologies in order to respond to the trend of globalization in the aero engines business. This will be achieved by combining the highly synergistic defense and commercial aero engine businesses together in MHIAEL.

### **2. Company split summary**

#### **(1) Businesses to be split**

Defense aero engine business and its ancillary businesses

#### **(2) Summary of succeeding company**

Name	Mitsubishi Heavy Industries Aero Engines, Ltd.
Address	1200 Higashi-tanaka, Komaki City, Aichi Prefecture, 485-0826, Japan Located within the Nagoya Guidance & Propulsion Systems Works Main Plant
Representative	Katsuyuki Shimauchi, President & CEO
Business areas	1. Design, manufacture, repair, and component and parts sales of aircraft engines, components, parts, and related equipment 2. Design, manufacture, repair, and component and parts sales of gas turbine engines for power generation and mechanical drives, and ancillary equipment 3. All business incidental to the foregoing
Capital	6 billion JPY
Employees	315 (As of March 31, 2016)
Sales	44.05 billion JPY (Period ended in March 2016)
Major shareholders and shareholding ratios	Mitsubishi Heavy Industries, Ltd. 89% Development Bank of Japan Inc. 10% IHI Corporation 1%

**(3) Schedule for company split (planned)**

Contract signing date	Mid November 2016
Planned implementation date (effective date)	April 1, 2017

**(4) Others**

Further details will be released as they are confirmed.

**3. Future outlook**

The impact of this company split on MHI's consolidated and non-consolidated earnings is minimal.

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