

No. 2018

## **MHI to Transfer Engine Test Cell and Hush House Business To Group Company Under Absorption-type Company Split**

Tokyo, October 18, 2016 – Today, Mitsubishi Heavy Industries, Ltd. (MHI) formally decided to transfer its business operations in engine test cells and hush houses to Mitsubishi Heavy Industries Mechatronics Systems, Ltd. (MHI-MS), a wholly owned Group company. The transfer will be carried out in April 2017 through an absorption-type company split arrangement.

The engine test cell and hush house products currently manufactured by MHI have close technological affinity with the testing equipment and other machinery systems made by MHI-MS. By transferring MHI's operations and consolidating them at MHI-MS, benefits are expected in terms of effective use of human resources and related business expansion. Besides engine test cells and hush houses, ancillary operations will also be included in the transfer.

Further details will be announced as soon as they have been decided. The transfer of the cited operations will have minimal impact on MHI's business results at both the consolidated and non-consolidated levels.

### **Profile of the Successor Company**

Corporate name	Mitsubishi Heavy Industries Mechatronics Systems, Ltd. (MHI-MS)
Head office	4-22, Wadamiya-dori 5-chome, Hyogo-ku, Kobe, Japan
President	Tadashi Nagashima
Business scope	Design, manufacture, installation, marketing, repair, modification and maintenance of the following products: * Intelligent transportation systems (ITS): toll collection systems, electronic toll collection (ETC) systems, other ITS-related equipment * Hydraulic machinery: hydraulic components, deck machinery, deck cranes, air-heaters, other hydraulic and mechanical equipment * Machinery systems: testing equipment, inspection systems, culture and sports facilities, space equipment, thermal plants, system controllers, electronic control equipment, particle accelerators, penstocks, other industrial and general-purpose mechanical equipment

	<p>* Mechanical parking systems: mechanical parking facilities, other transfer systems</p> <p>* Steel structure plants: industrial chimneys, seismic isolation and vibration control systems, gas holders, steels structures (including steel pipe), other steel structure products, road infrastructure maintenance machinery and equipment (bridge inspection vehicles, tunnel sprinkler spray performance measurement vehicles, etc.)</p> <p>* Food processing and packaging machinery: food processing machines, food packaging machines, peripheral components and plant systems</p>
Capital	1.06 billion yen
Employees	1,179 (as of April 1, 2016)
Net sales	75,319 million yen (fiscal year ended March 2016)
Major shareholder	Mitsubishi Heavy Industries, Ltd. (100%)

**Company Split Schedule (subject to change)**

Contract signing	December 6, 2016
Effective date	April 1, 2017

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