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Company name:	Mitsubishi Heavy Industries, Ltd.
Name of representative:	Seiji Izumisawa, President and CEO
Securities code:	7011
Listed on:	Tokyo, Nagoya, Fukuoka and Sapporo
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**(Update on Disclosed Matter)**  
**Notice Concerning Execution of Contract for Absorption-type Company Split  
to succeed Aero Engines Business for the Ministry of Defense  
from MHI’s Group Company to MHI**

**TOKYO, Jan 31, 2025** – Mitsubishi Heavy Industries, Ltd. (hereinafter “MHI”) announced today that MHI and Mitsubishi Heavy Industries Aero Engines, Ltd. (hereinafter “MHIAEL”) have each signed a contract for an absorption-type company split. As previously announced, MHI and MHIAEL agreed on Oct 23, 2024 to succeed the aero engines business for the Ministry of Defense from MHIAEL to MHI.

**1. Purpose of the company split**

MHIAEL's aircraft engine business for the Ministry of Defense will be transferred to Integrated Defense & Space Systems of MHI to respond to the expansion of our commercial aircraft engine business, which has been influenced by increasing global air passenger demand, and to the growing scale of our defense aircraft and missile systems business. The allocation of resources between the two businesses will be revised to establish an optimal business operations structure.

**2. Overview of the company split**

**(1) Business of succession to MHI**

Design, manufacture, procurement, sales and after-sales servicing of aero engines for the Ministry of Defense; provided, however, that assets, contracts, and other rights and obligations that are specified in the absorption-type company split agreement not to be assumed shall be excluded.

**(2) Schedule**

Date of conclusion of the agreement	January 31, 2025
Effective date of company split	April 1, 2025

Note : Since MHI is expected to implement a simplified absorption-type split, as set forth in Article 796, Paragraph 2 of the Companies Act of Japan, and MHIAEL is expected to implement a short-form absorption-type split as set forth in Article 784, Paragraph 1 of the same act, shareholder approval will not be required by either company.

**(3) Method of the company split**

This will be a simplified absorption-type company split, with MHI as the successor company and MHIAEL as the splitting company.

**(4) Details of allotment related to the company split**

MHI owns all shares of MHIAEL, the splitting company, and no money or other assets will be re-allocated upon this company split.

**(5) Share acquisition rights and bonds with share acquisition rights**

MHIAEL has not issued any share acquisition rights, nor has it issued any bonds with share acquisition rights.

**(6) Changes in amounts of capital accompanying company splits**

There will be no change in the capital stock or capital reserves of MHI as a result of the company splits.

**(7) Rights and obligations transferred to the successor company**

- i. Assets, liabilities, and the associated contractual rights and obligations related to the target business stipulated in the absorption-type company split agreement shall be transferred to the successor company; provided, however, that assets, contracts, and other rights and obligations specified in the agreement not to be assumed shall be excluded.
- ii. The successor company shall assume all liabilities and other obligations of the splitting company in accordance with the absorption-type company split agreement through the cumulative assumption of liabilities method.

**(8) Outlook on fulfillment of obligations**

Following the company splits, the obligations to be borne by the successor company are assessed to have no concerns regarding fulfillment.

**3. Profile of the parties of the company split**

	Splitting company	Successor company
Company name	Mitsubishi Heavy Industries Aero Engines, Ltd.	Mitsubishi Heavy Industries, Ltd.
Head office	1200 Higashi-Tanaka, Komaki city, Aichi	3-2-3 Marunouchi, Chiyoda-ku, Tokyo
Representative	Masanori Ushida President & CEO	Seiji Izumisawa President & CEO

Summary of business	1. Design, manufacture, repair of aircraft engines, parts, components, and related machinery, and sales of parts and components 2. Design, manufacture, repair of gas turbines for power generation and mechanical drive, and related machinery, and sales of parts and components 3. All business operations relating to the preceding items	Major products and operations: Energy Systems, Plants & Infrastructure Systems, Logistics, Thermal & Drive Systems, Aircraft, Defense & Space
Established	July 1, 2014	January 11, 1950
Paid-in capital	6,000 million yen	265,608 million yen
Shares issued (as of December 31, 2024)	1,400 shares	3,373,647,810 shares
Book closing date	March 31	March 31
Major shareholders and shareholding ratio (as of December 31, 2024)	Mitsubishi Heavy Industries, Ltd. 100%	The Master Trust Bank of Japan, Ltd. (Trust Account) 15.1%
		Custody Bank of Japan, Ltd. (Trust Account) 5.4%
		STATE STREET BANK AND TRUST COMPANY 505001 2.6%
		Meiji Yasuda Life Insurance Company 2.4%
		STATE STREET BANK WEST CLIENT – TREATY 505234 1.9%
Operating results for the most recent business year and financial positions as of the end of the business year (as of March 31, 2024)		
Net assets	35,233 million yen	1,162,795 million yen
Assets	273,287 million yen	3,480,317 million yen
Net assets per share	25.23 million yen	345.85 yen
Sales	137,264 million yen	1,729,653 million yen
Operating income (loss)	(4,813) million yen	73,578 million yen
Ordinary income	1,906 million yen	120,278 million yen
Net income	2,582 million yen	153,071 million yen
Net income per share	2.58 million yen	45.55 yen

Note: On April 1, 2024, MHI executed a ten-for-one stock split of its common shares. Net assets per share and net income per share are shown retroactively adjusted as though that the stock split was conducted at the beginning of FY2023.

#### 4. Overview of business to be succeed

##### (1) The scope of the succession

Assets, liabilities, and all other rights and obligations related to the target business operated by MHIAEL just prior to the effective date of this company split; provided, however, that assets, contracts, and other rights and obligations specified in the absorption-type company split agreement not to be assumed shall be excluded.

##### (2) Operating results of the business to be succeeded (FY ended March 31, 2024)

	business to be succeed (a)	Successor company (consolidated) (b)	Ratio (a/b)
Revenue	4,000 million yen	4,657,147 million yen	0.1%

##### (3) Book values of assets and liabilities to be succeeded (tentative)

Assets	Liabilities
4,500million yen	600 million yen

#### 5. Overview of the successor company after execution of company split

(1) Name	Mitsubishi Heavy Industries, Ltd.
(2) Head office	3-2-3 Marunouchi, Chiyoda-ku, Tokyo
(3) Representative	Eisaku Ito, President & CEO (scheduled to take up the position on April 1, 2025)
(4) Business	Energy Systems, Plants & Infrastructure Systems, Logistics, Thermal & Drive Systems, Aircraft, Defense & Space
(5) Paid-in capital	265,608 million yen
(6) Fiscal year end	March 31

#### 6. Outlook

The impact of the company split on the business results and forecasts of MHI (both non-consolidated and consolidated) are expected to be negligible.