

July 29, 2016
Ube Industries, Ltd.
Ube Machinery Corporation, Ltd.
Mitsubishi Heavy Industries, Ltd.
Mitsubishi Heavy Industries Plastic Technology Co., Ltd.

Group Companies of Ube Industries and Mitsubishi Heavy Industries to Merge Injection Molding Machine Businesses

Tokyo, July 29, 2016 – Today Ube Machinery Corporation, Ltd., a Group company of Ube Industries, Ltd., and Mitsubishi Heavy Industries Plastic Technology Co., Ltd., a Group company of Mitsubishi Heavy Industries, Ltd. (MHI), concluded an agreement on the transfer of shares relating to their respective businesses in injection molding machines. Details of the agreement are described below.

1. Background and objectives

- ① Ube Machinery Corporation has been looking to enhance its presence among customers and expand its plastics processing machinery business by improving its product appeal through measures including cost reductions, launching of new models accommodating more customers' needs, and expansion and enhancement of overseas service bases.
- ② Mitsubishi Heavy Industries Plastic Technology possesses outstanding technology and sales strengths in injection molding machines, one of the core varieties of plastics processing machinery, and also has a robust track record in deliveries of many models worldwide.
- ③ Under the newly concluded agreement, Ube Machinery will acquire the management rights to Mitsubishi Heavy Industries Plastic Technology. By pooling the respective strengths of the two companies, Ube Machinery will strengthen its sales and servicing capabilities through enhancement of its product lineup and sales network, reduce production costs, and improve development capabilities by integrating the two companies' technologies in a quest to cope with the increasingly severe environment surrounding the injection molding machine business environment both in Japan and abroad. The company's aim is to achieve business expansion within the global market for injection molding machines by providing new value anticipating customers' increasingly diversified needs.

2. Outline of the share transfer

- ① Ube Machinery will acquire an 85% equity stake in Mitsubishi Heavy Industries Plastic Technology in order to secure the latter's worldwide business in injection molding machines.

- ② The scope of the agreement also includes the transfer of MHI's injection molding machine sales bases in the core overseas markets: North America, China and Thailand. Other overseas sales bases will remain under MHI's oversight, and efforts will be made to enhance their customer services.
- ③ Plans also call for the establishment of a sales company (to be a wholly owned subsidiary of Ube Machinery) to handle the injection molding machines marketed by Ube Machinery and Mitsubishi Heavy Industries Plastic Technology.

3. Outline of the two group companies

Name	Ube Machinery Corporation, Ltd.	Mitsubishi Heavy Industries Plastic Technology Co., Ltd.
Location	1980 Okinoyama, Kogushi, Ube, Yamaguchi Pref.	1 Aza Takamichi, Iwatsuka, Nakamura-ku, Nagoya, Aichi Pref.
President	Yukio Hisatsugu	Koji Kubota
Business scope	Manufacture, sales, servicing and maintenance of die casting machines, injection molding machines, extrusion presses, vertical mills, kilns, furnaces, dryers, storage and transportation systems, dust collectors, bridges, floodgates, steel structures, and other industrial machinery	Design, manufacture, sales and servicing of injection molding machines, auxiliary equipment, dies and parts Engineering, retrofitting, repair, technical guidance and consulting for the above products
Capital	6.7 billion yen	450 million yen
Establishment	September 1999	April 2005
Principal shareholder (equity stake)	Ube Industries, Ltd. (100%)	Mitsubishi Heavy Industries, Ltd. (100%)
Employees	1,034 (as of April 1, 2016)	145 (as of April 1, 2016)
Sales	45 billion yen (FY2015)	10 billion yen (FY2015)

4. Schedule

July 29, 2016 Conclusion of agreement on share transfer
 January 1, 2017 Share transfer and commencement of sales company operations

All procedures toward implementation of the share transfer will be carried out as necessary, including submission of all documentation required by the Fair Trade Commission and other pertinent authorities.