

## PRESS INFORMATION

September 29, 2016

### **Conversion of UniCarriers Corporation into a 100% subsidiary through the additional acquisition of its shares as a precondition of business integration**

Kyoto, September 29, 2016—Mitsubishi Nichiyu Forklift Co., Ltd. (the “Company,” President and CEO: Hideaki Ninomiya, Head Office: Nagaokakyo-shi, Kyoto-fu) is pleased to announce that the Company has resolved, at a meeting of its Board of Directors held today, to make an additional purchase of the shares of UniCarriers Corporation (“UniCarriers,” President and CEO: Akira Shiki, Head Office: Kawasaki-shi, Kanagawa-ken), which is an equity method affiliate of the Company, from Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. (“M-FET,” President and CEO: Atsushi Maekawa, Head Office: Kawasaki-shi, Kanagawa-ken) and to change our capital investment ratio in UniCarriers to 100%, and that the Company has executed a share transfer agreement. (The shares transfer is scheduled to take place on January 1, 2017.) The Company will start making arrangements for the integration of business operation with UniCarriers, which the Company aims to do in October 2017.

On March 31 of this year, the Company and M-FET, which is a holding company wholly owned by Mitsubishi Heavy Industries, Ltd. (“Mitsubishi Heavy Industries”) jointly acquired all of the issued shares of UniCarriers (the shareholding ratio of the Company and M-FET is 35% and 65%, respectively) and UniCarriers became an equity method affiliate of the Company.

After engaging in a series of discussions about a range of strategic themes to maintain the third position\* in the global market and to achieve continued growth, the Company and UniCarriers agreed to focus on responding promptly and accurately to customers' expectations as a top priority in order to make products that will help further increase customers and presence in industrial segments with the unparalleled brands developed and proven by the two companies worldwide.

In order for the two companies to strive to become one of the world's leading companies, we both recognized that it would be crucial to put each other's know-how, human resources, and infrastructure together as soon as possible in order to speed up the process of achieving synergy and define the chain of command in the development of forward looking management strategies.

Amid the strong Japanese yen and increasing uncertainty in the global economy, early integration of the two companies seemed essential. After repeated discussions, the Company came to a conclusion that converting UniCarriers into a subsidiary as the first step towards business integration would make

it possible to expedite the decision-making process in the business areas that cover sales, development and production and to maximize synergy and pursue the opportunities to expand business.

Furthermore, in order to effectively capitalize on the comprehensive capabilities and strengths of the Mitsubishi Heavy Industries Group and expand business as a result of the above decision, it was agreed that the proportion of Mitsubishi Heavy Industries/M-FET's voting rights should be increased from 49.4% to 51% by exercising put options granted for part of Class A shares of the Company held by Mitsubishi Heavy Industries/M-FET in consideration of ordinary shares and that synergy created by consolidated management should further be pursued.

The Company is committed to taking the advantages of the scale merits from integration and creating and achieving as much synergy as possible while further strengthening its collaborative relationships with many business partners, both at home and abroad. We consider the above decision as the basis for our new mid-term business plan tentatively known as "Perfect Integration 2020" which is being developed. In FY2020, which is the final year of the business plan, we aim to increase consolidated sales to the 500 billion yen mark. Details will be announced in November this year.

\* In terms of combined sales of the Company and UniCarriers according to German magazine, DHF intralogistik "World Ranking Industrial-Trucks 2014-2015"

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Mitsubishi Nichiyu Forklift Co., Ltd.



September 29, 2016

To All:

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Name of Representative: Hideaki Ninomiya, President and CEO  
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### Announcement of the acquisition of shares of UniCarriers Corporation (acquisition of ownership)

Mitsubishi Nichiyu Forklift Co., Ltd. (the “Company”) passed the resolution at its Board of Directors meeting held on September 29, 2016 to make an additional purchase of the shares of UniCarriers Corporation (President and CEO: Akira Shiki, Head Office: Saiwai-ku, Kawasaki-shi, Kanagawa-ken, hereinafter called “UniCarriers”) (hereinafter called “the acquisition of shares”) and to convert UniCarriers into the Company’s consolidated subsidiary, and the share transfer agreement related to the acquisition of shares was concluded. Details are provided below.

#### 1. Reasons for acquiring additional shares of UniCarriers

The Company that assumes a core role of logistics machinery and equipment business including forklift trucks in the Mitsubishi Heavy Industries Group acquired all of the issued shares of UniCarriers Holdings Corporation (currently UniCarriers Corporation) jointly with Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. (M-FET) on March 31, 2016 (the shareholding ratio of the Company to M-FET is 35% to 65%, respectively) and UniCarriers became a company accounted for by an equity method affiliate of the Company.

M-FET was established on March 1, 2016 as a holding company wholly owned by Mitsubishi Heavy Industries, Ltd. (“Mitsubishi Heavy Industries”) of three businesses of logistics machinery and equipment including forklift trucks with a highly mutual affinity in the Mitsubishi Heavy Industries Group, engines, and turbochargers, and is currently our parent company that owns 49.4% of voting rights of the Company.

After engaging in a series of discussions about a range of strategic themes to maintain the third position in the global market and to achieve continued growth, the Company and UniCarriers agreed to focus on responding promptly and accurately to customers' expectations as a top priority on manufacturing products that can respond to customers' confidence in our brands developed and proven by the two companies. In order for the two companies to strive to become one of the world's leading companies, we both recognized that it would be crucial to put each other's know-how, human resources, and infrastructure together as soon as possible in order to speed up the process of achieving synergy and define the chain of command in the development of forward looking management strategies.

Based on such understanding, amid the strong Japanese yen and increasing uncertainty in the global economy,

early integration of the two companies seemed essential, and the Company came to a conclusion that converting UniCarriers into a subsidiary as the first step towards business integration would make it possible to expedite the decision-making process in the business areas that cover sales, development and production and to maximize synergy and pursue the opportunities to expand business. For the next step, the Company has decided to begin various preparations for management integration between the Company and UniCarriers, which is targeted in October 2017.

Furthermore, in order to effectively capitalize on the comprehensive capabilities and strengths of the Mitsubishi Heavy Industries Group and expand business as a result of the above decision, it was agreed that the proportion of M-FET's voting rights in the Company should be increased from 49.4% to 51% by exercising put options granted for part of Class A shares of the Company held by M-FET in consideration of ordinary shares and that synergy created by consolidated management should further be pursued.

We consider that the acquisition of shares and management integration are positioned to form the basis of the new mid-term business plan tentatively known as "Perfect Integration 2020" currently under development. In FY2020, which is the final year of the business plan, we aim to increase consolidated sales to the 500 billion yen mark. We will commit ourselves to pursuing the advantages of the integration and creating and achieving as much synergy as possible while further strengthening our collaborative relationships with many business partners both at home and abroad. Details of the plan will be announced in November 2016.

## 2. Outline of the Company (UniCarriers) being Acquired

(1) Name	UniCarriers Corporation (Note 1)	
(2) Head office	1-2 Shin-Ogura, Saiwai-ku, Kawasaki-shi, Kanagawa-ken, Japan	
(3) Title and name of representative	Akira Shiki, President and CEO	
(4) Business	Development, manufacture and marketing of forklifts, container carriers, transfer cranes and other material handling machinery	
(5) Capital	9,760 million yen	
(6) Establishment	February 17, 1949	
(7) Major shareholders and equity ratios	Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. 65.0% Mitsubishi Nichiyu Forklift Co., Ltd. 35.0%	
(8) Relationship between listed companies and company being acquired	Capital	The Company owns 35.0% (132,125 shares) of the shares in the company being acquired.
	Personnel	One Senior Executive Officer of the Company holds a concurrent post of a director of the company being acquired.
	Business	None worthy to mention.

(9) Business results and financial status of company being acquired during three most recent fiscal years (consolidated basis) (Note 2)			
Fiscal year	FY2013 (ended March 2014)	FY2014 (ended March 2015)	FY2015 (ended March 2016)
Net assets	48,174 million yen	56,828 million yen	54,905 million yen
Total assets	174,712 million yen	188,520 million yen	160,548 million yen
Net assets per share	127,416.00 yen	148,437.33 yen	143,655.63 yen
Revenues	175,205 million yen	184,195 million yen	196,213 million yen
Operating income	7,180 million yen	9,567 million yen	5,749 million yen
Ordinary income	6,150 million yen	8,738 million yen	4,322 million yen
Net income (Note 3)	4,847 million yen	5,326 million yen	227 million yen
Net income per share	12,925.33 yen	14,202.67 yen	601.32 yen
Dividend per share	-- yen	-- yen	-- yen

(Note 1) UniCarriers carried out a merger with the Company as a company surviving absorption-type merger and UniCarriers Holdings Corporation, its wholly-owning parent company, as a company absorbed in absorption-type merger with July 1, 2016 set as the effective day.

(Note 2) The numerical values of the consolidated business results and consolidated financial status of UniCarriers Holdings Corporation, the company absorbed in absorption-type merger, are stipulated.

(Note 3) The consolidated current net income that belongs to the parent company is stipulated.

### 3. Profiles of the Company Currently Holding the Shares to be Acquired

(1) Name	Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.	
(2) Head office	1-2 Shin-Ogura, Saiwai-ku, Kawasaki-shi, Kanagawa-ken, Japan	
(3) Title and name of representative	Atsushi Maekawa, President and CEO	
(4) Business	Management of logistics equipment, engine, and turbocharger businesses	
(5) Capital	80,000 million yen (Note 1)	
(6) Establishment	October 1, 2001	
(7) Net assets	99,289 million yen (as of March 31, 2016)	
(8) Total assets	110,767 million yen (as of March 31, 2016)	
(9) Major shareholders and equity ratios	Mitsubishi Heavy Industries, Ltd. 100%	
(10) Relationship between listed companies and company being acquired	Capital	M-FET is the parent company who owns 49.4% (366,134 shares) of voting rights of the Company (Note 2).
	Personnel	One director of the Company holds a concurrent post of a director of M-FET. One director of M-FET holds a concurrent post of the Company.
	Business	None worthy to mention.

	Situation of related parties	M-FET is the parent company of the Company.
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(Note 1) The capital as of March 31, 2016 is stipulated. M-FET has the in-kind contribution amounting to 90.0% of common shares of Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. from Mitsubishi Heavy Industries as of August 4, 2016 and the capital at present is 93,000 million yen.

(Note 2) M-FET separately possesses 32,274,744 Class A shares (non-voting rights).

#### 4. Number of Shares to be Acquired, Acquisition Share Price and Share Ownership Before and After Acquisition

(1) Number of shares owned before transfer	132,125 shares (Number of voting rights: 132,125 rights) (Percentage of voting rights owned: 35.0%)
(2) Number of shares to be acquired	245,375 shares (Number of voting rights: 245,375 rights) (Percentage of voting rights owned: 65.0%)
(3) Acquisition price	Common share of UniCarriers 76,777 million yen Advisory expenses, etc. (estimated amount) 30 million yen Total (estimated amount) 76,807 million yen
(4) Number of shares owned after transfer	377,500 shares (Number of voting rights: 377,500 rights) (Percentage of voting rights owned: 100.0%)

#### 5. Schedule

(1) Date of resolution passage at Board of Directors meetings	September 29, 2016
(2) Date of signing contract	September 29, 2016
(3) Date of execution of share transfer	January 1, 2017 (subject to change) (Note 1)

(Note 1) The acquisition of shares will take place after the completion of procedures concerning the competition law of each country.

#### 6. Outlook

We are now computing the amount of anticipated impact exerted on the business results of the Company, and as soon as the estimated amount is found, the outlook will be announced.

## 7. Matters related to Transactions with Controlling Shareholders

The acquisition of shares is the transaction with M-FET, the parent company of the Company, and falls under transactions with controlling shareholders.

In the “Guidelines concerning measures for protection of minor shareholders in conducting transactions, etc. with controlling shareholders” shown in the Corporate Governance Report disclosed on December 3, 2015, with respect to transactions with the parent company, it is stipulated that “the transaction conditions, etc. are reasonably decided as in the case of other general transactions in the light of contract conditions in other business connections or market prices. In implementing transactions, a fair deal is settled through approval based on in-house regulations, etc. in the same manner as in the case of other customers.” The acquisition of shares conforms to the guidelines.

To be more precise, for the computation of the amount of acquired shares, the computation of equity prices was asked for YAMADA FAS Co., Ltd., an independent third-party calculation agent, in order to secure fairness and appropriateness and to avoid a conflict of interest, and as with other transactions of the same kind, the acquisition price is decided with these taken into account.

The Company received the results of the above-mentioned computation of the value of the stock and obtained an opinion dated September 28, 2016 that under certain preconditions, the agreed price is fair from the financial viewpoint for minor shareholders of the Company from YAMADA FAS Co., Ltd. (so-called a “fairness opinion”).

In addition, the Company appoints Mori Hamada & Matsumoto LPC as a legal affairs advisor and received advice from the law firm on the procedures for the acquisition of shares and decision-making methods, processes, etc.

Furthermore, with respect to the acquisition of shares, the Company made a decision from its own standpoint under the managerial judgment of the Board of Directors’ meeting, the decision-making organ of the Company, on the basis of the foregoing guidelines, opinions, etc. In the relevant Board of Directors’ meeting, Mr. Hideaki Ninomiya, who is President and CEO of the Company and serves as director of M-FET, and Mr. Yuichi Makimura, who is director of the Company and serves as managing director of M-FET, do not participate in deliberations and resolutions concerning the acquisition of shares, and do not participate in any discussions or negotiations concerning the acquisition of shares in order to avoid a conflict of interest.

## 8. Method for Raising Funds for Share Acquisition

The total amount (76,777 million yen) will be covered by borrowings from Mitsubishi Heavy Industries, the parent company of M-FET. Major conditions concerning the borrowings are under discussion between the Company and Mitsubishi Heavy Industries and will be announced as soon as decided, together with the matters related to transactions with Controlling Shareholders involved in the transaction in question.

End.