

For Release: October 19, 2018

**With regard to the payments
related to the in-service issues of the Trent 1000 engine**

1. Outline

We participate as a risk and revenue sharing partner on the Rolls-Royce Trent 1000 engine program, which has been impacted by the challenge of managing significant in-service issues. Rolls-Royce continues to work hard to remedy this situation and has made further substantial progress on the implementation of long-term solutions and mitigation of the near-term impact on customers.

As member of this program, we would cover our portion of the cash costs associated with in-service issues. In the financial results for second quarter FY2018, we will make a provision of approximately ¥10bn representing the allowance for the abnormal cost related to Airworthiness Directives which mandated additional inspections.

2. Others

The amount of the financial impact due to the issue stated above is included in "Revision of the Outlook for performance for the Fiscal Year Ending March 31, 2019" announced today.

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