

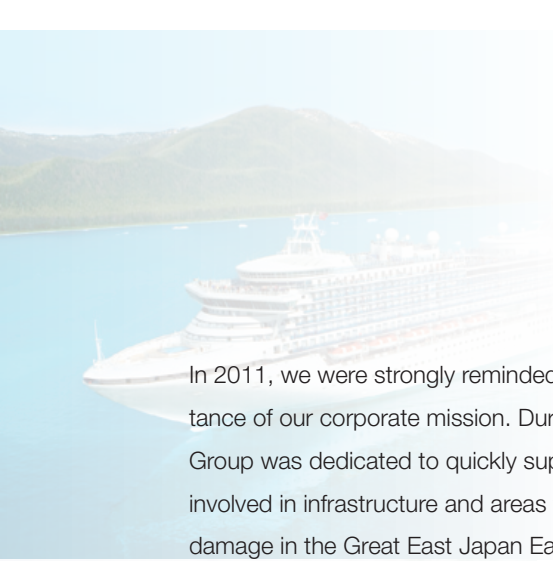
A MESSAGE FROM THE MANAGEMENT



**Kazuo Tsukuda**  
Chairman of the Board

**Hideaki Omiya**  
President and CEO

# Our Technologies, Your Tomorrow



In 2011, we were strongly reminded again of the vital importance of our corporate mission. During the year, the MHI Group was dedicated to quickly supporting customers involved in infrastructure and areas that suffered tremendous damage in the Great East Japan Earthquake. The reconstruction effort is expected to take years. As a company that helps undergird Japan's social infrastructure, we will continue offering the necessary support to rebuild the most affected areas as soon as possible.

The Japanese economy is widely expected to mount a modest recovery; however, a number of factors continue to fuel uncertainty, among them a deflationary trend, global economic stagnation, and the yen's prolonged strength.

In this daunting economic climate, along with existing competitors from the United States and Europe, Chinese and South Korean companies in the industry are also gaining strength. Consequently, the business environment for the MHI Group is expected to become an even tougher one.

Recognizing these challenges, one key issue the MHI Group now faces is to build the business scale, earnings capability, and financial condition necessary to compete on an equal footing with rival manufacturers overseas. Another is to develop a robust governance structure contributing to society's sustainable development through our corporate activities.

For these reasons, the MHI Group has pursued reform and growth programs outlined in the 2010 Medium-Term Business Plan. To better cope with changes in the social environment, the Group launched the new 2012 Medium-Term Business Plan in April 2012. The two targets of the new plan are to expand business scale and to improve capital efficiency and net income levels. This effort will be driven by five strategies: consolidate and restructure business segments into four domains to realize strengths and synergies; accelerate global expansion; manage the business portfolio based on strategic evaluation; institute corporate reform and efficiency; and manage innovations in corporate governance and operations.

In June 2012, the MHI Group formulated the "MHI Environmental Vision 2030," encapsulating its commitment to realizing a sustainable future for the Earth and all mankind. Given that total solutions incorporating our wide-ranging products and technologies are applied on land, at sea, in the air and in space, this vision articulates our pledge to help simultaneously achieve what we call the "3Es": energy security, environmental protection, and economic growth.

We still recognize corporate social responsibility, or CSR, as a top priority for our management. Alongside efforts to contribute through our manufacturing prowess to the sustainable development of global society, we are determined to move forward in creating a corporate culture that will meet the expectations and trust of our customers and society. We would like to thank you for your continued understanding and support.

**Kazuo Tsukuda**, Chairman of the Board

**Hideaki Omiya**, President and CEO