

INPUTS

VALUE ADDED BY ORGANIZATION

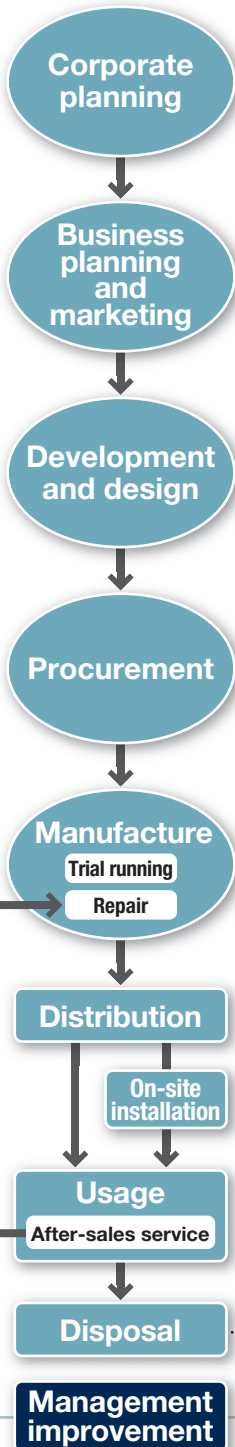
OUTPUTS & OUTCOMES

VALUE ADDED BY ORGANIZATION

Activities that make products and services more sophisticated and streamlined

Business Activities

Activity Highlights in FY2012



Response to increasing worldwide demand for thermal power generation

- Basic agreement concluded with Hitachi for business integration in the field of thermal power generation systems. **For details, see p. 22.**

- Acquired Pratt & Whitney Power Systems (PWPS), a core subsidiary of United Technologies Corporation (UTC) in the U.S. engaged in the business of small- and medium-sized gas turbines.
- Established a joint venture for designing and marketing LNG carriers with Imabari Shipbuilding Co., Ltd. and prepared a structure capable of responding to large-scale LNG carrier construction projects.

Focus on Asia-Pacific market

- Representative Office for Asia Pacific established in Singapore, and three local subsidiaries integrated into one. Proposed market strategy in the Asia-Pacific region, and reinforced promotion and marketing capabilities.

Response to growth in new plant construction business opportunities resulting from increase in shale gas production in the U.S.

- MHI Compressor International Corporation (MCO-I), a marketing and service company in the U.S., established by MHI subsidiary, Mitsubishi Heavy Industries Compressor Corporation (MCO). **For details, see p. 40.**



Pratt & Whitney's aero-derivative gas turbine



New-generation LNG carrier "Sayaendo"

Strengthening of Power Systems

- First locally-manufactured gas turbine shipped by Savannah Machinery Works (Georgia), operated by MHI company in the U.S., Mitsubishi Power Systems Americas.

Strengthening of Aerospace Systems

- Production increased for composite-material wing boxes used in Boeing 787s.
- Effort focused on development of the MRJ regional jet. **For details, see pp. 41-42.**



Ceremony at Savannah Machinery Works to mark shipment of first gas turbine

Strengthening of General Machinery & Special Vehicles

- Shanghai MHI Engine established through joint venture with Shanghai Diesel Engine, China, to manufacture and market industrial-use diesel engines.
- Business operations launched at Mitsubishi Nichiyu Forklift, integrating MHI's forklift truck business with Nippon Yusoki. **For details, see p. 44.**

Strengthening of Machine Tool

- U.S. firm, Federal Broach Holdings, acquired given its strongly complementary products and market with MHI. Together with MHI's cutting tool manufacturing and marketing base in India, leads to creation of three global bases.



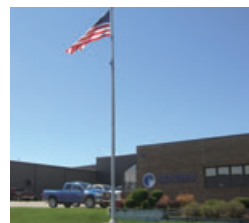
Ceremony to commemorate shipment of composite-material wing box for the 100th Boeing 787

Tightening of portfolio management

- MHI's product businesses integrated into 64 Strategic Business Units, and a system introduced on a full scale for evaluating each unit against uniform management indexes. **For details, see p. 19.**

Innovation of corporate governance and operations

- Following on from the business division reforms of the previous fiscal year, decision made to also restructure the corporate divisions starting this fiscal year, with an aim of reinforcing the function and efficiency of business support and advancing the function of corporate governance. **For details, see p. 19.**
- Risk management system enhanced such as through establishment of the Risk Management and Compliance Committee. Improvements also made to compliance audit system. **For details, see p. 66.**



Exterior view of Federal Broach Holdings, LLC