MOVE THE WORLD FORWARD MITSUBISHI HEAVY INDUSTRIES GROUP

Nuclear Power Strategy Briefing

June 5, 2023
Mitsubishi Heavy Industries, Ltd.

Outline

1. MHI Nuclear Power Business Domain

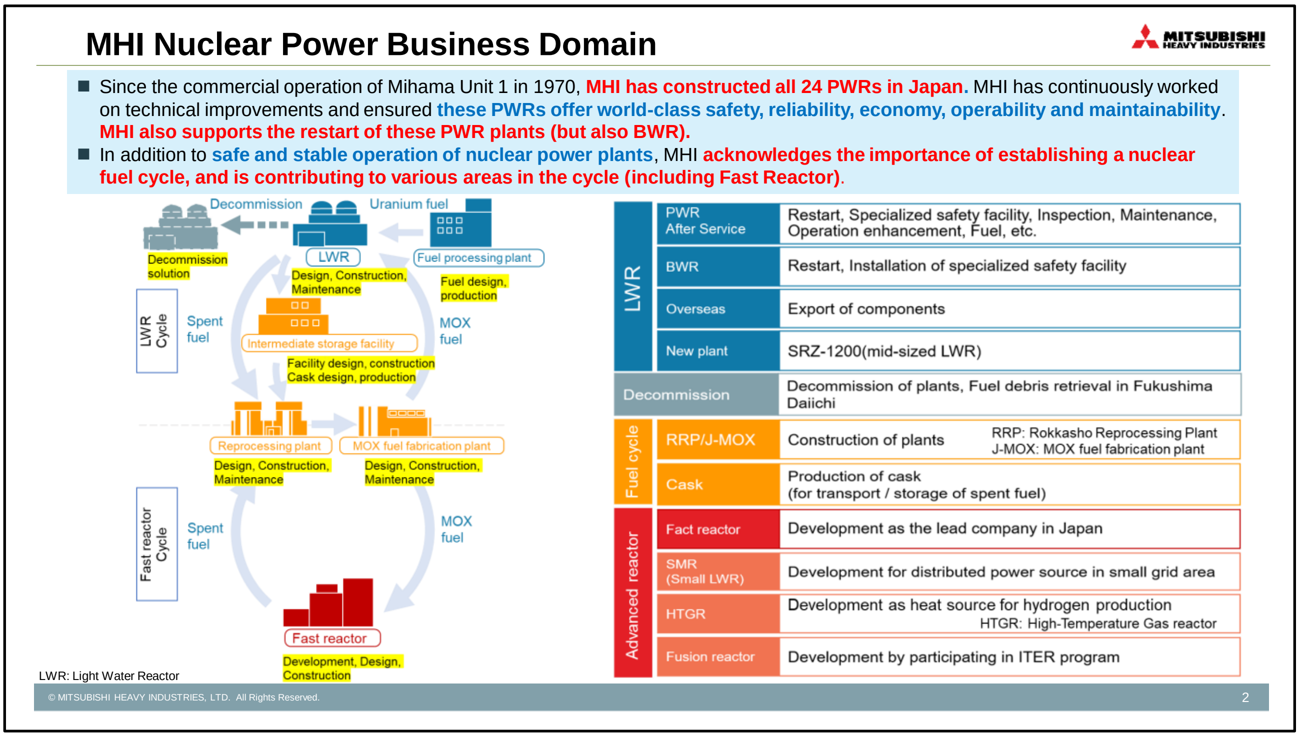
2. Nuclear Power Developments in Japan and Overseas

3. Initiatives by Business Area
   - Support of Restarting/Maintenance work for Existing plants
   - Establishing Nuclear Fuel Cycle
   - Major Activities in Overseas Market

4. Development of Advanced Reactors

5. Business Plan

This is Kato, Head of Nuclear Energy Systems at MHI. At today's Nuclear Power Strategy Briefing, I would like to speak about the topics shown in the outline.



MHI Nuclear Power Business Domain

- Since the commercial operation of Mihama Unit 1 in 1970, **MHI has constructed all 24 PWRs in Japan.** MHI has continuously worked on technical improvements and ensured **these PWRs offer world-class safety, reliability, economy, operability and maintainability**. **MHI also supports the restart of these PWR plants (but also BWR).**
- In addition to **safe and stable operation of nuclear power plants**, MHI **acknowledges the importance of establishing a nuclear fuel cycle, and is contributing to various areas in the cycle (including Fast Reactor)**.

LWR: Light Water Reactor

LWR	PWR After Service	Restart, Specialized safety facility, Inspection, Maintenance, Operation enhancement, Fuel, etc.
	BWR	Restart, Installation of specialized safety facility
	Overseas	Export of components
	New plant	SRZ-1200(mid-sized LWR)
Decommission		Decommission of plants, Fuel debris retrieval in Fukushima Daiichi
Fuel cycle	RRP/J-MOX	Construction of plants RRP: Rokkasho Reprocessing Plant J-MOX: MOX fuel fabrication plant
	Cask	Production of cask (for transport / storage of spent fuel)
Advanced reactor	Fact reactor	Development as the lead company in Japan
	SMR (Small LWR)	Development for distributed power source in small grid area
	HTGR	Development as heat source for hydrogen production HTGR: High-Temperature Gas reactor
	Fusion reactor	Development by participating in ITER program

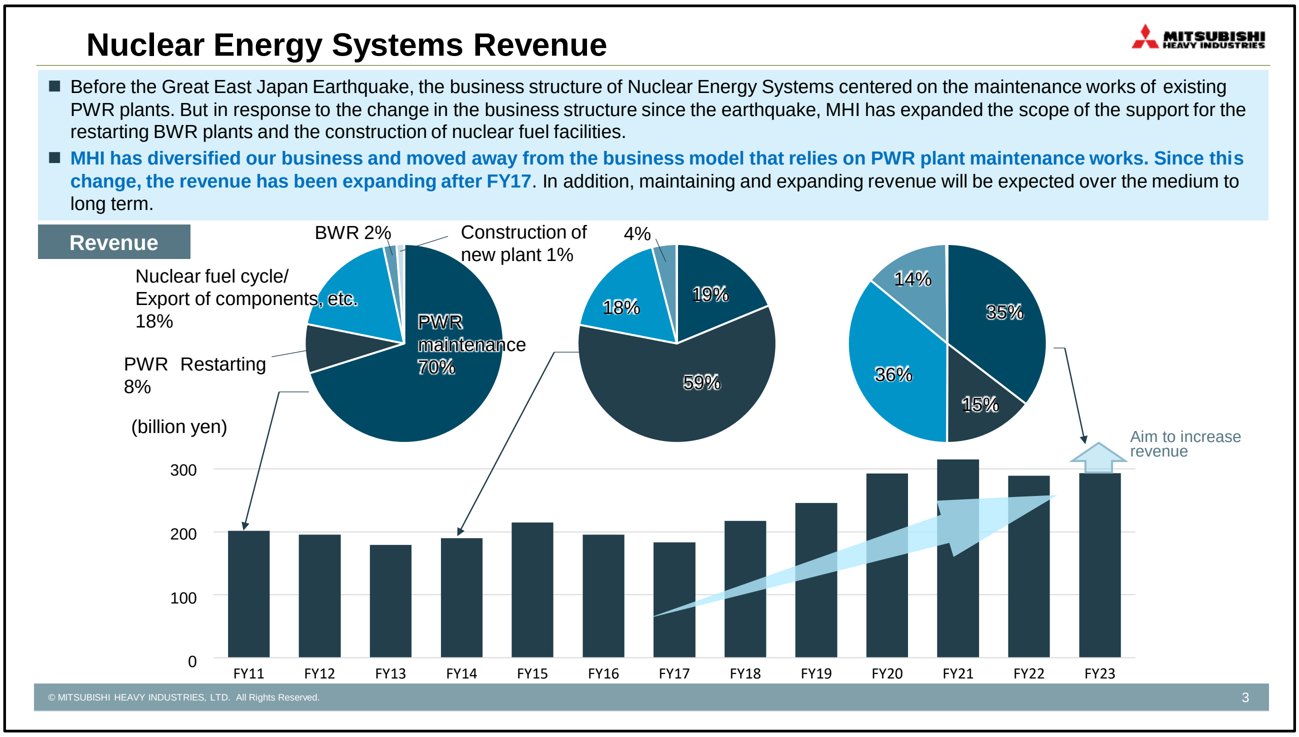
First, I would like to discuss the areas covered by our Nuclear Energy Systems business.

The diagram on the left shows the nuclear fuel cycle. On the top is the light water reactor (LWR) cycle, and on the bottom is the fast reactor cycle. We are involved in each step of the LWR cycle, from plant design, construction, and maintenance, to fuel fabrication and decommissioning. In addition, we are also engaged in the conceptual design of facilities for interim storage of spent fuel and manufacturing of casks. We are also involved in construction of a reprocessing plant to process spent fuel and a MOX* fuel fabrication plant to process spent fuel into recycled fuel, in our capacity as the lead company.

A fast reactor fuel cycle is considered necessary in the future. In this area, we are carrying out the development of the key fast reactor technology as the lead company. We are involved in all areas of the fuel cycle and operate as a leading company in Japan.

Recently, based on our expertise in PWR plant restarts, we have also been heavily involved in supporting Boiling Water Reactor (BWR) plant restarts and have seen a significant increase in BWR-related business.

*A blend of plutonium and uranium oxides



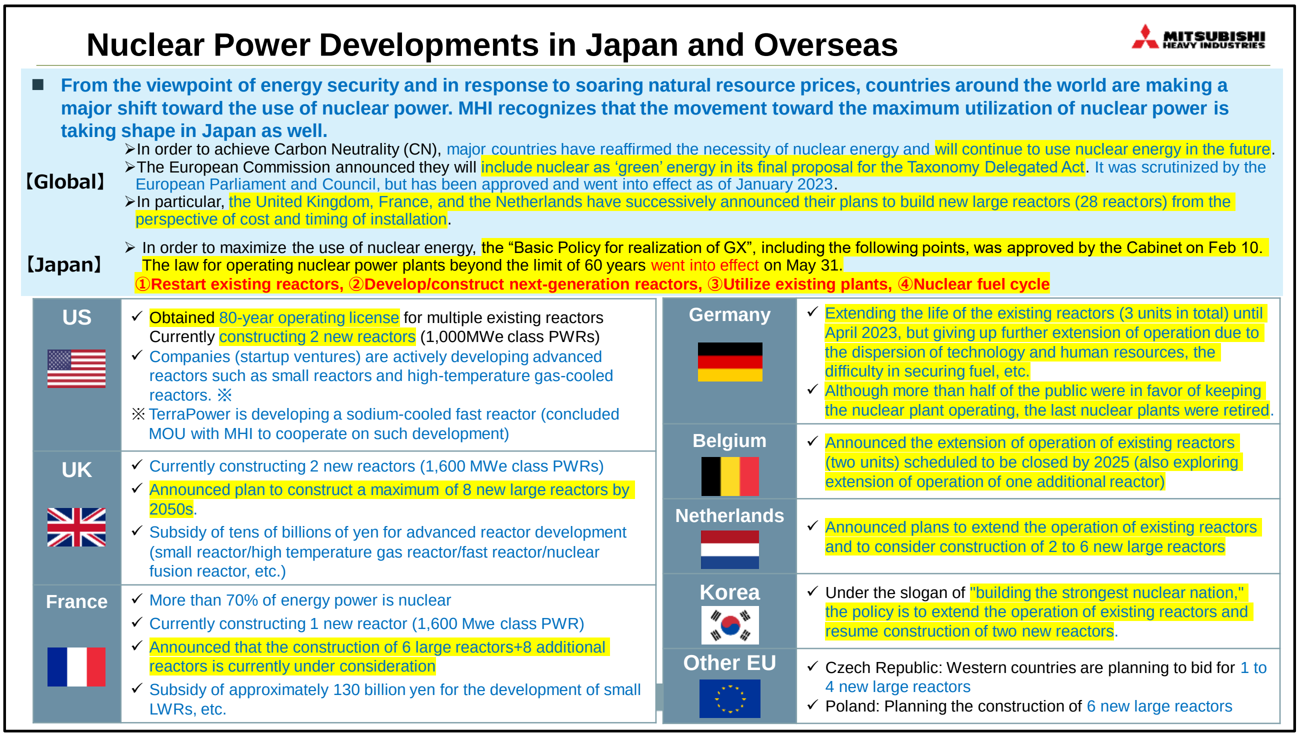
Nuclear Energy Systems Revenue

- Before the Great East Japan Earthquake, the business structure of Nuclear Energy Systems centered on the maintenance works of existing PWR plants. But in response to the change in the business structure since the earthquake, MHI has expanded the scope of the support for the restarting BWR plants and the construction of nuclear fuel facilities.
- **MHI has diversified our business and moved away from the business model that relies on PWR plant maintenance works. Since this change, the revenue has been expanding after FY17**. In addition, maintaining and expanding revenue will be expected over the medium to long term.

Revenue

This page summarizes the trend in Nuclear Power business revenue since the Great East Japan Earthquake.

Our Nuclear Power business used to be mainly engaged in the after-sales service of PWRs, but we have been diversifying our portfolio by taking on challenges in other fields. Lately, Rokkasho Reprocessing Plant (RRP) and BWR-related business accounts for nearly 40% of revenue, leading us to believe that we have achieved a certain degree of diversification.
Revenue has been steadily increasing across Nuclear Power, especially since around 2017, and we expect moderate growth to continue.



Nuclear Power Developments in Japan and Overseas

- **From the viewpoint of energy security and in response to soaring natural resource prices, countries around the world are making a major shift toward the use of nuclear power. MHI recognizes that the movement toward the maximum utilization of nuclear power is taking shape in Japan as well.**

【Global】

- ➢In order to achieve Carbon Neutrality (CN), major countries have reaffirmed the necessity of nuclear energy and will continue to use nuclear energy in the future.
- ➢The European Commission announced they will include nuclear as ‘green’ energy in its final proposal for the Taxonomy Delegated Act. It was scrutinized by the European Parliament and Council, but has been approved and went into effect as of January 2023.
- ➢In particular, the United Kingdom, France, and the Netherlands have successively announced their plans to build new large reactors (28 reactors) from the perspective of cost and timing of installation.

【Japan】

- ➢ In order to maximize the use of nuclear energy, the “Basic Policy for realization of GX”, including the following points, was approved by the Cabinet on Feb 10. The law for operating nuclear power plants beyond the limit of 60 years went into effect on May 31.

①Restart existing reactors, ②Develop/construct next-generation reactors, ③Utilize existing plants, ④Nuclear fuel cycle

US	✓ Obtained 80-year operating license for multiple existing reactors Currently constructing 2 new reactors (1,000MWe class PWRs) ✓ Companies (startup ventures) are actively developing advanced reactors such as small reactors and high-temperature gas-cooled reactors. ※ ※TerraPower is developing a sodium-cooled fast reactor (concluded MOU with MHI to cooperate on such development)
UK	✓ Currently constructing 2 new reactors (1,600 MWe class PWRs) ✓ Announced plan to construct a maximum of 8 new large reactors by 2050s. ✓ Subsidy of tens of billions of yen for advanced reactor development (small reactor/high temperature gas reactor/fast reactor/nuclear fusion reactor, etc.)
France	✓ More than 70% of energy power is nuclear ✓ Currently constructing 1 new reactor (1,600 Mwe class PWR) ✓ Announced that the construction of 6 large reactors+8 additional reactors is currently under consideration ✓ Subsidy of approximately 130 billion yen for the development of small LWRs, etc.

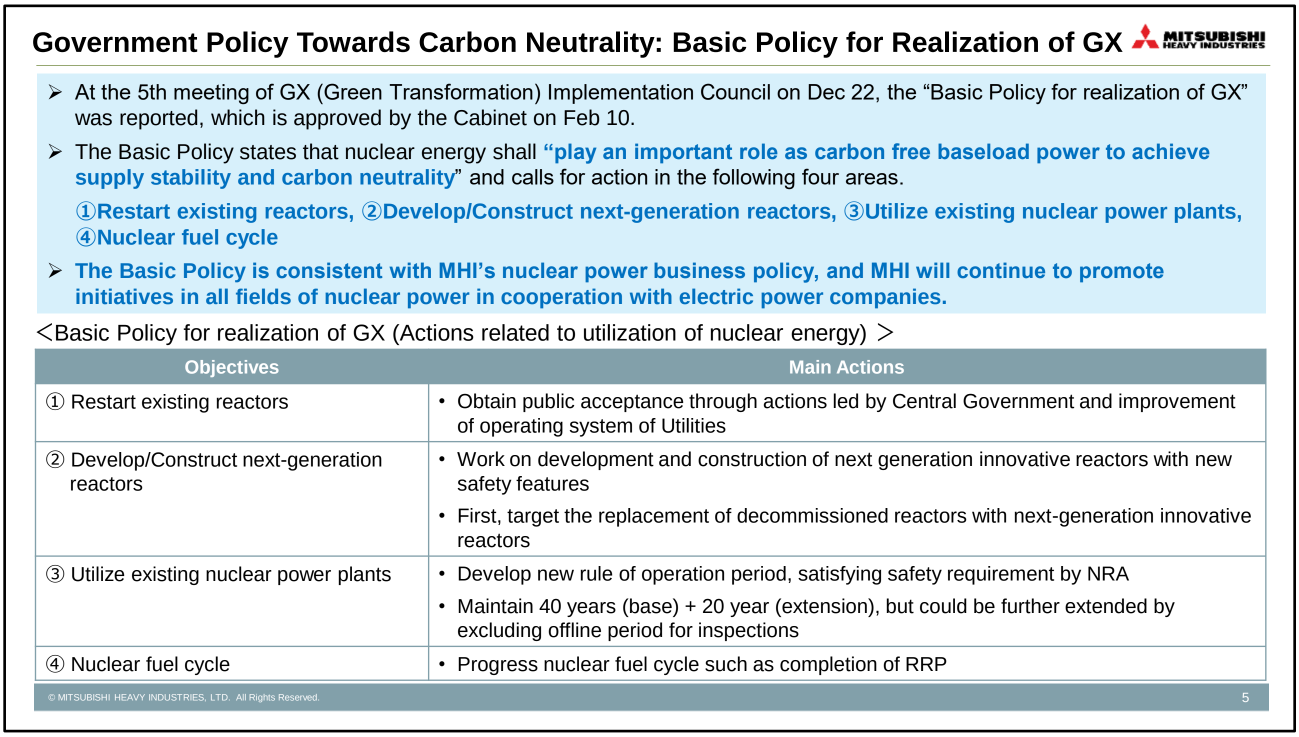
Germany	✓ Extending the life of the existing reactors (3 units in total) until April 2023, but giving up further extension of operation due to the dispersion of technology and human resources, the difficulty in securing fuel, etc. ✓ Although more than half of the public were in favor of keeping the nuclear plant operating, the last nuclear plants were retired.
Belgium	✓ Announced the extension of operation of existing reactors (two units) scheduled to be closed by 2025 (also exploring extension of operation of one additional reactor)
Netherlands	✓ Announced plans to extend the operation of existing reactors and to consider construction of 2 to 6 new large reactors
Korea	✓ Under the slogan of "building the strongest nuclear nation," the policy is to extend the operation of existing reactors and resume construction of two new reactors.
Other EU	✓ Czech Republic: Western countries are planning to bid for 1 to 4 new large reactors ✓ Poland: Planning the construction of 6 new large reactors

Allow me talk here about trends in nuclear power in Japan and other countries.

In response to the move toward energy security and natural resource price inflation, countries around the world are now making a major shift toward the use of nuclear energy. I think the Russian invasion of Ukraine, in particular, had a very significant impact. In Japan, moves toward maximum utilization of nuclear energy are taking shape.

Internationally, some major countries have reaffirmed the need for nuclear power to help achieve Carbon Neutrality, and they intend to continue using it in the future. As another development of note, nuclear power was certified green by the EU Taxonomy. This has already been applied starting in January 2023, which we consider a big step forward for the utilization of nuclear energy.
Also of note, the United Kingdom, France, the Netherlands, and other countries have announced plans to build a total of 28 new large reactors, specifically European Pressurized Reactor (EPR) plants, considering aspects such as cost and timing of installation. It is important to note that the EPR design concept is generally the same kind of plant as our SRZ-1200.

In response to the global situation, the Cabinet of Japan approved the Basic Policy for the Realization of Green Transformation (GX Basic Policy) on February 10, 2023, with the aim of maximizing the use of nuclear energy in Japan. The extension of the operating period of existing plants was passed by the House of Councilors last week as well. These are big steps forward for nuclear energy.
The GX Basic Policy mentions plant restarts, the development and construction of next-generation innovative reactors, the long-term utilization of existing reactors, and the establishment of a nuclear fuel cycle. In this way, we believe that Japan has taken a major step in the direction of utilizing nuclear power.
In the United States and the United Kingdom, momentum is building to utilize high-temperature gas-cooled reactors and fast reactors as well.



Government Policy Towards Carbon Neutrality: Basic Policy for Realization of GX

- At the 5th meeting of GX (Green Transformation) Implementation Council on Dec 22, the “Basic Policy for realization of GX” was reported, which is approved by the Cabinet on Feb 10.
- The Basic Policy states that nuclear energy shall **“play an important role as carbon free baseload power to achieve supply stability and carbon neutrality**” and calls for action in the following four areas.

  ①Restart existing reactors, ②Develop/Construct next-generation reactors, ③Utilize existing nuclear power plants, ④Nuclear fuel cycle
- **The Basic Policy is consistent with MHI’s nuclear power business policy, and MHI will continue to promote initiatives in all fields of nuclear power in cooperation with electric power companies.**

＜Basic Policy for realization of GX (Actions related to utilization of nuclear energy) ＞

Objectives	Main Actions
① Restart existing reactors	• Obtain public acceptance through actions led by Central Government and improvement of operating system of Utilities
② Develop/Construct next-generation reactors	• Work on development and construction of next generation innovative reactors with new safety features • First, target the replacement of decommissioned reactors with next-generation innovative reactors
③ Utilize existing nuclear power plants	• Develop new rule of operation period, satisfying safety requirement by NRA • Maintain 40 years (base) + 20 year (extension), but could be further extended by excluding offline period for inspections
④ Nuclear fuel cycle	• Progress nuclear fuel cycle such as completion of RRP

This page summarizes the GX Basic Policy. Allow me to omit an explanation.

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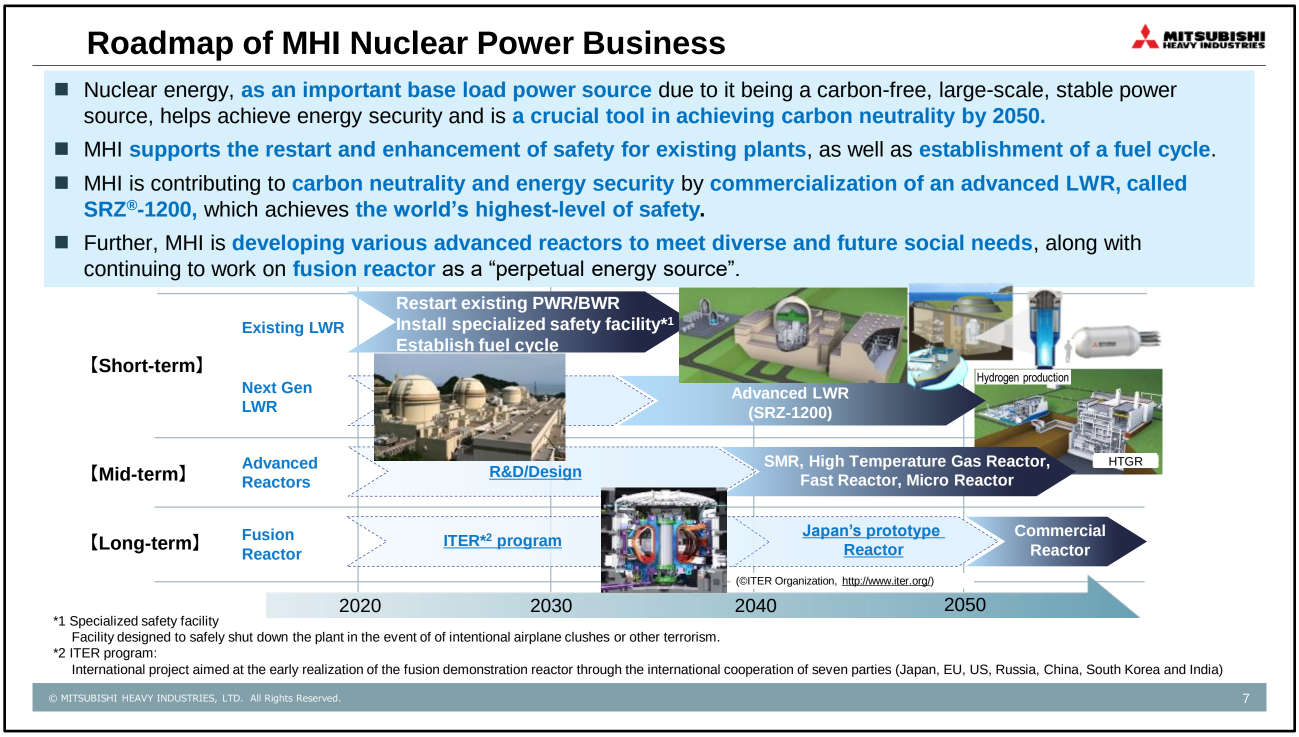
3. Initiatives by Business Area



Roadmap of MHI Nuclear Power Business

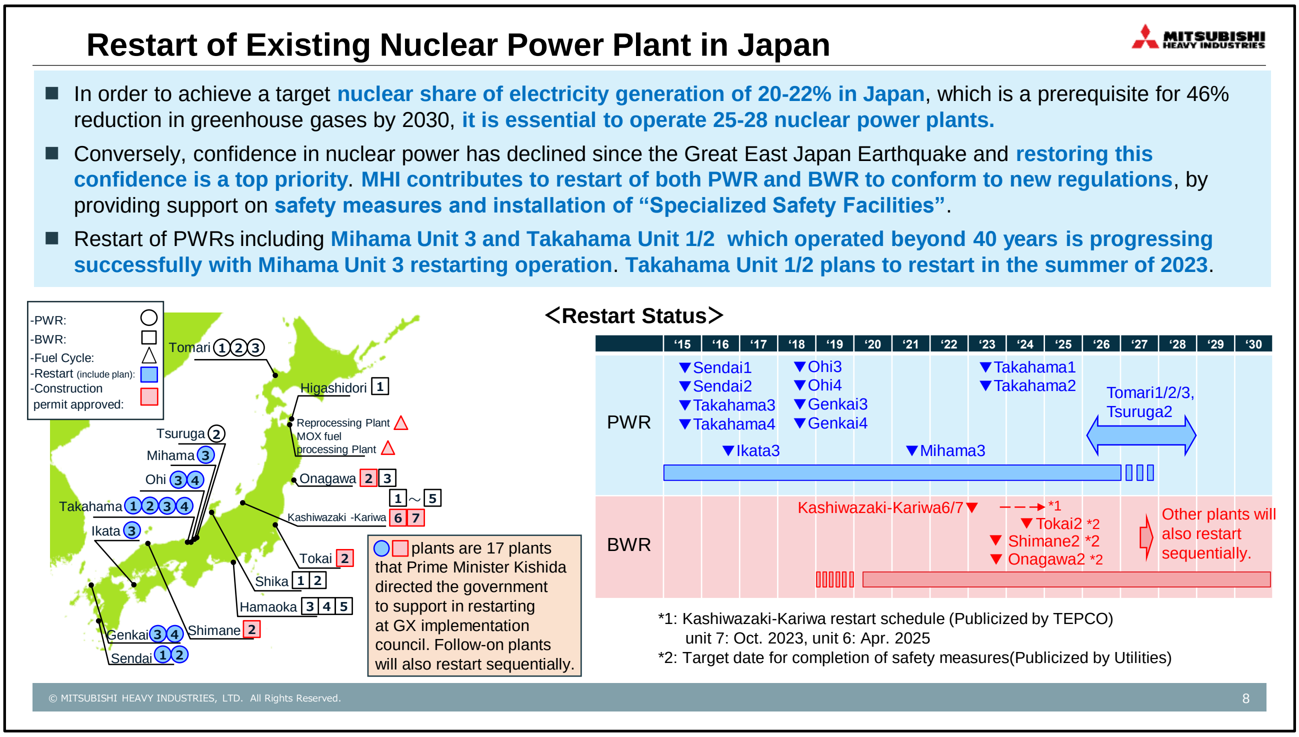
- Nuclear energy, **as an important base load power source** due to it being a carbon-free, large-scale, stable power source, helps achieve energy security and is **a crucial tool in achieving carbon neutrality by 2050.**
- MHI **supports the restart and enhancement of safety for existing plants**, as well as **establishment of a fuel cycle**.
- MHI is contributing to **carbon neutrality and energy security** by **commercialization of an advanced LWR, called SRZ®-1200,** which achieves **the world's highest-level of safety.**
- Further, MHI is **developing various advanced reactors to meet diverse and future social needs**, along with continuing to work on **fusion reactor** as a "perpetual energy source".

*1 Specialized safety facility
Facility designed to safely shut down the plant in the event of of intentional airplane clushes or other terrorism.
*2 ITER program:
International project aimed at the early realization of the fusion demonstration reactor through the international cooperation of seven parties (Japan, EU, US, Russia, China, South Korea and India)

Next, I will speak about our Nuclear Power business strategy and the status of our individual businesses.
This page shows the positioning and strategy for our Nuclear Power business, which were decided before the GX Basic Policy was formulated.

We believe that nuclear energy will need to be utilized in the future, because it is a carbon-free, large-scale, stable power source, which is also important from the perspective of energy security. On the other hand, it is also true that the Fukushima disaster has eroded public confidence in nuclear energy. First, we will achieve the restart of existing plants, operate them safely and stably, and establish a nuclear fuel cycle, thereby contributing to the restoration of public confidence.
On that basis, we aim to bring to market in the mid-2030s an advanced LWR, the SRZ-1200, which will achieve the world's highest level of safety.

In addition, we will develop small modular reactors (SMRs), high-temperature gas-cooled reactors, fast reactors, and other new types of reactors to meet the diversified needs of future society. In the long term, we will cooperate with other countries around the world to attempt to achieve a nuclear fusion reactor, which is called a Sun on Earth.



Restart of Existing Nuclear Power Plant in Japan

- In order to achieve a target **nuclear share of electricity generation of 20-22% in Japan**, which is a prerequisite for 46% reduction in greenhouse gases by 2030, **it is essential to operate 25-28 nuclear power plants.**
- Conversely, confidence in nuclear power has declined since the Great East Japan Earthquake and **restoring this confidence is a top priority**. **MHI contributes to restart of both PWR and BWR to conform to new regulations**, by providing support on **safety measures and installation of "Specialized Safety Facilities"**.
- Restart of PWRs including **Mihama Unit 3 and Takahama Unit 1/2 which operated beyond 40 years is progressing successfully with Mihama Unit 3 restarting operation**. **Takahama Unit 1/2 plans to restart in the summer of 2023**.

○🟥 plants are 17 plants that Prime Minister Kishida directed the government to support in restarting at GX implementation council. Follow-on plants will also restart sequentially.

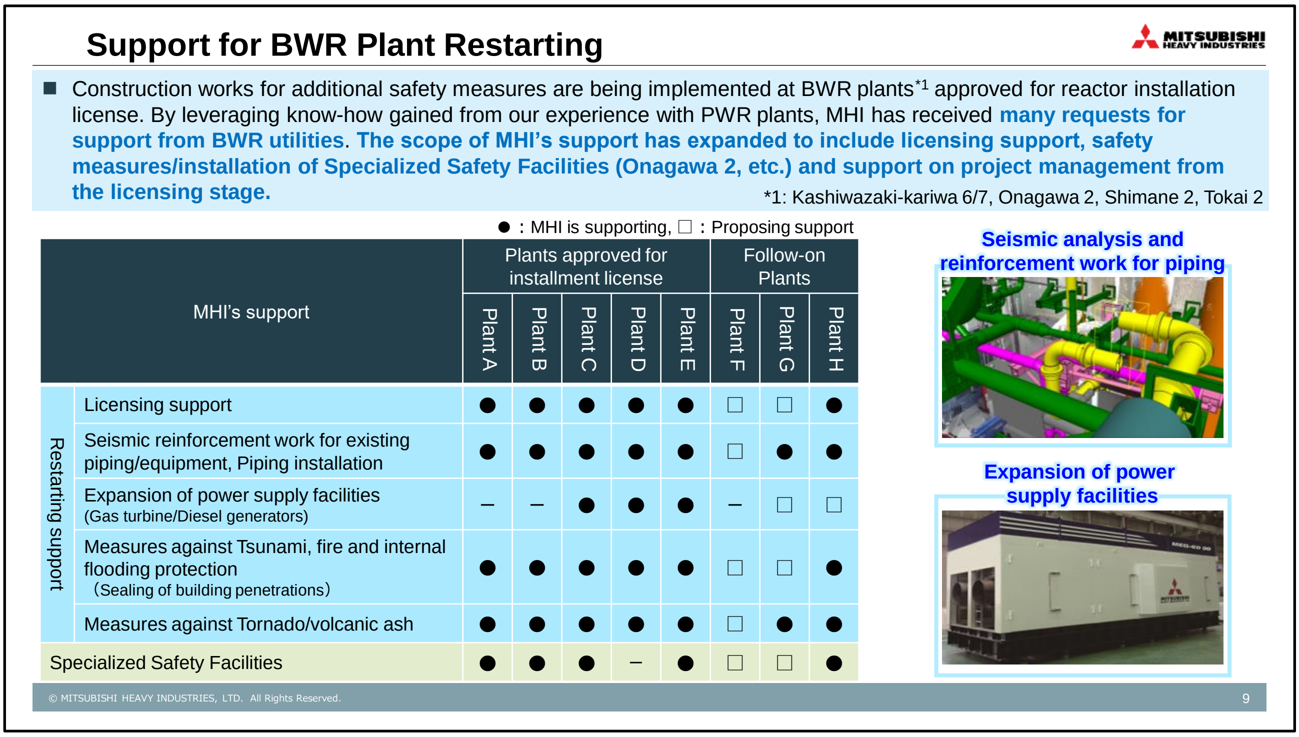
＜Restart Status＞

*1: Kashiwazaki-Kariwa restart schedule (Publicized by TEPCO)
unit 7: Oct. 2023, unit 6: Apr. 2025
*2: Target date for completion of safety measures(Publicized by Utilities)

The following pages provide a brief summary of the situation by area.
First, I would like to discuss existing plant restarts and construction of Specialized Safety Facilities (SSFs).

To achieve a nuclear power generation ratio of 20% to 22% in Japan by 2030, 25 to 28 nuclear reactors will need to be operational.
On the map of Japan shown on the left-hand side of this page, the circles indicate PWRs, and squares indicate BWRs. The blue circles indicate units that have already been restarted or are ready for restart, totaling 12 units.
A total of five BWRs represented by pink squares have been approved for restart, but, unfortunately, they have not yet resumed operation. Although we were not originally responsible for BWRs, we are now heavily involved in supporting BWR restarts, leveraging our experience restarting PWRs.

As shown in the schedule on the right-hand side of the page, The Kansai Electric Power Co., Inc. (KEPCO)'s Takahama Nuclear Power Plant (Takahama) Units 1 and 2 are scheduled for restart, bringing the total number of restarted PWRs to 12. On the BWR side, Hokuriku Electric Power Company (Hokuriku)'s Onagawa Nuclear Power Plant (Onagawa) Unit 2 and The Chugoku Electric Power Co., Inc. (Chugoku)'s Shimane Nuclear Power Plant (Shimane) Unit 2 will be ready for restart by the end of this year or early next fiscal year. Tokyo Electric Power Company (TEPCO)'s Kashiwazaki-Kariwa Nuclear Power Plant (Kashiwazaki-Kariwa) Units 6 and 7 are ready for restart, provided that consent from the local community can be obtained.
Prime Minister Kishida's plan to restart 17 reactors is the sum of the 12 blue circles and the 5 pink squares on this map of Japan.



Support for BWR Plant Restarting

- Construction works for additional safety measures are being implemented at BWR plants[*1] approved for reactor installation license. By leveraging know-how gained from our experience with PWR plants, MHI has received **many requests for support from BWR utilities**. **The scope of MHI's support has expanded to include licensing support, safety measures/installation of Specialized Safety Facilities (Onagawa 2, etc.) and support on project management from the licensing stage.**

*1: Kashiwazaki-kariwa 6/7, Onagawa 2, Shimane 2, Tokai 2

●：MHI is supporting, □：Proposing support

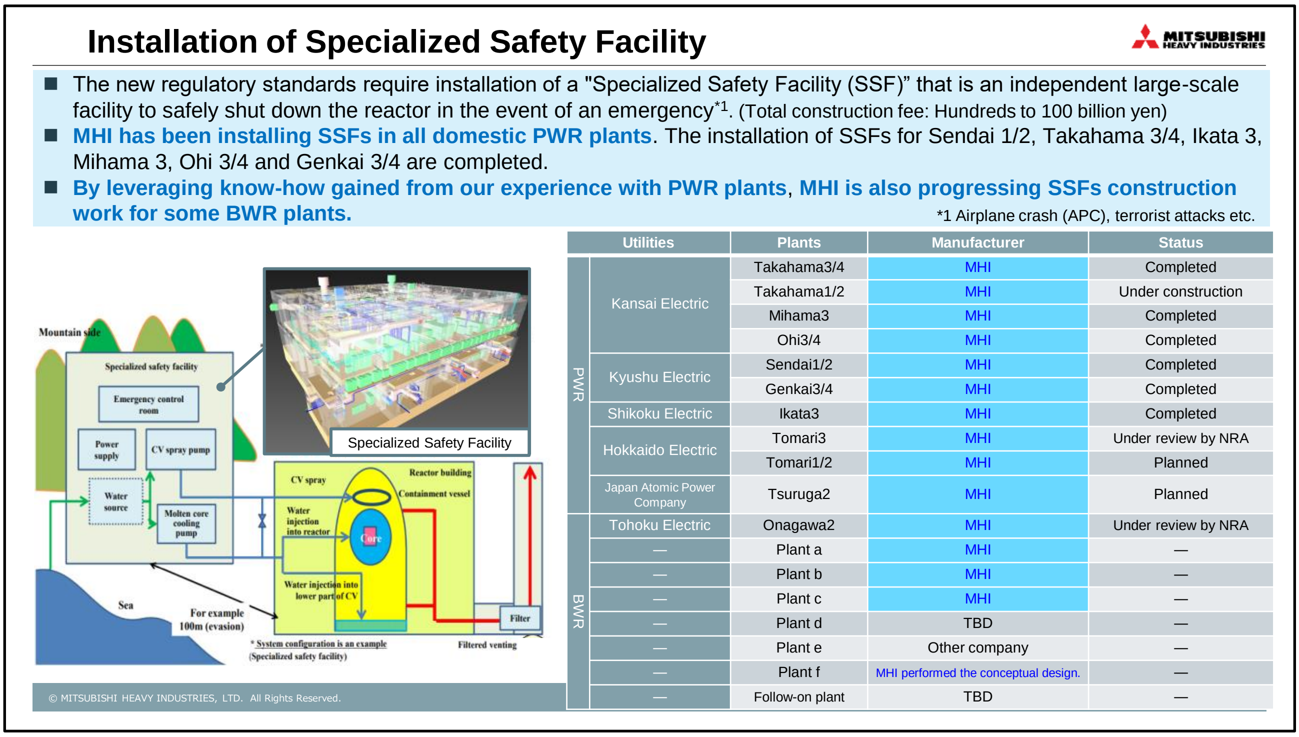
MHI's support		Plants approved for installment license					Follow-on Plants		
		Plant A	Plant B	Plant C	Plant D	Plant E	Plant F	Plant G	Plant H
Restarting support	Licensing support	●	●	●	●	●	□	□	●
	Seismic reinforcement work for existing piping/equipment, Piping installation	●	●	●	●	●	□	●	●
	Expansion of power supply facilities (Gas turbine/Diesel generators)	－	－	●	●	●	－	□	□
	Measures against Tsunami, fire and internal flooding protection （Sealing of building penetrations）	●	●	●	●	●	□	□	●
	Measures against Tornado/volcanic ash	●	●	●	●	●	□	●	●
Specialized Safety Facilities		●	●	●	－	●	□	□	●

Seismic analysis and reinforcement work for piping

Expansion of power supply facilities

On this page, we have summarized our restart support work at BWR plants.

The columns on the right show BWR plants (labeled A through H for confidentiality purposes), and the rows to the left show the specific kind of support that we are providing. We are providing assistance in many areas, including permissions support, piping modifications, earthquake resistance improvement work, power supply equipment augmentation, fire and tsunami preparedness, tornado and volcanic ash protection measures, and SSF construction.



Installation of Specialized Safety Facility

- The new regulatory standards require installation of a "Specialized Safety Facility (SSF)" that is an independent large-scale facility to safely shut down the reactor in the event of an emergency[*1]. (Total construction fee: Hundreds to 100 billion yen)
- **MHI has been installing SSFs in all domestic PWR plants**. The installation of SSFs for Sendai 1/2, Takahama 3/4, Ikata 3, Mihama 3, Ohi 3/4 and Genkai 3/4 are completed.
- **By leveraging know-how gained from our experience with PWR plants**, **MHI is also progressing SSFs construction work for some BWR plants.**

*1 Airplane crash (APC), terrorist attacks etc.

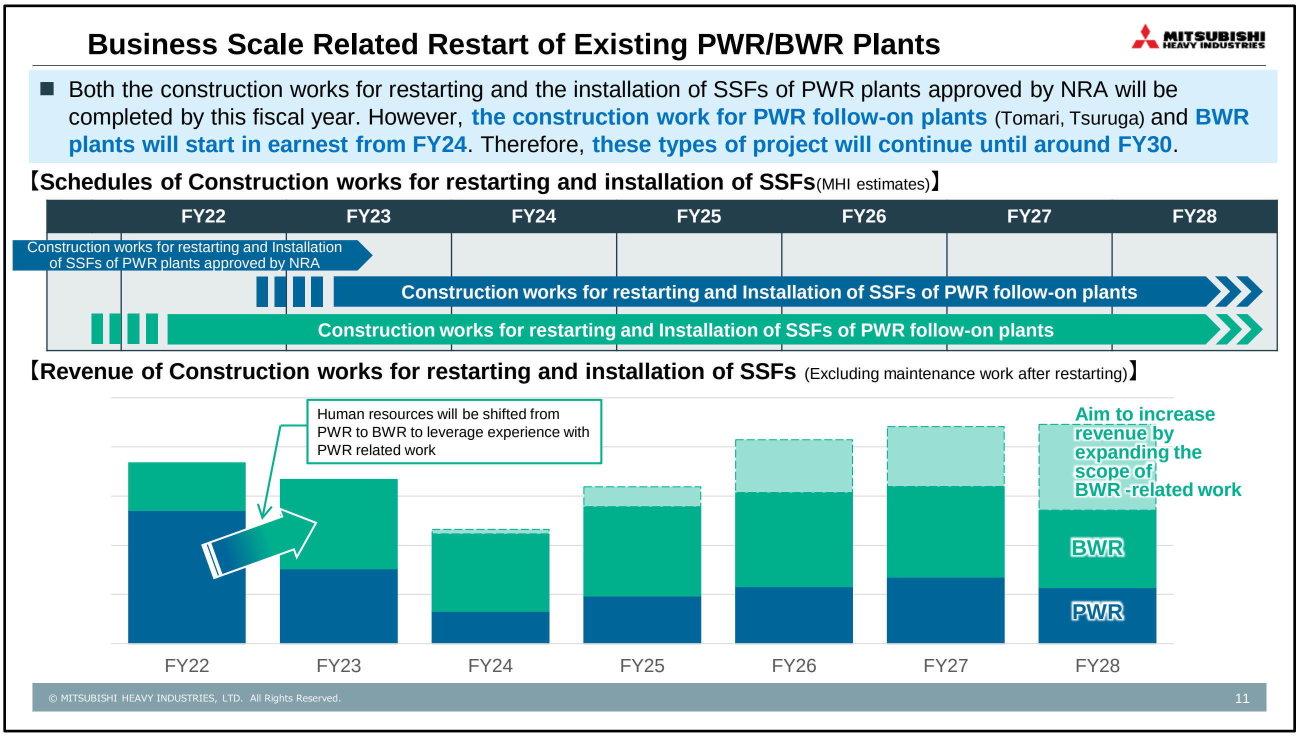
* System configuration is an example
(Specialized safety facility)

Utilities		Plants	Manufacturer	Status
PWR	Kansai Electric	Takahama3/4	MHI	Completed
		Takahama1/2	MHI	Under construction
		Mihama3	MHI	Completed
		Ohi3/4	MHI	Completed
	Kyushu Electric	Sendai1/2	MHI	Completed
		Genkai3/4	MHI	Completed
	Shikoku Electric	Ikata3	MHI	Completed
	Hokkaido Electric	Tomari3	MHI	Under review by NRA
		Tomari1/2	MHI	Planned
	Japan Atomic Power Company	Tsuruga2	MHI	Planned
BWR	Tohoku Electric	Onagawa2	MHI	Under review by NRA
	—	Plant a	MHI	—
	—	Plant b	MHI	—
	—	Plant c	MHI	—
	—	Plant d	TBD	—
	—	Plant e	Other company	—
	—	Plant f	MHI performed the conceptual design.	—
	—	Follow-on plant	TBD	—

On this page, I would like to explain Specialized Safety Facilities (SSFs).

This diagram provides an overview of an SSF. The nuclear power plant is on the right, and the SSF is on the left. An SSF is designed to safely shut down a plant in the event of a major accident or terrorist attack, and we build these strong buildings to include a control room, a power supply, a water source, and pumps.
The cost to construct one of these facilities ranges from tens of billions of yen to the 100 billion yen level per plant, which is equivalent to building a new small plant.

The status of SSF installation is summarized on the right-hand side of the page. We have either booked orders or received confirmation of intent to order SSFs for all PWRs. As for the BWRs, we have received an order for an SSF for Hokuriku's Onagawa Unit 2. Regarding the other BWR plants awaiting restart, we have also received orders for basic plans for SSFs, and we are very hopeful that we will be able to receive concrete orders for these plants.



Business Scale Related Restart of Existing PWR/BWR Plants

- Both the construction works for restarting and the installation of SSFs of PWR plants approved by NRA will be completed by this fiscal year. However, **the construction work for PWR follow-on plants** (Tomari, Tsuruga) and **BWR plants will start in earnest from FY24**. Therefore, **these types of project will continue until around FY30**.

【Schedules of Construction works for restarting and installation of SSFs(MHI estimates)**】**

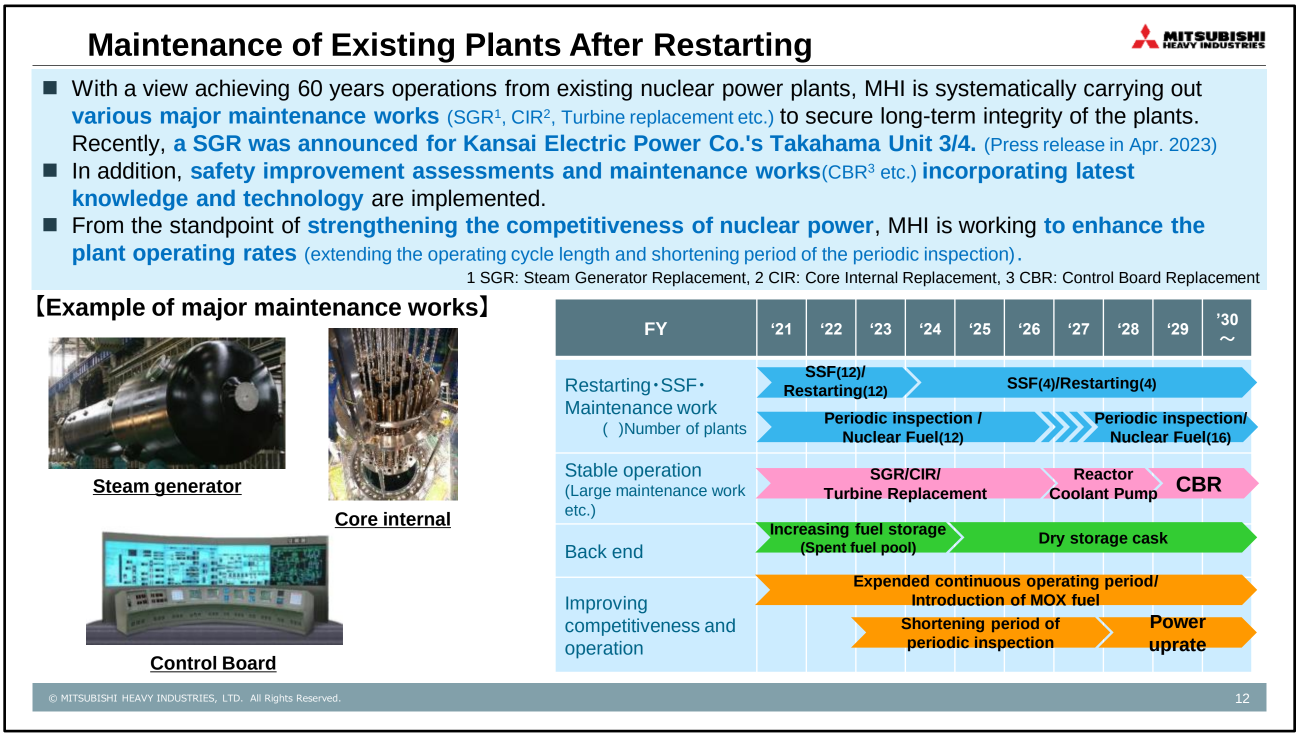
【Revenue of Construction works for restarting and installation of SSFs (Excluding maintenance work after restarting)**】**

Human resources will be shifted from PWR to BWR to leverage experience with PWR related work

Aim to increase revenue by expanding the scope of BWR -related work

On this page, we have summarized revenue levels for PWR and BWR restarts and SSF construction.

Construction work for restarts and SSF installations for 12 PWR plants approved by the Japan NRA (Nuclear Regulation Authority) are mostly complete. The remaining PWRs, Hokkaido Electric Power Co., Inc. (HEPCO)'s Tomari Nuclear Power Plant (Tomari) Units 1-3 and The Japan Atomic Power Company (JAPC)'s Tsuruga Nuclear Power Plant (Tsuruga) Unit 2 can probably be restarted in the late 2020s.
Contrastingly, work for BWRs is increasing, and revenue levels from BWR projects will tend to increase from FY2024 onward. We expect steady growth in work overall, combining PWR and BWR projects, and we believe this situation will likely continue through the early 2030s.



Maintenance of Existing Plants After Restarting

- With a view achieving 60 years operations from existing nuclear power plants, MHI is systematically carrying out **various major maintenance works** (SGR[1], CIR[2], Turbine replacement etc.) to secure long-term integrity of the plants. Recently, **a SGR was announced for Kansai Electric Power Co.'s Takahama Unit 3/4.** (Press release in Apr. 2023)
- In addition, **safety improvement assessments and maintenance works**(CBR[3] etc.) **incorporating latest knowledge and technology** are implemented.
- From the standpoint of **strengthening the competitiveness of nuclear power**, MHI is working **to enhance the plant operating rates** (extending the operating cycle length and shortening period of the periodic inspection).

1 SGR: Steam Generator Replacement, 2 CIR: Core Internal Replacement, 3 CBR: Control Board Replacement

【Example of major maintenance works】

FY: '21 '22 '23 '24 '25 '26 '27 '28 '29 '30～

Restarting・SSF・Maintenance work ( )Number of plants
- SSF(12)/ Restarting(12)
- SSF(4)/Restarting(4)
- Periodic inspection / Nuclear Fuel(12)
- Periodic inspection/ Nuclear Fuel(16)

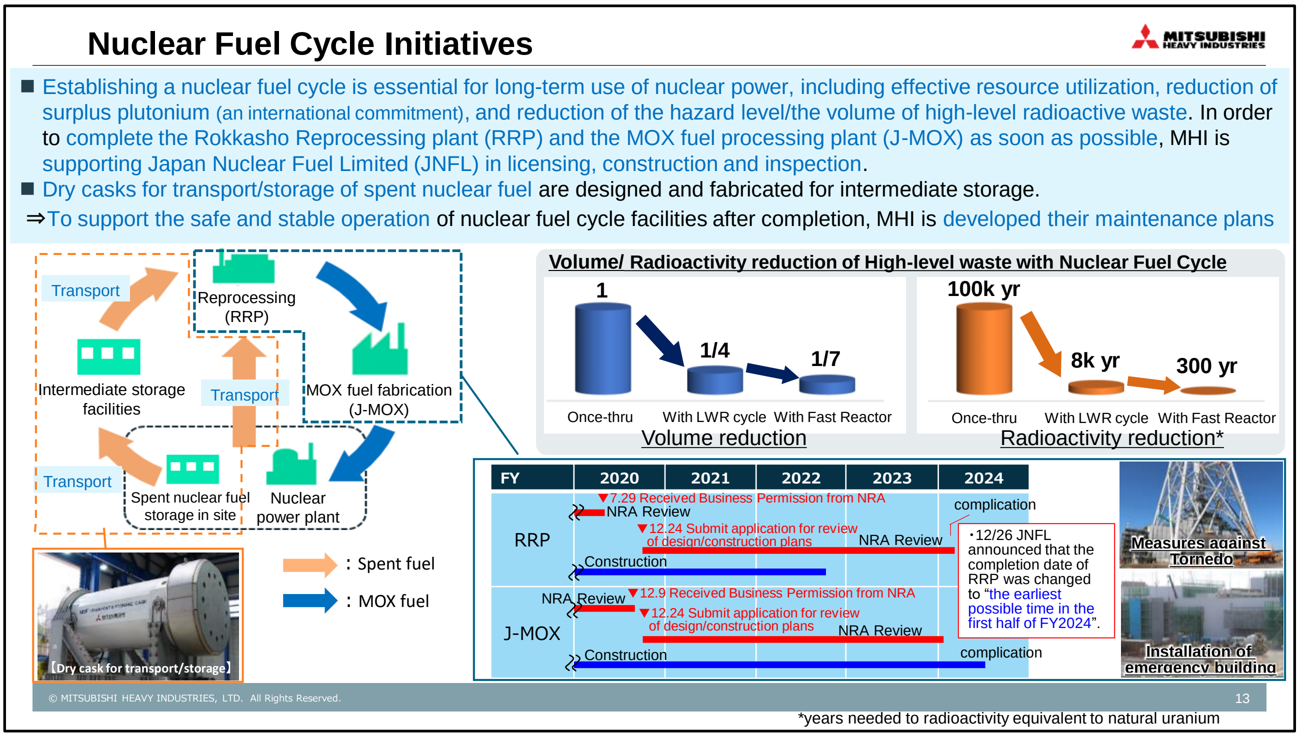
Stable operation (Large maintenance work etc.)
- SGR/CIR/ Turbine Replacement
- Reactor Coolant Pump
- CBR

Back end
- Increasing fuel storage (Spent fuel pool)
- Dry storage cask

Improving competitiveness and operation
- Expended continuous operating period/ Introduction of MOX fuel
- Shortening period of periodic inspection
- Power uprate

For the plants that have already restarted, a variety of maintenance work, such as planned equipment replacements, will be carried out in anticipation of their reaching 60 years of operation.
For example, we recently received an official order for steam generator replacement (SGR) at KEPCO's Takahama Units 3 and 4. We also believe that there will continue to be strong demand for core internals replacement (CIR) and turbine replacements with the aim of increasing output.
In addition, we also perform assessments for continuous safety improvement and maintenance incorporating the latest knowledge and technologies. For example, control systems and control board replacement (CBR) is currently underway at several plants.
Also, from the perspective of improving competitiveness of nuclear power compared with other power sources, maintenance work such as long-cycle operation and shorter regular inspections are also expected to improve plant availability.

The schedule on the right-hand side of the page shows the timing of maintenance work expected in each year. Notably, we are moving forward with sharing and centralizing information about future maintenance plans between the PWR power utilities and MHI.



Nuclear Fuel Cycle Initiatives

- Establishing a nuclear fuel cycle is essential for long-term use of nuclear power, including effective resource utilization, reduction of surplus plutonium (an international commitment), and reduction of the hazard level/the volume of high-level radioactive waste. In order to complete the Rokkasho Reprocessing plant (RRP) and the MOX fuel processing plant (J-MOX) as soon as possible, MHI is supporting Japan Nuclear Fuel Limited (JNFL) in licensing, construction and inspection.
- Dry casks for transport/storage of spent nuclear fuel are designed and fabricated for intermediate storage.

⇒To support the safe and stable operation of nuclear fuel cycle facilities after completion, MHI is developed their maintenance plans

FY	2020	2021	2022	2023	2024
RRP	▼7.29 Received Business Permission from NRA NRA Review ▼12.24 Submit application for review of design/construction plans NRA Review Construction				complication
J-MOX	NRA Review ▼12.9 Received Business Permission from NRA ▼12.24 Submit application for review of design/construction plans NRA Review Construction				complication

・12/26 JNFL announced that the completion date of RRP was changed to "the earliest possible time in the first half of FY2024".

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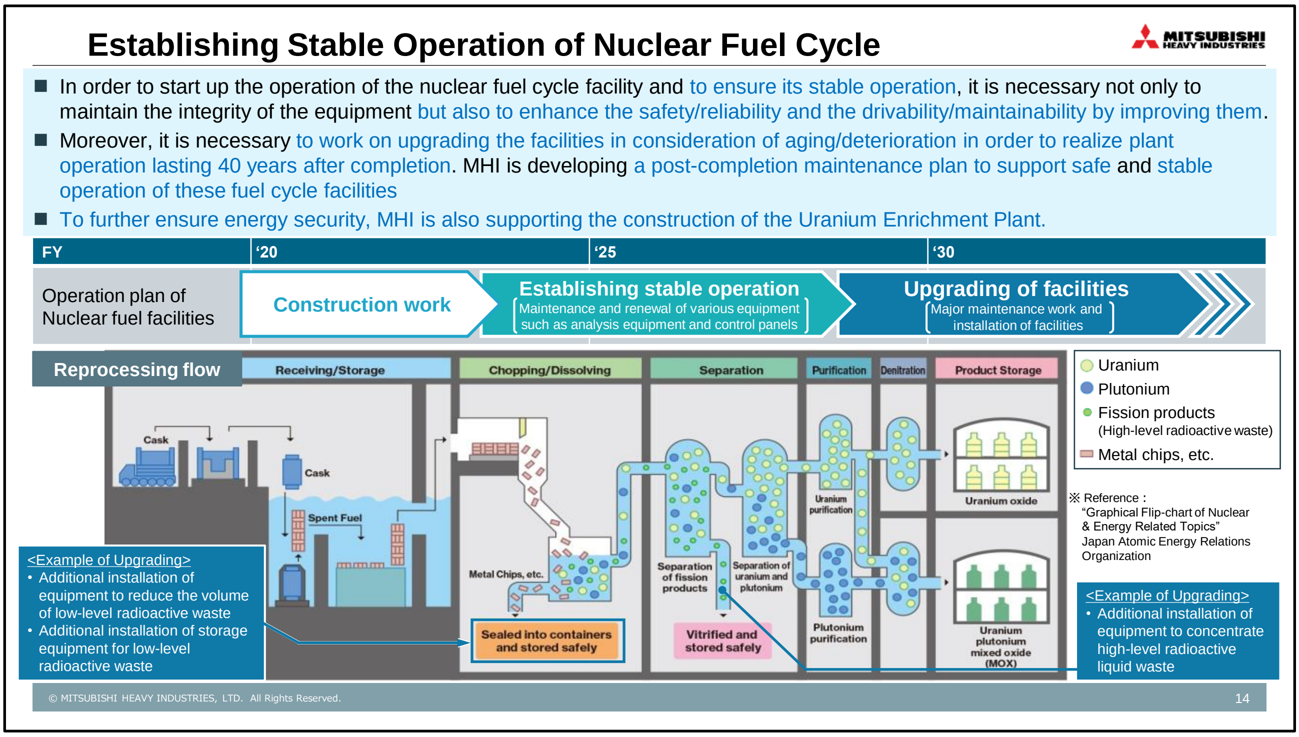
*years needed to radioactivity equivalent to natural uranium

On this page, I will explain the nuclear fuel cycle.

This page summarizes the efforts to effectively utilize resources and reduce the volume and hazard level of high-level waste. These are processes and technologies that will definitely be needed in Japan in the future.
Currently, we are working to build and complete the Rokkasho Reprocessing Plant (RRP) and the MOX Fuel Fabrication Plant (J-MOX), and construction work has been at a peak level since two years ago.

We believe that there will be strong demand for interim storage equipment, i.e., casks, until the reprocessing plant is fully operational. Currently, we have received orders from some electric power companies to manufacture more than 20 casks, and we are currently manufacturing them with a continuous process at our Kobe Shipyard & Machinery Works.



Establishing Stable Operation of Nuclear Fuel Cycle

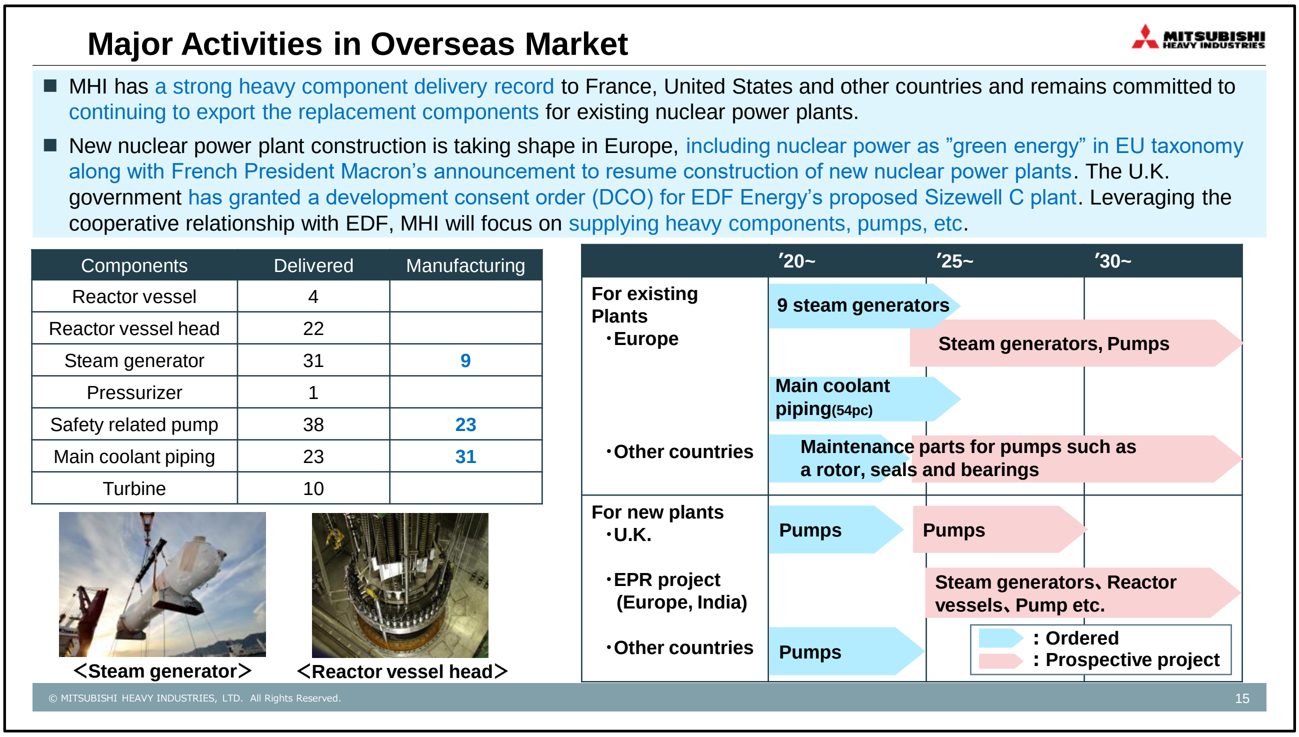
- In order to start up the operation of the nuclear fuel cycle facility and to ensure its stable operation, it is necessary not only to maintain the integrity of the equipment but also to enhance the safety/reliability and the drivability/maintainability by improving them.
- Moreover, it is necessary to work on upgrading the facilities in consideration of aging/deterioration in order to realize plant operation lasting 40 years after completion. MHI is developing a post-completion maintenance plan to support safe and stable operation of these fuel cycle facilities
- To further ensure energy security, MHI is also supporting the construction of the Uranium Enrichment Plant.

<Example of Upgrading>
- Additional installation of equipment to reduce the volume of low-level radioactive waste
- Additional installation of storage equipment for low-level radioactive waste

<Example of Upgrading>
- Additional installation of equipment to concentrate high-level radioactive liquid waste

※ Reference：
“Graphical Flip-chart of Nuclear & Energy Related Topics”
Japan Atomic Energy Relations Organization

After completion of these nuclear fuel cycle-related facilities, we will need to carry out systematic measures to address time-dependent degradation similar to with LWRs.
As shown on this schedule, we will need to maintain and upgrade the necessary equipment to enable stable operation of the facilities. The plants will then receive functionality enhancements. After this, we are proposing additional low-level waste volume reduction facilities and storage facilities together with French company, Orano SA. This equipment will also need to be installed in the next few years.
Large-scale construction work, such as the addition of high-level liquid waste concentration facilities, are also expected.



Major Activities in Overseas Market

- MHI has a strong heavy component delivery record to France, United States and other countries and remains committed to continuing to export the replacement components for existing nuclear power plants.
- New nuclear power plant construction is taking shape in Europe, including nuclear power as "green energy" in EU taxonomy along with French President Macron's announcement to resume construction of new nuclear power plants. The U.K. government has granted a development consent order (DCO) for EDF Energy's proposed Sizewell C plant. Leveraging the cooperative relationship with EDF, MHI will focus on supplying heavy components, pumps, etc.

Components	Delivered	Manufacturing
Reactor vessel	4	
Reactor vessel head	22	
Steam generator	31	9
Pressurizer	1	
Safety related pump	38	23
Main coolant piping	23	31
Turbine	10	

<Steam generator>

<Reactor vessel head>

	'20~	'25~	'30~
For existing Plants ・Europe	9 steam generators Main coolant piping(54pc)	Steam generators, Pumps	
・Other countries	Maintenance parts for pumps such as a rotor, seals and bearings		
For new plants ・U.K.	Pumps	Pumps	
・EPR project (Europe, India)		Steam generators、Reactor vessels、Pump etc.	
・Other countries	Pumps		

🟦 : Ordered
🟥 : Prospective project

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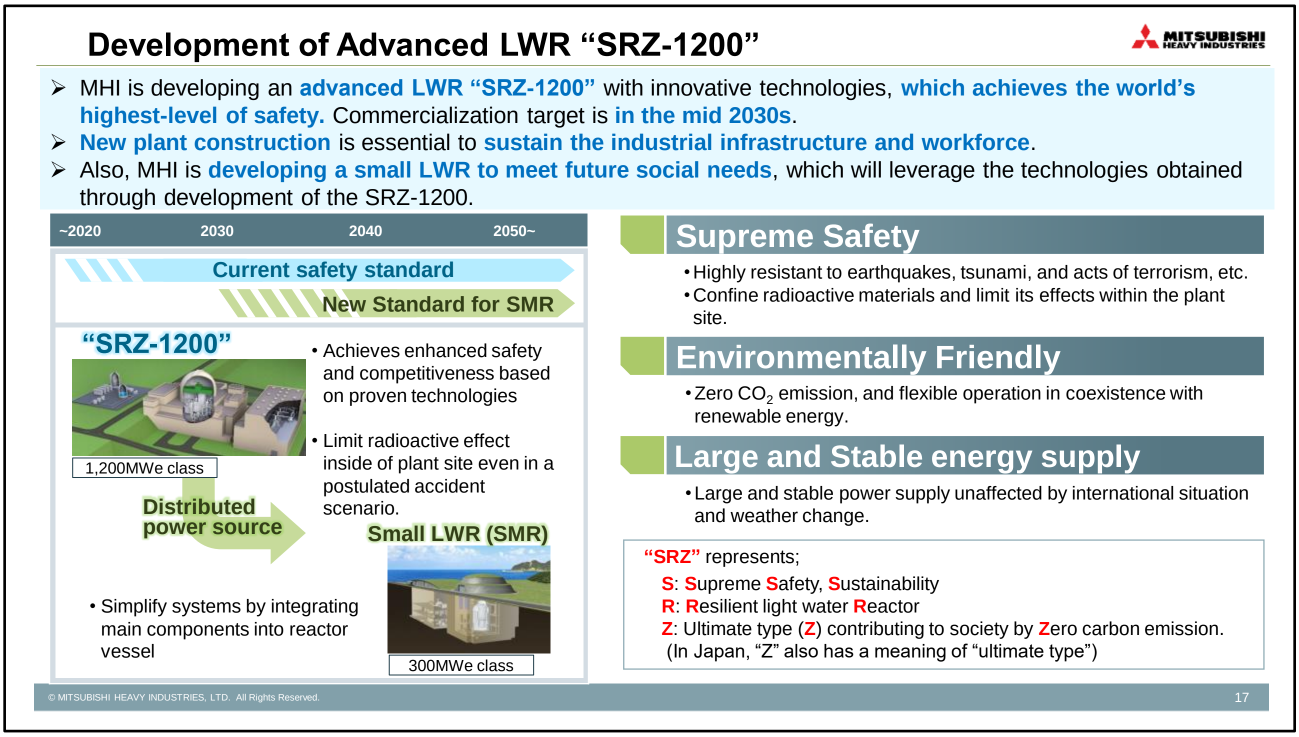
On this page, I will introduce our major activities in international markets.

Currently, there are plans for 28 new units in Europe. MHI is by far the most successful exporter of nuclear energy-related equipment in Japan, and the schedule on the right shows in blue component work that is currently in progress. We have received orders for nine steam generators, which are now being continuously produced at our Kobe Shipyard & Machinery Works. In addition to this, we are working on 54 piping replacement projects as well as pumps for Hinkley Point in the UK.
Incremental to these ongoing projects, we expect to receive work for new plant installations in Europe, as manufacturing facilities in France alone may not be able to handle all of them. In India we believe that we can expect orders including for reactor vessels, steam generators, core internals, and other equipment. Items in pink indicate work that can be expected in the international market in the future. We intend to actively engage in the production and export of these components.

4. Development of Advanced Reactors



Development of Advanced LWR “SRZ-1200”

- MHI is developing an **advanced LWR “SRZ-1200”** with innovative technologies, **which achieves the world’s highest-level of safety.** Commercialization target is **in the mid 2030s**.
- **New plant construction** is essential to **sustain the industrial infrastructure and workforce**.
- Also, MHI is **developing a small LWR to meet future social needs**, which will leverage the technologies obtained through development of the SRZ-1200.

“SRZ-1200”

1,200MWe class

- Achieves enhanced safety and competitiveness based on proven technologies
- Limit radioactive effect inside of plant site even in a postulated accident scenario.

Small LWR (SMR)

- Simplify systems by integrating main components into reactor vessel

300MWe class

Supreme Safety

- Highly resistant to earthquakes, tsunami, and acts of terrorism, etc.
- Confine radioactive materials and limit its effects within the plant site.

Environmentally Friendly

- Zero CO_2 emission, and flexible operation in coexistence with renewable energy.

Large and Stable energy supply

- Large and stable power supply unaffected by international situation and weather change.

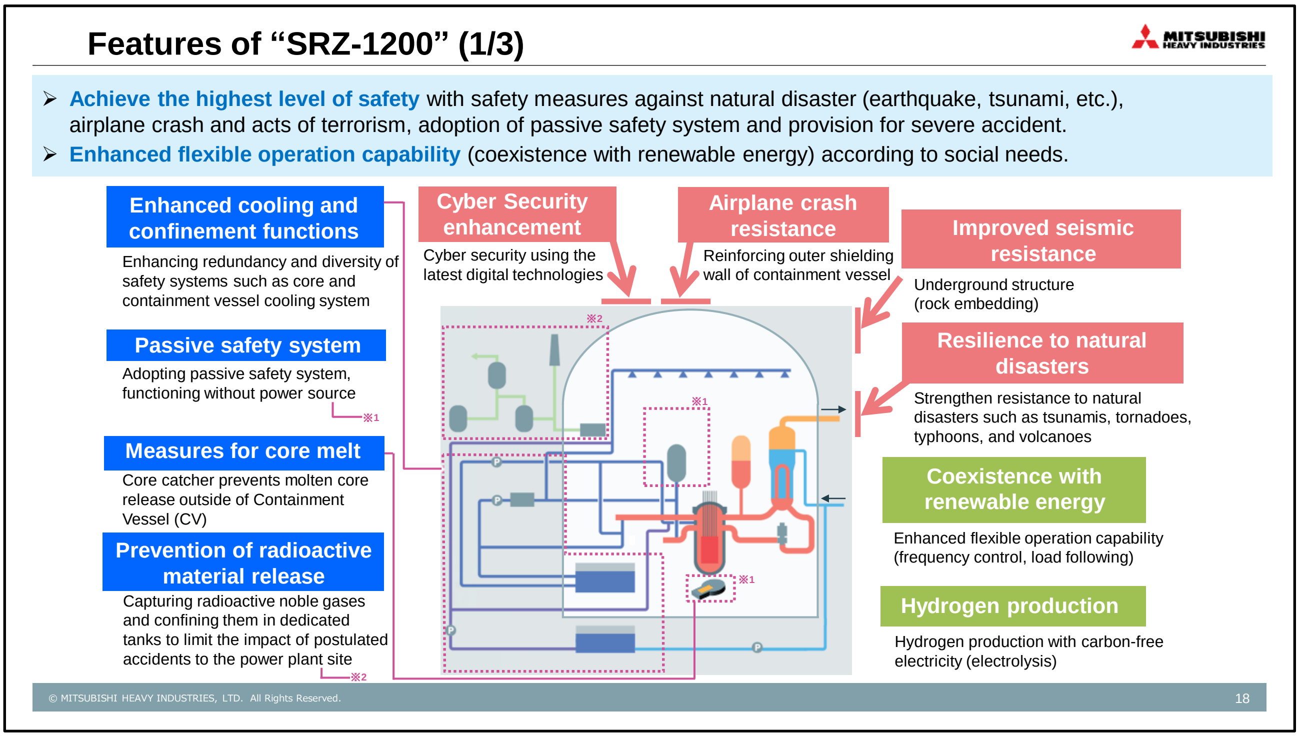
“SRZ” represents;

S: Supreme Safety, Sustainability
R: Resilient light water Reactor
Z: Ultimate type (Z) contributing to society by Zero carbon emission.
(In Japan, “Z” also has a meaning of “ultimate type”)

On this page, I would like to talk about new plant installations.

We are conducting research and development on the SRZ-1200 in collaboration with four PWR power companies (HEPCO, KEPCO, Shikoku Electric Power Co., Inc., and Kyushu Electric Power Co., Inc.), aiming for commercialization in the mid-2030s. In terms of the significance to the supply chain, we believe this product is something we must achieve.
The letters S, R, and Z in SRZ-1200 represent Supreme Safety and Sustainability (S), Resilient (R), and Zero Carbon (Z). In Japan, Z, as the final letter in the Roman alphabet, is also used to represent the ultimate form of something. SRZ-1200 is a concept based on proven technologies which significantly enhances safety through the introduction of technological innovation while also complying with current regulatory standards.

We are also developing small modular reactors (SMRs).
There are expectations for SMR technology as a decentralized power source that will meet the diversified needs of the future. However, they are considered disadvantageous in terms of cost and will require various validation tests and the revision of regulatory standards before they can be put into practical use. Similar to the case in Europe, we will consider SMRs after first introducing to the market a reactor based on existing plant types with enhanced safety features.



Features of “SRZ-1200” (1/3)

- **Achieve the highest level of safety** with safety measures against natural disaster (earthquake, tsunami, etc.), airplane crash and acts of terrorism, adoption of passive safety system and provision for severe accident.
- **Enhanced flexible operation capability** (coexistence with renewable energy) according to social needs.

Enhanced cooling and confinement functions

Enhancing redundancy and diversity of safety systems such as core and containment vessel cooling system

Passive safety system

Adopting passive safety system, functioning without power source

※1

Measures for core melt

Core catcher prevents molten core release outside of Containment Vessel (CV)

Prevention of radioactive material release

Capturing radioactive noble gases and confining them in dedicated tanks to limit the impact of postulated accidents to the power plant site

※2

Cyber Security enhancement

Cyber security using the latest digital technologies

Airplane crash resistance

Reinforcing outer shielding wall of containment vessel

Improved seismic resistance

Underground structure (rock embedding)

Resilience to natural disasters

Strengthen resistance to natural disasters such as tsunamis, tornadoes, typhoons, and volcanoes

Coexistence with renewable energy

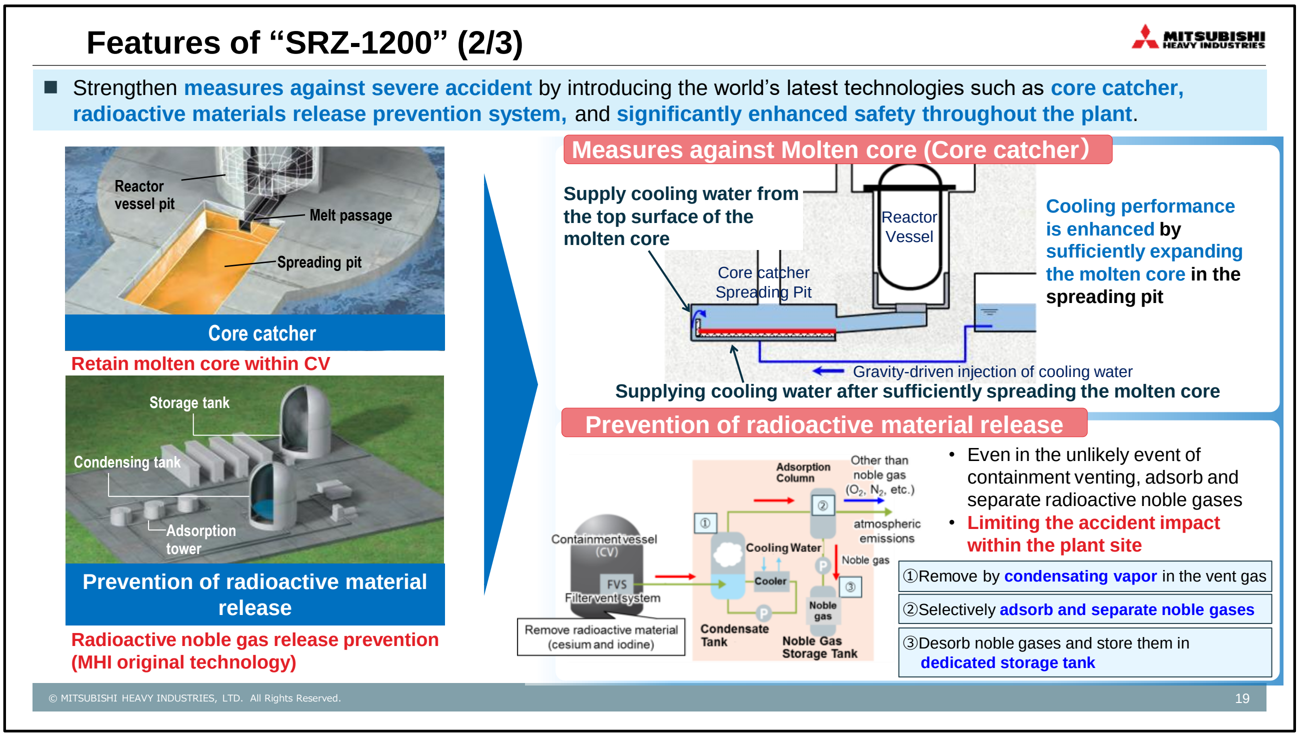
Enhanced flexible operation capability (frequency control, load following)

Hydrogen production

Hydrogen production with carbon-free electricity (electrolysis)

I will summarize the features of SRZ-1200 on this page.

The items indicated in pink are features including improved earthquake resistance by embedding in bedrock and increased containment vessel durability to withstand large aircraft collisions and terrorist attacks. The items in green show coexistence with renewable energy. Indicated in blue are various safety improvement measures. This plant is positioned to be much safer than conventional facilities.



Features of “SRZ-1200” (2/3)

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- Strengthen **measures against severe accident** by introducing the world’s latest technologies such as **core catcher, radioactive materials release prevention system,** and **significantly enhanced safety throughout the plant**.

Core catcher

Retain molten core within CV

Prevention of radioactive material release

Radioactive noble gas release prevention (MHI original technology)

Measures against Molten core (Core catcher）

Supply cooling water from the top surface of the molten core

Cooling performance is enhanced by sufficiently expanding the molten core in the spreading pit

Supplying cooling water after sufficiently spreading the molten core

Prevention of radioactive material release

Remove radioactive material (cesium and iodine)

- Even in the unlikely event of containment venting, adsorb and separate radioactive noble gases
- **Limiting the accident impact within the plant site**

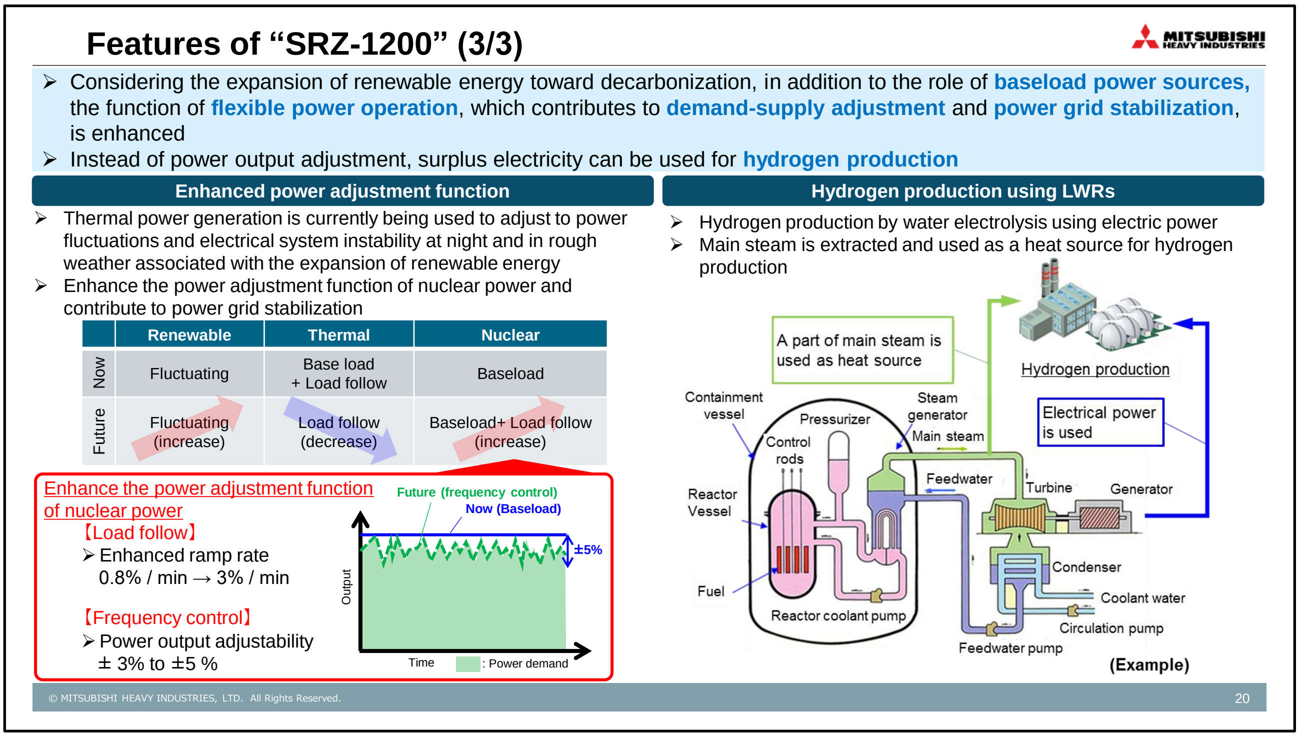
①Remove by **condensating vapor** in the vent gas

②Selectively **adsorb and separate noble gases**

③Desorb noble gases and store them in **dedicated storage tank**

One distinctive system among the various safety improvement measures is the core catcher.
This kinds of system has already been installed at plants in Europe, and for the Japanese market, we plan to introduce core catchers with further enhanced safety features reaching the highest in global standards. The core catcher ensures that molten debris is cooled and retained in the containment vessel.

We will also install an MHI proprietary, world-first radioactive material release prevention system. In the event that filtered containment venting is performed as a last resort to protect the nuclear reactor containment vessel, noble gases such as xenon and krypton, which pass through the filter, will be concentrated with steam and removed in adsorption towers. We are planning for this to be the world's first technology to ensure that radioactive materials are never released outside of a power generation facility. The Japan Nuclear Regulation Authority (NRA) has highly evaluated this technology.



Features of “SRZ-1200” (3/3)

- Considering the expansion of renewable energy toward decarbonization, in addition to the role of **baseload power sources,** the function of **flexible power operation**, which contributes to **demand-supply adjustment** and **power grid stabilization**, is enhanced
- Instead of power output adjustment, surplus electricity can be used for **hydrogen production**

Enhanced power adjustment function

- Thermal power generation is currently being used to adjust to power fluctuations and electrical system instability at night and in rough weather associated with the expansion of renewable energy
- Enhance the power adjustment function of nuclear power and contribute to power grid stabilization

	Renewable	Thermal	Nuclear
Now	Fluctuating	Base load + Load follow	Baseload
Future	Fluctuating (increase)	Load follow (decrease)	Baseload+ Load follow (increase)

Enhance the power adjustment function of nuclear power

【Load follow】
- Enhanced ramp rate
  0.8% / min → 3% / min

【Frequency control】
- Power output adjustability
  ± 3% to ±5 %

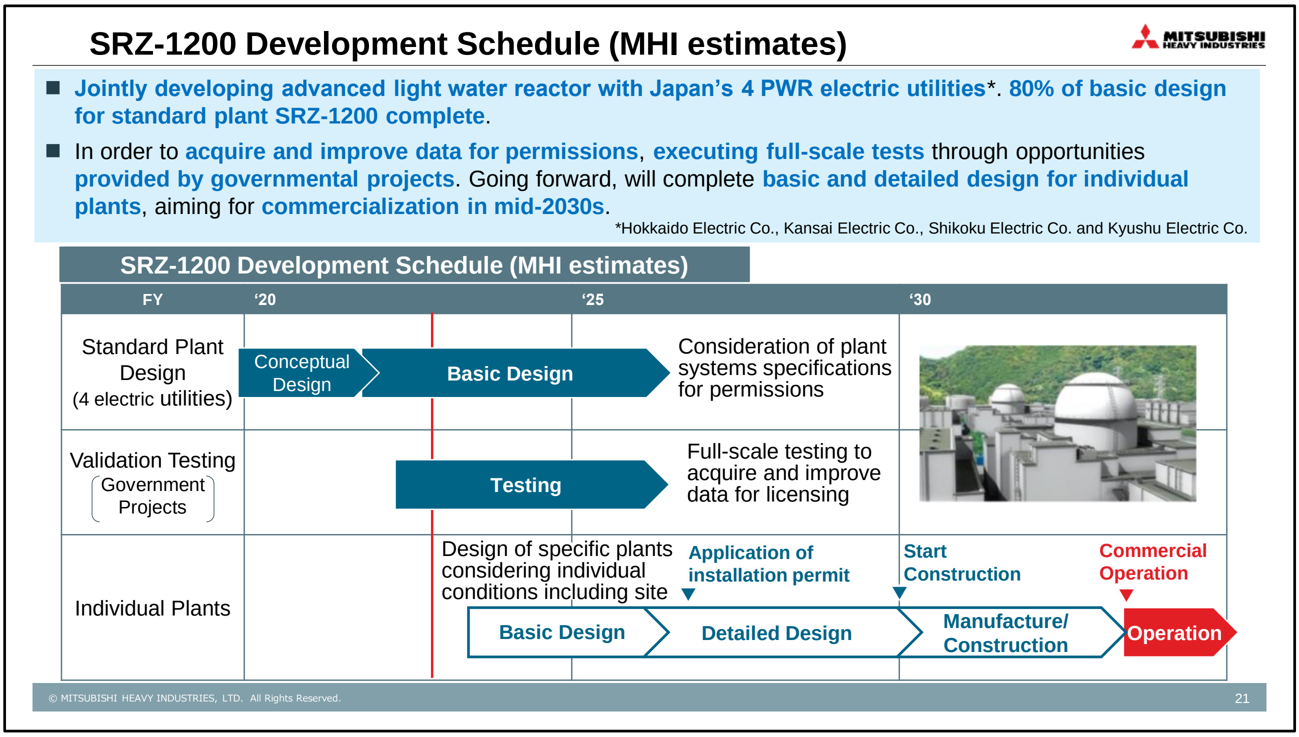
Hydrogen production using LWRs

- Hydrogen production by water electrolysis using electric power
- Main steam is extracted and used as a heat source for hydrogen production

On this page, I will talk about features enabling coexistence with renewable energy.

We believe that renewable energy will become more and more prevalent in the future. Contrastingly, thermal power will gradually decrease, because it emits CO2. Up until now, thermal power has been used as an adjusting power source to compensate for fluctuations in output from renewable energy, a variable power source. If thermal power decreases, nuclear power will need to be able to adjust output as well. Therefore, we plan to improve output adjustment functionality.

Also, it is also possible to produce hydrogen utilizing surplus electricity.



SRZ-1200 Development Schedule (MHI estimates)

- **Jointly developing advanced light water reactor with Japan's 4 PWR electric utilities***. **80% of basic design for standard plant SRZ-1200 complete**.
- In order to **acquire and improve data for permissions**, **executing full-scale tests** through opportunities **provided by governmental projects**. Going forward, will complete **basic and detailed design for individual plants**, aiming for **commercialization in mid-2030s**.

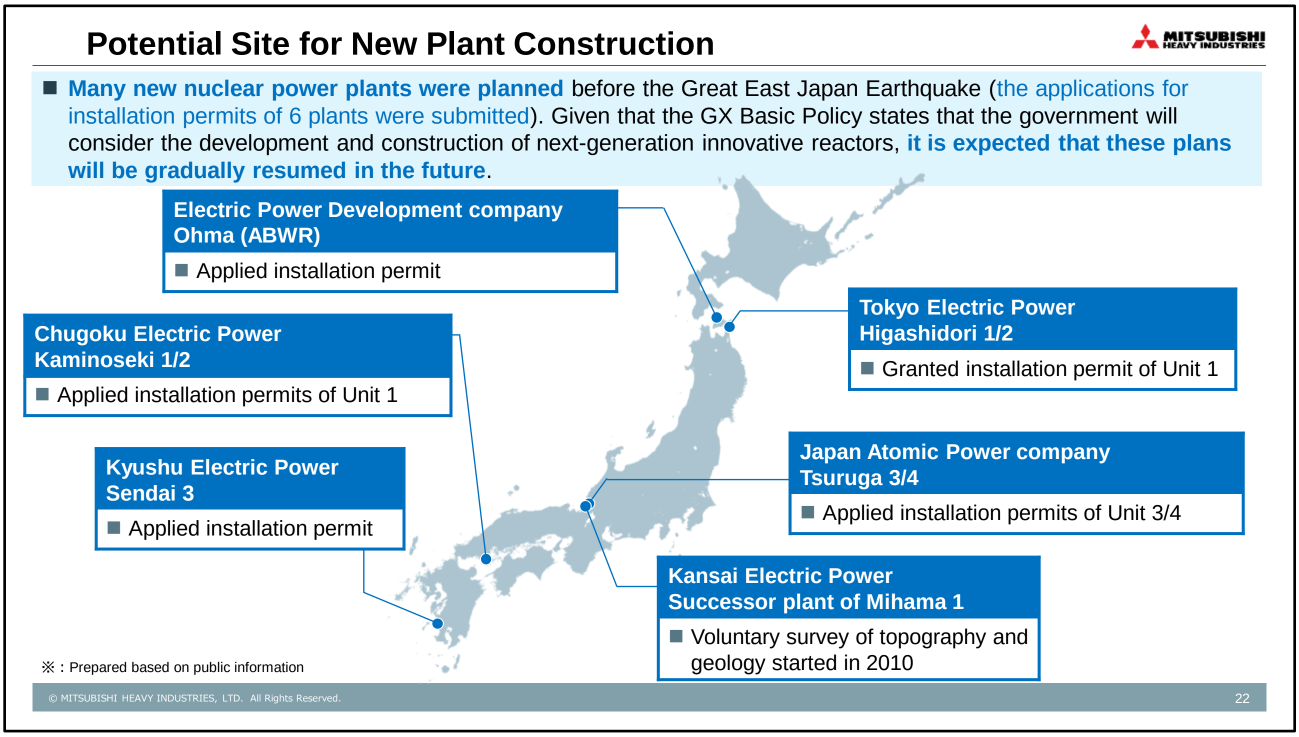
*Hokkaido Electric Co., Kansai Electric Co., Shikoku Electric Co. and Kyushu Electric Co.

SRZ-1200 Development Schedule (MHI estimates)

FY	'20	'25	'30
Standard Plant Design (4 electric utilities)	Conceptual Design → Basic Design	Basic Design → Consideration of plant systems specifications for permissions	
Validation Testing (Government Projects)	Testing	Testing → Full-scale testing to acquire and improve data for licensing	
Individual Plants		Design of specific plants considering individual conditions including site Basic Design → Detailed Design ▼ Application of installation permit	▼ Start Construction Manufacture/ Construction ▼ Commercial Operation Operation

On this page, I will speak about the SRZ-1200 development schedule.

We are jointly developing the conceptual design for a standard plant with the four PWR electric utilities, which is around 80-85% percent complete. Data acquisition and validation testing are underway as a Japanese government-led project in order to improve the chances of obtaining permissions.
After this, we plan to design individual plants, which will depend on geography and other factors. With these considerations in mind, our schedule is to apply for construction permits in the late 2020s, start construction in the 2030s, and begin operation in the mid-2030s.



Potential Site for New Plant Construction

- **Many new nuclear power plants were planned** before the Great East Japan Earthquake (the applications for installation permits of 6 plants were submitted). Given that the GX Basic Policy states that the government will consider the development and construction of next-generation innovative reactors, **it is expected that these plans will be gradually resumed in the future**.

Electric Power Development company Ohma (ABWR)
- Applied installation permit

Chugoku Electric Power Kaminoseki 1/2
- Applied installation permits of Unit 1

Kyushu Electric Power Sendai 3
- Applied installation permit

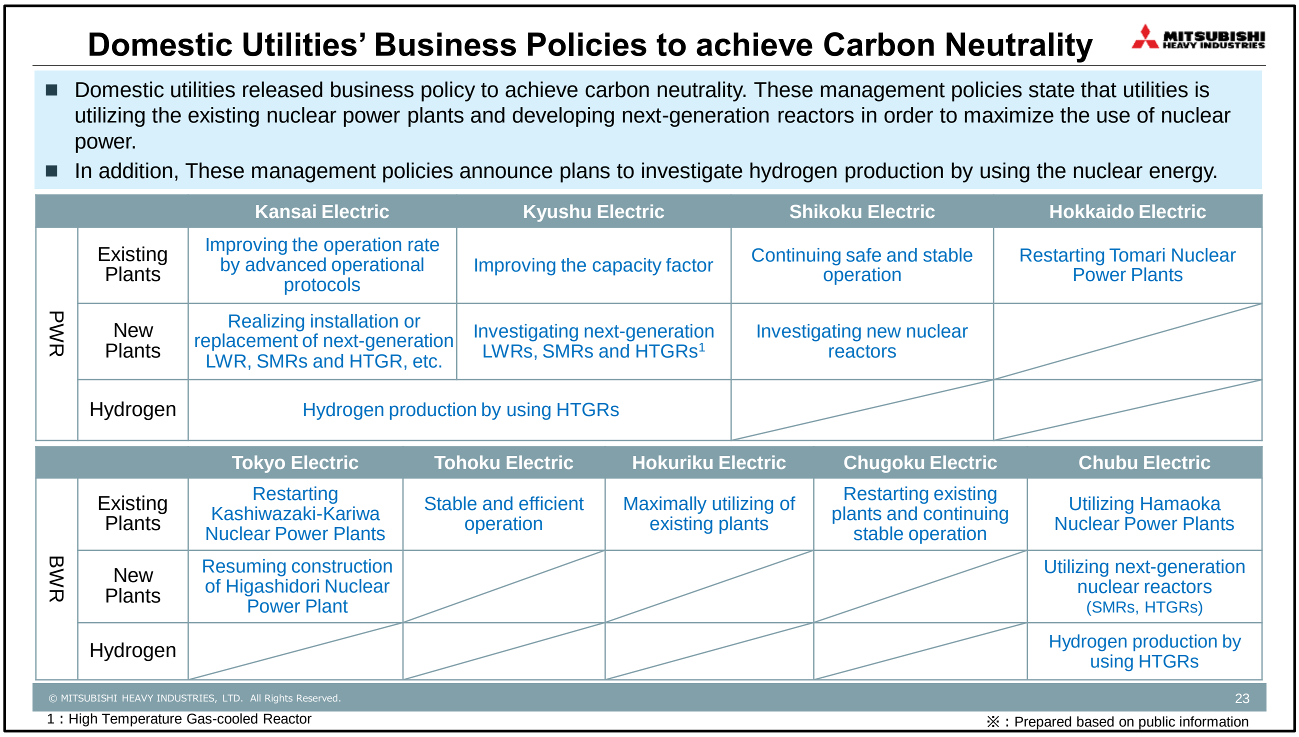
Tokyo Electric Power Higashidori 1/2
- Granted installation permit of Unit 1

Japan Atomic Power company Tsuruga 3/4
- Applied installation permits of Unit 3/4

Kansai Electric Power Successor plant of Mihama 1
- Voluntary survey of topography and geology started in 2010

※ : Prepared based on public information

This page outlines new plant installations that are currently expected in Japan.
There have been quite a few newspaper reports about the successor plants to JAPC’s Tsuruga Units 3 and 4 and KEPCO’s Mihama Nuclear Power Plant Unit 1, but there has been no official announcement from the power companies.



Domestic Utilities’ Business Policies to achieve Carbon Neutrality

- Domestic utilities released business policy to achieve carbon neutrality. These management policies state that utilities is utilizing the existing nuclear power plants and developing next-generation reactors in order to maximize the use of nuclear power.
- In addition, These management policies announce plans to investigate hydrogen production by using the nuclear energy.

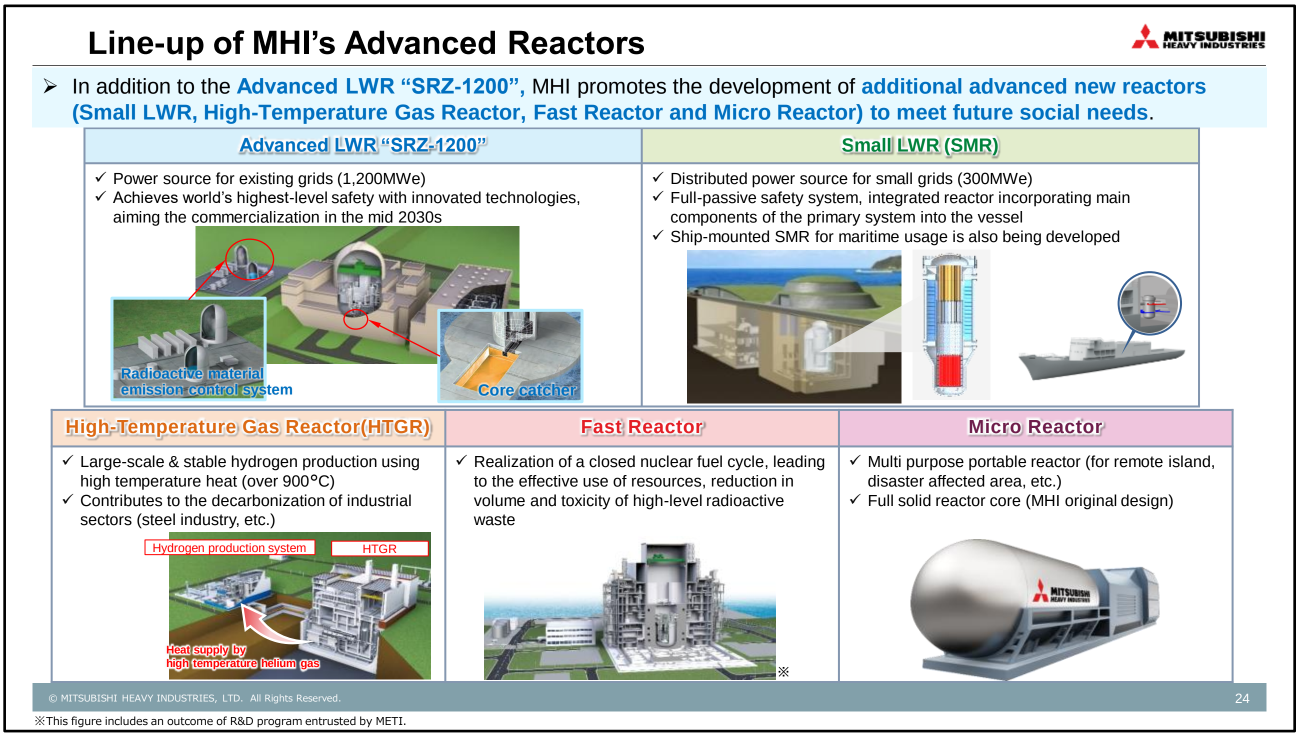
		Kansai Electric	Kyushu Electric	Shikoku Electric	Hokkaido Electric
PWR	Existing Plants	Improving the operation rate by advanced operational protocols	Improving the capacity factor	Continuing safe and stable operation	Restarting Tomari Nuclear Power Plants
	New Plants	Realizing installation or replacement of next-generation LWR, SMRs and HTGR, etc.	Investigating next-generation LWRs, SMRs and HTGRs[1]	Investigating new nuclear reactors	
	Hydrogen	Hydrogen production by using HTGRs			

		Tokyo Electric	Tohoku Electric	Hokuriku Electric	Chugoku Electric	Chubu Electric
BWR	Existing Plants	Restarting Kashiwazaki-Kariwa Nuclear Power Plants	Stable and efficient operation	Maximally utilizing of existing plants	Restarting existing plants and continuing stable operation	Utilizing Hamaoka Nuclear Power Plants
	New Plants	Resuming construction of Higashidori Nuclear Power Plant				Utilizing next-generation nuclear reactors (SMRs, HTGRs)
	Hydrogen					Hydrogen production by using HTGRs

1：High Temperature Gas-cooled Reactor

※：Prepared based on public information

Although there have not been any official announcements regarding new builds, we have compiled each of the power companies’ Carbon Neutrality efforts on this page.
In particular, for new plant construction, KEPCO and Kyushu Electric Power Co., Inc. indicate plans to utilize next-generation reactors, assuming MHI’s SRZ-1200 technology.
Particularly notable is Chubu Electric Power Co., Inc., and KEPCO’s consideration of developing high-temperature gas-cooled reactors.
We intend to continue working with the electric power companies to consider new reactor construction.



Line-up of MHI's Advanced Reactors

- In addition to the **Advanced LWR "SRZ-1200",** MHI promotes the development of **additional advanced new reactors (Small LWR, High-Temperature Gas Reactor, Fast Reactor and Micro Reactor) to meet future social needs**.

Advanced LWR "SRZ-1200"

- ✓ Power source for existing grids (1,200MWe)
- ✓ Achieves world's highest-level safety with innovated technologies, aiming the commercialization in the mid 2030s

Small LWR (SMR)

- ✓ Distributed power source for small grids (300MWe)
- ✓ Full-passive safety system, integrated reactor incorporating main components of the primary system into the vessel
- ✓ Ship-mounted SMR for maritime usage is also being developed

High-Temperature Gas Reactor(HTGR)

- ✓ Large-scale & stable hydrogen production using high temperature heat (over 900°C)
- ✓ Contributes to the decarbonization of industrial sectors (steel industry, etc.)

Fast Reactor

- ✓ Realization of a closed nuclear fuel cycle, leading to the effective use of resources, reduction in volume and toxicity of high-level radioactive waste

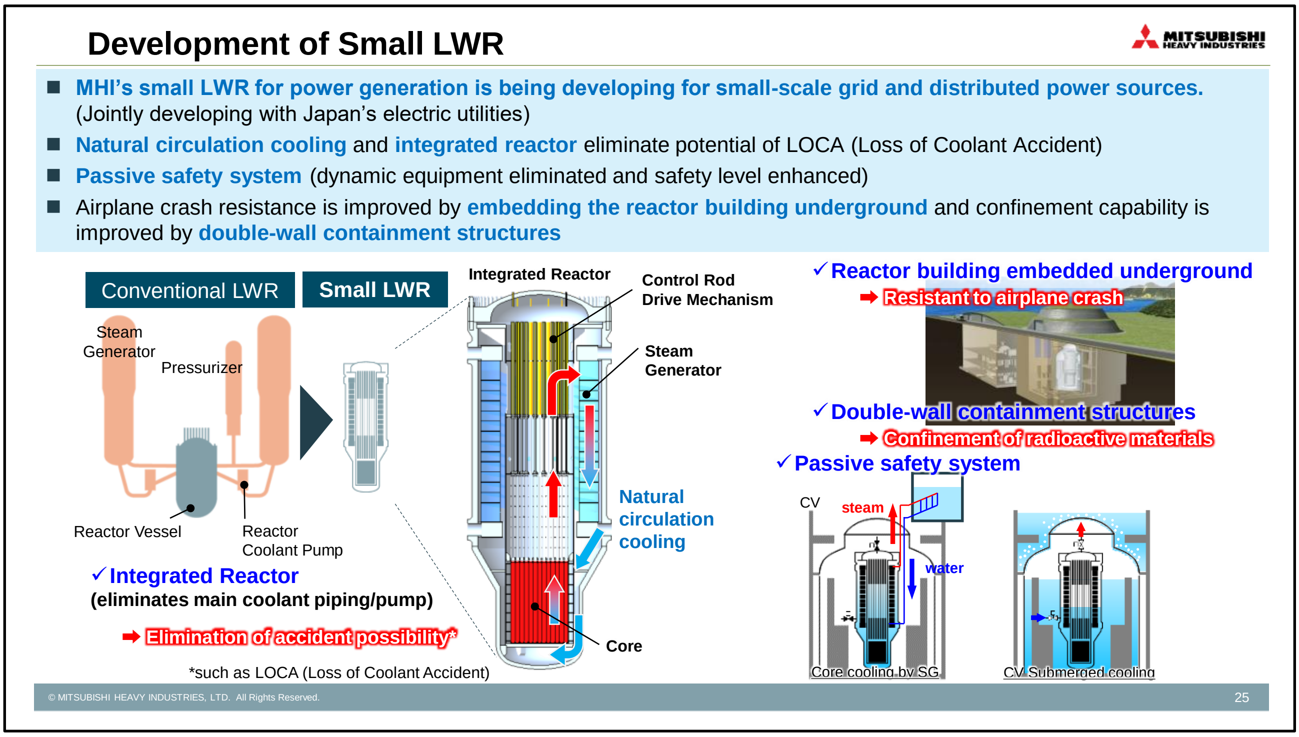
※

Micro Reactor

- ✓ Multi purpose portable reactor (for remote island, disaster affected area, etc.)
- ✓ Full solid reactor core (MHI original design)

※This figure includes an outcome of R&D program entrusted by METI.

Over the next few pages, I would like to introduce innovative reactors other than SRZ-1200 that we are working on, such as SMRs, high-temperature gas-cooled reactors, fast reactors, and micro reactors.



Development of Small LWR

- **MHI's small LWR for power generation is being developing for small-scale grid and distributed power sources.** (Jointly developing with Japan's electric utilities)
- **Natural circulation cooling** and **integrated reactor** eliminate potential of LOCA (Loss of Coolant Accident)
- **Passive safety system** (dynamic equipment eliminated and safety level enhanced)
- Airplane crash resistance is improved by **embedding the reactor building underground** and confinement capability is improved by **double-wall containment structures**

✓ **Integrated Reactor**
(eliminates main coolant piping/pump)

➡ **Elimination of accident possibility***

*such as LOCA (Loss of Coolant Accident)

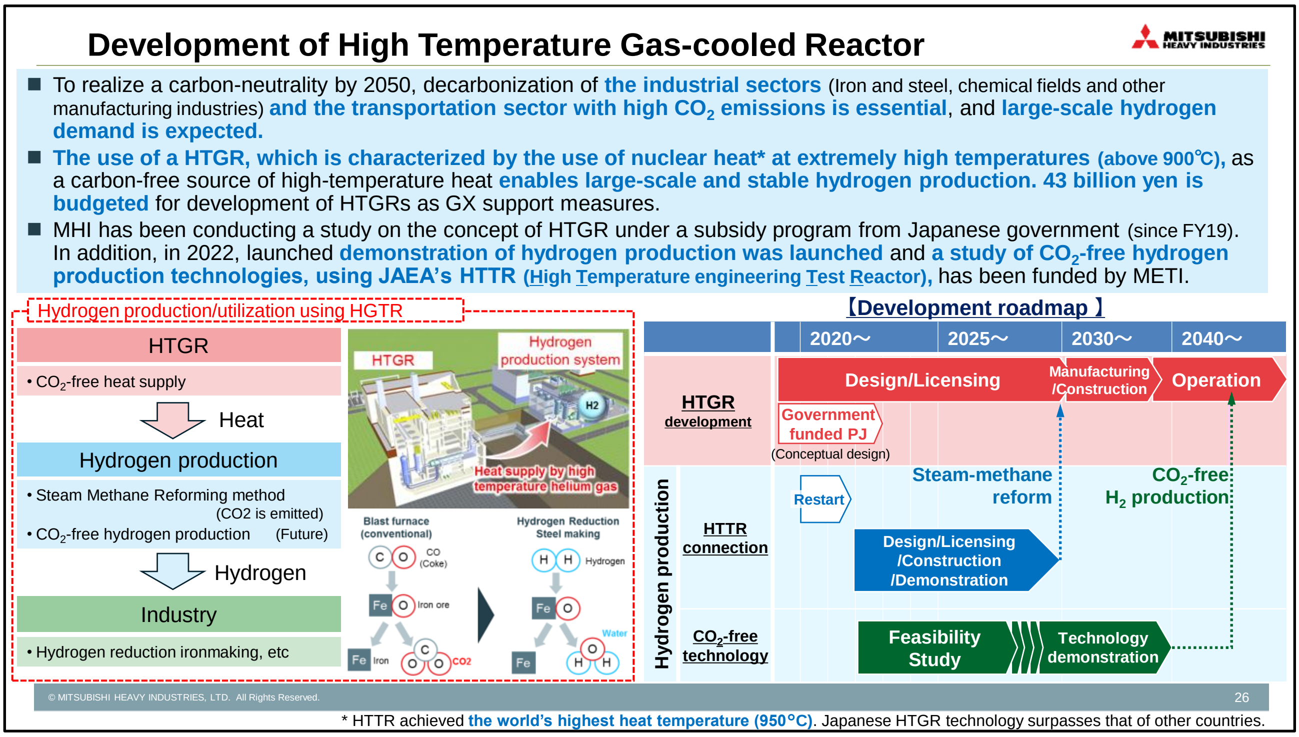
✓ **Reactor building embedded underground**
➡ **Resistant to airplane crash**

✓ **Double-wall containment structures**
➡ **Confinement of radioactive materials**

✓ **Passive safety system**

First is the small LWR, or small modular reactor (SMR).

SMRs are the subject of conversation around the world as a distributed power source, but they inevitably have the drawback of large generation losses.
MHI's SMR design integrates the steam generator into the reactor vessel, eliminating the need for piping. In principle, this eliminates the need to consider loss-of-coolant accidents and simplifies the safety systems.
Some power companies have highly evaluated our SMR design and have expressed their desire to utilize this technology in the future, so we are moving forward with research in this area.



Development of High Temperature Gas-cooled Reactor

- To realize a carbon-neutrality by 2050, decarbonization of **the industrial sectors** (Iron and steel, chemical fields and other manufacturing industries) **and the transportation sector with high CO_2 emissions is essential**, and **large-scale hydrogen demand is expected.**
- **The use of a HTGR, which is characterized by the use of nuclear heat* at extremely high temperatures (above 900℃),** as a carbon-free source of high-temperature heat **enables large-scale and stable hydrogen production. 43 billion yen is budgeted** for development of HTGRs as GX support measures.
- MHI has been conducting a study on the concept of HTGR under a subsidy program from Japanese government (since FY19). In addition, in 2022, launched **demonstration of hydrogen production was launched** and **a study of CO_2-free hydrogen production technologies, using JAEA's HTTR (High Temperature engineering Test Reactor),** has been funded by METI.

Hydrogen production/utilization using HGTR

HTGR
- CO_2-free heat supply

Heat

Hydrogen production
- Steam Methane Reforming method (CO2 is emitted)
- CO_2-free hydrogen production (Future)

Hydrogen

Industry
- Hydrogen reduction ironmaking, etc

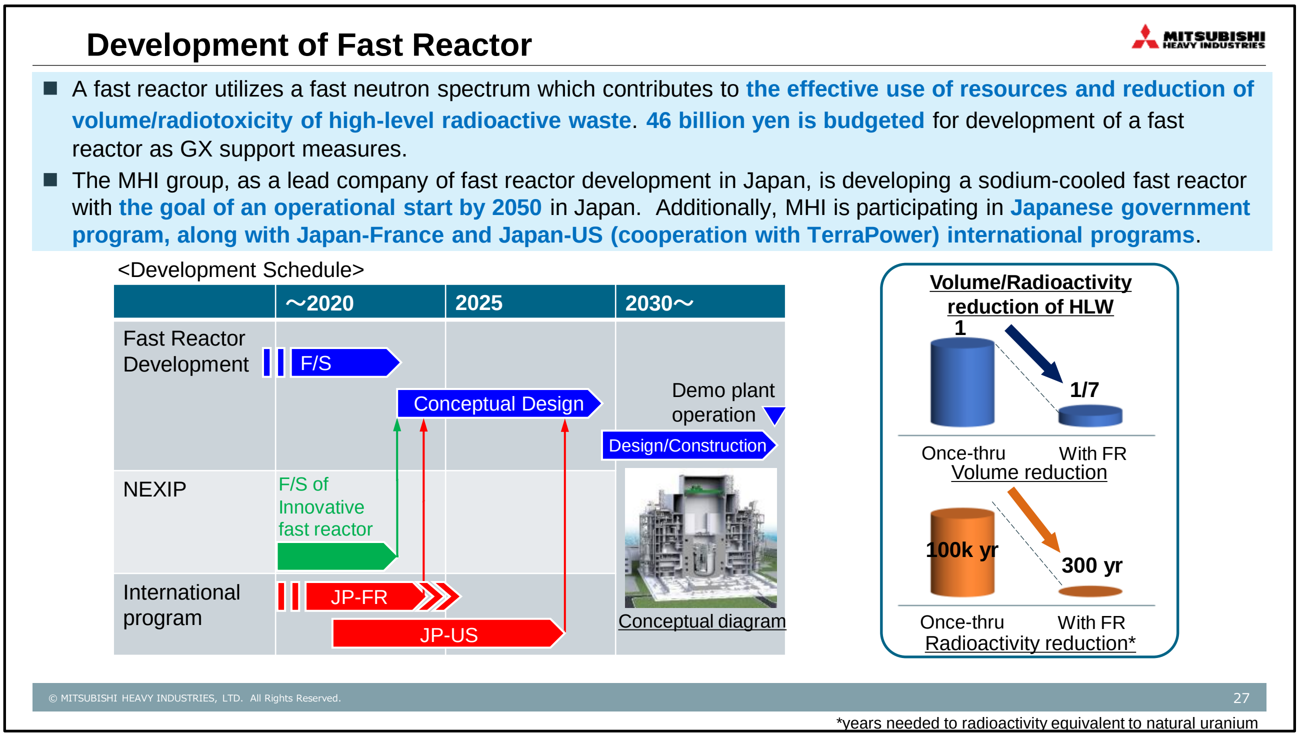
【Development roadmap】

	2020～	2025～	2030～	2040～
HTGR development	Design/Licensing Government funded PJ (Conceptual design)	Design/Licensing	Manufacturing /Construction	Operation
Hydrogen production: HTTR connection	Restart Design/Licensing /Construction /Demonstration	Design/Licensing /Construction /Demonstration Steam-methane reform		
Hydrogen production: CO_2-free technology	Feasibility Study	Technology demonstration	Technology demonstration	CO_2-free H_2 production

* HTTR achieved **the world's highest heat temperature (950°C)**. Japanese HTGR technology surpasses that of other countries.

Next is the high-temperature gas-cooled reactor.

Decarbonization is needed not only in the power generation sector, but also in a variety of industrial sectors. One promising approach is the high-temperature gas-cooled reactor, which can use ultra-high-temperature nuclear heat to stably produce large quantities of hydrogen. The Japanese government has also taken notice of this feature has allocated a budget of ¥43 billion for the next three years.
MHI is currently engaged in a conceptual study of high-temperature gas-cooled reactor technology in a project subsidized by the Japan Ministry of Economy, Trade and Industry. In addition to this, we started a project last year to conduct a validation test of hydrogen production at the High Temperature engineering Test Reactor (HTTR) in Oarai, Ibaraki Prefecture last year. We will utilize the results of these tests to pursue the practical application of high-temperature gas-cooled reactor technology.



Development of Fast Reactor

- A fast reactor utilizes a fast neutron spectrum which contributes to **the effective use of resources and reduction of volume/radiotoxicity of high-level radioactive waste**. **46 billion yen is budgeted** for development of a fast reactor as GX support measures.
- The MHI group, as a lead company of fast reactor development in Japan, is developing a sodium-cooled fast reactor with **the goal of an operational start by 2050** in Japan. Additionally, MHI is participating in **Japanese government program, along with Japan-France and Japan-US (cooperation with TerraPower) international programs**.

<Development Schedule>

	～2020	2025	2030～
Fast Reactor Development	F/S	Conceptual Design	Demo plant operation Design/Construction
NEXIP	F/S of Innovative fast reactor		
International program	JP-FR JP-US		

Conceptual diagram

Volume/Radioactivity reduction of HLW

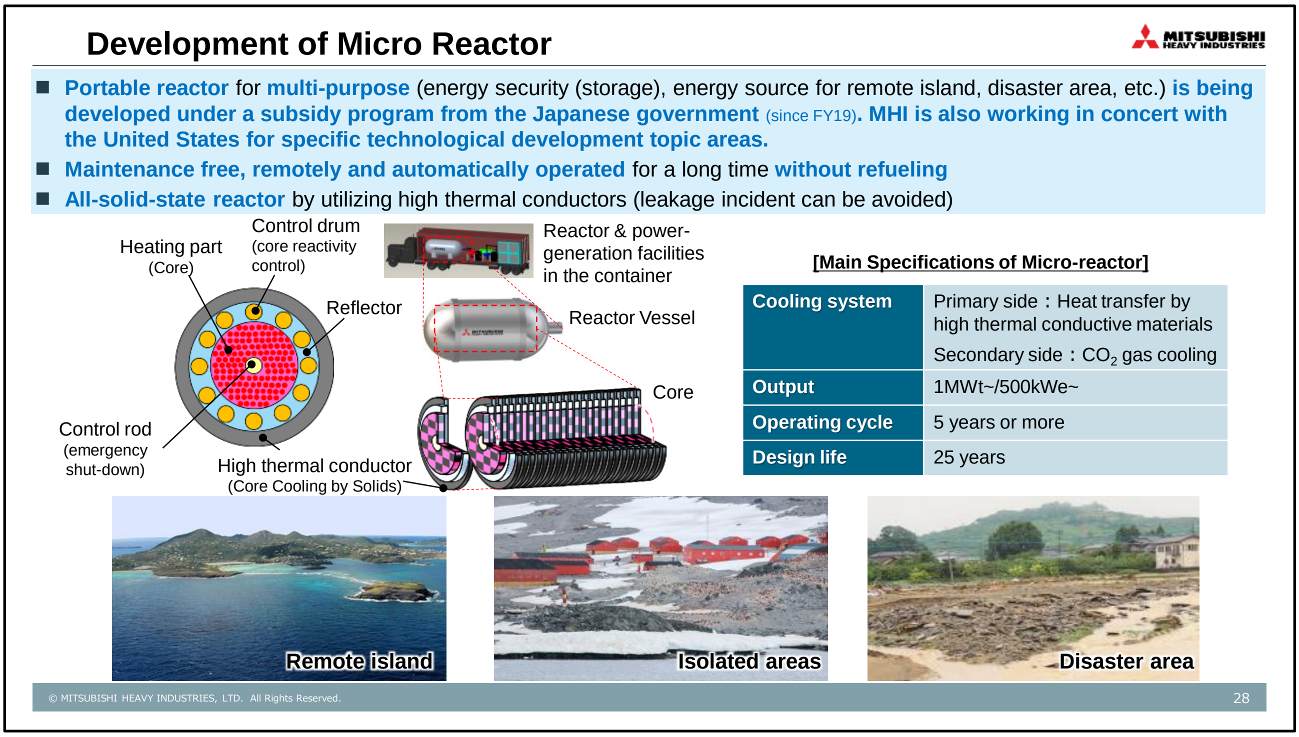
Volume reduction

Radioactivity reduction*

*years needed to radioactivity equivalent to natural uranium

Next is the fast reactor.

The establishment of a nuclear fuel cycle with the addition of fast reactors will enable more efficient use of resources. I believe that fast reactors are extremely important from the perspective of reducing the volume and toxicity of high-level waste. This area has received a budget of ¥46 billion over the next three years.
We had originally been developing this type of reactor as the lead company in Japan. Going forward, we intend to continue development through cooperation with France and the US.



Development of Micro Reactor

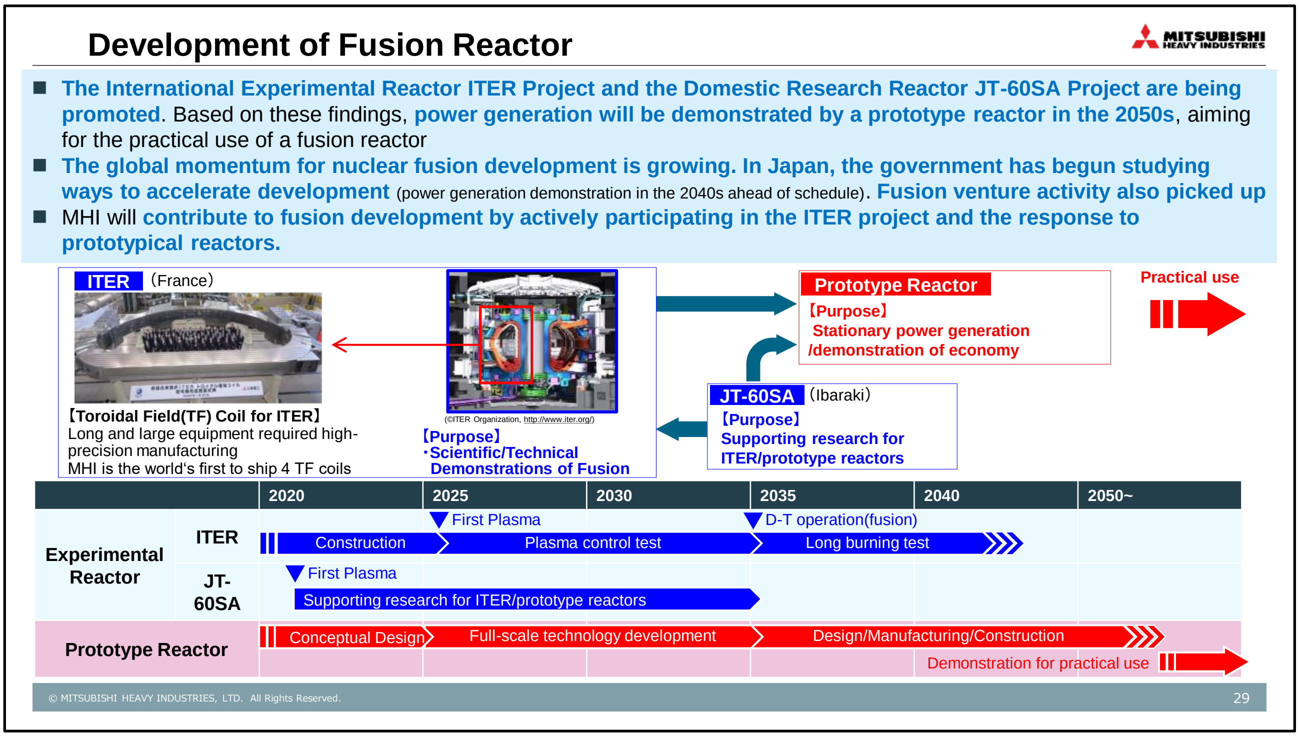
- **Portable reactor** for **multi-purpose** (energy security (storage), energy source for remote island, disaster area, etc.) **is being developed under a subsidy program from the Japanese government** (since FY19). **MHI is also working in concert with the United States for specific technological development topic areas.**
- **Maintenance free, remotely and automatically operated** for a long time **without refueling**
- **All-solid-state reactor** by utilizing high thermal conductors (leakage incident can be avoided)

[Main Specifications of Micro-reactor]

Cooling system	Primary side：Heat transfer by high thermal conductive materials Secondary side：CO_2 gas cooling
Output	1MWt~/500kWe~
Operating cycle	5 years or more
Design life	25 years

The micro reactor is a revolutionary kind of plant that generates electricity through thermal conduction without using gas or liquid coolant. Although the micro reactor is an extremely safe technology, the output will only be around 1,000 to 2,000 kW because of the limitation of thermal conduction.

We are developing the micro reactor as a maintenance-free power source for remote islands, and we believe that it will be suited to disaster-stricken areas and remote locations as well.



Development of Fusion Reactor

- **The International Experimental Reactor ITER Project and the Domestic Research Reactor JT-60SA Project are being promoted**. Based on these findings, **power generation will be demonstrated by a prototype reactor in the 2050s**, aiming for the practical use of a fusion reactor
- **The global momentum for nuclear fusion development is growing. In Japan, the government has begun studying ways to accelerate development** (power generation demonstration in the 2040s ahead of schedule). **Fusion venture activity also picked up**
- MHI will **contribute to fusion development by actively participating in the ITER project and the response to prototypical reactors.**

ITER (France)

【Toroidal Field(TF) Coil for ITER】
Long and large equipment required high-precision manufacturing
MHI is the world's first to ship 4 TF coils

(©ITER Organization, http://www.iter.org/)

【Purpose】
・Scientific/Technical Demonstrations of Fusion

Prototype Reactor
【Purpose】
Stationary power generation /demonstration of economy

Practical use

JT-60SA (Ibaraki)
【Purpose】
Supporting research for ITER/prototype reactors

		2020	2025	2030	2035	2040	2050~
Experimental Reactor	ITER		First Plasma		D-T operation(fusion)		
		Construction	Plasma control test		Long burning test		
	JT-60SA	First Plasma					
		Supporting research for ITER/prototype reactors					
Prototype Reactor		Conceptual Design	Full-scale technology development		Design/Manufacturing/Construction		
						Demonstration for practical use	

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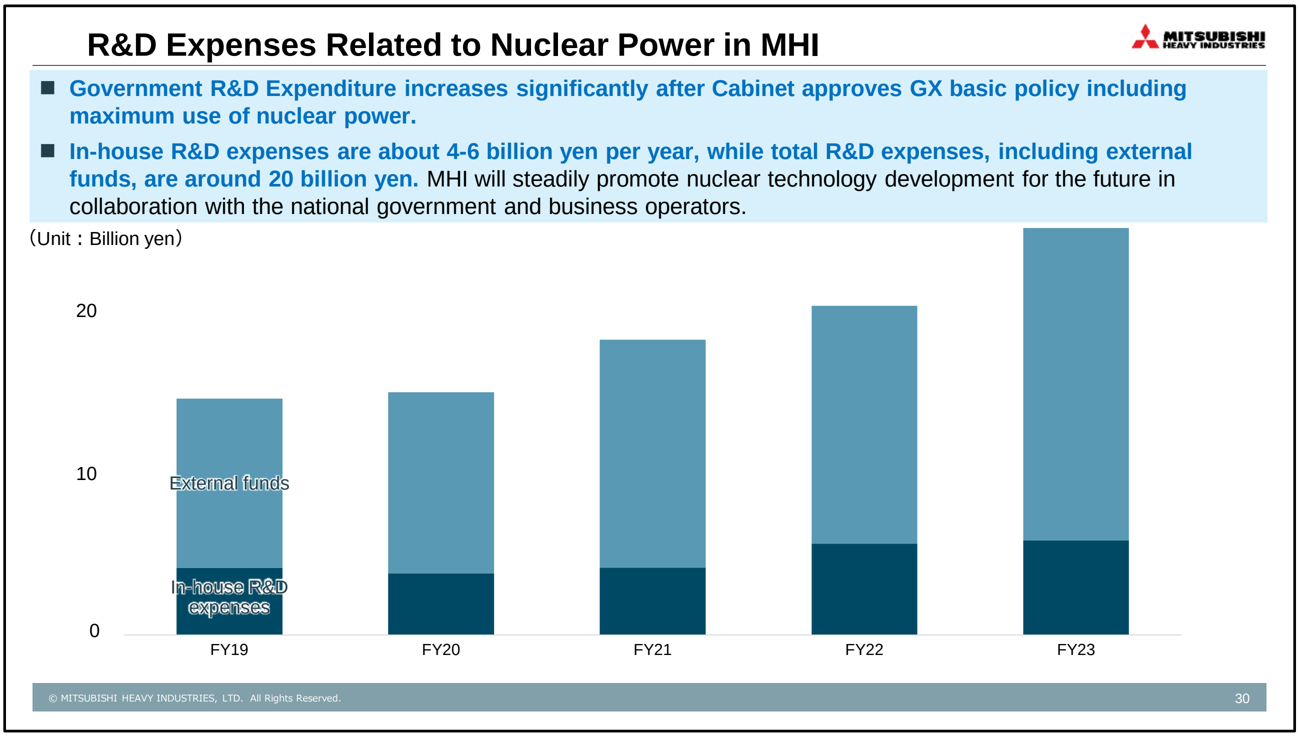
Development of a fusion reactor is extremely difficult from a technological perspective and will take 50 years to validate.
Our first priority is moving forward with the International Thermonuclear Experimental Reactor (ITER) in cooperation with seven countries. After this, we will work on a prototype reactor, which is scheduled to be built in Japan.
Currently, there is a high level of activity among fusion-related start-ups in the US and Japan. We have received offers of collaboration and fabrication requests from some start-ups, and we will respond to them in a flexible manner.

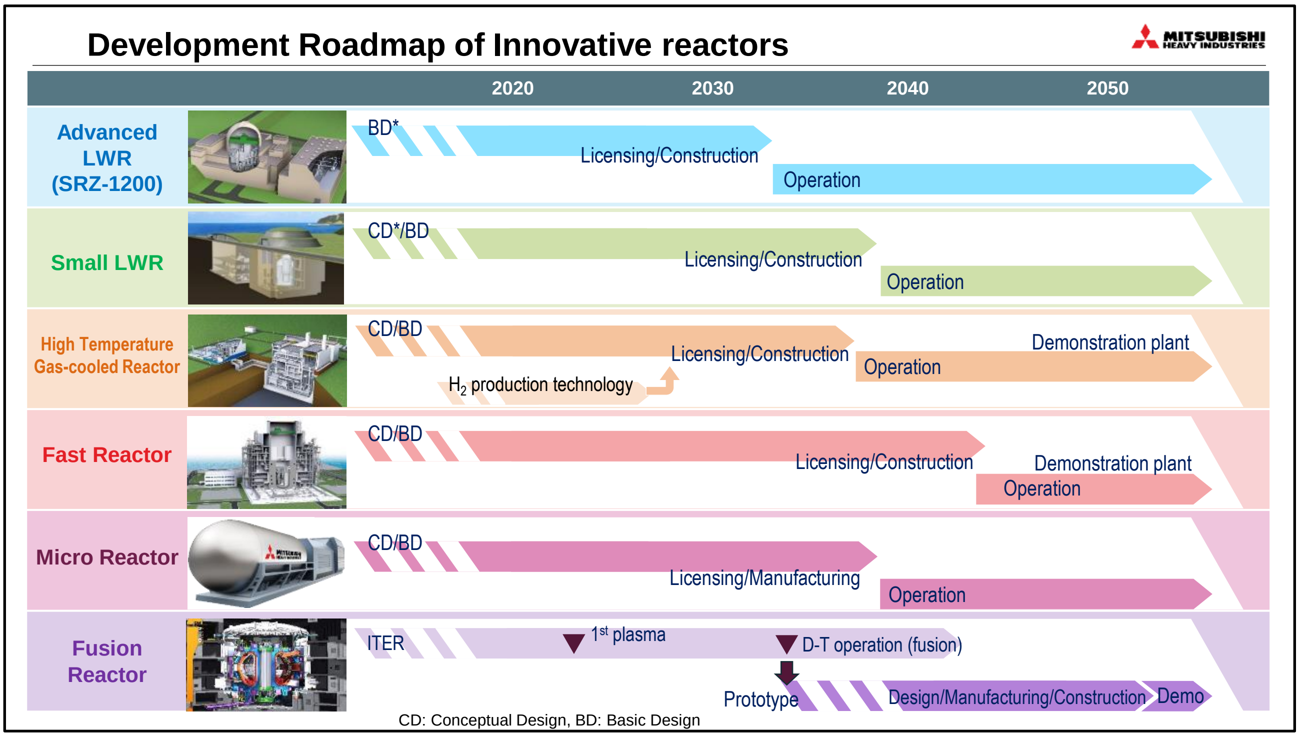


R&D Expenses Related to Nuclear Power in MHI

- **Government R&D Expenditure increases significantly after Cabinet approves GX basic policy including maximum use of nuclear power.**
- **In-house R&D expenses are about 4-6 billion yen per year, while total R&D expenses, including external funds, are around 20 billion yen.** MHI will steadily promote nuclear technology development for the future in collaboration with the national government and business operators.

On this page, I will discuss the benefits of GX.

A very large national budget has been allocated to GX, and research and development expenditures are increasing steadily. The dark blue bars on this graph represent in-house R&D expenses, and the light blue bars represent external funds. We will pursue development efficiently while supplementing resources.



Development Roadmap of Innovative reactors

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2020 2030 2040 2050

Advanced LWR (SRZ-1200)
BD* → Licensing/Construction → Operation

Small LWR
CD*/BD → Licensing/Construction → Operation

High Temperature Gas-cooled Reactor
CD/BD → Licensing/Construction → Operation, Demonstration plant
H_2 production technology

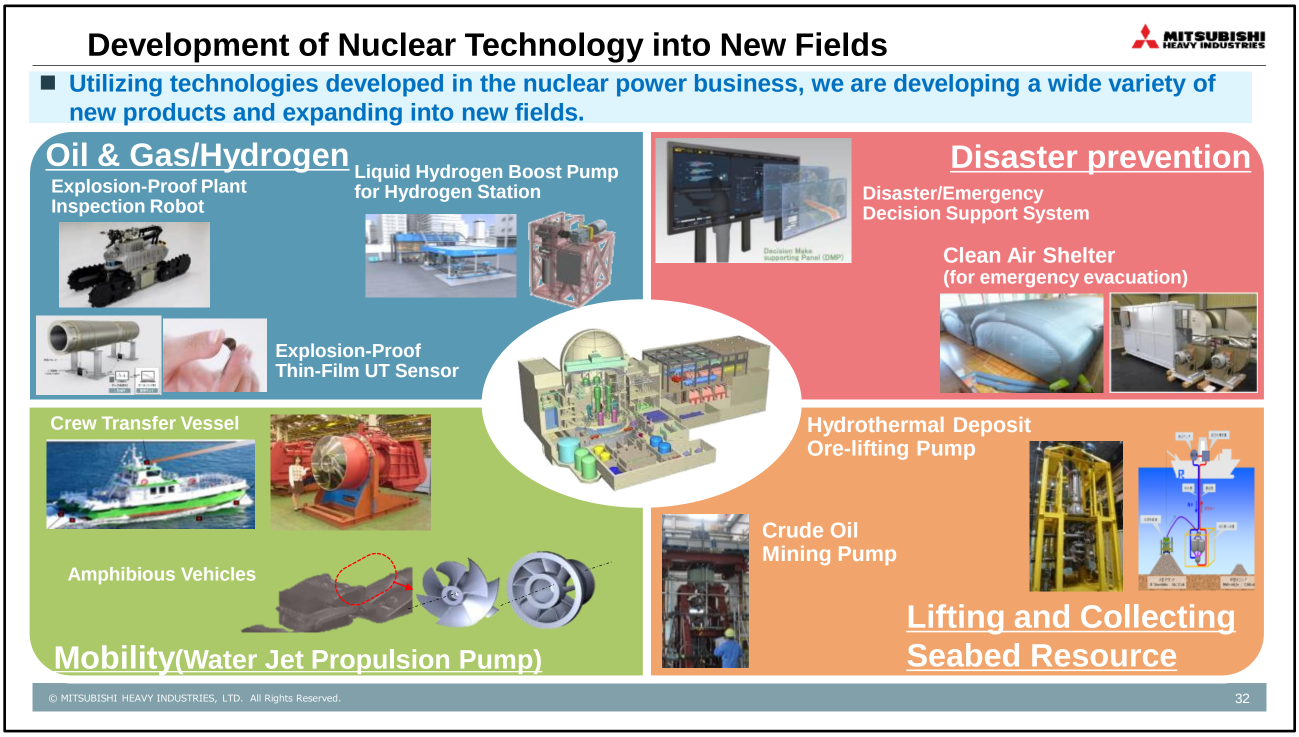
Fast Reactor
CD/BD → Licensing/Construction → Demonstration plant Operation

Micro Reactor
CD/BD → Licensing/Manufacturing → Operation

Fusion Reactor
ITER, 1st plasma, D-T operation (fusion)
Prototype → Design/Manufacturing/Construction → Demo

CD: Conceptual Design, BD: Basic Design

This page shows a roadmap of our innovative reactor and fusion reactor development efforts.
We will commercialize an advanced LWR and continuing development of SMRs and high-temperature gas-cooled reactors while allocating resources effectively.



Development of Nuclear Technology into New Fields

- **Utilizing technologies developed in the nuclear power business, we are developing a wide variety of new products and expanding into new fields.**

Oil & Gas/Hydrogen

Explosion-Proof Plant Inspection Robot

Liquid Hydrogen Boost Pump for Hydrogen Station

Explosion-Proof Thin-Film UT Sensor

Disaster prevention

Disaster/Emergency Decision Support System

Decision Make supporting Panel (DMP)

Clean Air Shelter (for emergency evacuation)

Mobility(Water Jet Propulsion Pump)

Crew Transfer Vessel

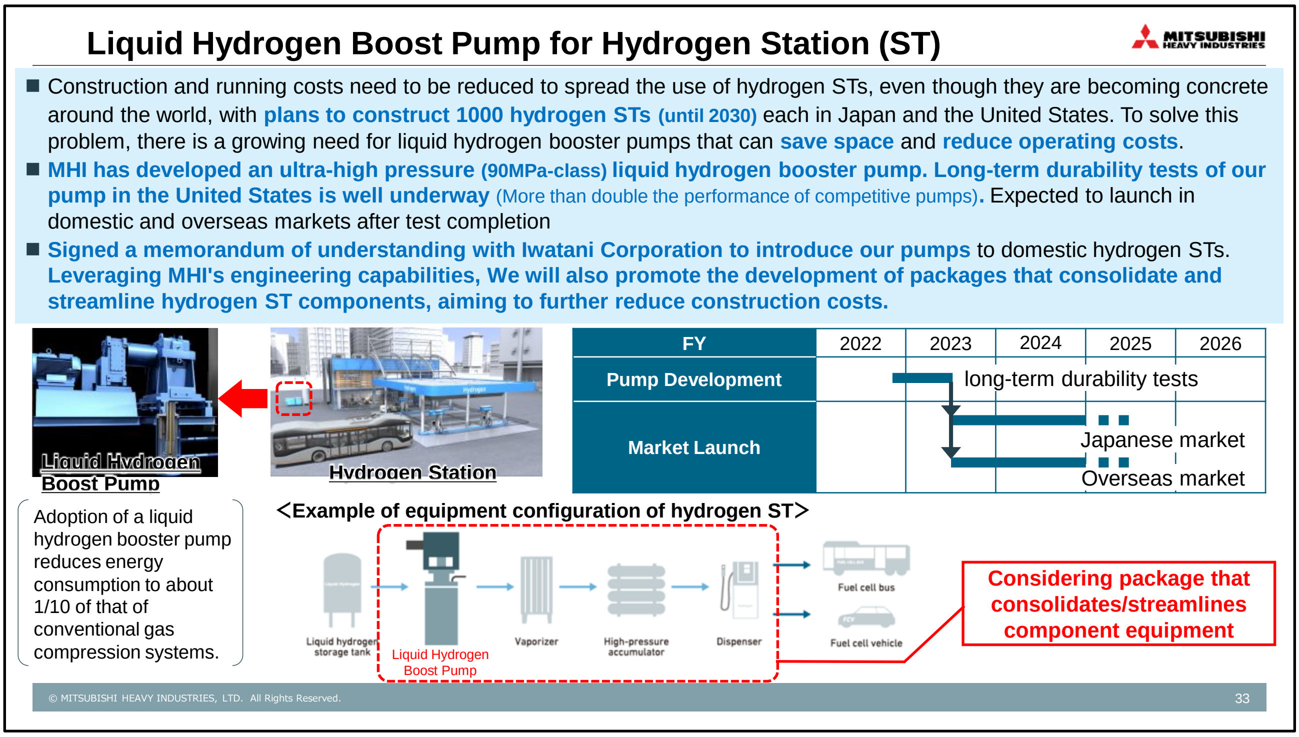
Amphibious Vehicles

Lifting and Collecting Seabed Resource

Hydrothermal Deposit Ore-lifting Pump

Crude Oil Mining Pump

This page departs slightly from the topic of nuclear energy and outlines our proactive application of various technologies developed by our Nuclear Power business to a variety of other fields.



Liquid Hydrogen Boost Pump for Hydrogen Station (ST)

- Construction and running costs need to be reduced to spread the use of hydrogen STs, even though they are becoming concrete around the world, with **plans to construct 1000 hydrogen STs (until 2030)** each in Japan and the United States. To solve this problem, there is a growing need for liquid hydrogen booster pumps that can **save space** and **reduce operating costs**.
- **MHI has developed an ultra-high pressure (90MPa-class) liquid hydrogen booster pump. Long-term durability tests of our pump in the United States is well underway** (More than double the performance of competitive pumps). Expected to launch in domestic and overseas markets after test completion
- **Signed a memorandum of understanding with Iwatani Corporation to introduce our pumps** to domestic hydrogen STs. **Leveraging MHI's engineering capabilities, We will also promote the development of packages that consolidate and streamline hydrogen ST components, aiming to further reduce construction costs.**

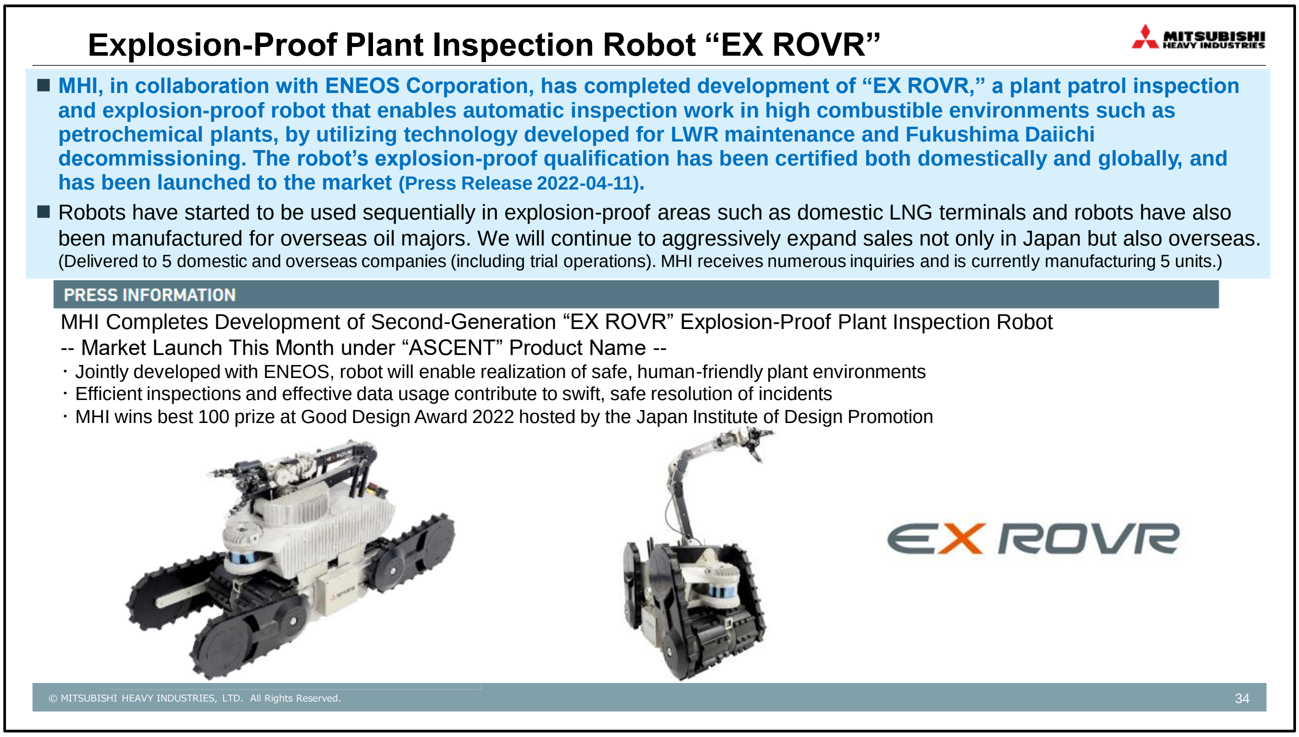
Adoption of a liquid hydrogen booster pump reduces energy consumption to about 1/10 of that of conventional gas compression systems.

FY	2022	2023	2024	2025	2026
Pump Development		long-term durability tests			
Market Launch				Japanese market Overseas market	

＜Example of equipment configuration of hydrogen ST＞

Considering package that consolidates/streamlines component equipment

We are currently developing a liquid hydrogen boost pump for use at hydrogen fueling stations.
Around 1,000 hydrogen fueling stations are planned in Japan, Europe, and the US by 2030, and the hydrogen boost pump is a key piece of equipment for these stations. We have already finished development of the boost pump and are now conducting validation tests in California.
Our boost pump has more than twice the performance of other companies' products, and as such is highly rated and has been attracting attention in the industry. In Japan, we have signed a memorandum of understanding with Iwatani Corporation, and they have agreed to use our booster pumps.
Based on the results of the validation tests, we intend to bring our product to market in the second half of this fiscal year.



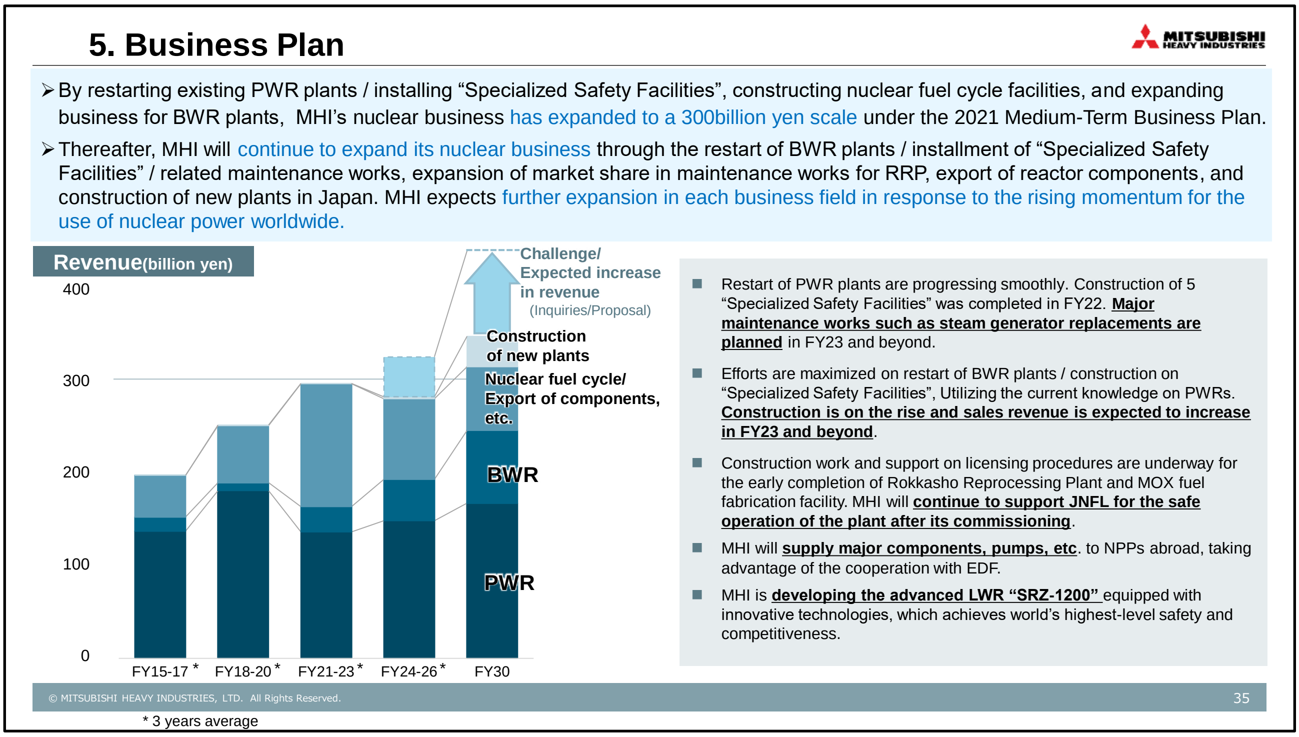
Explosion-Proof Plant Inspection Robot “EX ROVR”

- **MHI, in collaboration with ENEOS Corporation, has completed development of “EX ROVR,” a plant patrol inspection and explosion-proof robot that enables automatic inspection work in high combustible environments such as petrochemical plants, by utilizing technology developed for LWR maintenance and Fukushima Daiichi decommissioning. The robot’s explosion-proof qualification has been certified both domestically and globally, and has been launched to the market (Press Release 2022-04-11).**
- Robots have started to be used sequentially in explosion-proof areas such as domestic LNG terminals and robots have also been manufactured for overseas oil majors. We will continue to aggressively expand sales not only in Japan but also overseas. (Delivered to 5 domestic and overseas companies (including trial operations). MHI receives numerous inquiries and is currently manufacturing 5 units.)

PRESS INFORMATION

MHI Completes Development of Second-Generation “EX ROVR” Explosion-Proof Plant Inspection Robot
-- Market Launch This Month under “ASCENT” Product Name --
・Jointly developed with ENEOS, robot will enable realization of safe, human-friendly plant environments
・Efficient inspections and effective data usage contribute to swift, safe resolution of incidents
・MHI wins best 100 prize at Good Design Award 2022 hosted by the Japan Institute of Design Promotion

Based on the robotics technologies being used in decommissioning work at Fukushima as well in as the after-sales service of nuclear power plants in Japan, we developed the EX ROVR for use in petrochemical plants. This robot can perform automated inspections even in explosive environments. We have launched this product after completing joint development with ENEOS Corporation and passing explosion proof certification tests. We have received a variety of offers to use the EX ROVR, including from domestic LNG terminals and major international oil companies. The strategy is to have customers purchase the product after trial operation. We have received numerous inquiries and believe this is a promising technology for the future.



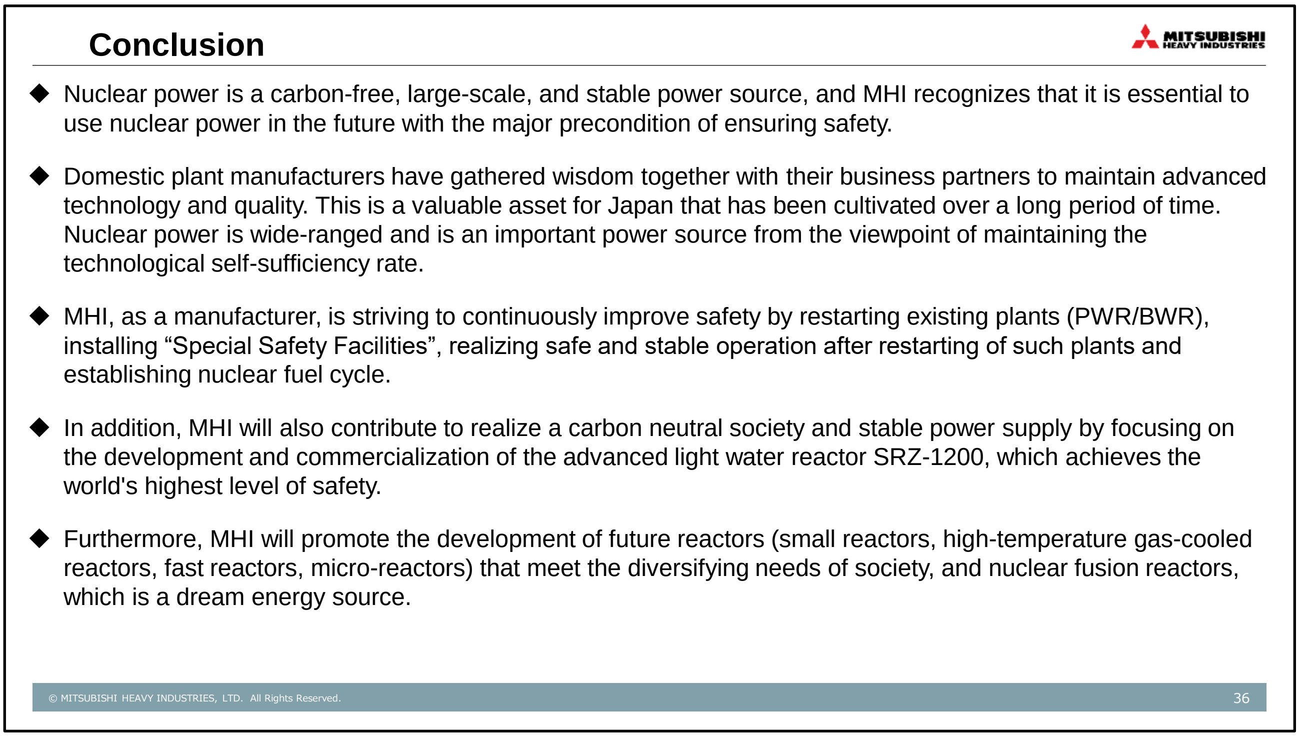
5. Business Plan

- ➢By restarting existing PWR plants / installing “Specialized Safety Facilities”, constructing nuclear fuel cycle facilities, and expanding business for BWR plants, MHI’s nuclear business has expanded to a 300billion yen scale under the 2021 Medium-Term Business Plan.
- ➢Thereafter, MHI will continue to expand its nuclear business through the restart of BWR plants / installment of “Specialized Safety Facilities” / related maintenance works, expansion of market share in maintenance works for RRP, export of reactor components, and construction of new plants in Japan. MHI expects further expansion in each business field in response to the rising momentum for the use of nuclear power worldwide.

* 3 years average

- ■ Restart of PWR plants are progressing smoothly. Construction of 5 “Specialized Safety Facilities” was completed in FY22. **Major maintenance works such as steam generator replacements are planned** in FY23 and beyond.
- ■ Efforts are maximized on restart of BWR plants / construction on “Specialized Safety Facilities”, Utilizing the current knowledge on PWRs. **Construction is on the rise and sales revenue is expected to increase in FY23 and beyond**.
- ■ Construction work and support on licensing procedures are underway for the early completion of Rokkasho Reprocessing Plant and MOX fuel fabrication facility. MHI will **continue to support JNFL for the safe operation of the plant after its commissioning**.
- ■ MHI will **supply major components, pumps, etc**. to NPPs abroad, taking advantage of the cooperation with EDF.
- ■ MHI is **developing the advanced LWR “SRZ-1200”** equipped with innovative technologies, which achieves world’s highest-level safety and competitiveness.

Finally, I will speak about our business plan as a way of summarizing today’s presentation.
Our business has been growing steadily. Going forward, we expect to see expansion of the BWR business, completion of nuclear fuel cycle facility construction, and large-scale robotic debris removal work at Fukushima. Our plan is to expand revenue slowly and continue this forward momentum through to new plant construction in the early 2030s.



Conclusion

- Nuclear power is a carbon-free, large-scale, and stable power source, and MHI recognizes that it is essential to use nuclear power in the future with the major precondition of ensuring safety.
- Domestic plant manufacturers have gathered wisdom together with their business partners to maintain advanced technology and quality. This is a valuable asset for Japan that has been cultivated over a long period of time. Nuclear power is wide-ranged and is an important power source from the viewpoint of maintaining the technological self-sufficiency rate.
- MHI, as a manufacturer, is striving to continuously improve safety by restarting existing plants (PWR/BWR), installing “Special Safety Facilities”, realizing safe and stable operation after restarting of such plants and establishing nuclear fuel cycle.
- In addition, MHI will also contribute to realize a carbon neutral society and stable power supply by focusing on the development and commercialization of the advanced light water reactor SRZ-1200, which achieves the world's highest level of safety.
- Furthermore, MHI will promote the development of future reactors (small reactors, high-temperature gas-cooled reactors, fast reactors, micro-reactors) that meet the diversifying needs of society, and nuclear fusion reactors, which is a dream energy source.

This page shows a summary of what I have discussed so far, so I will omit an explanation.
This is the end of my presentation.

MOVE THE WORLD FORW>RD MITSUBISHI HEAVY INDUSTRIES GROUP

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