

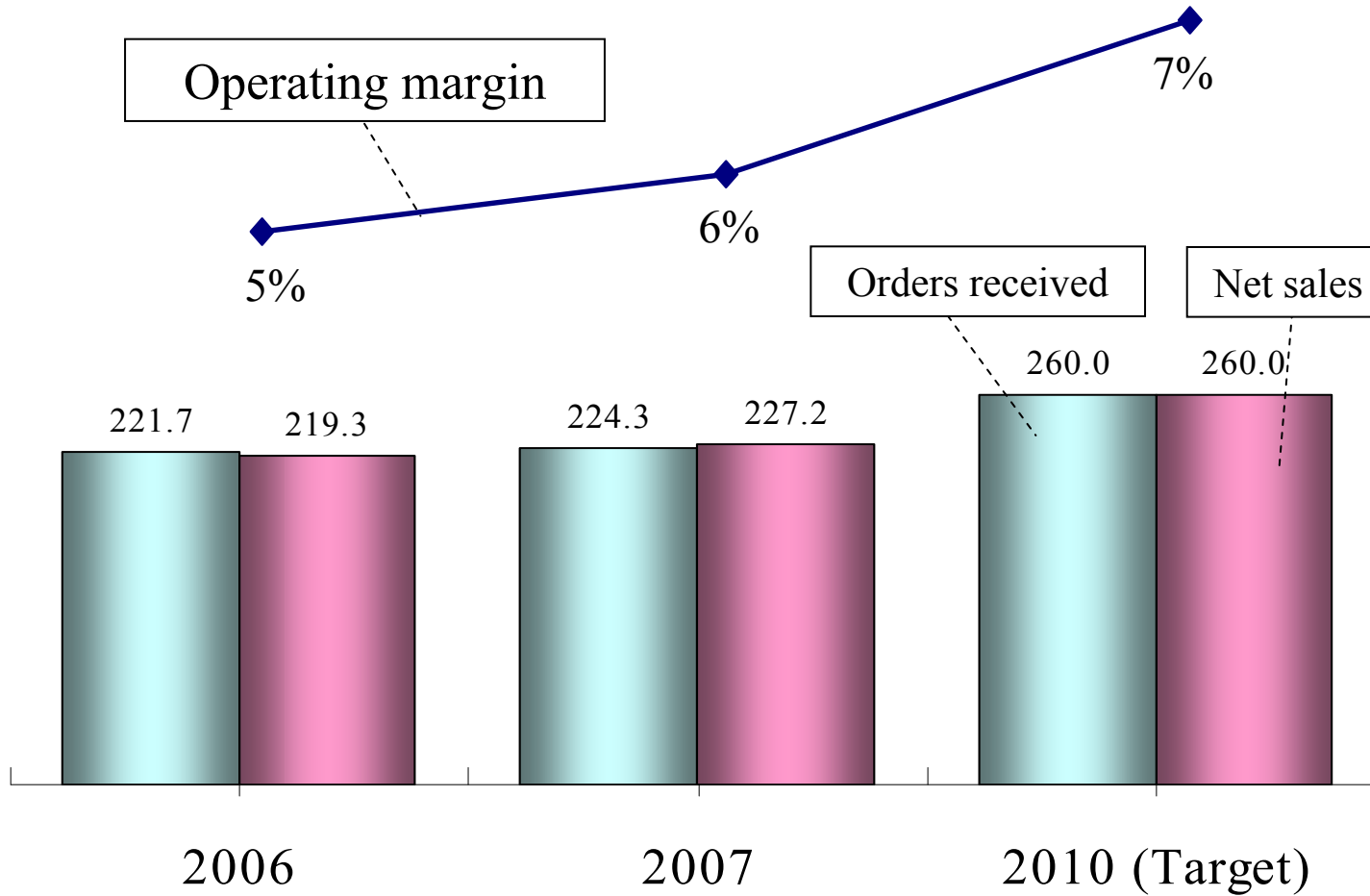
Paper & Printing Machinery Business Operation

June 18, 2008



Fumio Wakisaka
Director, Senior Vice President,
General Manager,
Paper & Printing Machinery Division

2008 Business Plan Targets (Industrial Machinery Operations, Consolidated)



Targets for 2010

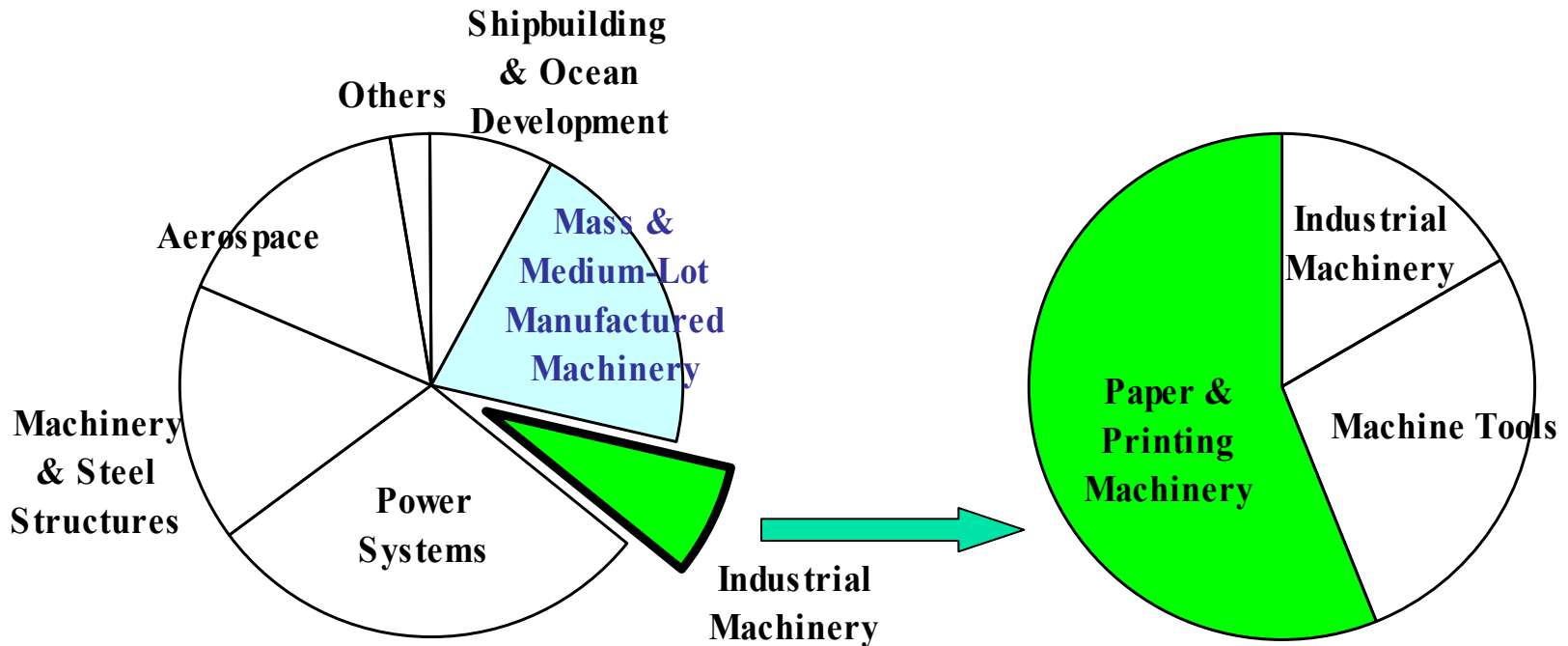
Operating margin:

7%

Business Scale:

¥260 billion

Positioning of the Industrial Machinery Operations Segment



Net sales in 2007
(consolidated)

¥227.2 billion

(Figure for the entire
company: ¥3,203 billion)

Net sales in 2007
(consolidated)

Approx. 60%

(Figure for the Industrial
machinery: ¥227.2 billion)

Paper & Printing Machinery Division - Core Products

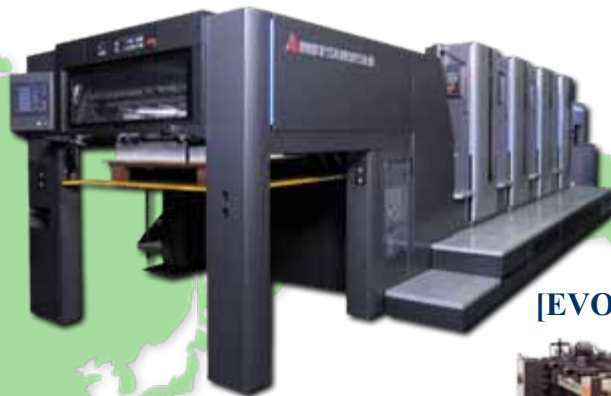
Sheet-fed offset presses

[DIAMOND V3000] Pursuit of the ideal next-generation sheet-fed printing press

Newspaper offset presses



World's fastest 4x2 press (90,000 IPH) [DIAMONDSTAR]
World's fastest 4x1 press (80,000 IPH) [DIAMONDSPIRIT]
Conventional 4x2 press (75,000 IPH) [DIAMONDSPACE]



Paper converting machinery

[EVOL] box-making machine



[Corrugating machinery]



Commercial web offset presses

[LITHOPIA MAX Series]



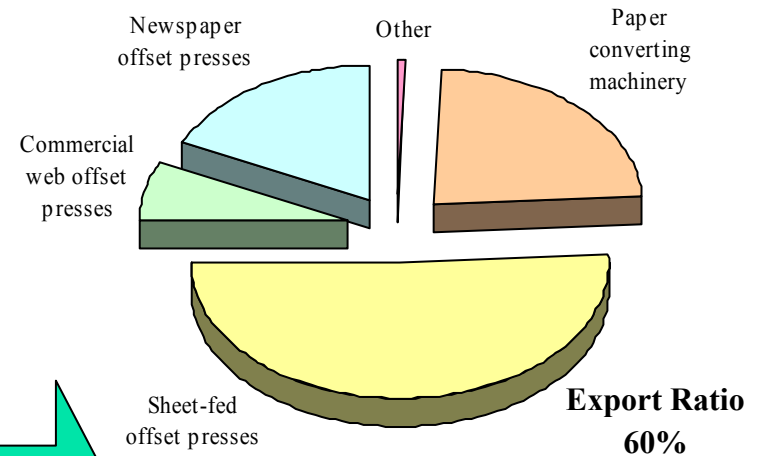
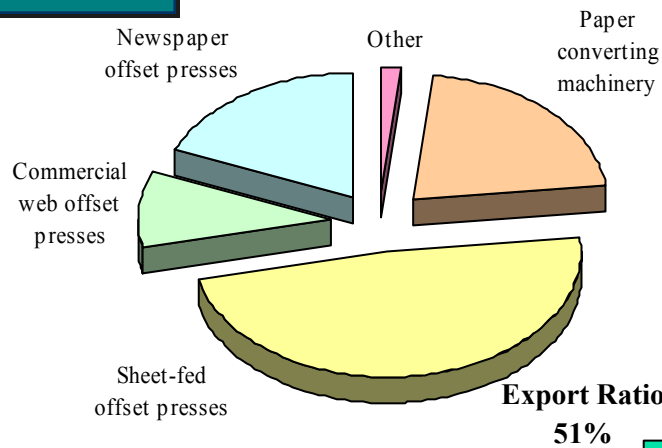
Paper & Printing Machinery Division

- Orders Received and Net Sales by Product

2007

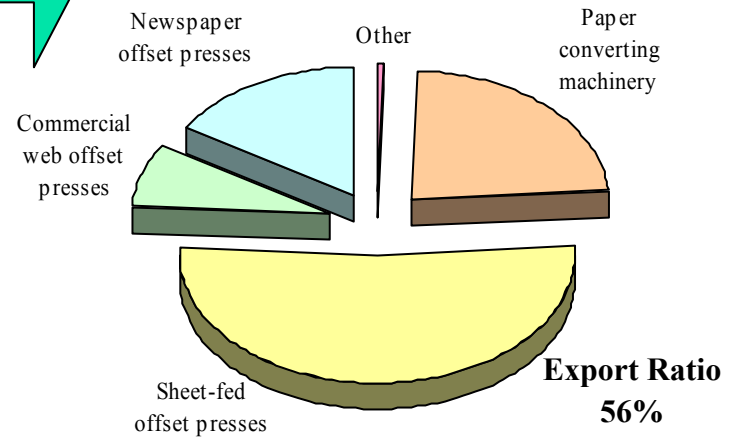
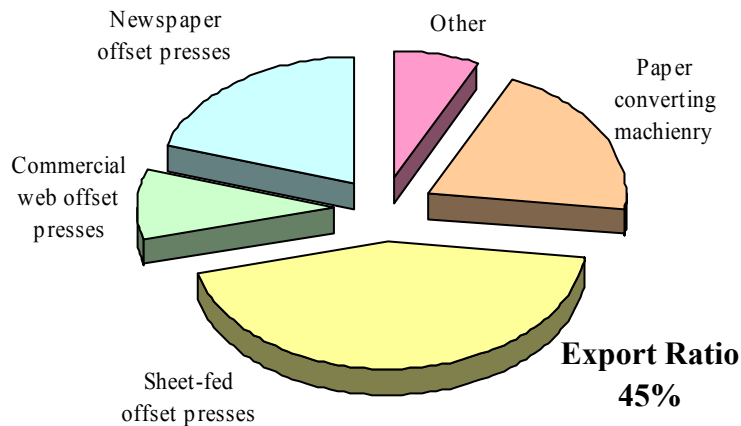
2010 (Target)

Orders received



Scale of Business
1.2 times

Net sales



Basic Policy for the Paper & Printing Machinery Division under the 2008 Business Plan

1. Expansion of Export Business

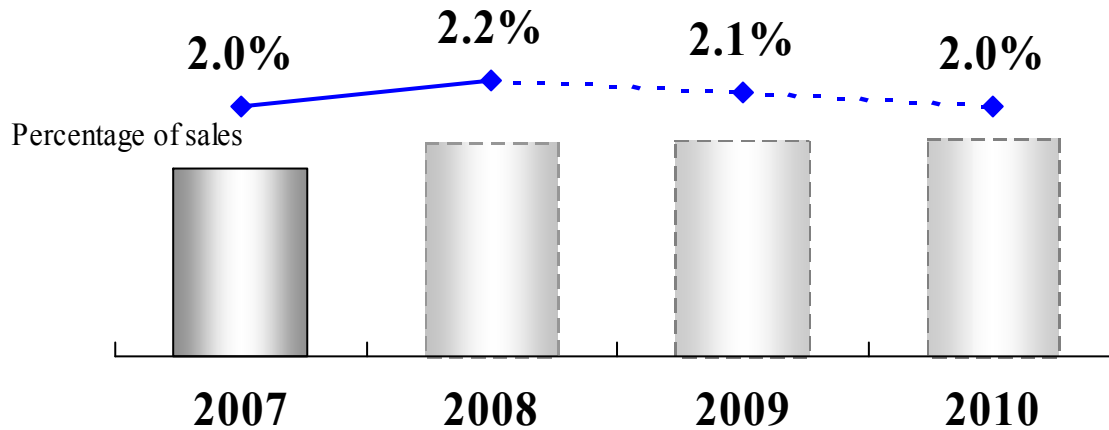
- Achieve an export ratio of 60% by 2010 (consolidated orders)
- Improved share in mature markets and vigorous participation in markets of emerging nations (BRICs, VISTA)
- Launching new products and technologies
(increased efficiency, reduced dependency on expert skills, environmental load reduction)
- Bolster local operations in sales and services
- Development and enhancement of a financial scheme

2. Production Innovation Initiatives

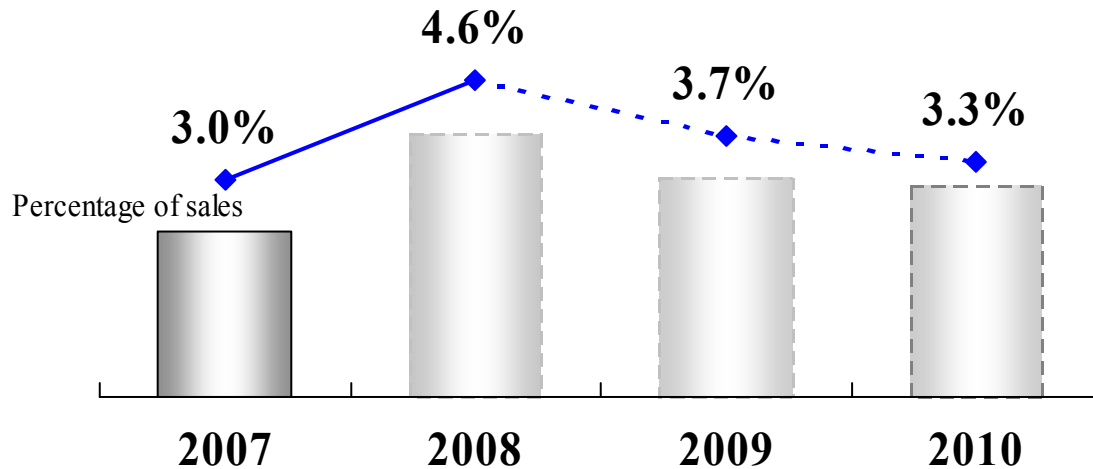
- Module design incorporating universal specifications worldwide, shortened lead times
- Optimization of production processes and production systems, investment in latest equipment

R&D, Investment Plan

R&D



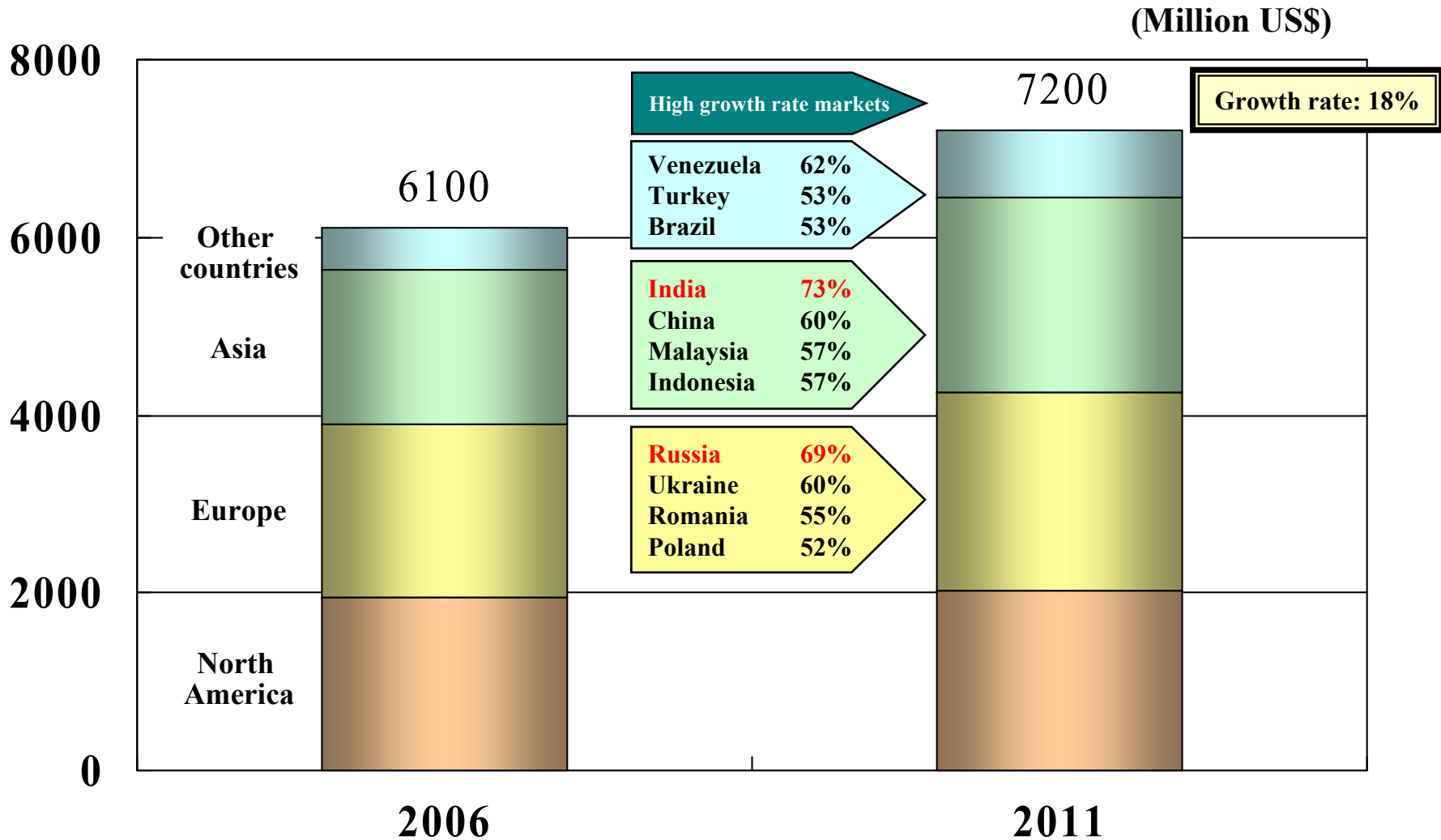
Investment (Accrual Base)



[Non-consolidated figures]

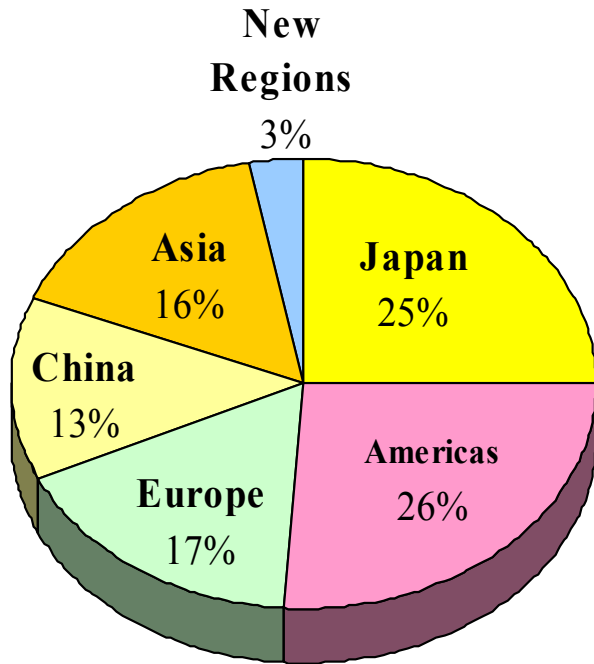
- Explore model development and performance advances to further strengthen the market supremacy of new products.
- Develop environment-aware printers
- Develop next generation printing technologies, including in neighboring fields
- Environmental measures at assembly plants geared towards productivity growth and shortened probative running periods (constant temperature, constant humidity)
- Adapt to Promix variations to enhance quality superiority Bolster in-house production capabilities for key components
- Enhance sales system

Global Shipment Forecast for Printed Matter



Source: "World Wide Market for Print" PIRA International, 2007

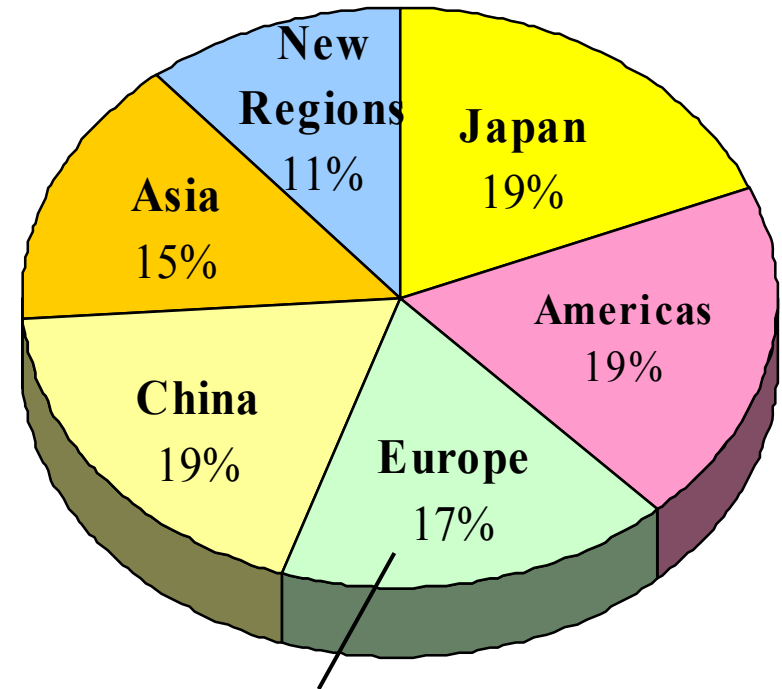
Regions of Expanded Operation for Sheet-fed Offset Presses



2006

Scale of
Business
1.5 times

(India, Middle/Near East, etc.)



(includes Russia & Eastern Europe)

2010

Basic Policy for the Sheet-fed Offset Press Business

Launching New Products and Devices

- “Net Production, Net Profits!”
(pursuit of productivity, operability, safety and customer benefit)
- Non Skill (high-grade printing independent of an expert’s skills)
- Environmentally friendly
(energy-saving, resource-saving, comfortable work environment)

Expanding Sales Channels, Enhancing Sales Structure

- Reinforcement of an export-oriented sales staff to respond to growing markets in emerging nations
- Improvements to distributor networks
- Enhanced structure for providing sales and services

Launching New Products and Devices

Product Development incorporating the theme “Net Production, Net Profits!”

1. First full model change in seven years with the launch of the new DIAMOND series (September 2007)

Product Features:

- (1) Simultaneous, fully-automatic plate changer supporting small lot printing
(first among Japanese manufacturers)

Traditional 1-minute/1-color printing improved to 1-minute/full-color
... with shortened plate changing and maintenance times

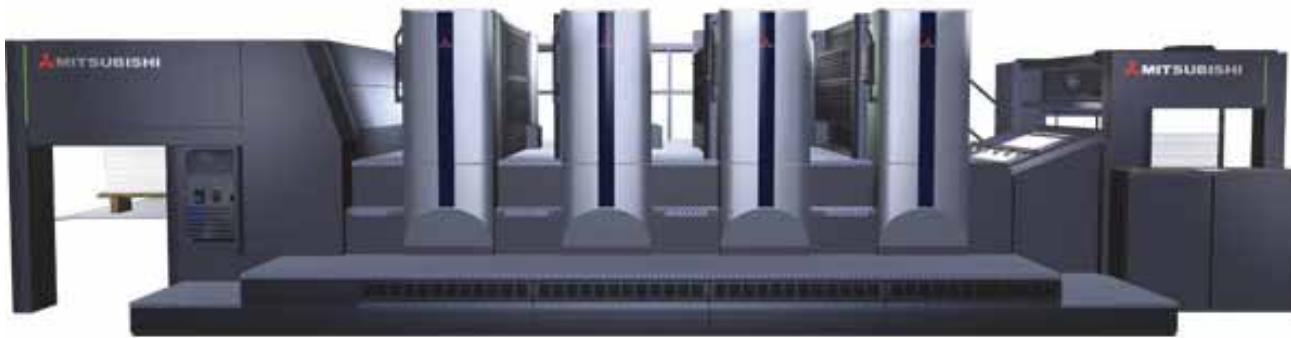
- (2) Reduced skill dependence and enhanced labor-saving in color turning
 - MHI's original Color Navigator color control device
 - Improved version of color patch-free quality inspection
- (3) Environment-aware (low-power, low ink consumption, low-noise)

Progress of New Product Development

Launch of DIAMOND Series New Model Sheet-fed Offset Press

The first full model change in seven years boasting a Scandinavian design

Unveiled at
IGAS2007



High-speed, High-precision plate changing
(world's fastest)

Vast improvements in productivity and
operability

Duplex Printing Speed: 16,200 pages per hour
(world's fastest speed.)

Competitor's top speed: 15,000)



(old type)

drupa2008 (print media messe) Display

Dusseldorf, Germany



DIAMOND Series

Three new models exhibited



Convertible Perfector Press
DIAMOND V3000R



Wide Stock Range Press
DIAMOND V3000LX



Perfector Press
DIAMOND V3000TP

Launching New Products and Devices

2. Speeding up of a one-pass perfecting press (Tandem Perfector) that no competitors could manage
 - High productivity with printing speed increases from 13,000 pph to 16,200 pph
 - Duplex printing is possible through a single sheet feeding point, cutting down on non-printed paper costs.
3. Launch of the world's fastest reverse perfecting press
 - High-speed printing at 16,200 pph (competitors only manage a level of 15,000 pph)
 - Fastest operating speeds available even with four-over-four 8-color duplex printing
4. Worldwide launch of MHI Beijing-produced half kiku-size printer and double-decker type perfecting press

Unveiled at
Drupa2008

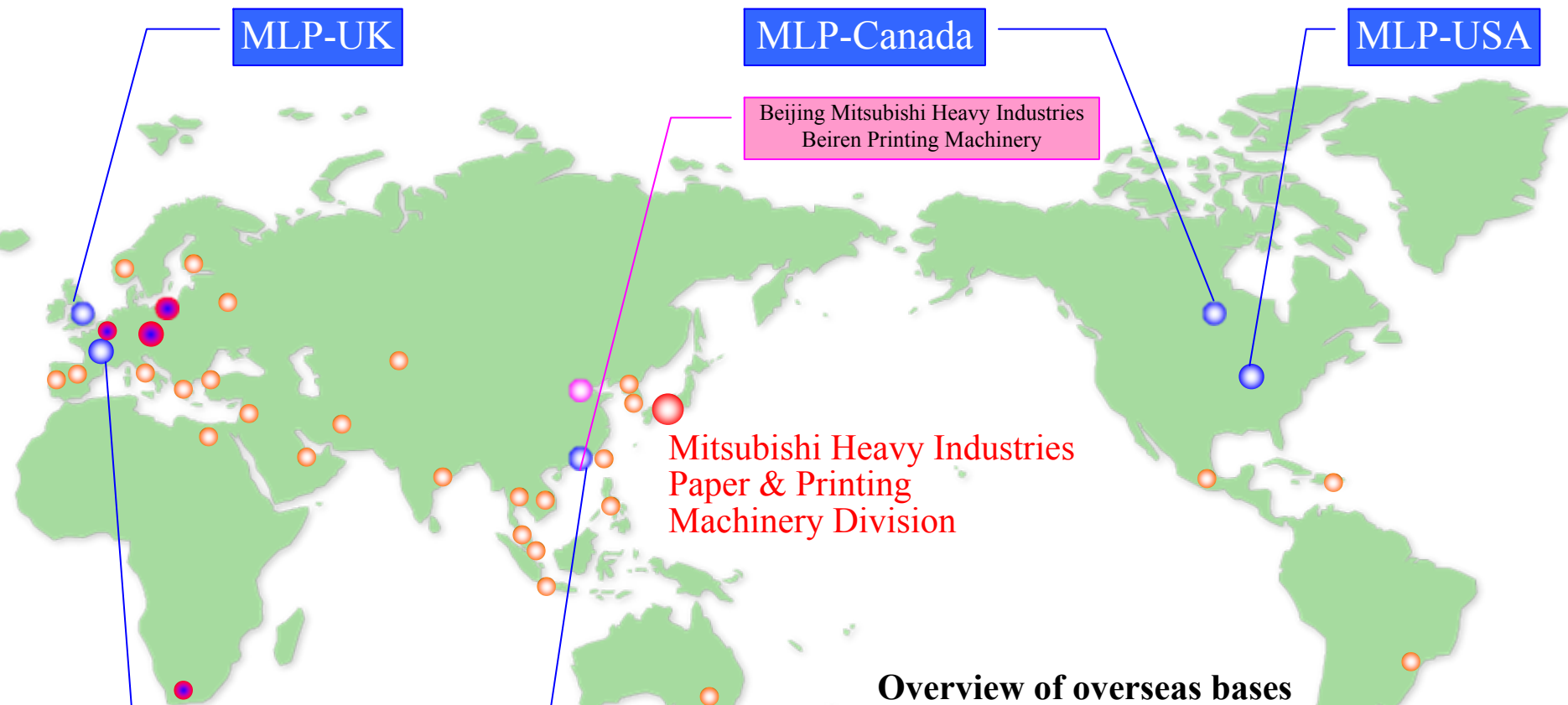
Beijing Mitsubishi Heavy Industries Beiren Printing Machinery Co., Ltd.: Established July 2006

- A joint venture for the manufacturing of small sheet-fed offset presses formed with Beiren Printing Machinery Holdings Limited, China's largest printing equipment manufacturer

Expanding Sales Channels, Enhancing Sales Structure

1. Increased sales staff to handle emerging markets
 - Efforts underway to organize teams assigned to each region
2. Improvements to distributor networks:
Expanding the current network of 30 companies to 40 companies
3. Enhanced structure for sales and service
 - Long-term dispatch of business unit sales staff and service personnel to local areas
 - Improved tools for sales expansion (specification/quotation database, presentation DVDs)
4. Improved communication of information
 - Running of seminars in each region (Eastern Europe, Russia, India, others)
 - Demonstrations of actual equipment at model plants
 - Utilization of the internet to provide customers with information

Expanding Sheet-fed offset presses Operations to Overseas Bases



Overview of overseas bases

Company	MLP-USA	MLP-C	MLP-E	MLP-UK	MLP-HK	Distributor network	Total
Location	Chicago (USA)	Toronto (Canada)	Paris (France)	Leeds (UK)	Hong Kong	32 companies	
Established	1991	1991	1995	1991	1989	after 1982	
Workforce	91	12	22	31	75	-	231
FY2007 Sales	12.6 billion yen	1.6 billion yen	4.5 billion yen	2.1 billion yen	7.1 billion yen	11.1 billion yen	39 billion yen

- Directly controlled sales companies
- Joint ventures
- Distributors
- New distributors

Seminars Held in Each Region (Pre-DRUPA Seminars)



Pre-DRUPA Seminar held in India

Total of 1,000 visitors to seminars held in nine major cities

(Seminars held May 2008)

DIAMOND V3000 Seminars
also held in April 2008 in
Netherlands, Belgium and Luxemburg

Pre-DRUPA Seminar held in Russia

Over 100 printing companies and 10 publishing firms attending seminars held in Moscow and Novosibirsk

(Held May 2008)

