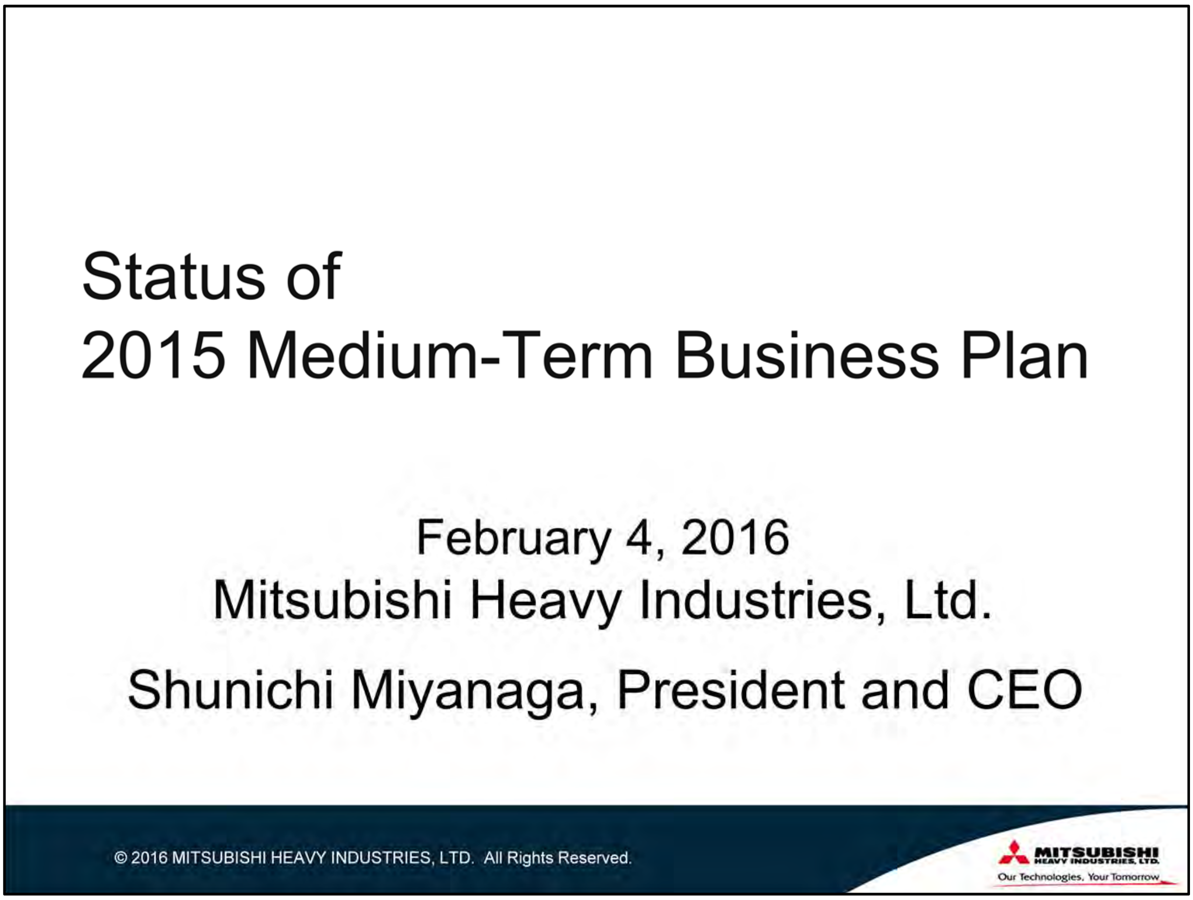


Status of 2015 Medium-Term Business Plan

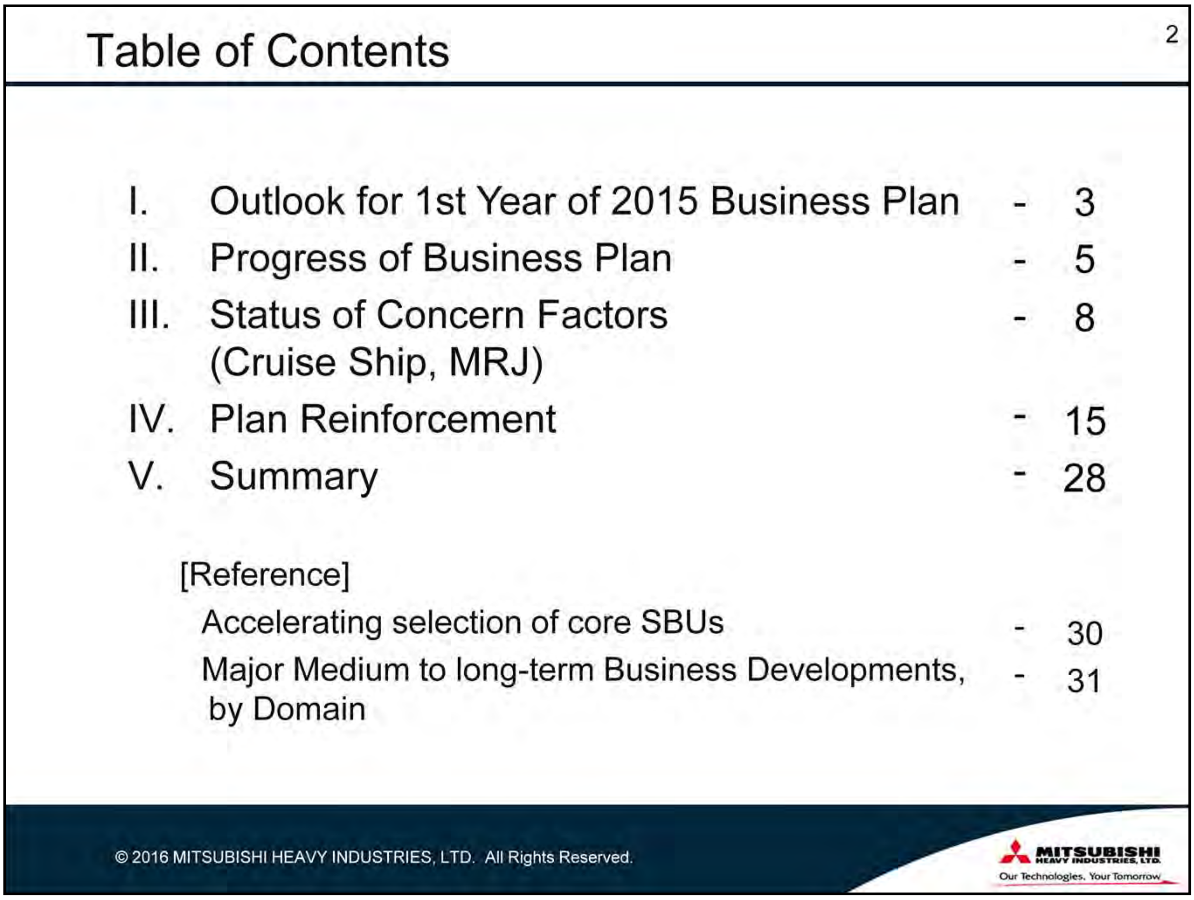
February 4, 2016

Mitsubishi Heavy Industries, Ltd.

Shunichi Miyanaga, President and CEO

Our Technologies, Your Tomorrow

As President and CEO, I would like to report on the current status of our 2015 Medium-Term Business Plan.



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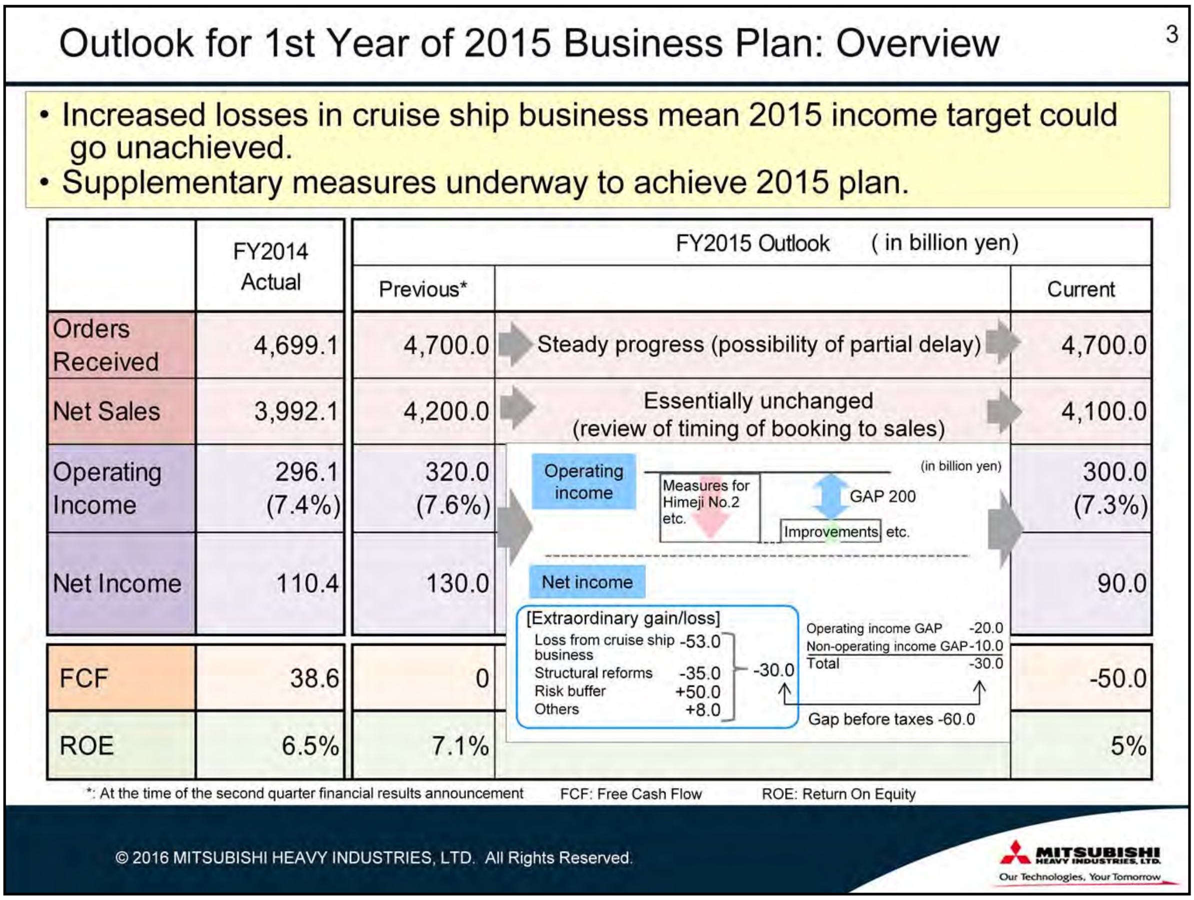
To begin, I will explain the main points of our financial outlook for FY2015, the first year of the Medium-Term Business Plan.

Next, I will describe the current progress of the Medium-Term Business Plan, and explain the measures we are taking with regard to two areas of particular concern: our cruise ship business and the MRJ.

After that, I will explain the additional measures we are taking to reinforce the 2015 Medium-Term Business Plan, followed by a general summary.



Outlook for 1st Year of 2015 Business Plan: Overview

- Increased losses in cruise ship business mean 2015 income target could go unachieved.
- Supplementary measures underway to achieve 2015 plan.

	FY2014 Actual	FY2015 Outlook	(in billion yen)	
		Previous*		Current
Orders Received	4,699.1	4,700.0	Steady progress (possibility of partial delay)	4,700.0
Net Sales	3,992.1	4,200.0	Essentially unchanged (review of timing of booking to sales)	4,100.0
Operating Income	296.1 (7.4%)	320.0 (7.6%)		300.0 (7.3%)
Net Income	110.4	130.0		90.0
FCF	38.6	0		-50.0
ROE	6.5%	7.1%		5%

(in billion yen)

Operating income

Measures for Himeji No.2 etc.

GAP 200

Improvements etc.

Net income

[Extraordinary gain/loss]

Loss from cruise ship business	-53.0
Structural reforms	-35.0
Risk buffer	+50.0
Others	+8.0

-30.0

Operating income GAP	-20.0
Non-operating income GAP	-10.0
Total	-30.0

Gap before taxes -60.0

*: At the time of the second quarter financial results announcement FCF: Free Cash Flow ROE: Return On Equity

Our outlook for FY2015, the first year of the 2015 Medium-Term Business Plan, remains essentially unchanged with respect to orders received and net sales.

Orders received are progressing smoothly. There is a possibility that some preliminarily negotiated orders for FY2015 may be booked later than originally anticipated – in FY2016 – because of their final start-up terms and other factors.

The net sales outlook has been slightly revised in reflection of changes in the timing when some product sales will be booked.

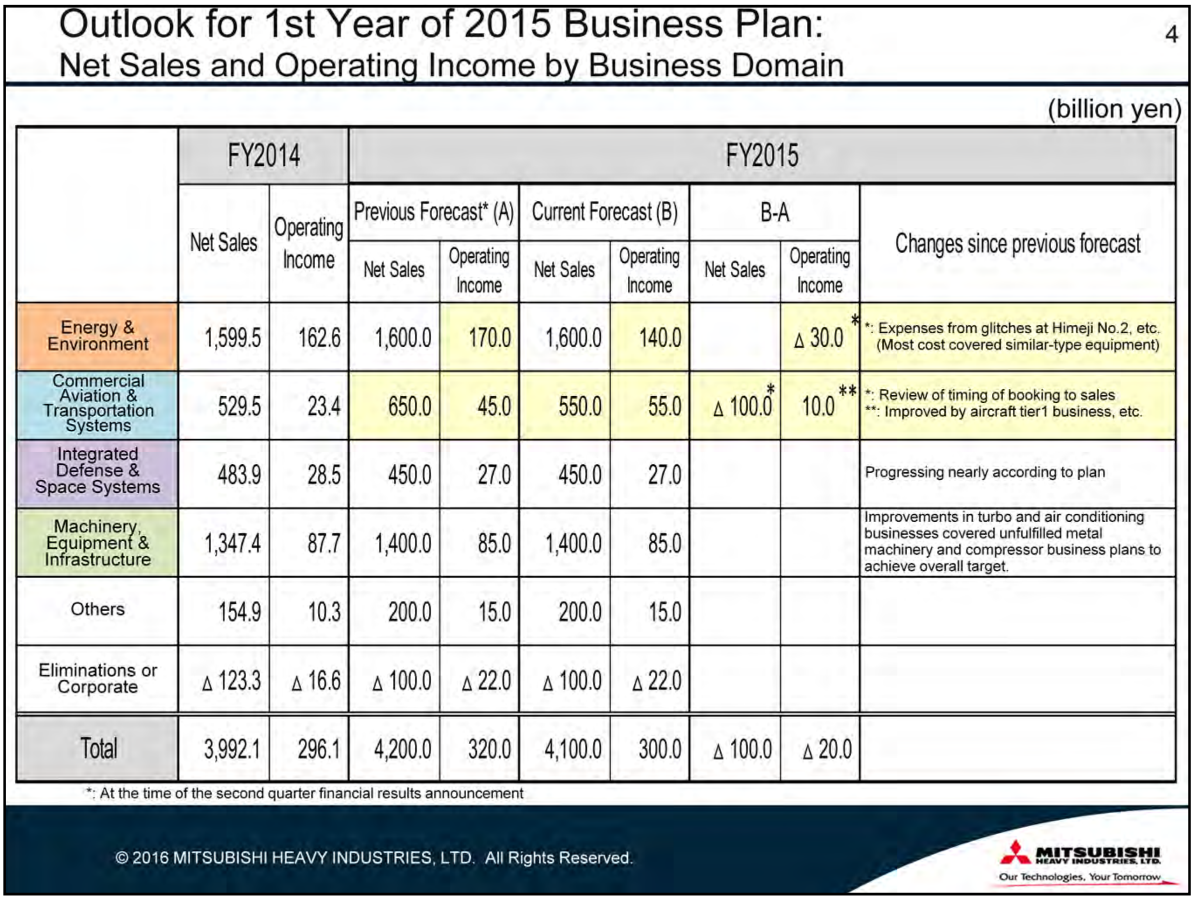
The operating income outlook has been revised downward by 20 billion yen. This owes to expenses incurred especially in conjunction with measures taken to repair glitches at the Himeji No.2 Power Station of The Kansai Electric Power Co., Inc.

The net income outlook has also been revised downward – by 40 billion yen, from 130 billion yen to 90 billion yen. The reduced outlook derives from a 60 billion yen gap in the projected level of income before income taxes.

Of that 60 billion yen gap, 30 billion yen is attributable to operating and non-operating income; the remaining 30 billion yen stems from an extraordinary net loss. In the latter instance, extraordinary gains of 50 billion yen from risk buffer and 8 billion yen from other factors were offset by extraordinary losses of 53 billion yen from the cruise ship business and 35 billion yen expended for structural reforms. As of the end of the third quarter, expenditures for business structural improvements amounted to 18 billion yen. In the fourth quarter we will continue to take maximum corrective measures, so outlays are projected to increase to 35 billion yen by the end of the fiscal year.

Originally, besides booking an extraordinary loss on structural reforms, we had expected to also book extraordinary gains this year. Now, we intend to take steps to maximize our extraordinary gains, not this year, but starting in FY2016.

The free cash flow outlook was revised downward by 50 billion yen, to minus-50 billion yen. This reflects greater-than-anticipated expansion of balance sheets. The ROE outlook was also lowered, by 2.1 points to 5%, in tandem with the downward revision in the net income outlook.



Outlook for 1st Year of 2015 Business Plan:
Net Sales and Operating Income by Business Domain

(billion yen)

	FY2014		FY2015						
	Net Sales	Operating Income	Previous Forecast* (A)		Current Forecast (B)		B-A		Changes since previous forecast
			Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	
Energy & Environment	1,599.5	162.6	1,600.0	170.0	1,600.0	140.0		△ 30.0 *	*: Expenses from glitches at Himeji No.2, etc. (Most cost covered similar-type equipment)
Commercial Aviation & Transportation Systems	529.5	23.4	650.0	45.0	550.0	55.0	△ 100.0*	10.0 **	*: Review of timing of booking to sales **: Improved by aircraft tier1 business, etc.
Integrated Defense & Space Systems	483.9	28.5	450.0	27.0	450.0	27.0			Progressing nearly according to plan
Machinery, Equipment & Infrastructure	1,347.4	87.7	1,400.0	85.0	1,400.0	85.0			Improvements in turbo and air conditioning businesses covered unfulfilled metal machinery and compressor business plans to achieve overall target.
Others	154.9	10.3	200.0	15.0	200.0	15.0			
Eliminations or Corporate	△ 123.3	△ 16.6	△ 100.0	△ 22.0	△ 100.0	△ 22.0			
Total	3,992.1	296.1	4,200.0	320.0	4,100.0	300.0	△ 100.0	△ 20.0	

*: At the time of the second quarter financial results announcement

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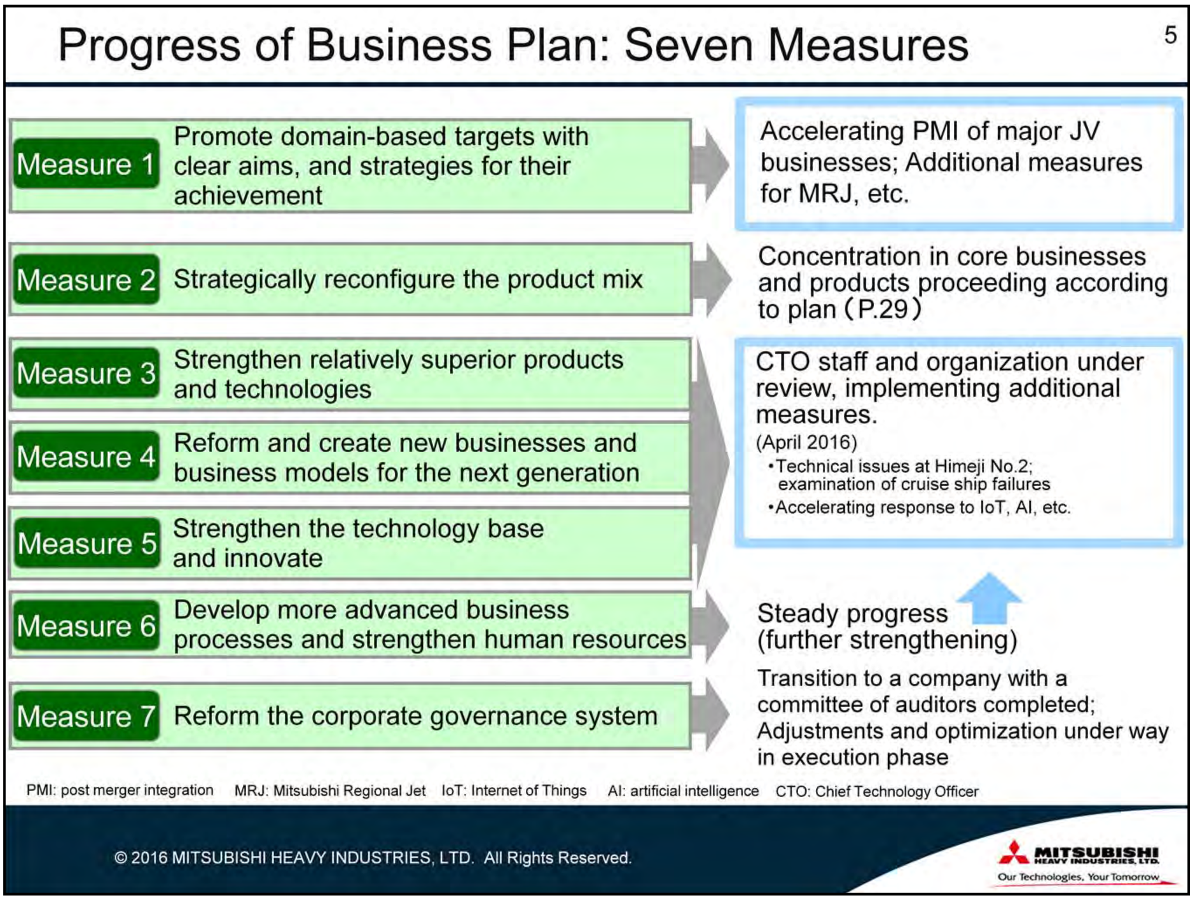
Here we see the Company's net sales and operating income forecasts, broken down by business domain.

The operating income forecast for the Energy & Environment domain factors in all expenses conceivable as of now to deal with glitches at Kansai Electric Power's Himeji No.2 Power Station, including expenses to cover similar-type equipment.



Progress of Business Plan: Seven Measures

5

Measure 1	Promote domain-based targets with clear aims, and strategies for their achievement	Accelerating PMI of major JV businesses; Additional measures for MRJ, etc.
Measure 2	Strategically reconfigure the product mix	Concentration in core businesses and products proceeding according to plan（P.29）
Measure 3	Strengthen relatively superior products and technologies	CTO staff and organization under review, implementing additional measures. (April 2016) •Technical issues at Himeji No.2; examination of cruise ship failures •Accelerating response to IoT, AI, etc.
Measure 4	Reform and create new businesses and business models for the next generation	
Measure 5	Strengthen the technology base and innovate	
Measure 6	Develop more advanced business processes and strengthen human resources	Steady progress (further strengthening)
Measure 7	Reform the corporate governance system	Transition to a company with a committee of auditors completed; Adjustments and optimization under way in execution phase

PMI: post merger integration MRJ: Mitsubishi Regional Jet IoT: Internet of Things AI: artificial intelligence CTO: Chief Technology Officer

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Next, I would like to explain our progress in carrying out the seven measures being taken in conjunction with the 2015 Medium-Term Business Plan.

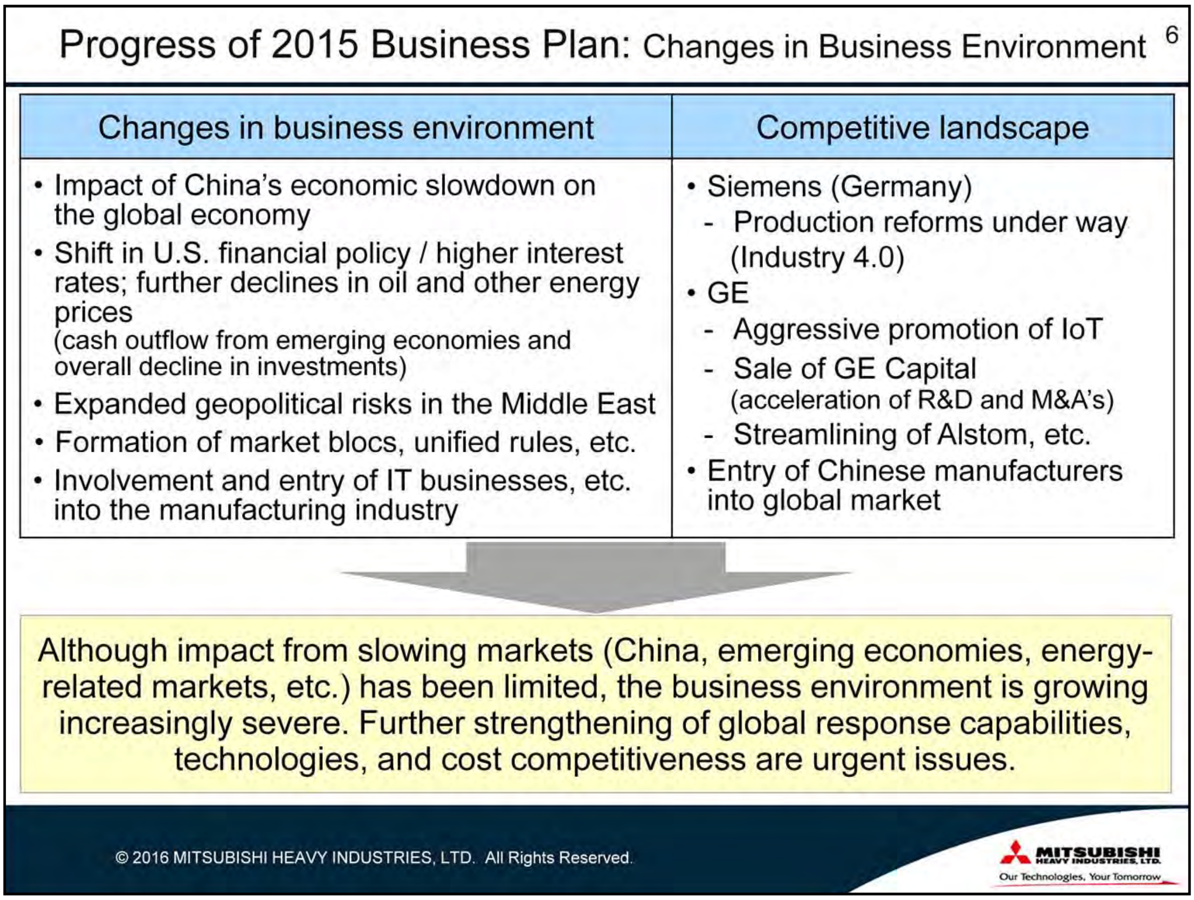
Measure 1 – we are adding new reinforcement measures because of the need to focus further on the aspects of profitability and business scale. I will explain in detail later.

Measure 2 – strategically reconfigure the product mix – we are concentrating on core businesses and products according to plan. For details, please refer to the material provided on page 30.

Measures 3, 4 and 5 – now that various issues have become evident in terms of our technology base and so on, this April we will undertake organizational changes in order to swiftly implement measures to revamp and reinforce the organization under the CTO (Chief Technology Officer).

Measure 6 – develop more advanced business processes and strengthen human resources – is progressing steadily, but I believe further strengthening is necessary with respect to human resources.

Measure 7 – reform the corporate governance system – we are generally making steady progress in this area.



Progress of 2015 Business Plan: Changes in Business Environment

Changes in business environment	Competitive landscape
• Impact of China's economic slowdown on the global economy • Shift in U.S. financial policy / higher interest rates; further declines in oil and other energy prices (cash outflow from emerging economies and overall decline in investments) • Expanded geopolitical risks in the Middle East • Formation of market blocs, unified rules, etc. • Involvement and entry of IT businesses, etc. into the manufacturing industry	• Siemens (Germany) - Production reforms under way (Industry 4.0) • GE - Aggressive promotion of IoT - Sale of GE Capital (acceleration of R&D and M&A's) - Streamlining of Alstom, etc. • Entry of Chinese manufacturers into global market

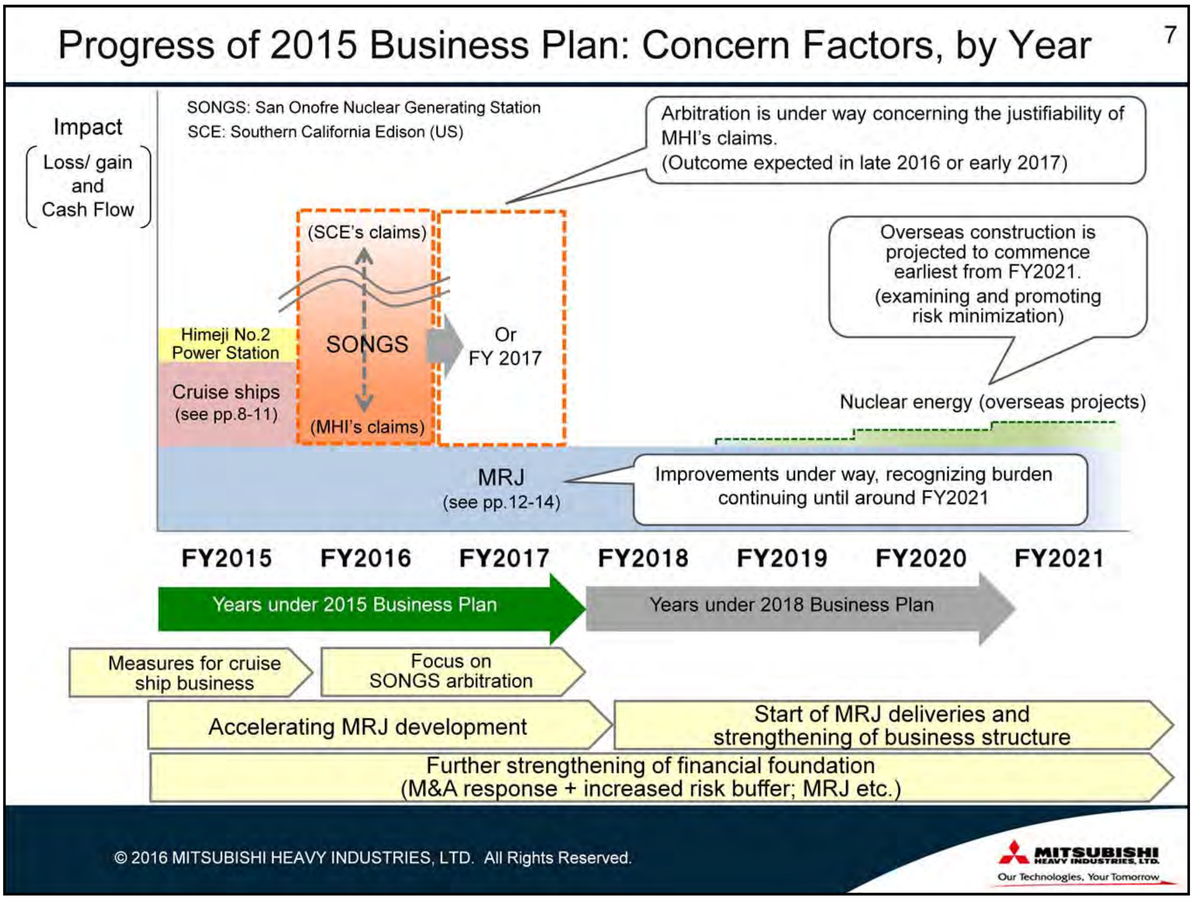
Although impact from slowing markets (China, emerging economies, energy-related markets, etc.) has been limited, the business environment is growing increasingly severe. Further strengthening of global response capabilities, technologies, and cost competitiveness are urgent issues.

Next, I will discuss changes in our business environment.

Compared to the environment when we drew up our 2015 Medium-Term Business Plan between the winter of 2014 and spring 2015, overall our business environment is deteriorating. The economic slowdown in China is having a negative impact on the global economy, and U.S. financial policy, oil and other energy prices, and geopolitical risks in the Middle East are also taking a toll.

Our competitors are struggling too, but various measures are moving forward: Industry 4.0 and IoT, for example. Also, Chinese manufacturers are making moves into the global market, posing a growing threat to our business.

The MHI Group is not heavily dependent on the markets of China or the emerging economies – the economies now in slowdowns – but as the economic environment cools and competition becomes increasingly severe, it is urgent that we further strengthen our global response capabilities, technologies and cost competitiveness.



Progress of 2015 Business Plan: Concern Factors, by Year

SONGS: San Onofre Nuclear Generating Station
SCE: Southern California Edison (US)

Impact (Loss/ gain and Cash Flow)

Arbitration is under way concerning the justifiability of MHI's claims.
(Outcome expected in late 2016 or early 2017)

Overseas construction is projected to commence earliest from FY2021.
(examining and promoting risk minimization)

Improvements under way, recognizing burden continuing until around FY2021

- Measures for cruise ship business
- Focus on SONGS arbitration
- Accelerating MRJ development
- Start of MRJ deliveries and strengthening of business structure
- Further strengthening of financial foundation (M&A response + increased risk buffer; MRJ etc.)

Here, we explain factors of concern, according to year of impact.

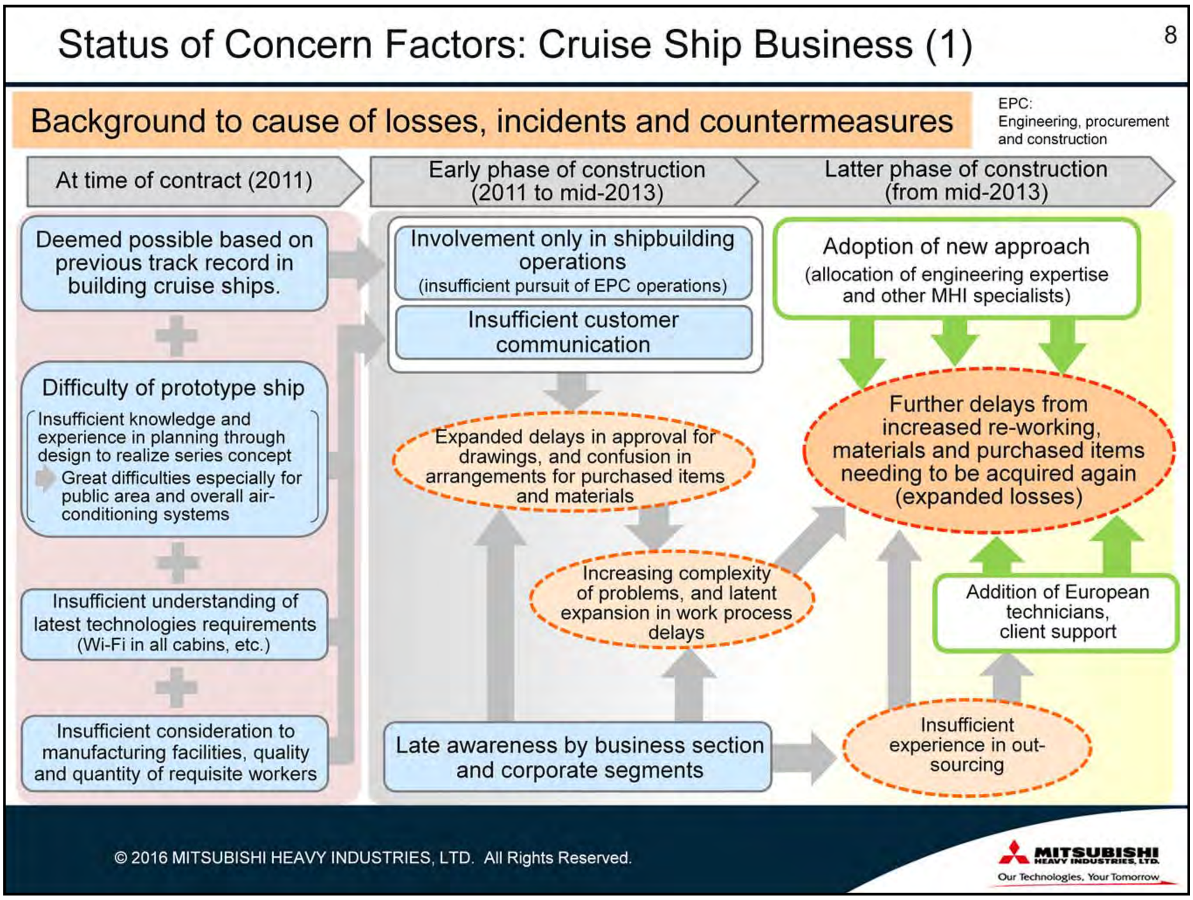
Measures taken in recent years to address issues involving our cruise ship business were nearly completed in FY2015. In FY2016 we are scheduled to hand over the second of the two ships we have had on order.

Concerning arbitration in the case involving SONGS (San Onofre Nuclear Generating Station), there is a significant gap between the claims Southern California Edison is asking for and the amount MHI is offering, and we will continue to argue the justifiability of our claim. As of now, the result of the arbitration is expected sometime between the end of 2016 and the first half of 2017. Accordingly, we believe any impact that outcome might have would emerge in FY2016 or FY2017.

Concerning the MRJ (Mitsubishi Regional Jet), we are assuming the aircraft's development will continue to be a burden on our earnings through around FY2021. Efforts will be taken, however, to improve the situation.

With regard to overseas nuclear energy projects, we are assuming the first project will be for Turkey. Overseas work will get under way in earnest starting in FY2021, and we aim to minimize related risks by taking a variety of measures in advance.

During the period covering the 2015 and 2018 Medium-Term Business Plans, while implementing the measures explained here concerning the MRJ’s development and strengthening of our business structure, we will increase our risk buffer and reinforce our financial foundation to permit further M&As.



Status of Concern Factors: Cruise Ship Business (1)

8

Background to cause of losses, incidents and countermeasures

EPC:
Engineering, procurement and construction

At time of contract (2011)

Early phase of construction (2011 to mid-2013)

Latter phase of construction (from mid-2013)

Deemed possible based on previous track record in building cruise ships.

+

Difficulty of prototype ship

Insufficient knowledge and experience in planning through design to realize series concept

⇨ Great difficulties especially for public area and overall air-conditioning systems

+

Insufficient understanding of latest technologies requirements (Wi-Fi in all cabins, etc.)

+

Insufficient consideration to manufacturing facilities, quality and quantity of requisite workers

Involvement only in shipbuilding operations (insufficient pursuit of EPC operations)

Insufficient customer communication

Expanded delays in approval for drawings, and confusion in arrangements for purchased items and materials

Increasing complexity of problems, and latent expansion in work process delays

Late awareness by business section and corporate segments

Adoption of new approach (allocation of engineering expertise and other MHI specialists)

Further delays from increased re-working, materials and purchased items needing to be acquired again (expanded losses)

Addition of European technicians, client support

Insufficient experience in out-sourcing

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The first factor of concern is our cruise ship business. Here, we explain what initiatives we are taking in this regard.

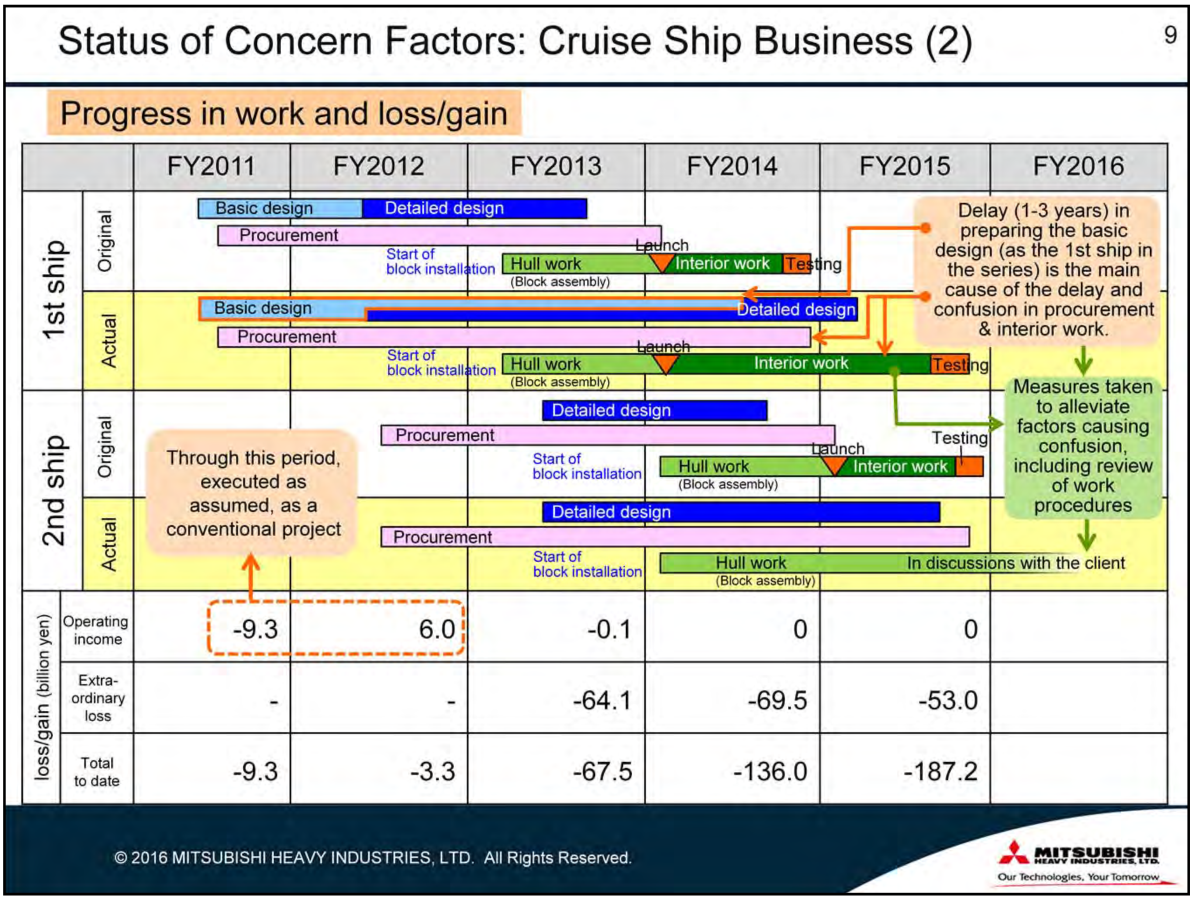
In FY2011, based on our previous track record in building cruise ships, we accepted an order for two ships assuming we would be able to handle the matter. But as work proceeded, we came to understand the difficulty involved in building the prototype ship. During its construction, we came to realize that we lacked sufficient knowledge and experience in the planning through design phases to realize the ships' series concept.

Also, in the near 10-year interim since we had built our previous cruise ships, major changes had taken place in the technologies surrounding safety and entertainment needs. In hindsight we also came to understand that we had not adequately considered the quality and quantity of the manufacturing facilities and workers the needs would require.

In the early phase of construction, when only our own shipbuilding resources were relied on, insufficient pursuit of EPC operations and inadequate communication with the customer caused confusion, resulting in extreme delay in securing approval of the ships' design.

Meanwhile, since arrangements to purchase items and materials moved forward, the business sections and corporate segments in the Company assumed that everything was proceeding favorably. In reality, however, progress was not being made. Rather, problems were growing in complexity and potential work delays expanded – with the full scope of the problem coming to the surface in the first half of FY2013.

Starting from the latter phase of construction, when a totally new approach was adopted, measures were taken to deal with the various issues: for example, staff were brought in from the engineering segment. Still, as the situation had become increasingly complicated, time was required to resolve the issues at hand. We received support from the client in the form of introducing European technicians, from which point the end has finally come in sight.



Status of Concern Factors: Cruise Ship Business (2)

Progress in work and loss/gain

Delay (1-3 years) in preparing the basic design (as the 1st ship in the series) is the main cause of the delay and confusion in procurement & interior work.

Measures taken to alleviate factors causing confusion, including review of work procedures

Through this period, executed as assumed, as a conventional project

loss/gain (billion yen)		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
	Operating income	-9.3	6.0	-0.1	0	0	
	Extra-ordinary loss	-	-	-64.1	-69.5	-53.0	
	Total to date	-9.3	-3.3	-67.5	-136.0	-187.2	

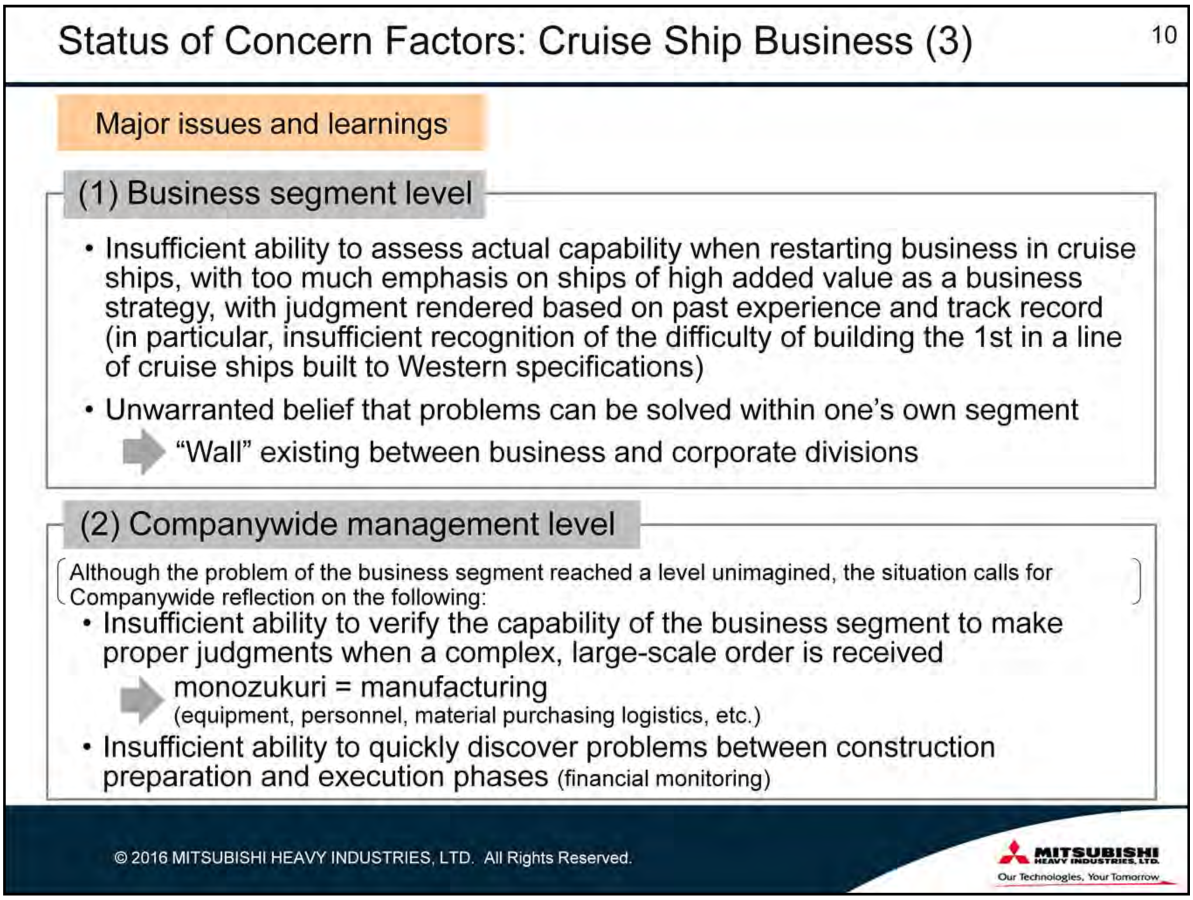
Next, we explain how work is progressing and how the cruise ship business is affecting our net income.

Our originally planned schedule is shown in the upper white block, and actual progress in the yellow block. As indicated, the basic design of the first ship wasn’t actually completed until the end of 2014. And delay in preparing the basic design of the first ship in the series was largely responsible for delays and confusion in procurement and interior work.

For the second ship, measures have been applied to alleviate the factors causing confusion, including review of the ship’s design and work procedures. We are now coordinating with the client, and we expect to complete the second ship in FY2016. The losses we expect to incur have already been factored in, but since the situation remains unpredictable, we will continue to take steps to keep our losses to a minimum.

Through FY2012 we believed that this project was progressing as we had assumed it would. But when we became aware of the various issues surrounding the project in FY2013, we decided to manage all losses separately, as extraordinary losses. To date, our cumulative loss from this project totals 187.2 billion yen.

Currently we are awaiting the first ship’s final inspection by the Italian Coast Guard, and once the ship passes inspection we plan to deliver it to the customer. As for the second ship, we are now planning the final outfitting work.



Status of Concern Factors: Cruise Ship Business (3)

Major issues and learnings

(1) Business segment level

- Insufficient ability to assess actual capability when restarting business in cruise ships, with too much emphasis on ships of high added value as a business strategy, with judgment rendered based on past experience and track record (in particular, insufficient recognition of the difficulty of building the 1st in a line of cruise ships built to Western specifications)
- Unwarranted belief that problems can be solved within one's own segment

➡ "Wall" existing between business and corporate divisions

(2) Companywide management level

(Although the problem of the business segment reached a level unimagined, the situation calls for Companywide reflection on the following:)

- Insufficient ability to verify the capability of the business segment to make proper judgments when a complex, large-scale order is received

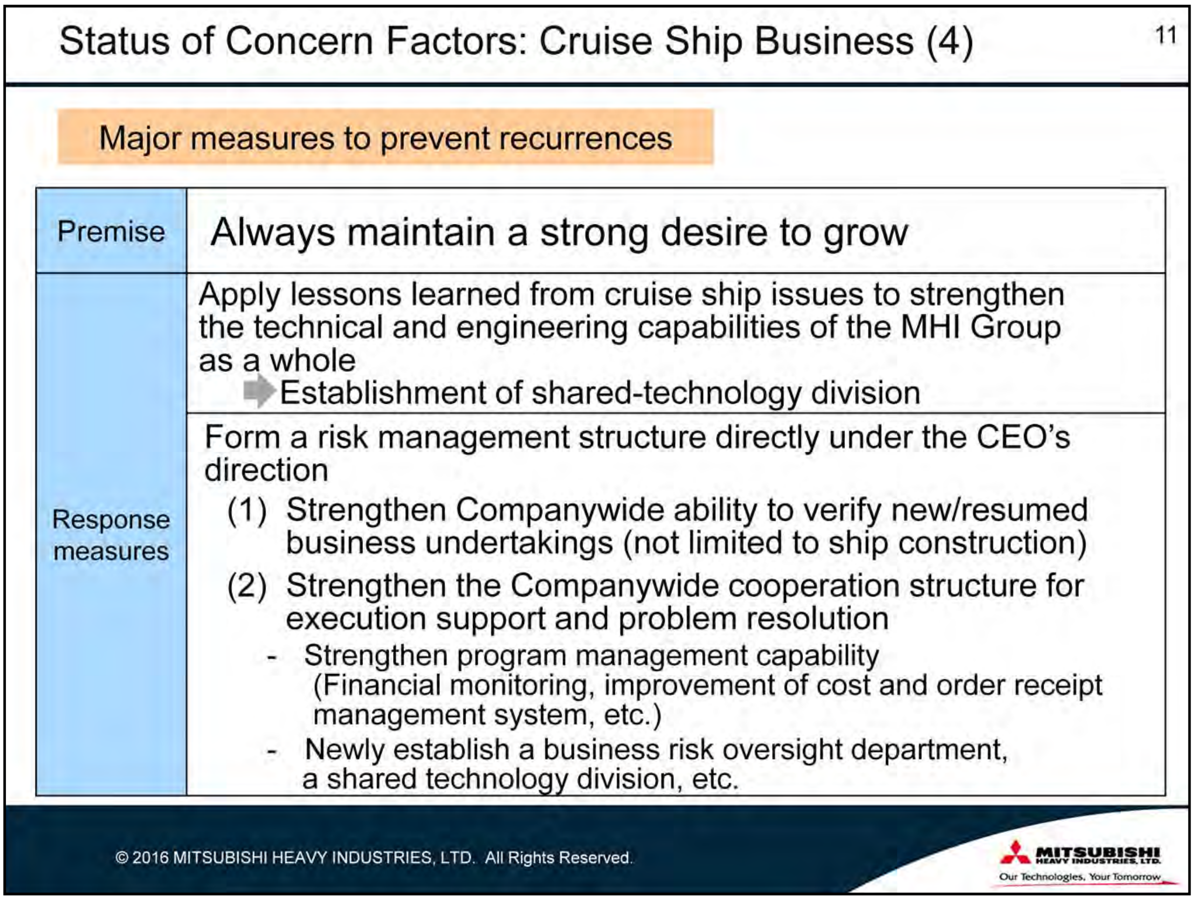
➡ monozukuri = manufacturing
(equipment, personnel, material purchasing logistics, etc.)

- Insufficient ability to quickly discover problems between construction preparation and execution phases (financial monitoring)

Here, we explain the essence of the problems surrounding cruise ship construction and the points we need to reflect on for the future.

At the business segment level, as a business strategy we put too much emphasis on building ships of high added value. In retrospect, we failed to recognize just how difficult it would be to build a prototype ship, and we mistakenly believed, based on our previous track record, that we could resolve any and all problems by ourselves.

At the Companywide management level, we lacked sufficient ability to verify the capability of the business segment to make proper judgments when a complex, large-scale order is received. Two related points require thorough self-reflection. In terms of manufacturing, we failed to fully confirm our capabilities with respect to equipment, personnel, logistics, etc. In terms of project execution, we failed to sufficiently monitor for early detection of any problems.



Status of Concern Factors: Cruise Ship Business (4)

Major measures to prevent recurrences

Premise	Always maintain a strong desire to grow
Response measures	Apply lessons learned from cruise ship issues to strengthen the technical and engineering capabilities of the MHI Group as a whole ➡ Establishment of shared-technology division
	Form a risk management structure directly under the CEO's direction (1) Strengthen Companywide ability to verify new/resumed business undertakings (not limited to ship construction) (2) Strengthen the Companywide cooperation structure for execution support and problem resolution - Strengthen program management capability (Financial monitoring, improvement of cost and order receipt management system, etc.) - Newly establish a business risk oversight department, a shared technology division, etc.

Here, we explain the major measures we are taking to prevent any recurrences.

Based on our underlying determination to always maintain a strong desire to grow, we have decided to establish a new "shared technology" framework. In doing so, we aim to apply the lessons learned in the process of building the latest cruise ships to strengthen the overall technological and engineering capabilities of the MHI Group to handle complex, large-scale projects.

We also intend to form a new risk management structure overseen directly by the CEO.

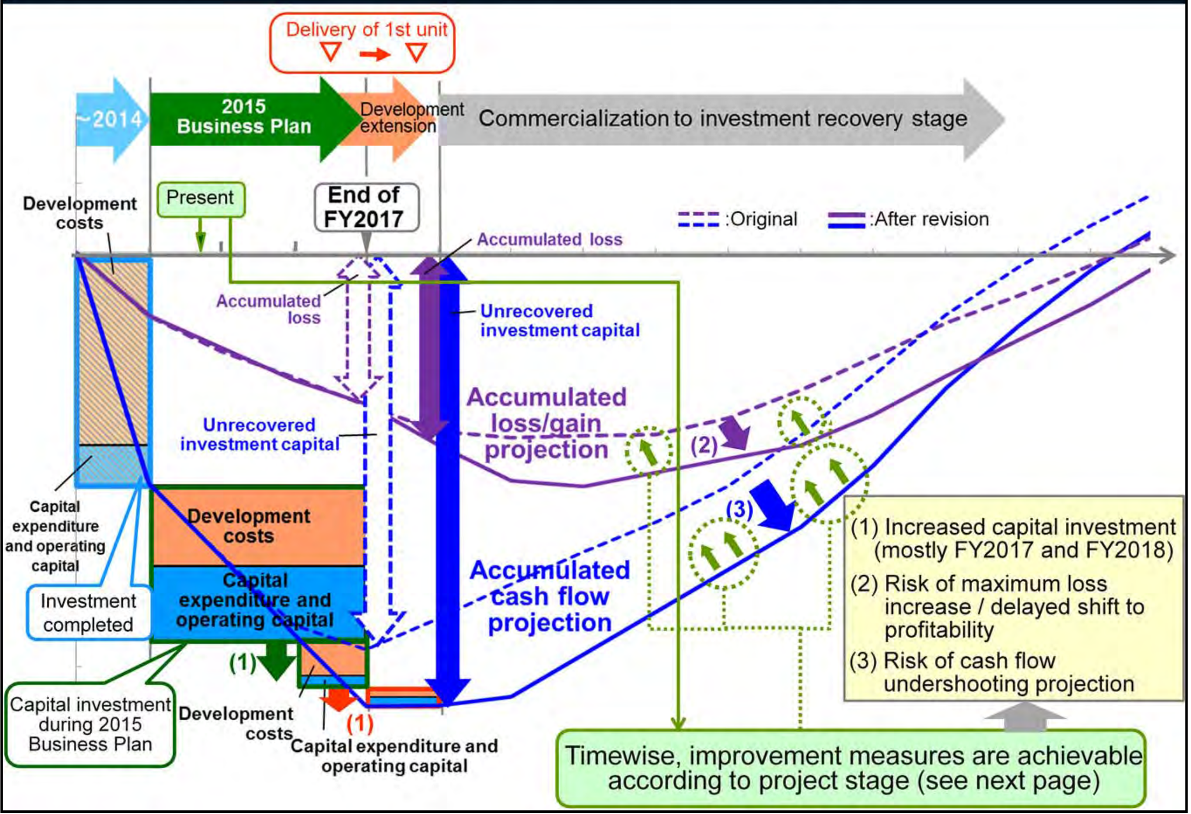
In the case of conventional projects involving potential compliance risk, etc., the officer in charge is fully capable of handling such situations. But for the extremely difficult projects that a conglomerate like the MHI Group must handle, we decided to put these under the direct oversight of the CEO.

The new stance will strengthen our ability, Companywide, to verify new or resumed business undertakings, and will also strengthen our Companywide structure of cooperation for supporting project execution and resolving any problems.

Specifically, we aim to strengthen our program management capability, establish a new business risk oversight department, and create a shared technology framework.

This completes our discussion of the problems we have experienced in our cruise ship business, the points where we recognize mistakes were made, and the measures we are taking to resolve these issues.

Status of Concern Factors: MRJ Business (1)



(1) Increased capital investment (mostly FY2017 and FY2018)

(2) Risk of maximum loss increase / delayed shift to profitability

(3) Risk of cash flow undershooting projection

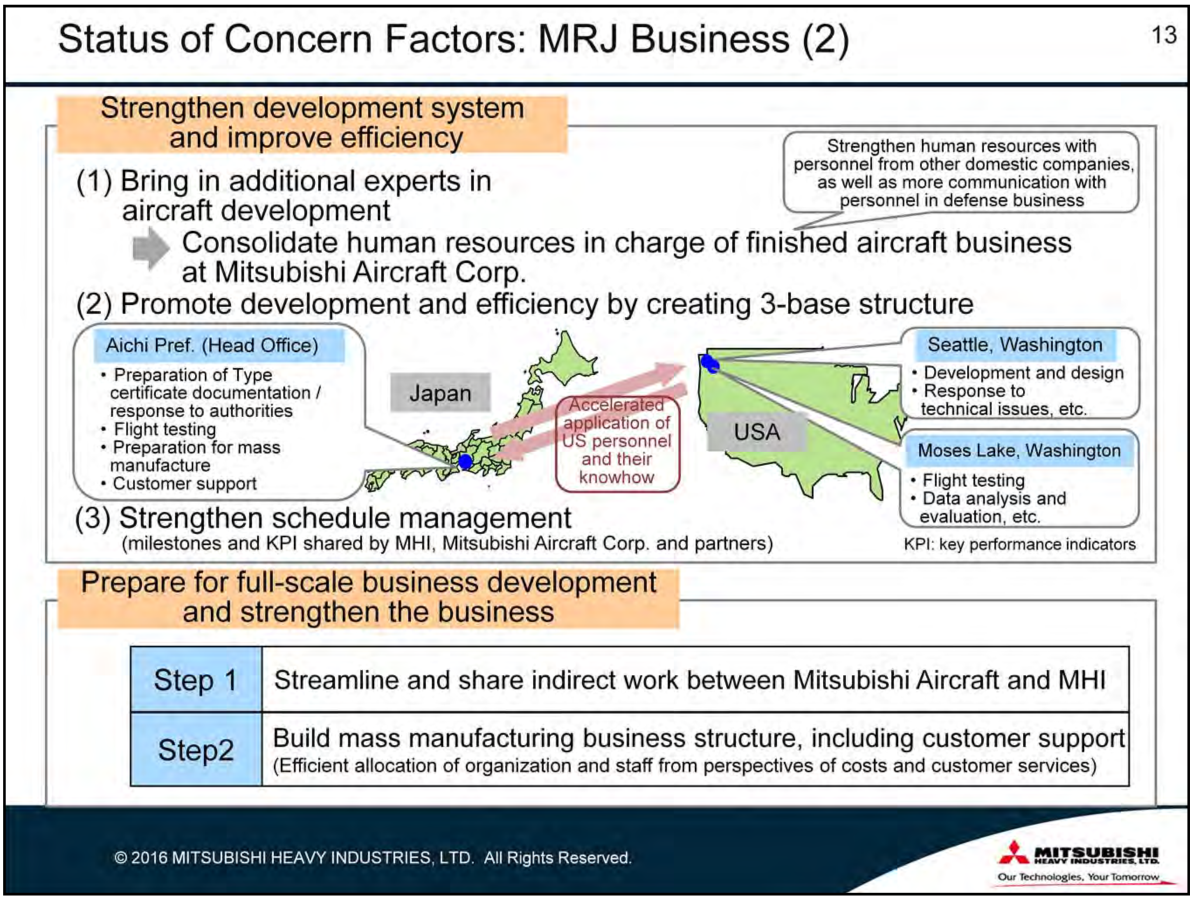
Timewise, improvement measures are achievable according to project stage (see next page)

Here we explain the initiatives being taken to deal with the second factor of concern: the MRJ business.

In the presentation materials covering our 2015 Medium-Term Business Plan announced in May 2015, we included our investment plans concerning the MRJ business. In response to the delay in delivering the first unit, to 2018, we revised our accumulated loss/gain and accumulated cash flow projections, as the curves here indicate.

Within the time frame of the 2015 Medium-Term Business Plan, the curve depicting our accumulated loss/gain projection has been changed only slightly. By contrast, owing to increased capital investment to cover increased development costs, capital expenditure and operating capital, the curve describing our accumulated cash flow projection has fallen, causing what we now expect will be a delay in the start of the investment recovery stage by more than one year.

Given the outlook for an increasingly severe cash flow picture as the MRJ business moves forward, we will implement measures to improve the situation at each project stage. We will also take initiatives to improve our cash flow on a Companywide basis, in order to strengthen our financial foundation.



Status of Concern Factors: MRJ Business (2)

Strengthen development system and improve efficiency

(1) Bring in additional experts in aircraft development

Strengthen human resources with personnel from other domestic companies, as well as more communication with personnel in defense business

➡ Consolidate human resources in charge of finished aircraft business at Mitsubishi Aircraft Corp.

(2) Promote development and efficiency by creating 3-base structure

Aichi Pref. (Head Office)
- Preparation of Type certificate documentation / response to authorities
- Flight testing
- Preparation for mass manufacture
- Customer support

Seattle, Washington
- Development and design
- Response to technical issues, etc.

Moses Lake, Washington
- Flight testing
- Data analysis and evaluation, etc.

(3) Strengthen schedule management
(milestones and KPI shared by MHI, Mitsubishi Aircraft Corp. and partners)

KPI: key performance indicators

Prepare for full-scale business development and strengthen the business

Step 1	Streamline and share indirect work between Mitsubishi Aircraft and MHI
Step2	Build mass manufacturing business structure, including customer support (Efficient allocation of organization and staff from perspectives of costs and customer services)

With respect to improvement measures according to project stage, here we explain how we intend to strengthen the MRJ's development system, improve efficiency, prepare for full-scale business development, and then strengthen the business.

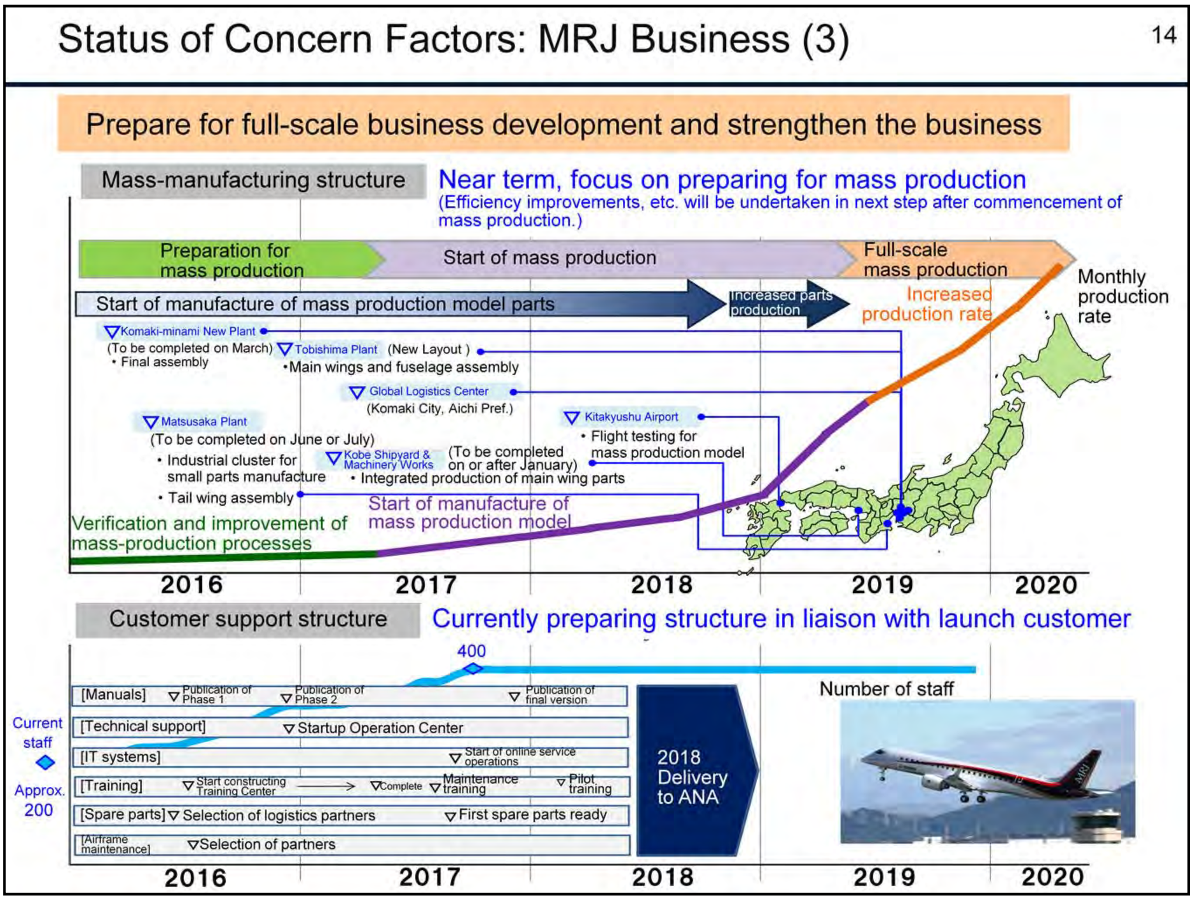
Concerning the strengthening of the MRJ's development system and improvement of efficiency, we intend to bring in additional experts in aircraft development, promote development and efficiency by creating a 3-base structure, and strengthen schedule management.

In terms of bringing in additional aircraft development experts, we will consolidate human resources in charge of the finished aircraft business at Mitsubishi Aircraft Corporation, promote increased communication with personnel in charge of the defense business, and seek cooperation with other companies involved in the domestic aircraft industry.

Concerning promoting development and efficiency by creating a 3-base structure, in Japan, among other work streams, we will prepare for type certification acquisition and mass manufacture; in Seattle, we will undertake development and design, etc.; and in Moses Lake, we will carry out flight testing and so on.

As to strengthening schedule management, we will manage milestones shared by MHI, Mitsubishi Aircraft Corporation and our partners.

Next, in preparation for full-scale business development and strengthening of the MRJ business, as the first step MHI will streamline and share indirect duties with Mitsubishi Aircraft Corporation. Then, as a second step we will build a mass-manufacturing business structure, including customer support, and also undertake efficient allocation of our organizational and staff resources from the perspectives of cost and customer services.



Status of Concern Factors: MRJ Business (3)

Prepare for full-scale business development and strengthen the business

Mass-manufacturing structure

Near term, focus on preparing for mass production
(Efficiency improvements, etc. will be undertaken in next step after commencement of mass production.)

Preparation for mass production

Start of mass production

Full-scale mass production

Start of manufacture of mass production model parts

Increased parts production

Increased production rate

Monthly production rate

▽Komaki-minami New Plant
(To be completed on March)
- Final assembly

▽Tobishima Plant (New Layout)
- Main wings and fuselage assembly

▽Global Logistics Center
(Komaki City, Aichi Pref.)

▽Kitakyushu Airport
- Flight testing for mass production model

▽Matsusaka Plant
(To be completed on June or July)
- Industrial cluster for small parts manufacture
- Tail wing assembly

▽Kobe Shipyard & Machinery Works (To be completed on or after January)
- Integrated production of main wing parts

Verification and improvement of mass-production processes

Start of manufacture of mass production model

Customer support structure

Currently preparing structure in liaison with launch customer

Current staff
Approx. 200

400

Number of staff

[Manuals] ▽Publication of Phase 1 ▽Publication of Phase 2 ▽Publication of final version

[Technical support] ▽Startup Operation Center

[IT systems] ▽Start of online service operations

[Training] ▽Start constructing Training Center → ▽Complete ▽Maintenance training ▽Pilot training

[Spare parts] ▽Selection of logistics partners ▽First spare parts ready

[Airframe maintenance] ▽Selection of partners

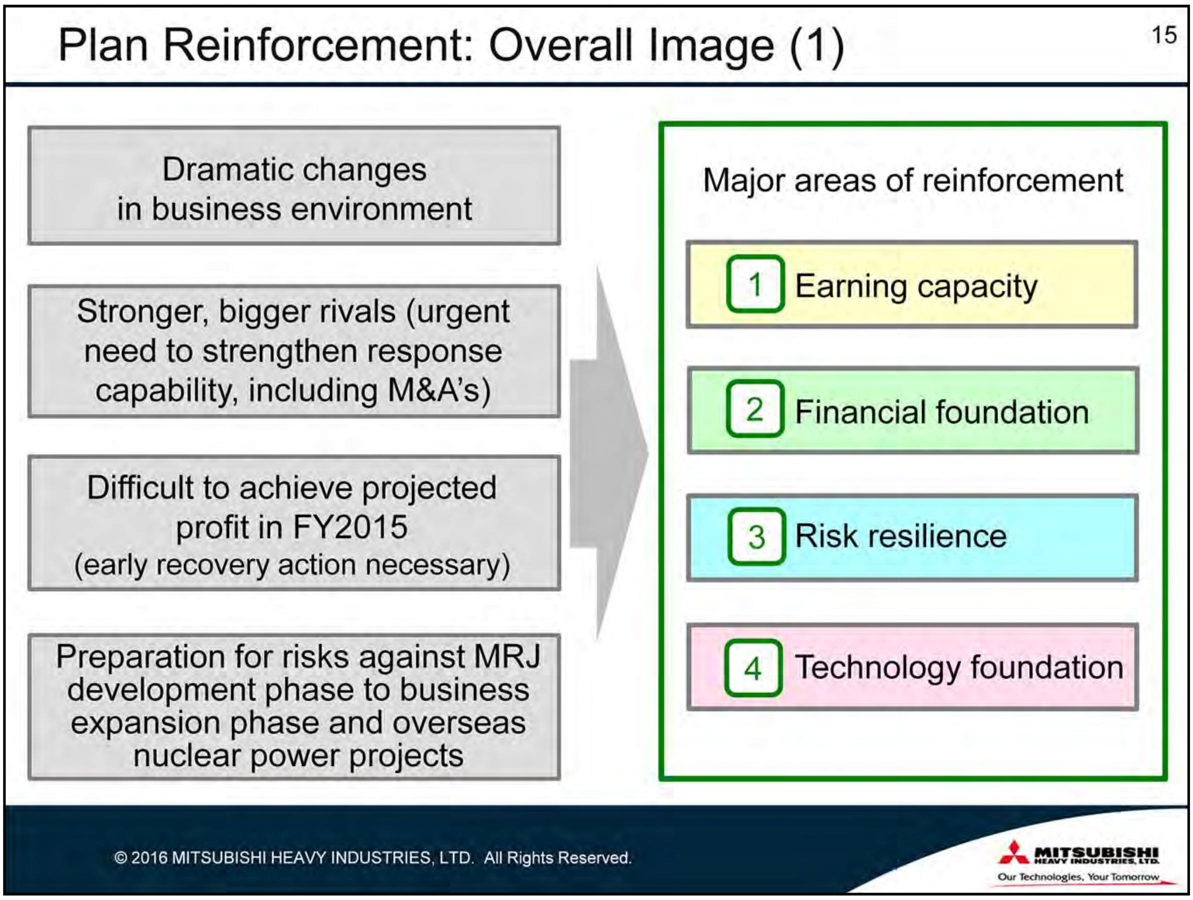
2018 Delivery to ANA

Concerning building a mass-manufacturing structure, preparations are under way at Komaki-minami New Plant, Matsusaka Plant, Tobishima Plant, and elsewhere. Following complete verification and improvement of all related processes, mass production of the MRJ will start up in FY2017, and the production rate will rise in FY2018 into FY2019.

As to building up a customer support structure for the MRJ, over the next two years staff will be increased from the current 200 to 400.

During that period, the support structure will be prepared in liaison with the launch customer – including preparation of manuals, creation of IT systems, and arrangements for spare parts.

This completes our description of the measures we must take, and are taking, to deal with the areas of greatest concern to us: our cruise ship business and the MRJ project.



Plan Reinforcement: Overall Image (1)

Dramatic changes in business environment

Stronger, bigger rivals (urgent need to strengthen response capability, including M&A's)

Difficult to achieve projected profit in FY2015 (early recovery action necessary)

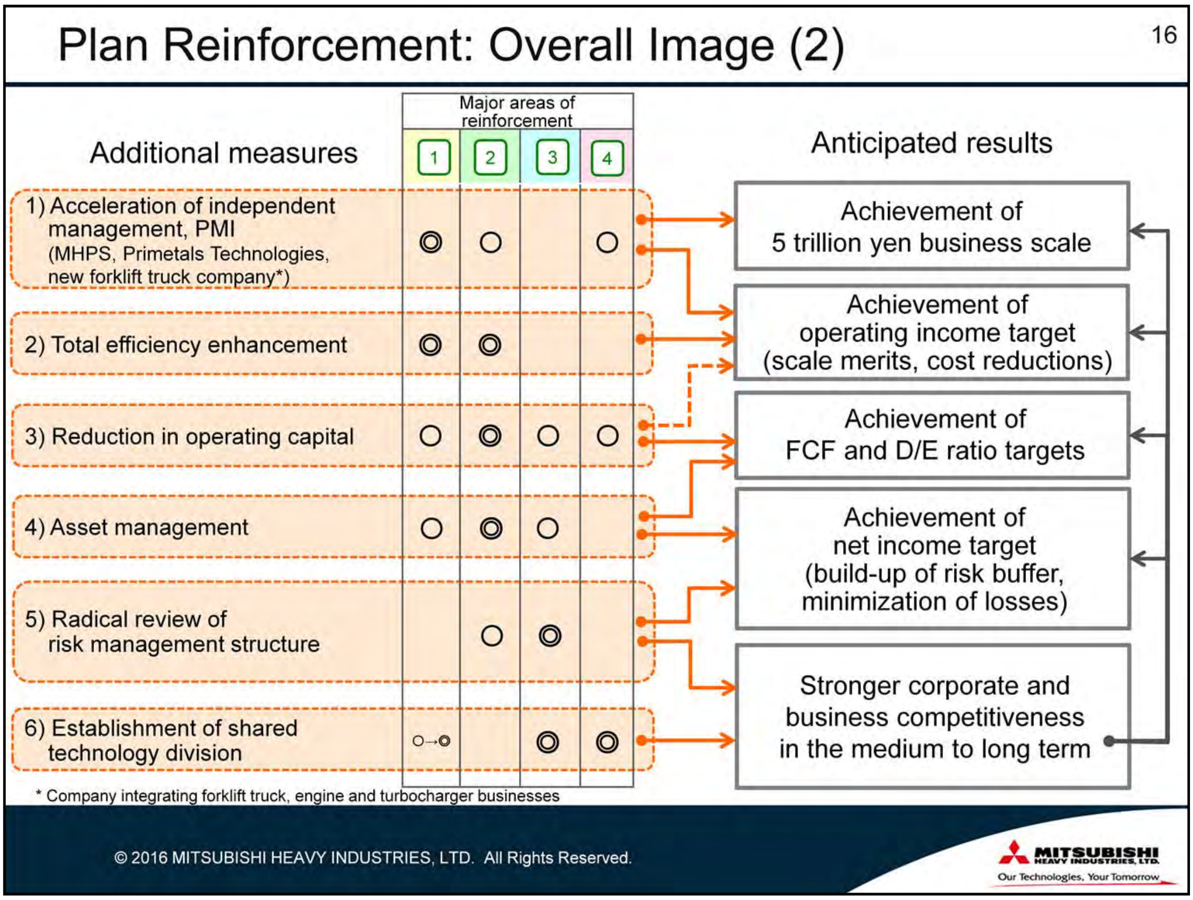
Preparation for risks against MRJ development phase to business expansion phase and overseas nuclear power projects

Major areas of reinforcement

1. Earning capacity
2. Financial foundation
3. Risk resilience
4. Technology foundation

Next, we will explain measures to help achieve the targets set out in the 2015 Medium-Term Business Plan amidst increasing severity in the business environment.

There are 4 major areas of reinforcement: earning capacity, financial foundation, risk resilience and technology foundation.



Plan Reinforcement: Overall Image (2)

Additional measures	Major areas of reinforcement 1	 2	 3	 4
1) Acceleration of independent management, PMI (MHPS, Primetals Technologies, new forklift truck company*)	◎	○		○
2) Total efficiency enhancement	◎	◎		
3) Reduction in operating capital	○	◎	○	○
4) Asset management	○	◎	○	
5) Radical review of risk management structure		○	◎	
6) Establishment of shared technology division	○→◎		◎	◎

Anticipated results

- Achievement of 5 trillion yen business scale
- Achievement of operating income target (scale merits, cost reductions)
- Achievement of FCF and D/E ratio targets
- Achievement of net income target (build-up of risk buffer, minimization of losses)
- Stronger corporate and business competitiveness in the medium to long term

* Company integrating forklift truck, engine and turbocharger businesses

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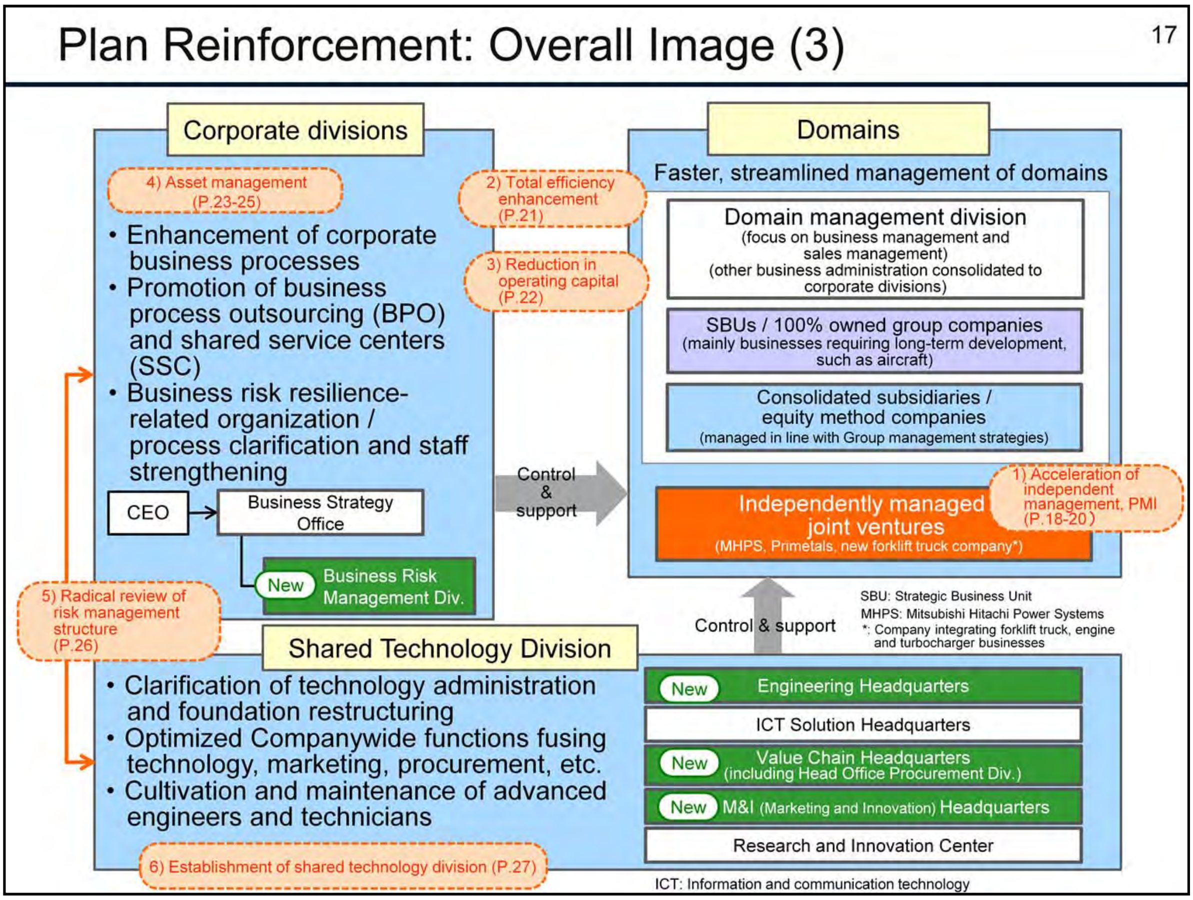
We are implementing 6 additional measures to address the 4 major areas of reinforcement: i.e., earning capacity, financial foundation, risk resilience and technology foundation.

Now, we will explain the various additional measures being taken for each area of reinforcement.



Plan Reinforcement: Overall Image (3)

Corporate divisions

4) Asset management (P.23-25)

- Enhancement of corporate business processes
- Promotion of business process outsourcing (BPO) and shared service centers (SSC)
- Business risk resilience-related organization / process clarification and staff strengthening

CEO → Business Strategy Office

New Business Risk Management Div.

2) Total efficiency enhancement (P.21)

3) Reduction in operating capital (P.22)

Control & support

Domains

Faster, streamlined management of domains

Domain management division (focus on business management and sales management) (other business administration consolidated to corporate divisions)

SBUs / 100% owned group companies (mainly businesses requiring long-term development, such as aircraft)

Consolidated subsidiaries / equity method companies (managed in line with Group management strategies)

Independently managed joint ventures (MHPS, Primetals, new forklift truck company*)

1) Acceleration of independent management, PMI (P.18-20)

5) Radical review of risk management structure (P.26)

Control & support

SBU: Strategic Business Unit
MHPS: Mitsubishi Hitachi Power Systems
*: Company integrating forklift truck, engine and turbocharger businesses

Shared Technology Division

- Clarification of technology administration and foundation restructuring
- Optimized Companywide functions fusing technology, marketing, procurement, etc.
- Cultivation and maintenance of advanced engineers and technicians

New Engineering Headquarters

ICT Solution Headquarters

New Value Chain Headquarters (including Head Office Procurement Div.)

New M&I (Marketing and Innovation) Headquarters

Research and Innovation Center

6) Establishment of shared technology division (P.27)

ICT: Information and communication technology

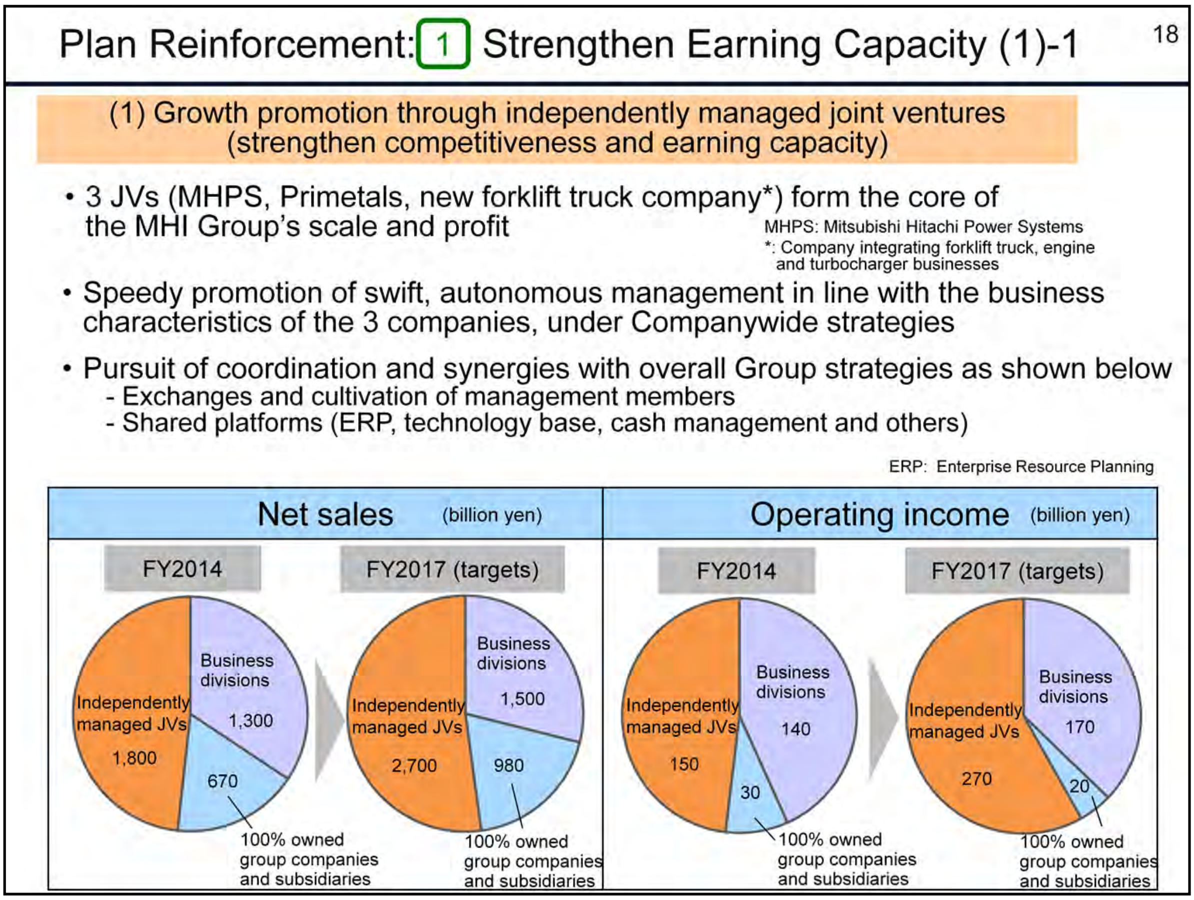
We begin our explanation concerning reinforcement of the 2015 Medium-Term Business Plan from an organizational perspective.

To begin, in the various business domains, we will pursue domain management efficiencies, , reduce operating capital, and promote the use of autonomous management for independently managed joint ventures.

Next, in the corporate divisions, we will enhance corporate business processes, and promote the use of business process outsourcing (BPO) and shared service centers (SSC). Special attention, however, will be given to asset management.

With respect to risk resilience, we will undertake a radical review of our risk management structure. We will newly establish a Business Risk Management Division under the direct oversight of the CEO within the Business Strategy Office. Risks arising from technology will be dealt with by a new shared technology framework.

The new shared technology framework will include a newly established Engineering Headquarters, Value Chain Headquarters, and Marketing and Innovation (M&I) Headquarters. Personnel will be assembled from all business domains, and we will strengthen shared foundational business elements.



Plan Reinforcement: 1 Strengthen Earning Capacity (1)-1

(1) Growth promotion through independently managed joint ventures (strengthen competitiveness and earning capacity)

- 3 JVs (MHPS, Primetals, new forklift truck company*) form the core of the MHI Group's scale and profit

MHPS: Mitsubishi Hitachi Power Systems
*: Company integrating forklift truck, engine and turbocharger businesses

- Speedy promotion of swift, autonomous management in line with the business characteristics of the 3 companies, under Companywide strategies
- Pursuit of coordination and synergies with overall Group strategies as shown below
  - Exchanges and cultivation of management members
  - Shared platforms (ERP, technology base, cash management and others)

ERP: Enterprise Resource Planning

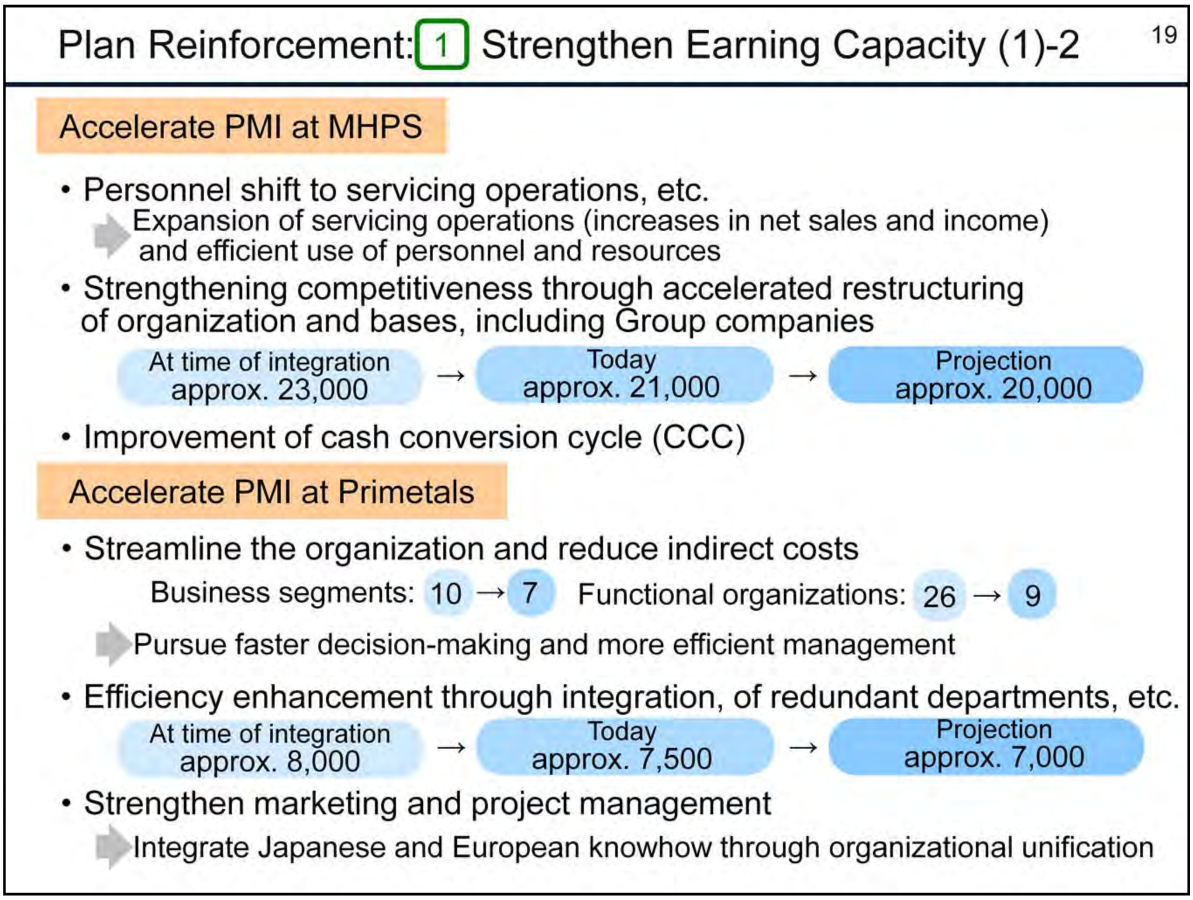
Now, we will explain the 6 additional measures that we are taking.

First, to strengthen our earning capacity, we will promote growth through independently managed joint ventures.

Our plan calls for the total net sales and total operating income of 3 joint ventures – Mitsubishi Hitachi Power Systems (MHPS), Primetals Technologies, and a new forklift truck company – which equated to almost 50% of the corresponding MHI Group figures in FY2014, to account for more than 50% in FY2017, the final year of the 2015 Medium-Term Business Plan.

The 3 joint ventures will, to a certain degree, follow the MHI Group's overall management strategies and resource allocation plans; but as their business characteristics are clear, we will promote swift, autonomous management in line with those characteristics.

Also, in order to secure coordination with the MHI Group's overall strategies and reap synergies, we will move management cross-functionally and increase learning. We will also create shared platforms for ERP, the technology foundation, cash management, etc.



Plan Reinforcement: 1 Strengthen Earning Capacity (1)-2

Accelerate PMI at MHPS

- Personnel shift to servicing operations, etc.
  ➡ Expansion of servicing operations (increases in net sales and income) and efficient use of personnel and resources
- Strengthening competitiveness through accelerated restructuring of organization and bases, including Group companies
  At time of integration approx. 23,000 → Today approx. 21,000 → Projection approx. 20,000
- Improvement of cash conversion cycle (CCC)

Accelerate PMI at Primetals

- Streamline the organization and reduce indirect costs
  Business segments: 10 → 7 Functional organizations: 26 → 9
  ➡ Pursue faster decision-making and more efficient management
- Efficiency enhancement through integration, of redundant departments, etc.
  At time of integration approx. 8,000 → Today approx. 7,500 → Projection approx. 7,000
- Strengthen marketing and project management
  ➡ Integrate Japanese and European knowhow through organizational unification

Here, we explain about accelerating post-merger integration (PMI) at Mitsubishi Hitachi Power Systems (MHPS) and Primetals Technologies.

Three initiatives will be undertaken at MHPS.

First is a shift of personnel to services-related operations. Personnel and resources will be leveraged efficiently to expand our service operations' net sales and operating income.

Second, MHPS's competitiveness will be strengthened through accelerated restructuring of the company's organization and bases, including Group companies. The number of employees has already been reduced from 23,000 at the time of integration to near 21,000 today; and plans call for further reductions to approximately 20,000.

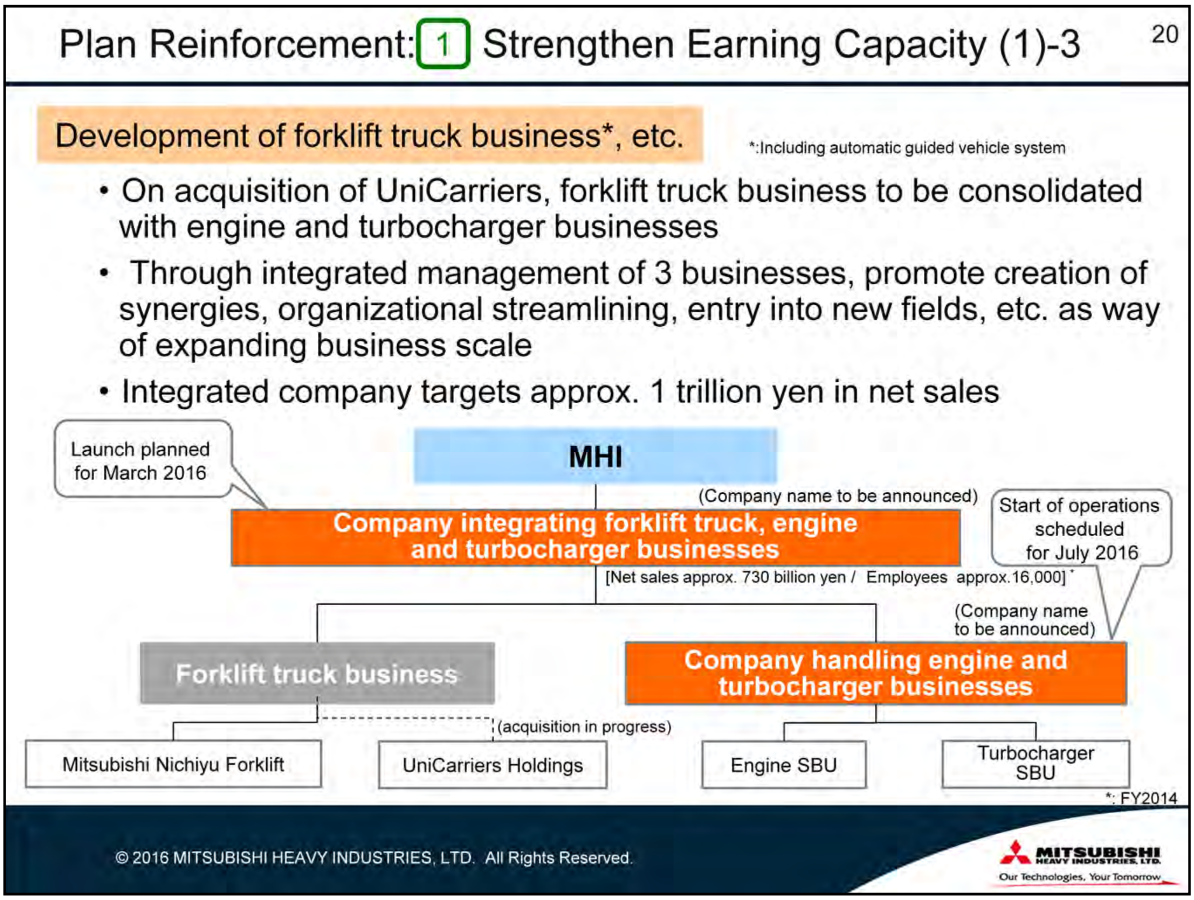
Third, MHPS's cash conversion cycle will be improved.

At Primetals Technologies, the following 3 initiatives will be taken.

First, the organization will be streamlined and indirect costs will be reduced. By organizing with a focus on common or shared factors, the number of business segments will be trimmed from 10 to 7 and the number of functional organizations from 26 to 9. By doing this, we will pursue faster decision-making and more efficient management.

Second, the company’s efficiency will be enhanced through integration of business departments, etc. The number of employees has already been trimmed from near 8,000 at the time of integration to 7,500 today; and going forward this will be further reduced to approximately 7,000.

Third, marketing and project management at Primetals Technologies will be strengthened. The project division located in Linz, Austria, is very large, so we intend to send employees there from Japan to unify the organization. This will enable us to integrate Japanese and European knowhow and make it stronger.



Plan Reinforcement: 1 Strengthen Earning Capacity (1)-3

20

Development of forklift truck business*, etc.

*:Including automatic guided vehicle system

- On acquisition of UniCarriers, forklift truck business to be consolidated with engine and turbocharger businesses
- Through integrated management of 3 businesses, promote creation of synergies, organizational streamlining, entry into new fields, etc. as way of expanding business scale
- Integrated company targets approx. 1 trillion yen in net sales

*: FY2014

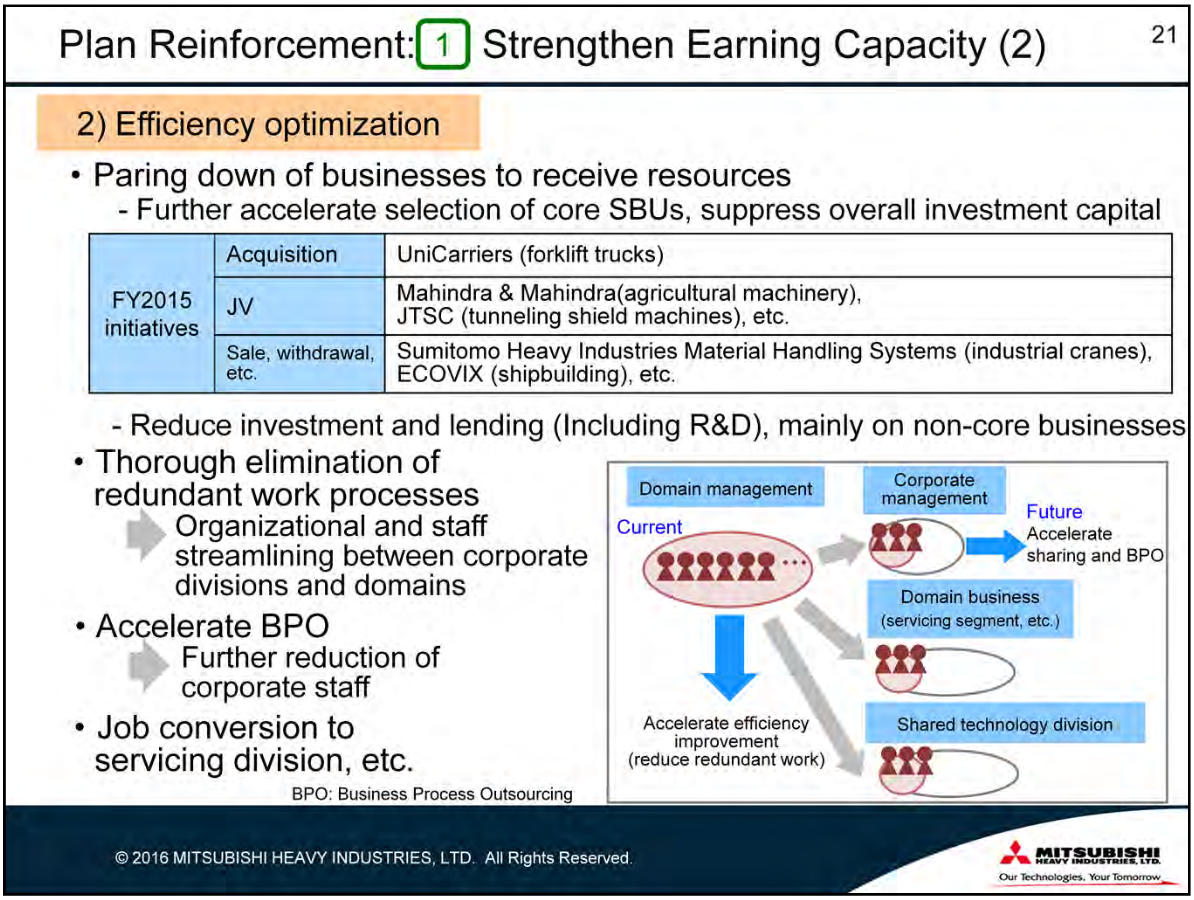
Here, we explain developments relating to forklift trucks and other businesses.

After acquiring UniCarriers Holdings Corporation, MHI’s forklift truck business will expand. A company integrating the forklift truck business with the engine and turbocharger businesses is slated for launch in March 2016. Currently, net sales stand at approximately 730 billion yen; eventually we aim to increase this to 1 trillion yen.

MHI’s engine and turbocharger businesses will be consolidated into the aforementioned new company, which is scheduled to commence operations in July 2016, integrating MHI’s Engine SBU and Turbocharger SBU.

In the forklift truck business, in addition to the existing Mitsubishi Nichiyu Forklift, final procedures are under way for acquiring UniCarriers Holdings. That contract is expected to be concluded by the end of March 2016.

Plans call for all 3 of these businesses to be integrated, ultimately generating synergy merits. We believe these 3 businesses are interconnected in ways conducive to reaping synergies: for example, turbochargers enhance engine performance, and forklift trucks use those engines.



Plan Reinforcement: 1 Strengthen Earning Capacity (2)

2) Efficiency optimization

- Paring down of businesses to receive resources
  - Further accelerate selection of core SBUs, suppress overall investment capital

FY2015 initiatives	Acquisition	UniCarriers (forklift trucks)
	JV	Mahindra & Mahindra(agricultural machinery), JTSC (tunneling shield machines), etc.
	Sale, withdrawal, etc.	Sumitomo Heavy Industries Material Handling Systems (industrial cranes), ECOVIX (shipbuilding), etc.

  - Reduce investment and lending (Including R&D), mainly on non-core businesses
- Thorough elimination of redundant work processes
  - Organizational and staff streamlining between corporate divisions and domains
- Accelerate BPO
  - Further reduction of corporate staff
- Job conversion to servicing division, etc.

BPO: Business Process Outsourcing

Domain management

Current

Corporate management

Future

Accelerate sharing and BPO

Domain business (servicing segment, etc.)

Accelerate efficiency improvement (reduce redundant work)

Shared technology division

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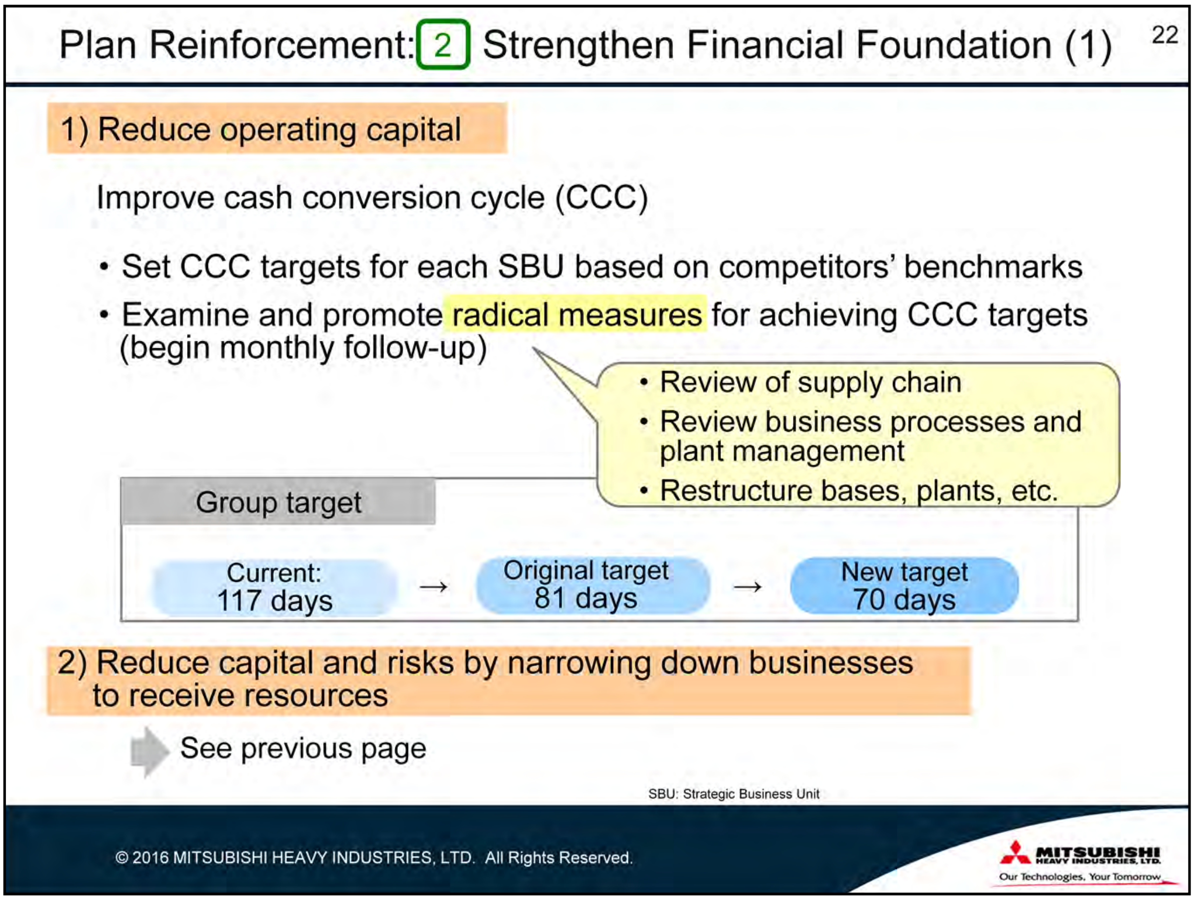
Next, we explain how we intend to optimize efficiency.

First, we will pare down resource-consuming businesses. To do so, we will further accelerate the selection of core SBUs and suppress overall investment capital. In addition, we will reduce investment and lending – including R&D – mainly for non-core businesses.

Next, we will thoroughly eliminate redundant work processes by undertaking organizational and staff streamlining between corporate divisions and domains.

In the area of indirect work outsourcing, we will promote sharing of domain management personnel, shifting them to corporate divisions, and also carry forward business process outsourcing (BPO), for even greater efficiency.

In addition, we will aim to shift personnel working in domain management areas to servicing and other fields that have higher added value. We are also contemplating shifting such personnel to areas involving technology sharing, to enhance their added value further.



Plan Reinforcement: 2 Strengthen Financial Foundation (1)

1) Reduce operating capital

Improve cash conversion cycle (CCC)

- Set CCC targets for each SBU based on competitors' benchmarks
- Examine and promote radical measures for achieving CCC targets (begin monthly follow-up)

- Review of supply chain
- Review business processes and plant management
- Restructure bases, plants, etc.

Group target

Current: 117 days → Original target 81 days → New target 70 days

2) Reduce capital and risks by narrowing down businesses to receive resources

See previous page

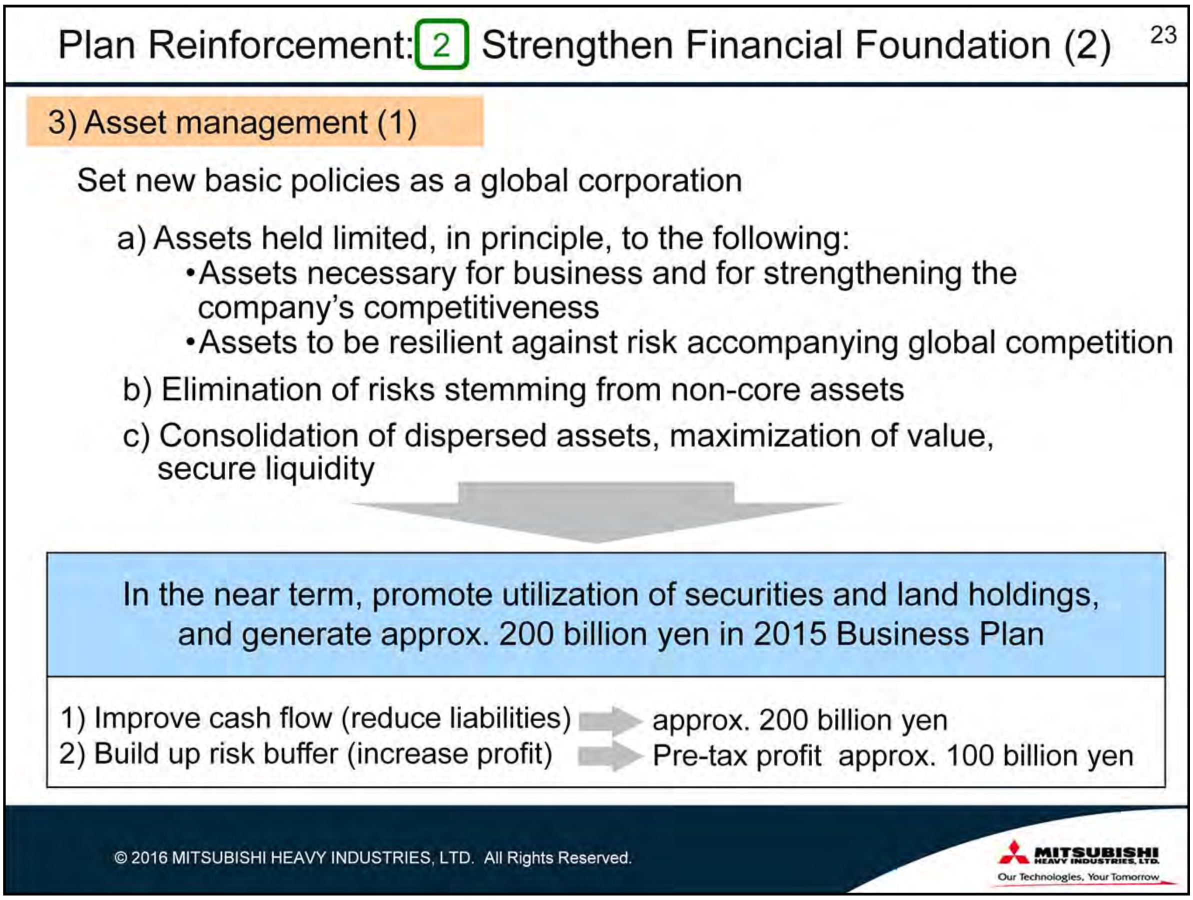
SBU: Strategic Business Unit

Next, we explain the additional measures being taken to strengthen the financial foundation.

In reference to reducing our operating capital, we will seek improvement of our cash conversion cycle. Whereas the average cycle of Japanese companies is roughly 70 days, currently our cycle is 117 days – and this is where we will aim for improvement.

To achieve our cycle target of 70 days, we will examine and promote radical measures – such as reviewing our supply chain and restructuring our bases and plants – and begin monthly follow-ups. We anticipate significant results from these endeavors.

Concerning how we plan to reduce capital and risks by paring down businesses that receive resources, this has been explained on the previous page.



Plan Reinforcement: 2 Strengthen Financial Foundation (2)

3) Asset management (1)

Set new basic policies as a global corporation

a) Assets held limited, in principle, to the following:
- Assets necessary for business and for strengthening the company's competitiveness
- Assets to be resilient against risk accompanying global competition

b) Elimination of risks stemming from non-core assets

c) Consolidation of dispersed assets, maximization of value, secure liquidity

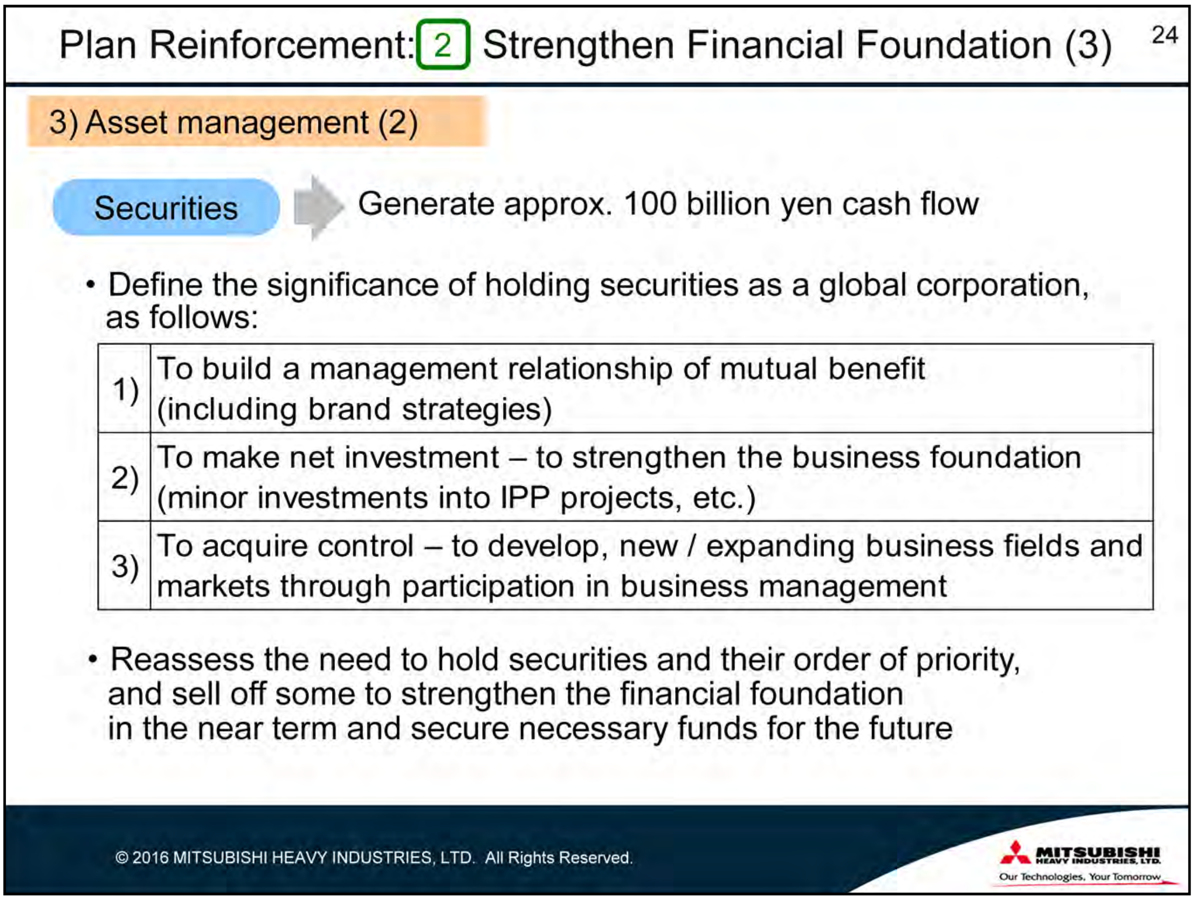
In the near term, promote utilization of securities and land holdings, and generate approx. 200 billion yen in 2015 Business Plan

1) Improve cash flow (reduce liabilities) ➡ approx. 200 billion yen
2) Build up risk buffer (increase profit) ➡ Pre-tax profit approx. 100 billion yen

As to asset management, we intend to set down new basic policies as a global corporation. Asset holdings will be limited to those necessary for business: for other assets, we will secure liquidity as far as possible, and maximize their value.

In the near term, we will better utilize our securities and land holdings. In doing so we aim to improve our cash flow by a combined total of approximately 200 billion yen in FY2016 and FY2017.

As a result of this improved cash flow, we can expect our income before income taxes to improve by roughly 100 billion yen.



Plan Reinforcement: 2 Strengthen Financial Foundation (3)

3) Asset management (2)

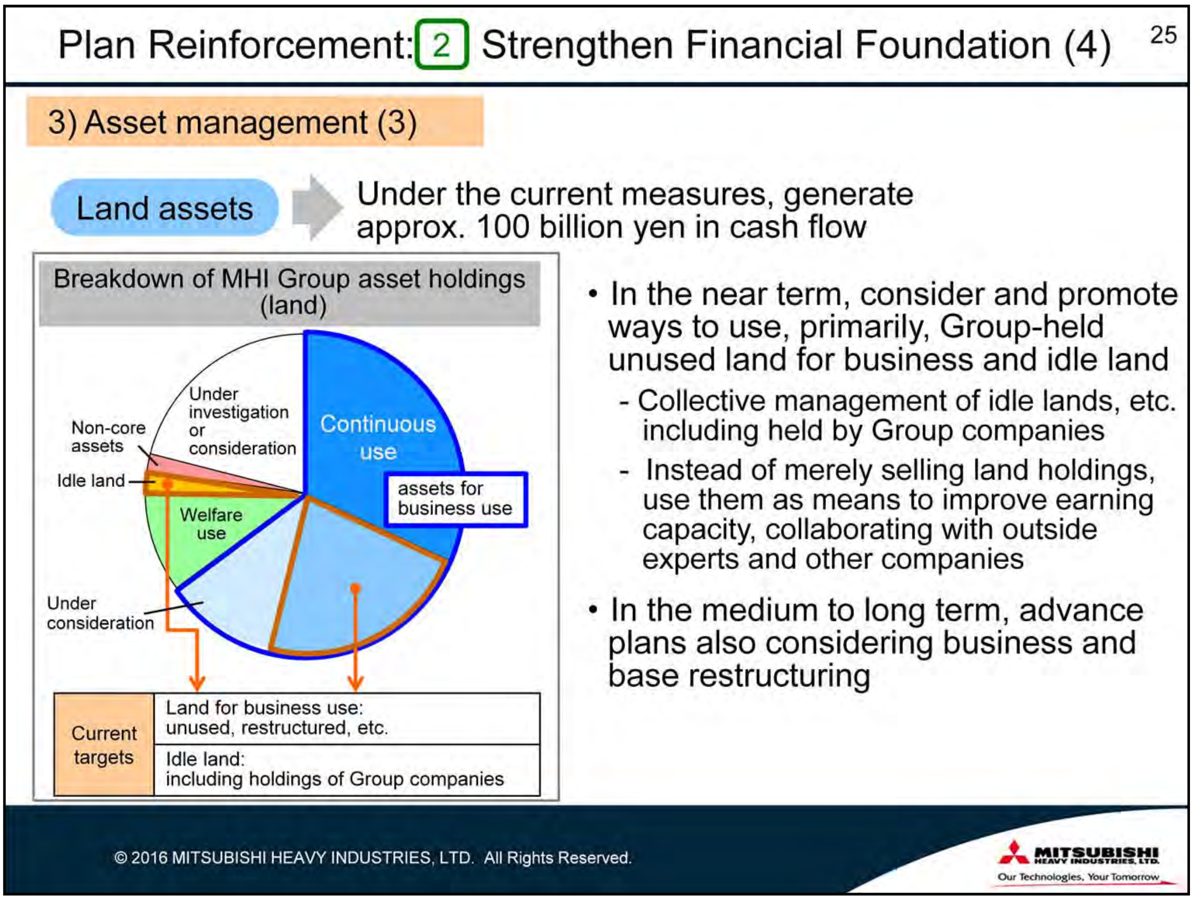
Securities → Generate approx. 100 billion yen cash flow

- Define the significance of holding securities as a global corporation, as follows:

1)	To build a management relationship of mutual benefit (including brand strategies)
2)	To make net investment – to strengthen the business foundation (minor investments into IPP projects, etc.)
3)	To acquire control – to develop, new / expanding business fields and markets through participation in business management

- Reassess the need to hold securities and their order of priority, and sell off some to strengthen the financial foundation in the near term and secure necessary funds for the future

With respect to securities, we aim to assess the need, as a global corporation, of holding various securities; and to reassess and prioritize these securities. Based on that assessment, we intend to sell off some of our holdings in order to strengthen our financial foundation in the near term and to secure funds necessary for our future.



Plan Reinforcement: 2 Strengthen Financial Foundation (4)

3) Asset management (3)

Land assets → Under the current measures, generate approx. 100 billion yen in cash flow

Breakdown of MHI Group asset holdings (land)

Current targets	Land for business use: unused, restructured, etc.
	Idle land: including holdings of Group companies

- In the near term, consider and promote ways to use, primarily, Group-held unused land for business and idle land
  - Collective management of idle lands, etc. including held by Group companies
  - Instead of merely selling land holdings, use them as means to improve earning capacity, collaborating with outside experts and other companies
- In the medium to long term, advance plans also considering business and base restructuring

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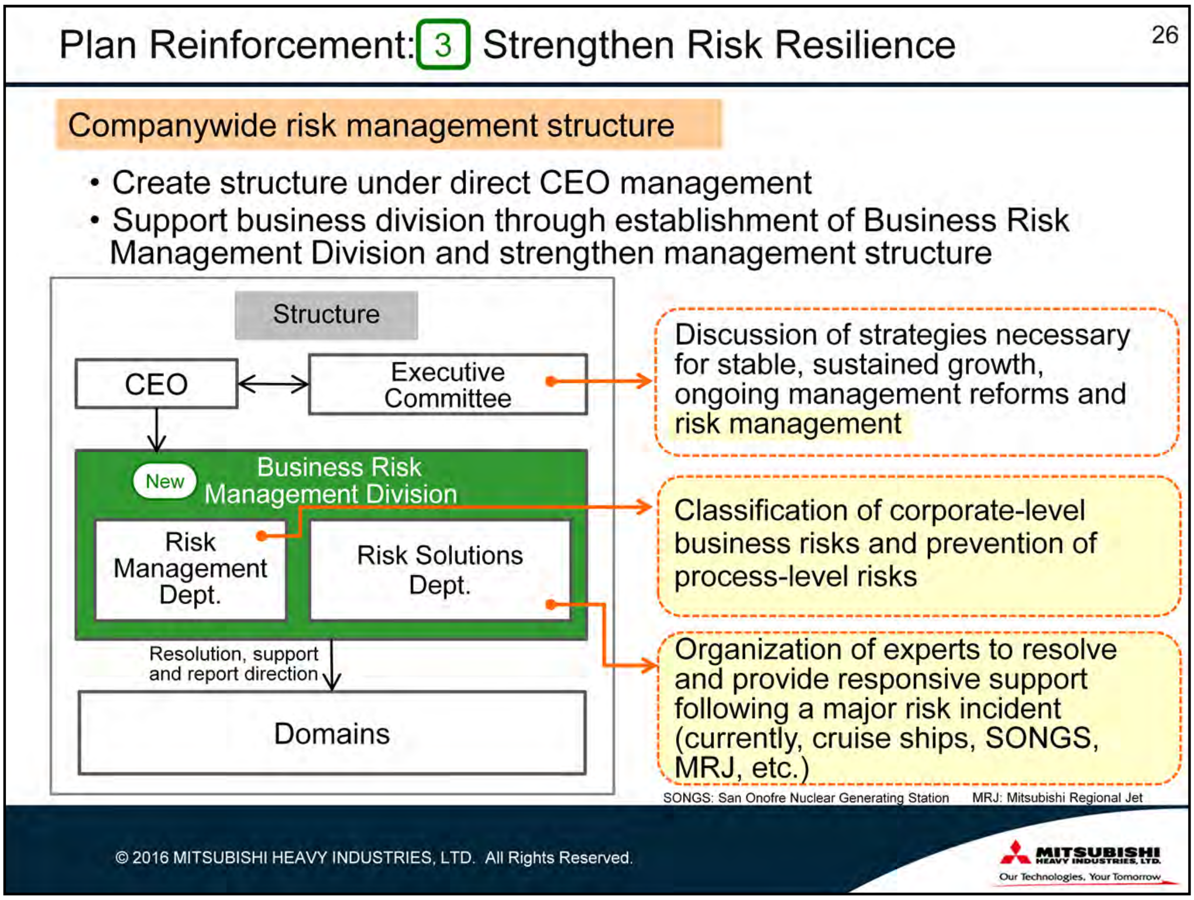
Concerning land assets, we are focusing on ways to make use of unused business properties and idle land holdings.

Instead of just selling off such lands, working in collaboration with outside experts and other companies we will strive to manage these assets in such a way that they serve to improve our earning capacity.



Plan Reinforcement: 3 Strengthen Risk Resilience

Companywide risk management structure

- Create structure under direct CEO management
- Support business division through establishment of Business Risk Management Division and strengthen management structure

Discussion of strategies necessary for stable, sustained growth, ongoing management reforms and risk management

Classification of corporate-level business risks and prevention of process-level risks

Organization of experts to resolve and provide responsive support following a major risk incident (currently, cruise ships, SONGS, MRJ, etc.)

SONGS: San Onofre Nuclear Generating Station MRJ: Mitsubishi Regional Jet

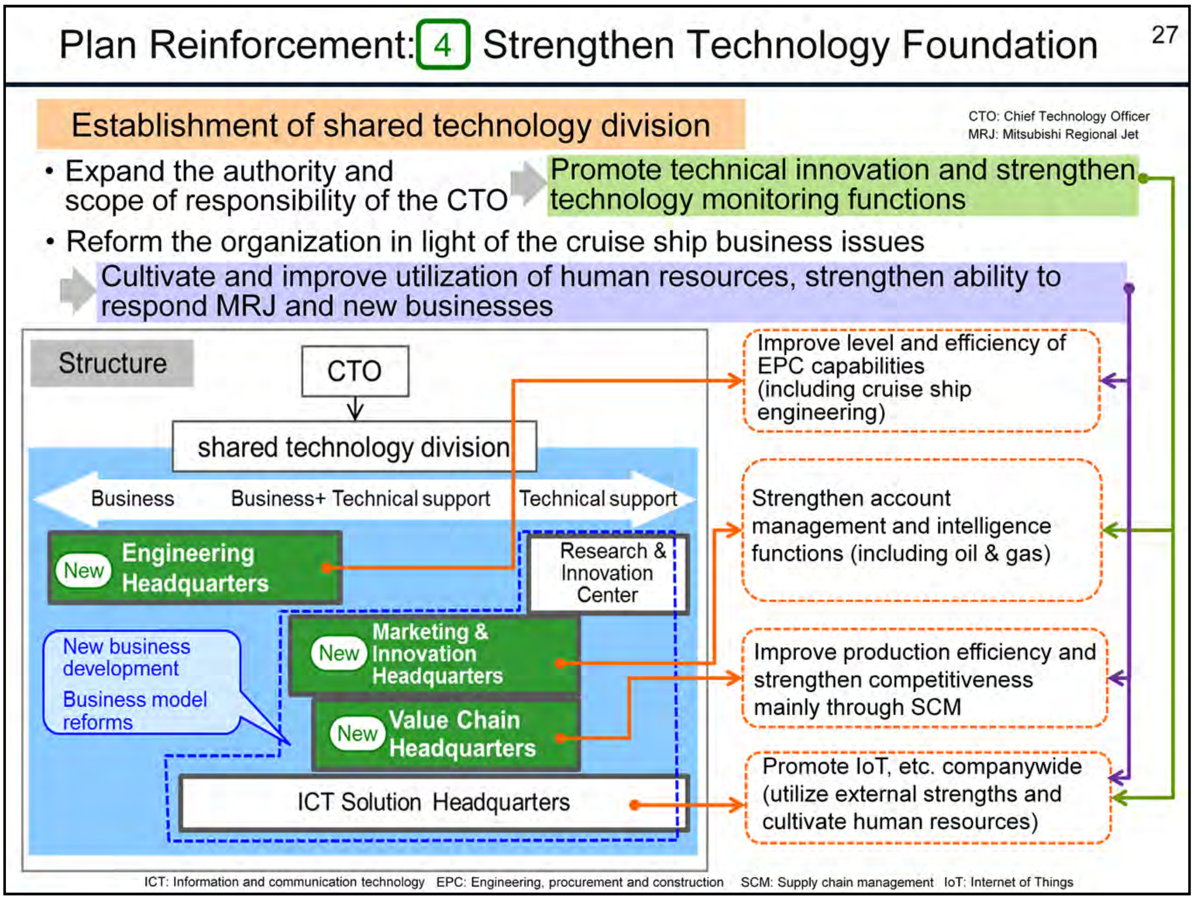
Next, we explain our Companywide risk management structure as an additional measure being taken to strengthen our risk resilience.

MHI is currently going through a period of change, and within the great flow of globalization we face an increasing number of difficult work projects. To cope, we are building a Companywide risk management structure directly under the oversight of the CEO. Executive Committee meetings primarily serve as venues for discussing what strategies are necessary for stable, sustained growth, ongoing management reforms, and risk management.

The CEO largely looks at corporate-level business risks and works to minimize major errors in judgment attributable to mistaken impressions, organizational issues, and risk accompanying new or resumed projects of large scale. Technical matters are handled by the CTO.

Risk management at the normal process level or work procedure level, which has until now been performed by the Management Audit Department, Internal Audit Department, etc., will be carried out by the Risk Management Department.

The existing Risk Solutions Department is an organization of experts tasked with resolving or providing responsive support after a major risk incident. Currently the Department is responding to matters relating to our cruise ship business, SONGS, and the MRJ business, and its response capabilities will be further enhanced going forward.



Plan Reinforcement: 4 Strengthen Technology Foundation

Establishment of shared technology division

CTO: Chief Technology Officer
MRJ: Mitsubishi Regional Jet

- Expand the authority and scope of responsibility of the CTO → Promote technical innovation and strengthen technology monitoring functions
- Reform the organization in light of the cruise ship business issues

→ Cultivate and improve utilization of human resources, strengthen ability to respond MRJ and new businesses

Structure

CTO

shared technology division

Business | Business+ Technical support | Technical support

New **Engineering Headquarters**

Research & Innovation Center

New business development

Business model reforms

New **Marketing & Innovation Headquarters**

New **Value Chain Headquarters**

ICT Solution Headquarters

Improve level and efficiency of EPC capabilities (including cruise ship engineering)

Strengthen account management and intelligence functions (including oil & gas)

Improve production efficiency and strengthen competitiveness mainly through SCM

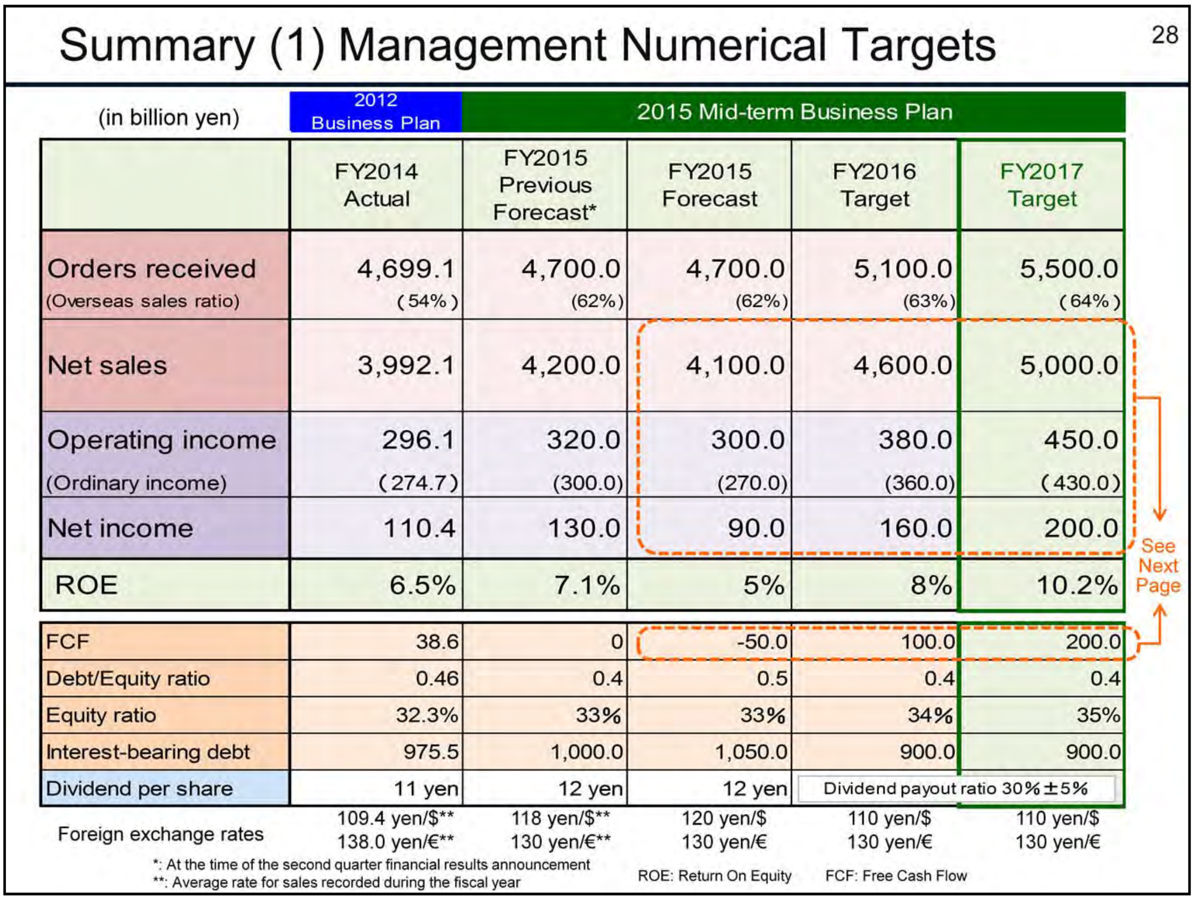
Promote IoT, etc. companywide (utilize external strengths and cultivate human resources)

ICT: Information and communication technology EPC: Engineering, procurement and construction SCM: Supply chain management IoT: Internet of Things

Here we explain about creating a shared technology framework.

We aim to promote technical innovation and strengthen the Company’s technology monitoring functions by expanding the authority and responsibilities of the CTO. Organizational reforms will be carried out in light of the issues affecting our cruise ship business, and we will cultivate and improve how we utilize human resources, and strengthen our ability to respond to the MRJ and other new businesses. Specifically, we will establish a new Engineering Headquarters that will work to improve the level and efficiency of our EPC capabilities.

Under the CTO, a shared technology framework will be configured to develop new businesses and reform our business models.



Summary (1) Management Numerical Targets

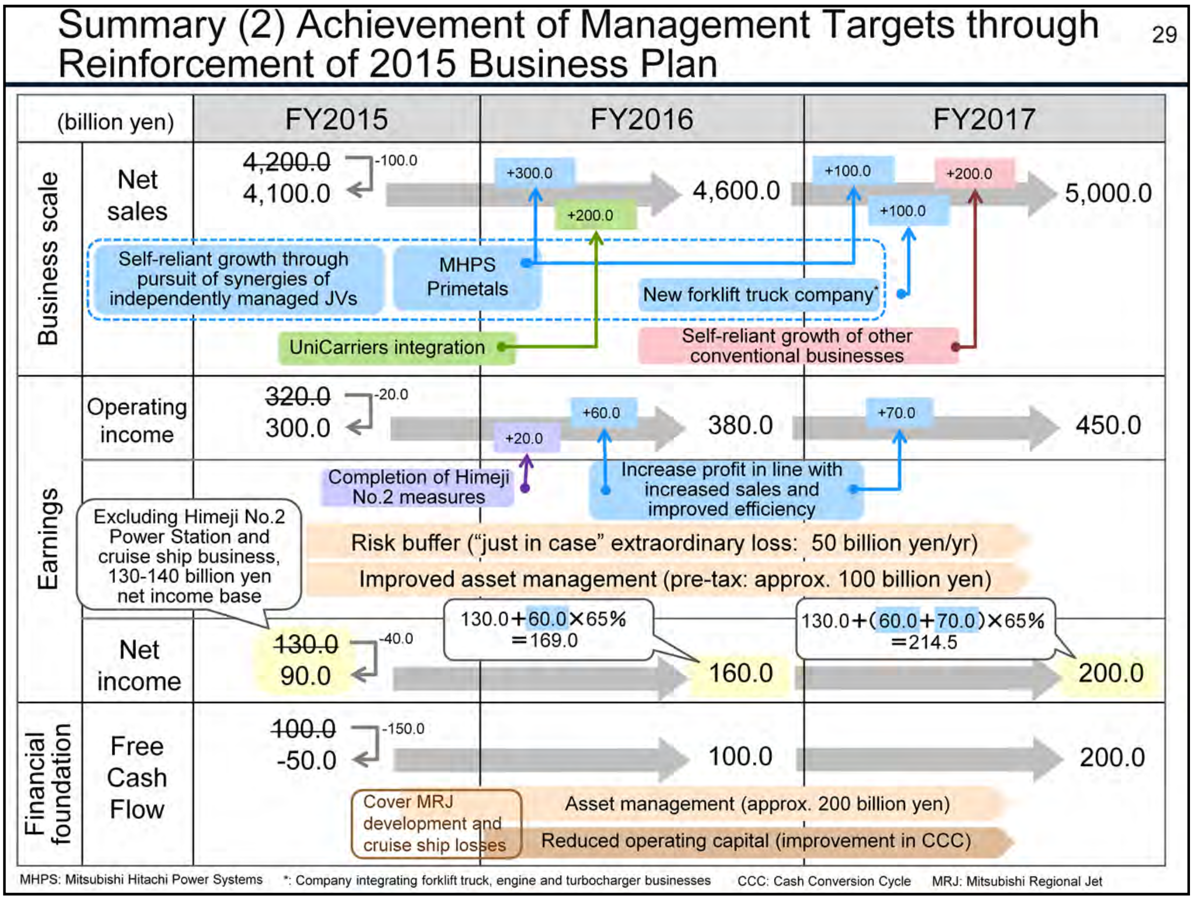
(in billion yen)	2012 Business Plan	2015 Mid-term Business Plan			
	FY2014 Actual	FY2015 Previous Forecast*	FY2015 Forecast	FY2016 Target	FY2017 Target
Orders received (Overseas sales ratio)	4,699.1 (54%)	4,700.0 (62%)	4,700.0 (62%)	5,100.0 (63%)	5,500.0 (64%)
Net sales	3,992.1	4,200.0	4,100.0	4,600.0	5,000.0
Operating income (Ordinary income)	296.1 (274.7)	320.0 (300.0)	300.0 (270.0)	380.0 (360.0)	450.0 (430.0)
Net income	110.4	130.0	90.0	160.0	200.0
ROE	6.5%	7.1%	5%	8%	10.2%
FCF	38.6	0	-50.0	100.0	200.0
Debt/Equity ratio	0.46	0.4	0.5	0.4	0.4
Equity ratio	32.3%	33%	33%	34%	35%
Interest-bearing debt	975.5	1,000.0	1,050.0	900.0	900.0
Dividend per share	11 yen	12 yen	12 yen	Dividend payout ratio 30%±5%	
Foreign exchange rates	109.4 yen/$** 138.0 yen/€**	118 yen/$** 130 yen/€**	120 yen/$ 130 yen/€	110 yen/$ 130 yen/€	110 yen/$ 130 yen/€

See Next Page

*: At the time of the second quarter financial results announcement
**: Average rate for sales recorded during the fiscal year

ROE: Return On Equity FCF: Free Cash Flow

By implementing the various measures explained above, we aim to achieve the forecasts and targets indicated here.



Summary (2) Achievement of Management Targets through Reinforcement of 2015 Business Plan

(billion yen)		FY2015	FY2016	FY2017
Business scale	Net sales	~~4,200.0~~ 4,100.0 -100.0	+300.0 +200.0 4,600.0	+100.0 +100.0 +200.0 5,000.0
Earnings	Operating income	~~320.0~~ 300.0 -20.0	+20.0 +60.0 380.0	+70.0 450.0
	Net income	~~130.0~~ 90.0 -40.0	130.0+60.0×65% =169.0 160.0	130.0+(60.0+70.0)×65% =214.5 200.0
Financial foundation	Free Cash Flow	~~100.0~~ -50.0 -150.0	100.0	200.0

Self-reliant growth through pursuit of synergies of independently managed JVs

MHPS Primetals

New forklift truck company*

UniCarriers integration

Self-reliant growth of other conventional businesses

Completion of Himeji No.2 measures

Increase profit in line with increased sales and improved efficiency

Excluding Himeji No.2 Power Station and cruise ship business, 130-140 billion yen net income base

Risk buffer ("just in case" extraordinary loss: 50 billion yen/yr)

Improved asset management (pre-tax: approx. 100 billion yen)

Cover MRJ development and cruise ship losses

Asset management (approx. 200 billion yen)

Reduced operating capital (improvement in CCC)

MHPS: Mitsubishi Hitachi Power Systems *: Company integrating forklift truck, engine and turbocharger businesses CCC: Cash Conversion Cycle MRJ: Mitsubishi Regional Jet

Here we explain our thinking concerning the achievement of our management targets as a result of reinforcement of the 2015 Medium-Term Business Plan.

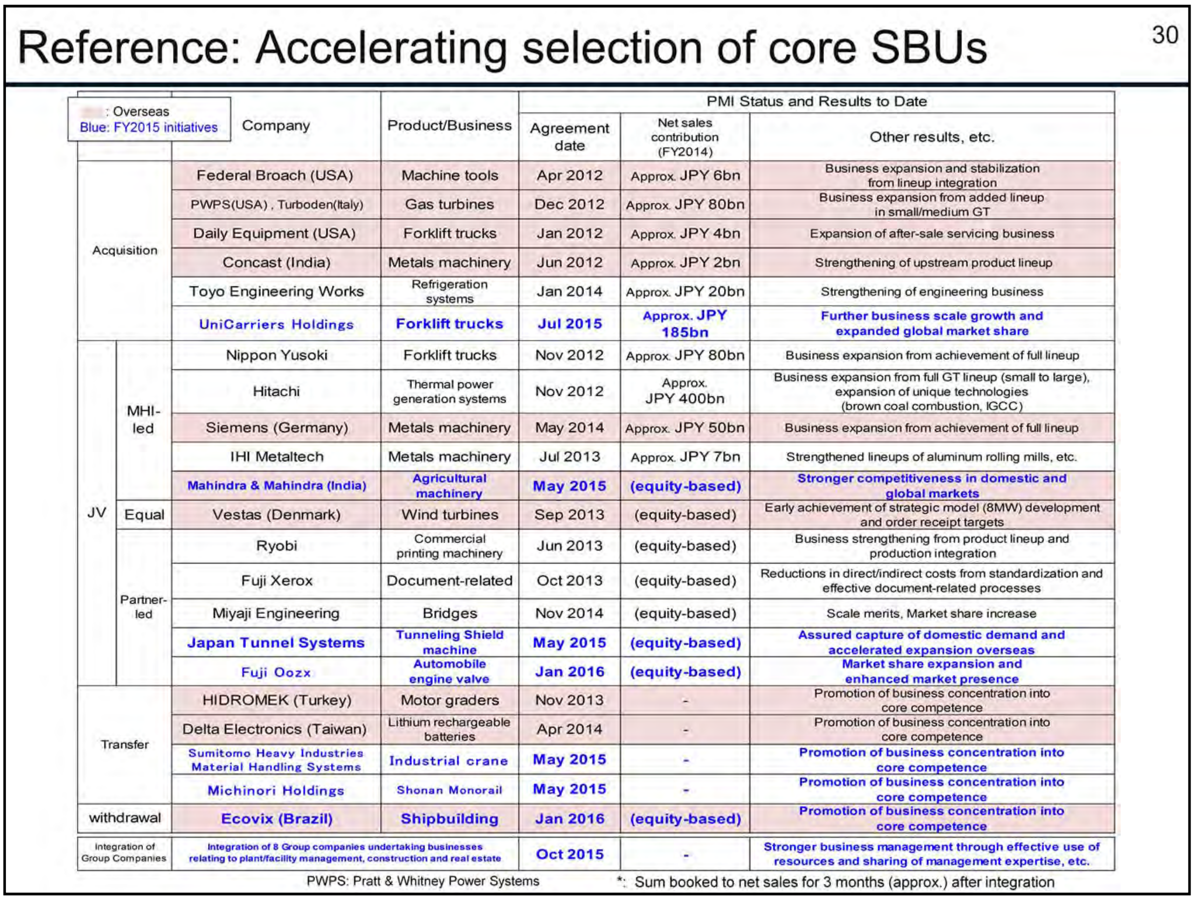
First, with respect to business scale, in addition to near 4,100 billion yen in net sales from projects ordered in the past, we are anticipating 300 billion yen from post-merger integration merits relating to MHPS and Primetals Technologies. Then, with the addition of 200 billion yen from our business merger with UniCarriers Holdings, we expect to be able to achieve our net sales target for FY2016 of 4,600 billion yen.

In FY2017, we are targeting 5 trillion yen, with further additions to come in the form of 100 billion yen from development of the new forklift truck company, 100 billion yen from growth at MHPS, and 200 billion yen from self-reliant growth of other existing businesses.

Concerning earnings, whereas in FY2015 our operating income outlook is 300 billion yen, in FY2016 we hope to realize our target of 380 billion yen. We are anticipating a return to 320 billion yen in operating income as measures to repair glitches at Kansai Electric Power's Himeji No.2 Power Station come to a conclusion. In addition, we expect operating income to increase some 60 billion yen in tandem with a near 500 billion yen increase in net sales arising from business integrations involving MHPS, Primetals Technologies and UniCarriers Holdings, coupled with cost reductions from enhanced management efficiency.

With regard to income before income taxes, we believe our net income will grow to 160 billion yen in FY2016, and further to 200 billion yen in FY2017, while setting aside 50 billion yen every year as risk buffer for structural reforms and other purposes and holding approximately 100 billion yen in risk buffer from asset management.

As a result of these various measures, we believe we will not only retrieve the 40 billion yen in net income short in FY2015, but also retrieve our cash flow going forward.



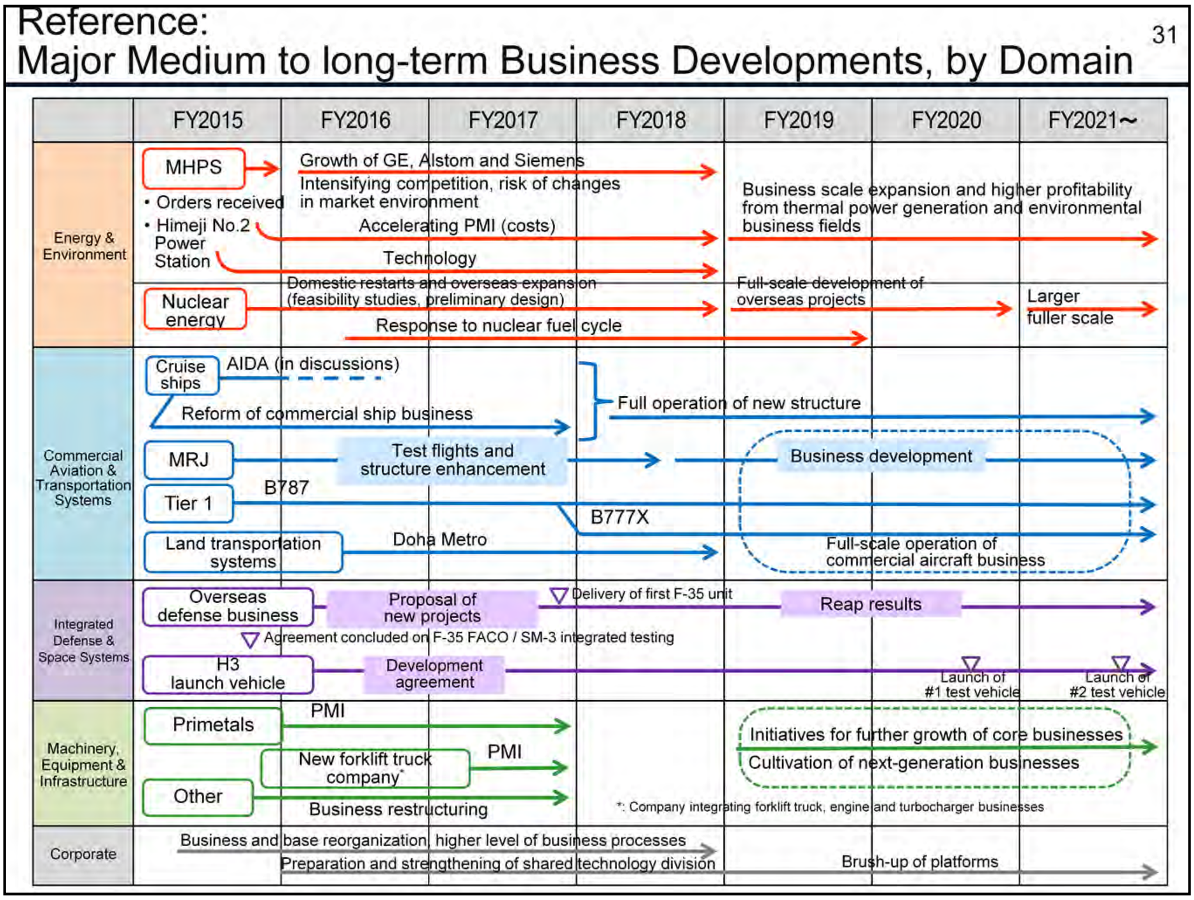
Reference: Accelerating selection of core SBUs

🟥 : Overseas Blue: FY2015 initiatives		Company	Product/Business	PMI Status and Results to Date		
				Agreement date	Net sales contribution (FY2014)	Other results, etc.
Acquisition		Federal Broach (USA)	Machine tools	Apr 2012	Approx. JPY 6bn	Business expansion and stabilization from lineup integration
		PWPS(USA) , Turboden(Italy)	Gas turbines	Dec 2012	Approx. JPY 80bn	Business expansion from added lineup in small/medium GT
		Daily Equipment (USA)	Forklift trucks	Jan 2012	Approx. JPY 4bn	Expansion of after-sale servicing business
		Concast (India)	Metals machinery	Jun 2012	Approx. JPY 2bn	Strengthening of upstream product lineup
		Toyo Engineering Works	Refrigeration systems	Jan 2014	Approx. JPY 20bn	Strengthening of engineering business
		UniCarriers Holdings	**Forklift trucks**	**Jul 2015**	**Approx. JPY 185bn**	**Further business scale growth and expanded global market share**
JV	MHI-led	Nippon Yusoki	Forklift trucks	Nov 2012	Approx. JPY 80bn	Business expansion from achievement of full lineup
		Hitachi	Thermal power generation systems	Nov 2012	Approx. JPY 400bn	Business expansion from full GT lineup (small to large), expansion of unique technologies (brown coal combustion, IGCC)
		Siemens (Germany)	Metals machinery	May 2014	Approx. JPY 50bn	Business expansion from achievement of full lineup
		IHI Metaltech	Metals machinery	Jul 2013	Approx. JPY 7bn	Strengthened lineups of aluminum rolling mills, etc.
		Mahindra & Mahindra (India)	**Agricultural machinery**	**May 2015**	**(equity-based)**	**Stronger competitiveness in domestic and global markets**
	Equal	Vestas (Denmark)	Wind turbines	Sep 2013	(equity-based)	Early achievement of strategic model (8MW) development and order receipt targets
	Partner-led	Ryobi	Commercial printing machinery	Jun 2013	(equity-based)	Business strengthening from product lineup and production integration
		Fuji Xerox	Document-related	Oct 2013	(equity-based)	Reductions in direct/indirect costs from standardization and effective document-related processes
		Miyaji Engineering	Bridges	Nov 2014	(equity-based)	Scale merits, Market share increase
		Japan Tunnel Systems	**Tunneling Shield machine**	**May 2015**	**(equity-based)**	**Assured capture of domestic demand and accelerated expansion overseas**
		Fuji Oozx	**Automobile engine valve**	**Jan 2016**	**(equity-based)**	**Market share expansion and enhanced market presence**
Transfer		HIDROMEK (Turkey)	Motor graders	Nov 2013	-	Promotion of business concentration into core competence
		Delta Electronics (Taiwan)	Lithium rechargeable batteries	Apr 2014	-	Promotion of business concentration into core competence
		Sumitomo Heavy Industries Material Handling Systems	**Industrial crane**	**May 2015**	**-**	**Promotion of business concentration into core competence**
		Michinori Holdings	**Shonan Monorail**	**May 2015**	**-**	**Promotion of business concentration into core competence**
withdrawal		**Ecovix (Brazil)**	**Shipbuilding**	**Jan 2016**	**(equity-based)**	**Promotion of business concentration into core competence**
Integration of Group Companies		**Integration of 8 Group companies undertaking businesses relating to plant/facility management, construction and real estate**		**Oct 2015**	**-**	**Stronger business management through effective use of resources and sharing of management expertise, etc.**

PWPS: Pratt & Whitney Power Systems

*: Sum booked to net sales for 3 months (approx.) after integration

Here, we present an overview of our businesses after focusing on our core competencies through acquisitions, joint ventures, business transfers, business withdrawals, etc.



Reference: Major Medium to long-term Business Developments, by Domain

FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021～

Energy & Environment

MHPS
- Orders received
- Himeji No.2 Power Station

Growth of GE, Alstom and Siemens

Intensifying competition, risk of changes in market environment

Accelerating PMI (costs)

Technology

Business scale expansion and higher profitability from thermal power generation and environmental business fields

Nuclear energy

Domestic restarts and overseas expansion (feasibility studies, preliminary design)

Full-scale development of overseas projects

Larger fuller scale

Response to nuclear fuel cycle

Commercial Aviation & Transportation Systems

Cruise ships

AIDA (in discussions)

Reform of commercial ship business

Full operation of new structure

MRJ

Test flights and structure enhancement

Business development

Tier 1

B787

B777X

Full-scale operation of commercial aircraft business

Land transportation systems

Doha Metro

Integrated Defense & Space Systems

Overseas defense business

Proposal of new projects

Delivery of first F-35 unit

Reap results

Agreement concluded on F-35 FACO / SM-3 integrated testing

H3 launch vehicle

Development agreement

Launch of #1 test vehicle

Launch of #2 test vehicle

Machinery, Equipment & Infrastructure

Primetals

PMI

New forklift truck company*

PMI

Other

Business restructuring

Initiatives for further growth of core businesses

Cultivation of next-generation businesses

*: Company integrating forklift truck, engine and turbocharger businesses

Corporate

Business and base reorganization, higher level of business processes

Preparation and strengthening of shared technology division

Brush-up of platforms

Here we see our major medium to long-term business developments, by domain.

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Our Technologies, Your Tomorrow

This completes our explanation of the current progress status of our 2015 Medium-Term Business Plan.