CSR Report

Corporate Social Responsibility Report

2012

MHI Social and Environmental Report

Detailed Version

MITSUBISHI HEAVY INDUSTRIES, LTD.

Our Technologies, Your Tomorrow

Creed

1. We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society.
2. We base our activities on honesty, harmony, and a clear distinction between public and private life.
3. We shall strive for innovative management and technological development from an international perspective.

Reason for Instituting the Creed (Issued June 1, 1970)

In Japan there are many enterprises with their own "creeds" which simply represent their management concept.

Mitsubishi Heavy Industries, Ltd. has a creed of this type, also. It was instituted in 1970 on the basis of the policy advocated by Koyata Iwasaki, president of Mitsubishi Goshi Kaisha in the 1920s, to indicate the essential attitude of the company, the mental attitude of employees, and the future directions of the company.

The reason for instituting the present creed is so that all of us can call to mind our one hundred years of tradition and strive for further development in the future.

Editorial Policy

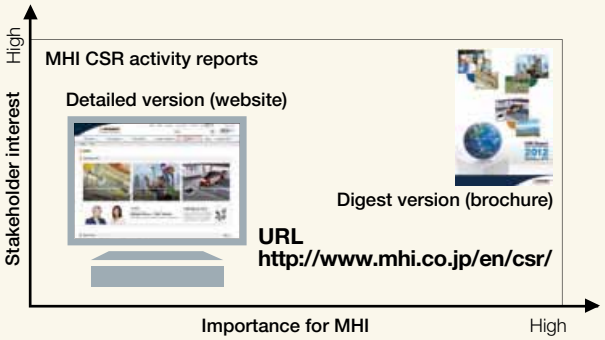
MHI uses its website for the comprehensive disclosure of information related to the MHI Group's CSR initiatives. MHI also produces a CSR Report digest version (brochure) to succinctly convey the activities that are the target of great interest from society and are also highly important to MHI.

In 2012, MHI made great efforts towards activities and reports with a greater awareness of dialogues with stakeholders. Both the website and the brochure included one-on-one interviews between managers and outside experts, dialogues with outside experts to formulate the "MHI Environmental Vision 2030," and initiatives related to continuing support for reconstruction after the Great East Japan Earthquake.

In addition, MHI also reports on its representative efforts with the aim of resolving issues on a global scale that are in line with the three themes of the CSR Action Guidelines.

Our website contains detailed information—focusing on "Management," the "Environmental Report," and the "Social Contributions Report"—that is not included in the brochure. In the future we will continue to improve these reports in response to your feedback.

Structure of CSR information disclosure



Scope of this Report

Target organization:

The information contained in this report pertains to Mitsubishi Heavy Industries, Ltd. and its Group companies (117 in Japan and 119 overseas). Some articles, however, only include descriptions of MHI's activities.

Target period:

From April 1, 2011 to March 31, 2012
(includes information on some activities after March 31, 2012)

Guidelines and Other Reference Material

- Global Reporting Initiative (GRI)
  "Sustainability Reporting Guidelines (G3.1 version)"
- Japanese Ministry of the Environment "Environmental Reporting Guidelines (2007 edition)"
- ISO 26000

NOTE: A "Guideline Comparison List" will be posted on our website.

Date of Issuance

June 2012 (previous issue: June 2011)
Recent efforts are included under "CSR" on the MHI website.

Disclaimer

In addition to objective information on the past and present status of Mitsubishi Heavy Industries, Ltd. and its Group companies, this report also contains plans, perspectives and forecasts based on business plans and other materials. These forecasts are made using information available at the time of publication and therefore the actual outcome of future business activities may differ from these forecasts.

CONTENTS

Dialogue: In this section, economist Yoko Takeda and MHI President and CEO Hideaki Omiya discuss global CSR

Dialogues with Stakeholders: This section contains summaries of dialogues with three outside experts on the theme of the MHI Environmental Vision 2030

Special Feature Close ties with the Earth: This feature introduces our coal-fired thermal power plant projects in India and China, which help to resolve environmental and energy-related issues.

Special Feature Close ties with Society: This section introduces efforts in Indonesia related to the fertilizer plant business that contributes to the resolution of the world's food problems.

Special Feature A bridge to the next Generation: Here, we introduce demonstration testing in Japan and Spain as efforts to realize "smart communities."

Corporate Design (Cover)
With the goal of building a unified brand image for the group, MHI has determined a new corporate design. The design features the Global Arch that evokes an image of "Our Technologies, Your Tomorrow," and MHI Blue has been newly adopted as the corporate color.

Toward resolution of energy and environmental issues

Contributing to realization of a sustainable society through wide-ranging products and technologies

Takeda: How to achieve economic growth and simultaneously protect the environment, in order to realize a sustainable society, is becoming an issue all over the world. To begin, I would like to ask you what MHI is doing toward resolving the world's energy and environmental problems.

Omiya: Among the myriad issues facing the world today, we believe energy and environmental issues are particularly important. In our business plan released this April, for example, we made expansion of our energy and environmental business operations a core strategy. MHI possesses the complete spectrum of products and technologies relating to energy and the environment: from making the power needed, effectively storing it, competently circulating it, efficiently using it, and aggressively exploring for new

J-Series gas turbine

MHI's CSR as a manufacturer with operations of global scale

How should MHI contribute to the realization of a sustainable society through its global manufacturing operations? To answer this question, MHI President and CEO Hideaki Omiya discussed matters with Yoko Takeda, Chief Economist at Mitsubishi Research Institute, and a proactive voice representing the private sector in initiating governmental proposals.

Hideaki Omiya

President and CEO,
Mitsubishi Heavy Industries, Ltd.

After joining MHI in 1969, Hideaki Omiya was long involved in aircraft development, and in 1999 he became Deputy General Manager of the Nagoya Aerospace Systems Works. He subsequently served as Director, Executive Vice President and General Manager of the Air-Conditioning & Refrigeration Systems Headquarters, and in April 2007 he was appointed Director and Senior Executive Vice President in charge of Production System Innovation Planning. He became President and CEO in April 2008, making this his fifth year in the position.

resources conducted in harmony with the well-being of our planet and of mankind.

In the area of power generation, which is most basic to the energy issue, today MHI is providing the world with a variety of power plants capable of making efficient use of our finite energy resources while also meeting environmental demands. Our GTCC power plants — GTCC standing for "gas turbine combined cycle" — incorporate the company's "J-Series" gas turbines, which have achieved the world's highest level of power generation efficiency. Our IGCC plants — IGCC being "integrated gasification combined cycle" — deliver 20% higher generation efficiency than conventional coal-fired thermal power plants.

Takeda: From a long-term perspective, concerns are rife about the eventual depletion of our main energy resources today: fossil fuels.

Omiya: At MHI we also offer a range of power generation systems that make no use of fossil fuels but instead use renewable energies: nuclear power plants, for example, and plants that run on wind, geothermal or hydro power. This breadth of available options is another defining trait of our energy and environmental business operations.

Takeda: Among the options you just mentioned, geothermal power is attracting particular attention today. With geothermal generation, CO_2 emissions are extremely low and power supply can remain stable, since operations aren't affected by weather conditions. Moves to deregulate this sector are underway here in Japan, and interest is increasing all around the world.

Omiya: MHI has been involved in geothermal generation for more than 40 years, and to date we have constructed a total of 100 power generating facilities of this kind in 13 countries. Together they account for roughly 25% — the top share — of all power produced by geothermal energy worldwide.

In geothermal plants, the enormous heat energy from magma deep below the surface of the Earth is used to drive a turbine — and turbines are an area where we have outstanding technological strength built up over many years. Geothermal power generation also requires proper removal or treatment of the impurities and noxious gases contained in the hot water found underground — and through the years we have made steady progress in technological developments of that sort, in addition to improving the performance, economy and reliability of geothermal systems.

In the years ahead, we hope to provide geothermal power generation facilities to regions where such resources are abundant — North America, Europe, Southeast Asia — as well as in places where geothermal development has so far lagged, such as Africa and South America.

Hellisheidi geothermal power plant (Iceland)

Yoko Takeda

Chief Economist, Research Center
For Policy And Economy
Mitsubishi Research Institute, Inc.

Yoko Takeda completed a Masters Degree in Public Policy at Georgetown University's Graduate School of Arts and Sciences. In 1994 she joined the Bank of Japan, where she was involved in work relating to overseas economic research, exchange equalization operations, analysis of domestic and overseas financial markets, etc. She joined the Mitsubishi Research Institute, Inc. in 2009 and then became a Chief Economist in 2012.

Also focusing on energy savings in our products and production processes

Takeda: Another important factor in resolving energy and environmental issues is curbing energy consumption. What initiatives is MHI taking in this regard?
Omiya: One initiative is making the products we provide more energy-efficient. We are making every effort we can to pursue optimal energy efficiency in all our product categories, in order to ease their burden on the environment. In the area of motor vehicles, for example, which are so indispensable to our lives, the company's turbochargers and lighter-weight hollow-head valves are contributing to improved engine efficiency. Many other products — OLED (Organic Light-Emitting Diode) lighting and room air conditioners, for instance — are also contributing to energy savings in everyday life.

Another area into which we are directing great effort is reducing CO_2 emissions from our production processes. In keeping with the Kyoto Protocol, we set a target to reduce our CO_2 emissions by an average 6% from the level of 1990 in the five years from 2008 to 2012. That translates to an average yearly emission limit of 443,000 tons — and in 2011 we reduced our emissions down to 437,000 tons. Today we continue to carry out a planned program toward achieving our target, for example by upgrading the production facilities and air-conditioning systems at all our bases of operation.
Takeda: As I understand, MHI is in the process of formulating an "Environmental Vision."
Omiya: We are calling it the "MHI Environmental Vision 2030," but it sets out not just our philosophy concerning the environment but also our commitment to contribute to sustainable social development through our products, technologies and total solutions, including other aspects of social infrastructure.

Contributing to improvement of social infrastructures worldwide

Helping to resolve problems of global scale: in transportation, traffic, and food and water

Takeda: As you have indicated, MHI has an extremely wide variety of products and technologies in areas other than energy and the environment: aircraft, ships, Automated People Mover/Light Rail Transit and so on. I believe you have also been involved in production of parts for the Boeing 787, which was frequently in the news last year.
Omiya: Yes, we were in charge of producing the main wings for the Boeing 787, the world's first large passenger plane to adopt wings made from composite materials.

Our CI statement at MHI is "Our Technologies, Your Tomorrow." From the perspective of the society's future, energy and environmental issues are important, of course; but there are also many other issues that have to be addressed in order to realize a sustainable society.
Takeda: Food and water shortages on global scale are another issue of great concern as populations continue to increase and the emerging nations experience economic growth. What business developments is MHI pursuing in these areas?
Omiya: We offer large-scale desalination plants that can convert seawater to potable water, and we also possess comprehensive water treatment technologies — for example for treating waste water, recycling water and so on. We are also contributing to resolving global food problems through the construction of highly efficient large-scale fertilizer plants.
Takeda: That's a considerable portfolio. I imagine only a few companies anywhere are involved in such a broad range of social infrastructure businesses.

Developing "smart communities" integrating technologies accumulated through many years

Omiya: Recently, we took important steps to provide new solutions capable of contributing to issues of global scale through total integration of our abundant portfolio of products and technologies. In January of this year we set up a new Engineering Headquarters integrating our in-house systems handling EPC: engineering, procurement and construction. Our intent is to bring together all our technological and project management strengths developed through our experience in large-scale infrastructure works — plant construction projects, high-speed railway systems and such — to enable us to take up challenges involving even larger-scale projects.
Takeda: Specifically, what areas are you intending to focus on?
Omiya: "Smart communities," for one. As cities in the emerging nations undergo sharp population increases as well as ever greater concentration of their populations, problems relating to shortages of energy and water resources, traffic congestion, increased waste and so forth are becoming increasingly serious. In order to resolve such compound problems, it is necessary to consider what form tomorrow's cities should take from various angles, and then develop the appropriate infrastructure paying heed to people's lifestyles as a whole.

Smart community demonstration testing, Keihanna

Takeda: In carrying out smart community projects, another necessity is to coordinate companies that have special know-how across a diverse spectrum. In other words you need to have the ability to manage such projects integrally, don't you?

Omiya: Yes, and at MHI we have already served in that kind of coordinating role in smart community demonstration projects at various locations around the world: in Japan, the project in the Keihanna region; and other projects in Spain and the United Arab Emirates. Going forward we hope to apply what we have learned through these projects to build the smart cities of tomorrow all over the world.

Takeda: Today the future of the global economy is very opaque. I hold high hopes for MHI's current initiatives, but in terms of profitability, wouldn't you agree that the picture is severe in some respects?

Omiya: As far as profitability is concerned, smart communities, as a business, still have a long way to go. Nevertheless, achieving a sustainable society is a task that must be addressed squarely by all mankind, and we believe that by steadily developing the products and technologies that will contribute to that end, we will enhance our corporate value in the medium- and long-term contexts.

MHI's social responsibility as a manufacturer

The greatest mission: to ensure safety and quality

Takeda: As an ordinary citizen, other major concerns are product safety and quality.

Omiya: It goes without saying, as a manufacturer our most important social responsibility is to ensure the safety of our products. Especially in the wake of the Great East Japan Earthquake last year we have become all the more aware of the public's demand for safe, secure, quality products.

The earthquake caused infrastructural damage to thermal power generating facilities we had delivered, and we have done everything within our capability to restore them. After the disaster we also proposed and carried out a variety of measures to be taken at the PWR (pressurized water reactor) nuclear power plants we had delivered to utility customers: not just emergency safety countermeasures but also stress tests and measures to ensure safety in the medium-to-long term. Also, at TEPCO's Fukushima Daiichi Nuclear Power Station, although the reactor there is of a different type from ours, we have contributed to prompt stabilization through the provision of our technologies common to all nuclear plant facilities.

Despite our ongoing efforts of these kinds, last summer we discovered that inappropriate work had been performed in manufacturing some of our aircraft parts. I would like to express our deepest apology, again, for the enormous trouble this caused to our customers and to many others, and I assure you measures to prevent any such reoccurrence will continue to be taken.

Accident Exhibit and Materials Room (right: exhibit of actual broken turbine rotor)

We believe that nothing is more important to ensuring safety and quality than the awareness of our employees: how much each and every employee takes pains to ensure safety and quality. In April of this year we increased the video presentations and exhibited items in our Accident Exhibit and Materials Room within the Technical Training Center in Nagoya, upgrading this facility so that it can more vividly convey the tragedy that accidents cause and the tension experienced at accident sites. Going forward we will continue to strengthen and fully implement education relating to safety and quality, in order to raise awareness in all our employees even further.

Pursuing CSR globally, always respecting regional differences

Takeda: When you undertake business globally as MHI does, I imagine there must be slight differences in how CSR should be applied in each different region.

Omiya: In expanding our business operations overseas, in many cases we have entered partnerships with local companies. When doing so, we naturally respect local business practices and social norms, and we also have to pay heed to the surrounding natural environment as well as to each region's specific customs and culture.

At the same time, however, there are also some things we invariably must maintain in every region, in light of global standards. Since 2004 MHI has been a participant in the United Nations Global Compact, and as such we work to adhere to the 10 principles set forth in the Compact's four categories regarding human rights, labor, the environment and anti-corruption.

Takeda: From your comments today I have gained a good understanding of MHI's initiatives in CSR through manufacturing. I have high hopes that you will continue to contribute to resolution of issues of global scale in the future.

Omiya: Thank you. In the years ahead, MHI will accelerate globalization of its business even further. In returning benefits to all our stakeholders — our customers, shareholders, investors, business partners, local communities and employees — and fulfilling our social responsibilities, we will do all we can to be a company that is representative of our CI statement, "Our Technologies, Your Tomorrow" and provide an assured future for this planet.

MHI Formulates “Environmental Vision 2030”

Objectives behind Formulation of Environmental Vision

The MHI Group believes that simultaneous achievement of the 3E’s — energy security, environmental protection and economic growth — is invaluable in order to realize a sustainable future for the earth and all mankind.

In June 2012 we formulated the “MHI Environmental Vision 2030” in order to contribute to the realization of the 3E’s — and open the way to a sustainable future — through total solutions incorporating our wide-ranging products and technologies applied on land, at sea, in the air and in space.

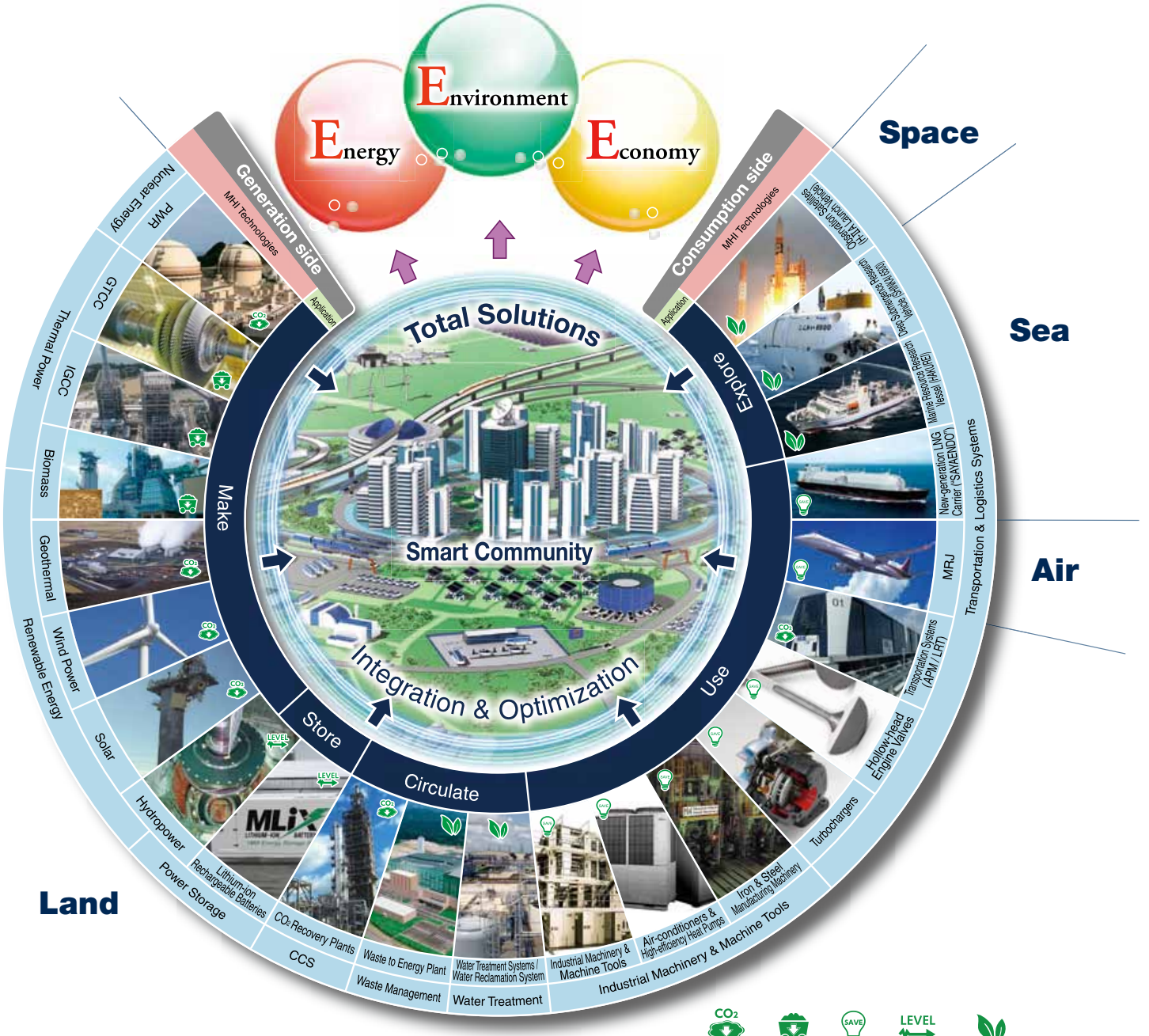
MHI Environmental Vision 2030

Our Technologies, Your Tomorrow

The future of our planet rests
in the sustained evolution of humankind while caring,
with love and responsibility, for all life forms that inhabit it.
MHI will continue to be a company indispensable to
ensuring that future.

The MHI Group will pursue
energy security while carrying forward environmental protection
— not only of the earth but of space also —
through its ability to develop new technologies and products,
to achieve a secure future that is kind to the earth.

Achievement of the 3E's Through Total Solutions Incorporating Company Products and Technologies



Promises to Nurture a Secure Future

			CO_2 reduction	Resource conservation	Energy savings	Energy security	Easing of environmental load
	Efficient power generation	We will extract power from diverse energy sources with optimal efficiency.	●	●		●	●
	Steady power storage	We will provide ways to store energy to achieve stable power supplies.	●			●	●
	Continuous circulation	Through technology, we will promote waste-free use of resources and energy.	●	●			●
	Wise utilization	Through energy-saving technology, we will reduce power and fuel usage requirements.	●		●		●
	Exploration for tomorrow	Using diverse measurement and research devices, we will probe ways for mankind and the earth to coexist in harmony.	●				●

Promotion of environmentally conscious activities

Throughout its Group wide production activities, MHI will pursue reductions in greenhouse gas emissions, waste generation, and emissions of chemical substances. Also, every effort will be made to use water resources efficiently.

PWR : Pressurized Water Reactor GTCC : Gas Turbine Combined Cycle IGCC : Integrated coal Gasification Combined Cycle
CCS : Carbon Capture and Storage APM : Automated People Mover LRT : Light Rail Transit MRJ : Mitsubishi Regional Jet

Specific product and technology targets are described on the company's website: http://www.mhi.co.jp/en/csr/vision2030/

Dialogue with Norio Fukao
(February 27, 2012)

Dialogue with Setsu Mori
(March 21, 2012)

Dialogue with Mariko Kawaguchi
(March 8, 2012)

Approach to Environmental and Energy Technologies In Line with MHI's "Environment Vision 2030"

In February and March 2012 MHI invited three outside experts to its Head Office to partake in dialogues with members of the Corporate Social Responsibility Dept. and the Sustainability Energy & Environment Strategic Planning Dept. Here we introduce a summary of the valuable opinions expressed by these experts towards our "Environment Vision 2030," along with MHI's views on the points they brought up.

MHI participants: Masaya Nakagawa, Chief Engineer, Sustainability Energy & Environment Strategic Planning Dept., Engineering Headquarters;
Makoto Sanada, (then) General Manager of Corporate Social Responsibility Dept., Presidential Administration Office;
Shogo Ishii, Deputy General Manager of Corporate Social Responsibility Dept., Presidential Administration Office;
Ryoichi Asano, (then) Manager, Corporate Social Responsibility Dept., Presidential Administration Office and Manager, Environmental Management Section, General Affairs Dept.

The Stakeholder's View 1 I would like to see MHI make contributions possible in its position as a company that supports global infrastructures.

Norio Fukao

Professor and Director of Publicity Strategy Headquarters, Nagasaki University

Profile: Joined Nikkei Business Publications, Inc. in April 1983, where he served as a reporter for "Nikkei Business," Assistant Editor of "Nikkei Wellness," Editor-in-Chief of "Nikkei PC21" and Editor-in-Chief of "Nikkei Ecology" before taking his current position at Nagasaki University.

What I would like to see is for MHI, a company that provides infrastructures worldwide, to turn its attention also to environmental restoration business. I believe that if, along with providing products, the company were able to advance the restoration of the natural environment damaged by development, it could serve as a proposal for a new way of conducting infrastructure business without destroying the environment.

I also hope MHI will instill a greater awareness of environmental issues in the developing nations. Instead of seeing the countries where it operates merely as markets for its products, MHI should provide education in environmental matters to those countries, to simultaneously cultivate human resources who will protect the environment. This I believe is a contribution that can be made precisely because MHI is a company that exports infrastructures globally. If today's children take the lead in the future, as adults, in using products with outstanding environmental performance, this should also contribute to the company's development. Also, in pursuing global business expansion, by defining and implementing how to contribute to the countries where it operates, rather than simply chasing profits in the immediate term, trust in MHI should grow worldwide.

My impression of MHI is that of a company that seeks to develop technologies at the very forefront. Going forward, instead of only adding continual improvements to the technologies it now possesses, I would like to see MHI continuously pursuing breakthroughs leveraging various means: for example, integration of the technologies of its various business segments as indicated in its "Environment Vision 2030."

MHI's View 1 We will target breakthroughs toward resolving global environmental issues.

"Environmental restoration" is extremely difficult, we think, from both the technological and business standpoints, but there is indeed an aspect of creating new infrastructure to it, so for MHI, a company that provides infrastructures globally, this is perhaps an area we should focus on in the future.

We also believe that in carrying globalization forward, setting down roots in the countries we deal with is an extremely important issue, from both the environmental and social aspects. We take a positive view toward the great expectations held of us, and we will move ahead with a wide array of initiatives targeting epoch-making breakthroughs aimed at resolving global environmental issues.

The Stakeholder's View ❷ I would like to see MHI pursue manufacturing in harmony with natural cycles, true to the traditional Japanese way.

Mariko Kawaguchi
(then) Head of ESG Research Department,
Daiwa Institute of Research

Profile: Joined Daiwa Securities in 1986. Subsequently belonged to Corporate Research Dept. at Daiwa Institute of Research, then became General Manager in charge of CSR at Daiwa Securities Group Inc. In April 2012, became Junior Manager of Research Headquarters at Daiwa Institute of Research.

Nowadays whenever mention is made of environmental issues, we tend to think of energy, but inherently I think problems relating to the environment come from human interference of the earth's natural cycles. Humans developed their civilizations in order to protect themselves from natural threats and live enriched lives. Energy is an indispensable factor in this, and finding solutions to that end is very important. In MHI's "Environment Vision 2030," priority I believe is accorded to the creation and effective use of energy; but I would suggest that inherently what should come first is how to recycle materials. What I would like to see MHI do is to pursue manufacturing that is true to the traditional Japanese way — manufacturing in harmonious coexistence with the natural environment, based on this nation's long tradition of a sustainable, cycle-conscious lifestyle and the wisdom of our forefathers, tailored as necessary by enhancements to today's already good technologies.

As for the "Environment Vision 2030," from the perspective of making ongoing improvements in response to future trends in global issues and changes in people's awareness, I would like to see subsequent ver2 and ver3 of the vision, making continuous changes as deemed appropriate.

Also, going forward what will become even more important than energy is the issue of water. Japan is blessed with abundant water resources; but on global scale water shortages resulting from such factors as population growth, economic development and global warming are becoming increasingly serious. A major topic to address in the future will be the establishment of cycle-based technologies and know-how for treating water safely, using it effectively and ensuring freedom from worries about water shortages, in order to maintain the richness in our lives.

MHI's View ❷ We will strive to develop water-related and other technologies to enable coexistence between man and nature.

To respond to diverse needs concerning energy and the environment — such as creating a society that coexists with natural cycles, the issue of water shortages, etc. — MHI will burnish its individual products and technologies and also combine them into total solutions to be provided in response to social needs. Particularly with reference to problems surrounding water, in January 2012 a Water Solution Project Management Department was launched within the Engineering Headquarters to enable us to provide comprehensive water treatment technologies possessed by MHI Group companies: for example, technologies in desalination, waste water and sludge treatment, recycled water, etc. What we hope to do is commence various new initiatives now that our "Environment Vision 2030" has been set in place.

The Stakeholder's View ❸ I would like to see MHI state targets based on backcasting and its peak oil assessment.

Setsu Mori
Editor-in-Chief of "alterna," a business information magazine about the environment and CSR

Profile: Starting in 1998, served as head of Nihon Keizai Shimbun's Los Angeles bureau. In 2002 left that position and launched the NPO United Feature Press (ufp).

Ours is a time of great uncertainty, with an unknown future awaiting us in terms of both the environment and energy. In that respect I think society holds high expectations toward MHI's products and technologies introduced in its "Environment Vision 2030." Against that backdrop I think the company's vision would be conveyed even more clearly if there were specific numerical targets extracted through a "backcasting" approach, with MHI defining what kind of future it foresees in the areas of the global environment and energy and then forging a plan of action for arriving at that future.

It's extremely important, in terms of both communication and risk management, for MHI to make it widely known, both internally and externally, how the company is taking initiatives in all energy areas, from renewable energies to nuclear power.

Furthermore, I think that if, as a manufacturer involved in various power generation methods, the company indicated clearly how each of the different methods is superior or inferior, it would garner positive reviews internally and externally with respect to information disclosure.

Also, what is MHI's understanding regarding peak oil, the time when global oil production volume will peak out and begin to decline? It's only 200 years since the Industrial Revolution got under way, yet already oil is on the verge of depletion. That's why I think it's important not just to have a medium-term perspective but also a long-range view — 30, 50 or even 100 years forward. Only then will we be able to address the question of what legacy we can leave to our children and grandchildren who will inhabit the Earth at that time.

MHI's View ❸ Our role is to make contributions leveraging our total solutions technologies.

The world is moving in very complex ways, making it extremely difficult to envision with any degree of specificity what the future holds, especially in terms of infrastructure and energy.

It's said that if energy consumption continues at the current pace, during the 21st century 5 to 8 times the amount of energy will be consumed compared with what was consumed during the first 200 years after the Industrial Revolution. Fossil fuels also serve as raw materials for chemical products, and to ensure their sustained production in the future it will become increasingly important to make appropriate use of non-fossil fuels for power generation. At MHI we hope to contribute through the provision of a broad range of products, technologies and solutions, including renewable energies.

CSR of the MHI Group

CSR Concepts and Actions

MHI Group CSR Action Guidelines (formulated July 2007)

MHI Group CSR Action Guidelines (formulated July 2007)

In order to ensure a secure future for the Earth, we will establish and maintain:

Close ties with the Earth

Safeguard an abundantly green Earth through environmental technologies and environmental awareness;

Close ties with Society

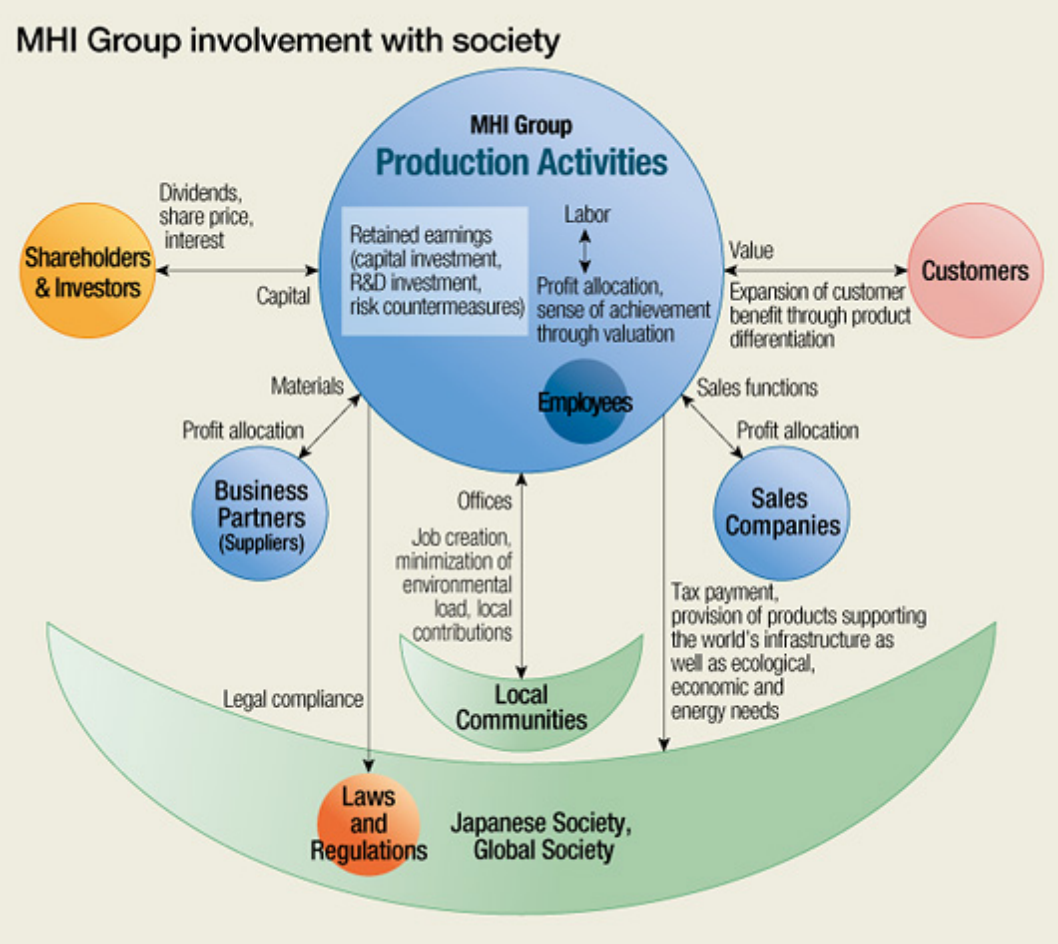
Build a relationship of trust with society through proactive participation in society and trustworthy actions;

A bridge to the next Generation

Contribute to the cultivation of human resources who can shoulder responsibility in the next generation through technologies that can realize dreams.

Promoting CSR through manufacturing as an innovative partner to society

In accordance with the spirit of our creed, the MHI Group—as a manufacturing corporation that contributes to societal progress through the business of the company—provides equipment related to energy conservation and environmental preservation as well as social infrastructure products and technologies to the world. In this way MHI contributes to resolving issues on a global scale.
MHI believes the basis of corporate social responsibility (CSR) is to engage in business activities that take its diverse range of stakeholders into consideration and return the profit we have obtained to all stakeholders in an optimum fashion while at the same time providing excellent technologies and products to realize a certain future for people and the planet.



Undertaking ISO 26000-Focused Initiatives

The MHI Group has broadened its CSR program from the domestic front to the global stage. From fiscal 2011, we began according priority to ISO 26000, which provides international guidelines on the social responsibilities of organizations. In fiscal 2011, we engaged in dialogue with experts who could be helpful with certain important initiatives while contributing to communities, providing ongoing assistance to disaster-hit areas, and otherwise involving ourselves with communities. We will continue to draw on ISO 26000 in soliciting stakeholder participation as we identify important initiatives for the entire value chain and pursue CSR management based on global standards.

The seven core subjects of ISO 26000, and MHI's main efforts

1. Organizational governance

Organizational governance

→ Strengthening corporate governance (pp. 36-38)

2. Human rights

Due diligence / Human rights risk situations / Avoidance of complicity / Resolving grievances / Discrimination and vulnerable groups / Civil and political rights / Economic, social and cultural rights / Fundamental principles and rights at work

→ Promoting increased awareness of human rights (p. 121)
Promoting CSR procurement (pp. 111-112)

3. Labour practices

Employment and employment relationships / Conditions of work and social protection / Social dialogue / Health and safety at work / Human development and training in the workplace

→ Various employee-related initiatives (pp. 114-124)

4. The environment

Prevention of pollution / Sustainable resource use / Climate change mitigation and adaptation / Protection of the environment, biodiversity and restoration of natural habitats

→ MHI Environmental Vision 2030 (pp. 7-8)
Provision of energy and environmental solutions (pp. 13-15)
Environmental Report (pp. 58-89)
Products and Technologies that Reduce Environmental Impact (pp. 90-95)

5. Fair operating practices

Anti-corruption / Responsible political involvement / Fair competition / Promoting social responsibility in the value chain / Respect for property rights

→ Thorough compliance (pp. 45-56)
Consistently fair transactions (p. 110)

6. Consumer issues (responsibility towards customers)

Fair marketing, factual and unbiased information and fair contractual practices / Protecting consumers' health and safety / Sustainable consumption / Consumer service, support, and complaint and dispute resolution / Consumer data protection and privacy / Access to essential services / Education and awareness

→ Commitment to our customers (pp. 97-105)

7. Community involvement and development

Community involvement / Education and culture / Employment creation and skills development / Technology development and access / Wealth and income creation / Health / Social investment

→ Activities by employees to contribute to local communities and society (pp. 16, 20, 24)
Efforts to realize the Smart Community (pp. 21-23)
Continual support for the areas affected by the Great East Japan Earthquake (pp. 25-26)
Promoting social contribution activities in a wide range of fields (pp. 125-136)

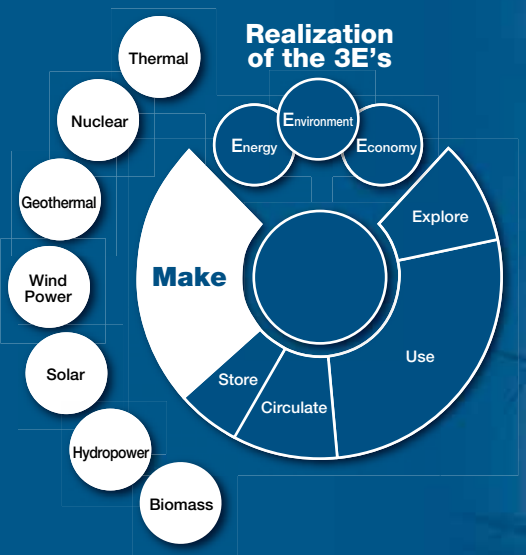
Special Feature 1

Providing energy and environmental solutions responding to regional issues worldwide

MHI responding to global energy and environmental issues through a broad spectrum of products and technologies

Today, amid growing concerns about depletion of oil and other fossil fuels, coupled with issues raised by the disastrous events at TEPCO's Fukushima No.1 nuclear power plant in March 2011, energy problems are again in the spotlight all around the world. In particular, swift measures are being called for to cope with dramatically expanding energy demand in China, India and other emerging economies that are now marking robust economic growth, and with accompanying increases in CO_2 emissions.

In response to these issues, today MHI is providing a wide array of energy products and technologies: for example, for generating power not only from traditional fossil and nuclear fuels, but also from renewable energy sources such as geothermal and wind power and biomass, and lithium-ion rechargeable batteries for storing generated electricity. Through provision of products and technologies matching the needs of each nation or region, each of which has its own energy policies and resource procurement situations, we are contributing to the resolution of energy and environmental issues worldwide.



Close ties with the Earth

Safeguard an abundantly green Earth through environmental technologies and environmental awareness

China

Contributing to China's pursuit of energy shift

Provision of high-efficiency gas turbines and technologies

In recent years China, a country marking economic growth at an astonishing pace, has been aggressively promoting the introduction of natural gas energy to respond to its rapidly expanding energy demand and to the accompanying problems involving global warming. At the same time China is also proactively pursuing technology transfers from beyond its borders in a quest to achieve domestic production of power generation equipment and plants fired by natural gas.


Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.

To respond to these energy issues and policy initiatives in China, in 2003 MHI concluded a Technology License Agreement on the transfer of the MHI's large-scale gas turbine manufacturing technology with Dongfang Electric Corporation (DEC) and Dongfang Turbine Co., Ltd. (DTC), which is under DEC's corporate umbrella, group of China's "big three" heavy electrical machinery manufacturers. In 2004 MHI and DTC jointly established Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd. (MHI-DGT) and launched local production and after-sale servicing of combustors and other core components of gas turbines. As of April 2012, MHI and DEC/DTC have taken orders for total 28 gas turbines for natural-gas-fired gas turbine combined cycle (GTCC) power plants. Deliveries are in progress.

Proposal of a power generation system meeting the Beijing area's energy situation

In April 2010 DEC and DTC received an order from Huaneng Beijing Co-generation Power Co., Ltd., a group company of Huaneng Power International, Inc. (HPI), China's largest power provider, for a GTCC plant to be constructed near Beijing. The order resulted from a new system proposal put forward by MHI for coping with Beijing's energy picture.

In winter months in Beijing, when temperatures can drop below -10°C, a district heating system is adopted. The system's central heat supply network, the world's largest, covers an area of 80 million square meters in which it supplies a heat source to homes and businesses. Extraction steam from a steam turbine is utilized for this heat supply, but because the existing system has not provided steam heat in sufficient volumes, boilers have been installed throughout the city to reheat the steam before supplying it to users. However, since these boilers are fired primarily using coal, environmental issues arising from CO_2 emissions and general air

pollution have become increasingly serious.

To alleviate this situation, MHI proposed the city adopt a combined-cycle power generation system adaptable to the seasons. In winter, steam generated from the high-temperature waste heat from gas turbines can serve as the primary heating source, and in other seasons the same steam can be utilized to generate electricity. This dual system has enabled a suitable supply of heat and electricity according to demand.

Approx. 2% higher power generation efficiency with adoption of the newest gas turbine

▼

Reduction in CO_2 emissions by 35,000 t/yr

In addition, the adoption of the very latest gas turbine, MHI's M701F4, raises generation efficiency by approximately 2% relative to the previous system. Moreover, as the amount of required fuel is reduced, the new system can be expected to reduce CO_2 emissions by 35,000 tons, against an annual emissions volume of roughly 1.6 million tons. This figure corresponds to a yearly CO_2 absorption volume equivalent to some 7,600 hectares of natural forest (mostly beech trees).

Through the provision of products and technologies enabling stable and efficient energy supplies, reductions in fuel costs, and trimming of CO_2 emissions, MHI is making tangible contributions to the realization in China of the 3E's — energy security, environmental protection and economic growth — matching the country's energy situation.

Expectations of MHI

We hope to forge a win-win relationship with MHI, for greater rewards in the future.

Zhang Fang
Project Manager
Plan & Project Management Department
Dongfang Turbine Co., Ltd.

On the Huaneng Beijing Project, I was in charge of planning, technology, quality, liaison with workers, and equipment deliveries. I consistently strove to make everything go smoothly in our dealings with MHI, end users and the engineering consulting in China.

We experienced some difficulties in building the control system logic and adjusting all the equipment, but MHI is giving us complete backup support. Going forward, through technology transfers we hope to forge a win-win relationship between our company and MHI, to enable us to someday realize in-house capabilities in machinery production, installation and overall coordination.

Special Feature 1

Providing energy and environmental solutions responding to regional issues worldwide

India

Contribution to India's power supply

Response to the nation's growth-stifling energy problem

In India today, power supply capability is unable to keep pace with expansion in the nation's power demand, thus posing an obstacle to further economic growth. In 2009 the country labored under an average 10% shortfall in power, and near 13% insufficiency during peak usage.

India is a nation blessed with abundant natural resources. It ranks fifth globally in terms of known coal reserves, and roughly 70% of the country's power generation relies on coal. Coal-fired power also forms the center of India's power plant plans through 2030, and for this reason securing required power while simultaneously curbing CO_2 emissions is a pressing issue.

Until now the bulk of India's power generation facilities have been provided by a state-owned heavy electrical machinery manufacturer and the nation's expanding power demand will exceed the production capacity of the firm alone. Today, therefore, from the perspective of building up its domestic industry, India has mapped out plans to increase the number of Indian companies capable of producing power generation facilities.

Expanding power supplies through local production at high-performance plants

In response to this issue and India's needs, MHI entered a partnership with the country's largest construction firm, Larsen & Toubro Limited (L&T), with the aim of providing supercritical pressure coal-fired thermal power plants. By using steam of higher temperature and pressure levels, supercritical pressure plants deliver enhanced power generation efficiency and emit less CO_2 than the subcritical pressure coal-fired plants that now form the mainstream in India.

Supercritical pressure coal-fired power plants can generate 4-5% more power than subcritical pressure plants from the identical amount of fuel. In India, this enables a reduction in CO_2 emissions by approximately 180,000 tons per year per plant with the typical output of 660 MW.

To support India's quest for local engineering and production of power generation equipment, MHI has formed two joint ventures with L&T: L&T-MHI Turbine Generators Private Limited to produce supercritical pressure steam turbines and generators, and L&T-MHI Boilers Private Limited to produce supercritical pressure boilers. Starting from the factory construction stage, MHI has provided the two JVs with technical guidance in engineering design and manufacture, and guidance in quality control and safety management.

Both factories commenced operations in June 2010, and they have been acknowledged for their environmental compatibility by the Indian Green Building Council and certified for quality by "ISO 9001" designation and for labor safety management by "OHSAS 18001" designation. The two factories are also now awaiting "ISO 14001" certification for their environmental management systems. As these designations attest, today the two plants are undertaking manufacturing of high quality, with full attention paid to environmental and labor safety needs.

The two factories have also created a total of more than 2,500 local jobs, thus contributing to development of the regional economy.

Broad range of products and technologies responding to energy and environmental needs

Through a wide array of products, technologies and total solutions, MHI contributes to the realization of a sustainable future for the Earth and all its inhabitants.

Make
* Power generation by thermal, nuclear and renewable energies

Wind turbine

Store
* Power storage by lithium-ion rechargeable batteries, etc.

Lithium-ion rechargeable battery

Circulate
* Plants and equipment for CO_2 recovery, waste to energy, water treatment, etc.

CO_2 recovery plant

Use
* Eco-ships, energy-saving aircraft, transport systems, industrial tools, machine tools

MRJ (Mitsubishi Regional Jet)

Explore
* H-IIA launch vehicles, marine resource research vessels, deep submergence research vehicle

"Shinkai 6500" deep submergence research vehicle

Employees Introduce **Our CSR Activities**

It makes me proud, as an engineer, to be supporting the energy infrastructure of a nation.

Shojiro Saito
Deputy Chief Engineer,
Power Systems Project Management Division,
Engineering Headquarters

Top: Olkaria Ⅱ geothermal power plant, Kenya
Bottom: Hellisheidi geothermal power plant, Iceland

Geothermal power is a renewable energy that has a modest impact on the environment and enables a stable power supply because it is unaffected by weather conditions. MHI is developing, in-house, the proprietary machinery necessary for geothermal power generation and we also provide the gamut of related services, from design and purchasing to construction.

My very first involvement in geothermal power generation was in 1987, when I designed a geothermal turbine installed on the island of Milos in Greece. In 1993 I became manager on a domestic project, and ever since then I have been involved in all of MHI's geothermal power plant projects both in Japan and overseas.

In Kenya for example, where 17% of the nation's power demand is met using geothermal energy, 75% of that total is furnished by an MHI geothermal power plant. When undertaking a project in a developing country, one encounters issues that are unpredictable, but such problems have always been resolved working in tandem with local partners. One very happy memory for me is the message of appreciation I received from the president of KenGen (Kenya Electricity Generating Company Ltd.). He said this was the first time a project had been completed on schedule in a place like Kenya. It makes me proud, as an engineer, to think how a geothermal power plant we delivered is supporting Kenya's energy infrastructure using the country's own resources — and with a small environmental burden.

In the future, my hope is to continue contributing to the resolution of energy issues everywhere through the provision of highly reliable products.

Top: Planting in mud
Bottom: Group photo taken after completion of the activity

Mangrove planting has strengthened bonds among employees and families.

Pantipa Thanee
Senior Officer (also, a member of ISO 14001 team)
General Affairs & Human Resources Unit (GA & HR Unit)
Mitsubishi Heavy Industries (Thailand) Ltd.

In August 2011, employees of Mitsubishi Heavy Industries (Thailand) and their family members participated in mangrove planting at the Khlong Khon Mangrove Preservation Center, Samut Songkhram Province.

Since obtaining ISO 14001 certification in 2007, we have promoted a variety of activities within the company to reduce the environmental impact. In the future, we intend to expand such voluntary activities to areas outside the company. Mangrove planting is part of that approach.

Our employees and their family members, 45 in total, participated in the event and planted about 150 mangrove trees. Although they had to struggle in mud, participants seemed to have felt a sense of social and environmental accomplishment. In addition, this event was a good opportunity to strengthen the bonds between families as well as among employees. Many said that they would participate in activities like this again in the future.

We are now planning environmental preservation activities for FY 2012, such as afforestation and fish weir construction.

Special Feature 2

Helping resolve the world's food problems through construction of fertilizer plants

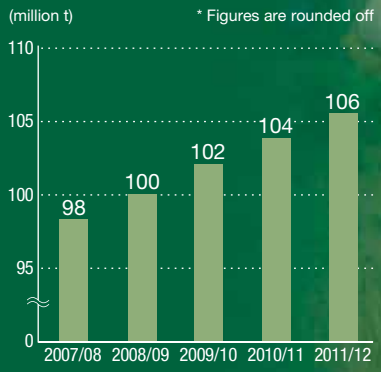
Sharp population growth driving increased demand for fertilizers worldwide

Today the global population continues to grow at an alarming pace. From roughly 6 billion in 2000, the total topped 7 billion in 2011 — and is projected to exceed 9 billion by 2050.

One of the most critical problems brought about by this dramatic population surge is food shortage. To cope with future increases in population, production of grains and vegetables must be expanded. Moreover, as diets in the emerging and other countries improve, demand will increase for meat, resulting in the need to boost production of feed crops, which are already in rapidly growing demand. In today's world, however, given calls for responsiveness to the natural environment, there is a limit to the amount to which farmlands can be expanded.

This situation is engendering increased importance of fertilizers. When properly used, fertilizers can enable increased production from available farmlands. In the past several decades, for example, production of wheat and rice has been expanded in Japan, the U.S. and Europe without increasing the area of cultivated land — a feat made possible not only through plant breeding and mechanization, but also by use of fertilizers that are enhancing productivity significantly. In recent years agrarian reform of this kind has been making progress in the emerging economies as well, causing expansion in fertilizer demand on global scale. Demand is thus rising all around the world for plants capable of producing fertilizers of good quality at low cost, in order to avert serious food shortages in the future.

Global consumption of nitrogen fertilizers



Source: "Current world fertilizer trends and outlook to 2011/12," Food and Agriculture Organization of the United Nations, 2008

Close ties with Society

Build a relationship of trust with society through proactive participation in society and trustworthy actions

Indonesia

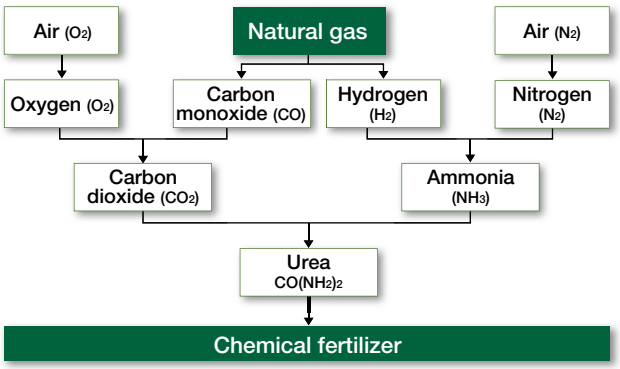
MHI has built more than 40 plants in natural-gas-producing regions worldwide.

For more than 40 years MHI, as part of its chemical plant business, has engaged in the construction of fertilizer plants worldwide, thereby contributing to increased food production on global scale. The plants the company handles are nitrogen-based, nitrogen being one of the three major constituent nutrients (along with phosphate and potash) of fertilizers.

Generally, production of nitrogen fertilizers is performed by a process called ammonia synthesis. In this process nitrogen gas, which comprises 80% of our air, is first made to react with hydrogen; this yields ammonia, to which carbon dioxide is added to form ingredients of nitrogen-based fertilizers, e.g. urea. Various methods exist for acquiring the hydrogen needed in ammonia synthesis, and among these production employing natural gas is both the most efficient and inexpensive.

MHI, harnessing the world's foremost chemical process technologies, to date has constructed and delivered 41 nitrogen fertilizer plants to natural-gas-producing regions worldwide, including Asia, Russia and the Middle East.

Nitrogen fertilizer production process



Contributing to food self-sufficiency in Indonesia through construction of a large-scale fertilizer plant

One example of the company's initiatives in fertilizer plants is a project undertaken in Indonesia.

Indonesia, a country with roughly five times the land area of Japan, is home to the world's fourth-largest population, 238 million people. In recent years the country has been achieving remarkable economic development, its GDP growing by a rate of 6%. But even as industrialization and urbanization are proceeding at a swift pace, agriculture remains a major industry. Indonesia's principal crops are palm oil, natural rubber and coffee beans — all of which contribute to the

nation's acquisition of foreign currency — and the country's staple food, rice.

In the 1970s the Indonesian government led an initiative to increase the nation's rice output, and by the 1980s 100% self-sufficiency was achieved. In subsequent years the population has continued to expand by more than 1% each year, but self-sufficiency in rice has largely been maintained.

Contributing to this development of Indonesia's farm industry is Kaltim-4, a large-scale fertilizer plant in which MHI played a key role. The plant was delivered approximately 10 years ago to PT Pupuk Kalimantan Timur (Pupuk Kaltim), a public corporation, established in 1977, that today ranks as Indonesia's largest manufacturer of fertilizers. Pupuk Kaltim is based in Bontang on Borneo Island ("Kalimantan" in the Indonesian language), location of one of the world's foremost production areas of natural gas. The bulk of the fertilizer produced at the Kaltim-4 plant is supplied to two-thirds of the country in terms of land area, including the rice-producing island of Java, where it contributes to the improvement of the productivity of local farmers.

Besides nitrogen fertilizers, Kaltim-4 also manufactures compound fertilizers with phosphate and potash ingredients, and organic fertilizers based on palm or coconut oil. To preserve the richness of local soil, various fertilizers are supplied in good balance, thereby contributing to sustainable agricultural development throughout the country.

Special Feature 2

Helping resolve the world's food problems through construction of fertilizer plants

Paying full heed to local environmental and economic needs in collaboration with a local partner

As its name indicates, Kaltim-4 is Pupuk Kaltim's fourth fertilizer plant. MHI received the order for this project in 1999 after a competitive bidding process. The deciding factors for the client were MHI's outstanding track record in projects of this kind worldwide and its superlative technological capabilities in freely coordinating state-of-the-art chemical processes. Moreover, MHI had already successfully completed two other projects in the Bontang region.

The Kaltim-4 project was carried out in the form of a consortium with a local company. MHI was in charge of the work from overall planning and supervision to basic design, supply of the plant's high-efficiency compressors and other core equipment supply, commissioning, and operational training. Detailed engineering work, equipment procurement and construction were performed by PT Rekayasa Industri (REKIND), an engineering and construction firm based in Jakarta.

Before commencing construction work, Pupuk Kaltim first undertook an environmental impact assessment in compliance with governmental environmental guidelines. Next, based on that assessment MHI proceeded with meticulous planning of highly efficient manufacturing processes that would result in minimal waste of natural gas, the main resource, electric power, etc. In addition, to cope with the plant's water and gas discharges, MHI prepared a design that cleared all regulatory environmental guidelines and minimized impact on the plant's surrounding natural environment.

During construction work, every effort was made to ensure safety by maintaining close liaison with both Pupuk Kaltim and REKIND. Attention was also paid to supporting the local economy by proactively relying on local labor power.

Once all facilities were in place, MHI proceeded to fully confirm design performance through operational test runs. The company undertook training not only of engineers who would be controlling the plant as a whole, but also of all personnel who would be in charge of the various processes, including equipment operators and maintenance staff.

As the culmination of these diligent procedures, Kaltim-4 went into operation in 2002, and since then it has performed stably and to the client's high acclaim. Today the plant continues to make a vital contribution to the development of agriculture in Indonesia.

Pursuing construction projects worldwide to respond to expanding demand for fertilizers

Since completing the Kaltim-4 project, MHI has continued to engineer and construct large-scale fertilizer plants all around the world, including sites in Asia, the Middle East, Russia and Africa.

In November 2010 MHI received an order from Joint Stock Company Ammoni of the Republic of Tatarstan, Russian Federation, for the construction of a plant — one of the largest of its kind in the world — to produce ammonia, urea and methanol. The order for the plant, which is to concurrently produce methanol and nitrogen fertilizers from natural gas, was taken in partnership with a Japanese general trading firm and a Chinese construction company. Construction is presently under way, with a target startup date of 2015.

Other related developments in fiscal 2011 include the receipt of an order in October from a state-owned oil corporation in Malaysia for a large-scale fertilizer plant. Also, in November the company, together with three other Japanese firms, concluded a front-end engineering design (FEED) agreement for a fertilizer plant to be built in the Republic of Angola. The agreement covers basic design, preparation of engineering documents and contracts, site surveys, etc.

As the global population continues to grow, demand for fertilizers is expected to expand further in the years ahead. MHI will continue to diligently push forward with fertilizer plant projects worldwide, as its way of contributing to solving the world's food problems.

Expectations of MHI

I hope MHI continues to make superior proposals that contribute to the development of our country.

I am very satisfied with the work MHI has done in regards to the Kaltim-4 project. Specifically, communication was great and the project was able to progress very smoothly from the design stage. Schedule management was quite solid, allowing the project to be finished five months ahead of schedule, which is faster than any project we had done.

In addition, we place emphasis on the environmental preservation of the region, such as the forests and coastal mangroves around the plant. MHI thoroughly understood our management policy and reflected it in the plant's design. Aside from that, MHI imparted much advice cultivated from their experience and know-how from across the globe, such as giving Rekayasa Industri pointers on safety management during the construction stage, and thoroughly educating our employees when we took over.

As Indonesia's population continues to increase, domestic farmers will continue pursuing improved productivity. Going forward, I hope MHI continues to make superior proposals that contribute to the development of our country.

Nugraha Budi Eka Irianto
Production Director
Pupuk Kalimantan Timur

Employees Introduce **Our CSR Activities**

We made an ad introducing our products and environmental technologies to the local community.

Natsumi Yamashita
Forklift Production Control Section, Forklift Business Department, Forklift Division, General Machinery & Special Vehicles

At the Sagamihara Machinery Works where I work, we produced an advertisement, planned by our young employees, to introduce our forklift products and environmental technologies to the local community. I participated in the workshop held to discuss the ad's production and I was personally in charge of collecting product information, coming up with the ad image, responding to interview requests and so on.

The ad introduced the company's engine/battery hybrid forklift truck, the first of its kind developed anywhere in the world. With utilization of a lithium-ion rechargeable battery, the forklift can reduce fuel consumption by some 40% compared to forklifts driven by an engine alone.

The ad was carried in local newspapers and inside local trains. My hope is that seeing the ad will make more people in the local community aware of our products and our environmental initiatives, and make them feel a warmer affinity toward the company.

At the Sagamihara Machinery Works we undertake a variety of activities involving the local community. For example, we have held tag rugby classes for elementary school students in Sagamihara and "monozukuri" (manufacturing) classes for students at local vocational schools. Going forward we will continue to focus on forging ties and engaging in dialogue with the local community.

Top: Ad production workshop
Bottom: Ad placed inside local trains

We are promoting activities to cultivate young talent through visits by the youngest and the first African-American pilot ever to make a solo round-the-world flight.

Ralph M. Sorrells
Deputy General Manager
Aircraft Product Support Division
Mitsubishi Heavy Industries America, Inc.

Top: Barrington Antonio Irving, Jr.
Bottom: Mr. Irving and students, in front of MU-2 aircraft

"In the United States, children often drop out of school before acquiring necessary knowledge, without recognizing the importance of having a professional career and without being aware of the many opportunities that are available to them. The sound development of young people is one of the most significant issues in American society today.

Against this backdrop, Mitsubishi Heavy Industries America holds educational events designed to increase the motivation of children to learn and to pique their interest in the aviation industry. For one such event we invited Barrington Antonio Irving, Jr., who is the youngest and the first African-American pilot to make a solo round-the-world flight and who is now involved in educational enlightenment activities by way of his "Dream & Soar" program. Through stories of his experience, we are encouraging children to understand the importance of their studies in math and science to help them achieve their dreams and give them hope where, in many cases, they had little. In FY 2011, we held sessions at five locations, with more than 650 junior and senior high school students participating at each location.

As the manager of this event, I feel very satisfied about what we have done when I hear that young people have rediscovered a passion for their studies after listening to Mr. Irving. This event, which has been very positive for all MHI group companies, has gained much attention in American society. The Federal Aviation Administration (FAA) declared the "Mitsubishi Barrington Irving Dream & Soar" program a resounding success, according to the U.S. government agencies involved. Participating government agencies congratulating MHIA and its Aircraft Product Support Division included the Department of Transportation, the FAA, the District of Columbia Public Schools Department and the Federally Employed Women organization, among others. Members of the U.S. Congress and the Obama Administration were also aware of the event.

We will keep providing this opportunity for children.

Special Feature 3

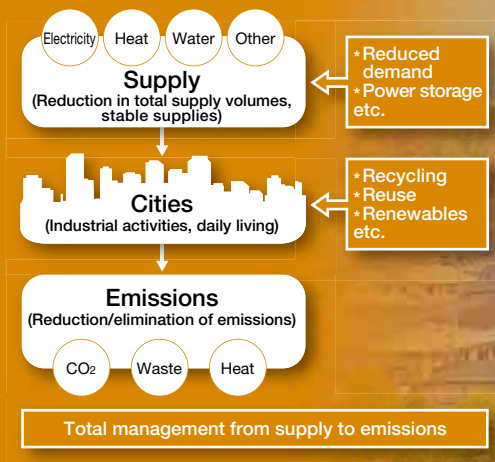
Creating model “smart communities” for the future of people everywhere

Initiatives targeting realization of smart cities attuned to energy and environmental demands

As the global population continues to swell and becomes increasingly concentrated in cities, problems of depletion of energy and water resources, traffic congestion and waste treatment are becoming ever more serious. To resolve these pressing issues, hopes are being focused on the realization of optimized “smart communities” in which everything is managed comprehensively — from efficient utilization of electricity, gas, water, transportation systems and other factors necessary for everyday living and industrial activities, to management of wastes and emissions, including CO_2.

MHI’s Sustainability Energy & Environment Strategic Planning Department and other business headquarters, working in tandem with governmental agencies and business partners both at home and abroad, today is participating in numerous demonstration tests and business feasibility studies not only in Japan (Keihanna Science City) but also overseas in locations in Spain (Malaga), the UAE (Masdar City), India (Gujarat) and China (Tianjin). Leveraging the company’s comprehensive capabilities — with a proven track record in all areas from energy and resource utilization to emissions management — as well as its strengths in problem-solving and total supervision, MHI is also serving in a management role in various large-scale demonstration projects encompassing multiple corporate participants.

MHI’s vision of a smart community



A bridge to the next Generation

Contribute to the cultivation of human resources who can shoulder responsibility in the next generation through technologies that can realize dreams.

Japan

Demonstration testing launched at science research city in Japan, targeting system implementation

In 2010 a large-scale demonstration project focused on next-generation energy and social systems got under way at Keihanna Science City, one of Japan’s leading urban centers dedicated to cultural and academic research. The city straddles the borders of Kyoto, Osaka and Nara prefectures.

The aim of the project is to demonstrate, by March 2015, a comprehensive regional energy management agenda for multiple aspects of everyday life: not only electricity and gas usage but also transportation by electric vehicles (EV) and other advanced modes, water and waste treatment, etc. Plans call for the creation of a framework for pursuing proper — i.e. “smart” — consumption of energy and resources and the curbing of CO_2 emissions in the city as a whole, to enable contributions of social benefit to the region as a whole. Also planned are the configuration of a business model based on verification of the project’s benefits and the development of related business opportunities both to impel recovery of the nation’s disaster-affected regions and to drive business expansion overseas.

Charging network operating status management display

MHI has a robust track record, backed by superior technologies, in creating numerous social infrastructures worldwide. To make use of the company’s proven capabilities in problem solving and its management know-how resulting from this vast experience, MHI has been selected to serve as leader of the various companies participating in the Keihanna project. It is also playing a central role as leader of the individual working groups studying EV battery charge management, transportation systems and modal shifts, the economic aspects of water, sewage and waste treatment facilities and other infrastructure supporting daily life, and optimization of CO_2 emission and recycling rates.

Relevant to EV battery charge management, a dedicated center has been set up and data is now being collected on EV charging infrastructure. A demonstration system has been created incorporating 60 EVs (eventually to be increased to 100) and 20 battery chargers. Data is being acquired on the charging and driving trends of various users, and empirical analyses are

Conceptual illustration of smart EV charging station

being conducted in order to project power demand in the coming EV era and establish energy management methods. (Fig. 1)

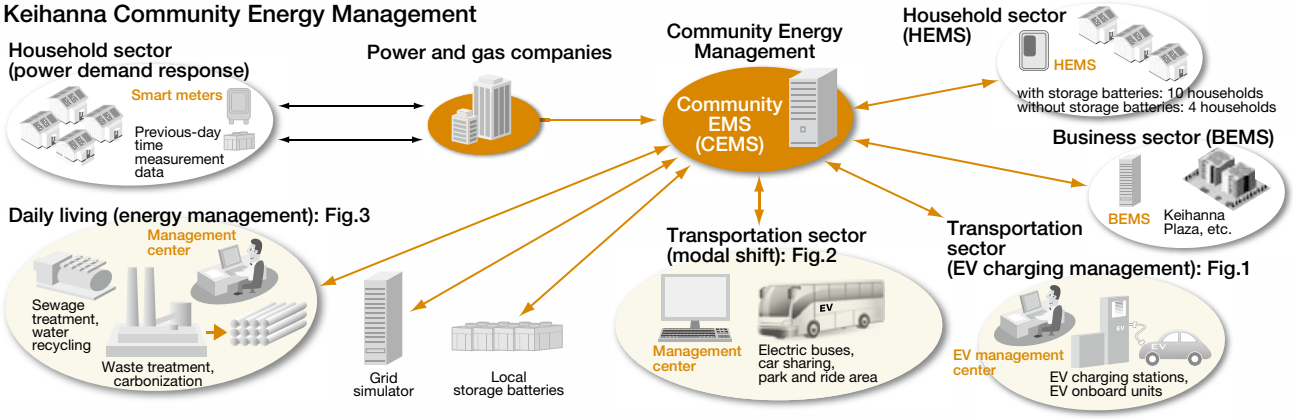
A study is also in progress on transportation usage volumes by the 20,000 households living in the Keihanna area. Proposals are being made to encourage a shift to transportation modes that save energy and generate minimal amounts of carbon. (Fig. 2)

An innovative research study has also been implemented concerning aspects of daily living. First, survey results were utilized to create a database on city type and the lifestyle patterns of residents, and an urban simulator was completed for proposing appropriate infrastructure matching the city's growth. The feasibility was studied of introducing recycled water into the Keihanna region and of linking Keihanna's sewage and waste treatment plants with regional energy management. (Fig. 3)

An online survey was also conducted pertaining to electricity usage by 60,000 households in the Kansai region, enabling an understanding of power consumption patterns according to household makeup and lifestyle, level of energy conservation awareness, level of preference for a variable electricity fee menu, etc. Based on a market survey covering adoption of home storage batteries, estimated impact from users' energy-saving initiatives, and demand response, plans call for the launch, at some time after the summer of 2012, of the nation's first demonstration testing with general households. On the basis of the results of these field studies, MHI will propose the most appropriate infrastructure for promoting energy savings and supporting the lifestyles of the region's residents.

In order to resolve the various issues faced by cities around the world, hopes are pinned on making effective use of limited resources and achieving tangible results. Going forward, MHI, forging links with governmental and regional bodies and partner enterprises, will continue to carry out demonstration tests of this kind, accumulate knowhow and clarify where business risks exist, in order to create ever more appropriate models of "smart communities" to enable business opportunities to flourish in other regions of Japan and abroad.

Keihanna Community Energy Management



Creating model "smart communities" for the future of people everywhere

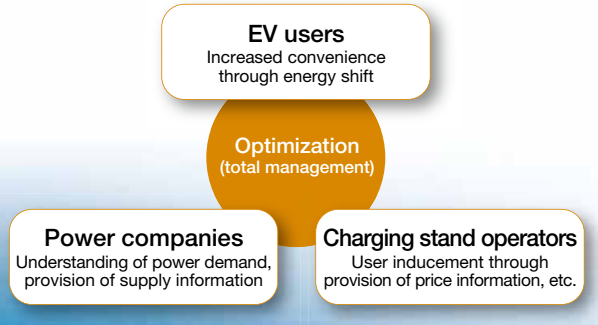
Spain

Conducting demonstration testing toward introducing EVs in Spain

Today MHI, representing Japan, is participating in a joint demonstration project with Spain under the "Japan Spain Innovation Program" (JSIP). The program is the outgrowth of an agreement on collaboration in technological development concluded in December 2008 between Japan's New Energy and Industrial Technology Development Organization (NEDO), an independent administrative agency, and Spain's Centre for Industrial Technological Development (CDTI), a public business entity.

The project has two aims: to create a next-generation transportation infrastructure in Spain, a nation that has made significant strides in deregulation of its electric power market and in introducing renewable energies, using technologies of Japanese corporations; and to demonstrate the positive merits of this infrastructure. Despite the advances Spain is making in introducing renewable energies, the country's transportation sector, which accounts for approximately 40% of all energy consumption, remains nearly 100% dependent on oil as its energy source. For this reason, Spain is eager to shift its social focus to electric power through initiatives like the introduction of EVs, and great benefits stand to be reaped. Demonstration testing is to be conducted in four general areas: EV infrastructure, power management, information platforms, and total services.

Overview of EV infrastructure creation (Fig.4)



MHI is involved in technological integration relating to the EV infrastructure, serving as leader of the three participating Japanese companies.

The Spanish government has announced a goal of putting 250,000 EVs on the country's roads by 2014, and to achieve that goal it is undertaking various programs relating to the promotion of EV usage, development of EVs, and the establishment of an EV charging infrastructure. However, if EVs and their charging infrastructure are adopted too precipitously, the nation's power companies could potentially become unable to maintain stable power supplies to their respective market regions. It is therefore highly important to accurately measure and forecast EV charging demand and to design and build systems to enable dispersion of power demand. (Fig.4)

Going forward, MHI will apply the fruits of this demonstration testing to the creation and packaging of a sustainable business model as a new infrastructure supporting local communities. Besides creating a new EV infrastructure business model applying Japan's outstanding technologies in energy conservation and low carbon emissions, the company will promote global standardization of a business model not only for EVs but for smart cities. And in collaboration with local businesses and other partners, the company will accelerate global expansion in smart city business.

Expectations of MHI

Placing our hopes on MHI for the realization of clean communities

Mr. Jaime Briales Guerrero
Director of the Municipal Energy Agency, Málaga City Council, Spain

I represent the city of Málaga in the role of coordinator supporting a demonstration project for next-generation transport infrastructures.

As a leading Japanese industrial company, MHI is deeply involved in promotion activities for this project. One of the primary targets of this project is to reduce CO_2 emissions in Málaga by 20% by 2020. To achieve this, while building an energy-effective system that utilizes electric vehicles, MHI has proposed a comprehensive solution for clean transportation in the city. This project is a key way for our city to foster an eco-friendly society, and we hope MHI will direct the project and continue to provide support even after the project completion in 2015.

MHI plans to extend the sophisticated system employed in this project throughout the world to contribute to the realization of clean local communities not only in Spain but also in many other countries. In the future, we hope that MHI will continue to cooperate with us as well as to play an active part as the leader in this new field to make expansive social contributions.

Employees Introduce **Our CSR Activities**

"By teaching science classes, I hope to convey how interesting science can be and how fun it is to make things."

Keigo Kawai
Production Technology Team, Wind Turbine Section
Yokohama Power Systems Manufacturing Department
Power Systems

Top: Teaching how electricity is generated
Bottom: Pinwheels spinning in the breeze from an air conditioner

In September 2011 and February 2012 I taught science classes at the Honmokuminami and Namikichuo elementary schools in Yokohama, for third and six graders, respectively. I had the students make pinwheels and taught them about wind and how it can be used to generate electricity; and through experiments using a motor, I taught them how electricity is made.

In preparing for my classes I tried to make learning a fun experience for the students. In collaboration with an NPO — Kodomo Uchu Mirai Association (KU-MA) — I prepared teaching materials and a program incorporating basic knowledge about science. The regular teachers were very flattering in their comments about my classes, saying that their content was perfectly suited to what should be taught in the third and sixth grades.

What made me even happier than the teachers' words of praise, however, was seeing the look of joy on the children's faces when the pinwheels they made began to spin. In my everyday work activities I rarely have the opportunity to come in direct contact with people from the local community, so being able to make a social contribution through my science classes gave me a sense of great satisfaction. Teaching science classes not only conveys how interesting science can be to children, but also provides those of us who teach with opportunities to deepen our ties with our communities.

Top: Visiting the dockyard at the Honmoku Plant
Bottom: The children eagerly taking notes during their visit

"We took children on a tour of an MHI plant, to get them to feel its overwhelming power."

Fumie Shakado
Mitsubishi Minatomirai Industrial Museum

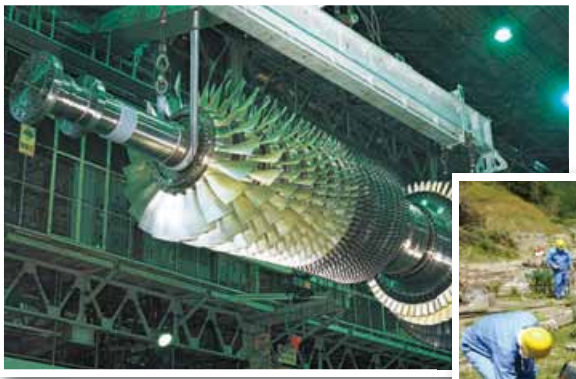
In March 2012 we invited 20 children of museum members and took them on a tour of the Yokohama Dockyard & Machinery Works. They were taken to see the ship repair yard, wind generation demonstration equipment and the diesel engine factory. Seeing the giant docks where ships are repaired and the demonstration wind turbine with rotor blades 100 meters in diameter — one of the largest in Japan — the children got extremely excited, letting out squeals of delight and amazement at how huge they are.

As coordinator I filled a variety of roles: in addition to taking the children around during the tour itself, I was also in charge of calling for participants, preparing a pamphlet, and so on. What I focused on most, though, was the day's program. Before their visit I invited questions from the children about things they are interested in, and then we prepared to have staff members involved in development or manufacturing answer those questions during the tour. Seeing things with their own eyes and having staff reply to what they wanted to know was the best part of the tour, I think. It would make me happy if this experience induces the children to become active in the realms of technology or manufacturing in the future.

Mitsubishi Minatomirai Industrial Museum
http://www.mhi.co.jp/en/museum/

Open hours 10:00a.m.-5:00p.m.(Admission until 4:30p.m.)
Closed days Every Monday (following day if Monday is a national holiday), at the year-end and New Year, and on specified closed days.
TEL 81-45-200-7351

Continuing Support of Disaster Recovery Efforts



Gas turbine required in power generating facilities

Transport of medical supplies by MHI's company aircraft

Rubble clearing at a fishing port by Kobe Shipyard & Machinery Works

We continue to support the restoration of social infrastructure and revitalization of the disaster region.

Since immediately after the Great East Japan Earthquake of March 11, 2011, the MHI Group has undertaken a broad range of recovery support activities. These include supporting the restoration of plants, machine tools, bridges and other products we had delivered to disaster- affected areas, implementing various emergency measures, providing donations and relief materials, and performance of volunteer tasks by our employees. We believe the mission of the MHI Group is to contribute to the recovery of the Tohoku region as swiftly as possible through rebuilding and improving its social and industrial infrastructure. We will continue to provide our unwavering support until the residents of the disaster region can rebuild their peaceful lives and learn to smile again.

Continuing Support of Infrastructure Restoration

Initiatives toward Achieving Stable Power Supplies

As a leading company in energy and environmental business operations, MHI continues to undertake an array of initiatives to fulfill its corporate mission to contribute to the nation's energy security.

In the area of thermal energy, from immediately after the earthquake and its related disasters the company dispatched employees to help towards early restoration of thermal power plants operated by TEPCO and Tohoku Electric Power Co., Inc. The company also used its own helicopter and airplane to provide support in the transport of emergency supplies. At the disaster-impacted power plants, equipment that had been delivered by MHI was at a standstill following the earthquake, and through the concerted efforts of all parties concerned, inspections were carried out, damages were swiftly assessed, and measures were implemented to contribute to the power plants' early restoration. As of March 23, 2012, some 15.74 MW of power generation capability — 98% of the pre-disaster level — has been restored at the generating equipment delivered by MHI, and support initiatives continue today toward complete recovery. In addition, response at production bases was also strengthened in a quest to achieve early delivery of gas turbines, industrial generating equipment, etc.

Employees inspecting for damages

In the area of nuclear energy, in the immediate aftermath of the accident at TEPCO's Fukushima Daiichi Nuclear Power Station, the company responded by undertaking emergency safety countermeasures for pressurized water reactors (PWR) it had delivered to other power companies (see page 97-98). In August 2011 it established a new Advanced Plant Safety Department, and today, in pursuit of restarting existing plants, every effort is being made to provide support to the stress test being carried out by the power companies and to implement safety improvement measures.

Shin-Sendai Thermal Power Station

Support to TEPCO's Fukushima Daiichi Nuclear Power Station

TEPCO's Fukushima Daiichi Nuclear Power Station is equipped with boiling water reactors (BWR), a reactor type different from the PWRs handled by MHI, but in order to bring a conclusion to the accident that occurred there the MHI Group is implementing measures utilizing its comprehensive technological capabilities on land, sea and air.

"Mega-Float"

In April-May 2011 the company converted the "Mega-Float," a large floating marine structure originally manufactured by MHI, that Shizuoka City provided to TEPCO to serve as a temporary storage facility for the large volume of accumulated water within the Fukushima plant that had become moderately radiated. The company also delivered specially customized forklift trucks equipped with cabins shielded against radiation, to perform rubble handling around the site, as well as facilities for temporarily storing radioactive waste (sludge) generated during the treatment of radioactively contaminated water.

In addition, MHI was selected, along with Toshiba Corporation and Hitachi-GE Nuclear Energy, Ltd., to participate in a national R&D project aimed at bringing TEPCO's Fukushima Daiichi accident under control over the medium to long term. Going forward, the project will target the development of technology for removing fuel debris(note) from the reactors.

Note: What is again solidified after the nuclear fuel melted with a part of the structure in the reactor

Other Support

The company also took steps to achieve early restoration of social infrastructure and plant facilities, including bridges, printing machinery, food factories, waste treatment facilities, etc.

Additionally, measures were taken to save energy at all company workplaces during the summer months. Particularly at workplaces within TEPCO's power grid, the company cooperated in reducing peak power usage through expanded operation of in-house generators, etc. (see page 79).

Ongoing Support of Disaster Recovery Efforts

Regional Support through Donations and Relief Materials

Immediately after the earthquake disaster, on March 14, 2011, the MHI Group announced a donation equivalent to 500 million yen, consisting of a monetary sum as well as the provision of various emergency relief materials. Employees throughout the Group undertook fund-raising campaigns and donated a total of 100 million yen to the stricken area together with matching donations provided by the company.

Starting at the Shinagawa Head Office Building in June, several company works held "Tohoku Product Fairs" at summer festivals and other events. Through the sale of Tohoku products, we supported Tohoku's economy.

Furthermore, MHI donated 20 MHI forklift trucks to fishery cooperatives in the affected region and 13 air-conditioning units to evacuation centers.

Tohoku Product Fair
(Ritto Machinery Works)

In-company fund-raising campaign
(Shinagawa Head Office)

Support Initiatives by Employee Volunteers

Since April 2011 more than 300 employees have undertaken a broad range of volunteer activities in response to the disaster. These include delivery and sorting of relief materials in the affected region, rubble removal and cleanup, conducting science classes, holding rugby clinics, and performance of a charity musical.

Commencing in August 2011 employees of the Power Systems business headquarters organized the "Minato Mirai Memory Restoration Brigade," a group of volunteers who clean and return to the disaster region photographs that were swept away in the tsunami and whose owners are unknown.

In addition, MHI's works and group companies provided support independently in various ways. For example, at the Nagoya Aerospace Systems Works a work experience program was initiated, and at the Nagasaki Shipyard & Machinery Works a program of mosaic art production and donation was introduced.

Going forward, we will continue activities centered on supporting the next generation through science and sports classes, etc.

Charity musical

Cleaning of photographs

Major Future Social Contribution Activities

(study assistance [psychological support], industry/community support)

1. **Science class programs**
   Planning and implementation of science class programs using MHI products, in collaboration with NPOs, etc.
2. **MHI sports classes**
   Holding classes in sports such as rugby and baseball.
3. **Charity musicals**
   Performing musicals at elementary schools, in joint sponsorship with theater companies.
4. **Self-help recovery support**
   Financial support of young entrepreneurs, etc. seeking to achieve self-sustaining recovery, as a way of driving regional recovery.
5. **Support in creating community centers**
   Financial support to local NPOs, etc. seeking to create places where residents of temporary housing can gather and communicate.

Response of MHI and its Group Companies to the Great East Japan Earthquake
http://www.mhi.co.jp/en/notice/notice_east_japan.html

Voices of External Stakeholders

Smiles returned to the children's faces.

Fumitaka Hyodo
Principal, Minami-Sanriku Isatomae Elementary School

On November 4, 2011 we were treated to a performance of "The Wizard of Oz" by the Poplar Theater Company. Seeing a real musical play was a thrilling and fun experience both for the students and for me.

The children also enjoyed the science classes involving "wakamaru" and airplanes — something they don't experience in their regular classes. I greatly hope that support activities of interest to children in the disaster region will be continued in the future.

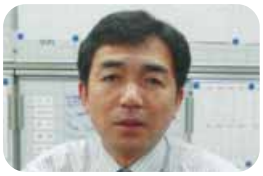
These are precious activities that foster hope and dreams.

Yoko Shibayama
Principal, Minami-Sanriku Natari Elementary School

All the children eagerly looked forward to the musical's performance. They enjoyed it immensely, some saying how much fun it was, others expressing hope that the theater company would visit us again. For the children who had lost so much dear to them in the earthquake disaster, the occasion provided them with time to forget everything and be happy.

It is through a wealth of personal experiences that children are able to expand their horizons and grow. Now we are looking forward to MHI's science classes coordinated to our school curriculum.

We want to do all we can to support the adults of tomorrow.



Satoru Ueki
Production Manager, Poplar Theater Company

Starting immediately after the disaster, many different groups, artists and so on visited the affected region. The organization we are a member of gave donations, and individual performers were sent to perform.

As it was around that time that we were contacted by MHI, we felt like we had all the luck in the world on our side. So as not to place a burden on the locality where we would perform, which was suffering from power shortages, we made meticulous arrangements with the conviction that we would do what we could for the children who would open the way to the next generation. After our performance, we came away with lots of courage and memories of the bright smiles of the children.

Voices of our Employees

Ever since the disaster, we have been undertaking restoration work devotedly, to bring peace of mind and smiles to people everywhere.

Kiyoshi Miyazaki
Engineering Manager, Plant Construction Planning Department, Plant Construction Division, Engineering Headquarters

I was working overseas when I heard the news about the disaster, and my boss called and told me that as soon as I returned to Japan I would be assigned to TEPCO's Kashima Power Plant. Kashima is one of TEPCO's most important power plants, and MHI supplied the major equipment in five of the plant's six generating facilities. As the disaster had resulted in the stoppage of facilities producing a total of 3.4 megawatts, restoration was needed as quickly as possible.

On March 13 I started overseeing operations at the site, and within about one month power generation was resumed. Putting highest priority on responding to the disaster required the understanding of many customers both in Japan and abroad. We were encouraged hearing how our blue work clothes made people feel reassured. Later I was assigned to the Hirono Power Plant, and currently I am working to restore operations at Tohoku Electric's Haramachi Power Plant.

Electricity is indispensable to our lives. Our mission is to make electricity and to maintain the generating systems dependably. My greatest hope is to make every effort every day to bring peace of mind and smiles to 7 billion people around the world, to be a company that will continue to be trusted worldwide.

Overview of the MHI Group

Company Profile

Trade Name: Mitsubishi Heavy Industries, Ltd.
Head Office: 2-16-5 Konan, Minato-ku, Tokyo
President and CEO: Hideaki Omiya
Foundation: July 7, 1884
Establishment: January 11, 1950
Capital: 265.6 billion yen (as of March 31, 2012)
Employees: 68,887 consolidated, 32,494 non-consolidated (as of March 31, 2012)

CI Statement

Our Technologies, Your Tomorrow

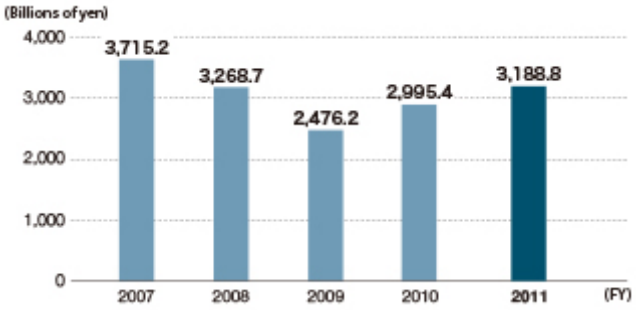
This CI statement represents our intention to "continuously provide an assured future where people can live safe, secure and enriched lives through technologies that can excite people and passion as a manufacturer for the sustainability of the earth and humankind."

CI (Note1) statement logo

MITSUBISHI HEAVY INDUSTRIES, LTD.
Our Technologies, Your Tomorrow

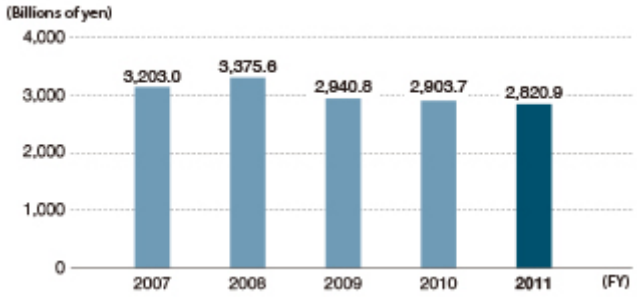
(Note1) CI: Corporate Identity

Orders Received (Consolidated)



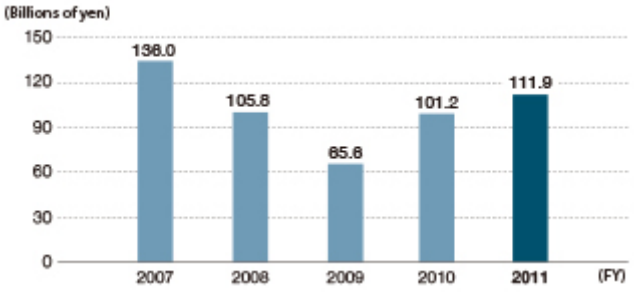
FY	2007	2008	2009	2010	2011
Orders Received (Consolidated)	3,715.2 billions of yen	3,268.7 billions of yen	2,476.2 billions of yen	2,995.4 billions of yen	3,188.8 billions of yen

Net Sales (Consolidated)



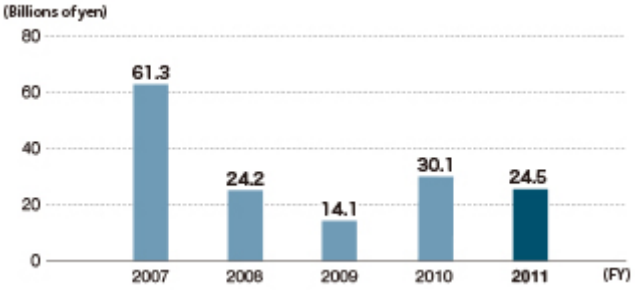
FY	2007	2008	2009	2010	2011
Net Sales (Consolidated)	3,203.0 billions of yen	3,375.6 billions of yen	2,940.8 billions of yen	2,903.7 billions of yen	2,820.9 billions of yen

Operating Income (Consolidated)



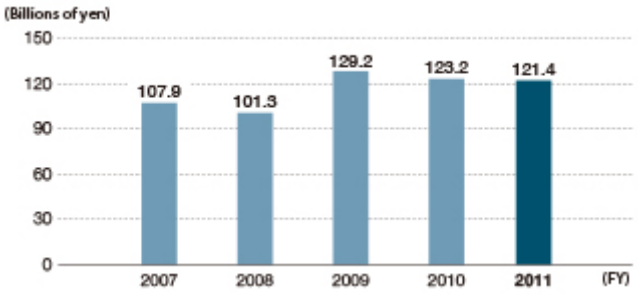
FY	2007	2008	2009	2010	2011
Operating Income (Consolidated)	136.0 billions of yen	105.8 billions of yen	65.6 billions of yen	101.2 billions of yen	111.9 billions of yen

Net Income (Consolidated)



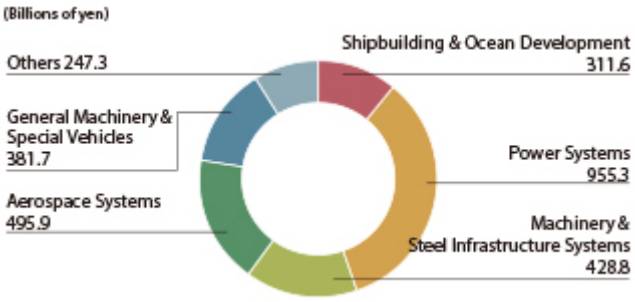
FY	2007	2008	2009	2010	2011
Net Income (Consolidated)	61.3 billions of yen	24.2 billions of yen	14.1 billions of yen	30.1 billions of yen	24.5 billion yen

Research and Development Expenditures (Consolidated)



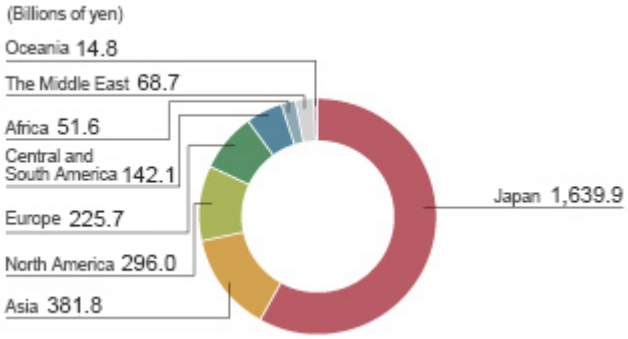
FY	2007	2008	2009	2010	2011
Research and Development Expenditures (Consolidated)	107.9 billions of yen	101.3 billions of yen	129.2 billions of yen	123.2 billions of yen	121.4 billions of yen

Net Sales by Industry Segment (Consolidated)



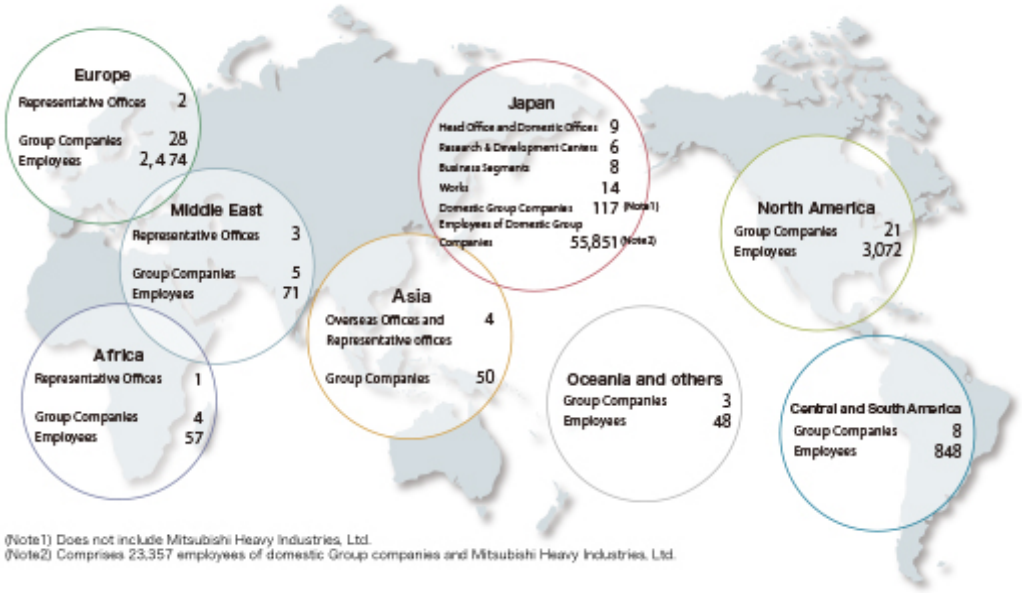
Shipbuilding & Ocean Development	311.6 billion yen
Power Systems	955.3 billion yen
Machinery & Steel Infrastructure Systems	428.8 billion yen
Aerospace Systems	495.9 billion yen
General Machinery & Special Vehicles	381.7 billion yen
Others	247.3 billion yen

Net Sales by Region (Consolidated)



Japan	1,639.9 billion yen
Asia	381.8 billion yen
North America	296.0 billion yen
Europe	225.7 billion yen
Central and South America	142.1 billion yen
Africa	51.6 billion yen
The Middle East	68.7 billion yen
Oceania	14.8 billion yen

Operating Bases and Employees by Region



(Note1) Does not include Mitsubishi Heavy Industries, Ltd.
(Note2) Comprises 23,357 employees of domestic Group companies and Mitsubishi Heavy Industries, Ltd.

(as of March 31, 2012)

Europe	
Representative Offices	2
Group Companies	28
Employees	2,474
Middle East	
Representative Offices	3
Group Companies	5
Employees	71
Africa	
Representative Offices	1
Group Companies	4
Employees	57
Asia	
Overseas Offices and Representative offices	4
Group Companies	50
Employees	6,466
Oceania and others	
Group Companies	3
Employees	48
North America	
Group Companies	21
Employees	3,072
Central and South America	
Group Companies	8
Employees	848
Japan	
Head Office and Domestic Offices	9
Research & Development Centers	6
Business Segments	8
Works	14
Domestic Group Companies	117
Employees of Domestic Group Companies	23,357

Businesses and Products

Shipbuilding & Ocean Development

Shipbuilding
- Cruise ships
- Ferries
- LNG carriers
- LPG carriers
- Tankers
- Container carriers
- RO/RO ships
- Car carriers
- Destroyer
- Patrol vessels

Marine development
- Deep submergence research vehicle
- Oceanographic research ships

Engineering business
- Ballast water treatment systems

Power Systems

Thermal power generation plants and other facilities
- Combined cycle power plants
- Steam turbines
- Gas turbines
- Boilers
- Diesel engines

Renewable energy generation, etc.
- Wind turbine plants
- Geothermal power plants
- Water turbine plants
- Solar thermal generation systems
- Lithium-ion secondary batteries

Nuclear power plants and other facilities
- PWR nuclear power plants
- Advanced reactor plants
- Nuclear fuel cycle plants

Machinery & Steel Structures

Environmental and chemical plants
- Flue gas desulfurization systems
- Flue gas CO_2 recovery plants
- Fertilizer plants
- Methanol plants
- Petrochemical plants
- Oil & gas production plants

Environment preservation
- Wastes treatment plants
- Electrostatic precipitators
- Biomass utilization systems

Transportation systems and ITS
- Automated people mover
- Rail transit
- Air brake equipment
- Toll collection systems (ETC, etc.)
- Intelligent transport systems (ITS)

State-of-the-art machines
- Medical systems / Radiotherapy systems
- Power train equipment
- Mechatronics system equipment
- Particle accelerator
- Robots

Machineries
- Iron & steel manufacturing machinery
- Compressors & mechanical turbines
- Rubber & tire machinery
- Crane & material handling equipment
- Manufacturing equipment for semiconductor & flat panel displays
- Organic EL panels for lighting

Basic facilities & steel structures for infrastructure
- Steel bridges & chimneys
- Hydraulic gate
- Mechanical parking systems
- Tunnel boring machine
- Earthquake isolation / vibration control systems

Industrial equipment
- Printing machinery
- Paper converting machinery
- Plastic injection molding machine
- Food and packaging machinery

Aerospace Systems

Aircraft
- Commercial airplane
- Aeroengines
- Jet Fighters
- Helicopters

Space equipment
- H-IIA launch vehicle
- H-IIB launch vehicle
- Space transporter
- Rocket engines

General Machinery & Special Vehicles

Engine generation equipment
- Gas engine generator sets
- Diesel engine generator sets
- Co-generation systems
- Portable gas engine generator/Portable gasoline engine generator

Engines & equipment
- For agricultural use (Agricultural machinery and Small-sized industrial machinery): Air-cooled gasoline engines/Water-cooled diesel engines
- For industrial use (Construction machinery, Generators and power units): Water cooled diesel engines/water cooled gas engines
- For marine use (Main propulsion and, Auxiliary generating set): Water cooled diesel engines

Physical distribution equipment
- Forklift trucks
- Heavy cargo carriers

Turbochargers
- Turbochargers

Construction machinery
- Earthmoving and grading machinery

Defense
- Special vehicles

Others

Air-conditioners

- Air-conditioners for commercial usage
- Air-conditioners for residential usage
- Air-conditioners for automobiles
- Refrigeration applied products
- Transport refrigeration units
- Centrifugal chillers
- Centrifugal heat pumps

Industrial machinery

- Machine tools

Management

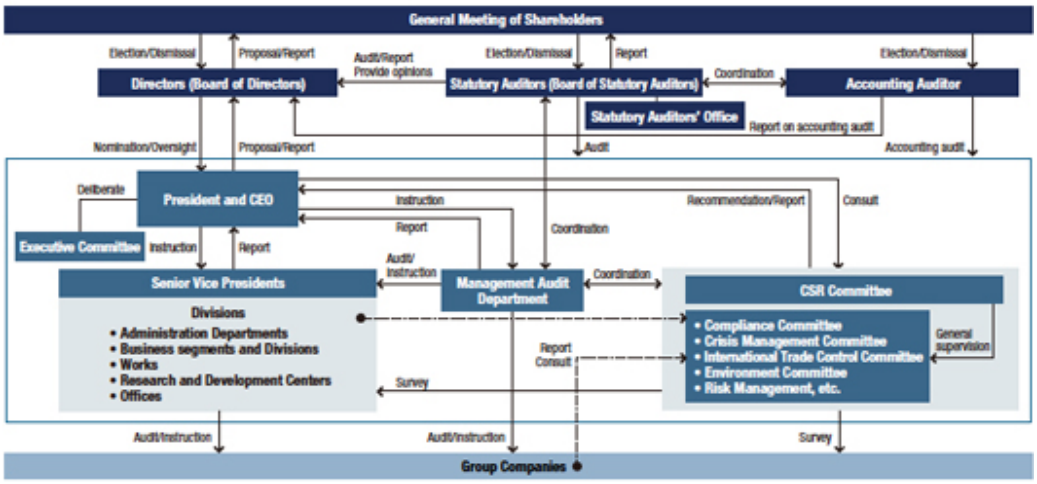
In the course of providing products that support social and economic infrastructures on a global scale, MHI makes every effort to fulfill its social responsibility as a corporation by strengthening and enhancing its corporate governance, internal controls and CSR efforts while acting in full compliance with prevailing laws, rules and social norms in addition to promoting fair and sound management.

Current Status of Corporate Governance and Internal Controls

Strengthening the oversight functions of the Board of Directors through such measures as appointing outside directors

The Board of Directors makes important key management decisions and oversees the execution of business operations, while statutory auditors audit the execution of duties of directors and other matters.
Currently, 3 of the company's 19 directors and 3 of its 5 statutory auditors are from outside MHI. These outside directors and statutory auditors provide advice and oversight to the management of MHI based on their broad range of experience and considerable insight as managers, administrators and specialists. They operate from an unbiased position which is independent from the company's management team. The company has also streamlined the Board of Directors, shortened the term of office, and introduced an Executive Officer System. MHI has sought through these measures to reinforce the oversight functions of the Board of Directors and to clarify the roles and responsibilities of the directors who make decisions on key management issues and oversee the overall management of the company as well as the roles and responsibilities of senior vice presidents who execute business.
MHI has also established an Executive Committee to serve as a forum for discussing important matters related to business execution. This allows for a more cohesive approach in terms of discussions as part of the operational execution framework centered on the President, and consequently leads to more effective management decisions and business execution.
In accordance with the auditing policy and auditing plan determined by the Board of Statutory Auditors, statutory auditors attend key meetings, such those held by the Board of Directors, the Executive Committee, and Business Plan Meetings, to study and monitor the management operation status. They also examine legal and regulatory compliance, and monitor the development and operation of internal control systems, including those related to financial reporting. These auditing operations enable them to ascertain whether the directors are executing their duties in compliance with laws and Articles of Incorporation, and whether company affairs are being appropriately executed.
Statutory auditors also periodically exchange information and opinions with the Management Audit Department and accounting auditors, and collaborate closely with them in other ways, including receiving audit results and attending accounting audits. The Statutory Auditors' Office has been set up with its own dedicated staff to support the implementation of auditing tasks and facilitate the work carried out by statutory auditors.

Corporate Governance Structure (including internal control systems) (as of April 1, 2012)



Strengthening the internal control systems

In compliance with legal requirements, the MHI Board of Directors has determined a basic policy for internal control systems. The company is promoting the strengthening of areas including the oversight function of the Board of Directors, management systems in response to risk types, increasing the effectiveness of compliance including a whistleblower system, management systems between MHI and Group companies and a system which permits effective auditing by statutory auditors. MHI is striving to strengthen these initiatives through internal audits and the PDCA management cycle. The designs and operations of internal controls are monitored annually through internal audits, in line with the internal audit policy which was formulated by the Management Audit Department.

Under the internal control reporting system regarding financial reporting, which is stipulated by the Japanese Financial Instruments and Exchange Law (also known as J-SOX), the Management Audit Department and the internal audit divisions of our manufacturing works carried out assessments of the design and operation of the internal controls and concluded that as of the end of March 2012, the MHI Group's internal controls over financial reporting were functioning effectively. The accounting auditors concurred with this assessment.

Every year at the Board of Directors meeting, the current status of initiatives concerning the establishment of internal control systems is reported in order to confirm the effectiveness of our internal control systems.

Risk Management

Precisely comprehend risks throughout the Group and steadily implement risk reduction measures

MHI precisely comprehends risks throughout the Group and is carrying out measures to steadily reduce these risks.
In fiscal 2011, we initiated the Risk Management Supervisors Meeting as a means to consider risk management throughout the Group. In May 2011, the meeting convened for the first time and in addition to reports regarding risk management activities carried out until the previous year, risk management policies for 2011 were also considered. Specifically, following the centralization of the business administration system by each business segment in fiscal 2011, each business segment regulated and reorganized all risk management to date and it was decided that the head of the Management Audit Department and the heads of each business segment would strive to discuss and share awareness regarding important risks in order to make the risk-management PDCA cycle function more effectively.
This discussion took place in June 2011 and many of the commonly recognized risks at each business headquarters were made clear and the preparation and establishment of measures to regulate these risks throughout the Group was decided upon.
The Management Audit Department also held discussions with each administration department head responsible for control activities as a process owner (Note 1) in February 2012 in order to further enhance awareness of risk management and improve the quality of control activities.
Through these activities, MHI is striving to prepare and strengthen its risk management system across the entire Group.

(Note1) Organizations and/or Persons responsible for planning and executing risk reduction measures for individual business functions.

New Organizations and Measures Concerning Business and Management

MHI establishes Engineering Headquarters to integrate company-wide EPC operations

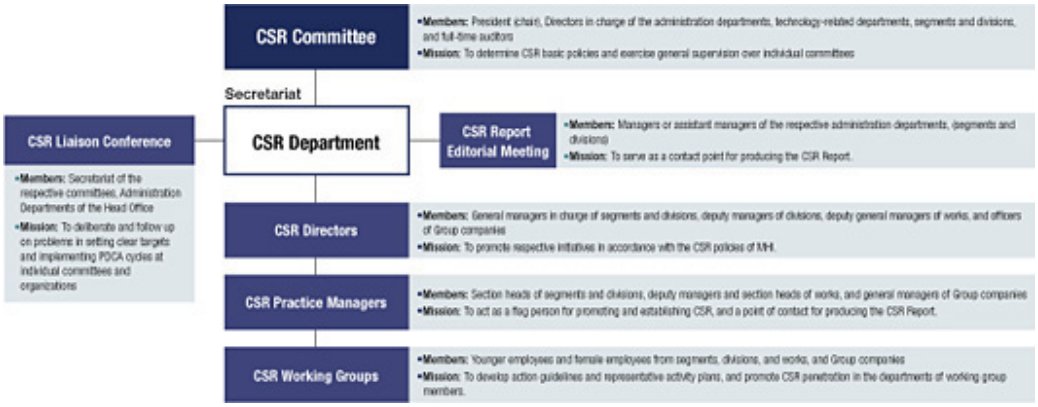
Against a background of rapid population growth and global environmental problems, and as numerous large-scale infrastructure projects are planned in developing nations, MHI has strengthened its Engineering, Procurement and Construction (EPC) operations in order to be able to provide support for such projects.
As one part of this initiative, in January 2012, MHI integrated all EPC-related operations to form a new organization, Engineering Headquarters. This organization, which commenced operations with approximately 5,000 staff members (consolidated), integrated the business headquarters of the Sustainability Energy & Environment Strategic Planning Department, Power Systems Plant Engineering & Construction Department, Machinery & Steel Infrastructure Systems and the Environment & Chemical Plant Division. Moreover, a new department will be established to handle EPC-related activities for overseas nuclear power plant projects in the Nuclear Energy Systems business and large-scale infrastructure projects in the Machinery & Steel Infrastructure Systems business.
The establishment of this Headquarters at MHI is an opportunity to consolidate and strengthen our accumulated EPC technology and knowhow, expand our EPC operations and core products, and respond swiftly to project opportunities requiring high-level solutions such as smart community-related projects.

Promoting Comprehensive and Strategic CSR Activities

The CSR Committee was set up to strengthen CSR-oriented management

In October 2006, the company set up the CSR Committee, chaired by the President, and the CSR Department, which reports directly to the President, in order to strengthen CSR-oriented management. Furthermore, during the organizational reforms made in April 2011, the CSR Department became the Presidential Administration Office/CSR Department, which is responsible for CSR activities with a focus on company-wide management.
The CSR Committee, which holds sessions twice yearly, not only sets and follows up on the CSR Action Plan(see page 137-139), but also sets and focuses on six themes regarding important activity initiatives in areas such as the globalization of CSR activities and the fund for social contributions. Before and after committee meetings, the CSR Liaison Conferences, which are comprised of various committees and groups of managing members, are held. At CSR Liaison Conferences, the progress of various activities and the details of deliberations by the CSR Committee are shared by those engaged in the work, and future policies and new issues are discussed.

CSR Promotion System (as of April 1, 2012)



Sustained promotion of PDCA based on the CSR Action Plan

The CSR Committee set the CSR Action Plan for fiscal 2008 to 2010 and strove to embed CSR management in the company.
In fiscal 2011, we formulated a new CSR Action Plan (for fiscal 2011 to 2013) and supported the activities of relevant committees and groups of managing members in the six areas of CSR promotion, compliance, the environment, human rights/labor, product responsibility, and risk management. Additionally, we verify and evaluate results. In this way we steadily promote PDCA cycles.
In the area of CSR promotion, the CSR Report was distributed to all MHI Group employees (82,000 copies) in fiscal 2011, and the following actions were carried out.

CSR Sessions

CSR sessions aimed at deepening employees' awareness of CSR was held at 12 sites in fiscal 2011 and 786 people participated.
CSR sessions have been taking place over a five period from fiscal 2007 and a total of 3,800 people (approximately 11.5% of all employees) have now received the sessions. The sessions in fiscal 2011 explained the basic nature of CSR and about the CSR activities undertaken by our company. Moreover, group discussions were held on the topic of concrete actions to meet society's expectations for MHI.
To make clear the issues of CSR activities, a survey based on the CSR Action Guidelines of employees who have received CSR sessions in the five years since it was commenced was conducted. Each year, the evaluation is improving as a result of improvements in areas of poor performance.
CSR sessions for new employees were held at all works, including the Head Office, and 940 people participated in fiscal 2011.

CSR sessions at Takasago Machinery Works

Town Hall Meeting

With the aim of creating an open environment for communication and improving employee motivation, the president or vice president spoke directly with employees at the Town Hall Meeting, which was held at five sites in fiscal 2011.
Three events were held: meetings with general managers, round-table discussions with young employees in their mid-thirties who will play leading roles in the future and worksite visits where management visits worksites where employees are working. These events are designed to reinvigorate worksites through frank communication between top management and employees.

Round-table Discussions with Young Employees at Nagoya Aerospace Systems Works

Activities of Major Related Committees in Fiscal 2011

CSR Committee: Regular checking and follow up on CSR activities

At the 10th session of the CSR Committee held in June 2011, the CSR Action Plan for fiscal 2011 to 2013 was formulated. In addition to the six areas of the action plan for individual committees and groups of managing members, and plans such as those for contributions to local communities based on the CSR Action Guidelines, a policy regarding six themes which are considered important action initiatives was decided upon. The six themes are: activities to support the education of the next generation through science classes, environmental vision, globalization of CSR activities, a fund for social contributions, feedback for management from society, restoration and reconstruction support for victims of the Great East Japan Earthquake. In December 2011, at the 11th session of the CSR Committee the half-yearly progress based on the CSR Action Plan was confirmed and followed up.

The 11th Session of the CSR Committee, December 2011

Compliance Committee: Discussing corporate-wide compliance promotion plans

The Compliance Committee was established in 2001 as an organization that discusses issues such as the state of compliance promotion throughout the Group. It handles the creation of corporate-wide compliance promotion plans and confirms the status of progress.
The committee also endeavors to educate employees on compliance awareness, and since fiscal year 2003 has been continuously holding compliance promotion training. The outcomes of this training are confirmed through a compliance awareness survey, and analysis of the survey results has shown that each year the awareness toward compliance held by individuals at all worksites is increasing.

Environment Committee: Discussing the Group's promotion of yearly environmental measures

The Environment Committee was established as an inter-departmental organization for the entire corporation in 1996. During its twice-yearly meetings, it plans and composes corporate-wide environmental measures for the year and sets the tone for initiatives, as well as promotes and follows up on the yearly environmental preservation plans of individual works.
The 2011 Environmental Management Promotion Plan outlined the strengthening of measures to eliminate accidents which pollute the environment and reducing CO_2 emissions resulting from business operations, and each works implemented measures to meet these targets. Discussions were also held on the implementation of environmental meetings, and the committee has held initiatives for Group-wide promotion of consolidated environmental management. Furthermore, it deliberated on implementing plans for environmental audits of works for the purpose of continually reducing environmental risks and thoroughly complying with environmental laws and regulations. The committee aims to improve the management level at each works by following up on the outcomes of those actions.

Committee for Raising Awareness of Human Rights: Promoting a workplace in which every employee respects the human rights of others

MHI set up the Committee for Raising Awareness of Human Rights in 1992 to promote the establishment of a sound workplace in which every employee correctly understands the issue and respects the human rights of others. Chaired by the director in charge of personnel and with the membership of general managers in charge of personnel of each works, the committee is working on raising awareness of human rights, sharing information and promoting human rights training.
In fiscal 2011, the committee continued to implement a training program for raising awareness among new recruits, newly appointed managers and supervisors. In an effort to strengthen the company's response to sexual harassment and "power harassment" (workplace bullying & harassment), the committee implemented such activities as educational efforts and the production and distribution of educational material aimed at preventing "power harassment." This was in addition to fully implementing a consultation system including a newly established contact point for consultation external to the company.
From fiscal 2012, this committee will merge with the Committee for Promoting the Employment of the Handicapped in order to broadly deal with various issues pertaining to human rights.

“Committee for Promoting the Employment of the Handicapped:” Proactively promoting the expansion of job opportunities for the disabled

Based on the Disabled People Employment Promotion Act, this committee was established in 1992 to expand employment opportunities for differently-abled people because MHI believes it is the corporation’s social responsibility to provide opportunities for them to utilize their abilities. The committee is chaired by the director in charge of personnel and has the membership of general managers in charge of personnel at each works. The committee convenes yearly to formulate basic policies related to employment of differently-abled people, draw up and implement relevant plans, raise awareness to promote employment, share information, and contact and work with relevant administrative agencies and organizations.
In fiscal 2011, the committee continued their efforts to expand employment through proactively advancing recruitment by using its website “mano a mano” in Spanish or “hand to hand,” which was created to support the employment of differently-abled people while coordinating with local job-placement offices and skill-building schools for the differently-abled people, participating in job interviews and holding meetings with employment officers for differently-abled people. As a result, as of April 1, 2012, the employment rate for the differently-abled people at MHI is 2.08 percent, which exceeds the statutory employment rate of 1.8 percent.

The "mano a mano" webpage for differently-abled people

International Trade Control Committee: Promoting education on legal compliance and updating various rules and manuals

MHI is aware that export controls complying with export-related laws and regulations, such as the Foreign Exchange & Foreign Trade Control Act, are taking on greater importance. Since its inception, the International Trade Control Committee has been meeting regularly on a monthly basis to stringently screen exports of controlled items and transfers of controlled technologies as well as exports of commodities to nations and regions that are subject to international sanctions, in order to prevent MHI technologies and commodities from being used for nefarious purposes, such as for weapons of mass destruction. The Committee also draws up and revises effective rules, promotes internal audits and conducts consultations and education activities.
In fiscal 2011, as well as continuously promoting e-learning programs for all employees in our export business, the training sessions were regularly held for employees responsible for each division and in addition to sharing information about past examples of both successful and mistakable export control management, they discussed examples of mistakes that can easily be made to deepen their understanding.
We are also promoting education and preparation of compliance systems for the individual laws of the country in which each overseas site is located, and through these activities we are making efforts to further strengthen our export control management.

Construction Business Act Compliance Committee: Implementing monitoring of compliance throughout Group companies

Since MHI is involved in new construction and repair of sites such as power plants, it is well aware of the great importance of complying with the Construction Business Act, and in 2003 established the Construction Business Act Compliance Committee. In order to abide by the Construction Business Act, the committee is continuing to work to promote revision of various in-house structures and systems to educate employees, to manage the qualifications and support the training of engineers, and to conduct appropriate management of building construction and subcontracting.
In fiscal 2011, to improve the adherence level at all Group companies, monitoring of compliance with the Construction Business Act was conducted at the 52 companies which obtained a contractor's license. In continuation from 2010, workshops for business partners to explain the Construction Business Act were held at five main works (locations) to promote optimization of subcontracts. There were 223 participants from a total of 161 partner companies. Workshops on the Construction Business Act were also held on 11 occasions at major works, drawing 998 participants, including Group employees.
The committee is working to improve the adherence level at Group companies through these activities.

Order Compliance Committee: Implementing various measures to ensure legal compliance in sales activities

MHI established the Order Compliance Committee in August 2005 to ensure legal compliance in sales activities with the intent of preventing a recurrence of past violations of the Anti-Monopoly Act. The committee has set up rules of conduct for the Public Sector Sales Department and has constructed systems that include implementing compliance checks for competitive construction bids to ensure transparency in sales actions.
In addition, special monitoring has confirmed that these measures are being appropriately carried out.

Managing Board for Innovation in the Nuclear Business: Planning measures for all departments to improve safety in nuclear energy

The Managing Board for Innovation in the Nuclear Business was set up in December 2004 in response to an incident involving secondary piping in Unit 3 of the Mihama Power Station (supplied by MHI and operated by Kansai Electric) in August 2004. The Committee was given a brief to pursue internal reforms designed to prevent incidents and ensure safety in the nuclear industry.

Fiscal 2011 Initiatives

In fiscal 2011, the Managing Board for Innovation in the Nuclear Business examined safety improvement measures for the PWR nuclear power plant in the wake of the accident at TEPCO's Fukushima Daiichi Nuclear Power Station. The Board also reported on initiatives for creating a culture of safety through lectures on safety by executives and dialog with business partners. The Board will continue to implement further improvements to raise the trustworthiness of nuclear power plants.

Creating a Structure to Promote Compliance that Encompasses the Entire Group

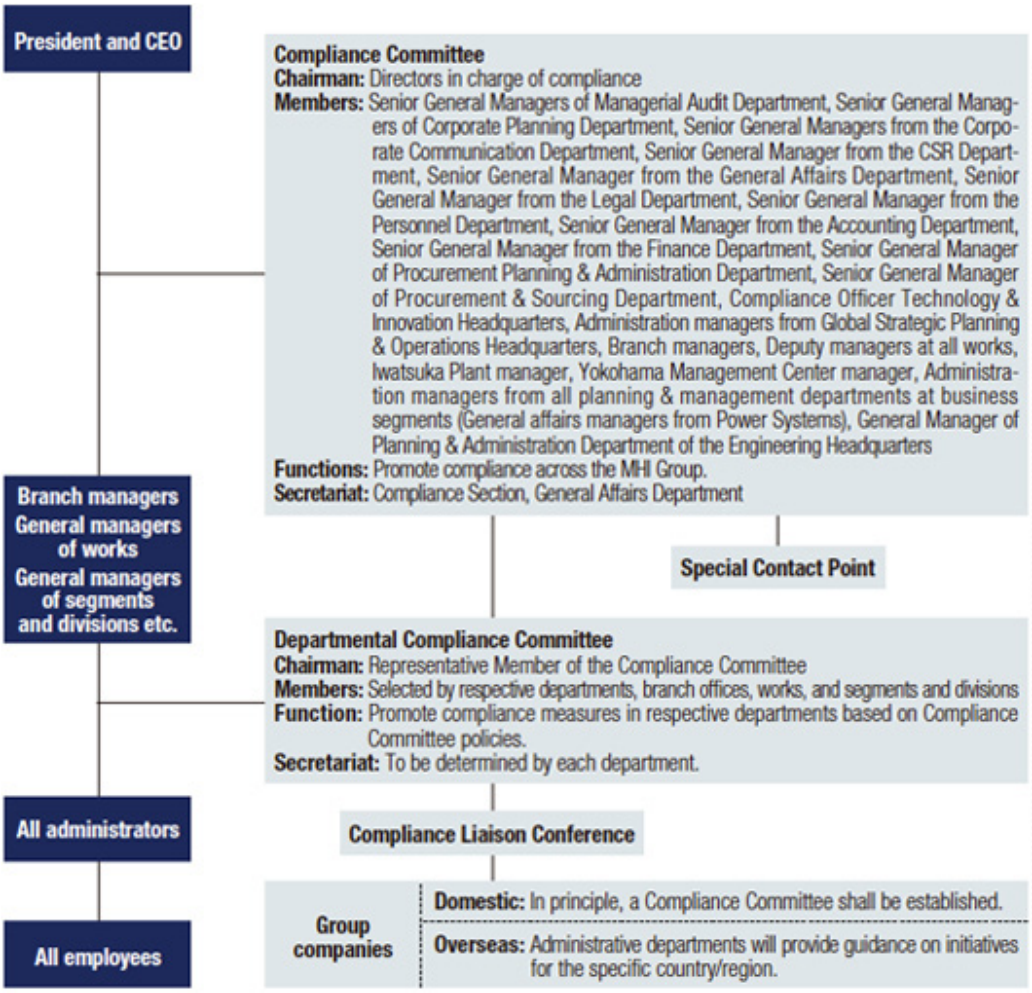
Establishing the Compliance Section to strengthen our ability to respond to crises

At MHI, enhanced systems and increased numbers of personnel are required so that we can further focus our attention on activities to prevent compliance violations, and also to respond promptly to letters we receive. In addition, reliable responses to the risks that surround MHI—such as the growing risk of cyber attacks through unauthorized network access—are becoming an increasingly important management issue. To that end, the Compliance Section was established inside the General Affairs Department on April 1, 2012.

Placing persons responsible for compliance in all departments and Group companies

MHI's Compliance Committee was established in May 2001 to strictly observe applicable laws and social norms, and to promote fair and honest business practices. This committee is chaired by the director in charge of compliance, and its members consist of senior general managers from relevant departments at the Head Office, senior general managers, deputy heads of all works, and general managers from all Planning & Administration Departments at business segments. The committee meets twice annually to draw up company-wide compliance promotion plans, confirm progress, and engage in other activities.
In April 2006, Departmental Compliance Committees were established in all departments of the company in order to strengthen compliance measures for each respective department. These committees are chaired by the department's respective member of the Compliance Committee. At the same time, Compliance Liaison Conferences were set up for regularly exchanging compliance information with Group companies. Through these two types of organizations, each department works to consistently implement its own compliance and to act independently and responsibly in carrying out compliance activities.
Based on the results of compliance awareness surveys and the participation rate for compliance promotion training sessions, in fiscal 2011 it was confirmed that compliance activities have become widespread and employee awareness of compliance has risen. It was also confirmed that appropriate measures are being taken, such as the inclusion of relevant themes in training sessions for issues that need improvement.

Compliance Promotion System (as of April 1, 2012)



Implementing a point of contact/hotline for all employees and clients

A hotline has been established specifically for business clients and employees (including contract employees) of MHI and all Group companies that wish to report or discuss potentially unlawful or dishonest acts they have come upon. Contact can be made through email, phone, or fax. The Compliance Committee will promptly investigate the reported information and communicate with the director in charge. Information on what should be reported is contained in the Compliance Guidelines distributed to all employees and in bulletins published in-house monthly.
Furthermore, in order to increase choices for informants on compliance, the MHI External Report Hotline was established in December 2011 in addition to the in-house hotline. This was followed by the sequential establishment of Harassment Contact Hotlines inside and outside of the company in January 2012 as a measure to respond to “power harassment” (workplace bullying & harassment), which is becoming an increasingly serious social issue.

Setting clear regulations on the rights afforded to in-house informants

With the operation of the hotline, the rights of protection afforded to informants were set out in the 2007 company regulations, entitled “Compliance Promotion Regulations.” These regulations state that the informant’s name will not be released without his/her consent, and that the informant will not be placed at any disadvantage because of the information s/he has reported. Employees have been advised of the rights to protection given to in-house informants and have been told of the existence of the hotline. Twice yearly an investigation is conducted to determine whether such individuals' rights have been violated.

Establishing an external report hotline

MHI created the MHI External Report Hotline in December 2011. Contact can be made through email, fax, or telephone. If the informant wishes, their name and other information will not be relayed to the company. The Compliance Committee will promptly investigate the reported information. Answers regarding the investigation results can also be received via the lawyers that have been entrusted with the operation of the External Report Hotline.
The establishment of this External Report Hotline is based on a proposal from the Public Works Business Process Validation and Advisory Committee, which was created in July 2010. It is an effort to receive a broader range of information and strengthen internal checks and balances functions by increasing choices for in-house reports.

Continually constructing a system that ensures transparency and legality in order-receiving activities

From 2005 to 2006, MHI was the subject of an investigation by the Japan Fair Trade Commission and other offices when it fell under suspicion of violating the Anti-Monopoly Act in construction orders involving steel bridge construction projects and night-soil treatment plants. MHI took the investigation seriously, and established the Order Compliance Committee in an effort to prevent potentially suspect activities from occurring again. MHI has worked diligently to build a stringent system to uphold the Anti-Monopoly Act that ensures the transparency and legality of order-receiving activities. This system includes drawing up "rules of conduct" for the Public Sector Sales Department, carrying out compliance checks on each instance of competitive bidding for construction contracts, and conducting special monitoring for public-sector order compliance.
A special monitoring project during fiscal 2011 confirmed that proper order receiving activities had continued in a reliable fashion from the prior fiscal year, and that awareness of the strict observance of the Anti-Monopoly Act had spread throughout the sales departments.
Furthermore, based on an amicable settlement of a shareholder lawsuit related to allegations of steel bridge construction bid-rigging, MHI in July 2010 established "Public Works Business Process Validation and Advisory Committee," which consisted of three outside experts. The committee examined the MHI's implementation of a complete compliance system for securing public construction orders. MHI initiatives were assessed to have sufficient countermeasures necessary to avoid collusion in the tendering process. It also proposed a code of conduct for a new era and drew up guidelines. Based on this proposal, in fiscal 2011 MHI created guidelines regarding topics such as interactions and exchanges of information with competing businesspeople, and made everybody in the company aware of these guidelines. In addition, the Antimonopoly Act Compliance Manual and other documents have been revised to make them easier to understand for sales staff. MHI will continue to take actions that instill a law-abiding mentality in order-receiving activities.
In fiscal 2011, no warnings were issued against MHI by government offices such as the Fair Trade Commission, and operations and business were not suspended due to misconduct or other circumstances.

Violations of regulations for the manufacture of aircraft parts

A whistle-blowing incident occurred in the manufacturing process of titanium parts for various types of aircraft manufactured at the Oe Plant of Nagoya Aerospace Systems Works in June 2011. The results of an in-house investigation confirmed that a portion of preprocessing work for penetrant inspections (see note) was not performed correctly on some of the titanium parts manufactured from April 2006 to March 2010, although the processing process was implemented correctly.
After examining similar cases in a strict and wide-ranging way, other cases came to light in which in-house regulations seemed to have been violated. The results of technical evaluations, including simulation tests, confirmed that flight safety was not affected. However, MHI regarded this as a grave problem that harms the credibility of its products. In addition to making prompt reports to customers, MHI also continued making successive reports regarding the developments of later investigations. Responsible persons in related departments were also subject to serious disciplinary action.
Afterwards, MHI was ordered to make reports and given stern warnings by the Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure, Transport and Tourism; and Ministry of Defense. MHI sends reports regularly to each ministry about the implementation of measures to prevent the recurrence of this problem.
The main causes of this violation of regulations were inadequate facilities and structures to respond to increased production, an environment in which workers were not sufficiently supervised and educated, and a lack of awareness by relevant individuals regarding the importance of the strict observance of rules.
Counter-measures to be implemented include the following reforms: facility investments required to improve the work environment and increase productivity, the appropriate allocation of personnel according to the quality and volume of work, improvements to the production management and quality assurance system, ample education, and the clarification of work instruction documents. Furthermore, in order to make these reforms both permanent and reliable, improvement activities are being implemented from November 1, 2011. These activities are centered on the Production Reform Committee in Aerospace Systems, with overall management by the Steering Committee led by the president. Respected individuals from outside the company also participate in the Advisory Committee that monitors these activities.

(Note) Penetrant inspection: A type of nondestructive inspection to detect part surface defects.

Improving Compliance Principles/Guidelines

The Compliance Principles Clarify Behavior Standards

The MHI Compliance Principles established in September 2001 explicitly set forth required behavior standards so that compliance with applicable laws and social norms can be comprehensively achieved in business activities, societal relationships, and employee relationships. This policy has been printed on cards so that it can be easily carried and has been distributed to all employees, including contract workers. In addition, all employees have been provided with MHI's Compliance Guidelines in the form of a booklet, which contains straightforward explanations on specific areas requiring caution during the execution of daily duties.
Moreover, articles on compliance have regularly been included in company bulletins. From fiscal 2010, illustrated articles have been included to further deepen employee understanding.

Compliance Guidelines

MHI Compliance Principles

I. Business activities
We will conduct company activities in a sensible and appropriate manner and in compliance with applicable laws and social norms, and will contribute to society by providing safe, high-quality products and services.
II. Relationship between the company and society
We will try to preserve the environment and live in harmony with society as a good corporate citizen.
III. Relationship between the company and employees
The company will provide a safe, healthy work environment, and company members will make clear distinctions between official and private activities and obligations, comply with applicable laws and internal rules, and execute their duties faithfully.

Establishing regulations and standards for the more thorough prevention of bribery

MHI strives for fairness in its global commercial transactions by strictly observing the anti-bribery laws of all countries, including Japan’s Unfair Competition Prevention Act, which prohibits the giving of illicit benefits by Japanese citizens to overseas government officials.
MHI established the Guidelines for the Prevention of Bribery Involving Foreign Civil Servants in 2005 to define rules of conduct based on the Unfair Competition Prevention Act. In addition, the Anti-Bribery Rules and Anti-Bribery Procedural Guidelines based on these guidelines were created in February 2012 in order to respond to strengthened regulations in various countries. In this way, MHI is working even harder to prevent bribery.

Firm responses to antisocial forces

MHI's Compliance Principles clearly set forth firm measures to deal with antisocial forces.
All MHI facilities have established departments to take measures if unjust demands are made by antisocial forces. The departments will work together to comprehensively deal with the incident as an organization. In addition, MHI has taken actions, including compliance promotion training, to promote the ideal mindset and essential concepts for responding to undue claims.
Moreover, MHI pro-actively strives to build close cooperative relationships with police, lawyers, and special institutions, to gain advice and support for dealing with unjust demands.

Adding clauses to contracts with clients and business partners that exclude organized crime groups

With the enactment of ordinances for the elimination of organized crime groups by the Tokyo Metropolitan Government and Okinawa Prefecture from October 2011, all prefectures in Japan have now enacted such ordinances.
The MHI Group regards compliance as the core of its management, and has consistently responded in a firm way to organized crime groups and other antisocial forces. Based on the enactment of these ordinances, MHI adds clauses to its contracts with clients and business partners in order to exclude antisocial forces.

Eliminating Camouflage Contracts Based on the Policies of the Ministry of Health, Labour and Welfare

In 2007, the Ministry of Health, Labour and Welfare created the Guidelines for Measures that Should be Adopted by Outsourcers Striving to Improve and Optimize Employment Management of Contract Work for Manufacturing Businesses. Based on these guidelines, MHI is working towards making suitable applications such as by creating an independent inspection chart and using it in workplaces.
In addition, MHI is voluntarily and actively working to prevent incidences of the so-called "camouflage contract" problem by implementing compliance training, thoroughly auditing worksite conditions, and holding consultations with the labor department.

Compliance Training and Increasing Awareness

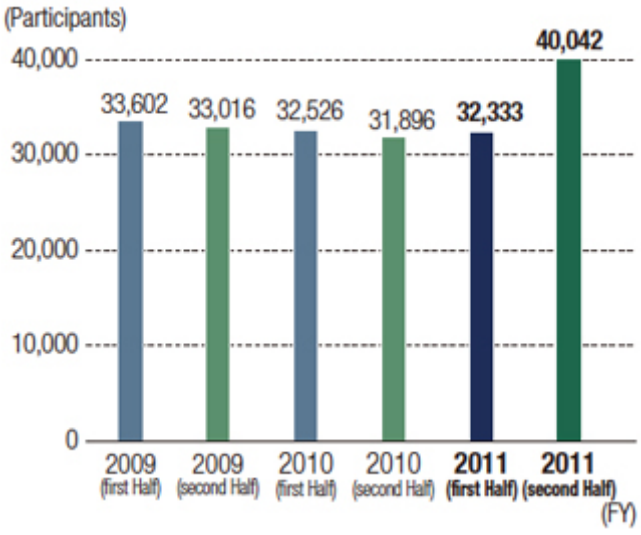
Implementing discussion-based training adapted to daily duties

Discussion-based compliance promotion training sessions for all employees have been carried out in all MHI worksites since fiscal 2003. Since fiscal 2005, training sessions have been held twice a year.
The training is held with the goal of increasing awareness so that employees can execute proper judgment and actions in accordance with compliance, no matter what the situation. In the discussions, employees consider what they would do or what the proper action would be if, for example, they were to feel anxiety over compliance because they are faced with strict cost- or delivery-related demands, or if they are pressured by a supervisor.
In fiscal 2011 discussions were added on three new themes: Britain's anti-bribery law, Ordinance for the Elimination of Organized Crime and "power harassment" (abuse of authority), which is the subject of attention for measures taken by the entire company. Over 40,000 employees (more than 96 percent of all employees; including dispatched and re-employed workers) participated.
The training sessions will continue with themes based on issues the employees come up against in their daily work.

Yearly compliance awareness survey

Since fiscal 2004, every year the Compliance Committee conducts a compliance awareness survey.
In fiscal 2011, a questionnaire was sent to 9,729 employees (a random sample of approximately 30 percent of all employees) of whom 8,259 (84.9 percent) responded. About 98 percent of them indicated that they are aware of compliance. The indicators "level of compliance awareness," "recognition of the MHI Compliance Principles," and "workplace environment regarding compliance" have all risen for the fourth consecutive year, confirming that the outcomes of compliance actions are improving and that the awareness of compliance among employees is steadily growing.
The company will continue to conduct survey-style research to confirm the level of compliance awareness among employees.

Number of participants at compliance promotion training

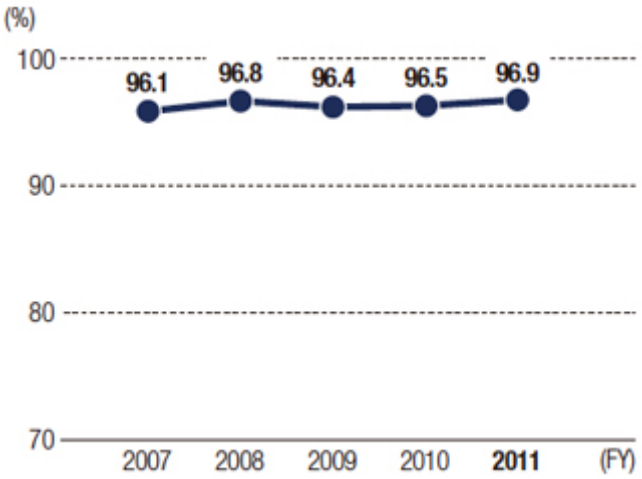


FY	2009 (first Half)	2009 (second Half)	2010 (first Half)	2010 (second Half)	2011 (first Half)	2011 (second Half)
	33,602	33,016	32,526	31,896	32,333	40,042

(Note) Number of participants over the past three years, including dispatched employees,

re-employed employees, etc. from the second half of 2011.

Participation rates for compliance promotion training

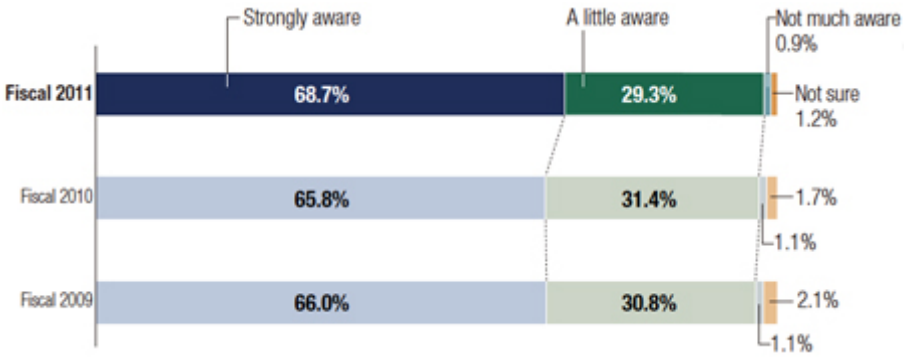


FY	2007	2008	2009	2010	2011
	96.1%	96.8%	96.4%	96.5%	96.8%

(Note) Training sessions have been held twice a year (first and second halves) since fiscal 2005. Figures represent the average participation rates for the first and second halves.

Results of Compliance Awareness Survey

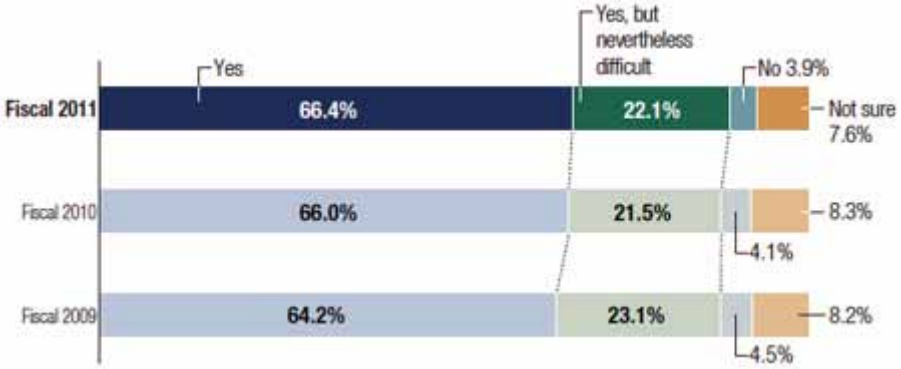
How much are you aware of compliance?



How much are you aware of compliance?

	Strongly aware	A little aware	Not much aware	Not sure
Fiscal 2011	68.7%	29.3%	0.9%	1.2%
Fiscal 2010	65.8%	31.4%	1.1%	1.7%
Fiscal 2009	66.0%	30.8%	1.1%	2.1%

Does your workplace atmosphere allow you to point out cases of compliance violations?



Does your workplace atmosphere allow you to point out cases of compliance violations?

	Yes	Yes, but nevertheless difficult	No	Not sure
Fiscal 2011	66.4%	22.1%	3.9%	7.6%
Fiscal 2010	66.0%	21.5%	4.1%	8.3%
Fiscal 2009	64.2%	23.1%	4.5%	8.2%

A Word from an Employee

Leading staff members with the aim of further improving compliance awareness

Kunihito Michizaki
Group Manager
Maintenance Group
MHI Oceanics Co., Ltd.

As a manager in the Maintenance Group, whose primary task is the maintenance of defense machinery, I serve as an instructor for compliance training given to about 30 staff members. During the training, I introduce specific examples of and focus on themes with strong connections to each staff member—such as manufacturing defects, unfair transactions and management, labor time management, and power harassment—based on the content of MHI's work, the relationship between the company and society, and the relationships between the company and its employees. Compliance is the basis of all corporate activities. In addition to personally taking actions while strictly observing compliance, I also intend to make efforts to raise staff awareness of compliance.

Secure Safeguarding of Proprietary Information

Preventing infection by computer viruses

In mid-August 2011, a computer virus infection was confirmed at several of MHI's works. The results of a survey indicated that this virus could leak files to websites outside of the company. Immediate steps, including removing the virus, were taken to prevent the damage from spreading, and further measures were taken to strengthen systems for both observation and defense.
Taking the scale and malignance of this virus into account, MHI submitted a damage report to the police regarding the infection. A detailed survey was conducted jointly with external experts, which confirmed the following things.

* It was confirmed that portion of data regarding products and technologies had been moved, in a way not intended by MHI, on the in-house servers. A further survey was conducted for this reason, which confirmed the possibility that a portion of some type of data on the servers had been leaked outside of the company.

* No external leakage of defense- or nuclear power-related information that must be safeguarded was identified.

MHI has always taken various measures to maintain a high level of information security. Based on this incident, MHI is taking efforts to reinforce the checks for viruses attempting to enter the system including strengthening the observation system for unauthorized access and enhancing education on information security (such as targeted attack email exercises, see below).

The Information Technology Department and General Affairs Department take the lead in protecting confidential information

MHI has built a corporate-wide system for confidential information management, information security management, and personal privacy through the Information Technology Department and General Affairs Department in order to thoroughly safeguard confidential information, such as company management information and technological information, and information related to customers and clients. MHI is working to carry out appropriate information management (including paper documents and electronic data) and improve information security.

Using the manual and database to thoroughly protect personal information

In conjunction with the enforcement of the Act on the Protection of Personal Information in April 2005, MHI announced its own Privacy Policy and formulated Personal Information Protection Rules and the Personal Information Management Manual. In addition, the company compiled key points related to our business into a digest and distributed it to all employees in an effort to ensure thorough protection of personal information.
A personal information database registration system has been developed and used as a means for consolidating the handling of personal data by registering all data owned by respective divisions.

Constantly reinforcing measures to protect confidential information

MHI has always established rules governing the management of confidential information such as the Regulations for Managing Confidential Information and the Regulations for Managing Documentation. But as the amount of electronic data increased, MHI decided in 2001 to draw up the Information Security Management Standards. These standards have been sequentially revised to encompass new information technologies, dangers, and law revisions in order to more appropriately manage electronic information. Moreover, the Manual on the Rules for Protection of Confidential Information from Leakage were created and distributed to improve employee awareness of confidential information management.
In the past, computers from employees at MHI and partner companies have been infected with computer viruses and product information has been leaked, causing trouble for clients. Therefore, MHI strictly enforces measures to prevent a recurrence of such incidents by forbidding the use of private personal computers for work and the introduction of software not required for work. Also, as measures against information leaks as a result of theft or loss of computers and external storage media, MHI has provided employees with comprehensive instructions on encrypting data on PCs, external storage media, and e-mail, and has clarified procedures for taking these devices outside the company.
MHI instructs both domestic and overseas Group companies on improving information security management rules, information management education, and internal audits in an effort to carry out exhaustive information management throughout the Group. MHI also enters into nondisclosure agreements with subcontractors to ensure comprehensive management of confidential information.

Implementing employee training to enhance awareness of confidential information management

MHI has incorporated education on protection of personal information into compliance promotion training given to all employees and training by employee level, and also provides e-learning on the overall topic of confidential information and information security to thoroughly educate employees on specific procedures and rules.
In fiscal 2011, due to the virus infection issue that was confirmed in August, targeted attack email exercises were carried out by sending targeted spoof e-mails to certain randomly chosen employees. Targeted spoofed e-mails were also used in a case-study during e-learning.

Continuously assessing the status of security measures through internal audits

To safeguard information, it is important to continuously evaluate and reassess the state of security measures being implemented.
MHI has prepared a checklist to be used in all departments and holds an annual internal audit to determine the status of measures being implemented. As a result, when issues are discovered they are revised and the following year during the audit that revision is assessed, leading to steady improvements.
In fiscal 2011, in addition to self-assessments, inspections were conducted by third parties such as internal audit departments. The content of self-assessments was verified, such as by on-site confirmations of especially important items. Items that required improvement were pointed out, leading to the improvement of work in each department.

Operating PDCA cycles for information security management throughout the Group

MHI has always been aware of the importance of its own products and technologies, and has worked to maintain a high level of information security. Because MHI views the recent virus infection as a serious issue, it is working to further reinforce security by taking measures such as running PDCA cycles for information security management throughout the Group, and by improving information management regulations and conducting internal audits of information management throughout MHI and domestic and overseas Group companies.

Environmental Report

MHI is working to alleviate the increasing environmental burdens across the globe by providing environmentally friendly products and technologies in diverse fields as well as by deploying environmental preservation activities throughout the product lifecycle, from development and design to procurement of raw materials, production, on-site installation and final disposal.

Environmental Management Promotion System

Promotion of environmental management by a company-wide committee and promotion entities at each works

The Environmental Committee, chaired by the director in charge of the environment, sets out the company-wide annual environmental program. Decisions are conveyed to the entire company and all Group companies. Environmental Committees established at each works promote policies and conduct environmental management corresponding to the specific features of each works. In addition, Environmental Liaison Conferences for individuals in charge of the environment at the Head Office and each works and Energy Conservation Liaison Conferences, where energy and CO_2 reduction measures are discussed, are held. Furthermore, an Energy Conservation Sectional Meeting and Waste Management Information Exchange Meeting, comprising section heads and subordinates from each works, are convened.

Basic Policy on Environmental Matters (Established 1996)

As clearly laid out in provision 1 of its creed-"We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society."-MHI believes its primary purpose is to contribute to society through its R&D, manufacturing and other business activities. Accordingly, in the performance of its business activities the company shall embrace the awareness that it is an integral member of society and, in all aspects of its business activities, it will strive to reduce burden on the environment and shall devote its comprehensive technological capabilities to the development of technologies and products that will protect the environment, as its way of contributing to the development of a sustainable society.

Action Guidelines (Established 1996)

1. Accord high priority to environmental protection within company operations, and take steps company-wide to protect and enhance the environment.
2. Clarify roles and responsibilities regarding environmental protection by developing an organized structure to deal with environmental protection matters, defining environment-related procedures, etc.
3. Strive to alleviate burden on the environment in all aspects of company business activities-from product R&D and design to procurement of raw materials, manufacture, transport, usage, servicing and disposal-through pollution prevention, conservation of resources, energy saving, waste reduction, reuse and recycling.
4. Strive to develop and provide advanced, highly reliable, wholly proprietary technologies and products that will contribute to solving environmental and energy problems.
5. Strive continuously to improve and enhance environmental protection activities not only by fully complying with environmental laws and regulations but also, when necessary, by establishing, implementing and evaluating independent standards and setting environmental goals and targets.
6. In the performance of business activities overseas and exportation of products, pay full attention to impact on the local natural and social environments and strive to protect those environments; also, become actively involved in technological cooperation overseas in matters of environmental protection.
7. Take steps to raise environmental awareness among all employees through environmental education, etc., undertake activities to provide environment-related information to the public, and proactively make environment-enhancing contributions to society.

Environmental Management Structure (as of April 1, 2012)

Adopting medium- and long-term environmental targets for the entire Group and promoting various activities to reduce environmental burden

The MHI Group formulated the MHI Group mid- and long-term environmental targets, which set common targets for all Group companies in April 2008. Under this plan, special focus is on reducing CO_2 emission by an average of 3 percent between 2008 and 2012 compared to fiscal 2007; promoting zero emissions; and acquiring, maintaining and renewing certifications such as ISO environmental management.
The Environmental Meetings with group companies held in fiscal 2011 reaffirmed the commitment of the companies to incorporating and promoting the medium- and long-term targets of the environmental management program. The Group will continue to work together towards attaining the targets.

Environmental Audits at All Works in Japan

MHI has been conducting on-site environmental audits across all 13 works in Japan since fiscal 2007. The purpose of the audits is to ensure compliance with environmental laws and regulations and to conduct physical, on-site verification of operational conditions. Audit teams consisting of auditors from works other than those being audited perform their audit and then report results and improvements to the Environmental Committee, which are then shared across the company. Five works were audited in fiscal 2011: Shimonoseki Shipyard & Machinery Works, Mihara Machinery Works, Hiroshima Machinery Works, Yokohama Dockyard & Machinery Works and Sagamihara Machinery Works. They affirmed that items indicated during the previous audits were corrected appropriately and that steps were taken to improve the level of management.

Initiating Environmental Meetings with Group Companies

Environmental Meetings have been held since fiscal 2007 to unify environmental management across the entire MHI Group. The meetings identify problems and support the study of improvements and the exchange of information related to the environment, with the primary goal of ensuring the compliance of Group companies and preventing environmental pollution.
From June to September 2011, Environmental Meetings were held at 16 Group companies in Japan, comprising 11 companies which have independently attained the ISO 14001 international standard certification for environmental management systems, and another five companies which acquired the same certification within MHI work's ISO 14001 accreditation scope.
In addition, MHI gathered the 16 Group companies that held Environmental Meetings in fiscal 2011 together in February 2012 for the 4th Domestic Group Company Environmental Liaison Conference, where members shared the positive examples they learned from their respective Environmental Meetings.
Hereafter, MHI will conduct environmental activities for the Group companies located in the MHI works in accordance with the policies of each works, and for the other Group companies promote the attainment of medium- and long-term environmental targets common through out the Group. In this way, MHI will strive to enhance the level of environmental activities Group-wide.

Establishing and Operating an Environmental Management System

Promoting the Establishment of an Environmental Management System at Group companies

MHI is promoting the introduction of an Environmental Management System for both domestic and overseas Group companies. In addition to introduction of ISO 14001, EcoAction 21 and local government environmental management systems, MHI is in the process of introducing two of its own standards, M-EMS and M-EMS EcoAction.
In fiscal 2011, ISO 14001 certification was attained by one domestic company, Mitsubishi Aircraft Corporation, and two overseas companies, MHI Industrial Engineering & Services Private Ltd. and Mitsubishi Heavy Industries India Precision Tools, Ltd. This brings the number of ISO-certified companies to 83 of 116 domestic companies and 28 of 119 overseas companies.

Fostering environmental awareness for each every employee through stratified environmental training

At MHI, each works formulates its own environmental education curriculum based on e-learning and other methods to provide environmental education to employees.
In addition to the internal environmental auditor training program organized by our Head Office, specialized training that deals with daily management procedures and handling emergencies also takes place for employees doing painting tasks and handling dangerous materials.

Registered ISO 14001 Internal Auditors (as of April 1, 2012)

FY	2007	2008	2009	2010	2011	2012
Number	684	687	815	847	980	995

Preserving Biodiversity

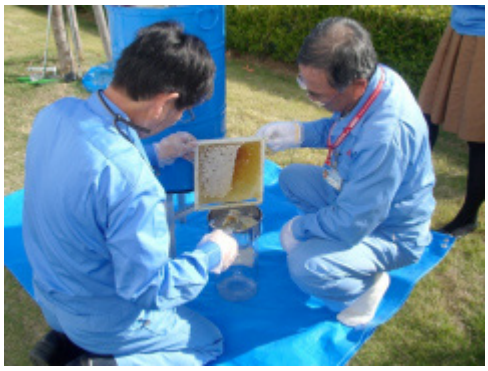
Promoting the preservation of biodiversity in accordance with the Environmental Policy and CSR Action Guidelines

The Basic Policy on Environmental Matters and Action Guidelines and the MHI Group CSR Action Guidelines includes the concepts of the Guidelines for Private Sector Engagement in Biodiversity released by the Ministry of the Environment and the Biodiversity Declaration from the Japan Federation of Economic Organizations.
Each works pursues various biological diversity activities in accordance with these principles and guidelines.

Breeding program for Japanese honeybees in danger of extinction

An endangered Japanese honeybee breeding program was launched in fiscal 2010 at the Nagoya Aerospace Systems Works. Inspired by the honeycomb structure of airplanes, the breeding program provides beehives for honeybees at the Works.
Honey taken from the beehives was presented to the Nagoya Port Wildflower Garden Bluebonnet (on the bank opposite the Works in Nagoya City) in November 2011.
Meanwhile, Head Office and four works are also involved in ongoing local government forest care programs. Lead by employees and their families, there is a continuous effort involving planting, tree thinning and other forest care activities designed to preserve important habitats for many different creatures.


Breeding Japanese honeybees


Extracting honey from a hive

Local government forest conservation programs

In recent years, MHI has been an active supporter of corporate forestry programs together with local governments and other organizations.
Head Office and four works are involved in ongoing local government forest care programs. Lead by employees and their families, there is a continuous effort involving planting, tree thinning and other forest care activities designed to preserve important habitats for many different creatures.

Main programs undertaken in fiscal 2011

Works	Date	Description
Yadoriki forest (Sagamihara Machinery Works)	August 7	21 employees and family members took part in forest thinning work
Onaza forest (Kobe Shipyard & Machinery Works)	May 14	Planting 60 trees including small chestnut and konara oak
Beaver forest (Nagoya Air-Conditioning & Refrigeration Machinery Works)	October 29	New employees cleared the underbrush
Umi-no-Mori (Sea Forest) (Head Office)	November 13	Planting seedlings raised by various divisions of the Shinagawa and Yokohama head office buildings at the Umi-no-Mori (Sea Forest), situated on landfill in Tokyo Bay
Forum made with the forest of Hiroshima (Mihara Machinery Works)	November 13	27 employees and family members assisted the Hiroshima Tree Planting Center in thinning, pruning and cleaning up activities

Employees and their families from the Kobe Shipyard & Machinery Works at Onaza forest

Head Office employees and their families at Umi-no-Mori (Sea Forest) in Tokyo

Controlling and Improving Response to Potential Environmental Impact Risks

Clarifying the risks at each works and addressing them through daily management

The company has prepared and uses an ISO-based manual for each works, encompassing such issues as risk identification methods, daily management procedures and contingency plans. At each works, emergency response drills are carried out at least once yearly to confirm the effectiveness of response procedures for emergencies such as oil spills and earthquakes.
In the event of any crisis in any plant, the company's in-house crisis management information system is prepared to quickly convey information to the President.

Achieving green purchasing targets

MHI formulated its internal green purchasing policy in March 2002 to systematically promote the purchasing of raw materials, components and products that contribute to the reduction of the environmental burden with the aim of building a circular-flow economy and society. Based on this, we urge the purchasing of office goods, etc. that place the lowest burden possible on the environment.
The annual green purchasing targets of 90% by volume and 95% by value were achieved for the first time in fiscal 2011, at 92.3% by volume and 95.5% by value. MHI remains committed to sustaining these targets through ongoing green purchasing strategies.

Status of Incidents and Legal Violations Relating to the Environment

Promoting activities to strengthen measures designed to eliminate environmental incidents

As part of ongoing efforts to strengthen measures designed to eliminate environmental incidents and accidents, an extensive analysis of past environmental incidents was conducted during fiscal 2011. The findings of this analysis were used to compile a list of representative environmental incidents as a reference for preventing similar incidents in future. The findings were also used to formulate the”Guidelines for Promoting Measures to Prevent Environmental Incidents”, which includes rules for setting up an Incident Investigation Committee to thoroughly investigate the causes of environmental incidents if and when they occur.

Environmental Management Systems Adopted at MHI and Its Subsidiaries

as of April 4, 2012

ISO 14001 certification at MHI works, plants and research & development centers

	Location or company name	Date of issue (or registration)
MHI sites and plants	Yokohama Machinery Works	Oct. 31, 1997
	Nagasaki Shipyard & Machinery Works	May 22, 1998
	Takasago Machinery Works	Jun. 26, 1998
	Nagoya Air-Conditioning & Refrigeration Machinery Works	Nov. 20, 1998
	Sagamihara Machinery Works	May 21, 1999
	Mihara Machinery Works	Sep. 3, 1999
	Hiroshima Machinery Works	Sep. 30, 1999
	Shimonoseki Shipyard & Machinery Works	Nov. 24, 1999
	Nagoya Guidance & Propulsion Systems Works	Dec. 18, 1999
	Kobe Shipyard & Machinery Works	Feb. 18, 2000
	Iwatsuka Plant	Mar. 17, 2000
	Ritto Machinery Works	Dec. 28, 2000
	Yokohama Engineering Center, Engineering Headquarters (Environmental & Chemical Plant Project Management Division)	Jun. 29, 2001
	Nagoya Aerospace Systems Works	Oct. 1, 2003
	Head Office	Apr. 6, 2006
MHI Research & development centers	Nagasaki Research & Development Center	Aug. 21, 2006
	Advanced Technology Research Center	Nov. 9, 2006
	Yokohama Research & Development Center	Nov. 9, 2006
	Hiroshima Research & Development Center (Mihara)	Dec. 5, 2006
	Nagoya Research & Development Center	Dec. 26, 2006
	Takasago Research & Development Center	Mar. 9, 2007
	Hiroshima Research & Development Center (Hiroshima)	Aug. 2, 2007

Group companies that acquired ISO 14001 certifications independently

	Location or company name	Date of issue (or registration)
Domestic	MHI Solution Technologies Co., Ltd.	Aug. 28, 1998
	Mitsubishi Agricultural Machinery Co., Ltd.	Jul. 24, 2001
	Nagoya Ryoju Estate Co., Ltd.	Mar. 14, 2002
	Nishinihon Ryoju Estate Co., Ltd.	Jul. 12, 2002
	Chubu Jukan Operation Co., Ltd., Head Office	Jan. 13, 2004
	Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd. (Head Office and Branch Office)	Apr. 12, 2004
	Ryoin Co., Ltd., Printing Division, Tokyo Plant (including Head Office and Chubu Plant)	Apr. 23, 2004
	Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd. (Engineering Division)	Feb. 17, 2005
	Shimonoseki Ryoju Estate Co., Ltd.	Mar. 14, 2005
	Ryoju Estate Co., Ltd.	Mar. 17, 2005
	Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd.	Mar. 17, 2005
	Seibu Jukan Operation Co., Ltd. , Head Office	Mar. 22, 2005
	Kusakabe Co., Ltd.	Mar. 24, 2005
	Tamachi Building Co., Ltd.	Mar. 25, 2005
	Hiroshima Ryoju Estate Co., Ltd.	Apr. 9, 2005
	Ryoju Cold Chain Co., Ltd.	Apr. 22, 2005
	Mitsubishi Heavy Industries Precision Casting Co., Ltd.	May 11, 2005
	Tokiwa Machinery Works Ltd.	May 18, 2005
	Jukan Operation Co., Ltd., Head Office	Aug. 1, 2005
	MHI Aerospace Logitem Co., Ltd.	Jan. 5, 2007
	Mitsubishi Heavy Industries Air-Conditioning & Thermal Systems Corporation, System Production Department	Sep. 14, 2007
	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd., Chiba Plant	Mar. 25, 2010
	Kaminoshima Factory and Branch Offices, MHI Oceanics Co., Ltd.	Oct. 28, 2011
Overseas	Mitsubishi Heavy Industries-Haier (Qingdao) Air-Conditioners Co., Ltd.	Dec. 14, 1998
	MHI Equipment Europe B.V.	Nov. 9, 2001
	Mitsubishi Caterpillar Forklift Europe B.V.	Jul. 25, 2002
	Mitsubishi Heavy Industries Climate Control Inc.	Jun. 12, 2003
	Thai Compressor Manufacturing Co., Ltd.	Jun. 27, 2003
	Mitsubishi Power Systems Americas, Inc. Orlando Service Center	Feb. 18, 2004
	MHI Automotive Climate Control (Shanghai) Co., Ltd.	Jul. 11, 2005
	CBC Industrias Pesadas S.A.	Dec. 1, 2005
	Mitsubishi Heavy Industries Korea Ltd.	Dec. 17, 2005
	Mitsubishi Heavy Industries-Mahajak Air Conditioners Co., Ltd.	Dec. 21, 2005
	Mitsubishi Heavy Industries-Jinling Air-Conditioners Co., Ltd.	Jan. 24, 2006
	MHI Machine Tool (Hong Kong) Ltd.	Mar. 30, 2006
	Mitsubishi Heavy Industries (Hong Kong) Ltd.	Apr. 5, 2006
	Mitsubishi Heavy Industries, (Shanghai) Co., Ltd.	Jul. 5, 2006
	MHI-Ponchai Machinery Co., Ltd.	Jul. 17, 2006
	Mitsubishi Heavy Industries India Private Ltd.	Dec. 7, 2006
	Mitsubishi Heavy Industries Singapore Private Ltd.	Jan. 21, 2007
	Tire Machinery Division, Headquarters, Mitsubishi Heavy Industries America, Inc.	Oct. 15, 2007
	Mitsubishi Caterpillar Forklift America Inc.	Dec. 6, 2007
	Mitsubishi Heavy Industries (Thailand) Ltd.	Dec. 31, 2007
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	May 14, 2008
	MHI Equipment Alsace S.A.S	Mar. 17, 2009
	Mitsubishi-Hitachi Metals Machinery South Asia Private Ltd.	Jul. 14, 2010
	Mitsubishi Power System Europe Ltd.	Oct. 1, 2010
	Mitsubishi Turbocharger Asia Co., Ltd.	Dec. 22, 2010
	Mitsubishi Heavy Industries India Precision Tools, Ltd.	Mar. 27, 2012

EcoAction 21 certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Daiya Building Service Co., Ltd.	Apr. 21, 2005
	Nuclear Development Co., Ltd.	May 30, 2005
	Yokohama Division, MHI Plant Engineering Co., Ltd.	Oct. 31, 2005
	Kyuusyuu Jyukan Operation Co., Ltd. Head office	Jun. 11, 2008
	Higashi Chugoku Ryoju Estate Co., Ltd.	Oct. 15, 2009
	Hiroji Center Co., Ltd.	Jan. 29, 2010

K-EMS certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Seiryo Engineering Co., Ltd.	Dec. 24, 2004
	Kinki Ryoju Estate Co., Ltd.	Feb. 23, 2005
	Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Feb. 23, 2005
	MHI Nuclear Engineering Co., Ltd.	Mar. 24, 2005
	Nuclear Power Training Center, Ltd.	Mar. 24, 2005
	MHI General Services Co., Ltd.	Mar. 24, 2005
	Ryoin Co., Ltd., Kobe Branch	Mar. 24, 2005
	Techno Data Engineering Co., Ltd.	Feb. 27, 2006
	Energis Co., Ltd.	Mar. 23, 2006

Kamakura EcoAction 21 certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Shonan Monorail Co., Ltd.	Apr. 4, 2007

MHI Group companies adopting M-EMS (based on ISO 14001)

	Location or company name	Date of issue (or registration)
Domestic	MHI Power Systems Inspection Technologies, Ltd., Yokohama Division	Apr. 25, 2005
	Ryoin Co., Ltd., Shinagawa Branch and Information & Communication Systems Business Department	Apr. 26, 2005
	Mitsubishi Heavy Industries Air-Conditioning & Refrigeration Systems Corporation	May 13, 2005
	Mitsubishi Heavy Industries Engine Systems Co., Ltd.	Jul. 12, 2005
Overseas	Mitsubishi Engine North America, Inc.	Jan. 19, 2007

MHI Group companies M-EMS EcoAction (based on EcoAction 21)

	Location or company name	Date of issue (or registration)
Domestic	Tokyo Office and Kobe Branch Office,Mitsubishi Heavy Industries Transportation Equipment Engineering & Service Co., Ltd.	Apr. 20, 2005
	Ryoin Co., Ltd., Sagamihara Branch	Apr. 25, 2005
	Shunjusha Ltd.	Apr. 26, 2005
	MHI Sagami High-tech, Ltd.	May 9, 2005
	Hiroshima Dia System Co., Ltd.	May 11, 2005
	MHI Marine Engineering, Ltd.	May 16, 2005
	Churyo Engineering Co., Ltd.	May 16, 2005
	Ryoin Co., Ltd., Yokohama Branch, Minatomirai area	May 16, 2005
	MHI Aerospace Systems Corp.	Jul. 12, 2005
	Yokohama Division, MHI Control Systems Co., Ltd.	Jul. 22, 2005
	Ryosei Service Co., Ltd.	Jun. 10, 2009

Group companies within the scope of ISO 14001 accreditation of MHI works and plants

	Location or company name	Date of issue (or registration)	Names of works andplants which acquired ISO14001
Domestic	Mitsubishi Heavy Industries Plastic Technology Co., Ltd.	Apr. 1, 2000	Iwatsuka Plant
	Ryoin Co., Ltd., Nagoya Branch	Oct. 22, 2004	Nagoya Aerospace Systems Work
	MHI Aerospace Production Technologies, Ltd.	Oct. 22, 2004	Nagoya Aerospace Systems Work
	Diamond Air Service Incorporation	Oct. 22, 2004	Nagoya Aerospace Systems Work
	Ryoin Co., Ltd., Shimonoseki Branch	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Kanmon Dock Service, Ltd.	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Shimonoseki Ryo-Jyu Engineering Co., Ltd.	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Ryoin Co., Ltd., Nagoya Nishi Branch	Jan. 6, 2005	Iwatsuka Plant
	MHI Machine Tool Engineering Co., Ltd.	Feb. 25, 2005	Ritto Machinery Works
	Ryoin Co., Ltd., Ritto Branch	Feb. 25, 2005	Ritto Machinery Works
	MHI Aero Engine Service Co., Ltd.	Apr. 11, 2005	Nagoya Guidance & Propulsion Systems Works
	MHI Logitec Company Limited	Apr. 11, 2005	Nagoya Guidance & Propulsion Systems Works
	MHI Diesel Service Engineering Co., Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Nuclear Plant Service Engineering Co., Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Sanshin-Tec. Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Mitsubishi Heavy Industries Parking Co., Ltd.	May 14, 2005	Yokohama Dockyard & Machinery Works
	Ryoin Co., Ltd., Yokohama Branch, Yokosei area	May 14, 2005	Yokohama Dockyard & Machinery Works
	Ryoju Estate Co., Ltd., Yokohama Branch	May 14, 2005	Yokohama Dockyard & Machinery Works
	MHI Energy & Service Co., Ltd.	May 14, 2005	Yokohama Dockyard & Machinery Works
	MHI Power Systems Inspection Technologies, Ltd., Takasago Division	May 14, 2005	Takasago Machinery Works
	Mitsubishi Heavy Industries Plant Construction Co., Ltd., Power Systems Service Headquarters	May 14, 2005	Takasago Machinery Works
	Takasago Division, MHI Plant Engineering Co., Ltd.	May 14, 2005	Takasago Machinery Works
	Takasago Division, MHI Control Systems Co., Ltd.	May 14, 2005	Takasago Machinery Works
	Ryoin Co., Ltd., Takasago Branch	May 14, 2005	Takasago Machinery Works
	Nuclear Plant Service Engineering Co., Ltd., Takasago Division	May 14, 2005	Takasago Machinery Works
	Mitsubishi Heavy Industries Machinery Technology Corp.	Jun 23, 2005	Hiroshima Machinery Works
	Mitsubishi Heavy Industries Plant Construction Co., Ltd.	Jun. 23, 2005	Hiroshima Machinery Works
	Mitsubishi-Hitachi Metals Machinery, Inc.	Jun. 23, 2005	Hiroshima Machinery Works
	Ryoin Co., Ltd., Hiroshima Branch	Jun. 23, 2005	Hiroshima Machinery Works
	Sagami Logistics & Service Co., Ltd.	Sep. 13, 2005	Sagamihara Machinery Works
	Choryo Senpaku Kouji Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Ryoin Co., Ltd., Nagasaki Branch	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	MHI Power Systems Inspection Technologies, Ltd., Nagasaki Division	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Space Machinery Factory, MHI Oceanics Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Kowa Kogyo Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Nagasaki Division, MHI Control Systems Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Nagasaki Division, MHI Plant Engineering Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	MHI Maritech, Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Choryo Software Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Mitsubishi Heavy Industries Machine Tool Sales Co., Ltd.	Jan. 13, 2006	Ritto Machinery Works
	Ryoju Estate Co., Ltd., Department of Facilities Management Service	Apr. 6, 2006	Head Office
	Tamachi Bldg. Co., Ltd., Shinagawa Building Management Center	Apr. 6, 2006	Head Office
	MHI Personnel, Ltd.	Apr. 6, 2006	Head Office
	MHI Accounting Service, Ltd.	Apr. 6, 2006	Head Office
	MHI Finance Co., Ltd.	Apr. 6, 2006	Head Office
	Daiya PR Co., Ltd.	Apr. 6, 2006	Head Office
	Diamond Air Service Incorporation, Tokyo Office	Apr. 6, 2006	Head Office
	E-Techno, Ltd.	May 12, 2006	Kobe Shipyard & Machinery Works
	Choryo Engineering Co., Ltd.	Aug. 21, 2006	Nagasaki Shipyard & Machinery Works
	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Aug. 2, 2007	Hiroshima Machinery Works
	MHI Solution Technologies Co., Ltd. Takasago Branch	Apr. 9, 2008	Takasago Machinery Works
	Shinryo System Corp.	May 1, 2008	Kobe Shipyard & Machinery Works
	Nagasaki Diamond Staff Co., Ltd.	Jun. 16, 2009	Nagasaki Shipyard & Machinery Works
	Nagasaki Ryoko Service Co., Ltd.	Jun. 16, 2009	Nagasaki Shipyard & Machinery Works
	Ryoin Co., Ltd., Mihara Branch	Oct. 15, 2009	Mihara Machinery Works
	Ryoju Estate Co., Ltd., Yokohama Building Service Department	Oct. 19, 2009	Head Office
	Mitsubishi Heavy Industries Compressor Corporation	Oct. 14, 2010	Hiroshima Machinery Works
	Mitsubishi Heavy Industries Printing & Packaging Machinery, Ltd.	Nov. 19, 2010	Mihara Machinery Works
	Mitsubishi Heavy Industries Transportation Equipment Engineering & Service Co., Ltd.	Nov. 19, 2010	Mihara Machinery Works
	Mitsubishi Aircraft Corporation	Oct. 14, 2011	Nagoya Aerospace Systems Work
	Tokyo Office, Mitsubishi Aircraft Corporation	Oct. 14, 2011	Head Office
Overseas	MHI Industrial Engineering & Services Private Ltd.	Dec. 29, 2011	Yokohama Engineering Center, Engineering Headquarters (Environmental & Chemical Plant Project Management Division)

Targets and Progress

Results of Promotional Efforts of Medium- to Long-Term Environmental Targets (FY2011 Results)

In fiscal 2010, MHI took the decision to extend the Medium- to Long-Term Environmental Targets, originally set down in fiscal 2002, through to fiscal 2012. Targets that had been achieved in fiscal 2010 would be revised upwards, while targets that had not been achieved by fiscal 2010 would be retained. The company as a whole is committed to working towards the new environmental targets for fiscal 2012. Outcomes in fiscal 2011 are listed below.

Environmental targets and progress in fiscal 2011
○=target achieved △=requires further efforts

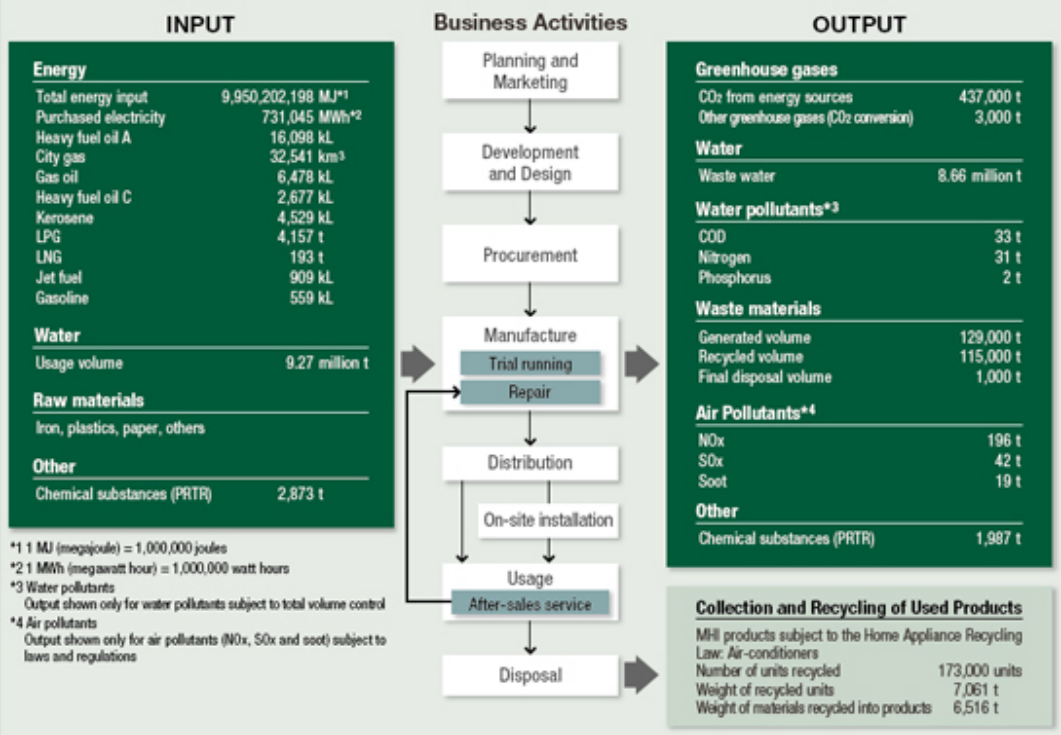
Item		Goals	Progress (as of the end of FY2011)	Evaluation
Realization of a low-carbon society Energy savings (global warming measures)	Reduced CO_2 emissions from business activities	6% reduction of the average CO_2 emission amount for the five years from FY2008 to 2012 (from FY1990 level): to be achieved through reduction efforts at all production plants	CO_2 emissions: 437,000 tons 7.4% reduction from FY1990 level	△
		More than 13% reduction of the average CO_2 emission amount for the five years from FY2008 to 2012 (from FY2005 level): to be achieved through reduction efforts at offices and operations divisions (Head Office, domestic offices and research & development centers)	CO_2 emissions from head office (Shinagawa and Yokohama combined) in FY2011 were 23.7% * down on FY2005 levels. * According to data reported to the Tokyo Metropolitan Government and the Bureau of Economy, Trade and Industry	○
	Reduced energy usage and CO_2 emissions from product transportation	More than 5% reduction of unit energy consumption in transportation in FY2012 (from FY2008 level) by promoting efforts to reduce transportation energy (unit energy consumption of FY2008: 45.7 to 43.4 by FY2012)	FY2011 unit energy consumption of transport energy is 46.4	△

Form a recycling-based society (waste and water resource countermeasures)	Reduced waste generation and emissions	By FY2012, reduce total generated waste by 40% of FY1992 level : to be achieved by conserving resources and reducing the purchase of materials	Total emissions: 129,000 tons 40.4% reduction from FY1992 level	○
	Reducing reliance on landfill	By FY2012, cut landfill waste disposal volume by 98% relative to FY2000	landfill waste disposal volume cut by 97%	△
		The landfill waste disposal ratio in FY2012 will be below 1%	landfill waste disposal ratio 0.6%	○
	More efficient water usage	Water consumption in FY2012 will be cut to 9.35 million tons, a reduction of 2% relative to average consumption of 9.54 million tons in the period FY2005 to FY2007	Water consumption reduced to 7.22 million tons 24.3% reduction	○
Management of chemical substances (control of chemical substances)	Elimination of equipment using PCBs and detoxification treatment	Detoxification of high concentration PCB waste in storage (transformers, condensers, oils) to be completed by FY2015 (including ballasts and smaller equipment)	Ongoing consignment of processing of high concentrations PCB waste to JESCO (Japan Environmental Safety Corporation)	- (To be evaluated in FY2015)
		Analysis and confirmation of low PCB devices (low concentration) to be finished by FY2012, complete detoxification by FY2015	Testing and analysis of machines and devices containing low or trace concentrations of PCBs is underway at all works	
	Reduced VOCs emissions	More than 30% reduction of atmospheric emission of VOCs with focus on xylene, toluene and ethylbenzene (reduced by 704 tons from 2,268 tons in FY2000 to 1,564 tons in FY2012)	Total VOCs emissions 1,939 tons 14.5% reduction from FY2000 level	△
		Aim for zero atmospheric emissions by FY2012 of VOC organochlorinated hazardous air pollutants: dichloromethane, trichloroethylene and tetrachloroethylene	Total combined emissions of dichloromethane, trichloroethylene and tetrachloroethylene = 11.4 tons	△

Group environmental management	Consolidated environmental management system	Ongoing ISO 14001 renewal by domestic works, Head Office, branch offices and research & development centers	ISO 14001 certification renewed at head office and domestic branches, Works and all research & development centers	○
	Collecting and disclosing of environmental management information	Collecting environmental information (environmental data and environmental accounting) from environmental management information systems and disclosing information through CSR Reports and other releases	Collecting environmental information (environmental data and environmental accounting) through the database system and disclosing information through this CSR Report	○
	Promotion of green purchasing	Promoting the purchase of environmentally friendly products based on the company's own green purchasing guidelines (Purchasing ratios: 90% by volume and 95% by value)	92.3% by quantity 95.5% by value	○
	Development and provision of environmentally friendly technologies and products	Development and provision of new products and technology based on our Basic Guideline on Production of Environmentally Friendly Products (formulated in 2005) to help reduce society's environmental burden In particular, we will work to develop technology and provide products that are revolutionary and contribute to solving global warming and building a low-carbon society	MHI supplied environmental products designed to combat global warming, such as high-efficiency generators (wind power generators, etc.) and CO_2 recovery systems	○
Form a society that coexists with nature (Preserving biodiversity)	Promote activities for the protection of biodiversity and nature	We will continue revegetation, alien fish removal, building biotopes and breeding Japanese honeybees, among other activities relating to biodiversity and examine the possibilities for evaluating the effect of our business activities on the preservation of biodiversity as necessary in light of global trends	Revegetation activities coordinated with various local municipal authorities across Japan, as well as biotope and Japanese honeybee breeding programs were continued. The need for impact assessment studies will be discussed	○

Material Balance

Input/Output Status (FY2011)



To carry out its business operations, MHI uses various types of energy and resources.
We consistently strive to reduce environmental load throughout the lifecycle of a product, from development, design, procurement and manufacture to distribution, on-site installation, usage, servicing and disposal.

Environmental Accounting

Adoption of Environmental accounting guidelines

MHI quantitatively monitors investments and costs for environment preservation as part of the performance reviews of the company's business activities and also calculates the relative benefits of these efforts. The company refers to the Environmental Accounting Guidelines published by the Ministry of the Environment.

6.2 billion yen in investments and 14.5 billion yen in costs

Total investments amounted to6.2 billion yen while total costs were 14.5 billion yen for fiscal 2011. Both figures decreased in comparison with fiscal 2010.
Economic advantages valued at 1.7 billion yen were gained during the fiscal year, consisting mainly of revenues from recycling and reduced costs for purchasing electricity due to energy savings.

Environmental preservation: costs and economic benefit (non-consolidated)(Million yen)

Cost Category		Activities in FY2012	Investment		Cost		Economic benefit			Environmental preservation: benefit
			2010	2011	2010	2011	2010	2011	Description	
1. Production activities			6,011	5,292	6,104	6,002	2,435	1,694		
	(1) Pollution control	Maintenance and operation of wastewater and flue gas treatment facility	2,980	3,750	3,097	3,168	10	-		Reduced emissions of air and water pollutants
	(2) Global environmental preservation	Energy savings	2,435	1,495	432	336	155	149	Cost reduction from energy savings	Reduced energy input
	(3) Recycling	Reduced waste generation, recycling	596	47	2,575	2,498	2,270	1,545	Income derived from recycling, cost reduction from reduced waste generation	
2. Upstream and downstream costs		Recycling of household electrical appliances and container packaging	0	-	6	9	39	-		
3. Management activities		Development of environmental management systems, ISO Office, publication of MHI Social & Environmental Report	224	8	957	1,093	-	-		
4. R&D		Development of environmentally friendly products	475	417	10,399	6,890	-	-		Development of diverse environmentally friendly products

5. Public and social activities	Support of environmental preservation: initiatives, greening activities	3	0	444	326	-	-		
6. Environmental remediation	Soil remediation measures	274	447	190	131	-	-		Prevention of oil and chemicals spills
	Total	6,987	6,164	18,100	14,451	2,474	1,694		

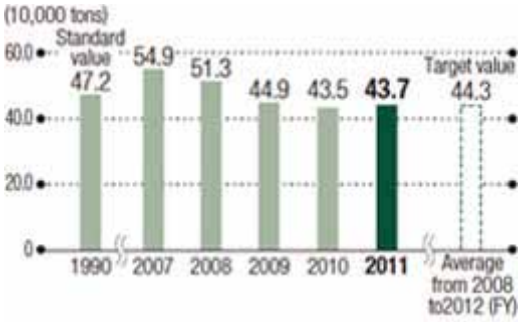
1 Total capital investments in FY2011: 86.7 billion yen. Portion related to the environment: 6.2 billion yen (7.2 percent).
2 Total R&D outlays in FY2011: 107.6 billion yen. Portion related to the environment: 7.3 billion yen (6.8 percent).

Promotion of Energy-saving and CO_2 Emission Control Measures

Promoting CO_2 Emissions Reduction at Production Plants

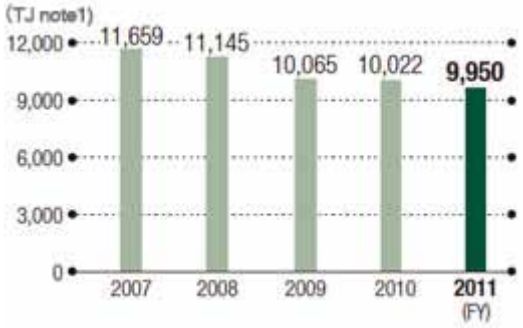
In fiscal 2011, MHI's CO_2 emissions resulting from energy use were 437,000 tons—nearly the same amount as the previous year. Factors, in addition to the CO_2 reduction measures used up till that time, included energy-conservation measures undertaken by the entire company after the Great East Japan Earthquake. Compared to our benchmark year of fiscal 1990, this represents a 7.4 percent reduction, thus achieving our single-year target decrease of six percent for the second year in a row.
In fiscal 2012, to attain our company-wide target reduction of a six percent average against the benchmark year of 1990 over the five-year period from fiscal 2008 to 2012, the entire company will work to achieve its targets through the expanded introduction of energy monitoring systems. Additionally, the company will steadily make further reductions through such efforts as upgrading to energy-saving lighting and air-conditioning as outlined in the CO_2 emissions reduction acceleration and enforcement action plan formulated in March 2009, as well as the plan for updating in-house air-conditioners formulated in November 2010. Furthermore, MHI will work for reductions by responding to energy-conservation requests from the government.

CO_2 emissions



FY	1990	2007	2008	2009	2010	2011	Average from 2008 to2012 (target)
	472,000t	549,000t	513,000t	449,000t	435,000t	437,000t	443,000t

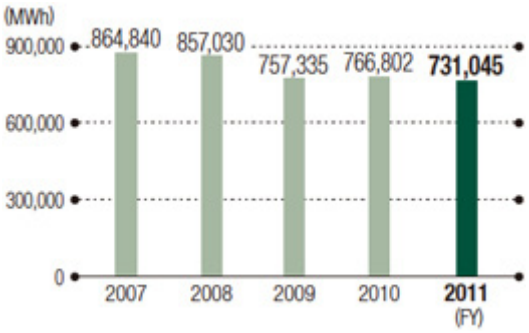
Gross energy input



FY	2007	2008	2009	2010	2011
	11,659TJ	11,145TJ	10,065TJ	10,022TJ	9,950TJ

(Note) 1 TJ (terajoule) = 1 trillion joules (1,000,000,000,000 J)

Electricity purchases



FY	2007	2008	2009	2010	2011
	864,840MWh	857,030MWh	757,335MWh	766,802MWh	731,045MWh

Examples of energy conservation and CO_2 emissions reduction at works and Group companies

Switching to Alternative Types of Fuel

MHI is making efforts to switch to LNG or city gas, which when burned produce small amounts of CO_2 emissions compared to heavy oil or kerosene, as fuel for its boilers and other equipment. For example, at the Nagasaki Shipyard & Machinery Works the switch to alternative types of fuel was carried out systematically from fiscal 2007 to 2010. At the Hiroshima Machinery Works' Foundry & Forging Shop, fuel switching was implemented for tempering and heating furnaces in fiscal 2011 in order to reduce CO_2 emissions.

FY	Works	Achievements
2005	Takasago Machinery Works	The fuel for the forging heating furnace was switched from propane to city gas. CO_2 emissions were reduced by 55 percent, including waste heat recovery.
2007	Nagasaki Shipyard & Machinery Works	The boiler plant's three heat treatment furnaces were switched from Heavy Fuel Oil A to city gas. CO_2 emissions were reduced by 40 percent.
2009	Nagasaki Shipyard & Machinery Works	The boiler plant's annealing furnace was switched from kerosene to LPG. CO_2 emissions were reduced by nine percent.
2010	Nagasaki Shipyard & Machinery Works	•Together with facility renewal for the foundry plant's air compressor, a switch was made from the engine-driven type that used Heavy Fuel Oil A to the electric motor type. CO_2 emissions were reduced by 54 percent. •The private generation facilities were switched from Heavy Fuel Oil A to city gas. CO_2 emissions were reduced by 31 percent.
	Nagoya Aerospace Systems Works (Tobishima Plant)	Together with the renewal of the boiler for air conditioning, the fuel was switched from kerosene to city gas. CO_2 emissions were reduced by approximately 45 percent.
2011	Hiroshima Machinery Works (Foundry & Forging Shop)	•The tempering furnace was switched from Heavy Fuel Oil A to city gas. CO_2 emissions were reduced by 26 percent. •The heating furnace was switched from Heavy Fuel Oil A to city gas. CO_2 emissions were reduced by 30 percent. •The gas tempering furnace was switched from butane to city gas. CO_2 emissions were reduced by 17 percent.

Introduction of Solar Cell Panels at Nagoya Ryoju Estate

Nagoya Ryoju Estate Co., Ltd. set a goal of reducing CO_2 emissions by three percent on average against the benchmark year of 2007 over the five-year period from fiscal 2008 to 2012. As one facet of activities to reduce the amount of energy to achieve this goal, Nagoya Ryoju Estate has installed a total of 288 photovoltaic generation panels with a power output of 130 W per panel on the roof of the Ryoju Estate Head Office Building and at other locations. These solar panels have been in operation since April 2011. In addition, the panels installed on the wall of the Ryokoh Building's South Wing have been placed at an angle in order to create shadows on the windows, functioning like eaves to prevent room temperatures from rising.
The installed photovoltaic panels have a total capacity of 37 kW, and the amount of energy generated in one year (over fiscal 2011) was 37,500 kWh. This was approximately 13 percent of the annual energy usage of the Ryoju Estate Head Office in fiscal 2011, and contributed greatly to reducing the amount of energy used.

Photovoltaic generation panels installed on the wall of the Ryokoh Building's South Wing

One million kWh of green power used annually thanks to wind power generation

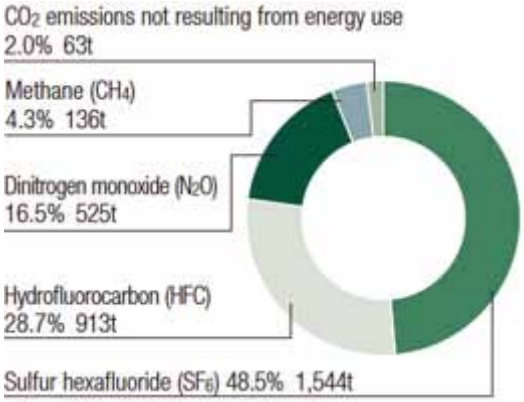
MHI has contracted with Japan Natural Energy Co., Ltd. (JNE) to purchase 1 M kWh of wind-generated power from JNE each year for a period of 15 years starting April 2002. Of the power purchased in fiscal 2011, 500,000 kWh were used at the Mitsubishi Heavy Industries Head Office Building, and 504,000 kWh were used at the Mitsubishi Minatomirai Industrial Museum.

The Certificate of Green Power

Greenhouse gas emissions excluding CO_2 emissions from energy use

MHI has been compiling data on greenhouse gas emissions (excluding CO_2 emissions from energy use) since fiscal 2006 under the system enforced in fiscal 2006 for calculating, reporting and publishing greenhouse gas emission amounts. The actual emission amount for fiscal 2011 was 3,000 tons.

Greenhouse gas emissions (excluding CO_2 emissions from energy use)



Dinitrogen monoxide(N_2O)	16.5%	525t
Hydrofluorocarbon(HFC)	28.7%	913t
Sulfur hexafluoride(SF_6)	48.5%	1,544t
CO_2 emissions not resulting from energy use	2.0%	63t
Methane(CH_4)	4.3%	136t

Acquisition of approx. 120,000 tons of CO_2 emission credits from a CDM project

MHI plans to utilize emission rights to ensure that its CO_2 emission reduction targets are reliably met. MHI has concluded emission rights purchasing agreements with four projects undertaken by Kyoto Mechanisms JI (Joint Implementation) (Note 1) and Clean Development Mechanism (CDM) (Note 2).
Among these four projects, in April 2011 MHI acquired approximately 120,000 tons of emission credits through a CDM hydroelectric power generation project at the Xiadongxia in Fujian Province, China, the agreement for which was signed in 2007. Although these emission credits are currently being administered in an MHI holding account, they will be transferred to a government retirement account with no penalty provided that the credits are used to achieve targets. Once transferred, the credits will be added to Japan's greenhouse gas reduction volume.

(Note 1) JI: System in which a company invests in greenhouse gas reduction projects in advanced countries and applies the reduced emissions to achieve its own goals.
(Note 2) CDM: System in which a company invests in greenhouse gas reduction projects in developing countries and applies the reduced emissions to achieve its own goals.

A Word from an Employee

Proactively adopting energy-conservation machinery at a new plant in India

Akihiro Nishimura, Deputy Manager
Safety, Environment, and Facilities Team
General Affairs Section
General Affairs Department
Ritto Machinery Works

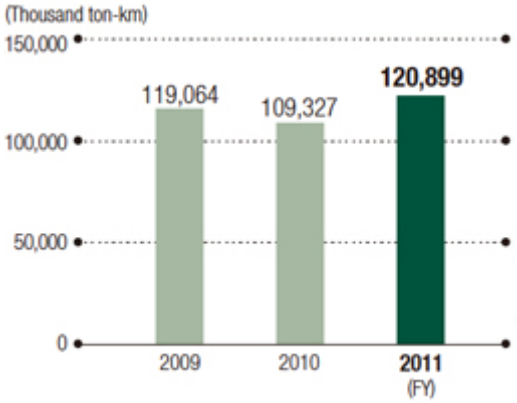
The Machine Tool Headquarters is currently aiming for the world's top market share for gear cutting machines. To begin local production in India, which is experiencing remarkable economic development, we are building a plant in Bengaluru. I am involved with this initiative as a person in charge of infrastructure equipment. I am making use of the experience of domestic departments related to energy and environment preservation when considering the introduction of infrastructure equipment. We are also proactively attempting to adopt machinery that conserves energy, such as the introduction of inverter-type compressors. We are aiming to create a plant that is environmentally-friendly and is in strict observance of compliance while confirming with legal requirements in the region and in India regarding the environment.

Measures to Curb CO_2 Emissions in Transport

Promotion of energy-conservation in transport through modal shift and load ratio improvement

MHI, which handles cargo transport of over 30 million ton-km per year, is a “specified consigner” according to the revised Act Concerning the Rational Use of Energy. For that reason, MHI is implementing an action plan towards energy conservation during transport, such as by promoting modal shifts at works and improving load ratios. MHI is also working to streamline this plan, energy consumption, and consumption measured in basic units for energy.
Energy consumption (measured in basic units for energy) in fiscal 2011 was 46.4 units, a 3.5 percent decrease from the amount of 48.1 units in the benchmark year of fiscal 2007.

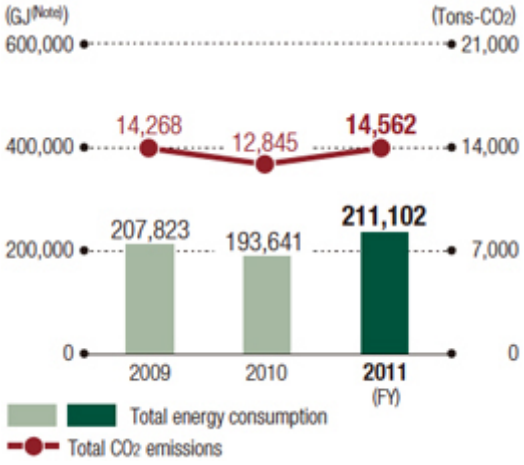
Total Volume of Transportation



Total Volume of Transportation

FY	2009	2010	2011
	119,064,000tk	109,327,000tk	120,899,000tk

Energy consumption and CO_2 emissions



(Note) 1 GJ (gigajoule) = 1,000 MJ (megajoules)

Energy consumption and CO_2 emissions

FY	2009	2010	2011
Total energy consumption	207,823GJ	193,641GJ	211,102GJ
Total CO_2 emissions	14,268t-CO_2	12,845t-CO_2	14,562t-CO_2

Energy-saving Activities in Offices

Promoting "Cool Biz" and "Warm Biz"

MHI promotes an energy-saving dress code known as “Cool Biz” during the summer (office air-conditioning systems are set to 28°C and employees do not need to wear neckties) and “Warm Biz” during the winter (office air-conditioning systems are set to 20°C and employees are encouraged to bring an extra layer of clothing).

Topics

Implementing Energy-saving Measures at All Works

MHI worked to conserve energy at its works throughout Japan in order to respond to the power shortages caused by the effects of the Great East Japan Earthquake, as well as requests from the government for the area covered by Tokyo Electric Power Company (TEPCO). In particular, as an energy-saving measure during the summer in TEPCO’s jurisdiction, at the Head Office Buildings (the Shinagawa Head Office Building and Yokohama Building) the dates of public holidays from autumn were switched to create consecutive summer holidays over the 10-day period from July 16 to 25, and over the 12-day period from August 11 to 22. In addition, private power generators (3,000 kW) made by MHI were operated at the Yokohama Dockyard & Machinery Works, while additional generators (2,200 kW) were operated at the Sagamihara Machinery Works. As a result, peak energy usage was reduced by 31 percent in July, 29.1 percent in August, and 33.1 percent in September compared to the previous fiscal year. Conversely, energy-saving measures were taken during the winter as well in the jurisdictions of the Kansai Electric Power Company and Kyushu Electric Power Company, where there is a tight supply-demand relationship for energy. Various measures were implemented just like during the summer in order to respond to reduction requests. In particular, at the Nagasaki Shipyard & Machinery Works, MHI utilized its originally developed lithium-ion secondary battery system to store energy in order to cooperate with energy reductions at times of peak usage.
In fiscal 2012 as well, the entire company will work towards energy-saving activities in order to meet requests from the government and society.

CO_2 Reductions with MHI Product Usage (FY2011)

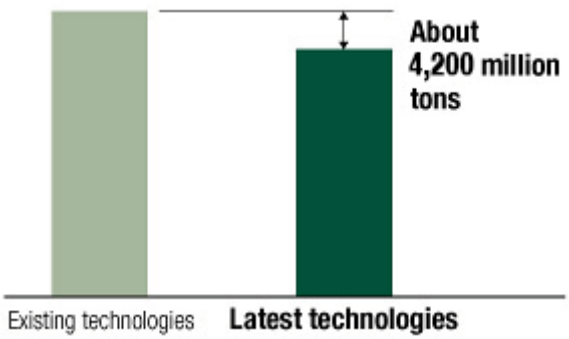
CO_2 Reductions with MHI Product Usage(FY2011)

Sector	CO_2 reduction (thousand tons)	Basis of calculation	Remarks
Power plant	63,008	Estimates based on MHI's actual delivery record in FY2011, compared with FY1990. The estimate for nuclear and wind power is based on actual output generated in FY2011 by plants provided by MHI.	Thermal plants (combined, conventional), nuclear plants, photovoltaic, wind turbine and geothermal power generation, etc.
Transportation	2,196	Estimates based on MHI's actual delivery record in FY2011, compared with FY1990.	Ships, transportation systems, etc.
Mass and medium-lot manufactured products	1,370	Estimates based on MHI's actual delivery record in FY2011, compared with FY1990.	Air-conditioners, centrifugal chillers, gas engines, forklift trucks, etc.

Data for fiscal 1990 is calculated based on the IEA's (International Energy Agency's) "World Energy Outlook 2011"

MHI is working to create a low-carbon society across a broad spectrum of fields, including large-scale power generation technologies such as highly efficient thermal power generation plants and nuclear power plants; power generation systems that utilize wind, geothermal, and other renewable energies; ships and transportation systems for improving the efficiency of the transportation sector; and high energy-saving hybrid forklift trucks and air-conditioning systems that use heat pump technology.
CO_2 reductions from the fiscal 1990 level through the use of MHI's products in fiscal 2011 came to about 70 million tons. The amount was down by 80 million tons compared to fiscal 2010. The main reasons for this included the nuclear power plants that were stopped after regular inspections due to the effects of the Great East Japan Earthquake.
The power generation sector, which accounts for nearly 40 percent of CO_2 emissions, has the potential for reducing emissions by about 4,200 million tons, assuming Japan's latest technologies at the top international level would be deployed across the world. Going forward, MHI will continue to conduct business by maximizing its comprehensive strengths to further reduce the global environmental load.

CO_2 reduction potential assuming MHI products are introduced globally



As an example, we estimated the potential CO_2 reduction if MHI products were introduced globally. We will continue working so that MHI's activities may serve to realize further contributions in the area of global warming.

Curbing Waste Generation, Release and Disposal

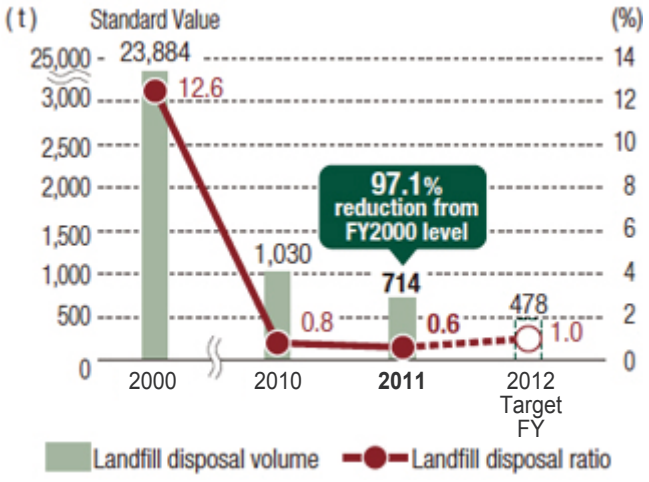
Promoting the reduction of landfill disposal volumes at all works

MHI met its target by achieving zero emissions at all 13 works in fiscal 2010. In addition to our target of conserving resources and promoting restraint in purchasing materials to reduce the total amount of waste produced by 40 percent in fiscal 2012 compared to fiscal 1992, we have set two new targets: reducing the landfill disposal volume in fiscal 2012 by 98 percent compared to fiscal 2000, and achieving the landfill disposal ratio of one percent or less in fiscal 2012. MHI is taking actions to achieve these targets.
The landfill disposal volume was reduced by 97 percent in fiscal 2011 compared to fiscal 2000. In contrast, the average landfill disposal ratio for the entire company was 0.6 percent. MHI achieved the value of one percent or less, but some works did not meet this target. In fiscal 2012, efforts will be made so that all works can meet this target.

Achievement of landfill disposal ratios of one percent or less

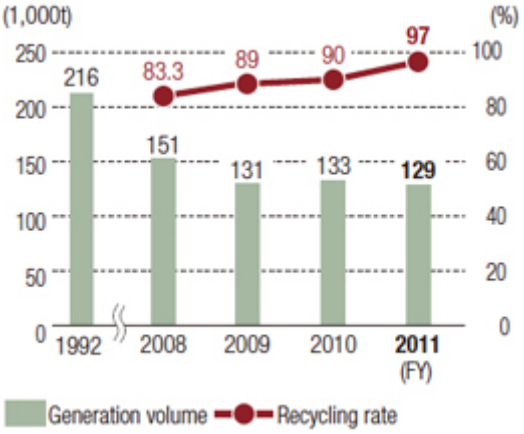
Works	Landfill disposal ratio (percent)
Nagasaki Shipyard & Machinery Works	0.9
Kobe Shipyard & Machinery Works	0.6
Shimonoseki Shipyard & Machinery Works	0.1
Yokohama Dockyard & Machinery Works	0.1
Takasago Machinery Works	0.1
Nagoya Aerospace Systems Works	0.5
Nagoya Guidance & Propulsion Systems Works	0.5
Hiroshima Machinery Works	0.1
Mihara Machinery Works	1.2
Sagamihara Machinery Works	0.2
Nagoya Air-Conditioning & Refrigeration Machinery Works	0.1
Ritto Machinery Works	0.6
Iwatsuka Plant	0.1

Landfill disposal volume/ratio



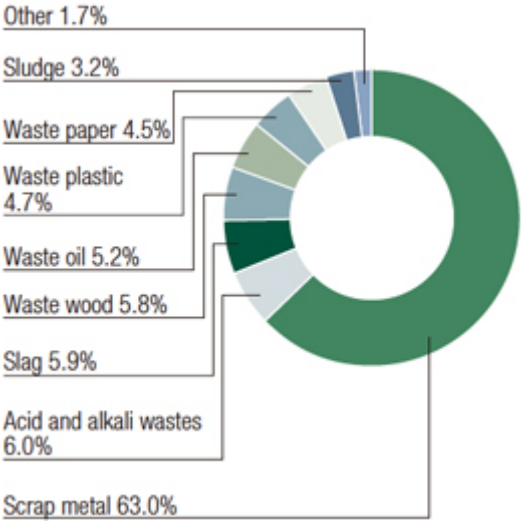
FY	2000	2010	2011	2012 Target
Landfill disposal volume	23,884t	1,030t	714t	478t
Landfill disposal ratio	12.6%	0.8%	0.6%	1.0%

Waste generation volumes and recycling rate



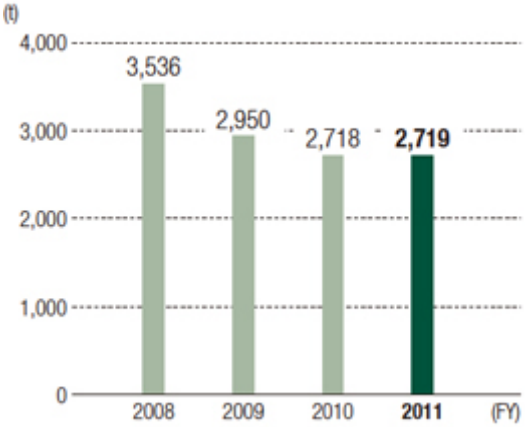
FY	1992	2008	2009	2010	2011
Generation volume	216,000t	151,000t	131,000t	133,000t	129,000t
Recycling rate		83.3%	89.0%	90.0%	97.0%

Waste generation by material



Scrap metal	63.0%
Acid and alkali wastes	6.0%
Slag	5.9%
Waste wood	5.8%
Waste oil	5.2%
Waste plastic	4.7%
Waste paper	4.5%
Sludge	3.2%
Other	1.7%

Paper usage



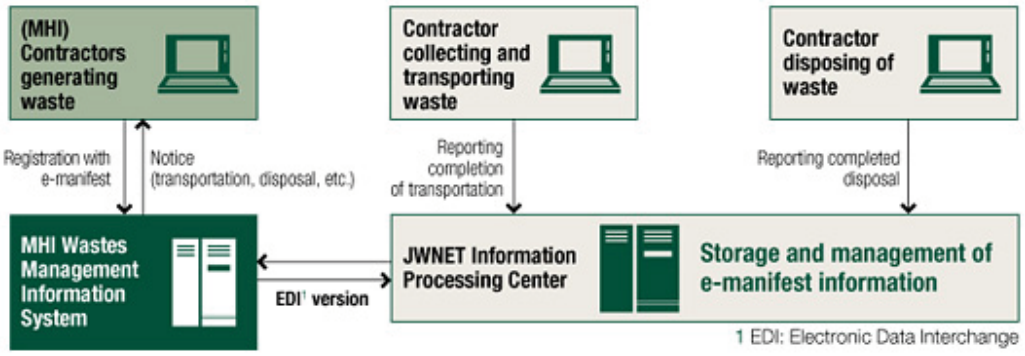
FY	2008	2009	2010	2011
Paper usage	3,536t	2,950t	2,718t	2,719t

Using Electronic Manifests (e-manifests)

Completing the introduction of e-manifests throughout the entire company

MHI made efforts based on its policy of introducing e-manifests at all works including the Head Office over the three-year period between fiscal 2009 and 2011. In fiscal 2011, the introduction of e-manifests was completed throughout the entire company. E-manifests are a means to fulfill our responsibility as waste producers to prevent illegal dumping. By digitalizing waste disposal manifests, a better understanding of the flow of outsourced waste disposal can be achieved. MHI introduced a waste management system at all its sites in 2008 that includes management of data such as permissions for waste management operators and their expiry dates. In 2009, all MHI sites registered with the "Electronic Manifest System (JWNET)," which is stipulated by the Waste Management Act and managed by the Japan Industrial Waste Information Center. Our Kobe Shipyard & Machinery Works began operations using e-manifests in November of that year. In fiscal 2010 JWNET was introduced at seven works, followed by activities to introduce JWNET at the remaining works in fiscal 2011. JWNET was introduced at all works by March 31, 2012.

Conceptual scheme of e-manifest



A Word from an Employee

Introducing the Electronic Manifest System throughout the entire company

Shinya Suzuki
Environmental Management Section
General Affairs Department
Head Office

To introduce the JWNET, it was necessary to link this system via a network with the waste management system that had already been introduced and was being operated throughout the entire company. If the data entered in the existing system is incorrect, transmission errors occur and manifests cannot be registered or issued. For that reason, I visited all works at the time of introduction. Together with works staff members, I confirmed each method for entering and operating the required items to digitize information, such as that related to waste contractors. In this way the introduction of JWNET was completed smoothly and according to plan throughout the whole company.

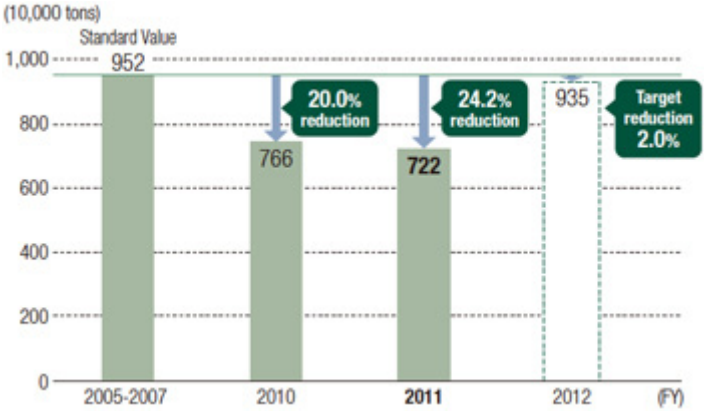
Protecting Water Resources

Reducing water usage during production

In fiscal 2010, MHI set a target to reduce its water usage (Note) to 9.35 million tons by fiscal 2012—a two percent reduction compared to the average annual usage (9.54 million tons) from fiscal 2005 to 2007. After making reduction efforts at each works, the target was met in fiscal 2011 when the usage amount was cut by 24.3 percent to 7.22 million tons.
As an example of measures to reduce water usage, underground industrial water pipes were brought above ground at Nagoya Aerospace Systems Works. This improvement stopped leakage caused by pipe deterioration, and also made it possible to constantly confirm the status of the pipes.

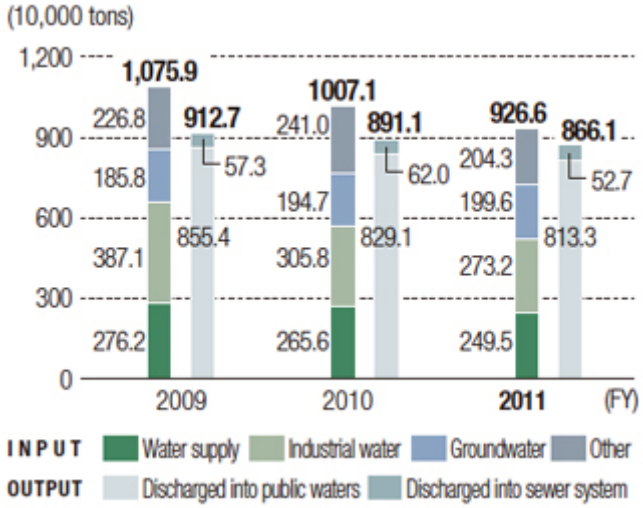
(Note) Water usage: Total volume of water supply, industrial water, and groundwater.

Water usage and reduction ratio



FY	2005-2007 average	2010 average	2011 average	2012 target
usage amount	9,520,000t	7,660,000t	7,220,000t	9,350,000t

Water usage and discharge



FY	2009	2010	2011
Water supply	2,762,000t	2,656,000t	2,495,000t
Industrial water	3,871,000t	3,058,000t	2,732,000t
Groundwater	1,858,000t	1,947,000t	1,996,000t
Other	2,268,000t	2,410,000t	2,043,000t
Total usage amount	10,759,000t	10,071,000t	9,266,000t
Discharged into public waters	8,554,000t	8,291,000t	8,133,000t
Discharged into sewer system	573,000t	620,000t	527,000t
Total discharge amount	9,127,000t	8,911,000t	8,661,000t

Curbing the Use and Emissions of Chemical Substances through Proper Management and Use of Alternatives

Promoting the reduction of substances subject to the PRTR system

In fiscal 2011, MHI released a total of 1,987 tons of substances subject to the Pollutant Release and Transfer Register (PRTR) system (Note).
Roughly 97 percent of these emissions consisted of xylene, toluene, and ethylbenzene, which are primarily used in painting and cleaning applications. Xylene is used for painting ships, and its usage is typically specified by ship owners. It is therefore difficult to use an alternative substance, making reducing the amount of xylene a challenge. In the future MHI will continue promoting the adoption of alternative products (such as water-based paint) and steadily carry out activities to reduce the usage of substances subject to the PRTR system.

(Note) PRTR (Pollutant Release and Transfer Register):
The PRTR system requires publication of the sources and emission volume of toxic chemical substances and the amounts of such substances removed from manufacturing plants. The system is provided for under the Pollutant Release and Transfer Register (PRTR) Law.

PRTR emission and transfer amount

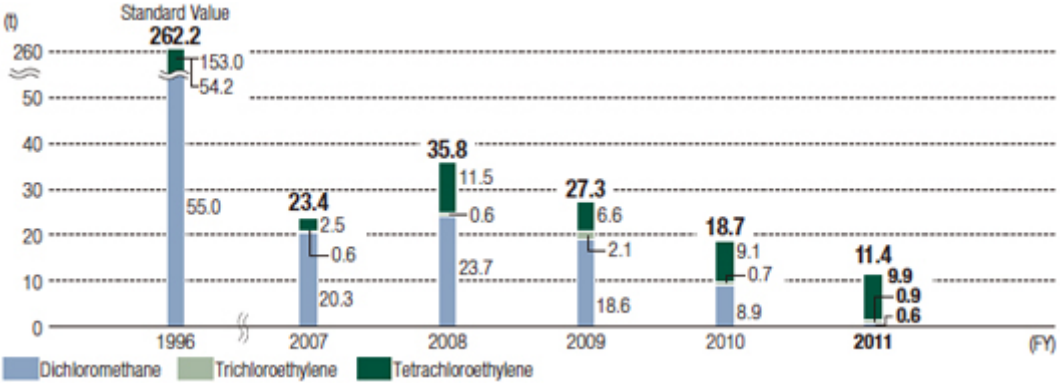
Details of “PRTR emission and transfer amount ” are included under “CSR” on the MHI website.

http://www.mhi.co.jp/en/csr/csrreport/globalenvironment/chemical-substances02.html

Promotion of organochlorides reduction and replacement activities

Dichloromethane, trichloroethylene, and tetrachloroethylene are used as paint removal agents and oil cleaning agents. MHI established a goal of achieving zero atmospheric emissions by fiscal 2012, and has been making efforts to reduce usage of these substances and switch to alternative substances. In fiscal 2011, the introduction of replacement equipment for cleaning equipment that used trichloroethylene was completed. It is expected that the entire company's atmospheric emissions of trichloroethylene will be nearly zero starting from fiscal 2012.
MHI completed an evaluation of replacing dichloromethane with non-dichloromethane removal agents in fiscal 2008. The company implemented facility improvements for this replacement in fiscal 2009, and the replacement of this substance has been carried out sequentially from fiscal 2010. In fiscal 2012, atmospheric emissions of dichloromethane should be almost zero. Furthermore, we will also continue selecting and evaluating alternatives for tetrachloroethylene and examining possible changes in specifications.
Due to these initiatives, the total atmospheric emissions for these three substances in fiscal 2011 were 11.4 tons—an approximately 39 percent reduction compared to the previous year. In the future as well, MHI will continue making efforts to achieve its target.

Atmospheric emissions of organochlorides

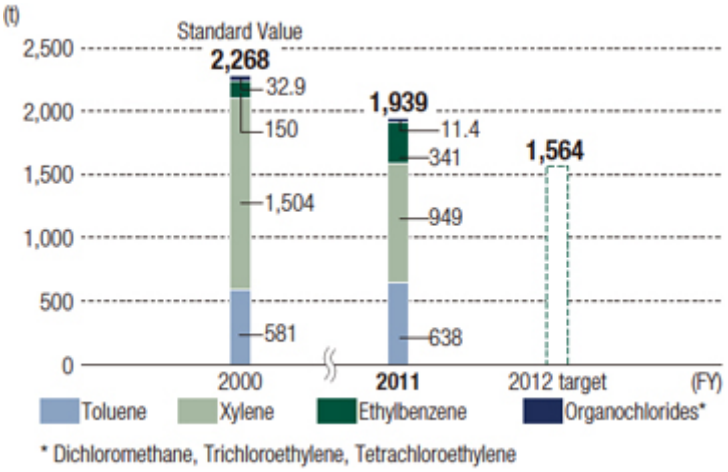


FY	1996	2007	2008	2009	2010	2011
Dichloromethane	55.0t	20.3t	23.7t	18.6t	8.9t	0.6t
Trichloroethylene	54.2t	0.6t	0.6t	2.1t	0.7t	0.9t
Tetrachloroethylene	153.0t	2.5t	11.5t	6.6t	9.1t	9.9t
Total	262.2t	23.4t	35.8t	27.3t	18.7t	11.4t

Voluntary targets for the reduction of VOCs atmospheric emissions

Emissions of VOCs, which are causal agents of photochemical smog, are regulated for facilities that release a given volume of these substances under the Air Pollution Control Law. In addition to legal and regulatory compliance, MHI has set a voluntary target for decreasing atmospheric emissions of VOCs in fiscal 2012 by 30 percent from the fiscal 2000 level—focusing on xylene, toluene, and ethylbenzene, which are emitted in large volumes—and is working to accomplish reductions.
The emissions volume in fiscal 2011 was 1,939 tons, a 14.5 percent decrease from the fiscal 2000 level. Steady activities are being undertaken in fiscal 2012 as well for reductions with the goal of meeting the target.

Atmospheric emissions of VOCs



FY	2000	2011	2012 target
Toluene	581t	638t	
Xylene	1,504t	949t	
Ethylbenzene	150t	341t	
Organochlorides*	32.9t	11.4t	
Total	2,268t	1,939t	1,564t

* Dichloromethane, Trichloroethylene, Tetrachloroethylene

Promotion of outsourced disposal of equipment using PCBs

As of March 2006, MHI had already registered the disposal of equipment using PCBs (Polychlorinated biphenyls) either currently in use or stored at its works, with the Japan Environmental Safety Corporation (JESCO), a special entity wholly funded by the Japanese government. The company also signed a consigning contract for disposal in 2007. By fiscal 2011, consigned disposal was undertaken at 11 sites (Note).
However, according to the Law Concerning Special Measures for Promotion of Proper Treatment of PCB Waste, even equipment which uses trace amounts of PCBs not disposed of by JESCO must be detoxified by July 2016. Therefore, a survey was conducted of such equipment stored by the entire company in order to begin disposal in fiscal 2012.

(Note) MHI Head Office, Nagasaki Shipyard & Machinery Works, Hiroshima Machinery Works, Mihara Machinery Works, Ritto Machinery Works, Kobe Shipyard & Machinery Works, Takasago Machinery Works, Nagoya Aerospace Systems Works, Nagoya Guidance & Propulsion Systems Works, Nagoya Air-Conditioning & Refrigeration Machinery Works, Iwatsuka Plant

PCBs storage facilities at the Nagasaki Shipyard & Machinery Works

Main Products and Technologies in 2011

Developing a new-generation LNG carrier with drastically improved fuel consumption and greater environmental friendliness

In July 2011, MHI completed the development of *SAYAENDO*, a new-generation liquefied natural gas (LNG) carrier. "*SAYAENDO*" means "peapod" in Japanese; this boat was named for its four spherical tanks ("peas") that are located inside a continuous cover (the "pod"). The tanks are inside the continuous cover that is integrated with the hull, which results in greater structural efficiency for the entire ship and also reduces its size and weight. The ship's main power plant is a new turbine plant that achieves higher energy efficiency through the effective use of thermal energy by reheating steam. In this way fuel consumption is reduced by over 20 percent compared to traditional ships, economy is increased, and both terminal compatibility and maintainability are improved. *SAYAENDO* is also more environmentally friendly; decreased fuel consumption helps curb CO_2 emissions, while the installed ballast water treatment equipment reduces impacts on marine ecosystems. Orders have been accepted for two ships from Osaka Gas Co., Ltd. and Mitsui O.S.K. Lines, which are scheduled to be delivered in 2014 and 2015.

SAYAENDO

Developing and delivering highly efficient gas turbines for thermal power generation, which contribute to decreasing environmental load

Gas turbines become more efficient as their inlet temperature is increased. MHI's state-of-the-art M501J gas turbine boasts the world's highest turbine inlet temperature of 1,600°C, resulting in a rated power output near 320 MW. For gas turbine combined cycle (GTCC) power generation applications, where heat recovery steam generators and steam turbines are also used, the output is approximately 460 MW. This gross thermal efficiency exceeds 60 percent—the world's highest level in GTCC applications. This turbine is also unique in that it greatly contributes to reducing environmental load, making it possible to achieve CO_2 emissions approximately 50 percent lower than with conventional coal-fired thermal power generation. In general, nitrogen oxide (NOx) is produced in increasing amounts as the combustion temperature grows, but with the M501J gas turbine it is possible to reduce the production of NOx to the same level as conventional turbines. Orders have been received for six M501J gas turbines for the Kansai Electric Power Company's Himeji No.2 Power Station, and the first turbine was shipped in December 2011. In addition, up until March 2012 orders have been received for a total of 10 turbines for four power plants in South Korea.

M501J gas turbine

Selling "VRF inverter multi-system air-conditioners," highly efficient multi-system air-conditioners for buildings with excellent energy-conservation capabilities

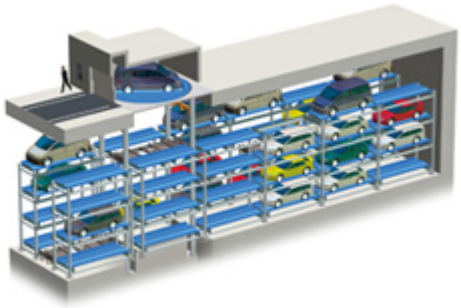
MHI's "GHP XAIR," a highly efficient gas heat pump (GHP) with energy-conservation capabilities of the top class in the world, went on sale in October 2011. The GHP XAIR was jointly developed with three gas companies (Tokyo Gas Co., Ltd.; Osaka Gas Co., Ltd.; and Toho Gas Co., Ltd.), Aisin Seiki Co.,Ltd.; Sanyo Electric Co., Ltd; and Yanmar Energy System Co., Ltd. The GHP XAIR is already sold by these six companies and Daikin Industries, Ltd. The GHP XAIR has a maximum annual performance factor (*APF) of up to 5.7 (equivalent) due to its smaller engine size and larger number of fins for heat exchanger, resulting in the highest efficiency for "VRF inverter multi-system air-conditioners," multi-system air-conditioners for buildings. This GHP's cooling ability is between 45 and 85 kW. Compared to conventional 45kW models with the same cooling ability, primary energy consumption is reduced by up to 19 percent per year, while CO_2 emissions are cut by up to 20 percent.

(Note) The formula (1 kW = 9,760 kJ) determined by the Act Concerning the Rational Use of Energy is used to convert to the APF, a JIS standard for evaluating electric heat pump air-conditioners, resulting in a total of 5.7.

GHP XAIR

Selling the Smart Lift Park, which conserves energy and is convenient for people, and the Plug-in Presto Park, which makes it possible to charge environmentally-friendly vehicles

Mitsubishi Heavy Industries Parking Co., Ltd has developed the Smart Lift Park, an elevator-type mechanical parking system, which went on sale in October 2011. The introduction of the industry's first optimum speed control system, as well as an original system, using electric power regeneration, makes it possible to shorten waiting time by up to 30 percent and reduce energy consumption by approximately 30 percent. This system is also unique for its incorporation of universal design, and it has been made easy to operate through the installation of an interactive control panel. Optional barrier-free palettes can also be installed. Also in October, orders were accepted from the Tokai Kanden Building and Nagoya Tokyo Marine and Nichido Building—which were both under construction in Nagoya at the time— for the Plug-in Presto Park, an underground mechanical parking system which is the first in Japan that makes it possible to charge electric and plug-in hybrid vehicles. In addition, Mitsubishi Heavy Industries Parking also offers the elevator-type Plug-in Lift Park; the vertical, circular Plug-in Tower Park; and the horizontal, circular Plug-in Cell Park.

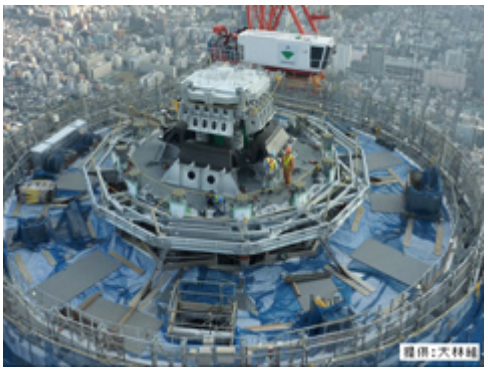


The Plug-in Presto Park, an underground mechanical parking system

Delivering centrifugal chillers for a district cooling system to serve the TOKYO SKYTREE® area, and safeguarding antennas at over 600 meters above ground from wind via vibration control systems

MHI delivered centrifugal chillers (two 1,350 refrigeration ton chillers) as a part of the heat supply system (primary contractor: Tobu Energy Management Co., Ltd.) for heating and cooling the approximately 10.2-hectare Tokyo Sky Tree area that is centered on TOKYO SKYTREE TOWN®. MHI's centrifugal chillers have been praised for having the world's highest level of environmental capabilities, including efficiency and energy-saving capabilities. By accomplishing a balance between environmental friendliness and comfort, these products contribute to curbing CO_2 emissions and creating a town that is pleasant to live in.
In addition, Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd. (MBE) delivered Tuned Mass Damper (TMD) vibration control systems for the portion known as the gain tower, which supports the antennas. The digital broadcasting antennas on the tip of the Tokyo Sky Tree must be able to withstand vibrations caused by strong winds at over 600 meters above ground. MBE has inherited its technological expertise in vibration control and earthquake isolation systems from MHI, where such expertise was accumulated over many long years. MBE has delivered many TMDs to date for various applications, including skyscrapers and long and large steel bridges. The trustworthiness of these technologies and experiences has been highly evaluated, and the delivered TMDs are displaying great abilities to absorb vibrations at the high altitude of over 600 meters above ground.

AART-120, a variable speed drive centrifugal chiller



Tuned Mass Damper (TMD) vibration control system

Successfully establishing technologies to produce domestic biofuel at low costs

MHI has implemented the Project to Make Efficient Use of Soft Cellulose for manufacturing domestic biofuel at low costs from rice straw and other materials, together with organizations including Hyogo Prefecture Government and the Hyogo Environmental Advancement Association, since fiscal 2008 with support from the Ministry of Agriculture, Forestry and Fisheries. Together with Hakutsuru Sake Brewing Co., Ltd. and Kansai Chemical Engineering Co., Ltd., MHI was responsible for the verification of the bioethanol production processes. After each company conducted tests on the component technologies at their own research facilities, efforts were made to verify these technologies at MHI's Futami Plant starting in December 2009. The results showed that integrated technologies for manufacturing ethanol, which satisfied the standards of the Japanese Automotive Standards Organization (JASO), had been successfully developed. Forecasts also indicated that it would be possible to achieve the target manufacturing cost of less than 90 yen per liter. Since April 2012, Mitsubishi Heavy Industries Mechatronics Systems, Ltd., one of MHI's Group companies, has inherited this project. Going forward efforts will be made to develop the results of the project into the early commercialization of bio-refinery technologies (Note) in cooperation with companies and organizations concerned.

(Note) Plants and technologies for manufacturing chemicals such as resins and fuels, including ethanol, from plant materials.

Biofuel manufacturing verification facility

Commencing operation of the Dubai Green Line, the world's longest driverless rail transit system

The Green Line, which is the second phase of the Dubai Metro construction project, has been completed. This fully automated, driverless metro system was constructed in Dubai, the United Arab Emirates, by MHI and the four companies of Mitsubishi Corporation (MC), Obayashi Corporation, Kajima Corporation, and Yapi Merkezi Insaat ve Sanayi A.S. of Turkey. Operation of this line commenced in September 2011. Together with the interconnecting Red Line that went into operation in September 2009 at two stations, the Dubai Metro is the world's longest driverless rail transit system, with a total length of 75 kilometers for the two lines. It fulfills an important role for easing Dubai's traffic congestion stemming from rapid population growth. Many other transportation infrastructure projects are currently being planned in Middle Eastern countries. Based on its recent achievements, MHI intends to proactively seek involvement in these other projects in the region.

Dubai Metro

Starting operations at a coal-fired flue gas CO_2 recovery demonstration plant to help resolve the issue of global warming

In collaboration with Southern Company, one of the largest electric utilities in the United States, since May 2009 MHI has been engineering and building a coal-fired flue gas CO_2 recovery demonstration plant with a scale of 500 tons per day (equivalent to a generation amount of 25 MW) at Southern Company's Plant Barry, which is located in the state of Alabama. This plant has been in operation since June, 2011. The goal of this project is to capture and sequestrate CO_2 in a deep saline geologic formation. While a capture technology has already been commercialized for CO_2 from natural gas-fired facilities, coal-fired CO_2 capture presents unique technological challenges because the flue gas contains a great deal of impurities. This facility represents the world's first for implementing a demonstration of coal-fired CO_2 capture. Based on the results of this project, MHI will aim to commercialize CO_2 capture technologies for coal-fired flue gas in order to help resolve the issue of global warming.

Social Contributions Report

MHI maintains relationships with diverse populations in various regions and communities in the course of developing and manufacturing products and technologies that are essential for social infrastructures and industry as well as the day-to-day lives of people across the world. To fulfill its corporate responsibility as a social and public entity, MHI has been pursuing its business operations with due consideration for its diverse stakeholders.

Enhancing Product Safety

Establishing the Quality Management & Product Safety Planning Center to strengthen safety and quality management systems

MHI is continuing to promote product safety activities throughout the company.
One example of our efforts started in fiscal 2005, is the Product Safety Project between the Legal Department and the Production System Innovation Planning Department. The Product Safety Project involves risk assessments to ascertain and reduce areas of risk related to product safety in three product groups—mass and medium-lot manufactured products, built-to-order components and built-to-order plants—along with strategies in other areas such as completion of instruction manuals. In the future it will be expanded to included product business support and thorough training and human resources development.
The Quality Management & Product Safety Planning Center was established in April 2011 as part of the Production System Innovation Planning Department at the Technology & Innovation Headquarters. The new Center is dedicated to consolidating the progress achieved to date and enhancing management systems in the areas of safety and quality.

Continuously strengthening QMS created for products

MHI has created a quality management system (QMS) to offer products that are safe and of assured high quality. As of March 2012, all production facilities in Japan and nearly 90 percent of all facilities worldwide have completed the ISO 9001 certification process. The QMS is optimized to the product categories at each facility and is subject to ongoing improvement.
Recognizing the reality that there will be complaints from customers about products, MHI gathers technology and expertise from all Group companies to review and improve upon QMS process issues and reinforcement measures for each product.

Key Product Quality and Safety Programs

Nuclear power generation: ongoing safety program administered by the Managing Board for Innovation in the Nuclear Business

The Managing Board for Innovation in the Nuclear Business was set up in December 2004 in response to an incident involving secondary piping in Unit 3 of the Mihama Power Station (supplied by MHI and operated by Kansai Electric) in August 2004. The Committee was given a brief to pursue internal reforms designed to prevent incidents and ensure safety in the nuclear industry.
In fiscal 2011, the Managing Board for Innovation in the Nuclear Business examined safety improvement measures for the PWR nuclear power plant in the wake of the accident at TEPCO's Fukushima Daiichi Nuclear Power Station. The Board also reported on initiatives for creating a culture of safety through lectures on safety by executives and dialog with business partners. The Board will continue to implement further improvements to raise the safety of nuclear power plants.

Measures to enhance PWR power plant safety

Nuclear Energy Systems set up an emergency task force immediately after the earthquake and deployed countermeasures, such as to respond to the loss of all AC power sources at the TEPCO's Fukushima Daiichi Nuclear Power Station to the PWR nuclear power plant. The Advanced Plant Safety Department, a dedicated body set up in August 2011, is working hard, with a workforce numbering around 600, to promote emergency safety countermeasures.
In April 2012, the government issued three safety criteria for restarting nuclear power plants. The first criterion on emergency safety procedures has already been attained at all 24 PWR plants. The second criterion on the stress test is being addressed in conjunction with the power companies. The third criterion, which sets out an implementation plan for further safety and reliability improvement measures, has been presented to PWR utilities in the form of a program of medium- to long-term safety measures. MHI remains committed to addressing these areas promptly in order to contribute to ongoing improvements in the safety and reliability of nuclear power generation plants and ensure consistency of power supplies.

Shipbuilding: preventing nonconformities through better finish

The Classification Society is a certification agency for vessel design and construction, involved in approving design drawings, inspecting equipment and structures, and also confirming ship performance on sea trials. Only ships that pass all tests and inspections are eligible for classification.
In addition to obtaining ship classifications for new vessels, MHI analyzes the causes of accidents and nonconformities on past vessels. The quality assurance department of Shipbuilding and Ocean Development is responsible for developing preventative strategies and providing feedback to the design and construction departments. Process-oriented enhancements are also used to improve customer satisfaction levels.
MHI is committed to improving reliability in marine vessels through ISO 9001 based programs such as Better Finish that are designed to prevent production of nonconforming products.

Aircraft: endeavoring to ensure aircraft safety through education and training, and promotion of safety measures

Based on the Aircraft Safety Policy established in 1991, Nagoya Aerospace Systems Works has given its highest priority to assurance of aircraft safety. Unfortunately, in 2000 there was an emergency landing accident involving an MH2000 helicopter, and in 2007 an F-2 jet fighter crashed and burst into flames.
MHI understands the gravity of these incidents, and to prevent such incidents from occurring again, MHI pilots provide presentations to MHI employees and employees from partner companies in order to ensure safety awareness. In fiscal 2011, 86 presentations were provided to a total of around 5,000 employees.
In order to prevent incorrect connection of equipment, which was the cause of the F-2 jet fighter accident, MHI has implemented a number of strategies including more detailed and precise work instructions, better self checking by workers and better skills management.
Safety and quality assurance reform meetings attended by the general manager of the manufacturing site have been held since 2007. These are used to pursue education activities and improvement activities for increasing the efficacy of measures to prevent the recurrence of incorrect connection. MHI will continue to carry out these actions as it strives to improve safety of aircraft manufacturing and maintenance.

Transportation systems: ensuring the safety of transportation systems based on quality management systems

MHI is working on the development of various transportation systems with a high potential for use in public settings, such as an Electronic Toll Collection (ETC) system and Automated People Mover (APM)for use in airports and other facilities in cities. To ensure that such transportation systems are safe, MHI has developed designs, equipment procurement, manufacturing, and local construction methods based on ISO 9001 and MHI's own quality policies. Every year, quality policies are reevaluated and the effectiveness of quality management systems is closely scrutinized. In addition, MHI is constructing a framework for sharing information among relevant parties on issues such as revisions made to laws and regulations pertaining to railways, and holds presentations on legal issues. Also, in overseas projects MHI closely examines local safety standards from the initial design stage.
In fiscal 2011, MHI also continued working to facilitate sharing of knowledge within the organization. To this end, a framework was set up that enables sharing of both positive and negative experiences from past projects so that these can be incorporated into product safety on future projects.

Air-conditioners: implementing safety verifications in every stage-development, usage, and disposal, based on design management standards

Air-Conditioning & Refrigeration Systems Headquarters established design management standards in 1994 to ensure the safety of air-conditioners.
To that end, when developing a product, quality check sheets and other measures are used to verify that products, when properly used, will not cause harm to people or property due to reasons such as harmful materials or possible fire or explosion at any point from development through to usage and disposal.
In fiscal 2010, the department participated in the company-wide Product Safety Taskforce, and received instruction from key MHI experts on product safety risk assessment procedures for centrifugal chillers and ground transportation refrigeration units. This information was used to set up risk assessment templates in fiscal 2011.
MHI will promote standardization of regulations based on the more advanced European regulatory system.

Establishing an Accident Exhibit and Materials Room to educate people on the prevention of product accidents

The Accident Exhibit and Materials Room, opened in April 2010 at the Applied Knowledge Business Training Center, displays information on incidents and accidents involving MHI products.
The MHI Group is a manufacturing-oriented group of enterprises. Ensuring the safety and quality of our products is our ultimate priority and we must boost awareness of this importance among all employees concerned with the development, manufacturing and after-service operations of MHI products. Already around 11,000 visitors have passed through the doors of the facility.
The facility was given an extensive overhaul in April 2012, including the addition of new video presentations and artifacts designed to convey a greater sense of realism in regards to the terrible nature of the accidents and the tension experienced at the accident site. The exhibition includes a life-size replica of a nine-ton fragment of turbine rotor that broke off in an explosion.
Some 2,800 employees (comprising new recruits, young engineers and administrative staff and newly appointed deputy managers) have attended training sessions describing past safety incidents. In fiscal 2012, a training program was introduced specifically for newly appointed managers and new recruits in engineering sections. MHI is also considering introducing training courses for chief managers and assistant managers and middle-ranking engineering staff. In this way, MHI is striving to boost awareness of the importance of safety and quality throughout the company.

The refurbished Accident Exhibit and Materials Room

Enhancing Customer Satisfaction (CS)

Pursuing products and services that can be trusted from the prioritized customer point of view

One statement of the MHI creed is: "We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society." Therefore, the company's top priority is to always place itself in the customer's shoes and meet their expectations by providing products and services with high added value.
Each headquarters and division of MHI works to boost customer satisfaction (CS) levels by conducting CS surveys and soliciting feedback and suggestions from the market and from customers. Basic CS Training, introduced in 2002, is used to improve employee awareness and foster the development of a customer-oriented corporate culture at MHI.
Through these activities, MHI will continuously work to provide products and services that satisfy customers.

Basic CS training (Hiroshima)

Promoting advertising activities that comply with relevant laws and regulations

MHI established the Corporate Communication Department to promote advertising activities based on MHI business plans that target stakeholders in all global regions.
As MHI moves ahead with its activities, the department confirms facts in close conjunction with the Global Strategic Planning & Operations Headquarters, the Corporate Department, and other business segments and overseas sites and Group companies, so that customers do not receive the wrong impression, and endeavors to abide by provisions in related laws and industries. After running advertisements, the Department assesses the improvement in recognition level in each form of media and the spreading of the corporate image.
Domestic advertising in fiscal 2011 included television, newspapers and magazines. Overseas advertising included print advertisements in the Financial Times (U.K.) and use of the company's Group logo at overseas exhibitions where multiple MHI Group companies were involved, in order to convey a unified image of the Group as a whole. The department also placed advertisements on public transport in Japan and overseas.

Implementing technical support as an aspect of preventative maintenance

Since 1999, MHI has maintained high operating rates for thermal power plants (gas turbine) delivered both in and outside of Japan and provided technical support to prevent problems.
This is a paid service for observing and supporting the operations of gas turbine plants in real time, around the clock, 365 days a year, from remote monitoring centers established in two locations, one in Japan and one outside of Japan. We are working to prevent the occurrence of problems by applying monitoring diagnostic capabilities that draw upon over ten years of accumulated operational data. Also, by automatization of abnormality diagnosis that utilize Taguchi method, any suspension of operations is kept as short as possible by quickly detecting plant anomalies and immediately implementing troubleshooting procedures.
As of April 2011, the service is used on 77 generators at 33 plants around the world with a combined total output of over 18 million kW, thereby safeguarding the consistency of power generation operations of our customers.

Remote monitoring center

Promoting nuclear power PA activities

MHI has been hosting tours of the nuclear power plant production facility at the Kobe Shipyard & Machinery Works since 1988. MHI has also been involved in nuclear PA activities since 1989, including publication of the nuclear magazine Atom Power, which helps to promote awareness of the need for and safety of nuclear power generation.
Around 2,000 visitors attended tours of the Kobe Shipyard & Machinery Works during fiscal 2011. The total number of visitors over the last decade is more than 46,000.
TEPCO's Fukushima Daiichi Nuclear Power Station has a BWR, which differs from the PWR supplied by MHI. Nevertheless, MHI provided technical assistance with stabilization of TEPCO's Fukushima Daiichi Nuclear Power Station after the accident. MHI has also been deploying emergency safety countermeasures at PWR nuclear power plants MHI delivered in a bid to increase safety.
MHI will continue to pursue Public Acceptance (PA) activities such as providing information and conducting tours in order to restore public confidence in nuclear power generation.

(Note) Nuclear Power PA (Public Acceptance) activities: Activities conducted to encourage a clearer understanding of nuclear energy

A Word from a Stakeholder

MHI P&PM's Technical Expertise and Rapid Response Key in Working Toward an Early Recovery from a Devastating Flood

Karan Tejasen
Director and General Manager
Thai Containers Group Co., Ltd.

Our Navanakorn Plant, which was damaged by flooding, relies on the outstanding quality of the latest corrugating and box-making machines by Mitsubishi Heavy Industries Printing & Packaging Machinery Ltd. After our temporary relocation to Pattaya, when we were conducting inspections and considering what recovery would entail, Mitsubishi began wholeheartedly supporting our efforts, going as far as hand-delivering parts. They came through when we really needed them and helped us restart our box-making machinery two weeks earlier than we had planned. We are extremely grateful for Mitsubishi's technical expertise and speedy response. They continue to spare no effort in helping us get our corrugating machine back on line, and we are confident that we will have achieved an early recovery and be back on our feet in no time.

A Word from an Employee

Building on the successful development of the marine resource research vessel Hakurei to explore the future of the planet

Toru Togita
Senior Project Manager
Shimonoseki Ship & Ocean Engineering Department
Ship & Ocean Engineering Division
Shipbuilding and Ocean Development Business Segment

I have been involved in ship design since starting at MHI about 30 years ago. As part of the Marine Energy and Mineral Resources Development Project launched by the Ministry of Economy, Trade and Industry in March 2009, MHI was selected via a public tender process to build the marine resource research vessel Hakurei on behalf of the Japan Oil, Gas and Metals National Corporation (JOGMEC). With only 2 years from contract signing until delivery in January 2012, the timeframe for this project was unusually tight for the manufacture of a special purpose vessel. The project was completed on time thanks to close liaison with the client throughout. The unique design features powerful actuators and an opening so called “moon pool” in the middle of the hull, yet keeps noise levels to a minimum while providing a platform for high-precision hydro-acoustic survey equipment.
The successful completion of this world-leading advanced vessel was heralded by the client as “ushering in a new age in marine exploration and research for Japan.”
Marine research is increasingly important in the exploitation of resources such as sea-floor hydrothermal deposits and methane hydrates as well as research into earthquakes. Through the design and construction of survey vessels, MHI is making an important contribution to surveying and exploitation of marine resources and in turn to the reliable supply of energy and mineral resources as well as to the advancement of oceanographic research.

Maintaining and Strengthening Defense Production and Technological Bases

Contributing to the peace and safety of Japan through technology

MHI is dedicated to the core vision of supplying cutting-edge technology for national safety and security. As a leading supplier in the Japanese defense industry, MHI endeavours to maintain and strengthen defense production and technological bases. MHI develops and manufactures a vast array of defense equipment based on the requirement of government of Japan, including fighter planes, helicopters, missiles, defense vessels and tanks, and also provides operational support.

The environment surrounding the defense of Japan has been changing dramatically over the last few years. In light of the current financial difficulty of Japan and the speed of technological progress, it is increasingly important to maintain and strengthen defense production and technological bases, in order to satisfy the requirements of the government. MHI is focusing on the future security environment and is developing various technologies that meet the needs of the country. This includes research on the Advanced Technology Demonstrator for the purpose of achieving technologies, such as stealth and high maneuver flight control technology to be applied to future jet fighters.

Cutting-edge technologies in the defense sector have a broad reach, and ripple effects to the civilian sector are expected, in the fields of materials, components, and processing technology. So we believe defense technologies can also contribute to long-term technological advances in Japan and the defense sector is expected to develop as a national strategic industry.

UH-60JA utility helicopter (for use by the Japan Ground Self-Defense Forces).

Ratio of defense-related businesses sales to total sales

FY	Ratio	Amount
2009	11.8%	348.3 billion yen
2010	12.4%	361.0 billion yen
2011	**12.8%**	**359.7 billion yen**

Disclosure Principles and IR Activities

Promoting IR activities to facilitate a detailed understanding of our business

Through Investor Relations (IR), MHI strives to keep institutional and individual investors in Japan and around the world fully informed of the activities of the company.
The Corporate Communication Department, set up for the sole purpose of managing investor relations, provides useful and up-to-date information as well as briefings and meetings designed to provide opportunities for direct communication. Comments and suggestions from these meetings are incorporated into future IR programs.

Providing accurate information online that is easy to understand

MHI releases information in accordance with laws and regulations as mandated by the exchanges on which the company is listed. In addition, information is constantly being updated on the Investor Relations section of the website. In an effort to communicate information that is accurate and easy-to-understand, the website also features a range of useful information and data that is not required by laws and regulations, along with charts and explanations of securities terminology. There are also videos of the General Meeting of Shareholders and other meetings such as financial results briefings and meetings on business operations for the benefit of institutional investors and analysts.
Fiscal 2011 saw the addition of new content for individual investors, such as the “MHI, from the viewpoints of Energy and the Environment” (Japanese only) on the Investor Relations website, which describes our strategies and competencies in energy and environmental fields, as well as videos and other briefing materials for individual investors and more information on key financial indicators.

Implementing various briefings on business operation and strategy

In response to demand from investors and analysts for more information on business performance and future planning of individual operations, MHI holds quarterly financial briefings as well as other types of briefings related to business performance and planning.
The fiscal 2010 Financial Results Briefing and Status of 2010 Medium-Term Business Plan Briefing was held in April 2011, with 219 attendees. This was followed by a business briefing on the Energy & Environment Business and eight business segments . Total attendance was 371.
MHI maintained its commitment to good communication with individual investors. Briefings were held in 14 cities across Japan (mostly in locations close to MHI facilities) and drew a combined attendance of around 1,600. The briefings at Mitsubishi Minatomirai Industrial Museum, History Museum (Nagasaki Shipyard & Machinery Works) and M’s Square (in Shinagawa, Tokyo) also included tours of the adjacent facilities.

Holding plant tours for shareholders

MHI has been conducting twice-yearly plant tours for shareholders since 2005 to provide opportunities to deepen understanding of its business activities.
Plant tours in fiscal 2011 were held at Nagasaki Shipyard & Machinery Works (in September 2011) and Ritto Machinery Works (in March 2012). Visitors commented on the wonderful sense of pride and workmanship in evidence, and were thrilled with the rare opportunity to witness first-hand how massive machines such as turbines are made in the factory.
MHI will continue striving to incorporate feedback and suggestions on IR programs.

Plant Tours (FY2011)

Nagasaki Shipyard & Machinery Works (September 2011)
•Dock area
•Manufacturing processes for turbines and LPG carriers
•History Museum at Nagasaki Shipyard & Machinery Works

Ritto Machinery Works (March 2012)
•Production of machine tools
•Training Center
•Manufacturing Technology Center

An introduction to the process for manufacturing machine tools

At the Training Center

Topics

External award for information disclosure on the website

MHI provides a range of useful information on the website as part of the company's commitment to investor relations.
In December 2011 MHI took first prize for the first time in the 2011 Best Internet IR Company awards run by Daiwa Investor Relations Co.Ltd. MHI was also declared best website in the Corporate websites ranking in all listed companies in Japan conducted by Nikko Investor Relations Co., Ltd. in November 2011, as well as first in the ranking by sector (machinery).

A Word from a Stakeholder

Continuous on-site disclosure

Yoshinao Ibara
Managing Director
Equity Research, Japan Research Division
Morgan Stanley MUFG Securities Co., Ltd.

An important feature of IR activities at MHI is the commitment to ongoing on-site disclosure by all business operations. Most ordinary enterprises hold regular financial performance briefings, but MHI has so many different operations that briefings focused purely on financial updates are insufficient for providing important information on medium- to long-term investment decisions, such as demandprojections and industry competition. At MHI, representatives of every business segments hold an annual presentation. In addition, MHI provides plant tours of key facilities—such as the Takasago Machinery Works in Japan—and holds meetings at Mitsubishi Power Systems Americas (MPSA)—one of its overseas subsidiaries— in order to reveal the true face of MHI to the stock market. In light of the accelerating globalization of business domains at MHI, the meetings at MPSA represent an advanced initiative. The Group's commitment to ongoing information discl sure provides the stock market with valuable information about company operations.

Share and Dividend Report

Fiscal 2011 dividend distributions

For fiscal 2011, a 3 yen per share year-end dividend was distributed.
An interim dividend of 3 yen per share was distributed, which brings the total dividend for the year to 6 yen per share.

Dividend disbursements over the past five years

FY	Dividend per share
2007	6 yen
2008	6 yen
2009	4 yen
2010	4 yen
2011	**6 yen**

Fair Dealing

Opening a door to new suppliers and ensuring fair evaluation and selection

MHI procures a variety of materials and services both domestically and abroad that include materials such as steel, machinery, equipment, and components. MHI is open to all motivated and competitive suppliers. Suppliers are fairly and equitably selected and evaluated in accordance with the applicable laws and industry practices, in order to build relationships of trust predicated on mutual prosperity.
This approach is stipulated in the MHI Procurement Policy (released in 2002), which can be viewed on the Procurement page of the company website. The Procurement page also includes application guidelines for prospective suppliers and contact information for material procurement for the benefit of companies that are interested in doing business with MHI.

MHI Procurement Policy

1. Openness
   We strive to provide business opportunities openly to suppliers throughout the world, and welcome creative and competitive suppliers.
2. Fairness
   We provide chances for competition to qualified suppliers, and evaluate and select suppliers fairly based on criteria such as the suppliers' product quality, price, delivery schedule, technology and financial conditions.
3. Partnership
   We regard our suppliers as partners based on the mutual understanding that both partners should benefit from the relationship.
4. Compliance
   We comply with rules, regulations and social norm based on our compliance management policy, and all information submitted to MHI will be kept and used properly.

Thoroughly preventing illegal and unfair dealings

The Compliance Principles, which set out compliance requirements under applicable laws and regulations, are used by the Procurement Department to ensure compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, which forbids unfair dealings by large companies towards smaller companies, as well as the Construction Industry Law.
MHI is striving to prevent improper practices such as fraudulent ordering through a system of separating the departments responsible for ordering, receiving and utilizing procured goods and having them provide mutual restraints. Compliance is carefully monitored at every stage of ordering and inspection, with the results checked via internal audits in accordance with the PDCA cycle for legal compliance.

Promoting CSR Procurement

Guidelines and CSR Activities in the Entire Supply Chain

In June 2010, MHI drew up the MHI Group Supply Chain CSR Promotion Guidelines, and provided MHI's business partners with information about CSR activities and programs that are designed to promote a consistent approach to CSR throughout the supply chain. The Guidelines are divided into five points that include comprehensive compliance and promotion of corporate ethics, and assurance of product safety and quality, cost, delivery schedule (QCD), enhanced technological development capabilities, and considerations regarding human rights and workplace safety. Business partners are expected to embrace the MHI Guidelines, which are discussed at dedicated presentations and are also available on the company website.
Some 300 partner companies took part in a self-assessment survey of CSR programs conducted in fiscal 2011. MHI has incorporated the CSR efforts of partner companies as one item for evaluation and is preparing a system which appropriately evaluates these efforts.
MHI is a participant in the supply chain sectional meeting of the Global Compact Japan Network of domestic signatories to the United Nations Global Compact, which meets to discuss ideals and methodologies of procurement predicated on CSR principles.

MHI Group Supply Chain CSR Promotion Guidelines

1. Compliance and Corporate Ethics
   We ask all Partners to persist in compliance related to all business activities, to foster corporate ethics, and also, to work on building and operating an organization to facilitate this.
2. Safety, Quality, Cost, Delivery and Innovation
   In order to maintain and improve the value of MHI's products, we ask all of our Partners to provide materials and services with assured safety and quality, cost and delivery ("QCD"). Moreover, in order to create end products with high added value, we ask for your continuous improvement in developing new technology.
3. Human Rights, Health and Safety
   In the business activities of all of our Partners (including their respective supply chains), the human rights of all employees must be respected and safe, comfortable working environments be assured.
4. Respect for the Environment
   In order to achieve a more sustainable society, we ask all of our Partners to continuously monitor and seek to reduce environmental impact of their activities.
5. Contribution to the Region and Society
   We ask all of our Partners to work positively on the activities to contribute to the development of international society as well as regional society and to foster the next generation etc.
   Our Partners are free to determine the most effective way to fulfill their social responsibilities, which may include contributions through normal course of their business, charitable donations or contributions of facilities and/or resources.

Mitsubishi Heavy Industries (Shanghai) Co., Ltd. (MHISH) Procurement Center consolidates and expands domestic procurement in China

To date, individual works have been responsible for their own procurement from China. With the opening of the MHISH Procurement Center at Shanghai in April 2012, these disparate procurement arrangements have been replaced with a consolidated and centralized approach that makes it easier to cultivate relationships with new suppliers.
MHI will boost procurement of functional materials, electrical components, castings and pipe materials from China in line with the company's globalization strategy.

Building closer ties with business partners through management reforms and other improvement programs

At the first Business Partners Conference in 2008, MHI pledged to incorporate requests, suggestions and feedback from business partners into management reforms and other improvement programs at MHI. The company remains committed to this process.
During fiscal 2011, MHI continued to solicit VE proposals* from business partners via the company website. 3,800 proposals have been adopted.
The fourth Business Partners Conference in November attracted 294 participants. The meeting included presentations on the implications of globalization and MHI's response focusing on the company's core strengths; company-wide procurement strategies; and the importance of maintaining a shared collaborative vision with business partners. Certificates of gratitude were presented to 12 business partners in recognition of significant contributions in the form of VE proposals.
In addition, individual works and business segments have been holding similar business partner conferences designed to foster stronger ties with business partners.

(Note) VE: A method for both improving product value and reducing costs

Business Partners Conference

A Word from a Stakeholder

Providing steel plates for rebuilding power stations

Jun Kadota
Exective Assistant & General Manager,
Sales Coordination & Operation Planning Dept. (then)
General Manager, Plate Sales Dept. (in the aftermath of the Great East Japan Earthquake) JFE Steel Corporation

JFE supplied steel plates for construction of power plants to provide emergency power in the aftermath of the Great East Japan Earthquake. The high-performance steel plate material was required to withstand extreme environmental conditions, and the job involved extensive discussions of materials specifications and careful quality control monitoring during the manufacturing process. JFE maintained constant contact with MHI through daily technical briefings and factory inspections. Though the request was received immediately after the earthquake, JFE was able to deliver the materials with a very short turnaround. JFE is keen to cultivate a reputation in the industry as a reliable business partners operating in a broad range of fields.

Procurement Education and Training

Training for employees engaged in procurement activities

Procurement departments at MHI provide a range of training programs designed to ensure compliance with the applicable laws and regulations.
In fiscal 2011, 36 young employees (some from Group companies) attended a training session on compliance issues and domestic legislation governing procurement, which included a discussion session for participants based on specific examples. Additionally, in June and October two training sessions were held to give new recruits an introductory course on basic information concerning procurement practices. Thus, a total of 84 employees, including Group employees, received procurement training during fiscal 2011.
Also, 223 MHI employees and a further 164 employees from 34 Group companies took an e-Learning course on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.
MHI remains committed to providing procurement training programs tailored to the company's operational plans and ongoing amendments to legislation.

Compliance training

Utilizing and Cultivating Diverse Human Resources

Active recruitment and utilization of mid-career, overseas and female workers

MHI's basic policy for recruiting and developing human resources had been to hire new graduates and provide ample in-house training. However, MHI also hires mid-career professionals when necessary according to in-house needs because a diverse range of human resources is required to be victorious in a fiercely competitive industry (in fiscal 2011, approximately 630 new graduates [who started in April 2012] and approximately 110 mid-career professionals were hired). When hiring both new graduates and mid-career workers, MHI carries out fair screening with an emphasis on human rights and without discrimination due to gender or other reasons. Equal treatment is also given to both types of employees. Mid-career workers play an active role in their respective fields, where they make full use of the skills they have cultivated.
MHI is also actively working within and without Japan to hire personnel to deploy overseas for the global development of its business. The company is hiring overseas university students and international students studying in Japan through proactive recruitment efforts. In fiscal 2011, in addition to the same hiring activities in the U.S., the U.K., and Singapore we carried out during the previous year, MHI also implemented recruitment PR activities for the first time in Australia and Korea. This resulted in the hiring of about 40 new graduates. (Mid-career employment included one overseas university student and six people with non-Japanese citizenship.)
MHI is also promoting the employment and utilization of female workers, and the number of female managers has been increasing each year. In fiscal 2011, approximately 26 percent of new graduate and clerical recruits were women.

Rehiring all who wish to continue to work and promoting senior employee skill utilization

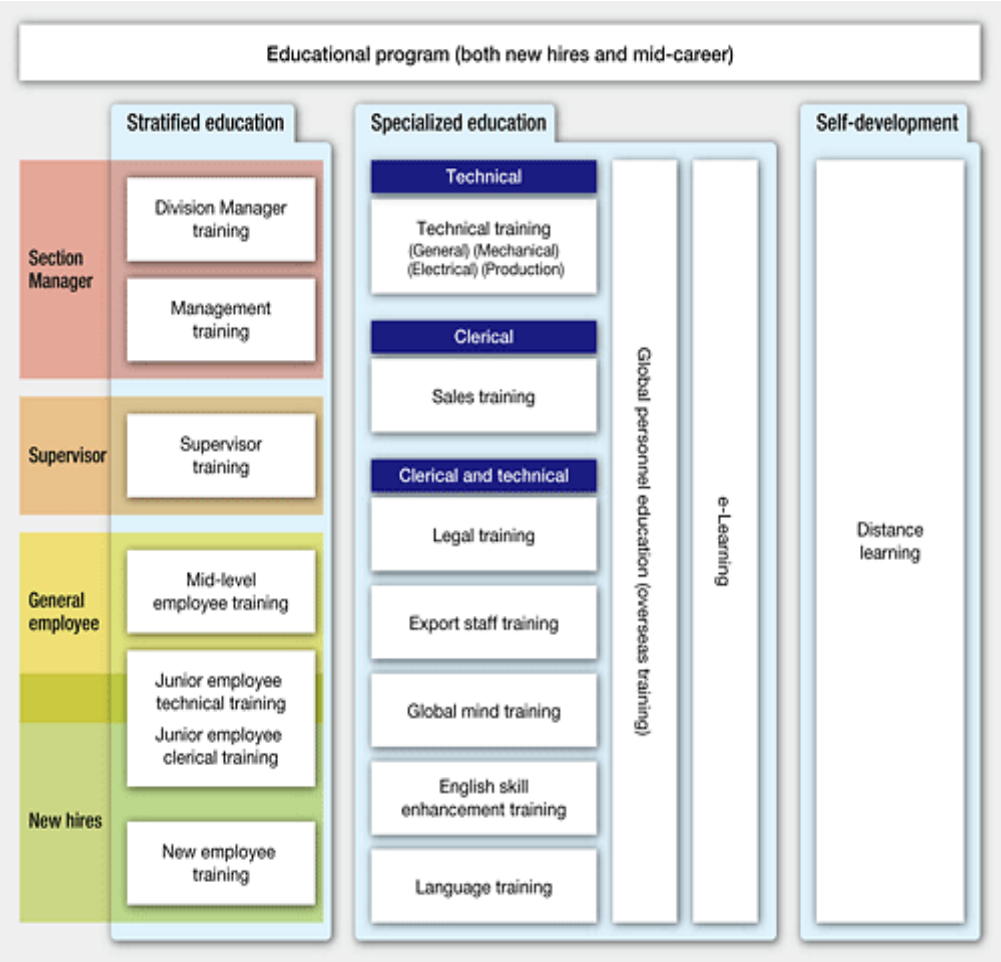
To provide a place that allows employees to demonstrate their abilities after retirement, MHI implements a rehiring system throughout the Group that, in principle, embraces all employees who wish to be re-employed. Both full- and part-time positions are available, and contracts may be renewed up until the age of 65.
As of April 1, 2012, MHI alone (excluding Group companies) has rehired approximately 2,200 employees. These re-employed workers are active as experienced professionals, and serve to transfer their skills and expertise to others.

Expansion of hiring to actualize skills of the differently-abled people

MHI works to expand job opportunities for differently-abled people and to create a suitable working environment for all employees. The Work Supporting Center was established at the Nagasaki Shipyard & Machinery Works in July 2005 to provide a workplace for carrying out the digitization of in-company materials, data entry, shipping work, and other tasks. In this way, an environment has been created where as many differently-abled people as possible can work with peace of mind.
In fiscal 2011, MHI’s efforts to promote the expansion of hiring for differently-abled people included strengthening its hiring activities by raising in-house target values for the employment of differently-abled people, utilizing an employment website for differently-abled people, collaborating with regional “Hello Work” (Employment Security Bureau) offices, and proactively utilizing various types of recruitment information such as job interview events. As a result, MHI's employment rate for differently-abled people reached 2.08 percent as of April 1, 2012, exceeding the statutory minimum of 1.8 percent. We will further increase such hiring in the future with the help of information and close cooperation with each of our main hubs.

Improving education to strengthen global responsiveness

MHI is working to improve employee capabilities and enhance education with the aim of being a global corporation that is capable of responding to changes in the rapidly transforming market. Based on on-the-job training (OJT) in workplaces, we are implementing various educational programs starting immediately after hiring according to job level and function. The main themes of education according to job level include communication skills, career design, and management. With the aim of strengthening our ability to respond to globalization, in fiscal 2011 we newly established systems including MHI Global Training (MGT), in which young employees are dispatched overseas.



Strengthening the development of junior technicians on the forefront of manufacturing

At MHI, the number of junior technicians is increasing as more baby boomers retire. For that reason there is an urgent need to train technicians who can maintain the front line of manufacturing.
To that end, we prepared textbooks that are standardized for the entire company to ensure the commonality and uniformity of education. We have also made DVDs to create digital versions of Skills of the Master manuals developed by veteran technicians. These and other efforts are to ensure the steady succession of techniques and the rapid development of junior technicians.
In addition, with the aim of improving levels of expertise and energizing our junior technicians, we hold company-wide skills contests in machine assembly, lathing, welding, and other fields. MHI is also working to improve the leadership skills of employees who serve as instructors.

Bolstering training activities for Group company employees

To reinforce the management and overall constitution of MHI Group business operations, employee education initiatives throughout the entire Group are being implemented.
In fiscal 2007, we opened an e-Learning website exclusively for Group companies, and began group training from fiscal 2009. In fiscal 2011, management and communication training was newly established for managers, deputy managers, and mid-level employees at Group companies throughout Japan. Approximately 600 people have participated in this training.

Group training for MHI Group companies

Encouraging mutual understanding through dialogue and the enhancement of personal capabilities

MHI is taking action to develop the abilities of each person, and to create working environments in which employees can perform invigorating work that is free from anxiety, by encouraging mutual understanding and trust through dialogues between supervisors and subordinates.
A common awareness of issues is created by having supervisors provide regular opportunities for dialogues based on self-reports by subordinates. Supervisors communicate with subordinates about the roles they are expected to fulfill while also paying attention to their requests and business improvement suggestions.
For example, for those working in technical and clerical divisions, MHI operates a Management by Objectives (MBO) system in which work targets are set and progress evaluations are made twice a year. In addition, in manufacturing divisions subordinates and their supervisors hold discussions once a year for the purpose of two-way communication.

360° research: a program for middle managers

MHI implements the 360° research program, in which research is conducted on evaluations of the daily speech and behavior of managers by their supervisors, colleagues, and subordinates. The results are then provided as feedback to the managers.
This research program is intended to encourage the further growth and self-improvement of managers by informing them of the various opinions and evaluations of other people, and by enabling them to identify their strengths and areas for improvement.

Basic Data

Breakdown of employees by age(FY2011)

	Under 30	30~39	40~49	50~59	60 and over
Male	8,101	9,475	6,305	5,328	429
Female	773	863	759	444	17
Total	8,874	10,338	7,064	5,772	446

Number of new graduates hired

	University	Vocational school and junior college, high school, other	Total (females in brackets)
Joined the company in April 2011	480	506	986(80)
Joined the company in April 2012	348	286	634(60)

Number of female managers (section manager and above; excluding medical staff)

April 2008	April 2009	April 2010	April 2011	April 2012
182	219	248	266	288

Number of rehired employees (excluding those from Group companies)

April 2010	October 2010	April 2011	October 2011	April 2012
1,720	1,893	2,172	2,229	2,259

Building a Better Working Environment

Supporting the balance between childcare, family care and work in various ways

In order to create an environment in which it is easy for employees to work and also have a family, MHI is making efforts to expand its various support systems that give consideration to childcare and family care.
In November of fiscal 2011, MHI newly established the child planning leave system, which can be used for infertility treatment, and the annual holiday by hour system, in which employees can use their leave in increments of one to two hours according to their circumstances for purposes such as childcare and family care, and to make it easier to commute during pregnancy by avoiding rush hour. Furthermore, the periods for family-care leave and family-care work have been expanded; and each can be used for a total of up to one year.
In addition, the systems for childcare leave, childcare and work, family-care leave, and family-care work all now exceed statutory minimums.
Information about the systems and procedures regarding childcare and family care are available on our intranet so that employees can access it easily.
Other initiatives not related to the operation of systems include holding discussion panels between individuals on childcare leave and those who have taken such leave in the past in hopes of enabling a smooth transition back to work. In the future as well, we will go beyond merely operating these systems. We will work to promote employee awareness and understanding, as well as to create comfortable workplaces with consideration given to work-life balance.

Programs that focus on work-life balance

Childcare and childbirth	Child planning leave
	Childcare leave system
	Using accumulated paid holidays for childcare purposes (Note 1)
	Childcare work shift system (shortened work hour system)
	Work leave to care for a sick child
	Special grants for employees who balance work and childcare (Note 2)
	Next generation nurturing support grants (Note 3)
	Career Return Program (Note 4)
Family care	Family-care leave system
	Using accumulated paid holidays for family-care purposes (Note 1)
	Family-care work shift system (shortened work hours system)
	Work leave to care for a family member
	Career Return Program (Note 4)
Other	Flex-time system
	Paid holiday system by half day
	Annual holiday by the hour system
	Trips and time off for longtime employees

(Note 1) Accumulated paid holidays is a system in which up to 60days paid holidays can be accumulated to use for illness, injury, childcare, family care, and other purposes.
(Note 2) Special grants for working employees who place their children in daycare provide ¥5,000 per month to working employees who place children in daycare until the end of the fiscal year in which the child reaches three years of age (approximately 830 grants paid in fiscal 2011).
(Note 3) Next generation nurturing support grants provide ¥100,000 per employee with three or more children (approximately 240 grants paid in fiscal 2011).
(Note 4) The Career Return Plan is a system that opens the door to individuals who want to reenter the company after having left due to marriage, childbirth, childcare, family care and transfer of spouse (three individuals reentered the company in fiscal 2011).

Nursery operated on the grounds of our Nagasaki Shipyard & Machinery Works

In April 2010, the Nagasaki Shipyard & Machinery Works opened the first MHI in-house nursery, MHI Kira Kids Nursery. All MHI Group employees working in the Nagasaki area can leave their pre-school-aged children at any time between 7am and 8pm.
Since opening its doors, the nursery has held various events such as parent & child picnics and Christmas parties as well as Respect-for-the-Aged events for elderly residents of the community that were well received by participants.
In addition to our goal of continuing to be a nursery well loved by employees and local residents, we look to establish nurseries at other MHI locations as well based on the performance of this nursery.

"Respect-for-the-Aged" party held for local residents

Cooking class as part of kids' food education

A Word from an Employee

Communication in workplaces is important for carrying out both work and childcare

Mina Tsuchiya (left)
Manager
Intellectual Property Strategy Group
Intellectual Property Department
Technology & Innovation Headquarters

When I gave birth to my first and second daughters, I took approximately one year off through a combination of maternity and childcare leave for each child. After I returned to work, I ended up doing different types of work than before my leave, and my range of duties was expanded. This was possible exactly because MHI is a company that deals with a diverse range of products and businesses, and also helped me continually improve my career. Therefore, I am very grateful to the company and my working environment. When raising children, one has to take many days off due to sudden illness or other reasons, so it is impossible to be employed without the understanding of people in one’s workplace. I think it is important to make efforts to communicate with one’s superiors, colleagues, and subordinates, such as by making reports on work-related and other circumstances in order to gain understanding. In the future I intend to place importance on such communication while making efforts to carry out both daily work and childcare.

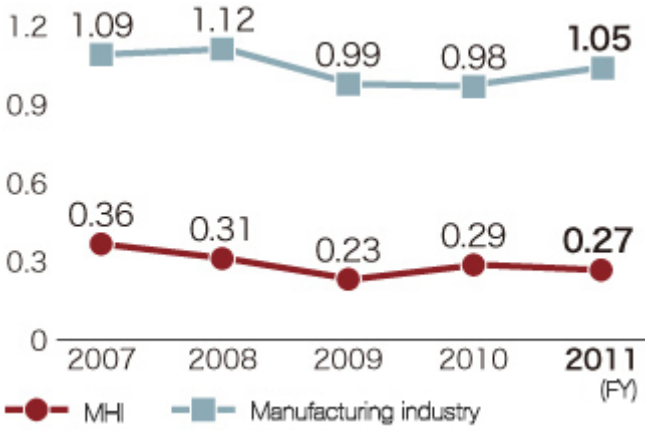
Efforts for raising awareness of human rights in individual workplaces

Since the establishment of the Committee for Raising Awareness of Human Rights in 1992, MHI has been improving awareness of human rights throughout the company. Human rights awareness training is held each year for new employees and newly appointed managerial staff, such as managers and deputy managers. This training handles themes related to human rights issues and harassment, including fundamental knowledge and points to be aware of. In fiscal 2011, approximately 1,000 new recruits and 1,500 newly appointed managers and supervisors participated in human rights awareness training.
In order to prevent "power harassment" (workplace bullying & harassment), MHI is continuing the e-Learning course that was introduced during the previous fiscal year. In addition, efforts are being made to strengthen awareness regarding the prevention of power harassment. For example, lectures were held for executives and upper management, and a new booklet was created in order to increase awareness among all employees. Moreover, new related themes in compliance promotion training were added as a continuation of the previous fiscal year.
MHI will continue working to strengthen its activities to increase awareness of human rights.

Creating safe and healthy workplaces centered on a basic policy for employee safety and health

MHI embraces a basic policy for employee safety and health founded on the following three commitments: (1) Always hold fast to the conviction that life is precious, and carry out measures that prioritize safety and are appropriate to each position and location; (2) Devote every effort to safety in creating outstanding products that contribute to the development of society; (3) Maintain awareness that sound health is the basis upon which all else depends, and ensure that all employees have comfortable workplaces that enable them to be sound in body. Based on these principles, we operate an occupational health and safety management system throughout the company to create safe, pleasant workplaces.
We will continue to further enhance our efforts aimed at reducing occupational accidents and leave due to injury or sickness.

Industrial accident frequency rate



FY	2007	2008	2009	2010	2011
MHI	0.36	0.31	0.23	0.29	0.27
Manufacturing industry	1.09	1.12	0.99	0.98	1.05

* Industrial accident frequency rate: number of deaths or injuries sustained through industrial mishaps per million hours on the job. It is calculated as follows: number of deaths or injuries sustained on the job that require one or more days of leave / aggregate number of hours worked × 1,000,000.

Risk management and training to prevent work-related accidents and injuries

In order to reduce the risk of occupational accidents, MHI makes improvements based on the results of risk assessments implemented at each works. These assessments are related to tasks and equipment, and are mainly focused on the safety and manufacturing sectors.
We are also implementing safety education for entry-level employees and other people. This education utilizes visual learning materials and hands-on equipment that makes it possible to actually experience accident simulations. This hands-on equipment has been installed at seven works including the Nagasaki Shipyard & Machinery Works and Kobe Shipyard & Machinery Works. Furthermore, in the future MHI will continue to make systematic efforts to improve equipment and update outmoded facilities in order to create safe, comfortable workplaces.

Maintaining and improving physical and mental health

At MHI, we create healthcare divisions at each works in order to proactively support employees in maintaining their physical and mental wellbeing. We carry out the maintenance of systems, as well as the drafting and unified development of measures, as part of a project to strengthen health management throughout the entire company.
Specifically, MHI is implementing health promotion measures that include health-related guidance and the setting of company-wide targets based on the Body Mass Index (BMI; a body mass index that serves as a standard for obesity, etc.). Various mental health measures are also implemented.

Health promotion and mental health measures

Health promotion measures (implemented at each office)
•Measures to prevent lifestyle diseases (implementing health-related guidance targeted at reducing the ratio of employees with a BMI of 25 or greater)
•Health lectures, health consultations
•Activities to increase health (walking rallies, athletic meets, long-distance relay races, etc.)

Mental health measures

•Primary prevention (employee education)
-Education, training
-Anti-stress measures in workplaces (stress checks)
-Interviews regarding long periods of overtime work (more than 45 hours per month)

•Secondary prevention (early detection and treatment)
-Encouraging the usage of consultation hotlines
-Strengthening cooperation with medical specialists, consultants, industrial physicians, etc.

•Tertiary prevention (screening when returning to work, the rehabilitation working program)
-Implementing work screening and the rehabilitation working program (Note) as support for returning to work
(Note) The system is set according to person's plan for returning to work, within the range of four to eight hours of designated working time, or for half-day work in either the morning or afternoon, for a period of up to three months
-Detailed follow-up after returning to work as a measure to prevent reoccurrence

Promoting communication between management and employees

MHI believes that communication between management and employees is crucial for carrying out smooth business operations. In line with this thinking, the company's intranet, corporate newsletter and other resources are fully utilized to disseminate management information and messages from top management to all employees as quickly as possible.
In addition, various labor-management consultations provide forums for management to both convey management policies and strategies as well as to hear the views of the employees to be integrated into management practices.

A Word from an Employeer

Our mission is ensuring that no accidents occur at any construction site

Yoshio Ito
Engineering Manager
Health&Safety Management Department
Engineering Headquarters

I am in charge of overall safety management for construction that is carried out overseas by the Engineering Headquarters. Our mission is to ensure that no accidents occur at any of our construction sites. Our efforts to that end include the creation of a safety management system that can be used in response to various customers, the establishment of analysis methods and structures based on numeric indices, and the provision of support for estimation projects during the planning and proposal stages. In fiscal 2011, I spent several months visiting overseas sites where accidents had occurred that resulted in employee leave. There, we achieved a total of one million work hours without a Lost Time Accident (three million hours as of May 28, 2012). We also received words of praise from customers. In the future as well, I will work to increase awareness of safety among construction managers and advisors in order to achieve no accidents for all projects.

Giving safety-related guidance at an overseas site

Forum 35

Forum 35 inspires people to work through employee exchange

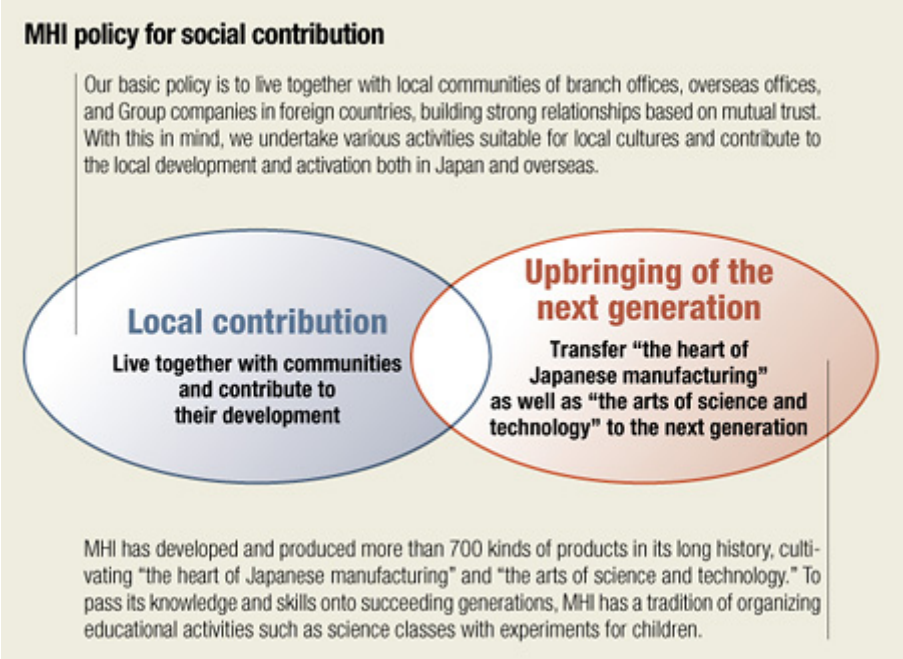
Individuals who are in their mid-thirties take great responsibility for their work as mid-level employees and play central roles at their workplaces. Forum 35 activities promote exchange between employees of this generation—around the age of 35—which surpasses the boundaries of job title and location. Through discussions about a wide range of themes related to the company and society, these activities help invigorate the organization.
Beginning in MHI's Head Office in July 2009, these activities have spread to the Nagasaki Shipyard & Machinery Works, Kobe Shipyard & Machinery Works, Yokohama Dockyard & Machinery Works, Takasago Machinery Works, Nagoya Aerospace Systems Works, Hiroshima Machinery Works, and Ritto Machinery Works. Participating employees hold periodic meetings at their locations, exchange between works and with other companies, and discussions with the president and vice presidents. The feedback received about this activities includes, "I gained a renewed understanding of the importance of the role that a manufacturer must fulfill towards society," and "I realized the broad scope of MHI's products and great technological strengths." Forum 35 has been established as an initiative that energizes the organization.

A discussion with the President & CEO and representatives from eight works

Fulfilling our Policy on Social Contribution Activities

Conducting activities that suit the characteristics of each region based on the MHI policy on Social Contribution Activities

MHI used the opportunity of the publication of the Social and Environmental Report in 2004 to formulate the basic concepts for social contribution, stated as "We are obligated to be an innovative partner to society" and "We place importance on relationships with local communities based on mutual trust."
The MHI policy for social contribution activities was released in 2007 based on extensive discussion and debate regarding the nature of public expectations as well as feedback from external sources. Various programs are being carried out in each region of Japan in accordance with the policy.



Local contribution

Live together with communities and contribute to their development
Our basic policy is to live together with local communities of branch offices, overseas offices, and Group companies in foreign countries, building strong relationships based on mutual trust. With this in mind, we undertake various activities suitable for local cultures and contribute to the local development and activation both in Japan and overseas.

Upbringing of the next generation

Transfer "the heart of Japanese manufacturing" as well as "the arts of science and technology" to the next generation
MHI has developed and produced more than 700 kinds of products in its long history, cultivating "the heart of Japanese manufacturing" and "the arts of science and technology." To pass its knowledge and skills onto succeeding generations, MHI has a tradition of organizing educational activities such as science classes with experiments for children.

Achievements Made through Social Contribution Activities (FY2011)

Expenditure of Approx.1.61B yen on Social Contribution Activities

MHI endorses the "One Percent Club," a program initiated by Nippon Keidanren (Japan Business Federation) in which participating members commit at least 1 percent of ordinary profit to social contribution activities. As a member of the One Percent Club, MHI is actively involved in a range of social contribution activities. The company reports expenditure on social contribution activities each year.
In fiscal 2010, MHI spent approximately 1.61 billion yen on social contribution activities, equivalent to 2.36 percent of ordinary profit.

Change in expenditures on social contribution activities

	FY2008	FY2009	FY2010
Academic research	128 million yen	339 million yen	247 million yen
Education	766 million yen	537 million yen	633 million yen
Community activities	131 million yen	158 million yen	141 million yen
Sports	112 million yen	114 million yen	149 million yen
Other	463 million yen	507 million yen	440 million yen
Total	1,600 million yen	1,655 million yen	1,610 million yen
Percentage of ordinary profit	2.12%	6.89%	2.36%

(Note 1) Figures include cash donations, payments in kind, activities by employees, free use of company facilities, etc., converted into monetary equivalents; activities privately performed by employees are not included.
(Note 2) Includes group companies under consolidated accounting.
(Note 3) Figures for FY2011 are now being prepared.

Selection Criteria for Donation Recipients

In addition to groups with a close business relationship with MHI, groups that perform the following activities, either in isolation or in conjunction with MHI, were chosen as the main beneficiaries of donations, in accordance with the MHI Group CSR Action Guidelines.

- Close ties with the Earth: environment preservation
- Close ties with Society: disaster relief, community work, welfare, promoting culture and the arts, international exchange and international cooperation
- A bridge to the next Generation: nurturing the next generation, academic research, boosting technical capabilities

Robust Recovery Assistance to Areas Hit by Natural Disasters

The MHI Group has long embraced a humanitarian perspective and offered assistance and support across the world in the aftermath of large-scale natural disasters.
Following the Great East Japan Earthquake on March 11, 2011, MHI donated materials and supplies as well as funds for reconstruction in order to help with the rebuilding effort. MHI employees have contributed their time to volunteer activities in disaster regions such as food preparation and distribution, cleaning work and debris removal, as well as providing science classes and charity musicals at elementary schools to support the children.

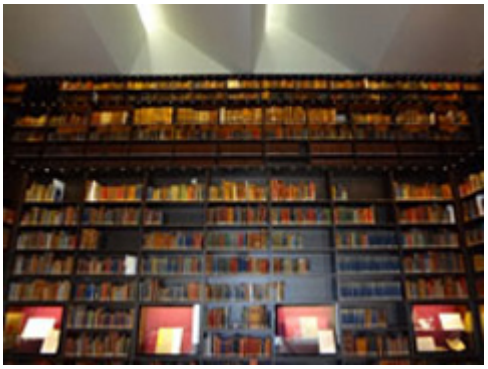
Major support activities in recent years

Year	Disaster	Scale of support	Type of support
2011	Thailand floods	45 million yen	Cash donation and supplies
	Great East Japan Earthquake	680 million yen	Solar power systems, forklift trucks and cash donation
2010	China Qinghai Earthquake	10 million yen	Cash donation
	Chile Earthquake	5 million yen	Cash donation
	Haiti Earthquake	10 million yen	Cash donation and donation of lighting towers with generators
2009	Indian Ocean Earthquake and Tsunami	3 million yen	Cash donation
	Damage from Typhoon Morakot	2.54 million yen	Cash donation
	L'Aquila Earthquake in Italy	2.54 million yen	Cash donation
2008	China Sichuan Earthquake	210 million yen	Cash donation
	Cyclone in Southern Burma	3 million yen	Cash donation
	Extraordinarily heavy snow in Southern China	1.5 million yen	Cash donation
	Iwate-Miyagi Nairiku Earthquake	2 million yen	Cash donation

Support for Culture Facilities Associated with the Mitsubishi Group

As a member of The Mitsubishi Group, MHI provides economic assistance to foundations involved in the operation of cultural and other facilities .
For example, MHI funds Toyo Bunko (The Oriental Library), the oldest and largest research library on Oriental studies in Japan (founded in 1924 by Hisaya Iwasaki, the third president of Mitsubishi). Toyo Bunko houses around one million publications including five designated national treasures and seven important cultural properties, along with valuable documents in Asian languages. Toyo Bunko is one of the five great Oriental research libraries in the world.
The Seikado Bunko Library, founded by Yanosuke Iwasaki , the second president of Mitsubishi, and his son, Koyata Iwasaki, the forth president of Mitsubishi. The Seikado Bunko Library and the Seikado Bunko Art Museum are both administered by the Seikado Foundation. The Seikado Bunko is home to some 6,500 Oriental antique pieces including seven national treasures and 83 important cultural assets, along with some 200,000 Japanese and Chinese classics.
As a member of the Mitsubishi Group, MHI has sponsored the Mitsubishi Foundation. It was founded in 1969, disburses research funding totaling 14.7 billion yen to around 3,000 selected projects, including two previous Nobel prize recipients. The Foundation has supported the work of many recipients of the Order of Cultural Merit and other culture awards. In this way, MHI contributes to improvement of Japanese scholarship, culture and social welfare.


The new Toyo Bunko building


The Morrison Collection in The Toyo Bunko


Seikado Bunko Art Museum (left) and Library (right)


Tea bowl, Yohen Temmoku, a national treasure from the collection of the Seikado

New In-house System to Promote Social Contribution Activities

MHI introduced a new in-house system in fiscal 2012 to promote active involvement in social contribution activities designed to address needs and issues of the local communities around company facilities. Under this system, time donated by company employees to volunteer work is converted to a monetary value, which is then converted to a corresponding budget allocation, which is then used to support NPOs and other local groups working to address social issues and social business, in the form of funding or employee volunteer dispatch.
In fiscal 2011, ahead of the 2012 launch of the system, MHI consulted with various bodies including municipal offices responsible for local development and social welfare committees, received introductions to NPOs active in the local community and was able to meet with them. Fifteen organizations were chosen through this process. From fiscal 2012, MHI has been working with these organizations to develop and implement social contribution activities designed to encourage employees from all works and facilities to get involved in volunteer programs.

Meeting with the local chamber of commerce and industry and forestry cooperatives
(Ritto Machinery Works)

Examples of Regional Social Contribution Activities (FY2011)

Donation of Tableware to Nursing Care Services Under the Matching Gift Program

Under the Matching Gift program operated in conjunction with trade unions, MHI commits to match employee donations by value. In fiscal 2011, the combined donations were used to purchase 1,300 items of adaptive tableware for caregiving made using MHI's shape memory polymer technology for distribution among 63 nursing care facilities in Tokyo, Kanagawa and Osaka.

'Shape-memory' tableware for caregiving

Presentation ceremony at a Tokyo nursing care facility

Digging for Potatoes with Nursery school Children

At Shimonoseki Shipyard & Machinery Works, employees prepared a sweet potato patch on idle land and planned a hands-on event for local children to dig up potatoes in order to give the children the opportunity to experience nature first-hand. In October 2011, some 70 Nursery school children from the local area helped employee volunteers dig up sweet potatoes.

Nursery school children digging up sweet potatoes

Diamond Cup Baseball Tournament for Children from a Children's Home

Every year, the baseball club and their support group at the Nagasaki Shipyard & Machinery Works together with employee volunteers stage a baseball tournament called the Diamond Cup for the benefit of children from a children's home. In November 2011, the Diamond Cup was held at the Nagasaki Prefecture Big N Stadium and was attended by about 50 children who enjoyed the great match.

Children playing at Big N Stadium

Internships for High School Students

In August 2011, the Takasago Machinery Works ran an internship program for eight high school students from Hyogo prefecture. The students enjoyed the experience, with many commenting on the "inherent pleasures of manufacturing" and the importance of safety awareness.

High school students acquiring new skills in the factory

Introduction to Manufacturing Workshop for Elementary School Students

In conjunction with the in-house Industrial Machinery Festival in July 2011, the Ritto Machinery Works put on an Introduction to Manufacturing workshop for 30 elementary school children and their parents. The children learnt about the links between wind and energy by assembling a mini-bicycle that uses wind power to light an LED and making their own wind turbines out of plastic bottles.

Children at the Introduction to Manufacturing workshop

Clean-up Campaign in conjunction with the Mt. Fuji Club

In October 2011, volunteers from the Nagoya Guidance and Propulsion System Works took part in a national cleanup campaign organized by a local NPO called the Fujisan Club (Mt. Fuji Club), which involved cleaning and tidying in the vicinity of the Works facility. Under a clear blue autumn sky, around 120 volunteers collected 60 bags worth of rubbish.

Volunteers who took part in the national cleanup campaign

Promotion of Fair Trade products

The Nagoya Aerospace Systems Works supports the work of the Fair Trade movement, which pledges to pay fair prices for agricultural products and handicrafts from developing countries in order to help producers make a living. MHI distribute pamphlets for Nepali Bazaro products sourced from Nepal, and encourage employees to become involved.

Fair Trade pamphlet

Nepali Bazaro website

A Word from a Stakeholder

We count on MHI's initiatives for local community development and improvement of social welfare.

Junko Kanamori
Secretary General Tokyo Council of Social Welfare

MHI has been supporting our work since 2004 in many ways, such as by donating food receptacles (featuring MHI shape-memory technology) and providing invitations to stage musicals.
In fiscal 2011, MHI donated 1,000 items of "shape-memory" tableware to 51 facilities for differently-abled adults and children. The tableware can be molded using hot water into a shape which is convenient for the individual user. The tableware makes mealtimes much easier for people with disabilities and has proven very popular. Recently, MHI has kindly agreed to provide additional donations of tableware designed for children in response to our requests.
The future of social welfare in Japan is a pressing issue given the declining birthrate and aging population. At a time when the bonds between people and between individuals and their communities are becoming increasingly fragile, we are especially grateful to MHI for their promotion of social contribution activities and their ongoing commitment to the Tokyo Council of Social Welfare, based on CSR principles of management, despite the difficulties posed by the 2011 earthquake and the ongoing economic recession. I look forward to the continued support of MHI for local community development and improvement of social welfare in the future.

Examples of Social Contribution Activities by MHI Group Companies (FY2011)

Environmental Slogan Competition

Mitsubishi Heavy Industries Parking Co., Ltd. is a member of the Eco-First Promotion Council and as an activity of this council, participating companies held the Forest Environmental Slogan Campaign from June to September 2011. Mitsubishi Heavy Industries Parking Co., Ltd. sponsored the MHI Parking Award for the best slogan on the importance of forests, which coincided with the United Nations International Year of the Forests. The Award attracted 558 submissions from primary and junior high school students all over Japan.
The Mitsubishi Heavy Industries Parking Award was presented to an elementary school student from Yokohama for the slogan Our future is linked to protection of forests.

Awards ceremony

(Formerly Koryo Engineering Co., Ltd.) Summer CAD Workshop for Kids

In August 2011, Koryo Engineering Co., Ltd. ran a summer CAD workshop for kids in conjunction with the summer festival at MHI Takasago Machinery Works. Children were taught how to produce CAD drawings and how to use the drawings to assemble a cardboard car. They also learned about design processes and the work of Koryo Engineering. It was an enjoyable experience for all, and there are plans to run a similar event in fiscal 2012.


Summer CAD workshop for kids

Work Experience for Junior High School Students

Ryoin has hosted work experience students from local junior high schools every year since 1989, when the company name was changed from Ryoju Printing. In fiscal 2011, which was the 24th time the work experience program was held, around 100 students from Arakawa No. 5 Junior High School attended a plant tour covering all production processes from printing and binding through to distribution. Students asked a variety of questions during the Q&A session after the tour and were presented with a commemorative calendar featuring a group photo taken on the day of the tour.

Plant tour

Proud Sponsors of the Aberdeen Festival

U.K.-based Mitsubishi Power Systems Europe Ltd. (MPSE) was the main sponsor of the Scottish Samurai Festival, held in August and September 2011 to commemorate the 100th anniversary of the death of Thomas Glover, a leading entrepreneur in Aberdeen who contributed significantly to the modernization of Japan. In addition to MPSE employees assisting with the management of the festival, the president of MPSE was personally involved in requesting cooperation from the Scottish government and soliciting sponsors. The festival was acclaimed as the largest ever held in Aberdeen.

Parade by local elementary and junior high school students

Plant tours and lecture programs

CBC Industrias Pesadas SA of Brazil conducts plant tours at the request of local universities, and also sends employees to various educational institutions to give lectures on sustainability and the environment. The company has conducted plant tours every year since 2006. During fiscal 2011, CBC Industrias Pesadas SA ran a plant tour for 40 students from the Federal University of Viçosa and provided two lectures. The company intends to keep working on similar events in the future .

Plant tour for university students

CSR Medium-Term Action Plan for FY2011 to FY2013

CSR targets for the period between FY2011 to FY2013 were established as follows based on the results of activities effected between FY2008 and FY2010

Area	Priority item (responsibility)	Medium-term targets (FY2011–2013)
CSR Promotion	Broadened CSR awareness (CSR Committee / CSR Department)	1.Penetration of global awareness towards CSR including overseas locations and Group companies 2.Global information dissemination of status of CSR activities
	Socially beneficial activities (CSR Department)	1.Proactive development of social contribution activities with the cooperation of various stakeholders 2.Examining possibilities for the globalization of social contribution activities and development of social business
	Strengthening information dissemination (Corporate Communication Department) 1.Enhancement of brand value concerning the environment 2.Promotion of IR activities 3.Improvement of the Mitsubishi Minatomirai Industrial Museum	1.Acquiring broad recognition as a global company and increasing the number of MHI fans 2.Improve timely and accurate information dissemination capabilities as per the needs of investors and strengthening in-house feedback on information to be used as reference material by management 3.Establish its role as a facility that provides opportunities for children to develop an interest in science by showing them the pleasure of manufacturing
	CSR procurement (Procurement Planning & Administration Department, Procurement & Sourcing Department)	1.Sharing values regarding the promotion of CSR activities with business partners and avoiding procurement risks with key partners 2.Effect extensive compliance and adherence to laws and regulations with regard to procurement tasks 3.Continuous compliance to environmental regulations
Compliance	Thorough compliance (Compliance Committee)	1.Decrease matters in need of improvement even at Group companies 2.Early comprehension and improvement of matters in need of improvement
	Order compliance (Order Compliance Committee)	1.Continuation of zero policy for violations to the Anti-Monopoly Act 2.Penetration of order compliance activities 3.Establishment of order compliance consciousness through awareness and educational activities
	Compliance with the Construction Business Act (Construction Business Act Compliance Committee)	1.Establishment of a self-compliance system (compliance activities incorporated in daily tasks) 2.Enhancing compliance at Group companies 3.Enhancing contract compliance with business partners
	Compliance with export-related laws and regulations (International Trade Control Committee)	1.Strengthening the export control management systems and fostering experts in export control management 2.Further continuous supports for Group companies to strengthen their export control management systems
Environment	Reduced CO_2 emissions (Environment Committee)	1.Average CO_2 emission between FY2008 and FY2012 to be reduced by 6% compared to 1990 level 2.Establish CO_2 emission reduction target until FY2020 (including Group companies) and promote reduction activities
	Group environmental management (Environment Committee)	1.Increase the Group's environmental performance data collection rate both in Japan and overseas 2.Encourage the acquisition of certifications of environmental ISO standards and others to Group companies in Japan and overseas that are consolidated
Human rights and labor	Raising awareness of human rights (Committee for Raising Awareness of Human Rights)	1.Embedding understanding and consciousness about human rights issues company-wide 2.Development of sexual harassment and "power harassment" (workplace bullying & harassment) prevention efforts 3.Establish a workplace and corporate culture where human rights issues do not arise
	Promote employment of the differently-abled people (Committee for the Promotion of Employment of the Handicapped)	1.Attainment of company-wide hiring rate of 2.2% by end of FY2013 2.Company-wide penetration of understanding and consciousness regarding the expansion of employment of the differently-abled people 3.Systematic employment in each in-house department
	Creating a better workplace (Personnel Department) 1.Enriched education 2.Strengthening mental health 3.Utilization of retired employees 4.Nurturing the next generation	1.Strengthening global human resource development based on the road map for cultivation of global human resources (G-MAP) 2.Conduct effective measures to combat mental health problems from prevention to return to work 3.Providing a place for seamless rehiring in accordance with the raising of the minimum age to receive public pension fund payments 4.Continue to maintain the next-generation accreditation mark
Product responsibility	Ensuring quality and safety of nuclear business (Managing Board for Innovation in the Nuclear Business)	1.Sophistication and continuous improvement of QMS (Quality Management System) with an eye on global business development 2.Exhibit our comprehensive technological strengths and enhance customer satisfaction 3.Increase the importance of compliance and create a culture of safety
	Product safety (Production System Innovation Planning Department)	1.Developing product safety activities within quality management 2.Steady development of product safety activities 3.Maintaining the infrastructure for product safety activities
Risk management	Risk management (Management Audit Department)	1.Communizing a consciousness for important risks among all departments and sections and establishing a risk management PDCA cycle through efficient and effective audits

Area	Priority item (responsibility)	Results from CSR activities in FY2011	CSR Action Plans for FY2012
CSR Promotion	Broadened CSR awareness (CSR Committee / CSR Department)	1.(1) Group-wide survey to understand awareness and current status of CSR in overseas Group companies (2) Briefings on group CSR policy for companies at locations in the Americas and China 2.(1) Distribution of CSR reports in Japanese and English to domestic and overseas Group employees (83,000 copies) (2) Creation of a CSR website in Chinese considered	1.(1) Continue to hold briefings for overseas Group companies (2) Consider and implement global measures for penetration of corporate culture reforms and CSR 2.(1) Publish CSR report in Japanese and English (2) Consider creating a CSR website in Chinese, and updating it alongside publication of the CSR report
	Socially beneficial activities (CSR Department)	1.(1) Establishment of a "the fund for social contributions" system (2) Holding of practical discussions with local administration and social welfare councils, NPOs, etc. in each business location area to determine how we could increase collaboration from FY2012 using the same system 2.Consideration of applicable countries/areas and activities, and NGO/NPOs we collaborate with, to implement socially beneficial activities globally using the same system.	1.Evaluate activities with affiliated NGO/NPOs and formulate plans for the nextfiscal year. Begin collaboration with an NGO/NPO for the management of the fund for social contributions 2.Improve/expand the system for the following year, based on the performance of the fund
	Strengthening information dissemination (Corporate Communication Department) 1.Enhancement of brand value concerning the environment 2.Promotion of IR activities 3.Improvement of the Mitsubishi Minatomirai Industrial Museum	1.(1) Formulation of a new corporate design and Group logo (2) Establishment of the content of the "Discover MHI" website. Content tied to MHI Graph, etc. (3) Advertising in a mixture of media (TV, newspapers, magazines, online) 2.(1) Implementation of IR by managers at major foreign investors (2) Holding of 14 briefings for individual investors (3) Opening of website for individual investors, "MHI, from the viewpoints of Energy and the Environment" (Japanese only) 3.(1) Revamped "Daily Life Discovery Zone" and "Transportation Zone" into consolidated concept (2) Establishment of "MHI Square" (3) Increased varieties of craft workshops	1.Promoting a global advertisement strategy by building an integrated corporate image 2.Hold more investor events at sites both in Japan and overseas 3.Responding systematically to both the intangible (staff training) and tangible (exhibit refurbishment) aspects
	CSR procurement (Procurement Planning & Administration Department, Procurement & Sourcing Department)	1.Implementation of successive surveys to gauge business partner involvement with CSR 2.Results and examples of improvement from procurement-related monitoring at each office to be applied to similar processes 3.Reduction of transportation energy (FY2007 basic units: 96 attained out of 100)	1.Reexamine scope and implementation method of surveys conducted at business partners 2.Monitoring of procurement-related laws and regulations and effecting improvement follow-ups 3.Reducing transportation energy
Compliance	Thorough compliance (Compliance Committee)	1.Establishment of an "MHI external contact point" 2.Formulation of company policies and measures against power harassment (workplace bullying & harassment) 3.Strengthening of Group company efforts	1.Strengthen support for overseas Group companies 2.Strengthen collaboration for crisis and risk management
	Order compliance (Order Compliance Committee)	1.Confirmation of status of implementation of rules of conduct and compliance checks, and use of special monitoring to ensure that problematic cases do not occur 2.Promotion of compliance awareness and information-sharing among related parties by establishing the Order Compliance Committee and implementing special monitoring	1.Confirm the implementation status of rules of conduct and compliance checks 2.Implement efficient and effective special monitoring 3.Promote instructional/educational activities for order compliance
	Compliance with the Construction Business Act (Construction Business Act Compliance Committee)	1.Verifying thoroughly the Installation Organizational Chart Register at the works prior to construction 2.Creation of a Group company compliance system, implementation of monitoring visits for basic compliance aims 3.Implementing continuous monitoring to ensure contracts with business partners are concluded in a timely manner	1.Implement drafting of measures for detecting problems in maintenance of Installation Organizational Chart Registers 2.Monitor current status of Group company compliance 3.Formulating measures to deal with compliance problems in contracts with business partners
	Compliance with export-related laws and regulations (International Trade Control Committee)	1. (1) Implementing common e-Learning programs in the whole company (2) Attending external training sessions (3) Promoting acquisition of export control expert qualifications 2.(1) Implementing auditing for Group companies (2) Confirming management status. Implementing regular training for Group companies	1.Continuously implement internal training at all levels 2.Promote further acquisition of export control expert qualifications 3.Continuously audit Group companies, implement regular training

Area	Priority item (responsibility)	Results from CSR activities in FY2011	CSR Action Plans for FY2012
Environment	Reduced CO_2 emissions (Environment Committee)	1.7.4% reduction of CO_2 emission (FY 2011) compared with FY1990 level 2.Upgrading of more than 823 air conditioning units based on the In-house Air-Conditioner Upgrade Plan. Verification of the effectiveness of the monitoring system introduced in FY2010 was done, and ensured adequate results.	1.Promoting CO_2 reduction measures (introduction of or upgrade to energy-saving equipment), implement upgrades based on In-house Air-Conditioner Upgrade Plan 2.Expand the monitoring system to the whole company 3.Implement regular follow-ups for reduction plans of individual works and their actual reduction performances
	Group environmental management (Environment Committee)	1.Consideration of an introduction of tool for collecting domestic and overseas Group company environmental performance data 2.Introduction of ISO environmental standards by a total of 83 domestic and 28 overseas Group companies; holding of the Environmental Meetings and the Environment Liaison Conferences for Group companies (16 participating companies)	1.Promote acquisition of environmental ISO standards, etc. for domestic and overseas Group companies 2.Promote the setting of environmental targets for overseas Group companies 3.Hold the domestic Group company environmental meetings, and hold the Environment Liaison Conferences at each overseas regional supervising office.
Human rights and labor	Raising awareness of human rights (Committee for Raising Awareness of Human Rights)	1.Incorporation of human rights education into training at all levels, and implementation without omission 2.Implementing a variety of initiatives to prevent "power harassment" (workplace bullying & harassment), including e-learning, distribution of brochures, lectures for senior executives, and provision of an external advice center	1.Hold meetings of the Committee for Raising Awareness of Human Rights 2.Introducing human rights issues in each training program and continuing implementation 3.Strengthening awareness of sexual harassment and "power harassment" (workplace bullying & harassment) prevention
	Promote employment of the differently-abled people (Committee for the Promotion of Employment of the Handicapped)	1.Implementing positive employment activities suchas adoption of the job-hunting website use and participation in job fairs, and achieving a hiring rate of 2.0% 2.Company-wide meetings of staff in charge of recruiting differently-abled persons held 3.Implementing follow-up for individual departments	Continuously implementing positive employment actions so as to achieve the target of a hiring rate of 2.1% for differently-abled people(Unify the "Committee for the Promotion of Employment of the Handicapped" and the "Committee for Raising Awareness of Human Rights" from FY2012)
	Creating a better workplace (Personnel Department) 1.Enriched education 2.Strengthening mental health 3.Utilization of retired employees 4.Nurturing the next generation	1.Implementing trials for new training, and sending 51 young employees on assignment overseas in accordance with G-MAP 2.(1) e-Learning program for managers formulated reflecting results of mental health case analyses (2) Establishing an industrial medicine conference, and creating a common checklist, etc. for the company 3.Considering possibilities for employment of retired employees, as part of system reform 4.(1) Formulating a 3rd action plan based on the Law to Promote Measures to Support Fostering Next-Generation Youths (2) Expanding systems such as establishing leave for fertility treatments (3) Implementing meetings for those taking childcare leave as a resumption of work measure	1.Fully implement global education in accordance with G-MAP 2.Strengthening mental health promotion systems and initiatives in the whole company to reduce absence due to mental health disorders (1) Promoting increased awareness of mental health initiatives among employees, and promoting effective mental health care (2) Providing a mental health advice system that is easy for employees to use 3.Continually examining possibilities for employment of retired employees, as part of system reform 4.Accelerate penetration of knowledge and understanding among employees about next-generation development and work-life balance support
Product responsibility	Ensuring quality and safety of nuclear business (Managing Board for Innovation in the Nuclear Business)	1.Decreasing US-APWR design audit suggestions through design process improvement actions, improving customer understanding etc. 2.Demonstrating our comprehensive technology for works in conformity with guidelines applying to preventative maintenance works (Alloy 600 PWSCC mitigation, etc.), recheck (back-check) of the seismic design, etc., and becoming highly-rated by our customers 3.Increasing awareness of nuclear safety and ensuring there is no unethical behavior through town hall meetings or on-site lectures on safety by senior managers, etc.	1.Continue with the "Managing Board for Innovation in the Nuclear Business", strive for better safety and quality assurance 2.Reflect on countermeasures against the cause of and restoration from the accident at TEPCO's Fukushima Daiichi Nuclear Power Station, and strive safety improvement in nuclear power plant 3.Continually strive to increase the importance of compliance and create a culture of safety
	Product safety (Production System Innovation Planning Department)	1.Implementing model product development for product safety activities (improvement of risk assessments and manuals) 2.Developing basic product safety activities (developing human resources, maintenance of standards)	1.Integrate product safety activities and development work into quality management 2.Continually develop foundation for product safety activities (developing human resources, maintenance of standards)
Risk management	Risk management (Management Audit Department)	1.Creating a shared awareness of risks and issues through discussion between General Managers/Corporate Managers and General Managers of the Management Audit Department 2.Implementing auditing for standardized processes, creating a process for controls on problems recognized by several departments	1.Proactive response through auditing for "Processes to strengthen business" 2.Implement auditing including at corporate regulatory departments for "Compliance consolidation"

Recognition from Society

Year Awarded	Month Awarded	Award Name	Organization / Item	Awarded by
2011	April	Certificate of Appreciation (for contributions to the restoration of production facilities affected by the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	Hitachi Power Systems Company, Hitachi, Ltd.
	April	Gomez Investor Relations Site Ranking for Excellent Companies 2011: 2nd Place in ranking by Sector (Machinery)	Website, Mitsubishi Heavy Industries, Ltd.	Gomez Consulting Co., Ltd.
	May	Certificate of Appreciation (for offering dormitories and company housing to victims of the Great East Japan Earthquake and providing support in various forms)	Mitsubishi Heavy Industries, Ltd.	Minister of Economy, Trade and Industry
	May	Certificate of Appreciation (for contributions to the transport of medical supplies for victims of the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	Japan Medical Association
	June	Certificate of Appreciation (for donations to the construction fund for the “Rainbow House” for child victims of the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	ASHINAGA
	June	Technology Prize, City Gas Symposium 2011	Mitsubishi Heavy Industries, Ltd.	The Japan Gas Association
	June	Certificate of Appreciation (for the Shuqaiq-II IWPP Project)	Mitsubishi Heavy Industries, Ltd.	Shuqaiq Water and Electicity Co., Saudi Arabia
	June	Certificate of Appreciation (for contributions to the transport of medical supplies for victims of the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	Japan Medical Association
	June	Atomic Energy Historic Award	Nuclear Energy Systems, Mitsubishi Heavy Industries, Ltd.	Atomic Energy Society of Japan
	June	Certificate of Appreciation (for rapid and accurate response to reconstruction work after the Great East Japan Earthquake, accomplished with no accidents or casualties)	Machineries Division, Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Kashima Kita Kyodo Power Co., Ltd.
	July	40th Japan Industrial Technology Awards, Prime Minister's Prize (for greater environmental preservation through the project to replace the Sendai thermal power generation plant)	Tohoku Electric Power Co., Inc. Mitsubishi Heavy Industries, Ltd.	Prime Minister of Japan
	July	40th Japan Industrial Technology Awards, Nikkan Kogyo Shimbun Award (for greater environmental preservation through the project to replace the Sendai thermal power generation plant)	Tohoku Electric Power Co., Inc. Mitsubishi Heavy Industries, Ltd.	Nikkan Kogyo Shimbun, Ltd.
	July	Certificate of Appreciation (for response to the Great East Japan Earthquake)	Tokyo Office, Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd	Mr. Akihiro Izumi, Director of the Yokohama National Road Office, Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	July	Certificate of Appreciation (for emergency repair work [phase 1] installing a bridge fall prevention device on the eastern Sendai-Tobu Road viaduct)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Mr.Tatsuo Suzuki, Director General of the Tohoku Regional Head Office, East Nippon Expressway Company Limited
	July	Certificate of Appreciation (for services performed in restoration work for hydraulic gates and associated equipment damaged in the Great East Japan Earthquake)	Tohoku Business Office, Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd	Ministry of Land, Infrastructure, Transport and Tourism Tohoku Regional Development Office

Year Awarded	Month Awarded	Award Name	Organization / Item	Awarded by
2011	July	Certificate of Appreciation (for contributions to repair works for gas holder damaged in the Great East Japan Earthquake)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	KimitsuWorks, Nippon Steel Corporation
	July	Good Construction Award (Yodo-gawa weir No.5 gate repair works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Kinki Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	July	Good Construction Award (Yokoyama Dam conduit gate repair works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd Chubu Business Office	Kisogawa Joryu Office , Chubu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	July	Good Construction Award (Oda drainage gate construction works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Kizugawa Joryu Office, Kinki Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	July	Safety Award (Tone-estuary weir No.8 gate repair works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Japan Water Agency
	August	Certificate of Appreciation (for early completion of a control assembly update for the Electric Power Development Co., Ltd. Matsuura Number 1 Power Station)	Mitsubishi Heavy Industries, Ltd.	J-POWER EnTech, Inc.
	August	Distinguished Service Commendation	Nishinihon Ryoju Estate Co., Ltd.	Japan Road Association
	August	Certificate of Appreciation (for active contributions to disaster relief inMinato Ward, including offering part of their offices as a refuge for those who were unable to return home at the time of the Great East Japan Earthquake)	Tamachi Building Co.	Minato Ward mayor
	September	City of Nagasaki Certificate of Commendation for Excellence in Construction	Nishinihon Ryoju Estate Co., Ltd. Earthquake-proofing works for Nishi-Urakami Junior High School buildings (1)	City of Nagasaki
	September	City of Nagasaki Certificate of Commendation for Excellence in Construction	Nishinihon Ryoju Estate Co., Ltd. 200 diameter waste water pipe propulsion works in Tadewara (2)	City of Nagasaki
	October	Certificate of Appreciation (for contributions to the rapid restoration of the Sendai Port North toll gates and early road opening of the Sanriku Expressway damaged in the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	Tohoku Regional Head Office, East Nippon Expressway Company Limited
	October	Good Eco-commuting Office	Yokohama Dockyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Conference on Promotion of Public Transportation, Foundation for Promoting Personal Mobility and Ecological Transportation
	October	Encouragement Award (for successful completion without accidents or casualties of a 150,000 m3 BFG holder construction works at Nippon Steel Corporation Kimitsu Works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Chiba Labour Bureau, Ministry of Health, Labour and Welfare
	November	Certificate of Appreciation (for cooperation in the outdoor exhibition of the H-IIB rocket strength testing model and Kibo pressurized module structural testing model on the occasion of the opening of the new hall at the Nagoya City Science Museum)	Mitsubishi Heavy Industries, Ltd.	City of Nagoya

Year Awarded	Month Awarded	Award Name	Organization / Item	Awarded by
2011	November	Kyushu District Transport Bureau Commendation for Environmental Preservation (energy saving) (Air Lubrication System (MALS))	Mitsubishi Heavy Industries, Ltd.	Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	November	BEST OEM Award, First Prize (for training of technical advisorsand cooperation in maintenance)	Mitsubishi Heavy Industries, Ltd.	Tenaga Nasional Berhad (electrical utility company),Malaysia
	November	1st Place in Corporate websites ranking in all listed companies in Japan by Sector (Machinery)	Website, Mitsubishi Heavy Industries, Ltd.	Nikko Investor Relations Co., Inc.
	November	Letter of Commendation (for contributions to environmental preservation through the construction of a ship equipped with environmentally friendly energy-saving technology)	Nagasaki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	November	Certificate of Appreciation for Participation in Kids Energy Quest	Yokohama Dockyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Japan Office, World Food Programme, United Nations
	November	Good Office for 3R Dream 3R Activity, Yokohama Environmental Action Award (7th consecutive year)	Kanazawa Plant, Yokohama Dockyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Resources & Waste Recycling Bureau, City of Yokohama
	November	Good Office for 3R Dream 3R Activity, Yokohama Environmental Action Award (6th consecutive year)	Honmoku Plant, Yokohama Dockyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Resources & Waste Recycling Bureau, City of Yokohama
	November	Designated “2011 Model Office for Promotion of Corporate Volunteer Activity”	Shimonoseki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Yamaguchi Prefecture Council on Social Welfare
	November	Certificate of Appreciation (for contributions to the smooth operation of customs administration by the Japan Tariff Association Kobe Branch Hiroshimacouncil)	Hiroshima Machinery Works, Mitsubishi Heavy Industries, Ltd.	Kobe Customs Office, Ministry of Finance
	November	3rd Enviromental Economics Award “Grand Prize” (development of large offshore wind turbines for UK offshore wind power generation)	Wind Turbine Business Division, Power Systems , Mitsubishi Heavy Industries, Ltd.	EC Study Group (NPO)
	November	3rd Enviromental Economics Award “Grand Prize”	Wind Turbine Business Division, Power Systems , Mitsubishi Heavy Industries, Ltd.	EC Study Group (NPO)
	November	Certificate of Appreciation (for completion of delivery of Type 90 tanks)	General Machinery & Special Vehicles, Mitsubishi Heavy Industries, Ltd.	Director General, South Kanto Defense Bureau, Ministry of Defense
	November	Certificate of Appreciation (for contributions to reconstruction work at the Kirin Beer Sendai Brewery damaged in the Great East Japan Earthquake)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Sendai Brewery, Kirin Brewery Company, Limited
	November	Japan Construction Engineers’ Association Award (Mogamigawa Nagai Dam construction works)	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Japan Construction Engineers' Association
	November	Certificate of Appreciation (for ensuring quality assurance during major maintenance of boiler 3 in a short works period, accomplished with no accidents or casualties)	Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Chiba Works, Sumitomo Chemical Co., Ltd
	November	Sagamihara Chamber of Commerce and Industry Commendation for Office with Good Environmental Measures	Sagamihara Office, Ryoju Estate Co., Ltd.	Sagamihara Chamber of Commerce and Industry

Year Awarded	Month Awarded	Award Name	Organization / Item	Awarded by
2011	November	Certificate of Appreciation (for contributions to the development of community safety and the creation of a more beautiful environment in Shiba area, Minato Ward, Tokyo)	8 Companies of the Mitsubishi Heavy Industries Group	Minato Ward Shiba Area Council for the Promotion of Community Safety and Beautification of the Environment
	December	Certificate of Appreciation (for contributions to resolution and restoration after TEPCO's Fukushima Daiichi Nuclear Power Station Acccident)	Mitsubishi Heavy Industries, Ltd.	Tokyo Electric Power Company, Incorporated
	December	Certificate of Appreciation (for contributions to reconstruction work at the Tohoku Electric Power Co., Inc.Shin-Sendai thermal power generation plant damaged in the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd.	Shin-Sendai thermal power generation plant, Tohoku Electric Power Co., Inc.
	December	2011 Best Internet IR Company Award	Website, Mitsubishi Heavy Industries, Ltd.	Daiwa Investor Relations Co.Ltd.
	December	Excellent site, 5th Japan Web Grandprix, Concept and Architecture Section	Discover MHI front page, Website, Mitsubishi Heavy Industries, Ltd.	Japan Web Grandprix Office
	December	Excellent site, 5th Japan Web Grandprix, Content Planning and Writing (BtoB) Section	Discover MHI “The Pilot’s Story”, Website, Mitsubishi Heavy Industries, Ltd.	Japan Web Grandprix Office
	December	Special award, 5th Web Grandprix, Asakawa Award (Accessibility Award)	Discover MHI front page, "MHI Graph", “The Pilot’s Story”, Website, Mitsubishi Heavy Industries, Ltd.	Japan Web Grandprix Office
	December	Certificate of Commendation From the Chairman of the Tokyo Council of Social Welfare (for contributions to social welfare projects)	Mitsubishi Heavy Industries, Ltd.; Head Office Branch of Mitsubishi Heavy Industries Workers' Union	Chairman of the Tokyo Council of Social Welfare
2012	January	Certificate of Appreciation (for contributions to the restoration and revival of both the lives of disaster victims and of disaster areas affected by the Great East Japan Earthquake through the donation of air conditioning equipment)	Mitsubishi Heavy Industries, Ltd.	Iwate Prefecture
	January	Certificate of Appreciation (for contributions to the promotion of police activities)	Nagoya Guidance & Propulsion Systems Works, Mitsubishi Heavy Industries, Ltd.	Aichi Police Headquarters, Komaki Police Station
	January	Certificate of Appreciation (for contributions to support for flood disaster measures in the Bangkok area by the Thai government)	Diamond Air Service Incorporation	Space Applications Mission Directorate, Japan Aerospace Exploration Agency
	January	Certificate of Appreciation (for completion of reconstruction work at the Shin-Sendai thermal power generation plant)	East Japan Office, Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Shin-Sendai thermal power generation plant, Tohoku Electric Power Co., Inc.
	February	Certificate of Appreciation (for contributions to reconstruction work at the Tohoku Electric Power Co., Inc. Sendai thermal power generation plant damaged by the Great East Japan Earthquake)	Mitsubishi Heavy Industries, Ltd. and other companies	Sendai thermal power generation plant, Tohoku Electric Power Co., Inc.
	February	Certificate of Appreciation (for contributions to the realization of the Great East Japan Earthquake relief “Invite the Children of Rikuzentakata to Nagoya Project”)	Nagoya Aerospace Systems Works, Mitsubishi Heavy Industries, Ltd.	City of Nagoya
	February	Certificate of Appreciation (for delivery of equipment including 128 accelerating tubes and 64 pulse compression devices for the installation of the SACLA X-ray free electron laser facility)	Mitsubishi Heavy Industries, Ltd.	RIKEN, Japan Synchrotron Radiation Research Institute

Year Awarded	Month Awarded	Award Name	Organization / Item	Awarded by
2012	February	Competition of Urban View Plans of Nagasaki City, Historic Section	Archives, Nagasaki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	City of Nagasaki
	March	Certificate of Appreciation (for contributions to reconstruction work on the Soma Kyodo Power Company thermal power generation Shinchi Power Station damaged in the Great East Japan Earthquake, leading to resumptionbefore the end of 2011)	Nagasaki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Soma Kyodo Power Company, Ltd.
	March	Commendation from the Governor of Yamaguchi Prefecture (Fire Volunteer Office)	Shimonoseki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Governor of Yamaguchi Prefecture
	March	Yokohama Industrial Development Corporation Reconfirmation of Highest Position (2nd consecutiveaward)	Yokohama Dockyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Yokohama Industrial Development Corporation
	March	Certificate of Appreciation (for contributions to reconstruction work on the Soma Kyodo Power Company thermal power generation Shinchi Power Station damaged in the Great East Japan Earthquake, leading to resumption before the end of 2011)	Machinery & Steel Infrastructure Sytems, Mitsubishi Heavy Industries, Ltd.	Soma Kyodo Power Company, Ltd.
	March	Certificate of Appreciation (for contributions to the early restoration of airport equipment damaged in the Great East Japan Earthquake)	East Japan Office, Mitsubishi Heavy Industries Engine Systems Co., Ltd	Tokyo Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	March	Certificate of Appreciation (for third consecutive year of participation and cooperation with the “Stop! Smoking as You Walk Campaign”)	Mitsubishi Heavy Industries Group, TamachiArea	Minato Ward Shiba Area Council for the Promotion of Community Safety and Beautification of the Environment
	March	2011 Kanagawa Global Environment Award “Kanagawa Global Environment Award”	Ryonichi Engineering Co., Ltd.	Kanagawa Council for the Promotion of Environmental reservation,Kanagawa Prefecture

Progress toward a Sustainable Society

MHI's Activities (●Society / : ■Environment)		Year	Major Events in Japan and Abroad (●Society / : ■Environment)			
				Japan		World
					1948	●Universal Declaration of Human Rights.
			1967	■Institution of Basic Law for Environmental Pollution Control.		
1970	■Completion of Japan's first PWR power plant.	1970				
			1971	■Establishment of Environment Agency.		
					1972	■United Nations Conference on the Human Environment convenes in Stockholm. ■Adoption of Statement for Human Environmental Quality. ■Establishment of United Nations Environment Programme (UNEP).
1973	■Inauguration of Environment Management Department.					
					1976	●OECD Guidelines for Multinational Enterprises issued.
1977	●Development of "Basic Guidelines for Safety & Health Management."					
1978	■Creation of Environmental Manager Conferences.					
1980	●Establishment of Committee on Promotion of Training in the Dowa Issue.	1980				
					1981	●Convention on the Elimination of All Forms of Discrimination against Women went into effect. ●International Year of Disabled Persons.
			1985	●Enactment of Equal Employment Opportunity Law.		
1987	●Establishment of Export-related Regulations Monitoring Committee.				1987	■Enactment of Ozone Layer Protection Law.
			1988	■Launch of In-house Conference on CO2 Measures and In-house Conference on CFC Measures.		
1989	■Launch of Inhouse Conference on CO2 Measures and In-house Conference on CFC Measures.					

MHI's Activities (●Society / : ■Environment)		Year	Major Events in Japan and Abroad (●Society / : ■Environment)			
				Japan		World
		1990			1990	●Institution of Americans with Disabilities Act.
			1991	■「Establishment of Keidanren Global Environmental Charter. ●Establishment of Keidanren Charter of ●Enactment of Child Care Leave Law.		
1992	●Committee on Promotion of Training in the Dowa Issue renamed Committee for Raising Awareness of Human Rights. ●Establishment of Committee for the Promotion of Employment of the Handicapped.		1992	■Ministry of International Trade and Industry requests Voluntary Plan on the Environment.	1992	■United Nations Conference on Environment and Development (Earth Summit) convenes in Rio de Janeiro; adoption of Rio Declaration on Environment and Development and Agenda 21.
1993	■Formulation of voluntary plan entitled, "Our Approach to Environmental Problems."		1993	■Enactment of Basic Environmental Law.		
					1994	●Caux Round Table draws up Principles for Business.
			1995	●Child Care Leave Law revamped into Child Care and Family Care Leave Law.	1995	■1st Conference of the Parties to the United Nations Convention on Climate Change (COP1) convened in Berlin.
1996	■Formulation of Environmental Policies and establishment of Environment Committee.		1996	●Revision of Keidanren Charter of Corporate Behavior.	1996	■ISO 14001 is instituted. ■2nd Conference of the Parties to the United Nations Framework Convention on Climate Change (COP2) convened in Geneva.
1997	■Acquisition of ISO 14001 certification by Yokohama Machinery Works, a first for Japan's heavy industry manufacturers. ■Launch of R410Acompatible airconditioners. (R410A: new type of environment-friendly refrigerant)		1997	■Formulation of Keidanren Voluntary Action Plan on the Environment.	1997	■3rd Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3) convened in Kyoto.
1998	■Development of system that thermally decomposes PCBs contained in industrial effluents.		1998	■Enactment of Law Concerning the Promotion of Measures to Cope with Global Warming. ●Enactment of Law to Promote Specified Nonprofit Activities.	1998	■4th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP4) convened in Buenos Aires.
1999	■Delivery of combined-cycle power plant incorporating the M701G gas turbine, featuring the world's highest efficiency rating.		1999	■Enactment of Pollutant Release and Transfer Register (PRTR) Law.	1999	■5th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP5) convened in Bonn.

MHI's Activities (●Society / : ■Environment)		Year	Major Events in Japan and Abroad (●Society / : ■Environment)			
				Japan		World
2000	■ISO 14001 certification acquired by all production bases (13 works).	2000	2000	■2000 Enactment of The Basic Law for Establishing a Recycling-based Society. ■Revision of Law for the Promotion of Recycled Resources Utilization. ■Enactment of Construction Material Recycling Law, Food Recycling Law and Law on Promoting	2000	■6th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP6) convened in The Hague. ●United Nations Global Compact is instituted. ●Issuance of GRI Sustainability Reporting Guidelines Version 1.
2001	■Acquisition of ISO 14001 certification by Engineering Department. ●Establishment of Compliance Committee.		2001	■Establishment of Ministry of the Environment. ■Enactment of Law Concerning Special Measures against PCB Waste. ■Enactment of Fluorocarbons Recovery and Destruction Law.	2001	■7th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP7) convened in Marrakech. ●ISO Council launches feasibility study on establishing international CSR standards.
2002	■Establishment of medium- to longterm environmental activity goals.		2002	■Ratification of Kyoto Protocol. ■Enactment of Soil Contamination Countermeasures Law. ●Nippon Keidanren revamps Keidanren Charter of Corporate Behavior into Corporate Behavior Charter. ●First meeting of CSR Standardization Committee held by Ministry of Economy, Trade and Industry.	2002	■World Summit for Sustainable Development convened in Johannesburg. ■8th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP8) convened in New Delhi. ●GRI Sustainability Reporting Guidelines Version 2 released.
2003	●Establishment of Construction Business Act Compliance Committee.		2003	■2003 Trial project for trading of greenhouse gas emissions implemented by Ministry of the Environment. ■Emissions standards for diesel vehicles tightened. ■Revision of Waste Management and Public Cleansing Law. ●Japan Committee for Economic Development releases 15th Corporate White Paper, entitled, "Evolution of Market and Social Responsibility-Minded Business Management."	2003	■First study meeting held to discuss treaty on safety of radioactive waste management. ■9th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP9) convened in Milan.
2004	●Joined United Nations Global Compact initiative. ●Establishment of Managing Board for Innovation in the Nuclear Business.				2004	■Tenth item (on corruption prevention) added to United Nations Global Compact. 10th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP10) convened in Buenos Aires.
2005	●Introduction of Executive Officer system. ●Establishment of Internal Audit Department. ●Establishment of CSR Center. ●Establishment of Order Compliance Committee.		2005	●Enactment of Act on the Protection of Personal Information.	2005	■Kyoto Protocol goes into force. ■11th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP11) and the 1st Meeting of the Parties to the Kyoto Protocol (COP/MOP1) convened in Montreal.

MHI's Activities (●Society / : ■Environment)		Year	Major Events in Japan and Abroad (●Society / : ■Environment)			
				Japan		World
2006	■Acquisition of ISO 14001 certification by Head Office (including branch offices). ●Establishment of CSR Committee. ●Establishment of CSR Department.	2000	2006	●Enactment of New Company Law. ●New National Energy Strategy formulated.	2006	●GRI Sustainability Reporting Guidelines Version 3 released. ■12th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP12) convened in Nairobi. ■EU announced target of reducing CO2 emissions by 20% compared to 1990 levels by 2020.
2007	●Establishment of CSR Action Guidelines.		2007	■21st Century Environmental Nation Strategy formulated. ●Enactment of the revised Consumer Products Safety Law.	2007	■Fourth Assessment Report released by the United Nations Intergovernmental Panel on Climate Change (IPCC).
2008	●Development of CSR Action Plan.		2008	●Application of internal control report system based on the Financial Instruments and Exchange Act (J-SOX) started. ●Holding of the G8 Hokkaido Toyako Summit. ■Revision of Act Concerning the Rational Use of Energy.		
			2009	■Revision of Soil Contamination Countermeasures Law.	2009	●The Green New Deal advocated by the U.S. is embraced by countries across the globe.
2010	■Achievement of zero emission at all locations ●Establishment of the Accident Exhibit and Materials Room ●Establishment of the CSR Promotion Section of the Presidential Administration Office	2010	2010	■Cabinet determines Basic Law for Prevention of Global Warming ■Cabinet determines 2010 National Strategy for the Conservation and Sustainable Use of Biological Diversity ■Revision of the Waste Disposal Act ■Revision of the Air Pollution Control Law ■Revision of the Water Pollution Prevention Act	2010	■15th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) convened in Copenhagen. ■COP10 10th Conference of the Parties to the Convention on Biological Diversity held in Nagoya Adoption of the Nagoya Protocol and Aichi Target ●■CSR Standards (ISO 26000) issued
2011	■Implementing Energy-saving Measures at All Works		2011	■Decision to introduce an environmental tax for measures against global warming ■Feed-in Tariffs for renewable energy ●Establishment of Principles for Financial Action towards a Sustainable Society	2011	■International energy management standard (ISO 5001) issued ■UN International Year of Forests ■Corporate Value Chain (Scope 3) Accounting and Reporting Standard ■17th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP17) convened in Durban ■GRI Sustainability Reporting Guidelines version 3.1 released

Main Third-party Opinions on Past CSR Reports and Our Responses

Main opinions on the 2011 report and our responses

1. CSR is now recognized as representative of values shared worldwide in this era of globalization, particularly with the publication of ISO 26000. We have high expectations for a CSR report from one of Japan's leading companies.
   In the 2012 Report
   We discuss CSR activities that are the target of great interest from society and that are also highly important to MHI. We have included more examples of CSR activities at overseas locations, combined with real-life stories that allow our outside stakeholders and employees to be heard. We place great importance on the ISO 26000 standard as part of the global development of CSR. In this report, we show how we have engaged in dialogue with outside experts who could be helpful with certain important initiatives while contributing to communities, providing ongoing assistance to disaster-hit areas, and otherwise involving ourselves with communities.
2. We'd like to see more regarding the social significance (efforts to achieve sustainability) that can be found in your wide-ranging core business itself.
   In the 2012 Report
   To realize a future that is sustainable for the Earth and all its inhabitants we have introduced the "MHI Environmental Vision 2030" and opened discussions with outside experts. In Close Ties with the Earth, a special feature in the 2012 CSR Report, we look at thermal power plants in China and India and how they are contributing to the solution of energy issues. In Close Ties with Society, we highlight the ways in which fertilizer plant projects are contributing to solving food problems. And in A bridge to the next Generation we demonstrate testing in Japan and Spain of emerging 'smart communities' and smart cities attuned to energy and environmental demands.
3. We want to see greater collaboration with the NPOs and NGOs whose activities were spotlighted during the aftermath of the Great East Japan Earthquake.
   In the 2012 Report
   The report features the charity musical hosted in collaboration with the Poplar Theater Company and our employees' volunteer activities, as part of Continuing Disaster Recovery Support. Also, in Social Contribution Activities we reveal a new system aimed at supporting NPOs and other local groups who are addressing social issues and social business. Every office will plan and implement activities using this system from fiscal 2012 onwards.

Main opinions on the 2010 report and our responses

1. In order to improve your report, please include opinions and comments from society and bring in stakeholders to participate.
   The 2011 report has contributions from various stakeholders, including customers and school teachers both in Japan and overseas. These can be found in the Feature Article, the social responsibility reports Commitment to our Customers, Commitment to our Shareholders & Investors and Contributions to Society. In A bridge to the next Generation, we feature dialogues with NPOs and elementary school head teachers as well as other material created with the cooperation of stakeholders.
2. I would like to see the same report issued and appreciated worldwide.
   The 2011 report contains details on CSR activities at overseas locations in the Feature Article entitled Close ties with Society such as MHI's involvement with the community in Thailand, the volunteer work done by its locally hired employees there and donations for the construction of a new elementary school.
3. I would like your report to show us what kind of attitude your employees have toward their own job at MHI and whether they feel any social significance in what they do.
   The Feature Article and Employees Introduce Our CSR Activities in the 2011 report include stories about the achievements of employees who take every opportunity to engage in CSR activities to lift morale at work and details about those CSR activities themselves.

Main opinions on the 2009 report and our responses

1. Please make it easier to understand for lay people, more interesting and improve readability.
   The 2010 report includes a section entitled Dialogue by renowned journalist Akira Ikegami, who is committed to describing difficult subjects simply, written in a way so that management's concepts and stance towards CSR are conveyed clearly. We also made efforts to improve general readability such as increasing the size of the print and photos.
2. You should have more reactions from people where CSR activities were conducted.
   The 2010 report includes a new page entitled, "Employees Introduce Our CSR Activities" featuring contributions from employees involved in CSR activities on-site.
3. I would like the report to include independent mid- to long-term CO_2 reduction targets as well as the formulation and announcement of a road map for the attainment of targets based on MHI technology.
   In the 2010 report, the section entitled Dialogue describes in detail our CO_2 reduction targets and the annual amount of CO_2 eliminated through the use of our products.

Main opinions on the 2008 report and our responses

1. I would like to see your report include MHI's vision for a long-term energy mix.
   In the 2009 report's feature article entitled Close ties with the Earth lays out MHI's vision regarding a long-term energy mix through the realization of the 3E's, namely energy security, environmental protection and economic sustainable growth.
2. The report should include MHI's efforts to support labor, human rights and coexistence with the community on-site.
   The 2009 report's feature article, Close ties with Society, describes on-site occupational accident prevention measures and safety training as well as efforts to maintain good relations with locally hired staff.
3. Please include information on the defense industry.
   The 2009 report's article Commitment to our Customers provides insight on MHI's concept and stance regarding the defense industry as well as some of the equipment we provide the military.

Third-Party Opinions, Acting on Third-Party Opinions

Third-Party Opinions

Masayasu Kitagawa
Professor, Graduate School of Public Management, Waseda University

Matsuo Basho, the famed master of haiku poetry, is said to have described the foremost principle of his art as seeking fluid transitions within the context of underlying immutability.
MHI has a praiseworthy business creed conceived on the basis of the three principles of its founders (= the immutable aspect) defining what the company's fundamental stance should be, the disposition its employees should adopt, and the direction the company should aspire to in the future. In this CSR Report, I sense a true reflection of the management positions taken by the company (= fluid transitions), including its mistakes, taken over time in order to maintain and cultivate this creed. I also recognize MHI's sincere desire to have the report's content evaluated not only internally within the organization but also externally by society as a whole. All conditions of a CSR report conceivable today have been met, and the report is of a very high level.
Like MHI's corporate culture, the company's CSR Report is scientific, technical and solid. Although I was able to read it without any gnawing doubts or questions, I felt that its overall tone was restrained and perhaps could benefit from a bit more content of great interest or excitement.I would suggest including more about progress being made in amazing technologies, the breadth of the company's areas of activity, its severe stance toward itself and its social contributions, writing more aggressively and in an easy-to-understand format so that third parties who read the report for the first time might find it enjoyable and a breakthrough in the CSR report genre.
Today science and technology are marking phenomenal progress, and massive changes are frequently occurring on global scale that demand reworking from the very core how governments, economies and societies operate. Japan too today faces strong calls for radical structural changes on all fronts. MHI is being called on, more than ever before, to take the global lead in technological innovations – both software and hardware; and along with those demands, expectations vis-à-vis social responsibility exceed the parameters of any one company. I hope that MHI will forge a new axis transcending the traditional concepts of CSR reports based on all-new ideas, and that it will create a CSR report to show the way how such reports should be done in Japan, and thus open the way for Japanese CSR reports in turn to lead the world.

Kumi Fujisawa
Vice President, Think Tank SophiaBank

Today, a year after Japan's earthquake disaster, recovery is still under way in the affected region. High hopes are held toward MHI and the contributions the company can make as an exporter of infrastructures, a segment that forms one of Japan's core strategies for achieving national growth.

The company's preparation of its "Environment Vision 2030" at this critical juncture is thus perfectly timed. The emerging economies to which Japan exports infrastructures in particular are not interested in creating cities identical to the existing cities in the developed countries. What many rising nations today seek are smart communities: environment-conscious cities with an eye on the future. MHI's "Environment Vision 2030" enables visualization of all elements vital to the creation of such cities, and also allows us to imagine the achievement of smart communities of a kind withoutprecedence.

Visually identifiable technologies aren't the only thing demanded of Japanese companies, however. They are also called on to export the social norms and lifestyles nurtured over time by Japan: the world's cleanest, safest, most convenient and attractive cities, where all citizens can receive a high level of education and have the opportunity to perform high-level jobs. How to bring added values to the creation of infrastructures and cities – "invisible" values as to how people live and work in ways supportive of society, for example through educational systems, mutual aid systems, systems implemented at the workplace and so on – is an area in which Japanese firms can predominate over other global companies.

The way every MHI employee carries out his job with the company's export partner nations is itself a significant export product and contribution. In that respect I think the essence of how they do so has been amply incorporated into this year's CSR Report. The report included many remarks by MHI employees working around the world and by its business partners, giving voice to "the meaning" behind why they work.

Today, in our globalized world, the time has come when, through its business operations, MHI can convey and implement its business creed – based on Mitsubishi's "Three Corporate Principles" – to achieve a sustainable society not only in Japan but worldwide. This more than anything else will serve as MHI's contribution to the world in the truest sense. I greatly hope MHI will make those results visible in next year's report.

Acting on Valuable Opinions

Shunichi Miyanaga
Senior Executive Vice President
Executive Officer in Charge of CSR

In keeping with the spirit expressed in its corporate creed, MHI believes that providing products and technologies indispensable to social infrastructure, industry and everyday lives, and contributing to a secure future for mankind and the Earth, are the fundamental principles of the company's CSR.
In this report serving as a communication tool to convey to all our stakeholders our pride and responsibility in manufacturing, we report on activities that are of great interest from society and are also highly important to the company. We have incorporated, more than ever before, examples of our overseas activities and specific anecdotes by external stakeholders and employees.
This year Mr. Kitagawa and Ms. Fujisawa gave high marks to our disclosure of the information society is seeking and the numerous messages incorporated by external stakeholders and employees. They also suggested the need for more straightforward reporting and expressed their hopes that through our core business operations we will continue to convey the spirit of our business creed to society at large, and that we will aspire to be a global leader. On the back of such encouragement all employees will strive to cultivate the spirit of the company's creed in order to maintain MHI's superlative technological capabilities and perform global business activities in these times of rapid change.
In a quest to respond to the expectations of society and become a global company that is trusted even more by all its stakeholders, we will continue to place CSR at the heart of our business operations and make ongoing contributions toward the sustainable development of the global community.

GRI Guideline Comparison List

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
1.Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	-	3-6 (Dialogue)
1.2	Description of key impacts, risks, and opportunities.	-	3-6 (Dialogue) 7-8 (MHI Environmental Vision 2030) 11-12 (CSR of the MHI Group) 66-68 (Targets and Progress) 137-139 (CSR Action Plans)
2.Organizational Profile			
2.1	Name of the organization.	-	27-34 (Overview of the MHI Group)
2.2	Primary brands, products, and/or services.	-	27-34 (Overview of the MHI Group)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	-	38 (New Organizations and Measures Concerning Business and Management)
2.4	Location of organization's headquarters.	-	27-34 (Overview of the MHI Group)
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	-	27-34 (Overview of the MHI Group)
2.6	Nature of ownership and legal form.	-	27-34 (Overview of the MHI Group)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	-	27-34 (Overview of the MHI Group)
2.8	Scale of the reporting organization.	-	27-34 (Overview of the MHI Group)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	-	38 (New Organizations and Measures Concerning Business and Management)
2.10	Awards received in the reporting period.	-	140-144 (Recognition from Society)
3. Report Parameters			
Report Profile			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	-	1 (Editorial Policy)
3.2	Date of most recent previous report (if any).	-	1 (Editorial Policy)
3.3	Reporting cycle (annual, biennial, etc.)	-	1 (Editorial Policy)
3.4	Contact point for questions regarding the report or its contents.	-	(Back Cover)
Report Scope and Boundary			
3.5	Process for defining report content	-	1 (Editorial Policy)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	-	1 (Editorial Policy)
3.7	State any specific limitations on the scope or boundary of the report.	-	1 (Editorial Policy)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	-	-
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	-	1 (Editorial Policy) 70-71 (Environmental Accounting)
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	-	-

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	-	-
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	-	(GRI Guideline Comparison List)
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	-	151-153 (Third-Party Opinions, Acting on Third-Party Opinions)
4. Governance, Commitments, and Engagement			
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	-	36-37 (Current Status of Corporate Governance and Internal Controls) 39-40 (Promoting Comprehensive and Strategic CSR Activities) 41-44 (Activities of Major Related Committees in Fiscal 2011)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	-	36-37 (Current Status of Corporate Governance and Internal Controls)
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	-	36-37 (Current Status of Corporate Governance and Internal Controls)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	-	36-37 (Current Status of Corporate Governance and Internal Controls) 118-123 (Building a Better Working Environment)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	-	36-37 (Current Status of Corporate Governance and Internal Controls)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	-	-
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	-	-
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	-	1 (Creed) 7-8 (MHI Environmental Vision 2030) 11-12 (CSR of the MHI Group) 49-50 (Improving Compliance Principles/Guidelines) 58-60 (Environmental Management Promotion System) 66-68 (Targets and Progress) 110 (Fair Dealing) 111-112 (Promoting CSR Procurement) 125 (Fulfilling our Policy on Social Contribution Activities) 137-139 (CSR Action Plans)

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.	-	3-6 (Dialogue) 11-12 (CSR of the MHI Group) 36-37 (Current Status of Corporate Governance and Internal Controls) 39-40 (Promoting Comprehensive and Strategic CSR Activities) 41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 58-60 (Environmental Management Promotion System)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	-	-
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	-	3-6 (Dialogue) 38 (Risk Management) 39-40 (Promoting Comprehensive and Strategic CSR Activities) 41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 49-50 (Improving Compliance Principles/Guidelines) 64 (Controlling and Improving Response to Potential Environmental Impact Risks) 97-100 (Enhancing Product Safety) 110 (Fair Dealing) 111-112 (Promoting CSR Procurement)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	-	1 (Editorial Policy) 3-6 (Dialogue) 11-12 (CSR of the MHI Group)
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	-	-
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	-	11-12 (CSR of the MHI Group)
4.15	Basis for identification and selection of stakeholders with whom to engage.	-	11-12 (CSR of the MHI Group)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	-	3-6 (Dialogue) 9-10 (Dialogues with Stakeholders) 39-40 (Promoting Comprehensive and Strategic CSR Activities) 97-100 (Enhancing Product Safety) 101-104 (Enhancing Customer Satisfaction (CS)) 106-108 (Disclosure Principles and IR Activities) 111-112 (Promoting CSR Procurement) 118-123 (Building a Better Working Environment) 124 (Forum 35) 126-129 (Achievements Made through Social Contribution Activities (FY2011))

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	-	11-12 (CSR of the MHI Group) 137-139 (CSR Action Plans)
5.Management Approach and Performance Indicators			
Economic			
Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	-	27-34 (Overview of the MHI Group) 126-129 (Achievements Made through Social Contribution Activities (FY2011)) 163-166 (CSR-Related Data)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	-	3-6 (Dialogue) 7-8 (MHI Environmental Vision 2030) 13-15 (Close ties with the Earth) 16 (Close ties with the Earth: Employees Introduce Our CSR Activities) 21-23 (A bridge to the next Generation) 66-68 (Targets and Progress) 70-71 (Environmental Accounting) 80 (CO_2 Reductions with MHI Product Usage (FY2011)) 90-95 (Main Products and Technologies in 2011) 137-139 (CSR Action Plans)
EC3	Coverage of the organization's defined benefit plan obligations.	-	-
EC4	Significant financial assistance received from government.	-	-
Market Presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-	-
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	-	-
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	-	-
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	-	3-6 (Dialogue) 13-15 (Close ties with the Earth) 16 (Close ties with the Earth: Employees Introduce Our CSR Activities) 17-19 (Close ties with Society) 21-23 (A bridge to the next Generation) 80 (CO_2 Reductions with MHI Product Usage (FY2011)) 90-95 (Main Products and Technologies in 2011) 126-129 (Achievements Made through Social Contribution Activities (FY2011))
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	-	111-112 (Promoting CSR Procurement) 118-123 (Building a Better Working Environment)
Environmental			
Materials			
EN1	Materials used by weight or volume.	Principle 8	-
EN2	Percentage of materials used that are recycled input materials.	Principle 8, Principle 9	-

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
Energy			
EN3	Direct energy consumption by primary energy source.	Principle 8	69 (Material Balance)
EN4	Indirect energy consumption by primary source.	Principle 8	69 (Material Balance) 72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures)
EN5	Energy saved due to conservation and efficiency improvements.	Principle 8, Principle 9	72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures) 77-78 (Measures to Curb CO_2 Emissions in Transport)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Principle 8, Principle 9	3-6 (Dialogue) 13-15 (Close ties with the Earth) 17-19 (Close ties with Society) 21-23 (A bridge to the next Generation) 66-68 (Targets and Progress) 80 (CO2 Reductions with MHI Product Usage (FY2011)) 90-95 (Main Products and Technologies in 2011)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Principle 8, Principle 9	-
Water			
EN8	Total water withdrawal by source.	Principle 8	69 (Material Balance) 84-85 (Protecting Water Resources)
EN9	Water sources significantly affected by withdrawal of water.	Principle 8	-
EN10	Percentage and total volume of water recycled and reused.	Principle 8, Principle 9	-
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Principle 8	-
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Principle 8	-
EN13	Habitats protected or restored.	Principle 8	62-63 (Preserving Biodiversity)
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Principle 8	62-63 (Preserving Biodiversity)
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Principle 8	-
Emissions, Effluents, and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Principle 8	66-68 (Targets and Progress) 69 (Material Balance) 72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures) 77-78 (Measures to Curb CO_2 Emissions in Transport)
EN17	Other relevant indirect greenhouse gas emissions by weight.	Principle 8	69 (Material Balance) 72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Principle 7, Principle 8, Principle 9	66-68 (Targets and Progress) 72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures) 77-78 (Measures to Curb CO_2 Emissions in Transport)

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
EN19	Emissions of ozone-depleting substances by weight.	Principle 8	66-68 (Targets and Progress) 69 (Material Balance) 72-76 (Promotion of Energy-saving and CO_2 Emission Control Measures)
EN20	NO, SO, and other significant air emissions by type and weight.	Principle 8	69 (Material Balance) 86-89 (Curbing the Use and Emissions of Chemical Substances through Proper Management and Use of Alternatives)
EN21	Total water discharge by quality and destination.	Principle 8	69 (Material Balance) 84-85 (Protecting Water Resources)
EN22	Total weight of waste by type and disposal method.	Principle 8	69 (Material Balance) 81-82 (Curbing Waste Generation, Release and Disposal) 83 (Using Electronic Manifests (e-manifests))
EN23	Total number and volume of significant spills.	Principle 8	-
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Principle 8	-
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Principle 8	-
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Principle 7, Principle 8, Principle 9	3-6 (Dialogue) 7-8 (MHI Environmental Vision 2030) 13-15 (Close ties with the Earth) 16 (Close ties with the Earth: Employees Introduce Our CSR Activities) 17-19 (Close ties with Society) 66-68 (Targets and Progress) 80 (CO_2 Reductions with MHI Product Usage (FY2011)) 90-95 (Main Products and Technologies in 2011)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Principle 8, Principle 9	-
Compliance			
EN28	Monetary value of significant fines and total number of non--monetary sanctions for non-compliance with environmental laws and regulations.	Principle 8	-
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Principle 8	66-68 (Targets and Progress) 77-78 (Measures to Curb CO_2 Emissions in Transport)
Overall			
EN30	Total environmental protection expenditures and investments by type.	Principle 7, Principle 8, Principle 9	70-71 (Environmental Accounting)
Labor Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	-	27-34 (Overview of the MHI Group) 114-117 (Utilizing and Cultivating Diverse Human Resources) 163-166 (CSR-Related Data)
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Principle 6	163-166 (CSR-Related Data)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	-	-

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
LA15	Return to work and retention rates after parental leave, by gender.	-	-
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Principle 1, Principle 3	118-123 (Building a Better Working Environment) 163-166 (CSR-Related Data)
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Principle 3	-
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	Principle 1	163-166 (CSR-Related Data)
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Principle 1	118-123 (Building a Better Working Environment) 163-166 (CSR-Related Data)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Principle 1	118-123 (Building a Better Working Environment)
LA9	Health and safety topics covered in formal agreements with trade unions.	Principle 1	-
Training and Education			
LA10	Average hours of training per year per employee by employee category.	-	-
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	-	114-117 (Utilizing and Cultivating Diverse Human Resources)
LA12	Percentage of employees receiving regular performance and career development reviews.	-	114-117 (Utilizing and Cultivating Diverse Human Resources)
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Principle 1, Principle 6	114-117 (Utilizing and Cultivating Diverse Human Resources) 163-166 (CSR-Related Data)
LA14	Ratio of basic salary of men to women by employee category.	Principle 1, Principle 6	163-166 (CSR-Related Data)
Human Rights			
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6	-
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6	111-112 (Promoting CSR Procurement)
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6	118-123 (Building a Better Working Environment)
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Principle 1, Principle 2, Principle 6	41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group)
Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Principle 1, Principle 2, Principle 3	-

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
Child Labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Principle 1, Principle 2, Principle 5	41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 111-112 (Promoting CSR Procurement)
Forced and Compulsory Labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Principle 1, Principle 2, Principle 4	41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 111-112 (Promoting CSR Procurement)
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Principle 1, Principle 2	-
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Principle 1, Principle 2	-
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Principle 1, Principle 2, Principle 4, Principle 5, Principle 6	-
Remediation			
HR11	Number of grievances related to human rights filed,addressed and resolved through formal grievance mechanisms.	Principle 1, Principle 2, Principle 4, Principle 5, Principle 6	-
Social			
Community			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	-	-
SO9	Operations with significant potential or actual negative impacts on local communities.	-	-
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	-	-
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Principle 10	38 (Risk Management) 41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 51-53 (Compliance Training and Increasing Awareness)
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Principle 10	38 (Risk Management) 41-44 (Activities of Major Related Committees in Fiscal 2011) 45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 49-50 (Improving Compliance Principles/Guidelines) 51-53 (Compliance Training and Increasing Awareness)
SO4	Actions taken in response to incidents of corruption.	Principle 10	45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group)

Comparison Chart of "GRI Sustainability Reporting Guidelines (G3.1)" and "United Nations Global Compact Principles"		Corresponding Global Compact Principle	"Relevant page(s) in the Detailed version (PDF) of the CSR Report 2012
Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6, Principle 7, Principle 8, Principle 9, Principle 10	-
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Principle 10	-
Anti-Competitive Behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-	45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group)
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group)
Product Responsibility			
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Principle 1	97-100 (Enhancing Product Safety)
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Principle 1	45-48 (Creating a Structure to Promote Compliance that Encompasses the Entire Group) 97-100 (Enhancing Product Safety)
Product and Service Labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Principle 8	-
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Principle 8	101-104 (Enhancing Customer Satisfaction (CS))
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	-	101-104 (Enhancing Customer Satisfaction (CS))
Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	-	101-104 (Enhancing Customer Satisfaction (CS))
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	-	-
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Principle 1	-
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	-

CSR-Related Data

Group Data Summary

	(Unit)	2007	2008	2009	2010	2011	
Capital (non-consolidated)	Billion yen	265.6	265.6	265.6	265.6	265.6	
Orders received (consolidated)	Billion yen	3,715.2	3,268.7	2,476.2	2,995.4	3,188.8	
Net sales (consolidated)	Billion yen	3,203.0	3,375.6	2,940.8	2,903.7	2,820.9	
Breakdown by industry segment:							(Note 1)
Shipbuilding & ocean development	Billion yen	—	—	230.6	302.4	311.6	
Europe	Billion yen	—	—	1,066.1	996.9	955.3	
Machinery & steel structures	Billion yen	—	—	625.7	557.5	428.8	
Aerospace systems	Billion yen	—	—	500.2	472.2	495.9	
General machinery & special vehicles	Billion yen	—	—	286.8	343.0	381.7	
Others	Billion yen	—	—	231.1	231.5	247.3	
Breakdown by region:							(Note 2)
Japan	Billion yen	—	—	—	1,480.5	1,639.9	
Asia	Billion yen	—	—	—	373.7	381.8	
North America	Billion yen	—	—	—	347.4	296.0	
Europe	Billion yen	—	—	—	217.0	225.7	
Central & South America	Billion yen	—	—	—	200.8	142.1	
Africa	Billion yen	—	—	—	169.2	51.6	
The Middle East	Billion yen	—	—	—	102.6	68.7	
Oceania	Billion yen	—	—	—	12.1	14.8	
Operating income (consolidated)	Billion yen	136.0	105.8	65.6	101.2	111.9	
Net income (consolidated)	Billion yen	61.3	24.2	14.1	30.1	24.5	
Research and development expenditures (consolidated)	Billion yen	107.9	101.3	129.2	123.2	121.4	

(Note 1) Segments changed from fiscal 2009. Segment breakdown data for fiscal years 2007 and 2008 not indicated.
(Note 2) Geographical breakdown changed from fiscal 2010. Geographical breakdown data for fiscal years 2007, 2008 and 2009 not indicated.

Management-Related Data

	(Unit)	2007	2008	2009	2010	2011	
No. of participants in CSR Sessions (consolidated)		roughly 800	1,037	751	614	786	
No. of participants in compliance promotion training/participation rate (non-consolidated)		64,395／96.1%	65,542／96.8%	66,618／96.4%	64,422／96.5%	72,375／96.8%	(Note)

(Note) Includes dispatched employees, re-hired employees, etc. from the second half of 2011.

Environmental Report-Related Data

	(Unit)	2007	2008	2009	2010	2011	
Environmental Management Systems Adopted (non-consolidated)		100%	100%	100%	100%	100%	
Registered ISO 14001 Internal Auditors (non-consolidated)		684	687	815	847	980	
Green purchasing rate for office goods (non-consolidated)		94.6%	94.0%	92.6%	92.8%	95.5%	(Note 1)
Environmental Accounting (non-consolidated)							
Items:							
Investment in environmental preservation	Million yen	3,435	6,242	6,643	6,987	6,164	
Environmental preservation costs	Million yen	12,570	15,350	15,589	18,100	14,451	
Economic benefits associated with environmental preservation activities	Million yen	3,858	4,005	1,566	2,474	1,694	
Energy consumption at production plants (non-consolidated; only production sites)	MJ	11,659,076,846	11,145,018,541	10,065,623,261	10,022,441,101	9,950,202,198	
Breakdown by category:							
Purchased electricity	MWh	864,840	857,030	757,335	766,802	731,045	
Heavy fuel oil A	kL	22,078	20,680	15,271	13,508	16,098	
City gas	km3	24,828	24,409	21,964	29,094	32,541	
Light oil	kL	8,019	4,723	3,799	4,270	6,478	
Heavy fuel oil C	kL	8,000	3,671	5,173	2,601	2,677	
Kerosene	kL	7,391	5,968	6,232	6,008	4,529	
Steam	MJ	336,782,678	294,622,069	226,721,295	—	—	
LPG	t	5,506	5,101	4,488	4,060	4,157	
LNG	t	253	231	218	196	193	
Jet fuel	kL	1,369	1,790	1,392	1,055	909	
Gasoline	kL	638	620	477	443	559	
Total volume of transportation (non-consolidated)	Thousand tk	191,578	159,810	119,064	109,327	120,899	
Energy consumption in transport (non-consolidated)	GJ	357,181	283,303	207,823	193,641	211,102	

	(Unit)	2007	2008	2009	2010	2011	
Water usage in production plants (non-consolidated; only production sites)	10,000 tons	1,243.2	1,120.9	1,075.9	1,007.1	926.6	
Breakdown by category:							
Water supply	10,000 tons	276.9	289.8	276.2	265.6	249.5	
Industrial water	10,000 tons	456.9	359.0	387.1	305.8	273.2	
Groundwater	10,000 tons	232.4	213.3	185.8	194.7	199.6	
Others	10,000 tons	277.0	258.8	226.8	241.0	204.3	
Volume of chemical substances (PRTR) handled (non-consolidated; only production sites)	Tons	3,791	3,666	3,327	2,715	2,873	
Paper consumption (non-consolidated)	Tons	3,863	3,536	2,950	2,718	2,719	
CO_2 emissions resulting from energy use at production plants (non-consolidated; only production sites)	10,000 tons	54.9	51.3	44.9	43.5	43.7	
Greenhouse gas emissions at production plants excluding CO_2 emissions from energy use (non-consolidated; only production sites)	Tons	9,517	13,122	8,062	2,339	3,181	
Breakdown by category:							
Hydrofluorocarbons (HFC)	Tons	2,183	3,318	726	950	913	
Dinitrogen monoxide (N2O)	Tons	872	1,341	1,006	870	525	
Sulfur hexafluoride (SF6)	Tons	662	1,346	549	320	1,544	
Methane (CH4)	Tons	724	1,876	1,132	138	136	
CO_2 emissions not resulting from energy use	Tons	5,076	5,241	4,649	61	63	
CO_2 emissions in transport (non-consolidated)	t-CO_2	24,500	19,460	14,268	12,845	14,562	
Waste water volumes at production plants (non-consolidated; only production sites)	10,000 tons	1,001.9	940.4	912.7	891.1	866.1	
Breakdown by category:							
Discharged into public waters	10,000 tons	945.4	886.0	855.4	829.1	813.3	
Discharged into sewer system	10,000 tons	56.5	54.4	57.3	62.0	52.7	
Water pollutant discharge volumes at production plants (non-consolidated; only production sites)	Tons	77	81	69	71	66	(Note 2)
Breakdown by category:							
COD	Tons	35	32	28	35	33	
Nitrogen	Tons	40	47	40	34	31	
Phosphate	Tons	2	2	1	2	2	
Volume of waste generated at production plants (non-consolidated; only production sites)	Thousand tons	159	151	131	133	129	
Breakdown by category:							
Scrap metal	Thousand tons	89.8	84.7	81.7	85.5	81.1	
Slag	Thousand tons	14.2	14.3	8.4	8.5	7.5	
Waste plastic	Thousand tons	8.4	9.0	7.4	6.1	6.1	
Waste wood	Thousand tons	8.1	10.1	7.2	7.1	7.5	
Waste paper	Thousand tons	8.5	7.3	7.2	6.0	5.8	
Waste Oil	Thousand tons	12.0	9.3	6.9	6.7	6.7	
Sludge	Thousand tons	6.0	9.1	6.1	5.4	4.2	
Acid and alkali wastes	Thousand tons	6.6	4.8	3.9	5.7	7.6	
Other	Thousand tons	5.6	2.7	2.9	2.2	2.2	
Waste recycling rates at production plants (non-consolidated; only production sites)		78%	83%	89%	90%	90%	
Final disposal waste volumes at production plants (non-consolidated; only production sites)	Tons	13,882	9,457	2,386	1,030	714	

	(Unit)	2007	2008	2009	2010	2011	
Air pollutants emissions volumes at production plants (non-consolidated; only production sites)	Tons	316	289	251	190	257	
Breakdown by category:							
NOx	Tons	164	185	169	139	196	
SOx	Tons	146	93	70	43	42	
Soot	Tons	6	11	12	8	19	
Volume of chemical substances handled (PRTR) (non-consolidated; only production sites)	Tons	2,370	2,361	2,040	1,948	1,987	
Atmospheric emissions of organochlorides (non-consolidated; only production sites)	Tons	23.4	35.8	27.3	18.7	11.4	
Breakdown by category:							
Dichloromethane	Tons	20.3	23.7	18.6	8.9	0.6	
Trichloroethylene	Tons	0.6	0.6	2.1	0.7	0.9	
Tetrachloroethylene	Tons	2.5	11.5	6.6	9.1	9.9	
Atmospheric VOC emissions (xylene, toluene, ethylbenzene, dichloromethane, trichloroethylene and tetrachloroethylene) (non-consolidated; only production sites)	Tons	—	2,289	1,985	1,899	1,939	
CO_2 Reductions with MHI Product Usage (non-consolidated)	Thousand tons	105,850	106,500	101,300	149,105	66,574	(Note 3)

(Note 1) Monetary terms
(Note 2) Total for items subject to quantity restrictions
(Note 3) Estimated based on actual deliveries for fiscal year and actual power output generated. Comparisons to fiscal 1990. For details of bases for calculation, please refer to "CO_2 Reductions with MHI Product Usage (FY2011)" (p.80 of Detailed Version PDF)

Social Contributions Report-Related Data

	(Unit/ Comments)	2007	2008	2009	2010	2011	
Dividend distribution (non-consolidated)	Yen	6	6	4	4	6	
Number of employees (consolidated)		64,103	67,416	67,669	68,816	68,887	
Breakdown by region:							
Japan		55,651	56,785	56,696	56,815	55,851	
Asia		3,991	4,999	5,228	5,747	6,466	
North America		2,467	2,641	2,497	2,853	3,072	
Central & South America		746	824	900	895	848	
Europe		1,213	2,134	2,286	2,353	2,474	
The Middle East		2	2	24	57	71	
Africa		—	—	1	50	57	
Oceania and others		33	31	37	46	48	
Number of employees (non-consolidated)		33,089	33,614	34,139	33,031	32,494	
Breakdown of employees by age/gender							
Under 30 Male/Female		—	—	8,141／737	8,226／781	8,101／773	
30-39 Male/Female		—	—	9,592／972	9,469／927	9,475／863	
40-49 Male/Female		—	—	5,605／661	5,827／687	6,305／759	
50-59 Male/Female		—	—	7,478／439	6,182／416	5,328／444	
60 and over Male/Female		—	—	497／17	502／14	429／17	
Number of new graduates hired (non-consolidated)		—	—	1,805	1,472	986	(Note 1)
Breakdown by gender							
Male		—	—	1,659	1,336	906	
Female		—	—	146	136	80	
Breakdown by educational qualification							
University		—	—	820	672	480	
Vocational school		—	—	135	108	83	
High school and junior college, other		—	—	850	692	423	
Number of mid-career professionals (non-consolidated)		—	905	452	135	114	
Breakdown by gender							
Male		—	820	429	127	99	
Female		—	85	23	8	15	
Number of re-employed workers (non-consolidated)		461	934	1,365	1,720	2,172	(Note 1)
Number of female managers (non-consolidated)		158	182	219	248	266	(Note 1)

	(Unit/ Comments)	2007	2008	2009	2010	2011	
Average age (non-consolidated)		—	—	39.4	37.8	38.5	
Average number of years worked (non-consolidated)		—	—	17.4	15.7	16.2	
Average annual salary (non-consolidated)	Yen	7,588,310	7,568,830	7,267,210	7,201,076	7,365,904	
Number of employees who resigned of own volition (non-consolidated)		—	—	289	355	309	
Use of annual paid holidays (non-consolidated)		70.9%	71.8%	71.8%	72.3%	72.8%	
Number of employees who took maternity leave (non-consolidated)		—	—	1,049	1,130	1,200	
Number of employees who took childcare leave for the first time (non-consolidated)		112	123	165	170	181	
Breakdown by gender							
Male		6	4	8	14	12	
Female		106	119	157	156	169	
Percentage of employees who returned to work after childcare leave (non-consolidated)		—	—	99%	99%	98%	
Breakdown by gender							
Male		—	—	100%	100%	100%	
Female		—	—	99%	99%	98%	
Number of employees who took family-care leave for the first time (non-consolidated)		—	14	13	13	15	
Breakdown by gender							
Male		—	5	5	10	11	
Female		—	9	8	3	4	
Disabled people employment rate (non-consolidated)		1.66%	1.94%	1.96%	2.01%	1.97%	(Note 1)
Average employee overtime (non-consolidated)	Hours	—	—	—	—	27.4	
Industrial accident frequency rate (non-consolidated)		0.36	0.31	0.23	0.29	0.27	
Unionization (non-consolidated; Japan only)		—	—	—	100%	100%	
Social contribution expenses (MHI and group companies under consolidated accounting)	Million yen	1,352	1,600	1,655	1,610	2,096	(Note 2)
Breakdown by area:							
Academic research	Million yen	138	128	339	247	164	
Education	Million yen	665	766	537	633	596	
Community activities	Million yen	155	131	158	141	180	
Sports	Million yen	118	112	114	149	133	
Other	Million yen	276	463	507	440	1,023	
Percentage of ordinary profit		1.98%	2.12%	6.89%	2.36%	2.39%	

(Note 1) Fiscal 2012 figures indicated in "Utilizing and Cultivating Diverse Human Resources" (pp.114–117 of Detailed Version PDF)
(Note 2) The social contribution outlay for fiscal 2010 does not include contributions (including charitable contributions) relating to the Great East Japan Earthquake (March 11–31, 2011), which have been allocated to the fiscal 2011 figures.

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