Business Segment Highlights

Energy & Environment

We offer optimal solutions in the energy-related fields of thermal power, nuclear power, and renewable energy, in such environmental areas as water and flue gas treatment, and for chemical plants and other industrial infrastructure elements.

Commercial Aviation & Transportation Systems

We deliver advanced land, sea, and air transportation systems, including commercial aircraft and ships, and transit networks, all offering superior safety, guaranteed quality, and reliability.

Integrated Defense & Space Systems

We provide integrated land, sea, air, and space defense systems, including naval ships, military aircraft and helicopters, missile systems, torpedoes, rockets, and armored combat vehicles, as well as space-related services.

Machinery, Equipment & Infrastructure

We provide a wide range of solutions—including machinery, industrial plants, and social infrastructure—that support people’s lives, industry, and society.

Main Businesses

- Thermal Power Systems
- Nuclear Energy Systems
- Chemical Plants & Infrastructure
- Renewable Energy
- Marine Machinery & Engines
- Shipbuilding & Ocean Development
- Land Transportation Systems
- Commercial Aircraft
- Defense
- Space
- Material Handling Equipment
- Engine and Energy
- Turbochargers
- Metals Machinery
- Air-Conditioning and Refrigeration Systems
- Mechatronics Systems
- Compressors
- Environmental Systems
- Machine Tool
- Other Businesses

<table>
<thead>
<tr>
<th>Business Segment Highlights</th>
<th>Total Assets (Billions of yen)</th>
<th>Number of Employees (People)</th>
<th>R&amp;D Expenses (Billions of yen)</th>
<th>Capital Investment (Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As of March 31, 2016</td>
<td>As of March 31, 2016</td>
<td>FY2015</td>
<td>FY2015</td>
</tr>
<tr>
<td>Energy &amp; Environment</td>
<td>¥5,491.7 billion</td>
<td>83,932 people</td>
<td>¥150.6 billion</td>
<td>¥166.5 billion</td>
</tr>
<tr>
<td>Commercial Aviation &amp;</td>
<td>1,468.7 billion</td>
<td>36,244</td>
<td>35.3</td>
<td>34.6</td>
</tr>
<tr>
<td>Transportation Systems</td>
<td>2,211.3</td>
<td>7,428</td>
<td>26.0</td>
<td>43.5</td>
</tr>
<tr>
<td>Integrated Defense &amp; Space</td>
<td>673</td>
<td>6,281</td>
<td>9.2</td>
<td>11.3</td>
</tr>
<tr>
<td>Systems</td>
<td></td>
<td></td>
<td></td>
<td>33.7</td>
</tr>
<tr>
<td>Machinery, Equipment &amp;</td>
<td>369.6</td>
<td>8,092</td>
<td>11.3</td>
<td>43.2</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,040.6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes ¥61.6 billion in expenses related to R&D under contract
* Based on reported figures for property, plant and equipment
**Sample Business Model**

### Thermal Power Generation

**Key Capital**
- MHI: Technological expertise in large-scale equipment
- Sales networks in Southeast Asia and the Middle East
- Manufacturing equipment
- Procurement network for parts and materials
- Technological expertise in small and medium-sized equipment
- Sales networks in Europe and Africa

**Business Activities**
- Development Design
- Manufacture
- Logistics
- Delivery
- O&M*

**Value Created**
- Highly efficient power generation
- Curtail operating costs for customers
- Reduced CO₂ emissions
- Environmental improvements

### Transportation Systems

**Key Capital**
- Extensive experience in delivering systems around the world
- Sophisticated system integration and project management capabilities
- Ability to make proposals to realize a lifecycle business

**Business Activities**
- Development Design
- Construction
- Rolling stock production
- Delivery
- O&M*

**Value Created**
- Cities in regions throughout the world
- Urban transport improvements
- Facilitation of smooth urban movement
- Alleviation of traffic congestion
- Reduction in environmental impact

### Satellite Launch Services

**Key Capital**
- Technical ability to handle all activities from manufacture to launch of rockets
- Expertise in successfully adhering to launch schedules

**Business Activities**
- Research Development Design
- Manufacture
- Launch
- Order of satellite launch

**Value Created**
- Provision of various services that utilize satellites
- Society
- Enhance the quality of people’s lives
- Maintain Japan’s industrial base in space development
- MHI
- Apply accumulated technologies toward the development of a new flagship launch vehicle
- Competitiveness in international markets

### Turbochargers

**Key Capital**
- Ability to develop high-performance turbochargers
- Global production/sales network

**Business Activities**
- Development Design
- Manufacture
- Logistics
- Delivery

**Value Created**
- Worldwide automakers
- Accelerated response to increasingly stringent and more broadly applied fuel-efficiency regulations
- Increasing prevalence of fuel-efficient gasoline vehicles

### Orders Received (Billions of yen) FY2015

<table>
<thead>
<tr>
<th>Orders Received</th>
<th>Order Backlog</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 31, 2016</td>
<td>As of March 31, 2016</td>
<td>FY2015</td>
<td>FY2015</td>
</tr>
<tr>
<td>1,392.5 billion</td>
<td>655.6 million</td>
<td>¥4,046.8 billion</td>
<td>¥309.5 billion</td>
</tr>
<tr>
<td>447.7 billion</td>
<td>1,646.3 billion</td>
<td>485.0 million</td>
<td>548.5 million</td>
</tr>
<tr>
<td>607.1 billion</td>
<td>3,804.3 billion</td>
<td>54.5 million</td>
<td>25.7 million</td>
</tr>
</tbody>
</table>

*Others, eliminations, or corporate: ¥–5.5 billion
Business Segment Highlights

Overview of Fiscal 2015

Energy & Environment

Consolidated orders received rose year on year, to ¥2,005.0 billion, due to higher orders for thermal power generation systems and large-scale orders for chemical plants. Consolidated net sales decreased, to ¥1,542.7 billion, due in part to a decline in sales of thermal power generation systems. Operating income also fell, to ¥154.6 billion, despite the improvement in profit for the after-sales servicing business in thermal power generation systems, mainly due to lower net sales and expenses related to the Himeji No. 2 Power Station of the Kansai Electric Power Co., Inc.

Commercial Aviation & Transportation Systems

Demand remained strong for LNG and LPG carriers on the back of the shale gas revolution in the United States, and in the transportation systems business, demand for railway construction was robust, particularly in Southeast Asia and the Middle East. However, the total value of consolidated orders decreased from fiscal 2014, when MHI won major deals in transportation systems and for the MRJ, to ¥607.1 billion. Consolidated net sales increased to ¥548.5 billion, due to higher sales in the commercial aircraft business, and operating income rose to ¥54.5 billion, thanks in part to higher sales and the effect of the weaker yen.

Integrated Defense & Space Systems

The total value of consolidated orders increased from the previous fiscal year, to ¥447.7 billion. The space systems-related business benefited from an order for launch services from a government space agency in Dubai to launch a Mars mission spacecraft. Orders also increased in the defense-related business for items such as defense aircraft. Consolidated net sales remained flat compared with fiscal 2014, at ¥485.0 billion. Although sales in the space systems-related business declined due to the decrease in the number of H-IIA/H-IIB launches from five in fiscal 2014, to three in fiscal 2015, sales rose in the defense-related business, particularly for naval ships. Consolidated operating income fell to ¥25.7 billion, due to a decrease in sales in the space systems-related business and other factors.

Machinery, Equipment & Infrastructure

Consolidated orders received increased, to ¥1,392.5 billion, and consolidated net sales rose, to ¥1,432.3 billion. This growth was due to the effect of business integration in metals machinery through the establishment of a joint venture company in January 2015 and the expanded scale of business in turbochargers, air-conditioning and refrigeration systems, and forklift trucks, supported by the strengthening of business in the areas of mechatronics systems and intelligent transport systems (ITS), as well as the receipt of orders for major refurbishment work for environmental systems. Operating income was down, to ¥80.0 billion, due to a decrease in sales of compressors, which were highly profitable in the previous fiscal year, as well as to lower profitability in metals machinery due to the need for further post-merger integration (PMI).

Composition of Overseas Net Sales by Geographic Distribution

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>¥1,804.9 billion</td>
<td>¥1,861.1 billion</td>
<td>¥1,923.6 billion</td>
<td>¥2,005.0 billion</td>
</tr>
<tr>
<td>North America</td>
<td>¥786.1 billion</td>
<td>¥803.6 billion</td>
<td>¥839.5 billion</td>
<td>¥889.2 billion</td>
</tr>
<tr>
<td>Latin America</td>
<td>¥126.9 billion</td>
<td>¥134.7 billion</td>
<td>¥139.2 billion</td>
<td>¥143.2 billion</td>
</tr>
<tr>
<td>Asia</td>
<td>¥721.9 billion</td>
<td>¥755.8 billion</td>
<td>¥786.1 billion</td>
<td>¥809.3 billion</td>
</tr>
</tbody>
</table>

*Owing to business restructuring, some businesses have been reassigned from “Others” to “Machinery, Equipment & Infrastructure.” (Results for fiscal 2014 reflect the new business domains.)
## Orders and Development Projects in Fiscal 2015

### Middle East

- **FY2015**: ¥115.7 billion
- **50%**

### Europe

- **FY2015**: ¥352.7 billion
- **57%**

### Africa

- **FY2015**: ¥110.6 billion
- **77%**

### Oceania

- **FY2015**: ¥27.7 billion
- **61%**

<table>
<thead>
<tr>
<th>Announcement Date</th>
<th>Delivery Date</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2016</td>
<td>2020</td>
<td>MHPS receives order for gas-fired GTCC power generation equipment for the Hongkong Electric Co., Ltd.</td>
</tr>
<tr>
<td>December 2015</td>
<td>2019</td>
<td>MHPS receives order for 43 turbines for V164-8.0 MW commercial offshore wind power generation facility, the world's largest in terms of output</td>
</tr>
<tr>
<td>December 2015</td>
<td>2019</td>
<td>MHPS receives order for boiler, steam turbine, and generator for the Philippines' first ultra-supercritical-pressure coal-fired power plant</td>
</tr>
<tr>
<td>December 2015</td>
<td>2019</td>
<td>MHI develops power assist suit (PAS) for nuclear disaster response</td>
</tr>
<tr>
<td>March 2016</td>
<td>2020</td>
<td>MHI, Hitachi, Ltd., and Sumitomo Corporation win contract for Red Line construction project in Thailand</td>
</tr>
<tr>
<td>March 2016</td>
<td>2019</td>
<td>MHI receives order for Automated People Mover (APM) cars and APM system capacity expansion at Singapore's Changi Airport</td>
</tr>
<tr>
<td>February 2016</td>
<td>2018</td>
<td>Aerolease Aviation, LLC, signs letter of intent with Mitsubishi Aircraft for purchase of up to 20 MUJ aircraft</td>
</tr>
<tr>
<td>November 2015</td>
<td>2019</td>
<td>Mitsubishi Heavy Industries Shipbuilding receives order for very large LPG carrier for Astomos Energy Corporation</td>
</tr>
<tr>
<td>March 2016</td>
<td>2020</td>
<td>MHI receives a new order for H-IIA launch services for UAE's Emirates Mars Mission</td>
</tr>
<tr>
<td>March 2016</td>
<td>2019</td>
<td>MHI signs a joint development agreement with NTT related to security technology</td>
</tr>
<tr>
<td>March 2016</td>
<td>2019</td>
<td>MHI delivers the Jinyu submarine at the MHI Kobe Shipyard &amp; Machinery Works</td>
</tr>
</tbody>
</table>

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<tr>
<th>Announcement Date</th>
<th>Delivery Date</th>
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<tr>
<td>March 2016</td>
<td>2020</td>
<td>MHI receives order for two Sayaringo STaGE next-generation LNG carriers</td>
</tr>
<tr>
<td>March 2016</td>
<td>2019</td>
<td>MHI Group receives order for 80 large-scale centrifugal chillers from Saudi Arabia</td>
</tr>
<tr>
<td>January 2016</td>
<td>2019</td>
<td>MHI Group receives order to refurbish core components of municipal solid waste incineration plant in Iwaki, Fukushima Prefecture</td>
</tr>
<tr>
<td>October 2015</td>
<td>2017</td>
<td>MHI Group receives order for two continuous galvanizing lines from Tangshan Iron and Steel Group Co. Ltd.</td>
</tr>
<tr>
<td>October 2015</td>
<td>2019</td>
<td>MHI Group to participate in waste-to-energy business in Singapore</td>
</tr>
<tr>
<td>September 2015</td>
<td>2018</td>
<td>MHI Group receives order from Turkish steel producer Erdemir to supply a continuous galvanizing line</td>
</tr>
<tr>
<td>November 2015</td>
<td>2019</td>
<td>MHI successfully launches the Telesat's Telstar 12 VANTAGE satellite on the H-IIA launch vehicle F29 (first dedicated commercial launch of the H-IIA)</td>
</tr>
<tr>
<td>July 2015</td>
<td>2017</td>
<td>Mitsubishi Heavy Industries Aero Engine to participate in Rolls-Royce plc's new aero engine</td>
</tr>
<tr>
<td>May 2015</td>
<td>2018</td>
<td>MHI receives order for two Sayaringo STaGE next-generation LNG carriers</td>
</tr>
<tr>
<td>July 2015</td>
<td>2018</td>
<td>Aerolease Aviation, LLC, signs letter of intent with Mitsubishi Aircraft for purchase of up to 20 MUJ aircraft</td>
</tr>
<tr>
<td>May 2015</td>
<td>2019</td>
<td>Development of a gas engine cogeneration system with high-efficiency steam recovery from hot wastewater</td>
</tr>
<tr>
<td>April 2015</td>
<td>2015</td>
<td>MHI Group develops “Dokodemo Door®”—improved platform doors accommodating railway cars with varying numbers of doors and door locations</td>
</tr>
</tbody>
</table>