

BUSINESS SEGMENT HIGHLIGHTS

Power Systems

Main Businesses Gas and steam power generation systems, nuclear power plant equipment (light-water reactors/nuclear fuel cycle & advanced solutions), wind power generators, aero engines, compressors, marine machinery

Overview of Fiscal 2017 Having been hit by global market factors such as the acceleration of the shift to low-carbon approaches and the switch to renewable energy, coal-fired power plants saw a significant decline, and order volumes for gas turbine combined cycle (GTCC) systems also fell considerably. As a result, consolidated orders received decreased year on year, to ¥1,437.5 billion. Consolidated net sales rose year on year to ¥1,493.9 billion, driven by steady progress in work related to orders for gas and steam power generations, as well as increases in aero engines. Although there were improvements in the profitability of the gas and steam power generations after-sales service, due to such factors as the decline in nuclear power plant equipment, operating income was flat year on year at ¥108.9 billion.

Industry & Infrastructure

Main Businesses Metals machinery, environmental systems, paper converting machinery, mechatronics systems, ITS,*¹ material handling equipment, engines, turbochargers, air-conditioning & refrigeration systems, automotive thermal systems, machine tools, commercial ships, transportation systems, chemical plants

Overview of Fiscal 2017 In addition to increases in metals machinery on the back of strong infrastructure investment, orders grew for turbochargers, material handling equipment, air-conditioning & refrigeration systems, and other items due to economic expansion, primarily in developed countries. Consequently, consolidated orders received rose year on year, to ¥1,711.3 billion. Consolidated net sales exceeded the level of the previous fiscal year and rose to ¥1,898.9 billion, driven by increases in material handling equipment and turbochargers, for which orders were strong, and in commercial ships. Although higher sales had the effect of raising operating income, declines in transportation systems and chemical plants led to a year-on-year decrease, to ¥40.8 billion.

Aircraft, Defense & Space

Main Businesses Commercial aircraft, defense aircraft, missile systems, naval ships, special vehicles (tanks), maritime systems (torpedoes), space systems

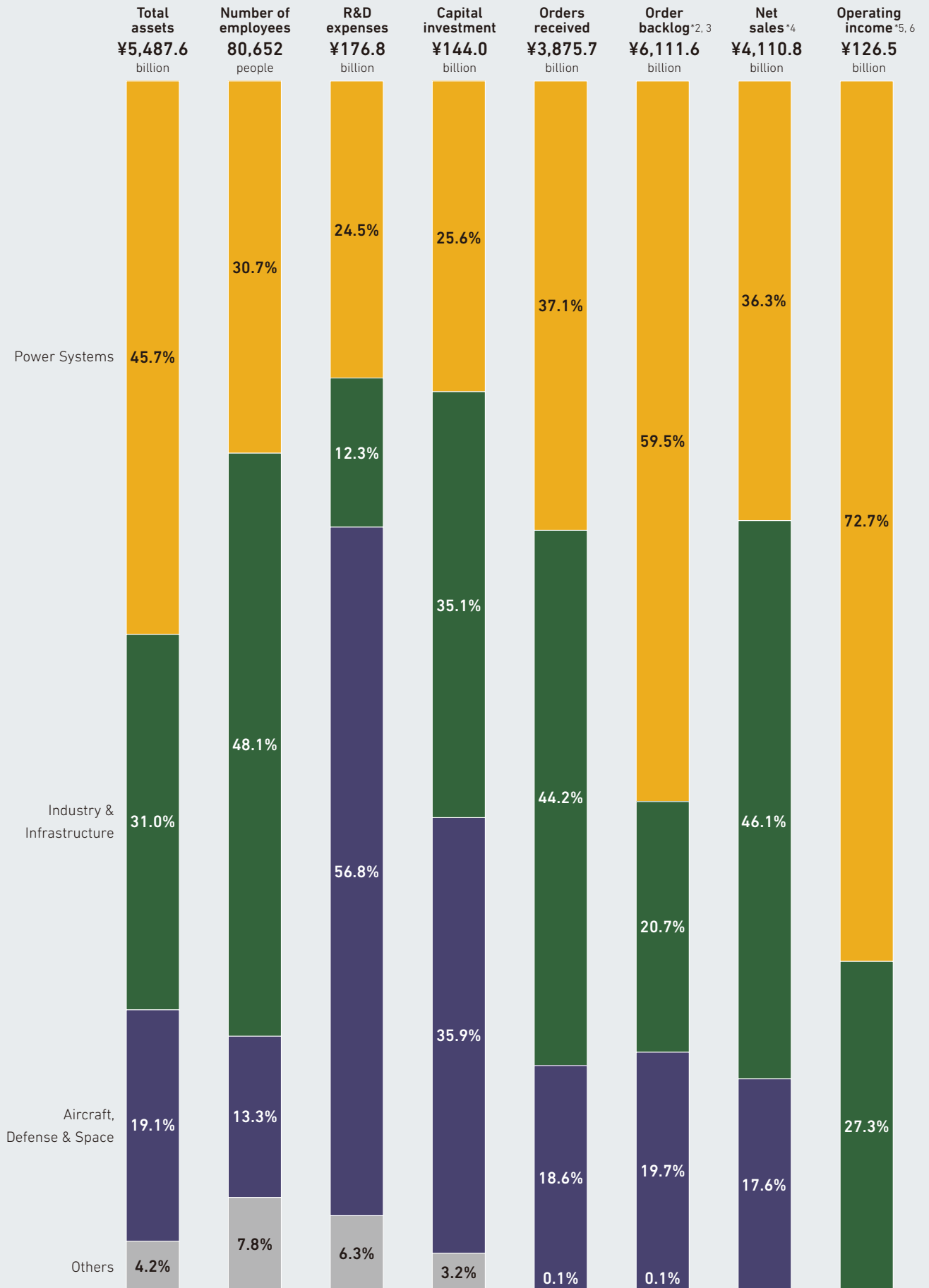
Overview of Fiscal 2017 In commercial aircraft, orders for main wing boxes for the Boeing 787 increased, but orders fell for defense aircraft and missile systems, for which significant orders had been received in the previous fiscal year, and orders for space systems decreased, leading to a year-on-year decline in consolidated orders received, to ¥721.5 billion. Consolidated net sales rose year on year, to ¥722.9 billion, due in part to space systems, where launches of H-IIA launch vehicles increased, but higher MRJ development costs and other factors resulted in an operating loss of ¥15.1 billion.

*1 ITS: Intelligent Transport Systems

INPUT

OUTPUT

FY 2017



MHI's Vision and Steps toward Its Realization

Management Strategies

Addressing Social Issues through Our Businesses

Financial and Non-Financial Data
Corporate and Stock Information

*2 Mass and medium lot manufacturing, such as turbochargers and air conditioners, is not included *3 Order backlog totals from close of fiscal 2017 onward do not include past orders for MRJ *4 Others, eliminations or corporate ...¥-5.1 billion *5 Aircraft, Defense & Space ...¥-15.1 billion *6 Others, eliminations or corporate ...¥-8.1 billion