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Midterm Business Plan: Strategic Investment into Aerospace

Future
Highly Profitable Business

Present
Medium-to-long-term Strategic Investment
Forecast; Aerospace Headquarters

Operating income (Consolidated) (In billion yen)

Orders received (Consolidated) Net sales (Consolidated)

Period of Investment in Development

Becoming a Highly Profitable Business

Orders received (Consolidated) Net sales (Consolidated)

2006 2007 2008 2010 2030

(Actual) (Prospect) (Target)
Location of Works Related to the Aerospace Headquarters

- Nagoya Aerospace Systems Works
  (Aircraft, Space equipment)

- Nagoya Guidance & Propulsion Systems Works
  (Aeroengines, Missiles, Rocket engines)

- Shimonoseki Shipyard & Machinery Works
  (Commercial aircraft components of Boeing 787 etc.)

- Hiroshima Machinery Works
  (Commercial aircraft components of Boeing 777 etc.)

- Kobe Shipyard & Machinery Works
  (Space equipment)

- Nagasaki Shipyard & Machinery Works
  (Underwater/Ship-based weapons)
Major Product Lines; Aerospace Headquarters

Aerospace Headquarters

- Defense
  - BMD
  - Future Fighter Aircraft

- Space Equipment
  - H-IIA
  - HTV/H-IIB

- Commercial Aircraft
  - Composite-Material Wing Boxes
  - MRJ
Priority Initiatives in the Defense Business Field

Defense

■ BMD
  • Sustained BMD business involving PAC-3/Config.3, etc.
  • Joint U.S.-Japan Next Generation Development Program

■ Future Fighter Aircraft
  • Business projects for future fighter aircraft
BMD – Ballistic Missile Defense

Defense

Ballistic Missile
BMD: Ballistic Missile Defense

Intercept BM
In space

SM-3

Intercept BM
After re-entry

Patriot PAC-3

Aegis Destroyer
Future Fighter Aircraft

Defense

F-4 Fighter
Model selected in 1966

In service for over 40 years

F-4EJ

The successor to the F-4 Fighter

Model selection expected in this fiscal year
Priority Initiatives in the Space Equipment Business Field

■ H-IIA Launch Services
  • Securing several launches through commercial satellite orders
    ⇒ Establish a stable operating base
    Maintain high launch success rates

■ HTV/H-IIB
  • Materials transport for the International Space Station
    ⇒ Expand scope of operations with the completion of development

■ Propose new projects associated with the enactment of the Basic Space Law
H-IIA Launch Services

Launch services started in FY 2007

- Launch Vehicle No. 13: SELENE (Kaguya) (September 14, 2007)
- Launch Vehicle No. 14: WINDS (Kizuna) (February 23, 2008)

• World-class launch success rate: 93% (H-IIA only)

Seeking to gain a foothold in the global market for launch service operations
HTV – H-II Transfer Vehicle / H-II B

Space Equipment

HTV

2009 Launch Schedule

H-II B

Uses two LE-7A engines

9.2m

4.4m

Photo credit: JAXA
Priority Initiatives in the Commercial Aircraft Business Field

■ Boeing 777
  - Secure profitability through further cost reduction

■ Boeing 787
  - Focus on critical subsystem; composite wing production

■ MRJ
  - Promote with the establishment of a new company
    ⇒ Establish a position as a complete aircraft manufacturer
Boeing 777 Transport Aircraft

Commercial Aircraft

Tail/Fuselage Panel Assembly

(Above) Tail, (Below) Fuselage Panel
Boeing 787 Transport Aircraft

Commercial Aircraft

New Plant for 787 Composite Wing (Nagoya Aerospace Systems Works)

One of world’s largest autoclaves

Shipment from factory of first wing box for the 787

Loading to a cargo plane dedicated to transporting 787 components
Building on its experience with the YS-11, MU-2 and MU-300 aircraft, MHI moves towards operations in the complete manufacture of commercial aircraft!
The Benefits Offered by MRJ

- Environmentally Friendly
  - Low noise
  - Low CO₂ emissions
- Operational Economy
  - Fuel efficient
- Cabin Comfort

Commercial Aircraft
Summary

Aerospace Headquarters – Business Strategy

- Core business of the Aerospace Headquarters
- Promote Programs (future fighter aircraft, BMD)

Defense

- Commercial Satellite Launches
- HTV/H-IIB Development
- Correspond to Basic Space Law

Space Equipment

- Composite Wing Production
- MRJ Development

Commercial Aircraft