Status of
2015 Medium-Term Business Plan

May 9, 2016
Mitsubishi Heavy Industries, Ltd.

Shunichi Miyanaga, President and CEO
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• Total Asset Turnover Ratio, etc.
• Acceleration of Concentration into Core Competencies
• Major Medium to Long-term Business Developments, by Domain
Overview of 1st Year of 2015 Business Plan (1): Management Targets

- Business scale generally in line with the previous outlook. (Orders received were partially delayed.)
- Earning capacity (operating income) strengthened close to target.
- Net income finished below the previous projection due to expansion in losses in the cruise ship business.

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Actual</th>
<th>FY2015 Actual (in billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orders received</strong></td>
<td>4,699.1</td>
<td>4,485.5</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>3,992.1</td>
<td>4,046.8</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>296.1 (7.4%)</td>
<td>309.5 (7.6%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>110.4</td>
<td>63.8</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>38.6</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>6.5%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Previous*</th>
<th>FY2015 Actual</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>4,700.0</td>
<td>4,700.0</td>
<td>4,485.5</td>
<td>4,485.5</td>
</tr>
<tr>
<td>Net sales</td>
<td>4,200.0</td>
<td>4,100.0</td>
<td>4,046.8</td>
<td>4,046.8</td>
</tr>
<tr>
<td>Operating income (Margin)</td>
<td>320.0 (7.6%)</td>
<td>300.0 (7.3%)</td>
<td>309.5 (7.6%)</td>
<td>309.5</td>
</tr>
<tr>
<td>Net income</td>
<td>130.0</td>
<td>90.0</td>
<td>63.8</td>
<td>63.8</td>
</tr>
</tbody>
</table>

- Generally on target
- Upturn from previous projection due to energy-related efforts
- Upturn in operating income +10.0
- Downturn in non-operating income - 7.0
- Total + 3.0
- Gap before income taxes -57.0

* Upon release of FY2015 3Q results (February 2016)  
FCF: Free cash flow  
ROE: Return on equity  
Changes since previous forecast: Energy & Environment / Commercial Aviation & Transportation Systems : approx. 200.0 billion yen postponed to next FY onwards.
<table>
<thead>
<tr>
<th>Business Domain</th>
<th>FY2014</th>
<th>Previous forecast* (A)</th>
<th>Actual (B)</th>
<th>B-A</th>
<th>Changes since previous forecast</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Net sales</td>
<td>Operating income</td>
<td>Net sales</td>
<td>Operating income</td>
<td>Net sales</td>
</tr>
<tr>
<td>Energy &amp; Environment</td>
<td>1,599.5</td>
<td>162.6</td>
<td>1,600.0</td>
<td>140.0</td>
<td>1,542.7</td>
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<td></td>
<td>529.5</td>
<td>23.4</td>
<td>550.0</td>
<td>55.0</td>
<td>548.5</td>
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<tr>
<td></td>
<td>483.9</td>
<td>28.5</td>
<td>450.0</td>
<td>27.0</td>
<td>485.0</td>
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<tr>
<td></td>
<td>1,347.4</td>
<td>87.7</td>
<td>1,400.0</td>
<td>85.0</td>
<td>1,432.3</td>
</tr>
<tr>
<td></td>
<td>154.9</td>
<td>10.3</td>
<td>200.0</td>
<td>15.0</td>
<td>177.3</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-123.3</td>
<td>-16.6</td>
<td>-100.0</td>
<td>-22.0</td>
<td>-139.2</td>
</tr>
<tr>
<td>Total</td>
<td>3,992.1</td>
<td>296.1</td>
<td>4,100.0</td>
<td>300.0</td>
<td>4,046.8</td>
</tr>
</tbody>
</table>

* Upon release of FY2015 3Q results (February 2016)

- Net sales: Partially delayed booking
- Operating income: Improvement in energy-related profitability
- Generally in line with previous forecast
- Operating Income: Decreased due to post merger integration cost of Primetals, etc.
Review of FY2016 Targets

Orders received: Modest reduction due to global economic uncertainty, etc.; efforts to boost orders  
Net sales: Decrease expected under impact of FY2015 decline in orders and delays in booking  
Operating income: Decreased operating income from decreased sales already factored in; efforts to focus on improvements

<table>
<thead>
<tr>
<th>(in billion yen)</th>
<th>FY2014 Actual</th>
<th>FY2015 Actual</th>
<th>FY2016 Previous targets</th>
<th>FY2016 Current targets</th>
<th>FY2017 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>4,699.1 (54%)</td>
<td>4,485.5 (52%)</td>
<td>5,100.0 (63%)</td>
<td>5,000.0 (63%)</td>
<td>5,500.0 (64%)</td>
</tr>
<tr>
<td>(Overseas ratio)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>3,992.1</td>
<td>4,046.8</td>
<td>4,600.0</td>
<td>4,400.0</td>
<td>5,000.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>296.1 (274.7)</td>
<td>309.5 (272.5)</td>
<td>380.0 (360.0)</td>
<td>350.0 (330.0)</td>
<td>450.0</td>
</tr>
<tr>
<td>(Ordinary income)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>110.4</td>
<td>63.8</td>
<td>160.0</td>
<td>130.0</td>
<td>200.0</td>
</tr>
<tr>
<td>ROE</td>
<td>6.5%</td>
<td>3.7%</td>
<td>8%</td>
<td>7.5%</td>
<td>10.2%</td>
</tr>
<tr>
<td>FCF</td>
<td>38.6</td>
<td>7.5</td>
<td>100.0</td>
<td>130.0</td>
<td>200.0</td>
</tr>
<tr>
<td>Debt/Equity ratio</td>
<td>0.46</td>
<td>0.53</td>
<td>0.4</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>32.3%</td>
<td>30.6%</td>
<td>34%</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>975.5</td>
<td>1,052.1</td>
<td>900.0</td>
<td>950.0</td>
<td>900.0</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>11 yen</td>
<td>12 yen</td>
<td>Dividend payout ratio 30% ± 5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Foreign exchange rates
* Upon release of FY2015 3Q results (February 2016)  
ROE: Return on equity  
FCF: Free cash flow
Achieving FY2016 net sales, operating income and net income targets all in sight, thanks to order backlog and new, upcoming orders

Measures underway to increase income and lift prospects for hitting FY2017 net sales and income targets (see next page)
### Progress of Original and Additional Measures

**Promote domain-based targets with clear aims, and strategies for their achievement**
- Profitability
- Financial foundation
- Risk resilience
- Technology foundation

### Status of measures for specific businesses

**Cruise ships**
- ... P. 9

**MRJ**
- ... P.11

### Status of individual measures (1)

- Acceleration of PMI of major JV businesses ... P.15
- Improvement of cash conversion cycle (CCC) ... P.19
- Narrowing down of businesses receiving resources ... P.20
- Asset management ... P.21

### Status of individual measures (2)

- Reform of corporate governance system ... P.23
- Strengthening of risk management ... P.24
- Organizing and strengthening of shared foundation ... P.27
- Strengthened response to IoT and AI ... P.28

### New additional measure

- Strengthen global marketing communications (brand story) ... P.33
Status of Measures for Specific Businesses

- Cruise ships: Finally approaching a resolution
- MRJ: Full-scale test flights; Preparing for mass production
**Progress status**

**First ship**
- Handover completed on March 14
- First cruise left Hamburg on April 30

**Second ship**
- Launched on March 20; rigging work in progress
- In discussions with customer concerning delivery schedule

**Costs and measures**
- Additional extraordinary loss of approx. 50 billion yen booked against increased costs (response to fires, etc.) in final stages of construction of first ship and projected cost increase for second ship due to delayed delivery
- Improvement measures under way for second ship based on experience and knowhow with first ship (see right)

[Main improvement measures]
- Set critical path priorities
- Maximize work efficiency
  - Adopt moving-line cabin assembly
  - Introduce long-span elevators, etc.
- Strengthen fire prevention and safety management
  - Introduce IC tags, onboard cameras, etc.
Cruise Ship Business Evaluation Committee

- Purpose: Evaluate cruise ship business issues from multiple perspectives, and utilize findings for future MHI Group management and individual businesses
  → In addition to issues already identified (management weakness, weakness of cruise ship business foundation, etc.), also leverage acquired knowhow and identify business opportunities for complex engineering, etc.
  → Determine areas needing improvement identified by young engineers and on-site workers to nurture human resources and improve production technology in the future

Making reference to these evaluation results and the status of current reforms:

1. Decide on overall commercial ship business strategies, including continuation or withdrawal of cruise ship business
2. Implement more advanced risk management to optimize overall MHI Group management

Cruise Ship Business Evaluation Committee

[Committee leader]

Executive Vice President Kazuaki Kimura
(President/CEO of Machinery, Equipment and Infrastructure domain)

Secretariat: Corporate Planning Department

Inaugurated on April 22, 2016
Review and discussions now underway

Project Manager
Marketing and other managers
Young design engineers
On-site supervisors and workers
Experts in other domains
Experts in other divisions (Business Risk Management Division, Research & Innovation Center, etc.)
**Status of MRJ Business(1) Development Progress**

### Milestones

<table>
<thead>
<tr>
<th>CY2015</th>
<th>CY2016</th>
<th>CY2017</th>
<th>CY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maiden flight</td>
<td>▼ Resumption of test flights</td>
<td>▼ Ferry flight to U.S. (Summer)</td>
<td></td>
</tr>
</tbody>
</table>

- **Confirmation of basic performance**
- **Preparation for ferry**
- **Flight tests in U.S.**
- **Confirmation of requirements for TC flight testing**
- **TC flight tests**
- **Final evaluation**
- **Delivery to ANA**

**[Status of 1st aircraft]**
22 test flights completed as of April 12
From April 13, airframe under modification toward next phase

**[Status of 2nd aircraft]**
On ground testing
(Maiden flights scheduled in May)

### Strengthening of development structure

3-base/3-top structure (Japan/U.S.)
- Shorter flight test period
- Quickly integrate areas for improvement identified in flight testing into design and manufacturing

**Aichi Pref. (Komaki-minami)**
**Moses Lake**
**Seattle**
**U.S.**

### MRJ: Mitsubishi Regional Jet

**Mitsubishi Aircraft Corp. MRJ development structure**

- **President**
  - Hiromichi MORIMOTO

- **Sr. Exec. VP**
  - Nobuo KISHI
  - Chief Engineer

- **Sr. Exec. VP**
  - Shigefumi TATSUMI*
  - Head of Seattle Engineering Center

- **Sr. Exec. VP**
  - Akihiko ISHIKAWA*
  - Head of Moses Lake Flight Test Center

- TC: Type certificate

**Mr. Tatsumi**: Boeing and Bombardier project manager, etc.
**Mr. Ishikawa**: In charge of F-2 flight test, etc.

* Former Executive Officer at MHI

**Appointed in April 2016**
(transfer from MHI)
Status of MRJ Business (2)
Preparation of Mass-manufacturing Structure and Challenges

Preparation of mass-manufacturing structure → Making steady progress

Customer support structure → Working toward early preparation

Full-scale cost reductions to secure business viability → Drive forward from now on

- Production technology innovation program, from start of mass production through production rate increases
- Promotion of fundamental SCM reforms (aircraft industry cluster, supplier negotiations, etc.)
The financial plan includes the following:

- Cumulative cash flow assumed to bottom out in FY2018.

- Cited expenditures to be appropriated from Groupwide FCF (now in progress, without relying on outside sources).

[Reference] Long-term investment policy:

- To sustain perpetual Group growth, appropriate near 20% of total investment capital into new businesses to grow over the long term (currently, more than 600 billion yen).

- Investment into the MRJ falls in line with the above policy, and future returns from this business will be appropriated for reinvestment into derivative aircraft, etc. or to strengthen equity capital.

- Already nearly 10 years since start of MRJ’s development, and new businesses to follow the MRJ business will be considered in the next Medium-Term Business Plan.
Status of Specific Measures (1)

• Status of major measures having a large and direct impact on business scale and earnings
  → Generally progressing smoothly despite responses to changes in external environment
Progress Status of Specific Measures (1) Acceleration of PMI at Major JV Businesses (1/3)

Mitsubishi Hitachi Power Systems

- Measures focused on PMI (1-5 below), targeting attainment of scale and earnings on par with overseas competitors, are being accelerated.
- Groupwide, we are developing large-scale projects, including composite cross-domain projects overseas.

1. Accelerate reorganization of business structures and bases, including Group companies
   - Approx. 23,000 employees (at time of integration) → Approx. 20,000 employees (outlook)

2. Strengthen technology and new product development capabilities through integration synergies

3. Reform overall value chain through use of IoT/AI

4. Shift human resources to servicing and other high added value businesses

5. Pursue all-out improvement in CCC through supply chain reform, enhancement of factory operating ratios, reduction of inventory assets, etc.

PMI: Post merger integration

SG&A: Selling, general & administrative expenses

IoT: Internet of things
AI: Artificial intelligence
CCC: Cash conversion cycle

Orders received:
2015 (Actual): Approx. 1,470 billion yen
2016: Approx. 1,500 billion yen
2017: Approx. 1,550 billion yen

Net sales:
2015 (Actual): Approx. 1,100 billion yen
2016: Approx. 1,150 billion yen
2017: Approx. 1,200 billion yen

Operating Income:
2015 (Actual): Approx. 95 billion yen
2016: Approx. 100 billion yen
2017: Approx. 105 billion yen

SG&A:
- Before integration: Approx. 7%
- After integration: Approx. 10%
- SG&A reduced approx. 15 billion yen since integration

CCC:
- Before integration: -27 days
- After integration: -7 days
- CCC reduced by 27 days since integration
- Further reduction to be sought by another 7 days
Primetals Technologies (Metals Machinery SBU)

- Currently responding to rapid drop in facilities demand owing to global steel supply-and-demand gap
  → To secure earnings, now expanding servicing business, reducing costs and accelerating PMI (see 1-3 below)
  → Pursuing survivor benefits after demand recovery (sowing seeds of next growth markets and reforming business model)

  (1) Reducing staff and costs through integration of redundant segments, etc.
  Approx. 8,000 employees (at time of integration) → Approx. 7,000 employees (outlook)

  (2) Quick decision-making through organizational simplification
  Business segments: 10 → 7
  Functional organizations: 26 → 9

  (3) Strengthening sales and project management
  Integration of Japanese and European knowhow (accelerating pursuit of mutually complementary and synergy merits)

Progress Status of Specific Measures (1)
Acceleration of PMI at Major JV Businesses (2/3)

SBU: Strategic business unit  PMI: Post merger integration

<table>
<thead>
<tr>
<th>Year</th>
<th>Orders received:</th>
<th>Net sales:</th>
<th>Operating income:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>Orders received</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2015 (Actual)*
Orders received: Approx. 200 billion yen
Net sales: Approx. 260 billion yen
Operating income: Approx. -6 billion yen
Approx. 2 billion yen (except goodwill)

SG&A reduced approx. 4 billion yen since integration

*S FY2015 results and graphs: For Metals Machinery SBU
SG&A: Selling, general & administrative expenses
Pursuing forklift truck PMI and management merits from integrating 3 mass and medium-lot manufactured machinery businesses

Forklift trucks
• Market share expansion (currently 10%, ranked No.3)
  → Sales expansion through abundant lineup
  → Enhanced global service network

Promotion of PMI
Complete elimination of redundant functions
Improved efficiency of sales and production bases

Turbochargers
• Market share expansion (currently 22% for passenger vehicles, ranked No.3)
  → Secure 11-million-unit production system
• Formation of global supply chain
• Further improvement in profitability
  → Streamlining of production equipment and bases

Engines
• Pursuit of growth model in global markets
  → Expand business in growing market of distributed power generation systems
  → Total solution business model including communication and control technology

Pursuit of management merits from integration of 3 businesses
Organizational synergy
(sharing of bases and functions, marketing activities, etc.)
Technological synergy
(combination of technologies, etc.)
Development of new businesses
Pursuit of growth model (making use of IoT/AI, etc.)

PMI: Post merger integration
IoT: Internet of things
AI: Artificial intelligence
Forklift trucks
No.3 global share – and aiming higher

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Country</th>
<th>Sales</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Toyota Industries Corp</td>
<td>Japan</td>
<td>924.9</td>
<td>22.1%</td>
</tr>
<tr>
<td>2</td>
<td>KION</td>
<td>Germany</td>
<td>631.5</td>
<td>15.7%</td>
</tr>
<tr>
<td>3</td>
<td>Mitsubishi Nichiyu &amp; UniCarriers</td>
<td>Japan</td>
<td>430.0</td>
<td>10.6%</td>
</tr>
<tr>
<td>4</td>
<td>Jungheinrich</td>
<td>Germany</td>
<td>337.2</td>
<td>8.4%</td>
</tr>
<tr>
<td>5</td>
<td>Hyster-Yale</td>
<td>USA</td>
<td>281.2</td>
<td>7.0%</td>
</tr>
<tr>
<td>6</td>
<td>Crown</td>
<td>USA</td>
<td>254.1</td>
<td>6.3%</td>
</tr>
<tr>
<td>7</td>
<td>Mitsubishi Nichiyu</td>
<td>Japan</td>
<td>226.6</td>
<td>6.2%</td>
</tr>
<tr>
<td>8</td>
<td>Cargotec</td>
<td>Finland</td>
<td>200.7</td>
<td>5.0%</td>
</tr>
<tr>
<td>9</td>
<td>Manitou</td>
<td>France</td>
<td>140.3</td>
<td>3.5%</td>
</tr>
<tr>
<td>10</td>
<td>Anhui Heli</td>
<td>China</td>
<td>109.6</td>
<td>2.7%</td>
</tr>
<tr>
<td>11</td>
<td>Hangcha Group</td>
<td>China</td>
<td>99.2</td>
<td>2.5%</td>
</tr>
<tr>
<td>12</td>
<td>Komatsu</td>
<td>Japan</td>
<td>84.7</td>
<td>2.0%</td>
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<td>Clark</td>
<td>Korea</td>
<td>72.0</td>
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<td>14</td>
<td>Doosan Corp.</td>
<td>Korea</td>
<td>57.6</td>
<td>1.4%</td>
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<tr>
<td>15</td>
<td>Hyundai</td>
<td>Korea</td>
<td>45.9</td>
<td>1.1%</td>
</tr>
<tr>
<td>16</td>
<td>Merlo</td>
<td>Italy</td>
<td>38.7</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Reference: Profile of Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.

Established April 2013
Mitsubishi Nichiyu Forklift
Approx. 230 billion yen
• Achievement of full lineup
• Worldwide market coverage

Established March 2016
Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.
 Approx. 730 billion yen
 Approx. 430 billion yen

Acquired March 2016
Mitsubishi Nichiyu Forklift
Approx. 240 billion yen
 Approx. 5,500 employees

Unicarriers
Approx. 190 billion yen
 Approx. 5,600 employees

MHI Engine & Turbocharger
Approx. 300 billion yen
 Approx. 5,500 employees

MFET’s Head Office and Production/Sales Bases

MFET: Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.
Improving cash conversion cycle (CCC)

Radical measures are underway to achieve the new target of 70 days,* up from the original target of 81 days

* Set using competitors’ CCC data as benchmark

- CCC targets set for each SBU; periodic follow-up underway
- Review of supply chain, business processes and plant management underway; measures being strengthened in restructuring of bases, plants, etc.

CCS status and target

![Diagram showing CCC status and target with actual and target values, including Monetary impact of approximately 300 billion yen.]

SBU: Strategic business unit
CCC: Cash conversion cycle

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Giving top priority to total optimization (especially span of management and resource allocation) of the MHI Group amid globalization, other factors* are being evaluated, and concentration into core competencies is moving forward.

* Evaluating scale of specific businesses, profitability, long-term growth potential, etc.

**Based on the judgment that business growth cannot be expected at MHI but its growth is possible if entrusted to another company

[FY2015]
- Incorporation of forklift truck business
- Divestment of small-scale businesses, etc.**

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Targeting generation of approx. 200 billion yen in cash flow within the 3 years of the 2015 Business Plan, planned utilization of land properties and securities is underway.

### Progress Status in Asset Management

**Land**
Generally proceeding according to plan (partially ahead of schedule)

<table>
<thead>
<tr>
<th>FY2015</th>
<th>CF</th>
<th>P/L</th>
</tr>
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<tbody>
<tr>
<td>Target</td>
<td>Approx. 9.0</td>
<td>Approx. 4.0</td>
</tr>
<tr>
<td>Actual</td>
<td>Approx. 11.0</td>
<td>Approx. 6.0</td>
</tr>
</tbody>
</table>

**Securities**
Securities being extracted and dealt with for maximum effect

<table>
<thead>
<tr>
<th>FY2015</th>
<th>CF</th>
<th>P/L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Approx. 5.0</td>
<td>Approx. 3.0</td>
</tr>
</tbody>
</table>

Aiming to strengthen the financial foundation, cash flow is being properly generated within the time frame of the 2015 Business Plan in order to maintain flexibility to meet conceivable future capital requirements.
Status of Specific Measures (2)

• Status of noteworthy measures relating to governance, risk management, and preparation of a shared foundation
  → Bold reforms are underway in order to adapt to dramatic changes in the global environment, fully prepared for trials and errors along the way
Reform of the composition of the Board of Directors

- Raise the proportion of outside directors
- Enhance and strengthen supervisory functions
  → Undertaking various attempts to activate discussions between supervisory and executive directors

- Promote separation of supervisory and executive functions
  (clarification of responsibilities and greater effectiveness)

Internal directors will be limited to the Chairman, two members of the Audit and Supervisory Committee and, on the executive side, the CEO, CFO and CTO.

The domain CEOs will be relieved of the duties as Directors and assigned exclusively to executive business management and oversight, etc.

Proportion of outside directors

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>25%</td>
<td>35%</td>
<td>36%</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

*Numbers projected after General Meeting of Shareholders
Risk management policies of 2015 Business Plan

- Devote complete efforts to resolving immediate serious risks: SONGS, etc.
- Expeditiously strengthen risk resilience
  - Through improvement of earning capacity, etc., secure adequate financial provisions at any time to be able to meet emergency situations

- Advance risk management systemization, consolidation of work processes, etc.; integrate studies of overseas competitors, etc.; and fully prepare a risk management structure before the next Business Plan
  - Preparing a Risk Management Dept., Corporate Planning Dept., etc.

  (schedule described on page 26)

SONGS: San Onofre Nuclear Generating Station
Create new structure under direct CEO management (completed April 2016)

(1) Risk Management Dept.

→ Aiming to achieve management level and efficiency similar to global competitors, promote systemization of entire risk management and concentration of related business processes

→ Promoting possible risk prevention activities with 3 groups (right)

(2) Risk Solutions Dept.

Currently working to resolve the following serious existing risk-related issues:

→ SONGS arbitration : The department manager is liaising directly with legal department, nuclear energy department, American law offices, etc. and directing overall arbitration procedures. The CEO is informed of all main points and issuing instructions.

→ Supporting additional negotiations with the cruise ship customer, etc. The CFO is directly managing overall construction costs of the 2nd ship.

→ Supporting price and contract negotiations for the MRJ’s major components purchased overseas (engines, etc.)

CEO: Chief executive officer
CFO: Chief financial officer
SONGS: San Onofre Nuclear Generating Station
MRJ: Mitsubishi Regional Jet
### Main schedule for strengthening risk management

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Target setting for measures to counter cruise ship losses</td>
<td>• Strengthen technical risk management through streamlining common technical foundation</td>
<td></td>
</tr>
<tr>
<td>• Resolution of serious risks (SONGS, etc.)</td>
<td>• Various EPC solution technologies to differentiate from competitors</td>
<td></td>
</tr>
<tr>
<td>• Framework of total risk management of MRJ business</td>
<td>(TC acquisition / Delivery / Cost reductions / Finance and other measures) (continue)</td>
<td></td>
</tr>
<tr>
<td>• Strengthening of risk resilience (further strengthening of financial foundation)</td>
<td>• Adoption of global insurance and review of authorization process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• making use of IoT/AI, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Study of risk management by overseas competitors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Evaluation of MHI’s true capabilities and determination of points needing improvement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Further improvements to management and business structure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Enhancement of risk control related human resources</td>
<td></td>
</tr>
</tbody>
</table>

SONGS: San Onofre Nuclear Generating Station
MRJ: Mitsubishi Regional Jet
TC: Type certificate
EPC: Engineering, procurement and construction
IoT: Internet of things
AI: Artificial intelligence
Preparation and strengthening of a shared foundation as a global corporation

- Policies for establishing a shared technology framework, building global platforms, etc. are advancing steadily (as explained on February 4).

As additional reinforcement measures, the following are underway:

1. Strengthen response to IoT/AI (pages 28-31)
   - Strengthen collaboration with leading domestic and overseas companies and COEs, mainly on ICT Solution Headquarters and Research & Innovation Center

2. Promote active use of experts (a company will be established in July 2016)
   - Pool Companywide experts, mostly employees with long experience, to work on actual various projects and nurture next-generation experts.
   - Starting from EPC experts, an organization will be built making use of a wide variety of experts, in tandem with needs and efficacy.
Background

- IoT and AI technologies have advanced more quickly than when the 2015 Business Plan was formulated, increasing the need for a swift, more concentrated response.

Major aims

- Higher added value of products, technologies and services
- Expansion of business fields (peripheral areas and new businesses)
- Application to risk management (P.31)
- Reform of business model
  - Necessary for large-scale businesses developing global operations
  - Leverage for strengthening niche businesses qualitatively

IoT: Internet of things  AI: Artificial intelligence

(to be urgently considered going forward)
Connecting MHI’s machinery and information/communication technologies, centering on its strength in mother machine control technologies*, MHI is enhancing the added value of its products and technologies and expanding its business areas.

* Control: including sensor technologies, monitoring/control, analysis/forecasting (diagnosis)/planning

Example 1: Added value improvement model

- Use of other companies’ technologies and system integration
- Use of free-hand (multi-vendor) strength

ICT: Information & communication technology

Strengthening of MHI Group's ICT areas

Use of other companies’ technologies

Areas being strengthened

1. Sensing
2. Integrated monitoring/control
3. Analysis/forecasting / planning
4. Information transmission
5. Data accumulation / processing
6. Information transmission
7. Data access
8. Analysis/forecasting / planning
9. Remote monitoring / control

Areas being strengthened

- Industry 4.0
- Security
- Wide-area wireless networks
- IoT tools
- Natural language processing
- Machine learning

Primetals Technologies, IBM, NTT, SIGFOX, PTC, TATA, HITACHI, NEC, UBIC, Jubatus, Preferred Networks
Example 2: Strengthening of product lineup

- Actively apply IoT/AI technologies to information transmission and analysis for design, procurement, production, etc.
- By multi-dimensional coupling of internal processes, promote process sharing and overall optimization

**In-house process reforms**

**Production process enhancement**

[Plant]

- Machine
- Controller

**O&M business expansion**

[Customer]

- Controller
- Machine

**Strengthening of supply chain management**

- Actively apply IoT/AI technologies to information transmission and analysis for design, procurement, production, etc.
- By multi-dimensional coupling of internal processes, promote process sharing and overall optimization

- IoT: Internet of things
- AI: Artificial intelligence

**Cyber Security**

- O&M: Operation and maintenance
Example 3: Active use of external knowledge and stronger collaboration

Cyber security

- Integration of safe, high-reliability control technologies cultivated in the Integrated Defense & Space Systems area with the cutting-edge security technologies of NTT

  Jointly with NTT, research has been launched into cyber security technologies for critical infrastructure control systems, etc.

  (A “Cyber Lab” has been newly established, and verification and development are now under way.)

Risk management

- Consider using IBM Watson for automatic comprehensive risk identification in contract documents, etc., using precedents as reference

  - Targets set on efficiency and standardization in business processes, and more advanced risk management
New Additional Measure

• Strengthen global marketing communications

  → Create New Brand Story to help explain MHI’s global value proposition to a wide range of stakeholders including substantial / potential customers, the public sector, etc.
New Additional Measure
Strengthen global marketing communications

Global rollout of MHI Group Brand Story

• Urgent need to increase recognition and understanding of MHI Group in global markets to levels enjoyed by global competitors
  → Mitsubishi is well-known, but Mitsubishi Heavy Industries is not
• Leverage PR and branding specialists to review PR strategies, create MHI Group brand story*, and increase awareness and understanding of MHI’s business and management, communicating to broader range of customers in the global market
  → PR activities will be launched in all overseas regions starting with North America in May

* Main Points of Brand Story

- Commitment to customers, society and regions (the role of MHI)
- MHI Group strengths (and the value we deliver)
- Proactive contribution for global growth
- Clarify competitive advantage and differentiation

[Key concept]
“和(WA)” HARMONY

[Group Statement]
(next page)

[Tagline]
MOVE THE WORLD FORWARD
At Mitsubishi Heavy Industries Group, we channel big thinking into solutions that move the world forward – advancing the lives of everyone who shares our planet.

By bringing people and ideas together as one, we continue to pave the way to a future of shared success.

Passionately finding new, simpler and sustainable ways to power our cities, improve infrastructure, innovate manufacturing and connect people and businesses around the globe with ever-increasing speed and efficiency.

This is the power of true harmony. This is what moving the world forward is all about. This is today’s Mitsubishi Heavy Industries Group.
Summary

(1) Management Numerical Results and Targets …P.36
(2) Upward Trend in Earning Capability …P.37
(3) Measures against Gap between Business Scale and Earnings …P.38
(4) From Reform Phase to Take Off Phase …P.39
Summary (1) Management Numerical Results and Targets

- Actual: 2012 Business Plan
- Forecast: 2015 Medium-Term Business Plan
- Previous targets: 2015 Medium-Term Business Plan
- Current targets: 2015 Medium-Term Business Plan
- Targets: 2015 Medium-Term Business Plan

**Orders received**
- FY2014: 4,699.1 billion yen
- FY2015: 4,700.0 billion yen
- FY2016: 4,485.5 billion yen
- FY2017: 5,100.0 billion yen

**Net sales**
- FY2014: 3,992.1 billion yen
- FY2015: 4,100.0 billion yen
- FY2016: 4,046.8 billion yen
- FY2017: 4,600.0 billion yen

**Operating income**
- FY2014: 296.1 billion yen
- FY2015: 300.0 billion yen
- FY2016: 309.5 billion yen
- FY2017: 380.0 billion yen

**Net income/ROE**
- ROE: FY2014: 6.5%, FY2015: 3.7%, FY2016: 7.5%, FY2017: 10.2%

**Foreign exchange rates**
- 2012 Business Plan: 109.4 yen/$, 138.0 yen/€
- 2015 Medium-Term Business Plan: 120 yen/$, 130 yen/€

**Note**
- * Upon release of FY2015 3Q results (February 2016)
- ROE: Return on equity
- FCF: Free cash flow

Accelerate response into areas needing more effort.
The measures taken to improve the earnings structure since the start of the 2012 Medium-Term Business Plan have resulted in solid increases in operating income, and further improvements will be implemented.

Together with resolving critical risks such as the cruise ship business issues, SONGS, etc., strengthen risk management and earning capability, driving up net income.

SONGS: San Onofre Nuclear Generating Station
### Accelerate response into areas needing more effort (P.36)

<table>
<thead>
<tr>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
</table>
| • Accelerate PMI of 3 independently managed JVs  
  (Orders received / Net sales +400-500 billion yen, Operating income +50-100 billion yen) | • Fully implement synergy merits of 3 independently managed JVs  
  RI: Fully implement synergy merits of 3 independently managed JVs  
  (Orders received / Net sales +400-500 billion yen, Operating income +50-100 billion yen) |
| • Swiftly win orders for delayed project | • Develop and Receive orders for large cross-domain projects  
  (Orders received +100-200 billion yen, Sales/Operating Income FY2018 or later) |
| • Complete improvement measures to build #2 cruise liner  
  (raising net income) | |
| • Increase profitability in early stage, by expanding servicing business  
  (Operating income +X) | |
| • Achieve further efficiency in indirect costs | • Promote BPO, IoT/AI substitutes  
  (Operating income +10-20 billion yen) |
| • Accelerate reforms of commercial ship business | • Radically strengthen the earning capacity of the Commercial Aviation & Transportation Systems  
  (Operating income +X) |
| | • Maximize operation of shared technology division  
  (Net sales / Operating income +X) |

PMI: Post merger integration  
BPO: Business process outsourcing  
IoT: Internet of things  
AI: Artificial intelligence

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Summary (4) From reform phase to take off phase

2012 Medium-Term Business Plan (2012-2014)
Full-scale Reform
Depart from Long stagnation
• Business scale: 3 trillion yen → 4 trillion yen
• Systemic reforms
• Strengthening response to globalization

Preparation for taking off
• Business scale of more than 5 trillion yen
• Resolution of critical risks
• Improve business process and maximize its efficiency, necessary for full-scale global competition
• Strategic business evaluation system
• Transition to business domain system
• Launch Chief officers system, etc.
• Preparation of a shared foundation (technology/management/finance) (Global platform)
• M&A (MHPS)
• Acceleration of PMI (PT) (MFET)
• Asset management and restructuring of bases

Direction of 2018 Medium-Term Business Plan (2018-2020)
Take off (Stage 1)
Achieving higher targets, stepping up closer to GE/Siemens
• Growth strategy of Commercial Aviation & Transportation Systems domain and Integrated Defense & Space Systems Domain
• Full-scale operation of MRJ business
• Development of new businesses
• More advanced M&As
• Strengthen strategies for global market
• Broader operation of shared technology division
• Strengthening of risk management
• More advanced Portfolio Management
• Genuine global management structure
• Systemic reforms
Strategic business evaluation system
Transition to business domain system
Launch Chief officers system, etc.
• Strengthening of corporate governance
Transition to a company with an audit and supervisory committee
Revising function of board meetings, etc.

M&A: Mergers & acquisitions
MHPS: Mitsubishi Hitachi Power Systems
PT: Primetals Technologies
MFET: Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.
PMI: Post merger integration
Reference

- Total Asset Turnover Ratio, etc.  ...P.42
- Acceleration of Concentration into Core Competencies  ...P.43
- Major Medium to Long-term Business Developments, by Domain  ...P.44
• Total asset turnover ratio is generally holding steady (and is expected to trend upward from PMI, etc. going forward)
• Together with maintaining a steady level of investment, equity will be built up
<table>
<thead>
<tr>
<th>Company</th>
<th>Product/Business</th>
<th>Agreement date</th>
<th>Net sales contribution (FY2014)</th>
<th>Other results, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Broach (USA)</td>
<td>Machine tools</td>
<td>Apr 2012</td>
<td>Approx. JPY 5.0bn</td>
<td>Business expansion and stabilization from lineup integration</td>
</tr>
<tr>
<td>PWPS(USA), Turboden(Italy)</td>
<td>Gas turbines</td>
<td>Dec 2012</td>
<td>Approx. JPY 80bn</td>
<td>Business expansion from added lineup in small/medium GT</td>
</tr>
<tr>
<td>Daily Equipment (USA)</td>
<td>Forklift trucks</td>
<td>Jan 2012</td>
<td>Approx. JPY 1.5bn</td>
<td>Expansion of after-sale servicing business</td>
</tr>
<tr>
<td>Concast (India)</td>
<td>Metals machinery</td>
<td>Jun 2012</td>
<td>Approx. JPY 2.5bn</td>
<td>Strengthening of upstream product lineup</td>
</tr>
<tr>
<td>Toyo Engineering Works</td>
<td>Refrigeration systems</td>
<td>Jan 2014</td>
<td>Approx. JPY 16bn</td>
<td>Strengthening of engineering business</td>
</tr>
<tr>
<td>UniCarriers Holdings</td>
<td>Forklift trucks</td>
<td>Jul 2015</td>
<td>Approx. JPY 185bn</td>
<td>Further business scale growth and expanded global market share</td>
</tr>
<tr>
<td>Nippon Yusoki</td>
<td>Forklift trucks</td>
<td>Nov 2012</td>
<td>Approx. JPY 130bn</td>
<td>Business expansion from achievement of full lineup</td>
</tr>
<tr>
<td>Hitachi</td>
<td>Thermal power generation systems</td>
<td>Nov 2012</td>
<td>Approx. JPY 300bn</td>
<td>Business expansion from full GT lineup (small to large), expansion of unique technologies (brown coal combustion, IGCC)</td>
</tr>
<tr>
<td>Siemens (Germany)</td>
<td>Metals machinery</td>
<td>May 2014</td>
<td>Approx. JPY 50bn</td>
<td>Business expansion from achievement of full lineup</td>
</tr>
<tr>
<td>IHI Metaltech</td>
<td>Metals machinery</td>
<td>Jul 2013</td>
<td>Approx. JPY 10bn</td>
<td>Strengthened lineups of aluminum rolling mills, etc.</td>
</tr>
<tr>
<td>Mahindra &amp; Mahindra (India)</td>
<td>Agricultural machinery</td>
<td>May 2015</td>
<td>(equity-based)</td>
<td>Stronger competitiveness in domestic and global markets</td>
</tr>
<tr>
<td>Vestas (Denmark)</td>
<td>Wind turbines</td>
<td>Sep 2013</td>
<td>(equity-based)</td>
<td>Early achievement of strategic model (8MW) development and order receipt targets</td>
</tr>
<tr>
<td>Ryobi</td>
<td>Commercial printing machinery</td>
<td>Jun 2013</td>
<td>(equity-based)</td>
<td>Business strengthening from product lineup and production integration</td>
</tr>
<tr>
<td>Fuji Xerox</td>
<td>Document-related</td>
<td>Oct 2013</td>
<td>-</td>
<td>Reductions in direct/indirect costs from standardization and effective document-related processes</td>
</tr>
<tr>
<td>Miyaji Engineering</td>
<td>Bridges</td>
<td>Nov 2014</td>
<td>(equity-based)</td>
<td>Scale merits, Market share increase</td>
</tr>
<tr>
<td>Japan Tunnel Systems</td>
<td>Tunneling shield machine</td>
<td>May 2015</td>
<td>(equity-based)</td>
<td>Assured capture of domestic demand and accelerate business expansion overseas</td>
</tr>
<tr>
<td>Fuji Oozx</td>
<td>Automobile engine valves</td>
<td>Jan 2016</td>
<td>(equity-based)</td>
<td>Market share expansion and enhanced market presence</td>
</tr>
<tr>
<td>HIDROMEK (Turkey)</td>
<td>Motor graders</td>
<td>Nov 2013</td>
<td>-</td>
<td>Promotion of business concentration into core competence</td>
</tr>
<tr>
<td>Delta Electronics (Taiwan)</td>
<td>Lithium rechargeable batteries</td>
<td>Apr 2014</td>
<td>-</td>
<td>Promotion of business concentration into core competence</td>
</tr>
<tr>
<td>Sumitomo Heavy Industries Material Handling Systems</td>
<td>Industrial cranes</td>
<td>May 2015</td>
<td>-</td>
<td>Promotion of business concentration into core competence</td>
</tr>
<tr>
<td>Michinori Holdings</td>
<td>Shonan Monorail</td>
<td>May 2015</td>
<td>-</td>
<td>Promotion of business concentration into core competence</td>
</tr>
<tr>
<td>Tohmei Industries</td>
<td>Ship stabilizers</td>
<td>Mar 2016</td>
<td>-</td>
<td>Promotion of business concentration into core competence</td>
</tr>
<tr>
<td>Ecovix (Brazil)</td>
<td>Shipbuilding</td>
<td>Jan 2016</td>
<td>(equity-based)</td>
<td>Promotion of business concentration into core competence</td>
</tr>
</tbody>
</table>

**Integration of Group Companies**: Integration of 8 Group companies undertaking businesses relating to plant/facility management, construction and real estate

**PMI Status and Results to Date**: Withdrawal

**Other results, etc.**: Stronger business management through effective use of resources and sharing of management expertise, etc.
<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021-</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Tier 1</td>
<td>B777X</td>
<td>B787</td>
<td>B777X</td>
<td>B787</td>
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<td>MHPS</td>
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<td>MHPS</td>
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<tr>
<td>Orders received</td>
<td>Orders received</td>
<td>Orders received</td>
<td>Orders received</td>
<td>Orders received</td>
<td>Orders received</td>
<td>Orders received</td>
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<tr>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
<td>Himeji No.2 Power Station</td>
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<tr>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
<td>1,600°C-class Gas Turbines</td>
</tr>
<tr>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
<td>Intensifying competition, risk of changes in market environment</td>
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<tr>
<td>Technology</td>
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<td>Technology</td>
<td>Technology</td>
<td>Technology</td>
<td>Technology</td>
<td>Technology</td>
</tr>
<tr>
<td>Business scale expansion and higher profitability from thermal power generation and environmental business fields</td>
<td>Business scale expansion and higher profitability from thermal power generation and environmental business fields</td>
<td>Business scale expansion and higher profitability from thermal power generation and environmental business fields</td>
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<td>Demonstration facility</td>
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<td>Demonstration facility</td>
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<tr>
<td>Fukushima recovery</td>
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<td>Fukushima recovery</td>
<td>Fukushima recovery</td>
<td>Fukushima recovery</td>
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<td>Nuclear energy</td>
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<td>Nuclear energy</td>
<td>Nuclear energy</td>
<td>Nuclear energy</td>
<td>Nuclear energy</td>
</tr>
<tr>
<td>Domestic restarts and overseas expansion (feasibility studies, preliminary design)</td>
<td>Domestic restarts and overseas expansion (feasibility studies, preliminary design)</td>
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<td>Domestic restarts and overseas expansion (feasibility studies, preliminary design)</td>
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<td>Domestic restarts and overseas expansion (feasibility studies, preliminary design)</td>
<td>Domestic restarts and overseas expansion (feasibility studies, preliminary design)</td>
</tr>
<tr>
<td>Investment into AREVA (in discussions)</td>
<td>Investment into AREVA (in discussions)</td>
<td>Investment into AREVA (in discussions)</td>
<td>Investment into AREVA (in discussions)</td>
<td>Investment into AREVA (in discussions)</td>
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<td>Investment into AREVA (in discussions)</td>
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<tr>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
<td>Response to nuclear fuel cycle</td>
</tr>
<tr>
<td>Commercial Aviation &amp; Transportation Systems</td>
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### FY2021-2020 Business Developments

#### International Business

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<td>Overseas defense</td>
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<td>Delivery of first F-35 unit</td>
<td>Reap results</td>
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<td>Domestic defense</td>
<td>Cyber security development</td>
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<td>New naval ship</td>
<td>Future fighter</td>
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<td>Space systems</td>
<td>Order received for H-IIA commercial satellite launch (UAE)</td>
<td>H3 Development</td>
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#### Integrated Defense & Space Systems

- **Overseas defense**
  - Agreement concluded on F-35 FACO / SM-3 integrated testing
  - Delivery of first F-35 unit
  - Reap results
- **Domestic defense**
  - Cyber security development
  - New naval ship
  - Future fighter
- **Space systems**
  - Order received for H-IIA commercial satellite launch (UAE)
  - H3 Development
  - Launch of #1 test vehicle
  - Launch of #2 test vehicle

#### Machinery, Equipment & Infrastructure

- **Primetals PMI**
  - Initiatives for further growth of core businesses
  - Cultivation of next-generation businesses
  - PMI: Post merger integration
  - MFET: Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.
- **MFET**
  - Business restructuring
  - More advanced business processes
  - Brush-up
- **Other**
  - Shared technology framework
  - Engineering Headquarters (more advanced, more efficient EPC)
  - Marketing & Innovation Headquarters (account management and stronger intelligence functions)
  - Value Chain Headquarters (productivity enhancement and SCM)
  - ICT Solution Headquarters (Companywide promotion of IoT/AI)
  - Research & Innovation Center

#### Corporate

- **Global platforms**
- **Shared technology framework**
- **Engineering Headquarters** (more advanced, more efficient EPC)
- **Marketing & Innovation Headquarters** (account management and stronger intelligence functions)
- **Value Chain Headquarters** (productivity enhancement and SCM)
- **ICT Solution Headquarters** (Companywide promotion of IoT/AI)
- **Research & Innovation Center**

**Notes:**
- EPC: Engineering, procurement and construction
- IoT: Internet of things
- AI: Artificial intelligence
- SCM: Supply chain management

**Reference:** Major Medium to Long-term Business Developments, by Domain (2)