



# Energy & Environment Business Plan

Senior Executive Vice President, President and CEO,  
Energy & Environment

Atsushi MAEKAWA

6.8.2015

**MITSUBISHI HEAVY INDUSTRIES, LTD.**

1. Business Overview
2. Review of 2012 Medium-Term  
Business Plan
3. 2015 Medium-Term Business Plan
4. Summary

# 1. Business Overview

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1-1. Business of Energy & Environment Domain

1-2. Business Structure

# 1-1. Business of Energy & Environment Domain

Energy & Environment Domain



**Mitsubishi Hitachi  
Power Systems, LTD.**



**Nuclear Energy  
Systems Division**



**Chemical Plant &  
Infrastructure Division**



**Renewable Energy  
Business Division**



**Marine Machinery & Engine**



**Cross-  
domain**



**Distributed  
power systems**



**Oil & Gas  
business**

# 1-2. Business Structure



President and CEO,  
Energy & Environment

**Atsushi Maekawa**  
(Senior Executive Vice President)

**Mitsubishi Hitachi Power Systems, Ltd.**  
【Thermal Power Generation Systems】



President and CEO,  
MHPS

**Takato Nishizawa**

**PWPS**



**PWPS**  
President and CEO  
**Peter Christman**

**Nuclear Energy Systems Division**



Senior General Manager, Nuclear Energy Systems Division

**Ei Kadokami**  
(Executive Vice President)

**Turboden**



**Turboden**  
President and CEO  
**Paolo Bertuzzi**

Management & Administration Division

Quality Assurance Integration Division

Business Division

Business Development Solution Dept.

Turkey Nuclear IPP Development Dept.

**Chemical Plant & Infrastructure Division**  
【Company-wide EPC Support Functions】



Senior General Manager, Chemical Plant & Infrastructure Division

**Yoichiro Ban**  
(Senior Vice President)

《Cross-domain》

**Distributed power systems**



Energy & Environment Domain  
Executive Vice President  
**Koji Hiramoto**

**Renewable Energy Business Division**



Senior General Manager, Renewable Energy Business Division

**Ichiro Matsuura**

**Oil & Gas**



Energy & Environment Domain  
General Manager  
**Mitsuhiro Kawai**

**Mitsubishi Heavy Industries Marine Machinery & Engine Co., Ltd**  
【Marine Machinery & Engine】



President & CEO,  
Mitsubishi Heavy Industries Marine Machinery & Engine Co., Ltd.

**Kazuo Soma**

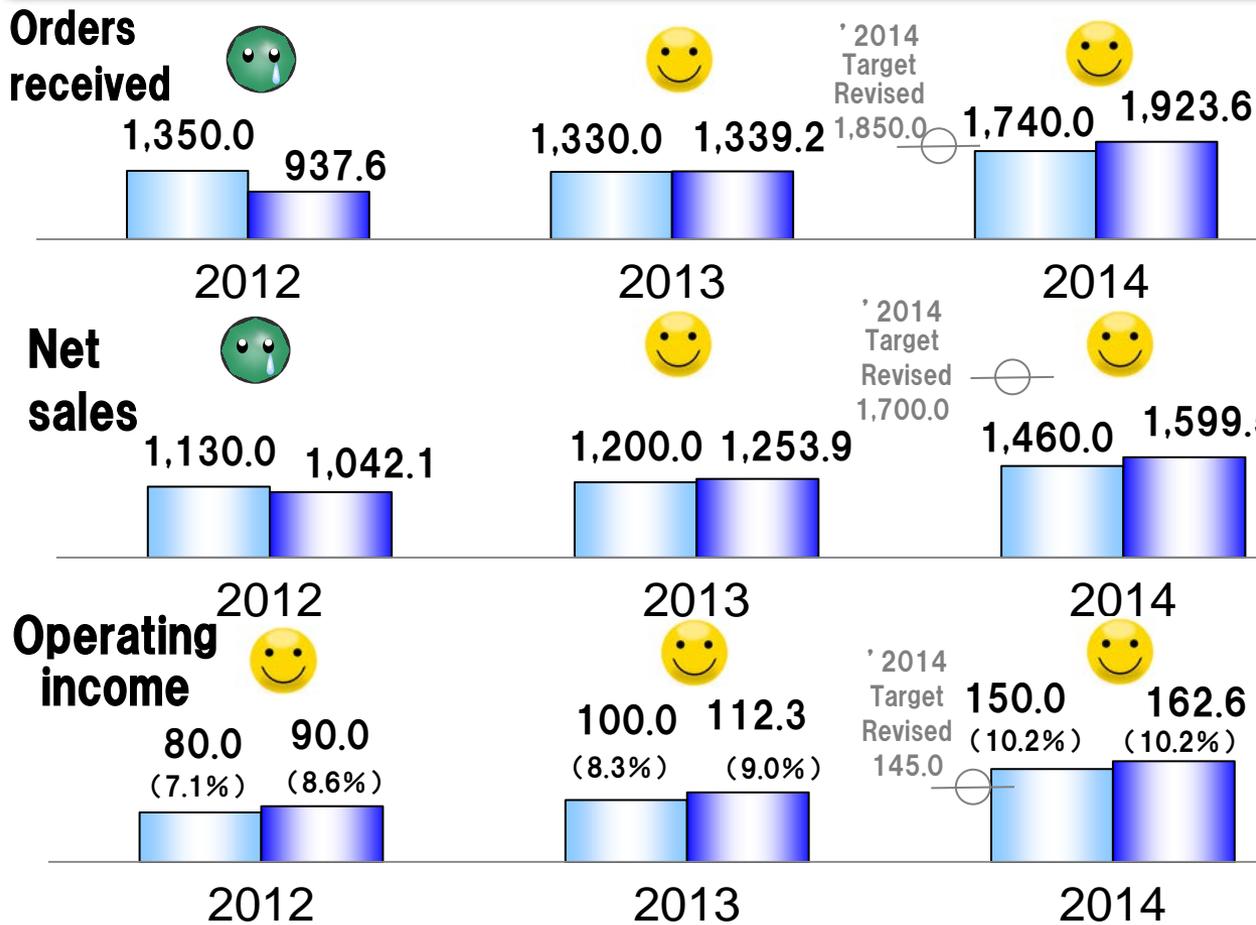
## **2. Review of 2012 Medium-Term Business Plan**

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- 2-1. Targets and Results**
- 2-2. Overall Level of Achievement**
- 2-3. Percentages of Total Company Orders, Sales, Profits**
- 2-4. Management Status for Each Business Position**

# 2-1. Targets and Results

Thanks to implementation of various reforms, including domain system and M&A synergies, targets were almost all achieved.



(in billion yen)

Target Actual

- Increases in orders received and net sales
  - Orders received for large-scale thermal and chemical plants, etc.
  - Merits from integration with Hitachi in thermal power systems business
- Improvement in operating profit margin
  - Growth in after-sale servicing business
  - Improvement in profitability of chemical plants
  - Downsizing and withdrawal from unprofitable operations

▼ Launch of Energy & Environment domain

# 2-2. Overall Level of Achievement

Growth preparations were completed.

Ready to shift to new full-fledged growth and aggressive approach phase.

## Expansion of business scale

FY2012

FY2014

Orders Received 937.6 → 1,923.6 billion yen (×2.1-fold)  
Operating income 90.0 → 162.6 billion yen (×1.8-fold)

### Strength and synergy benefits from domain system and M&A's

- Exchanges of human resources, administrative consolidation and efficiency enhancement
- Integration with Hitachi in thermal power systems (MHPS)
- Acquisition of PWPS and Turboden (expansion of small/medium-size gas turbine lineup)

### Acceleration of globalization

- Preparation of overseas bases
- Establishment of JV with Vestas in offshore wind turbines

### Portfolio management employing strategic business evaluations

- Withdrawal from production of lithium batteries
- Cash flow creation from strategic business evaluation system

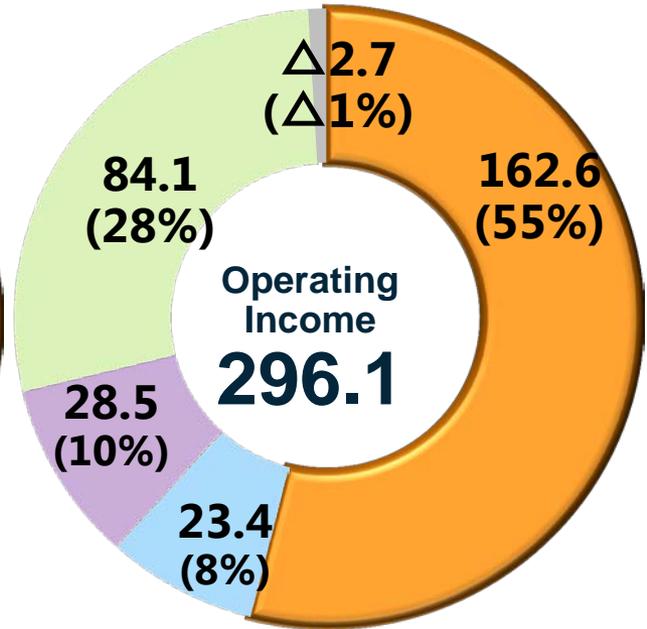
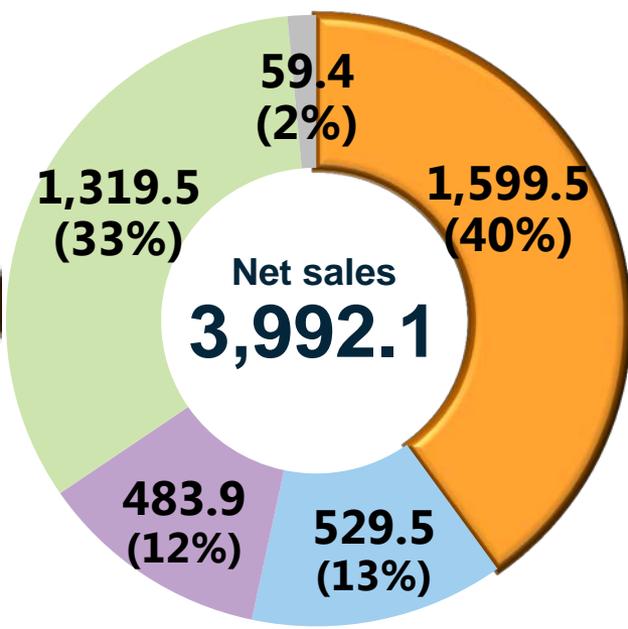
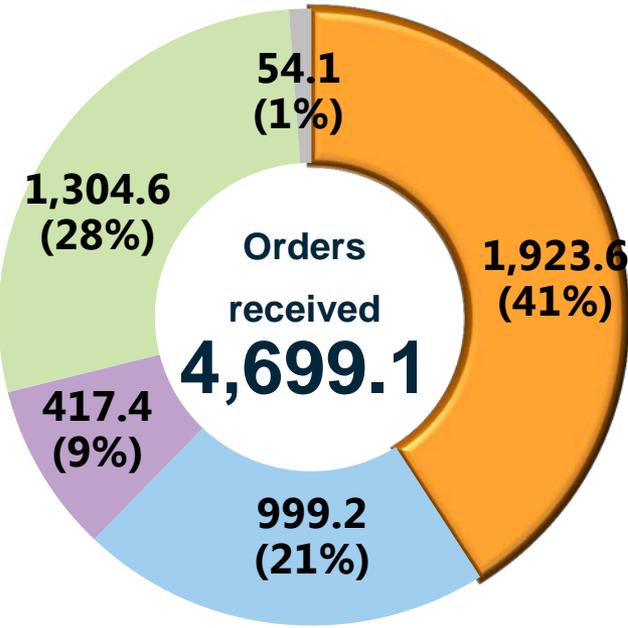
**2015 Business Plan: Taking Up New Challenges**

# 2-3. Percentages of Total Company Orders, Sales, Profits



## FY2014 Actual

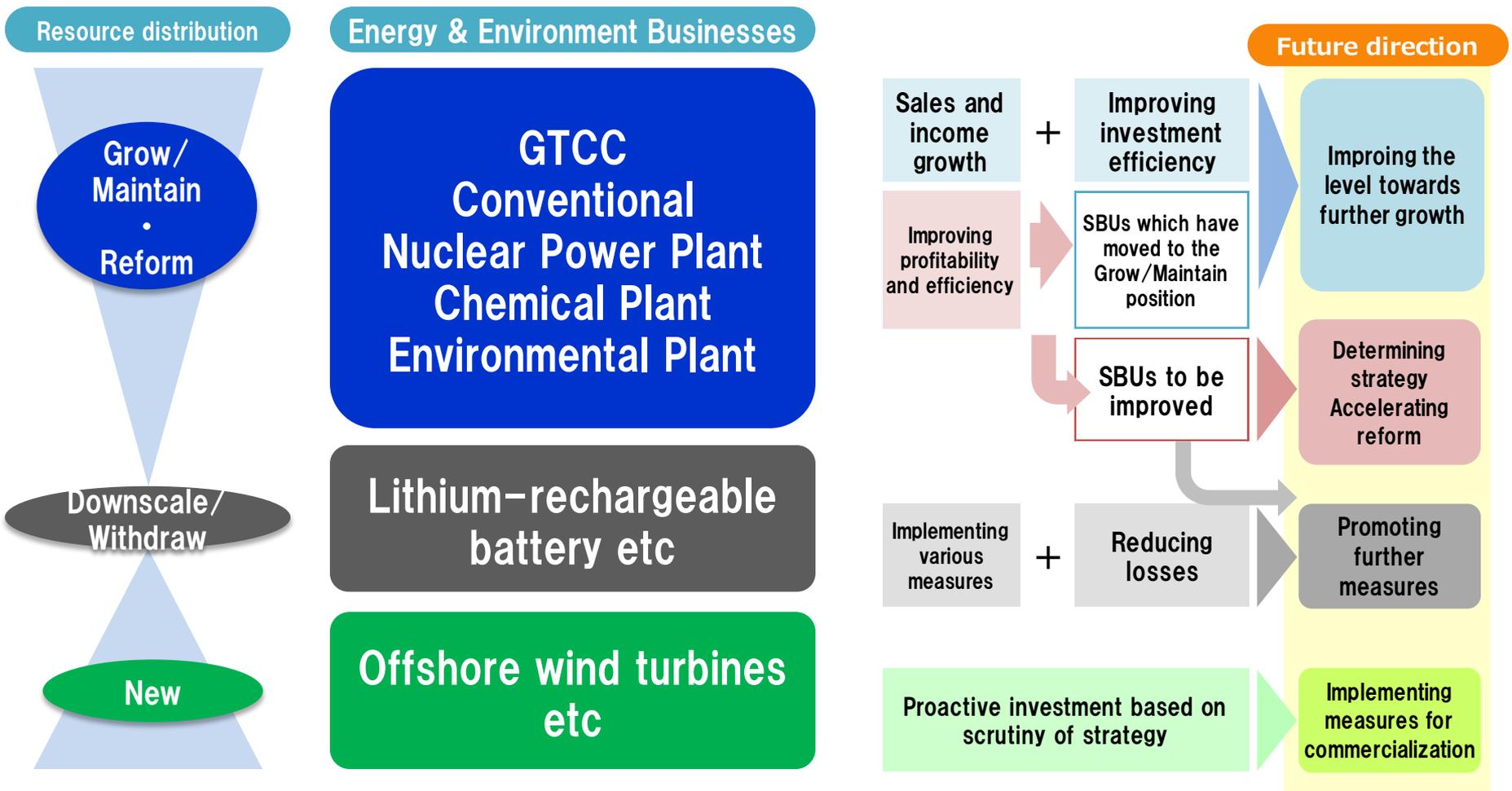
(in billion yen)



- Energy & Environment
- Commercial Aviation & Transportation Systems
- Integrated Defense & Space Systems
- Machinery, Equipment & Infrastructure
- Others, Eliminations or Corporate

# 2-4. Management Status for Each Business Position

**Portfolio management targeting enhanced corporate value**  
**Promotion of downsizing and withdrawal from unprofitable businesses**



## **3. 2015 Medium-Term Business Plan**

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**3-1. Basic strategies**

**3-2. Numerical targets**

**3-3. Measures for achieving targets**

**3-4. Short-term earnings and longer-term growth initiatives**

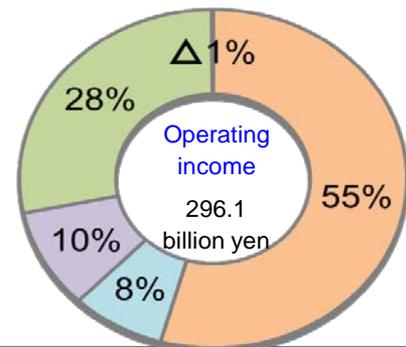
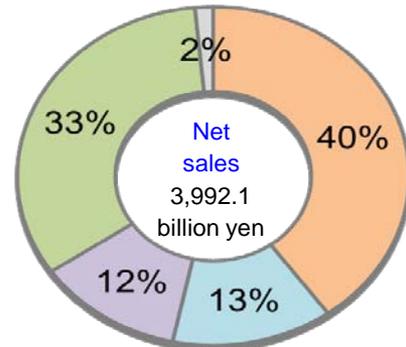
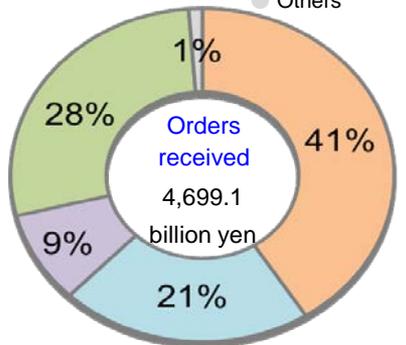
# 3-1. Basic strategies (1/3)

Business Domain	Strategies	Main Measures
 <p>Energy &amp; Environment</p>	<ul style="list-style-type: none"> <li>• Simultaneously pursue short-term earnings and mid/long-term growth, with business expansion and profitability at the core (swift response to moves made by mega competitors)</li> <li>• Promote long-term continuation policy for nuclear power business</li> </ul>	<ul style="list-style-type: none"> <li>• Enter markets for high-performance models (large-scale GT); enhance lineups</li> <li>• Strengthen servicing business (employ ICT and big data; invest human resources)</li> <li>• Expand networks of domestic and overseas manufacturing bases</li> <li>• Expand business in distributed power generation systems (joint development with Machinery, Equipment &amp; Infrastructure domain)</li> <li>• Full-scale entry in oil &amp; gas upstream business (keeping collaborations and M&amp;A's in view)</li> </ul>
 <p>Commercial Aviation &amp; Transportation Systems</p>	<ul style="list-style-type: none"> <li>• Improve profitability of commercial airplane products</li> <li>• Advance MRJ development and improve airframe value</li> <li>• Undertake bold conversions in commercial and cruise ship businesses</li> <li>• Expand business in land transportation systems</li> </ul>	<ul style="list-style-type: none"> <li>• Promote increased production in businesses for Boeing and develop next-generation production processes</li> <li>• Steadily carry forward the MRJ's development and develop a high-volume manufacturing base</li> <li>• Develop a new infrastructure export model based on domain synergies</li> <li>• Develop new business model for cruise ship business</li> <li>• Strengthen ability to promote business in large-scale overseas projects (Doha, etc.)</li> </ul>
 <p>Integrated Defense &amp; Space Systems</p>	<ul style="list-style-type: none"> <li>• Undertake sustained strengthening of existing businesses and prepare for next expansion step (initiatives to promote overseas business and conversion to commercial market needs)</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake concentrated strengthening of integrated defense systems (land, sea, air)</li> <li>• Newly launch a state-of-the-art technology business department and promote the following:             <ul style="list-style-type: none"> <li>- Development of new overseas businesses through tieups with overseas partners</li> <li>- Development consumer demand-based businesses applying dual-use technologies</li> </ul> </li> </ul>
 <p>Machinery, Equipment &amp; Infrastructure</p>	<ul style="list-style-type: none"> <li>• Along with the Energy &amp; Environment domain, pursue achievable and immediately effective measures from the perspective of supporting the MHI Group's scale and earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and accelerate PMI in metals machinery and forklift trucks</li> <li>• Expand oil &amp; gas business involving compressors</li> <li>• Establish a global business structure for turbochargers</li> <li>• Further accelerate business restructuring (including M&amp;A's)</li> </ul>

# 3-1. Basic strategies (2/3)

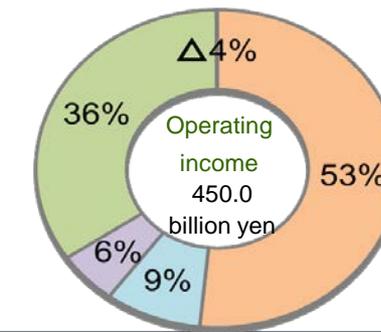
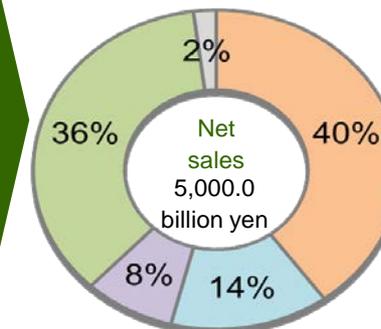
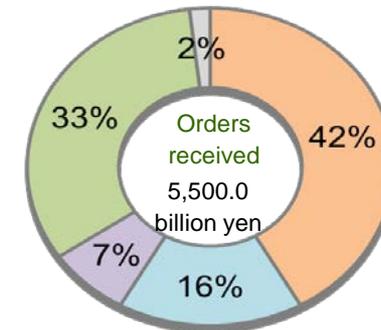
- Energy & Environment
- Commercial Aviation & Transportation Systems
- Integrated Defense & Space Systems
- Machinery, Equipment & Infrastructure
- Others

FY2014



Domain	Main measures and fluctuating factors	Orders/ Net sales	Operating income
Energy & Environment	• Expanded synergies at MHPS	○	○
	• Overall expansion of servicing business	○	◎
	• Distributed power systems, oil & gas, etc.	○	-
Commercial Aviation & Transportation Systems	• Expansion of Boeing-related business	○	○
	• MRJ (contribution to net sales starting FY2017)	○	△
	• Strengthening of land transportation systems	-	○
	• Reform of commercial ship business	-	○
Integrated Defense & Space Systems	• Demand to hold steady through FY2017; preparations for expansion of business in equipment, etc.	-	-
Machinery, Equipment & Infrastructure	• Synergies at Primetals (steelmaking business)	○	○
	• Strengthening of compressors, turbochargers, etc.	○	○
	• Accelerated business restructuring (including M&A's)	○	○

FY2017



MHPS: Mitsubishi Hitachi Power Systems, Ltd.

MRJ: Mitsubishi Regional Jet

Primetals: Primetals Technologies, Ltd.

## 2015 Medium-Term Business plan Basic Policies

## Measures

### 【2015 Mid-term Plan】

Early achievement of  
business scale exceeding  
5 trillion yen  
<FY2017>

Orders received 5.5trillion yen

Sales 5 trillion yen

Operating income  
450.0 billion yen

### 【Vision】

Simultaneous pursuit of  
short-term earnings and  
longer-term growth  
<FY2017 >

Orders received 2.3trillion yen

Sales 2.0trillion yen

Operating income  
240.0 billion yen

Full-fledged growth and aggressive approach phase

(A)  
Thorough  
strengthening of  
competitiveness

(B)  
Realization of  
synergy merits  
(domain system,  
M&A's)

(C)  
Expanding into  
new fields as  
way toward  
longer-term  
growth

### Backgrounds

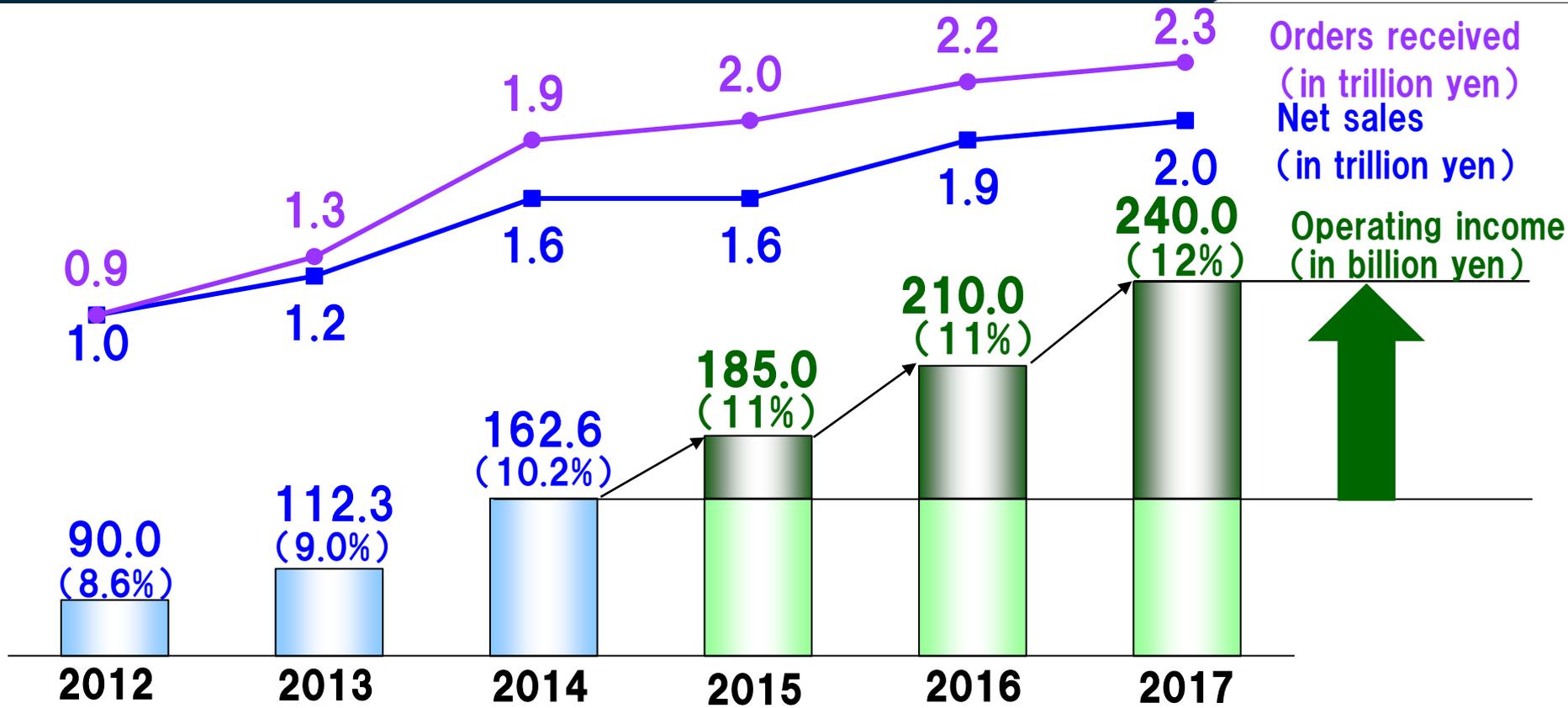
### Sense of crisis

- Intense global competition

Aiming to be a group that  
takes up bold challenges

- Focus on the customer (quality)
- Speed (achievement of swift management decisions)
- Strong focus on and initiatives to reap profits

# 3-2. Numerical targets



### 2012 Business Plan

**PWPS, Turboden Acquisition**

**Start of domain system**

- Launch of MHPS
- Establishment of JV in offshore wind turbines

### 2015 Business Plan: Full-fledged growth and aggressive approach phase

(A) Thorough strengthening of competitiveness

(B) Realization of synergy merits (domain system, M&A's)

(C) Expanding into new fields as way toward longer-term growth

# 3-3. Measures for achieving targets

## Simultaneous pursuit of short-term earnings and longer-term growth

### (A) Thorough strengthening of competitiveness

- ① GTCC
- ② Conventional
- ③ Servicing Business
- ④ Environmental Plant
- ⑤ Chemical Plant
- ⑥ Nuclear Power Plant

### (B) Realization of synergy merits (domain system, M&A's)

- ① Active exchanges of (human) resources
- ② Consolidation of bases
- ③ Restructuring of group companies; elimination of overlapping work functions

### (C) Expanding into new fields as way toward longer-term growth

- ① Oil & Gas
- ② Distributed Power Business Development
- ③ SOFC (Solid Oxide Fuel Cell)
- ④ Offshore Wind Turbines
- ⑤ EMS (Energy Management System)
- ⑥ O & M

## (A) Thorough strengthening of competitiveness

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- ① GTCC
- ② Conventional
- ③ Servicing Business
- ④ Environmental Plant
- ⑤ Chemical Plant
- ⑥ Nuclear Power Plant

## Further strengthening of gas turbine business

### 1. Development of world's most efficient gas turbines

- Demonstration facility of world-class size
  - Constructed targeting continuous verification of next-generation gas turbine technologies and reliability enhancement
- History of development at Demonstration facility

1997 1,500°C-class G-series gas turbines

2010 1,600°C-class J-series gas turbines

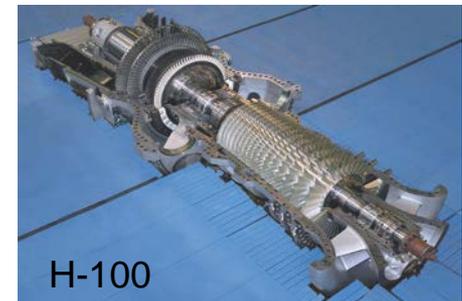
2020 1,650°C-class next-generation gas turbines

Demonstration facility (Takasago Machinery Works)



### 2. Strengthening of small/medium gas turbine business

- Improve performance of small/medium GTs by flow-down of large-scale GT technologies
- Expansion of production lines (to 3, from current 2)
  - Response to market expansion in emerging economies, etc.
  - Expand sales of H-100 to applications in LNG market



GT: gas turbine

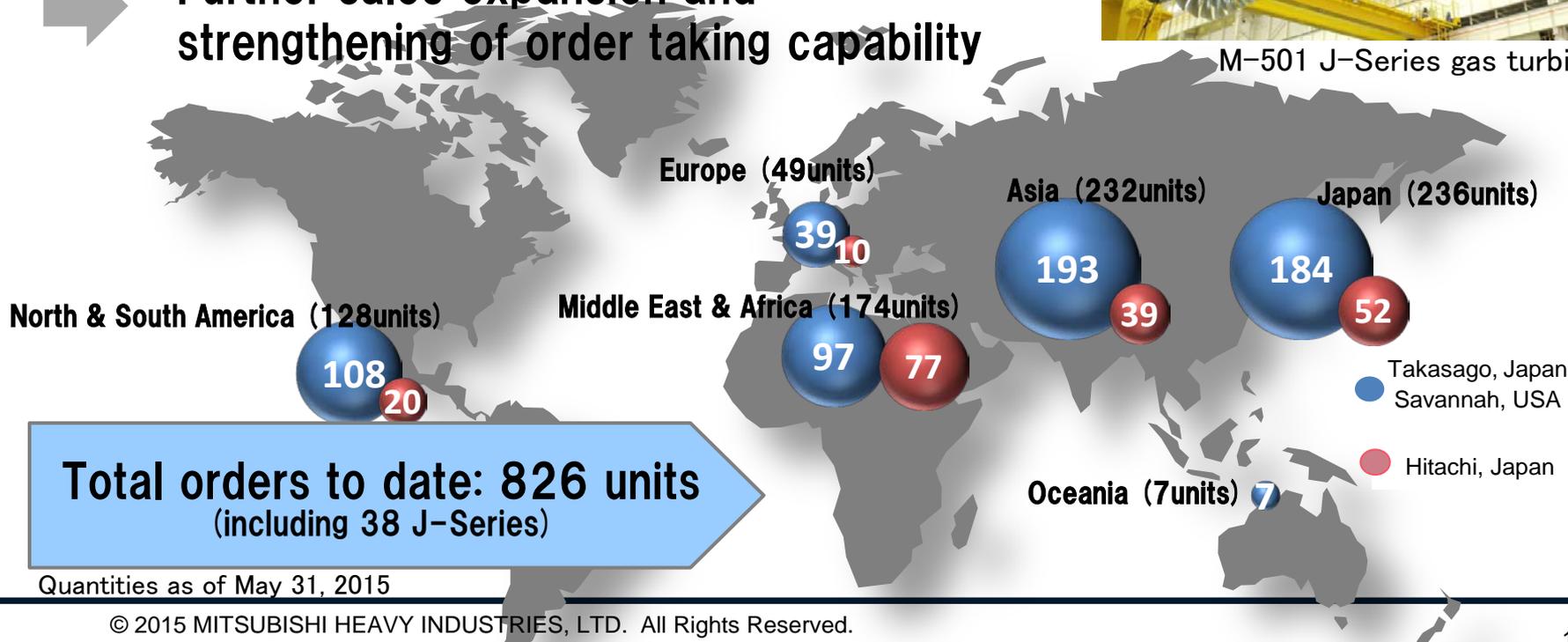
LNG: liquefied natural gas

## Swift response to increased global demand

- Successive orders for J-Series gas turbines  
➔ Cumulative orders worldwide: 38 units
- Increased demand due to lower natural gas prices, expanded product lineups through M&A's  
➔ Further sales expansion and strengthening of order taking capability



M-501 J-Series gas turbine



## Further strengthening of conventional plants

- Aggressive development of domestic and overseas markets
  - Successive orders for 110MW coal-fired plants
  - Orders received for lignite-fired ultra-supercritical projects (Poland, etc.)
  - Orders received for 1000MW-class ultra-supercritical project
- Full-scale launch of IGCC plants (540MW at Nakoso, Hirono)



Joban Joint Power Co., Ltd. Nakoso Power Station Unit No.10



Osaki CoolGen Corporation's IGCC demonstration plant  
(conceptual rendering)  
(within Chugoku Electric Power Co.'s Osaki Power Station)

# (A) ③ Servicing Business

## Expansion of servicing business applying new, unconventional methods

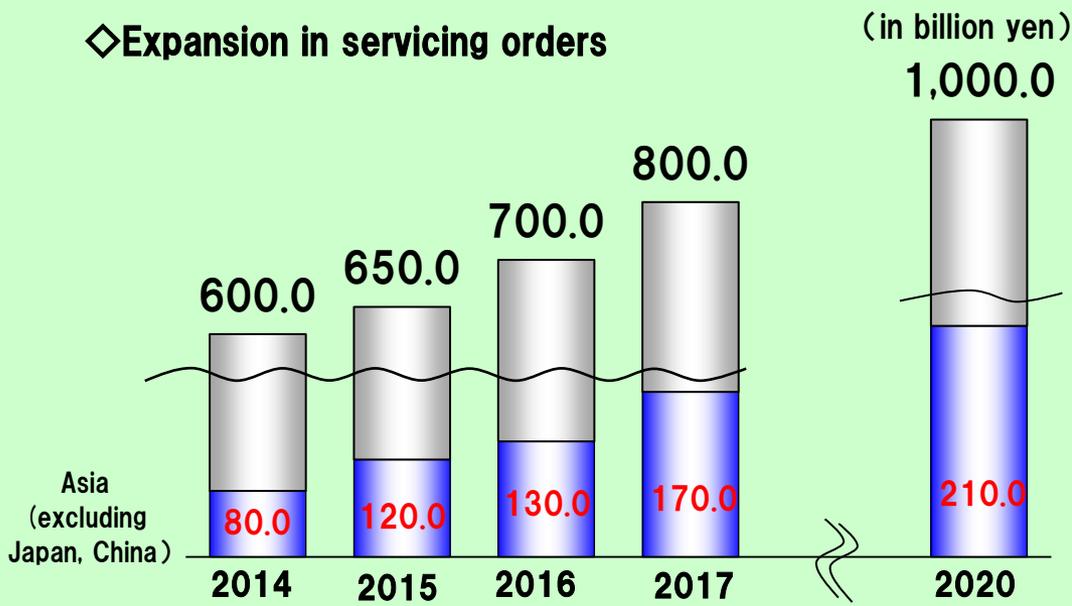
- ① Strengthening of service bases (Saudi Arabia, Philippines, Mexico, etc.)
- ② Focused allocation of human resources into servicing business
- ③ Expansion of servicing business using new technologies
  - Adoption of advanced inspection and maintenance technologies
  - Proactive use of IoT and AI



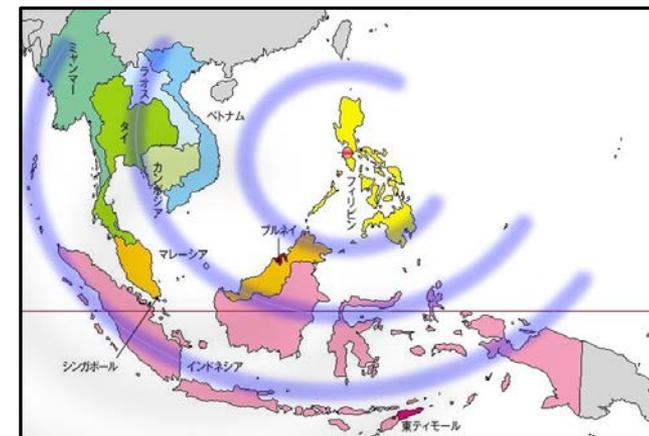
Formation of special service zones (e.g. Southeast Asia)

\* IoT: Internet of Things    AI : Artificial Intelligence

### ◇ Expansion in servicing orders



- ◇ Training center to be established in Manila
- ◇ MHPS Philippines to be converted to boiler and turbine service base
- ◇ Introduction of remote monitoring



# (A) ④ Environmental Plant

Business scale expansion through product and technology synergies



- Establishment of new JV with FEIDA of China  
(initiative against Chinese soot dust and PM2.5)
- Establishment of new company dealing in electrostatic precipitators  
Achievement of full lineup in high-performance flue-gas treatment system components  
(SCR, EP, FGD)

\* SCR: Selective Catalyst Reduction    GGH: Gas-Gas-Heater    EP: Electrostatic Precipitators    FGD: Flue Gas Desulfurization

# (A) ⑤ Chemical Plant

Win and increase orders for main product line (fertilizer plant, methanol plant, etc.) by enhancing their competitiveness

## 1. Conversion of business model

(i.e. investment, entering new business)

- Investment in methanol/dimethyl ether plant for Trinidad & Tobago

## 2. Win and increase orders in Central Asia

- Fertilizer plant for Turkmenistan

## 3. Commence business in CO<sub>2</sub>-EOR \*

Production: Around 5,000 t/day

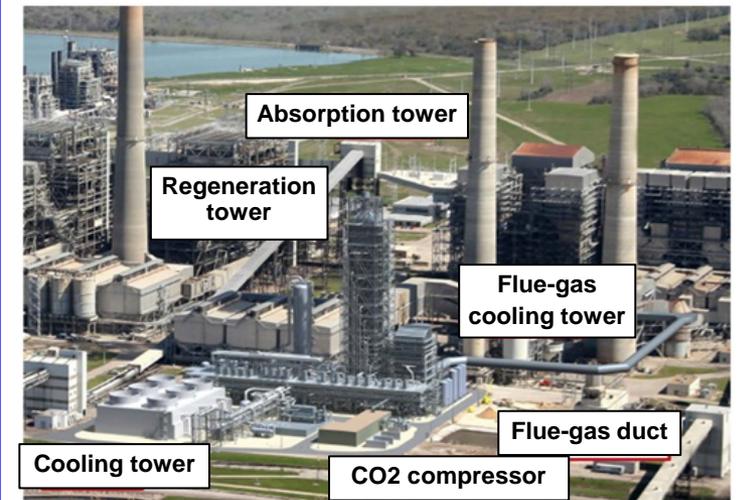
(largest EOR in the world)

- 4,776t/day plant in USA (world's largest) to commence operations in 4th quarter of 2016

\* CO<sub>2</sub>-EOR (enhanced oil recovery)



Fertilizer complex (ammonia, urea)



CO<sub>2</sub> recovery plant for world's largest EOR project (USA) (conceptual rendering)

# (A) ⑥ Nuclear Power Plant

- Contributions to restarts and decommissioning
- Expanded global adoption of ATMEA1 as global strategic reactors

## 1. Contribution to restarts

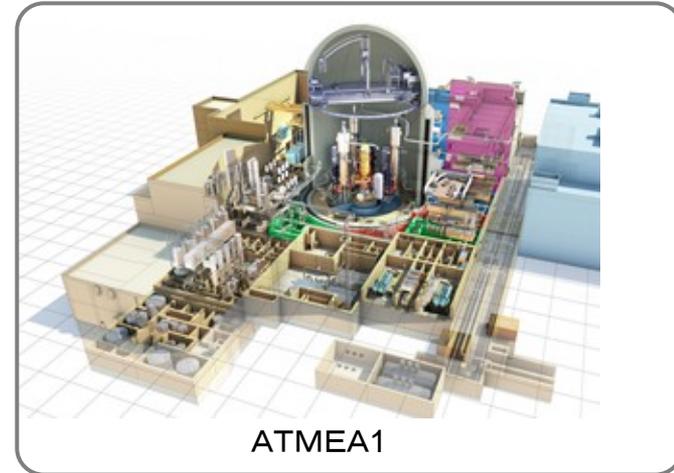
- Focused allocation of human resources and technology into restarts
- Contributions in safety improvement measures

## 2. Promotion of projects in Turkey and Vietnam

- Expanded applications of global strategic reactors ATMEA1

## 3. Establishment of department to handle light-water reactor decommissioning projects

- Provision of new reactor decommissioning solutions



## **(B) Realization of synergy merits**

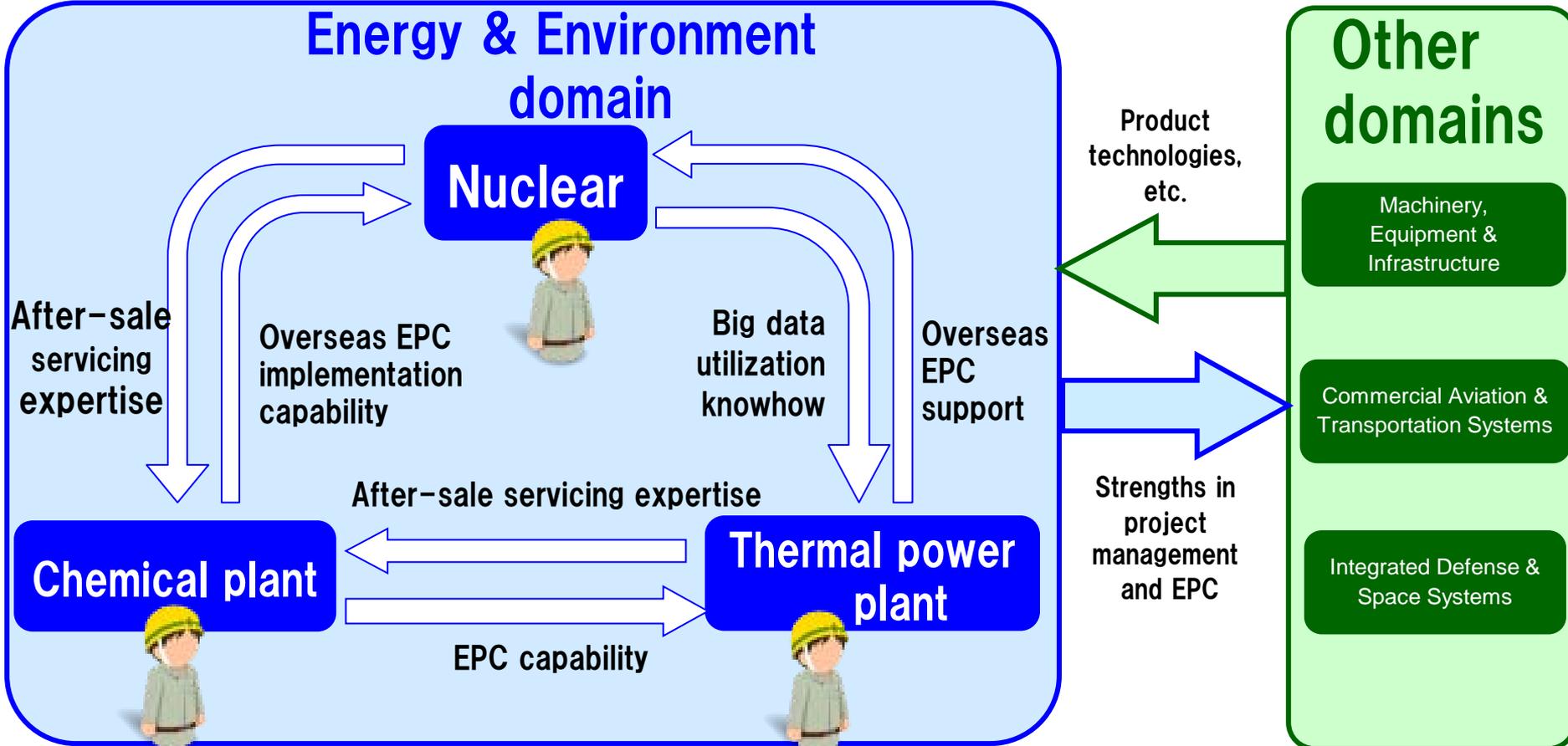
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- ① Active exchanges of (human) resources
- ② Consolidation of bases
- ③ Restructuring of group companies;  
elimination of overlapping work functions

# (B) ① Active exchanges of (human) resources

Active, effective allocation of human resources in response to market changes

Total: 400 employees



# (B) ② Consolidation of bases

Accelerated Consolidation of bases

**A: Response to market changes**

**B: Strengthening of competitiveness by manifesting superior aspects of each region**

**C: Integration of overlapping functions**

I

II

III

MHI-F (France) established in April 2015 as company integrating European and African regional operations

Ⓐ Ⓑ Ⓒ

Integrated companies in China region, Stronger ties between MHI-C and MHPS-C Ⓐ Ⓒ

Integrated companies in America region, Stronger ties between MHI-A and MHPS-A Ⓐ Ⓒ

IV

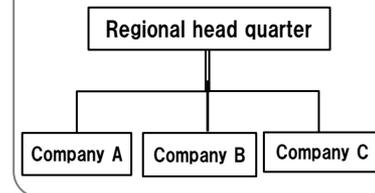
V

Integrated companies in Southeast Asia region, Stronger ties between MHI-AP and MHPS-AP Ⓐ Ⓒ

Transfer of operations from Kanazawa Plant Ⓑ Ⓒ

- Small/medium-size steam turbines → Chinese partner company
- Small/medium-size boilers → MHPS (Philippines)

Image

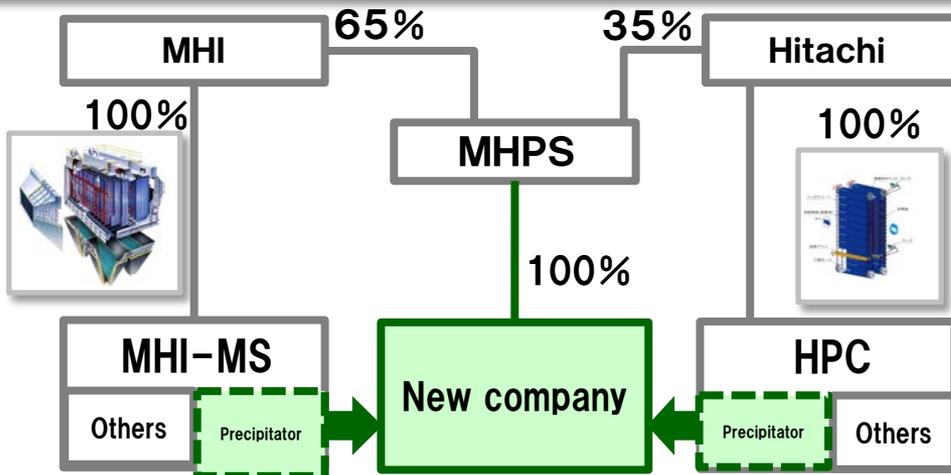


# (B) ③ Restructuring of group companies: elimination of overlapping work functions

- In tandem with business restructuring, restructuring of group companies  
– Approx. 15% reduction in number of group companies (101 in **2014** → 87 in **2017**)
- Elimination of overlapping or superfluous facilities in tandem with M&A's and business restructuring – Consolidation of functions to higher competitive bases
- Elimination of overlapping corporate functions

## 【Example of business restructuring】

Integration of electrostatic precipitator business (October 2015)



## Consolidation of air quality control systems (AQCS) to MHPS group

	Business scale (billion yen)	SCR	GGH Heat recovery system	EP	FGD	GGH Reheating
MHPS	67.0	○	○	-	○	○
MHI-MS (MHI Machinery, Equipment & Infrastructure)	8.0	-	-	○	-	-
HPC (Hitachi group)	7.0	-	-	○	-	-
<b>MHPS Group</b>		○	○	○	○	○

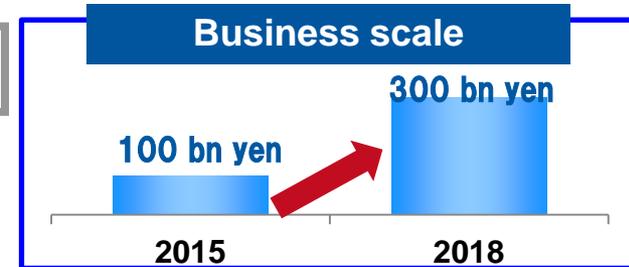
\*MHI-MS: Mitsubishi Heavy Industries Mechatronics Systems Ltd. \*HPC: Hitachi Plant Construction

## (C) Expanding into new fields as way toward longer-term growth

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- ① Oil & Gas Business Development
- ② Distributed Power Business Development
- ③ SOFCs (Solid Oxide Fuel Cell)
- ④ Offshore wind turbines
- ⑤ EMS (Energy Management System)
- ⑥ O & M (Operation & Maintenance)

Expand business scale from approx. 100bn yen to 300bn



## 1. Reasons

- Demand will expand over the long term in tandem with global population increase and economic growth.
- Business is growable through cross-domain collaboration.
- Oil & gas is a field in which a business model suited to MHI can be created.



Gas turbine



CO2 recovery plant



Ultra-high-pressure compressor



LNG carrier



3D sea bottom resource exploration vessel



Camera able to "see" radiation

\* LNG: liquefied natural gas



: Energy & Environment



: Commercial Aviation & Transportation Systems



: Integrated Defense & Space Systems

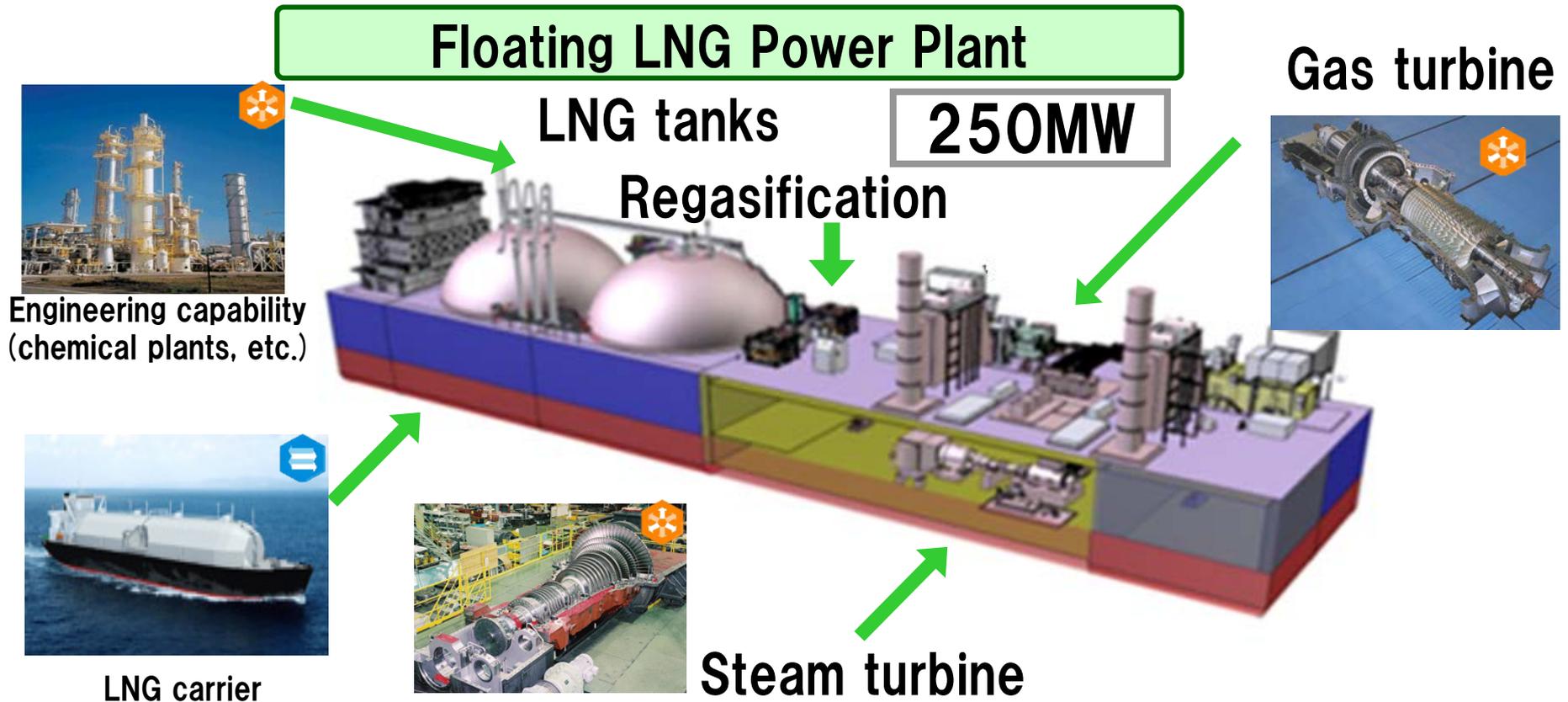


: Machinery, Equipment & Infrastructure

## 2. Near-term initiatives

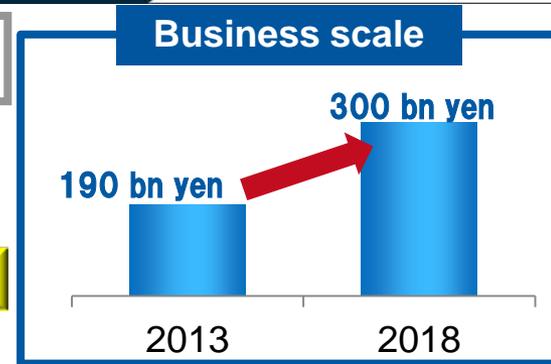
- Promotion of cross-domain activities through establishment of Oil & Gas Business Development Department (April 2015)
- One-stop service depot enabling swift response to diverse customer needs
- Provision of integrated solutions, etc. fusing multiple product technologies
- Development of new models for collaborating with other companies, and expansion of new business areas

- In-depth examination of MHI's superiority/organizational capability
  - ➔ Determination of areas of superiority
- Target : Middle East and Southeast Asia markets



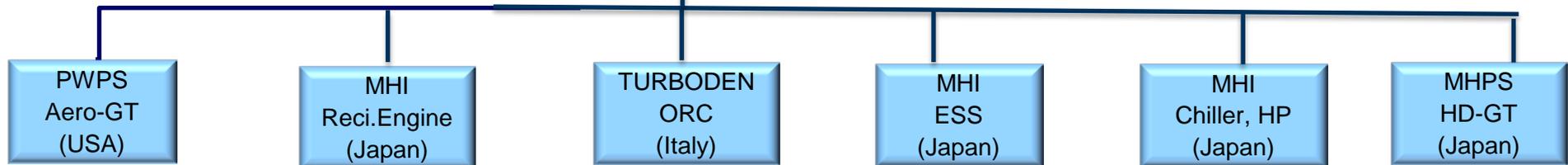
# (C) ② Distributed Power Business Development

Expand business scale from approx. 190bn yen to over 300bn



Customer(s)

Distributed Power Business Development Department



PW Power Systems  
a group company of MITSUBISHI HEAVY INDUSTRIES, LTD.



MITSUBISHI HEAVY INDUSTRIES, LTD.



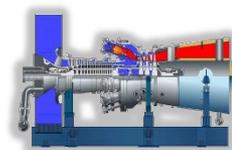
TURBODEN  
clean energy ahead  
a group company of MITSUBISHI HEAVY INDUSTRIES, LTD.



MITSUBISHI HEAVY INDUSTRIES, LTD.



MITSUBISHI HEAVY INDUSTRIES, LTD.



MH

◆ MHI Distributed Power Sector can supply one stop service.



ORC : Organic Rankine Cycle

## 1. 250kW-class SOFC hybrid demonstration unit

Order for hybrid power system integrating SOFC stack with micro gas turbine, from Kyushu University

Target on early realization, in time for 2020 Tokyo Olympic Games

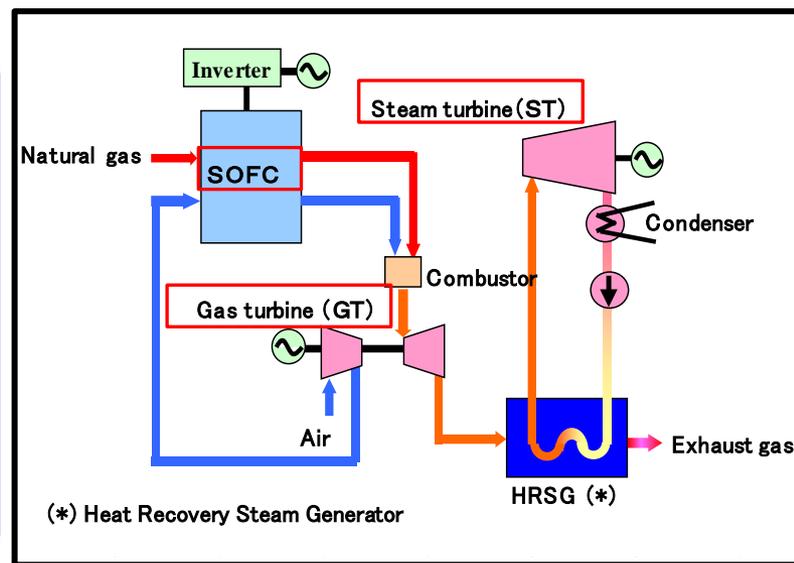


## 2. Triple combined cycle system

Target set on 70% efficiency rating

- ① SOFC
- ② Gas turbine
- ③ Steam turbine

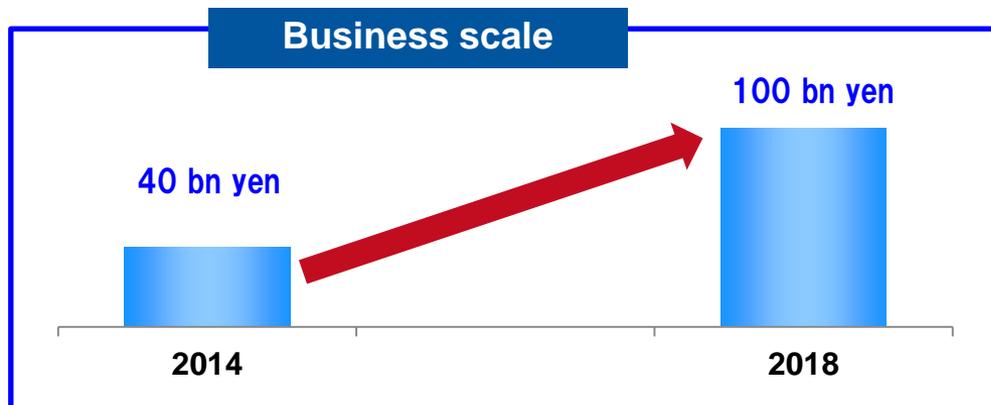
SOFC-integrated hybrid power system generating electricity in 3 stages



\* SOFC(Solid Oxide Fuel Cell)

# (C) ④ Offshore wind turbines (1/2)

Expand business scale from approx. 40bn yen to 100bn



## MHI Vestas Offshore Wind

JV with Vestas of Denmark in April 2014

【Major recent orders for offshore wind turbines】

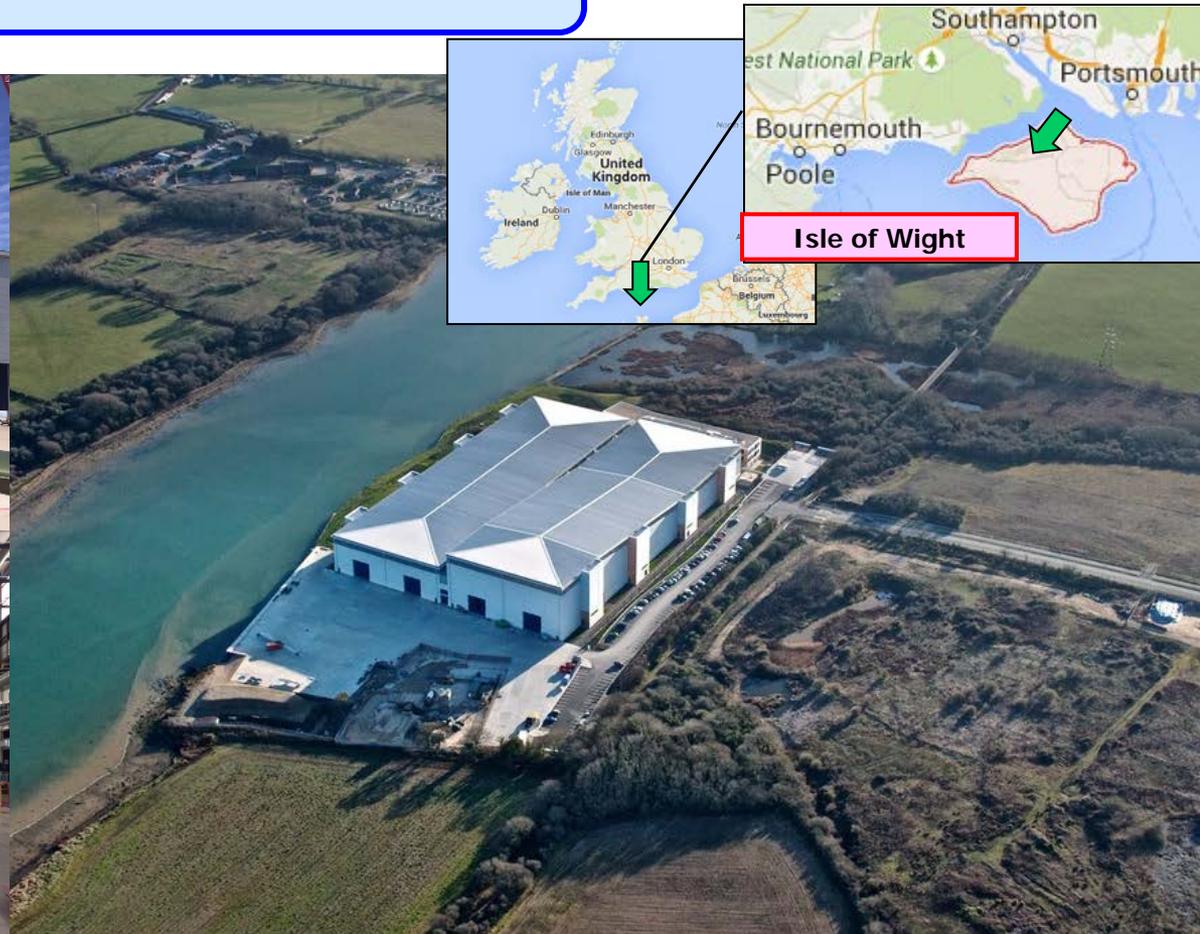
- Burbo Bank extension (UK) : 32 units  
(world's largest output: V164-8.0MW)
- Rampion Project (UK) : 116 units (V112-3.45MW)



# (C) ④ Offshore wind turbines (2/2)

## MHI Vestas V164 blade plant

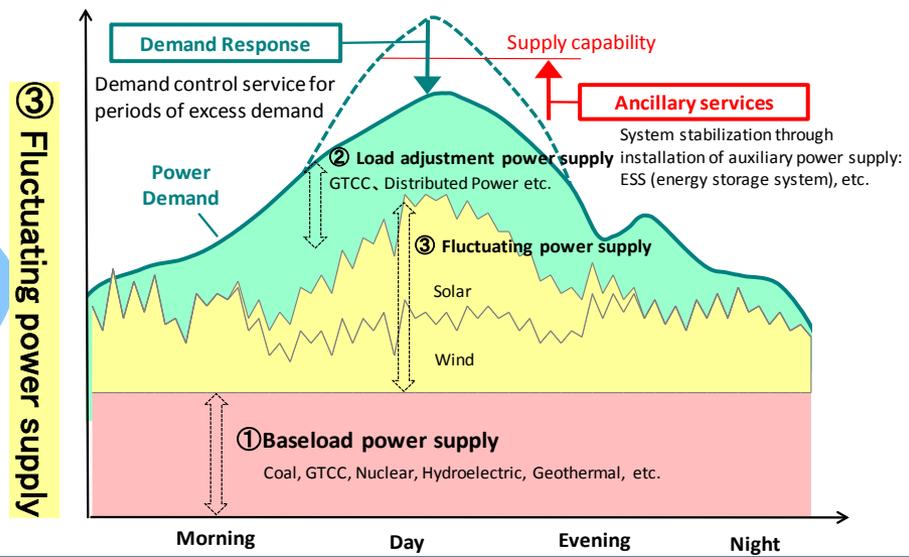
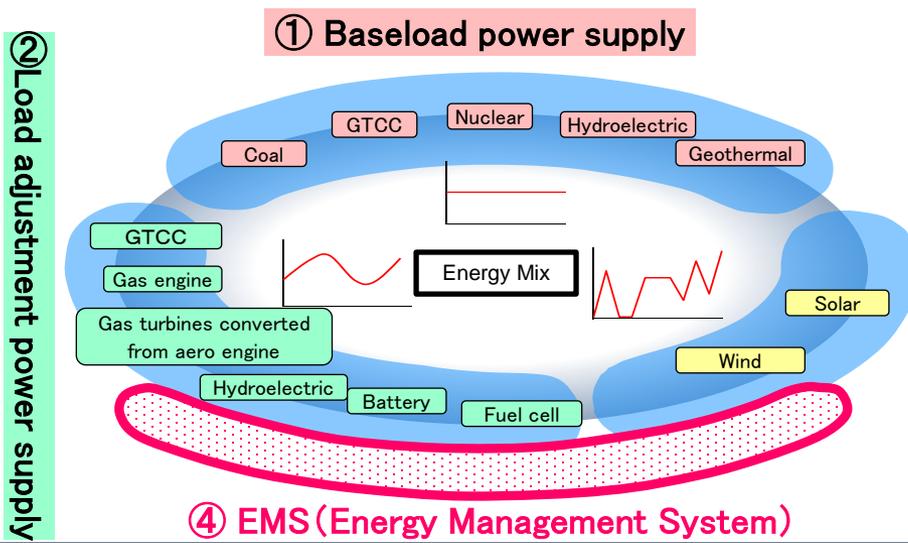
- V164 wind turbine blade manufacturing base
- Location : Isle of Wight, southern England



# (C) ⑤ EMS (Energy Management System)

- Response to needs for high performance (energy savings), advanced load adjustment capability and heat/power co-generation capability
- Entry into demand response and ancillary services areas

<b>Keihanna Eco City, Next-generation Energy and Social Systems Demonstration Project</b>	Verification of demand response effect Target: approx. 700 households in Kyoto Pref. (Kyotanabe City, Kizugawa City, Seika Town) (Kansai Electric Power, Mitsubishi Electric, MHI)
<b>Takanohara Area Energy Supply Feasibility Study</b>	Results of Keihanna demonstration ⇒ Consideration of feasibility of multi-service supply business model centering on energy (Kansai Electric Power, MHI, Toppan Printing, etc.)

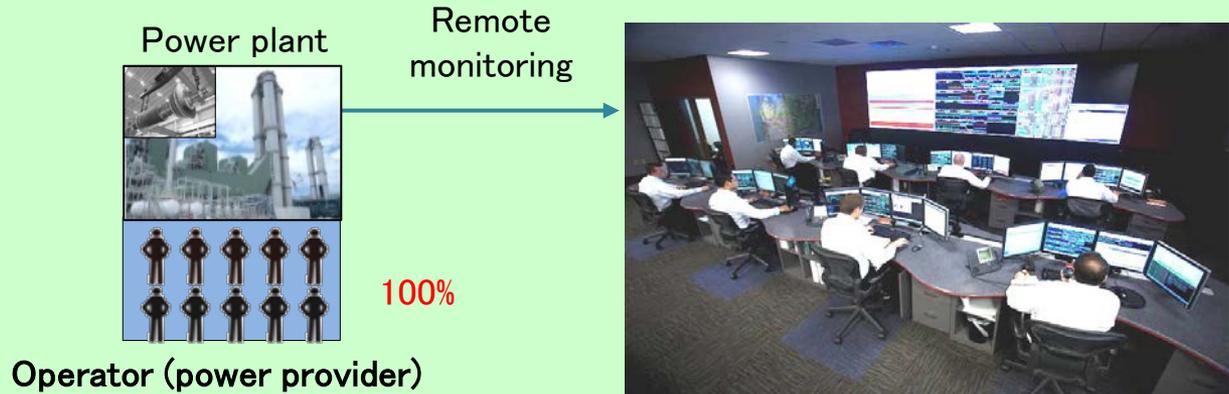


End-user

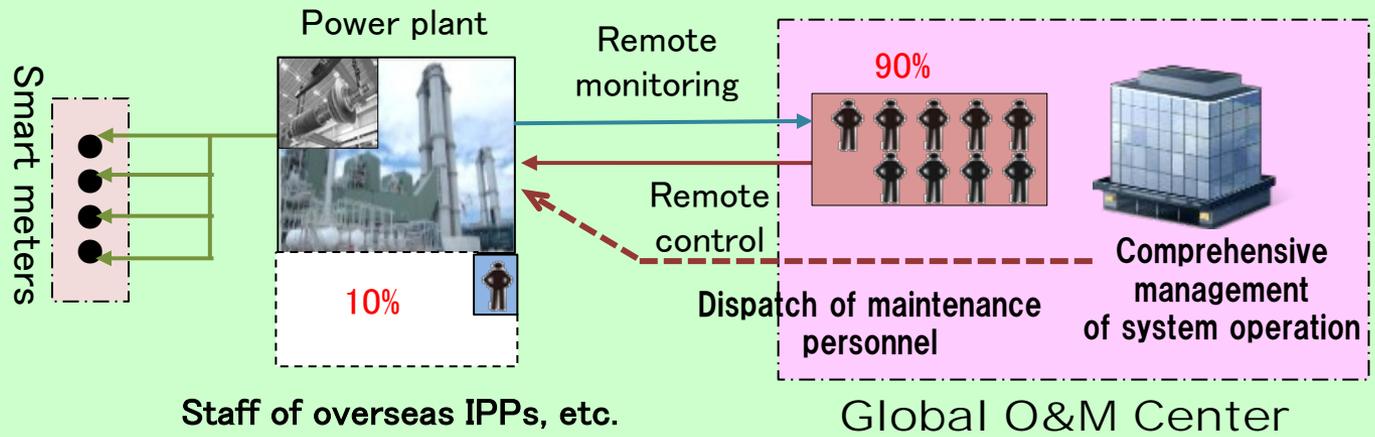
Power plant

MHI operator

**Now**  
(MHI·Other companies)



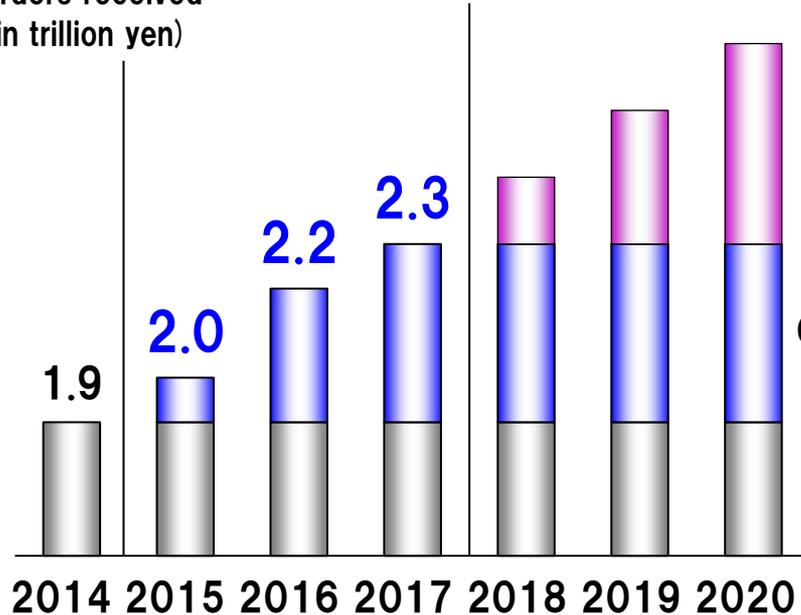
**Future**  
(differentiation strategy)



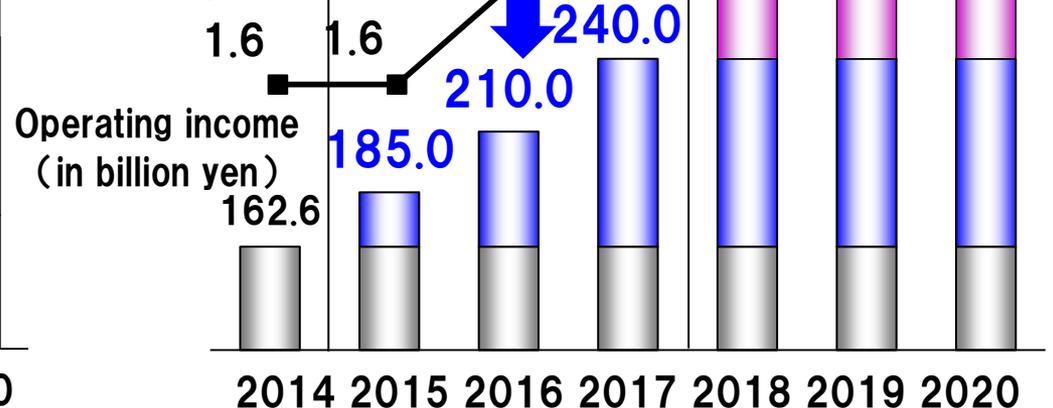
# 3-4. Simultaneous pursuit of short-term earnings and longer-term growth(1/2)

(A) Thorough strengthening of competitiveness	GTCC, Conventional plant, Servicing business, Environmental plant, Chemical plant, Nuclear power plant	Short-term earnings	Longer-term growth
(B) Realization of synergy merits (domain system, M&A's)	Exchange of resources, consolidation of bases, restructuring of group companies, elimination of overlapping		
(C) Expanding into new fields as way toward longer-term growth	Oil & Gas, Distributed Power Business Development, Fuel Cell, Offshore wind turbines, EMS, O&M		

Orders received (in trillion yen)



Net Sales (in trillion yen)



# 3-4. Simultaneous pursuit of short-term earnings and longer-term growth(2/2)

## Schedule

			Short-term earnings				long-term growth
			~2014	2015	2016	2017	2018~
(A) Thorough strengthening of competitiveness	1. GTCC	large size	1,600°C-class GT Development of 1,650°C-class next-generation GT				Response to increased global demand
		mid / small size	Flow-down of large-scale GT technologies: synergies				Response to market expansion in newly emerging economies, etc.
	2. Conventional		Response to domestic market				Domestic market focus
			Aggressive development of overseas markets lignite-fired/1000MW-class ultra-supercritical pressurized reactors				⇒Expansion of overseas development
	3. Servicing Business		Delivery of Osaki CoolGen LTSA (long-term service agreement) expansion				Commencement of IGCC operations at Nakoso and Hirono
	4. Environmental Plant	JV with FEIDA (Mar 2015) New Company of EP (Oct 2015)	Application of advanced inspection/maintenance technologies, IoT, AI				Proactive development of new strengths (technologies)
5. Chemical Plant		Aggressive development of high-performance flue-gas treatment systems				Response to expanding markets for PM2.5 solutions, etc.	
		Methanol/dimethyl ether plant for Trinidad & Tobago Turkmenistan fertilizer plant World's largest (4,776t/day) CO2-EOR plant, for USA				Successive orders for subsequent plants	
6. Nuclear Power Plant	Support of restarts					100th anniversary for foundation of Turkey (2023)	
	Global strategic reactor ATMEA1	Nuclear power plant projects in Turkey and Vietnam				Promotion of global strategic reactors	
	Decommissioning measures	Establishment of Light-water-Reactor Decommissioning Project Dept. (July 2015)				Response to decommissioning market	
(B) Realization of synergy merits (domain system, M&A's)	1. Active exchanges of (human) resources 2. Consolidation of bases 3. Restructuring of group companies: elimination of overlapping work functions	Establishment of MHIF and MHPSC (April 2015) Transfer of operations from Kanazawa Plant Consolidation of EP business (October 2015) Number of group companies 101 ⇒ 87					
(C) Expanding into new fields as way toward longer-term growth	1. Oil & Gas	Establishment of Oil & Gas Business Development Dept. (April 2015) Sales expansion in new fields				Tokyo Olympics, Palalympics (2020) Full-scale entry into new fields	
	2. Distributed Power Business Development						
	3. SOFC	Establishment of Distributed Power Supply Business Promotion Dept. (July 2014)					
	4. Offshore wind turbines	Establishment of MHI Vestas Offshore Wind (April 2014)					
	5. EMS	Deregulation of power industry				Comprehensive energy management	
	6. O & M						

# 4. Summary

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**Pledges as CEO of the Energy & Environment domain**

# 4. Summary

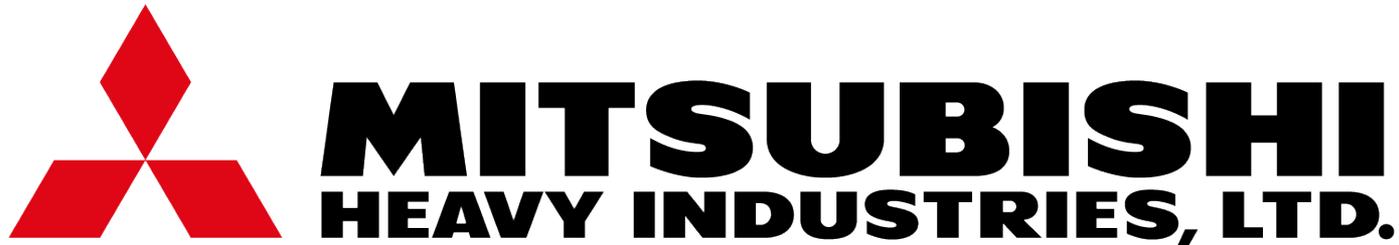
## Pledges as CEO of the Energy & Environment domain

### 2015 Business Plan

- Entry into full-scale growth and aggressive approach phase  
Vigorous **implementation** of all measures

### Transition to a group that boldly takes up challenges

- Customer-focused, speedy (faster management decisions), focus on realizing profits, bold challenger
- **Simultaneous pursuit of short-term earnings and longer-term growth**  
(business expansion and profitability at the core of Energy & Environment domain)



## Our Technologies, Your Tomorrow

A red arrow graphic pointing to the right, positioned below the main title.

Forecasts regarding future performance in these materials are based on judgment made in accordance with information available at the time this presentation was prepared. As such, those projections involve risks and insecurity. For this reason, investors are recommended not to depend solely on these projections for making investment decision. It is possible that actual results may change significantly from these projections for a number of factors. Such factors include, but are not limited to, economic trends affecting the Company's operating environment, currency movement of the yen value to the U.S. dollar and other foreign currencies, and trends of stock markets in Japan. Also, the results projected here should not be construed in any way as being guaranteed by the company.