MITSUBISHI HEAVY INDUSTRIES, LTD.

Our Technologies, Your Tomorrow

CSR REPORT

Corporate Social Responsibility Report

2011

MHI Social and Environmental Report **Digest**

Creed

1. We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society.
2. We base our activities on honesty, harmony, and a clear distinction between public and private life.
3. We shall strive for innovative management and technological development from an international perspective.

Reason for Instituting the Creed (Issued June 1, 1970)

In Japan there are many enterprises with their own "creeds" which simply represent their management concept.

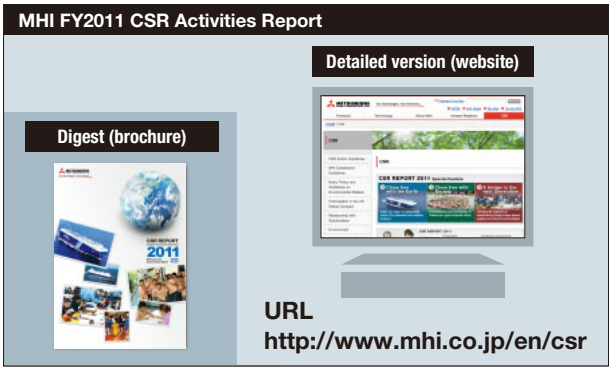
Mitsubishi Heavy Industries, Ltd. has a creed of this type, also. It was instituted in 1970 on the basis of the policy advocated by Koyata Iwasaki, president of Mitsubishi Goshi Kaisha in the 1920s, to indicate the essential attitude of the company, the mental attitude of employees, and the future directions of the company.

The reason for instituting the present creed is so that all of us can call to mind our one hundred years of tradition and strive for further development in the future.

Editorial Policy

Since 2001, Mitsubishi Heavy Industries, Ltd. (MHI) has been publishing its Environmental Report and in 2007, this report was expanded and revised, and entitled "CSR Report." In 2011, in addition to the exhaustive disclosure of information on our website, we posted a CSR Report digest version (brochure) to succinctly convey the activities of MHI, as we have done in previous years. Both the website and the brochure included a dialogue between the President and an intellectual, a summary of MHI's efforts according to the three themes of its CSR Action Guidelines, opinions from stakeholders and employees tasked with supporting CSR activities as well as relief efforts by the MHI Group in response to the Great East Japan Earthquake of March 2011. Our website contains detailed information focusing on "Fair and Sound Management," "Report on Environmental Initiatives" and "Report on Social Actions," which is not found in the brochure. We will continue to improve this report in response to your feedback.

Structure of CSR information disclosure



Scope of this Report

Target organization:

The information contained in this report pertains to Mitsubishi Heavy Industries, Ltd. and its Group companies (120 in Japan and 114 overseas). Some articles, however, only include descriptions of MHI activities.

Target period:

From April 1, 2010 to March 31, 2011
(includes information on some activities after March 31, 2011)

Guidelines and other reference material

- Global Reporting Initiative (GRI)
  "Sustainability Reporting Guidelines (G3 version)"
- Japanese Ministry of the Environment "Environmental Reporting Guidelines (2007 edition)"
- ISO 26000

Note: A "Guideline Comparison List" will be posted on our website.

Date of Issuance

June 2011 (previous issue: June 2010)

Disclaimer

In addition to objective information on the past and present status of Mitsubishi Heavy Industries, Ltd. and its Group companies, this report also contains plans, perspectives and forecasts based on business plans and other materials. These forecasts are made using information available at the time of publication and therefore the actual outcome of future business activities may differ from these forecasts.

Dialogue: In this section, Ms. Mari Watanabe, a freelance announcer, and President Omiya discuss corporate social responsibility (CSR) for MHI.

Special Feature on Close ties with the Earth: This feature introduces our initiatives involving "eco-ships," which we have developed to help reduce CO_2 emissions from maritime transport.

Special Feature on Close ties with Society: This section introduces our Thai subsidiary's efforts to contribute to local communities by supporting local elementary schools.

Special Feature on A bridge to the next Generation: Here, we introduce how our works leverage their unique characteristics to support science education.

CONTENTS

Providing vital social infrastructure and addressing a myriad of global issues

At a time when the importance of social infrastructure is garnering attention in Japan perhaps as never before, here we explore MHI's corporate social responsibility (CSR) and how the company is working to meet its obligations. Ms. Mari Watanabe, a freelance announcer who has a special interest in social responsibility with a woman's perspective, discusses CSR with MHI's President Hideaki Omiya.

Hideaki Omiya

President, Mitsubishi Heavy Industries, Ltd.

After joining the company in 1969, Hideaki Omiya was long involved in aircraft development, and in 1999, he was appointed Deputy General Manager of the Nagoya Aerospace Systems Works. He subsequently served as Director, Executive Vice President and General Manager of the Air-Conditioning & Refrigeration Systems Headquarters, and in April 2007, he was appointed Director and Senior Executive Vice President in charge of Production System Innovation Planning. He became President in April 2008, making this his fourth year in the position.

Mari Watanabe

Freelance Announcer

Born June 27, 1967, Mari Watanabe hails from Yokohama, Kanagawa Prefecture, and is a graduate of International Christian University's College of Liberal Arts. Ms. Watanabe joined TBS in 1990, and left the broadcaster in March 1998. She then began appearing as a newscaster on TV Asahi's nightly news program "News Station" in May 1998. Her activities currently center on television, radio and other media.

Putting every effort into restoring the region affected by the Great East Japan Earthquake as quickly as possible

Watanabe: The Great East Japan Earthquake of March 11 (2011) was a massive disaster centered on the Tohoku region, and companies in the private sector suffered a wide range of damage and other negative effects. How did MHI fare?

Omiya: Before I address this issue, I would like to offer my prayers for the souls of the people who perished in this enormous disaster and also extend my sincere condolences to the people who have suffered as a result of the disaster.

As most of the MHI Group's plants are located in western Japan, our employees and factories were largely unharmed.

Watanabe: The damage from the disaster has been truly heart-wrenching. My deepest sympathies are with the many people who have been so deeply affected by the disaster. Never before had I so intensely realized just how vitally important our social infrastructure—electricity, water and so on—is to us.

Omiya: It's true that companies like ours that create the infrastructure that supports people's lives bear huge responsibility. The disaster has truly brought this home to me, as well.

At MHI, we're now putting all our efforts into restoring damaged infrastructure that incorporates our products. For example, some 10,000 of our employees have been dispatched to thermal power generation plants operated by Tokyo Electric Power and Tohoku Electric Power, and others are working to restore waste incineration facilities in the city of Sendai. We are also responding to a request by Tokyo Electric Power to provide gas turbines for thermal power generation plants and, although the reactors used at the Fukushima No.1 nuclear power plant are of a different type than our own products, we are giving our support to help bring the situation there to a swift conclusion, for example by providing maximum cooperation to prevent radioactive materials from spreading.

In addition to providing support through our business activities, promptly after the earthquake we dispatched a company jet to assist in transporting medical supplies to the people of the stricken region. The MHI Group also donated 500 million yen and our employees collected contributions toward the relief efforts. Going forward, the MHI Group will continue making every effort to rebuild the infrastructure that was destroyed and restore the affected area to normalcy as quickly as possible.

Contributing to the development of a sustainable global society, placing CSR at the core of company priorities

Watanabe: Mr. Omiya, you mentioned that you recognize the magnitude of MHI's corporate social responsibility (CSR) in its role as a company involved with infrastructure. I'd like to ask you, if you would, to speak a bit more about your company's thoughts on CSR.

Omiya: First of all, the MHI Group's foremost corporate social responsibility, I believe, is to provide products worldwide that will contribute to the development of a sustainable global society. The MHI Group supports society by providing many different types of infrastructure: not only power plants, but also railway systems, aircraft, ships, bridges and so on. Accordingly, I believe that our most important corporate social responsibility is to carry out our business operations and the manufacturing of our products with dedicated integrity.

Another important corporate social responsibility for us is to appropriately distribute the profits we earn from providing products to all our stakeholders—including shareholders, business partners (suppliers), local communities and employees.

Watanabe: MHI, as a company undertaking the construction of social infrastructure, is also called upon, not only to generate profits in the short term, but also to create value from the long-term perspective, isn't it?

Omiya: Yes. Naturally, we strive to return profits to our shareholders and other stakeholders as much and as quickly as possible. But as you say, developing social infrastructure is a long-term proposition.

Consider passenger aircraft, for example. Developing this sort of transportation infrastructure, on which many people's lives depend, calls for safety above all else. Ensuring this safety requires a great deal of time and money, and in this respect it's inconsistent with seeking short-term profits.

For the past several years, we've been developing a small, environmentally friendly passenger jet, the MRJ. Not too long ago we received a letter from a sharehold-

er—actually a husband and wife. The letter read: "When my wife and I learned that MHI is developing the MRJ, the kind of product dreams are made of, we decided to become shareholders, even though 1,000 shares, the minimum trading unit, was all we could afford. Please keep working to make this a better world." Reading that letter truly gave me courage, because I could sense that the couple shared our focus on long-term value creation.

Watanabe: I too am looking forward to seeing the MRJ flying through the skies all around the world. But if your business goes global in that sense, won't your concept of CSR have to change, too?

Omiya: Absolutely. Today, the growth of the global economy is being driven less by the industrially advanced countries and more and more by the emerging economies such as China and India. Many of those countries face a variety of difficulties in areas such as securing energy and water, and demand is rising for social infrastructure to resolve these problems.

By way of response, in order to apply our "true comprehensive strengths" toward resolving these worldwide issues, in April 2010 we drew up a five-year medium-term business plan, and we are now implementing organizational reforms to put that plan into practice. In 2008, we set up the Sustainability Energy & Environment Strategic Planning Department to create proposals that combine products previously supplied separately by various departments related to energy and the environment, and this approach has already chalked up successes in many parts of the world. Then just this April, we consolidated the authority and responsibility for product operations at our business headquarters (Head Office) that previously had been divided between the business headquarters and the various works (plants). At the same time, we streamlined the functions and organization of our administrative departments and created a large common platform for forming companywide strategies, supporting improvement activities across the various business segments, and promoting more advanced business processes.

Watanabe: In other words, you strengthened the collaboration among business headquarters to better meet needs from around the world.

Omiya: Yes. Even so, developing business overseas presents difficulties on a number of fronts, so we need to apply the knowhow we've cultivated over the years and respond in line with local needs. When building a power plant, for example, individual countries have different requirements on things like the materials and colors of the internal furnishings of rooms, making detailed changes necessary. We have to take a pragmatic approach to analyzing and understanding our customers' needs.

In this way, we not only have to take into consideration the social climate and culture of each different region, but also their business practices and views on human rights and labor; additionally, we must also always keep to global standards. As a participant in the United Nations Global Compact, we work to adhere to the 10 principles set forth in the four categories of human rights, labor, the environment and anti-corruption.

Sensing progress from CSR promotion activities

Watanabe: Please tell me about the progress and major achievements of the Company's CSR activities during your three years as president.

Omiya: First, with regard to the environment, in line with the Kyoto Protocol we've set a target of cutting CO_2 emissions by an average of 6%, compared with the fiscal 1990 level, during the five years from fiscal 2008 through fiscal 2012; and to achieve this target we've upgraded production and air-conditioning equipment at all our factories and offices, and installed photovoltaic power generation systems. In fiscal 2010 we brought CO_2 emissions down to 440,000 tons, our target level, and as far as possible we plan to maintain these conditions going forward as we work to meet our 6% reduction target. Also, the products we've supplied have cut CO_2 emissions by more than 100 million tons each year (see p. 31 for basis of calculation). This constitutes a major contribution to preventing global warming.

In addition, we are in the process of preparing an "MHI Environmental Vision" to clarify our medium- to long-term targets. We look for this vision to serve as our compass in contributing toward the realization of a sustainable society on various fronts—reducing CO_2 in production processes, lowering CO_2 emissions through our products, conserving resources and reducing generation of waste, and so on.

Watanabe: Ensuring "safety and security" is cited as one facet of MHI's medium-term CSR plan. I understand you've made some advances in employee safety training?

Omiya: That's correct. In April 2010, we set up an "Accident Exhibit and Materials Room" at our Technical Training Center in Nagoya. The purpose of this installation is to convey information about past product-related accidents to employees using videos and panel displays. Some 7,000 employees have visited the facility since it opened, and it has made an impression on them. Many comments have been received along the lines of "The graphic depiction of the misery that

an accident can cause chilled me to the bone," or "Such accidents must never happen again." We believe that the starting point in addressing the issue of safety is for all employees who are involved in manufacturing to share in the understanding of the importance of safety. In this sense, I consider the effort has been an extremely significant success.

Watanabe: In recent years, much emphasis has also been placed on the importance of CSR in the supply chain.

Omiya: Yes, this is important. In 2009, we started addressing this issue through discussions with employees in the Procurement & Sourcing Department of each of our works. The outcome was our announcement in July 2010 of the "MHI Group Supply Chain CSR Promotion Guidelines" to promote environmental protection, respect for human rights and occupational safety among our business partners (suppliers). Moving forward, we will continue working together with our partners to fulfill our corporate social responsibilities.

Creating a rewarding and invigorating work environment

Watanabe: I understand that recently MHI set up an in-house nursery. This must be greatly appreciated by your employees with children.

Omiya: We opened the MHI Kira Kids Nursery at the Nagasaki Shipyard & Machinery Works in April 2010. One of the big social problems Japan faces is the decrease in the nation's working population owing to the falling birthrate and its aging citizenry, and we believe that to solve this problem it's necessary to create a work environment that helps employees to raise children. Having an in-house nursery makes it easier for employees to drop off their children in the morning and pick them up in the evening, and it also gives them peace of mind knowing that their children are always nearby. We've even set up a system so that employees can check up on their kids from their PC monitors.

As another initiative, we have set up the Career Return Plan enabling employees who have left their jobs to get married or have a child to return to the workplace. So far, 24 people have taken advantage of this system to return to the workplace.

Watanabe: That initiative really addresses the work-life balance.

Omiya: Another is a project we introduced in 2009 called "Forum 35." This is a program targeted at employees in their mid-thirties—the "second-generation baby boomers" who play central roles at all workplaces. Meetings are convened regularly where they can have discussions with their counterparts in other departments. Their discussions are always lively, touching on topics such as interaction between individuals and organizations, families and society at large. I think the program has had a positive impact also in the way it helps people who have diverse working styles to accept each other.


MHI Kira Kids Nursery

We've also set up a system for rehiring employees who retired at the mandatory age but who still have a lot of vitality. Under this system, contracts can be extended up to age 65. Today employees rehired under the program are enthusiastically offering guidance to younger workers and passing on their technical expertise to the next generation. We also ask people in this program to create manuals to help pass on the skills and know-how they have built up through their long years on the job.

Watanabe: All the things I have heard here today have convinced me that MHI is a company that accepts diverse working styles. I also get a strong impression that MHI is a company where work is very rewarding.

Omiya: Thank you very much. As I commented at the beginning of our discussion, MHI is in the business of building social infrastructure, and conducting our business properly has direct implications for contributing to society. From this perspective, I believe that MHI is a rewarding place for employees. Of course, building infrastructure is a business that comes with major social responsibility. This is the very reason why we strive to create an environment where employees can work enthusiastically and make the most of their ambitions and their skills, so that MHI can contribute even more to society and be even more steadfast in fulfilling its corporate social responsibility. As a company that supports efforts to put Japan back on a quick recovery track, we know we bear a heavy burden of responsibility, and we aim to continue responding to the hopes and expectations of society. Be sure to keep watching as the MHI Group addresses these challenges.

At "M's Square" showroom, which reopened in November 2010 following renovation

The MHI Group's response in the wake of the Great East Japan Earthquake

Note: The following is a report on the status of our efforts as of May 31, 2011.
For the latest information, please refer to Response of MHI and its Group companies to the Great East Japan Earthquake on the MHI website.

The MHI Group not only transported emergency relief goods and materials by corporate aircraft to affected areas immediately after the March 11, 2011 disaster, but also carried out repairs and inspections to the products our Group companies delivered there previously. The Group companies have done their utmost to carry out these and other activities as emergency countermeasures in the wake of the disaster and subsequent recovery support. In particular, MHI worked to restore damaged thermal power generation in conjunction with the construction of gas-turbine power generation equipment and increased production of small to midsize diesel power generating equipment as emergency measures to recover power generation capacity. It is the solemn mission of the MHI Group to help Japan rapidly recover its economic base by providing the infrastructure upon which society and industry is built. We will continue to exert our full strengths to that end. In respect to nuclear power plants, we began collaborative tasks with clients immediately after the disaster to further strengthen the safety levels of existing facilities. We believe that nuclear power will continue to play an essential role well into the future given society's power requirements and the need to curb global warming. We will make a concerted effort to provide products high in safety and reliability.

Status of MHI Group companies and main responses to the earthquake disaster

Status of MHI production bases, etc.

- No major production bases in the MHI Group sustained significant damage as a direct consequence of the disaster, and all facilities are currently operating normally. Although some difficulty is being experienced in securing necessary parts and other supplies, we are checking suppliers' situation and making every effort to obtain the needed items.

Medical supplies sent by company aircraft

Recovery support at disaster areas

Donations and fund raising

- MHI Group to provide relief assistance equivalent to approx. 500 million yen. Total includes monetary aid and emergency supplies. (For daily needs, etc.)
- In addition to employee fund-raising campaigns that collected approx. 45 million yen, company plans to provide a matching amount, which makes total value equivalent to 100 million yen.
- Group companies provided approx. 28 million yen worth of photovoltaic power generation systems and other related materials.

Medical treatment support

- Approx. 500 kg of medical supplies were transported to Fukushima by company aircraft.
- Dispatch of doctors and nurses from company medical facilities, at request of Japan Medical Association et al.

Providing shelter for disaster victims

- Registration at municipalities of company facilities available to accepting victims.
  Company housing: 179 households
  Dormitories: 328 persons (5 locations)
  Recreational facilities: 285 persons (2 locations)

"Support Tohoku" project at company dining rooms

- "Support Tohoku" menus have been prepared at the dining halls of the Head Office and employee dormitories featuring foods from the disaster areas, now victim to fear mongering.
  Gradually, this project will be expanded to the dining halls of all our works.

Dispatch of employee volunteers

- Approx. 100 employees from our Tokyo area works were dispatched as volunteers to disaster areas.
- Employee volunteers were also dispatched from other regions as needed.


Preparing meals


Unloading relief materials

Infrastructure recovery support

Thermal power generation plants recovery support

- Transport of personnel and materials by company helicopters immediately after the disaster.
- Dispatch equivalent to approx. 10,000 man-days to thermal power generation plants operated by TEPCO and Tohoku Electric, now supporting efforts to recover power supply capacities.
- Efforts at production sites being strengthened for the early delivery of power generating equipment.

Recovery support at the Fukushima No. 1 Nuclear Power Plant

Even though the reactors used at the Plant are different from the pressurized water reactors (PWRs) handled by MHI, we are provided proposals and cooperation useful to recovery efforts based on common nuclear power technology.

- Reconstruction of the "Mega-Float" provided to TEPCO from Shizuoka City for countermeasures against low-level radiation contaminated water stored at the Plant.
- Construction of two special vehicles based on our 15-ton forklift to handle rubble near the nuclear power plant.
- Examination of different measures including treating contaminated water, shielding against radiation, prevention of spread of radioactive materials, etc. in response to requests from TEPCO.

Other support activities

- Support being provided toward early restart of waste treatment facilities in the disaster-affected municipalities; also responding to inquiries from affected municipalities and regional organizations regarding simple incinerators.
- Response under way toward restoring social infrastructure, such as bridges, mechanical parking facilities, electronic toll collection systems, in the disaster-affected area.
- Supporting affected customers to restore machine tools (600 personnel) and air-conditioning (400 personnel); product support system has been established.


Forklift with radiation shielded cabin

Using CSR activities rooted in manufacturing to increase public trust

The underlying objective of the MHI Group is, as a manufacturer, to carry out CSR through production activities; and we are working to achieve that goal under our CSR Action Guidelines and CSR Action Plan.

MHI Group CSR Action Guidelines (formulated July 2007)

In order to ensure a secure future for the Earth, we will establish and maintain:

Close ties with the Earth

Safeguard an abundantly green Earth through environmental technologies and environmental awareness;

Close ties with Society

Build a relationship of trust with society through proactive participation in society and trustworthy actions;

A bridge to the next Generation

Contribute to the cultivation of human resources who can shoulder responsibility in the next generation through technologies that can realize dreams.

Promoting CSR through manufacturing as an innovative partner to society

The MHI Group established manufacturing as the core of its business as an innovative partner to society (see our creed on p. 1) that provides products that improve social infrastructure and assist customers in reducing their environmental impact.

In our CSR initiatives, our primary aim is to minimize environmental loads emanating from our production activities and to allocate our earnings generated through the appropriate provision of these products to every stakeholder associated with our business activities.

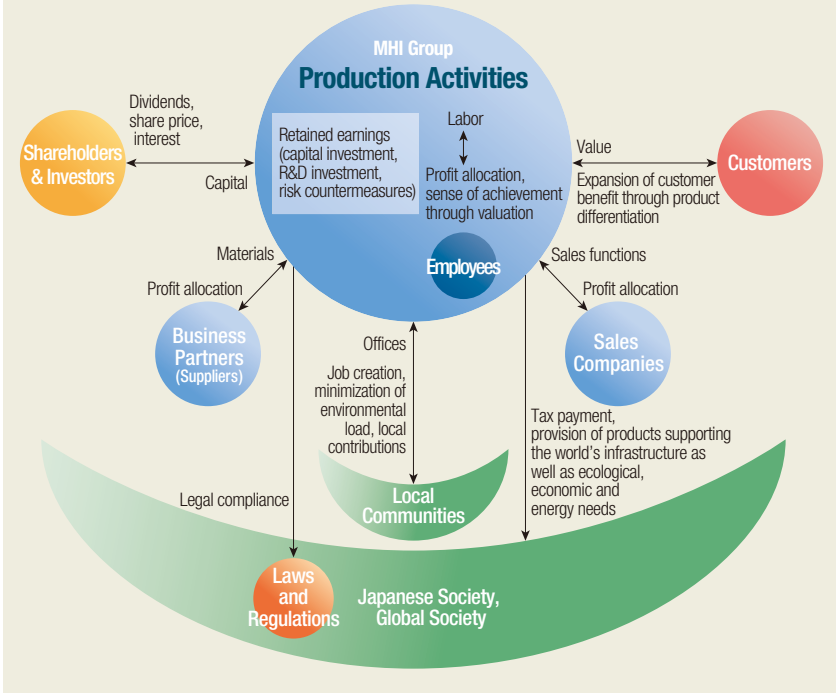
Continuous improvement of CSR activities through the PDCA cycle

To fulfill its social responsibilities, MHI established the CSR Committee, chaired by the President, as well as a CSR Promotion Office, in October 2006. In April 2011, the CSR Promotion Office was renamed CSR Promotion Department thus newly establishing a Strategy Group and Promotion Group that would strategically and comprehensively conduct activities in the areas of prior compliance, environmental protection, human rights and labor relations.

Along with this new CSR promotion framework, in July 2007, MHI formulated the CSR Action Guidelines with three basic vectors: Close ties with the Earth, Close ties with Society, and A Bridge to the next Generation to encourage proactive action that would instill CSR awareness in every employee. In April 2008, our CSR Action Plan was formulated in accordance with those Guidelines in hopes of continuously improving each one of our activities through the use of the PDCA cycle. Then in June 2008, we established the representative CSR activities based on the themes in the guidelines for cultivating stronger CSR awareness group-wide.

CSR Committee

MHI Group involvement with society



Outline of Representative CSR Activities

For "Close ties with the Earth"

- Greening of company facilities
  (e.g., wall greening, symbolic greening of the factory)
- All-hands environmental activities with employees
  (Company Forest Creation Program volunteer activity, proposals for eco-commuting and eco-driving, preservation of biodiversity, etc.)

For "Close ties with Society"

- Reinforcing community contribution activities
  (at least one event per year by each Group company at home and overseas)
- Participation in Hometown Cleanup Meetings
- Providing support for emerging and developing countries with MHI products
- Environmental advertising for communities planned by employees

For "A bridge to the next Generation"

- Employee dispatches to schools
  (Visiting Science Class at community elementary schools, etc.)
- Product making workshops
  (Expansion of product making workshops and exhibit facilities at all MHI locations)

The car carrier *AURIGA LEADER*[1]

Close ties with the Earth

Safeguard an abundantly green Earth through environmental technologies and environmental awareness

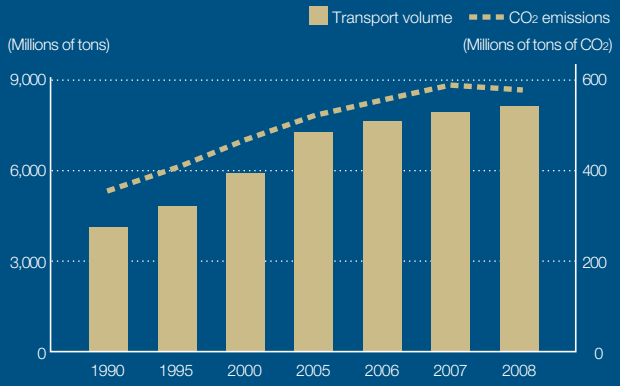
Special Feature 1

Using "eco-ships" to substantially reduce CO_2 emissions from maritime transport

CO_2 emissions increasing along with expanding maritime transport

Ships have long been praised as a mode of transport that offers high energy efficiency and low CO_2 emissions. But as maritime traffic has increased over the past 30 years, CO_2 emissions have doubled. To address this situation, the International Maritime Organization (IMO) is promoting a new treaty aimed at curtailing CO_2 emissions, and this has spurred calls for the development of ships that emit less CO_2. In response MHI is bringing to bear its experience and technologies cultivated over more than a century of shipbuilding to develop "eco-ships" that will reduce environmental impact in various ways.

World maritime transport volume and CO_2 emissions

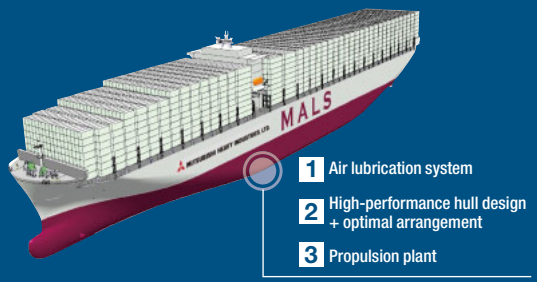


Sources: *CO_2 Emissions from Fuel Combustion Highlights (2010 Edition)*, International Energy Agency; *Autumn 2010 Shipping Review Database*, Clarkson Research Services

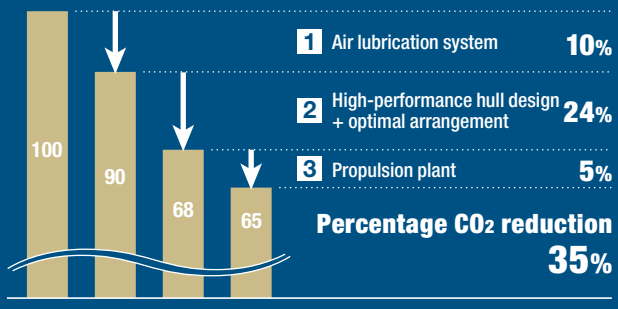
MALS-14000CS eco-ship reducing CO_2 emissions during transport by 35%

MHI completed the conceptual design of its New Panamax class[2] container ship, the MALS-14000CS, in October 2010. This eco-ship achieves a 35% decrease in CO_2 emissions per container.

2 New Panamax class: This is the maximum size of ship (366.0 meters long by 48.8 meters wide with a draft of 15.2 meters) designed to fit through the expanded Panama Canal, where enlargement is scheduled to be completed in 2014.



Percentage reduction in CO_2 emissions by the MALS-14000CS eco-ship



- This graph compares CO_2 emissions per 20-foot container transported.
- In this graph, 100% is the standard value for ships in the same class by MHI's calculation.

1 Several of the environmental technologies employed on the *AURIGA LEADER* were developed in collaboration with Nippon Yusen Kabushiki Kaisha.

Latest energy-saving technology and an innovative ideas

Cutting CO_2 emissions 10% by reducing water friction

Reducing the frictional drag on the hull of a ship saves fuel and lowers CO_2 emissions. To achieve this, MHI developed the Mitsubishi Air Lubrication System (MALS), which reduces frictional drag by introducing air bubbles by air blower into the water around the bottom of a ship's hull, covering the ship in bubbles. By arranging the air blowhole location and shape and controlling the air volume, the lubrication effect has been enhanced, reducing CO_2 emissions per container transportation by 10%.

This system has already been introduced on module carriers, and has been proven to reduce CO_2 emissions significantly.

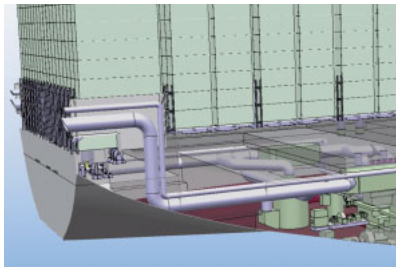
Creating a layer of air between the hull of the ship and the surrounding water reduces frictional drag on the hull.

Preventing loss of propulsive power and raising load efficiency have cut CO_2 emissions by 24%

The ship's hull form must be optimally designed for the vessel's intended position in water, which is determined according to the ship's speed, length and width and the weight of its cargo.

For the MALS-14000CS, MHI ran numerous simulations and offers outstanding performance by the optimal hull form. We also adopted a new type of propulsion plant with twin engines and shafts. This twin-engine/shaft design uses twin propulsion units to drive two screws. Compared with a conventional plant that uses single engine and single shaft, the twin setup offers improved propeller efficiency while maintaining the same resistance level, thereby delivering more propulsive power.

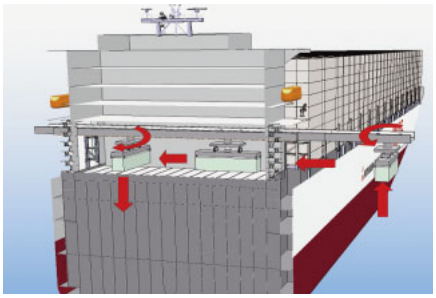
We also introduced two ideas to raise load efficiency and thereby increase the number of containers the ship could carry. The first idea was to lead the exhaust pipes to the stern of the ship, eliminating the space conventionally occupied by the exhaust pipes and their casing. The new configuration enables containers to be loaded above the engine room.



Exhaust pile leading to the stern

The second idea was to move the bridge to the bow of the ship. On conventional container ships, the number of loadable containers is limited to the height that will allow a clear view from the bridge, but with our new design the bridge location has allowed the entire deck space to be used more efficiently, increasing the number of containers that could be loaded onto the ship. The new design also allows for storage of containers beneath the ship's living quarters.

As a result of these changes, we succeeded in reducing CO_2 emissions per container transported by 24%.



Containers stored below living quarters

CO_2 reduced by 5% through use of waste heat

The propulsion plant used by the MALS-14000CS contains electronically controlled engines and a waste heat recovery system. Compared with conventional mechanically controlled engines, these engines offer improved fuel efficiency by controlling the fuel injection amount and timing electronically. The waste heat recovery system, which was developed through cooperation between the Shipbuilding & Ocean Development Headquarters and the Power Systems Headquarters, recovers waste heat generated by the engine and uses it effectively to generate electricity.

These improvements together enable a reduction in CO_2 emissions per container transported by 5%.

Our responsibilities and our actions

Our aim is to contribute to our customers and society by applying our comprehensive strengths toward the ongoing development of eco-ships.

As the engineer in charge of this project, I focused on improving the fuel performance of the propulsion plant and raising container carrying capacity. These efforts succeeded in reducing CO_2 emissions, but our work isn't finished here. I still hope to enhance environmental performance further from a variety of perspectives, such as also reducing SOx and NOx emissions.

Going forward, we will exploit the comprehensive strengths of MHI, which has various kinds of specialized technologies involving engines, waste heat recovery and electrical systems, to promote the ongoing development of eco-ships.

Takashi Unseki
Ship & Ocean Engineering Division
Shipbuilding & Ocean Development

Employing a variety of technologies to reduce ships' environmental impact

Lowering wind resistance

Fitting a "bow windscreen" in front of the bridge lowers wind resistance and raises fuel efficiency. The windscreen is shaped so as not to obstruct the view from the bridge.

Using natural energy

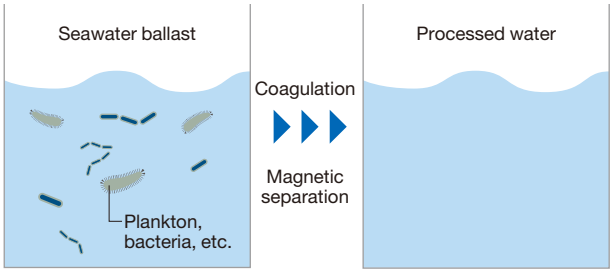
We have developed a photovoltaic power generation system that generates energy while the ship is running. The energy is stored in rechargeable batteries for use when the ship is in port, thereby enabling the onboard generator to be switched off while in port.

Protecting marine ecosystems

To improve the safety of cargo vessels during voyages without cargo, seawater is pumped into their tanks to serve as ballast in the unloading port when the cargo is being discharged. This water is pumped out into the sea again when the ship reaches its loading port. On international routes, however, the foreign plankton and bacteria that are expelled along with the ballast seawater can affect marine ecosystems.

To address this issue, MHI worked with Hitachi Plant Technologies, Ltd., to develop a ballast water purification system. This system employs magnetic force to attract microorganisms when seawater is being taken on, using a coagulation and magnetic-separation method to eliminate organisms from the inflow. As this system uses no biological toxins or chemicals, it leaves behind no residue that might pollute the surrounding water.

Process of eliminating plankton, bacteria, etc.



Applying more than a century of shipbuilding technology to support safe, long-term vessel operation

Some of the ships that MHI builds exceed 300 meters in length and 40 meters in width. As such ships are not mass-produced, each one is shaped differently. Building ships of this class requires technologies to process steel plates 6 centimeters or more in thickness to a high degree of precision, and to install massive engines weighing more than 1,500 tons with accuracy down to 1/100th of a millimeter.

MHI has perfected its shipbuilding technologies over more than a century. Supporting the safe, long-term operation of vessels this way translates to lengthening the service life of ships and, by extension, avoiding wasteful use of resources.

A giant crane installing an engine into place

Expectations of MHI

A Real Sense of Mitsubishi Heavy Industries' Shipbuilding Technologies and Responsiveness

The fact that I have been working in Nagasaki and with Mitsubishi since 2004 attest to the reality that we have the very best of working relations with Mitsubishi, both as a team and I personally.

In 2003, I was asked to join the PCTC project at Mitsubishi in Nagasaki. I had the best of memories of Nagasaki as well as a close relation with MHI from Taronga's time. Since then I have worked in close cooperation with Mitsubishi on the 10-vessel PCTC project and now on the Mark V project.

The first vessel, the *TØNSBERG*, was delivered on March 18 and departed the same day. During this time all of us at the site felt that we received tremendous goodwill and solid understanding of our problems and issues. Mitsubishi exercised great flexibility in addressing the challenges of building the world's largest ro/ro vessels. Everyone at Mitsubishi lived up to the challenge, and Mitsubishi showed clearly that they are the best at building these complicated vessels. No doubt in this.

What can be improved? It is not my place to say so, but as the question has come up: Try to think outside the box. Innovation is not a set of rules and regulations. Innovation happens outside of these parameters and is only contained by rules and regulations. I understand that these are needed, but they address only the minimum.
I guess you do not have to print this, but it is my personal opinion and experience.

Mr. Alexander Maresca
Head Manager, Nagasaki Shipyard & Machinery Works
Wilhelmsen Marine Consultants

MHI's multifaceted shipbuilding experience

In 1857, MHI started Japan's first repair facility for naval ships in Nagasaki. Since then, the shipyard has constructed some 5,300 ships, including cruise ships, cargo vessels and research ships.

Cruise ship

LNG carrier

Deep sea drilling vessel

Employees Introduce Our CSR Activities

Taking on a Project to Regenerate Coral Reefs off Okinawa

MHI Bridge & Steel Structures Engineering Co., Ltd.

The world's coral reefs rank alongside rainforests in terms of abundant biodiversity, but in recent years rising ocean temperatures have prompted the bleaching (death) of coral reefs in many parts of the world. To address this issue, in 2004 MHI Bridge & Steel Structures Engineering Co., Ltd. (MBE), started experiments at growing coral. Five years later, the company succeeded in developing a way to induce new coral growth. Building on this success, in 2011 MBE embarked on a coral reef regeneration project. This breakthrough project is designed to promote the restoration of coral reefs which, like plants, absorb CO_2 and give off oxygen through photosynthesis.

In 2004, while building a floating pier[1] in Okinawa Prefecture, MHI Bridge & Steel Structures Engineering Co., Ltd. (MBE), began experimenting with the transplantation of coral at the pier's far end. During this experiment, conducted in partnership with an aquarium-related venture company, C.P. Farm Co., Ltd., the engineers were amazed to find that coral had started to grow even in areas where it had not been transplanted.

Upon investigating possible causes, they posited that the weak current generated by the floating pier after electrolytic anti-corrosion treatment[2] created an environment conducive to coral growth. They then approached Nippon Corrosion Engineering Co., Ltd., with the issue, and in 2006 a research project on coral propagation was launched together with the University of Tokyo, the Akajima Marine Science Laboratory and C.P. Farm.

After measuring the anti-corrosive current generated at floating piers at two locations in Okinawa (Taketomi East and Kuroshima ports), experimenting in the ocean off Ishigaki Port, and conducting laboratory experiments at growing coral at the University of Tokyo, in 2009 the research team concluded that a specific level (approximately 50 mA/m^2) of current density (electric field) promotes the growth of coral. The team also developed a method to create a calcium carbonate substrate[3] for coral in a short period of time by electrodeposition[4]. As a result, the number of successfully implanted coral larvae was four to five times more than with the conventional method using unglazed ceramic tile as the substrate.

In January 2011, we received an order from the city of Itoman for eight coral substrates (shelves); these were set in place in Ishigaki Island's Nagura Bay in April. Currently we are taking part in a coral regeneration project in cooperation with the local fishing cooperative. Since it is the great forces of nature we confront, there is no guarantee of success; but without question the project has made a major step toward the goal of restoring the coral reefs in the oceans off Okinawa.

Kazuyoshi Kihara
Manager
Engineering Group
Bridge Headquarters
Engineering Division

The floating pier at Taketomi East Port, Taketomi Island; coral attached to the pier

Coral substrates (shelves) placed in Nagura Bay on Ishigaki Island

1 Floating pier (built by MHI): The main structure (approx. 10 m x 35 m) is made of plate steel. In situ at the port, the structure is given an application of concrete on the top and side surfaces of the steel plates and floated.
2 Electrolytic anti-corrosion treatment: To prevent the plate steel from corroding (rusting) in the seawater, aluminum is installed near the base plates. The iron (steel plate) acts as the cathode and the aluminum as the anode, causing a weak electric current to flow.
3 Calcium carbonate substrate: A base, created on the surface of a rock, etc., upon which coral can calcify, affix and grow.
4 Electrodeposition: Here, the term refers to the use of a weak electric current to fix the calcium ions, carbonate, etc. in seawater to the steel plate that acts as a cathode, resulting in the formation of calcium carbonate.

Expectations of MHI

We want to share the abundance of the oceans with the next generation.

This project accords closely with our business philosophy, which is to "convey the wonders of nature ever more broadly, without damaging nature." We participated in this project in the hope that our knowledge and expertise in coral and other marine life and in the marine environment might be useful.

In addition to the fact that coral spawn only once a year, the conditions for regenerating coral are severe, marked by rising ocean temperatures, increasingly larger typhoons, and destruction of the environment.

Even so, I believe that this project is important to restoring the oceans to their former abundance, and I sincerely hope it will continue.

Mr. Toshiyuki Masukawa
President and Representative Director
C.P. Farm Co., Ltd.

Special Feature 2

Contributing to local communities in Thailand as a good corporate citizen

Supporting local elementary schools for more than a decade

Since 1998, Mitsubishi Heavy Industries-Mahajak Air Conditioners Co., Ltd. (MACO) of Thailand, a core company in the MHI Group's air-conditioning business, has been donating elementary school buildings and classrooms in impoverished regions of that country.

This initiative started with the idea of helping, even modestly, toward resolving two of Thailand's major social issues: economic and educational disparities between the country's metropolitan region and rural areas. Local employees are involved in all phases from recipient selection to construction management.

MACO Corporate Profile (As of January 2011)

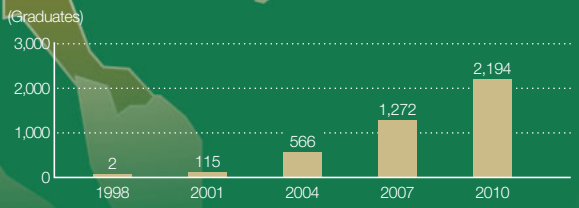
- **Capitalization:** 1,216 million Thai baht (approx. 3.6 billion yen)
- **Employees:** 2,322 (including 27 Japanese)
- **Annual production:** 796,000 residential air-conditioners, 258,900 commercial air-conditioners
- **Sales breakdown:** Southeast Asia & Oceania 50% (Thailand 13%), Europe 33%, Japan 17%

Regions receiving elementary school support

1. **Phitsanulok** (1998, 2010)
2. **Phtchabun** (1998, 2007)
3. **Ubonratchathani** (1999)
4. **Loei** (2000)
5. **Buriram** (2001)
6. **Uthaithani** (2002)
7. **Mahasarakham** (2003)
8. **Sakaeo** (2004)
9. **Chaiyaphum** (2005)
10. **Nakhonratchasima** (2006)
11. **Uttaradit** (2008)

Figures in parentheses, ( ), indicate the year of introduction.

Graduates of support-receiving elementary schools (cumulative totals)



Close ties with Society

Build a relationship of trust with society through proactive participation in society and trustworthy actions

A company deeply rooted in Thai society

MACO, a manufacturer of air-conditioning equipment located in an industrial zone on the outskirts of Bangkok, was established in 1988 as a joint venture with Mahajak Industry Co., Ltd., one of MHI's local partners. Initially, MACO was involved mainly in the manufacture of residential air-conditioners., but as MHI's global air-conditioning business grew the JV expanded its operations to include procurement and sales as well as the manufacture of commercial air-conditioners. MACO has now grown to become a core company in MHI's air-conditioner business.

Since its establishment MACO has pursued a management policy focused on localization, with the aim of setting down firm roots in Thai society. In 2003, when it came to function as a manufacturer, it adopted the slogan "The Spirit of Independence" as a clear indicator of its intention to grow and develop in step with the Thai people.

Assembling air-conditioner outdoor units

Focus on cultivating employees' business operating skills

To boost the business operating skills of its local Thai employees, MACO has proactively transferred technologies and promoted outstanding workers to management positions. The company also applies employees' opinions and requests toward improving the in-house work environment, and it has also promoted English-language education, technical training on a department-wide basis, and long-term training in Japan. In 2010, MACO also began holding training sessions covering CSR concepts, the company's business philosophy, and the basics of what it means to be part of a business corporation.

The company has also put in place a system enabling employees to screen and select suppliers based on objective criteria. Furthermore, it treats all its suppliers like "partners," as a way of building win-win relationships.

Training session for sales distributor employees

Addressing the issue of education in Thai society

For many years MACO has contributed to the development of the Thai economy by creating employment, boosting exports and transferring technology. Then 13 years ago, out of a desire to contribute more directly to resolving the country's social issues, MACO embarked on an initiative to support elementary schools.

Thailand's economy continues to grow at an average rate of around 4% per year. However, political and economic activities are concentrated in Bangkok, and the income gap between the metropolitan center and rural areas is higher than two to one in some instances. This level of economic disparity contributes to a gap in education as well, and some children in impoverished regions are unable to complete their compulsory schooling. Furthermore, some schools lack sufficient facilities and educational materials.

Many of MACO's employees hail from outlying areas. To help ensure that the children in their hometowns have access to a good education as a way of improving Thai society, in 1998, on the occasion of its 10th anniversary in business, MACO resolved to address the educational issue head-on by launching activities to support elementary schools.

Average years of education in Thailand (2007)

	Male	Female	Total
Kingdom	7.94	7.44	7.68
Bangkok Metropolis	10.37	9.89	10.11
Central Region	8.3	7.8	8.1
Northern Region	7.1	6.5	6.8
Northeastern Region	7.3	6.8	7.1
Southern Region	7.9	7.5	7.7

Compiled based on the United Nations Development Programme's *Thailand Human Development Report 2009*

Local employees directly support their hometown elementary schools

An employee volunteer organization, the Working Committee, plays the central role in elementary school support activities. The committee also plans and conducts in-house activities, including initiatives to improve employees' work environment and society in general.

Support activities target schools in Thailand's impoverished north and northeastern regions. Each year one school is selected among those meeting the following three criteria: it must be in an employee's hometown, it must face a shortage of facilities and equipment, and teachers and community residents must have an eager desire to improve their schools. The selected school receives aid in line with its requests for items that it lacks: for example, school buildings, a gymnasium, cafeteria, toilets or various types of equipment.

A major feature of the program is that rather than simply donating money, MACO itself orders the construction work, oversees construction, and then donates a completed physical entity to the school. This approach allows the company to maximize its contribution within the available budget. The budget for such a project is 1 million baht (approx. 3 million yen), and a supplementary budget is provided to cover any small excess outlays. Each year, MHI labor union employees (Nagoya Air-Conditioning & Refrigeration Machinery Works) also provide donations of money, clothing, school equipment, sporting goods, etc.

Process from recipient selection to school dedication

1. Selection of recipient candidates from provincial and government lists
2. Exploratory visits to candidate sites
3. After meetings with school principals and local communities, final selection of recipient
4. Determination of support content
5. Selection of contractor, etc.; management of construction progress
6. Upon completion of construction, formal dedication and transfer

Kindergarten buildings and playground equipment provided in fiscal 2010

In 2010, the company supported the Ban-Mai-Tong Prasert School in Phitsanulok, northern Thailand. Attending the school are 132 elementary school children and 59 kindergarteners—a total of 191 students—but there were only six classrooms for children spanning nine school years (three years of kindergarten, six years of elementary school). As a result, while elementary students would be studying in their classrooms, kindergarteners would simultaneously be at play in the same room.

MACO decided to build and donate a new building with three classrooms for kindergarten students, as well as playground equipment. Construction commenced in May, with cooperation from students, their parents/guardians and other local people—as well as a large number of MACO employee volunteers participating in the construction process.

The newly completed facility was handed over formally at a ceremony in November—thus adding a well-equipped playground and making it possible for students of each school year to have their own classroom.

In fiscal 2011, MACO plans to donate four classrooms, toilets and other facilities to Ban kamhuachang-non tun-pa ma-naow School in Khon Kaen Province, in northeastern Thailand.

Children at the Ban-Mai-Tong Prasert School

Our responsibilities and our actions

I believe that creating better learning environments for children will make this a better country.

This project can be difficult, as the committee handles everything from selecting the school to getting ready for construction, to actually overseeing the construction. But at the same time, this level of involvement makes it all worthwhile. Witnessing the joy on the faces of the donor school's teachers and students, as well as other people in the community, makes us happy, too.

This project has received high praise from the government and local municipal organizations, but what is even more gratifying is to know that we are building learning environments for children. Many of our co-workers come from poor areas, and we believe that by improving the learning environments in their hometowns, children will grow into responsible adults and Thailand will become a better country.

Sunthon Duangsri
Assistant Manager
Assembly Team, Production Department

Athikorn Rattanachai
Manager
General Affairs Department

Expectations of MHI

We are very grateful to MACO for its support in enhancing our school's educational environment.

Several years ago, people in the local community got together to set up a school cafeteria as part of an aim to enhance the educational environment. The number of students increased as a result, so we were left with the chronic problem of having too few classrooms. But now, thanks to MACO's donation of a school building, students in each school year can study in their own classroom. As school principal, I am very grateful. Now, the number of students and parents seeing our new building and wanting to transfer to our school is increasing steadily.

At present, Thailand has some 40,000 public schools, many of which suffer from shortages of classrooms and educational materials. As an educator who bemoans this situation, I hope that MACO will continue this school support project, enhancing educational environments all around our country.

Winyou Duangmanee
Principal, Ban-Mai-Tong Prasert School

Employees Introduce Our CSR Activities

We donated MHI solar power generation equipment to a Japanese language school in Hanoi, Vietnam.

Masato Ishida
Acting Manager
Engineering Group, Solar Power Department
Power Systems

I served as manager of a project to donate solar power generation equipment to DOWACEN, a Japanese language school located on the outskirts of Hanoi, Vietnam. DOWACEN teaches Japanese to the employees of many Japanese companies operating in the surrounding industrial area, including MHI Group aircraft components manufacturer MHI Aerospace Vietnam Co., Ltd. (MHIVA). In this region, however, commercial interests are given priority when allocating electric power supplies, and outages at DOWACEN are frequent, affecting the school's ability to provide education. The school therefore asked, via MHIVA, for MHI's assistance.

Typically, even when solar power generation equipment is installed, supplies from the local electric utility continue in parallel; but our plan was different. We wanted to be able to deliver enough power through solar generation to supply electricity to at least the four classrooms that are needed to conduct classes during the day. This project thus took time, because in addition to providing the generating equipment, we had to carefully check the operations of lighting fixtures and fans, as well as explain how to perform maintenance. The project presented a number of challenges, but the system went into operation successfully in December 2010 and is now being used by many people.

Formal transfer ceremony at the site

Explaining the use of solar power generation equipment

We are contributing to the lives of the people in Nepal by introducing fair trade products.

Yumiko Iida
CSR Group, General Affairs Department
Nagoya Aerospace Systems Works

One of the CSR activities conducted at the Nagoya Aerospace Systems Works involves popularizing fair trade products among employees. "Fair trade" involves purchasing, on an ongoing basis and at fair prices, the agricultural products, handicrafts and other items produced by people in developing countries who are at economic and social disadvantages. The movement began in an attempt to change unfair trade practices.

Cooperating with us in this activity is Nepali Bazaro, a company involved with producers in Nepal. We promote employee participation by producing pamphlets and introducing products that Nepali Bazaro handles, offering a discount program for all Nagoya Aerospace Systems Works employees and their families, and providing opportunities for them to donate the equivalent of 10% of their purchase price to serve as working capital of a Nepalese welfare program. Many employees participate in this initiative and rate it highly. Their comments include "I like the organically grown spices." and "This gave me a chance to learn about conditions in developing countries."

Pamphlets introducing fair trade products

Nepali Bazaro website

A bridge to the next Generation

Contribute to the cultivation of human resources who can shoulder responsibility in the next generation through technologies that can realize dreams

Special Feature 3

Conveying the enjoyment of manufacturing through science classes applying our products and technologies

Drawing up a new roadmap based on three years of success

In the belief that one of its social responsibilities is to cultivate young people who will contribute to tomorrow's global society through science and technology, in 2008 MHI formulated a three-year plan to support science education at schools. Since then, all company works have conducted science classes and taught lessons about manufacturing. In fiscal 2010 we held such classes 34 times, for around 2,300 students.

Going forward, MHI will continue such efforts to nurture the next generation as a CSR priority. We are also now putting together a new roadmap to further these activities.

2008 Activities commence

Held science classes using the robot *wakamaru*. Gained an understanding of school needs and accumulated expertise in conducting science classes.

2009 Participants number 2,793

Held science classes employing products and technologies at each of our works. Participants during the year totaled 2,793.

2010 Ongoing implementation

Improved methodologies, educational materials and programs, and continued holding classes at each of our works.

2011 onward Creating a new three-year plan

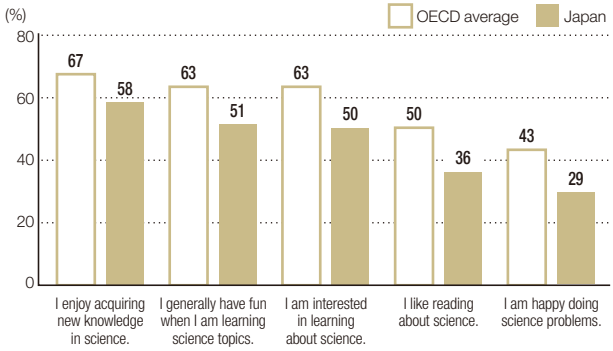
Formulating a new three-year plan calling for enhanced cooperation with NPOs and activities overseas.

Overcoming lack of interest in science

In recent years, Japanese school children seem to be moving away from the sciences. International academic surveys show that the overall level of interest in science and technology among Japanese children is below the average for the developed nations. Reasons given for this growing lack of interest in science include fewer opportunities for children to experience nature or make things, and waning interest in the sciences among elementary school teachers. As a manufacturing-oriented company, MHI has been eager to contribute to resolving this problem, for the future of Japan.

Against this backdrop, in April 2008 we drew up a three-year plan to support science education at schools. The aim was to begin offering science classes that would communicate to children the wonder and beauty of science and technology. Since that time, we have sent employees from our works throughout Japan to conduct science classes at nearby elementary schools. We have also hosted plant tours and conducted hands-on classes at our works for students from local schools, giving them an opportunity to learn about manufacturing by experiencing it first-hand.

Interest in science and technology by Japanese students



Compiled based on results of Programme for International Student Assessment, Organization for Economic Cooperation and Development

Holding science classes that leverage each works' specialties

In fiscal 2008, all 13 works conducted science classes using the MHI-developed communication robot, *wakamaru*. In fiscal 2009, we improved our methodologies, educational materials and programs and planned and conducted science classes featuring products specific to each of the works—rockets, ships, air-conditioners, forklifts and the like—and their manufacturing technologies.

A science class featuring *wakamaru*

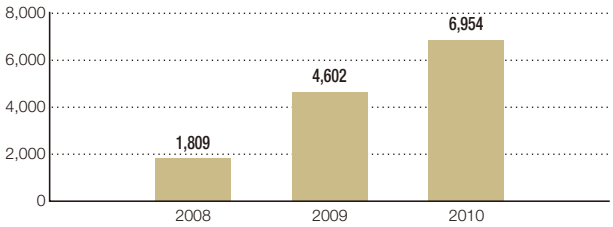
In fiscal 2010, we began working with NPOs and other promoters of science education for children as a way of enhancing our teaching materials and programs. During the year we held 34 science classes attended by around 2,300 students. As a result, during the plan's three-year period we provided learning opportunities to a total of 6,954 students.

The employees of individual works have shown great enthusiasm in participating in the effort to support science education, and the program has yielded a number of benefits. Sparking local students' interest in science through experience-based education has boosted motivation among employees, and the program is enabling many of the works to become more firmly rooted in their surrounding communities.

Swimming experiment using a robotic fish

Experiment introducing the principles of artificial satellite attitude control

Cumulative number of science class participants



Science classes held in fiscal 2010

Division/Headquarters, Works	Participants	Content and Themes
Transportation Systems & Advanced Technology Division	53	Motor and brake mechanisms, the power of air
Industrial Machinery Business, Technology & Solutions Division; MHI Solution Technologies Co., Ltd.	147	Classes using robotic fish
Industrial Machinery Business, Technology & Solutions Division	136	Turbine and compressor mechanisms
Shimonoseki Shipyard & Machinery Works	70	Mechanisms that drive ships
Kobe Shipyard & Machinery Works, Transportation Systems & Advanced Technology Division, Kobe Site	80	Science classes using *wakamaru*
Yokohama Machinery Works	63	Making a pinwheel: wind power generation mechanism and the power of the wind
Yokohama Machinery Works	79	Tour of demonstration wind turbine, wind power generation experiment using model
Nagoya Guidance & Propulsion Systems Works	1,622	Rockets and artificial satellites
Head Office	102	Science classes using *wakamaru*
Total	2,352	

Reflecting feedback from schoolteachers and NPOs in creating new plans

As part of the planning process, we regularly consult with schoolteachers and NPOs about various aspects of our science class support activities.

For example, in February 2011 we invited 136 students from the nearby Hiroshima Minamikanon Elementary School to our Industrial Machinery Business, Technology & Solutions Division (the current Hiroshima Machinery Works) to teach them about manufacturing—in particular the power of air—using a compressor, one of this division's main products, as the teaching aid. Following the class, we hosted an idea exchange attended by Mr. Takuya Suga, a teacher and vice principal at the school, and people from the Kodomo Uchu Mirai Association (KU-MA), an incorporated nonprofit organization that specializes in science classes. Mr. Suga pointed out one of the difficulties of conducting science classes. "Many children inherently enjoy undertaking science experiments," he commented, "but if we don't convey to them clearly the reasons for conducting the experiments, they gradually lose interest." Concerning MHI's activities, he had this to offer: "There's great value in having people who are personally involved in manufacturing come to the schools and make the children aware that what they are studying in school plays a useful role in the world. The children can also learn how products are completed only through the cooperation of many people, including designers, engineers, and so on. This helps them learn about careers."

Mr. Sumio Endo, Director of KU-MA, also offered up some valuable opinions. On the basic thinking to apply in creating the program, he suggested that when you begin by asking why a particular phenomenon occurs, it sparks a child's interest. He also stated that since many of MHI's products are large or heavy or feature outstanding performance, learning about them leads to formative experiences that respond to children's basic questioning about things. Mr. Endo also expressed his hope that MHI would demonstrate to children how leading-edge technology is closely connected with their lives.

Exchange of ideas at the Industrial Machinery Business, Technology & Solutions Division

Responding to this advice and these opinions, the representatives from the Industrial Machinery Business, Technology & Solutions Division commented that helping children learn requires a long-term commitment. They added that the views expressed by the teachers and representatives from KU-MA would be applied toward enhancing the program's content and making the program's activities firmly established within the community. In this way, all the participants agreed that going forward they would continue to work together in educating local children, each respectively applying its special aspects as a school, NPO and business enterprise.

Idea exchange participants Note: Positions are as of March 31, 2011

Takuya Suga
Teacher and Vice Principal, Hiroshima Minamikanon Elementary School

Sumio Endo
Director, Kodomo Uchu Mirai Association

Yuichi Taguchi
Kodomo Uchu Mirai Association

Yujiro Nagamatsu
Manager, General Affairs Section, General Affairs Dept., Industrial Machinery Business, Technology & Solutions Division

Hiroyuki Hibara
Head of Participating Team, General Affairs Section, General Affairs Dept., Industrial Machinery Business, Technology & Solutions Division

Keiichi Iida
Manager, CSR Department

Drawing up a new roadmap for further expansion

MHI is in the process of creating a new roadmap for its support of science classes, drawing on its three years of experience in these activities. The new roadmap will call for greater involvement by NPOs and other outside specialists; and in reflection of our globalizing business operations, we plan to launch science classes at our overseas bases.

Employees Introduce Our CSR Activities

I hope to pass on to the next generation the things I have learned through the National Skills Competition.

Hitomi Tashiro
Human Resources Educational Section,
General Affairs Department
Power Systems

In October 2010 I won the bronze medal in the electric welding category at the 48th National Skills Competition held in Kanagawa Prefecture. The competition, an annual affair, is aimed at demonstrating the importance of and need for technical skills, fostering respect for these skills, and promoting an awareness of the importance of manufacturing. The contestants, all 23 years of age or younger, compete in some 40 categories.

This was my second time participating in the contest, and up until the day of the event I practiced basic skills and continued analyzing what we would be tested on, mastering the steps involved and so on. I also took part in networking events with other companies and joint practice sessions. Our task was to weld a specific item according to a drawing within the specified period of time, and evaluations were made of how accurately we welded, how the finished work looked, and its performance in pressure tests. Actually, I wasn't really satisfied with my work, so I was surprised to receive a medal.

A technician needs to make a voluntary effort to increase his or her knowledge and technical skills, but there also is much to be learned from other people. I hope to play a useful role in society by someday being able to pass on my own technical skills, knowledge and experience to the next generation.

Welding competition at the National Skills Competition

Hitomi Tashiro at the award ceremony

We hold regular craft workshops to cultivate children's interest in science.

Maki Sano
Mitsubishi Minatomirai Industrial Museum

At the Mitsubishi Minatomirai Industrial Museum, we hold regular craft workshops to convey to children the fascinating world of science. I am responsible for all aspects of the program, including everything from planning, publicity and operation to actual teaching. When conducting a workshop, I always try to choose a theme that will spark the children's interest and make them want to participate. I also use easy-to-understand language to help them understand what they have learned through making their project.

For example, during one workshop we made paper airplanes. We talked about what tools would make the job easier and how we should fold the paper to keep the airplanes aloft as long as possible, and then we tested out these ideas. The museum also prepares and hands out instruction sheets so that they can apply and develop what they learned through the workshop at home or at school, hopefully leading them to make new discoveries.

URL Mitsubishi Minatomirai Industrial Museum
http://www.mhi.co.jp/en/museum/
Open hours: From 10:00 a.m. to 5:00 p.m. (admission until 4:30 p.m.)
Closed days: Every Monday (following day if Monday is a national holiday), at the year-end New Year, and on specified closed days
Phone: +81-45-200-7351

Experimenting with optical illusions using a hand-made top

Craft workshop

Company Profile

Trade Name:	Mitsubishi Heavy Industries, Ltd.
Head Office:	2-16-5 Konan, Minato-ku, Tokyo
President:	Hideaki Omiya
Foundation:	July 7, 1884
Establishment:	January 11, 1950
Capital:	265.6 billion yen (as of March 31, 2011)
Employees:	68,816 consolidated, 33,031 non-consolidated (as of March 31, 2011)

CI Statement

Our Technologies, Your Tomorrow

This CI statement represents our intention to "continuously provide an assured future where people can live safe, secure and enriched lives through technologies that can excite people and passion as a manufacturer for the sustainability of the earth and humankind."

CI[1] statement logo

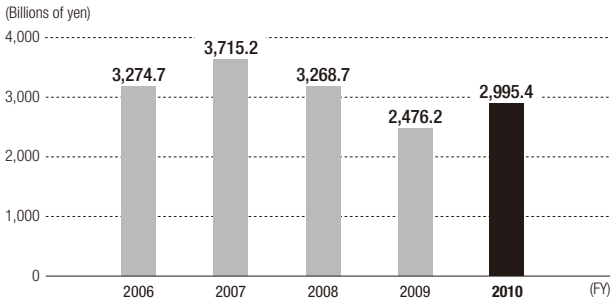
MITSUBISHI HEAVY INDUSTRIES, LTD.
Our Technologies, Your Tomorrow

1 CI: Corporate Identity

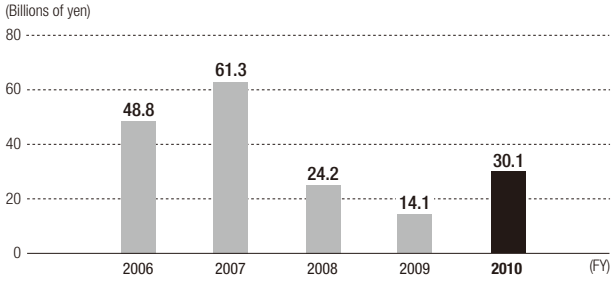
Businesses and Products

Shipbuilding & Ocean Development	**Shipbuilding** • Cruise ships • Ferries • LNG carriers • LPG carriers • Tankers • Container carriers • RO/RO ships • Car carriers • Destroyer • Submarine • Patrol vessels **Marine development** • Deep submergence research vehicles • Oceanographic research ships
Power Systems	**Thermal power generation plants and other facilities** • Combined cycle power plants • Steam turbines • Gas turbines • Boilers • Diesel engines **Renewable energy generation, etc.** • Wind turbine plants • Geothermal power plants • Water turbine plants • Photovoltaic systems • Lithium-ion rechargeable batteries **Nuclear power plants and other facilities** • PWR nuclear power plants • Advanced reactor plants • Nuclear fuel cycle plants
Machinery & Steel Structures	**Environmental and chemical plants** • Flue gas desulfurization systems • Flue gas CO_2 recovery plants • Fertilizer plants • Methanol plants • Petrochemical plants • Oil & gas production plants **Environment preservation** • Wastes treatment plants • Electrostatic precipitators • Biomass utilization systems **Transportation systems and ITS** • Automated people mover • Rail transit • Air brake equipment • Toll collection systems (ETC, etc.) • Intelligent transport systems (ITS) **State-of-the-art machines** • Medical systems / Radiotherapy systems • Power train equipment • Mechatronics system equipment • Particle accelerator • Robots **Machineries** • Iron & steel manufacturing machinery • Compressors & mechanical turbines • Rubber & tire machinery • Crane & material handling equipment • Manufacturing equipment for semiconductor & flat panel display • Organic EL panels for lighting **Basic facilities & steel structures for infrastructures** • Steel bridges & chimneys • Hydraulic gate • Mechanical parking systems • Tunnel boring machine • Earthquake isolation / Vibration control systems **Industrial equipment** • Printing machinery • Paper converting machinery • Plastic injection molding machine • Food and packaging machinery
Aerospace Systems	**Space equipment** • H-IIA launch vehicle • H-IIB launch vehicle • Space transporter • Rocket engines **Aircraft** • Fixed-wing aircraft • Helicopters • Subsystems of commercial aircraft • Aeroengines
General Machinery & Special Vehicles	**Engine and power-train** • Engines • Engine generators • Power-train systems **Turbochargers** • Turbochargers **Material handling equipment** • Forklift trucks • Automated guided vehicles • Heavy cargo carriers **Special vehicles** • Tanks • Armored personnel carriers • Transport and ground leveling machines
Others	**Air-conditioners** • Air-conditioners for commercial • Air-conditioners for residential • Automotive thermal systems • Refrigeration applied products • Transport refrigeration units • Centrifugal chillers • Water heat pumps **Industrial machinery** • Machine tools

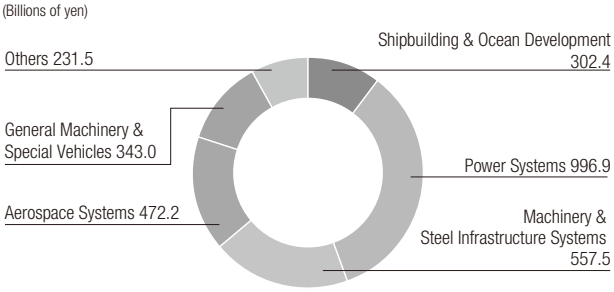
Orders Received (Consolidated)



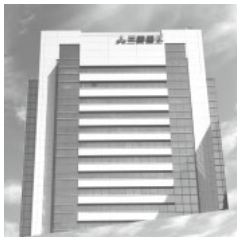
Net Income (Consolidated)



Net sales by Industry Segment (Consolidated)



The objective of MHI is to be a company trusted to meet the expectations of society with CSR as the cornerstone of its management practices. Endeavoring to fulfill this goal, MHI focuses its energies on three components: fair and sound management, the environment, and sociability. The following is a report of MHI's concepts and efforts in line with these three components.

Part	Table of Contents
Fair and Sound Management We strive to conduct fair and sound management practices while observing all applicable laws, regulations, rules and social conventions.  Page 23-	**Corporate Governance** • Current Status of Corporate Governance and Internal Controls • New Organizations and Measures Concerning Business and Management **Compliance** • Promoting Compliance through a Structure Encompassing the Entire Group • Improving Compliance Policy/Guidelines • Preventing a Recurrence of Legal Violations (if any) • Secure Safeguarding of Proprietary Information • Compliance Education and Increasing Awareness
Report on Environmental Initiatives We contribute to the preservation of the environment of society as a whole by understanding the impact of our business activities on the environment and working to alleviate environmental loads.  Page 27-	**Environmental Management** • Environmental Management Promotion System • Establishing and Operating an Environmental Management System Based on its Own Standards • Preserving Biodiversity **Results of Promotional Efforts of Medium- to Long-Term Environmental Targets (Fiscal 2010 Results)** **Countermeasures against Global Warming** • Promotion of Energy-saving and CO_2 Emission Control Measures • Measures to Curb Energy Use in Transport • Energy-saving Activities in Offices • CO_2 reductions with MHI product usage (FY2010) **Resource Conservation and Waste Management** • Curbing Waste Generation, Release and Disposal **Management of Chemical Substances** • Curbing the Use and Emissions of Chemical Substances through Proper Management and Use of Alternatives
Report on Social Actions Our business activities are implemented with thoughtful consideration for our diverse stakeholders as a provider of products and technology that support society's infrastructure.  Page 33-	**Commitment to Our Customers** • Enhancing Product Safety **Commitment to Our Shareholders and Investors** • Disclosure Principles and IR Activities • Recent Dividend Disbursements **Commitment to Our Business Partners (Suppliers)** • Fair Dealing • Promoting CSR Procurement **Commitment to Our Employees** • Utilizing and Cultivating Diverse Human Resources • Building a Better Working Environment **Contributions to Society** • Fulfilling our Policy on Socially Beneficial Activities • Achievements Made Through Socially Beneficial Activities

Items other than those listed above are available on our website. See p. 45.

Responsibilities and Actions of MHI

Fair and Sound Management

In the course of providing products that support social and economic infrastructures on a global scale, MHI makes every effort to fulfill its social responsibility as a corporation by strengthening and enhancing its corporate governance, internal controls and CSR efforts while acting in full compliance with prevailing laws, rules and social norms in addition to promoting fair and sound management.

Corporate Governance

In its quest to continuously develop its business operations and fulfill its social responsibilities, MHI is reforming its management structure while promoting fair and sound management rooted in complete legal compliance.

Current Status of Corporate Governance and Internal Controls

Strengthening the oversight functions of the Board of Directors through such measures as appointing outside directors

The Board of Directors makes important key management decisions and oversees the execution of business operations, while statutory auditors audit the execution of duties of directors and other matters.

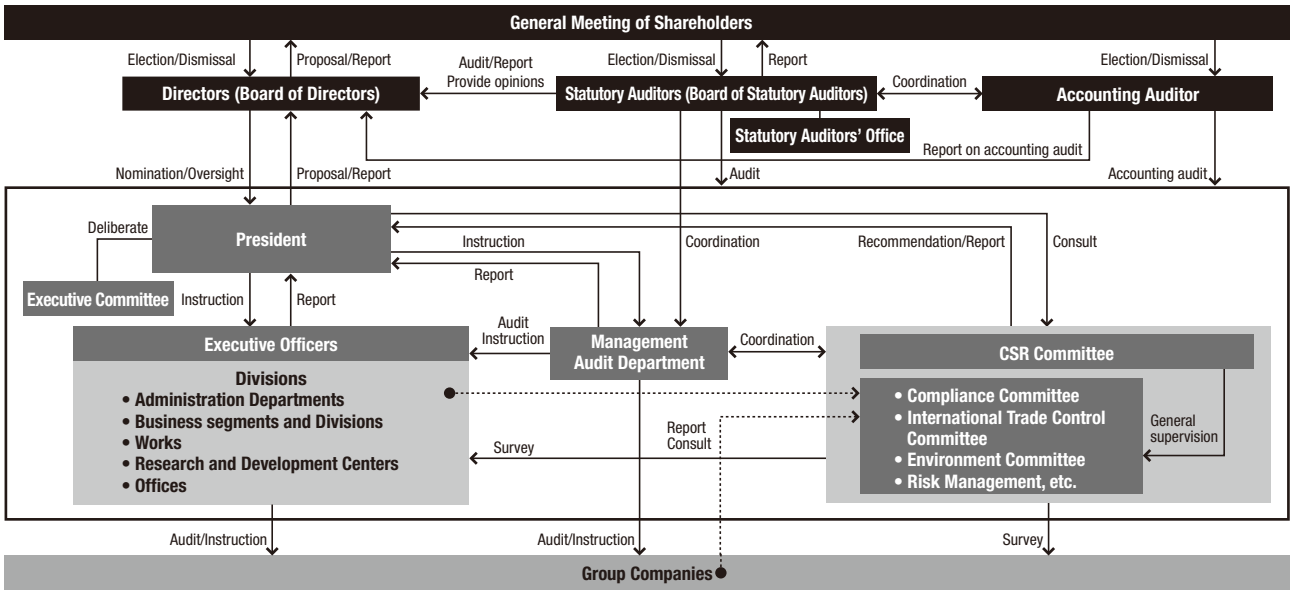
Currently, 3 of the company's 19 directors and 3 of its 5 statutory auditors are from outside MHI and are engaged in their respective roles of overseeing and auditing management by maintaining an independent standpoint from the management team. The company has also streamlined the Board of Directors, shortened the term of office, and introduced an Executive Officer System. MHI has sought through these measures to reinforce the oversight functions of the Board of Directors and to clarify the roles and responsibilities of the directors who make decisions on key management issues and oversee the overall management of the company as well as the roles and responsibilities of the executive officers who execute business.

MHI has also established an Executive Committee to serve as a forum for discussing important matters related to business execution. This allows for a more cohesive approach in terms of discussions as part of the operational execution framework centered on the President, and consequently leads to more effective management decisions and business execution.

In accordance with the auditing policy and auditing plan determined by the Board of Statutory Auditors, statutory auditors attend key meetings, such those held by the Board of Directors, the Executive Committee, and Business Plan Meetings, to study and monitor the management operation status. They also examine legal and regulatory compliance, and monitor the development and operation of internal control systems, including those related to financial reporting. These auditing operations enable them to ascertain whether the directors are executing their duties in compliance with laws and Articles of Incorporation, and whether company affairs are being appropriately executed.

Statutory auditors also periodically exchange information and opinions with the Management Audit Department and accounting auditors, and collaborate

Corporate Governance Structure (including internal control system) (as of April 1, 2011)



Web Our website contains detailed information regarding MHI management (fair and sound practices) including risk and crisis management efforts, our CSR activity promotion system, activities of CSR related committees, confidential information management efforts, compliance training, etc.

Items appearing on the website
See P45

closely with them in other ways, including receiving audit results and attending accounting audits. The Statutory Auditors' Office has been set up with its own dedicated staff to support the implementation of auditing tasks and facilitate the work carried out by statutory auditors.

Ensuring reliability of financial reporting by assessing the status and operation of the internal control system

In May 2006, the Board of Directors approved a basic policy for internal control systems. Under this policy, the company has been steadily promoting thorough compliance, reinforcing risk management, and improving the effectiveness of internal audits.

Under the Japanese Financial Instruments and Exchange Law, an internal control reporting system, sometimes referred to as J-SOX, came into effect in April 2008.

Prior to this, the Board of Directors revised the basic policy in March 2008 to articulate its response. In April 2008 MHI set up a group inside the Internal Audit Department (the current Management Audit Department) to be responsible for all J-SOX-related operations inside the MHI Group, concurrently setting up similar groups or departments throughout all of our manufacturing works.

In fiscal 2010, as in earlier years, the Internal Audit Department (the current Management Audit Department) and the internal audit divisions of our manufacturing works exercised the initiative in assessing the status and operation of the internal control system and concluded that the MHI Group's internal controls related to financial reporting were functioning effectively.

New Organizations and Measures Concerning Business and Management

Implementing organizational reforms to reinforce business operations and corporate functions

Factors such as markets shifting away from developed nations to emerging ones and the accompanying escalating price wars escalating; and global competition in the fields of energy the environment have all resulted in drastic changes in the business environment. In response to this, in April 2010, MHI drew up a medium-term management plan, "2010 Business Plan." This plan established a business strategy that was flexible and responsive, and promoted the strengthening of corporate-wide cross-functions.

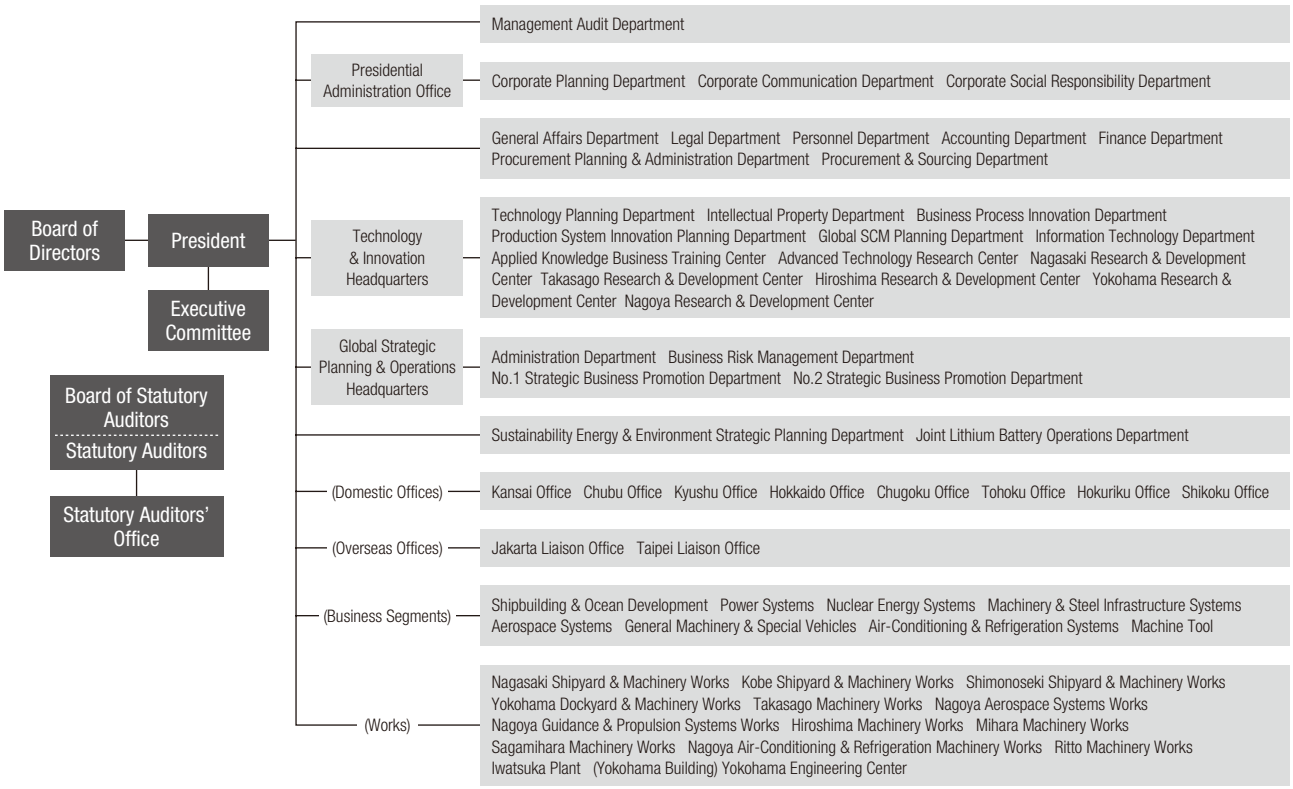
Under this plan, in April 2011 the organizational structure was revised into a unified business segments system from the conventional 2-track system of promoting business through a system of segments and worksite office operations. The authority and responsibility of executing business, including business planning, quality assurance, marketing, design, manufacturing, and construction, which had previously been entrusted to each worksite, were transferred to segments, which aim to promptly and effectively execute business by integrating functions related to implementing operations.

MHI had implemented this heightened functioning of segments at mass and medium-lot manufacturing segments, Power Systems, and Machinery & Steel Infrastructure Systems, but this organizational reform was carried out at all segments and worksite offices.

In addition to this consolidation toward a system of business segments, administration department functions were also fortified in order to efficiently support departmental business at a high level. Specifically, enhancements were made to strategic functions corporate-wide that examine the best business structure in order to effectively utilize the management resources of all companies. Improvements were also made to cross-sectional communication exchange among all companies to facilitate communication among segments that handle a variety of products.

These reforms will build a system capable of flexibly responding to various customer needs and elevate corporate presence in the global market by boosting the competitiveness of all segments, and increasing the ability to offer solutions through the combination of products carried by segments.

Corporate Organizational Chart (as of April 1, 2011)



Compliance

The MHI Group is building a system to promote compliance that will encompass the entire Group, consistent with our mission to always conduct fair and honest business activities.
In addition, the Group is also working to provide education and information to all employees so that each and every employee will act with an awareness of his or her compliance obligations.

Promoting Compliance through a Structure Encompassing the Entire Group

Placing "point of contact" persons responsible for promoting compliance in all departments and Group companies

The Compliance Committee was established in May 2001 to strictly observe applicable laws and social norms, and to promote fair and honest business practices. The committee meets twice annually to draw up company-wide compliance support plans and to measure progress. It is chaired by the director in charge of compliance, and its members consist of general managers from relevant departments at the Head Office, branch managers, deputy general managers from all worksites, and general managers from all planning and management departments at headquarters and divisions.

In April 2006, Departmental Compliance Committees were established in all departments of the company. These committees are chaired by the department's respective member of the Compliance Committee, and compliance measures are implemented for each respective department. At the same time, Compliance Liaison Conferences were set up for regularly exchanging compliance information with Group companies. Individual departments are required to ensure their own compliance through these committees and conferences, and are expected to carry out compliance activities on their own accord as part of their responsibility.

Based on the results of a survey on compliance awareness, and the percentage of individuals that attend compliance promotion trainings, in fiscal year 2010 the Compliance Committee confirmed that compliance activities are increasing and employee awareness of compliance has risen. It also confirmed that appropriate measures are being taken, such as the inclusion of relevant themes in training sessions for issues that need improvement.

Improving Compliance Policy/Guidelines

The *Compliance Guidelines* Clarifies Behavior Standards

The MHI Compliance Guidelines established in September 2001 explicitly set forth required behavior standards so that compliance with applicable laws and social norms can be comprehensively achieved in business activities, societal relationships, and employee relationships. This policy has been printed on cards so that it can be carried with workers and has been distributed to all employees, including contract workers. In addition, all employees have been provided with MHI's *Compliance Guidelines*, which contains straightforward explanations on specific areas requiring caution during the execution of daily duties.

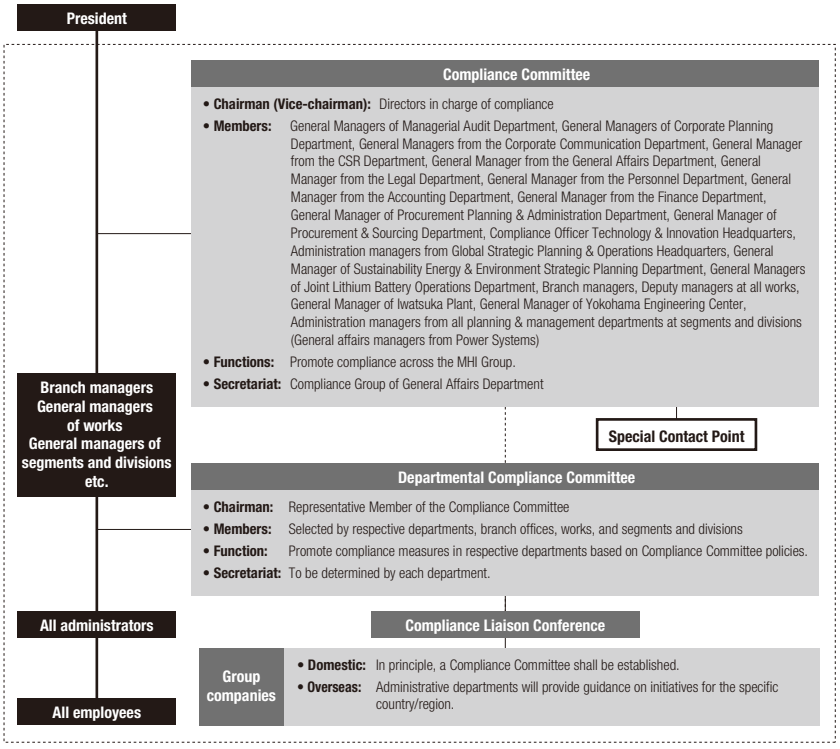
Moreover, thorough articles on compliance have regularly been included in company bulletins, and from fiscal year 2010, illustrated articles have been included to further heighten employee awareness.

Formulating and publicizing company guidelines for preventing bribery involving foreign civil servants

MHI strives for fairness in its global commercial transactions by upholding its fundamental policy of complying with the Unfair Competition Prevention Law and the Guidelines to Prevent Bribery of Foreign Public Officials that forbid bribing a civil servant of a foreign country in order to obtain an unfair advantage.

The MHI Compliance Guidelines also prohibit improper business dealings. In conjunction with these principles, the company established the Guidelines for the Prevention of Bribery Involving Foreign Civil Servants in April 2005 to define the rules of conduct based on the Unfair Competition Prevention Law. These documents have been posted on the company's intranet to ensure a thorough understanding of these policies by all involved in MHI's overseas business.

Compliance Promotion System (as of April 1, 2011)



Preventing a Recurrence of Legal Violations (if any)

Continuing a system that ensures compliance and transparency in order-receiving activities

From 2005 to 2006, MHI was the subject of an investigation by the Japan Fair Trade Commission and other offices when it fell under suspicion of violating the Anti-Monopoly Act in construction orders involving steel bridge construction projects and night-soil treatment plants. MHI took the investigation seriously, and established the Order Compliance Committee in an effort to prevent potentially suspect activities from occurring again. MHI has worked diligently to build a stringent system to uphold the Anti-Monopoly Act that ensures the transparency and legality of order-receiving activities. This system includes drawing up "action standards" for the Public Sector Procurement Department, carrying out compliance checks on each instance of competitive bidding for construction contracts, and conducting special monitoring for the optimization of public sector order-receiving.

A special monitoring project during fiscal year 2010 confirmed that proper bidding/order receiving activities had continued from the prior fiscal year without any anomalies , and that Anti-Monopoly Act compliance awareness had spread throughout the relevant sales departments.

Furthermore, based on an amicable settlement of a shareholder lawsuit related to allegations of steel bridge construction bid-rigging, MHI in July 2010 established "Public Works Business Process Validation and Advisory Committee," which consisted of three independent and respected individuals from outside the corporation. The committee examined the MHI's implementation of a complete compliance system for carrying out public construction. MHI initiatives were assessed to have sufficient countermeasures necessary to avoid collusion in the tendering process. It also proposed a code of conduct for a new era and drew up guidelines. Based on this proposal and other efforts, MHI will continue to take actions that instill a law-abiding mentality in order-receiving activities.

In fiscal 2010, no on-site inspections were made, nor were any cease and desist notices issued against MHI from government offices related to violations against compliance laws.

Secure Safeguarding of Proprietary Information

Revision of management standards for electronic information in response to new information technology and legal reforms

MHI has established a company-wide information management system, led by the Information Technology Department and General Affairs Department, to enhance information security and effectively manage technology data and corporate management data, as well as information relating to customers and suppliers.

With regard to personal information handled by MHI, comprehensive protection is provided through the Personal Information Protection Rules and Personal Information Management Manual, and the utilization by each division of the personal information database registration system.

Over the years, MHI has managed confidential information through the establishment of in-house rules on managing confidential information. In 2010, in response to legal reforms and threats arising from new information technology, MHI revised its standards on information security management in order to more effectively manage electronic information.

In addition, after reflection on a previous incident where product information was disclosed, the company reinforced measures for preventing a recurrence and avoiding leakage of information, including prohibitions against using privately owned PCs for business and installing software that is not required for company operations, and password protection for PCs, external data storage media and e-mail.

With regard to Group companies, MHI provides instruction in areas including the development of information security management rules and the carrying out of information management training. The company also enters into confidentiality agreements with subcontractors and others to ensure thorough management of confidential information.

Compliance Education and Increasing Awareness

Implementing discussion training based on daily duties

Discussion-based training sessions for all employees to promote compliance have been carried out in all worksites since fiscal 2003. Since fiscal 2005, training has been held twice yearly.

The training is held with the goal of increasing awareness so that employees can execute proper judgment and actions in accordance with compliance, no matter the situation. In the discussions, employees consider what they would do or what the proper action would be if, for example, they were to feel anxiety over compliance because they are faced with problematic costs or delivery demands, or they are pressured by a supervisor.

In fiscal 2010, discussions were held on 27 additional themes based on actual recent cases. Over 31,000 employees (more than 96% of all employees) participated. The training sessions will continue with themes based on issues the employees come up against in their daily work.

A Word from an Employee

Training sessions that include specific case examples helped me realize the importance of preventing information leaks.

In fiscal 2010, I attended training sessions on transactions with foreign countries, managing corporate secrets, and the Worker Dispatching Law. For Power Systems Headquarters to globally expand business, complying with export laws and handling confidential information is crucial. Attending the training strengthened my resolve to tackle business with a greater awareness of legal compliance. In particular, in the lecture on Measures to Prevent Information Leaks, I was able to hear about specific instances of risk and impacts related to actual incidents. I was reminded of the importance of taking thorough precautions to prevent information leaks in my everyday work.

Harumi Hazaka
Administration Section,
Marine Diesel
Engine Department,
Marine Machinery & Engine
Division,
Power Systems

Responsibilities and Actions of MHI

Report on Environmental Initiatives

MHI is working to alleviate the increasing environmental burdens across the globe by providing environmentally friendly products and technologies in diverse fields as well as by deploying environmental preservation activities throughout the product lifecycle, from development and design to procurement of raw materials, production, on-site installation and final disposal.

Environmental Management

MHI has in place an environmental management system that covers the entire Group and promotes Group-wide, consolidated environmental management efforts.

Environmental Management Promotion System

Promotion of environmental management by a company-wide committee and promotion entities at each works

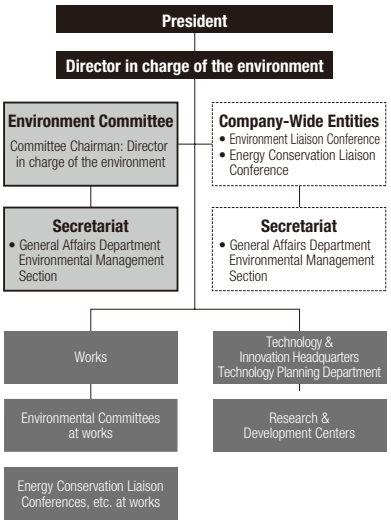
MHI established the Environmental Committee, chaired by the director in charge of the environment, to plan and propose annual environmental actions for the entire company. Decisions are conveyed to the entire company and all Group companies. Environmental Committees established at each works promote policies and conduct environmental management corresponding to the specific features of each works. In addition, Environmental Liaison Conferences for individuals in charge of the environment at the Head Office and each works and Energy Conservation Liaison Conferences, where energy and CO_2 reduction measures are discussed, are held. Various other environmental activities take place such as the Energy Conservation Sectional Meeting and Zero Emission Sectional Meeting, whose members include section chiefs and under at each works.

In fiscal 2010, the company-wide Environmental Committee formulated a promotional plan that is being implemented throughout MHI to upgrade air-conditioners as part of CO_2 reduction measures based on our Business Plan.

Promoting mid- and long-term targets for the entire Group

The MHI Group formulated the MHI Group mid- and long-term environmental targets, which set common targets for all Group

Environmental Management Structure



Basic Policy on Environmental Matters (Established 1996)

As clearly laid out in provision 1 of its creed—"We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society."—MHI believes its primary purpose is to contribute to society through its R&D, manufacturing and other business activities. Accordingly, in the performance of its business activities the company shall embrace the awareness that it is an integral member of society and, in all aspects of its business activities, it will strive to reduce burden on the environment and shall devote its comprehensive technological capabilities to the development of technologies and products that will protect the environment, as its way of contributing to the development of a sustainable society.

Action Guidelines (Established 1996)

1. Accord high priority to environmental protection within company operations, and take steps company-wide to protect and enhance the environment.
2. Clarify roles and responsibilities regarding environmental protection by developing an organized structure to deal with environmental protection matters, defining environment-related procedures, etc.
3. Strive to alleviate burden on the environment in all aspects of company business activities—from product R&D and design to procurement of raw materials, manufacture, transport, usage, servicing and disposal—through pollution prevention, conservation of resources, energy saving, waste reduction, reuse and recycling.
4. Strive to develop and provide advanced, highly reliable, wholly proprietary technologies and products that will contribute to solving environmental and energy problems.
5. Strive continuously to improve and enhance environmental protection activities not only by fully complying with environmental laws and regulations but also, when necessary, by establishing, implementing and evaluating independent standards and setting environmental goals and targets.
6. In the performance of business activities overseas and exportation of products, pay full attention to impact on the local natural and social environments and strive to protect those environments; also, become actively involved in technological cooperation overseas in matters of environmental protection.
7. Take steps to raise environmental awareness among all employees through environmental education, etc., undertake activities to provide environment-related information to the public, and proactively make environment-enhancing contributions to society.

Web Our website contains our Environmental Accounting Report, 2011 to 2012 environmental targets and other detailed information regarding MHI's environmental preservation activities including utilization of green power, products and technology geared towards realizing a low-carbon society, waste management efforts through the use of electronic manifests, various environment related data, etc.
Items appearing on the website
See P45

companies in April 2008. Under this plan, special focus is on reducing CO_2 emission by an average of 3% between 2008 and 2012 compared to fiscal 2007; promoting zero emissions; and acquiring, maintaining and renewing certifications such as ISO environmental management.

At our Environmental Meeting with Group companies held in fiscal 2010, each company confirmed efforts to incorporate the aforementioned mid- and long-term targets into its own environmental management program and promote their implementation. We will continue to work to achieve those targets and promote activities as a Group.

Establishing and Operating an Environmental Management System Based on its Own Standards

Establishing two unique standards that are compliant with ISO and EcoAction 21

MHI is promoting the introduction of an Environmental Management System to all companies across the group.

With a view to reducing costs, MHI introduced two of its own standards, M-EMS and M-EMS EcoAction, which are based on the international environmental standard ISO 14001 and the Japanese guideline EcoAction 21.

In fiscal 2010, 1 company (1 site) in Japan and 2 companies (2 sites) overseas newly acquired environmental ISO and other certifications, bringing MHI to a total of 91 out of 120 domestic companies and 27 out of 114 overseas companies which have acquired certifications.

Preserving Biodiversity

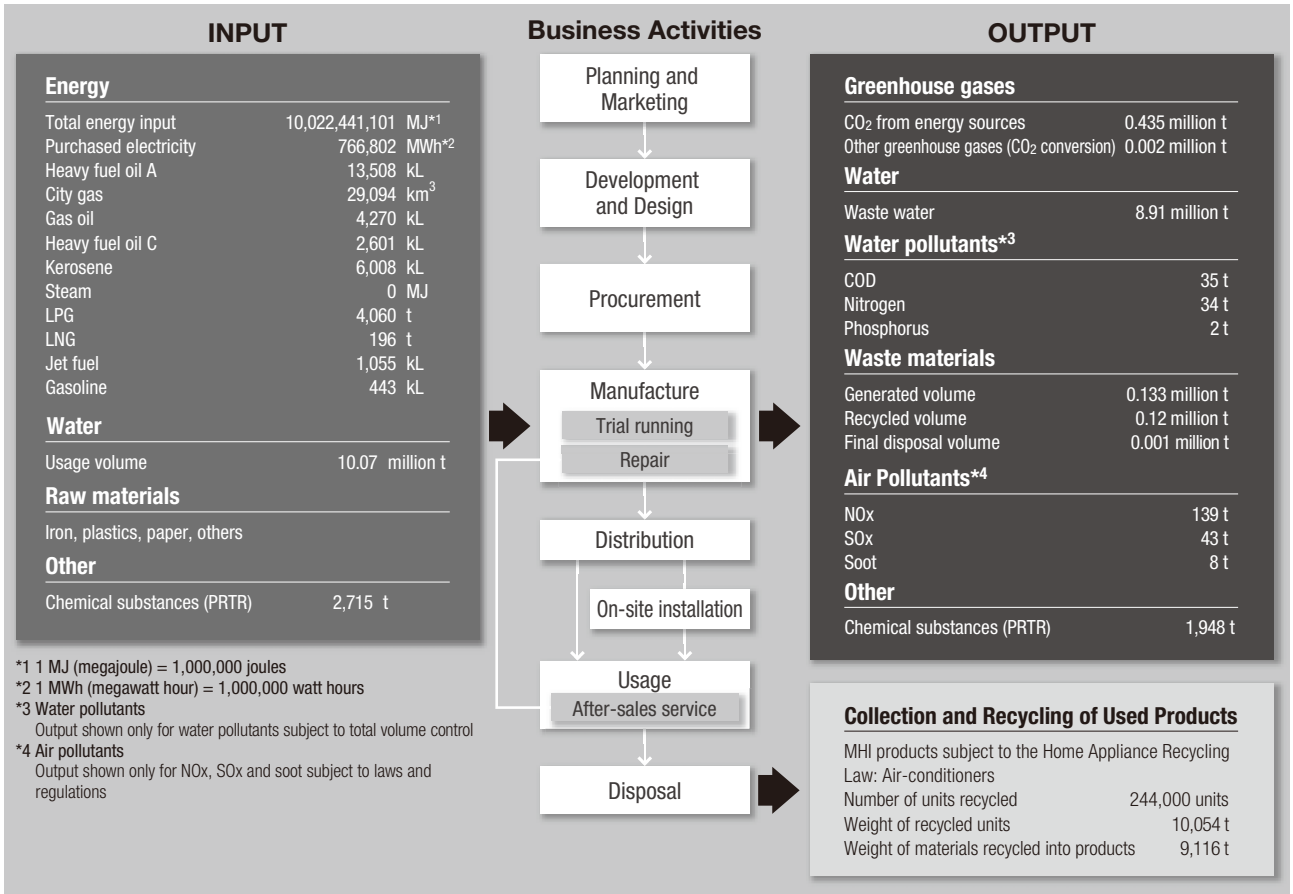
Breeding program for Japanese honeybees in danger of extinction

MHI promotes biodiversity preservation activities positioned on its Basic Policy on Environmental Matters and Action Guidelines and CSR Action Guidelines which include the concepts of the Ministry of the Environment's "Guidelines for Private Sector Engagement in Biodiversity" and the Japan Federation of Economic Organizations' "Biodiversity Declaration."

For example, in fiscal 2010 at the Nagoya Aerospace Systems Works, we started an endangered Japanese honeybee breeding program inspired by the honeycomb structure of airplanes and began tending to honeybees in beehives kept in the Works.

Breeding Japanese honeybees

Input/Output Status (FY2010)



Results of Promotional Efforts of Medium- to Long-Term Environmental Targets (Fiscal 2010 Results)

MHI led the way among shipbuilders and heavy-equipment manufacturers as one of the first to establish medium- to long-term environmental activity goals in 2002.
The following are the results of our promotional efforts for targets ending in fiscal 2010.

Despite achieving several targets including ones for waste reduction and zero emissions, we did not achieve a number of others such as VOC reductions. We will continue to conduct activities for those items that were either unattained or whose deadline is fiscal 2012. We are also presently developing our Mitsubishi Heavy Industries Environmental Vision that presents the long-term orientation of our environmental activities geared towards contributing to the realization of a sustainable society through CO_2 reductions both during production and product utilization as well as lowering the quantity of resources used and waste produced.

Results of Medium- to Long-Term Environmental Target Promotional Efforts

○ = "Pass" × = "Fail"

Item	Medium- or long-term goals	Progress through FY2010	Evaluation
Reduced waste generation and emissions	By FY2010, reduce total generated waste to 170,000 tons (greater than 20% reduction from FY1992 level): to be achieved by conserving resources and reducing the purchase of materials	Total emissions: 133,000 tons 38.3% reduction from FY1992 level	○
Reduced landfill waste disposal	By FY2010, achieve zero landfill waste disposal at all works through reuse and recycling	Zero emissions achieved by Nagoya Aerospace Systems Works (August 2010): Zero emissions achieved by all MHI works, and the environmental target was met.	○
Elimination of equipment using PCBs and detoxification treatment	• By FY2010, completely eliminate lighting ballasts and high-voltage equipment using PCBs • Request Japan Environmental Safety Corporation (JESCO) to render the used transformers, condensers and oils harmless now stored or being used in MHI, toward completing the task by FY2011 (excluding ballasts, smaller equipment and equipment that uses low-concentration PCB)	• Replacement gradually progressing as planned • The treatment of high-concentration PCB devices was not completed by FY2011 even after outsourcing tasks to JESCO.	×
Reduced emissions of organochlorides	Zero atmospheric emissions of dichloromethane, trichloroethylene and tetrachlorethylene by FY2010: to be achieved through total management and reduced release of organochlorides	Atmospheric discharge: 18.7 tons 92.9% reduction from FY1996 level	×
Reduced VOC emissions	More than 30% reduction of atmospheric emission of VOC with focus on xylene, toluene and ethylbenzene (reduced by 704 tons from 2,268 tons in FY2000 to 1,564 tons in FY2010)	Total emission of xylene, toluene and ethylbenzene: 1,881 tons Reduced by 17.1% from the FY2000 level	×
Reduced CO_2 emissions from business activities	6% reduction of the average CO_2 emission amount for the five years from FY2008 to 2012 (from FY1990 level): to be achieved through reduction efforts at all production plants	CO_2 emissions: 435,000 tons 7.8% reduction from FY1990 level	— (FY2013 evaluation)
	By FY2010, introduce photovoltaic facilities capable of generating a total of 2,000 kW	Total of 2,110 kW introduced by FY2009	○
	More than 13% reduction of the average CO_2 emission amount for the five years from FY2008 to 2012 (from FY2005 level): to be achieved through reduction efforts at offices and operations divisions (Head Office, domestic offices and research & development centers)	Head Office (Shinagawa and Yokohama) reduced by 13.9%[1] from FY2005 level 1 According to data reported to the Tokyo Metropolitan Government and the Bureau of Economy, Trade and Industry	— (FY2013 evaluation)
Reduced energy usage and CO_2 emissions from product transportation	More than 4% reduction of energy consumption in transportation in FY2010 (from FY2006 level) by promoting efforts to reduce transportation energy (unit energy consumption of FY2006: 50.7→ 48.7 by FY2010)	FY2010 unit energy consumption of transport energy is 45.0, 11.2% lower than the FY2006 figure (50.7), thus achieving the goal of 5% or more in 5 years.	○
Reduced fluorocarbon usage	By FY2010, completely replace potentially ozone-depleting HCFCs with 100% ozone-safe HFCs, etc.	Emissions in FY2010: 6.6 tons	×
Consolidated environmental management system	Ongoing ISO 14001 renewal by domestic works, Head Office, branch offices and research & development centers	Ongoing renewal of ISO 14001 by domestic works (including research & development centers), Head Office and branch offices	○
Utilization of environmental management information system	Promoting effective use of environmental management information systems and disclosure of information	Tabulation of environmental performance data, environmental accounting, and so forth was conducted using the database system leading to the information disclosed in this report.	○
Promotion of consolidated environmental accounting	Promoting collection of environmental accounting data through use of environmental management information system and disclosing information through *CSR Report*		
Ongoing issuance of Group *CSR Report* (Social and Environmental)	Ongoing issuance of *CSR Report* (Social and Environmental Report) that includes Group company information	Issuance of *CSR Report* (Social and Environmental Report) in June 2010.	○
Promotion of green purchasing	Promoting the purchase of environmentally friendly products based on the company's own green purchasing guidelines	Green purchasing rate: 92.8%	×
Development and provision of environmentally friendly technologies and products	• Efforts to develop and provide innovative technologies and products that help society reduce environmental degradation through "Basic Guideline on Production of Environmentally Friendly Products" (established in 2005) • Special efforts to develop and provide innovative technologies and products that address global warming and create a low-carbon society	Efforts made to develop and provide products that address global warming; including a wide variety of high-efficiency power generating facilities, photovoltaic facilities, wind power generation systems and CO_2 recovery systems	○

Goals for FY2011–2012 are available on our website

Countermeasures against Global Warming

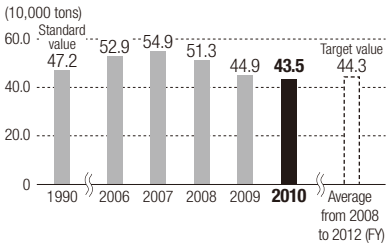
The MHI Group is working to reduce CO_2 emissions based on medium-term environmental targets set for the entire company. We are aiming for further emission cuts through the introduction of energy-saving devices and use of renewable energy.

Promotion of Energy-saving and CO_2 Emission Control Measures

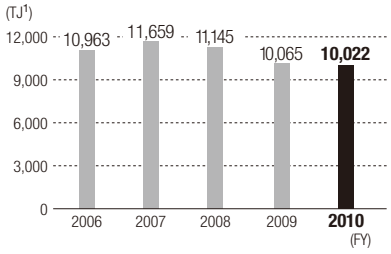
CO_2 emissions reduction at production plants

In fiscal 2010, MHI's CO_2 emissions resulting from energy use were 435,000 tons, reduced by 3% over the previous year. This is attributable not only to CO_2 reduction measures but also to decreased factory operations at many of our plants as a result of the effect of the global recession starting in fall 2008. Compared to our benchmark year of fiscal 1990, this represents a 7.8% reduction thus achieving our single-year target decrease of 6%. To attain our company-wide target reduction of a 6% average against the benchmark over the five-year period (fiscal 2008–2012), the company will make further reductions through such efforts as upgrading to energy-saving lighting and air-conditioning as outlined in the CO_2 emissions reduction acceleration and enforcement action plan formulated in March 2009, as well as the plan for updating in-house air-conditioners formulated in November 2010.

Change in CO_2 emissions

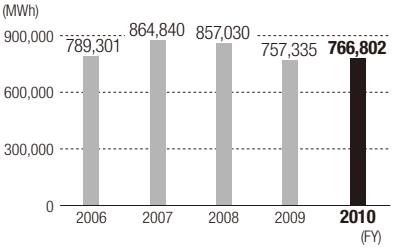


Change in gross energy input



1 TJ (terajoule) = 1 trillion joules (1,000,000,000,000 J)

Change in electricity purchases



Promoting photovoltaic generation for plants, offices and company dormitories

Progress is continuing in MHI's plan to install solar cell panels on office buildings, employee dormitories and other facilities to serve as a power source for such amenities as air-conditioning and lighting. We introduced 2,110 kW of cumulative solar power domestically in fiscal 2009, achieving our company-wide medium- to long-term target of installing over 2,000 kW photovoltaic facilities by fiscal 2010 one year earlier than planned. During fiscal 2010, we introduced a total of 101 kW at each single employee dormitory at our Head Office, General Machinery & Special Vehicle Headquarters, Nagasaki Shipyard & Machinery Works and Kobe Shipyard & Machinery Works. This resulted in cumulative solar power of 121 kW for six dormitories.

Acquisition of approx. 120,000 tons of CO_2 emission credits from a CDM project

MHI has concluded emission rights purchasing agreements with four projects under Kyoto Mechanisms JI (Joint Implementation)[1] and CDM (Clean Development Mechanism)[2]. These purchasing agreements will help MHI to achieve its target of reducing emissions by an average of 6% from the level of fiscal 1990 over a five-year period (fiscal 2008–2012), and will use the purchased emission credits to achieve this.

In April 2011, MHI acquired approximately 120,000 tons of emission credits through a CDM hydroelectric power generation project at the Xiadongxia in Fujian Province, China, the agreement for which was signed in 2007. Although these emission credits are being administered in an MHI holding account, they will be transferred to a government retirement account with no penalty provided that the credits are used to achieve targets. Once transferred, the credits will be added to Japan's greenhouse gas reduction volume.

1 System in which a company invests in greenhouse gas reduction projects in advanced countries and applies the reduced emissions to achieve its own goals.
2 System in which a company invests in greenhouse gas reduction projects in developing countries and applies the reduced emissions to achieve its own goals.

A Word from an Employee

Energy-savings promoted through monitoring systems

We introduced monitoring systems that enable the visualization of energy usage for each area and piece of equipment inside the six main facilities of the Kanon Plant in June 2010. This allows employees to see how much energy is being used by their computers, thus increasing their awareness of energy conservation. In the future, we will accumulate data on power utilization for each piece of equipment to detect waste and promote energy-saving measures.

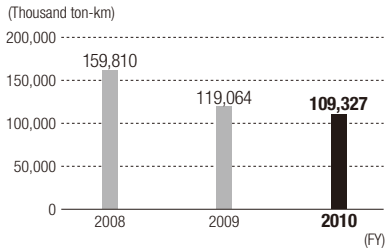
Masaichi Honda
Safety & Environment Management Section, General Affairs Department, Hiroshima Machinery Works

Measures to Curb Energy Use in Transport

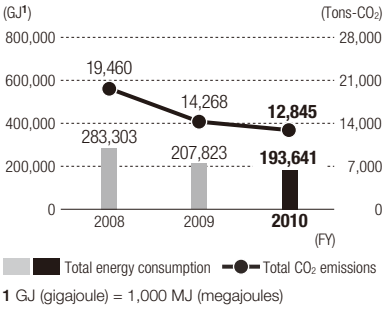
Promotion of energy-conservation in transport through modal shift and load ratio improvement

The Revision of Energy Conservation Law requires specified consigners to reduce energy consumption in transport by a total of 5% over the five years ending in fiscal 2010. As a company handling cargo transport of over 30 million ton-km per year and hence subject to that Law, MHI worked to promote transportation efficiency though measures such as modal shift and truck load ratio improvement, among others. As a result of the company's efforts, transportation energy consumption in fiscal 2010 was reduced to 45 units by 11.2% over fiscal 2006, thus achieving the target set by the Law. We will work to further reduce energy use in transport by implementing more efficient transport practices.

Total volume of transportation



Energy consumption and CO_2 emissions



1 GJ (gigajoule) = 1,000 MJ (megajoules)

Energy-saving Activities in Offices

Promoting "Cool Biz" and "Warm Biz"

In addition to "Cool Biz" in summer (office air-conditioning systems set to 28°C, employees do not need to wear ties) and "Warm Biz" in winter (office air-conditioning systems set to 20°C, employees are encouraged to bring an extra layer of clothing), the company has implemented diverse energy-saving activities.

In accordance with power utilization control measures for facilities located within the jurisdiction of Tokyo Electric Power Company enacted as a result of the Great East Japan Earthquake, we are saving power and controlling power utilization at our Head Office, Yokohama Dockyard & Machinery Works and Sagamihara Machinery Works. We also introduced "Cool Biz" on May 9 in 2011, one month earlier than usual.

CO_2 reductions with MHI product usage (FY2010)

Sector	CO_2 reduction (thousand tons)	Basis of calculation	Remarks
Power plant	145,809	Estimates based on MHI's actual delivery record in FY2010, compared with FY1990. Estimate for nuclear and wind power is based on actual output generated in FY2010 by plants built by MHI.	Thermal plants (combined, conventional), nuclear plants, photovoltaic, wind turbine and geothermal power generation, etc
Transportation	1,984	Estimates based on MHI's actual delivery record in FY2010, compared with FY1990.	Ships, transportation systems, etc.
Mass produced items	1,312	Estimates based on MHI's actual delivery record in FY2010, compared with FY1990.	Air-conditioners, centrifugal chillers, gas engines, forklift trucks, etc.

Data for fiscal 1990 is calculated based on the IEA's (International Energy Agency's) "World Energy Outlook 2010"

MHI is working to create a low-carbon society across a broad spectrum of fields, including: large-scale power generation technologies such as thermal power generation plants and nuclear power plants, power generation systems that utilize wind, solar and other renewable energies, vessels and transportation systems for improving the efficiency of the transportation sector, and high energy-saving hybrid forklifts and air-conditioning systems that use heat pump technology.

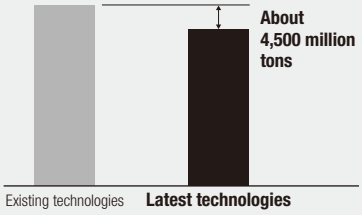
CO_2 reduction from the fiscal 1990 level through the use of the company's products in fiscal 2010 came to about 150 million tons.

The power generation sector, which accounts for nearly 30% of CO_2 emissions, has the potential for reducing emissions by about 4,500 million tons, assuming Japan's latest technologies at the top international level would be deployed across the world.

Going forward, MHI will continue to conduct business by maximizing its collective strengths to further reduce the global environmental load.

CO_2 reduction potential assuming MHI products are introduced globally

As an example, we estimated the potential CO_2 reduction if MHI products were introduced globally. We will continue working so that MHI's activities may serve to realize further contributions in the area of global warming.



Resource Conservation and Waste Management

Through continued efforts to identify recycling contractors and vigorously sort recyclables, MHI achieved zero emissions[1] at all works in fiscal 2010. Appropriate waste management efforts will be undertaken to further reduce the volume of the company's waste.

1 For MHI, zero emissions is defined as limiting landfill waste to less than 2% of total waste.

Curbing Waste Generation, Release and Disposal

Attaining zero emission at all sites

In fiscal 2010, MHI's waste output was 133,000 tons, well below our stated mid- to long-term target of reducing the volume of the company's waste to less than 170,000 tons by fiscal 2010. In addition, we achieved zero emissions at the Nagoya Aerospace Systems Works in August 2010, realizing our goal of zero emissions at all 13 sites by fiscal 2010.

Sites that have achieved zero emissions

March 2001	Yokohama Dockyard & Machinery Works
March 2004	Takasago Machinery Works
November 2004	General Machinery & Special Vehicle Headquarters
February 2006	Nagoya Guidance & Propulsion Systems Works
August 2006	Air-Conditioning & Refrigeration Systems Headquarters
September 2006	Machine Tool Division, Iwatsuka Area
May 2007	Paper & Printing Machinery Division (including Transportation Systems & Advanced Technology Division, Mihara)
January 2008	Shimonoseki Shipyard & Machinery Works
October 2008	Industrial Machinery Business, Technology & Solutions Division
January 2009	Nagasaki Shipyard & Machinery Works
April 2009	Kobe Shipyard & Machinery Works (including Transportation Systems & Advanced Technology Division, Kobe)
August 2010	Nagoya Aerospace Systems Works

Topics

Zero emissions at Nagoya Aerospace Systems Works attained in fiscal 2010

At Nagoya Aerospace Systems Works, we strengthened waste separation efforts and promoted activities to curb waste generation in order to attain the target of zero emissions in fiscal 2010. Despite the fact that the recycling of wastes generated from the special processing of aircraft components is a difficult task, our efforts in collaboration with intermediary waste management operators to improve disposal methods and find new means to reconvert waste into resources resulted in the attainment of zero emissions in August 2010. The Works will continue its efforts to maintain zero emissions and endeavor to reduce waste treatment costs.

Employees in charge at the Nagoya Aerospace Systems Works

Management of Chemical Substances

MHI takes every possible action to manage the chemical substances required for its production processes in ways that guarantee safe usage and storage. Every one of our works prepares MSDS (Material Safety Data Sheets) and works to switch organochlorides to alternative substances and control their usage and emission.

Curbing the Use and Emissions of Chemical Substances through Proper Management and Use of Alternatives

Emissions of substances subject to PRTR

In fiscal 2010, MHI released a total of 1,948 tons of substances subject to PRTR[1] compliance.

Roughly 97% of these emissions consisted of xylene, toluene and ethylbenzene, which are primarily used in painting and cleaning applications. Although the company is working to reduce these emissions, the task is proving to be a significant challenge, particularly for xylene, which is used for painting ships and its use is typically specified by ship owners. This preference is making it difficult to reduce the use of this substance.

However, in fiscal 2010, with the cooperation of ship owners, we were able to replace the paint for three ships whose owners had previously specified the use of paint containing xylene and other toxic substances for water-based paint free of such substances. The adoption of alternative products (water-based paint, etc.) is one of many actual toxic substance reduction activities we are promoting.

1 PRTR (Pollutant Release and Transfer Register)
The PRTR system requires publication of the sources and emission volume of toxic chemical substances and the amounts of such substances removed from manufacturing plants. The system is provided for under the Pollutant Release and Transfer Register (PRTR) Law.

Responsibilities and Actions of MHI

Report on Social Actions

MHI maintains relationships with diverse populations in various regions and communities in the course of developing and manufacturing products and technologies that are essential for social infrastructures and industry as well as the day-to-day lives of people across the world. To fulfill its corporate responsibility as a social and public entity, MHI has been pursuing its business operations with due consideration for its diverse stakeholders.

Commitment to Our Customers

MHI's creed: "We strongly believe that the customer comes first and that we are obligated to contribute to the advancement of society."
To establish enduring manufacturing capability and to serve as a truly global corporation, MHI promotes the supply of products and services that place priority on safety and quality.

Enhancing Product Safety

Establishing the Quality Management & Product Safety Planning Center to strengthen safety and quality management systems

MHI is continuing to promote product safety activities throughout the company. One example of our efforts started in fiscal 2005, as a Product Safety Project between the Legal Department and the Production System Innovation Planning Department. That project strove to improve instruction manuals and conduct risk assessments to ascertain and reduce areas of risk related to product safety in three product categories: mass and medium-lot manufactured products; built-to-order components; and built-to-order plants.

In April 2011, the Quality Management & Product Safety Planning Center was established as part of the Production System Innovation Planning Department in the Technology & Innovation Headquarters. The goal is to firmly establish the activities that have been carried out thus far, and promote the reinforcement of management systems for safety and quality.

Nuclear power generation: ongoing efforts to ensure safety at nuclear power plants

On August 2004, a break occurred in the MHI-installed secondary piping of Unit 3 in the Mihama power station of Kansai Electric Power Co., Inc. MHI set up the Managing Board for Innovation in the Nuclear Business, chaired by the President, in December 2004. The company is striving to implement continuous internal reforms to prevent accidents and ensure safety at nuclear power plants.

Each manufacturing facility thoroughly examines and continuously strives to improve design, manufacturing, and procurement processes as well as the quality management system. At the same time, the Managing Board for Innovation in the Nuclear Business monitors the progress of improvement.

The board meeting held in fiscal 2010 confirmed that actions are being taken to share the lessons learned from the accident and ensure they will not be forgotten. It also verified that improvements are being made in quality management activities that include further tightening and boosting of internal audits, and periodic convening of the Design/Manufacturing/QA Liaison Conference. Furthermore, the board affirmed the continuation of various activities in accordance with the goals laid out at the board's inception.

In addition, after the accident occurred on March 11 at the Fukushima No. 1 Nuclear Power Station, MHI immediately submitted measures to power companies that have PWR plants that should be undertaken if the same incident were to occur. MHI is sparing no effort to support a stable supply of power.

MHI uses its website to report on safety initiatives for shipbuilding, aircraft, transportation systems, and air-conditioning.

A Word from a Stakeholder

Expectations of MHI

The objective of the Hiroshima Electric Railway Co. is the development and enhancement of the Hiroshima city area transportation network. Working within the urban planning framework, the Hiroshima Electric Railway Co. intends to improve the existing Light Rail Transit (LRT).

The LRT system offers both high levels of punctuality and a low journey time.

Currently, the citizens of Hiroshima and visitors to the city enjoy this environmentally friendly system with the Light Rail Vehicle (LRV) called the "Green Mover max." This is a 100% low-floor vehicle utilizing bogie technology developed by Mitsubishi Heavy Industries. It is the first 100% low-floor LRT produced in Japan.

The Green Mover max is a barrier free train with a flat floor, which is at the same height as the station platform, allowing easy access for both boarding and leaving passengers.

We wish that Mitsubishi Heavy Industries will continue to develop a more advanced low-floor LRT concept to allow a next generation public transport system that fits seamlessly with people, cities and the environment.

This is the system we envisage as we look forward to building the city of the future.

Koichi Higashi

Manager,
Rolling Stock Department, Tram Division,
Hiroshima Electric Railway Co., Ltd,

Web Our website contains detailed information regarding MHI activities promoted to fulfill our responsibilities toward stakeholders including examples of product safety efforts, actions taken to increase customer satisfaction, training to ensure the continuation of proper purchasing, employee policies, examples of social contribution activities, etc.

Items appearing on the website
See P45

Establishing an Accident Exhibit and Materials Room to educate people on the prevention of product accidents

The MHI Group compiled examples of past product-related accidents and opened the Accident Exhibit and Materials Room in April 2010 to introduce those accidents through panels and other displays. Safety and quality have the highest priority for the MHI Group, whose very livelihood is based on manufacturing. That importance is made known to all employees involved in the development, production, and after-service operations of MHI Group products. The exhibit was opened so that it would play a role in the prevention of accidents and oversights. Displays include news articles and video coverage of major accidents, such as the fire that broke out on the cruise ship, *DIAMOND PRINCESS*.

Approximately 7,000 people have visited since its opening, and approximately 1,150 new employees and young technicians learned about case examples of accidents. In fiscal 2011, workshops will be offered to young administrative staff, and new chief and assistant managers to increase opportunities for staff to gain a deeper understanding of the importance of safety and quality.

Entrance to the Accident Exhibit and Materials Room


Displays inside the exhibit room

Continuously strengthening QMS created for products

MHI has created a quality management system (QMS) to offer products that are safe and of assured high quality. As of March 2011, all manufacturing sites in Japan have obtained ISO 9001 certification, and approximately 90% of domestic and overseas group-company manufacturing sites have been certified. In addition, each manufacturing site created the optimum QMS which was specific to the character of the products produced there and continue to improve upon it.

Also, MHI understands the reality that there will be complaints from customers about products, so the Quality Assurance Department has played a central role in gathering technology and expertise from all companies to review and improve upon QMS process issues and reinforcement measures for each product.

A Word from an Employee

Maintaining the relationship of trust we have with our customers through persistent efforts

I am in charge of aircraft engine overhaul and other equipment. Although we had received a lot of business in fiscal 2010, we were able to complete our work in compliance with customer wishes. We also worked together with customers to reduce repair expenses, and were successful in significantly bringing down costs by developing new repair technologies. MHI is striving to offer a sense of assurance through endeavors such as compiling weekly reports on the status of work progress. It is my wish that we continue making persistent efforts to further build a trusting relationship with our customers, which we value more than anything.

Hideharu Sato
Engine Machinery Team
No.2 Manufacturing Engineering Section
Guidance & Propulsion Production Department
Guidance & Propulsion Division
Aerospace Systems

Maintaining and Strengthening the Defense Production and Technological Bases

Contributing to the peace and safety of Japan through technology

With the basic stance of ensuring the peace and safety of Japan through cutting-edge technology, MHI, as a leading enterprise in the Japanese defense industry, endeavors to maintain and strengthen the defense production and technological bases. We are also involved in the development, manufacture, and operational support for a vast array of defense equipment requested by the government, such as jet fighters, helicopters, missiles, defense ships and tanks.

The defense environment surrounding Japan has been dramatically changing over recent years. It is now more vital than ever to maintain and strengthen the production and technological bases to meet the needs of the nation amid financial difficulty and rapid technological progress. MHI is focusing on the future security environment and is developing various technologies that meet the needs of the country. This includes research on the Advanced Technology Demonstrator for the purpose on achieving technologies, such as stealth and high maneuver flight control technology to be applied to future jet fighters.

Cutting-edge technologies in the defense sector have a broad reach, and ripple effects to the civilian sector are expected, in the fields of materials, components, and processing technology. So we believe defense technologies can also contribute to long-term technological advances in Japan and the defense sector is expected to develop as a national strategic industry.


UH-60JA utility helicopter (for use by the Japan Ground Self-Defense Forces).

Ratio of Defense-related businesses sales to total sales

FY	Ratio (%)	Amount (billion yen)
2009	11.8	348.3
2010	**12.4**	**361.0**

Commitment to Our Shareholders and Investors

MHI strives to forge relationships of trust with shareholders and investors by accurately and promptly disclosing information, and expanding opportunities and settings for communication.

Disclosure Principles and IR Activities

Promoting IR activities to facilitate a detailed understanding of our business

MHI is striving to assist institutional investors and individual investors in Japan and abroad with gaining a deeper understanding of our business operations.

With a Corporate Communication Department dedicated to investor relations, we endeavor to disseminate appropriate information in a timely manner as well as provide additional opportunities for direct communication through a variety of briefings. We reflect the comments we receive in our ever-expanding IR activities.

Providing accurate information online that is easy to understand

MHI releases information in accordance with laws and regulations as mandated by the exchanges on which the company is listed; the company also quickly posts information on the "Investor Relations" section of our website. Information and data not subject to these laws and regulations are also posted, along with charts and comments on securities terminology, in an effort to release data that is easy-to-understand and accurate.

In addition, videos of general shareholders' meetings and account settlement briefings for institutional investors and analysts, as well as business presentation briefings are posted on our website to further enhance understanding.

In fiscal 2010 we have made improvements such as the addition of stock price information and access ranking data to both our Japanese and English websites to increase its usability.

URL Investor Relations
http://www.mhi.co.jp/en/finance/

Implementing various briefings on business operation and strategy

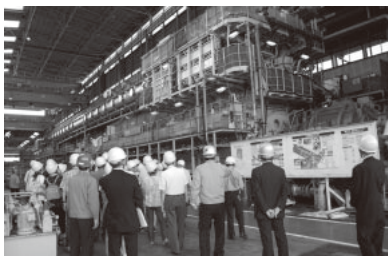
In response to demand from investors and analysts for greater details on the overall status and plans of individual businesses, MHI holds semiannual performance briefings as well as other types of briefings related to business performance and plans.

The fiscal 2009 Account Settlement Briefing/2010 Medium-Term Business Plan Briefing was held in April during fiscal 2010, and was attended by 228 people. In June, there was a business presentation meeting for Strategies for Energy & Environment Business and eight business Headquarters, attended by a total of 460 people. Furthermore, tours and briefings were held at the MHI facilities, Mitsubishi Minatomirai Industrial Museum (Yokohama) and the History Museum (Nagasaki Shipyard & Machinery Works).

Briefings were also held outside of neighboring cities where MHI sites are located in an effort to increase the number of opportunities to communicate with individual investors.

The company has been conducting semiannual plant tours since March 2005 to deepen shareholder understanding of its business activities.

In fiscal 2010, a tour was held in September at Kobe Shipyard & Machinery Works, where visitors could view the manufacturing process for diesel engines and nuclear power equipment. In March 2011, a tour was also held at Yokohama Dockyard & Machinery Works. Visitors saw the manufacturing process for gas turbine blades and wind generators, and the recently renovated Mitsubishi Minatomirai Industrial Museum.



Touring Kobe Shipyard & Machinery Works.

Touring Yokohama Dockyard & Machinery Works.

Participants made comments such as, "I really felt that the excellent technological skill of each and every employee is the source of Japan's strength," and "I hope MHI will continue to develop as a manufacturing company that exemplifies Japan." MHI will keep listening to everyone's opinions to improve IR activities.

Recent Dividend Disbursements

For fiscal 2010, a 2 yen per share year-end dividend was distributed.

In addition to the previously distributed interim dividend of 2 yen per share, total dividends for the year were 4 yen per share.

Dividend disbursements over the past five years

FY	Dividend per share
2006	6 yen
2007	6 yen
2008	6 yen
2009	4 yen
2010	**4 yen**

A Word from a Stakeholder

I value the active disclosure of information.

One of the areas that I appreciate about MHI's IR activities is their approach of actively disclosing information. Generally, it tends to be more difficult for a conglomerate that has a variety of businesses than a corporation dealing in a single business to gain understanding from outside the corporation, but MHI holds regular meetings, results briefings, and tours of manufacturing sites to bridge the information gap between the stock market and the corporation. Various corporations carry out this kind of general IR activities, but MHI takes it further by also holding business presentation meeting to talk about all business operations. As far as possible, MHI also answers a variety of questions from the stock market. As a result of this kind of active disclosure, I feel that the mutual understanding is deepened between the stock market and the corporation.

Takahiro Mori
Analyst, Global Research Department
Merrill Lynch Japan Securities Co., Ltd.

Commitment to Our Business Partners (Suppliers)

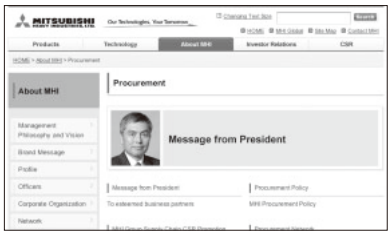
As a corporation that strives to be a leading company of manufacturing, MHI views its suppliers as key partners who provide the company with materials and services for producing products and who share the same desire for mutual prosperity. To remain competitive in a rapidly changing business environment, the company will work together to effect improvements throughout the entire value chain.

Fair Dealing

Opening a door to new suppliers and ensuring fair evaluation and selection

MHI procures a variety of materials and services both domestically and abroad that include materials such as steel, machinery, equipment, and components. MHI is very open to clients who are motivated and competitive. While complying with related laws and social norms, we evaluate and select with fairness to establish trust that leads to mutual prosperity.

This concept is stipulated in MHI's Procurement Policy (released in 2002), which is posted on the "Procurement" page of our website. This page also includes guidelines for applicant companies and contact information for material procurement for the benefit of companies that are interested in doing business with MHI.



URL **Procurement**
http://www.mhi.co.jp/en/company/procurement/

Thoroughly preventing illegal and unfair dealings

MHI is striving to prevent illegal dealings, such as fraudulent orders, by having departments in charge of the ordering, receiving and use of procured goods provide mutual restraints. At each stage of ordering and inspection, more than one employee as well as management staff reviews the content of a transaction, and the results are confirmed by internal audit.

MHI is endeavoring to comply with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and the Construction Business Act, which prohibits large companies from forcing unfair business practices on small- and medium-sized companies. Furthermore, the Compliance Policy clearly outlines adherence to various laws and ordinances, and the state of legal compliance is confirmed through internal audits.

Promoting CSR Procurement

Creation of Supply Chain CSR Promotion Guidelines

In June 2010, MHI drew up MHI Group Supply Chain CSR Promotion Guidelines. The concept behind CSR activities in the MHI Group has been shared with business partners, and MHI aims to promote that concept throughout the supply chain. The basic ideas for the initiatives are spelled out using five points that include comprehensive compliance and promotion of corporate ethics, and assurance of product safety and QCD (quality, cost, delivery schedule), and enhanced technological development capabilities, and considerations regarding human rights and workplace safety. MHI is asking for partner cooperation.

Members were selected from the Procurement & Sourcing Department of works to draw up these guidelines. They discussed CSR activities that MHI has always held as important in the execution of procurement, such as compliance, product quality, and environmental considerations, and talked about activities that need to be focused on, such as workplace safety and human rights.

The content of the discussions were reflected in the guidelines. In addition, explanatory meetings have been held for Procurement Departments in each works to promote the guidelines awareness throughout the corporation, and information has been communicated outside the company as well through meetings with business partners, gatherings with cooperative companies held at various works, and the corporate website.

An explanatory meeting on CSR procurement held for cooperative company members at Mihara Machinery Works.

Global Procurement Manual designed to reinforce relations with business partners

The Global Procurement Manual (GPM) was published in fiscal 2009. The GPM was drawn up so that MHI quality management system principles can be definitively realized in the actual procurement process. Therefore, MHI shares procurement information with partners to enhance convenience.

Looking ahead, we intend to use the GPM to reinforce relations with business partners in the global supply chain and offer outstanding service quality to customers.

Commitment to Our Employees

Believing that human resources are the company's most important asset and that their growth leads to the development of the entire company, MHI is actively working to utilize and cultivate diverse human resources and build a better working environment in which employees can fully demonstrate their abilities.

Utilizing and Cultivating Diverse Human Resources

Active recruitment and utilization of mid-career, overseas and female workers

In the course of excelling at manufacturing large-scale system products that involve lengthy timeframes, including power generation plants, aerospace equipment and marine vessels, MHI's basic policy for recruiting and developing human resources had been to hire new graduates and provide ample in-house training.

However, MHI hires mid-career professionals where necessary according to its needs because a diverse pool of personnel is necessary to win over fierce competitors (in fiscal 2010, approximately 1,000 new graduates (who started in April 2011) and approximately 130 mid-career professionals were hired).

The company treats new graduates and mid-career workers equally. Mid-career workers play an active role in their respective fields as members of the company, making full use of the skills they have cultivated.

MHI is also actively working to hire personnel to deploy overseas for the global development of its business. The company is hiring overseas students and foreign students through aggressive recruitment efforts.

In fiscal 2010, in addition to our usual hiring activities in the U.S. and the U.K., we also implemented PR activities for the first time in Singapore. This resulted in the hiring of about 30 new graduates.

In addition, MHI is actively hiring and utilizing female workers. The number of new female workers and managers has been increasing each year. In fiscal 2010, approximately 31% of new graduate and clerical recruits were women.

Rehiring all who wish to continue to work and promoting senior employee skill utilization

To provide a place that allows employees to demonstrate their abilities after retirement, the company implements a rehiring system throughout the Group that, in principle, embraces all employees who wish to take advantage of the opportunity for reemployment up to the age of 65 in both full- and part-time positions.

As of April 1, 2011, MHI alone (excluding Group companies) has rehired approximately 2,200 employees. These workers are assigned important roles for transferring their skills and expertise as experienced professionals.

Expansion of hiring to actualize the skills of the differently-abled people

Since 1992, MHI has been pursuing efforts to expand job opportunities for the differently-abled people and create a suitable working environment or all workers by establishing a Committee for the Promotion of Employment of the Handicapped.

In fiscal 2010, in addition to the effects of statutory reform in July, we expanded the hiring of differently-abled people by operating a designated website, collaborating with regional "HelloWork" (Employment Security Bureau) offices, hosting career fairs and other means. As a result, MHI's employment rate for differently-abled people reached 1.97% as of April 1, 2011, exceeding the statutory minimum of 1.8%. We will further increase such hiring in the future with the help of information and cooperation from each of our main hubs.

Strengthening the development of junior technicians on the forefront of manufacturing

At MHI, as more baby boomers retire, the number of junior technicians is increasing. There is an urgent need to train technicians who can maintain the front line of manufacturing.

In this area, we prepared textbooks standardized for the entire company to ensure the commonality and uniformity of education. We have also made DVDs and digitized "Skills of the Master" manuals developed by veteran technicians in order to ensure the succession of techniques to future generations and the rapid and solid development of our junior technicians.

In addition, with the dual aim of pushing up the level of expertise and energizing our junior technicians, we hold company-wide skills contests challenging participants in machine assembly, lathe, welding and many more. MHI is also working to improve the leadership skills of employees designated as mentors to junior technicians.

Basic Data

Breakdown of employees by age (FY2010)

	Under 30	30–39	40–49	50–59	60 and over
Male	8,226	9,469	5,827	6,182	502
Female	781	927	687	416	14
Total	**9,007**	**10,396**	**6,514**	**6,598**	**516**

Number of new graduates hired

	University	Vocational school and junior college	High school, other	Total (females in brackets)
Joined the company in April 2010	672	124	676	**1,472 (136)**
Joined the company in April 2011	480	96	410	**986 (80)**

Number of female managers
(section manager and above; excluding medical staff)

2007/4	2008/4	2009/4	2010/4	2011/4
158	182	219	248	**266**

Number of rehired employees
(excluding those from Group companies)

2009/4	2009/10	2010/4	2010/10	2011/4
1,365	1,591	1,720	1,893	**2,172**

Building a Better Working Environment

Supporting balance between child-care/family-care and work in various ways

To create an environment that helps employees effectively balance their work and family life, MHI is working to improve systems for raising the next generations and supporting a healthy work-life balance.

The following programs exceed legal requirements.

- Child-care leave (until the child is three years of age)
- Child-care work shift (until the child graduates from elementary school)
- Family-care leave (in total, within less than one year per family member requiring care along with family-care work shift)

Working to improve MHI's unique system, in 2007, we institutionalized our "Career Return Program" that opens the door to individuals willing to reenter the company after having left for marriage or childbirth. In fiscal 2010, nine such individuals were rehired as full-time employees (24 total).

In April 2009, the Work-Life Support Group was set up in the Personnel Department to comprehensively improve work environment quality from the perspective of raising the next generations and supporting a healthy work-life balance.

We are also making efforts in areas outside system operation such as placing the system and procedures regarding child-care and family-care on our intranet so that all employees can easily access information as well as holding discussion panels between individuals on child-care leaves of absence and those who took such leaves in the past in hopes of enabling a smooth transition back to work.

In the future, we will go beyond merely operating the system and work towards promoting employee enlightenment, awareness and understanding and creating a comfortable workplace that focuses on employees' work-life balance.

Nursery operated on the grounds of our Nagasaki Shipyard & Machinery Works

In April 2010, the Nagasaki Shipyard & Machinery Works opened the first MHI in-house nursery, MHI Kira Kids Nursery.

All MHI Group employees working in the Nagasaki area can leave their pre-school-aged children at any time between 7am and 8pm.

Since opening its doors, the nursery has held various events such as parent & child picnics and Christmas parties as well as Respect-for-the-Aged events for elderly residents of the community that were well received by participants.

In addition to our goal of continuing to be a nursery well loved by employees and local residents, we look to establish nurseries at other MHI locations as well based on the performance of this nursery.

Creating safe and healthy workplaces centered on a basic policy for employee safety and health

MHI embraces a basic policy for employee safety and health founded on the following three commitments: (1) Always hold fast to the conviction that life is precious, and carry out safety-first measures appropriate to each position and location; (2) Devote every effort to safety in creating outstanding products that contribute to the development of society; (3) Maintain awareness that sound health is the basis upon which all else depends, and ensure that all employees have a comfortable workplace enabling them to be sound in body. In line with these principles, we operate an occupational health and safety management system throughout the company to create safe and healthy workplaces.

We will continue to fortify our activities aimed at reducing occupational accidents and leaves due to occupational injury and sickness.

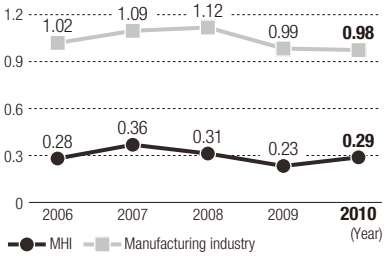
Maintaining and improving physical and mental health

At MHI, we create healthcare divisions at each location and proactively support employees in maintaining their physical and mental wellbeing.

MHI is promoting health counseling and treatment by specialists based on the results of health diagnoses and check-ups. In particular, we started offering health counseling services for employees setting company-wide targets based on BMI in order to prevent lifestyle related diseases from 2010.

In the area of mental health, we are implementing various measures from prevention by providing education and raising awareness to early detection, treatment, support for returning to work and preventing recurrences.

Industrial accident frequency rate[1]



1 Industrial accident frequency rate: number of deaths or injuries sustained through industrial mishaps per million hours on the job. It is calculated as follows: number of deaths or injuries sustained on the job that require one or more days of leave / aggregate number of hours worked × 1,000,000.

A Word from an Employee

Supporting both work and childcare thanks to Kira Kids Nursery

We decided to leave our 1 year-old daughter at the nursery because it is located close to the office and the fees are very reasonable. Not only I can see my daughter playing from my work computer thanks to a web camera installed at the nursery but equally the facilities are well equipped and lively, polite and professional child-care staff takes care of her.

The nursery prepares meals and looks after her until 8 at night. It is thanks to this great environment provided by the nursery that I can devote myself with peace of mind, which greatly supports to provide results at work.

Ruben Camacho (left)

Raw Materials Purchasing & Subcontracting Section
Machinery Procurement & Sourcing Department
Nagasaki Shipyard & Machinery Works

Contributions to Society

Based on its social contribution policy for communities, MHI is enthusiastically taking part in cultivating local prosperity and nurturing the youth who represent the next generation.

Fulfilling our Policy on Socially Beneficial Activities

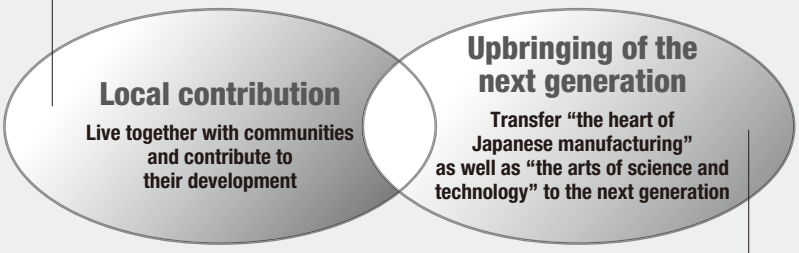
Conducting activities that suit the characteristics of each region based on the MHI policy on socially beneficial activities

MHI used the opportunity of the publication of the *Social and Environmental Report* in 2004 to formulate the basic concepts for social contribution, stated as "We are obligated to be an innovative partner to society" and "We place importance on relationships with local communities based on mutual trust."

MHI policy for social contribution was composed in 2007 after soliciting input from individuals outside the company, and repeatedly reviewing and discussing the types of activities expected by society. Based on that policy, a variety of programs are being carried out throughout various regions in Japan.

MHI policy for social contribution

Our basic policy is to live together with local communities of branch offices, overseas offices, and Group companies in foreign countries, building strong relationships based on mutual trust. With this in mind, we undertake various activities suitable for local cultures and contribute to the local development and activation both in Japan and overseas.



MHI has developed and produced more than 700 kinds of products in its long history, cultivating "the heart of Japanese manufacturing" and "the arts of science and technology." To pass its knowledge and skills onto succeeding generations, MHI has a tradition of organizing educational activities such as science classes with experiments for children.

Achievements Made through Socially Beneficial Activities

Approx. 1.65B yen used for socially beneficial activities

MHI endorses the goals of the "One Percent Club," a program initiated by Nippon Keidanren (Japan Business Federation) in which participating members pledge to use at least 1% of their ordinary profits or disposable incomes to fund activities for the public benefit, and we enthusiastically engage in social contribution activities as a member. MHI has been a member since the Club's founding in 1990. The company reports its expenditures for such purposes every year; we spent an amount equivalent to 6.89% of ordinary profit, or 1.65B yen, in fiscal 2009.

Robust recovery assistance to areas hit by natural disasters

The MHI Group has long embraced a humanitarian perspective and offered assistance and support across the world in the aftermath of large-scale natural disasters. After the Great East Japan Earthquake struck in March 2011, we donated various supplies and relief funds to help victims recover as quickly as possible.

Change in expenditures on socially beneficial activities

(Millions of yen)

	FY2007	FY2008	FY2009
Academic research	138	128	339
Education	665	766	537
Community activities	155	131	158
Sports	118	112	114
Other	276	463	507
Total	**1,352**	**1,600**	**1,655**
Percentage of ordinary profit	1.98%	2.12%	6.89%

1 Figures include cash donations, payments in kind, activities by employees, free use of company facilities, etc., converted into monetary equivalents; activities privately performed by employees are not included.
2 Group companies under consolidated accounting are included starting with FY2008.
3 Figures for FY2010 are now being prepared.

Major support activities in recent years

(Millions of yen)

Year	Disaster	Scale of support	Type of support
2011	Great East Japan Earthquake	583	Donations of solar power systems and other aid
2010	China Qinghai Earthquake	10	Cash donation
	Chile Earthquake	5	Cash donation
	Haiti Earthquake	10	Donation of lighting towers with generators
2009	Indian Ocean Earthquake and Tsunami	3	Cash donation
	Damage from Typhoon Morakot	2.54	Cash donation
	L'Aquila Earthquake in Italy	2.54	Cash donation
2008	China Sichuan Earthquake	210	Cash donation
	Cyclone in Southern Burma	3	Cash donation
	Extraordinarily heavy snow in Southern China	1.5	Cash donation
	Iwate-Miyagi Nairiku Earthquake	2	Cash donation

1 The monetary amount for 2011 includes monies for actions to be executed within the year.

Examples of Socially Beneficial Activities (FY2010)

More information about the exemplary activities listed below can be found on the website.

Contribution to Communities

- Ship launching ceremonies open to the public (Shimonoseki Shipyard & Machinery Works and other sites)
- Nursery school children digging up potatoes at Mitsubishi Wind Turbine View Park (Yokohama Dockyard & Machinery Works)
- Health consultations at a local event (Industrial Machinery Business, Technology & Solutions Division)
- Visiting nursing homes for the elderly (Nagoya Aerospace Systems Works)
- MHI charity musical (Head Office)
- MHI charity concert (Takasago Machinery Works)

Activities that Nurture the Next Generation

- Elementary school students football competition (Power Systems, Nagasaki Shipyard & Machinery Works, Yokohama Dockyard & Machinery Works, Takasago Machinery Works)
- Baseball teams host a children's baseball clinic (baseball teams in Nagasaki, Kobe, Yokohama, Hiroshima, Nagoya)
- Hands-on manufacturing for elementary schools students (Kobe Shipyard & Machinery Works, Transportation Systems & Advanced Technology Division)
- Inviting elementary school students to JAXA (Nagasaki Shipyard & Machinery Works)
- Plant tours for elementary school students in Takasago City (Takasago Machinery Works)
- Practical instruction with the lathe for high school students (Machine Tool Division, the current Ritto Machinery Works)

Group Company Activities

- Continuing a tree-planting project (Koryo Engineering Co., Ltd.)
- Offering nursery school children environmental learning opportunities (Tamachi Building Co., Ltd.)
- Baseball clinic for young children (Kinki Ryoju Estate Co., Ltd.)
- Accepting student work-study programs (Hiroshima Ryoju Estate Co., Ltd.)
- Donating relief supplies to nearby welfare facilities (CBC Industrias Pesadas S.A.)
- Donating relief supplies to elementary schools affected by mudslides (Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.)
- Socially beneficial activities, such as donations and blood drives (MHI Technical Services Corp.)

A Word from a Stakeholder

We are grateful for the continuation of donations that help promote welfare and cultural programs.

Each year, we receive donations from proceeds raised by the MHI Charity Concert, contributions collected from the audience, and proceeds from the Charity Bazaar held during the "Mitsubishi-Takasago Summer Festival." These donations help welfare and cultural programs in Takasago City, Hyogo Prefecture. In fiscal 2010, we received approximately 1.1 million yen in aid raised through the concert and bazaar. Recently, there has been a decline in the donations given to our social welfare council, so we are extremely grateful for the continued donations. We also believe that the programs deepen interaction with the local community and present a good opportunity to energize the region.

Takumi Amano
Executive Director
Takasago City
Social Welfare Council,
Social Welfare Organization

Topics

Offering "TABLE FOR TWO" Meals at Yokohama Dockyard & Machinery Works and Nagasaki Shipyard & Machinery Works

Yokohama Dockyard & Machinery Works began offering "TABLE FOR TWO (TFT)" meals in December 2010, and Nagasaki Shipyard & Machinery Works followed suit in March 2011. TFT is a social action program devised in 2007 by the Japanese NPO, TABLE FOR TWO International. The project donates 20 yen for each healthy, TFT meal provided at places such as corporate cafeterias. This pays for one school lunch for children in Africa. The program was conceived to balance the social issue of developed nations fighting an increase in obesity because of overnutrition, with the malnutrition suffered by many children in developing nations. Many companies and universities participate because they agree with the objective. Yokohama Dockyard & Machinery Works also held a lecture by TABLE FOR TWO International's director, Mr. Kogure, to engender employee understanding toward the program. Presently, TFT's healthy dishes are proving so popular at both sites that they are sell-outs.

A healthy, TFT meal.

A lecture given by the NPO director.

CSR Reports for Fiscal 2008 to 2010 and CSR Action Plans for Fiscal 2011 and beyond

MHI formulated medium-term CSR targets for a three-year period (fiscal 2008 to 2010) as well as action plans for each fiscal year to expand CSR management across the entire Group and implemented each activity.
For fiscal 2011 and beyond, we will prepare a new medium-term plan and the CSR Committee, chaired by the President, will review the progress of activities every half term to promote the strategic and comprehensive CSR initiatives throughout the Group.

Area	Priority item (responsibility)	Medium-term targets (FY2008–2010)
CSR Promotion	**Broadened CSR awareness (CSR Committee / CSR Department)**	1. Broaden CSR awareness across the Group and promote self-directed activities of individual departments 2. Selection and implementation of unified activity themes for the entire Group (representative CSR activities) based on the CSR Action Guidelines
	Socially beneficial activities (CSR Department)	1. Energizing activities in line with the social contribution policy of the entire company (community contribution and nurturing the next generation) and instilling a sense of unity across the Group 2. Raising the level of all activities by exchanging information among departments and energizing activities of Group companies 3. Building a structure to support participation of employees in social contribution activities
	Strengthening information dissemination (Corporate Communication Department) **1. Enhancement of brand value concerning the environment** **2. Enhancement of corporate image** **3. Promotion of IR activities** **4. Improvement of the Mitsubishi Minatomirai Industrial Museum**	1. Gain wider recognition and improve evaluation of the company's environmental protection efforts 2. Promote PR to improve the corporate image 3. Increase the number of shareholders who hold the company's stocks longer (fan) 4. Attract 140,000 visitors a year
	CSR procurement (Procurement Planning & Administration Department, Procurement & Sourcing Department)	1. Penetration of CSR Procurement Guidelines and strengthened PDCA cycle 2. Compliance with REACH Regulation and others 3. Deepened activities for further reducing energy use in transportation
Compliance	**Thorough compliance (Compliance Committee)**	1. Establishment of promotion system across the Group and unified activity content 2. Implementation of compliance training that is well-developed in terms of both awareness and knowledge
	Order compliance (Order Compliance Committee)	Maintaining zero violations of the Anti-Monopoly Act (continued order compliance activities)
	Compliance with the Construction Business Act (Construction Business Act Compliance Committee)	1. Improvement of on-site compliance level 2. Establishment of the system for compliance 3. Support of the Group companies in compliance
	Compliance with export-related laws and regulations (International Trade Control Committee)	1. Enhancing sure export control management at individual departments and cultivating experts in export management 2. Further strengthening effective export control management system by Group companies
Environment	**Reduced CO_2 emissions (Environment Committee)**	Ensuring achievement of the voluntary reduction target for CO_2 emissions 1. Visualization of energy usage and implementation of energy conservation by eliminating waste 2. Obtaining necessary emission credits and systematically introducing energy-saving equipment 3. Installation of additional photovoltaic facilities to bring cumulative total across the company to more than 2,000 kW
	Group environmental management (Environment Committee)	1. Completing introduction of environmental ISO in Group companies in Japan 2. Deployment of environmental management activities by the Group acting as one 3. Implementation of regular audits of Group companies and round-table conferences
Human rights and labor	**Raising awareness of human rights (Committee for Raising Awareness of Human Rights)**	Broaden understanding and awareness regarding human right issues across the company and implement initiatives to prevent sexual and power harassment
	Promote employment of the differently-abled people (Committee for the Promotion of Employment of the Handicapped)	Maintenance and expansion of employment level exceeding legal mandate, and promotion of systematic employment by individual departments
	Creating a better workplace (Personnel Department) **1. Enriched education** **2. Strengthening mental health** **3. Utilization of retired employees** **4. Nurturing the next generation**	1. Further enhance the environment for carefully nurturing valuable human resources 2. Implementation of effective measures, starting from the prevention of mental health disorders to supporting employees in returning to work 3. Further increasing the rehiring rate (more than 60%) 4. Maintaining Kurumin (next generation nurturing support) certification mark
Product responsibility	**Ensuring quality and safety of nuclear business (Managing Board for Innovation in the Nuclear Business)**	1. Establishment of an integrated QMS (Quality Management System) across the headquarters and works and construction of an autonomous framework 2. Further improvement of plant reliability 3. Nurturing a climate that does not allow compliance violations and earning the public trust through ongoing dissemination of information
	Product safety (Production System Innovation Planning Department / Legal Department)	1. Utilization, spread and deployment of accomplishments related to product safety activities (including enhanced risk assessments and manual) 2. Further reinforcement of product safety system
Risk management	**Risk assessment and management (Management Audit Department)**	1. Further strengthening the PDCA cycle for autonomous risk management at the company as well as domestic and overseas Group companies 2. Regular implementation of risk assessment 3. Thoroughly implementing company-wide horizontal deployment of advanced cases using database

Our three-year plan for FY2011–2013 is available on our website.

	Results from CSR activities in FY2010	CSR Action Plans for FY2011 and beyond
	1. Distribution of the 2010 CSR Report to all Group company employees in Japan (86,000 copies) 2. Presidential Town Meetings held at ten locations and CSR training sessions held at nine locations 3. Symbolic CSR activities conducted almost fully as planned in keeping with MHI's CSR Action Guidelines	1. Distribution of the 2011 CSR Report to all domestic Group company employees 2. Top Town Meeting held 5 times a year by the President and Vice-President and CSR Training effected at all locations
	1. Activities conducted as per CSR Action Guidelines (1) Community contribution activities: ship launching ceremonies open to the public, health counseling sessions, elderly home visits, charity events (2) Next generation development activities: Elementary School Soccer Competition, Kid's Baseball Clinic, factory tours, science classes, product making workshops 2. CSR activities conducted at Group companies domestically and overseas (1) Japan: Tree Planting by the Employee Fund, internships, Kid's Baseball Clinic (2) Overseas: Thailand- donations for equipment for elementary schools; Brazil- Christmas presents provided to care facilities; China- donations of heaters, etc. to elementary schools; Philippines- donations of blood, used clothes and used computers	1. Continuing and expanding community contribution activities (cleaning, charity, etc.) and next-generation development (science classes, product making workshops for children, etc.) 2. Promoting the globalization of CSR activities including to overseas Group companies 3. Conducting various support activities for victims of the Great East Japan Earthquake
	1. Dissemination of information about new technologies and products that contribute to energy efficiency and environmental conservation 2. Corporate advertisements in newspapers, issue of periodicals (PR magazine "MHI Graph," etc.), CSR advertisements in the Kansai Region 3. Factory tours for individual investors (Kobe Shipyard & Machinery Works, Yokohama Dockyard & Machinery Works), briefings for individual investors (Nagasaki, Mitsubishi Minatomirai Industrial Museum), website usability improvements (added stock information, and access ranking indications) 4. Facility renovations (Aerospace Zone) resulting in a cumulative total of over 1,700,000 visitors	1. Positioning energy and the environment as strategic businesses and disseminating information 2. Promoting a global advertisement strategy by building an integrated corporate image 3. Increasing events for investors using operational hubs in Japan and overseas 4. Responding systematically to both the tangible (staff training) and intangible (exhibit refurbishment) aspects
	1. Establishment of the MHI Group CSR Promotion Guidelines under which briefings were held both at business partners and in-house and surveys were made at business partners 2. Audits and monitoring related procurement 3. Reduction of transportation energy (FY2006 basic units: 96 attained out of 100)	1. Promoting improvement activities based on collection and analysis of survey responses by business partner 2. Monitoring of procurement-related laws and regulations and effecting improvement follow-ups 3. Reducing transportation energy
	1. Development and implementation of compliance measures with respect to overseas Group companies 2. Maintenance of high completion rate while expanding the subject matter of compliance promotion training to 117 themes (FY2010: 96.5%)	1. Strengthening the compliance framework supporting our global business promotional efforts 2. Examining and providing responses to the Public Works Business Process Validation and Advisory Committee recommendations (such as establishment of a external contact point for consultation and reporting on any illegal or inappropriate activity)
	1. Sharing information and verification of status of activities by Order Compliance Committee based on reports from each department 2. Verification of appropriate implementation of order compliance measures through special monitoring 3. Evaluation by the Public Works Business Process Validation and Advisory Committee that the present bid-rigging prevention efforts and recurrence prevention measures are sufficient.	1. Verifying the status of order compliance activities by the Order Compliance Committee 2. Conducting special monitoring that is both effective and efficient 3. Promoting order compliance awareness and training activities 4. Executing the recommendations of the Public Works Business Process Validation and Advisory Committee
	1. Routine workshops held (951 participants) 2. Briefings on the Construction Business Act held for business partners (292 participants) 3. Compilation of Q&A by Specialist Meeting regarding Group company legal compliance system	1. Verifying thoroughly the Installation Organizational Chart Register prior to construction 2. Constructing a legal compliance framework for Group companies and monitoring basic compliance items 3. Continuing contract compliance activities (monitoring, etc.) with business partners
	1. e-Learning programs (9,895 cumulative participants) 2. Regular audits for Group companies by the primary supervising department	1. Continuing and fortifying e-Learning and other company-wide training efforts 2. Supporting Group companies to ensure proper export management
	1. CO_2 emissions reduction of 7.8% (single-year FY2010) surpassing the 6% target 2. Monitoring system introduced (2010, Industrial Machinery Business, Technology & Solutions Division) to visualize energy usage volume 3. Acquisition of target emission credits (119,000 tons) and equipment upgrades to energy-saving types mainly for compressors, transformers and lighting 4. Introduction of cumulative 2,110 kW solar panels in-house in FY2009, plus another 101 kW introduced in single employee dormitories in FY2010	Attaining self-proclaimed CO_2 reduction targets 1. Promoting CO_2 reduction measures (introduction of or upgrade to energy-saving equipment; efficient operation of private generators) 2. Upgrading to air-conditioners based on the In-house Air-Conditioner Upgrade Plan 3. Verifying monitoring system introduction effects
	1. Total of 91 domestic and 27 overseas Group companies introduced environmental ISO standards 2. Group-wide promotion of environmental management activities following common targets for all Group companies 3. Periodical audits (18 companies) and environmental meetings (15 companies) held	1. Promoting initial acquisition of environmental ISO certification for Group companies in Japan and overseas 2. Promote activities for achieving the common targets of Group companies 3. Continue to hold environmental meetings (of 16 companies)
	1. Meetings of the Committee for Raising Awareness of Human Rights and Works Committee held 2. Power harassment training for managers held (e-Learning) 3. Training of sexual harassment counseling supervisor and counselors	1. Holding committee meetings annually 2. Introducing human rights issues in each training program and continuing implementation 3. Strengthening awareness of sexual and power harassment prevention
	1. Meetings of the Committee for Raising Awareness of Human Rights and Works Committee held 2. Meetings of staff in charge of recruiting differently-abled persons held 3. Compliance to legal reform 4. Survey and report of hiring status reports for domestic consolidated Group companies	1. Conducting hiring activities proactively aiming for a 2% hiring rate (monthly follow-ups of status of activities) 2. Holding committee meetings annually
	1. Career Design Training and other company-wide standard training conducted to provide basic knowledge to junior and mid-level employees Road map for cultivation of global human resources drafted 2. e-Learning program for managers formulated reflecting results of mental health analyses Operation of short-term work system for long time absentees 3. Rehiring rate increased by 14% from 59% in the first half of 2007 to 73% in the latter half of 2010 4. Discussion meetings held between employees on childcare leave and those who have childcare leave experience and efforts outside the system made to support their return to work	1. Examining possibilities for global human resource development (G-MAP) and conducting trials Examining possibilities for management development training program and conducting trials Continuing to implement and build training programs for Group companies 2. Company-wide development of e-Learning as a mental health training tool Examining possibilities for a system whereby prevention and recurrence prevention efforts can be integrated 3. Examining possibilities for people over 60 years of age whereby employees would elect to extend their retirement age (implementation from 2013 retirees) 4. Expanding next-generation development and work-life balance support system and encouraging its publicity and understanding
	1. Additional reform and improvements for nuclear power QMS 2. Promotion of sophistication of preventive maintenance and safety through information sharing 3. Establishment of ethics training system and commencement of tasks to publicize information	1. Promoting QMS sophistication and continual improvement with an eye on Global business development 2. Harnessing our comprehensive technological strengths and increasing customer satisfaction levels 3. Focusing on compliance and fostering a culture of safety
	1. Company-wide product safety activities (improvement of risk assessments and manuals) 2. Briefings held on the importance and necessity of product safety activities and product safety information provided	1. Developing product safety activities in our QMS 2. Formulating the basis for product safety activities (providing support, determining standards, developing human resources)
	1. Risk Management Operation Procedures established for Group-wide risk management and risk management system expanded and strengthened through the new establishment of the Risk Management Supervisors Meeting 2. Regarding vital, high-priority risks, efforts were made to examine control strengthening measures and verify the status of tasks and internal audits were conducted	1. Working to share awareness of important risks among all divisions and corporate groups for the effective operation of the risk management PDCA cycle 2. Establishment of a PDCA cycle relating to the various activities of the divisions and corporate groups and expansion of internal audits

Environmental Management Systems Adopted at MHI and Its Subsidiaries

As of April 1, 2011

ISO 14001 certification at MHI works, plants and research & development centers

	Location or company name	Date of issue (or registration)
MHI sites and plants	Yokohama Machinery Works	Oct. 31, 1997
	Nagasaki Shipyard & Machinery Works	May 22, 1998
	Takasago Machinery Works	Jun. 26, 1998
	Nagoya Air-Conditioning & Refrigeration Machinery Works	Nov. 20, 1998
	Sagamihara Machinery Works	May 21, 1999
	Mihara Machinery Works	Sep. 3, 1999
	Hiroshima Machinery Works	Sep. 30, 1999
	Shimonoseki Shipyard & Machinery Works	Nov. 24, 1999
	Nagoya Guidance & Propulsion Systems Works	Dec. 18, 1999
	Kobe Shipyard & Machinery Works	Feb. 18, 2000
	Iwatsuka Plant	Mar. 17, 2000
	Ritto Machinery Works	Dec. 28, 2000
	Environmental & Chemical Plant Division (Yokohama)	Jun. 29, 2001
	Nagoya Aerospace Systems Works	Oct. 1, 2003
	Head Office	Apr. 6, 2006
MHI Research & development centers	Nagasaki Research & Development Center	Aug. 21, 2006
	Advanced Technology Research Center	Nov. 9, 2006
	Yokohama Research & Development Center	Nov. 9, 2006
	Hiroshima Research & Development Center (Hiroshima)	Aug. 2, 2007
	Hiroshima Research & Development Center (Mihara)	Dec. 5, 2006
	Nagoya Research & Development Center	Dec. 26, 2006
	Takasago Research & Development Center	Mar. 9, 2007

Group companies that acquired ISO 14001 certifications independently

	Location or company name	Date of issue (or registration)
Domestic	MHI Solution Technologies Co., Ltd.	Aug. 28, 1998
	Mitsubishi Agricultural Machinery Co., Ltd.	Jul. 24, 2001
	Nagoya Ryoju Estate Co., Ltd.	Mar. 14, 2002
	Nishinihon Ryoju Estate Co., Ltd.	Jul. 12, 2002
	Chubu Jukan Operation Co., Ltd., Head Office	Jan. 13, 2004
	Ryoin Co., Ltd., Printing Division, Tokyo Plant (including Head Office and Chubu Plant)	Apr. 23, 2004
	Shimonoseki Ryoju Estate Co., Ltd.	Mar. 14, 2005
	Ryoju Estate Co., Ltd.	Mar. 17, 2005
	Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd.	Mar. 17, 2005
	Seibu Jukan Operation Co., Ltd. , Head Office	Mar. 22, 2005
	Kusakabe Co., Ltd.	Mar. 24, 2005
	Tamachi Building Co., Ltd.	Mar. 25, 2005
	Hiroshima Ryoju Estate Co., Ltd.	Apr. 9, 2005
	Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd. (Head Office and Branch Office)	Apr. 12, 2004
	Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd. (Engineering Division)	Feb. 17, 2005
	Ryoju Cold Chain Co., Ltd.	Apr. 22, 2005
	Mitsubishi Heavy Industries Precision Casting Co., Ltd.	May 11, 2005
	Tokiwa Machinery Works Ltd.	May 18, 2005
	Jukan Operation Co., Ltd., Head Office	Aug. 1, 2005
	MHI Aerospace Logitem Co., Ltd.	Jan. 5, 2007
	Mitsubishi Heavy Industries Air-Conditioning & Thermal Systems Corporation, System Production Department	Sep. 14, 2007
	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd., Chiba Plant	Mar. 25, 2010
Overseas	Mitsubishi Heavy Industries-Haier (Qingdao) Air-Conditioners Co., Ltd.	Dec. 14, 1998
	MHI Equipment Europe B.V.	Nov. 9, 2001
	Mitsubishi Caterpillar Forklift Europe B.V.	Jul. 25, 2002
	Mitsubishi Heavy Industries Climate Control Inc.	Jun. 12, 2003
	Thai Compressor Manufacturing Co., Ltd.	Jun. 27, 2003
	Mitsubishi Power Systems Americas, Inc. Orlando Service Center	Feb. 18, 2004
	MHI Automotive Climate Control (Shanghai) Co., Ltd.	Jul. 11, 2005
	CBC Industrias Pesadas S.A.	Dec. 1, 2005
	Mitsubishi Heavy Industries Korea Ltd.	Dec. 17, 2005
	Mitsubishi Heavy Industries-Mahajak Air Conditioners Co., Ltd.	Dec. 21, 2005
	Mitsubishi Heavy Industries-Jinling Air-Conditioners Co., Ltd.	Jan. 24, 2006
	MHI Machine Tool (Hong Kong) Ltd.	Mar. 30, 2006
	Mitsubishi Heavy Industries, (Hong Kong) Ltd.	Apr. 5, 2006
	MLP Hong Kong Ltd.	May 25, 2006
	Mitsubishi Heavy Industries, (Shanghai) Co., Ltd.	Jul. 5, 2006
	MHI-Pornchai Machinery Co., Ltd.	Jul. 17, 2006
	Mitsubishi Heavy Industries India Private Ltd.	Dec. 7, 2006
	Mitsubishi Heavy Industries Singapore Private, Ltd.	Jan. 21, 2007
	Mitsubishi Heavy Industries America, Inc. Headquarters	Oct. 15, 2007
	Mitsubishi Heavy Industries America, Inc. Tire Machinery Division	Oct. 15, 2007
	Mitsubishi Caterpillar Forklift America Inc.	Dec. 6, 2007
	Mitsubishi Heavy Industries (Thailand) Ltd.	Dec. 31, 2007
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	May 14, 2008
	MHI Equipment Alsace S.A.S	Mar. 17, 2009
	Mitsubishi-Hitachi Metals Machinery South Asia Private Ltd.	Jul. 14, 2010
	Mitsubishi Power System Europe, Ltd.	Oct. 1, 2010
	Mitsubishi Turbocharger Asia Co., Ltd.	Dec. 22, 2010

EcoAction 21 certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Daiya Building Service Co., Ltd.	Apr. 21, 2005
	Nuclear Development Co., Ltd.	May 30, 2005
	Ryonichi Engineering Co., Ltd.	Oct. 31, 2005
	Kyuusyuu Jyukan Operation Co., Ltd. Head office	Jun. 11, 2008
	Higashi Chugoku Ryoju Estate Co., Ltd.	Oct. 15, 2009
	Hiroji Center Co., Ltd.	Jan. 29, 2010

K-EMS certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Seiryo Engineering Co., Ltd.	Dec. 24, 2004
	Kinki Ryoju Estate Co., Ltd.	Feb. 23, 2005
	Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Feb. 23, 2005
	MHI Nuclear Engineering Co., Ltd.	Mar. 24, 2005
	Nuclear Power Training Center, Ltd.	Mar. 24, 2005
	MHI General Services Co., Ltd.	Mar. 24, 2005
	Ryoin Co., Ltd., Kobe Branch	Mar. 24, 2005
	Techno Data Engineering Co., Ltd.	Feb. 27, 2006
	Energis Co., Ltd.	Mar. 23, 2006

Kamakura EcoAction 21 certification at MHI Group companies

	Location or company name	Date of issue (or registration)
Domestic	Shonan Monorail Co., Ltd.	Apr. 4, 2007

MHI Group companies adopting M-EMS (based on ISO 14001)

	Location or company name	Date of issue (or registration)
Domestic	MHI Power Systems Inspection Technologies, Ltd., Yokohama Division	Apr. 25, 2005
	Ryoin Co., Ltd., Shinagawa Branch	Apr. 26, 2005
	Mitsubishi Heavy Industries Air-Conditioning & Refrigeration Systems Corporation	May 13, 2005
	Mitsubishi Heavy Industries Engine Systems Co., Ltd.	Jul. 12, 2005
	Aomori Daiya Co., Ltd.	Jul. 12, 2008
	Kagoshima Daiya Co., Ltd.	Jul. 12, 2008
Overseas	Mitsubishi Engine North America, Inc.	Jan. 19, 2007
	MLP U.S.A., Inc.	Jan. 19, 2007

MHI Group companies M-EMS EcoAction (based on EcoAction 21)

	Location or company name	Date of issue(or registration)
Domestic	Mitsubishi Heavy Industries Transportation Equipment Engineering & Service Co., Ltd., Transportation Works Division, Domestic Service Division	Apr. 20, 2005
	Ryoin Co., Ltd., Sagamihara Branch	Apr. 25, 2005
	Shunjusha Ltd.	Apr. 26, 2005
	MHI Sagami High-tech, Ltd.	May 9, 2005
	Ryosen Engineers Co., Ltd.	May 10, 2005
	Hiroshima Dia System Co., Ltd.	May 11, 2005
	MHI Marine Engineering, Ltd.	May 16, 2005
	Churyo Engineering Co., Ltd.	May 16, 2005
	Ryoin Co., Ltd., Yokohama Branch, Minatomirai area	May 16, 2005
	MHI Aerospace Systems Corp.	Jul. 12, 2005
	MDS Corporation	Jul. 22, 2005
	Ryosei Service Co., Ltd.	Jun. 10, 2009
	Diamond Travel Co., Ltd.	Mar. 1, 2010

Group companies within the scope of ISO 14001 accreditation of MHI works and plants

	Location or company name	Date of issue (or registration)	Names of works and plants which acquired ISO14001
Domestic	Mitsubishi Heavy Industries Plastic Technology Co., Ltd.	Apr. 1, 2000	Iwatsuka Plant
	Ryoin Co., Ltd., Nagoya Branch	Oct. 22, 2004	Nagoya Aerospace Systems Work
	MHI Aerospace Production Technologies, Ltd.	Oct. 22, 2004	Nagoya Aerospace Systems Work
	Diamond Air Service Incorporation	Oct. 22, 2004	Nagoya Aerospace Systems Work
	Ryoin Co., Ltd., Shimonoseki Branch	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Kanmon Dock Service, Ltd.	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Shimonoseki Ryo-Jyu Engineering Co., Ltd.	Nov. 22, 2004	Shimonoseki Shipyard & Machinery Works
	Ryoin Co., Ltd., Nagoya Nishi Branch	Jan. 6, 2005	Iwatsuka Plant
	MHI Machine Tool Engineering Co., Ltd.	Feb. 25, 2005	Ritto Machinery Works
	Ryoin Co., Ltd., Ritto Branch	Feb. 25, 2005	Ritto Machinery Works
	MHI Aero Engine Service Co., Ltd.	Apr. 11, 2005	Nagoya Guidance & Propulsion Systems Works
	MHI Logitec Company Limited	Apr. 11, 2005	Nagoya Guidance & Propulsion Systems Works
	MHI Diesel Service Engineering Co., Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Nuclear Plant Service Engineering Co., Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Sanshin-Tec. Ltd.	May 12, 2005	Kobe Shipyard & Machinery Works
	Mitsubishi Heavy Industries Parking Co., Ltd.	May 14, 2005	Yokohama Machinery Works
	Ryoin Co., Ltd., Yokohama Branch, Yokosei area	May 14, 2005	Yokohama Machinery Works
	Ryoju Estate Co., Ltd., Yokohama Branch	May 14, 2005	Yokohama Machinery Works
	MHI Energy & Service Co., Ltd.	May 14, 2005	Yokohama Machinery Works
	MHI Power Systems Inspection Technologies, Ltd., Takasago Division	May 14, 2005	Takasago Machinery Works
	Mitsubishi Heavy Industries Plant Construction Co., Ltd., Power Systems Service Headquarters	May 14, 2005	Takasago Machinery Works
	Koryo Engineering Co., Ltd.	May 14, 2005	Takasago Machinery Works
	Ryoin Co., Ltd., Takasago Branch	May 14, 2005	Takasago Machinery Works
	Nuclear Plant Service Engineering Co., Ltd., Takasago Division	May 14, 2005	Takasago Machinery Works
	MEC Engineering Service Co., Ltd.	Jun. 23, 2005	Hiroshima Machinery Works
	Hiroshima Ryoju Engineering Co., Ltd.	Jun. 23, 2005	Hiroshima Machinery Works
	Mitsubishi Heavy Industries Plant Construction Co., Ltd.	Jun. 23, 2005	Hiroshima Machinery Works
	Mitsubishi-Hitachi Metals Machinery, Inc.	Jun. 23, 2005	Hiroshima Machinery Works
	Ryoin Co., Ltd., Hiroshima Branch	Jun. 23, 2005	Hiroshima Machinery Works
	Sagami Logistics & Service Co., Ltd.	Sep. 13, 2005	Sagamihara Machinery Works
	Choryo Senpaku Kouji Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Ryoin Co., Ltd., Nagasaki Branch	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	MHI Power Systems Inspection Technologies, Ltd., Nagasaki Division	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	MHI Oceanics Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Kowa Kogyo Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Choryo Control Systems Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Choryo Designing Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	MHI Maritech, Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Choryo Software Co., Ltd.	Sep. 22, 2005	Nagasaki Shipyard & Machinery Works
	Mitsubishi Heavy Industries Machine Tool Sales Co., Ltd.	Jan. 13, 2006	Ritto Machinery Works
	Ryoju Estate Co., Ltd., Department of Facilities Management Service	Apr. 6, 2006	Head Office
	Tamachi Bldg. Co., Ltd., Shinagawa Building Management Center	Apr. 6, 2006	Head Office
	MHI Personnel, Ltd.	Apr. 6, 2006	Head Office
	MHI Tourist, Ltd.	Apr. 6, 2006	Head Office
	MHI Accounting Service, Ltd.	Apr. 6, 2006	Head Office
	MHI Finance Co., Ltd.	Apr. 6, 2006	Head Office
	Daiya PR Co., Ltd.	Apr. 6, 2006	Head Office
	Diamond Air Service Incorporation, Tokyo Office	Apr. 6, 2006	Head Office
	E-Techno, Ltd.	May 12, 2006	Kobe Shipyard & Machinery Works
	Choryo Engineering Co., Ltd.	Aug. 21, 2006	Nagasaki Shipyard & Machinery Works
	Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd.	Aug. 2, 2007	Hiroshima Machinery Works
	MHI Solution Technologies Co., Ltd. Takasago Branch	Apr. 9, 2008	Takasago Machinery Works
	Shinryo System Corp.	May 1, 2008	Kobe Shipyard & Machinery Works
	Nagasaki Diamond Staff Co., Ltd.	Jun. 16, 2009	Nagasaki Shipyard & Machinery Works
	Nagasaki Ryoko Service Co., Ltd.	Jun. 16, 2009	Nagasaki Shipyard & Machinery Works
	Ryoin Co., Ltd., Mihara Branch	Oct. 15, 2009	Mihara Machinery Works
	Ryoju Estate Co., Ltd., Yokohama Building Service Department	Oct. 19, 2009	Head Office
	Mitsubishi Heavy Industries Compressor Corporation	Oct. 14, 2010	Hiroshima Machinery Works
	Mitsubishi Heavy Industries Printing & Packaging Machinery, Ltd.	Nov. 19, 2010	Mihara Machinery Works
	Mitsubishi Heavy Industries Transportation Equipment Engineering & Service Co., Ltd.	Nov. 19, 2010	Mihara Machinery Works

Year Awarded	Month Awarded	Award Name	Organization/Item	Awarded by
2010	April	Certificate of Appreciation for Relief Funds for 2004 Indian Ocean Earthquake and Tsunami	Mitsubishi Heavy Industries, Ltd.	Japanese Red Cross Society
	April	39th Japan Industrial Technology Awards, Minister of Education and Science Culture, Sports, Science and Technology Prize (for the HTV/H-ⅡB launch vehicle)	Mitsubishi Heavy Industries, Ltd., and 11 other companies	Minister of Education, Culture, Sports, Science and Technology
	April	The Nikkan Kogyo Shimbun Award, 39th Japan Industrial Technology Award,(for the HTV/H-ⅡB launch vehicle)	Mitsubishi Heavy Industries, Ltd., and 11 other companies	Nikkan Kogyo Shimbun, Ltd.
	May	48th Award of The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan	Received jointly by Mitsubishi Heavy Industries, Ltd., and other companies	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
	May	Award for Best OEM in Power Generation Sector for Long-Term Maintenance at Port Dickson GTCC Power Plant	Power Systems, Mitsubishi Heavy Industries, Ltd.	Tenaga Nasional Berhad
	May	Certificate of Commendation for Prevention of Disasters by Explosives	Nagoya Guidance & Propulsion Systems Works, Mitsubishi Heavy Industries, Ltd.	Aichi Prefecture Explosives Safety Association
	June	Chunichi Shimbun Newspaper Advertising Award, Residential & Financial Sections, Environmental Advertising in Nagoya Area	Mitsubishi Heavy Industries, Ltd.	Chunichi Shimbun Co., Ltd.
	June	Certificate of Appreciation for Crime Prevention & Sound Nurturing of Youth	Nagoya Guidance & Propulsion Systems Works, Mitsubishi Heavy Industries, Ltd.	Komaki City Plant & Workplace Crime Prevention Association, Komaki Police Station, Aichi Prefectural Police
	September	2nd Robots and Society Awards	Nuclear Energy Systems, Mitsubishi Heavy Industries, Ltd.	The Robotics Society of Japan
	September	Certificate of Commendation for Excellence in Traffic Safety	Nagoya Guidance & Propulsion Systems Works, Mitsubishi Heavy Industries, Ltd.	Komaki city, Safety driving management conference, Komaki Police Station, Aichi Prefectural Police
	September	City of Nagasaki Certificate of Commendation for Excellence in Construction, Municipal Ebira-Hamahira Road Improvement Work	Nishinihon Ryoju Estate Co., Ltd.	City of Nagasaki
	October	Certificate of Commemoration for Global Warming Prevention in Fiscal 2010	General Machinery & Special Vehicle, Mitsubishi Heavy Industries, Ltd.	Cities of Yokohama, Kawasaki, Sagamihara, Kanagawa Prefecture
	October	Equal Participation Prize, Kira Kids Nursery, for female technical field hiring	Nagasaki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	City of Nagasaki
	October	Special Prize in the Excellence in Company History Prizes, Nagasaki Shipyard & Machinery Works 150 Years of History, Tales of Nagasen	Nagasaki Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd.	Excellence Company History Award selection committee, Japan Business History Institute
	November	2nd Place in Ranking for Website Richness of All Listed Companies by Sector (Machinery)	Website, Mitsubishi Heavy Industries, Ltd.	Nikko Investor Relations Co., Inc.
	November	6th Place in Ranking of Best Corporate Information Website by Sector (Machinery and Transport Equipment)	Website, Mitsubishi Heavy Industries, Ltd.	Japan Brand Strategy, Inc.
	November	Certificate of Appreciation for Participation in Kids Energy Quest	Yokohama Machinery Works, Power Systems, Mitsubishi Heavy Industries, Ltd.	Japan Office, World Food Programme, United Nations
	November	Special Certificate of Appreciation for Distinguished Business Practices (Part of Blood Donation Service)	Kobe Shipyard & Machinery Works, Mitsubishi Heavy Industries, Ltd., and 18 other companies	Japanese Red Cross Society
	November	The Safety Award for the best contractor 2010 (the first winner)	Dubai Rapid Link Consortium (DURL), a consortium of five companies including Mitsubishi Heavy Industries, Ltd.	Roads and Transport Authority, Government of Dubai, the United Arab Emirates
	November	Citation of Special Merit for Donation of Proceeds from the Mitsubishi Heavy Industries Charity Concert and Mitsubishi Takasago Summer Festival Charity Bazaar	Takasago Machinery Works, Power Systems, Mitsubishi Heavy Industries, Ltd.	Takasago City Council of Social Welfare
	December	59th Nikkei Advertising Award for Excellence in Environmental Advertising	Mitsubishi Heavy Industries, Ltd.	Nikkei Inc.
	December	Web Grandprix Nominee, Student sector, 4th Japan Web Grandprix	"Kids Land" website, Mitsubishi Heavy Industries, Ltd.	IBM Japan, Ltd.
	December	Good Office for Trash Separation, Yokoyama Environmental Action Award (6th consecutive year)	Kanazawa Plant, Yokohama Machinery Works, Power Systems, Mitsubishi Heavy Industries, Ltd.	Resources & Waste Recycling Bureau, City of Yokohama
	December	Good Office for Trash Separation, Yokoyama Environmental Action Award (5th consecutive year)	Honmoku Plant, Yokohama Machinery Works, Power Systems, Mitsubishi Heavy Industries, Ltd.	Resources & Waste Recycling Bureau, City of Yokohama
	December	Certificate of Appreciation for Distinguished Persons in Hayabusa Asteroid Explorer Project	Hayabusa Project Support Team (composed of 118 organizations)	Minister of State for Space Development, Minister of Education, Culture, Sports, Science and Technology
2011	January	Certificate of Appreciation for Understanding and Cooperation with Police Duties	Nagoya Guidance & Propulsion Systems Works, Mitsubishi Heavy Industries, Ltd.	Komaki Police Station, Aichi Prefectural Police
	February	Special Award for Cross Communication, Kobe Shimbun Newspaper Advertising Awards	Mitsubishi Heavy Industries, Ltd.	The Kobe Shimbun

The following are all the items included in "Management (fair and sound management)," "Report on Environmental Initiatives" and "Report on Social Actions" appearing on our website.

Printed in this brochure

Fair and Sound Management

Corporate Governance

Current Status of Corporate Governance and Internal Controls

- Strengthening the oversight functions of the Board of Directors through such measures as appointing external directors
- Corporate Governance Structure (including internal control system)
- Ensuring reliability of financial reporting by assessing the status and operation of the internal control system

Risk Management and Crisis Management

- Steady implementation of risk reduction measures based on periodic assessments

New Organizations and Measures Concerning Business and Management

- Implementing organizational reforms to reinforce business operations and corporate functions
- Corporate Organizational Chart
- Accelerating strengthening of "Monodzukuri" (production system for value creation) capabilities through process innovation across the company

Promotion of CSR

Promoting Comprehensive and Strategic CSR Activities

- The CSR Committee monitors the progress of six categories of important activities.
- CSR Promotion System
- Sustained Promotion of PDCA Based on the CSR Action Plan
- CSR Training Sessions, President's Town Meeting, Forum 35

Activities of Major Related Committees in Fiscal 2010

- CSR Committee, Compliance Committee, Environment Committee, Committee for Raising Awareness of Human Rights, Committee for promoting the Employment of the Handicapped, International Trade Control Committee, Construction Business Act Compliance committee, Order Compliance Committee, Managing Board for Innovation in the Nuclear Business

Compliance

Promoting Compliance through a Structure Encompassing the Entire Group

- Placing "point of contact" persons responsible for promoting compliance in all departments and Group companies.
- Compliance Promotion System
- Implementing a point of contact/hotline for all employees and clients
- Setting clear regulations on the rights afforded to in-house informants

Improving Compliance Policy/Guidelines

- The *Compliance Guidelines* clarify behavior standards
- MHI Compliance Guidelines
- Formulating and publicizing company guidelines for preventing bribery involving foreign civil servants
- Firm Measures Against Antisocial Forces
- Eliminating Camouflage Contracts Based on the Policies of the Ministry of Health, Labour and Welfare

Preventing a Recurrence of Legal Violations (if any)

- Continuing a system that ensures compliance and transparency in order-receiving activities
- Misconduct and other violations

Secure Safeguarding of Proprietary Information

- Revision of management standards for electronic information in response to new information technology and legal reforms
- Using the manual and database to thoroughly protect personal information
- Constantly reinforcing measures to protect confidential information
- Implementing employee training to enhance awareness of management of confidential information
- Continuously assessing the status of security measures through internal audits
- Future efforts

Compliance Education and Increasing Awareness

- Implementing discussion training based on daily duties
- Yearly compliance awareness survey
- A Word from an Employee (compliance training)

Report on Environmental Initiatives

Environmental Management

Environmental Management Promotion System

- Promotion of environmental management by a company-wide committee and promotion entities at each works
- Basic Policy on Environmental Matters, Action Guidelines, Environmental Management Structure
- Promoting mid- and long-term targets for the entire Group
- Environmental Audits at All Works in Japan
- Initiating Environmental Meetings with Group Companies

Establishing and Operating an Environmental Management System Based on its Own Standards

- Establishing two unique standards that are compliant with ISO and EcoAction 21
- Fostering environmental awareness for each every employee through stratified environmental training

Preserving Biodiversity

- Breeding program for Japanese honeybees in danger of extinction

Controlling and Improving Response to Potential Environmental Impact Risks

- Clarifying the risks at each works and addressing them through daily management
- Remediation of contaminated soil and groundwater
- Promoting green purchasing

Status of Environmental Accidents and Legal Violations

- Thoroughly implementing preventive measures after incidents of wastewater overflow

Environmental Management Systems Adopted at MHI and Its Subsidiaries

Targets and Progress

Results of Promotional Efforts of Medium- to Long-Term Environmental Targets (Fiscal 2010 Results)
Fiscal 2011 and 2012 Environmental Targets

Material Balance

Environmental Accounting

Countermeasures against Global Warming

Promotion of Energy-saving and CO_2 Emission Control Measures

- CO_2 emissions reduction at production plants
- Promoting photovoltaic generation for plants, offices and company dormitories
- One million kWh of green energy used annually thanks to wind power generation
- Greenhouse gas emissions excluding CO_2 emissions from energy use
- Acquisition of approx. 120,000 tons of CO_2 emission credits from a CDM project
- A Word from an Employee (energy-saving measures)

Measures to Curb Energy Use in Transport

- Promotion of energy-conservation in transport through modal shift and load ratio improvement

Energy-saving Activities in Offices

- Promoting "Cool Biz" and "Warm Biz"

CO_2 reductions with MHI product usage (FY2010)

Resource Conservation and Waste Management

Curbing Waste Generation, Release and Disposal

- Attaining zero emission at all sites
- Topics: Zero emissions at Nagoya Aerospace Systems Works attained in fiscal 2010

Using electronic manifests (e-manifests)

- Expanding the use of e-manifests

Management of Chemical Substances

Curbing the Use and Emissions of Chemical Substances through Proper Management and Use of Alternatives

- Emissions of substances subject to PRTR
- Promotion of organochlorides reduction and replacement activities
- Voluntary targets for the reduction of VOC atmospheric emissions
- Promotion of outsourced disposal of equipment using PCBs

Products and Technologies that Reduce Environmental Impact

Main products and technologies in 2010

- Four examples (centrifugal chiller, "LRT" transportation system, MRJ, electric bus)

Products and technologies that contribute to a low-carbon society

- Contributing to the realization of a low-carbon society through diverse energies and environmental technologies

Report on Social Actions

Commitment to Our Customers

Enhancing Product Safety

- Establishing the Quality Management & Product Safety Planning Center to strengthen safety and quality management systems
- Nuclear power generation: ongoing efforts to ensure safety at nuclear power plants
- Efforts in the areas of "shipbuilding," "aircraft," "transportation systems" and "air-conditioners"
- Establishing an Accident Exhibit and Materials Room to educate people on the prevention of product accidents
- Continuously strengthening QMS created for products
- A Word from a Stakeholder (transportation systems)

Enhancing Customer Satisfaction (CS)

- Pursuing products and services that can be trusted from the prioritized customer point of view
- Promoting advertising activities that comply with relevant laws and regulations
- Implementing technical support as an aspect of preventative maintenance
- Promoting Nuclear Power PA activities
- A Word from an Employee (customer satisfaction <aircraft>)

Maintaining and Strengthening the Defense Production and Technological Bases

- Contributing to the peace and safety of Japan through technology

Commitment to Our Shareholders and Investors

Disclosure Principles and IR Activities

- Promoting IR activities to facilitate a detailed understanding of our business
- Providing accurate information online that is easy to understand
- Implementing various briefings on business operation and strategy
- A Word from a Stakeholder (analysts)

Recent Dividend Disbursements

- Fiscal 2010 Dividend Distributions

Commitment to Our Business Partners (Suppliers)

Fair Dealing

- Opening a door to new suppliers and ensuring fair evaluation and selection
- MHI Procurement Policy
- Thoroughly preventing illegal and unfair dealings

Promoting CSR Procurement

- Creation of Supply Chain CSR Promotion Guidelines
- MHI Group Supply Chain CSR Promotion Guidelines
- Global Procurement Manual designed to reinforce relations with business partners
- Promoting information sharing that aims to strengthen cooperation

Procurement Education and Training

- Training for employees engaged in procurement activities
- Topics: Sharing CSR values through opportunities to speak face to face with business partners

Commitment to Our Employees

Utilizing and Cultivating Diverse Human Resources

- Active recruitment and utilization of mid-career, overseas and female workers
- Rehiring all who wish to continue to work and promoting senior employee skill utilization
- Expansion of hiring to actualize the skills of the differently-abled people
- Improving education to strengthen global responsiveness
- Strengthening the development of junior technicians on the forefront of manufacturing
- Bolstering training activities for Group company employees
- Encouraging mutual understanding through dialogue and the enhancement of personal capabilities
- 360° research: A program for middle managers
- Basic Data (Use of annual paid holidays, number of employees who resigned of own volition, commitment status of new graduate employees, average annual salary, number of mid-career workers hired and number of employees who took child-care leave are only released on our website)

Building a Better Working Environment

- Supporting balance between child-care/family-care and work in various ways
- Programs that focus on work-life balance
- Nursery operated on the grounds of our Nagasaki Shipyard & Machinery Works
- A Word from an Employee (MHI in-house nursery)
- Efforts for raising awareness of human rights in individual workplaces
- Creating safe and healthy workplaces centered on a basic policy for employee safety and health
- Risk management and training to prevent work-related accidents and injuries
- Maintaining and improving physical and mental health
- Promoting communication between management and employees
- Topics: President's Town Meeting

Forum 35

- Forum 35 makes our job worth doing through employee exchanges at all locations

Contributions to Society

Fulfilling our Policy on Socially Beneficial Activities

- Conducting activities that suit the characteristics of each region based on the MHI policy on socially beneficial activities
- MHI policy for social contribution

Achievements Made Through Socially Beneficial Activities

- Approx. 1.65B yen used for socially beneficial activities
- Robust recovery assistance to areas hit by natural disasters (Major support activities in recent years)

Examples of Socially Beneficial Activities (FY2010)

- Six examples of regional socially beneficial activities
- A Word from a Stakeholder (Council of Social Welfare)
- Six examples of our efforts to nurture the next generation
- Topics: Offering "TABLE FOR TWO" Meals at Yokohama Dockyard & Machinery Works and Nagasaki Shipyard & Machinery Works

Examples of Group Company Activities

- Seven examples

Other matters only posted on the website

•Examples of Representative CSR Activities •CSR Action Plan •Progress Toward a Sustainable Society •Main Third-party Opinions on Past CSR Reports and Our Responses
•Guideline Comparison List

Masayasu Kitagawa

Professor, The Okuma School of Public Management, Waseda University

The past year saw huge changes in the way we think of CSR. First ISO 26000 was issued, then the creation of the International Integrated Reporting Committee was announced, and then companies began building a framework to integrate non-financial information into their financial reports. This movement's aim is to make the entire planet sustainable by elevating CSR to become a means of demonstrating the common values we all share in this global era and striving to enhance not only the economic value of corporations but also their social value. The Great East Japan Earthquake was the grave combination of a powerful tremor, tidal waves and a nuclear accident that together spawned a disaster that made us fundamentally rethink the sustainability of local communities and energy policies, and deeply tarnished the trustworthiness of Japan as a great manufacturing nation. Now is the time for CSR to not only be a part of corporate managerial practices but also to increase the realization of vital national activities with the aim of making the country and its communities sustainable. Japan's reliability must be restored.

The MHI Group's humble report of its support of the recovery effort was well-received, however, I feel that in the wake of this great disaster of national proportions, a more aggressive public announcement could have been made. Such an announcement could have demonstrated the steely resolve of MHI to proactively contribute to the sustainability of Japan and the world. As one of the nation's leading corporations, I expect MHI to issue CSR reports that will propel the sustainability of the whole of Japan.

With every year that passes, the significance of the sociability reports increases at MHI. They include descriptions of CSR activities involving not only company-wide efforts but also collaborations with stakeholders leading to concrete results from the interplay of three main themes in their corporate action plan. These reports demonstrate the full-scale penetration and broadening of CSR activities.

This year's report also includes the efforts of the Accident Exhibit and Materials Room. Displaying accidents involving one's own products for all the world to see and using this information in employee training takes a lot of courage. The Room has become a place to bare the company's soul to employees and I was moved by the sincerity of this particular CSR activity, whose aim is to provide a feeling of unity with employees.

Kumi Fujisawa

Vice President, Think Tank SophiaBank

What is the meaning of the rarely spoken phrase "contributions to society by companies," which is now expressed in the modern term "CSR?" I believe this term is a call to companies to reveal the very essence of their existence. Although CSR is defined in many ways, its concept has been renewed in the wake of the recent disaster here in Japan to mean "companies as creators of society." That disaster reaffirmed the value of earthquake-resistant construction and the strength of our infrastructure on the one hand, and the established presence of those companies who lent their support for a rapid recovery on the other. MHI was one of the companies that sent relief workers to hard-hit areas immediately after the quake and tsunami and worked to recover infrastructure.

This disaster taught us all once again the role of companies in society. Companies exist to make society safer and more secure continually by gaining strength in their respective core competency, enhancing their technological prowess and realizing new creations. The backbone of these activities is the employee, who individually serves as a source of corporate contributions to his or her society regardless of whether he or she thinks of themselves as a creator of that society.

This year's MHI report includes a wealth of information from employees who work on-site and know first-hand the day-to-day operations of their organization. They convey persuasively the responsibility their company has toward society.

In this respect, I would like to see MHI present its significance in society that includes its core competencies, much as they are demonstrating with the development of MHI's Eco-ship, which is a challenge to build a ship that can coexist with all living things on earth in addition to being economically efficient and high in safety. Eco-ships are entirely about social contribution and nothing else. I would like MHI to provide on paper a fresh perspective of the social significance of their varied core competencies as standard procedure.

In addition, I would like to see the NPOs and NGOs, whose activities garnered attention in the aftermath of the recent disaster, continue their collaboration with the citizenry. I want the economic value created by companies as well as their technologies and other knowledge and networks to contribute to the safety and security of communities, including those unprofitable areas where businesses cannot be transplanted, working hand in hand across the globe with citizen-activists who reveal to us every nook and cranny of their society much like the body's capillary vessels.

Acting on Valuable Opinions

Shunichi Miyanaga

Senior Executive Vice President Executive Officer in Charge of CSR

At MHI, based on a creed citing our corporate obligation "to be an innovative partner to society," we contribute to the future of the Earth and all its inhabitants through the provision of products and technologies that support social infrastructure.

Every year our CSR report has presented an introduction to our mission as a manufacturer, but this year, in response to the opinions voiced last year, we have sought to make the report more people-focused and easier to understand. We have done so by incorporating views and expectations toward MHI held by our external stakeholders and more anecdotes about the commitments of our employees who support on-site operations and to whom the responsibility of effecting CSR activities befalls.

This year, Mr. Kitagawa and Ms. Fujisawa honored us with their praise regarding our contributions toward recovery efforts in the wake of the Great East Japan Earthquake through the core competencies of the MHI Group.

While we feel that the CSR activities of the MHI Group have achieved steady progress to date, more remains to be done in our quest to become a leading company that is trusted by society. Going forward, in line with Mr. Kitagawa's advice we will strive to proactively contribute not only to Japan's swift recovery but also to the sustainability of global society. And as suggested by Ms. Fujisawa, we will mull initiatives for collaborating with a more diversified range of stakeholders as a way of contributing toward the resolution of social issues.

Encouraged by the valuable advice we receive, we will continue to fulfill our mission of contributing as a manufacturer to global society long into the future.

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POWER SYSTEMS
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Environmental & Chemical Plant Division
(Yokohama Engineering Center)

Transportation Systems & Advanced Technology Division
(Kobe Shipyard & Machinery Works, Mihara Machinery Works)

Industrial Machinery Business, Technology & Solutions Division
(Hiroshima Machinery Works)

AEROSPACE SYSTEMS
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GENERAL MACHINERY & SPECIAL VEHICLES
Phone: 81-42-761-1101
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AIR-CONDITIONING & REFRIGERATION SYSTEMS
Phone: 81-52-503-9200
(Takasago Machinery Works, Nagoya Air-Conditioning & Refrigeration Machinery Works)

MACHINE TOOL
Phone: 81-77-553-3300
(Ritto Machinery Works, Iwatsuka Plant)

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