(Note) This is a translation of the official Japanese original for reference purposes only. In the event of any discrepancy between this translation and the official Japanese original, the Japanese original shall prevail. Please note that differences between this translation and those in the previous years may not necessarily mean that there have been changes in the official Japanese original, since the translation differences may stem only from a more accurate translation.

[Security Code: 7011]

June 3, 2016

To the Shareholders:

Shunichi Miyanaga, President and CEO
Mitsubishi Heavy Industries, Ltd.
16-5, Konan 2-chome, Minato-ku, Tokyo

NOTICE OF THE 91ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 91st Ordinary General Meeting of Shareholders of Mitsubishi Heavy Industries, Ltd. ("MHI") to be held as described below.

In the event that you are unable to attend, MHI kindly asks that you exercise your voting rights in writing or via the Internet (as explained in the "Procedures for Exercising Voting Rights," on page 3–4).
Please examine the Reference Materials Relating to the Ordinary General Meeting of Shareholders (pages 5–16), and exercise your voting rights by 5:30 p.m. on Wednesday, June 22, 2016 (Japan time).

1. Date and Time: Thursday, June 23, 2016 at 10:00 a.m. (Japan time)

2. Place: Grand Prince Hotel New Takanawa, "Hiten"
13-1, Takanawa 3-chome, Minato-ku, Tokyo

3. Purposes:

To report on the following items:

Item No.1: Business Report, Consolidated Financial Statements for the 2015 fiscal year (from April 1, 2015 to March 31, 2016), and Audit Report on the Consolidated Financial Statements by the Financial Auditors and Audit and Supervisory Committee.

Item No.2: Non-consolidated Financial Statements for the 2015 fiscal year (from April 1, 2015 to March 31, 2016).

To consider and resolve the following proposals:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of 6 Directors (excluding Directors who are serving as Audit and Supervisory Committee Members)

(End)

- Information concerning the following items is not included in the Attachment to this Notice of Ordinary General Meeting of Shareholders, but is posted on MHI's website on the Internet (at the URL shown below) pursuant to the laws of Japan and the Article 16 of MHI's Articles of Incorporation.
  (i) Stock Acquisition Rights of MHI
  (ii) Notes to the Consolidated Financial Statements
  (iii) Notes to the Non-consolidated Financial Statements
- Should there be a need to amend the Reference Materials Relating to the Ordinary General Meeting of Shareholders, or the Business Report, the Consolidated and the Non-consolidated Financial Statements, the amended material will be posted on MHI's website on the Internet (at the URL shown below).

Website of MHI: http://www.mhi.co.jp/finance/stock/meeting/index.html

PROCEDURES FOR EXERCISING VOTING RIGHTS

You are kindly requested to exercise your voting right by either of the following methods.

Attend the Shareholders' Meetings

Please present the voting card enclosed with this notice to the reception desk on the day of the General Meeting of Shareholders.

Date and Time: Thursday, June 23, 2016 at 10:00 a.m.
(The reception desk will open at 9:00 a.m.) (Japan time)

Place: Grand Prince Hotel New Takanawa, "Hiten" 13-1, Takanawa 3-chome, Minato-ku, Tokyo

- If you exercise your voting right by proxy, the proxy shall be limited to one other shareholder who has the voting right. In this case, in addition to the voting card for exercising voting rights as proxy and the letter of attorney, the proxy should submit the proxy's own voting card.
- If you attend the General Meeting of Shareholders, we kindly ask you to bring this notice as reference documents describing the planned proceedings.

Exercise of Voting Rights in Writing

Please examine the following Reference Materials Relating to the Ordinary General Meeting of Shareholders (pages 5–16) and indicate whether you are for or against each proposal on the enclosed voting card and post it without affixing a postage stamp.

Exercise due date: No later than 5:30 p.m., on Wednesday, June 22, 2016 (Japan time)

Guidance for filling in the voting card

Proposal No. 1:

- When you are for the proposal, mark ○ in the "agree" box.
- When you are against the proposal, mark ○ in the "against" box.

Proposal No. 2:

- When you are for all of the proposed persons in the proposal, mark ○ in the "agree" box.
- When you are against all of the proposed persons in the proposal, mark ○ in the "against" box.
- If you are against certain candidates, mark ○ in the "agree" box, and also write the candidate number for each candidate you are against inside the parentheses on the right side of the "agree" box (a consecutively ordered number has been given to each candidate in the Reference Materials Relating to the General Meeting of Shareholders).

If neither the "agree" nor "against" box on the voting card is checked, it will be deemed to be a vote to "agree" to the proposal.

Exercise of Voting Rights via the Internet

Please examine the following Reference Materials Relating to the Ordinary General Meeting of Shareholders (pages 5–16) and indicate whether you are for or against each proposal by accessing the site "Procedures for Shareholders' Meetings" (http://www.evote.jp/). For details, please refer to the "Instructions for Exercise of the Voting Right via the Internet" on the following page.

Exercise due date: No later than 5:30 p.m., on Wednesday, June 22, 2016 (Japan time)

Handling of the Duplicated Exercises of Voting Rights for the Same Proposal

- If the voting right is exercised multiple times both in writing and via the Internet, the exercise of the voting right via the Internet will be deemed effective.
- If the voting right is exercised multiple times other than as described above, the last exercise of the voting right will be deemed effective.

Instructions for Exercise of the Voting Right via the Internet

1. Access to the Website to Exercise of Voting Rights

Please indicate whether you are for or against each proposal by accessing the site "Procedures for Shareholders' Meetings" (http://www.evote.jp/) using a computer, a smartphone or a mobile phone in accordance with instructions on the screen.

(Please note that the website will be unavailable every day from 2:00 a.m. to 5:00 a.m. Japan time)

2. Notes regarding the Exercise of the Voting Right via the Internet

(1) When voting by a computer, please read the site's "Terms of Use" and "Usage Guide." When voting by a smart phone, please read the site's "Terms of Use" and "Usage Guide." When voting by a mobile phone, please read the "Usage Guide."

(2) When voting by a mobile phone, please use a handset capable of TLS encrypted communication and mobile phone data transmission.

(3) The login ID and temporary password stated on the voting card (or the password registered by the shareholder) are required to exercise your voting rights.

(4) Shareholders will be responsible for the Internet connection charges and the communication charges, etc. arising from accessing the site "Procedures for Shareholders' Meetings."

(5) Please contact the following if you have questions about the site "Procedures for Shareholders' Meetings":

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk) Telephone: 0120-173-027 (toll free) Service Hours: 9:00 – 21:00 (Japan time)

Shareholders participating in the "Electronic Proxy Voting Platform" managed by ICJ, Inc. may place their votes through this platform.

REFERENCE MATERIALS
RELATING TO THE GENERAL MEETING OF SHAREHOLDERS

PROPOSALS AND REFERENTIAL INFORMATION:

Proposal No.1: Appropriation of Surplus

In its "2015 Medium-Term Business Plan," MHI targets attainment by the end of fiscal year 2017 a ROE above 10% and an increase in equity capital to ¥2 trillion. During this period, initially our basic policy will be implementing returns to shareholders with a consolidated dividend payout ratio of around 30% while always considering a balance between "investing in future business" and "strengthening of equity capital."

Based on this policy, taking full account of business results for the term under review and our financial condition, including appropriateness and sufficiency of equity capital, the year-end dividend defined in Article 43 of the Articles of Incorporation was ¥6 per share. Combined with the interim dividend of ¥6 per share paid in December 2015, the total annual dividend will be ¥12 per share, an increase of ¥1 over that of the previous fiscal year (FY2014).

In addition, MHI will reverse its general reserves in order to ensure agility in capital policy.

1. Matters concerning year-end dividend
   (1) Kind of Dividend Property
   Cash

   (2) Dividend Allocation and Total Amount of Dividends
   Dividend allocation: ¥6 per share of MHI's common stock
   Total amount of dividends: ¥20,181,860,352

   (3) Effective Date of Dividend Allocation
   June 24, 2016

2. Matters concerning the other appropriation of surplus
   (1) Item and amount of surpluses to be reduced
   General reserves: ¥50,000,000,000
   (2) Item and amount of surplus to be increased
   Earned surplus brought forward: ¥50,000,000,000

Proposal No.2: Election of 6 Directors (excluding Directors who are serving as Audit and Supervisory Committee Members)

Atsushi Maekawa, a Director who was not serving as an Audit and Supervisory Committee Member, resigned his Director office on February 29, 2016, and the terms of the other 8 current Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. MHI proposes to elect 6 Directors (excluding Directors who are serving as Audit and Supervisory Committee Members), lowering the number of Directors who will execute the operations of the Company by two members to further separate supervisory and business execution functions, and to enhance the supervisory function in management.

Candidates for Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) are as follows.

No.	Name		Position and Responsibility in MHI	The Number of Attendance at the Board of Directors Meetings (FY2015)	The Number of Years in Office as Director (as of the conclusion of the General Meeting of Shareholders)
1	Hideaki Omiya	Re-election	Chairman of the Board	13 out of 14 times	14 years
2	Shunichi Miyanaga	Re-election	*President and CEO (Member of the Board)	14 out of 14 times	8 years
3	Masanori Koguchi	Re-election	*Director (Member of the Board), Executive Vice President, CFO, Head of Business Strategy Office	10 out of 10 times	1 year
4	Michisuke Nayama	Newly nominated	(Newly nominated)	–	–
5	Naoyuki Shinohara	Re-election Outside Independent	Outside Director (Member of the Board)	10 out of 10 times	1 year
6	Ken Kobayashi	Newly nominated Outside Independent	(Newly nominated)	–	–

(Notes)

1. An asterisk mark (*) indicates a Representative Director.
2. As Mr. Masanori Koguchi and Mr. Naoyuki Shinohara took their offices as of June 26, 2015 (on the date of the 90th Ordinary General Meeting of Shareholders), the number of attendance at the Board of Directors meetings for the year which they could attend is different from that of the other candidates for the position of a Director.

■ Policy and Procedures for Nominating Candidates for Directors

As a company that provides the infrastructure that forms the foundation of society, MHI will work toward separating management oversight and execution in order to pursue the realization of supervision with a high degree of soundness and transparency, which includes an external point of view, and to improve the efficiency and flexibility of business execution, which will promote sustained growth and improved corporate value in the medium- and long-term.

To realize this, it will be MHI's policy to nominate as candidates to be Directors of the individuals from MHI who are active in the core of the MHI's management, who have extensive experience in executing MHI's business, and who see things from the perspective of a senior manager; and in addition, to invite more than one individual as candidates for the role of Outside Directors to perform supervision from an objective standpoint while giving consideration to external stakeholders.

When selecting Director candidates, the President & CEO will prepare a proposed list of candidates based on the above policy, and will discuss such proposed list with the Outside Directors at a meeting (or meetings) constituted solely by the Outside Directors and the President & CEO (hereinafter, the "Nomination and Remuneration Meeting(s)"). The Board of Directors will select the final Director candidates from the proposed candidates resulting from the Nomination and Remuneration Meeting(s).

1	**Hideaki Omiya** (July 25, 1946: 69 years old) [Re-election]

Position and Responsibility in MHI

Chairman of the Board

Number of MHI Shares Owned

166,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

14 years

The number of attendance at the Board of Directors meetings in FY2015

13 out of 14 times

Employment History

June 1969	Joined Mitsubishi Heavy Industries, Ltd.
June 1999	Deputy Head of Nagoya Aerospace Systems Works
April 2001	General Manager of Industrial Machinery Division
April 2002	Deputy Head of Air-Conditioning & Refrigeration Systems Headquarters
June 2002	Director (Member of the Board), Deputy Head of Air-Conditioning & Refrigeration Systems Headquarters
April 2003	Director (Member of the Board), Head of Air-Conditioning & Refrigeration Systems Headquarters
June 2005	*Director (Member of the Board), Executive Vice President, Head of Air-Conditioning & Refrigeration Systems Headquarters
April 2007	*Director (Member of the Board), Senior Executive Vice President
April 2008	*President and CEO (Member of the Board)
April 2013	*Chairman of the Board
June 2014	Chairman of the Board (Present position)

(Note) An asterisk mark (*) indicates a Representative Director.

Important concurrent positions

Director, Seiko Epson Corporation

Reason for the nomination as a candidate for Director

Mr. Hideaki Omiya is being re-nominated for the position of a Director because he has extensive experience in operations of Aerospace Systems and Air-Conditioning & Refrigeration Systems, and moreover, because he has demonstrated superior management skills by promoting management reform, such as the enhancement of MHI's business operations structure, as President and CEO (Member of the Board) from April 2008 through March 2013. From April 2013, he has been serving as a Chairman of the Board and conducting Company's management oversight as a Chairman of Meetings of the Board of Directors. Based on this knowledge and track record, MHI has determined that he will contribute to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term through participation in MHI's management decision-making, playing a leading role in management oversight.

Special interest between the candidate and the MHI

There is no special interest between Mr. Hideaki Omiya and MHI.

2	**Shunichi Miyanaga** (April 27, 1948: 68 years old) [Re-election]

Position and Responsibility in MHI

*President and CEO (Member of the Board)

Number of MHI Shares Owned

157,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

8 years

The number of attendance at the Board of Directors meetings in FY2015

14 out of 14 times

Employment History

April 1972	Joined Mitsubishi Heavy Industries, Ltd.
April 2006	Senior Vice President, Deputy Head of Machinery Headquarters
May 2006	Senior Vice President, Deputy Head of Machinery & Steel Structures Headquarters
April 2008	Executive Vice President, Head of Machinery & Steel Structures Headquarters
June 2008	*Director (Member of the Board), Executive Vice President, Head of Machinery & Steel Structures Headquarters
April 2011	*Director (Member of the Board), Senior Executive Vice President, Head of the Presidential Administration Office
April 2013	*President and CEO (Member of the Board)
April 2014	*President and CEO (Member of the Board) (Present position)

(Note) An asterisk mark (*) indicates a Representative Director.

Important concurrent positions

Director, Mitsubishi Motors Corporation

Reason for the nomination as a candidate for Director

Mr. Shunichi Miyanaga is being re-nominated for the position of a Director because he has extensive experience in operations of Machinery & Steel Structures, and moreover, from April 2013, he has been serving as a President and CEO, demonstrating superior management skills by promoting the management reform such as the shift to a domain business structure. He currently serves as a Chief Executive Officer (CEO) in charge of the work execution system of MHI. Based on these reasons, MHI has determined that he will contribute to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term through participation in MHI's management decision-making, providing management direction.

Special interest between the candidate and MHI

There is no special interest between Mr. Shunichi Miyanaga and MHI.

3	**Masanori Koguchi** (July 12, 1955: 60 years old) [Re-election]

Position and Responsibility in MHI

*Director (Member of the Board), Executive Vice President, CFO, Head of Business Strategy Office

Number of MHI Shares Owned

13,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

1 year

The number of attendance at the Board of Directors meetings in FY2015

10 out of 10 times

Employment History

April 1978	Joined Mitsubishi Heavy Industries, Ltd.
April 2013	Senior General Manager, Accounting Division
January 2014	Senior General Manager, Corporate Planning Department of the Presidential Administration Office
April 2014	Senior Vice President, Head of Business Strategy Office
June 2015	*Director (Member of the Board), Executive Vice President, CFO, Head of Business Strategy Office (Present position)

(Note) An asterisk mark (*) indicates a Representative Director.

Important concurrent positions

None

Reason for the nomination as a candidate for Director

Mr. Masanori Koguchi is being re-nominated for the position of a Director because he has extensive experience in operations of business strategy, accounting and finance, and as a result, is making a substantial contribution to reform the methods of business management, etc. through reinforcement of financial base of the MHI and implementation of the strategic business evaluation system. He has been serving as CFO from June 2015, and promoting financing activities that respond to economic conditions and the business environment. Based on these reasons, MHI has determined that he will contribute to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term through participation in MHI's management decision-making, providing expertise in the finances of MHI.

Special interest between the candidate and MHI

There is no special interest between Mr. Masanori Koguchi and MHI.

4	**Michisuke Nayama** (January, 11 1955: 61 years old) [Newly nominated]

Position and Responsibility in MHI

(Newly nominated)

Number of MHI Shares Owned

15,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

–

The number of attendance at the Board of Directors meetings in FY2015

–

Employment History

April 1979	Joined Mitsubishi Heavy Industries, Ltd.
April 2013	Senior Vice President, Deputy Head of Technology & Innovation Headquarters
April 2014	Senior Vice President, Head of Global Business Planning & Operations Headquarters
April 2015	Executive Vice President, CTO, Head of Technology & Innovation Headquarters, Head of Global Business Planning & Operations Headquarters
October 2015	Executive Vice President, Domain CEO, President and CEO, Energy & Environment, CTO
April 2016	Executive Vice President, CTO, Domain CEO, President and CEO, Energy & Environment, Head of Value Chain Headquarters (Present position)

Important concurrent positions

None

Reason for the nomination as a candidate for Director

Mr. Michisuke Nayama is being nominated for the position of a Director because he has extensive experience in operations of research and development, and therefore, is able to make a substantial contribution to achieve higher efficiency and greater sophistication in technological development, etc. through unification and globalization of research and development departments. He has been serving as CTO from April 2015, and has promoted research and development activities that respond to the business environment. Based on these reasons, MHI has determined that he will contribute to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term through participation in MHI's management decision-making, providing expertise in technologies of MHI.

Special interest between the candidate and MHI

There is no special interest between Mr. Michisuke Nayama and MHI.

5	**Naoyuki Shinohara** (February 8, 1953: 63 years old) [Re-election] [Outside] [Independent]

Position and Responsibility in MHI

Outside Director

Number of MHI Shares Owned

3,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

1 year

The number of attendance at the Board of Directors meetings in FY2015

10 out of 10 times

Employment History

April 1975	Joined Ministry of Finance
July 2006	Director-General of the International Bureau, Ministry of Finance
July 2007	Vice Minister of Finance for International Affairs, Ministry of Finance
July 2009	Special Advisor to the Minister of Finance
February 2010	Special Advisor to the International Monetary Fund (IMF)
March 2010	Deputy Managing Director, the International Monetary Fund (IMF) (until February 2015)
June 2015	Director (Member of the Board), Mitsubishi Heavy Industries, Ltd. (Present position)
July 2015	Professor, Policy Alternatives Research Institute, The University of Tokyo (Present position)

Important concurrent positions

Professor, Policy Alternatives Research Institute, The University of Tokyo
Statutory Auditor, Media Kobo, Inc.

Reason for the nomination as a candidate for Outside Director

Mr. Naoyuki Shinohara is being re-nominated for the position of an Outside Director because he has wide range of insights related to financial policy gained as a regulator and a global perspective gained as an International Institution Executive when he served as Vice Minister of Finance for International Affairs and Deputy Managing Director of the International Monetary Fund (IMF), even though he has not been directly involved in corporate management, except for acting as an Outside Director or Outside Statutory Auditor. Based on these reasons, MHI has determined that he will contribute to the improvement of the soundness and transparency of MHI's management decision-making through providing insightful views and frank assessments to MHI's management as an Outside Director, thereby contributing to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term.

Special interest between the candidate and MHI

There is no special interest between Mr. Naoyuki Shinohara and MHI.

Matters concerning the independence of Outside Director

Since Mr. Naoyuki Shinohara meets the "Independence Criteria for Outside Directors" (stated on page 14) provided by MHI, MHI judges him to be independent from its management. Accordingly, MHI has notified the Tokyo Stock Exchange, Inc. and other listed financial instruments exchanges in Japan that he is an independent Director. Although MHI has a trading relationship with and donated to The University of Tokyo, where Mr. Naoyuki Shinohara serves as a professor, the amount of trading and donation does not exceed the base amount stipulated in "Independence Criteria for Outside Directors," and therefore MHI judges that it will not affect his independence.

6	**Ken Kobayashi** (February 14, 1949: 67 years old) [Newly nominated] [Outside] [Independent]

Position and Responsibility in MHI

(Newly nominated)

Number of MHI Shares Owned

5,000

The number of years in office as Director
(as of the conclusion of this General Meeting of Shareholders)

–

The number of attendance at the Board of Directors meetings in FY2015

–

Employment History

July 1971	Joined Mitsubishi Corporation
June 2007	Member of the Board, Executive Vice President, Mitsubishi Corporation
June 2008	Executive Vice President, Mitsubishi Corporation
April 2010	Senior Executive Vice President, Mitsubishi Corporation
June 2010	Member of the Board, President and CEO, Mitsubishi Corporation
April 2016	Chairman of the Board, Mitsubishi Corporation (Present Position)

Important concurrent positions

Chairman of the Board, Mitsubishi Corporation
Director, NISSIN FOODS HOLDINGS CO., LTD.

Reason for the nomination as a candidate for Outside Director

Mr. Ken Kobayashi is being nominated for the position of an Outside Director because he has extensive knowledge and experience as top executive who can perform well in global markets and because of his expertise in various fields, having served as a Member of the Board, President and CEO, and Chairman of the Board of Mitsubishi Corporation. Based on these reasons, MHI has determined that he will contribute to the improvement of the soundness and transparency of the MHI's management decision-making through providing insightful views and frank assessments to MHI's management as an Outside Director, thereby contributing to the sustained growth of MHI and improvement of its corporate value in the medium- and long-term.

Special interest between the candidate and MHI

There is no special interest between Mr. Ken Kobayashi and MHI.

Matters concerning the independence of Outside Director

Since Mr. Ken Kobayashi meets the "Independence Criteria for Outside Directors" (stated on page 14) provided by MHI, MHI judges him to independent from its management. Accordingly, MHI will notify the Tokyo Stock Exchange, Inc. and other listed financial instruments exchanges in Japan that he is an independent Director. Although MHI has a trading relationship with Mitsubishi Corporation, where Mr. Ken Kobayashi serves as a Chairman of the Board, the amount of trading does not exceed the base amount stipulated in "Independence Criteria for Outside Directors," and therefore MHI judges that it will not affect his independence.

(Notes)

1. Mr. Naoyuki Shinohara and Mr. Ken Kobayashi are the candidates for Outside Directors as defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. MHI has submitted notifications, specifying Mr. Naoyuki Shinohara, as independent Director, to Tokyo Stock Exchange, Inc. and other listed financial instruments exchanges in Japan. In addition, MHI will submit a notification, specifying Mr. Ken Kobayashi as an independent Director, to Tokyo

Stock Exchange, Inc. and other listed financial instruments exchanges in Japan.

3. The outline of a Liability Limitation Agreement is as follows:

(1) MHI has entered into a Liability Limitation Agreement with Mr. Naoyuki Shinohara, which provides a limitation on his liabilities to compensate for damages under Article 423, Paragraph 1 of the Companies Act, the amount of which is the higher of ¥10 million or the minimum liability amount defined in Article 425, Paragraph 1of the Companies Act. Should Mr. Naoyuki Shinohara be elected, MHI is bound to continue the abovementioned Agreement with him.

(2) Should Mr. Ken Kobayashi be elected, MHI is bound to enter into a Liability Limitation Agreement with him, which provides a limitation on his liabilities to compensate for damages under Article 423, Paragraph 1 of the Companies Act, the amount of which will be the higher of ¥10 million or the minimum liability amount defined in Article 425, Paragraph 1 of the Companies Act.

■Independence Criteria for Outside Directors

Anyone who meets any of the following criteria, in addition to the independence criteria prescribed by the Tokyo Stock Exchange, Inc. and other listed financial instruments exchanges in Japan, shall not be deemed to be independent by MHI.

1. A person who is currently:

(i) A major shareholder of MHI (i.e., a shareholder who holds 10% or more of voting rights), or any Executive of such shareholder;

(ii) A counterparty with whom MHI transacts in cases when MHI's transaction amount with said counterparty in the last business year exceeded 2% of MHI's annual consolidated gross sales in amount, or any Executive of said counterparty;

(iii) A counterparty that transacts with MHI in cases when said counterparty's transaction amount with MHI in the last business year exceeded 2% of said counterparty's annual consolidated gross sales in amount, or any Executive of said counterparty;

(iv) A financial institution or any large creditor on which MHI is dependent to the extent that it is indispensable for MHI's financing and is not substitutable, or any Executive of said financial institution or large creditor;

(v) A certified public accountant or employee, partner or staff of an audit corporation serving as the Financial Auditor of MHI (excluding staff serving as an assistant);

(vi) Any Executive of an organization that received a donation or subsidy from MHI exceeding ¥10 million or 30% of said organization's average annual total expenses in the last business year, whichever is higher;

(vii) An attorney, certified public accountant, certified tax accountant or any other consultant who received ¥10 million or more in the form of money or other financial benefits on average in the past three business years from MHI, other than remuneration as a MHI officer; or

(viii) Anyone who belongs to a law firm, audit corporation, tax accountant corporation, consulting firm or any other expert advisory firm that received payments accounting for 2% or more of its annual consolidated gross sales on average in the past three business years from MHI (excluding staff serving as an assistant).

2. A person who corresponded to any of the items from (i) to (vi) above at any point in time over the past three years.

3. A person who served as an Outside Director of MHI for more than 8 years in total.

■ Opinions of the Audit and Supervisory Committee

In regard to the election, remuneration, etc. of the Directors (excluding Directors who are serving as Audit and Supervisory Committee Members), all three Outside Directors who are serving as Audit and Supervisory Committee Members attended the Nomination and Remuneration Meeting(s) and provided their respective opinions, and the Full-time Audit and Supervisory Committee Members confirmed, such matters as the approach to remuneration structure and the specific computation method of remuneration, as well as the basic framework and approach relating to the Board of Directors of MHI and the policy for electing the candidates for the Board of Directors and made reports and participated in mutual discussions at the Meeting of the Audit and Supervisory Committee.

Accordingly, the Audit and Supervisory Committee has determined that there are no special matters or opinions that need to be stated at the General Meeting of Shareholders with regard to the election or remuneration, etc. of Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) based on the provisions of the Companies Act.

■ **Structure of the Board of Directors after the election**

If this proposal is approved as submitted, the Board of Directors is scheduled to be comprised of the following

Name	Position and responsibility in MHI	Representative Director	Audit and Supervisory Committee Member	Outside Director	Independent Director	Newly nominated Director
Hideaki Omiya	Chairman of the Board					
Shunichi Miyanaga	President and CEO (Member of Board)	○				
Masanori Koguchi	Director (Member of Board) , Executive Vice President, CFO, Head of Business Strategy Office	○				
Michisuke Nayama	Director(Member of the Board), Executive Vice President, CTO, Domain CEO, President and CEO, Energy & Environment, Head of Value Chain Headquarters					○
Naoyuki Shinohara	Outside Director (Member of the Board)			○	○	
Ken Kobayashi	Outside Director (Member of the Board)			○	○	○
Eiji Isu	Director (Member of the Board) Full-time Audit and Supervisory Committee Member		○			
Tatsuhiko Nojima	Director (Member of the Board) Full-time Audit and Supervisory Committee Member		○			
Nobuo Kuroyanagi	Director (Member of the Board) Audit and Supervisory Committee Member		○	○	○	
Christina Ahmadjian	Director (Member of the Board) Audit and Supervisory Committee Member		○	○	○	
Shinichiro Ito	Director (Member of the Board) Audit and Supervisory Committee Member		○	○	○	

(End)

ATTACHMENT TO THE NOTICE OF THE 91ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

BUSINESS REPORT FOR THE 2015 FISCAL YEAR (April 1, 2015 to March 31, 2016)

OVERVIEW OF MITSUBISHI HEAVY INDUSTRIES, LTD. (MHI) GROUP

1 REVIEW AND THE RESULTS OF BUSINESS ACTIVITIES

OVERVIEW

The global economy in FY2015 as a whole maintained modest growth, although uncertainty increased later in the year due to, among other reasons, the slowdown in the Chinese economy and the weakness in the economies of resource-rich countries caused by the fall in crude oil prices. The Japanese economy remained weak, being marked particularly by slow growth in personal consumption, although capital investment increased as corporate earnings improved.

■ Orders, Sales and Profits/Losses

In this operating environment, MHI recorded an increase in orders for Energy & Environment and other segments, while recording a decrease in orders for Commercial Aviation & Transportation Systems, which received a large number of orders in FY2014. As a result, the total value of consolidated orders received in FY2015 decreased 4.5% from FY2014 to ¥ 4,485.5 billion.

Overall, consolidated net sales increased 1.4% from FY2014 to ¥4,046.8 billion due to favorable growth in sales for Machinery, Equipment & Infrastructure, although there was a decrease in sales for Energy & Environment.

Operating income increased by ¥13.3 billion from FY2014 to ¥309.5 billion, driven by a significant increase in operating income for Commercial Aviation & Transportation Systems, although operating income decreased for Energy & Environment and Machinery, Equipment & Infrastructure and other segments. Ordinary income decreased by ¥2.2 billion from FY2014 to ¥272.5 billion due to, among other reasons, the recognition of a foreign exchange loss as a non-operating expense.

MHI recognized, among others, an extraordinary gain for sales of fixed assets, but also recognized, among others, an extraordinary loss for a cruise ship business reserve and an extraordinary loss for business structure improvement expenses. Profit attributable to owners of parent was down ¥46.5 billion from FY2014 to ¥63.8 billion due to the factors explained above.

■ MHI Group Initiatives in FY2015

FY2015 marked the first year of the “2015 Medium-Term Business Plan.” Under this plan, MHI has been vigorously pushing ahead with various measures to realize the corporate vision that the MHI Group aspires to be based on the following three key

initiatives.

The Corporate Vision We Aspire To

A global group with the vision to mold an innovative and agile organization that leverages our dedication to technological advancement and engineering excellence in order to deliver solid growth amid constant changes and make a lasting difference in the communities we serve.

Key Initiatives

1. Expand business scale: Enhance global competitiveness through accelerated business expansion to achieve scale exceeding ¥5 trillion
2. Strengthen finances and profitability: Further bolster financial strength and pursue high profitability
3. Evolve global group structure: Promote global-standard corporate governance and management processes

- **Expand Business Scale:** Enhance global competitiveness through accelerated business expansion to achieve scale exceeding ¥5 trillion

Amid the increasing competition with global corporate giants, MHI implemented various measures including those described below in FY2015 in order to achieve a business scale exceeding ¥5 trillion by FY2017, which is the final year of the "2015 Medium-Term Business Plan."

Energy & Environment: In the oil & gas-related business, MHI pushed ahead with measures to offer one-stop solutions to customers to meet their needs using various products and technologies that the MHI Group has. In the chemical plant business, MHI won a contract for a large-scale fertilizer plant in Uzbekistan. MHI also accelerated PMI* at Mitsubishi Hitachi Power Systems, Ltd. to promote enhanced competitiveness by restructuring its organization and business locations, including group companies.

Commercial Aviation & Transportation Systems: In the transportation systems business, MHI secured an order for a project to construct the Thailand Red Line, following the Doha Metro project in Qatar in FY2014. In the commercial aircraft business, MHI vigorously promoted the development of the MRJ regional jet, which led to the success of its first test flight in November 2015.

Machinery, Equipment & Infrastructure: In the forklift trucks and logistics equipment business, Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. started its operation in March 2016 and, together with Mitsubishi Nichiyu Forklift Co., Ltd., acquired shares of UniCarriers Holdings Corporation in order to expand and strengthen its global position by being able to offer a full line-up of products in response to customer needs and through supplementing its distribution network. In

addition to its forklift trucks and logistics equipment business, MHI's engine and turbocharger businesses will also be consolidated into Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.

In October 2015, MHI newly established and appointed the Chief Regional Officer, Europe, Middle East and Africa to vigorously pursue development of new markets.

* Post Merger Integration activities

- **Strengthening Finances and Profitability:** Further bolster financial strength and pursue high profitability

Aiming to achieve consolidation and optimization of production bases for each product category, MHI and Mitsubishi Hitachi Power Systems, Ltd. implemented the plant restructuring of the thermal power generation systems and other businesses in the Yokohama Kanazawa Area and Nagasaki Area. MHI also integrated eight domestic MHI Group companies that are handling businesses related to facility & property management, construction and real estate to establish an organization to support the core businesses of the MHI Group more efficiently.

Furthermore, while working to reduce inventories with a view toward optimizing the balance sheet, MHI established a new basic policy for assets held by the MHI Group such as land and securities holdings and implemented a new asset management policy including effective utilization of assets and liquidation of non-core assets.

- **Evolve Global Group Structure:** Promote global-standard corporate governance and management processes

As part of efforts to establish a corporate governance system that is appropriate for a global enterprise, MHI has shifted to a Company with Audit and Supervisory Committee on June 2015, to enhance the supervisory functions of the Board of Directors centered on Outside Directors and Audit and Supervisory Committee and accelerate decision making and business execution. In addition, MHI formulated the "Corporate Governance Guidelines of MHI" in August 2015 with the aim to contribute to MHI's sustainable growth and increase in medium- to long-term corporate value by establishing a basic framework and approach to MHI's corporate governance.

Furthermore, as one of the measures to strengthen global expansion and group management, MHI continued to work on the preparation of shared platforms (Global Platforms) for the entire MHI Group including overseas group companies and increased sophistication of the support and administrative operations for each of the Domains.

(2) REVIEW OF BUSINESS SEGMENTS

Energy & Environment

In thermal power generation plants, MHI received orders for "J-series gas turbines," which achieve the world's highest level of thermal efficiency operation, in South Korea and Mexico. MHI also received orders for facilities for use in ultra-supercritical-pressure thermal power plants in the Philippines and South Korea. As for chemical plants, as a result of efforts to facilitate orders focusing on the CIS and North and Central America regions, which MHI views as strategic regions, MHI received orders for a fertilizer plant in Uzbekistan and a methanol/dimethyl ether plant in Trinidad and Tobago. As a result, the total value of consolidated orders received increased from FY2014 to ¥2,005.0 billion.

Consolidated net sales decreased from FY2014 to ¥1,542.7 billion, due to a decrease in sales of thermal power generation systems, etc. Operating income also decreased from FY2014 to ¥154.6 billion, despite the improvement in profit for the services business in thermal power generation systems, mainly due to a decrease in net sales and the expenses related to the Himeji No. 2 Power Station of the Kansai Electric Power Company, Incorporated.

Main Businesses
Thermal power generation systems (GTCC[*1], conventional[*2]), nuclear energy systems (light water reactors/nuclear fuel cycle & advanced solutions), chemical plants, environmental plants, marine machinery & engines, wind power generation systems *1 Gas Turbine Combined Cycle *2 Conventional (Boiler & Turbine) Power Plants

Commercial Aviation & Transportation Systems

Orders increased for LNG and LPG carriers on the back of the shale gas revolution in the United States and for the commercial aircraft business, such as B787 wing boxes, etc. In the transportation systems business, in which demand for railway construction is robust particularly in Southeast Asia and the Middle East, MHI received an order for the Thailand Red Line Construction Project. However, the total value of consolidated orders decreased from FY2014 (during which MHI won major deals in transportation systems and the MRJ regional jet) to ¥607.1 billion.

Consolidated net sales increased from FY2014 to ¥548.5 billion due to increase in sales of commercial aircraft business, and operating income increased from FY2014 to ¥54.5 billion, due to an increase in sales and other factors, as well as the effect of the weaker yen.

Main Businesses
Shipbuilding, land transportation systems, commercial airplanes, commercial aircraft engines

Integrated Defense & Space Systems

In the space systems-related business, MHI actively solicited orders for H-II A launch services by leveraging a worldwide best-in-class success rate of launches as its strength. As a result, MHI received an order for H-II A launch services from a space agency in UAE for launching a Mars mission spacecraft. Orders also increased in the defense-related business for items such as defense aircraft. As a result of the above, the total value of consolidated orders increased from FY2014 to ¥447.7 billion.

Consolidated net sales remained flat from FY2014 at ¥485.0 billion, although sales in the space systems-related business decreased due to the decrease in the number of H-II A/B launches from five in FY2014 to three in FY2015, and, sales in the defense-related business increased, particularly for naval ships. Operating income decreased from FY2014 to ¥25.7 billion, due to a decrease in sales in the space systems-related business, and other factors.

Main Businesses
Naval ships, defense aircraft, missile systems, maritime systems (torpedo), space systems, special vehicles

Machinery, Equipment & Infrastructure

Orders increased for metals machinery following the business integration with Siemens AG (Germany) in FY2014. The scale of business also increased for turbochargers, air-conditioning & refrigeration systems and forklift trucks and logistics equipment. As a result, the total value of consolidated orders increased from FY2014 to ¥1,392.5 billion supported also by additional factors such as the strengthening of business in the areas of mechatronics and intelligent transport systems (ITS) and the receipt of an order for a major refurbishment work for waste to energy system.

Consolidated net sales increased from FY2014 to ¥1,432.3 billion driven by, among others, the effect of the integration of the metals machinery business. However, operating income decreased from FY2014 to ¥80.0 billion despite the increase in net sales achieved through business integration, due to the factors such as a decrease in net sales from compressors and mechanical turbines, which had delivered high profit in FY2014, decreased and a decline in the profitability of metals machinery, which was in the process of PMI.

Main Businesses
Metals machinery, compressors and mechanical turbines, waste to energy systems, paper converting machinery, mechatronics systems, ITS*, forklift trucks and logistics equipment, engines, turbochargers, air-conditioning & refrigeration-systems, car air-conditioning & refrigeration systems, machine tools * Intelligent Transport Systems

Others

The total value of consolidated orders received, consolidated net sales, and operating income increased from FY2014 to ¥162.8 billion, ¥177.3 billion, and ¥12.6 billion, respectively.

Main Businesses
Construction, real estate, information services, etc.

(Note)
Starting from FY2015, certain businesses are reclassified from “Others” to “Machinery, Equipment & Infrastructure.” Consequently, the figures for FY2014 have been restated based on the new segment categories.

2 KEY ISSUES FOR THE MHI GROUP

■ MHI Strategies

It is essential for the MHI Group to increase its competitiveness in the global market in order to achieve sustainable growth, as competition with domestic and foreign corporate giants continues to increase. Therefore, it is an imperative task to launch new superior products, increase added value that we offer by the effective application of IoT/AI[*1], and expand new business domains. The MHI Group also needs to further strengthen its financial base to be able to handle large-scale projects such as those in the MRJ business and nuclear power businesses overseas in the future.
Amid such relentless changes and tough competition, MHI will reinforce the measures set forth in the "2015 Medium-Term Business Plan" to expand the scale of each business and strengthen the earning capacity, while promoting additional measures in the areas of financial base, risk resilience capability and common technological base.

*1 "Internet of Things"/Artificial Intelligence concepts

- Earning Capacity

By characterizing the three core subsidiary companies of the MHI Group -- Mitsubishi Hitachi Power Systems, Ltd., Primetals Technologies, Limited and Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd. -- as "Independently Managed Joint Ventures," the MHI Group will promote swift and autonomous management based on the business characteristics of each of these companies, aiming to strengthen competitiveness and earning capacity. While accelerating PMI for these three companies, the MHI Group will also work on a personnel shift to a service business, etc. as well as accelerated restructuring of organization and business locations and the integration of redundant departments.
The MHI Group will also continue in the restructuring of its business portfolio based on strategic evaluations, which the MHI Group has been working on for some time, thereby further accelerating the selection and concentration of existing SBUs[*2] and promoting diverse resource allocation. Meanwhile, the MHI Group will also continue to proceed with improvements in its corporate sector, which performs, supporting functions for the MHI Group, concentrating on high value-added operations and the review/efficiency improvements (including outsourcing) of routine operations.

*2 Strategic Business Unit: A business unit used in the strategic business evaluation system

- Financial Base

In addition to strengthening earning capacity, the MHI Group will strengthen cash generation capability, which will be necessary for the establishment of a strong financial base. To this end, the MHI Group will introduce a cash conversion cycle analysis as a new evaluation metric to vigorously promote the achievement of the target cycle period by each SBU. More specifically, the MHI Group will promote fundamental measures, including the review of the supply chain, business processes and plant management to accelerate the reduction in operating capital.
The MHI Group will also push further ahead in the selection of which assets to continue to hold, and in the consolidation of dispersed assets, etc., thereby making

continued efforts to maximize the value of assets through asset management.

- Risk Resilience Capability

MHI recognized a large amount of extraordinary loss in relation to a large cruise ship construction project, for which MHI delivered the first ship in March 2016, due to repeated delays in the construction process. Based in part on the lessons learned, MHI recognizes that it is an immediate and important task to strengthen our risk resilience capability. In April 2016, MHI established the Business Risk Management Division and created a group-wide risk management system that reports directly to President and CEO. The Business Risk Management Division consists of the Risk Management Department and the Risk Solution Department. The Risk Management Department is in charge of the promotion of the systematization and consolidation of risk management and related operations of the entire MHI Group as well as the promotion of activities to prevent and reduce various risks. The Risk Solution Department is in charge of the handling of important cases that have already occurred, such as the large cruise ship construction project and the U.S. SONGS arbitration[*3]. Going forward, MHI will further strengthen the risk management system through, for example, the study of advanced practices related to risk management overseas.

*3 An arbitration filed against MHI and Mitsubishi Nuclear Energy Systems, Inc. (MNES) on October 2013, in regard to the replacement steam generator supply contract for the San Onofre Nuclear Generating Station in the United States, claiming a breach of contractual obligations by MHI and MNES. MHI and MNES have not agreed with the demands and allegations of the claimants and, through an arbitration proceeding, are maintaining the position that we have fulfilled our obligations under the contract and that our liabilities to the claimants are limited by the provisions of the contract.

- Common Technological Base

On April 2016, MHI launched a new “Shared Technology Framework” consolidating MHI’s technologies as well as marketing, procurement and other functions. This new framework is comprised of three new entities – Engineering Headquarters, Marketing & Innovation Headquarters, and Value Chain Headquarters – and the existing ICT Solution Headquarters and Research & Innovation Center, and CTO[*4] shall oversee this Division. With this framework, MHI aims to strengthen its technological base and marketing capability, optimizing the entire procurement and other aspects of the value chain, fortify MHI’s medium- to long-term corporate competitiveness, and improve risk resilience capability.

*4 Chief Technology Officer: An officer who is in charge of the supervision and execution of overall operations related to technology strategies, research and development of products and new technologies, ICT, value chain, marketing, innovation and engineering in general.

The MHI Group will contribute to the sustainable development of society as it will continue to regard compliance and corporate social responsibility (CSR) as highest-priority management issues and contribute to the sustainable development of society while steadily implementing the above-mentioned strategies. We appreciate the

continued understanding and support of our shareholders.

3 OPERATING RESULTS AND FINANCIAL CONDITIONS

Item	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
(Billions of Yen)						
Orders received	2,995.4	3,188.8	3,032.2	3,420.0	4,699.1	4,485.5
Net sales	2,903.7	2,820.9	2,817.8	3,349.5	3,992.1	4,046.8
Overseas sales ratio	49.0%	41.9%	44.8%	49.3%	53.4%	55.4%
Operating income	101.2	111.9	163.5	206.1	296.1	309.5
Operating income ratio	3.5%	4.0%	5.8%	6.2%	7.4%	7.6%
Income before income taxes	39.4	69.8	155.4	214.4	232.6	132.6
Profit attributable to owners of parent	30.1	24.5	97.3	160.4	110.4	63.8
Total assets	3,989.0	3,963.9	3,935.1	4,886.0	5,520.3	5,491.7
Net assets	1,312.6	1,306.3	1,430.2	1,774.2	2,120.0	1,998.0
Return on equity (ROE)	2.4%	1.9%	7.4%	11.0%	6.5%	3.7%
Cash flows from operating activities	337.8	200.3	288.3	296.2	212.8	270.0
Cash flows from investing activities	(137.2)	(47.0)	(76.7)	(151.5)	(174.1)	(262.4)
Free cash flows	200.5	153.3	211.6	144.6	38.6	7.5
Cash flows from financing activities	(169.7)	(183.6)	(154.2)	(136.6)	(45.8)	(23.1)
Research and development expenses	123.2	121.4	120.0	138.5	145.5	150.6
Capital investment	118.5	110.2	109.8	137.0	148.9	166.5
Per share information of common stock (Yen)						
Earnings per share (EPS)	8.97	7.31	29.01	47.81	32.90	19.02
Diluted earnings per share	8.96	7.30	28.95	47.71	32.82	18.97
Book value per share (BPS)	376.17	374.08	410.90	459.99	530.65	500.30

Orders Received and Net Sales by Segment

(Millions of Yen)

Segment	FY2010		FY2011		FY2012	
	Orders Received	Net Sales	Orders Received	Net Sales	Orders Received	Net Sales
Shipbuilding & Ocean Development	173,225	302,439	262,055	311,678	255,471	225,844
Power Systems	1,022,819	996,963	1,235,201	955,348	895,307	988,756
Machinery & Steel Infrastructure Systems	492,680	557,515	508,204	428,839	471,960	482,557
Aerospace Systems	708,189	472,268	547,841	495,991	803,377	485,834
General Machinery & Special Vehicles	344,137	343,079	386,088	381,717	385,125	389,105
Others	288,037	282,738	293,970	294,477	336,613	345,780
Inter-Segment Eliminations	(33,643)	(51,233)	(44,526)	(47,120)	(115,596)	(99,985)
Total	2,995,447	2,903,770	3,188,834	2,820,932	3,032,259	2,817,893

(Millions of Yen)

Segment	FY2012		FY2013		FY2014	
	Orders Received	Net Sales	Orders Received	Net Sales	Orders Received	Net Sales
Energy & Environment	937,691	1,042,139	1,339,296	1,253,988	1,923,633	1,599,527
Commercial Aviation & Transportation Systems	755,843	393,143	360,346	463,671	999,266	529,598
Integrated Defense & Space Systems	405,925	391,694	547,369	469,463	417,424	483,964
Machinery, Equipment & Infrastructure	877,125	925,296	1,106,534	1,096,333	1,304,646	1,319,552
Others	171,269	170,099	183,507	185,056	190,870	182,836
Inter-Segment Eliminations	(115,596)	(104,479)	(116,971)	(118,913)	(136,722)	(123,368)
Total	3,032,259	2,817,893	3,420,083	3,349,598	4,699,119	3,992,110

(Millions of Yen)

Segment	FY2014		FY2015	
	Orders Received	Net Sales	Orders Received	Net Sales
Energy & Environment	1,923,633	1,599,527	2,005,077	1,542,779
Commercial Aviation & Transportation Systems	999,266	529,598	607,136	548,510
Integrated Defense & Space Systems	417,424	483,964	447,743	485,070
Machinery, Equipment & Infrastructure	1,344,776	1,347,463	1,392,564	1,432,358
Others	150,741	154,935	162,873	177,335
Inter-Segment Eliminations	(136,722)	(123,378)	(129,857)	(139,244)
Total	4,699,119	3,992,110	4,485,538	4,046,810

(Notes)

3. The orders received and net sales for each segment include inter-segment transactions, which are all cancelled using the "Inter-Segment Eliminations" term.
4. The segment categories have been changed to Energy & Environment; Commercial Aviation & Transportation Systems; Integrated Defense & Space Systems; Machinery, Equipment & Infrastructure; and Others beginning FY2013. In line with this change, for orders received and net sales by segment, the upper table on page 27 presents the orders received and net sales for FY2010 through FY2012 using the former segment categories, and the lower table on page 27 and the table on page 28 present those for FY2012 through FY2015 using the new segment categories.
5. Starting from FY2015, certain businesses are reclassified from "Others" to "Machinery, Equipment & Infrastructure." In line with this change, the table on page 28 presents the orders received and net sales for FY2014 using the new segment categories.

4 FINANCING CONDITIONS

(Millions of Yen)

Item	Change from the End of FY2014 (Figures in parentheses denote decrease)	Outstanding Balance at the End of FY2015
Short-term and Long-term borrowings	106,560	742,149
Commercial Papers	(50,000)	45,000
Bonds	20,000	265,000
Total	76,560	1,052,149

5 MAIN BANK LOANS

(Millions of Yen)

Lender	Loans Outstanding at the End of FY2015
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	214,775
Mizuho Bank, Ltd.	78,641
Mitsubishi UFJ Trust and Banking Corporation	67,780
Sumitomo Mitsui Banking Corporation	66,305
Meiji Yasuda Life Insurance Company	53,213
Nippon Life Insurance Company	47,201
Sumitomo Mitsui Trust Bank, Limited	33,500
The Dai-ichi Life Insurance Company, Limited	30,000
Development Bank of Japan Inc.	26,222
Sumitomo Life Insurance Company	10,000

6 CAPITAL INVESTMENT

Capital investment* during FY2015 amounted to ¥166,529 million. The main purposes of the investments were to strengthen technological capabilities, to improve the ability to be competitive and to enhance MHI's capabilities in the fields where MHI aims to aggressively expand its businesses in the future.
* Based on reported figures for property, plant and equipment

Capital Investment by Business Segment

(Millions of Yen)

Segment	Amount	Main Items
Energy & Environment	33,770	Expansion of production facilities for gas turbines and steam turbines
Commercial Aviation & Transportation Systems	43,213	Expansion of production facilities for commercial aircrafts
Integrated Defense & Space Systems	34,639	Expansion of production facilities for defense aircrafts
Machinery, Equipment & Infrastructure	43,580	Expansion of production facilities for turbochargers and forklift trucks and logistics equipment
Others & Common	11,324	—
Total	166,529	

7 EMPLOYEES

(1) EMPLOYEES OF MHI GROUP
(INCLUDING ITS CONSOLIDATED SUBSIDIARIES)

(Persons)

Segment	Number of Employees
Energy & Environment	25,887
Commercial Aviation & Transportation Systems	7,428
Integrated Defense & Space Systems	6,281
Machinery, Equipment & Infrastructure	36,244
Others & Common	8,092
Total	83,932

(Note)
The number of employees above does not include Senior Vice Presidents, temporary employees (employees who were re-employed following compulsory retirement, temporary contract employees, part-time employees, etc.), secondees from MHI or consolidated subsidiaries assigned to the other companies, or employees of non-consolidated subsidiaries.

(2) EMPLOYEES OF MHI

Number of Employees	Change from FY2014	Average Age	Average Number of Years of Service
19,357 persons	decrease of 1,760 employees	39.0 years old	16.1 years

(Note)
The number of employees above does not include Senior Vice Presidents, temporary employees (employees who were re-employed following compulsory retirement, temporary contract employees, part-time employees, etc.), or secondees assigned to subsidiaries and the other companies.

8 MAIN OFFICES & MANUFACTURING FACILITIES

Head Office	Minato-ku, Tokyo
Research & Innovation Centers	Kobe City, Nagasaki City, Takasago City Hyogo Prefecture, Hiroshima City, Yokohama City, Nagoya City
Offices	Kansai Office (Osaka City), Kyushu Office (Fukuoka City), Hokkaido Office (Sapporo City), Shikoku Office (Takamatsu City)
Works, Plant, and Center	Nagasaki Shipyard & Machinery Works (Nagasaki City), Shimonoseki Shipyard & Machinery Works (Shimonoseki City, Yamaguchi Prefecture), Hiroshima Machinery Works (Hiroshima City), Mihara Machinery Works (Mihara City, Hiroshima Prefecture), Kobe Shipyard & Machinery Works (Kobe City), Takasago Machinery Works (Takasago City, Hyogo Prefecture), Nagoya Aerospace Systems Works (Nagoya City), Nagoya Guidance & Propulsion Systems Works (Komaki City, Aichi Prefecture), Iwatsuka Plant (Nagoya City), Yokohama Dockyard & Machinery Works (Yokohama City), Sagamihara Machinery Works (Sagamihara City), Meirei District (Kiyosu City, Aichi Prefecture), Ritto District (Ritto City, Shiga Prefecture)
Main Bases Overseas	[Offices] Kiev Liaison Office (Ukraine), Turkey Liaison Office (Turkey), Basra Liaison Office (Iraq), Dubai Office (UAE), Abu Dhabi Office (UAE), Taipei Office (Taiwan), Hanoi Liaison Office (Vietnam), Ho Chi Minh City Liaison Office (Vietnam), Kuala Lumpur Liaison Office (Malaysia), Jakarta Liaison Office (Indonesia), Johannesburg Office (South Africa)
	[Head Offices and Networks] Mitsubishi Heavy Industries America, Inc. (U.S.A.), Mitsubishi Industrias Pesadas do Brasil Ltda. (Brazil), Mitsubishi Heavy Industries Mexicana, S.A. de C.V. (Mexico), Mitsubishi Heavy Industries France S.A.S. (France), Mitsubishi Heavy Industries Europe, Ltd. (United Kingdom), MHI Russia LLC (Russia), Mitsubishi Heavy Industries (China) Co., Ltd. (China), Mitsubishi Heavy Industries (Shanghai) Co., Ltd. (China), Mitsubishi Heavy Industries (Hong Kong) Ltd. (China), Mitsubishi Heavy Industries Asia Pacific Pte. Ltd. (Singapore), Mitsubishi Heavy Industries Philippines, Inc. (Philippine), Mitsubishi Heavy Industries (Thailand) Ltd. (Thailand), Mitsubishi Heavy Industries India Private Ltd. (India), MHI Korea, Ltd. (South Korea)

(Note)
The main subsidiaries and their addresses are as presented below in "9 OUTLINES OF MAIN SUBSIDIARIES."

9 OUTLINES OF MAIN SUBSIDIARIES

Segment	Name of Company	Address	Capital	Percentage of Investment Share (%)	Main Business
Energy & Environment	Mitsubishi Hitachi Power Systems, Ltd.	Yokohama City	100,000 million Yen	65.0	Thermal power generation systems-related business
	MPS-CT LLC	U.S.A.	621.6 million US dollars	100.0	Thermal power generation systems-related business
	PW Power Systems, Inc.	U.S.A.	448.0 million US dollars	*100.0	Thermal power generation systems-related business
	MHI Holding Denmark ApS	Denmark	311.7 million Euros	99.9	Wind power generator-related business
	Mitsubishi Hitachi Power Systems Americas, Inc.	U.S.A.	352.5 million US dollars	*100.0	Thermal power generation systems-related business
	Mitsubishi Hitachi Power Systems Europe GmbH	Germany	98.0 million Euros	*100.0	Thermal power generation systems-related business
Commercial Aviation & Transportation Systems	Mitsubishi Aircraft Corporation	Nagoya City	50,000 million Yen	64.0	Commercial aircrafts-related business
	Mitsubishi Heavy Industries Aero Engines, Ltd.	Komaki City, Aichi Prefecture	6,000 million Yen	70.7	Commercial aircrafts engine-related business
	Mitsubishi Heavy Industries Shipbuilding Co., Ltd.	Nagasaki City	1,000 million Yen	100.0	Shipbuilding-related business

Segment	Name of Company	Address	Capital	Percent-age of Invest-ment Share (%)	Main Business
Machinery, Equipment & Infrastructure	Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd.	Kawasaki City	80,000 million Yen	100.0	Forklift trucks and logistics equipment-related business
	UniCarriers Holdings Corporation	Kawasaki City	18,875 million Yen	*100.0	Forklift trucks and logistics equipment-related business
	UniCarriers Corporation	Kawasaki City	9,759 million Yen	*100.0	Forklift trucks and logistics equipment-related business
	Mitsubishi Caterpillar Forklift America Inc.	U.S.A.	80.8 million US dollars	*93.1	Forklift trucks and logistics equipment-related business
	Mitsubishi-Hitachi Metals Machinery, Inc.	Minato-ku, Tokyo	9,100 million Yen	60.2	Metals machinery-related business
	Mitsubishi Nichiyu Forklift Co., Ltd.	Nagaoka-kyo City, Kyoto Prefecture	4,890 million Yen	*64.7	Forklift trucks and logistics equipment-related business
	Primetals Technologies Japan Ltd.	Minato-ku, Tokyo	4,640 million Yen	*100.0	Metals machinery-related business
	Mitsubishi Heavy Industries Compressor Corporation	Minato-ku, Tokyo	4,000 million Yen	100.0	Compressors and mechanical turbines-related business
	Mitsubishi Heavy Industries Mechatronics Systems, Ltd.	Kobe City	1,060 million Yen	100.0	Mechatronics systems-related business
	Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd.	Yokohama City	1,000 million Yen	100.0	Waste to energy system-related business
	Primetals Technologies, Limited	U.K.	0.1 million Euros	*51.0	Metals machinery-related business

Segment	Name of Company	Address	Capital	Percent-age of Invest-ment Share (%)	Main Business
Others	MHI International Investment B.V.	Nether-lands	245.0 million Euros	100.0	Investment for projects and financial operation within the Group
	Mitsubishi Heavy Industries America, Inc.	U.S.A.	15.0 million US dollars	100.0	MHI products-related business in U.S.A.
	Ryoju Facility and Properties Co., Ltd.	Minato-ku, Tokyo	250 million Yen	100.0	Construction and real estate-related business

(Notes)

1. The item marked with an asterisk (*) denotes the percentage of investments by MHI's subsidiaries.
2. In FY 2015, MHI launched Mitsubishi Heavy Industries Forklift & Engine Turbocharger Holdings, Ltd., and the said company and Mitsubishi Nichiyu Forklift Co., Ltd. acquired the shares of UniCarriers Holdings Corporation in March 2016.

STOCKS OF MHI

1 TOTAL NUMBER OF SHARES AUTHORIZED TO BE ISSUED:

6,000,000,000 shares

2 TOTAL NUMBER OF THE SHARES ISSUED:

3,373,647,813 shares (unchanged from the end of FY2014)

3 NUMBER OF SHAREHOLDERS:

293,160 persons (increase of 20,540 persons from the end of FY2014)

4 MAJOR SHAREHOLDERS

Name of Shareholder	Number of Shares	Ratio of Shareholding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	158,176,900	4.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	130,715,000	3.8
The Nomura Trust and Banking Co., Ltd. (Retirement Benefit Trust Account for The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	125,666,000	3.7
Meiji Yasuda Life Insurance Company	80,022,741	2.3
THE BANK OF NEW YORK MELLON SA / NV 10	67,278,449	2.0
STATE STREET BANK WEST CLIENT – TREATY 505234	46,249,260	1.3
The Nomura Trust and Banking Co., Ltd. (Retirement Benefit Trust Account for Mitsubishi UFJ Trust and Banking Corporation)	45,934,000	1.3
Japan Trustee Services Bank, Ltd. (Trust Account 7)	44,177,000	1.3
Tokio Marine & Nichido Fire Insurance Co., Ltd.	37,800,000	1.1
Japan Trustee Services Bank, Ltd. (Trust Account 6)	36,503,000	1.0

(Note)

The ratios of shareholding are calculated excluding treasury stock of 10,004,421 shares. The number of treasury stock does not include the amount of shares owned by the Employee Stock Ownership Plan Trust (500,198 shares), Board Incentive Plan Trust I (1,113,000 shares) and Board Incentive Plan Trust II (4,438,000 shares).

OFFICERS

1 NAMES OF DIRECTORS, ETC.

Position	Name	Responsibility	Important Concurrent Positions in Other Entities
Chairman of the Board	Hideaki Omiya		Director, Seiko Epson Corporation
*President and CEO (Member of the Board)	Shunichi Miyanaga	CEO	Director, Mitsubishi Motors Corporation
*Director (Member of the Board), Senior Executive Vice President	Yoichi Kujirai	Domain CEO, President and CEO, Commercial Aviation & Transportation Systems	
*Director (Member of the Board), Executive Vice President	Hisakazu Mizutani	Domain CEO, President and CEO, Integrated Defense & Space Systems	
*Director (Member of the Board), Executive Vice President	Kazuaki Kimura	Domain CEO, President and CEO, Machinery, Equipment & Infrastructure	
*Director (Member of the Board), Executive Vice President	Masanori Koguchi	CFO, Head of Business Strategy Office	Statutory Auditor, Mitsubishi Nichiyu Forklift Co., Ltd.
Director (Member of the Board)	Yorihiko Kojima		Chairman of the Board, Mitsubishi Corporation Director, Takeda Pharmaceutical Company Limited
Director (Member of the Board)	Naoyuki Shinohara		Professor, Policy Alternatives Research Institute, The University of Tokyo Statutory Auditor, Media Kobo, Inc.
Director (Member of the Board) Full-time Audit and Supervisory Committee Member	Eiji Isu		

Position	Name	Responsibility	Important Concurrent Positions in Other Entities
Director (Member of the Board) Full-time Audit and Supervisory Committee Member	Tatsuhiko Nojima		
Director (Member of the Board) Audit and Supervisory Committee Member	Nobuo Kuroyanagi		Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. Director, Mitsubishi Research Institute, Inc. Director, Honda Motor Co., Ltd. Statutory Auditor, Tokyo Kaikan Co., Ltd.
Director (Member of the Board) Audit and Supervisory Committee Member	Christina Ahmadjian		Professor, Hitotsubashi University, Graduate School of Commerce and Management Director, Japan Exchange Group, Inc.
Director (Member of the Board) Audit and Supervisory Committee Member	Shinichiro Ito		Chairman of the Board, ANA Holdings Inc.

(Notes)

1. The positions, the responsibilities, and the important concurrent positions in other entities are shown as of March 31, 2016.
2. An asterisk mark (*) indicates a Representative Director.
3. Mr. Yorihiko Kojima and Mr. Naoyuki Shinohara, each a Director, and Mr. Nobuo Kuroyanagi, Ms. Christina Ahmadjian and Mr. Shinichiro Ito, each a Director who is serving as an Audit and Supervisory Committee Member, are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
4. MHI has submitted notifications, specifying all MHI's Outside Directors as an independent Director, to Tokyo Stock Exchange, Inc. and other listed financial instruments exchanges in Japan.
5. Mr. Tatsuhiko Nojima, a Director who is serving as a Full-time Audit and Supervisory Committee Member, has extensive knowledge of finance and

accounting from many years of business experience in the accounting and finance departments of MHI.

6. Based on the judgment that given the size, characteristics, etc. of its business, audit by full-time personnel is necessary for ensuring the effectiveness of the activities of the Audit and Supervisory Committee, MHI has prescribed in the Articles of Incorporation that Full-time Audit and Supervisory Committee Members shall be appointed. Pursuant to this provision, Mr. Eiji Isu and Mr. Tatsuhiko Nojima have been appointed as Full-time Audit and Supervisory Committee Members.
7. The CFO takes charge of finance, accounting and procurement, and sourcing, including management planning.
8. Mr. Masanori Koguchi and Mr. Naoyuki Shinohara, each a Director, took their offices as of June 26, 2015 (on the date of the 90th Ordinary General Meeting of Shareholders).
9. In accordance with a resolution of the 90th Ordinary General Meeting of Shareholders held on June 26, 2015, MHI has shifted to a Company with Audit and Supervisory Committee from a Company with Board of Statutory Auditors on the same day of the meeting. In line with this shift, Messrs. Eiji Isu, Nobuo Kuroyanagi and Shinichiro Ito have retired from their positions as Statutory Auditors on the same day as their terms of office have expired on the same day of the meeting. Mr. Eiji Isu took the office of a Director who is serving as a Full-time Audit and Supervisory Committee Member, and Mr. Nobuo Kuroyanagi and Mr. Shinichiro Ito took the offices of Directors who are serving as Audit and Supervisory Committee Members on the same day.
10. Mr. Tatsuhiko Nojima and Ms. Christina Ahmadjian have retired from their positions as Directors as their terms of office have expired on June 26, 2015 (on the date of the 90th Ordinary General Meeting of Shareholders). Mr. Tatsuhiko Nojima took the office of a Director who is serving as a Full-time Audit and Supervisory Committee Member, and Ms. Christina Ahmadjian took the office of a Director who is serving as an Audit and Supervisory Committee Member on the same day.
11. Mr. Yorihiko Kojima, a Director, retired from his position as a Chairman of the Board of Mitsubishi Corporation as of March 31, 2016, and took the office of a Honorary Chairman of Mitsubishi Corporation as of April 1, 2016.
12. Mr. Naoyuki Shinohara, a Director, took the office of a Professor of Policy Alternatives Research Institute of The University of Tokyo as of July 1, 2015, and took the office of a Statutory Auditor of Media Kobo, Inc. as of November 25, 2015.
13. Mr. Tatsuhiko Nojima, a Director who is serving as a Full-time Audit and Supervisory Committee Member, retired from his position as a Statutory Auditor of Mitsubishi Motors Corporation as of June 24, 2015.
14. Director who retired from office due to resignation during FY2015 is as follows.

Position	Name	Responsibility	Date of Retirement
*Director (Member of the Board), Senior Executive Vice President	Atsushi Maekawa	In charge of matters specially assigned by President and CEO	February 29, 2016

The following changes were instituted in the responsibilities of Directors as of April 1, 2016.

Position	Name	Responsibility
*Director (Member of the Board), Executive Vice President	Kazuaki Kimura	Domain CEO, President and CEO, Machinery, Equipment & Infrastructure, Head of Marketing & Innovation Headquarters

(Note)
An asterisk mark (*) indicates a Representative Director.

■ Outline of Liability Limitation Agreement

MHI has entered into Liability Limitation Agreements with Directors: Mr. Yorihiko Kojima; and Mr. Naoyuki Shinohara, and Directors who are serving as Audit and Supervisory Committee Members: Mr. Nobuo Kuroyanagi; Ms. Christina Ahmadjian; and Mr. Shinichiro Ito respectively, which provide a limitation on their liabilities to compensate for damages under Article 423, Paragraph 1 of the Companies Act, the amount of which is the higher of ¥10 million or the minimum liability amount defined in Article 425, Paragraph 1 of the Companies Act.

2 OUTSIDE OFFICERS

(1) ENTITIES WHERE OUTSIDE OFFICERS HOLD IMPORTANT CONCURRENT POSITIONS AND THEIR RELATIONS WITH MHI

Position	Name	Name of Entity	Relations with MHI
Director	Yorihiko Kojima	Takeda Pharmaceutical Company Limited	No notable relations
	Naoyuki Shinohara	The University of Tokyo	Donations of cash, etc.
		Media Kobo, Inc.	No notable relations
Director Audit and Supervisory Committee Member	Nobuo Kuroyanagi	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Purchase of insurance products, etc.
		Mitsubishi Research Institute, Inc.	Consignment of research and analysis works, etc.
		Honda Motor Co., Ltd.	Sales of turbochargers, etc.
		Tokyo Kaikan Co., Ltd.	No notable relations
	Christina Ahmadjian	Hitotsubashi University	No notable relations
		Japan Exchange Group, Inc.	No notable relations
	Shinichiro Ito	ANA Holdings Inc.	No notable relations

(Note)
The entities above are those listed in "1 NAMES OF DIRECTORS, ETC." where an MHI Outside Officer serves as a "Executive" etc. as defined in Article 124, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act or as an "Outside Officer" etc. as defined in Item 2 of the same Paragraph.

(2) PRINCIPAL ACTIVITIES

Position	Name	The Number of Attendance at the Board of Directors Meetings	The Number of Attendance at the Board of Statutory Auditors Meetings	The Number of Attendance at the Audit and Supervisory Committee Meetings
Director	Yorihiko Kojima	12 out of 14 times	**—**	**—**
	Naoyuki Shinohara	10 out of 10 times	**—**	**—**
Director Audit and Supervisory Committee Member	Nobuo Kuroyanagi	12 out of 14 times	6 out of 6 times	11 out of 11 times
	Christina Ahmadjian	14 out of 14 times	**—**	11 out of 11 times
	Shinichiro Ito	14 out of 14 times	6 out of 6 times	11 out of 11 times

(Note)
As Mr. Naoyuki Shinohara, Director, took the office as of June 26, 2015 (on the date of the 90th Ordinary General Meeting of Shareholders), the number of attendance at the Board of Directors meetings for the year which he could attend is different from that of other Directors.

These Directors have expressed their views at the Board of Directors meetings on the overall management of MHI from their various perspectives based on their considerable experience and knowledge as business managers and so forth. Mr. Nobuo Kuroyanagi and Mr. Shinichiro Ito have expressed their views at the Board of Statutory Auditors meetings and at the Audit and Supervisory Committee meetings, as well as Ms. Christina Ahmadjian has expressed her view at the Audit and Supervisory Committee meetings, on the overall auditing from the perspective of achieving legitimate and appropriate performance of business activities based on their considerable experience and knowledge, and they have also conducted on-site audits at the respective places of business, exchanged opinions with the Financial Auditors, and provided necessary proposals.

3 REMUNERATION, ETC. TO OFFICERS

(1) AMOUNT OF REMUNERATION, ETC.

1) Before the shift to the Company with Audit and Supervisory Committee (From April 1, 2015 to the close of the 90th Ordinary General Meeting of Shareholders (June 26, 2015))

Position	Total Amount of Remuneration, etc. (Millions of Yen)	Monetary Remuneration				Stock Option	
		Basic Remuneration		Performance-linked Remuneration			
		Figures (persons)	Total Amount (Millions of Yen)	Figures (persons)	Total Amount (Millions of Yen)	Figures (persons)	Total Amount (Millions of Yen)
Directors (Outside Directors)	174 (9)	11 (3)	120 (9)	7 (—)	54 (—)	— (—)	— (—)
Statutory Auditors (Outside Statutory Auditors)	26 (9)	5 (3)	26 (9)	— (—)	— (—)	— (—)	— (—)
Total (Outside Officers)	201 (18)	16 (6)	147 (18)	7 (—)	54 (—)	— (—)	— (—)

2) After the shift to the Company with Audit and Supervisory Committee (From the close of the 90th Ordinary General Meeting of Shareholders (June 26, 2015) to March 31, 2016)

Position	Total Amount of Remuneration, etc. (Millions of Yen)	Monetary Remuneration				Stock Remuneration	
		Basic Remuneration		Performance-linked Remuneration			
		Figures (persons)	Total Amount (Millions of Yen)	Figures (persons)	Total Amount (Millions of Yen)	Figures (persons)	Total Amount (Millions of Yen)
Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (Outside Directors)	657 (19)	9 (2)	315 (19)	7 (—)	159 (—)	7 (—)	182 (—)
Directors who are serving as Audit and Supervisory Committee Members (Outside Directors)	166 (37)	5 (3)	166 (37)	— (—)	— (—)	— (—)	— (—)
Total (Outside Directors)	823 (57)	14 (5)	481 (57)	7 (—)	159 (—)	7 (—)	182 (—)

(Notes)

1. The amounts of remuneration in the performance-linked remuneration column in the table above are the estimated amounts.

2. The figures in the table 2) include one of the Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) who retired during FY2015.
3. The maximum permitted monetary remuneration amounts are ¥1,200 million (resolution of the 90th Ordinary General Meeting of Shareholders on June 26, 2015) per fiscal year for Directors (excluding Directors who are serving as Audit and Supervisory Committee Members). Application of this limit is to be made retroactive to April 2015.
4. The total amount of stock remuneration shown in the table above is the amount of expenses recognized for the 337,000 Stock Award Points granted in total during FY2015 (equivalent to 337,000 shares of MHI) concerning the Board Incentive Plan Trust, which is a stock remuneration system that delivers or provides shares of MHI and money in the amount equivalent to liquidation value of shares of MHI based on Stock Award Points granted to Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding Outside Directors) in accordance with, among other factors, the rank of the position of each Director and the financial results of MHI. The maximum permitted amounts of Stock Award Points are 500,000 points (resolution of the 90th Ordinary General Meeting of Shareholders on June 26, 2015) per fiscal year for Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding Outside Directors).
5. The maximum permitted monetary remuneration amounts are ¥160 million (resolution of the 81st Ordinary General Meeting of Shareholders on June 28, 2006) per fiscal year for Statutory Auditors.
6. The maximum permitted monetary remuneration amounts are ¥300 million (resolution of the 90th Ordinary General Meeting of Shareholders on June 26, 2015) per fiscal year for Directors who are serving as Audit and Supervisory Committee Members.

(2) POLICY FOR DETERMINING THE AMOUNT OF REMUNERATION, ETC. OR ITS CALCULATION METHOD AND THE METHOD OF DETERMINING SUCH POLICY (AFTER THE SHIFT TO A COMPANY WITH AUDIT AND SUPERVISORY COMMITTEE)

1) Directors (excluding Directors who are serving as Audit and Supervisory Committee Members)

The policy for determining the amount of remuneration, etc. or its calculation method for Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) has been determined by the Board of Directors.

- Remuneration of Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding Outside Directors) consists of basic remuneration, performance-linked remuneration, and stock remuneration from the perspective of reflecting financial results and sharing common value with shareholders.

Basic Remuneration	Reasonable amount shall be determined in consideration of each Director's roles and duties.
Performance-linked Remuneration	Reasonable amount shall be determined based on consolidated earnings for the fiscal year under review, while also taking into account the roles of each Director and the earnings and accomplishments, etc. of the business that he/she is in charge of.
Stock Remuneration	Shares of MHI and money shall be delivered or provided based on Stock Award Points granted in accordance with, among other factors, the rank of the position of each Director and financial results of MHI using the system of Board Incentive Plan Trust to further raise the motivation of Directors to contribute to the medium- to long-term improvement of financial results and enhancement of the corporate value of the entire MHI Group.

- Outside Directors are expected to provide objective opinions and suggestions from an external standpoint. In view of that role, they will be provided with basic remuneration (fixed remuneration commensurate with their duties) only.
- The amount of remuneration shall be set at appropriate levels consideration also of the situation in other companies and other factors.

For the purpose of further enhancing the transparency and fairness concerning the determination of remuneration, etc. of Directors (excluding Directors who are serving as Audit and Supervisory Committee Members), MHI decided to hold the Nomination and Remuneration Meeting(s) consisting solely of the Outside Directors and President and CEO starting from FY2015. During FY2015, MHI held two Nomination and Remuneration Meetings, in which President and CEO explained the policy stated above to Outside Directors and received opinions and advice from them.

2) Directors who are serving as Audit and Supervisory Committee Members

The policy for determining the amount of remuneration, etc. or its calculation method for Directors who are serving as Audit and Supervisory Committee Members has been determined through discussion among Directors who are serving as Audit and Supervisory Committee Members.

- Remuneration of Directors who are serving as Audit and Supervisory Committee Members shall consist only of basic remuneration. The amount of remuneration shall be fixed at levels that are commensurate with their roles and duties determined separately for full-time and non-full-time categories. However, the amount of remuneration of Full-time Audit and Supervisory Committee Member may be reduced in consideration of the business conditions of MHI and other factors.

(3) OTHER MATTERS RELATED TO REMUNERATION, ETC. OF OFFICERS

Estimated remuneration amounts were included in the amounts of remuneration, etc. disclosed for FY2014. However, the actual amounts paid in FY2015 exceeded the estimated amounts by ¥38 million for Directors (excluding Outside Directors) and ¥2 million for Statutory Auditors (excluding Outside Statutory Auditors). As a result, the actual amounts of remuneration paid for FY2014 consisted of a total of ¥1,289 million (including monetary remuneration of ¥1,024 million) paid to 17 Directors and a total of ¥160 million paid to 5 Statutory Auditors.

FINANCIAL AUDITORS

1 NAME OF FINANCIAL AUDITORS

Ernst & Young ShinNihon LLC

2 REMUNERATION PAID TO FINANCIAL AUDITORS

(Millions of Yen)

①Amount of Remuneration	212
②Sum of the Amount of Money and Other Material Advantage to Be Paid by MHI and Its Subsidiaries	489

(Note)
In the audit contract between MHI and its Financial Auditors, remuneration paid for audits under the Companies Act and audits under the Financial Instruments and Exchange Act are not clearly distinguished and cannot be practically separated. Therefore, the amount of payment for both is shown in ① above.

Following MHI's main subsidiaries are audited by auditing firms other than the one used by MHI: MHI Holding Denmark ApS (Denmark); Mitsubishi Hitachi Power Systems Europe GmbH (Germany); UniCarriers Holdings Corporation; UniCarriers Corporation; Mitsubishi Nichiyu Forklift Co., Ltd.; Primetals Technologies, Limited (United Kingdom); and MHI International Investment B.V. (Netherlands).

3 REASONS FOR AGREEMENT BY THE AUDIT AND SUPERVISORY COMMITTEE CONCERNING THE AMOUNT OF REMUNERATION, ETC. TO BE PAID TO FINANCIAL AUDITORS

The Audit and Supervisory Committee confirmed the policy and content of the audit plan, the basis for calculation of estimates, etc., which constitute the basis for remuneration of the Financial Auditors, and verified them by receiving necessary reports on them from internal departments concerned. As a result, the Audit and Supervisory Committee determined that they were appropriate for the Financial Auditors to conduct financial audit of MHI and agreed to the amount of remuneration, etc. of the Financial Auditors.

4 CONTENTS OF WORKS OTHER THAN AUDITING

MHI has requested Financial Auditors to provide advisory works, including consultations on the application of International Financial Reporting Standards, and has paid Financial Auditors remuneration for such works as duties other than auditing.

5 POLICY ON TERMINATING OR NOT REAPPOINTING THE FINANCIAL AUDITORS

If there are circumstances which give rise to reasonable expectations that the auditing of financial statements will suffer great interference due to an event such as the Financial Auditors come under any of the provisions set forth in each Item of Article 340, Paragraph 1 of the Companies Act, the Financial Auditors shall be dismissed by unanimous consent of the Audit and Supervisory Committee Members.
In addition, if the Audit and Supervisory Committee has determined that the system for the execution of duties, audit capability, expertise, etc. of the Financial Auditors are

insufficient for MHI or that MHI can put in place an audit system that is more appropriate for MHI by replacing the Financial Auditors, the Audit and Supervisory Committee will submit a proposal not to re-elect the Financial Auditors to the General Meeting of Shareholders.

6 BUSINESS SUSPENSION ORDER TO WHICH THE FINANCIAL AUDITORS WERE SUBJECT DURING PAST TWO YEARS

(1) Subject of administrative order
Ernst & Young ShinNihon LLC
(2) Contents of administrative order
- Suspension of accepting new engagements: 3 months
(From January 1, 2016 to March 31, 2016)
- Order for improvement of business operations
(improvement of business management system)

(3) Reason for administrative order
a. In regard to the audit of financial statements for TOSHIBA CORPORATION in the fiscal year ended March 31, 2010, 2012, and 2013, 7 certified public accountants from above mentioned auditing firm, in negligence of due care, attested that the financial statements contained no material misstatement, when in fact the statements contained material misstatement.
b. The above mentioned auditing firm's operation of the services was found to be significantly inappropriate.

ESTABLISHING A FRAMEWORK FOR ENSURING APPROPRIATE BUSINESS CONDUCT

1 RESOLUTIONS OF THE BOARD OF DIRECTORS FOR THE ESTABLISHMENT OF A FRAMEWORK FOR ENSURING APPROPRIATE BUSINESS CONDUCT

In accordance with the applicable laws and ordinances, MHI has prepared a system to ensure appropriate operations by resolution of the Board of Directors. We promote fair and solid management. During FY2015, concerning the establishment of said system, the Board of Directors passed a resolution for the partial amendment to implement the enhancement of the system to ensure appropriate business activities of MHI Group and the system concerning Statutory Auditors on April 23, 2015 following changes in applicable laws and ordinances and a resolution for the partial amendment including changes of the system concerning Statutory Auditors on June 26, 2015 following the shift to a Company with Audit and Supervisory Committee. The content of relevant resolutions of the Board of Directors as of March 31, 2016 is as follows:

1. Matters regarding Directors and employees who are assigned to support duties of the Audit and Supervisory Committee
   For the purpose of supporting the duties of the Audit and Supervisory Committee, MHI shall establish the Audit and Supervisory Committee's Office with dedicated employees to assist the smooth performance of its duties.
   MHI will not appoint any Director who is assigned to support duties of the Audit and Supervisory Committee.

2. Matters regarding independence of employees in 1. above from Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and to ensure the effectiveness of instructions by the Audit and Supervisory Committee to employees
   The staff of the Audit and Supervisory Committee's Office shall be assigned to said office on an exclusive basis. They shall not receive any instructions or orders from Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and shall obey the instructions and orders of the Audit and Supervisory Committee. Any personnel transfers and evaluation of said staff shall be subject to the consent of the Audit and Supervisory Committee to ensure the independence of them from the departments engaging in business execution and the effectiveness of instructions by the Audit and Supervisory Committee to them.

3. System for reporting to the Audit and Supervisory Committee by Directors and employees and other systems for reporting to the Audit and Supervisory Committee
   (1) Directors, etc. of MHI shall implement arrangements concerning reporting to and communication with the Audit and Supervisory Committee (or the Audit and Supervisory Committee Members designated by the Audit and Supervisory Committee; the same shall apply hereinafter) including reporting matters concerning MHI Group companies. In addition, Directors, etc. of MHI shall ensure adequate mutual understanding through regular exchange of opinions and make reports upon request of the Audit and Supervisory Committee.
   (2) Directors, etc. of MHI Group companies shall carry out reporting to and communication with the Audit and Supervisory Committee in accordance with the operational procedures prescribed in Item 12 and make reports upon request of the Audit and Supervisory Committee.
   (3) The department in charge of the whistleblower system shall report the matters reported to it through the whistleblower system and other compliance-related matters reported to it to the Audit and Supervisory Committee.

4. System to ensure that the person who made a report in 3. above shall not be subject to any unfavorable treatment for reason of having made such report
   It shall be prescribed in company regulations that a person who made a report through the whistleblower system shall not be treated disadvantageously in any way on the grounds of such report and this rule shall be internally informed and appropriately operated.

5. Matters concerning the policy on the treatment of expenses or debts arising in the course of the execution of duties of Audit and Supervisory Committee Members including the procedure for advance payment and reimbursement of expenses arising in the course of the execution of said duties
   A certain amount of annual budget shall be secured for the payment of expenses arising in the course of the execution of duties of Audit and Supervisory Committee Members based on the request of the Audit and Supervisory Committee. If the payment of other expenses is requested by an Audit and Supervisory Committee Member, it shall be handled appropriately pursuant to Article 399-2, Paragraph 4 of the Companies Act.

6. Other systems to ensure effectiveness of audits by the Audit and Supervisory Committee
   Consideration to ensure the effectiveness of audits shall be given to any exchange of opinions with internal departments concerned, Financial Auditors, etc., information gathering and research that are conducted by the Audit and Supervisory Committee.

7. System to ensure that the Directors' execution of their duties is in compliance with relevant laws and MHI's Articles of Incorporation
   (1) Directors shall lead by example in realizing MHI's fundamental principle of fair and honest business activities that comply with all relevant laws and emphasize social norms and business ethics.
   (2) The Board of Directors shall fully discuss all matters raised and reported by Directors and oversight MHI's operations from the perspectives of sound and efficient management. The views of Outside Directors shall be employed to introduce greater objectivity and enhance the effectiveness of oversight.

8. System to store and manage information related to the Directors' execution of their duties
   (1) Principle matters related to the management of documents shall be specified in company regulations, and information related to the Directors' execution of their duties shall be appropriately recorded, stored and managed.
   (2) Directors (including Audit and Supervisory Committee Members) shall be given access to such information at any time where it is deemed necessary to supervise and audit actions by Directors.

9. Regulations and other systems to manage risk of loss
   (1) Systems designed to manage each type of risk shall be implemented and responsibilities shall be clearly defined to ensure the appropriate management of risk.
   (2) Risk shall be regularly evaluated and analyzed and necessary avoidance or mitigating measures taken; internal audits shall monitor the effectiveness and appropriateness of these measures and reports shall be regularly submitted to the Board of Directors and Audit and Supervisory Committee.
   (3) To prepare for cases where significant risk may materialize, MHI shall ensure the means to immediately communicate information to senior management to respond promptly and accurately to emergency situations; individuals responsible for crisis management shall also be appointed in each business division.

10. System to ensure that Directors execute their duties efficiently

(1) The Board of Directors shall formulate business plans and establish companywide management policy and objectives; business execution, led by the President, shall be conducted with the aim of achieving these objectives.
(2) MHI's organizational structure, division of duties, and lines of authority shall be specified in company regulations to ensure steps to achieve management objectives are conducted efficiently.

11. System to ensure that the duties and actions of employees comply with relevant laws and MHI's Articles of Incorporation
(1) MHI shall create a framework comprising the Compliance Committee and other bodies to raise awareness of compliance among employees by formulating a code of conduct, implementing various training programs and taking other steps.
(2) MHI shall establish a whistleblower system and other mechanisms to enhance the effectiveness of compliance, conduct internal audits of the compliance framework, and report the results to the Board of Directors and Audit and Supervisory Committee.

12. System to ensure appropriate business activities of MHI Group
(1) Each MHI Group company shall operate autonomously as an independent enterprise and its president shall be responsible for the management of the company. At the same time, in order to ensure that the MHI Group as a whole is operated soundly and efficiently and in a manner to contribute to the improvement of its consolidated financial performance, MHI shall support and provide guidance to MHI Group companies by establishing the division of management responsibilities between MHI and Group companies and operational procedures stipulating, among others, matters that should be requested or reported by Group companies to MHI.
(2) In order to ensure that the MHI Group as a whole is operated appropriately and various risks existing within the MHI Group as a whole are managed appropriately, various measures concerning compliance and risk management shall be promoted on a group-wide basis and each company shall put in place an internal control system that is appropriate for its size and characteristics. The operating status of these internal control systems shall be audited by the department of MHI responsible for their management.
(3) MHI and MHI group companies shall ensure the accuracy of their respective financial information, and arrange the organization, company regulations and other matters required for the preparation and disclosure of reliable financial reports.

2 SUMMARY OF THE OPERATION STATUS OF A FRAMEWORK FOR ENSURING APPROPRIATE BUSINESS CONDUCT

The operation status of a framework for ensuring appropriate business conduct for FY2015 is as summarized below.

MHI has shifted to a Company with Audit and Supervisory Committee at the close of the 90th Ordinary General Meeting of Shareholders held on June 26, 2015. Although "1. Initiatives to ensure the effectiveness of audits by the Audit and Supervisory Committee" below summarizes the operation status after the shift, the same system had also been designed and operated for Statutory Auditors before the shift.

1. Initiatives to ensure the effectiveness of audits by the Audit and Supervisory Committee

   - Based on company regulations, MHI has established the Audit and Supervisory Committee's Office with the staff assigned on an exclusive basis to support the audit activities of the Audit and Supervisory Committee. It is also prescribed in the same company regulations that the independence of the exclusively assigned staff from the departments engaging in business execution shall be secured.
   - A budget necessary for audit activities is appropriately secured based on the request of the Audit and Supervisory Committee and expenses, etc. are paid from the budget.
   - MHI responds appropriately to any requests of Full-time Members of the Audit and Supervisory Committee received in advance for the attendance at an important meeting and the provision of documents. In addition, any projects that are important from the audit perspective, etc. are reported to Full-time Members of the Audit and Supervisory Committee or the Audit and Supervisory Committee on an individual basis.
   - Information is shared between Full-time Members of the Audit and Supervisory Committee and the internal auditing department on a regular basis. In addition, Full-time Members of the Audit and Supervisory Committee hold regular meetings with President and CEO and executives of departments engaging in business execution and exchange opinions with the Financial Auditors.
   - All matters that have been reported through the whistleblower system are reported to Full-time Members of the Audit and Supervisory Committee. It is prescribed in company regulations that a person who made a report through the whistleblower system shall not be treated disadvantageously in any way on the grounds of such report and this rule is internally informed and strictly enforced.

2. Initiatives to ensure legal compliance in the execution of duties by Directors and employees and the appropriateness of decision-making processes

   - As the initiatives to ensure compliance, MHI established the "MHI Group Global Code of Conduct," which applies to all officers and employees of the MHI Group both in Japan and overseas. MHI also strives to conduct several activities including regular Compliance Committee meetings, the establishment of various company regulations, the provision of education to promote legal compliance, and internal audits that take into consideration the issues of each department

subject to audit.

- In FY2015, 14 meetings of the Board of Directors were held to thoroughly deliberate on each agenda. In addition, the meetings consisting only of Outside Directors and the President and CEO were held to hear broadly the opinions of Outside Directors particularly on matters related to corporate governance as the initiatives to increase the soundness and transparency of the management of MHI.

3. Initiatives concerning the preservation and management of information about the execution of duties by Directors

- The minutes of the Board of Directors and other information about the execution of duties by Directors are appropriately recorded in accordance with company regulations and managed in a manner to make them available for inspection any time upon request of a Director. In addition, appropriate measures have been taken to prevent information leakage, loss, etc. and checks on these measures are regularly conducted.

4. Initiatives concerning the management of risk of loss

- MHI has developed company regulations stipulating risk management for orders received for construction, investment projects, etc., and carries out prior risk management activities through various discussion and analysis meetings, etc. as well as management through regular monitoring after the order receipt or investment execution.
- Any significant risk that has been materialized is handled appropriately by a group-wide, dedicated team that is formed for the resolution of the matter.

5. Initiatives to ensure the efficiency of the execution of duties by Directors

- The “2015 Medium-Term Business Plan,” which sets forth group-wide management policies and targets, has been developed by the Board of Directors. Under the business execution framework headed by President and CEO, MHI strives to achieve the targets set forth in the plan and the progress status is regularly reported at the meetings of the Board of Directors.
- After the shift to a Company with Audit and Supervisory Committee, part of decisions on important business execution has been delegated to President and CEO pursuant to the provisions of the Articles of Incorporation. In addition, criteria for matters that should be deliberated by the Board of Directors have been prescribed in the Bylaws of the Board of Directors to improve the efficiency and agility of the execution of duties by Directors.

6. Initiatives to ensure appropriate business conduct of an enterprise group

- Company regulations on the system to define the management responsibilities for MHI Group companies and other relevant matters have been established and important management matters within Group companies are reported to MHI.
- Each MHI Group company is implementing initiatives that are largely similar to

those described in “2. Initiatives to ensure legal compliance in the execution of duties by Directors and employees and the appropriateness of decision-making processes” and “4. Initiatives concerning the management of risk of loss” above. In addition, internal audits are conducted by each Group company and the status of these audits is also monitored by the internal auditing department of MHI.

(End)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (1/2)

(Millions of Yen)

	As of Mar. 31, 2016	As of Mar. 31, 2015
ASSETS		
Current assets:		
Cash and deposits	310,523	367,415
Trade receivables	1,205,689	1,291,278
Merchandise and finished products	184,657	182,281
Work in process	991,408	985,570
Raw materials and supplies	156,313	157,010
Deferred income taxes	137,428	150,939
Others	547,848	429,027
Allowance for doubtful accounts	(7,694)	(11,519)
Total current assets	**3,526,173**	**3,552,002**
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	397,292	377,804
Machinery and transportation equipment	257,306	259,358
Tools, equipment and furniture	56,570	49,451
Land	197,898	184,691
Leased assets	3,334	4,856
Construction in progress	75,497	78,635
Subtotal	**987,900**	**954,797**
Intangible assets:		
Goodwill	145,605	95,588
Others	132,468	145,925
Subtotal	**278,074**	**241,513**
Investments and advances:		
Investment securities	534,287	583,496
Long-term loans and advances	4,946	19,422
Asset for retirement benefits	27,459	67,377
Deferred income taxes	15,808	15,495
Others	125,601	97,808
Allowance for doubtful accounts	(8,452)	(11,558)
Subtotal	**699,650**	**772,043**
Total fixed assets	**1,965,625**	**1,968,354**
TOTAL ASSETS	**5,491,799**	**5,520,357**

CONSOLIDATED BALANCE SHEET (2/2)

(Millions of Yen)

	As of Mar. 31, 2016	As of Mar. 31, 2015
LIABILITIES		
Current liabilities:		
Trade payables	763,761	794,780
Electronically recorded obligations	96,888	74,430
Short-term borrowings	293,131	177,780
Current portion of long-term borrowings	61,715	54,985
Commercial papers	45,000	95,000
Current portion of bonds	20,000	-
Income taxes payable	18,091	30,113
Reserve for product warranties	15,128	15,796
Reserve for loss on construction contracts	56,866	59,529
Reserve for loss on passenger vessel construction business	72,842	105,280
Reserve for stock benefits	98	-
Advance payments received on contracts	749,747	663,176
Others	404,661	358,359
Total current liabilities	**2,597,931**	**2,429,232**
Long-term liabilities:		
Bonds	245,000	245,000
Long-term borrowings	387,302	402,822
Deferred income taxes	63,903	105,536
Reserve for stock benefits	966	-
Reserve for treatment of PCB waste	7,258	9,845
Liability for retirement benefits	124,890	129,008
Others	66,467	78,896
Total long-term liabilities	**895,789**	**971,109**
TOTAL LIABILITIES	**3,493,720**	**3,400,342**
NET ASSETS		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus	203,951	204,039
Retained earnings	1,173,053	1,148,268
Treasury stock	(4,771)	(5,249)
Total stockholders' equity	**1,637,842**	**1,612,668**
Accumulated other comprehensive income (loss) :		
Net unrealized gains (losses) on investment securities	40,108	81,499
Deferred gains (losses) on hedges	3,044	802
Foreign currency translation adjustments	17,762	68,413
Remeasurements of defined benefit plans	(18,998)	17,383
Total accumulated other comprehensive income (loss)	**41,917**	**168,100**
Share subscription rights	**2,616**	**3,129**
Non-controlling interests	**315,702**	**336,117**
TOTAL NET ASSETS	**1,998,078**	**2,120,014**
TOTAL LIABILITIES AND NET ASSETS	**5,491,799**	**5,520,357**

CONSOLIDATED STATEMENT OF INCOME

(Millions of Yen)

	FY2015	FY2014
Net sales	**4,046,810**	**3,992,110**
Cost of sales	**3,184,596**	**3,161,157**
Gross profit	**862,213**	**830,953**
Selling, general and administrative expenses	**552,707**	**534,812**
Operating income	**309,506**	**296,140**
Non-operating income:		
Interest income	6,602	7,324
Dividend income	8,975	5,539
Income from equity method investments	5,647	-
Foreign exchange gain	-	13,862
Others	6,828	3,284
Total non-operating income	**28,053**	**30,011**
Non-operating expenses:		
Interest expense	13,338	15,365
Foreign exchange loss	21,908	-
Loss from equity method investments	-	14,128
Loss on disposal of fixed assets	12,959	6,312
Others	16,853	15,557
Total non-operating expenses	**65,060**	**51,364**
Ordinary income	**272,500**	**274,787**
Extraordinary gain:		
Gain on negative goodwill	6,867	-
Gain on sales of fixed assets	5,663	3,960
Gain on revision of retirement benefit plan	2,208	-
Gain on changes in equity interest	-	17,157
Gain on return of assets from retirement benefits trust	-	11,986
Gain on sales of investment securities	-	10,787
Total extraordinary gain	**14,738**	**43,892**
Extraordinary loss:		
Loss on passenger vessel construction business reserve	103,911	69,534
Business structure improvement expenses	47,251	16,449
Impairment loss	3,393	-
Total extraordinary loss	**154,556**	**85,983**
Income before income taxes	**132,682**	**232,697**
Income taxes:		
Current	50,379	73,222
Deferred	5,651	27,921
Profit	**76,650**	**131,553**
Profit attributable to non-controlling interests	12,816	21,141
Profit attributable to owners of parent	**63,834**	**110,412**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (1/2)

(From April 1, 2015 to March 31, 2016) (Millions of Yen)

	Stockholders' equity				
	Common stock	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total stockholders' equity**
Balance as of March 31, 2015	**265,608**	**204,039**	**1,148,268**	**(5,249)**	**1,612,668**
Changes in the period					
Cash dividends			(40,275)		**(40,275)**
Profit attributable to owners of parent			63,834		**63,834**
Changes in scope of consolidation			(461)		**(461)**
Changes in scope of equity method application			1,687		**1,687**
Changes in treasury shares of parent arising from transactions with non-controlling shareholders		(211)			**(211)**
Purchase of treasury stock				(32)	**(32)**
Disposal of treasury stock		123		509	**633**
Net changes in items other than stockholders' equity					
Total changes in the period	**—**	**(87)**	**24,784**	**477**	**25,174**
Balance as of March 31, 2016	**265,608**	**203,951**	**1,173,053**	**(4,771)**	**1,637,842**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (2/2)

(From April 1, 2015 to March 31, 2016) (Millions of Yen)

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on investment securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasur-ements of defined benefit plans	Total accumulated other comprehe-nsive income			
Balance as of March 31, 2015	**81,499**	**802**	**68,413**	**17,383**	**168,100**	**3,129**	**336,117**	**2,120,014**
Changes in the period								
Cash dividends								**(40,275)**
Profit attributable to owners of parent								**63,834**
Changes in scope of consolidation								**(461)**
Changes in scope of equity method application								**1,687**
Change in treasury shares of parent arising from transactions with non-controlling shareholders								**(211)**
Purchase of treasury stock								**(32)**
Disposal of treasury stock								**633**
Net changes in items other than stockholders' equity	(41,390)	2,241	(50,651)	(36,382)	(126,182)	(512)	(20,415)	**(147,110)**
Total changes in the period	**(41,390)**	**2,241**	**(50,651)**	**(36,382)**	**(126,182)**	**(512)**	**(20,415)**	**(121,936)**
Balance as of March 31, 2016	**40,108**	**3,044**	**17,762**	**(18,998)**	**41,917**	**2,616**	**315,702**	**1,998,078**

(REFERENCE)
CONSOLIDATED STATEMENT OF CASH FLOWS

(Millions of Yen)

	FY2015	FY2014
Cash flows from operating activities:		
Income before income taxes	132,682	232,697
Depreciation and amortization of intangible assets	158,706	157,010
Impairment loss	3,393	-
Amortization of goodwill	11,416	11,937
Increase (decrease) in liability for retirement benefit	(7,820)	(2,409)
Interest and dividend income	(15,577)	(12,864)
Interest expense	13,338	15,365
(Income) loss from equity method investments	(5,647)	14,128
(Gain) loss on changes in equity interest	-	(17,157)
(Gain) loss on sales of investment securities	-	(10,787)
(Gain) loss on sales of fixed assets	(5,663)	(3,960)
Loss on disposal of fixed assets	12,959	6,312
Gain on negative goodwill	(6,867)	-
Gain on revision of retirement benefit plan	(2,208)	-
Business structure improvement expenses	47,251	16,449
Loss on passenger vessel construction business reserve	103,911	69,534
Gain on return of assets from retirement benefits trust	-	(11,986)
(Increase) decrease in receivables	75,764	29,145
(Increase) decrease in inventories and advances to suppliers	(116,847)	(156,049)
(Increase) decrease in other assets	(202,252)	(8,798)
Increase (decrease) in payables	(3,228)	5,373
Increase (decrease) in advance payments received on contracts	107,093	24,934
Increase (decrease) in other liabilities	(4,214)	(17,341)
Others	19,090	2,507
Subtotal	315,280	344,040
Interest and dividends received	18,393	18,905
Interest paid	(13,800)	(15,960)
Income taxes paid	(49,870)	(134,151)
Net cash provided by operating activities	270,002	212,834
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(2,180)	(2,230)
Purchases of property, plant, equipment and intangible assets	(161,160)	(163,402)
Proceeds from sales of property, plant, equipment and intangible assets	12,535	14,378
Purchases of investment securities	(13,112)	(50,319)
Proceeds from sales and redemption of investment securities	11,055	29,758
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(105,425)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	9,574	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	2,573
Payment for sales of investments in subsidiaries resulting in change in scope of consolidation	(6,369)	-
Payments for transfer of business	(2,708)	-
Disbursement of long-term loans	(6,240)	(18,275)
Collection of long-term loans	4,259	15,498
Others	(2,706)	(2,130)
Net cash used in investing activities	(262,479)	(174,149)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	20,506	57,256
Proceeds from long-term borrowings	44,889	97,115
Repayment of long-term borrowings	(58,859)	(188,683)
Proceeds from issuance of bonds	20,000	70,000
Payment for redemption of bonds	-	(70,000)
Proceeds from issuance of stock to non-controlling shareholders	4,144	25,228
Dividends paid to stockholders	(40,269)	(30,139)
Dividends paid to non-controlling shareholders	(10,494)	(4,133)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(571)	-
Others	(2,452)	(2,516)
Net cash used in financing activities	(23,106)	(45,872)
Effect of exchange rate changes on cash and cash equivalents	**(35,194)**	**(945)**
Net increase (decrease) in cash and cash equivalents	**(50,778)**	**(8,133)**
Cash and cash equivalents at beginning of year	**357,349**	**370,710**
Increase in cash and cash equivalents due to changes in scope of consolidation	**649**	**-**
Decrease in cash and cash equivalents due to changes in scope of consolidation	**(6,953)**	**(10,845)**
Increase in cash and cash equivalents from corporate partition	**-**	**5,617**
Cash and cash equivalents at end of period	**300,267**	**357,349**

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEET (1/2)

(Millions of Yen)

	As of Mar. 31, 2016	As of Mar.31, 2015
ASSETS		
Current assets:		
Cash and deposits	101,622	147,968
Trade notes receivable	890	1,565
Trade accounts receivable	441,344	591,829
Merchandise and finished products	13,252	15,035
Work in process	406,265	453,027
Raw materials and supplies	60,867	56,731
Advances to suppliers	79,167	71,825
Prepaid expenses	1,290	860
Deferred income taxes	67,120	72,133
Short-term loans receivable from subsidiaries and affiliates	357,186	160,755
Others	176,492	181,008
Allowance for doubtful accounts	(51)	(59)
Total current assets	**1,705,449**	**1,752,681**
Fixed assets:		
Property, plant and equipment:		
Buildings	205,080	199,713
Structures	18,090	18,867
Docks and facilities for shipbuilding	2,350	2,769
Machinery	88,631	93,047
Vessels	106	138
Aircraft	2	2
Vehicles and transportation equipment	2,458	1,952
Tools, equipment and furniture	26,592	23,539
Land	97,770	100,096
Leased assets	18,607	19,689
Construction in progress	29,634	24,599
Subtotal	**489,324**	**484,416**
Intangible assets:		
Software	11,168	8,204
Right of using facilities	243	375
Leased assets	132	106
Others	68	48
Subtotal	**11,612**	**8,736**
Investments and advances:		
Investment securities	282,513	334,612
Investments in shares of subsidiaries and affiliates	721,342	647,711
Investments in capital	14	15
Investments in capital of subsidiaries and affiliates	80,749	74,351
Long-term loans receivable from employees	33	40
Long-term loans receivable from subsidiaries and affiliates	34,327	80,784
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,044	2,163
Long-term prepaid expense	4,736	4,501
Prepaid pension cost	44,153	32,936
Long-term receivables	236	23,264
Others	45,821	42,345
Allowance for doubtful accounts	(1,910)	(12,495)
Subtotal	**1,213,063**	**1,230,233**
Total fixed assets	**1,714,001**	**1,723,386**
TOTAL ASSETS	**3,419,451**	**3,476,067**

NON-CONSOLIDATED BALANCE SHEET (2/2)

(Millions of Yen)

	As of Mar.31, 2016	As of Mar. 31, 2015
LIABILITIES		
Current liabilities:		
Electronically recorded obligations	46,931	52,886
Trade accounts payable	338,543	341,999
Short-term borrowings	445,297	400,823
Current portion of long-term borrowings	45,978	46,978
Commercial papers	45,000	95,000
Current portion of bonds	20,000	-
Lease obligations	1,495	1,480
Accrued payables	27,852	24,399
Accrued expenses	116,764	96,612
Advance payments received on contracts	379,974	325,761
Deposits received	32,550	21,132
Reserve for product warranties	288	44
Reserve for loss on construction contracts	14,592	23,927
Reserve for loss on passenger vessel construction business	72,842	105,280
Reserve for legal claims	-	105
Reserve for stock benefits	98	-
Others	2,496	2,323
Total current liabilities	**1,590,705**	**1,538,753**
Long-term liabilities:		
Bonds	245,000	245,000
Long-term borrowings	347,989	354,416
Lease obligations	17,237	18,445
Deferred income taxes	270	19,663
Reserve for stock benefits	696	-
Reserve for treatment of PCB waste	6,624	9,341
Asset retirement obligations	2,823	2,856
Others	21,509	24,460
Total long-term liabilities	**642,150**	**674,184**
TOTAL LIABILITIES	**2,232,856**	**2,212,937**
NET ASSETS		
Stockholders' equity:		
Common stock	**265,608**	**265,608**
Capital surplus:		
Capital reserve	203,536	203,536
Other capital reserve	2,806	185
Total capital surplus	**206,342**	**203,721**
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for specified business restructuring investment loss	92,151	90,125
Reserve for reduction in costs of fixed assets	44,739	44,890
Reserve for accelerated depreciation	3,023	1,306
General reserves	460,000	460,000
Earned surplus brought forward	19,321	61,524
Total revenue reserve	**619,235**	**657,845**
Total retained earnings	**685,598**	**724,209**
Treasury stock	**(2,969)**	**(5,244)**
Total stockholders' equity	**1,154,580**	**1,188,296**
Valuation, translation adjustments and others:		
Net unrealized gains on investment securities	**28,746**	**71,789**
Deferred gains on hedges	**763**	**-**
Total valuation, translation adjustments and others	**29,510**	**71,789**
Share subscription rights	**2,504**	**3,044**
TOTAL NET ASSETS	**1,186,595**	**1,263,130**
TOTAL LIABILITIES AND NET ASSETS	**3,419,451**	**3,476,067**

NON-CONSOLIDATED STATEMENT OF INCOME

(Millions of Yen)

	FY2015	FY2014
Net sales	**1,474,990**	**1,537,157**
Cost of sales	**1,226,023**	**1,316,816**
Gross profit	**248,967**	**220,341**
Selling, general and administrative expenses	**120,084**	**114,536**
Operating income	**128,882**	**105,804**
Non-operating income:		
Interest income	3,545	2,392
Dividend income	40,561	26,853
Gain on sales of investment securities	1,633	-
Others	1,582	974
Total non-operating income	**47,322**	**30,220**
Non-operating expenses:		
Interest expense	8,418	9,240
Interest on bonds	2,988	3,188
Foreign exchange loss	6,901	4,243
Loss on disposal of fixed assets	4,782	4,246
Litigation expenses	4,595	3,654
Others	5,460	5,864
Total non-operating expenses	**33,146**	**30,437**
Ordinary income	**143,059**	**105,588**
Extraordinary gain:		
Gain on sales of fixed assets	5,067	4,310
Gain on return of assets from retirement benefits trust	-	11,986
Gain on sales of investment securities	-	11,572
Total extraordinary gain	**5,067**	**27,869**
Extraordinary loss:		
Loss on passenger vessel construction business reserve	103,911	69,534
Business structure improvement expenses	28,489	5,119
Loss on revaluation of investment securities	17,195	24,205
Total extraordinary loss	**149,597**	**98,858**
Income (loss) before income taxes	**(1,470)**	**34,599**
Income taxes:		
Current	(8,941)	(14,397)
Deferred	4,296	30,285
Profit	**3,174**	**18,710**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (1/2)
(From April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Stockholders' equity								
		Capital surplus			Retained earnings				
						Revenue reserve			
	Common stock	Capital reserve	Other capital reserve	Total capital surplus	Legal reserve	Reserve for specified business restructuring investment loss	Reserve for reduction in costs of fixed assets	Reserve for accelerated depreciation	General reserves
Balance as of March 31, 2015	**265,608**	**203,536**	**185**	**203,721**	**66,363**	**90,125**	**44,890**	**1,306**	**460,000**
Changes in the period									
Provision of reserve for specified business restructuring investment loss						2,026			
Provision of reserve for reduction in costs of fixed assets							3,168		
Reversal of reserve for reduction in costs of fixed assets							(3,319)		
Provision of reserve for accelerated depreciation								1,930	
Reversal of reserve for accelerated depreciation								(213)	
Cash dividends									
Profit									
Purchase of treasury stock									
Disposal of treasury stock			2,620	2,620					
Decrease by corporate devision									
Net changes in items other than stockholders' equity									
Total changes in the period	**-**	**-**	**2,620**	**2,620**	**-**	**2,026**	**(150)**	**1,716**	**-**
Balance as of March 31, 2016	**265,608**	**203,536**	**2,806**	**206,342**	**66,363**	**92,151**	**44,739**	**3,023**	**460,000**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (2/2)
(From April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Stockholders' equity					Valuation, translation adjustments and others			Share subscription rights	Total net assets
	Retained earnings			Treasury stock	Total stockholders' equity	Net unrealized gains (losses) on investment securities	Deferred gains (losses) on hedges	Total valuation, translation adjustments and others		
	Revenue reserve		Total retained earnings							
	Earned surplus brought forward	Total revenue reserve								
Balance as of March 31, 2015	**61,524**	**657,845**	**724,209**	**(5,244)**	**1,188,296**	**71,789**	**-**	**71,789**	**3,044**	**1,263,130**
Changes in the period Provision of reserve for specified business restructuring investment loss	(2,026)	-	-		-					-
Provision of reserve for reduction in costs of fixed assets	(3,168)	-	-		-					-
Reversal of reserve for reduction in costs of fixed assets	3,319	-	-		-					-
Provision of reserve for accelerated depreciation	(1,930)	-	-		-					-
Reversal of reserve for accelerated depreciation	213	-	-		-					-
Cash dividends	(40,312)	(40,312)	(40,312)		**(40,312)**					**(40,312)**
Profit	3,174	3,174	3,174		**3,174**					**3,174**
Purchase of treasury stock				(28)	**(28)**					**(28)**
Disposal of treasury stock				2,302	**4,923**					**4,923**
Decrease by corporate division	(1,472)	(1,472)	(1,472)		**(1,472)**					**(1,472)**
Net changes in items other than stockholders' equity						(43,042)	763	(42,279)	(540)	**(42,819)**
Total changes in the period	**(42,202)**	**(38,610)**	**(38,610)**	**2,274**	**(33,715)**	**(43,042)**	**763**	**(42,279)**	**(540)**	**(76,535)**
Balance as of March 31, 2016	**19,321**	**619,235**	**685,598**	**(2,969)**	**1,154,580**	**28,746**	**763**	**29,510**	**2,504**	**1,186,595**

AUDIT REPORTS

Report of Accounting Auditors on the Consolidated Financial Statements

Independent Auditor's Report

May 16, 2016

Mr. Shunichi Miyanaga
President
Mitsubishi Heavy Industries, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant：Koichiro Watanabe

Designated and Engagement Partner
Certified Public Accountant：Hiroshi Kaya

Designated and Engagement Partner
Certified Public Accountant：Hirotaka Mizutani

Designated and Engagement Partner
Certified Public Accountant：Katsutoshi Okura

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Mitsubishi Heavy Industries, Ltd. (the "Company") applicable to the 2015 fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Mitsubishi Heavy Industries Group, which consisted of the Company and consolidated subsidiaries, applicable to the 2015 fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of matter

1. As discussed in Note 4 "Reserve for loss on passenger vessel construction business" in Notes to the Consolidated Balance Sheet, the actual amount of future losses may be different from the current estimate mainly as MHI is still negotiating the construction schedule for the second ship with the customer.

2. As discussed in Note 5 "Others" in Notes to the Consolidated Balance Sheet, MHI demanded that Hitachi pay ZAR 48,200 million (equivalent to approximately 379.0 billion yen converted at a rate of 7.87 yen to 1 ZAR) to MHPS-Africa as part of the price adjustment and other payments.

Meanwhile, MHI and Hitachi have not completed the price adjustment of the South African Asset Transfer at the moment.

Our opinion is not affected by the matters described above.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(End)

Report of Accounting Auditors on the Financial Statements

Independent Auditor's Report

May 16, 2016

Mr. Shunichi Miyanaga
President
Mitsubishi Heavy Industries, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant：Koichiro Watanabe

Designated and Engagement Partner
Certified Public Accountant：Hiroshi Kaya

Designated and Engagement Partner
Certified Public Accountant：Hirotaka Mizutani

Designated and Engagement Partner
Certified Public Accountant：Katsutoshi Okura

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Mitsubishi Heavy Industries, Ltd. (the "Company") applicable to the 2015 fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present

fairly, in all material respects, the financial position and results of operations of Mitsubishi Heavy Industries, Ltd. applicable to the 2015 fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of matter

1. As discussed in Note 4 "Reserve for loss on passenger vessel construction business" in Notes to the Balance Sheet, the actual amount of future losses may be different from the current estimate mainly as MHI is still negotiating the construction schedule for the second ship with the customer.

2. As discussed in Note 5 "Others" in Notes to the Balance Sheet, MHI demanded that Hitachi pay ZAR 48,200 million (equivalent to approximately 379.0 billion yen converted at a rate of 7.87 yen to 1 ZAR) to MHPS-Africa as part of the price adjustment and other payments.

Meanwhile, MHI and Hitachi have not completed the price adjustment of the South African Asset Transfer at the moment.

Our opinion is not affected by the matters described above.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(End)

Audit Report of the Audit and Supervisory Committee

AUDIT REPORT

The Audit and Supervisory Committee of the Company has audited the Directors' execution of their duties during the 2015 fiscal year, from April 1, 2015, to March 31, 2016. The Committee hereby reports the methods and results of the audit as follows:

1. Methods of the Audit and Details Thereof

(1) The Audit and Supervisory Committee received reports regularly from Directors, employees, etc. on the resolutions of the Board of Directors concerning the matters listed in Article 399-13, Paragraph 1, Items (i)(b) and (i)(c) of the Companies Act as well as the development and operation status of the system that has been put in place based on said resolutions (internal control system), requested explanation as necessary and expressed its opinion. The Committee also received reports from Directors, etc. and Ernst & Young ShinNihon LLC on the status of the evaluation and audit of internal controls over financial reporting under the Financial Instruments and Exchange Act and requested explanation as necessary.

(2) In accordance with the audit policy, audit plan, etc., established by the Audit and Supervisory Committee, the Committee, in coordination with the internal auditing department and other departments concerned, attended important meetings, received reports from Directors, employees, etc. on the status of their execution of duties, requested explanation as necessary, inspected important documents, etc., and conducted investigations regarding the status of the business operations and properties of the Company at Head Office and Works, etc. Regarding the Company's subsidiaries, the Audit and Supervisory Committee sought to facilitate communication and exchange information with directors, statutory auditors and others of the Company's subsidiaries and, when necessary, received reports from these subsidiaries on the status of their businesses.

(3) The Audit and Supervisory Committee monitored and examined whether the Financial Auditors maintained their independence and carried out their audits in an appropriate manner, received reports from the Financial Auditors on the status of the execution of their duties and, when necessary, attended their audits and requested explanations.

(4) The Audit and Supervisory Committee received a notification from the Financial Auditors that they are taking steps to improve the "system for ensuring appropriate execution of duties" (matters specified in the items under Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards Relating to Auditing" (Business Accounting Council) and other standards, and requested explanations when necessary.

Based on the foregoing methods, the Audit and Supervisory Committee examined the Business Report and the related supplementary schedules for the 2015 fiscal year under review, non-consolidated financial statements for the same fiscal year (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements) and the related supplementary schedules as well as consolidated financial statements for the same fiscal year (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements).

2. Results of audit:

(1) Result of audit of the Business Report, etc.

In our opinion:

a. the Business Report and the related supplementary schedules fairly represent the conditions of the Company in accordance with the applicable laws and ordinances and with the Company's Articles of Incorporation;

b. with respect to the Directors' execution of their duties, there are no fraudulent acts or material facts of violation of applicable laws and ordinances or of the Company's Articles of Incorporation; and

c. the contents of the resolutions of the Board of Directors regarding internal control systems are appropriate. Furthermore, there are no matters that we should point out regarding the contents of the Business Report and Directors' execution of their duties related to internal control systems, including internal control systems over financial reporting.

(2) Result of audit of the non-consolidated financial statements and the related supplementary schedules

In our opinion, the methods and results of the audit conducted by the Financial Auditors, Ernst & Young ShinNihon LLC, are appropriate.

(3) Result of audit of the consolidated financial statements

In our opinion, the methods and results of the audit conducted by the Financial Auditors, Ernst & Young ShinNihon LLC, are appropriate.

May 20, 2016

The Audit and Supervisory Committee
Mitsubishi Heavy Industries, Ltd.

Eiji Isu (seal)
Full-time Audit and Supervisory Committee Member

Tatsuhiko Nojima (seal)
Full-time Audit and Supervisory Committee Member

Nobuo Kuroyanagi (seal)
Audit and Supervisory Committee Member

Christina Ahmadjian (seal)
Audit and Supervisory Committee Member

Shinichiro Ito (seal)
Audit and Supervisory Committee Member

(Note)

Mr. Nobuo Kuroyanagi, Ms. Christina Ahmadjian and Mr. Shinichiro Ito are Outside Directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

(End)