

Financial Foundation Supporting Energy Transition

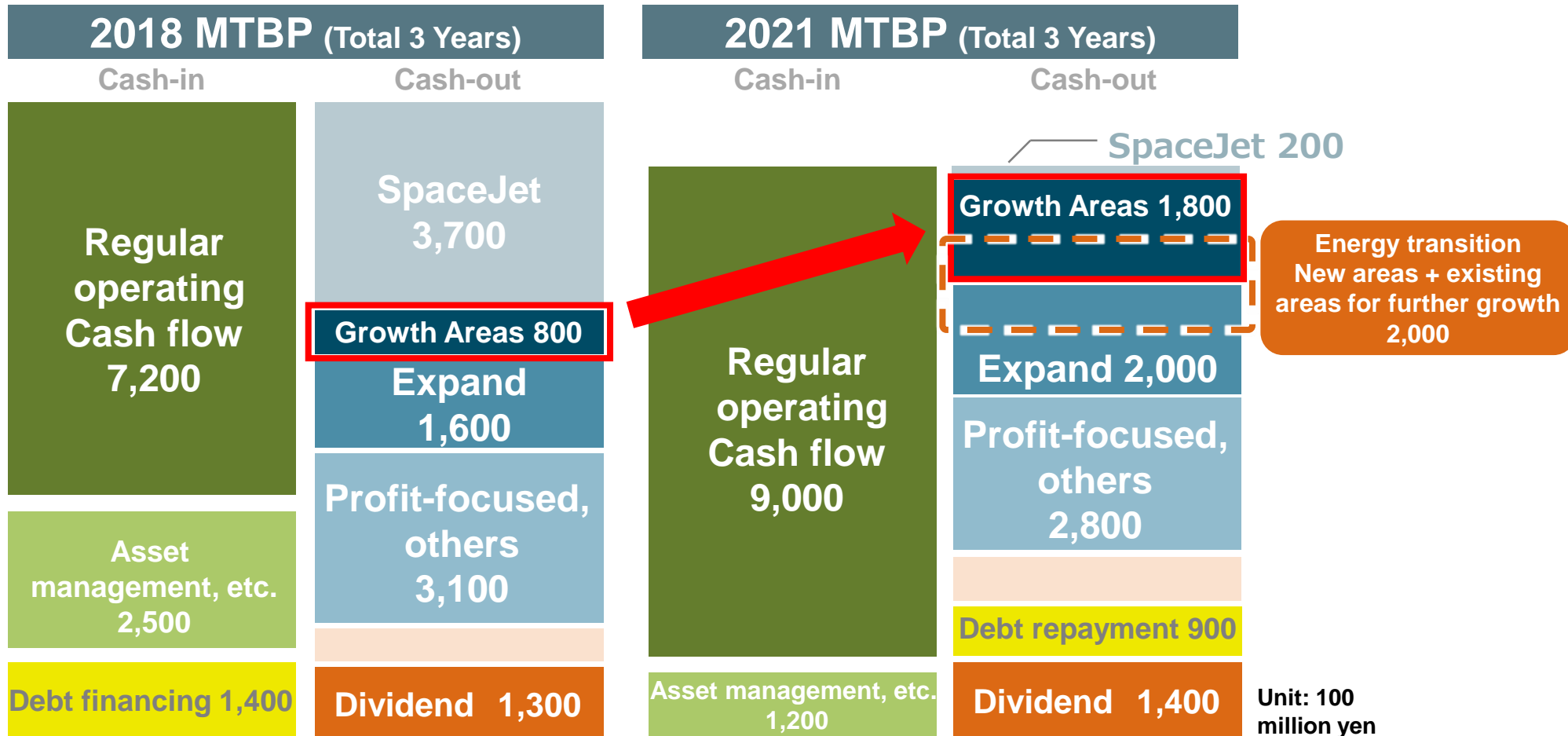
Hisato Kozawa

Director, Senior Vice President

Chief Financial Officer

Significant Change in Capital Allocation – Financial Foundation

- Significant increase in capital allocation into growth areas including energy transition



Objectives of Green Bond Issuance

- MHI is a unique company possessing a combination of wide ranging business opportunities and investment capabilities in the Energy Transition field.
- Issued our first Green Bond in an effort to match the strong investment needs of the market in this field with the experience and unique position of the MHI Group.



[Wind power generation facility and business]

MHI's solutions and products contributing to energy transition

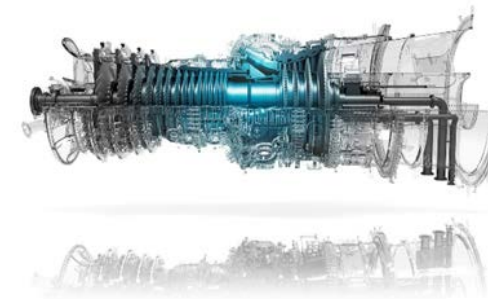
MHI's
Business
Opportunities
【Business】

Investment Needs for
Decarbonization
【Investment Demand】



Initiatives Uniting
Investors and MHI
【Green Bond Issuance】

【Use of proceeds】
Wind · Hydrogen · Geothermal
power generation facilities and businesses
【Issuance amount, Maturity】
25 bn yen, 5 years



[Hydrogen power generation facility and business]

Investment of 180 bn yen into
growth areas in 2021 MTBP

MHI's
Investment
Capabilities
【Finance】

- Green finance and transition finance are not just means of raising funds, but also a valuable opportunity for communication with investors and broader society.
- We will continue dialogue with all stakeholders and consider expanding our Energy Transition-related portfolio as well as suitable funding for these businesses.

PRESS INFORMATION

MHI To Issue First Green Bond -- Aims to Help Solve Environmental Issues, Achieve SDGs, and Make a Decarbonized World a Reality --

2020-10-30



* Issuance aimed at raising funds in Japan to support operations in renewable and clean energies
* Move will contribute to achieving 7th SDG "ensuring access to affordable, reliable, sustainable and modern energy for all"

Tokyo, October 30, 2020 - Mitsubishi Heavy Industries, Ltd. (MHI) today submitted a revised shelf registration statement to the Director-General of the Kanto Local Finance Bureau in preparation for its planned issuance of a corporate green bond (Note1) in the Japan market. The move represents the Company's first issuance of this kind.

MHI Senior Vice President and Chief Financial Officer (CFO) Hisato Kozawa described the significance of the Company's first green bond issuance as follows: "Since its founding, MHI has contributed to progress in society with myriad products and technologies. The funds raised by issuing this green bond will be used to address environmental issues and thereby facilitate achievement of a decarbonized society, and we believe we can contribute to that society by providing a well-balanced energy infrastructure. In this way, the green bond issuance will help resolve energy issues as a means of achieving decarbonization, a cornerstone of our materiality initiatives."

1. Objectives and Background

MHI contributes to the resolution of global issues through worldwide provision of products and technologies that support infrastructure, both improving people's lives and driving industry forward. Through our business operations we contribute to progress in the world as a company engaged in "monozukuri"—the traditional Japanese concept of craftsmanship—based on our corporate philosophy set out in "Our Principles."

Expansion of Energy
Transition businesses and
appropriate Financing

Continuous Dialogue /
Communication with
Investors and Society



Green Bond Issuance
(First Launch)



Present

In the 21 MTBP Period

- Economically feasible energy transition is essential to achieve a carbon neutral world
- We will accelerate growth by continuously providing proven solutions while leveraging external resources in addition to our own technology and experience
- Measures including reduction of selling, general and administrative expenses (SG&A) are being implemented to return to and strengthen profitability
- Drive forward Energy Transition while balancing short, medium and long-term profitability and financial stability to improve corporate value and contribute to achieving a carbon neutral 2050

MOVE THE WORLD FORWARD

**MITSUBISHI
HEAVY
INDUSTRIES
GROUP**