

## **MHI to Establish ‘Global Nuclear Business & Operation Department’**

### **Move Targeted at Accelerating Strategic Engagement In Expanding Global Nuclear Power Generation Market**

**Tokyo, June 20, 2007** – Mitsubishi Heavy Industries, Ltd. (MHI) will establish a new “Global Nuclear Business & Operation Department” within its Nuclear Energy Systems Headquarters effective July 1. The move is aimed at enabling the company to respond promptly to business opportunities in new nuclear power plant (NPP) construction projects; such projects are anticipated to further concretize and increase amid the trend toward reevaluating nuclear power generation, which is currently gathering momentum worldwide. At the same time, MHI plans for the new department to function as a strategic sales and marketing unit that will control overall global export activities of NPP components.

In the area of NPP projects, in parallel with the development of the US-APWR\*, one of the world’s largest (1,700 Mwe) pressurized water reactors (PWR) specifically for the U.S. market, MHI, together with the AREVA Group, is jointly developing an advanced generation-3, 3-loop PWR with power of around 1,100 MWe for markets suited to medium-size reactors because of their scale of electricity demand and power grid situation. As to the US-APWR, TXU of the U.S. has already selected this reactor for its planned NPPs, and MHI has also been receiving many inquiries from other electricity companies in the U.S.

In addition to brisk business negotiations relating to NPP projects, including from China, activities are also building momentum to expand sales of the PWR plant MHI is jointly promoting with AREVA. Many large NPP-related projects are thus on the drawing board. The newly established Global Nuclear Business & Operation Department will speedily respond to this significant surge in new NPP construction projects in evidence worldwide.

In the area of exports of equipment for existing NPPs, MHI has an abundant record in component replacement supply, including steam generators, reactor vessel heads, control rod drive mechanisms and turbines, to major world markets such as the U.S., Europe and China. MHI expects continuous vigorous demand in this business area, mainly in the U.S. and European markets, and the company intends to conduct aggressive marketing activities centering on the newly established Global Nuclear Business & Operation Department.

As the structure of the global nuclear power industry has been rapidly changing through M&A activities and tie-ups, companies in the industry are required to engage in this business strategically and dynamically. The new department will also oversee the establishment of strategic alliances in related areas.

The creation of the new department follows the establishment of MHI Nuclear Energy Systems, Inc. (MNES) in July 2006 and the establishment of the APWR Promoting Department in the Nuclear Power Systems Headquarters last September. With these various initiatives, MHI will further accelerate its strategic approach to the brisk nuclear power generation market through enhancement of the functions and structures of its nuclear energy system sales and marketing.

*Note:*

*MHI developed the US-APWR based on technologies for a 1,538 MW APWR. A number of modifications have been incorporated in reflection of the demands of U.S. customers for enhanced performance; improvements include the world's highest level of thermal efficiency (39%), a 20% reduction in plant building volume, and a 24-month fuel cycle.*

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**About Mitsubishi Heavy Industries**

Mitsubishi Heavy Industries, Ltd. (MHI), headquartered in Tokyo, Japan, is one of the world's leading heavy machinery manufacturers, with consolidated sales of 3,068 billion yen in fiscal 2006 (year ended March 31, 2007). MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space rocketry and air-conditioning systems.

For more information, please visit the MHI website (<http://www.mhi.co.jp>).

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