



Medium to Long-Term Growth Strategies

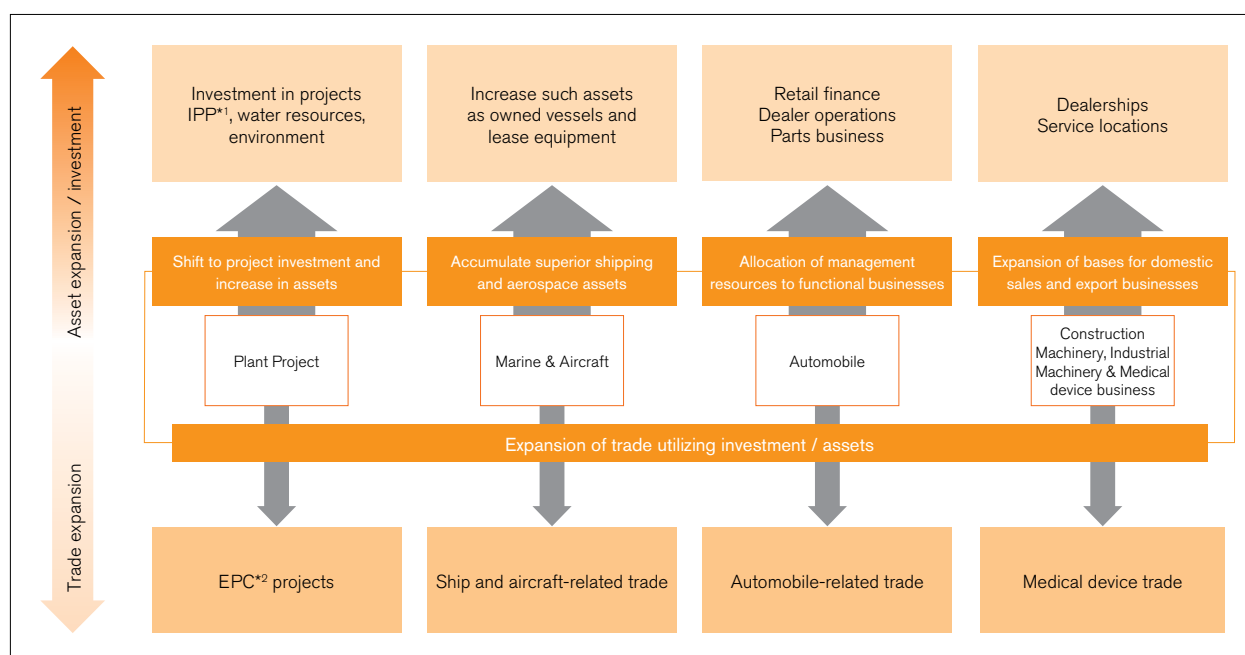
In IPP, water supply, environmental, energy, transport, and other infrastructure businesses, we will strive to promote a balance between the accumulation of superior assets in industrialized countries and highly profitable development projects in developing countries. We will endeavor to expand trade in fields of conventional strength, including marine, aerospace, automobile, construction machinery, and industrial machinery, and reconfigure and reinforce the value chain business. We will also strive to generate stable earnings through stringently selected investments in peripheral sectors. Furthermore, we will promote the construction of a medical device value chain to meet anticipated future growth in medical device businesses, aiming to further enhance business investment and trade in Japan and other parts of Asia.

We will maximize earnings from existing investments, promoting the accumulation of superior assets and asset replacement, and conduct trade in related and ancillary fields.

In promoting infrastructure projects in emerging countries, we will give due consideration to environmental protection and local communities to ensure projects proceed smoothly. The world faces such issues as climate change, waste management, and water resource securement; the Machinery Company views these as promising medium- to long-term business opportunities. As such, we are taking part in renewable energy-related businesses involving wind and geothermal power, as well as waste management projects. We are also involved actively in seawater desalination and other water-related projects.

Furthermore, based on our strategic business and capital alliance agreement with CITIC and CP Group, we are considering joint investment and trade expansion that will leverage that group's characteristics, particularly in China and the ASEAN region.

Medium to Long-Term Growth Strategies (Conceptual Diagram)



*1 IPP: Independent power producer

*2 EPC: Engineering, Procurement, and Construction