

**FOR IMMEDIATE RELEASE**

**Mitsubishi Heavy Industries and Hitachi to Collaborate on the  
Distributed Gas Engine Power Generation Systems Business in China**

*Full-scale Entry into the Distributed Gas Engine Power Generation Systems Business,  
Which Offers Prospects for Rapid Expansion in Demand*

**Tokyo, January 21, 2014** --- Mitsubishi Heavy Industries, Ltd. (TSE: 7011, "MHI") and Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that the two companies agreed to collaborate on the distributed gas engine power generation systems<sup>\*1</sup> business in China, and signed an agreement on this collaboration.

MHI plans to transfer to Hitachi 35% of its shareholding in Mitsubishi Heavy Industries Engine System (Shenzhen), Co., Ltd ("Mitsubishi Heavy Industries Engine System (Shenzhen)"). Mitsubishi Heavy Industries Engine System (Shenzhen), is wholly owned by the MHI Group which conducts the engine and power generation business in China. Mitsubishi Heavy Industries Engine System (Shenzhen) will then be renamed and converted into a joint venture company by the end of 2014. Through this joint venture company, MHI and Hitachi will strategically evaluate the market for distributed gas engine power generation systems, which is anticipated to expand rapidly in China going forward.

Due to the increasing importance and rapidly growing demand for electric power, the Chinese government has announced plans to introduce distributed gas engine power generation systems with a total output of around 50 gigawatts by 2020. These systems will be fueled by natural gas, offering outstanding environmental benefits. To date, MHI has a well-established track record of introducing numerous distributed power generation systems in Japan and overseas, while Hitachi has been actively engaged in the energy service business and engineering and operation business for cogeneration (combined heat and power) systems, primarily in Japan. Looking ahead, the two companies will join forces to penetrate a full-scale entry into the distributed gas engine power generation systems business in China with the aim of expanding their market share.

Plans call for the joint venture company to be headquartered in Shenzhen, with a branch in Shanghai with a workforce of approximately 60 employees. In addition to the sales and after-market service business for engines and power generation sets hitherto undertaken by Mitsubishi Heavy Industries Engine System (Shenzhen), the joint venture company will begin carrying out the distributed gas engine power generation system business through collaboration with Hitachi. Through this collaboration, the joint venture company will develop solutions businesses that provide a diverse range of energy services, such as reliable

operational systems, service maintenance and ESCO<sup>\*2</sup> services, in addition to proposals for engineering, procurement and construction (EPC) of cogeneration systems. These services are aimed at fulfilling the demands of a variety of customers with respect to heating, cooling, and power requirements, energy conservation and other needs.

MHI and Hitachi will maximize both companies' strengths to advance this collaboration targeting the distributed power generation systems market, which provides significant opportunities for rapid growth in China. The two companies will work closely with the joint venture company while providing support, as they strive to drive expansion in the distributed gas engine power generation systems business in China.

\*1 Distributed power generation systems: Systems designed to supply electric power by deploying relatively small power generation systems close to power consumption areas.

\*2 ESCO: Energy Service Company

ESCO operators provide customers with comprehensive services related to energy conservation, including energy conservation assessments, as well as systems design, installation, maintenance and verification.

### Outline of New Company

Name	To be determined
Establishment	By the end of 2014 (planned)
Headquarters	Shenzhen, China
Capital	USD 10 million
Shareholders	MHI Group (65%), Hitachi (35%)
Business activities	Distributed gas engine power generation systems business, energy service business, sales and after-market services for engines and power generation sets
Employees	Approx. 60

### About Mitsubishi Heavy Industries, Ltd.

Mitsubishi Heavy Industries, Ltd. (MHI), headquartered in Tokyo, Japan, is one of the world's leading heavy machinery manufacturers, with consolidated sales of 2,817.8 billion yen in fiscal 2012, the year ended March 31, 2013. MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space systems and air-conditioning systems.

For more information, please visit the MHI website below:

<http://www.mhi.co.jp/en/index.html>

**About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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