



Hitachi Plant Construction, Ltd.

Mitsubishi Hitachi Power Systems, Ltd.

Mitsubishi Heavy Industries Mechatronics Systems, Ltd.

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Mitsubishi Hitachi Power Systems Group to Establish a New Company of Precipitator Businesses by Integrating the Businesses of Mitsubishi Heavy Industries Mechatronics Systems and Hitachi Plant Construction

April 23, 2015 – Today, Mitsubishi Hitachi Power Systems, Ltd. (MHPS), Mitsubishi Heavy Industries Mechatronics Systems, Ltd. (MHI-MS) and Hitachi Plant Construction, Ltd. (HPC) have agreed and signed an agreement to integrate the precipitator businesses of MHI-MS and HPC, and establish a new company as an MHPS group company. The initiative aims to further strengthen the competitiveness of the MHPS group's air quality control systems (AQCS) business by covering full product range through the addition of precipitator business. The three companies will soon establish a preparatory company, targeting to start its business operation on October 1, 2015.

The new company will be established as a wholly-owned subsidiary of MHPS, through company split and succeeding MHI-MS and HPC's precipitator business. The new company will undertake the manufacture, sales and after-sale services of electrostatic precipitators (ESP) and related facilities such as fabric filters (FF). The new company will start with approximately 240 employees and annual revenue of approximately 15 billion yen. The company name, head office location, capitalization and other details will be decided in due course.

The agreement was concluded as the three companies' intentions to strengthen and expand their precipitator systems businesses matched perfectly. By adding the precipitator systems to MHPS's current AQCS product offerings, which include denitrification (De-NOx) systems, flue gas desulfurization (FGD) systems, gas-gas heaters (GGH), heat recovery systems and GGH reheaters, MHPS group will have a full AQCS product lineup. The new company is targeting to accelerate the global expansion of precipitator systems business by utilizing the MHPS's significant capability in the overseas market. Furthermore, the new company will take advantage of MHI-MS and HPC's strengths in the industrial market, and will strengthen its competitiveness in the market segments other than power companies, as well as enhancing after-sale services businesses.

The precipitator is a system for collecting soot and dust present in flue gas. When installed in lines for processing the flue gas discharged from boilers, etc., precipitator systems are capable of removing air-polluting microparticles such as PM2.5.

Supported by the global trend toward environmental protection, the AQCS market is expected to continue steady expansion, mainly due to vigorous demand on electric power in the emerging nations, particularly in Asia. Until now MHPS has conducted AQCS operations as part of its thermal power generation system business; however, precipitator systems, which are a core product in that business, have been handled by the group companies of MHI and Hitachi, Ltd. The decision to establish the new company was taken from the need to strengthen the precipitator system businesses and their cost competitiveness through the integration, and to expand the businesses in the global market as a complete AQCS supplier.

MHPS, MHI-MS and HPC will now continue their close collaboration towards the launch of the new company this autumn.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
