

Establishment of Joint Venture Company

At a meeting of its Board of Directors convened today, Mitsubishi Heavy Industries, Ltd. (MHI) determined to establish, in collaboration with Vestas Wind Systems A/S (Vestas) of Denmark, a joint venture company (JV) dedicated to business in offshore wind turbines. Details are presented below.

1. Objectives

Offshore wind turbines are currently expected to mark long-range growth as an alternative energy source to supersede outdated coal-fired and nuclear plants, particularly in European countries such as the United Kingdom and Germany but also in Japan, where expansion in wind turbine installations is projected. Today MHI is pursuing development of a large-scale wind turbine adopting the world's first Digital Displacement® Transmission (DDT) system, and research is going forward through onshore demonstration testing in the UK and participation in verification testing at an offshore floating wind farm in Fukushima. The company recently concluded an agreement with Vestas, a firm with a robust track record in offshore wind power generation systems, to establish a JV dedicated to the development, design, procurement, manufacture, marketing and after-sale servicing of offshore wind turbines. The JV will initially market Vestas' current 3,000 kilowatt (kW) commercial wind turbine, with plans to later add a gear type 8,000 kW model (V164) now under development by Vestas. Plans further call for the early launch of a model using the V164 platform and featuring MHI's DDT system. By combining the JV partners' respective strengths – MHI's comprehensive technological capabilities and reliability accrued through its operations in heavy industrial and electric machinery, and Vestas' technologies and abundant track record in this field – the new JV will be in a prime position to become a top player in the global market for offshore wind turbines.

2. Overview of the JV

1	Name	To be announced
2	Location	Aarhus, Denmark
3	CEO	Jens Tommerup
4	Business scope	Development, design, procurement, manufacture, marketing and after-sale servicing of offshore wind turbines
5	Capitalization	To be announced
6	Establishment	March 2014
7	End of fiscal year	March 30
8	Net assets	To be announced
9	Gross assets	To be announced
10	Ownership ratios	MHI 50%, Vestas 50% * MHI will make an initial capital investment of 100 million euros upon the JV's establishment, with an additional 200 million euros to be furnished based on the JV's actual performance.

	* MHI has the right to exercise a call option, and plans to do so in 2016, increasing its ownership ratio to 51% (Vestas 49%).
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Note: Items marked “to be announced” will be disclosed as soon as the pertinent decision has been rendered.

3. Overview of the JV Partner

1	Name	Vestas Wind Systems A/S		
2	Location	Denmark		
3	CEO	Anders Runevad		
4	Business scope	Development, design, manufacture and marketing of wind turbines, and related business		
5	Capitalization	DKK 203,704,103.00		
6	Establishment	September 1, 1986		
7	Major shareholder & ownership ratio	Marathon Asset Management LLP, UK (5.22%) (as of April 8, 2013)		
8	Relationships with listed companies			
	Capital	No important capital relationships exist.		
	Personnel	No important personnel relationships exist.		
	Business	No important business relationships exist.		
	Status as a related party	No relevance.		
9	Business results and financial situation during most recent 3 years (unit: million € unless otherwise indicated)			
	Fiscal year	2010	2011	2012
	Consolidated net assets	2,754	2,576	1,622
	Consolidated gross assets	7,066	7,689	6,972
	Consolidated net assets per share	13.5€	12.6€	8.0€
	Consolidated net sales	6,920	5,836	7,216
	Consolidated operating profit	310	-60	-697
	Consolidated ordinary profit	-	-	-
	Consolidated net profit	156	-166	-963
	Consolidated net profit per share	0.8€	-0.8€	-4.8€
	Per-share dividend	0	0	0

4. Schedule

1	Vote by Board of Directors	September 27, 2013
2	Signing of agreement	September 27, 2013
3	Start of business	March 2014 (tentative)

5. Outlook

Establishment of this JV will have minimal impact on MHI's business results, at both the consolidated and parent levels.

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