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Seiji Izumisawa, President & CEO
Mitsubishi Heavy Industries, Ltd.

Toshiaki Higashihara, President & CEO
Hitachi, Ltd.

MHI and Hitachi Settle on Projects Conducted by MHPS
in the Republic of South Africa

Tokyo, December 18, 2019 --- Mitsubishi Heavy Industries, Ltd. ("MHI") and Hitachi, Ltd. ("Hitachi") have reached a settlement on a dispute relating to boiler construction projects in the Republic of South Africa conducted by Mitsubishi Hitachi Power Systems, Ltd. ("MHPS"). MHPS is a joint venture between MHI and Hitachi, which was established by integrating their respective thermal power generation system businesses.

This settlement was reached through sincere and conscientious discussions between both companies. This settlement marks an amicable and final resolution to this issue, enabling both companies to focus on their respective businesses in an effort to drive forward corporate value.

The Presidents & CEOs of both companies commented on the settlement as follows:

Seiji Izumisawa, President & CEO, Mitsubishi Heavy Industries, Ltd.

I am pleased that MHI and Hitachi have been able to settle this case today. Despite a significant gap in the way we viewed the situation, we continued earnest discussions and were able to reach a conclusion that both sides could accept. I express my deepest thanks to all those working on these projects and the effort they are putting in over many years. We will now work towards the completion of the projects, along with strengthening the management of MHPS and transforming our power business to ensure sustainable growth.

Toshiaki Higashihara, President & CEO, Hitachi, Ltd.

I am pleased that we have reached the settlement for this long-standing issue today on satisfying conditions for both companies. This settlement was achieved by sincere discussion for the benefit of all stakeholders including our customers and shareholders. I would like to express my deepest appreciation to everyone concerned in both companies. Hitachi will further focus on social innovation businesses to become a global leader in contributing to realize human-centric society where people can live in safety, security and comfort.