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MITSUBISHI ELECTRIC BACKING UK MANUFACTURING

Mitsubishi Electric begins manufacturing of advanced low carbon technology at Scottish factory

Mitsubishi Electric has announced that it will start production of its award-winning, low carbon Ecodan® residential heating system at the company's manufacturing facility in Livingston, Scotland.

Ecodan is an innovative, Air-to-Water heat pump that can provide all the heating and hot water required for domestic homes. It can help lower a home's CO2 emissions by up to 50% and reduce running costs by at least 30% over modern gas boilers.

Lord Mandelson, Business Secretary commented:

"As part of our commitment to developing a sustainable, low carbon economy we are working with UK businesses to promote the UK as the destination of choice for low carbon investment. Together with Mitsubishi Electric we can offer our knowledge, technology and experience to bring about incremental and sizeable reductions in carbon emissions."

The announcement demonstrates Mitsubishi Electric's commitment to the development of pioneering technologies that play a key role in reducing carbon emissions. Recent legislation from the European Parliament officially classified ground and air source heat pumps as renewable energy technologies, providing countries, companies and consumers with a whole new technology to help them reach renewable energy targets.

The introduction of Ecodan production in Scotland reinforces Mitsubishi Electric's commitment to UK manufacturing and technology industries, following the expansion of the company's European R&D facility in Guildford in September 2008. The expansion allowed the R&D facility to start researching the innovative environmental heat pump technology that will now be manufactured in Scotland.

Yoshinori Miyata, Corporate Officer and General Manager, Air-Conditioning & Refrigeration Systems Division of Mitsubishi Electric commented:

“Mitsubishi Electric has always supported UK manufacturing as we believe there is great talent in the science and technology fields that should be utilised. We have continually invested in the R&D of renewable technologies in the UK and this move further allows us to prioritise manufacturing technologies that are going to cut CO2 generation. We know that the energy used to heat and cool buildings accounts for 40% of carbon emissions, so products such as Ecodan have huge potential to help countries across Europe to reach their carbon reduction targets.”

Mitsubishi Electric Air Conditioning Systems Europe Ltd (M-ACE) is based in Scotland and currently employs 420 staff. The production facility was custom built by the company in 1994 and currently manufactures package air conditioners.

The division will adapt a production line to produce 3,000 Ecodan units a year, destined for countries across Europe, where there is already a rich market for heat pump products. Future production levels are expected to reach at least 10,000 units a year to meet the anticipated increase in demand as the popularity of air source heat pumps in Europe continues to rise.

Manufacturing of Ecodan will begin in middle of September 2009. Mitsubishi Electric is hoping to recruit more staff later in the year to cope with expected growth in sales of Ecodan, which has been designed specifically to match the Northern European climate. The division will continue to produce air conditioning units, alongside the new Ecodan product.

David Smith, Operations Director at Scottish Development International said:

“Mitsubishi Electric has developed an excellent product which has the real potential to help lower carbon emissions in the home. The decision by the company to manufacture Ecodan in Scotland is a real testament to the skills of our people in this field, and we look forward to continuing to work with the company.”

Ecodan, which is accredited under the Government’s Microgeneration Scheme, making it eligible for a £900 installation grant, has so far secured recognition for its low carbon potential from the Environmental and Energy Awards, the Micropower Awards, the Rushlight Awards, Interbuild, and the Energy Institute. Earlier this year Mitsubishi Electric’s Green Gateway Initiative, a programme designed to actively reduce CO2 emissions, was nominated by the European Commission for the Market Transformation Sustainable Energy Europe Award.

John Swinney Finance Secretary at the Scottish Government said:

“Through the most ambitious and comprehensive legislation anywhere in the world Scotland has established its international leadership in the global response to climate change. This development is further evidence that Scotland is seizing the opportunities that come from our position at the forefront of developing a sustainable, low carbon economy. We are working in partnership with businesses and governments around the world to develop the new technologies needed to meet our climate change targets. This is a message we will be conveying during my visit to Japan next week to showcase Scotland

and at December’s UN Copenhagen summit. Scotland is a nation serious about tackling climate change with the capability and capacity through exciting business projects to position our economy for a strong recovery.”

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About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE:6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Mitsubishi Electric Europe B.V is a wholly owned subsidiary of Mitsubishi Electric Corporation helping European customers meet their business challenges, through providing innovative technologies and high quality products and solutions. For more information about Mitsubishi Electric Europe B.V. see www.mitsubishielectric.eu