

MHI to License Production Technology of Pumps for Thermal Power Plants To BHEL, India's Largest Heavy Electrical Machinery Manufacturer

Tokyo, May 31, 2007 – Mitsubishi Heavy Industries, Ltd. (MHI) and Bharat Heavy Electricals Ltd. (BHEL), a government-owned company in India, have signed an agreement under which MHI will license technologies relating to various pumps for thermal power generation plant use. Specifically, MHI will license design and production technologies of boiler feed water pumps, boiler feed water booster pumps, circulating water pumps and condensate pumps for subcritical and supercritical pressure thermal power generation plants with generation capacities between 500 and 1,000 MW. MHI is the first Japanese company to license pump technology to a power plant maker in India. Delivery of the first pump unit produced under the agreement is expected in late 2009.

BHEL is India's largest heavy electrical machinery manufacturer, which has 14 plants and employees approximately 44,000 people. The company is the only company in India that is capable to handle entire process of power plant construction; from manufacture and supply of various major components, such as boilers, steam turbines, gas turbines, water turbines, generators and power transmission facilities to coordination of power plant construction on a turnkey basis. BHEL enjoys an overwhelming share in the domestic thermal power plant equipment market.

In tandem with rapid economic development, India is planning to add power generation capacity by 160,000 MW over the next 10 years. To do so, it intends to set up coal-fired power plants, with the mainstream to be supercritical pressure power plants superseding today's subcritical plants. The country's power plants are also shifting in scale to larger facilities with power generation capacities in the 800 MW class, up from the current level below 500 MW.

BHEL has been aiming to manufacture and supply its own key equipment for power plants, including pumps, in order to accommodate plans to build supercritical pressure power plants with more than 500 MW power generation capacity. MHI meanwhile has been seeking to establish a foothold into the brisk Indian power plant market. The agreement between MHI and BHEL thus meshes the needs of both companies.

Through its various initiatives in India, including the latest licensing agreement, MHI will aggressively pursue business in India's rapidly expanding thermal power generation market.

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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 3,068 billion yen in fiscal 2006 (year ended March 31, 2007). MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space rocketry and air-conditioning systems.

For more information, please visit the MHI website (<http://www.mhi.co.jp>).

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