

FOR IMMEDIATE RELEASE

**Mitsubishi Heavy Industries, Hitachi and Mitsubishi Corporation
to Begin Smart Community System Demonstration Project in Spain
Verifying Businesses for Next-generation Transportation Infrastructure
to Accommodate Expanded Use of EVs**

Tokyo, January 27, 2012 – Mitsubishi Heavy Industries, Ltd. (MHI:TSE/7011), Hitachi, Ltd. (Hitachi: TSE/6501, NYSE/HIT) and Mitsubishi Corporation (MC: TSE/8058) today announced that they have been jointly selected as contractors for the Smart Community System Demonstration Project in Spain, by the New Energy and Industrial Technology Development Organization (NEDO) as the result of a feasibility study which was conducted from March through October 2011 by the three companies. The project, which is aligned with the Malaga Smartcity Project currently under way in Malaga, Spain, will demonstrate and verify various businesses necessary for establishing a next-generation transportation infrastructure enabling considerable reductions in CO₂ emissions. The total budget of the demonstration project, to be conducted for a period through March 2016, is expected to be near 5 billion yen.

Spain, a country that has made significant strides in deregulation of its electric power market and in introducing renewable energies, is advantageously suited to

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implementation of a project to demonstrate and verify the effectiveness of a next-generation transportation infrastructure leveraging state-of-the-art Japanese technologies in renewable energy, energy conservation and smart communities. NEDO and the three companies hope that the project will lead to other opportunities for Japanese companies to develop smart community businesses around the world.

Approximately 40% of Spain's energy consumption is in the transportation sector, and the bulk of that energy derives from fossil fuels. For these reasons the country is looking to increase electric vehicle (EV) registrations to 250,000 by 2014 as a way of reducing CO₂ emissions and energy consumption. The demonstration project will accommodate the need for an infrastructure to support this large volume of EVs.

The demonstration and verification to be carried out under the project will encompass the following: establishment of infrastructure to facilitate greater use of EVs, including high-speed EV chargers and an EV management center; development of a recharging business model; creation of a smart grid management system to ensure stable and safe supplies of electricity to EVs; development of information and communications technology (ICT) platforms to connect the EV infrastructure and power systems; and development of an integrated service system based on the data accumulated at the EV management center.

The demonstration project plans call for MHI, which has a robust track record in intelligent transport systems (ITS), to supply the EV management center, EVs (200 vehicles), in-vehicle units and high-speed EV chargers. The company will also carry out studies and verifications of the EV center, the EV infrastructure, and the power management system that will accommodate fluctuations in power supply dependent on renewable energy. Hitachi, which has abundant experience in information and communication systems and energy management, will provide the demand-side management system, which is coupled with ICT systems, high-speed EV chargers and the demand-side management related to power management system. MC will create a package integrating business elements and services and study options for global expansion, and also verify the commercial viability of solutions business.

The demonstration project will be conducted under the Japan-Spain Innovation Program (JSIP)*, which is managed by NEDO and Spain's Centre for Industrial Technological Development (CDTI). Other entities slated to participate in the project implementation include: Endesa, S.A., Spain's largest power supplier; Telefónica

Investigación y Desarrollo, S.A. Unipersonal, the country's foremost telecommunications company; and Sadiel Tecnologías de la Información, S.A., an ICT provider.

Through their involvement in the demonstration project, MHI, Hitachi and MC will create a new business model leveraging their superior energy-saving and low-carbon technologies, and promote a smart city business model as a global standard. Each company will also accelerate its activities to develop this business globally in collaboration with its partner companies.

Note:

* The JSIP initiative enables parallel funding for joint projects between Japan and Spain that target technology development, with the provision that the Japanese companies involved are already approved for funding by NEDO and the Spanish companies are correspondingly approved by CDTI.

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 2,903.7 billion yen in fiscal 2010, the year ended March 31, 2011. 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/en/index.html>).

ABOUT HITACHI

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2010 (ended March 31, 2011) consolidated revenues totaled 9,315 billion yen (\$112.2 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

ABOUT MITSUBISHI CORPORATION

Mitsubishi Corporation (MC), headquartered in Tokyo, Japan, is a global integrated business enterprise that develops and operates businesses across virtually every industry including industrial finance, energy, metals, machinery, chemicals, foods, and environmental business.

MC's current activities are expanding far beyond its traditional trading operations as its diverse business ranges from natural resources development to investment in retail business, infrastructure, financial products and manufacturing of industrial goods. With a presence in approximately 80 countries worldwide and a network of over 500 group companies, MC employs a multinational workforce of nearly 60,000 people. For more information, please visit the MC website (<http://www.mitsubishicorp.com/>)

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