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MITSUBISHI ELECTRIC TO EXPAND PV PRODUCTION CAPACITY

Targeting annual production capacity of 130MW by 2005

TOKYO, December 16, 2003 – Mitsubishi Electric Corporation (President and CEO:

Tamotsu Nomakuchi) announced today that it will expand annual production capacity of photovoltaic (PV) cells and modules at the Nakatsugawa (Iida factory, Nagano Prefecture) and Kyoto works (Kyoto Prefecture) from 50MW to 90MW by July 2004. Mitsubishi Electric expects sales of these products to increase, and aims to establish a production system with an annual capacity of 130MW in the near future. With this goal in mind, 3.3 billion yen is to be invested in new equipment.

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Figure 1: Projected Growth of the annual production capacity of PV cells and modules

Year/month	2000	2001	2003/1	2003/9	2004/7 (target)	after 2005 (target)
Annual production capacity	15MW	25MW	35MW	50MW	90MW	130MW

Recently, the PV market has been growing rapidly. Sales are expected to carry on increasing through 2004 as international activities aimed at reducing harmful carbon dioxide emissions continue to raise environmental awareness around the globe. Total worldwide PV production in 2002 amounted to approximately 560MW¹, up 43% from 2001. Japan is a major contributor, accounting for approximately 251MW of this total.

Mitsubishi Electric's PV sales during 2003 have been more than double those of 2002, thanks to the increasing popularity of the "fully electrified house" and government subsidies in the domestic market, added to the greater demand in the overseas market.

Having started the residential PV system business in 1996, Mitsubishi Electric then opened a PV facility (Nakatsugawa works) at the Iida factory (Nagano Prefecture) in 1998, where production of cells and modules began. A lead-free solder module² production line, the first in Japan, was opened at the Kyoto works in January 2003. Total annual production capacity was increased to 35MW in January 2003, and to 50MW in September 2003.

In order to meet the growing market demand, Mitsubishi Electric plans to enlarge the Nakatsugawa works and increase the capacity of the Kyoto works cell and module lines by investing approximately 3.3 billion-yen. As a result of this investment, annual production

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capacity will rise from 50MW to 90MW by July 2004. A target of 130MW has been set for 2005.

Mitsubishi Electric intends to strengthen the PV system business position as a major component of the “fully electrified house”, and aims to increase the popularity of PV systems by developing more and more advanced products such as the lead-free solder modules.

1: according to a survey conducted by PV News (USA) magazine, May 2003

2: the first to be produced by domestic (Japanese) silicon crystal solar cell manufacturers

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. The company has operations in 35 countries and recorded consolidated group sales of 3,639 billion yen (US\$30.3 billion^{*}) in the year ended March 31, 2003.

For more information visit <http://global.mitsubishielectric.com>

^{*}At an exchange rate of 120 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2003.

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