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MITSUBISHI ELECTRIC TO EXPAND PV PRODUCTION CAPACITY

Targeting annual production capacity of 230MW by 2006

TOKYO, August 17, 2004 – Mitsubishi Electric Corporation (President and CEO: Tamotsu Nomakuchi) announced today that it will expand annual production capacity of photovoltaic (PV) cells and modules at its Nakatsugawa (Iida Factory, Nagano Prefecture) and Kyoto Works (Kyoto Prefecture) from 90MW to 135MW by April 2005, in response to a sharp increase in demand in the domestic and overseas markets. The company aims to establish a production system with an annual capacity of 230MW by 2006, and with this goal in mind, will be investing 3.3 billion yen in new equipment.

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 2003 amounted to approximately 742MW¹, up 32% from 2002. Japan is a major contributor, accounting for approximately 364MW of this total.

Mitsubishi Electric's PV sales during 2004 have been more than double those of 2003, thanks to the increasing popularity of the All Electric-Powered Home and government subsidies in the domestic market, added to the greater demand in overseas markets, in particular Europe.

Having started the residential PV systems business in 1996, Mitsubishi Electric then opened the Nakatsugawa Works PV facility 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, to 50MW in September 2003, and then up to 90MW in June 2004.

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 capacity will rise from 90MW to 135MW by April 2005. A target of 230MW has been set for 2006. Looking to the future, Mitsubishi Electric will continue promoting the usage of PV systems around the world, by increasing the productivity of its PV systems business and expanding its range of environmentally friendly, market-leading products.

1: according to a survey conducted by PV News (USA) magazine, March 2004

2: the first to be produced by domestic (Japanese) silicon crystal solar cell manufacturers (as of January, 2003)

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

Date	October 2001	January 2003	September 2003	June 2004	April 2005 (plan)	2006 (target)
Annual production capacity (MW)	25	35	50	90	135	230

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 recorded consolidated group sales of 3,309 billion yen (US\$31.2 billion*) in the fiscal year ended March 31, 2004. For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 106 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2004.

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