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Mitsubishi Electric Corporation Officially Opens New Room Air Conditioning Factory in Manisa

Mitsubishi Electric's first room air conditioner factory based in Europe

Mitsubishi Electric Corporation which operates in 43 countries with more than 138 thousand employees, today officially opened its new factory for the development and manufacture of room air conditioners in Manisa, Turkey with the attendance of Minister of Science, Industry and Technology, Faruk Özlü.



The new production facility is its first room air conditioner factory located in Europe and has been established in Manisa Organized Industrial Zone by local affiliate company Mitsubishi Electric Turkey Klima Sistemleri Üretim A.Ş. Turkey has become an important base of production for Mitsubishi Electric. The new facility will target an annual production of 500.000 sets (indoor and outdoor units) and is set to employ around 400 people by the end of March 2021. The factory which occupies an area of 60 thousand square meters has been established with a capital of approximately 382.5 million TL.



The opening of Mitsubishi Electric's new factory in Manisa Organized Industrial Zone was performed with the attendance of Arda Ermut, President of The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Turkey Investment Agency); Governor of Manisa Mustafa Hakan Güvençer, Japanese

Ambassador Akio Miyajima, Manisa Parliament member Selçuk Özdağ, Mitsubishi Electric Corporation President & CEO Masaki Sakuyama and Takeshi Sugiyama, Mitsubishi Electric Corporation Executive Vice President and Group President of Living Environment & Digital Media Equipment, along with Mitsubishi Electric employees and large number of guests.

In his speech during the ceremony **Minister of Science, Industry and Technology, Faruk Özlü** gave his wishes for the factory to bring Mitsubishi Electric and Manisa the best for the future and added: "Any enterprise and factory that adds to the production, exportation and employment of Turkey is immensely important and valuable for us. This factory we are opening today is an indicator of the trust towards the Turkish economy and political stability. The economical success we have achieved in recent years, as well as stability in the rate of growth and an increase in exports makes Turkey a strategical country for everyone where safe investments can be made. From now on Turkey will keep growing in all of its fields as a whole. It's vital for Turkey and Japan to further increase collaboration in the fields of science, technology and industry. Japan is one of our most important partners in economy in Asia pacific region. It is for our common interest that we bring our trade volumes in parallel to the economical growth of our countries and to grow the level of our trade to 5-10 times the size in the future. I wholeheartedly believe that our trade, cultural and political relations built on the foundation of friendship will keep growing in the future as well. I wish for the Mitsubishi Electric factory, which is built in Manisa Organized Industrial Site and will increase it's number of employees to 400 in the following years to bring the best for all shareholders and prove fruitful."

President of Turkey Investment Agency Arda Ermut, in his speech at the ceremony expressed that the importance of Turkey to international investors has been confirmed once again with this investment and added; "We have been working closely with Mitsubishi Electric as the Agency for this investment since 2013. We provided a lot of information to contribute to their feasibility studies. We accelerated the bureaucratic processes and conducted visits to many locations in Turkey to find the investment land. We successfully negotiated with

Manisa Organized Industrial Zone management and held important meetings in Japan. And, ultimately, two years ago in February 2016 our team in Japan was delighted after the meeting with Mitsubishi Electric when they told us that the company made an investment decision. We are glad to receive the investment in return for all these efforts being carried out.”

In his speech at the opening, **President and CEO of Mitsubishi Electric Masaki Sakuyama** commented; “During this financial year the Mitsubishi Electric group plans to achieve net sales of 4,420 billion Japanese Yen (approx. 147 billion TL) and an operating income of 325 billion Yen (approx. 10,8 billion TL). Our air conditioning and refrigeration systems business to which our Turkish factory belongs is part of our home appliances division and a very important segment for the whole Mitsubishi Electric group. Net sales for this division will reach 1,040 billion Yen (approx. 34,6 billion TL), which is a quarter of the whole company, while operating income will reach 57 billion Yen (approx. 1,9 billion TL), which is one sixth of the whole company.”

“Turkey has become an important manufacturing base for Mitsubishi Electric”



Masaki Sakuyama continued by stating his belief in the potential and strength of the Turkish market: “We, as Mitsubishi Electric Corporation operate our own sales organization for air conditioning and refrigeration systems and factory automation systems in Turkey. We have also been successful in a multitude of other businesses

such as elevators and escalators, transportation systems, power generators and transformer equipment and satellite systems. Now this new room air conditioner factory in Turkey, which we consider as a priority market, has also become an important production base for Mitsubishi Electric.”

A new page in the Turkish-Japanese friendship

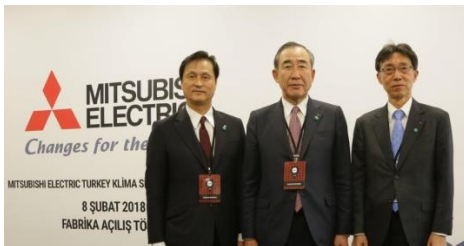
Masaki Sakuyama emphasised the long friendship between Turkey and Japan: “Our historically strong relationship originates from the Ertuğrul frigate disaster in 1890, and was further strengthened by the rescue of Japanese citizens left in Tehran by Turkish aircraft during the Iran-Iraq War in 1985. Coincidentally one of our key factories for our air conditioning and refrigeration systems is located on Kii-Peninsula in Wakayama Prefecture, which is exactly the place where the close relationship between our two countries began back in

1890. Now with our new factory in Manisa, we are pleased to be able to contribute to further consolidating the friendship between Turkey and Japan. By manufacturing our high-quality air conditioners with advanced technology in Turkey, and expanding our activities in our other business segments we will continue to contribute to the well-being of the Turkish people.”

1 million units a year room air conditioner market in Turkey to grow rapidly

Takeshi Sugiyama, Executive Vice President and Group President of the Living Environment & Digital Media Equipment Group of Mitsubishi Electric Corporation

shared information about the activities of the air conditioning and refrigeration systems business of Mitsubishi Electric Corporation in Turkey and Europe. “Turkey and the surrounding European countries make up some of the most important markets for our air conditioning and refrigeration systems business. These markets will help us to realize our vision of the future which we call "Advance and Innovation 2020". Our net sales in this region account for around 20% of our overall air conditioning and refrigeration business. This factory plays a very important and strategic role for us as we expect further growth of the room air conditioner market in Turkey, which currently is around 1 million units per year, in line with the country's economic development.”



Mr. Sugiyama highlighted that in 1994 Mitsubishi Electric built a factory for commercial-use air conditioner production in Scotland but that historically the company's room air conditioners have been delivered from factories in Thailand. He commented:

“In order to become more customer oriented, shorten lead- times and embody “Time to the Market”, we have established our new factory in Manisa.”

Localized products will be developed to meet the needs of the market

Takeshi Sugiyama further stated that Mitsubishi Electric will continue to invest in Turkey in keeping with the philosophy of Mitsubishi Electric's corporate slogan "Changes for the Better"

“As a part of our drive to become a ‘Leading Green Company’, our new energy saving and environment friendly room air conditioners will be manufactured in line with EU regulation which will enable us to quickly and flexibly meet market needs. Under this framework, we are also planning to develop a model especially for Turkey which takes advantage of the factory being located in the market.”

Targeting 500 thousand sets annual production and employment of 400 people



President of Mitsubishi Electric Turkey Klima Sistemleri Üretim A.Ş. Katsu Wada, made the following statements; "Our company Mitsubishi Electric Turkey Klima Sistemleri Üretim A.Ş. was established in April, 2016 for the development and manufacture of room air conditioners in Turkey. Our plant which completed construction in June 2017 began manufacturing in December 2017. Our aim is to reach 500.000 sets (indoor and outdoor unit) and to employ 400 people by the end of the fiscal year ending March 2021.

Digital factory in compliance with Industry 4.0

Emphasizing that the new factory will be the first factory where Mitsubishi Electric's room air conditioners are manufactured in Europe, **Katsu Wada** added that the brand will manufacture its high technology environmentally friendly products using Mitsubishi Electric's e-F@ctory technology, which embodies the Industry 4.0 concept.

Details of New Factory

Location	Manisa Organized Industrial Zone, Manisa, Turkey
Site area	Approx. 60,000 square meters
Floor area	Approx. 40,000 square meters
Start of operation	December 12, 2017
Products	Room air conditioners
Production capacity	500,000 sets (indoor and outdoor units) annually

Company Outline

Name	Mitsubishi Electric Turkey Klima Sistemleri Üretim Anonim Şirketi English: Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company
President	Katsu Wada
Location	Manisa, Turkey
Capital	382.5 million TRY (approx. 11.5 billion JPY) (Ownership: Mitsubishi Electric Corporation 100%)
Established	April 4, 2016
Employees	211 as of February 2018; approx. 400 by the fiscal year ending March 2021
Business	Development and manufacture of room air conditioners

About Mitsubishi Electric Corporation

With over 95 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation 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. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology. The company recorded consolidated group sales of 4,238.6 billion yen (US\$ 37.8 billion) in the fiscal year ended March 31, 2017. For more information visit: www.MitsubishiElectric.com*

** It was calculated by 1 USD = 112 Yen exchange rate announced by the Tokyo Foreign Exchange Market on March 31, 2017.*