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**FOR IMMEDIATE RELEASE**

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## **Mitsubishi Electric Enters into Agreement to Acquire Majority Interest in DeLclima**

**TOKYO, August 25, 2015** – Today, [Mitsubishi Electric Corporation](#) (TOKYO: 6503) (“Mitsubishi Electric”) has entered into an agreement to purchase from De’Longhi Industrial S.A. (“De’Longhi Industrial”) shares representing approximately 74.97% of the share capital of DeLclima S.p.A. (BIT: DLC) (“DeLclima”), an Italian company engaged in the commercial air conditioning products business. After the closing of this transaction, a mandatory tender offer will be launched by Mitsubishi Electric in order to acquire the remaining shares representing approximately 25.03% of the share capital of DeLclima, in compliance with Italian financial law and CONSOB regulations. The total expected purchase price for 100% of DeLclima’s shares is approximately €64 million (calculated based on a per-share price of €4.44).

The completion of the transaction in relation to the acquisition by Mitsubishi Electric of 74.97% of DeLclima’s share capital (the “Transaction”) requires clearance from antitrust authorities and the completion of the sale of DL Radiators S.r.l., an indirect subsidiary of DeLclima (“DL Radiators”). DL Radiators will be sold to a company affiliated with De’Longhi Industrial prior to the closing of the Transaction. In addition, under the agreement the €4.44 per-share price will be increased by an additional amount to be calculated on a daily basis, starting from 30 June, 2015 up to the closing date. The estimated per-share amount of such price increase is approximately €0.07, assuming that the closing of the Transaction will take place at the end of November 2015.

Mitsubishi Electric is currently assessing the impact of this acquisition on its finances and will promptly make an announcement, should there arise any necessity to update its financial forecast or to disclose any information.

### **Reasons for the Acquisition**

Mitsubishi Electric has a global presence in the area of heating, ventilation and air conditioning (HVAC) systems in markets such as Japan, Europe, North America, China, Southeast Asia, India and Australia, and

Europe in particular is an important market for Mitsubishi Electric after Japan. As the European air conditioning market matures, it further requires market players both to provide value-added products such as energy-saving products and to comply with environmental regulations (F-Gas regulations <sup>\*1</sup>), and in response, Mitsubishi Electric has grown its business in the region with a particular focus on room and packaged air conditioning as well as multi air conditioning for buildings. The acquisition of DeLclima represents Mitsubishi Electric's full-scale entry into the chillers <sup>\*2</sup> business and will enable the company to expand its business portfolio, which will be important in achieving continuous growth and increasing market presence. Moreover, the acquisition will allow Mitsubishi Electric to adequately respond to environmental regulations (F-Gas regulations), which are expected to become even more important in the coming years.

DeLclima's subsidiaries include Climaveneta S.p.A. and RC Group S.p.A., and their strengths are the following:

Climaveneta S.p.A.:

- Leading market share in Europe and strong brand supported by customer trust and high quality in the chillers business;
- Energy-saving and low-noise technology, and superior development / design and efficient production capabilities that allow product customization and quick delivery; and
- System-solution capabilities, such as remote monitoring of HVAC equipment.

RC Group S.p.A. :

- Expertise in specialized air conditioning, such as air conditioning for server rooms, a major business of RC Group S.p.A.

Demand for chillers is expected to remain strong in Europe, which is of high strategic importance for Mitsubishi Electric's HVAC business. Acquiring DeLclima will allow Mitsubishi Electric to enhance its product lineup for large commercial machines, especially for chillers, and to become a comprehensive provider of HVAC systems ranging from residential to commercial. Mitsubishi Electric aims to increase its competitiveness and enlarge its business by enhancing its solution-type business with DeLclima's system-solution capabilities and by realizing synergies, such as by strengthening the company's global presence with DeLclima's existing global footprint in various countries, including China.

Mitsubishi Electric expects to leverage its newfound synergies in the following way:

- Increasing sales by pursuing cross-selling opportunities for both companies;
- Integrating the companies' control systems to strengthen HVAC solution capabilities; and
- Adding more value to DeLclima's products by utilizing the components manufactured by Mitsubishi Electric, such as inverters, heat exchangers, fans and compressors.

- \*1 Regulations in Europe require the total emissions for Freon gas, a type of greenhouse gas, to be reduced gradually by 2030.
- \*2 Chillers maintain the temperature of an object by utilizing a heat medium (e.g., water) in a loop system and as a general name refer to central air conditioning systems whose primary application is for large facilities such as buildings and factories.

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### **About Mitsubishi Electric Corporation**

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 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. 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 4,323.0 billion yen (US\$ 36.0 billion\*) in the fiscal year ended March 31, 2015. For more information visit:

<http://www.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, 2015