



MITSUBISHI HEAVY INDUSTRIES, LTD.

16-5, KONAN 2-CHOME, MINATO-KU
TOKYO, JAPAN

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MHI Group to Participate in Waste-to-Energy Business in Singapore

– Plant Construction and Operation to Be Carried Out Jointly with Hyflux –

Tokyo, October 26, 2015 – Mitsubishi Heavy Industries, Ltd. (MHI) group companies will participate in a waste-to-energy (WTE) project in Singapore for the incineration of municipal solid waste (MSW) and the generation of electricity using heat energy from incineration. On October 26, the National Environment Agency (NEA) of Singapore signed a Design-Build-Own-Operate (DBOO) scheme contract under which MHI Group companies and Hyflux Ltd., a leading provider of integrated water management and environmental solutions in Singapore, will jointly construct a WTE plant in Tuas. The plant will have a processing capacity of up to 3,600 tons per day (tpd) of MSW and will be capable of generating 120 megawatts (MW) of electricity. The WTE plant with stoker furnace* type incinerators and generators will go on-stream in the first half of 2019, and be operated, managed and maintained by the Hyflux-MHI Group consortium for a period of 25 years.

A signing ceremony held on October 26 in Singapore was attended by officials of the Singapore government and Embassy of Japan and representatives of other concerned parties, including Masagos Zulkifli, Minister of Environment and Water Resources; Ronnie Tay, CEO of NEA; Haruhisa Takeuchi, Ambassador Extraordinary and Plenipotentiary, the Embassy of Japan in Singapore; Olivia Lum, CEO of Hyflux; and Kazuaki Kimura, Board Member & Executive Vice President of MHI and President & CEO of MHI's Machinery, Equipment & Infrastructure business;

Construction and operation will be carried out by a special purpose company (SPC) in which MHI and Hyflux will own 25% and 75% shares, respectively. The SPC will consign engineering, procurement and construction (EPC) work to a subsidiary of Hyflux. Mitsubishi Heavy Industries Asia Pacific Pte. Ltd. (MHI-AP), an MHI subsidiary in Singapore, and Mitsubishi Heavy Industries Environmental and Chemical Engineering Co., Ltd. (MHIEC), a wholly owned MHI subsidiary based in Yokohama, Japan, will supply incineration facility and power generation equipment. Operation and maintenance of the WTE plant will be jointly handled by an equally owned JV to be established by MHI-AP/MHIEC and a subsidiary of Hyflux. The total project cost before commercial operation commences is expected to be approximately 750 million Singapore dollars.

Hyflux currently supplies approximately 35% of Singapore's water. In expanding into the WTE business area, the company had been seeking a partner with proven strengths in WTE plant construction, operation and maintenance.

To date, the MHI Group has constructed three waste-to-energy facilities in Singapore, including the Tuas South Incineration Plant (TSIP) completed in 2000, which at 4,320 tpd has one of the world's



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largest processing capacities. MHI also has an unrivaled delivery record in Southeast Asia, and enjoys an outstanding reputation throughout the region. As part of ongoing business development efforts, MHI had been exploring opportunities that would allow it to expand into the area of WTE plant operations, making it an ideal partner for the current project.

Going forward, the MHI Group aims to expand in overseas markets by leveraging its WTE business expertise and establishing a business model for the public-private partnerships that have become a major driver of environmental business growth in Southeast Asia.

** Note: In a stoker furnace, waste is combusted as it moves along on a fire grate made of heat-resistant castings.*



Conceptual drawing of the new facility



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Signing Ceremony