

Corporate Strategy

May 2017

MITSUBISHI ELECTRIC CORPORATION

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Note

FY2013: April 1, 2013-March 31, 2014
FY2014: April 1, 2014-March 31, 2015
FY2015: April 1, 2015-March 31, 2016
FY2016: April 1, 2016-March 31, 2017
FY2017: April 1, 2017-March 31, 2018

1. Forecast for FY2017 (Consolidated performance)

	FY2013	FY2014	FY2015	FY2016		FY2017	
	Actual	Actual	Actual	6-Month	Actual	6-Month	Forecast (Apr. 2017) Forecast rate
	100JPY/USD 134JPY/EUR	110JPY/USD 139JPY/EUR	121JPY/USD 133JPY/EUR	107JPY/USD 120JPY/EUR	109JPY/USD 119JPY/EUR		105JPY/USD 110JPY/EUR
(Billions of yen)							
Net Sales	4,054.3	4,323.0	4,394.3	1,972.3	4,238.6	2,030.0	4,300.0
Operating Income	235.1	317.6	301.1	121.7	270.1	125.0	280.0
(%)	5.8%	7.3%	6.9%	6.2%	6.4%	6.2%	6.5%
Income before income taxes	248.9	322.9	318.4	123.7	296.2	135.0	300.0
Net Income	153.4	234.6	228.4	88.3	210.4	95.0	215.0
ROE (Return On Equity)	10.9%	13.9%	12.4%	-	10.9%		
Shareholders' Equity	1,524.3	1,842.2	1,838.7	1,777.6	2,039.6		
(%)	42.2%	45.4%	45.3%	46.6%	48.8%		
Debt	373.4	381.9	404.0	370.7	352.1		
(%)	10.3%	9.4%	10.0%	9.7%	8.4%		
FCF (Free Cash Flow)	310.2	180.1	111.2	118.6	217.3		
Dividend (yen per share)	17	27	27	9	27		
Dividend ratio(%)	23.8%	24.7%	25.4%	-	27.5%		

1. Forecast for FY2017 (Segment Forecast)

		FY2013	FY2014	FY2015	FY2016	FY2017
		Actual	Actual	Actual	Actual	Forecast (Apr. 2017) Forecast rate
(Billions of Yen)		100JPY/USD 134JPY/EUR	110JPY/USD 139JPY/EUR	121JPY/USD 133JPY/EUR	109JPY/USD 119JPY/EUR	105JPY/USD 110JPY/EUR
Energy & Electric Systems	Net Sales	1,180.0	1,228.9	1,264.6	1,227.9	1,240.0
	Operating Income/Loss	76.3	72.4	50.3	44.3	60.0
	(%)	6.5%	5.9%	4.0%	3.6%	4.8%
Industrial Automation Systems	Net Sales	1,098.7	1,282.7	1,321.9	1,310.1	1,360.0
	Operating Income/Loss	98.0	145.9	159.1	140.0	148.0
	(%)	8.9%	11.4%	12.0%	10.7%	10.9%
Information & Communication Systems	Net Sales	548.2	559.5	561.1	447.7	450.0
	Operating Income/Loss	5.5	18.9	14.9	12.7	14.0
	(%)	1.0%	3.4%	2.7%	2.8%	3.1%
Electronic Devices	Net Sales	194.6	238.4	211.5	186.5	200.0
	Operating Income/Loss	10.0	30.1	16.8	8.3	11.0
	(%)	5.2%	12.7%	8.0%	4.5%	5.5%
Home Appliances	Net Sales	944.3	944.8	982.0	1,004.4	1,010.0
	Operating Income/Loss	52.8	54.2	63.8	69.6	56.0
	(%)	5.6%	5.7%	6.5%	6.9%	5.5%
Others	Net Sales	676.0	740.5	707.7	713.6	710.0
	Operating Income/Loss	19.8	23.7	23.6	23.2	21.0
	(%)	2.9%	3.2%	3.3%	3.3%	3.0%
Total	Net Sales	4,054.3	4,323.0	4,394.3	4,238.6	4,300.0
	Operating Income/Loss	235.1	317.6	301.1	270.1	280.0
	(%)	5.8%	7.3%	6.9%	6.4%	6.5%

*Inter-segment sales are included in the above chart.

2. Management Policy

Maintain Balanced Corporate Management for Sustainable Growth



Toward a Higher Level of Growth

Growth Targets to be Achieved by FY2020

- Net Sales 5 trillion yen or more
- OPM 8% or more

Management Targets to be Continuously and Stably Achieved

- ROE 10% or more
- Debt Ratio 15% or less

The debt ratio target, "15% or less," represents the Company's financial discipline, which will allow the Company to secure the financing capability to raise necessary funds for further, greater investment.

Strive for Continuous Innovation

Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories

Social Contributions

Excellent Products and Services

Society

Customers

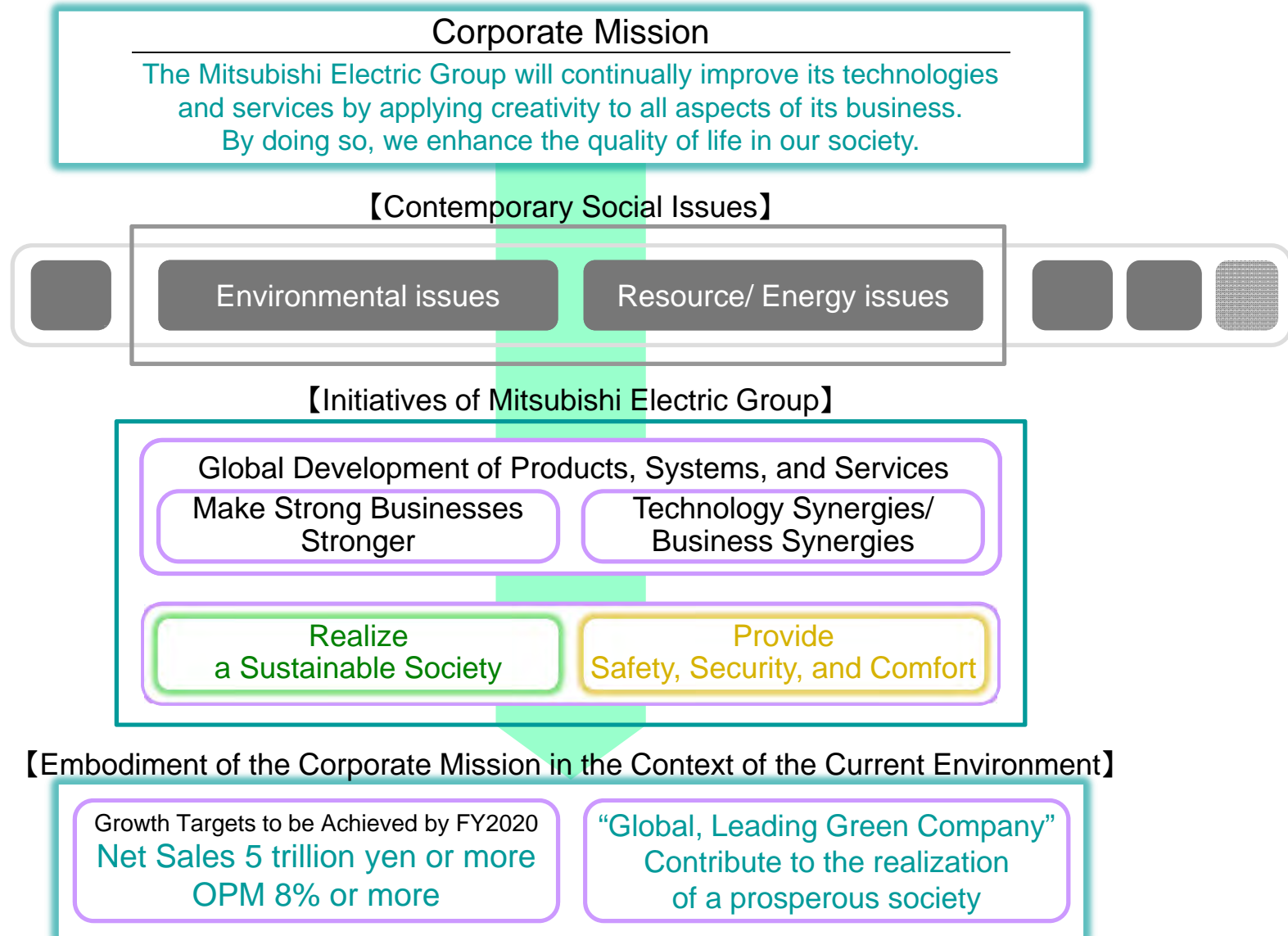
Increase Corporate Value

Rewarding Workplace

Shareholders

Employees

3. Embodiment of the Corporate Mission



4. Simultaneously Achieve a “Sustainable Society” and “Safety/ Security/ Comfort”

Realize a sustainable society

Low-carbon society

【examples】

SiC power module mounted products

All-SiC power module inverter equipment for railcars

- Achieved significant miniaturization and 40% increased energy-savings compared to before



High efficiency packaged air-conditioner for shops/ offices

- Realize high levels of energy-savings (APF 5.5) by all-SiC DIPIPM and high efficiency compressors
- Reduce environmental impact by adopting low global warming potential refrigerant R32



Hybrid battery energy storage system

Contribute to expanding the introduction of renewable energies by a coordinated control of storage batteries with different features (e.g. Amount of renewable energy which can be introduced in Oki islands increased from c. 3,000kW→ c. 11,000kW)

Resource conservation/ Recycling

【examples】

Aftermarket service

Renewal of elevators (minimum refurbishing), etc.

Recycling (home appliances)

Use technology to sort main plastics (PP/ PS/ ABS) from mixed plastics of home appliances and reuse them in the Company's products (Closed recycling)

Reduce environmental burden

【examples】

Improve environmental management level of domestic and overseas manufacturing bases

Provide safety, security, and comfort

Security

Provide security systems for buildings and factories according to their varying security levels



【examples】

Safe driving assistance

Realize a safe and comfortable motorized society through advances in driving-assistance technology which combine automobile control/ HMI/ communication/ sensors technologies

Artificial satellite

- Contribute to monitoring weather phenomenon, global environment, understanding disaster situations, and surveillance of marine and forest environments
- Improve safety precision of automated driving systems and realize appropriate maintenance of social infrastructure by utilizing high-accuracy positioning information (Utilizing of quasi-zenith satellites)
- Contribute to the development of communication and broadcast infrastructure in each area through developing communication satellites

Safety standard (FA equipment)

Provide safety and security to production sites around the world through the wide range of product lineup, which are certified by international safety standards, assisting a sustainable increase in productivity

Room air conditioner

Create a comfortable atmosphere with independent double-fan system and advanced sensing technology



Respect human rights and promote the active participation of diverse human resources

Promote diversity (hire and utilize diverse talents), etc.

Strengthen corporate governance and compliance on a continuous basis

Promote CSR procurement (such as environment, quality, human rights, compliance), etc.

Mitsubishi Electric Group will contribute to SDGs by further pursuing sustainable growth

SDGs: “Sustainable Development Goals” adopted by the United Nations as goals to achieve towards 2030

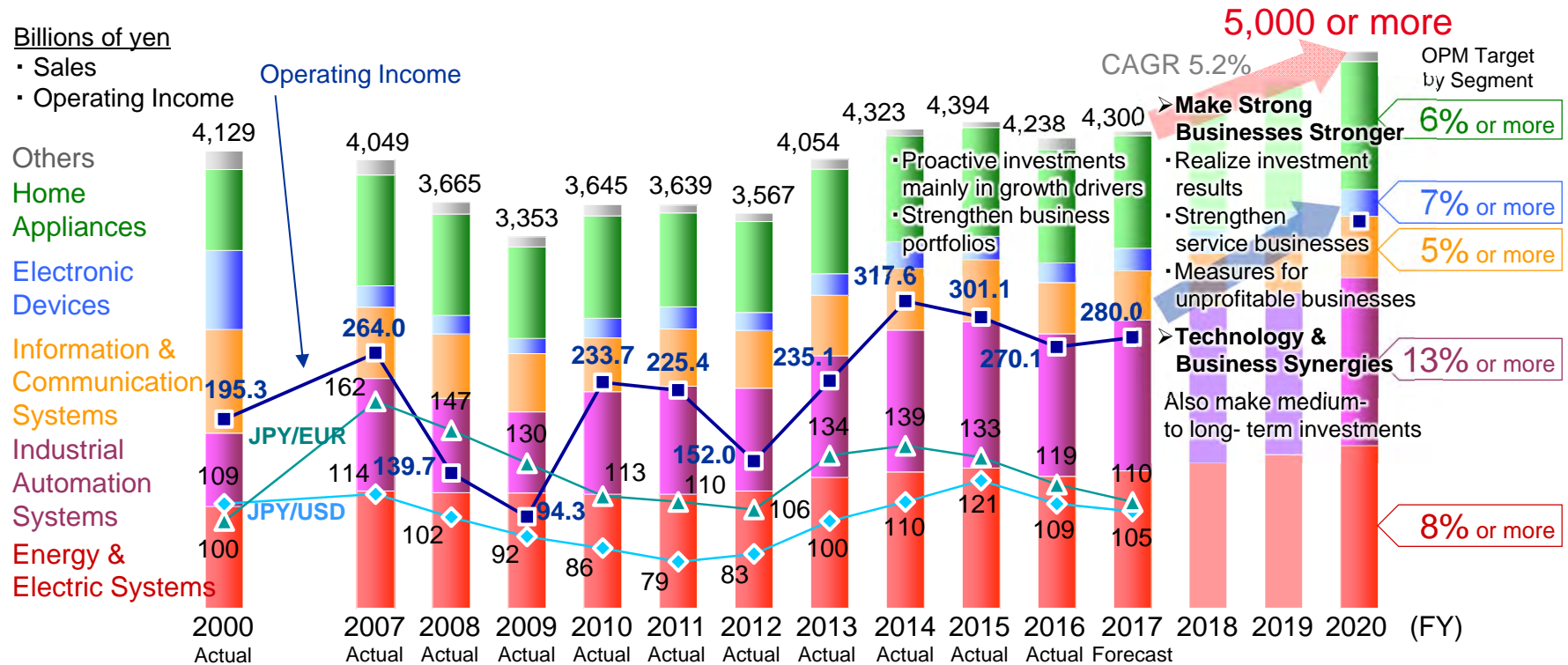
*SiC: Silicon Carbide, DIPIPM: Dual Inline Package Intelligent Power Module, APF: Annual Performance Factor,

PP: Polypropylene, PS: Polystyrene, ABS: Acrylonitrile Butadiene Styrene, HMI: Human Machine Interface

5. Pursue Sustainable Growth (1) Ensure “High-Quality” Growth

Billions of yen

- Sales
- Operating Income



%

OPM

4.7 6.5 3.8 2.8 6.4 6.2 4.3 5.8 7.3 6.9 6.4 6.5 8% or more

Growth Target

ROE

18.2 15.1 1.3 3.1 12.4 10.3 5.7 10.9 13.9 12.4 10.9 10% or more

Debt ratio

33.6 15.8 20.3 16.7 14.5 16.0 15.9 10.3 9.4 10.0 8.4 15% or less

To Be Continuously and Stably Achieved

*CAGR: Compound Average Growth Rate

5. Pursue Sustainable Growth (2) Initiatives in FY2016 (Overview)

Strengthen development and production systems to enhance global expansion (Capital investments)

- Started operation of new elevator plants (AMEC in Thailand: May 2016, IMEC in India: Sep. 2016)
- Established a new company to develop/ produce room air-conditioners (MACT in Turkey: Registration Apr. 2016, Production start planned for Jan. 2018)
- Strengthen system for aftermarket service and production for FA products (Nagoya Works: New building operation started Oct. 2016, MEAMC in China: New plant construction completed Mar. 2017)
- Commenced construction of new automotive equipment plant (Himeji Works: Production start planned for May 2018)
- Commenced construction of new plant for satellite equipment (Kamakura Works: Production start planned for Oct. 2017) etc.

Drive technological development for further value creation (R&D)

- Started operation of demonstration facility for middle-voltage direct current distribution (Power Distribution Systems Center: Jul. 2016)
- Development of automated design deep-learning algorithm (the world first*1) and high-speed training algorithm for deep-learning (Announced Oct. 2016)
- Development of DC circuit breaker technology (the world's fastest*2) for railway power-supply system (Announced Jan. 2017)
- Development of the world's smallest*3 SiC inverter for HEV (Announced Mar. 2017)
- Development of automated mapping technology and extraction of transitions technology for high precision 3D maps (Announced Mar. 2017) etc.

*1 As of Oct. 7, 2016 (Own company research) *2 As of Jan. 30, 2017 (Own company research) *3 As of Mar. 9, 2017 (Own company research)

Reallocate management resources to growth businesses (Strengthen the business portfolio)

- Consolidated and reorganized the subsidiaries under Italy's commercial air-conditioning business (Formerly DeLclima) (Jan. 2017)
- Transferred the mobile phone sales company (Apr. 2016)

Others

- Established Dynamic Map Planning Co., Ltd. (Jun. 2016)
- Named as one of CDP "A list" companies (in 3 areas): Climate change, Water, Supplier (climate change/ water)
- "Director General Prize of Agency of Natural Resources and Energy" at the New Energy awards for FY2016: Station energy saving inverter (S-EIV[®])
- "Director General Prize of Agency of Natural Resources and Energy" at the Energy Conservation Grand Prize awards for FY2016: Realize an energy-saving factory using IoT technology (Nagoya Works)
- "Nikkei Industrial Daily prize" for the 35th Nikkei Superior Products/ services Award for FY2016: Ultra high speed elevator etc.

*AMEC: Mitsubishi Elevator Asia Co., Ltd., IMEC: Mitsubishi Elevator India Private Limited, MACT: Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company, MEAMC: Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd., HEV: Hybrid Electric Vehicle, MEHITS: Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A.

5. Pursue Sustainable Growth (3) Global Expansion

View on strengthening business competitiveness and realizing results

- Up to FY2020, expand business mainly in Japan, North America, Europe and China
- Growth in revenue as a result of investment into emerging markets will come to fruition after FY2020

Japan

Achieve stable growth and greater profitability as a core operating region to drive business expansion

【Major initiatives since FY2014】*

- [P] • The demonstration facility for MVDC distribution at the Power Distribution Systems Center (Jul. 2016)
- HVDC verification facility at Transmission and Distribution Systems Center (1st half of FY2018)
- [T] • New plant in Itami Works (Apr. 2015)
- New plant for control panels in Kobe area (Jun. 2016)
- [B] • Opened new training center for Inazawa Works (Jun. 2016)
- [AR] • Engineering facility for Air-Conditioning & Refrigeration Systems Works (Mar. 2016)
- Development engineering/ testing facility at Shizuoka Works (Jun. 2019)
- [FA] • New aftermarket service support facility at Nagoya Works (Oct. 2016), The 2nd FA development center (Jun. 2017)
- [AE] • Developed “EMIRAI3 xAUTO” a preventive safety (automated driving) concept car (Oct. 2015)
- Himeji Works’ new plant (May 2018)
- [S] • Established Dynamic Map Planning Co., Ltd. (Jun. 2016)
- Kamakura Works’ new plant (Oct. 2017, Oct. 2019)

North America/ Europe/ China

Achieve greater competitiveness in current markets

while increasing the scale of operations

【Major initiatives since FY2014】*

North America

- [T] • Strengthened MEPPi maintenance system (May 2014)
- [AE] • Strengthened MEAA production system (Oct. 2014, Jan. 2016)

Europe

- [T] • MEKT (Italy) (Apr. 2014)
- Invested (capital participation) MEDCOM (Poland) (Oct. 2015)
- [AR] • Wholly acquired DeLclima (Italy) (Feb. 2016), and consolidated and reorganized their subsidiaries (Jan. 2017)
- [AL] • MER (Russia) (Nov. 2014)
- Established MEU Norway branch (Oct. 2015)

China

- [B] • MESE’s new plant (Nov. 2015)
- [FA] • MEAMC’s new plant (Apr. 2017)

[P] Power Systems	[FA] FA Systems
[T] Transportation Systems	[AE] Automotive Equipment
[B] Building Systems	[S] Space Systems
[AR] Air-Conditioning & Refrigeration Systems	[AL] ALL

*The month/ year in brackets note when the facilities started/ will start operation

Asia (excl. China)/ Others

Cultivate new markets by developing local business networks

【Major initiatives since FY2014】*

Thailand

- [P] • ME-TH as a sales company (Aug. 2015)
- [B] • AMEC’s new plant (May 2016), new elevator test tower (Jun. 2017)
- [AR] • MCP’s new building (Jul. 2015)
- Established MKY training center (Aug. 2015)

Myanmar

- [AL] • Established MEAP Yangon branch (Apr. 2014)

Korea

- [B] • KMEC’s new plant (Feb. 2018)

India

- [T] • MEI’s new plant (Nov. 2015)
- [B] • IMEC’s new plant (Sep. 2016)

Turkey

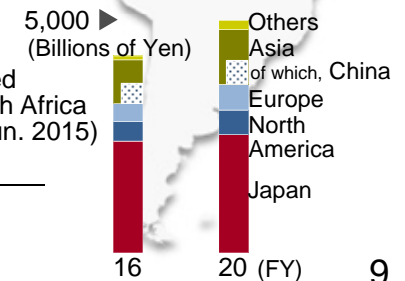
- [AR] • Established MACT (Apr. 2016), start operation of new plant (Jan. 2018)

Mexico

- [AE] • MEAX (Oct. 2014)

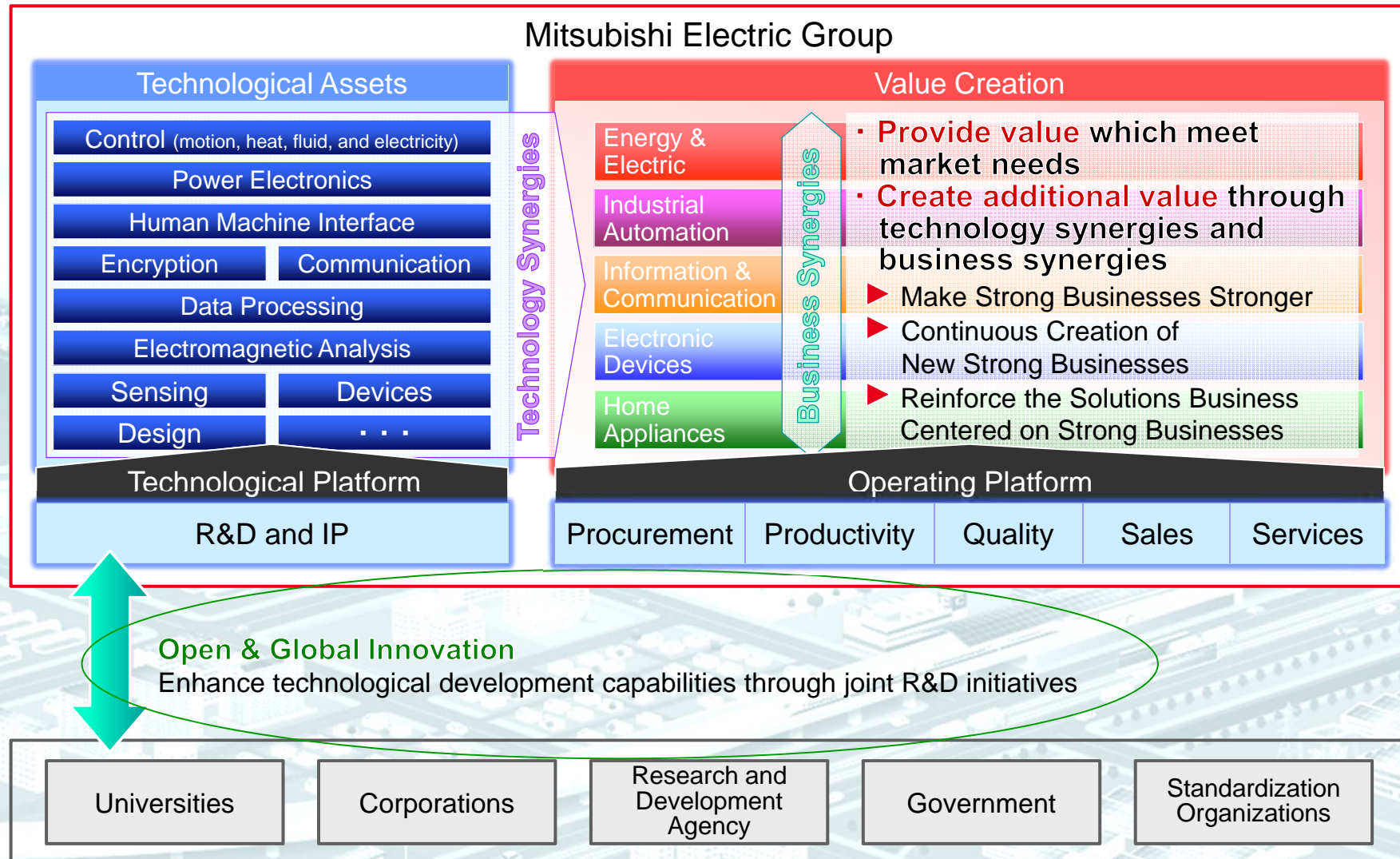
South Africa

- [AL] • Established MEU South Africa branch (Jun. 2015)



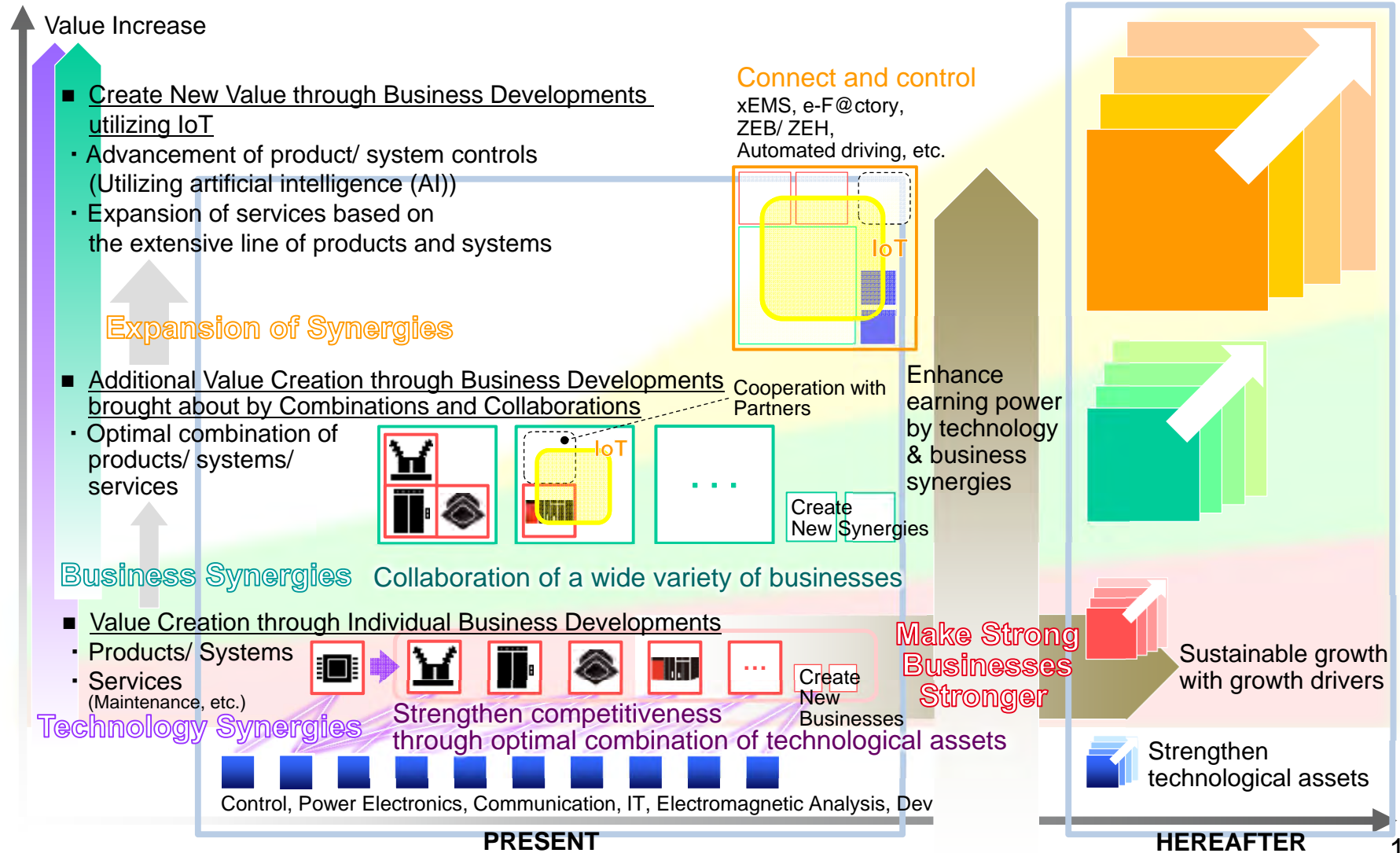
MVDC: Middle Voltage Direct Current, HVDC: High Voltage Direct Current, MEPPi: Mitsubishi Electric Power Products, Inc., MEAA: Mitsubishi Electric Automotive America, Inc., MEKT: Mitsubishi Electric Klimat Transportation Systems S.p.A., MER: Mitsubishi Electric (Russia) LLC, MEU: Mitsubishi Electric Europe B.V., MESE: Mitsubishi Electric Shanghai Electric Elevator Co., Ltd., ME-TH: Mitsubishi Electric Asia (Thailand) Co., Ltd., MCP: Mitsubishi Electric Consumer Products (Thailand) Co., Ltd., MKY: Mitsubishi Electric Kang Yong Watana Co., Ltd., MEAP: Mitsubishi Electric Asia Pte Ltd, KMEC: Mitsubishi Elevator Korea Co., Ltd., MEI: Mitsubishi Electric India Private Limited, MEAX: Mitsubishi Electric Automotive de Mexico, S.A. de C.V.

6. Growth through Value Creation (1) Overview



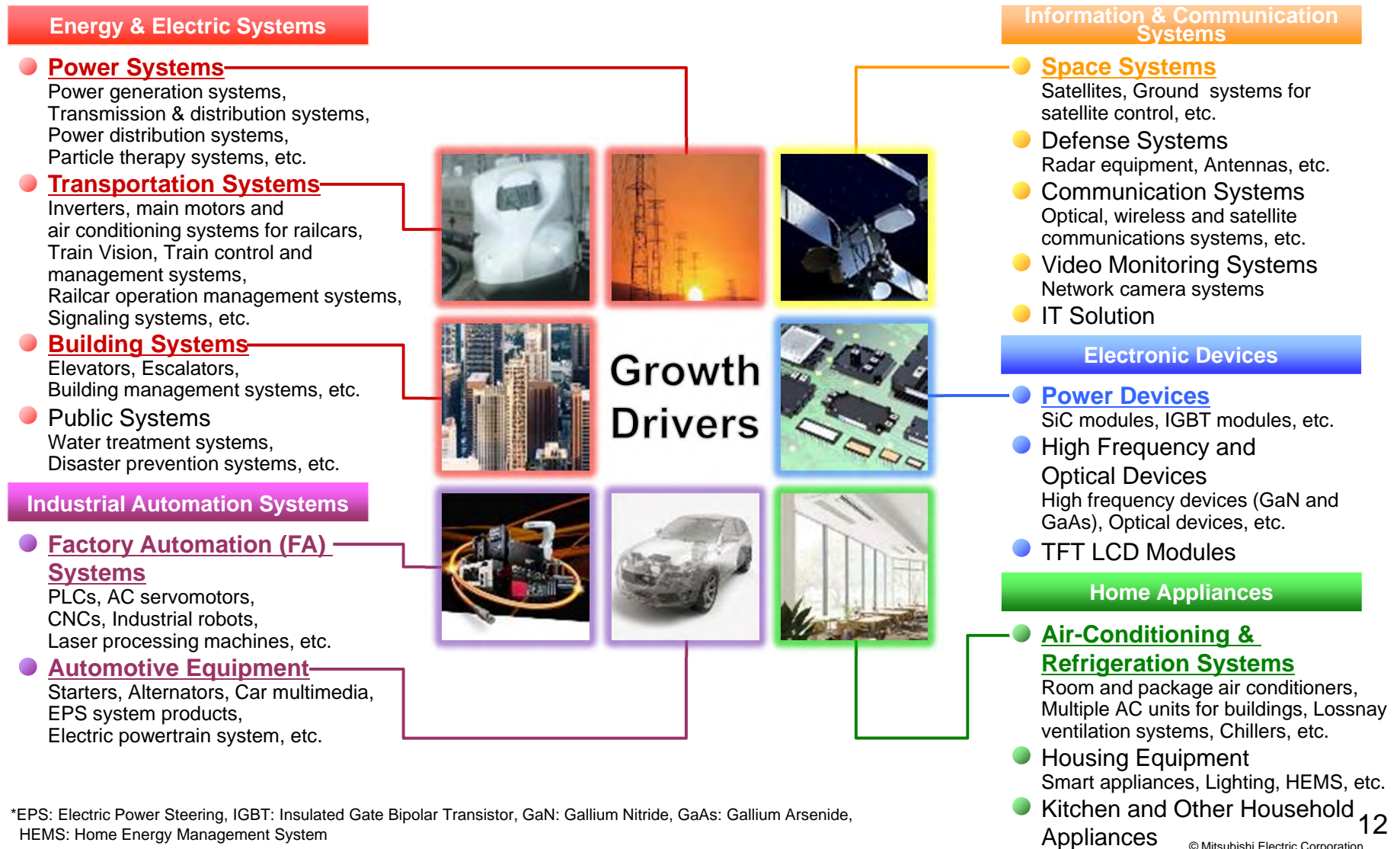
6. Growth through Value Creation

(2) Expansion of Products/ Systems/ Services and the Way to Create Value



*EMS: Energy Management System, ZEB: net Zero Energy Building, ZEH: net Zero Energy House

7. Make Strong Businesses Stronger (1) Growth Drivers



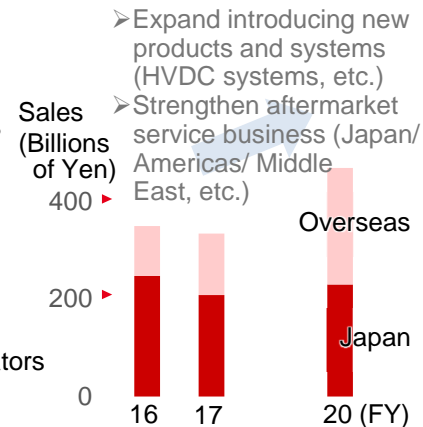
*EPS: Electric Power Steering, IGBT: Insulated Gate Bipolar Transistor, GaN: Gallium Nitride, GaAs: Gallium Arsenide, HEMS: Home Energy Management System

7. Make Strong Businesses Stronger (2) Value Creation in Growth Drivers

Power Systems Business

Provide a highly efficient, environment friendly products and systems from power generation to transmission and distribution which contribute to the stable supply of electricity

- Stabilize the power system when renewable energy use expands
Provide power electronics systems (such as HVDC systems) and high-capacity energy storage systems, etc.
- Contribute to building the infrastructure which underpins the electricity system reforms
The Company's share in smart meter (communication system): 5 out of 10 Japanese electric power companies
- Maintain aging products, and respond to needs for replacement into high efficiency products with a shorter construction period
Respond to advancing needs, such as inspection of turbine generators by ultra-thin robots (Total number of turbine generators delivered: c. 2,100 units, of which aged equipment: c. 1,000 units)

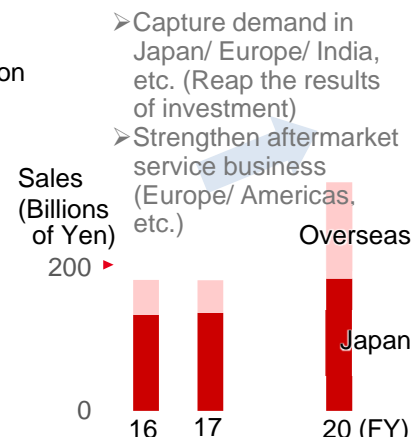


- Expand introducing new products and systems (HVDC systems, etc.)
- Strengthen aftermarket service business (Japan/ Americas/ Middle East, etc.)
- Shipped the first high-capacity 765kV (highest-voltage in U.S.A.) power transformer by MEPPI (May 2016)
- Launched D-SMiree system for MV/ LV DC Distribution (Jul. 2016)
- Started to build HVDC verification facility at Transmission and Distribution Systems Center (Oct. 2016)
- Established companies which will construct and operate the world's state-of-the-art coal-fired power plant (in relation to Fukushima's reconstruction) (Oct. 2016)
- Developed a ultra-thin inspection robot for power generators (Jan. 2017)

Transportation Systems Business

Optimize the total energy of railway transport by leveraging the strength of products and systems which can realize "driving" "braking" and "controlling" in a single company

- Improve energy efficiency of railcars and regenerative power during braking
Launched compact and lighter high efficiency models (railcar traction inverter and APS with all-SiC power modules, and air-conditioning equipment for railcars)
- Energy conservation of the station building as a whole
Launched station energy saving inverter (S-EIV[®]) which supply excess regenerative power to the station's power facilities
- Safe and efficient train operation using train control which applies wireless technology (CBTC)
- Energy-savings by replacing railcar electrical products to high-efficiency models
Expand renewal/ maintenance/ aftermarket service utilizing the local sales bases



- Capture demand in Japan/ Europe/ India, etc. (Reap the results of investment)
- Strengthen aftermarket service business (Europe/ Americas, etc.)
- Was awarded a contract for the verification and testing of CBTC system by MTA New York City Transit (Jan. 2016)
- Was awarded a contract for railcar air conditioning system for Rhine-Ruhr express train network (Mar. 2016)
- Started operation of new plant for control panels in the Kobe area (Jun. 2016)
- Received orders from the Transport for New South Wales for railcar electric equipment (Sep. 2016)
- Productized storage battery-type auxiliary power device for small-scale train stations (S-EIV[®]) (Sep. 2016)
- Received orders for railcar electric equipment for Hong Kong MTR Train Replacement Project (Sep. 2016)

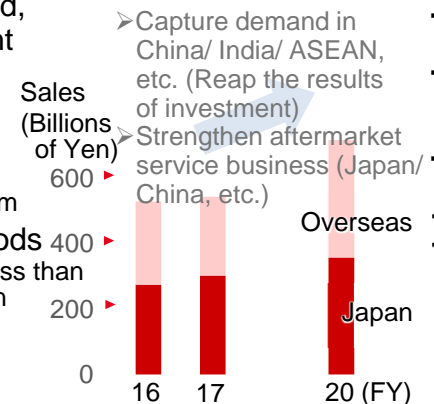
*APS: Auxiliary Power Supply, CBTC: Communication Based Train Control

7. Make Strong Businesses Stronger (2) Value Creation in Growth Drivers

Building Systems Business

Provide total support from new installation to maintenance, and renewal, through highly safe and reliable products as well as high field engineering capabilities

- Provide safety and reliability based on a rich track record, and achieve energy-savings by reducing size and weight of product lineup
- Reduce operation cost and energy consumption of the total building
 - Monitor and control building facilities such as air conditioning, lighting and enter/ exit situation with a building management system
- Minimize the downtime of elevators during renewal periods
 - Started to provide new renewal products which realize "0 days" (less than 24 hours) of continuous downtime for elevators during construction (Number of units up for renewal by FY2020: c. 90,000 units)
- Provide premium maintenance services
 - Strengthen maintenance system and expand services

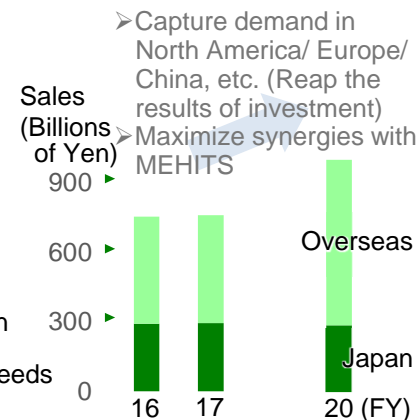


- ▶ Capture demand in China/ India/ ASEAN, etc. (Reap the results of investment)
- ▶ Strengthen aftermarket service business (Japan/ China, etc.)
- Started operation of Inazawa Work's new training center "SOLAE place" (Jun. 2016)
- Received orders for 78 elevators including Korea's fastest elevators (600m/min.) for LCT Landmark Tower (Jul. 2016)
- Launched "NEXIEZ-S" for low rise residential and office buildings (Aug. 2016)
- Started operation of IMEC (Sep. 2016)
- Launched "Elemotion+[ZERO]" for elevator renewals (Dec. 2016)

Air-Conditioning & Refrigeration Systems Business

Respond to energy-saving needs unique to the region through high functionality/ high efficiency devices and advanced control technologies

- Respond to environmental and energy-saving regulations, and lower environmental burden
 - Adopt technologies such as all-SiC DIPIPM mounting, aluminum flat tube heat exchanger, and high efficiency compressors
 - Adopt refrigerant R32
 - Adopt our original Flash Injection Circuit (to achieve both high heating capability and high energy efficiency under cold external temperatures)
- Respond closely to the needs of different regions
 - Respond to the broad range of needs from room air-conditioning to large size air-conditioning and refrigeration systems including chillers mainly in Europe, through the acquisition and consolidation of DeLclima (currently: MEHITS)
 - Launch heating and hot-water supply system meeting European needs
- Develop renewal and maintenance business
 - Renew into new-refrigerant air conditioner in a shorter construction period using existing piping (replace models)
 - Accelerate receiving orders for maintenance services through collaboration with building systems business (Japan)
 - Strengthen facility operating systems and remote management services (overseas) (Italy: RMI) *RMI: Remote Monitoring Interface



- ▶ Capture demand in North America/ Europe/ China, etc. (Reap the results of investment)
- ▶ Maximize synergies with MEHITS
- Achieved 100% ownership of Italy's commercial HVAC company DeLclima (Feb. 2016)
- Started operation of the new engineering facility at the Air-Conditioning & Refrigeration Systems Works (Mar. 2016)
- Established MACT (Apr. 2016)
- Started operation of Iwade logistics center at the Air-Conditioning & Refrigeration Systems Works (Jun. 2016)
- Room air-conditioner "Kirigamine FL series" was awarded "Good Design Best 100" for Good Design Award 2016 (Sep. 2016)
- Consolidated and reorganized subsidiaries under formerly DeLclima (Jan. 2017)

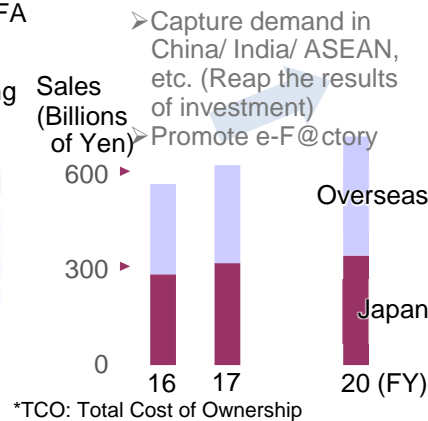
7. Make Strong Businesses Stronger (2) Value Creation in Growth Drivers

Factory Automation (FA) Systems

Propose an optimal “manufacturing method” made possible by the evolution of “e-F@ctory”, the FA-IT integrated solution

[e-F@ctory] Propose solution which reduces total cost across the phases of development/ production/ and maintenance, utilizing FA technology and IT

- TCO reduction through “e-F@ctory”
 - Improve real-time information gathering capabilities through rich FA product lines and network formations, and support multi-cycle, flexible production system with different models and quantity
 - Improve factory utilization, delivery timing and quality by proposing automation using robots
- Develop products meeting the global needs
 - Elevate response capabilities to meet local needs and various international standards, through expansion of overseas development centers (in Europe/ China/ India)
- Strengthen support systems
 - Implement initiatives towards remote services using IT (electrical discharge/ laser processing machine)
 - Continue to strengthen service bases such as Global FA Centers (including satellite bases) (50 locations in 30 countries)

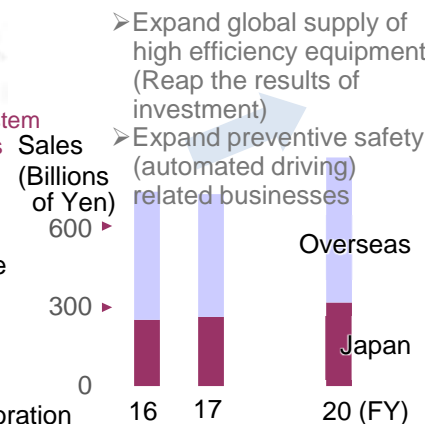


- Capture demand in China/ India/ ASEAN, etc. (Reap the results of investment)
 - Promote e-F@ctory
- Launched products which connect to “CC-Link IE Field Network Basic” (Oct. 2016)
 - Launched wire electrical discharge machine “MV-DCUBES” (Nov. 2016)
 - Launched “MELSENSOR laser displacement sensor” (Dec. 2016)
 - Strengthened business collaboration with Cognex on vision sensor business (Feb. 2017)
 - Launched “MELFA FR series” robot (Mar. 2017)
 - Announced “FA-IT Open Platform” for manufacturers (Mar. 2017)
 - Completed second plant for MEAMC (Mar. 2017)
 - Started operation of two additional FA Centers in Mexico (May 2017)

Automotive Equipment Business

Contribute to realizing safety, security, comfort, and environment-friendliness by coordinating and integrating high efficiency equipment and advanced control technology

- Improve fuel mileage and reduce environmental burden
 - Contribute to further improvement in fuel mileage and reducing environmental burden by globally supplying a wide variety of high efficiency equipment which meet market needs, and offering electric powertrain systems
- Improve comfort during driving
 - Contribute to further improving comfort through next-generation information equipment which integrates entertainment/ navigation/ connectivity/ driver assistance functions
- Realize a safe and comfortable automated driving
 - Contribute to realizing an automated driving society by connecting and integrating existing products and system control technology to expand preventive safety businesses, and by strengthening collaboration with communication technology/ infrastructure businesses with the view of advanced driving support



- Expand global supply of high efficiency equipment (Reap the results of investment)
 - Expand preventive safety (automated driving) related businesses
- High efficiency alternator was approved as an eco-innovation technology from the EC (Feb. 2015)
 - Developed a preventive safety (automated driving) concept car “EMIRAI3 xAUTO” (Oct. 2015)
 - Strengthened MEAA production system (Jan. 2016)
 - Started construction of new facility in Himeji Works (Strengthen production system for electric powertrain products) (Feb. 2017)
 - Developed ultra-compact SiC inverters for HEV (Target to commercialize after FY2021) (Mar. 2017)

7. Make Strong Businesses Stronger (2) Value Creation in Growth Drivers

Space Systems Business

Contribute to building a global social infrastructure through satellite systems products across various areas

- Contribute to the prevention of global warming, enhanced monitoring of climatic phenomena and global environment, and understanding of disaster situations (develop observational satellites)

Development of "GOSAT-2" to improve the measurement accuracy of green house gas concentration distribution, "Himawari-8,9" to improve resolution and drastically reduce imaging time, and "Daichi-2" to improve resolution and wider observation of land

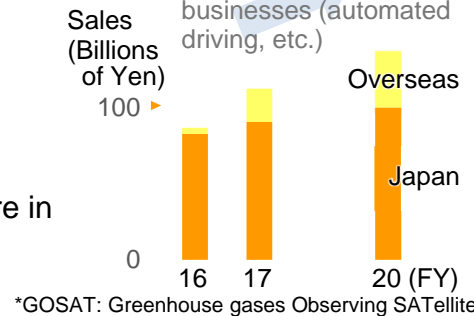
- Offer high-precision positioning Information (develop positioning satellites)

Currently developing the 2nd-4th quasi-zenith satellites in preparation for launch from 2017

- Advance communications/ broadcasting infrastructure in various regions (develop communication satellites)

Development of "TURKSAT-4A/ 4B" for TURKSAT (Turkey) and "Es'hail 2" for Es'hailSAT (Qatar)

- Capture satellite systems demand in Japan and overseas (Reap the results of investment)
- Expand high precision positioning related businesses (automated driving, etc.)



- Established Dynamic Map Planning Co., Ltd. (Jun. 2016)
- Started construction of new Satellite Component Production Facility in Kamakura Works (Aug. 2016)
- Agreed on development cooperation with u-blox (Switzerland) on receiver chips for automobiles that respond to quasi-zenith satellites "Centimeter level positioning augmentation service" (Sep. 2016)
- Launched geostationary meteorological satellite Himawari-9 (Nov. 2016)
- Launched Kounotori 6 (Dec. 2016)
- Selected for the prime contractor of the Engineering Test Satellite 9 (Apr. 2017)
- Started construction of the "New Satellite Production Facility" in Kamakura Works (Apr. 2017)

Power Devices Business

Provide key devices for energy-savings based on the most advanced power semiconductor technology by anticipating the needs of customers

- Increase the value and competitiveness of customer's products

Supply low power loss 7th generation IGBT devices which enable energy-savings and improve product performance



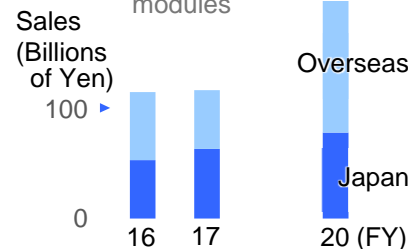
7th generation IGBT Module T Series

- Realize low electricity consumption

Develop and supply low power loss SiC mounted devices

- Railcars** Make the inverter for railcars compact and lighter, ensure lower losses and high reliability
- Automobiles** Make inverters compact, expand interior spaces, improve fuel mileage
- Home Appliances** Further energy-savings, compact refrigerating systems, flattening and miniaturizing devices
- Industrial** Improve productivity of machine tools by enabling high-torque, high speed, high function

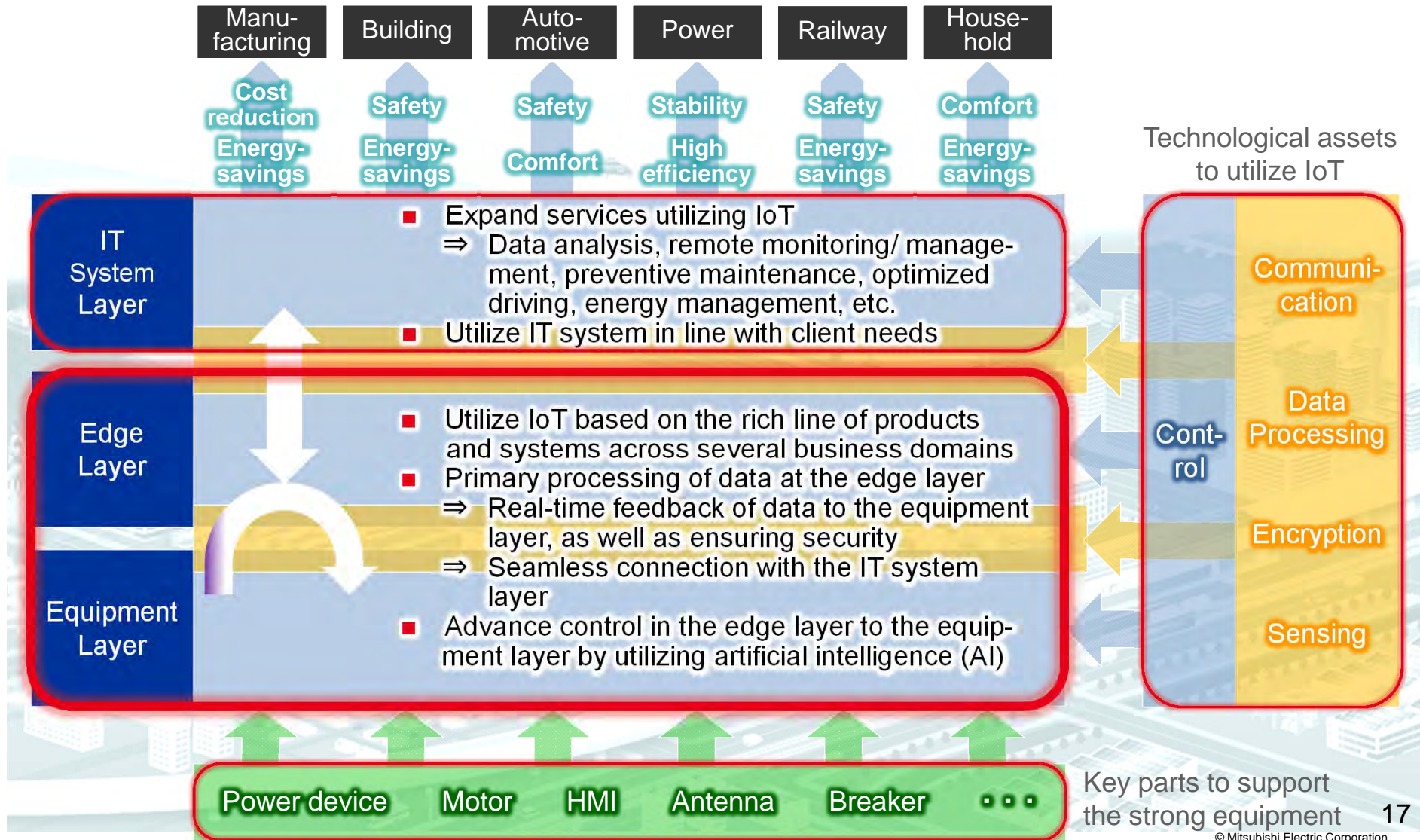
- Expand launching 7th generation IGBT modules and SiC modules



- Expanded lineup of the "J1 Series" module (Oct. 2015)
- Launched X series HVIGBT module (Nov. 2015)
- Developed X Series New dual HVIGBT module (Apr. 2016)
- Started to provide samples of "IPM G1 series" with 7th generation IGBT (May. 2016)
- Launched Super-mini Full SiC DIPIPM (Aug. 2016)
- Expanded lineup of "IGBT module T Series" with 7th Generation IGBT (Sep. 2016)
- Launched SiC-SBD (Mar. 2017)
- Expanded lineup of HVIGBT module X series (Apr. 2017)

*HVIGBT: High Voltage Insulated Gate Bipolar Transistor, IPM: Intelligent Power Module, SBD: Schottky Barrier Diode

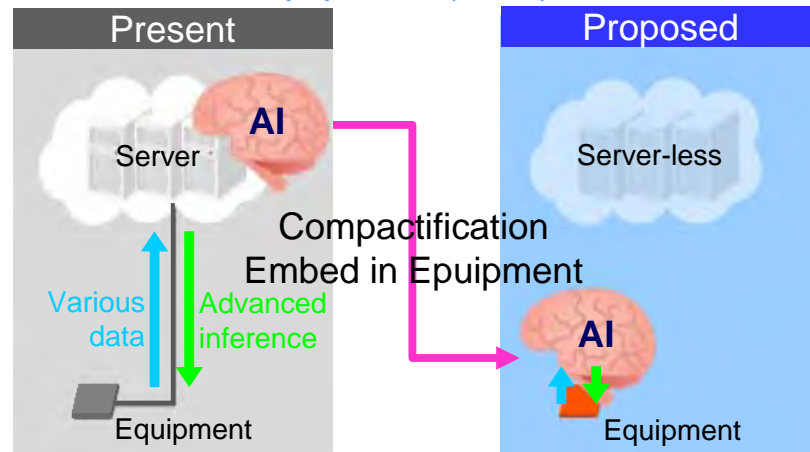
8. Technology Synergies and Business Synergies (1) Create New Value by Utilizing IoT



Key parts to support the strong equipment

8. Technology Synergies and Business Synergies (2) Initiatives for Utilizing Artificial Intelligence (AI)

Embed AI into Equipment (R&D)



Make efficient the network structure and calculating method of inference processing

Develop an algorithm for new machine learning, and reduce the amount of calculation and memory volume for AI learning and inference processing

*Inference processing: A process of identification, recognition and forecasting, about unknown matters by utilizing known matters

Compactification of AI

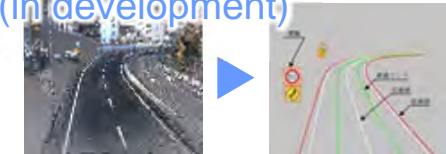
Achieve the learning processing in an embedded equipment, what was previously done in a server (IT system layer)

Reduce the amount of calculation and memory volume (up to 1/30 of current volume) by combining “high-speed training algorithm for deep-learning” (compared to current capabilities)

Automated mapping/ extraction of transitions for high-precision 3D maps (in development)

Utilize the technology of AI and MMS automatically produce and renew high-precision 3D maps

*MMS: Mobile Mapping System



3D space positioning data by MMS High-precision 3D map

Automated analysis of camera images

Improve security and disaster prevention for public facilities, buildings, commercial facilities

Provide appropriate services by attribute determinations from images

- Analyze image data taken by cameras with AI
- Sort out characteristics that were derived and determine the attribute of people/ objects

【Attribute data】



【Determine behavior/ attributes】

- someone staggering
- someone squatting
- someone with a cane
- someone pushing a stroller
- shopping carts
- wagons
- ...

AI functions in home appliances

■ Refrigerator (Automatic energy-savings)

Automatically learns the way in each household, and runs in an optimized manner

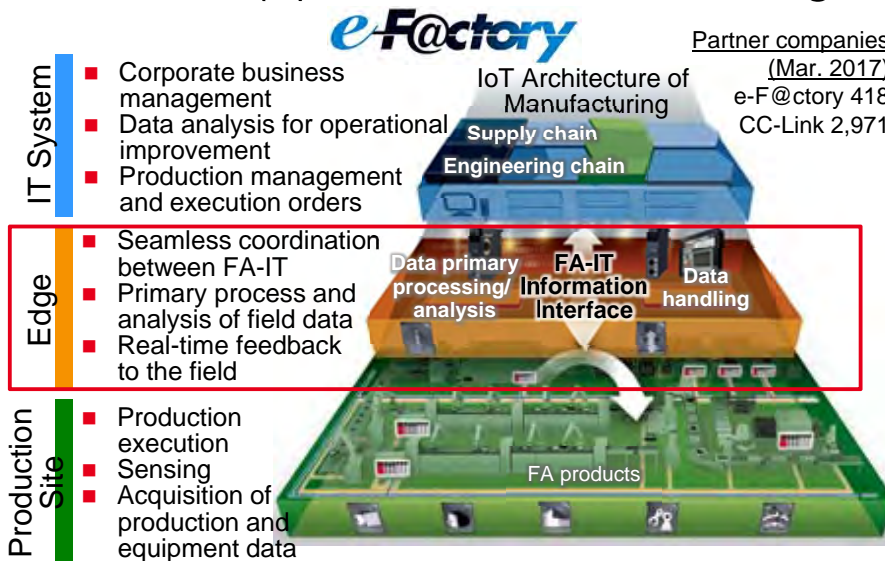
- During hours when there is frequent opening/ closing of the door, the refrigerator will be cooled ahead of time
- During hours when the refrigerator is not in much use, will defrost efficiently



■ Eco-Cute (Boiling in accordance with hot water usage)

Learn the hot water usage situation in the past (2 weeks), and automatically boil water in accordance with that household's hot water usage

8. Technology Synergies and Business Synergies (3) Value Creation through Utilizing IoT in Manufacturing



With edge computing at the core, increase productivity of the total factory by connecting the rich product line up which supports the production site with the IT system

- 【Examples】**
- Nagoya Works Shinshiro Plant**
 - 15% improvement in the total machining cycle time for the shafts
 - By providing feedback on the machining outcome across different processes, automatically adjust the machining conditions
 - Nagoya Works (PLCs production plant)**
 - 30% productivity improvement, 30% reduction in energy cost, 50% reduction in quality losses
 - Improvement in utilization rate by implementing production operation status management system/ assembly directing system

Expand the aftermarket service business by utilizing IT system

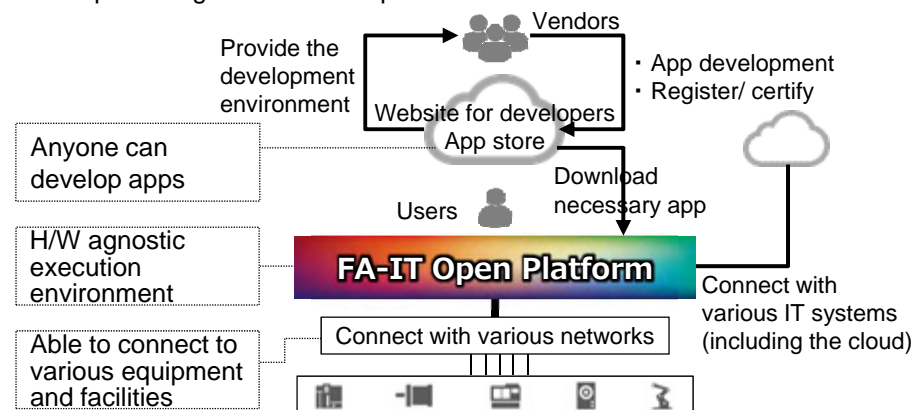
- Remote service for electrical discharge/ laser processing machine**
 - Collect and accumulate information on machining and operation track record and electricity consumption of laser processing machine
 - Contribute to the production process and reduction of running cost by analyzing the information collected

FA-IT Open Platform

- Opening up of platforms in the edge layer enables collaboration with any partner and company, as well as connection to various equipment and value chains
- Through a wide variety of applications developed by the partner companies, various challenges of manufacturing companies can be solved

Support utilization of IoT in the manufacturing sector and realize increased productivity and cost reduction

Conceptual diagram of FA-IT Open Platform



Leverage the FA-IT Open Platform in e-F@ctory as well, and promote further improvement of productivity in the manufacturing sector

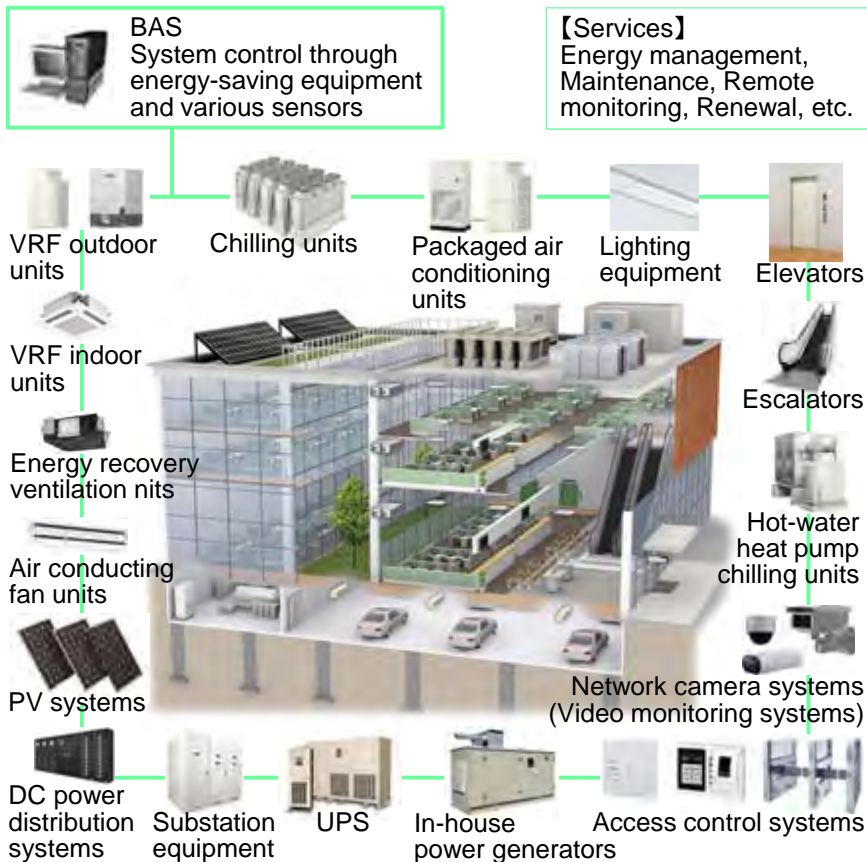
- Develop product lines in the edge layer which can utilize the FA-IT Open Platform
- Develop applications which incorporate know-how fostered in the e-F@ctory business

8. Technology Synergies and Business Synergies

(4) Value Creation through Realizing Energy-Savings in Building Facilities

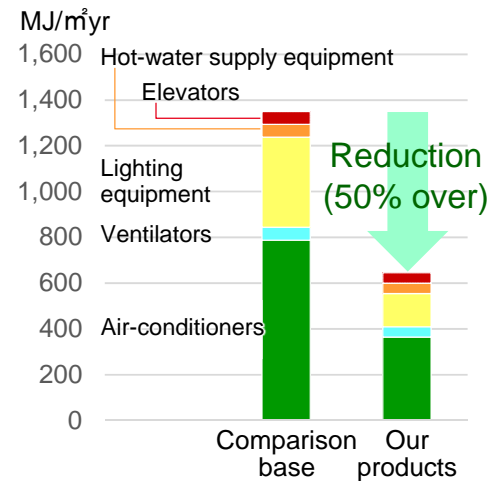
Contribute to realizing ZEB (net Zero Energy Building) by providing products/ systems/ services across several business areas

A centralized response for increased efficiency in energy use is possible, including ensuring security and BCP measures



*BAS: Building Automation System, BCP: Business Continuity Plan, UPS: Uninterruptible Power Supply, VRF: Variable Refrigerant Flow

Energy-savings amount (%) of our products (to which ZEB energy-saving calculations are applied)



ZEB energy-saving calculation (in Japan)

Calculated for: Air-conditioners, Ventilators, Lighting equipment, Hot-water supply equipment, Elevators

Comparison base

Energy consumption in the case of "Reinforced Concrete 3-storied building, total floor space 1,706m² in Tokyo"

Our products

A preliminary calculation of energy consumption of our products based on the "Web program" (an evaluation tool for energy-saving performance which is provided by a national research institute under the Ministry of Land, Infrastructure and Transport)



Air-Conditioning system Example of installing in Passive Houses

Contribute to energy-savings by adopting VRF to the world's tallest Passive House (New York, Cornell University) (plan for completion 2nd half of FY2017)

To improve energy-saving performance, demonstration experiments are taking place in the Air-Conditioning and Refrigeration Works engineering building (completed Mar. 2016)

- Increase efficiency and control energy-savings of multi-air-conditioning systems/ chillers, etc. for buildings
- Efficient operating control of compressor by shifting the evaporating temperature of refrigerant during cooling times



8. Technology Synergies and Business Synergies (5) Value Creation through Initiatives for Automated Driving

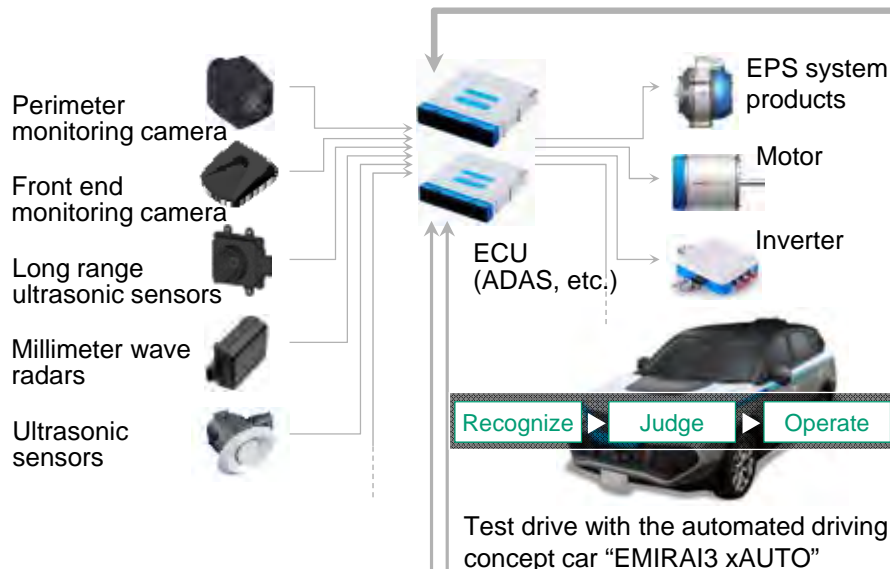
Contribute to realizing a safe and comfortable automated driving society from both “autonomous driving systems” and “vehicle-infrastructure cooperative systems”

Autonomous driving systems

Combination of sensing technology and vehicle control technology

A system which enables autonomous automated driving by combining automobile mounting devices such as those for control, perimeter surveillance, and out-of-vehicle information utilization

- Recognize and judge the surrounding environment of the automobile and anticipating movements through high quality surveillance sensors and sensor fusions
- Through high precision vehicle movement control technology, realize safe and comfortable automated driving



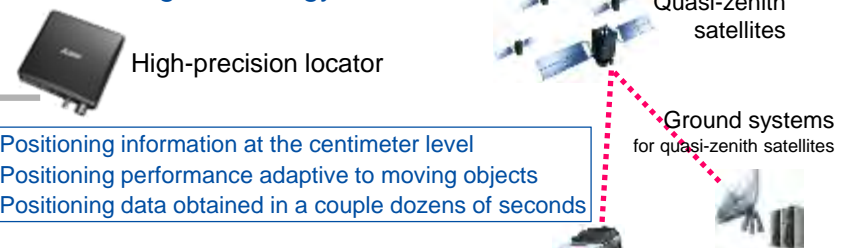
*ITS: Intelligent Transport Systems,
ADAS: Advanced Driving Assistant System

Vehicle-infrastructure cooperative systems

Utilizing information infrastructure such as quasi-zenith satellites and ITS

A system which utilizes information from outside the vehicle, such as satellites, through out-of-vehicle information utilization devices

- Position the vehicle with centimeter-precision utilizing high definition map creation technology and high precision measuring technology



- Established Dynamic Map Planning Co., Ltd.
- Development collaboration with u-blox (Switzerland)
 - ⇒ Develop automobile receiver chip responding to “Centimeter level augmentation service” (promote expanded use of quasi-zenith satellite system)
- Develop automated mapping technology and extraction of transitions technology
 - ⇒ Efficiently create and update high precision 3D maps (utilize AI and MMS technology)
- Obtaining real-time information on the road condition through road-vehicle and inter-vehicle linked communication

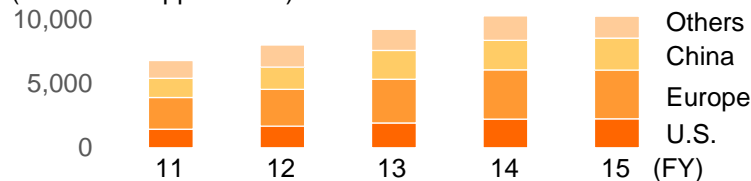


9. Intellectual Property Activities Supporting Business Competitiveness

Patent PCT application ranking World Intellectual Property Organization (WIPO)	#4 globally Top among Japanese companies
Patent registration numbers ranking Japan Patent Office (JPO)	#3 in Japan
Design registration numbers ranking Japan Patent Office (JPO)	#2 in Japan
Patent asset size ranking (all industries) Patent Result Co., Ltd.	#1 in Japan

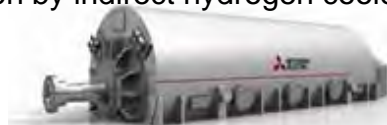
*PCT: Patent Cooperation Treaty
*Statistics of WIPO/ JPO: Jan. 1- Dec. 31, 2016,
*Statistics of Patent Result: Apr. 1, 2015- Mar. 31, 2016

Overseas Patent Application (Mitsubishi Electric Group) (Number of applications)



VP-X series, high-efficiency turbine generator

Realize the world's largest power generating capacity and size reduction by indirect hydrogen coolers



- Good Design Award 2014
- JEMA Platinum Award 2016 (65th) for Electric manufacturing achievement
- JIIC (Japan Institute of Invention and Innovation) Chairman Award 2016 National Commendation for Inventions

Patent rights: Cooling technology enabling compactness

High efficiency fans, Flat cooler, Cooling structure, Insulating material

Design rights: A "reliable" design which suits high-efficiency power generators

The world's fastest elevator

In addition to being the world's fastest, realized further safety and the world's top class riding comfort/ quietness/ energy-savings



Developed technology for a 1,230m/ min. (73.8km/ hr.) ultra high speed elevator

※As of Dec. 2016 (Own company research)

Group of intellectual property rights: Technology to realize the world's fastest speed/ riding comfort/ quietness

- Technology to enhance driving and control accuracy
 - Compact traction machine
 - Control system
- Technology to realize extraordinarily long travel
 - New traction wire rope
- Technology to reduce vibration and noise for more riding comfort
 - Active roller guide
 - Streamed car fairings
 - Air pressure control device
- Technology to ensure added safety
 - Multi-stage hydraulic telescopicbuffer
 - Duplex safety gears
 - Direction changeable speed governor

10. Strengthen Business Competitiveness

【Investment targets for business competitiveness】

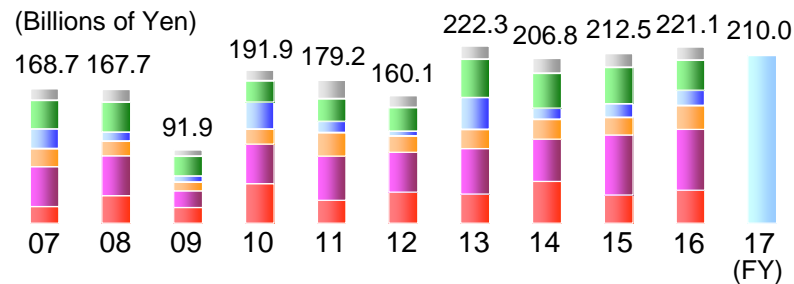
- Businesses where fruits of investments can be realized in a short period of time, and where market growth can be captured
- Businesses where performance fluctuation is small and certainty for growth is high

Focused Investment in Growing Businesses

Strengthen resource allocation to Growth Drivers

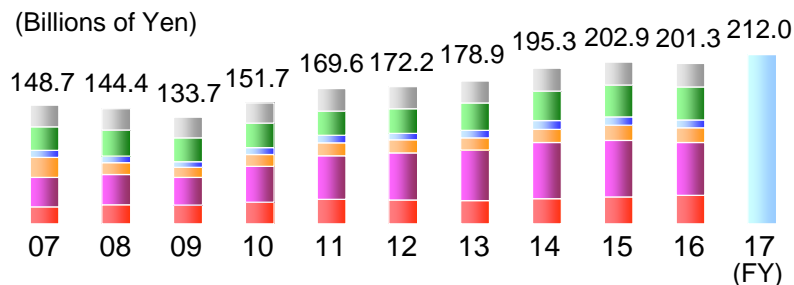
■ Capital Investment

Continue with a high level of capital investment



■ R&D

Balance short-, medium-, and long term development investments



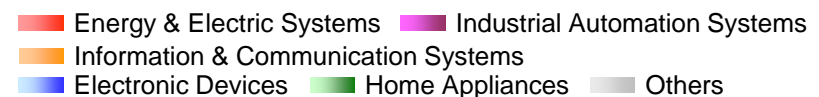
Strengthen Business Portfolios

Constantly review and refresh business portfolio

- Reallocation of business resources to promising areas through regeneration of businesses
- Continuous creation of new businesses which underpin future growth

Growth contributing collaboration and M&A

- Supplement missing parts (products/ technology) essential for business expansion
- Secure distribution-/ service-network (supply chain) in entering new regions/ markets
- Acquire new customer bases in order to strengthen business foundations



11. Future-oriented R&D for Continuous and Stable Growth

2016 2020 2030 2040

Mega Trends

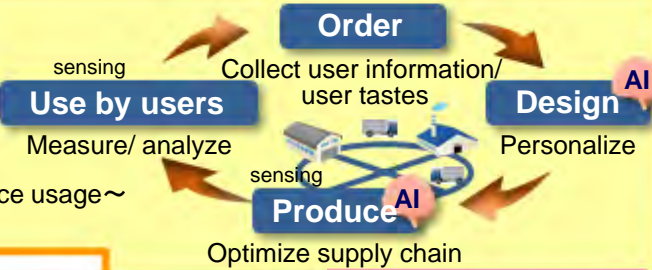
- Advancement of informatization
- Shift in population structure
- Rapid urbanization
- Delay in measures against climate change and energy conservation
- Changes in world affairs (Terrorism, Monopolization of energy)

Challenges

- Diversifying needs
- Aging advanced countries
- Traffic jams in cities
- Global warming/ PM2.5
- Energy shortage
- Natural disasters
- Man-made threats

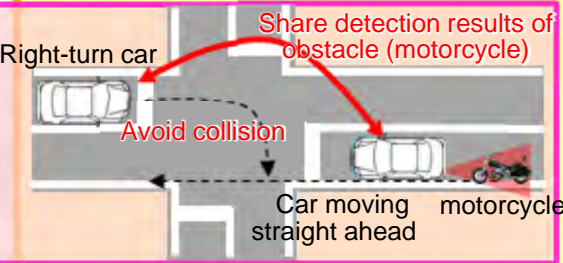
IoT

People and environment friendly manufacturing
~by evolving sensing and AI, respond to diversifying user needs with minimal resource usage~




Smart mobility

Automated driving system by inter-car cooperation
~share information through inter-car communication on obstacles at blind angles~



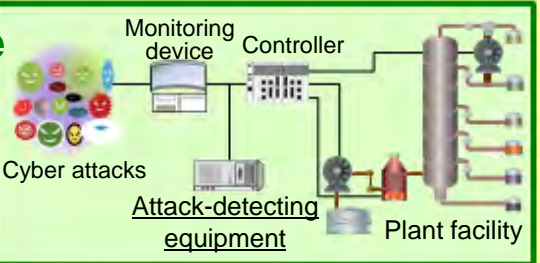
Comfortable space

Reduce electricity cost while maintaining a comfortable space
~taking into account the EV operation plan, optimize electricity use by using EV as a storage battery~



Safe and secure infrastructure

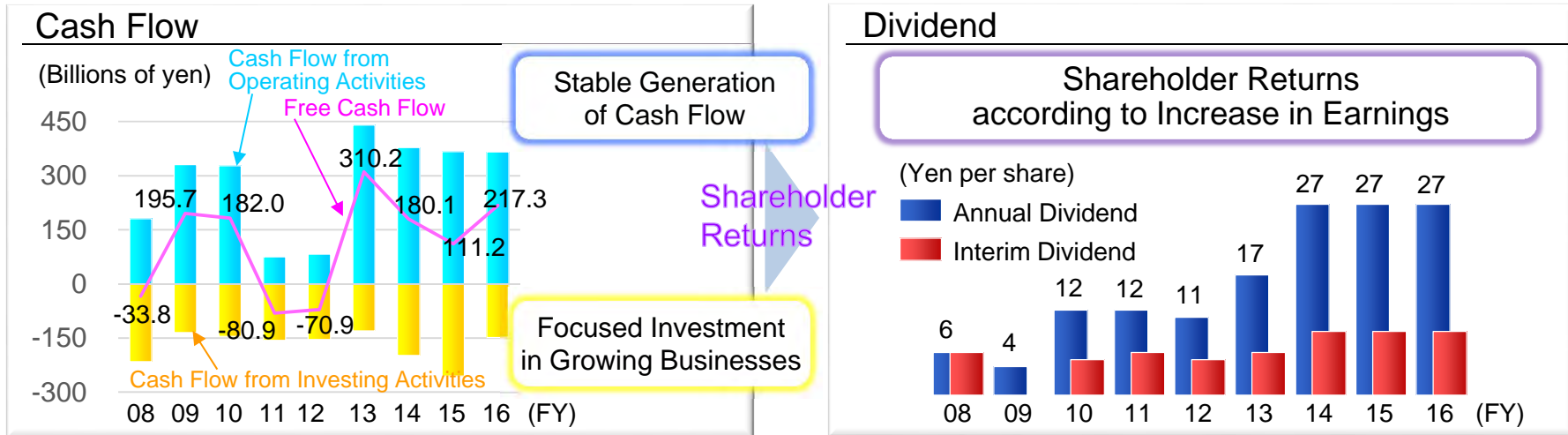
Detecting/ protecting from cyber attacks
~by reducing processing volume to 1/50 from conventional systems, detect attacks to critical infrastructure on a real-time basis~



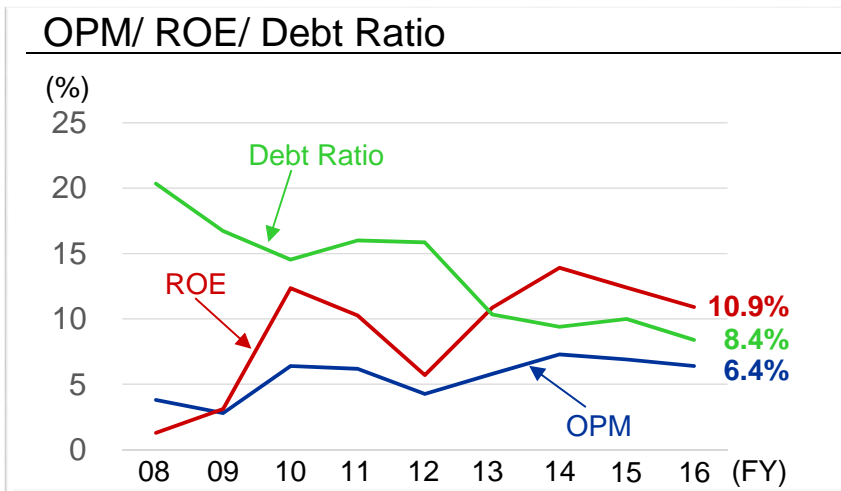
Electronic Devices

*EV: Electric Vehicle

12. Greater Corporate Value Value Creation Based on a Sound Financial Position



Sound Financial Base



【Growth Targets to be Achieved by 2020】

OPM 8% or more

Enhance earning power by realizing investment results, and creating additional value through technology synergies and business synergies

【Management Targets to be Continuously and Stably Achieved】

ROE 10% or more

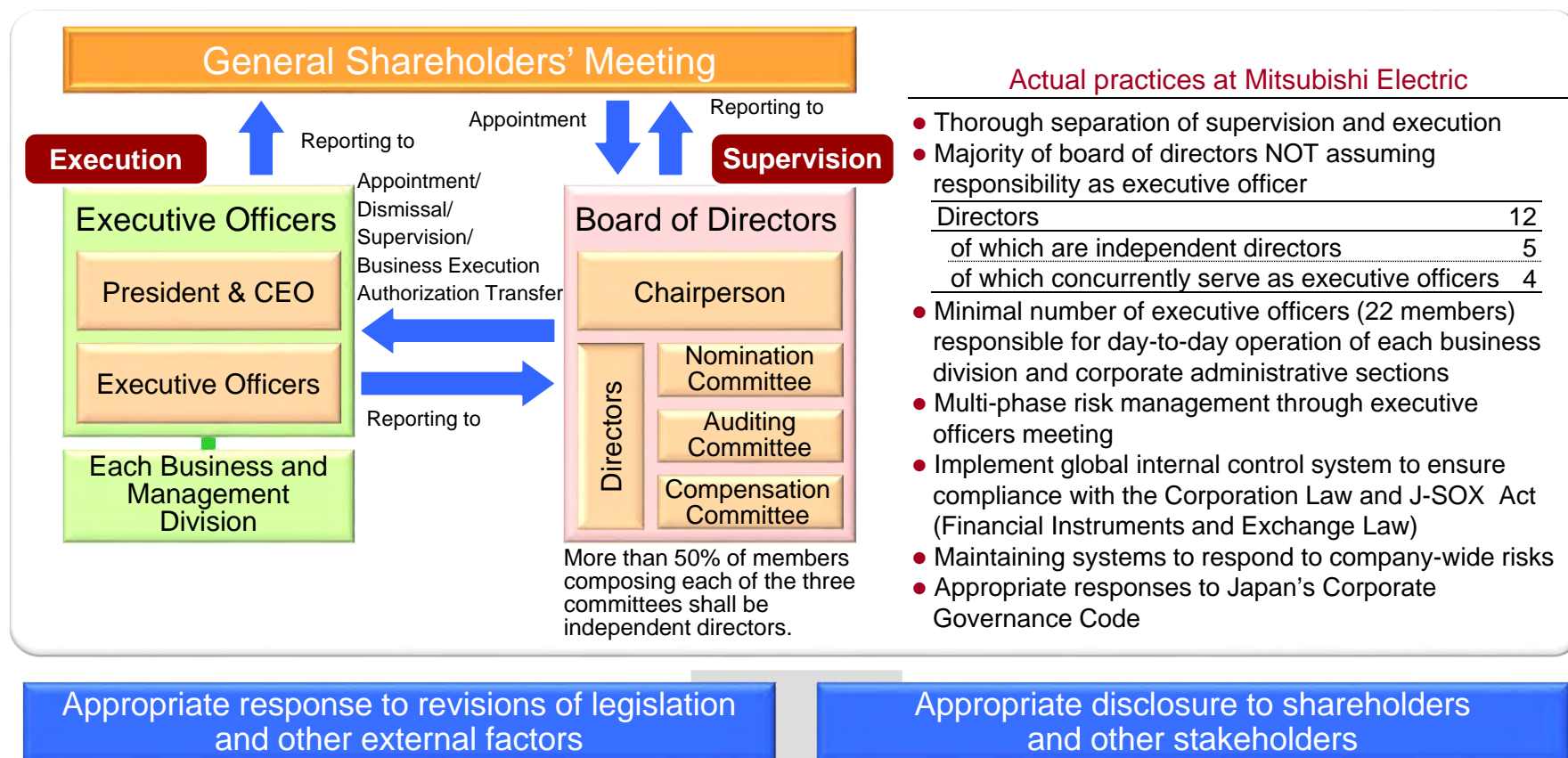
Continuous improvement of ROE through improvement of ROIC (Mitsubishi Electric version) of each business units

Debt Ratio 15% or less

The debt ratio target, "15% or less," represents the Company's financial discipline, which will allow the Company to secure the financing capability to raise necessary funds for further, greater investment.

13. Corporate Governance

In June 2003, Mitsubishi Electric became a company with a committee system (currently: nomination committee system company) and separated the supervisory and executive functions of management, to further continue with the promoting flexibility of operations and transparency of management



Greater Corporate Value

Changes for the Better

Cautionary Statements

The expectation of operating results herein and any associated statement to be made orally with respect to the Company's current plans, estimates, strategies and beliefs, and any other statements that are not historical facts are forward-looking statements. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimated," "targeted," along with any variations of these words and similar expressions are intended to identify forward-looking statements that include but are not limited to projections of revenues, earnings, performance and production. While the statements herein are based on certain assumptions and premises that the Company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that actual operating results are subject to change due to any of the factors as contemplated hereunder and/or any additional factor unforeseeable as of the date of this announcement.

Such factors materially affecting the expectations expressed herein shall include but are not limited to the following. As such, additional factors may arise at any given time.

1. Any change in worldwide economic and social conditions, as well as laws, regulations, taxation and other legislation
2. Changes in foreign currency exchange rates, especially yen/dollar rates
3. Changes in stock markets, especially in Japan
4. Changes in balance of supply and demand of products that may affect prices and volume, as well as material procurement conditions
5. Changes in the ability to fund raising, especially in Japan
6. Uncertainties relating to patents, licenses and other intellectual property, including disputes involving patent infringement
7. New environmental regulations or the arising of environmental issues
8. Defects in products or services
9. Litigation and legal proceedings brought and contemplated against the Company or its subsidiaries and affiliates that may adversely affect operations or finances
10. Technological change, the development of products using new technology, manufacturing and time-to-market
11. Business restructuring
12. Incidents related to information security
13. Occurrence of large-scale disasters including earthquakes, typhoons, tsunamis, fires and others
14. Social or political upheaval caused by terrorism, war, pandemic by new strains of influenza and other diseases, or other factors