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1. Message from the New President
2. Forecast for FY2014
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4. Strengthening Management Foundation
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Note
FY2009: April 1, 2009-March 31, 2010
FY2010: April 1, 2010-March 31, 2011
FY2012: April 1, 2012-March 31, 2013
FY2013: April 1, 2013-March 31, 2014
FY2014: April 1, 2014-March 31, 2015
1. Message from the New President
   (1) Fundamental Thoughts

- Pursue the Satisfaction of the Four Stakeholder Categories
- Maintain Balanced Corporate Management for Sustainable Growth
- Strive for Continuous Innovation

Global, leading green company
Further Accelerate Global Expansion in Environment and Energy- and Social Infrastructure-Related System Businesses
1. Message from the New President
(2) Pursue the Satisfaction of the Four Stakeholder Categories

Satisfy society, customers, shareholders and employees, and gain their trust through our business activity.

Corporate Mission
The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society.

Seven Guiding Principles

- **Trust**
  Establish relationships with all stakeholders based on strong mutual trust and respect.

- **Quality**
  Provide the best products and services with unsurpassed quality.

- **Technology**
  Pioneer new markets by promoting research and development, and fostering technological innovation.

- **Citizenship**
  As a global player, contribute to the development of communities and society as a whole.

- **Ethics**
  Honor high ethical standards in all endeavors.

- **Environment**
  Respect nature, and strive to protect and improve the global environment.

- **Growth**
  Assure fair earnings to build a foundation for future growth.
1. Message from the New President
(3) 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
  (Previously 5% 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.

The table and figure illustrate the financial targets and management initiatives for sustainable growth.
1. Message from the New President
(4) Track record built on Balanced Corporate Management

FY2013 Achievement
- Recuperation of net sales above 4 trillion yen
- Overseas sales ratio of 38.8%
- Three management targets achieved for the first time in three years
- Annual dividends 17 yen per share

FY2014 Targets
Aim for record highs

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<tr>
<td>OPM</td>
<td>0.0</td>
<td>4.7</td>
<td>-1.9</td>
<td>6.5</td>
<td>4.3</td>
<td>5.8</td>
<td>6.0</td>
<td>8% or more Growth Target</td>
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<td>ROE</td>
<td>-11.9</td>
<td>18.2</td>
<td>-12.8</td>
<td>15.1</td>
<td>5.7</td>
<td>10.9</td>
<td>10% or more To Be Continuously and Stably Achieved</td>
<td></td>
</tr>
<tr>
<td>Debt Ratio</td>
<td>40.6</td>
<td>33.6</td>
<td>38.3</td>
<td>15.8</td>
<td>15.9</td>
<td>10.3</td>
<td>15% or less</td>
<td></td>
</tr>
</tbody>
</table>

(Operating Income: Billions of Yen)
(Net Sales: Billions of Yen)

Implementing Balanced Corporate Management
“Through continuous innovation, we develop new frontiers.”

Mitsubishi Electric Group strives for constant improvement, and encourages all employees to embody the Company’s corporate statement “Changes for the better,” the spirit of continuous innovation.
2. Forecast for FY2014
(1) Consolidated performance

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</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>3,353.2 130JPY/USD</td>
<td>3,645.3 113JPY/USD</td>
<td>3,639.4 120JPY/USD</td>
<td>3,567.1 106JPY/USD</td>
<td>1,811.8 100JPY/USD</td>
<td>4,054.3 134JPY/USD</td>
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<tr>
<td>Net Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,950.0 95JPY/USD</td>
<td>4,180.0 130JPY/USD</td>
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<tr>
<td>Operating Income (%)</td>
<td>94.3 2.8%</td>
<td>233.7 6.4%</td>
<td>225.4 6.2%</td>
<td>152.0 4.3%</td>
<td>79.7 4.4%</td>
<td>83.0 4.3%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>64.2 6.2%</td>
<td>210.2 6.2%</td>
<td>224.0 4.3%</td>
<td>65.1 4.3%</td>
<td>83.4 4.3%</td>
<td>93.0 4.3%</td>
</tr>
<tr>
<td>Net Income</td>
<td>28.2 2.8%</td>
<td>124.5 6.4%</td>
<td>112.0 4.3%</td>
<td>69.5 4.3%</td>
<td>48.3 4.3%</td>
<td>68.0 4.3%</td>
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</tbody>
</table>

Note: All figures are in Billions of Yen.

Source: Mitsubishi Electric Corporation.
## 2. Forecast for FY2014
### (2) Segment Forecast

<table>
<thead>
<tr>
<th>(Billions of Yen)</th>
<th>FY2009 Actual</th>
<th>FY2010 Actual</th>
<th>FY2011 Actual</th>
<th>FY2012 Actual</th>
<th>FY2013 Actual</th>
<th>FY2014 Forecast</th>
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<tbody>
<tr>
<td><strong>Energy &amp; Electric Systems</strong></td>
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<tr>
<td>Net Sales</td>
<td>1,039.6</td>
<td>1,027.7</td>
<td>1,027.1</td>
<td>1,058.1</td>
<td>1,180.0</td>
<td>1,190.0</td>
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<tr>
<td>Operating Income/Loss (%)</td>
<td>7.2%</td>
<td>8.1%</td>
<td>8.3%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>6.5%</td>
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<td><strong>Industrial Automation Systems</strong></td>
<td></td>
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</tr>
<tr>
<td>Net Sales</td>
<td>733.1</td>
<td>927.0</td>
<td>978.3</td>
<td>927.8</td>
<td>1,098.7</td>
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<td>Operating Income/Loss (%)</td>
<td>26.1</td>
<td>100.0</td>
<td>101.1</td>
<td>60.5</td>
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<tr>
<td><strong>Information &amp; Communication Systems</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Net Sales</td>
<td>526.1</td>
<td>487.9</td>
<td>516.3</td>
<td>522.4</td>
<td>548.2</td>
<td>560.0</td>
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<td>Operating Income/Loss (%)</td>
<td>18.6</td>
<td>13.7</td>
<td>21.3</td>
<td>1.5</td>
<td>5.5</td>
<td>11.0</td>
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<tr>
<td><strong>Electronic Devices</strong></td>
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<tr>
<td>Net Sales</td>
<td>138.9</td>
<td>175.9</td>
<td>200.7</td>
<td>164.0</td>
<td>194.6</td>
<td>260.0</td>
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<td>Operating Income/Loss (%)</td>
<td>-7.1</td>
<td>5.9</td>
<td>3.5</td>
<td>-5.5</td>
<td>10.0</td>
<td>16.0</td>
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<td><strong>Home Appliances</strong></td>
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<tr>
<td>Net Sales</td>
<td>824.6</td>
<td>924.4</td>
<td>849.2</td>
<td>821.2</td>
<td>944.3</td>
<td>930.0</td>
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<td>Operating Income/Loss (%)</td>
<td>4.8</td>
<td>42.0</td>
<td>22.3</td>
<td>19.3</td>
<td>52.8</td>
<td>48.0</td>
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<td><strong>Others</strong></td>
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<td></td>
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<tr>
<td>Net Sales</td>
<td>552.9</td>
<td>609.4</td>
<td>611.6</td>
<td>590.3</td>
<td>676.0</td>
<td>690.0</td>
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<tr>
<td>Operating Income/Loss (%)</td>
<td>3.2</td>
<td>14.4</td>
<td>20.3</td>
<td>18.7</td>
<td>19.8</td>
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<td><strong>Total</strong></td>
<td></td>
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<tr>
<td>Net Sales</td>
<td>3,353.2</td>
<td>3,645.3</td>
<td>3,639.4</td>
<td>3,567.1</td>
<td>4,054.3</td>
<td>4,180.0</td>
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<tr>
<td>Operating Income/Loss (%)</td>
<td>94.3</td>
<td>233.7</td>
<td>225.4</td>
<td>152.0</td>
<td>235.1</td>
<td>250.0</td>
</tr>
</tbody>
</table>

* Inter-segment sales are included in the above chart.
3. Bolster Growth Strategies
(1) Toward a Higher level of Growth

Ensure “High-Quality” Growth

Simultaneously Pursue Sales Increase and Profitability Improvement

- Make Strong Businesses Stronger
- Continuous Creation of New Strong Businesses
- Reinforce the Solutions Business Centered on Strong Businesses

Secure Soundness

- Constantly Review and Refresh Business Portfolio

Ensure that Net Sales of 5 trillion yen or more and OPM of 8% or more by FY2020 will be achieved.
3. Bolster Growth Strategies
(2) Overview of Growth Strategies

Mitsubishi Electric Group

Technological Assets

- Control (motion, heat, fluid and electricity)
- Power Electronics
- Human Machine Interface
- Electromagnetic Analysis
- Sensing
- Design

Open & Global Innovation
Enhance technological development capabilities through joint R&D initiatives

Technological Synergies

- Make Strong Businesses Stronger
- Continuous Creation of New Strong Businesses
- Reinforce the Solutions Business Centered on Strong Businesses

Operating Platform

- Procurement
- Productivity
- Quality
- Sales and Services

Business Synergies

Universities
Corporations
Independent Administrative Agencies
Government
Standardization Organizations

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3. Bolster Growth Strategies

(3) Growth Drivers

- **Energy & Electric Systems**
  - **Power Systems**
    - Power generation systems,
      Transmission & distribution systems,
      Power distribution systems,
      Particle beam therapy systems, etc.
  - **Transportation Systems**
    - Inverters, main motors and air conditioning systems for railcars, Train vision, Train control and management systems, Railcar operation management systems, etc.
  - **Building Systems**
    - Elevators, Escalators, Building management systems, etc.
  - **Public Systems**
    - Water treatment systems, Disaster prevention systems, etc.
- **Industrial Automation Systems**
  - **Factory Automation (FA) Systems**
    - PLCs, AC servomotors, Controllers, Industrial robots, Laser processing machines, etc.
  - **Automotive Equipment**
    - Starters, Alternators, Car multimedia, Electric power steering, etc.
- **Information & Communication Systems**
  - **Space Systems**
    - Satellites, Ground systems for satellite control, etc.
  - **Communication Systems**
    - Optical, wireless and satellite communications systems, etc.
  - **Video Monitoring Systems**
    - CCTV, Car vision, etc.
  - **IT Solution**
  - **Electronic Devices**
    - **Power Devices**
      - SiC modules, IGBT modules, etc.
    - **High Frequency and Optical Devices**
      - High frequency devices (GaN and GaAs), Optical devices, etc.
    - **TFT LCD Modules**
  - **Home Appliances**
    - **Air Conditioning Systems**
      - Room and package air conditioners, Multiple AC units for buildings, Lossnay ventilation systems, etc.
  - **Housing Equipment**
    - Smart appliances, Lighting, HEMS, etc.
  - **Kitchen and Other**
    - **Household Appliances**

*SiC: Silicon Carbide, IGBT: Insulated Gate Bipolar Transistor, GaN: Gallium Nitride, GaAs: Gallium Arsenide, HEMS: Home Energy Management System
3. Bolster Growth Strategies

(3) Growth Drivers

### Energy & Electric Systems

#### Power Systems

- Provide high-efficiency, low-environmental load total systems, from power generations and transmission & distribution

#### Make Strong Businesses Stronger

- Reinforce turbine generator manufacturing facilities to increase annual production capacity to 60 units (Kobe area)
- Strengthen operations in connection with power generation-related systems for IPP and PPS and various other systems in preparation for the expected electricity liberalization
- Global expansion of nuclear-related systems and products
- Enhance competitiveness of particle beam therapy systems to penetrate markets overseas

#### Continuous Creation of New Strong Businesses

- Strengthen the global business structure (North America, China, Asia and Middle East)
- Develop the smart grid business through in-house verification
  - Reinforce operations related to smart meters and other related systems
  - Apply power electronics technologies to the development of STATCOM and HVDC

#### Transportation Systems

- The only manufacturer capable of providing driving, braking and controlling as a single company

#### Make Strong Businesses Stronger

- Commercialize railcar inverters incorporating 3.3kV-All-SiC power modules and swiftly penetrate markets
- Accelerate the market penetration of SiC-equipped auxiliary power supply systems for railcars
- Develop an optimal rolling stock system based on Train control and management system

#### Continuous Creation of New Strong Businesses

- Reinforce business networks and operating platforms in such key rail-related markets as Europe and North America
- Become more responsive to the needs of emerging markets, including India and Brazil
- Enrich energy saving solutions using SiC power modules and auxiliary power equipment for railway stations, thereby helping railway operators save energy across the board

#### Building Systems

- High degree of safety and reliability due to abundant experience and energy-saving solutions based on advanced control technology

#### Make Strong Businesses Stronger

- Remain the No.1 brand in China (the world’s largest market) while reinforcing sales and production networks
- Expand new installation and modernization businesses in Japan
- Develop new technologies to meet customer and market needs while augmenting product lineup with an eye on further business expansion

#### Continuous Creation of New Strong Businesses

- Strengthen business networks and operating platforms in such emerging markets as India and Brazil while developing new markets
- Expand the building management systems business to cover entire buildings while enriching solution systems

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*IPP: Independent Power Producer, PPS: Power Producer and Supplier, STATCOM: Static Synchronous Compensator, HVDC: High-Voltage Direct Current

*This chart displays the comparison of the number of units (in billions of yen) for the years 2009, 2013, and 2015 for each category of operation in Japan and Overseas.*
3. Bolster Growth Strategies

(3) Growth Drivers

Industrial Automation Systems

Integrated productivity enhancement solutions meeting a variety of needs ranging from factory automation to energy use management and strong customer support networks worldwide.

Make Strong Businesses Stronger
- Constantly introduce new products aimed at improving competitiveness in the FA market
- Strengthen e-F@ctory integrated solutions through the popularization of CC-Link and business collaborations
- Advance regional strategies through the introduction of products suited to each market and field as well as the continuous strengthening of sales and support networks worldwide

Continuous Creation of New Strong Businesses
- Put greater emphasis on such solution proposals as robot automation
- Promote integrated plant facility control system-related solutions that make energy-use status visible and enrich the energy-saving product lineup
- Increase shares of the social infrastructure, instrumentation control system markets and facilitate the replacement of factory-use PCs with the Company’s products
- Develop new business fields through the strengthening of combined solutions using sensors, etc.

Factory Automation (FA) Systems

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
<th>Mid-term</th>
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<tr>
<td>09</td>
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<tr>
<td>13</td>
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<td>15</td>
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</table>

Make Strong Businesses Stronger
- Reinforce an operating platform in step with the global expansion of corporate customers while launching products and systems tailored to market needs
- Pursue higher efficiency and lower fuel consumption
- Persistently improve quality and reduce costs with an eye to achieving both high quality and optimal costs

Continuous Creation of New Strong Businesses
- Enrich products and technologies for electronic power train systems
- Develop intelligent panel systems through the integration of multimedia, driving support and connectivity
- Create new businesses through collaboration and the integration of existing businesses and technologies

Automotive Equipment

Meet the need for high-efficiency equipment, advanced control technology and image and information processing technology.

Make Strong Businesses Stronger
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Continuous Creation of New Strong Businesses
- Enrich products and technologies for electronic power train systems
- Develop intelligent panel systems through the integration of multimedia, driving support and connectivity
- Create new businesses through collaboration and the integration of existing businesses and technologies

<table>
<thead>
<tr>
<th>Product</th>
<th>Global Share</th>
<th>China Share</th>
</tr>
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<tbody>
<tr>
<td>Alternators</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Starters</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Electric power steering</td>
<td>22%</td>
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<tr>
<td>Car multimedia</td>
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</tbody>
</table>

600 (Billions of Yen)
3. Bolster Growth Strategies

(3) Growth Drivers

**Information & Communication Systems**

**Space Systems**
Contribute to the construction of a global social infrastructure

- Make Strong Businesses Stronger
  - Promote the development of the ALOS-2 disaster surveillance satellite to ensure a safe and secure society and such earth observation satellites as the GOSAT-2 for monitoring greenhouse gasses, etc.
  - Promote the development of quasi-zenith satellites Nos. 2-4 with an eye to the first launch in 2017

**Continuous Creation of New Strong Businesses**
- Produce the TURKSAT-4B as a follow up to the delivery of the TURKSAT-4A to the Turkish state-run satellite communication provider with the aim of expanding the space systems business globally
- Create new businesses in the disaster prevention, transportation and national security fields, providing total solutions that employ a combination of quasi-zenith satellites and ground sensors

**Electronic Devices**
Offer abundant lineups utilizing high-performance, high-reliability components and power electronics technology

**Power Devices**

- Make Strong Businesses Stronger
  - Accelerate technological and product development related to power semiconductors upon the opening of the new design technology laboratory building (Fukuoka area, Mar. 2014)
  - Provide cutting-edge processes that help customers improve product value and competitiveness as well as optimal devices (Super-mini DIPIPM™ Ver.6 for air conditioners and other consumer appliances, Mini DIPIPM™ embedded BSD chips for industrial applications, Compact-package power modules for EV and HEV)

- Continuous Creation of New Strong Businesses
  - Expand overseas operations by reinforcing sales networks (Europe, China, and Asia) while ensuring responsiveness to the global expansion of corporate customers
  - Develop new markets and customers through the promotion of SiC power semiconductor modules and other next-generation products (SiC DIPPFC for home appliances, Hybrid SiC-IPM for industrial equipment, Hybrid SiC Modules for railcar traction system, All-SiC power modules)

**Home Appliances**
Consistently pursuing energy conservation through high-efficiency compressors and advanced inverter control/sensing technology

**Air Conditioning Systems**

- Make Strong Businesses Stronger
  - Step up development efforts to differentiate the Company’s eco-friendly and energy saving solutions through the reinforcement of global R&D and production structures
  - Become more responsive to regional needs
  - Strengthen North American business network (build a coherent structure encompassing R&D, production and sales)

- Continuous Creation of New Strong Businesses
  - Reinforce business networks in emerging markets (India, Turkey, etc.)
  - Utilize a mock-house facility established in the U.K. to carry out evaluation testing of heating, ventilation and air conditioning systems, thereby meeting regional needs in Europe
  - Establish an operating platform for the smart house business (Mitsubishi HEMS on sale in Dec. 2013)

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3. Bolster Growth Strategies

(4) Global Expansion (by Business segment)

**Power Systems**
Strengthen the global business structure (North America, China, Asia and the Middle East)
(1) U.S.A.: Launched operations at a transformer factory (Apr. 2013)
(2) China: Launched a subsidiary operating a power systems business (Dec. 2013)

**FA Systems**
Strengthen business networks in emerging markets (ASEAN, India, Latin America, Turkey, Russia and East Europe)
(1) Vietnam, Indonesia, India, Mexico and Turkey: Established FA Centers (Mar.-Oct. 2013)
(2) Thailand: Launched an integrated business unit for the sale of and services related to FA equipment and NC (Sep. 2013)
(3) Turkey: Launched a subsidiary operating an FA business targeting the Turkish market (Jun. 2013)

**Transportation Systems**
Strengthen the global business structure (Europe and North America)
(1) Italy: Established a subsidiary to produce air conditioning systems for railcars (Apr. 2014)
(2) U.S.A.: Established a base for railway system maintenance (May. 2014)

**Building Systems**
Strengthen business networks and operating platforms in emerging markets (India, Vietnam and Brazil)
(1) India: Launched a subsidiary (Jan. 2013)
(2) Vietnam: Launched a new business network (Sep. 2013)
(3) Brazil: Launched a subsidiary (Sep. 2013)

**Automotive Equipment**
Strengthen the global business structure in step with the global expansion of corporate customers
(1) U.S.A.: Reinforced manufacturing systems for automotive electrical equipment (Jan. 2014)
(2) Mexico: Plans call for launching an automotive equipment production and sales subsidiary (Oct. 2014)

**Air Conditioning Systems**
Strengthen the global business structure (Europe, North America, Latin America, China, India, Vietnam, Indonesia, the Middle East and Australia)
(1) U.K.: Launched a verification testing facility for heating, ventilating and air conditioning (HVAC) systems (Jul. 2013)
(2) U.S.A.: Established a new business base for the HVAC systems business section (Apr. 2013)
(3) Mexico: Initiated the production of air conditioning equipment for the North American market (Oct. 2013)
(4) Indonesia: Launched a general sales subsidiary (Jun. 2013)

**Space Systems**
Constantly expand operations in Turkey, Asia and Oceania, building on a track record that includes delivering a communication satellite to the Turkish satellite communication provider

**Power Devices**
Expand into the Chinese and Asian markets by reinforcing sales networks
3. Bolster Growth Strategies

(4) Global Expansion (by Region)

Europe

Expand operations through the strengthening of the sales network for mainstay businesses and sales promotion aimed at exploring new markets
- **U.K.**
  - Launched a verification testing facility for HVAC systems (Jul. 2013)
- **Italy**
  - Established a subsidiary handling air conditioning systems for railcars (Apr. 2014)

China

Expand operations in step with growth in infrastructure and environment-related markets and market trends in FA systems
- **China**
  - (1) Established a joint venture for the development and design of large-scale refrigerators (Aug. 2013)
  - (2) Launched a subsidiary operating a power systems business (Dec. 2013)

North America

Expand operations by taking steps aimed at enhancing business competitiveness, such as reinforcing manufacturing systems
- **U.S.A.**
  - (1) Established a new business base for the HVAC systems business section (Apr. 2013)
  - (2) Launched operations at a transformer factory (Apr. 2013)
  - (3) Initiated the mass-production of automotive electrical equipment at the reinforced production site (Jan. 2014)
  - (4) Established a base for railway system maintenance (May. 2014)

Emerging Markets

Develop sales channels, streamline distribution, promote a shift to local production and development and enhance brand recognition, thereby achieving greater competitiveness
- **Turkey**
  - (1) Launched a subsidiary operating an FA business (Jun. 2013)
  - (2) Established an FA Center (Oct. 2013)
  - (3) Launched a subsidiary operating an HVAC business (Apr. 2014)
- **India**
  - (1) Launched a subsidiary handling elevators and escalators (Jan. 2013)
  - (2) Established an FA Development Center (Mar. 2013)
- **Vietnam**
  - (1) Established an FA Center (Aug. 2013)
  - (2) Launched a new business network for elevators and escalators businesses (Sep. 2013)
- **Thailand**
  - Launched an integrated business unit for the sale of and services related to FA equipment and NC (Sep. 2013)
- **Indonesia**
  - (1) Launched a general sales subsidiary (Jun. 2013)
  - (2) Established an FA Center (Jun. 2013)
- **Mexico**
  - (1) Established an FA Center (Apr. 2013)
  - (2) Initiated the production of air conditioning equipment for the North American market (Oct. 2013)
  - (3) Plans call for launching an automotive equipment production and sales subsidiary (Oct. 2014)
- **Brazil**
  - Launched a subsidiary in the elevators and escalators business (Sep. 2013)

Japan

Achieve stable growth and greater profitability as a core operating Region to drive business expansion
- **Europe, North America, China, etc**
  - Achieve greater competitiveness while increasing the scale of operations
- **Emerging Market**
  - Cultivate new markets by developing local business networks

Net Sales by Region

- **Japan**
- **Emerging Markets**
- **Others**

Global expansion in 2013 and beyond

Power, Transportation, Building
FA, Automotive Equipment
Air Conditioning
Others

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3. Bolster Growth Strategies
(5) Reinforce Solutions Business centered on Strong Business

Create and deliver new value to communities by employing combinations of the solution businesses.

Smart Grid
- Smart meters
- Facima
- DIGUARD

Railway Solutions
- Railway integrated energy - environmental solutions
- e-F@ctory
- Energy saving for entire factories

Factory Solutions
- e-F@ctory
- Energy saving for entire factories

Building Solutions
- Facima
- Energy saving for entire buildings

Housing Solutions (Smart House)
- MITSUBISHI HEMS
- Security Gate
- Room entry/exit control

Total Security Solutions
- DIGUARD
- Security Gate
- Room entry/exit control

Imaging Solutions
- Digital Signage
- DIGUARD

Elevators
- Control equipment
- CCTV
- Home appliances
- Lighting
- Air conditioners

Advance solutions businesses by employing combinations of products and systems.

Advance each product and system.

Promote each business.

Promote the combination of businesses.
3. Bolster Growth Strategies
(6) Create and Deliver New Value to Communities

**Facima**
A service aimed at creating energy-saving, comfortable building spaces by efficiently monitoring and controlling air conditioning, lighting and other equipment.

**MITSUBISHI HEMS**
Optimally control various home appliances and housing equipment by interlocking them via networks and making status of use visible. Help users live comfortably with less energy use through the provision of energy and life management solutions (Dec. 2013 on sale)

**DIGUARD**
Provide total solutions in terms of physical and information security in line with required security levels through the combination of room access, video monitoring and cryptography systems as well as linkage with business administration and building management systems.

**e&eco-F@ctory**
Integrated FA solutions that help manufacturing sites improve productivity and reduce energy costs through combinations of FA equipment control and networking technologies as well as energy saving and measuring technologies.

**Railway integrated Energy-environmental Solutions**
Optimize the energy use of the entire railway systems through the combined use of equipment and the utilization of ICT and energy management solutions for railcars, stations, railroads and railyards.

**Smart Grid**
- **Smart Meters**
  Obtain orders from electric power companies for smart meters and related systems
- **Pilot Projects**
  - Participate in the KEIHANNA Eco-City Next-Generation Energy and Social Systems Demonstration Project
  - Deliver systems for use in verification testing carried out by Kyushu Electric Power in relation to a smart grid and the control of storage batteries on an isolated island
4. Strengthening Management Foundation

Enhancing Financial Base, Profitability and Capital Efficiency

**Sound Financial Base**

- **Debt Ratio**: 40.6, 30.0, 31.5, 33.4, 38.1, 42.2
- **Equity Ratio**: 17.0, 16.7, 14.5, 16.0, 15.9, 10.3

**Stable Generation of Cash Flow**

- **Cash Flow from Operating Activities**: 195.7, 182.0
- **Free Cash Flow**: 310.2
- **Cash Flow from Investing Activities**: -80.9, -70.9

Increase profitability by strengthening businesses

Focus investment on growth fields (R&D, Capital investment, M&A, etc.)

**Invest in Growth Fields**

- **R&D**
  - (Billions of Yen): 133.7, 151.7, 169.6, 172.2, 178.9, 193.0
- **Capital Investment**
  - (Billions of Yen): 91.9, 191.9, 179.2, 160.1, 222.3, 210.0

**Shareholder returns (Dividends)**

- **(Yen per share)**: 6, 4, 12, 12, 11, 17

Increase profitability by strengthening businesses

Focus investment on growth fields (R&D, Capital investment, M&A, etc.)

Energy & Electric
Industrial Automation
Information & Communication
Electronic Devices
Home Appliances
Other

Annual Dividend
Interim Dividend
5. Corporate Governance

Increase the Flexibility and Transparency of Management, Constantly Reinforce the Supervisory Function over Management

General Shareholders’ Meeting

Executive Officers
- President & CEO
- Executive Officers
- Each Business and Management Division

Board of Directors
- Chairperson
- Nomination Committee
- Auditing Committee
- Compensation Committee

Actual practices at Mitsubishi Electric
- Through separation of execution and supervision
- Majority of board of directors NOT assuming responsibility as executive officer
- Minimal number of executive officers (23 members) responsible for day-to-day operation of each business division and corporate administrative sections
- Multi-phase risk management by executive officers meeting
- Implement global internal control system to ensure compliance with the Corporation Law and J-SOX Act (Financial Instruments and Exchange Law)
- Maintaining systems to respond to companywide risks

Appropriate response to revisions of legislation and other external factors

Appropriate disclosure to shareholders and other stakeholders

Greater Corporate Value
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, tsunami, fires and others
14. Social or political upheaval caused by terrorism, war, pandemic by new strains of influenza and other diseases, or other factors