Contents

1. Forecast for FY2015
2. Management Policy
3. Overview of Growth Strategies
4. Actions Towards FY2020
5. Growth Drivers
6. Expansion of Solutions Business
7. Future-oriented R&D for Continuous and Stable Growth (Examples)
8. “Corporate Mission” and “Seven Guiding Principles”
9. Contribution to Society
10. Corporate Governance

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
FY2015: April 1, 2015-March 31, 2016
1. Forecast for FY2015

(1) Consolidated performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
</tr>
</tbody>
</table>

(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></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>1,972.8</td>
<td>4,323.0</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>94.3</td>
<td>233.7</td>
<td>225.4</td>
<td>152.0</td>
<td>235.1</td>
<td>121.3</td>
<td>317.6</td>
</tr>
<tr>
<td>(%)</td>
<td>2.8%</td>
<td>6.4%</td>
<td>6.2%</td>
<td>4.3%</td>
<td>5.8%</td>
<td>6.2%</td>
<td>7.3%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>64.2</td>
<td>210.2</td>
<td>224.0</td>
<td>65.1</td>
<td>248.9</td>
<td>145.9</td>
<td>322.9</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>28.2</td>
<td>124.5</td>
<td>112.0</td>
<td>69.5</td>
<td>153.4</td>
<td>97.8</td>
<td>234.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final</td>
<td>Final</td>
</tr>
</tbody>
</table>

**ROE (Return On Equity)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>3.1%</td>
<td>12.4%</td>
<td>10.3%</td>
<td>5.7%</td>
<td>10.9%</td>
<td>-</td>
</tr>
</tbody>
</table>

**Shareholders’ Equity**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>964.5</td>
<td>1,050.3</td>
<td>1,132.4</td>
<td>1,300.0</td>
<td>1,524.3</td>
<td>1,662.8</td>
</tr>
<tr>
<td>(%)</td>
<td>30.0%</td>
<td>31.5%</td>
<td>33.4%</td>
<td>38.1%</td>
<td>42.2%</td>
<td>44.2%</td>
</tr>
</tbody>
</table>

**Debt**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>537.5</td>
<td>484.3</td>
<td>542.2</td>
<td>540.5</td>
<td>373.4</td>
<td>381.0</td>
</tr>
<tr>
<td>(%)</td>
<td>16.7%</td>
<td>14.5%</td>
<td>16.0%</td>
<td>15.9%</td>
<td>10.3%</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

**FCF (Free Cash Flow)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>195.7</td>
<td>182.0</td>
<td>-80.9</td>
<td>-70.9</td>
<td>310.2</td>
<td>137.0</td>
<td>180.1</td>
</tr>
</tbody>
</table>

**Dividend (yen per share)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>17</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>(%)</td>
<td>30.3%</td>
<td>20.7%</td>
<td>23.0%</td>
<td>34.0%</td>
<td>23.8%</td>
<td>-</td>
</tr>
</tbody>
</table>
## 1. Forecast for FY2015
### (2) Segment Forecast

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Forecast</td>
</tr>
<tr>
<td></td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
<td>(Billions of Yen)</td>
</tr>
<tr>
<td>Energy &amp; Electric Systems</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>1,228.9</td>
<td>1,230.0</td>
</tr>
<tr>
<td>Operating Income/Loss (%)</td>
<td>74.7</td>
<td>83.0</td>
<td>84.9</td>
<td>85.1</td>
<td>76.3</td>
<td>72.4</td>
<td>74.0</td>
</tr>
<tr>
<td></td>
<td>7.2%</td>
<td>8.1%</td>
<td>8.3%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>5.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Industrial Automation Systems</td>
<td>733.1</td>
<td>927.0</td>
<td>978.3</td>
<td>927.8</td>
<td>1,098.7</td>
<td>1,282.7</td>
<td>1,300.0</td>
</tr>
<tr>
<td>Operating Income/Loss (%)</td>
<td>26.1</td>
<td>100.0</td>
<td>101.1</td>
<td>60.5</td>
<td>98.0</td>
<td>145.9</td>
<td>152.0</td>
</tr>
<tr>
<td></td>
<td>3.6%</td>
<td>10.8%</td>
<td>10.3%</td>
<td>6.5%</td>
<td>8.9%</td>
<td>11.4%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Information &amp; Communication Systems</td>
<td>526.1</td>
<td>487.9</td>
<td>516.3</td>
<td>522.4</td>
<td>548.2</td>
<td>559.5</td>
<td>560.0</td>
</tr>
<tr>
<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>18.9</td>
<td>19.0</td>
</tr>
<tr>
<td></td>
<td>3.5%</td>
<td>2.8%</td>
<td>4.1%</td>
<td>0.3%</td>
<td>1.0%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>138.9</td>
<td>175.9</td>
<td>200.7</td>
<td>164.0</td>
<td>194.6</td>
<td>238.4</td>
<td>220.0</td>
</tr>
<tr>
<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>30.1</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>-5.1%</td>
<td>3.4%</td>
<td>1.8%</td>
<td>-3.4%</td>
<td>5.2%</td>
<td>12.7%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>824.6</td>
<td>924.4</td>
<td>849.2</td>
<td>821.2</td>
<td>944.3</td>
<td>944.8</td>
<td>970.0</td>
</tr>
<tr>
<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>54.2</td>
<td>57.0</td>
</tr>
<tr>
<td></td>
<td>0.6%</td>
<td>4.5%</td>
<td>2.6%</td>
<td>2.3%</td>
<td>5.6%</td>
<td>5.7%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Others</td>
<td>552.9</td>
<td>609.4</td>
<td>611.6</td>
<td>590.3</td>
<td>676.0</td>
<td>740.5</td>
<td>740.0</td>
</tr>
<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>
<td>23.7</td>
<td>22.0</td>
</tr>
<tr>
<td></td>
<td>0.6%</td>
<td>2.4%</td>
<td>3.3%</td>
<td>3.2%</td>
<td>2.9%</td>
<td>3.2%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total</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>4,323.0</td>
<td>4,370.0</td>
</tr>
<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>317.6</td>
<td>320.0</td>
</tr>
<tr>
<td></td>
<td>2.8%</td>
<td>6.4%</td>
<td>6.2%</td>
<td>4.3%</td>
<td>5.8%</td>
<td>7.3%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

* 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, CSR
- Excellent Products and Services
- Society
- Customers
- Increase Corporate Value
- Rewarding Workplace
- Shareholders
- Employees

Growth
- Accelerate growth of strong businesses
- Further global expansion
- Create new strong businesses
- Reinforce the solutions business

Profitability Efficiency
- Enhance capital efficiency
- Create a stronger business foundation

Greater Corporate Value
- Constantly review and refresh business portfolio
- Maintain sound financial standing
- Promote thorough Ethics and Compliance and CSR initiatives

Soundness
- 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.

Society
- Customers
- Employees

Increase Corporate Value
- Rewarding Workplace
- Shareholders

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.

Pursue the Satisfaction of the Four Stakeholder Categories
- Social Contributions, CSR
- Excellent Products and Services

Strive for Continuous Innovation
Through continuous innovation, we develop new frontiers.
3. Overview of Growth Strategies

Mitsubishi Electric Group

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

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

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

Operating Platform
- Procurement
- Productivity
- Quality
- Sales and Services

Technological Synergies

Universities
Corporations
National Research and Development Agency
Government
Standardization Organizations
3. Overview of Growth Strategies
Ensure “High-Quality” Growth

Billions of yen
- Sales
- Operating Income

Others
Home Appliances
Electronic Devices
Information & Communication Systems
Industrial Automation Systems
Energy & Electric Systems

Operating Income

JPY/EUR
JPY/USD

2000 Actual
2007 Actual
2008 Actual
2009 Actual
2010 Actual
2011 Actual
2012 Actual
2013 Actual
2014 Actual
2015 Actual
2015 Forecast
2020 (FY) (at the latest)

Years

Sales Composition (Outlook)
23%
6% or more
5%
7% or more
11%
5% or more
30%
13% or more
29%
8% or more

Growth Target
OPM Target
by Segment

To Be Continuously and Stably Achieved

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

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

Debt ratio
33.6
15.8
20.3
16.7
14.5
16.0
15.9
10.3
9.4
15% or less

©2015 Mitsubishi Electric Corporation
4. Actions Towards FY2020

Phase 1
- FY2014
  - Set Targets
    - Set Growth Target (Group total / by Segment)
    - Reinforce business portfolio management
    - In addition to business strategies, introduce approaches and strategies for separate regional markets

Phase 2
- FY2015
  - Implement Plan
    - Net Sales: 5 trillion yen or more / OPM: 8% or more
  - Areas to focus on in the Growth Strategy
    - Further strengthen growth driver businesses
      - Allocate more resources
      - Reinforce business foundations for global expansion
    - Promote R&D backcasting from what we envision for the future society
    - Strengthen the inter-business collaboration-supporting divisions that foster the solutions business
    - Introduce benchmark figures for assessing efficient use of assets by businesses
    - Firmly maintain a sound B/S through highly-selective investments for growth
    - Constantly review and refresh business portfolio

Phase 3
- FY2018
  - FY2019
  - FY2020
  - Achieve Results

Simultaneously Pursue Sales Increase and Profitability Improvement
- Secure Soundness
  - Improve overall operational efficiency
  - Introduce benchmark figures for assessing efficient use of assets by businesses

⇒ Net Sales: 5 trillion yen or more / OPM: 8% or more

Areas to focus on in the Growth Strategy

Strengthen local bases, local R&D capabilities that cater to local needs, IT foundations, etc.

Create new strong businesses
Deliver new value through solutions business
Expand global market share for growth driver businesses and develop them into global top businesses

Improve overall operational efficiency
4. Actions Towards FY2020

(1) Trend of results with segment breakdown

- Effects of economic fluctuation varies between segments because of the difference in the nature of businesses

- To achieve growth of the company as a whole, strengthen business competitiveness for each segment with different approaches

Different approaches to strengthen business competitiveness

For businesses where the effects of economic fluctuation appears in the short term

- Maximize sales and profits during favorable economic climate
- Minimize effects during times of economic downturn

For businesses where the effects of economic fluctuation appears with a time lag

- Sustainably expand business size
- Strengthen profit generation
4. Actions Towards FY2020
(2) Measures to Strengthen Business Competitiveness

Strengthen resource allocation to Growth Drivers

【Features of the investment targets】
- Businesses where fruits of investments can be realized in a short period of time, and capture market growth
- Businesses where performance fluctuation is small and certainty for growth is high

- R&D
- Capital Investment

Strengthen business competitiveness through collaboration/ M&A which contribute to the Company’s growth
- 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

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

Improve capital efficiency
- Track and continuously improve overall operational efficiency of each business by applying a new performance index
4. Actions Towards FY2020

(3) Improvement of Overall Operational Efficiency

Further improve the Company’s ROE by redefining and pursuing performance improvement activities in each business.

Past efforts to improve profitability and efficiency

<table>
<thead>
<tr>
<th>Measures after FY2015</th>
<th>Continuously improve ROIC in each business</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Since asset composition differs among business segments, we will not compare ROICs among different segments and will not apply them in appraising performance nor making investment decisions depending on them.</td>
</tr>
</tbody>
</table>

- Just In Time (JIT)
- Receivables turnover improvement activities
- Inventory turnover improvement activities
- Sales expansion/ Cost reduction activities

**Receivables turnover**
- 4.2 times
- 4.1 times

**Inventory turnover**
- 7.1 times
- 6.1 times

**Cost of sales ratio**
- 74.7%
- 70.1%

**Improve segment ROIC**

\[
\text{ROIC} = \frac{\text{Operating Income}}{\text{Working Capital + Fixed Assets}}
\]

A. Numerator improvement (increase): increase operating income
B. Denominator improvement (decrease): improved efficiency of working capital and fixed assets

**Improve the Company’s ROE**

\[
\frac{\text{Net Income}}{\text{Shareholders’ Equity}} = \frac{\text{Sales} \times \text{Total Assets}}{\text{Shareholders’ Equity} \times \text{Total Assets}}
\]

We do not intend to use leverage merely to improve ROE.

**ROIC (Mitsubishi Electric version)**

*ROIC: Return On Invested Capital

A comprehensive business efficiency indicator which is calculated by asset items (fixed assets, cash, etc.) per different segments (and not by capital and liability) so that it is easier to track and improve.
5. Growth Drivers
Aim to Become “Global, Leading Green Company”

Further Accelerate Global Expansion in Environment & Energy- and Social Infrastructure-related Systems Businesses

**Energy & Electric Systems**
- **Power Systems**
  - Power generation systems,
  - Transmission & distribution systems,
  - Power distribution systems,
  - Particle 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,
  - CNCs, 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**

---

*PLC: Programmable Logic Controller, CNC: Computerized Numerical Controller, SiC: Silicon Carbide, IGBT: Insulated Gate Bipolar Transistor, GaN: Gallium Nitride, GaAs: Gallium Arsenide, HEMS: Home Energy Management System*
5. Growth Drivers

(1) Power Systems Business

Challenge to transform into global top players

Business Environment
- Demand for high-efficiency power generation systems worldwide
- Growing demand for replacement of aged facilities in advanced countries
- High-efficiency power generation systems
- Electricity system reform in Japan
  - FY2016: Liberalization of electricity retail
  - FY2020 onwards: Unbundling of generation and transmission

Our Competitive Advantage
- Ability to provide high efficiency, low-environmental load, total systems, from power generation to transmission & distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Major Activities since FY2014

- Developed the operation structure of particle therapy systems business in Japan and the U.S. (Strengthen the sales function in Japan and the U.S.) (Jun. 2014)
- Launched static synchronous compensator SVC-Diamond™ (Aug. 2014)
- Received order for innovative Pencil Beam Scanning system for cancer treatment (Saga Heavy Ion Medical Accelerator SAGA HIMAT) (Sep. 2014)
- Launched VP-X high-efficiency turbine generator (Apr. 2015)

1. Strengthen competitiveness of core businesses
   - Expand business for power generation systems by introducing new VP-X series turbine generators
   - Enhance business competitiveness of transmission & distribution business through development of new products that fit market needs

2. Expand aftermarket service business
   - Cultivate markets by strengthening and fostering collaboration among local bases
     - Thermal power generation
       - North America, Middle East, etc.
     - Transmission & distribution
       - North America, Middle East, Southeast Asia, etc.
     - Nuclear power generation
       - North America, China

3. Expand new businesses
   - Expand in the area of smart grid related business
   - Expand smart meters and related systems
   - Complete pilot projects of smart grid and storage battery control experiment
   - Expand grid stabilization systems business by applying SVC-Diamond™
   - Develop and expand business through collaboration with power companies and IPP/PPS companies
   - Further entry into the U.S. Particle Therapy Systems market (strengthen the local operating bases/encourage activities to acquire FDA approvals)

*SVC: Static Var Compensator, IPP: Independent Power Producer, PPS: Power Producer and Supplier, FDA: Food and Drug Administration
### 5. Growth Drivers (2) Transportation Systems Business

**From the top transportation equipment manufacturer to the No.1 transportation systems integrator in the world**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>20 (FY)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Our Competitive Advantage**
- The only manufacturer capable of providing driving, braking, and controlling as a single company
- Order track record of electrical equipment for approximately 41,000 railcars around the world (Supplied for approximately 6,500 railcars in NY and other parts of North America)
- Product lineup equipped with SiC power module

**Strengthen Business Foundations**
- Strengthen competitiveness of railcar systems
- Develop ground-based systems business
- Reinforce global sales force and production bases
- Cultivate new markets and strengthen competitiveness, through collaboration and M&A

### Business Environment

- **Japan**
  - Abundant demand for railways in Europe and emerging economies
  - Consolidations in railcars/electrical equipment/signals industries

- **Overseas**
  - **230** (Billions of yen)

### Major Activities since FY2014

- Launched inverter with all-SiC power module (Apr. 2014)
- MEKT (Production and maintenance base in Europe) started operation (Apr. 2014)
- Upgraded MEPPI factory (Production base in North America) (May. 2014)
- Established MRS (Maintenance base in North America) (May. 2014)
- Received orders for propulsion control system for Deutsche Bahn AG (Sep. 2014)
- S-EIV® achieved power savings of approximately 600kWh per day (Sep. 2014)
- Start operation of MEI rolling stock equipment factory (Production base in India) (planned for Dec. 2015)

### Our Competitive Advantage

- Expand sales of railcar electrical equipment in the Japanese market
- Develop business in overseas markets
- Expand ground-based systems businesses
- Develop railway solutions business

**Expand sales of railcar electrical equipment in the Japanese market**
- Expand market share through increased sales in high-efficiency electrical equipment

**Develop business in overseas markets**
- Expand sales of railcar air conditioning equipment, etc. by strengthening local sales force and collaborating engineering with MEKT
- Complete project to supply electrical equipment for NYC suburban M-9 train
- Enter into the area of maintenance/service
- Complete project to supply electrical equipment for Delhi Metro RS-10
- MEI rolling stock equipment factory (Plan to start operation 2015/12)

**Expand ground-based systems businesses**
- Improve competitiveness of the proposals made for CBTC
- Expand business for S-EIV®

**Develop railway solutions business**
- Advance development to enable use for feeding control system which will contribute to energy savings of the total railway system

---

5. Growth Drivers
(3) Building Systems Business

Promote a global evolving loop-type business with top priority on safety and quality

Business Environment
- Expansion in new installation demand in emerging countries such as China, the largest market, and India
- Increase in renewal demand in the Japanese elevator market
- Further heightening of needs for security and energy conservation for buildings

Our Competitive Advantage
- Highly safe and reliable products as well as high field-engineering ability (construction/maintenance), evident from our rich track record
- Global business operations in markets such as China, ASEAN, Middle East, and Latin America

Strengthen Business Foundations
- Global development of evolving loop-type business, that new installation is followed by maintenance and renewal
- Develop new products and new technologies that anticipate changes in the market
- Reinforce production capacity and structure of global division of labor, with China and Thailand at its core, and Japan as the mother plant
- Foster domestic “global” and “national” human resources

Major Activities since FY2014
- Launched “NEXIEZ-LITE”, a strategic product with specifications for the Indian market (Apr. 2014)
- Launched “MELSAFETY-Px”, an entry control system for small to mid sized buildings (Jun. 2014)
- Started operation of the new MESE (#3) factory (Sep. 2014)
- Completed the Inazawa works’ Elevators and Escalators QM center to develop and test global models (Oct. 2014)
- SMEC surpassed cumulative production of 500,000 elevator units (Oct. 2014)
- Launched “ELE-NAVI”, a destination oriented allocation system (DOAS) for elevators (Dec. 2014)

1. Business expansion in large and emerging markets
   - Sustain the top brand in our largest market, China
     - Promote our two-brand strategy
     - Strengthen sales and marketing capability to aim for 100,000 orders
     - Fortify our maintenance/ renewal business structure
   - Establish an integrated business structure from order, installation, to maintenance
     - Expand distribution network
     - Increase competitiveness by establishing a new factory
     - Establish an education system in the field training center
   - Launch new products and promote regional strategies
     - Introduce regional strategic products
     - Cultivate and penetrate new markets
     - Further improve technology and skills of installation/ maintenance

2. Continuous Growth in the Japanese market as the leading company
   - Improve our standard elevator products
   - Provide latest and premium maintenance service
   - Accelerate renewal business in response to expanding demand, and increase value of buildings

3. Expand and develop building solutions business
   - Create a new building solutions business with security and energy management at its core
   - Expand services and further collaborate with DOAS and building management systems, starting with elevators

5. Growth Drivers

(4) Factory Automation (FA) Systems Business

Reinforce proposals of “e-F@ctory”, the FA integrated solution to realize IoT in manufacturing

- Public-private sector cooperation projects to increase productivity of manufacturing through establishing flexible production systems using IoT is progressing in Europe
- Factory automation demand is rising in emerging countries where there is a shortage of labor and labor costs are rising for the manufacturing sector

Our Competitive Advantage

- Rich product lineup which is top-class in the industry
- Ability to respond to support and service needs globally
- Ability to provide the FA integrated solution which realizes factory automation to management of energy conservation

[Major Activities since FY2014]
- Acquired Setsuyo Astec (Apr. 2014)
- New production plant building in Nagoya works started operation (May. 2014)
- Launched PLCs MELSEC iQ-R series (Jun. 2014)
- Opened India Ahmedabad iQ-R series (Sep. 2014)
- Russian subsidiary started operation (Oct. 2014)
- Launched CNCs M800 series (Dec. 2014)
- Launched Micro PLCs MELSEC iQ-F series FX5 (Jan. 2015)

---

1. Improve product competitiveness and capture new areas

- Development of new business areas such as social infrastructure, instrumentation, and building management markets by utilizing PLCs iQ-R series
- Expansion of application areas such as cutting and punching of difficult-to-machine materials in the processing machinery business
- Increase product lineup to respond to regional needs

2. Further cultivate emerging markets

- Strengthen sales and service networks in strategic areas (India, Russia, Turkey, Central/ South America (Mexico & Brazil))
- Enhance support capability in the ASEAN region where Japanese companies continue to increase

3. Accelerate promotion of “e-F@ctory”

- Assist reduction of TCO for overall development, production and maintenance by utilizing the most advanced FA products and ICT
- Public-private sector cooperation projects to increase productivity of manufacturing through IoT is progressing in Europe
- Factory automation demand is rising in emerging countries where there is a shortage of labor and labor costs are rising for the manufacturing sector

---

PLCs
- Global share 19%
- China 14%

AC servomotors
- Global share 16%
- China 13%

CNCs
- Global share 23%
- China 40%

Laser processing machines
- (Print circuit board processing)
- Global share 75%
- China 78%


©2015 Mitsubishi Electric Corporation
5. Growth Drivers
(5) Automotive Equipment Business

For motorized society that is eco-friendly, safe and secure, and comfortable

Business Environment
- Production volume is expected to increase in line with the expansion of the large markets in North/ Central America, Europe, and China
- Heightened expectations towards automobile functions, such as improvement in environmental efficiency, attention to safety and security, and pursuit of IVI (In-Vehicle Infotainment), etc.

Our Competitive Advantage
- Contribute to the motorized society of the next generation by providing high quality products with high efficiency and advanced control technology

Strengthen Business Foundations
- Implement strategies for existing businesses to add value and differentiate from competitors, and embark upon new business areas
- Allocate business resources that respond to the evolution of expanding technological areas and establish development and production systems

Major Activities since FY2014
- Launched the Motor Generator (Aug. 2014)
- Started operation of MEAX (manufacturing and sales subsidiary) (Oct. 2014)
- Cumulative production of motors for Electric Power Steering exceeded 100 million units (Dec. 2014)
- High efficiency alternator was approved as an eco-innovation technology from the EC (Feb. 2015)
- Expanded and newly constructed facilities to increase production capacity in MEAA (Mar. 2015)

1. Continuously strengthen the competitiveness of core businesses
- Enrich local customer support system focusing on development/ production and sales, in line with customers’ global expansion
- Launch and propose products and systems that correspond to needs of each market

2. Develop new core businesses
- Make electric power train systems business into one of the core businesses
- Expand multimedia business by accelerating development in the areas such as enriching network functions, integrating displays, with due attention to market trends
- Expand and develop preventive safety business
  - Promote technological development through collaboration and fusion of current products and system control technologies
  - Strengthen collaboration with communication technology and infrastructure businesses, to support advanced safety driving assistance

Alternators
Global share 16%

Starters
Global share 17%

Electric Power Steering
Global share 22%

MEAX: Mitsubishi Electric Automotive de Mexico, S.A. de C.V., MEAA: Mitsubishi Electric Automotive America, Inc.
5. Growth Drivers
(6) Space Systems Business

Business developments in line with the expansion of use of space infrastructure systems

Business Environment
- Established the new “Basic plan on space policy” which promotes utilization of space and development of Japan’s space industry
- Increase in demand for satellite communication in emerging countries

Our Competitive Advantage
- With a wide range of satellite system products in the area of communication, positioning, and observations, able to contribute to creating a global social infrastructure
- The first Japanese satellite manufacturer to enter the Arab commercial communications satellite market

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>20 (FY)</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

Strengthen Business Foundations
- Strengthen technological development being mindful of governmental demand for space infrastructure and demand for commercial satellites in the global market

Major Activities since FY2014
- Commenced development of GOSAT-2 to observe greenhouse gases (Apr. 2014)
- Received order for detailed design for the lens tube structure portion of TMT (Apr. 2014)
- Launched advanced land observing satellite “Daichi-2 (ALOS-2)” (May. 2015)
- Received order from Qatar for communication satellite “Es’hail 2” (Sep. 2014)
- Launched geostationary meteorological satellite “Himawari-8” (Oct. 2014)

Capture governmental demand for satellite infrastructure
- Promote development of the second to fourth quasi-zenith satellites in preparation for their launch from 2017
- Further develop business in accordance with the new “Basic plan on space policy”
- Fortify business foundations and land station business foundations for artificial satellites to realize the seven unit structure for quasi-zenith satellites and observational satellite infrastructure

Capture global demand for commercial satellites
- Complete delivery of communication satellite “Turksat-4B” to Turksat A.S., the Turkish state-run satellite communication provider
- Progress with the producing of “Es’hail 2” for Es’hailSat, the Qatari state-run satellite communication provider

Create solutions business utilizing quasi-zenith satellites
- To expand use in quasi-zenith satellites, launched a company-wide project to facilitate discussions for business creation in this field
- Promote business environment to realize a centimeter-level, high-accuracy positioning society (use of 3-D maps, MMS, and positioning terminal)
5. Growth Drivers

(7) Power Devices Business

Provide power saving key devices as the world’s No.1 power devices company

**Business Environment**

- Increase in demand for inverter control equipment as global requirements for saving energy and protecting the environment heightens
- Heightening of needs for high efficiency devices which are suitable for application fields

**Our Competitive Advantage**

- High-performance and high-reliability based on the most advanced power semiconductor technology
- Rich product lineup fostered by advanced power electronics technology
- Further advances in power device functions through application of SiC

By providing the latest devices to our power electronics-related businesses, they enhance their competitiveness

**Strengthen Business Foundations**

- Continuously introduce new products
- Cultivate overseas markets and strengthen sales force
- Build a globally optimal production system

**Major Activities since FY2014**

- Started to provide sample hybrid SiC power semiconductor modules for high-frequency switching applications (May. 2014)
- Launched Super-mini Full SiC DIPPFCTM (Jul. 2014)
- Launched 1200V Large DIPIPMTM Ver.6 series and 1200V mini DIPIPMTM series (Sep. 2014)
- Expanded lineup of J1 series for automobiles (EV/HEV) (Oct. 2014)
- Launched large hybrid SiC DIPIPMTM for PV application (Nov. 2014)
- Started to provide J-Series T-PM extra compact type for automobiles (Feb. 2015)
- Launched 1200V HVIC with desaturation detection function (Mar. 2015)

---

**1. Expand lineup of products that improve product value and competitiveness of customers**

- Develop next generation large power semiconductor modules which can be utilized for different application, such as railcars and power, including those for industrial use (including renewables)
- Expand product lineup of J1 series power modules for EV
- Launched a new product for SLIMDIP™ series suited for home appliances (May. 2015)
- Expand product lineup of Super mini DIPIPMTM embedded with SJ-MOSFET for energy saving air conditioners (planned for May. 2015)

**2. Expand business fields/ scales with SiC power devices**

- Launch and expand sales of SiC power devices for major markets
  - Full/ hybrid SiC power module for railcar traction system
  - Hybrid SiC-IPM for industrial equipment
  - SiC power module for home appliances
  - Super-mini Full SiC DIPPFCTM for home appliances
  - Large hybrid SiC DIPIPMTM for PV application
5. Growth Drivers
(8) Air Conditioning Systems Business

Business expansion in accordance with specific needs of each region

Business Environment
- Rise in high functional air conditioning demand which realizes both comfort and energy conservation, in line with the advancement of buildings
- Increase in air conditioning demand in emerging markets with the change in people’s lifestyles
- Movement towards tightening environmental regulations in each region

Our Competitive Advantage
- Energy saving-type air conditioning system with high functionality devices and advanced control technology
- A wide range of products and systems lineup ranging from residential to industrial refrigeration

[Business Environment Graph]

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>20 (FY)</td>
</tr>
</tbody>
</table>

Strengthen Business Foundations
- Strengthen business operational structure in each region, in accordance with the features of each region
- Promote local production, local consumption
- Develop production capacity of local bases
- Utilize collaboration and M&A

Major Activities since FY2014
- Completed acquisition of Turkey’s air conditioning, refrigerating business agency Klima Plus (Jul. 2014)
- Russian subsidiary started operation (Oct. 2014)
- Started production of indoor unit for room air conditioners at Mexico’s air conditioner production plant (PIMS) (Nov. 2014)
- Constructed a “New technology building” at the Air Conditioning & Refrigeration Systems Works (Wakayama prefecture) (Development base for new global products) (Feb. 2015)

1. Strengthen Regional Strategies
- Introduce high functionality, low-GWP refrigerant products (RAC/PAC) complying to the new regulation for refrigerants
- Elevate brand value by expanding promotional activities

2. Business Development in Emerging Markets
- Expand sales through strengthening the distribution network of METR (Turkey)
- Accelerate development and creation of distribution network in emerging countries

4. Growth Drivers
(8) Air Conditioning Systems Business

5. Growth Drivers
(9) Global Expansion

Key Initiatives for Global Expansion

- Reinforce business networks in target markets
- Develop global supply bases

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

- Continuous business expansion in transportation systems, space systems, and air conditioning systems

Existing Overseas Markets
Achieve greater competitiveness while increasing the scale of operations

- North America: Develop aftermarket service businesses in the power systems and transportation systems business
- Europe: Expand sales in the transportation/power devices/air conditioning systems businesses
- China: Promote the two-brand strategy for building systems
- Emerging Markets: Cultivate new markets by developing local business networks

Reinforce global business bases in 2013 and beyond

Net Sales by Region (Billions of Yen)
- Japan: 4,000 (FY 2014)
- Other Asia: 14 (FY 2014)
- Europe North America: 20 (FY 2014)

Overseas Sales by Segments (Billions of Yen)
- Others: 2,000 (FY 2014)
- Air Conditioning: 14 (FY 2014)
- Power Devices: 14 (FY 2014)
- Space: 14 (FY 2014)
- Automotive Equipment: 14 (FY 2014)
- FA: 14 (FY 2014)
- Building: 14 (FY 2014)
- Transportation: 14 (FY 2014)
- Power: 14 (FY 2014)

Emerging Markets

- Asia: Launch building/air conditioning systems products that meet market needs
- Other: Expand product lineup for building/air conditioning systems products that meet market needs

For a greener tomorrow
6. Expansion of Solutions Business

(1) Reinforce Solutions Business centered on Strong Business

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

Advance solutions businesses by employing combinations of products and systems

Promote each product and system

Smart Grid
- Smart meters

Railway Solutions
- Railway integrated energy-environmental solutions

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

Building Solutions
- Facima
- Energy saving for entire buildings

Housing Solutions (Smart House)
- MITSUBISHI HEMS

Total Security Solutions
- DIGUARD

Imaging Solutions
- Digital Signage

Promote each business

Promote the combination of businesses
6. Expansion of Solutions Business
(2) Create and Deliver New Value to Communities

**Imaging Solutions**
Ranging from small-to-large scale solutions, such as Diamond Vision, Train Vision, Kantan Signage, etc.

**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.

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

**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**
By utilizing ICT, optimize the energy use of entire railway systems through the combined use of equipment and energy management solutions for railcars, stations, railroads, and railyards.

**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.

**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 and Tyugoku Electric Power in relation to a smart grid and the control of storage batteries on an isolated island.
7. Future-oriented R&D for Continuous and Stable Growth (Examples)

Measures to further strengthen the Growth Drivers

- **IoT solution technology**
  - Factory efficiency
  - Algorithms for large scale optimization
  - Next generation artificial intelligence
  - Big data
  - Security

- **Space creation devices/ systems technology**
  - Creating a comfortable and healthy space
  - Noise-free
  - Design
  - Quantifying human senses

- **Automated driving technology**
  - For a safe and convenient car society
  - ADAS-ECU: Advanced Driver Assistance System, ECU: Electric Control Unit, GPS: Global Positioning System

Measures to create new Growth Drivers

- **Technologies for social infrastructure maintenance management system**
  - Maintain safe and secure social infrastructure
  - Automation of measurement/ analyses
  - Making maintenance work more efficient
  - Tunnel wall
  - Radar
  - Laser Camera
  - Camera image
  - GPS
  - Gyroscope
  - Accelerometer
  - Information on underground equipment
  - Visualization by augmented reality

- **Antenna technology for 5G mobile networks**
  - Realize high speed communication
  - Multi beam antennae

*ADAS: Advanced Driver Assistance System, ECU: Electric Control Unit, GPS: Global Positioning System*
8. “Corporate Mission” and “Seven Guiding Principles”

**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**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Establish relationships with all stakeholders based on strong mutual trust and respect.</td>
</tr>
<tr>
<td>Quality</td>
<td>Provide the best products and services with unsurpassed quality.</td>
</tr>
<tr>
<td>Technology</td>
<td>Pioneer new markets by promoting research and development, and fostering technological innovation.</td>
</tr>
<tr>
<td>Citizenship</td>
<td>As a global player, contribute to the development of communities and society as a whole.</td>
</tr>
<tr>
<td>Ethics</td>
<td>Honor high ethical standards in all endeavors.</td>
</tr>
<tr>
<td>Environment</td>
<td>Respect nature, and strive to protect and improve the global environment.</td>
</tr>
<tr>
<td>Growth</td>
<td>Assure fair earnings to build a foundation for future growth.</td>
</tr>
</tbody>
</table>
9. Contribution to Society
Balancing “Safety/ Security/ Comfort” and a “Sustainable Society”

<table>
<thead>
<tr>
<th>Contribution to people’s lives</th>
<th>Contribution to the environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety/ Security</strong></td>
<td><strong>Low-carbon society</strong></td>
</tr>
<tr>
<td>[Examples]</td>
<td>[Examples]</td>
</tr>
<tr>
<td>* Security</td>
<td>* PV system for public and industrial use</td>
</tr>
<tr>
<td>Provide security systems for buildings and factories according to their varying security levels</td>
<td>Contribute to reducing greenhouse gases by providing products (solar cells to power conditioners) as a system</td>
</tr>
<tr>
<td>* Utilizing of quasi-zenith satellites (under R&amp;D)</td>
<td>* Smart Meters</td>
</tr>
<tr>
<td>Improve safety precision of automated driving systems and realize appropriate maintenance of social infrastructure by utilizing high-accuracy positioning information</td>
<td>Adjust power demand and supply, and realize energy consumption through such adjustments</td>
</tr>
<tr>
<td>* Technology to assist tsunami-monitoring by radars (Plan to produce after FY 2015)</td>
<td>Measures to reduce greenhouse gas under the Eighth Environmental Plan</td>
</tr>
<tr>
<td>Extract tsunami information from conventional radar observations of sea surfaces. These technologies are expected to help observers detect tsunamis earlier and give evacuators more time to implement emergency countermeasures</td>
<td>* Reduce the total annual greenhouse gas emissions (CO2 equivalent) from 2.64 million tons (base year*) to 1.37 million tons (FY2017 target)</td>
</tr>
<tr>
<td>* Room Air Conditioner</td>
<td>* Through the improvement of energy efficiency, reduce emission of CO2 during product use by an average of 35% compared to FY2000 (FY2017 target)</td>
</tr>
<tr>
<td>Equipped with motion sensors that measure temperature of hands and feet, it raises comfort of the room</td>
<td>*For CO2 equivalent energy:</td>
</tr>
<tr>
<td>* Smart House Solution</td>
<td>Company standalone- FY1990, affiliates (Japan- FY2000, Overseas- FY2005)</td>
</tr>
<tr>
<td>• By just touching the icon of your tablet or smartphone, you can operate appliances around the house, which increases the quality of your space and alleviates stress in your lives</td>
<td>*For greenhouse gases other than CO2:</td>
</tr>
<tr>
<td>• By collaboration among creating, saving and conserving, contribute to the effective way of consuming energy</td>
<td>Company standalone, affiliates in Japan: FY2000, Overseas affiliates FY2005</td>
</tr>
</tbody>
</table>

**Low-carbon society**

- PV system for public and industrial use
- Smart Meters
- Measures to reduce greenhouse gas under the Eighth Environmental Plan
- Recycling-based Society/ Society in Tune with Nature
- Social Contribution Activities (Examples)
10. Corporate Governance

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

Actual practices at Mitsubishi Electric

- Thorough 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 through 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 company-wide risks
- Appropriate responses to Japan’s Corporate Governance Code

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