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)

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>6-Month</td>
<td>Actual</td>
</tr>
<tr>
<td>(Billions of yen)</td>
<td>100JPY/USD</td>
<td>110JPY/USD</td>
<td>121JPY/USD</td>
<td>107JPY/USD</td>
<td>110JPY/USD</td>
</tr>
<tr>
<td>Net Sales</td>
<td>4,054.3</td>
<td>4,323.0</td>
<td>4,394.3</td>
<td>1,972.3</td>
<td>4,238.6</td>
</tr>
<tr>
<td>Operating Income</td>
<td>235.1</td>
<td>317.6</td>
<td>301.1</td>
<td>121.7</td>
<td>270.1</td>
</tr>
<tr>
<td>(%)</td>
<td>5.8%</td>
<td>7.3%</td>
<td>6.9%</td>
<td>6.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Income before</td>
<td>248.9</td>
<td>322.9</td>
<td>318.4</td>
<td>123.7</td>
<td>296.2</td>
</tr>
<tr>
<td>income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>153.4</td>
<td>234.6</td>
<td>228.4</td>
<td>88.3</td>
<td>210.4</td>
</tr>
<tr>
<td>ROE (Return On</td>
<td>10.9%</td>
<td>13.9%</td>
<td>12.4%</td>
<td>-</td>
<td>10.9%</td>
</tr>
<tr>
<td>Equity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’</td>
<td>1,524.3</td>
<td>1,842.2</td>
<td>1,838.7</td>
<td>1,777.6</td>
<td>2,039.6</td>
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<tr>
<td>Equity (%)</td>
<td>42.2%</td>
<td>45.4%</td>
<td>45.3%</td>
<td>46.6%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Debt</td>
<td>373.4</td>
<td>381.9</td>
<td>404.0</td>
<td>370.7</td>
<td>352.1</td>
</tr>
<tr>
<td>(%)</td>
<td>10.3%</td>
<td>9.4%</td>
<td>10.0%</td>
<td>9.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td>FCF (Free Cash</td>
<td>310.2</td>
<td>180.1</td>
<td>111.2</td>
<td>118.6</td>
<td>217.3</td>
</tr>
<tr>
<td>Flow)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend (yen per share)</td>
<td>17</td>
<td>27</td>
<td>27</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Dividend ratio(%)</td>
<td>23.8%</td>
<td>24.7%</td>
<td>25.4%</td>
<td>-</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

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1. Forecast for FY2017 (Segment Forecast)

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

<table>
<thead>
<tr>
<th>Social Contributions</th>
<th>Excellent Products and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Society</strong></td>
<td><strong>Customers</strong></td>
</tr>
<tr>
<td>Increase Corporate Value</td>
<td>Rewarding Workplace</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Employees</td>
</tr>
</tbody>
</table>
3. Embodiment of the Corporate Mission

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.

【Contemporary Social Issues】

Environmental issues
Resource/ Energy issues

【Initiatives of Mitsubishi Electric Group】

Global Development of Products, Systems, and Services
Make Strong Businesses Stronger
Technology Synergies/ Business Synergies

Realize a Sustainable Society
Provide Safety, Security, and Comfort

【Embodymenit of the Corporate Mission in the Context of the Current Environment】

Growth Targets to be Achieved by FY2020
Net Sales 5 trillion yen or more
OPM 8% or more

“Global, Leading Green Company”
Contribute to the realization of a prosperous society
|| Realize a sustainable society | Provide safety, security, and comfort |
|---|---|
| **Low-carbon society** | **Security** |
| SiC power module mounted products | Provide security systems for buildings and factories according to their varying security levels |
| All-SiC power module inverter equipment for railcars | **Safe driving assistance** |
| • Achieved significant miniaturization and 40% increased energy-savings compared to before | Realize a safe and comfortable motorized society through advances in driving-assistance technology which combine automobile control/ HMI/ communication/ sensors technologies |
| **High efficiency packaged air-conditioner for shops/ offices** | **Artificial satellite** |
| • Realize high levels of energy-savings (APF 5.5) by all-SiC DIPIPM and high efficiency compressors | • Contribute to monitoring weather phenomena, global environment, understanding disaster situations, and surveillance of marine and forest environments |
| • Reduce environmental impact by adopting low global warming potential refrigerant R32 | • 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) |
| **Hybrid battery energy storage system** | • Contribute to the development of communication and broadcast infrastructure in each area through developing communication satellites |
| 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) | **Safety standard (FA equipment)** |
| **Resource conservation/ Recycling** | 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 |
| **Aftermarket service** | **Room air conditioner** |
| Renewal of elevators (minimum refurbishing), etc. | Create a comfortable atmosphere with independent double-fan system and advanced sensing technology |
| **Recycling (home appliances)** | **Respect human rights and promote the active participation of diverse human resources** |
| 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) | Promote diversity (hire and utilize diverse talents), etc. |
| **Reduce environmental burden** | **Strengthen corporate governance and compliance on a continuous basis** |
| Improve environmental management level of domestic and overseas manufacturing bases | 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

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

- Make Strong Businesses Stronger
  - Realize investment results
  - Strengthen service businesses
  - Measures for unprofitable businesses

- Technology & Business Synergies
  - Also make medium- to long-term investments

<table>
<thead>
<tr>
<th>%</th>
<th>OPM</th>
<th>Growth Target</th>
<th>To Be Continuously and Stably Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.7</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>ROE</td>
<td>18.2</td>
<td>15.1</td>
<td>15.1</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>33.6</td>
<td>15.8</td>
<td>16.0</td>
</tr>
</tbody>
</table>

*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)
• 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.

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.

5. Pursue Sustainable Growth  
(3) Global Expansion

### View on strengthening business competitiveness and realizing results
- **Japan**: Achieve stable growth and greater profitability as a core operating region to drive business expansion
- **North America/Europe/China**: Achieve greater competitiveness in current markets while increasing the scale of operations
- **Asia (excl. China)/Others**: Cultivate new markets by developing local business networks

#### Major initiatives since FY2014*

<table>
<thead>
<tr>
<th>Region</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>- The demonstration facility for MVDC distribution at the Power Distribution Systems Center (Jul. 2016)</td>
</tr>
<tr>
<td></td>
<td>- HVDCC verification facility at Transmission and Distribution Systems Center (1st half of FY2018)</td>
</tr>
<tr>
<td></td>
<td>- New plant in Itami Works (Apr. 2015)</td>
</tr>
<tr>
<td></td>
<td>- New plant for control panels in Kobe area (Jun. 2016)</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>- New plant for control panels in Kobe area (Jun. 2016)</td>
</tr>
<tr>
<td></td>
<td>- Development engineering/ testing facility at Shizuoka Works (Jun. 2019)</td>
</tr>
<tr>
<td><strong>AE</strong></td>
<td>- Developed &quot;EMIRAI3 xAUTO&quot; a preventive safety (automated driving) concept car (Oct. 2015)</td>
</tr>
<tr>
<td></td>
<td>- Himeji Works’ new plant (May 2018)</td>
</tr>
<tr>
<td><strong>AR</strong></td>
<td>- Strengthened MEPPPI maintenance system (May 2014)</td>
</tr>
<tr>
<td></td>
<td>- Strengthened MEAA production system (Oct. 2014, Jan. 2016)</td>
</tr>
<tr>
<td></td>
<td>- Wholly acquired Delclima (Italy) (Feb. 2016), and consolidated and reorganized their subsidiaries (Jan. 2017)</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>- MEKT (Italy) (Apr. 2014)</td>
</tr>
<tr>
<td><strong>T</strong></td>
<td>- Invested (capital participation) MEDCOM (Poland) (Oct. 2015)</td>
</tr>
<tr>
<td><strong>AL</strong></td>
<td>- MER (Russia) (Nov. 2014)</td>
</tr>
<tr>
<td><strong>[P]</strong></td>
<td>- ME-TH as a sales company (Aug. 2015)</td>
</tr>
<tr>
<td><strong>[B]</strong></td>
<td>- AMEC’s new plant (May 2016), new elevator test tower (Jun. 2017)</td>
</tr>
<tr>
<td><strong>[AE]</strong></td>
<td>- Strengthened MEAA production system (Oct. 2014, Jan. 2016)</td>
</tr>
<tr>
<td><strong>[AR]</strong></td>
<td>- Established MEU Norway branch (Oct. 2015)</td>
</tr>
<tr>
<td><strong>[FA]</strong></td>
<td>- Wholly acquired Delclima (Italy) (Feb. 2016), and consolidated and reorganized their subsidiaries (Jan. 2017)</td>
</tr>
<tr>
<td><strong>[B]</strong></td>
<td>- MESE’s new plant (Nov. 2015)</td>
</tr>
</tbody>
</table>

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

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6. Growth through Value Creation
(1) Overview

Mitsubishi Electric Group

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

Value Creation
- Provide value which meet market needs
- Create additional value through technology synergies and business 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
- Services

Technology Synergies
- Energy & Electric
- Industrial Automation
- Information & Communication
- Electronic Devices
- Home Appliances

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

Universities
Corporations
Research and Development Agency
Government
Standardization Organizations
6. Growth through Value Creation

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

**Value Increase**
- Create New Value through Business Developments utilizing IoT
  - Advancement of product/system controls (Utilizing artificial intelligence (AI))
  - Expansion of services based on the extensive line of products and systems
  
**Connect and control**
- xEMS, e-F@ctory, ZEB/ZEH, Automated driving, etc.

**Expansion of Synergies**
- Additional Value Creation through Business Developments brought about by Combinations and Collaborations
  - Optimal combination of products/systems/services
  
**Business Synergies**
- Value Creation through Individual Business Developments
  - Products/Systems
  - Services (Maintenance, etc.)

**Technology Synergies**
- Strengthen competitiveness through optimal combination of technological assets
  - Control, Power Electronics, Communication, IT, Electromagnetic Analysis, Dev

**PRESENT**

**HEREAFTER**

7. Make Strong Businesses Stronger
(1) Growth Drivers

- **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,
      Signaling 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,
      EPS system products,
      Electric powertrain system, etc.

- **Information & Communication Systems**
  - **Space Systems**
    - Satellites, Ground systems for
      satellite control, etc.
  - **Defense Systems**
    - Radar equipment, Antennas, etc.
  - **Communication Systems**
    - Optical, wireless and satellite
      communications systems, etc.
  - **Video Monitoring Systems**
    - Network camera systems
  - **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 & Refrigeration Systems**
    - Room and package air conditioners,
      Multiple AC units for buildings, Lossnay ventilation systems, Chillers, etc.
  - **Housing Equipment**
    - Smart appliances, Lighting, HEMS, etc.
  - **Kitchen and Other Household Appliances**

*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**

- 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)

**Transportation Systems Business**

- 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

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

---

**Sales (Billions of Yen)**

<table>
<thead>
<tr>
<th>Sales (Billions of Yen)</th>
<th>Overseas</th>
<th>Japan</th>
<th>20 (FY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>16</td>
<td>17</td>
<td>20 (FY)</td>
</tr>
</tbody>
</table>

- Shipped the first high-capacity 765kV (highest-voltage in U.S.A.) power transformer by MEPP (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)

- 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)
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
- 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)
- 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
- 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)
- Started operation of IMEC (Sep. 2016)
- Launched “Elemotion+[ZERO]” for elevator renewals (Dec. 2016)

**Capture Demand in China/India/ASEAN, etc. (Reap the results of investment)**

- Strengthen aftermarket service business (Japan/China, etc.)
- 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

**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) (Japan: RMI)

**Overseas/日本**

<table>
<thead>
<tr>
<th>Sales (Billions of Yen)</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>600</td>
<td>300</td>
</tr>
<tr>
<td>Japan</td>
<td>300</td>
<td>16</td>
</tr>
<tr>
<td>Overseas</td>
<td>2016</td>
<td>17</td>
</tr>
<tr>
<td>Japan</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>

*RMI: Remote Monitoring Interface*
7. Make Strong Businesses Stronger
(2) Value Creation in Growth Drivers

**Factory Automation (FA) Systems**

- **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)

**Automotive Equipment Business**

- **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

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**Sales (Billions of Yen)**

- **Overseas**
  - 600
  - 300
  - 0
- **Japan**
  - 20 (FY)
  - 16
  - 17

- **Capture demand in China/India/ASEAN, etc. (Reap the results of investment)**
- **Promote e-F@ctory**

---

**Vehicle Systems**

- **Alternators EPS system products**
- **Inverter**

---

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

- 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)
- 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)

**Efficiency**

- 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)

**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
  - 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 Appliance: Further energy-savings, compact refrigerating systems, flattening and miniaturizing devices
      - Industrial: Improve productivity of machine tools by enabling high-torque, high speed, high function

*HVIGBT: High Voltage Insulated Gate Bipolar Transistor, IPM: Intelligent Power Module, SBD: Schottky Barrier Diode
*GOSAT: Greenhouse gases Observing Satellite

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**Sales (Billions of Yen)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Overseas</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>100</td>
<td>0</td>
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<tr>
<td>17</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>20 (FY)</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

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**Established Dynamic Map Planning Co., Ltd. (Jun. 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)

**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)
8. Technology Synergies and Business Synergies

(1) Create New Value by Utilizing IoT

- Utilize IoT based on the rich line of products and systems across several business domains
- Primary processing of data at the edge layer
  ⇒ Real-time feedback of data to the equipment layer, as well as ensuring security
  ⇒ Seamless connection with the IT system layer
- Advance control in the edge layer to the equipment layer by utilizing artificial intelligence (AI)
- Expand services utilizing IoT
  ⇒ Data analysis, remote monitoring/management, preventive maintenance, optimized driving, energy management, etc.
- Utilize IT system in line with client needs

Key parts to support the strong equipment

- Power device
- Motor
- HMI
- Antenna
- Breaker

Technological assets to utilize IoT

- Communication
- Data Processing
- Encryption
- Sensing
8. Technology Synergies and Business Synergies
(2) Initiatives for Utilizing Artificial Intelligence (AI)

**Embed AI into Equipment (R&D)**

<table>
<thead>
<tr>
<th>Present</th>
<th>Proposed</th>
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</thead>
<tbody>
<tr>
<td>Server</td>
<td>Server-less</td>
</tr>
<tr>
<td>AI</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>Equipment</td>
</tr>
</tbody>
</table>

- **Advanced inference**
- **Compactification**

**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

**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

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

**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

**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

**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)
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
  - 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

- 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

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

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

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

- Reduction (50% over)

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

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

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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

### 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
    - High-precision locator
    - Positioning information at the centimeter level
    - Positioning performance adaptive to moving objects
    - Positioning data obtained in a couple dozens of seconds
  - Obtaining real-time information on the road condition through road-vehicle and inter-vehicle linked communication
    - ETC2.0 (DSRC)
    - Quasi-zenith satellites
    - Ground systems for quasi-zenith satellites

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

- 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)

- Test drive with the automated driving concept car “EMIRAI3 xAUTO”

**Patent PCT application ranking**
World Intellectual Property Organization (WIPO) 
#4 globally

**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

Overseas Patent Application (Mitsubishi Electric Group)
(Number of applications)
10,000

0 1,000 2,000 3,000 4,000 5,000

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
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<tr>
<td>China</td>
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<td>Europe</td>
<td>12</td>
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<tr>
<td>U.S.</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

**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
- Technology to realize extraordinarily long travel
- Technology to reduce vibration and noise for more riding comfort
- Technology to ensure added safety
  - Multi-stage hydraulic telescopic buffer
  - Duplex safety gears
  - Direction changeable speed governor

**Technology to ensure added safety**

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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
  
  (Billions of Yen)
  168.7 167.7 191.9 179.2 160.1 222.3 206.8 212.5 221.1 210.0

- R&D
  Balance short-, medium-, and long term development investments
  
  (Billions of Yen)
  148.7 144.4 133.7 151.7 169.6 172.2 178.9 195.3 202.9 201.3 212.0

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

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

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

**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~

*EV: Electric Vehicle*
12. Greater Corporate Value
Value Creation Based on a Sound Financial Position

**Cash Flow**
- (Billions of yen)
- Stable Generation of Cash Flow
- Focused Investment in Growing Businesses
- Cash Flow from Operating Activities
- Free Cash Flow
- Cash Flow from Investing Activities

**Dividend**
- Shareholder Returns according to Increase in Earnings

**OPM/ ROE/ Debt Ratio**
- (%)
- Debt Ratio
- ROE
- OPM

- **Growth Targets to be Achieved by 2020**
  - OPM 8% or more
  - ROE 10% or more
  - Debt Ratio 15% or less

- **Management Targets to be Continuously and Stably Achieved**
  - 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.

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

More than 50% of members composing each of the three committees shall be independent directors.

- Thorough separation of supervision and execution
- Majority of board of directors NOT assuming responsibility as executive officer
- Minimal number of executive officers (22 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

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