Review of Operations

Energy and Electric Systems

Revenue Breakdown by Business Segment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Revenue</th>
<th>Operating Profit</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>¥1,238.1 billion</td>
<td>¥62.1 billion</td>
</tr>
<tr>
<td></td>
<td>down 3% year on year</td>
<td>down ¥46.7 billion year on year</td>
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The market for the social infrastructure systems business saw buoyant investment in the public utility business in Japan, while demand relating to power systems decreased in Japan and there was the reconsideration of the capital expenditure plans for railway companies in Japan due to the impact of COVID-19. In this environment, orders won by the business remained substantially unchanged compared to the previous fiscal year due primarily to an increase in the public utility systems business in Japan despite a decrease in the power systems and the transportation systems businesses in Japan. Revenue decreased compared to the previous fiscal year due mainly to decreases in the power systems and the transportation systems businesses in Japan.

The market for the building systems business saw recovery from stagnation stemming from COVID-19 primarily in China, while recovery is delayed in some regions. In this environment, the business saw increases in both orders and revenue compared to the previous fiscal year due mainly to an increase in the public utility systems business in Japan.

Railway Lifecycle Management Solution (LMS)

Wirelessly collecting on-board equipment operation data in the cloud platform, INFORM® supports features such as remote condition monitoring and screen sharing from the driver’s seat enabling the improvement of operational efficiency across the railway system and the reliable train service.

Network Camera System

Camera image is more widely leveraged in combination with image analysis in addition to the monitoring application in stores in cities, factories, public facilities, railway, and road. Mitsubishi Electric’s network camera system allows for a variety of image solutions with its high-quality image, rich lineup, and scalability.

Multi-Regional Digital Power Supply Optimization Technology

As efforts toward decarbonization are spreading all over the world, the introduction of electricity generated from renewable energies (renewable electricity) and the expansion of distributed power supplies are expected to proceed. We support the achievement of the decarbonization goal at each site, ensuring cost efficiency with measures such as the sharing of renewable electricity among multiple sites and the operation of rechargeable batteries.

Smart Medium Voltage DC Distribution Network Systems, D-5Mire

DC electricity is generated and stowed in solar power plants and rechargeable batteries and can be used as needed. D-5Mire is a next-generation DC distribution system that creates, stores, and saves energy to support the realization of carbon neutrality and a decarbonized society by taking advantage of DC distribution.

NEXEZ Machine-room-less Elevators

Compact, lightweight, and energy-saving, NEXEZ machine-room-less elevators are the global flagship product. They are widely used throughout the world, mainly in low-to-mid-rise buildings. Models designed with various functions and features for specific regions are also available to meet the preferences and customer needs of each region.

Mitsubishi u series Escalators

Mitsubishi Electric’s new u series escalators offer enhanced passenger safety and comfort, significant energy savings, and reduced environmental impact. Extensive features enhance safety and comfort when stepping on or off, and the inverter control included as standard, along with LED lighting, achieve significant energy savings. With an industry-leading compact size, these escalators allow for more flexible building designs and weigh less.

Industrial Automation Systems

Revenue Breakdown by Business Segment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Revenue</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥1,460.3 billion</td>
<td>¥96.8 billion</td>
</tr>
<tr>
<td></td>
<td>up 17% year on year</td>
<td>up ¥56.2 billion year on year</td>
</tr>
</tbody>
</table>

The market for the factory automation systems business saw a global increase in demand for capital expenditure relating to digital equipment such as semiconductors, electronic components and smartphones, and products in the decarbonization area such as lithium-ion batteries. In this environment, the business saw increases in both orders and revenue compared to the previous fiscal year.

Programmable Logic Controllers

Mitsubishi Electric’s MELSEC series of programmable logic controllers supports a wide array of production and social infrastructure applications; solutions range from control and safety devices to information and instrumentation management. As a leading global brand, the MELSEC series contributes to the construction of cutting-edge control systems owing to its capabilities, performance, product variety, and high reliability.

AC Servo

The MELSERVO Series enhances the total performance of manufacturing and production machines. From rotary and linear servo motors to direct drive motors, a wide range of products are available to meet any number of applications and to significantly improve the performance of all relevant equipment.

Computerized Numerical Controllers (CNCs)

Our deep lineup includes the Minsk and MBW Series, which contribute to productivity improvement and rationalization at manufacturing sites with its variety of innovative control functions, processing management using embedded Wi-Fi, and other features. Our controllers also support a variety of field networks that are necessary for constructing automation systems.

Electric Power Steering (Motors and Controllers)

Mitsubishi Electric was the first company in the world to mass-produce torque sensors for electric power steering to assist driver steering in line with driving conditions. Over the years, Mitsubishi Electric has helped to improve steering feel, response, and stability while delivering compact units and high output performance, and contributing to reduced automobile CO2 emissions.

Car Navigation System

The SATIN® SOUND NAVI car audio-navigation system eliminates the slight noise generated by audio devices and transmits sounds in full detail. In addition, it provides high-speed multi-task processing, fast responsiveness when searching and scrolling and beautiful images on the map screen and in video playback.

Motors and Inverters for Electric Motor Vehicles

Motors for both drivetrain/power generation, as well as for inverters that control the motors, which are mounted in electric vehicles, such as hybrid cars. These products contribute to the improvement of vehicle fuel efficiency and comfort, for example, through idle stop and start, energy regeneration during deceleration, or torque assistance during acceleration.
Review of Operations

Information and Communication Systems

The market for the information systems and service business saw a decrease in large-scale projects for the IT infrastructure service business, while delayed system development projects restarted, particularly in the manufacturing industry. In this environment, the business saw an increase in orders but a decrease in revenue compared to the previous fiscal year.

The electronic systems business saw an increase in orders compared to the previous fiscal year due primarily to an increase in large-scale projects for the defense systems business, while revenue decreased compared to the previous fiscal year and revenue also increased by 18% compared to the previous fiscal year and revenue also increased by 18% compared to the previous fiscal year.

Power Semiconductor Modules

Our power semiconductor modules help reduce the power consumption of power electronics equipment such as home appliances, motion control, renewable energy, power supplies, power transmission, traction, and automobiles. The product lineup includes DIPM, IGBT modules and IPM, and contributes to global environmental innovation.

SIC* Power Semiconductor Devices

With significantly lower power loss than Si and capabilities that include the enabling of high-speed switching operations and high-temperature operation among others, the SIC power semiconductor device significantly reduces the power consumption of every type of power electronics equipment such as home appliances, industrial equipment, traction, and automobiles and contributes to the realization of both a decarbonized society and an affluent lifestyle in a sustainable future.

Electronic Devices

The market for the electronic devices business saw recovery in demand for power modules used in consumer, industrial and automotive applications. In this environment, the business saw an increase in orders compared to the previous fiscal year and revenue also increased by 18% compared to the previous fiscal year to 14.7 billion yen due primarily to an increase in large-scale projects for the defense systems business, while revenue decreased compared to the previous fiscal year due primarily to decreased revenue.

Network Security Service

Corporate networks are exposed to many different threats such as unauthorized access or divulgion of personal or confidential information. Mitsubishi Electric builds an optimal security environment and provides a one-stop monitoring and operation service available 24/7 to address cyber attacks that are ever diversifying and working day by day.

Satellite Observation Solution

Our satellite observation solution processes and analyzes images from observation satellites to provide satellite data analysis information that can be applied to quickly understand the situation in case of disasters or to continue to widely monitor national land and infrastructure at ordinary times.

CIS (Contact Image Sensor)

Mitsubishi Electric develops a variety of proprietary key components from sensor ICs to light sources based on the expertise we have accumulated throughout our years of experience and provides high-definition images with high-speed digital output. Many customers in and outside Japan are using our CIS in the photocopier, financial, and inspection machine markets.

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Optical Devices for Optical Communication

The product lineup is optimal for all types of optical fiber communication facilities which are used in base stations for 5G, the fifth-generation mobile communication system, and also used in large-scale datacenters and other equipment, and support the transition to cloud computing. This lineup contributes to faster speeds, greater capacity and transmission distance, and equipment size reduction.

GaIn* High Frequency Devices

Gain promises to provide higher efficiency, higher output and wider bandwidth than Si. By employing GaIn transistors, GaIn high frequency devices contribute to faster communication speeds, increased information transmission volume, and smaller power amplifiers for base transceiver station networks in fifth-generation mobile communication systems (5G) and earth stations in satellite communication systems (SATCOM).

Thermal Diode Infrared Sensor MelDIR*

With advanced temperature detection including a larger pixel number and higher temperature resolution, MelDIR distinguishes people from objects and enables the identification of specific human behaviors. MelDIR can be implemented into a wide range of applications including security, air conditioning, temperature monitoring, surveillance, people counting, and smart building.

*CIS: Charge-coupled device
*SiC: Silicon carbide
*SIC: Silicon carbide
*GaN: Gallium nitride
*HVIC: High Voltage IC
*MelDIR: Mitsubishi Electric Diode InfraRed sensor
*GaIn: Gallium indium
*Si: Silicon
*GaN: Gallium nitride
Review of Operations

Home Appliances

Revenue Breakdown by Business Segment

- **Air Conditioning & Refrigeration Systems**: 22.4%
- **Home Appliances**: 22.4%
- **Home Equipment**: 28.0%
- **Lighting Fixtures and Light Bulbs**: 26.3%

**Revenue**

¥1,144.7 billion

up 10% year on year

**Operating Profit**

¥70.9 billion

down ¥4.8 billion year on year

The market for the home appliances business saw an increase in demand for residential air conditioners primarily in Europe and North America as working from home becomes common, despite the impact of a semiconductor shortage. Demand for industrial air conditioners also recovered gradually as capital expenditures started to recover from the impact of COVID-19. In this environment, the business saw an increase in revenue by 10% compared to the previous fiscal year to 1,144.7 billion yen due mainly to an increase in air conditioners primarily in Europe and North America as well as the yen depreciating against other currencies, despite a decrease in air conditioners in Japan due primarily to a semiconductor shortage.

Operating profit decreased by 4.8 billion yen compared to the previous fiscal year to 70.9 billion yen due mainly to the rise in material prices and logistics costs despite increased revenue and the yen depreciating against other currencies.

Mitsubishi Electric offers a wide range of products for houses, stores, offices, buildings, factories, and industrial facilities while featuring environmentally compatible, energy-saving technologies. These qualities allow Mitsubishi Electric to meet air conditioning needs globally.

Home Equipment

Mitsubishi Electric offers energy-saving home environments using highly efficient air conditioners and ventilators, water heaters and cooking equipment. Create a comfortable living environment for the whole family.

Home Appliances

Mitsubishi Electric develops home appliances by incorporating its unique technologies and perspectives so that its products can be used in various scenes of daily life, such as the kitchen, living room, and bedroom. Efforts are made to develop products that contribute to making life more comfortable for users, meeting and even surpassing their expectations.

Lighting Fixtures and Light Bulbs

Mitsubishi Electric offers an extensive lineup of high-efficiency, long-lasting LED products that meet diverse needs for energy-saving light bulbs and equipment in households, stores, offices, and factories. The company’s LED products make the future brighter for families and society as a whole.

Recycling Consumer Electronics and Home Appliances

Mitsubishi Electric has developed technologies for automatically sorting the three major types of plastic (polypropylene (PP), polystyrene (PS), and acrylonitrile-butadiene-styrene (ABS)) used in consumer electronics and home appliances. This original recycling system is being utilized to promote the reuse of plastics in the company’s products by improving the physical properties of the sorted materials.