Mitsubishi Electric
Corporate Strategy
May 2023
MITSUBISHI ELECTRIC CORPORATION
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Note: In this presentation, the fiscal year ending on March 31, 2026 is referred to as FY2026. This fiscal year notation system will apply to all other fiscal periods going forward.
Medium-term Management Plan for FY2026
(April 2021 ~ March 2026)
FY2026 Financial Targets

Achieved the revenue target of ¥5 trillion in FY2023 ahead of schedule
Focus on achieving the operating profit margin (OPM) and ROE targets going forward

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Actual</th>
<th>FY2026 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>¥5.0trillion</td>
<td>¥5.0trillion+</td>
</tr>
<tr>
<td><strong>OPM</strong></td>
<td>5.2%</td>
<td>10.0%</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>6.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td><strong>Cash Generation</strong></td>
<td>¥0.9trillion</td>
<td>¥3.4trillion</td>
</tr>
<tr>
<td></td>
<td>/2years</td>
<td>/5years</td>
</tr>
</tbody>
</table>

- **OPM**
  - FY2023 Actual: 5.2%
  - FY2026 Target: 10.0%

- **Revenue**
  - FY2023 Actual: ¥5.0trillion
  - FY2026 Target: ¥5.0trillion+
Policy for Achieving FY2026 Financial Targets

Promote business portfolio strategy and improvement of management structure

- **Growth Potential**: Varied and selective investments in Key Growth Businesses
- **Business Competitiveness**: Strengthen structure and products/services for enhancement of efficiency and profitability
- **Capital Efficiency**: Make decisions based on ROIC
- **Productivity and Profitability**: Promote operation DX and pursue additional value
- **Structural Reform Judgements of Businesses**: Withdraw from or sell low profitable businesses. Accelerate resource shifting
Capital Allocation Strategy

Generate ¥3.4 trillion over a five-year period
Strengthen investment mainly in Key Growth Businesses, and enhance shareholder returns

Cash Generation*1
Generate more cash through sale of non-business assets and reduction of working capital

Capital Allocation
Increase growth investments and shareholder returns by generated cash

<table>
<thead>
<tr>
<th>Strategic investments (M&amp;As, etc.)</th>
<th>Shareholder returns target</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥0.5tn</td>
<td>¥0.6tn</td>
</tr>
</tbody>
</table>

*1 After making adjustments, such as adding R&D expenses to operating cash flow
*2 Strategic investments such as M&As, R&D expenses, Capital investment

Medium-term Management Plan (FY2022-FY2026)

- Share buybacks of approx. ¥50 billion
- Dividends of approx. ¥170 billion
- Decided share buybacks of up to ¥50 billion
Business Portfolio Strategy & Improvement of Management Structure
Reform of the Business Area (BA) Management Structure

BA owners (BAOs) drive business portfolio strategies by enhancing cross-BA businesses, developing new businesses and improving asset efficiency.

Kei Uruma
President & CEO

Infrastruture BA
Noriyuki Takazawa
Senior Vice President
- Group
  - Public Utility Systems
  - Energy & Industrial Systems
  - Defense & Space Systems

Industry & Mobility BA
Kunihiko Kaga
Senior Vice President
- Group
  - Factory Automation Systems
  - Automotive Equipment

Life BA
Tadashi Matsumoto
Executive Vice President
- Group
  - Building Systems
  - Living Environment & Digital Media Equipment

Business Platform BA
Eiichiro Mitani
Executive Officer
- Group
  - Information Systems & Network Service

Semiconductor & Device
- Group
  - Semiconductor & Device

Direct control of the president
Business Portfolio Strategy

Improve profitability and asset efficiency in each sub-segment

Current status of each sub-segment / Profitability and asset efficiency improvement policy

- **Building Systems**
  - Building Systems Bus.

- **A/C\(^1\) System & Home Products**

- **Semiconductor & Device**
  - Power Semiconductor Devices Bus.

- **Factory Automation Systems**
  - FA Control Systems Bus.

- **Public Utility Systems**

- **Energy Systems**

- **Business Platform**

- **Intensive investment for business growth**

- **Create new growth businesses**

- **Enhance efficiency and competitiveness for stable management**

**Major business judgements (withdrawing/selling)**
- Car Multimedia Bus.
- Fuel injector Bus.
- LCD TV Bus.
- LCD Display Bus.

**Legends**

- **BA/Segment**
  - Infrastructure BA
  - Life BA
  - Industry & Mobility BA
  - Business Platform BA
  - Semiconductor & Device

- **Business**
  - Key Growth Bus.
  - Bus. to be reviewed

\(^1\) A/C : Air Conditioning
**Progress of Business Portfolio Strategy**

### Investment in Key Growth Businesses

#### FA Control Systems
- Establish a new production base for FA control system products in Owariasahi district in Aichi
- Establish a new factory for FA control system products at MEI*1 in India

#### A/C & Refrigeration Systems
- Establish a new factory for room A/Cs and compressors for A/C equipment at MEI*1 in India
- Increase the production capacity for A/C equipment at MACT*2 in Turkey

#### Building Systems
- Acquired a Swedish elevator company Motum AB. Strengthen the business management foundation centered on elevator and escalator maintenance and modernization throughout Europe

#### Power Semiconductor Devices
- Establish a new SiC*3 8-inch wafer factory in Shisui district in Kumamoto
- Double*4 the previous investment plan to approximately ¥260 billion from FY2022 to FY2026

#### Strategic Reform of Automotive Equipment Business
- Accelerate selection and concentration through company spin off
  - Decided to spin off the automotive equipment business to streamline business operations. Promote selection and concentration in the automotive equipment business, collaboration with partners in the xEV/ADAS business to achieve growth, shifting resources to profitable businesses, and discontinuation of businesses with issues

#### Enhance competitiveness of Resilient Businesses
- Establish a joint venture of power generator systems business
  - Reached a basic agreement with Mitsubishi Heavy Industries, Ltd. to start detailed studies for business integration for power generator systems
- Strengthen businesses for renewable energy
  - Acquired Scibreak AB, a DC circuit breaker developer in Sweden

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*1 MEI: Mitsubishi Electric India Pvt. Ltd.*  
*2 MACT: Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company*  
*3 SiC: Silicon Carbide*  
*4 Previously scheduled a cumulative investment of ¥130 billion for the five-year period from FY2022 to FY2026*
Enhance cash generation by improving capital efficiency, productivity and profitability, and judgement of businesses with issues

**Capital efficiency**
- Make decisions based on ROIC
- Transform production and logistic system to streamline entire supply chain and optimize inventory by strengthen relationship between each process of development, manufacturing and sales
- Proactively sell cross-shareholdings and idle assets

**Productivity and profitability**
- Promote operation DX to streamline all operation and improve quality. Strengthen additional value and productivity by enhancing relationship between each department of development, manufacturing and sales
- Enhance profitability through pursuing additional value of products/services and price hike according to the rise in materials

**Judgement of businesses with issues**
- Decided to withdraw from or sell less profitable businesses with revenue of ¥300 billion level
- Accelerate resource shifting to growth businesses accordingly

**Main businesses subject to withdrawing**
- Car Multimedia Bus.
- Fuel injector Bus.
- LCD TV Bus.
- LCD Display Bus. etc.
3

Initiatives for Sustainable Growth
Sustainability Management

Respond to key societal challenges in five basic areas in order to contribute to sustainability

Key societal challenges

- Carbon neutral: Decarbonize society
- Circular economy: Build a circular society
- Safety/Security: Resilient society
- Inclusion: Society that values diversity
- Well-being: Vibrant lives

Initiatives for realizing sustainability

**Contribution to a sustainable society through business**
- Decarbonize society with energy management and heat pumps technologies etc.
- Build a circular society through innovation in the fields of maintenance/operation and recycling
- Build a resilient society through maintenance/management of infrastructures and facility automation etc.
- Realize vibrant lives of all people through sophisticated use of people flow data and personal data

**Responsibilities for a sustainable society**
- Strengthen efforts for cutting greenhouse gas emissions
  - FY2051: Aim for net zero greenhouse gas emissions in the entire value chain
  - FY2031: Aim for net zero greenhouse gas emissions from factories and offices
- Respect for human rights based on international norms
- Realize workplace where diverse and versatile human capital gathers and works together
  - Adherence to compliance

Progress in social initiatives causes positive impacts on the Company

Realize sustainability

Apply initiatives within the Company to business
Leverage strong intra-group connections and knowledge sharing in order to consolidate and then analyze data in the digital space to create new value and contribute to solving key social challenges.

Solving social challenges through Circular Digital-Engineering

**STEP.1**
Consolidate diverse data
Consolidate data generated through usage of our components and systems by a wide range of customers into a digital space.

**STEP.2**
Ascertain potential issues and needs of customers
Analyze the consolidated data via a digital space and ascertain potential issues and needs of customers.

**STEP.3**
Create new value
Return value to a wide range of customers
Create new value through evolving components, systems and Integrated Solutions based on potential issues and needs.

**STEP.4**
Return value to a wide range of customers
Return new value to a wider range of customers, and solve social challenges with customers.
Enhance assets in the digital field spanning across a wide range of customers

**Enhance assets in the digital field**

- Digital Space
  - Data analysis and utilization
- DX Human Capital
  - Foster and acquire
- Co-creation
  - Develop new markets

Accelerate by DX Innovation Center

**Materialize and commercialize Integrated Solutions**

**OT**¹ security solution
- One-stop service to improve availability/safety of customer OT assets and address needs for promoting IoT/DX adoption

**E&F**² solution
- Integrate various engineering technologies to optimize energy management and offer comprehensive facility operation/maintenance services

**Enhance and evolve components and systems**

**Systems**
- Realize secure and highly flexible/expandable systems utilizing various knowledge of fields and components

**Components**
- Pursue miniaturization, energy conservation and smartification by fusion of strengthen technology, such as power-electronics, control, etc., and advanced technology, such as AI, modeling, etc.

*¹ OT: Operational Technology  *² E&F: Energy & Facility
Enhancement of Innovation and Business Foundation to Achieve Sustainable Growth

3. Initiatives for Sustainable Growth

- **Innovation Strategy**: Promote open innovation with technical capabilities and creativity.
- **Human Capital Strategy**: Grow together with our people and building a brighter future with the power of human capital.
- **Risk Management**: Strategically control diversifying uncertainties in the business environment.
- **Three Key Reforms**: Enhance and develop three key reforms for regaining trust.
**Innovation Strategy**

### Promote open innovation with technical capabilities and creativity

Build digital platform and space to consolidate various data and knowledge, leveraging our advantage, OT*¹ and domain knowledge, and reform to a future-oriented business model.

Design the future and provide new value in a timely manner by integrating knowledge within and outside the Group and through co-creation with customers.

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### Recent strategies and initiatives

**Build digital platform and space**
- Established the DX Innovation Center
- Build digital platform that integrates various OT solutions in a composable form*², and digital space that fuses data on things, experiences, markets and operation

**Co-create with external parties**
- Strengthen business-academia collaboration, starting with the Mitsubishi Electric and The University of Tokyo Future Design Conference
- Invested in 4 companies in total, through the ME Innovation Fund*³ (total investment amount of ¥5.0 billion). Plan to invest in 4 additional companies in FY2024
- Started with Kao Corporation a sorting trial of plastics, utilizing our advanced sorting technologies, through OTB*⁴ activities. Negotiations are underway with 43 companies, seeking co-creation in a variety of industries

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### KPI: Digital technology-related patent applications

<table>
<thead>
<tr>
<th>KPI</th>
<th>Current</th>
<th>Target for FY2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of solutions-related patents in all patent applications</td>
<td>22%</td>
<td>30% or more</td>
</tr>
<tr>
<td>Ratio of AI-related patents in all patent applications</td>
<td>11%</td>
<td>13% or more</td>
</tr>
</tbody>
</table>

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*¹ OT: Operational Technology  
*² Composable form: A scheme to provide applications flexibly and efficiently according to requirements by combining independent services  
*³ ME Innovation Fund: A corporate venture capital (CVC) fund established jointly with Global Brain Corporation, an independent venture capital  
*⁴ Open Technology Bank: Activities to promote co-creation through disclosing technology assets on internal and external websites and vitalizing inter-business collaborations within the company and licensing to external parties
Human Capital Strategy

Grow together with our people and building a brighter future with the power of human capital

Expand and strengthen investment in human capital. Through this initiative, respect career ownership of each person, in particular, and embrace and cherish diverse and versatile human capital who can think independently, act proactively, and continuously take on challenges. Promote early appointment and well-planned development of senior management candidates who will lead the company, based on open talent management by building a global human capital management system.

Recent strategies and initiatives

Enhance career ownership that respects self-initiative and challenging spirit
- Enhance initiatives to increase mobility of human capital and personal career development support programs such as in-house job offering/application systems
- Revamp the salary and compensation system into a new, hybrid one by adding the job-based employment to the existing membership-based model

Diversification of senior management and early appointment
- Promote D&I in management leaders based on succession management utilizing the global job grading
- Early appointment of personnel for managerial positions linked with a management candidate development system and promote recruitment of mid-career people

KPI: Employee engagement survey, D&I of senior management

<table>
<thead>
<tr>
<th>KPI Description</th>
<th>FY2021 - FY2023</th>
<th>FY2023 End</th>
<th>FY2031 Target</th>
<th>FY2026 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of employees who are proud and motivated to work for the Company</td>
<td>54%</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results as of FY2023 end</td>
<td>3%</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results for FY2021 - FY2023</td>
<td>Approx. ¥12bn</td>
<td>Approx. ¥20bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in human capital development and workplace</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*1 Senior management: Executive Officers and Directors  *2 D&I: Diversity and Inclusion
Strategically control diversifying uncertainties in the business environment

Visualize our global business structure/supply chains and enhance capability to address increasing risks associated with geopolitics, natural environment, etc.

Work to minimize intrinsic risk through a company-wide control and operational process standardization/DX

Recent strategies and initiatives

Enhance a company-wide risk management system
- Established the Corporate Information Security Division, the Corporate Economic Security Division, and the Corporate Risk Management Division under the direct control of the president to accumulate know-how and knowledge in risk handling. Enhance our company-wide capability to address risks

Reinforce supply chains
- Build a procurement database in the entire company
- Ascertain information on hazards and sanctions in a timely manner; Visualize supply chains, including the 2nd-tier partners and beyond, with the use of AI

Prevent intrinsic risk
- Draw up a risk map to identify prioritized themes/bases
- Eliminate any chance of improper practices with the use of DX in operational process
- Prioritize prevention and foster a mindset that encourages employees to learn from mistakes and to create a better company, and thereby regain trust from society
Three Key Reforms - Quality Assurance Reforms

Revising engineering processes

Rebuild organizational capability to provide customers with technically correct explanations, and reduce workloads by having managers communicate and negotiate with customers. Then create an organizational structure in which there is no incentive to engage in improper quality control practices in the first place.

Recent strategies and initiatives

Creation of a manufacturing management environment

- Recognizing design and quality-control resources and loads in order to rightsized resources and managerial scopes
- Recognizing and facilitating upgrades of the 4M\(^1\) status at manufacturing sites through factory health checks
  (Completed factory health checks at all 27 eligible sites in FY2023)

Frontloading development and design

- Held 15 seminars to introduce Quick DR as a new design-review (DR) method
  (80 leaders in departments that introduce the Quick DR participated)
- Introduced a DR Senior Expert system to foster designers and allocated experts to 8 technical fields. Planning to expand to other technical fields

Data-driven quality control and procedures

- Use statistical quality control (SQC) to conduct design studies and mass-production testing and inspection
  To determine methods, selected 41 key control parameters for the representative products of eligible 10 Works
- Determined the method for monitoring the process of agreement with customers on test specifications

\(^1\) 4M: Man, Machine, Material and Method
Facilitating two-way communication

In accord with the Robust Policies for overarching plan for organizational culture reforms created by the Team Sousei (Creation) company-wide transformation project (kicked off in October 2021), promote initiatives for “Reforms driven by senior management,” “Behavioral change among managers” and “Enliven communication” in harmony with efforts to renew the human capital management system. Cultivate a culture in which people feel comfortable in raising issues with their managers, and in which people collaborate to solve problems.

Recent strategies and initiatives

Reforms driven by senior management

- Provide coaching; active debating at workshops for executives, work site heads and other senior personnel
- Hold town-hall meetings to facilitate frank discussions with employees in workplaces; engage in dialogues with employees via internal social-media networks

Behavioral change among managers

- Provided a coaching seminar to 50 managers equivalent to work site head position (result in FY2023)
- Accelerate efforts to make self-initiative people and organization through rightsizing managerial scopes by appointing deputy senior managers and team leaders and through delegation of authorities

Enliven communication

- Provided lecture meetings themed on psychological safety to 2,600 persons in managerial positions equivalent to department manager level across the company (result in FY2023)
- As an opportunity to acquire knowledge and skills to enliven communication and to achieve a self-initiative organization and cultural reforms, provide one-on-one meeting seminars by external lecturers (1,500 managers will participate in FY2024)
Three Key Reforms - Governance Reforms

Build a compliance system focused on prevention

Enhance the Board of Directors’ function to monitor business execution, to strengthen governance and vitalize internal and external communication

Recent strategies and initiatives

Initiatives for supervision
- Established the Three Key Reforms Monitoring Committee that monitors and supervises the status of each initiative (December 2022)
- Formulated the Corporate Governance Guidelines (April 2023)
- Evaluate the effectiveness of the Board of Directors using a third-party organization and pursue sustainable improvements (every year)
- Majority members of the Board of Directors and three statutory committees are independent outside directors
- Appointed independent outside directors as chairpersons of the Board of Directors and the three statutory committees
- Determined 7 persons, including 3 women, as candidates for independent outside directors to be proposed at the annual general shareholders’ meeting scheduled to be held in June 2023 <1 female director in preceding fiscal year> (March 2023)
- Abolished a senior advisor system. The Board of Directors will involve in the commission to retired full-time executives (March 2023)

Initiatives for business execution
- Formulate a Compliance Program that embodies internal controls focused on prevention
- Appointed a female and a non-Japanese as Executive Officer meeting members (April 2023)
- Revised the compensation system for Executive Officers to reflect in incentive compensation the achievement level of performance indicators as well as that of non-financial indicators such as on ESG (May 2022)
- Established the Corporate IR and SR Division under the direct control of the president to enable centralized and fulfilling dialogue with stakeholders and information disclosure (January 2023)
- Advance and develop the BA management structure to steadily push forward with the “transformation into a ‘Circular Digital-Engineering Company’” (April 2023)
Appendix
## Single-year Outlook for FY2024 (Consolidated Performance)

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Actual</th>
<th>FY2022 Actual</th>
<th>FY2023 Actual</th>
<th>FY2024 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td>4,191.4</td>
<td>4,476.7</td>
<td>5,003.6</td>
<td>5,200.0</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td>230.1</td>
<td>252.0</td>
<td>262.3</td>
<td>330.0</td>
</tr>
<tr>
<td>(%)</td>
<td>5.5%</td>
<td>5.6%</td>
<td>5.2%</td>
<td>6.3%</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>258.7</td>
<td>279.6</td>
<td>292.1</td>
<td>355.0</td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>193.1</td>
<td>203.4</td>
<td>213.9</td>
<td>260.0</td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROE (Return On Equity)</strong></td>
<td>7.5%</td>
<td>7.1%</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stockholders’ Equity</strong></td>
<td>2,754.2</td>
<td>2,975.9</td>
<td>3,239.0</td>
<td></td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>57.4%</td>
<td>58.3%</td>
<td>58.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Including lease liabilities</td>
<td>365.4</td>
<td>329.4</td>
<td>400.7</td>
<td></td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excluding lease liabilities</td>
<td>248.8</td>
<td>217.1</td>
<td>252.2</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>5.2%</td>
<td>4.3%</td>
<td>4.5%</td>
<td></td>
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<tr>
<td><strong>FCF (Free Cash Flow)</strong></td>
<td>365.5</td>
<td>167.5</td>
<td>18.1</td>
<td></td>
</tr>
<tr>
<td>(Billions of JPY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td>36</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>(JPY per share)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Dividend ratio</strong></td>
<td>40.0%</td>
<td>41.9%</td>
<td>39.5%</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td></td>
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</tr>
</tbody>
</table>

1 Net Profit represents Net profit attributable to Mitsubishi Electric Corp. stockholders
2 Debt ratio is calculated based on "Debt excluding lease liabilities" that represents bonds and borrowings
# Outlook for FY2024 and FY2026 target (by segment)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2021 Actual</th>
<th>FY2022 Actual</th>
<th>FY2023 Actual</th>
<th>FY2024 Outlook</th>
<th>FY2026 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Billions of JPY)</td>
<td>(Billions of JPY)</td>
<td>(Billions of JPY)</td>
<td>(Billions of JPY)</td>
<td>(Billions of JPY)</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,021.9</td>
<td>946.1</td>
<td>973.1</td>
<td>1,010.0</td>
<td>1.2tn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>88.3</td>
<td>41.5</td>
<td>27.5</td>
<td>21.0</td>
<td>7%</td>
</tr>
<tr>
<td>(%)</td>
<td>8.6%</td>
<td>4.4%</td>
<td>2.8%</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Industry &amp; Mobility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,265.8</td>
<td>1,480.8</td>
<td>1,660.2</td>
<td>1,740.0</td>
<td>1.7tn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>40.7</td>
<td>96.4</td>
<td>95.9</td>
<td>144.0</td>
<td>14%</td>
</tr>
<tr>
<td>(%)</td>
<td>3.2%</td>
<td>6.5%</td>
<td>5.8%</td>
<td>8.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Life</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,539.5</td>
<td>1,673.0</td>
<td>1,947.1</td>
<td>2,110.0</td>
<td>2.4tn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>101.1</td>
<td>92.6</td>
<td>101.2</td>
<td>153.0</td>
<td>11%</td>
</tr>
<tr>
<td>(%)</td>
<td>6.6%</td>
<td>5.5%</td>
<td>5.2%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Business Platform</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>126.2</td>
<td>128.3</td>
<td>134.7</td>
<td>140.0</td>
<td>0.2tn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>5.5</td>
<td>7.8</td>
<td>8.7</td>
<td>7.0</td>
<td>9%</td>
</tr>
<tr>
<td>(%)</td>
<td>4.4%</td>
<td>6.1%</td>
<td>6.5%</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Semiconductor &amp; Device</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>205.2</td>
<td>241.4</td>
<td>281.5</td>
<td>270.0</td>
<td>0.3tn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>6.2</td>
<td>16.8</td>
<td>29.2</td>
<td>14.0</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>3.1%</td>
<td>7.0%</td>
<td>10.4%</td>
<td>5.2%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>684.7</td>
<td>751.7</td>
<td>850.5</td>
<td>820.0</td>
<td>—</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>19.5</td>
<td>28.4</td>
<td>33.4</td>
<td>24.0</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>2.9%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>4,191.4</td>
<td>4,476.7</td>
<td>5,003.6</td>
<td>5,200.0</td>
<td>5tn+</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>230.1</td>
<td>252.0</td>
<td>262.3</td>
<td>330.0</td>
<td>10%</td>
</tr>
<tr>
<td>(%)</td>
<td>5.5%</td>
<td>5.6%</td>
<td>5.2%</td>
<td>6.3%</td>
<td></td>
</tr>
</tbody>
</table>

1. Inter-segment sales are included in the above chart
2. From FY2024, the classification of reportable segment of Business Platform is changed and presented to 2 segments, which are Business Platform and Semiconductor & Device. Also, some businesses that were previously included in the Information Systems & Network Service of Business Platform are reclassified and presented in Others. Figures above are shown by the new segment classifications (Figures for FY2022 and before are shown for reference.)
<table>
<thead>
<tr>
<th>Sub-segment</th>
<th>FY2023 Actual</th>
<th>FY2024 Outlook</th>
<th>FY2026 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>1,947.1</td>
<td>2,110.0</td>
<td>2.4tn</td>
</tr>
<tr>
<td>Building Systems</td>
<td>586.0</td>
<td>610.0</td>
<td>0.7tn</td>
</tr>
<tr>
<td>Air Conditioning Systems &amp; Home Products</td>
<td>1,361.1</td>
<td>1,500.0</td>
<td>1.7tn</td>
</tr>
<tr>
<td>Business Platform</td>
<td>134.7</td>
<td>140.0</td>
<td>0.2tn</td>
</tr>
<tr>
<td>Semiconductor &amp; Device</td>
<td>281.5</td>
<td>270.0</td>
<td>0.3tn</td>
</tr>
<tr>
<td>Others</td>
<td>850.5</td>
<td>820.0</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>5,003.6</td>
<td>5,200.0</td>
<td>5tn+</td>
</tr>
</tbody>
</table>

1. Inter-segment sales are included in the above chart.
2. From FY2024, the classification of reportable segment of Business Platform is changed and presented to 2 segments, which are Business Platform and Semiconductor & Device. Also, some businesses that were previously included in the Information Systems & Network Service of Business Platform are reclassified and presented in Others. Figures above are shown by the new segment classifications (Figures for FY2022 and before are shown for reference.)
## Main Non-financial Indicators

### Materiality

<table>
<thead>
<tr>
<th>Achieve carbon neutral</th>
<th>FY2031: Aim for <strong>net zero</strong> greenhouse gas emissions from factories and offices</th>
<th>FY2051: Aim for <strong>net zero</strong> greenhouse gas emissions in the entire value chain</th>
<th>Provide products, services and solutions that contribute to carbon neutrality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve circular economy</td>
<td>FY2036: <strong>100% effective use</strong> of wasted plastics</td>
<td>Provide products, services and solutions that contribute to safety/security, inclusion and well-being</td>
<td></td>
</tr>
<tr>
<td>Contribution through business activities in the areas of safety/security, inclusion, and well-being</td>
<td>FY2036: 100% effective use of wasted plastics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promote human rights initiatives that are based on international norms</td>
<td>FY2031: Establish human rights initiatives based on international norms</td>
<td>FY2031: Realize a responsible supply chain</td>
<td></td>
</tr>
<tr>
<td>Realize workplace where diverse and versatile human capital gathers and works together</td>
<td>FY2026: Employee engagement score*1 70% or more (non-consolidated)</td>
<td>FY2031: Ratio of female/non-Japanese in senior management*2 30% or more (non-consolidated)</td>
<td>FY2031: Ratio of female in managerial positions 12% or more (non-consolidated)</td>
</tr>
<tr>
<td>Increase effectiveness of the Board of Directors</td>
<td>FY2026: Employee engagement score*1 70% or more (non-consolidated)</td>
<td>FY2031: Ratio of female/non-Japanese in senior management*2 30% or more (non-consolidated)</td>
<td>FY2031: Ratio of female in managerial positions 12% or more (non-consolidated)</td>
</tr>
<tr>
<td>Prevent recurrence of improper quality control practices</td>
<td>FY2029: Achieve level 2 or higher*3 in the Cybersecurity Maturity Model Certification across the Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding and practices of a compliance motto “Always Act with Integrity”</td>
<td>FY2029: Achieve level 2 or higher*3 in the Cybersecurity Maturity Model Certification across the Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve the Cybersecurity maturity level</td>
<td>FY2029: Achieve level 2 or higher*3 in the Cybersecurity Maturity Model Certification across the Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding and practices of sustainability by employees</td>
<td>FY2026: Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey 75% or more (non-consolidated)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promote communication with stakeholders both inside and outside the company</td>
<td>FY2026: Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey 75% or more (non-consolidated)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Appendix

*1 Ratio of employees who respond that they feel that they are proud and motivated to work for the Company in the employee awareness survey
*2 Senior management: Executive Officers and Directors
*3 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0)
Initiatives and External Evaluation

Participation in initiatives

Active participation in initiatives both in Japan and abroad

Signed the UN Global Compact (May 2018)

Mitsubishi Electric Group’s greenhouse gas reduction targets obtained certification from SBTi*1 (January 2020)

Expressed approval of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) (May 2019)

Participated in the GX League (May 2023)

Joined Japan Clean Ocean Material Alliance (CLOMA) to solve the marine plastic litter problem (April 2023)

Joined the RBA*2 to establish robust supply chains (February 2022)

To improve objectivity and transparency in addressing complaints about human rights, joined Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a founding member (regular member) (October 2022)

External Evaluation

Our corporate activities obtained various external evaluations

<table>
<thead>
<tr>
<th>CDP Supplier Engagement Leader</th>
<th>PRIDE Index 2022</th>
<th>Clarivate Top 100 Global Innovator 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selected for 3 consecutive years and sixth times for our collaboration with suppliers on climate change</td>
<td>Received a gold in recognition of our continued efforts for LGBTQ</td>
<td>Selected as one of the top 100 global innovative companies excellent in intellectual properties for 11th times</td>
</tr>
</tbody>
</table>

Selected as a constituent stock for the following indexes as of May 2023

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index

*1 SBTi (Science Based Targets Initiative): An international initiative led by the UN Global Compact (UNGC), World Wide Fund For Nature (WWF), the CDP and World Resources Institute (WRI)

*2 RBA (Responsible Business Alliance): An alliance of companies promoting social responsibility in global supply chains

*3 CDP: An international NGO that surveys, evaluates and discloses environmental initiatives of corporations and governments
Cautionary Statement
While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts. The main factors materially affecting the expectations expressed herein include but are not limited to the following:

1. Changes in worldwide economic and social conditions, as well as regulations, taxation and other legislation
2. Changes in foreign currency exchange rates
3. Changes in stock markets
4. Changes in the fund-raising environment
5. Changes in the supply and demand of products, as well as the material procurement environment
6. Establishment of important patents, status of significant licenses and disputes related to key patents
7. Litigation and other legal proceedings
8. Issues related to quality and defects in products or services
9. Laws, regulations and issues related to the global environment, especially responses to climate change
10. Laws, regulations and issues related to human rights
11. Radical technological innovation, as well as the development, manufacturing and time-to-market of products using new technology
12. Business restructuring
13. Information security incidents
14. Large-scale disasters, including earthquakes, tsunamis, typhoons, volcanic eruptions and fires
15. Social, economic and political upheaval due to heightened geopolitical risks, war, conflict, terrorism or other factors
16. Social, economic and political upheaval due to pandemics or other factors
17. Important matters related to Mitsubishi Electric Corporation’s directors and executive officers, major shareholders, affiliated companies and other stakeholders

* This document has been translated from Japanese original for reference purpose only.
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.
MITSUBISHI ELECTRIC

Changes for the Better