

Agreement to Wholly Acquire Nozomi Networks

- Expanding Serendie™-related businesses, including OT security -

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Executive Summary

Executive Summary

- Acquisition of Nozomi Networks, a Global Top-Class OT^{*1} Security Technology Company
- By combining Mitsubishi Electric's strengths in the OT domain with Nozomi Networks' cutting-edge security technology, we aim to become the global top OT security solution supplier
- By leveraging secure data from Mitsubishi Electric's and Nozomi Networks' diverse customer bases, we will co-create new global services that accelerate Serendie-related businesses.

^{*1} OT : Operational Technology

2 Acquisition Overview

Overview of Nozomi Networks

Acquisition of Nozomi Networks, a Leading OT Security Technology Company (hereinafter referred to as Nozomi)

Overview

Company	Nozomi Networks Inc. (est. Sep 2016)
CEO	Edgard Capdevielle
Location	San Francisco, USA (headquarters) Mendrisio, Switzerland (development base)
Employees	315
Revenue ^{*1}	US\$75M (2022-2024 CAGR ^{*2} : 33%)
Gross margin	70%+
Business	Development and Sales of OT Security Solutions



Overview of the Acquisition

Acquisition amount	US\$883M
Details	100% Acquisition (Following previously held partial investment)



Ranked 3rd in the Security category
of Fast Company's
Most Innovative Companies 2025

*1 : 2024 Actual : Year Ending Dec31, 2024 *2 : Compound Annual Growth Rate

Overview of Nozomi Networks

Strengths include the ability to continuously create innovations and a wide-ranging portfolio of OT security solutions

Strengths of Nozomi

- Wireless data collection technology
- Advanced intrusion detection technology
- Visualization technology that covers a wide range of OT/IoT devices
- Robust revenue foundation driven by subscriptions
- A global and diverse customer base in manufacturing, infrastructure, and building sectors

Nozomi's Solution Portfolio

Data Collection OT/IoT Sensors	Industry First 2024		Wireless Data Collection and Analysis Sensors GUARDIAN AIR
			Ethernet Data Collection and Analysis Sensors GUARDIAN
			Software Sensor for Edge Components ARC
Visualization Intrusion Detection and Visualization Platform	Industry First 2024		Software Sensor for PLCs ARC EMBEDDED
	Industry First 2020		Cloud-Based Platform VANTAGE
			On-Premises Platform CENTRAL MANAGEMENT CONSOLE
Analysis Services	Industry First 2023		AI-Powered Security Analysis VANTAGE IQ

The Importance of OT Security

Widespread digitalization has seen increased cyberattacks on the OT domain and resulted in stronger regulations, driving growth in the OT security market, which is vital for detecting anomalies and protecting customers

Market Environment

Increase in cyber attacks

Cyberattacks on vulnerable devices and legacy systems in the OT domain are increasing

Strengthening of regulations

International standards and regulations are making OT measures mandatory (e.g., IEC 62443, NIST SP800-82)

Market expansion

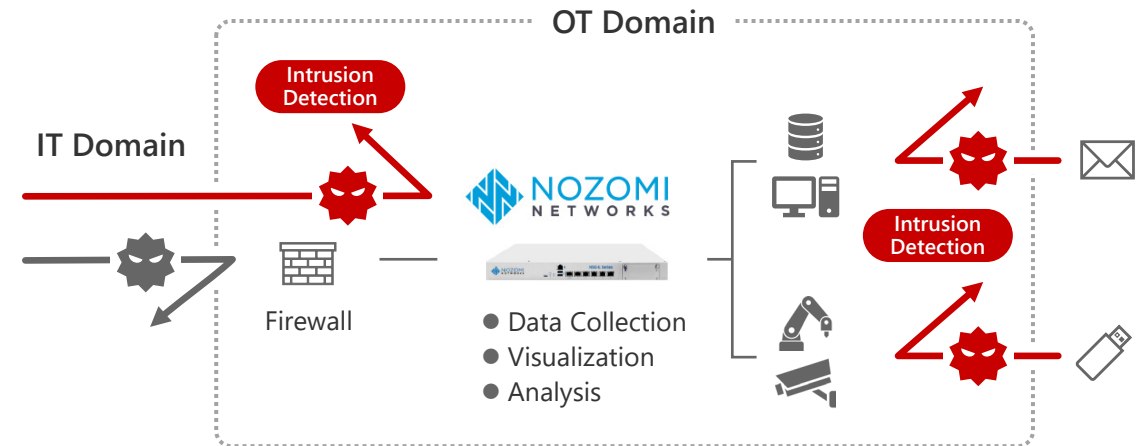
2025 2035

2.9 trillion Yen 15.1 trillion Yen

Source : Market Research Future
"Global Operational Technology Security Market Research Report"

Nozomi's Technology

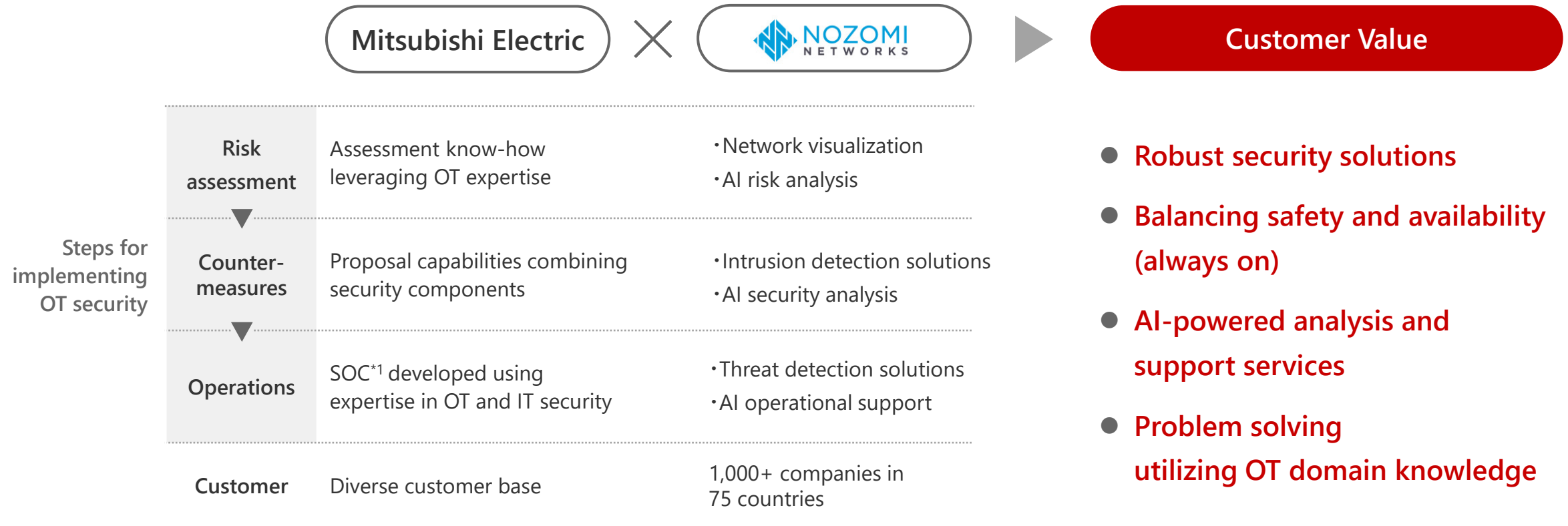
Monitor communication between devices connected in the OT network and detect anomalies through data collection, visualization, and analysis.



3 Purpose of Acquisition

Strengthening OT Security Business

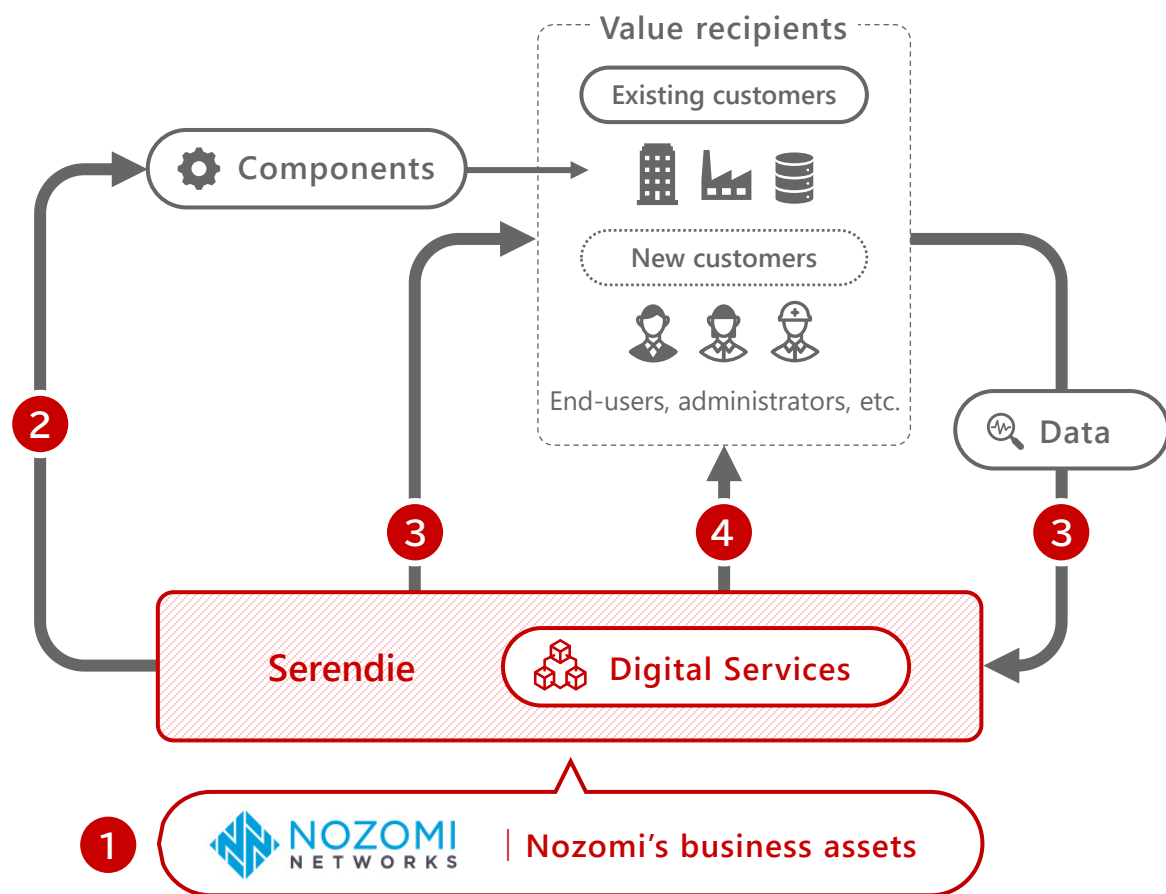
Combining our OT expertise with Nozomi Networks' advanced security technology delivers high-value OT security solutions



*1 OT : Service Operation Center

Strengthening Serendie-related Businesses

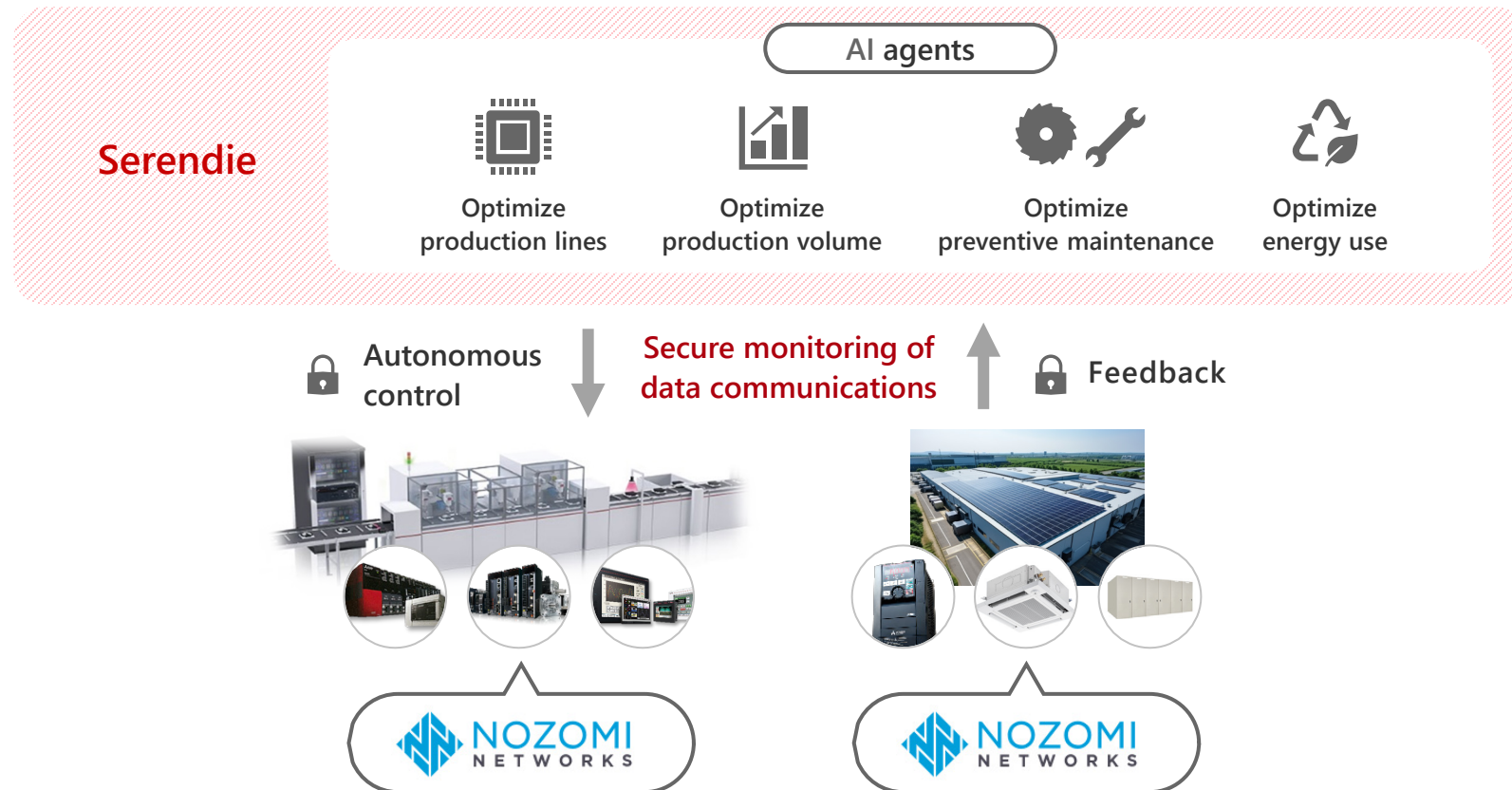
By fully leveraging Nozomi's assets across all Serendie-related businesses, we accelerate the scaling of our operations



- 1 Acquisition of Nozomi's business assets**
Qualitatively enhancing Serendie by integrating Nozomi's SaaS products, cloud infrastructure, and AI technology
- 2 Component enhancement**
Implementation of OT security technology into our components (ex. intrusion detection sensors for PLCs: launched in September 2024)
- 3 New services utilizing collected data**
Leveraging data and insights obtained through Nozomi's solutions to co-create new services with customers
- 4 Expansion of value delivery targets**
Nozomi's extensive implementation experience and customer touchpoints in manufacturing, buildings, and infrastructure accelerates global business expansion.

Serendie Industry Sector Application Examples

Securely collecting and analyzing operational data from diverse production equipment, then applying AI agents for optimal control, to drive the digital transformation of manufacturing



Strengths that Create Synergy

Mitsubishi Electric

- Extensive installed base in manufacturing
- Using expert manufacturing domain knowledge and diverse products to create customer solutions

Nozomi

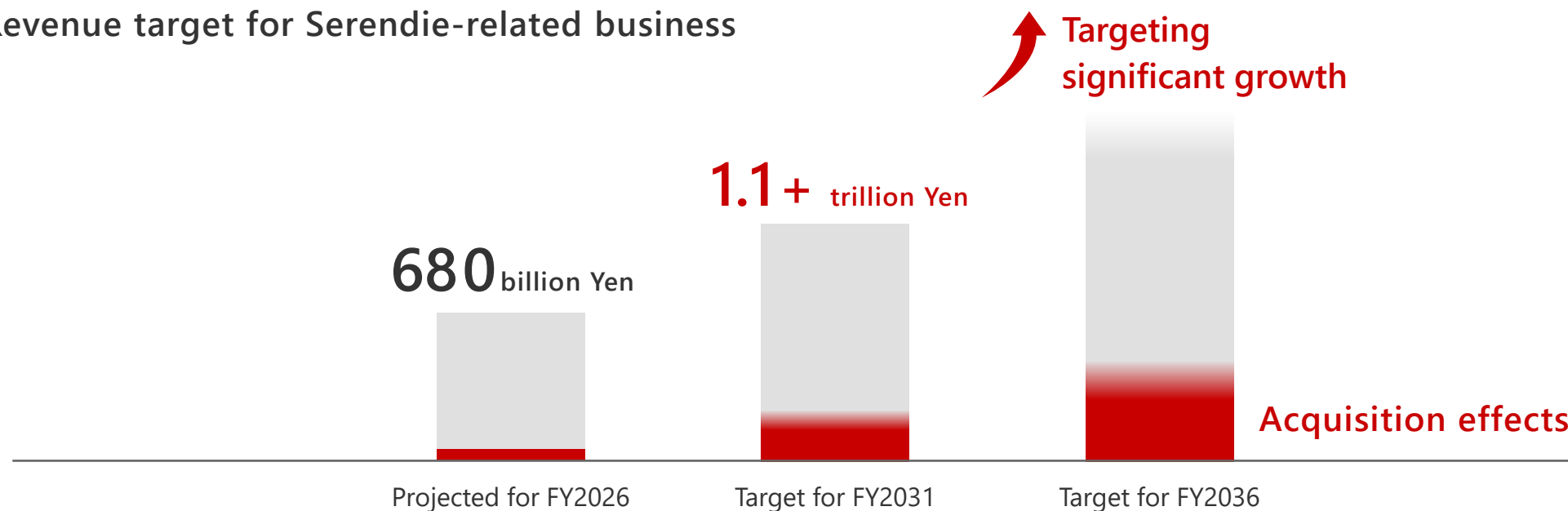
- Advanced security technology
- Comprehensive solutions that enable secure data collection from the entire site, including third-party products

4 Roadmap

Roadmap

Achieve 1.1 trillion yen in sales for Serendie-related businesses in FY2031, driving significant future growth

Revenue target for Serendie-related business



Roadmap



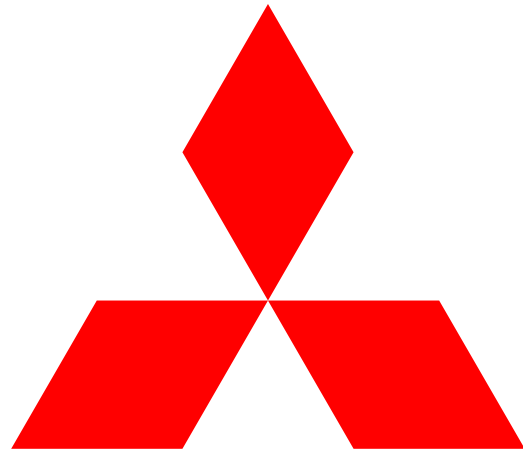
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While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

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 the Japanese original for reference purpose only.
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.



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