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Notice of Mitsubishi Electric's Transfer of Shares in Subsidiary Kodensha

TOKYO, May 25, 2026 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com/en) (TOKYO: 6503) announced today that it has resolved at its Executive Officers Meeting to enter into a basic transaction agreement with KINDEN CORPORATION concerning the share transfer of The Kodensha Co., Ltd., a consolidated subsidiary of Mitsubishi Electric listed on the Tokyo Stock Exchange Standard Market. The agreement includes:

- (i) Mitsubishi Electric will not tender any of the shares of Kodensha it holds, in response to the tender offer for the common shares of Kodensha to be conducted by KINDEN.
- (ii) After successful completion of the tender offer, procedures will be implemented without delay to make Mitsubishi Electric and KINDEN the only shareholders of Kodensha. The procedures include share consolidation of Kodensha.
- (iii) Through Kodensha's repurchase of its own shares, Mitsubishi Electric will transfer all of the Kodensha shares it then holds to Kodensha.

Upon completion of the share transfer as well as the series of transactions necessary in connection with the transfer and other related transactions (the "Transactions"), Kodensha will cease to be a consolidated subsidiary of Mitsubishi Electric.

1. Reasons for and Method of the Share Transfer

Mitsubishi Electric group aims to transform itself into an "innovative company" that is not afraid to take risks and create value through new thinking to achieve business growth and address societal and environmental issues. To realize this vision, the group is promoting focused investments in key growth areas, strengthening its management foundation, advancing partnerships with external parties, and reorganizing and integrating its affiliates.

After considering the optimal positioning of Kodensha, Mitsubishi Electric has determined that implementing the abovementioned Transactions is the most appropriate course of action to enhance the corporate value of both Mitsubishi Electric and Kodensha as well as the common interests of their shareholders. Accordingly, as of today, Mitsubishi Electric has entered into the basic transaction agreement with KINDEN and decided to proceed with the Transactions.

Prior to implementing the Transactions, Mitsubishi Electric and Kodensha considered potential counterparties best suited to enhancing the corporate value of both companies and the common interests of their shareholders. The first-round bidding process commenced in late November 2025, and by the deadline for submission of first-round expressions of interest under the relevant process, Mitsubishi Electric had received first-round expressions of interest from 14 candidates, including KINDEN. Mitsubishi Electric and Kodensha carefully reviewed and compared the contents of these submissions and engaged in multiple rounds of discussions.

In mid-February 2026, Mitsubishi Electric selected four candidates, including KINDEN, to be invited to participate in the second-round bidding process to determine the final counterparty for the Transactions. The process was commenced and on April 3, 2026, the company received final proposals from three candidates, including KINDEN. After comprehensive consideration from multiple perspectives—including equity value, post-transaction business strategy, synergies and dis-synergies, treatment of employees, governance structure, financing capability, and maximization of minority shareholders’ interests—Mitsubishi Electric concluded that KINDEN represented the most suitable buyer and selected it as the final candidate. In addition, with respect to the tender offer price, no other candidate offered terms more favorable than those proposed by KINDEN.

With respect to the share transfer, it is expected that Mitsubishi Electric will be eligible for the non-inclusion of deemed dividend income under the Corporate Tax Act. Taking this into account, and based on the view that allocating a greater portion of value to Kodensha’s shareholders would enable the tender offer price and fairness to shareholders to be maximized, KINDEN has set the price of its tender offer and the transfer price in the share transfer so that Mitsubishi Electric’s after-tax proceeds in the event of this share transfer will be approximately equivalent to the after-tax proceeds that Mitsubishi Electric would have received if it had tendered its shares in the tender offer.

Upon completion of the Transactions, Kodensha will cease to be a consolidated subsidiary of Mitsubishi Electric. However, the two companies intend to continue their business relationship as before. In addition, Mitsubishi Electric intends to use the proceeds obtained from the Transactions to strengthen its future business portfolio strategy, as well as for growth investments and shareholder returns.

2. Overview of The Kodensha Co., Ltd.

(1)	Head office	5-11-10 Ginza, Chuo-ku, Tokyo
(2)	Representative Director, President and Executive Officer	Yuji Kajikawa
(3)	Business description	Electrical facilities construction business (design, construction and contracting of indoor electrical work, transmission line work, power generation and substation work, telecommunications work, and air conditioning work), and trading business (sales of general-purpose electrical equipment, industrial electrical and electronic equipment, and HVAC and residential equipment)
(4)	Capital	¥1,520 million (as of March 31, 2026)

(5)	Date of establishment	June 25, 1917		
(6)	Major shareholder / ownership ratio (Note 1)	Mitsubishi Electric Corporation	51.36%	
		Kodensha Employee Shareholding Association	4.26%	
		Mitsubishi Estate Co., Ltd.	3.34%	
		Negurosu Denko Co., Ltd.	1.34%	
		Kenji Tanaka	1.14%	
		SBI SECURITIES Co., Ltd.	0.92%	
		Kozo Kino	0.80%	
		Toru Kawamura	0.72%	
		MUFG Bank, Ltd.	0.66%	
		Mizuho Bank, Ltd.	0.66%	
	Hikari Tsushin K.K. Investment Business Limited Partnership	0.66%		
(7)	Relationship with Mitsubishi Electric			
	Capital	As of today, Mitsubishi Electric holds 4,485,620 shares of Kodensha (ownership ratio (Note 2): 51.36%) and treats Kodensha as a consolidated subsidiary.		
	Personnel	As of today, of the 12 directors of Kodensha, one director (Director Katsura) concurrently serves as an employee of the Mitsubishi Electric. In addition, as of today, 28 employees of Kodensha are seconded to Mitsubishi Electric, and 3 employees of the company are seconded to Kodensha.		
	Business	Mitsubishi Electric supplies equipment products it manufactures to Kodensha, and Kodensha performs electrical construction work at Mitsubishi Electric's plants and other facilities. In addition, the company borrows funds from Kodensha.		
	Related party relationship	Kodensha is a consolidated subsidiary of Mitsubishi Electric, and both Kodensha and the company are considered related parties to each other.		
(8)	Consolidated financial results of Kodensha (for the most recent three fiscal years)			
	Fiscal year end	FY ended March 2024	FY ended March 2025	FY ended March 2026
	Net sales	¥34,868 million	¥39,264 million	[¥44,234 million]
	Operating profit	¥1,156 million	¥3,081 million	[¥3,893 million]
	Ordinary profit	¥1,292 million	¥3,169 million	[¥4,015million]
	Total assets	¥32,424 million	¥33,375 million	[¥39,202million]
	Net assets	¥20,455 million	¥21,914 million	[¥25,182million]
	Dividend per share (Note 3)	¥270	¥84	[¥100]

(Note 1) "Major shareholder / ownership ratio" is based on the "Status of major shareholders" provided in the Semiannual Securities Report for the 147th Fiscal Year filed by the Target on November 4, 2025 (the "Target Semiannual Report").

(Note 2) The ratio (rounded to the third decimal place) to the number of shares (8,733,600 shares) is obtained by deducting the number of treasury shares held by Kodensha as of March 31, 2026 (236,400 shares) from the total number of issued shares of Kodensha as of the same date (8,970,000 shares), as stated in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Japanese GAAP)" announced by Kodensha on May 13, 2026. The same shall apply to the calculation of ownership ratios hereinafter.

(Note 3) A stock split was conducted at a ratio of five (5) shares for each one (1) share of common stock, effective April 1, 2024. For the fiscal year ended March 2024, the actual dividend amount prior to the stock split is presented.

3. Overview of KINDEN CORPORATION

(1)	Head office	2-3-41 Honjo-Higashi, Kita-ku, Osaka																					
(2)	Representative Director and President	Takao Uesaka																					
(3)	Business description	Electrical engineering work (power distribution work, general electrical work for buildings and factories, transmission line work, power generation and substation work, etc.); information and communications work (telecommunications work, instrumentation work, etc.); environmental-related work (HVAC piping work, etc.); interior equipment work; civil engineering work; and other related businesses																					
(4)	Capital	¥26,411 million (as of March 31, 2026)																					
(5)	Date of establishment	August 26, 1944																					
(6)	Major shareholder / ownership ratio	<table border="0"> <tr> <td>The Kansai Electric Power Co., Inc.</td> <td style="text-align: right;">29.75%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td style="text-align: right;">10.86%</td> </tr> <tr> <td>Kanden Realty & Development Co., Ltd.</td> <td style="text-align: right;">7.33%</td> </tr> <tr> <td>Kinden Employee Shareholding Association</td> <td style="text-align: right;">4.68%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td style="text-align: right;">3.15%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505001</td> <td style="text-align: right;">1.83%</td> </tr> <tr> <td>BBH (LUX) FOR FIDELITY FUNDS – JAPAN ADVANTAGE POOL</td> <td style="text-align: right;">1.51%</td> </tr> <tr> <td>J.P. MORGAN BANK LUXEMBOURG S.A. 384513</td> <td style="text-align: right;">1.07%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505103</td> <td style="text-align: right;">0.94%</td> </tr> <tr> <td>RBC IST 15 PCT LENDING ACCOUNT – CLIENT ACCOUNT</td> <td style="text-align: right;">0.86%</td> </tr> </table>		The Kansai Electric Power Co., Inc.	29.75%	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.86%	Kanden Realty & Development Co., Ltd.	7.33%	Kinden Employee Shareholding Association	4.68%	Custody Bank of Japan, Ltd. (Trust Account)	3.15%	STATE STREET BANK AND TRUST COMPANY 505001	1.83%	BBH (LUX) FOR FIDELITY FUNDS – JAPAN ADVANTAGE POOL	1.51%	J.P. MORGAN BANK LUXEMBOURG S.A. 384513	1.07%	STATE STREET BANK AND TRUST COMPANY 505103	0.94%	RBC IST 15 PCT LENDING ACCOUNT – CLIENT ACCOUNT	0.86%
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(7)	Relationship with Mitsubishi Electric																						
	Capital	Not applicable.																					
	Personnel	Not applicable.																					
	Business	The Company Group has business transactions with the Tender Offeror Group relating to equipment construction and products.																					
	Related party relationship	Not applicable.																					

4. Number of Shares to Be Transferred, Transfer Price, and Status of Shareholdings Before and After the Transfer

(1) Number of shares held before transfer	: 4,485,620 shares (ownership ratio: 51.36%)
(2) Number of shares to be transferred	: 4,485,620 shares (ownership ratio: 51.36%)
(3) Transfer price	: ¥36,150 million (planned)
(4) Number of shares held after transfer	: 0 shares (ownership ratio: 0%)

5. Schedule

Execution date of the basic transaction agreement	: May 25, 2026
Tender offer period for the tender offer	: From May 26, 2026 to July 6, 2026 (planned)
Commencement date of settlement for the tender offer	: July 13, 2026 (planned)
Effective date of the share consolidation	: Late September 2026 (planned)
Execution date of the share transfer	: Late September 2026 (planned)

6. Future Outlook

The impact of the Transactions has been reflected in the consolidated earnings forecast for the fiscal year ending March 31, 2027, which Mitsubishi Electric announced on April 28, 2026. Should any matters requiring disclosure arise in the future, Mitsubishi Electric will promptly announce them.

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About Mitsubishi Electric Corporation

Guided by its [corporate philosophy](#), Mitsubishi Electric Corporation (TOKYO: 6503) places sustainability at the core of its operations and values stakeholder trust—encompassing society, customers, shareholders and employees. In pursuing profitability, capital efficiency and growth, Mitsubishi Electric works closely alongside customers to develop value-added solutions that address today’s complex challenges while enhancing the company’s sustainable corporate value.

Founded in 1921, Mitsubishi Electric has over a century of experience in delivering reliable, high-quality products and solutions. With over 200 group companies and approximately 150,000 employees worldwide, the company is a recognized global leader in manufacturing, marketing and selling electrical and electronic equipment and systems across a broad range of sectors, including public utility systems, energy systems, defense and space systems, factory automation systems, automotive equipment, building systems, air conditioning systems & home products, digital innovations, and semiconductor & devices.

Mitsubishi Electric recorded consolidated revenue of 5,894.7 billion yen (U.S.\$ 36.8 billion*) in the fiscal year that ended on March 31, 2026. For more information, please visit www.MitsubishiElectric.com

*JPY 160=USD 1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2026