MITSUBISHI ELECTRIC
Changes for the Better

Infrastructure Business Area 2026

MITSUBISHI ELECTRIC CORPORATION

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Infrastructure Business Area:
New Medium-term Business Strategy

Infrastructure Business Area: New Medium-term Business Strategy

Creating solutions by maximizing company-wide synergies across business areas and groups
Achieving sustainable growth by accelerating M&A and strategic partnerships

Key initiatives

Expanding the solutions business by leveraging our engineering capabilities

- Ensuring stable data center operations and improving operational efficiency
- Utilizing the new solutions demonstration center to accelerate commercialization
- Expanding businesses by leveraging Serendie™ and Nozomi

Establishing a strong global position in decarbonization components*1

- Launching decarbonization components at an early stage through collaboration with other companies
- Meeting global demand through expanded production capacity

Achieving sustainable growth in the defense & space systems business by leveraging our strengths

- Establishing a leading position in the fields of integrated air and missile defense and cross-domain operations*2 capabilities
- Securing competitive advantages in new businesses and global domains through collaboration, etc.

FY31 Financial targets

	Revenue	Adjusted operating profit margin
Infrastructure Business Area	**¥2.1 trillion**	**13%**
Public Utility Systems Business	¥0.7 trillion	14%
Energy Systems Business	¥0.6 trillion	12%
Defense & Space Systems Business	¥0.8 trillion	12%

*1 Components that contribute to reducing environmental impact and are essential to achieving carbon neutrality (a decarbonized society)
*2 Cross-domain operations: Operations that enhance the capabilities of the Self-Defense Forces as a whole by utilizing new domains—space, cyber, and the electromagnetic spectrum—in addition to the traditional land, sea, and air domains

2

Target Domains

Target Domains, Markets, Trends

Capturing opportunities in growing markets, target domains have been defined where the company can leverage its competitive advantages and achieve high profitability.

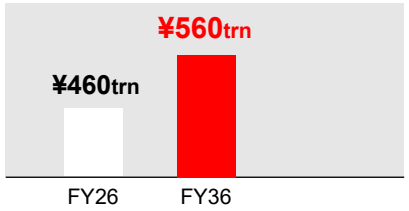
Market trends

Mitsubishi Electric's advantages

Defense & Space Systems

- Rapid global growth in defense spending
- Fundamental changes in the nature of security, including qualitative changes in warfare
- Growing demand for services in areas such as unmanned systems and maintenance driven by labor shortages

Global defense spending*1

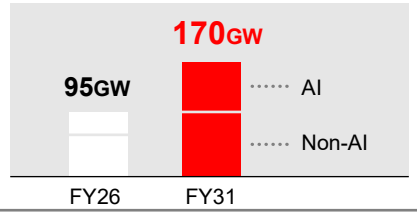


- Core technologies for defense equipment centered on integrated air and missile defense systems
- Integration capabilities spanning land, sea, air, and new domains such as space
- A leading Japanese company in the overseas expansion of defense equipment
- Strong collaborative relationships with companies possessing key technologies

Public Utilities and Energy Systems

- Increased electricity demand and related investments driven by the expansion of AI data centers and the progress of electrification
- Growing demand for more advanced systems driven by labor shortages and advances in AI
- Tightening greenhouse gas regulations aimed at realizing a decarbonized society

Data center power capacity*1



- Integrated engineering capabilities
- Advanced energy management technologies
- High-power power electronics technologies
- Global customer base and partnerships with leading companies
- Extensive track record in delivering components and systems

Target domains: The solution business (including data center-related businesses), decarbonization components business, and defense & space systems business

*1 Source: Prepared by Mitsubishi Electric based on a market research firm's report

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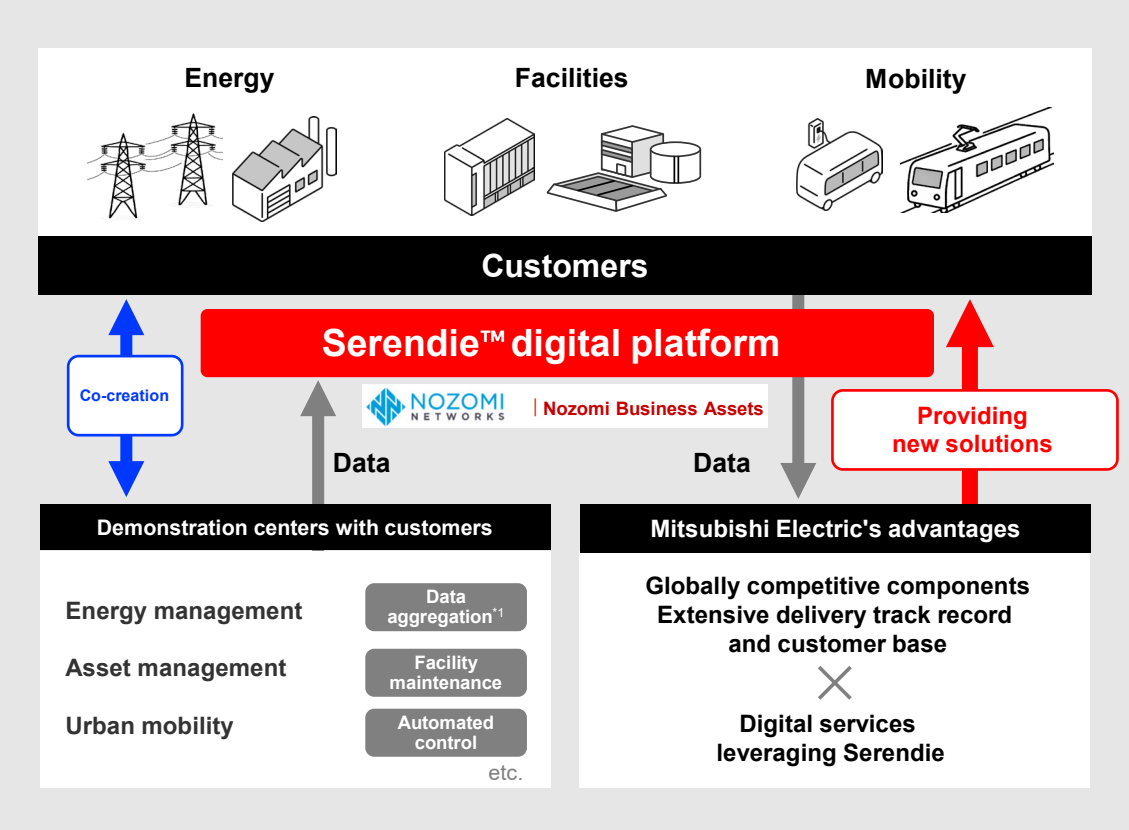
Key Initiatives

Key Initiatives | Solution Business

By combining our extensive delivery track record and customer base with digital services, we will expand new solutions businesses that support the stable operation of critical global infrastructure and help realize carbon neutrality.



Key initiatives

Ensuring stable data center operations and improve operational efficiency

- Collaborate with Foxconn to create high-efficiency, high-reliability solutions for AI data centers
- Providing solutions that optimize and streamline data center operations—such as optimized air conditioning system control and anomaly detection—by leveraging data obtained from components

Utilizing the new solutions demonstration center to accelerate commercialization

- Demonstration center established for customers to experience firsthand the business expertise and solutions of the Infrastructure Business Area, engaging them in the co-creation of solutions

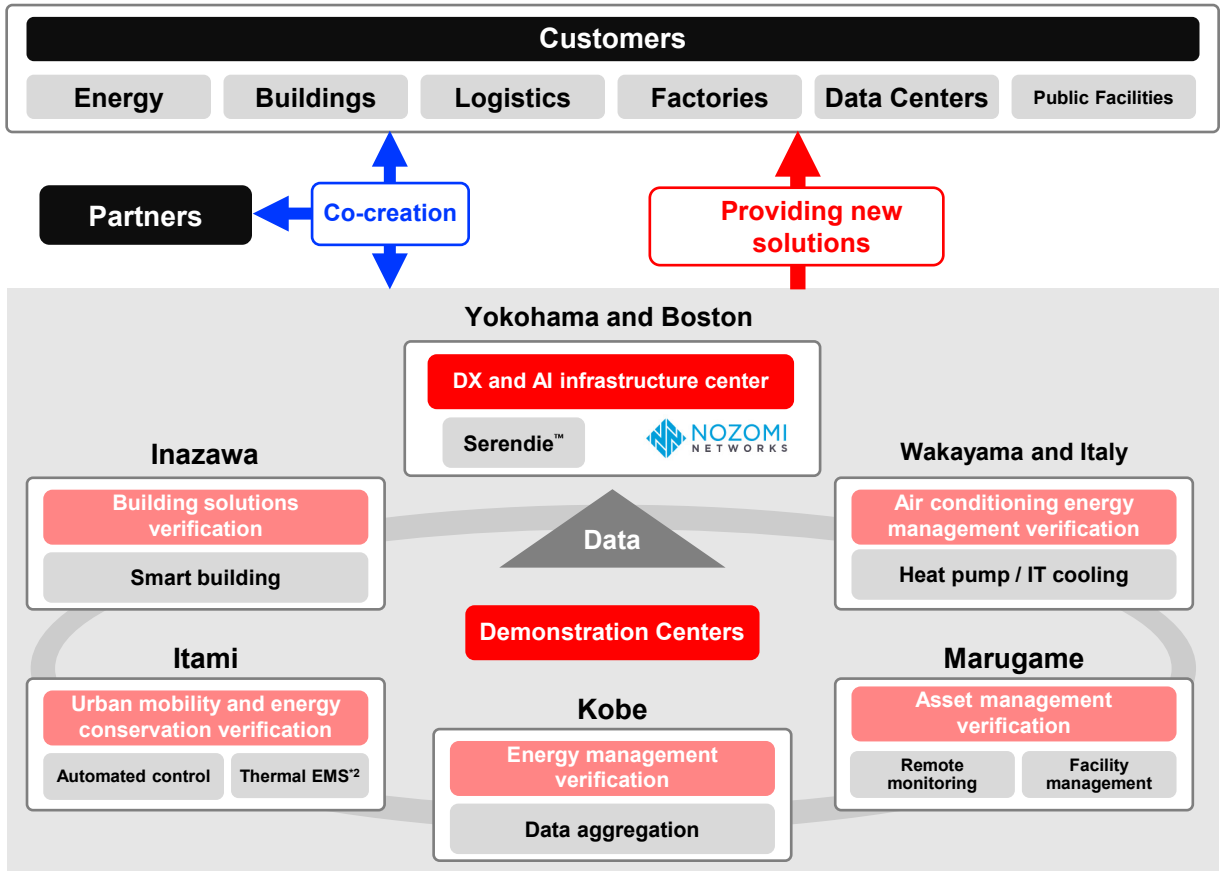
Expanding businesses by leveraging Serendie and Nozomi

- Utilizing Serendie to provide new solutions that address customer challenges such as energy-conservation and labor-saving initiatives in the energy, facility, and mobility sectors
- Nozomi OT security technology integrated into infrastructure components requiring advanced security

*1 Data aggregation: A mechanism that centrally controls power sources distributed across the power grid to stabilize the power system and optimize electricity supply and demand across an entire region.

Key Initiatives | Solution Business (Demonstration Center Concept)

We plan to demonstrate optimized energy management and advanced facility maintenance by connecting data from various demonstration centers via Serendie.
By leveraging these demonstration centers, we will co-create new solutions with customers and partners to address social issues.



Overview of demonstration*1

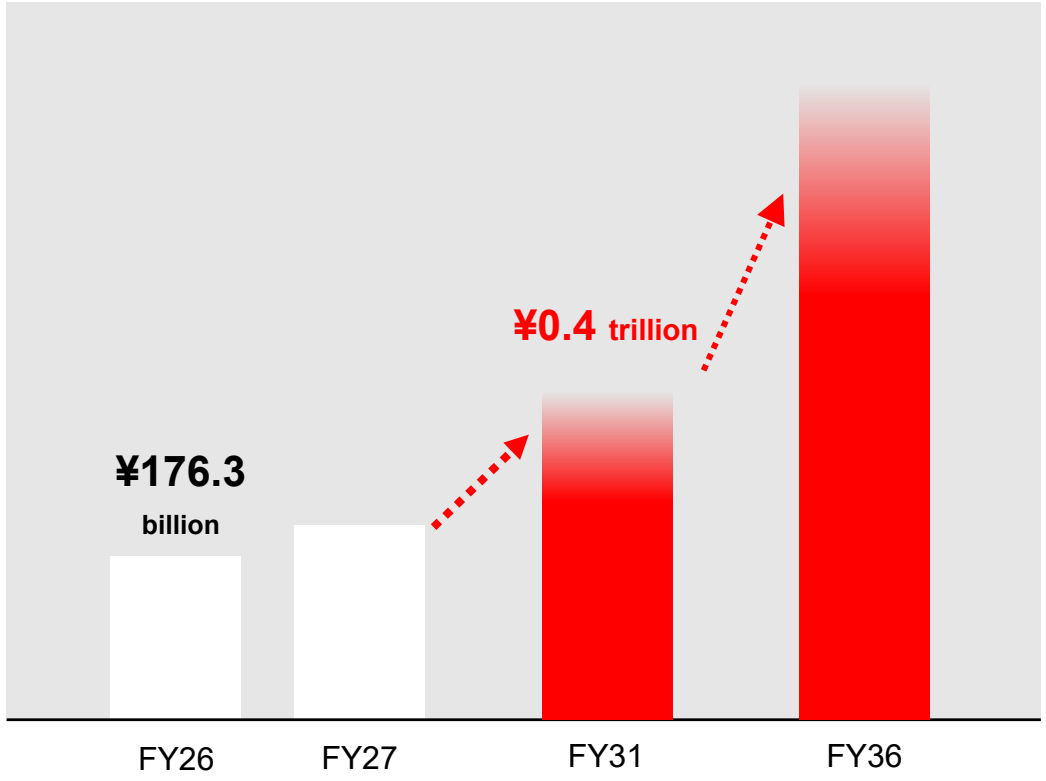
Yokohama and Boston	DX and AI infrastructure ● Create new customer value leveraging data from various centers connected via Serendie
Kobe	Energy management verification ● Monitor energy usage across multiple centers ● Optimize energy usage through real-time monitoring and control
Itami	Urban mobility and energy conservation verification ● Promote automated mobility control and integrated management, as well as energy-conservation technologies for electricity and heat
Marugame	Asset management verification ● Proactively detect abnormalities and deterioration through facility management and data analysis
Inazawa	Building solutions verification ● Proactively detect abnormalities and deterioration through data analysis of building systems
Wakayama and Italy	Air conditioning energy management verification ● Energy-conservation control technologies utilizing heat pumps and IT cooling

*1 Subject to change pending further consideration *2 Energy Management System

Key Initiatives | Solution Business (Data Centers)

The data center-related business consists of power supply systems, IT cooling systems, optical devices, monitoring and control systems, and other systems.
We aim to achieve revenue of 0.4 trillion yen in FY31 in the rapidly growing data center market.

Data center-related business revenue*1



Major data center-related businesses

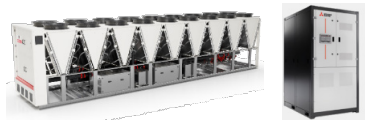
Power supply systems

- Providing comprehensive systems, including UPSs*2, switchboards, and batteries
- Revenue: FY26: 86.5 billion yen ⇒ **FY31: 180.0 billion yen+**


UPS

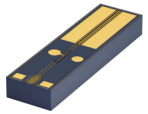
IT cooling systems

- Providing integrated total cooling solutions for data centers
- Revenue: FY26: 32.0 billion yen ⇒ **FY31: 100.0 billion yen+**


Cooling systems

Optical devices

- Providing ultra-high-speed optical devices (EML chips*3) that support the expansion of the generative AI market
- Revenue: FY26: 40.0 billion yen ⇒ **FY31: 80.0 billion yen**


EML chips

Monitoring and control systems and factory automation-related components

- Providing industrial mechatronics products for applications, such as monitoring and control systems and component processing for cooling equipment
- Revenue: FY26: 20.0 billion yen ⇒ **FY31: 40.0 billion yen**


Programmable logic controllers (PLCs)

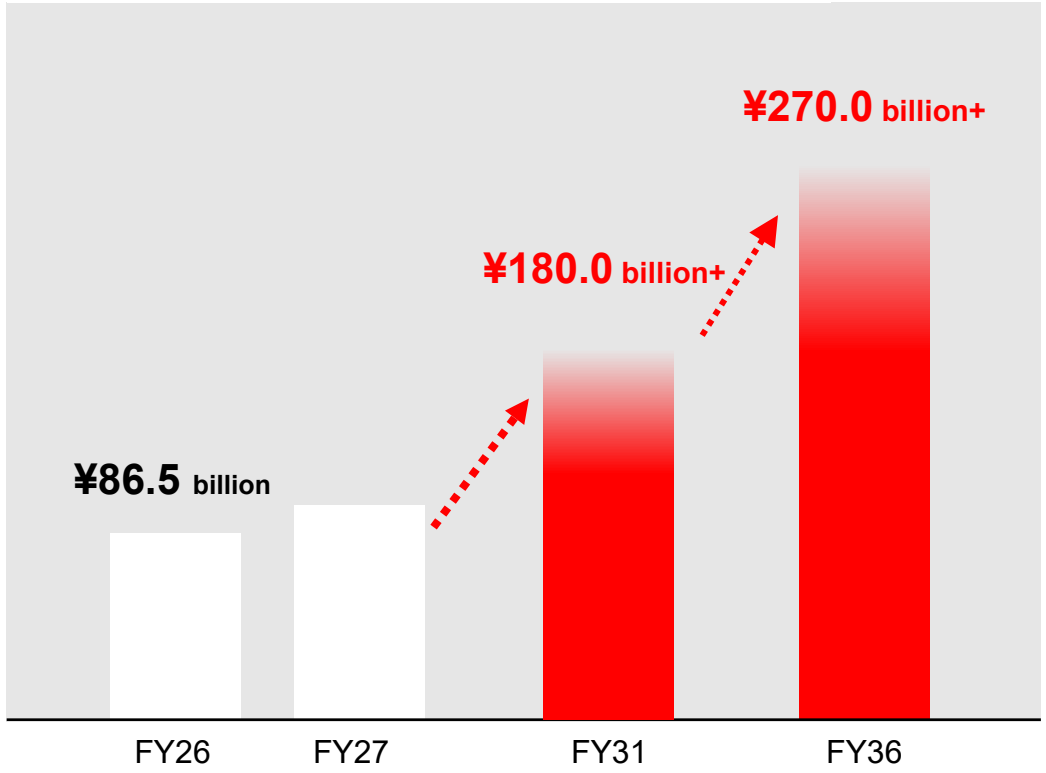

CNC*4

*1 Revenue figures for data center-related businesses after consolidation adjustments *2 Uninterruptible power supply
*3 Electro-absorption modulated laser: a light-emitting device integrated with an electro-absorption modulator *4 Computerized Numerical Controller

Key Initiatives | Solution Business (Data Centers: Power Supply Systems)

Through co-creation with global partners, we will deploy next-generation power supply system solutions that will serve as new growth drivers. We will maximize company-wide synergies through integrated engineering that leverages Mitsubishi Electric's extensive assets.

Revenue from Power supply systems (UPS, etc.)*1 *2

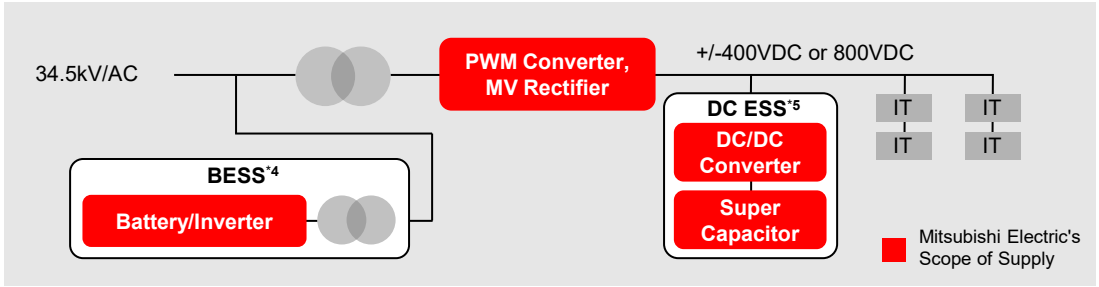


Key initiatives

Accelerating the deployment of next-generation 800-V DC-compatible power supply systems

- Develop next-generation power supply systems at an early stage through co-creation with Foxconn and NVIDIA
- Expand business by leveraging the extensive customer base and high reliability cultivated through UPS systems

2027 onward: 800-V DC architecture configuration for AI data centers*3



Driving growth in data center-related businesses by maximizing company-wide synergies

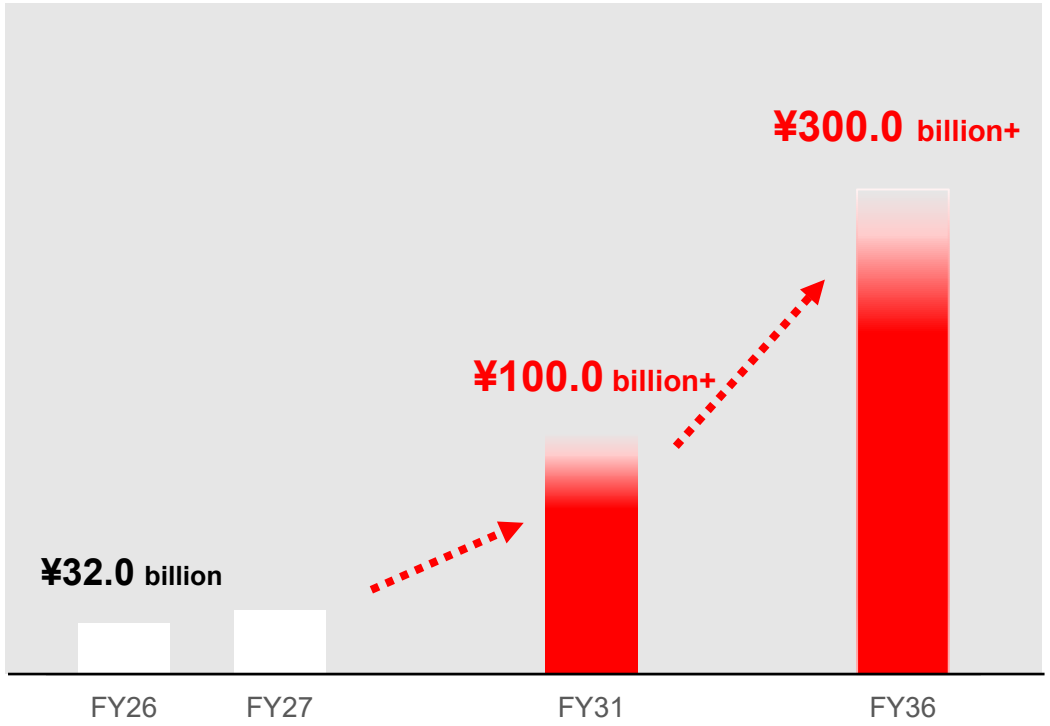
- Leveraging integrated engineering capabilities, power electronics technologies, and EMS, which are strengths all cultivated through the infrastructure business, to provide integrated packages of components and solutions

*1 Includes revenue from applications other than data centers *2 Includes revenue of 800V DC power supply architectures *3 Example system configuration envisioned by Mitsubishi Electric
*4 Battery Energy Storage System *5 Energy Storage System

Key Initiatives | Solution Business (Data Centers: IT Cooling Systems)

We will provide total data center cooling solutions—including installation, operation, and maintenance—by leveraging a wide component lineup tailored to customer needs, covering air-cooling systems (CRAC*1 and CRAH*2) to liquid-cooling systems (single-phase and two-phase)

IT Cooling revenue



Targeted value proposition

Offering energy management of the entire data center with highly reliable and highly efficient solutions

- Providing high-efficiency cooling systems to achieve a PUE of 1.1 *3
- Advanced reuse of data center exhaust heat (DHC*4, etc.)

Basic strategies

Global expansion of IT cooling business through co-creation with customers and other companies

- Provide the latest cooling technologies through collaborations and M&As with other companies, including startups, to complement missing pieces and acquire new cooling systems, in addition to promoting in-house development
- Develop IT Cooling business foundation in North America, the largest data center market
- Provide circular solutions through the operation and management of the entire data center utility by promoting businesses integrated with related facilities, such as power supply systems

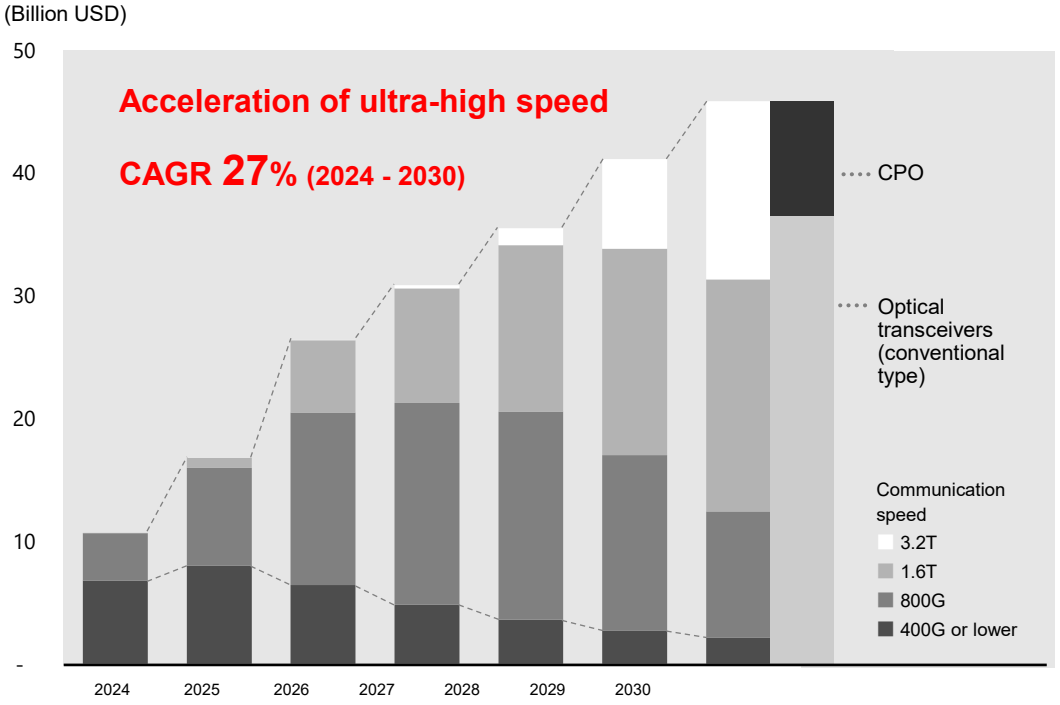
*1 Computer Room Air Conditioner *2 Computer Room Air Handler
*3 PUE (Power Usage Effectiveness): An indicator of energy efficiency for a data center. It is calculated as "Total power consumption of the data center ÷ Power consumption supplied to IT equipment," with 1.0 being the ideal. A smaller value indicates better efficiency.
*4 District Heating and Cooling

Key Initiatives | Solution Business (Data Centers: Optical Devices)

Against the backdrop of surging AI demand, boosting EML chip production capacity to over 3 times by FY30 compared to FY26 (20 times compared to FY21)

Maintaining our leading share in ultra-high-speed EML chips, and accelerating medium- to long-term growth by developing optical devices for next-generation CPO[*1]

Ethernet[*2] optical transceiver + CPO market

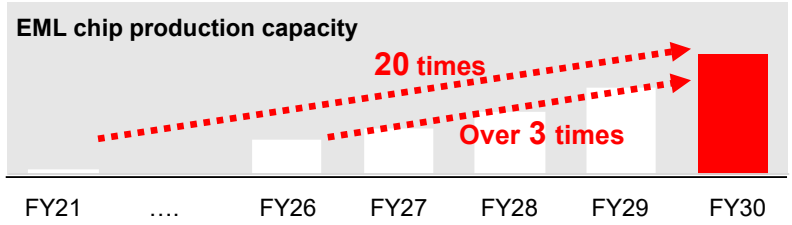


Source: LightCounting Optics for AI Forecast, January 2026

Key initiatives

Maintaining global top share through advanced development of next-generation EML chips and strategic upgrading of production capacity

- **Advanced optical device development:** Developing EML chips optimized for the needs of leading industry companies
- **Upgrading production capacity through capital investment:** Decided to invest ¥40 billion in FY26, enhancing capacity to over 3 times by FY30 compared to FY26 (20 times compared to FY21)



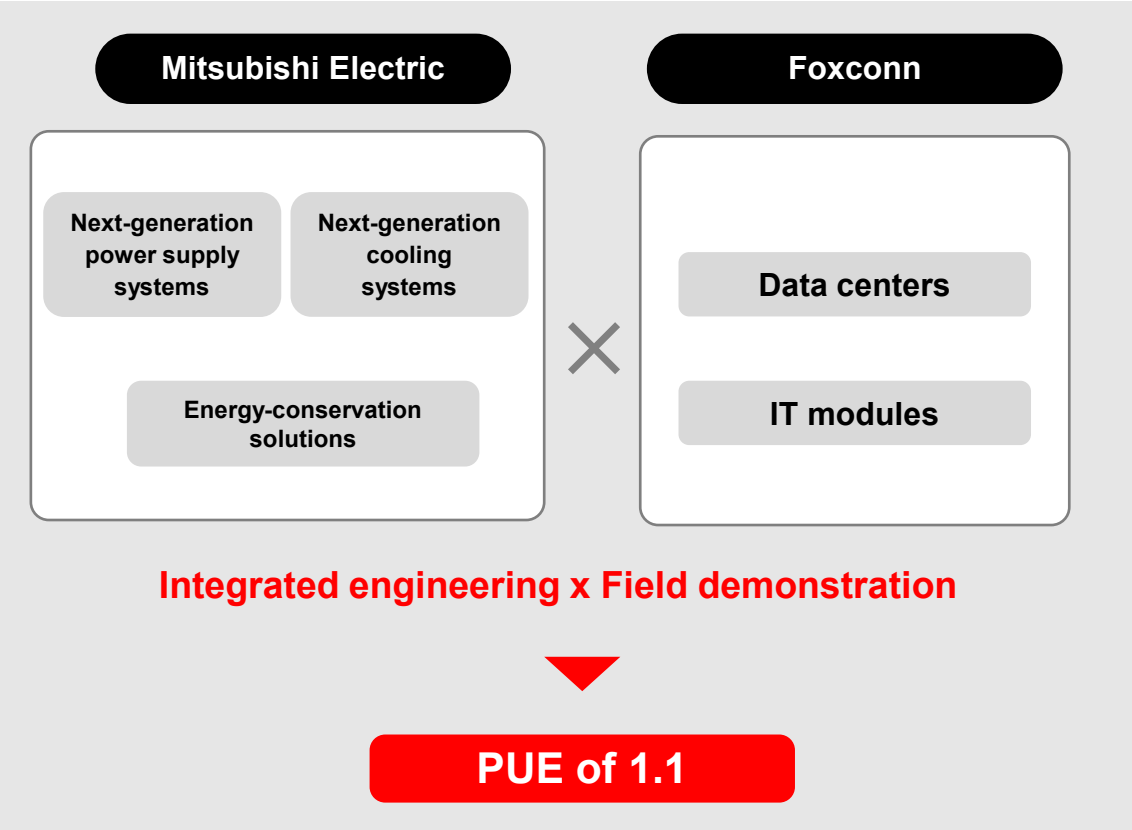
Driving the next-generation developments of CPO by leveraging the superiority of InP technology

- **Optical device development for next-generation CPO:** Launching on the market of CW[*3] light sources and modulator devices for CPO utilizing InP[*4] semiconductor technology

*1 Co-Packaged Optics *2 Ethernet: Mainstream communication standard for wired local area networks used in homes, enterprises, data centers, etc. *3 Continuous Wave *4 Indium Phosphide

Key Initiatives | Solution Business (Data Centers)

We will provide next-generation power supply systems, next-generation cooling systems, and optimized energy-conservation solutions that integrate Mitsubishi Electric's cutting-edge technologies.
We aim to achieve a PUE of 1.1—an industry-leading level in energy efficiency—through co-creation with Foxconn.



Systems and solutions offered

Next-generation power supply systems (DC 800 V/ 1,500 V)

- High-efficiency PWM*1 converters and SST*2
- In-house next-generation SiC power devices

Next-generation cooling systems

- DLC*3 (particularly two-phase liquid-cooling technology)
- Free cooling and next-generation high-efficiency dry coolers

Energy-conservation solutions

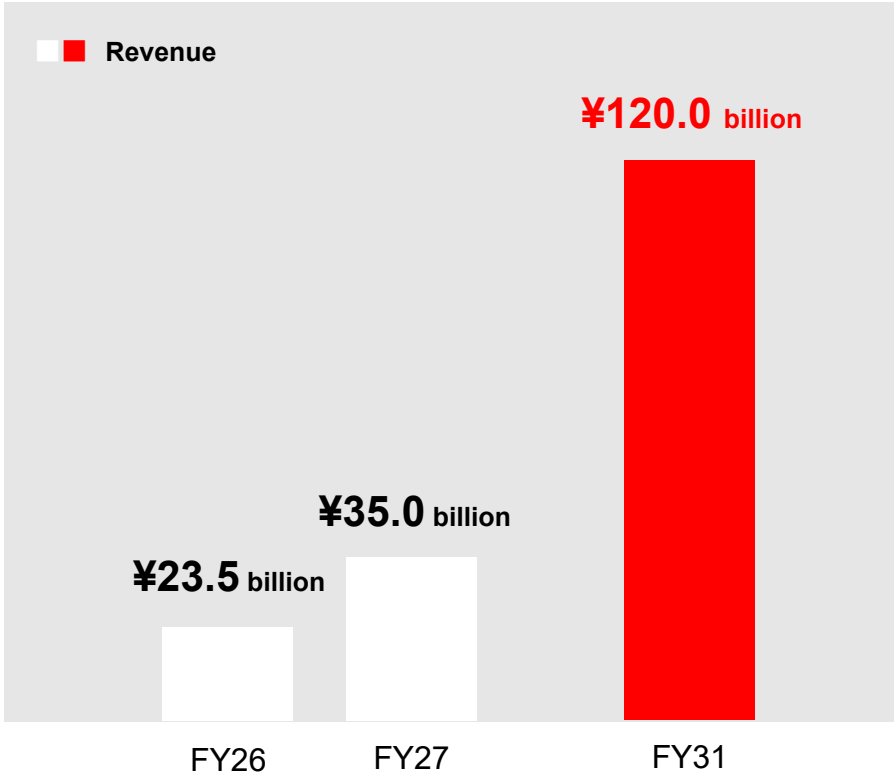
- Monitoring and control systems for data centers incorporating physical AI
- Energy-conservation solutions such as autonomous control of cooling systems

*1 Pulse Width Modulation *2 Solid State Transformer *3 Direct Liquid Cooling

Key Initiatives | Decarbonization Components Business

We will establish a position in the global market through the early market launch of decarbonization components that contribute to sustainability and through expanded production capacity.

Revenue from the decarbonization components business



Key initiatives

Launching decarbonization components at an early stage through collaboration with other companies

Carbon-free power source	**Nuclear SMR**[*1] [Jointly developed with Holtec International]	● An order for the first instrumentation and control systems is expected (U.S., FY28) ● Signed a tripartite memorandum of understanding[*2] for deployment in the Indo-Pacific region at the IPEM Forum attended by heads of state and ministers
Environmental impact reduction	**Greenhouse gas-free switchgears** [Jointly developed with Siemens Energy]	● Promoting development in anticipation of European regulations (January 2028) ● Expand orders for developed models
Accelerating renewable energy use	**DC circuit breaker** [Jointly developed with Siemens Energy]	● An order for the first DC circuit breaker is expected (Europe, FY28) ● Conduct joint development of DC switching stations
Energy efficient operation	**High-density, long-lasting energy storage module** [Jointly developed with Musashi Energy Solutions]	● Promote development for commercialization in FY27 ● Expand application to mobility infrastructure, etc.

Responding to global demand through expanded production capacity

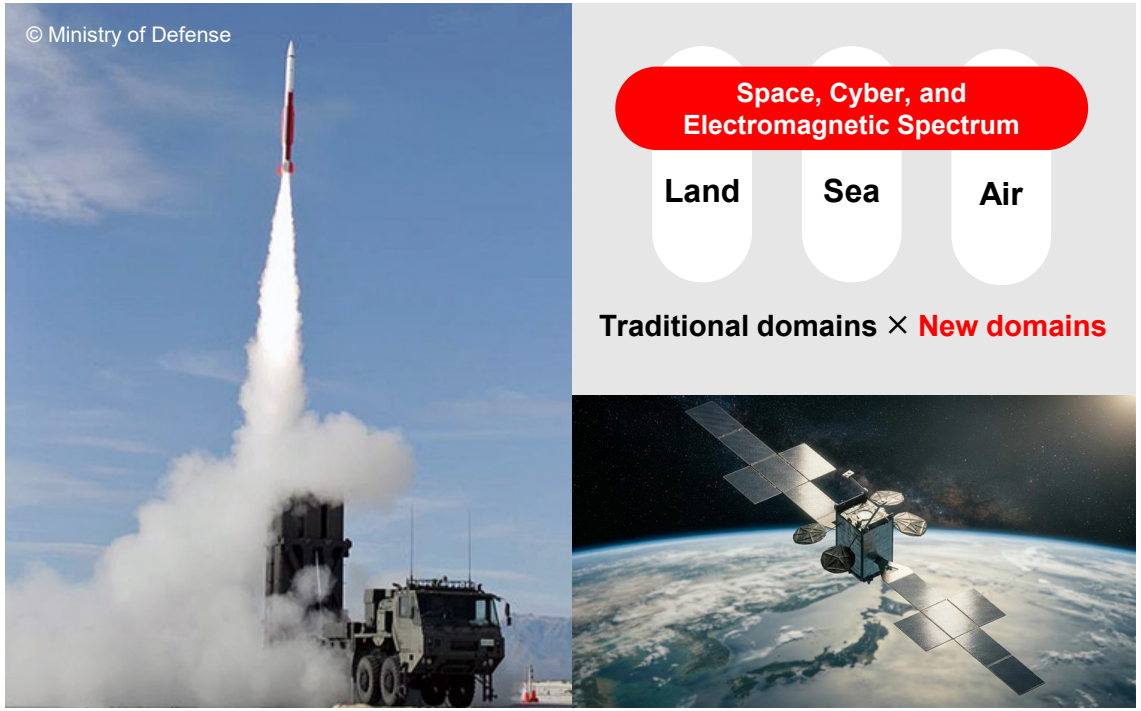
- North America: New factory for manufacturing power switches to begin operations (October 2026)
- Japan: New factory for manufacturing switchgears for data centers and offshore wind power to begin operations (October 2026)
  [April 2025: Signed a memorandum of understanding with Vestas regarding the development and supply of domestically produced switchgears for offshore wind turbines]

*1 Small Modular Reactor: A nuclear reactor that is smaller than conventional nuclear reactors

*2 Memorandum of understanding signed at the IPEM (Indo-Pacific Energy Security Ministerial and Business Forum) regarding cooperation among three companies—Mitsubishi Electric, Holtec International of the U.S., and Hyundai E&C of South Korea—on the deployment of Small Modular Reactors (SMRs) in the Indo-Pacific region.

Key Initiatives | Defense & Space Systems Business

We will respond to new ways of warfare and technological innovation that integrate traditional land, sea, and air domains with new domains, while expanding into new business domains such as unmanned vehicles and space.
We will help to strengthen Japan's national security and defense industrial foundation by promoting businesses that leverage our strengths in integrated air and missile defense and cross-domain operation capabilities.



Medium-range SAM (surface-to-air missile) (Modified) (left), Cross-domain operations concept (top right), Next-generation defense communications satellite (bottom right)

Key initiatives

Creating new businesses that involve unmanned vehicles in response to new warfare concepts and technological innovation, etc.

- Enter new business domains involving unmanned vehicles, etc. by leveraging advanced sensor, information processing, networking, AI, and robotics technologies

Strengthening information and communications capabilities, as well as space domain awareness capabilities, by leveraging our long-standing track record in domestic and international satellite development and manufacturing

- Enter the overseas geostationary communications satellite market through the establishment of a collaborative framework with Lockheed Martin
- Contributing to the stable use of outer space through monitoring of space debris, etc.

Reinforce integrated air and missile defense capabilities

- As the only company capable of providing domestically developed technologies spanning sensors to interceptor missiles, interception capabilities will be strengthened against emerging threats*1.

*1 Weapons such as hyper-velocity gliding projectiles that approach targets at high speed by gliding at low altitudes at hypersonic speeds.

Key Initiatives | Defense & Space Systems Business

We will establish a position in the global market through international joint development, participation in global supply chains, and other initiatives.
We will promote service-oriented businesses centered on the security sector.

Next-generation fighter aircraft (top), AIM-120 (bottom left), high-frequency imaging via satellite constellation (bottom right)

Key initiatives

Responding to worldwide shortages of defense equipment to establish a position in the global market

- Promote international joint development of mission avionics for next-generation fighter aircraft and the manufacture of systems for Australian frigates
- Participate in global supply chains through products such as the AIM-120
- Promote collaboration with Northrop Grumman on the Integrated Battle Command System (IBCS)
- Promote joint development and production with NATO member countries

Transition to a service-oriented business model

- Support efforts to ensure the effectiveness of stand-off defense capabilities through satellite constellations*1
- Pursue development of decision-support systems in the cognitive domain, including information and psychological warfare
- Provide services in areas such as unmanned systems and maintenance to address labor shortages

*1 Businesses operated by TriSat Constellation, including image data acquisition and operation of dedicated ground facilities.

4

Financial Targets and Related Indicators

Financial Targets and Related Indicators

Financial targets

	FY26 Actual				FY27 Forecast			FY31 Target		
	Revenue (¥ billion)	Adjusted operating profit (¥ billion)	Adjusted operating profit margin	ROIC	Revenue (¥ billion)	Adjusted operating profit (¥ billion)	Adjusted operating profit margin	Revenue	Adjusted operating profit margin	ROIC
Infrastructure BA	1,463.4	156.5	10.7%	11.0%	1,640.0	170.0	10.4%	¥2.1 trillion	13%	9%
Public Utility Systems Business	568.6	68.9	12.1%	12.3%	600.0	66.0	11.0%	¥0.7 trillion	14%	10%
Energy Systems Business	473.3	45.4	9.6%	12.4%	480.0	48.0	10.0%	¥0.6 trillion	12%	10%
Defense & Space Systems Business	421.4	42.1	10.0%	7.9%	560.0	56.0	10.0%	¥0.8 trillion	12%	8%
	¥151/US$ ¥176/Euro ¥21.4/CNY				¥150/US$ ¥175/Euro ¥21.5/CNY			¥140/US$ ¥160/Euro ¥19.5/CNY		

Related indicators

	FY26 Actual	FY27 Forecast	FY31 Target
Revenue composition of the solutions business (Public utility and energy systems businesses)	14%	13%	21%
Revenue from the data center business (UPS and other power supply systems)	¥86.5 billion	¥100.0 billion	¥180.0 billion+
Revenue from the decarbonization components business	¥23.5 billion	¥35.0 billion	¥120.0 billion
Revenue from the defense systems business (Including the solutions business)	¥310.0 billion	¥450.0 billion	¥690.0 billion

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

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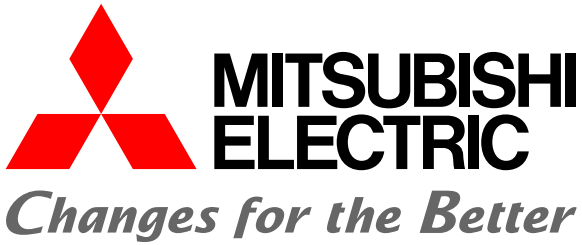
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