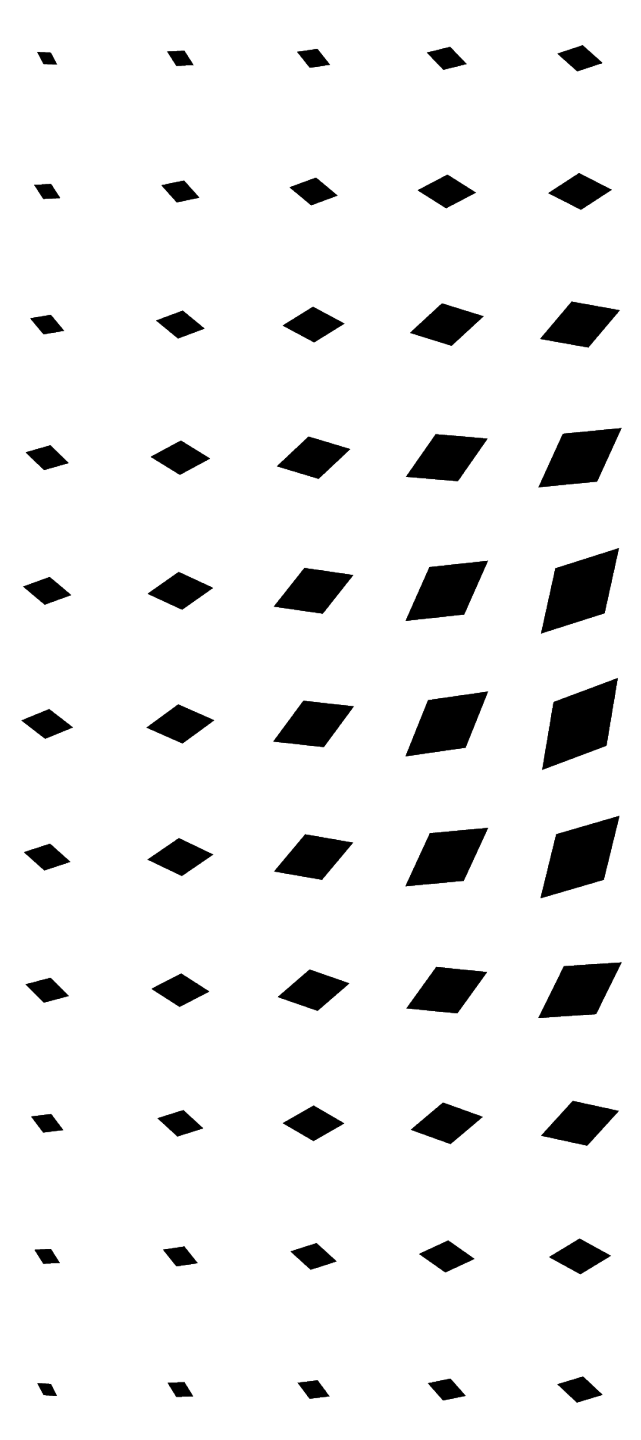


# FA Systems Business 2026

MITSUBISHI ELECTRIC CORPORATION

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# **FA Systems Business: New Medium-term Business Strategy**

# FA Systems Business: New Medium-term Business Strategy

Leading innovation in the manufacturing industry with cutting-edge solutions that integrate automation technologies, on-site data, and AI to promote digital transformation

Accelerating growth and enhancing profitability through portfolio transformation

## Key initiatives

### Innovating production sites with FA digital transformation

- Building innovative production sites that autonomously solve management challenges using cutting-edge technologies
- Driving higher productivity and operational excellence by accelerating proof-of-concept trials using AI agents and physical AI

### Leveraging automation technologies to realize advanced production

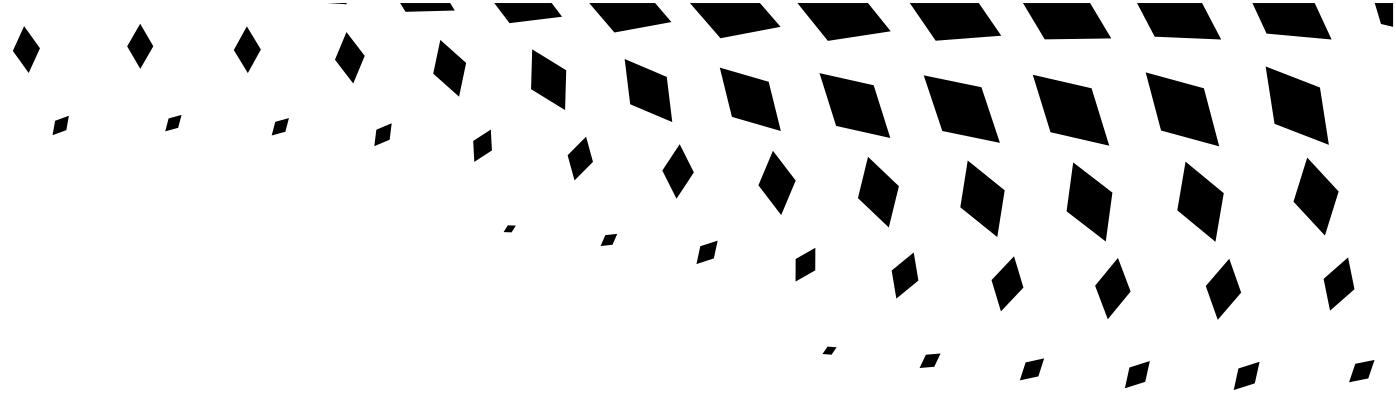
- Creating customer value with AI, security, and other competitive technologies integrated with our control and drive products
- Promoting localized autonomous management to accelerate responsiveness and competitiveness in the Chinese market

## FY31 Financial targets

	Revenue	Adjusted operating profit margin
FA Systems Business	¥0.9 trillion	16%+
	Revenue CAGR*1	Adjusted operating profit margin
FA Digital Solution Business	25%+	19%+

\*1 CAGR calculated from FY26

2



# Key Initiatives

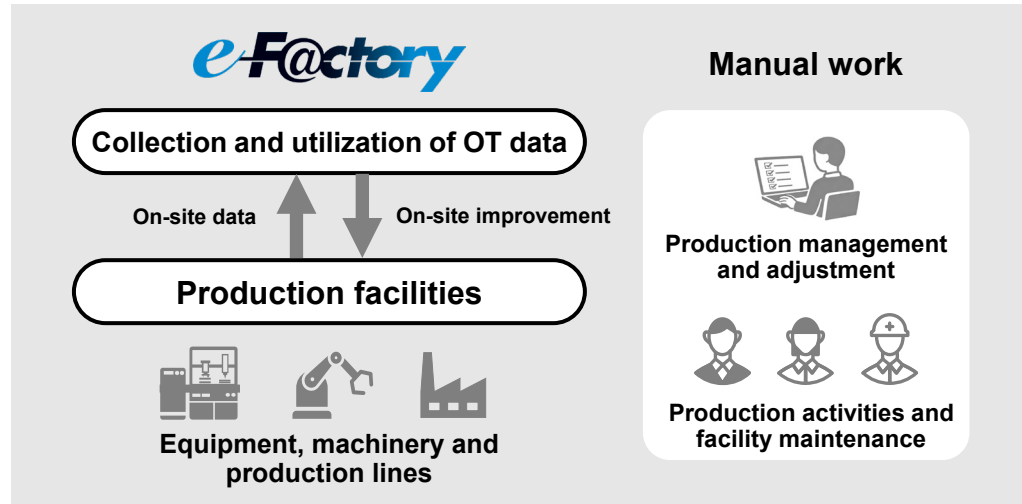
# Innovating Production Sites with FA Digital Solutions

Transforming production sites to autonomously address management challenges by leveraging Serendie™ and integrating automation, AI, and digital technologies.

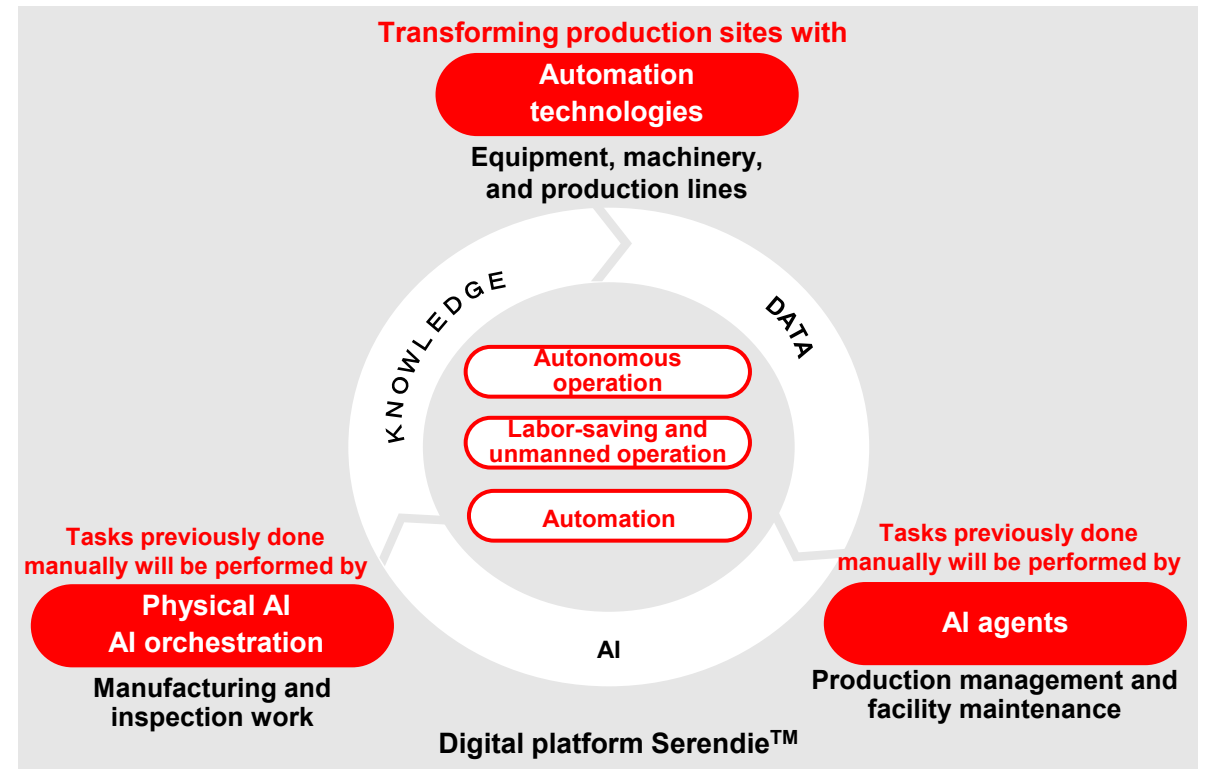
## Customers' management challenges

- Shortage of skilled and experienced production personnel
- Rising material and operational costs, including labor costs
- Need to improve productivity amid fluctuating demand and high-mix, low-volume production

## Up to now

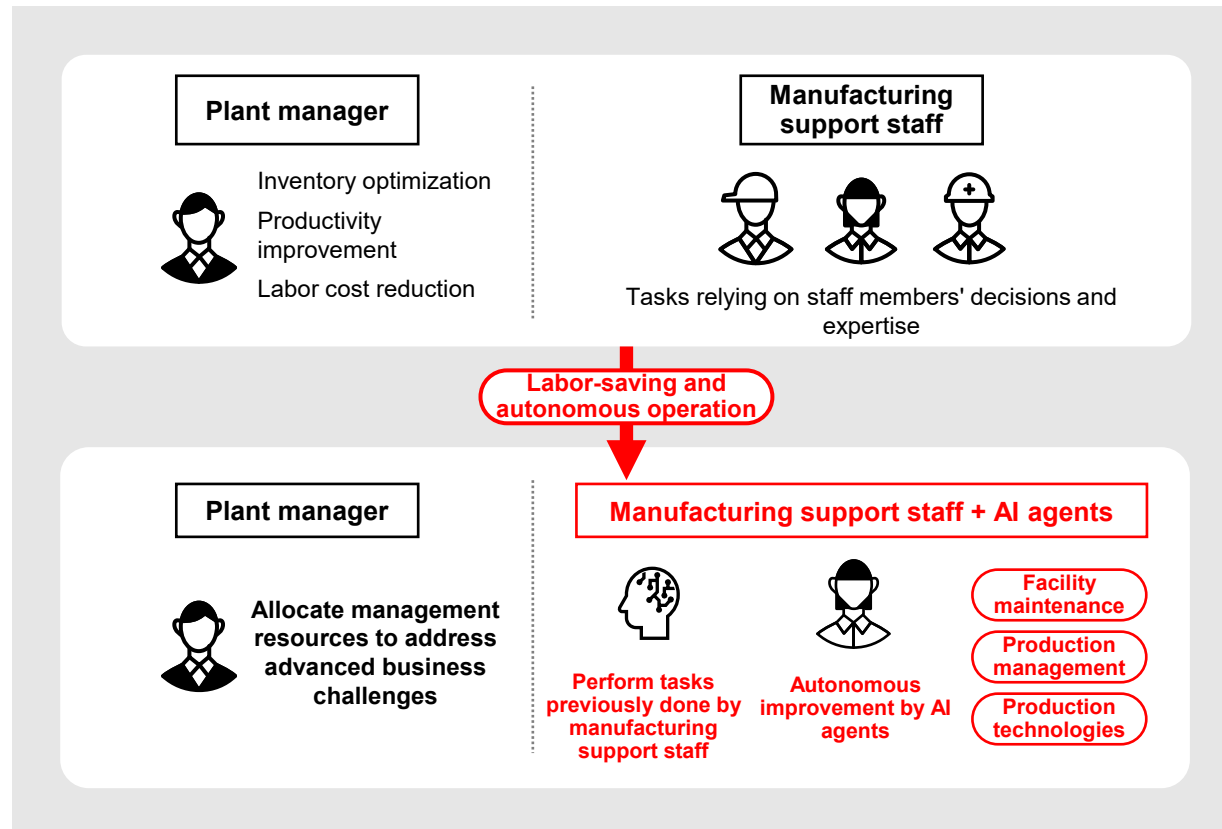


## Future



# Key Initiatives | FA Digital Solutions (1/2)

Accelerating the development of new solutions that automate previously manual tasks, powered by AI technologies enriched with our production insights



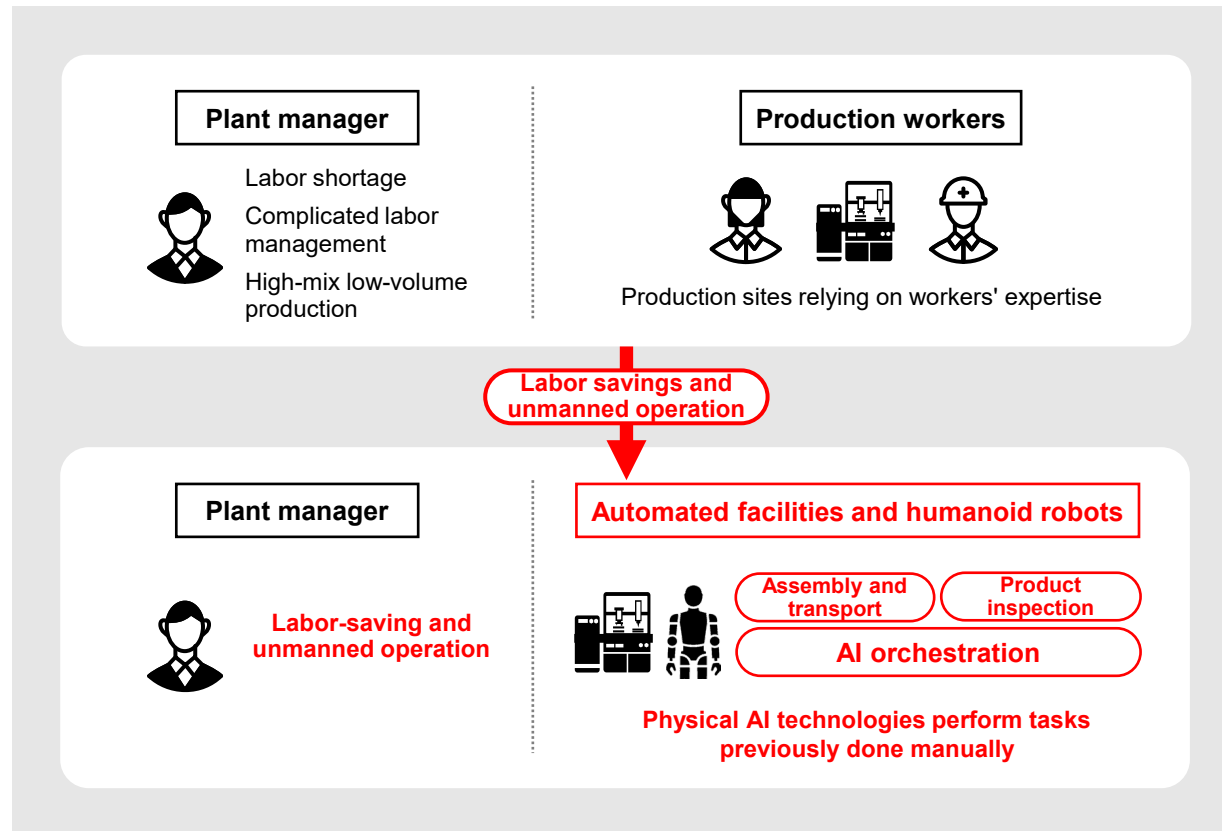
## Reducing operational workload through task automation and autonomous resolution of management & operational issues

### AI Agent Initiatives

- Providing SaaS applications and AI agents for equipment maintenance and production management
  - SaaS applications to streamline maintenance operations (from May 2026)
  - Optimizing production planning based on workforce availability and demand
  - Visualizing material and information flows to identify process bottlenecks
- Enhancing efficiency and productivity in system integration
  - Developing AI agent suites incorporating production engineering expertise
  - Autonomous issue identification and improvement driven by AI
  - Rapid production line setup and optimization through digital twins

# Key Initiatives | FA Digital Solutions (2/2)

Accelerating the development of new solutions that automate previously manual tasks, powered by AI technologies enriched with our production insights



## Realizing fully autonomous production systems that execute tasks previously performed manually

### Physical AI Initiatives

- Developing AI with craftsman-level precision to enable automated facilities to replicate the skills and judgment of experienced operators
- Developing physical AI models for humanoid robots in collaboration with technology partners
  - Proof-of-concept trials with technology partners are underway on the assembly and transport lines at our manufacturing plant.
- Developing an AI vision inspection solution that combines ViSCO's technologies with our AI




### AI Orchestration Platform

- Developing assistive AI for real-time detection and feedback of errors in manual work
- Developing troubleshooting AI that enables automated facilities to reduce downtime

# Key Initiatives | Leveraging automation technologies to realize advanced production

Creating new value with our competitive technologies to meet advanced and complicated on-site automation needs  
 Promoting localized autonomous management to accelerate responsiveness and competitiveness in the Chinese market

## Innovating automation with our competitive technologies

Delivered value	High-speed and ultra-precise control	Optimized maintenance and operations	Accelerated development cycle	Secure data management	Sustainability
Competitive technologies	<b>Innovating equipment and optimizing resources with advanced technologies</b> <ul style="list-style-type: none"> <li>Refining equipment with ultra high-speed synchronization realized by control, vision, and communication <b>The Industry-first</b></li> <li>Stabilizing quality and improving productivity through real-time correction of machining errors</li> <li>Saving resources used in PC board manufacturing processes with our unique circuit printing technology                             <ul style="list-style-type: none"> <li>Reduced environmental impact   Copper usage: <b>-70%</b>; Water usage: <b>-95%</b> (based on our estimate)</li> </ul> </li> <li>Innovating engineering with AI and digital technologies                             <ul style="list-style-type: none"> <li>Time required for programming: <b>-30%</b>; Time required for analysis: <b>-70%</b> (based on our estimate)</li> </ul> </li> </ul>		<b>Securing production environment with OT security technologies and promoting data-based optimizations and efficiencies</b> <ul style="list-style-type: none"> <li>Providing a wide range of products necessary to build systems that are compliant and compatible with security standards and functions*1                             <ul style="list-style-type: none"> <li>Compliant with IEC62443-4-2 standards</li> <li>Compliant with China's cyber security law</li> </ul> </li> <li>Nozomi's security technologies implemented in FA equipment and network surveillance</li> </ul>		
			 <p>Programmable logic controllers (PLCs)</p>	 <p>HMI*2</p>	 <p>Servo systems</p>

## Strengthening competitiveness of FA business in China through autonomous management

### Component development and enhancement

- Development and enhancement of local brand models led by the Chinese FA management company<sup>4</sup>
  - Launching servomotors and inverters in the Chinese market

### Enhancing local development capabilities

- Developing core technologies that meet the needs of Chinese customers through industry-academia joint research
- Accelerating development and proof-of-concept trials of physical AI models for humanoid robots

\*1 Products will gradually become compliant and compatible with security standards and functions from FY27; \*2 HMI: Human Machine Interface; \*3 CNC: Computerized Numerical Controller;

\*4 Chinese FA management company: Mitsubishi Electric Intelligent Manufacturing Technology (China) Group Co., Ltd.

# 3

## 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
<b>FA Systems Business</b>	798.2	75.2	9.4%	7.4%	865.0	102.0	11.8%	¥0.9 trillion	16%+	14%+
	¥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
FA digital solution revenue CAGR*1	—	10.0%+	25.0%+
FA digital solution adjusted operating profit margin	(Business launch phase)	4.0%+	19.0%+

\*1 CAGR calculated from FY26

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

