We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

### Purpose

#### Business Foundation

**Human capital**
- Consolidated number of employees: 149,655 (as of March 31, 2023)
- Investments in human capital development and workplace environment: approx. 20 billion yen (Target for FY2024–FY2026 [Mitsubishi Electric])

**Financial capital**
- Mitsubishi Electric Corp. stockholders’ equity: 3,238.0 billion yen (FY2023 actual)
- Ratio of Mitsubishi Electric Corp. stockholders’ equity: 58.0% (FY2023 actual)
- Cash flow from operating activities: 166.1 billion yen (FY2023 actual)

**Manufacturing capital**
- Manufacturing companies: 79 (consolidated subsidiaries, as of March 31, 2023)
- Capital investment: 365.3 billion yen (FY2023 actual)
- Number of patents held: 62,102 (31,833 in Japan and 30,269 overseas) (as of March 31, 2023, Mitsubishi Electric)
- R&D expenditures: 212.3 billion yen (FY2023 actual)

**Natural capital**
- Total energy input: 20.92 million GJ (FY2023 actual)
- Water consumption (intake + reuse): 14.98 million m³ (FY2023 actual)
- Effective utilization rate of waste plastic (Japan): 92.5% (FY2023 actual)

**Social capital**
- Group locations (number of countries/regions): 44 countries/regions (as of March 31, 2023)
- Investment in startup companies via the ME Innovation Fund**: Cumulative total of 5 companies (as of July 19, 2023)
- Funds invested in social contribution activities (Japan, overseas): Approx. 1.77 billion yen (FY2023 actual)**

---

*Total investment amount determined in FY2023
**Corporate venture capital fund established by Global Brain, an independent venture capital firm, and Mitsubishi Electric

---

### Business Model

#### Circular Digital-Engineering

1. **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

2. **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

3. **STEP 3**: Return value to a wide range of customers
   - Return new value to a wide range of customers, and solve social challenges with customers

4. **STEP 4**: Create new value
   - Create new value evolving components, systems, and integrate Solutions based on potential issues and needs

---

### Business Area (BA), Segment

- **Infrastructure BA**: Support social infrastructure with reliable technologies
- **Industry & Mobility BA**: Expand possibilities for manufacturing and mobility
  - Group: Factory Automation Systems, Automotive Equipment
- **Life BA**: Realize smarter, more comfortable life and workplace
  - Group: Building Systems, Living Environment & Digital Media Equipment
- **Business Platform BA**: Respond with a wide range of IT services for a better future
  - Group: Information Systems & Network Service
- **Semiconductor & Device**: Provide key devices that support a more affluent society
  - Group: Semiconductor & Device

### Value Creation

**Economic value (FY2026 financial target)**
- Net sales: 5.0 trillion yen
- Operating profit margin: 10%
- ROE: 10%
- Cash generation*: 3.4 trillion yen (5 years)

**Social value**

- **Carbon neutrality**: Reduce the company’s and society’s CO₂ emissions, and realize a decarbonized society that lessens climate change
- **Circular economy**: Realize a society in which resources are utilized effectively and recycled sustainably
- **Safety and security**: Realize a resilient society that can cope with a variety of environmental changes and risks
- **Inclusion**: Realize a society in which all people are respected and everyone can live freely, fairly, and in a vibrant way
- **Well-being**: Realize healthy, comfortable lives for everyone, both mentally and physically

---

### Materiality (important challenges)

- **Realize a sustainable global environment**
- **Realize a safe, secure, and comfortable society**
- **Create a sustainability-oriented corporate culture**

- **Quality assurance reforms**
- **Organizational culture reforms**
- **Governance reforms**

---

### Three key reforms

- **Respect for all people**
- **Strengthen corporate governance and compliance on a sustainable basis**
- **Create a sustainability-oriented corporate culture**