**Purpose** 

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

# **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 ven (Target for FY2024-FY2026 (Mitsubishi Electric))



# Financial capital

- Mitsubishi Electric Corp. stockholders' equity: 3,239.0 billion yen (FY2023 actual)
- Ratio of Mitsubishi Electric Corp. stockholders' equity: 58.0% (FY2023 actual)
- Cash flow from operating activities: 166.7 billion ven (FY2023 actual)

# Manufacturing capital

- Manufacturing companies: 79 (consolidated subsidiaries, as of March 31, 2023)
- Capital investment: 365.3 billion ven (FY2023 actual\*1)



# Intellectual capital

- R&D expenditures: 212.3 billion ven (FY2023 actual)
- Number of patents held: 62,102 (31,833 in Japan and 30,269 overseas) (as of March 31, 2023, Mitsubishi Electric)

### Natural capital

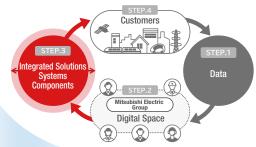
- Total energy input: 20.92 million GJ (FY2023 actual)
- Water consumption (intake + reuse): 14.98 million m3 (FY2023 actual)
- Effective utilization rate of waste plastic (Japan): 92.5% (FY2023 actual)

### 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\*2: Cumulative total of 5 companies (as of July 19, 2023)
- Funds invested in social contribution activities (Japan, overseas): Approx. 1.77 billion ven (FY2023 actual)\*3
- \*1 Total investment amount determined in FY2023
- \*2 Corporate venture capital fund established by Global Brain, an independent venture capital firm, and Mitsubishi Electric
- \*3 Including philanthropic-related expenses such as internal programs and product donations

# **Business Model**

# Circular Digital-Engineering



### Consolidate diverse data

Consolidate data generated through usage of our components and systems by a wide range of customers into a digital space



# Return value to a wide range of

Return new value to a wider range of customers, and solve social

# Business Area (BA), Segment

# Infrastructure BA

Support social infrastructure with reliable technologies

- Group | Public Utility Systems
  - Energy & Industrial Systems
  - Defense & Space Systems

# 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 Respond with a wide range of IT services

# Business Platform BA

# 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)



Operating profit margin: 10%

ROE: 10% 3.4 trillion yen/5ye

\* Adjusted operating cash flow

#### Social value



## Carbon neutrality

Reduce the company's and society's CO<sub>2</sub> 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

# Materiality (important challenges)

Respect for all people

Realize a sustainable global environment

Ascertain potential issues and ds of custo

Analyze the consolidated data via a

digital space and ascertain potential

Create new value

Create new value evolving components.

systems, and integrate Solutions based

on potential issues and needs

issues and needs of customers

- Strengthen corporate governance and compliance on a sustainable basis
- comfortable society

Realize a safe, secure, and

Create a sustainability-oriented corporate culture

# I Three key reforms

Quality assurance reforms

Organizational culture reforms

Governance reforms