Mitsubishi Electric has been placing its highest priority on the health and safety of customers and business partners as well as employees and their families. At the same time, the company also is working to fulfill its social responsibilities by maintaining businesses necessary to sustain people’s daily lives, including by delivering stable supplies of products and necessary services and providing customer support. The company assumes that the global spread of COVID-19 is significantly changing the values of humanity, affecting people’s lifestyles, work styles and the way they do business.

Mitsubishi Electric will promote group wide work style transformation by enforcing remote work and fully leveraging online meeting tools to incorporate the new values into the way its employees work. The company also will quickly establish the systems of marketing, commercial transactions, servicing and user trainings in the digital environment.

Going forward, Mitsubishi Electric will make every possible effort to respond to changing demand and address social challenges by uniting all the capabilities inside and outside of the Group, while taking all the necessary measures to prevent the spread of infections.
Purpose/Management Policy/Corporate Strategy

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

Trust/Quality/Technology/Ethics and Compliance/Humanity/Environment/Society

**Changes for the Better**

“Changes for the Better” represents the Mitsubishi Electric Group’s attitude to “always strive to achieve something better,” as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating “an even better tomorrow.”

Management Policy

In addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, we will return to our fundamental principle of “addressing social challenges through our businesses” and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders.

Corporate Strategy

Through co-creation and by integrating knowledge within and outside the Group, we will transform into a “Circular Digital-Engineering” company that provides evolved integrated solutions thereby contributing to solving various social issues.

Global Operations

Revenue 495,308 million yen
% of total Revenue 11.1%
Number of consolidated subsidiaries 21

Revenue 1,114,951 million yen
% of total Revenue 24.9%
Number of consolidated subsidiaries 68

Revenue 2,332,402 million yen
% of total Revenue 52.1%
Number of consolidated subsidiaries 96

Revenue 461,931 million yen
% of total Revenue 10.3%
Number of consolidated subsidiaries 15

Revenue 72,166 million yen
% of total Revenue 1.6%
Number of consolidated subsidiaries 3

©Oceania Latin America Africa
Mitsubishi Electric's Business Segments

Building Systems

- Realize safe, secure, and highly efficient transportation as well as efficient, comfortable, and environmentally friendly smart buildings and smart cities

Mitsubishi Electric elevators and escalators in operation in over 90 countries around the world realize high transportation efficiency, safety, and security using advanced technology. What is more, by using IoT and AI to operate elevators, air conditioning, lighting, and other building systems flexibly in response to the flow of people in buildings, we contribute to the realization of smart buildings and smart cities that are environmentally friendly, highly efficient, and comfortable.

Main products
- Elevators
- Escalators
- Building management systems
- Building security systems

Factory Automation Systems

- Underpinning global manufacturing by providing value-added products, solutions and services

We are a major FA supplier whose wide range of automation technologies, from PLCs to laser processing machines, underpin manufacturing. Our e-F@ctory concept also offers solutions to Digital Manufacturing challenges by utilizing FA and IT technologies to reduce the total cost of development, production and maintenance.

Main products
- Edge and Programmable Logic Controllers (PLCs)
- Servo systems
- Industrial and collaborative robots
- Circuit breakers
- Energy-saving support systems
- NC controllers
- Laser processing machines
- 3D (metal) printers

Public Systems

- Supporting a better tomorrow with cutting edge technologies at work in our everyday life

Our solutions cover a number of fields that underpin our everyday life, including advanced social infrastructure and public facilities and services. We enhance quality of living by creating solutions that are truly needed by society—everything from water environment systems, to solutions for making society safer and more secure, to providing video entertainment.

Main products
- Water treatment systems
- Air traffic management systems
- Road information management systems
- Large-scale visual information systems
- Disaster information systems

Energy Systems

- Building power infrastructure across the entire energy value chain as one of Japan's foremost power system suppliers

Energy systems represent a core business that Mitsubishi Electric has been engaged in since our founding. We have played a major role in the development of power infrastructure around the world in all phases, from power generation to transmission and distribution. Mitsubishi Electric will work to maintain a balance between the active development of new businesses including “digital energy” and “renewable energy business,” and delivering a stable supply of electricity, with a view to achieving the social challenge of carbon neutrality.

Main products
- Turbine generators
- System protection and control systems
- Vacuum breakers
- Transformers
- Power receiving and distribution systems
- Grid stabilization systems
- Switchgears
- Battery energy storage control systems
- Power conversion systems
- Power ICT solutions

Transportation Systems

- Mitsubishi Electric as a leader in railway solutions providing a full range of equipment and systems for rolling stock

We developed an unrivaled level of technical prowess from our involvement in the development of rolling stock and wayside systems for all of Japan’s Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy efficiency. Our products have already been adopted by more than 30 countries around the world. Our goal is to support energy-efficient, comfortable and safe rail services both in Japan and abroad.

Main products
- Propulsion systems
- Air conditioning systems for rolling stock
- Train control and management systems
- Train vision
- Power systems
- Transportation operation systems

Automotive Equipment

- Contributing to the advancements in motorization with a broad lineup of products

We have developed and successfully mass produced the Advanced Driver Assistance System (ADAS) that combines a high-efficiency motor and inverter for xEV vehicle, millimeter-wave radar, camera, and high-precision locator by leveraging our technology cultivated through the development of many kinds of in-vehicle equipment products that hold a leading market share globally. Going forward, we will help make safer, more secure, and comfortable cars for everyone, by incorporating the various needs of our changing automobile society into automotive equipment.

Main products
- Electrification components
- ADAS products
- Electric power steering system products
- Engine management products
- Charging & Starting products
Cutting edge technologies at work across the vast business fields in the space industry

We have participated in the development of more than 650 satellites in various countries around the world. We are able to conduct all aspects of satellite development in-house, including design, production, and testing using our test facilities that can reproduce the environment in space. We are also a world leader in large telescopes, too, having been involved with the Subaru Telescope in Hawaii and the ALMA Telescope in Chile.

Main products ▪ Satellites ▪ Large telescopes ▪ Satellite control system

Making communications easier and more convenient with technologies that “send” information

We provide products for optical communication systems that enable high-speed transfers of content-rich data, such as HD videos, existing communications infrastructure including Internet. We also contribute to making better society through various solutions, including wireless communication systems for smart meters to optimize energy use and network camera systems to make society safer and more secure.

Main products ▪ Optical communication systems ▪ Wireless communication systems ▪ Network camera systems

Providing key devices underpinning a more affluent society, harnessing cutting edge technologies

We supply semiconductors and devices that make our lives more affluent as key devices in equipment used in a wide range of fields, from home electronics to space. In particular, power semiconductors devices are used in a truly wide range of fields, including home appliances, industrial equipment, electric vehicles, power control systems for traction, motor control systems, wind turbines, and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

Main products ▪ Power semiconductors modules ▪ Optical devices ▪ High frequency devices ▪ TFT-LCD modules

Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

We provide not only in Japan but around the world with a broad range of highly energy-efficient air conditioning systems created with comfortable indoor environments in mind, from the Kirigamine brand of room air conditioners to air conditioner systems for stores, offices and other buildings. At the same time, we also supply a number of low-temperature products and systems for use in areas from distribution to industry, including cool warehouses and cold storage, as well as ice makers, dehumidifiers and other equipment for warehouses, food processing plants and ice skating rinks.

Main products ▪ Room air conditioners ▪ Commercial air conditioner ▪ Low-temperature systems, water heaters, and industrial cooling and heating systems

Making the lives of our customers more comfortable

We supply an assortment of home electronics for the kitchen, living room, bedroom, and other locations. We will continue to make the lives of customers more comfortable by supplying products that meet and exceed customer expectations.

Main products ▪ Refrigerators and freezers ▪ Vacuum cleaners ▪ Rice cookers

Realizing comfort and convenience with IT

We provide IT solutions that underpin a more affluent life and society for use by companies and in social infrastructure. Using cutting edge digital technology from AI to IoT, we help our customers realize DX (digital transformation) to transform customers’ work processes and create new value and business models, in addition to solving various social issues.

Main products ▪ Automated radar terminal systems ▪ Flight information systems ▪ Large-scale network systems ▪ Large-scale security systems
Mitsubishi Electric Corporate Strategy

Sustainability Management

Positioning the realization of sustainability as the cornerstone of our management, we have clarified five challenge areas to focus on to promote solutions to social challenges through our businesses.

Five challenge areas

- **Carbon neutral**
  Achieve a decarbonized society to curb climate change by reducing CO2 emissions from the company and society.

- **Circular economy**
  Achieve a society in which resources are effectively used and sustainably circulated.

- **Safety / Security**
  Achieve a resilient society that can cope with various environmental changes and risks.

- **Inclusion**
  Achieve a society in which all people are respected and everyone can lead free, fair, and vibrant lives.

- **Well-being**
  Achieve a healthy and comfortable life for each individual, both mentally and physically.

Materiality

- Realize a sustainable global environment
- Strengthen corporate governance and compliance on a sustainable basis
- Create a sustainability-oriented corporate culture
- Realize a safe, secure, and comfortable society

New Management Structure to Achieve Sustainability Management

We have established four Business Areas (BA) that will enhance sustainability management. BA owners envision their ideal state with a bird’s eye view of their businesses and accelerate solving social challenges through our businesses.

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- **BA**
  - Infrastructure
    - Public Utility Systems Group
    - Energy & Industrial Systems Group
    - Factory Automation Systems Group
    - Electronic Systems Group
  - Industry and Mobility
    - Automotive Equipment Group
    - Building Systems Group
  - Life
    - Living Environment & Digital Media Equipment Group
  - Business Platform
    - Information Systems & Network Service Group
    - Semiconductor & Device Group
**Circular Digital-Engineering Company to Solve Social Challenges**

We will transform into a "Circular Digital-Engineering" company that provides evolved Integrated Solutions through co-creation and by integrating knowledge within and outside the Group, thereby helping to solve various social challenges.

Integrated Solutions

Integrated Solutions support the entire lifecycle in providing a system from consulting to maintenance and operation.

We strengthen components as the base of our business, expand systems utilizing advanced digital technologies, and provide Integrated Solutions with these at the core, to be the driving force behind our continuous growth for complex challenges.
We will strengthen our initiatives from dual approaches: “Responsibility” to reduce greenhouse gas emissions in the value chain of our Group and “Contribution” aimed at realizing carbon-neutral in the entire society through our businesses.

Responsibility
We will strengthen our initiatives to achieve net zero greenhouse gas emissions in the entire value chain in FY2051 and to reduce greenhouse gas emissions from factories and offices by 50% or more in FY2031.

Target
- FY2051: Net zero greenhouse gas emissions in the entire value chain
- FY2031: Reduce greenhouse gas emissions from factories and offices by 50% or more compared to FY2014

Initiatives to reduce greenhouse gas at factories and offices.
- Continuously invest 0.15% of revenue in carbon neutral efforts.
- Use renewable energy to 85 sites in Japan in FY2023
- Promote expansion of internal renewable energy procurement using multi-region EMS(*).

*Multi-region EMS: Energy management system that automatically optimizes power interchange of renewable energy between multi sites, operation of distributed power sources and storage batteries, and purchase plan of renewable energy certificates.

Contribution
We will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular to create and expand businesses that make society as a whole carbon neutral.

Financial Targets
Our Group will aim to achieve ¥5 trillion in revenue and 10% in operating profit margin for FY2026. In addition, we will aim to achieve 10% in ROE and ¥3.4 trillion in cash generation during the five years of the medium-term management plan.

Business Portfolio Strategy
For sustainable growth, in an attempt to improve profitability through strengthened business portfolio strategy, we will strategically invest management resources in five businesses: FA Control Systems, Air-Conditioning & Refrigeration Systems, Building Systems, xEV/ADAS(*1), and Power Semiconductor Devices that we define as the key growth businesses and thereby shift our resources to businesses with high profitability and growth potential. For potential businesses and new businesses, we will expand data linkage/utilization-type solutions businesses and reform business models of existing businesses and create next-generation businesses.

*1 ADAS: Advanced Driver Assistance System

Key Growth Businesses, Potential/New Businesses
In key growth businesses, we are steadily expanding the scale through growth investment, building a new system for business operation, launching new products, etc. As for potential businesses and new businesses, we are accelerating the creation of new businesses through open innovation.

Key Growth Businesses <Scale Expansion through Growth Investment>
- **FA Control Systems**: Established a new production base in the Owariasahi district in response to demand for FA control systems in diverse/loner-related fields.
- **Air-Conditioning & Refrigeration Systems**: Increased production capacity for air-conditioning equipment to meet demand for heat pumps in Europe.
- **Building Systems**: Shifted to the operation system for integrated business operation from new installation to maintenance and renewal.
- **xEV/ADAS**: Established Mitsubishi Electric Building Solutions Corporation (Apr. 2022).
- **Power Semiconductor Devices**: Increased the production capacity for wafer fabrication to meet the strong demand in automotive and consumer electronics areas.

Potential Businesses/New Businesses <Creation of Next-generation Businesses>
- Established a corporate venture capital (CVC) fund to accelerate open innovation aimed at creating new businesses.
Resilient Businesses, Value Recapturing Businesses, Businesses with issues

In resilient businesses, we are improving profitability and expanding businesses through merger and acquisition, etc. Some value recapturing businesses have shifted to resilient businesses due to improved profitability. Businesses with issues are shifting resources by selling, withdrawal, and collaboration.

**Resilient Businesses <Strengthening Profitability>**
- **Improves profitability of certain businesses and add them to Resilient Businesses**
  - Laser processing machines, high-frequency optical devices, and IT infrastructure services.
- **Acquired a U.S.-based UPS maintenance company to expand the uninterruptible power supply business in North America**
  - Acquired all shares of Computer Protection Technology, Inc. (CPT), a company with a proven track record in the California area (Feb. 2022).

**Value Recapturing Businesses**

**Businesses with issues <Selling/Withdrawing/Shifting resources by collaboration>**
- Reviewed business of Kyoto Works, including the LCD TV business
  - Downscaled the LCD TV business (announced in Nov. 2021), discontinued the commercial printer business, terminated in-house production of multi-video systems for indoor use (announced in Mar. 2022), and shifted management resources to our Key Growth Businesses, such as air-conditioning and refrigeration systems
  - Reviewed business of Kyoto Works, including the LCD TV business
  - Reviewed business of Kyoto Works, including the LCD TV business

**Priority Allocation of Resource Investment**

We invest resources in the amount of ¥2.8 trillion, up ¥0.8 trillion from the previous medium-term management plan, centered on Key Growth Businesses to attain the FY2026 financial targets (revenue of ¥5 trillion, OPM of 10%).

We have started considering the use of the ¥0.2 trillion for each business field, out of the ¥0.5 trillion strategic investment.

**Capital Allocation Policy**

For capital allocation, giving top priority to investment in growth, we will further enhance shareholder returns through profit growth. In terms of cash generation, the source of capital, we will aim to generate ¥3.4 trillion over a five-year period, with a focus on Key Growth Businesses. We will return profits to shareholders (dividends + buybacks) with a target of ¥0.6 trillion (Previous Medium-term Management Plan: ¥0.4 trillion). In addition, we will further improve capital efficiency by implementing capital measures.