



MITSUBISHI ELECTRIC CORPORATION
2025 INTEGRATED REPORT

For the year ended March 31, 2025



Mitsubishi Electric Group Purpose

At the Mitsubishi Electric Group, we abide by our Purpose. Set out below, it defines the Group’s reason for existence as well as the core values and attitude that all employees are asked to embrace and cherish in serving customers and society as a whole. As a corporate group trusted by stakeholders and responsive to the demands of the new era, we are committed to contributing to the realization of a vibrant and sustainable society by addressing diversifying social challenges through continuous innovation.

Purpose

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

Our Values

- Trust:** We develop relationships based on strong mutual trust with all stakeholders including society, customers, shareholders, suppliers, and employees working together.
- Quality:** We ensure the satisfaction of society and customers by providing products and services of the best quality.
- Technology:** We provide society with new value by enhancing technology and onsite capabilities.
- Ethics and Compliance:** We act with high ethical standards and comply with laws and social norms.
- Humanity:** We prioritize health and safety, promote diversity, and respect personalities and human rights.
- Environment:** We strive to protect and improve the global environment, doing so in harmony with nature.
- Society:** We contribute to the development of a better society as a corporate citizen.

Commitment

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.”

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Strengths Cultivated by the Mitsubishi Electric Group

Since its founding in 1921, the Mitsubishi Electric Group has always faced social challenges head-on and achieved growth. We have been refining our technology for more than 100 years for customers around the world, building many strengths along the way.

Strength

1

Superior components created by synergies between extensive technology assets

The Mitsubishi Electric Group has a wide range of technology assets, including power electronics and mechatronics. The synergy created by the optimal integration of such assets produces superior components, and the systems and solutions based on them create further value.

P.31 Technology Strategy

Strength

2

Connections with customers and on-site expertise cultivated through a broad spectrum of business development

The Mitsubishi Electric Group is engaged in a wide range of businesses, from the home to space, and has cultivated diverse customer connections and extensive on-site expertise. In addition, our wide range of businesses enables us to achieve stable performance even in the face of various fluctuations in the external environment.

Products & Solutions

Strength

3

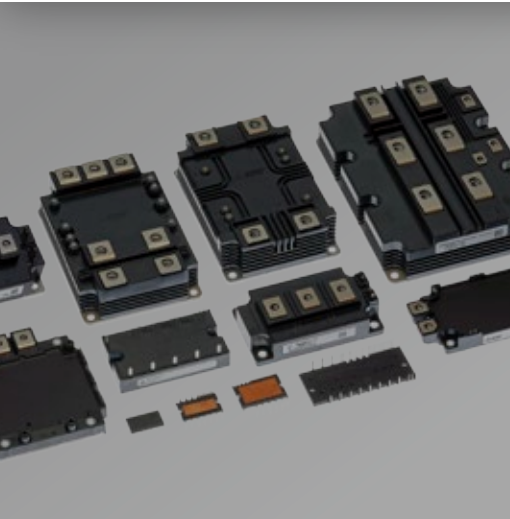
Everyone’s “Changes for the Better” mindset

The attitude embodied in the Mitsubishi Group’s Commitment “Changes for the Better” has been passed down through the generations. Each and every employee has a strong will and passion to continuously aim for change to achieve something better.

Our Stories

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Editorial Policy

We will explain the medium- to long-term growth story of the Mitsubishi Electric Group.

The Mitsubishi Electric 2025 Integrated Report is designed to provide an integrated presentation of financial and non-financial information, including environmental, social, and governance information, and to help deepen understanding of the Mitsubishi Electric Group’s growth story for the future by highlighting case studies of its comprehensive strengths and initiatives to create synergies.

We remain committed to emphasizing dialogues with our stakeholders and will work to continuously improve the value of the Group through higher-quality information disclosure and more in-depth communication.

Each year, we aim to improve the quality of our information disclosure through these dialogues with our stakeholders and will continue to make improvements, so we would appreciate your frank feedback.

President’s Message

The Mitsubishi Electric Group will transform into an “Innovative Company” that creates value with new ideas, unafraid of risks, with the aim of further business growth and solving challenges facing society and the environment. We will recap our Medium-term Management Plan to date and outline our future initiatives for transformation.



→ P.8

Message from the Chairperson of the Board of Directors

We asked Hiroyuki Yanagi, Chairperson of the Board of Directors, to recap FY2025, evaluate the current state of senior management, and share his expectations for the future in terms of creating innovation that is characteristic of the Mitsubishi Electric Group.



→ P.69

Transforming into an Innovative Company

Creating New Value

We are making concentrated investments in the growth from integration of digital technologies and components while transforming our business model with Serendie™.

- P.20 Business Model Transformation and Business Portfolio Strategy
- P.27 DX Strategy
- P.30 Special Feature: Creating Solutions with Serendie



Strengthening the Resilience of the Management Structure

We are promoting balance sheet-driven management utilizing ROIC and working to improve profitability and efficiency, as well as capital optimization.

- P.20 Business Model Transformation and Business Portfolio Strategy
- P.24 Financial Strategy



Promoting Sustainability

The Group pursues the realization of sustainability through a “Trade-On (mutual benefits)” approach that simultaneously achieves solutions to social challenges and business growth. We will also steadily promote the self-driven implementation of reforms to the corporate culture.

- P.48 Sustainability Initiatives
- P.49 Special Feature: “Trade-On (mutual benefits)” x Plastic Recycling
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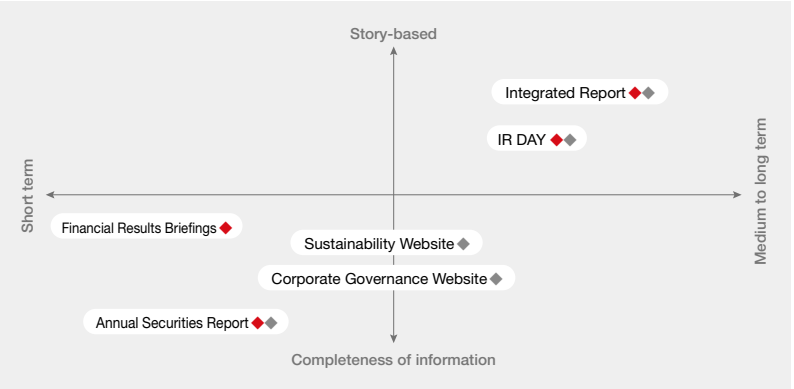
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Information Disclosure Systems



- **Reporting period:** FY2025 (April 1, 2024–March 31, 2025)
Please note some policies, targets, and plans beyond April 2025 are also included.
- **Scope of reporting:** Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method companies
* For sections with a different scope of reporting, each applicable scope is noted individually.
- **Accounting standards:** Unless otherwise noted, the Company reported under U.S. GAAP up to FY2018 (ending March 31, 2018) and under International Financial Reporting Standards (IFRS) from FY2019 (ending March 31, 2019).
- **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; and (17) Important matters related to Mitsubishi Electric Corporation’s directors and executive officers, major shareholders, affiliated companies and other stakeholders
- **Note:** This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

Inquiries

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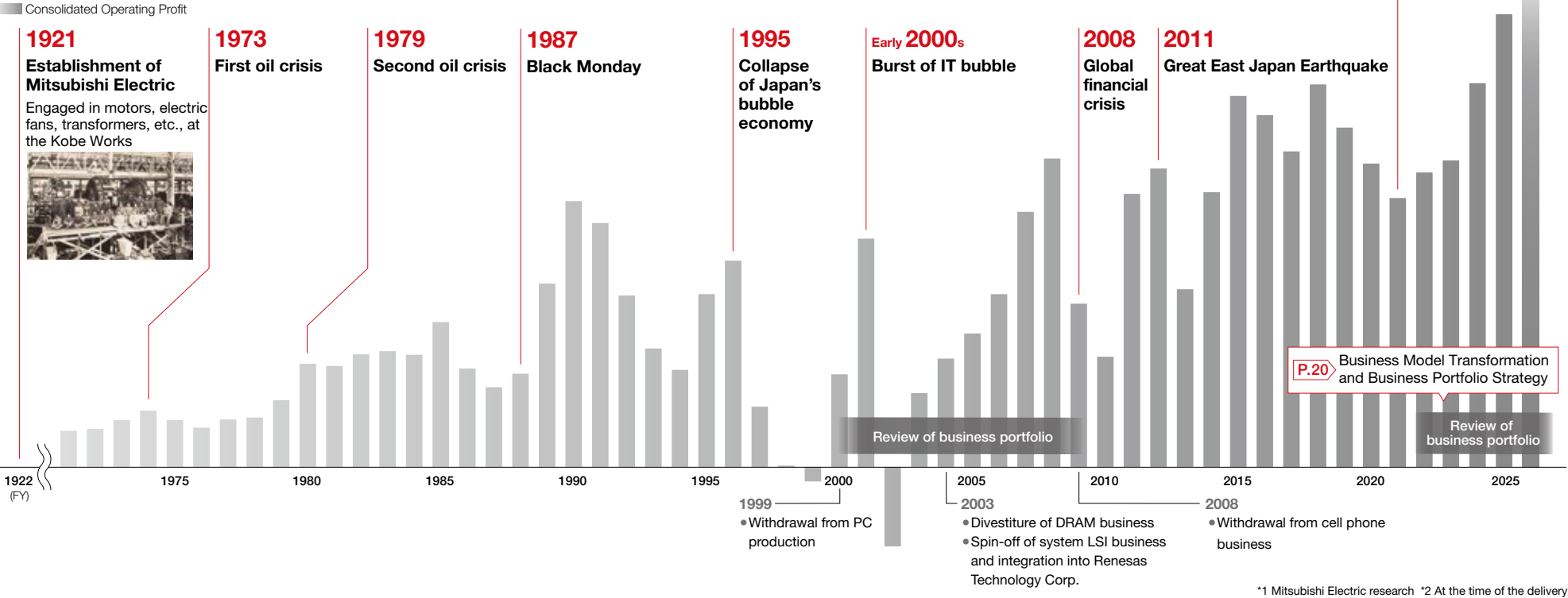
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Our History

Mitsubishi Electric was established in 1921 from the electrical machinery works division of Mitsubishi Shipbuilding Co., Ltd. For more than 100 years, we have overcome environmental changes and challenges while standing at the forefront of technological and product innovation to solve social issues. The Mitsubishi Electric Group will continue to take on new challenges by leveraging its wide range of business areas, from the home to space.



–1970s

- Completed weather radar equipment for the weather station atop Mt. Fuji (1964)
- Launched the “Kirigamine” room air conditioner (1967)
- Launched the “MELSEC-310” programmable logic controller (1973)



1980s–1990s

- Named the prime contractor for Japan’s first*1 domestically produced communications satellite, CS-3 (1983)
- Released the “MELDAS 300” series, the world’s first*1 32-bit CNC (1987)
- Developed “DIPIPM,” the industry-first*1 intelligent power semiconductor modules using transfer molded structure (1997)



2000s–2010s

- The “MISTY” symmetric-key cryptography algorithm developed by Mitsubishi Electric was adopted as an ISO international standard (2005)
- Delivered the world’s fastest*2 and tallest*1 elevator to the Shanghai Tower (2016)



2020s

- Mitsubishi Electric Group’s greenhouse gas emissions reduction targets acquired SBT initiative certification (2020)
- 100th anniversary of Mitsubishi Electric’s establishment (2021)
- Launched the Serendie digital platform (2024)



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At a Glance

The Mitsubishi Electric Group engages in business across a wide range of fields, including components, systems, and solutions. Leveraging a strong global business foundation, we will continue to create new value worldwide.

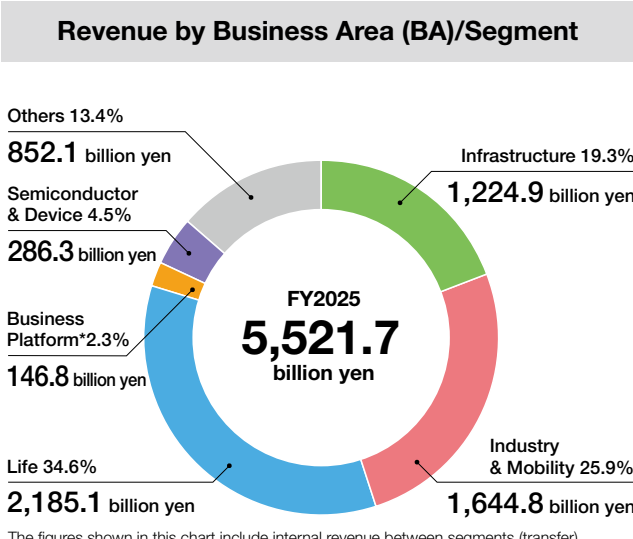


Support social infrastructure with reliable technologies

Infrastructure BA

We will strive to achieve both solutions to social issues and business development by achieving stable operation of infrastructure that supports society and carbon neutrality while also contributing to the national security of Japan and Asia.

P.40





Expand possibilities for manufacturing and mobility

Industry & Mobility BA

We combine value-added core components that integrate drive control technologies such as power electronics and motor technologies with digital technologies to support future manufacturing and transportation needs.

P.42



Realize smarter, more comfortable life and workplace

Life BA

By leveraging the superior components of both our air-conditioning & refrigeration systems business and building systems business, as well as the data, knowledge, and assets obtained from them, we provide solutions that create comfortable, safe, and secure environments in all living spaces.

P.44



Respond with a wide range of IT services for a better future

Digital Innovation*

We contribute to solving social issues through DX (Digital Transformation) solutions that leverage advanced technology and data to promote more global co-creation with our customers and partners.

P.46



Provide key devices that support a more affluent society

Semiconductor & Device

We contribute to GX (Green Transformation) and DX toward the realization of a sustainable society by providing key devices supporting carbon neutrality, and safe, secure, and comfortable lifestyles.

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* From FY2026, the "Business Platform" segment has been renamed to "Digital Innovation."

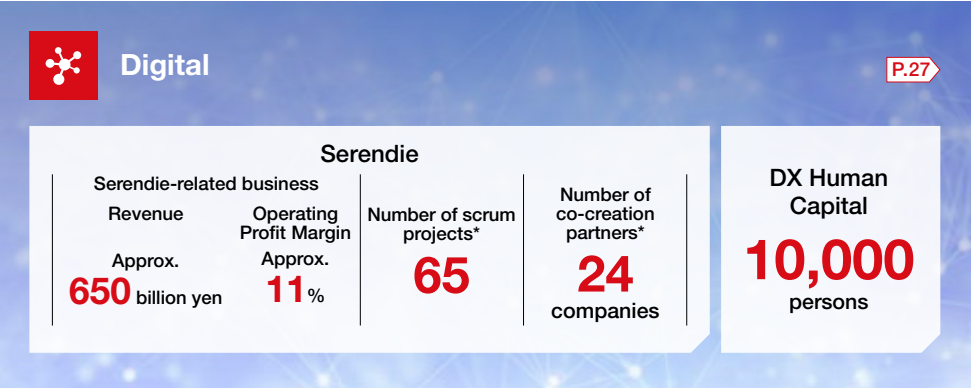
At a Glance As of March 31, 2025



* After adjusting, such as adding R&D expenses to operating cash flow. Cumulative total from FY2022 to FY2026 (forecast)



*1 Ratio of market-based actual results for FY2025 with FY2014 as the base year
*2 Average percentage of positive responses to the five questions in the annual employee engagement survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"



President's Message

We will transform into an “Innovative Company” that creates value with new ideas, unafraid of risks, with the aim of further business growth and solving challenges facing society and the environment

To keep pace with the accelerating changes in the world, we will transform ourselves from an operational company focused on managing its existing businesses into an Innovative Company that creates value with new ideas. We will promote balance sheet-driven management utilizing ROIC* and aim to achieve ROE of 10% at an early stage by investing in growth, improving profitability, and optimizing capital.

* Return on Invested Capital



Representative Executive Officer,
President & CEO

Major Initiatives during the Current Medium-term Management Plan Period

Four years have passed since I became President & CEO in July 2021. The current Medium-term Management Plan, which began in FY2022, has focused on addressing immediate issues one by one to achieve business growth and resolve challenges facing society and the environment. FY2026 is the final year of this plan. There are four major initiatives that I have been pursuing until now.

P.19 Progress on the Medium-term Management Plan



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Digital Platform “Serendie”



The first is to advance our growth strategies. I have set forth the ideal vision of the Mitsubishi Electric Group as a “Circular Digital-Engineering Company.” And to realize our ideal vision and maximize corporate value, we have been strengthening our business portfolio strategy from the perspective of growth potential, profitability, and asset efficiency, while making strategic growth investments and scrutinizing the significance of owning certain businesses. In May 2024, we launched our Serendie™ Digital Platform and are accelerating activities in new value creation through the use of data.

[P.20](#) Business Model Transformation and Business Portfolio Strategy [P.27](#) DX Strategy

The second is the transformation of our management foundation. In promoting our growth strategy, it is necessary to strengthen both the vertical axis of business groups and the horizontal axis that spans business fields. Therefore, we bundled together multiple business groups that are closely related to social challenges and launched a business area management structure in FY2023. Business area owners adopt an investor’s perspective, working to enhance management efficiency by using ROIC as a key performance indicator. This includes reallocating resources by phasing out low-profitability or low asset-efficiency products and businesses as well as those with limited synergy with other operations. They also encourage greater collaboration within their business area. In addition, company-wide initiatives spanning business areas are also progressing. One such example is a joint project with C.P. Group,*2 which aims to provide environmental value in the areas of carbon neutrality and a circular economy, with the aim of contributing to a more sustainable society in Thailand. In projects like this, previously each business group discussed with partners on its own, but by working together as a unified company, we were able to make proposals that cut across business units. By accumulating such cases and sharing know-how within the Group, we will work to create value unique to the Mitsubishi Electric Group, which has extensive technology assets and diverse businesses.

*2 Charoen Pokphand Group Co., Ltd.

The third is establishing a promotional system for sustainability. To promote comprehensive and strategic activities that transcend existing business and organizational boundaries, we established the Sustainability Innovation Group in April 2024. The group is leading the Company’s efforts to create new businesses that will enable it to address social and environmental challenges while achieving business growth for the Mitsubishi Electric Group. It is also working to achieve net-zero greenhouse gas emissions from the Group’s own factories and offices by FY2031 and throughout its entire value chain by FY2051. We have also

begun efforts to establish a group-wide global framework for the compulsory disclosure of non-financial information.

[P.14](#) Materiality (Important Challenges)

[P.48](#) Message from the Executive Officer in Charge of Sustainability

The fourth is promoting the Three Key Reforms (quality assurance, organizational culture, and governance). In the area of quality assurance reforms, we established the Corporate Quality Assurance Reengineering Group, appointed the responsible executive officer from outside the Company to lead the initiative, and significantly changed our organizational structure to enable the head office to check the quality of products manufactured at each works. In the area of organizational culture reforms, we launched a company-wide transformation project and have undertaken initiatives to foster a new organizational culture in which “employees feel that they can consult with their superiors,” “failures are tolerated,” and “problems are solved together.” From FY2026, we are shifting to a stage where each employee in every workplace thinks for themselves and shows self-initiative, continuing to transform the organization with the aim of creating a better organizational culture. In the area of governance reforms, to improve the effectiveness of the Board of Directors as a company with a three-committee system, we have established a structure in which independent outside directors serve as chairpersons of the Board of Directors and the three statutory committees, and constitute a majority of the members of each body.

[P.68](#) Special Future: Our Roadmap for the Three Key Reforms

[P.69](#) Message from the Chairperson of the Board of Directors [P.72](#) Corporate Governance

Transforming into an Innovative Company

While promoting these various initiatives, I also feel that up to now the Mitsubishi Electric Group has been an operational company that has placed importance on managing its existing businesses. From FY2026, we will leverage our accumulated experience to further advance initiatives that contribute to business growth and the resolution of social and environmental challenges. To accelerate the realization of our ideal vision, we will break away from being an operational company and embark on a transformation into an Innovative Company that creates value with new ideas, unafraid of risks.

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Digital Platform “Serendie” 

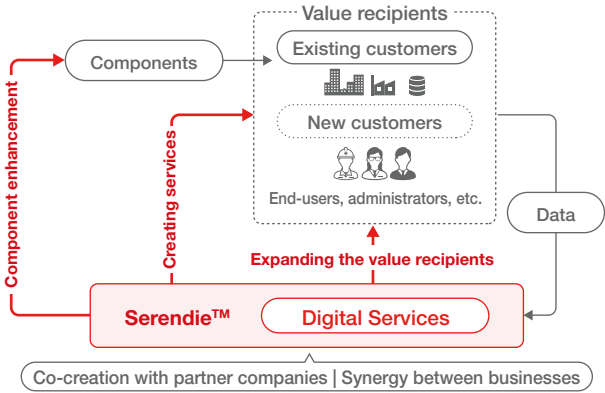


Memorandum of Understanding Signed with Thailand's C.P. Group for Comprehensive Collaboration to Provide Environmental Value 
Both companies will promote carbon neutrality and the circular economy in Thailand through collaboration that leverages their respective expertise and assets.

Reflecting on my own experience, when I joined the Company in 1982, I participated in practical training at a manufacturing line and was involved in the production of industrial sewing machines at the Nagoya Works. I remember that when we shaved metal, fine dust would come out, and as I blackened my work clothes, I realized that each of us had contributed to the creation of the components of the Mitsubishi Electric Group. This experience has made me keenly aware of the importance of the manufacturing front lines, even now. I am confident that I am second to none when it comes to confidence and passion for components of the Mitsubishi Electric Group.

And to accelerate growth even further by leveraging our strengths, including our components, I intend to transform the Mitsubishi Electric Group into a company that takes on challenges, unafraid of risks. Keeping the same path because existing businesses are profitable or not wanting to take risks for fear of failure in trying something new are not the right mindset for the Mitsubishi Electric Group in today's rapidly changing world. To drive further growth, we must take appropriate risks and develop services and businesses with new ideas. To this end, we are pursuing three initiatives.

The first is growth investment and business model transformation aimed at creating new value. The Mitsubishi Electric Group has refined a wide range of technology assets for more than a century, including power electronics and mechatronics. Our future direction is to achieve growth through the integration of superior components created by technological synergies and Serendie's digital capabilities. To this end, in addition to strengthening existing businesses, we will strategically pursue growth investments, including M&A, with a view to strengthening AI and digital areas, taking into account the importance of creating synergies between businesses. At the same time, we will accelerate business model transformation using Serendie. Serendie is a digital platform that breaks down barriers between business groups to facilitate unprecedented interactions between components, systems, and services in various fields, and the data and expertise aggregated from these interactions, to create new value. By analyzing data obtained from the components we have provided to customers, we will identify latent issues together with them, and create solutions and services. In addition, we will expand our customer base by providing added value to our existing customers and their end-users. Furthermore, we will continue to enhance our components by reflecting feedback in the form of data and expertise gained from the front lines. To achieve revenue of 1.1 trillion yen from Serendie-related businesses by FY2031, we want to swiftly create a flow in which not only employees who are involved in data-related roles on a daily basis but also employees in business groups who are experts in the Mitsubishi Electric Group components proactively devise ideas for utilizing Serendie.



Business model transformation using Serendie

[P.27](#) DX Strategy [P.30](#) Special Feature: Creating Solutions with Serendie
[P.31](#) Technology Strategy

The second is to strengthen the resilience of the management structure. We will consider the best organizational and business structure for achieving our ideal vision, and then move forward with initiatives aimed at further profitability improvement. Specifically, in addition to businesses on the scale of 0.5 trillion yen for which termination has already been decided, we will scrutinize the significance of retaining businesses on the scale of 0.8 trillion yen by the end of FY2026. At the same time, we will strive to optimize overhead costs by thoroughly streamlining processes through the use of DX and AI, reorganizing associated companies, and taking other measures, thereby steadily advancing the transition to a leaner management structure. From the viewpoint of capital optimization, we have also established a policy of setting the total payout ratio at 50% or higher. We will continue to strive to generate returns for our shareholders and investors through appropriate dividends and repurchase of treasury stock.

Furthermore, we aim to achieve ROE of 10% at an early stage through initiatives related to investing in growth, improving profitability, and optimizing capital. With regard to growth investment, we have set a new M&A investment framework of 1 trillion yen. This is based on our ambition to create growth areas without falling into a state of diminishing equilibrium after scrutinizing businesses. We will make appropriate decisions on a case-by-case basis for each M&A deal, giving due consideration to capital efficiency and synergies.

[P.20](#) Business Model Transformation and Business Portfolio Strategy [P.24](#) Financial Strategy

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Digital Platform "Serendie"

The third is to further promote sustainability. Since I became President, I have continued to communicate internally and externally that each employee needs to take up the challenge of “Trade-On (mutual benefits)” and making a committed effort to achieve sustainability. “Trade-On (mutual benefits)” refers to the concept of simultaneously accomplishing solutions to social and environmental challenges and business growth, rather than viewing them as trade-offs. There are many things that the Mitsubishi Electric Group can and must do to address social challenges such as global warming. To this end, I have high expectations for the creation of new innovation that will accelerate “Trade-On (mutual benefits)” activities by combining the various initiatives that the Mitsubishi Electric Group has been strengthening in a wide range of fields. At the same time, senior management needs to establish frameworks that allow all employees to maximize their potential. The policy of the Mitsubishi Electric Group’s human capital management is “Grow our People, Grow our Business, Grow our Society.” We will accelerate the transformation toward human capital management that fosters the mutual growth of people and the organization by promoting the optimal allocation and development of human capital from a group-wide and global perspective. We are also building a framework that links individual and organizational growth through the revamped human capital management system introduced in April 2024 and the development of a global human capital information platform.

[P.37](#) Human Capital Strategy [P.48](#) Sustainability Initiatives

Transforming into an Innovative Company That Embodies Our Purpose

I mentioned that we are transforming into an Innovative Company, but to nurture new ideas into business, above all we must be creative and flexible in our thinking. At the entrance ceremony in April 2025, I conveyed to new employees that the Mitsubishi Electric Group’s Corporate Commitment is “Changes for the Better.” We must work as a team to share ideas and come up with solutions to succeed amid major global changes. With colleagues joining forces, we will not settle for the status quo but change what needs to be changed. After about three years of organizational culture reforms, employees have begun to take the initiative in improving their own workplaces. However, I do not intend to rest just because the transformation activities have reached a milestone. I have also communicated this to our senior management and employees. We will continue



to work together as a unified company to remain a self-driven organization, where each individual thinks for themselves and drives change.

The Mitsubishi Electric Group Purpose includes the phrase “continuous technological innovation and ceaseless creativity.” Transforming into an Innovative Company should also be a way for us to embody our Purpose. We will move forward to realize a vibrant and sustainable society with renewed determination to bring about change guided by these aspirations. I would like to thank all of our stakeholders for their continued support.

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Digital Platform “Serendie”



Value Creation Process

The Mitsubishi Electric Group accelerates “Trade-On (mutual benefits)” activities to grow our business while solving social and environmental challenges by strengthening business foundations and creating value with “Circular Digital-Engineering.” In so doing, we contribute to realizing a vibrant and sustainable society, as set forth in our Purpose.

Business foundation for sustainable growth

Human capital

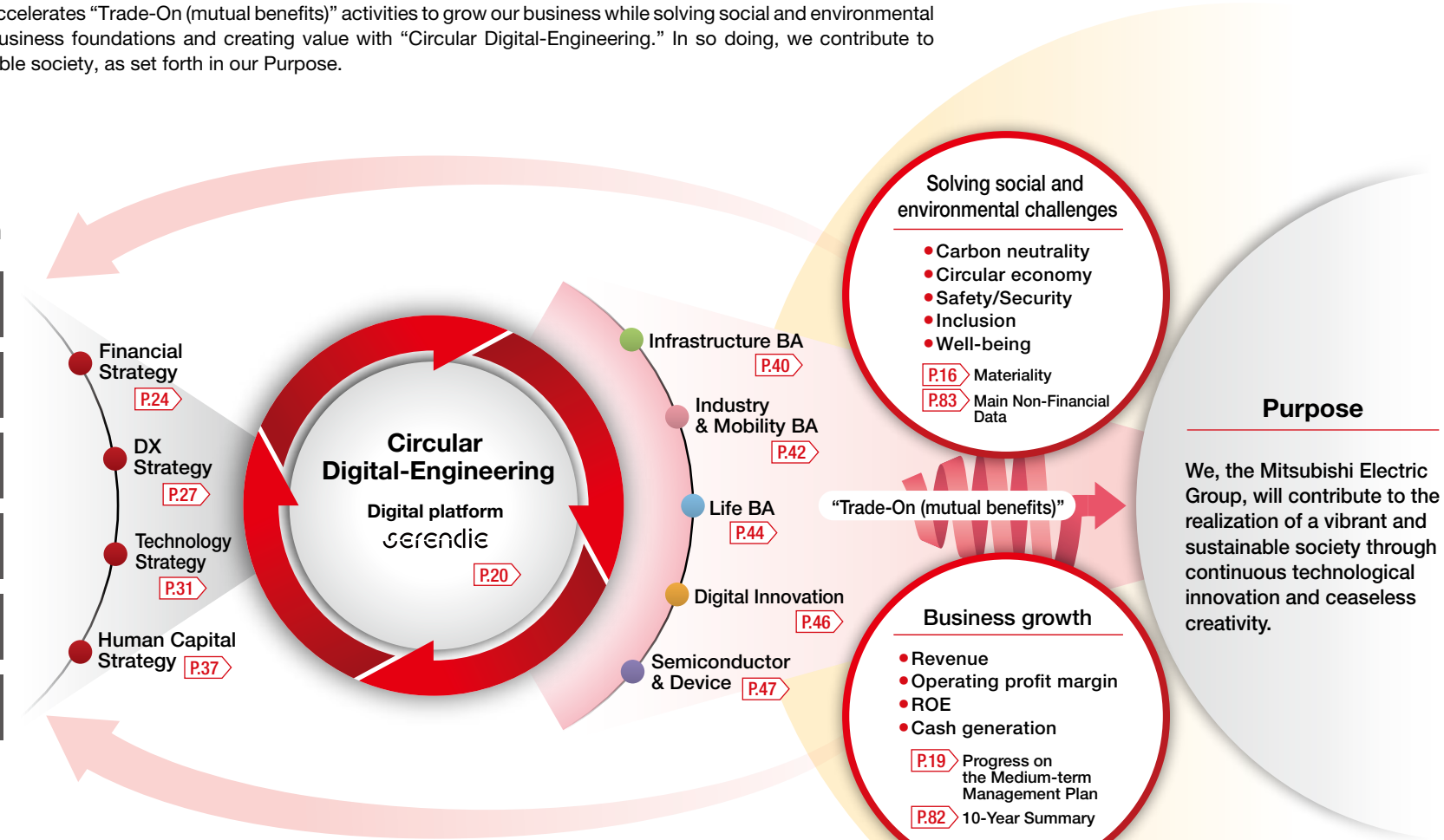
Financial capital

Manufacturing capital

Intellectual capital

Natural capital

Social relationship capital



Materiality (Important Challenges)

P.14



Respect for all people



Strengthen corporate governance and compliance on a sustainable basis



Create a sustainability-oriented corporate culture

Three Key Reforms

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Quality Assurance Reforms

Organizational Culture Reforms

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The Six Capitals and Measures to Strengthen Them

Throughout its more than 100-year history, the Mitsubishi Electric Group has sought to expand value creation by strengthening and accumulating the capital it possesses. At the same time, with a view toward medium- to long-term growth, we are undertaking new initiatives that leverage our strengthened capital.

Capital	Importance to the Company	Key initiatives aimed at strengthening capital	Key monitoring indicators
 Human capital	Human capital is the foundation of all of the Mitsubishi Electric Group's business operations. To support the execution of our corporate strategy, we will practice human capital management that aims for sustainable value creation based on the Human Capital Management Policy of Grow our People, Grow our Business, Grow our Society.	- Promoting group-wide and global strategic human capital management - Strengthening career ownership of employees - Strengthening DX human capital essential for transformation into an Innovative Company - Establishing a human capital foundation where varied and versatile human capital can thrive P.37 > Human Capital Strategy	- Visibility rate of human capital portfolio - Percentage of positive responses to the questions about "career design" in the survey - Number of DX human capital - Employee Engagement Score - Percentage of women in management (non-consolidated)
 Financial capital	Based on our current solid financial foundations, we will balance profitability and efficiency improvements with expanded growth investment to achieve sustainable corporate value growth.	- Implementing balance sheet-driven management utilizing ROIC - Improving profitability and efficiency through business portfolio review - Improving cash flows from operating activities through enhanced working capital efficiency - Generating cash through the sale of assets and cross-shareholdings, etc. P.24 > Financial Strategy	- ROE - ROIC - Cash generation - Debt to equity (D/E) ratio - Stock price, Total shareholder return
 Manufacturing capital	We will continue to strengthen the components that form the basis of value creation. In addition, we will endeavor to create systems and solutions that leverage advanced digital technology based on superior components, contributing to the resolution of diversifying social challenges.	- Concentrating resources in fields where strengths can be leveraged (products, processes, regions, etc.) - Searching for partners with whom we can build complementary relationships and collaborate - Shifting resources through withdrawal or divestiture of businesses with profitability and efficiency issues - Improving production efficiency through sharing of know-how across businesses and production plants P.20 > Business Model Transformation and Business Portfolio Strategy	- ROIC - Capital expenditures - Inventory turnover (times)
 Intellectual capital	We will strengthen our global business competitiveness by strategically linking research and development activities and intellectual property activities that span a wide range of business fields.	- Conducting research and development of technologies that support components, advanced digital technology, and foresight technologies that have a significant impact on society and business - Promoting global co-creation - Strengthening intellectual property in alignment with business strategy - Enhancing International standardization activities P.31 > Technology Strategy	- R&D expenditures - Number of patents filed - Ratio of AI- and solution-related applications
 Natural capital	The Mitsubishi Electric Group positions the realization of sustainability as the cornerstone of its management and contributes to solving challenges such as carbon neutrality, a circular economy, and nature positive transitions through its business activities.	- Developing initiatives aimed at achieving net-zero greenhouse gas emissions in factories and offices by FY2031 and throughout the entire value chain by FY2051 - Creating and enhancing new business to realize "Trade-On (mutual benefits)" - Establishing a global system capable of responding flexibly to environmental changes P.53 > Environment	- Greenhouse gas emissions - Water usage - Effective utilization rate of plastic waste
 Social relationship capital	We build relationships of trust through dialogue with internal and external stakeholders, thereby supporting the realization of sustainability and long-term corporate value enhancement.	- Promoting organizational culture reforms, such as active internal communication - Strengthening sustainability initiatives along the procurement supply chain - Engaging in dialogue with the capital markets Sustainability Management > Supply Chain Management (Procurement)	- Employee Engagement Score - Agreement to the Mitsubishi Electric Group Supply Chain Code of Conduct - Evaluations by ESG rating organizations, etc. - Number of meetings with institutional investors and analysts

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Materiality (Important Challenges)

Mitsubishi Electric Group’s Materiality

To address sustainability at the management level and ensure long-term commitment, the Mitsubishi Electric Group has identified five areas as materiality (important challenges) to “Provide solutions to social challenges through our businesses” and to “Strengthen our business foundation to enable sustainable growth.” The Group is taking a “Trade-On (mutual benefits)” approach to realizing sustainability by implementing materiality initiatives to create business solutions for social challenges while securing its own business growth at the same time. For our materiality initiatives, we set targets and key performance indicators (KPIs) and carry out continuous improvement activities using the PDCA cycle.

	Materiality (Important Challenges)	Reasons why it is important
Provide solutions to social challenges through our business	 Realize a sustainable global environment	Environmental challenges such as climate change and resource/energy issues are hurdles at a global scale. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.
	 Realize a safe, secure, and comfortable society	Since its founding, the Mitsubishi Electric Group has contributed to society by providing products and services in a wide range of fields, from home to space. In order to realize a “vibrant and sustainable society” as outlined in our Purpose, we aim to contribute to solve diversifying social challenges through our business activities.
	 Respect for all people	The protection of human rights is a global issue. Everyone's rights as an individual must be respected. The Mitsubishi Electric Group respects human rights in all of its activities and provides workplace environments that help all employees to work actively.
Strengthen our business foundation to enable sustainable growth	 Strengthen corporate governance and compliance on a sustainable basis	Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group continuously reinforces these areas.
	 Create sustainability-oriented corporate culture	The Mitsubishi Electric Group contributes to achieving sustainability through all of its activities. To this end, we proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a medium- to long-term perspective.

Materiality at the Mitsubishi Electric Group

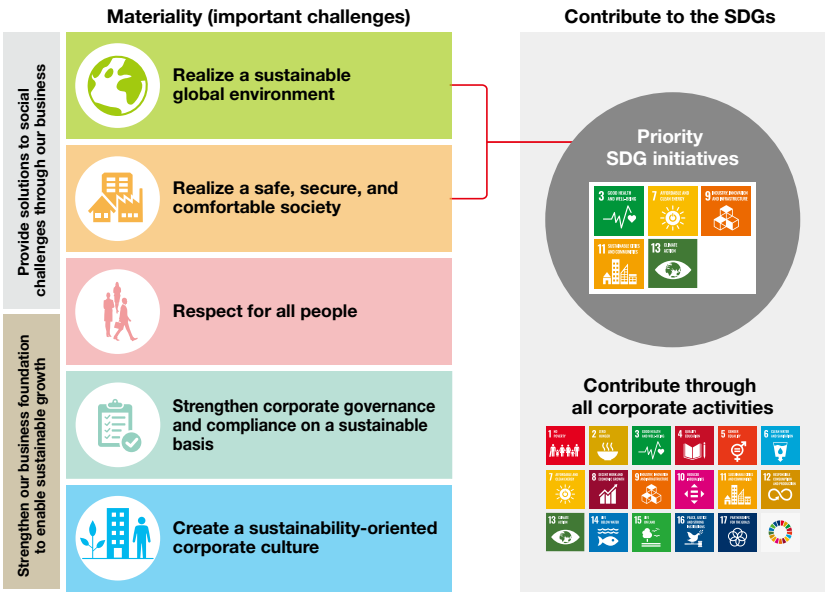
Materiality and SDGs

Under its Purpose that “We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity,” the Group aims to contribute to solving social issues by implementing the five areas of materiality issues. This policy aligns with the objectives of the globally shared SDGs.*

As a comprehensive electrical and electronics manufacturer with a broad portfolio of technologies, products, and services, we recognize our significant potential to contribute to the achievement of all 17 SDGs through our diverse business operations and our ongoing commitment to environmental, social, and governance (ESG) initiatives.

In particular, we revised our Priority SDGs initiatives in conjunction with the identification of materiality issues (important challenges) in FY2021. An internal survey regarding our contributions to the SDGs revealed strong expectations for the Group to provide solutions to social challenges through our businesses. Based on these findings, we designated five SDGs as Priority SDGs initiatives: Goal 3 (Good Health and Well-being), Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), Goal 11 (Sustainable Cities and Communities), and Goal 13 (Climate Action). These goals reflect the Group’s commitment to realizing a sustainable global environment and a safe, secure, and comfortable society.

* Sustainable Development Goals



Materiality and SDGs

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Please also refer to:

Materiality (Important Challenges) 

Materiality (Important Challenges)

Process of Identification and Review of Materiality

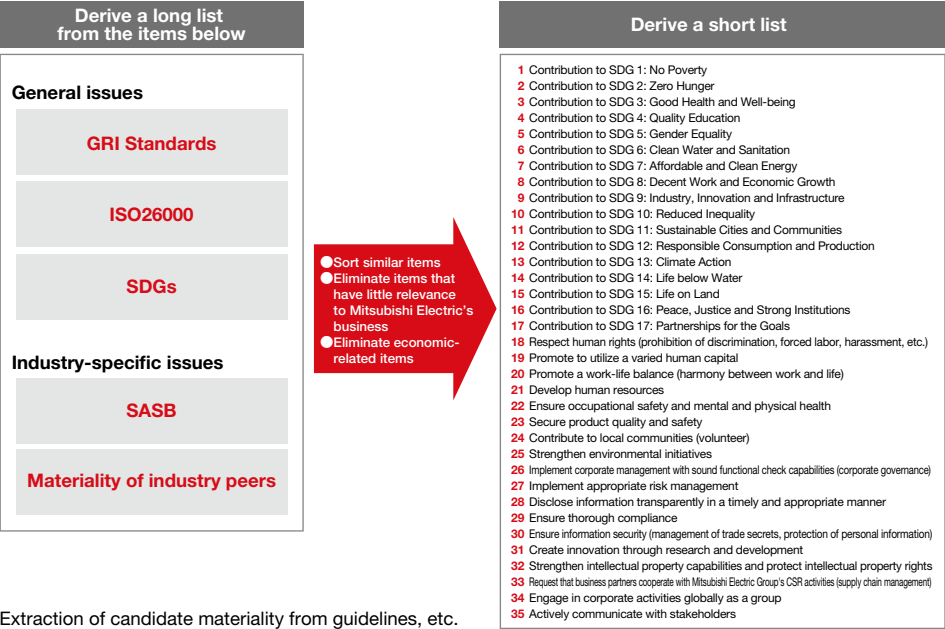
In FY2016, the Mitsubishi Electric Group identified materiality and initiatives in response to today’s social trends and business environment, as required by the fourth edition of the Global Reporting Initiative (GRI) Guidelines.

In FY2021, a full internal review of the materiality, medium- to long-term initiatives, and targets/key performance indicators (KPIs) was conducted. This review involved subjective evaluations from both inside and outside the company, along with questionnaires and interviews with a total of 1,551 participants, including Mitsubishi Electric Group employees, suppliers, investors, analysts, and general consumers.

Step1 Awareness of Social Issues (FY2021)

Candidate materiality issues (important challenges) were identified and shortlisted based on ISO26000,*1 the GRI Standards,*2 the SASB standards,*3 and the Sustainable Development Goals (SDGs).

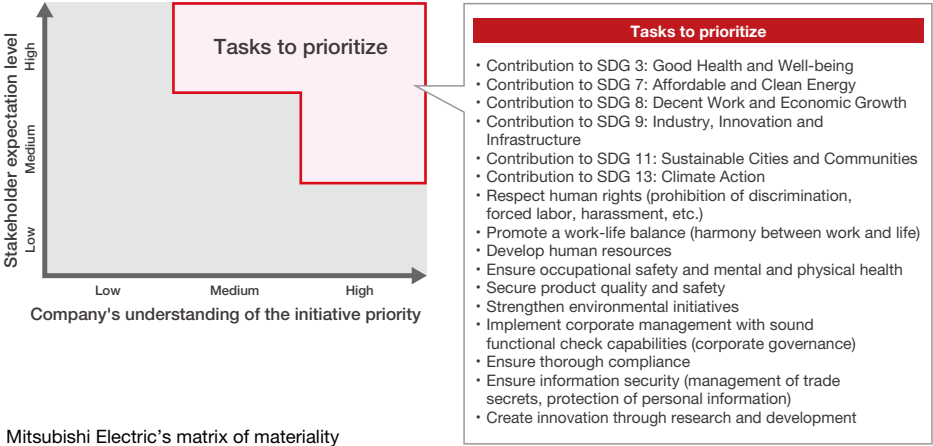
*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)
*2 International standards for sustainability reporting issued by Global Reporting Initiative (GRI), international NGO.
*3 Information disclosure rules concerning the environment, society, and governance (ESG) created by the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.



Extraction of candidate materiality from guidelines, etc.

Step2 Assessment of Internal and External Views and Study of Materiality (FY2021)

Next, questionnaire surveys were conducted with stakeholders such as consumers, suppliers, investors, and Mitsubishi Electric Group employees to assess their expectations of the Group regarding addressing social issues. In addition, through interviews and dialogues with experts, we gained their views and opinions of the Mitsubishi Electric Group. Based on the results obtained, we narrowed down the issues that needed to be addressed with the highest priority and examined their materiality.



Step3 Identification of Materiality (FY2021)

The issues thus extracted and studied through the above-described process and specific medium- to long-term initiatives and targets/key performance indicators (KPIs) were identified as the Mitsubishi Electric Group’s materiality by the Sustainability Committee.

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Materiality (Important Challenges)

Medium- to Long-term Initiatives, Goals for FY2026, and Results for FY2025

Each fiscal year, the Mitsubishi Electric Group sets goals and key performance indicators (KPIs) for addressing materiality issues, with the Sustainability Committee confirming and promoting progress of these goals as the Group works to enhance corporate value.

Materiality	Long-term target	Medium-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope
			FY2026 target	FY2025 target	Main FY2025 results	
Realize a sustainable global environment	[Scope 1, 2, 3] FY2051: Aim for net-zero greenhouse gas emissions throughout the entire value chain	[Scope 1, 2] FY2031: Aim for carbon neutrality	[Scope 1, 2] Reduce by 53% or more (vs. FY2014)	FY2026: [Scope 1, 2] Reduce by 53% or more (vs. FY2014)	Reduced by 48%	Mitsubishi Electric Group
		[Scope 3] Aim for at least 30% net reduction in greenhouse gas emissions (vs. FY2019)	[Scope 3] Reduce by 17.5% or more (vs. FY2019)	FY2026: [Scope 3] Reduce by 17.5% or more (vs. FY2019)	Reduced by 27%	Mitsubishi Electric Group
		Provide products, services and solutions that contribute to carbon neutrality		Provide products, services and solutions that contribute to carbon neutrality	● To Provide Heat-related Total Solutions to Reduce Energy Costs and Support Decarbonization ● Launches Railway Data Analysis Service Utilizing Serendie Digital Platform ● To Ship Full-SiC and Hybrid-SiC SLIMDIP Samples	Mitsubishi Electric Group
	Contribute to achieving a circular economy	FY2036: 100% effective utilization of plastic waste (in Japan)	92% or more effective utilization of plastic waste	FY2026: 92% or more effective utilization of plastic waste (in Japan)	97%	Mitsubishi Electric Group (in Japan)
Realize a safe, secure, and comfortable society	Ensure safety/security, inclusion, and well-being across our business activities	Provide products, services and solutions that contribute to safety/security		Provide products, services and solutions that contribute to safety/security	● Mitsubishi Electric Digital Innovation Launches “Rulerless” 3D Measurement App Service (in Japanese) ● Mitsubishi Electric Building Solutions Launches the NEXIEZ-Fit Elevator ● Melco Mobility Solutions to pass nighttime safety review for autonomous delivery robots first in Japan (in Japanese)	Mitsubishi Electric Group
		Provide products, services and solutions that contribute to inclusion and well-being		Provide products, services and solutions that contribute to inclusion and well-being	● Mitsubishi Electric IT Solutions partnered with mediLab, a healthcare AI startup from the University of Tokyo, to jointly develop generative AI functionality for the AnyCOMPASS cloud-based medication record system (in Japanese) ● Releases the FZ, Z, FD and ZD Series of the FY2026 Mitsubishi Kirigamine room air conditioner (in Japanese)	Mitsubishi Electric Group

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Materiality (Important Challenges)

Materiality	Long-term target	Medium-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope	
			FY2026 target	FY2025 target	Main FY2025 results		
Respect for all people	Establish human rights initiatives based on international norms and achieve responsible supply chains	FY2028: Conduct human rights due diligence*1 across the Group based on international norms	Continuous improvement efforts based on issues identified through human rights impact assessments (e.g., strengthening human rights promotion organization and grievance mechanisms) (FY2027: 100% implementation rate of improvement measures)	Implementation rate of improvement measures for identified human rights issues: 45% or more	FY2025: 53.5% implementation rate of improvement activities	Mitsubishi Electric Group	
		FY2028: Reduce negative impact on human rights in supply chain based on the RBA*2 process	100% implementation of corrective actions for high-risk suppliers based on sustainable procurement survey results (RBA, MELCO-SAQ)	100% agreement acquisition from key suppliers (top 80% by purchase value) to the Mitsubishi Electric Group Supply Chain Code of Conduct	100% agreement acquisition from key suppliers as of the end of March 2025	Mitsubishi Electric Group	
	Build workplaces where varied and versatile human capital gathers and works together	FY2031: Employee engagement score*3 60% or more (Mitsubishi Electric and some associated companies in Japan)	Employee Engagement Score 63% or more (Mitsubishi Electric) 53% or more (Mitsubishi Electric Group in Japan)*4	Employee Engagement Score 70% or more (Mitsubishi Electric) 60% or more (Mitsubishi Electric Group in Japan)*4	Employee Engagement Score 60% or more (Mitsubishi Electric) 52% or more (Mitsubishi Electric Group in Japan)*4	Mitsubishi Electric Group (in Japan)*4	
			● Deepening organizational culture reforms and promoting self-driven operation ● Continuing systematic “investment in people“ ● Firmly establishing the new personnel treatment system	● Ensure implementation of organizational culture reforms (related measures) ● Implement systematic “investment in people” ● Introduction of a new personnel treatment system	● Coaching Program for Managers Approx. 2,250 participants in total ● 1-on-1 Training by External Instructors Approx. 4,000 participants (for managers and key staff members) ● Executive Family Training Held 3 times (Jun., Sept., and Dec. 2024) ● Workshops for Plant/Research Lab Directors, Division Heads, and Branch Managers (twice in Nov. 2024) ● Introduction of a new personnel treatment system	Mitsubishi Electric	
		FY2031: Ratio of women/non-Japanese in senior management (Directors, Executive Officers, and Executive Officers [Associate]) 30% or more	Strengthening competitiveness in external talent acquisition	Promotion of strategic recruitment of external human capital	Achieved number of mid-career hires in FY2025 plan (externally published figure)	Mitsubishi Electric (non-consolidated)	
			Implementing strategic talent management succession plan across the Group globally	Promote diversity in management leaders based on succession management utilizing the global job grading	Ratio of women/non-Japanese in senior management (Directors, Executive Officers and Executive Officers [Associate]): Approx. 15% (as of March 31, 2025)		
		FY2031: Ratio of women in managerial positions 12% or more				Female manager ratio: 4% (Mitsubishi Electric standalone)*5	Mitsubishi Electric (non-consolidated)
			FY2031: Ratio of women in managerial positions 12% or more	Promotion and institutionalization of management-level appointment programs	Promotion of management-level appointment programs	Selected FY2025 management candidates; individual development plans underway	
				Integration with the L.E.A.D. (Leadership Enhancement And Development) system	Link with executive candidates development programs, etc.	Selected FY2025 executive candidate pool; Established development guidelines for executive candidates	

*1 Implementation of PDCA cycle to correct and prevent human rights violations
*2 Responsible Business Alliance. An alliance of companies promoting social responsibility in global supply chains
*3 Average percentage of positive responses to the five questions in the annual employee engagement survey: “Pride in working for the Company,” “Willingness to contribute,” “Desire to change jobs,” “Encouraging others to join the Company,” and “Sense of achievement through work”
*4 Mitsubishi Electric Corporation and certain associated companies in Japan
*5 Excludes Mitsubishi Electric Building Solutions and Mitsubishi Electric Mobility. Also excludes employees seconded to Mitsubishi Generator

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Materiality	Long-term target	Medium-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope
			FY2026 target	FY2025 target	Main FY2025 results	
Strengthen corporate governance and compliance on a sustainable basis	Three Key Reforms	Continued monitoring of the Three Key Reforms (quality assurance, organizational culture and governance) by the Board of Directors, and appropriate information disclosure	Continued efforts to build a self-driven organization (establishing and embedding the Three Key Reforms, while preventing backsliding)	- Summarize progress of Three Key Reforms and disclose information semi-annually - Hold meetings of the Three Key Reforms Monitoring Committee on an ongoing basis	- Semiannual disclosure of progress on the Three Key Reforms (April and October 2024) - Held four meetings of the Three Key Reforms Monitoring Committee in FY2025	Mitsubishi Electric Group
	Increase effectiveness of the Board of Directors	Maintain the ratio of independent outside directors of Mitsubishi Electric over 50%	Maintain the ratio of independent outside directors of Mitsubishi Electric over 50%	Maintain the ratio of independent outside directors of Mitsubishi Electric over 50%	60% (as of March 31, 2025) 10 directors including 6 independent outside directors	Mitsubishi Electric
			Continued appointment of an outside director as Chairperson of the Board	Appointment of an outside director as Chairperson of the Board of Directors	Continued appointment	
			Continued disclosure of the skills matrix in General Meeting of Shareholders reference documents	Continued disclosure of the skills matrix in General Meeting of Shareholders reference documents	Continued disclosure	
	Offer the quality that ensures customer satisfaction	Establish and maintain systems and environments that eliminate the need for improper quality control practices, while continuing activities to prevent these measures from fading away	Implementation of the five initiatives for quality assurance reforms*6	Reform engineering processes and promote improvement of the environment	The six initiatives for quality assurance reforms*6 are progressing steadily overall	Mitsubishi Electric Group
	Ensure proper understanding and practice of the compliance motto “Always Act with Integrity”	Provide compliance education on a continuous basis	Provide compliance education on a continuous basis	Provide compliance education on a continuous basis	Attendance rate in FY2025 e-learning programs about the Code of Conduct: 100%	Mitsubishi Electric Group
			Maintain 100% attendance rate in e-learning programs about the Code of Conduct	Maintain 100% attendance rate in e-learning programs about the Code of Conduct		Mitsubishi Electric
			Serious anti-trust law and bribery incidents: 0	Serious anti-trust law and bribery incidents: 0		Mitsubishi Electric Group
	Improve the cybersecurity maturity level	FY2026: Mitsubishi Electric Group (Japan) Achieve equivalent Level 2 on Cybersecurity Maturity Model Certification*7	Security measures implemented internally are expected to fully roll out to associated companies in Japan	Expand security measures implemented internally to associated companies in Japan	Rollout to associated companies in Japan is progressing as scheduled	Mitsubishi Electric Group
		FY2029: Mitsubishi Electric Group Achieve equivalent Level 2 on Cybersecurity Maturity Model Certification*7	Formulation of plans to improve Information system environments and establish the monitoring and operation system in Asia, the Americas, and Europe	Review and correct information system environment and consider establishing the monitoring and operation system in Asia, the Americas, and Europe	Information system environment improvements and the consideration to establish the monitoring and operation system in Asia, the Americas, and Europe is progressing as scheduled	
Create a sustainability-oriented corporate culture	Ensure proper understanding and practice of sustainability by employees	FY2026: Achieve 75% or more positive responses to “Conduct businesses in line with Purpose and goals” in the employee engagement survey	- Promotion of sustainability awareness via internal newsletters, the intranet, training, etc. - Achieve 75% positive responses to “Conduct operations in line with Purpose and goals” in the employee engagement survey	- Promotion of sustainability awareness via internal newsletters, the intranet, training, etc. - Achieve 75% positive responses to “Conduct operations in line with Purpose and goals” in the employee engagement survey	Achieved 74% positive responses to “Conduct operations in line with the Purpose and goals” in the employee engagement survey	Mitsubishi Electric
	Promote communication with stakeholders both inside and outside the company	- Publish the Integrated Report - Hold dialogues with experts	- Publish the Integrated Report - Hold the Sustainability Briefing - Introduce sustainability initiatives to the general public and employees via websites and in-person events - Conduct internal sustainability workshops	- Publish the Integrated Report - Hold the Sustainability Briefing - Introduce sustainability initiatives to students, the general public and employees via websites and in-person events - Conduct internal sustainability workshops	- Published the Integrated Report - Held the Sustainability Briefing	Mitsubishi Electric Group

*6 The five initiatives refer to: rebuilding the internal control function; addressing challenges related to technical capabilities and resources; reinstilling awareness of quality and compliance; normalizing manufacturing management; and promoting front-loading in design processes. The six initiatives add data-driven quality control and procedural execution to these five.

*7 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0). Level 2 is the industry expected standard for companies the size of Mitsubishi Electric.

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Materiality (Important Challenges) 

Progress on the Medium-term Management Plan

We will steadily advance transformation through backcasting from our ideal vision and aim for sustainable growth.

Purpose

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

	FY2015–FY2021	FY2022–FY2026																														
Ideal Vision	A “Global, Leading Green Company” contributing to the realization of a prosperous society that simultaneously achieves “Sustainability” and “Safety, Security, and Comfort”	A “Circular Digital-Engineering Company” that provides advanced integrated solutions through co-creation and the integration of knowledge both from inside and outside the Group																														
Financial Targets	<table><tr><th></th><th>Target</th><th>Actual (FY2021)</th></tr><tr><td>Consolidated revenue</td><td>FY2021 ¥5 trillion or more</td><td>¥4.2 trillion</td></tr><tr><td>Operating profit margin</td><td>FY2021 8% or more</td><td>5.5%</td></tr><tr><td>ROE</td><td>Continuously achieve 10% or more</td><td>7.5%</td></tr><tr><td>Bonds and borrowings to total assets*1</td><td>Continuously achieve 15% or less</td><td>5.2%</td></tr></table>		Target	Actual (FY2021)	Consolidated revenue	FY2021 ¥5 trillion or more	¥4.2 trillion	Operating profit margin	FY2021 8% or more	5.5%	ROE	Continuously achieve 10% or more	7.5%	Bonds and borrowings to total assets*1	Continuously achieve 15% or less	5.2%	<table><tr><th></th><th>Target (FY2026)</th><th>Forecast*3 (FY2026)</th></tr><tr><td>Consolidated revenue</td><td>¥5.0 trillion+</td><td>¥5.4 trillion</td></tr><tr><td>Operating profit margin</td><td>8.0% +</td><td>8.0%</td></tr><tr><td>ROE</td><td>9.0%</td><td>8.6%</td></tr><tr><td>Cash generation*2</td><td>¥3.3 trillion/5 years</td><td>¥3.1 trillion/5 years</td></tr></table>		Target (FY2026)	Forecast*3 (FY2026)	Consolidated revenue	¥5.0 trillion+	¥5.4 trillion	Operating profit margin	8.0% +	8.0%	ROE	9.0%	8.6%	Cash generation*2	¥3.3 trillion/5 years	¥3.1 trillion/5 years
	Target	Actual (FY2021)																														
Consolidated revenue	FY2021 ¥5 trillion or more	¥4.2 trillion																														
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	Target (FY2026)	Forecast*3 (FY2026)																														
Consolidated revenue	¥5.0 trillion+	¥5.4 trillion																														
Operating profit margin	8.0% +	8.0%																														
ROE	9.0%	8.6%																														
Cash generation*2	¥3.3 trillion/5 years	¥3.1 trillion/5 years																														
Main Measures	Strengthening Key Businesses - Improvement of sales, development, and production systems to strengthen global expansion FA systems business: Strengthening the digital solution area (acquisition of U.S.-based ICONICS, Inc., etc.) Building systems business: Development of a global production system (new factory in India, etc.) Air-conditioning & refrigeration systems business: Strengthening global capabilities (acquisition of DeLclima S.p.A. of Italy, etc.) - Promoting technological development for value creation Pursuit of technological and business synergies Sustainability Initiatives - Materiality identification - Formulation of Environmental Sustainability Vision 2050	Strengthening the Business Portfolio Strategy - Strengthen key growth businesses FA control systems business: Strengthen competitiveness in core components and digital areas Building systems business: Strengthen maintenance and renewal business Air-conditioning & refrigeration systems business: Strengthening capabilities in markets in Europe, North America, and India Power device business: Fortify growth foundations centered on the core strength of SiC - Portfolio transformation in the Infrastructure BA Defense systems business: Strengthening development and production systems - Structural reform of the automotive equipment business Energy systems business: Optimizing the business structure - Determination of business termination/continuation Establishment of Mitsubishi Electric Mobility Corporation, collaboration and cooperation with external partners Strengthening Management Foundations and Promoting Various Reforms - Introduction of business area management system - Promoting balance sheet-driven management utilizing ROIC - Strengthen DX strategy Serendie launched, Mitsubishi Electric Digital Innovation Corporation established - Establishment of sustainability promotion system Sustainability Innovation Group newly established - Promotion of Three Key Reforms Quality assurance reforms/Organizational culture reforms/Governance reforms																														
Recap/Progress	Recap - To achieve sustainable growth, we implemented proactive investments centered on strengthening our sales, development, and production systems for global expansion, and promoting technological development aimed at value creation. Shareholder returns also expanded. - In FY2021, revenue and profit decreased year on year, and financial targets were not achieved. While external factors such as the impact of the COVID-19 pandemic, stagnant demand growth, and exchange rate fluctuations were factors, there were areas for improvement, including an insufficient response to changes in the market environment. ⇒ Set the direction for the next Medium-term Management Plan (focus on strengthening solution businesses, reviewing the business portfolio to improve profitability, and effectively utilizing management resources)	Progress - Achieved revenue of 5 trillion yen in FY2023. In FY2026, we expect to achieve our financial targets for revenue and operating profit margin, with operating profit margin expected to reach a record high. - While key growth businesses are steadily growing overall, the FA control systems business is currently implementing fundamental structural measures to address sluggish market conditions and intensifying competition. In resilient businesses, mainly infrastructure-related businesses, including the defense systems business, have seen improved profitability. - To improve the profitability and asset efficiency of the entire company, we have decided to terminate operations valued at 0.5 trillion yen by FY2025. We are also promoting partnership strategies in the automotive equipment business and logistics domain, and the reduction of non-core assets, such as the sale of cross-shareholdings. - To expand the scale of Serendie-related businesses, we are promoting initiatives in business model transformation, strengthening the digital platform, and transforming our mindset.																														

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Please also refer to:

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*1 With the application of IFRS 16 (Leases) from FY2020, bonds and borrowings (excluding lease liabilities) are used in the calculation of the bonds and borrowings to total assets ratio.
*2 After adjusting, such as adding R&D expenses to operating cash flow. Accumulated amount from FY2022 to FY2026 *3 Announced May 28, 2025

Business Model Transformation and Business Portfolio Strategy

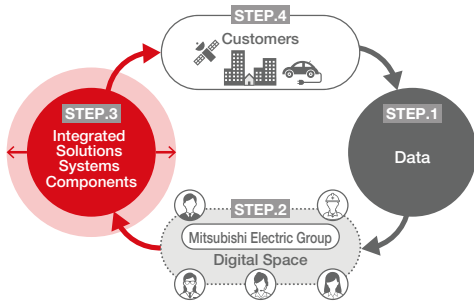
Noriyuki Takazawa
Representative Executive Officer,
Senior Vice President
CSO (In charge of Corporate
Strategic Planning and Operations of
Associated Companies)



The Mitsubishi Electric Group has positioned its ideal vision as a “Circular Digital-Engineering Company” that provides advanced integrated solutions through co-creation and the integration of knowledge both from inside and outside the Group. To achieve this, we will actively leverage the Serendie digital platform as we transform into an Innovative Company that creates value with new ideas, unafraid of risks, thereby rapidly creating unprecedented new value. In addition, we will accelerate initiatives to maximize profitability and asset efficiency by leveraging ROIC, while promoting our business portfolio strategy, including M&A for further growth and more informed decisions regarding business termination/continuation, all aimed at transforming into a leaner management structure.

Circular Digital-Engineering

The Mitsubishi Electric Group’s Circular Digital-Engineering is a method for delivering new value to customers by consolidating and analyzing data generated from the components and systems operating at their sites in the digital space, thereby identifying their potential needs. In 2024, we established a new digital platform called Serendie to realize this Circular Digital-Engineering. We have designated businesses closely related to Serendie as Serendie-related businesses and have set a revenue target of 1.1 trillion yen for FY2031 for these businesses.



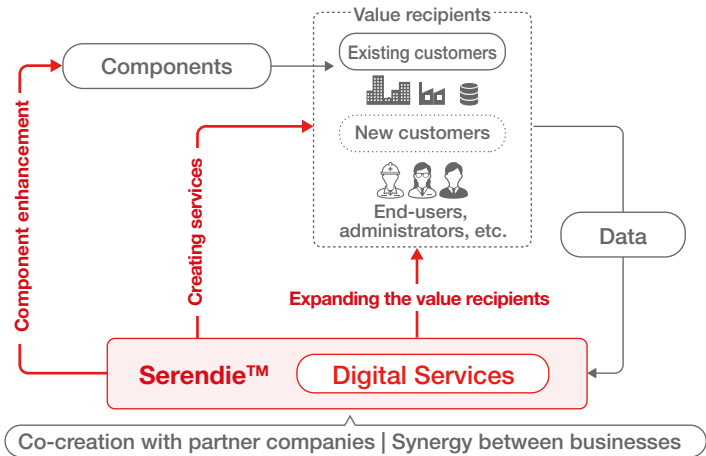
Business Model Transformation—Achieving 1.1 Trillion Yen in Revenue from Serendie-Related Businesses

To achieve this target, it is essential to accelerate the business model transformation through Serendie and strive for continuous improvement in the value we provide to our customers while attaining business growth.

The Mitsubishi Electric Group has strengths in components that it has provided to a wide range of customers. Going forward, we will leverage Serendie to analyze data obtained from the components we provide, collaboratively identify latent issues with our customers, and

develop solution services to address those challenges. In addition to our direct customers, we will expand the scope of our value propositions by providing added value to end-users and administrators. Furthermore, we will work to enhance the components themselves by accumulating operational data from components and new data obtained from customers and users in Serendie.

Through the transformation of our business model through Serendie, we will enhance corporate value by rapidly generating unprecedented value through cross-functional data analysis and utilization, as well as collaborative value creation processes with our partners.



P.30 Special Feature: Creating Solutions with Serendie

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Digital Platform “Serendie”



Business Model Transformation and Business Portfolio Strategy

Business Portfolio Strategy

The Mitsubishi Electric Group is reviewing its business portfolio by clarifying the direction of each business based on growth potential, profitability, and asset efficiency, as well as by backcasting from its ideal vision. This process includes growth investment in key growth businesses, strengthening the profitability of resilient businesses, and evaluating value recapturing businesses while improving their profitability. Going forward, we will conduct a more thorough evaluation of our business operations and execute growth investments, including M&A, to drive further growth and advance our business portfolio strategy.

Key Growth Businesses

We are implementing growth investments including strengthening our production system and M&A. While overall growth is steady, earnings in the FA control systems business have deteriorated due to sluggish market conditions and intensifying competition. Therefore, we are implementing radical structural reforms aimed at an early recovery to a growth trajectory.

FY2022 actual		FY2026 forecast	
Revenue	¥2.1 trillion	Revenue	¥2.5 trillion
Operating profit margin	6.6%	Operating profit margin	9.3%

	A/C & Refrigeration Systems	Building Systems	Power Devices	FA Control Systems
Revenue	↗	↗	↗	↘
Operating profit margin	↗	↗	↗	↘

Comparison of FY2026 forecast with FY2022 results

Main Initiatives

- Air-conditioning & Refrigeration Systems Business**
Construction of a new factory in India for global business expansion

Mitsubishi Electric to Build Plant in India for Room Air Conditioners and A/C Equipment Compressors



Image of a room air conditioner/compressor factory in India

- Building Systems Business**
Establishment of Mitsubishi Electric Building Solutions Corporation to build an integrated business management structure
- Power Device Business**
Construction of a new wafer plant to strengthen production capacity for SiC power semiconductors

Resilient Businesses*

To enhance profitability, we are promoting the shift of resources to the defense systems business in Infrastructure BA and the optimization of business structures.

FY2022 actual		FY2026 forecast	
Revenue	¥1.1 trillion	Revenue	¥1.2 trillion
Operating profit margin	8.9%	Operating profit margin	9.8%

Main Initiatives

- Defense Systems Business**
Construction of a new production facility to expand capacity

Mitsubishi Electric to Construct New Production Buildings in Kanagawa, Fukushima and Hyogo prefectures

- Energy Systems Business**
Establishment of an optimal business structure by transferring the generator business to Mitsubishi Generator Co., Ltd.



Conceptual drawings of the new production building at the Kamakura Works

* Businesses with stable demand that contribute to the Mitsubishi Electric Group's resilient management regardless of market fluctuation

Value Recapturing Businesses

We are actively assessing the withdrawal or divestiture of businesses that do not show potential for improved profitability. To date, we have already decided to terminate operations worth 0.5 trillion yen. Furthermore, during FY2026, we plan to assess the continuation or termination of businesses totaling 0.8 trillion yen.

FY2022 actual		FY2026 forecast	
Revenue	¥1.3 trillion	Revenue	¥1.9 trillion
Operating profit margin	0.7%	Operating profit margin	3.0%

Investment Policy to Strengthen the Business Portfolio

To achieve growth from the integration of components and digital technologies leveraging Serendie, we have established an M&A investment framework of 1 trillion yen (within three years). We are promoting growth investment based on the following policies.

- ①Strengthening existing businesses

 - Achieving non-linear growth through M&A in the globally competitive Industry and HVAC sectors
 - Actively investing in businesses with growth potential, such as the defense systems business
- ②Creating synergies between businesses

 - Creating synergies between businesses through digital technologies (M&A in the energy management sector and other sectors)
- ③Strengthening AI and digital areas

 - Pursuing M&A to strengthen capabilities in data collection, analysis, operational optimization, and predictive maintenance

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Digital Platform “Serendie” Serendie

Business Model Transformation and Business Portfolio Strategy

Q&A

* This information is current as of September 2025.

Q Could you elaborate on your current views on the key growth businesses and resilient businesses?

A Our key growth businesses have grown steadily through focused investments in strengthening production systems, M&A, and others. However, in the FA control systems business, revenue and profitability declined compared with FY2022, so we will aim for an early recovery to a growth trajectory by reducing fixed costs and revamping our sales and development structure.

In resilient businesses, we have been strengthening profitability through efficiency improvements and resource shifts. Furthermore, we are achieving high profitability in areas such as UPS* for data centers in the Infrastructure BA and optical communication devices in the Semiconductor & Device segment. We expect these areas to continue to generate stable, high profitability going forward.

* Uninterruptible Power Supply

Q How will you proceed with determination of business termination or continuation in value recapturing businesses with revenue of 1.9 trillion yen?

A Of the 1.9 trillion yen, we have already decided to terminate 0.3 trillion yen worth of businesses. In addition, determining the termination or continuation of businesses adding up to 0.8 trillion yen will be done during FY2026. The remaining 0.8 trillion yen represents businesses currently deemed to be worth holding, and we will continue to strive to improve their profitability. Some businesses might be classified as resilient businesses in the future, but for those that remain in the value recapturing businesses, we might reassess them and implement radical measures.

Q What specific businesses are included in the 0.8 trillion yen for which a decision on termination or continuation is to be made by the end of FY2026? Also, what criteria are used for selection?

A Selection of the businesses are based on comprehensive considerations, including profitability, efficiency, growth potential, and synergies with other businesses. In addition to some businesses within the Industry & Mobility BA, which is promoting structural reforms, there are some businesses within the Infrastructure BA. We will continue to consider the issue from various perspectives and determine the direction to take.

Q Based on your evaluation of value recapturing businesses, what level of contribution to profit margins do you anticipate in the future?

A We aim to improve our operating profit margin by 2 percentage points over the next three years by combining termination of unprofitable businesses, optimization of indirect costs, and other various measures.

Q Please provide details on the next steps and completion dates for structural reform in the automotive equipment business.

A We will implement initiatives to enhance management efficiency, including the consolidation of offices and sales branches, and review our global production system. In addition, we will advance our business portfolio strategy by accelerating negotiations with customers to expedite the termination of underperforming businesses, aiming to improve profitability and efficiency. Furthermore, while promoting initiatives to improve profitability, we will concurrently assess the positioning of our business within the portfolio by considering all possible scenarios.

Q What are your basic thoughts on conducting M&As in the new M&A investment framework of 1 trillion yen (within three years)?

A As we assess the termination or continuation of businesses totaling 0.8 trillion yen during FY2026, we have established a three-year M&A investment framework of 1 trillion yen to create growth areas without falling into a state of diminishing equilibrium. While giving due consideration to capital efficiency and synergies, we will make appropriate decisions on individual M&A transactions in areas that contribute to growth driven by both “components” and “digital.”

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Digital Platform “Serendie”



Business Model Transformation and Business Portfolio Strategy

Q What is the background behind launching Serendie?

A In the past, the Mitsubishi Electric Group has leveraged data from individual platforms optimized for each of its businesses, including transportation, energy, factory automation, buildings, and air conditioning. To further enhance collaboration between these businesses, Serendie has been developed as a digital platform that facilitates unprecedented interactions between data and expertise aggregated from components, systems, and services in different areas across previously unconnected areas.

Q Were there businesses using data before? And what specific solutions will you offer in the future?

A Each business unit has been implementing data-driven solutions, including remote services for processing machines and computerized numerical controllers (CNCs), as well as remote monitoring and maintenance services for elevators. In addition to the solutions presented in this Integrated Report, we will continue to develop new cross-business solutions, such as enhancing comfort throughout building spaces by integrating elevators and air conditioning systems.

Q How do you plan to develop Serendie-related businesses into a pillar of revenue?

A The Mitsubishi Electric Group’s business model has traditionally focused on a hardware-only sales model of components, although there were some segments that successfully turn services such as repairs and maintenance into viable businesses. By leveraging Serendie, we will integrate on-site usage data with design and manufacturing expertise to enhance the value of data collection components. Furthermore, we will provide services and solutions that leverage the data obtained, thereby creating new and stable sources of revenue.

Q What are the unique strengths of the Mitsubishi Electric Group in terms of data-driven solutions and services?

A The Mitsubishi Electric Group has a wide range of technology assets, including power electronics and mechatronics. We have delivered superior components as well as systems and solutions, leveraging the synergies created by the optimal integration of these assets. In addition, we operate across a broad spectrum of industries, from household applications to space exploration, and we possess diverse customer connections along with extensive on-site expertise. Rather than focusing on software, the Mitsubishi Electric Group provides solutions and services that integrate its strengths in components with digital technology.

Q Serendie-related businesses are targeting revenue of 1.1 trillion yen and an operating profit margin of 23% by FY2031. What is the current progress?

A The results for FY2025 were revenue of approximately 650 billion yen and an operating profit margin of 11%. For FY2026, we project revenue of approximately 680 billion yen and an operating profit margin of 13% (as of May 2025). Although data collection components fell short of initial plans for both revenue and operating profit margin due to sluggish sales of FA equipment, such as programmable logic controllers (PLCs), data utilization solutions continue to grow steadily, and there is no change in our medium-term direction.

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Digital Platform “Serendie” 

Briefing on Agreement to Wholly Acquire Nozomi Networks
Expanding Serendie-related businesses, including OT security 

Financial Strategy

Kenichiro Fujimoto

Executive Officer
CFO (in charge of Financial Strategy, Accounting,
and Finance); in charge of IR and SR



The Mitsubishi Electric Group will promote management that places even greater emphasis on profitability and efficiency with the aim of achieving its FY2026 targets, achieving a 10% ROE at an early stage thereafter, and transforming into an Innovative Company. By implementing balance sheet-driven management that positions ROIC as an important management indicator, we will maximize cash generation and execute efficient investments for medium-term growth. These financial management measures are based on maintaining a certain financial discipline from a soundness perspective, while striving to improve profitability and efficiency and expand growth investment. We will enhance sustainable shareholder returns through maximizing short-term efficiency and medium-term growth investment returns, while actively communicating with the capital markets to achieve sustainable improvement in corporate value.

▶ Deepening Balance Sheet-Driven Management Utilizing ROIC

The Mitsubishi Electric Group will deepen and continue its balance sheet-driven management initiatives, which position ROIC as an important management indicator. Specifically, we will work on: **1** implementing management measures from an ROIC perspective; **2** promoting a business portfolio strategy; and **3** profitability improvement.

1 Implementing Management Measures from an ROIC Perspective

By positioning ROIC as a criterion for determining investments by business, we will improve return on investment and promote efficiency improvements through the diffusion of awareness of the capital costs at all levels. This will accelerate initiatives in all areas toward (i) transforming our business model through the expansion of service and maintenance businesses with Serendie; (ii) improving profitability and efficiency by strengthening pricing in line with the value we provide, streamlining our product lineup, and localizing production; and (iii) promoting asset-light strategies through partnership initiatives.

2 Promoting a Business Portfolio Strategy

In promoting our business portfolio strategy, we will balance profitability, efficiency, and growth potential through weighted allocation of management resources to key growth businesses, which are the Mitsubishi Electric Group's growth drivers, followed by resilient businesses. For businesses facing issues with profitability and efficiency, or those requiring review from the perspective of best ownership, we will continue to implement a portfolio review process that holistically considers market growth potential, synergies, and ROIC levels and thus promote the identification of value recapturing businesses. In addition, we will accelerate the termination of businesses already slated for withdrawal.

3 Profitability Improvement

We will strengthen our business structure by quickly terminating unprofitable businesses, strengthening the global supply chain, and promoting standardization, shared use of materials and parts, and centralized procurement. We will also optimize indirect costs by thoroughly reducing operations through the utilization of DX and AI, and promoting efficiency measures such as the reorganization of associated companies. By promoting these measures in combination, we will work to transform into a leaner management structure and improve profitability.

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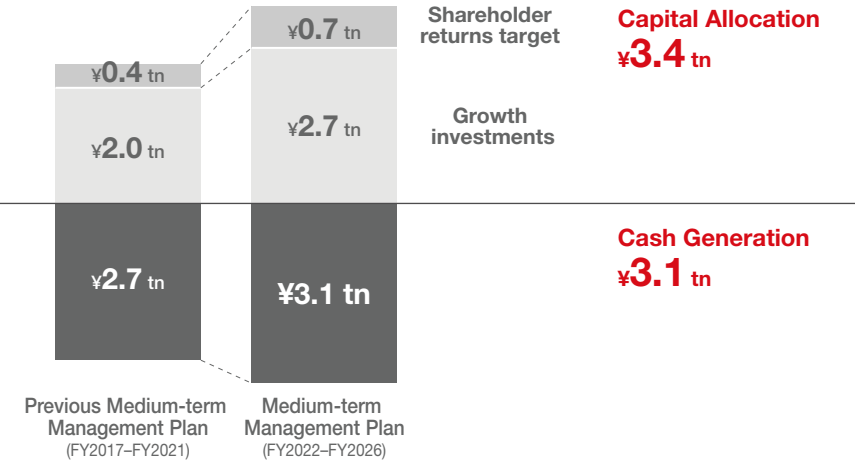


Financial Strategy

Cash Generation and Capital Allocation

We will work to expand cash generation* by improving profitability and enhancing working capital efficiency to improve operating cash flows, as well as by selling off assets related to assessment of businesses with profitability and efficiency issues and reorganization of associated companies, and selling cross-shareholdings.

In terms of capital allocation, we will maintain a good balance of growth investments by actively grasping opportunities, which is aligned with our strategy, and shareholder returns, both backed by the cash we have generated and our solid financial position.



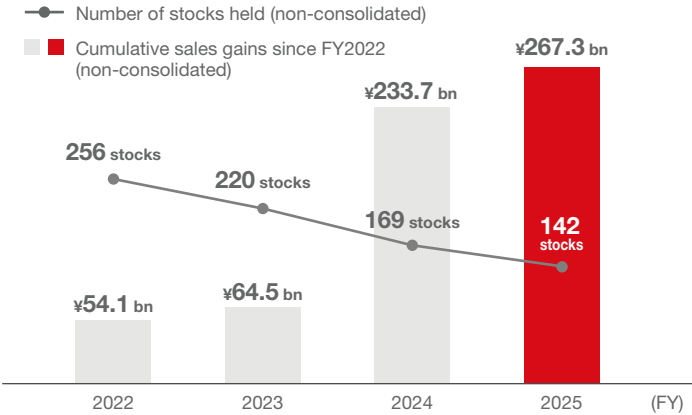
* After adjusting, such as adding R&D expenses to operating cash flow

Disciplined Financial Management

We will select investments in the capital expenditure, research and development, M&A, etc., necessary for advancing our growth strategy, in a disciplined manner from the perspective of certainty and efficiency of returns. In terms of funding, we will utilize cash flow generated from operating activities and engage in flexible financing. When raising funds from financial institutions, we aim for a D/E ratio of around 0.3 as a guideline for leverage utilization, thereby securing financial discipline.

Our Cross-shareholdings Policy

Our basic policy on cross-shareholdings is, in principle, not to own them. However, we may hold shares deemed necessary for our business management. We regularly check whether owning such shares is justified. If there is little reason for owning them, we reduce such shareholdings, including by selling them after taking into account the circumstances of the respective companies. When exercising voting rights for cross-shareholdings, we follow separately established guidelines and decide whether to vote for or against according to whether doing so will improve the corporate value of the company in which we are invested, as well as the Mitsubishi Electric Group’s corporate value. If there is concern that the Mitsubishi Electric Group’s corporate value will be adversely affected, we will oppose the agenda item in question.



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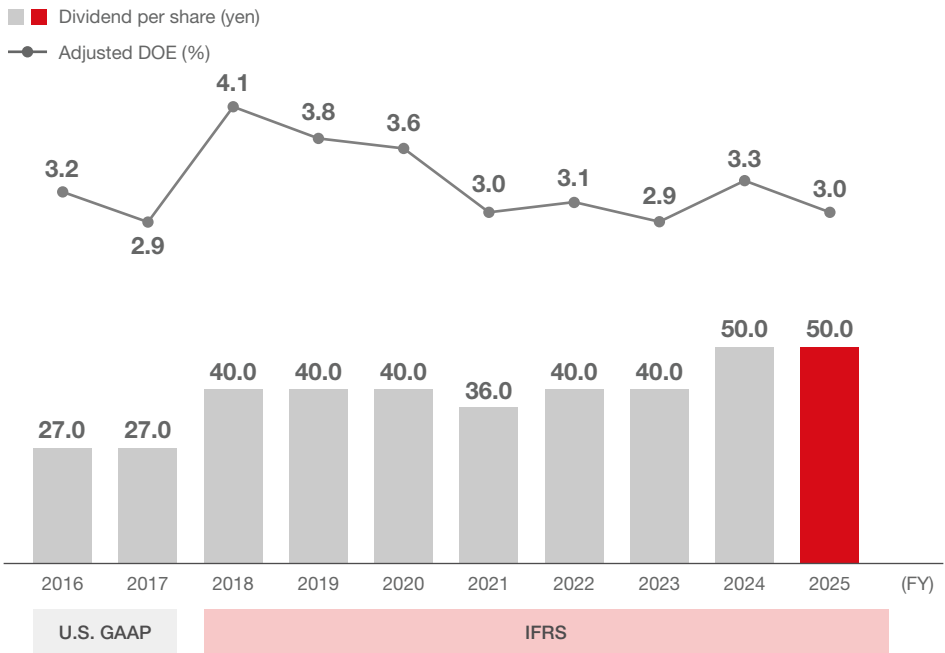


Financial Strategy

Improving Total Shareholder Return through Profit Growth and Shareholder Return Measures

For shareholder returns, we plan to return 0.7 trillion yen over five years from FY2022 to FY2026, with a total payout ratio of 52%. In FY2025, we implemented an annual dividend of 50 yen per share and repurchased treasury stock worth approximately 30 billion yen. For FY2026, we have decided to increase the annual dividend by 5 yen per share from the previous fiscal year to 55 yen per share and repurchase 100 billion yen of treasury stock.*1

For dividends, we will maintain stable payments targeting an adjusted DOE*2 of around 3%, with a view to appropriate profit returns according to stockholders' equity levels and maintaining financial soundness for continuous growth investments. We will continue to combine dividends with flexible share repurchases aiming for a total payout ratio of 50% or higher to return profits gained from business growth to our shareholders.



The following table shows our total shareholder return (TSR), which includes dividends and stock price changes. We will pursue management with an awareness of stock price in order to enhance shareholder value.

		Past 10 years	Past 5 years	Past 3 years	Past 1 year
Total Shareholder Return*3	Mitsubishi Electric	217.7%	219.9%	202.8%	110.3%
	TOPIX	217.4%	213.4%	147.2%	98.5%

*1 Mitsubishi Electric to Repurchase Company Shares (announced on April 28, 2025)
• Set a treasury stock acquisition frame with a maximum of 60 million shares to be acquired or a maximum aggregate value of 100 billion yen
• Repurchase period: April 30, 2025, to October 31, 2025
*2 Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))
*3 Based on a cumulative basis up to the end of FY2025, Mitsubishi Electric and TOPIX both include dividends

Dialogue with the Capital Markets

The Mitsubishi Electric Group promotes active IR and SR to gain understanding and trust from shareholders, investors, and analysts in the capital markets. We strive for timely and appropriate disclosure of management policies, strategies, and financial results. We recognize that feedback received from the capital markets, including opinions and insights from dialogue, is extremely important. Based on this recognition, we will sincerely accept feedback obtained through active dialogue and reflect it in our management.

In FY2025, in addition to the four quarterly financial results briefings, IR Day, Sustainability Briefing, and R&D Strategy Briefing, we held our first-ever Defense Business Briefing. Through the Briefing, we aim to deepen the capital markets' understanding of our defense systems business, which is seeing growth in both orders and revenue, leveraging the increase in defense spending along with the fundamental reinforcement of defense capabilities of Japan. We believe that improving understanding and earning trust in the Mitsubishi Electric Group in the capital markets also leads to lower capital costs. We will continue striving for clearer and more substantive dialogue and information disclosure, pursuing continuing growth in corporate value.

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DX Strategy



Satoshi Takeda

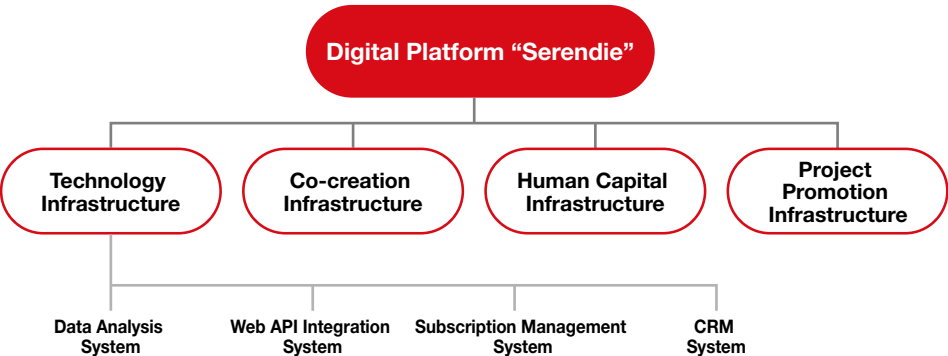
Senior Vice President
CDO (in charge of DX and Business Innovation);
CIO (in charge of Information Security and IT);
Group President, Digital Innovation

The Mitsubishi Electric Group has set its ideal vision as a “Circular Digital-Engineering Company” and has worked to create new value by leveraging the power of digital technology and integrating the component-related expertise and data it has cultivated over the years across business boundaries. With the launch of our digital platform Serendie in 2024, these activities have steadily evolved, promoting cross-business analysis and utilization of various data to accelerate value co-creation with our customers and partners, which led to our selection as a “Digital Transformation Stocks 2025” company. With the goal of rapidly delivering value that was previously unimaginable, we aim to transform Mitsubishi Electric into an Innovative Company, and promote business model transformation through Serendie.

Evolution of the Digital Platform “Serendie”

Utilizing Serendie, we digitally aggregate and analyze data generated by components and systems at our customers’ sites and provide new value by evolving those components and systems based on customer needs and issues. Serendie consists of four infrastructures: Technology, Co-creation, Human Capital, and Project Promotion. By continuing to evolve these infrastructures, we will promote activities that transcend organizational and business boundaries, driving co-creation not only within the Mitsubishi Electric Group but also with our customers and partners.

P.30 Special Feature: Creating Solutions with Serendie



Technology Infrastructure

To accelerate Circular Digital-Engineering, we have established the Data Analysis System, Web API Integration System, Subscription Management System, and CRM System on the cloud as a suite of company-wide common tools. These systems are widely adopted globally and are shared across the Mitsubishi Electric Group, promoting cross-business value creation.

To enable company-wide utilization of this technological foundation, we have appointed domain data officers to own data utilization in each business and are strengthening cross-functional data utilization by establishing a company-wide data governance system. In addition, operation of the Subscription Management System and the CRM System has been launched to strengthen customer touchpoints and elevate service provision.

Co-creation Infrastructure

We are steadily rolling out the DX innovation hub Serendie Street in Japan and overseas as a forum for integrating diverse internal and external knowledge and technologies to create new value. In Japan, we opened Serendie Street Yokohama in the Minato Mirai district of Yokohama in January 2025 as a strategic base. The facility features four areas: CIRCLE, an event space that can accommodate up to 100 people; GARAGE, a venue for project verification and exhibition; YOKOCHO, a café lounge designed to encourage networking; and FIELD, which comprises 19 project spaces. Diverse talent from both inside and outside the Mitsubishi Electric Group gather here to actively engage in creating new value.

As for global expansion, Serendie Street Boston started operation in Boston in the United States in May 2025. This facility plays a central role in promoting the exploration of new business opportunities and co-creation activities from a global perspective. In the future, we plan to utilize the results of these domestic and overseas bases and open a new co-creation base in Osaka to further strengthen Serendie’s co-creation foundation.

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Digital Platform “Serendie”



DX Strategy



Human Capital Infrastructure

To expand the pool of human capital capable of creating solutions utilizing Serendie, we have defined a seven-point skill set required for Serendie and are accelerating the strategic development and enhancement of DX human capital equipped with these skills. In addition, it is essential to transform the mindset of each employee. In particular, to promote the use of generative AI in internal processes throughout the Company, it is essential to ensure that employees in non-engineering roles understand and participate in the projects. To cite an example, it is extremely important that employees engaged in functions such as human resources and accounting also have a deep understanding of DX and AI, and work together with development engineers to promote transformation and development. Based on this understanding, we are conducting “Agile Human Capital Development Training” for a wide range of employees, regardless of whether they are in sales & administrative or engineering positions, to help them understand agile development methods and proactively promote process innovation as part of a scrum team. Through this training, employees from diverse backgrounds are becoming leaders in DX, laying the groundwork for an environment where innovation originating from the front lines can flourish.

P.37 Human Capital Strategy

Project Promotion Infrastructure

We promote agile development based on the scrum model to achieve new value co-creation with customers and partners more quickly and with high quality. To ensure development speed and quality, we have established a quality management system based on Agile Development Guidelines and other standards, enabling us to swiftly convert ideas into business and launch services. As a result of this, we obtained ISO 9001 certification, an international standard, in July 2025. As a manufacturer, we have been ISO 9001 certified mainly under the rules for

waterfall development, but this was the first time to be certified solely under the rules for agile development. We will continue to strive for both faster value provision and higher quality.

Furthermore, we are scaling up the implementation of agile development from individual projects to the entire organization, with deep engagement from senior management and multiple teams collaborating to advance projects. We will accelerate our evolution into an innovative organization that emphasizes co-creation by setting organizational goals and strategic priorities based on them, accurately grasping changes in the market and customer needs, and quickly converting them into value.

Mitsubishi Electric's DX Innovation Center Achieves ISO 9001 Certification

Initiatives for Transforming into an Innovative Company

In April 2025, we established the Digital Innovation Group to integrate the management of departments involved in IT, DX, and AI. We will promote both business DX, which aims to provide new value to customers, and operational DX, which aims to fundamentally streamline and enhance internal operations, while also collaborating with manufacturing DX, led by the Corporate Manufacturing and Engineering Group, to enhance the entire product life cycle from design and development to production and maintenance services.

Simultaneously, we will promote reforms that actively utilize AI and generative AI, while also accumulating and systematizing the know-how and technology assets gained from these activities. In addition to streamlining and enhancing internal processes, we are considering parlaying these initiatives into Serendie-related businesses to provide new solutions to our customers. In our internal processes, we are working on 60 operational reform projects using generative AI based on more than 1,000 ideas to double operational efficiency. We are steadily implementing reforms such as advancing strategy formulation, automating routine tasks in our business processes, streamlining design processes, and strengthening quality assurance in our design and manufacturing processes. In addition, at production sites, we are promoting production optimization to achieve autonomous and rapid variable production to respond to diversifying needs and market changes. With production management AI at its core, multiple AI agents cooperate in production planning, control of various equipment on production lines, etc., to substantially enhance productivity and flexibility.

Furthermore, we have established the Mitsubishi Electric Group Data Utilization Statement with the aim of fully utilizing data across businesses and organizations. This is a declaration that we will maximize the data value that is an asset of the Mitsubishi Electric Group and manage data appropriately in accordance with the applicable laws and policies, such as the Declaration of Confidential Corporate Information Security Management and utilize data to maximize its value. We will shift from the conventional defensive stance of secure data management to an offensive stance of actively utilizing data as a source of business value creation.

Based on this advanced use of data, we are further deepening our collaboration with AWS*1 and Microsoft and other hyperscalers to actively incorporate advanced external knowledge and technologies, thereby accelerating the advancement of AI application technologies and

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Please also refer to:

IR DAY



Digital Platform “Serendie”



DX Strategy

the accumulation of know-how. Furthermore, as part of our incubation strategy to develop new business pillars, we are collaborating with MIT*2 to accelerate the creation and validation of new business ideas.

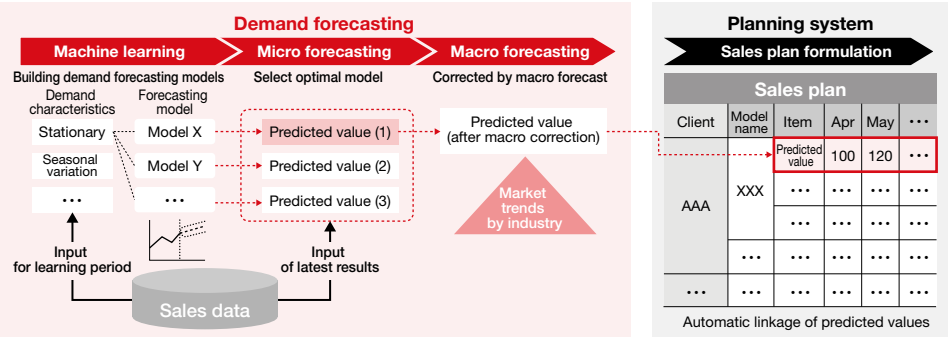
Mitsubishi Electric Group Data Utilization Statement

*1 Amazon Web Services *2 Massachusetts Institute of Technology

Operational DX Case Study

Initiatives to Automate Demand Forecasting and Improve Planning Accuracy Using AI

Since FY2022, we have been working to transform a series of internal business processes, including sales, purchasing, manufacturing, and accounting, as part of our operational digital transformation. This case study is an initiative to automate demand forecasting using AI and improve accuracy in the sales planning process. We have improved forecasting accuracy by using machine learning to analyze past sales data and build multiple demand forecasting models that take into account factors such as product replacement cycles, seasonality, and regional demand characteristics. Furthermore, by combining macro forecasts such as market trends, we are able to calculate more accurate demand forecasts. In addition, we are improving the accuracy of plans and streamlining the planning process by linking the results of demand forecasts with data from systems that plan production, sales, and inventory. We have implemented a system for demand forecasting and planning, and by linking it to purchasing and manufacturing business processes, we aim to upgrade delivery service and optimize inventory management.

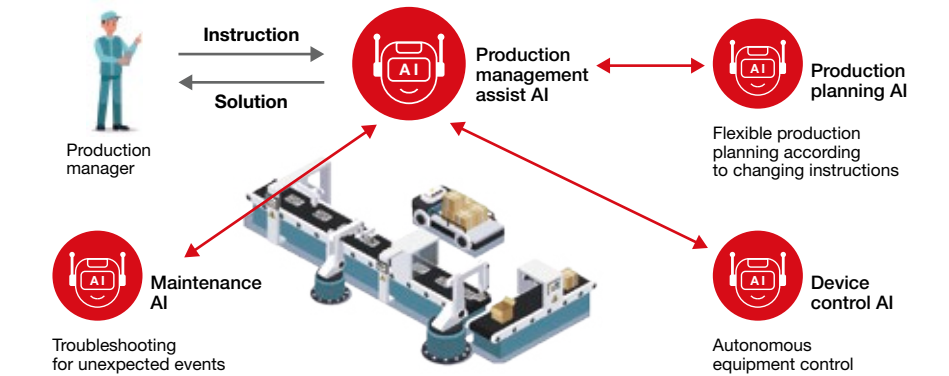


Manufacturing DX Case Study

Smart Manufacturing Solutions

We are developing Smart Manufacturing Solutions to autonomously and rapidly enable variable production in response to diversifying needs and market changes. In recent years, as consumer needs diversify, flexible manufacturing capable of handling variable production has been drawing increasing attention at manufacturing sites. Achieving this requires flexible production planning, equipment control, and immediate responses to unexpected events. Meanwhile, to address challenges such as capital investment, rising labor costs, and the need for faster product launches, further productivity improvements are essential. To tackle these issues, we are building smart manufacturing solutions in which multiple AI agents collaborate to perform production management processes such as production planning, equipment control, and maintenance that were previously handled by humans. After validation at Mitsubishi Electric Group factories, the solution will be rolled out to manufacturing customers.

Smart Manufacturing Solutions



Business DX Case Study

Creating Solutions with Serendie

Starting with the provision of components to customers, we utilize the data obtained from them to create new services, expand the scope of our value proposition, and enhance components.

P.30 Special Feature: Creating Solutions with Serendie

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Please also refer to:

IR DAY

Digital Platform "Serendie" Serendie

Special
Feature

1

Creating Solutions with Serendie

The Mitsubishi Electric Group is promoting the creation of new solutions by utilizing its Serendie digital platform to aggregate and analyze various data generated by components. In this section, we introduce some specific initiatives currently under way.

Solving Thermal Social Issues with EMS Knowledge

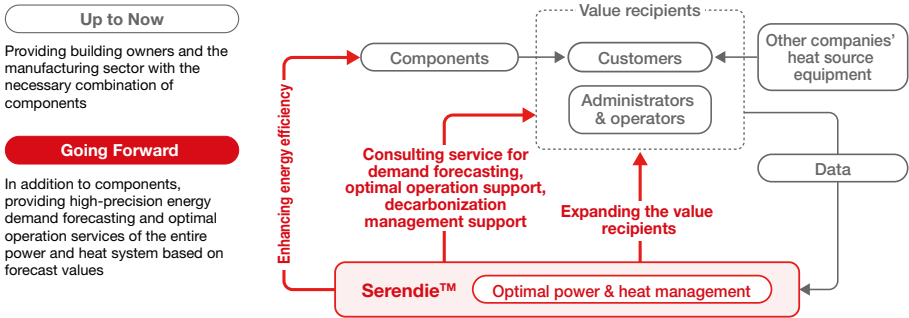
Mio Nonaka

Energy Solution Group,
E&F Solution Dept.



Mitsubishi Electric has a lot of experience in providing electrical equipment and energy management systems (EMS) and in manufacturing heat-generating equipment such as air-conditioning and hot water supply systems as well as industrial cooling and heating systems. However, providing a comprehensive solution for both electrical and thermal energy needs was still a work in progress. While the country is moving forward with decarbonization, manufacturers, building owners, and heat-supply operators are generating and utilizing a lot of heat, and thus reducing CO₂ emissions during heat production has become an issue. Therefore, we wondered if we could apply the energy management technology that Mitsubishi Electric has developed in the electrical field to the heat-related field as well, and began developing heat-related total solutions. Through integrated heat and power control using Serendie, we provide one-stop services that cover consulting for customers' heat-related issues, designing heat systems and supplying hot and cold water equipment through data analysis, and supporting the efficient operation of electricity and heat energy with EMS. We are currently collaborating on joint Proof of Concept (PoC) with our customers, who are heat-supply operators and building owners, and are continuing our efforts with the aim of expanding the business by around 2030.

[Read the full interview](#)



Pioneering the Future from the Railway Business with Data Utilization

Nobuyoshi Narimatsu (right)

Senior General Manager,
Mobility Infrastructure Systems Marketing Div.

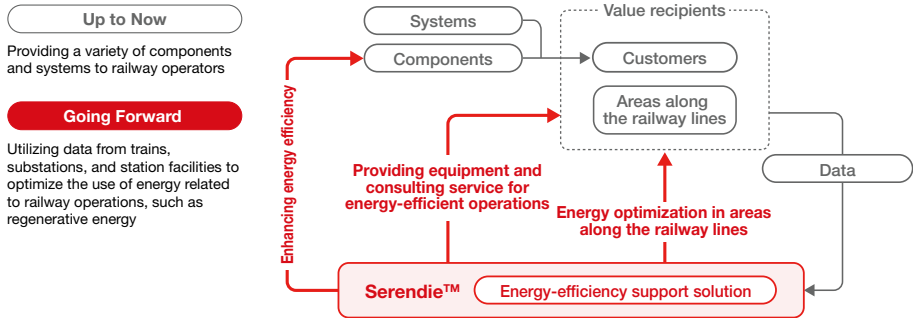
Hironobu Kato (left)

Infrastructure Solution Sec., Strategic Planning Dept.,
Mobility Infrastructure Systems Marketing Div.



Mitsubishi Electric has contributed to the railway industry for many years by providing electrical equipment for rolling stock, power substation equipment, and a variety of information systems including train operation management systems. We are also promoting the use of big data, and provide solutions such as failure prediction in the rolling stock system by utilizing data. However, new solutions beyond the conventional framework are necessary to resolve the complex issues facing railway operators, such as carbon neutrality and the decrease in the volume of transportation from the declining birthrate and aging population. Therefore, we began working on using Serendie for the optimization of energy related to the railway business. Now that the digital platform has been released, it has become easier to combine the data that each system accumulates and we can now propose the optimal operation method of railway assets according to the degree of congestion, operation schedule, and operation status of the station. In addition, the railway business encompasses not only the transportation business but also various other areas such as real estate, hotels, distribution, and other services along railway lines. By providing Mitsubishi Electric's solutions to these businesses, we aim to create significant value not only to existing customers but also extending to users, administrators, and society as a whole.

[Read the full interview](#)



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Please also refer to:

IR DAY



Digital Platform "Serendie"



Technology Strategy



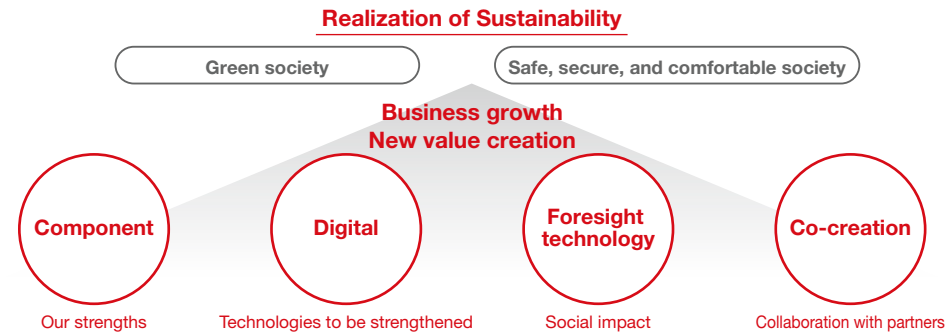
Tomonori Sato
Executive Officer
CTO (in charge of Technology Strategies)
Group President, Defense & Space Systems

We will leverage our strengths in component technology and digital technology to strongly promote sustainable business growth by deepening our fundamental technologies. We provide solutions that create unprecedented new value by leveraging Serendie to bring innovation to society. We are also focusing on the development of Foresight technologies,* aiming to solve the fundamental challenges facing modern society. Furthermore, through co-creation with partners and research organizations, we will contribute to the early implementation of technologies, thereby achieving both the resolution of social challenges and business growth. We will continue to be a company with the power to change the future by promoting innovative research and development for a sustainable future, as well as outstanding intellectual property and standardization activities to ensure our competitiveness and market advantage.

* Technologies developed with foresight, aiming to make a significant impact on society and business

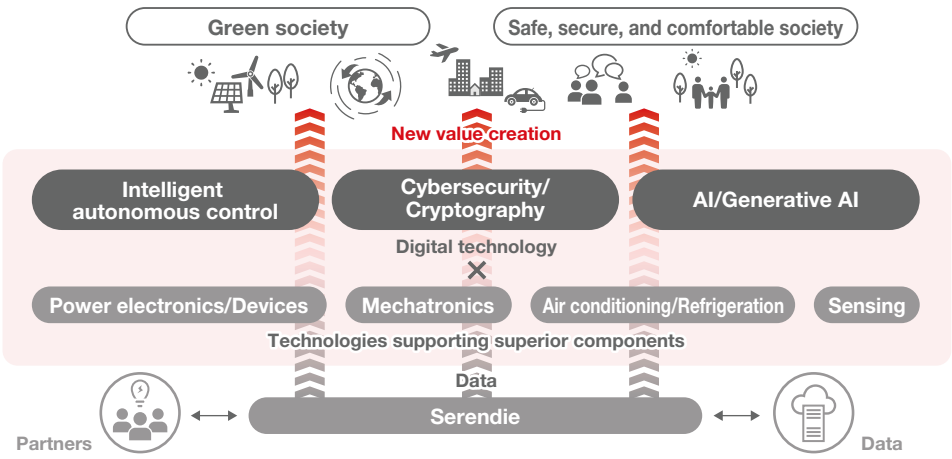
Mitsubishi Electric Group’s Research and Development Strategy

The Mitsubishi Electric Group positions the realization of sustainability as the cornerstone of our management, striving for “Trade-On (mutual benefits)” by simultaneously addressing social challenges and achieving business growth, while transforming into an Innovative Company that creates value with new ideas, unafraid of risks. We will promote research and development to drive sustainable business growth by leveraging our strengths in component and digital technologies while deepening our fundamental technologies. We also aim to provide solutions that create new value by leveraging Serendie. Furthermore, we will focus on developing foresight technologies that will have a significant impact on society and business, and we will take on the challenge of developing technologies aimed at fundamentally solving social issues. In addition, we will promote research and development that enriches society and the environment while advancing our business, aiming for early social implementation through collaboration with partners.



Technology Domains to Be Strengthened

In research and development, component technology refers to fundamental technologies that support a wide range of business fields, including power electronics and devices, mechatronics, air conditioning and refrigeration, and sensing. These technologies are essential elements for enhancing the performance of products and systems, and they serve as the foundation of the Mitsubishi Electric Group’s competitive strength. By integrating this component technology with digital technology utilizing Serendie, we can not only enhance the efficiency and safety of products and systems but also create new business models and offer innovative services. The Mitsubishi Electric Group is developing AI technology with high adaptability and reliability



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Please also refer to:

R&D/Technology	↗
R&D Strategy Briefing	↗
ADVANCE Magazine	↗

Technology Strategy

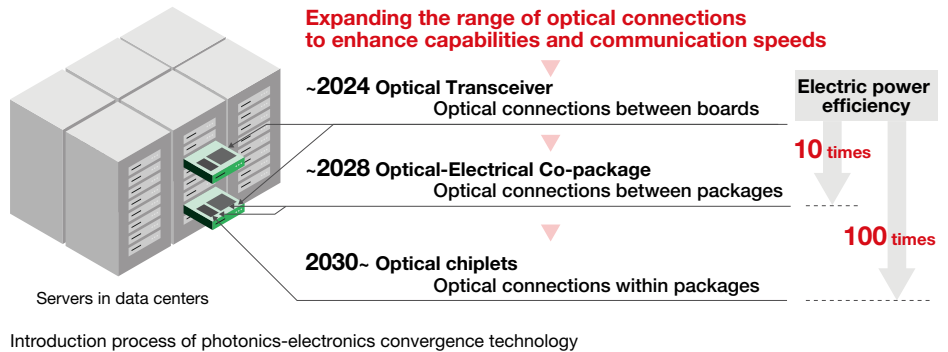
to respond to rapidly changing environments such as manufacturing sites and maintenance, leveraging its strengths in physical model simulation technology for components and compact AI under the “Maisart” brand. The recent proliferation of generative AI is driving the increased use of large language models (LLMs), but using LLMs entails substantial computational and energy costs. In addition, there is a growing demand for generative AI solutions that can operate in on-premises environments, driven by the need for data privacy and confidential information management. In light of this background, Mitsubishi Electric has developed a language model for the manufacturing industry that operates on edge devices. By conducting domain-specific learning using various data, including that from the FA systems business, we provide a language model tailored for the manufacturing industry. This contributes to the operation of generative AI in environments with constrained computing resources, as well as in on-premises settings such as call centers that handle customer information. This will facilitate the efficient and safe implementation of AI technology.

Mitsubishi Electric develops edge-device language model for domain-specific manufacturing

Foresight Technology

Foresight technology is developed with the aim of making a significant impact on society and business. We will analyze technological potential and social value to identify themes and take on the challenge of creating new value. Our goal is to have a significant impact on society and business by combining innovative new technologies with existing ones, thereby contributing to the resolution of social issues.

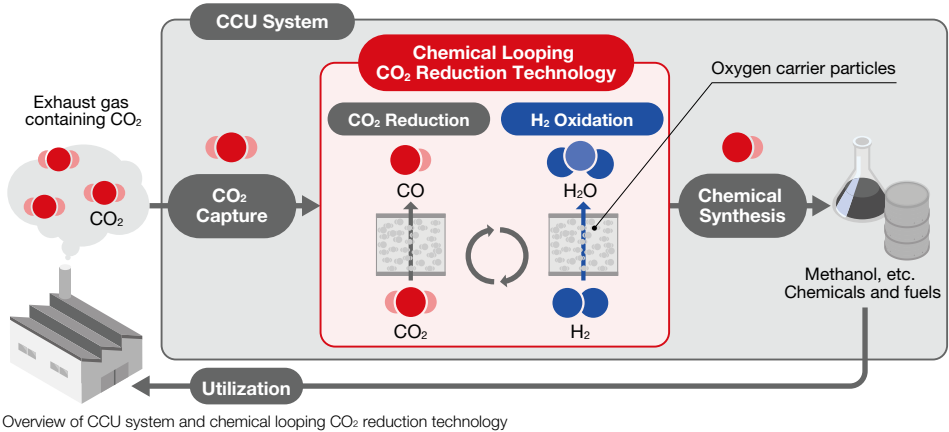
As an example, we will invest in the development of technologies that have the potential to significantly contribute to solving energy and environmental issues, as well as in technologies that will drive future business growth, such as “Photonics-electronics convergence technology” that enables data centers to achieve low power consumption and high-capacity communications.



Co-creation with Industry-Academia-Government Collaboration and Partners

Co-creation initiatives are another key pillar of our technology strategy. We are moving away from our previous tendency toward self-sufficiency and are promoting research and development with a sense of urgency by strengthening collaboration among industry, academia, and government, as well as co-creation with partners to integrate knowledge and technologies from different fields. We will create innovative solutions and bring them to market quickly, contributing to the resolution of challenges facing a sustainable society.

For example, in partnership with the Institute of Science Tokyo, we have begun demonstration testing of a chemical looping CO₂ reduction technology that converts CO₂ into carbon monoxide (CO), which can be utilized as a resource. This technology efficiently generates CO by reacting CO₂ with oxygen carrier particles, and then releases oxygen from the oxygen carrier particles by reacting them with hydrogen (H₂). Through this collaboration, we will aim to realize CCU systems from CO₂ recovery to utilization all at once, and furthermore CO₂ emission reduction in factories and other facilities by integrating it with Mitsubishi Electric Group’s E&F solutions, thereby contributing to the achievement of carbon neutrality.



The Mitsubishi Electric Group has efficiently enhanced its business competitiveness by deepening and applying common fundamental technologies across a wide range of business fields. We will continue to enhance our components and digital technologies while promoting research and development that drives sustainable business growth.

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Please also refer to:

R&D/Technology	
R&D Strategy Briefing	
ADVANCE Magazine	

Technology Strategy

Intellectual Property

The Mitsubishi Electric Group holds approximately 60,000 patents worldwide. With a wide range of patents that go beyond electrical and mechanical fields, we are working to provide solutions to social challenges through our businesses and create new markets. In intellectual property activities, we are strategically promoting activities linked to corporate strategy to establish the necessary rules and ensure competitiveness.

Scale of patent assets*1
First in Japan

Number of registered patents in Japan*2
Third in Japan

The power to keep other electronic equipment competitors under control*3
Third in Japan

Number of international patents filed*4
Seventh in the world

Number of patents filed in Germany*5
Top-ranked Japanese company

Number of patents obtained in China*6
Fourth-ranked Japanese company

*1 As announced by Patent Result Co., Ltd. (from April 2023–March 2024 data)
*2 As announced by the Japan Patent Office (from January–December 2024 data)
*3 As announced by Patent Result Co., Ltd. (from January–December 2024 data)
*4 As announced by the World Intellectual Property Organization (WIPO) (from January–December 2024 data)
*5 As announced by the German Patent and Trademark Office (DPMA) (from January–December 2024 data)
*6 As announced by the China National Intellectual Property Administration (CNIPA) (from January–December 2023 data)

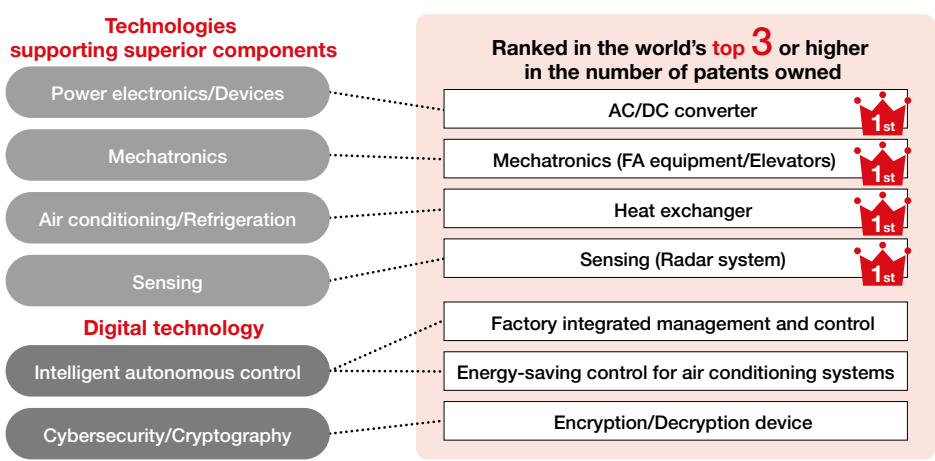
Wide Range of Patents

Electrical engineering				Mechanical engineering			
Electrical machinery, apparatus, energy 12,164	IT methods for management 1,345	Semiconductors 4,391	Telecom-munications 4,434	Textile and paper machines 48	Thermal processes and apparatus 6,836	Transport 3,476	
Audio-visual technology 2,923	Basic communication processes 1,395	Computer technology 5,041	Digital communication 2,571	Machine tools 1,364	Mechanical elements 779	Other special machines 391	
Surface technology, coating 420	Macromolecular chemistry, polymers 94	Pharmaceuticals 25	Chemical engineering 585	Optics 1,984	Engines, pumps, turbines 1,975	Handling 3,850	
Materials, metallurgy 301	Micro-structure and nano-technology 75	Organic fine chemistry 18	Measurement 5,075	Medical technology 565	Furniture, games 959	Other consumer goods 868	
Basic materials chemistry 168	Biotechnology 41	Environmental technology 549	Food chemistry 120	Analysis of biological materials 45	Control 4,731	Civil engineering 368	
Chemistry				Instruments		Other fields	

Format: Patents classified according to WIPO "IPC and Technology Concordance Table"
Data: Questel Orbit Intelligence (as of July 2025, edited)

Stock (Number of Patents Owned)

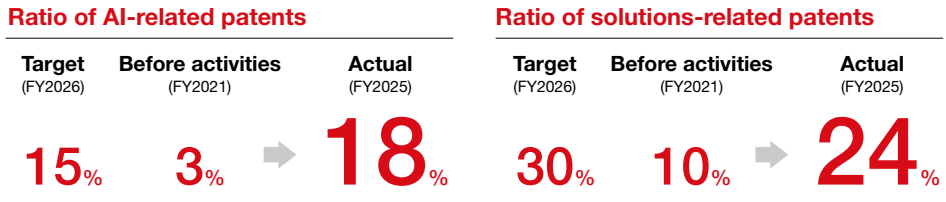
Component-related patents account for more than 50% of the patents we hold worldwide. We will continue to support our businesses by strengthening the technologies supporting superior components and advanced digital technologies to create new value by leveraging the data obtained through Serendie, while also contributing to ensuring our international competitiveness in terms of our patent portfolio.



* FY2025 Mitsubishi Electric research

Flow (Number of Applications)

We are strengthening our AI (including generative AI) and solution-related patent applications to accelerate our transformation into an Innovative Company. Since FY2021, we have set a target ratio for the number of patent applications filed by the Company and have made it a KPI. We will continue to increase this ratio for solution-related filed patents. In addition, although we have already achieved our targets for AI-related patent applications, we will maintain the target values and focus on improving quality going forward.



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Intellectual Property	↗
R&D Strategy Briefing	↗
ADVANCE Magazine	↗

Technology Strategy

Open Technology Bank

To realize a sustainable future, in FY2022 the Mitsubishi Electric Group started its Open Technology Bank activities to promote internal and external collaborations of the Mitsubishi Electric Group with intellectual property as the starting point. We are working to create new businesses that contribute to solving social challenges by strategically utilizing intellectual property as a tool for promoting co-creation. This initiative was recognized, and the Company received the Commissioner of the Japan Patent Office Award (Open Innovation Promotion Company) in the Fiscal 2025 Intellectual Property Achievement Awards.

Plastic Recycling

Plastic recycling is a key issue for the realization of a sustainable society. Some plastic products contain a mixture of multiple plastic materials. In plastic recycling, it is necessary to sort these materials, and improving the recovery rate by sorting it to a high degree of purity is a major challenge.

Mitsubishi Electric has advanced electrostatic sorting technology cultivated over many years in the home appliance recycling business and has received requests from companies in various industries to provide services utilizing this technology. Therefore, we conducted tests to sort mixed plastics originating from household products such as shampoo bottles supplied by Kao Corporation by type. We have verified that sorting technology using static electricity is effective in recycling plastic products manufactured in a wide range of industries, not limited to the consumer electronics field, due to its high purity and recovery rate. Furthermore, we have provided this technology to Daisan Co., Ltd., a long-standing partner of Mitsubishi Electric, to develop a demonstration machine for plastic advanced sorting, which has been put into operation at Daisan.

Going forward, we will work to demonstrate and resolve issues related to the sorting of waste plastics in a variety of industries and fields, and will offer services centered on the sale of advanced sorting equipment and support for its introduction and utilization, thereby contributing to the realization of a recycling-based society.

P.49 Special Feature: “Trade-On (mutual benefits)” × Plastic Recycling

Enhancing International Standardization Activities

Digitalization is changing the industrial structures in a direction where products and services are connected beyond the boundaries of companies and industries. In response to this, international standardization is becoming increasingly important as a means to expand and acquire global markets. The Mitsubishi Electric Group is also actively working to shape rules through international standardization activities and nurturing human capital in standardization.

Holding Key Positions in International Standardization Organizations and Leading Global Activities

Approximately 1,200 members are participating in international standardization activities, including key figures in international standardization organizations, with the aim of strengthening activities to secure market superiority through rule formation. By leading international standardization activities worldwide and collaborating with diverse stakeholders to help solve social challenges, we received two awards in 2024 under the Ministry of Economy, Trade and Industry’s Industrial Standardization Awards: the Prime Minister’s Award and the Director-General, Innovation and Environment Policy Bureau’s Award.

Examples of Initiatives

High-precision positioning

In Japan, the Centimeter Level Augmentation Service (CLAS) using the Quasi-Zenith Satellite System (QZSS) is provided as a national infrastructure for high-precision positioning, and the Mitsubishi Electric Group is engaged in the development of this system. Furthermore, to improve international interoperability, we are promoting the standardization of high-precision positioning in ICG*1 and RTCM.*2 The CLAS data format has been adopted as a 3GPP™*3*4 5G international standard, leading the way for global adoption. This will contribute to market expansion and the resolution of social challenges in areas such as autonomous driving, IT agriculture, and disaster prevention.



*1 International Committee on Global Navigation Satellite Systems
*2 Radio Technical Commission for Maritime Service
*3 Third Generation Partnership Project
*4 3GPP™ is a registered trademark of ETSI (European Telecommunications Standards Institute)

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ADVANCE Magazine	↗

Special Feature

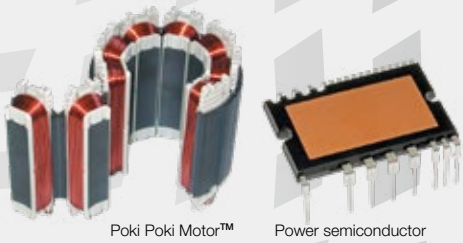
2

Technologies Supporting the Mitsubishi Electric Group’s History

Yuji Yoshimura
Senior General Manager,
Component Production
Engineering Center



The Component Production Engineering Center is responsible for developing design and production technologies for key parts common to our key growth businesses. We interviewed the Senior General Manager about the future outlook for the Center.



What is the role of the Component Production Engineering Center?

We are responsible for developing design and production technologies for key parts common to components of the Mitsubishi Electric Group’s key growth businesses, such as factory automation systems, air conditioning, and elevators. Specifically, motors and power semiconductors. We overcome challenges at the manufacturing sites of each business at the design stage and support the production of superior components by overseeing product development that combines high performance, high quality, and high productivity with the development of production technologies that improve manufacturing efficiency.



Please tell us more about motors and power semiconductors.

Motors are one of Mitsubishi Electric’s most historic technologies, cultivated since the Company’s founding. One of the most unique is the Poki Poki Motor. The impetus for its birth was in 1993 with the idea of miniaturizing the motor that powers a PC disk drive. The motor has a coil wound around an iron core, which can be bent with a “poki-poki” snapping motion, so we named it the “Poki Poki Motor” for fun. This has dramatically improved production efficiency and contributed to product miniaturization. In 1998, we achieved a highly efficient motor with an operating efficiency above 95% and have continued to improve it since then.

Mitsubishi Electric has also been a pioneer in power semiconductors. Starting with the manufacture of Japan’s first*1 power semiconductors for electric locomotives in 1958, we supplied the world’s first*2 modules for hybrid electric vehicles in 1997. In recent years, renewable energy-related markets have been booming worldwide, and we believe that our technology will play an increasingly important role here as well.

*1 As of 1958, based on Mitsubishi Electric research
*2 As of 1997, based on Mitsubishi Electric research

What impact has it made on society?

PokiPokiMotorsareusedinairconditioning, factory automation systems, automotive equipment, elevators, and other applications worldwide, contributing to energy saving. It has been installed in approximately seven million products to date, with cumulative shipments exceeding 100 million units. Similarly, power semiconductors are used in various aspects of society. For example, the Company’s DIPIPM™* is widely used as a standard power semiconductor module for room air conditioners and other applications, including in products manufactured by other companies. It is said that 40% to 50% of the world’s electricity consumption is accounted for by motors, and power semiconductors are often incorporated into motor control systems. We believe improvements in motor and power semiconductor performance

will make a big contribution to reducing environmental impact.

* Dual-In-Line Package Intelligent Power Module

What is your outlook for the future?

The evolution of key parts has been supported by none other than our employees. I would like to hold dear an environment where we can bring new ideas to life and engage in development with a sense of freedom and creativity. Including myself, I want the Mitsubishi Electric Group to be a team that continues to tackle challenges with the mindset of Changes for the Better. We will continue to develop outstanding technologies and contribute to improving Mitsubishi Electric’s profitability by standardizing them and deploying them in our businesses.



Examples of motors deployed for design and production technology development
Compressor for air-conditioning and refrigeration equipment (left), servomotor for industrial use (right)

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Please also refer to:



Component Production Engineering Center Taking on the World
The projects of younger engineers who are taking on the world using cutting-edge motor technology are introduced.

Special Feature

3

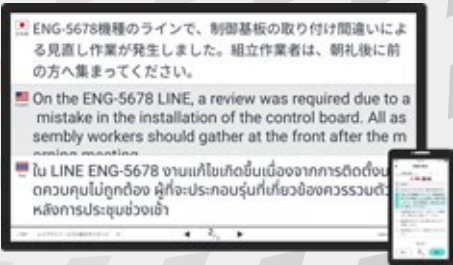
Innovation for Solving Social Challenges – Multilingual Translation System –

Komi Matsubara

Executive Officer (Associate)
Vice President, Business Innovation



At today’s production sites in Japan, where multinational teamwork is required, communication is needed that transcends nationality and language barriers. The Mitsubishi Electric Group has developed the Multilingual Translation System to facilitate smooth communication with employees who are non-Japanese nationals and began providing it as a subscription-type service (monthly) on April 1, 2025.



What is the societal background that led to the development of the Multilingual Translation System?

Not only the Mitsubishi Electric Group but also many Japanese companies are now employing a large number of foreign nationals to cope with labor shortages. Given the diversity of nationalities among our people, there is a growing need to provide multilingual support, including Vietnamese, Chinese, Tagalog, Indonesian, Burmese, and Nepali. On the front lines of production, language barriers can prevent non-Japanese employees from receiving adequate work instructions, making it difficult to boost productivity in some cases. In addition, there are issues such as an increased risk of industrial accidents due to an inadequate understanding of safety regulations and other rules and difficulties in



Morning meeting at the Gunma Factory. The foreman’s message is displayed on the Multilingual Translation System in multiple languages.

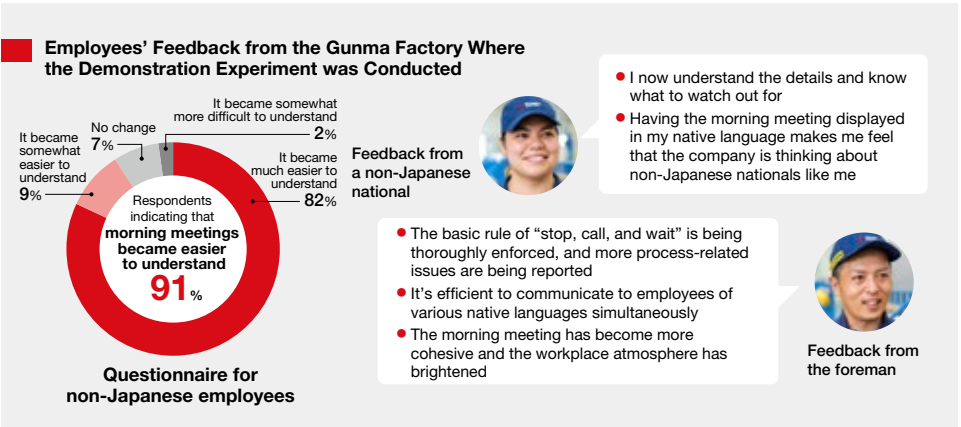
improving the workplace environment owing to communication barriers with Japanese employees.

The Multilingual Translation System was developed to overcome such challenges. This application translates and displays information in multiple languages for morning meetings and similar situations at production sites, enabling accurate communication of information to employees of various nationalities. Through repeated demonstration experiments at our Gunma Factory, we have verified that the accuracy of communication has improved, the workload of the foreman has been reduced, and non-Japanese nationals feel that they have a better understanding.

Please tell us what prompted you to start developing this product within the Mitsubishi Electric Group.

The Mitsubishi Electric Group’s Integrated Design Center (IDC), which is responsible for design development across a wide range of business fields, has been exploring the use of the SwipeTalk™ UI technology, a speech-to-text app for corporate services, from 2021. IDC conducted 80 visits to production sites upon receiving a request from Group production plants that wanted to utilize this technology to facilitate communication with

non-Japanese employees. Through repeated interviews and on-site observations, we were able to identify issues not only in one-on-one communication but also in one-to-many communication, such as morning meetings. We identified communication issues with non-Japanese employees, such as “verbal explanations alone are not sufficient” and “technical terms are not being conveyed,” and developed an application to resolve these issues. I believe that it is because the Mitsubishi Electric Group has many manufacturing sites that we were able to create the Multilingual Translation System by having the foremen at the sites and developers contribute their knowledge.



How would you like to roll this out going forward?

Beyond production sites, I envision the Multilingual Translation System being utilized in a wide range of fields, including construction, tourism, and education. Since the service was launched on April 1, 2025, we have received feedback from customers saying that they feel that non-Japanese staff members’ understanding of work instructions has improved. We aim to enhance well-being through active communication by bringing the Multilingual Translation System to many workplaces with increasing diversity.

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Please also refer to:



Beyond Language Barriers to the Future of Communication

We introduce solutions for dialogues on manufacturing sites. (Multilingual Translation System, SwipeTalk) (in Japanese)

Human Capital Strategy



Yasunari Abe

Executive Officer
CHRO (in charge of Global Human Resources Strategy, Human Resources & General Affairs; Vice President, Corporate Human Resources)

The Mitsubishi Electric Group states that it will contribute to realizing a vibrant and sustainable society, including working toward decarbonization, by increasing the provision of integrated solutions through strengthening the business management foundation, promoting digital transformation, and other activities. People are the driving force behind this sustainable growth, and we will continue to practice “human capital management,” which views “people as the capital that creates future value.” Amid increasingly intense global competition, we will mobilize all of our human capital, that is, our varied and versatile individual powers to transform into an Innovative Company that creates new value with new ideas. In addition, we will systematically promote investment in the human capital necessary for this purpose.

Ideal “Human Capital,” “Organization,” and “Climate”

Human capital is the foundation of all of the Mitsubishi Electric Group’s business operations. We aim to fulfill our ideal vision of the Mitsubishi Electric Group and to enhance the Group’s corporate value over the medium to long term by proactively investing in human capital to enable each employee to achieve their full potential.

Human Capital Management Policy

**Grow our People,
Grow our Business,
Grow our Society**

Human capital
Think independently, act proactively, and continuously take on challenges

Organization
Identify the needs of society and our customers, and work collaboratively to create new value

Climate
Encourage challenges and respect diversity to enhance individual engagement and promote a sense of unity and collaboration with our organization

Three Key Initiatives and Reasons for Selection

1 Talent Management That Fosters the Mutual Growth of People and the Organization

To continue growing as a truly global company with an overseas revenue ratio above 50%, we will promote the establishment of a cross-company human capital management foundation and system, transitioning from the previous individual optimization centered on business divisions

and Japan to overall optimization on a group-wide and global scale.

In addition, based on the conviction that providing a sense of growth and job satisfaction for employees by fostering their autonomous career development drives sustainable growth for the company, we are creating a system in which the individual and the organization grow in tandem by promoting the enhancement of each employee’s career ownership.

2 Development and Expansion of Human Capital for Future Growth

We define human capital requirements by backcasting based on our future objectives rather than by making assumptions about current human capital and skills. This is how we strategically recruit, assign, and develop human capital.

In particular, we are confident strengthening DX human capital is essential to achieving our transformation into an Innovative Company. To achieve our target revenue of 1.1 trillion yen for Serendie-related businesses by FY2031, we will strengthen the development, acquisition, and deployment of core DX human capital and expand their ranks to 20,000 workers by FY2031.

3 Strengthening the Foundation of Human Capital

We believe that creating a workplace that maximizes employees’ performance and empowers varied and versatile human capital will lead to sustainable business development and increased corporate value.

In fostering an employee-friendly working environment and culture, we will further entrench organizational culture reforms from the perspective of our employees, support self-driven organizations, and increase employee engagement. Furthermore, we promote health and productivity management as the foundation of a work environment where employees with diverse perspectives and experiences can maintain good health both mentally and physically and thrive in their work.

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Please also refer to:

Sustainability Briefing

Human Capital

Human Capital Strategy

Development and Strengthening of DX Human Capital

Toward Achieving the FY2031 Target of 20,000 Workers

The Mitsubishi Electric Group aims to secure 20,000 DX human capital for the promotion of its Serendie business by FY2031 across the entire group. In addition to acquiring talent and expanding through M&A, the Group is strengthening its human capital development based on its corporate strategy.

P.27 DX Strategy		
Development	Compensation	Acquisition and placement
Implementing reskilling and upskilling through training programs tailored to job roles and levels	Structuring compensation for talent with advanced skills and expertise	In addition to strengthening recruitment efforts, conducting strategic global talent acquisition and placement through M&A

Developing a Nurturing Environment

To promote the development of DX human capital, we established the DX Innovation Academy in April 2025, which includes a certification system, seven skill sets, and courses related to DX. We have established a structured learning system that integrates internal and external courses while implementing an internal certification program to recognize skills and abilities. This approach fosters comprehensive talent development by offering programs tailored to different skill levels and expertise, encompassing not only existing DX professionals and those engaged in DX-related work but also individuals transitioning from other roles and new hires. In addition, with the aim of intensively acquiring and implementing the latest technologies and establishing new human capital interactions, we have concluded an agreement with Waseda University on industry-academia collaboration in the development of DX talent. We aim to build an industry-academia co-creation scheme by leveraging Waseda University's educational programs in our courses and channeling the outcomes back into its data science programs for working professionals and students, enhancing value for both sides.

Acquisition and Placement of DX Human Capital

We are promoting the acquisition and utilization of DX human capital in regions where DX initiatives are advanced to strengthen our DX human capital network globally. To promote cross-regional utilization of human capital and mobilizing the right talent for the right roles regardless of nationality by initiatives such as personnel transfers between overseas locations without routing through Japan, we are accelerating borderless management across regions through the optimal use of online communication, including virtual assignments.

Participation of Varied Human Capital

Basic Policy

With the accelerating changes in the environment surrounding the Mitsubishi Electric Group, the ability of all our varied and versatile employees to make the most of their respective individuality and abilities and succeed is important to the sustainable development of our business and enhancement of corporate value. Furthermore, with the aging population and declining birthrate in Japan, it is evermore imperative to utilize a diverse range of human capital. Amid such circumstances, Mitsubishi Electric is promoting various initiatives aimed at creating a workplace environment and culture that recognizes and embraces the diverse work styles of its employees.

Initiatives to Support Balancing Work and Childcare/Family-care

To ensure that employees on childcare leave can return to work smoothly and maximize their abilities while raising children, we distribute handbooks to both employees and their supervisors and have established rules requiring regular meetings between supervisors and employees before and after their return to work. Furthermore, in FY2023, we introduced a new training program for pairs consisting of employees returning from childcare leave and their supervisors, with the aim of providing opportunities for mutual communication between the returning employees and their supervisors (this program is also available to male employees who have taken childcare leave). In addition, we are promoting initiatives to support the work-life balance of employees involved in family-care so that they can feel peace of mind. In FY2025, we held a family-care support seminar with external lecturers, which was attended by approximately 400 employees. As another initiative, an external consultation service is available for employees to consult with care managers regarding family-care, and a “Guidebook for Balancing Work and Family-care” is distributed.

Initiatives to Promote Women’s Participation in Japan

Mitsubishi Electric has formulated an action plan based on the Act on Promotion of Women’s Participation,* which sets targets for the ratio of women in managerial positions and the percentage of men on childcare leave in Japan. Under the current action plan, we have been implementing various initiatives from the three perspectives of recruitment, development and promotion, and retention. In recognition of these efforts, Mitsubishi Electric has received Eruboshi (Grade 2) recognition from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women’s participation and career advancement.

* Act enacted in 2016 which stipulates the responsibilities of the national government, local governments, and general employers in promoting female participation with the aim of realizing a society in which women can fully embody their individuality and abilities.

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Human Capital Strategy

Improving Employee Engagement and Creating Rewarding Workplaces

Enhancing Career Ownership

In April 2023, the Mitsubishi Electric Group clarified the company policy by establishing a new internal career development concept, “Grow your career by growing yourself.” This embodies a message that encourages each and every employee to take ownership of their own career and to act proactively, as well as the company’s stance of aiding and supporting its employees’ careers.

As a new initiative, we have published a pamphlet summarizing our broad approach to careers within the company and are working to promote its understanding. We are also providing training based on this approach, offering transfer opportunities for self-driven career development, and introducing an internal and external side job system called EGG to create a framework that allows employees to gain a wide variety of experiences through a diverse range of opportunities. Moreover, under the performance evaluation system revamped in 2024, we have introduced opportunities for establishing a career plan and discussing it with supervisors through the unification of career interviews and goal management interviews positioning them as “ME Time” (time for personal growth). At the same time, we are proactively investing in human capital to strengthen career development support for employees, including the enhancement of career advice services with internal and external career consultants and measures to support employees in taking the initiative to actively develop their own skills.

Alignment of Culture Transformation and Human Resources Policies

We have established the permanent Corporate Culture Transformation Division to further entrench employee-focused organizational culture reforms, which have been promoted primarily through a company-wide transformation project (Team Sousei), and to support the self-propelled initiatives of each organization. We will establish a mirror organization of this organization in the HR Group to further coordinate with various human resource policies.

Changes in Effort Evaluation Indicators

Employee engagement scores improved in FY2025. We will continue to strive to improve the scores by implementing measures with the aim of a rewarding workplace.

[Mitsubishi Electric]

KPI	Result for FY2022	Result for FY2023	Result for FY2024	Result for FY2025	Goal for FY2026
Employee Engagement Score (percentage of employees who are proud and motivated to work for the Company)*1	54%	54%	55%	60%	63% or higher
Percentage of employees who responded that they had a good work-life balance	65%	66%	68%	71%	70% or higher

Future Issues and KPIs

We aim to become a globally various and high-performing organization with talented human capital by FY2031. In the period from FY2022 to FY2026, we have focused on strengthening and expanding investment in human capital as a period to establish a foundation. We will steadily promote initiatives in the three priority themes to elevate the results of past efforts into “Realizing human capital management that maximizes the value of human capital on a group-wide and global scale,” which we have set as our ideal vision for FY2031.

Key initiatives		Item	FY2025 Actual	FY2031 Targets
Talent Management That Fosters the Mutual Growth of People and the Organization	Establishing a framework to facilitate the mutual growth of people and the organization through strategic assignment and development on a group-wide and global scale as well as enhancement of employees’ career ownership	Degree of visualization of a human capital portfolio that ensures optimal talent allocation of approximately 150,000 global group employees in alignment with business strategies	—	100%
		Successor candidate readiness rate*2 for position of global importance to the Group*3	—	200%
		● Percentage of positive responses to “achieving the careers they have chosen” (non-consolidated)	48%	60%
		● Percentage of transfers who fulfilled one’s career plan (non-consolidated)	2%	10%
Development and Expansion of Human Capital for Future Growth	Strengthening DX human capital essential for transformation into an Innovative Company	Expand DX human capital	10,000 workers	20,000 workers
		Percentage of employees who responded that they are convinced of compensation system (non-consolidated)	57%	60%
Strengthening the Foundation of Human Capital	Creating a workplace that maximizes employees’ performance and empowering varied and versatile human capital	Employee Engagement Score*1*4	52%	60% or higher
		Percentage of employees who say they have a good work/life balance*4	66%	70% or higher
		Ratio of women/non-Japanese in senior management (non-consolidated) Percentage of women in management (non-consolidated)*5	15% 4%	30% 12%

*1 Average percentage of positive responses to the five questions in the annual employee engagement survey: “Pride in working for the Company,” “Willingness to contribute,” “Desire to change jobs,” “Encouraging others to join the Company,” and “Sense of achievement through work”
*2 Ratio of successor candidates for strategically critical positions (e.g., if a position has two successors, the successor readiness rate is 200%)
*3 Positions at Job Grade 6 or above within the Mitsubishi Electric Group
*4 Mitsubishi Electric and some Group companies in Japan
*5 Calculated in accordance with the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015)

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Infrastructure Business Area

Principal Products



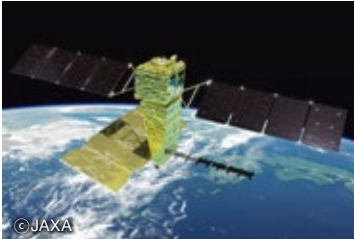
Public Utility Systems Business

Rolling stock systems, supervisory control system for water treatment plants, power supply system for large electricity users, communication systems



Energy Systems Business

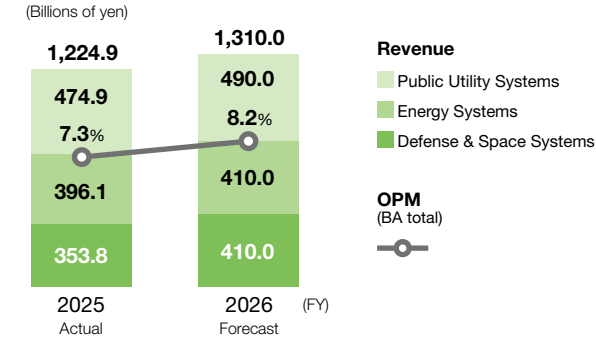
Supervisory control systems for power plants, substation equipment, power electronics equipment, transmission and distribution systems, power demand and supply optimization solutions



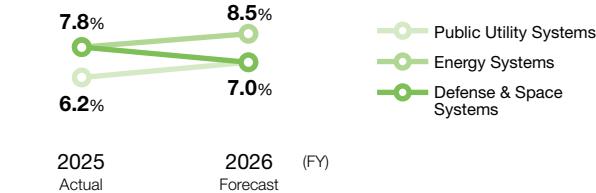
Defense & Space Systems Business

Missile systems, radar systems, command and control systems, electronic warfare systems, satellite systems, satellite data solutions

Revenue & Operating Profit Margin*



ROIC*



* Announced May 28, 2025

Strengths of the Business

Strengths 1

Extensive order delivery track record and customer base in Japan and overseas

Strengths 2

Engineering capabilities cultivated over many years of handling large plant projects

Strengths 3

World-class technological infrastructure in defense & space systems

Recognition of the Business Environment

Opportunities

- ◆ Demand for renewal of aging infrastructure and increased investment in facility expansion
- ◆ Stricter regulations on greenhouse gases and continued expansion of renewable energy
- ◆ Surging demand for data centers due to growing demand for optimized energy use and expansion of generative AI
- ◆ Growing importance of the space domain in national security and an increase in the Japanese government's defense budget

Challenges

- ◆ Decreased demand for future infrastructure upgrades and facility expansion as well as a decline in market share and intensified competition due to the aggressive entry of overseas manufacturers
- ◆ Delays in achieving carbon neutrality and rollback of environmental regulations due to changes in the political and economic landscape
- ◆ Shortage of personnel and production resources due to a sharp rise in demand accompanying an increase in the Japanese government's defense budget

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Achieving Stable Operation of the Infrastructure Supporting Society and Carbon Neutrality and Contributing to National Security in Japan and Asia

Hideto Negoro
Executive Officer
Infrastructure Business Area Owner



Q What are your thoughts looking back on FY2025?

A The market for the public utility systems business saw robust capital expenditures in public utilities and transportation sectors both in Japan and overseas. In this environment, orders won by the business increased year-on-year due primarily to increases the public utility business projects in Japan and transportation systems business worldwide. Revenue also increased year-on-year due to increases in the UPS* business outside Japan, the transportation systems business worldwide, and the public utility business in Japan. The market for the energy systems business saw robust demand resulting from the expanded use of renewable energy and increased investments in data centers. In this environment, orders won by the business decreased year-on-year mainly due to a decrease in the power transmission and distribution business in Japan, while revenue increased year-on-year due primarily to an increase in the power transmission and distribution business in Japan and worldwide. The market for the defense & space systems business saw robust demand due primarily to an increase in government-related budgets. In this environment, both orders and revenue increased year-on-year due to a rise in large-scale projects in the business. As a result, revenue from the entire Infrastructure BA was 1,224.9 billion yen, with operating profit of 89.4 billion yen and an operating profit margin of 7.3%.

Q What initiatives are you undertaking to improve ROIC?

A In FY2025, the profitability of existing businesses became more stable, ROIC improved in each business, and ROIC for the entire Infrastructure BA was 7.2%. To achieve further improvements, we will review the allocation of production roles across the entire supply chain with a focus on asset-light

management, and carry out growth investments with a long-term vision. At the same time, we will improve productivity and profitability through the application of DX and AI, and improve asset efficiency through advanced payment collection, etc.

Q What is your growth strategy going forward?

A By strengthening our business foundation, we will continue to generate steady profits from our core businesses, such as facility, mobility, and energy infrastructure, while accelerating the shift of our portfolio toward the defense & space systems business, the decarbonization components business, the solution business, and the data center business. In the defense & space systems business, we will respond steadily to increases in defense budgets through the focused allocation of resources, while driving global expansion by leveraging our existing technologies and track record. With regard to the Decarbonization Components business, which is expected to drive growth within our core businesses, we will actively pursue collaborations and acquisitions, and work toward an early market launch as well as global expansion. Pursuing company-wide synergies, cross-BA and cross-group solution businesses and data center businesses are driven mainly by the Infrastructure BA. In the solutions business, we will develop E&F services and the mobility services business powered by Serendie, focusing on energy management, one of our core technologies. In the data center business, we will expand our business scale by strengthening our proposals for UPS and other components and developing solutions through the integration of the technologies and customer bases of each BA and group.

* Uninterruptible Power Supply

Topics

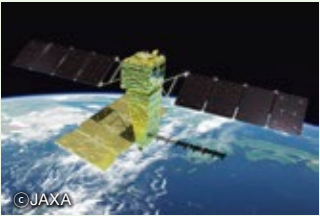
Advanced Land Observing Satellite-4 (ALOS-4) Contributes to Global Environmental Conservation and a Safe and Secure Way of Life by Utilizing Observation Data

ALOS-4, launched on July 1, 2024, is a radar-based Advanced Land Observing Satellite capable of acquiring highly accurate and wide-area images. ALOS-4 achieves the same level of high-resolution images as the radar on board the ALOS-2 launched in 2014, but is also capable of wider, global-scale high-precision observations. Data obtained from satellites are used in disaster prevention and mitigation measures, such as quickly assessing situations during disasters and monitoring volcanic activity and oceans and forest resources during normal times, contributing to safe and secure living.

In addition, due to its wide observation range, ALOS-4 needs to transmit a large amount of data to ground stations. To meet this operational requirement, Mitsubishi Electric developed a direct transmission system*1 capable of large data transmission in a short period of time and recorded a direct transmission speed of 3.6 Gbps from the satellite to the ground station. This is more than four times faster than the transmission speed of a typical home Internet connection, and earned the title of “Fastest RF direct downlink speed from an Earth observation satellite to ground stations”**2 in the Guinness World Records™ on December 19, 2024.

*1 A communication method that transmits data directly from a satellite to a ground station

**2 Official record name: Fastest RF direct downlink speed from an Earth observation satellite to ground stations



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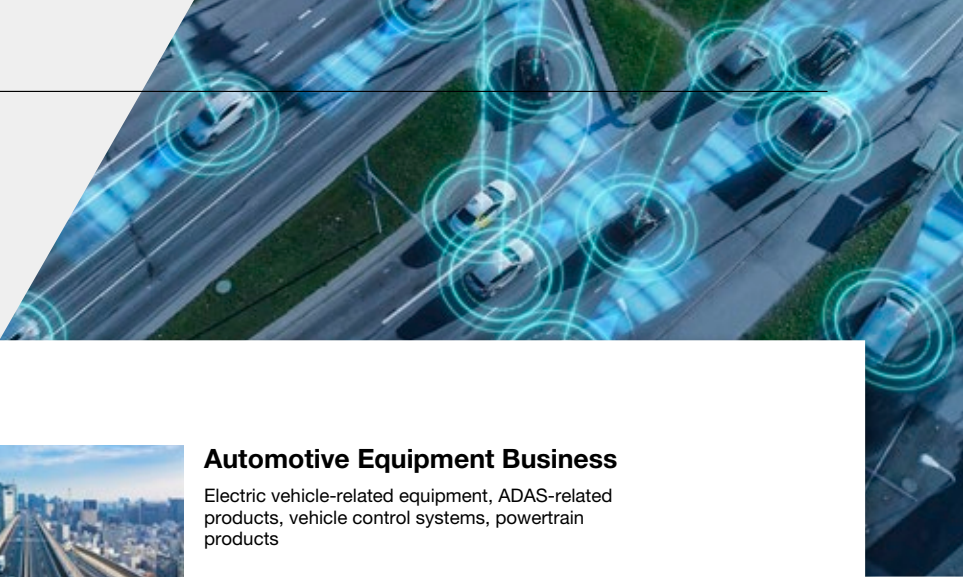
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Industry & Mobility Business Area



Principal Products



Factory Automation Systems Business

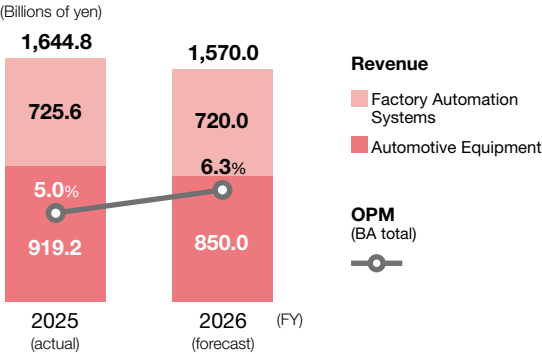
Control and drive products, processing machines, power distribution control equipment, FA digital solutions



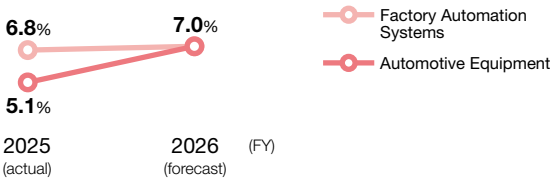
Automotive Equipment Business

Electric vehicle-related equipment, ADAS-related products, vehicle control systems, powertrain products

Revenue & Operating Profit Margin*



ROIC*



* Announced May 28, 2025

Strengths of the Business

Strengths 1

Technological competitiveness in digital (software) and core components

Strengths 2

Contributing to our customers' business improvement through real-time control technology that boasts high competitiveness in Asia in factory automation systems and co-creation

Strengths 3

High-speed automated production technology that meets high quality requirements and ensures safety and security

Recognition of the Business Environment

Opportunities

- ◆ Expanding automation needs due to labor shortages and rising personnel costs in the manufacturing industry, and growing global AI and semiconductor-related demand
- ◆ Shift from internal combustion engine vehicles to electrified vehicles (electrification) and value-added shift to software (SDV*)

* Software Defined Vehicle

Challenges

- ◆ Tariff and exchange rate impacts due to further escalation of geopolitical risks, and medium- to long-term commoditization of hardware
- ◆ Curtailed capital investment due to trade friction in the FA systems business, intensifying competition in the Chinese market
- ◆ Uncertainty in the speed of growth of the battery electric vehicle (BEV) market

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Products & Solutions



IR DAY



Industry & Mobility Business Area

Supporting Future Manufacturing and Comfortable Mobility with Our Core Components and Digital Technologies

Kunihiko Kaga
Representative Executive Officer, Senior Vice President
Industry & Mobility Business Area Owner



Q What are your thoughts looking back on FY2025?

A The market for the factory automation systems business saw increases in demand related to smartphones and industrial machinery in China and capital expenditures mainly for AI-related semiconductors in Japan, China, and Taiwan, despite continued stagnation in demand for lithium-ion batteries. In this environment, orders won by the business increased year-on-year due primarily to increases in capital expenditures related to AI, as well as demand for industrial machinery, while revenue decreased year-on-year mainly due to a decrease in demand for lithium-ion batteries. The market for the automotive equipment business saw sales of new cars substantially unchanged year-on-year in almost all regions. In this environment, the business saw a decrease in revenue year-on-year due primarily to a decrease in automotive electrical equipment, reflecting a lower sales volume of Japanese car manufacturers in China. As a result, revenue from the entire Industry & Mobility BA was 1,644.8 billion yen, with operating profit of 82.6 billion yen and an operating profit margin of 5.0%.

Q What initiatives are you undertaking to improve ROIC?

A In the FA systems business, we will strive to maximize profits by building a lean management structure through optimizing the workforce and reduction of costs and indirect operations, while also working to expand revenue from core components through the reform of sales and development structures, transforming our business portfolio, and reducing invested capital, such as remaining inventories. In the automotive equipment business, to fundamentally review our fixed cost structure, we will maximize our earning power by

reducing indirect operations and optimizing the workforce through consolidation of offices, etc. We will also reduce invested capital, such as inventory and fixed assets, thereby transforming into a leaner organization. In addition, we aim to maximize operating profit by terminating businesses with issues, monetizing the electric vehicle-related equipment business promptly and stably, and making other efforts. In both businesses, we aim to improve profitability and ROIC by concentrating management resources in growth areas, streamlining organizations, and increasing productivity, aiming for ROIC of 7.0% in FY2026 and further improvement in the future.

Q What is your growth strategy going forward?

A In the FA systems business, we are focusing our management resources on digital solutions and software-defined controllers to achieve data-driven production innovation and sustainable manufacturing. In addition, we will strive to maximize the delivered value to customers along with the regrowth of our business by promoting the use of data by Serendie to realize “Trade-On (mutual benefits)” between optimizing the use of energy and improving productivity in the scope of our value proposition. In the automotive equipment business, we will respond to the uncertainty of the electric vehicle-related equipment market, such as the slowdown in the growth of the BEV market, by balancing our electrified and ICE* businesses to diversify risks. In addition, we will establish SDV as a new pillar of our business and maximize synergies through partnerships to provide value to a wide range of customers.

* Internal Combustion Engine

Topics

Establishment of Mitsubishi Electric Intelligent Manufacturing Technology (China) Group Co., Ltd. (MEITC), the Chinese FA Business Headquarters, with the Aim of Strengthening Competitiveness in the FA Systems Business in China

In recent years, the trend to increase productivity through smart factories has been advancing rapidly in the Chinese market. As a result, industrial-customer needs for FA product functions and performance have been diversifying. In addition, demands for timely product development and faster product supply have been increasing amid intensifying competition. In response, in April 2025 Mitsubishi Electric established a Chinese headquarters to oversee its FA systems business with the goal of realizing operations that are more adapted to the local business environment. Through collaboration with local Chinese vendors via our Chinese headquarters, we will accelerate the rollout of the local Chinese brand LINGLING and strengthen our mid-range lineups, while also delegating business operations to the local level to establish a framework for rapid decision-making. In addition to our strengths in product performance and global responsiveness, leveraging the new company’s highly agile autonomous management, Mitsubishi Electric intends to establish product planning and develop a comprehensive local supply chain, and secure and develop talent in China to ensure faster responses to the diversifying needs and manufacturing challenges of local industrial customers.



Exterior view of the main exhibition hall of MEITC

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Please also refer to:

Products & Solutions

IR DAY

Life Business Area

Principal Products

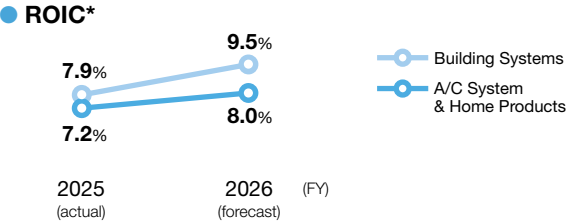
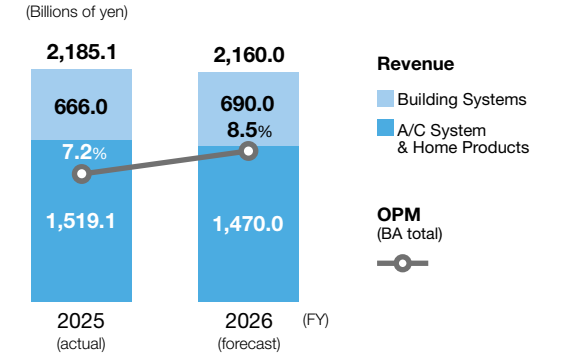


Building Systems Business
Elevators, escalators, building management systems



Air Conditioning Systems & Home Products Business
Air-conditioning & refrigeration systems, lighting, ventilation, home equipment & appliances

Revenue & Operating Profit Margin*



* Announced May 28, 2025

Strengths of the Business

1
Strengths

Highly efficient and high-performance building equipment (elevators, air conditioning, etc.), data acquired and accumulated from monitoring and control systems and equipment, and maintenance and operation management knowledge

2
Strengths

A structure that maintains ongoing connections with customers through facility maintenance and operation, enabling the delivery of value aligned with their needs

3
Strengths

Solid customer base cultivated in the elevator and escalator business and building management systems

Recognition of the Business Environment

Opportunities

- Growing demand for labor-saving solutions to address labor shortages, growing interest in enhancing building value in response to diversifying needs, and accelerating efforts toward carbon neutrality in the building systems business
- Addressing thermal energy conversion (shift to heat pumps), switching to low GWP* refrigerants, and growth of emerging markets in the air conditioning systems & home products business

Challenges

- Slowdown in new construction demand due to labor shortages and rising prices as well as rising costs in mature markets for the building systems business
- Intensifying competition due to market expansion and rising costs due to higher materials and labor costs in the air conditioning systems & home products business

* Global Warming Potential

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Please also refer to:

Products & Solutions

IR DAY

Solution Provider Creating Comfortable, Safe and Secure Environments in All Living Spaces

Yasumichi Tazunoki

Executive Officer
Life Business Area Owner



Q What are your thoughts looking back on FY2025?

A The market for the building systems business saw continued recovery in global demand. In this environment, orders won by the business increased year-on-year due primarily to increases in Asia (excluding China) and the renewal business in Japan. Revenue also increased year-on-year mainly due to the weaker yen and increases in Japan and other markets in Asia (excluding China). The market for the air conditioning systems & home products business saw robust demand for air conditioning systems mainly in Asia (excluding China), and North America, which saw changes to refrigerant management regulations, despite continued stagnation in demand for residential air conditioning systems in Europe. In this environment, the business saw an increase in revenue year-on-year due primarily to the weaker yen and improvements in product prices as well as increases in air conditioning systems in North America, Asia (excluding China), and Japan. As a result, revenue from the entire Life BA was 2,185.1 billion yen, with operating profit of 157.2 billion yen and an operating profit margin of 7.2%.

Q What initiatives are you undertaking to improve ROIC?

A Both the building systems and air conditioning systems & home products businesses have steadily improved their capital efficiency over the past few years, and both businesses exceeded 7% in FY2025. In response to changes in the market environment, such as the economic slowdown in the Chinese market, we will aim to improve capital efficiency beyond past levels by boosting working capital efficiency by measures such as reducing inventory assets

via localized production and improving profitability through measures such as taking appropriate pricing measures while expanding high-quality maintenance stock.

Q What is your growth strategy going forward?

A In the building systems business, we aim to expand the maintenance and renewal business, which is the core of our business earnings, by targeting 1.5 million units under maintenance contract globally in FY2031. In addition to organic growth on a stock basis by strengthening the lineup of mid-range models, we will also roll out measures by utilizing M&A and other means. We will further enhance the integrated business structure launched in April 2022 that spans development and manufacturing through to maintenance, while also making our operations more advanced and efficient.

In the air conditioning systems & home products business, we will ensure development in response to environmental regulations, including refrigerant regulations for air conditioning and refrigeration systems, which is a major turning point. We will further strengthen our core direct expansion system while also strengthening our applied businesses, such as IT-cooling for data centers, as a new growth pillar, with the aim of doubling our revenue to more than 250 billion yen by FY2031. In addition, to further hone our strengths in both the building systems business and the air conditioning systems & home products business, we will utilize Serendie to enhance our management systems for entire buildings, including smart buildings, and create new value in building spaces.

Topics

Acquired Elevator and Escalator Companies in Europe to Strengthen the Maintenance and Renewal Business

Aiming to strengthen its elevator and escalator maintenance and renewal business, which is expected to see growing demand globally, the Company acquired Norwegian elevator company ALT Heis in November 2024 and Irish elevator company Ascension Lifts in April 2025. In Europe, which is a particularly mature market within the elevator and escalator market, demand for maintenance and renewal is expected to grow due to an increase in the stock of aging elevators and heightened environmental awareness. We are working to build a business management structure that enables us to quickly deliver value to our customers. Through the expansion of our business fields into maintenance and renewal through acquisitions, we will strengthen the business foundation in both markets and promote our growth strategy for the elevator and escalator business in the European market.

Acquisition of Norwegian Elevator Company ALT Heis

Acquisition of Irish Elevator Company Ascension Lifts

Convert a Group Company Factory in the U.S. to Make Compressors for Air Conditioners

We established MELCO HVAC US, Inc. as a subsidiary of Mitsubishi Electric US Holdings, Inc., our holding company in the United States to expand our business in the United States, where demand for energy-saving air conditioning and heat pump heating is expected to grow over the medium term. The factory, which manufactures air conditioner compressors, has capital investment of approximately US\$143.5 million and will be converted from the Mitsubishi Electric Automotive America, Inc., manufacturing facility in Maysville, Kentucky, which currently manufactures and sells automotive electrical equipment. This will strengthen our production system at the point of consumption in the U.S.

Establishment of Heat Pump Compressor Factory in the U.S.

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Please also refer to:

Products & Solutions

IR DAY

Digital Innovation

Principal Products

Manufacturing DX solutions, IT infrastructure and security solutions

Strengths of the Business

Highly reliable and stable IT infrastructure services and systems integration cultivated through projects for manufacturing industries and financial institutions

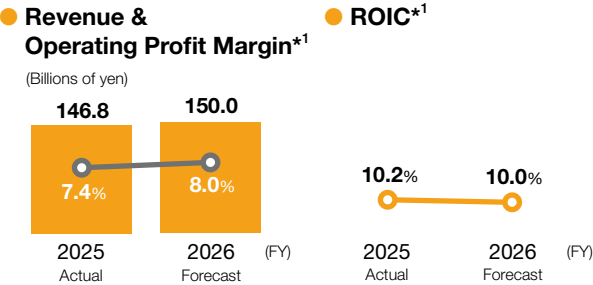
Recognition of the Business Environment

Opportunities

Customers’ needs for DX expand with the advance of digital technology

Challenges

Intensifying competition for DX talent and continued adaptation to technological evolution



*1 Announced May 28, 2025
*2 From FY2026, the “Business Platform” segment has been renamed to “Digital Innovation.”

Growing Together with Our Customers and Contributing to Solving Social Challenges by Continuing to Create Innovative Technologies and New Value

Satoshi Takeda

Senior Vice President
CDO (in charge of DX and Business Innovation); CIO (In charge of Information Security and IT); Group President, Digital Innovation



Q What are your thoughts looking back on FY2025?

A The market saw robust demand for updates to legacy systems and DX-related efforts. In this environment, orders won by the business increased year-on-year mainly due to an increase in the IT infrastructure service businesses. Revenue also increased due mainly to increases in the IT infrastructure service businesses. As a result, revenue from the entire Digital Innovation segment was 146.8 billion yen, with operating profit of 10.8 billion yen and an operating profit margin of 7.4%.

Q What initiatives are you undertaking to improve ROIC?

A We will promote scale expansion and profitability improvement by shifting resources from businesses with profitability and efficiency issues, while also strengthening growth investments and working on creating high-value-added businesses by building service delivery foundations.

Q What is your growth strategy going forward?

A In April 2025, Mitsubishi Electric Digital Innovation Corporation was established by integrating business group headquarters, planning and promotion divisions, and associated companies (three companies) involved in IT, DX, AI, and security. We will promote the sustainable growth of our information systems & network service business under a new organizational structure. Specifically, we will expand our solutions by leveraging our extensive range of business assets, expertise, and know-how, as well as our strengths in infrastructure security technology and operation and maintenance (O&M) in the DX and IT fields. In addition, we will promote global IT and security governance measures, provide the knowledge and expertise we have acquired in the form of services, and aim to expand our IT infrastructure and security solutions business. Furthermore, we will promote the creation of new solutions by utilizing Serendie to integrate components, systems, and services from different domains, combined with the data and insights gained from aggregating them.

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Please also refer to:

- Products & Solutions
- IR DAY



Semiconductor & Device

Principal Products

Power devices, high-frequency devices, optical devices

Strengths of the Business

- ◆ Global top class key devices
- ◆ Leveraging synergies from the Mitsubishi Electric Group's wide range of business fields (co-creation with internal application business departments, etc.)

Recognition of the Business Environment Opportunities

- ◆ Expansion of the power semiconductor market toward decarbonization
- ◆ Expansion of application fields for SiC* power modules, a strength of Mitsubishi Electric
- ◆ Growing demand for optical devices for data centers associated with the proliferation of generative AI

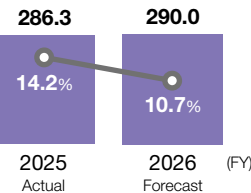
* Silicon Carbide

Challenges

- ◆ Improving profitability and strengthening competitiveness of Power Device Business

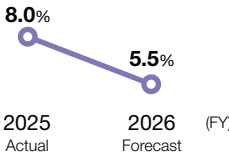
Revenue & Operating Profit Margin*

(Billions of yen)



* Announced May 28, 2025

ROIC*



Leading Social Change through Semiconductor Evolution and Innovation

Masayoshi Takemi

Executive Officer (Associate)
Group President, Semiconductor & Device



Q What are your thoughts looking back on FY2025?

A The business environment saw robust demand for optical communication devices, despite stagnation in demand for power modules. In this environment, orders decreased year-on-year due primarily to a decrease in large-scale orders for power modules used in railway and electric power applications. Revenue also decreased due primarily to a decrease in power modules used for industrial applications, despite increases in optical communication devices and power modules used for railway and electric power applications. As a result, revenue from the entire Semiconductor & Device segment was 286.3 billion yen, with operating profit of 40.6 billion yen and an operating profit margin of 14.2%.

Q What initiatives are you implementing to improve ROIC?

A ROIC is projected to decline temporarily due to an increase in fixed assets from the start-up of the new SiC 200-mm wafer plant (Shisui area, Kumamoto Prefecture) and a decrease in operating profit from a revision of exchange assumptions. However, we aim to enhance ROIC by reviewing capital allocation and sustaining an upward trend of the EBITDA*1

*1 Earnings Before Interest, Taxes, Depreciation, and Amortization

*2 Electro-absorption Modulator integrated Laser diode

margin through enhancing profitability and productivity. The budget for investments in the power device business will be partially shifted to the optical device business, which is expected to be more profitable. At the same time, we will endeavor to increase profits through higher revenue from SiC power semiconductors and optical devices, accelerate the shift to new products with higher productivity, and enhance the cost competitiveness of SiC 200-mm wafers.

Q What is your growth strategy going forward?

A In the power device business, we will launch a new wafer plant as planned and strengthen our competitiveness in anticipation of medium- to long-term market expansion. On the other hand, capital allocation plans will be restrained or postponed and executed after careful scrutiny of market conditions and timing. We will expand the optical device business by exploring demand in the ultra-high-speed range with EML*2 devices in the rapidly growing data center market.

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Please also refer to:

Products & Solutions



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Message from the Officer in Charge of Sustainability

Since its establishment in April 2024, the Sustainability Innovation Group has been driving the Mitsubishi Electric Group’s commitment to sustainability—positioned as the cornerstone of its management—through a dual approach: value creation and strengthening of our business foundation.

Seiji Oguro
Executive Officer (Associate)
Vice President, Sustainability Innovation Group



Realizing “Trade-On (mutual benefits)” to Create Value

In FY2025, the Mitsubishi Electric Group officially launched initiatives aimed at creating “Trade-On (mutual benefits)” businesses—those that simultaneously grow its business while enriching society and the environment. One of the initiatives is GIST Project,^{*1} which initially focuses on the ocean. GIST develops Direct Ocean Capture (DOC) technology, which removes CO₂ from seawater to contribute to carbon neutrality. We are working to develop businesses with an emphasis on the commercialization of carbon credits, and are also exploring possibilities for CO₂ utilization.

As plastic recycling legislation progresses globally, we are working to apply technologies developed through our home appliance plastics recycling business to plastics across different industries and types. While continuing to evolve in existing businesses, we are steadily advancing “Trade-On (mutual benefits)” initiatives.

In January 2025, global average temperatures reached 1.75°C above pre-industrial levels—a stark milestone that underscores the growing severity of environmental challenges. To help curb this trend, we are intensifying efforts to develop technologies and solutions that mitigate the impacts of climate change and to advance environmentally conscious manufacturing practices. To accelerate and expand these initiatives globally, we are strengthening open innovation across industry, academia, and government, as well as deepening collaboration with our overseas bases.

Strengthen Our Business Foundation: Environment, Human Rights, and Transparency Initiatives

On the other hand, within the Group, we are steadily implementing measures to achieve carbon neutrality at our own sites by FY2031. As a result, we have earned the highest “A” score from CDP^{*2} in both climate change and water security for three consecutive years. Our environmental initiatives have also received external recognition. For example, our two manufacturing sites have been designated as Nationally Certified Sustainably Managed Natural Sites^{*3} by Japan’s Ministry of the Environment. Building on this positive evaluation, we will set robust and achievable targets in the next Medium-term Environmental Plan, to be formulated this fiscal year.

In parallel, we remain committed to ensuring compliance with relevant laws and regulations

in each region where we operate.

In FY2025, to further embed our materiality issue of “respect for all people,” we revised the Group’s Human Rights Policy and expanded our initiatives to uphold human rights—aligned with international standards—to include manufacturing sites in Japan and at overseas associated companies.

In addition to strengthening our response to frameworks such as the Corporate Sustainability Reporting Directive (CSRD),^{*4} Ecodesign for Sustainable Products Regulation (ESPR),^{*5} and ISSB/SSBJ,^{*6} we are working to integrate non-financial information into management processes and enhance external disclosures, thereby further improving corporate transparency and credibility.

Toward a Self-Driven Organization that Never Stops Evolving

Starting in FY2026, we are accelerating efforts in organizational culture reforms. The newly established Corporate Culture Transformation Division, built upon the company-wide reform project “Team Sousei (creation),” serves as a constant driver of change. In addition to existing efforts, we will integrate activities such as My Purpose and Well-being initiatives to foster a self-driven organization—a culture in which each employee thinks and acts proactively.

As we move forward, we remain committed to fulfilling our corporate social responsibilities by striving for harmony across environmental, social, and economic dimensions and embedding the principles of sustainability management—advancing our transformation into an Innovative Company.

Co-creation from Global and Sustainability Perspectives

The technical development of Direct Ocean Capture (DOC) technologies is being advanced in collaboration with VTT Technical Research Centre of Finland, with the aim of early social implementation. The Group will continue exploring a broad range of technologies to help address global social challenges—including nature positive transitions.



^{*1} Global Initiative for Sustainable Technology: Initiatives to create and enhance new businesses from global and sustainability perspectives
^{*2} Carbon Disclosure Project: An international NGO that investigates, evaluates, and discloses environmental initiatives undertaken by companies and cities
^{*3} A national certification system recognizing areas where biodiversity is preserved through the efforts of companies, organizations, individuals, and local governments
^{*4} A directive on disclosure of corporate sustainability information in Europe ^{*5} Regulations on design for the environment, including sustainability requirements, for products distributed on the European market
^{*6} Japan’s disclosure standards formulated by the Sustainability Standards Board of Japan (SSBJ), which are aligned with IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB)

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Please also refer to:

Mitsubishi Electric and VTT of Finland to Develop Technology for Direct Capturing of CO₂ from Oceans

Smart Electrostatic Separation Technology for Plastic Recycling Developed and Verification Tests Started (in Japanese)

Special Feature

4

Aiming for “Trade-On (mutual benefits)” with a DX Solution for Smart Plastic Separation



While the use of plastics, which are indispensable for manufacturing, is increasing*¹ worldwide, there are concerns about their impact on ecosystem destruction and resource depletion. Amid growing interest in plastic recycling as one solution to this issue, the Mitsubishi Electric Group has developed the world’s first*² Smart Electrostatic Separation technology. We began verification testing in February 2025 and are accelerating our efforts to achieve “Trade-On (mutual benefits)” with this technology.



■ Pressing Plastic Recycling Needs to be Addressed in Each Industry

Recently, there has been active development of laws and regulations related to plastic recycling. As seen in the enforcement of the Act on Promotion of Resource Circulation for Plastics in Japan and the announcement of the ELV Regulations*³ in Europe, there is growing attention on recycled plastics. Demand is expected to grow followed by rising prices in the future. The Mitsubishi Electric Group has been focusing on plastic recycling since 1999 with the launch of a home appliance recycling plant*⁴ and 2010 with a recycling plant*⁵ for mixed plastics discharged from that plant. It has been conducting interviews with customers in various industries and evaluating samples to provide solutions that leverage its electrostatic separation technology developed over many years. As a result, the effectiveness of this technology was validated not only for home appliances but also for a wide range of industries, and we have begun full-blown initiatives to commercialize it.

■ Strengths of Electrostatic Separation Leading to High Quality Recycled Materials

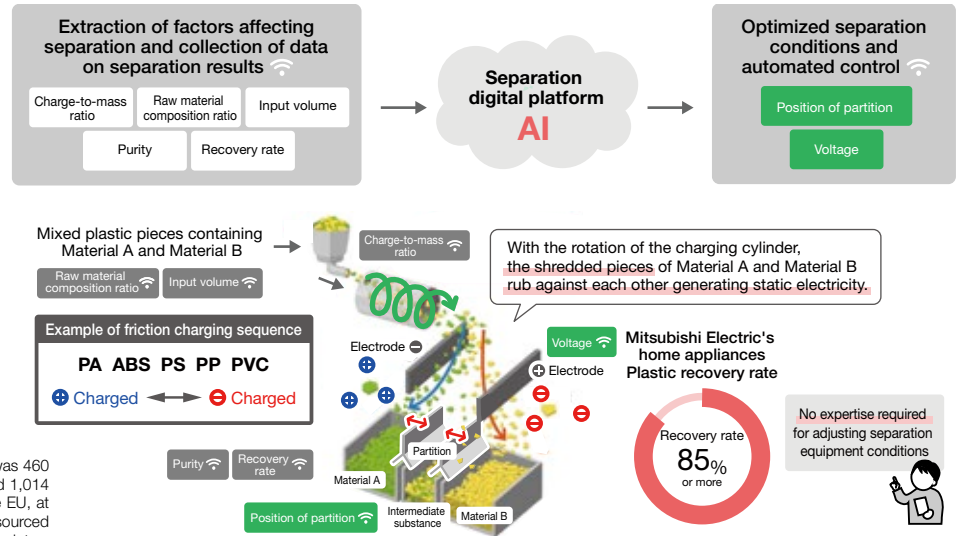
The Mitsubishi Electric Group’s strength in the plastic recycling business lies particularly in its electrostatic separation technology. This is an advanced separation technology that utilizes the electrostatic properties of different types of plastics, which have different frictional charging tendencies, and has greatly contributed to achieving a recovery rate of over 85% for recycled plastics (PP, PS, ABS)*⁶ from Mitsubishi Electric home appliances. In addition, it offers the advantage of being effective for separating various types of plastic other than that used in household appliances, as it enables the separation of black and small-particle plastics, which cannot be separated by the commonly used near-infrared separation (optical separation) method. On the other hand, introducing this technology required specialized knowledge and operational know-how, such as adjusting the separation equipment each time according to the material composition of the collected shredded plastic pieces.

■ Resolving Electrostatic Separation Challenges with DX and Expanding the Circle of Resource Circulation

Smart Electrostatic Separation Technology was developed to overcome these challenges. This technology uses sensors to read mixed shredded plastic pieces, analyzes their material composition using AI, and then controls the system to automatically separate them by type. This enables stable and highly accurate separation of a variety of mixed plastics

without the expertise of skilled operators and contributes to the production of high-purity, high-quality recycled plastics.

Next, we started technology validation with the intention of offering it to our customers as Smart Plastic Separation DX Solution RaaS.*⁷ We will strive to achieve “Trade-On (mutual benefits)” by steadily ramping up this business.



*¹ Estimates of plastic use and disposal/treatment by the Organisation for Economic Co-operation and Development (OECD). In 2019, consumption was 460 million tons and disposal/treatment was 353 million tons, but by 2060, these figures are expected to rise to 1,230 million tons (approx. 2.6 times) and 1,014 million tons (approx. 2.8 times), respectively. *² As of February 2025, based on Mitsubishi Electric research. *³ ELV: End-of-Life Vehicle. Within the EU, at least 20% of the plastic used in the production of new vehicles must be recycled materials, of which 15% (3% of the total) must be recycled material sourced from ELVs (as of February 2025). *⁴ Hyper Cycle Systems Corporation (HCS): An enterprise that dismantles home appliances and incorporates a proprietary micro-shredding process to remove fine metal and other foreign objects, producing micro-shredded plastic that can be used as raw material for recycled plastics. *⁵ Green Cycle Systems Corporation (GCS): An enterprise that produces high-purity PP, ABS, and PS from micro-shredded plastic supplied by HCS, which can be reused in home appliances. *⁶ PP: Polypropylene, PS: Polystyrene, ABS: Acrylonitrile Butadiene Styrene. *⁷ Recycle as a Service

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Please also refer to:

Smart Electrostatic Separation Technology for Plastic Recycling Developed and Verification Tests Started (in Japanese)

Sustainability Management

Basic Policy and Promotional System for Sustainability

Basic Policy on Sustainability

The management policy of Mitsubishi Electric Group states, “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.” We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

Actions to Promote the Realization of Sustainability

To realize sustainability, we have set the following four points as actions to advance:

Value creation	Creating and developing businesses that address social challenges by balancing business growth with the promotion of social sustainability
Foundation enhancement	Strengthening our business foundation, including management related to the environment, society, and governance, to support the sustainable growth of the Mitsubishi Electric Group
Risk management	Anticipating risks arising from long-term social and environmental changes, and mitigating or minimizing the impact on corporate management
Disclosure of initiatives and dialogue engagement	Communicating with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society’s expectations, requests, and opinions in our corporate management

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are determined through the Sustainability Committee, which is commissioned by the Executive Officers’ Meeting of Mitsubishi Electric. The Sustainability Committee is chaired by the Executive Officer in charge of sustainability, and is composed of the chief officers in charge of specific functions in the corporate divisions, as well as the Executive Officers in charge of the business divisions.

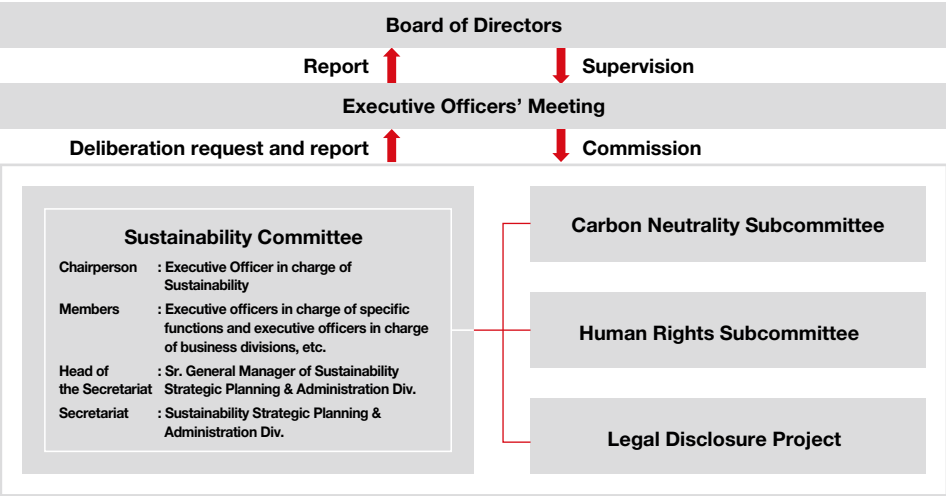
The discussions of the Sustainability Committee are reported to the Executive Officers’ Meeting and the Board of Directors. The Board of Directors treats the status of the various sustainability initiatives as one of the Group’s “key agenda items.” For the period from July 2024 to June 2025, the key focus areas have been determined to be a company-wide business strategy, sustainability management, HR strategy, technology development strategy, and information system strategy, etc. The Board holds full discussions, considering risk management and profit-generating opportunities, while also supervising the status of initiatives by Executive Officers. The promotion of sustainability initiatives is reflected in the incentive compensation of Executive Officers.

Sustainability issues that involve multiple divisions are addressed via subcommittees and

projects established under the Sustainability Committee. Specific initiative areas such as ethics and compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and communication with stakeholders are carried out under the responsibility of the relevant divisions.

The policies and plans established by the Sustainability Committee and the specific initiatives promoted by subcommittees and projects are shared with all the internal divisions and associated companies in and outside of Japan. The entire Group works together to solve issues.

Name of the Meeting body	Objectives, main discussion areas, etc.
Sustainability Committee	Discussing and determining policies and plans regarding sustainability initiatives in the Mitsubishi Electric Group, and sharing information (meets quarterly)
Carbon Neutrality Subcommittee	Promoting the Mitsubishi Electric Group’s carbon neutrality initiatives
Human Rights Subcommittee	Improving human rights initiatives in the Mitsubishi Electric Group and quickly addressing issues
Legal Disclosure Project	Promoting activities to comply with global requirements for legal disclosure relating to sustainability



Sustainability promotion framework

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Please also refer to:

Sustainability Management



Sustainability Management

Communication with Stakeholders

Basic Policy on Stakeholder Engagement

The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important to pursue initiatives for achieving a sustainable society. As such, the Group embraces every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among senior management and elsewhere within the Group through the Sustainability Committee, and incorporates these opinions and information within various initiatives.

Communication with Stakeholders

A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.



Stakeholders of the Mitsubishi Electric Group

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	- Improvement of customer satisfaction - Product safety and quality - Customer response and support	- Sales departments - Quality departments	Inquiry centers  (for individuals and corporate clients), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, media/commercials
Employees Workers related to the Mitsubishi Electric Group in general	- Ensure occupational health and safety - Respect for human rights - Human capital development	- Personnel departments - Sustainability promotion departments	Hotlines (for compliance  and human rights ) , intranets, in-house bulletins, training programs  , meetings between management and employees, employee engagement surveys 
Governments and industrial organizations Governmental institutions, local governments, and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	- Compliance with laws and regulations - Compliance with restrictions - Policy proposals	External affairs departments	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations 
NGOs and NPOs NGOs, NPOs, citizen groups, etc., with relevance to the social and environmental aspects of the Mitsubishi Electric Group	- Grants and partnerships through contributions to regional communities - Dialogues on social and environmental issues	Sustainability promotion departments	Philanthropic activities (funds, overseas foundations, volunteer activities)  and dialogues on social and environmental issues 
Business partners Suppliers of raw materials and components	- Fair transactions - Sustainability promotion through the supply chain	Procurement departments	Information sessions on sustainability procurement, BCP seminars, meetings based on the results of fair selection and evaluation of business partners 
Regional communities Communities near Mitsubishi Electric offices	Contribution to social welfare; science and technology; global environmental conservation; and culture, arts, and sports	- General affairs departments - Sustainability promotion departments	Contributions through core business, philanthropic activities (funds, overseas foundations, volunteer activities)  , factory tours, factory open house
Shareholders Shareholders, investment institutions, investors, etc., directly or indirectly possessing Mitsubishi Electric Group shares	- Increase in corporate value - Proper redistribution of profits - Information disclosure - Response to ESG investments	Investor and shareholder relations departments	Website: "Investors"  Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR library), responses to interviews, shareholder communications
Academic institutions and research institutions	- Cooperation in creating innovation - Joint studies	R&D departments	Industry-academia-government cooperation in research 
Future generations	Provision of education opportunities	- General affairs departments - Sustainability promotion departments - Overseas foundations	Inquiry centers, grants through philanthropic foundations  , classroom support, factory tours, events

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Sustainability Management 

Sustainability Management

Internal Dissemination Measures

Target	Description of initiative
Executives	● Sustainability lectures Lecture presentations are held by experts regarding changes in social perspectives and the latest industrial trends concerning sustainability for Mitsubishi Electric executives and members of the Sustainability Committee.
Associated companies in Japan	● Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers General managers of administrative departments of associated companies in Japan gather at an annual conference to discuss compliance and other related matters, in which they share information on the Mitsubishi Electric Group's company-wide sustainability policy and initiatives.
Associated companies overseas	● Sustainability promotion activities in each region Overseas associated companies of the Mitsubishi Electric Group also conduct region-specific activities, such as operating committees to promote sustainability.
Sustainability officers	● Sustainability officer training Mitsubishi Electric conducts training sessions for sustainability officers at each site and associated companies in Japan. These sessions cover the basic concepts of sustainability, societal demands, and the sustainability initiatives of the Mitsubishi Electric Group.
Group employees	● Promoting understanding of sustainability through training and in-house newsletters E-learning educational materials are distributed so that employees of Mitsubishi Electric and its associated companies in Japan and overseas can learn about sustainability. In addition, in-house newsletters distributed to the associated companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.
New employees	● Sustainability training Sustainability training is provided to new Mitsubishi Electric employees to give them an opportunity to deepen their understanding of sustainability, which is positioned as the cornerstone of the company's management. They are also informed of the importance of ensuring ethical and legal compliance as well as addressing quality and environmental issues in their daily work.

Employee Engagement Survey on the Sustainability Training

Mitsubishi Electric strives to disseminate information to employees in a variety of formats, which includes confirming the level of understanding of individual employees using engagement surveys following e-learning and other training on sustainability, including the SDGs.

Implementing operations in accordance with management philosophy	74%
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Examples of Stakeholder Engagement

External Engagement

Expert Dialogue on Respecting Human Rights

To strengthen the effectiveness of our human rights initiatives across the Mitsubishi Electric Group, we actively engage in dialogue with experts and human rights NGOs.

In June 2025, we invited Ms. Asako Nagai, Managing Director at BSR (Business for Social Responsibility), to provide advice on our Group's human rights initiatives.



Dialogue session with Asako Nagai, Managing Director at BSR

P.62 Details regarding this dialogue

Internal Engagement

Workshops for Employees on Addressing Social Challenges

GIST* project, which aims to create and enhance new businesses to solve social challenges, has been organizing workshops for the Mitsubishi Electric Group's employees. In each workshop, instructors present the global situation of the climate crisis, the need for each company to take action to address the challenge, and the initiatives driven by the Mitsubishi Electric Group. Participants then reflect on the present situation and actively discuss what they will do.

From October 2024 to June 2025, approximately 2,900 employees—mainly from manufacturing sites—have taken part. The participants shared the following feedback: “I feel more motivated to do my own job, knowing that it contributes to carbon neutrality,” “I’ve come to appreciate the importance of open dialogue both internal and external to the company,” and “I’ve started discussing environmental issues with my family.” These responses point to a meaningful shift in employee awareness and behavior regarding sustainability and social challenges.



Group discussion on addressing social challenges through one's own job

* Global Initiative for Sustainable Technology

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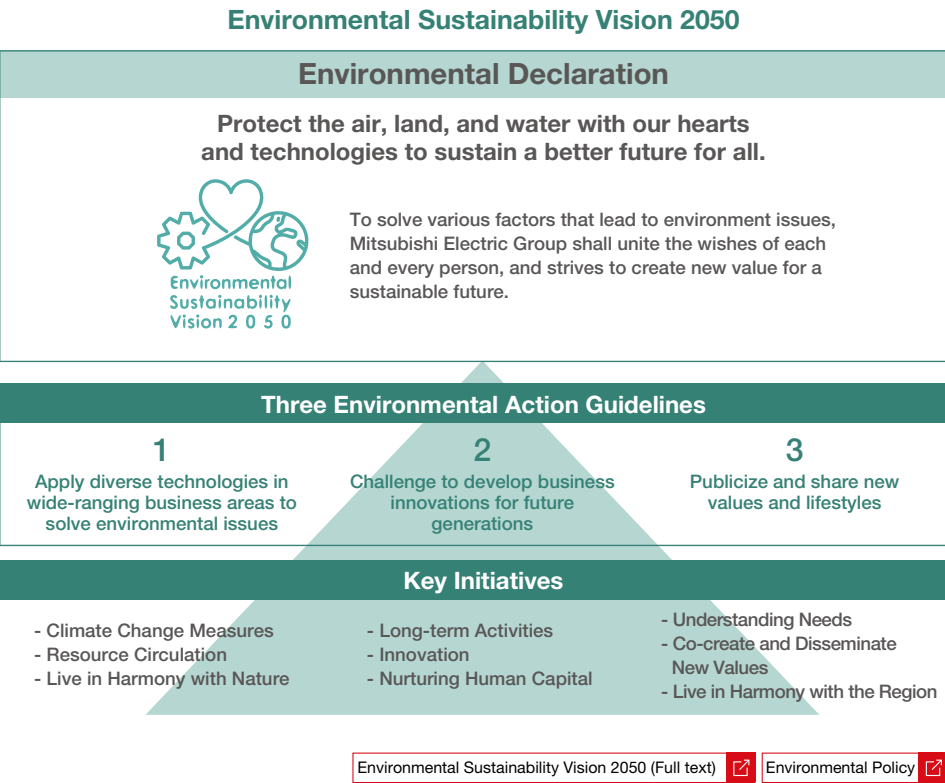
Sustainability Management



Environment

Environmental Sustainability Vision 2050

Positioning environmental contribution as a key management priority, the Mitsubishi Electric Group has established its long-term environmental management vision: the Environmental Sustainability Vision 2050. This vision articulates the Group’s future course toward 2050 and sets forth the Environmental Declaration, Three Environmental Action Guidelines, and Key Initiatives.



Environmental Plan

The Mitsubishi Electric Group formulates a medium-term Environmental Plan to advance its Environmental Sustainability Vision 2050. To achieve the targets of this plan, each site formulates and acts on an annual Environmental Management Plan.

Environmental Plan 2025 (FY2025–2026)

Under the Environmental Plan 2025, the Group is actively engaged in a range of initiatives aimed at meeting its stated targets. Key performance indicators, targets, and FY2025 results are presented in the table below.

Areas	KPIs	Targets set in Environmental Plan 2025	FY2025 results
Carbon neutrality	Greenhouse gas emissions (Scope 1 and 2)	Reduction of 53% or more compared to FY2014*1	48% reduction
	Greenhouse gas emissions (Scope 3)	Reduction of 17.5% or more compared to FY2019	27% reduction
Circular economy	Simple LC-CO ₂ *2 emissions calculation	Calculation of Mitsubishi Electric’s new models (final products) for FY2025–2026	85%
	Effective utilization of plastic waste (in Japan)	92% or more	97%
Nature positive	Water consumption per unit of sales sites in high-risk	Reduction of 6% or more compared to FY2020	32% reduction
	Contributing to nature positive	Registration of functional greenery*3 at Nationally Certified Sustainably Managed Natural Sites*4	Two sites: the Power Distribution Systems Center and the Shizuoka Works

*1 Calculation including carbon offset
*2 Life Cycle CO₂: All CO₂ emissions throughout the entire life cycle of products and services
*3 Functional greenery at Mitsubishi Electric (in Japanese) 
*4 Nationally Certified Sustainably Managed Natural Sites (the Ministry of the Environment) 

Environmental Promotion Structure

To ensure the consistent implementation of environmental initiatives across the Mitsubishi Electric Group, the Executive Officers’ Meeting commissions the Sustainability Committee to develop environmental management policies and establish environmental plans. The Committee disseminates its decisions, key priority themes, and valuable information—such as Group-wide best-practice examples—to each branch office, manufacturing plant, and associated company in Japan through the environmental management representative at each site. The Committee also monitors the Group’s environmental progress by utilizing systems that collect environmental performance data from each site and product-related environmental data.

 Promotional System for Sustainability

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Carbon Neutrality Initiatives

To achieve carbon neutrality, the Mitsubishi Electric Group is working to reduce CO₂ emissions throughout the entire value chain. These efforts include improving energy efficiency in manufacturing processes, expanding the use of renewable energy, and enhancing the energy-saving performance of its products.

Carbon Neutrality Initiatives

Product-Related Environmental Data Management—Leveraging the e-Pro System

To respond effectively to external requests for environmental data disclosure, the Mitsubishi Electric Group operates the e-Pro System, which centrally manages product-related environmental data—including power consumption, greenhouse gas emissions, and material-specific weights of products and packaging.

Leveraging the e-Pro System

CO₂ Reduction Associated with Product Use

CO₂ Reduction Through Product Improvement

To reduce CO₂ emissions during product use compared to previous models through product improvement, the Mitsubishi Electric Group evaluates the degree of improvement in energy consumption for newly developed product models

Evaluation item	Product examples
CO ₂ Reduction Through Product Improvement	Monitoring, control, and protection devices for power generation plants and systems, railcar air-conditioning systems, electrical equipment for railcars, movable platform gates, vacuum circuit breakers, elevators, escalators, intelligent transport systems (ITS; ETC, smart interchanges), air conditioners, refrigerators, ventilation fans, electric fans, processing machines, LED light bulbs, residential lighting fixtures, turbine generators, optical communication network systems, wireless communication systems, and in-vehicle control devices

CO₂ Reduction Through Product Use or Integration

Some Mitsubishi Electric Group products contribute to reducing CO₂ emissions at customer sites during use. For example, heat pump systems are expected to generate significantly lower CO₂ emissions during operation compared to combustion-based heating and hot water systems. In addition, components such as inverters and power devices help improve the energy efficiency of the final products into which they are integrated, thereby contributing to CO₂ emission reductions during use. To quantify this impact, the Group defines the difference in CO₂ emissions between its products and potentially selected alternatives as its contribution to reducing CO₂ emissions—and actively works to enhance it.

Evaluation item	Product examples
CO ₂ Reduction Through Product Use or Integration	Water heating systems (heat pump electric water heaters, electric water heaters), inverters, power devices (power modules), total heat exchanging ventilation equipment, and electrical equipment for railcars (control devices)

Reducing Greenhouse Gas Emissions from Factories and Offices

The Mitsubishi Electric Group is working to reduce greenhouse gas emissions from its factories and offices by targeting both energy-related CO₂ and the non-energy-related GHGs emitted through its business activities—namely SF₆ (sulfur hexafluoride), HFCs (hydrofluorocarbons), and PFCs (perfluorocarbons).

To reduce energy-related CO₂, the Mitsubishi Electric Group is promoting emission reduction through a range of initiatives, including

- Planned installation and renewal of high-efficiency and energy-saving equipment and operational optimization
- Promotion of energy-saving initiatives during new building construction and facility renewal
- Knowledge sharing of energy-saving technologies for production equipment
- Promotion of electrification for equipment and vehicles, such as company cars and forklifts
- Procurement of renewable energy and non-fossil electricity, and adoption of power purchase agreements (PPAs)

Based on Japan’s Act on the Rational Use of Energy, 9 out of 20 specific Group companies in Japan, including Mitsubishi Electric, have been awarded as excellent business operators (S Class) in terms of energy saving. To reduce SF₆, HFCs and PFCs emitted through its business activities, we continue our efforts by shifting to low-GWP refrigerants, improving operational practices, and recovering and destructing gases.

Environmental Data: Energy-related CO₂ Emissions at Factories and Offices

Roadmap for reducing GHG emissions from factories and offices

Reduction of SF₆, HFCs, and PFCs

Expanding the Use of Renewable Energy

The Mitsubishi Electric Group is working to expand the use of renewable energy by identifying issues and evaluating the most suitable approaches for each region. These include installing photovoltaic power systems, exploring other renewable energy options, and utilizing renewable energy/non-fossil certificates. We are also examining the effective use of surplus solar power through self-wheeling.

Environmental Data: Renewable Energy Usage Rate

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Climate Change Initiatives (TCFD-based Disclosure)

The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD, and as such, the Group promotes efforts and discloses information in line with these recommendations.

TCFD-Based Disclosure

Governance

Under our long-term environmental management vision through 2050, titled Environmental Sustainability Vision 2050, we aim to achieve carbon neutrality in our factories and offices by FY2031 and to reduce greenhouse gas emissions throughout the entire value chain to net-zero by FY2051. Regarding climate change response, the Sustainability Committee, commissioned by the Executive Officers’ Meeting, discusses policies and measures aimed at reducing greenhouse gas emissions from the Group and achieving carbon neutrality throughout the entire value chain. The Sustainability Innovation Group oversees and analyzes risks, opportunities, and their financial impact.

Strategy

The Mitsubishi Electric Group views the transition to a decarbonized society not as a business risk but as an opportunity common to all its businesses. Based on this recognition, we are integrating initiatives related to Environmental Sustainability Vision 2050, Environmental Plan 2025, and the Science Based Targets (SBTs) into our business strategies and advancing technological and business development accordingly.

Climate Change Risks and Opportunities in the Short, Medium, and Long Terms

The Group assesses the impact of climate-related risks and opportunities that are expected to affect each of its businesses in the short term, medium term, and long term, referring to climate scenarios presented by external organizations (such as the IEA) and economic development projections for each country and region. Under the supervision of the Executive Officer in charge of Sustainability, the executive officers and heads of relevant business divisions determine whether the anticipated events in each business qualify as significant risks (high impact).

<Periods>
Short term: Period through FY2026 (period of the Environmental Plan 2025 and the medium-term management plan)
Medium term: Period through FY2031
Long term: Period through FY2051 (final year of the Environmental Sustainability Vision 2050)

Climate-related Risks and Opportunities in the Short, Medium, and Long Terms

Major Category	Item	Short-term	Medium-term	Long-term	Risks	Opportunities	Impact on Business	Impact on Strategy	Impact on Financial Plan	Magnitude *1	Frequency *2
Policy/Regulation	Carbon tax	○	◎	◎	Additional costs incurred for operations, raw materials, procurement, etc.	Providing products and services that contribute to decarbonization	Increased business costs, fluctuations in sales	Early response based on CN transition plan	Investment in CN technology development	Medium	Medium
	Environmental regulations (e.g., GHG emission restrictions)	○	◎	◎	Decreased sales due to inability to comply with regulations	Increased sales by complying with regulations and selling high-performance products	Fluctuations in sales	Early and advanced compliance with regulations Gain advantage over competitors	Investment in R&D	Large	High
Industry/Market	Soaring material prices	—	○	◎	Raw material costs, etc., soar due to the impact of climate change	Successful material procurement through multiple sourcing, etc.	Increased business costs	Securing multiple suppliers, strengthening SCM	Investment in strengthening SCM	Medium	Medium
	Decarbonization of transportation	—	○	—	Soaring transportation costs for aircraft, ships, etc.	Increased demand for social system business (railway-related)	Increased business costs, fluctuations in sales	Development of CN solutions with competitive advantage	Investment in CN technology development	Medium	High
	Changes in energy mix and energy demand trends	○	◎	◎	Market shrinks due to the introduction of renewable energy and delays in global electrification	Increased sales of various equipment due to expanded electricity demand	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in CN technology development	Large	High
	Fluctuations in EV demand	○	◎	◎	SiC demand does not increase due to slow growth in EV demand	SiC demand expands and SiC becomes widespread due to increased EV demand	Significant increase/slowdown in profits	Expansion of SiC production/expansion of production of conventional products such as Si	New construction/downsizing of SiC factories	Large	Medium
	Fluctuations in air conditioning demand	○	○	◎	Decreased sales due to failure in technology development	Increased sales due to climate change adaptation demand and sales of energy-saving and high-performance products	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in technology development	Large	High
Technology	Spread of low-carbon technologies, products, and services	◎	◎	◎	Lagging behind competitors in technology development and commercialization in all business areas	Increased sales by selling low-carbon and high-efficiency products and services in all business areas	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in technology development	Large	High
	Development of CO ₂ utilization technology	—	○	◎	Not achieving self-CN if unable to develop	Achieving self-CN by 2050, selling technology	Future increase in costs for CN credits	Medium- to long-term development of CCUS and carbon recycling technology	Investment in CO ₂ utilization technology development	Medium	High
Physical Risks (Acute)	Intensification of abnormal weather	◎	◎	◎	Business activities suspended due to typhoons, localized heavy rain, etc.	Providing disaster prevention and mitigation solution business	Losses due to business suspension, fluctuations in sales	Strengthening and reviewing BCP	Capital investment related to BCP strengthening	Large	Medium

◎: Main period when the impact materializes ○: Period related to the manifestation of the impact
—: Period with low likelihood of impact manifestation
*1: Magnitude of the overall impact on the business, comprehensively evaluated from the perspectives of business, strategy, and financial planning
*2: Frequency at which the business is affected by the risk or opportunity

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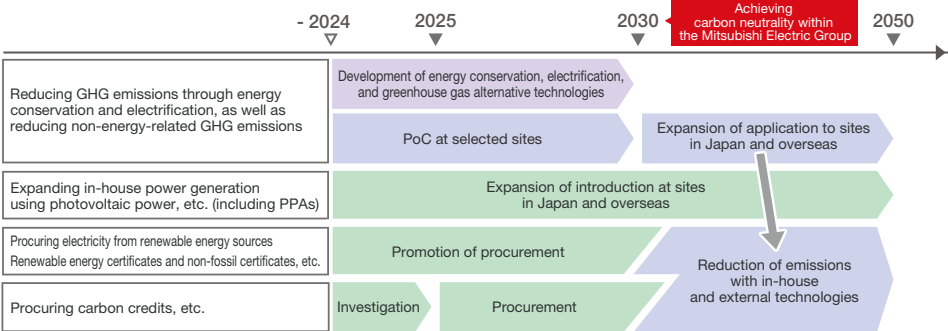
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Environment

Carbon Neutrality Transition Plan

We are driving a number of initiatives to achieve carbon neutrality in our factories and offices: (1) reducing GHG emissions through energy conservation and electrification, as well as reducing non-energy-related GHG emissions; (2) expanding in-house power generation using photovoltaic power, etc. (including PPAs*); and (3) procuring renewable energy certificates and non-fossil certificates, etc. We are also considering (4) procuring carbon credits, etc.

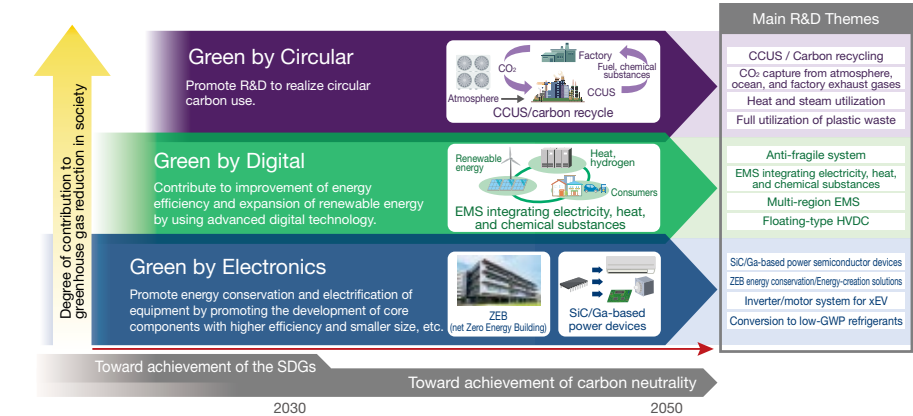
* Power Purchase Agreements



Roadmap for Reducing Emissions from Factories and Offices

Research and Development Strategy for Achieving Carbon Neutrality

To create and grow businesses that contribute to the realization of carbon neutrality throughout the value chain and society as a whole, we will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular. These initiatives are further strengthened through collaboration between industry, academia, and government.



Research and Development Roadmap for Achieving Carbon Neutrality

Resilience to Climate Change Based on Scenario Analysis

The Group conducts annual scenario analysis considering long-term future uncertainties based on two scenarios: one in which the world moves toward a decarbonized society as assumed in our business strategy (2°C or lower scenario*1), and another in which economic development is prioritized over climate change countermeasures (4°C scenario*2). We set FY2041 as a point in an uncertain future and analyze the financial impact of transitioning to the 4°C scenario, with the baseline (extension of our business plan) as the 2°C or lower scenario.

*1 The demand for decarbonization technologies increases and development competition intensifies due to stricter regulations. Electrification of society progresses, total electricity demand increases, and the percentage of renewable energy also rises.
<Referenced public scenarios>
• International Energy Agency (IEA) World Energy Outlook 2024, APS (Announced Pledges Scenario)
• Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6), Shared Socioeconomic Pathway (SSP1), compared to SSP2 as the current situation
*2 Physical risks materialize due to decarbonization activities being at or below the current level. Consumer purchasing power increases compared to the 2°C or lower scenario. On the other hand, extreme weather events such as heavy rain and floods intensify.
<Referenced public scenarios>
• IEA World Energy Outlook 2024, STEPS (The Stated Policies Scenario)
• IPCC 6th Assessment Report, SSP5 (compared to SSP2 as the current situation)

Regarding transition risks, we evaluated that three businesses, Energy Systems, Automotive Equipment, and Semiconductor & Device would be significantly affected by climate change in the 4°C scenario relatively, and we quantitatively estimated the financial impact. On the other hand, for physical risks, we estimated the financial impact on the Group’s major manufacturing bases across all business segments, taking the intensification of extreme weather events as an inevitable risk due to the increased frequency of extreme weather events.

Financial Impact on the Mitsubishi Electric Group When Society Progresses to the 4°C Scenario (Impact on Operating Profit)

Evaluation item	Business	Content	Impact on Operating Profit
Transition risks	Energy Systems	◆ Changes in energy mix and changes in energy demand trends The market size for core network products and distributed network products shrinks due to the slowdown in the introduction of renewable energy and the progress of electrification.	→
	Semiconductor & Device, Automotive Equipment	◆ Delay in shift to EVs • Slowdown in the price reduction of SiC products, and stagnation in their spread to non-automotive applications. • Reduced demand for EV-related automotive equipment.	→
Physical risks	All Businesses	Disruption of supply chains and increased damage to facilities due to the intensification of extreme weather events such as typhoons, heavy rains, and floods.	→
Opportunities	A/C System & Home Products	Increased demand due to the development of the global economy under relatively relaxed regulatory conditions.	→
Total (transition risks + physical risks + opportunities)			→

CCUS: Carbon dioxide Capture, Utilization, and Storage HVDC: High Voltage Direct Current
EMS: Energy Management System ZEB: Net Zero Energy Building GWP: Global Warming Potential

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Risk Management

The Mitsubishi Electric Group uses its own business strategy decision-making process and a comprehensive risk management process to identify, assess, and manage risks and opportunities related to the global environment, including climate change.

The Group primarily manages risk by each corporate division of Mitsubishi Electric and its subsidiaries and affiliates in Japan and overseas. In addition, at the leadership of the Chief Risk Management Officer (CRO), the corporate division (i.e., the division responsible for the risk) identifies, assesses, and manages risks based on its knowledge in each area of expertise.

Risks in each specialty area identified and assessed by the divisions responsible for such risks are consolidated by the Corporate Legal Risk Management Group, and their impacts on group management are evaluated through relative comparisons among each risk, etc. The Risk Management and Compliance Committee, chaired by the CRO, makes management decisions.

Risks comprehensively assessed through the above process are shared with relevant parties, including management. The Group considers global environmental risks, including climate change, to be highly material because they have significant impacts on the realization of a sustainable global environment, one of the Group’s materialities.

Global environmental risks, including climate change, are identified, assessed, and managed by the Executive Officer in charge of sustainability and the Sustainability Innovation Group, the department in charge of risk, under the leadership of the CRO, in accordance with the Mitsubishi Electric Group risk management system described above.

Metrics and Targets

Long-term Target

The Mitsubishi Electric Group is promoting the reduction of greenhouse gas emissions throughout the entire value chain, aiming to achieve net-zero emissions by 2050.

Medium-term Target

The Group is working toward the target of achieving carbon neutrality in our factories and offices by FY2031, by reducing greenhouse gas emissions by a certain percentage each year.

- We received certification from the SBT initiative in January 2024.
- Scope 1 and 2: Reduce greenhouse gas emissions by 42% by FY2031 compared to FY2022 levels
 - Scope 3*: Reduce greenhouse gas emissions by 30% by FY2031 compared to FY2019 levels

* The scope of Scope 3 has been expanded from the previous category 11 (use of sold products) to all categories.

Short-term Target

Under Environmental Plan 2025, the Group has set targets for FY2026 that include reducing greenhouse gas emissions, estimating LC-CO₂* emissions using simplified methods, and advancing goals in the area of nature positive.

* Life Cycle CO₂: All CO₂ emissions throughout the entire life cycle of products and services

Progress

Market-based emissions are being reduced with the increasing use of renewable energy sources.

We remain committed to reducing greenhouse gas emissions in pursuit of our Environmental Plan 2025 target: a reduction of 53% or more by the end of FY2026 compared to FY2014 levels.

Scope 1 and 2 Greenhouse Gas Emissions (Mitsubishi Electric Group) (Unit: kt-CO₂)

		FY2023	FY2024	FY2025
Total of Scope 1 and 2	Market-based	951	910	736
	Location-based	1,046	1,071	992

Note: The figures for FY2025 have received third-party assurance from KPMG AZSA Sustainability Co., Ltd., in the Mitsubishi Electric Group Sustainability Data Book 2025.

Third-Party Assurance Report

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Initiatives toward a Circular Economy

The Mitsubishi Electric Group is actively engaged in the circular economy, undertaking initiatives such as recycling plastics and reducing water usage to mitigate environmental impacts.

Initiatives toward a Circular Economy

Effective Utilization of Plastic Waste

Based on Japan’s Resource Circulation Strategy for Plastics, the Mitsubishi Electric Group is prioritizing the effective utilization of plastic waste* and has established a medium-term target of achieving 100% effective utilization of plastic waste by FY2036.

Environmental Data: Effective Utilization of Plastic Waste (in Japan)

* Waste refers to items that are no longer needed at a site. This includes items that have been disposed of directly, entrusted to a third party for disposal, or sold/transferred to others.

Generating High-purity Plastics from End-of-Life Home Appliances

The Mitsubishi Electric Group employs proprietary technology to convert end-of-life home appliances into high-purity plastics. Insights obtained during this recycling process are fed back into product design, driving continuous improvements in product recyclability rates.

Mitsubishi Electric Group’s Proprietary Technology for Producing High-purity Plastic from Home Appliances

- 1. Our process integrates a proprietary micro-shredding step that is absent from ordinary home appliance-recycling plants. This allows us to remove fine metal fragments and other contaminants, yielding a shredded plastics mixture—the vital feedstock for regenerated plastics.
- 2. Using a shredded plastics mixture as a raw material, we sort and separate PP (polypropylene), PS (polystyrene), and ABS (acrylonitrile butadiene styrene) at high purity, producing recycled plastics with quality equivalent to virgin resin.

P.49 Feature: “Trade-On (mutual benefits)” × Plastic Recycling

Closed-loop Recycling of Plastic

The Mitsubishi Electric Group is advancing closed-loop recycling in which high-purity recycled plastics produced within the Group are reused in Mitsubishi Electric home appliances.

Reducing Water Usage

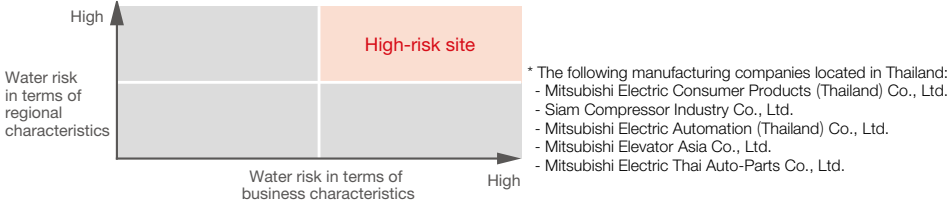
Globally, escalating water shortages, pollution, and climate-change-driven extreme weather are severely impacting raw-material sourcing and product manufacturing, underscoring the critical importance of corporate water-risk management.

The Mitsubishi Electric Group evaluates water stress and quality at approximately 160 manufacturing sites—including associated companies—using Aqueduct*1 and Water Risk Filter.*2 We also assess species-extinction risk with the IBAT*3 (STARt). By combining these results with each site’s operational profile (business scope, production-related water use, etc.), we have quantified the water risk at every production location.

*1 Water risk assessment tool developed by the World Resources Institute (WRI), used to assess “baseline water stress” and “coastal eutrophication potential.”
*2 Water risk analysis tool developed and operated by the World Wide Fund for Nature (WWF), used to assess “baseline water stress,” “blue-water scarcity,” and “surface water quality index (BOD).”
*3 Integrated Biodiversity Assessment Tool: The assessment is based on the threat abatement (t) component of the Species Threat Abatement and Restoration Metric (STAR).

Response to High-risk Sites

The Mitsubishi Electric Group has identified five production sites* as high-risk sites based on Aqueduct water-risk evaluations and each site’s operational profile, and actively manages their water risk. Under our Environmental Plan 2025, we have set a target to reduce water consumption per unit of sales at these high-risk sites by at least 6% in FY2026 versus FY2020. To achieve this, we are monitoring water-saving performance in water-using equipment, tracking rates of water reuse, installing and utilizing low-flow faucets, and taking other water-saving measures.



Conceptual diagram of water risk analysis

Environmental Data: Water Consumption per Unit of Sales at High-Risk Sites

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Please also refer to:

Environment

Environment

Commitment to Nature Positive

The ongoing destruction of ecosystems and environmental changes are accelerating species loss, which in turn undermines biodiversity. Recognizing that all human civilizations depend on Earth’s ecosystems, the Mitsubishi Electric Group is committed to advancing nature positive initiatives.

Commitment to Nature Positive Mitsubishi Electric Joins G7 Alliance on Nature Positive Economies

Biodiversity Preservation Activities

The Mitsubishi Electric Group has established Biodiversity Action Guidelines which define the role its business activities will play in preserving biodiversity.

We are committed to taking action to help build a sustainable world. The Mitsubishi Electric Group has set forth three courses of action as guidelines for biodiversity conservation activities at its business sites: A. Reducing negative impact on living creatures; B. Aiming for more fruitful symbiosis with living creatures; and C. Restoring the relationship between employees and nature in the working environment. At each business site, action plans provide for the preservation of local indigenous species, control of alien species, and development of green space in consideration of the surrounding ecosystem, to ensure these initiatives are steadily addressed in all businesses.

Biodiversity Action Guidelines Preserving Biodiversity at Business Sites

Quantitative Assessment Based on the Biodiversity Guidelines (Check Sheet)

At Mitsubishi Electric, we employ the Biodiversity Guidelines (Check Sheet) to quantitatively assess each business site’s biodiversity initiatives. This check sheet is used to self-assess the status of biodiversity initiatives and identify strengths and issues in order to steadily improve their efforts.

Assessment Result for FY2025

Initiatives toward Nationally Certified Sustainably Managed Natural Sites Certification

To contribute to achieving the 30by30 target*1 through our biodiversity conservation activities at business sites, Mitsubishi Electric is advancing efforts to secure certification as Nationally Certified Sustainably Managed Natural Sites.*2



Nationally Certified Sustainably Managed Natural Sites

- Power Distribution Systems Center (Marugame City, Kagawa Prefecture)

Living Creatures Research Report: Power Distribution Systems Center (in Japanese)

- Shizuoka Works (Shizuoka City, Shizuoka Prefecture)

Living Creatures Research Report: Shizuoka Works (in Japanese)

*1 A global biodiversity target adopted under the Kunming-Montreal Global Biodiversity Framework, calling for the effective conservation of at least 30 percent of terrestrial and marine areas as healthy ecosystems by 2030.
*2 Nationally Certified Sustainably Managed Natural Sites (the Ministry of the Environment)
https://policies.env.go.jp/nature/biodiversity/30by30alliance/kyousei/

Responding to Soil and Groundwater Pollution

At Mitsubishi Electric Group’s business sites—including manufacturing plants and R&D centers—we conduct environmental assessments in line with legal and regulatory requirements whenever land characteristics change or at other appropriate opportunities. Based on the assessment results, we implement appropriate countermeasures and remediation measures in accordance with the state of pollution.

Regarding areas that were recognized as having groundwater or soil pollution problems in the past, we are responding appropriately under the guidance of government authorities and in accordance with laws and regulations, and conducting groundwater monitoring as necessary.

Management of Chemical Substances Released from Business Sites

At the Mitsubishi Electric Group’s production sites in Japan, we monitor and manage the release and transfer of chemical substances and volatile organic compounds (VOCs) designated by laws and regulations.

Environmental Data: Chemical Substance Emissions

Management of Chemical Substances Used in Products

The Mitsubishi Electric Group obtains chemical composition data for procured parts and materials from our suppliers via chemSHERPA,* an information-transfer format common to the electrical and electronics industry.

We also identify the chemical regulations of each country and region to which our products are shipped, ensure that any substances prohibited there are not present in our products, and carry out all regulatory required actions—such as filing notifications of contained substances and communicating that information to customers—in full compliance with applicable laws and regulations.

* An information-transfer format conforming to IEC 62474, the international standard for declaring materials and chemical substances contained in products in the electrical and electronics industry.

Appropriate Storage and Processing of PCB Waste and Devices Containing PCBs

In Japan, the Mitsubishi Electric Group conducts inspections at least once a year at each site that stores waste containing polychlorinated biphenyls (PCB waste) or handles equipment containing PCBs to confirm the status of PCB storage and usage, in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

Customers can confirm whether an electrical device manufactured by a Mitsubishi Electric Group company in Japan contains PCB by referring to a list available on the corporate website.

PCB-related Information (in Japanese)

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Please also refer to:

Environment



Quality

Basic Policy and Management

Basic Policy

Based on its Purpose, “We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity,” the Mitsubishi Electric Group constantly strives to increase customer satisfaction in all aspects of its business, from the production of high-quality, easy-to-use products to after-purchase support, response to major issues, and product disposal.

Basic Philosophy on Quality

The Mitsubishi Electric Group is working to establish systems and environments that inherently eliminate the need for improper quality control practices, based on the following revised Basic Philosophy on Quality—updated to reflect employee feedback.

- We offer the quality that ensures customer satisfaction.
- We provide products and services with quality as our top priority.
- We each play a self-leading role for creating better quality.

Management

Mitsubishi Electric has established a company-wide framework for quality assurance and improvement activities. To promote and strengthen Quality Assurance Reforms, the Corporate Quality Assurance Reengineering Group—led by the Chief Quality Officer (CQO)—is implementing shared initiatives across the organization. The Corporate Quality Assurance Reengineering Group has a Quality Assurance & Management Department at each manufacturing base, which assumes the function for checking, including shipping authority, as well as a contact point for consultation on issues in the field.

Quality Improvement Activities

The Mitsubishi Electric Group promotes quality improvement activities in all business processes related to products and services to improve quality, safety, and reliability while promoting human capital development.

With regard to development and design in particular, we strive to develop human capital who are capable of assessing each country’s laws and standards, customer requests, and basic product functions, as well as executing and driving designs that ensure safety, reliability, and stability of functions. These human capital improve our development and design quality by ensuring, alongside other efforts, all parties involved are familiar with the elemental technology guidelines necessary for ensuring quality.

As for procured products, we have been working to improve quality in collaboration with our suppliers, who are important partners of the Mitsubishi Electric Group, by asking them to understand our policy that gives top priority to quality.

With regard to product defects, we have also built a database of failure cases that have occurred in the Mitsubishi Electric Group. We use this database to build quality into products to prevent defect recurrence.

Driving Quality Assurance Reforms

Through engineering process reforms, we are rebuilding our organizational capacity to deliver technically sound explanations—establishing systems and environments that inherently eliminate the need for improper quality control practices.

- Rebuilding Deterrence Functions
- Addressing Technical Capabilities and Resource Challenges
- Reinstilling Quality Compliance Awareness
- Enhancing Manufacturing Management Environments
- Advancing Front-loaded Design Practices

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Please also refer to:

Quality



Human Rights

▶ Concept of Respect for Human Rights

■ Policy on Respect for Human Rights

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group’s business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations.

In August 2024, we revised our Human Rights Policy in response to changes in the social environment surrounding human rights.

[Mitsubishi Electric Group Human Rights Policy](#)

With regard to specific issues such as the human rights of our Group employees and those of supply chain employees, the ethical use of technology, and privacy and information security, we are taking concrete action based on the relevant policies outlined below to make our human rights initiatives more effective.

[Mitsubishi Electric Group Code of Conduct](#)

[AI Ethics Policy](#)

[Personal Information Protection Policy \(in Japanese\)](#)

[Mitsubishi Electric Group Supply Chain Code of Conduct](#)

■ Management System Related to Respecting Human Rights

To advance our efforts in respecting human rights, the Human Rights Subcommittee—under the Sustainability Committee—deliberates and approves relevant policies and plans, and reviews progress and implementation outcomes. Subsequently, those points are discussed within the Sustainability Committee, then reported to the Executive Officers’ Meeting for further deliberation, and are subject to oversight by the Board of Directors. Given the wide-ranging nature of human rights issues, the Human Rights Subcommittee determines strategic direction for cross-functional matters and assigns clear departmental responsibilities to ensure effective implementation. In addition, the Human Rights Working Group, which is composed of Section Manager-level members from the divisions that make up the Human Rights Subcommittee, examines the practical implementation of various human rights-related initiatives.

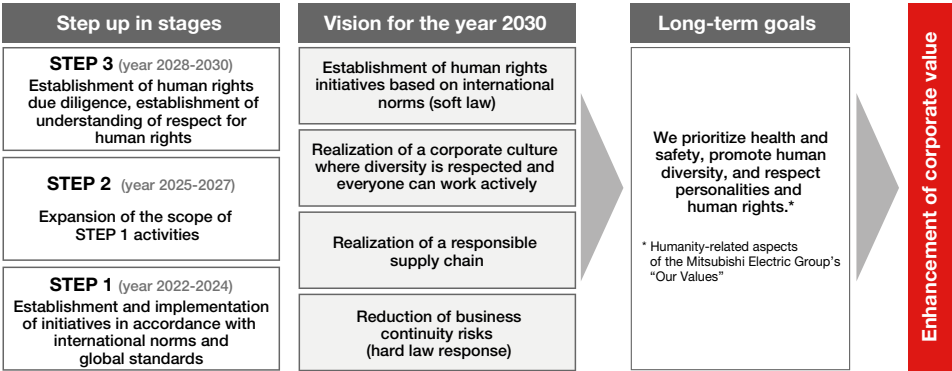
In FY 2025, the Human Rights Subcommittee met three times, while the Human Rights Working Group met 10 times.



▶ Human Rights Management

■ Medium- to Long-term Goals and Roadmap for Human Rights Initiatives

We pursue human rights initiatives based on defined medium- to long-term goals and the roadmap. In the short term (one year), specific action items and KPIs are set, and the Human Rights Subcommittee and the Sustainability Committee follow up on the results.

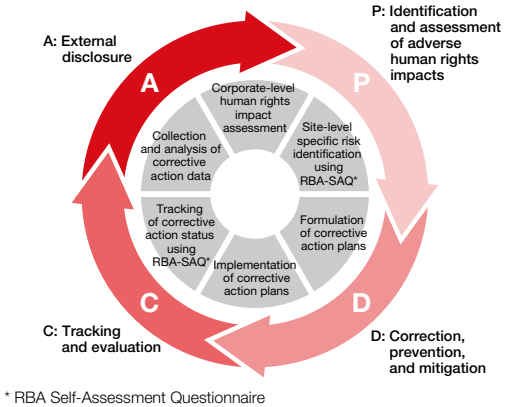


Medium- to long-term goals and the roadmap for human rights initiatives (in brief)

■ Human Rights Due Diligence

The Mitsubishi Electric Group is committed to human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights.

The Group periodically carries out “Human Rights Impact Assessments” in order to assess the impact of the Group’s business activities on human rights and also strives to enhance the management of identified risks.



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Please also refer to:

Human Rights



Human Rights

The Group has identified the priority human rights issues among potential issues that could impact its stakeholders, as shown in the figure below.

Category Priority	Employee	Supply Chain	Product & Service
	Working Environment	Suppliers & Labor Standards	Privacy & Information Security
The most salient human rights issues	Occupational Safety & Health	Forced, Slave, & Debt Labor	
		Child Labor	

Initiatives Related to Employee Human Rights

The Mitsubishi Electric Group is committed to respecting the basic rights of employees, an approach that is included in the principles of the Universal Declaration of Human Rights as well as the United Nations Global Compact, as provided in the Mitsubishi Electric Group Code of Conduct.

In addition, Mitsubishi Electric respects the freedom of association as a company and assures Mitsubishi Electric labor union to hold the three basic rights of labor (the right to organize, the right to collective bargaining, and the right to act collectively), under the labor agreement entered into between Mitsubishi Electric and the Mitsubishi Electric labor union.

Human Rights Initiatives in the Supply Chain; Joining the RBA

In 2024, the objectivity and transparency of the Mitsubishi Electric Group’s human rights initiatives in sustainable procurement was enhanced through the alignment of our own operations with the provisions of the RBA Code of Conduct, the global standard.

We will continue to promote ongoing improvement of our sustainable procurement efforts. Following our transition to regular membership in the RBA in February 2025, we are further strengthening our efforts to continuously improve sustainable procurement practices.



Supply Chain Management (Procurement)

Discussion with External Parties

In order to make the Mitsubishi Electric Group’s efforts for human rights issues effective, we have discussions with experts, human rights NGOs and other parties to receive advice on human rights initiatives.

In June 2025, we had the opportunity to explain the Mitsubishi Electric Group’s initiatives to respect human rights to Ms. Asako Nagai, Managing Director of BSR, and to receive her feedback on the overall assessment and future expectations.



The Mitsubishi Electric Group demonstrates its commitment to human rights across the value chain—including employees, supply chain workers, customers, consumers, and local communities—through its Mitsubishi Electric Group Human Rights Policy. In 2023, the Group established the Mitsubishi Electric Group Supply Chain Code of Conduct, and in 2024 transitioned to regular membership in the Responsible Business Alliance (RBA), a recognized industry standard. In addition, the Group has established multiple grievance mechanisms related to human rights, including an external channel via JaCER (Japan Center for Engagement and Remedy on Business and Human Rights), ensuring progress in its human rights initiatives.



Asako Nagai,
Managing Director of BSR

We hope to see further reinforcement of these efforts through the following:

- 1) Setting and managing goals that incorporate KPIs and other indicators to give greater concreteness to medium- to long-term plans and roadmaps
- 2) Reliable risk mitigation, including self-assessments and on-site evaluations
- 3) Enhancing understanding of human rights through expanded training and education for all personnel—from executive leadership to general employees

The feedback received will be discussed within the Human Rights Subcommittee and reflected in the Mitsubishi Electric Group’s future human rights initiatives, as part of our commitment to continuous improvement.

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Please also refer to:

Human Rights



Supply Chain Management (Procurement)

► Procurement Policy and Supplier Selection Criteria

The Mitsubishi Electric Group mitigates procurement risks along the supply chain by providing an explanation of the Group’s Procurement Policy to suppliers and ensuring proper evaluation of suppliers based on selection and evaluation criteria.

The criteria for evaluating suppliers include not only quality, cost, delivery schedules, and services, but also initiatives in response to environmental regulations and sustainability. As a basic policy, the Group preferentially procures materials from suppliers who rank high in our comprehensive evaluation.

In order to enhance the objectivity and transparency of human rights and environmental initiatives throughout the supply chain, in February 2022, we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively aligning our operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

Procurement Policy 

► Medium- to Long-term Priority Activities

■ Continuing Activities to Identify and Address Risks Involving Major Human Rights Violations (Forced Labor, Hazardous or Dangerous Labor, and Child Labor) in the Supply Chain

The Mitsubishi Electric Group continuously works to identify high-risk suppliers by reviewing responses to an annual questionnaire survey sent to major suppliers. This process enables us to assess the presence of serious human rights risks—such as forced labor, hazardous or harmful working conditions, and child labor—on a case-by-case basis. Through the same questionnaire, we also confirm compliance with our requirements around reducing excessive working hours and respecting the right to a minimum wage, as outlined in the Mitsubishi Electric Group Supply Chain Code of Conduct.

Evaluation status of suppliers’ initiatives to address sustainability issues 

Survey on foreign technical intern trainees 

■ Initiatives to Decarbonize Procurement Supply Chain Activities

The Environmental Sustainability Vision 2050 aims to achieve decarbonization in the entire value chain. We will grasp the level of reduction in CO₂ emissions generated during production by suppliers and call for further reductions. In FY2024, we conducted a survey on the status of carbon neutral initiatives and greenhouse gas emissions of our major suppliers. Based on the survey results, we will improve the accuracy of “greenhouse gas emissions in the value chain.”

Environmental Sustainability Vision 2050 

■ Responsible Minerals Procurement

The Mitsubishi Electric Group aims for transparency in its procurement supply chain to avoid any affiliation with armed groups that trade in conflict minerals* as their source of funding. We also recognize the possibilities of human rights violations occurring in the severe labor conditions in cobalt mining sites as a major problem. The Group adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and removes certain minerals from the procurement supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

* Conflict minerals refer to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in OECD-defined conflict-affected and high-risk areas.

■ Communication with Suppliers

To promote understanding and support for the Group’s Procurement Policy and Supply Chain Code of Conduct, the Group holds briefing sessions and regular dialogue meetings with suppliers at its Head Office and business sites. To promote sustainability initiatives at our suppliers, we also communicate with them in the areas of support for business continuity planning (BCP)* activities, management of chemical substances according to regulations such as the EU RoHS Directive, and compliance (including export control, information security and management, the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors, etc.).

* Being prepared for any disaster or other emergency situation by planning how to minimize damage to the company and how to continue or restore business activities.

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Supply Chain Management (Procurement) 

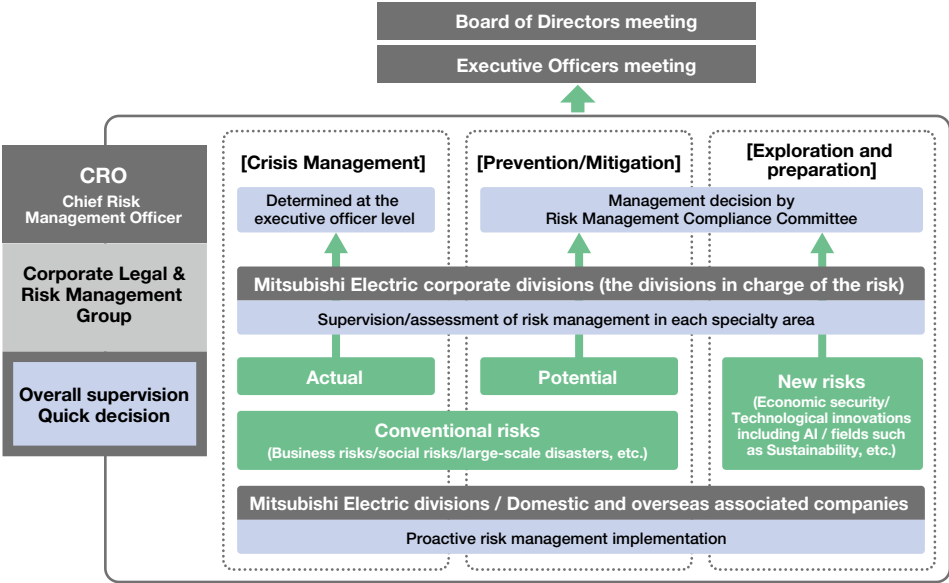
Risk Management

► Risk Management Framework of the Mitsubishi Electric Group

At the Mitsubishi Electric Group, we incorporate risk management into our business operations, managing risks according to the size and characteristics of each business, to strengthen internal control systems with an emphasis on prevention. We manage and prioritize significant risks common to the entire Group according to their impact on the management of the Group.

We will not only address conventional risks such as large-scale disasters and social risks but also strategically explore and prepare for new risks in areas such as economic security, technological innovations including AI, and sustainability.

Each division and domestic and overseas associated company in the Group independently engages in risk management. In addition, each corporate division (division in charge of risk) at Mitsubishi Electric Corporation supervises and assesses the Group’s divisions and domestic and overseas associated companies in their respective specialized areas. The Chief Risk Management Officer (CRO) and the Corporate Legal & Risk Management Group supervise the entire Group. The Risk Management and Compliance Committee makes management decisions, and we establish cross-organizational and flexible team approaches where necessary. In this way, we have established a framework to enable more effective and strategic risk management. In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officer meetings.



Risk management framework (Mitsubishi Electric Group)

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Please also refer to:

Risk Management (Business and Other Risks) 

Compliance

Our Concept and Compliance Promotion Structure

Based on the recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group has established a compliance structure in which the President & CEO of Mitsubishi Electric Corporation serves as the Chief Compliance Promotion Officer, and each Mitsubishi Electric business division as well as each associated company in Japan and overseas proactively promotes compliance. Moreover, to ensure that rapidly expanding new risks are addressed, it is important to prioritize risks using a risk-based approach while implementing flexible risk control based on decision-making led by management. Accordingly, we reorganized the Corporate Compliance Committee as of April 1, 2024, establishing the Risk Management and Compliance Committee to deliberate and make decisions on policies for addressing priority risks and other matters.

Mitsubishi Electric Group compliance promotion structure

Thorough Dissemination about Our Compliance Policy

The Compliance Motto “Always Act with Integrity”

The senior management of the Mitsubishi Electric Group, including the CEO, takes every opportunity to directly address officers and employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of our stance on compliance takes root throughout our organization.

To raise awareness even further, we also display posters of our compliance motto, “Always Act with Integrity,” in our workplaces and distribute cards printed with the compliance motto to each of our employees.

Mitsubishi Electric Group Code of Conduct

We distribute the “Mitsubishi Electric Group Code of Conduct” to all Mitsubishi Electric Group officers and employees, including overseas officers and employees. By disseminating the “Mitsubishi Electric Group Code of Conduct Global Handbook,” which explains the contents of the Code of Conduct with a Q&A section and introductions of actual cases, and by holding workshops and read-through sessions in each workplace, our aim is for all officers and employees to internalize the Code of Conduct.



Portable Card



Mitsubishi Electric Group Code of Conduct

Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group’s concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools including workshops, e-learning programs, and the distribution of manuals. These tools provide the optimum content for different businesses, job levels, job categories, and regions (overseas).

In addition to educational activities conducted independently by each of the Group’s associated companies and business divisions, we also carry out Group-wide educational initiatives. Officers and employees across the countries where we operate participate in the educational program that covers major relevant laws and the Group’s approach to compliance, delivered through e-learning, in-person sessions, correspondence courses, and other methods. For example, Mitsubishi Electric conducts annual e-learning on the Mitsubishi Electric Group Code of Conduct for all officers and employees, with a 100% participation rate in FY2025.

Education Covering Major Laws and Regulations, as well as the Group’s Concept of Compliance; and Workshops Related to Compliance

Internal Notification System

Mitsubishi Electric has put in place “ethics and legal compliance hotlines” (internal notification system, a so-called whistleblowing system), with the objective of promptly addressing fraudulent, illegal, and anti-ethical conducts as a self-disciplinary mechanism. This function is available through two notification channels, inside and outside the company. The outside channel is managed by independent law firms. The hotlines are operated pursuant to clearly defined internal regulations that ensure responses to anonymous informants, elimination of disadvantageous treatment of informants, and the confidentiality of all informants. Notifications are also accepted from business partners and companies, if it pertains to issues that arise out of their relationship with Mitsubishi Electric, including but not limited to business transactions.

Alleged issues of each notification are examined by an “ad hoc” investigation group, whose membership is determined depending on the nature of the notification. In case an alleged issue casts doubt on compliance with pertinent laws and/or internal rules, efforts are made to reinforce the prevalence of adequate norms through a revision of rules or explanatory meetings for promoting due understanding of the same. Where misconduct contrary to any laws and/or internal rules is detected, the concerned employee is subject to disciplinary action, and if any organized involvement in the detected incident is found, remediation is demanded of the concerned department.

The detailed functions of these “ethics and legal compliance hotlines” are provided in the Mitsubishi Electric Group Code of Conduct Handbook disseminated to all employees. These detailed functions also appear on posters displayed in each workplace (each department and operating base), on the handheld cards containing the contact information of internal and external contact points that are distributed to all employees, and on the Group intranet, to ensure that we communicate them to all employees.

The internal notification system is also in place at each associated company of the Mitsubishi Electric Group both in Japan and overseas.

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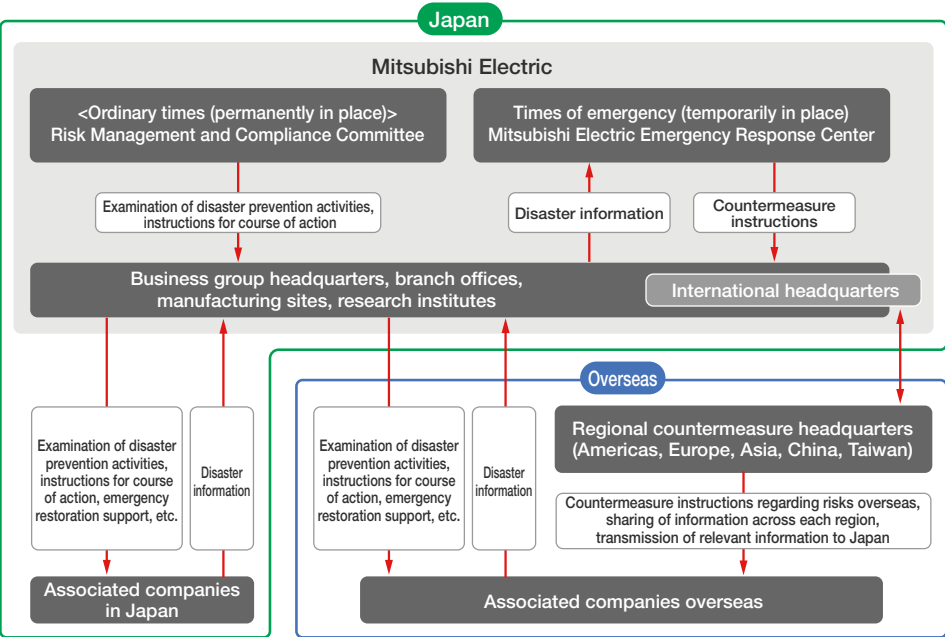
Compliance

Disaster Countermeasures

Development of a Response Framework for Large-Scale Disasters

The Mitsubishi Electric Group has established a Risk Management and Compliance Committee chaired by the Chief Risk Officer (CRO) and conducts regular verification and review of the business continuity plan (BCP), including the Group’s disaster countermeasures, at least once a year.

In the event that any of the Mitsubishi Electric Group’s sites suffer or are at risk of suffering serious damage as the result of a large-scale disaster, we will establish the Mitsubishi Electric Emergency Response Center, headed by our president, which will serve as the central hub for the entire Mitsubishi Electric Group in responding to the emergency situation. In addition to verifying the (personal and physical) disaster situation, the Emergency Response Center will promptly examine and execute policies in response to business continuity initiatives and requests from society (support for affected areas, donations). Particularly with regard to overseas sites and associated companies overseas, it will work closely with each regional response headquarters to ensure employee safety (safety confirmation, livelihood support, etc.) and provide support for business restoration.



Disaster prevention framework (Mitsubishi Electric Group)

Tax Initiatives

Basic Policy on Tax

Based on the concept of fulfilling our social responsibility through the proper payment of taxes, the Mitsubishi Electric Group has established the “Mitsubishi Electric Group Global Tax Policy” and is working to ensure tax compliance.

Tax Governance Framework

Based on a recognition that tax compliance is inseparably linked with business promotion, the Mitsubishi Electric Group’s tax governance framework ensures tax compliance by having each group company implement risk management under the direction and supervision of the Chief Financial Officer (CFO).*

The CFO reports tax matters to the Executive Officers’ Meeting and on other occasions in a timely manner, in consideration of their importance.

* Some taxes, including customs duties and personal income taxes, are the responsibility of the division in charge of complying with the respective laws and regulations.

Tax Policy

The Mitsubishi Electric Group has established the basic policy on tax that each group company shall adhere to in its domestic and international business activities.

[Mitsubishi Electric Group Global Tax Policy](#)

Tax Compliance Initiatives

In accordance with its tax governance framework, the Mitsubishi Electric Group is strengthening risk management by grasping the status of tax investigations by the tax authorities of each country and tax disputes, and other matters.

With regard to the transfer pricing regulation, as an important issue for our business operations, we are working to strengthen transfer pricing management based on the OECD Transfer Pricing Guidelines as well as the transfer pricing regulations of each country and region.

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Please also refer to:	
Disaster Countermeasures	↗
Tax Initiatives	↗

Information Security

Basic Policy

In order to respond to the threat of cyberattacks, which are rapidly becoming more sophisticated and diverse, the Mitsubishi Electric Group is continually working to strengthen its cybersecurity and governance of information management and operations.

We manage the information entrusted to us by customers and stakeholders of Mitsubishi Electric as well as confidential corporate information, including sales, engineering, and intellectual property information, based on the Declaration of Confidential Corporate Information Security Management.

Corporate Information Security

Information Security Organization Structure

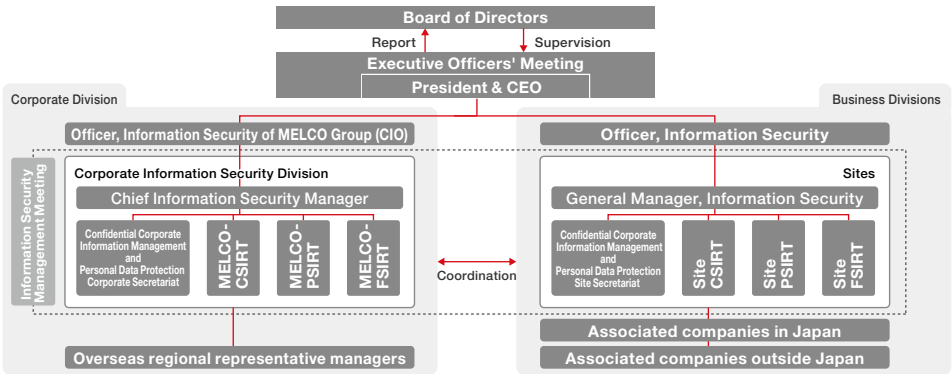
The Mitsubishi Electric Group’s information security framework designates the President & CEO as the Chief Officer responsible for information security management. It consists of a corporate division that manages information security across the organization and business divisions that bear responsibility for information security risks within their business activities. Within the corporate division, an Executive Officer in charge of Information Security appointed as the Officer, Information Security of MELCO*¹ Group oversees all aspects of information security management. Under the direction, the Chief Information Security Manager ensures compliance with customer supply chain requirements, international standards, and industry best practices, while regularly reporting on the division’s activities. In each business division, General Managers, Information Security operate under the supervision of their respective Officer, Information Security to manage information security of their own divisions, including oversight of associated companies.

The Officer, Information Security of MELCO Group convenes regular Information Security Management Meetings with General Managers, Information Security to communicate and coordinate the formulation of group-wide information security policies and the planning of related initiatives.

Each division is equipped with functions for information management: CSIRT,*² PSIRT,*³ and FSIRT.*⁴ The Corporate Information Security Division is responsible for planning and promoting the Group’s information security mechanisms, rules, IT system security, and compliance with personal data protection laws and regulations. In the event of a security incident, this division collaborates with the relevant business divisions to make prompt and informed decisions based on operational circumstances, ensuring swift incident response.

As for cybersecurity issues at overseas associated companies, the Corporate Information Security Division cooperates closely with overseas regional representative managers in the Americas, Europe, and Asian countries, while considering each region’s unique circumstances.

*1 Mitsubishi Electric Corporation
*2 Computer Security Incident Response Team
*3 Product Security Incident Response Team
*4 Factory Security Incident Response Team



Information Security Organization Structure (Mitsubishi Electric Group)

Personal Information Protection

Mitsubishi Electric has established a Personal Information Protection Policy and Company Rules on Personal Information Protection, developing a framework in accordance with the Japanese Industrial Standards JIS Q 15001: Personal Information Protection Management System – Requirements. Through this framework, the Company ensures thorough awareness of personal information protection among its employees and actively promotes initiatives to safeguard personal information.

In January 2008, we were granted the right to use the PrivacyMark, which certifies the establishment of management systems that ensure proper measures for personal information protection. We have been renewing the PrivacyMark certification since then. In January 2024, we completed the eighth PrivacyMark renewal process.

Cyberattack Countermeasures

To counter cyberattacks against companies, the Mitsubishi Electric Group is implementing centralized management of networks, computer terminals, and servers (cloud) and adopting defense-in-depth. Defense-in-depth provides protection against cyberattacks and enables the detection of suspicious activities and intrusions. The immediate response system we have established also helps to prevent and minimize damage.

In order to support work at the office as well as work requiring access from home or on a business trip, strong multifactor authentication has been introduced and authentications are centrally managed. Internet websites are constantly exposed to many external threats, and so we only launch websites that are approved in order to maintain a high security level.

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Please also refer to:

Information Security

Special Feature

5

Our Roadmap for the Three Key Reforms

Since improper quality control practices came to light in June 2021, the Mitsubishi Electric Group has addressed with the utmost seriousness the findings and recommendations of the Investigative Committee and the Governance Review Committee. The entire Group has been working hard to prevent any recurrence. In October 2021, we formulated Three Key Reforms (quality assurance reforms, organizational culture reforms, and governance reforms), including measures to prevent recurrence, and we are working to implement fundamental reform initiatives while deepening and developing them to restore confidence in the Group.

In FY2026, monitoring of the progress of reforms, which had been conducted by the Three Key Reforms Monitoring Committee with the participation of outside experts, is conducted regularly by the Board of Directors. Furthermore, we have newly established the Corporate Culture Transformation Division, based on a company-wide transformation project that has been promoting organizational culture reforms at each of our domestic sites. We are accelerating our efforts to embed and promote the key measures we have implemented to date while creating a self-driven organization.



The following is a partial list of initiatives implemented in FY2025.

Quality Assurance Reforms

- Supporting technology and facility maintenance, improving manufacturing capabilities through health diagnosis for plants (27 sites in scope)
- Sharing of best practices at each site obtained through health diagnosis for plants and introduction at other sites (71 cases of practical application)
- Quality audits to confirm consistency among laws and regulations, customer contract specifications, and actual data (conducted at 30 Mitsubishi Electric sites, 24 domestic associated companies, and 10 associated companies outside Japan)
- Through quality-related capital investment, the digitalization rate of inspection equipment in the final product inspection process for mass production systems is approximately 80%

Organizational Culture Reforms

- Dialogue between senior management and employees through town hall meetings and internal social media
- Seminars for managers aimed at creating workplaces with high psychological safety
- Coaching courses for managers, accelerating self-propelling organizations through delegation of authority
- Revision of HR compensation systems, enhancement of education and explanatory content to promote understanding of the new systems

Governance Reforms

- Monitoring and supervision by the Three Key Reforms Monitoring Committee (Monitoring has been conducted regularly by the Board of Directors since April 2025.)
- Appointment of six Independent Outside Directors, including one non-Japanese national, at the Ordinary General Meeting of Shareholders held in June 2024 (Percentage of Outside Directors 60%)
- Established Risk Management and Compliance (RMC) Committee (formulated a company-wide risk map)

■ Company-wide Quality Day Exhibit Traveled to 31 Sites

We have designated July 2 as Company-wide Quality Day and hold an annual exhibition aimed at preventing improper quality control practices from fading away. In FY2025, we increased the number of locations visited and held exhibitions at 31 Mitsubishi Electric sites.



FY2025 exhibition to prevent improper quality control practices from fading away

■ ME's Culture Day Held

In March 2025, we held ME's Culture Day, an event to review the activities of the company-wide transformation project that was launched in 2021 to drive organizational culture reforms. On the day of the event, there were panel displays summarizing the initiatives undertaken by various domestic sites and some associated companies as well as dialogues with members of senior management. Approximately 12,000 employees participated from across Japan, including online. It was a lively event that made participants determined to make the culture of the Mitsubishi Electric Group such that every employee can be "self-driven" and take on the challenges for a better tomorrow.



Panels introduced best practices of activities that led to reforms at each site



Dialogue between Hiroyuki Yanagi, Chairperson of the Board of Directors, and Kei Uruma, President & CEO, on their thoughts on the Three Key Reforms



There was also a corner for employees to post their declared actions for change

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Please also refer to:

Our Roadmap for the Three Key Reforms (in Japanese)



Message from the Chairperson of the Board of Directors



We asked Hiroyuki Yanagi, Chairperson of the Board of Directors, to recap FY2025, evaluate the current state of management, and share his aspirations for the future.

Q How do you rate the current state of corporate governance in the Mitsubishi Electric Group?

A I felt that the Mitsubishi Electric Group until now had a strong vertical alignment with its business groups and production plants, but I sense that initiatives to integrate the entire Group globally are gaining traction. In particular, corporate functions such as human resources, quality assurance, production, research and development, sustainability, and risk management are showing strong horizontal connections. I find it commendable that the Company is making progress in such areas as management

that crosses business fields, standardization of design and procurement, and strengthening the human capital management system on a group and global basis.

With regard to the placement of human capital, my perspective is not limited to whether the appointments are within expectations, but rather whether they are made strategically. In other words, whether we are making sharp, well-judged placements, and I have begun to see a variety of new initiatives put into practice. It seems that innovation is unlikely to be generated by HR management that is simply in line with expectations. I hope the Company actively appoints talent with diverse experience, expertise, and values.

Q As you enter your second year as Chairperson of the Board of Directors, what are your priorities for the board?

A I have decided to add a fourth element of “actual people” to the actualism-based approach focused on three actuals (actual job site, actual products, and actual conditions) that I have prioritized since assuming the role of Chairperson of the Board in FY2025. The other outside directors and I have visited several production plants as part of our monitoring of the Three Key Reforms and had the opportunity to hear directly from many employees. Some employees commented they

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Message from the Chairperson of the Board of Directors



had noticed change, such as senior management becoming more visible and the distance between management and employees narrowing. Yet those in managerial positions shared that the number of measures to ensure that work is done correctly has increased, placing a greater burden on the job site, and load management has become even more

critical. Listening to these views, I am reminded that there are many different ways of perceiving the same job site, depending on one’s position. After all, human capital are the foundation of corporate activities, so I believe it is necessary to continue to focus on what employees on the front lines actually feel and think, so that the Board of Directors does not deviate from the four actuals.

Q What are your thoughts looking back on the Board of Directors in FY2025?

A We have seen two changes: the composition of the Board of Directors has become more balanced and diverse, and we organize the agenda with better tempo. In particular, when organizing agenda items, it can be common for discussions to stall because of the time required to define the agenda and compile the framework. However, I feel that the Mitsubishi Electric Group is conscious of the need for speed in this rapidly changing era. As an example, one of the key agenda items for FY2025 is to shift from the current individual optimization focused on business divisions and Japan to overall optimization across the Group and globally. After we, the outside directors, proposed this, it was turned into an agenda item in just a month and a half, and discussions began at the Board of Directors meeting. I believe that the current Mitsubishi Electric Group is drawing nearer to the stance described by President & CEO Uruma in his New Year’s greetings in the in-house newsletter, which is to “self-drive while thinking.”

I was also impressed by the agenda for sustainability management. The meeting became a forum for active discussion on topics that went beyond defensive measures such as reduction targets and information disclosure, and encompassed offensive initiatives such as developing technology to recover carbon dioxide from seawater in partnership with a Finnish company and linking them to monetization concepts. In my view, the innovative approach of pursuing business growth while solving social and environmental challenges and developing sustainability-

related markets is praiseworthy.

Q What are your thoughts on the transformation into an Innovative Company that has been pursued since FY2026?

A It is not enough to simply jump on the word innovation; to truly implement and achieve it, it is critical to first lay the groundwork. For example, let’s define the essence of this as the multiplication of people, technology, and values. It’s my opinion that wonderful ideas that lead to innovation are born from these countless combinations. The Mitsubishi Electric Group launched its Serendie digital platform in May 2024, and Serendie Street Yokohama, which debuted shortly thereafter, is precisely the kind of setting where such co-creation can emerge. I expect that bringing together a diverse group of people, including not only from within the Company but also customers and representatives from partner companies and universities, to exchange ideas will generate synergies that transcend logical thinking alone, resulting in a wealth of creativity and new ideas.

An equally important point is the Mitsubishi Electric Group’s distinctiveness. The Board of Directors discussed this point most frequently. The Mitsubishi Electric Group has strengths in OT (Operational Technology), including on-site expertise, superior components, and control and power electronics technologies cultivated over many years. I hope the unique characteristics of the Mitsubishi Electric Group can be brought to the fore by evolving and integrating these technologies.

Also, the Mitsubishi Electric Group is engaged in a wide spectrum of businesses, including infrastructure, FA, and buildings, so I think it would be interesting to see business model transformation spread toward networking these businesses and optimizing communities and societies beyond facilities. In that regard, I have high expectations regarding the partnership with Thailand’s C.P. Group announced in February 2025. This agreement covers comprehensive collaboration on carbon neutrality and the circular economy

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Message from the Chairperson of the Board of Directors

with the aim of realizing a sustainable society in Thailand. The C.P. Group owns a value chain in the food domain that includes, for example, farms, food processing plants, logistics, retail, and recycling. By combining the Mitsubishi Electric Group’s broad range of technologies and expertise in collaborative initiatives, we have the potential to realize smart, integrated management at the municipal, national, and regional levels. I look forward to the creation of innovations that are distinctive to the Mitsubishi Electric Group by leveraging its strengths.

Q Please share your challenges and expectations for the next Medium-term Management Plan.

A First, I believe we need to engage in deeper discussions on what growth means for the Mitsubishi Electric Group. It is not simply a matter of pursuing scale. I believe the Company should strive to strengthen the quality of its business by making its management structure more robust and creating new, high-value-added businesses. We are considering all possible avenues, one of which is M&A. As pointed out by our shareholders and investors, the Mitsubishi Electric Group’s M&A activities currently consist mainly of small-scale deals relative to the size of the Company. Until now, M&A has mainly been used to fill missing parts in the organization, but there is also the possibility of implementing proactive M&A to achieve further growth toward the Group’s ideal vision. In considering proactive M&A, discussion of “detached territories,” or businesses removed from the Company’s existing ones, is unavoidable. While it might be natural to prioritize relevance and affinity with existing businesses, it is also possible that “detached territories” businesses will cease to be so in 10 years and will be connected to existing businesses. I would like to see a growth strategy based on a more long-term perspective.

Furthermore, another important theme is how to carry forward the outcomes of the Three Key Reforms that the Company has been working on during the current medium-

term management plan period into future management. While the Mitsubishi Electric Group has established its Purpose and Commitment, incorporating them into the brand is also one possible approach. I would like to encourage that discussion not only among executive officers but also employees.

Q What are your aspirations for the future?

A FY2025 was a year in which I strongly felt the determination of the executive officers to change management and the determination of everyone on the front lines to change their work. For the past two years, President & CEO Uruma has emphasized dialogue with employees by holding town hall meetings at a pace of once a week or more on average. I feel that people on the front lines are also responding to his sentiments by challenging themselves to break away from

past conventions and preconceived notions of what cannot be done, through initiatives such as standardization and platformization of design, quality assurance reforms, revising the nature of contracts with customers, and focusing on high added value. As social uncertainty continues to grow and we enter an era where it is increasingly difficult to determine clear solutions, I believe that the Mitsubishi Electric Group’s leaders must play a strong guiding role in articulating dreams and winning strategies to ensure the Company’s continued growth going forward. The Board of Directors will continue to provide supervision and advice as well as full support.



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Corporate Governance

Basic Views on Corporate Governance

As a part of our initiatives to strengthen our business foundation to enable sustainable growth, the Mitsubishi Electric Group recognizes the importance of corporate governance as a fundamental precondition for our continued existence. The Group’s basic policy is to further enhance its corporate value by constructing, maintaining, and sustainably strengthening a corporate governance system that more accurately meets the expectations of society, our customers, shareholders, employees, and all other stakeholders.

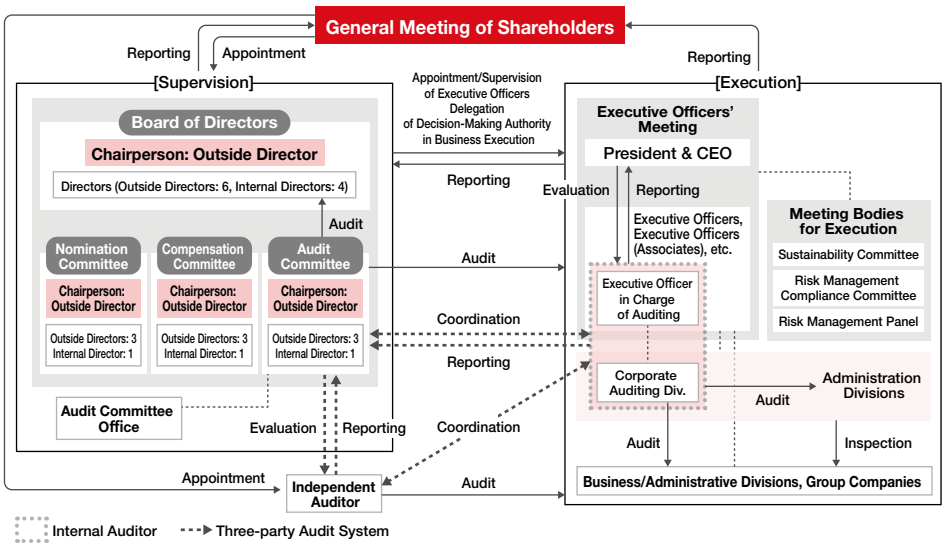
As a company with a three-committee system, Mitsubishi Electric segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role, and the Executive Officers handle the day-to-day running of the Company. This system maintains the flexibility of its operations and promotes management transparency, leading to swift and decisive management decision-making. Through this system, the Company aims to promote sustainable growth in corporate value and shareholder value. To this end, the Company recognizes the importance of a highly independent Board of Directors adequately fulfilling its roles and responsibilities in corporate governance as a supervisory function.

The Board of Directors formulates and publishes the Mitsubishi Electric Corporation Corporate Governance Guidelines based on the views outlined above. The purpose of the Guidelines is to promote a clear understanding of the fundamental approach and framework of corporate governance and to build long-lasting, mutually trusting relationships through constructive dialogue with shareholders. The Board will inspect and review the Guidelines on an ongoing basis to ensure that the basic policy is effectively implemented and enhance our corporate governance practices.

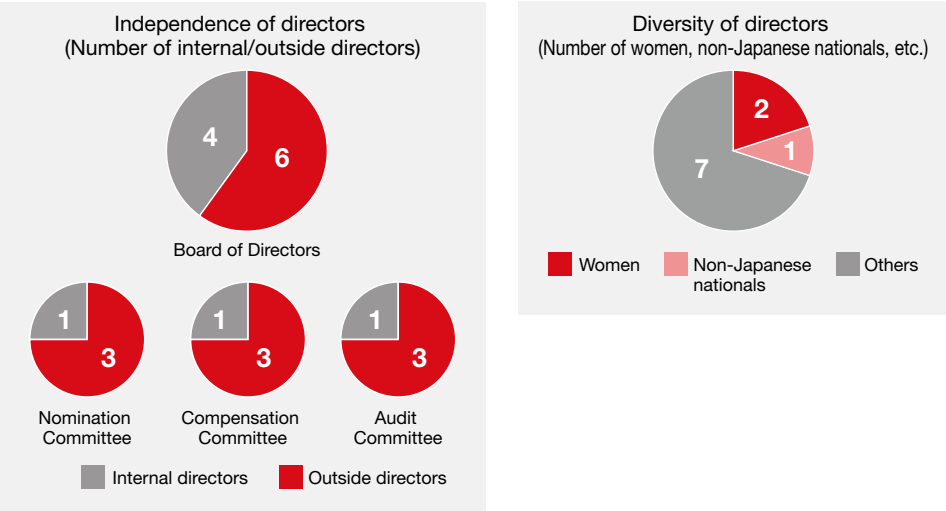
Corporate Governance Framework

To promote the segregation of supervisory and executive functions, Mitsubishi Electric’s Board of Directors is dedicated to supervising management with specific details of deliberations stipulated as the Board of Directors’ deliberation criteria. By delegating to the Executive Officers the authority to make all business execution decisions within the limits permitted by the Companies Act, the Company ensures swift and decisive decision-making and appropriate risk-taking in business execution.

Both the Board of Directors and the three statutory committees are chaired by independent outside directors, and a majority of their members are independent outside directors as well, thereby improving the effectiveness of the supervisory function. In addition, the Executive Officers’ Meeting has been established as a voluntary body to deliberate and make decisions on important business matters from the perspective of pursuing synergy and multifaceted risk management, in addition to sharing information among Executive Officers.



Corporate governance framework



Board of directors composition

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Please also refer to:

Corporate Governance Guidelines	↗
Initiatives to Comply with the Corporate Governance Code	↗
Corporate Governance Report	↗

Corporate Governance

Board of Directors

Because the Board of Directors is dedicated to supervising management, the Board is able to fully discuss critical decisions that form the foundation of management, such as the Mitsubishi Electric Group’s basic management policies (Purpose, Our Values, Commitment, Management Policy, and Corporate Strategy) and the Group’s key agenda items set by the Board. From July 2025 to June 2026, the key agenda items include company-wide medium- to long-term strategy, sustainability management, human capital strategy, technology development strategy, digital strategy, and information system strategy, etc. The Board of Directors sufficiently discusses matters based on reports on the status of execution and monitors as needed whether initiatives are being addressed in line with the basic policies and Corporate Strategy, and strives to improve corporate value sustainably over the medium- to long-term. The Board also strives to support swift and decisive decision-making and to appropriately evaluate business execution so that Executive Officers are encouraged to take appropriate risks.

Activities of the Board of Directors (FY2025)

In FY2025, the Company held Board of Directors meetings 13 times (including two special meetings). Each regular meeting generally took about three hours. The main content of each discussion is as follows. In addition to the regular meetings, other meetings are held to exchange opinions among independent outside directors and with employees.

Agenda	Discussion content	Time allocated
Key agenda items	In order to promote the medium- and long-term sustainable improvement of the corporate value of the Mitsubishi Electric Group, we established and discussed key agenda items for the Group (company-wide strategy, sustainability management, human capital strategy, technology development strategy, digital strategy, and information system strategy, etc., from July 2024 to June 2025). The Three Key Reforms Monitoring Committee, established under the Board of Directors, continuously supervised the progress and effectiveness of the three key reforms (quality assurance, organizational culture, and governance), which were aimed at restoring trust in the Company in response to a series of improper quality control practices that had been identified since June 2021.	Approx. 29%
Statutory resolution items	Matters required by the Companies Act, including basic policies of management, matters necessary for the execution of duties by the Audit Committee, the establishment of systems necessary to ensure the legality of duties executed by the Executive Officers and the properness of other corporate operations, the business report and its supplementary schedules, the financial statements and their supplementary schedule, the consolidated financial statements, dividends of surplus, convocation of the General Meeting of Shareholders and appointment of Executive Officers	Approx. 13%
Execution status report	Received reports from Executive Officers on the progress and results of business operations, etc., and held sufficient discussions	Approx. 44%
Others	Financial results, schedule of Board of Directors’ meetings, evaluation of effectiveness of the Board of Directors, reports on status of holding cross-shareholdings, reports on interviews with investors, etc.	Approx. 14%

Specific Initiative to Enhance Discussions of the Board of Directors

Mitsubishi Electric provides preliminary briefings and explanatory videos for independent outside directors to deepen their understanding of the agenda for meetings of the Board of Directors and to stimulate discussion on the day of each meeting. Independent outside directors also continue to visit Works in order to deepen their understanding of Mitsubishi Electric’s business. In FY2025, outside directors visited Nagasaki Factory of the Itami Works, the Inazawa Building Systems Works (Mitsubishi Electric Building Solutions Corporation), and other locations in Japan and overseas to tour business sites and exchange opinions with employees. In addition, the Board of Directors receives regular reports on the discussions of the Sustainability Committee, which is commissioned by the Executive Officers’ Meeting, regarding sustainability.

Information Gathering by the Directors

Mitsubishi Electric establishes the bureaus for the Board of Directors and the three statutory committees responsible for communication and coordination with the Directors including independent outside directors and Executive Officers (management). The Directors will request information necessary to supervise management from the bureaus and related departments, and the bureaus and departments in charge will provide such information in a timely and appropriate manner. The independent outside directors will actively seek a wide range of necessary information, not only from the Executive Officers and the bureaus but also through direct dialogue with other employees. The Board of Directors will conduct regular reviews to ensure that information is provided appropriately, giving particular attention to the opinions of independent outside directors.

Evaluation of Effectiveness of the Board of Directors

In order to continue the evaluation of the effectiveness of the Board of Directors’ composition and operations and pursue sustainable improvements in the monitoring board functions, the Board of Directors conducts an annual third-party evaluation of the effectiveness of the Board of Directors, and discusses the issues identified and initiatives for improvement.

As a part of the FY2025 initiatives, the Company requested Board Advisors Japan, Inc., a third- party organization, to assess the effectiveness of the Board of Directors of the Company from July to September 2024. The assessment results were delivered at the Board of Directors meeting held at the end of September 2024, along with suggestions for how to address issues that need improvement.

Based on these results of evaluations and suggestions, the Board of Directors discussed measures to enhance its effectiveness in the second half of FY2025 and reflected the results in its operation in FY2026. Going forward, the Board of Directors will improve its operations and further strengthen its management monitoring functions based on external perspectives.

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Please also refer to:

Corporate Governance Guidelines	
Initiatives to Comply with the Corporate Governance Code	
Corporate Governance Report	

Corporate Governance

Assessment Methods/Processes by the Third-party Organization

Assessment methods	(1) Review the minutes of the Board of Directors meetings and other documents (2) Questionnaire survey of all directors*1 (3) Interviews with all directors*2 (4) Evaluation based on the expertise of the third-party organization
Target items of assessment	(1) Overall assessment (2) Composition of the Board of Directors (3) Support system of the Board of Directors (4) Agenda for meetings of the Board of Directors (5) Status of deliberations at meetings of the Board of Directors (6) Contribution of directors (7) Activities of the three statutory committees (8) Monitoring system for business execution
Evaluation process	(1) Implementation of the above assessment by a third-party organization based on the method and target of the assessment (2) Report to the Board of Directors on the results of the third-party organization on the effectiveness assessment of the Board of Directors (3) Based on the findings, the Board of Directors discusses future actions

*1 Excluding three newly appointed directors *2 Excluding five retired directors

FY2025 Summary of the Assessment Results on the Board of Directors' Effectiveness

Mitsubishi Electric’s Board of Directors has made consistent efforts and improvements to strengthen the management supervisory function. As a result, the effectiveness of the Board of Directors has generally been ensured. Progress has also generally been made on the issues cited in the evaluation of the effectiveness of the Board of Directors in FY2024.

Strengths underpinning the Board of Directors' effectiveness	(1) High commitment to continued reforms on both the supervisory and execution sides (2) Enhanced composition of the Board of Directors, underpinned by diverse experience, insight, and skills (3) Elevation of the discussions at Board of Directors meetings based on mutual understanding among Directors and continuous efforts to improve management
Priority issues for improving effectiveness in the future	(1) Strengthening group and global governance (2) Enhancing agenda for the Board of Directors meetings (3) Further strengthening the functions of the Audit Committee
Addressing priority issues	The Board of Directors of the Company will discuss measures to enhance its effectiveness based on the evaluation results and recommendations and proceed to implement them, focusing on improvements to the Board’s operation. It will also engage in further strengthening external perspective in the management monitoring function. Specifically, the Board of Directors will make the following improvements to address priority issues. (1) Expanding opportunities for discussion concerning the Group’s global governance (2) Strengthening agenda for meetings of the Board of Directors through fuller discussion concerning Group-wide medium- to long-term strategy (3) Further strengthening the functions of the Audit Committee through consideration aimed at optimization of its monitoring system

Nomination Committee

The Nomination Committee has authority over the appointment and dismissal of Directors and the decision on proposals regarding the appointment and dismissal of the President & CEO to be submitted to the Board of Directors. The Committee is also responsible for leading the succession planning of independent outside directors, discussing the human capital requirements for the President & CEO and the content and operational status of succession planning (the appointment and training of candidates), and reporting back to the Board of Directors.

Under this authority and role, the Committee has established criteria for selecting Directors that prioritize a balanced mix of knowledge, experience, and abilities for the Board of Directors as a whole. Candidates are carefully chosen in accordance with these criteria.

Proposals regarding the appointment of the candidates for Directors and dismissal of Directors submitted to the General Meeting of Shareholders are comprehensively judged and decided by the Nomination Committee, and the appointment and dismissal of the Executive Officers by the Board of Directors.

The Nomination Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of the Nomination Committee (FY2025)

Based on the objectives and authority of the Companies Act, the Nomination Committee determined the candidates for Directors to be submitted to the General Meeting of Shareholders. In addition, in order to ensure objectivity and transparency in the selection and dismissal of the President and CEO, the Nomination Committee conducted an interview with the President & CEO to assess the status of business execution. Based on subsequent discussions held exclusively among the Outside Directors who are members of the committee (excluding the President & CEO), the committee concluded that the reappointment of the President & CEO would be appropriate, and submitted the candidate for President & CEO for FY2026 to the Board of Directors.

The committee also discussed matters such as the leadership of succession planning for Independent Outside Directors, discussed the contents and status of operation of such planning (appointment and training of successor candidates), and submitted its recommendations to the Board of Directors.

The Company held eight Nomination Committee meetings during FY2025. Each meeting took about 60 minutes.

Audit Committee

The Audit Committee is chaired by an independent outside director and the full-time internal audit committee members also assist the Audit Committee’s capabilities in information gathering.

Audit Committee members recognize that they owe fiduciary duty to shareholders, which includes contributing to sustainable growth and enhancing corporate value. To achieve this, the Committee will not limit itself to conducting defensive audits, such as operational and accounting

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Please also refer to:

- Corporate Governance Guidelines
- Initiatives to Comply with the Corporate Governance Code
- Corporate Governance Report

Corporate Governance

audits. Rather, for enhanced information sharing, it will also attend important meetings such as the Executive Officers’ Meeting and the Risk Management and Compliance Committee, hold meetings with senior management as appropriate, and assess the management policy and the progress of business execution in each division and base. This will help investigate any potential management issues and risks from the perspectives of legality, appropriateness, and efficiency. When conducting such investigations, the Audit Committee will properly confirm the development and operational status of internal control systems and provide its opinions, in collaboration with the internal auditors for internal audits and the external accounting auditors for external audits.

The Audit Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of the Audit Committee (FY2025)

The Audit Committee members—mainly those responsible for investigation (full-time Audit Committee members)—attended the Executive Officers’ Meeting and other such important conferences, and conducted investigations such as interviews with Executive Officers and Executive Officers (Associate), as well as visits of the Company’s business sites and subsidiaries and interviews with executive staff thereof in accordance with the policies and assignments agreed upon the Committee.

The Audit Committee members received internal audit reports and monthly reports from the Corporate Auditing Division. At Audit Committee meetings, members also received reports on internal audit policies for the fiscal year and the results of semiannual internal audits, and provided their opinions as necessary.

The Audit Committee members received reports from the Corporate Legal & Risk Management Group and other departments in charge of internal control. Reports included the building of internal control systems with emphasis on predictive indicators and prevention, the formulation and operation of a compliance program, and the development and operation of an internal notification system. The committee members provided their opinions as necessary.

In addition, the Audit Committee members discussed policies and methods of auditing with Independent Auditors, who furnish them with quarterly reports on the implementation status of reviews, including responses to audit risks, and explanations of their quality management system and independence, and exchanged opinions with them.

The Company held 14 Audit Committee meetings during FY2025. Each meeting took about 1.5 hours.

Compensation Committee

The Compensation Committee has the authority to determine the policies for determining compensation for Directors, Executive Officers, etc.; the details of compensation for individual Directors and Executive Officers; and the Company-wide performance evaluations and individual assessment of compensation, etc., related to the incentive compensation of Executive Officers.

Under this authority and role, the Compensation Committee deliberates on matters relating

to compensation, giving due consideration to the variety and skills perspective. In addition, the compensation system for Executive Officers was reviewed in FY2023, and discussions are held on how to ensure that the system is fully operational.

The compensation scheme for Directors and the compensation scheme for the Executive Officers are set differently, corresponding to the contents and responsibilities of each duty and position. The compensation is determined based on the basic policies set by the Compensation Committee. Please refer to “[P.77](#) Compensation for Directors and Executive Officers” for the details.

The Compensation Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of the Compensation Committee (FY2025)

The Compensation Committee executed its duties based on the objectives and authority stipulated under the Companies Act. Specifically, the Committee discussed and decided on the policy regarding the determination of compensation for Directors and Executive Officers, the details of individual compensation for Directors and Executive Officers, performance evaluation regarding incentive compensation for Executive Officers, and compensation for each individual. In addition, after confirming the operational progress of the compensation system for the Company’s Executive Officers, which was revised in FY2023, the Compensation Committee discussed the operation of the system in FY2026. Please refer to the Annual Securities Report (P.118) [↗](#) for more information on this system.

The Company held eight Compensation Committee meetings during FY2025. Each meeting took about 40 minutes.

Criteria for Election to the Board of Directors

Mitsubishi Electric recognizes the importance of ensuring the Board of Directors as a whole is competent in various areas: corporate management, corporate strategy, and global affairs; sustainability; finance and accounting; legal affairs, compliance, and governance; human capital and human capital development; engineering, DX and R&D; and business development and investment.

Therefore, the Company has identified these as skills that should be possessed by the Board of Directors. The outside directors, in particular, are chosen after consideration to ensure a well-balanced Board composition. For instance, the Board includes individuals with extensive experience in corporate management and in-depth knowledge of international affairs, experts in compliance and other internal controls, and specialists in accounting and tax practices. The specific skills possessed by individual Directors are disclosed through a skills matrix that describes the capabilities that the Board of Directors as a whole should possess and the status of securing such capabilities.

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Corporate Governance Guidelines	↗
Initiatives to Comply with the Corporate Governance Code	↗
Corporate Governance Report	↗

Corporate Governance

Independency Guideline for Outside Directors

Mitsubishi Electric has specified the independence standards for outside directors. The outside directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric's Independency Guideline for Outside Directors and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are nominated as the outside director candidates by the Nomination Committee.

In the Independency Guideline for Outside Directors defined by the Company, the independence of candidates is more strictly judged by setting specific numerical criteria, such as the amount of transactions, etc., as well as by the standard of the Financial Instruments Exchange.

Mitsubishi Electric Corporation Independency Guideline for Outside Directors

- The Company nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and who do not fall under any of the following cases, as candidates for outside directors.
- Each of the following (a), (b), (d), and (e) includes a case in any fiscal year during the past three fiscal years.
- (a) Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executers") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated revenue of the Company or the counterparty
 - (b) Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
 - (c) Persons who are related parties of the Company's Independent Auditor
 - (d) Persons who receive more than 10 million yen of compensation from the Company as specialists or consultants
 - (e) Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds 10 million yen and 2% of the total revenue of the organization
 - (f) Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executers
 - (g) Persons who are related parties of a person or company that have material conflict of interest with the Company

Training for Directors and Executive Officers

Mitsubishi Electric recognizes the importance of Directors and Executive Officers having a thorough understanding of the business characteristics, finances, and organizational structure of each of the Company's businesses, as well as the general roles and responsibilities expected of corporate officers, and being able to supervise, advise, and make business decisions from a company-wide perspective.

Based on this recognition, training is provided on the new roles, responsibilities, and actions, etc., expected of Mitsubishi Electric's Directors and Executive Officers prior to their taking office. To continue to fulfill their roles and responsibilities as Directors and Executive Officers after their appointment, the Company provides compliance education and updated training materials for them. The Company also provides the Directors and Executive Officers with sufficient information about the characteristics and latest status of Business Areas and Business Groups to promote understanding as well as opportunities to gain an understanding of the business and listen to the voices of on-site managers and employees by visiting business sites.

Succession Planning and Training of Successor Candidates

The Nomination Committee deliberates on the content regarding the human capital requirements of the President & CEO and succession planning (appointment and training of successor candidates) based on proposals drafted by the President & CEO, monitors the status of appointment and training of successor candidates, and reports to the Board of Directors.

We recognize that key human capital requirements for the President & CEO include the ability to formulate vision, strategy, and business concepts as the top executive as well as leadership in driving organizational transformation, communication skills, and decisiveness. To ensure that potential successors meet these criteria, under the monitoring of the Nomination Committee, we promote candidate pooling and assessment, coaching, training, and development measures such as one-on-one meetings and interviews with potential successors by Nomination Committee members who are also outside directors.

The Nomination Committee and the Board of Directors supervise the systematic training of successor candidates by sufficiently deliberating on these matters.

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► Compensation for Directors and Executive Officers

■ Process for Determining Compensation

In order to ensure the independence of judgment and enhance the effectiveness of the roles and authority of the Compensation Committee, the Committee gathers information and receives advice from compensation consultants of an external professional organization with abundant global experience and knowledge. The Committee deliberates and makes decisions about the policies for determining compensation for Directors, Executive Officers, etc., based on such information, giving due consideration to the surrounding environment and general trends in managerial compensation.

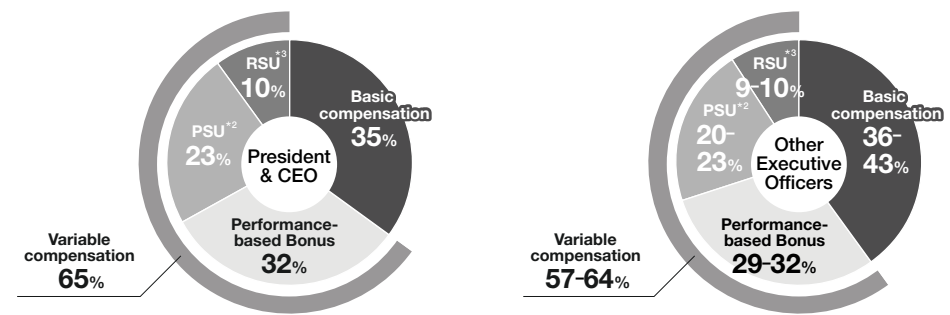
■ Policy on Determining Compensation Amounts

Mitsubishi Electric segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Directors and the Board of Directors and the execution function of management is assigned to the Executive Officers. Therefore, the compensation for Directors and Executive Officers is determined differently by the Compensation Committee based on the following basic policy, in accordance with the content and responsibilities of their respective duties.

	Directors	Executive Officers
Basic Policy	• The compensation scheme should encourage the Directors to demonstrate their supervisory function of management. • The compensation should be the amount necessary to secure suitable human capital to fulfill responsibilities of the Company's Directors.	• The compensation scheme should observe the Purpose of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees. • The compensation scheme should encourage the execution of duties in line with corporate strategies and provide strong incentives to achieve management goals. • The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value. • The compensation scheme should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.
The System for Determining Compensation	The compensation scheme for Directors consists exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management of the Company from an objective and independent perspective.	The compensation scheme for Executive Officers consists of basic compensation, performance-based bonus, performance-based stock compensation and restricted stock unit, with an emphasis on the improvement of medium-term corporate value and shareholder value.
Compensation Levels	The compensation levels and compensation ratios of Directors and Executive Officers are set each year according to their roles and responsibilities based on a comparison with market compensation levels using compensation survey data of external professional organizations. When comparing with market compensation levels, major domestic manufacturers similar to Mitsubishi Electric in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.	

Please refer to the Annual Securities Report (P.118)  for the details including Directors' fixed and variable compensation.

■ Composition of Standard Compensation for FY2025*1



*1 The ratio of "Basic compensation: Performance-based bonus: Stock compensation (PSU + RSU)" is "1: 0.92: 0.92" for the President & CEO, and within the range of "1: (0.67 to 0.9): (0.67 to 0.9)" for the other Executive Officers. The ratio has been set so that the higher the position of the Executive Officer, the greater the ratio of variable compensation.
The weight of short-term and medium- to long-term are considered to be the same, and the ratios of performance-based bonus and stock compensation have been equally set.

*2 Performance Share Unit
*3 Restricted Stock Unit

■ Stock Ownership Guidelines

Mitsubishi Electric believes it is important to ensure that our Executive Officers share the same value with our shareholders on a long-term and sustainable basis. To this end, the Company requires its Executive Officers to continuously hold its stock during their term of office, even after the target amount has been reached.

■ Malus and Clawback Provisions

According to "Malus and Clawback Provisions," in the event of any material misconduct or violation by an Executive Officer, or in the event of any material revision to the financial results of prior fiscal years, the Compensation Committee may, by resolution, demand that such Executive Officer forfeit their right to receive incentive compensation (malus) or return their paid compensation (clawback). The compensation that may be subject to those provisions is performance-based bonuses to be paid or already paid, points granted before the delivery of shares and shares before the lifting of transfer restrictions, and some or all of the shares already delivered.

■ Sustainability Initiatives Reflected in Compensation for Directors, Executive Officers, etc.

The promotion of sustainability initiatives is one of the compensation indicators for Executive Officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in incentive compensation.

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Internal Audit

An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its associated companies in Japan and overseas by improving management efficiency, strengthening risk management, thoroughly observing the code of corporate ethics and ensuring compliance, and enhancing internal control.

With approximately 60 members acting independently in Japan and overseas, the Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with extensive knowledge of their particular fields, assigned from relevant business units.

Relationship with the Divisions in Charge of Internal Control

Mitsubishi Electric's Corporate Management Divisions and Corporate Staff Groups, such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Licensing Division, and the Corporate Security Trade Control Division inspect the establishment and operation of the internal control system and regulations, etc., under their scope of responsibility for internal control. In addition, each Business Area or Business Group has its own compliance department, which reliably spreads company-wide compliance policies and inspects the compliance status in each Business Area or Business Group.

The Corporate Auditing Division internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the financial review, and mutually exchanges necessary information with each division in charge of internal control.

Mutual Relationship among Internal Audit, the Audit by the Audit Committee, and Accounting Audit

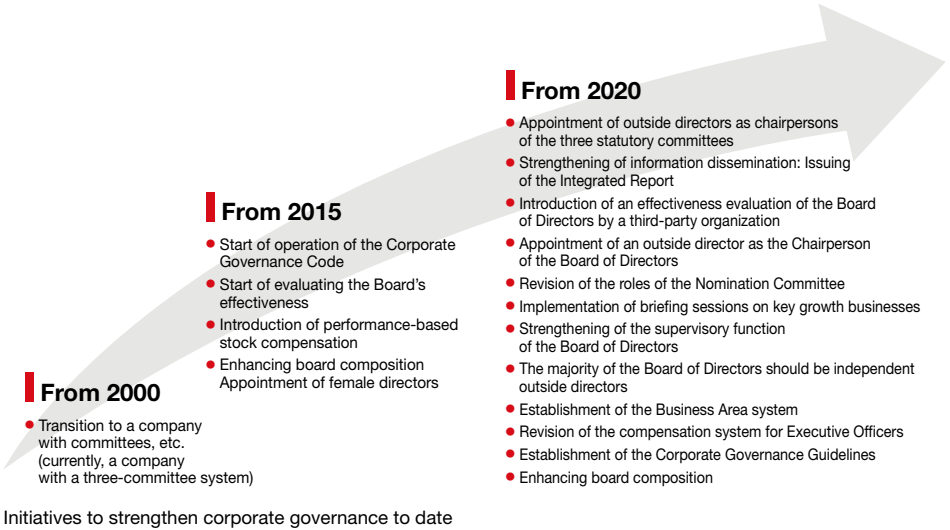
The Corporate Auditing Division reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

The Corporate Auditing Division also reports internal audit results to the Independent Auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

Activities to Ensure the Effectiveness of Internal Audits

The Corporate Auditing Division prepares and sends an audit report to the head of the audited department after the internal audit is conducted, and instructs the head of the audited department to formulate improvement measures as necessary. In order to ensure the effectiveness of internal audits, the Corporate Auditing Division confirms the improvement measures developed by the audited department through the written responses submitted by the audited department, and conducts follow-up audits and evaluations to confirm the implementation progress as necessary.

In addition, the Corporate Auditing Division prepares a report summarizing the internal audit for the first and second half of the year as a regular report, and reports it, via the Executive Officers or Executive Officers (Associates) in charge, to the Audit Committee, and the President & CEO twice a year. The Audit Committee members report their findings to the Board of Directors.



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Corporate Governance Guidelines	↗
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Corporate Governance Report	↗

Directors & Executive Officers

► **Directors** (as of June 24, 2025)



Tatsuro Kosaka

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 6,400
- Period of service: 3 years



Hiroyuki Yanagi

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 5,000
- Period of service: 3 years



Masako Egawa

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 1,800
- Period of service: 2 years



Haruka Matsuyama

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 1,800
- Period of service: 2 years



Kunihiro Minakawa

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 1,100
- Period of service: 1 year



Peter D. Pedersen

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 200
- Period of service: 1 year



Kei Uruma

Status of attendance at Board of Directors' meetings: 100%

- The number of shares owned: 146,827



Atsuhiko Yabu

Status of attendance at Board of Directors' meetings: 100%

- The number of shares owned: 44,564



Noriyuki Takazawa

- The number of shares owned: 43,045



Kenichiro Fujimoto

- The number of shares owned: 2,900

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Directors & Executive Officers

List of Directors and Skill Matrix

Name	Independent Outside Director	Membership of Committee			Position	Skill matrix						
		Nomination Committee	Audit Committee	Compensation Committee		Corporate management, corporate strategies and global affairs	Sustainability	Finance and accounting	Legal affairs, compliance and governance	Human resources and human resources development	Engineering, DX and R&D	Business development and investment
Tatsuro Kosaka	○	●		●	Director, Chairperson of the Nomination Committee, Chairperson of the Compensation Committee	○	○			○	○	○
Hiroyuki Yanagi	○	○		○	Chairperson of the Board, Member of the Nomination Committee, Member of the Compensation Committee	○	○			○	○	○
Masako Egawa	○	○		○	Director, Member of the Nomination Committee, Member of the Compensation Committee	○	○	○	○			○
Haruka Matsuyama	○		●		Director, Chairperson of the Audit Committee		○		○			
Kunihito Minakawa	○		○		Director, Member of the Audit Committee	○		○				
Peter D. Pedersen	○		○		Director, Member of the Audit Committee	○	○			○		○
Kei Uruma		○			Director, Member of the Nomination Committee, Representative Executive Officer, President & CEO	○	○			○	○	○
Atsuhiko Yabu			○		Director, Member of the Audit Committee	○	○				○	○
Noriyuki Takazawa					Director, Representative Executive Officer, Senior Vice President, CSO (in charge of Corporate Strategic Planning and Operations of Associated Companies)	○					○	○
Kenichiro Fujimoto				○	Director, Member of the Compensation Committee, Executive Officer, CFO (in charge of Financial Strategy, Accounting, and Finance), in charge of IR and SR	○		○				○

* The Board of Directors is composed of 10 members (six of whom are independent outside directors, two are female directors, and one is a non-Japanese national).

* ● indicates the Chairperson

Reference: Skill Items Required for Director

Skill item	Reason for selection of the skill item	Skill item	Reason for selection of the skill item
Corporate management, corporate strategies and globalization	The Group needs Directors with abundant management experience and achievements in corporate management at globally operating companies as well as experience, knowledge and skills for formulating a sustainable growth strategy, in order to sustainably increase corporate value amid a drastic change in the business environment surrounding the Group.	Sustainability	The Group needs Directors with experience, knowledge, and skills concerning sustainability in order to promote “addressing social challenges through our businesses,” since we have positioned the realization of sustainability as the cornerstone of management.
Finance and accounting	The Group needs Directors with experience, knowledge, and skills concerning finance and accounting for building a strong financial base and realizing appropriate returns to shareholders as well as maintaining the discipline and governance of finance and accounting.	Legal affairs, compliance and governance	The Group needs Directors with experience, knowledge, and skills concerning these items in order to globally develop the business, while thoroughly ensuring the legal and ethical compliance and enhancing corporate governance that forms the fundamentals of corporate activities.
Human resources and human resources development	The Group needs Directors with experience, knowledge, and skills concerning these items in order to promote human capital management, positioning human resource strategies as one of the important policies of business strategies.	Engineering, DX and R&D	The Group needs Directors with specialized knowledge and experience concerning engineering, DX and R&D in order to advance its integrated solutions, strengthening core components, field knowledge, and advanced digital technologies that are the Group's advantages, as well as to promote open innovation and R&D strategies toward future growth.
Business development and investment	The Group needs Directors with experience, knowledge, and skills concerning these items as the implementation of growth strategies including promotion of business portfolio strategies, development of new businesses, and M&As is necessary for transforming itself into a “Circular Digital-Engineering Company” and increasing corporate value in a sustainable way.		

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Directors & Executive Officers

Executive Officers (as of April 1, 2025)



Kei Uruma
Representative
Executive Officer
President & CEO



Kunihiro Kaga
Representative Executive Officer
Senior Vice President
Industry & Mobility
Business Area Owner
(Senior General Manager,
Industry & Mobility
Business Area Strategic
Planning Office); in charge
of Security Export Control



Noriyuki Takazawa
Representative
Executive Officer
Senior Vice President
CSO (in charge of
Corporate Strategic
Planning and Operations
of Associated Companies)



Satoshi Kusakabe
Senior Vice President
CRO (in charge of DX and
Business Innovation); CIO
(in charge of Information
Security and IT) (Group
President, Digital
Innovation) (Representative
Director and President,
Mitsubishi Electric Digital
Innovation Corporation)



Satoshi Takeda
Senior Vice President
CDO (in charge of DX and
Business Innovation); CIO
(in charge of Information
Security and IT) (Group
President, Digital
Innovation) (Representative
Director and President,
Mitsubishi Electric Digital
Innovation Corporation)



Tomonori Sato
Executive Officer
CTO (in charge of
Technology Strategies);
Group President,
Defense & Space
Systems



Yoshikazu Nakai
Executive Officer
CPO (in charge of
Manufacturing);
CQO (Vice
President, Corporate
Quality Assurance
Reengineering)



Yasunari Abe
Executive Officer
CHRO (in charge
of Global Human
Resources Strategy,
Human Resources &
General Affairs; Vice
President, Corporate
Human Resources);
in charge of Public
Relations



Yasumichi Tazunoki
Executive Officer
Life Business Area
Owner (Senior General
Manager, Life Business
Area Strategic Planning
Office) (Representative
Director and
Chairperson, Mitsubishi
Electric Building
Solutions Corporation)



Hideto Negoro
Executive Officer
Infrastructure Business
Area Owner (Senior
General Manager,
Infrastructure Business
Area Strategic Planning
Office)



Shigeki Kawaji
Executive Officer
In charge of Procurement;
Vice President, Corporate
Procurement



Kenichiro Fujimoto
Executive Officer
CFO (in charge of
Financial Strategy,
Accounting, and Finance);
in charge of IR and SR



Masayoshi Takemi
Executive Officer (Associate)
Group President,
Semiconductor & Device



Masahiro Oya
Executive Officer (Associate)
In charge of Global
Strategic Planning
& Marketing; Vice
President, Global
Strategic Planning &
Marketing



Iwao Oda
Executive Officer (Associate)
Group President,
Building Systems;
Representative Director
and President, Mitsubishi
Electric Building
Solutions Corporation



Hiroshi Tsuchimoto
Executive Officer (Associate)
In charge of Auditing;
Vice President,
Corporate Strategic
Planning Group



Toshie Takeuchi
Executive Officer (Associate)
In charge of Brand
Communication; Vice
President, Corporate
Marketing



Soichi Hamamoto
Executive Officer (Associate)
Group President, Energy
& Industrial Systems



Toru Oka
Executive Officer (Associate)
In charge of Intellectual
Property; Vice President,
Corporate Research and
Development



Michael Corbo
Executive Officer (Associate)
Representative of
Americas, Global
Strategic Planning &
Marketing; President,
Mitsubishi Electric US
Holdings, Inc.; President
& CEO, Mitsubishi
Electric US, Inc.



Yusuke Shijiki
Executive Officer (Associate)
Vice President,
Corporate Manufacturing
and Engineering



Norikazu Yamaguchi
Executive Officer (Associate)
Vice President,
Corporate Legal & Risk
Management



Seiji Oguro
Executive Officer (Associate)
In charge of
Sustainability; Vice
President, Sustainability
Innovation Group



Masafumi Ando
Executive Officer (Associate)
Group President, Living
Environment & Digital
Media Equipment



Yoshihide Asakura
Executive Officer (Associate)
Vice President,
Corporate Finance &
Accounting



Naoto Masuda
Executive Officer (Associate)
Group President, Public
Utility Systems



Takayuki Tsuzuki
Executive Officer (Associate)
Group President, Factory
Automation Systems



Kazunori Tanaka
Executive Officer (Associate)
Group President,
Automotive Equipment;
Representative Director
and President, Mitsubishi
Electric Mobility
Corporation



Komi Matsubara
Executive Officer (Associate)
Vice President, Business
Innovation

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10-Year Summary

Mitsubishi Electric Corporation and Subsidiaries
(Millions of yen)

	U.S. GAAP			IFRS								
For the Fiscal Year	FY2016	FY2017	FY2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Revenue	4,394,353	4,238,666	4,431,198	4,444,424	4,519,921	4,462,509	4,191,433	4,476,758	5,003,694	5,257,914	5,521,711	
Operating profit	301,172	270,104	318,637	327,444	290,477	259,661	230,195	252,051	262,352	328,525	391,850	
Profit before income taxes	318,476	296,249	364,578	353,206	315,958	281,986	258,754	279,693	292,179	365,853	437,265	
Net profit attributable to Mitsubishi Electric Corp. stockholders	228,494	210,493	271,880	255,755	226,648	221,834	193,132	203,482	213,908	284,949	324,084	
Total assets	4,059,941	4,172,270	4,264,559	4,305,580	4,356,211	4,409,771	4,797,921	5,107,973	5,582,519	6,167,340	6,375,680	
Cash and cash equivalents	574,170	662,469	599,199	599,199	514,224	537,559	767,406	727,179	645,870	765,384	757,331	
Bonds, borrowings and lease liabilities	404,039	352,124	311,485	311,950	298,438	377,003	365,431	329,461	400,758	394,636	360,661	
Mitsubishi Electric Corp. stockholders' equity	1,838,773	2,039,627	2,259,355	2,294,174	2,399,946	2,429,743	2,754,293	2,975,941	3,239,027	3,739,324	3,949,678	
Cash flows from operating activities	366,677	365,950	240,450	265,768	239,817	395,834	542,119	282,371	166,711	415,479	455,905	
Cash flows from investing activities	(255,443)	(148,632)	(178,219)	(182,015)	(210,668)	(203,997)	(176,552)	(114,867)	(148,533)	(94,119)	(191,750)	
Free cash flow	111,234	217,318	62,231	83,753	29,149	191,837	365,567	167,504	18,178	321,360	264,155	
Cash flows from financing activities	(82,144)	(123,495)	(128,291)	(149,813)	(112,067)	(156,454)	(157,352)	(241,319)	(119,568)	(240,118)	(265,333)	
Dividends paid to Mitsubishi Electric Corp. stockholders	57,963	57,963	68,696	68,696	85,871	85,871	77,283	85,723	84,524	96,949	104,316	
R&D expenditures	202,922	201,330	210,308	210,308	212,794	206,846	190,574	195,144	212,386	221,867	228,853	
Capital expenditures (Based on the recognized value of property, plant and equipment)	177,801	175,542	181,513	181,513	198,442	227,450	180,033	167,772	240,971	229,941	230,712	
Depreciation	145,249	141,584	154,559	153,161	152,315	184,842	186,983	181,116	187,210	172,849	152,530	
Per Share Amounts:												
Earnings per share attributable to Mitsubishi Electric Corp. stockholders (Yen)	Basic	106.43	98.07	126.70	119.19	105.65	103.41	90.03	95.41	101.30	135.74	155.70
	Diluted	—	—	—	119.19	105.65	103.41	90.03	95.41	101.30	135.74	155.70
Cash dividends declared (Yen)		27	27	40	40	40	40	36	40	40	50	50
Adjusted dividend on equity ratio (DOE) (%)		3.2	2.9	4.0	4.1	3.8	3.6	3.0	3.1	2.9	3.3	3.0
Mitsubishi Electric Corp. stockholders' equity (Yen)		856.52	950.37	1,052.96	1,069.19	1,118.83	1,132.69	1,283.88	1,409.08	1,533.98	1,790.63	1,903.11
Financial Ratios:												
Operating profit margin (%)		6.9	6.4	7.2	7.4	6.4	5.8	5.5	5.6	5.2	6.2	7.1
Return on revenue (%)		5.2	5.0	6.1	5.8	5.0	5.0	4.6	4.5	4.3	5.4	5.9
Return on equity (ROE) (%)		12.4	10.9	12.6	11.7	9.7	9.2	7.5	7.1	6.9	8.2	8.4
Return on assets (ROA) (%)		5.6	5.1	6.4	6.0	5.2	5.1	4.2	4.1	4.0	4.9	5.2
Mitsubishi Electric Corp. stockholders' equity ratio (%)		45.3	48.9	53.0	53.3	55.1	55.1	57.4	58.3	58.0	60.6	61.9
Debt to equity (D/E) ratio		0.22	0.17	0.14	0.14	0.12	0.16	0.13	0.11	0.12	0.11	0.09
Overseas revenue ratio (%)		42.6	43.2	45.3	45.1	43.4	41.5	42.0	47.9	50.7	51.3	50.7

Notes: 1. The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) from FY2019 and also for FY2018 as comparative information.
2. R&D expenditures include elements spent on improvements which constitute cost of production.
3. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders under IFRS Accounting Standards, as no dilutive securities existed.
4. Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))
5. The calculation of the debt to equity ratio includes lease liabilities.

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Please also refer to:

Main Non-financial Data

Environment

Primarily covers the performance of Mitsubishi Electric Corporation and its associated companies (Japan: 92, overseas: 132, total: 225)

Greenhouse Gas Emissions

Accounting (kt-CO ₂) (Total emission ratio indicated in parentheses)				
		FY2023	FY2024	FY2025*
Scope 1		272 (0.1%)	234 (0.1%)	216 (0.1%)
Scope 2	Market based	679 (0.4%)	676 (0.4%)	520 (0.3%)
	Location based	774	837	776
Scope 3		182,427 (99.5%)	180,316 (99.5%)	164,280 (99.6%)

* The figures for FY2025 have received third-party assurance from KPMG AZSA Sustainability Co., Ltd., in the Mitsubishi Electric Group Sustainability Data Book 2025 (Scope 3 assurance covers only Category 1 and Category 11).

Effective Utilization of Plastic Waste

	FY2023	FY2024	FY2025
Japan	92.5%	95%	97%

Water Usage

Water Usage		(thousand m³)		
		FY2023	FY2024	FY2025
Group		14,980	13,151	12,819

Human Capital

Employment Situation

Mitsubishi Electric (non-consolidated)						
		FY2021	FY2022	FY2023	FY2024	FY2025
Full-time employees	Total (persons)	36,162	36,700	35,136	36,520	31,213
Temporary staff	Total (persons)	6,838	6,682	6,505	6,636	4,909
Average age	Total (years of age)	40.7	41.1	41.3	41.4	41.3
Average number of years worked	Total (years)	16.6	16.9	16.9	16.7	16.3
Turnover rate	Total (%)	2.3	2.7	2.8	3.3	3.4
Average annual wage	Total (yen)	7,963,544	8,067,252	8,273,671	8,298,631	8,695,126
	Gender difference*1 (%)	71.6	71.4	71.3	71.7	71.6
	All workers Gender difference*1 (%)	60.7	61.0	61.5	62.4	63.0
	Full-time employees*2 Gender difference*1 (%)	63.5	63.6	63.6	64.4	64.9
	Non-regular employees Gender difference*1 (%)	63.5	62.4	63.2	61.8	60.4
Managerial position	Held by women*3 (%)	1.9	2.3	2.6	3.1	4.0
Regular position	Total (persons)	25,308	25,391	24,559	25,403	22,786
	Held by women (%)	7.3	7.6	8.2	8.8	9.7

*1 Women’s average annual wage compared to men’s average annual wage, expressed as a percentage

*2 Full-time employees and non-regular employees who are full-time, open-ended

*3 Percentage of managerial positions held by women

Evaluation Indicators Related to Workplace Culture Improvement Initiatives

Mitsubishi Electric (non-consolidated) (Unit: %)					
KPI	FY2022 (Result)	FY2023 (Result)	FY2024 (Result)	FY2025 (Result)	FY2026 (Goal)
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company)*	54	54	55	60	63 or more
Percentage of employees who responded that they had a good work-life balance	65	66	68	71	70 or more

* Average percentage of positive responses to the five questions in the annual employee engagement survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

Corporate Governance

Directors

		Mitsubishi Electric (non-consolidated)				
		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
No. of directors	Total (persons)	12	10	12	12	10
Internal directors / Outside directors	Internal directors (persons)	7	5	5	5	4
	Outside directors (persons)	5	5	7	7	6
Gender	Male (persons)	11	9	11	9	8
	Female (persons)	1	1	1	3	2
Non-Japanese nationals (persons)		0	0	0	0	1
Percentage of outside directors (%)		42	50	58	58	60
Percentage of female directors (%)		8	10	8	25	20
No. of Board meetings held		8 times	20 times	13 times	14 times	13 times
Chairperson		Internal	Outside	Outside	Outside	Outside

Directors and Officers (Directors + Executive Officers + Executive Officers (Associate))

Mitsubishi Electric (non-consolidated)						
		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
No. of directors and officers	Total (persons)	29	29	33	34	34
	Non-Japanese nationals (persons)	0	0	0	1	2
Percentage of female and non-Japanese directors and officers (%)		3	3	3	15	15

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Please also refer to:

Environment	
Social	
Governance	

Initiatives



UN Global Compact

The world's largest sustainability initiative, jointly led by the United Nations and private-sector organizations, aimed at achieving sustainable growth.

[UN Global Compact](#)



Science Based Targets initiative (SBTi)

An international initiative providing standards, tools and guidance which allow companies to set greenhouse gas emission reduction targets based on scientific evidence.

[Mitsubishi Electric Unveils Short-term Environmental Plan and Updated SBTi-certified Targets in Line with 1.5°C Trajectory](#)



Task force on Climate-related Financial Disclosures (TCFD)

A framework for disclosure of financial information on a company's climate change-related initiatives and impacts.

[Climate Change Initiatives \(TCFD-Based Disclosure\)](#)



Responsible Business Alliance (RBA)

An industry coalition that supports continuous improvements in social, environmental, and ethical responsibility of the supply chain and works toward responsible business conduct in global supply chains.

[Mitsubishi Electric Joins the Responsible Business Alliance \(RBA\)](#)



Taskforce on Nature-related Financial Disclosures (TNFD)

A framework for disclosing a company's interactions with the natural environment as financial information. We are registered as a TNFD Adopter, in support of the TNFD recommendations.



Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

An organization that aims to support and encourage companies in handling grievances.

[Mitsubishi Electric Joins Japan Center for Engagement and Remedy on Business and Human Rights as a Founding Member](#)



Japan Clean Ocean Material Alliance (CLOMA)

An organization that promotes the resolution of the marine plastic waste issue through a united effort between the public and private sectors.

[Joining the Clean Ocean Material Alliance \(CLOMA\) \(in Japanese\)](#)



GX League

A framework for collaboration among companies, government, and academia aimed at pursuing Green Transformation (GX) in anticipation of achieving carbon neutrality and driving social transformation by 2050, with the goal of realizing sustainable growth in both present and future society.

[Mitsubishi Electric Participates in METI's GX League \(in Japanese\)](#)



30by30 Alliance

A voluntary alliance of companies, local governments, and NGOs working toward the 30by30 target of conserving more than 30% of land and sea areas as healthy ecosystems by 2030.

Other Major Initiatives

- Japan Business Federation (Keidanren)
- Japan Association of Corporate Executives
- The Japan Chamber of Commerce and Industry
- Japan Electronics and Information Technology Industries Association
- Communications and Information Network Association of Japan

- The Japan Electrical Manufacturers' Association
- The Japan Machinery Federation
- Council on Competitiveness-Nippon
- Japanese Standards Association
- Japan Intellectual Property Association
- Japan Institute of Invention and Innovation

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Please also refer to:

Initiatives/External Evaluation

External Evaluation



FTSE Blossom Japan Index Series

Mitsubishi Electric has been selected as a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. These indexes have also been adopted as investment outlets by the Government Pension Investment Fund (GPIF).

FTSE Blossom Index Series 



CDP

We have been selected for the highest rating—the A List—in two categories: Climate Change and Water Security, in recognition of our outstanding strategies and initiatives addressing global environmental issues through our business activities, as well as our timely and appropriate disclosure of environmental information. We were also selected for the highest rating on the Supplier Engagement Assessment, earning a place on the SEA Leaderboard.

Mitsubishi Electric Again Named to CDP's Climate and Water “A List” for 7th Time 
Mitsubishi Electric Named to CDP Supplier Engagement Assessment Leaderboard 



S&P/JPX Carbon Efficient Index

Mitsubishi Electric has been selected as a constituent of the S&P/JPX Carbon Efficient Index. The Index, which is constructed by S&P Dow Jones Indices, is based on carbon emission data by Trucost, which assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. The index has also been adopted as an investment outlet by GPIF.



Eruboshi

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.



KENKO Investment for Health
(a government-led program advancing employee health through business strategy)

Our initiatives to foster a workplace environment where employees can work with vitality and maintain both physical and mental well-being have been recognized, earning us certification as one of the 2025 Outstanding Organizations of KENKO Investment for Health.

Certified as one of the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) (in Japanese) 



DX Stock

We have been selected as a DX Stock 2025 in recognition of our continued bold efforts to transform our business models and management practices based on digital technologies.

Selected as a DX Stock 2025 (in Japanese) 

Corporate Data and Shareholder Information (as of March 31, 2025)

Corporate Data

Mitsubishi Electric Corporation
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
Phone: +81(3)3218-2111
Established: January 15, 1921
Paid-in Capital: ¥175,820 million
Shares Issued: 2,113,201,551 shares
Employees: 149,914

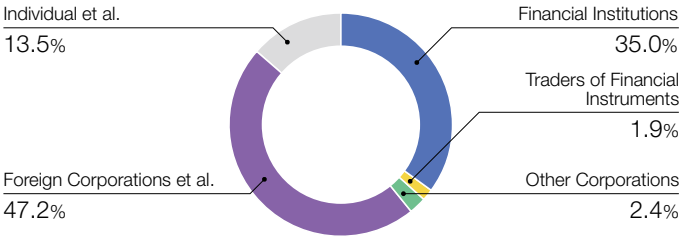
General Meeting of Shareholders

The ordinary general meeting of shareholders is regularly held in June each year. In addition, special shareholders meetings may be held as necessary.

Stock Exchange Listings

Tokyo (Prime Market)

Outstanding Share Information by Shareholder Category



Principal Shareholders (Top 10)

Shareholder	Holdings of the Company's Shares	
	Number of Shares Held (Thousand Shares)	Percentage of Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	321,806	15.5
Custody Bank of Japan, Ltd. (Trust Account)	110,704	5.3
STATE STREET BANK AND TRUST COMPANY 505001	92,925	4.5
Meiji Yasuda Life Insurance Company	81,863	3.9
STATE STREET BANK AND TRUST COMPANY 505223	48,676	2.3
JP MORGAN CHASE BANK 385632	46,285	2.2
Mitsubishi Electric Group Employees Shareholding Union	44,058	2.1
STATE STREET BANK WEST CLIENT – TREATY 505234	39,891	1.9
JP MORGAN CHASE BANK 380055	36,617	1.8
Nippon Life Insurance Company	36,339	1.7

* Shareholder ratio calculations deduct 35,902,128 company-owned shares (figures are rounded to the first decimal place).

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Please also refer to:

Initiatives/External Evaluation 