



MITSUBISHI ELECTRIC CORPORATION

# 2026 INTEGRATED REPORT

**For the year ended March 31, 2026**

MITSUBISHI ELECTRIC
*Changes for the Better*







# Our Philosophy

Our Philosophy at Mitsubishi Electric Group contains:
a Purpose (our role in society); a Guiding Principle (our central belief);
and Core Values (guidelines for our daily actions).

## Purpose

**We create new possibilities for a better tomorrow, with bold vision and boundless innovation.**

## Guiding Principle

*Changes for the Better*

## Core Values

| | |
|---|---|
| BE BOLD | Dare to think differently. Try new ideas quickly. Turn setbacks into assets. |
| CO-CREATE | Welcome debate. Pool our knowledge. |
| WITH INTEGRITY | Always act with integrity. |

### Purpose

It defines why we exist as the Mitsubishi Electric Group and how we contribute to society.

This statement expresses our resolve to envision a future that transcends the status quo and to continuously strive for the creation of a better society by leveraging our core strengths: an inquisitive spirit and the power of technology.

### Guiding Principle

It is the central belief to realize our Purpose. This phrase expresses our commitment to "constantly pursue improvement and drive transformation."

### Core Values

Based on our Guiding Principle, this statement sets out the actions the Mitsubishi Electric Group should take, and the mindset needed to embed them in our daily work.

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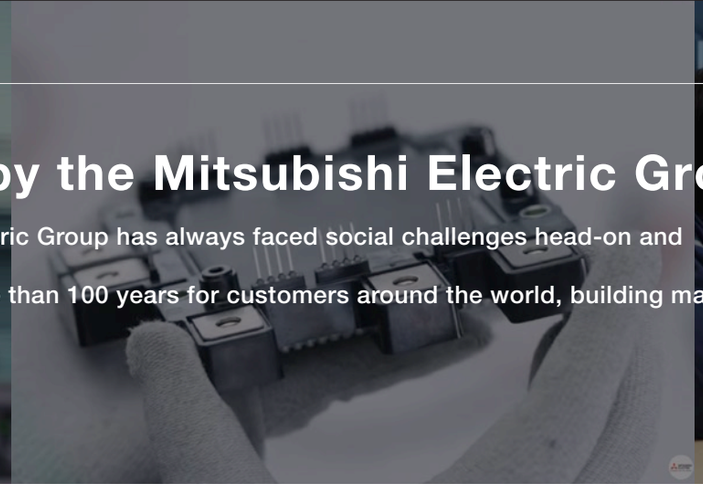
Please also refer to:

Mitsubishi Electric Group
Launches New Corporate Philosophy







# 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.

Strength 2

## Connections with customers and field knowledge 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 field knowledge.

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 "Changes for the Better" is a central belief that has been passed down through the generations.

Each and every employee has a strong will and passion to constantly pursue improvement and drive transformation.

Our Stories







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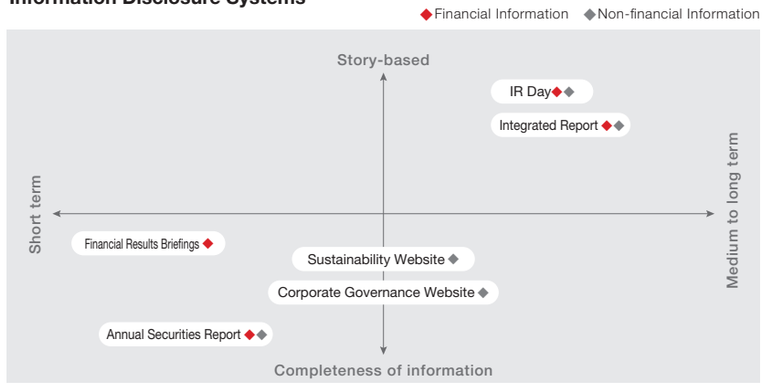
# How to Read 2026 Integrated Report

**The Mitsubishi Electric 2026 Integrated Report is designed to provide an integrated presentation of financial and non-financial 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.**

| | |
|---|---|
| **What are your strengths and how do you create value?** | We explain our philosophy and the strengths we have cultivated, as well as how we will create value for society. |
| **What kind of synergies and value will the New Medium-term Corporate Strategy generate?** | We provide an overview of the New Medium-term Corporate Strategy launched in FY2027 and the road map to further enhancing Mitsubishi Electric's corporate value. |
| **What strategies have you built around each business's strengths and business environment?** | We summarize the content, strengths, and a recognition of the business environment for each of our main businesses.<br>We also explain the initiatives we will be taking under our New Medium-term Corporate Strategy. |
| **What are your views, systems, and initiatives in relation to corporate governance?** | We explain our basic policy and systems on corporate governance as a company with a three-committee system. |
| **What financial and non-financial data do you disclose?** | We provide basic information, including major financial and non-financial data, the history of us, review of previous Medium-term Management Plans, and external evaluations. |

### Information Disclosure Systems




- **Reporting period:** FY2026 (April 1, 2025–March 31, 2026)
  Please note some policies, targets, and plans beyond April 2026 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
- **Regarding published figures:** *Adjusted operating profit: Calculated by deducting other profit (loss), including gains (losses) on the sale of businesses and assets as well as impairment losses, from operating profit
  * ROIC (Mitsubishi Electric version): A comprehensive business efficiency indicator which is calculated by asset items (fixed assets, working capital, etc.) per different segments (and not by capital and liability) so that it is easier to track and improve performances of each business segment
- **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
Corporate IR and SR Div., Mitsubishi Electric Corporation
Investor Relations Inquiry

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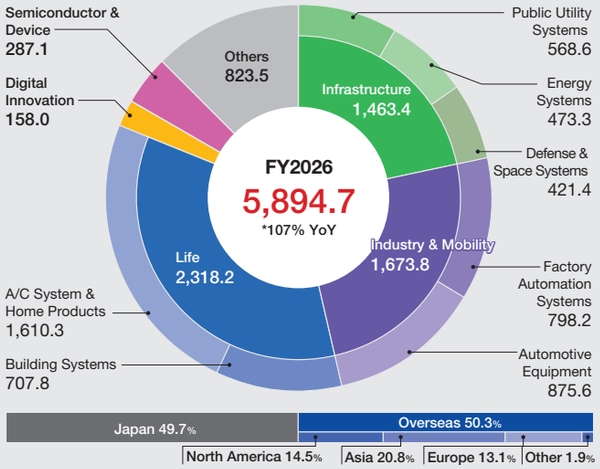
# At a Glance (as of March 2026)

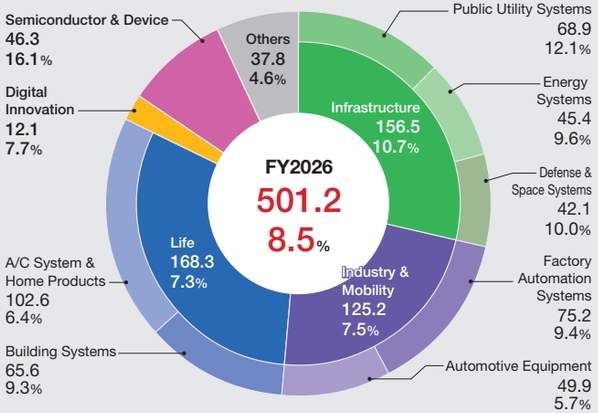
## Revenue

(¥ billion)




## Adjusted Operating Profit

(¥ billion)




* The figures shown in this chart include internal revenue between segments (transfer).
* "Adjusted operating profit" is calculated by deducting "other profit (loss)," including gains (losses) on the sale of businesses and assets as well as impairment losses, from operating profit.

## Established

Established
1921

## Profitability and Capital Efficiency (FY2026)

Net Profit Attributable to Mitsubishi Electric Corp. Stockholders
¥407.7 billion
*126% YoY

ROE
9.7%
*+1.3 pt YoY

## Cash Generation and Capital Allocation*1 (Accumulated amount from FY2022 to FY2026)

Cash Generation*1
¥2.2 trillion

Growth Investments
¥1.5 trillion

Shareholder Returns
¥0.7 trillion
*Total payout ratio 52%

## Environment

Greenhouse Gas Emissions Reduction Rate (Scope 1, 2)*2
53%

Effective Utilization of Plastic Waste (Japan)
96%

## Human Capital

Number of Consolidated Employees
150,386

DX and AX*3 Talent
12,000 people

Employee Engagement*4
62%

## Highlights

Uninterruptible Power Supply (UPS)*5
No.1
U.S. market share (3-phase over 1,500 KVA)

PLCs, Servomotors, and CNCs in Operation in the Market*6
Approx. 29 million units globally

Maintenance Stock in Elevators and Escalators*6
Approx. 1.2 million units globally

Residential-use Ductless Air Conditioners*6
No.1 U.S. market share

Power Modules*7
Global market share
No.2

EML Chips for Data Centers*8
Global market share
No.1

*1 Operating cash flow, assets/business divestitures *2 Ratio of market-based actual results for FY2026 with FY2014 as the base year. *3 Digital and AI transformation
*4 Mitsubishi Electric (non-consolidated). 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."
*5 Mitsubishi Electric research (2025 Actual) *6 Mitsubishi Electric research (FY2026) *7 Source: OMDIA, Power Semiconductor Market Share Database–2H25 (2024 actual) *8 Mitsubishi Electric research (FY2025 actual)

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# Value Creation Process

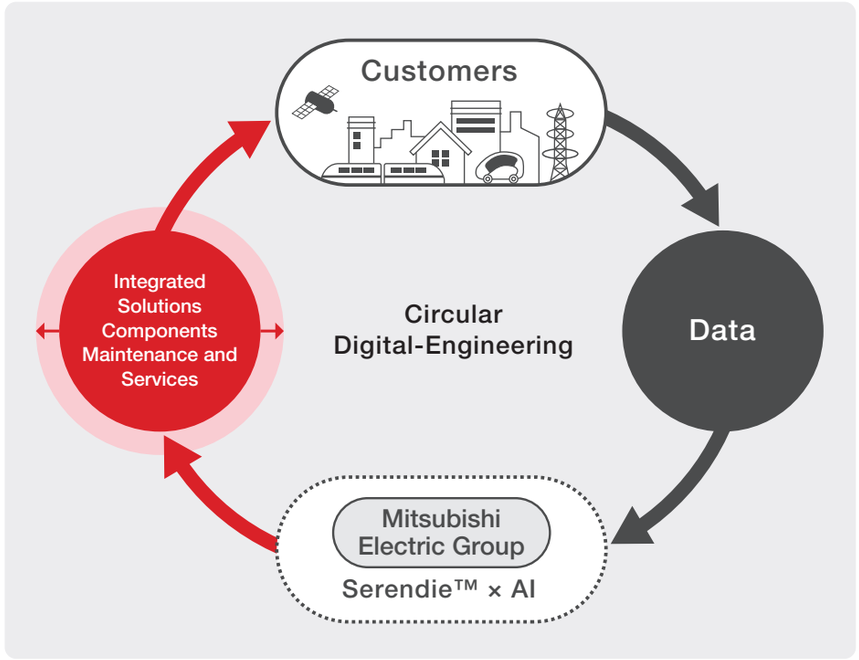
Leveraging the strengths Mitsubishi Electric Group has cultivated over many years, we will work to address social and environmental challenges and realize sustainability by pursuing value creation through Circular Digital-Engineering.

## Purpose

**We create new possibilities for a better tomorrow, with bold vision and boundless innovation.**

Sustainable Strengthening of the Six Capitals

- Superior components created by synergies between extensive technology assets
- Connections with customers and field knowledge cultivated through a broad spectrum of business development
- Everyone's "Changes for the Better" mindset







P.46 Materiality (Important Challenges)

- Realize a sustainable global environment
- Realize a sustainable society
- Respect for all people
- Strengthen corporate governance and compliance on a sustainable basis
- Promote innovation for sustainability

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# The Six Capitals and Measures to Strengthen Them

| 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 "Innovating the Future through developing the Power of our employees." | • Acquiring and developing talent to drive business model transformation<br>• Developing and appointing global management leaders<br>• Fostering a culture that generates self-driven challenges and co-creation<br>P.20 CHRO Message | • Number of DX and AX talent<br>• Successor readiness rate for executive leadership positions (including heads of overseas offices)<br>• Employee engagement score |
| **Financial capital** | Based on our current solid financial foundations, we will balance profitability and capital efficiency improvements with expanded growth investments to achieve sustainable growth in corporate value. | • Implementing balance sheet-driven management utilizing ROIC<br>• Improving profitability and efficiency through business portfolio reviews<br>• Improving cash flows from operating activities through enhanced working capital efficiency<br>• Generating cash through the sale of assets and cross-shareholdings, etc.<br>P.16 CFO Message | • ROE<br>• ROIC<br>• Adjusted operating profit margin<br>• Cash generation<br>• 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 the three key focus areas: Smart Energy, Automation, Defense & Space<br>• Searching for partners with whom we can build complementary relationships and collaborate<br>• Shifting resources through withdrawal or divestiture of businesses with profitability and efficiency issues<br>• Improving production efficiency through sharing of know-how across businesses and production plants<br>P.13 CSO Message | • ROIC<br>• Capital expenditures<br>• 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 new technology, which will have a significant impact on society and business<br>• Promoting global co-creation<br>• Strengthening intellectual property in alignment with business strategy<br>• Rule-making and standardization activities<br>P.23 CTO Message | • R&D expenditures<br>• Number of patents filed<br>• Ratio of AI- and solution-related applications |
| **Natural capital** | The Mitsubishi Electric Group positions 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 carbon neutrality at factories and offices by FY2031 and throughout the entire value chain by FY2051<br>• Creating and enhancing new business to realize "Trade-On (mutual benefits)"<br>P.26 Message from the Executive Officer in Charge of Sustainability | • Greenhouse gas emissions<br>• Water usage<br>• Effective utilization of plastic waste |
| **Social relationship capital** | We build relationships of trust through engagement with stakeholders, including our customers, employees, suppliers, local communities, and shareholders, thereby supporting the realization of sustainability and long-term corporate value enhancement. | • Strengthening a business model with continuous customer engagement (Circular Digital-Engineering)<br>• Promoting organizational culture reforms, such as active internal communication<br>• Conducting risk assessments of suppliers in our procurement supply chains, and promoting corrective actions<br>• Engaging with the capital markets<br>P.46 Materiality (Important Challenges) | • Employee engagement score<br>• Implementation rate of corrective actions at high-risk suppliers<br>• Evaluations by ESG rating organizations, etc.<br>• Number of meetings with shareholders and institutional investors |

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# New Medium-term Corporate Strategy

## From Structural Reforms to Business Model Transformation

As part of our efforts to be an Innovative Company that creates value with new ideas, unafraid of risks, we have formulated the New Medium-term Corporate Strategy starting in FY2027.

We have set our financial targets for FY2031 with the strongest emphasis on profitability and capital efficiency. To achieve these targets, we will vigorously promote the transformation of our business model toward Circular Digital-Engineering. We aim to further enhance our corporate value by proactively investing in measures targeting focus businesses, while promoting the creation of solutions and component enhancement.

| | FY2021 Actual | FY2026 Actual | FY2031 Targets*2 |
|---|---|---|---|
| Adjusted Operating Profit Margin*1 | 5.5% | 8.5% | 12%+ |
| ROE | 7.5% | 9.7% | 12% |
| Revenue Growth Rate (CAGR) | — | — | 3% to 5% (FY2026 to FY2031) |

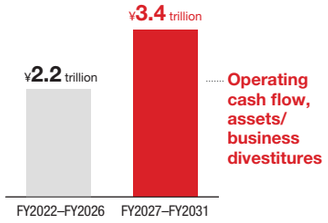
*1 Adjusted operating profit is calculated by deducting other profit (loss), including gains (losses) on the sale of businesses and assets as well as impairment losses, from operating profit. However, for FY2021 Actual the operating profit margin is shown.
*2 Excluding the automotive equipment business

## Financial Strategy

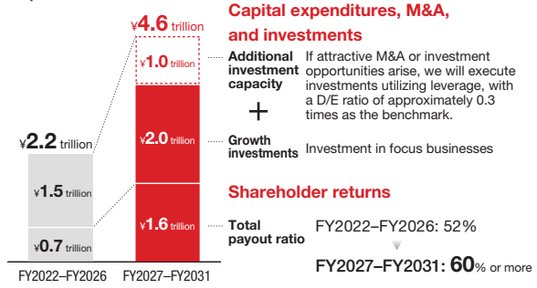
P.16 CFO Message

In addition to increasing our cash flow generation capabilities, we will use leverage to pursue a balanced approach between aggressive growth investments and shareholder returns.

Cash Generation




Capital Allocation




**Capital expenditures, M&A, and investments**

**Additional investment capacity** If attractive M&A or investment opportunities arise, we will execute investments utilizing leverage, with a D/E ratio of approximately 0.3 times as the benchmark.

+

**Growth investments** Investment in focus businesses

**Shareholder returns**

**Total payout ratio** FY2022–FY2026: 52%

FY2027–FY2031: 60% or more

## Business Strategy

P.13 CSO Message P.33 Business Strategy

We have identified three key focus areas across the Group and are driving both solution creation and component enhancement in tandem.

- **Three key focus areas company-wide and focus businesses**

| Smart Energy | Automation | Defense & Space |
|---|---|---|
| ● Power supply systems for data centers<br>● Energy management<br>● Air-conditioning & refrigeration<br>● Power semiconductors<br>● High-frequency & optical devices | ● FA control equipment<br>● Industrial mechatronics<br>● FA digital solutions<br>● Building solutions<br>● OT security | ● Defense & space systems |

- **Targets for focus businesses**

| | FY2026 Actual | FY2031 Target |
|---|---|---|
| Operating Profit Margin | 11.5% | 15% |
| Revenue Growth Rate (CAGR) | — | 9% (FY2026–FY2031) |

- **Strengthening a business model with continuous customer engagement (Circular Digital-Engineering)**
  - — Enhancing components through combining field knowledge with AI and digital technologies
  - — Using digital services to maintain continuous engagement with customers to continuously acquire data
  - — Creating advanced solutions that directly address customers' management challenges
- **Creation and horizontal development of advanced solutions through co-creation**
  - — Creating advanced solutions by co-creating with leading global companies and technology partners
  - — Providing microservices-based solutions for a wide range of customer needs

## Human Capital Strategy

P.20 CHRO Message

We will develop and acquire group-wide and global talent capable of driving business strategy execution.

| | FY2031 Group and Global Targets |
|---|---|
| Acquiring and developing talent to drive business model transformation | DX and AX talent: 20,000 people |
| Developing and appointing global management leaders | Successor readiness rate for executive leadership positions (including heads of overseas offices): 200% |
| Fostering a culture that generates self-driven challenges and co-creation | Employee engagement score: 70% or higher |

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Please also refer to:

IR DAY

# New Medium-term Corporate Strategy

## Infrastructure Business Area

P.35 Business Strategy (Infrastructure Business Area)

Creating solutions by maximizing company-wide synergies across business areas and groups
Achieving sustainable growth by accelerating M&A and strategic partnerships

### Key measures

- Expanding the solutions business by leveraging our engineering capabilities
- Establishing a strong global position in decarbonization components*
- Achieving sustainable growth in the defense & space systems business by leveraging our strengths

*Components that contribute to reducing environmental impact and are essential to achieving carbon neutrality (a decarbonized society)

### FY2031 financial targets

| | Revenue | Adjusted Operating Profit Margin |
|---|---|---|
| **Infrastructure BA** | ¥**2.1** trillion | **13**% |
| Public Utility Systems Business | ¥**0.7** trillion | **14**% |
| Energy Systems Business | ¥**0.6** trillion | **12**% |
| Defense & Space Systems Business | ¥**0.8** trillion | **12**% |

## Life Business Area

P.39 Business Strategy (Life Business Area)

Utilizing Serendie for various field data in order to develop advanced operations and maintenance, and growing into a business that continues to create, maintain, and improve comfortable, safe, and secure environments

### Key measures

- Strengthening and expanding initiatives for strategic targets, such as IT Cooling sector for data centers and building solutions
- Expanding the circular business foundation and bolstering the structure of core businesses*

*Air-conditioning & refrigeration systems business and elevator & escalator business

### FY2031 financial targets

| | Revenue | Adjusted Operating Profit Margin |
|---|---|---|
| **Life BA** | ¥**2.8** trillion | **12**% |
| Building Systems Business | ¥**0.8** trillion | **12**% |
| Air Conditioning Systems & Home Products Business | ¥**2.0** trillion | **12**% |

## Industry & Mobility Business Area

P.37 Business Strategy (Industry & Mobility Business Area)

### FA Systems Business

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

#### Key measures

- Innovating production sites through FA digital transformation
- Leveraging automation technologies to realize advanced production

#### FY2031 financial targets

| | Revenue | Adjusted Operating Profit Margin |
|---|---|---|
| FA Systems Business | ¥**0.9** trillion | **16**%+ |

### Automotive Equipment Business

Investigating the potential for joint operations with Hon Hai Precision Industry (Foxconn) for further business growth (as of April 2026)

## Semiconductor & Device

P.43 Business Strategy (Semiconductor & Device)

Accelerating growth by optimizing the power device business portfolio and strengthening market leadership in optical devices
Achieving sustainable growth through radical improvement of capital efficiency by pursuing profitability and productivity

### Key initiatives

- Optimizing the power device business portfolio through expansion of high-value-added areas
- Maintaining our leading position and promoting next-generation developments in the optical device business for data centers
- Improving capital efficiency by pursuing profitability and productivity

### FY2031 financial targets

| | Revenue | Adjusted Operating Profit Margin |
|---|---|---|
| Semiconductor & Device Business | ¥**0.4** trillion | **20**% |

Here are some frequently asked questions about our New Medium-term Corporate Strategy and Business Strategy. P.32 Corporate Strategy Q&A P.45 Business Strategy Q&A

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# President’s Message



## Transitioning from Structural Reforms to Business Model Transformation; We Will Execute the New Medium-term Corporate Strategy to Further Enhance Our Corporate Value

During the previous Medium-term Management Plan, we promoted structural reforms and achieved steady growth. From FY2027, we will shift to a phase of business model transformation, during which we will pursue the full-scale rollout of Circular Digital-Engineering by creating solutions using the Serendie™ digital platform, while also enhancing our components business.

Representative Executive Officer,
President & CEO

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Please also refer to:

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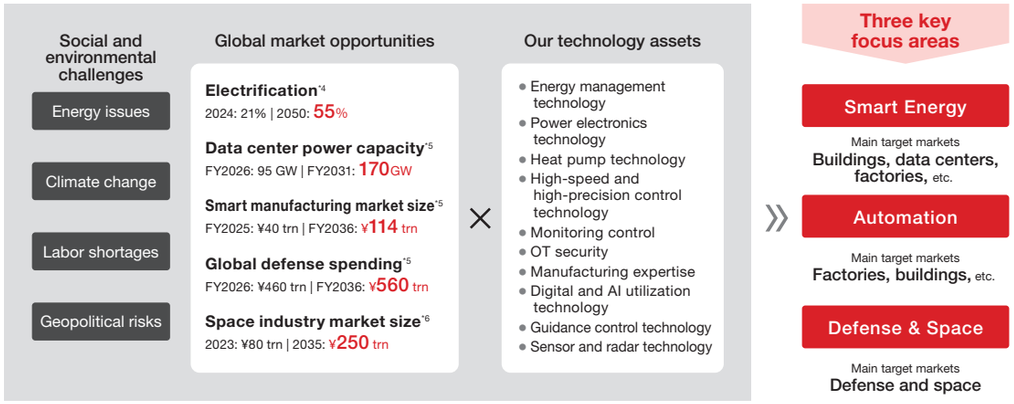
## Q What were your intentions behind the New Medium-term Corporate Strategy?

During the previous Medium-term Management Plan (FY2022–FY2026), we carried out structural reforms, including business portfolio reforms. In FY2026, we achieved record revenue for the fourth consecutive year, in addition to record operating profit for the third consecutive year. Moreover, our market capitalization exceeded 10 trillion yen. However, in terms of profitability and capital efficiency, we have not yet achieved satisfactory levels compared to our global competitors. The New Medium-term Corporate Strategy, which has begun in FY2027, was formulated with the aim of achieving profitability and capital efficiency comparable to those of our global competitors by encouraging each and every employee to enjoy being bold through new ideas, and to transform our business model. Our financial targets*1 for FY2031, which is our milestone, are an adjusted operating profit margin*2 of 12% or more, ROE of 12%, and a revenue growth rate (CAGR) of 3% to 5%*3. We will prioritize improving profitability and capital efficiency, while aiming to achieve stable revenue growth. In terms of shareholder returns, we plan to achieve a total payout ratio of 60% or more on average from FY2027 to FY2031. We expect to return a total of 1.6 trillion yen through a combination of stable dividends and flexible share repurchases.

P.16 CFO Message

*1 Excluding the automotive equipment business
*2 Adjusted operating profit is calculated by deducting other profit (loss), including gains (losses) on the sale of businesses and assets as well as impairment losses, from operating profit.
*3 FY2026–FY2031




Three key company-wide focus areas

## Q What do you hope to achieve through the New Medium-term Corporate Strategy?

Simply put, the New Medium-term Corporate Strategy represents the full-scale deployment of Circular Digital-Engineering. We will expand our solutions by leveraging the Serendie digital platform while strengthening our components business, thereby addressing social and environmental challenges, driving business growth, and further enhancing our corporate value. Our traditional business model of hardware-only sales of components would make it difficult for us to survive the wave of commoditization and price competition, as well as the emergence of strong competition. We will build business models that allow us to continue engaging with our customers through Circular Digital-Engineering. Specifically, by continuing to engage with customers through the provision of components, maintenance, and services, and by creating advanced solutions that combine data and field knowledge with AI, we will build a stable and highly profitable revenue structure that will not be dragged into competing on price alone. In this way, we hope to help address the management challenges facing our customers, while also growing our business. Just like us, many of our customers are expected by stakeholders to continue growing and fulfilling their roles, while addressing social and environmental challenges. As social and environmental challenges, such as energy issues, climate change, labor shortages, and geopolitical risks, become more complex, there will be growing market opportunities for the Mitsubishi Electric Group to help our customers address these challenges through our businesses. Taking into account current social and environmental challenges and related global market opportunities, as well as the various technology assets we possess, in our New Medium-term Corporate Strategy the Mitsubishi Electric Group has identified three key focus areas for the entire company over the medium term: Smart Energy, Automation, and Defense & Space. Our whole Group will create and provide new value by bringing together the strengths of our globally expanding businesses, which transcend different organizations and segments.

P.13 CSO Message P.23 CTO Message
P.26 Message from the Executive Officer in Charge of Sustainability

*4 Share of electricity in final energy consumption under the net-zero emissions scenario in the IEA's "World Energy Outlook 2025."
*5 Prepared by Mitsubishi Electric based on reports from research firms and other sources.
*6 Converted into yen based on the WEF report "Space: The $1.8 Trillion Opportunity for Global Economic Growth."

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Please also refer to:

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## Q How do you plan to enhance the components business and create solutions?

We will implement our own unique physical AI, which combines the field knowledge we have cultivated over many years with the latest digital technologies to further strengthen our competitiveness with a focus on our globally competitive components. At the same time, by continuing to engage with customers through the expansion of digital services such as the digital transformation of maintenance and OT[*7] security, we will continuously acquire field data. By leveraging this data and combining it with our Group's technology assets, field knowledge, Serendie, and cutting-edge technologies such as AI, we aim to create solutions that directly address management challenges.

*7 Operational Technology

## Q Could you please tell us more about physical AI and OT security?

The physical AI that Mitsubishi Electric Group is aiming to realize will not only be able to operate in the field but also take autonomous decisions about the unexpected events that occur in the field. Our focus is not only on having physical AI understand and judge real-world events but also on continuing to move safely at sites where continuous operations are needed, while absorbing changes in the field. The Mitsubishi Electric Group has accumulated expertise in manufacturing at various in-house manufacturing sites, and for many years we have also supported customers at sites where a shutdown or malfunction is not an option, including social infrastructure, such as electric power and railways. By combining the experience and ingenuity we have accumulated at each of these sites and the AI and digital technologies that the Mitsubishi Electric Group has cultivated with the cutting-edge AI technologies of our partner companies, we plan to upgrade our unique AI and deploy it in the key focus areas I mentioned earlier.

The challenge we face is the speed needed for implementation.

The Mitsubishi Electric Group has strengths in component control and safety design, but there are still areas where we lack technologies, such as AI learning based on tacit knowledge and experience, and digital twins. We are accelerating development and implementation in these areas through collaboration with our technology partners.

I am also excited to see that we have launched collaborations with a variety of partners, including start-up companies, with a sense of speed and enthusiasm. We will strive to create new value while building win-win relationships. Furthermore, in FY2026, we wholly acquired Nozomi Networks, Inc., a U.S.-based developer and distributor of a wide range of OT security solutions, mainly in the social infrastructure and manufacturing industries. OT security monitors the status of a customer's entire assets, which allows them to securely collect operational data from a wide variety of devices via a platform. By leveraging this data in Serendie, we can co-create new solutions with our customers.

## Q Please tell us some specific examples of your efforts.

We have signed memorandums of understanding on alliances with Hon Hai Precision Industry Co., Ltd. (Foxconn), and Charoen Pokphand Group Co., Ltd., both of which are leading global companies, and we are working together to address issues through trial and error while sharing their management challenges. Creating advanced solutions requires a fundamental understanding of the customer's management challenges. Based on this understanding, we integrate the Mitsubishi Electric Group's technologies and strengths, while also actively collaborating with technology partners to adopt the latest technologies in an ambitious and speedy manner, without excessively focusing on in-house development. As concrete examples of our initiatives, we aim to realize a data center with a PUE[*8] of 1.1, which is a world-leading level of energy efficiency, as well as lights-out factories that can contribute to solving labor shortages and production innovation. Data centers use many of the Mitsubishi Electric Group's components, including cooling systems, power supply systems, and optical devices. To improve energy efficiency, it is important to cool servers efficiently and reduce power conversion losses. We aim to reduce energy consumption associated with server cooling and power conversion losses by developing next-generation systems that bring together cutting-edge technologies. We will also incorporate AI into monitoring control systems to autonomously and optimally control the operation of cooling systems. Through these efforts, we plan to realize a data center with a PUE of 1.1 and contribute to addressing customers' management challenges, for example, the need to reduce energy costs and environmental impact. The other initiative, lights-out factories, are not simply a solution to labor shortages, but rather factories that understand the situation, make decisions on their own, and continue operating even when unexpected events occur. To achieve this, we will need to promote the automation of operations at manufacturing sites, autonomous tasks previously done by manufacturing support staff,



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unmanned on-site operations, and autonomous optimal control of the entire factory. We are taking on the challenge of creating new solutions, such as humanoid robots equipped with our proprietary physical AI and autonomous and optimal cooperative control of the entire factory through AI orchestration, utilizing our extensive field knowledge. By transforming these advanced solutions into microservices-based modularization and deploying them to meet the needs of a wide range of customers in the Smart Energy and Automation fields, we plan to realize growth in related businesses.

P.33 Special Feature: Creating Solutions to Address Our Customers' Management Challenges

*8 Power Usage Effectiveness: An indicator of energy efficiency for a data center. PUE is calculated as "Total power consumption of the data center divided by Power consumption supplied to IT equipment," with 1.0 being the ideal. A smaller value indicates better efficiency.

## Q These are big challenges. How do you plan to lead the whole company forward?

The driving force behind the New Medium-term Corporate Strategy is our individual employees. To further develop as a company on a par with global competitors, we need to transform ourselves into an Innovative Company that creates value with new ideas, unafraid of risks. We also need to make more flexible, swifter decisions and take on bolder challenges than ever before.

At the same time, as the Mitsubishi Electric Group moves forward with reforms under our new corporate strategy, our employees might increasingly face situations when they are unsure of how to proceed with their responsibilities. On April 1, 2026, we established a new philosophy—Our Philosophy—to serve as a touchstone for such situations and as a guiding framework when taking new initiatives. Moreover, to develop and acquire human capital on a group-wide and global scale, we will expand our investment in human capital to 1.5 times the level of the previous Medium-term Management Plan. Specifically, we will further strive to acquire and develop talent to drive business model transformation, develop and appoint global management leaders, and foster a culture that generates self-driven challenges and co-creation.

P.1 Our Philosophy P.20 CHRO Message

I believe that the focus of management at the Mitsubishi Electric Group will also shift toward leveraging the comprehensive strengths of our business. At the beginning of our transformation, the focus was on portfolio management, including scrutinizing businesses facing difficulties, and mobilizing human capital. To address customers' management challenges, we need to break down the barriers between existing business groups and mobilize the combined strengths of the Mitsubishi Electric Group. Currently, we have established departments that will lead company-wide projects, and we are gathering knowledge and human capital from each business group. I believe it is an important mission of the management to promote the transformation of the Group into a system and mindset that transcends the framework of business groups and organizations, and works together to propose solutions.

## Q Finally, please tell us about what truly motivates you.

The road ahead will not be easy, but I believe that the Mitsubishi Electric Group has the power to make change happen. Under our new philosophy, we expressed our Purpose as follows: "We create new possibilities for a better tomorrow, with bold vision and boundless innovation." Employees with a wide range of skills and knowledge will come together to co-create better components and solutions with our partners inside and outside the Group. And these components and solutions can help us delight our customers. When it comes down to it, this is what is important. We need to be bold, turn setbacks into assets, welcome debate, and continue to create value with new ideas, unafraid of risks. And we always act with integrity and build lasting trust for the future. I believe this is the kind of company that is trusted by stakeholders, including the capital markets, and that can gain high expectations for growth. More than anyone else, in order to realize the business model transformation set out under our New Medium-term Corporate Strategy, I plan to exercise leadership in a spirit of enjoying being bold.



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# CSO Message



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

## “Aiming to Further Enhance Our Corporate Value by Vigorously Promoting Business Model Transformation”

The three key messages I would like to share

1. Driving both solution creation and component enhancement in tandem
2. Fully deploying Circular Digital-Engineering
3. Creating advanced solutions through co-creation with partners

## Transitioning from Structural Reform to Business Model Transformation

Since the previous Medium-term Management Plan, the Mitsubishi Electric Group has carried out a number of structural reforms aimed at improving our profitability and capital efficiency by transforming our business portfolio and promoting balance sheet–driven management utilizing ROIC. As a result, in FY2026, we achieved record revenue and operating profit, and ROE improved to 9.7%. However, compared to our global competitors, we are still not at a satisfactory level. We believe it is important to continue accelerating our efforts to improve profitability and capital efficiency in order to achieve further growth.

To this end, we need to transform ourselves into an Innovative Company that creates value with new ideas, unafraid of risks, in ways that go beyond our existing business operations. On the business front, it is particularly important to transform our business model from a hardware-only sales model of components to a Circular Digital-Engineering model that continues to create new value through the use of data, and we will vigorously promote initiatives to achieve this.

P.64 Review of Previous Medium-term Management Plans

## In the Three Key Focus Areas, Promote Both Solution Creation and Component Enhancement

Based on social and environmental challenges, market opportunities, and Mitsubishi Electric’s technology assets, the New Medium-term Corporate Strategy focuses on three areas: Smart Energy, Automation, and Defense & Space. In Smart Energy, we will strengthen businesses that contribute to energy conservation in buildings, data centers, factories, etc. Meanwhile, in Automation, we will strengthen businesses that contribute to labor-saving and unmanned operations in factories, buildings, etc. In Defense & Space, we will strengthen our defense & space systems business, which has been experiencing rapid growth in demand against the backdrop of rising geopolitical risks in recent years.

In these businesses, we aim to achieve a stable and highly profitable earnings structure by securing earnings through further enhancement of the components business and by improving profitability through the creation of solutions that utilize data.

| Smart Energy | Automation | Defense & Space |
|---|---|---|
| Power supply systems for data centers, energy management, air-conditioning & refrigeration, power semiconductors, high-frequency and optical devices | Factory automation control equipment, industrial mechatronics, factory automation digital solutions, building solutions, OT security | Defense & space systems |

Focus businesses related to the three key focus areas



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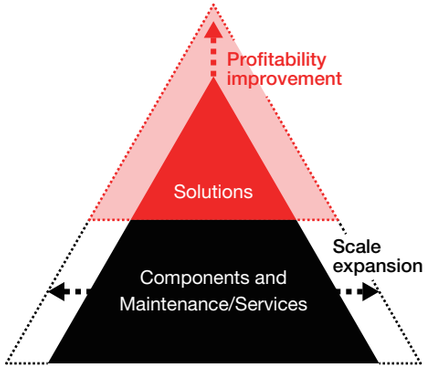
Digital Platform “Serendie” serendie




**Solutions (Focus Businesses)**

| | FY2026 Actual | FY2031 Target |
|---|---|---|
| Revenue | ¥0.4 trillion | ¥1.0 trillion |
| Operating Profit Margin | 7% | 15% |

**Components and Maintenance/Services (Focus Businesses)**

| | FY2026 Actual | FY2031 Target |
|---|---|---|
| Revenue | ¥2.6 trillion | ¥3.5 trillion |
| Operating Profit Margin | 12% | 15% |

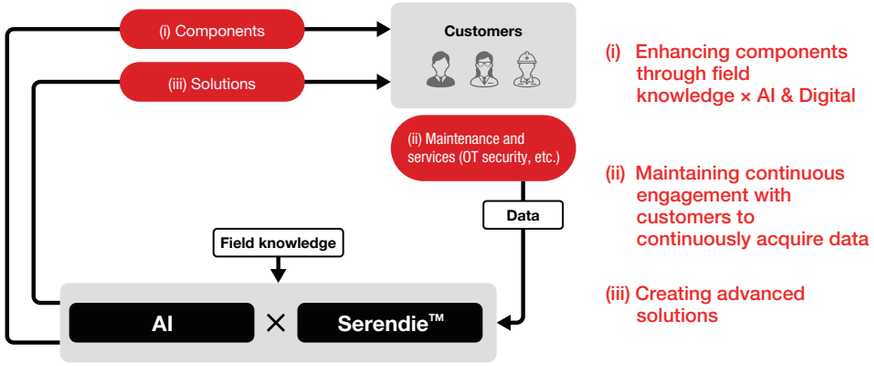
A revenue structure centered on components and maintenance/services

## A Business Model with Continuous Customer Engagement: Strengthening Circular Digital-Engineering

Circular Digital-Engineering is a method for generating new value by consolidating and analyzing data generated from components and systems into a digital space, and identifying customers' potential challenges and needs. We will further enhance this Circular Digital-Engineering by combining the extensive field knowledge we have cultivated over many years with Mitsubishi Electric's unique digital platform Serendie, as well as with AI.

There are three key points for strengthening this business model. The first point is to enhance components. The Mitsubishi Electric Group's strengths lie in our highly competitive components, which are developed from a wide range of technologies. In addition, we have a wealth of field knowledge that we have cultivated over many years. In other words, our deep understanding of the field is also a strength. Building the digital platform Serendie has made it possible to consolidate field knowledge, such as domain know-how and manufacturing expertise, including tacit knowledge, into a digital space. We will utilize this knowledge to train AI models and create physical AI backed by Mitsubishi Electric's unique field knowledge, and further increase added value by implementing this physical AI in components. The second point relates to continuous data acquisition. In maintenance/services, by continuously engaging with our customers through maintenance DX and digital services such as OT security, we will continuously acquire data to enhance components and create solutions. The third point relates to creating advanced solutions in response to customers' management challenges and potential issues identified from newly acquired data, the Mitsubishi Electric Group will bring together our assets and combine them with our extensive field knowledge and cutting-edge technologies, such as AI, to create advanced solutions that directly address these challenges.

During the previous Medium-term Management Plan, we focused on business infrastructure development, including the construction of the digital platform Serendie, the establishment of the DX innovation hub Serendie Street as a place for co-creation with customers, and the whole acquisition of Nozomi Networks, a provider of OT security solutions. We also began providing heat-related total solutions and data analysis services for railways. In FY2027, we will accelerate this cycle of value creation and fully deploy Circular Digital-Engineering.




Strengthening Circular Digital-Engineering

## Creating Advanced Solutions and Promoting Horizontal Deployment (Smart Energy, Automation)

To create advanced solutions, we are also actively promoting co-creation with leading global companies. For example, the Mitsubishi Electric Group has signed memorandums of understanding (MoUs) on alliances with the CP Group and Hon Hai Precision Industry. To address the high-level management challenges faced by these companies, we will combine Mitsubishi Electric's cross-domain technologies and products, such as energy management systems and air-conditioning & refrigeration, with technologies and products possessing strengths in specific domains, such as UPS and production technologies. Furthermore, by combining these technologies and products with cutting-edge technologies from our technology partners, such as



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Please also refer to:

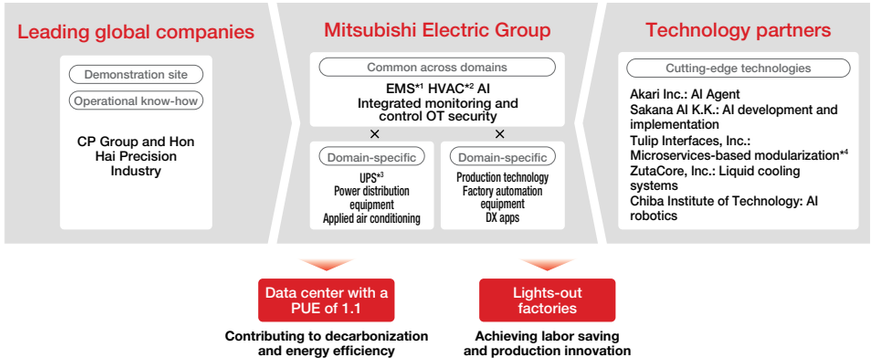
Mitsubishi Electric and CP Group Join Forces in Support of Increased Sustainability in Thailand and ASEAN through Tech Innovation for Carbon Neutrality and Circular Economy

Mitsubishi Electric Signs MoU with Hon Hai Precision Industry for Global Alliance in AI Data Center Solutions

Briefing on Agreement to Wholly Acquire PCI Energy Solutions Strengthening Smart Energy Area

## CSO Message

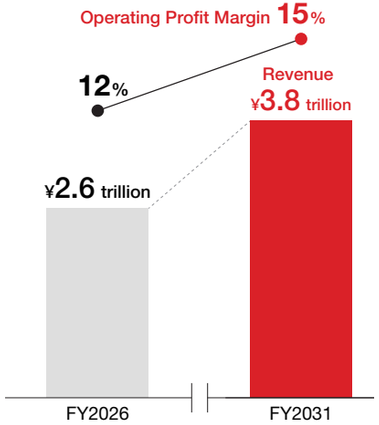
AI and DX technologies and liquid cooling systems for data centers, we will create advanced solutions that could not be realized by a single company. Together with CP Group and Hon Hai Precision Industry, we aim to build lights-out factories and world-leading energy efficient data centers (PUE1.1).




*1 Energy Management System
*2 Heating, Ventilation, and Air Conditioning
*3 Uninterruptible Power Supply
*4 A method of dividing a large-scale system into small, independent services to enable flexible development and operations.

P.33 Special Feature: Creating Solutions to Address Our Customers' Management Challenges

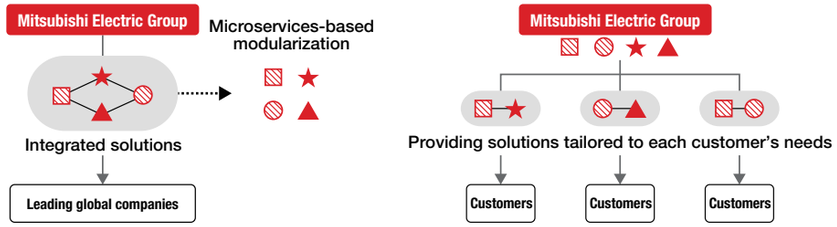
It is important to realize business growth by developing these advanced solutions for a wider range of customers, not just globally leading companies. To this end, Mitsubishi Electric will break down and standardize the sophisticated solutions we have created into microservices that can be deployed to a wide range of customers. By flexibly combining these microservices to meet the different needs of each customer, we will drive business expansion. By transforming our business model into Circular Digital-Engineering and promoting the horizontal deployment of solutions, we will grow focus businesses in the Smart Energy and Automation areas.




Focus businesses related to Smart Energy and Automation

**Step 1:**
- Co-creating integrated advanced solutions that directly address management challenges
- Microservices-based modularization of integrated solutions

**Step 2:**
- Microservices-based modularization solutions for a wide range of customer needs

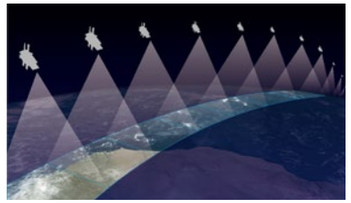



Horizontal deployment of advanced solutions

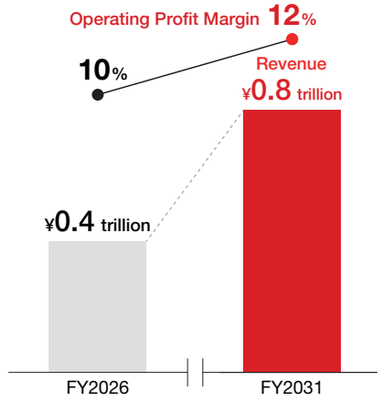
## Expansion of Defense & Space Systems Business

Taking advantage of the expanding global defense and space markets, we will further strengthen our defense & space systems business. To this end, we will first enhance our integrated air and missile defense capabilities using our domestic technologies, from sensors to interceptor missiles, and strengthen our existing businesses. We will also achieve steady business growth by promoting participation in international joint development and supply chains, and by expanding our business globally. At the same time, we will create solutions businesses such as satellite constellations, create new businesses such as unmanned vehicles, and enter new fields, including the overseas market for geostationary communications satellites. In this way, we aim to build foundations for future growth.

P.35 Business Strategy (Infrastructure Business Area)



High-frequency imaging via satellite constellations




Focus businesses related to Defense & Space

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Please also refer to:

- Mitsubishi Electric Invests in AI Startup Sakana AI
- Mitsubishi Electric Invests in Tulip Interfaces, Inc. and Signs Strategic Alliance Agreement
- Mitsubishi Electric and Chiba Institute of Technology to Co-Research and Develop Homegrown Physical AI

# CFO Message



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

## “Deepening Balance Sheet–driven Management Utilizing ROIC and Using Disciplined Capital Allocation to Support Corporate Value from a Financial Perspective”

The three key messages I would like to share

1. Deepening balance sheet–driven management utilizing ROIC
2. Executing well-balanced growth investments and shareholder returns
3. Informing senior management of views obtained through dialogue with the capital markets

## Raising Capital Efficiency and Sustained Enhancement of Corporate Value

To achieve an adjusted operating profit margin of 12% or more and an ROE of 12% in FY2031, we will provide strong support for the sustainable growth and transformation of the Mitsubishi Electric Group from a financial perspective. We will take the quality of management to the next level by further deepening balance sheet–driven management utilizing ROIC at its core. We will also achieve this by steadily promoting strategic investments in key businesses, improving profitability, and strengthening our cash generation capabilities. We will allocate generated cash in a disciplined manner to growth investments and shareholder returns, and pursue sustainable increases in corporate value through improved capital efficiency. Moreover, we will continue to work earnestly to realize a stronger and more attractive corporate group as we work toward our transformation.

## Deepening Balance Sheet–driven Management Utilizing ROIC

We will deepen and continue our balance sheet management initiatives, which position ROIC as an important management indicator. Specifically, we will work on (1) implementing management measures from an ROIC perspective, (2) focused investments in focus businesses, and (3) improving profitability.

**(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 transforming our business model through the expansion of maintenance and service businesses utilizing Serendie; improving profitability and efficiency by strengthening pricing in line with the value we provide, streamlining our product lineup, and manufacturing in optimal locations; and promoting asset-light initiatives through our partnership strategy.

**(2) Focused investments in focus businesses**
Under the Medium-term Corporate Strategy we have designated the solutions business and the components business in which we are highly globally competitive, as our focus businesses in the three key focus areas of Smart Energy, Automation, and Defense & Space. We will position these as our next growth drivers and make focused investments for strategic development and business expansion.

**(3) Improving profitability**
Focusing on the above three key focus areas, we will strengthen our profitability through both solutions and components, and reinforce our business structure by withdrawing from unprofitable businesses at an early stage, strengthening our global

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supply chains, and promoting the standardization of materials & parts and centralized purchasing.

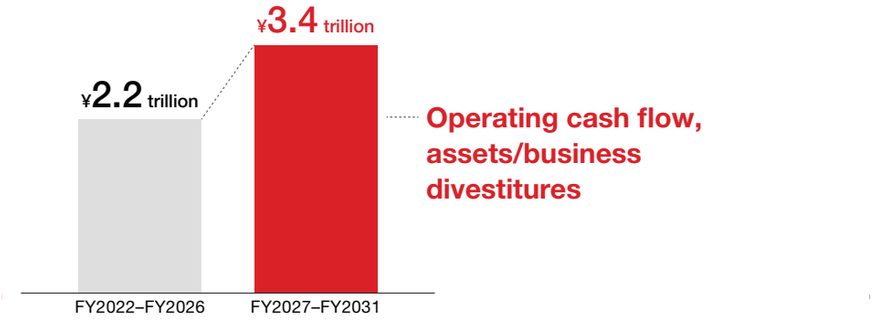
## Cash Generation and Capital Allocation

We will expand cash generation by improving profitability through a transition to highly profitable business models and improving operating cash flows through enhanced working capital efficiency, while also continuously reviewing our business portfolio, including evaluating whether to continue or withdraw from individual businesses and selling assets in line with the reorganization of our associated companies.

In terms of capital allocation, we will maintain a good balance between actively grasping growth investment opportunities aligned with our strategy and making shareholder returns, using leverage on the assumption of generating cash and possessing a solid financial position.

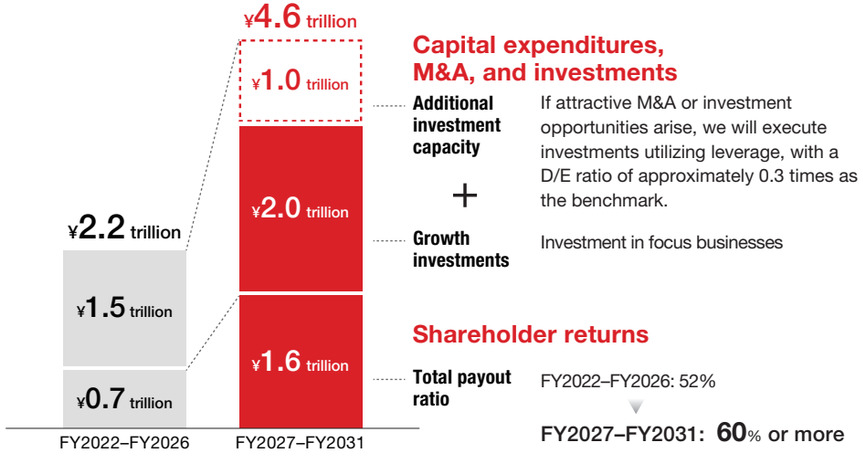
### Cash Generation

- Improving profitability through a shift to a high-profit business model
- Continuous portfolio review




### Capital Allocation

- Prioritized allocation to growth investments to expand our revenue base over the medium to long term
- Stable dividends based on an adjusted DOE* target of 3%, combined with flexible share repurchases to enhance shareholder returns




* Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))

## Disciplined Financial Management

We will make select investments in capital expenditures, M&A, and the like, as necessary to advance our growth strategy in a disciplined manner from the perspectives 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, the benchmark for using such leverage is a D/E ratio of approximately 0.3.

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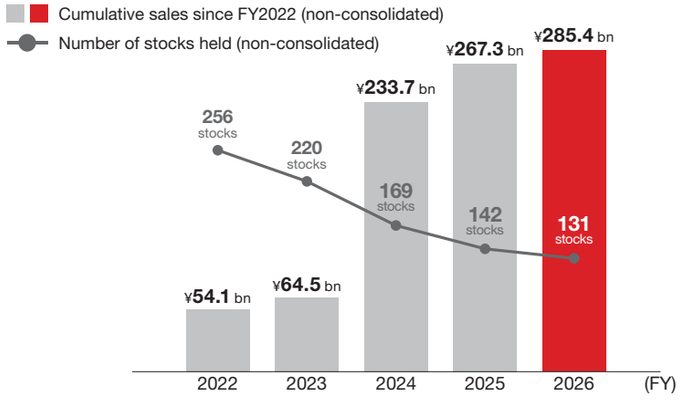
## Our Cross-shareholdings Policy

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.

### Status of Shareholdings (March 2026)

| | Number of Stocks | Total Amount Recorded on the Balance Sheet |
|---|---|---|
| Unlisted shares (including investments in limited liability companies) | 115 | ¥110,089 million |
| Shares other than unlisted shares | 16 | ¥44,821 million |

### Stock Sales Record




## Improving Total Shareholder Return through Profit Growth and Shareholder Return Measures

In FY2026, we paid an annual dividend of 55 yen per share, an increase of 5 yen per share from the previous year. We also conducted share repurchases of approximately 100 billion yen, resulting in a total payout ratio of 52% on a cumulative basis from FY2022 to FY2026. In FY2027, we have decided to pay an annual dividend of 60 yen per share, an increase of 5 yen per share from the previous year.

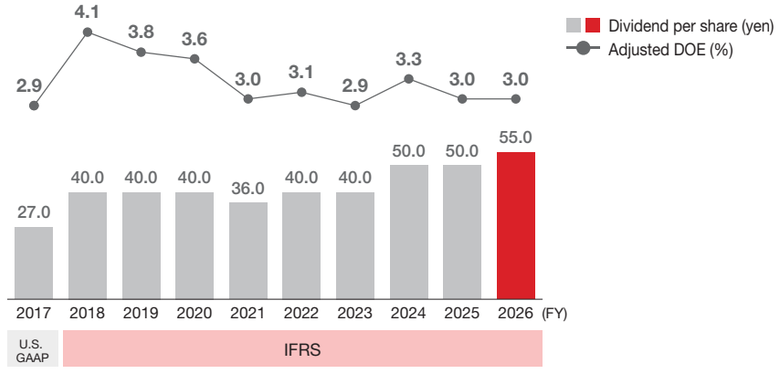
For dividends, we will maintain stable payments targeting an adjusted DOE of around 3%, with a view to appropriate profit returns according to stockholders' equity levels and maintaining financial soundness for continuous growth investments. We will continue to combine dividends with flexible share repurchases, aiming for an average total payout ratio of 60% or higher across the five-year period to FY2031 in order 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.

### Total Shareholder Return*

| | Past 10 Years | Past 5 Years | Past 3 Years | Past 1 Year |
|---|---|---|---|---|
| Mitsubishi Electric | 378.4% | 309.7% | 325.8% | 185.4% |
| TOPIX | 292.7% | 202.2% | 187.4% | 134.6% |

### Dividend Record




* Based on a cumulative basis up to the end of FY2026. Mitsubishi Electric and TOPIX both include dividends.

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Please also refer to:

IR DAY

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## Engagement with the Capital Markets

We recognize that feedback received from the capital markets, including views and insights obtained through dialogue, is extremely important. We conduct active IR and SR activities in order to gain understanding and trust from shareholders, investors, and analysts. Moreover, we strive to achieve timely and appropriate disclosure of management policies, strategies, and financial results, while responding sincerely to views and reflecting them in our management.

### Engagement process

| | | |
|---|---|---|
| (1) Dialogue with shareholders and investors | We strive to enhance opportunities for dialogue in order to increase trust in our Company's management. | Key concerns<br>● Growth potential of each business<br>● Business portfolio strategy<br>● Future capital allocation<br>● Business model transformation |
| (2) Feeding back views to senior management | The views obtained through dialogue are fed back to the Executive Officers' Meeting and the Board of Directors in order to improve management. | Feeding back views to senior management<br>● Reporting to the Executive Officers' Meeting and Board of Directors (several times a year)<br>● Sharing reactions from the capital markets (as needed)<br>● Feedback to all levels of the Company, including senior management<br>● IR activities reports (monthly) |
| (3) Further expansion of information disclosures | The relevant departments and IR and SR departments work together to expand information disclosures. | Disclosure examples<br>● IR DAY, financial results briefings, business briefings, integrated reports, etc. |

### Major IR and SR activities

| Details of Activities | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Individual meetings with shareholders and investors* | 439 times<br>880 companies | 559 times<br>1,293 companies | 575 times<br>1,717 companies |
| Small meetings (CEO and CFO) | 8 times | 6 times | 12 times |
| Overseas road shows (CEO and CFO) | 4 times | 4 times | 6 times |
| Meetings with Outside Directors | 2 times | 2 times | 1 time |
| IR Day | 1 time | 1 time | 1 time |
| Financial results briefings | 4 times | 4 times | 4 times |
| Briefings on various businesses | 2 times | 6 times | 3 times |

*Including group meetings

### External evaluations and case studies published

- Chosen as "Most Honored Company" in Extel's "2026 Japan Executive Team" survey
- In the same survey, Mitsubishi Electric Corporation's President & CEO Kei Uruma and CFO Kenichiro Fujimoto ranked first as Best CEO and Best CFO, respectively, in the electronics sector.
- Mitsubishi Electric Corporation's 2025 Integrated Report was selected by the Tokyo Stock Exchange as a case of "Action to Implement Management that is Conscious of Cost of Capital and Stock Price from the Perspective of Investors."

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# CHRO Message



**Yasunari Abe**
Senior Vice President
CHRO (In charge of Global Human Resources Strategy, Human Resources & General Affairs, Corporate Culture Transformation; Vice President, Corporate Human Resources & Culture Transformation);
In charge of Public Relations

## “Strongly Promoting Human Capital Strategies to Develop and Acquire the Human Capital Needed to Drive Medium-term Corporate Strategy Execution”

The three key messages I would like to share

1. Human Capital Strategy—“The Three Concepts”; our determination to increase human capital investment by 1.5 times
2. Recent Human Capital Strategy initiatives and key measures for the future
3. Employee engagement as our most important indicator, and our commitment to stakeholders

## Our Human Capital Management Policy Is Never-Changing

Based on the belief that people are the driving force behind sustainable growth, and that people are the capital that creates future value, the Mitsubishi Electric Group practices human capital management through a philosophy of “Innovating the Future through developing the Power of our employees.” We aim to transform into an Innovative Company and enhance our corporate value over the medium to long term by proactively investing in human capital in order to build environments to enable each employee to achieve their full potential.

### Innovating the Future through developing the Power of our employees

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

| | |
|---|---|
| Human Capital | Be curious, think and learn independently, and continuously take on BE BOLD to create value. |
| Organization | Data-driven and informed by frontline insight, anticipate latent social and customer needs to CO-CREATE new value. |
| Climate | Always face stakeholders WITH INTEGRITY and respect people’s differences to enhance individual engagement and promote a sense of unity and collaboration within our organization. |

## Human Capital Strategy—“The Three Concepts” and Our Determination to Increase Human Capital Investment by 1.5 Times

As we move toward the full rollout of Circular Digital-Engineering, which is the goal of our New Medium-term Corporate Strategy, we need to transform our business model to become a company that continues to engage with our customers and enhance value, from the introduction of components and solutions through to operations, improvements, and renewals. When formulating the New Medium-term Corporate Strategy, we also improved the content of our Human Capital Strategy, which will serve as the driving force for implementation, and defined three concepts. By implementing measures based on the following three concepts—acquiring and developing talent to drive business model transformation; developing and appointing global management leaders; and fostering a culture that generates self-driven challenges and co-creation—we will create a strong and flexible human capital structure that can compete on a global scale.

In addition, in the New Medium-term Corporate Strategy, we announced our determination to increase investment in human capital by 1.5 times from the previous Medium-term Management Plan period by FY2031, which is the period of the New Medium-term Corporate Strategy. This is a management decision that embodies our belief that people are the capital who will create future value. However, a company will not change just because it tells its employees to “be innovative.” By investing in people, our employees will change their own awareness and behavior, and the accumulation of changed behavior will renew the culture and create new corporate value for Mitsubishi Electric. Accordingly, we will steadily implement this cycle.



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Please also refer to:

IR DAY
Human Capital

## Mitsubishi Electric Group Human Capital Strategy Initiatives and Background

The Mitsubishi Electric Group has built up multiple strong businesses over a long history of more than a century since our establishment, and we have survived as a multi-industry conglomerate. On the other hand, the vertical organizational structure of our business group system led to silos of information and human capital, which created walls between departments. This led to the issue of the "conglomerate discount," whereby our true corporate value was not being fully recognized. Furthermore, a corporate culture focused on efficient operations made it difficult for employees to be bold. To overcome these challenges, we need to break down the walls between business groups and create new innovation and value. In FY2025, we revised our personnel treatment system for the first time in 20 years, focusing on realizing appropriate evaluations that lead to growth, as well as supporting autonomous career development. We have also focused on reforming our organizational culture to create environments in which varied and versatile human capital can build their careers autonomously and fully demonstrate their abilities. In FY2027, based on the new Mitsubishi Electric Group's Our Philosophy, we will work to cultivate a robust and high-quality organizational climate centered on "WITH INTEGRITY," as well as a strong organizational culture built on "BE BOLD" and "CO-CREATE."

## Strengthening DX and AX Talent to Lead Business Model Transformation

Until now, Mitsubishi Electric has focused our business on hardware and components. However, if we remain within this business framework, we will not be able to transform ourselves into an Innovative Company and it will be difficult to continue to transform our business model while allowing each and every employee to enjoy the challenges brought by new ideas. To provide an environment where new business ideas can emerge through co-creation, we established Serendie Street as a collaborative innovation space. At Serendie Street locations established in Yokohama, Osaka, and Boston, we leverage data generated across our diverse business domains through Serendie, our proprietary digital platform, to drive co-creation activities with internal and external partners aimed at developing new services and solutions. Serendie Street brings together not only DX and AX specialists but also professionals with deep expertise across our businesses. By bringing together people with varied skills and backgrounds, it serves as a leading-edge hub for value creation where challenge and co-creation thrive. Bringing together varied knowledge and people, it will serve as a platform for fostering talent and generating new challenges and opportunities for innovation.

Achieving our transformation into an Innovative Company requires not only the development of an enabling environment but also the strengthening of our DX and AX talent. We have set a target of increasing the number of DX and AX professionals from 12,000 in FY2026 to 20,000 by FY2031. To achieve this target, it is essential not only to recruit new talent but also to develop our existing workforce. In response, in April 2025 we established the DX Innovation Academy as a training organization to improve the skills of our employees. We offer courses that enable participants to acquire digital literacy in a systematic manner, and we boost their motivation by allowing them to step up to the next level while earning certifications at four levels. Approximately 1,100 employees participated in the Academy in FY2026. In FY2027, applications to the Academy increased by a factor of 3.5, and more than 3,500 employees are currently participating. In FY2027, we also opened the Yokohama Innovation Studio as an open learning hub that goes beyond the framework of conventional training facilities.



Yokohama Innovation Studio, a base for developing DX and AX talent

## Developing and Appointing Management Leaders on a Global Scale

The Mitsubishi Electric Group employs approximately 150,000 people at more than 200 companies around the world, and overseas sales account for more than 50% of total revenue. We are also actively pursuing co-creation with leading global companies to create advanced solutions. To continue growing as a truly global company, we must move beyond the traditional business division structure and the mindset of local optimization centered on Japan, and instead build the foundations and systems for company-wide talent management that optimize the Group as a whole on a global scale. To maximize the sharing and utilization of the knowledge and expertise of our varied and highly skilled talent across the Group, we are promoting global mobility initiatives that enable us to deploy, develop, and leverage talent across national and regional boundaries. With regard to the development of next-generation human capital at overseas affiliated companies, we introduced the Talent Mobility Program in FY2027 as a way of matching human capital with jobs at global sites. This Program aims to provide the motivation and opportunities needed to accelerate the professional development of next-generation human capital by providing employees with varied experiences in a planned manner and at an early stage.

Mitsubishi Electric is also promoting the creation of synergies through autonomous career development and the mobilization of internal human capital via "Job-Net," an internal transfer system that allows employees to apply for their desired positions. To expand this concept globally, we have introduced the "Global Career Passport." Job postings from Mitsubishi Electric Corporation and its overseas associated companies



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Mitsubishi Electric to Launch "Global Career Passport," A Groupwide Internal Career Recruitment Program

are shared and disclosed among the targeted companies, and successfully matched applicants are hired by the companies they apply for. In this way, we are able to promote the allocation, utilization, and development of human capital across countries, regions, and business sites. In particular, the development of successors for senior management is a key issue that transcends regional boundaries. Since FY2024, we have been operating the "L.E.A.D (Leadership Enhancement And Development)" program with the aim of fostering and generating executive candidates who will lead the future of the Mitsubishi Electric Group globally. Under this program, we openly discuss and determine the selection, development, and evaluation of future executive candidates, as well as related development policies and initiatives, with the aim of cultivating talent capable of leading the Mitsubishi Electric Group on a global scale. To accelerate this initiative, we have introduced Executive Seeds 30, a program to select approximately 30 promising CEO candidates from approximately 300 next-generation management candidates and train them as management leaders. We have also introduced Proactive Frontier Posting, a program to provide autonomous challenge opportunities for talented and motivated personnel.



Conceptual diagram showing the mobility of human capital

Through these global-scale initiatives to develop and appoint future business leaders, we plan to increase the successor readiness rate for senior management positions to 200% by FY2031. In addition, we will enable the continuous generation of human capital who can lead management through swift and accurate decision-making despite rapidly changing business environments, and establish a culture where being bold occurs in chain reactions.




* Top Talent Review Committee

Overview of the "L.E.A.D" program

## Self-driven Middle Management as the Key to Transformation

I have covered the challenges related to Mitsubishi Electric's corporate culture as discussed in Recent Human Capital Strategy Initiatives and Background, however, our Company's employees are diligent and possess a culture that values teamwork. This is the value and strength of Mitsubishi Electric's human capital. On the other hand, this also brings weaknesses when it comes to being an innovative organization, such as employees being too diligent to take the time to try new things because they are pressed for time because of the work in front of them, or being too cautious and taking too long to make decisions. Moreover, no matter how good a system is, it will be meaningless if frontline employees do not want to give it a try.

I believe that "middle management" is the key to change here. Middle management are the "hub" who convey senior management's thoughts to the workplace, and express the passions of the workplace back to the senior management. For this reason, we launched a program called Proactive Leadership Booster (PLB) to help middle management become more self-propelled. This is a guiding principle for middle-tier managers to help them evolve from simply "managing" their subordinates to becoming "leaders" who unlock the potential of their teams. First, to reduce their workload, work is organized using AI (Prep), motivation is given by appropriate reward based on correct evaluation (Lift), and a sense of unity with management is fostered so that these managers can become a bridge between senior management and the workplace (Bridge). Through these three steps, I will take the lead in building environments where middle-tier managers can thrive, as the starting point for value creation.

## The Promise to Our Stakeholders

One important indicator that we have been communicating as a way of measuring the results of our human capital investment and various measures is employee engagement. We have set a target of 70% for employee engagement for FY2031. We promise our stakeholders, including our employees, that we will increase the number of employees who can BE BOLD as they take on new challenges, who maximize the value generated through CO-CREATION, and who fulfill their accountability WITH INTEGRITY. These changes will not happen overnight. However, we are already moving steadily forward with enthusiasm. How will our investments in human capital bear fruit in the future? Please take a long-term view and look forward to seeing some positive results. Mitsubishi Electric will grow together alongside our people and use the power of human capital to open up a new future.

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Please also refer to:

IR DAY
Human Capital

# CTO Message



**Kunihiko Kaga**
Representative Executive Officer,
Executive Vice President
CTO (In charge of Technology Strategies)

## “Aiming to Be an Innovative Company That Creates New Possibilities for a Better Tomorrow, with Bold Vision and Boundless Innovation”

**The three key messages I would like to share**

1. Creating integrated solutions by combining technology assets
2. Accelerating value creation through co-creation with partners
3. Creating future growth by taking on challenges in frontier fields

## Technological Transformations at the Mitsubishi Electric Group

For more than a century since its establishment, the Mitsubishi Electric Group has developed around technologies for converting electrical energy derived from electrical machinery into mechanical energy and vice versa at the heart of its business. Starting with generators, we have advanced our technologies for power transmission and distribution, power transformation, and control, contributing to the development of power infrastructure through our motor technologies. We have also enhanced industrial automation and essential infrastructure for daily life, including air-conditioning and water treatment systems.

In addition, advances in power electronics and semiconductor technologies have enabled us to broaden the application of these technologies to the electrification of railways and automobiles and to the enhancement of precision in industrial machinery, thereby allowing us to provide value across a wide range of fields, from social infrastructure to industry, space, and defense. Through this process, Mitsubishi Electric has accumulated a wide range of technologies, including energy management, power electronics, high-speed and high-precision control, sensing, and digital and AI technologies, which we have refined into technology assets. These technological assets are a source of competitive strength in our three key focus areas: Smart Energy, Automation, Defense & Space.

### Our technology assets

- Energy management technology
- Power electronics technology
- Heat pump technology
- High-speed and high-precision control technology
- Monitoring control
- OT security
- Manufacturing expertise
- Digital and AI utilization technology
- Guidance control technology
- Sensor and radar technology

### Three key focus areas

**Smart Energy**
Main target markets
**Buildings, data centers, factories, etc.**

**Automation**
Main target markets
**Factories, buildings, etc.**

**Defense & Space**
Main target markets
**Defense and space**

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Please also refer to:

R&D

ADVANCE

## Creating Advanced Integrated Solutions through the Collective Efforts of the Entire Company

Based on these technological assets, in addition to strengthening the component business, Mitsubishi Electric is transforming its business model to make the solutions business a pillar of growth. At the core of this transformation is the Serendie digital platform. Serendie is a platform for creating solutions that address social issues and customers' management challenges by linking technologies, data, and knowledge accumulated across the Group, and integrating OT (operational technology) with IT and AI.

By utilizing Serendie, Mitsubishi Electric is evolving from providing individual devices in its focus areas to delivering value through the optimization of entire systems. Based on the concept of Circular Digital-Engineering, we are developing solutions to achieve system-wide optimization in areas such as energy management and smart factories.

As one example, in the data center field, Mitsubishi Electric will combine its energy control and digital technologies. By achieving a PUE of 1.1, representing world-class energy efficiency, we aim to realize next-generation data centers that contribute to reducing customers' energy costs and environmental impact. In the manufacturing field, we will integrate equipment, production-line, and operational data to promote the realization of lights-out factories through autonomous cooperative control across entire factories and the autonomous operation and advancement of shop-floor operations, thereby enhancing responsiveness to market fluctuations and contributing to improved productivity.

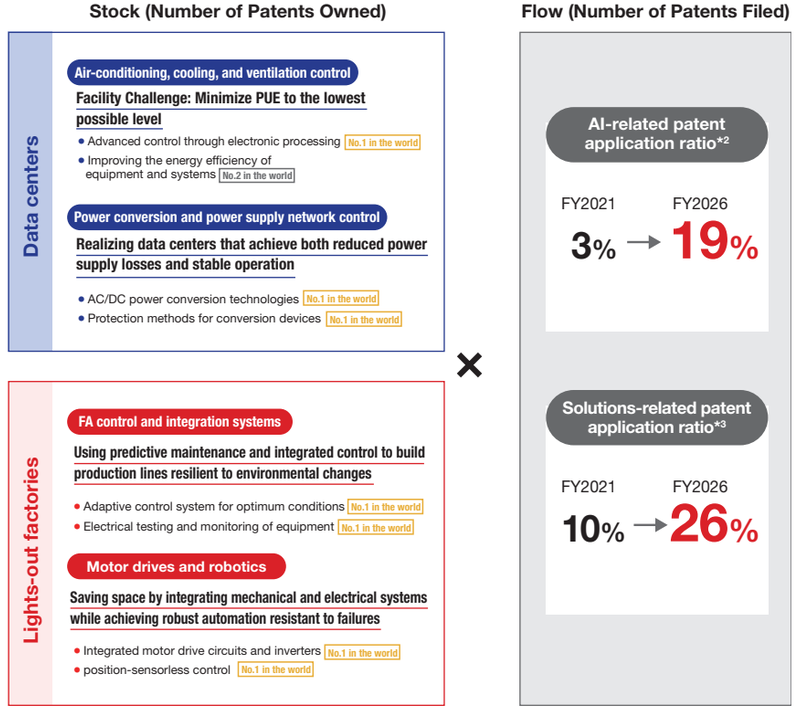
These initiatives demonstrate that Mitsubishi Electric is creating value beyond individual optimization through the integrated use of its technological assets and will serve as a source of competitive advantage that supports future growth.

P.33 Special Feature: Creating Solutions to Address Our Customers' Management Challenges

## Topics

### Intellectual Property Initiatives to Create Integrated Solutions

Mitsubishi Electric will create high-value-added solutions by integrating digital technologies with world-class intellectual property assets. We will use intellectual property as a source of competitiveness and growth to achieve sustained enhancement of corporate value.




*1 The above rankings are based on the number of registered patent families in the International Patent Classification (IPC) that fall into the relevant technical fields according to Mitsubishi Electric's research (as of June 2026).
*2 Ratio of Mitsubishi Electric's patent applications related to AI.
*3 Ratio of Mitsubishi Electric's patent applications related to solutions.
*4 We possess world-class intellectual property relating to power semiconductor packages and cooling technologies commonly used in the above solutions.

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## Accelerating Value Creation through Co-Creation with Partners

Mitsubishi Electric has positioned co-creation with external partners as one of its key technology strategies to further accelerate the creation of solutions centered on its technology assets. To further enhance value creation, it is essential to combine diverse technologies and knowledge that would be difficult for us to develop or acquire on our own.

By combining Mitsubishi Electric's manufacturing expertise and highly reliable control technologies with cutting-edge digital technologies and research results from universities, research institutes, start-ups, and companies in other industries, we strive to create new technological value and dramatically accelerate developments.

Specifically, in collaboration with the Chiba Institute of Technology, we are promoting research and development in homegrown physical AI that will contribute to the advancement of robots and industrial equipment. Moreover, through University–Society Collaboration Course with the University of Tokyo, "Design Engineering for Creating Semantic and Social Value," we are engaged in research and human resource development aimed at establishing new design-engineering methodologies for design and value creation based on the values of people and society, in addition to engineering technologies. These co-creation efforts have led to the creation of new solutions that capture the essence of social issues and customer value without being limited to specific fields or applications, contributing to the strengthening of Mitsubishi Electric's competitiveness across its key focus areas.

Going forward, we will further accelerate value creation through the integration of diverse knowledge by expanding our global collaboration with universities, research institutes, start-ups, and other technology partners.

Mitsubishi Electric and the Chiba Institute of Technology to Co-Research and Develop Homegrown Physical AI

## Taking on Challenges in Frontier Fields

In addition to strengthening the technological foundation that underpins our Medium-term Corporate Strategy, Mitsubishi Electric will proactively take on the challenge in frontier fields in anticipation of significant future growth. Advanced fields such as quantum technologies, nuclear fusion, next-gen AI, and optical computing have the potential to transform the very fabric of our society and industry, and these are important areas that will serve as a source of competitiveness over the medium to long term.

In these fields, we will leverage Mitsubishi Electric's strengths in energy control, high-precision equipment, and sensing technologies cultivated over many years, while advancing technology development and establishment through collaboration with research institutions and partners. In particular, technologies that contribute to advances in energy and computing infrastructure are highly compatible with our growth areas and are expected to expand future business opportunities.

"Promote innovation to achieve sustainability" has been added as a new item to Mitsubishi Electric's Materiality as part of our efforts to anticipate the future of society and promote R&D and the social implementation of advanced technologies to address social and environmental challenges. In addition to contributing to short-term earnings, we will continue to expand the possibilities for creating value for the future through ongoing investments in and challenges related to these frontier fields, thereby contributing to the long-term enhancement of corporate value.

P.46 Materiality (Important Challenges)

## Topics

### Mitsubishi Electric and the Chiba Institute of Technology to Co-Research and Develop Homegrown Physical AI



Mitsubishi Electric has signed a basic agreement with the Chiba Institute of Technology to research and develop homegrown physical AI technologies for public and private sector applications. The two parties will establish a co-creation center and promote the commercialization of AI robotics solutions utilizing autonomously controlled robots, including multi-legged walking robots, humanoid robots, and drone-type robots.

In recent years, against the backdrop of labor shortages and aging social infrastructure, expectations for automation and autonomous operation are growing at manufacturing sites and infrastructure maintenance and inspection sites. On the other hand, it remains difficult to automate detailed decisions and tasks in response to changing environments and situations, and expectations are growing for physical AI as a solution. Through this project, Mitsubishi Electric will promote the development of homegrown physical AI and peripheral technologies by fusing its manufacturing and maintenance knowledge, high-precision motion control technology, and sensing technology cultivated over many years, with the Chiba Institute of Technology's robotics and large-scale physical modeling technologies. These technologies are expected to be used in a wide range of fields, including infrastructure maintenance, disaster response, and logistics, in addition to realizing advanced solutions such as lights-out factories. Through this co-creation, we will help to address social issues such as labor shortages and aging infrastructure, and accelerate the commercialization of AI robotics solutions to create new value.

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Please also refer to:

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# Message from the Executive Officer in Charge of Sustainability



**Seiji Oguro**
Executive Officer
In charge of Auditing; Vice President, Corporate Strategic Planning; In charge of External Relations; In charge of Sustainability; Vice President, Sustainability Innovation Group

"Accelerate 'Trade-On (mutual benefits)' initiatives by both creating value and strengthening our foundation as we pursue sustainability"

The three things I want to talk about

1. Accelerate the creation and expansion of "Trade-On (mutual benefits)" businesses
2. Deepen initiatives for strengthening our business foundation to enable sustainable growth
3. Promote initiatives for strategic sustainability disclosure

## Sustainability at the cornerstone of our management

Amid a rapidly changing society and economy, the landscape surrounding sustainability again shifted significantly in 2025. In some countries and regions, related policies have been revised, and the view that sustainability initiatives are facing headwinds has emerged. In reality, however, extreme weather events such as record-breaking heatwaves and heavy rainfall are increasing, and social and environmental challenges are becoming more serious. Against the backdrop of rising electricity demand driven by the spread of AI and data centers, as well as soaring energy prices and the emergence of geopolitical risks, the importance of sustainability is further increasing, not only from an environmental perspective but also in terms of energy security and resource circulation. Under these circumstances, the management policy of the Mitsubishi Electric Group states that we position sustainability as the cornerstone of our management. By pursuing "Trade-On (mutual benefits)" that simultaneously achieve our business growth while addressing social and environmental challenges, we will advance truly substantive sustainability management.

## Truly Substantive Sustainability Management in Times of Uncertainty

The world's uncertainty and complexity are increasing year by year, and the business environment is undergoing dramatic changes due to shifts in the social landscape and the rapid evolution of generative AI. It is difficult for companies to predict all of these changes in advance. I believe that sustainability management, which involves thoroughly analyzing and assessing the environment surrounding the Company and is pursued with a medium- to long-term perspective, is also an essential element for sustainable corporate growth.

In FY2026, the Mitsubishi Electric Group again identified materiality (important challenges) that serve as guidelines for sustainability initiatives. To do this, we analyzed and assessed the social and environmental impacts, and associated risks and opportunities, of the Mitsubishi Electric Group's businesses, and clarified the importance of sustainability issues through dialogue with internal and external stakeholders. The five new areas of materiality set out the goals to be achieved for realizing sustainability from the dual perspectives of value creation and foundation enhancement.




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Please also refer to:

IR DAY

Sustainability

From the perspective of value creation, we will address social and environmental challenges through our businesses, focusing on the priority areas in our New Medium-term Corporate Strategy. From the perspective of foundation enhancement, we have set “Achieve carbon neutrality at factories and offices by the fiscal year ending March 31, 2031” as one of our target/initiative indicators, and will actively promote energy conservation, electrification, and the introduction of renewable energy.

The Mitsubishi Electric Group has steadily achieved results in areas such as environmental measures, human capital strategies, and the promotion of human rights initiatives, earning high praise from external organizations around the world, including the highest rating for the eighth time and third consecutive year from the CDP*1 in 2025 in both the “Climate Change” and “Water Security” categories, and for the ninth time and sixth consecutive year in the “Supplier Engagement Assessment” category. Regarding human rights issues across the value chain, we will expand the use of RBA-SAQ*2 for risk identification at Group sites worldwide and further advance improvement activities.

In terms of information disclosure, we view compliance with globally expanding non-financial reporting standards as an opportunity to further strengthen our management foundation. As a first step, the entire Group is working toward compliance with the sustainability disclosure standards published by the Sustainability Standards Board of Japan (SSBJ) in March 2025 and with Europe’s Corporate Sustainability Reporting Directive (CSRD), while improving the efficiency of data collection. Information disclosure plays a key role in engagement with stakeholders and leads to increased transparency and credibility in our corporate activities. We will steadily advance initiatives for disclosing information useful to our shareholders and investors, with the aim of becoming a leading company in sustainability.

P.46 Materiality (Important Challenges)

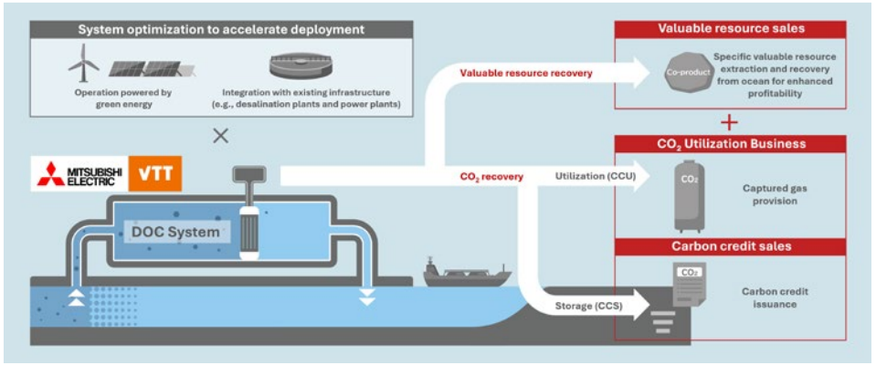
*1 An international NGO that investigates, evaluates, and discloses environmental initiatives undertaken by companies and cities https://www.cdp.net/en
*2 RBA Self-Assessment Questionnaire (RBA: Responsible Business Alliance)

## Creating and Expanding “Trade-On (mutual benefits)” Businesses That Turn Sustainability into a Driver of Business Growth

One of the Mitsubishi Electric Group’s initiatives is the “GIST* Project,” which aims to accelerate addressing social and environmental challenges through businesses from a global and sustainability perspective. Through a backcasting approach, we continually test and refine ways to create new businesses that are unprecedented within the Group.

One of our new projects is Direct Ocean Capture (DOC), which contributes to realizing carbon neutrality by capturing and removing $CO_2$ from the atmosphere via seawater. We are developing this technology jointly with VTT Technical Research Centre of Finland Ltd. and have already completed the core development of the DOC system. Going forward, while considering integration into existing large-scale seawater infrastructure, such as desalination facilities and power plants, we will accelerate initiatives toward commercialization and early implementation in society.

*Global Initiative for Sustainable Technology




Mitsubishi Electric and Finland’s VTT Establish Core Technology for Direct Ocean Capture

In addition, we are working to create new businesses through cross-industry partnerships, including industry-academia collaborations to promote the social implementation of a carbon dioxide capture and utilization (CCU) system that handles all processes from $CO_2$ capture to utilization.

Mitsubishi Electric Signs Collaboration Agreement with ITRI and TTL Jhunan Brewery in Taiwan for Demonstration Tests of the Capture and Utilization of $CO_2$

Meanwhile, we are also working to address social and environmental challenges through our existing businesses. The key to this area is innovation through Circular Digital-Engineering. By utilizing diverse data via Serendie to provide solutions that maintain continuous connections with our customers, we will contribute to addressing social and environmental challenges while driving the sustainable growth of our business. One example is the Railway Energy Management Solution, which analyzes various types of railway operational data to visualize energy flows, contributing to optimal energy use and the deployment and operation of railway assets. Furthermore, we aim to optimize energy use across entire regions by integrating railway and regional power systems. We also seek to enhance disaster resilience by securing emergency power supply facilities at key public locations such as train stations. As a solution that contributes to

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Please also refer to:
IR DAY
Sustainability

the realization of carbon neutrality and a safe, secure society, we have begun technical cooperation and demonstrations overseas and are steadily advancing toward capturing growth opportunities on a global scale.

Serendie – Stories Railway Energy Management Solution

Mitsubishi Electric Launches Railway Data Analysis Service Utilizing Serendie Digital Platform

Mitsubishi Electric Collaborating with JICA and Hankyu to Promote Energy Conservation of Manila's Light Rail

Mitsubishi Electric to Launch Railway Energy Management Solution Proof of Concept for Krakow Tram Network in Poland

## Creating Value for the Future

Amid rapid changes in social trends and the business environment, the Mitsubishi Electric Group needs to continuously address social and environmental challenges not as "costs" or "constraints" but as "growth opportunities" that lead to new value creation and greater competitiveness. Moreover, new innovations are essential to addressing social and environmental challenges and realizing a sustainable future. Based on this thinking, we have added "Promote innovation for sustainability" as a new area of revised materiality.

I believe that the actions of each and every colleague are what drive innovation toward a sustainable future. The Mitsubishi Electric Group has a wide range of business domains that have been cultivated over many years, and are supported by solid technological capabilities. To embody our purpose, "We create new possibilities for a better tomorrow, with bold vision and boundless innovation," maximize our potential, and drive innovation, it is important to break free from existing business frameworks and create new value through co-creation with a broad range of talent and partners. Going forward, we will continue to promote sustainability through a dual approach: value creation and foundation enhancement. Under the concept of "Trade-On (mutual benefits)," we will generate a virtuous cycle between addressing social and environmental challenges and business growth. Together with our stakeholders, we will continue to take on the challenge of creating value for the future, with the aim of building a safe, secure, and sustainable society for the next generation.

## Topics

### New Power Semiconductor Plant Building That Contributes to Reduced Environmental Impact Even during Manufacturing

As efforts toward carbon neutrality accelerate, demand is growing for power semiconductors that support a wide range of industries and social infrastructure. To enhance production capacity, Mitsubishi Electric Power Device Works commenced operations at a new plant building in November 2025. As a SiC power semiconductor wafer processing plant building, it is the first in the industry*1 to adopt a state-of-the-art ultra-high-efficiency air-conditioning system, reducing power consumption for cleanroom by 30%.*2 In addition, the recycling rate for the large volumes of water used in the manufacturing process has been increased to more than 70%. Through comprehensive energy conservation and water recycling measures, Mitsubishi Electric is realizing environmentally conscious factory operations that coexist in harmony with the global environment.

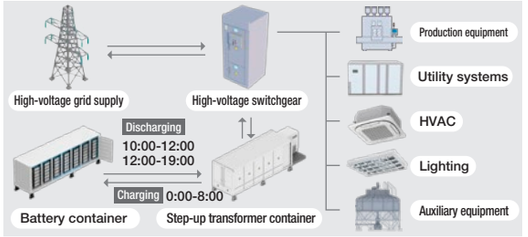
*1 According to Mitsubishi Electric research as of September 1, 2025
*2 Simulation value under full equipment installation conditions



Shisui Plant, the new 8-inch SiC Power Semiconductors Wafer Plant Building at Mitsubishi Electric Power Device Works

### Promoting Decarbonization and Optimizing Energy Costs through Energy Storage Station Deployment

In China, driven by the widespread adoption of time-of-use (TOU) electricity pricing (peak, mid-peak, and off-peak) to stabilize power supply and demand, interest in load leveling using battery storage has been rising. Against this backdrop, Mitsubishi Electric (Guangzhou) Compressor Co., Ltd. (MGC), introduced its demand-side energy storage station (total capacity: 2.9 MW/15 MWh, annual discharged energy: approximately 3.56 million kWh), the first Mitsubishi Electric site in China to adopt this system, which commenced operation in September 2025. By leveraging TOU price differentials, this facility reduces annual electricity costs by approximately 380,000 yuan. It also ensures emergency backup power during outages, helps to stabilize the power grid, and enables the use of green power through on-site PPAs. Over a 15-year period, this initiative is expected to reduce $CO_2$ emissions by approximately 78,900 tons and cut overall costs by approximately 5.71 million yuan, successfully balancing decarbonization with profitability.




Schematic diagram of the energy storage model at Mitsubishi Electric (Guangzhou) Compressor Co., Ltd. (MGC)

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# Message from the Chairperson of the Board of Directors



**Hiroyuki Yanagi**
Outside Director
Chairperson of the Board of Directors, Member of the Nomination Committee, Member of the Compensation Committee

## “Raising the Visibility of Corporate Transformation and Achieving Further Growth by Combining Logic with Sensitivity”

**We asked Hiroyuki Yanagi, Chairperson of the Board of Directors, to recap FY2026, evaluate the current state of management, and share his aspirations for the future.**

### Q How do you rate the current corporate governance system and its effectiveness?

A Both the executive side and the Board of Directors have a strong attitude toward promoting reforms with the aim of improving effectiveness.

In addition to evaluating the effectiveness of the Board of Directors, regular opportunities are provided to the Outside Directors to share their views on board operation. Whenever identified issues were communicated to the executive side, these were reflected in the management quickly. Prompt reforms are built on a relationship of trust between the executives and the Board of Directors. As one example from FY2026, we newly requested the President to start Board of Directors meetings by reporting on management topics. The President described the important issues as an executive officer from a management perspective in terms of how he saw the issues and planned to proceed. Without trust, important information might not be reported in a timely manner, but this is one example of Mitsubishi Electric sharing information openly. In addition, the Board of Directors, the three statutory committees, and the executives closely share information, and I feel that we are able to work with a sense of unity to improve the effectiveness of the company. We will continue to strengthen the relationship of trust between supervisory and executive teams, while working to further improve effectiveness.

### Q Were there any spirited discussions at Board of Directors meetings in FY2026?

A As one example, we discussed the acquisition of Nozomi Networks, Inc. (now a wholly owned subsidiary), which is a U.S. provider of OT (operational technology) security solutions. This was a highly strategic acquisition in terms of both business and technology, and one of the largest acquisitions Mitsubishi Electric has ever experienced. Mitsubishi Electric is a company with a three-committee system, and business execution, including investment decisions, is essentially decided by the executives. However, important investment matters are shared and confirmed in advance by the Board of Directors. In the course of our discussions on this matter, we confirmed three points in particular: whether the strategic view and comprehensiveness of the grand design were appropriate; whether the grand design was sufficiently objective; and whether it would be an all-out effort to support the acquisition across the entire company. These were important perspectives from the viewpoint of Board of Directors’ oversight of an acquisition project. The executives responded sincerely to all of these questions and set out the overall picture. As a result, the decision to acquire Nozomi Networks, Inc., was supported. We believe it was a good investment that will help to realize transformation of the business model into one of continuous customer engagement, as stated in the New Medium-term Corporate Strategy. The Board of Directors will continue to oversee PMI progress to ensure that this challenge is a success.



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## Message from the Chairperson of the Board of Directors

**Q What kind of discussions were held in the process of formulating the New Medium-term Corporate Strategy?**

A When formulating the New Medium-term Corporate Strategy, we spent considerable time in face-to-face discussions with the executives at Board of Directors meetings. In this context, we placed particular emphasis on whether corporate transformation had become easier to understand and more visible. For example, in terms of business strategy, we discussed and confirmed how to transform the business model across the company, and what kind of road map we should draw in order to steer toward a solutions-proposing business, rather than simply accumulating numerical targets or conducting planning as an extension of the existing business plan. Through repeated discussions, there was improved visibility of Mitsubishi Electric's new philosophy, numerical targets, human capital strategy, and business strategies. In particular, the business strategy defines three areas to focus on: Smart Energy, Automation, and Defense & Space. We can now see at a glance that the business strategies are not based on silos for each business, but on horizontal, cross-domain business strategies. I think it would be fair to say there has been a transformation.

**Q Could you please describe the essence of the New Medium-term Corporate Strategy?**

A To maximize the value that a company generates, it is necessary to create synergies among people, technology, and values. For this reason, I believe there are still many obstacles to overcome at Mitsubishi Electric. The first of these issues is organizational barriers. I would like to see Mitsubishi Electric mobilize all of its capabilities beyond the boundaries of individual business groups and to work as a whole company to address customer management challenges. It is clear that the nature of the organization is changing as a result of co-creation with leading global companies and technology partners. I look forward to seeing the executive officers and associate executive officers exercising leadership in the creation of advanced solutions and accelerating the cycle of achieving transformation rather than simple change. The second of these issues is business model barriers. The key here is to realize a business model of continuous customer engagement through the penetration of Circular Digital-Engineering, and move away from the hardware-only sales model that has been the mainstream of Mitsubishi Electric's business. The third issue is the barrier of mindset. Mitsubishi Electric employees are the driving force behind the execution of its business strategies, so it is important to have a culture in which they can enjoy being bold and co-creating autonomously. I value the fact that the new "Our Philosophy" was formulated to reflect this understanding. The fourth issue concerns barriers to profitability and capital efficiency. The New Medium-term Corporate Strategy places the highest priority on improving profitability and capital efficiency, while also aiming to achieve stable revenue growth. To expand its earnings base over the medium to long term, Mitsubishi Electric needs to make aggressive growth investments, including M&A and equity investments, while taking into account the balance with shareholder returns and financial discipline. The Board of Directors will continue to provide oversight to ensure that risk-taking is appropriate.

**Q What measures are needed to create even more value?**

A I remind the executive officers and associate executive officers that it is important to combine logic with sensitivity. I get the impression that Mitsubishi Electric has a large number of logical people, but from my own experience, if you place too much emphasis on logic, your organization will become rigid and it becomes difficult to generate new ideas. As I said at the Board of Directors, let's cherish our animal spirits. This means that individual sensibilities, such as intuition and inspiration, are also important when it comes to creating innovation. I would like to see an organizational culture fostered that tolerates and nurtures ambitious ideas that have yet to be put into well-formed proposals. I want to see Mitsubishi Electric boldly taking on the challenge of increasing corporate value, including the creation of new businesses, beyond its current business fields.

> "To maximize the value that a company generates, it needs to create synergies between people, technology, and values."

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# Message from the Chairperson of the Board of Directors

**Q What is your evaluation of the Mitsubishi Electric Group's succession plan, and what kind of management talent will likely be needed in the future?**

A I believe that the term "inheritance," which means succession in the context of biological genes, culture, and traditions, is more appropriate than "succession," which is more commonly used to refer to the process of cultivating and replacing the next generation of management. To achieve sustainable growth in corporate value, it will be essential to maintain a balance between continuity and innovation by continuing the roots and traditions of the past, while also building new value that meets the needs of the times.

In an increasingly uncertain business environment, there are two major requirements for the next generation of leaders to lead the company. First, they must be capable of creating solutions independently. In an age when the right answers cannot be found as an extension of previous ways of doing things, we cannot come up with winning strategies simply through an accumulation of logic. We need leaders who can use their sensitivity, translate their intuition and inspiration into language, and get their teams involved in overcoming difficulties. Second, they must be people who understand the concept of "inheritance" correctly and can create new value without becoming complacent about the foundations established by their predecessors, while inheriting the good aspects. Old customs that need to be changed must be changed boldly, while the technologies and DNA that have been handed down from generation to generation must be carefully preserved. I want the next generation of leaders to believe in their own potential for growth and to possess the spirit to build the best Mitsubishi Electric Group we have ever seen.



> "Old customs that need to be changed must be changed boldly, while the technologies and DNA that have been handed down from generation to generation must be carefully preserved."

**Q What are your expectations for Mitsubishi Electric in terms of medium- to long-term growth, and what motivates you as Chairperson?**

A The New Medium-term Corporate Strategy will now move to the implementation stage. The important thing is that strategic perspectives and practical activities spontaneously take root among our employees. It is the role of senior management to encourage this self-motivation. To do so, I would like them to work with a determination to break away from past customs and assumptions, and possess the tenacity to prove that their chosen strategies are the right ones. The Board of Directors supports resolute decision-making by using imagination to understand what is going on in the field, based on an understanding of the "Four Actuals"—actual place, actual thing, actual situation, and actual people—so that various proposals do not simply become "armchair theories." We will support the Mitsubishi Electric Group's corporate transformation, business model transformation, and transformation into an Innovative Company.

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# Corporate Strategy Q&A

**Q** Please explain the background to setting the financial targets for FY2031 (adjusted operating profit margin of 12% or more, ROE of 12%).

**A** The adjusted operating profit margin of 12% is a target that we plan to achieve through steady progress. Adding “or more” to this target shows that we aim to achieve even higher profitability. We see ROE of 12% as a milestone to reach in FY2031. In the future, we will strive to increase capital efficiency to around 15%, which is on a par with our global competitors.

**Q** What are the policies for utilizing the 2 trillion yen in growth investments and 1 trillion yen in additional investment capacity?

**A** During the five year period from FY2027 to FY2031, we plan to allocate approximately half of our growth investments of 2 trillion yen to capital investment, M&As, and equity investment. More than 80% will be concentrated investments in focus businesses. Moreover, an additional investment capacity of 1 trillion yen has been set in advance so that if there are attractive M&A or equity investment projects, we can flexibly invest by utilizing leverage with a D/E ratio of around 0.3 as a guideline.

**Q** What is the strategy for M&As and equity investments?

**A** We will consider investments that will lead to business strengthening and an expansion in stable earnings, mainly in the Smart Energy and Automation areas. To establish a business model that allows continuous customer engagement and growth, in addition to strengthening our components business, we envisage M&As and equity investments such as acquiring capabilities related to maintenance and services, as well as the digital and AI fields. We will make appropriate decisions on a case-by-case basis for each deal, while giving due consideration to capital efficiency and synergies.

**Q** What were the results of structural reforms during the previous Medium-term Management Plan?

**A** In reforming our business portfolio, we invested in key growth businesses and promoted the establishment of a structure for realizing Circular Digital-Engineering. At the same time, we worked to develop an optimal operating system by building a business area system and reorganizing associated companies. Furthermore, at the same time as strengthening our existing businesses, we have also been steadily reviewing the termination or continuation of our businesses. Specifically, during the previous Medium-term Management Plan period, we completed reviews totaling 1.5 trillion yen*, including the decision to proceed with divestments and conversions to joint operations totaling around 1 trillion yen during FY2026.

We have now largely completed reviewing the termination or continuation of our businesses, but we will continue to closely monitor changes in the business environment and consider whether we are able to secure profitability that exceeds capital costs, and we will continue to examine the optimal portfolio.

* Total revenue of the fiscal year in which the decision to withdraw/divest/deconsolidate each business was made.

**Q** Can you tell us more about the digital platform Serendie?

**A** “Serendie” is a coined word that combines “Serendipity” with “Digital Engineering.” It provides new value by aggregating and analyzing the data generated by the components and systems operating in the customer’s field into a digital space, and then evolving the components, maintenance/services, and integrated solutions based on the customer’s potential issues and needs.

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

**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 engagement along with extensive field knowledge. Rather than focusing on software, utilizing Serendie allows us to provide solutions that integrate our strengths in components with digital technology.

Seizing the evolution of AI as a golden opportunity, we will further enhance the added value of components by using our proprietary physical AI, which utilizes our technology assets and field knowledge to pursue advanced solutions.

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Please also refer to:

IR DAY

Briefing on Agreement to Wholly Acquire PCI Energy Solutions Strengthening Smart Energy Area

Special Feature

# Creating Solutions to Address Our Customers' Management Challenges

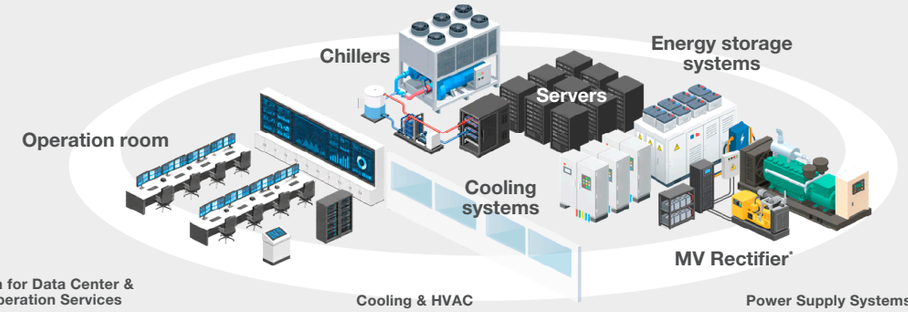
Social and environmental challenges such as energy issues, climate change, and labor shortages, are becoming increasingly complex.
Through the integration of diverse technologies and strengths, as well as co-creation with our partners, the Mitsubishi Electric Group will work as one to help address the management challenges faced by our customers.

## Case 1 Initiatives for Realizing World-leading Energy Efficient Data Centers (PUE1.1)

**Leading global companies**
Demonstration site and operational know-how

**Mitsubishi Electric Group**
Integration of Mitsubishi Electric's diverse technologies and strengths

**Technology partners**
Cutting-edge technologies




**SCADA System for Data Center & Data Center Operation Services**
**Autonomous energy control**
AI-driven autonomous control of cooling systems

**Cooling & HVAC**
**Reduced energy consumption**
Development of next generation cooling systems (e.g., two-phase liquid cooling systems)

**Power Supply Systems**
**Reduced power conversion losses**
Development of next generation power supply systems (800VDC)

* Medium-voltage rectifier

To achieve a PUE of 1.1, we offer an optimal energy-saving solution that integrates the power supply systems, IT Cooling systems, and monitoring and control systems. By co-creating with our global partners, we aim to realize 800VDC next-generation power supply systems using in-house SiC power devices as early as possible, and to promote the development of next-generation cooling systems incorporating two-phase liquid cooling technology. Furthermore, we will contribute to the realization of a sustainable and highly efficient data center by optimizing the control of cooling and power supply systems, and by making services and maintenance smarter through solutions developed by Mitsubishi Electric in order to optimize operations using AI.

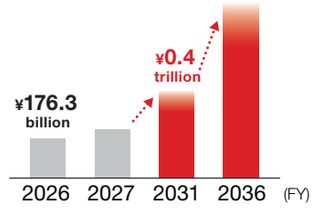
### Voice

**Driving Growth in Data Center Businesses by Maximizing Company-wide Synergies**



Senior General Manager,
Data Center Strategy Office
**Shinichiro Matsutani**

The Data Center Strategy Office was established in April 2026 as an organization to coordinate data center–related products, technologies, and sales activities from a company-wide and global perspective. Starting from the evolution of AI, the data center market has entered a phase of rapid growth, and technological innovation is changing the competitive landscape and players. By horizontally linking the measures implemented until now at individual business groups and creating integrated solutions through the collective efforts of the Mitsubishi Electric Group, we will drive the growth of businesses with high profitability and capital efficiency.




Data center–related business revenue*

*Power supply systems, IT Cooling systems, optical devices, monitoring and control systems, and factory automation–related components. After consolidation adjustments.

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Please also refer to:


IR DAY
Mitsubishi Electric Signs MoU with Hon Hai Precision Industry for Global Alliance in AI Data Center Solutions
Mitsubishi Electric's ME Innovation Fund Invests in Lucend, U.S. Startup Driving Data Center Operational Optimization

Special Feature

# Creating Solutions to Address Our Customers' Management Challenges

## Case 2 Working to Realize Lights-out Factories

**Leading global companies**
Demonstration site and operational know-how

**Mitsubishi Electric Group**
Integration of Mitsubishi Electric's diverse technologies and strengths

**Technology partners**
Cutting-edge technologies

### Autonomous coordinated control across entire factories

AI orchestration autonomously performs coordinated control optimized for entire factories.




**Automation of operations at manufacturing sites**
Leveraging our automation technologies will help realize advanced production. We collect real-time data from PLCs and CNCs*, and assign meaning to the data for AI utilization.

**Autonomization and advancement of on-site improvement**
AI agents embedded with manufacturing know-how enable autonomous on-site improvement. AI and digital twins enhance and streamline engineering, including equipment design and development.

**Unmanned on-site operations**
We embed our proprietary physical AI, leveraging field knowledge and component expertise, into humanoid robots and related systems to automate human tasks, including the skills of master craftsmen, and achieve unmanned operations.

*Computerized Numerical Controllers

## Topics

### Developing Factory Intelligence Solutions Rooted in Production Sites

We are utilizing the Mitsubishi Electric Group's production sites to develop AI agent suites that autonomously perform processes from identifying issues on-site through to improvements based on real-time data obtained from components such as programmable logic controllers (PLCs). We will integrate automation technologies, manufacturing expertise, and AI to make the entire factory more intelligent.

## Topics

### Signing a Basic Agreement on Homegrown Physical AI R&D with the Chiba Institute of Technology

Mitsubishi Electric has signed a basic agreement on research and development into homegrown physical AI with the Chiba Institute of Technology. A co-creation center will be established to promote the commercialization of AI robotics solutions to meet demand from both the public and private sectors, utilizing a wide variety of autonomous control robots, including multi-legged walking robots, humanoid robots, and drone robots.

## Voice



### Significant Factory Productivity Gains through Comprehensive Strengths, Including Partner Co-creation

Corporate Executive,
Senior General Manager, Global Key Account Development Center, Cross Business Project
**Hiroyuki Akita**

We are currently working with our global partner customers to co-create solutions for realizing lights-out factories at their manufacturing sites. We are translating our manufacturing know-how—accumulated through operating factories autonomously, much like living organisms—into AI and Serendie. By leveraging autonomous, cooperative on-site control powered by physical AI, we will provide lights-out factory solutions. Through autonomous factory solutions, we aim to help our customers address key management challenges—strengthening their ability to respond to market fluctuations and improving productivity. At the same time, we aim to create an environment where people can focus on more advanced and creative work.

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Please also refer to:


IR DAY
Mitsubishi Electric and Chiba Institute of Technology to Co-Research and Develop Homegrown Physical AI

# Infrastructure Business Area



## Principal Products



### Public Utility Systems Business

**Facilities (public)**
Power supply systems for large-scale electricity users, monitoring and control systems for water treatment plants, and communication systems

**Mobility (transportation)**
Rolling stock systems



### Energy Systems Business

**Power transmission and distribution**
Energy solutions, substation equipment, and power electronics equipment

**Power generation**
Supervisory control systems for power generation plant, power supply, and demand operation solutions




### Defense & Space Systems Business

**Defense**
Missile systems, radar systems, command and control systems, electronic warfare systems

**Space**
Satellite systems and satellite observation solutions

## Strengths of the Business

**Strength 1** Extensive delivery track record, customer base, and partnerships with leading companies

**Strength 2** Integrated engineering capabilities, power electronics technology, and EMS cultivated through the infrastructure business

**Strength 3** World-class technological infrastructure in defense & space systems

## Recognition of the Business Environment

### Opportunities

- Increased electricity demand and related investments driven by the expansion of data centers and the progress of electrification
- Expansion of global defense spending and fundamental changes in the nature of national security

### Challenges

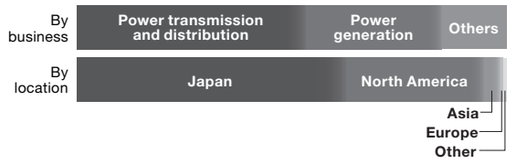
- Creation of new solutions that help to address social and environmental challenges and customers' issues
- Rapid increase in demand due to increased defense budgets, and response to new fighting methods and technological innovation

## Breakdown of Revenue (FY2026)

### Public Utility Systems Business



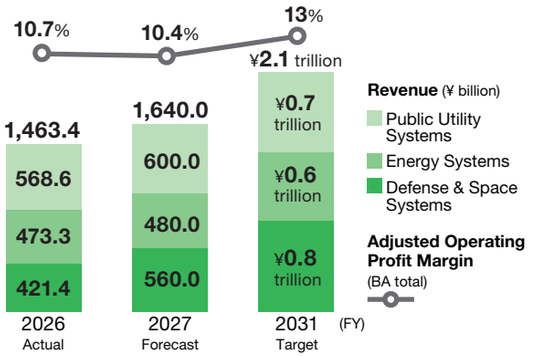

### Energy Systems Business




### Defense & Space Systems Business




## Revenue, Adjusted Operating Profit Margin, and ROIC*




| ROIC | FY2026 Actual | FY2031 Target |
|---|---|---|
| **Infrastructure BA** | 11.0% | 9% |
| **Public Utility Systems** | 12.3% | 10% |
| **Energy Systems** | 12.4% | 10% |
| **Defense & Space Systems** | 7.9% | 8% |

* Announced May 29, 2026



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Please also refer to:

IR DAY

Products & Solutions

## Infrastructure Business Area



# Contributing to the Creation of a Safe, Secure and Sustainable Future through Technology That Addresses Social and Environmental Challenges

**Hideto Negoro**
Executive Officer
Infrastructure Business Area Owner

### Q Could you tell us about the achievements and challenges of the previous Medium-term Business Plan?

A We have been enhancing our business foundations and shifting our business portfolio with a long-term growth strategy in mind.

As a result of strengthening our business foundations, we have succeeded in establishing a profit structure in our core businesses in facilities, mobility, and energy. At the same time, through our asset-light oriented management, we achieved an adjusted operating profit margin of 10.7% and ROIC of 11% for the Infrastructure Business Area as a whole in FY2026. In addition, we made steady progress in planning a business portfolio with a focus on business fields where budget increases and market expansion are expected, including concentrating resources toward the defense systems business and promoting the solutions business. To achieve further growth, I believe that the key points are to provide solutions by maximizing company-wide synergies across business areas and business groups, and to establish our position in global markets through M&As and strategic alliances. We will focus on these objectives in our New Medium-term Business Strategy.

### Q What measures are being taken to achieve the New Medium-term Business Strategy?

A We will work to expand the solutions business by leveraging our engineering capabilities, establish a strong global position in decarbonization components, and achieve sustainable growth in the defense & space systems business by leveraging our strengths. First, in the solutions business, Mitsubishi Electric has an extensive delivery track record and customer base, and by adding digital services leveraging Serendie we will develop new solutions to address customers' issues, such as energy and labor saving in the facilities, mobility, and energy fields. In the data center–related business in particular, Mitsubishi Electric will use integrated engineering that leverages our abundant assets, such as power supply systems, IT Cooling systems, optical devices, supervisory control systems, and FA-related components, in order to maximize company-wide synergies and provide components and solutions all at once. Next, in the decarbonization components business, we will work with our technology partners to launch businesses to market in a timely manner and establish a solid position in the global market. Finally, in the defense & space systems business, we will enter new business fields that respond to technological innovations and new ways of fighting by combining the traditional fields of land, sea, and air with the new fields of space, cyber, and electromagnetic waves. At the same time, we will address global supply shortages for equipment and establish our position in the global market. We will promote service-oriented businesses centered on the national security sector, thereby helping to achieve sustainable growth. Through these measures, we will expand our business and increase the ratio of our solutions business. We aim to achieve revenue of 2.1 trillion yen and an adjusted operating profit margin of 13% for the Infrastructure Business Area as a whole in FY2031.

### ▶ Related Indicators

| | FY2026 Actual | FY2027 Forecast | FY2031 Target |
|---|---|---|---|
| **Revenue composition of the solutions business** (Public utility and energy systems businesses) | 14% | 13% | 21% |
| **Revenue from the data center business** (UPS and other power supply systems) | ¥86.5 billion | ¥100.0 billion | ¥180.0 billion+ |
| **Revenue from the decarbonization components business** | ¥23.5 billion | ¥35.0 billion | ¥120.0 billion |
| **Revenue from the defense systems business** (including the solutions business) | ¥310.0 billion | ¥450.0 billion | ¥690.0 billion |

* Announced May 29, 2026

## Topics

### Strengthening the Local Production System for the North American Market



In the United States, there is an urgent need to respond to the demand for switchgear and power electronics equipment against the backdrop of an energy transition targeting the realization of a decarbonized society, as well as an increase in electricity demand and related investment due to the expansion of data centers. To meet this growing demand, our U.S. subsidiary Mitsubishi Electric Power Products, Inc., will invest approximately 12 billion yen to expand its production area, including the construction of a new plant, and introduce new production facilities to improve production efficiency and expand supply capacity for switchgear and power electronics equipment. In addition, we will promote decarbonization by changing our switchgear production type from gas circuit breakers that use gas with a high global warming potential to vacuum circuit breakers that use natural gas with low environmental impact.

Mitsubishi Electric to Strengthen Production Facilities for Energy System Business in U.S. and Japan

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Products & Solutions

# Industry & Mobility Business Area



## Principal Products



### Factory Automation Systems Business

**Factory automation equipment**
Programmable logic controllers (PLCs), servo systems, and power distribution and control

**Industrial mechatronics**
CNCs and processing machines

**FA Digital Solutions**



### Automotive Equipment Business*

**Powertrain domain**
Electric vehicle–related equipment and powertrain equipment

**SDV domain**
Vehicle control systems and ADAS-related products

*Mitsubishi Electric Considering Alliance with Hon Hai Precision Industry for Joint Operation (as of April 2026).

## Strengths of the Business

**Strength 1** Technological competitiveness in digital (software) and components

**Strength 2** Contributing to our customers' business improvement through real-time control technology that boasts high competitiveness in Asia and co-creation

**Strength 3** High-speed automated production technology that meets high quality requirements and ensures safety and security

## Recognition of the Business Environment

### Opportunities

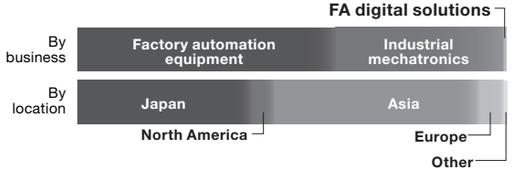
- Increasing demand for automation due to labor shortages and rising labor costs in the manufacturing industry
- Expanding global demand for AI, data centers, and semiconductors

### Challenges

- Soaring prices of material parts, tariffs, and foreign exchange rates due to further heightened geopolitical risks
- Medium- to long-term commoditization of hardware

## Breakdown of Revenue (FY2026)

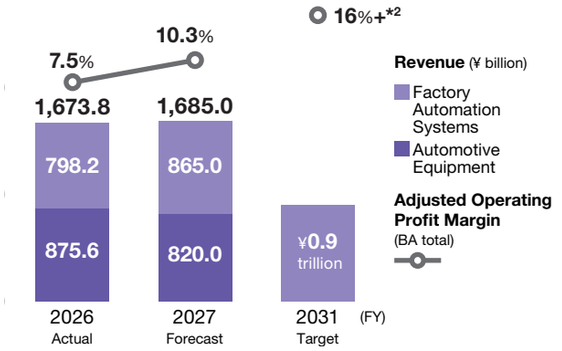
### Factory Automation Systems Business




### Automotive Equipment Business




## Revenue, Adjusted Operating Profit Margin, and ROIC*1




| ROIC | FY2026 Actual | FY2031 Target |
|---|---|---|
| **Industry & Mobility BA** | 8.1% | - |
| **Factory Automation Systems** | 7.4% | 14%+ |
| **Automotive Equipment** | 8.9% | - |

*1 Announced May 29, 2026 *2 Excluding the automotive equipment business



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Please also refer to:


IR DAY
Products & Solutions
Mitsubishi Electric Considering Alliance with Hon Hai Precision Industry for Joint Operation of Automotive Equipment Business

## Industry & Mobility Business Area



# Innovating Industry with FA Digital Solutions That Combine Site Data with AI and Digital Technologies

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

**Q Could you tell us about the achievements and challenges of the previous Medium-term Business Plan?**

A In the FA systems business, we promoted the creation of a lean management structure by reviewing operations and improving efficiency. We also strengthened our differentiated technologies and expanded our business fields by introducing the new MELSEC MX controller with advanced controls and drives, and by filling the missing parts through investments and acquisitions, including ViSCO. At the same time, we reshuffled our business portfolio to concentrate management resources on the components and digital solutions businesses, and we strengthened our global business management structure by establishing an FA management company in China. In this way, we promoted business restructuring with a view to future growth. Going forward, we aim to achieve sustainable growth by building business foundations that can ensure stable profitability even in an environment of significant demand and market fluctuations. In the automotive equipment business, the spin-off of Mitsubishi Electric Mobility Corporation in April 2024 further accelerated the structural and business reforms that had been underway for some time, and ROIC improved to 8.9% in FY2026. We are currently targeting further business growth by considering joint operations with Hon Hai Precision Industry (as of April 2026).

**Q What measures are being taken to achieve the New Medium-term Business Strategy?**

A One of the measures we are taking is the use of FA digital solutions to promote innovation at production sites. In response to issues such as labor shortages faced by customers in the manufacturing industry, real-time data collected from control products is utilized by AI agents and physical AI that is equipped with the digital platform Serendie and manufacturing knowledge in order to replace human tasks such as production management, facility maintenance, assembly, and inspection, and to realize production sites offering labor-saving and unmanned operation that can solve problems autonomously. Starting with the release of a maintenance application, we will develop AI agent suites incorporating production engineering expertise, implement physical AI that realizes equipment tuning technology at an expert level, and automate visual inspections using humanoid robots and AI vision inspection. In this way, we will forge ahead with collaborations with our technology partners and verification at our own factories with a view to early application. The second measure we are taking is the realization of advanced automation through automation technologies. We will further strengthen differentiated technologies in the control and drive technologies we have already cultivated, as well as in AI and security, thereby responding to increasingly sophisticated equipment and meeting more challenging and complex automation needs in the workplace. In China, which is a key market, we will promote the development, production, and sale of locally self-contained products, and further enhance our competitiveness in line with local needs through cooperation with leading partners. Using the FA digital solutions revenue CAGR and the adjusted operating profit margin as key indicators, we aim to achieve sustainable growth and strengthen our ability to provide value through the early launch of the business, thereby achieving revenue of 900 billion yen and an adjusted operating profit margin of 16% or more for the entire FA systems business in FY2031.

### ▶ Related Indicators

| | FY2026 Actual | FY2027 Forecast | FY2031 Target |
|---|---|---|---|
| **FA Digital Solutions Revenue CAGR*1** | – | 10.0%+ | 25.0%+ |
| **FA Digital Solutions Adjusted Operating Profit Margin** | (Business launch phase) | 4.0%+ | 19.0%+ |

*1 Starting from FY2026 *2 Announced May 29, 2026

## Topics

### Launch of SaaS App Offering Smart Maintenance and Remote Maintenance Support to Address Customer Challenges

The smart maintenance service and remote maintenance service launched in May 2026 are cloud-based digital solutions that support customers' facility maintenance environments and upgrade the after-sales services for manufacturing equipment. The centralized management of parts, drawings, and malfunction history enables searches for spare parts, prevents parts shortages, and standardizes maintenance work. The remote connection, dashboard, and notification functions enable early identification of abnormalities and quick recovery. We also plan to implement a troubleshooting support function using an AI agent. Mitsubishi Electric will continue to contribute to the stable operation of facilities and the provision of high-quality maintenance services.

FA Digital Solutions (Japanese only)




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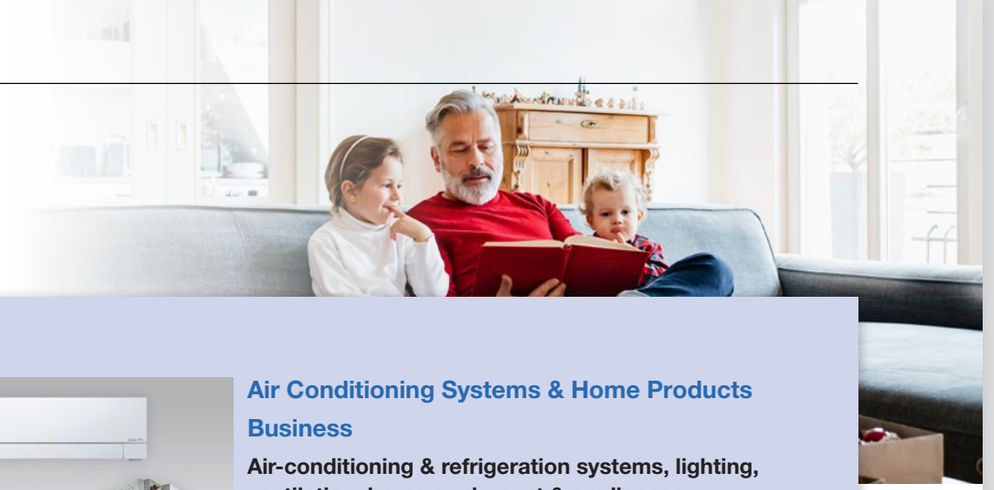
Please also refer to:

IR DAY
Products & Solutions
Mitsubishi Electric and Sony Semiconductor Solutions Agree to Establish a Joint Venture to Build AI Vision Sensor Solutions for Manufacturing Applications

# 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**

## Strengths of the Business

**Strength 1** Superior components centered on high-efficiency, high-performance building equipment, including elevators, escalators, and air conditioners

**Strength 2** Possesses abundant data acquired and accumulated from supervisory control systems and facilities, as well as knowledge of maintenance and operational management

**Strength 3** Systems that can facilitate continuous engagement through maintenance and operations and provide value that meets needs, and a solid customer base that extends globally

## Recognition of the Business Environment

### Opportunities

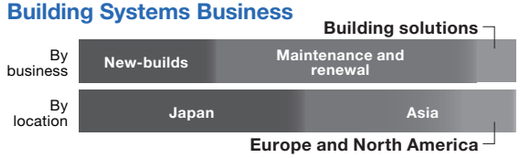
- Market expansion driven by economic growth in emerging economies
- Need for manpower savings, labor savings, and energy savings, etc., targeting improvements in the asset value of buildings
- Need for high-efficiency cooling at rapidly expanding data centers

### Challenges

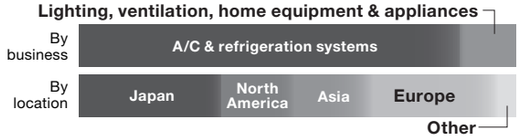
- Responding to changes in the market environment, including increases in various costs (materials, logistics, and labor costs) due to changes in the international situation, as well as the impact of U.S. tariffs, and stagnation in the Chinese real estate market

## Breakdown of Revenue (FY2026)

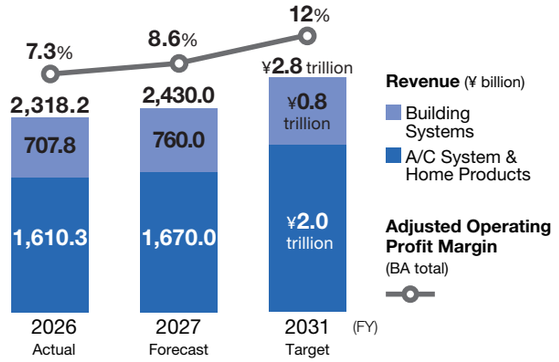
### Building Systems Business




### Air Conditioning Systems & Home Products Business




## Revenue, Adjusted Operating Profit Margin, and ROIC*




| ROIC | FY2026 Actual | FY2031 Target |
|---|---|---|
| **Life BA** | 9.0% | 11% |
| **Building Systems** | 12.2% | 12% |
| **A/C System & Home Products** | 7.1% | 11% |

* Announced May 29, 2026



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Please also refer to:


IR DAY
Products & Solutions

## Life Business Area



# "Creating Comfortable, Safe, and Secure Environments through Advanced Maintenance and Management of Facilities Using a Range of Field Data from Components; Continuing to Maintain and Improve Facilities"

**Yasumichi Tazunoki**
Executive Officer
Life Business Area Owner

**Q Could you tell us about the achievements and challenges of the previous Medium-term Business Plan?**

**A** In addition to strengthening our individual facility business strategies, in the Life Business Area we have promoted growth strategies with the aim of becoming a solutions provider that creates comfortable, safe, and secure environments in all living spaces. In the building systems business, we made AG MELCO Elevator Co. L.L.C. in the UAE a wholly owned subsidiary, and proceeded with M&As of several European elevator and escalator companies in order to further increase our recurring revenue business, which is centered on elevators and escalators. As a result of these efforts, revenue in FY2026 increased by 205.7 billion yen from FY2021 to 707.8 billion yen, and our adjusted operating profit margin was 9.3% due to improved profitability. In the air conditioning systems & home products business, to strengthen our system of local production for local consumption, we improved our global production systems, particularly in our focus regions of Europe, India, and North America. At the same time, we accelerated the launch of low-GWP models tailored to local needs through product development utilizing local R&D centers. Accordingly, revenue in FY2026 increased by 572 billion yen from FY2021 to 1,610.3 billion yen. However, our adjusted operating profit margin stayed at 6.4%. We will pursue an additional improvement in profitability.

**Q What measures are being taken to achieve the New Medium-term Business Strategy?**

**A** In the Life Business Area, we have been conducting business on a business unit basis, with components as the main focus. However, to accelerate our transformation into a solutions provider and further improve profitability, as we move toward FY2031 we will build a business model that allows us to implement advanced maintenance and management of entire facilities by utilizing data on Serendie. This will also allow us to continue maintaining and improving facilities. We will be pursuing two main key measures. First, we will clarify the strategic targets in our business areas based on our company-wide policies and strengthen our efforts in those fields. Over the next five years, we will focus on IT Cooling for data centers and building solutions, symbolized by smart buildings, as fields that need to be strategically nurtured. We will not only provide highly efficient facilities in these areas but also promote the acquisition of maintenance and operation solutions. Second, we will further enhance our competitiveness and profitability by further strengthening our existing core businesses in elevators and escalators, as well as in air-conditioning & refrigeration. In addition to building a global maintenance and operations base for each region, expanding value chains, and responding to volume segments, we will promote measures to improve productivity in manufacturing, sales, and maintenance, as well as the optimization of investment capital by switching to asset-light management. Through these efforts, in FY2031, we aim to achieve revenue of 2.8 trillion yen, up approximately 500 billion yen from FY2026, and an adjusted operating profit margin at the 12% level, up approximately 5 percentage points from FY2026.

### ▶ Related Indicators

| | FY2026 Actual | FY2027 Forecast | FY2031 Target |
|---|---|---|---|
| **Number of elevators and escalators under maintenance contract** | 1.2 million units | 1.3 million units | 1.5 million units |
| **IT Cooling revenue** | ¥32.0 billion | ¥40.0 billion | ¥100.0 billion+ |

* Announced May 29, 2026

## Topics

### Mitsubishi Electric Completes Acquisition of AG MELCO Elevator

We have wholly acquired AG MELCO Elevator Co. L.L.C., an associated company engaged in sales, installation, maintenance, and renewal of elevators and escalators, mainly in the Middle East. We will integrate management resources to facilitate swift decision-making and enhance competitiveness. In addition, we will build a strategic business base targeting African countries where we have yet to develop business, and we will expand our multi-brand maintenance and renewal know-how globally to achieve further growth in the building systems business.

Mitsubishi Electric Completes Acquisition of AG MELCO Elevator

### Strengthening Our System to Expand the IT Cooling Business

Concerning AI data centers, where demand has been increasing rapidly in recent years, there is social demand to reduce power consumption due to the increase in server heat generation. Accordingly, technologies related to cooling methods are rapidly diversifying and advancing. Mitsubishi Electric will further strengthen our competitiveness in the IT Cooling field by investing in and collaborating with ZutaCore LTD., which possesses cutting-edge technology in two-phase liquid cooling (cooling using the heat of vaporization from refrigerants), and by developing applied business bases in the U.S., Dubai, South Africa, and elsewhere.

Mitsubishi Electric to Establish Manufacturing Facility for IT Cooling Equipment in Ohio, U.S.A.

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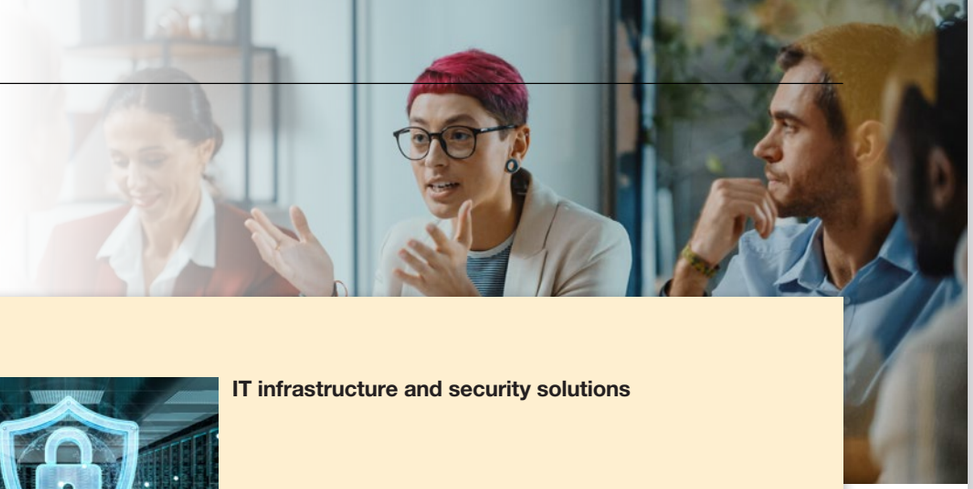
Please also refer to:

IR DAY

Products & Solutions

# Digital Innovation



## Principal Products



**Manufacturing DX solutions**



**IT infrastructure and security solutions**

## Strengths of the Business

**Strength 1** Accumulation of customer data and field knowledge in the Serendie digital platform

**Strength 2** Solutions that combine AI and IT/OT security

## Recognition of the Business Environment

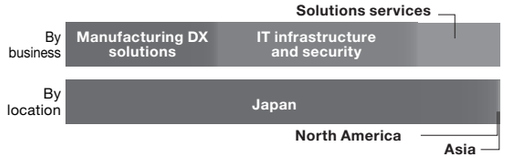
### Opportunities

- Growing customer demand for DX, IT, and security (social implementation of generative AI, and increasingly sophisticated cyberattack countermeasures, etc.)

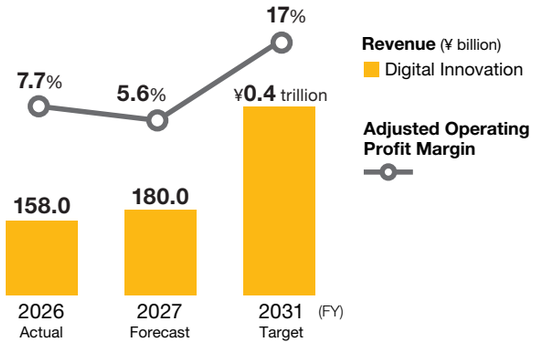
### Challenges

- Developing and acquiring DX and AX talent
- Building a business model that accommodates scaling

## Breakdown of Revenue (FY2026)




## Revenue, Adjusted Operating Profit Margin, and ROIC*




| ROIC | FY2026 Actual | FY2031 Target |
|---|---|---|
| **Digital Innovation** | 4.9% | 18% |

* Announced May 29, 2026



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Please also refer to:

Products & Solutions

Digital Platform "Serendie" serendie

## Digital Innovation



### “Growing Alongside Our Customers and Helping to Address Social and Environmental 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 Could you tell us about the achievements and challenges of the previous Medium-term Business Plan?**

A We brought together technology, human capital, and know-how by newly establishing a business group, absorbing the DX, AI, and Security divisions, and integrating DX and IT-related divisions and subsidiaries. We also built foundations to address our customers’ management challenges by constructing the digital platform Serendie, strengthening our competitiveness in the OT security business through the acquisition of Nozomi Networks, Inc., and investing in cutting-edge AI start-ups. Going forward, we will work to create concrete solutions that contribute to our customers’ growth.

Mitsubishi Electric Invests in Tulip Interfaces And Signs Strategic Alliance Agreement

Mitsubishi Electric Invests in AI Startup Sakana AI

**Q What measures are being taken to achieve the New Medium-term Business Strategy?**

A Mitsubishi Electric will implement our own technologies, including our unique physical AI and OT security, into the components, which are our strength. Moreover, we will store the data obtained through these technologies in the Serendie digital platform. By utilizing the Mitsubishi Electric Group’s global operations and bases as a vast proving field, and by combining the knowledge and know-how cultivated there with our accumulated data, we will work to address the challenges facing our customers and society, such as the realization of world-leading energy efficient data centers and lights-out factories. Through initiatives utilizing Serendie, we will contribute to achieving company-wide solutions business revenue of 1 trillion yen and an operating profit margin of 15% in FY2031. In the digital innovation segment, we aim to achieve revenue of 400 billion yen and an adjusted operating profit margin of 17% in FY2031.

## Topics

### Mitsubishi Electric Completes Full Acquisition of Nozomi Networks



Mitsubishi Electric has wholly acquired Nozomi Networks, Inc., a U.S.-based developer and distributor of a wide range of operational technology (OT) security solutions, mainly in manufacturing.

Fusing Mitsubishi Electric’s strengths in OT solutions with Nozomi’s strengths will drastically strengthen our security business as we aim to become the world’s No. 1 OT security solution provider.

Furthermore, by co-creating new services alongside customers using data obtained from the diverse customer bases of both companies through Nozomi’s intrusion detection and visualization platform, we will provide services and value that safely and reliably support our customers’ digital transformations.

Mitsubishi Electric Completes Full Acquisition of Nozomi Networks

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Please also refer to:

Products & Solutions

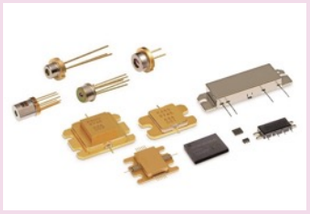
Digital Platform “Serendie” serendie

# Semiconductor & Device

## Principal Products



**Power devices**



**High-frequency devices and optical devices**

## Strengths of the Business

**Strength 1** Global top class key devices

**Strength 2** 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

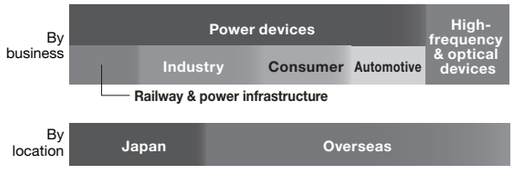
### Opportunities

- Expansion in the power devices market toward carbon neutrality
- Growing demand for optical devices in data centers associated with the proliferation of generative AI

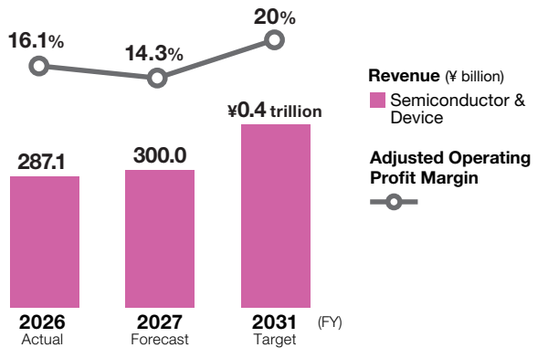
### Challenges

- Improving profitability and strengthening the competitiveness of the power device business
- Enhancing optical device production capability and advancing the development of next-generation optical devices

## Breakdown of Revenue (FY2026)




## Revenue, Adjusted Operating Profit Margin, and ROIC*




| ROIC | FY2026 Actual | FY2031 Target |
|---|---|---|
| **Semiconductor & Device** | 8.6% | 12% |

* Announced May 29, 2026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## Semiconductor & Device



# Leading Social Change through Semiconductor Evolution and Innovation

**Masayoshi Takemi**
Executive Officer
Group President, Semiconductor & Device

**Q Could you tell us about the achievements and challenges of the previous Medium-term Business Plan?**

**A** In the power device business, we made proactive growth investments and constructed new plant buildings for wafer processing (Shisui area, Kumamoto Prefecture) and for module assembly and inspection processes (Fukuoka area). We strengthened cost competitiveness and market access through international partnerships with Coherent (U.S.) and Nexperia (Netherlands), in addition to improving productivity by utilizing these new plant buildings and discontinuing legacy and unprofitable models. By leveraging our strengths in high-voltage and high-reliability technologies, Mitsubishi Electric has established overwhelming competitive advantages in the social infrastructure area, maintaining the top share in the global market for both intelligent power modules (IPMs) and power modules for VSC type*1 HVDC*2 systems. At the same time, to continue winning against intensifying global competition, it will be essential to concentrate our management resources on high-value-added areas where Mitsubishi Electric's competitive advantages can be leveraged to further improve profitability and strengthen competitiveness. In the high-frequency & optical device business, we leveraged strong partnerships with global top companies to develop and supply ultra-high-speed optical devices (EML*3 chips), and established the top share in the global market for EML chips, followed by the growing demand for optical devices for data centers due to the proliferation of generative AI. In addition, we decided in FY2026 to invest in enhancing our EML chip production capacity in order to seize opportunities in a rapidly growing market. Going forward, it will be important to enhance production capability of optical devices in order to capture robust demand steadily, and to advance the development of next-generation optical devices that will reinforce our medium- to long-term competitive advantages.

**Q What measures are being taken to achieve the New Medium-term Business Strategy?**

**A** In the power device business, we will optimize our business portfolio through the expansion of high-value-added areas. Specifically, we will accelerate the development of high-voltage products and strengthen the supply framework to capture the sustainable growth of the HVDC market. We will also extend our SiC*4 product lineup and enhance our cost competitiveness. We aim to achieve revenue of 300 billion yen in FY2031 by expanding business in high-value-added areas, centered on the social infrastructure market, where we can leverage Mitsubishi Electric's strengths. In the high-frequency & optical device business, we will strategically enhance production capability and advance development of optical devices for next-generation EML chips and next-generation CPO*5 . Specifically, in addition to enhancing production capability in a timely manner, we will advance the development of EML chips optimized for the needs of top global companies, as well as optical devices for next-generation CPOs, by leveraging InP*6 technology, which is one of Mitsubishi Electric's strengths. Through these initiatives, we will accelerate medium- to long-term growth. In the semiconductor & device business, we will improve capital efficiency through a product mix transformation and by improving productivity, in addition to expanding revenue. Through these initiatives, we aim to increase our adjusted operating profit margin from 16.1% in FY2026 to 20% and achieve ROIC of 12% in FY2031.

### Related Indicators

| | FY2026 Actual | FY2027 Forecast | FY2031 Target |
|---|---|---|---|
| **Power Device Business Revenue** | ¥231.3 billion | ¥227.0 billion | ¥300.0 billion |
| **High-Frequency & Optical Device Business Revenue** | ¥55.4 billion | ¥73.0 billion | ¥100.0 billion |

* Announced May 29, 2026

### Topics

#### Construction of New Power Device Plant Buildings and Increasing Production of Optical Devices

In the power device business, we invested a total of approximately 250 billion yen from FY2022 to FY2026 and constructed new plant buildings for wafer processing (Shisui area, Kumamoto Prefecture; operation launched in November 2025) and module assembly and inspection processes (Fukuoka area; completed in April 2026). In the new plant buildings, we installed clean rooms with state-of-the-art energy-saving performance, and we will achieve high production efficiency through thorough automation. In the high-frequency & optical device business, we have decided to invest approximately 40 billion yen in FY2026 to reinforce our production capacity for EML chips, more than tripling our FY2026 capacity by FY2030. We will promote GX (Green Transformation) and DX, while contributing to the realization of a sustainable society, by providing key devices that support carbon neutrality and safe, secure, and comfortable lifestyles.

*1 Voltage Sourced Converter
*2 High Voltage Direct Current
*3 Electro-absorption Modulator integrated Laser diode
*4 Silicon Carbide
*5 Co-Packaged Optics
*6 Indium Phosphide

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# Business Strategy Q&A

**Q** Please tell us the reasons for setting ROIC targets by business for FY2031 and the policies for improving capital efficiency in each segment.

**A** We set ROIC targets based on the benchmarks of our global competitors in each business. Our plan is to move forward with the following strategies for each business segment, managing our businesses with a thorough awareness of capital costs. In the Infrastructure Business Area, we will focus on improving growth potential and capital efficiency from a medium- to long-term perspective, and we will promote growth investments in focus businesses while working to improve productivity through DX and AI. In the FA systems business, we aim to achieve high ROIC by realigning our products and expanding our market share, as well as expanding high-value-added fields, such as digital solutions. In the Life Business Area, we will enhance profitability by expanding maintenance and services, and we will improve operations with a focus on local production for local consumption. Meanwhile, in Semiconductor & Device, we will shift to high-value-added areas, such as high-voltage and SiC power devices and ultra-high-speed optical devices for AI data centers, while improving productivity. Through these initiatives, we will promote management with an awareness of capital efficiency.

**Q** Can you tell us about your efforts in data center–related business concerning next-generation power supply systems to meet the increase in AI data centers?

**A** As AI data centers spread, there is a growing need for next-generation power supply systems to support high-voltage DC power supply systems, such as 800VDC. The Mitsubishi Electric Group has supported the business development of UPS systems with a top share in the North American market (e.g., engineering capabilities, power electronics technology, maintenance and service systems), and we will utilize these strengths alongside our customer base as we will strive to achieve the early launch of highly efficient and highly reliable next-generation power supply systems and expand business through co-creation with leading global companies.

**Q** Could you tell us about your approach to next-generation cooling systems for IT Cooling in data center–related business?

**A** Due to the increase in heat load and heat density associated with higher server heat generation at AI data centers, cooling systems are transitioning from conventional air cooling to liquid cooling. Mitsubishi Electric has a strong product lineup including direct-expansion and water-cooled technologies, as well as single-phase liquid-cooling technology. However, next-generation cooling systems with higher cooling capacity are needed for the next generation of high-heat AI data centers. By incorporating two-phase liquid cooling technology capable of cooling high-heat AI servers, in collaboration with ZutaCore, Mitsubishi Electric will be able to provide the total IT Cooling systems required for AI data centers, from chillers, FanWall, CRAH*1, CDU*2, and cold plate systems, through to equipment cooling of UPS, etc., and control.

*1 Computer Room Air Handler *2 Coolant Distribution Unit

**Q** What specific steps will you be taking toward realizing lights-out factories, and what role will physical AI play?

**A** We aim to develop solutions to realize autonomous and unmanned operation for some operations and tasks at manufacturing sites by around FY2028. We are currently conducting on-site verification at our own and our customers' sites. Specifically, we will develop AI agents equipped with manufacturing knowledge and integrate them with control systems, creating an environment where the production site and equipment coordinate autonomously. First, we plan to develop autonomous solutions for some operations, targeting industries where labor shortages are severe and high standards are required in terms of quality and hygiene. In addition, by integrating the technology of Nozomi Networks, Inc., which became a wholly owned subsidiary in FY2026, we will ensure OT security and stable operation of the entire factory, including for equipment made by other companies. As a result, frontline personnel will shift from simple tasks to more advanced production process improvements. With the help of our partners, we will accelerate the development of technologies that are lacking, such as AI learning based on tacit knowledge and experience, in order to solve labor shortages and improve productivity at the same time.

**Q** Please explain your initiatives toward next-generation technologies in the optical devices business?

**A** As part of our efforts to address next-generation technologies, for EMLs we are promoting the advanced development of next-generation 400Gbps products in addition to 200Gbps products for 1.6 Tbps applications, and we will continue to lead the industry in this area. As for the market environment, the increasing speed of data center interconnects is accelerating the shift from VCSELs to EMLs, an area in which Mitsubishi Electric has particular strengths. We expect this market to continue expanding in the years ahead. For the co-packaged optics (CPO), we expect the market to launch around FY2029 to FY2030 and to expand significantly in the 2030s. Mitsubishi Electric has unique advantages in compound semiconductor technology, and we will provide CW*3 laser diodes and modulator devices for next-generation CPO applications, utilizing the InP semiconductor technologies cultivated over many years.

*3 Continuous Wave

**Q** What is the outlook for increased production capacity and profitability in line with rapid growth in defense & space systems business?

**A** As we work toward achieving revenue of 800 billion yen in FY2031, we have already decided to build eight new plants, and we plan to make capital investment in a further eight plants as well as the distribution area in the future. With regard to profitability, we will go beyond a conventional hardware-only sales approach and aim to achieve higher profitability through overseas expansion based on intergovernmental discussions and discussions with the Ministry of Defense; the creation of service-oriented businesses, such as the provision of data via satellite constellations; and entry into new business fields.

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# Materiality (Important Challenges)

## Mitsubishi Electric Group's Materiality

To address sustainability at the management level and to pursue it over the long term, the Mitsubishi Electric Group has identified its materiality items. In FY2026, the Group reviewed these materiality items as shown in the table below, and from FY2027 has been advancing initiatives addressing its new materiality items. The Group is taking a "Trade-On (mutual benefits)" approach to realizing sustainability by implementing materiality initiatives to create business solutions for social and environmental 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 | Sub-Materiality | Reasons Why It Is Important |
|---|---|---|
| Realize a sustainable global environment | Reduce environmental impact | In the Mitsubishi Electric Group's business and supply chain, environmental impacts arise from GHG emissions as well as the use of water and other resources. We address such environmental impacts responsibly. |
| | Contribute to the environment through business activities | Global environmental issues related to climate change, water resources, and resource circulation are becoming more serious. The Mitsubishi Electric Group contributes to resolving these issues through its products and services that utilize its wide-ranging technologies. |
| Realize a sustainable society | Contribute to society through business activities | As society changes rapidly, we are surrounded by increasingly diverse and complex challenges. The Mitsubishi Electric Group contributes to improving safety and security in society, productivity, and the well-being of people. |
| Respect for all people | Human rights in the value chain | Human rights are a global issue, and everyone must be respected as an individual. The Mitsubishi Electric Group respects the human rights of everyone involved throughout its global value chain. |
| | Human capital empowerment | People are the driving force behind achieving sustainable growth. The Mitsubishi Electric Group creates a workplace environment where employees can work with vitality, encouraging each individual to take on challenges and bringing out the full potential of its broad and talented workforce. |
| Strengthen corporate governance and compliance on a sustainable basis | Corporate governance | Corporate governance is the fundamental precondition for a company's continued existence. The Mitsubishi Electric Group has developed and maintains a corporate governance system that enables it to better meet stakeholder expectations and continuously strengthens it. |
| | Compliance | Ethics and legal compliance are essential for the stable development of society, and form the foundation for a company's survival. At the Mitsubishi Electric Group, every employee acts with integrity and a high sense of ethics, and complies with social norms and laws. |
| | Quality | The products and services that underpin people's daily lives require high levels of safety and reliability. The Mitsubishi Electric Group is committed to continuously strengthening quality management in order to provide peace of mind and satisfaction to society and its customers. |
| | Information security | As data becomes the foundation of society, the threat of cyberattacks is growing. The Mitsubishi Electric Group, as a company handling sensitive information, is committed to strengthening information security. |
| Promote innovation for sustainability | Create new technologies and value | For achieving sustainability, innovation that contributes to solving social and environmental challenges is essential. The Mitsubishi Electric Group creates new possibilities for a better tomorrow, with bold vision and boundless innovation. |

P.26 Message from the Executive Officer in Charge of Sustainability

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# Materiality (Important Challenges)

## Process of Identification and Review of Materiality

The Mitsubishi Electric Group identifies material issues in accordance with the principle of double materiality, based on the Group's sustainability-related guidelines. These issues are also reviewed periodically in light of social trends and the business environment.

### Materiality Identification Process

#### (1) Listing Assessment Items

We identify the key stakeholders associated with each business and assess the entire value chain. Specifically, we comprehensively identify positive and negative impacts on society and the environment, as well as risks and opportunities that may affect our finances, and organize these into sustainability issues for assessment.

#### (2) Identifying Impacts, Risks, and Opportunities (IROs)

For each issue, we identify its impact on society and the environment, as well as the related risks and opportunities.

#### (3) Assessing IROs (Including Stakeholder Engagement)

For each identified issue, we assess on a five-point scale both the significance of impacts and the financial significance of the related risks and opportunities.

During the assessment process, we consider external information such as regulatory trends and market conditions, and data on our business activities in addition to opinions gathered from stakeholder dialogue (engagement).

#### (4) Materiality Identification

Based on the above assessments, we organize and consolidate sustainability issues and systematically classify them. We then identify as materiality those matters deemed important from the perspectives of either the significance of impacts or the financial significance. We also analyze the impacts of the identified materiality on our business strategy and business model, and reflect these insights in management decision-making.

### FY2026 Results

After sorting out the sustainability issues to be assessed, we identified five areas as materiality. A key feature of this review has been the addition of "Promoting innovation for sustainability." This reflects the Mitsubishi Electric Group's commitment to transforming itself into an innovative company that embraces risk and creates value through new ideas. We have also set new areas as sub-materiality to further clarify the direction our Group aims for.

## Incorporation of Expert Opinions

In reviewing our materiality in FY2026, we incorporated the perspectives of external experts into our new materiality.

Note: Highlights of feedback regarding the direction of potential material topics and how to effectively integrate materiality into our future management.



**Ryohei Yanagi**
Doctor of Economics
Waseda University Graduate School
Visiting Professor, Graduate School of Accountancy

**Areas of Expertise** **Financial Accounting, Corporate Governance, ESG, and Corporate Value**

If we consider that one of the purposes of materiality is to increase corporate value, the aim should be to demonstrate how it correlates with both the company's purpose and corporate value. From this perspective, narrowing the focus to the issues that are most material is a highly effective approach. To use the findings of this review to inform management decisions, it would be important to use impact accounting and the Yanagi model to demonstrate to long-term investors, a crucial audience for corporate disclosures, that these material topics tangibly drive value creation. Ultimately, this approach will strengthen external communication and clearly articulate the company's growth story.



**Jun Aoki**
Representative Director, JunpuManpan Inc.
Outside Director, Chairperson of Compensation Committee, and Member of Nomination Committee of LIXIL Corporation
Outside Director, FIDEA Holdings Co. Ltd.

**Areas of Expertise** **General Personnel Affairs**

The important thing is not simply to identify materiality issues, but to determine how they are used and what they aim to achieve. The key is to have a distinctive edge and uniqueness. To this end, the sustainability division should engage in thorough discussions with the CEO and CFO—leveraging insights from each business division—to draft an integrated corporate and sustainability strategy. For example, when considering your business portfolio, placing sustainability at the core and linking it to businesses that utilize Serendie will bring out the distinctive character of Mitsubishi Electric. Materiality issues identified in this way foster a sense of ownership among employees and drive action across business divisions, ultimately strengthening external disclosure. As this company-wide cycle is established, materiality becomes part of the company's DNA.



**Keisuke Takegahara**
Visiting Professor, National Graduate Institute for Policy Studies

**Areas of Expertise** **Environment, ESG Investing**

Aiming for perfection from the outset when identifying materiality is challenging. For a company with a highly diversified business portfolio, a viable approach is to anchor strategy on value creation through its growth strategy, using a clear timeline to differentiate the company. For example, if using the services or products provided by your company reduces GHG emissions, it contributes to climate change mitigation. Simultaneously, if this increases sales, it reflects the core concept of double materiality. With products that address climate change, your company can demonstrate significant potential for expanding revenue, margins, and operating profit through its sales plans.

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## Materiality (Important Challenges)

# Medium- to Long-Term Initiatives and Targets for FY2027

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 the progress of these goals as the Group works to enhance corporate value.

| | Sub-Materiality | Targets/Key Performance Indicators (KPIs*1) | | FY2027*2 Target |
|---|---|---|---|---|
| **Realize a sustainable global environment** | **Reduce environmental impact** | FY2051: Aim for carbon neutrality throughout the entire value chain | [Scope 1*2, 2*3] FY2031: Achieve carbon neutrality at factories and offices | |
| | | | [Scope 3*4] FY2031: Reduce by 30% or more compared with FY2019 | |
| | | FY2031: Water intake at high-risk bases (basins): Reduce by 6% or more compared with FY2025*5 | | |
| | | FY2031: Resource circulation*6: Increase by 10% or more from FY2025 | | |
| | | FY2031: 100% effective utilization of plastic waste*7,*8 | | |
| | **Contribute to the environment through business activities** | Provide products, services, and solutions that contribute to carbon neutrality | | Development, proposal, and provision of technologies, products, services, and solutions that contribute to energy conservation and higher efficiency, electrification, increased adoption of clean energy, and the establishment of carbon circulation models to support the decarbonization of society. |
| | | Provide products, services, and solutions that contribute to the water environment | | Development, proposal, and provision of technologies, products, services, and solutions that contribute to securing safe water and maintaining or restoring a healthy water cycle. |
| | | Provide products, services, and solutions that contribute to achieving a circular economy | | Development, proposal, and provision of technologies, products, services, and solutions that contribute to resource circulation in society by reducing waste and maximizing the value of resources. |

| | Sub-Materiality | Targets/Key Performance Indicators (KPIs*1) | FY2027 Target |
|---|---|---|---|
| **Realize a sustainable society** | **Contribute to society through business activities** | Provide products, services, and solutions that contribute to achieving a safe and secure society | Development, proposal, and provision of technologies, products, services, and solutions that contribute to improving the safety and reliability of social infrastructure and industrial systems, as well as to disaster prevention and mitigation, accident prevention, and enhanced security. |
| | | Provide products, services, and solutions that contribute to achieving well-being | Development, proposal, and provision of technologies, products, services, and solutions that support healthy, culturally fulfilling, and comfortable lives for each individual. |
| | | Provide products, services, and solutions that contribute to climate change adaptation | Development, proposal, and provision of technologies, products, services, and solutions that contribute to avoiding and mitigating damage caused by climate change–related risks such as extreme heat, heavy rainfall, flooding, and drought. |
| | | Provide products, services, and solutions that contribute to productivity improvement | Development, proposal, and provision of technologies, products, services, and solutions that directly contribute to improving social productivity, including automation, labor-saving, higher yield rates, and improved operating rates. |

Note: For the year ending March 31 of the same year
*1 Refers to targets/KPIs for the Mitsubishi Electric Group unless otherwise specified *2 Direct emissions from the use of own fuel *3 Indirect emissions from the use of electricity and heat purchased from outside the Company
*4 Indirect emissions from the entire value chain, excluding Scope 1 and 2 *5 Targets were set with reference to the SBTs for Nature target-setting methodology. There are 14 high-risk bases in 11 basins. *6 Total weight of reused products and recycled plastic used in Mitsubishi Electric Group products
*7 Only manufacturing-related waste generated at factories is included. (General waste is excluded.) *8 It applies only when local regulations and conditions regarding plastic waste, as well as local recycling capacity, are met.

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## Materiality (Important Challenges)

| | Sub-Materiality | Targets/Key Performance Indicators (KPIs*1) | | FY2027 Target |
|---|---|---|---|---|
| Respect for all people | Human rights in the value chain | Consider the safety and health of all people, understand individual differences, and respect individual dignity and human rights | Promote risk mitigation activities based on the RBA*9 process across the value chain | ● For salient human rights issues*10, promote risk identification and improvement activities at Group sites through the use of RBA-SAQ.<br>● By the end of FY2027, the initiative will be deployed to 44 Group sites, and corrective actions will be implemented at 100% of high-risk sites.<br>● For salient human rights issues related to the supply chain, continue to implement corrective actions for 100% of suppliers identified as high risk through the Sustainable Procurement Survey results (RBA, MELCO-SAQ), and begin RBA-SAQ implementation in overseas regions (Europe, the Americas, and Asia). |
| | | | Foster an employee-friendly working environment and culture<br>● FY2031: Employee Engagement Score*11: 70% or more | Employee Engagement Score: 56% or more (Mitsubishi Electric and certain associated companies in Japan) |
| | | | Implement harassment prevention training for all employees (in Japan) | |
| | Human capital empowerment | Establish a framework to facilitate 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 | FY2031: 100% visualization of a human capital portfolio that ensures optimal talent allocation of approximately 150,000 global group employees in alignment with business strategies | |
| | | | FY2031: 100% implementation of RBA-based wage risk assessments and corrective actions | Implementation of wage risk assessments and improvement activities based on RBA standards |
| | | Strengthen DX/AX human capital essential for transformation into an Innovative Company | FY2031: Expand DX/AX human capital to 20,000 workers | |
| | | Build a workplace that maximizes individual performance and enables employees with varied perspectives and experiences to contribute to their full potential | FY2031: Percentage of women/non-Japanese in senior management (Directors, Executive Officers, and Executive Officers [Associate]): 30% or more (Mitsubishi Electric) | Ratio of women/non-Japanese in senior management (Directors, Executive Officers, and Executive Officers [Associate]): 15% (Mitsubishi Electric standalone) |
| | | | FY2031: Percentage of management positions held by women: 12% or more (Mitsubishi Electric) | Ratio of women in managerial positions: 5% (Mitsubishi Electric standalone) |
| | | | FY2031: Percentage of employees who responded that they had a good work-life balance: 70% or more (Mitsubishi Electric and associated companies in Japan) | Percentage of employees who responded that they had a good work-life balance: 68% or more (Mitsubishi Electric and certain associated companies in Japan) |
| | | Promote safety and health activities across the entire Group, adhering to the basic policy of prioritizing the safety and health of our employees above all else | Ensure prevention of occupational accidents and, in particular, achieve zero lost worktime injuries (absence from work) (four days or more) per year | |

*9 RBA: Responsible Business Alliance (An alliance of companies promoting social responsibility in global supply chains) *10 Salient human rights issues: Those identified through the human rights impact assessment conducted in FY2023 (employee workplace environment, occupational health and safety, and working conditions, forced labor, and child labor in the supply chain). Of these, the salient human rights issues related to the supply chain are working conditions, forced labor, and child labor in the supply chain. *11 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"

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## Materiality (Important Challenges)

| | Sub-Materiality | Targets/Key Performance Indicators (KPIs) | | FY2027 Target |
|---|---|---|---|---|
| Strengthen corporate governance and compliance on a sustainable basis | **Corporate governance** | Increase effectiveness of the Board of Directors | Maintain the percentage of independent outside directors of Mitsubishi Electric over 50% (Mitsubishi Electric) | ● Maintain the ratio of independent outside directors of Mitsubishi Electric over 50%<br>● Continue appointment of an outside director as Chairperson of the Board |
| | **Compliance** | Ensure proper understanding and practice of the compliance motto “Always Act with Integrity” | Conduct ongoing training on the prevention of unfair competition and bribery | ● Further promotion of fair competition (prevention of unfair competition)<br>● Establishment and thorough implementation of fair competition (prevention of unfair competition practices) measures: Continuously conduct practical training and carry out monitoring to ensure rules and regulations are firmly established. |
| | | | Zero legal actions arising from unfair competition practices (violations of antitrust laws) and bribery incidents | Quantitative target: zero occurrences of antitrust laws incidents cases |
| | | | Continuous implementation of anti-bribery training | ● Further promotion of anti-bribery<br>● Establishment and thorough implementation of anti-bribery initiatives: Continuously conduct practical training and carry out monitoring to ensure rules and regulations are firmly established. |
| | | | Zero incidents of legal actions for anti-bribery violations | Quantitative target: zero occurrences of bribery incidents cases |
| | **Quality** | 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 | Continuous implementation of the five initiatives for quality assurance reforms*12 |
| | **Information security** | Comply with information security-related laws and regulations: zero violations | | |

| | Sub-Materiality | Targets/Key Performance Indicators (KPIs*1) | | FY2027 Target |
|---|---|---|---|---|
| Promote innovation for sustainability | **Create new technologies and value** | Continuously anticipate future society and address emerging social challenges; promote research and development and social implementation of advanced technologies such as quantum and fusion technologies | Promote research and development needed for the future vision beyond social and customer challenges in key regions around the world. Strengthen external collaboration and co-creation activities, and realize social implementation of products and services applying the physical AI and Serendie models | Promote research and development aimed at addressing social challenges such as the realization of a decarbonized society and a resource-circulating society, as well as the decline in the working-age population. Develop carbon recycling technologies, automation and labor-saving technologies using AI and robotics, and resource recycling and traceability technologies. |
| | | Through close coordination between intellectual property and standardization activities, development and the acquisition of intellectual property rights are carried out strategically, taking into account both open and proprietary domains | Integrate intellectual property and standardization activities into the upstream stages of business strategy formulation, and embed this approach across the organization using a PDCA cycle | ● Establish a framework to conduct research and analysis on Europe’s advanced regulatory requirements and standards in the field of standardization, leveraging expatriate staff dedicated to standardization activities.<br>● Initiate the formulation of business and intellectual property strategies that integrate intellectual property and standardization activities. |
| | | Realize AI-driven management that streamlines and advances all business processes through AI | ● Enhance the efficiency of internal business processes, including design and manufacturing<br>● Contribute to the expansion of Serendie-related businesses by accelerating the pace of innovation | ● Establish standard agents to suppress duplication in development and enable efficient AI development (80 or more)<br>● Complete reform projects for internal operations, including design and manufacturing (50 or more)<br>● Continuously implement AI literacy training and improve AI utilization rates (50,000 or more) |

*12 The five initiatives: 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.

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Please also refer to:


Materiality (Important Challenges)
Sustainability

# Corporate Governance

## Basic Views on Corporate Governance

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.

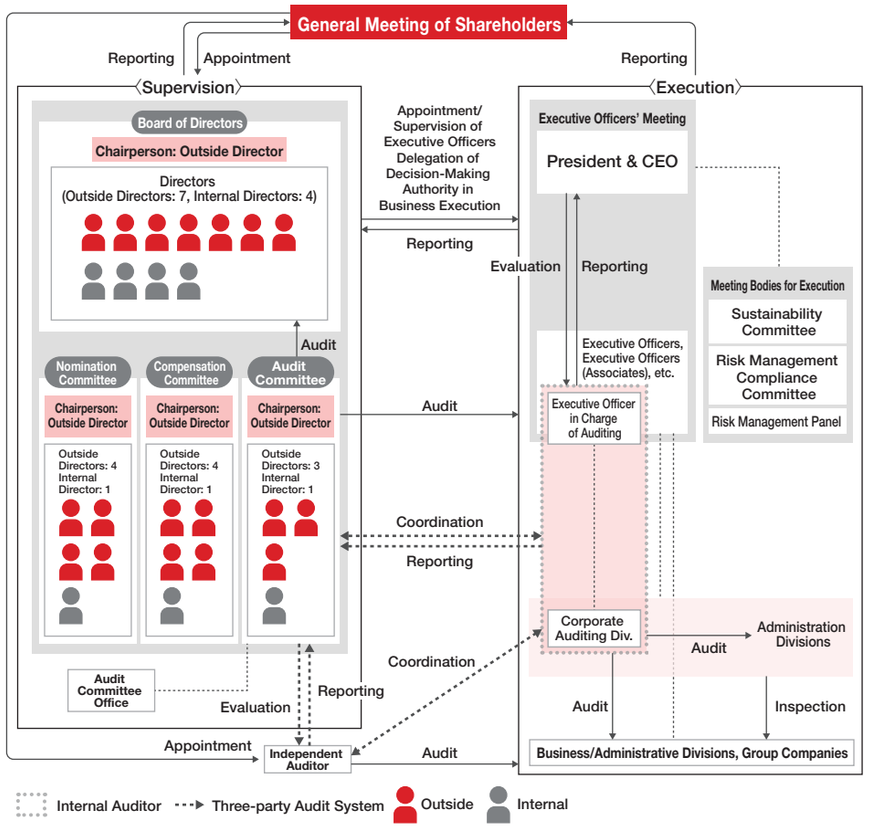
As a company with a three-committee system, Mitsubishi Electric segregates the supervisory and executive functions: The Board of Directors plays a supervisory decision-making role, and the Executive Officers handle the day-to-day running of the Company. This system maintains the flexibility of its operations 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 stakeholders. 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, the 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 the Executive Officers.




(as of June 24, 2026)

| | |
|---|---|
| **Characteristic (1)** | **As a company with a three-committee system, management supervision and execution are segregated, and all business execution authority within the scope permitted by the Companies Act is delegated to Executive Officers.** |
| **Characteristic (2)** | **Outside Directors serve as chairperson of the Board of Directors and the three statutory committees, and constitute a majority** |

Corporate governance framework



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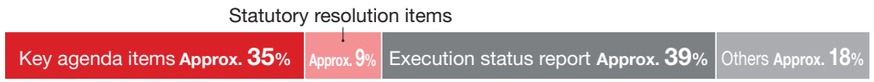
## Board of Directors

The Board of Directors discusses critical decisions that form the foundation of management, such as the basic management policies (Our Philosophy, Management Policy, etc.) and the Mitsubishi Electric Group's key agenda items set by the Board. From July 2026 to June 2027, the key agenda items will include company-wide corporate strategy, sustainability management, human capital strategy, technology development strategy, digital strategy, 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 (FY2026)

In FY2026, 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 was as follows. In addition to the regular meetings, other meetings are held to exchange opinions among Independent Outside Directors and with employees.




Allocation of time for major agenda items

| Agenda | Discussion Content |
|---|---|
| Key agenda items | In order to promote the enhancement of corporate value of the Mitsubishi Electric Group on a medium- to long-term and sustainable basis, key agenda items were set and discussed (from July 2025 to June 2026, the key agenda items included company-wide medium- to long-term strategy, sustainability management, human capital strategy, technology development strategy, digital strategy, information system strategy, etc.). |
| 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 |
| Execution status report | Received reports from Executive Officers on the progress and results of business operations, etc., and held sufficient discussions |
| 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. |

### 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 offices in order to deepen their understanding of Mitsubishi Electric's business. In FY2026, Outside Directors visited locations in Japan and overseas, including the Himeji Factory (Mitsubishi Electric Mobility Corporation) and several associated companies in China 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 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 FY2026 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 2025. The assessment results were delivered at the Board of Directors meeting held at the end of September 2025, 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 FY2026 and reflected the results in its operation in FY2027. 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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## Assessment Methods/Processes by the Third-party Organization

| | |
|---|---|
| Assessment methods | (1) Check the minutes of the Board of Directors meetings and other documents<br>(2) Questionnaire survey for all Directors*1<br>(3) Interviews with all Directors*2<br>(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<br>(3) Support system of the Board of Directors<br>(4) Agenda for meetings of the Board of Directors<br>(5) Status of deliberations at meetings of the Board of Directors<br>(6) Contribution of Directors<br>(7) Activities of the three statutory committees<br>(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<br>(2) Report to the Board of Directors on the results of the third-party organization on the effectiveness assessment of the Board of Directors<br>(3) Based on the findings, the Board of Directors discusses future actions |

*1 Excluding two newly appointed Directors *2 Excluding two retired Directors

## FY2026 Summary of the Assessment Results on the Board of Directors' Effectiveness

It was confirmed that the Board of Directors is generally effective as a result of its repeated efforts to strengthen governance through both execution and supervision. It was also confirmed that efforts are being made to resolve the issues cited in the evaluation of effectiveness of the Board of Directors conducted in FY2025.

| | |
|---|---|
| Strengths underpinning the Board of Directors' effectiveness | (1) Mutual trust between the supervisory side and execution side<br>(2) Common understanding of the importance of governance among all Directors<br>(3) Support system for the Board of Directors by the Secretariat |
| Priority issues for improving effectiveness in the future | (1) Clarification of monitoring targets<br>(2) Strengthening the Group's global governance (continuing issue)<br>(3) Further expansion of management of the Board of Directors |
| 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 perspectives in the management monitoring function. Specifically, the Board of Directors will make the following improvements to address priority issues.<br>(1) Clarification of monitoring indicators in Medium-term Management Strategy, and implementation of reports on management topics by the CEO at monthly meetings of the Board of Directors<br>(2) Continue implementation of current initiatives related to the Group's global governance<br>(3) Ensuring sufficient time and opportunities for discussion time on issues such as Medium-term Management Strategy, and utilizing meetings to exchange opinions among Outside Directors only |

## 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.

### Appointment and dismissal of President & CEO

The term of office of Mitsubishi Electric Corporation's President & CEO is one year. Each time an election for the President & CEO is held, the Nomination Committee evaluates the appropriateness of reappointment and recommends the candidate for the next year to the Board of Directors.

The Nomination Committee evaluates the President & CEO based on the sought human capital requirements (e.g., ability to develop vision, strategy, and business concepts; ability to transform organizations; ability to communicate; ability to make decisions), as well as corporate performance (e.g., consolidated net sales and consolidated adjusted operating profit margin) and the business execution status (e.g., priority measures in medium-term corporate strategy, and ESG issues). If the Committee determines that the President & CEO is inappropriate or unqualified, a proposal for dismissal will be submitted to the Board of Directors.

### Activities of the Nomination Committee (FY2026)



Chairperson
**Tatsuro Kosaka**

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 appointment 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 FY2027 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 FY2026. Each meeting took about 1 hour.

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## 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 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 challenges 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 (FY2026)



Chairperson
**Haruka Matsuyama**

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 by 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 an emphasis on predictive indicators and prevention, the formulation and operation of risk management and compliance (RMC) programs, 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 FY2026. Each meeting took about 1.5 hours.

## Compensation Committee

The Compensation Committee has the authority to decide upon 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 perspectives of diversity and skills.

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.56 Compensation for Directors and Executive Officers" for 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 (FY2026)



Chairperson
**Tatsuro Kosaka**

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.

The Company held eight Compensation Committee meetings during FY2026. Each meeting took about 50 minutes.

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## 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.

With regard to Outside Directors in particular, the Board of Directors considers an appropriate balance between those who have extensive experience as corporate managers, those who have a deep knowledge of international affairs, those who are well versed in internal controls such as compliance, and those with expert knowledge in accounting and tax practices, and decides upon the Outside Directors accordingly. 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.

### 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. The Company 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.

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## 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.

## 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 uphold Our Philosophy of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees.<br>● The compensation scheme should encourage the execution of duties in line with corporate strategies and provide strong incentives to achieve management goals.<br>● The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value.<br>● 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. | |



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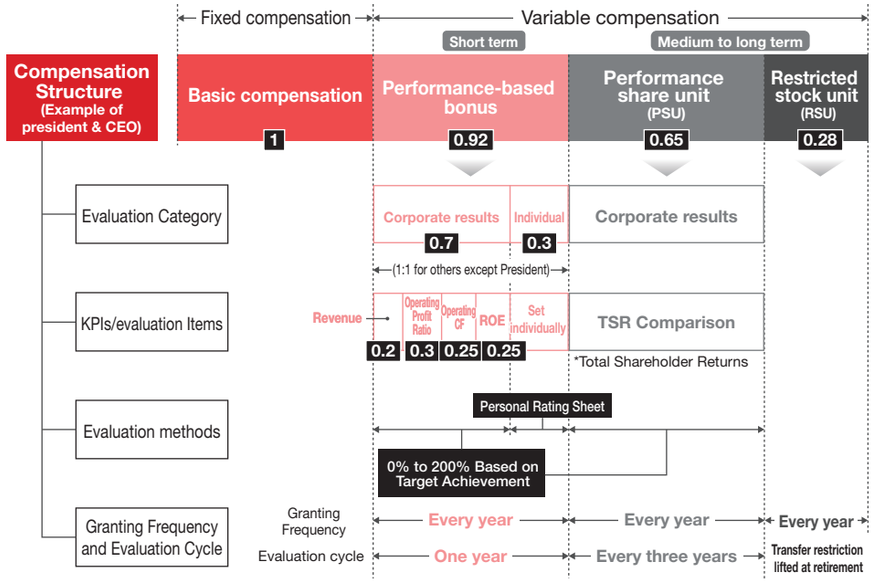
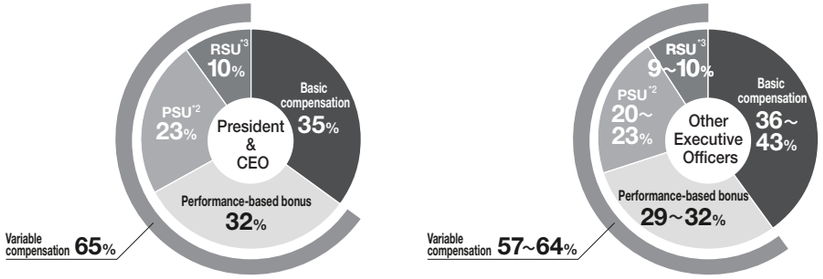



Compensation Structure (Percentage of compensation is that of president & CEO)

Note: Contents of "Set Individually" under "KPI, Evaluation Item"
Priority measures in the Medium-term Management Plan and ESG promotion
For Executive Officers who control a Business Area or Business Group: In addition to the above, the performance of the business areas or business in charge (revenue, operating profit ratio, operating cash flow, and ROIC by business segment)

### Composition of Standard Compensation for FY2026*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.

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# Interview with Outside Director - 1



## Respecting Different Ways of Thinking Inside and Outside the Company to Achieve True Globalization

**Masako Egawa**
Outside Director, Member of the Nomination Committee,
Member of the Compensation Committee

**Q What roles do you think are expected of you at the Board of Directors?**

A I try to provide oversight from an objective standpoint without being bound by the company's internal logic. I also believe that knowledge of the capital markets and investors is expected of me, and in discussions at the Board of Directors I am particularly conscious of whether decisions are being made based on capital costs, as well as how investors perceive the Mitsubishi Electric Group's strategies and initiatives. I also emphasize diversity. The true essence of diversity is the generation of innovation. Respecting different ways of thinking within and outside the company, regardless of gender or nationality, and bringing together knowledge are sources of competitiveness. I pay close attention to whether CO-CREATE, which is included among the Core Values of the new philosophy, is successfully being put into practice.

**Q What are the challenges facing the Mitsubishi Electric Group?**

A The first challenge is achieving true globalization. While the Mitsubishi Electric Group is expanding globally at the product level, its organizational management and mindset are still undergoing a transformation. At the Board of Directors, I have said that more national staff from overseas should be appointed to various positions at the head office. It is important to strengthen personnel exchange systems that target not only managerial positions but also young employees, and to increase the number of candidates globally who can become future leaders. I believe that increasing the number of foreign employees at the head office would foster a global mindset, invigorate the organization, and ultimately lead to innovation. The second challenge is to become an Innovative Company. Accelerating trial and error is essential to creating innovation. I look forward to seeing Mitsubishi Electric further develop systems through which employees can take on challenges without fear of risks, including open innovation, support for start-ups through internal recruitment, and venture capital investment. Third, the business model reforms outlined in the New Medium-term Corporate Strategy will pose a major challenge in terms of human capital. For example, in sales, the skills required for selling components differ from those needed to propose solutions, and there are also challenges related to the training, hiring, and deployment needed to meet these needs.

**Q What is your opinion of the New Medium-term Corporate Strategy?**

A I commend the fact that, when newly formulating "Our Philosophy," Mitsubishi Electric did not restrict discussions exclusively to the senior management, but involved a variety of participants, including young people. The fact that it was able to use the philosophy as a touchstone for employees to take the next steps, rather than seeing it as something just for show, is a major step toward transforming into an Innovative Company. On the strategic side, the shift to a business model with continuous customer engagement has become clearer. When we were discussing the medium-term corporate strategy at a meeting of the Board of Directors, I suggested that it was important to be specific. Unless you explain your future direction with specific examples in an easy-to-understand manner, it is difficult to convey your uniqueness and strengths to investors. I am impressed that concrete shape has been given to narratives taking advantage of the Mitsubishi Electric Group's strengths, such as achieving a PUE of 1.1 data center and a lights-out factory, and this content is highly appealing to the capital markets.

**Q Finally, please tell us about your motivations for the future.**

A I can see that the Mitsubishi Electric Group has room to grow. Specific measures are now being implemented for businesses that have faced challenges in terms of profitability and growth potential. The future challenge will be to develop solutions businesses that integrate globalization and diverse technologies, as well as strengths in the three key company-wide focus areas. The Board of Directors will firmly support these efforts. Currently, 60% of the Board of Directors are Independent Outside Directors, and the Board of Directors operates under a deep relationship of trust and a shared sense of urgency with the executive side. This allows for free and open discussion. I will continue working to sustainably increase corporate value by strictly and constructively supervising from the standpoint of a Director, so that appropriate and prompt decisions can be taken.

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# Interview with Outside Director - 2



## Looking Beyond the New Medium-term Corporate Strategy to Become a True Frontrunner in Sustainability

**Peter D. Pedersen**
Outside Director, Member of the Audit Committee

**Q What roles do you think are expected of you at the Board of Directors?**

A I believe I am expected to oversee the process of the Mitsubishi Electric Group evolving into a true frontrunner in sustainability from the perspectives of objectivity and effectiveness, and to support and encourage the Executive Officers as they execute business. The Mitsubishi Electric Group places sustainability at the cornerstone of its management. As a leading company in the manufacturing industry, I would like to see Mitsubishi Electric realize not only “defensive” initiatives but also “offensive” sustainability through the creation of new businesses, etc.

**Q What are the challenges facing the Mitsubishi Electric Group?**

A There can be no doubt that governance and organizational culture have evolved through the Three Key Reforms. However, Mitsubishi Electric still has work to do when it comes to transforming into an Innovative Company. Precisely because people are sincere and honest about their work, they tend to feel conservative in their thinking and behavior. I look forward to breaking down these barriers and transforming the organization into one that more actively welcomes dissenting opinions. The Mitsubishi Electric Group has a wide range of businesses and technologies that contribute to addressing social and environmental challenges, and I feel it is necessary to nurture these businesses and technologies and present them as narratives to stakeholders. Branding is an essential element to further enhancing global competitiveness. I will continue to monitor whether R&D, marketing, and branding are linked when it comes to addressing social and environmental challenges.

**Q What is your opinion of the New Medium-term Corporate Strategy?**

A It is wonderful that Mitsubishi Electric has emphasized internal dialogue rather than just trying to shape the New Medium-term Corporate Strategy for the benefit of the outside world, and the same is true for how it established the new “Our Philosophy.” During discussions at the Board of Directors meeting, I reiterated the significance of increasing the depth of strategy from a sustainability perspective. When implementing strategy, it will be important to draw up not only a business plan for earning money but also a vision of what kind of society we want to realize through our business. Senior managers need to be great storytellers, and KPIs alone cannot light a fire in the minds of the employees. The meaning (purpose and value) of what we want to accomplish in terms of the future impact of our work is what ignites deep motivation and becomes the driving force for strategy execution. I look forward to further discussions on what kind of society we want to create beyond the New Medium-term Corporate Strategy.

**Q Finally, please tell us about your motivations for the future.**

A As I mentioned earlier, as a Director I will oversee the process of the Mitsubishi Electric Group’s evolution into a true frontrunner in sustainability as it simultaneously addresses social and environmental challenges and achieves business growth, and I will support the executives. To enhance Mitsubishi Electric’s global competitiveness, I would recommend becoming an organization where human capital from a wider range of nationalities intersect as a matter of course. I hope to see it transform into such an organization through the implementation of various personnel measures. As a member of the Audit Committee, I also supervise the corporate culture in order to prevent improper practices. The ultimate deterrent against inappropriate behavior is nothing less than the INTEGRITY of the leaders in the field. I will pay close attention to whether WITH INTEGRITY, which forms part of the new philosophy, becomes a source of pride in the work of each employee and takes root as part of the organizational culture. Going forward, I will continue to monitor management from these perspectives and actively offer dissenting opinions, and in doing so offer my strong support to the sustainable enhancement of the Mitsubishi Electric Group’s corporate value.

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# Directors & Executive Officers

## Directors (as of June 24, 2026)



### Tatsuro Kosaka

Outside Director | Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 7,000
- Period of service: 4 years

Apr. 1976 Joined Chugai Pharmaceutical Co., Ltd.
Mar. 2012 Representative Director, President & COO of Chugai Pharmaceutical Co., Ltd.
Mar. 2018 Representative Director, President & CEO of Chugai Pharmaceutical Co., Ltd.
Mar. 2020 Representative Director, Chairman & CEO of Chugai Pharmaceutical Co., Ltd.
Mar. 2021 Representative Director, Chairman of Chugai Pharmaceutical Co., Ltd.
Mar. 2022 Senior Advisor of Chugai Pharmaceutical Co., Ltd. (current position)
Jun. 2022 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation
Jun. 2023 Director, Chairperson of the Nomination Committee and Member of the Compensation Committee
Jun. 2024 Director, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee (current position)

Important concurrent positions
Senior Advisor, Chugai Pharmaceutical Co., Ltd.
Outside Audit & Supervisory Board Member, Komatsu Ltd.



### 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: 4 years

Apr. 1978 Joined Yamaha Motor Co., Ltd.
Mar. 2010 President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.
Jan. 2018 Chairman and Representative Director of Yamaha Motor Co., Ltd.
Mar. 2021 Chairman and Director of Yamaha Motor Co., Ltd.
Jan. 2022 Director of Yamaha Motor Co., Ltd.
Mar. 2022 Adviser of Yamaha Motor Co., Ltd. (retired in March 2025)
Jun. 2022 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation
Jun. 2023 Director, Chairperson of the Audit Committee and Member of the Nomination Committee
Jun. 2024 Chairperson of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee (current position)

Important concurrent positions
Non-executive Director of the Board, Kirin Holdings Company, Limited
Outside Director, Japan Airlines Co., Ltd.



### Masako Egawa

Outside Director | Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 2,900
- Period of service: 3 years

Apr. 1980 Joined Tokyo Branch, Citibank, N.A.
Sep. 1986 Joined New York Headquarters, Salomon Brothers Inc.
Jun. 1988 Joined Tokyo Branch, Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.)
Dec. 1993 Joined Tokyo Branch, S.G. Warburg Securities (currently UBS Securities Japan Co., Ltd.)
Nov. 2001 Executive Director, Japan Research Center, Harvard Business School (Retired in March 2009)
Apr. 2009 Executive Vice President, The University of Tokyo (Retired in March 2015)
Sep. 2015 Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2020)
Jul. 2019 Vice-Chairperson, The Japan Securities Dealers Association (Retired in June 2024)
Apr. 2020 Specially Appointed Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2022)
Apr. 2022 Chancellor, Seikei Gakuen (current position)
Jun. 2023 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)

Important concurrent positions
Chancellor, Seikei Gakuen
External Director, Mitsui & Co., Ltd.



### Haruka Matsuyama

Outside Director | Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 2,400
- Period of service: 3 years

Apr. 1995 Assistant Judge to the Tokyo District Court (Retired in July 2000)
Jul. 2000 Attorney-at-law (current position)
Jul. 2000 Joined Hibiya Park Law Offices
Jan. 2002 Partner of Hibiya Park Law Offices (current position)
Jun. 2023 Director, Member of the Audit Committee, Mitsubishi Electric Corporation
Jun. 2024 Director, Chairperson of the Audit Committee (current position)

Important concurrent positions
Attorney-at-law
Outside Director, AGC Inc.
Outside Director, Tokio Marine Holdings, Inc.



### Kunihito Minakawa

Outside Director | Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 2,000
- Period of service: 2 years

Apr. 1978 Joined Ricoh Company, Ltd.
Oct. 1997 Senior Vice President & CFO, Ricoh Americas Corporation
Jun. 2010 Outside Corporate Auditor, Ricoh Leasing Company, Ltd.
Apr. 2012 Corporate Senior Vice President, General Manager of Finance and Accounting Division, Ricoh Company, Ltd.
Jun. 2013 Audit & Supervisory Board Member (full-time), Ricoh Company, Ltd. (Retired in June 2017)
Apr. 2019 Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner (Retired in March 2025)
Jun. 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)

Important concurrent positions
External Director, Nippon Sheet Glass Co., Ltd.



### Peter D. Pedersen

Outside Director | Independent Director

- Status of attendance at Board of Directors' meetings:100%
- The number of shares owned: 400
- Period of service: 2 years

Sep. 2000 President, E-Square Inc. (Retired in November 2011)
Jan. 2015 Executive Director, Next Leaders' Initiative for Sustainability (NELIS), general incorporated association (currently, NELIS, non-profit organization) (current position)
Feb. 2020 Professor (full-time), Graduate School of Leadership and Innovation, Shizenkan University
Jun. 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)
Feb. 2026 Adjunct Professor, Graduate School of Leadership and Innovation, Shizenkan University (current position)

Important concurrent positions
Executive Director, NELIS, non-profit organization
Adjunct Professor, Graduate School of Leadership and Innovation, Shizenkan University
External Director, MARUI GROUP CO., LTD.
Independent Outside Member of the Board, Meiji Holdings Co., Ltd.



### Mieko Nakabayashi

Outside Director | Independent Director

- The number of shares owned: 0
- New candidate

Jan. 1993 Professional staff, the US Senate Committee on the Budget (US public official/Republican Party)
Apr. 2002 Fellow, Research Institute of Economy, Trade and Industry (RIETI)
Apr. 2006 Associate Professor, Faculty of Management, Atomi University
Jan. 2007 Member, Fiscal System Council, Ministry of Finance, Japan
Aug. 2009 Member, the House of Representatives, Japan
Sep. 2013 Associate Professor, Global Leadership Program (Center for International Education), Waseda University
Jul. 2015 Board Member, General Incorporated Foundation Society of Global Business
Apr. 2017 Professor, School of Social Sciences, Faculty of Social Sciences, Waseda University
Jan. 2018 Distinguished Fellow, The Maureen and Mike Mansfield Foundation (US) (current position)
Jul. 2021 Chairman, General Incorporated Foundation Society of Global Business (current position)
Apr. 2022 Professor, Center for International Education, Waseda University (current position)
Apr. 2025 President, The Tokyo Foundation (current position)

Important concurrent positions
External Director, TOPPAN Holdings Inc.
Outside Director, Aidma Holdings Inc.
Professor, Center for International Education, Waseda University
Representative Director, Impresio Inc.
President, The Tokyo Foundation

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Please also refer to:

Leadership

## Directors & Executive Officers



### Kei Uruma

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 211,728

Apr. 1982 Joined Mitsubishi Electric Corporation
Apr. 2017 Executive Officer, Public Utility Systems
Apr. 2018 Senior Vice President, Public Utility Systems
Apr. 2020 Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies
Jun. 2020 Director, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies
Apr. 2021 Director, Representative Executive Officer, Senior Vice President, Export Control, Corporate Strategic Planning and Operations of Associated Companies, CSO
Jul. 2021 Director, Representative Executive Officer, President & CEO
Jun. 2023 Director, Member of the Nomination Committee, Representative Executive Officer, President & CEO (current position)



### Atsuhiro Yabu

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 61,864

Apr. 1984 Joined Mitsubishi Electric Corporation
Aug. 2018 CEO, Mitsubishi Electric Trane HVAC US LLC
Apr. 2019 Executive Officer, Vice President, Corporate Total Productivity Management & Environmental Programs
Apr. 2020 Executive Officer, Information Security, Vice President, Corporate Total Productivity Management & Environmental Programs
Apr. 2021 Executive Officer, Group President, Automotive Equipment (Retired in March 2024)
Jun. 2024 Director, Member of the Audit Committee (current position)



### Noriyuki Takazawa

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 67,016

Apr. 1986 Joined Mitsubishi Electric Corporation
Apr. 2020 Executive Officer, Group President, Energy & Industrial Systems
Apr. 2022 Executive Officer, Infrastructure Business Area Owner, Group President, Energy & Industrial Systems
Apr. 2023 Senior Vice President, Infrastructure Business Area Owner
Apr. 2025 Representative Executive Officer, Senior Vice President, CSO (in charge of Corporate Strategic Planning and Operations of Associated Companies)
Jun. 2025 Director, Representative Executive Officer, Senior Vice President, CSO (in charge of Corporate Strategic Planning and Operations of Associated Companies)
Apr. 2026 Director, Representative Executive Officer, Executive Vice President, CSO (in charge of Corporate Strategic Planning and Operations of Associated Companies) (current position)



### Kenichiro Fujimoto

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 11,886

Apr. 1988 Joined Mitsubishi Electric Corporation
Apr. 2020 Senior General Manager, Planning & Administration Dept of Living Environment & Digital Media Equipment Group
Apr. 2022 Executive Officer (Associate), Overseeing Accounting and Finance, Senior General Manager, Corporate Accounting Div.
Apr. 2024 Executive Officer (Associate), Vice President, Corporate Finance & Accounting
Apr. 2025 Executive Officer, CFO (in charge of Financial Strategy, Accounting, and Finance), In charge of IR and SR
Jun. 2025 Director, Member of the Compensation Committee, Executive Officer, CFO (in charge of Financial Strategy, Accounting, and Finance), In charge of IR and SR (current position)

## 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 globalization | Sustainability | Finance and accounting | Legal affairs, compliance and governance | Human capital and human capital 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 | ○ | ○ | | | ○ | | ○ |
| Mieko Nakabayashi | ○ | ○ | | ○ | Director, Member of the Nomination Committee, Member of the Compensation Committee | ○ | ○ | | | ○ | | |
| Kei Uruma | | ○ | | | Director, Member of the Nomination Committee, Representative Executive Officer, President & CEO | ○ | ○ | | | ○ | ○ | ○ |
| Atsuhiro Yabu | | | ○ | | Director, Member of the Audit Committee | ○ | ○ | | | | ○ | ○ |
| Noriyuki Takazawa | | | | | Director, Representative Executive Officer, Executive 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 11 members (seven of whom are Independent Outside Directors, three 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 |
|---|---|
| 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 capital and human capital 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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Please also refer to:

Leadership

## Executive Officers, Executive Officers (Associate) (as of April 1, 2026)



**Kei Uruma**
Representative Executive Officer
Executive Officer
President & CEO



**Kunihiko Kaga**
Representative Executive Officer
Executive Vice President
CTO (In charge of Technology Strategies)
Industry & Mobility Business Area Owner, Export Control



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



**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



**Yasunari Abe**
Senior Vice President
CHRO (In charge of Global Human Resources Strategy, Human Resources & General Affairs, Corporate Culture Transformation; Vice President, Corporate Human Resources & Culture Transformation); In charge of Public Relations



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



**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
CPSO (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



**Michael Corbo**
Executive Officer
In charge of Global Strategic Planning & Marketing; Vice President, Global Strategic Planning & Marketing; Representative of Americas, Global Strategic Planning & Marketing; President, Mitsubishi Electric US Holdings, Inc.; President & CEO, Mitsubishi Electric US, Inc.



**Masayoshi Takemi**
Executive Officer
Group President, Semiconductor & Device



**Norikazu Yamaguchi**
Executive Officer
CRO (In charge of Risk Management & Economic Security, Legal Affairs & Intellectual Property & External Relations, Intellectual Property, and Security Trade Control)



**Seiji Oguro**
Executive Officer
In charge of Auditing; Vice President, Corporate Strategic Planning; In charge of External Relations; In charge of Sustainability; Vice President, Sustainability Innovation



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



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



**Toru Oka**
Executive Officer (Associate)
Vice President, Corporate Research and Development



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



**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



**Taro Nakatani**
Executive Officer (Associate)
In charge of Brand Communication; Vice President, Corporate Marketing



**Futoshi Nasuno**
Executive Officer (Associate)
Vice President, Corporate Legal & Risk Management; In charge of External Relations; In charge of Intellectual Property



**Masahiko Arai**
Executive Officer (Associate)
Group President, Defense & Space Systems

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Please also refer to:

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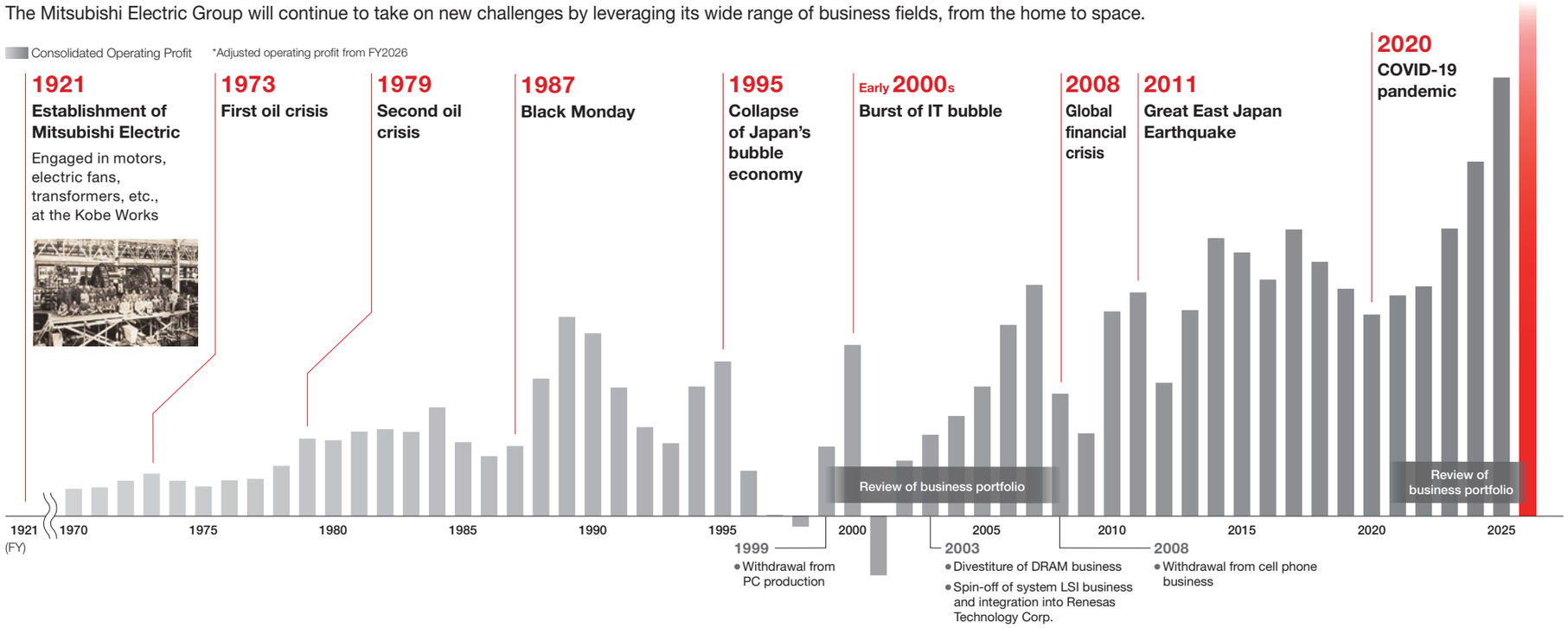
# Our History

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 fields, from the home to space.




*1 Mitsubishi Electric research *2 At the time of the delivery

## ~1970s

- Completed weather radar equipment for the weather station atop Mount 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 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)

serendie



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# Review of Previous Medium-term Management Plans

## Ideal Vision

| FY2015–FY2021 | FY2022–FY2026 |
|---|---|
| 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

| | FY2015–FY2021 Target | FY2015–FY2021 Actual (FY2021) | FY2022–FY2026 Target | FY2022–FY2026 Actual (FY2026) |
|---|---|---|---|---|
| Consolidated revenue | FY2021 ¥5 trillion or more | ¥4.2 trillion | ¥5.0 trillion+ | ¥5.9 trillion |
| Operating profit margin | FY2021 8% or more | 5.5% | 8.0%+ | 9.1%*3 |
| ROE | Continuously achieve 10% or more | 7.5% | 9.0% | 9.7% |
| Bonds and borrowings to total assets*1 | Continuously achieve 15% or less | 5.2% | Cash generation*2 | ¥3.3 trillion/5 years | ¥3.4 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 solutions field (e.g., acquisition of U.S.-based ICONICS, Inc.)
  Building systems business: Development of a global production system (e.g., new factory in India)
  Air-conditioning & refrigeration systems business: Strengthening global capabilities (e.g., acquisition of DeLclima S.p.A. of Italy)
- Promotion of technological development for value creation
  Pursuing 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: Strengthening competitiveness in core components and digital fields
  Building systems business: Strengthening maintenance and renewal business
  Air-conditioning & refrigeration systems business: Strengthening capabilities in markets in Europe, North America, and India
  Power device business: Fortifying growth foundations centered on the core strength of SiC
- Portfolio transformation in the Infrastructure BA
  Defense systems business: Strengthening development and production systems
  Energy systems business: Optimizing the business structure
- Structural reform of the automotive equipment business
  Establishment of Mitsubishi Electric Mobility Corporation, collaboration and cooperation with external partners
- Determination of business termination/continuation
  Decided to withdraw from or divest businesses with no prospects for improved profitability
- Establishment of the new digital platform “Serendie” to realize Circular Digital-Engineering

### Strengthening Management Foundations and Promoting Various Reforms

- Introduction of the business area management system
- Promoting balance sheet–driven management utilizing ROIC
- Reorganization of associated companies
- Reduction of non-core assets — Sale of cross-shareholdings
- Establishment of a sustainability promotion system — Sustainability Innovation Group newly established
- Promotion of the Three Key Reforms — Quality assurance reforms/Organizational culture reforms/Governance reforms

## 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.

⇒Direction for the next Medium-term Management Plan: Focus on strengthening solutions businesses, reviewing the business portfolio to improve profitability, and effectively utilizing management resources.

- We implemented a number of structural reforms, including business portfolio transformation and strengthening our business foundation. Under the business portfolio transformation, key growth businesses grew steadily through active investments, and resilient businesses improved profitability mainly in infrastructure-related business. In addition, we implemented structural reforms and determined whether to withdraw/divest or continue with businesses (1.5 trillion yen in total*4), centered on value recapturing businesses. To strengthen our business foundation, we promoted balance sheet–driven management utilizing ROIC, reorganized associated companies, and reduced non-core assets.
- In addition to these efforts to improve profitability and capital efficiency, the expansion of demand in Mitsubishi Electric’s business fields contributed to the achievement of our financial targets in FY2026, as well as record high revenue and operating profit.
- At the same time, to achieve further growth amid the rapid evolution of AI, which is revolutionizing businesses, and the intensified competitive environment, we recognize that it is necessary to move away from our traditional business model of hardware-only sales of components and drive a transformation of our business model toward Circular Digital-Engineering that continues to create new value by utilizing data.

⇒Direction of the Next Medium-term Corporate Strategy: Create solutions and strengthen components using Serendie, and transform the business model through full-scale deployment of Circular Digital-Engineering.

*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 Excluding the impact of the Next Stage Support System Special Measures *4 Total revenue of the fiscal year in which the decision to withdraw/divest/deconsolidation each business was made.



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Please also refer to:

IR DAY

# 10-Year Summary

■U.S. GAAP ■IFRS Mitsubishi Electric Corporation and Subsidiaries (Millions of yen)

| For the Fiscal Year | | FY2017 | FY2018 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | | 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 | **5,894,747** |
| Operating profit | | 270,104 | 318,637 | 327,444 | 290,477 | 259,661 | 230,195 | 252,051 | 262,352 | 328,525 | 391,850 | **433,095** |
| Adjusted operating profit | | — | — | 332,614 | 289,758 | 245,264 | 220,772 | 250,868 | 258,932 | 308,648 | 376,418 | **501,209** |
| Profit before income taxes | | 296,249 | 364,578 | 353,206 | 315,958 | 281,986 | 258,754 | 279,693 | 292,179 | 365,853 | 437,265 | **526,077** |
| Net profit attributable to Mitsubishi Electric Corp. stockholders | | 210,493 | 271,880 | 255,755 | 226,648 | 221,834 | 193,132 | 203,482 | 213,908 | 284,949 | 324,084 | **407,758** |
| Total assets | | 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 | **7,357,512** |
| Cash and cash equivalents | | 662,469 | 599,199 | 599,199 | 514,224 | 537,559 | 767,406 | 727,179 | 645,870 | 765,384 | 757,331 | **731,609** |
| Bonds, borrowings and lease liabilities | | 352,124 | 311,485 | 311,950 | 298,438 | 377,003 | 365,431 | 329,461 | 400,758 | 394,636 | 360,661 | **363,278** |
| Mitsubishi Electric Corp. stockholders' equity | | 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 | **4,484,266** |
| Cash flows from operating activities | | 365,950 | 240,450 | 265,768 | 239,817 | 395,834 | 542,119 | 282,371 | 166,711 | 415,479 | 455,905 | **575,993** |
| Cash flows from investing activities | | (148,632) | (178,219) | (182,015) | (210,668) | (203,997) | (176,552) | (114,867) | (148,533) | (94,119) | (191,750) | **(344,407)** |
| Free cash flow | | 217,318 | 62,231 | 83,753 | 29,149 | 191,837 | 365,567 | 167,504 | 18,178 | 321,360 | 264,155 | **231,586** |
| Cash flows from financing activities | | (123,495) | (128,291) | (149,813) | (112,067) | (156,454) | (157,352) | (241,319) | (119,568) | (240,118) | (265,333) | **(304,817)** |
| Dividends paid to Mitsubishi Electric Corp. stockholders | | 57,963 | 68,696 | 68,696 | 85,871 | 85,871 | 77,283 | 85,723 | 84,524 | 96,949 | 104,316 | **113,621** |
| R&D expenditures | | 201,330 | 210,308 | 210,308 | 212,794 | 206,846 | 190,574 | 195,144 | 212,386 | 221,867 | 228,853 | **235,923** |
| Capital expenditures (Based on the recognized value of property, plant and equipment) | | 175,542 | 181,513 | 181,513 | 198,442 | 227,450 | 180,033 | 167,772 | 240,971 | 229,941 | 230,712 | **310,746** |
| Depreciation | | 141,584 | 154,559 | 153,161 | 152,315 | 184,842 | 186,983 | 181,116 | 187,210 | 172,849 | 152,530 | **155,679** |
| **Per Share Amounts:** | | | | | | | | | | | | |
| Earnings per share attributable to Mitsubishi Electric Corp. stockholders (Yen) | Basic | 98.07 | 126.70 | 119.19 | 105.65 | 103.41 | 90.03 | 95.41 | 101.30 | 135.74 | 155.70 | **198.31** |
| | Diluted | — | — | 119.19 | 105.65 | 103.41 | 90.03 | 95.41 | 101.30 | 135.74 | 155.70 | **198.31** |
| Cash dividend declared (Yen) | | 27 | 40 | 40 | 40 | 40 | 36 | 40 | 40 | 50 | 50 | **55** |
| Adjusted dividend on equity ratio (DOE) (%) | | 2.9 | 4.0 | 4.1 | 3.8 | 3.6 | 3.0 | 3.1 | 2.9 | 3.3 | 3.0 | **3.0** |
| Mitsubishi Electric Corp. stockholders' equity (Yen) | | 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 | **2,191.26** |
| **Financial Ratios:** | | | | | | | | | | | | |
| Operating profit margin (%) | | 6.4 | 7.2 | 7.4 | 6.4 | 5.8 | 5.5 | 5.6 | 5.2 | 6.2 | 7.1 | **7.3** |
| Adjusted operating profit margin (%) | | — | — | 7.5 | 6.4 | 5.5 | 5.3 | 5.6 | 5.2 | 5.9 | 6.8 | **8.5** |
| Return on revenue (%) | | 5.0 | 6.1 | 5.8 | 5.0 | 5.0 | 4.6 | 4.5 | 4.3 | 5.4 | 5.9 | **6.9** |
| Return on equity (ROE) (%) | | 10.9 | 12.6 | 11.7 | 9.7 | 9.2 | 7.5 | 7.1 | 6.9 | 8.2 | 8.4 | **9.7** |
| Return on assets (ROA) (%) | | 5.1 | 6.4 | 6.0 | 5.2 | 5.1 | 4.2 | 4.1 | 4.0 | 4.9 | 5.2 | **5.9** |
| Mitsubishi Electric Corp. stockholders' equity ratio (%) | | 48.9 | 53.0 | 53.3 | 55.1 | 55.1 | 57.4 | 58.3 | 58.0 | 60.6 | 61.9 | **60.9** |
| Debt to equity (D/E) ratio | | 0.17 | 0.14 | 0.14 | 0.12 | 0.16 | 0.13 | 0.11 | 0.12 | 0.11 | 0.09 | **0.08** |
| Overseas revenue ratio (%) | | 43.2 | 45.3 | 45.1 | 43.4 | 41.5 | 42.0 | 47.9 | 50.7 | 51.3 | 50.7 | **50.3** |

Notes: 1. The consolidated financial statements of the Mitsubishi Electric 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."Adjusted operating profit" is calculated by deducting other profit (loss), including gains (losses) on the sale of businesses and assets as well as impairment losses, from operating profit.
3. R&D expenditures include elements spent on improvements which constitute cost of production.
4. 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.
5. Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))
6. The calculation of the debt to equity ratio includes lease liabilities.

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Please also refer to:

Annual Securities Report

# Main Non-financial Data

## Environment

Primarily covers the performance of Mitsubishi Electric Corporation and consolidated subsidiaries (excludes certain companies, such as those acquired during the period).

Note: Years preceded by "FY" refer to the fiscal year ending March 31 of the same year.

### Greenhouse Gas Emissions

Accounting (kt-$CO_2$) (Total emission ratio indicated in parentheses)

| | | FY2024 | FY2025 | FY2026* |
|---|---|---|---|---|
| Scope 1 | | 234 (0.1%) | 216 (0.1%) | 225 (0.1%) |
| Scope 2 | Market-based | 676 (0.4%) | 520 (0.3%) | 446 (0.3%) |
| | Location-based | 837 | 776 | 767 |
| Scope 3 | | 180,316 (99.5%) | 164,280 (99.6%) | 157,779 (99.6%) |

*The figures for FY2026 have received third-party assurance from KPMG AZSA Sustainability Co., Ltd., in the Mitsubishi Electric Group Sustainability Data Book 2026 (ESG Data) (Scope 3 assurance covers only Category 1 and Category 11).

### Effective Utilization of Plastic Waste

| | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Japan | 95% | 97% | 96% |

### Water Usage

(thousand $m^3$)

| | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Group | 13,151 | 12,819 | 12,938 |

## Human Capital

### Employment Situation

Mitsubishi Electric (non-consolidated)

| Category | | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|---|---|
| Full-time employees | Total (persons) | 36,700 | 35,136 | 36,520 | 31,213 | 29,949 |
| Temporary staff | Total (persons) | 6,682 | 6,505 | 6,636 | 4,909 | 4,760 |
| Average age | Total (years of age) | 41.1 | 41.3 | 41.4 | 41.3 | 40.5 |
| Average number of years worked | Total (years) | 16.9 | 16.9 | 16.7 | 16.3 | 15.3 |
| Turnover rate | Total (%) | 2.7 | 2.8 | 3.3 | 3.4 | 6.4 (2.9*1) |
| Average annual wage: Full-time employees | Total (yen) | 8,067,252 | 8,273,671 | 8,298,631 | 8,695,126 | 9,134,603 |
| | Gender difference*2 (%) | 71.4% | 71.3% | 71.7% | 71.6% | 72.7% |
| Average annual wage: All workers | Gender difference*2 (%) | 61.0% | 61.5% | 62.4% | 63.0% | 64.2% |
| Average annual wage: Full-time employees*3 | Gender difference*2 (%) | 63.6% | 63.6% | 64.4% | 64.9% | 66.0% |
| Average annual wage: Non-regular employees | Gender difference*2 (%) | 62.4% | 63.2% | 61.8% | 60.4% | 59.3% |
| Managerial position | Held by women*4 (%) | 2.3% | 2.6% | 3.1% | 4.0% | 4.2% |
| Regular position | Total (persons) | 25,391 | 24,559 | 25,403 | 22,786 | 21,875 |
| | Held by women (%) | 7.6% | 8.2% | 8.8% | 9.7% | 10.3% |

*1 Percentage excluding employees who retired under the Next Stage Support Program
*2 Women's average annual wage compared to men's average annual wage, expressed as a percentage.
*3 Full-time employees and non-regular employees who are full-time, open-ended.
*4 Percentage of managerial positions held by women

### Evaluation Indicators Related to Workplace Culture Improvement Initiatives

Mitsubishi Electric (non-consolidated)

| KPI | FY2022 (Result) | FY2023 (Result) | FY2024 (Result) | FY2025 (Result) | FY2026 (Result) | FY2027 (Goal) |
|---|---|---|---|---|---|---|
| Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company)* | 54% | 54% | 55% | 60% | 62% | 65% |
| Percentage of employees who responded that they had a good work-life balance | 65% | 66% | 68% | 71% | 72% | 70% or higher |

*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)

| Category | | March 31, 2022 | March 31, 2023 | March 31, 2024 | March 31, 2025 | March 31, 2026 |
|---|---|---|---|---|---|---|
| No. of Directors | Total (persons) | 10 | 12 | 12 | 10 | 10 |
| Internal Directors/ Outside Directors | Internal Directors (persons) | 5 | 5 | 5 | 4 | 4 |
| | Outside Directors (persons) | 5 | 7 | 7 | 6 | 6 |
| Gender | Male (persons) | 9 | 11 | 9 | 8 | 8 |
| | Female (persons) | 1 | 1 | 3 | 2 | 2 |
| Non-Japanese nationals (persons) | | 0 | 0 | 0 | 1 | 1 |
| Percentage of Outside Directors (%) | | 50 | 58 | 58 | 60 | 60 |
| Percentage of female Directors (%) | | 10 | 8 | 25 | 20 | 20 |
| No. of board meetings held | | 20 times | 13 times | 14 times | 13 times | 13 times |
| Chairperson | | Outside | Outside | Outside | Outside | Outside |

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

Mitsubishi Electric (non-consolidated)

| Category | | March 31, 2022 | March 31, 2023 | March 31, 2024 | March 31, 2025 | March 31, 2026 |
|---|---|---|---|---|---|---|
| No. of Directors and Officers | Total (persons) | 29 | 33 | 34 | 34 | 36 |
| | Non-Japanese nationals (persons) | 0 | 0 | 1 | 2 | 2 |
| Percentage of female and non-Japanese Directors and Officers (%) | | 3 | 3 | 15 | 15 | 17 |

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Please also refer to:

Sustainability Data Book 2026

# Initiative/External Evaluation

## Initiatives

- **UN Global Compact (UNGC)**
- **Science Based Targets initiative (SBTi)**
- **Task Force on Climate-related Financial Disclosures (TCFD)**
- **Responsible Business Alliance (RBA)**
- **Taskforce on Nature-related Financial Disclosures (TNFD)**
- **Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)**
- **GX Future Consortium and GX Future League**
- **30by30 Alliance**
- **World Economic Forum (WEF)**

## External Evaluations

- **FTSE JPX Blossom Japan Index**
  **FTSE JPX Blossom Japan Sector Relative Index**
  **FTSE JPX Blossom Japan Index Series**
- **CDP**
- **EcoVadis**
- **S&P/JPX Carbon Efficient Index**
- **KENKO Investment for Health**
  **(a government-led program advancing employee health through business strategy)**
- **Clarivate AI50 2026**

## 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 (JEITA)
- Communications and Information Network Association of Japan (CIAJ)
- The Japan Electrical Manufacturers' Association (JEMA)
- The Japan Machinery Federation (JMF)
- Council on Competitiveness-Nippon (COCN)
- Japanese Standards Association (JSA)
- Japan Intellectual Property Association (JIPA)
- Japan Institute of Invention and Innovation (JIII)

# Corporate Data and Shareholder Information

(as of March 31, 2026)

## Corporate Data

### Mitsubishi Electric Corporation

Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku,
Tokyo 100-8310, Japan
Established: January 15, 1921
Paid-in Capital: ¥175,820 million
Shares Issued: 2,113,201,551 shares
Employees: 150,386

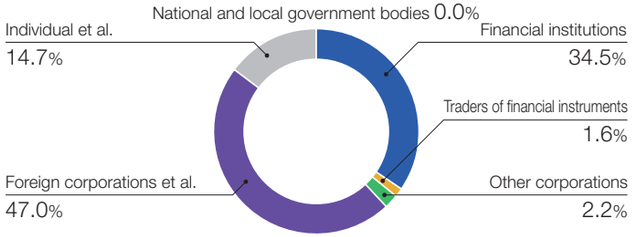
## General Meeting of Shareholders

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) | 330,698 | 16.1 |
| Custody Bank of Japan, Ltd. (Trust Account) | 119,798 | 5.9 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 92,605 | 4.5 |
| Meiji Yasuda Life Insurance Company | 81,863 | 4.0 |
| THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT | 48,544 | 2.4 |
| Mitsubishi Electric Group Employees Shareholding Union | 39,272 | 1.9 |
| STATE STREET BANK AND TRUST COMPANY 505223 | 39,197 | 1.9 |
| GOVERNMENT OF NORWAY | 32,469 | 1.6 |
| JP MORGAN CHASE BANK 385642 | 31,386 | 1.5 |
| JP MORGAN CHASE BANK 385781 | 31,169 | 1.5 |

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

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Please also refer to:

Internal/External Evaluation