

[Translation]

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# Annual Securities Report

The 154th Business Term  
From April 1, 2024 to March 31, 2025

Mitsubishi Electric Corporation

7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo

The 154th Business Term (from April 1, 2024 to March 31, 2025)

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# Annual Securities Report

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1. This is an English translation of the Annual Securities Report (“Yukashoken Hokokusho”) pursuant to Article 24, paragraph 1 of the Financial Instruments and Exchange Act of Japan, via the Electronic Disclosure for Investors’ Network (“EDINET”) system as set forth in Article 27-30-2 of the same Act. The translation includes a table of contents and pagination that are not included in the electronic filing.
2. This report does not contain the attachments to the Annual Securities Report (“Yukashoken Hokokusho”) submitted via the above method, but English translations of the Independent Auditors’ Report have been appended to the back of this report.

Mitsubishi Electric Corporation

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## [Cover]

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[Fiscal Year]	The 154th business term (from April 1, 2024 to March 31, 2025)
[Company Name]	Mitsubishi Denki Kabushiki Kaisha
[Company Name in English]	Mitsubishi Electric Corporation
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### 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
- (17) Important matters related to Mitsubishi Electric Corporation’s directors and executive officers, major shareholders, affiliated companies and other stakeholders

# Part I Information on the Company

## I. Overview of the Company

### 1. Key Financial Data

#### (1) Consolidated financial data

(Millions of yen, unless otherwise stated)

	150th business term	151st business term	152nd business term	153rd business term	154th business term
Year end	March 2021	March 2022	March 2023	March 2024	March 2025
Revenue	4,191,433	4,476,758	5,003,694	5,257,914	5,521,711
Profit before income taxes	258,754	279,693	292,179	365,853	437,265
Net profit attributable to Mitsubishi Electric Corp. stockholders	193,132	203,482	213,908	284,949	324,084
Comprehensive income attributable to Mitsubishi Electric Corp. stockholders	401,559	356,926	348,064	650,302	353,213
Mitsubishi Electric Corp. stockholders' equity	2,754,293	2,975,941	3,239,027	3,739,324	3,949,678
Total equity	2,870,611	3,097,397	3,363,224	3,866,418	4,076,366
Total assets	4,797,921	5,107,973	5,582,519	6,167,340	6,375,680
Mitsubishi Electric Corp. stockholders' equity, per share (yen)	1,283.88	1,409.08	1,533.98	1,790.63	1,903.11
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	90.03	95.41	101.30	135.74	155.70
Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	90.03	95.41	101.30	135.74	155.70
Mitsubishi Electric Corp. stockholders' equity ratio (%)	57.4	58.3	58.0	60.6	61.9
Return on equity (%)	7.5	7.1	6.9	8.2	8.4
Price earnings ratio (times)	18.7	14.8	15.6	18.5	17.5
Cash flows from operating activities	542,119	282,371	166,711	415,479	455,905
Cash flows from investing activities	(176,552)	(114,867)	(148,533)	(94,119)	(191,750)
Cash flows from financing activities	(157,352)	(241,319)	(119,568)	(240,118)	(265,333)
Cash and cash equivalents at end of year	767,406	727,179	645,870	765,384	757,331
Employees (persons)	145,653	145,696	149,655	149,134	149,914

Notes: 1. The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

2. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders as no dilutive securities existed.

## (2) Financial data of the Company

(Millions of yen, unless otherwise stated)

Fiscal year	150th business term	151st business term	152nd business term	153rd business term	154th business term
Year end	March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	2,459,282	2,557,436	2,712,165	2,682,655	2,070,072
Ordinary income	177,521	172,920	163,372	225,149	279,433
Net income	185,526	179,389	146,293	292,207	288,988
Common stock	175,820	175,820	175,820	175,820	175,820
Number of issued shares (thousands of shares)	2,147,201	2,147,201	2,147,201	2,147,201	2,113,201
Total net assets	1,460,424	1,490,180	1,572,363	1,663,705	1,785,795
Total assets	3,057,070	3,065,591	3,161,763	3,277,009	3,383,498
Net assets per share(yen)	680.76	705.59	744.66	796.69	860.47
Dividends per share(yen)	36.00	40.00	40.00	50.00	50.00
[Of the above, interim dividends per share] (yen)	[10.00]	[14.00]	[14.00]	[20.00]	[20.00]
Basic net income per share(yen)	86.48	84.11	69.28	139.20	138.84
Diluted net income per share(yen)	—	—	—	—	—
Stockholders' equity ratio (%)	47.8	48.6	49.7	50.8	52.8
Return on equity (%)	13.5	12.2	9.6	18.1	16.8
Price earnings ratio (times)	19.5	16.8	22.8	18.0	19.6
Dividend payout ratio (%)	41.6	47.6	57.7	35.9	36.0
Employees(persons)	36,162	36,700	35,136	36,520	31,213
[Average number of temporary employees] (persons)	[6,838]	[6,682]	[6,505]	[6,636]	[4,909]
Total shareholder return (%)	129.0	111.3	126.9	200.6	219.9
[comparison index: Dividend-included TOPIX] (%)	[142.1]	[145.0]	[153.4]	[216.8]	[213.4]
Highest stock price (yen)	1,785.50	1,817.00	1,602.50	2,602.50	3,052.00
Lowest stock price (yen)	1,235.00	1,225.50	1,273.00	1,521.50	1,867.00

Notes: 1. Diluted net income per share is not included in the table above as no dilutive securities existed.

2. The highest and lowest stock prices are market price on the Prime Market of Tokyo Stock Exchange from April 4, 2022, and market price on the first section of Tokyo Stock Exchange prior to April 4, 2022.

## 2. History

Month/Year	History
January 1921	Mitsubishi Electric Corporation was founded succeeding Kobe Shipyard Electric Works of Mitsubishi Shipbuilding & Engineering Co., Ltd. (currently Mitsubishi Heavy Industries, Ltd.) Established Kobe Works (currently Kobe Works, Energy Systems Center) to manufacture transformers, motors, electric fans, etc.
November 1923	Established Nagasaki Factory (currently Itami Works Nagasaki Factory) received outsourcing from Nagasaki Shipyard Electric Works of Mitsubishi Shipbuilding & Engineering Co., Ltd. to manufacture large-scale heavy electrical equipment such as turbine generators and DC generators for ships.
September 1924	Established Nagoya Works to manufacture standard electrical products such as general-purpose induction motors, and electric home appliances.
December 1940	Established Osaka Factory (currently Itami Works, Transmission & Distribution Systems Center), transferred wireless device and precision factory from Kobe Works.
February 1943	Established Fukuyama Factory (currently Fukuyama Works) and Nakatsugawa Factory (currently Nakatsugawa Works).
April 1943	Established Koriyama Factory (currently Communication Networks Center Koriyama Factory).
June 1943	Established Wakayama Factory (currently Air-Conditioning & Refrigeration Systems Works).
February 1944	Established Himeji Factory (currently Mitsubishi Electric Mobility Corporation Himeji Office).
March 1944	Head Office Research and Development Department changed its name to Research and Development Center. (currently Advanced Technology R&D Center, etc.)
May 1949	Listed on Tokyo Stock Exchange.
October 1953	Established Radio Equipment Works (currently Electronics and Communication Systems Center, Communication Networks Center) in response to increasing demand for wireless communication equipment and televisions, etc.
April 1954	Established Shizuoka Factory (currently Shizuoka Works) to manufacture refrigeration equipment for consumers such as refrigerators and air conditioners, etc.
August 1959	Established Kitaitami Factory (currently High Frequency & Optical Device Works) as a semiconductor mass production factory.
October 1960	Established Kamakura Works for the purpose of building a main electronics factory such as wireless/electronic applied equipment and electronic computers in Kanto region.
May 1962	Established a joint venture navigation and simulation systems manufacturing company, Mitsubishi Precision Co., Ltd. with General Precision, Inc.
March 1963	Merged Ryoden Kiki Kabushiki Kaisha and changed its name to Gunma Works (currently Shizuoka Works Gunma Factory).
May 1964	Established Itami Works Sanda Factory (currently Mitsubishi Electric Mobility Corporation Sanda Office) to manufacture small switch control devices.
October 1964	Established Inazawa Works (currently Mitsubishi Electric Building Solutions Corporation Inazawa Building Systems Works) to manufacture elevators.
August 1965	Established Research & Development Department (currently Corporate Research & Development Group).
August 1970	Established Manufacturing Development Laboratory (currently Manufacturing Engineering Center) as a company-wide manufacturing engineering center focusing on hardware.
June 1972	Established Ako Factory (currently Transmission & Distribution Systems Center Ako Factory) to manufacture large-scale transformers.
August 1973	Established Mitsubishi Electric America, Inc. (currently Mitsubishi Electric US, Inc.) in the U.S.
April 1974	Established Power and Industrial Systems Center (currently Kobe Works, etc.).
June 1975	Established Corporate Marketing Group.
June 1977	Introduced business group system and established four business groups as Heavy Machinery Group, Electronic Systems Group, Industrial Products Group, and Consumer Products Group.
September 1977	Established Melco Sales Singapore Pte. Ltd. (currently Mitsubishi Electric Asia Pte. Ltd.) in Singapore.
June 1978	Established Mitsubishi Electric Taiwan Co., Ltd. in Taiwan.
April 1979	Established Marugame Works (currently Power Distribution Systems Center) to manufacture closed type power distribution board and circuit breakers.

Month/Year	History
June 1981	Established Computer & Information Systems Laboratory (currently Information Technology R&D Center) to improve research and development of information processing, transmission, and optic radio wave equipment.
September 1981	Established Kitaitami Works Fukuoka Semiconductor Factory (currently Power Device Works).
October 1983	Reorganized six business groups as Energy and Industry Systems Group, Consumer Products Group, Electronic Products & Systems Group, Computer and Systems Group, Electronic Devices Group, and International Operations Group.
June 1989	Established Automotive Equipment Group.
June 1993	Reorganized nine business groups as Power & Industrial Systems Group, Public-Use & Building Systems Group, Electronic Products & Systems Group, Information & Communication Systems Group, Audio-Visual & Information Systems Group, Living Environment Systems Group, Factory Automation Systems Group, Automotive Equipment Group, and Semiconductor Group. Established Corporate Manufacturing & Engineering Group.
August 1995	Established Mitsubishi Electric Information Technology Center America, Inc. (currently Mitsubishi Electric Research Laboratories, Inc.) as a research center in the U.S.
September 1995	Established Mitsubishi Electric Information Technology Centre Europe B.V. (currently Mitsubishi Electric R&D Centre Europe B.V.) as a research center in Europe.
June 1996	Reorganized sales business structure in Europe, and integrated sales companies in the UK, Germany, France, and other European countries to Mitsubishi Electric Europe B.V.
October 1997	Established Mitsubishi Electric (China) Co., Ltd as an investment holding company to support business strategies in China.
April 1998	Split Information & Communication Systems Group into Communication Systems Group and Information Systems Group.
April 1999	Integrated Power & Industrial Systems Group and Public-Use & Building Systems Group to Public Utility Systems Integrated Group. Established Building Systems Group.
May 1999	Completed and commenced operations of the first recycling plant for the household appliance industry (currently Hyper Cycle Systems Corporation).
February 2000	Established Information Network Service Group.
June 2000	Public Utility Systems Integrated Group changed its name to Public Utility Systems Group. Integrated Audio-Visual & Information Systems Group and Living Environment Systems Group to Living Environment & Digital Media Equipment Group.
October 2000	Established a joint venture home elevator manufacturing company, Mitsubishi Hitachi Home Elevator Corporation with Hitachi, Ltd.
April 2001	Merged Information Systems Group with Information Network Service Group and changed its name to Information Systems & Network Service Group to accelerate IT-related business.
June 2001	Enactment of Mitsubishi Electric Group's "Changes for the Better" corporate statement.
April 2002	Established Mitsubishi Electric US Holdings, Inc. as a holding company in the U.S.
June 2003	Mitsubishi Electric Corporation became a Company with Three-committee System as a corporate governance reform.
October 2003	Established a joint venture electrical equipment business company for manufacturing plants, Toshiba Mitsubishi-Electric Industrial Systems Corporation (currently TMEIC Corporation) with Toshiba Corporation. Semiconductor Group changed its name to Semiconductor & Device Group.
April 2005	Split Public Utility Systems Group into Public Utility Systems Group and Energy & Industrial Systems Group.
September 2010	Established Mitsubishi Electric India Private Limited as a comprehensive sales company in India.
June 2011	Established Mitsubishi Electric Vietnam Company Limited as a comprehensive sales company in Vietnam.
September 2012	Established Mitsubishi Electric do Brasil Comercio e Servicos Ltda. as a comprehensive sales company in Brazil.
December 2012	Established PT. Mitsubishi Electric Indonesia as a comprehensive sales company in Indonesia.
January 2013	Established Mitsubishi Electric Turkey A.S. as a comprehensive sales company in Turkey.
October 2014	Established Mitsubishi Electric (Russia) LLC as a comprehensive sales company in Russia.



Month/Year	History
February 2016	Turned DeLclima S.p.A. (currently Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A.), an Italian company engaged in the commercial air conditioning products business, into a wholly-owned subsidiary.
April 2020	Established Business Innovation Group. Dissolved Communication Systems Group and its functions were transferred to Public Utility Systems Group and Corporate Research and Development Group.
January 2021	Revised its corporate philosophy system, comprising its Purpose, Our Values, and Commitment.
April 2021	Established Process & Operation Reengineering Group and Corporate Communication Group. Established Industrial Mechatronics Systems Works, transferred the functions for manufacturing of computerized numerical controllers (CNCs), electrical discharge machines and laser processing machines from Nagoya Works.
October 2021	Established Corporate Quality Assurance Reengineering Group.
April 2022	Established four Business Areas: Infrastructure, Industry & Mobility, Life, and Business Platform. Established Mitsubishi Electric Building Solutions Corporation which succeeded building systems business of the Company.
April 2023	Established Mitsubishi Electric Software Corporation, merged six software design subsidiaries. Revised its Business Area (BA) management structure and established Strategic Planning Offices in each BA, and split Business Platform BA into Business Platform BA and Semiconductor & Device Group. Electronic Systems Group changed its name to Defense & Space Systems Group.
April 2024	Dissolved Corporate Communication Group. Established Mitsubishi Electric Mobility Corporation split from Automotive Equipment Group. Established a joint venture generator business company, Mitsubishi Generator Co., Ltd. with Mitsubishi Heavy Industries, Ltd. Established Sustainability Innovation Group.
April 2025	Established IT Solution Business & Business Process Reengineering Group, merged Corporate Information Security Div., Process & Operation Reengineering Group and Information Systems & Network Service Group. Reorganized the Business Platform BA and the IT Solution Business & Business Process Reengineering Group into the new Digital Innovation Group, splitting its business function from the Company and integrating it with a merger of three of the Company's subsidiaries in the information systems & network service business to form the newly established Mitsubishi Electric Digital Innovation Corporation. Changed the Japanese names of the Corporate Manufacturing and Engineering Group, and the Corporate Research and Development Group (English names remained unchanged). Changed the Japanese name of the Energy & Industrial Systems Group (English name remained unchanged).

### 3. Description of Business

The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The Mitsubishi Electric Group, which is composed of the Company, 224 consolidated subsidiaries and 40 equity method companies, engages in 6 business segments (Infrastructure, Industry & Mobility, Life, Business Platform, Semiconductor & Device, Others) and our products range from all types.

Major business outline for each segment of the Group and the relation of principal affiliated companies for the year ended March 31, 2025 are described as follows.

Segment, main products and business lines	Manufacturing	Sales/Installation/Services	Comprehensive Sales Companies
<b>Infrastructure</b> <u>Public Utility Systems</u> Rolling stock system, supervisory control system for water treatment plants, power supply system for large electricity users, communication system <u>Energy Systems</u> Supervisory control system for power plants, substation equipment, power electronics equipment, power transmission and distribution system, power demand and supply optimization solution <u>Defense &amp; Space Systems</u> Missile system, radar system, command & control system, electric warfare system, satellite system, satellite data solutions	Mitsubishi Electric Public Utility Equipment Corporation Mitsubishi Electric Control Panel Corporation Mitsubishi Electric Power Products, Inc. Mitsubishi Electric Defense & Space Technologies Co. Mitsubishi Precision Co., Ltd. Mitsubishi Generator Co., Ltd. TMEIC Corporation Seiryō Electric Co., Ltd. Miyoshi Electronics Corporation MEDCOM Sp. z o.o.	Mitsubishi Electric Plant Engineering Corporation Ryoko Corporation Hitachi Mitsubishi Hydro Corporation	
<b>Industry &amp; Mobility</b> <u>Factory Automation Systems</u> Control and drive products, processing machines, power distribution control equipment, FA digital solution <u>Automotive Equipment</u> Electric vehicle-related equipment, ADAS-related products, vehicle control system, powertrain products	Mitsubishi Electric Mobility Corporation Mitsubishi Electric Automotive America, Inc. Mitsubishi Electric Thai Auto-Parts Co., Ltd. Mitsubishi Electric Automotive (China) Co., Ltd. Mitsubishi Electric Automotive de Mexico, S.A. de C.V. Mitsubishi Electric Automotive Czech s.r.o. Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd. Mitsubishi Electric Automotive India Pvt. Ltd. Shizuoki Electric Co., Inc. Shihlin Electric & Engineering Corporation	Setsuyo Astec Corporation Melco Mobility Solutions Corporation Mitsubishi Electric Mechatronics Engineering Corporation Mitsubishi Electric Mechatronics Technologies Corporation Mitsubishi Electric Automation Korea Co., Ltd. Mitsubishi Electric Automation (TAIWAN) Co., Ltd. Mitsubishi Electric Automation, Inc. Mitsubishi Electric Automation (China) Ltd.	Mitsubishi Electric Industrial Solutions Corporation and other regional comprehensive sales companies (8 companies) Mitsubishi Electric Europe B.V. Mitsubishi Electric US, Inc. Mitsubishi Electric & Electronics (Shanghai) Co., Ltd. Mitsubishi Electric (Hong Kong) Ltd. Mitsubishi Electric Taiwan Co., Ltd. Mitsubishi Electric Asia Pte. Ltd. Mitsubishi Electric India Private Limited
<b>Life</b> <u>Building Systems</u> Elevators, escalators, building management systems <u>Air Conditioning System &amp; Home Products</u> Air conditioning & refrigeration systems, lighting, ventilation, home equipment & appliances	Mitsubishi Electric Lighting Corporation Mitsubishi Electric Shanghai Electric Elevator Co., Ltd. Mitsubishi Electric Consumer Products (Thailand) Co., Ltd. Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company Mitsubishi Electric (Guangzhou) Compressor Co., Ltd. Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A. Siam Compressor Industry Co., Ltd. Mitsubishi Electric Air Conditioning Systems Europe Ltd. Shanghai Mitsubishi Elevator Co., Ltd. Kang Yong Electric Public Co., Ltd.	Mitsubishi Electric Building Solutions Corporation Ryoden Elevator Construction, Ltd. Mitsubishi Electric Living Environment Systems Corporation Mitsubishi Electric Life Network Corporation Mitsubishi Electric Air Conditioning & Refrigeration Equipment Sales Co., Ltd. Mitsubishi Electric Air Conditioning & Refrigeration Plant Co., Ltd. Mitsubishi Elevator Hong Kong Co., Ltd. Mitsubishi Electric Kang Yong Watana Co., Ltd. Mitsubishi Electric Air-Conditioning & Visual Information Systems (Shanghai) Ltd. AG MELCO Elevator Co., L.L.C.	Mitsubishi Electric & Electronics (Shanghai) Co., Ltd. Mitsubishi Electric (Hong Kong) Ltd. Mitsubishi Electric Taiwan Co., Ltd. Mitsubishi Electric Asia Pte. Ltd. Mitsubishi Electric India Private Limited RYODEN Corporation KANADEN CORPORATION MANSEI CORPORATION
<b>Business Platform</b> <u>Information Systems &amp; Network Services</u> Manufacturing DX solutions, IT infrastructure and security solutions		Mitsubishi Electric Information Network Corporation Mitsubishi Electric Information Systems Corporation Mitsubishi Electric IT Solutions Corporation Itec Hankyo Hanshin Co., Ltd.	
<b>Semiconductor &amp; Device</b> Power devices, high-frequency devices, optical devices	Melco Power Device Corporation Vincotech Holdings S.à.r.l.	Melco Semiconductor Engineering Corporation	
<b>Others</b> Procurement, real estate, advertising, finance, and other services		Mitsubishi Electric Trading Corporation Mitsubishi Electric Engineering Co., Ltd. Mitsubishi Electric System & Service Co., Ltd. Mitsubishi Electric Life Service Corporation Mitsubishi Electric Software Corporation The Kodensha Co., Ltd. Mitsubishi Electric Trading (Thailand) Co., Ltd. iPLANET Inc. Mitsubishi Electric Financial Solutions Corporation MD LOGIS CORPORATION	

Notes: 1. Comprehensive sales companies include several companies that are responsible for selling products from a number of businesses, and therefore these are placed into their own separate category rather than grouped by business segment.

2. Consolidated subsidiaries are shaded in , while equity method companies are shaded in

3. Mitsubishi Electric Information Network Corporation absorbed Mitsubishi Electric Information Systems Corporation and Mitsubishi Electric IT Solutions Corporation, with the business responsible for functions for planning and promotion of DX, IT, and security transferred from the Company, and changed its company name to Mitsubishi Electric Digital Innovation Corporation on April 1, 2025.

#### 4. Subsidiaries and Affiliated Companies

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
(Consolidated subsidiaries) Mitsubishi Electric Information Systems Corporation	Minato-ku, Tokyo	Millions of yen 2,600	Planning, design, development, and sales of information systems, and provision of various solutions and related services	100.0	Yes	The Company outsources software development work. It has lease transactions of buildings with the Company.
Mitsubishi Electric Information Network Corporation	Minato-ku, Tokyo	1,250	Development, manufacturing, sales, and maintenance of IT platforms, network integration, data center services, planning, construction, and operation of information systems, and provision of outsourcing services for information systems	100.0	Yes	The Company outsources information processing work, and uses its communication network. It provides maintenance services for the Company's information system products. It has lease transactions of buildings with the Company.
Mitsubishi Electric IT Solutions Corporation	Nakano-ku, Tokyo	1,000	Planning, design, development, manufacturing, and sales of information systems, mainly package systems, and provision of solutions	100.0	Yes	The Company purchases some of its products.
Mitsubishi Electric Building Solutions Corporation	Chiyoda-ku, Tokyo	5,000	Development, manufacturing, sales, maintenance, and repairs of elevator equipment, maintenance and repairs of refrigerating and air conditioning equipment, etc., and total building management and operation	100.0	Yes	It is engaged in sales, installation, and maintenance of the Company's refrigerating and air-conditioning equipment.
Mitsubishi Electric Engineering Co., Ltd.	Chiyoda-ku, Tokyo	1,000	Development, design, manufacturing, sales, construction, installation and preparation of various contents of electric and electronic equipment	100.0	Yes	The Company outsources design work, and purchases some of its products.
Mitsubishi Electric Software Corporation	Minato-ku, Tokyo	1,000	Research, development, design, manufacturing, and sales of systems, software, and other peripheral equipment, etc.	100.0	Yes	The Company outsources software development and design work.
Mitsubishi Electric System & Service Co., Ltd.	Setagaya-ku, Tokyo	600	Repairs, sales, installation, and maintenance of home appliances, housing-related equipment, electronic equipment, and factory automation control equipment products	100.0	Yes	It provides repairs, sales, installation, and maintenance for the Company's home appliances, housing-related equipment, electronic equipment, and factory automation control equipment products. It has lease transactions of land and buildings with the Company.
Mitsubishi Electric Plant Engineering Corporation	Taito-ku, Tokyo	350	Maintenance services and engineering for energy and electric plants and equipment	100.0	Yes	It provides maintenance for the Company's energy and electric plants and equipment.

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Mitsubishi Electric Mechatronics Engineering Corporation	Higashi-ku, Nagoya-shi	Millions of yen 300	Installation, adjustment, repairs, and maintenance of electric products for machine tools, electrical machining equipment, laser processing machines, other peripheral equipment, and systems	100.0	Yes	It is engaged in installation and maintenance of the Company's electric products for machine tools. It has lease transactions of buildings with the Company.
Melco Semiconductor Engineering Corporation	Nishi-ku, Fukuoka-shi	30	Design and development of semiconductors and technological development of process testing	100.0	Yes	The Company outsources design and development work. It has lease transactions of buildings with the Company.
Mitsubishi Electric Mobility Corporation	Chiyoda-ku, Tokyo	10,000	Development, manufacturing, sales, and services of automotive equipment	100.0	Yes	None
Mitsubishi Electric Lighting Corporation	Kamakura-shi, Kanagawa	3,785	Manufacturing and sales of lighting equipment for various facilities, household lighting equipment, lamps, and other lighting-related equipment	100.0	Yes	It manufactures and sells lighting equipment and lamps under the Company's brand. The Company purchases some of its products.
Mitsubishi Precision Co., Ltd.	Minato-ku, Tokyo	3,167	Manufacturing and sales of simulator products, precision electronic equipment, electronic application equipment, etc.	74.8	Yes	The Company purchases some of its products
Mitsubishi Electric Defense & Space Technologies Corporation	Shinagawa-ku, Tokyo	600	Manufacturing, sales, and repairs of radar application equipment, electronic application equipment, and optical equipment	100.0	Yes	The Company purchases some of its products.
Mitsubishi Electric Control Panel Corporation	Hyogo-ku, Kobe-shi	390	Development, manufacturing, sales, and maintenance of power distribution and surveillance control systems for power generation and social infrastructure, control panels, switchboards, electronic equipment products, and printed circuit boards and components	100.0	Yes	The Company purchases some of its products. It has lease transactions of land and buildings with the Company.
Mitsubishi Electric Public Utility Equipment Corporation	Tamba-shi, Hyogo	300	Manufacturing and sales of electrical equipment for locomotives and rolling stock, and equipment for power generation and distribution	95.5	Yes	The Company purchases some of its products.
Melco Power Device Corporation	Tamba-shi, Hyogo	30	Manufacturing of power devices	100.0	Yes	The Company outsources manufacturing. It has lease transactions of land and buildings with the Company.

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Melco Mobility Solutions Corporation	Fukushima-ku, Osaka-shi	Millions of yen 500	Sales and maintenance of automotive equipment, information and communications equipment, and environmental equipment	[100.0] 100.0	Yes	None
Mitsubishi Electric Air Conditioning & Refrigeration Equipment Sales Co., Ltd.	Chiyoda-ku, Tokyo	350	Sales and installation of air-conditioning and refrigeration equipment	100.0	Yes	It is engaged in sales and installation of the Company's air-conditioning and refrigeration equipment.
Setsuyo Astec Corporation	Kita-ku, Osaka-shi	90	Sales of factory automation control equipment, power distribution control equipment, semiconductor products, etc.	100.0	Yes	It sells the Company's products.
Ryoko Co., Ltd.	Chiyoda-ku, Tokyo	20	Sales of electrical equipment for locomotives and rolling stock	100.0	Yes	It sells the Company's electrical equipment for transport vehicle.
Mitsubishi Electric Industrial Solutions Corporation and other regional comprehensive sales companies (8 companies)	Naka-ku, Yokohama-shi, etc.	20 - 300	Sales of electric equipment, and undertaking of related construction	100.0	Yes	They sell the Company's products.
Mitsubishi Electric Life Service Corporation	Minato-ku, Tokyo	3,000	Buying and selling, leasing and brokerage of real estate, as well as management and operation of welfare facilities	100.0	Yes	The Company outsources management and operation of its welfare facilities, etc. It has lease transactions of land and buildings with the Company.
The Kodensha Co., Ltd.	Chuo-ku, Tokyo	1,520	Undertaking of electrical construction involving indoor wiring, power stations and substations, power cables, communications, etc., as well as sales of electric equipment, etc.	51.5	Yes	The Company supplies equipment and products to it.
Mitsubishi Electric Trading Corporation	Chiyoda-ku, Tokyo	1,000	Domestic and overseas procurement and sales of materials, export of components and equipment for overseas plants, and undertaking outsourced work related to overseas business	100.0	Yes	The Company outsources procurement and physical management of materials. It has lease transactions of offices with the Company.

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Mitsubishi Electric Air Conditioning & Refrigeration Plant Co., Ltd.	Shinagawa-ku, Tokyo	Millions of yen 400	Installation and maintenance of refrigeration and cold storage equipment, and air-conditioning equipment, as well as installation work of air-conditioning and refrigeration plants	[37.5] 100.0	Yes	It is engaged in installation and maintenance of the Company's refrigeration and cold storage equipment, and air-conditioning equipment.
Ryoden Elevator Construction, Ltd.	Shinjuku-ku, Tokyo	200	Sales and installation of elevators, and manufacturing, sales, and installation of freight elevators for parcels	[100.0] 100.0	Yes	None
iPLANET Inc.	Minato-ku, Tokyo	200	Advertising agency services; planning, production, and research related to advertising and sales promotion; and planning and operation of exhibitions	100.0	Yes	The Company outsources advertising and publicity activities.
Mitsubishi Electric Mechatronics Technologies Corporation	Higashi-ku, Nagoya-shi	100	Sales of NC units, electrical discharge and laser processing machines, robotic systems, etc.	100.0	Yes	It sells the Company's equipment for industrial use.
Mitsubishi Electric Life Network Corporation	Saiwai-ku, Kawasaki-shi	2,800	Sales of home appliances, electric materials, housing-related equipment, air-conditioning and refrigeration equipment, etc.	100.0	Yes	It sells the Company's home appliances, electric materials, housing-related equipment, air-conditioning and refrigeration equipment, etc.
Mitsubishi Electric Living Environment Systems Corporation	Taito-ku, Tokyo	2,627	Sales of home appliances, electric materials, housing-related equipment, air-conditioning and refrigeration equipment, etc.	[27.0] 100.0	Yes	It sells the Company's home appliances, electric materials, housing-related equipment, air-conditioning and refrigeration equipment, etc.
Mitsubishi Electric US Holdings, Inc.	U.S. (Cypress)	Thousands of USD 422,890	Holding company in the U.S.	100.0	Yes	It is a holding company of the Company's main U.S. operating companies.
Mitsubishi Electric US, Inc.	U.S. (Cypress)	31,623	Sales, installation, and maintenance of elevators, sales of air-conditioning and refrigeration equipment, electronic components, visual information equipment, etc., procurement of materials, and supervision of the Americas region	[100.0] 100.0	Yes	It sells the Company's products.
Mitsubishi Electric Automotive America, Inc.	U.S. (Mason)	28,000	Manufacturing and sales of automotive equipment	[100.0] 100.0	Yes	None
Mitsubishi Electric Power Products, Inc.	U.S. (Warrendale)	25,850	Manufacturing, sales, and engineering of power transmission and transformation equipment, and electrical equipment for transport vehicles, etc.	[100.0] 100.0	Yes	It is engaged in manufacturing of equipment using components, etc. supplied by the Company, as well as import and sales of finished products.
Mitsubishi Electric Automation, Inc.	U.S. (Vernon Hills)	8,000	Sales and services of factory automation control equipment products, etc.	[100.0] 100.0	Yes	It sells the Company's products.

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Mitsubishi Electric Automotive de Mexico, S.A. de C.V.	Mexico (Querétaro)	Thousands of MXN 938,038	Manufacturing and sales of automotive equipment	[100.0] 100.0	Yes	None
Mitsubishi Electric Europe B.V.	The Netherlands (Amsterdam)	Thousands of EUR 100,597	Sales, installation, and maintenance of elevators, sales of energy and electric equipment, electronic equipment, electronic components, home appliances, air-conditioning and refrigeration equipment, industrial equipment, automotive electrical equipment, etc., and supervision of the Europe region	100.0	Yes	It sells the Company's products.
Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A.	Italy (Veneto)	10,000	Design, manufacturing, and sales of air-conditioning equipment, etc. for business use	100.0	Yes	It sells air-conditioning equipment, etc. for business use to the Group.
Vincotech Holdings S.à r.l.	Luxembourg	36	Holding company of the Vincotech Group, which is engaged in development, manufacturing, and sales of industrial power devices	100.0	Yes	It is a holding company of operating companies handling power devices in Europe, etc.
Mitsubishi Electric Air Conditioning Systems Europe Ltd.	U.K. (Livingston)	Thousands of GBP 14,900	Manufacturing and sales of air-conditioning equipment for business use	[10.0] 100.0	Yes	It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric Automotive Czech s.r.o.	Czech (Slany)	Thousands of CZK 350,000	Manufacturing and sales of automotive equipment	[10.0] 100.0	Yes	None
Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company	Turkey (Manisa)	Thousands of TRY 3,441,400	Manufacturing and sales of air-conditioning equipment	100.0	Yes	It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric India Private Limited	India (Grugram)	Thousands of INR 10,930,900	Sales of air-conditioning and refrigeration equipment, semiconductors, etc., and manufacturing and sales of factory automation equipment	100.0	Yes	It sells the Company's products. It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric Automotive India Pvt. Ltd.	India (Grugram)	190,000	Manufacturing and sales of automotive equipment	100.0	Yes	None
Mitsubishi Electric Asia Pte. Ltd.	Singapore	Thousands of SGD 127,587	Sales of home appliances, industrial equipment, air-conditioning and refrigeration equipment, electronic components, etc., and supervision of the Asia region	100.0	Yes	It sells the Company's products.



Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Siam Compressor Industry Co., Ltd.	Thailand (Chonburi)	Thousands of THB 1,603,800	Manufacturing and sales of air-conditioning compressors	[25.0] 98.0	Yes	It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Thailand (Chonburi)	1,200,000	Manufacturing and sales of air-conditioning equipment	[25.0] 90.0	Yes	It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric Thai Auto-Parts Co., Ltd.	Thailand (Rayong)	400,000	Manufacturing and sales of automotive equipment	[100.0] 100.0	Yes	None
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand (Bangkok)	95,100	Sales and after-sale services of home appliances, and sales of standard electrical equipment	50.1	Yes	It sells the Company's products.
Mitsubishi Electric Trading (Thailand) Co., Ltd.	Thailand (Bangkok)	350,000	Procurement and sales of electric and electronic materials, and trading related to parts and equipment	[100.0] 100.0	Yes	Procurement, sales, and trading for the Group's overseas factories.
Mitsubishi Electric (Hong Kong) Ltd.	China (Hong Kong)	Thousands of HKD 490,862	Sales and engineering of energy and electric equipment, electronic components, etc., sales of air-conditioning and refrigeration equipment and home appliances, procurement of materials, and supervision of the Hong Kong region	100.0	Yes	It sells the Company's products.
Mitsubishi Elevator Hong Kong Co., Ltd.	China (Hong Kong)	35,000	Sales, installation, and maintenance of elevators	[75.0] 75.0	Yes	None
Mitsubishi Electric (Guangzhou) Compressor Co., Ltd.	China (Guangzhou)	Thousands of USD 122,220	Manufacturing and sales of air-conditioning compressors	[13.7] 100.0	Yes	It is engaged in manufacturing and sales under license from the Company.
Mitsubishi Electric (China) Co., Ltd.	China (Beijing)	86,734	Supervision of the China region	100.0	Yes	It is the Group's regional supervising company in China.
Mitsubishi Electric Automotive (China) Co., Ltd.	China (Changshu)	103,000	Manufacturing and sales of automotive equipment	[10.0] 100.0	Yes	None
Mitsubishi Electric Shanghai Electric Elevator Co., Ltd.	China (Shanghai)	53,000	Manufacturing, sales, and maintenance of elevators	[20.0] 60.0	Yes	None

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd.	China (Changshu)	Thousands of USD 43,400	Manufacturing of factory automation control equipment	[10.0] 100.0	Yes	It is engaged in manufacturing of equipment using components supplied by the Company, as well as sales of finished products.
Mitsubishi Electric Air-Conditioning & Visual Information Systems (Shanghai) Ltd.	China (Shanghai)	24,878	Sales of air-conditioning equipment and visual information equipment	[100.0] 100.0	Yes	It sells the Company's products.
Mitsubishi Electric Automation (China) Ltd.	China (Shanghai)	19,487	Sales and services of factory automation control equipment, power distribution control equipment, electrical discharge and laser processing machines, etc.	[100.0] 100.0	Yes	It sells the Company's products.
Mitsubishi Electric & Electronics (Shanghai) Co., Ltd.	China (Shanghai)	7,000	Sales and engineering of electronic components, etc., as well as procurement of materials	[100.0] 100.0	Yes	It sells the Company's products.
Mitsubishi Electric Taiwan Co., Ltd.	Taiwan (Taipei)	Thousands of TWD 1,274,710	Sales of energy and electric equipment, industrial equipment, air-conditioning and refrigeration equipment, home appliances, electronic equipment, electronic components, etc., procurement of materials, and supervision of the Taiwan region	100.0	Yes	It sells the Company's products.
Mitsubishi Electric Automation (TAIWAN) Co., Ltd.	Taiwan (New Taipei)	5,100	Sales of and services for factory automation control equipment, power distribution control equipment, etc.	[49.0] 100.0	Yes	It sells the Company's products.
Mitsubishi Electric Automation Korea Co., Ltd.	Korea (Seoul)	Thousands of KRW 2,000,000	Sales of and services for factory automation control equipment, power distribution control equipment, electrical discharge and laser processing machines, etc.	[49.0] 100.0	Yes	It sells the Company's products.
153 other companies						

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
(Associated and joint ventures)		Millions of yen				
TMEIC Corporation	Chuo-ku, Tokyo	15,000	Sales, engineering, construction, and services for electrical equipment in manufacturing plants, as well as development and manufacturing of primary equipment	50.0	Yes	The Company purchases some of its products. It sells the Company's products.
RYODEN Corporation	Toshima-ku, Tokyo	10,334	Sales of electric equipment, electronic components, information equipment, other general machinery and equipment, and various materials, and undertaking of related construction, etc.	36.1	Yes	It sells the Company's products.
KANADEN CORPORATION	Chuo-ku, Tokyo	5,576	Sales of electric equipment, electronic components, information, mechatronic equipment, and various materials, and undertaking of related construction	21.2	Yes	It sells the Company's products.
Shizuki Electric Co., Inc.	Nishinomiya-shi, Hyogo	5,001	Manufacturing and sales of capacitors for electronic equipment, equipment products, power, and automotive, power systems, and information equipment	27.7	Yes	The Company purchases some of its products.
Hitachi Mitsubishi Hydro Corporation	Minato-ku, Tokyo	2,000	Sales, engineering, installation, construction, and maintenance of hydroelectric system, development, design, and manufacturing of primary equipment	30.0	Yes	It sells the Company's products.
MD LOGIS CORPORATION	Nakano-ku, Tokyo	1,735	Freight transport and warehousing	33.4	Yes	The Company outsources transport, storage, and cargo handling operations. It has lease transactions of land and buildings with the Company.
Mitsubishi Electric Financial Solutions Corporation	Shinagawa-ku, Tokyo	1,010	Leasing of electrical machinery and equipment, automobiles, etc., and installment sales, loan partnership sales, installment purchase arrangements, factoring	45.0	Yes	Leasing and installment sales of the Company's products. It leases office equipment and others to the Company
MANSEI CORPORATION	Fukushima-ku, Osaka-shi	1,005	Sales of electric equipment, electronic devices, information and communication equipment, facility equipment, industrial machinery, etc.	[0.1] 21.7	Yes	It sells the Company's products.
Mitsubishi Generator Co., Ltd.	Hyogo-ku, Kobe-shi	1,000	Design, manufacturing, sales, and services of generators and electrical equipment	51.0	Yes	The Company purchases some of its products. It sells the Company's products.
Seiryō Electric Co., Ltd.	Itami-shi, Hyogo	523	Sales, manufacturing, maintenance, and operation of information and communication equipment, and systems	23.2	Yes	It sells the Company's products.

Company Name	Address	Paid-in Capital	Business Activities	Ratio of Voting Rights Held (%)	Description of Relationship, etc.	
					Interlocking Directorship, etc.	Business Transactions, etc.
Miyoshi Electronics Corporation	Kawanishi-shi, Hyogo	Millions of yen 400	Manufacturing and sales of electronic application equipment, semiconductors, and information and communication equipment	42.8	Yes	The Company outsources manufacturing. The Company purchases some of its products.
Itec Hankyu Hanshin Co., Ltd.	Fukushima-ku, Osaka-shi	200	Sales of electronic equipment, development of systems for railway, building management and medical service, undertaking outsourced development work for various systems, provision of various solutions and technical services	30.0	Yes	The Company purchases some of its products. It sells the Company's products.
MEDOCOM Sp. Z o.o.	Poland (Warsaw)	Thousands of PLN 1,100	Manufacturing, sales and maintenance of auxiliary power for transport vehicle and propulsion control device, etc.	49.2	Yes	It is engaged in manufacturing, sales, and maintenance using components supplied by the Company.
AG MELCO Elevator Co. L.L.C.	UAE (Dubai)	Thousands of AED 10,000	Sales, installation, and maintenance of elevators	[5.0] 49.0	Yes	None
Kang Yong Electric Public Co., Ltd.	Thailand (Samut-prakan)	Thousands of THB 198,000	Manufacturing and sales of refrigerators, electric fans, ventilators, and electric pumps	[0.0] 45.7	Yes	It is engaged in manufacturing and sales under license from the Company. The Company purchases some of its products.
Shanghai Mitsubishi Elevator Co., Ltd.	China (Shanghai)	Thousands of USD 155,000	Manufacturing, sales, installation, and maintenance of elevators	[8.0] 40.0	Yes	None
Shihlin Electric & Engineering Corporation	Taiwan (Taipei)	Thousands of TWD 5,209,722	Manufacturing and sales of electrical equipment, energy and electric equipment, and factory automation equipment	21.2	Yes	It receives license as well as supplies of products and components from the Company.
23 other companies						

- Notes: 1. "Interlocking Directorship, etc." under "Description of Relationship, etc.," includes secondees and transferees currently serving as executives, in addition to the executives and employees of the Company concurrently serving as executives.
2. Numbers in brackets ("[]") in the column "Ratio of Voting Rights Held" refer to the ratio of indirect voting rights held (inclusive).
3. Of the companies listed above, Mitsubishi Electric Living Environment Systems Corporation, Mitsubishi Electric US Holdings, Inc., Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company, and Mitsubishi Electric India Private Limited are classified as specified subsidiaries.
4. Of the companies listed above, The Kodensha Co., Ltd., RYODEN Corporation, KANADEN CORPORATION, Shizuki Electric Co., Inc., MANSEI CORPORATION and Seiryō Electric Co., Ltd. submit either an annual securities report or securities registration statement.
5. Of the companies listed above, the revenue (excluding inter-company revenues among consolidated subsidiaries) of Mitsubishi Electric Europe B.V. exceeded 10% of consolidated revenue. Its key financial information for fiscal 2025 are: revenue, 673,215 million yen; profit before income taxes, 19,064 million yen; and net profit, 12,588 million yen; and as of March 31, 2025 are: total equity, 115,817 million yen; and total assets, 403,449 million yen. The respective amounts of Mitsubishi Electric Europe B.V. is consolidated amounts of its company and four subsidiaries.
6. For the effective use of funds of the Mitsubishi Electric Group, the Group financing system is in place to best utilize funds available within the Group. Under the system, the Company borrows funds from Mitsubishi Electric Building Solutions Corporation and other companies, which together with the Company's own funds are loaned to other companies including Mitsubishi Electric Life Service Corporation.
7. Mitsubishi Electric Information Network Corporation absorbed Mitsubishi Electric Information Systems Corporation and Mitsubishi Electric IT Solutions Corporation, with the business responsible for functions for planning and promotion of DX, IT, and security transferred from the Company, and changed its company name to Mitsubishi Electric Digital Innovation Corporation on April 1, 2025.
8. Although the Company holds more than 50% of the voting rights in Mitsubishi Generator Co., Ltd., it is classified as an associate accounted for using the equity method, as it does not satisfy the requirements for substantive control due to the provisions of the joint venture agreement.

## 5. Employees

### (1) Consolidated basis

As of March 31,2025

Business Segment	Number of employees (persons)
Infrastructure	22,272
Industry & Mobility	31,023
Life	62,732
Business Platform	4,935
Semiconductor & Device	5,832
Others	16,422
Common	6,698
Total	149,914

Note: The number of employees refers solely to full-time employees of the Company and its consolidated subsidiaries.

### (2) The Company

As of March 31,2025

Number of employees (persons)	Average age	Average length of service (years)	Average annual salary (yen)
31,213 [4,909]	41.3	16.3	8,695,126

Business Segment	Number of employees (persons)
Infrastructure	11,699
Industry & Mobility	6,067
Life	5,444
Business Platform	273
Semiconductor & Device	2,313
Common	5,417
Total	31,213

Notes: 1. The number of employees refers solely to full-time employees of the Company. The number of brackets is average per year of the number of temporary employees, etc.

2. Average annual salary includes bonuses and extra wages.

3. The number of employees decreased by 5,307 compared to the end of the previous fiscal year, primarily due to the secondment of employees to Mitsubishi Electric Mobility Corporation, which was newly established through the company split of the Company's automotive equipment business on April 1, 2024.

### (3) Relationship with labor union

Mitsubishi Electric Group organizes labor unions by company. The Company's labor union is called Mitsubishi Electric Union. The relationship between management and labor union has been stable since the labor union was formed.

(4) Percentage of female employees in management, Percentage of male employees on childcare leave, and Differences in wages between male and female employees

1) The Company

Fiscal year ended March 31, 2025					Supplementary explanation
Percentage of female employees in management (%) (Note 1)	Percentage* of male employees on childcare leave (%) (Note 2)	Difference in wages between male and female employees (%) (Note 1)			
		All workers	Regular employees (Note 3)	Part-time and fixed term employees	
4.0	85.7	63.0	64.9	60.4	*Percentage of employees taking childcare leave, etc. and leave for childcare purposes

- Notes: 1. Calculated in accordance with the provisions of the “Act on Promotion of Women’s Participation and Advancement in the Workplace” (Act No. 64 of 2015). Wage differences between male and female employees are calculated based on total annual wages excluding retirement benefits and commuting subsidies.
2. Based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991), the percentage of employees who took childcare leave, etc. and leave for childcare purposes is calculated based on Article 71-6-2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991).
3. Regular employees include both regular employees and full-time, non-regular employees hired for an indefinite period.

(The percentage of female employees in management)

In recent years, the percentage of female employees in management has steadily increased compared to previous years as a result of the formulation and implementation of measures to systematically provide work experience and training opportunities to foster female employees from a young age and to actively provide internal information on various support systems for balancing work and family life.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Percentage of female employees in management	1.9%	2.3%	2.6%	3.1%	4.0%

(The percentage of male employees on childcare leave)

The percentage of male employees on childcare leave surpassed the target of “70% or more by the fiscal year ending March 31, 2026” established in the action plan based on the provisions of the “Act on Promotion of Women’s Participation and Advancement in the Workplace” (Act No. 64 of 2015).

(With regard to wage differences between male and female employees)

With regard to wage differences between male and female regular employees, regular employees include “auxiliary employees,” who receive a lower level of remuneration. In particular, about half of regular female employees are “auxiliary employees,” which in turn drives down average wages.

With regard to wage differences between male and female part-time and fixed-term employees, non-regular employees mainly include “auxiliary employees” hired under fixed-term employment contracts, but also include approximately 25% of regular employees who are rehired after retirement. Approximately 95% of these rehired employees are male, and their remuneration is higher than that of “auxiliary employees,” resulting in a gender-based wage gap caused by such differences in the composition of the workforce and other factors.

## 2) Consolidated subsidiaries

Domestic consolidated subsidiaries with 301 or more permanent employees (Note)

Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Mitsubishi Electric Plant Engineering Corporation	1.1	96.9	63.5	69.0	67.7	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric Public Utility Equipment Corporation	0.0	85.7	64.5	65.0	70.8	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Nagasaki Ryoden Technica Co., Ltd.	0.0	33.3	64.2	75.7	88.2	*Percentage of male employees taking childcare leave, etc.
Meiryo Denshi Corp.	3.8	33.3	70.9	67.7	-	*Percentage of male employees taking childcare leave, etc. *Notation on left because there are no applicable female non-regular workers
Mitsubishi Electric Control Panel Corporation	0.0	75.0	72.6	74.8	63.6	*Percentage of male employees taking childcare leave, etc.
Ryoshin Technica Corporation	0.0	100.0	75.2	75.8	75.9	*Percentage of male employees taking childcare leave, etc.
Marugame Ryoden Technica Corporation	0.0	100.0	70.3	84.6	66.2	*Percentage of male employees taking childcare leave, etc.
Tada Electric Co., Ltd.	0.0	75.0	76.4	74.3	79.8	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Defense & Space Technologies Corporation	0.0	77.8	72.4	72.1	68.6	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Precision Co., Ltd.	1.6	45.5	73.7	77.6	75.5	*Percentage of male employees taking childcare leave, etc.
Ryoei Technica Corporation	2.5	42.9	83.2	79.7	99.7	*Percentage of male employees taking childcare leave, etc.
Ryoden Shonan Electronics Corp.	1.8	-	72.2	77.4	94.8	*No male employees took “childcare leave” or “leave for childcare purposes” within the calculation period
Meiryo Technica Corporation	0.0	71.4	65.8	68.2	63.5	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Mechatronics Engineering Corporation	0.0	92.3	55.2	61.8	68.7	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric FA Industrial Products Corporation	0.0	53.8	72.0	73.0	79.7	*Percentage of male employees taking childcare leave, etc.

Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Sanryo Technica Co., Ltd.	7.7	50.0	64.4	65.6	87.0	*Percentage of male employees taking childcare leave, etc.
Koshin Electric Corporation	0.0	80.0	65.7	68.2	74.5	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Himeryo Technica Co., Ltd.	0.0	50.0	69.1	69.4	58.6	*Percentage of male employees taking childcare leave, etc.
Melco Mobility Solutions Corporation	6.6	80.0	67.9	67.9	52.5	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
DB Seiko Co., Ltd.	2.0	60.0	70.5	70.9	84.4	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric Mobility Corporation	1.4	91.3	66.9	72.3	68.9	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric Building Solutions Corporation	1.1	74.1	60.1	58.6	64.1	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
HANSHIN YUSOKI CO., LTD.	0.0	83.3	46.0	73.0	37.6	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Ryoden Elevator Construction, Ltd.	1.3	25.0	60.8	61.4	57.2	*Percentage of male employees taking childcare leave, etc.
Ryo-sa BUILWARE Corporation	0.0	50.0	72.8	73.6	58.9	*Percentage of male employees taking childcare leave, etc.
Meltec Business Co., Ltd.	14.8	80.0	67.8	73.1	46.8	*Percentage of male employees taking childcare leave, etc.
Inaryo Technica Co., Ltd	0.0	100.0	55.5	54.9	46.4	*Percentage of male employees taking childcare leave, etc.
Toko Building Systems Corporation	0.0	33.3	68.3	67.5	69.8	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Kansai BUILDING TECHNO-SERVICE Corporation	0.0	9.1	62.9	64.2	39.0	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Living Environment Systems Corporation	1.6	93.8	63.6	62.7	82.2	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric Lighting Corporation	2.7	100.0	57.3	58.0	79.5	*Percentage of male employees taking childcare leave, etc.



Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Mitsubishi Electric Home Appliance Co., Ltd.	0.0	50.0	54.0	54.8	54.9	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Life Network Corporation	2.8	33.3	67.3	67.3	62.2	*Percentage of male employees taking childcare leave, etc.
Seiry Technica Co., Ltd	0.0	60.0	69.4	82.9	75.8	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Applied Refrigeration Systems Co., Ltd	0.0	50.0	67.5	70.7	61.3	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Information Network Corporation	4.7	164.3	73.4	72.6	74.3	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes. The percentage exceeded 100% because there are employees who took childcare leave for their children born in or before the previous fiscal year.
Mitsubishi Electric Information Systems Corporation	3.5	86.4	78.8	77.5	82.2	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Mitsubishi Electric IT Solutions Corporation	5.2	71.4	80.8	80.2	83.1	*Percentage of male employees taking childcare leave, etc.
Melco Power Device Corporation	0.0	58.3	68.6	70.5	73.5	*Percentage of male employees taking childcare leave, etc.
Melco Power Semiconductor Chip Corporation	0.0	80.0	75.8	74.7	87.1	*Percentage of male employees taking childcare leave, etc.
Melco Semiconductor Engineering Corporation	1.8	100.0	68.4	69.4	62.2	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
MELCO ADVANCED DEVICE CORPORATION	0.0	-	63.5	67.9	43.1	*No male employees took “childcare leave” or “leave for childcare purposes” within the calculation period
Mitsubishi Electric Engineering Co., Ltd.	3.8	82.9	65.3	66.6	56.8	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes

Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Mitsubishi Electric Software Corporation	4.5	110.5	77.3	77.5	64.9	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes. The percentage exceeded 100% because there are employees who took childcare leave for their children born in or before the previous fiscal year.
Mitsubishi Electric Life Service Corporation	1.5	77.8	54.8	69.6	65.9	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric System & Service Co., Ltd.	1.6	73.3	51.4	52.7	66.4	*Percentage of male employees taking childcare leave, etc. and leave for childcare purposes
Diamond Personnel Co., Ltd.	0.0	50.0	74.7	74.8	64.2	*Percentage of male employees taking childcare leave, etc.
The Kodensha Co., Ltd.	3.4	75.0	71.1	69.3	76.1	*Percentage of male employees taking childcare leave, etc.
iPLANET Inc.	5.1	44.4	67.8	69.5	65.1	*Percentage of male employees taking childcare leave, etc.
Mitsubishi Electric Trading Corporation	4.7	83.3	69.1	72.6	44.0	*Percentage of male employees taking childcare leave, etc.

Note: Employees who are employed on a permanent basis, regardless of the type of employment contract, refer to the employees who fall under any of the following categories.

- (1) Those employed for an indefinite period of time.
- (2) Those who have been continuously employed for the past year or more, or those who are expected to be continuously employed for one year or more from the time of hiring.

(The percentage of female employees in management)

Calculated in accordance with the provisions of the “Act on Promotion of Women’s Participation and Advancement in the Workplace” (Act No. 64 of 2015).

(The percentage of male employees on childcare leave)

- (1) Based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991), the figures stated as “Percentage of employees taking childcare leave, etc. and leave for childcare purposes” in the supplementary explanation are calculated based on Article 71-6-2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991).
- (2) Based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991), the figures stated as “Percentage of employees taking childcare leave, etc.” in the supplementary explanation are calculated based on Article 71-6-1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991).

(With regard to wage differences between male and female employees)

Calculated in accordance with the provisions of the “Act on Promotion of Women’s Participation and Advancement in the

Workplace” (Act No. 64 of 2015). Wage differences between male and female employees are calculated based on total annual wages excluding retirement benefits and commuting subsidies. Regular employees include both regular employees and full-time, non-regular employees hired for an indefinite period.

Although there is a difference in degree among companies, the background of the wage difference between male and female is generally similar to the situation of the Company.

(Change of company name)

Mitsubishi Electric Information Network Corporation absorbed Mitsubishi Electric Information Systems Corporation and Mitsubishi Electric IT Solutions Corporation, with the business responsible for functions for planning and promotion of DX, IT, and security transferred from the Company, and changed its company name to Mitsubishi Electric Digital Innovation Corporation on April 1, 2025.

Domestic consolidated subsidiaries with 101 to 300 permanent employees

Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Ryosai Technica Co., Ltd	0.0	-	-	-	-	
TOYOKIKO SEISAKUSHO CO., LTD.	0.0	-	-	-	-	
Ryoden Kasei Co., Ltd.	2.6	-	-	-	-	
Ryosan Industry Corporation	0.0	-	-	-	-	
SPC Electronics Corporation	0.0	-	-	-	-	
Tsuryo Technica Corporation	10.7	-	-	-	-	
ViSCO Technologies Corporation	12.5	-	-	-	-	
BCC Co., Ltd	0.0	-	-	-	-	
Mitsubishi Electric Mechatronics Technologies Corporation	3.0	-	-	-	-	
Setsuyo Astec Corporation	0.0	-	-	-	-	
Koryo Electric Co., Ltd.	0.0	-	-	-	-	
Setsuryo Technica Co., Ltd.	16.7	-	-	-	-	
Sanwa Electric Co., Ltd.	0.0	-	-	-	-	
Okinawa Ryoden Building Systems CO., LTD.	4.8	-	-	-	-	
Mitsubishi Electric Air Conditioning & Refrigeration Plant Co., Ltd.	0.0	-	-	-	-	
Mitsubishi Electric Air Conditioning & Refrigeration Equipment Sales Co., Ltd.	1.8	-	-	-	-	
Sowa Technica Inc.	0.0	-	-	-	-	
Hyper Cycle Systems Co., Ltd.	0.0	-	-	-	-	
Ryoden Asahi Technica Co., Ltd	0.0	-	-	-	-	
Mitsubishi Electric Insurance Service Co., Ltd.	20.0	-	-	-	-	
Mitsubishi Electric Industrial Solutions Corporation	1.8	-	-	-	-	
Kyushu Mitsubishi Electric Sales Corporation	5.4	-	-	-	-	

Fiscal year ended March 31, 2025						Supplementary explanation
Company Name	Percentage of female employees in management (%)	Percentage* of male employees on childcare leave (%)	Difference in wages between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed term employees	
Sanyo Mitsubishi Electric Sales Corporation	0.0	-	-	-	-	

Note (The percentage of female employees in management)

Calculated in accordance with the provisions of the “Act on Promotion of Women’s Participation and Advancement in the Workplace” (Act No. 64 of 2015).

(Change of company name)

Sowa Technica Inc. was integrated with Churyo Technica Co., Ltd. and Melco AirTec Co., Ltd. as of April 1, 2025, and changed its company name to Melco Air Technology Co., Ltd.

For details of various initiatives aimed at respecting diversity going forward, please refer to “II. Business Overview 2. Policies and Initiatives on Sustainability (3) Human Capital.”

## II. Business Overview

### 1. Management Policy, Business Environment and Corporate Agenda

#### (1) Management policy

The Mitsubishi Electric Group's Purpose, which states, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity," is our reason for being in society. Under this Purpose, in addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, the Mitsubishi Electric Group will return to our fundamental principle of "addressing social challenges through our businesses" and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue the sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders, and employees, and to all other stakeholders.

#### (2) Business environment and corporate agenda

##### 1) Business environment

The global economy is expected to remain on a moderate growth trajectory due primarily to the cumulative effects of previous monetary tightening, continued real estate recession in China, and downward pressure from the U.S. tariff policy. In addition, uncertainty in the economic outlook is increasing, mainly due to concerns that various U.S. policies, including tariffs, could further weigh on the global economy.

##### 2) Corporate agenda

###### Strengthening Business Structure

The Mitsubishi Electric Group plans to carry out business operations utilizing ROIC\*<sup>1</sup>. The Group will focus its management on asset efficiency and cash-generating capabilities, and, by deploying the ROIC tree to clarify KPIs and responsible departments, the Group aims to establish ROIC-based management across all levels within its organization. This will enable the Group to carry out active investments speedily in its key growth businesses such as enhancing its production systems and M&A, while strongly promoting a resource shift approach based on its business portfolio strategy, including by considering potential withdrawals from and the sale of businesses with issues that are not expected to improve their profitability or asset efficiency.

Furthermore, the Group will promote efforts to optimize its global engineering and supply chains as well as to improve group management efficiency. In addition, we will ensure that our operations flexibly cope with the changing business environment in light of recent economic trends.

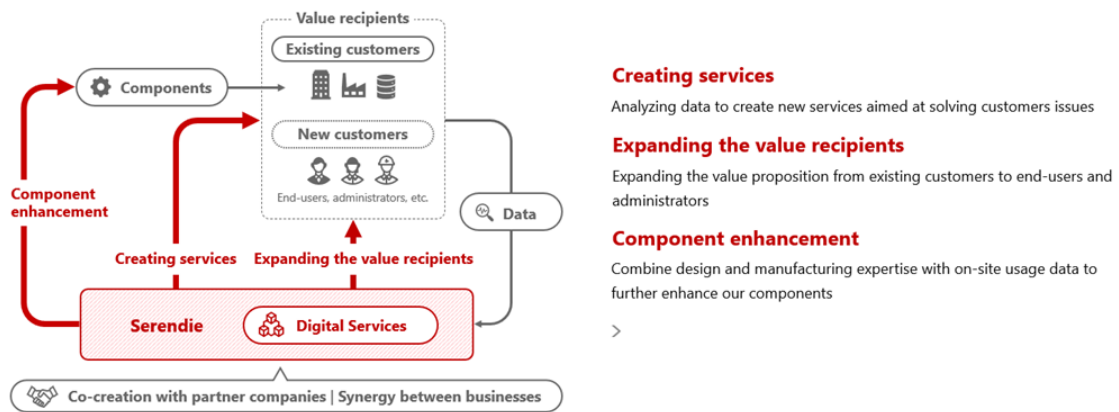
Regarding human resources, which are the base for all business operations, the Group has established and operated a grade, evaluation, and compensation system with the concept of "realizing proper evaluation system leading to growth" and "supporting autonomous career development," promoting employees' autonomous growth based on career ownership. We have also applied a job grade system to management based on global standards, with the aim of a transformation into job-oriented human capital management, to maximize the value of human capital.

###### Business Model Transformation through Serendie

The Mitsubishi Electric Group is transforming itself into a "Circular Digital-Engineering Company" that contributes to solving social challenges by consolidating and analyzing data obtained from customers in the digital space, and by creating new value through strong connections and sharing wisdom within the Group. Starting from components and systems, which are our main strengths, we will transform our business models to create and provide diverse digital services through the utilization of our digital platform, "Serendie," and co-creation with our customers. To new customers, including actual users and administration personnel, beyond our existing customers, we aim to maximize our social values.

Furthermore, the Company established a new company to promote DX and IT strategies, Mitsubishi Electric Digital Innovation Corporation, in April 2025 by splitting the IT Solution Business & Business Process Reengineering Group from the Group and integrating it with the Company's subsidiaries for the information systems & network service business. We will enhance our capability to address the business related to Serendie and strive to realize sustainable growth of our information systems & network service business. We will also strongly promote AI utilization as well as DX in operational processes.

**Starting from the data created through utilization of components, we will further promote business model transformation**

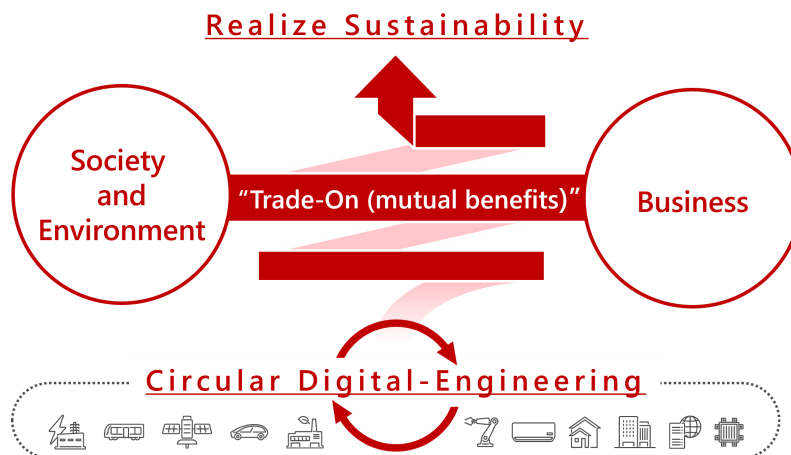


#### Promotion of Material Sustainability Management

To achieve sustainability, the Mitsubishi Electric Group has identified five challenge areas\*<sup>2</sup> to focus on. We will try to achieve “Trade-On (mutual benefits)” relationships that maintain a good balance between social sustainability and the Group’s business development, not trade-offs, by solving social issues through our businesses in these challenge areas.

With the “Sustainability Innovation Group” established in fiscal 2025 leading sustainability management, we will work to create new businesses that help solve social issues from the viewpoint of globalization and sustainability, and also comprehensively and strategically strengthen our business foundation to support sustainable growth for transforming the Company.

**Innovate through Circular Digital-Engineering and grow our business while enriching society and the environment, and realize sustainability by accelerating “Trade-On (mutual benefits)” activities**



With regards to carbon neutral initiatives, Environmental Sustainability Vision 2050, which is our long-term environmental management vision, aims to reduce greenhouse gas emissions throughout the entire value chain to net-zero by fiscal 2051. In addition, as an interim target, the Group aims to reduce greenhouse gas emissions from Group plants and offices to net zero by fiscal 2031. To achieve these targets, we will nurture businesses that contribute to the decarbonization of society as a whole, and also promote the reduction of our emissions by utilizing our technologies. Additionally, the Group will continue to strive to disclose the risks and opportunities brought by climate change, based on the recommendations of the TCFD\*<sup>3</sup>.

We promote various initiatives for realizing a work environment and culture that allows employees to acknowledge each other’s way of working and diversity through collaboration and active participation of diverse human capital, aiming for sustainable business development and enhancement of corporate value. In addition, we consider support and respect for the protection of internationally agreed human rights as a prerequisite for the Group’s business activities. Therefore, we endeavor to respect the human rights of our employees and in the supply chain.

Please refer to “II. Business Overview 2. Policies and Initiatives on Sustainability” for specific policies and initiatives related to sustainability.

#### Enhancing Risk Management and Thoroughly Instilling Legal and Ethical Compliance

The Mitsubishi Electric Group has established the Risk Management and Compliance Committee chaired by the Chief Risk Officer (CRO) in charge of Risk Management and Economic Security to secure the system where management decisions can be made not only in response to conventional risks such as large-scale disasters and social risks, but also through exploring and preparing for new risks in the areas such as economic security, technological innovations including AI, and sustainability. Under this system, we will identify the risks which we should address as focus areas, based on the risk-based approach, as well as manage risks in a flexible and strategic manner.

Please refer to “II. Business Overview 3. Business and Other Risks” for specific policies and initiatives related to business and other risks.

Based on the Mitsubishi Electric Group compliance motto of “Always Act with Integrity,” the Group will promote a number of recurrence prevention initiatives, including efforts to prevent the quality-related, work-related and cybersecurity issues as identified thus far from being forgotten. Furthermore, regarding the initiatives in three key areas (quality assurance, organizational culture and governance) following the implementation of improper quality control practices, the Group will accelerate its efforts to build a “self-propelling organization” seeking to proceed with reforms on its own initiatives, in addition to fully establishing and instilling the measures taken so far.

\*1 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.

\*2 Five challenge areas: “carbon neutrality,” “circular economy,” “safety and security,” “inclusion,” and “well-being”

\*3 TCFD (Task force on Climate-related Financial Disclosures): A task force for the disclosure of climate-related financial information led by the private sector. The TCFD was established at the request of the G20 Finance Ministers and Central Bank Governors.



#### Medium-Term Management Plan: Fiscal 2026 Forecast

We have set the following targets for fiscal 2026 under the Mitsubishi Electric Group's Medium-Term Management Plan: consolidated revenue of 5 trillion yen +, an operating profit margin of 8% +, ROE of 9%, and cash generation of 3.3 trillion yen over a five-year period. Against these targets, in fiscal 2026, we expect to achieve consolidated revenue of 5.4 trillion yen, an operating profit margin of 8.0%, ROE of 8.6%, and cash generation of 3.1 trillion yen over a five-year period. We expect to fall short of our targets for ROE and cash generation, but we have further enhanced shareholder returns, and we expect to achieve our target capital allocation of 3.4 trillion yen over a five-year period. We will continue to work to improve capital efficiency and generate cash.

Business strategies and operating profit margins by segment are as follows. From fiscal 2026, the former Business Platform segment has been renamed the Digital Innovation segment.

Segment	Business Strategies
Infrastructure	We will work to achieve the stable operation of the world's critical infrastructure and carbon neutrality and to contribute to the security of Japan and Asia by leveraging our global customer base and stock in our wide-ranging public utility business. To this end, we will focus on investing resources into decarbonization components and the defense & space business, and on promoting E&F (Energy & Facility) solutions, which are integrated solutions that generate synergies between businesses.
Industry & Mobility	We will support future manufacturing and comfortable mobility with our core components and digital technologies. In the Industry Area, we will expand the value provided by the components in our Key Growth Businesses and promote the establishment of a FA Digital Solutions business model. In the Mobility Area, we will aim for business growth through initiatives including the pursuit of value creation in the software domain, in addition to restructuring our business portfolio and streamlining business operations in response to changes in the business environment.
Life	We aim to become a solution provider that creates comfortable, safe, and secure environments in all living spaces through our facility businesses, including air conditioning and elevators that support people's lives, as well as our Circular businesses, such as maintenance and operation management services that enable us to stay connected with customers. We will promote the creation of customer value, and provide "green energy solutions," "Safe, secure & comfortable solutions," and "Building management solutions."
Digital Innovation	We will develop a business foundation to promote Circular Digital-Engineering through business DX and operational DX initiatives. We will provide various services centered on this business foundation to each business area and group, together with global operations & maintenance. In this way, we aim to provide continued support for the creation of integrated solutions and enhance the information systems & network service business. The newly established Mitsubishi Electric Digital Innovation Corporation will play a central part in accelerating these initiatives.
Semiconductor & Device	We will contribute to strengthening the Mitsubishi Electric Group's integrated solutions from the component level by providing key devices that are essential for realizing social GX (Green Transformation) and DX (Digital Transformation). Additionally, we will incorporate a wide range of related in-house business knowledge to develop high-value devices from the customer's perspective. In particular, in the Power Device Business, we will fortify our growth capabilities related to SiC (silicon carbide), where Mitsubishi Electric has superior technologies and extensive market achievements, to further accelerate business growth.

<Operating profit ratio by business segment>

Segment	FY2025 Actual	FY2026 Forecast
Infrastructure	7.3%	8.2%
Industry & Mobility	5.0%	6.3%
Life	7.2%	8.5%
Digital Innovation	7.4% <sup>*4</sup>	8.0%
Semiconductor & Device	14.2%	10.7%

\*4 The operating profit ratio for the Digital Innovation segment for FY2025 Actual was shown as the operating profit ratio for the Business Platform segment until fiscal 2025.

Steadily executing the strategies and initiatives above, the Group will work to further enhance its corporate value.

The above are forward-looking statements based on the judgment of the Company as of the date of submission of the Annual Securities Report (June 20, 2025).

## 2. Policies and Initiatives on Sustainability

### (1) Sustainability

#### 1) Governance

##### a. Basic Policy on Sustainability

The management policy of Mitsubishi Electric Group states, “We will return to our fundamental principle of ‘addressing social challenges through our businesses’ and position the realization of sustainability as the cornerstone of our management.” We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

##### b. Actions to promote the realization of sustainability

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

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

##### c. Promotional System for Sustainability

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

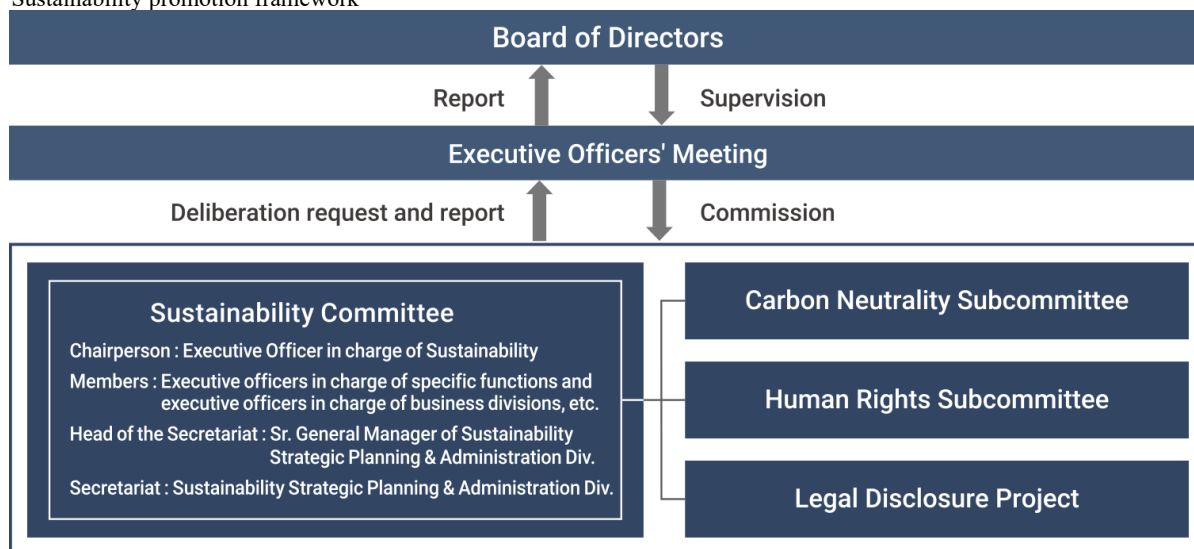
The discussions of the Sustainability Committee are reported to the Executive Officers’ Meeting and the Board of Directors. The Board of Directors treats the status of the various sustainability initiatives as one of the Group’s “key agenda items.” For the period from July 2024 to June 2025, the key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

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

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

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

#### Sustainability promotion framework



## 2) Strategy

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

#### Materiality at the Mitsubishi Electric Group

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

## 3) Risk Management

For the risk management framework and specific recognized risks related to sustainability, please refer to “II. Business Overview 3. Business and Other Risks”.

#### 4) Metrics and Targets

In terms of initiatives related to materiality, we have set targets/Key Performance Indicators (KPIs) and carry out continuous improvement activities based on the PDCA cycle.

Materiality	Targets/Key performance indicators (KPIs)		Scope
Realize a sustainable global environment	FY2051: Aim for net zero greenhouse gas emissions throughout the entire value chain	FY2031:【Scope 1 <sup>*1</sup> , 2 <sup>*2</sup> 】 Aim for carbon neutrality	Mitsubishi Electric Group
		FY2031:【Scope 3 <sup>*3</sup> 】 Aim for at least 30% net reduction in greenhouse gas emissions versus FY2019	Mitsubishi Electric Group
		Provide products, services and solutions that contribute to carbon neutrality	Mitsubishi Electric Group
	Contribute to achieving circular economy	FY2036: 100% effective use of waste plastics (in Japan)	Mitsubishi Electric Group, Japan
Realize a safe, secure, and comfortable society	Ensure safety/security, inclusion, and well-being across our business activities	Provide products, services and solutions that contribute to safety/security	Mitsubishi Electric Group
		Provide products, services and solutions that contribute to inclusion and well-being	Mitsubishi Electric Group
Respect for all people	Establish human rights initiatives that are based on international norms and achieve responsible supply chain	FY2028: Conduct human rights due diligence <sup>*4</sup> across the Group based on international norms	Mitsubishi Electric Group
		FY2028 : Reduce negative impact on human rights in supply chain based on the RBA <sup>*5</sup> process	Mitsubishi Electric Group
	Build workplace where diverse and versatile human capital gathers and works together	FY2031: Employee engagement score <sup>*6</sup> 60% or more (Mitsubishi Electric and some affiliated companies in Japan)	Mitsubishi Electric Group, Japan
		FY2031: Ratio of women/non-Japanese in senior management <sup>*7</sup> 30% or more (in Japan)	Mitsubishi Electric
		FY2031: Ratio of women in managerial positions 12% or more (in Japan)	Mitsubishi Electric
Strengthen corporate governance and compliance on a sustainable basis	Three Key Reforms	Continued monitoring of the Three Key Reforms (quality assurance, organizational culture and governance) by the Board of Directors, and appropriate information disclosure	Mitsubishi Electric Group
	Increase effectiveness of the Board of Directors	Maintain the ratio of independent outside directors of Mitsubishi Electric over 50%	Mitsubishi Electric
	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	Mitsubishi Electric Group
	Ensure proper understanding and practice of the compliance motto “Always Act with Integrity”	Provide compliance education on a continuous basis	Mitsubishi Electric Group
	Improve the Cybersecurity maturity level	FY2029: Achieve equivalent Level 2 on Cybersecurity Maturity Model Certification <sup>*8</sup>	Mitsubishi Electric Group
Create a sustainability-oriented corporate culture	Ensure proper understanding and practices of sustainability by employees	FY2026: Achieve 75% or more positive responses to “Conduct businesses in line with Purpose and goals” in the employee engagement survey	Mitsubishi Electric
	Promote communication with stakeholders both inside and outside the company	Publish the Integrated Report Hold dialogues with experts	Mitsubishi Electric Group

\*1 Direct emissions from use of own fuel

\*2 Indirect emissions from use of electricity and heat purchased outside the company

\*3 Indirect emissions from the entire value chain excluding Scope 1, 2

- \*4 Implementation of PDCA cycle to correct and prevent human rights violations
- \*5 RBA: Responsible Business Alliance (An alliance of companies promoting social responsibility in global supply chains)
- \*6 Ratio of employees who respond that they feel that they are proud and motivated to work for the Company in the employee engagement survey
- \*7 Director, Executive Officers and Executive Officers (Associate)
- \*8 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0)

Please refer to “(3) Human Capital, 3) Metrics and targets” for results on human capital. For additional fiscal 2025 performance results and fiscal 2026 goals, please refer to the Integrated Report 2025 scheduled for publication after September 2025. For past goals and achievements, please refer to the archives.

<https://www.mitsubishielectric.com/en/sustainability/reports/>

## (2) Climate change initiatives (TCFD-based disclosure)

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

### 1) Governance

#### a. Promotion system

In fiscal 2023, the Group positioned the realization of sustainability at the cornerstone of its management policy. To achieve sustainability, it has established a framework that promotes initiatives from the two perspectives: “value creation” and “foundation enhancement.”

Regarding climate change response, the Sustainability Committee, commissioned by the Executive Officers’ Meeting, discusses policies and measures aimed at reducing greenhouse gas emissions from the Group and achieving carbon neutrality throughout the entire value chain. The Sustainability Innovation Group oversees and analyzes risks, opportunities, and their financial impact.

For more details on the sustainability promotion framework, please refer to “(1) Sustainability 1) Governance.”

#### b. Policy for initiatives

Under our long-term environmental management vision through 2050, titled Environmental Sustainability Vision 2050, we aim to achieve carbon neutrality in our factories and offices by fiscal 2031 and to reduce greenhouse gas emissions throughout the entire value chain to net-zero by fiscal 2051. In February 2024, we updated our short-term plan, Environmental Plan 2025 (fiscal 2025-2026), based on the Environmental Sustainability Vision 2050, aiming to achieve even higher targets than those certified by the Science Based Targets (SBT) Initiative in the same month.

### 2) Strategy

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

#### a. Business strategy

The Group leverages its strengths across a wide range of businesses to promote energy conservation, electrification, effective utilization of renewable energy, and the transition to business models with high resource circularity. Through these efforts, the Group aims to accelerate the reduction of environmental impact across society.

#### b. Climate change risks and opportunities in the short, medium, and long terms

The Group assesses the impact of climate-related risks and opportunities that are expected to affect each of its businesses in the short-term, medium-term, and long-term, referring to climate scenarios presented by external organizations (such as the IEA) and economic development projections for each country and region.

##### <Periods>

Short-term: Period through fiscal 2026 (period of the Environmental Plan 2025 and the medium-term management plan)

Medium-term: Period through fiscal 2031

Long-term: Period through fiscal 2051 (final year of the Environmental Sustainability Vision 2050)

##### <Magnitude of Impact>

Under the supervision of the Executive Officer in charge of Sustainability, the executive officers and heads of relevant business divisions determine whether the anticipated events in each business qualify as significant risks (high impact).

## Climate-related risks and opportunities in the short, medium, and long terms

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

●: Main period when the impact materializes. ○: Period related to the manifestation of the impact. —: Period with low likelihood of impact manifestation.

\*1: Magnitude of the overall impact on the business, comprehensively evaluated from the perspectives of business, strategy, and financial planning.

\*2: Frequency at which the business is affected by the risk or opportunity.

### (a) Risks related to climate change

Climate-related risks can be broadly divided into risks associated with the transition to a decarbonized society (transition risks) and risks associated with the physical impacts of global warming (physical risks). These risks can result in increased costs (for production, internal management, financing, etc.) and decreased revenues.

If the transition to a decarbonized society, which is the premise of the Group's business strategy, progresses, it is expected that there will be an increase in social demand for reducing greenhouse gas emissions in all products and services, changes in energy supply and demand, changes in the energy mix due to increased power generation from renewable energy sources, and the progress of the electrification of automobiles (shift to EVs). Moreover, in this case, transition risks such as the tightening of regulations on greenhouse gas emissions, increased burden of technological development, and delays in technological development could exceed physical risks.

To address transition risks, the Mitsubishi Electric Group is already working to reduce greenhouse gas emissions by implementing its environmental plan and setting SBTs. So, for example, even if regulations on greenhouse gas emissions are tightened, we believe that the impact will be minor. We estimate that, even if material prices soar, the impact can be minimized by more vigorously pursuing environmentally conscious design, which will in turn also support the global warming countermeasures, resource conservation, and recyclability that we are already working on. Moreover, in anticipation of the tightening of regulations such as air conditioning refrigerant regulations and the development competition for low-carbon and high-efficiency technologies, we are strategically combining short-term, medium-term, and long-term research and development investments to drive technological advancement. Additionally, we are also making capital investments in environmental activities, including global warming countermeasures such as energy conservation.

On the other hand, if economic development is prioritized over climate change countermeasures in countries around the world, it is predicted that there will be an increase in the frequency of heavy rains and floods, intensification of extreme weather events, and chronic temperature increases. In this case, physical risks such as the suspension of operations due to disasters and the disruption of supply chains could exceed transition risks.

In response to physical risks such as floods, we have formulated a Business Continuity Plan (BCP), review it once a year, and are decentralizing our production sites. In the supply chain, we are also striving to purchase from multiple companies and requesting our suppliers to operate multiple plants to avoid situations that could hinder production.

(b) Opportunities related to climate change

The Group has a wide range of businesses and considers it a strength to be able to provide a wide range of products, services, and solutions that contribute to solving social issues caused by climate change. Therefore, we believe that we have sustainable growth opportunities from the short term to the long term.

Whether the world prioritizes transitioning to a decarbonized society or pursues economic development over climate change countermeasures, it is predicted that the needs for solving social issues caused by climate change will become more apparent.

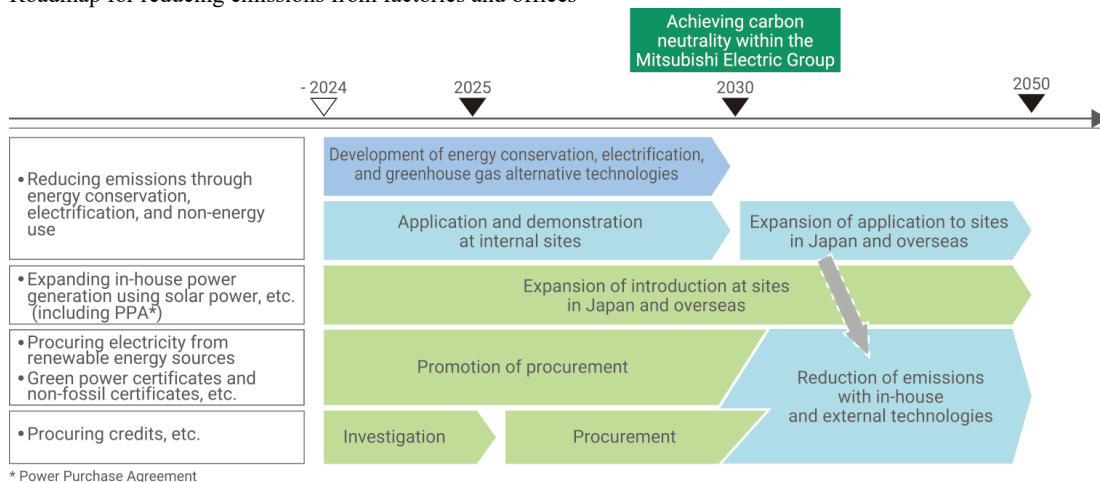
The Group provides large energy storage systems, smart medium- and low-voltage direct current distribution network systems, distributed power source operation systems / virtual power plant (VPP) systems, SF6 gas-free circuit breakers, and multi- region digital energy management systems (multi-region EMS) to prepare for the expansion of electricity demand and the diversification of power supply required by the trend toward a decarbonized society. These products meet the needs for effective use of electricity and system stabilization arising with the expansion of renewable energy and the decentralization of power sources. In addition, the increase in demand for electrified products, driven by the progress of the electrification of automobiles (shift to EVs), will lead to an expansion of demand for Silicon Carbide (SiC), high-efficiency power semiconductors in the Semiconductor & Device business, and a reduction in their manufacturing costs. The expansion of SiC applications in the fields of electric railways, electric power, industry, and consumer products is anticipated.

Even if economic development is prioritized over climate change countermeasures, it is expected that revenue opportunities will expand as we contribute to the realization of a decarbonized society by providing highly energy-efficient products, services, and solutions in the air conditioning business and other areas, in response to the increase in demand due to the development of the global economy and the increase in purchasing power, as well as the increase in demand for adaptation to climate change.

c. Carbon neutrality transition plan

The Group has formulated and is implementing a plan to transition to carbon neutrality, aiming to eliminate greenhouse gas emissions from factories and offices by fiscal 2031 and throughout the entire value chain by fiscal 2051.

Roadmap for reducing emissions from factories and offices



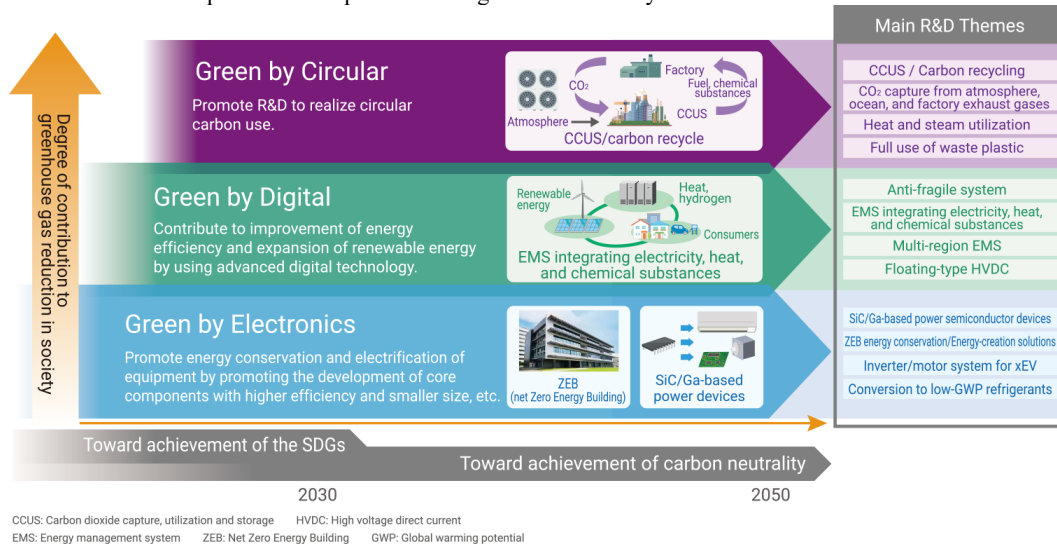
We are driving a number of initiatives to achieve carbon neutrality in our factories and offices: (1) reducing emissions through energy conservation, electrification, and non-energy use; (2) expanding in-house power generation using solar power, etc. (including PPA); and (3) procuring renewable energy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



(a) Research and development strategy for achieving carbon neutrality

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

Research and development roadmap for achieving carbon neutrality



In Green by Electronics, we will advance R&D to improve the efficiency and reduce the size of power electronics and motors, the core components that are Mitsubishi Electric's strengths, contributing to energy conservation and electrification of FA equipment, air conditioning, and other products. We will also advance R&D on net Zero Energy Buildings (ZEB), air conditioning and refrigeration systems using refrigerants with low global warming potential, and power devices using new materials. Furthermore, we will advance the research and development of optoelectronic fusion technology, which replaces electrical connections with optical connections for communication between Graphics Processing Unit (GPU) packages in data center servers.

In Green by Digital, we will use advanced digital technologies to improve energy efficiency and expand the use of renewable energy. For example, we will conduct research and development on an integrated energy management system (EMS) that manages and optimizes electricity, heat, and chemical substances. Through these activities, we will contribute to reducing greenhouse gas emissions throughout the entire value chain.

In Green by Circular, we will advance research and development focusing on resource circulation, such as CO<sub>2</sub> capture, utilization, and storage (CCUS) for carbon recycling, as well as plastic recycling. It contributes to the realization of carbon circular utilization through technologies like the chemical looping method for CO<sub>2</sub> reduction, which generates carbon monoxide (CO) as a usable resource, and AI-powered smart electrostatic sorting technology for mixed plastic fragments.

To create and expand businesses in these green-related fields, we plan to allocate approximately 900 billion\* yen over the seven years from fiscal 2025 to fiscal 2031 to green-related research and development investments.

\* Estimated figures calculated based on past achievements and growth rates

d. Resilience to climate change based on scenario analysis

(a) Overview

The Group conducts annual scenario analysis considering long-term future uncertainties based on two scenarios: one in which the world moves toward a decarbonized society as assumed in our business strategy (2°C or lower scenario<sup>\*1</sup>), and another in which economic development is prioritized over climate change countermeasures (4°C scenario<sup>\*2</sup>). We set fiscal 2041 as a point in an uncertain future and analyze the financial impact of transitioning to the 4°C scenario, with the baseline (extension of our business plan) as the 2°C or lower scenario.

\*1 The demand for decarbonization technologies increases and development competition intensifies due to stricter regulations. Electrification of society progresses, total electricity demand increases, and the percentage of renewable energy also rises.

<Referenced public scenarios>

- International Energy Agency (IEA) World Energy Outlook 2024, APS (Announced Pledges Scenario)
- Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6), Shared Socioeconomic Pathway(SSP1), compared to SSP2 as the current situation

\*2 Physical risks materialize due to decarbonization activities being at or below the current level. Consumer purchasing power increases compared to the 2°C or lower scenario. On the other hand, extreme weather events such as heavy rain and floods intensify.

<Referenced public scenarios>

- IEA World Energy Outlook 2024, STEPS (The Stated Policies Scenario)
- IPCC 6th Assessment Report, SSP5 (compared to SSP2 as the current situation)

(b) Scenario analysis results

The Mitsubishi Electric Group has examined climate-related risks and opportunities in all its business segments. Regarding transition risks, we evaluated that three businesses, Energy Systems, Automotive Equipment, and Semiconductor & Device would be significantly affected by climate change in the 4°C scenario relatively, and we quantitatively estimated the financial impact.

On the other hand, for physical risks, we estimated the financial impact on the Group's major manufacturing bases across all business segments, taking the intensification of extreme weather events as an inevitable risk due to the increased frequency of extreme weather events.

The main transition risks that would affect finances due to the transition to the 4°C scenario are changes in the energy mix, changes in energy demand trends, and delay in shift to EVs.

The Energy Systems business is directly affected by changes in the energy mix and changes in energy demand trends, which would be expected to result in decreased profits due to the slow spread of renewable energy and sluggish growth in total electricity demand caused by delays in electrification. The Automotive Equipment and Semiconductor & Device businesses would experience some concerns such as the delay in the shift to EVs leading to reduced demand for EV-related automotive equipment and the failure of SiC manufacturing costs to decrease, stagnating its widespread use in other fields. However, the impact of these concerns is expected to be minimal.

Although these three businesses would be affected by reduced opportunities under the 4°C scenario, climate change is seen as more of an opportunity than a risk in all of the Mitsubishi Electric Group's businesses. In the case of the 4°C scenario, compared with the case of the 2°C or lower scenario, each country will adopt economy-first measures, and as a result, high-performance products and services will be selected and demand will increase vigorously. For example, in the air conditioning system & home products business, performance requirements for reducing greenhouse gas and energy consumption would not decrease, and increased demand for adapting to climate change can be expected.

Moreover, we estimate the financial impact of the intensification of extreme weather events, a physical risk, to be smaller than the impact of transition risks.

Based on this analysis, we expect a decrease in profit due to transition risks in the Energy Systems business, as well as physical risks in all businesses. However, the opportunities presented by climate change in many businesses, including the AC System & Home Products business, is also expected to bring an increase in profit. As a result, the impact on the Mitsubishi Electric Group is within the assumed range that can occur in normal business operations and is estimated to amount to a minor change in the direction of profit growth. For this reason, we do not foresee a significant financial impact even with a shift from the 2°C or lower scenario to the 4°C scenario.

Financial impact on the Mitsubishi Electric Group when society progresses to the 4°C scenario (impact on operating profit)

	Business	Content	Impact on Operating Profit
Transition risks	Energy Systems	<p>◆Changes in energy mix and changes in energy demand trends</p> <ul style="list-style-type: none"> <li>•The market size for core network products and distributed network products shrinks due to the slowdown in the introduction of renewable energy and the progress of electrification.</li> </ul>	➡
	Semiconductor & Device, Automotive Equipment	<p>◆Delay in shift to EVs</p> <ul style="list-style-type: none"> <li>•Slowdown in the price reduction of SiC products, and stagnation in their spread to non-automotive applications.</li> <li>•Reduced demand for EV-related automotive equipment.</li> </ul>	➡
Physical risks	All Businesses	<ul style="list-style-type: none"> <li>•Disruption of supply chains and increased damage to facilities due to the intensification of extreme weather events such as typhoons, heavy rains, and floods.</li> </ul>	➡
Opportunities	A/C System & Home Products	<ul style="list-style-type: none"> <li>•Increased demand due to the development of the global economy under relatively relaxed regulatory conditions.</li> </ul>	➡
Total (transition risks + physical risks + opportunities)			➡

### 3) Risk Management

#### a. Processes for addressing climate change risks and opportunities

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

Each of Mitsubishi Electric's departments (business groups and corporate divisions) and affiliated companies in Japan and overseas identify climate change-related risks that are relevant to them, consider how to respond to such risks and turn them into opportunities, and proactively incorporate them into their business and divisional strategies.

At the same time, as part of the Mitsubishi Electric Group's comprehensive risk management process, we identify, assess, and properly manage issues that have significant impacts on management in various risk areas, including risk management related to climate change.

#### b. The Group risk management system and positioning of global environmental risks

The Group's global environmental and other risks, including risks related to climate change, are primarily managed by each corporate division of Mitsubishi Electric and its subsidiaries and affiliates in Japan and overseas. In addition, at the leadership of the Chief Risk Management Officer (CRO), the corporate division (i.e., the division responsible for the risk) identifies, assesses, and manages risks based on its knowledge in each area of expertise.

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

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

#### c. Management process for risks related to the global environment

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

Based on the results of such comprehensive risk assessment, the Executive Officer in charge of sustainability and the Sustainability Innovation Group identify and assess risks by subdividing global environmental risks into smaller risks, taking into account legal trends, technological trends, market trends, external evaluations, and other factors. Based on the results, the Executive Officer and the Department formulate an environmental plan as a medium-term risk management measure and an environmental implementation plan as a one-year measure.

Each group organization (business group, affiliated company, etc.) formulates its own annual environmental implementation plan based on these plans and reports the results to the Executive Officer in charge of sustainability and the Sustainability Innovation Group.

The Executive Officer in charge of sustainability and the Sustainability Innovation Group then review the results of the identifying and assessing of global environmental risks, taking into account the results of each organization and social trends, and in turn report the results to the Corporate Legal and Risk Management Group and, if necessary, revise the environmental plan and reflect the results in the environmental implementation plan for the following fiscal year.

### 4) Metrics and Targets

The Mitsubishi Electric Group calculates and tracks greenhouse gas emissions (Scope 1, 2 and 3) in its value chain. For calculation and assessment, we refer to the GHG Protocol and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by Japan's Ministry of the Environment.

#### a. Long-term target

In our long-term environmental management vision through 2050, Environmental Sustainability Vision 2050, the Mitsubishi Electric Group has set a target to reduce greenhouse gas emissions throughout the entire value chain to net-zero by 2050.

#### b. Medium-term target

The Group set a target of "achieving carbon neutrality in our factories and offices by fiscal 2031" and is conducting initiatives to reduce greenhouse gas emissions by a certain percentage each year.

<The Group's reduction targets after receiving certification from the SBT initiative>

We have updated the Group's greenhouse gas emission reduction targets for fiscal 2031 as follows, and received certification from the SBT initiative in January 2024. These new targets have been recognized as science-based targets for achieving the Paris Agreement's "1.5°C target." The Scope 1 and 2 targets have been certified as being at a level that "limits temperature rise to with 1.5°C," while the Scope 3 target has been certified as being at a level "well below 2°C."

- Scope 1 and 2: Reduce greenhouse gas emissions by 42% by fiscal 2031 compared to fiscal 2022 levels
- Scope 3\*: Reduce greenhouse gas emissions by 30% by fiscal 2031 compared to fiscal 2019 levels

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

c. Short-term targets

Based on the action guidelines of Environmental Sustainability Vision 2050, the Mitsubishi Electric Group formulated an Environmental Plan that sets out specific activity targets. In addition to setting greenhouse gas emission reduction targets for fiscal 2026 to achieve the aforementioned medium-term targets, the Environmental Plan 2025 also set targets for simple calculation of LC-CO<sub>2</sub>\*1 emissions that contribute to carbon neutrality and a circular economy, as well as targets in the nature positive domain that contribute to the realization of “30by30”\*2 as advocated by the Japanese government.

\*1 Life Cycle CO<sub>2</sub>. All CO<sub>2</sub> emissions throughout the entire product life cycle

\*2 A target to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030

d. Progress

See the table below for the company's calculated values for Scope 1 and 2 GHG emissions for the fiscal 2025.

In the market-based approach, the use of renewable energy has progressed, leading to reductions.

Even in the location-based approach, there has been a reduction of approximately 30% compared to the fiscal 2014 emissions of 1,430kt, which was set as the baseline year in the Environmental Plan 2025. Efforts to reduce greenhouse gas emissions will continue towards achieving the goal of more than 53% reduction compared to fiscal 2014 by the end of fiscal 2025, as outlined in the Environmental Plan 2025.

Scope 1 and 2 greenhouse gas emissions (Mitsubishi Electric Group) (Unit: kt-CO<sub>2</sub>)

		FY2023	FY2024	FY2025
Total of	Market-based	951	910	748
Scope 1 and 2	Location-based	1,046	1,071	994

Note: Figures for fiscal 2023 and 2024 are actual figures that have been verified by third parties. Figures for fiscal 2025 are calculated by the Company as of the time of submission, as third-party assurance is still in progress.

For the actual values after third-party assurance, please refer to the Integrated Report 2025, which is scheduled to be published after September 2025.

<https://www.mitsubishielectric.com/en/sustainability/reports/>

### (3) Human Capital

#### 1) Governance

##### a. Basic Policy on Human Capital

In the Mitsubishi Electric Group Medium-Term Management Plan for fiscal 2026, the Mitsubishi Electric Group states that it will contribute to realizing a vibrant and sustainable society, including working toward decarbonization, by increasing the provision of integrated solutions through strengthening the business management foundation, promoting digital transformation and other activities. People are the driving force behind this sustainable growth, and we will continue to practice “human capital management,” which views “people as the capital that creates future value.” To regain the trust of society and to develop as a “Circular Digital-Engineering” company amid increasingly intense global competition, the Mitsubishi Electric Group will implement diverse reforms by mobilizing all of its human capital, i.e., its diverse and versatile individual powers.

##### b. Promotion framework

The Mitsubishi Electric Group has assigned a Chief Human Resource Officer (CHRO) to be in charge of formulating its human capital strategy. In awareness of the link between management strategies and human capital strategies, we first identified the people issues that would hinder implementation of the management strategy and, through repeated discussions with each Chief Officer and Business Area Owner, organized the company’s specific priorities and response policies, under the supervision of the Board of Directors. We will continue to implement improvements systematically and report on process/progress at regular Board of Directors meetings.

#### 2) Strategy

Based on the HR Division Mission, our ideal vision for human capital, the organizational structure, and organizational culture, we are striving to develop human capital and to improve the internal environment (including our organizational culture).



##### a. Human capital development

Recognizing that “business development and social contribution cannot be achieved without employee growth,” we will raise the overall level of our employees by investing in education and training for all employees, and nurture “diverse and versatile human capital,” who will practice “Changes for the Better” by thinking independently, acting proactively, and continuing to take on challenges.

##### Examples of initiatives

##### (a) Human capital management to grow personnel and company

To ensure the continued growth of the Mitsubishi Electric Group as a truly global company, it is necessary to eliminate the siloing of talent caused by vertically segmented business structures. We will shift from the conventional approach of individual optimization within business divisions, primarily focused on Japan, to overall optimization at the group and global level. In doing so, we will promote the development of a company-wide framework and system for comprehensive talent management.

Introduced in fiscal 2024, our Career Development Concept encourages every employee to think more independently and work proactively when it comes to their own careers. It once again clarifies the Group’s approach of guiding and supporting each individual employee in their efforts to achieve personal growth.

To develop and produce the next generation of business executives on a global scale, we launched the L.E.A.D.\* Program in fiscal 2024. This program selects, trains, and evaluates executive candidates with diverse experiences and backgrounds from within and outside the group, fostering talent capable of leading our group globally.

By creating an environment in which our entire pool of diverse and versatile human capital can enjoy independent career advancement and fully demonstrate their abilities, Mitsubishi Electric is promoting further growth for both its employees and the Group.

\* Leadership Enhancement And Development

Career development concept (in Japanese text)



(b) Human capital development measure supports the skills development of each and every employee

The Mitsubishi Electric Group strives to cultivate talent who think independently, act proactively, and continuously take on challenges. To support employees in autonomously developing their capabilities, we have established various training programs, created learning environments, and prepared developmental initiatives. Our training system consists of passing down everyday business know-how and mindset through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis while actively holding online seminars. These initiatives encourage networking activities among employees, fostering a culture of mutual learning, teaching, and connection. Off-JT includes: knowledge and skills training, as well as motivation workshops, led by distinguished internal and external instructors; certifications and competitions aimed at skill enhancement; and practical training and study abroad programs at overseas branches and universities in Japan and abroad. Through these initiatives, we aim to elevate the capabilities of our entire group, including affiliated companies.

We provide all employees with fundamental knowledge, including ethics and compliance, that every member of society should acquire. For all new graduate employees and mid-career hires, we provide company orientation and training sessions to instill awareness as good members of society, and educate them on basic knowledge, management principles, compliance, and other matters.

Furthermore, we emphasize career ownership and autonomous growth for each employee. Our fundamental approach is to pursue both the company's sustainable growth and employees' personal fulfillment, under the belief that both the company and the human capital should grow together. In addition to conventional tier-based training, we plan to develop content tailored to individual circumstances, helping each employee acquire the necessary skills and competencies. We aim to integrate these efforts with previously prioritized areas such as: strengthening young employees' communication skills; and enhancing mid-level and senior employees' leadership and management capabilities, including ability to train the younger generation, such as their subordinates and junior fellows. Ultimately, we seek to cultivate talent capable of driving the company's future growth while creating an environment where every individual can work with vitality, well-being, and strong engagement.

Training and development measures	Management candidate development	Key functional person development	☆MELCO Seminar (M-Semi)		Functional training				Level-specific training		
	Mitsubishi Electric Business Innovation School (MEBIS)	Advanced Technology System Course	JIT Improvement Instructor / driver development	Area of specialty	Common areas	Global	Skill training	Individual functional training			
				<ul style="list-style-type: none"><li>• Sales</li><li>• Career produce</li><li>• Communication</li><li>• AI / Media</li><li>• Information software</li><li>• Electronics / Devices</li><li>• Machines</li><li>• Electricity / Energy</li><li>• Control</li><li>• Quality</li><li>• Environment</li><li>• Production</li><li>• Planning / Development</li></ul>	<ul style="list-style-type: none"><li>• Globalization</li><li>• Business knowledge / Intellectual production capacity</li><li>• New business creation skills</li><li>• Corporate principles / Governance</li></ul>	<ul style="list-style-type: none"><li>Overseas OJT system</li><li>Study abroad system</li><li>Language study abroad/Dispatching to domestic language schools</li><li>Training before overseas assignment</li></ul>	Mitsubishi Electric Group skills competition	Company-wide supervisor meeting	Administrative division personnel training (Purchasing, accounting, general affairs, etc.)	Job-level specific training / Management training	Company-wide welcoming ceremony / New employee training
Career development support	Supporting each and every employee to envision and shape their future career by developing the necessary skills			☆Career consulting room ☆Self-development support system		ME Time* ☆Job-Net*		Total life program ☆Career Challenge System*			
Knowledge sharing	Place to accumulate, pass down, and develop information related to technology and business. Human networking beyond individual areas of business			☆Melcollege ☆Chief Engineers' Meeting ☆Mitsubishi Electric quality-related information sharing system		☆Engineering Divisions' Meeting Engineering Committee		☆Engineers' Meeting ☆Technical help desks			
Training for all employees	Ensuring basic knowledge for Mitsubishi Electric Group employees is provided and an appropriate mindset is developed within them			Compliance, safety, quality, sustainability, diversity, etc.							

☆Main measures and systems that employees can utilize independently

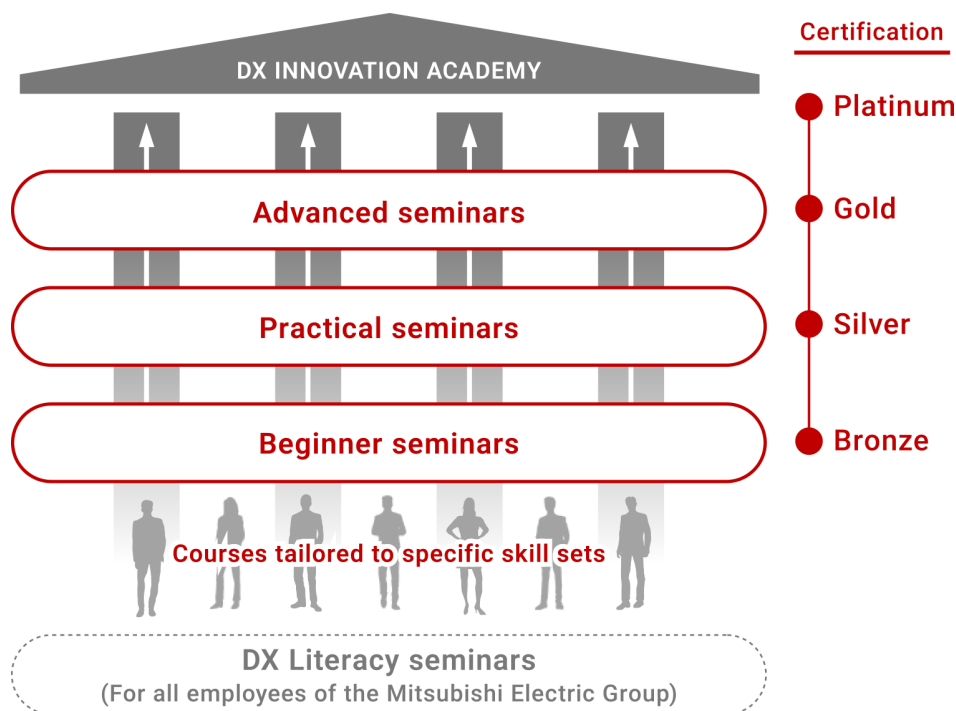
\* Includes some non-development measures.

(c) Strengthening DX Talent

The Group aims to secure 20,000 digital transformation (DX) professionals across the Group by 2030 to drive the Serendie business initiative. Alongside talent acquisition and M&A expansion, we are strengthening talent development aligned with business strategy.

To support this, we established the DX Innovation Academy in April 2025 as a structured training institution for our employees. Based on DX skill sets, this Academy provides an intensive learning environment where individuals can acquire essential technologies, knowledge, and mindsets and apply them in practice. We have established a structured learning system that integrates internal and external courses while implementing an internal certification program to recognize skills and abilities. This approach fosters comprehensive talent development by offering programs tailored to different skill levels and expertise, encompassing not only existing DX professionals and those engaged in DX-related work but also individuals transitioning from other roles and new hires. We also offer training programs for all group employees to foster a group-wide culture of promoting DX.

Overview of DX innovation academy



b. Improvement of the internal environment

To achieve sustainable growth, we believe it is important to create a work environment in which each and every employee can maximize their abilities within a limited time frame. We will therefore promote a sense of unity and collaboration with our organization by respecting diversity and enhancing engagement, as well as improving the working environment, to realize one in which everyone can work realizing a safe, secure, and rewarding.

Examples of initiatives

(a) Respect for diversity

(i) Work-Life Balance Support

Mitsubishi Electric actively promotes various support systems within the company to help employees balance work and personal responsibilities. For childcare and work balance, the company distributes the handbook on supporting work/childcare balance for employees and supervisors to ensure that employees returning from parental leave can smoothly reintegrate into the workplace and maximize their capabilities while raising children. Additionally, in alignment with the Act on Advancement of Measures to Support Raising Next-Generation Children, we have formulated a general employer action plan, setting goals to strengthen communication about work-life balance initiatives. To support employees in balancing caregiving and work, we conduct seminars that provide foundational knowledge on caregiving and offer an external consultation service, fostering a more supportive work environment.

(ii) People with disabilities

Each company of the Mitsubishi Electric Group actively promotes the inclusion of people with disabilities. It is committed to establishing a more inclusive workplace by improving accessibility, including barrier-free environments.

In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary\* that specializes in businesses mainly suited to people with intellectual disabilities. As of June 1, 2024, people with disabilities comprised 2.51% of the total workforce at Mitsubishi Electric and its special subsidiaries combined in Japan.



The company name of Melco Tender Mates Corporation expresses the principle that employees with and without disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning, cookie production, cafe, business card, food services, and health promotion (massage) businesses. It employs 159 people with disabilities in Japan as of June 1, 2024. After establishing a cookie factory in fiscal 2018, the Company subsequently opened facilities at the Nagoya, Himeji, and Itami sites.

\* Special subsidiary: A company that meets certain requirements under Act to Facilitate the Employment of Persons with Disabilities (Employment Promotion Act for Persons with Disabilities), and is deemed to be one business establishment (employed by the parent company) of the parent company (Mitsubishi Electric Corporation) after receiving permission from the Minister of Health, Labor and Welfare, and also is included in the parent company's employment rate for persons with disabilities as an exception.

(b) Organizational culture reform

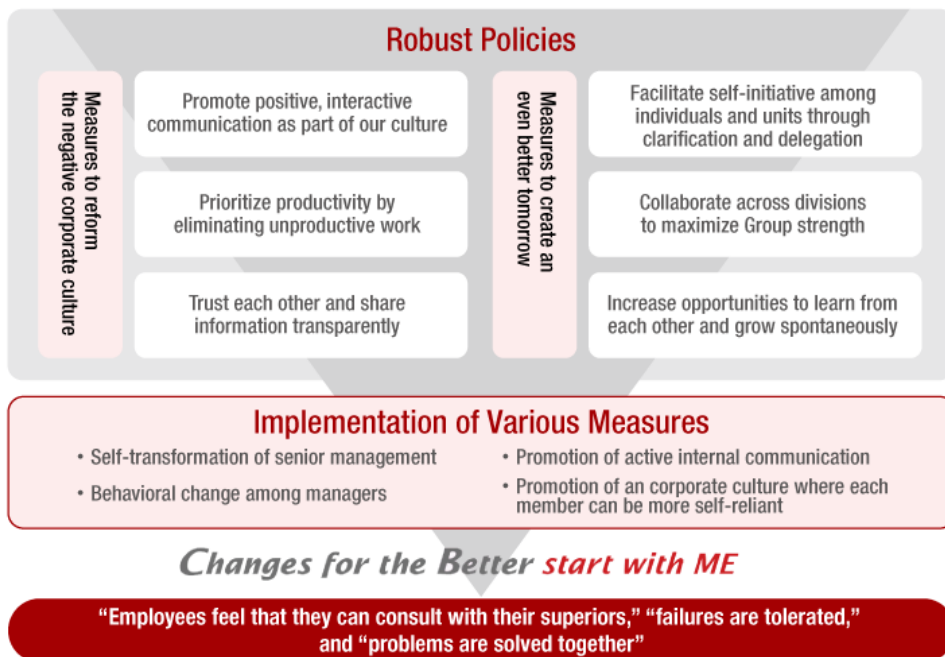
The Mitsubishi Electric Group takes the multiple work-related issues that it experienced through fiscal 2020 within the Group seriously, and has been working on the Mitsubishi Electric Workplace Reform Program, which aims at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals. Regarding this program, we completed the application of short-term priority measures in fiscal 2022 and implemented long-term measures focusing on "improvement of work engagement," "active communication," and "fostering of organizational culture and mindset" in fiscal 2023. These efforts were integrated into the broader Organizational Culture Reform, one of the Three Key Reforms, to further strengthen its commitment to workplace improvement.

By fiscal 2025, Mitsubishi Electric had conducted one-on-one training for approximately 4,000 managers and hosted seminars led by internal and external instructors, with a total of 30,000 participants. These initiatives aimed to establish a psychologically safe workplace and promote two-way communication. In March 2025, the company held a corporate-wide organizational culture reform conference, "ME's Culture Day", to reflect on past efforts and reinforce its commitment to continuous organizational culture reform.

Now we are transitioning into a new phase of reform. In April 2025, we established the Corporate Culture Transformation Division, which will carry forward and expand previous initiatives, driving the development of a stronger, more cohesive corporate culture across the entire group.

### Organizational culture reform: Robust Policies for the creation of a new Mitsubishi Electric Group

Team Sousei (Creativity) is a Group-wide transformation project team consisting of 45 members selected in an open internal application process. It has established the Robust Policies as guidelines for organizational culture reform, and various measures based on the policies started being implemented in fiscal 2023





### 3) Metrics and Targets

As targets of the material issue, “Respect for all people,” targets and KPIs related to human capital are listed in “(1) Sustainability, 4) Metrics and targets.” Mitsubishi Electric’s major achievements and targets in the area of human capital, including those are listed in the table below. For indicators related to diversity, the percentage of management positions held by women, the percentage of eligible men taking childcare leave, and the gender pay gap, see “I. Overview of the Company, 5. Employees.”

The figures in the table below are for the Company. Consolidated subsidiaries are also taking steps to respect diversity.

Category		Indicator	Segment	Result (% , unless otherwise stated)					Target (%)
				FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Supporting career development		Percentage of employees who responded that they felt that their career goals can be met at the Company	Full-time employees <sup>*1</sup>	48.0	43.0	42.0	43.0	48.0	-
		Annual investment amount in human capital development and training per employee <sup>*2</sup> (thousands of yen)	All employees	-	86	124	147	172	-
Maintaining a favorable working environment	Job satisfaction and supportive workplaces	Employee engagement score (Percentage of employees who are proud and motivated to work for the Company)	Full-time employees	63.0	54.0	54.0	55.0	60.0	63.0
		Percentage of employees who responded that they had a good work-life balance	Full-time employees	66.0	65.0	66.0	68.0	71.0	70.0
	Diversity	Percentage of management positions held by women <sup>*3</sup>	-	1.9	2.3	2.6	3.1	4.0	4.5
		Percentage of eligible men taking childcare leave <sup>*4</sup>	-	64.9	67.8	76.1	85.1	85.7	-
		Gender pay gap <sup>*3</sup>	All employees	60.7	61.0	61.5	62.4	63.0	-
			Full-time employees	63.5	63.6	63.6	64.4	64.9	-
			Non-regular employees	63.5	62.4	63.2	61.8	60.4	-
		Employment rate of people with disabilities <sup>*5</sup>	-	2.3	2.4	2.5	2.5	2.5	-

\*1 Full-time employees include both regular employees and full-time non-regular employees with indefinite contracts.

\*2 Total amount of training expenses and expenses in the training supervising department. Employees include temporary employees.

\*3 Calculated based on the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015).

\*4 Calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

\*5 Calculated based on the provisions of the Report on the Employment Status of Persons with Disabilities (Article 43, Paragraph 7 of the Act to Facilitate the Employment of Persons with Disabilities).

The forward-looking statements referred to above are based on judgments made by the Company as of the filing date of the Annual Securities Report (June 20, 2025).

For the latest status of Mitsubishi Electric Group's sustainability initiatives, please refer to the Sustainability Website.

<https://www.mitsubishielectric.com/en/sustainability/>

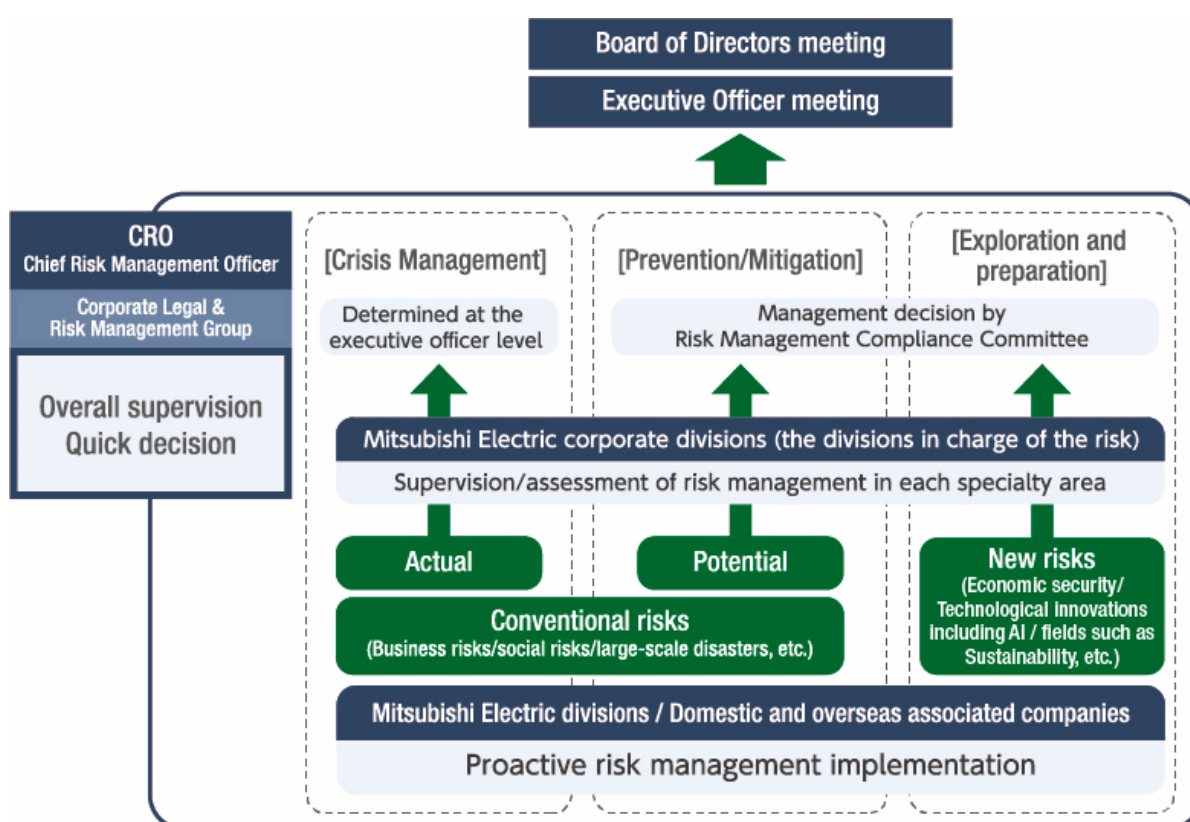
### 3. Business and Other Risks

#### (1) Risk management framework of the Mitsubishi Electric Group

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

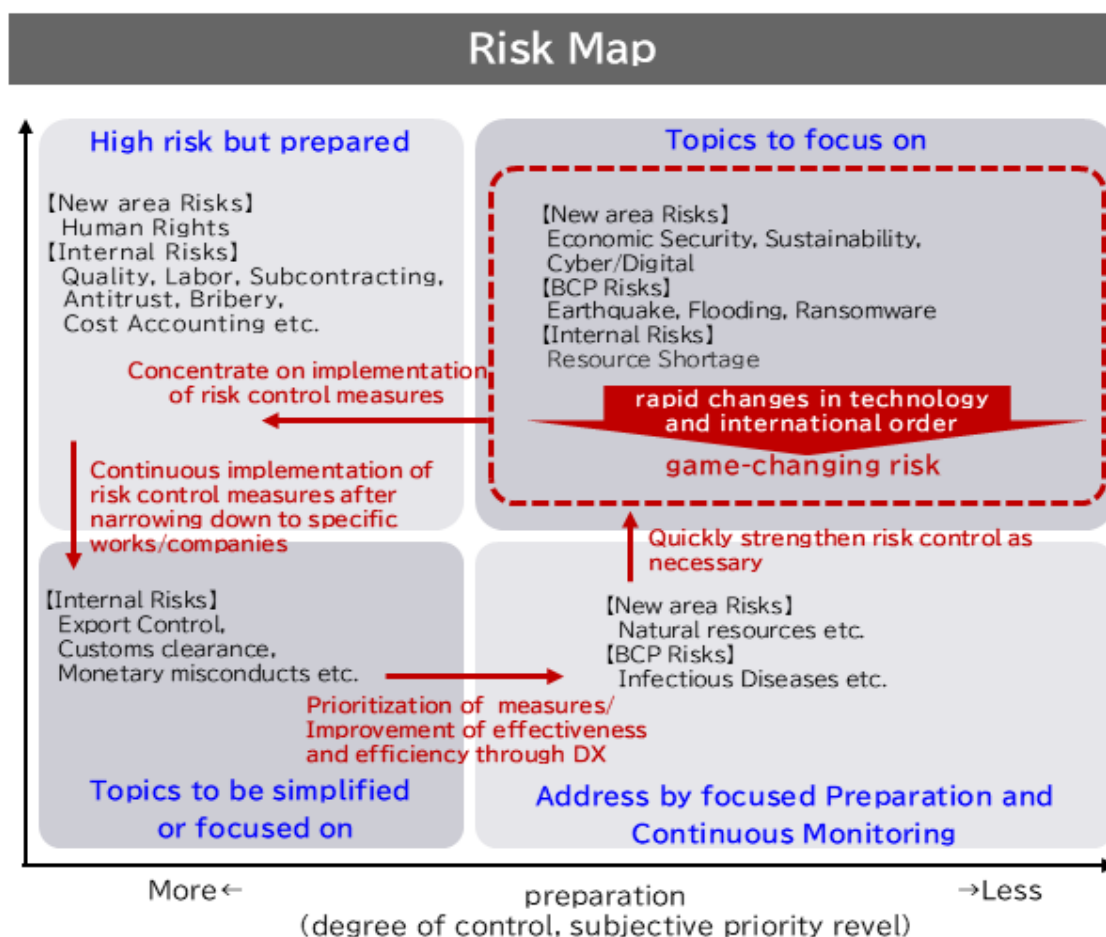
We will not only address conventional risks such as large-scale disasters and social risks but also strategically explore and prepare for new risks in areas such as economic security, technological innovations including AI, and sustainability.

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



#### (2) Business and Other Risks

In conducting its business, various factors may affect the actual financial standings and operating results of the Group. We have created a new risk map of the major factors that may affect actual financial standings, operating results, and the decisions of investors, based on the following classifications: “new area risks (new regulations, tariff changes, social demands),” “BCP-related risks,” and “internal risks (operational risks).” By advancing responses tailored to each quadrant of the risk map, we aim to mitigate impact and improve the effectiveness and efficiency of our risk preparations, while flexibly addressing the need for enhanced risk control as necessary.



## Viewpoints1 New area risks (new regulations, tariff changes, social demands)

### 1) Rise in economic security-related risks

The strengthening of tariffs by the United States government, the implementation of export regulations by various countries, and the rise in international tensions over the situations in places such as Ukraine and the Middle East have raised the level of risks related to economic security, destabilized social conditions, and significantly impacted the global economy.

The Group conducts business in a wide range of areas from social infrastructure to home appliances, with more than 50% of the Group's revenue from overseas. Domestic revenue includes not only products that are used domestically but also products that are incorporated into customers' products and exported overseas. If social, economic, and political upheaval caused by heightened economic security risks causes a change in demand for our products or affects sales trends of customer products in which the Group's products are used, the business activities and performance of the Group may be adversely affected.

To respond to these rapid changes in the economic security policies of various countries worldwide, we investigate and analyze policy developments and legal systems and conduct integrated risk management from the viewpoint of economic security related to the control of sensitive technologies, information security, investment, development, and supply chain across the entire Group.

### 2) Addressing changes in the supply chain environment

The business activities and performance of the Group may be adversely affected by changes in the supply chain environment, such as supply disruptions due to infectious diseases, natural disasters, etc., the expansion of various economic security regulations, and the need to address human rights issues. In addition, as countries around the world continue to strengthen their export controls, it has become vital that we reduce our dependence on specific regions.

In light of these circumstances, we are advancing concrete efforts to strengthen our supply chain, such as diversifying procurement, securing inventory, exploring alternatives, developing technology, and establishing new procurement routes.

Through these initiatives, we will respond quickly and appropriately to procurement risks so that we can continuously supply competitive products and services to the market.

### 3) Increase in cyberattacks

If the Group's confidential corporate information including information entrusted to the Group by its customers and stakeholders, as well as information relating to sales, engineering, intellectual property, and other areas, were to be lost or leaked outside the Group due to infection by a computer virus, unauthorized access, or other unforeseen circumstances, or if the kind of cyber-attack that would affect factory production were to occur, this may affect the business activities and performance of the Group. In addition, unknown vulnerabilities in the products we deliver to our customers could have a significant impact on the services they provide and on society as a whole.

We are witnessing an increase in advanced cyberattacks that infiltrate operational technology (OT: the technology used to control and operate equipment and systems in manufacturing sites and plants) as well as IT environments. This poses a rapidly growing risk of disruptions to the control systems for critical infrastructure such as telecommunications and power, as well as factory management systems. At the same time, from a regulatory standpoint, we are seeing the progressive establishment of cybersecurity countermeasures such as Japan's IoT Product Security Conformity Assessment Scheme. We will progressively build systems to address advanced cyberattacks and strengthen our response capabilities while closely exchanging information with the relevant authorities.

We will also strive to protect confidential information, aiming to minimize any impact on business activities or performance. Strengthening measures to prevent human-caused information leaks is one key part of these efforts.

### 4) Strengthening data governance for both protection and utilization

If the information and confidential corporate information held by the Group as described above are lost or leaked outside the Group, or if they cannot be utilized effectively, it may affect the Group's business activities and performance.

Recent changes in the security environment have led to an increasing need for the proper management and protection of information. We believe that it is more essential than ever to establish robust systems to manage important data that could have a significant impact on stakeholders in the event of a leak, as well as the technical data necessary to maintain our market competitiveness into the future. We are accelerating our efforts to establish these systems.

At the same time, technological innovations such as AI significantly increase the opportunities for data to create value. To promote the utilization of data, we have established the "Data Utilization Statement" and we are accelerating our transformation into a "Circular Digital-Engineering Company" through the creation of a Group-wide system and framework for data utilization.

Going forward, we will step up these initiatives, aiming to enhance corporate value by more clearly delineating the data that must be protected and the data that should be utilized and by designing and implementing new governance and management systems for information and data.

### 5) Responding to sustainability-related social demands

In recent years, companies have become subject to a rise in sustainability-related social demands concerning human rights and the environment (such as carbon neutrality and the circular economy). Legislation requiring the selection of business partners based on criteria such as the absence of human rights violations, the implementation of due diligence related to human rights and the environment, including within the company and its supply chain, the disclosure of ESG information, and the use of environmentally friendly product designs and recycled materials is being promoted in Japan, Europe, and the United States, among other countries.

Regarding risks relating to human rights, specifically, among these social demands, we recognize the risks associated with violating the laws and regulations that require companies to address human rights. We also recognize the risk of economic sanctions or reputational damage if the Group is deemed to be complicit in human rights abuses. To address these risks, we are strengthening the Group's initiatives based on international norms such as the United Nations "Guiding Principles on Business and Human Rights." We will also step up and strengthen our human rights due diligence efforts in the Group's value in line with the Responsible Business Alliance (RBA), a corporate alliance that promotes social responsibility in the global supply chain.

Among the environment-related risks, there has been a rapid expansion in regulations relating to carbon neutrality and the circular economy, especially in Europe. Specifically, regulations concerning carbon pricing systems, emissions trading, the use of recycled materials, and environmentally conscious design are encouraging shifts in corporate decision-making processes and business models. Failure to make timely and appropriate management decisions regarding these issues could impact the Group's business activities and performance. We aim to proactively address these regulations and social demands while deepening cooperation with companies that are already making progress in these areas. We will quickly clarify our basic policies to incorporate non-financial value standards such as carbon neutrality and the circular economy into corporate actions such as procurement, product and service development, capital investments, and development investments.

We will also fast-track our considerations aimed at establishing systems to visualize non-financial data, such as our own and our business partners' carbon emissions. We will use this as a tool for addressing risks relating to human rights and the

environment, as well as promoting a range of related initiatives.

Through these initiatives, we aim to enhance corporate value by responding quickly and appropriately to sustainability-related social demands.

#### 6) Game change / technological innovation

In addition to the changes in international regulations, social values, and social structures described above, we are also witnessing the acceleration of technological innovation and intensifying competition. These are increasing game-changing risks and leading to rising uncertainty. Under these conditions, it is crucial to capture changes in the business environment in a timely manner, comply with international laws and regulations, mitigate risks, and respond flexibly to turn these risks into business opportunities.

We will build a robust business foundation that can withstand these changes. In our research and development efforts, we will aim to design the future of society and create timely new value by integrating knowledge from both inside and outside the Group through collaboration and co-creation with universities and other external research institutions, other companies, and our customers.

### **Viewpoints2 BCP risks (infectious diseases, large-scale disasters, etc.)**

#### 7) Addressing BCP risks

An infectious disease or a large-scale disaster (earthquakes, tsunamis, typhoons, floods, volcanic eruptions, and fires) could cause direct damage to the Group's facilities and disrupt its business activities of the Group, which has numerous main facilities in and outside Japan, including manufacturing facilities, sales offices, research laboratories, and the head office. In addition, supply chain disruptions could have an impact on procurement, production, logistics, etc., which could result in substantial losses.

To address these risks, we have established and implemented a process where the Risk Management and Compliance Committee considers which BCP risks should be handled as management issues and the Group steadily executes its management BCP countermeasures.

Moreover, in the event of emergencies such as an infectious disease or a large-scale disaster, the Group will establish the Mitsubishi Electric Emergency Response Center to centrally manage company-wide information, ensure the safety of each business site, and restore and continue business activities (BCP).

### **Viewpoints3 Internal risks (product and service quality, compliance risks, etc.)**

#### 8) Reinforcing preventive measures from the perspectives of prioritization, the utilization of digital technology, and remembering the lessons learned from past incidents

Internal risks such as the recording of losses due to defects or deficiencies in products or services and the deterioration of social reputation due to compliance violations may impact overall business management.

To address these risks, we are continuing our existing efforts for early detection and response through the establishment of an effective internal control system, including the revitalization of internal audits and various inspection activities.

In addition, a shortage of resources such as human capital can also lead to the emergence of internal risks. Therefore, we are addressing the gaps between businesses and resources as well as the constraints arising from the business environment, particularly in locations (including associated companies in Japan and overseas) where risks are likely to occur. We are engaged in implementing preventive measures and we are committed to risk control through business reform using DX and AI, as well as thorough productivity improvement through the utilization of digital technologies.

At the same time, we frankly acknowledge the multiple compliance violations committed by the Group in the past. We will strive to prevent the lessons learned from these incidents from being forgotten by reflecting on the circumstances and issues behind them.

### **Viewpoints4 Increasingly complex, increasingly interrelated risks and Financial market uncertainty**

#### 9) The impact of financial market risks (foreign currency exchange rates and stock markets)

If the foreign exchange market or stock market is affected by each of the increasingly complex separate risks indicated in items

1) through 8) above, or by the combined effects of these risks, the Group may be affected by the following.

<Foreign currency exchange rates>

In addition to North America, Europe, and China each accounting for roughly 10% of total Group revenue, the Group purchases imported materials that are denominated in U.S. dollars or euros, and sells export goods and purchases imported materials that are denominated in foreign currencies in its Asian production bases.

The Group strives to avoid foreign currency exchange rate fluctuations through the use of forward exchange contracts, etc. However, sudden changes in exchange rates that cause major deviations from the exchange rates expected by the Group may affect the Group's performance.

<Stock markets>

The Group's basic policy is to "not own cross-shareholdings in principle," but at the same time, the Group may hold stocks that are determined to be necessary for business operations. Falls in stock market prices may lower the value of marketable stocks held by the Group and reduce its pension assets.

As a response to such risks, the Group makes a comprehensive judgment of the significance of its stockholdings, from the viewpoint of their profitability, business feasibility, holding risks, etc., and verifies and confirms them at the Executive Officer meetings and the Board of Directors every year. When stocks are judged to have a low holding significance, the Group considers the reduction thereof, such as by selling them, taking into consideration the situation of the companies concerned.

The above are forward-looking statements based on the judgment of the Company as of the date of submission of the Annual Securities Report (June 20, 2025).

## 4. Management Analysis of Financial Position, Operating Results and Cash Flows

The main measures implemented by the Group during the fiscal year ended March 31, 2025 and planned for implementation during the fiscal year ending March 31, 2026 are as indicated in “1. Management Policy, Business Environment and Corporate Agenda.” Below is our analysis of the financial position, operating results, and cash flows of the Group for fiscal 2025 based on these measures.

### (1) Overview of business performance

The economy in the fiscal year ended March 31, 2025 continued to see moderate recovery in Japan, however, recovery in consumer spending came to a standstill in the latter part of the year. In the U.S., the economy remained robust primarily in consumer spending despite monetary tightening and other factors, but showed signs of an economic slowdown toward the end of the year. In Europe, the economy gradually recovered due to monetary easing and other factors, but the manufacturing sector remained sluggish. In China, the economy remained sluggish due to its ongoing real estate recession and weak domestic demand, despite increased exports and support from government measures.

In this environment, the Mitsubishi Electric Group, under its business area management structure, has been accelerating business transformation and its business portfolio strategy, while also implementing initiatives to bolster its competitiveness and strengthen its business structure.

As a result, the business performance for the year ended March 31, 2025 is as follows.

<Consolidated Performance>		(Billions of yen)	
	FY2024	FY2025	Year on year
Revenue	5,257.9	5,521.7	up 263.7
Operating profit	328.5	391.8	up 63.3
Profit before income taxes	365.8	437.2	up 71.4
Net profit attributable to Mitsubishi Electric Corp. stockholders	284.9	324.0	up 39.1

### 1) Revenue

Revenue increased by 263.7 billion yen year-on-year to 5,521.7 billion yen due primarily to the weaker yen and improvements in product prices. In the Infrastructure segment, the public utility systems business saw increases in the uninterruptible power supply (UPS) business outside Japan, the transportation systems business worldwide, and the public utility business in Japan. The energy systems business saw an increase in the power transmission and distribution business worldwide, and the defense & space systems business also increased due to large-scale projects for the defense systems and space systems businesses. The Life segment saw an increase in the building systems business in Japan and other markets in Asia (excluding China), and as well as the air conditioning systems & home products business experiencing an increase in air conditioners for North America, Asia (excluding China) and Japan. The Business Platform segment saw increases in the IT infrastructure service and system integrations businesses. The Semiconductor & Device segment was substantially unchanged year-on-year, seeing increases in power modules used for railway & power transmission applications and in optical communication devices, while experiencing a decrease in power modules used for industrial applications. The Industry & Mobility segment saw a decrease in the factory automation systems business mainly due to a decline in demand for lithium-ion batteries, while the automotive equipment business decreased due to a decline in sales of Japanese automotive manufacturers in China.

#### <Impact of Exchange Rate Fluctuations on Revenue>

	Average exchange rate for FY2024	Average exchange rate for FY2025	Impact of exchange rate fluctuations on revenue
Consolidated total	—	—	About ¥109.0 billion increase
US\$	¥145	¥153	About ¥44.0 billion increase
EURO	¥158	¥164	About ¥17.0 billion increase
CNY	¥20.2	¥21.1	About ¥16.0 billion increase



## 2) Operating profit

Operating profit increased by 63.3 billion yen year-on-year to 391.8 billion yen due to increases in the Infrastructure, Life, Semiconductor & Device and Business Platform segments, despite a decrease in the Industry & Mobility segment. Operating profit ratio improved by 0.9 points year-on-year to 7.1% mainly due to an improvement in cost ratio.

The cost ratio improved by 1.2 points year-on-year due primarily to the weaker yen and improvements in product prices as well as improvements in the Life and Infrastructure segments. Selling, general and administrative expenses increased by 78.5 billion yen year-on-year, and the ratio of selling, general and administrative expenses to revenue deteriorated by 0.3 points year-on-year. Other profit (loss) decreased by 4.4 billion yen year-on-year, and ratio of other profit (loss) to revenue was substantially unchanged year-on-year.

## 3) Profit before income taxes

Profit before income taxes increased by 71.4 billion yen year-on-year to 437.2 billion yen due primarily to an increase in operating profit. The ratio of profit before income taxes to revenue was 7.9%.

## 4) Net profit attributable to Mitsubishi Electric Corp. stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders increased by 39.1 billion yen year-on-year to 324.0 billion yen mainly due to an increase in profit before income taxes. The ratio of net profit attributable to Mitsubishi Electric Corporation stockholders to revenue was 5.9%.

ROE improved by 0.2 points year-on-year to 8.4%.

Consolidated Financial Results by Business Segment is as shown below.

### 1) Infrastructure

The market for the public utility systems business saw robust capital expenditures in public utilities in Japan. In this environment, orders won by the business increased year-on-year due primarily to increases in the transportation systems business worldwide and the public utility business in Japan. Revenue also increased year-on-year due primarily to increases in the uninterruptible power supply (UPS) business outside Japan, the transportation systems business worldwide, and the public utility business in Japan.

The market for the energy systems business saw robust demand resulting from the expanded use of renewable energy and increased investments in data centers. In this environment, orders won by the business decreased year-on-year mainly due to a decrease in the power transmission and distribution business in Japan, while revenue increased year-on-year due primarily to an increase in the power transmission and distribution business worldwide.

The defense & space systems business saw robust demand in defense and space systems mainly due to increases in the budgets of government-related organizations. In this environment, both orders and revenue increased year-on-year due to an increase in large-scale projects for the defense & space systems businesses.

As a result, revenue for this segment increased by 18% year-on-year to 1,224.9 billion yen.

Operating profit increased by 58.2 billion yen year-on-year to 89.4 billion yen mainly due to increased revenue and a shift in project portfolio.

### 2) Industry & Mobility

The market for the factory automation systems business saw increases in demand related to smartphones and industrial machinery in China and capital expenditures mainly for artificial intelligence (AI)-related semiconductors in Japan, China and Taiwan, despite continued stagnation in demand for lithium-ion batteries. In this environment, orders won by the business increased year-on-year due primarily to increases in capital expenditures related to smartphones and AI, as well as demand for industrial machinery, while revenue decreased year-on-year mainly due to a decrease in demand for lithium-ion batteries.

The market for the automotive equipment business saw sales of new cars substantially unchanged year-on-year in almost all regions. In this environment, the business saw a decrease in revenue year-on-year due primarily to a decrease in automotive electrical equipment, reflecting a lower sales volume of Japanese car manufacturers in China.

As a result, revenue for this segment decreased by 4% year-on-year to 1,644.8 billion yen.

Operating profit for the factory automation systems business decreased year-on-year mainly due to a shift in the product mix, while operating profit for the automotive equipment business increased year-on-year mainly due to price improvements and cost reductions. As a result, operating profit for this segment decreased by 36.2 billion yen year-on-year to 82.6 billion yen.

### 3) Life

The market for the building systems business saw continued recovery in global demand. In this environment, orders won by the business increased year-on-year due primarily to increases in Asia (excluding China) and the renewal business in Japan. Revenue also increased year-on-year mainly due to the weaker yen and increases in Japan and other markets in Asia (excluding China).

The market for the air conditioning systems & home products business saw robust demand for air conditioning systems mainly in Asia (excluding China), and North America, which saw changes to refrigerant management regulations, despite continued stagnation in demand for residential air conditioning systems in Europe. In this environment, the business saw an increase in revenue year-on-year due primarily to the weaker yen and improvements in product prices, as well as increases in air conditioning systems in North America, Asia (excluding China), and Japan.

As a result, revenue for this segment increased by 6% year-on-year to 2,185.1 billion yen.

Operating profit increased by 41.5 billion yen year-on-year to 157.2 billion yen mainly due to increased revenue.

### 4) Business Platform

The market for the information systems & network service business saw robust demand for updates to legacy systems and digital transformation-related efforts. In this environment, orders won by the business increased year-on-year mainly due to an increase in the IT infrastructure service business. Revenue also increased by 3% year-on-year to 146.8 billion yen due mainly to increases in the IT infrastructure service and system integrations businesses.

Operating profit increased by 3.1 billion yen year-on-year to 10.8 billion yen due primarily to increased revenue and a shift in project portfolio.

### 5) Semiconductor & Device

The market for the semiconductor & device business saw robust demand for optical communication devices, despite a stagnation in demand for power modules. In this environment, orders won by the business decreased year-on-year mainly due to a decrease in large-scale orders for power modules used in railway and electric power applications. Revenue also decreased by 1% year-on-year to 286.3 billion yen due mainly to a decrease in power modules used for industrial applications, despite increases in optical communication devices and power modules used for railway & power transmission applications.

Operating profit increased by 10.7 billion yen year-on-year to 40.6 billion yen due primarily to a shift in the product mix.

### 6) Others

Revenue increased by 1% year-on-year to 852.1 billion yen due primarily to an increase at a software-related affiliate, despite a decrease resulting from conversion of a logistics-related affiliate into an associate accounted for using the equity method.

Operating profit increased by 21.6 billion yen year-on-year to 51.5 billion yen due mainly to impact of the partial transfer of shares in the logistics-related affiliate.

Revenue from customers by geographic segment is as shown below.

#### 1) Japan

Revenue increased by 6% year-on-year to 2,723.5 billion yen primarily due to increases in the defense & space systems business and the public utility systems business.

#### 2) North America

Revenue increased by 15% year-on-year to 799.0 billion yen primarily due to increases in the air conditioning systems & home products business and the energy systems business, despite a decrease in the automotive equipment business.

In the U.S., revenue increased by 15% year-on-year to 667.1 billion yen primarily due to increases in the air conditioning systems & home products business and the energy systems business, despite a decrease in the automotive equipment business.

#### 3) Asia (excluding Japan)

Revenue was little changed year-on-year at 1,171.2 billion yen primarily due to a decrease in the automotive equipment business, despite increases in the air conditioning systems & home products business and the building systems business.

In China, revenue was little changed year-on-year at 529.8 billion yen primarily due to a decrease in the automotive equipment business, despite increases in the factory automation systems business and the semiconductor & device business.

#### 4) Europe

Revenue decreased by 2% year-on-year to 718.5 billion yen primarily due to decreases in the energy systems business and the factory automation systems business.

#### 5) Others

Revenue in other regions, including Oceania, increased by 20% year-on-year to 109.2 billion yen.

### (2) Production, orders and sales

#### 1) Production

As the Mitsubishi Electric Group produces a broad range of diverse products, including many intangible goods such as software and services, it does not disclose the scale of production by segment in terms of value or volume.

#### 2) Orders

Orders received by business segment for the year ended March 31, 2025 are as follows.

Business Segment	Orders received (millions of yen)	Year on year (%)
Infrastructure	1,922,771	120
Industry & Mobility (excluding the automotive equipment)	710,877	121
Life (excluding the air conditioning systems & home products)	689,855	107
Business Platform	149,550	102
Semiconductor & Device	270,221	88

Note: The automotive equipment business in the Industry & Mobility segment and the air conditioning systems & home products business in the Life segment have few products made on other, thus not included in the table above.

#### 3) Sales

Sales by business segment for the year ended March 31, 2025 are as follows.

Business Segment	Sales (millions of yen)	Year on year (%)
Infrastructure	1,224,948	118
Industry & Mobility	1,644,806	96
Life	2,185,168	106
Business Platform	146,850	103
Semiconductor & Device	286,366	99
Others	852,126	101
Elimination	(818,553)	—
Total	5,521,711	105

Note: The figures in the table above include inter-segment sales.

### (3) Analysis of financial position

Total assets as of the end of fiscal 2025 increased by 208.3 billion yen compared to the end of the previous fiscal year to 6,375.6 billion yen. The change in balance of total assets was mainly attributable to increases in investments accounted for using the equity method by 59.0 billion yen and trade receivables by 57.1 billion yen.

Investments accounted for using the equity method increased due primarily to the conversion of MD LOGIS CORPORATION into an equity method affiliate and other factors.

Total liabilities decreased by 1.6 billion yen compared to the end of the previous fiscal year to 2,299.3 billion yen due primarily to a decrease in bonds, borrowings and lease liabilities by 33.9 billion yen, despite an increase in contract liabilities by 24.5 billion yen. Bonds and borrowings decreased by 27.1 billion yen compared to the end of the previous fiscal year to 214.1 billion yen, with the ratio of bonds and borrowings to total assets recording 3.4%, representing a 0.5 point decrease compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity increased by 210.3 billion yen compared to the end of the previous fiscal year to 3,949.6 billion yen mainly due to net profit attributable to Mitsubishi Electric Corporation stockholders of 324.0 billion yen, despite a decrease due primarily to a dividend payment of 104.3 billion yen. The stockholders' equity ratio was 61.9%, representing a 1.3 point increase compared to the end of the previous fiscal year.

(Indices related to the Statement of Financial Position)

	As of Mar. 31, 2024	As of Mar. 31, 2025	Year on year
Trade receivables turnover (times)	3.73	3.71	(0.02)
Inventory turnover (times)	4.19	4.44	0.25
Bonds and borrowings to total assets (%)	3.9	3.4	(0.5)
Mitsubishi Electric Corp. stockholders' equity ratio (%)	60.6	61.9	1.3

Notes: 1. Trade receivables turnover is calculated based on the sum of trade receivables and contract assets.

2. Bonds and borrowings to total assets is calculated based on the balance of bonds and borrowings excluding lease liabilities.

#### (4) Capital resources and funding liquidity

##### 1) Basic policies regarding financial strategies

In order to maintain a solid balance sheet, the Mitsubishi Electric Group continuously strives to improve its cash flows by enhancing its business performance, achieve greater asset efficiency through inventory reduction initiatives and promotion of the collection of trade receivables, and improve fund efficiency through more effective use of group funds.

In addition, the Group is striving to further increase capital efficiency under its capital allocation policy stated in the Medium-Term Management Plan ending in fiscal 2026, by implementing its capital measures, including the enhancement of shareholder returns through profit growth while giving the top priority to investment in growth.

In order to secure funds needed to implement its growth strategies, including those for capital expenditures, research and development, and M&As, the Group will flexibly raise funds from financial institutions as necessary while using cash on hand generated from cash flows from operating activities with a focus on key growth businesses. When raising funds from financial institutions, we will do so with financial discipline, aiming for a D/E ratio<sup>\*1</sup> of around 0.3 as a guideline for leverage utilization.

<sup>\*1</sup> D/E ratio (Ratio of debt to equity): Balance of bonds, borrowings and lease liabilities / the stockholders' equity<sup>\*2</sup>

<sup>\*2</sup> Stockholders' equity: Mitsubishi Electric Corp. stockholders' equity

##### 2) Status of cash flows

Cash flows from operating activities for fiscal 2025 were 455.9 billion yen (cash in), while cash flows from investing activities were 191.7 billion yen (cash out). As a result, free cash flow was 264.1 billion yen (cash in). Cash flows from financing activities were 265.3 billion yen (cash out), and cash and cash equivalents at the end of the period decreased by 8.0 billion yen compared to the end of the previous fiscal year to 757.3 billion yen.

Net cash provided by operating activities increased by 40.4 billion yen year-on-year due primarily to an increase in net profit.

Net cash used in investing activities increased by 97.6 billion yen year-on-year mainly due to a decrease in proceeds from sale of investment securities and others.

Net cash used in financing activities increased by 25.2 billion yen year-on-year due primarily to a decrease in proceeds of short-term borrowings.

##### 3) Status of funding and liquidity

The main component within the need for working funds is operating expenses such as costs for purchasing necessary materials for production, manufacturing costs and selling, general and administrative expenses. The need for funds for investment is due to components such as capital expenditure and M&As.

Short-term working funds are derived from cash on hand and short-term borrowings from financial institutions. Capital expenditure and long-term working funds are derived from long-term borrowings from financial institutions and issuance of corporate bonds while utilizing cash on hand.

The balance of cash and cash equivalents is 757.3 billion yen and the balance of bonds, borrowings and lease liabilities totaled 360.6 billion yen as of the end of fiscal 2025. Of these, short-term borrowings totaled 47.2 billion yen, bonds totaled 49.8 billion yen, long-term borrowings totaled 117.0 billion yen, and lease liabilities totaled 146.4 billion yen.

Steadily executing the strategies above, the Group will work to further enhance its corporate value.

#### (5) Significant accounting estimates and judgments

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards. Management is required to make judgments, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses in preparation of the consolidated financial statements. Actual results may differ from these estimates. Accounting estimates and assumptions which could have a significant effect on amounts in the consolidated financial statements are as follows.

##### 1) Estimated total cost of contracts in which performance obligations are satisfied over time

The Group recognizes revenue for specific construction contracts meeting certain criteria in the Infrastructure segment, Life segment and Business Platform segment according to the progress of the construction. The progress of construction is measured by comparing the cost incurred through the current year to the estimated total cost.

The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts.

As for construction contracts, the contract specifications and work contents are determined based on the customer's request, and the contract contents are highly individualistic. Also, since many of them are with a relatively long period of time, the estimated total cost may fluctuate due to changes in the environment during the construction process, such as an increase in the cost compared to the initial estimate owing to delays in work processes and fluctuations in the cost owing to the occurrence of events not initially expected in the execution of construction using newly developed technologies.

Management believes that the total estimated costs for construction contracts, which are revised quarterly considering a comparison of the costs incurred up to the current quarter with prior estimates and the latest information based on the progress of construction at that time, are reasonable, but deviations between estimates and actual results due to changes in the future environment may affect the amount of revenue recognized by the Group.

## 2) Recognition and measurement of provisions

The Group records the expected amount of future losses on a construction contract in the Infrastructure segment, Life and Business Platform segment as a provision for loss on construction, if it is probable that the estimated total cost of such construction will exceed the contract order amount and if the expected loss amount can be reasonably estimated. The balance of provision for loss on construction as of March 31, 2025 is 42,477 million yen.

The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts.

As for construction contracts, the contract specifications and work contents are determined based on the customer's request, and the contract contents are highly individualistic. Also, since many of them are with a relatively long period of time, the estimated total cost may fluctuate due to changes in the environment during the construction process, such as an increase in the cost compared to the initial estimate owing to delays in work processes and fluctuations in the cost owing to the occurrence of events not initially expected in the execution of construction using newly developed technologies.

Management believes that the estimated amount of provision for loss on construction, which are revised quarterly considering a comparison of the costs incurred up to the current quarter with prior estimates and the latest information based on the progress of construction at that time, is reasonable, but deviations between estimates and actual results due to changes in the future environment may affect the profit or loss of the Group.

The Group generally offers warranties on their products against certain manufacturing and other defects for specific periods of time and/or used conditions of the product depending on the nature of the product, the geographic location of its sale and other factors. The Group records a provision for product warranties if it is probable that the future cost will be incurred as of the end of the reporting period and if the expected cost can be reasonably estimated. The Group estimates future warranty costs based primarily on the historical experience of actual warranty claims as well as current information on repair costs. The balance of provision for product warranties as of March 31, 2025 is 73,926 million yen.

Management believes that the estimated amount of future warranty costs is reasonable, but deviations between estimates and actual results due to changes in the future environment may affect the profit or loss of the Group.

## 3) Recoverable amount of property, plant and equipment

The Group determines whether there is an indication of impairment for property, plant and equipment. If there is an indication of impairment, these assets are tested for impairment.

The recoverable amount of an asset or cash generating unit is the higher of its value in use and its fair value less costs of disposal. Estimated future cash flows used in the calculation of value in use are discounted to their present value using a pre-tax discount rate reflecting the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

Management believes that both the estimated future cash flows used in the calculation of value in use and the estimated fair value less costs of disposal are reasonable, but changes of the estimated recoverable amount of assets or cash-generating units due to the changes in the Group's business and assumptions could affect the recognition of impairment losses on property, plant and equipment in the future.

The Group believes that the estimates based on these assumptions are reasonable. However, if any changes occur in the economic environment and accordingly revisions are required for such estimates, the recognition of impairment losses may become necessary for the year ended March 31, 2026.

#### 4) Recoverable amount of goodwill and intangible assets

The Group determines whether there is an indication of impairment for intangible assets with finite useful lives. If there is an indication of impairment, these assets are tested for impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually.

Significant goodwill is the goodwill allocated to the air conditioning systems & home products business and the building systems business within the Life segment. The recoverable amount in impairment tests is calculated using value in use which is primarily calculated by discounting to the present value the estimated cash flows based on a five-year business plan and growth rates approved by management. The discount rate is calculated based on the pre-tax weighted average cost of capital. The discount rates as of March 31, 2025 is 10.4%-12.9%. Growth rates are calculated by reference to long-term expected growth rates of the market to which the cash-generating unit to which the goodwill is allocated belongs. The growth rates as of March 31, 2025 is 0.8%-2.0%.

Management believes that both the estimated cash flows based on the business plan and growth rates and discount rates are reasonable, but changes in the value in use resulting from the change of the estimated cash flows and discount rates due to the changes in the Group's business and assumptions could affect the recognition of impairment losses on goodwill and intangible assets in the future.

#### 5) Recoverability of deferred tax assets

A deferred tax asset is recognized for deductible temporary differences, unused tax losses and tax credit carryforwards to the extent that it is probable that they can be utilized against future taxable profit. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

In assessing the realizability of deferred tax assets, the Group consider whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those deductible temporary differences, unused tax loss carryforwards and tax credit carryforwards become deductible. The Group consider the scheduled reversal of deferred tax liabilities, projected future taxable profit, and tax planning strategies in making this assessment.

Management believes the probability that deferred tax assets determined to be recognizable at March 31, 2025 will be realized to be high, but if future estimated taxable profit decreases during the deferral period, deferred tax assets considered likely to be realized will be reduced.

#### 6) Measurement of defined benefit obligation

The Group has non-contributory and contributory defined benefit plans covering its employees who meet eligibility requirements. Defined benefit obligation of employees is calculated based on actuarial assumptions, such as the discount rate, the retirement rate, the lump-sum payment selection rate, and the mortality rate. The amount of change in fair value arising from remeasurement of the present value of defined benefit obligations and the fair value of plan assets is fully recognized in other comprehensive income in the periods in which it arises and immediately reclassified to retained earnings.

The period of discount is determined based on the period to the date on which future annual benefits are expected to be paid. Discount rates are determined by reference to market yields consistent with the period of discount on high quality corporate bonds, at the end of the reporting period. The discount rates as of March 31, 2025 is 2.2%.

Management believes that the calculation of actuarial assumptions is reasonable, but differences from actual results or changes in the actuarial assumptions may affect the amount of defined benefit obligations.

#### 7) Fair value of financial instruments

The Group designates equity instruments which are held primarily to maintain and strengthen business relationships as financial assets measured at fair value through other comprehensive income. The fair value of non-marketable equity instruments and investments in capital is calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows.

Management believes that the estimates of fair value are reasonable, but changes in assumptions such as the performance of investee companies and future cash flows could affect the amount of other comprehensive income of the Group.

## 5. Material Agreements, etc.

### (1) Technical license agreements as a licensor

Licensor	Licensee	Description	Date of contract	Period of contract
Mitsubishi Electric Corporation (The Company)	Access Advance LLC	License of essential patents for High Efficiency Video Coding (HEVC) standard	May 23, 2016	Until the last expiration date of the licensed patent
Mitsubishi Electric Corporation (The Company)	Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	License of manufacturing technology for room air conditioners and package air conditioners	June 1, 1990	To be extended automatically
Mitsubishi Electric Corporation (The Company)	Mitsubishi Electric Air Conditioning Systems Europe Ltd.	License of manufacturing technology for air conditioners	October 1, 2005	To be extended automatically
Mitsubishi Electric Corporation (The Company)	Siam Compressor Industry Co., Ltd.	License of manufacturing technology for air-conditioning compressors	April 1, 2002	To be extended automatically
Mitsubishi Electric Corporation (The Company)	Mitsubishi Electric (Guangzhou) Compressor Co., Ltd.	License of manufacturing technology for air-conditioning compressors	December 28, 2011	To be extended automatically
Mitsubishi Electric Corporation (The Company)	Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd.	License of manufacturing technology for servomotors	January 1, 2023	December 31, 2033
Mitsubishi Electric Building Solutions Corporation (Consolidated subsidiary company)	Mitsubishi Elevator Asia Co., Ltd.	License of manufacturing technology for elevators and escalators	April 1, 2022	To be extended automatically

Note: The license fee based on the above contracts will be paid corresponding to the sales. The license fee for some contracts will be paid by the amount specified by the contract.

### (2) Stock purchase agreement

On June 18, 2024, the Company concluded a share transfer agreement to transfer 66.6 percent of the common shares of Mitsubishi Electric Logistics Corporation (currently MD LOGIS CORPORATION), which was its consolidated subsidiary, to SEINO HOLDINGS CO., LTD. as of October 1, 2024. As a result of this transfer, MD LOGIS CORPORATION became an associate accounted for using the equity method. The overview and impact of this matter are described in “V. Financial Information

1 【Consolidated Financial Statements and other】 (1) 【Consolidated Financial Statements】 【Notes to Consolidated Financial Statements】 7.Loss of control of a subsidiary”.



## 6. Research and Development

We drive sustainable business development by advancing fundamental technologies through the development of component technologies and digital technologies, which are our main strengths. We also promote research and development activities utilizing “Serendie,” our digital platform, with the aim of providing solutions that create new value based on the obtained data.

In addition, we will focus on the development of foresight technology, which we create with the readiness and vision to make a significant impact on society and business, and challenge ourselves to create new value aimed at fundamentally solving social issues. Furthermore, through co-creation with our partners, we will seek to rapidly implement our ideas in society, and promote research and development which involve developing our business while enriching society and the environment, thus contributing to the realization of sustainability.

During fiscal 2025, the total R&D expenses for the entire Group have amounted to 228.8 billion yen (3% increase compared to the previous fiscal year). Representative achievements for each business segment are as follows.

### (1) Infrastructure

In the Infrastructure segment, the Group pursues research related to the development of transportation systems; network solution equipment; rotating machinery, such as generators and electric motors; highly efficient power transmission/distribution equipment and systems that contribute to decarbonization; supervision and control systems; information systems for power management; defense systems; space systems; and solutions combining these (E&F solutions, mobility solutions, etc.). The R&D expenditures for these fields were 36.2 billion yen and the main achievements are as follows.

#### 1) Slit-frame platform doors

We have developed and begun shipments of new “slit frame platform doors” as replacements for conventional platform doors at train stations. This new type of platform door is expected to reduce installation costs and improve maintenance efficiency while also ensuring safety. It features a structure that reduces wind pressure impact by about 40% compared to conventional door types. It is also compatible with conventional door types and allows for simplified installation work. We will continue to aim for the realization of safe station platforms.

#### 2) Railway data analysis service utilizing Serendie digital platform

We have launched an advanced railway data analysis service utilizing Serendie, our digital platform, to support the optimal use of energy and the optimal deployment and operation of railway assets by railway operators. The service will identify optimal locations for Station Energy Savings Inverters based on the visualization of the surplus power generated during train braking. It also provides proposals for the operation of railway assets, considering station congestion levels, operating schedules, and operating conditions. Based on these proposals, we will continuously support railway operators in equipment installation and energy-efficient train operation, contributing to the optimization of energy management.

#### 3) Smart industrial safety services for power distribution equipment

We have developed a smart industrial safety system for power distribution equipment that remotely monitors the equipment and utilizes the data acquired to streamline security operations. We have begun offering the service for high-voltage switchgears. By obtaining and analyzing data from cameras and various sensors installed within the power distribution equipment, the service enables continuous remote monitoring, the identification of any indications of abnormality, and the diagnosis of equipment deterioration. This will enhance the efficiency of security operations, enable less frequent inspections, prevent accidents, and enable maintenance and updates at planned and appropriate times, helping to alleviate the anticipated shortage of electrical safety personnel.

#### 4) 72/84kV environmentally friendly switchgear

We have developed 72/84kV environmentally friendly switchgear for power infrastructure. As an alternative to the use of SF6 gas, the switchgear uses a vacuum switch for current-breaking and a high-pressure dry air insulation method. Our vacuum switches have been in commercial production since 1965 and boast excellent current-breaking performance. Moreover, because they are insulated using natural dry air, which has a global warming potential of zero, help reduce environmental impact and contribute to improved efficiency in maintenance work.

#### 5) Advanced land observing satellite “DAICHI-4” acquires its first observation images

We have confirmed that the first observation images have been acquired in a radio-irradiation test conducted with the Phased Array type L-band Synthetic Aperture Radar<sup>\*1</sup> on board the advanced land observing satellite “DAICHI-4.” The satellite, manufactured by Mitsubishi Electric Corporation under contract from the Japan Aerospace Exploration Agency (JAXA), was launched on July 1, 2024. The new satellite uses radar to observe the Earth’s surface and enables the swift transmission of high-precision, wide-range surface observation images directly to the ground station<sup>\*2</sup>. This information will be used to monitor crustal and ground deformation, enabling early detection of abnormalities such as volcanic activity, ground deformation, and landslides, as well as supporting more efficient management of forest resources. We will continue to develop and manufacture satellites as well as utilize satellite data to help address social issues and build an affluent society.

## (2) Industry & Mobility

In the Industry & Mobility segment, R&D activities are aimed at enhancing the competitiveness of our lineup, which includes FA systems; drive products, such as AC servo motor systems; power distribution and control equipment; mechatronics equipment; industrial robots; automotive electric and electronic components, including electric power steering (EPS) and related products; and automated driving systems; ADAS<sup>\*3</sup>. The R&D expenditures for these fields were 63.1 billion yen and the main achievements are as follows.

### 1) Mitsubishi Electric Linear Track System “MTR-S Series”

We have developed Japan’s first<sup>\*4</sup> curved linear track system for transportation systems, the MTR-S Series. This new linear track system leverages the multi-axis control technology and design assets of the FA drive equipment products that we have developed so far to target a wide range of industries, such as food packaging equipment, electronic component assembly and manufacturing equipment, and battery manufacturing equipment. It enables a flexible line layout, high-speed and high-precision positioning, longer lifespan, and easy programming, contributing to higher production efficiency than conventional belt/chain-driven conveyors.

### 2) Technology to detect abnormalities in drivers’ physical condition using camera-based non-contact biometric sensing

We have developed a technology that estimates biometric information from camera images to detect abnormalities in the physical condition of drivers. In addition to conventional posture collapse detection, real-time data analysis allows for the non-contact detection of pulse rate and blood pressure changes, enabling appropriate driving assistance based on the driver’s condition. This technology contributes to the prevention of traffic accidents and the realization of a safe society.

## (3) Life

In the Life segment, the Group is engaged in the development of elevators and escalators and building management systems as well as such products as air conditioning equipment, kitchen appliances, household appliances, lighting, and electronic housing products. The R&D expenditures for these fields were 64.9 billion yen and the main achievements are as follows.

### 1) Integrated management of multiple units and types of service robots

We have developed Robot Control and Robot Integrated Monitoring as new functions of our Robot Mobility Support Service, which utilizes the Ville-feuille smart city and building IoT platform. With Robot Control, we aim to improve the operational efficiency of robots by avoiding collisions and standstills within the building environment. Meanwhile, Robot Integrated Monitoring allows building managers to centrally monitor multiple robots, contributing to safer, more secure, and more efficient robot operation in buildings, thereby contributing to labor savings.

### 2) “Good Share!” multi-area air conditioner

We have developed a system that connects the Room Air Conditioner Kirigamine with a fan, smart switch, and environmental sensors through the cloud<sup>\*5</sup> to blow comfortable air from the living room into non-living spaces based on indoor temperature, humidity, operational status, and weather information<sup>\*6</sup>. This has enabled us to reduce electricity consumption by about 33% compared to the use of electric heaters<sup>\*7</sup>. Moreover, by leveraging the characteristics of highly airtight, highly insulated homes to utilize natural energy sources such as solar heat, we have achieved a reduction of approximately 84% in electricity consumption<sup>\*7</sup>. We won the Energy Conservation Grand Prize 2024 for this high energy efficiency. “Good Share!” combines energy efficiency and comfort, improving quality of life and contributing to carbon neutrality.

### 3) Room Air Conditioner Kirigamine “Z Series” 2025 model

We have further developed “emoco-tech<sup>\*8</sup>,” the world’s first<sup>\*9</sup> air conditioning system that measures people’s feelings and adjusts the air accordingly, by developing operating control technology that maintains comfortable perceived temperatures while suppressing unnecessary air conditioning to reduce power consumption<sup>\*10</sup>. Additionally, even in highly airtight, highly insulated homes where humidity tends to accumulate during stable operation, we improve comfort and reduce power consumption<sup>\*11</sup> by effectively removing humidity through optimized control of the indoor unit fan. This model also meets the energy efficiency standards for fiscal 2028 for all capacity bands. In recognition of this high energy efficiency and improved comfort, the Kirigamine “Z Series” won the Energy Conservation Grand Prize for fiscal 2025, following the 2024 award. We will continue our efforts to contribute to the realization of carbon neutrality through the development of advanced technologies that combine comfort and energy efficiency.

## (4) Business Platform

In the Business Platform segment, our R&D focuses mainly on information technology driving digital transformation. The R&D expenditures for these fields were 1.3 billion yen and the main achievements are as follows.

### 1) New assistant service for pharmacists utilizing generative AI

We have developed an assistant service that uses generative AI to suggest optimal medication guidance points for each patient based on a pharmaceutical database, patient attribute information, prescription history, and records of previous guidance

given. Pharmacists can reference the suggested points to engage in conversations with patients, enabling accurate medication guidance. This service contributes to further enhancing the reliability of medication guidance.

## (5) Semiconductor & Device

In the Semiconductor & Device segment, the Group is engaged in the development of semiconductors and other electronic devices that are themselves vital components used in various business segments. The R&D expenditures for these fields were 15.2 billion yen and the main achievements are as follows.

### 1) SiC<sup>\*12</sup>-MOSFET<sup>\*13</sup> bare die for xEVs<sup>\*14</sup>

We have developed an SiC-MOSFET bare die, a key device for use in the inverters of electric vehicles (xEVs). Through the adoption of a proprietary trench<sup>\*15</sup> SiC-MOSFET, these new chips reduce power loss by around 50% compared to conventional planar SiC-MOSFETs<sup>\*16</sup>, helping to extend the driving range and improve energy efficiency in xEVs. Thanks to proprietary manufacturing technologies, such as a gate oxide film process, the new chip also achieves quality stability over long-term usage. This will promote the widespread adoption of high-performance xEVs and contribute to achieving a decarbonized society.

### 2) 200Gbps pin-PD<sup>\*17</sup> chip for both 800Gbps<sup>\*18</sup> and 1.6Tbps<sup>\*19</sup> optical-fiber communication

With data centers driving demand for high-speed, high-capacity communications using optical transceivers, the market is seeing the entry of products for optical transmission compatible with next-generation transmission speeds. However, there are few products that meet performance requirements for optical reception. To fill this gap, we developed the new 200Gbps pin-PD chip for both 800Gbps and 1.6Tbps optical fiber communication. Together with transmission optical devices, this product will contribute to the rapid increase in high-speed, large-capacity communication within data centers.

### 3) LV100 1.2-kV IGBT<sup>\*20</sup> module for industrial use

We have developed the LV100 1.2-kV IGBT module for industrial use as a key device adapted to renewable energy power-supply systems. Equipped with an eighth-generation IGBT chip, the module reduces power loss by around 15%<sup>\*21</sup> compared to an existing product. In addition, the current rating of 1,800A, which is 1.5 times higher than the aforementioned existing product<sup>\*22</sup>, is achieved by optimizing the IGBT and diode chips layout while maintaining the same package as before. This will accelerate the shift to large-scale power generation at renewable energy power-supply systems, as well as energy savings, thus helping to achieve a decarbonized society.

## (6) Others/Company-wide (new and fundamental technologies)

The Group has been promoting R&D for new and fundamental technologies in order to solve social issues and create and provide value. The R&D expenditures for these fields were 47.8 billion yen and the main achievements are as follows.

### 1) Serendie Design System, realizing efficiency and quality enhancement in UI development

We have developed the Serendie Design System, which leverages our unique digital platform Serendie to achieve efficiency and quality enhancement in UI development. Through a rich collection of design components that incorporate insights from diverse business fields, along with the integration of the design tools Figma<sup>®\*23</sup> and React<sup>®\*24</sup>, we have facilitated a smooth transition from design to implementation in UI development, as well as enabling the easy construction of high-quality and cohesive UIs. Going forward, we will promote the use of the Serendie Design System both inside and outside the Group, to contribute to accelerating digital transformation (DX) through co-creation.

### 2) Launch of demonstration machine for advanced plastic separation

We have developed an advanced plastic separation demonstration machine in collaboration with Daisan Co., Ltd. and have begun its operation. Utilizing electrostatic separation technology, one of the Group's advanced separation technologies, we are conducting plastic waste sorting demonstrations under conditions close to real-life environments. Looking ahead, we will use this demonstration machine to tackle plastic waste sorting across various industries and sectors, addressing challenges and helping to achieve a circular society.

### 3) Development of "smart electrostatic separation" technology and launch of verification testing

We have developed the world's first<sup>\*25</sup> smart electrostatic separation technology capable of automatically sorting mixed plastic pieces by type in accordance with composition ratio changes and built a demonstration machine, aiming to further develop plastics recycling technology. Using this demonstration machine, we are proceeding with the verification of technology that enables automatic sorting with high purity and no need for expertise or operational know-how. The introduction and spread of this advanced separation technology will contribute to higher plastic recycling rates.

### 4) "Translation Signage Solution" to achieve smooth multilingual communication

We have developed the Translation Signage Solution to solve communication challenges on production sites. Recent years have seen an increase in the number of foreign employees at production sites in Japan, and the new app is designed to ensure work safety, improve quality, and create a comfortable working environment. It translates documents created in Japanese into

multiple languages and displays them to match the speaker's pace during factory morning briefings and other meetings. This enables foreign employees to understand the day's tasks and important points in their native language, helping to ensure work quality and safety, as well as improving motivation.

5) Compact sub-nanosecond-pulse deep-ultraviolet laser system

In collaboration with the Institute of Physical and Chemical Research (RIKEN) and the Institute for Molecular Science (IMS) of the National Institutes of Natural Sciences, we have developed a compact sub-nanosecond-pulse deep-ultraviolet laser system with the world's highest-class<sup>\*26</sup> pulse energy. By adopting a short-pulse microchip laser and distributed surface cooling technology, we have successfully miniaturized the device while achieving a world-class deep ultraviolet output energy of 235 millijoules at room temperature. This will bring advanced technologies such as new materials development, drug development, and particle beam cancer treatment closer to reality. It will help to address social challenges such as well-being, carbon neutrality, safety, security, and the circular economy.

6) The world's first<sup>\*27</sup> water-based heat storage material with the world's highest thermal energy density

In collaboration with the Institute of Science Tokyo, we have developed the world's first water-based storage material with the world's highest thermal energy density. By utilizing a new type of thermosensitive<sup>\*28</sup> polymer gel<sup>\*29</sup> primarily composed of water, we achieved the highest thermal energy density<sup>\*30</sup> in the world (562 kJ/L) at low heat storage temperatures of up to 60°C. Going forward, we will work on widening the range of heat storage temperatures and promoting the effective use of unused heat energy, thus helping to achieve a carbon-neutral society.

7) Rapid formal verification technology for AI

We have developed rapid formal verification technology for AI, to conduct formal verification on decision tree ensembles<sup>\*31</sup>. We confirmed that by recursively splitting and validating the range of data input to the AI, verification can be performed tens to hundreds of times faster<sup>\*32</sup> than using formal verification methods. This will reduce the risk of AI malfunctions and help realize a society where AI can be used with confidence by reducing the risk of AI malfunctions.

8) Mechanical & control design process innovation for machine tools with model base development

We have developed design process technology that shortens the lead time for the design of machine tools such as laser processing machines. Our use of model base development combining three-dimensional structural models with numerical control models enables high-precision performance prediction at the upstream design stage. This effectively reduces development periods, contributing to increased productivity and the swift market launch of the latest machine tools.

9) The Group's AI solutions supporting sustainable manufacturing

To promote the use of AI in the manufacturing field, we have developed a technology aimed at improving the performance of core technologies to be applied on the factory floor, as well as improving accuracy through pre- and post-processing and cleansing of learning data. This enables AI solutions such as data-driven AI (machine learning, deep learning, etc.), mathematical exploration-type AI (for mathematical optimization, statistical model-based optimization, etc.), and logic and knowledge-type AI (generative AI and others that perform natural language processing, ontology for data association, etc.) on manufacturing sites and in DCM<sup>\*33</sup>/ECM<sup>\*34</sup>/SCM<sup>\*35</sup> operations. We will continue to pursue the application and continuing improvement of advanced technologies to help enhance productivity and operational quality.

10) Thermal analysis method for EV inverters

We have used three-dimensional models to develop a thermal analysis algorithm for the inverters for electric vehicles (EVs). Through the computationally intensive analysis of the current and loss density distribution, coupled with a simultaneous thermal analysis, we have reduced the computation time required from 10 hours to 5 minutes, while maintaining the accuracy of the analysis. This contributes to improved productivity and shortened development time.

\*1 The radar that beams radio waves to the Earth's surface and receives the reflected waves to observe the surface

\*2 The DAICHI-4 satellite recorded a direct transmission speed of 3.6Gbps from space to the ground station, earning the title of "Fastest RF direct downlink speed from an Earth observation satellite to ground stations" in the Guinness World Records™. Guinness World Records is a registered trademark of Guinness World Records Limited.

\*3 ADAS: Advanced Driver Assistance System

\*4 As of November 1, 2024 (according to Mitsubishi Electric research)

\*5 Using our unique IoT lifestyle solution platform "Linova"

\*6 The weather information is obtained from the WxTech®, weather data and analysis service provided by Weathernews Inc. WxTech is a registered trademark of Weathernews Inc.

\*7 In the calculations using the simulation software AE-Sim/Heat from Architectural Environment Solutions Co., Ltd., we created a layout compliant with the general autonomous circulation residential model and installed a Kirigamine "Z Series" room air conditioner with a 5.6kW-class cooling capacity (MSZ ZW5622S, with power consumption calculated according to energy efficiency category "i" of the program based on the energy-saving standards for housing) in the living room in this layout. A ventilation system (Good Share!) using a fan (V-20ZMVR3, power consumption 46W) was used to blow air from the living room to the entrance, hallway, and dressing room. An electric heater (WD-240DK2, rated output 2.2kW) was placed in the dressing room. It was assumed that the same amount of thermal energy blown from the living room to non-living spaces by Good Share! was input into the entrance, hallway, and dressing room by the electric heater. A comparison

of the power consumption during the heating period was made. The outdoor temperature was that of fiscal 2024 in Tokyo, and the room air conditioner operated in accordance with the living schedule set by the Institute for Built Environment and Carbon Neutral for SDGs (IBECs) at a setting temperature of 20°C on weekdays, starting the ventilation system 15 minutes after the operation of the room air conditioner began. When comparing the heating consumption under room air conditioner operation, the consumption was as follows: room air conditioner + fan (Good Share!): 698kWh, room air conditioner + electric heater: 1,037kWh. When comparing the heating consumption during the use of solar heating when the room air conditioner is off, it was: Good Share!: 15.9kWh, electric heater: 96.2kWh.

- \*8 ecomotech: Our own term, created as an abbreviation of Emotion Conditioning Technology
- \*9 As of February 17, 2023 (according to Mitsubishi Electric research)
- \*10 Reductions in power consumption of 7.0% and 3.1% are achieved during stable air conditioning operation and stable heating operation, respectively (on the "A.I. automatic" setting, evaluated using our proprietary criteria for the Z series 4.0kW class).
- \*11 A reduction in power consumption of 11.4% is achieved during stable air conditioning operation (when set to "Cooling" and "Automatic" fan speed, evaluated using our proprietary criteria for the Z series 4.0kW class).
- \*12 Sic: Silicon Carbide
- \*13 MOSFET: Metal-oxide-semiconductor field-effect transistor
- \*14 xEVs: A general term for electric vehicles, such as battery electric vehicles (BEV), hybrid electric vehicles (HEV), plug-in hybrid electric vehicles (PHEV), and fuel cell electric vehicles (FCEV)
- \*15 Structure in which a groove (trench) is dug from the surface of the wafer and the gate electrode is embedded
- \*16 Structure in which a gate electrode is placed on the surface of the wafer (planar)
- \*17 A photodiode (PD) with a pin junction
- \*18 Gbps: Giga-bits per second (a transfer speed of one billion bits of data each second)
- \*19 Tbps: Tera-bits per second (a transfer speed of one trillion bits of data each second)
- \*20 Insulated Gate Bipolar Transistor
- \*21 Calculations based on Mitsubishi Electric simulations: 3 level A-NPC,  $V_{cc}=750V$ ,  $I_o=920A_{rms}$ ,  $M=0.65$ ,  $PF=1$ ,  $F_c=2.5kHz$ ,  $F_o=50Hz$
- \*22 Comparison with CM1200DW-24T
- \*23 Figma is a registered trademark of FIGMA, INC.
- \*24 React is a registered trademark of Meta Platforms, Inc.
- \*25 As of February 19, 2025 (according to Mitsubishi Electric research)
- \*26 According to Mitsubishi Electric's research as of November 26, 2024, for sub-nanosecond-pulse deep-ultraviolet lasers
- \*27 As of November 14, 2024 (according to Mitsubishi Electric research)
- \*28 Thermosensitive: The property of matter and living organisms to respond to changes in temperature
- \*29 Polymer gel: A jelly-like material that traps a solvent such as water in a mesh structure of polymers connected by chains (cross-linking), serving as an intermediate substance between solid and liquid
- \*30 Thermal energy density: The amount of heat that can be stored per unit of volume
- \*31 A method that improves prediction accuracy by combining multiple decision trees, which are models that make predictions based on data partitioned according to specific conditions
- \*32 As of February 26, 2025 (according to Mitsubishi Electric research)
- \*33 DCM: Demand Chain Management
- \*34 ECM: Engineering Chain Management
- \*35 SCM: Supply Chain Management

### III. Property, Plants and Equipment

#### 1. Summary of Capital Investment, etc.

The Mitsubishi Electric Group (the Company and its consolidated subsidiaries) will strive to further increase its corporate value by strategic and focused resource investment based on the Medium-term Management Plan under the business area management structure. We will pay close attention to changes in the business environment and thoroughly review, select and concentrate the investments and examine the timing of execution when making capital investments.

Capital Investment in the year ended March 31, 2025 was 230,712 million yen (based on the recognized value of property, plant and equipment). A breakdown of capital investment by business segments is as follows.

Business Segment	Capital Investment (millions of yen)		
	Property, plant and equipment	Right-of-use assets	Total
Infrastructure	29,410	5,092	34,502
Industry & Mobility	48,091	2,205	50,296
Life	64,078	12,686	76,764
Business Platform	2,473	2,618	5,091
Semiconductor & Device	32,103	1,245	33,348
Others	4,340	3,701	8,041
Common	10,235	12,435	22,670
Total	190,730	39,982	230,712

The main purpose of investments by segments in the year ended March 31, 2025 are as follows.

In Infrastructure, investments were executed mainly for streamlining operations, and enhancing quality in electric equipment for rolling stock, power systems, and space-related equipment.

In Industry & Mobility, investments were executed mainly for increasing production capacity in factory automation systems and automotive equipment.

In Life, investments were executed mainly for increasing production capacity, streamlining operations, and enhancing quality of the elevators/escalators and the air conditioners.

In Business Platform, investments were executed mainly for the development of information and communications infrastructure.

In Semiconductor & Device, investments were executed mainly for increasing production capacity in the power device business.

In Common, investments were executed mainly for bolstering research and development capabilities.

Capital investments are mostly derived from cash on hand and funds from operations.

For the year ended March 31, 2025, production capacity was not materially affected by the sale, disposal, damage, or loss due to natural disasters of property, plant and equipment.

## 2. Major Property, Plants and Equipment

The Mitsubishi Electric Group (the Company and its consolidated subsidiaries) engages in diverse business operations in Japan and overseas. The Group discloses information on the property, plants and equipment represented in breakdown by business segment and major facilities of the Company and its consolidated subsidiaries.

The situation as of March 31, 2025 is as follows.

### (1) Breakdown by business segment

Business segment	Carrying amount (millions of yen)					Number of employees (persons)
	Buildings and structures	Machinery and equipment	Land (Area in thousands of m <sup>2</sup> )	Others	Total	
Infrastructure	101,919	15,605	17,138 (2,549)	26,608	161,270	22,272
Industry & Mobility	98,361	43,207	16,227 (2,231)	45,200	202,995	31,023
Life	132,940	79,000	43,715 (2,868)	74,277	329,932	62,732
Business Platform	11,207	1,205	261 (1)	3,793	16,466	4,935
Semiconductor & Device	24,667	41,870	5,451 (710)	34,415	106,403	5,832
Others	26,769	1,010	12,990 (211)	4,265	45,034	16,422
Common	68,136	5,207	7,357 (395)	15,658	96,358	6,698
Total	463,999	187,104	103,139 (8,967)	204,216	958,458	149,914

Notes: 1. Carrying amount is carrying amount of property, plant and equipment (including right-of-use assets), and “Others” includes the amount of construction in progress.

2. “Common” includes the amount of elimination of consolidation.

3. Land area indicates the area of land owned by the Company and its consolidated subsidiaries.

## (2) The Company

Facility (Main location)	Business Segment	Details of major facilities and equipment	Carrying amount (millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m <sup>2</sup> )	Others	Total	
Kobe Works Energy Systems Center (Hyogo-ku, Kobe-shi)	Infrastructure	Manufacturing facilities for surveillance-system control and generative equipment, etc.	27,571	1,344	1,627 (342)	3,598	34,140	1,836
Itami Works Transmission & Distribution Systems Center (Amagasaki-shi, Hyogo)	Infrastructure	Manufacturing facilities for electrical equipment for locomotives and rolling stock, power transmission/distribu tion equipment, etc.	23,442	4,760	2,614 (858)	5,321	36,137	2,225
Kamakura Works (Kamakura-shi Kanagawa)	Infrastructure	Manufacturing facilities for electronic equipment, etc.	22,209	2,159	2,098 (439)	5,914	32,380	2,578
Nagoya Works Industrial Mechatronics Systems Works (Higashi-ku, Nagoya-shi)	Industry & Mobility	Manufacturing facilities for factory automation systems	31,219	8,745	4,883 (712)	22,746	67,593	3,797
Shizuoka Works (Suruga-ku, Shizuoka-shi)	Life	Manufacturing facilities for air conditioning equipment and refrigerator, etc.	19,122	9,091	1,048 (347)	5,709	34,970	2,624
Air-Conditioning & Refrigeration System Works (Wakayama-shi, Wakayama)	Life	Manufacturing facilities for commercial air conditioning equipment and freezer, etc.	8,449	4,338	365 (90)	1,548	14,700	1,346
Power Device Works, Kumamoto Factory (Koshi-shi, Kumamoto)	Semiconductor & Device	Manufacturing facilities for semiconductors	3,112	11,657	532 (82)	17,347	32,648	872

Notes: 1. Carrying amount is carrying amount of property, plant and equipment (including right-of-use assets), and “Others” includes the amount of construction in progress.

2. Land area indicates the area of land owned by the Company.

3. Carrying amount and number of employees include the amount and the number of people in branch factories, etc. of each work.

4. Land of Itami Works and Transmission & Distribution Systems Center includes land of Electronics and Communication Systems Center and Communication Networks Center, etc.



### (3) Domestic subsidiaries

Facility (Main location)	Business segment	Details of major facilities and equipment	Carrying amount (millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m <sup>2</sup> )	Others	Total	
Mitsubishi Electric Mobility Corporation, Himeji-office (Himeji-shi, Hyogo)	Industry & Mobility	Manufacturing facilities for automotive equipment	19,907	3,885	4,658 (270)	4,836	33,286	3,763
Mitsubishi Electric Mobility Corporation, Sanda-office (Sanda-shi, Hyogo)	Industry & Mobility	Manufacturing facilities for automotive equipment	3,875	1,340	212 (74)	2,174	7,601	1,521
Mitsubishi Electric Building Solutions Corporation, Head office (Chiyoda-ku, Tokyo)	Life	Other facilities	37,725	3,508	12,284 (331)	6,079	59,596	10,916
Mitsubishi Electric System & Service Co., Ltd., Head office (Setagaya-ku, Tokyo)	Others	Other facilities	1,922	41	2,015 (14)	474	4,452	2,064
Mitsubishi Electric Life Service Corporation, Head office (Minato-ku, Tokyo)	Others	Other facilities	14,728	365	11,803 (118)	231	27,127	1,371

Notes: 1. Carrying amount is carrying amount of property, plant and equipment (including right-of-use assets), and “Others” includes the amount of construction in progress.

2. Land area indicates the area of land owned by subsidiaries.

3. Some buildings and structures, land of Mitsubishi Electric Life Service Corporation are leased to the Company.

4. Mitsubishi Electric Building Solutions Corporation, Mitsubishi Electric System & Service Co., Ltd and Mitsubishi Electric Life Service Corporation have sales offices nationwide, so the figures are on corporate total amount.

#### (4) Overseas subsidiaries

Facility (Main location)	Business segment	Details of major facilities and equipment	Carrying amount (millions of yen)					Number of employees (persons)
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m <sup>2</sup> )	Others	Total	
Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd. (Changshu, China)	Industry & Mobility	Manufacturing facilities for factory automation	4,600	3,019	- (-)	1,127	8,746	677
Mitsubishi Electric Automotive de Mexico, S.A. de C.V. (Querétaro, Mexico)	Industry & Mobility	Manufacturing facilities for automotive electrical equipment and car multimedia	5,106	3,113	513 (160)	575	9,307	1,252
Mitsubishi Electric Thai Auto-Parts Co., Ltd. (Rayong, Thailand)	Industry & Mobility	Manufacturing facilities for automotive electrical equipment and car multimedia	3,173	2,108	872 (146)	1,879	8,032	2,185
Mitsubishi Electric India Pvt. Ltd., Tamil Nadu factory (Tamil Nadu, India)	Life	Manufacturing facilities for air conditioning equipment	-	-	3,070 (-)	14,070	17,140	-
Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company (Manisa, Turkey)	Life	Manufacturing facilities for air conditioning equipment	142	1,952	97 (61)	10,012	12,203	1,061
Siam Compressor Industry Co., Ltd. (Chonburi, Thailand)	Life	Manufacturing facilities for compressors	1,200	17,835	2,961 (-)	4,169	26,165	2,173
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd. (Chonburi, Thailand)	Life	Manufacturing facilities for air conditioning equipment	6,151	10,991	5,239 (422)	6,248	28,629	3,022
Mitsubishi Electric (Guangzhou) Compressor Co., Ltd. (Guangzhou, China)	Life	Manufacturing facilities for compressors	1,031	7,488	- (-)	5,736	14,255	2,625

Notes: 1. Carrying amount is carrying amount of property, plant and equipment (including right-of-use assets), and “Others” includes the amount of construction in progress.

2. Land area indicates the area of land owned by subsidiaries.

3. Mitsubishi Electric India Pvt. Ltd., Tamil Nadu factory is scheduled to commence operations in October 2025.

### 3. Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The Mitsubishi Electric Group (the Company and its consolidated subsidiaries) engages in diverse business operations in Japan and overseas, and has not decided on specific plans to newly install or expand each of its facilities as of the end of this fiscal year. For this reason, the Group discloses amounts of capital investment by business segment.

The amount of capital investment (new installation and expansions) for the fiscal year ending March 31, 2026 will be 340,000 million yen (based on the recognized value of property, plant and equipment) and a breakdown by business segment is as follows.

Business segment	Amount (millions of yen)	Main purpose of investment
Infrastructure	46,000	Increasing production capacity for defense-related equipment and power systems, streamlining operations, and enhancing quality of electric equipment for rolling stock and space-related equipment, etc.
Industry & Mobility	53,000	Increasing production capacity for factory automation systems and automotive equipment, etc.
Life	74,000	Increasing production capacity, streamlining operations, and enhancing quality of elevators/escalators and air conditioners, etc.
Digital Innovation	5,000	Development of information and communications infrastructure, etc.
Semiconductor & Device	142,000	Increasing production capacity for the power device business, etc.
Others	6,000	—
Common	14,000	Bolstering research and development capabilities, etc.
Total	340,000	—

Notes: 1. There are no plans to dispose or sell principal facilities, with the exception of disposing and selling facilities due to routine upgrading.

2. These investments are mostly derived from cash on hand and funds from operations.

The Group is expected to finance through borrowings and by issuing bonds as necessary.

## IV. Information on the Company

### 1. Information on the Company's Stock, etc.

#### (1) Total number of shares, etc.

##### 1) Total number of shares

Class	Authorized shares (shares)
Common stock	8,000,000,000
Total	8,000,000,000

##### 2) Issued shares

Class	Number of shares issued as of the end of fiscal year (shares) (March 31,2025)	Number of shares issued as of the filing date (shares) (June 20,2025)	Stock exchange on which the Company is listed	Description
Common stock	2,113,201,551	2,113,201,551	Tokyo (Prime Market)	The number of shares per one unit of shares is 100 shares.
Total	2,113,201,551	2,113,201,551	—	—

Note: Common stock in the table above has voting rights.

#### (2) Information on the stock acquisition rights, etc.

##### 1) Details of stock option plans

Not applicable.

##### 2) Details of right plans

Not applicable.

##### 3) Details of other stock acquisition rights, etc.

Not applicable.

#### (3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares and the amount of common stock, etc.

Date	Change in the total number of issued shares (Thousand shares)	Balance of the total number of issued shares (Thousand shares)	Change in common stock (millions of yen)	Balance of common stock (millions of yen)	Change in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
May 31, 2024 (Note)	(34,000)	2,113,201	—	175,820	—	181,140

Note: The change in the total number of issued shares is due to the cancellation of treasury stock.

(5) Outstanding share information by shareholder category

As of March 31, 2025

Category	Status of shares (one unit of stock:100 shares)								Number of shares less than one unit (shares)
	Government and municipal public organizations	Financial institutions	Traders of financial instruments	Other corporations	Foreign corporations <i>et al.</i>		Individual <i>et al.</i>	Total	
					Non-individuals	Individuals			
Number of shareholders (persons)	—	125	78	1,272	989	177	119,618	122,259	—
Number of shares held (units)	—	7,390,761	410,159	506,999	9,961,832	1,269	2,856,100	21,127,120	489,551
Ownership percentage of shares (%)	—	34.98	1.94	2.40	47.15	0.01	13.52	100	—

Notes: 1. Of 35,902,128 shares of treasury stock, 359,021 units are included in “Individual *et al.*” and 28 shares are included in “Number of shares less than one unit”.

2. Of the shares registered in the name of Japan Securities Depository Center, Inc., 67 units are included in “Other corporations” and 80 shares are included in “Number of shares less than one unit”.

## (6) Principal shareholders

As of March 31, 2025

Name	Address	Number of shares held (thousand shares)	Ownership percentage to the total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	321,806	15.49
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	110,704	5.33
STATE STREET BANK AND TRUST-COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Service Department)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1, Konan 2-chome, Minato-ku, Tokyo)	92,925	4.47
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	81,863	3.94
STATE STREET BANK AND TRUST-COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Service Department)	P.O. BOX 351 BOSTON MASSACHUSETTS 02101, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	48,676	2.34
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Service Department)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, Konan 2-chome, Minato-ku, Tokyo)	46,285	2.23
Mitsubishi Electric Group Employees Shareholding Union	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	44,058	2.12
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Service Department)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	39,891	1.92
JP MORGAN CHASE BANK 380055 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Service Department)	270 PARK AVENUE, NEW-YORK, NY 10017, UNITED STATES OF AMERICA (15-1, Konan 2-chome, Minato-ku, Tokyo)	36,617	1.76
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	36,339	1.75
Total	—	859,168	41.36

Note: BlackRock Japan Co., Ltd., submitted a change report on the Statements of Large-Volume Holdings with the company and 10 other companies as co-owners on March 19, 2025. However, since the Company cannot confirm the number of shares actually owned as of March 31, 2025, “Principal shareholders” column is based on the shareholder registry. The shareholding status as of March 14, 2025 according to the report is as follows.

Name	Address	Number of shares held (thousand shares)	Ownership percentage to the total number of issued shares (%)
BlackRock Japan Co., Ltd.	8-3 Marunouchi, 1-chome, Chiyoda-ku, Tokyo	41,489	1.96
APERIO GROUP, LLC	THREE HARBOR DRIVE SUITE 204 SAUSALITO, CA, U.S.A.	2,464	0.12
BLACKROCK ADVISORS, LLC	251 LITTLE FALLS DRIVE, WILMINGTON, DE, U.S.A.	3,500	0.17
BLACKROCK FINANCIAL MANAGEMENT, INC.	251 LITTLE FALLS DRIVE, WILMINGTON, DE, U.S.A.	2,721	0.13
BLACKROCK (NETHERLANDS) B.V.	AMSTELPLEIN 1,1096 HA, AMSTERDAM, NETHERLANDS	6,542	0.31
BLACKROCK FUND MANAGERS LIMITED	12 THROGMORTON AVENUE, LONDON, EC2N 2DL, UNITED KINGDOM	8,816	0.42
BLACKROCK ASSET MANAGEMENT CANADA LIMITED	161 BAY STREET, SUITE 2500, TORONTO, ONTARIO, CANADA	2,901	0.14
BLACKROCK ASSET MANAGEMENT IRELAND LIMITED	1ST FLOOR, 2 BALLSBRIDGE PARK, BALLSBRIDGE DUBLIN 4, BALLSBRIDGE, DUBLIN, D04 YW83, IRELAND	13,261	0.63
BLACKROCK FUND ADVISORS	400 HOWARD STREET, SAN FRANCISCO, CA, U.S.A.	37,781	1.79
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.	400 HOWARD STREET, SAN FRANCISCO, CA, U.S.A.	26,348	1.25
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED	12 THROGMORTON AVENUE, LONDON, EC2N 2DL, UNITED KINGDOM	3,047	0.14

(7) Information on voting rights

1) Issued shares

As of March 31, 2025

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	Common stock 35,902,100	—	Standard common stock of the Company without any restriction. Number of shares constituting one unit: 100 shares
Shares with full voting right (others)	Common stock 2,076,809,900	20,768,099	Same as above
Shares less than one unit	Common stock 489,551	—	Same as above
Number of shares issued	2,113,201,551	—	—
Total number of voting rights	—	20,768,099	—

Notes: 1. The number of shares in “Shares less than one unit” includes 28 shares as treasury stocks, 195 shares held by the Board Incentive Plan Trust and 80 shares registered in the name of Japan Securities Depository Center, Inc.

2. The number of shares and the number of voting rights in “Shares with full voting right (others)” include 6,700 shares (67 voting rights) registered in the name of Japan Securities Depository Center, Inc. and 1,914,900 shares (19,149 voting rights) held through the Board Incentive Plan Trust.

2) Treasury stock, etc.

As of March 31, 2025

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Mitsubishi Electric Corporation	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	35,902,100	—	35,902,100	1.70
Total	—	35,902,100	—	35,902,100	1.70

Note: In addition to shares owned 35,902,100 by the Company in the table above and 28 shares less than one unit owned by the Company, 1,915,095 shares of the Company held through the Board Incentive Plan Trust are included in treasury stock in the consolidated financial statements and the financial statements.



## (8) Share ownership plan for Executives and employees

The Company has introduced a performance-based compensation plan (“the Plan”), including stock compensation, for its Executive Officers to increase their awareness of the necessity to contribute to enhancing the medium- to long-term corporate value of the Mitsubishi Electric Group and to share that value with shareholders. However, the Company has revised the entire compensation structure for our Executive Officers to further clarify the roles and responsibilities of Executive Officers and to evaluate more rigorously their short-, medium-, and long-term incentive compensation based on the achievement level of the performance indices and has revised the Plan as well since fiscal year ended March 31, 2023.

In addition, the Company has newly appointed Executive Officers (Associate) since fiscal year ended March 31, 2023. Although the compensation plan applied to Executive Officers (Associate) is different from the compensation plan for Executive Officers, Executive Officers (Associate) are also included in the Plan for the purpose of increasing their awareness of the necessity to contribute to enhancing the medium- to long-term corporate value of the Group and to share that value with shareholders.

### 1) Overview of the Plan

The Board Incentive Plan Trust (“BIP Trust”) has been adopted for the Plan. The BIP Trust is a stock incentive plan for executives based on the Performance Share Plan and Restricted Stock Plan in the U.S. Under the Plan, the Company acquires its own shares through the BIP Trust based on the degree of the attainment of the business performance, which will be granted to the Executive Officers and Executive Officers (Associate) (“Executive Officers, etc.”) as stock compensation.

The Company will decide the amount to be contributed to the BIP Trust, the method the BIP Trust will acquire the Company shares, and other necessary matters, at the Compensation Committee meeting held at a certain time each year, and will create a trust on an annual basis based on such decision, beneficiaries of which are the Executive Officers, etc. who meet the beneficiary requirements.

If there is any trust for which the 3-year trust term expires at that point of time, the Company may not create a new trust, but may extend the trust term, by revising the trust agreement and entrusting additional money to the existing trust upon the expiry of the trust term of the existing trust; also in such case, the Compensation Committee, etc. will make a decision on the extension of the trust term. Based on the resolution on the renewal of the Plan at the Compensation Committee, etc. held on May 25, 2022, the Company extended the trust term of the BIP Trust, which was created to provide stock compensation to the Executive Officers of the Company for the fiscal year ended March 31, 2019, along with the revision of the trust agreement and the entrustment of additional money. Based on the resolution on the renewal of the Plan at the Compensation Committee, etc. held on May 24, 2023, the Company extended the trust term of the BIP Trust, which was created to provide stock compensation to the Executive Officers of the Company for the fiscal year ended March 31, 2020, along with the revision of the trust agreement and the entrustment of additional money. Based on the resolution on the renewal of the Plan at the Compensation Committee, etc. held on May 24, 2024, the Company extended the trust term of the BIP Trust, which was created to provide stock compensation to the Executive Officers of the Company for the fiscal year ended March 31, 2021, along with the revision of the trust agreement and the entrustment of additional money.

### 2) Outline of the trust agreement

<For the fiscal years ended March 31, 2022 and 2023>

The BIP Trust was created based on the decision at the Compensation Committee, etc. held on May 25, 2022 on the amount of stock compensation (the amount of trust money to be contributed to the BIP Trust) for the Executive Officers, etc. of the Company under the Plan for the fiscal year ended March 31, 2022 and 2023.

a. Type of trust:	Money trust other than individually operated designated money trust (a third-party benefit trust)
b. Objective of trust:	Granting of incentives for the Executive Officers, etc.
c. Entruster:	The Company
d. Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
e. Beneficiary:	Executive Officers, etc. who meet the beneficiary requirements
f. Trust caretaker:	A third party with no interest in the Company (certified public accountant)
g. Trust agreement date:	June 1, 2022
h. Trust term:	From June 1, 2022 to August 31, 2025 (planned)
i. Inception date of the Plan:	June 1, 2022

j. Amount of the trust money: 1,437,625 thousand yen <sup>\*1 \*2</sup>

(Reference) Amount of stock compensation for Executive Officers, etc.

For Executive Officers:

556,007 thousand yen (for the fiscal year ended March 31, 2022) <sup>\*3</sup>

815,402 thousand yen (for the fiscal year ended March 31, 2023) <sup>\*4</sup>

For Executive Officers (Associate):

64,400 thousand yen (for the fiscal year ended March 31, 2023) <sup>\*4</sup>

\*1 The above amount of the trust money includes residual properties to be succeeded from the existing BIP Trust.

\*2 The above amount of the trust money includes trust fees and trust expenses as well as the amount affected by stock price fluctuations at the time of stock acquisition, and therefore does not match the total amount of stock-based compensation for Executive Officers, etc.

\*3 Details were disclosed on May 28, 2015, in the Company's news release, "Mitsubishi Electric to Announce about Introduction of Performance-based Stock Compensation Plan for the Executive Officers."

\*4 The amount indicated is the total amount of the PSU at its maximum granted rate (200%) and the RSU.

k. Class of shares to be acquired:	The Company's common stock
l. Method of acquiring shares:	To be acquired from the stock market
m. Period of acquiring shares:	From August 3, 2022 to August 15, 2022
n. Holder of vested rights:	The Company
o. Exercise of voting rights:	Not to be exercised
p. Residual properties:	Residual properties, which the Company as a holder of vested rights is entitled to receive, shall be to the extent of reserves for trust expenses, which are calculated by deducting the funds to acquire the Company shares from the trust money.

<For the fiscal year ended March 31, 2024>

The BIP Trust was created based on the decision at the Compensation Committee, etc. held on May 24, 2023 on the amount of stock compensation (the amount of trust money to be contributed to the BIP Trust) for the Executive Officers of the Company under the Plan for the fiscal year ended March 31, 2024.

a. Type of trust:	Money trust other than individually operated designated money trust (a third-party benefit trust)
b. Objective of trust:	Granting of incentives for the Executive Officers, etc.
c. Entruster:	The Company
d. Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
e. Beneficiary:	Executive Officers, etc. who meet the beneficiary requirements
f. Trust caretaker:	A third party with no interest in the Company (certified public accountant)
g. Trust agreement date:	June 1, 2023
h. Trust term:	From June 1, 2023 to August 31, 2026 (planned)
i. Inception date of the Plan:	June 1, 2023
j. Amount of the trust money:	1,108,630 thousand yen <sup>*1 *2</sup>

(Reference) Amount of stock compensation for Executive Officers, etc.

For Executive Officers:

779,090 thousand yen (for the fiscal year ended March 31, 2024) <sup>\*3</sup>

For Executive Officers (Associate):

101,200 thousand yen (for the fiscal year ended March 31, 2024) <sup>\*3</sup>

\*1 The above amount of the trust money includes residual properties to be succeeded from the existing BIP Trust.

\*2 The above amount of the trust money includes trust fees and trust expenses as well as the amount affected by stock price fluctuations at the time of stock acquisition, and therefore does not match the total amount of stock-based compensation for Executive Officers, etc.

\*3 The amount indicated is the total amount of the PSU at its maximum granted rate (200%) and the RSU.

- k. Class of shares to be acquired: The Company's common stock
- l. Method of acquiring shares: To be acquired from the stock market
- m. Period of acquiring shares: From June 6, 2023 to June 15, 2023
- n. Holder of vested rights: The Company
- o. Exercise of voting rights: Not to be exercised
- p. Residual properties: Residual properties, which the Company as a holder of vested rights is entitled to receive, shall be to the extent of reserves for trust expenses, which are calculated by deducting the funds to acquire the Company shares from the trust money.

<For the fiscal year ended March 31, 2025>

The BIP Trust was created based on the decision at the Compensation Committee, etc. held on May 24, 2024 on the amount of stock compensation (the amount of trust money to be contributed to the BIP Trust) for the Executive Officers of the Company under the Plan for the fiscal year ended March 31, 2025

- a. Type of trust: Money trust other than individually operated designated money trust (a third-party benefit trust)
- b. Objective of trust: Granting of incentives for the Executive Officers, etc.
- c. Entruster: The Company
- d. Trustee: Mitsubishi UFJ Trust and Banking Corporation  
(Co-trustee: The Master Trust Bank of Japan, Ltd.)
- e. Beneficiary: Executive Officers, etc. who meet the beneficiary requirements
- f. Trust caretaker: A third party with no interest in the Company (certified public accountant)
- g. Trust agreement date: May 30, 2024
- h. Trust term: From May 30, 2024 to August 31, 2027 (planned)
- i. Inception date of the Plan: May 30, 2024
- j. Amount of the trust money: 1,292,205 thousand yen \*1 \*2

(Reference) Amount of stock compensation for Executive Officers, etc.

For Executive Officers:

782,400 thousand yen (for the fiscal year ended March 31, 2025) \*3

For Executive Officers (Associate):

252,000 thousand yen (for the fiscal year ended March 31, 2025) \*3

\*1 The above amount of the trust money includes residual properties to be succeeded from the existing BIP Trust.

\*2 The above amount of the trust money includes trust fees and trust expenses as well as the amount affected by stock price fluctuations at the time of stock acquisition, and therefore does not match the total amount of stock-based compensation for Executive Officers, etc.

\*3 The amount indicated is the total amount of the PSU at its maximum granted rate (200%) and the RSU.

- k. Class of shares to be acquired: The Company's common stock
- l. Method of acquiring shares: To be acquired from the stock market
- m. Period of acquiring shares: From June 4, 2024 to June 14, 2024
- n. Holder of vested rights: The Company
- o. Exercise of voting rights: Not to be exercised
- p. Residual properties: Residual properties, which the Company as a holder of vested rights is entitled to receive, shall be to the extent of reserves for trust expenses, which are calculated by deducting the funds to acquire the Company shares from the trust money.

<For the fiscal year ending March 31, 2026>

The amount of stock compensation (the amount of trust money to be contributed to the BIP Trust) for the Executive Officers, etc. of the Company under the Plan for the fiscal year ending March 31, 2026, has not yet been determined. It will be disclosed in a timely manner once determined.

### 3) Outline of the trust and stock-related administration

- a. Trust-related administration: Mitsubishi UFJ Trust and Banking Corporation will be the trustee of the BIP Trust, which is responsible for trust-related administration.
- b. Stock-related administration: DSB Co., Ltd. shall be responsible for the administration of the delivery of the Company shares to beneficiaries.

## 2. Information on Acquisition, etc. of Treasury Stock

Class of shares

Acquisition of common stock under Article 155, Item 3 of the Companies Act and Article 155, Item 7 of the Companies Act.

### (1) Acquisition of treasury stock resolved at the general meeting of shareholders

Not applicable.

### (2) Acquisition of treasury stock resolved at the Board of Directors' meetings

Classification	Number of shares(shares)	Total amount(yen)
The resolution of the Board of Directors on August 29, 2024 (Acquisition period: From August 30, 2024 to October 31, 2024)	20,000,000	30,000,000,000
Treasury stock acquired prior to the fiscal year ended March 31, 2025	—	—
Treasury stock acquired during the fiscal year ended March 31, 2025	12,898,800	29,999,849,500
Total number and amount of shares to be acquired	7,101,200	150,500
Ratio of the shares yet to be acquired as of the end of the fiscal year (%)	35.5	0.0
Treasury stock acquired during the current period	—	—
Ratio of the shares yet to be acquired as of the filing date (%)	35.5	0.0

Note: At the Board of Directors' meeting above, the acquisition method was resolved as "market purchase on the Tokyo Stock Exchange."

Classification	Number of shares(shares)	Total amount(yen)
The resolution of the Board of Directors on April 28, 2025 (Acquisition period: From April 30, 2025 to October 31, 2025)	60,000,000	100,000,000,000
Treasury stock acquired prior to the fiscal year ended March 31, 2025	—	—
Treasury stock acquired during the fiscal year ended March 31, 2025	—	—
Total number and amount of shares to be acquired	60,000,000	100,000,000,000
Ratio of the shares yet to be acquired as of the end of the fiscal year (%)	100.0	100.0
Treasury stock acquired during the current period	5,948,200	17,317,061,500
Ratio of the shares yet to be acquired as of the filing date (%)	90.1	82.7

Notes: 1. At the Board of Directors' meeting above, the acquisition method was resolved as "market purchase on the Tokyo Stock Exchange."

2. With regard to "Treasury stock acquired during the current period," the number of treasury stock acquired from June 1, 2025 to the filing date is not included.

(3) Details of acquisition of treasury stock not based on the resolutions of the general meeting of shareholders or the Board of Directors' meetings

Classification	Number of shares(shares)	Total amount(yen)
Treasury stock acquired during the fiscal year ended March 31, 2025	1,488	3,936,490
Treasury stock acquired during the current period	—	—

Notes: 1. With regard to “Treasury stock acquired during the current period,” the number of treasury stock acquired due to requests to purchase stock less than one unit shares from June 1, 2025 to the filing date is not included.

2. The number of the Company's shares acquired by the Board Incentive Plan Trust is not included in Treasury stock acquired.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Fiscal year ended March 31,2025		Current period	
	Number of shares (shares)	Total disposition amount (yen)	Number of shares (shares)	Total disposition amount (yen)
Acquired treasury stock which was offered to subscribers	—	—	—	—
Acquired treasury stock which was canceled	34,000,000	56,634,140,000	—	—
Acquired treasury stock which was transferred due to merger, share exchange, share delivery, or company split	118,806	197,896,342	—	—
Others (selling due to requests from shareholders holding less than one unit shares to sell additional shares)	181	319,909	—	—
Total numbers of treasury stock held	35,902,128	—	41,850,328	—

Notes: 1. With regard to treasury stock held of the current period, the number of treasury stock which was sold or acquired due to requests from shareholders holding less than one unit shares to purchase or sell additional shares from June 1, 2025 to the filing date is not included.

2. The number of the Company's shares held through the Board Incentive Plan Trust is not included in Total numbers of treasury stock disposed and treasury stock held.

### 3. Dividend Policy

The Company will maintain stable dividend payments targeting an adjusted DOE<sup>\*1</sup> of around 3%, with a view to appropriate profit returns according to shareholder equity levels and maintaining financial soundness for continuous growth investments.

The Company's policy, in principle, is to pay dividends from surplus twice a year, namely an interim dividend and a fiscal year-end dividend.

The Board of Directors is the governing body on dividends from surplus.

In the fiscal year ended March 31, 2025, the Company decided to pay the annual dividend of ¥50 per share, comprising a dividend from surplus (fiscal year-end dividend) of ¥30 per share and an interim dividend of ¥20 per share.

The dividends from surplus for the fiscal year are as follows.

Resolution date	Total dividend amount (millions of yen)	Dividend per share (yen)
Resolution of the Board of Directors' meeting held on October 31, 2024	41,613	20
Resolution of the Board of Directors' meeting held on May 13, 2025	62,318	30

\*1 Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))

\*2 Stockholders' equity: Mitsubishi Electric Corp. stockholders' equity

## 4. Corporate Governance, etc.

### (1) Overview of corporate governance

#### 1) Basic corporate governance policy

To address sustainability at the management level, the Mitsubishi Electric Group has identified five areas as materiality (important challenges) to “Provide solutions to social challenges through our businesses” and to “Strengthen our business foundation to enable sustainable growth.” The Group is taking a “Trade-On (mutual benefits)” approach to realizing sustainability by implementing materiality initiatives to create business solutions for social challenges while securing its own business growth at the same time.

As a part of our initiatives to strengthen our business foundation to enable sustainable growth, the Group recognizes the importance of corporate governance as a fundamental precondition for our continued existence. The Group’s fundamental 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, the Company 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.

#### 2) Outline of the corporate governance system and background of adopting the system

The Company has chosen to have a three-committee system in place. The Company segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and 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.

##### a. The Board of Directors and the three statutory committees

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

Both the Board of Directors and the three statutory committees are chaired by independent Outside Directors, and a majority of their members are independent Outside Directors as well, thereby improving the effectiveness of the supervisory function.

The purpose, authority and member of the Board of Directors and the three statutory committees as of June 20, 2025 are as follows:

<The Board of Directors>

Purpose	<p>The Company's Board of Directors will indicate the direction of its management by making critical decisions that form the foundation of management, including setting basic policies on management (Purpose, Our Values, Commitment, Management Policy, and Corporate Strategy). In addition, the Board of Directors will set and discuss the "key agenda items" for the Mitsubishi Electric Group in order to promote the medium- to long-term and sustainable enhancement of the Group's corporate value. In formulating the basic management policy and corporate strategy, the Board of Directors will hold multiple meetings for discussions, taking full account of the opinions of the independent outside directors.</p> <p>Based on the discussions and decisions made by the Board of Directors, the Executive Officers will formulate and implement specific management plans and make important business execution decisions with the authority delegated to them by the Board of Directors. Based on reports on the progress of the reforms, the Board of Directors will hold sufficient discussions to periodically monitor whether actions are being taken in line with the basic policy and corporate strategy.</p> <p>In addition, to ensure that the opinions of the Board of Directors are communicated to the divisions in charge of business execution in a timely and appropriate manner, the main points of discussions of the Board of Directors are shared in Executive Officers' Meetings.</p> <p>Through these structural improvements, the Board of Directors strives to support swift and decisive decision-making and properly evaluate business execution. Through this, the Executive Officers are encouraged to engage in appropriate risk-taking in order to sustainably build corporate value over the medium- to long-term.</p>																																								
Authority	<p>The Company's Board of Directors is dedicated to supervising management after stipulating specific topics as deliberation criteria for the Board of Directors. By delegating to the Executive Officers the authority to make all business execution decisions within the limits permitted by the Companies Act, it is possible to ensure swift and decisive decision-making and appropriate risk-taking in business execution.</p>																																								
Members	<p>The Company's Board of Directors is chaired by an independent Outside Director, and the majority of its members are independent Outside Directors, who independently and objectively supervise and advise the Company's management. Currently, it is comprised of ten members including six Outside Directors (two of whom are women).</p> <table border="0"> <tr><td>Outside Director</td><td>Hiroyuki Yanagi (Chairperson of the Board of Directors)</td></tr> <tr><td>Outside Director</td><td>Tatsuro Kosaka</td></tr> <tr><td>Outside Director</td><td>Masako Egawa</td></tr> <tr><td>Outside Director</td><td>Haruka Matsuyama</td></tr> <tr><td>Outside Director</td><td>Kunihito Minakawa</td></tr> <tr><td>Outside Director</td><td>Peter D. Pedersen</td></tr> <tr><td>Director</td><td>Kei Uruma</td></tr> <tr><td>Director</td><td>Kuniaki Masuda</td></tr> <tr><td>Director</td><td>Satoshi Takeda</td></tr> <tr><td>Director</td><td>Atsuhiko Yabu</td></tr> </table> <p>The Company will submit a proposal (matter for resolution) for "The Election of Ten (10) Directors" to the 154th Ordinary General Meeting of Shareholders scheduled for June 24, 2025. If this proposal is approved, the composition and skill matrix of the Company's Board of Directors will be as shown below.</p> <table border="0"> <tr><td>Outside Director</td><td>Hiroyuki Yanagi (Chairperson of the Board of Directors)</td></tr> <tr><td>Outside Director</td><td>Tatsuro Kosaka</td></tr> <tr><td>Outside Director</td><td>Masako Egawa</td></tr> <tr><td>Outside Director</td><td>Haruka Matsuyama</td></tr> <tr><td>Outside Director</td><td>Kunihito Minakawa</td></tr> <tr><td>Outside Director</td><td>Peter D. Pedersen</td></tr> <tr><td>Director</td><td>Kei Uruma</td></tr> <tr><td>Director</td><td>Atsuhiko Yabu</td></tr> <tr><td>Director</td><td>Noriyuki Takazawa</td></tr> <tr><td>Director</td><td>Kenichiro Fujimoto</td></tr> </table> <p>Note: Directors Messrs. Kuniaki Masuda and Satoshi Takeda are scheduled to retire upon the expiration of their terms of office at the conclusion of the 154th Ordinary General Meeting of Shareholders to be held on June 24, 2025.</p>	Outside Director	Hiroyuki Yanagi (Chairperson of the Board of Directors)	Outside Director	Tatsuro Kosaka	Outside Director	Masako Egawa	Outside Director	Haruka Matsuyama	Outside Director	Kunihito Minakawa	Outside Director	Peter D. Pedersen	Director	Kei Uruma	Director	Kuniaki Masuda	Director	Satoshi Takeda	Director	Atsuhiko Yabu	Outside Director	Hiroyuki Yanagi (Chairperson of the Board of Directors)	Outside Director	Tatsuro Kosaka	Outside Director	Masako Egawa	Outside Director	Haruka Matsuyama	Outside Director	Kunihito Minakawa	Outside Director	Peter D. Pedersen	Director	Kei Uruma	Director	Atsuhiko Yabu	Director	Noriyuki Takazawa	Director	Kenichiro Fujimoto
Outside Director	Hiroyuki Yanagi (Chairperson of the Board of Directors)																																								
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Members	<p>&lt;Skill Matrix of the Board of Directors&gt;</p> <p>The various skills possessed by the Directors are arranged into a matrix and disclosed as follows, with the aim of continuously improving the supervisory function that the Board of Directors of the Company is expected to fulfil.</p>							
		Corporate management, corporate strategies and global affairs	Sustainability	Finance and accounting	Legal affairs, compliance and governance	Human resources and human resources development	Engineering, DX and R&D	Business development and investment
	Tatsuro Kosaka	○	○			○	○	○
	Hiroyuki Yanagi	○	○			○	○	○
	Masako Egawa	○	○	○	○			○
	Haruka Matsuyama		○		○			
	Kunihito Minakawa	○		○				
	Peter D. Pedersen	○	○			○		○
	Kei Uruma	○	○			○	○	○
	Atsuhiko Yabu	○	○				○	○
	Noriyuki Takazawa	○					○	○
	Kenichiro Fujimoto	○		○				○
	Skill item	Reason for selection of the skill item						
	Corporate management, corporate strategies and global affairs	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 core of management.						
	Finance and accounting	The Group needs Directors with experience, knowledge, and skills concerning finance and accounting for building a strong financial base and realizing appropriate returns to shareholders as well as maintaining the discipline and governance of finance and accounting.						
	Legal affairs, compliance and governance	The Group needs Directors with experience, knowledge, and skills concerning these items in order to globally develop the business, while thoroughly ensuring the legal and ethical compliance and enhancing corporate governance that forms the fundamentals of corporate activities.						
	Human resources and human resources development	The Group needs Directors with experience, knowledge, and skills concerning these items in order to promote human capital management, positioning human resource strategies as one of the important policies of business strategies.						
	Engineering, DX and R&D	The Group needs Directors with specialized knowledge and experience concerning engineering, DX and R&D in order to advance its “integrated solutions,” strengthening core components, field knowledge, and advanced digital technologies that are the Group’s advantages, as well as to promote open innovation and R&D strategies toward future growth.						

	Business development and investment	The Group needs Directors with experience, knowledge, and skills concerning these items as the implementation of growth strategies including promotion of business portfolio strategies, development of new businesses, and M&As is necessary for transforming itself into a “Circular Digital-Engineering” company and increasing corporate value in a sustainable way.
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<Nomination Committee>

Purpose • Authority	<p>As a company with a three-committee system, the Company has set up the statutory Nomination Committee chaired by an independent Outside Director. Recognizing the importance of ensuring independence and objectivity, the majority of the Nomination Committee is composed of independent Outside Directors.</p> <p>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 &amp; 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 personnel requirements for the President &amp; CEO and the content and operational status of succession planning (the appointment and training of candidates), and reporting back to the Board of Directors.</p> <p>Under this authority and role, the Nomination Committee deliberates on matters relating to the nomination, giving due consideration to the diversity and skills perspective.</p>
Member	<p>The Company’s Nomination Committee is chaired by an independent Outside Director, and the majority of its members are independent Outside Directors, who independently and objectively undertake the duties of the Nomination Committee. Currently, it is comprised of four members including three Outside Directors.</p> <p>Outside Director    Tatsuro Kosaka (Chairperson of the Nomination Committee)</p> <p>Outside Director    Hiroyuki Yanagi</p> <p>Outside Director    Masako Egawa</p> <p>Director              Kei Uruma</p> <p>The Company plans to determine the composition of the committee as follows, at the meeting of the Board of Directors to be held after the 154th Ordinary General Meeting of Shareholders scheduled for June 24, 2025.</p> <p>Outside Director    Tatsuro Kosaka (Chairperson of the Nomination Committee)</p> <p>Outside Director    Hiroyuki Yanagi</p> <p>Outside Director    Masako Egawa</p> <p>Director              Kei Uruma</p>

<Audit Committee>

Purpose • Authority	<p>As a company with a three-committee system, the Company has set up the statutory Audit Committee chaired by an independent Outside Director. Recognizing the importance of ensuring independence and objectivity, the majority of the Audit Committee is composed of independent Outside Directors. The full-time internal audit committee members also assist the Audit Committee in collecting information.</p> <p>The Audit Committee members recognize that they owe fiduciary duty to shareholders, which include contributing to sustainable growth and enhancing corporate value. Considering this recognition, the Committee will, with the assistance of the full-time internal audit committee members, monitor each measure by sharing information with the divisions responsible for execution. This will help investigate any potential management issues and risks from the perspectives of legality, appropriateness, and efficiency. 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 Executive Officers’ Meetings and Risk Management Compliance Committee Meetings, hold meetings with senior management as appropriate, and assess the management policy and the progress of business execution in each division and base.</p> <p>When conducting such investigations, the Audit Committee will properly confirm the development and operation status of the internal control system and provide its opinions, in collaboration with the internal auditors for internal audits and the external accounting auditors for external audits.</p>
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Member	<p>The Company's Audit Committee is chaired by an independent Outside Director, and the majority of its members are independent Outside Directors, who independently and objectively undertake the duties of the Audit Committee. Currently, it is comprised of four members including three Outside Directors.</p> <p>Outside Director Haruka Matsuyama(Chairperson of the Audit Committee)</p> <p>Outside Director Kunihiro Minakawa</p> <p>Outside Director Peter D. Pedersen</p> <p>Director Atsuhiko Yabu</p> <p>Note: Mr. Kunihiro Minakawa, a member of the Audit Committee, has long years of experience in the accounting and financial department of listed companies and possesses considerable knowledge of finance and accounting.</p> <p>The Audit Committee has dedicated staffers who take direct orders from Audit Committee members and support them in executing their duties.</p> <p>The Company plans to determine the composition of the committee as follows, at the meeting of the Board of Directors to be held after the 154th Ordinary General Meeting of Shareholders scheduled for June 24, 2025.</p> <p>Outside Director Haruka Matsuyama(Chairperson of the Audit Committee)</p> <p>Outside Director Kunihiro Minakawa</p> <p>Outside Director Peter D. Pedersen</p> <p>Director Atsuhiko Yabu</p>
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<Compensation Committee>

Purpose • Authority	<p>As a company with a three-committee system, the Company has set up the statutory Compensation Committee chaired by an independent Outside Director. Recognizing the importance of ensuring independence and objectivity, the majority of the Compensation Committee is composed of independent Outside Directors.</p> <p>The Compensation Committee has the authority to determine the policies for determining compensation for Directors, Executive Officers, etc., the details of compensation for individual Directors and Executive Officers, performance evaluations related to the incentive compensation of Executive Officers, and the individual compensation of Executive Officers.</p> <p>Under this authority and role, the Compensation Committee deliberates on matters relating to the compensation, giving due consideration to the diversity and skills perspective. In fiscal 2023 (year ended March 31, 2023), the compensation system for Executive Officers has been reviewed, and discussions will be held on how to ensure that the system is fully operational.</p>
Member	<p>The Company's compensation Committee is chaired by an independent Outside Director, and the majority of its members are independent Outside Directors, who independently and objectively undertake the duties of the Compensation Committee. Currently, it is comprised of four members including three Outside Directors.</p> <p>Outside Director Tatsuro Kosaka (Chairperson of the Compensation Committee)</p> <p>Outside Director Hiroyuki Yanagi</p> <p>Outside Director Masako Egawa</p> <p>Director Kuniaki Masuda</p> <p>The Company plans to determine the composition of the committee as follows, at the meeting of the Board of Directors to be held after the 154th Ordinary General Meeting of Shareholders scheduled for June 24, 2025.</p> <p>Outside Director Tatsuro Kosaka (Chairperson of the Compensation Committee)</p> <p>Outside Director Hiroyuki Yanagi</p> <p>Outside Director Masako Egawa</p> <p>Director Kenichiro Fujimoto</p> <p>Note: Director Mr. Kuniaki Masuda is scheduled to retire upon the expiration of their terms of office at the conclusion of the 154th Ordinary General Meeting of Shareholders to be held on June 24, 2025.</p>

b. The Executive Officers

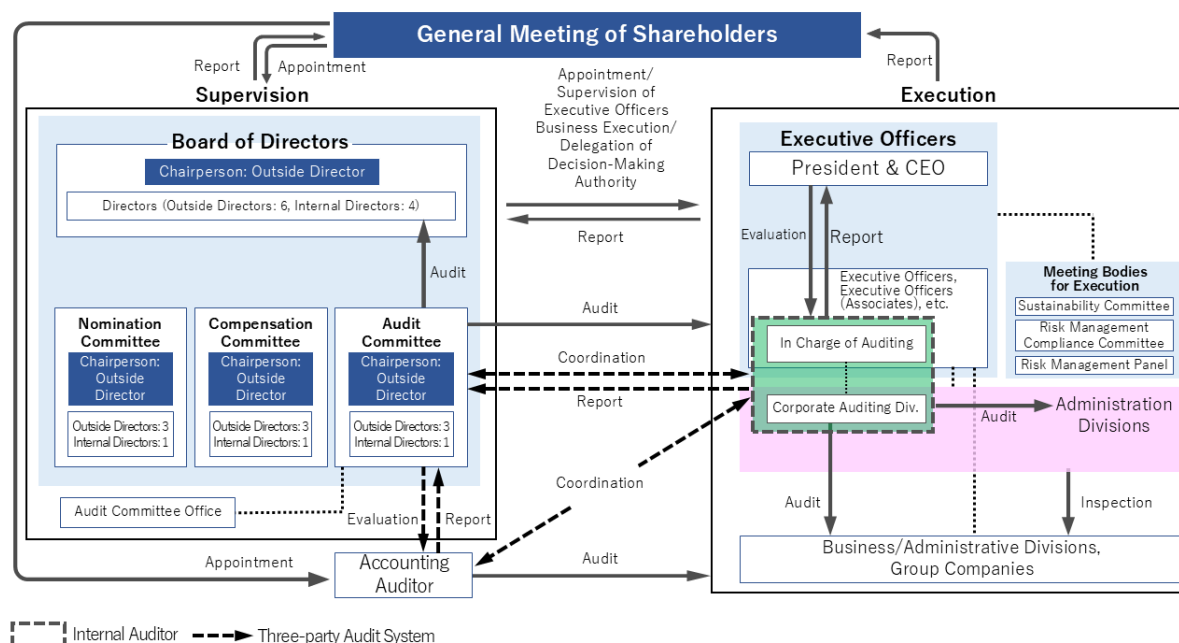
Executive Officers make decisions about the execution of operations on matters delegated by the Board of Directors within the range of duties allocated to each Executive Officer based on the objectives and authority of the Companies Act, and then execute such operations.

In addition, the Executive Officers' Meeting has been established as a voluntary body to deliberate and make decisions on

important business matters from the perspective of pursuing synergy and multifaceted risk management, in addition to sharing information among Executive Officers.

Based on the company-wide management policy, the Company has newly appointed Executive Officers (Associate) who make decisions on overall management and execute business in relation to groups/business groups/corporate divisions within their purview since fiscal year ended March 31, 2023.

The members of each body are listed in “(2) Directors and Executive Officers”.



### 3) Activities of the Board of Directors and the three statutory committees during the fiscal year

#### a. Activities of the Board of Directors

##### (a) Frequency of the Board of Directors meeting and attendance of each Board member

The Company held thirteen Board of Directors' meetings (including two special meetings) during the fiscal year. Each meeting took about three hours. The attendance of each Board member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Outside Director (Chairperson of the Board of Directors)	Hiroyuki Yanagi	13/13	100%
Outside Director	Tatsuro Kosaka	13/13	100%
Outside Director	Masako Egawa	13/13	100%
Outside Director	Haruka Matsuyama	13/13	100%
Outside Director	Kunihito Minakawa	10/10	100%
Outside Director	Peter D. Pedersen	10/10	100%
Director	Kei Uruma	13/13	100%
Director	Kuniaki Masuda	13/13	100%
Director	Satoshi Takeda	13/13	100%
Director	Atsuhiro Yabu	10/10	100%

Note: The status of attendance for Messrs. Kunihito Minakawa, Peter D. Pedersen, and Atsuhiro Yabu, is based on the number of the Board of Directors' meetings held after their assumption of office on June 25, 2024

(b) Specific Agenda Contents

Matters required by the Companies Act were determined 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 schedules, the consolidated financial statements, dividends of surplus, convocation of the General Meeting of Shareholders and appointment of Executive Officers.

In addition, in order to promote the medium and long-term sustainable improvement of the corporate value of the Mitsubishi Electric Group, we established and discussed “key agenda items” for the Group (company-wide management strategy, sustainability management, human capital strategy, technology development strategy, digital strategy, and information system strategy, etc., from July 2024 to June 2025). The “Three Key Reforms Monitoring Committee,” established under the Board of Directors continuously supervised the progress and effectiveness of the three key reforms (quality assurance, organizational culture, and governance), which were aimed at restoring trust in the Company in response to a series of improper quality control practices that had been identified since June 2021.

Furthermore, we received reports from Executive Officers on the progress and results of business execution and fully discussed them.

(c) Evaluation of Effectiveness of the Board of Directors

In order to continue evaluating the effectiveness of the “composition” and “operations” of the Board of Directors and to pursue continuous improvement of the monitoring board function, the Company’s Board of Directors requested a third party (Board Advisors Japan, Inc.) to evaluate the effectiveness of the Company’s Board of Directors from July to September 2024, and together with the evaluation results, the Company’s Board of Directors received recommendations for measures to address issues requiring improvement.

A summary of the evaluation method and process used by the third-party organization is presented below.

<Assessment methods/ processes by the third-party organization >

(1) Assessment methods

- 1) Review the minutes of the Board of Directors meetings and other documents
- 2) Questionnaire survey of all Directors (excluding the three newly appointed Directors)
- 3) Interviews with all Directors (excluding the five retired Directors)
- 4) Evaluation based on the expertise of the third-party organization

(2) Target items of assessment

- 1) Overall assessment
- 2) Composition of the Board of Directors
- 3) Support system of the Board of Directors
- 4) Agenda for meetings of the Board of Directors
- 5) Status of deliberations at meetings of the Board of Directors
- 6) Contribution of directors
- 7) Activities of the three statutory committees
- 8) Monitoring system for business execution

(3) Evaluation process

- 1) Evaluation by the third-party organization based on (1) and (2) above
- 2) Report to the Board of Directors on the results of the evaluation of the effectiveness of the Board of Directors by the third-party organization
- 3) Discussion by the Board of Directors on future measures to address the content of this report

A summary of the results of the evaluation of the effectiveness of the Board of Directors by the third-party organization is presented below.

- The Company’s Board of Directors has made consistent efforts and improvements to strengthen the management supervisory function. As a result, the effectiveness of the Board of Directors has generally been ensured. Progress has also generally been made on the issues cited in the evaluation of the effectiveness of the Board of Directors in fiscal 2024.
- The effectiveness of the Board of Directors is underpinned by the following strengths:
  - 1) High commitment to continuing reform on both the supervisory and executive sides
  - 2) Enhanced composition of the Board of Directors underpinned by diverse experience, insight, and skills

- 3) Elevated discussions at meetings of the Board of Directors based on the Directors' mutual understanding and untiring efforts to improve management
- The Board of Directors is expected to step up its efforts to address the following priority issues to maintain and enhance the Group's corporate value:
  - 1) Strengthening the Group's global governance
  - 2) Enhancing agenda for the Board of Directors meetings
  - 3) Further strengthening the function of the Audit Committee

The Board of Directors of the Company will discuss measures to enhance its effectiveness based on the evaluation results and recommendations and proceed to implement them, focusing on improvements to the Board's operation. It will also engage in further strengthening external perspective in the management monitoring function.

Specifically, the Board of Directors will make the following improvements to address these priority issues.

- 1) Expanding the opportunities for discussion concerning the Group's global governance
- 2) Strengthening agenda for meetings of the Board of Directors through fuller discussion concerning Group-wide medium- to long-term strategy
- 3) Further strengthening the function of the Audit Committee through consideration aimed at optimizing its monitoring system

b. Activities of the Nomination Committee

(a) Frequency of the Nomination Committee meeting and attendance of each Nomination Committee member

The Company held eight Nomination Committee meetings during the fiscal year. Each meeting took about one hour. The attendance of each Nomination Committee member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Chairperson of the Nomination Committee (Outside Director)	Tatsuro Kosaka	8/8	100%
Member of the Nomination Committee (Outside Director)	Hiroyuki Yanagi	8/8	100%
Member of the Nomination Committee (Outside Director)	Masako Egawa	8/8	100%
Member of the Nomination Committee	Kei Uruma	8/8	100%

(b) Specific Agenda Contents

Based on the objectives and authority of the Companies Act, the Nomination Committee determined the candidates for Directors to be submitted to the General Meeting of Shareholders.

In addition, in order to ensure objectivity and transparency in the selection and dismissal of the President & CEO, the Nomination Committee interviewed the President & CEO regarding the status of business execution, then proceeded to engage in discussions between the committee members who are Outside Directors, excluding the President & CEO. As a result, the committee determined that the reappointment of the President & CEO was appropriate and submitted him as President & CEO candidate for fiscal 2026 to the Board of Directors.

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

c. Activities of the Audit Committee

Please refer to “(3) Status of Audit 1) Audit Committee.”

d. Activities of the Compensation Committee

(a) Frequency of the Compensation Committee meeting and attendance of each Compensation Committee member

The Company held eight Compensation Committee meetings during the fiscal year. Each meeting took about forty minutes.

The attendance of each Compensation Committee member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Chairperson of the Compensation Committee (Outside Director)	Tatsuro Kosaka	8/8	100%
Member of the Compensation Committee (Outside Director)	Hiroyuki Yanagi	6/6	100%
Member of the Compensation Committee (Outside Director)	Masako Egawa	8/8	100%
Member of the Compensation Committee	Kuniaki Masuda	8/8	100%

Note: The status of attendance for Mr. Hiroyuki Yanagi is based on the number of the Compensation Committee meetings held after their assumption of office on June 25, 2024.

(b) Specific Agenda Contents

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.

4) Internal Control System

a. Necessary matters for the execution of the duties of the Audit Committee

The following have been established with regard to necessary matters for the execution of the duties of the Audit Committee.

- (a) Assign employees whose job is exclusively to assist the Audit Committee members.
- (b) The General Manager of the Corporate Human Resources Division shall consult with the Audit Committee members in the performance evaluation and transfer of employees dedicated to assisting the Audit Committee in its duties.
- (c) Establish a system to report information on the Company and its subsidiaries to the Audit Committee via the Company's divisions in charge of internal control.
- (d) Provide opportunities for Full-time Audit Committee members to attend important meetings, such as Executive Officers' meetings.
- (e) Establish internal rules and systems to protect persons who report information concerning the Company and its subsidiaries to the Audit Committee.
- (f) Establish internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members.
- (g) The following other systems related to the Audit Committee's audits shall be established.
  - Conducting surveys of the Company and its subsidiaries.
  - Discussion of audit policies and methods, status of implementation, results, etc., through regular briefings with the Independent Auditor, and the Executive Officers and Executive Officers (Associate) in charge of auditing.
  - Dialogue between Audit Committee members and Executive Officers and others (executive departments) to ensure the effectiveness of the Audit Committee's audits.

b. Systems necessary to ensure the properness of operations of the Company and the Mitsubishi Electric Group

The following have been established with regard to systems necessary to ensure the properness of operations of the Company and the Mitsubishi Electric Group.

- (a) Internal rules shall be established to ensure that the execution of duties by Executive Officers comply with laws and regulations and the Articles of Incorporation. The status of its operation shall be audited by internal auditors.
- (b) Establish internal rules for compliance and develop a system necessary for compliance.
- (c) The following systems shall be established to ensure the properness of operations of the Company.
  - Internal rules shall be established for the storage and management of information related to the execution of duties by Executive Officers. The status of their operation shall be audited by internal auditors.

- Each Executive Officer shall be responsible for establishing a system for managing the risk of loss within the scope of their responsibilities. Important matters shall be deliberated at the Executive Officers' Meeting. The status of its operation shall be audited by internal auditors. In addition, the Company shall establish internal regulations concerning the company-wide Emergency Response Division and other functions in preparation for emergency situations that are expected to have a significant impact on the company-wide management.
  - Each Executive Officer shall be responsible for ensuring management efficiency within the scope of their responsibilities. Important matters shall be deliberated at the Executive Officers' Meeting. The status of its operation shall be audited by internal auditors. In addition, an environment shall be created in which company-wide issues can be shared and discussed by each Executive Officer.
  - The following systems shall be established to ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation. The status of its operation shall be audited by internal auditors.
    - Establish internal rules and code of conduct regarding ethics and legal compliance.
    - Implement an internal whistle-blowing system.
- (d) The following system shall be established to ensure the properness of operations of the Mitsubishi Electric Group.
- Each Executive Officer of the Company shall manage subsidiaries within the scope of their responsibilities.
  - Establish a code of conduct throughout the Mitsubishi Electric Group.
  - Establish a dedicated organization to manage Mitsubishi Electric Group companies across the board.
  - Establish a system for reporting matters related to the execution of duties by Mitsubishi Electric Group companies, managing the risk of loss, and ensuring the efficiency of the execution of duties, as well as management standards. Important matters shall be deliberated and reported at the Company's Executive Officers' Meeting.
  - Audits of subsidiaries by internal auditors.

## 5) Overview of the internal control over financial reporting

The Company promotes maintenance or establishment of the internal control over financial reporting at each Mitsubishi Electric Group site led by the Corporate Accounting Division in order to ensure the reliability of financial reporting. Regarding the design and operation of internal control over financial reporting, the Company is trying to maintain and improve the control through in-house independent testing and the evaluation to be conducted by the Corporate Auditing Division. Management receives reports of these activities and evaluation results and confirms the effectiveness of internal control over financial reporting.

## 6) Status of Establishment of Risk Management Framework

Please refer to "II. Business Overview 3. Business and Other Risks".



## 7) Overview of the limited liability agreement

The Company has, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, made and entered into agreements with all of its non-executive directors, to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, the limit of liability is either 10 million yen or the minimum statutory amount, whichever is higher.

## 8) Overview of the directors and officers liability insurance (D&O Insurance)

The Company has concluded a directors and officers liability insurance (D&O Insurance) agreement provided in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured under this insurance policy includes the Company, the Company's executives, important employees, dispatched Outside Directors, and their heirs. This insurance policy shall compensate for damages and legal expenses to be borne by the insured, in the event of a claim for damages submitted by a shareholder or third party, etc. However, claims for damages arising from criminal acts by the executives, etc. shall be exempt from compensation. All insurance premiums shall be borne by the Company.

## 9) Basic policy regarding control over the Company

At present, the Company has not formulated basic policies or anti-takeover measures.

The Company aims to further enhance corporate value in incessant pursuit of growth and better-than-ever business results. Through proactive IR activities, the Company endeavors to convey timely information to investors and financial markets, regarding its management policies, strategies and business results.

However, due to the possibility that large volumes of shares may be purchased, the Company believes it is necessary to take appropriate steps in response to any action not in conformity with the objective of enhancing the Company's corporate value, or in contrary to the common interest of shareholders. Looking forward, the Company will maintain a careful watch over social trends and examine avenues of action.

## 10) Provisions of the Articles of Incorporation

### a. Requirements for resolutions to elect Directors

The Articles of Incorporation of the Company stipulates that resolutions for the election of Directors shall require a majority vote by shareholders present who are able to exercise their voting rights and who hold one-third or more of voting rights, and that such resolutions shall not be made by cumulative voting.

### b. Governing body for dividends from surplus, etc.

The Articles of Incorporation of the Company stipulates that, unless otherwise stipulated by laws and regulations, the Company may make decisions on matters specified in Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, without resolution at the shareholders meeting.

This is attributable to the fact that, because the Company was already a company with a Three committee System prior to the enforcement of the Companies Act, pursuant to the provisions of Article 57 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act, the Company's Articles of Incorporation was deemed to stipulate that the Board of Directors shall be entitled to decide on the matters set out in Item 2 through Item 4 of Article 459, Paragraph 1 of the Companies Act, and that such matters shall not be decided by the resolution of the shareholders meeting, effective the enforcement of the Companies Act (May 1, 2006).

### c. Requirements for special resolutions at the general meeting of shareholders

To ensure smooth proceedings of the shareholders meeting, the Company's Articles of Incorporation stipulates that the resolutions of the shareholders meeting as provided for in Article 309, Paragraph 2 of the Companies Act shall be by a vote of two-thirds or more of shareholder's voting rights, of one-third or more of the shareholders present who are able to exercise voting rights.

### d. Exemption of Directors and Executive Officers from liability

To ensure that Directors and Executive Officers can fully perform their expected roles, the Articles of Incorporation of the Company stipulates that the liability of Directors (including former Directors) and Executive Officers (including former Executive Officers), as prescribed in Article 423, Paragraph 1 of the Companies Act, shall be able to exempt by the resolution of the Board of Directors, to the extent allowed by laws and regulations, in accordance with Article 426, Paragraph 1 of the Companies Act.

(2) Directors and Executive Officers

1) Lists of Directors and Executive Officers

Directors and Executive Officers of June 20, 2025 (the filing date) are as follows:

Men: 18 persons, Women: 2 persons

(Women's percentage to total number of Directors and Executive Officers: 10%)

a. Directors

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Director	Tatsuro Kosaka	January 18, 1953	April 1976 March 2012  March 2018  March 2020  March 2021  March 2022  June 2022  June 2023  June 2024	Joined Chugai Pharmaceutical Co., Ltd. Representative Director, President & COO of Chugai Pharmaceutical Co., Ltd.  Representative Director, President & CEO of Chugai Pharmaceutical Co., Ltd.  Representative Director, Chairman & CEO of Chugai Pharmaceutical Co., Ltd.  Representative Director, Chairman of Chugai Pharmaceutical Co., Ltd.  Senior Advisor of Chugai Pharmaceutical Co., Ltd. (current position) Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation Director, Chairperson of the Nomination Committee and Member of the Compensation Committee Director, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee (current position)	From June 2024 to June 2025	6,400
Director	Hiroyuki Yanagi	November 20, 1954	April 1978 March 2010  January 2018  March 2021  January 2022 March 2022  June 2022  June 2023  June 2024	Joined Yamaha Motor Co., Ltd. President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.  Chairman and Representative Director of Yamaha Motor Co., Ltd.  Chairman and Director of Yamaha Motor Co., Ltd.  Director of Yamaha Motor Co., Ltd. Advisor of Yamaha Motor Co., Ltd. (Retired in March 2025) Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation Director, Member of the Nomination Committee and Chairperson of the Audit Committee Chairperson of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee (current position)	Same as above	5,000

Title	Name	Date of Birth	Career summary	Term of office	The number of shares owned
Director	Masako Egawa	September 7, 1956	<p>April 1980 Joined Tokyo Branch, Citibank, N.A.</p> <p>September 1986 Joined New York Headquarters, Salomon Brothers Inc.</p> <p>June 1988 Joined Tokyo Branch, Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.)</p> <p>December 1993 Joined Tokyo Branch, S.G. Warburg Securities (currently UBS Securities Japan Co., Ltd.)</p> <p>November 2001 Executive Director, Japan Research Center, Harvard Business School (Retired in March 2009)</p> <p>April 2009 Executive Vice President, The University of Tokyo (Retired in March 2015)</p> <p>September 2015 Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2020)</p> <p>July 2019 Vice-Chairman, The Japan Securities Dealers Association (Retired in June 2024)</p> <p>April 2020 Specially Appointed Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2022)</p> <p>April 2022 Chancellor, Seikei Gakuen (current position)</p> <p>June 2023 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p>	From June 2024 to June 2025	1,800
Director	Haruka Matsuyama	August 22, 1967	<p>April 1995 Appointed as Assistant Judge at Tokyo District Court (Retired in July 2000)</p> <p>July 2000 Attorney-at-law (current position)</p> <p>Joined HIBIYA PARK LAW OFFICES</p> <p>January 2002 Partner of HIBIYA PARK LAW OFFICES (current position)</p> <p>June 2023 Director, Member of the Audit Committee, Mitsubishi Electric Corporation</p> <p>June 2024 Director, Chairperson of the Audit Committee, (current position)</p>	Same as above	1,800
Director	Kunihito Minakawa	August 15, 1954	<p>April 1978 Joined RICOH CO., LTD.</p> <p>October 1997 Senior Vice President &amp; CFO, Ricoh Americas Corporation</p> <p>June 2010 Outside Corporate Auditor, RICOH LEASING COMPANY, LTD.</p> <p>April 2012 Corporate Senior Vice President, General Manager of Finance and Accounting Division, RICOH CO., LTD</p> <p>June 2013 Audit &amp; Supervisory Board Member (Full-time), RICOH CO., LTD. (Retired in June 2017)</p> <p>April 2019 Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner (Retired in March 2025)</p> <p>June 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p>	Same as above	1,100

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Director	Peter D. Pedersen	November 29, 1967	September 2000 January 2015 February 2020 June 2024	President, E-Square Inc. (Retired in November 2011) Executive Director, Next Leaders' Initiative for Sustainability (NELIS), general incorporated association (currently NELIS, non-profit organization) (current position) Professor (full-time), Graduate School of Leadership and Innovation, Shizenkan University (current position) Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)	From June 2024 to June 2025	200
Director	Kei Uruma	July 27, 1959	April 1982 April 2017 April 2018 April 2020  June 2020  April 2021  July 2021 June 2023	Joined Mitsubishi Electric Corporation Executive Officer, Public Utility Systems Senior Vice President, Public Utility Systems Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies Director, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies Director, Representative Executive Officer, Senior Vice President, Export Control, Corporate Strategic Planning and Operations of Associated Companies, CSO Director, Representative Executive Officer, President & CEO Director, Member of the Nomination Committee, Representative Executive Officer, President & CEO (current position)	Same as above	146,827
Director	Kuniaki Masuda	July 21, 1964	April 1987 April 2015  October 2020  April 2021 June 2021  April 2022  April 2023  June 2023  April 2024  April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Planning & Administration Div. of Semiconductor & Device Group Senior General Manager, Corporate Human Resources Div. Executive Officer, General Affairs and Human Resources Director, Member of the Nomination Committee and Member of the Compensation Committee, Executive Officer, General Affairs and Human Resources Director, Member of the Nomination Committee, Member of the Compensation Committee, Executive Officer, CFO (Accounting and Finance), CHRO (General Affairs and Human Resources) Director, Member of the Nomination Committee, Member of the Compensation Committee, Executive Officer, CFO (Accounting and Finance) Director, Member of the Compensation Committee, Executive Officer, CFO (Accounting and Finance) Director, Member of the Compensation Committee, Executive Officer, CFO (Financial Strategy, Accounting and Finance), Corporate IR and SR Director, Member of the Compensation Committee (current position)	Same as above	41,067

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Director	Satoshi Takeda	March 10, 1967	<p>April 1989 April 2020</p> <p>April 2021</p> <p>April 2022</p> <p>April 2023</p> <p>June 2023</p> <p>October 2023</p> <p>April 2024</p> <p>April 2025</p>	<p>Joined Mitsubishi Electric Corporation Senior General Manager, Overseas Marketing Div. of Factory Automation Systems Group</p> <p>Senior General Manager, Planning &amp; Administration Dept. of Factory Automation Systems Group</p> <p>Executive Officer, Industry &amp; Mobility Business Area Owner (Factory Automation Systems)</p> <p>Executive Officer, Auditing, CSO (Corporate Strategic Planning, IR and SR, Operations of Associated Companies, Three Key Reforms and Sustainability)</p> <p>Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms, and Sustainability)</p> <p>Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms, and Sustainability), CDO (DX, Business Innovation)</p> <p>Director, Executive Officer, CSO (Corporate Strategic Planning, Operations of Associated Companies and Three Key Reforms), CDO (DX, Business Innovation)</p> <p>Director, Senior Vice President, CDO (DX, Business Innovation), CIO (Information Security and IT), Digital Innovation (current position)</p>	From June 2024 to June 2025	30,267
Director	Atsuhiko Yabu	June 25, 1960	<p>April 1984 April 2016</p> <p>August 2018</p> <p>April 2019</p> <p>April 2020</p> <p>April 2021</p> <p>June 2024</p>	<p>Joined Mitsubishi Electric Corporation Executive Vice President, Mitsubishi Electric US, Inc.</p> <p>CEO, Mitsubishi Electric Trane HVAC US LLC</p> <p>Executive Officer, Corporate Total Productivity &amp; Management Environmental Programs</p> <p>Executive Officer, Information Security and Total Productivity Management &amp; Environmental Programs</p> <p>Executive Officer, Automotive Equipment (Retired in March 2024)</p> <p>Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p>	Same as above	44,564
Total						279,025

Notes: 1. The Company is a company with Three-committee System under Article 2, Item 12 of the Companies Act.

2. Messrs. Tatsuro Kosaka, Hiroyuki Yanagi, Kunihiro Minakawa, Peter D. Pedersen and Mes. Masako Egawa, Haruka Matsuyama are six Outside Directors, as defined under Article 2, Item 15 of the Companies Act.

b. Executive Officers

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Representative Executive Officer, President & CEO	Kei Uruma	July 27, 1959	See “a. Directors”		From April 2025 to March 2026	146,827
Representative Executive Officer, Senior Vice President, Industry & Mobility Business Area Owner and Export Control	Kunihiko Kaga	September 22, 1964	<p>April 1990 April 2020</p> <p>April 2021 July 2021</p> <p>April 2022 June 2022</p> <p>April 2023 June 2023</p> <p>April 2024 April 2025</p>	<p>Joined Mitsubishi Electric Corporation Deputy Vice President, Corporate Research and Development</p> <p>Executive Officer, Research &amp; Development, CTO</p> <p>Executive Officer, Corporate Strategic Planning and Operations of Associated Companies, CSO</p> <p>Executive Officer, Auditing, CSO (Corporate Strategic Planning and Operations of Associated Companies), CTO (Technology Strategies)</p> <p>Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning and Operations of Associated Companies), CTO (Technology Strategies)</p> <p>Director, Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and CTO (Technology Strategies)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and CTO (Technology Strategies)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner (Automotive Equipment)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and Export Control (current position)</p>	Same as above	45,545
Representative Executive Officer, Senior Vice President, CSO (Corporate Strategic Planning, Operations of Associated Companies)	Noriyuki Takazawa	August 12, 1962	<p>April 1986 April 2018</p> <p>April 2020 April 2022</p> <p>April 2023 April 2025</p>	<p>Joined Mitsubishi Electric Corporation Group Senior Vice President, Energy &amp; Industrial Systems Group</p> <p>Executive Officer, Energy &amp; Industrial Systems</p> <p>Executive Officer, Infrastructure Business Area Owner (Energy &amp; Industrial Systems)</p> <p>Senior Vice President, Infrastructure Business Area Owner.</p> <p>Representative Executive Officer, Senior Vice President, CSO (Corporate Strategic Planning, Operations of Associated Companies) (current position)</p>	Same as above	43,045

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Senior Vice President, CRO (Risk Management & Economic Security, Legal Affairs & Intellectual Property & External Relations, and Security Trade Control) and External Relations	Satoshi Kusakabe	January 24, 1960	April 1982 July 2007 July 2010 October 2010 September 2012 June 2013 July 2015 July 2018 November 2018 July 2019 April 2020 October 2020 January 2022 April 2022 April 2024 April 2025	Joined the Ministry of International Trade and Industry Director-General, Personnel Division, Minister’s Secretariat, Ministry of Economy, Trade and Industry Deputy Director-General, Minister’s Secretariat (in charge of Economic and Industrial Policy Bureau), Ministry of Economy, Trade and Industry Councilor, Cabinet Secretariat (National Policy Unit) Director-General for Policy Planning and Coordination, Ministry of Economy, Trade and Industry Deputy Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry Commissioner, Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry Retired from the Ministry of Economy, Trade and Industry Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd. Advisor, Mitsubishi Electric Corporation Executive Officer, Government & External Relations, Export Control, and Intellectual Property Executive Officer, Government & External Relations, Economic Security, Export Control, and Intellectual Property Executive Officer, CRO (Risk Management, Economic Security and Export Control), Government & External Relations, Intellectual Property Executive Officer, CRO (Legal Affairs & Compliance, Risk Management, Economic Security and Export Control) Senior Vice President, CRO (Legal Affairs & Intellectual Property & External Relations, Risk Management, Economic Security, Export Control and Government & External Relations) Senior Vice President, CRO (Risk Management & Economic Security, Legal Affairs & Intellectual Property & External Relations, and Security Trade Control) and External Relations (current position)	From April 2025 to March 2026	51,926
Senior Vice President, CDO (DX, Business Innovation), CIO (Information Security and IT), Digital Innovation	Satoshi Takeda	March 10, 1967	See “a. Directors”		Same as above	30,267

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Executive Officer, CTO (Technology Strategies), Defense & Space Systems	Tomonori Sato	August 31, 1967	April 1992 April 2020 April 2021 July 2021 April 2022 April 2023 April 2024	Joined Mitsubishi Electric Corporation Deputy Senior General Manager, Advanced Technology R&D Center Senior General Manager, Advanced Technology R&D Center Executive Officer, CTO (Corporate Research and Development) Executive Officer, Intellectual Property and Corporate Research & Development Executive Officer, Defense & Space Systems Executive Officer, CTO (Technology Strategies), Defense & Space Systems (current position)	From April 2025 to March 2026	29,482
Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering)	Yoshikazu Nakai	September 5, 1961	April 1984 April 2014 April 2016 December 2018 November 2020 April 2022 April 2023 April 2024	Joined Nissan Motor Co., Ltd. Vice President, Total Customer Satisfaction Function, Planning and Administration Dept., Nissan Motor Co., Ltd. Corporate Vice President, Total Customer Satisfaction Function, Production/Field Quality, Quality Audit, Nissan Motor Co., Ltd. Executive Vice President, Nori Corporation General Manager, Global Quality Control Dept of Automotive Motor & Electronic Control Business Group, NIDEC CORPORATION Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering) Executive Officer, CPO (Manufacturing, Corporate Total Productivity Management & Environmental Programs), CQO (Corporate Quality Assurance Reengineering) Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering) (current position)	Same as above	17,382
Executive Officer, CHRO (Global Human Resources Strategy, Human Resources & General Affairs, Corporate Human Resources Group), Public Relations	Yasunari Abe	November 12, 1966	April 1989 April 2020 April 2022 April 2023 April 2024	Joined Mitsubishi Electric Corporation Senior General Manager, Public Relations Div. of Corporate Communication Group Executive Officer (Associate), Senior General Manager, Corporate Human Resources Div. Executive Officer, CHRO (General Affairs and Human Resources), Public Relations Executive Officer, CHRO (Global Human Resources Strategy, Human Resources & General Affairs, Corporate Human Resources Group), Public Relations (current position)	Same as above	17,104
Executive Officer, Life Business Area Owner	Yasumichi Tazunoki	September 9, 1963	April 1987 April 2020 April 2021 April 2022 April 2023 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Air-Conditioning & Refrigeration Systems Div. Deputy Senior General Manager, Corporate Strategic Planning Div. Executive Officer (Associate), Senior General Manager, Corporate Strategic Planning Div. Executive Officer (Associate), Group President, Living Environment & Digital Media Equipment Executive Officer, Life Business Area Owner (current position)	Same as above	8,900



Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Executive Officer, Infrastructure Business Area Owner	Hideto Negoro	September 30, 1966	April 1991 April 2018 April 2021 April 2022 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Itami Works Senior General Manager, Public-Use Systems Marketing Div. Executive Officer (Associate), Group President, Public Utility Systems Executive Officer, Infrastructure Business Area Owner (current position)	From April 2025 to March 2026	1,300
Executive Officer, Procurement Vice President, Corporate Procurement	Shigeki Kawaji	September 19, 1962	April 1985 April 2019 April 2022 April 2023 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Overseas Marketing Div. Executive Officer (Associate), Senior General Manager, Corporate Purchasing Div. Executive Officer (Associate), Purchasing, Senior General Manager, Corporate Purchasing Div. Executive Officer, Procurement Vice President, Corporate Procurement (current position)	Same as above	6,800
Executive Officer, CFO (Financial Strategy, Accounting, and Finance), IR and SR	Kenichiro Fujimoto	September 4, 1964	April 1988 April 2018 April 2020 April 2022 April 2024 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Planning & Administration Dept. of Public Utility Systems Group Senior General Manager, Planning & Administration Dept. of Living Environment & Digital Media Equipment Group Executive Officer (Associate), Overseeing Accounting and Finance, Senior General Manager, Corporate Accounting Div. Executive Officer (Associate), Vice President, Corporate Finance & Accounting Executive Officer, CFO (Financial Strategy, Accounting, and Finance), IR and SR (current position)	Same as above	2,900
Total						401,478

Notes: 1. The Company is a company with Three-committee System under Article 2, Item 12 of the Companies Act.

2. Details of Chief Officer are as follows.

CEO	Chief Executive Officer	CPO	Chief Productivity Officer
CDO	Chief Digital Officer	CQO	Chief Quality Officer
CFO	Chief Financial Officer	CRO	Chief Risk Management Officer
CHRO	Chief Human Resources Officer	CSO	Chief Strategy Officer
CIO	Chief Information Officer	CTO	Chief Technology Officer

3. Details of Executive Officers (Associate)

Effective April 1, 2025, based on the company-wide management policy, the Company has appointed Executive Officers (Associate) who make decisions on overall management and execute business in relation to divisions within their purview. The appointments are as follows:

Title	Name	Positions Held
Executive Officer (Associate)	Masayoshi Takemi	Group President, Semiconductor & Device
Executive Officer (Associate)	Masahiro Oya	Global Strategic Planning & Marketing, Vice President, Global Strategic Planning & Marketing
Executive Officer (Associate)	Iwao Oda	Group President, Building Systems
Executive Officer (Associate)	Hiroshi Tsuchimoto	Auditing, Vice President, Corporate Strategic Planning Group
Executive Officer (Associate)	Toshie Takeuchi	Brand Communication, Vice President, Corporate Marketing
Executive Officer (Associate)	Soichi Hamamoto	Group President, Energy & Industrial Systems
Executive Officer (Associate)	Toru Oka	Intellectual Property, Vice President, Corporate Research and Development
Executive Officer (Associate)	Michael Corbo	Representative of Americas, Global Strategic Planning & Marketing
Executive Officer (Associate)	Yusuke Sijiki	Vice President, Corporate Manufacturing and Engineering
Executive Officer (Associate)	Norikazu Yamaguchi	Vice President, Corporate Legal & Risk Management
Executive Officer (Associate)	Seiji Oguro	Sustainability, Vice President, Sustainability Innovation Group
Executive Officer (Associate)	Masafumi Ando	Group President, Living Environment & Digital Media Equipment
Executive Officer (Associate)	Yoshihide Asakura	Vice President, Corporate Finance & Accounting
Executive Officer (Associate)	Naoto Masuda	Group President, Public Utility Systems Infrastructure Business Area
Executive Officer (Associate)	Takayuki Tsuzuki	Group President, Factory Automation Systems
Executive Officer (Associate)	Kazunori Tanaka	Group President, Automotive Equipment Representative Director
Executive Officer (Associate)	Komi Matsubara	Vice President, Business Innovation

The Company is proposing “The Election of Ten (10) Directors” as an agenda (resolution item) for the Ordinary General Meeting of Shareholders held on June 24, 2025. If this agenda is approved, the status of the Company’s Directors and Executive Officers will be as follows.

The resolution item (titles, etc.) to be made at the Board of Directors meeting scheduled to be held after the Ordinary General Meeting of Shareholders held on June 24, 2025 are also listed.

Men: 17 persons, Women: 2 persons (Women’s percentage to total number of Directors and Executive Officers: 11%)

a. Directors

Title	Name	Date of Birth	Career summary	Term of office	The number of shares owned
Director	Tatsuro Kosaka	January 18, 1953	<p>April 1976      Joined Chugai Pharmaceutical Co., Ltd.</p> <p>March 2012    Representative Director, President &amp; COO of Chugai Pharmaceutical Co., Ltd.</p> <p>March 2018    Representative Director, President &amp; CEO of Chugai Pharmaceutical Co., Ltd.</p> <p>March 2020    Representative Director, Chairman &amp; CEO of Chugai Pharmaceutical Co., Ltd.</p> <p>March 2021    Representative Director, Chairman of Chugai Pharmaceutical Co., Ltd.</p> <p>March 2022    Senior Advisor of Chugai Pharmaceutical Co., Ltd. (current position)</p> <p>June 2022      Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation</p> <p>June 2023      Director, Chairperson of the Nomination Committee and Member of the Compensation Committee</p> <p>June 2024      Director, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee (current position)</p>	From June 2025 to June 2026	6,400
Director	Hiroyuki Yanagi	November 20, 1954	<p>April 1978      Joined Yamaha Motor Co., Ltd.</p> <p>March 2010    President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.</p> <p>January 2018   Chairman and Representative Director of Yamaha Motor Co., Ltd.</p> <p>March 2021    Chairman and Director of Yamaha Motor Co., Ltd.</p> <p>January 2022   Director of Yamaha Motor Co., Ltd.</p> <p>March 2022    Advisor of Yamaha Motor Co., Ltd. (Retired in March 2025)</p> <p>June 2022      Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation</p> <p>June 2023      Director, Member of the Nomination Committee and Chairperson of the Audit Committee</p> <p>June 2024      Chairperson of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee (current position)</p>	Same as above	5,000

Title	Name	Date of Birth	Career summary	Term of office	The number of shares owned
Director	Masako Egawa	September 7, 1956	<p>April 1980 Joined Tokyo Branch, Citibank, N.A.</p> <p>September 1986 Joined New York Headquarters, Salomon Brothers Inc.</p> <p>June 1988 Joined Tokyo Branch, Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.)</p> <p>December 1993 Joined Tokyo Branch, S.G. Warburg Securities (currently UBS Securities Japan Co., Ltd.)</p> <p>November 2001 Executive Director, Japan Research Center, Harvard Business School (Retired in March 2009)</p> <p>April 2009 Executive Vice President, The University of Tokyo (Retired in March 2015)</p> <p>September 2015 Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2020)</p> <p>July 2019 Vice-Chairman, The Japan Securities Dealers Association (Retired in June 2024)</p> <p>April 2020 Specially Appointed Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2022)</p> <p>April 2022 Chancellor, Seikei Gakuen (current position)</p> <p>June 2023 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p>	From June 2025 to June 2026	1,800
Director	Haruka Matsuyama	August 22, 1967	<p>April 1995 Appointed as Assistant Judge at Tokyo District Court (Retired in July 2000)</p> <p>July 2000 Attorney-at-law (current position)</p> <p>Joined HIBIYA PARK LAW OFFICES</p> <p>January 2002 Partner of HIBIYA PARK LAW OFFICES (current position)</p> <p>June 2023 Director, Member of the Audit Committee, Mitsubishi Electric Corporation</p> <p>June 2024 Director, Chairperson of the Audit Committee, (current position)</p>	Same as above	1,800
Director	Kunihito Minakawa	August 15, 1954	<p>April 1978 Joined RICOH CO., LTD.</p> <p>October 1997 Senior Vice President &amp; CFO, Ricoh Americas Corporation</p> <p>June 2010 Outside Corporate Auditor, RICOH LEASING COMPANY, LTD.</p> <p>April 2012 Corporate Senior Vice President, General Manager of Finance and Accounting Division, RICOH CO., LTD</p> <p>June 2013 Audit &amp; Supervisory Board Member (Full-time), RICOH CO., LTD. (Retired in June 2017)</p> <p>April 2019 Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner (Retired in March 2025)</p> <p>June 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p>	Same as above	1,100

Title	Name	Date of Birth	Career summary	Term of office	The number of shares owned
Director	Peter D. Pedersen	November 29, 1967	<p>September 2000 President, E-Square Inc. (Retired in November 2011)</p> <p>January 2015 Executive Director, Next Leaders' Initiative for Sustainability (NELIS), general incorporated association (currently NELIS, non-profit organization) (current position)</p> <p>February 2020 Professor (full-time), Graduate School of Leadership and Innovation, Shizenkan University (current position)</p> <p>June 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p>	From June 2025 to June 2026	200
Director	Kei Uruma	July 27, 1959	<p>April 1982 Joined Mitsubishi Electric Corporation</p> <p>April 2017 Executive Officer, Public Utility Systems</p> <p>April 2018 Senior Vice President, Public Utility Systems</p> <p>April 2020 Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>June 2020 Director, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>April 2021 Director, Representative Executive Officer, Senior Vice President, Export Control, Corporate Strategic Planning and Operations of Associated Companies, CSO</p> <p>July 2021 Director, Representative Executive Officer, President &amp; CEO</p> <p>June 2023 Director, Member of the Nomination Committee, Representative Executive Officer, President &amp; CEO (current position)</p>	Same as above	146,827
Director	Atsushi Yabu	June 25, 1960	<p>April 1984 Joined Mitsubishi Electric Corporation</p> <p>April 2016 Executive Vice President, Mitsubishi Electric US, Inc.</p> <p>August 2018 CEO, Mitsubishi Electric Trane HVAC US LLC</p> <p>April 2019 Executive Officer, Corporate Total Productivity &amp; Management Environmental Programs</p> <p>April 2020 Executive Officer, Information Security and Total Productivity Management &amp; Environmental Programs</p> <p>April 2021 Executive Officer, Automotive Equipment (Retired in March 2024)</p> <p>June 2024 Director, Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p>	From June 2025 to June 2026	44,564
Director	Noriyuki Takazawa	August 12, 1962	<p>April 1986 Joined Mitsubishi Electric Corporation</p> <p>April 2018 Group Senior Vice President, Energy &amp; Industrial Systems Group</p> <p>April 2020 Executive Officer, Energy &amp; Industrial Systems</p> <p>April 2022 Executive Officer, Infrastructure Business Area Owner (Energy &amp; Industrial Systems)</p> <p>April 2023 Senior Vice President, Infrastructure Business Area Owner.</p> <p>April 2025 Representative Executive Officer, Senior Vice President, CSO (Corporate Strategic Planning, Operations of Associated Companies)</p> <p>June 2025 Director, Representative Executive Officer, Senior Vice President, CSO (Corporate Strategic Planning, Operations of Associated Companies) (current position)</p>	Same as above	43,045

Title	Name	Date of Birth	Career summary	Term of office	The number of shares owned
Director	Kenichiro Fujimoto	September 4, 1964	<p>April 1988    Joined Mitsubishi Electric Corporation</p> <p>April 2018    Senior General Manager, Planning &amp; Administration Dept. of Public Utility Systems Group.</p> <p>April 2020    Senior General Manager, Planning &amp; Administration Dept. of Living Environment &amp; Digital Media Equipment Group.</p> <p>April 2022    Executive Officer (Associate), Overseeing Accounting and Finance, Senior General Manager, Corporate Accounting Div.</p> <p>April 2024    Executive Officer (Associate), Vice President, Corporate Finance &amp; Accounting Group</p> <p>April 2025    Executive Officer, CFO (Financial Strategy, Accounting, and Finance), IR and SR</p> <p>June 2025    Director, Member of the Compensation, Executive Officer, CFO (Financial Strategy, Accounting, and Finance), IR and SR (current position)</p>	Same as above	2,900
Total					253,636

Notes: 1. The Company is a company with Three-committee System under Article 2, Item 12 of the Companies Act.

2. Messrs. Tatsuro Kosaka, Hiroyuki Yanagi, Kunihiro Minakawa, Peter D. Pedersen and Mes. Masako Egawa, Haruka Matsuyama are six Outside Directors, as defined under Article 2, Item 15 of the Companies Act.

b. Executive Officers

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Representative Executive Officer, President & CEO	Kei Uruma	July 27, 1959	See “a. Directors”		From April 2025 to March 2026	146,827
Representative Executive Officer, Senior Vice President, Industry & Mobility Business Area Owner and Export Control	Kunihiko Kaga	September 22, 1964	<p>April 1990 April 2020</p> <p>April 2021 July 2021</p> <p>April 2022 June 2022</p> <p>April 2023 June 2023</p> <p>April 2024 April 2025</p>	<p>Joined Mitsubishi Electric Corporation Deputy Vice President, Corporate Research and Development</p> <p>Executive Officer, Research &amp; Development, CTO</p> <p>Executive Officer, Corporate Strategic Planning and Operations of Associated Companies, CSO</p> <p>Executive Officer, Auditing, CSO (Corporate Strategic Planning and Operations of Associated Companies), CTO (Technology Strategies)</p> <p>Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning and Operations of Associated Companies), CTO (Technology Strategies)</p> <p>Director, Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and CTO (Technology Strategies)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and CTO (Technology Strategies)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner (Automotive Equipment)</p> <p>Representative Executive Officer, Senior Vice President, Industry &amp; Mobility Business Area Owner and Export Control (current position)</p>	Same as above	45,545
Representative Executive Officer, Senior Vice President, CSO (Corporate Strategic Planning, Operations of Associated Companies)	Noriyuki Takazawa	August 12, 1962	See “a. Directors”		Same as above	43,045

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Senior Vice President, CRO (Risk Management & Economic Security, Legal Affairs & Intellectual Property & External Relations, and Security Trade Control) and External Relations	Satoshi Kusakabe	January 24, 1960	April 1982	Joined the Ministry of International Trade and Industry	From April 2025 to March 2026	51,926
			July 2007	Director-General, Personnel Division, Minister's Secretariat, Ministry of Economy, Trade and Industry		
			July 2010	Deputy Director-General, Minister's Secretariat (in charge of Economic and Industrial Policy Bureau), Ministry of Economy, Trade and Industry		
			October 2010	Councilor, Cabinet Secretariat (National Policy Unit)		
			September 2012	Director-General for Policy Planning and Coordination, Ministry of Economy, Trade and Industry		
			June 2013	Deputy Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry		
			July 2015	Commissioner, Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry		
			July 2018	Retired from the Ministry of Economy, Trade and Industry		
			November 2018	Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd.		
			July 2019	Advisor, Mitsubishi Electric Corporation		
			April 2020	Executive Officer, Government & External Relations, Export Control, and Intellectual Property		
			October 2020	Executive Officer, Government & External Relations, Economic Security, Export Control, and Intellectual Property		
			January 2022	Executive Officer, CRO (Risk Management, Economic Security and Export Control), Government & External Relations, Intellectual Property		
			April 2022	Executive Officer, CRO (Legal Affairs & Compliance, Risk Management, Economic Security and Export Control)		
			April 2024	Senior Vice President, CRO (Legal Affairs & Intellectual Property & External Relations, Risk Management, Economic Security, Export Control and Government & External Relations)		
			April 2025	Senior Vice President, CRO (Risk Management & Economic Security, Legal Affairs & Intellectual Property & External Relations, and Security Trade Control) and External Relations (current position)		



Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Senior Vice President, CDO (DX, Business Innovation), CIO (Information Security and IT), Digital Innovation	Satoshi Takeda	March 10, 1967	April 1989 April 2020 April 2021 April 2022 April 2023 June 2023 October 2023 April 2024 April 2025 June 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Overseas Marketing Div. of Factory Automation Systems Group Senior General Manager, Planning & Administration Dept. of Factory Automation Systems Group Executive Officer, Industry & Mobility Business Area Owner (Factory Automation Systems) Executive Officer, Auditing, CSO (Corporate Strategic Planning, IR and SR, Operations of Associated Companies, Three Key Reforms and Sustainability) Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms, and Sustainability) Director, Executive Officer, Auditing, CSO (Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms, and Sustainability), CDO (DX, Business Innovation) Director, Executive Officer, CSO (Corporate Strategic Planning, Operations of Associated Companies and Three Key Reforms), CDO (DX, Business Innovation) Director, Senior Vice President, CDO (DX, Business Innovation), CIO (Information Security and IT), Digital Innovation Senior Vice President, CDO (DX, Business Innovation), CIO (Information Security and IT), Digital Innovation (current position)	From April 2025 to March 2026	30,267
Executive Officer, CTO (Technology Strategies), Defense & Space Systems	Tomonori Sato	August 31, 1967	April 1992 April 2020 April 2021 July 2021 April 2022 April 2023 April 2024	Joined Mitsubishi Electric Corporation Deputy Senior General Manager, Advanced Technology R&D Center Senior General Manager, Advanced Technology R&D Center Executive Officer, CTO (Corporate Research and Development) Executive Officer, Intellectual Property and Corporate Research & Development Executive Officer, Defense & Space Systems Executive Officer, CTO (Technology Strategies), Defense & Space Systems (current position)	Same as above	29,482
Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering)	Yoshikazu Nakai	September 5, 1961	April 1984 April 2014 April 2016 December 2018 November 2020 April 2022 April 2023 April 2024	Joined Nissan Motor Co., Ltd. Vice President, Total Customer Satisfaction Function, Planning and Administration Dept., Nissan Motor Co., Ltd. Corporate Vice President, Total Customer Satisfaction Function, Production/Field Quality, Quality Audit, Nissan Motor Co., Ltd. Executive Vice President, Nori Corporation General Manager, Global Quality Control Dept of Automotive Motor & Electronic Control Business Group, NIDEC CORPORATION Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering) Executive Officer, CPO (Manufacturing, Corporate Total Productivity Management & Environmental Programs), CQO (Corporate Quality Assurance Reengineering) Executive Officer, CPO (Manufacturing), CQO (Corporate Quality Assurance Reengineering) (current position)	Same as above	17,382

Title	Name	Date of Birth	Career summary		Term of office	The number of shares owned
Executive Officer, CHRO (Global Human Resources Strategy, Human Resources & General Affairs, Corporate Human Resources Group), Public Relations	Yasunari Abe	November 12, 1966	April 1989 April 2020 April 2022 April 2023 April 2024	Joined Mitsubishi Electric Corporation Senior General Manager, Public Relations Div. of Corporate Communication Group Executive Officer (Associate), Senior General Manager, Corporate Human Resources Div. Executive Officer, CHRO (General Affairs and Human Resources), Public Relations Executive Officer, CHRO (Global Human Resources Strategy, Human Resources & General Affairs, Corporate Human Resources Group), Public Relations (current position)	From April 2025 to March 2026	17,104
Executive Officer, Life Business Area Owner	Yasumichi Tazunoki	September 9, 1963	April 1987 April 2020 April 2021 April 2022 April 2023 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Air-Conditioning & Refrigeration Systems Div. Deputy Senior General Manager, Corporate Strategic Planning Div. Executive Officer (Associate), Senior General Manager, Corporate Strategic Planning Div. Executive Officer (Associate), Group President, Living Environment & Digital Media Equipment Executive Officer, Life Business Area Owner (current position)	Same as above	8,900
Executive Officer, Infrastructure Business Area Owner	Hideto Negoro	September 30, 1966	April 1991 April 2018 April 2021 April 2022 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Itami Works Senior General Manager, Public-Use Systems Marketing Div. Executive Officer (Associate), Group President, Public Utility Systems Executive Officer, Infrastructure Business Area Owner (current position)	Same as above	1,300
Executive Officer, Procurement Vice President, Corporate Procurement	Shigeki Kawaji	September 19, 1962	April 1985 April 2019 April 2022 April 2023 April 2025	Joined Mitsubishi Electric Corporation Senior General Manager, Overseas Marketing Div. Executive Officer (Associate), Senior General Manager, Corporate Purchasing Div. Executive Officer (Associate), Purchasing, Senior General Manager, Corporate Purchasing Div. Executive Officer, Procurement Vice President, Corporate Procurement (current position)	Same as above	6,800
Executive Officer, CFO (Financial Strategy, Accounting, and Finance), IR and SR	Kenichiro Fujimoto	September 4, 1964	See “a. Directors”		Same as above	2,900
Total						401,478

Notes: 1. The Company is a company with Three-committee System under Article 2, Item 12 of the Companies Act.

2. Details of Chief Officer are as follows.

CEO	Chief Executive Officer	CPO	Chief Productivity Officer
CDO	Chief Digital Officer	CQO	Chief Quality Officer
CFO	Chief Financial Officer	CRO	Chief Risk Management Officer
CHRO	Chief Human Resources Officer	CSO	Chief Strategy Officer
CIO	Chief Information Officer	CTO	Chief Technology Officer

### 3. Details of Executive Officers (Associate)

Effective April 1, 2025, based on the company-wide management policy, the Company has appointed Executive Officers (Associate) who make decisions on overall management and execute business in relation to divisions within their purview. The appointments are as follows:

Title	Name	Positions Held
Executive Officer (Associate)	Masayoshi Takemi	Group President, Semiconductor & Device
Executive Officer (Associate)	Masahiro Oya	Global Strategic Planning & Marketing, Vice President, Global Strategic Planning & Marketing
Executive Officer (Associate)	Iwao Oda	Group President, Building Systems, Representative Director
Executive Officer (Associate)	Hiroshi Tsuchimoto	Auditing, Vice President, Corporate Strategic Planning Group
Executive Officer (Associate)	Toshie Takeuchi	Brand Communication, Vice President, Corporate Marketing
Executive Officer (Associate)	Soichi Hamamoto	Group President, Energy & Industrial Systems
Executive Officer (Associate)	Toru Oka	Intellectual Property, Vice President, Corporate Research and Development
Executive Officer (Associate)	Michael Corbo	Representative of Americas, Global Strategic Planning & Marketing
Executive Officer (Associate)	Yusuke Sijiki	Vice President, Corporate Manufacturing and Engineering
Executive Officer (Associate)	Norikazu Yamaguchi	Vice President, Corporate Legal & Risk Management
Executive Officer (Associate)	Seiji Oguro	Sustainability, Vice President, Sustainability Innovation Group
Executive Officer (Associate)	Masafumi Ando	Group President, Living Environment & Digital Media Equipment
Executive Officer (Associate)	Yoshihide Asakura	Vice President, Corporate Finance & Accounting
Executive Officer (Associate)	Naoto Masuda	Group President, Public Utility Systems Infrastructure Business Area
Executive Officer (Associate)	Takayuki Tsuzuki	Group President, Factory Automation Systems
Executive Officer (Associate)	Kazunori Tanaka	Group President, Automotive Equipment Representative Director
Executive Officer (Associate)	Komi Matsubara	Vice President, Business Innovation

## 2) Outside Directors

The Company has six Outside Directors, each of whom has no special interest with the Company. Although companies which each of the Outside Directors holds office in or has been a director or officer of include those with trading relationships with the Company, no such relationships have an impact on the independence of each relevant Outside Directors based on the scale or nature of such trading, and thus they possess no risk of giving rise to any conflict of interest with the general shareholders of the Company.

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 Guidelines on the Independence of Outside Directors (see note at below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are selected as Outside Directors.

### <Independency Guideline for Outside Directors>

Mitsubishi Electric Corporation 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 not falling under any of the following cases, as candidates for Outside Directors. Each of the following 1, 2, 4 and 5 includes a case in any fiscal year during the past three fiscal years.

1. Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executors") 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
2. Persons who serve as business executors at a company from which the Company has borrowings that exceed 2% of the consolidated total assets
3. Persons who are related parties of the Company's Independent Auditor
4. Persons who receive more than 10 million yen of compensation from the Company as specialists or consultants
5. 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
6. Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executors
7. Persons who are related parties of a person or company that have material conflict of interest with the Company

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the audit committee, Independent Auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable comments regarding Mitsubishi Electric's management from an objective perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

## (3) Status of Audit

### 1) Audit Committee

#### a. Organization, members, and procedures of the Audit Committee

The Audit Committee is made up of four Directors, three of whom are Outside Directors. The Committee audits the legality, adequacy, and efficiency of the execution of the duties by Directors and Executive Officers and creates an audit report to be submitted to the shareholders' meeting with its resolution.

Mr. Kunihito Minakawa, a member of the Audit Committee, has long years of experience in the accounting and financial department of listed company and possesses considerable knowledge of finance and accounting. The Audit Committee has five dedicated staffers who take direct orders from Audit Committee members and support them in executing their duties.

The Audit Committee is planned to remain made up of four Directors, three of whom are Outside Directors, following a resolution of the Board of Directors to be held after the 154th Ordinary General Meeting of Shareholders scheduled for June 24, 2025.

b. Frequency of the Audit Committee meeting and attendance of each Director

The Company held fourteen Audit Committee meetings during the fiscal year. Each meeting took about one and a half hours. Audit Committee members worked to secure sufficient time for questions and answers on the day of the Audit Committee meeting, such as by checking materials with audio commentary in advance via the dedicated Audit Committee website, mainly for matters for reporting. The attendance of each Audit Committee member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Chairperson of the Audit Committee (Outside Director)	Haruka Matsuyama	14/14	100%
Member of the Audit Committee (Outside Director)	Kunihito Minakawa	11/11	100%
Member of the Audit Committee (Outside Director)	Peter D. Pedersen	11/11	100%
Member of the Audit Committee	Atsuhiko Yabu	11/11	100%

Notes: 1. Out of the above members, Mr. Atsuhiko Yabu is responsible for investigation.

2. The status of attendance for Messrs. Kunihito Minakawa, Peter D. Pedersen and Atsuhiko Yabu is based on the number of the Audit Committee meetings held after their assumption of office on June 25, 2024.

c. Activities of the Audit Committee members

- Among the Audit Committee members, the member responsible for investigation (a full-time Audit Committee member) plays a central role in attending Executive Officers' meetings and other important conferences, as well as conducting investigations—such as interviews with Executive Officers and Executive Officers (Associate), visits to the Company's offices and subsidiaries, and interviews with executive staff thereof—in accordance with the policies and assignments determined by the Committee.
- The Audit Committee members receive internal audit reports and monthly reports from the Corporate Auditing Division. At Audit Committee meetings, members also receive reports on internal audit policies for the fiscal year and the results of semi-annual internal audits, and provide their opinions as necessary.
- The Audit Committee members receive reports from the Corporate Legal & Risk Management Group and other departments in charge of internal control, such as reports on the building of an internal control system that emphasizes predictive indicators and prevention, the formulation and operation of a compliance program, and the development and operation of an internal whistle-blowing system, and provide their opinions as necessary.
- The Audit Committee members discuss 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 exchange opinions with them.

In addition, Outside Audit Committee members visit the Company's offices and subsidiaries to offer their opinions based on the various skills they each possess at the Audit Committee meeting and other occasions.

d. Specific Agenda Contents of the Audit Committee

The specific agenda of the Audit Committee includes the formulation of audit policies and activity planning, checks on the status of execution of the duties by Directors and Executive Officers and the status of establishment and operation of the internal control system, checks on methods of auditing by the Independent Auditor and validity of results, and evaluation of the Independent Auditor and drafting of proposals for reappointment and non-reappointment of the Independent Auditor.

In fiscal 2025, the Audit Committee conducted interviews with and expressed its opinions to Executive Officers, Executive Officers (Associate), managers at the Company's offices, and managers at the Company's subsidiaries, as appropriate, regarding the deepening and progress of the Three Reforms and various initiatives aimed at preventing any recurrence of the improper quality control practices and the labor and cybersecurity issues that have occurred at the Company, including measures to ensure the lessons learned from these incidents are remembered. These interviews were conducted with a focus on thorough ethics and compliance, coupled with sufficient and sound communication in the context of a good workplace culture, in the belief that these qualities are vital in order to promote business transformation, including the enhancement of management quality and the advancement of genuine sustainability management.

e. Effectiveness evaluation of the Audit Committee

The Audit Committee conducts evaluation to improve performance every year in the form of questionnaires to be filled out by each committee member. In fiscal 2025, the following opinions and proposals were made:

- The frequency of Audit Committee meetings, explanations of proposals, and Q&A sessions are sufficient and appropriate. Operations could be improved by setting key agenda items as appropriate, through even stronger coordination with the three-party Audit System and the divisions in charge of internal control.
- The Audit Committee member responsible for investigation (a full-time Audit Committee member) periodically reports his activities and the results thereof, and management information is properly shared among Audit Committee members in a timely manner.

Although we believe that these evaluations in effect endorse the performance of the Audit Committee, we will continue to make efforts to improve performance.

## 2) Status of Internal Audit

a. Organization, members, and procedures for internal audit

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

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

b. Relationship with the divisions in charge of internal control

In the Group, the corporate management divisions and corporate staff groups such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Licensing Division, and the Corporate Security Trade Control Division inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each business division has its own compliance department, which reliably spreads companywide compliance policies and inspects the compliance status in each business division.

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

c. Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit

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

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

d. Activities to ensure the effectiveness of internal audits

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

The Corporate Auditing Division prepares a report summarizing the internal audit for the first and second half of the year as a regular report, and reports it to the Audit Committee, and the President & CEO via the Executive Officer or Executive Officer (Associate) in charge twice a year. The content of the report is made known to the Board of Directors by Audit Committee members.

## 3) Status of accounting audit

a. Overview of the Independent Auditor

(a) Name of accounting auditor

KPMG AZSA LLC

(b) Continuing Audit Period

KPMG AZSA LLC was engaged in the accounting audit of consolidated financial statements of the Company under the

Securities Exchange Act (currently the Financial Instruments and Exchange Act) for the fiscal year ended March 31, 2005, and has been engaged in the accounting audit of the Company under the Companies Act and the Securities Exchange Act (currently the Financial Instruments and Exchange Act) from the fiscal year ended March 31, 2006. The Company started preparing consolidated financial statements in English in accordance with the USGAAP from the fiscal year ended March 31, 1970, prompted by the need of issuing USD-denominated convertible bonds in the European market in March 1970, and has been preparing consolidated financial statements in English in accordance with IFRS Accounting standards from the fiscal year ended March 31, 2019 onward. Since the fiscal year ended March 31, 1981, the Company has been entrusting the accounting audit of such consolidated financial statements prepared in English to a Japanese member firm (currently KPMG AZSA LLC) of Peat, Marwick, Mitchell & Co. (currently KPMG).

(c) Certified public accountants who executed the accounting audit

Kensuke Sodekawa, Yukihiro Ishiguro, and Kazuaki Sasaki

(d) Composition of assistants involved in audit activities

The assistants involved in the execution of accounting audit are 23 certified public accountants, 24 certified public accountant examination passers, and 53 other personnel.

Under the above structure, the Company provides KPMG AZSA LLC an environment for conducting audits from a fair and impartial standpoint, including provision of adequate management information.

b. Reasons for selecting the Independent Auditor

The Company selects the Independent Auditor mainly in consideration of the following:

- The Independent Auditor complies with the matters related to the performance of duties of the Independent Auditor stipulated under Article 131 of the Ordinances of Companies Accounting, such as the matters related to independence.
- The Independent Auditor retains sufficient audit staff with professional experience and expertise to conduct audits of the Group.
- The Independent Auditor retains a network to adequately conduct audits of subsidiaries and affiliated companies of the Company in Japan and overseas, in accordance with local laws and regulations as well as fair and appropriate accounting standards, etc.

KPMG AZSA LLC has been appointed as the Independent Auditor of the Company, because it is a member firm of the KPMG network that provides audit services globally, with staff and systems capable of auditing the Group's global business activities in an integrated manner as an international accounting expert, can handle consolidated account closing in accordance with IFRS Accounting standards, establishes and operates a quality control system adequately, and maintains independence from the Group, with a sufficient investigation system on which to base its opinions.

<Matters set out in Article 126, Item 4 of the Ordinance for Enforcement of the Companies Act>

- Policies on dismissal or non-reappointment of the Independent Auditor

The Company has set out the following policies for determination of dismissal or non-reappointment of the Independent Auditor.

(a) The Independent Auditor may be dismissed in the event that it:

- Commits any breach or omission of due fulfillment of the responsibilities of its work;
- Acts in a manner that is inappropriate for an Independent Auditor; or,
- Is involved in any sort of incident or activity that is deemed to fall within the scope of the items above.

(b) In addition to the above, for such reasons as (but not limited to) amelioration of the audit quality, the Company may opt, as necessary, not to renew the retention or appointment of the Independent Auditor.

c. Evaluation of the Independent Auditor

The Audit Committee has established the Company's evaluation standards for the Independent Auditor and evaluates the Independent Auditor accordingly with respect to its independence, systems to perform its duties, status of accounting audits, and quality control. The Company has determined that the performance of the Independent Auditor is appropriate for the fiscal year under review in accordance with the Company's standards.

d. Details of audit fees, etc.

(a) Fees to the certified public accountants

(Millions of yen)

Classification	For the year ended March 31, 2024		For the year ended March 31, 2025	
	Fees for audit services	Fees for non-audit services	Fees for audit services	Fee for non-audit services
The Company	330	5	333	0
Consolidated subsidiaries	282	1	339	0
Total	612	7	672	1

Fees to the certified public accountants for non-audit services paid by the Company and its consolidated subsidiaries for the years ended March 31, 2024 consist mainly of preparing comfort letters associated with issuing bonds, etc. Fees to the certified public accountants for non-audit services paid by the Company and its consolidated subsidiaries for the years ended March 31, 2025 consist mainly of agreed procedures for tax returns, etc.

(b) Fees to organizations that belong to the same network (KPMG)

(Millions of yen)

Classification	For the year ended March 31, 2024		For the year ended March 31, 2025	
	Fees for audit services	Fees for non-audit services	Fees for audit services	Fees for non-audit services
The Company	167	139	109	194
Consolidated subsidiaries	982	198	1,152	195
Total	1,150	338	1,262	389

Fees to audit firms, etc. that belong to the same network (KPMG) as KPMG AZSA LLC, the Company's auditing accountants, for non-audit services paid by the Company and its consolidated subsidiaries for the years ended March 31, 2024 and 2025 consist mainly of various advisory services.

e. Policies for determining audit fees

Audit fees are determined based on the verification of validity of the audit plan including audit structure, procedures, and schedule, as well as the unit price of fees per audit hour, subject to the approval of the Audit Committee.

f. Reasons for the Audit Committee's consent on the compensation paid to the Independent Auditor

The Audit Committee has agreed to the amount of fees paid to the Independent Auditor as reasonable, as the amount is based on the estimated audit hours derived from audit policies and plans for the fiscal year under review confirmed with the Independent Auditor, and the unit price of fees is reasonable.



#### (4) Compensation for Directors and Executive Officers

##### 1) The Policy for Determining Compensation for Directors and Executive Officers for Fiscal 2025

The policy for determining compensation for Directors and Executive Officers are deliberated upon and decided by the Compensation Committee, a majority of which is comprised of Outside Directors, including the chairperson. The policy is as follows. If the Director concurrently serves as an Executive Officer, the policy for determining compensation for Executive Officers is applied.

###### a. Basic Policies

As a Company with a Three-committee System, the Company 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. The compensation scheme for Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each duty and position. The compensation will be determined by the Compensation Committee based on the following basic policies:

###### (a) Directors

- (i) The compensation scheme should encourage the Directors to demonstrate their supervisory function of management.
- (ii) The compensation should be the amount necessary to secure suitable talent to fulfill the responsibilities of the Company's Directors.

###### (b) Executive Officers

- (i) The compensation scheme should observe the corporate philosophy of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees.
- (ii) The compensation scheme should encourage the execution of duties in line with management strategies and provide strong incentives to achieve management goals.
- (iii) The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value.
- (iv) The compensation scheme should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.

###### b. The system for determining compensation

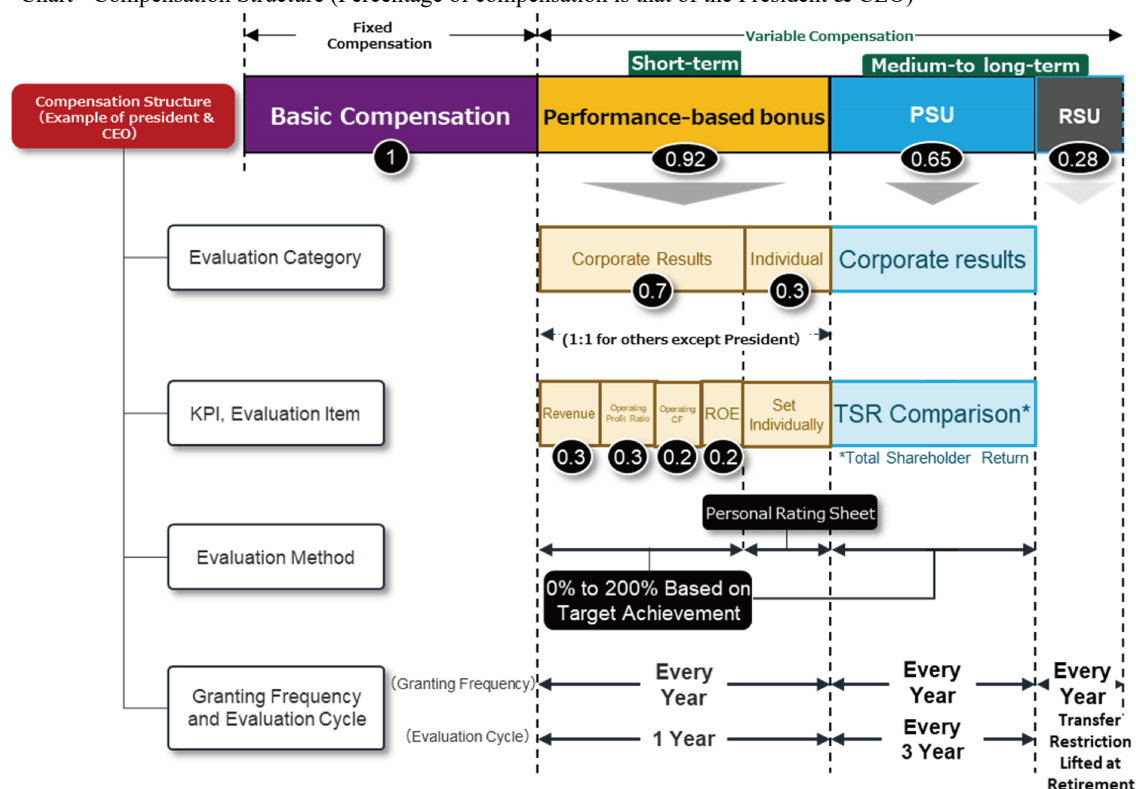
###### (a) Directors

The compensation scheme for Directors shall consist exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management from an objective and independent perspective.

###### (b) Executive Officers

The compensation scheme for Executive Officers shall be as follows, with an emphasis on the improvement of medium-term corporate value and shareholder value.

<Chart> Compensation Structure (Percentage of compensation is that of the President & CEO)



(i) Basic compensation

Fixed compensation is set in accordance with the roles and responsibilities of each Executive Officer and is paid monthly in cash by dividing the position-based annual standard amount by 12.

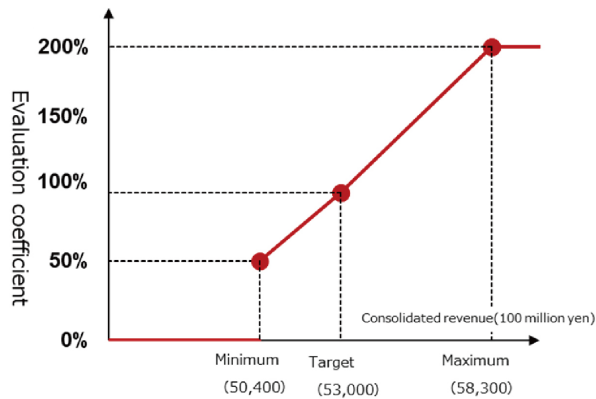
(ii) Performance-based bonus

The performance-based bonus consists of “Corporate Performance Evaluation” and “Individual Evaluation.” Toward the implementation and achievement of targets of important indicators, priority measures, etc. in the Medium-term Management Plan, the consolidated revenue, consolidated operating profit ratio, operating cash flow, and ROE are used as evaluation indicators for “Corporate Performance Evaluation.” For “Individual Evaluation,” as an evaluation indicator, non-financial targets and business areas are determined for each Executive Officer. For Executive Officers who control a Business Area or Business Group, actual results of their Business Group as well as non-financial targets are used as evaluation indicators. The amount to be paid is determined in accordance with the status of achievements of these indicators. The payment amount for each individual will fluctuate in the range of 0% to 200% and shall be calculated as below and paid in a lump sum in cash after the end of each fiscal year.

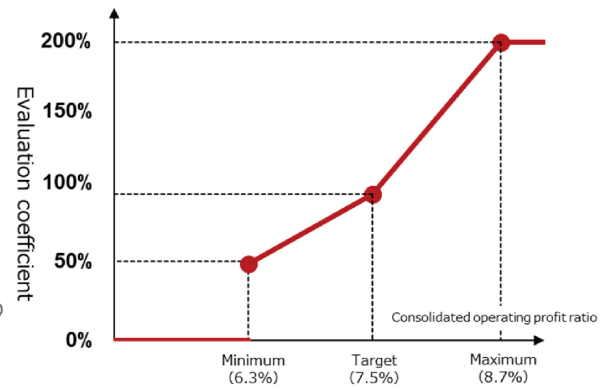
$$\text{Individual payment amount} = \text{Position-based standard amount} \times (\text{Corporate performance evaluation coefficient} + \text{Individual evaluation coefficient}) \text{ (in the range of 0-200\%)}$$

■ Determination of corporate performance evaluation coefficients

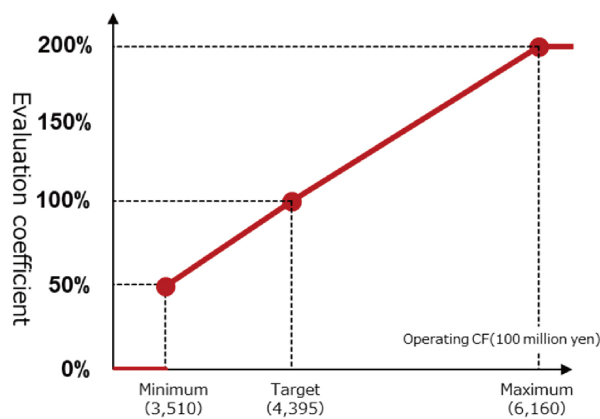
〔Consolidated revenue〕



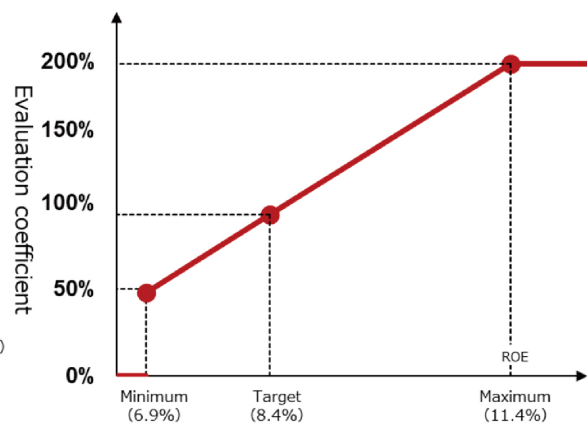
〔Consolidated operating profit ratio〕



〔Operating cash flow〕



〔ROE〕



\*The target, minimum and maximum are those for the fiscal 2025.

■ Determination of individual evaluation coefficients

The targets for the President & CEO shall be determined through the deliberation of the Compensation Committee at the beginning of the fiscal year. Evaluations shall be made after the end of the fiscal year, by deliberation and decision by the Compensation Committee following a self-evaluation by the President & CEO.

Targets and evaluations of other Executive Officers are discussed and approved by the Compensation Committee after a meeting between the President & CEO and each Executive Officer.

■ Evaluation Indicators, Ratios, and Targets for FY2025

Evaluation indicators		Evaluation ratios		Targets, etc.		Performance results	Evaluation coefficient
		President & CEO	Other Executive Officers				
Corporate performance evaluation	Consolidated revenue	21%	15%	Maximum	5,830.0 billion yen	5,521.7 billion yen	141.8%
				Target	5,300.0 billion yen		
				Minimum (Threshold)	5,040.0 billion yen		
	Consolidated operating profit ratio	21%	15%	Maximum	8.7%	7.1%	83.3%
				Target	7.5%		
				Minimum (Threshold)	6.3%		
	Operating CF	14%	10%	Maximum	616.0 billion yen	455.9 billion yen	109.3%
				Target	439.5 billion yen		
				Minimum (Threshold)	351.0 billion yen		
	ROE	14%	10%	Maximum	11.4%	8.4%	100.0%
				Target	8.4%		
				Minimum (Threshold)	6.9%		
Individual evaluation		30%	50%	Set specific targets for each Executive Officer regarding the following items: • Priority measures in the Medium-Term Management Plan • Measures related to “Three Reforms” • ESG promotion (greenhouse gas emission, ratio of female in management positions, employee engagement) • Performance of the business areas or business group in charge		Based on evaluation against individual targets and business performance of the business group in charge, etc.	—

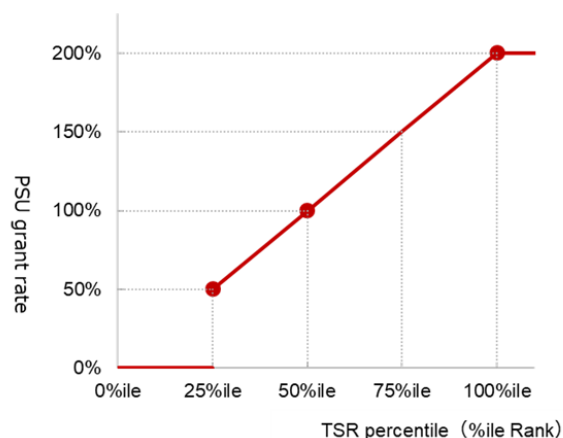
(iii) Performance-based stock compensation (Performance Share Units (PSU))

In principle, the number of shares to be issued as performance-based stock compensation (PSU) varies between 0% and 200%, depending on the comparison result (in percentile) between the Company’s TSR (total shareholder return) for the three years and the TSR of a pre-selected group of comparable companies. The comparable companies are selected from domestic and overseas companies in the business areas in which the Company operates. The number of shares to be delivered to each individual is calculated as follows:

$$\text{Number of shares delivery to each individual} = \text{Standard PSU points for the position} \times \text{PSU grant rate (in the range of 0-200\%)}$$

■ Determination of PSU grant rate

[TSR percentile vs comparable companies]



■ PSU of which evaluation period ended in fiscal 2025

The Company's TSR evaluation period was 84.4 %ile, resulting in a PSU provision rate of 168.8%.

(iv) Restricted Stock Units (RSU)

In order to promote continuous shareholding and shareholder value during the term of office, the Restricted Stock Unit (RSU) program shall, in principle, deliver shares, with transfer restrictions, equivalent to the standard amount for the position at the end of each fiscal year. The transfer restrictions shall be lifted at retirement (when the Company's Director or Executive Officer retires from his/her position).

■ Diagram of the cycle of granting points and shares for Performance Share Units (PSU) and Restricted Stock Units (RSU)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
PSU		TSR evaluation period (3 years)				
			TSR evaluation period (3 years)			
				TSR evaluation period (3 years)		
	: Deliver shares 3 years after the start of the evaluation period (Overlap-type)					
RSU	Vesting period (1 year)	(Same as the left)	(Same as the left)	(Same as the left)	(Same as the left)	(Same as the left)
	: Deliver shares at every fiscal year-end (Transfer restrictions lifted at retirement)					

■ : Grant basic points

■ : Deliver shares (Transfer restrictions for RSU)

c. Method of setting compensation levels and compensation composition ratios

The compensation levels and compensation composition 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 the Company in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.

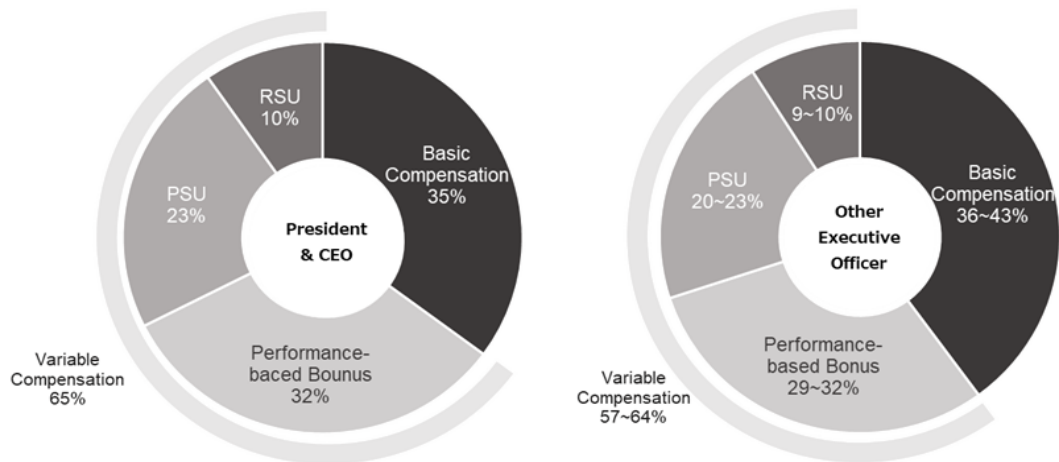
(a) Directors

The basic compensation levels of Directors are set in consideration of the compensation levels of non-executive internal directors and Outside Directors of the compensation benchmark companies, their roles and responsibilities, and other factors.

(b) Executive Officers

The compensation, etc. of Executive Directors is set in consideration of the trends in compensation levels of executive officers at the compensation benchmark companies, the management strategy and business environment of the Company, the objectives of incentive compensation and the degree of difficulty in achieving the targets, the roles and responsibilities of the Executive Officer concerned and other relevant factors. Additionally, from the perspective of pay-for-performance, the compensation composition has been set with a higher ratio of incentive compensation to place greater emphasis on the link between performance and the medium- and long-term improvement of corporate value and shareholder value. The composition of standard compensation for fiscal 2025 is as follows.

■ Composition of standard compensation for fiscal 2025



\*PSU: Acronym for Performance Share Unit

\*RSU: Acronym for Restricted Stock Unit

\*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.

d. Compensation governance

As a Company with a Three-committee system, the Company has set forth the following:

■ The major roles and authority of the Compensation Committee

The Company’s Compensation Committee has the authority to determine the details of compensation, etc. for individual Directors and Executive Officers of the Company. It mainly determines the policies for determining executive compensation, etc., the details of compensation, etc. for individual Directors and Executive Officers, company-wide performance evaluations related to the incentive compensation of Executive Officers, and the individual evaluations of Executive Officers. The composition of the Compensation Committee, which is to be chaired by an Outside Director, is as follows for fiscal 2025.

[Composition of the Compensation Committee for fiscal 2025]

- Chairperson (Outside Director): Tatsuhiro Kosaka
- Members (Outside Directors): Hiroyuki Yanagi and Masako Egawa
- Member (Internal Director): Kuniaki Masuda

■ Decision-making process and annual schedule

In the deliberation and determination of the policy for determining executive compensation, etc., the Company’s Compensation Committee gathers information and receives advice from compensation consultants from an external professional organization with abundant global experience and knowledge, from the standpoint of ensuring independence of its judgement and enhancing the effectiveness of the roles and authority of the Compensation Committee. The Compensation Committee conducts deliberation and determination based on such information as well as due consideration of the environment and general trends surrounding the compensation for management.

e. Stock ownership guidelines

We believe 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, we have established the following stock ownership guidelines and require Executive Officers to continuously hold the Company’s stock during their term of office, even after the target amount has been reached.

[Stock Ownership Guidelines]

Targeted holdings to be achieved within four years of assuming the position

Position	Target amount	
President & CEO	The multiple to be applied to the annual basic compensation	1.3 times
Executive Vice President		1.1 times
Senior Vice President		1.0 times
Executive Officer		0.8 times

f. Malus and clawback provisions

The Company shall introduce “malus and clawback provisions” so that, 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 his/her right to receive incentive compensation (malus) or return his/her paid compensation (clawback). The compensation that may be subject to these provisions shall be 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.

2) Total amount of compensation (for Fiscal 2025)

a. Directors’ and Executive Officers’ Compensation

Category	Number Receiving Payment	Total Compensation Amount (Millions of yen)	Total Compensation Amount by Type (Millions of yen)				
			Basic Compensation	Performance-based bonus	Performance Share Unit	Restricted Stock Unit	Retirement Benefit
Directors	3	60	60	-	-	-	-
Outside Directors	9	147	136	-	-	-	11
Executive Officers	12	1,563	590	460	359	153	-

Notes:

- The number of Directors receiving compensation does not include Outside Directors or Directors who concurrently hold posts as Executive Officers.
- The amount of performance-based bonus is a reserve amount for a bonus as of the end of March 2025 to be paid to applicable Executive Officers in June 2025 for the target period from April 2024 to March 2025.  
Regarding the performance-based bonus, there was a difference amounting to 11 million yen with the total compensation disclosed in the previous fiscal year’s Annual Securities Report. Said difference was not included in the amount disclosed above.
- The amount of the Performance Share Unit is a standard amount for stock compensation to be granted to applicable Executive Officers after the TSR evaluation period (three years) for the target period from April 2024 to March 2025.  
Regarding the Performance Share Unit for the period from fiscal 2023 to fiscal 2025, there was a difference amounting to 551 million yen with the total compensation disclosed in the previous fiscal year’s Annual Securities Report. Said difference was not included in the amount disclosed above.
- The amount of the Restricted Stock Unit is the total amount of compensation for shares with transfer restrictions granted to applicable Executive Officers in March 2025 for the target period from April 2024 to March 2025.
- The Company has adopted the BIP (Board Incentive Plan) Trust for the Performance Share Unit and Restricted Stock Unit whereby shares will be granted to Executive Officers after the TSR evaluation period (three years) for the Performance Share Unit and after the vesting period (one year) for the Restricted Stock Unit.
- With regard to the retirement benefits for Directors and Executive Officers, the retirement benefits were terminated for Directors after the conclusion of the Ordinary General Meeting of Shareholders held in June 2021, and for Executive Officers from April 1, 2021. Directors and Executive Officers who assumed office prior to the termination date of retirement benefits shall be paid retirement benefits at the time of retirement for the term of office until the termination date of the retirement benefits, in accordance with the Regulations on the Retirement Benefits of Directors and Executive Officers determined by the Compensation Committee.  
Regarding the retirement benefits for Executive Officers, there was a difference amounting to 6 million yen with the total compensation disclosed in the previous fiscal years’ Business Reports. Said difference was not included in the amount disclosed above.

b. Directors or Executive Officers who received compensation of 100 million yen or more

Name	Category	Company	Total Compensation Amount (Millions of yen)	Total Compensation Amount by Type (Millions of yen)			
				Basic Compensation	Performance-based bonus	Performance Share Unit	Restricted Stock Unit
Kei Uruma	Executive Officer	Mitsubishi Electric Corporation (The Company)	517	135	130	210	41
Tadashi Matsumoto	Executive Officer	Mitsubishi Electric Corporation (The Company)	219	40	42	93	17
	Director	Mitsubishi Electric Building Solutions Corporation (Consolidated Subsidiary)		18	6	-	-
Kunihiko Kaga	Executive Officer	Mitsubishi Electric Corporation (The Company)	151	25	31	64	11
	Director	Mitsubishi Electric Mobility Corporation (Consolidated Subsidiary)		18	-	-	-
Noriyuki Takazawa	Executive Officer	Mitsubishi Electric Corporation (The Company)	158	44	38	64	11
Satoshi Kusakabe	Executive Officer	Mitsubishi Electric Corporation (The Company)	149	44	37	56	11
Yoji Saito	Executive Officer	Mitsubishi Electric Corporation (The Company)	114	36	23	46	8
Eiichiro Mitani	Executive Officer	Mitsubishi Electric Corporation (The Company)	125	40	24	51	8



Name	Category	Company	Total Compensation Amount (Millions of yen)	Total Compensation Amount by Type (Millions of yen)			
				Basic Compensation	Name	Category	Company
Kuniaki Masuda	Executive Officer	Mitsubishi Electric Corporation (The Company)	127	40	26	51	8
Tomonori Sato	Executive Officer	Mitsubishi Electric Corporation (The Company)	111	36	20	46	8
Yoshikazu Nakai	Executive Officer	Mitsubishi Electric Corporation (The Company)	117	36	26	46	8
Satoshi Takeda	Executive Officer	Mitsubishi Electric Corporation (The Company)	130	40	29	51	8
Yasunari Abe	Executive Officer	Mitsubishi Electric Corporation (The Company)	108	36	29	35	8

- Notes: 1. The amounts of performance-based bonus are differences between the total amounts paid during fiscal 2025 and the total amounts disclosed in the securities report for the previous fiscal year, and are the total reserve amounts for bonuses as of the end of March 2025 to be paid to applicable Executive Officers in June 2025 for the target period from April 2024 to March 2025.
2. The amount shown for Performance Share Unit represents the total of the difference from the amount of compensation disclosed in the previous fiscal years' Annual Securities Reports for Performance Share Unit from fiscal 2023 to fiscal 2025 and the standard amount for stock compensation to be granted to applicable Executive Officers after the TSR evaluation period (three years) for the target period from April 2024 to March 2025.

c. Total Number of Shares Granted as Compensation for Directors and Executive Officers

	Number of Shares Granted	Number of Recipients
Directors (excluding Outside Directors) and Executive Officers	207,077	28
Outside Directors	-	-

- Notes: 1. The above includes former Directors and Executive Officers.
2. The above number of shares granted is the number of shares that were actually granted to Directors and Executive Officers. Of the shares that Directors and Executive Officers are entitled to be granted, 152,049 shares have been converted in the trust and delivered as cash equivalent to the disposal price, based on the regulations for granting shares.

### 3) The Grounds for Determination by the Compensation Committee that the Details of Compensation Given to Individuals Observe the Determination Policy for Fiscal 2025

With regard to the determination of the amount of compensation given to individual Directors and Executive Officers, the Compensation Committee met eight times during the period from April 2024 to March 2025. In the deliberations by the Compensation Committee, compensation consultants from an external professional organization with global experience and knowledge were employed with the aim to introduce outside objective points of view and specialized knowledge and information on the executive compensation scheme.

The matters deliberated and determined by the Compensation Committee during fiscal 2025 were as follows:

- Evaluation of performance and individual payment amounts for performance-based compensation of Executive Officers in fiscal 2024
- Granting of shares related to the performance-based compensation of Executive Officers for fiscal 2021
- Individual payment amounts of retirement benefits paid to Directors and Executive Officers who retired during fiscal 2024 and fiscal 2025
- Basic compensation of Directors for fiscal 2025
- Details of setting targets for Executive Officers in fiscal 2025
- The basic policy for management of the compensation scheme for Executive Officers, compensation levels, and approach to target setting for fiscal 2026
- Basic compensation of Executive Officers for fiscal 2026

Following the abovementioned deliberation, etc., the basic compensation to individual Directors and Executive Officers has been deliberated and determined by the Compensation Committee by utilizing external data on the compensation of major companies in Japan operating globally and taking into account the contents of the duties of the Directors and Executive Officers. Furthermore, as for the retirement benefits paid to Directors and Executive Officers who retired during fiscal 2024 or 2025, their individual payments were determined by the Compensation Committee, based on the Regulations on the Retirement Benefits of Directors and Executive Officers formulated under the policy prior to the revision. Based on the above, the Compensation Committee has determined that the details of compensation given to individuals observe the determination policy.

## (5) Status of stocks held

### 1) Criteria and approach on classification of stocks for investment

With regard to the classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment purposes, the Company classifies stocks held solely for profit purposes from changes in the stock value or dividends on stock as pure investment. There are no stocks held solely for pure investment.

### 2) Stocks for investment held for purposes other than pure investment purposes

a. The holding policy, and the method for verifying the reasonableness of holding and the outline of the verifications regarding the propriety of individually held stocks at the meetings of the Board of Directors and others.

The Company's rule is "not own cross-shareholdings in principle." While the Company may hold stocks that are determined to be necessary for business operations. The Company comprehensively judges whether or not stocks held are significant, from the viewpoint of their profitability, business feasibility, holding risks, etc., aspects which are verified and confirmed yearly in the Executive Officers' meeting and in the Board of Directors' meeting. Furthermore, the Company performs verifications with regard to profitability, as to whether the income gained from related businesses and total dividends received are reaching a level above the capital cost, with regard to business feasibility whether there are not any significant changes in business relationships or amounts of transactions, etc., and with regard to holding risks, whether the corporate value of the investee has fallen or not. When stocks are thus judged to have a low holding significance, the Company considers reduction such as by selling them, taking into consideration the situation of the concerned company.

Based on the results of the above verifications, the Company sold a part of its held stocks in the fiscal year ended March 31, 2025.

In addition, regarding the exercise of voting rights for stocks for investment held for purposes other than pure investment purposes, our decision to exercise or not exercise these voting rights is based on whether it will benefit not only the investee's corporate value but also contribute to the enhancement of the Company's corporate value. The Company will counter-exercise a proposal if it raises concerns that our corporate values may be negatively impacted.

#### b. Number of Issues and Amount on the Balance Sheet

	Number of issues (issues)	Total amount on the Balance Sheet (millions of yen)
Unlisted stocks (Including investment in limited liability companies, etc.)	118	102,502
Stocks other than unlisted stocks	24	53,794

(Issues whose number of shares increased in the fiscal year ended March 31, 2025)

	Number of issues (issues)	Total purchase price for the increased number of shares (millions of yen)	Reasons for the increased number of shares
Unlisted stocks (Including investment in limited liability companies, etc.)	7	12,280	Acquisition of shares with the aim of maintaining and strengthening business relationships
Stocks other than unlisted stocks	4	9,131	Acquisition of shares with the aim of maintaining and strengthening business relationships

(Issues whose number of shares decreased in the fiscal year ended March 31, 2025)

	Number of issues (issues)	Total selling price for the decreased number of shares (millions of yen)
Unlisted stocks (Including investment in limited liability companies, etc.)	13	15,991
Stocks other than unlisted stocks	14	17,585

c. Number of shares of specified investment stocks and deemed stockholdings per issue and the amount on the balance sheet, and others

Specified investment stocks

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
Synspective Inc.	12,500	-	Maintaining and strengthening business relationships in the defense & space systems business such as satellites-related products and services	No
	9,562	-	Number of shares increased due to the acquisition of shares with the aim of strengthening this business	
Central Japan Railway Company	2,569	3,853	Maintaining and strengthening business relationships in the transportation systems business such as electrical equipment and system for railways	Yes
	7,331	14,356	The Company sold a part of its held stocks	
TACHIBANA ELETECH CO., LTD.	1,921	1,921	Maintaining and strengthening business relationships in sales of the Group's products	Yes
	4,616	6,215		
TAKEBISHI CORPORATION	2,340	2,340	Maintaining and strengthening business relationships in sales of the Group's products	Yes
	4,254	4,773		
Mitsubishi Research Institute, Inc.	902	902	Maintaining and strengthening collaborative relationships in the social infrastructure systems business	Yes
	4,235	4,474		
Citizen Watch Co., Ltd.	4,317	4,317	Maintaining and strengthening business relationships in the factory automation systems business such as factory automation equipment	Yes
	3,851	4,278		
HD Renewable Energy Co., Ltd.	3,751	-	Maintaining and strengthening business relationships in the power systems business with the aim of engaging in the power aggregation business	No
	3,130	-	Number of shares increased due to the acquisition of shares with the aim of strengthening this business	
Dynamic Map Platform Co., Ltd.	1,560	-	Maintaining and strengthening business relationships in the defense & space systems business such as high-precision positioning	No
	2,285	-	Disclosed from the current fiscal year following the company's new listing	
Ryoyu Systems Co., Ltd.	283	283	Maintaining and strengthening business relationships in the information systems and service business such as network/voice services	Yes
	2,054	997		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
Astroscale Holdings Inc.	2,649	-	Maintaining and strengthening business relationships in the defense & space systems business such as satellites-related products and services Disclosed from the current fiscal year following the company's new listing	No
	1,891	-		
Keisei Electric Railway Co., Ltd.	1,394	464	Maintaining and strengthening business relationships in the transportation systems business such as electrical equipment and system for railways	No
	1,878	2,861	Number of shares increased due to stock split and constant purchase through the business partner shareholding union	
SEIBU HOLDINGS INC.	419	419	Maintaining and strengthening business relationships in the transportation systems business such as electrical equipment and system for railways	No
	1,384	1,015		
KYOEI SANGYO CO., LTD.	558	558	Maintaining and strengthening business relationships in sales of the Group's products	Yes
	1,307	1,612		
NARASAKI SANGYO CO., LTD.	419	419	Maintaining and strengthening business relationships in sales of the Group's products	Yes
	1,201	1,258		
Mitsubishi Estate Company, Limited	485	2,003	Maintaining and strengthening business relationships in the building systems business such as elevators and escalators The Company sold a part of its held stocks	Yes
	1,180	5,577		
KIMURA KOHKI CO., LTD	100	100	Maintaining and strengthening business relationships in the air conditioning systems & home products business such as air conditioning equipment	No
	797	465		
Oi Electric Co., Ltd.	247	247	Maintaining and strengthening business relationships in procurement of power systems and others	Yes
	702	465		
OKAYA & CO., LTD.	84	42	Maintaining and strengthening business relationships in sales of the Group's products Number of shares increased due to stock split	Yes
	586	710		
AISAN TECHNOLOGY CO., LTD.	350	350	Maintaining and strengthening business relationships in the defense & space systems business such as high-precision positioning systems	No
	513	591		
MORINAGA MILK INDUSTRY CO., LTD.	133	166	Maintaining and strengthening business relationships in the air conditioning systems & home products business such as cryogenic equipment The Company sold a part of its held stocks	No
	415	521		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
AIDA ENGINEERING, LTD.	352	352	Maintaining and strengthening business relationships in the factory automation systems business such as factory automation equipment	Yes
	315	312		
TAKARA STANDARD CO., LTD.	112	112	Maintaining and strengthening business relationships in the air conditioning systems & home products business such as cryogenic equipment Number of shares increased due to constant purchase through the business partner shareholding union	No
	198	219		
Kobe Electric Railway Co., Ltd.	27	27	Maintaining and strengthening business relationships in the transportation systems business such as electrical equipment and system for railways	No
	65	76		
MORIO DENKI CO., LTD.	20	20	Maintaining and strengthening business relationships in the transportation systems business such as electrical equipment and system for railways	No
	32	35		
SUZUKI MOTOR CORPORATION	-	4,105	Maintained and strengthened business relationships in the automotive equipment business such as automotive parts The shares have been succeeded by Mitsubishi Electric Mobility Corporation due to the absorption-type company split of the Company's automotive equipment business	No
	-	28,549		
RYOYO ELECTRO CORPORATION	-	1,576	Maintained and strengthened business relationships in sales of the Group's products The Company sold all of the shares it held	Yes
	-	6,251		
TEIKOKU ELECTRIC MFG. CO., LTD.	-	2,286	Maintained and strengthened business relationships in the automotive equipment business such as automotive parts The shares have been succeeded by Mitsubishi Electric Mobility Corporation due to the absorption-type company split of the Company's automotive equipment business	Yes
	-	5,841		
Hankyu Hanshin Holdings, Inc.	-	551	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	Yes
	-	2,427		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
KAGA ELECTRONICS CO., LTD.	-	360	Maintained and strengthened business relationships in the electronic devices business such as semiconductors The Company sold all of the shares it held	No
	-	2,296		
Mazda Motor Corporation	-	710	Maintained and strengthened business relationships in the automotive equipment business such as automotive parts The shares have been succeeded by Mitsubishi Electric Mobility Corporation due to the absorption-type company split of the Company's automotive equipment business	No
	-	1,246		
Keio Corporation	-	158	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	No
	-	661		
TOKYO SANGYO CO., LTD.	-	535	Maintained and strengthened business relationships in the power systems business such as power systems equipment The Company sold all of the shares it held	No
	-	382		
MITSUBISHI MOTORS CORPORATION	-	700	Maintained and strengthened business relationships in the automotive equipment business such as automotive parts The shares have been succeeded by Mitsubishi Electric Mobility Corporation due to the absorption-type company split of the Company's automotive equipment business	No
	-	354		
LUCKLAND CO., LTD.	-	133	Maintained and strengthened business relationships in the air conditioning systems & home products business such as cryogenic equipment The Company sold all of the shares it held	No
	-	299		
Nankai Electric Railway Co., Ltd	-	88	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	No
	-	281		
SUBARU CORPORATION	-	73	Maintained and strengthened business relationships in the automotive equipment business such as automotive parts The shares have been succeeded by Mitsubishi Electric Mobility Corporation due to the absorption-type company split of the Company's automotive equipment business	No
	-	251		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
SEIKA CORPORATION	-	40	Maintained and strengthened business relationships in the power systems business such as power systems equipment The Company sold all of the shares it held	No
	-	150		
Sanyo Electric Railway Co., Ltd.	-	64	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	No
	-	136		
Keihan Holdings Co., Ltd.	-	15	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	No
	-	52		
The Kinki Sharyo Co., Ltd.	-	14	Maintained and strengthened business relationships in the transportation systems business such as electrical equipment and system for railways The Company sold all of the shares it held	No
	-	33		
AERWINS Technologies Inc.	-	187	Maintained and strengthened to create business opportunities in the social infrastructure systems business AERWINS Technologies Inc. was delisted	No
	-	1		

- Notes: 1. As it involves trade secrets such as transaction information and contract details with issuer, the Company will not disclose the quantitative effect of stocks held. However, the Company comprehensively judges whether or not stocks held are significant, from the viewpoint of each issue's profitability, feasibility, holding risks, etc., aspects which are verified and confirmed yearly in the Executive Officers' meeting and in the Board of Directors' meeting. Furthermore, we perform verifications with regard to profitability, as to whether the income gained from related businesses and total dividends received are reaching a level above the capital cost, with regard to business feasibility whether there aren't any significant changes in business relationships or amounts of transactions, etc., and with regard to holding risks, whether the corporate value of the investee has fallen or not.
2. When determining shareholdings with the highest values in the amounts recorded on the balance sheet, specified investment shares and deemed shareholdings are not combined.
3. "-" signifies that the Company does not own shares of the issue or classified as other than specified investment shares.
4. In the status of stocks held in the Company, for issues that are holding companies, the stocks held by their major subsidiaries (substantial number of shares owned) are taken into account in the description.



## Deemed stockholdings

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
Mitsubishi Corporation	42,635	53,304	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights The Company sold a part of its held stocks	Yes
	111,981	185,871		
Tokio Marine Holdings, Inc.	9,658	9,658	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	55,401	45,423		
OBIC Co., Ltd	10,800	2,160	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights Number of shares increased due to stock split	Yes
	46,537	49,194		
Mitsubishi Heavy Industries, Ltd.	18,060	2,408	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights Number of shares increased due to stock split The Company sold a part of its held stocks	No
	45,621	34,881		
TIS Inc.	4,796	4,796	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	19,830	15,776		
Odakyu Electric Railway Co., Ltd.	12,908	12,908	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	19,078	26,797		
Mitsubishi UFJ Financial Group, Inc.	9,096	9,096	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	18,292	14,163		
Mitsubishi Estate Company, Limited	6,390	6,390	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	15,540	17,792		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
BIPROGY Inc.	1,271	1,271	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	5,824	5,758		
THE HACHIJUNI BANK, LTD.	4,321	4,321	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	4,562	4,493		
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	30,600	30,600	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	4,427	5,501		
Daiwa Securities Group Inc.	3,307	3,307	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	3,286	3,806		
Kyushu Electric Power Co., Inc.	2,501	2,501	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	3,265	3,443		
East Japan Railway Company	1,080	360	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights Number of shares increased due to stock split	No
	3,188	3,152		
Central Japan Railway Company	1,095	1,095	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	3,125	4,079		
KYOCERA Corporation	1,720	1,720	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	2,881	3,478		

Issue	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Purpose of holding, summary of business partnerships, etc., effect of quantitative holding, reason of increase in the number of shares held	Shares held by each company
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Amount on the Balance Sheet (millions of yen)	Amount on the Balance Sheet (millions of yen)		
West Japan Railway Company	860	430	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights Number of shares increased due to stock split	No
	2,508	2,697		
Murata Manufacturing Co., Ltd.	918	918	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	2,116	2,592		
Kintetsu Group Holdings Co., Ltd.	646	646	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	2,063	2,880		
The Gunma Bank, Ltd.	998	998	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	No
	1,229	876		
The Hyakujushi Bank, Ltd.	292	292	The Company has contributed its shares to the employee retirement benefit trust, of which the Company has the power to instruct exercise of voting rights	Yes
	1,015	870		
Nomura Holdings, Inc.	-	2,319	The Company contributed its shares to the employee retirement benefit trust, of which the Company had the power to instruct exercise of voting rights The Company sold all of the shares it held	No
	-	2,267		
NIKON CORPORATION	-	915	The Company contributed its shares to the employee retirement benefit trust, of which the Company had the power to instruct exercise of voting rights The Company sold all of the shares it held	No
	-	1,400		

Notes: 1. In regard to the quantitative effects of stocks held, as part of management of the trust accounts for retirement benefits, the Company makes sure that there are stable yields to investments, to be used as a source of payment of retirement benefits in the future.

2. When determining shareholdings with the highest values in the amounts recorded on the balance sheet, specified investment shares and deemed shareholdings are not combined.

3. In the status of stocks held in the Company, for issues that are holding companies, the stocks held by their major subsidiaries (substantial number of shares owned) are taken into account in the description.

4. “-” signifies that the Company does not own shares of the issue.

## V. Financial Information

### 1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements

- (1) The Group prepares its consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2-1 of the Ordinance of the Ministry of Finance No. 28 of 1976, “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements,” and therefore Article 312 of that Ordinance applies to the Group.
- (2) The non-consolidated financial statements of the Company are prepared in accordance with the Ordinance of the Ministry of Finance No. 59 of 1963 “Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (hereinafter “Ordinance on Financial Statements, etc.”)

Also, the Company is qualified as a company submitting financial statements prepared in accordance with special provision and prepares financial statements in accordance with the provision of Article 127 of the Ordinance on Financial Statements, etc.

### 2. Audit certification

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the consolidated financial statements for the year ended from April 1, 2024 to March 31, 2025 and the non-consolidated financial statements for the 154th fiscal year (from April 1, 2024 to March 31, 2025) are audited by KPMG AZSA LLC.

### 3. Special efforts to secure the appropriateness of the consolidated financial statements, etc. and development of a system that can properly prepare consolidated financial statements in accordance with IFRS Accounting standards. The details are shown below.

- (1) The Company has established a system to properly understand the contents of accounting standards and to respond to revisions to standards and laws by being a member of the Financial Accounting Standards Foundation and participating in seminars and other events hosted by the foundation as well as by participating in subcommittees hosted by economic organizations.
- (2) Regarding the application of IFRS Accounting standards, the Company obtains the standards issued by the International Accounting Standards Board timely to ascertain the latest standards. In addition, in order to prepare consolidated financial statements appropriately in accordance with IFRS Accounting standards, we have developed group accounting policies that comply with IFRS Accounting standards and prepare consolidated financial statements based on the policies.

# 1 【Consolidated Financial Statements and other】

## (1) 【Consolidated Financial Statements】

### (a) 【Consolidated Statement of Financial Position】

Yen (millions)

	Notes	Mar. 31, 2024	Mar. 31, 2025
(Assets)			
Cash and cash equivalents		765,384	757,331
Trade receivables	8,29, 31	1,089,871	1,147,037
Contract assets	24,29, 31	318,663	343,228
Other financial assets	9,29	52,400	65,710
Inventories	10	1,253,493	1,244,959
Other current assets		145,425	189,270
Current assets		3,625,236	3,747,535
Investments accounted for using the equity method	14	265,698	324,766
Other financial assets	9,29	336,521	312,836
Property, plant and equipment	11,13	962,608	958,458
Goodwill and intangible assets	12,13	211,864	221,406
Deferred tax assets	15	113,967	113,146
Net defined benefit assets	20	627,213	669,575
Other non-current assets		24,233	27,958
Non-current assets		2,542,104	2,628,145
Total assets		6,167,340	6,375,680

Yen (millions)

	Notes	Mar. 31, 2024	Mar. 31, 2025
(Liabilities)			
Bonds, borrowings and lease liabilities	16,18, 29	151,698	120,889
Trade payables	19,29, 31	589,142	601,978
Contract liabilities	24,31	306,094	330,616
Other financial liabilities	17,29	200,411	203,630
Accrued expenses		340,582	356,453
Accrued income taxes	15	66,930	42,698
Provisions	21	125,129	123,243
Other current liabilities	20	59,201	67,522
Current liabilities		1,839,187	1,847,029
Bonds, borrowings and lease liabilities	16,18, 29	242,938	239,772
Other financial liabilities	17,29	698	56
Net defined benefit liabilities	20	150,960	143,676
Provisions	21	3,837	3,059
Deferred tax liabilities	15	22,264	25,155
Other non-current liabilities	24	41,038	40,567
Non-current liabilities		461,735	452,285
Total liabilities		2,300,922	2,299,314
(Equity)			
Common stock	22	175,820	175,820
Capital surplus	22	195,157	186,741
Retained earnings	22	3,102,755	3,304,481
Accumulated other comprehensive income (loss)	15,20, 22,29	363,632	354,459
Treasury stock, at cost	22	(98,040)	(71,823)
Mitsubishi Electric Corp. stockholders' equity		3,739,324	3,949,678
Non-controlling interests		127,094	126,688
Total equity		3,866,418	4,076,366
Total liabilities and equity		6,167,340	6,375,680

(b) 【Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income】  
【Consolidated Statement of Profit or Loss】

Yen (millions)

	Notes	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Revenue	24,31	5,257,914	5,521,711
Cost of sales	10,11, 12,18, 20	3,712,065	3,829,496
Selling, general and administrative expenses	11,12, 18,20	1,237,201	1,315,797
Other profit (loss)	13,25, 29	19,877	15,432
Operating profit		328,525	391,850
Financial income	26	21,200	20,834
Financial expenses	18,26	11,687	14,398
Share of profit of investments accounted for using the equity method	14	27,815	38,979
Profit before income taxes		365,853	437,265
Income taxes	15	68,908	90,349
Net profit		296,945	346,916
Net profit attributable to:			
Mitsubishi Electric Corp. stockholders	28	284,949	324,084
Non-controlling interests		11,996	22,832

Yen

	Notes	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)			
Basic	28	135.74	155.70
Diluted	28	135.74	155.70

**【Consolidated Statement of Comprehensive Income】**

Yen (millions)

	Notes	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Net profit		296,945	346,916
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to net profit			
Changes in fair value of financial assets measured at fair value through other comprehensive income	29	44,033	(6,589)
Remeasurements of defined benefit plans	20	194,176	25,923
Share of other comprehensive income of investments accounted for using the equity method	14	5,280	3,923
Total items that will not be reclassified to net profit		243,489	23,257
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations		123,526	(1,635)
Net changes in the fair value of cash flow hedges	29	(91)	65
Share of other comprehensive income of investments accounted for using the equity method	14	7,221	8,509
Total items that may be reclassified to net profit		130,656	6,939
Total other comprehensive income (loss)	27	374,145	30,196
Comprehensive income		671,090	377,112
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders		650,302	353,213
Non-controlling interests		20,788	23,899



(c) 【Consolidated Statement of Changes in Equity】

Year ended Mar. 31, 2024

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of year		175,820	202,888	2,636,136	276,898	(52,715)	3,239,027	124,197	3,363,224
Comprehensive income									
Net profit				284,949			284,949	11,996	296,945
Other comprehensive income (loss), net of tax					365,353		365,353	8,792	374,145
Comprehensive income		—	—	284,949	365,353	—	650,302	20,788	671,090
Reclassification to retained earnings	9,20			278,619	(278,619)		—		—
Dividends	23			(96,949)			(96,949)	(13,160)	(110,109)
Purchase of treasury stock						(45,860)	(45,860)		(45,860)
Disposal of treasury stock			(535)			535	—		—
Transactions with non-controlling interests and others			(7,196)				(7,196)	(4,731)	(11,927)
Balance at end of year		175,820	195,157	3,102,755	363,632	(98,040)	3,739,324	127,094	3,866,418

Year ended Mar. 31, 2025

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of year		175,820	195,157	3,102,755	363,632	(98,040)	3,739,324	127,094	3,866,418
Comprehensive income									
Net profit				324,084			324,084	22,832	346,916
Other comprehensive income (loss), net of tax					29,129		29,129	1,067	30,196
Comprehensive income		—	—	324,084	29,129	—	353,213	23,899	377,112
Reclassification to retained earnings	9,20			38,302	(38,302)		—		—
Dividends	23			(104,316)			(104,316)	(17,326)	(121,642)
Purchase of treasury stock						(31,294)	(31,294)		(31,294)
Disposal of treasury stock			(541)			877	336		336
Cancellation of treasury stock			(56,634)			56,634	—		—
Transfer to capital surplus from retained earnings			56,344	(56,344)			—		—
Transactions with non-controlling interests and others			(7,585)				(7,585)	(6,979)	(14,564)
Balance at end of year		175,820	186,741	3,304,481	354,459	(71,823)	3,949,678	126,688	4,076,366

## (d) 【Consolidated Statement of Cash Flows】

Yen (millions)

	Notes	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Cash flows from operating activities			
Net profit		296,945	346,916
Adjustments to cash flows from operating activities			
Depreciation and amortization		200,829	221,428
Impairment losses		9,853	10,117
Loss (gain) on sales and disposal of property, plant and equipment, net		(22,876)	2,232
Income taxes		68,908	90,349
Share of profit of investments accounted for using the equity method		(27,815)	(38,979)
Financial income and financial expenses		(9,513)	(6,436)
Gain on sale of subsidiary	7	—	(23,826)
Decrease (increase) in trade receivables		6,268	(63,839)
Decrease (increase) in contract assets		(20,236)	(25,029)
Decrease in inventories		21,954	216
Decrease (increase) in other assets		2,358	(23,373)
Increase (decrease) in trade payables		(67,237)	14,364
Increase (decrease) in net defined benefit liabilities		(12,549)	(9,093)
Increase in other liabilities		65,273	55,363
Others, net		(27,293)	2,345
Subtotal		484,869	552,755
Interest and dividends received		34,646	38,967
Interest paid		(7,363)	(6,773)
Income taxes paid		(96,673)	(129,044)
Cash flows from operating activities		415,479	455,905
Cash flows from investing activities			
Purchase of property, plant and equipment		(175,756)	(193,988)
Proceeds from sale of property, plant and equipment		27,929	3,476
Purchase of intangible assets		(33,248)	(32,083)
Purchase of investment securities and others, net of cash acquired		(93,484)	(54,581)
Proceeds from sale of investment securities and others		181,663	45,708
Proceeds from sale of subsidiary, net of cash disposed	7	—	40,966
Others, net		(1,223)	(1,248)
Cash flows from investing activities		(94,119)	(191,750)
Cash flows from financing activities			
Proceeds from bonds and long-term borrowings		55,386	25,438
Repayments of bonds and long-term borrowings		(50,774)	(28,488)
Increase (decrease) in short-term borrowings, net		(18,315)	(30,333)
Repayments of lease liabilities		(60,918)	(65,454)
Dividends paid to Mitsubishi Electric Corp. stockholders		(96,949)	(104,316)
Purchase of treasury stock		(45,860)	(31,294)
Disposal of treasury stock		—	0
Dividends paid to non-controlling interests		(11,334)	(16,475)
Transactions with non-controlling interests		(11,354)	(14,411)
Cash flows from financing activities		(240,118)	(265,333)
Effect of exchange rate changes on cash and cash equivalents		38,272	(6,875)
Net increase (decrease) in cash and cash equivalents		119,514	(8,053)
Cash and cash equivalents at beginning of year		645,870	765,384
Cash and cash equivalents at end of year		765,384	757,331

## 【Notes to Consolidated Financial Statements】

### 1. Reporting entity

Mitsubishi Electric Corporation (“the Company”) is an entity located in Japan. The consolidated financial statements of the Mitsubishi Electric Group (“the Group”) comprises the Company, its subsidiaries and equity in the Company’s associates and joint ventures.

The Group is a multinational organization which develops, manufactures, sells and distributes a broad range of electrical and electronic equipment in the fields as diverse as home appliances to space electronics. The Company and its subsidiaries’ principal lines of business are: (1) Infrastructure, (2) Industry & Mobility, (3) Life, (4) Business Platform (5) Semiconductor & Device, and (6) Others. The Group’s manufacturing operations are conducted principally by the Company with 17 manufacturing sites located in Japan, as well as overseas manufacturing sites located in Thailand, China, the United States, Mexico, Italy and other countries.

### 2. Basis of preparation

#### (1) Statement of consolidated financial statements in accordance with IFRS Accounting standards

The Group prepares its consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2-1 of the Ordinance of the Ministry of Finance No. 28 of 1976, “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements,” and therefore Article 312 of that Ordinance applies to the Group.

#### (2) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the Company’s functional currency, rounded down in units of millions of yen.

### 3. Material accounting policies

#### (1) Basis of consolidation

##### (a) Subsidiary

Subsidiaries are entities that are controlled by the Company. The Company determines that it controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiary’s financial statements are included in the consolidation from the date when the Company gains control to the date when it ceases to control the subsidiary.

When the accounting policies used by a subsidiary differ from those of the Group, the subsidiary’s financial statements are adjusted as necessary. The balances of receivables and payables among consolidated companies, inter-company transactions, and unrealized gains and losses arising from inter-company transactions are eliminated upon preparation of the consolidated financial statements.

Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

If there are changes in the ownership interest in a subsidiary that result in a loss of control, the gains or losses resulting from the loss of control are recognized in profit or loss.

(b) Associates and joint ventures

Associates are entities over which the Company has significant influence, but not control or joint control in terms of its financial and operating policies.

Joint ventures are investees where two or more parties including the Company share the contractually agreed control over economic activities and have rights to the net asset of the investees under a joint arrangement which requires the unanimous consent of the parties sharing control when strategic financing and operating decisions related to these activities are made.

Investments in associates and joint ventures are accounted for using the equity method from the date when significant influence or joint control is obtained to the date when it is lost.

When the accounting policies applied by associates and joint ventures differ from those applied by the Group, the associates and joint ventures' financial statements are adjusted as necessary.

Gains or losses on discontinuation of application of the equity method resulting from the loss of significant influence on or joint control over associates and joint ventures are recognized in profit or loss.

(2) Business combinations

Business combinations are accounted for by applying the acquisition method.

Consideration for an acquisition is measured at the aggregate of the fair value of assets transferred and liabilities assumed, in exchange for control over an acquiree, and equity instruments issued by the Company and its consolidated subsidiaries as of the date when control was obtained.

Non-controlling interests are measured at fair value or at the net identifiable assets multiplied by the ratio of non-controlling interest as of the date when control was obtained, for each individual business combination.

If the aggregate of consideration for the acquisition, recognized amount of the non-controlling interest and the fair value as of the date when control was obtained of any interest in the acquiree held before the date when control was obtained exceeds the fair value of the identifiable assets and liabilities, this excess is recognized as goodwill in the Consolidated Statement of Financial Position. If the aggregate is less than the fair value of the identifiable assets and liabilities, this deficiency amount is recognized immediately in profit or loss in the Consolidated Statement of Profit or Loss.

Acquisition-related costs are accounted for as expenses when incurred.

(3) Foreign currency translation

(a) Foreign currency transactions

Foreign currency transactions are translated into the functional currencies of the Company and its consolidated subsidiaries at the exchange rates at the date of the transactions.

Foreign currency monetary assets and liabilities at the end of the reporting period are translated into functional currencies at the exchange rate at the end of the reporting period.

Foreign currency non-monetary assets and liabilities measured at fair value are translated into functional currencies using the exchange rate at the date when the fair value was measured.

The exchange differences arising from translation or settlement are recognized in profit or loss. However, financial assets measured through other comprehensive income and exchange differences arising from the effective part of qualifying cash flow hedges are recognized in other comprehensive income.

(b) Financial statements of a foreign operation

Assets and liabilities of a foreign operation are translated into Japanese yen at the exchange rate at the end of the reporting period and, unless there are significant changes in foreign exchange rates, income and expenses of a foreign operation are translated into Japanese yen at the average exchange rate prevailing during the year. Exchange differences arising on the translation of the financial statements of a foreign operation are recognized in other comprehensive income. Cumulative exchange differences on translating a foreign operation are reclassified to profit or loss if a foreign operation is disposed and control, significant influence or joint control are lost.

(4) Financial instruments

(a) Non-derivative financial assets

The Company and its consolidated subsidiaries classify non-derivative financial assets as financial assets measured at amortized cost or financial assets measured at fair value through profit or loss or other comprehensive income. This classification is determined at initial recognition. Among financial assets, equity instruments, investments in capital and debt instruments are initially recognized on the commitment date and all other financial assets are initially recognized on the date of the transaction.

Among non-derivative financial assets, trade receivables recognized in accordance with IFRS 15 are initially measured at the transaction price, while others are initially measured at fair value (after adding transaction costs directly attributable to the financial assets).

(i) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are measured at the initial recognition amount plus or minus accumulated amortization using the effective interest method, adjusting allowance for credit losses.

(ii) Financial assets measured at fair value

Financial assets that are not measured at amortized cost are measured at fair value. Financial assets measured at fair value are classified in the following categories according to the objective of holding the financial assets:

- Financial assets measured at fair value through other comprehensive income

Equity instruments which are held primarily to maintain and strengthen business relationships are designated as financial assets measured at fair value through other comprehensive income.

Changes in fair value after initial recognition of financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income. However, dividends from financial assets measured at fair value through other comprehensive income are recognized as financial income in profit or loss. When these financial assets are derecognized, cumulative gains or losses previously recognized in other comprehensive income are reclassified to retained earnings.

- Financial assets measured at fair value through profit or loss

Financial assets that are not classified as financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

Changes in fair value after initial recognition of financial assets measured at fair value through profit or loss are recognized in profit or loss.

(iii) Impairment of financial assets

Expected credit losses of financial assets measured at amortized cost are recognized as allowances for credit losses. Expected credit losses are the present value of the difference between the cash flows that are due to the Company and its consolidated subsidiaries in accordance with the contract and the cash flows that the Company and its consolidated subsidiaries expect to receive.

It is determined whether credit risk on a financial asset has increased significantly since initial recognition. If it has not increased significantly, allowance for credit losses is measured at an amount equal to 12-month expected credit losses. If it has increased significantly, allowance for credit losses is measured at an amount equal to the lifetime expected credit losses. When the fact of past due exist, actual or anticipated significant changes in debtors' results of operations are considered in assessing whether the credit risk on a financial asset has increased significantly since initial recognition. For financial assets that fall under any of the following categories, the possibility of credit impairment is determined:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Regardless of the events above, the amount of allowance for credit losses for trade receivables and contract assets that do not contain a significant financing component is measured at an amount equal to the lifetime expected credit losses.

The amount of reversal in impairment losses are recognized in profit or loss.

(iv) Derecognition of financial assets

The Company and its consolidated subsidiaries derecognize financial assets if the contractual rights to the cash flows from the financial asset expire, or the contractual rights to receive the cash flows of the financial asset are transferred and the Company and its consolidated subsidiaries transfer substantially all the risks and rewards of ownership of the financial asset.

(b) Non-derivative financial liabilities

The Company and its consolidated subsidiaries classify non-derivative financial liabilities as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost. This classification is determined at initial recognition. All financial liabilities are initially recognized on the date of the transaction.

All non-derivative financial liabilities are initially measured at fair value (after deducting transaction costs directly attributable to the financial liabilities).

(i) Financial liabilities measured at fair value through profit or loss

Liabilities related to contingent considerations are classified as financial liabilities measured at fair value through profit or loss.

Changes in fair value after initial recognition of financial liabilities measured at fair value through profit or loss are recognized in profit or loss.

(ii) Financial liabilities measured at amortized cost

Financial liabilities other than financial liabilities measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are measured at the initial recognition amount plus or minus accumulated amortization using the effective interest method.

(iii) Derecognition of financial liabilities

The Company and its consolidated subsidiaries derecognize financial liabilities when they are extinguished, that is, when the obligation specified in the contract is discharged, canceled or expires.

(c) Derivatives and hedge accounting

The Company and its consolidated subsidiaries use derivatives such as forward exchange contracts to hedge foreign currency risks. These derivatives are initially measured at fair value at the time that contracts are entered into. They are subsequently remeasured at fair value and resulting gains or losses are recognized in profit or loss. However, the effective part of cash flow hedges is recognized in other comprehensive income.

At the inception of the hedge, the Company and its consolidated subsidiaries formally designate and document the hedging relationship and the risk management objective and strategy for undertaking the hedge. It is assessed at the inception of the hedge and in subsequent periods on an ongoing basis whether derivatives used for hedging transactions are highly effective in offsetting changes in cash flows of the hedged item.

Hedges that meet the qualifying criteria are accounted for as follows:

Cash flow hedges

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income in the Consolidated Statement of Comprehensive Income. The ineffective portion is recognized immediately in profit or loss in the Consolidated Statement of Profit or Loss.

Amounts related to the hedging instrument that have been recognized in other comprehensive income are reclassified to profit or loss when hedged transaction affects profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents are cash on hand and cash in banks which can be withdrawn at any time. Cash and cash equivalents are classified as financial assets measured at amortized cost.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, work-in-progress for build-to-ordered products are recorded under the specific identification method and make-to-stock products are recorded at the average production costs. Raw material and finished goods inventories are generally recorded using the average-cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(7) Property, plant and equipment

The cost model is used to measure property, plant and equipment which are presented at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes the costs directly related to the acquisition of the asset as well as the costs of dismantling and removing it and restoring the site.

Depreciation of property, plant and equipment is generally calculated by the diminishing-balance method, except for certain assets which are depreciated by the straight-line method, over the estimated useful life of the assets according to general assets classification, type of construction, and use of these assets.

The estimated useful life of buildings is 3 to 50 years, while that of machinery and equipment and others is 2 to 20 years.

Useful life, residual value and the depreciation method are reviewed at least at each fiscal year-end. If there have been any changes, they are prospectively reflected as changes in accounting estimates.

(8) Goodwill and intangible assets

(a) Goodwill

Goodwill is not amortized but is tested for impairment at least annually. Goodwill is presented at cost less accumulated impairment losses.

(b) Intangible assets

Intangible assets are measured at cost on initial recognition and presented at cost less any accumulated amortization and any accumulated impairment losses.

Development expenditures are recognized as intangible assets only if they are reliably measurable and technically and commercially realizable; it is probable that they will result in future economic benefits; and the Company and its consolidated subsidiaries intend and have sufficient ability to complete development and use or sell the assets.

Intangible assets acquired in a business combination are measured at fair value on initial recognition.

Intangible assets with finite useful lives are mainly software for internal use and customer relationship which are amortized on a straight-line basis over the estimated useful life. The estimated useful life of software is approximately 3 to 5 years, while that of customer relationship is approximately 10 to 30 years.

Estimated useful life, residual value and the amortization method are reviewed at each fiscal year-end. If there have been any changes, they are prospectively reflected as changes in accounting estimates.

The Company does not amortize intangible assets with indefinite useful lives but tests them for impairment at least annually.

(9) Leases

As a lessee, the Group recognizes right-of-use assets that represent a right to use an underlying asset and lease liabilities that represent the obligation for lease payment for all leases other than leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Right-of-use assets are initially measured at cost, which mainly comprises the amount of the initial measurement of lease liabilities, any initial direct costs, costs to be incurred in dismantling and removing the underlying asset and costs to be incurred in restoring the underlying asset. After the initial recognition, right-of-use assets are measured applying a cost model, and presented at cost less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated over the shorter of the useful life or the lease term in the same way as the depreciation of property, plant and equipment owned by the Group.

Lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date discounted mainly using the lessee's incremental borrowing rate. Lease payments are allocated to financial expenses and the repaid amount of lease liabilities based on the interest method.

(10) Impairment of non-financial assets

The Group determines whether there is an indication of impairment for non-financial assets, excluding inventories and deferred tax assets. If there is an indication of impairment, these non-financial assets are tested for impairment. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually at the same time every year.

The recoverable amount of an asset or cash generating unit is the higher of its value in use and its fair value less costs of disposal. Estimated future cash flows used in the calculation of value in use are discounted to their present value using a pre-tax discount rate reflecting the time value of money and the risks specific to the asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating units are determined by integrating the asset into the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses are recognized in profit or loss if the carrying amount of an asset or a cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized on cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to reduce pro rata the carrying amounts of the other assets in the unit.

Impairment losses on goodwill are not reversed. For assets other than goodwill, it is assessed whether there is any indication that impairment losses recognized in prior periods may have decreased or no longer exist. Impairment losses are reversed if the recoverable amount exceeds the carrying amount. When reversing impairment losses, the maximum to which the carrying amount of an asset is increased is its carrying amount (less necessary depreciation and amortization) if the impairment loss had not been recognized.



(11) Employee benefits

(a) Post-employment benefits

The Company and its consolidated subsidiaries provide defined contribution plans and defined benefit plans as employee retirement benefit plans.

The present value of the defined benefit obligations and the related current service cost and past service cost are determined using the projected unit credit method.

The period of discount is determined based on the period to the date on which future annual benefits are expected to be paid. Discount rates are determined by reference to market yields consistent with the period of discount on high quality corporate bonds, at the end of the reporting period.

Net defined benefit liability or asset is determined at the present value of the defined benefit obligation less the fair value of the plan assets. If the determination shows that a defined benefit plan has been overfunded for the Company and its consolidated subsidiaries, the defined benefit asset is recognized at the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan as a ceiling.

The amount of change in fair value arising from remeasurement of the present value of defined benefit obligations and the fair value of plan assets is fully recognized in other comprehensive income in the periods in which it arises and immediately reclassified to retained earnings.

Past service costs arising on plan amendments are recognized in profit or loss for the period in which they arise.

Contributions to defined contribution plans are recognized as expenses for the period in which the employees render the related service.

(b) Short-term employee benefits

Short-term employee benefits are not discounted. They are recognized as expenses at the time when the employees render the related service.

For bonuses, the amount expected to be paid is recognized as a liability if there is a legal or constructive obligation for payments and it can be reliably estimated.

(12) Provisions

Provisions are recognized when the Company and its consolidated subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are recognized at the amounts of estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the liabilities.

### (13) Revenues

The Company and its consolidated subsidiaries recognize revenue in an amount that reflects the consideration to which they expect to be entitled by transferring a good or service to a customer using the five-step approach below, except for income from interest and dividends as defined in IFRS 9.

Step1 : Identify the contract(s) with a customer.

Step2 : Identify the performance obligations in the contract.

Step3 : Determine the transaction price.

Step4 : Allocate the transaction price to the separate performance obligations in the contract.

Step5 : Recognize revenue when (or as) the entity satisfies a performance obligation.

For mass-produced goods such as home appliances, semiconductors and industrial products, revenue is recognized when the customer accepts the product. For products requiring acceptance inspection of delivered goods, revenue is only recognized when the customer accepts the product, the Company and its consolidated subsidiaries verify that the product achieves predefined performance and there remain only verification of items that are not significant for the customer's final operation check. Consideration for transactions is received primarily within one year after the performance obligation has been satisfied.

Revenue from maintenance agreements is recognized over the contract term as the maintenance is provided.

Revenue from specific construction contracts meeting certain criteria is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the estimated total cost. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

Consideration from maintenance agreements and specific construction contracts meeting certain criteria is received incrementally during the period of the contract, separately from the satisfaction of performance obligations, and the remaining amount is received primarily within one year after all performance obligations are satisfied.

Contract assets are recognized as rights to consideration recorded due to recognizing revenue according to progress. Contract assets are reclassified to trade receivables when the rights to consideration become unconditional. Advance consideration received from customers before fulfillment of the contract is recognized as a contract liability and reversed as revenue from the contract related to the advance consideration is recognized.

Revenue is recognized in an amount that reflects the consideration to which the Company and its consolidated subsidiaries expect to be entitled by transferring the good or service. For contracts which consist of any combination of products, equipment, installation and maintenance, each element is treated as a separate performance obligation and revenue is allocated to each element in proportion to its stand-alone selling price when the good or service provided has a stand-alone value as a separate product.

For contracts which include subsequent changes in consideration such as rebates and discounts, the transaction price is determined by taking into account the variable consideration in a way that the actual value does not significantly diverge from the estimate.

For contracts in which significant financing benefits are received because the timing of satisfaction of the performance obligation and the customer's payment differ, the transaction price is determined after adjustment to reflect the time value of money. The adjustment is recognized as interest expense or income.

For contracts in which the Company and its consolidated subsidiaries do not have discretion in establishing the transaction price, do not have inventory risk, or another party is primarily responsible for fulfilling the contract, revenue is recognized on a net basis.

Any anticipated losses on fixed-price contracts are recognized in the Consolidated Statement of Profit or Loss when such losses can be reliably estimated. Provisions are made for contingencies in the period when they become known pursuant to specific contract terms and conditions and are reliably estimable.

(14) Income taxes

Income taxes consist of current and deferred taxes. Income taxes are recognized in profit or loss except for those related to business combinations and those related to items recognized directly in equity or other comprehensive income.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities. The amount of tax is calculated based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognized for temporary differences between the accounting carrying amounts of assets and liabilities and their tax basis, tax loss carryforwards and tax credit carryforwards at the end of the reporting period.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit and does not generate the same amounts of taxable temporary difference and deductible temporary difference at the time of the transaction
- Taxable temporary differences associated with investments in consolidated subsidiaries, associates and joint ventures, when the timing of reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred tax assets and liabilities are measured at the tax rates and in accordance with tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if the Company and its consolidated subsidiaries have a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle on a net basis.

A deferred tax asset is recognized for deductible temporary differences, unused tax losses and tax credit carryforwards to the extent that it is probable that they can be utilized against future taxable profit. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

IAS 12("Income Taxes") introduces a temporary and mandatory exception to the requirement to recognize and disclose deferred taxes for taxes ("Pillar 2 income taxes") arising from tax regimes related to the Pillar 2 model rules ("global minimum taxation"). The Group has applied this exception, then has not recognized any deferred tax related to Pillar 2 income taxes and has not included it in the notes on deferred taxes.

(15) Earnings per share

The Company and its consolidated subsidiaries calculate basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders by dividing net profit attributable to Mitsubishi Electric Corp. stockholders by the weighted-average number of ordinary shares outstanding adjusted for treasury stock during each year.

Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders is calculated after adjusting for the effect of all dilutive potential ordinary shares.

(16) Government grants

Asset-related government grants are recognized when there is reasonable assurance that the Company and its consolidated subsidiaries will comply with the attached conditions and will receive the grants. Grants are recognized by calculating the carrying amount of the asset, in which the amount of government grants measured at fair value is directly deducted from the cost of the asset.

#### 4. Significant accounting estimates and judgments

Management is required to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities, income and expenses in preparation of the consolidated financial statements in accordance with IFRS Accounting standards. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects resulting from changes in accounting estimates are recognized in the period when estimates are revised and in the subsequent periods.

Accounting estimates and assumptions which could have a significant effect on amounts in the consolidated financial statements are as follows:

- Recoverable amount of property, plant and equipment, goodwill and intangible assets (see Note “13: Impairment losses”)
- Recoverability of deferred tax assets (see Note “15: Income taxes”)
- Measurement of defined benefit obligation (see Note “20: Employee benefits”)
- Recognition and measurement of provisions (see Note “21: Provisions”)
- Estimated total cost of contracts in which performance obligations are satisfied over time (see Note “24: Revenues”)
- Fair value of financial instruments (see Note “29: Financial instruments”)

#### 5. New accounting standards not yet adopted

Major standards and interpretations issued as of the date of the approval of the consolidated financial statements that have not yet been adopted as of March 31, 2025 are as follows. The effect of these adoptions on the Group’s consolidated financial position and performance is under review and cannot be estimated at this time.

Standard	Title	Mandatory application date (fiscal years beginning on or after)	Fiscal year of adoption by the Group	Overview of new standards/amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	The year ending March 31, 2028	A new standard that replaces IAS 1, the current accounting standard for presentation and disclosure in financial statements, primarily new provisions for the presentation and disclosure of financial results in the statement of profit and loss.

## 6. Segment information

### (1) Overview of reportable segments

The operating segments presented below are identified based on the segments for which separate financial information is available, and are periodically used for decisions on business resources allocation and evaluation of business operation by the Company's management.

The Group conducts business through 6 categories, Infrastructure, Industry & Mobility, Life, Business Platform, Semiconductor & Device and Others, by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

Principal operating segments and major products and services included in each category are as follows:

Infrastructure	Public Utility Systems	Rolling stock system, supervisory control system for water treatment plants, power supply system for large electricity users, communication system
	Energy Systems	Supervisory control system for power plants, substation equipment, power electronics equipment, power transmission and distribution system, power demand and supply optimization solution
	Defense & Space Systems	Missile system, radar system, command & control system, electric warfare system, satellite system, satellite data solutions
Industry & Mobility	Factory Automation Systems	Control and drive products, processing machines, power distribution control equipment, FA digital solution
	Automotive Equipment	Electric vehicle-related equipment, ADAS-related products, vehicle control system, powertrain products
Life	Building Systems	Elevators, escalators, building management systems
	Air Conditioning Systems & Home Products	Air conditioning & refrigeration systems, lighting, ventilation, home equipment & appliances
Business Platform	Information Systems & Network Service	Manufacturing DX solutions, IT infrastructure and security solutions
Semiconductor & Device	Semiconductor & Device	Power devices, high-frequency devices, optical devices
Others	—	Procurement, real estate, advertising, finance, and other services

(2) Segment information by business categories

Segment information by business categories are as follows.

Year ended Mar. 31, 2024

	Yen (millions)								
	Infrastructure	Industry & Mobility	Life	Business Platform	Semiconductor & Device	Others	Total	Eliminations and corporate	Consolidated total
I Revenue and operating profit									
Revenue									
(1) External customers	1,024,300	1,695,417	2,035,012	82,206	258,824	162,155	5,257,914	—	5,257,914
(2) Intersegment	12,313	15,185	17,279	59,852	31,024	681,422	817,075	(817,075)	—
Total	1,036,613	1,710,602	2,052,291	142,058	289,848	843,577	6,074,989	(817,075)	5,257,914
Operating profit	31,190	118,843	115,738	7,736	29,852	29,947	333,306	(4,781)	328,525
II Other items									
Depreciation and amortization	29,010	58,877	68,888	6,881	22,551	14,622	200,829	—	200,829
Impairment losses	4,416	1,542	2,626	—	92	1,177	9,853	—	9,853
Capital expenditures	22,004	65,696	74,345	4,627	29,502	12,830	209,004	—	209,004

Year ended Mar. 31, 2025

	Yen (millions)								
	Infrastructure	Industry & Mobility	Life	Business Platform	Semiconductor & Device	Others	Total	Eliminations and corporate	Consolidated total
I Revenue and operating profit									
Revenue									
(1) External customers	1,211,534	1,626,259	2,162,750	84,497	259,862	176,809	5,521,711	—	5,521,711
(2) Intersegment	13,414	18,547	22,418	62,353	26,504	675,317	818,553	(818,553)	—
Total	1,224,948	1,644,806	2,185,168	146,850	286,366	852,126	6,340,264	(818,553)	5,521,711
Operating profit	89,467	82,603	157,297	10,887	40,635	51,593	432,482	(40,632)	391,850
II Other items									
Depreciation and amortization	29,728	64,095	79,825	7,467	26,017	14,296	221,428	—	221,428
Impairment losses	5,996	222	590	—	1,663	1,646	10,117	—	10,117
Capital expenditures	33,784	63,953	72,958	4,496	30,989	19,891	226,071	—	226,071

Intersegment transactions are conducted generally at prices that the Company's management recognizes as approximate arm's length prices. The calculation method of operating profit (loss) for reportable segments is consistent with that used in the Consolidated Statement of Profit or Loss. It does not include share of profit of investments accounted for using the equity method, financial income or financial expenses.

Among operating profit (loss), eliminations and corporate items are income and expenses that are not included in reportable segments, and mainly comprised of expenses related to headquarter functions and income from the sale of land.

In this fiscal year, the Company has changed its method for allocating corporate income and expenses to better assess the performance of its reportable segments. Segment information for the year ended March 31, 2024, has been restated to reflect the reclassification.

(3) Information by geographical areas

Revenue from external customers by the location of customers are as follows:

	Yen (millions)			
	Year ended Mar. 31, 2024		Year ended Mar. 31, 2025	
	Revenue from external customers	% of total revenue	Revenue from external customers	% of total revenue
Japan	2,559,465	48.7%	2,723,553	49.3%
North America	697,022	13.3%	799,084	14.5%
Asia (excluding Japan)	1,177,081	22.4%	1,171,258	21.2%
Europe	733,092	13.9%	718,530	13.0%
Others	91,254	1.7%	109,286	2.0%
Overseas Total	2,698,449	51.3%	2,798,158	50.7%
Consolidated total	5,257,914	100.0%	5,521,711	100.0%
United States (within North America)	581,779	11.1%	667,136	12.1%
China (within Asia)	532,393	10.1%	529,837	9.6%

There are no individual countries or regions with significant revenue from external customers in the years ended March 31, 2024 and 2025, except for Japan, United States and China.

Non-current assets (property, plant and equipment, goodwill and intangible assets) by location of the Company and its consolidated subsidiaries are as follows:

As of Mar. 31, 2024

							Yen (millions)	
	Japan		Overseas			Corporate	Consolidated total	
		North America	Asia (excluding Japan)	Europe	Others	Total		
Non-current assets	725,471	57,444	191,698	95,824	4,609	349,575	99,426	1,174,472

As of Mar. 31, 2025

							Yen (millions)	
	Japan		Overseas			Corporate	Consolidated total	
		North America	Asia (excluding Japan)	Europe	Others	Total		
Non-current assets	722,933	53,309	200,394	93,483	5,098	352,284	104,647	1,179,864

Note : The major countries and regions included in each segment are as follows:

- (1) North America: United States, Canada, and Mexico
- (2) Asia (excluding Japan): China, South Korea, Thailand, Malaysia, Singapore, Indonesia, and India
- (3) Europe: United Kingdom, France, Germany, the Netherlands, Spain, Italy, and Czech Republic

7. Loss of control of a subsidiary

(1) Overview of the transaction

On October 1, 2024, the Company transferred 66.6 percent of the common shares of Mitsubishi Electric Logistics Corporation (currently MD LOGIS CORPORATION), which was its consolidated subsidiary, to SEINO HOLDINGS CO., LTD. Upon this transfer, MD LOGIS CORPORATION has become an associate accounted for using the equity method.

(2) Assets and liabilities at the time of loss of control

	Yen (millions)
	Amount
Cash and cash equivalents	21,487
Other current assets	16,461
Non-current assets	37,987
Total assets	75,935
Current liabilities	37,295
Non-current liabilities	7,100
Total liabilities	44,395

(3) Profit (loss) associated with the loss of control of a subsidiary

Profit recognized from the loss of control of a subsidiary of 23,826 million yen includes remeasurement gain of 5,818 million yen based on the fair value of the MD LOGIS CORPORATION shares the Company will continue to hold after the transfer. These amounts are included in “Other profit (loss)” in the Consolidated Statement of Profit or Loss.

(4) Proceeds from sale of subsidiary

	Yen (millions)
	Amount
Consideration received by cash	39,560
Dividends received from MD LOGIS CORPORATION upon the share transfer	22,893
Cash and cash equivalents held at the time of loss of control	(21,487)
Proceeds from sale of subsidiary, net of cash disposed	40,966



8. Trade receivables

Components of trade receivables are as follows. Trade receivables are classified as financial assets measured at amortized cost.

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Notes receivable	120,990	115,433
Accounts receivable	968,881	1,031,604
Total	1,089,871	1,147,037

9. Other financial assets

(1) Components of other financial assets

Components of other financial assets are set out in the table below. Equity instruments and investments in capital are classified as financial assets measured at fair value through other comprehensive income. Derivative assets and Debt instruments are classified as financial assets measured at fair value through profit or loss. Accounts receivable (non-trade), loans and others are classified as financial assets measured at amortized cost.

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Other financial assets		
Equity instruments and investments in capital	280,326	256,072
Accounts receivables (non-trade)	41,156	52,447
Lease receivables	14,341	16,938
Loans	1,162	2,856
Derivative assets	2,291	2,149
Debt instruments	802	2,904
Others	48,843	45,180
Total	388,921	378,546
Current assets	52,400	65,710
Non-current assets	336,521	312,836
Total	388,921	378,546

(2) Financial assets measured at fair value through other comprehensive income

Equity instruments and investments in capital which are held primarily to maintain and strengthen business relationships are designated as financial assets measured at fair value through other comprehensive income.

Major equity instruments held and their fair value are as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Investees		
Silicon Carbide LLC	75,705	73,414
SUZUKI MOTOR CORPORATION	30,090	29,986
Synspective Inc.	—	9,562
NOZOMI NETWORKS Inc.	2,260	8,362
Central Japan Railway Company	14,542	7,474
Others	157,729	127,274
Total	280,326	256,072

Others comprise many small equity instruments.

Note: Dividend income related to financial assets measured at fair value through other comprehensive income is disclosed in note “26. Financial income and financial expenses.”

(3) Derecognition of financial assets measured at fair value through other comprehensive income

The Company and its consolidated subsidiaries derecognize some financial assets measured at fair value through other comprehensive income by selling them in order to improve the efficiency of assets or revise business relationships.

The fair value and cumulative gain (loss) before tax effect at the time of derecognition are as follows:

Yen (millions)			
Year ended Mar. 31, 2024		Year ended Mar. 31, 2025	
Fair value	Cumulative gain (loss)	Fair value	Cumulative gain (loss)
173,238	125,370	45,110	20,048

Cumulative gain (loss) recognized as other comprehensive income were reclassified to retained earnings at the time of derecognition of financial assets. The amounts after tax effect reclassified in the years ended March 31, 2024 and 2025 were 83,829 million yen (gain) and 12,353 million yen (gain), respectively.

10. Inventories

Components of inventories are as follows:

Yen (millions)		
	As of Mar. 31, 2024	As of Mar. 31, 2025
Finished goods	558,954	555,341
Work in process	394,469	395,054
Raw materials	300,070	294,564
Total	1,253,493	1,244,959

The amount of write-downs of inventories recognized as expenses in the years ended March 31, 2024 and 2025 are 34,968 million yen and 35,802 million yen, respectively. These amounts are included in “Cost of sales” in the Consolidated Statement of Profit or Loss.

11. Property, plant and equipment

(1) Change in the carrying amount, cost and accumulated depreciation and impairment losses on property, plant and equipment are as set out in the table below. The amounts include right-of-use assets due to lease agreements.

(a) Carrying amount

Year ended Mar. 31, 2024

	Yen (millions)				
	Land	Buildings and structures	Machinery and equipment, and others	Construction in progress	Total
Balance at beginning of year	111,867	483,708	229,866	70,872	896,313
Acquisition	1,303	39,102	19,136	170,400	229,941
Reclassification from construction in progress	408	24,319	97,452	(122,179)	—
Depreciation	(636)	(65,230)	(106,983)	—	(172,849)
Impairment losses	(1,152)	(2,825)	(2,736)	(415)	(7,128)
Sales and disposals	(472)	(3,881)	(1,759)	(34)	(6,146)
Exchange differences on translating foreign operations	2,497	11,142	9,223	2,209	25,071
Others	15	(432)	(448)	(1,729)	(2,594)
Balance at end of year	113,830	485,903	243,751	119,124	962,608

Year ended Mar. 31, 2025

	Yen (millions)				
	Land	Buildings and structures	Machinery and equipment, and others	Construction in progress	Total
Balance at beginning of year	113,830	485,903	243,751	119,124	962,608
Acquisition	328	37,202	19,364	173,818	230,712
Reclassification from construction in progress	305	33,633	128,181	(162,119)	—
Depreciation	(598)	(69,846)	(120,826)	—	(191,270)
Impairment losses	(1,305)	(2,040)	(1,185)	(1,665)	(6,195)
Sales and disposals	(418)	(2,497)	(3,177)	(631)	(6,723)
Exchange differences on translating foreign operations	59	(1,370)	829	(13)	(495)
Decrease due to deconsolidation	(9,889)	(18,480)	(2,216)	—	(30,585)
Others	827	1,494	266	(2,181)	406
Balance at end of year	<u>103,139</u>	<u>463,999</u>	<u>264,987</u>	<u>126,333</u>	<u>958,458</u>

Note : Depreciation on property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the Consolidated Statement of Profit or Loss.

(b) Cost

	Yen (millions)				
	Land	Buildings and structures	Machinery and equipment, and others	Construction in progress	Total
Balance at April 1, 2023	117,811	1,126,901	2,266,565	71,988	3,583,265
Balance at March 31, 2024	121,283	1,169,158	2,335,873	119,834	3,746,148
Balance at March 31, 2025	110,682	1,163,114	2,360,724	128,154	3,762,674

(c) Accumulated depreciation and impairment losses

	Yen (millions)				
	Land	Buildings and structures	Machinery and equipment, and others	Construction in progress	Total
Balance at April 1, 2023	5,944	643,193	2,036,699	1,116	2,686,952
Balance at March 31, 2024	7,453	683,255	2,092,122	710	2,783,540
Balance at March 31, 2025	7,543	699,115	2,095,737	1,821	2,804,216

(2) Right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Yen (millions)			
	Land	Buildings and structures	Machinery and equipment, and others	Total
Balance at April 1, 2023	10,866	105,552	9,761	126,179
Balance at March 31, 2024	12,115	106,404	11,220	129,739
Balance at March 31, 2025	9,658	98,338	11,774	119,770

The amounts of acquisition on right-of-use assets for the years ended March 31, 2024 and 2025 are 42,133 million yen and 39,982 million yen, respectively. The amounts of depreciation on right-of-use assets for the years ended March 31, 2024 and 2025 are 41,921 million yen and 44,839 million yen, respectively. The depreciation is mainly expensed for buildings and structures.

12. Goodwill and intangible assets

Change in the carrying amount, cost and accumulated amortization and impairment losses on goodwill and intangible assets are as follows:

(1) Carrying amount

Year ended Mar. 31, 2024

	Yen (millions)				
	Goodwill	Software	Customer relationship	Others	Total
Balance at beginning of year	90,703	48,776	19,348	31,774	190,601
Acquisition	—	26,459	—	6,888	33,347
Acquisitions through business combinations	1,259	—	281	226	1,766
Amortization	—	(19,681)	(2,700)	(5,599)	(27,980)
Impairment losses	(2,617)	(73)	—	(2)	(2,692)
Sales and disposals	—	(250)	—	(10)	(260)
Exchange differences on translating foreign operations	9,992	775	2,073	1,855	14,695
Others	89	1,855	—	443	2,387
Balance at end of year	99,426	57,861	19,002	35,575	211,864

Year ended Mar. 31, 2025

	Yen (millions)				
	Goodwill	Software	Customer relationship	Others	Total
Balance at beginning of year	99,426	57,861	19,002	35,575	211,864
Acquisition	—	29,157	—	3,295	32,452
Acquisitions through business combinations	4,758	—	2,494	2,459	9,711
Amortization	—	(21,244)	(2,928)	(5,986)	(30,158)
Impairment losses	—	(1,301)	(1,303)	(1,301)	(3,905)
Sales and disposals	—	(222)	—	(28)	(250)
Exchange differences on translating foreign operations	61	26	112	(90)	109
Others	402	290	—	891	1,583
Balance at end of year	104,647	64,567	17,377	34,815	221,406

Notes : 1 Amortization of intangible assets are included in “Cost of sales” and “Selling, general and administrative expenses” in the Consolidated Statement of Profit or Loss.

2 Significant intangible assets excluding goodwill as of the date of March 31, 2024 and 2025 are customer relationship in the air conditioning systems & home products business within the Life segment acquired through the purchase of DeLclima S.p.A. (currently Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A.) in December 2015. The carrying amount and remaining amortization periods as of the date of March 31, 2024 and 2025 are 9,424 million yen (average remaining amortization period of 5 years) and 7,378 million yen (average remaining amortization period of 4 years), respectively.

(2) Cost

	Yen (millions)				
	Goodwill	Software	Customer relationship	Others	Total
Balance at April 1, 2023	91,741	152,380	41,409	68,346	353,876
Balance at March 31, 2024	103,081	164,892	46,424	78,952	393,349
Balance at March 31, 2025	108,302	177,090	48,868	83,116	417,376

(3) Accumulated amortization and impairment losses

	Yen (millions)				
	Goodwill	Software	Customer relationship	Others	Total
Balance at April 1, 2023	1,038	103,604	22,061	36,572	163,275
Balance at March 31, 2024	3,655	107,031	27,422	43,377	181,485
Balance at March 31, 2025	3,655	112,523	31,491	48,301	195,970

The amount of research and development expenses for the years ended March 31, 2024 and 2025 are 221,867 million yen and 228,853 million yen, respectively.

### 13. Impairment losses

#### (1) Property, plant and equipment and intangible assets (excluding goodwill)

Impairment losses are recognized in “Other profit (loss)” in the Consolidated Statement of Profit or Loss.

For the year ended March 31, 2024, impairment losses consisted of 7,128 million yen of impairment of property, plant and equipment and 108 million yen of impairment of intangible assets and others. The recoverable amount of an asset or cash-generating unit is mainly measured based on the fair value less cost of disposal. There were no individually significant impairment losses.

For the year ended March 31, 2025, impairment losses consisted of 6,195 million yen of impairment of property, plant and equipment and 3,922 million yen of impairment of intangible assets and others. The recoverable amount of an asset or cash-generating unit is mainly measured based on the fair value less cost of disposal. There were no individually significant impairment losses.

#### (2) Goodwill

Impairment losses are recognized in “Other profit (loss)” in the Consolidated Statement of Profit or Loss.

In the year ended March 31, 2024, the Group recognized impairment losses on goodwill of 2,617 million yen. The cash-generating unit groups to which significant goodwill was allocated as of March 31, 2024 were the air conditioning systems & home products business and the building systems business within the Life segment, and the carrying amounts of goodwill allocated to each business were 55,479 million yen and 13,935 million yen, respectively.

In the year ended March 31, 2025, Impairment losses on goodwill was not recognized. The cash-generating unit groups to which significant goodwill was allocated as of March 31, 2025 were the air conditioning systems & home products business and the building systems business within the Life segment, and the carrying amounts of goodwill allocated to each business were 57,385 million yen and 14,589 million yen, respectively.

The recoverable amount in impairment tests is calculated using value in use. Value in use is primarily calculated by discounting to the present value the estimated cash flows based on a five-year business plan and growth rates approved by management. The discount rate is calculated based on the pre-tax weighted average cost of capital. The main discount rates as of March 31, 2024 and 2025 were 9.6%–13.4% and 10.4%–12.9%, respectively. Growth rates are calculated by reference to long-term expected growth rates of the market to which the cash-generating units belong. The main growth rates as of March 31, 2024 and 2025 were 0.8%–2.0% in both. It is considered unlikely that a significant impairment would occur even if the key assumptions used in determinations of impairment were changed within a reasonably predictable range.

14. Investments accounted for using the equity method

The carrying amount of investment and share of comprehensive income in individually immaterial associates and joint ventures are as follows:

(1) Carrying amount of investment

		Yen (millions)
	As of Mar. 31, 2024	As of Mar. 31, 2025
Associates	162,971	202,761
Joint ventures	102,727	122,005
Total	265,698	324,766

(2) Share of comprehensive income

		Yen (millions)
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Associates		
Net profit	17,461	26,637
Other comprehensive income (loss)	9,695	12,194
Total comprehensive income	27,156	38,831
Joint ventures		
Net Profit	10,354	12,342
Other comprehensive income (loss)	2,806	238
Total comprehensive income	13,160	12,580
Total	40,316	51,411



15. Income taxes

Major components of deferred tax assets and liabilities are as follows:

	Yen (millions)			
	Consolidated Statement of Financial Position		Consolidated Statement of Profit or Loss	
	As of Mar. 31, 2024	As of Mar. 31, 2025	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Deferred tax assets				
Accrued expenses	92,424	96,201	2,387	3,816
Property, plant and equipment	37,313	34,233	(3,522)	(2,268)
Lease liabilities	30,967	30,619	(367)	(348)
Inventories	55,717	56,097	1,330	381
Tax loss carryforwards	3,240	3,181	591	(172)
Others	65,238	62,863	(2,769)	(1,449)
Total	284,899	283,194	(2,350)	(40)
Deferred tax liabilities				
Net defined benefit Assets	97,792	106,141	(8,730)	(7,624)
Property, plant and equipment	3,227	3,395	460	168
Right-of-use assets	25,265	24,565	(1,346)	(700)
Financial assets measured at fair value through other comprehensive income	35,790	28,465	—	—
Others	31,122	32,637	(504)	397
Total	193,196	195,203	(10,120)	(7,759)
Net deferred tax assets	91,703	87,991	7,770	7,719

Changes in net deferred tax assets are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Balance at beginning of year	146,679	91,703
Amounts recognized in profit or loss	7,770	7,719
Amounts recognized in other comprehensive income	(61,646)	(7,626)
Others	(1,100)	(3,805)
Balance at end of year	91,703	87,991

In assessing the realizability of deferred tax assets, the Company and its consolidated subsidiaries consider whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those deductible temporary differences, unused tax loss carryforwards and tax credit carryforwards become deductible. The Company and its consolidated subsidiaries consider the scheduled reversal of deferred tax liabilities, projected future taxable profit, and tax planning strategies in making this assessment. Based on these factors, the Company and its consolidated subsidiaries consider the probability that deferred tax assets determined to be recognizable at March 31, 2025 will be realized to be high, but if future estimated taxable profit decreases during the deferral period, deferred tax assets considered likely to be realized will be reduced.

Tax loss carryforwards, deductible temporary differences and tax credit carryforwards for which deferred tax assets are not recognized are as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Tax loss carryforwards	21,858	21,553
Deductible temporary differences	2,236	2,055
Tax credit carryforwards	2,885	2,789

The expiration schedule of tax loss carryforwards for which deferred tax assets are not recognized are as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Within one year	793	878
One to five years	1,801	1,256
Over five years	19,264	19,419
Total	21,858	21,553

The expiration schedule of tax credit carryforwards for which deferred tax assets are not recognized are as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
One to five years	—	—
Over five years	2,885	2,789
Total	2,488	2,789

The total amount of taxable temporary differences related to investments in consolidated subsidiaries for which deferred tax liabilities are not recognized as of the date of March 31, 2024 and 2025 are 921,555million yen and 955,648 million yen, respectively.

The components of income taxes are as set out in the table below.

The amount of the benefit arising from a tax loss or temporary difference of a prior period for which deferred tax assets were not recognized is included in current and deferred tax expenses. The effect of this on current and deferred tax expenses in the years ended March 31, 2024 and 2025 are insignificant.

Current tax expense includes a top-up tax under global minimum taxation, the impact of which is insignificant.

In Japan, the “Act for Partial Amendment of the Income Tax Act and Other Acts” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the corporation tax rate to be imposed from the fiscal years beginning on and after April 1, 2026 has increased. Accordingly, as of March 31, 2025, the Company and its subsidiaries in Japan revised the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences expected to be recovered or settled on and after April 1, 2026. The statutory tax rate before revision was 30.5%, while the statutory tax rate after revision is 31.5%. The decrease in deferred tax expenses resulting from the change of the statutory tax rate described above is 1,723 million yen.

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Current tax expense	76,678	98,068
Deferred tax expense		
Origination and reversal of temporary differences	(7,770)	(7,719)
Total	68,908	90,349

The Company and its domestic consolidated subsidiaries are subject mainly to corporate tax, inhabitant tax and business tax. Statutory tax rate of the Company is approximately 30.5% for the years ended March 31, 2024 and 2025, respectively. Foreign consolidated subsidiaries are subject to income taxes at their locations.

The causes of the difference between the statutory tax rate and the average effective tax rate are as follows:

	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Statutory tax rate	30.5%	30.5%
Changes in unrecognized deferred tax assets	0.2	0.3
Expenses permanently not deductible for tax purposes	0.4	0.3
International tax rate difference	(6.5)	(6.0)
Tax credits	(5.8)	(3.8)
Tax effect attributable to investments accounted for using the equity method	(2.2)	(2.7)
Others	2.2	2.1
Average effective tax rate	18.8%	20.7%

16. Bonds, borrowings and lease liabilities

(1) Components of bonds, borrowings and lease liabilities

Components of bonds, borrowings and lease liabilities are as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Unsecured borrowings		
Weighted average interest rate	1.19%	1.14%
Final maturity	2030	2030
Balance at end of year	191,435	164,285
Sub total	191,435	164,285
Unsecured bonds		
Total amount of issue: 20,000 million yen,		
Annual interest rate: 0.400%,	19,943	19,964
Due: December 18, 2026		
Total amount of issue: 30,000 million yen,		
Annual interest rate: 0.558%,	29,912	29,930
Due: December 18, 2028		
Sub total	49,855	49,894
Lease liabilities	153,346	146,482
Sub total	153,346	146,482
Total	394,636	360,661
Current liabilities	151,698	120,889
Non-current liabilities	242,938	239,772

As of March 31, 2025, the Company and its subsidiaries had unused committed lines of credit that can provide short-term funds from subscribing financial institutions amounting to 162,900 million yen.

(2) Changes in liabilities related to financing activities

Changes in liabilities related to financing activities are as follows:

Year ended Mar. 31, 2024

	Yen (millions)				
	Balance at beginning of year	Changes from financing cash flows	Non-cash changes		Balance at end of year
			Increase from new leases	Foreign currency translation adjustments and others	
Short-term borrowings	87,492	(18,315)	—	2,508	71,685
Bonds	—	49,846	—	9	49,855
Long-term borrowings	164,773	(45,234)	—	211	119,750
Lease liabilities	148,493	(60,918)	62,141	3,630	153,346
Total	400,758	(74,621)	62,141	6,358	394,636

Note : Balances to be repaid or redeemed in 1 year or less are included in “Long-term borrowings” and “Lease liabilities.”

Year ended Mar. 31, 2025

					Yen (millions)
	Balance at beginning of year	Changes from financing cash flows	Non-cash changes		Balance at end of year
			Increase from new leases	Foreign currency translation adjustments and others	
Short-term borrowings	71,685	(30,333)	—	5,861	47,213
Bonds	49,855	—	—	39	49,894
Long-term borrowings	119,750	(3,050)	—	372	117,072
Lease liabilities	153,346	(65,454)	63,142	(4,552)	146,482
Total	394,636	(98,837)	63,142	1,720	360,661

Note : Balances to be repaid or redeemed in 1 year or less are included in “Long-term borrowings” and “Lease liabilities.”

17. Other financial liabilities

Components of other financial liabilities are as set out in the table below. Accounts payable (non-trade) and guarantee deposits received are financial liabilities measured at amortized cost. Derivative liabilities and contingent consideration are financial liabilities measured at fair value through profit or loss.

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Other financial liabilities		
Accounts payable (non-trade)	178,522	189,560
Guarantee deposits received	11,516	10,456
Derivative liabilities	9,984	2,214
Contingent consideration	1,087	1,456
Total	201,109	203,686
Current liabilities	200,411	203,630
Non-current liabilities	698	56
Total	201,109	203,686

## 18. Leases

The Company and its consolidated subsidiaries mainly serve as lessees for buildings and structures in leasing transactions.

For the years ended March 31, 2024 and 2025, there are no significant contracts that have already been signed but have not been leased. There are no significant restrictions (e.g. restrictions on additional borrowing and additional leases) imposed by the lease contract.

The Company and its consolidated subsidiaries recognize the lease payments as expenses over the lease term for leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Lease expenses as a lessee is as follows:

	Yen(millions)	
	Year ended Mar.31, 2024	Year ended Mar.31, 2025
Interest on lease liabilities	1,491	2,072
Expenses for short-term leases	9,663	9,472
Expenses for leases of low-value assets, excluding short-term leases of low-value assets	8,284	8,335

In the years ended March 31, 2024 and 2025, the total cash outflow for leases is 80,356 million yen and 85,333 million yen, respectively.

19. Trade payables

Components of trade payables are as follows. Trade payables are classified as financial liabilities measured at amortized cost.

		Yen (millions)
	As of Mar. 31, 2024	As of Mar. 31, 2025
Notes payable	127,165	102,717
Accounts payable	461,977	499,261
Total	589,142	601,978

20. Employee benefits

(1) Post-employment benefits

The Company has non-contributory defined benefit plans and defined contribution plans, and contributory defined benefit plans covering its employees who meet eligibility requirements.

Under the non-contributory defined benefit plans, employees with less than twenty years of service are entitled to lump-sum payments at date of severance, and employees with twenty or more years of service are entitled to annuity payments subsequent to retirement, determined by the current basic rate of pay, length of service and termination conditions. In addition, certain employees who meet the eligibility requirements are entitled to additional lump-sum payments at the date of retirement based on the retirement age.

Under the non-contributory defined contribution plans, the Company pays contributions over the enrollment period and the pension funds are accumulated by means of employees' directions to investment policies. In principle, it is paid for a certain period after the age of sixty.

Under the contributory defined benefit plans, a cash balance pension plan is adopted. Under the cash balance pension plan, each participant has a notional account which is credited yearly based on the current rate of contribution and market-related interest rate.

The assets of certain of the non-contributory plans and the contributory plans are combined in accordance with the regulations and administered by a board of trustees comprised equally of employer and employee representatives. An employee retirement benefit trust is established for certain of the noncontributory plans.

The institution managing the fund and plan assets is legally obligated to act with the objective of maximizing the benefit to plan participants, and bears responsibility for management of the plan assets according to a prescribed investment policy. The Company is obligated to contribute to the fund over the future, and the amount of the contribution is periodically revised to the extent as is permitted in laws and regulations.

The domestic consolidated subsidiaries provide various pension plans, including employees' pension fund plans, and/or corporate pension fund plans, based on each subsidiary's respective pension policies. In addition, foreign consolidated subsidiaries that have adopted a pension policy mainly provides defined contribution pension plans.

(2) Defined benefit plans

Changes in the present value of defined benefit obligations and fair value of plan assets are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Present value of a defined benefit obligation		
Balance at beginning of year	1,059,156	1,018,224
Service cost	35,791	34,036
Interest cost	11,307	13,048
Remeasurements of defined benefit pension plans		
Actuarial gains and losses arising from changes in demographic assumptions	(1,444)	(509)
Actuarial gains and losses arising from changes in financial assumptions	(25,486)	(67,243)
Others	4,919	3,304
Benefits paid	(68,323)	(65,870)
Others	2,304	(11,479)
Balance at end of year	1,018,224	923,511
Fair value of plan assets		
Balance at beginning of year	1,237,800	1,487,361
Interest income	13,880	20,698
Remeasurements of defined benefit pension plans		
Return on plan assets (excluding interest income)	257,455	(22,553)
Employer contributions	21,525	20,597
Plan participants' contributions	931	952
Benefits paid	(48,014)	(51,568)
Others	3,784	(13,499)
Balance at end of year	1,487,361	1,441,988
Net defined benefit liability recognized in the Consolidated Statement of Financial Position	(469,137)	(518,477)
Net defined benefit liabilities	158,076	151,098
Net defined benefit assets	627,213	669,575
Net amount	(469,137)	(518,477)

Notes : 1 Service costs, interest costs and interest income are included in "Cost of sales" and "Selling, general and administrative expenses" in the Consolidated Statement of Profit or Loss.

2 Part of net defined benefit liabilities is included in "Other current liabilities" in the Consolidated Statement of Financial Position.

The Company and its consolidated subsidiaries plan to pay contributions of 20,955 million yen in the next fiscal year.



The Company's investment policies are designed to ensure adequate plan assets which are available to provide future payments of pension benefits to eligible participants. Taking into account the expected long-term rate of return on plan assets, the Company formulates an investment portfolio comprised of the optimal combination of equity and debt instruments. Plan assets are invested in individual equity and debt instruments using the guidelines of the investment portfolio in order to produce a total return that will match the expected return on a mid-term to long-term basis. The Company evaluates the gap between expected return and actual return of invested plan assets on an annual basis. In addition, taking into consideration the management environment and the revision of regulations, the Company revises the investment portfolio when and to the extent considered necessary to achieve the expected long-term rate of return on plan assets based on the pension asset and liability management method.

The plan assets are allocated under Company's policy to equity instruments, debt instruments and investments in life insurance company general accounts, hedge funds and other assets. As for selection of plan assets, the Company examines the nature of investments, and appropriately diversifies investments.

Major components of plan assets are as follows:

	Yen (millions)					
	As of Mar. 31, 2024			As of Mar. 31, 2025		
	Has quoted market prices in active markets		Total	Has quoted market prices in active markets		Total
	Yes	No		Yes	No	
Cash and cash equivalents	45,352	—	45,352	21,721	—	21,721
Equity instruments						
Marketable equity securities	446,816	—	446,816	444,308	—	444,308
Pooled funds	—	259,503	259,503	—	249,211	249,211
Debt instruments						
Government, municipal and corporate bonds	11,586	17,991	29,577	11,063	32,843	43,906
Pooled funds	—	239,096	239,096	—	268,424	268,424
Life insurance company general accounts	—	111,196	111,196	—	111,570	111,570
Others	—	355,821	355,821	—	302,848	302,848
Total	<u>503,754</u>	<u>983,607</u>	<u>1,487,361</u>	<u>477,092</u>	<u>964,896</u>	<u>1,441,988</u>

Notes : 1 Marketable equity securities include mainly domestic stocks.

2 Equity instrument pooled funds are invested into approximately 20% domestic equities and 80% foreign equities as of March 31, 2024 and approximately 20% domestic equities and 80% foreign equities as of March 31, 2025.

3 Debt instrument pooled funds are invested into approximately 30% domestic bonds and 70% foreign bonds as of March 31, 2024 and approximately 50% domestic bonds and 50% foreign bonds as of March 31, 2025.

4 Others include hedge funds.

The key actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

	As of Mar. 31, 2024	As of Mar. 31, 2025
Discount rate	1.5%	2.2%

The effect of 0.5% change in the discount rate used in actuarial calculations on the present value of the defined benefit obligation is as follows. The sensitivity analysis assumes no change in other assumptions, but in actuality, changes in other assumptions may affect the sensitivity analysis.

	Yen (millions)			
	As of Mar. 31, 2024		As of Mar. 31, 2025	
Discount rate increases 0.5%	Decrease of	49,224	Decrease of	41,548
Discount rate decreases 0.5%	Increase of	53,764	Increase of	45,662

The weighted average durations of the defined benefit obligation for the years ended March 31, 2024 and 2025 are 11.0 years and 10.4 years, respectively.

(3) Defined contribution plans

The amounts of cost recognized for the Company and certain consolidated subsidiaries' defined contribution plans for the years ended March 31, 2024 and 2025 are 15,933 million yen and 17,027 million yen, respectively.

(4) Employee benefits expense

The total amounts of employee benefits expense included in the Consolidated Statement of Profit or Loss for the years ended March 31, 2024 and 2025 are 1,363,570 million yen and 1,443,487 million yen, respectively.

21. Provisions

Components and changes in provisions are as follows:

Year ended Mar. 31, 2025				Yen (millions)
	Provision for product warranties	Provision for loss on construction contracts	Other provisions	Total
Balance at beginning of year	61,856	57,157	9,953	128,966
Additions	37,120	25,284	4,627	67,031
Utilized	(21,135)	(37,103)	(2,415)	(60,653)
Reversed	(3,545)	(2,742)	(2,046)	(8,333)
Exchange differences on translating foreign operations and others	(370)	(119)	(220)	(709)
Balance at end of year	73,926	42,477	9,899	126,302
Current liabilities				123,243
Non-current liabilities				3,059

(1) Provision for product warranties

The Company and its consolidated subsidiaries generally offer warranties on their products against certain manufacturing and other defects for specific periods of time and/or used conditions of the product depending on the nature of the product, the geographic location of its sale and other factors. The Company and its consolidated subsidiaries recognize accrued warranty costs based primarily on historical experience of actual warranty claims as well as current information on repair costs.

(2) Provision for loss on construction contracts

The Company and its consolidated subsidiaries record the expected amount of future losses on a construction contract as a provision for loss on construction, if it is probable that the estimated total cost of such construction will exceed the contract order amount and if the expected loss amount can be reasonably estimated. The timing of expenditure is affected by future construction progress.

22. Equity and other equity items

(1) Common stock

(a) Number of total authorized shares

The number of total authorized shares as of March 31, 2024 and 2025 was 8,000,000,000 shares.

(b) Number of shares issued

Changes in the number of shares issued are as follows:

	(Shares)	
	Year ended Mar.31, 2024	Year ended Mar.31, 2025
Balance at beginning of year	2,147,201,551	2,147,201,551
Changes during the year	—	(34,000,000)
Balance at end of year	2,147,201,551	2,113,201,551

Notes : 1 The shares issued by the Company are ordinary shares with no par value and outstanding shares are fully paid.

2 The decrease during the year ended March 31, 2025 was due to the cancellation of treasury stock.

(2) Treasury stock, at cost

Changes in the number of treasury stock, at cost are as follows:

	(Shares)	
	Year ended Mar.31, 2024	Year ended Mar.31, 2025
Balance at beginning of year	35,681,952	58,928,148
Changes during the year	23,246,196	(21,110,925)
Balance at end of year	58,928,148	37,817,223

Note : Shares in the Company held by the Board Incentive Plan Trust are included in the number of treasury stock.

(1,807,321 shares as of March 31, 2024, and 1,915,095 shares as of March 31, 2025)

(3) Capital surplus

In the Companies Act of Japan ("Companies Act"), it is stipulated that one half or more of the amount pertaining to payment or benefits for the issuance of shares shall be included in common stock and the remainder shall be included in capital reserve within capital surplus. Capital reserve can be transferred to common stock with a resolution of the shareholders' meeting.

(4) Retained earnings

The Companies Act requires that an amount equal to 10% of the surplus reduced by dividends of surplus be appropriated as capital reserve or legal reserve included in retained earnings until the aggregated amount of capital reserve and the legal reserve equals 25% of common stock. Legal reserve may be appropriated to cover deficit or reversed with a resolution of the shareholders' meeting.

(5) Accumulated other comprehensive income (loss)

Changes in each item of accumulated other comprehensive income (loss) are as follows:

Year ended Mar. 31, 2024

	Yen (millions)				
	Exchange differences on translating foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Net changes in the fair value of cash flow hedges	Total
Balance at beginning of year	163,249	113,579	—	70	276,898
Net change in other comprehensive income	121,970	48,658	194,790	(65)	365,353
Reclassification to retained earnings	—	(83,829)	(194,790)	—	(278,619)
Balance at end of year	285,219	78,408	—	5	363,632

Year ended Mar. 31, 2025

	Yen (millions)				
	Exchange differences on translating foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Net changes in the fair value of cash flow hedges	Total
Balance at beginning of year	285,219	78,408	—	5	363,632
Net change in other comprehensive income	6,237	(3,122)	25,949	65	29,129
Reclassification to retained earnings	—	(12,353)	(25,949)	—	(38,302)
Balance at end of year	291,456	62,933	—	70	354,459

Net changes in other comprehensive income (loss) attributable to non-controlling interests are as follows:

	Yen (millions)				
	Exchange differences on translating foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Net changes in the fair value of cash flow hedges	Total
Year ended Mar. 31, 2024	8,776	86	(45)	(25)	8,792
Year ended Mar. 31, 2025	637	123	307	—	1,067

### 23. Dividends

Dividends paid for the years ended March 31, 2024 and 2025 are as follows:

Resolution date	Total amount of dividends	Dividend per share	Record date	Effective date
	Yen (millions)	Yen		
May 15, 2023 Board of Directors Meeting	54,940	26	March 31, 2023	June 2, 2023
October 31, 2023 Board of Directors Meeting	42,009	20	September 30, 2023	December 4, 2023
May 9, 2024 Board of Directors Meeting	62,702	30	March 31, 2024	June 4, 2024
October 31, 2024 Board of Directors Meeting	41,613	20	September 30, 2024	December 3, 2024

Dividends with a record date in the year ended March 31, 2025 and the effective date in the next fiscal year are as follows:

Resolution date	Total amount of dividends	Dividend per share	Record date	Effective date
	Yen (millions)	Yen		
May 13, 2025 Board of Directors Meeting	62,318	30	March 31, 2025	June 3, 2025

## 24. Revenues

### (1) Disaggregation of revenue

The Group's business consists of 6 reportable segments: Infrastructure, Industry & Mobility, Life, Business Platform, Semiconductor & Device and Others. Revenue is presented by these categories since the Company's management periodically uses them for decision of business resources allocation and evaluation of business operations.

The principal businesses and major products and services of each operating segment are shown in Note "6. Segment information". The Group conducts business through 6 categories by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

Revenue is disaggregated by region according to the customer's location. The relationship between these disaggregated revenue and segment revenue are as follows:

Year ended Mar. 31, 2024

	Yen (millions)						
	Overseas					Consolidated total	
	Japan	North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	790,470	151,467	46,341	25,916	10,106	233,830	1,024,300
Industry & Mobility	660,627	284,568	517,007	216,352	16,863	1,034,790	1,695,417
Life	797,673	244,748	497,977	430,717	63,897	1,237,339	2,035,012
Business Platform	82,203	1	1	1	—	3	82,206
Semiconductor & Device	78,908	15,279	104,416	59,838	383	179,916	258,824
Others	149,584	959	11,339	268	5	12,571	162,155
Consolidated	2,559,465	697,022	1,177,081	733,092	91,254	2,698,449	5,257,914

Year ended Mar. 31, 2025

	Yen (millions)						
	Overseas					Consolidated total	
	Japan	North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	931,914	215,170	37,607	16,316	10,527	279,620	1,211,534
Industry & Mobility	635,604	275,105	486,894	211,597	17,059	990,655	1,626,259
Life	830,772	296,035	526,626	428,090	81,227	1,331,978	2,162,750
Business Platform	84,495	2	—	—	—	2	84,497
Semiconductor & Device	74,974	12,265	109,821	62,336	466	184,888	259,862
Others	165,794	507	10,310	191	7	11,015	176,809
Consolidated	2,723,553	799,084	1,171,258	718,530	109,286	2,798,158	5,521,711

Revenue is accounted for according to Note “3. Material accounting policies (13) Revenues,” and revenue recognition methods for each category are primarily as follows:

(a) Infrastructure, Business Platform

Major revenue recognition methods are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

(b) Life

Major revenue recognition methods of the air conditioning systems & home products business are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as home appliances is recognized at the time when the product is accepted by the customer.

Major revenue recognition methods of the building systems business are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

Revenue from maintenance agreements is recognized over the contract term as the maintenance is provided.

(c) Industry & Mobility, Semiconductor & Device, Others

Major revenue recognition methods are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as industrial products and semiconductors is recognized at the time when the product is accepted by the customer.

Revenue from some products requiring acceptance inspection is recognized at the time when the product is received by the customer and the functionality of the product is substantially demonstrated by the Company and its consolidated subsidiaries.

(2) Contract liabilities

(a) The amount of revenue recognized during the year that was included in the contract liability balance at the beginning of each year is as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
The amount of revenue recognized during the year that was included in the contract liability balance at the beginning of each year	127,835	198,045

(b) The amounts of contract liabilities included in “other non-current liabilities” as of March 31, 2024 and 2025 are 20,237 million yen and 19,605 million yen, respectively.

(3) Transaction price allocated to remaining performance obligations

The total amount of transaction price allocated to remaining performance obligations is 2,321,679 million yen as of March 31, 2024. The Company and its consolidated subsidiaries recognize this revenue primarily according to satisfaction of the performance obligations. The period in which this revenue is expected to be recognized is from the years ending March 31, 2025 to 2051.

The total amount of transaction price allocated to remaining performance obligations is 2,932,857 million yen as of March 31, 2025. The Company and its consolidated subsidiaries recognize this revenue primarily according to satisfaction of the performance obligations. The period in which this revenue is expected to be recognized is from the years ending March 31, 2026 to 2051.

The Company and its consolidated subsidiaries apply the practical expedient in IFRS 15 paragraph 121(a) and do not include contracts that have an original expected duration of one year or less in the total amount of the transaction price allocated to remaining performance obligations.

25. Other profit (loss)

The major components of other profit (loss) are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Gain on sales of land	26,733	1,049
Impairment losses	(9,853)	(10,117)
Gain on sale of subsidiary	—	23,826

26. Financial income and financial expenses

Components of financial income and financial expenses are as set out in the table below. Dividend income were related to financial assets measured at fair value through other comprehensive income. Interest income and interest expenses were mainly related to financial assets and liabilities measured at amortized cost.

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Financial income		
Dividends	10,901	8,081
Interest income	10,296	12,725
Other financial income	3	28
Total	21,200	20,834
Financial expenses		
Interest expenses	7,672	6,929
Exchange loss	3,996	6,842
Other financial expenses	19	627
Total	11,687	14,398

Note : Gains (losses) on derivative instruments not designated as hedges are included in exchange loss.



27. Other comprehensive income

The amount arising during the year on each item of other comprehensive income (loss), reclassification adjustments to profit or loss and tax effects is as follows:

Yen (millions)						
	Year ended Mar. 31, 2024			Year ended Mar. 31, 2025		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Items that will not be reclassified to net profit						
Changes in fair value of financial assets measured at fair value through other comprehensive income						
Amount arising during the year	65,191	(21,158)	44,033	(6,852)	263	(6,589)
Net change during the year	65,191	(21,158)	44,033	(6,852)	263	(6,589)
Remeasurements of defined benefit plans						
Amount arising during the year	279,466	(85,290)	194,176	41,895	(15,972)	25,923
Net change during the year	279,466	(85,290)	194,176	41,895	(15,972)	25,923
Share of other comprehensive income of investments accounted for using the equity method						
Amount arising during the year	7,597	(2,317)	5,280	5,644	(1,721)	3,923
Net change during the year	7,597	(2,317)	5,280	5,644	(1,721)	3,923
Items that may be reclassified to net profit						
Exchange differences on translating foreign operations						
Amount arising during the year	123,633	(107)	123,526	(1,837)	202	(1,635)
Reclassification adjustments to net profit	—	—	—	—	—	—
Net change during the year	123,633	(107)	123,526	(1,837)	202	(1,635)
Net changes in the fair value of cash flow hedges						
Amount arising during the year	211	(68)	143	285	(91)	194
Reclassification adjustments to net profit	(343)	109	(234)	(189)	60	(129)
Net change during the year	(132)	41	(91)	96	(31)	65
Share of other comprehensive income of investments accounted for using the equity method						
Amount arising during the year	7,711	(564)	7,147	9,360	(851)	8,509
Reclassification adjustments to net profit	74	—	74	—	—	—
Net change during the year	7,785	(564)	7,221	9,360	(851)	8,509
Other comprehensive income (loss)	483,540	(109,395)	374,145	48,306	(18,110)	30,196

28. Earnings per share

Basic earnings per share and diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Net profit attributable to Mitsubishi Electric Corp. stockholders	284,949	324,084

	Shares	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Basic average ordinary shares outstanding	2,099,261,319	2,081,513,231

	Yen	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	135.74	155.70
Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	135.74	155.70

Note : The number of the Company's shares held through the Board Incentive Plan Trust were included in the shares of treasury stock that were deducted from the average number of ordinary shares outstanding in the calculation of Earnings per share attributable to Mitsubishi Electric Corp. stockholders. (1,814,572 shares as of March 31, 2024, and 1,928,770 shares as of March 31, 2025).

## 29. Financial instruments

### (1) Capital management

The Company and its consolidated subsidiaries carry out capital management using ROE and the ratio of bonds and borrowings to total assets in order to establish a strong financial basis and enable further business expansion globally. Capital is defined as equity (Mitsubishi Electric Corp. stockholders' equity) as presented in the Consolidated Statement of Financial Position.

ROE and the ratio of bonds and borrowings to total assets are as set out in the table below. ROE is calculated as Net profit attributable to Mitsubishi Electric Corp. stockholders divided by equity. The ratio of bonds and borrowings to total assets is calculated as bonds and borrowings excluding lease liabilities divided by total assets.

	As of Mar. 31, 2024	As of Mar. 31, 2025
ROE	8.2%	8.4%
Ratio of bonds and borrowings to total assets	3.9%	3.4%

There are no significant capital regulations that apply to the Company and its consolidated subsidiaries.

### (2) Financial risk management

In the course of their management activities, the Company and its consolidated subsidiaries face financial risks including market risk, credit risk and liquidity risk, and carry out risk management to mitigate these risks.

#### (a) Market risk management

##### (i) Currency risk management

The Group is engaged in production and sales activities in various regions including Japan, North America, Europe, Asia and other regions. Revenue and expenses as well as assets and liabilities denominated in foreign currencies may be affected by foreign exchange rate fluctuations.

The Company and certain consolidated subsidiaries have entered into forward exchange contracts mainly to hedge cash flows from foreign currency-denominated forecast transactions.

#### Currency risk exposure

The Company and its consolidated subsidiaries' currency risk exposure (net) is primarily as set out in the table below. Amounts for which currency risk is hedged using forward exchange contracts are excluded.

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
U.S. dollars	32,428	101,924
Euros	21,715	39,369

#### Foreign exchange sensitivity analysis

With regards to foreign currency-denominated financial instruments held by the Company and its consolidated subsidiaries, assuming that all variables other than foreign exchange are constant, the effect of a 1% increase in the value of the yen against the U.S. dollar and euro on profit before income taxes in the Consolidated Statement of Profit or Loss are as follows (negative values shown in parentheses):

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
U.S. dollars	(324)	(1,019)
Euros	(217)	(394)

(ii) Interest rate risk management

The Company and its consolidated subsidiaries may be affected by fluctuations in interest rates of borrowings with variable interest.

The Company and its consolidated subsidiaries limit interest rate risk exposure by procuring most of their bonds and borrowings with fixed interest rates.

Interest rate risk exposure

The interest rate risk exposure of the Company and its consolidated subsidiaries are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Variable interest rate bonds and borrowings	72,208	48,072

Interest rate sensitivity analysis

With regard to financial instruments held by the Company and its consolidated subsidiaries, assuming that all variables other than interest rates are constant, the effect of a 1% increase in the interest rate on profit before income taxes in the Consolidated Statement of Profit or Loss are as follows (negative values shown in parentheses):

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Effect on profit before income taxes	(722)	(481)

(b) Credit risk management

Receivables arising from the operating activities of the Company and its consolidated subsidiaries may be affected by changes in the financial conditions of customers.

The Company and its consolidated subsidiaries determine trade receivables and other receivables to be in default if they cannot be recovered in part or in full or recovery is considered extremely difficult.

In order to mitigate risk by setting transaction amount limits in line with credit risk, the Company and its consolidated subsidiaries first conduct screening through external agencies and then establish customer credit limits and regularly monitor customers' financial condition.

Derivative transactions with the purpose of mitigating market risk are carried out with highly reputable financial institutions to minimize credit risk.

Excluding guarantees, the carrying amount after impairment of financial assets and contract assets presented in the consolidated financial statements is the maximum exposure without taking account of collateral received for credit risk on the financial assets and contract assets of the Company and its consolidated subsidiaries.

The Company and its consolidated subsidiaries have given guarantees to financial institutions related to transactions of associates and employees as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Guarantees of bank loan		
Associates	2,000	—
Employees	92	45
Others	3,256	1,653
Total	5,348	1,698

Note : Others are mainly repurchase obligations related to transferred receivables. Details are disclosed in “(5) Securitizations.”

Allowance for credit losses relating to performance of guarantee above is not recognized because the effect on the consolidated financial statements is immaterial.

The amount of allowance for credit losses for trade receivables and contract assets is calculated by estimating the lifetime expected credit losses until collection.

The amount of allowance for credit losses for other financial assets is in principle calculated by estimating 12-month expected credit losses. However, allowance for credit losses for financial assets for which credit risk has increased significantly since initial recognition or credit-impaired financial assets is calculated as an amount equal to lifetime expected credit losses.

The amount of allowance for credit losses is calculated as follows:

- Trade receivables and contract assets

Grouping is performed based on credit risk rating, then receivables are multiplied by an allowance rate based on the historical credit loss rate and adjusted for forecasts of future economic conditions. Further, trade receivables and contract assets consist of a lot of homogenous customers, and their credit ratings are deemed to be identical.

- Other financial assets

For financial assets whose credit risk has not been determined to have increased significantly since initial recognition, grouping is performed based on risks having similar characteristics, then cost is multiplied by an allowance rate based on the historical credit loss rate and adjusted for forecasts of future economic conditions. However, for financial assets whose credit risk has increased significantly since initial recognition and credit-impaired financial assets, the difference between the present value of the amount expected to be recovered and adjusted for forecasts of future economic conditions, and the carrying amount is used individually.

Changes in allowance for credit losses are as follows:

Year ended Mar. 31, 2024

	Yen (millions)				
	Lifetime expected credit losses				
	12-month expected credit losses	Financial assets always measured at an amount equal to lifetime expected credit losses	Financial assets for which credit risk has increased significantly since initial recognition	Credit-impaired financial assets	Total
Balance at beginning of year	10	9,941	—	5,471	15,422
Additions	1	2,624	—	1,107	3,732
Utilized	—	(788)	—	(647)	(1,435)
Reversed	(1)	(1,825)	—	(757)	(2,583)
Exchange differences on translating foreign operations, others	—	1,145	—	188	1,333
Balance at end of year	10	11,097	—	5,362	16,469

Year ended Mar. 31, 2025

	Lifetime expected credit losses				Yen (millions)
	12-month expected credit losses	Financial assets always measured at an amount equal to lifetime expected credit losses	Financial assets for which credit risk has increased significantly since initial recognition	Credit-impaired financial assets	Total
Balance at beginning of year	10	11,097	—	5,362	16,469
Additions	18	3,042	—	995	4,055
Utilized	(1)	(1,261)	—	(677)	(1,939)
Reversed	—	(933)	—	(339)	(1,272)
Exchange differences on translating foreign operations, others	—	(259)	—	95	(164)
Balance at end of year	27	11,686	—	5,436	17,149

The carrying amounts (before deducting the allowance for credit losses) of financial assets and contract assets subject to recognition of allowance for credit losses are as follows:

	Lifetime expected credit losses				Yen (millions)
	Financial assets measured at an amount equal to 12-month expected credit losses	Financial assets always measured at an amount equal to lifetime expected credit losses	Financial assets for which credit risk has increased significantly since initial recognition	Credit-impaired financial assets	Total
As of Mar. 31, 2024	103,282	1,419,631	—	7,186	1,530,099
As of Mar. 31, 2025	115,541	1,501,951	—	6,907	1,624,399

(c) Liquidity risk management

The Company and its consolidated subsidiaries finance through borrowings from financial institutions and by issuing bonds, which may be affected by deterioration in the financing environment.

In order to hedge the risk of not being able to make payment on financial liabilities by the due date, the Company and its consolidated subsidiaries manage liquidity risk by preparing adequate funds for repayment, securing readily available lines of credit from financial institutions and continuously monitoring planned and actual cash flows.

Balances of financial liabilities (including derivative instruments) classified by due dates are as set out in the table below.

As of Mar. 31, 2024

	Yen (millions)				
	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
Non-derivatives financial liabilities					
Trade payables and other financial liabilities	780,267	780,267	779,569	698	—
Short-term borrowings	71,685	73,962	73,962	—	—
Long-term borrowings	119,750	122,032	28,998	90,615	2,419
Bonds	49,855	51,077	247	50,830	—
Lease liabilities	153,346	159,526	52,875	86,765	19,886
Derivatives financial liabilities					
Forward exchange contracts and others	9,984	9,984	9,984	—	—
Total	1,184,887	1,196,848	945,635	228,908	22,305

As of Mar. 31, 2025

	Yen (millions)				
	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
Non-derivatives financial liabilities					
Trade payables and other financial liabilities	803,450	803,450	803,394	56	—
Short-term borrowings	47,213	49,439	49,439	—	—
Long-term borrowings	117,072	120,073	20,815	99,258	—
Bonds	49,894	50,829	247	50,582	—
Lease liabilities	146,482	156,893	55,260	87,064	14,569
Derivatives financial liabilities					
Forward exchange contracts and others	2,214	2,214	2,214	—	—
Total	1,166,325	1,182,898	931,369	236,960	14,569

Supplier finance arrangements

The Group has entered supplier finance arrangements with third-party financial institutions. Under these arrangements, the Group makes payments to the third-party financial institutions, based on agreements with each supplier. Suppliers may receive early payment at a discount from the third-party financial institutions. The Group has not pledged any assets or provided any third-party guarantees for supplier finance arrangements.

The supplier finance arrangements entered into by the Group are not expected to result in a concentration or extension of payment due dates compared to the normal payment terms agreed with other suppliers not

participating in the arrangements, and the Group is not exposed to significant liquidity risk arising from these arrangements.

The carrying amounts of financial liabilities associated with supplier finance arrangements are as follows.

	Yen (millions)	
	As of Apr. 1, 2024	As of Mar. 31, 2025
Carrying amounts of financial liabilities that are part of supplier finance arrangements		
Trade payables	115,856	88,719
Other financial liabilities	6,085	6,995
Total	121,941	95,714
Amounts of the financial liabilities presented above for which suppliers have already received payment	Note	16,441

The ranges of payment due dates associated with supplier finance arrangement, etc., are as follows.

	As of Apr. 1, 2024	As of Mar. 31, 2025
Liabilities under supplier finance agreements	Note	90 – 240 days
Comparable liabilities that are not part of supplier finance arrangements	Note	90 – 240 days

Note : The Company applied transitional relief available under Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 and has not disclosed information at the beginning of the first year of application.

For the fiscal year ended March 31, 2025, there were no significant non-cash changes in the carrying amounts of financial liabilities subject to the supplier finance arrangements.



### (3) Derivatives and hedging activities

The Company and its consolidated subsidiaries operate internationally, giving rise to significant exposure to market risks from changes in foreign currencies and interest rates. Derivative instruments are comprised principally of forward exchange contracts and currency swaps utilized by the Company and certain consolidated subsidiaries to reduce these risks. The Company and certain consolidated subsidiaries do not hold or issue financial instruments for trading purposes. Currency swaps are utilized to hedge changes in fair value, but are not designated as hedging instruments.

#### Cash flow hedges

The Company and certain consolidated subsidiaries have entered into forward exchange contracts mainly to hedge market risk of claims and debts denominated in foreign currencies from foreign exchange rate fluctuations. The Company and certain consolidated subsidiaries designate the forward exchange contracts as hedging instruments in cash flow hedges. The Company and certain consolidated subsidiaries set an appropriate hedge ratio at the inception of the hedging relationship based on the quantities of the hedged items and the hedging instruments. In principle, a one-to-one hedging relationship is used. The significant conditions of the hedged items and the hedging instruments are in principle matched.

The Company and certain consolidated subsidiaries consider the period in which hedged cash flows are expected to occur and the period in which those are expected to affect profit or loss are from April 2025 to October 2026.

The notional principal amount of forward exchange contracts designated as hedging instruments as of March 31, 2024 and 2025 are as follows:

Type of hedge	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Forward exchange contracts	2,411	2,517

The fair value of forward exchange contracts designated as hedging instruments as of March 31, 2024 and 2025 are as follows:

Type of hedge	Line item	Yen (millions)	
		As of Mar. 31, 2024	As of Mar. 31, 2025
Forward exchange contracts	Other financial assets	0	32
	Other financial liabilities	107	21

The amount of ineffective portion of hedges recognized in profit or loss is insignificant.

(4) Fair value of financial instruments

The Group classifies fair value measurements from level 1 to level 3 according to the observability of the inputs used in measurement:

Level 1: quoted prices for identical assets or liabilities in active markets

Level 2: fair value calculated directly or indirectly using observable prices other than those in level 1

Level 3: fair value calculated using valuation techniques including unobservable inputs

A determination is made at the end of the reporting period as to whether there are financial instruments for which transfers between levels were carried out. There were no financial instruments with significant transfers between levels for the year ended Mar. 31, 2024. For the year ended Mar. 31, 2025, certain investments classified as financial assets measured at fair value through other comprehensive income were transferred from level 3 to 1, as they were listed on a stock exchange.

For financial instruments classified as level 3, changing the unobservable inputs to reasonably possible alternative assumptions would not change the fair value significantly.

(a) Financial instruments measured at amortized cost

Methods of measurement of fair value, carrying amount and fair value of financial instruments measured at amortized cost are as follows:

Bonds and borrowings (including long-term borrowings to be repaid within 1 year)

Fair values of bonds are calculated using the Reference Statistical Prices of the Japan Securities Dealers Association and are classified as level 2 because fair value is calculated using observable market data. Fair values of borrowings are calculated using the present value of future cash flows discounted by the expected interest rate for similar new contracts and are classified as level 2 because fair value is calculated using observable market data.

	Yen (millions)			
	As of Mar. 31, 2024		As of Mar. 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments measured at amortized cost				
Bonds and borrowings (including long-term borrowings to be repaid within 1 year)	169,605	166,330	166,966	161,312

Note : The fair value of financial assets and financial liabilities measured at amortized cost other than the above approximated the carrying amounts.

(b) Financial instruments measured at fair value on a recurring basis

The method of measurement of fair value and fair value of financial instruments measured at fair value on a recurring basis are as follows:

Equity instruments and debt instruments

The fair value of marketable equity instruments is calculated based on the market price at the end of the reporting period and is classified as level 1 because fair value is calculated using the market value of an identical asset in an active market. The fair value of non-marketable equity instruments, investments in capital and debt instruments is calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows, and is classified as Level 3 because fair value is calculated based on valuation techniques using unobservable indicators. The reasonableness of the valuation techniques has been verified by the department in charge using various methods and the result of the verification has been approved by an appropriate management.

#### Derivative assets and liabilities

The fair values of derivatives are calculated based on market interest rates and market rates of foreign exchange banks as financial assets or financial liabilities measured at fair value through profit or loss and is classified as level 2 because fair value is calculated using observable market data.

#### Contingent considerations

The fair value of liabilities related to contingent considerations is calculated using the present value taking into account the probability of possible payment to contract counterparties and classified as level 3 because fair value is calculated based on valuation techniques using unobservable indicators. The reasonableness of the valuation techniques has been verified by the department in charge using various methods and the result of the verification has been approved by an appropriate management.

As of Mar. 31, 2024

	Yen (millions)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
Debt instruments	—	—	802	802
Derivative assets	—	2,291	—	2,291
Financial assets measured at fair value through other comprehensive income				
Equity instruments	117,398	—	162,928	280,326
Total	117,398	2,291	163,730	283,419
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	9,984	—	9,984
Contingent considerations	—	—	1,087	1,087
Total	—	9,984	1,087	11,071

As of Mar. 31, 2025

	Yen (millions)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
Debt instruments	—	—	2,904	2,904
Derivative assets	—	2,149	—	2,149
Financial assets measured at fair value through other comprehensive income				
Equity instruments	101,343	—	154,729	256,072
Total	101,343	2,149	157,633	261,125
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	2,214	—	2,214
Contingent considerations	—	—	1,456	1,456
Total	—	2,214	1,456	3,670

Changes in financial assets measured at fair value on a recurring basis classified as Level 3 are as follows:

	Yen (millions)	
	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Balance at beginning of year	80,988	163,730
Gains (losses) (Note 1,2)		
in profit or loss	(19)	(481)
in other comprehensive income	5,606	(1,396)
Purchases	81,246	12,860
Sale	(4,091)	(11,113)
Decrease due to transfer (Note 3)	—	(5,967)
Balance at end of year	163,730	157,633

Notes : 1 Gains (losses) in profit or loss are related to financial assets measured at fair value through profit or loss as of the end of the reporting period and included in “Financial income” or “Financial expenses” in the Consolidated Statement of Profit or Loss.

2 Gains (losses) in other comprehensive income are related to financial assets measured at fair value through other comprehensive income as of the end of the reporting period and included in “Changes in fair value of financial assets measured at fair value through other comprehensive income” in the Consolidated Statement of Comprehensive Income.

3 Decrease due to transfer for the year ended Mar. 31, 2025 is caused by transfer to level 1 upon listing of unlisted stocks on a stock exchange.

#### (5) Securitizations

The Company and its consolidated subsidiaries have transferred trade receivables and other receivables, to unconsolidated securitization-purpose structured entities, and losses on securitization of 166 million yen and 181 million yen were recorded in the years ended March 31, 2024 and 2025, respectively.

##### (a) Involvement with unconsolidated securitization-purpose structured entities

Unconsolidated securitization-purpose structured entities are used in the securitization of trade receivables and other receivables. Because these entities are structured by third-party financial institutions who operate the entities as part of their business and the entities purchase a large amount of assets from customers other than the Company, the ratio of financial assets transferred by the Company to the entities’ total assets is low and the Company has therefore determined that their assessed risk exposure has low relevance to the Company. The Company and its consolidated subsidiaries do not provide significant non-contractual support to the structured entities. The Company’s involvement with the structured entities primarily consists of the provision of limited credit quality enhancements, servicing the assets and the receipt of commissions for services provided.

The transferred financial assets, in some cases, may be repurchased under limited and specific conditions. Losses on securitization are expected to be all offset within a year and the maximum exposure as of March 31, 2024 and 2025 were 1,828 million yen and 144 million yen, respectively.

##### (b) Transfer of financial assets that were derecognized in their entirety

Subsequent to securitization, the Company and its consolidated subsidiaries retain collection and administrative responsibilities for the receivables. They have not recorded a servicing asset or liability since the cost of collection effort approximates the amount of commission income. The maximum exposure to losses from continuing involvement on financial assets derecognized as of March 31, 2025 was included in the maximum exposure to losses stated in “(a) Involvement with unconsolidated securitization-purpose structured entities” above.

#### 30. Principal subsidiaries

The Company’s principal subsidiaries are described in “I. Overview of the Company 4. Subsidiaries and Affiliated Companies.”

There were no significant changes in principal subsidiaries and ownership percentages of voting rights of the principal subsidiaries in the year ended March 31, 2024.

In the year ended March 31, 2025, MD LOGIS CORPORATION (formerly Mitsubishi Electric Logistics Corporation) has been converted from a consolidated subsidiary to an associate accounted for using the equity method. The overview and impact of this matter are stated in Note “7. Loss of control of a subsidiary.”

### 31. Related parties

#### (1) Related party transactions

The balances of receivables and payables with associates and joint ventures are as follows:

		Yen (millions)	
		As of Mar. 31, 2024	As of Mar. 31, 2025
Balance of trade receivables and contract assets			
Associates		68,415	78,059
Joint ventures		18,098	20,816
Total		86,513	98,875
Balance of trade payables and contract liabilities			
Associates		21,680	30,146
Joint ventures		10,374	12,709
Total		32,054	42,855

Other than the above, the balances of receivables under factoring transactions with joint ventures as of the date of March 31, 2024 and 2025 are 3,502 million yen and 3,306 million yen, respectively. The balances of payables under factoring transactions with joint ventures as of the date of March 31, 2024 and 2025 are 21,308 million yen and 21,205 million yen, respectively.

The amounts of transactions with associates and joint ventures are as follows:

		Yen (millions)	
		Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Revenue			
Associates		221,932	216,753
Joint ventures		57,536	74,844
Total		279,468	291,597
Purchases			
Associates		107,287	140,344
Joint ventures		39,243	52,077
Total		146,530	192,421

Other than the above, the amounts of factoring transactions for trade receivables with joint ventures for the years ended March 31, 2024 and 2025 are 37,848 million yen and 31,222 million yen, respectively. The amounts of factoring transactions for trade payables with joint ventures for the years ended March 31, 2024 and 2025 are 80,312 million yen and 75,779 million yen, respectively.

#### (2) Total key management personnel compensation

The amounts of expenses recognized related to key management personnel compensation, for the years ended March 31, 2024 and 2025 are 1,845 million yen and 2,338 million yen, respectively. These include officers' retirement benefits of 6 million yen and 17 million yen, respectively.

32. Commitments

Contractual commitments related to purchases of property, plant and equipment is as follows:

	Yen (millions)	
	As of Mar. 31, 2024	As of Mar. 31, 2025
Contractual commitments related to purchases of property, plant and equipment	71,992	100,674

33. Contingent liabilities

There were no significant events as of March 31, 2025.

34. Subsequent events

Repurchase of Company shares

The Company's Board of Directors resolved on April 28, 2025 to repurchase shares of the Company's stock pursuant to the provisions of Article 459, paragraph 1 of the Companies Act, as well as Article 31 of the Company's Articles of Incorporation.

(1) Reason for Repurchase of Company Shares

Based on the financial policies of Mitsubishi Electric, the Company will repurchase its own stock to enhance shareholder returns, strengthen capital efficiency.

(2) Details of Repurchase

(a) Type of Shares to Repurchase:	The Company's common stock
(b) Number of Shares to Repurchase:	60,000,000 shares (maximum limit)
(c) Aggregate Value of Repurchase:	100,000 million yen (maximum limit)
(d) Repurchase Period:	April 30, 2025-October 31, 2025
(e) Repurchase Method:	Market trades on Tokyo Stock Exchange

35. Approval of the consolidated financial statements

The consolidated financial statements were approved by Kei Uruma, President & CEO, on June 20, 2025.

(2) 【Other】

Quarterly Financial Information

		Three months ended Jun. 30, 2024	Six months ended Sept. 30, 2024	Nine months ended Dec. 31, 2024	Year ended Mar. 31, 2025
Revenue	Yen (millions)	1,286,484	2,643,597	4,000,351	5,521,711
Profit before income taxes	Yen (millions)	76,125	176,744	344,633	437,265
Net profit attributable to Mitsubishi Electric Corp. stockholders	Yen (millions)	49,138	118,640	248,094	324,084
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	Yen	23.53	56.85	119.08	155.70

		Three months ended Jun. 30, 2024	Three months ended Sept. 30, 2024	Three months ended Dec. 31, 2024	Three months ended Mar. 31, 2025
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	Yen	23.53	33.32	62.35	36.62

Note: For the first and third quarters, quarterly financial information is prepared in accordance with the rules stipulated by the financial instruments exchanges and is reviewed for the relevant periods.

# Independent auditor's report

Kei Uruma  
President & CEO  
Mitsubishi Electric Corporation

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of Mitsubishi Electric Corporation (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reasonableness of the estimate of the total cost of construction contracts	
The key audit matter	How the matter was addressed in our audit
<p>As described in Notes 3, “Material accounting policies, (13) Revenues” and 24, “Revenues” to the consolidated financial statements, the Company and its consolidated subsidiaries recognize revenue for specific construction contracts meeting certain criteria that are included in the Infrastructure segment according to the progress of the construction if progress can be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the estimated total cost. As also described in Note 6, “Segment information” to the consolidated financial statements, revenue recognized for the Infrastructure segment amounted to ¥1,224,948 million, for the fiscal year ended March 31, 2025, and this amounts included revenue for construction contracts recognized according to the progress.</p> <p>In addition, as described in Note 21, “Provisions” to the consolidated financial statements, the Company and its consolidated subsidiaries record the expected amount of future losses on an individual construction order as a provision for loss on construction, if it is probable that the estimated total cost of such construction will exceed the contract order amount and if the expected loss amount can be reasonably estimated. The provision for loss on construction contracts recognized in the consolidated financial statements of the Company and its consolidated subsidiaries amounted to ¥42,477 million as of March 31, 2025.</p> <p>There are many construction contracts entered into with customers in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses within the Infrastructure segment. As these construction contracts include those with significantly large contractual amounts, and they are often related to the latest technology, additional demand on new designs and new customers, estimating the total cost of completing these contracts involves a high degree of estimation uncertainty. Accordingly, management’s judgment thereon has a significant effect on the estimate of the total cost that forms the basis for measuring the progress of construction for revenue recognition and recording a provision for loss on construction contracts.</p> <p>We, therefore, determined that our assessment of the reasonableness of the estimate of the total cost of construction contracts in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses was the most significant matter in our audit of the consolidated financial statements for this fiscal year, and accordingly, a key audit matter.</p>	<p>The primary audit procedures we performed to evaluate the reasonableness of the Company’s estimate of the total cost of construction contracts in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the process of estimating the total cost. In this assessment, we focused our testing on:</p> <ul style="list-style-type: none"> <li>- Internal controls relevant to ensuring that estimate of total cost including the projection of material costs and working hours taking into account any uncertainties is reasonable; and</li> <li>- Internal controls relevant to ensuring that any changes in circumstances that may arise subsequent to the commencement of construction are reflected in the estimated total cost in an appropriate and timely manner.</li> </ul> <p>(2) Evaluating the reasonableness of the estimated total cost</p> <p>To evaluate the reasonableness of the estimated total cost, we primarily performed the following procedures:</p> <ul style="list-style-type: none"> <li>- We identified construction orders out of those in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses which involved a higher degree of uncertainty compared to other contracts in estimating the total cost, based on our understandings of the contract terms, type of construction, cost components, and assumptions used in the estimate.</li> <li>- Of the orders identified, we selected contracts whose percentage of completion deviated significantly from an expected percentage of completion based on the pattern of costs incurred for similar contracts in the past within the same business unit.</li> <li>- For the selected construction orders, to evaluate the appropriateness of significant assumptions used as the basis of estimating the total cost, we: <ul style="list-style-type: none"> <li>- Inquired of relevant responsible personnel about the reason why the percentage of completion deviated significantly when compared to the pattern of costs incurred for similar contracts in the past;</li> <li>- Compared the estimated total cost as of the end of this fiscal year to the initial estimated total cost, and assessed the reasons for any changes in estimate to evaluate the precision of the estimated total cost;</li> <li>- Inquired of relevant responsible personnel regarding the status of construction as well as whether reassessment of the estimated total cost was necessary, and evaluated the reasonableness of the responses in light of the construction time-table and the costs incurred to date; and</li> <li>- Agreed the estimated total cost to the cost calculation sheet and observed that all costs necessary for the type of construction agreed with the customer were included in the cost calculation.</li> </ul> </li> </ul>

## **Other Information**

The other information comprises the information included in the Company's Annual Securities Report, but does not include the consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and the Audit committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Fee-related Information**

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "Corporate Governance, etc. (3) Status of Audit" included in "Information on the Company" of the Company's Annual Securities Report.

## **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Kensuke Sodekawa  
Designated Engagement Partner  
Certified Public Accountant

Yukihiko Ishiguro  
Designated Engagement Partner  
Certified Public Accountant

Kazuaki Sasaki  
Designated Engagement Partner  
Certified Public Accountant

KPMG AZSA LLC  
Tokyo Office, Japan  
June 20, 2025

**Independent Auditor's Report on the Financial Statements**  
**and**  
**Internal Control Over Financial Reporting**

June 20, 2025

Kei Uruma  
President & CEO  
Mitsubishi Electric Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Kensuke Sodekawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yukihiko Ishiguro  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kazuaki Sasaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Mitsubishi Electric Corporation (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”) provided in the “Financial Information” section in the Company’s Annual Securities Report, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to consolidated financial statements in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board prescribed in Article 312 of “the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (IFRS Accounting Standards).

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Reasonableness of the estimate of the total cost of construction contracts</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As described in Notes 3, “Material accounting policies, (13) Revenues” and 24, “Revenues” to the consolidated financial statements, the Company and its consolidated subsidiaries recognize revenue for specific construction contracts meeting certain criteria that are included in the Infrastructure segment according to the progress of the construction if progress can be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the estimated total cost. As also described in Note 6, “Segment information” to the consolidated financial statements, revenue recognized for the Infrastructure segment amounted to ¥1,224,948 million, for the fiscal year ended March 31, 2025, and this amounts included revenue for construction contracts recognized according to the progress.</p> <p>In addition, as described in Note 21, “Provisions” to the consolidated financial statements, the Company and its consolidated subsidiaries record the expected amount of future losses on an individual construction order as a provision for loss on construction, if it is probable that the estimated total cost of such construction will exceed the contract order amount and if the expected loss amount can be reasonably estimated. The provision for loss on construction contracts recognized in the consolidated financial statements of the Company and its consolidated subsidiaries amounted to ¥42,477 million as of March 31, 2025.</p> <p>There are many construction contracts entered into with customers in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses within the Infrastructure segment. As these construction contracts include those with significantly large contractual amounts, and they are often related to the latest technology, additional demand on new designs and new customers, estimating the total cost of completing these contracts involves a high degree of estimation uncertainty. Accordingly, management’s judgment thereon has a significant effect on the estimate of the total cost that forms the basis for measuring the progress of construction for revenue recognition and recording a provision for loss on construction contracts.</p> <p>We, therefore, determined that our assessment of the reasonableness of the estimate of the total cost of construction contracts in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses was the most significant matter in our audit of the consolidated financial statements for this fiscal year, and accordingly, a key audit matter.</p>	<p>The primary audit procedures we performed to evaluate the reasonableness of the Company’s estimate of the total cost of construction contracts in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the process of estimating the total cost. In this assessment, we focused our testing on:</p> <ul style="list-style-type: none"> <li>- Internal controls relevant to ensuring that estimate of total cost including the projection of material costs and working hours taking into account any uncertainties is reasonable; and</li> <li>- Internal controls relevant to ensuring that any changes in circumstances that may arise subsequent to the commencement of construction are reflected in the estimated total cost in an appropriate and timely manner.</li> </ul> <p>(2) Evaluating the reasonableness of the estimated total cost</p> <p>To evaluate the reasonableness of the estimated total cost, we primarily performed the following procedures:</p> <ul style="list-style-type: none"> <li>- We identified construction orders out of those in the Public Utility Systems, Energy Systems and Defense &amp; Space systems businesses which involved a higher degree of uncertainty compared to other contracts in estimating the total cost, based on our understandings of the contract terms, type of construction, cost components, and assumptions used in the estimate.</li> <li>- Of the orders identified, we selected contracts whose percentage of completion deviated significantly from an expected percentage of completion based on the pattern of costs incurred for similar contracts in the past within the same business unit.</li> <li>- For the selected construction orders, to evaluate the appropriateness of significant assumptions used as the basis of estimating the total cost, we: <ul style="list-style-type: none"> <li>- Inquired of relevant responsible personnel about the reason why the percentage of completion deviated significantly when compared to the pattern of costs incurred for similar contracts in the past;</li> <li>- Compared the estimated total cost as of the end of this fiscal year to the initial estimated total cost, and assessed the reasons for any changes in estimate to evaluate the precision of the estimated total cost;</li> <li>- Inquired of relevant responsible personnel regarding the status of construction as well as whether reassessment of the estimated total cost was necessary, and evaluated the reasonableness of the responses in light of the construction time-table and the costs incurred to date; and</li> <li>- Agreed the estimated total cost to the cost calculation sheet and observed that all costs necessary for the type of construction agreed with the customer were included in the cost calculation.</li> </ul> </li> </ul>

## **Other Information**

The other information comprises the information included in the Company's Annual Securities Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and the Audit committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Audit of the Internal Control Report**

### **Opinion**

We also have audited the accompanying internal control report of Mitsubishi Electric Corporation as at March 31, 2025, in accordance with Article 193-2(2) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying internal control report, which states that the internal control over financial reporting was effective as at March 31, 2025, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit of the Internal Control Report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Internal Control Report* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control report in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management and the Audit committee for the Internal Control Report**

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The audit committee is responsible for overseeing and examining the design and operation of internal control over financial reporting. Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

## **Auditor's Responsibilities for the Audit of the Internal Control Report**

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor's report that includes our opinion.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures and results of the assessments that management presents.
- Plan and perform the audit of the internal control report to obtain sufficient appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the internal control report. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of our audit of the internal control report, the results thereof, material weaknesses in internal control identified during our audit of internal control report, and those that were remediated.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## **Fee-related Information**

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "Corporate Governance, etc. (3) Status of Audit" included in "Information on the Company."

## **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## **Notes to the Reader of Audit Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.