Mitsubishi Electric Corporate Strategy

Jun 3, 2021
Mitsubishi Electric Corporation
Executive Summary

1. Formulate a medium-term management plan that targets revenue of ¥5 trillion and operating profit margin of 10% in FY2025 (p.10)

2. Select five Key Growth Businesses to enhance our business portfolio (pp.12-16)
   <FA Control Systems, Building Systems, Air Conditioning & Refrigeration Systems, xEV/ADAS, Power Semiconductor Devices>

3. Make capital allocation of ¥3.4 trillion in total for FY2021-2025 (p.24)
   • Allocate ¥2.8 trillion for growth investment, etc., and separately set an amount of ¥0.5 trillion for strategic investment (M&A, etc.)
   • Set a shareholder return target of approximately ¥0.6 trillion in total

4. Declare net-zero greenhouse gas emission in the entire value chain in FY2050 (pp.27-28)

ADAS: Advanced Driver Assistance System
Introduction

1. Corporate Principle

2. Management Policy

3. Strategy

4. Medium-term Management Plan Towards FY2025
   4-1. Important Measures to Achieve Financial Targets
   a. Strengthening of Business Portfolio Strategy
   b. Expansion of Integrated Solutions
   c. Enhancement of Business Foundation
   d. Capital Allocation

4-2. Sustainability Initiatives
   a. Establishment of Materiality
   b. Status of Various Initiatives

<Appendix>

Business Portfolio
(Reference)

Single-year Outlook for FY2021
(Consolidated Performance)

Outlook for FY2021
(Segment Forecast)

Outlook for FY2021
(Sub-segment Forecast)

Note

FY2018 : April 1, 2018 -March 31, 2019
FY2019 : April 1, 2019 -March 31, 2020
FY2020 : April 1, 2020 -March 31, 2021
FY2021 : April 1, 2021 -March 31, 2022
FY2025 : April 1, 2025 -March 31, 2026
Thank you for your continued understanding and support for the activities of the Mitsubishi Electric Group.

On February 1, 2021, we celebrated the 100th anniversary of our founding. This could not have been possible without the support of all of you and I would like to take this opportunity to express my sincere appreciation for your kindness and support over the many years. We have included in our management policy our commitment to realize sustainability through all of our activities, and have started taking steps towards the next 100 years.

Mitsubishi Electric has formulated a new medium-term management plan that incorporates the strengthening of business portfolio strategy, expansion of Integrated Solution offerings, enhancement of business foundation, and sustainability initiatives, including support for decarbonization, as its aims to be pursued. We are strongly determined to promote the transformation of our business and operations through digital transformation (DX), and hope that we can provide unique value to society, customers, shareholders, employees, and their families. In addition to setting management targets towards the year 2025, we would like to show how we are trying to change over the next five years.

We sincerely apologize for the series of work-related issues that occurred in the past few years. We would also like to apologize for the tremendous inconvenience caused by the leak of information due to unauthorized access and improper quality issues. We take these issues very seriously, sincerely regret any inconvenience this may have caused, and are committed to working as an entire group to tackle the various issues we face including measures to prevent recurrence. We will strive to continue to be a company that is needed by all of you for the next 100 years as well, and therefore look forward to your continued support.

Takeshi Sugiyama
President & CEO
On the occasion of the 100th anniversary, the company has revised its corporate philosophy system to update the Group's reason for existence as well as the core values and attitude that all employees are asked to embrace and cherish in serving customers and society as a whole.

**Purpose**

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

**Our Values**

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

**Commitment**

"Changes for the Better" represents the Mitsubishi Electric Group’s attitude to "always strive to achieve something better," as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating "an even better tomorrow."
In addition to realizing corporate management that balances growth, profitability/efficiency, and soundness, we will contribute to realizing sustainability through all of our activities, and further enhance corporate value that emphasizes the creation of both economic and social value.

**Pursue the Satisfaction of the four Stakeholder Categories**

- **Society**
  - Social Contributions
- **Customers**
  - Excellent Products and Services
- **Shareholders**
  - Increase Corporate Value
- **Employees**
  - Rewarding Workplace

**Materiality to realize sustainability**

- **Realize a sustainable global environment**
- **Realize a safe, secure, and comfortable society**
- **Respect for all people**
- **Strengthen corporate governance and compliance on a sustainable basis**
- **Create a sustainability-oriented corporate culture**
Provide Integrated Solutions to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities inside and outside of the Group. For this purpose, we will enhance our business foundation fostered over the past 100 years and further transform business models.

*Business foundation fostered over the past 100 years: connection with customers, technologies, personnel, products, corporate culture, etc.*

**Social challenges**

**Mobility**
- Zero traffic accidents
- Comfortable transport
- Eliminate traffic congestion
- Reduce air pollution
- Measures for deteriorating infrastructure
- Prepare for natural disasters
- Eliminate poverty/inequalities
- Prepare for man-made threats

**Infrastructure**

**Life**
- Comfortable life
- Health
- Prepare for infectious diseases
- Prevent the ecosystem
- Avoid water shortage/food shortage
- Address labor shortage
- Industry and technological innovation
- Equal opportunity for education and training
- Preserve the ecosystem
- Prepare for man-made threats
- Preserves the ecosystem
- Response to uneven distribution and depletion of resources

**Industry**

**Activities for value creation**

Provide Integrated Solutions
unifying all the capabilities inside and outside of the Group
What is Mitsubishi Electric Integrated Solutions?

Offer Integrated Solutions that only we can provide by combining our strong core components with a wealth of Field Knowledge and advanced digital technologies.

Core components

- Inverters
- Motors
- Power Semiconductor Devices

Field Knowledge

- Knowledge of devices
- Optimization know-how tailored to needs
- Track record of operation support and maintenance
- Connection with customers

Advanced digital technologies

- Predictive failure detection
- Remaining useful life estimation
- Data linkage
- Encryption technology
- Digital twin
4

Medium-term Management Plan Towards FY2025
## FY2025 Financial Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>¥5 trillion</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>10%</td>
</tr>
<tr>
<td>ROE</td>
<td>10%</td>
</tr>
<tr>
<td>Cash Generation(*)</td>
<td>¥3.4 trillion/5 years</td>
</tr>
</tbody>
</table>

* Adjusted operating cash flow (CF)
Important Measures to Achieve Financial Targets
Resilient Businesses

- Have stable demand and contribute to our resilient management regardless of market fluctuation
- Expand profitability through efficient investment
- Revenue of ¥1 trillion
- Operating profit margin of 9%
  (FY2025 : Total of Resilient Businesses)

Key Growth Businesses

- Growth drivers that have the potential to become global leaders in growth markets, and lead to innovation for addressing social challenges
- Scale up and increase profitability through concentrated investment in growth
- Revenue of ¥2.6 trillion / growth rate of 8%
  (CAGR for FY2020-FY2025)
- Operating profit margin of 13%
  (FY2025 : Total of Key Growth Businesses)

Value Recapturing Businesses

- Use existing resources to gain new added value that meets market demands

Potential Businesses/New businesses

- Expand data linkage/utilization-type solutions businesses
- Reform business models of existing businesses and create next-generation businesses

Approach to Business Portfolio Strategy

Classify businesses according to their characteristics and optimize investment of management resources.
**Expansion of Key Growth Businesses**

Select five Key Growth Businesses that can make major contributions to addressing social challenges in domains expected to grow at a high rate globally. Provide Integrated Solutions with core components as the source of market competitiveness.

<table>
<thead>
<tr>
<th>Key Growth Businesses</th>
<th>Core components</th>
<th>Field Knowledge</th>
<th>Advanced digital technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>FA Control Systems</td>
<td>High-speed &amp; High-precision FA Controller (Programmable Logic Controller, Servo, Computerized Numerical Controller)</td>
<td>Knowledge of devices</td>
<td>Heterogeneous data linkage of various devices and systems</td>
</tr>
<tr>
<td></td>
<td>High-efficiency Compressor</td>
<td>Optimization know-how tailored to needs</td>
<td>Encryption technology</td>
</tr>
<tr>
<td></td>
<td>High-efficiency Inverter</td>
<td>Track record of operation support and maintenance</td>
<td>Predictive failure detection</td>
</tr>
<tr>
<td></td>
<td>High-performance Infrared Sensor</td>
<td>Connection with customers</td>
<td>Remaining useful life estimation of devices</td>
</tr>
<tr>
<td></td>
<td>IGBT SiC</td>
<td></td>
<td>Optimized control and operation using digital twins</td>
</tr>
<tr>
<td>Building Systems</td>
<td>High-efficiency/High-quality/Excellent energy-saving Elevator (Traction Machine, Control Panel)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>xEV/ADAS</td>
<td>Compact &amp; High-power Motor for xEV</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ADAS: Advanced Driver Assistance System
IGBT: Insulated Gate Bipolar Transistor
SiC: Silicon Carbide
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Priority Allocation of Resource Investment

Invest resources in the amount of ¥2.8 trillion, up ¥0.8 trillion from the previous medium-term management plan, centered on Key Growth Businesses. Attain the FY2025 financial targets (revenue of ¥5 trillion, OPM of 10%).

Previous Medium-term Management Plan (FY2016-FY2020)

- Key Growth Businesses: ¥0.9tn
- Capital Investment: ¥0.9tn
- R&D expenses: ¥1.0tn
- M&A: ¥0.1tn

New Medium-term Management Plan (FY2021-FY2025)

- Key Growth Businesses: ¥1.2tn
- Capital Investment: ¥1.2tn
- R&D expenses: ¥1.1tn
- M&A: ¥0.1tn
- Strategic Investment (M&A, etc.): ¥0.5tn

- Revenue: ¥2.0tn
- +¥0.8tn
- Revenue: ¥2.8tn

Key Growth Businesses
- Approx. 60% (*2)

Key Growth Businesses
- 44% (*2)

- Separately set an amount of approximately ¥0.5 trillion for strategic investment (M&A, etc.). Focus allocation of budget in Key Growth Businesses and flexibly make investments.
- Break down ROIC by location and business. Maximize efficiency of invested capital by utilizing ROIC also for business evaluation and investment decisions.

*1 Allocation to growth investment, etc. (M&A and other strategic investment, R&D expenses, capital investment)
*2 Ratio of Key Growth Businesses to total investment in all business divisions (excluding investment in non-business divisions)
Growth Targets for FY2025

Aim to achieve revenue of ¥5 trillion and operating profit margin of 10% in FY2025 by focusing on increasing the scale of Key Growth Businesses and improving profitability.
Initiatives in Key Growth Businesses

**Factory Automation (FA) Control Systems Business [PLC, Servo, and CNC]**
Help build a foundation for industry and technological innovation by globally providing machines, equipment, and solutions that realize the automation of manufacturing, improving quality and productivity.

**Air-Conditioning & Refrigeration Systems Business**
Contribute to creating a safe, secure and comfortable society and achieving a decarbonized society as a global comprehensive air-conditioning & refrigeration manufacturer offering excellent air conditioning and ventilation technologies as well as life cycle solutions.

**Building Systems Business**
Based on the expansion of maintenance services, realize Smart Buildings and Smart Cities by providing solutions making use of accumulated technologies and data, as well as multi-business synergies.

**Automotive Equipment Business (xEV/ADAS)**
Contribute to the global environment and safety/security through product development using our xEV technology (power device, cooling, high density winding) and ADAS technology (high precision-positioning, millimeter waves, image recognition).

**Power Semiconductor Devices Business**
Focus on the automotive/consumer product fields where high growth is expected, using IGBT/SiC cultivated through business synergies. Contribute to a decarbonized society by providing key devices that save energy in equipment.
b. Expansion of Integrated Solutions [1 of 2]

Business DX and Open Innovation

Link and analyze data from a variety of devices and systems, and provide customer-optimized solutions. Expand the solution domain through co-creation with customers and active use of M&As, etc. Business Innovation Group established in Apr. 2020 plays a central role in the initiatives.

Integrated Solutions

Open Innovation

- Customers
- Partners
- Start-ups

Field Knowledge
- Knowledge of devices
- Optimization
- Know-how tailored to needs

Advanced digital technologies
- Data linkage
- Predictive failure detection
- Remaining useful life estimation

MaaS: Mobility as a Service
ZEB: net Zero Energy Building
Key Technologies for Integrated Solutions

Promote utilization of our proprietary “compact artificial intelligence (AI) technology,” “IoT Suite: ClariSense,” and “communication technology” intended for use in a wide range of businesses.

Radar-Based Tsunami-flooding Prediction AI

The AI accurately predicts inundation depths and contributes for disaster prevention/mitigation. The prediction is performed as soon as the tsunami is detected.

The tsunami’s speed and direction are detected with radar.

AI for tsunami inundation depth prediction

AI predicts inundation depths at each point using observation data

Maximum inundation depth at observation point A

Observation point A

Observation point A

Communication technology

- Respond to the diversification of communication networks and next-generation technologies.
- 5G Open Innovation Laboratory, a place for cooperative creation with customers will open.

Operation DX

In April 2021, Process & Operation Re-engineering Group has been established. Its mission is to optimize the Mitsubishi Electric Group as a whole by revamping operational processes, and promoting Operation DX through streamlining operations and improving productivity utilizing data and digital technologies.

Total optimization extending beyond the boundaries of business

- Revamping operational processes
- Reorganizing information systems
- Developing data infrastructure

Investment exceeding ¥100 billion

Dramatic increase in operational efficiency
More sophisticated business management

Transform into a highly-profitable company
Global Response

Strengthen supply and engineering chains globally. Quickly detect and analyze changes in the global political and economic environment in order to respond with agility.

- **Strengthen our global business structure**
  - Formulate and promote strategies optimized for each region based on their respective environment, information regulations, policies, and geopolitical background.
  - Develop and allocate global human resources, including promoting local staff to executive positions.
  - Strengthen governance by establishing corporate functions in areas that are regarded as growth markets but are considered to have business risks, such as those related to tax and labor affairs.

- **Strengthen the launch of overseas business models**
  - Promote locally led marketing, PoC, and commercialization as a way to address social challenges in each region.
    - From China: Develop E-JIT (Environment & Energy Just In Time) solution
    - From the U.S.: Make a model case for global corporate venturing activities
    - From Europe: Promote business model studies in the mobility field (DGDR, RDDS)

- **Build a supply chain that can flexibly respond to various changes**
  - Rebuild a flexible and sustainable procurement system in preparation for sudden social changes and disasters.
  - Enhance sustainable procurement initiatives (continuous efforts to enhance green procurement and to respect human rights).

- **Establish Corporate Economic Security Div.**
  - Respond to rapid changes in international affairs, and survey and analyze political trends and legal systems to comprehensively control risks from the perspective of economic security in relation to group-wide procurement, export, information security, investment, development, human resources management, etc.
Optimal Group Management System

Pursue an optimal group management system by strengthening the functions and reviewing the division of roles of affiliated companies in each value chain.

**Design**

Develop structures and strengthen the development capability of S/W design companies that can accommodate the enhancement of Key Growth Businesses and the expansion of Integrated Solutions (improve productivity, increase personnel, incorporate new technology, etc.).

**Logistics**

Develop a logistics system with the option of concluding strategic partnerships with global logistics companies, and rapidly respond to changes in the logistics environment and improve efficiency by introducing an advanced platform.

**Maintenance & Service**

Enhance our recurring revenue business by taking advantage of connection with customers, establish a business structure that maximizes lifetime profits, and create new business opportunities by sharing and making effective use of information accumulated within the Group.

**Internal Operation Support**

Focus on employee welfare and tasks essential for rolling out each of our businesses, and improve efficiency primarily through the use of outsourcing.
R&D Strategy

Pursue the enhancement and reform of existing businesses as well as R&D for new value creation in a balanced manner. Aim to address social challenges at an early stage through the active use of open innovation.

Strengthen core technologies
− Driving force for profitability improvement −

Continuously enhance base technologies
− Foundation for business −

Search for and create new technologies
− New source of growth −

Strengthen our differentiated technologies for components and systems, including technology to realize small, high-efficiency motors, and high-speed, high-precision positioning technology, by fusing them with advanced base technologies such as AI and new materials.

Further enhance technologies that support quality of and build trust in our products, systems, and services, such as power electronics, control, modeling, material analysis, AI, security, and data analysis/linkage.

Take on the challenge of developing technologies that meet the needs generated by social change, as well as next-generation technologies that transform existing businesses, in a discontinuous manner, based on future insights and analysis of technological trends. Also, focus on expanding our proprietary technologies to create new usages and develop new customers.

Integrated Solutions

Sustainability

Open Innovation

Search for and create new technologies

Decarbonized society

New Normal

Social changes

Existing businesses

Proprietary technologies

Future insights / Technology trends

Ways of technology exploration

Partner companies

Japanese/overseas universities and research institutes

Components / Systems

- Technology to realize small, high-efficiency motor
- High-speed, high-precision positioning technology
- Optimized control technology for heat pumps

Base technologies

- Power electronics
- Communication
- Material analysis
- Design

Core technologies

- Control
- Simulation
- Modeling

AI

Security

Data analysis/linkage

System building

Energy

Safety & Security

MaaS

Smart City

Healthcare

Smart Production

Environment

MaaS: Mobility as a Service
c. Enhancement of Business Foundation [5 of 5]

Intellectual Property/Standardization Strategy

**Intellectual Property Strategy**
Focus on acquiring intellectual property rights related to AI and solutions that contribute to Business DX, and expand our business through stronger external collaboration based on our technological assets.

Strengthen open innovation activities
- Classify and visualize intellectual property (IP) and identify IP suitable for technology licensing
- Create open innovation opportunities through license development
- Build a network with other companies and realize a virtuous cycle of innovation

Expand business by supplementing missing parts
- Clarify what is missing in the gap between our future vision and current situation
- Find candidates for cooperation by making full use of IP information
- Expand our business through licensing-in and supplementing technology through joint development

**Standardization Strategy**
Promote a trinity management that aligns business strategy, R&D strategy, intellectual property/standardization strategy for addressing social challenges and expanding our businesses.

Take part in Japanese/overseas standardization committee activities in the fields of FA, electric power, train, etc.

**<Mitsubishi Electric IP Strengths>**
- Patent PCT application ranking No. 3 globally
  Announced by World Intellectual Property Organization (WIPO) (aggregate from January 1, 2020 to December 31, 2020)
- Patent asset size ranking No. 1 in Japan
  (all industries)
  Announced by Patent Result Co., Ltd. (aggregate from April 1, 2019 to March 31, 2020)
- Patent registration numbers ranking No. 2 in Japan
- Design registration numbers ranking No. 1 in Japan
  Announced by Japan Patent Office (JPO) (aggregate from January 1, 2020 to December 31, 2020)
**Capital Allocation Policy**

For capital allocation, giving top priority to investment in growth, further enhance shareholder returns through profit growth.

In terms of cash generation, the source of capital, aim to generate ¥3.4 trillion over a five-year period, with a focus on Key Growth Businesses.

Return profits to shareholders (dividends + buybacks) with a target of ¥0.6 trillion (Previous Medium-term Management Plan: ¥0.4 trillion). In addition, further improve capital efficiency by executing the capital measures.

<table>
<thead>
<tr>
<th>Cash Generation <a href="*">Adjusted operating CF</a></th>
<th>Growth investment, etc.(**)</th>
<th>Shareholder returns</th>
<th>Strategic investment (M&amp;As, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Medium-term Management Plan (FY2016-FY2020)</td>
<td>¥2.7tn</td>
<td>¥2.0tn</td>
<td>¥0.5tn</td>
</tr>
<tr>
<td>New Medium-term Management Plan (FY2021-FY2025)</td>
<td>¥3.4tn</td>
<td>¥2.8tn</td>
<td></td>
</tr>
</tbody>
</table>

*1 After making adjustments, such as adding R&D expenses to operating cash flow
*2 Strategic investments such as M&As, R&D expenses and capital investment
Sustainability Initiatives
a. Establishment of Materiality

The Mitsubishi Electric Group’s Materiality

With a view to realize a vibrant and sustainable society, we have set priority items in our sustainability initiatives as materiality. We will actively disclose information on the status of materiality efforts and promote engagement with stakeholders.

Priority SDG initiatives
- Goal 3 Good Health and Well-Being
- Goal 9 Industry, Innovation, and Infrastructure

Two new goals (SDGs) added

SDGs of particular relevance

The Mitsubishi Electric Group’s Materiality

Provide solutions to social challenges through our business
- Realize a sustainable global environment
- Realize a safe, secure, and comfortable society

Strengthen our business foundation to enable our sustainable growth
- Respect for all people
- Strengthen corporate governance and compliance on a sustainable basis
- Create a sustainability-oriented corporate culture

SDGs: Sustainable Development Goals
b. Status of Various Initiatives

Initiative to Realize a Decarbonized Society

Revise our Environmental Sustainability Vision 2050(*) towards the realization of a decarbonized society, further enhancing our initiatives to reduce greenhouse gas emissions.

Greenhouse gas emissions in the entire value chain

- 2050 80% reduction(\(^*2\))
- Revise target
- 2050 Net-zero(\(^*3\))

\[\text{Net zero}\]

\[\begin{align*}
\text{Reduced CO}_2 \text{ emission factor of electric power} \\
\text{Reduced power consumption of products} \\
\text{CO}_2 \text{ emissions} \\
\text{Improved efficiency of Power Semiconductor Devices} \\
\text{Net emissions}
\end{align*}\]

\[\begin{align*}
\text{① Increased contribution to reducing CO}_2 \text{ emission factor of electric power} \\
\text{② Reduction of emissions by products} \\
\quad \cdot \text{Reduced power consumption of products} \\
\quad \cdot \text{Reduced greenhouse gas emissions from products} \\
\quad \cdot \text{ Provision of energy-saving and energy-creating solutions} \\
\text{③ Reduction of emissions in production} \\
\text{④ Improvement of efficiency and spread of Power Semiconductor Devices, etc.}
\end{align*}\]

*1 Positions environmental protection as an even greater corporate priority and stipulates increased initiatives to be taken by the Mitsubishi Electric group.

*2 Compared to FY2013.

*3 Achieve net-zero emission by increasing the proportion of contribution from improvement of efficiency and spread of Power Semiconductor Devices, etc. in reducing greenhouse gas emissions to a scale that outweighs the reduction in CO\(_2\) emissions.
b. Status of Various Initiatives

Initiative to Realize a Decarbonized Society

1. Increased contribution to reducing CO2 emission factor of electric power
   ~Contribution to increased adoption of renewable energy~

   - Power from renewable energy sources
     - Wind
     - Solar

   - High-capacity, high-efficiency renewable energy power transmission (HVDC)

   - Initiatives in new domains
     - Generator for offshore wind turbine
     - Green ammonia manufacturing

   - Grid stabilization to expand renewable energy (FACTS/GFC)

   - Substation

   - Smart city and microgrid realizing carbon neutral

   - Operation system for distributed power sources, storage battery control system
     (VPP, DERMS, EMS, etc.)

2. Reduction of emissions by products

   - Reduction of power consumption by products
   - Improvement of 1% or more from previous models
   - ZEB (net Zero Energy Building)

   - Air Conditioning Systems: Accelerate transition to low-GWP coolant
   - xEV products (Motor•Inverter)
   - e-F@ctory solutions

3. Reduction of emissions in production

   - Aim to invest 0.15% of revenue in decarbonization
   - Increase adoption rate of renewable energy

4. Improvement of efficiency and spread of Power Semiconductor Devices, etc.

   - SiC Power Semiconductor Devices

*1 Commercialization TBD

DERMS: Distributed Energy Resource Management System
EMS: Energy Management System
FACTS: Flexible AC Transmission Systems
GFC: Grid Forming Control
GWP: Global Warming Potential
HVDC: High Voltage Direct Current
SiC: Silicon Carbide
VPP: Virtual Power Plant
b. Status of Various Initiatives

Addressing social challenges through Our Businesses

Offer solutions to social challenges through our business activities, including responding to changes in how people interact with each other, the increasing intensity of disasters, and the acceleration of digitization.

- **Train maintenance solution**
  "LMS on INFOPRISM"
  Started trial operation of "predictive failure detection system" for Tokyo Metro (Oct. 2020)

- **Lane hazard warning system**
  Share location information of obstacles detected by a leading vehicle with the following vehicle in real time via a cloud system

- **Smart City solution**
  Create integrated solutions across fields including mobility, energy, and healthcare

- **Integrated control of air-conditioning and ventilation equipment**

- **Disaster prevention and mitigation solution using satellite observation data**
  (Disaster tracking, infrastructure monitoring, preventive maintenance)

- **Energy efficiency & decarbonization solutions**
  - Started construction of ZEB test facility “SUSTIE” (Oct. 2020)
  - Won the Energy Conservation Grand Prize (Dec. 2020)
  - Won the Energy-Efficient Machinery Award (Feb. 2021)
  - Energy-efficient escalators "u series" (Dec. 2020)
b. Status of Various Initiatives

Human Rights and Diversity

**Promote respect for human rights and diversity globally**

Promote initiatives based on the Mitsubishi Electric Group Human Rights Policy*1

- Assess human rights impact as an entire Group
- Enhance the quality of support at contact points for complaints and consultation related to human rights
- Ascertain and correct major human rights violation risks in the supply chain

**Promote diversity**

Enhance activities aimed at creating workplaces where individuals can maximize their talents

- Enhance systems that support work-life balance (e.g., trial of remote work system from outside the commuting area, career support leave system, and return-to-work position request system)
- Program that systematically offers work experience and training opportunities to future female managers
  - Increase the ratio of female new graduate hires: 1.2 times (compared to the average between FY2016 and FY2020)
  - Increase the ratio of female managers: 2 times (compared to FY2020)
- Promote co-creation by diverse human resources through promoting the understanding of LGBTQ people and increasing the hiring of people with disabilities
- Actively promote local staff to managerial positions at overseas bases

LGBTQ: Lesbian, Gay, Bisexual, Transgender, Questioning

*1 Posted on “Social” page on the Mitsubishi Electric global website.
We take the series of work-related issues extremely seriously. Positioning the prevention of recurrence of such issues as our top management priority, the Group as a whole is advancing “Mitsubishi Electric Workplace Reform Program” based on a third-party evaluation conducted by outside experts.

### Employee Engagement

**Realize a work environment where all employees can work with vitality**

We take the series of work-related issues extremely seriously. Positioning the prevention of recurrence of such issues as our top management priority, the Group as a whole is advancing “Mitsubishi Electric Workplace Reform Program” based on a third-party evaluation conducted by outside experts.

- Thoroughly implement measures to prevent harassment, enhance mental-health measures, prevent long working hours, and introduce 360-degree feedback for managers

- Build compensation structure with highly convincing evaluations and awareness of market value

- Advance work-style reforms by pursuing new work styles through best mix of remote and in-office work

<table>
<thead>
<tr>
<th>Evaluation indicator: KPI (Employee awareness survey)</th>
<th>FY2020 Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of employees with pride and motivation in their work</td>
<td>63%</td>
<td>80% or more</td>
</tr>
<tr>
<td>Percentage of employees who feel that they have a good work-life balance</td>
<td>66%</td>
<td>80% or more</td>
</tr>
</tbody>
</table>
b. Status of Various Initiatives

Information Security

- Develop a comprehensive, multi-layered defense system
  Based on past incidents of unauthorized access, reinforce our information security infrastructure and strengthen measures against the latest attack patterns, which are becoming increasingly sophisticated and elaborate.

  - Accelerate zero-trust security measures, and strengthen network access controls and security measures for devices
  - Going forward, we will invest more than ¥50 billion in security enhancements.

  - In addition to strengthening security measures, continuously strengthen information management and operation systems, and aim for Level 3 or higher (\(^1\)) of the Cybersecurity Maturity Model

Product and Service Quality

- Provide the best products and services with unsurpassed quality
  Considering occurrence of some improper conducts in quality control, thoroughly reinforce our basic quality assurance principles\(^2\) and strengthen our quality control system so that our products and services conform with relevant laws, regulations and standards, and surely meet specifications agreed with customers.

  - Further incorporating the awareness that product quality is our top priority, and strengthening education
  - Enhance development and production information management system
  - Strengthen technology and improve quality in all processes, from the development and design stages, to aftermarket service
  - Thoroughly investigate root causes and prevent recurrence of major defects

\(^1\) Framework for Cybersecurity Maturity Model certification set forth by the US Department of Defense. Level 3 or higher means that excellent security measures and management systems are put in place.

\(^2\) “1. Product quality is our top priority. It comes before price and on-time delivery.”, “2. Our commitment to the highest quality under any circumstances is unwavering.”, “3. Products must be safe to use, have a long usage life, and have consistent performance.” and “4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.”
b. Status of Various Initiatives

Appoint Outside Directors as chairpersons of Nomination, Auditing and Compensation committees to strengthen the supervisory function, and establish specialized organizations under the direct control of the President to strengthen risk management.

Governance

Appropriate response to revisions of legislation and other external factors

Appropriate disclosure to stakeholders

Actual practices at Mitsubishi Electric

- More than 50% of members composing each of the three committees shall be independent directors
- Planned to appoint an Outside Director as Chairperson of each of the three committees (June 2020 onward)
- Increase in the number of Regular Board of Directors meetings held (6 times/year → 10 times/year(FY2021-))
- “Corporate Information Security Div.” was newly established in April 2020 and “Corporate Economic Security Div.” in October 2020 as a system maintaining systems to respond to company-wide risks
b. Status of Various Initiatives

Activities to Promote Sustainability

Philanthropic activities
Contribute to sustainability through all corporate activities

Donations by a matching gift system carried out with its employees “Mitsubishi Electric SOCIO-ROOTS Fund”
Donations in FY2020 (after matching): ¥41,297,260
Cumulative donations since program inception (1992): Approx. ¥1,420 million to approx. 2,200 recipients

Parasports support activities
Mitsubishi Electric Going Up Campaign National Caravan
Oct. 2016 to Apr. 2021 (approx. 110,000 participants)

Mitsubishi Electric Science Workshops worldwide (Mitsubishi Electric America Foundation and Mitsubishi Electric Thailand Foundation)
FY2019 results: Held 76 times (approx. 3,900 participants)

Satoyama Woodland Preservation Project
FY2019 results: Held 81 times (approx. 2,375 participants)

Newly established “Sustainability Promotion Div.” (Apr. 2021)

- Integrate and promote environmental, CSR, philanthropic, and other activities that were conducted by multiple divisions
- Promote medium- to long-term initiatives aimed at contributing to SDGs by addressing social challenges through businesses
- Improve sensibility and adaptability to changes in social values and promote communication with stakeholders
b. Status of Various Initiatives

**Initiatives**

- Express approval for the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) (*1)
- Continue to promote initiatives and disclose information in accordance with the TCFD recommendations.
- Continue our commitment to the UN Global Compact
- Continue CSR activities in accordance with UN Global Compact principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption.
- Received the highest rating from CDP (*2) for “Climate Change,” “Water,” and “Supplier Engagement” (*3)
- Selected as a constituent of the following investment indexes:
  - FTSE4 Good Index Series
  - FTSE Blossom Japan Index
  - MSCI Japan ESG Select Leaders Index
  - MSCI Japan Empowering Women Index (WIN)

**External Evaluations**

- The Mitsubishi Electric Group’s greenhouse gas emissions reduction targets acquired SBT initiative (*4) certification (Jan. 2020)

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*1 TCFD (Task Force on Climate-related Financial Disclosures): A task force for disclosure of climate-related financial information led by the private sector, established at the request of the G20 finance ministers and governors of central banks

*2 CDP: An international NGO that surveys, evaluates, and discloses environmental initiatives of corporations and governments

*3 Received the highest rating for the fourth time for Climate Change, for the fifth time for Water (five consecutive years), and for the fourth time for Supplier Engagement

*4 SBT (Science Based Targets) initiative: An international initiative by the UN Global Compact (UNGC), the World Wide Fund for Nature (WWF), the CDP, and the World Resources Institute (WRI)
Appendix
Relationship between segments and businesses

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sub-segment</th>
<th>Key Growth Businesses</th>
<th>Resilient Businesses</th>
<th>Value recapturing businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Electric Systems</td>
<td>Social Infrastructure</td>
<td>Building Systems</td>
<td>Transportation Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Power Generation Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Renewable Energy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building Systems</td>
<td></td>
<td>Digital Energy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Automotive Equipment</td>
<td>xEV/ADAS</td>
<td>EPS Motors and Controllers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Car Automation Systems</td>
<td></td>
</tr>
<tr>
<td>Electronic Devices</td>
<td></td>
<td></td>
<td>Power Distribution Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Low-voltage Power Distribution Products</td>
<td></td>
</tr>
<tr>
<td>Home Appliances</td>
<td></td>
<td></td>
<td>Space Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>High Frequency and Optical Devices</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Housing Equipment</td>
<td></td>
</tr>
</tbody>
</table>

Revenue (FY2020 actual → FY2025 target)

- Building Systems: ¥500 billion → ¥650 billion
- FA Control Systems (PLC, Servo, and CNC): ¥265 billion → ¥350 billion
- xEV/ADAS: ¥100 billion → ¥300 billion
- Power Semiconductor Devices: ¥150 billion → ¥240 billion
- Air Conditioning & Refrigeration Systems: ¥810 billion → ¥1,100 billion

ADAS: Advanced Driver Assistance System  EPS: Electric Power Steering
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## Single-year Business Outlook
### (Consolidated Performance)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Forecast</td>
</tr>
<tr>
<td></td>
<td>128JPY/Euro</td>
<td>121JPY/Euro</td>
<td>124JPY/Euro</td>
<td>125JPY/Euro</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>4,519.9</td>
<td>4,462.5</td>
<td>4,191.4</td>
<td>4,470</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>290.4</td>
<td>259.6</td>
<td>230.1</td>
<td>260</td>
</tr>
<tr>
<td>(%)</td>
<td>6.4%</td>
<td>5.8%</td>
<td>5.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>315.9</td>
<td>281.9</td>
<td>258.7</td>
<td>285</td>
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<tr>
<td>Net Profit *1</td>
<td>226.6</td>
<td>221.8</td>
<td>193.1</td>
<td>210</td>
</tr>
<tr>
<td>ROE (Return On Equity)</td>
<td>9.7%</td>
<td>9.2%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>Stockholders' Equity</td>
<td>2,399.9</td>
<td>2,429.7</td>
<td>2,754.2</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>55.1%</td>
<td>55.1%</td>
<td>57.4%</td>
<td></td>
</tr>
<tr>
<td>Debt (%)</td>
<td>298.4</td>
<td>377.0</td>
<td>365.4</td>
<td></td>
</tr>
<tr>
<td>Debt excluding lease liabilities *2</td>
<td>275.9</td>
<td>267.0</td>
<td>248.8</td>
<td></td>
</tr>
<tr>
<td>(%)</td>
<td>6.3%</td>
<td>6.1%</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>FCF (Free Cash Flow)</td>
<td>29.1</td>
<td>191.8</td>
<td>365.5</td>
<td></td>
</tr>
<tr>
<td>Dividend (JPY per share)</td>
<td>40</td>
<td>40</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Dividend ratio (%)</td>
<td>37.9%</td>
<td>38.7%</td>
<td>40.0%</td>
<td></td>
</tr>
</tbody>
</table>

*1: Net Profit represents Net profit attributable to Mitsubishi Electric Corp. stockholders.

*2: Debt ratio is calculated based on "Debt excluding lease liabilities" that represents bonds and borrowings from FY2019 because IFRS 16 Lease has been applied.
## Business Outlook (Segment Forecast)

### Energy & Electric Systems
- **Operating Profit (%)**: 6.4% (FY2018), 6.3% (FY2019), 8.6% (FY2020), 6.6% (FY2025)

### Industrial Automation Systems
- **Revenue**: FY2018 - 1,467.6亿日元/128JPY/Euro, FY2019 - 1,349.4亿日元/121JPY/Euro, FY2020 - 1,248.5亿日元/124JPY/Euro, FY2021 - 1,410亿日元/115JPY/Euro, FY2025 - 1,410亿日元/115JPY/Euro (1.6tn)
- **Operating Profit (%)**: 9.7% (FY2018), 5.1% (FY2019), 3.3% (FY2020), 6.1% (FY2025)

### Information & Communication Systems
- **Revenue**: FY2018 - 426.2亿日元/12.2亿日元/12JPY/Euro, FY2019 - 455.5亿日元/26.4亿日元/21JPY/Euro, FY2020 - 380.1亿日元/16.4亿日元/14JPY/Euro, FY2021 - 390亿日元/16亿日元/14JPY/Euro, FY2025 - 390亿日元/16亿日元/14JPY/Euro (0.4tn)
- **Operating Profit (%)**: 2.9% (FY2018), 5.8% (FY2019), 4.3% (FY2020), 4.1% (FY2025)

### Electronic Devices
- **Revenue**: FY2018 - 199.9亿日元/1.4亿日元/1JPY/Euro, FY2019 - 208.7亿日元/8.7亿日元/1JPY/Euro, FY2020 - 205.2亿日元/6.2亿日元/1JPY/Euro, FY2021 - 240亿日元/10亿日元/1JPY/Euro, FY2025 - 240亿日元/10亿日元/1JPY/Euro (0.3tn)
- **Operating Profit (%)**: 0.7% (FY2018), 4.2% (FY2019), 3.1% (FY2020), 4.2% (FY2025)

### Home Appliances
- **Revenue**: FY2018 - 1,074.0亿日元/59.4亿日元/5.5%JPY, FY2019 - 1,090.2亿日元/78.2亿日元/7.2%JPY, FY2020 - 1,038.3亿日元/75.7亿日元/7.3%JPY, FY2021 - 1,100亿日元/81亿日元/7.4%JPY, FY2025 - 1,100亿日元/81亿日元/7.4%JPY (1.3tn)
- **Operating Profit (%)**: 5.5% (FY2018), 7.2% (FY2019), 7.3% (FY2020), 7.4% (FY2025)

### Others
- **Revenue**: FY2018 - 676.7亿日元/24.1亿日元/3.6%JPY, FY2019 - 659.6亿日元/26.0亿日元/3.9%JPY, FY2020 - 603.0亿日元/13.6亿日元/2.3%JPY, FY2021 - 620亿日元/15亿日元/2.4%JPY, FY2025 - 620亿日元/15亿日元/2.4%JPY (5tn)
- **Operating Profit (%)**: 3.6% (FY2018), 3.9% (FY2019), 2.3% (FY2020), 2.4% (FY2025)

### Total
- **Revenue**: FY2018 - 4,519.9亿日元, FY2019 - 4,462.5亿日元, FY2020 - 4,191.4亿日元, FY2021 - 4,470亿日元, FY2025 - 4,470亿日元 (5tn)
- **Operating Profit (%)**: 6.4% (FY2018), 5.8% (FY2019), 5.5% (FY2020), 5.8% (FY2025)

*Inter-segment sales are included in the above chart.*
## Business Outlook (Sub-segment Forecast)

### Energy & Electric Systems
- **Revenue**: 1,270.2
- **Operating Profit (106JPY/US$)**: 108.9 (8.6%)
- **Operating Profit (124JPY/Euro)**: 83.5 (10.9%)

### Power Systems & Transportation Systems
- **Revenue**: 768.0
- **Operating Profit (105JPY/US$)**: 740 (6.6%)
- **Operating Profit (125JPY/Euro)**: 57 (7.7%)

### Building Systems
- **Revenue**: 502.1
- **Operating Profit (105JPY/US$)**: 540 (8.6%)
- **Operating Profit (115JPY/Euro)**: 28 (7.7%)

### Industrial Automation Systems
- **Revenue**: 1,248.5
- **Operating Profit (105JPY/US$)**: 40.5 (3.3%)
- **Operating Profit (125JPY/Euro)**: 86 (6.1%)

### Factory Automation Systems
- **Revenue**: 587.9
- **Operating Profit (105JPY/US$)**: 660 (12.9%)
- **Operating Profit (125JPY/Euro)**: 85 (10.5%)

### Automotive Equipment
- **Revenue**: 660.6
- **Operating Profit (105JPY/US$)**: 750 (5.1%)
- **Operating Profit (125JPY/Euro)**: 1 (3.2%)

### Information & Communication Systems
- **Revenue**: 380.1
- **Operating Profit (105JPY/US$)**: 390 (4.3%)
- **Operating Profit (125JPY/Euro)**: 16 (4.1%)

### Electronic Devices
- **Revenue**: 205.2
- **Operating Profit (105JPY/US$)**: 240 (4.1%)
- **Operating Profit (125JPY/Euro)**: 10 (3.1%)

### Home Appliances
- **Revenue**: 1,038.3
- **Operating Profit (105JPY/US$)**: 75.7 (7.3%)
- **Operating Profit (125JPY/Euro)**: 81 (7.4%)

### Others
- **Revenue**: 603.0
- **Operating Profit (105JPY/US$)**: 620 (13.6%)
- **Operating Profit (125JPY/Euro)**: 15 (2.3%)

### Total
- **Revenue**: 4,191.4
- **Operating Profit (105JPY/US$)**: 230.1 (5.5%)
- **Operating Profit (125JPY/Euro)**: 260 (5.8%)

### Business Outlook (Sub-segment Forecast) (Billions of JPY)

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecast</td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td>1,270.2</td>
<td>1,280</td>
<td>1,500</td>
</tr>
<tr>
<td>Energy &amp; Electric Systems</td>
<td>108.9 (8.6%)</td>
<td>85 (6.6%)</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>124JPY/Euro</td>
<td>125JPY/Euro</td>
<td>115JPY/Euro</td>
</tr>
<tr>
<td></td>
<td>83.5 (10.9%)</td>
<td>740 (6.6%)</td>
<td>57 (7.7%)</td>
</tr>
<tr>
<td>Power Systems &amp; Transportation Systems</td>
<td>502.1 (8.6%)</td>
<td>540 (8.6%)</td>
<td>40 (8%)</td>
</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td>7 (10%)</td>
</tr>
<tr>
<td></td>
<td>25.4</td>
<td>28 (8.6%)</td>
<td>28 (5.2%)</td>
</tr>
<tr>
<td>Building Systems</td>
<td>51.6 (5.1%)</td>
<td>52 (5.2%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,248.5</td>
<td>1,410</td>
<td>1,600</td>
</tr>
<tr>
<td>Industrial Automation Systems</td>
<td>40.5 (3.3%)</td>
<td>86 (6.1%)</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
</tr>
<tr>
<td></td>
<td>614 (10.5%)</td>
<td>85 (12.9%)</td>
<td></td>
</tr>
<tr>
<td>Factory Automation Systems</td>
<td>660.6 (5.1%)</td>
<td>750 (5.1%)</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td></td>
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<tr>
<td></td>
<td>△ 20.8</td>
<td>△ 3.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>△ 3.2%</td>
<td>△ 0.1%</td>
<td></td>
</tr>
<tr>
<td>Automotive Equipment</td>
<td>380.1 (4.3%)</td>
<td>390 (4.1%)</td>
<td>40 (6%)</td>
</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.4</td>
<td>16 (4.3%)</td>
<td></td>
</tr>
<tr>
<td>Information &amp; Communication Systems</td>
<td>205.2 (3.1%)</td>
<td>240 (4.1%)</td>
<td>10%</td>
</tr>
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<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2</td>
<td>10 (3.1%)</td>
<td></td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>603.0 (3.1%)</td>
<td>620 (4.2%)</td>
<td>11%</td>
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<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.6</td>
<td>15 (3.1%)</td>
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</tr>
<tr>
<td>Home Appliances</td>
<td>1,038.3 (7.3%)</td>
<td>1,100 (7.4%)</td>
<td>11%</td>
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<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
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<tr>
<td></td>
<td>75.7</td>
<td>81 (7.4%)</td>
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</tr>
<tr>
<td>Others</td>
<td>603.0 (2.3%)</td>
<td>620 (2.4%)</td>
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</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
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</tr>
<tr>
<td></td>
<td>13.6</td>
<td>15 (2.3%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,191.4 (5.5%)</td>
<td>4,470 (5.8%)</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>125JPY/Euro</td>
<td>125JPY/Euro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>230.1</td>
<td>260 (5.8%)</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Inter-segment sales are included in the above chart.*
Cautionary Statement

While the statements herein including the forecast of the Mitsubishi Electric Group are based on assumptions the Group considers to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts. Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

1. Any change in worldwide economic and social conditions, as well as laws, regulations, taxation and other legislation
2. Changes in foreign currency exchange rates, especially JPY/dollar rates
3. Changes in stock markets, especially in Japan
4. Changes in balance of supply and demand of products that may affect prices and volume, as well as material procurement conditions
5. Changes in the ability to fund raising, especially in Japan
6. Uncertainties relating to patents, licenses and other intellectual property, including disputes involving patent infringement
7. New environmental regulations or the arising of environmental issues
8. Defects in products or services
9. Litigation and legal proceedings brought and contemplated against the Company or its subsidiaries and affiliates that may adversely affect operations or finances
10. Technological change, the development of products using new technology, manufacturing and time-to-market
11. Business restructuring
12. Incidents related to information security
13. Large-scale disasters including earthquakes, typhoons, tsunami, fires and others
14. Social or political upheaval caused by terrorism, war, pandemics, or other factors
15. Important matters related to the directors and executive officers, major shareholders and affiliated companies of Mitsubishi Electric Corporation