Business Platform Business Area

May 2023

Mitsubishi Electric Corporation
# Executive Summary

The Role of Business Platform BA

Core Competence

DX Strategy: Build up "Business Foundation for Circular Digital-Engineering"

## 4. DX Strategy: Build up "Business Foundation for Circular Digital-Engineering"

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Executive Summary
1. Business Platform BA builds up “Business foundation for Circular Digital-Engineering” to strongly promote the creation and expansion of Integrated Solutions in coordination with each BA. It also expands “Information Systems & Network Service Business”.

2. Build WebAPI linkage platform and Data analysis platform for various solutions owned by each business for mutual collaboration. Accumulate knowledge and knowhow through “DX Innovation Hub” activities and exert strength as a conglomerate.

3. Standardize operational processes and codes and masters that had been individually optimized for each business and build an operational platform where data can be centrally managed. Realize data-driven management by enhancing synergies between business DX and operational DX.

4. Solving social challenges calls for further co-creation with customers and partners on a global scale. Continue to support the creation of Integrated Solutions by expanding, evolving and sophisticating “Business foundation for Circular Digital-Engineering” as well.
The Role of Business Platform BA
The Role of Business Platform BA

Business Platform BA strongly promotes the creation and expansion of Integrated Solutions in coordination with each BA/Group by providing “Business foundation for Circular Digital-Engineering.” It also expands Information Systems & Network Service Business.

Build up “Business Foundation for Circular Digital-Engineering”
3 Core Competence
Core Competence

Classify our core competence into “services/results,” “technologies/human capital” and “customers/partners”. Utilize them for the promotion of business DX and operational DX.

**Services /results**
- Build and operate information systems for social infrastructures (aviation and railway etc.)
- Build and operate large-scale cybersecurity systems
- Operational DX for manufacturing industry

**Technologies /human capital**
- Business architect
- The cloud
- Data science/ data management
- Advanced security technologies
- Large-scale/agile project management

**Customers /partners**
- Customer base centered on manufacturing industry and major financial institutions
- Many software partner companies
DX Strategy:
Build up “Business Foundation for Circular Digital-Engineering”
**DX Strategy: Build up “Business Foundation for Circular Digital-Engineering”**

### Infrastructure BA
- Public Utility Systems
- Energy & Industrial Systems
- Defense & Space Systems

### Industry & Mobility BA
- Factory Automation Systems
- Automotive Equipment

### Life BA
- Building Systems
- Living Environment & Digital Media Equipment

### Business Platform BA
- Information Systems & Network Service

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**Further growth in existing businesses**

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**Build up “Business Foundation for Circular Digital-Engineering”**
Build up “Business foundation for Circular Digital-Engineering” that supports the promotion of business DX and operational DX. Provide each BA/Group the services that are implemented in business foundation for speedy creation/expansion of Integrated Solutions.
DX Strategy-2. Establish a value creation process

Establish value creation processes and implement various services such as data analysis/ utilization/ management that enable "data circulation" in “Business foundation for Circular Digital-Engineering”.

Services to be offered by “Business foundation for Circular Digital-Engineering”

**Explore needs, consultation**
Market trend research services, Sales promotion activities services

**Data analysis, business concept**
Data analysis platform services, Business model study services, Highly-skilled DX human capital utilization services

**Value creation**
PoC environment (data) utilization services, Highly-skilled DX human capital utilization services

**Realize Integrated Solutions**
Technology/service development platform, WebAPI linkage platform utilization services, Agile project management services, Highly-skilled DX human capital utilization services

**Offer and Expand value**
Sales promotion services, solution rollout services, global O&M services, Data management services, IT human capital utilization services
Build WebAPI linkage platform and data analysis platform to enable mutual utilization of functions and data in various solutions owned by each business, thereby realizing the composable system architecture which connect various solutions flexibly by using these platform.

Functions and data in each solution build up for each business can be utilized easily

Link solutions owned by each business on WebAPI and speedy create Integrated Solutions that offer new value to customer.
Promote DX Innovation Hub activities to accumulate and link business needs, digital technologies and knowhow. Develop DX human capital by reskilling our engineers and recruiting/promoting human capital from outside the company.

**Customers/Partners**

- Utilize solutions (best practices) owned by each business
- Agile co-creation process in cooperation with customers and partners
- Seminars/Networking events both in and out of the company
- Share information via in-house social network and communication tools
- Develop and enhance digital literacy through reskilling
- Active recruitment/promotion of highly-skilled DX human capital from outside the company

**DX Innovation Hub**

- Establish business DX platform
- Support acceleration of Integrated Solutions PJ and DX promotion PJ of each business group
- Develop and allocate DX human capital
- Establish development methods and quality assurance for DX

**Targets**
DX Strategy - 5. Operational DX promotion strategy

Promote standardization of operational processes and codes/masters to build an operational platform where various data dispersed across the company can be centrally managed, thereby realizing data-driven management.

**Standardize diverse operational processes and codes/masters across the company, aiming for total optimization**

Manager
- Revenue, profit, ROIC, CF, inventory balance, …

Leader
- Orders received, production, quality, inventory balance, …

Staff
- Production, quality, cost, delivery, …

Operational platform
- Shared database

Centralize data

Standardize operational processes

Standardize codes/masters

Promote standardization of operational processes and codes/masters through operational DX

Individually optimized various operational processes and internal information systems (status quo)

- Sales
- Production
- Materials
- Accounting

From individual optimization to total optimization

Realize data-driven management using management dashboard
5 Information Systems & Network Service Business Strategy
Information Systems & Network Service Business Strategy

Build up “Business Foundation for Circular Digital-Engineering”
Increase the ratio of Circular Digital-Engineering Business in Information Systems & Network Service Business by leveraging the core competence of each organization under Business Platform BA and skills/knowhow that have been accumulated through build up “Business foundation for Circular Digital-Engineering”.

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<th>Increasing the ratio of Circular Digital-Engineering Business in Information Systems &amp; Network Service Business</th>
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<td>➢ <strong>DX solutions for the manufacturing industry</strong></td>
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<tr>
<td>Provide consultation, system implementation and global O&amp;M services to the manufacturing industry based on various operational processes, system construction procedures, product knowhow, etc. that have been accumulated from operational DX</td>
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<td>➢ <strong>IT/OT security solutions (cooperation with Industry &amp; Mobility BA)</strong></td>
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<tr>
<td>Creating the new business by utilizing our skills, knowhow and global O&amp;M services that have been accumulated through information security enhancement measures implemented in our company and its affiliates both in Japan and abroad</td>
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<td>➢ <strong>Service providing business (subscription business)</strong></td>
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<tr>
<td>Doing the service providing business (subscription business) to leverage knowhow that have been accumulated through build up the Business foundation for Circular Digital-Engineering Examples: Cloud-based NW/IT Infrastructure service, SaaS business with own software package</td>
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<th>Ratio of Circular Digital-Engineering Business</th>
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<tr>
<td>FY2023</td>
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<td>10%</td>
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Over 15%
Vision of DX strategy
Solving social challenges calls for further co-creation with customers and partners on a global scale. Support the creation of Integrated Solutions by expanding, evolving and sophisticating “Business foundation for Circular Digital-Engineering”.

Customers, partners and the Mitsubishi electric group connect to each other on Business foundation for Circular Digital-Engineering

Contribute to solving social challenges

Create Integrated Solutions

further data utilization

Co-creation with customers and partners on a global scale

Business foundation for Circular Digital-Engineering