

Consolidated Financial Results Briefing

For the Third Quarter of Fiscal 2023

February 2, 2023

MITSUBISHI ELECTRIC CORPORATION

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Q3 FY23: Revenue ¥1,225.6bn (+¥182.7bn YoY), Operating Profit ¥82.7bn (+¥30.3bn YoY)

- The orders remained robust in the mass production businesses. Revenue in Q3 achieved a new record high due primarily to the impact of the weaker yen and the improvement of the situation with regard to components shortage.
- Profit in Q3 increased (+¥30.3bn YoY) due primarily to the impact of the weaker yen, an increase in revenue and price hike. It decreased in Q1-Q3 due to the impact of H1.

2

FY23 forecast: Revenue ¥5,020.0bn (+¥50.0bn from previous forecast), Operating Profit ¥270.0bn (unchanged from previous forecast)

- Revenue has been revised upward due primarily to the impact of the yen weakened more than expected in Q3 and an increase in demand for air conditioning systems & home products business.
- Profit has remained unchanged from previous forecast.

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- In the U.S., the economy continued to see recovery in the corporate and household sectors.
- In China, there was downward pressure due to the impact of lockdown and intermittent movement restrictions caused by the expansion of COVID-19.
- In Japan, gradual recovery continued primarily in the household sector.
- In Europe, the paces of recovery were even slower in the corporate and household sectors.

Foreign Exchange Rates

	FY22		FY23	
	Q3	Q1-Q3	Q3	Q1-Q3
USD	¥114	¥111	¥140	¥137
EUR	¥131	¥131	¥144	¥141
CNY	¥17.9	¥17.4	¥19.6	¥19.8

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Consolidated Financial Results (Q3)

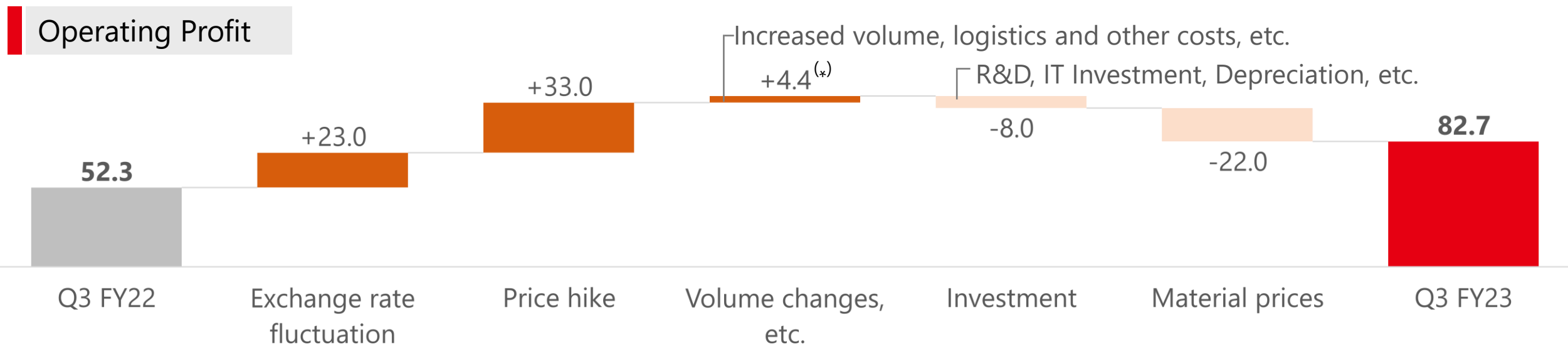
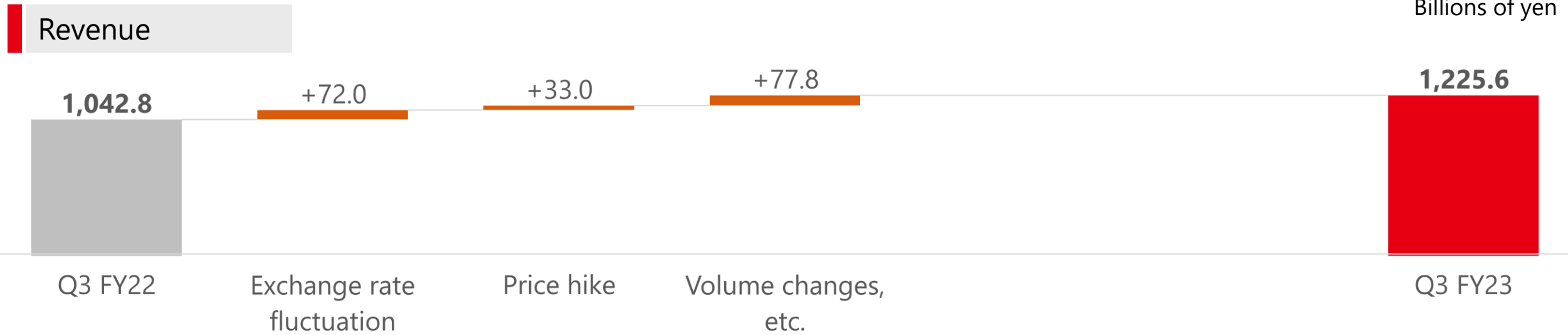
Billions of yen	Q3 FY22	Q3 FY23	YoY	
Revenue	1,042.8	1,225.6	+182.7	118%
Operating profit	52.3	82.7	+30.3	158%
%	5.0%	6.7%	+1.7pt	-
Profit before income taxes	58.8	85.9	+27.1	146%
Net profit attributable to Mitsubishi Electric Corp. stockholders	43.6	64.5	+20.8	148%

Consolidated Financial Results (Q1-Q3)

Billions of yen	Q1-Q3 FY22	Q1-Q3 FY23	YoY	
Revenue	3,181.2	3,565.2	+383.9	112%
Operating profit	190.1	163.2	-26.9	86%
%	6.0%	4.6%	-1.4pt	-
Profit before income taxes	207.2	189.0	-18.1	91%
Net profit attributable to Mitsubishi Electric Corp. stockholders	148.4	139.3	-9.1	94%

Factors Leading to Changes in Revenue and Operating Profit (Q3)

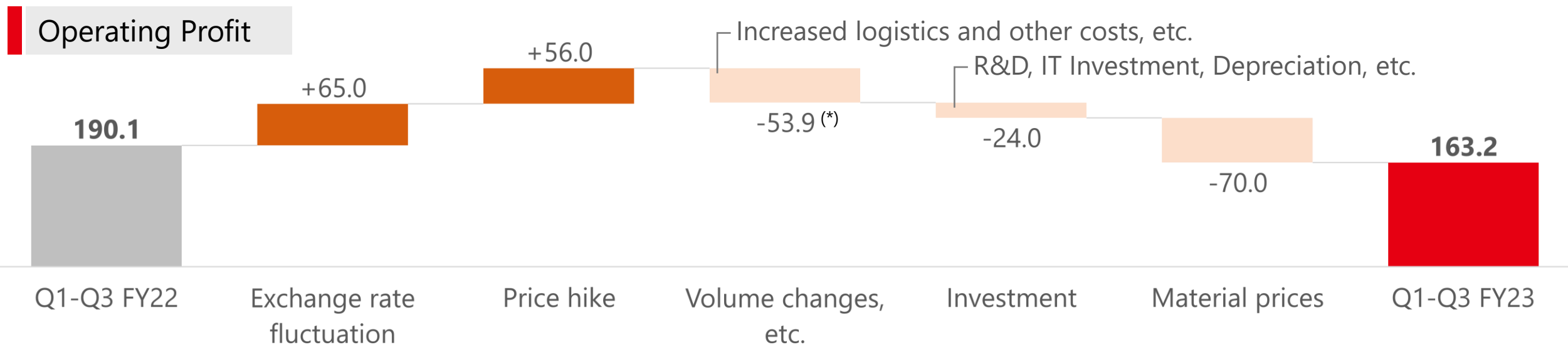
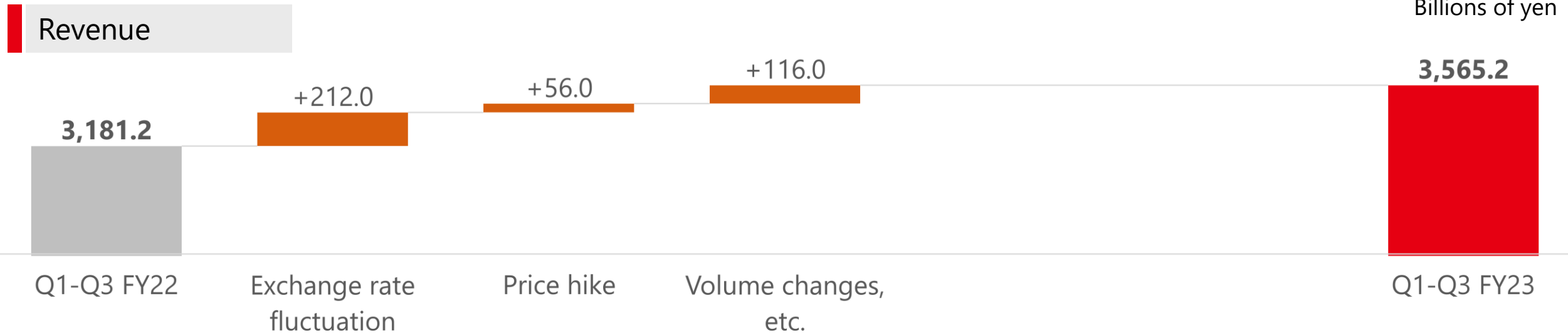
Billions of yen



(*)Breakdown: rise in electronic components prices -14.0, logistics costs -7.0, lower profitability in defense & space systems business -3.0, etc.

Factors Leading to Changes in Revenue and Operating Profit (Q1 - Q3)

Billions of yen



(*)Breakdown: rise in electronic components prices -25.0, logistics costs -24.0, components shortage -17.0, lower profitability in defense & space systems business -14.0, etc.

Consolidated Statement of Profit or Loss (Q3)

Billions of yen	Q3 FY22		Q3 FY23		YoY
Revenue	1,042.8	100.0%	1,225.6	100.0%	+182.7
Cost of sales	749.1	71.8%	871.6	71.1%	+122.5
Selling, general and administrative expenses	242.2	23.2%	274.6	22.4%	+32.4
Other profit (loss)	0.8	0.0%	3.4	0.2%	+2.5
Operating profit	52.3	5.0%	82.7	6.7%	+30.3
Financial income/expenses	2.8	0.2%	-2.6	-0.2%	-5.5
Share of profit of investments accounted for using the equity method	3.6	0.4%	5.9	0.5%	+2.3
Profit before income taxes	58.8	5.6%	85.9	7.0%	+27.1
Income taxes	13.1	1.2%	19.1	1.5%	+5.9
Net profit	45.6	4.4%	66.8	5.5%	+21.1
Net profit attributable to Mitsubishi Electric Corp. Stockholders	43.6	4.2%	64.5	5.3%	+20.8

Consolidated Statement of Profit or Loss (Q1-Q3)

Billions of yen	Q1-Q3 FY22		Q1-Q3 FY23		YoY
Revenue	3,181.2	100.0%	3,565.2	100.0%	+383.9
Cost of sales	2,263.4	71.1%	2,582.5	72.4%	+319.1
Selling, general and administrative expenses	731.1	23.0%	825.6	23.2%	+94.4
Other profit (loss)	3.5	0.1%	6.1	0.2%	+2.6
Operating profit	190.1	6.0%	163.2	4.6%	-26.9
Financial income/expenses	4.8	0.1%	8.2	0.2%	+3.3
Share of profit of investments accounted for using the equity method	12.2	0.4%	17.6	0.5%	+5.4
Profit before income taxes	207.2	6.5%	189.0	5.3%	-18.1
Income taxes	47.6	1.5%	41.7	1.2%	-5.9
Net profit	159.5	5.0%	147.3	4.1%	-12.2
Net profit attributable to Mitsubishi Electric Corp. Stockholders	148.4	4.7%	139.3	3.9%	-9.1

Consolidated Statement of Financial Position

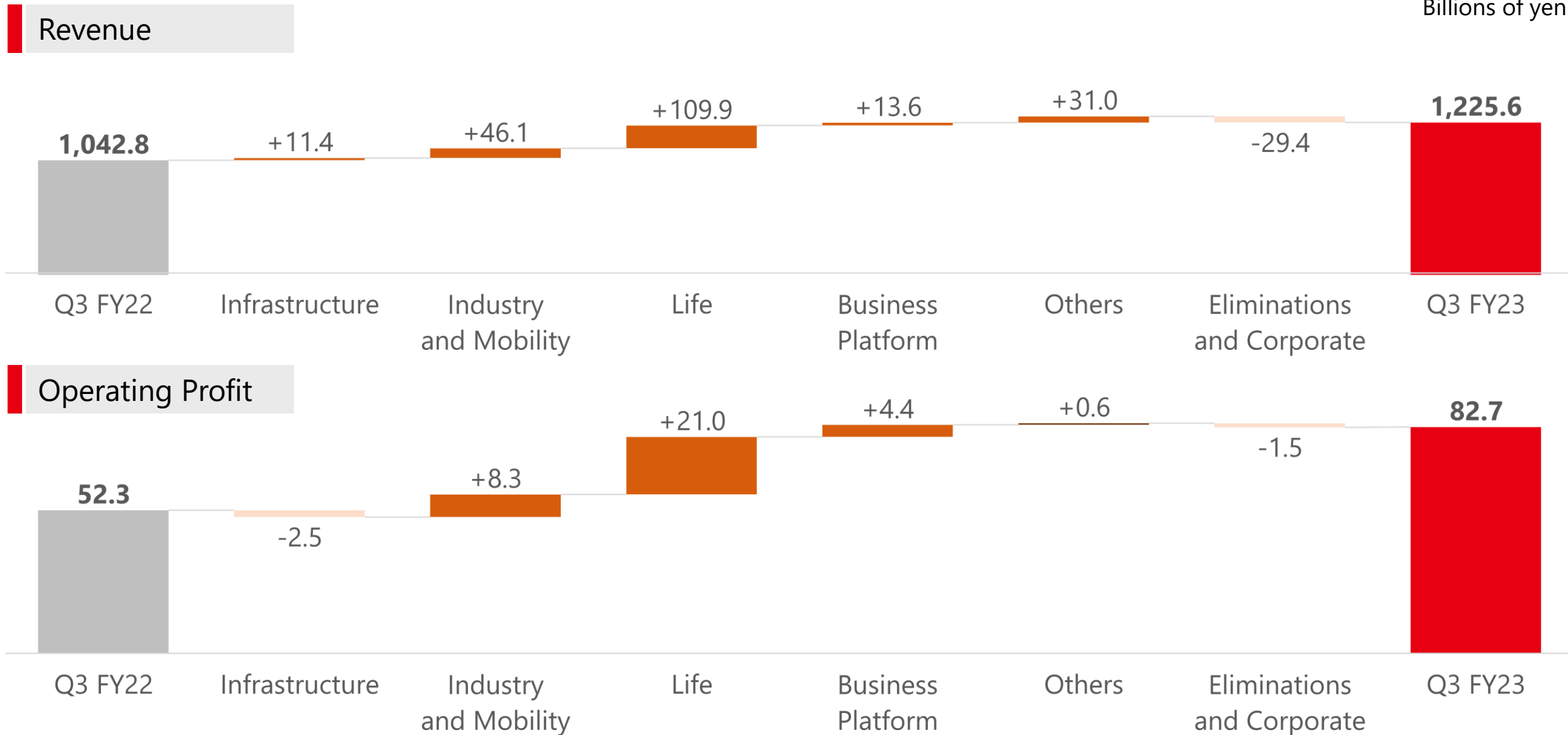
Billions of yen	As of March 31, 2022	As of December 31, 2022	Change from March 31, 2022
Total assets	5,107.9	5,306.5	+198.5
Cash and cash equivalents	727.1	585.5	-141.6
Trade receivables and contract assets	1,232.1	1,194.5	-37.5
Inventories	959.6	1,229.3	+269.6
Property, plant and equipment	855.7	896.0	+40.2
Total liabilities	2,010.5	2,111.6	+101.1
Bonds and borrowings	217.1	355.6	+138.4
%	4.3%	6.7%	+2.4pt
Total equity	3,097.3	3,194.8	+97.4
Mitsubishi Electric Corp. stockholders' equity	2,975.9	3,073.8	+97.9
%	58.3%	57.9%	-0.4pt

Consolidated Statement of Cash Flows

Billions of yen	Q1-Q3 FY22	Q1-Q3 FY23	YoY
Cash flows from operating activities	117.1	-31.7	-148.8
Cash flows from investing activities	-72.2	-125.8	-53.5
Free cash flow	44.8	-157.6	-202.4
Cash flows from financing activities	-191.4	0.8	+192.3
Cash and cash equivalents at end of period	632.1	585.5	-46.6

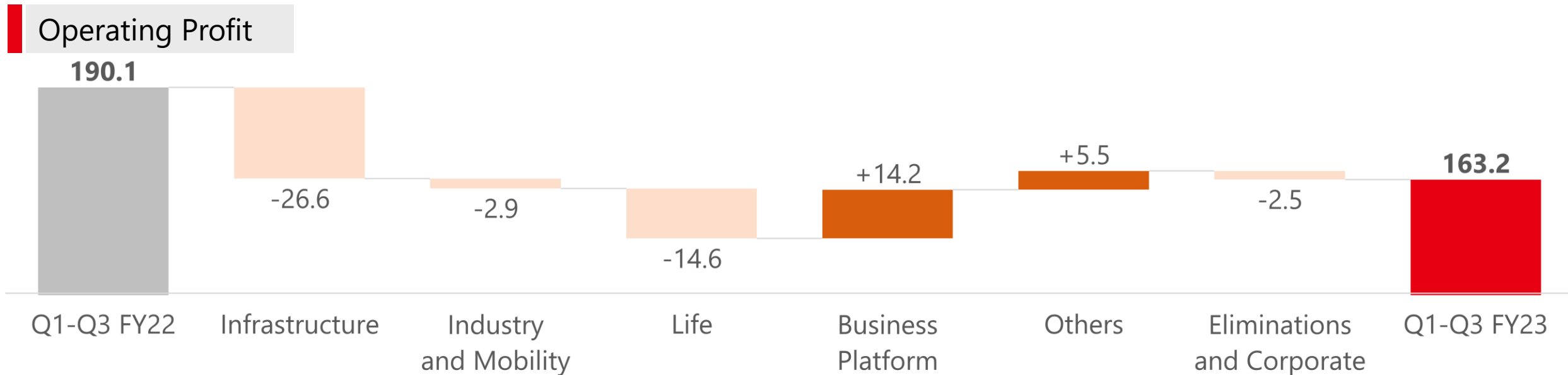
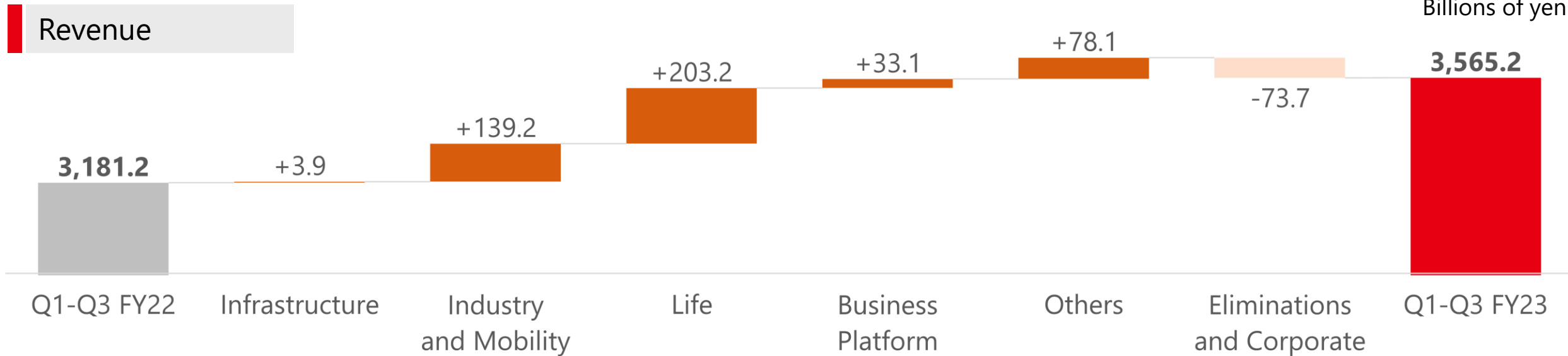
Consolidated Financial Results by Business Segment (Q3)

Billions of yen

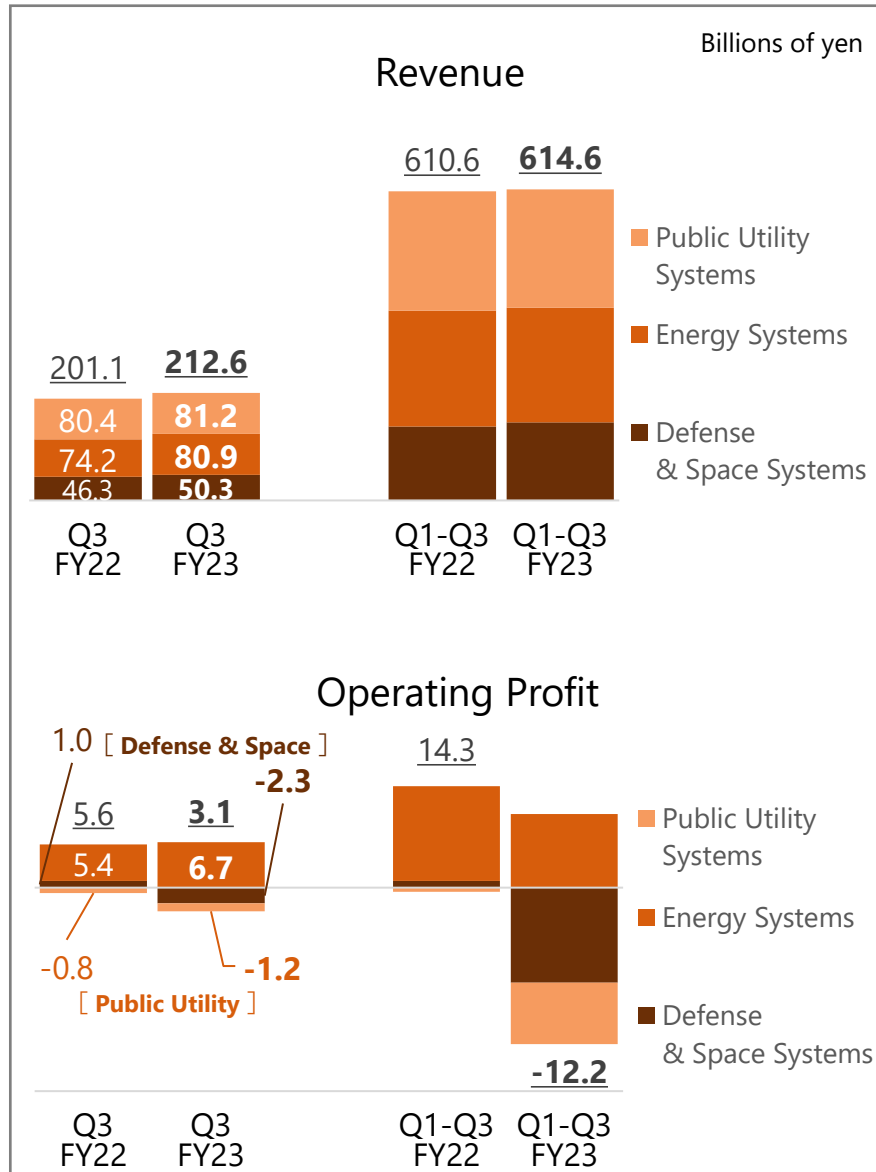


Consolidated Financial Results by Business Segment (Q1 - Q3)

Billions of yen



Consolidated Financial Results (Q3): Infrastructure



Revenue (YoY +¥11.4bn)

Public Utility Systems (YoY +¥0.7bn)

- The market saw robust investment in the public utility area in Japan, while there was a continuing trend of railway companies in Japan revising their capital expenditures due to the impact of COVID-19.
- Orders increased YoY due primarily to an increase in the public utility area in Japan, while revenue remained substantially unchanged YoY.

Energy Systems (YoY +¥6.6bn)

- The market continued to see capital expenditures of power companies in Japan and robust demand for power supply stabilization worldwide in the expansion of renewable energy.
- Orders increased YoY due primarily to increases in the power generation and power distribution businesses outside Japan. Revenue also increased YoY due primarily to increases in the power distribution business outside Japan and the power generation business in Japan.

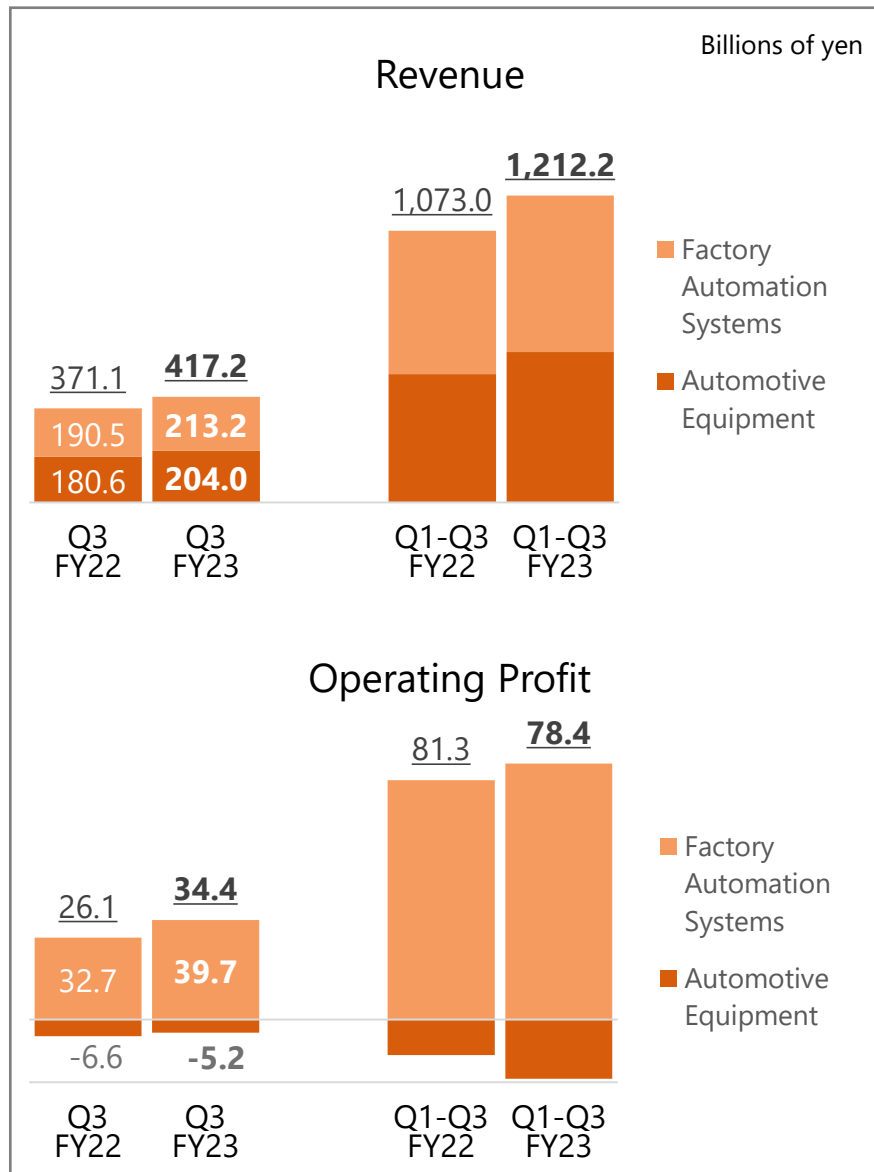
Defense & Space Systems (YoY +¥3.9bn)

- The business saw a decrease in orders YoY due primarily to a decrease in large-scale projects for the defense systems business, while revenue increased YoY due mainly to an increase in large-scale projects for the defense systems business.

Operating Profit (YoY -¥2.5bn)

- Decreased YoY due primarily to a shift in project portfolios and lower profitability in the defense & space systems business.

Notes : Business segments have been changed on April 1, 2022. Results for FY '22 were restated in line with the new segmentation.



Revenue (YoY +¥46.1bn)

■ Factory Automation Systems (YoY +¥22.7bn)

- The market saw a decrease in demand for digital equipment such as smartphones and semiconductors, while there was robust demand primarily for capital expenditures related to products in the decarbonization area such as lithium-ion batteries.
- Orders decreased YoY, while revenue increased YoY.

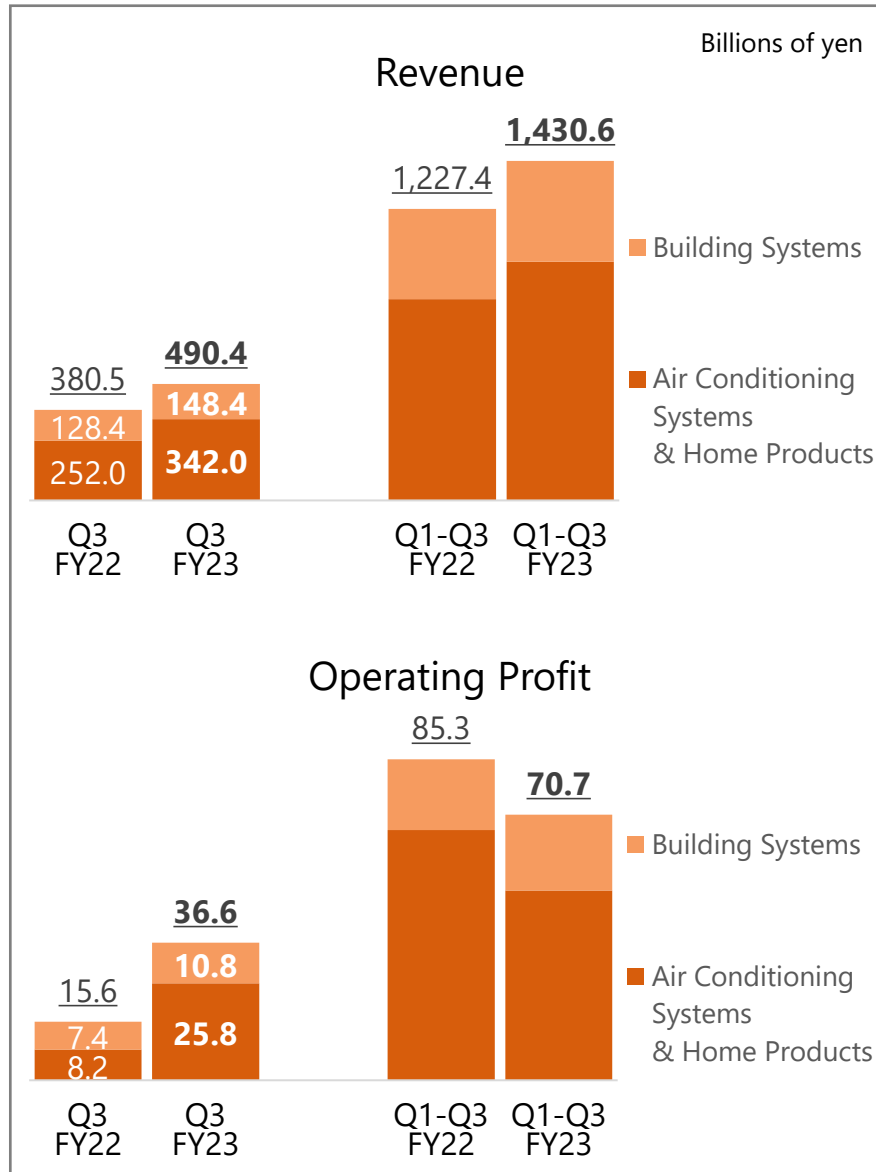
■ Automotive Equipment (YoY +¥23.4bn)

- The market saw a YoY increase in sales of new cars in nearly all regions except China, and robust demand for electric vehicle-related equipment in line with the expansion of the electric vehicle market, despite the semiconductor shortage.
- The business saw increases in both orders and revenue YoY due primarily to the weaker yen and increases in electric-vehicle related equipment such as motors and inverters, electrical components as well as products related to advanced driver assistance system (ADAS).

Operating Profit (YoY +¥8.3bn)

- Increased YoY due mainly to the weaker yen and an increase in revenue.

Consolidated Financial Results (Q3): Life



Revenue (YoY +¥109.9bn)

■ Building Systems (YoY +¥19.9bn)

- The market continued to see recovery from the sluggish market stemming from COVID-19.
- The business saw increases in both orders and revenue YoY due primarily to the weaker yen and an increase in Asia and Japan.

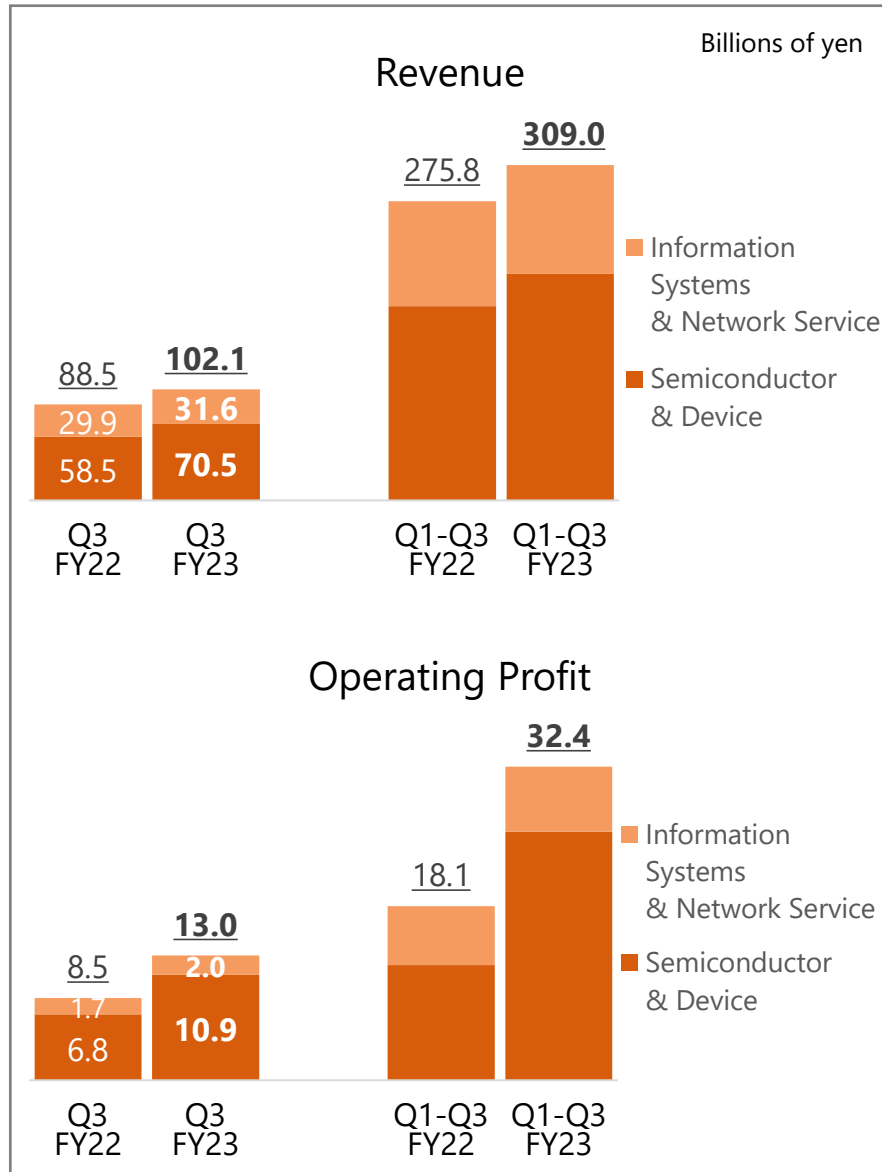
■ Air Conditioning Systems & Home Products (YoY +¥89.9bn)

- The market saw an improvement of the situation with regard to the electronic components shortage.
- The business saw an increase in revenue YoY due mainly to the weaker yen and increase in air conditioners in North America, Europe and Japan.

Operating Profit (YoY +¥21.0bn)

- Increased YoY due primarily to the increased revenue and the weaker yen.

Consolidated Financial Results (Q3): Business Platform



Revenue (YoY +¥13.6bn)

■ Information Systems & Network Service (YoY +¥1.6bn)

- The market saw robust demand due mainly to the restarts of projects delayed in the COVID-19 pandemic.
- The business saw increases in both orders and revenue YoY due mainly to an increase in the system integrations businesses.

■ Semiconductor & Device (YoY +¥11.9bn)

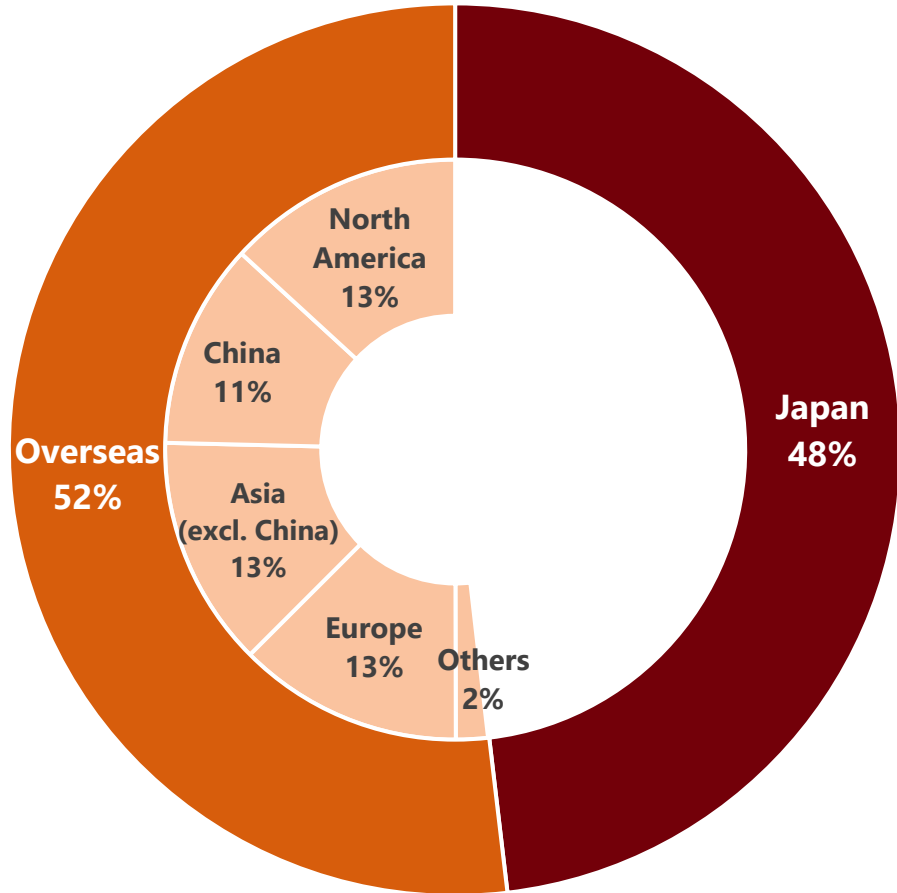
- The market saw robust demand in power modules used in consumer and industrial applications.
- Orders decreased YoY due primarily to as the trend of customers securing power modules for the future settled down, while revenue increased YoY due primarily to the weaker yen and increases in power modules used in consumer and industrial applications.

Operating Profit (YoY +¥4.4bn)

- Increased YoY due mainly to the weaker yen and an increase in revenue.

Revenue by Location of Customers (Q3)

Q3 FY23



Billions of yen	Q3 FY22	Q3 FY23	YoY	
Japan	529.4	589.8	+60.4	111%
Overseas	513.4	635.7	+122.3	124%
North America	103.7	161.4	+57.7	156%
China	144.2	141.5	-2.7	98%
Asia (excl. China)	131.6	157.5	+25.9	120%
Europe	115.2	153.5	+38.2	133%
Others	18.5	21.7	+3.1	117%
Total	1,042.8	1,225.6	+182.7	118%

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FY23 Forecast

		FY22	Previous ^(*) FY23 forecast	FY23 forecast	YoY	Changes from previous forecast	Breakdown of changes from previous forecast
Billions of yen							
Revenue		4,476.7	4,970.0	5,020.0	112%	+50.0	<ul style="list-style-type: none"> ▪ Exchange rate fluctuation +30.0 ▪ Volume changes, etc. +20.0
Operating profit		252.0	270.0	270.0	107%	-	<ul style="list-style-type: none"> ▪ Exchange rate fluctuation +10.0 ▪ Rise in electronic components prices -4.0 ▪ Project/portfolio shift, etc. -6.0
%		5.6%	5.4%	5.4%	-	- 0.0pt	
Profit before income taxes		279.6	295.0	295.0	105%	-	
Net profit attributable to Mitsubishi Electric Corp. stockholders		203.4	215.0	215.0	106%	-	
		FY22	Q3 FY23 and later ^(*)	Q4 FY23			
Foreign exchange rates	USD	¥113	¥135	¥130			
	EUR	¥131	¥135	¥140			
	CNY	¥17.7	¥19.0	¥19.0			

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Revenue and Operating Profit by Segment (Q3)

	Q3 FY22			Q3 FY23			YoY		
	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit	%
Billions of yen									
Infrastructure	201.1	5.6	2.8%	212.6	3.1	1.5%	+11.4	-2.5	-1.3pt
Public Utility Systems	80.4	-0.8	-1.0%	81.2	-1.2	-1.5%	+0.7	-0.3	-0.5pt
Energy Systems	74.2	5.4	7.4%	80.9	6.7	8.3%	+6.6	+1.2	+0.9pt
Defense & Space Systems	46.3	1.0	2.2%	50.3	-2.3	-4.7%	+3.9	-3.3	-6.9pt
Industry and Mobility	371.1	26.1	7.0%	417.2	34.4	8.3%	+46.1	+8.3	+1.3pt
Factory Automation Systems	190.5	32.7	17.2%	213.2	39.7	18.6%	+22.7	+6.9	+1.4pt
Automotive Equipment	180.6	-6.6	-3.7%	204.0	-5.2	-2.6%	+23.4	+1.3	+1.1pt
Life	380.5	15.6	4.1%	490.4	36.6	7.5%	+109.9	+21.0	+3.4pt
Building Systems	128.4	7.4	5.8%	148.4	10.8	7.3%	+19.9	+3.4	+1.5pt
Air Conditioning Systems & Home Products	252.0	8.2	3.3%	342.0	25.8	7.5%	+89.9	+17.6	+4.2pt
Business Platform	88.5	8.5	9.7%	102.1	13.0	12.7%	+13.6	+4.4	+3.0pt
Information Systems & Network Service	29.9	1.7	5.7%	31.6	2.0	6.6%	+1.6	+0.3	+0.9pt
Semiconductor & Device	58.5	6.8	11.8%	70.5	10.9	15.5%	+11.9	+4.0	+3.7pt
Others	175.8	7.0	4.0%	206.8	7.7	3.7%	+31.0	+0.6	-0.3pt
Eliminations and corporate	-174.3	-10.6	-	-203.8	-12.2	-	-29.4	-1.5	-
Consolidated Total	1,042.8	52.3	5.0%	1,225.6	82.7	6.7%	+182.7	+30.3	+1.7pt

Notes : Business segments have been changed on April 1, 2022. Results for FY '22 were restated in line with the new segmentation.

Revenue and Operating Profit by Segment (Q1-Q3)

	Q1-Q3 FY22			Q1-Q3 FY23			YoY		
	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit	%
Billions of yen									
Infrastructure	610.6	14.3	2.4%	614.6	-12.2	-2.0%	+3.9	-26.6	-4.4pt
Public Utility Systems	236.2	-0.6	-0.3%	233.9	-9.1	-3.9%	-2.2	-8.5	-3.6pt
Energy Systems	228.7	14.0	6.1%	226.8	10.9	4.8%	-1.9	-3.0	-1.3pt
Defense & Space Systems	145.6	1.0	0.7%	153.7	-14.0	-9.1%	+8.1	-15.0	-9.8pt
Industry and Mobility	1,073.0	81.3	7.6%	1,212.2	78.4	6.5%	+139.2	-2.9	-1.1pt
Factory Automation Systems	566.8	95.4	16.8%	619.2	102.0	16.5%	+52.3	+6.6	-0.3pt
Automotive Equipment	506.1	-14.1	-2.8%	593.0	-23.6	-4.0%	+86.9	-9.5	-1.2pt
Life	1,227.4	85.3	7.0%	1,430.6	70.7	4.9%	+203.2	-14.6	-2.1pt
Building Systems	379.1	18.8	5.0%	425.9	20.2	4.8%	+46.7	+1.4	-0.2pt
Air Conditioning Systems & Home Products	848.2	66.5	7.8%	1,004.7	50.4	5.0%	+156.5	-16.0	-2.8pt
Business Platform	275.8	18.1	6.6%	309.0	32.4	10.5%	+33.1	+14.2	+3.9pt
Information Systems & Network Service	96.8	6.1	6.4%	100.1	6.7	6.7%	+3.3	+0.5	+0.3pt
Semiconductor & Device	179.0	11.9	6.7%	208.8	25.7	12.3%	+29.8	+13.7	+5.6pt
Others	521.7	16.4	3.2%	599.9	22.0	3.7%	+78.1	+5.5	+0.5pt
Eliminations and corporate	-527.4	-25.5	-	-601.2	-28.1	-	-73.7	-2.5	-
Consolidated Total	3,181.2	190.1	6.0%	3,565.2	163.2	4.6%	+383.9	-26.9	-1.4pt

Notes : Business segments have been changed on April 1, 2022. Results for FY '22 were restated in line with the new segmentation.

Revenue and Operating Profit by Segment (Forecast)

	FY22			Previous ^(*) FY23 forecast			FY23 forecast			YoY			Changes from previous forecast		
	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit	%	Revenue	Operating profit	%
Billions of yen															
Infrastructure	946.1	41.5	4.4%	970.0	25.0	2.6%	960.0	19.0	2.0%	+13.8	-22.5	-2.4pt	-10.0	-6.0	-0.6pt
Public Utility Systems	383.3	15.3	4.0%	385.0	11.0	2.9%	385.0	9.0	2.3%	+1.6	-6.3	-1.7pt	-	-2.0	-0.6pt
Energy Systems	327.5	23.1	7.1%	330.0	20.0	6.1%	330.0	20.0	6.1%	+2.4	-3.1	-1.0pt	-	-	- pt
Defense & Space Systems	235.1	3.0	1.3%	255.0	-6.0	-2.4%	245.0	-10.0	-4.1%	+9.8	-13.0	-5.4pt	-10.0	-4.0	-1.7pt
Industry and Mobility	1,480.8	96.4	6.5%	1,690.0	118.0	7.0%	1,700.0	114.0	6.7%	+219.1	+17.5	+0.2pt	+10.0	-4.0	-0.3pt
Factory Automation Systems	776.1	128.0	16.5%	860.0	140.0	16.3%	870.0	142.0	16.3%	+93.8	+13.9	-0.2pt	+10.0	+2.0	+0.0pt
Automotive Equipment	704.6	-31.5	-4.5%	830.0	-22.0	-2.7%	830.0	-28.0	-3.4%	+125.3	+3.5	+1.1pt	-	-6.0	-0.7pt
Life	1,673.0	92.6	5.5%	1,890.0	94.0	5.0%	1,930.0	99.0	5.1%	+256.9	+6.3	-0.4pt	+40.0	+5.0	+0.1pt
Building Systems	527.8	21.8	4.1%	570.0	27.0	4.7%	580.0	27.0	4.7%	+52.1	+5.1	+0.6pt	+10.0	-	-0.0pt
Air Conditioning Systems & Home Products	1,145.1	70.8	6.2%	1,320.0	67.0	5.1%	1,350.0	72.0	5.3%	+204.8	+1.1	-0.9pt	+30.0	+5.0	+0.2pt
Business Platform	382.8	26.4	6.9%	430.0	34.0	7.9%	430.0	39.0	9.1%	+47.1	+12.5	+2.2pt	-	+5.0	+1.2pt
Information Systems & Network Service	141.4	9.6	6.8%	150.0	10.0	6.7%	150.0	11.0	7.3%	+8.5	+1.3	+0.5pt	-	+1.0	+0.6pt
Semiconductor & Device	241.4	16.8	7.0%	280.0	24.0	8.6%	280.0	28.0	10.0%	+38.5	+11.1	+3.0pt	-	+4.0	+1.4pt
Others	737.3	26.7	3.6%	780.0	31.0	4.0%	810.0	31.0	3.8%	+72.6	+4.2	+0.2pt	+30.0	-	-0.2pt
Eliminations and corporate	-743.4	-31.8	-	-790.0	-32.0	-	-810.0	-32.0	-	-66.5	-0.1	-	-20.0	-	-
Consolidated Total	4,476.7	252.0	5.6%	4,970.0	270.0	5.4%	5,020.0	270.0	5.4%	+543.2	+17.9	-0.2pt	+50.0	-	-0.0pt

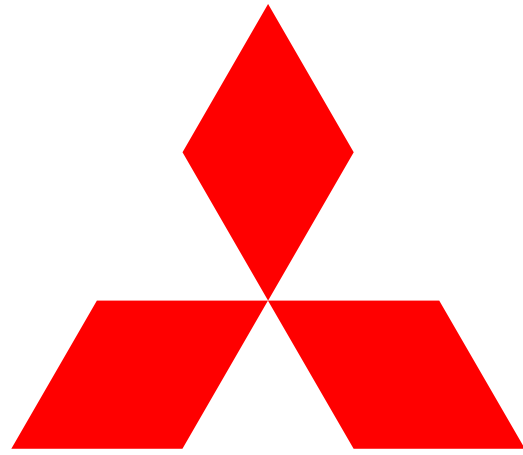
Notes : Business segments have been changed on April 1, 2022. Forecast for FY '23 and results for FY '22 were stated in line with the new segmentation.

^(*) Announced on October 28, 2022

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

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In the event of any discrepancy between this document and the Japanese original, the original shall prevail.



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