

# **Consolidated Financial Results Briefing**

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**For Fiscal 2023**

**April 28, 2023**

**MITSUBISHI ELECTRIC CORPORATION**

# **1 Consolidated Financial Results For Fiscal 2023**

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# **2 Introduction of Business Area (BA)**

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## 2 Introduction of Business Area (BA)

## 1 **FY23: Revenue ¥5,003.6bn (+¥526.9bn YoY), Operating Profit ¥262.3bn (+¥10.3bn YoY)**

- Revenue achieved a new record high due primarily to the impact of the weaker yen and an increase in demand for the mass production businesses.
- Profit increased (YoY) due primarily to the impact of the weaker yen, an increase in revenue and price hike, despite the rise in some material prices and high logistics costs.

## 2 **FY24 forecast: Revenue ¥5,200.0bn (+¥196.3bn YoY), Operating Profit ¥330.0bn (+¥67.6bn YoY)**

- Revenue and profit are expected to increase (YoY) due primarily to an increase in demand for the mass production businesses mainly in air conditioning systems & home products and the impact of price hike in each business, although there is an uncertainty about monetary tightening in various countries and regions, and an increase in geopolitical risks.
- Revenue and profit are expected to achieve new record highs.

## 3 **Resolved to repurchase of company shares (Purchase limit ¥50.0bn)**

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## 2 Introduction of Business Area (BA)

- 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 movement restrictions caused by the expansion of COVID-19, and the subsequent recovery was only moderate.
- 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	<b>FY23</b>
USD	¥113	<b>¥136</b>
EUR	¥131	<b>¥142</b>
CNY	¥17.7	<b>¥19.7</b>

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## 2 Introduction of Business Area (BA)

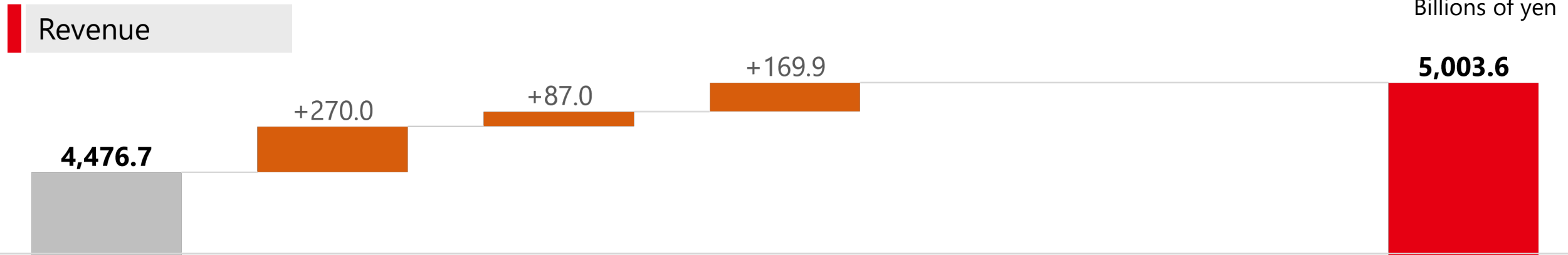
# Consolidated Financial Results

Billions of yen	FY22	FY23	YoY	
Revenue	4,476.7	<b>5,003.6</b>	+526.9	112%
Operating profit	252.0	<b>262.3</b>	+10.3	104%
%	5.6%	<b>5.2%</b>	-0.4pt	-
Profit before income taxes	279.6	<b>292.1</b>	+12.4	104%
Net profit attributable to Mitsubishi Electric Corp. stockholders	203.4	<b>213.9</b>	+10.4	105%

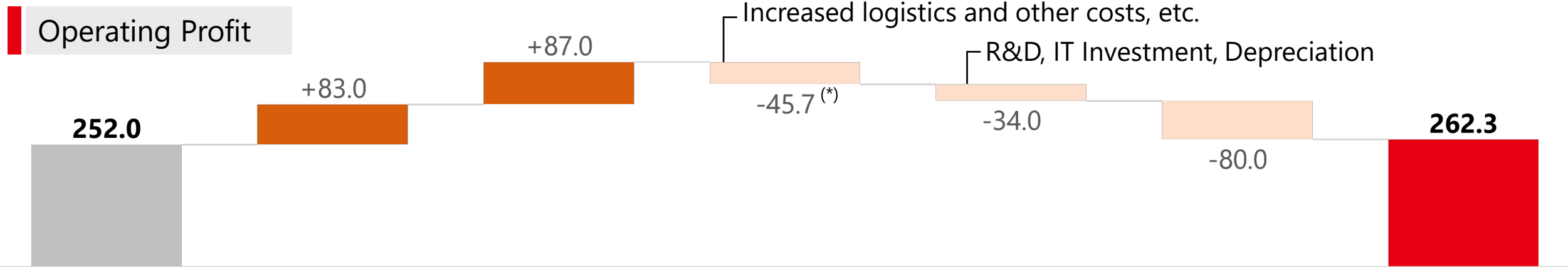


# Factors Leading to Changes in Revenue and Operating Profit (FY22 → FY23)

Billions of yen



FY22      Exchange rate fluctuation      Price hike      Volume changes, etc.      FY23



FY22      Exchange rate fluctuation      Price hike      Volume changes, etc.      Investment      Material prices      FY23

(\*)Breakdown: rise in electronic components prices -37.0, logistics costs -27.0, components shortage -17.0, lower profitability in defense & space systems business -14.0, others +49.3(including gain on sales of land +24.0, impairment losses on the fixed assets -20.9)

# Consolidated Statement of Profit or Loss

Billions of yen	FY22		FY23		YoY
Revenue	4,476.7	100.0%	<b>5,003.6</b>	<b>100.0%</b>	+526.9
Cost of sales	3,212.2	71.8%	<b>3,596.7</b>	<b>71.9%</b>	+384.5
Selling, general and administrative expenses	1,013.6	22.6%	<b>1,147.9</b>	<b>23.0%</b>	+134.3
Other profit (loss)	1.1	0.0%	<b>3.4</b>	<b>0.1%</b>	+2.2
Operating profit	252.0	5.6%	<b>262.3</b>	<b>5.2%</b>	+10.3
Financial income/expenses	9.2	0.2%	<b>8.0</b>	<b>0.2%</b>	-1.2
Share of profit of investments accounted for using the equity method	18.4	0.4%	<b>21.8</b>	<b>0.4%</b>	+3.3
Profit before income taxes	279.6	6.2%	<b>292.1</b>	<b>5.8%</b>	+12.4
Income taxes	61.8	1.3%	<b>67.2</b>	<b>1.3%</b>	+5.4
Net profit	217.8	4.9%	<b>224.9</b>	<b>4.5%</b>	+7.0
Net profit attributable to Mitsubishi Electric Corp. Stockholders	203.4	4.5%	<b>213.9</b>	<b>4.3%</b>	+10.4

# Consolidated Statement of Financial Position

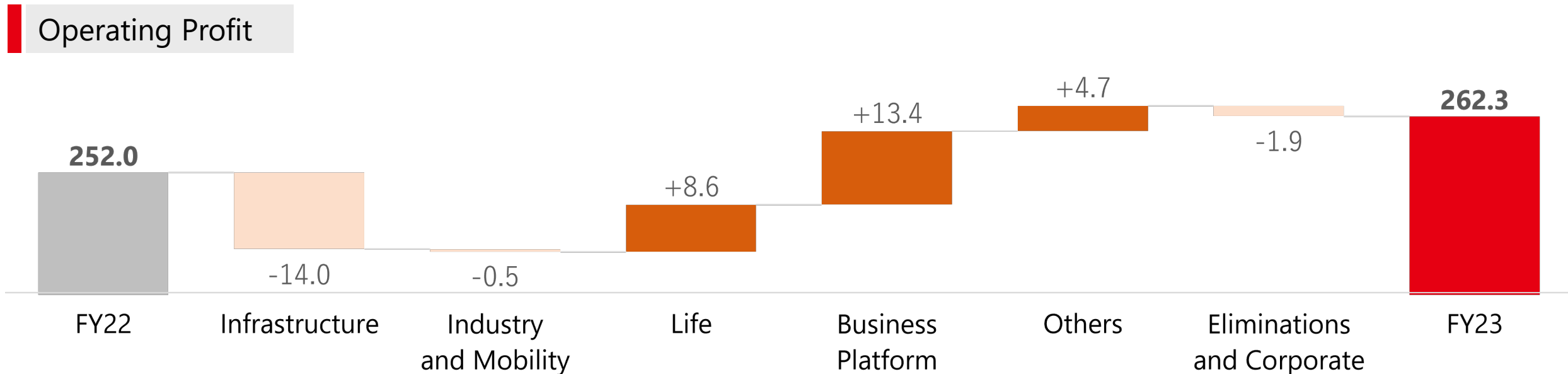
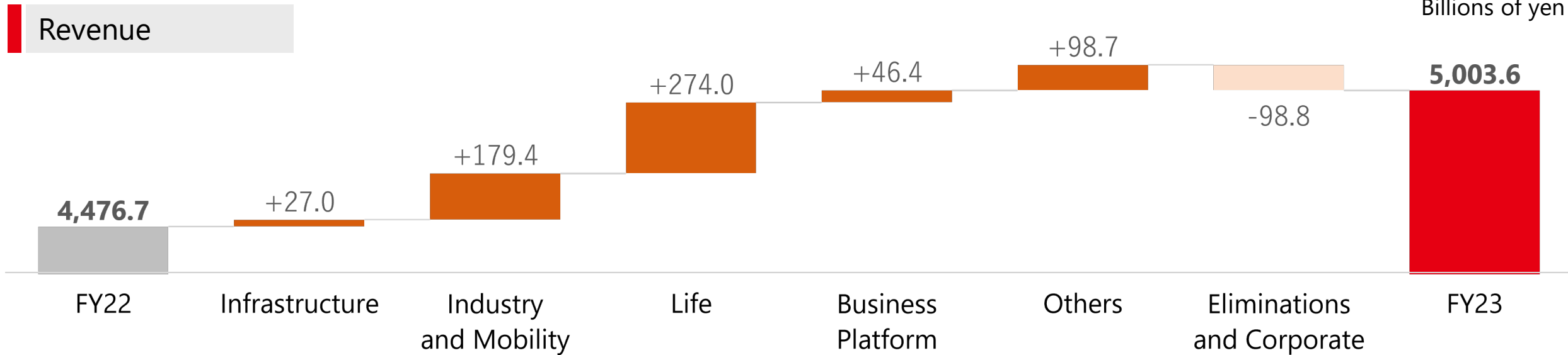
Billions of yen	As of March 31, 2022	As of March 31, 2023	Change from March 31, 2022
Total assets	5,107.9	<b>5,582.5</b>	+474.5
Cash and cash equivalents	727.1	<b>645.8</b>	-81.3
Trade receivables and contract assets	1,232.1	<b>1,346.9</b>	+114.8
Inventories	959.6	<b>1,209.2</b>	+249.5
Property, plant and equipment	855.7	<b>896.3</b>	+40.5
Total liabilities	2,010.5	<b>2,219.2</b>	+208.7
Bonds and borrowings	217.1	<b>252.2</b>	+35.0
%	4.3%	<b>4.5%</b>	+0.2pt
Total equity	3,097.3	<b>3,363.2</b>	+265.8
Mitsubishi Electric Corp. stockholders' equity	2,975.9	<b>3,239.0</b>	+263.0
%	58.3%	<b>58.0%</b>	-0.3pt

# Consolidated Statement of Cash Flows

Billions of yen	FY22	<b>FY23</b>	YoY
Cash flows from operating activities	282.3	<b>166.7</b>	-115.6
Cash flows from investing activities	-114.8	<b>-148.5</b>	-33.6
Free cash flow	167.5	<b>18.1</b>	-149.3
Cash flows from financing activities	-241.3	<b>-119.5</b>	+121.7
Cash and cash equivalents at end of period	727.1	<b>645.8</b>	-81.3

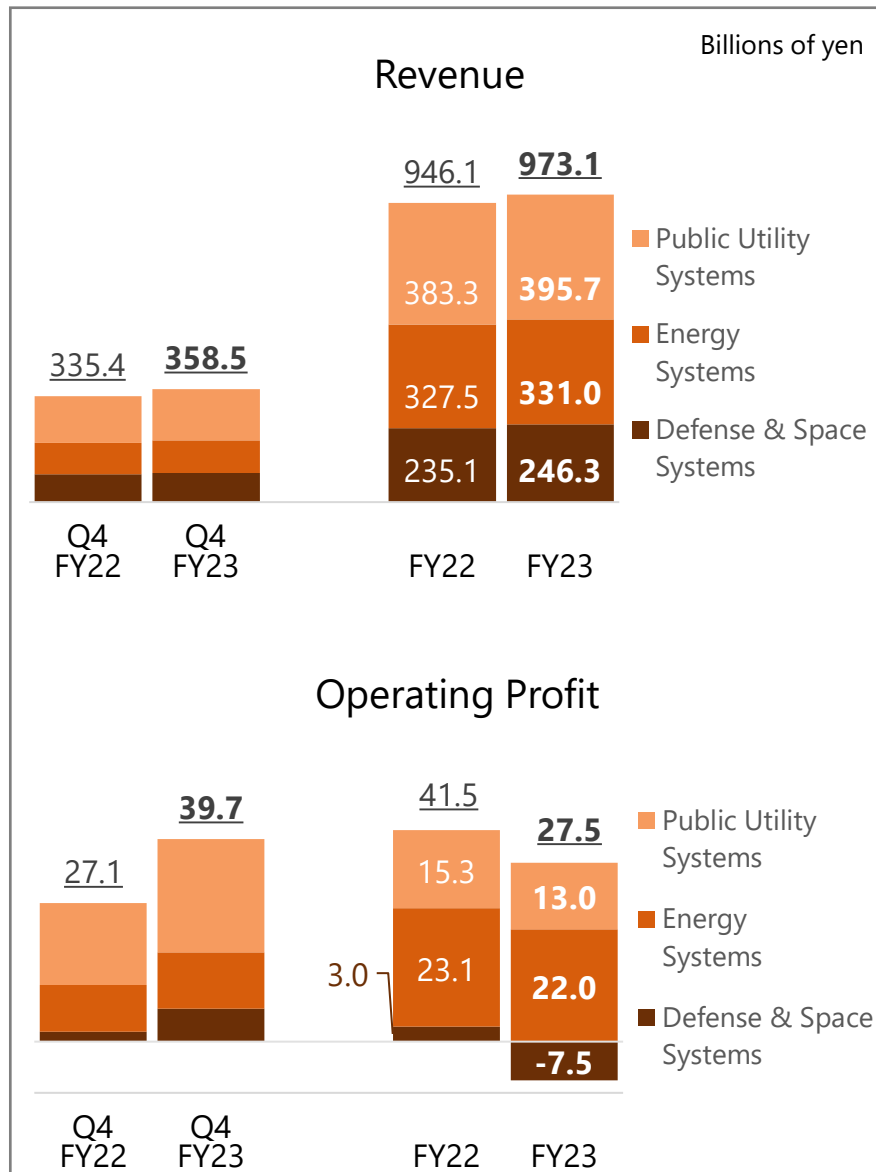
# Consolidated Financial Results by Business Segment

Billions of yen



Notes : Business segments have been changed on April 1, 2022. Gain on sales of land within other profit (loss) presented in the 'Consolidated Statement of Profit or Loss' is allocated to each segment.

# Consolidated Financial Results : Infrastructure



## Revenue (YoY +¥27.0bn)

### Public Utility Systems (YoY +¥12.4bn)

- The market saw robust investment in the public utility area worldwide, 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 worldwide. Revenue also increased YoY due to the weaker yen and an increase in the public utility area outside Japan.

### Energy Systems (YoY +¥3.4bn)

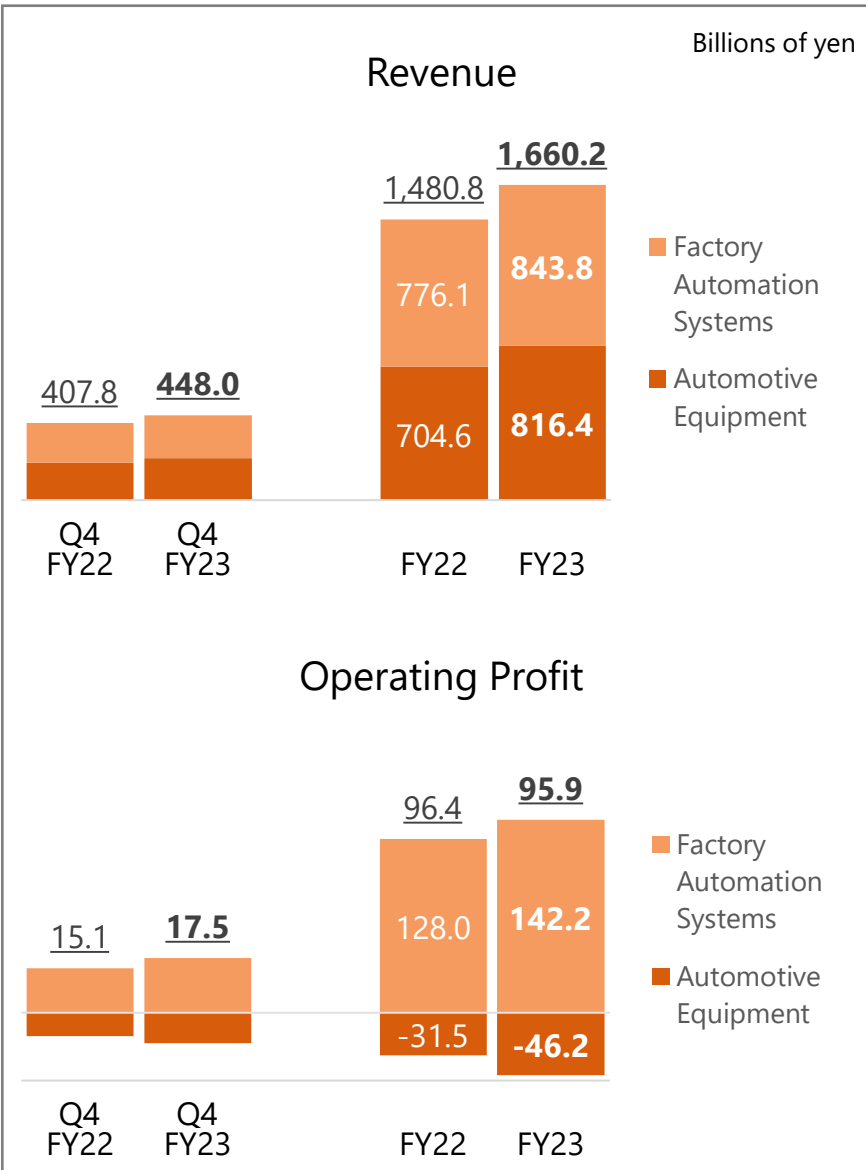
- The market continued to see capital expenditures of power companies in Japan and robust demand for power supply stabilization worldwide in the expansion of renewable energy.
- Orders increased YoY due primarily to increases in the power distribution business in Japan and the power generation business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

### Defense & Space Systems (YoY +¥11.1bn)

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

## Operating Profit (YoY -¥14.0bn)

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



## Revenue (YoY +¥179.4bn)

### ■ Factory Automation Systems (YoY +¥67.6bn)

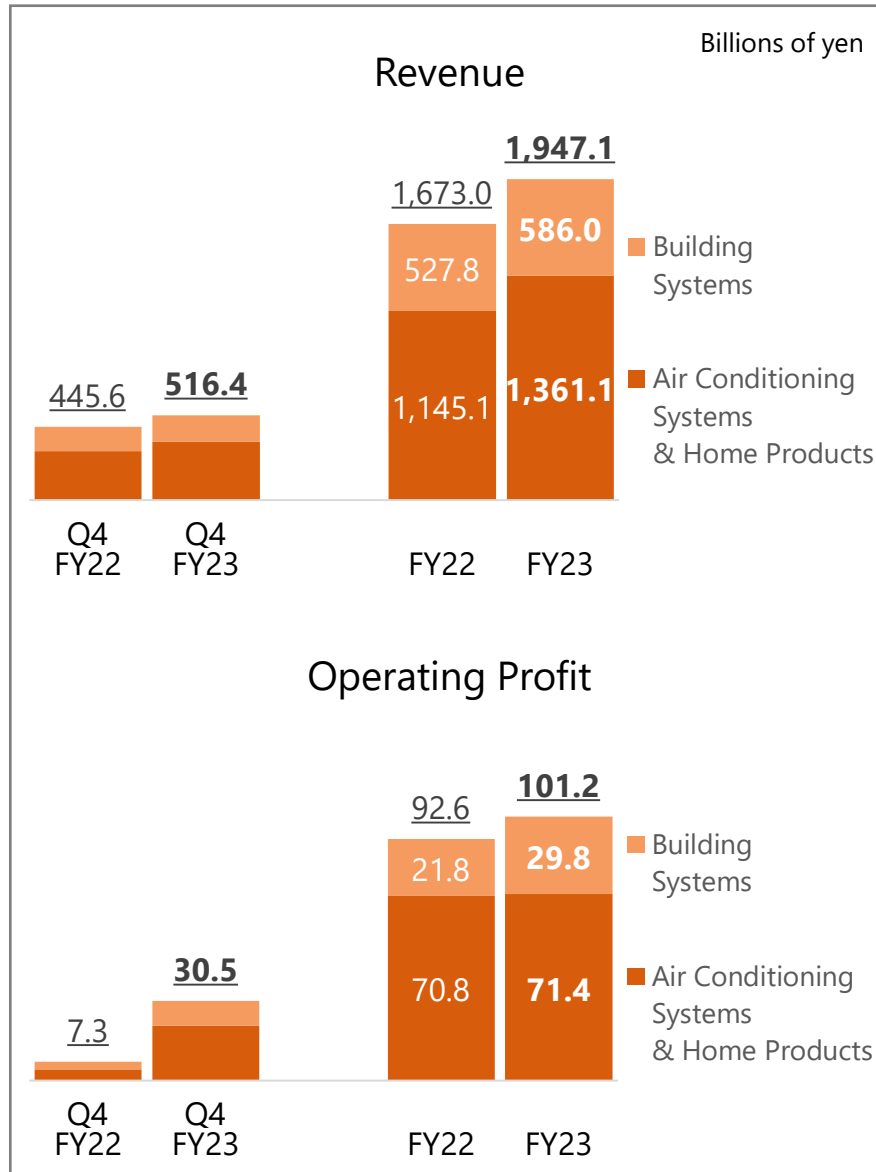
- The market saw a decrease in demand for digital equipment such as smartphones and semiconductors, while there was robust demand primarily for capital expenditures related to products in the decarbonization area such as lithium-ion batteries.
- Orders decreased YoY due primarily to a temporary slowdown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

### ■ Automotive Equipment (YoY +¥111.7bn)

- The market saw a YoY increase in sales of new cars 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 as well as electrical components.

## Operating Profit (YoY -¥0.5bn)

- The factory automation systems business increased YoY due primarily to an increase in revenue and the weaker yen, while the automotive equipment business decreased due primarily to the rise in material prices and logistics costs as well as the recognition of an impairment losses on the fixed assets. As a result, operating profit for this segment decreased.



## Revenue (YoY +¥274.0bn)

### ■ Building Systems (YoY +¥58.1bn)

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

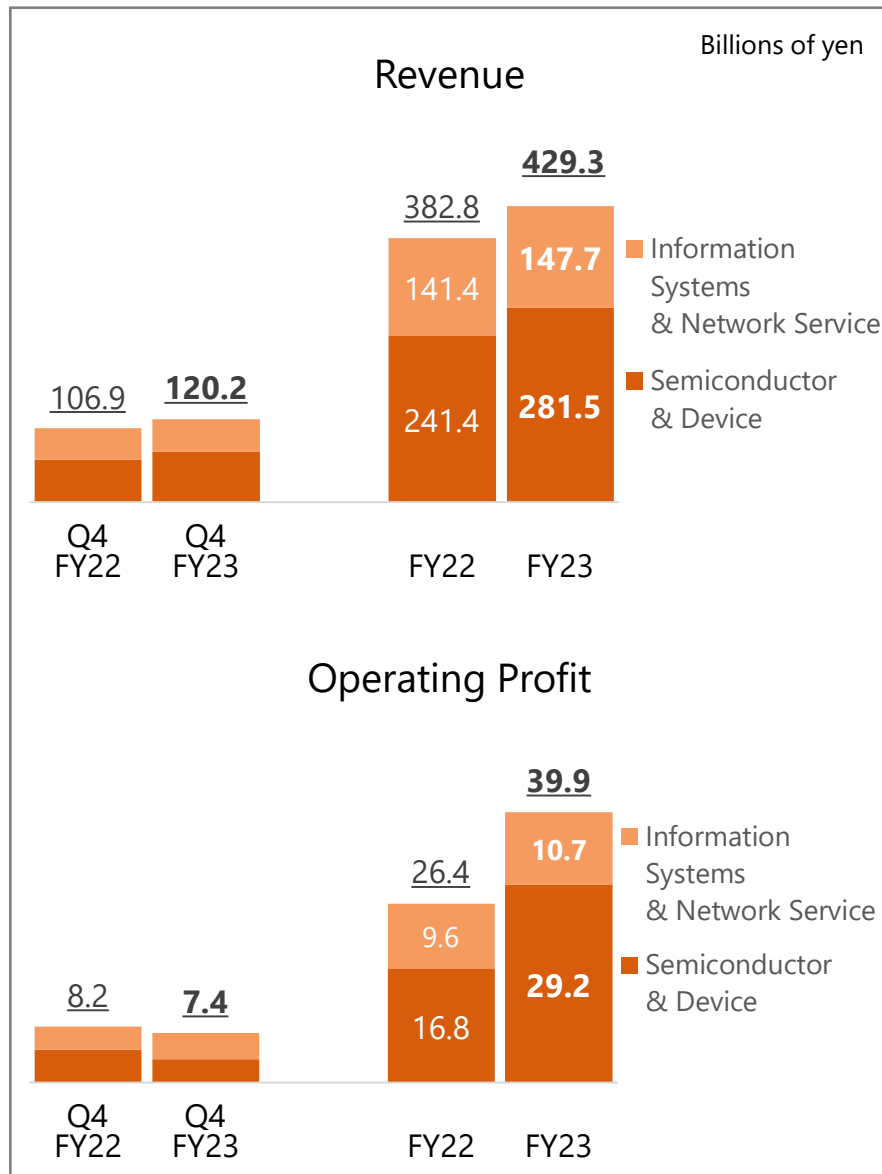
### ■ Air Conditioning Systems & Home Products (YoY +¥215.9bn)

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

## Operating Profit (YoY +¥8.6bn)

- Increased YoY due primarily to an increase in revenue and the weaker yen, despite the rise in material prices and logistics costs as well as lower production level in the first quarter.





## Revenue (YoY +¥46.4bn)

### ■ Information Systems & Network Service (YoY +¥6.3bn)

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

### ■ Semiconductor & Device (YoY +¥40.1bn)

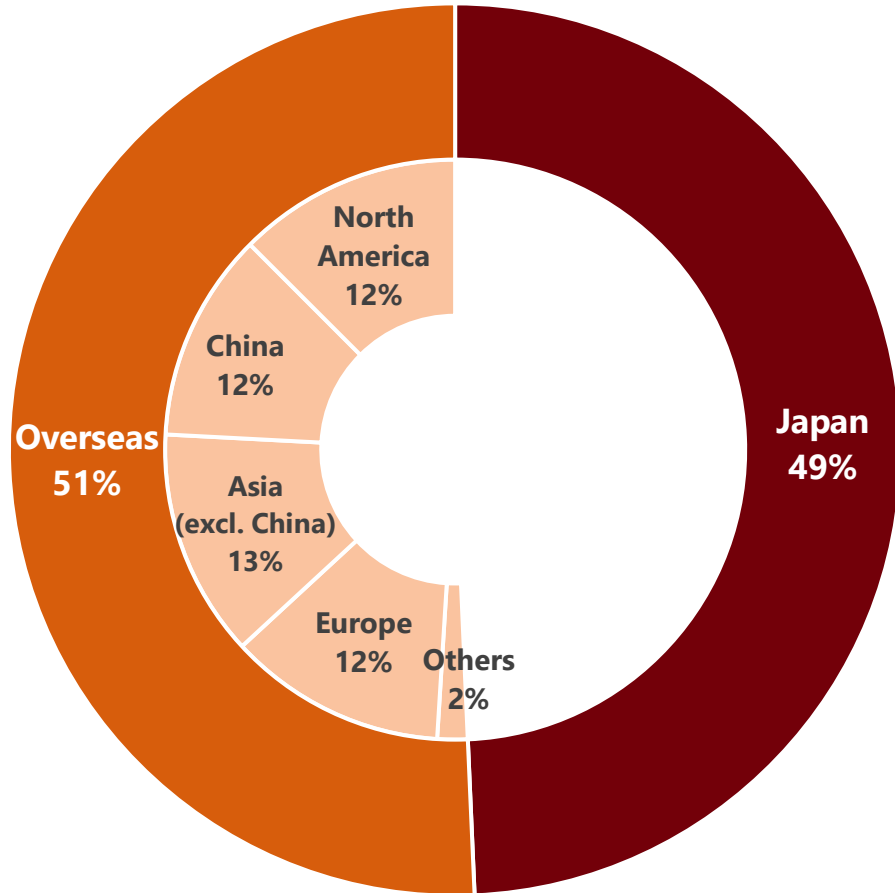
- The market saw robust demand for power modules used in consumer and industrial applications.
- Orders decreased YoY as the trend of customers securing power modules for the future settled down and there was an impact of the end of the TFT-LCD module business. Revenue increased YoY due primarily to the weaker yen, and increases in power modules used in consumer and industrial applications.

## Operating Profit (YoY +¥13.4bn)

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

# Revenue by Location of Customers

FY23



Billions of yen	FY22	FY23	YoY	
Japan	2,332.4	<b>2,467.0</b>	+134.6	106%
Overseas	2,144.3	<b>2,536.6</b>	+392.3	118%
North America	461.9	<b>625.5</b>	+163.6	135%
China	588.8	<b>583.6</b>	-5.2	99%
Asia (excl. China)	526.0	<b>635.2</b>	+109.1	121%
Europe	495.3	<b>607.8</b>	+112.5	123%
Others	72.1	<b>84.3</b>	+12.2	117%
Total	4,476.7	<b>5,003.6</b>	+526.9	112%

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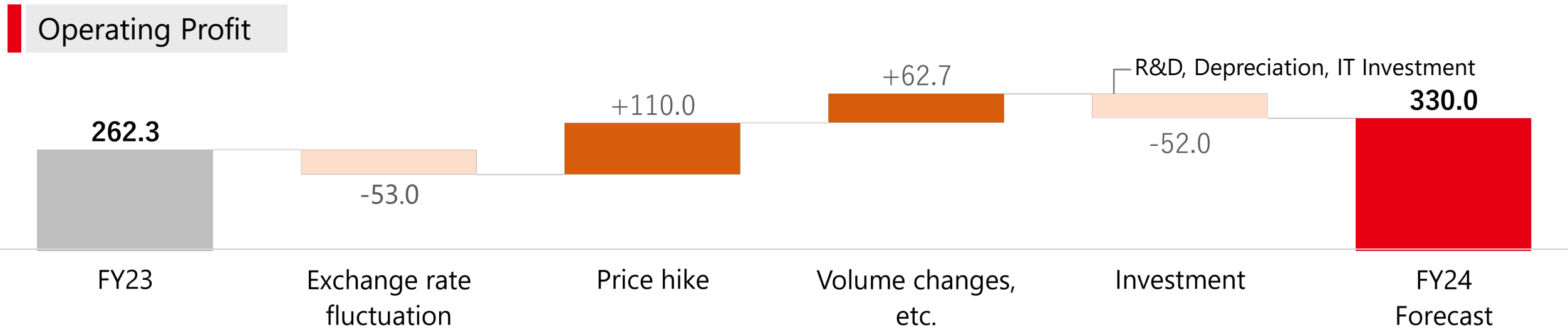
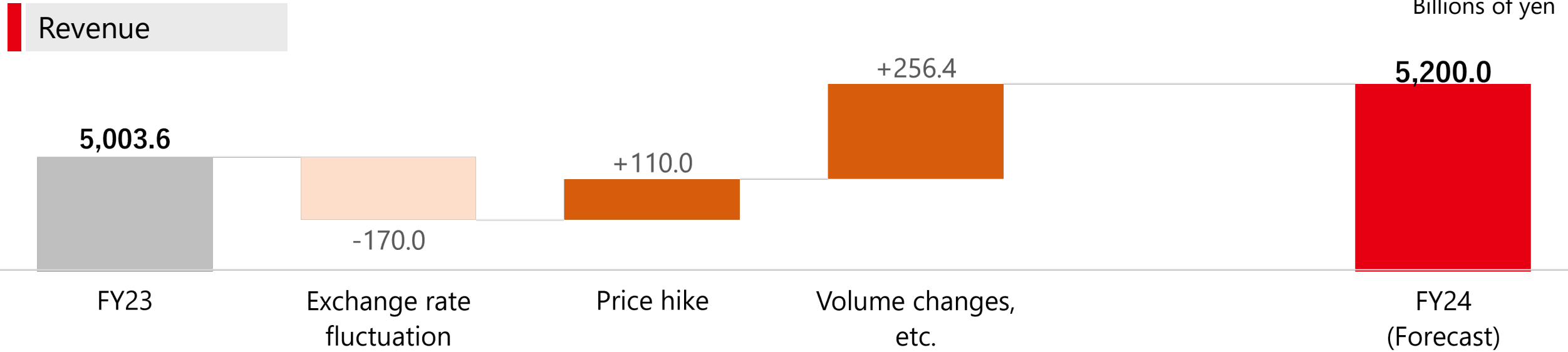
## 2 Introduction of Business Area (BA)

# FY24 Forecast

		FY23	FY24 Forecast	YoY
Billions of yen				
Revenue		5,003.6	<b>5,200.0</b>	104%
Operating profit		262.3	<b>330.0</b>	126%
%		5.2%	<b>6.3%</b>	-
Profit before income taxes		292.1	<b>355.0</b>	122%
Net profit attributable to Mitsubishi Electric Corp. stockholders		213.9	<b>260.0</b>	122%
		FY23	FY24 Forecast	
Foreign exchange rates				
	USD	¥136	¥125	
	EUR	¥142	¥135	
	CNY	¥19.7	¥18.5	

# Factors Leading to Changes in Revenue and Operating Profit Factors (FY23 → FY24 Forecast)

Billions of yen



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## 2 Introduction of Business Area (BA)

# Revenue and Operating Profit by Segment

	FY22			FY23			YoY		
	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit	%
Billions of yen									
Infrastructure	946.1	41.5	4.4%	<b>973.1</b>	<b>27.5</b>	<b>2.8%</b>	+27.0	-14.0	-1.6pt
Public Utility Systems	383.3	15.3	4.0%	<b>395.7</b>	<b>13.0</b>	<b>3.3%</b>	+12.4	-2.3	-0.7pt
Energy Systems	327.5	23.1	7.1%	<b>331.0</b>	<b>22.0</b>	<b>6.7%</b>	+3.4	-1.0	-0.4pt
Defense & Space Systems	235.1	3.0	1.3%	<b>246.3</b>	<b>-7.5</b>	<b>-3.1%</b>	+11.1	-10.5	-4.4pt
Industry and Mobility	1,480.8	96.4	6.5%	<b>1,660.2</b>	<b>95.9</b>	<b>5.8%</b>	+179.4	-0.5	-0.7pt
Factory Automation Systems	776.1	128.0	16.5%	<b>843.8</b>	<b>142.2</b>	<b>16.9%</b>	+67.6	+14.1	+0.4pt
Automotive Equipment	704.6	-31.5	-4.5%	<b>816.4</b>	<b>-46.2</b>	<b>-5.7%</b>	+111.7	-14.6	-1.2pt
Life	1,673.0	92.6	5.5%	<b>1,947.1</b>	<b>101.2</b>	<b>5.2%</b>	+274.0	+8.6	-0.3pt
Building Systems	527.8	21.8	4.1%	<b>586.0</b>	<b>29.8</b>	<b>5.1%</b>	+58.1	+7.9	+1.0pt
Air Conditioning Systems & Home Products	1,145.1	70.8	6.2%	<b>1,361.1</b>	<b>71.4</b>	<b>5.3%</b>	+215.9	+0.6	-0.9pt
Business Platform	382.8	26.4	6.9%	<b>429.3</b>	<b>39.9</b>	<b>9.3%</b>	+46.4	+13.4	+2.4pt
Information Systems & Network Service	141.4	9.6	6.8%	<b>147.7</b>	<b>10.7</b>	<b>7.2%</b>	+6.3	+1.0	+0.4pt
Semiconductor & Device	241.4	16.8	7.0%	<b>281.5</b>	<b>29.2</b>	<b>10.4%</b>	+40.1	+12.4	+3.4pt
Others	737.3	26.7	3.6%	<b>836.0</b>	<b>31.4</b>	<b>3.8%</b>	+98.7	+4.7	+0.2pt
Eliminations and corporate	-743.4	-31.8	-	<b>-842.2</b>	<b>-33.8</b>	-	-98.8	-1.9	-
Consolidated Total	4,476.7	252.0	5.6%	<b>5,003.6</b>	<b>262.3</b>	<b>5.2%</b>	+526.9	+10.3	-0.4pt

Notes : Business segments have been changed on April 1, 2022. Results for FY22 were restated in line with the new segmentation.

# Revenue and Operating Profit by Segment (Forecast)

	FY23			FY24 Forecast			YoY		
	Revenue	Operating profit (loss)	%	Revenue	Operating profit (loss)	%	Revenue	Operating profit	%
Billions of yen									
Infrastructure	973.1	27.5	2.8%	<b>1,010.0</b>	<b>21.0</b>	<b>2.1%</b>	+36.8	-6.5	-0.7pt
Public Utility Systems	395.7	13.0	3.3%	<b>420.0</b>	<b>11.0</b>	<b>2.6%</b>	+24.2	-2.0	-0.7pt
Energy Systems	331.0	22.0	6.7%	<b>320.0</b>	<b>8.0</b>	<b>2.5%</b>	-11.0	-14.0	-4.2pt
Defense & Space Systems	246.3	-7.5	-3.1%	<b>270.0</b>	<b>2.0</b>	<b>0.7%</b>	+23.6	+9.5	+3.8pt
Industry and Mobility	1,660.2	95.9	5.8%	<b>1,740.0</b>	<b>144.0</b>	<b>8.3%</b>	+79.7	+48.0	+2.5pt
Factory Automation Systems	843.8	142.2	16.9%	<b>890.0</b>	<b>143.0</b>	<b>16.1%</b>	+46.1	+0.7	-0.8pt
Automotive Equipment	816.4	-46.2	-5.7%	<b>850.0</b>	<b>1.0</b>	<b>0.1%</b>	+33.5	+47.2	+5.8pt
Life	1,947.1	101.2	5.2%	<b>2,110.0</b>	<b>153.0</b>	<b>7.3%</b>	+162.8	+51.7	+2.1pt
Building Systems	586.0	29.8	5.1%	<b>610.0</b>	<b>43.0</b>	<b>7.0%</b>	+23.9	+13.1	+1.9pt
Air Conditioning Systems & Home Products	1,361.1	71.4	5.3%	<b>1,500.0</b>	<b>110.0</b>	<b>7.3%</b>	+138.8	+38.5	+2.0pt
Business Platform	429.3	39.9	9.3%	<b>430.0</b>	<b>23.0</b>	<b>5.3%</b>	+0.6	-16.9	-4.0pt
Information Systems & Network Service	147.7	10.7	7.2%	<b>160.0</b>	<b>9.0</b>	<b>5.6%</b>	+12.2	-1.7	-1.6pt
Semiconductor & Device	281.5	29.2	10.4%	<b>270.0</b>	<b>14.0</b>	<b>5.2%</b>	-11.5	-15.2	-5.2pt
Others	836.0	31.4	3.8%	<b>800.0</b>	<b>22.0</b>	<b>2.8%</b>	-36.0	-9.4	-1.0pt
Eliminations and corporate	-842.2	-33.8	-	<b>-890.0</b>	<b>-33.0</b>	-	-47.7	+0.8	-
Consolidated Total	5,003.6	262.3	5.2%	<b>5,200.0</b>	<b>330.0</b>	<b>6.3%</b>	+196.3	+67.6	+1.1pt

Notes : Following the management restructure effective April 1, 2023, the classification of reportable segment of Business Platform will be changed and presented to 2 segments such as Business Platform and Semiconductor & Device from the first quarter of FY24. Also, some businesses that were previously included in the Information Systems & Network Service of Business Platform will be reclassified and presented in Others due to the organizational restructure. In addition, forecast for FY24 will be reclassified and restated in the new classification.



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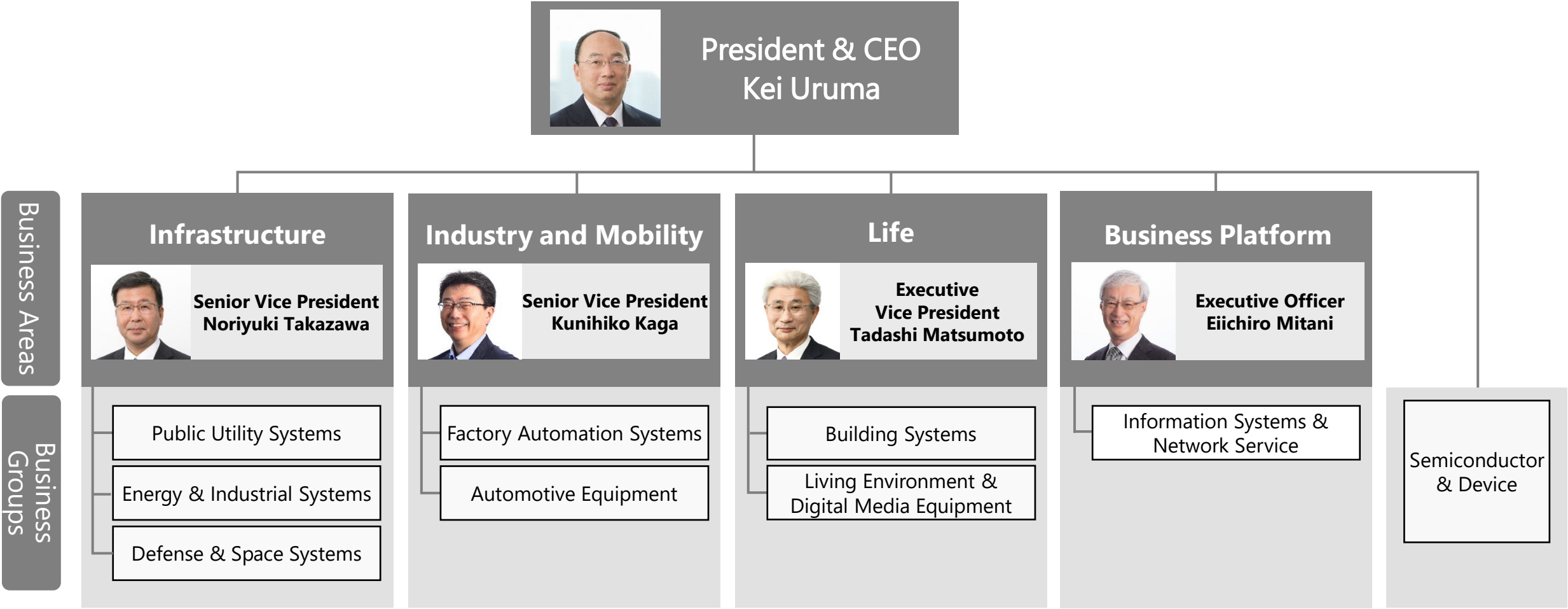
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## 2 Introduction of Business Area (BA)

# The Relationship between Business Areas and Business Groups



# Restructure Automotive-equipment Business

To simplify the decision-making process and conduct more speedy business operations in the midst of rapid shifts in industrial structure, including CASE(\*), we aim **to spin off its automotive-equipment business in order to improve operational efficiency and restructure the business portfolio for greater profitability.**

1

**Electrification and advanced driver-assistance systems (ADAS):  
Aiming for growth through collaboration with excellent partners that offer various synergies**

2

**Businesses where strengths such as electric power steering system products can be utilized:  
Focus on projects with potential profitability by driving cost reductions and efficiencies**

3

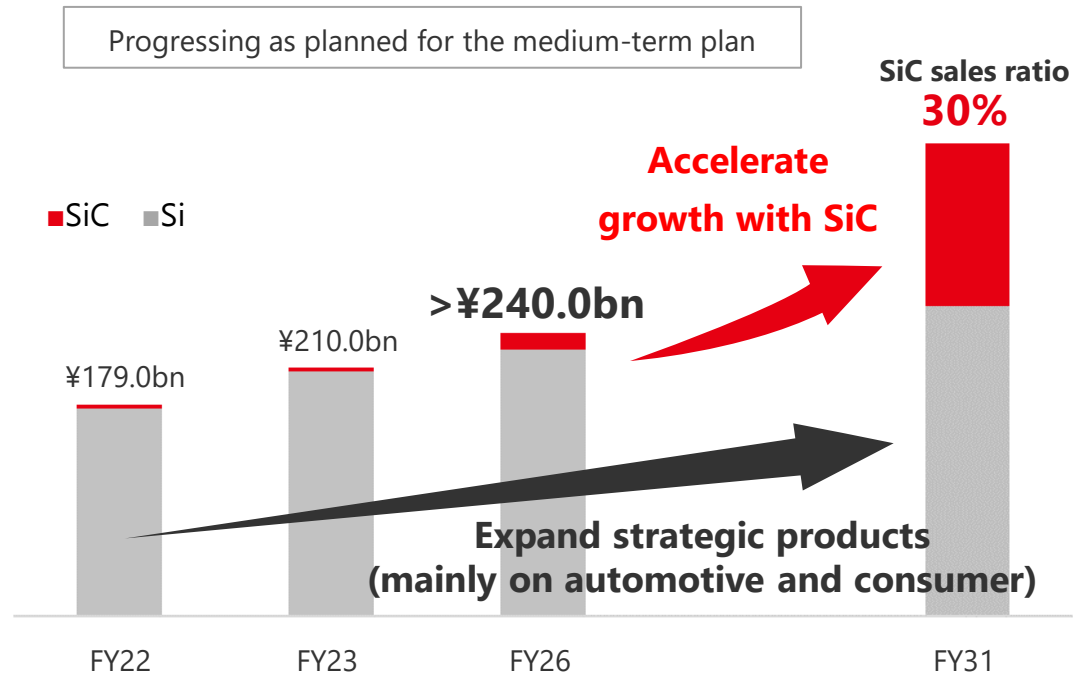
**Businesses with issues:  
Plan to promptly discontinue problematic automotive-equipment businesses, such as car multimedia**

(\*) "CASE" is an acronym for "Connected", "Autonomous", "Shared & Service" and "Electric", the words that describe mobility transformation.

# Capital Investment in SiC Power Semiconductor Business

**Double previous 5-year investment plan<sup>(\*1)</sup> to some 260 billion yen through March 2026 in Power Semiconductor Business. Boost growth with SiC<sup>(\*2)</sup> power semiconductor from FY27 onwards, in addition to Si, in response to market expansion.**

## Revenue



## Production-related investment plan

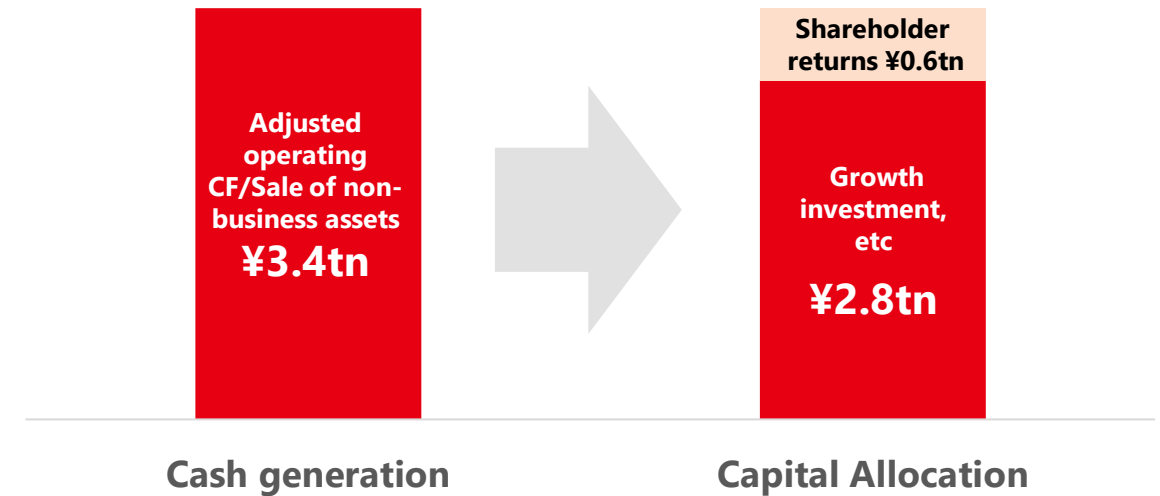
		Previous	Additional
Wafer Process	SiC	- 200mm : construct a new wafer plant in Kumamoto (Shisui) area, achieve cutting-edge energy efficiency and automation (start in FY27) - 150mm : enhance existing production facilities	<b>Production capacity: approx. 5 times (FY23→FY27)</b>
	Si	- 300mm : start large-diameter line operation from FY25 at Fukuyama Factory - 200mm : constructed a line with improved production efficiency at Fukuyama Factory	<b>Production capacity: approx. 2 times (FY21→FY26)</b>
Assembly & Inspection		- Enhance manufacturing capabilities : construct a new factory in Fukuoka area to consolidate design, development and production technology - Increase capacity : expand timely and appropriately in response to increasing demand	

<sup>(\*1)</sup>Previous plan : some 130 billion yen    <sup>(\*2)</sup>SiC : silicon carbide

## Cash generation

- **Adjusted operating CF**
- **Sales of non-business assets**  
No cross-shareholdings in principle  
Sales of cross-shareholdings (FY22-23) ¥57.0bn

## Medium-term Management Plan (Capital Allocation from FY22-26)



## Capital Allocation

- **Capital investment**
- **Shareholder returns**  
Resolved to repurchase of company shares in FY24 (Purchase limit ¥50.0bn)

### Buybacks

Term	Amount
FY22	¥50.0bn
FY24 (Scheduled)	¥50.0bn

## 1 Consolidated Financial Results For Fiscal 2023

1-1 Key Points

1-2 Economic Environment

1-3 FY23 Financial Results

1-4 FY24 Forecast

1-5 Supplementary Materials

1-6 Portfolio Strategy

## 2 Introduction of Business Area (BA)

# Industry and Mobility

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## Support future manufacturing with our core components and digital technologies

Strengthen value proposition of core components to globally growing industries

Growth and expansion with partners who are expected to create synergies in the CASE area

Establish a  
Circular Digital-Engineering business model

Review the business portfolio  
to focus on areas with strengths that  
address changes in the business environment

Real-time control



Power electronics technologies



Motor technologies



High fill-factor coil winding technology



Monitoring technologies





## Our strengths

### Common to Industry and Mobility BA

- Synergy of core drive & control technologies and the in-house production of key parts

### Factory Automation Systems

- **Core components\*** that meet the needs of cutting-edge customers
  - \*Programmable controllers, Servos and CNC
- Footprint in over 90 countries around the world **delivers a global sales and service network**
- Ability to meet various customers needs by utilizing **an ecosystem of partners**

### Automotive Equipment

- **Motor & inverter technologies** that contribute to automotive electrification
- **Know-how of high-speed automated mass production, miniaturization of technology products, and global supply** that meets the needs of the global automotive industry
- **Software development capabilities** that can be applied to various use cases

## Business strategies

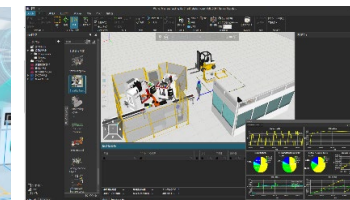
### Utilize mass-production technologies developed by the Automotive Equipment business

- Utilize high-speed automated mass-production technologies developed by the Automotive Equipment business
  - **Enhance global supply capacity of core components** by leveraging manufacturing & development bases both in Japan and abroad



### Utilize both software capabilities and extensive design & production experience

- **Address diverse manufacturing issues** by leveraging know-how through **accelerating digital twin use** and solution development



# Infrastructure

## Our strengths

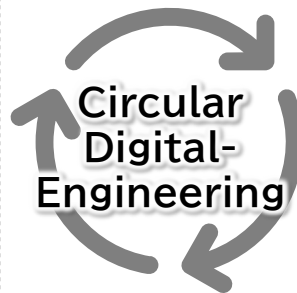
### Global customer/installation base



**Strong system & plant engineering capabilities accumulated through large-scale projects**



**World's top-level components/cutting-edge technologies**



## Business strategies

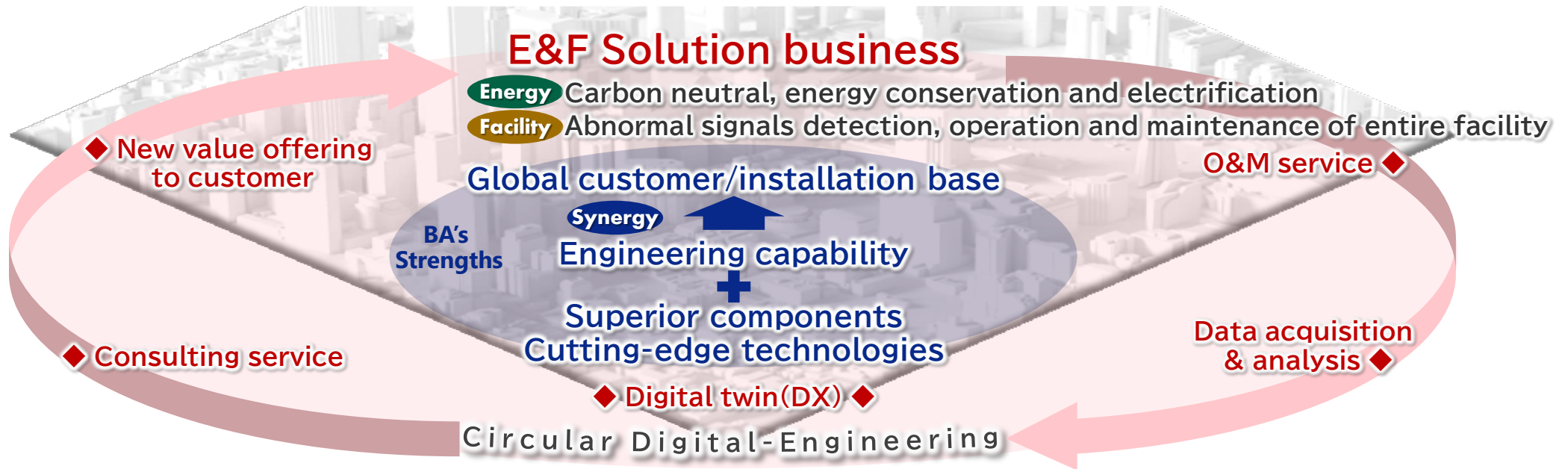
**Create Integrated Solutions that generate cross-business synergies**

### Synergy **E&F Solution business**

- Realize full-scope offering of Mitsubishi Electric's wide variety of components, products, and solutions through leveraging our engineering capabilities
- Offer new value to customer by applying digital technologies
  - Become a Circular Digital-Engineering Company

**Allocate resources intensively to growing businesses**

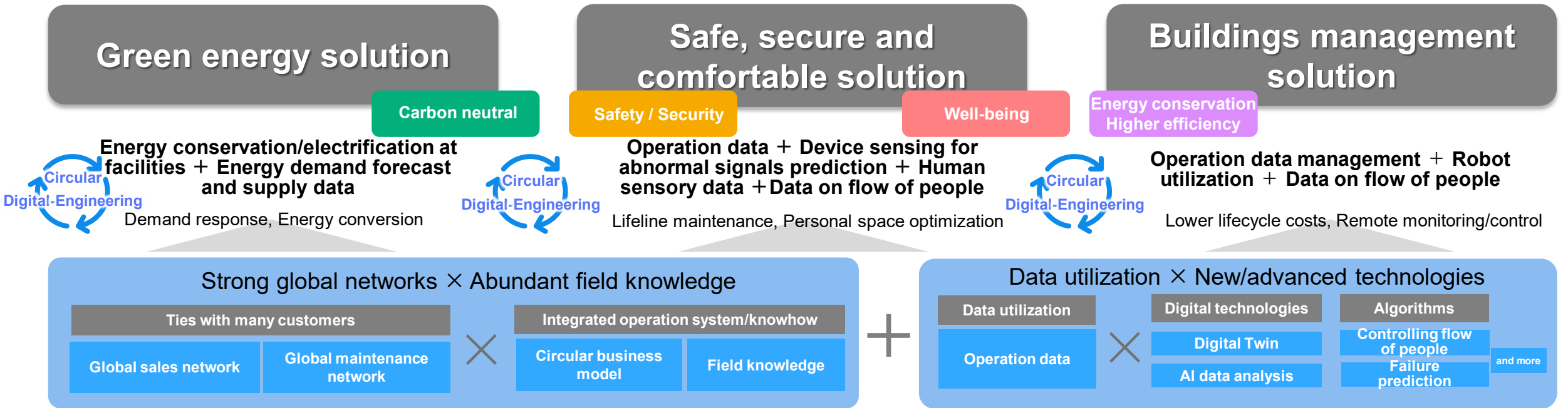
- Invest concentratedly in components for decarbonization related business
  - Develop organically and form strategic alliance for renewable energy-related components
- Allocate resources intensively to Defense & Space business
  - Strengthen development capability and expand production capacity through drastic resource shifting
  - Leverage strategic partnership



**Life**

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**A solution provider that makes all sorts of spaces/environments comfortable**  
**- Create, maintain and advance -**



## Enhanced components and systems utilized in a wide range of situations



\*HVAC & R is an acronym for Heating, Ventilation, Air Conditioning & Refrigeration, standing for equipment and facilities relating to the foregoing.

## Our strengths

### (1) Broad-ranging equipment business enabling creation of environments

- HVAC & R (ultra low-GWP refrigerants, energy-efficient HP\* technologies)
- Elevators & Escalators/buildings management systems (higher efficiency)
- DC power distribution systems, power receiving/transforming facilities (control technology)

### (2) Safe and secure technologies and accumulated data

- Knowledge cultivated in field services
- Data obtained and accumulated from various facilities and knowledge in maintenance/operation/management
- Various system technologies

### (3) Strong customer base and abundant assets

- Strong relationships with global business partners and sales/maintenance networks

\*HP: Heat Pump

## Business strategies

### Growth strategies

- Evolve and expand Components business and Maintenance & Service business
- Develop into Integrated Solutions business, away from the one centered on facilities

### Key initiatives

- Concentrate investment in HVAC & R and Building Systems businesses
- Establish a foundation for global business by enhancing systems for local production and consumption
- Expand and enhance our recurring revenue business

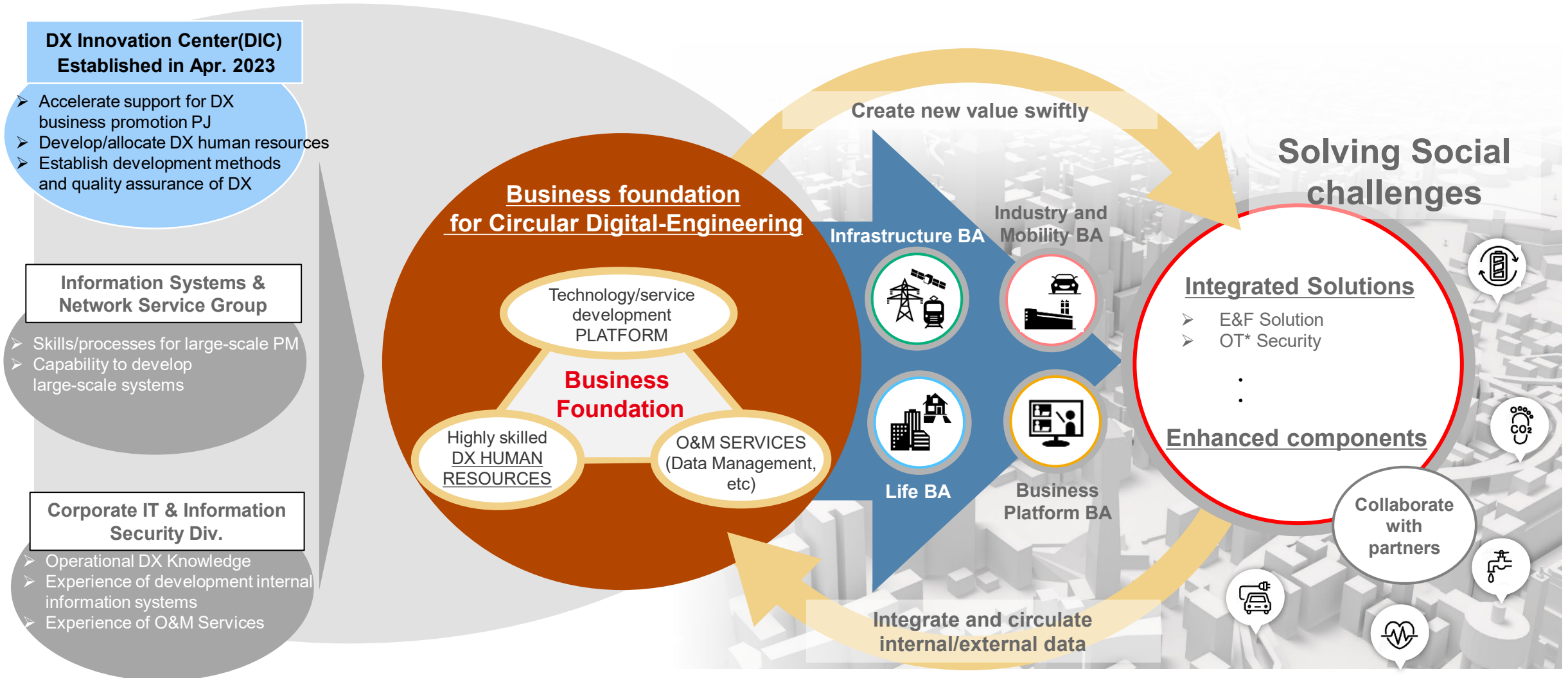
### Pursue synergies

- Coordinate the service foundation for Building Systems business and the sales foundation for Air-Conditioning & Refrigeration business
- Collaborate with Infrastructure Business Area (BA) to “generate, transmit and utilize energy efficiently”

# Business Platform



## Strategy for Creating and Expanding Integrated Solutions ~Business foundation for Circular Digital-Engineering~

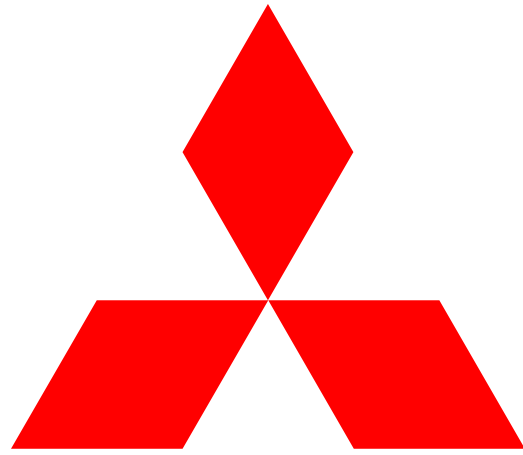


- 1. Integrate the strengths of the Information Systems & Network Service Div. and the Corporate IT & Information Security Div. with DIC initiatives and establish “Business Foundation for Circular Digital-Engineering”**
- 2. Create “Integrated Solutions” and enhance component products, by leveraging “Business Foundation for Circular Digital-Engineering”**
- 3. Provide O&M services for circulating data generated from Integrated Solutions, expanded from the conventional O&M services for the Information Systems & Network Service business**
- 4. Solve various social challenges quickly by intensively allocating human resources to the above items 1. through 3.**

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.



**MITSUBISHI  
ELECTRIC**

*Changes for the Better*