

Consolidated Financial Results Briefing

For the First Quarter of Fiscal 2024

July 31, 2023

MITSUBISHI ELECTRIC CORPORATION

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- 02** **Economic Environment**
- 03** **Q1 FY24 Financial Results**
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1 Q1 FY24: Revenue ¥1,220.3 bn (+¥152.5 bn YoY), Operating Profit ¥61.0 bn (+¥27.0 bn YoY)

- Revenue in Q1 achieved a new record high due primarily to the impact of the weaker yen and an increase in demand for the air conditioning systems & home products and automotive equipment businesses.
- Profit increased (YoY) due primarily to an increase in revenue and price hike in each business.
- The business performance remained robust due mainly to the air conditioning systems & home products business, although orders won by the factory automation systems business decreased (YoY) as the demand in the previous fiscal year settled down.

2 FY24 forecast: Revenue ¥5,200.0 bn, Operating Profit ¥330.0 bn

- The forecast for FY24 remains unchanged from the previous announcement due primarily to the recent performance and revised foreign exchange rates, although there are concerns about prolonged monetary tightening in various countries and the slowdown in demand growth in the mass production business.
- Revenue and profit are expected to achieve new record highs due to improved profitability through price hike in each business.

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- In Japan, the economy continued to see recovery primarily in the household sector.
- In the U.S., the economy continued to see recovery in the corporate and household sectors despite monetary tightening and other factors.
- In China, recovery remained moderate due to slower production and export.
- In Europe, there were slowdowns in the corporate and household sectors due to monetary tightening and other factors.

Foreign Exchange Rates

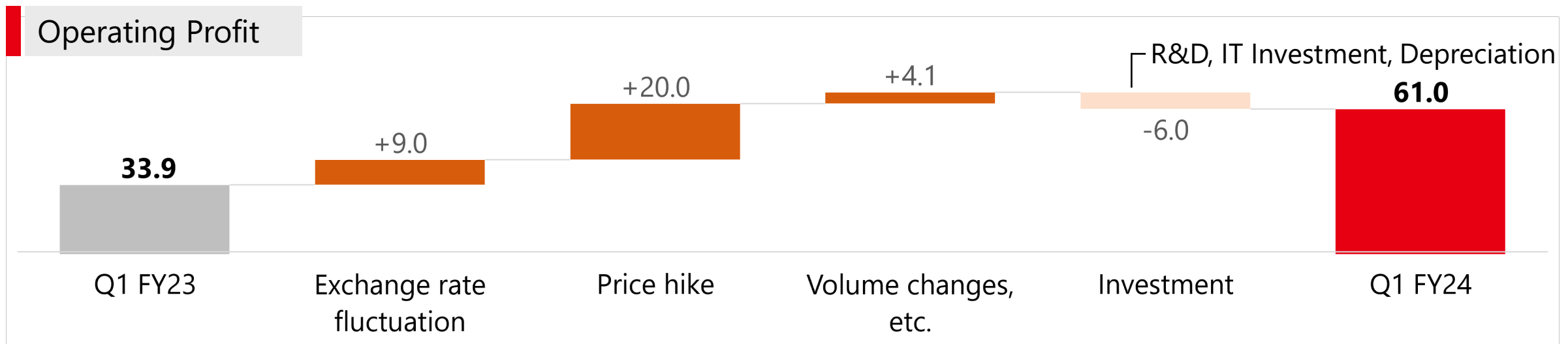
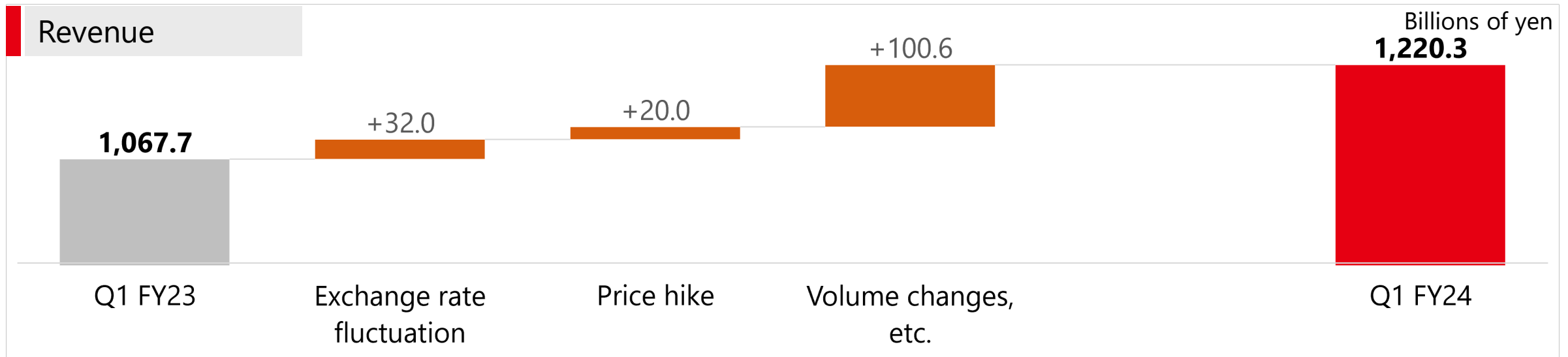
	Q1 FY23	Q1 FY24
USD	¥131	¥140
EUR	¥139	¥152
CNY	¥19.7	¥19.7

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Consolidated Financial Results (Q1)

Billions of yen	Q1 FY23	Q1 FY24	YoY	
Revenue	1,067.7	1,220.3	+152.5	114%
Operating profit	33.9	61.0	+27.0	180%
%	3.2%	5.0%	+1.8pt	-
Profit before income taxes	46.8	76.8	+29.9	164%
Net profit attributable to Mitsubishi Electric Corp. stockholders	33.4	57.8	+24.3	173%

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



Consolidated Statement of Profit or Loss (Q1)

Billions of yen	Q1 FY23		Q1 FY24		YoY
	Value	%	Value	%	
Revenue	1,067.7	100.0%	1,220.3	100.0%	+152.5
Cost of sales	776.4	72.7%	867.2	71.1%	+90.8
Selling, general and administrative expenses	259.3	24.3%	290.4	23.8%	+31.1
Other profit (loss)	2.0	0.2%	-1.5	-0.1%	-3.5
Operating profit	33.9	3.2%	61.0	5.0%	+27.0
Financial income/expenses	7.7	0.7%	8.5	0.7%	+0.8
Share of profit of investments accounted for using the equity method	5.1	0.5%	7.2	0.6%	+2.1
Profit before income taxes	46.8	4.4%	76.8	6.3%	+29.9
Income taxes	11.2	1.1%	15.3	1.3%	+4.0
Net profit	35.6	3.3%	61.5	5.0%	+25.9
Net profit attributable to Mitsubishi Electric Corp. Stockholders	33.4	3.1%	57.8	4.7%	+24.3

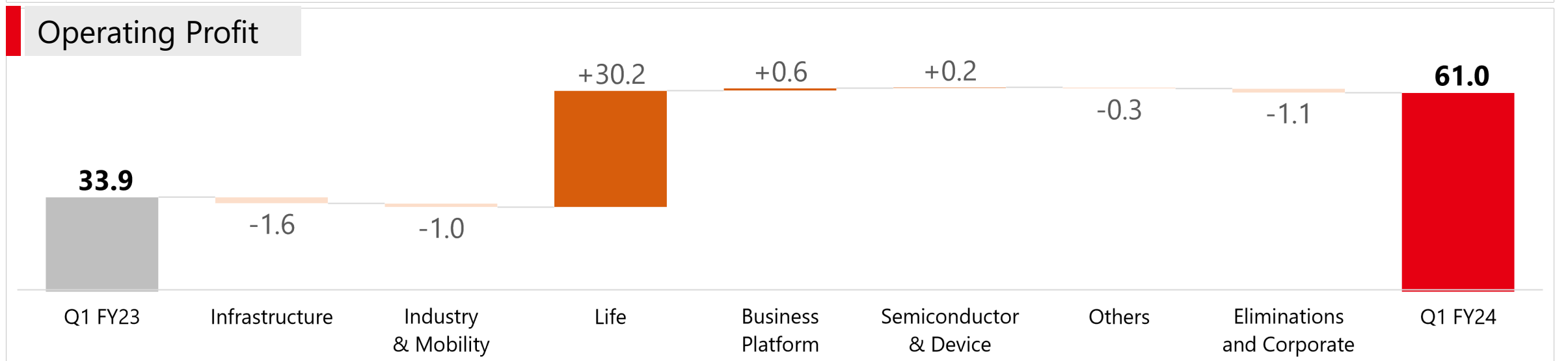
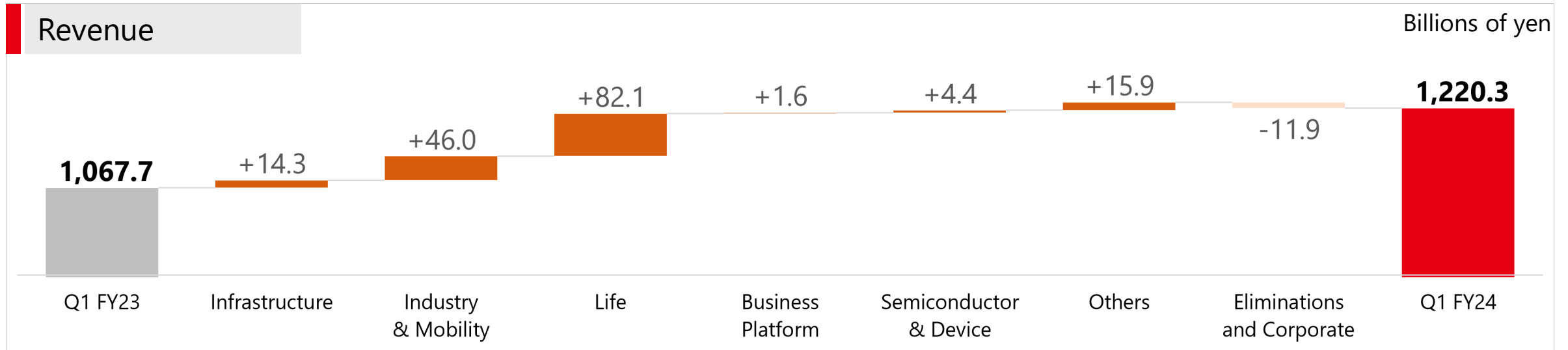
Consolidated Statement of Financial Position

Billions of yen	As of March 31, 2023	As of June 30, 2023	Change from March 31, 2023
Total assets	5,582.5	5,668.1	+85.6
Cash and cash equivalents	645.8	642.6	-3.2
Trade receivables and contract assets	1,346.9	1,197.6	-149.2
Inventories	1,209.2	1,333.3	+124.0
Property, plant and equipment	896.3	914.6	+18.3
Total liabilities	2,219.2	2,191.4	-27.8
Bonds and borrowings	252.2	256.6	+4.3
%	4.5%	4.5%	+0.0pt
Total equity	3,363.2	3,476.7	+113.5
Mitsubishi Electric Corp. stockholders' equity	3,239.0	3,347.2	+108.2
%	58.0%	59.1%	+1.1pt

Consolidated Statement of Cash Flows (Q1)

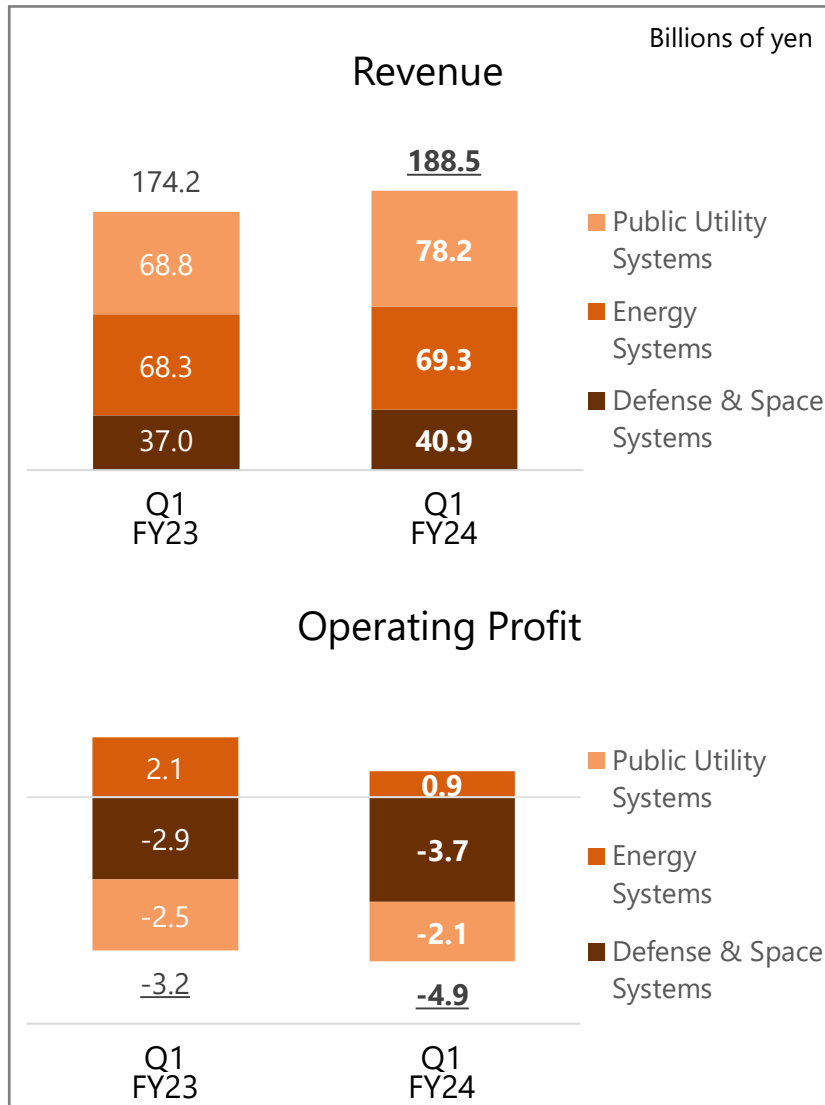
Billions of yen	Q1 FY23	Q1 FY24	YoY
Cash flows from operating activities	54.6	91.2	+36.5
Cash flows from investing activities	-54.4	-40.8	+13.5
Free cash flow	0.2	50.3	+50.1
Cash flows from financing activities	-68.8	-76.8	-7.9
Cash and cash equivalents at end of period	687.1	642.6	-44.5

Consolidated Financial Results by Business Segment (Q1)



Notes :Business segments have been changed due to the adoption of the new management structure on April 1, 2023. Some businesses have been reclassified in Others due to the organizational restructure.

Consolidated Financial Results (Q1): Infrastructure



Revenue (YoY +¥14.3bn)

■ Public Utility Systems (YoY +¥9.4bn)

- The market saw recovery in the global demand for the transportation systems area and robust investment in the public utility area worldwide.
- Orders increased YoY due primarily to an increase in the transportation systems and public utility businesses worldwide. Revenue also increased YoY due to the weaker yen and an increase in the transportation systems and public utility businesses outside Japan.

■ Energy Systems (YoY +¥1.0bn)

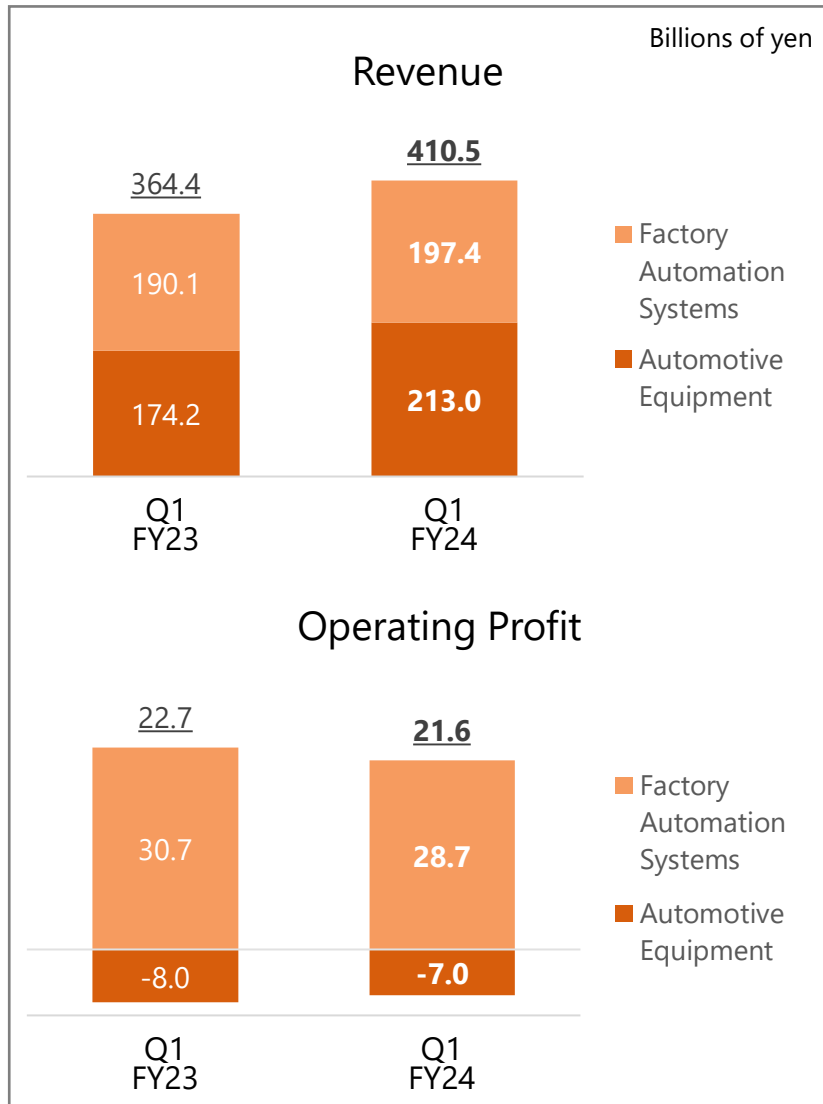
- The market continued to see capital expenditures of power companies in Japan and robust demand for power supply stabilization worldwide in the expansion of renewable energy.
- Orders increased YoY due primarily to an increase in the power distribution business worldwide, while revenue remained substantially unchanged YoY.

■ Defense & Space Systems (YoY +¥3.9bn)

- The business saw an increase in orders YoY due primarily to an increase in large-scale projects for the defense systems business. Revenue also increased YoY due mainly to an increase in large-scale projects for the space systems and defense systems businesses.

Operating Profit (YoY -¥1.6bn)

- Declined YoY due primarily to a shift in project portfolios and increased costs.

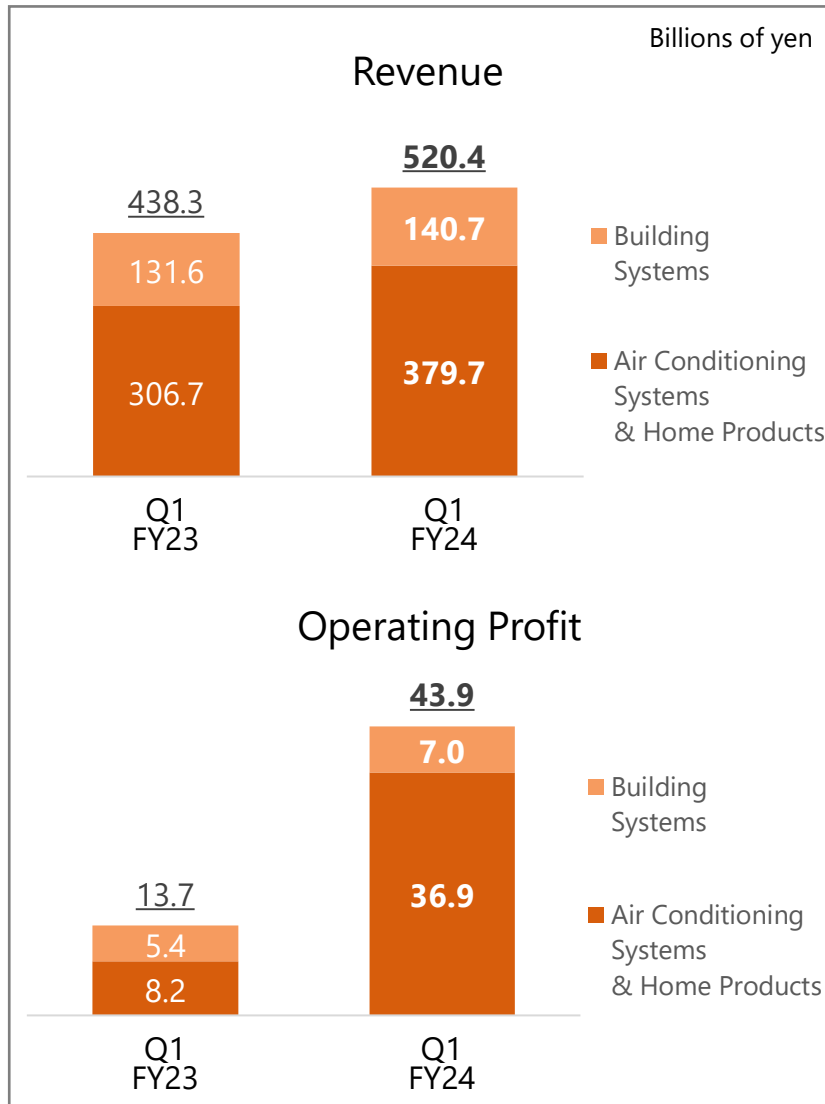


Revenue (YoY +¥46.0bn)

- Factory Automation Systems (YoY +¥7.2bn)**
 - The market saw continued demand primarily in the decarbonization area such as lithium-ion batteries, while global demand decreased mainly for digital equipment such as semiconductors.
 - Orders decreased YoY, while revenue increased YoY due mainly to eliminating order backlog in addition to the weaker yen and price hike.
- Automotive Equipment (YoY +¥38.7bn)**
 - The market saw a YoY increase in sales of new cars due to an improvement in the supply of some semiconductor parts, and robust demand for electric vehicle-related equipment in line with the expansion of the electric vehicle market.
 - 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 -¥1.0bn)

- Decreased YoY due to a shift in product mix and increased costs, despite an increase in revenue and the weaker yen.



Revenue (YoY +¥82.1bn)

■ Building Systems (YoY +¥9.1bn)

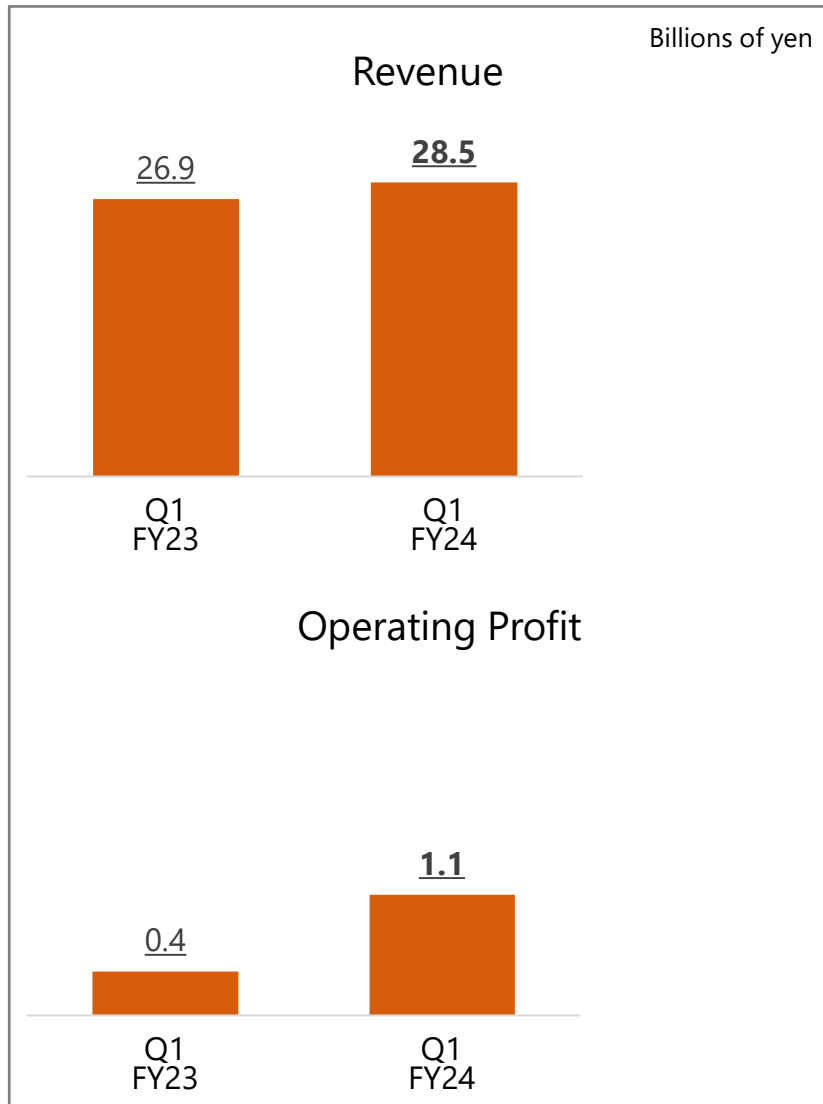
- The market continued to see recovery from the slowdown stemming from COVID-19.
- The business saw increases in both orders and revenue YoY due primarily to the weaker yen and increases in Asia and Europe.

■ Air Conditioning Systems & Home Products (YoY +¥73.0bn)

- The market saw robust global demand for air conditioners due to decarbonization trends worldwide.
- The business saw an increase in revenue YoY due mainly to an increase in air conditioners in Europe, Asia, North America and Japan in addition to the weaker yen and price hike.

Operating Profit (YoY +¥30.2bn)

- Increased YoY due primarily to an increase in revenue and the weaker yen, as well as price hike and an improvement of logistics costs.



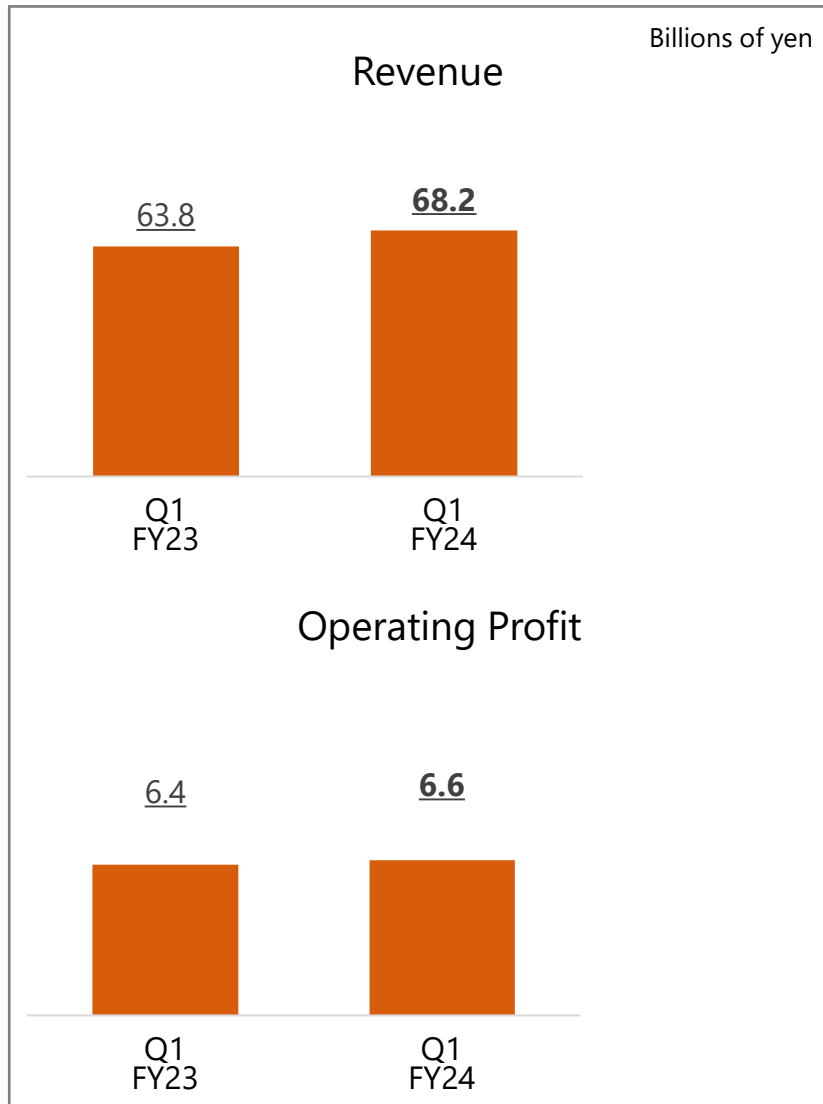
Revenue (YoY +¥1.6bn)

- The market saw robust demand due to updates to legacy systems and digital transformation-related efforts.
- The business saw an increase in orders due mainly to increases in the IT infrastructure service and system integrations businesses. Revenue also increased YoY.

Operating Profit (YoY +¥0.6bn)

- Increased YoY due mainly to an increase in revenue and reduced costs.

Notes : Business segments have been changed due to the adoption of the new management structure on April 1, 2023. Some businesses have been reclassified in Others due to the organizational restructure. Results for FY23 were restated in line with the new segmentation.



Revenue (YoY +¥4.4bn)

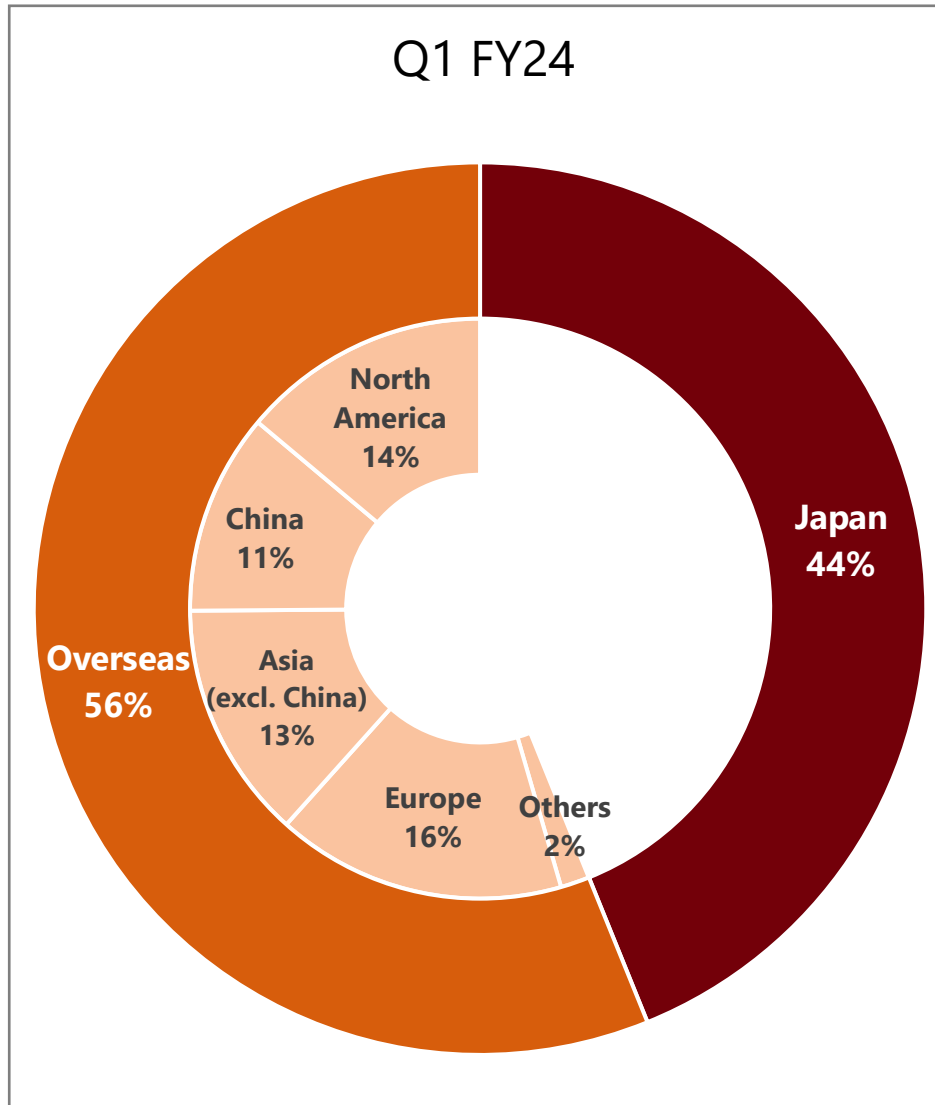
- The market saw continued robust demand for power modules used in industrial applications.
- Orders decreased YoY due mainly to the trend of customers securing power modules for the future settling down, while revenue for this segment increased YoY due mainly to the weaker yen and an increase in power modules used in consumer and industrial applications.

Operating Profit (YoY +¥0.2bn)

- Increased due mainly to the weaker yen.

Notes : Business segments have been changed due to the adoption of the new management structure on April 1, 2023. Results for FY23 were restated in line with the new segmentation.

Revenue by Location of Customers (Q1)



Billions of yen	Q1 FY23	Q1 FY24	YoY
Japan	500.5	535.4	+34.9 107%
Overseas	567.1	684.8	+117.6 121%
North America	131.5	169.5	+38.0 129%
China	125.7	136.9	+11.1 109%
Asia (excl. China)	147.2	161.6	+14.4 110%
Europe	143.7	197.0	+53.3 137%
Others	18.9	19.6	+0.7 104%
Total	1,067.7	1,220.3	+152.5 114%

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FY24 Forecast

Billions of yen	FY23	Previous ^(*1) FY24 forecast	FY24 forecast	YoY	Changes from previous forecast	Breakdown of changes from previous forecast
Revenue	5,003.6	5,200.0	5,200.0	104%	-	<ul style="list-style-type: none"> Exchange rate fluctuation +100.0 Volume changes, etc. -100.0
Operating profit	262.3	330.0	330.0	126%	-	<ul style="list-style-type: none"> Exchange rate fluctuation +31.0 Logistics costs +10.0
%	5.2%	6.3%	6.3%	-	-	<ul style="list-style-type: none"> Volume changes, portfolio shift, etc. -41.0
Profit before income taxes	292.1	355.0	355.0	122%	-	
Net profit attributable to Mitsubishi Electric Corp. stockholders	213.9	260.0	260.0	122%	-	

		FY23	Previous ^(*1) FY24 forecast	Q2 FY24 and later	Foreign exchange sensitivity ^(*2)	
					Revenue	Operating Profit
Foreign exchange rates	USD	¥136	¥125	¥130	about ¥4.5bn	about 1/3 of revenue
	EUR	¥142	¥135	¥140	about ¥3.0bn	about 40% of revenue
	CNY	¥19.7	¥18.5	¥19.0	about ¥2.5bn	about 1/3 of revenue

(*1) Announced on April 28, 2023

(*2) Impact of 1 yen move. CNY impact of 0.1 yen move.

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Revenue and Operating Profit by Segment (Q1)

	Q1 FY23			Q1 FY24			YoY		
	Revenue	Operating Profit (loss)	%	Revenue	Operating Profit (loss)	%	Revenue	Operating Profit	%
Billions of yen									
Infrastructure	174.2	-3.2	-1.9%	188.5	-4.9	-2.6%	+14.3	-1.6	-0.7pt
Public Utility Systems	68.8	-2.5	-3.6%	78.2	-2.1	-2.7%	+9.4	+0.3	+0.9pt
Energy Systems	68.3	2.1	3.1%	69.3	0.9	1.4%	+1.0	-1.1	-1.7pt
Defense & Space Systems	37.0	-2.9	-7.9%	40.9	-3.7	-9.1%	+3.9	-0.8	-1.2pt
Industry & Mobility	364.4	22.7	6.2%	410.5	21.6	5.3%	+46.0	-1.0	-0.9pt
Factory Automation Systems	190.1	30.7	16.2%	197.4	28.7	14.5%	+7.2	-2.0	-1.7pt
Automotive Equipment	174.2	-8.0	-4.6%	213.0	-7.0	-3.3%	+38.7	+0.9	+1.3pt
Life	438.3	13.7	3.1%	520.4	43.9	8.4%	+82.1	+30.2	+5.3pt
Building Systems	131.6	5.4	4.2%	140.7	7.0	5.0%	+9.1	+1.5	+0.8pt
Air Conditioning Systems & Home Products	306.7	8.2	2.7%	379.7	36.9	9.7%	+73.0	+28.6	+7.0pt
Business Platform	26.9	0.4	1.7%	28.5	1.1	4.0%	+1.6	+0.6	+2.3pt
Semiconductor & Device	63.8	6.4	10.1%	68.2	6.6	9.8%	+4.4	+0.2	-0.3pt
Others	182.7	4.5	2.5%	198.6	4.2	2.1%	+15.9	-0.3	-0.4pt
Eliminations and corporate	-182.7	-10.6	-	-194.7	-11.7	-	-11.9	-1.1	-
Consolidated Total	1,067.7	33.9	3.2%	1,220.3	61.0	5.0%	+152.5	+27.0	+1.8pt

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Revenue and Operating Profit by Segment (Forecast)

	FY23			Previous FY24 ^(*) forecast			FY24 forecast			YoY			Changes from previous forecast		
	Revenue	Operating Profit (loss)	%	Revenue	Operating Profit	%	Revenue	Operating Profit	%	Revenue	Operating Profit	%	Revenue	Operating Profit	%
Billions of yen															
Infrastructure	973.1	27.5	2.8%	1,010.0	21.0	2.1%	1,010.0	21.0	2.1%	+36.8	-6.5	-0.7pt	-	-	-
Public Utility Systems	395.7	13.0	3.3%	420.0	11.0	2.6%	420.0	11.0	2.6%	+24.2	-2.0	-0.7pt	-	-	-
Energy Systems	331.0	22.0	6.7%	320.0	8.0	2.5%	320.0	8.0	2.5%	-11.0	-14.0	-4.2pt	-	-	-
Defense & Space Systems	246.3	-7.5	-3.1%	270.0	2.0	0.7%	270.0	2.0	0.7%	+23.6	+9.5	+3.8pt	-	-	-
Industry & Mobility	1,660.2	95.9	5.8%	1,740.0	144.0	8.3%	1,730.0	139.0	8.0%	+69.7	+43.0	+2.2pt	-10.0	-5.0	-0.3pt
Factory Automation Systems	843.8	142.2	16.9%	890.0	143.0	16.1%	880.0	138.0	15.7%	+36.1	-4.2	-1.2pt	-10.0	-5.0	-0.4pt
Automotive Equipment	816.4	-46.2	-5.7%	850.0	1.0	0.1%	850.0	1.0	0.1%	+33.5	+47.2	+5.8pt	-	-	-
Life	1,947.1	101.2	5.2%	2,110.0	153.0	7.3%	2,120.0	158.0	7.5%	+172.8	+56.7	+2.3pt	+10.0	+5.0	+0.2pt
Building Systems	586.0	29.8	5.1%	610.0	43.0	7.0%	610.0	43.0	7.0%	+23.9	+13.1	+1.9pt	-	-	-
Air Conditioning Systems & Home Products	1,361.1	71.4	5.3%	1,500.0	110.0	7.3%	1,510.0	115.0	7.6%	+148.8	+43.5	+2.3pt	+10.0	+5.0	+0.3pt
Business Platform	134.7	8.7	6.5%	140.0	7.0	5.0%	140.0	7.0	5.0%	+5.2	-1.7	-1.5pt	-	-	-
Semiconductor & Device	281.5	29.2	10.4%	270.0	14.0	5.2%	270.0	14.0	5.2%	-11.5	-15.2	-5.2pt	-	-	-
Others	850.5	33.4	3.9%	820.0	24.0	2.9%	820.0	24.0	2.9%	-30.5	-9.4	-1.0pt	-	-	-
Eliminations and corporate	-843.6	-33.8	-	-890.0	-33.0	-	-890.0	-33.0	-	-46.3	+0.8	-	-	-	-
Consolidated Total	5,003.6	262.3	5.2%	5,200.0	330.0	6.3%	5,200.0	330.0	6.3%	+196.3	+67.6	+1.1pt	-	-	-

(*)Announced on April 28, 2023

Notes :Business segments have been changed due to the adoption of the new management structure on April 1, 2023. Some businesses have been reclassified in Others due to the organizational restructure. Forecast for FY24, results for FY23 and previous forecast for FY24 were restated in line with the new segmentation.

Order Trends of Mass Production Businesses

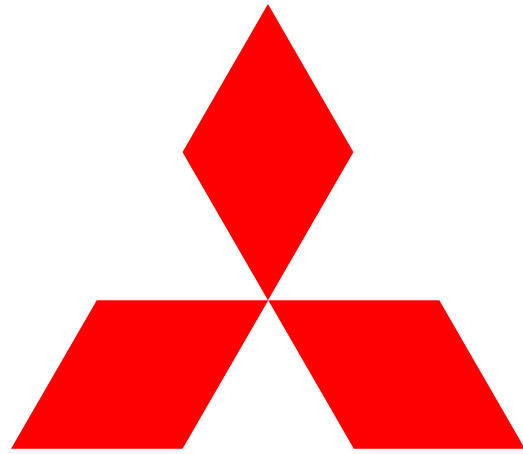
		FY23				FY24	
		Q1	Q2	Q3	Q4	Q1	
Industry & Mobility	Factory Automation Systems	YoY	+15%	-4%	-26%	-25%	-43%
		QoQ	+3%	-13%	-20%	+4%	-21%
	Automotive Equipment	YoY	+4%	+35%	+13%	+12%	+22%
		QoQ	-12%	+23%	-5%	+9%	-5%
Semiconductor & Device	YoY	-18%	-17%	-23%	-24%	-10%	
	QoQ	-2%	-31%	-1%	+12%	+17%	

*Air Conditioning Systems & Home Products business within the mass production businesses has few products made on order, thus not included in the chart above.

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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Changes for the Better