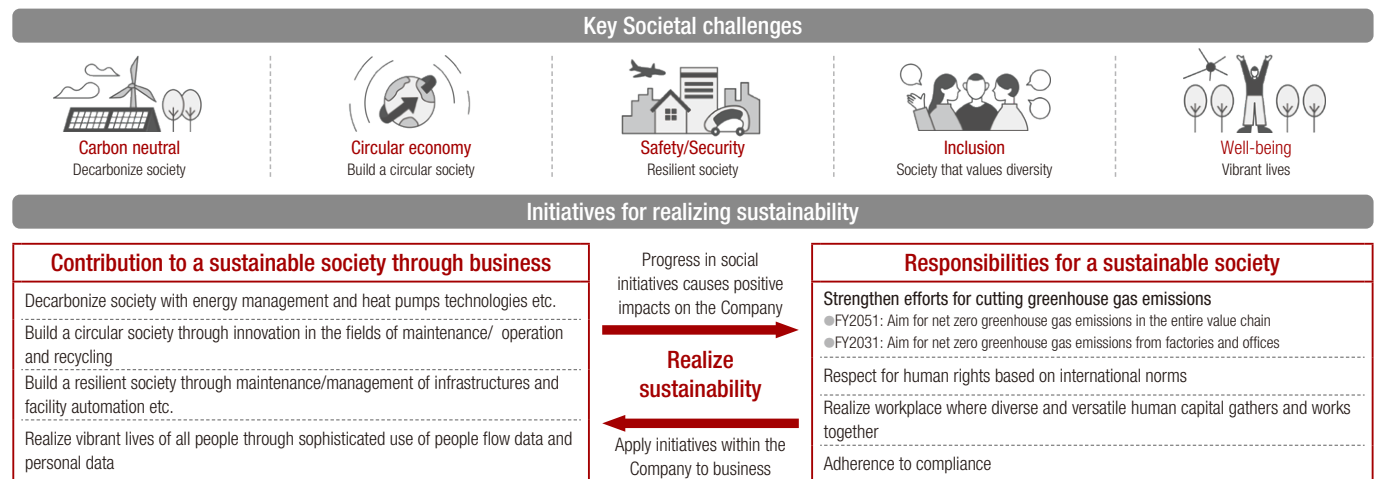


Mitsubishi Electric Corporate Strategy

The Mitsubishi Electric Group's Purpose, which states, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity," is our reason for being in society. Under this Purpose, in addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, the Mitsubishi Electric Group will return to our fundamental principle of "addressing social challenges through our businesses" and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders, and employees, and to all other stakeholders. In addition, through co-creation and integrating knowledge inside and outside the Group, we will transform ourselves into a "Circular Digital-Engineering Company" that provides solutions centered on enhanced components, systems and data, thereby contributing to solving social issues.

Sustainability Management

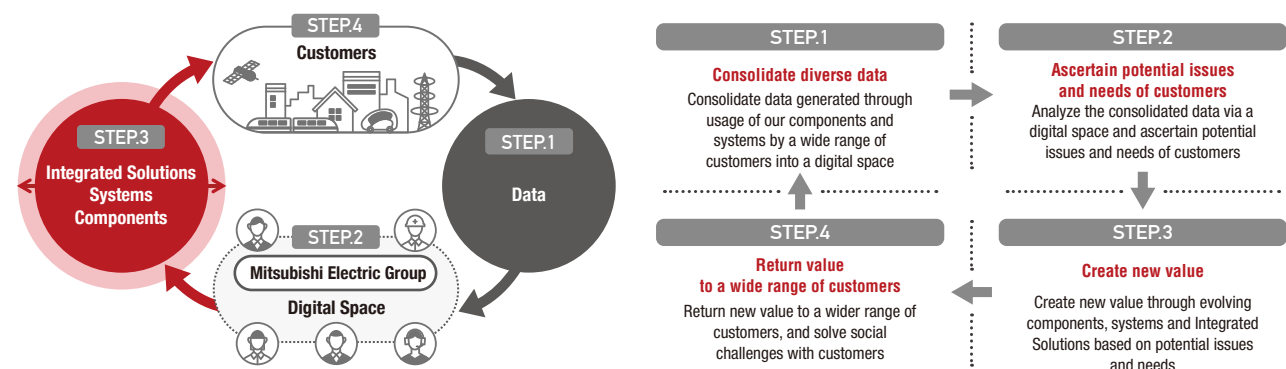
To achieve sustainability, the Mitsubishi Electric Group has identified five challenge areas on which to focus. Through our businesses, we will contribute to a sustainable society in these challenge areas. We are also taking our Group's responsibility for realizing a sustainable society seriously, such as by stepping up our efforts to reduce greenhouse gas emissions. We will continue to invest managerial resources into developing human capital and developing technologies to enhance both social and economic value.



"Circular Digital -Engineering"

The Mitsubishi Electric Group is transforming itself into a "Circular Digital-Engineering Company" that contributes to solving social challenges by consolidating and analyzing data obtained from customers in the digital space, and by creating new value through strong connections and sharing wisdom within the Group.

To realize this "Circular Digital-Engineering," the Mitsubishi Electric Group is working to strengthen its assets in the digital field that it will share with a wide range of customers, in addition to human capital and technological development.



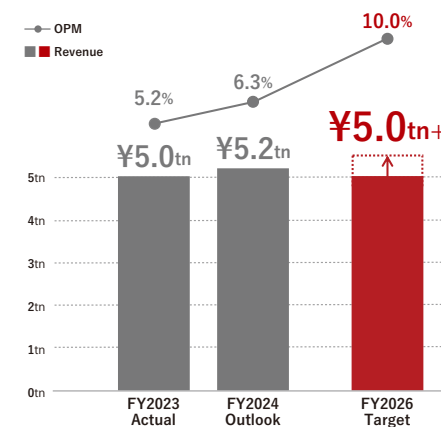
Medium-term Management Plan Towards Fiscal 2026

Financial Targets for Fiscal 2026

In fiscal 2023, we achieved ahead of schedule the revenue target of 5 trillion yen set as the financial target for fiscal 2026 in the Medium-term Management Plan. Going forward, we will work to create further value by advancing our business portfolio strategy and strengthening our management structure to achieve an "operating profit margin of 10%," "ROE of 10%" and "cash generation of 3.4 trillion yen over a five-year period."

*After making adjustments, such as adding R&D expenses to operating cash flow

	FY2023 Actual	FY2026 Targets
Revenue	¥5.0trillion	¥5.0trillion+
OPM	5.2%	10.0%
ROE	6.9%	10.0%
Cash Generation	¥0.9trillion /2years	¥3.4trillion /5years



Business Portfolio Strategy and Improvement of Management Structure

Business Portfolio Strategy

The Mitsubishi Electric Group continues to deepen and develop its Business Area (BA) management structure in order to rapidly implement business transformation in response to social changes. The BA owners, who oversee their respective BA, review portfolios with the aim of maximizing profitability and asset efficiency by reallocating resources across the BA. In this context, we will invest aggressively at the right time in the appropriate manner in our key growth businesses of Factory Automation Control Systems, Air Conditioning and Refrigeration Systems, Building Systems and Power Device.

Improvement the Management Structure

To achieve the targets of the Medium-term Management Plan, we enhance our management structure through effective asset utilization, productivity improvements and by judgement of business with issues.

We will improve profitability and asset efficiency by taking specific actions, such as

by price hike according to the rise in material and logistics costs, accelerating resource shifting from less profitable businesses to growth businesses, and investing in consideration of ROIC, a business-specific indicator of asset efficiency. In addition, with an eye on the geopolitical risks in the supply chain, we will pursue a procurement system that optimizes global production. In addition, we will steadily promote operational DX to improve the sophistication and productivity of business management using data and digital technology.

