Business Strategies

Infrastructure Business Area

Principal Products

Public Utility Systems Business

Electrical equipment for rolling stock, wireless and wired communications systems, network cameras and their systems, water treatment systems, and others

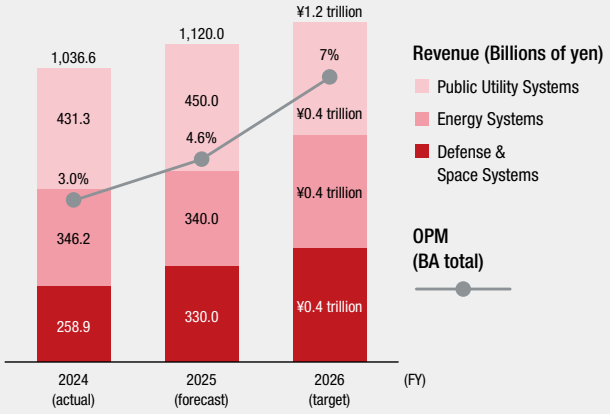
Energy & Industrial Systems Business

Transformers, power electronic-based products, switchgears, transmission and distribution systems, and others

Defense & Space Systems Business

Satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, and others

Performance trends



*Announced July 31, 2024

Achieving Stable Operation of World's Critical Infrastructure and Carbon Neutrality / Contributing to National Security in Japan and Asia

Noriyuki Takazawa
Senior Vice President
Infrastructure Business Area Owner
(Senior General Manager,
Infrastructure BA Strategic
Planning Office)

The Infrastructure Business Area (BA) comprises the public utility systems business, energy & industrial systems business, and defense & space systems business. Looking at the business environment for each, we recognize challenges such as the circular economy, carbon neutrality, labor shortages, measures for aging infrastructure, and the realization of a safe and secure society. The Infrastructure BA's ideal vision is to contribute to solving these challenges by achieving stable operation of the world's critical infrastructure and carbon neutrality while also contributing to national security in Japan and Asia. As for financial targets, we aim for revenue of 1.2 trillion yen and an operating profit margin of 7% in fiscal 2026 while working on business portfolio transformation and strengthening our business foundation.

Fiscal 2024 Review (Achievements and Challenges)

The market for the public utility systems business continued to see recovery in global demand for the transportation systems area and robust investment in the public utility area worldwide. In this environment, orders received by the business increased year-on-year due primarily to increases in the transportation systems business worldwide and the uninterruptible power supply business outside Japan. Revenue also increased year-on-year due primarily to the weaker yen, as well as increases in the public utility business worldwide and the transportation systems business outside Japan.

The market for the energy & industrial systems business continued to see capital expenditures by power companies in Japan and robust demand mainly for power supply stabilization worldwide with the expansion of renewable energy. In this environment, orders received by the business increased year-on-year due primarily to increases in the power distribution business worldwide and the power generation business in Japan. Revenue also increased year-on-year due primarily to the weaker yen and an increase in the power distribution business worldwide.

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

As a result, revenue from the entire Infrastructure BA was 1,036.6 billion yen, with an operating profit of 31.1 billion yen and an operating profit margin of 3.0%.

Further improvement in profit margins is necessary to achieve our fiscal 2026 financial targets. We will focus our operations primarily on solidifying the profit structure of existing businesses, including improving contract terms and enhancing the profitability of large-scale projects in the defense & space systems business, and optimizing production systems. Furthermore, from fiscal 2027 onwards, we aim to get more firmly onto a growth path by reaping the benefits of the solution and decarbonization-related businesses currently under technological development and demonstration.

Business Strategy

The Infrastructure BA will achieve its ideal vision by balancing growth and profitability through strategic business portfolio transformation and strengthening the business foundation.

We have three key strategies for business portfolio transformation. The first is focused resource allocation to the defense & space systems business. In the defense business, we achieved orders of approximately 370 billion yen in fiscal 2024, 2.9 times that of the previous fiscal year, and expect orders 1.5 times higher in fiscal 2025 compared to fiscal 2024, driven by an increase in defense budgets. We will respond reliably to the defense budget increase through a bold resource shift of about 1,000 personnel across business groups and by enhancing our development and production systems. Additionally, we will pursue strategic alliances, including overseas expansion of the defense business by a bold resource shift, and strengthen our technological capabilities in the

space business. The second is the development of solution businesses utilizing the digital platform Serendie. By applying digital technology to the Mitsubishi Electric Group's extensive delivery track record and customer base, we will develop new solution businesses that realize stable operations and carbon neutrality in energy, facility, and mobility infrastructure. We will develop energy solutions such as multi-region EMS and regional thermoelectric optimum control. We'll offer solutions for facilities like optimal air conditioning control for data centers and abnormal signs detection for electrical equipment. For mobility, we'll introduce new solutions like planning and control of charging and operation control for EV trucks and on-demand narrow autonomous driving*1 for resort facilities. While we have traditionally focused on component-based business, we will now utilize the data obtained from components to create new value and return it to customers as integrated solutions, expanding circular digital engineering globally. The third is strengthening the core businesses of public utility, transportation, and power systems that support the Infrastructure BA. We will review our portfolio within these core businesses, improve profit margins, and shift resources to decarbonization-related businesses, selecting and focusing on cash-generating businesses. We will secure stable profits through price improvements, an increase in long-term alliances, and broadening maintenance businesses to improve profit margins. For decarbonization-related businesses with expanding demand in core business fields, we aim for early global business expansion through collaboration with and acquisitions of other companies.

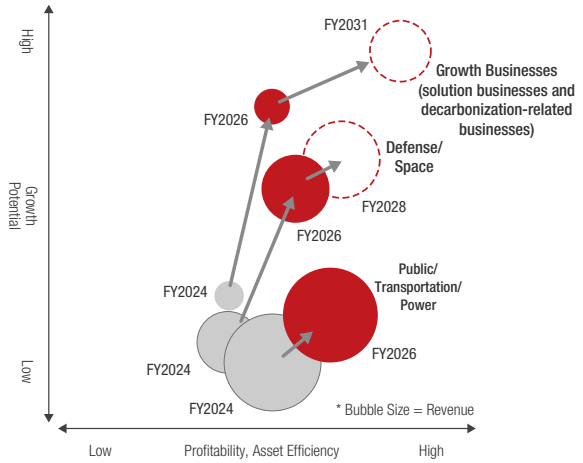
To strengthen our business foundation, we will reinforce our ability to respond to potential risks through profit and loss improvements in large-scale projects by enhancing project management and front-loading*2 at the contract stage, as well as through measures tackling technological innovation and disruptors*3. Furthermore, we will pursue asset-light management to improve ROIC, break-even points, and production flexibility. We will also optimize production systems across the Infrastructure BA and sell cross-shareholdings to improve asset efficiency and responsiveness to market changes.

By steadily executing and promoting these growth strategies, we aim to achieve revenue of 1.2 trillion yen and an operating profit margin of 7% in fiscal 2026 as the financial targets for the entire Infrastructure BA.

*1 A system that adjusts operation routes and vehicle dispatch schedules according to user reservations and congestion status, providing delivery to destinations via optimal routes

*2 A process of developing details (quality, cost, specifications, etc.) in the initial stages before contract signing, anticipating potential issues that may arise after the contract

*3 Innovative technologies or business models that have the potential to fundamentally change the structure of existing markets or industries



Business Portfolio Transformation

Topics

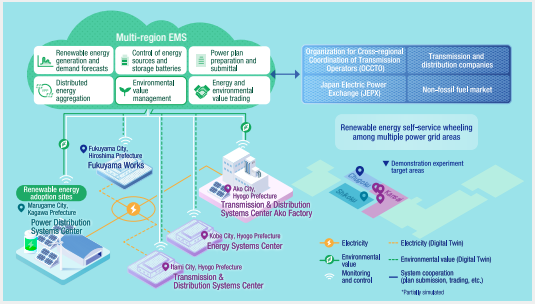
Multi-region EMS

Going Carbon Neutral by Optimally Controlling Renewable Energy Among Multiple Sites

Since March 2024, we have conducted a large-scale in-house demonstration connecting four sites across three different power grid areas using our proprietary cloud-based solution, Multi-region EMS. This solution supports each site's decarbonization goals through the dispatch of distributed renewable energy via self-service wheeling* between multiple sites and optimal operation and use of energy storage.

This demonstration evaluates the performance of technologies necessary for renewable energy self-service wheeling between sites in different power grid areas, such as renewable energy generation, demand forecasting, power trading, and storage system operation. We will use the results from this demonstration to help various companies achieve carbon neutrality.

* A system in which energy from a company's own generation facilities is distributed to other sites of demand within the company using a power grid owned by electrical utilities



Large-scale in-house demonstration launched to verify optimal operation of renewable energy and energy storage, connecting four sites across three different power grid areas

Smart Lander for Investigating Moon "SLIM"

Success in Japan's First Lunar Landing and World's First High-Precision Landing on the Moon*

On January 20, 2024, the small lunar lander "SLIM," for which Mitsubishi Electric was responsible for overall system development, successfully achieved Japan's first lunar landing and the world's first high-precision landing on the moon. Data collected by the Japan Aerospace Exploration Agency (JAXA) confirmed that the precision touchdown was just 55 meters east of the target landing point, a level of accuracy that far surpasses that of conventional lunar landings, which are typically within several kilometers of their targets.It is a world-first achievement produced by the culmination of Mitsubishi Electric's navigation, guidance, and control technology, high-frequency devices, and other technologies.

*As of January 20, 2025 (according to Mitsubishi Electric's research)

Mitsubishi Electric's navigation, guidance, and control technology contributed to achieving landing accuracy within 100 meters.

Business Strategies

Industry & Mobility Business Area

Principal Products

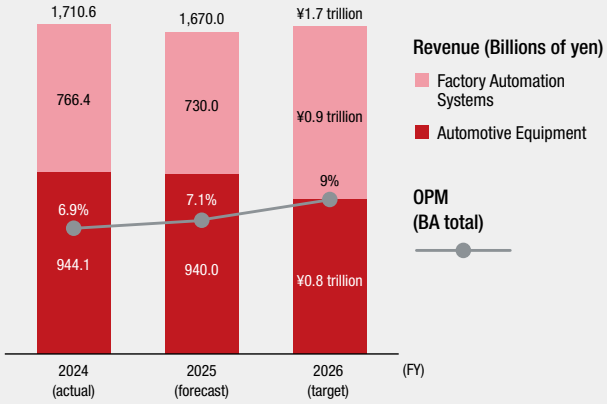
Factory Automation Systems Business

Programmable logic controllers, servomotors, computerized numerical controllers (CNC), processing machines, inverters, human-machine interface (HMI), power distribution and control equipment, rotary motors, FA digital solutions, and others

Automotive Equipment Business

Automotive electrical equipment, electric vehicle-related equipment, ADAS-related products, car electronics and car mechatronics, and others

Performance trends



*Announced July 31, 2024

Supporting Future Manufacturing and Comfortable Mobility with Our Core Components and Digital Technologies

Kunihiko Kaga
Representative Executive Officer
Senior Vice President
Industry & Mobility Business Area Owner
(Senior General Manager, Industry & Mobility BA Strategic Planning Office; Group President, Automotive Equipment; Representative Director and President, Mitsubishi Electric Mobility Corporation)

The Industry & Mobility Business Area (BA) possesses value-added core components rooted in drive control technologies. These assets, developed by our FA systems business and automotive equipment business, include power electronics and motor technologies. By combining these assets with digital technologies, we can support future manufacturing and transportation needs.

In the industry area, we contribute to manufacturing worldwide by leveraging our diverse businesses, including key growth businesses such as programmable logic controllers, servomotors, and computerized numerical controllers (CNC), which are pivotal to the functions and performance of customers' manufacturing equipment and production facilities. We also utilize business assets cultivated over 100 years, including sales and service assets, and partner and customer assets. We anticipate medium- to long-term expansion of FA demand due to increased capital investment accompanying digitalization and decarbonization, and the continuous expansion of automation needs driven by labor shortages and rising labor costs. As a leading FA manufacturer, we will strengthen our value propositions for the globally expanding FA market.

In the mobility area, we established Mitsubishi Electric Mobility Corporation in April 2024. Through collaboration with partners in the expanding CASE domain and the promotion of structural reforms and business transformation, including strengthening profitability by selecting and focusing on businesses where we can leverage our strengths, we will create social value by contributing to carbon neutrality, providing comfortable mobility opportunities, and help reduce traffic accidents.

Fiscal 2024 Review (Achievements and Challenges)

The market for the factory automation systems business saw a decrease in global demand for digital equipment such as semiconductors as well as for the decarbonization area, which includes lithium-ion batteries. In this environment, the business saw decreases in both orders and revenue year-on-year.

The market for the automotive equipment business saw an increase in sales of new cars due mainly to improvement in the supply of some semiconductor parts and robust demand primarily for electric vehicle-related equipment in line with the expansion of the market centering on electric vehicles. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to increases in electric vehicle-related equipment such as motors and inverters, electrical components and advanced driver assistance system (ADAS)-related products, in addition to the weaker yen and price hikes.

As a result, revenue from the entire Industry & Mobility BA was 1,710.6 billion yen, with an operating profit of 118.8 billion yen and an operating profit margin of 6.9%.

To achieve our fiscal 2026 financial targets and further strengthen profitability from fiscal 2027 onwards, we will continue to actively invest in growth for the FA control systems business and FA digital solutions business while steadily promoting the establishment of a business portfolio based on the best owner concept and partnerships.

Business Strategy

In the FA systems business, we have actively invested in growth over the past three years, focusing on three areas: key growth businesses, FA digital solutions business, and global

business foundations such as manufacturing bases. Looking ahead toward fiscal 2026, we will continue to advance our growth strategy by strengthening core components in key growth businesses through the market launch of next-generation products like linear tracks*, rapidly launching the FA digital solutions business by concentrating DX talent in Yokohama and launching industrial cloud services, and strengthening manufacturing systems in China and Vietnam to prepare for geopolitical and natural disaster risks. In China, our most important market, we will establish a business structure that completes everything from product planning to development and manufacturing within China to achieve swift value provision that better captures market needs. For customers expanding from China to overseas, we will place Chinese personnel at global sales and service bases, assets of the FA systems business, to strengthen support at expansion destinations. We will continue to strengthen our activities to be recognized for the comprehensive capabilities of the FA systems business, not just product strength.

In the automotive equipment business, Mitsubishi Electric Mobility Corporation began operations on April 1, 2024, and is steadily advancing structural reforms through a business portfolio strategy consisting of four pillars. First, for CASE-related businesses, we will seek further business growth through collaboration with partners with whom we can forge synergies. Specifically, we have reached a business partnership agreement with Aisin Corporation for developing products for next-generation xEVs (October 2024).Second, for resilient businesses, we will focus on priority areas, such as strengthening software technology, while conducting operations with an emphasis on profitability. Third, for businesses with issues, we will accelerate discussions with customers toward early termination. Fourth, in conjunction with the progress of these structural reforms, we are concretizing plans to repurpose global production bases for FA control systems and A/C & refrigeration systems businesses, contributing to the company-wide key growth businesses. Mitsubishi Electric Mobility will clarify the responsibility structure for each of these businesses and proceed with business operations swiftly.

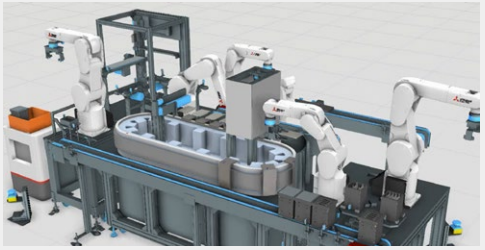
The greatest synergy in the Industry & Mobility BA lies in technology. In addition to the manufacturing capabilities and data utilization know-how cultivated in both the FA systems business and automotive equipment business, we will also utilize the digital platform Serendie to promote the creation of solution groups in the FA digital solutions business. Furthermore, we will strengthen the manufacturing capabilities of both businesses by utilizing the latest digitally enabled FA technologies in the manufacturing sites of FA equipment and automotive equipment.

*A transport system using the principle of linear motors

Topics

FA Digital Solution Example: Digital Twin

Simulating Equipment Design, Productivity, and Energy Consumption Digitally



Digital Twin (Conceptual Image)

Manufacturing sites have a growing need to simultaneously solve diverse issues, such as improving equipment operation rates and energy-saving control across all areas, from equipment design to production and maintenance. Mitsubishi Electric is strengthening its data-driven solution groups to address these customer challenges. We are actively pursuing M&A and investments, such as collaborating with Visual Components to strengthen design solutions, acquiring ICONICS UK to enhance production solutions, and investing in Evercomm to reinforce energy management. Raw data collected from components in the manufacturing data infrastructure is converted into data usable for each solution, analyzed by respective solution groups, and then returned to the manufacturing data infrastructure as visualized problems and improvement opportunities. By analyzing this data, optimal control parameters are derived and fed back to the components, optimally controlling the production site.

Mitsubishi Electric's FA digital solutions will strengthen the manufacturing data infrastructure that supports the utilization of raw data from various components on-site. We will simultaneously solve complex issues at manufacturing sites by visualizing problems through solution groups and optimally controlling components.

Promoting Partnership Strategy in Automotive Equipment Business

Business Partnership Agreement to Develop Products for Next-Generation xEVs

Mitsubishi Electric Mobility Corporation and Aisin Corporation have reached a business partnership agreement on developing products related to next-generation EVs (October 2024) to enable the swift delivery of new and appealing products to a variety of customers by appropriately allocating and facilitating corporate resources and facilitate in the face of diversifying electrification needs of car manufacturers.

Under the agreement, the project to be undertaken by the two companies will involve electric drive modules for xEVs, which AISIN has been developing, and once the agreement is concluded, Mitsubishi Electric Mobility and AISIN are scheduled to commence development promptly. By maximizing the synergy of their technological capabilities, the companies will develop competitive products for launch in the second half of the 2020s.

By leveraging the strengths of each company and collaborating effectively, Mitsubishi Electric Group and Aisin will respond to the diversifying needs for electrification and contribute to the realization of carbon neutrality, a challenge facing global society.

Business Strategies

Life Business Area

Principal Products

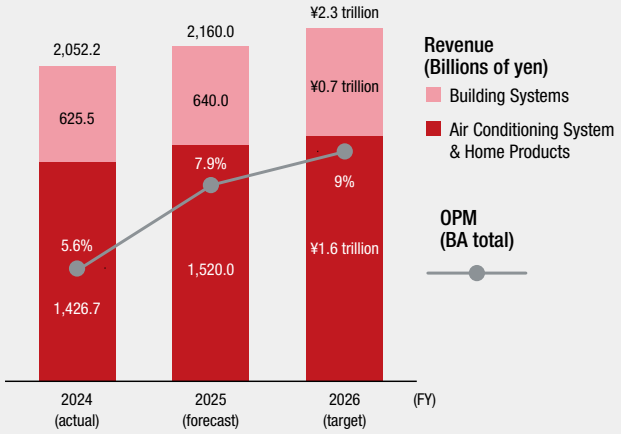
Building Systems Business

Elevators, escalators, building security systems, building management systems, and others

Air Conditioning System & Home Products Business

Air conditioning and refrigeration systems, lighting, ventilation, home equipment & appliances, and others

Performance trends



*Announced July 31, 2024

Solution Provider Creating Comfortable, Safe and Secure Environments in All Living Spaces

Tadashi Matsumoto
Representative Executive Officer
Executive Vice President
Life Business Area Owner
(Senior General Manager, Life BA Strategic Planning Office; Representative Director and Chairperson, Mitsubishi Electric Building Solutions Corporation), in charge of Export Control

The Life Business Area (BA) provides a wide range of equipment that support people's lives, as well as service businesses, including maintenance and operational management. Through these businesses, we aim to be a solution provider that creates comfortable spaces and environments for people and objects in all living spaces. As social issues and market environments evolve, giving rise to new values, we will strengthen and expand our circular businesses, which maintaining customer connections from equipment supply to maintenance, operation, and renewal. By combining the wealth of operational data obtained from this model with data management and data science, we will promote the following three integrated solutions to improve customer value continuously:

The first of these is "green energy solutions." We save energy not just at the demand side's equipment but also by forecasting demand from energy supply data and energy conservation on the demand side to contribute to the effective use of renewable energy and for carbon neutrality issues. The second is "safe, secure, and comfortable solutions." To ensure safety and security, instead of alerting users and recovering lifeline equipment after a breakdown, we use anomaly sign monitoring technologies based on energy supply and equipment operation data to prevent failures and rationalize maintenance. We will also use people's sensory and flow data to create comfortable environments and further pursue personal comfort. The third is "building management solutions." Amid workforce shortages, there are concerns about the tremendous labor and costs of managing many buildings. However, we will automate management based on equipment operation data and use robots to save labor, contributing to cost-saving over long lifecycles.

Fiscal 2024 Review (Achievements and Challenges)

The market for the air conditioning systems & home products business saw steady demand for high-efficiency air conditioners in and outside Japan, driven by global decarbonization efforts. However, market growth stagnated in Europe and North America in the second half of the fiscal year due to inflation, falling gas prices, and changes in subsidy policies in various countries. Nevertheless, the air conditioning systems & home products business saw year-on-year revenue growth, benefiting from the weaker yen, price improvement effects, and increased air conditioners sales to Asia.

The market for the building systems business saw demand recovery continue both in and outside Japan. Revenue grew year-on-year due to the depreciating yen and increased sales in Japan, Asia (excluding China), and Europe.

As a result, revenue from the entire Life BA was 2,052.2 billion yen, with an operating profit of 115.7 billion yen and an operating profit margin of 5.6%.

The air conditioning systems & home products business anticipates continued medium-term market growth. While closely monitoring market recovery, particularly in Europe and North America, we will focus on allocating resources to the HVAC&R* business centered on air conditioning and refrigeration, addressing refrigerant transition, and strengthening our business foundation. In the building systems business, we have been executing our key strategies as planned, despite the current stagnation in China's real estate market. We will steadily improve profitability by enhancing our recurring revenue business model, strengthening our portfolio of elevator products, and reaping the effect of business integration to enhance our building solutions business further.

* HVAC&R is an acronym for heating, ventilation, air conditioning & refrigeration, standing for equipment and facilities relating to the foregoing.

Business Strategy

In the air conditioning systems & home products business, we will continue our three key growth strategies centered on Europe and North America, and India while anticipating a recovery in the core HVAC&R business, which has recently experienced market stagnation.

The first key strategy is introducing high-efficiency products that are compliant with refrigerant conversion regulations for carbon neutrality. In line with the global shift to heat pump technology, the Mitsubishi Electric Group provides even more efficient air conditioning systems through advanced power semiconductors, inverters, and refrigeration cycle technologies. We are also developing compressor technologies that can handle various refrigerants and introducing low-GWP*1 refrigerant products, considering refrigerant characteristics, equipment efficiency, regional procurement feasibility, and other factors. Due to the flammable or mildly flammable nature of these low-GWP refrigerants, the heat transport method for equipment using large amounts of refrigerant, such as commercial systems, is shifting from direct expansion to water-based or hybrid systems, changing the form of air conditioning equipment. We will adapt our equipment portfolio to meet regional needs and actively pursue alliances or M&A strategies for technologies that the Mitsubishi Electric Group lacks.

The second key strategy is strengthening our business foundation. The rapidly changing and growing air conditioning market demands increased responsiveness to change and improved management efficiency. With overseas business already accounting for nearly 70% of our air conditioning business, we will continue to promote local production for local consumption in our supply chain while accelerating the localization of management, including R&D, in response to global protectionist trends and economic security policies.

The third key strategy is creating new added value for businesses other than the component business and strengthening customer connections. In collaboration with the building systems business, we will increase the proportion of service businesses based on customer connections with maintenance, operational management, and renewal services.

In the building systems business, we will increase our elevator product portfolio not only in the premium market, but also in overseas volume (medium- and medium-high) markets. In addition to expanding maintenance and renewal measures to enhance our maintenance and operational management service business, we will accelerate global investments such as partnerships with maintenance providers and M&A, utilizing these assets for company-wide maintenance and operational management solutions. Furthermore, we will pursue synergies in circular businesses and solutions in collaboration with the air conditioning and refrigeration systems business and other BAs while advancing the reorganization of associate companies in and outside Japan and streamlining capital and assets.

The Life BA aims to contribute to creating comfortable, safe, and secure spaces that support people's lives in diverse living spaces while addressing various pressing social issues.

Addressing decarbonization challenges requires not just the supply of energy-efficient equipment but also demand response*2 for energy conservation and renewable energy utilization in operations. Creating advanced security, ensuring safety, and providing comfortable environments for everyone requires control based on human sensory and flow data. Additionally, automation support is urgently needed to address labor shortages occurring in advanced countries. These issues cannot be solved by equipment supply alone; analyzing and managing data obtained through involvement in customers' equipment operations is necessary to create new value.

The first step toward this is circular businesses. Based on the foundation of circular businesses that maintain connections with customers from equipment supply to maintenance, operation, and renewal, we will create and provide solutions such as green energy, safety, security and comfort, and building management. We are already working on establishing cloud environments to connect with customers and strengthening maintenance and operational management services based on the operational data obtained from these environments.

Furthermore, by utilizing the "Serendie" digital platform, we will connect not only air conditioning and building systems but also systems from other business areas within the Mitsubishi Electric Group. Using their respective technologies and customer assets, as well as alliances through agile development with customers, we will create new value by analyzing data using digital technology.

*1 Global warming potential

*2 A mechanism to control electricity demand and adjust the balance between supply and demand by saving electricity and adjusting the power consumption of demand equipment in response to fluctuations in the amount of electricity supplied

Topics

Mitsubishi Machine-room-less Elevator NEXIEZ-Fit

New Product Launched for Residential Demand to Strengthen Models for Overseas Volume Markets

NEXIEZ-Fit elevator

In the building systems business, we have been enhancing our lineup of models for volume markets to expand our elevator stock business globally. This includes the machine room-less elevator MOVE for the European market and the machine-room-less elevator DeLITE for the Indian market.

As part of this initiative, we have launched the Mitsubishi machine-room-less elevator NEXIEZ-Fit as a new product in our standard models for overseas markets. This product targets ASEAN, Middle East, and African markets where residential demand is increasing due to population growth associated with urbanization.

Aimed at low-rise residential buildings, which are in high demand worldwide, this model combines superior cost performance with carefully selected specifications. To improve installation efficiency, we have also shortened the overall construction period*1 by revising shipping patterns and reducing the amount of on-site welding work.

In addition, connecting the NEXIEZ-Fit to M's BRIDGE™*2, a global remote-maintenance service that continuously monitors and inspects elevators and analyzes the resulting data, will contribute to enhanced user safety, security, and convenience.

We will continue to provide elevators that meet market needs as we aim to capture the volume market.

*1 Compared to the NEXIEZ-MRL Version2 elevator

*2 A paid maintenance contract with Mitsubishi Electric Building Solutions' maintenance company is required. This service is unavailable in some countries, so customers must inquire about availability with the local sales company.

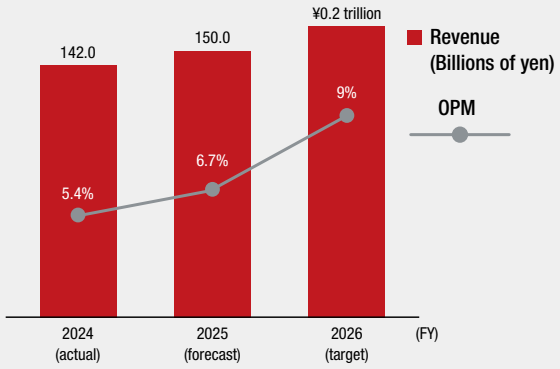
Business Strategies

Business Platform Business Area

Principal Products

IT infrastructure and security solutions, systems and service integration, and others

Performance trends



*Announced July 31, 2024

Helping to Solve Social Issues with DX Solutions Utilizing Advanced Technology and Data

Eiichiro Mitani
Executive Officer
CIO & Business Platform Business Area Owner (in charge of Information Security; Group President, IT Solution Business & Business Process Reengineering Group; Senior General Manager, Business Platform BA Strategic Planning Office)

The Business Platform Business Area (BA) plays two roles as a business area specializing in DX and IT within the Mitsubishi Electric Group, which has a wide range of business fields.

The first role is to drive the transformation of the Mitsubishi Electric Group's operations and businesses using IT to achieve Circular Digital Engineering, expanding its strengths as a conglomerate with multiple businesses. We acquire and strengthen cutting-edge technologies essential for promoting DX, such as AI, data science, and business translation. We also strengthen and develop connections within the Group through cross-sectional management and business data. In this way, we strengthen Group-wide global consolidated management and support the creation and expansion of integrated solutions that combine the strengths of multiple businesses.

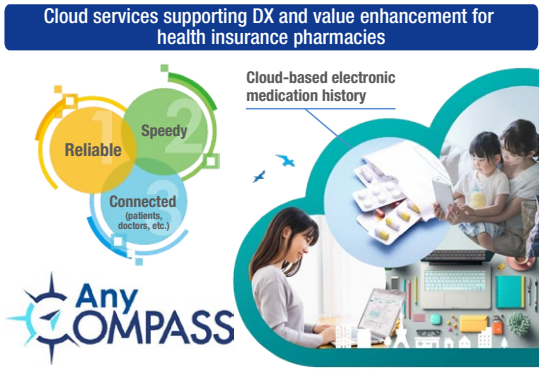
The second role is to achieve sustainable business growth by expanding customer value through data utilization as the Mitsubishi Electric Group evolves its information systems and services business into a circular business model by leveraging the results of its own DX.

By fulfilling these two DX and IT-based roles, we contribute to Mitsubishi Electric sustainability management that develops business while solving social and environmental issues.

Fiscal 2024 Review (Achievements and Challenges)

The Business Platform BA steadily promoted projects, securing large-scale projects such as a next-generation IT infrastructure construction project for a financial institution and a core business system update project (SAP) in the manufacturing industry. As a result, orders received by this BA were on par with the previous fiscal year, and revenue reached 142.0 billion yen due to growth in IT infrastructure and security solutions and system and service integration. Operating profit was 7.7 billion yen, with an operating profit margin of 5.4%. We also worked on service development with an eye to the future. For example, in June 2023, we released a cloud-based electronic medication history service for health insurance pharmacies. This is one service supporting the DX of health insurance pharmacies, which are expected to play a central role in community healthcare as Japan's population continues to age while its birthrate falls. We will continue to expand the application of DX and work on enhancing new services.

The future challenge is transforming our business model to realize our growth strategy. We intend to shift from a business model centered on custom-developed system integration services based on customer requirements, which has been our mainstay, to a circular business model that creates new solutions and value utilizing data, aiming for sustainable business growth with profitability.



"Any COMPASS," a next-generation communication service for health insurance pharmacies

Business Strategy

The Business Platform BA aims to realize Circular Digital Engineering by utilizing data through the Mitsubishi Electric Group's dual approach of operational DX and business DX while seeking synergies with each BA and business group to achieve sustainable growth in the information systems and services business.

For operational DX, we will standardize business processes and code masters optimized individually for each business with a view to holistic optimization. We will also achieve centralized control of management and customer data distributed globally, working towards dramatically improving productivity and advancing risk management through data-driven management.

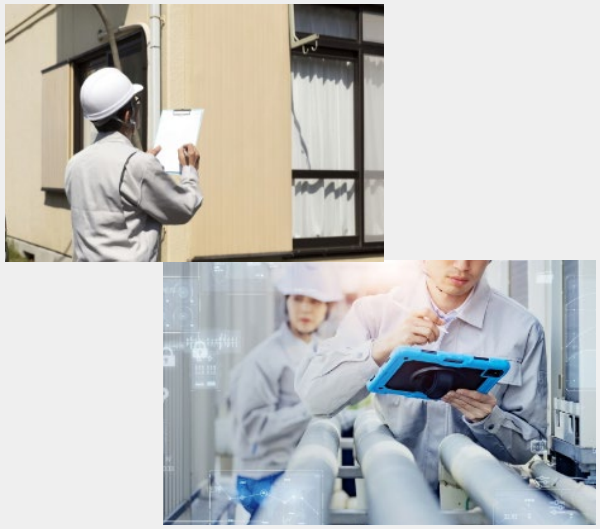
For business DX, we will collaborate with the DX Innovation Center and each BA and business group to create integrated solutions using the "Serendie" digital platform. Additionally, we will establish an operation and maintenance (O&M) structure, including global support, aiming to establish a new value creation process by improving analytical skills and accumulating know-how for business data aggregated in the digital space.

Furthermore, the information systems and services business will develop the know-how gained from practicing operational DX and business DX into consulting services and O&M offerings. We will also gradually commercialize services based on the results of IT/OT security measures developed in response to increasingly sophisticated cyber-attacks. By maximizing the insights into digital transformation cultivated as real experiences within the Mitsubishi Electric Group, we will strengthen high-value-added proposal areas and accelerate the creation of new customer value utilizing advanced technologies and data.

Topics

"Rulerless" 3D Measurement Application

Easy 3D Measurements Using Smartphone Sensors



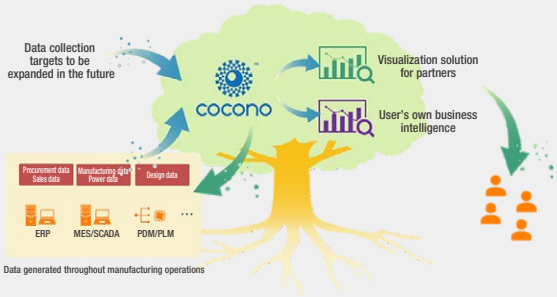
Applicable in a wide range of fields, including disaster surveys and equipment inspections

Rulerless is an application that enables fast and high-precision 3D shape measurements using the light detection and ranging (LiDAR) sensor built into smartphones and other devices. As it doesn't require expensive LiDAR equipment, it can be used in various scenarios such as disaster surveys, equipment inspections, simulations for equipment transport into factories, architectural surveys, and home remodeling.

The application has been recognized for its ease of use and high social contribution in accelerating support for disaster victims' recovery. In January 2024, it won an Innovation Award at CES 2024, one of the world's largest technology exhibitions, held in Las Vegas, Nevada (United States).

"cocono" GHG Emission Data Centralized Management Solution

Supporting Environmental Management by Visualizing GHG Emissions Across the Entire Supply Chain



Collecting and visualizing data generated at manufacturing sites to contribute to carbon neutrality

cocono is a solution that collects and visualizes greenhouse gas (GHG) data without manual intervention, supporting the identification of hotspots, as well as analysis and measures for GHG reduction.

Companies aiming for carbon neutrality by 2050 need to perform the complex task of collecting and calculating data on emissions from the supply chains outside their company (Scope 3*) in addition to emissions from their own activities (Scope 1 and 2*).

cocono reduces this workload and supports companies in promoting carbon neutrality by helping them utilize fresh and accurate data for management decisions.

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Scope 1: Direct GHG emissions by the business operator (fuel combustion, industrial processes)

Scope 2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies related to the business operator's activities)

Source: Ministry of the Environment, Ministry of Economy, Trade and Industry, "Green Value Chain Platform"

Business Strategies

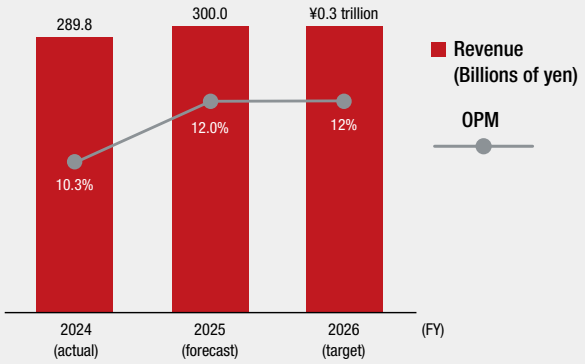
Semiconductor & Device Business

Principal Products

Power devices

High-frequency devices,
optical devices,
and infrared sensors

Performance trends



*Announced July 31, 2024

Leading Social Change through Semiconductor Evolution and Innovation

Masayoshi Takemi
Executive Officer
Group President,
Semiconductor & Device

The semiconductor & device business aims to strengthen the Mitsubishi Electric Group's integrated solutions by providing key devices essential for realizing GX (Green Transformation) and DX (Digital Transformation). At the same time, we will develop high-value-added devices from the customer's perspective by incorporating insights from user business groups that utilize semiconductor & device business group products.

In the power device business, we will pursue the evolution of efficient power control and motor control technologies. We aim to improve performance and quality to achieve energy savings in power electronics equipment, contributing to a decarbonized society. In the high-frequency & optical device business, we will apply our core competence in compound semiconductor technology to the information and communication applications, such as 5G communication and data centers, as well as sensing applications like crime prevention, monitoring, and air conditioning. By creating new value that captures the needs of the times, we will contribute to realizing a safe, secure life and a comfortable digital society.

Significant social changes are always associated with evolution and innovation in the semiconductor industry. The semiconductor & device business will lead social change to realize a sustainable society by providing highly competitive key devices that leverage the synergies of the Mitsubishi Electric Group to a wide range of markets. Through these efforts, we will earn high levels of support and trust from our customers and achieve sustainable business growth.

Fiscal 2024 Review (Achievements and Challenges)

The market for the Semiconductor & Device Business saw robust demand for power semiconductors used in railway and electric power systems. In this environment, the business saw an increase in orders year-on-year due mainly to an increase in power semiconductors used in railway and electric power systems. Revenue for this segment also increased by 289.8 billion yen due mainly to the weaker yen and an increase in power semiconductors used in industrial, automotive and railway and electric power systems. Operating profit was 29.8 billion yen, with an operating profit margin of 10.3%.

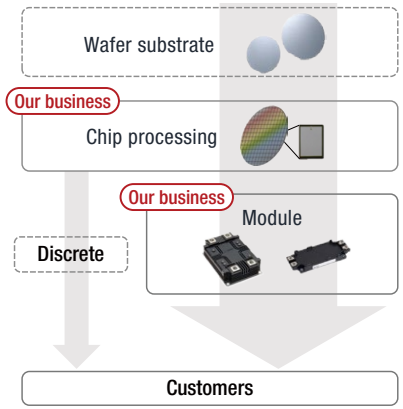
The power semiconductor market is expected to expand in the medium term as the world addresses the worldwide social challenges of decarbonization, including through the introduction of renewable energy, the shift to green mobility, and advances in energy conservation. Additionally, with the recent proliferation of cloud services and generative AI, optical networks for data centers are progressing toward even higher speeds and larger capacities, leading to a rapid expansion in demand for optical devices capable of operating in the high-speed and ultra-high-speed ranges that the Mitsubishi Electric Group specializes in. Looking ahead to fiscal 2026, we aim to expand sales in the power device business, focusing on the automotive and renewable energy and consumer applications, and in the high-frequency & optical device business, centering on optical devices for data centers. We will also continue to work on strengthening profitability, which we recognize as a challenge. We will promote a portfolio strategy of price improvements and shifting to products with high customer value through product mix improvements. In addition, we will aim to achieve our fiscal 2026 financial targets of 0.3 trillion yen in revenue and an operating profit margin of 12% by further improving productivity through standardization and sharing, larger wafer diameters and expanding production capacity at the highly productive Fukuyama Factory.

Business Strategy

In the semiconductor & device business, we will achieve business growth through focused investment in the power device business, which is positioned as a key growth business. As a basic strategy for the Power Device Business, we will concentrate resources on areas where the Mitsubishi Electric Group's strengths align with market needs. By market segment, while maintaining the industrial and railway applications as a solid business base, we will position the automotive application, which is expected to show particularly high market growth, and the renewable energy and consumer applications, where the Mitsubishi Electric Group maintains a

strong position, as growth drivers. We will expand sales by strengthening product development, production, and sales in these areas. We will also continue to strengthen profitability and build a business foundation for future growth while accelerating business growth centered on our expertise in SiC*1 power modules with a view to fiscal 2031.

To realize our growth strategy, in addition to the approximately 260-billion-yen investment to enhance production capacity announced in 2023, we are implementing various initiatives to strengthen procurement, product, and sales capabilities, covering all of manufacturing — the entire manufacturing process — from wafer substrate proc urement to module assembly. In wafer substrate procurement, we invested 500 million USD (approximately 75 billion yen*2) in a new SiC business company carved out from Coherent Corp.*3 to stabilize the procurement of essential 8-inch SiC substrates. In production, to meet the robust demand for SiC, we decided to bring forward the completion of a new plant for 8-inch SiC products under construction in the Shisui area of Kumamoto Prefecture to September 2025. For Si (silicon), we are proceeding as planned with the development of a 12-inch line at the Fukuyama Factory, aiming to improve productivity through larger wafer diameters. For products, we will introduce the J3-Series for the automotive application, driving the growth of the Power Device Business by contributing to extending xEV range, easier design through compact design and a comprehensive lineup of Si/SiC products. We have also formed a strategic partnership with Nexperia, a global manufacturer of discrete devices, and are developing and supplying SiC power semiconductor chips to Nexperia. Through Nexperia, we will reach customers through sales channels to the discrete market, including SiC-MOSFETs, further enhancing the presence of Mitsubishi Electric's power semiconductors.



Power semiconductor manufacturing process

While the power semiconductor market is expected to expand in the medium term, SiC power modules, in particular, are expected to see rapid market expansion due to their adoption in electric vehicles. A spillover effect of cost reduction accompanying scale expansion is also anticipated, and the application areas of SiC power modules are expected to expand significantly to various markets where even greater low-loss and high-speed switching operations are required. The Mitsubishi Electric Group focuses on power modules—power semiconductors that require particularly advanced technical know-how. In addition to high performance and quality achieved through complex coordination of design and manufacturing technologies, our strengths include extensive market achievements and a strong customer base cultivated over many years. In SiC power modules as well, we have accumulated achievements in fields requiring high reliability, such as high-speed trains, and have realized excellent quality and productivity. By bringing together the Mitsubishi Electric Group's diverse element technologies and extensive market experience to provide power modules to various markets where SiC adoption is expanding, starting with the automotive application, we will contribute to realizing GX in a wide range of applications.

*1 Silicon Carbide
*2 Calculated at 1 USD = 149.6 JPY (TTM rate at the end of September 2023)
*3 Coherent Corp., Headquarters: Saxonburg, Pennsylvania, USA

Topics

500 Million USD Investment in Coherent's SiC Business

Strengthening vertical integration in the SiC power device business and accelerating growth strategy execution

SiC power modules are expected to contribute to the realization of GX through energy conservation and decarbonization, as they offer lower power loss than conventional silicon wafer-based power modules and enable high-temperature operation and high-speed switching. The market is expected to expand rapidly, especially in the electric vehicle application.

Mitsubishi Electric has been receiving high-quality 6-inch SiC substrates from Coherent for many years, and in May 2023, signed a basic agreement with Coherent for joint development of 8-inch SiC substrates.*

Through this investment, we will deepen our collaboration with Coherent to ensure a more stable procurement of SiC substrates in the rapidly growing SiC power module market and expand our business by stably supplying high-performance and highly reliable products.

* Announced on May 26, 2023

Coherent Chairman and CEO Dr. Vincent D. Mattera, Jr.* (left) and Mitsubishi Electric President & CEO Kei Uruma (right)
*Titles as of October 2023

Mitsubishi Electric Official Website: News Release

Awarded the 70th (2023) Okochi Memorial Production Prize

Development of semiconductor laser diodes enabling high-speed operation and large capacity in optical fiber communication networks

In March 2024, Mitsubishi Electric received the Okochi Memorial Production Prize for its development of electro-absorption modulator integrated laser diode.

The company was highly evaluated for its contribution to the spread of remote work and the advancement of digital society through the realization of high-speed, large-capacity optical fiber communication networks using electro-absorption modulator integrated laser diode (EML) capable of high-speed, long-distance transmission. Additionally, it was recognized for its potential to lead the market both in Japan and overseas with technologies cultivated over many years.

Award ceremony held at The Industry Club of Japan (Marunouchi, Tokyo)