

Mitsubishi Electric Corporate Strategy

May 2023

MITSUBISHI ELECTRIC CORPORATION



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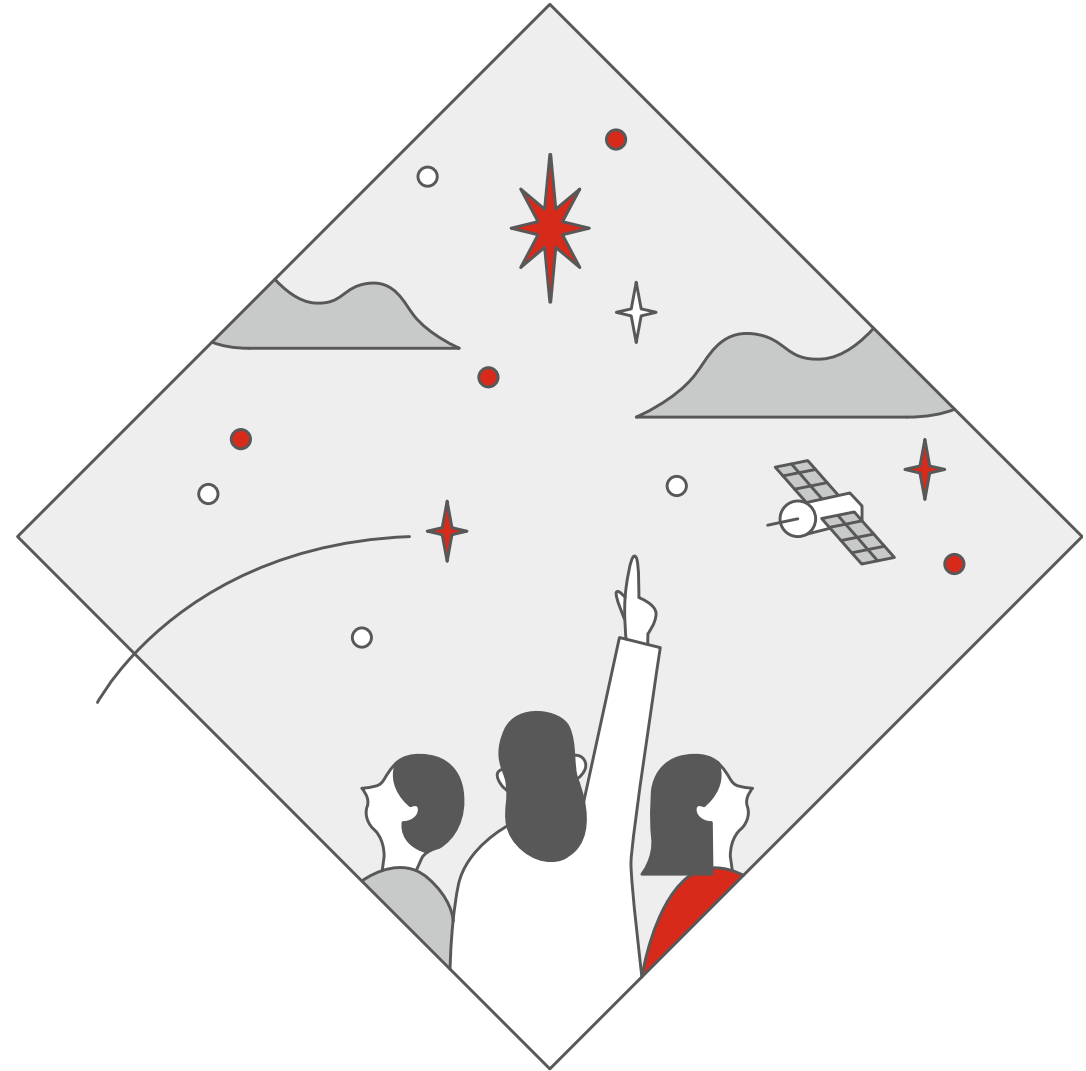
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Note : In this presentation, the fiscal year ending on March 31, 2026 is referred to as FY2026. This fiscal year notation system will apply to all other fiscal periods going forward.

1

Medium-term Management Plan for FY2026

(April 2021 ~ March 2026)

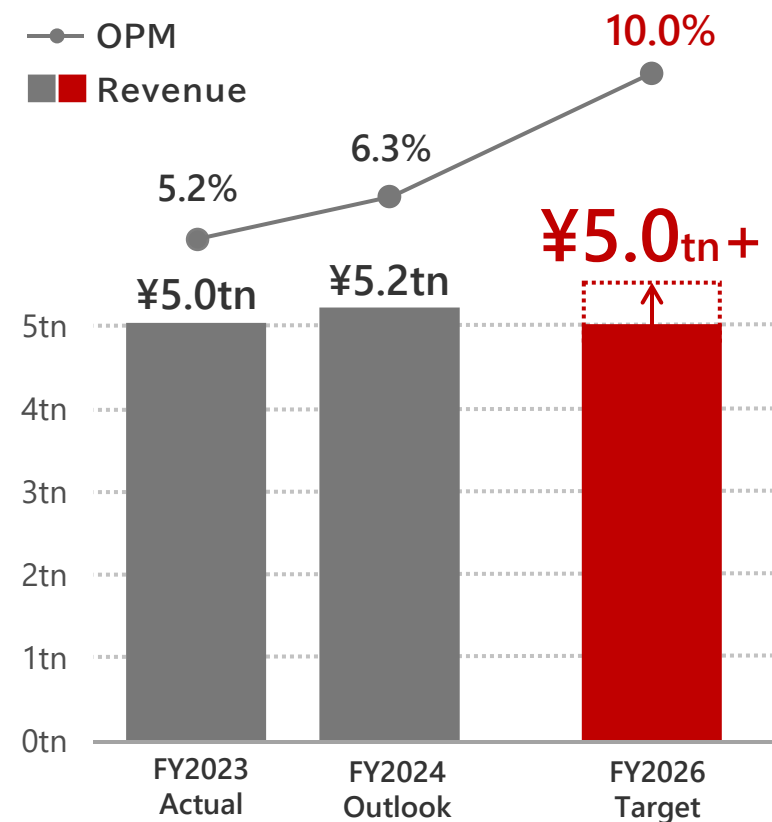


FY2026 Financial Targets

Achieved the revenue target of ¥5 trillion in FY2023 ahead of schedule

Focus on achieving the operating profit margin(OPM) and ROE targets going forward

	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



Promote business portfolio strategy and improvement of management structure

**Growth
Potential**

Varied and selective
investments in Key
Growth Businesses

**Business
Competitiveness**

Strengthen
structure and products/services
for enhancement of
efficiency and profitability

**Capital
Efficiency**

Make decisions
based on ROIC

**Productivity and
Profitability**

Promote operation DX and
pursue additional value

**Structural Reform
Judgements
of Businesses**

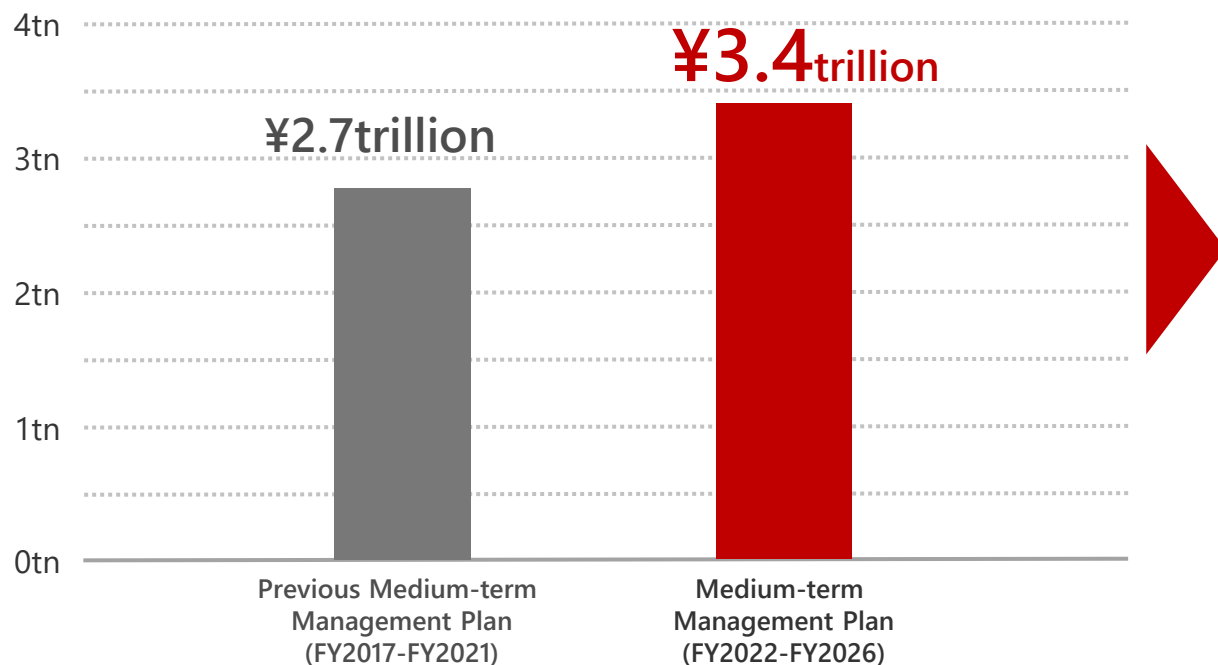
Withdraw from or sell low
profitable businesses
Accelerate resource shifting

Capital Allocation Strategy

Generate ¥3.4 trillion over a five-year period
 Strengthen investment mainly in Key Growth Businesses, and enhance shareholder returns

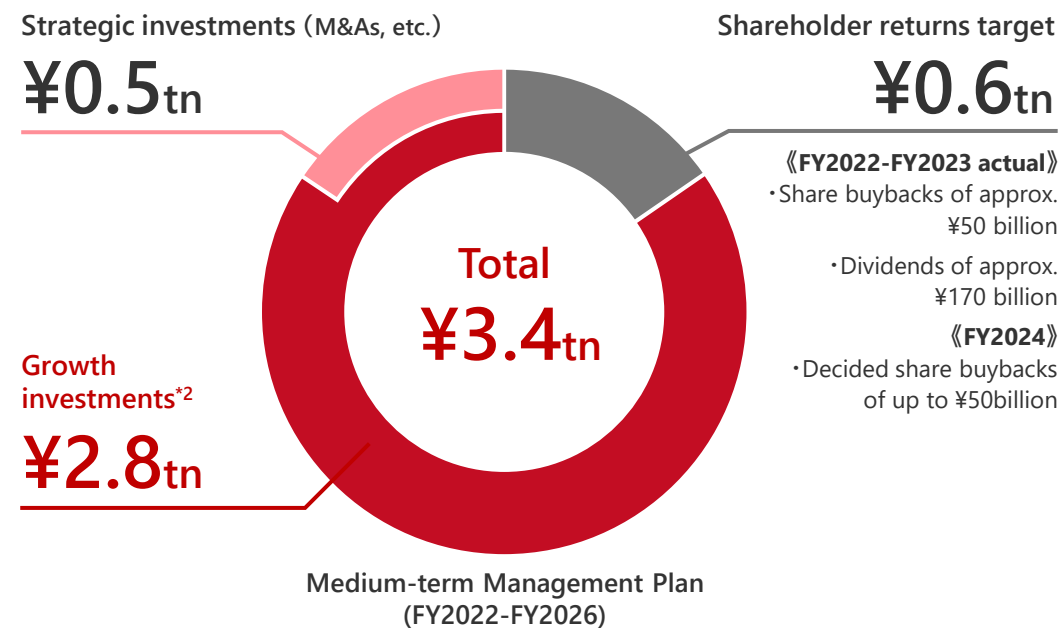
Cash Generation*1

Generate more cash through sale of non-business assets and reduction of working capital



Capital Allocation

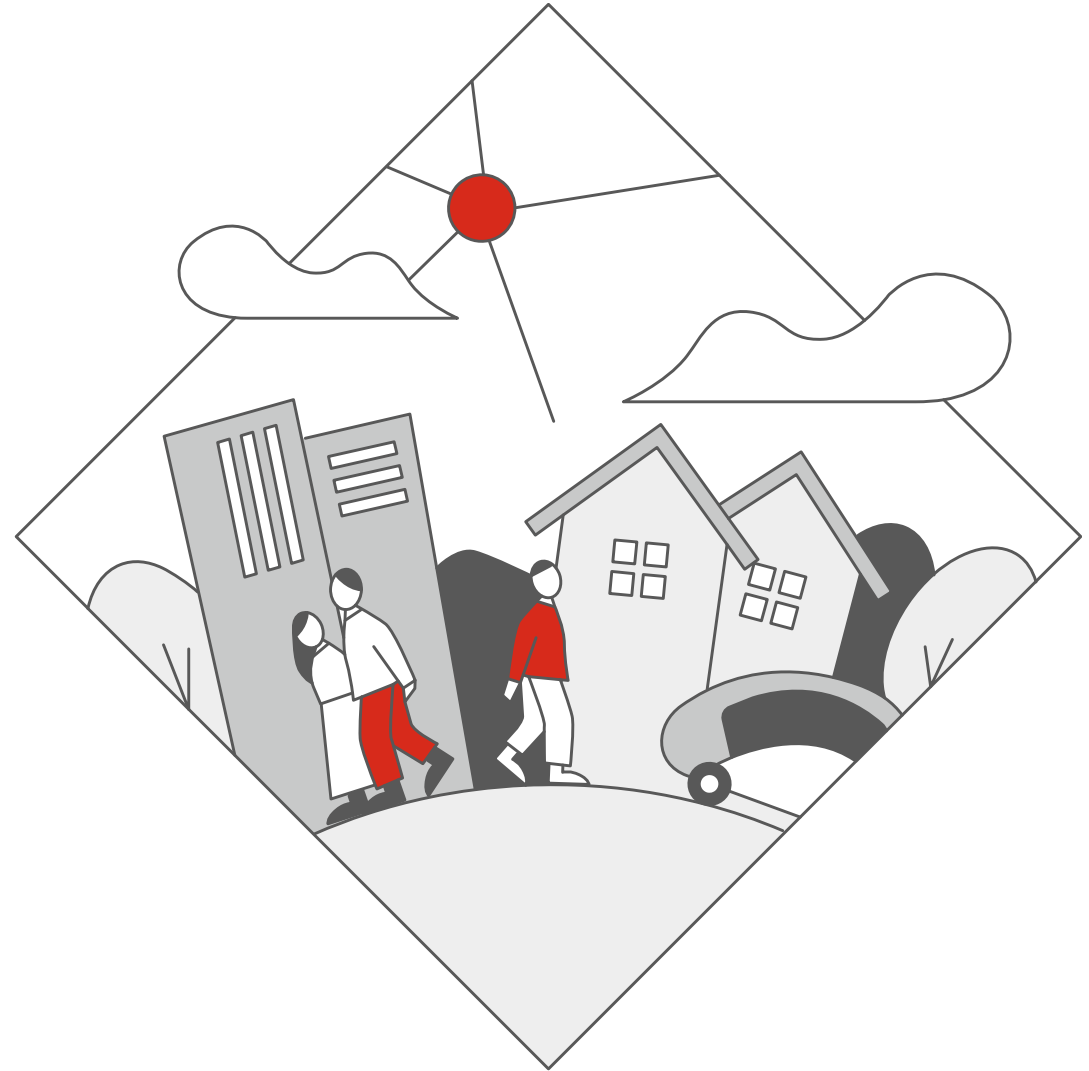
Increase growth investments and shareholder returns by generated cash



*1 After making adjustments, such as adding R&D expenses to operating cash flow *2 Strategic investments such as M&As, R&D expenses, Capital investment

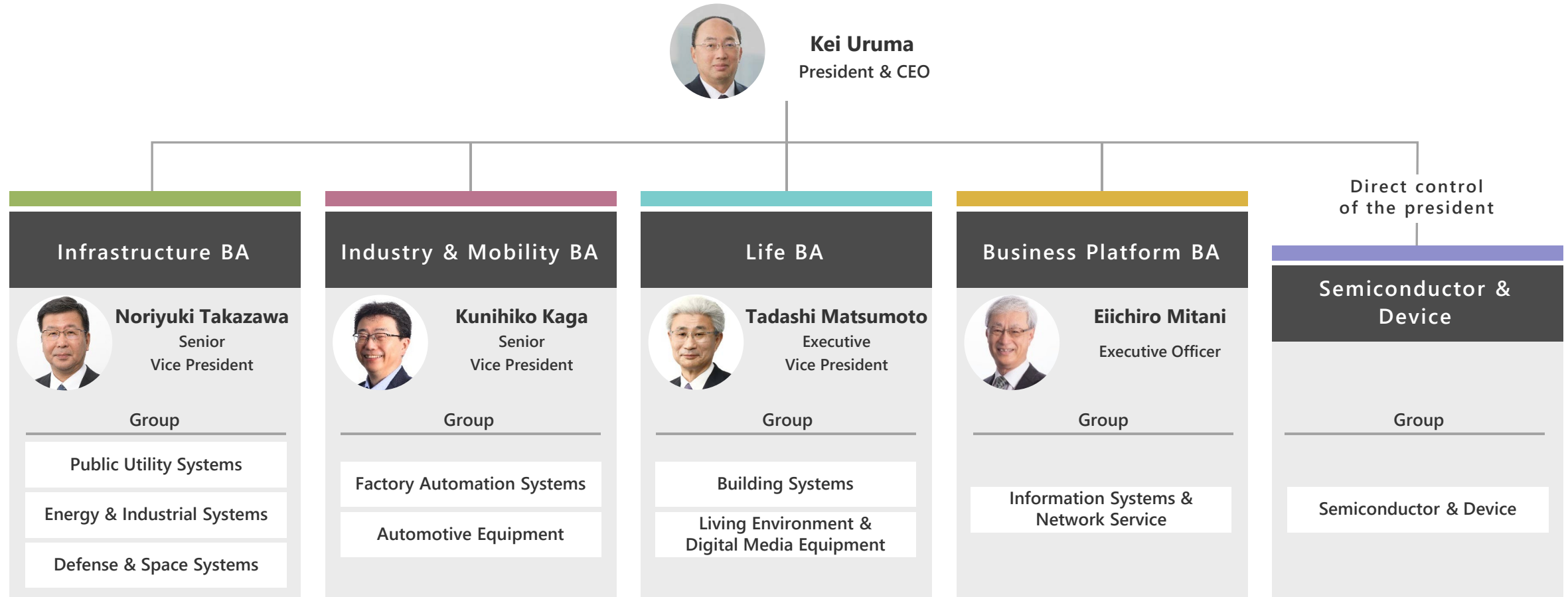
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Business Portfolio Strategy & Improvement of Management Structure



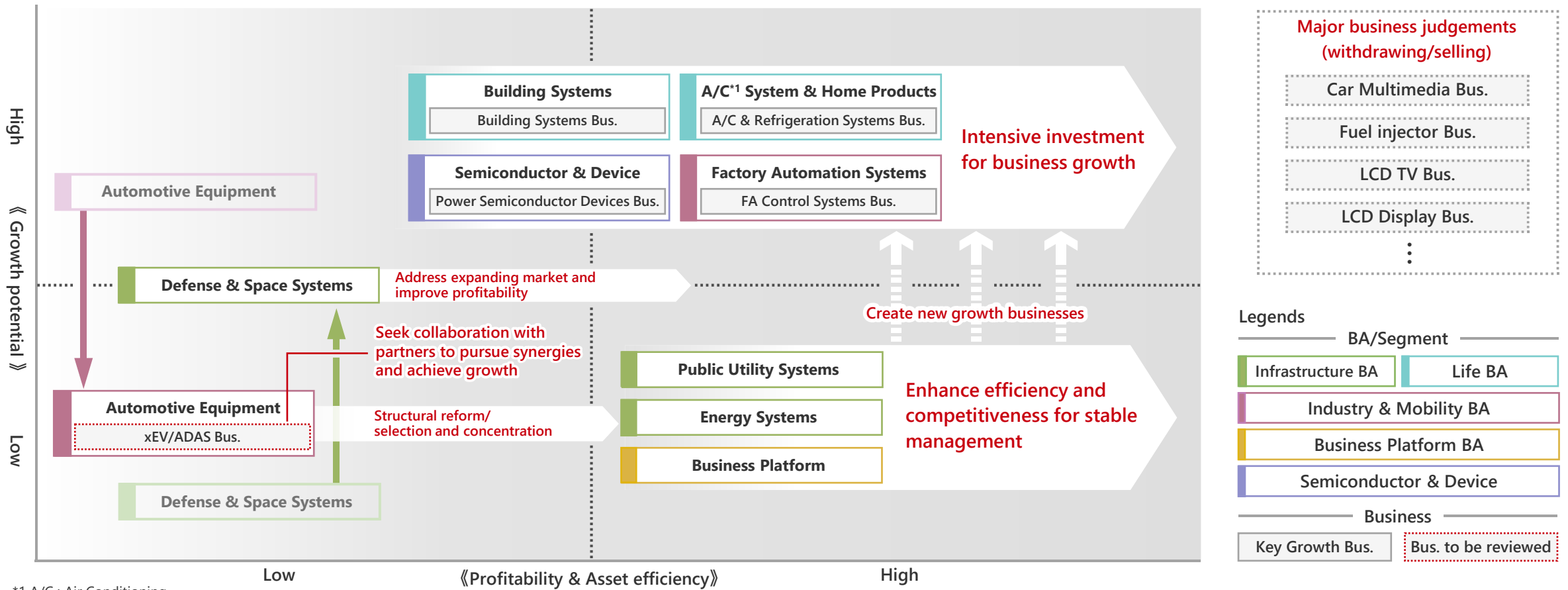
Reform of the Business Area (BA) Management Structure

BA owners (BAOs) drive business portfolio strategies by enhancing cross-BA businesses, developing new businesses and improving asset efficiency



Improve profitability and asset efficiency in each sub-segment

Current status of each sub-segment / Profitability and asset efficiency improvement policy



*1 A/C : Air Conditioning

Investment in Key Growth Businesses

FA Control Systems

Establish a new production base for FA control system products in Owariasahi district in Aichi



New production base in Owariasahi district (illustration)

Establish a new factory for FA control system products at MEI*1 in India



New factory in Pune, India (illustration)

A/C & Refrigeration Systems

Establish a new factory for room A/Cs and compressors for A/C equipment at MEI*1 in India



New factory in Chennai, India (illustration)

Increase the production capacity for A/C equipment at MACT*2 in Turkey



Exterior view of production base in Turkey

Building Systems

Acquired a Swedish elevator company Motum AB. Strengthen the business management foundation centered on elevator and escalator maintenance and modernization throughout Europe



Power Semiconductor Devices

Establish a new SiC*3 8-inch wafer factory in Shisui district in Kumamoto
Double*4 the previous investment plan to approximately ¥260 billion from FY2022 to FY2026



New factory in Shisui district (illustration)

Structural reform of Automotive Equipment Business

Accelerate selection and concentration through company spin off

Decided to spin off the automotive equipment business to streamline business operations. Promote selection and concentration in the automotive equipment business, collaboration with partners in the xEV/ADAS business to achieve growth, shifting resources to profitable businesses, and discontinuation of businesses with issues

Enhance competitiveness of Resilient Businesses

Establish a joint venture of power generator systems business

Reached a basic agreement with Mitsubishi Heavy Industries, Ltd. to start detailed studies for business integration for power generator systems

Strengthen businesses for renewable energy

Acquired Scibreak AB, a DC circuit breaker developer in Sweden

*1 MEI: Mitsubishi Electric India Pvt. Ltd.

*2 MACT: Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company

*3 SiC: Silicon Carbide *4 Previously scheduled a cumulative investment of ¥130 billion for the five-year period from FY2022 to FY2026

Enhance cash generation by improving capital efficiency, productivity and profitability, and judgement of businesses with issues

Capital efficiency

- Make decisions based on ROIC
- Transform production and logistic system to streamline entire supply chain and optimize inventory by strengthen relationship between each process of development, manufacturing and sales
- Proactively sell cross-shareholdings and idle assets

Productivity and profitability

- Promote operation DX to streamline all operation and improve quality. Strengthen additional value and productivity by enhancing relationship between each department of development, manufacturing and sales
- Enhance profitability through pursuing additional value of products/services and price hike according to the rise in materials

Judgement of businesses with issues

- Decided to withdraw from or sell less profitable businesses with revenue of ¥300 billion level
- Accelerate resource shifting to growth businesses accordingly

Main businesses subject to withdrawing

- Car Multimedia Bus.
- LCD TV Bus.
- Fuel injector Bus.
- LCD Display Bus. etc.

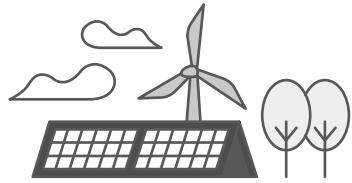
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Initiatives for Sustainable Growth

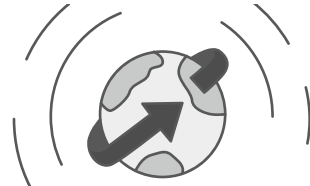


Respond to key societal challenges in five basic areas in order to contribute to sustainability

Key societal challenges



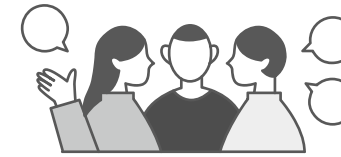
Carbon neutral
Decarbonize society



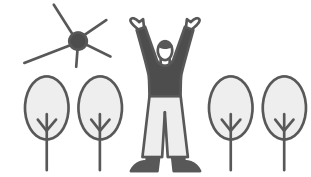
Circular economy
Build a circular society



Safety/Security
Resilient society



Inclusion
Society that values diversity



Well-being
Vibrant lives

Initiatives for realizing sustainability

Contribution to a sustainable society through business

Decarbonize society with energy management and heat pumps technologies etc.

Build a circular society through innovation in the fields of maintenance/operation and recycling

Build a resilient society through maintenance/management of infrastructures and facility automation etc.

Realize vibrant lives of all people through sophisticated use of people flow data and personal data

Progress in social initiatives causes positive impacts on the Company



Realize sustainability



Apply initiatives within the Company to business

Responsibilities for a sustainable society

Strengthen efforts for cutting greenhouse gas emissions

- FY2051: Aim for net zero greenhouse gas emissions in the entire value chain
- FY2031: Aim for net zero greenhouse gas emissions from factories and offices

Respect for human rights based on international norms

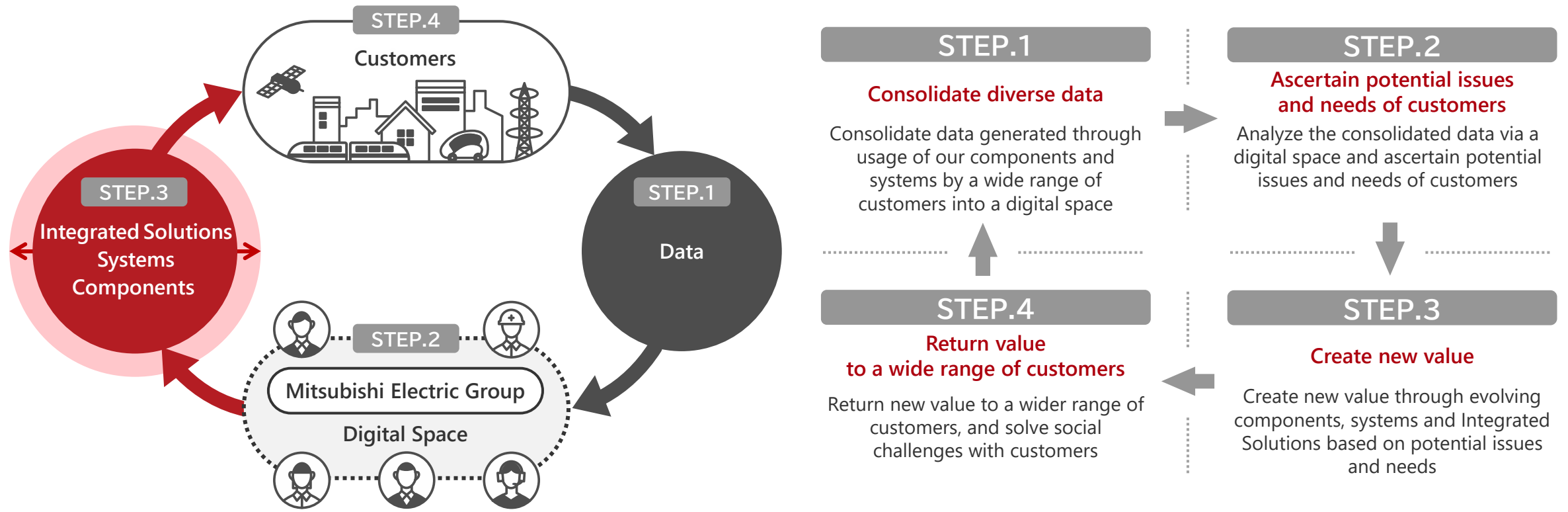
Realize workplace where diverse and versatile human capital gathers and works together

Adherence to compliance

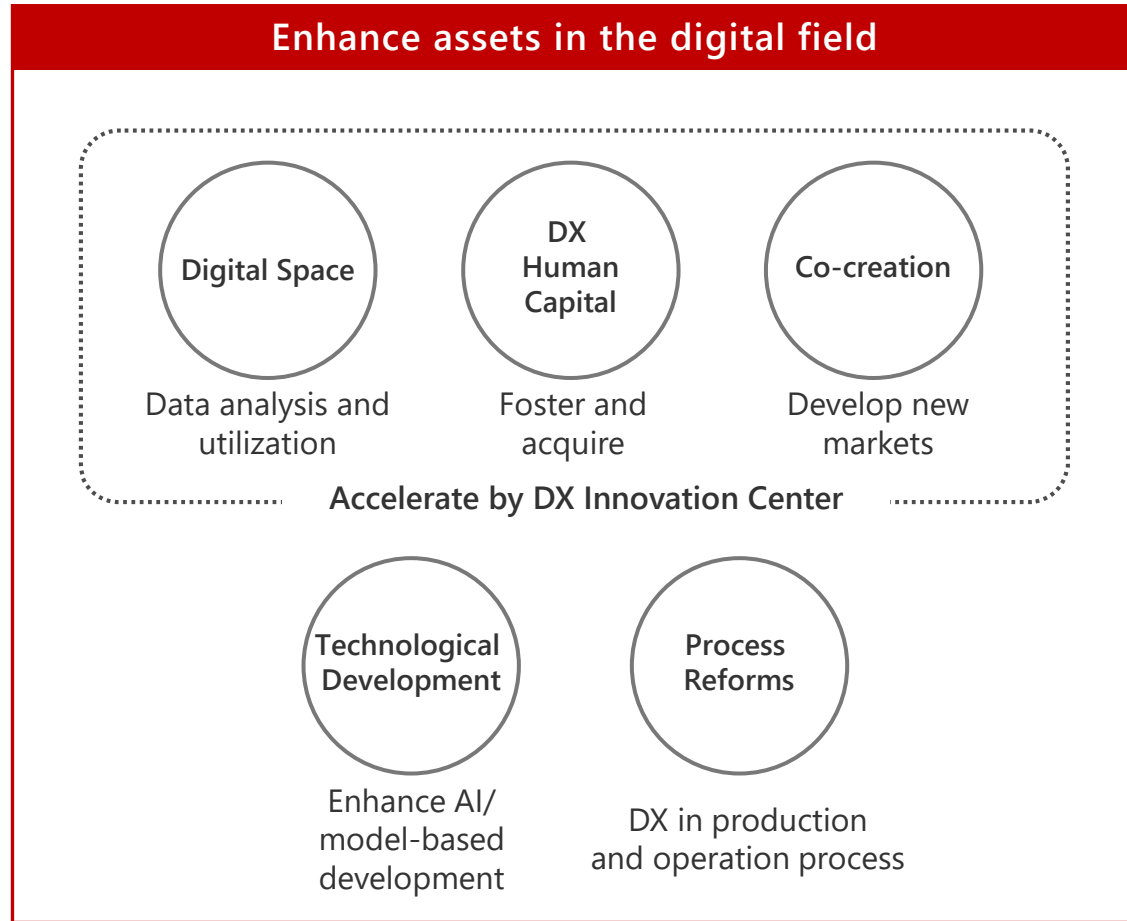
“Circular Digital-Engineering”

Leverage strong intra-group connections and knowledge sharing in order to consolidate and then analyze data in the digital space to create new value and contribute to solving key social challenges

Solving social challenges through Circular Digital-Engineering



Enhance assets in the digital field spanning across a wide range of customers



Materialize and commercialize Integrated Solutions

OT*1 security solution

One-stop service to improve availability/safety of customer OT assets and address needs for promoting IoT/DX adoption

E&F*2 solution

Integrate various engineering technologies to optimize energy management and offer comprehensive facility operation/maintenance services

Enhance and evolve components and systems

Systems

Realize secure and highly flexible/expandable systems utilizing various knowledge of fields and components

Components

Pursue miniaturization, energy conservation and smartification by fusion of strengthen technology, such as power-electronics, control, etc., and advanced technology, such as AI, modeling, etc.

*1 OT: Operational Technology *2 E&F: Energy & Facility

Innovation Strategy

Promote open innovation with technical capabilities and creativity

Human Capital Strategy

Grow together with our people and building a brighter future with the power of human capital

Risk Management

Strategically control diversifying uncertainties in the business environment

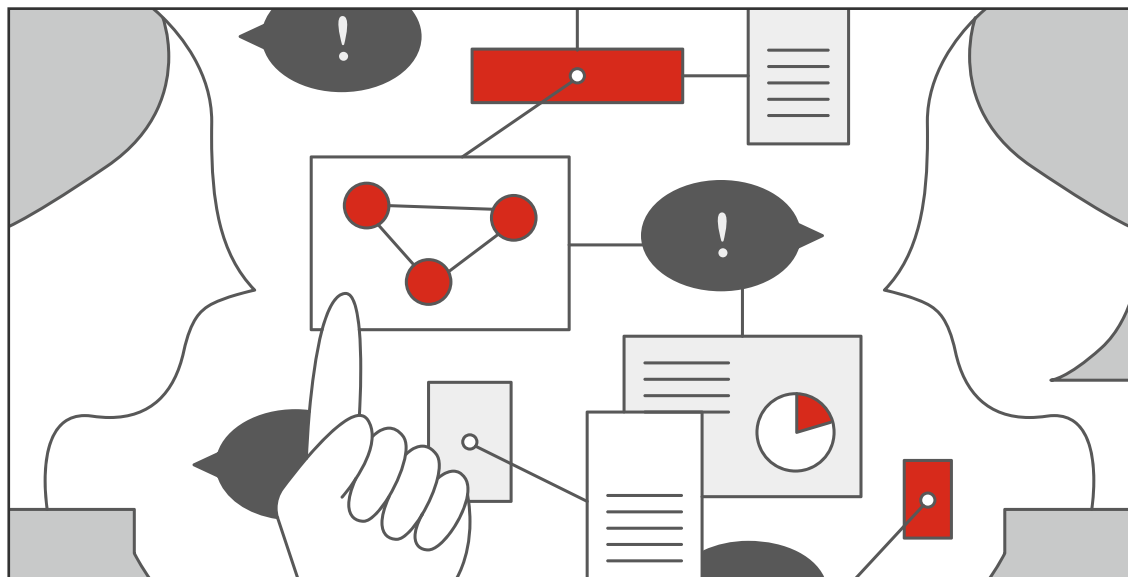
Three Key Reforms

Enhance and develop three key reforms for regaining trust

Promote open innovation with technical capabilities and creativity

Build digital platform and space to consolidate various data and knowledge, leveraging our advantage, OT*1 and domain knowledge, and reform to a future-oriented business model

Design the future and provide new value in a timely manner by integrating knowledge within and outside the Group and through co-creation with customers



Recent strategies and initiatives

Build digital platform and space

- Established the DX Innovation Center
- Build digital platform that integrates various OT solutions in a composable form*2, and digital space that fuses data on things, experiences, markets and operation

Co-create with external parties

- Strengthen business-academia collaboration, starting with the Mitsubishi Electric and The University of Tokyo Future Design Conference
- Invested in 4 companies in total, through the ME Innovation Fund*3 (total investment amount of ¥5.0 billion). Plan to invest in 4 additional companies in FY2024
- Started with Kao Corporation a sorting trial of plastics, utilizing our advanced sorting technologies, through OTB*4 activities. Negotiations are underway with 43 companies, seeking co-creation in a variety of industries

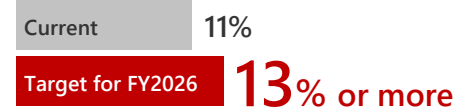
KPI : Digital technology-related patent applications

Number of patent applications expected in FY2026: 4,000

Ratio of solutions-related patents in all patent applications



Ratio of AI-related patents in all patent applications

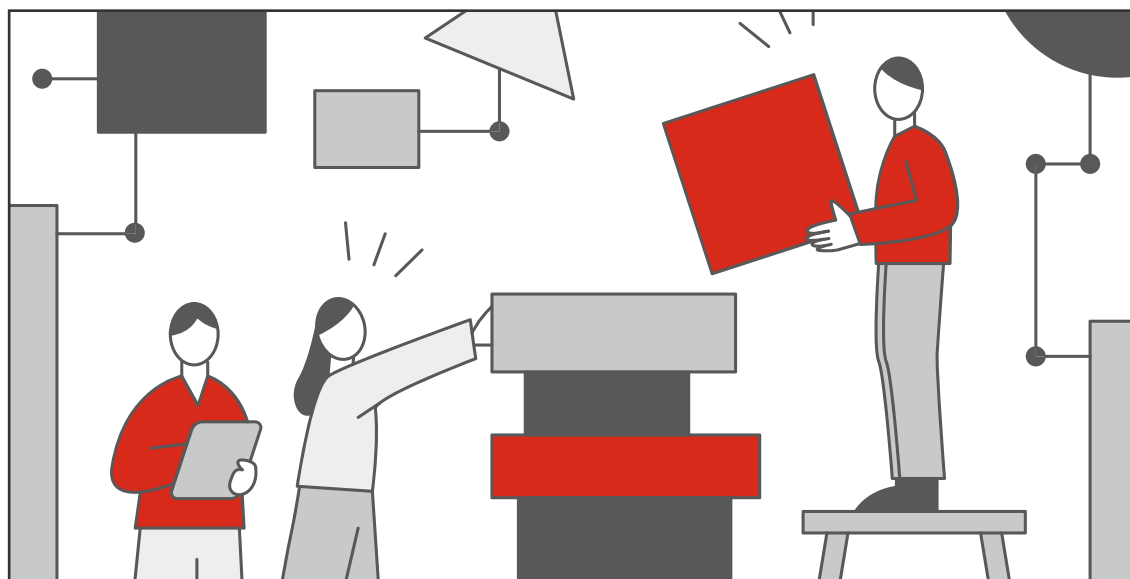


*1 OT: Operational Technology *2 Composable form: A scheme to provide applications flexibly and efficiently according to requirements by combining independent services *3 ME Innovation Fund: A corporate venture capital (CVC) fund established jointly with Global Brain Corporation, an independent venture capital *4 Open Technology Bank: Activities to promote co-creation through disclosing technology assets on internal and external websites and vitalizing inter-business collaborations within the company and licensing to external parties

Grow together with our people and building a brighter future with the power of human capital

Expand and strengthen investment in human capital. Through this initiative, respect career ownership of each person, in particular, and embrace and cherish diverse and versatile human capital who can think independently, act proactively, and continuously take on challenges

Promote early appointment and well-planned development of senior management*¹ candidates who will lead the company, based on open talent management by building a global human capital management system



*1 Senior management: Executive Officers and Directors *2 D&I: Diversity and Inclusion

Recent strategies and initiatives

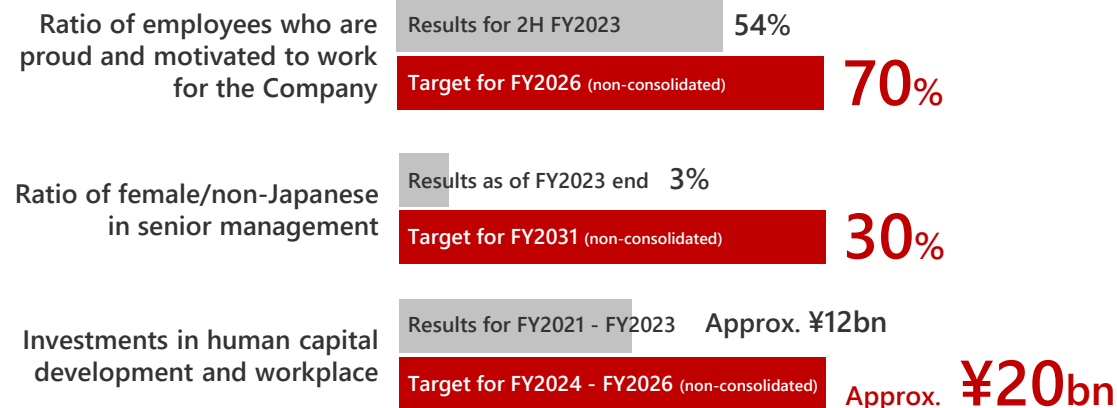
Enhance career ownership that respects self-initiative and challenging spirit

- Enhance initiatives to increase mobility of human capital and personal career development support programs such as in-house job offering/application systems
- Revamp the salary and compensation system into a new, hybrid one by adding the job-based employment to the existing membership-based model

Diversification of senior management and early appointment

- Promote D&I*² in management leaders based on succession management utilizing the global job grading
- Early appointment of personnel for managerial positions linked with a management candidate development system and promote recruitment of mid-career people

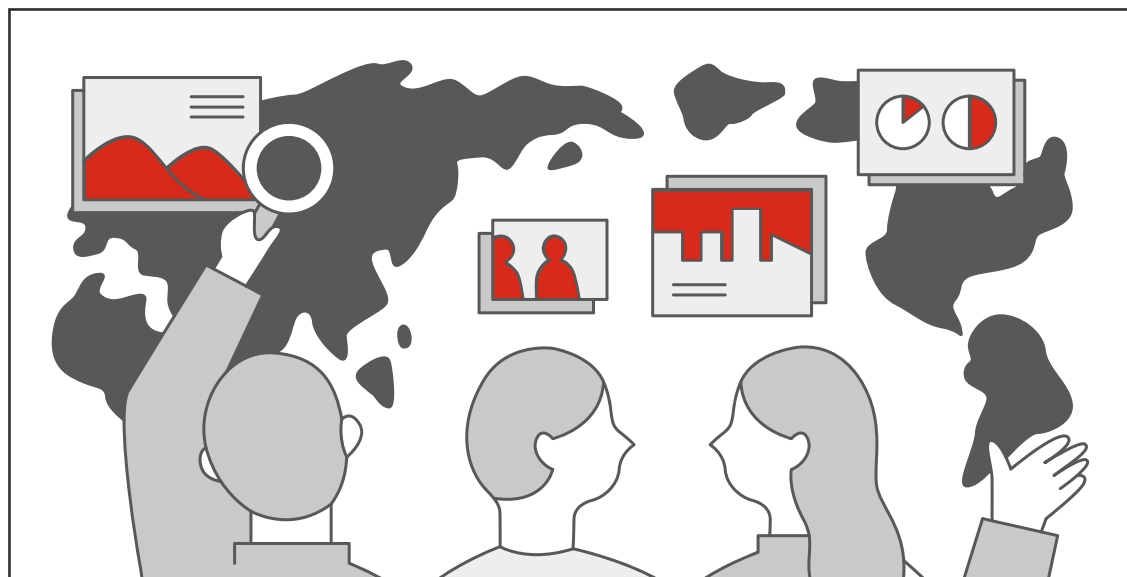
KPI : Employee engagement survey, D&I of senior management



Strategically control diversifying uncertainties in the business environment

Visualize our global business structure/supply chains and enhance capability to address increasing risks associated with geopolitics, natural environment, etc.

Work to minimize intrinsic risk through a company-wide control and operational process standardization/DX



Recent strategies and initiatives

Enhance a company-wide risk management system

- Established the Corporate Information Security Division, the Corporate Economic Security Division, and the Corporate Risk Management Division under the direct control of the president to accumulate know-how and knowledge in risk handling. Enhance our company-wide capability to address risks

Reinforce supply chains

- Build a procurement database in the entire company
- Ascertain information on hazards and sanctions in a timely manner; Visualize supply chains, including the 2nd-tier partners and beyond, with the use of AI

Prevent intrinsic risk

- Draw up a risk map to identify prioritized themes/bases
- Eliminate any chance of improper practices with the use of DX in operational process
- Prioritize prevention and foster a mindset that encourages employees to learn from mistakes and to create a better company, and thereby regain trust from society

Revising engineering processes

Rebuild organizational capability to provide customers with technically correct explanations, and reduce workloads by having managers communicate and negotiate with customers. Then create an organizational structure in which there is no incentive to engage in improper quality control practices in the first place

Recent strategies and initiatives

Creation of a manufacturing management environment

- Recognizing design and quality-control resources and loads in order to rightsized resources and managerial scopes
- Recognizing and facilitating upgrades of the 4M*¹ status at manufacturing sites through factory health checks
(Completed factory health checks at all 27 eligible sites in FY2023)

Frontloading development and design

- Held 15 seminars to introduce Quick DR as a new design-review (DR) method
(80 leaders in departments that introduce the Quick DR participated)
- Introduced a DR Senior Expert system to foster designers and allocated experts to 8 technical fields. Planning to expand to other technical fields

Data-driven quality control and procedures

- Use statistical quality control (SQC) to conduct design studies and mass-production testing and inspection
To determine methods, selected 41 key control parameters for the representative products of eligible 10 Works
- Determined the method for monitoring the process of agreement with customers on test specifications

*1 4M: Man, Machine, Material and Method

Facilitating two-way communication

In accord with the Robust Policies for overarching plan for organizational culture reforms created by the Team Sousei (Creation) company-wide transformation project (kicked off in October 2021), promote initiatives for “Reforms driven by senior management,” “Behavioral change among managers” and “Enliven communication” in harmony with efforts to renew the human capital management system. Cultivate a culture in which people feel comfortable in raising issues with their managers, and in which people collaborate to solve problems

Recent strategies and initiatives

Reforms driven by senior management

- Provide coaching; active debating at workshops for executives, work site heads and other senior personnel
- Hold town-hall meetings to facilitate frank discussions with employees in workplaces; engage in dialogues with employees via internal social-media networks

Behavioral change among managers

- Provided a coaching seminar to 50 managers equivalent to work site head position (result in FY2023)
- Accelerate efforts to make self-initiative people and organization through rightsizing managerial scopes by appointing deputy senior managers and team leaders and through delegation of authorities

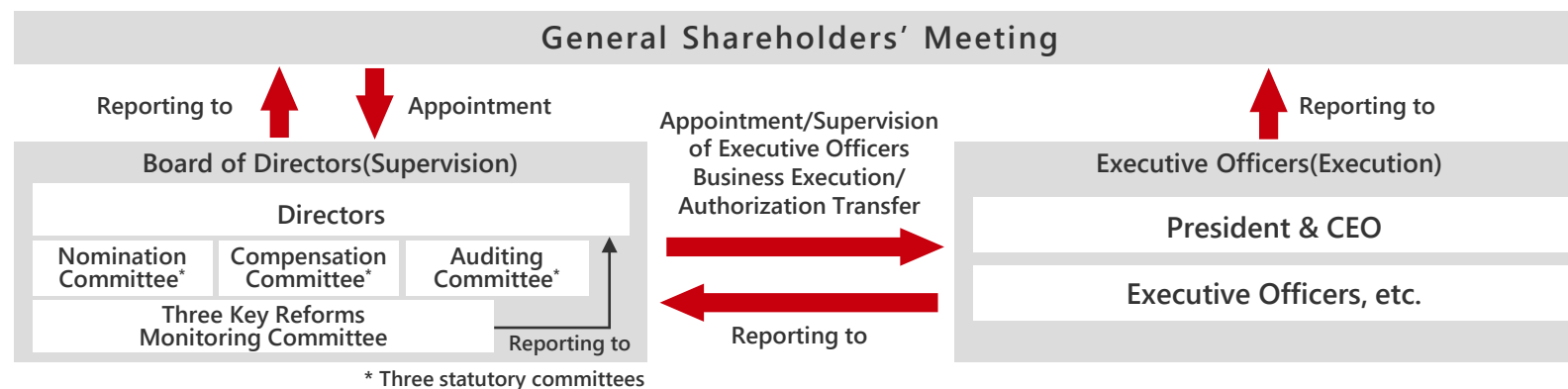
Enliven communication

- Provided lecture meetings themed on psychological safety to 2,600 persons in managerial positions equivalent to department manager level across the company (result in FY2023)
- As an opportunity to acquire knowledge and skills to enliven communication and to achieve a self-initiative organization and cultural reforms, provide one-on-one meeting seminars by external lecturers (1,500 managers will participate in FY2024)

Three Key Reforms - Governance Reforms

Build a compliance system focused on prevention

Enhance the Board of Directors' function to monitor business execution, to strengthen governance and vitalize internal and external communication



Recent strategies and initiatives

Initiatives for supervision

- Established the Three Key Reforms Monitoring Committee that monitors and supervises the status of each initiative (December 2022)
- Formulated the Corporate Governance Guidelines (April 2023)
- Evaluate the effectiveness of the Board of Directors using a third-party organization and pursue sustainable improvements (every year)
- Majority members of the Board of Directors and three statutory committees are independent outside directors
- Appointed independent outside directors as chairpersons of the Board of Directors and the three statutory committees
- Determined 7 persons, including 3 women, as candidates for independent outside directors to be proposed at the annual general shareholders' meeting scheduled to be held in June 2023 <1 female director in preceding fiscal year> (March 2023)
- Abolished a senior advisor system. The Board of Directors will involve in the commission to retired full-time executives (March 2023)

Initiatives for business execution

- Formulate a Compliance Program that embodies internal controls focused on prevention
- Appointed a female and a non-Japanese as Executive Officer meeting members (April 2023)
- Revised the compensation system for Executive Officers to reflect in incentive compensation the achievement level of performance indicators as well as that of non-financial indicators such as on ESG (May 2022)
- Established the Corporate IR and SR Division under the direct control of the president to enable centralized and fulfilling dialogue with stakeholders and information disclosure (January 2023)
- Advance and develop the BA management structure to steadily push forward with the "transformation into a 'Circular Digital-Engineering Company' (April 2023)

Appendix

Single-year Outlook for FY2024 (Consolidated Performance)

Appendix

		FY2021 Actual		FY2022 Actual		FY2023 Actual		FY2024 Outlook	
		106JPY/US\$ 15.7JPY/CNY	124JPY/Euro	113JPY/US\$ 17.7JPY/CNY	131JPY/Euro	136JPY/US\$ 19.7JPY/CNY	142JPY/Euro	125JPY/US\$ 18.5JPY/CNY	135JPY/Euro
Revenue	(Billions of JPY)		4,191.4		4,476.7		5,003.6		5,200.0
Operating profit	(Billions of JPY)		230.1		252.0		262.3		330.0
	(%)		5.5%		5.6%		5.2%		6.3%
Profit before income taxes	(Billions of JPY)		258.7		279.6		292.1		355.0
Net profit	(Billions of JPY)		193.1		203.4		213.9		260.0
ROE (Return On Equity)	(%)		7.5%		7.1%		6.9%		
Stockholders' Equity	(Billions of JPY)		2,754.2		2,975.9		3,239.0		
	(%)		57.4%		58.3%		58.0%		
Debt	Including lease liabilities	(Billions of JPY)	365.4		329.4		400.7		
	Excluding lease liabilities	(Billions of JPY)	248.8		217.1		252.2		
		(%)	5.2%		4.3%		4.5%		
FCF (Free Cash Flow)	(Billions of JPY)		365.5		167.5		18.1		
Dividend	(JPY per share)		36		40		40		
Dividend ratio	(%)		40.0%		41.9%		39.5%		

1 Net Profit represents Net profit attributable to Mitsubishi Electric Corp. stockholders

2 Debt ratio is calculated based on "Debt excluding lease liabilities" that represents bonds and borrowings

Outlook for FY2024 and FY2026 target (by segment)

Appendix

(Billions of JPY)

		FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Outlook	FY2026 Target
		106JPY/US\$ 124JPY/Euro 15.7JPY/CNY	113JPY/US\$ 131JPY/Euro 17.7JPY/CNY	136JPY/US\$ 142JPY/Euro 19.7JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY
Infrastructure	Revenue	1,021.9	946.1	973.1	1,010.0	1.2tn
	Operating Profit	88.3	41.5	27.5	21.0	
	(%)	8.6%	4.4%	2.8%	2.1%	7%
Industry & Mobility	Revenue	1,265.8	1,480.8	1,660.2	1,740.0	1.7tn
	Operating Profit	40.7	96.4	95.9	144.0	
	(%)	3.2%	6.5%	5.8%	8.3%	14%
Life	Revenue	1,539.5	1,673.0	1,947.1	2,110.0	2.4tn
	Operating Profit	101.1	92.6	101.2	153.0	
	(%)	6.6%	5.5%	5.2%	7.3%	11%
Business Platform	Revenue	126.2	128.3	134.7	140.0	0.2tn
	Operating Profit	5.5	7.8	8.7	7.0	
	(%)	4.4%	6.1%	6.5%	5.0%	9%
Semiconductor & Device	Revenue	205.2	241.4	281.5	270.0	0.3tn
	Operating Profit	6.2	16.8	29.2	14.0	
	(%)	3.1%	7.0%	10.4%	5.2%	12%
Others	Revenue	684.7	751.7	850.5	820.0	—
	Operating Profit	19.5	28.4	33.4	24.0	
	(%)	2.9%	3.8%	3.9%	2.9%	
Total	Revenue	4,191.4	4,476.7	5,003.6	5,200.0	5tn+
	Operating Profit	230.1	252.0	262.3	330.0	
	(%)	5.5%	5.6%	5.2%	6.3%	10%

1 Inter-segment sales are included in the above chart

2 From FY2024, the classification of reportable segment of Business Platform is changed and presented to 2 segments, which are Business Platform and Semiconductor & Device. Also, some businesses that were previously included in the Information Systems & Network Service of Business Platform are reclassified and presented in Others. Figures above are shown by the new segment classifications (Figures for FY2022 and before are shown for reference.)

Outlook for FY2024 and FY2026 target (by sub-segment)

Appendix

(Billions of JPY)

		(Billions of JPY)		
		FY2023 Actual	FY2024 Outlook	FY2026 Target
		136JPY/US\$ 142JPY/Euro 19.7JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY
Infrastructure	Revenue	973.1	1,010.0	1.2tn
	Operating Profit	27.5	21.0	
	(%)	2.8%	2.1%	7%
Public Utility Systems	Revenue	395.7	420.0	0.4tn
	Operating Profit	13.0	11.0	
	(%)	3.3%	2.6%	8%
Energy Systems	Revenue	331.0	320.0	0.4tn
	Operating Profit	22.0	8.0	
	(%)	6.7%	2.5%	8%
Defense & Space Systems	Revenue	246.3	270.0	0.4tn
	Operating Profit	△7.5	2.0	
	(%)	△3.1%	0.7%	5%
Industry & Mobility	Revenue	1,660.2	1,740.0	1.7tn
	Operating Profit	95.9	144.0	
	(%)	5.8%	8.3%	14%
Factory Automation Systems	Revenue	843.8	890.0	1.0tn
	Operating Profit	142.2	143.0	
	(%)	16.9%	16.1%	20%
Automotive Equipment	Revenue	816.4	850.0	0.7tn
	Operating Profit	△46.2	1.0	
	(%)	△5.7%	0.1%	5%






(Billions of JPY)

		(Billions of JPY)		
		FY2023 Actual	FY2024 Outlook	FY2026 Target
		136JPY/US\$ 142JPY/Euro 19.7JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY	125JPY/US\$ 135JPY/Euro 18.5JPY/CNY
Life	Revenue	1,947.1	2,110.0	2.4tn
	Operating Profit	101.2	153.0	
	(%)	5.2%	7.3%	11%
Building Systems	Revenue	586.0	610.0	0.7tn
	Operating Profit	29.8	43.0	
	(%)	5.1%	7.0%	10%
Air Conditioning Systems & Home Products	Revenue	1,361.1	1,500.0	1.7tn
	Operating Profit	71.4	110.0	
	(%)	5.3%	7.3%	11%
Business Platform	Revenue	134.7	140.0	0.2tn
	Operating Profit	8.7	7.0	
	(%)	6.5%	5.0%	9%
Semiconductor & Device	Revenue	281.5	270.0	0.3tn
	Operating Profit	29.2	14.0	
	(%)	10.4%	5.2%	12%
Others	Revenue	850.5	820.0	—
	Operating Profit	33.4	24.0	
	(%)	3.9%	2.9%	
Total	Revenue	5,003.6	5,200.0	5tn+
	Operating Profit	262.3	330.0	
	(%)	5.2%	6.3%	10%

1 Inter-segment sales are included in the above chart

2 From FY2024, the classification of reportable segment of Business Platform is changed and presented to 2 segments, which are Business Platform and Semiconductor & Device. Also, some businesses that were previously included in the Information Systems & Network Service of Business Platform are reclassified and presented in Others. Figures above are shown by the new segment classifications (Figures for FY2022 and before are shown for reference.)

Main Non-financial Indicators

Materiality		Targets/Initiative indicators	
	Realize a sustainable global environment	Achieve carbon neutral	<ul style="list-style-type: none"> FY2031 : Aim for <u>net zero</u> greenhouse gas emissions from factories and offices FY2051 : Aim for <u>net zero</u> greenhouse gas emissions in the entire value chain Provide products, services and solutions that contribute to carbon neutrality
		Achieve circular economy	<ul style="list-style-type: none"> FY2036 : <u>100% effective use</u> of wasted plastics
	Realize a safe, secure, and comfortable society	Contribution through business activities in the areas of safety/security, inclusion, and well-being	<ul style="list-style-type: none"> Provide products, services and solutions that contribute to safety/security, inclusion and well-being
	Respect for all people	Promote human rights initiatives that are based on international norms	<ul style="list-style-type: none"> FY2031 : Establish human rights initiatives based on international norms FY2031 : Realize a responsible supply chain
		Realize workplace where diverse and versatile human capital gathers and works together	<ul style="list-style-type: none"> FY2026 : Employee engagement score^{*1} <u>70% or more (non-consolidated)</u> FY2031 : Ratio of female/non-Japanese in senior management^{*2} <u>30% or more (non-consolidated)</u> FY2031 : Ratio of female in managerial positions <u>12% or more (non-consolidated)</u>
	Strengthen corporate governance and compliance on a sustainable basis	Increase effectiveness of the Board of Directors	<ul style="list-style-type: none"> Maintain the ratio of independent outside director at <u>50% or more</u>
		Prevent recurrence of improper quality control practices	<ul style="list-style-type: none"> Promote three key reforms (quality assurance, organizational culture and governance), monitoring of the three reforms by the Board of Directors, and appropriate information disclosure
		Understanding and practices of a compliance motto "Always Act with Integrity"	<ul style="list-style-type: none"> Provide compliance education on a continuous basis
		Improve the Cybersecurity maturity level	<ul style="list-style-type: none"> FY2029 : Achieve level 2 or higher^{*3} in the Cybersecurity Maturity Model Certification across the Group
	Create a sustainability-oriented corporate culture	Understanding and practices of sustainability by employees	<ul style="list-style-type: none"> FY2026 : Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey <u>75% or more (non-consolidated)</u>
		Promote communication with stakeholders both inside and outside the company	<ul style="list-style-type: none"> Issue the Sustainability Report and the Integrated Report, hold dialogues with experts, and conduct sustainability report questionnaires

*1 Ratio of employees who respond that they feel that they are proud and motivated to work for the Company in the employee awareness survey

*2 Senior management: Executive Officers and Directors *3 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0)

Participation in initiatives

Active participation in initiatives both in Japan and abroad

Signed the UN Global Compact (May 2018)



Mitsubishi Electric Group's greenhouse gas reduction targets obtained certification from SBTi*1 (January 2020)



Expressed approval of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) (May 2019)



Participated in the GX League (May 2023)



Joined Japan Clean Ocean Material Alliance (CLOMA) to solve the marine plastic litter problem (April 2023)



Joined the RBA*2 to establish robust supply chains (February 2022)

To improve objectivity and transparency in addressing complaints about human rights, joined Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a founding member(regular member) (October 2022)

External Evaluation

Our corporate activities obtained various external evaluations

CDP *3
Supplier
Engagement
Leader



Selected for 3 consecutive years and sixth times for our collaboration with suppliers on climate change

PRIDE Index
2022



Received a gold in recognition of our continued efforts for LGBTQ

Clarivate
Top 100 Global
Innovator 2023



Selected as one of the top 100 global innovative companies excellent in intellectual properties for 11th times

Selected as a constituent stock for the following indexes as of May 2023

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index



2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



*1 SBTi (Science Based Targets Initiative): An international initiative led by the UN Global Compact(UNGC), World Wide Fund For Nature (WWF), the CDP and World Resources Institute (WRI)

*2 RBA (Responsible Business Alliance): An alliance of companies promoting social responsibility in global supply chains *3 CDP: An international NGO that surveys, evaluates and discloses environmental initiatives of corporations and governments

Cautionary Statement

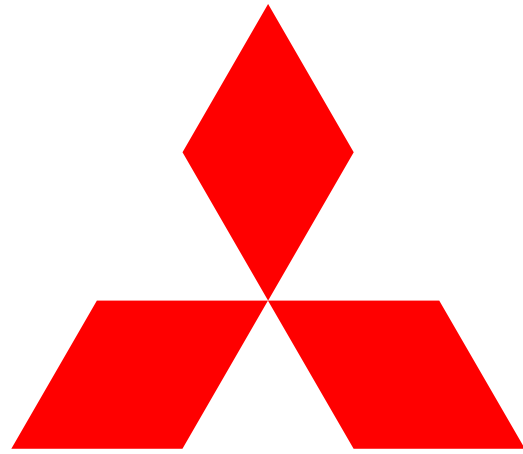
While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

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

* This document has been translated from Japanese original for reference purpose only.

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



**MITSUBISHI
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Changes for the Better