

Corporate Strategy

Nov. 2019

MITSUBISHI ELECTRIC CORPORATION

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Note

FY2015: April 1, 2015-March 31, 2016
FY2016: April 1, 2016-March 31, 2017
FY2017: April 1, 2017-March 31, 2018
FY2018: April 1, 2018-March 31, 2019
FY2019: April 1, 2019-March 31, 2020
FY2020: April 1, 2020-March 31, 2021

1. Strategy

《Strategy》

Mitsubishi Electric will provide integrated solutions to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities inside and outside of the Group. For this purpose, we will enhance our business foundation fostered over the past 100 years and further transform business models.

*Business foundation fostered over the past 100 years: connection with customers, technologies, personnel, products, corporate culture, etc.

Corporate Mission

The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business.
By doing so, we enhance the quality of life in our society.

Initiatives to Create Value

Provide integrated solutions uniting all the capabilities inside and outside of the Group
Transforming business models
Enhance the 100-year business foundation × Strengthen all forms of collaboration = Evolution of Technology Synergies and Business Synergies

Social Challenges



1. Strategy

Mitsubishi Electric Group will contribute to meeting the SDGs' globally shared 17 goals by continuing to pursue sustainable growth through all corporate activities, including value creation to solve social challenges

SUSTAINABLE DEVELOPMENT GOALS

Society 5.0

Contribute through value creation

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>13 CLIMATE ACTION</p> 
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Satellites

Surveillance Control Systems

Power Systems

Transportation Systems

Image Analyzing Solution

Contribute through all corporate activities

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	

Respect Human Rights and Promote the Active Participation of Diverse Human Resources

Intuitively-interfaced remote-control

Initiatives to Realize an Inclusive Society

SOCIO-ROOTS Fund

Factory Automation

Home Appliances

Power Devices

Automotive Equipment

Facilities and Equipment for Buildings

Recycling (Home Appliances)

Strengthen Corporate Governance and Compliance on a Continuous Basis

Reduce Environmental Burden During Production

Tree Planting

⇒ Further promote initiatives to create value, such as simultaneous achievement of “sustainability”, and “safety, security, and comfort”

– ESG Topics –

Received the highest rating from CDP^(*1).
 - "A List" company for "Climate Change" and "Water Security" for three consecutive years (Jan.2019)
 - "Supplier Engagement Leader" (Feb.2019)



Awarded "Gold," the highest rating, in the evaluation of companies' CSR performance conducted by EcoVadis^(*2), a global rating agency specializing in CSR evaluation (Oct. 2019)



Continue our Commitment to the UN Global Compact
 Continue CSR activities in accordance with UN Global Compact principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption



Formulated the "Environmental Sustainability Vision 2050" which stipulates the Group's long-term initiatives on environmental issues toward 2050 (Jun.2019)

Environmental Sustainability Vision 2050

Environmental Declaration

Protect the air, land, and water with our hearts and technologies to sustain a better future for all.



To solve various factors that lead to environment issues, the Mitsubishi Electric Group shall unite the wishes of each and every person, and strive to create new value for a sustainable future.

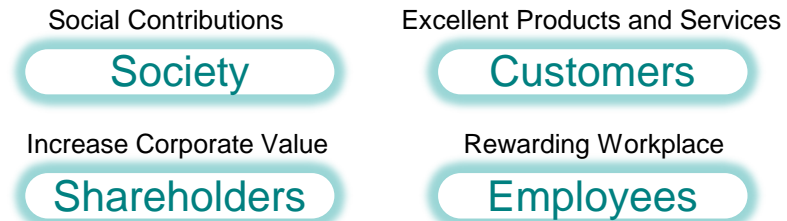
*1 CDP: An international NPO working to enhance environmental disclosures.
 *2 EcoVadis: A rating agency that covers over 55,000 companies in 155 countries. Every year, EcoVadis comprehensively evaluates companies' CSR initiatives, and those that rank in the top 5% of the surveyed companies are awarded the "Gold" rating.

2. Management Policy

— Maintain and evolve Balanced Corporate Management —



■ Pursue the Satisfaction of the Four Stakeholder Categories



■ Strive for Continuous Innovation

Always improving.
Always delivering new value.

■ Toward a Higher Level of Growth

Growth Targets for FY2020

- Revenue 5 trillion JPY or more
- OPM 8% or more

Management Targets to be Continuously and Stably Achieved

- ROE 10% or more
- Debt Ratio 15% or less

*Debt Ratio represents ratio of Bonds and borrowings to total assets

3. Forecast for FY2019 (Consolidated performance)

	FY2016	FY2017	FY2017	FY2018		FY2019	
	U.S.GAAP		IFRS				
	Actual	Actual	Actual	6-Month	Actual	6-Month	Forecast(Oct. 2019)
(Billions of JPY)	109JPY/USD 119JPY/EUR	111JPY/USD 130JPY/EUR	111JPY/USD 130JPY/EUR	111JPY/USD 130JPY/EUR	111JPY/USD 128JPY/EUR	109JPY/USD 121JPY/EUR	107JPY/USD 118JPY/EUR
Revenue	4,238.6	4,431.1	4,444.4	2,170.1	4,519.9	2,182.5	4,500.0
Operating Profit	270.1	318.6	327.4	125.9	290.4	114.2	260.0
(%)	6.4%	7.2%	7.4%	5.8%	6.4%	5.2%	5.8%
Profit before income taxes	296.2	364.5	353.2	141.2	315.9	124.0	275.0
Net Profit	210.4	271.8	255.7	102.3	226.6	91.2	210.0
ROE	10.9%	12.6%	11.7%	-	9.7%	-	-
(Return On Equity)							
Stockholders' Equity	2,039.6	2,259.3	2,294.1	2,341.2	2,399.9	2,407.9	
(%)	48.9%	53.0%	53.3%	54.9%	55.1%	55.3%	
Debt	352.1	311.4	311.9	302.9	298.4	389.4	
(%)	8.4%	7.3%	7.2%	7.1%	6.9%	-	
Debt excluding lease liabilities					275.9	275.2	
(%)					6.3%	6.3%	
FCF	217.3	62.2	83.7	45.5	29.1	98.7	
(Free Cash Flow)							
Dividend(JPY per share)	27	40	40	14	40	14	
Dividend ratio(%)	27.5%	31.6%	33.6%	29.4%	37.9%	32.9%	

*Mitsubishi Electric adopts International Financial Reporting Standards (IFRS) from FY 2018.

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

*Debt ratio is calculated based on "Debt excluding lease liabilities" that represents bonds and borrowings from FY2019 because IFRS 16 Lease has been applied.

3. Forecast for FY2019 (Segment Forecast)

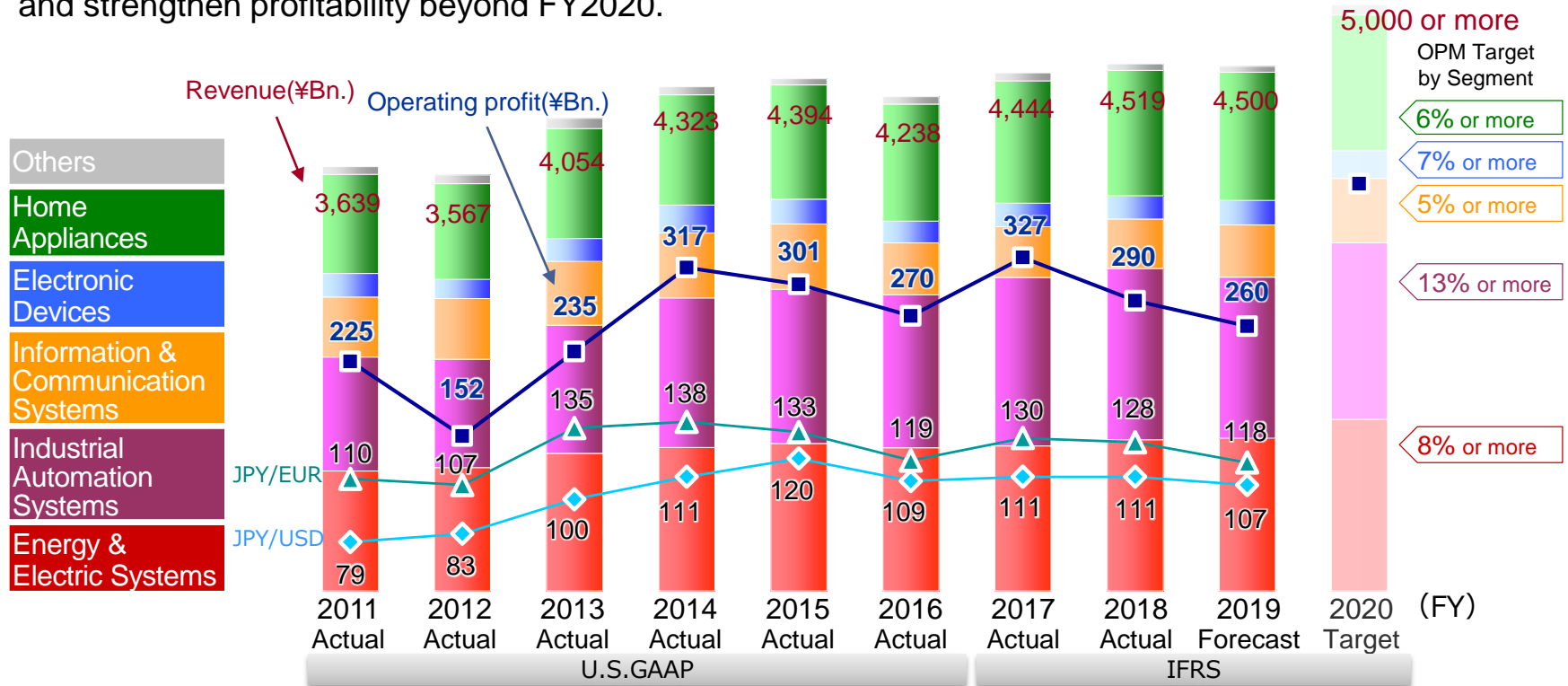
		FY2016	FY2017	FY2017	FY2018	FY2019
		U.S.GAAP		IFRS		
		Actual	Actual	Actual	Actual	Forecast (Oct. 2019)
		109JPY/USD 119JPY/EUR	111JPY/USD 130JPY/EUR	111JPY/USD 130JPY/EUR	111JPY/USD 128JPY/EUR	107JPY/USD 118JPY/EUR
(Billions of JPY)						
Energy & Electric Systems	Revenue	1,227.9	1,241.9	1,253.0	1,296.7	1,310.0
	Operating Profit	44.3	51.7	65.4	82.5	85.0
	(%)	3.6%	4.2%	5.2%	6.4%	6.5%
Industrial Automation Systems	Revenue	1,310.1	1,444.9	1,444.9	1,467.6	1,380.0
	Operating Profit	140.0	190.8	187.3	142.5	87.0
	(%)	10.7%	13.2%	13.0%	9.7%	6.3%
Information & Communication Systems	Revenue	447.7	436.0	438.1	426.2	450.0
	Operating Profit	12.7	11.9	11.3	12.2	19.0
	(%)	2.8%	2.7%	2.6%	2.9%	4.2%
Electronic Devices	Revenue	186.5	202.2	202.2	199.9	210.0
	Operating Profit	8.3	14.5	14.1	1.4	4.0
	(%)	4.5%	7.2%	7.0%	0.7%	1.9%
Home Appliances	Revenue	1,004.4	1,049.3	1,049.3	1,074.0	1,100.0
	Operating Profit	69.6	56.0	55.4	59.4	73.0
	(%)	6.9%	5.3%	5.3%	5.5%	6.6%
Others	Revenue	713.6	764.3	659.0	676.7	670.0
	Operating Profit	23.2	23.9	24.0	24.1	24.0
	(%)	3.3%	3.1%	3.6%	3.6%	3.6%
Total	Revenue	4,238.6	4,431.1	4,444.4	4,519.9	4,500.0
	Operating Profit	270.1	318.6	327.4	290.4	260.0
	(%)	6.4%	7.2%	7.4%	6.4%	5.8%

*Mitsubishi Electric adopts International Financial Reporting Standards (IFRS) from FY 2018.

*Inter-segment sales are included in the above chart.

4. Toward a Higher Level of Growth

In FY2019, the effect of investment in Home Appliances has been produced in Europe, the US and other regions and the profitability in Energy & Electric Systems has been improved by , for example, strengthening project management, whereas both revenue and profit in Industrial Automation Systems are falling short of initial expectations due mainly to a delay in demand recovery. We continue with initiatives to sustain growth and strengthen profitability beyond FY2020.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 Target
OPM (%)	6.2	4.3	5.8	7.3	6.9	6.4	7.4	6.4	5.8	8% or more
ROE (%)	10.3	5.7	10.9	13.9	12.4	10.9	11.7	9.7	10% or more	10% or more
Debt Ratio (%)	16.0	15.9	10.3	9.4	10.0	8.4	7.2	6.9	15% or less	15% or less

Growth Target for FY2020
To Be Continuously and Stably Achieved

*Debt ratio is calculated based on "Debt excluding lease liabilities" that represents bonds and borrowings from FY2019 because IFRS 16 Lease has been applied.

4. Toward a Higher Level of Growth

Maximize investment outcome to sustain further growth beyond FY2020

Japan

Achieve stable growth and greater profitability as a core operating region to drive business expansion

- Power**
 - HVDC^(*1) verification facility (Amagasaki, Nov.2018)
 - Transferred particle therapy system business (Jun.2018)
- Building**
 - Installation training center for elevator (Inazawa, Apr.2019)
 - ZEB^(*2) test facility (Kamakura, Sep.2020)
- Air-Conditioning & Refrigeration**
 - Development engineering/testing facility (Shizuoka, Jun.2019)
- Automotive**
 - New plant and new laboratory for electric powertrain system (Himeji, May 2018, Aug.2019)
- Space**
 - Increased capital in DMP^(*3) (Apr.2019)
 - New plant for satellite (Kamakura, Apr.2020)
- Others**
 - New plant for communication system and network camera system (Koriyama, Oct.2018)

North America/ Europe/ China

Achieve greater competitiveness in current markets while increasing the scale of operations

Major initiatives since FY2018

North America Air-Conditioning & Refrigeration
 • Established a distribution J/V with Ingersoll Rand (US, May 2018)

FA

- Invested in Realtime Robotics, Inc.^(*4) (US, May 2019)
- Acquired ICONICS, Inc.^(*5) (US, Aug.2019)

Europe Automotive

- New plant for electric powertrain system (Czech, Apr.2020)
- Acquired ASTES4 SA^(*6) (Switzerland, Aug.2018)

FA

China FA

- Plant expansion (Dec.2018)

Asia (excl. China)/ Others

Cultivate new markets by developing local business networks

India

Automotive

- New plant (Oct.2021)

Singapore

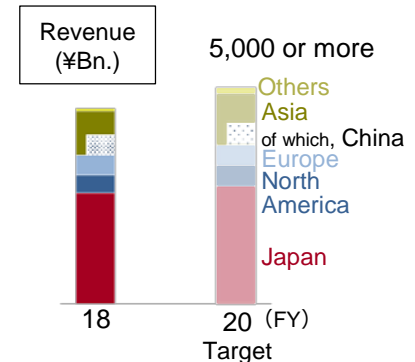
FA

- Invested in Akribis Systems Pte Ltd^(*7) (May 2019)

Philippines

FA

- Established a sales company for FA products (Oct.2019)



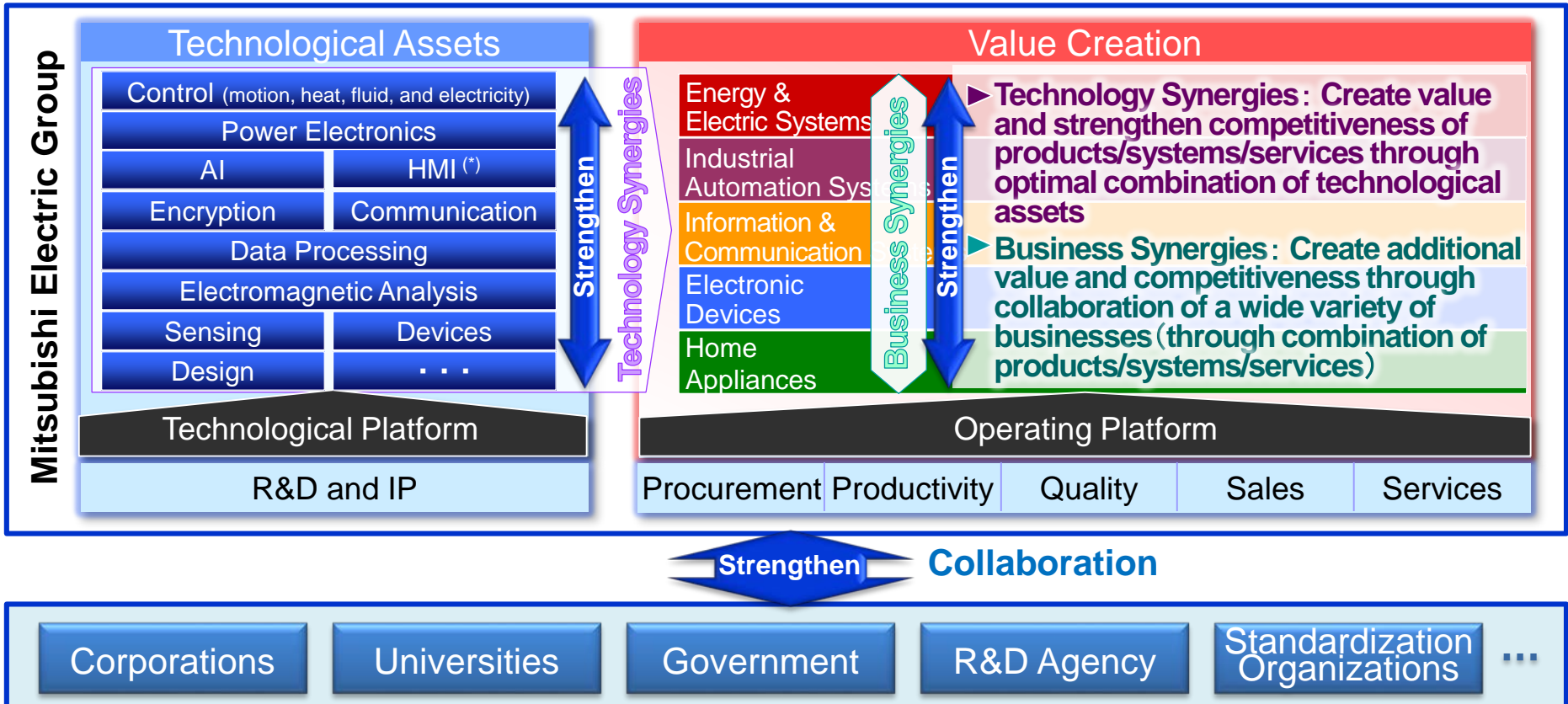
*1 HVDC: High Voltage Direct Current,
 *2 ZEB: net Zero Energy Building
 *3 DMP: Dynamic Map Platform Co., Ltd.
 *4 Realtime Robotics, Inc.: Technology startup that develops motion-planning technologies.
 *5 ICONICS, Inc.: Software company focused on SCADA (Supervisory Control and Data Acquisition, a software used together with programmable logic controllers or other automation products to monitor, or gather data from, productions sites.)
 *6 ASTES4 SA: Company engaged in automated sorting solutions for sheet metal laser processing machines.
 *7 Akribis Systems Pte Ltd: FA equipment manufacturer that manufactures linear stages and other products.

4. Toward a Higher Level of Growth

Strength of the Mitsubishi Electric Group

- A wide range of technological assets such as controls and power electronics
- Activities in diverse businesses with different business features
- “Kaizen” (improvement) culture taking root in every field, including production, quality management, sales, services, etc.

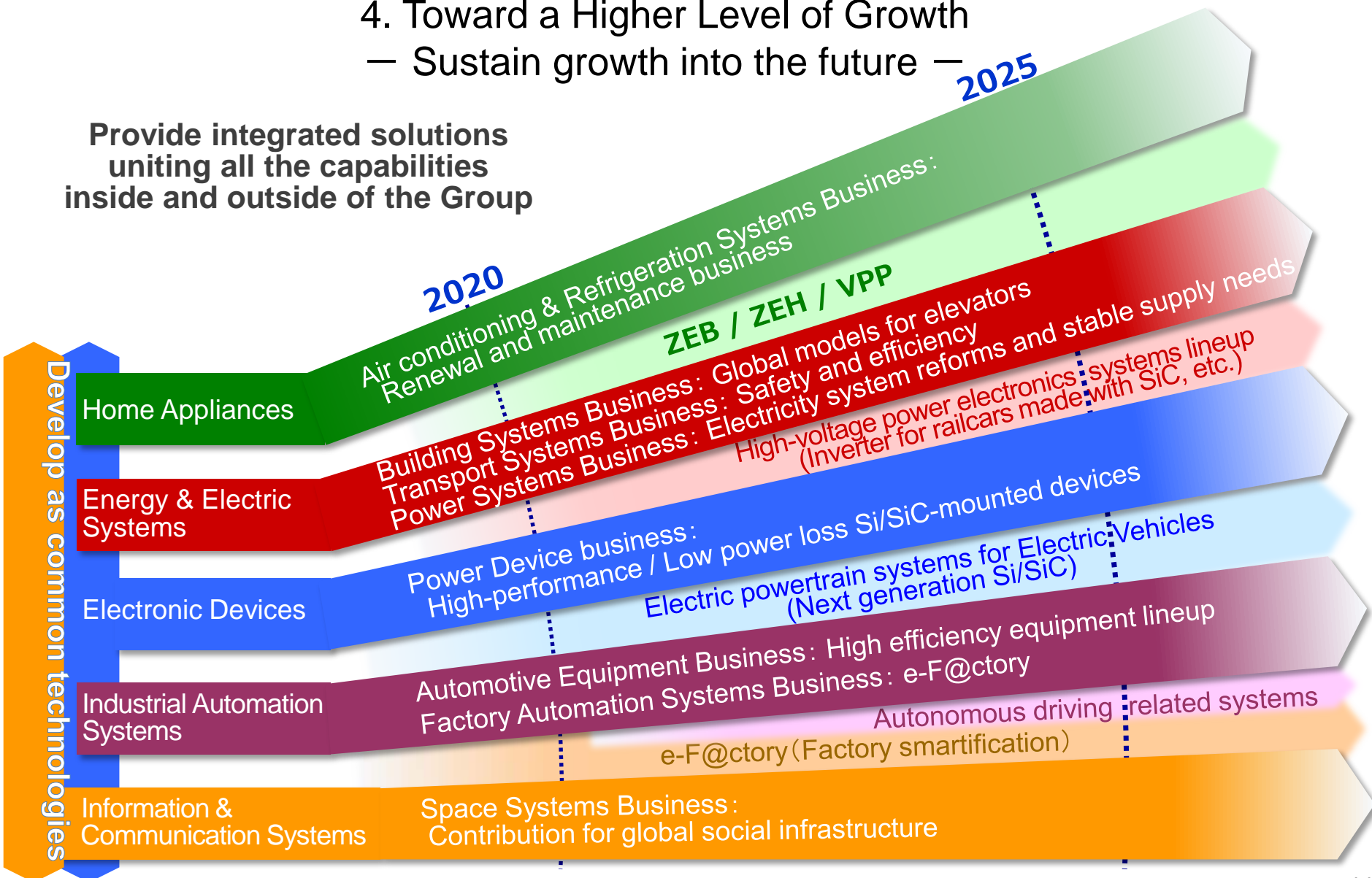
Fully leverage our strength through all forms of collaboration inside and outside of the Group



*HMI: Human Machine Interface

4. Toward a Higher Level of Growth — Sustain growth into the future —

Provide integrated solutions uniting all the capabilities inside and outside of the Group

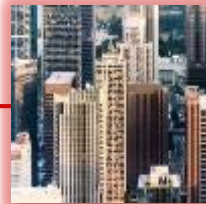


*ZEH: net Zero Energy House, VPP: Virtual Power Plant, Si: Silicon, SiC: Silicon Carbide

5. Growth Drivers

Energy & Electric Systems

- **Power Systems**
Power generation systems,
Transmission & distribution systems,
Power distribution systems, etc.
- **Transportation Systems**
Inverters, main motors and
air conditioning systems for railcars,
Train Vision, Train control and
management systems,
Railcar operation management systems,
Signaling systems, etc.
- **Building Systems**
Elevators, Escalators,
Building management systems, etc.
- **Public Systems**
Water treatment systems,
Disaster prevention systems, etc.



Growth Drivers



Industrial Automation Systems

- **Factory Automation (FA) Systems**
PLCs, AC servomotors,
CNCs, Industrial robots,
Laser processing machines, etc.
- **Automotive Equipment**
Alternators, Starters,
EPS system products,
Car multimedia,
Electric powertrain systems,
Preventive safety / Autonomous driving related products,
etc.

Information & Communication Systems

- **Space Systems**
Satellites, Ground systems for
satellite control, etc.
- **Defense Systems**
Radar equipment, Antennas, etc.
- **Communication Systems**
Optical, wireless and satellite
communications systems, etc.
- **Video Monitoring Systems**
Network camera systems
- **IT Solution**

Electronic Devices

- **Power Devices**
SiC modules, IGBT modules, etc.
- **High Frequency and Optical Devices**
High frequency devices (GaN and
GaAs), Optical devices, etc.
- **TFT LCD Modules**

Home Appliances

- **Air-Conditioning & Refrigeration Systems**
Room and package air conditioners,
Multiple AC units for buildings, Lossnay
ventilation systems, Chillers, etc.
- **Housing Equipment**
Smart appliances, Lighting, HEMS, etc.
- **Kitchen and Other Household Appliances**

*EPS: Electric Power Steering, IGBT: Insulated Gate Bipolar Transistor, GaN: Gallium Nitride,
GaAs: Gallium Arsenide, TFT: Thin Film Transistor, HEMS: Home Energy Management System

5. Growth Drivers

Power Systems Business

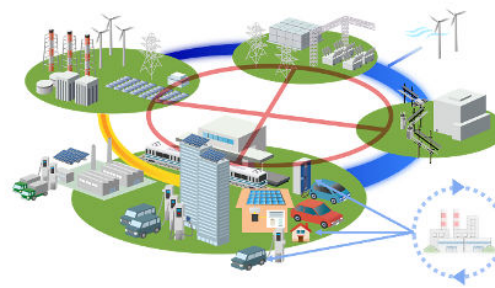
Provide products, systems and services which contribute to stable utilization of electricity and efficient business management for clients

■ **Respond to needs to use energy effectively and stabilize power systems, which have increased with the expansion of renewable energy and distributed energy resources**

- Provide power electronics systems, high capacity energy storage systems, integrally management solution of distributed energy resources(VPP solution)

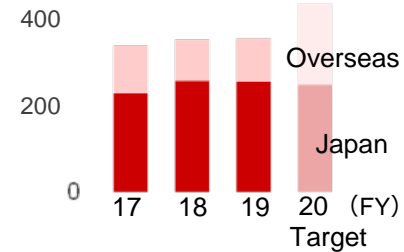
■ **Provide systems which support the electricity system reforms**

■ **Maintain aging products, and respond to needs for replacement into high efficiency products with a shorter construction period**



- Expand introducing new products and systems (Maximize investment outcome)
- Strengthen aftermarket service business (Japan/ Americas / Middle East, etc.)

Revenue(¥Bn.)



Transportation Systems Business

Improve efficiency and safety by leveraging the strength of products and systems which can realize “driving” “braking” and “controlling” in a single company

■ **Improve energy efficiency of railcars and regenerative power during braking**

■ **Safe and efficient train operation using train control which applies wireless technology (CBTC)**

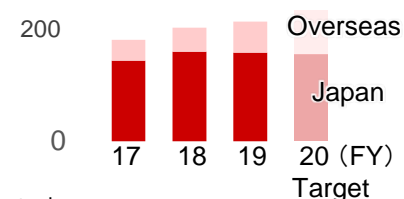
■ **Contribute to improving the utilization of various equipment through managing the product lifecycle of rail car electrical products**

- Launch a system which realizes faster accident responses enabled by visualizing information such as in-service car status and equipment conditions between the train operator and control center.
- Expand renewal/ maintenance/ aftermarket service utilizing the local bases



- Capture demand in Japan/ Europe/ India, etc. (Maximize investment outcome)
- Strengthen aftermarket service business (Europe/ Americas, etc.)

Revenue(¥Bn.)



*CBTC: Communication Based Train Control

5. Growth Drivers

Building Systems Business

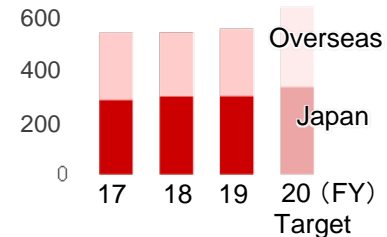
Provide total support from new installation to maintenance, and renewal, through highly safe and reliable products as well as high field engineering capabilities

- **Provide safety and reliability based on a rich track record, and achieve energy-savings by reducing size and weight of product lineup**
- **Reduce operation cost and energy consumption of the total building**
 - Provide a one-stop solution from assisting the ZEB design through to energy saving after operation, and support increasing the value-added of the building
- **Minimize the downtime of elevators during renewal periods**
 - Provide new renewal products which realize “0 days” (less than 24 hours) of continuous downtime for elevators during Construction (Number of units up for renewal by FY2020: c. 90,000 units)
- **Provide premium maintenance services**



- Capture demand in China/ India/ ASEAN, etc. (Maximize investment outcome)
- Strengthen aftermarket service business (Japan/China, etc.)

Revenue(¥Bn.)



Air-Conditioning & Refrigeration Systems Business

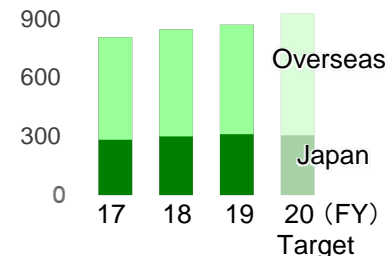
Offer renewal and maintenance solutions which meet the needs of each region through high functionality/high efficiency devices and advanced control technologies

- **Respond closely to the needs of different regions**
 - Respond to the broad range of needs from room air-conditioning to large size air-conditioning and refrigeration systems including chillers, through MEHITS (formerly: DeLclima)
 - Promote local production for local consumption through strengthening the global production system
- **Develop renewal and maintenance business**
 - Accelerate solution service proposals by collaborating with the Building Systems Business
 - Strengthen the system to make proposals for equipment operation systems and remote management services
- **Respond to environmental and energy-saving regulations, and lower environmental burden**
 - Renew into new refrigerant air conditioners in short construction periods by utilizing the existing piping (Replacement models)
 - Adopt technologies such as all-SiC DIIPM mounting, aluminum flat tube heat exchanger, and high efficiency compressors



- Capture demand in North America/ Europe/ China, etc. (Maximize investment outcome)
- Maximize synergies with MEHITS

Revenue(¥Bn.)



*MEHITS: Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A.,
DIIPM: Dual Inline Package Intelligent Power Module

5. Growth Drivers

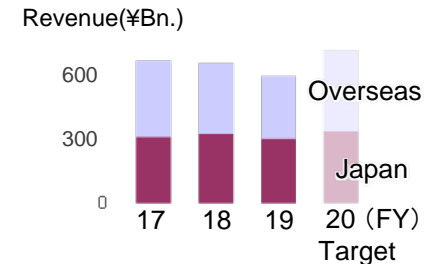
Factory Automation (FA) Systems Business

Contribute to the smartification of factories by further evolving the 『e-F@ctory』

- **Strengthen 『e-F@ctory』 supporting products / solutions**
 - Launch FA products compatible with " CC-Link IE TSN" that enable integration of Information communications and machine control on one network.
 - Launch "MELSERVO-J5", the new general purpose AC servo system which contributes to increased productivity by one of industry's highest performance and cutting edge predictive maintenance
- **Establish systems to strengthen production and stabilize supply**
 - Strengthen production capacity (servo, inverter)
 - Expansion of production bases (Japan/China/India)



- Promote e-F@ctory
- Capture demand in China/ India/ ASEAN, etc. (Maximize investment outcome)



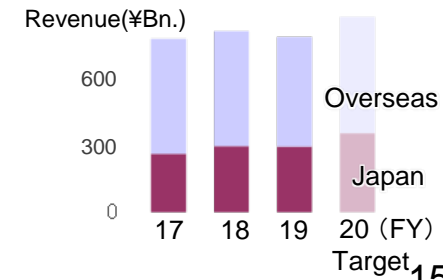
Automotive Equipment Business

Realize environment-friendliness, safety and security, and comfort by coordinating and integrating a wide range of high efficiency equipment, including electric powertrain systems, and advanced control technology

- **Reduce environmental burden and Improve fuel mileage**
 - Contribute to lowering environmental burden and improving fuel efficiency by globally supplying diverse high efficiency equipment groups and providing electric powertrain systems
- **Improve comfort during driving**
 - Contribute to further improving comfort through next-generation information equipment which integrates entertainment/ navigation/ connectivity/ driver assistance functions
- **Realize a safe and comfortable autonomous driving**
 - Contribute to realizing an autonomous driving society by connecting and integrating existing products and system control technology, and by strengthening collaboration with communication technology/ infrastructure businesses with the view of advanced driving support



- Expand global supply of high efficiency equipment (Maximize investment outcome)
- Expand equipment for electric vehicles
- Expand preventive safety / Autonomous driving related businesses



5. Growth Drivers

Space Systems Business

Contribute to building a global social infrastructure through satellite systems products across various areas

- **Contribute to the prevention of global warming, enhanced monitoring of climatic phenomena and global environment, understanding of disaster situations, and the prevention of disasters (observational satellites)**

- Development of “Ibuki-2” to improve the measurement accuracy of green house gas concentration distribution
- Promote solution-based business utilizing observational satellite data

- **Offer high-precision positioning Information (positioning satellites)**

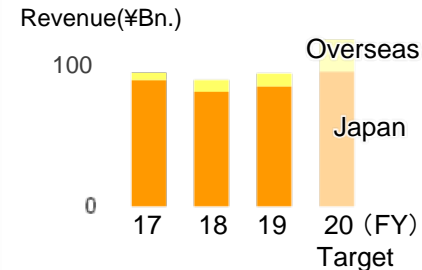
- Start of service by quasi-zenith satellite system “Michibiki”

- **Advance communications/ broadcasting infrastructure in various regions (communication satellites)**

- Development of “TURKSAT-4A/ 4B” for TURKSAT (Turkey) and “Es’hail 2” for Es’hailSAT (Qatar)



- Capture satellite systems demand in Japan and overseas (Maximize investment outcome)
- Expand high-precision positioning related businesses (autonomous driving, etc.)



Power Devices Business

Provide key devices for energy-savings based on the most advanced power semiconductor technology by anticipating the needs of customers

- **Increase the value and competitiveness of customer’s products**

- Supply low power loss 7th generation IGBT devices which enable energy-savings and improve product performance

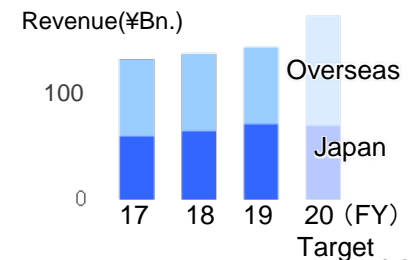
- **Realize low electricity consumption**

- Develop and supply low power loss SiC mounted devices

Power Device for Automobiles



- Expand launching 7th generation IGBT modules and SiC modules



Railcars

Make the inverter for railcars compact and lighter, ensure lower losses and high reliability

Automobiles

Make inverters compact, expand interior spaces, improve fuel mileage

Home Appliances

Further energy-savings, compact refrigerating systems, flattening and miniaturizing devices

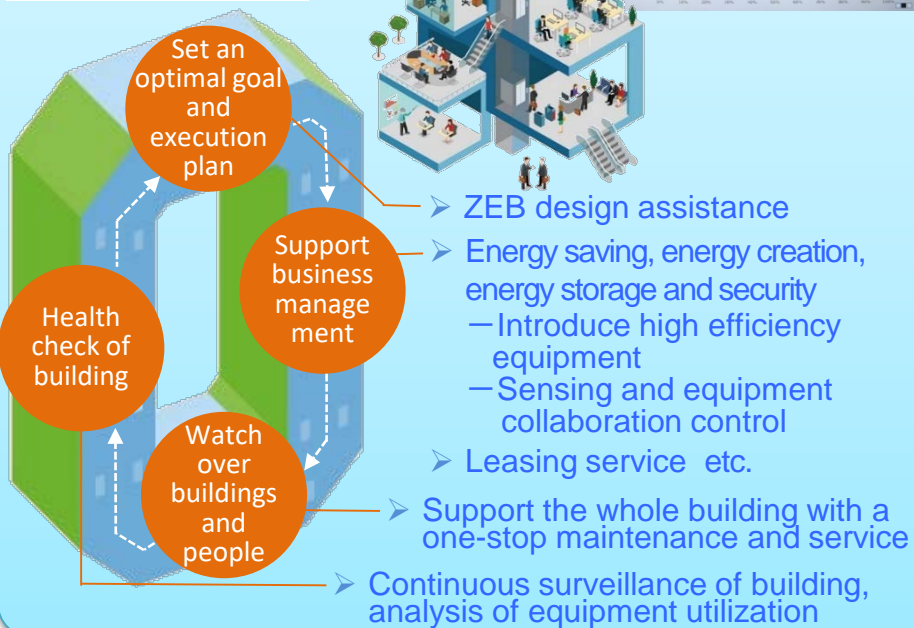
Industrial

Improve productivity of machine tools by enabling high-torque, high speed, high function

6. Technology Synergies and Business Synergies — Energy-saving ,safety, security and comfort for buildings —

Provide a one-stop solution: from ZEB design assistance to providing the actual products, systems and services for air-conditioning, ventilation, lighting, water heaters, elevators, power distribution, solar power, security, BEMS, and O&M, etc.

ゼロエネルギーのその先へ。三菱電機
ZEB+
ゼブプラス
net Zero Energy Building

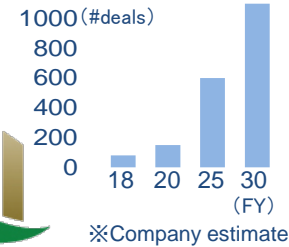


■ MOE* subsidy adoption results as a ZEB planner in FY2019

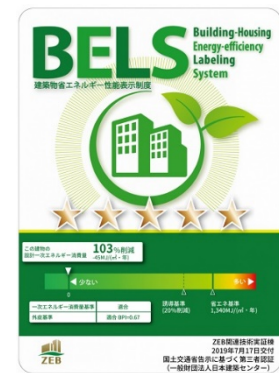
- 9 projects (100% adopted)
Supporting for multiple projects.



ZEB deals
Market size projection (Japan)



■ Drive technological development via “ZEB+®” * concept that contributes to more convenient office environments



Construct Net Zero Energy Building Test Facility with the aim to combine superior energy saving and comfort. (Kamakura, start operation in Sep.2020)

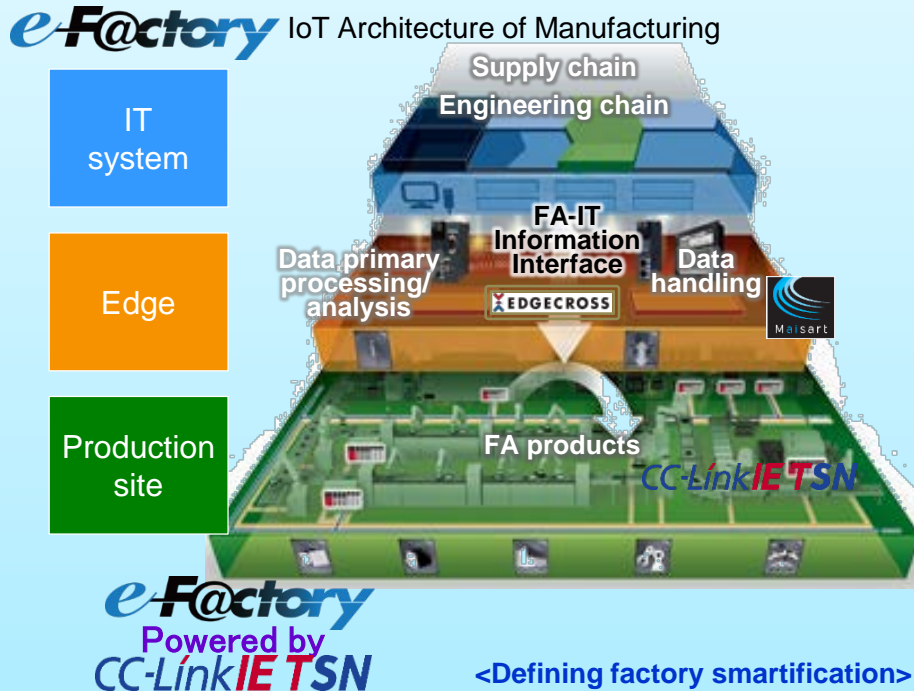
Received “ZEB” certification, the highest ranking of BELS*

*MOE: Ministry of the Environment, *ZEB+®(ZEB Plus)”: a concept proposed by Mitsubishi Electric which is upgrading building over lifecycles for productivity, comfort, convenience and business continuity as well as ZEB *BELS: Building-Housing Energy-efficiency Labeling System

6. Technology Synergies and Business Synergies

— Strengthening competitiveness of manufacturing through IoT —

Contribute to the acceleration of factory smartification by further evolution of **e-F@ctory** which incorporates TSN(*) technology



- ① Flexible system architecture
- ② High-speed, high-accuracy motion control communication
- ③ Easier engineering and maintenance

- ① Updating Production facilities
- ② Improvement of productivity and quality
- ③ Increased efficiency of equipment and facility operations

■ Launching CC-Link IE TSN compatible products

Sequencer, Servo, Robot, Indicator, Inverter, CNC etc. (May 2019~)



■ "Real-time Data Analyzer"- Data analysis/diagnosis software utilizing AI

Assist preventive maintenance/ quality management in the manufacturing field. Rolling out "data analysis services"





■ Expanding e-F@ctory Alliance activities

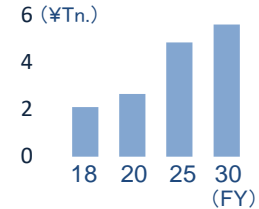
Launched e-F@ctory Alliance group
Thailand : Feb. 2019
Singapore : Apr. 2019
India : Jun. 2019



<Partner Alliances>* Mar. 2018 → Sep. 2019

	No. of Participating companies	c.610 → c.750
	No. of Participating companies	c.3,300 → c.3,720
	No. of connected products	c.1,800 → c.2,000

Market expectation of Intelligent Production



*Company estimate based on Fuji Keizai Co., Ltd data

*TSN: Time Sensitive Networking (next-generation technology for Ethernet).

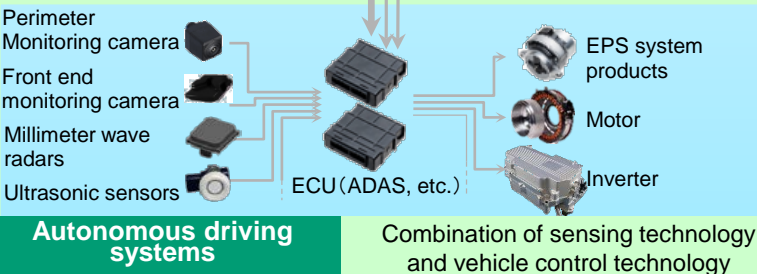
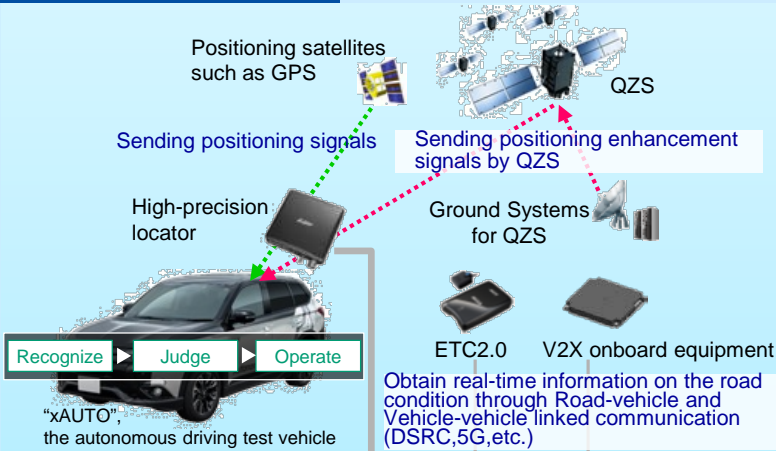
CC-Link IE TSN enables integration of machine control and information communications through the time sharing method.

6. Technology Synergies and Business Synergies — Safe, secure and comfortable autonomous driving society —

Contribute to realizing a safe and comfortable autonomous driving society from both “autonomous driving systems” and “vehicle-infrastructure cooperative systems”

Vehicle-Infrastructure Cooperative systems

Utilizing information infrastructure such as QZS and ITS



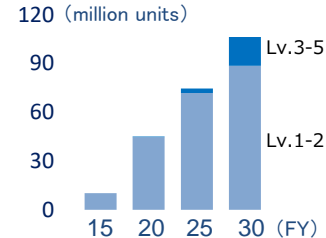
*QZS: Quasi-Zenith Satellites, Unit, Communication, ITS: Intelligent Transport Systems, V2X: Vehicle to X, DSRC: Dedicated Short Range, ECU: Electronic Control, ADAS: Advanced Driver Assistance System, 5GAA: 5G Automotive Association, Sapcorda Services: joint venture established with Bosch, Geo++, and u-blox (Aug.2017)

■ Demonstration experiment for autonomous driving

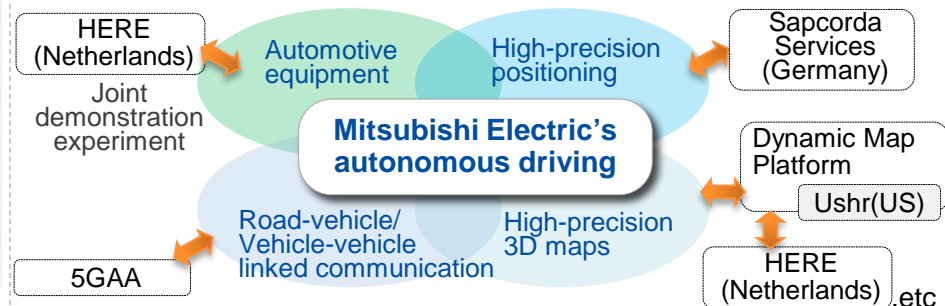


- Demonstration experiment for high reliability/ low latency cellular V2X system in anticipation of 5G communication technology (Apr.2019~)
- Public road test for autonomous driving vehicles utilizing high-precision positioning (Aug.2018~)

Outlook on market size for autonomous driving systems



Relationship of Mitsubishi Electric's autonomous driving related technologies and major business development partners



Through cooperation with partners in and outside Japan, promote strengthening of competitiveness, global expansion, and standardization

6. Technology Synergies and Business Synergies

— Further expanding Mitsubishi Electric AI technology “Maisart” —

Compact AI which is our original technology promote the wider applicability of AI in diverse business

Mitsubishi Electric
AI technology
“Maisart”



Deep Learning

Compact algorithm
Implement high level AI for all equipment

Reinforcement Learning

Implement our AI in a short period of time
by speedy learning

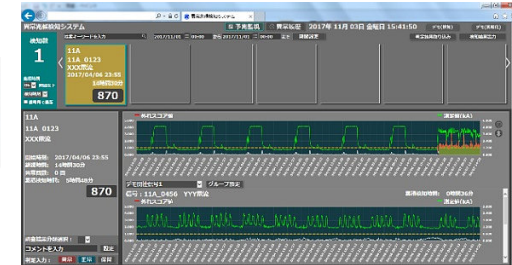
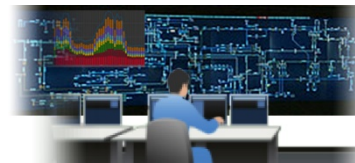
Big data analysis

Efficiently analyze large volumes of data with
limited amount of computation

Maisart : Mitsubishi Electric's **AI** creates the **State-of-the-ART** in technology

■ Anomaly Detection System

Prevent facility anomalies and support continuous plant operations

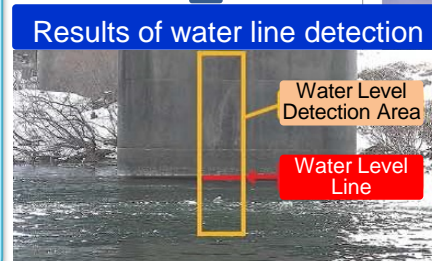
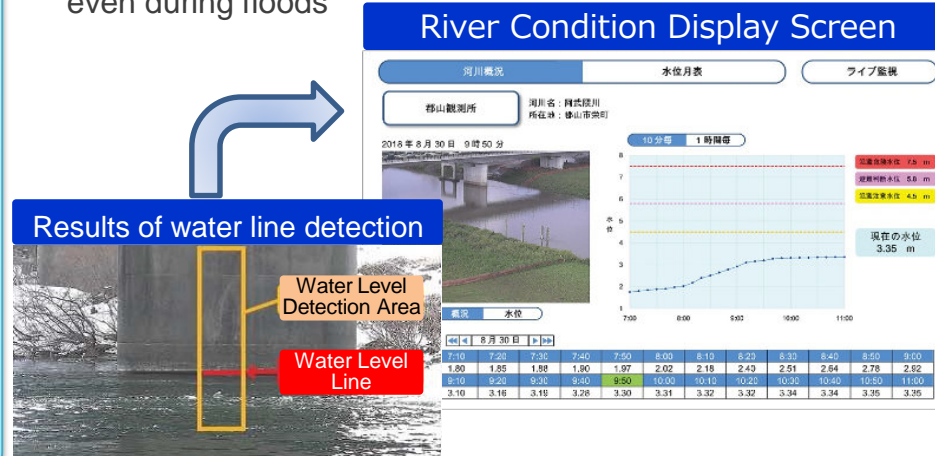


*Being evaluated for a domestic electric power company's thermal power plants

■ Water Level Measurement Imaging Device

”Field Edge®”

Can stably measure water levels and provide information even during floods



*Received the “2018 R&D100 Awards” (organized by US R&D Magazine)

7. For Sustainable Growth — Research and Development —

Create further value through **Technology Synergies** and **Business Synergies**, and develop future technologies in a well-balanced way from a short, medium, and long-term perspective, while working to thoroughly strengthen existing businesses and conducting development for innovation.



Life Lighting technology simulating the blue sky

Provides enhanced comfort of houses and buildings



Blue sky lighting prototype product



Sample application



Industry Dot forming technology for high-precision 3D metal shaping

Enables low-cost, mass-custom production for diverse needs



Consecutive forming (conventional)

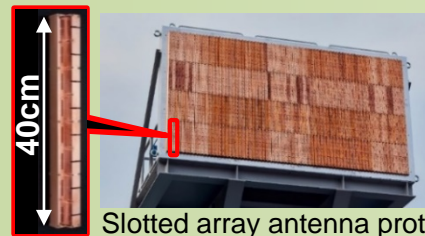


Dot forming (new)



Infrastructure Injection-molded-resin slotted waveguide array antenna ^{(*)1}

Realizes light weight and low-cost in anticipation of the large-volume, high-speed communication era



Slotted array antenna prototype

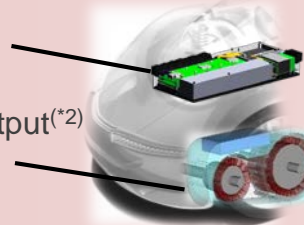


Mobility Power unit motors for hybrid vehicles

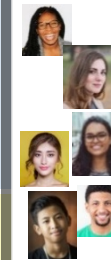
Contributes to the environment (increased fuel efficiency) and comfort (expanded vehicle cabin space)

World's top power density^{(*)2} power unit

World's top class output^{(*)2} power density motor



Common Technologies



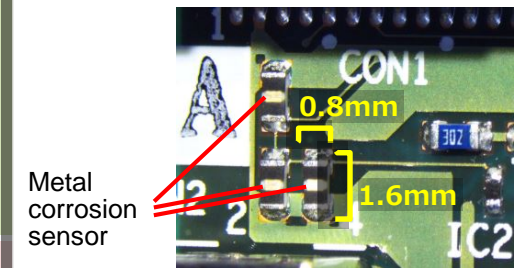
- Language recognition
- Content recognition of spoken language



こんにちは
Guten Tag
Hello
Hola
Bonjour
你好...

Seamless Speech Recognition Technology

Simultaneously recognize which language and spoken content without preconfigured settings



Metal corrosion sensor

“Metal Corrosion Sensor” Designed for Mounting on Printed Circuit Boards

Detects metal corrosion caused by exposure to the atmosphere

*1 Part of the R&D was implemented with subsidies from Japan Science and Technology Agency's Adaptable and Seamless Technology transfer Program(A-STEP)

*2 According to Company research

7. For Sustainable Growth — Intellectual property activities —

Protect technology based business advantages through patents over the medium and long term, and actively pursue intellectual property activities worldwide

Patent PCT application ranking **#2** globally
World Intellectual Property Organization (WIPO) Top among Japanese companies

Design registration numbers ranking **#2** in Japan
Japan Patent Office (JPO)

Patent registration numbers ranking **#1** in Japan
Japan Patent Office (JPO)

Patent asset size ranking (all industries) **#1** in Japan
Patent Result Co., Ltd.

*Statistics of WIPO/ JPO: Jan.1- Dec.31, 2018,

*Statistics of Patent Result: Apr.1, 2017- Mar.31, 2018

“Awards for a good-standing company Utilizing the Intellectual Property Rights System”

in the FY2019 Intellectual Property Achievement Award of the Japan Patent Office

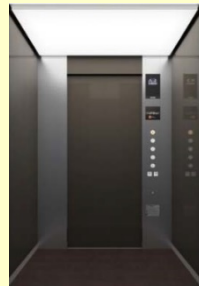
(Award from the Minister of Economy, Trade and Industry)

- Acknowledges the company’s overall intellectual property rights activities which effectively utilizes the Design rights Protection system

Examples



User-friendly (including children) Open-side design hand dryer



Universal design elevator which provides a comfortable moving space

“FY2018 National Invention Award”

[Invention Award]

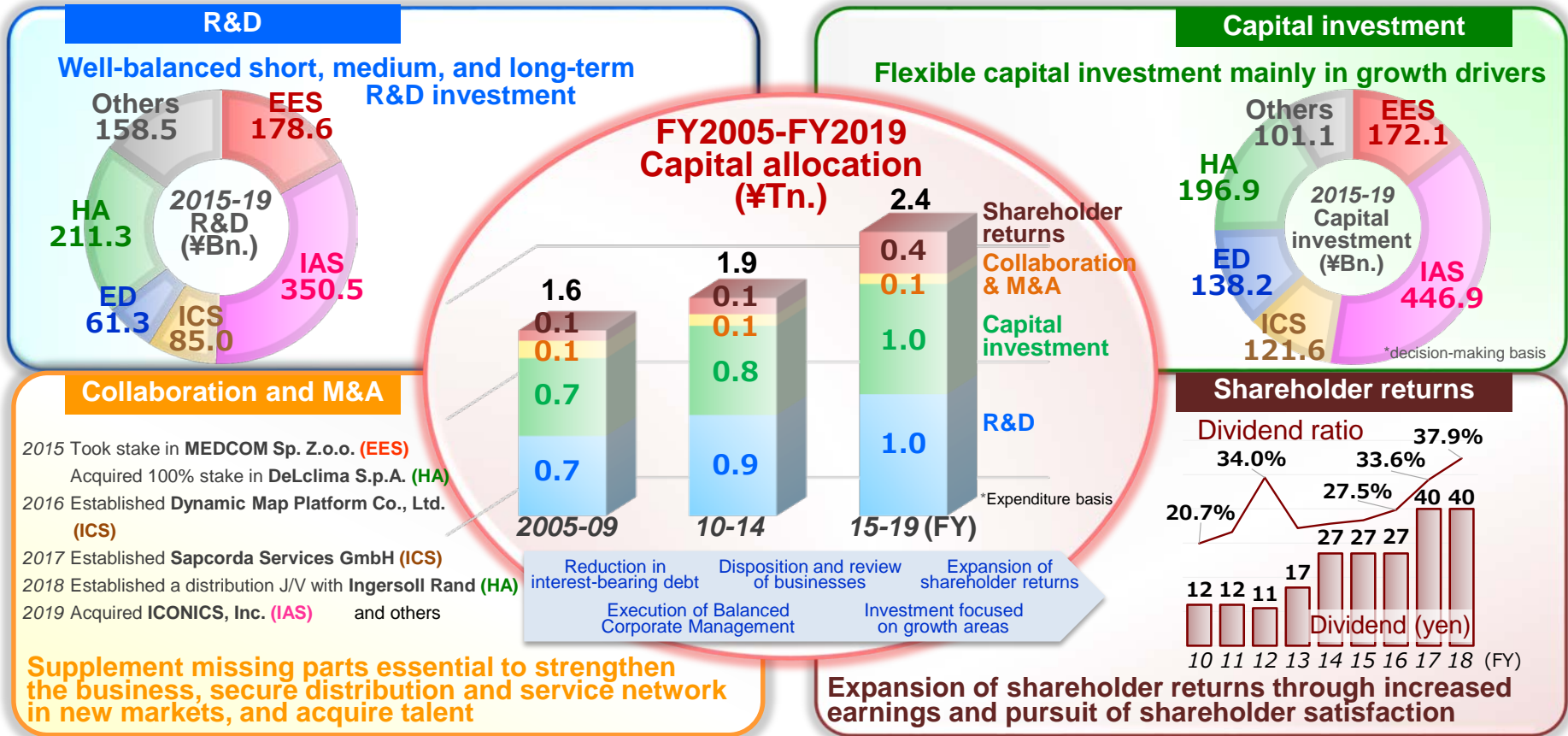
Interior design-oriented air conditioner design

- No front-side vent – our original design
- Flat and square shaped – a completely new design for air conditioners
- World’s top-class energy efficiency and flatness of design

“Kirigamine FL series”- air conditioner providing stylish design and comfortable space



7. For Sustainable Growth – Trends in capital allocation and future direction –

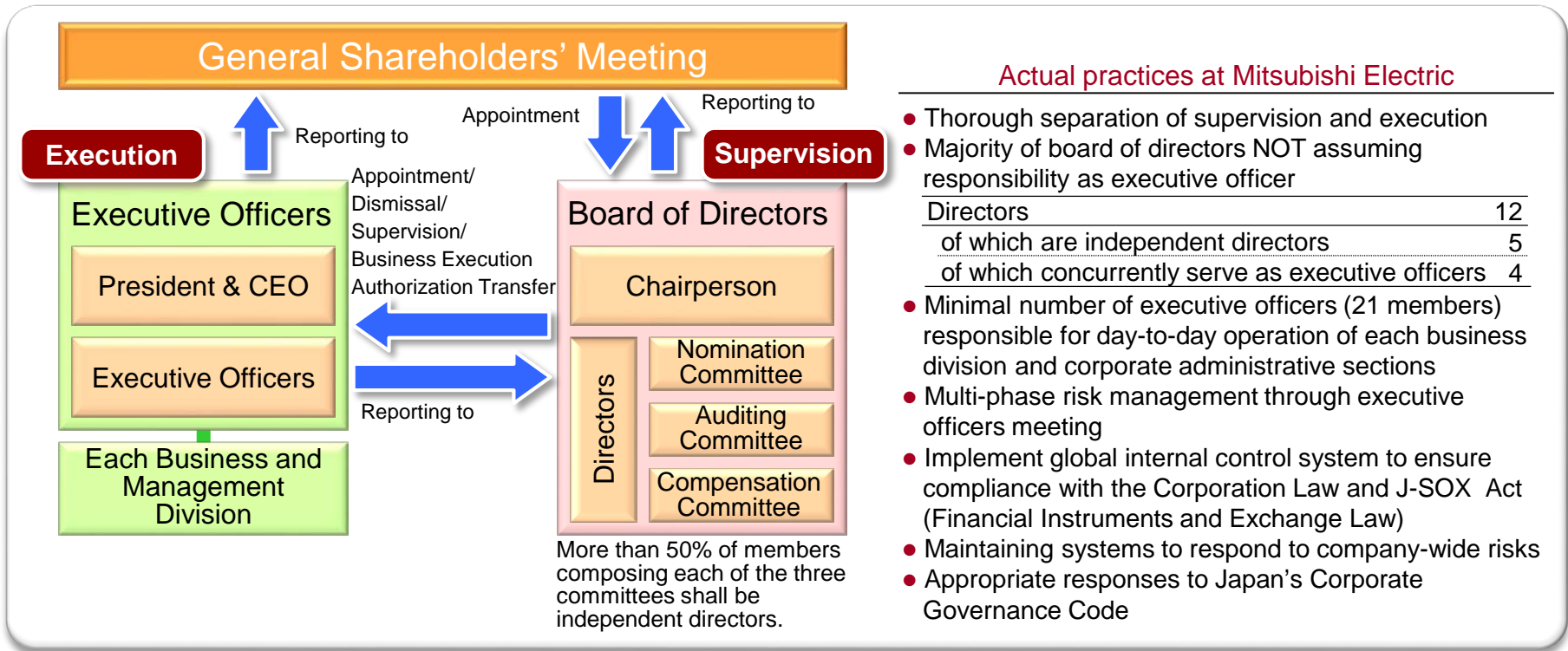


Future Direction

- ✓ **Investments for growth:** Promote strategic investment contributing to strengthening the business foundation and all forms of collaboration inside and outside of the Group, while establishing a well-balanced business portfolio and enhancing investment efficiency to provide integrated solutions to address diversifying social challenges.
- ✓ **Shareholder returns:** Our basic policy is to stably pay dividends in line with earnings growth. Buyback is flexibly conducted as a measure to supplement dividend for further shareholder returns after considering financial discipline and the state of internal reserves for growth investment. We will work to comprehensively increase shareholder interest.

7. For Sustainable Growth — Corporate Governance —

In June 2003, Mitsubishi Electric became a company with a committee system (currently: nomination committee system company) and separated the supervisory and executive functions of management, to further continue with the promoting flexibility of operations and transparency of management



Appropriate response to revisions of legislation and other external factors

Appropriate disclosure to shareholders and other stakeholders

Changes for the Better

Cautionary Statements

The expectation of operating results herein and any associated statement to be made orally with respect to the Company's current plans, estimates, strategies and beliefs, and any other statements that are not historical facts are forward-looking statements. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimated," "targeted," along with any variations of these words and similar expressions are intended to identify forward-looking statements that include but are not limited to projections of revenues, earnings, performance and production. While the statements herein are based on certain assumptions and premises that the Company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that actual operating results are subject to change due to any of the factors as contemplated hereunder and/or any additional factor unforeseeable as of the date of this announcement.

Such factors materially affecting the expectations expressed herein shall include but are not limited to the following. As such, additional factors may arise at any given time.

1. Any change in worldwide economic and social conditions, as well as laws, regulations, taxation and other legislation
2. Changes in foreign currency exchange rates, especially JPY/dollar rates
3. Changes in stock markets, especially in Japan
4. Changes in balance of supply and demand of products that may affect prices and volume, as well as material procurement conditions
5. Changes in the ability to fund raising, especially in Japan
6. Uncertainties relating to patents, licenses and other intellectual property, including disputes involving patent infringement
7. New environmental regulations or the arising of environmental issues
8. Defects in products or services
9. Litigation and legal proceedings brought and contemplated against the Company or its subsidiaries and affiliates that may adversely affect operations or finances
10. Technological change, the development of products using new technology, manufacturing and time-to-market
11. Business restructuring
12. Incidents related to information security
13. Large-scale disasters including earthquakes, typhoons, tsunami, fires and others
14. Social or political upheaval caused by terrorism, war, pandemic by new strains of influenza and other diseases, or other factors

