



[Translation]

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# Quarterly Report

The Third Quarter of 152nd Business Term  
From October 1, 2022 to December 31, 2022

Mitsubishi Electric Corporation

7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo

The Third Quarter of 152nd Business Term (from October 1, 2022 to December 31, 2022)

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# Quarterly Report

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This is an English translation of the Quarterly Report (“Shihanki Hokokusho”) pursuant to Article 24-4-7, paragraph 1 of the Financial Instruments and Exchange Act of Japan filed via the Electronic Disclosure for Investors’ Network (“EDINET”) system as set forth in Article 27-30-2 of the same Act. The translation includes a table of contents and pagination that are not included in the electronic filing.

Mitsubishi Electric Corporation

# Table of Contents

	Page
Cover	1
I. Overview of the Company	2
1. Key Financial Data	2
2. Description of Business	3
II. Business Overview	4
1. Business and Other Risks	4
2. Management Analysis of Financial Position, Operating Results and Cash Flows	4
3. Material Agreements, etc.	10
III. Information on the Company	11
1. Information on the Company's Stock, etc.	11
(1) Total number of shares, etc.	11
(2) Information on the stock acquisition rights, etc.	11
(3) Information on moving strike convertible bonds, etc.	11
(4) Changes in the total number of issued shares and the amount of common stock, etc.	11
(5) Principal shareholders	11
(6) Information on voting rights	12
2. Directors and Executive Officers	13
IV. Financial Information	14
1. Condensed Quarterly Consolidated Financial Statements	15
(1) Condensed Quarterly Consolidated Statement of Financial Position	15
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income	17
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	21
(4) Condensed Quarterly Consolidated Statement of Cash Flows	22
2. Other	32

## [Cover]

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### 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

# I. Overview of the Company

## 1. Key Financial Data

(Millions of yen, unless otherwise stated)

	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022	Year ended Mar. 31, 2022
Revenue	3,181,263	3,565,237	4,476,758
[For the three months ended December 31, 2021 and 2022, respectively]	[1,042,886]	[1,225,670]	
Profit before income taxes	207,232	189,070	279,693
Net profit attributable to Mitsubishi Electric Corp. stockholders	148,465	139,343	203,482
[For the three months ended December 31, 2021 and 2022, respectively]	[43,629]	[64,518]	
Comprehensive income attributable to Mitsubishi Electric Corp. stockholders	175,155	183,335	356,926
Mitsubishi Electric Corp. stockholders' equity	2,811,568	3,073,851	2,975,941
Total equity	2,927,772	3,194,874	3,097,397
Total assets	4,735,432	5,306,566	5,107,973
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	69.44	65.98	95.41
[For the three months ended December 31, 2021 and 2022, respectively]	[20.48]	[30.56]	
Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	69.44	65.98	95.41
Mitsubishi Electric Corp. stockholders' equity ratio (%)	59.4	57.9	58.3
Cash flows from operating activities	117,144	(31,742)	282,371
Cash flows from investing activities	(72,279)	(125,864)	(114,867)
Cash flows from financing activities	(191,464)	839	(241,319)
Cash and cash equivalents at end of period	632,126	585,515	727,179

Notes: 1. The condensed quarterly consolidated financial statements and the consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”).

2. As the Group prepares the condensed quarterly consolidated financial statements, the key financial data of the Company is not provided.

3. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders as no dilutive securities existed.

## 2. Description of Business

The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group are prepared in accordance with IFRS. The Mitsubishi Electric Group, which is composed of the Company, 210 consolidated subsidiaries and 40 equity method companies, engages in 5 business segments (Infrastructure, Industry and Mobility, Life, Business Platform, Others) and our products range from all types.

The classification of reportable segments was changed from 6 categories such as Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, and Others to the above-noted 5 categories from the first quarter of this fiscal year. Details are described in “IV. Financial Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes 5. Segment information.”

Changes in major subsidiaries and affiliated companies during the nine months ended December 31, 2022 were as follows.

(Industry and Mobility)

Melco Mobility Solutions Corporation has merged with Ryowa Corporation and Melco Automotive Solution Corporation, and become a consolidated subsidiary of the Company as of October 1, 2022.

(Life)

Mitsubishi Electric Building Techno-Service Co., Ltd. has succeeded building systems business of the Company, and changed its company name to Mitsubishi Electric Building Solutions Corporation as of April 1, 2022.

(Others)

Mitsubishi Space Software Co., Ltd. has merged with Mitsubishi Electric Control Software Corporation, Mitsubishi Electric Micro-Computer Application Software Co., Ltd., Mitsubishi Electric Mechatronics Software Corporation, Melco Power Systems Co., Ltd., and Nippon Advanced Technology Co., Ltd., and changed its company name to Mitsubishi Electric Software Corporation as of April 1, 2022.

Chiyoda Mitsubishi Electric Co., Ltd., a comprehensive sales company, has merged with Seikosha Co., Ltd., and changed its company name to Mitsubishi Electric Industrial Solutions Corporation as of April 1, 2022.

## II. Business Overview

### 1. Business and Other Risks

For the nine months ended December 31, 2022, there were no new business and other risks such as unusual fluctuations in the financial position, operating results, and cash flows.

For the nine months ended December 31, 2022, the followings are the changes in the Business and Other Risks stated in the Annual Securities Report for the fiscal year ended March 31, 2022, and the relevant changes and additions are underlined.

The item numbers correspond to “Part I Information on the Company, II. Business Overview, 2. Business and Other Risks” in the Annual Securities Report for the fiscal year ended March 31, 2022.

#### 1) Impact of improper quality control practices on the Group’s performance

An internal investigation revealed that the inspections of some of the HVAC (Heating, Ventilation and Air Conditioning systems) and other products for railcars manufactured at Nagasaki Works were conducted in a different way from the inspections described in the purchase specification, had not been actually conducted, and had inappropriate documentation in the inspection reports, etc. Following this, the Company has set up the Investigative Committee (chaired by Hiroshi Kimeda, Nishimura & Asahi, announced July 2, 2021) to investigate the existence of improper quality control practices on a company-wide basis, the facts and causes of the improper practices, and based on the findings of the investigation, to formulate measures to prevent any recurrence, etc.

The committee had identified 2,362 cases necessarily to investigate in total and it had finished all the investigations across Mitsubishi Electric’s 22 sites in Japan by objective data and other information obtained through a questionnaire survey for all domestic employees of the Company, conducting forensic investigations into parties at the relevant sites and officers and carrying out interviews and inquiries with relevant parties.

In the course of these investigations, the Company received investigation reports from the Investigative Committee on October 1, 2021, December 23, 2021, May 25, 2022, and October 20, 2022, regarding the status of the investigation as of each of these dates. The Group has recorded significant inspection and replacement costs, etc. in relation to the improper quality control practices identified until December 31, 2022 in the current fiscal year, including those described in the final report dated October 20, 2022.

This situation as well as the findings and recommendations of the Investigation and Governance Review Committees have been taken very seriously by the Company. Going forward, the Company has been striving to emerge as a new company by working to prevent any recurrence across the entire Group as well as by implementing three key reforms (quality assurance, organization culture, and governance) to regain public and stakeholder trust. The Company’s management has been demonstrating its earnestness to employees by fundamentally overhauling existing internal-communication practices and taking responsibility for getting involved in efforts to correct issues at the workplace level. At the same time, the Company’s management has been resolutely forging ahead with efforts to institute company-wide systems, frameworks and other reforms needed to eradicate any improper quality-control practices.

Forward-looking statements in this section are based on the judgment of the Company as of the date of submission of the Quarterly Report (February 10, 2023).

### 2. Management Analysis of Financial Position, Operating Results and Cash Flows

The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group are prepared in accordance with IFRS. The Group makes judgments, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses in preparation of the condensed quarterly consolidated financial statements, and actual results may differ from these estimates.

#### (1) Overview of business performance

The economy in the nine months ended December 31, 2022, generally continued to see recovery in the corporate and household sectors in the U.S. In China, there was downward pressure due to the impact of lockdown and intermittent movement restrictions caused by the expansion of COVID-19. In Japan, gradual recovery continued primarily in the household sector. In Europe, the paces of recovery were even slower in the corporate and household sectors. There was also the impact of the rise in some material prices, high logistics costs and the prolonged electronic components shortage.

As a result, the business performance for the nine months ended December 31, 2022 is as follows.

## &lt; Consolidated Performance &gt;

(In billions of yen)

	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022	Compared to the same period of the previous fiscal year
Revenue	3,181.2	3,565.2	up 383.9
Operating profit	190.1	163.2	down 26.9
Profit before income taxes	207.2	189.0	down 18.1
Net profit attributable to Mitsubishi Electric Corp. stockholders	148.4	139.3	down 9.1

## 1) Revenue

Revenue for the nine months ended December 31, 2022 increased by 383.9 billion yen year-on-year to 3,565.2 billion yen owing primarily to the weaker yen. The Life segment saw an increase in the building systems business in Asia and Japan, and the air conditioning systems & home products business also increased due mainly to a recovery in demand for air conditioners in Europe, North America and Japan. The Industry and Mobility segment saw an increase in the factory automation systems business due mainly to an increase in demand for capital expenditures related to products in the decarbonization area. The automotive equipment business also increased due to robust demand for electric vehicle-related equipment. The Business Platform segment saw an increase in the information systems & network service business due mainly to increases in the system integrations and the IT infrastructure service businesses. The semiconductor & devices business also increased due to robust demand for power modules and optical communication devices. The Infrastructure segment saw the public utility systems and the energy systems businesses remaining substantially unchanged year-on-year, while the defense & space systems business saw an increase in the defense systems business.

## &lt; Impact of exchange rate fluctuations on revenue &gt;

	Average exchange rate for the nine months ended Dec. 31, 2021	Average exchange rate for the nine months ended Dec. 31, 2022	Impact of exchange rate fluctuations on revenue for the nine months ended Dec. 31, 2022
Consolidated total	—	—	About ¥212.0 billion increase
US\$	¥111	¥137	About ¥94.0 billion increase
EURO	¥131	¥141	About ¥25.0 billion increase
CNY	¥17.4	¥19.8	About ¥39.0 billion increase

## 2) Operating profit

Operating profit decreased by 26.9 billion yen year-on-year to 163.2 billion yen due mainly to decreases in the Infrastructure segment, the Life segment, and the Industry and Mobility segment, despite an increase in the Business Platform segment. Operating profit ratio decreased by 1.4 points year-on-year to 4.6% due mainly to deteriorated cost ratio.

The cost ratio deteriorated by 1.3 points year-on-year as there was the impact of the rise in some material prices and the deteriorated profitability of the Infrastructure segment, despite the improvement owing to the weaker yen and price hike. Selling, general and administrative expenses increased by 94.4 billion yen year-on-year, and the selling, general and administrative expenses to revenue ratio deteriorated by 0.2 points year-on-year. Other profit (loss) increased by 2.6 billion yen year-on-year and other profit (loss) to revenue ratio improved by 0.1 points year-on-year.

## 3) Profit before income taxes

Profit before income taxes decreased by 18.1 billion yen year-on-year to 189.0 billion yen due primarily to a decrease in operating profit. The profit before income taxes to revenue ratio was 5.3%.

## 4) Net profit attributable to Mitsubishi Electric Corp. stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 9.1 billion yen year-on-year to 139.3 billion yen due mainly to a decrease in profit before income taxes. The net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 3.9%.



Consolidated Financial Results by Business Segment are as shown below.

### 1) Infrastructure

The market for the public utility systems business saw robust investment in the public utility area in Japan, while there was a continuing trend of railway companies in Japan revising their capital expenditures due to the impact of COVID-19. In this environment, orders won by the business increased year-on-year due primarily to an increase in the public utility area in Japan, while revenue remained substantially unchanged year-on-year.

The market for the energy systems business continued to see capital expenditures of power companies in Japan and robust demand for power supply stabilization in the expansion of renewable energy. In this environment, orders won by the business increased year-on-year due primarily to increases in the power distribution and the power generation businesses in Japan, while revenue remained substantially unchanged year-on-year.

The defense & space systems business saw a decrease in orders year-on-year due primarily to a decrease in large-scale projects for the defense systems business, while revenue increased year-on-year due mainly to an increase in large-scale projects for the defense systems business.

As a result, revenue for this segment increased by 1% year-on-year to 614.6 billion yen.

Operating profit declined by 26.6 billion yen year-on-year to a loss of 12.2 billion yen due primarily to a shift in project portfolios and lower profitability in the defense & space systems business.

### 2) Industry and Mobility

The market for the factory automation systems business saw a decrease in demand for digital equipment such as smartphones and semiconductors, while there was robust demand primarily for capital expenditures related to products in the decarbonization area such as lithium-ion batteries. In this environment, orders won by the business decreased year-on-year, while the revenue increased year-on-year.

The market for the automotive equipment business saw a year-on-year increase in sales of new cars and robust demand for electric vehicle-related equipment in line with the expansion of the electric vehicle market, despite the semiconductor shortage. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to the weaker yen and increases in electric-vehicle related equipment such as motors and inverters as well as electrical components.

As a result, revenue for this segment increased by 13% year-on-year to 1,212.2 billion yen.

Operating profit decreased by 2.9 billion yen year-on-year to 78.4 billion yen due mainly to the rise in material prices and logistics costs, despite the weaker yen.

### 3) Life

The market for the building systems business continued to see recovery from the sluggish market stemming from COVID-19. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to the weaker yen and an increase in Asia and Japan.

The market for the air conditioning systems & home products business saw recovery from the impact of Shanghai's lockdown and an improvement of the situation with regard to the electronic components shortage in and after the second quarter. In this environment, the business saw an increase in revenue year-on-year due mainly to the weaker yen and an increase in air conditioners in Europe, North America and Japan.

As a result, revenue for this segment increased by 17% year-on-year to 1,430.6 billion yen.

Operating profit decreased by 14.6 billion yen year-on-year to 70.7 billion yen due primarily to the rise in material prices and logistics costs as well as lower production level in the first quarter, despite an increase in revenue and the weaker yen.

### 4) Business Platform

The market for the information systems & network service business saw robust demand due mainly to the restarts of projects delayed in the COVID-19 pandemic, despite the semiconductor shortage. In this environment, the business saw an increase in both orders and revenue due mainly to increases in the system integrations and the IT infrastructure service businesses.

The market for the semiconductor & device business saw robust demand for power modules used in consumer and industrial applications as well as optical communication devices. In this environment, orders won by the business decreased year-on-year as the trend of customers securing power modules for the future settled down and there was an impact of the end of the TFT-LCD module business. Revenue increased year-on-year due primarily to the weaker yen, and increases in power modules used in consumer and industrial applications, as well as high frequency and optical devices, particularly in optical communication devices.

As a result, revenue for this segment increased by 12% year-on-year to 309.0 billion yen.

Operating profit increased by 14.2 billion yen year-on-year to 32.4 billion yen due mainly to an increase in revenue and the weaker yen.

#### 5) Others

Revenue increased by 15% year-on-year to 599.9 billion yen due primarily to increases in materials procurement and logistics.

Operating profit increased by 5.5 billion yen year-on-year to 22.0 billion yen due mainly to an increase in revenue.

### (2) Analysis of financial position

Total assets as of the end of this fiscal quarter increased by 198.5 billion yen compared to the end of the previous fiscal year to 5,306.5 billion yen. The change in balance of total assets was mainly attributable to increases in inventories by 269.6 billion yen and contract assets by 80.5 billion yen, despite a decrease in cash and cash equivalents by 141.6 billion yen.

Inventories increased due primarily to the weaker yen, recovery in demand for the Industry and Mobility segment and the Life segment, as well as the semiconductor and other electronic components shortage.

Total liabilities increased by 101.1 billion yen compared to the end of the previous fiscal year to 2,111.6 billion yen due primarily to an increase in bonds, borrowings and lease liabilities of 164.1 billion yen, despite a decrease in accrued expenses of 50.9 billion yen. Bonds and borrowings increased by 138.4 billion yen compared to the end of the previous fiscal year to 355.6 billion yen, with the ratio of bonds and borrowings to total assets recording 6.7%, representing a 2.4 points increase compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity increased by 97.9 billion yen compared to the end of the previous fiscal year to 3,073.8 billion yen due mainly to net profit attributable to Mitsubishi Electric Corporation stockholders of 139.3 billion yen and an increase in accumulated other comprehensive income of 43.3 billion yen, mainly reflecting the weaker yen, despite a decrease due primarily to a dividend payment of 84.5 billion yen. The stockholders' equity ratio was 57.9%, representing a 0.4 points decrease compared to the end of the previous fiscal year.

### (3) Status of cash flows

Cash flows from operating activities for the nine months ended December 31, 2022 were 31.7 billion yen (cash out), and cash flows from investing activities were 125.8 billion yen (cash out). As a result, free cash flow was 157.6 billion yen (cash out). Cash flows from financing activities were 0.8 billion yen (cash in), and cash and cash equivalents at the end of the period decreased by 141.6 billion yen compared to the end of the previous fiscal year to 585.5 billion yen.

Net cash used in operating activities increased by 148.8 billion yen year-on-year due primarily to a decrease in profit, an increase in inventories and the impact of credit collection.

Net cash used in investing activities increased by 53.5 billion yen year-on-year due mainly to a decrease in proceeds from sale of investment securities and others and the purchase of property, plant and equipment.

Net cash provided by financing activities increased by 192.3 billion yen year-on-year due primarily to an increase in raising short-term borrowings and a decrease in purchase of treasury stock.

#### (4) Management Policy, Business Environment and Corporate Agenda

For the nine months ended December 31, 2022, the followings are the changes in “Part I Information on the Company, II. Business Overview, 1. Management Policy, Business Environment and Corporate Agenda” in the Annual Securities Report for the fiscal year ended March 31, 2022, and the relevant changes and additions are underlined.

(Omitted)

The global economy is expected to continue recovering but growth is anticipated to slow down due to an economic slowdown caused by the prolonged situation in Ukraine and monetary tightening against a backdrop of rising inflation in various countries, as the expansion of the novel coronavirus diseases (COVID-19) variants and other uncertainties persist.

(...)

With regard to legal and ethical compliance, the Group takes its recent product and service quality, work-related, and information security issues extremely seriously as a top management priority, and is promoting a number of reoccurrence prevention initiatives. Based on the Mitsubishi Electric Group compliance motto of “Always Act with Integrity,” the Group as a whole will diligently work to further disseminate compliance awareness by strengthening its organizational compliance frameworks through inculcating compliance policy, enhancing internal control measures and internal training.

With regard to improper quality control practices, in July 2021, the Group commissioned investigations to an Investigative Committee chaired by an outside attorney. The committee has verified the consistency of objective data and other information obtained through a questionnaire survey for all domestic employees of Mitsubishi Electric Corporation, conducted forensic investigations into Executive Officers and other relevant parties, and carried out interviews and inquiries with relevant parties. The Company received the update on the results of the investigation into improper quality control practices (Final Report) from its Investigative Committee of outside experts, which completed its investigation of improper quality control practices in all 22 sites of the Company, on October 20, 2022. The Company also received its Governance Review Committee’s evaluations, established in October 2021 and composed of external experts, on the Company’s overall governance and internal controls as well as related recommendations, and reports on additional assessment and evaluation on Executive Officer and Director’s responsibility. Based on the Investigative Committee’s reports to date, the Company newly analyzed the different types of improper quality control practices and their underlying causes, and reexamined any need to strengthen three key reforms (quality assurance, organization culture, and governance) that have been under way since October 2021. Although no need for major changes in the direction of the reforms have been identified as a result, further efforts are being taken to prevent any recurrence, including by revising engineering processes, cultivating a culture of two-way communication, and establishing internal controls and governance that focus more on prevention.

In Quality assurance reforms (Revising engineering processes), through the following efforts, the Company has been providing customers with technically correct explanations and reducing workloads by having managers communicate and negotiate with customers. The goal is to restructure the organization so that there is no need to engage in improper quality control practices in the first place.

- Create an environment that facilitates reliable workplace management, for example, by adding more personnel, streamlining work processes, and rightsizing managerial scopes based on recognition of design and quality-control resources and loads.
- Frontload development and design, for example, by assigning more reviewers where needed to improve review effectiveness, etc.
- Deploy data-driven quality control and procedures, and have managers communicate such actions to customers.

In Organizational culture reforms (Facilitating two-way communication), through the following efforts, the Company has been opening up two-way lines of communication and cultivating a culture in which people feel comfortable in raising issues with their managers, and also in which people collaborate to solve problems.

- Senior management will drive reforms through coaching and town-hall meetings for people in leadership positions, and also through communications from Executive Officers via internal social media networks, etc.
- The Company will promote communication and help people to connect with each other within and across departments to build a self-initiative organization. This will include implementing crossworkplace/department personnel rotations and one-on-one meetings, and also creating guidelines for psychological safety, casual conversations and work-related discussions.
- The Company will institute behavioral changes to ensure that managers actively listen for and seek to understand workplace issues rather than waiting for people to report them, thus facilitating organizational solutions.

In Governance reforms (Building a compliance system focused on prevention), through the following efforts, the Company has been establishing more efficient and effective governance focused on identifying predictive indicators and preventing problems.

- Based on a review of Board of Directors composition that was conducted over the past year, mechanisms will be instituted to

share important information fully, especially with outside directors, and further strengthen the Board of Directors' monitoring functions.

- Strengthen cross-organizational functions company-wide, establish internal controls to detect predictive indicators and prevent problems, and strengthen company-wide risk-control functions.
- Consistently accelerate and enhance the three key reforms through monitoring by the Board of Directors with a majority of outside directors, with an emphasis on stakeholder perspectives.

While receipt of the final report marks the completion of the Investigative Committee's investigation into improper quality control practices at Mitsubishi Electric, which began with a questionnaire survey conducted by the Investigative Committee of external experts in July 2021, the Company will continue to pursue reforms in three key areas as a top priority. Also, the Board of Directors will monitor the progress of these efforts and the Company will provide updates to internal and external stakeholders via its website\*<sup>5</sup>.

Based on the results of quality assessments conducted at Group affiliates and depending on each Group affiliate's traits, Mitsubishi Electric has been shedding a light on improvement of their capabilities to prevent improper quality control practices before they manifest. Improvements tailored to each company are being implemented and instructive examples are being shared across the Group as part of ongoing efforts to institute systems and frameworks that do not allow improper quality control practices to arise in the first place.

\*5 For details of the Company's efforts to restore trust and its roadmap for reform, visit: <https://reform.MitsubishiElectric.com/>  
(Omit the last part)

## (5) Research and Development

For the nine months ended December 31, 2022, the total R&D expenses for the entire Group have amounted to 155.5 billion yen (including elements spent on quality improvements, which constitute manufacturing costs).

There were no significant changes in the research and development activities of the Group for the nine months ended December 31, 2022.

### (6) Major Property, Plants and Equipment

The plan for the capital investment (new installation and expansions) for the fiscal year ending March 31, 2023 was revised as follows (based on investment decisions) in the three months ended December 31, 2022.

Business segment	The plan as of Mar. 31, 2022 (millions of yen)	The plan revised in the three months ended Dec. 31, 2022 (millions of yen)	Main purpose of investment
Infrastructure	43,000	43,000	Streamlining operations, and enhancing quality of electric equipment for rolling stock, power systems, and space-related equipment, etc.
Industry and Mobility	73,000	73,000	Increasing production capacity for factory automation systems and automotive equipment operations, etc.
Life	72,000	104,000	Increasing production capacity, streamlining operations, and enhancing quality of elevators/escalators and air conditioners, etc.
Business Platform	48,000	48,000	Development of information and communications infrastructure, increasing production in the power device business, etc.
Others	7,000	7,000	—
Common	20,000	12,000	Bolstering research and development capabilities, and the development of infrastructure related to the quality assurance system, etc.
Total	263,000	287,000	—

Notes: 1. There are no plans to dispose or sell principal facilities, with the exception of disposing and selling facilities due to routine upgrading.

2. These investments are mostly derived from cash on hand and funds from operations.

The Group is expected to finance through borrowings and by issuing bonds as necessary.

3. The plan for the capital investment of Life and Common segments was revised in the three months ended December 31, 2022.

### 3. Material Agreements, etc.

In the three months ended December 31, 2022, there were no material agreements entered into, modified, or cancelled.

### III. Information on the Company

#### 1. Information on the Company's Stock, etc.

##### (1) Total number of shares, etc.

###### 1) Total number of shares

Class	Authorized shares (shares)
Common stock	8,000,000,000
Total	8,000,000,000

###### 2) Issued shares

Class	Number of shares issued as of the end of the quarter (shares) (Dec. 31, 2022)	Number of shares issued as of the filing date (shares) (Feb. 10, 2023)	Stock exchange on which the Company is listed	Description
Common stock	2,147,201,551	2,147,201,551	Tokyo (Prime Market)	The number of shares per one unit of shares is 100 shares.
Total	2,147,201,551	2,147,201,551	—	—

Notes: 1. Common stock in the table above has voting rights.

2. The Company applied to the London Stock Exchange for delisting on January 4, 2023 and was delisted on February 2, 2023.

##### (2) Information on the stock acquisition rights, etc.

###### 1) Details of stock option plans

Not applicable.

###### 2) Details of other stock acquisition rights, etc.

Not applicable.

##### (3) Information on moving strike convertible bonds, etc.

Not applicable.

##### (4) Changes in the total number of issued shares and the amount of common stock, etc.

Date	Change in the total number of issued shares (Thousand shares)	Balance of the total number of issued shares (Thousand shares)	Change in common stock (millions of yen)	Balance of common stock (millions of yen)	Change in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
From October 1, 2022 to December 31, 2022	—	2,147,201	—	175,820	—	181,140

##### (5) Principal shareholders

Not applicable.

## (6) Information on voting rights

All details provided in this section “(6) Information of voting rights” are based on the register of shareholders as of September 30, 2022, since the register of shareholders as of December 31, 2022 cannot be confirmed.

### 1) Issued shares

(As of September 30, 2022)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	Common stock 34,353,900	—	Standard common stock of the Company without any restriction. Number of shares constituting one unit: 100 shares
Shares with full voting right (others)	Common stock 2,112,430,400	21,124,304	Same as above
Shares less than one unit	Common stock 417,251	—	Same as above
Number of shares issued	2,147,201,551	—	—
Total number of voting rights	—	21,124,304	—

Notes: 1. The number of shares in “Shares less than one unit” includes 32 shares as treasury stocks, 129 shares held by the Board Incentive Plan Trust and 80 shares registered in the name of Japan Securities Depository Center, Inc.

2. The number of shares and the number of voting rights in “Shares with full voting right (others)” include 6,700 shares (67 voting rights) registered in the name of Japan Securities Depository Center, Inc. and 1,687,700 shares (16,877 voting rights) held through the Board Incentive Plan Trust.

2) Treasury stock, etc.

(As of September 30, 2022)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Mitsubishi Electric Corporation	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	34,098,700	—	34,098,700	1.59
Ryoyo Electric Corporation	6621, Oda, Yakage-cho, Oda-gun, Okayama	243,200	—	243,200	0.01
KITA KOUDENSHA Corporation	2-10, Kita 11-jo Nishi 23-chome, Chuo-ku, Sapporo-shi, Hokkaido	12,000	—	12,000	0.00
Total	—	34,353,900	—	34,353,900	1.60

Notes: In addition to 34,098,700 shares owned by the Company in the table above and 32 shares less than one unit owned by the Company, 1,687,829 shares of the Company held through the Board Incentive Plan Trust are presented as the treasury stock in the condensed quarterly consolidated financial statements.

## 2. Directors and Executive Officers

There were no changes in directors and executive officers from the filing date of the Annual Securities Report for the fiscal year ended March 31, 2022 until December 31, 2022.

Notes: Based on the company-wide management policy, the Company has appointed Executive Officers (Associate) who will make decisions on overall management and execute business in relation to groups / business groups / corporate divisions within their purview. The changes in executive officers (associate) from the filing date of the Annual Securities Report for the fiscal year ended March 31, 2022 until December 31, 2022 are as follows.

### New Executive Officers (Associate)

Title	Name	Positions Held	Date of appointment
Executive Officer (Associate)	Masahiro Oya	Group President, Global Strategic Planning & Marketing	December 1, 2022

### Retired Executive Officers (Associate)

Title	Name	Positions Held	Date of retire
Executive Officer (Associate)	Noriyuki Shimizu	Group President, Global Strategic Planning & Marketing	November 30, 2022



## IV. Financial Information

### 1. Basis of preparation of the condensed quarterly consolidated financial statements

The Group prepares its condensed quarterly consolidated financial statements in accordance with International Accounting Standards 34 “Interim Financial Reporting” (“IAS34”) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2 of the cabinet Ordinance No. 64 of 2007, “Ordinance on Terminology, Forms and Preparation Methods of quarterly Consolidated Financial Statements”, and therefore Article 93 of that Ordinance applies to the Group.

### 2. Audit certification

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed quarterly consolidated financial statements for the three months ended December 31, 2022, from October 1, 2022 to December 31, 2022 and the first nine months of the current fiscal year from April 1, 2022 to December 31, 2022 are reviewed by KPMG AZSA LLC.

# 1 【Condensed Quarterly Consolidated Financial Statements】

## (1) 【Condensed Quarterly Consolidated Statement of Financial Position】

Yen (millions)

	Notes	As of Mar. 31, 2022	As of Dec. 31, 2022
(Assets)			
Cash and cash equivalents		727,179	585,515
Trade receivables		944,405	826,367
Contract assets		287,697	368,222
Other financial assets	9	62,135	86,466
Inventories		959,660	1,229,342
Other current assets		109,220	119,519
Current assets		3,090,296	3,215,431
Investments accounted for using the equity method		221,467	238,505
Other financial assets	9	321,056	315,658
Property, plant and equipment		855,746	896,039
Goodwill and intangible assets		161,494	184,714
Deferred tax assets		159,915	161,417
Other non-current assets		297,999	294,802
Non-current assets		2,017,677	2,091,135
Total assets		5,107,973	5,306,566

Yen (millions)

	Notes	As of Mar. 31, 2022	As of Dec. 31, 2022
<b>(Liabilities)</b>			
Bonds, borrowings and lease liabilities	9	173,213	308,059
Trade payables		601,606	616,590
Contract liabilities		188,300	184,399
Other financial liabilities	9	167,687	120,996
Accrued expenses		326,703	275,791
Accrued income taxes		33,575	17,609
Provisions		106,112	114,687
Other current liabilities		49,526	77,070
<b>Current liabilities</b>		<b>1,646,722</b>	<b>1,715,201</b>
Bonds, borrowings and lease liabilities	9	156,248	185,586
Net defined benefit liabilities		162,353	166,582
Provisions		4,921	4,375
Deferred tax liabilities		4,774	4,541
Other non-current liabilities		35,558	35,407
<b>Non-current liabilities</b>		<b>363,854</b>	<b>396,491</b>
<b>Total liabilities</b>		<b>2,010,576</b>	<b>2,111,692</b>
<b>(Equity)</b>			
Common stock		175,820	175,820
Capital surplus		202,695	202,584
Retained earnings		2,464,966	2,520,446
Accumulated other comprehensive income (loss)	9	184,528	227,860
Treasury stock, at cost		(52,068)	(52,859)
<b>Mitsubishi Electric Corp. stockholders' equity</b>		<b>2,975,941</b>	<b>3,073,851</b>
<b>Non-controlling interests</b>		<b>121,456</b>	<b>121,023</b>
<b>Total equity</b>		<b>3,097,397</b>	<b>3,194,874</b>
<b>Total liabilities and equity</b>		<b>5,107,973</b>	<b>5,306,566</b>

(2) 【Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income】

【Condensed Quarterly Consolidated Statement of Profit or Loss】

Yen (millions)

	Notes	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Revenue	7	3,181,263	3,565,237
Cost of sales		2,263,445	2,582,554
Selling, general and administrative expenses		731,154	825,600
Other profit (loss)		3,525	6,142
Operating profit		190,189	163,225
Financial income		7,436	10,785
Financial expenses		2,595	2,562
Share of profit of investments accounted for using the equity method		12,202	17,622
Profit before income taxes		207,232	189,070
Income taxes		47,645	41,745
Net profit		159,587	147,325
Net profit attributable to:			
Mitsubishi Electric Corp. stockholders		148,465	139,343
Non-controlling interests		11,122	7,982

Yen

	Notes	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)			
Basic	8	69.44	65.98
Diluted	8	69.44	65.98

**【Condensed Quarterly Consolidated Statement of Comprehensive Income】**

Yen (millions)

	Notes	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Net profit		159,587	147,325
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to net profit			
Changes in fair value of financial assets measured at fair value through other comprehensive income	9	7,145	(2,280)
Share of other comprehensive income of investments accounted for using the equity method		220	(326)
Total items that will not be reclassified to net profit		7,365	(2,606)
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations		17,757	39,312
Net changes in the fair value of cash flow hedges		(24)	16
Share of other comprehensive income of investments accounted for using the equity method		4,021	10,029
Total items that may be reclassified to net profit		21,754	49,357
Total other comprehensive income (loss)		29,119	46,751
Comprehensive income		188,706	194,076
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders		175,155	183,335
Non-controlling interests		13,551	10,741

**【Condensed Quarterly Consolidated Statement of Profit or Loss】**

Yen (millions)

	Notes	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Revenue		1,042,886	1,225,670
Cost of sales		749,126	871,699
Selling, general and administrative expenses		242,267	274,692
Other profit (loss)		866	3,443
Operating profit		52,359	82,722
Financial income		3,496	4,136
Financial expenses		618	6,815
Share of profit of investments accounted for using the equity method		3,600	5,916
Profit before income taxes		58,837	85,959
Income taxes		13,175	19,136
Net profit		45,662	66,823
Net profit attributable to:			
Mitsubishi Electric Corp. stockholders		43,629	64,518
Non-controlling interests		2,033	2,305

Yen

	Notes	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)			
Basic	8	20.48	30.56
Diluted	8	20.48	30.56

**【Condensed Quarterly Consolidated Statement of Comprehensive Income】**

Yen (millions)

	Notes	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Net profit		45,662	66,823
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to net profit			
Changes in fair value of financial assets measured at fair value through other comprehensive income		(4,505)	(94)
Share of other comprehensive income of investments accounted for using the equity method		(357)	(346)
Total items that will not be reclassified to net profit		(4,862)	(440)
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations		27,001	(50,031)
Net changes in the fair value of cash flow hedges		33	171
Share of other comprehensive income of investments accounted for using the equity method		(77)	(952)
Total items that may be reclassified to net profit		26,957	(50,812)
Total other comprehensive income (loss)		22,095	(51,252)
Comprehensive income		67,757	15,571
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders		62,596	18,031
Non-controlling interests		5,161	(2,460)

### (3) 【Condensed Quarterly Consolidated Statement of Changes in Equity】

For the nine months ended Dec. 31, 2021

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity					Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
Balance at beginning of period		175,820	202,777	2,266,490	111,801	(2,595)	2,754,293	116,318	2,870,611
Comprehensive income									
Net profit				148,465			148,465	11,122	159,587
Other comprehensive income (loss), net of tax					26,690		26,690	2,429	29,119
Comprehensive income		—	—	148,465	26,690	—	175,155	13,551	188,706
Reclassification to retained earnings				15,440	(15,440)		—		—
Dividends	6			(85,723)			(85,723)	(13,020)	(98,743)
Purchase of treasury stock						(32,390)	(32,390)		(32,390)
Disposal of treasury stock			(1,053)			1,053	0		0
Transactions with non-controlling interests and others			233				233	(645)	(412)
Balance at end of period		175,820	201,957	2,344,672	123,051	(33,932)	2,811,568	116,204	2,927,772

For the nine months ended Dec. 31, 2022

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity					Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
Balance at beginning of period		175,820	202,695	2,464,966	184,528	(52,068)	2,975,941	121,456	3,097,397
Comprehensive income									
Net profit				139,343			139,343	7,982	147,325
Other comprehensive income (loss), net of tax					43,992		43,992	2,759	46,751
Comprehensive income		—	—	139,343	43,992	—	183,335	10,741	194,076
Reclassification to retained earnings				660	(660)		—		—
Dividends	6			(84,523)			(84,523)	(9,106)	(93,629)
Purchase of treasury stock						(1,575)	(1,575)		(1,575)
Disposal of treasury stock			(784)			784	0		0
Transactions with non-controlling interests and others			673				673	(2,068)	(1,395)
Balance at end of period		175,820	202,584	2,520,446	227,860	(52,859)	3,073,851	121,023	3,194,874



## (4) 【Condensed Quarterly Consolidated Statement of Cash Flows】

Yen (millions)

	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Cash flows from operating activities		
Net profit	159,587	147,325
Adjustments to cash flows from operating activities		
Depreciation and amortization	148,828	154,402
Impairment losses	1	952
Loss (gain) on sales and disposal of property, plant and equipment, net	1,074	(2,218)
Income taxes	47,645	41,745
Share of profit of investments accounted for using the equity method	(12,202)	(17,622)
Financial income and financial expenses	(4,841)	(8,223)
Decrease in trade receivables	173,819	136,181
Decrease (increase) in contract assets	(59,485)	(79,707)
Decrease (increase) in inventories	(199,601)	(255,350)
Decrease (increase) in other assets	12,092	(3,422)
Increase (decrease) in trade payables	(13,675)	10,358
Increase in net defined benefit liabilities	10,851	7,024
Increase (decrease) in other liabilities	(84,573)	(89,596)
Others, net	(17,212)	(25,582)
Subtotal	162,308	16,267
Interest and dividends received	20,051	19,755
Interest paid	(1,728)	(2,419)
Income taxes paid	(63,487)	(65,345)
Cash flows from operating activities	117,144	(31,742)
Cash flows from investing activities		
Purchase of property, plant and equipment	(93,605)	(105,116)
Proceeds from sale of property, plant and equipment	1,277	4,775
Purchase of intangible assets	(13,705)	(16,172)
Purchase of investment securities and others, net of cash acquired	(11,956)	(21,553)
Proceeds from sale of investment securities and others, net of cash disposed	47,136	8,614
Others, net	(1,426)	3,588
Cash flows from investing activities	(72,279)	(125,864)
Cash flows from financing activities		
Proceeds from bonds and long-term borrowings	380	14,058
Repayments of bonds and long-term borrowings	(20,624)	(29,069)
Increase in short-term borrowings, net	1,336	155,767
Repayments of lease liabilities	(41,270)	(43,066)
Dividends paid to Mitsubishi Electric Corp. stockholders	(85,723)	(84,523)
Purchase of treasury stock	(32,390)	(1,575)
Disposal of treasury stock	0	0
Dividends paid to non-controlling interests	(12,723)	(8,917)
Transactions with non-controlling interests	(450)	(1,836)
Cash flows from financing activities	(191,464)	839
Effect of exchange rate changes on cash and cash equivalents	11,319	15,103
Net increase (decrease) in cash and cash equivalents	(135,280)	(141,664)
Cash and cash equivalents at beginning of period	767,406	727,179
Cash and cash equivalents at end of period	632,126	585,515

## 【Notes to condensed quarterly consolidated financial statements】

### 1. Reporting entity

Mitsubishi Electric Corporation (“the Company”) is an entity located in Japan. The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group (“the Group”) comprises the Company, its subsidiaries and equity in the Company’s associates and joint ventures.

The Group is a multinational organization which develops, manufactures, sells and distributes a broad range of electrical and electronic equipment in the fields as diverse as home appliances to space electronics. The Company and its subsidiaries’ principal lines of business are: (1) Infrastructure, (2) Industry and Mobility, (3) Life, (4) Business Platform and (5) Others. The Group’s manufacturing operations are conducted principally by the Company with 22 manufacturing sites located in Japan, as well as overseas manufacturing sites located in Thailand, China, the United States, Mexico, Italy and other countries.

### 2. Basis of preparation

#### (1) Statement of condensed quarterly consolidated financial statements in accordance with IAS 34

The Group prepares its condensed quarterly consolidated financial statements in accordance with International Accounting Standards 34 “Interim Financial Reporting” (“IAS34”) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2 of the cabinet Ordinance No. 64 of 2007, “Ordinance on Terminology, Forms and Preparation Methods of quarterly Consolidated Financial Statements”, and therefore Article 93 of that Ordinance applies to the Group.

#### (2) Basis of measurement

The condensed quarterly consolidated financial statements of the Group are prepared using a historical cost basis except for certain financial instruments, defined benefit obligations, and plan assets that are measured at fair value and other items.

#### (3) Functional currency and presentation currency

The condensed quarterly consolidated financial statements of the Group are presented in Japanese yen, which is the Company’s functional currency, rounded down in units of millions of yen.

### 3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements for the year ended March 31, 2022.

### 4. Significant accounting estimates and judgments

Management is required to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities, income and expenses in preparation of the condensed quarterly consolidated financial statements in accordance with IFRS. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects resulting from changes in accounting estimates are recognized in the period when estimates are revised and in the subsequent periods.

Accounting estimates and assumptions that could have a material effect on the amounts in the condensed quarterly consolidated financial statements are the same as in the Company’s annual consolidated financial statements for the year ended March 31, 2022.

With regard to COVID-19, while circumstances remain uncertain, the Company has assumed that the pandemic would not have a significant long-term impact, and used accounting estimates such as the “Recoverable amount of property, plant and equipment, goodwill and intangible assets.” The Group believes that the above assumption is the best estimate as of December 31, 2022. However, if COVID-19 has a greater impact on future circumstances than expected, it may significantly affect the amounts in the consolidated financial statements. Regarding above the assumption, there are no significant changes from the conditions in the Company’s annual consolidated financial statements for the year ended March 31, 2022.

## 5. Segment information

### (1) Overview of reportable segments

The operating segments presented below are identified based on the segments for which separate financial information is available, and are periodically used for decisions on business resources allocation and evaluation of business operation by the Company's management.

The Group conducts business through 5 categories, Infrastructure, Industry and Mobility, Life, Business Platform, and Others, by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

Following the change of management structure effective April 1, 2022, the classification of reportable segments was changed from 6 categories such as Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, and Others to the above-noted 5 categories from the first quarter of this fiscal year. Segment information for the nine months ended Dec. 31, 2021, has been restated to reflect the reclassification.

Principal operating segments and major products and services included in each category are as follows:

Infrastructure	Public Utility Systems, Energy Systems, Defense & Space Systems	Large display devices, electrical equipment for locomotives and rolling stock, wireless and wired communications systems, network camera and their systems, turbine generators, hydraulic turbine generators, nuclear power plant equipment, motors, transformers, power electronics equipment, circuit breakers, gas insulated switchgears, switch control devices, surveillance-system control and security systems, transmission and distribution ICT systems, satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, and others
Industry and Mobility	Factory Automation Systems, Automotive Equipment	Programmable logic controllers, inverters, servomotors, human-machine interface, motors, hoists, magnetic switches, no-fuse circuit breakers, short-circuit breakers, transformers for electricity distribution, time and power meters, uninterruptible power supply, industrial fans, computerized numerical controllers, electrical discharge machines, laser processing machines, industrial robots, clutches, automotive electrical equipment, electric powertrain system, ADAS-related products, car electronics and car mechatronics, car multimedia, and others
Life	Building Systems, Air Conditioning Systems & Home Products	Elevators, escalators, building security systems, building management systems, room air conditioners, package air conditioners, chillers, showcases, compressors, refrigeration units, air-to-water heat pump boilers, ventilators, hot water supply systems, IH cooking heaters, LED bulbs, indoor lighting, LCD televisions, refrigerators, electric fans, dehumidifiers, air purifiers, vacuum cleaners, jar rice cookers, microwave ovens, and others
Business Platform	Information Systems & Network Service, Semiconductor & Device	Network security systems, information systems equipment, systems integration, power modules, high-frequency devices, optical devices, LCD devices, and others
Others	—	Procurement, logistics, real estate, advertising, finance, and other services

Intersegment transactions are conducted generally at prices that the Company's management recognizes as approximate arm's length prices. The calculation method of operating profit (loss) for reportable segments is consistent with that used in the Condensed Quarterly Consolidated Statement of Profit or Loss. It does not include share of profit of investments accounted for using the equity method, financial income or financial expenses.

(2) Segment information by business categories

Segment information by business categories are as follows. Amounts of operating profit in Eliminations and corporate are unallocatable research and development expenses.

For the nine months ended Dec. 31, 2021

	Yen (millions)							
	Infrastructure	Industry and Mobility	Life	Business Platform	Others	Total	Eliminations and corporate	Consolidated total
Revenue and operating profit								
Revenue								
External customers	602,976	1,061,521	1,214,899	192,725	109,142	3,181,263	—	3,181,263
Intersegment	7,723	11,504	12,521	83,139	412,612	527,499	(527,499)	—
Total	610,699	1,073,025	1,227,420	275,864	521,754	3,708,762	(527,499)	3,181,263
Operating profit	14,393	81,325	85,382	18,162	16,498	215,760	(25,571)	190,189

For the nine months ended Dec. 31, 2022

	Yen (millions)							
	Infrastructure	Industry and Mobility	Life	Business Platform	Others	Total	Eliminations and corporate	Consolidated total
Revenue and operating profit								
Revenue								
External customers	606,756	1,199,734	1,416,795	226,723	115,229	3,565,237	—	3,565,237
Intersegment	7,882	12,522	13,885	82,314	484,675	601,278	(601,278)	—
Total	614,638	1,212,256	1,430,680	309,037	599,904	4,166,515	(601,278)	3,565,237
Operating profit (loss)	(12,237)	78,405	70,732	32,451	22,019	191,370	(28,145)	163,225

6. Dividends

Dividends paid for the nine months ended Dec. 31, 2021 and 2022 are as follows:

Resolution date	Total amount of dividends	Dividend per share	Record date	Effective date
	Yen (millions)	Yen		
April 28, 2021 Board of Directors Meeting	55,816	26	March 31, 2021	June 2, 2021
October 28, 2021 Board of Directors Meeting	29,906	14	September 30, 2021	December 2, 2021
May 25, 2022 Board of Directors Meeting	54,940	26	March 31, 2022	June 2, 2022
October 28, 2022 Board of Directors Meeting	29,583	14	September 30, 2022	December 2, 2022

## 7. Revenues

The Group's business consists of 5 reportable segments: Infrastructure, Industry and Mobility, Life, Business Platform and Others. Revenue is presented by these categories since the Company's management periodically uses them for decision of business resources allocation and evaluation of business operations.

The principal businesses and major products and services of each operating segment are shown in Note "5. Segment information". The Group conducts business through 5 categories by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

Revenue is disaggregated by region according to the customer's location. The relationship between these disaggregated revenue and segment revenue are as follows:

Following the change of management structure effective April 1, 2022, the classification of reportable segments was changed from the first quarter of this fiscal year. Segment information for the nine months ended Dec. 31, 2021, has been restated to reflect the reclassification.

For the nine months ended Dec. 31, 2021

	Yen (millions)						Consolidated total
	Japan	Overseas				Total	
		North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	495,105	55,307	32,698	12,998	6,868	107,871	602,976
Industry and Mobility	412,557	123,775	408,868	108,823	7,498	648,964	1,061,521
Life	514,921	144,306	294,316	224,726	36,630	699,978	1,214,899
Business Platform	96,206	7,238	65,998	23,110	173	96,519	192,725
Others	94,193	618	13,648	677	6	14,949	109,142
Consolidated	1,612,982	331,244	815,528	370,334	51,175	1,568,281	3,181,263

For the nine months ended Dec. 31, 2022

	Yen (millions)						Consolidated total
	Japan	Overseas				Total	
		North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	470,371	78,719	36,753	11,703	9,210	136,385	606,756
Industry and Mobility	463,044	170,028	436,724	120,700	9,238	736,690	1,199,734
Life	569,275	193,049	337,757	273,878	42,836	847,520	1,416,795
Business Platform	103,447	11,314	78,289	33,353	320	123,276	226,723
Others	100,453	1,122	12,636	1,009	9	14,776	115,229
Consolidated	1,706,590	454,232	902,159	440,643	61,613	1,858,647	3,565,237

Revenue recognition methods for each categories are primarily as follows:

1) Infrastructure

Major revenue recognition methods are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

2) Life, Business Platform

Major revenue recognition methods of the air conditioning systems & home products business and the semiconductor & device business are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as home appliances and semiconductors are recognized at the time when the product is accepted by the customer.

Major revenue recognition methods of the building systems business and the information systems & network service business are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

Revenue from maintenance agreements is recognized over the contract term as the maintenance is provided.

3) Industry and Mobility, Others

Major revenue recognition methods are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as industrial products are recognized at the time when the product is accepted by the customer.

Revenue from some products requiring acceptance inspection are recognized at the time when the product is received by the customer and the functionality of the product is substantially demonstrated by the Company and its consolidated subsidiaries.

8. Earnings per share

Basic earnings per share and diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders are as follows:

	Yen (millions)	
	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Net profit attributable to Mitsubishi Electric Corp. stockholders	148,465	139,343

  

	Shares	
	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Basic average ordinary shares outstanding	2,138,170,102	2,111,808,478

  

	Yen	
	For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
Basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	69.44	65.98
Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	69.44	65.98

Note : The number of the Company's shares held through the Board Incentive Plan Trust were included in the shares of treasury stock that were deducted from the average number of ordinary shares outstanding in the calculation of Earnings per share attributable to Mitsubishi Electric Corp. stockholders. (1,237,920 shares for the nine months ended Dec. 31, 2021, and 1,294,391 shares for the nine months ended Dec. 31, 2022).

	Yen (millions)	
	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Net profit attributable to Mitsubishi Electric Corp. stockholders	43,629	64,518

  

	Shares	
	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Basic average ordinary shares outstanding	2,130,179,608	2,111,414,915

  

	Yen	
	For the three months ended Dec. 31, 2021	For the three months ended Dec. 31, 2022
Basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	20.48	30.56
Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	20.48	30.56

Note : The number of the Company's shares held through the Board Incentive Plan Trust were included in the shares of treasury stock that were deducted from the average number of ordinary shares outstanding in the calculation of Earnings per share attributable to Mitsubishi Electric Corp. stockholders. (1,130,436 shares for the three months ended Dec. 31, 2021, and 1,687,829 shares for the three months ended Dec. 31, 2022).



## 9. Financial instruments

The Group classifies fair value measurements from level 1 to level 3 according to the observability of the inputs used in measurement:

Level 1: quoted prices for identical assets or liabilities in active markets

Level 2: fair value calculated directly or indirectly using observable prices other than those in level 1

Level 3: fair value calculated using valuation techniques including unobservable inputs

A determination is made at the end of each consolidated fiscal year as to whether there are financial instruments for which transfers between levels were carried out. There were no financial instruments with significant transfers between levels for the year ended Mar. 31, 2022 and the nine months ended Dec. 31, 2022.

For financial instruments classified as level 3, changing the unobservable inputs to reasonably possible alternative assumptions would not change the fair value significantly.

### (1) Financial instruments measured at amortized cost

Methods of measurement of fair value, carrying amount and fair value of financial instruments measured at amortized cost are as follows:

Borrowings (including long-term borrowings to be repaid within 1 year)

Fair values of borrowings are calculated using the present value of future cash flows discounted by the expected interest rate for similar new contracts and are classified as level 2 because fair value is calculated using observable market data.

	Yen (millions)			
	As of Mar. 31, 2021		As of Dec. 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments measured at amortized cost				
Borrowings				
(including long-term borrowings to be repaid within 1 year)	142,208	139,994	127,240	124,732

Note : The fair value of financial assets and financial liabilities measured at amortized cost other than the above approximated the carrying amounts.

### (2) Financial instruments measured at fair value on a recurring basis

The method of measurement of fair value and fair value of financial instruments measured at fair value on a recurring basis are as follows:

Equity instruments and debt instruments

The fair value of marketable equity instruments is calculated based on the market price at the end of the consolidated fiscal year and are classified as level 1 because fair value is calculated using the market value of an identical asset in an active market. The fair value of non-marketable equity instruments and debt instruments is calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows, and are classified as Level 3 because fair value is calculated based on valuation techniques using unobservable indicators. The reasonableness of the valuation techniques has been verified by the department in charge using various methods, and they have been approved by an appropriate management.

Derivative assets and liabilities

Fair values of derivatives are calculated based on market interest rates and market rates of foreign exchange banks as financial assets or financial liabilities measured at fair value through profit or loss and are classified as level 2 because fair value is calculated using observable market data.

As of Mar. 31, 2022

			Yen (millions)			
			Level 1	Level 2	Level 3	Total
<b>Assets</b>						
Financial assets measured at fair value through profit or loss						
	Debt instruments		—	—	555	555
	Derivative assets		—	4,564	—	4,564
Financial assets measured at fair value through other comprehensive income						
	Equity instruments		200,178	—	70,614	270,792
	Total		<u>200,178</u>	<u>4,564</u>	<u>71,169</u>	<u>275,911</u>
<b>Liabilities</b>						
Financial liabilities measured at fair value through profit or loss						
	Derivative liabilities		—	17,867	—	17,867
	Total		<u>—</u>	<u>17,867</u>	<u>—</u>	<u>17,867</u>

As of Dec. 31, 2022

			Yen (millions)			
			Level 1	Level 2	Level 3	Total
<b>Assets</b>						
Financial assets measured at fair value through profit or loss						
	Debt instruments		—	—	588	588
	Derivative assets		—	10,477	—	10,477
Financial assets measured at fair value through other comprehensive income						
	Equity instruments		188,061	—	76,769	264,830
	Total		<u>188,061</u>	<u>10,477</u>	<u>77,357</u>	<u>275,895</u>
<b>Liabilities</b>						
Financial liabilities measured at fair value through profit or loss						
	Derivative liabilities		—	1,436	—	1,436
	Total		<u>—</u>	<u>1,436</u>	<u>—</u>	<u>1,436</u>

Changes in financial instruments measured at fair value on a recurring basis classified as Level 3 are as follows:

		Yen (millions)	
		For the nine months ended Dec. 31, 2021	For the nine months ended Dec. 31, 2022
	Balance at beginning of period	68,361	71,169
	Gains (losses)		
	in profit or loss	—	(9)
	in other comprehensive income	1,458	6,202
	Purchases	1,659	612
	Sales	(415)	(617)
	Balance at end of period	<u>71,063</u>	<u>77,357</u>

Note : 1 Gains (losses) in profit or loss are related to financial assets measured at fair value through profit or loss as of the end of the reporting period and included in “Financial income” or “Financial expenses” in the Condensed Quarterly Consolidated Statement of Profit or Loss.

2 Gains (losses) in other comprehensive income are related to financial assets measured at fair value through other comprehensive income as of the end of the reporting period and included in “Changes in fair value of financial assets measured at fair value through other comprehensive income” in the Condensed Quarterly Consolidated Statement of Comprehensive Income.

10. Contingent liabilities

There were no significant events as of Dec. 31, 2022.

11. Subsequent events

There were no significant subsequent events which should be disclosed as of the date of the approval of the condensed quarterly consolidated financial statements for the nine months ended Dec. 31, 2022.

12. Approval of the condensed quarterly consolidated financial statements

The condensed quarterly consolidated financial statements were approved by Kei Uruma, President & CEO, on February 10, 2023.

## 2 【Other】

(1) The Company decided to pay the dividend of ¥14 per share (a total of ¥29,583,439,466) to the shareholders registered or recorded in the shareholder register as of September 30, 2022, by the resolution of the Board of Directors’ meeting held on October 28, 2022.

(2) Other

Not applicable.