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Mitsubishi Electric to Restructure its Automotive-equipment Business

TOKYO, April 24, 2023 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today that it has decided to drastically restructure its automotive-equipment business in accordance with a resolution adopted at the company's Executive Officers' Meeting held today. The restructure is designed to streamline decision-making in the business and accelerate the transformation of the company's automotive-equipment business in the face of rapid changes in this industry, including the shift to connected, autonomous, shared & service, and electric (CASE). Under the plan, Mitsubishi Electric now aims to spin off its automotive-equipment business in order to improve operational efficiency and restructure the business portfolio for greater profitability.

Last year, Mitsubishi Electric introduced a new Business Area structure to strengthen the company's business portfolio by reorganizing it into business areas that have the delegated authority needed to act with speed and efficiency.

As a first major step in CASE-related businesses, including electrification and advanced driver-assistance systems (ADAS), which have promising market potential and will require very high levels of investment, Mitsubishi Electric is seeking to collaborate with excellent partners that offer technological synergies. Focusing strategically on these fields and leveraging Mitsubishi Electric's cutting-edge technologies is expected to put the automotive-equipment business on a stronger growth trajectory.

Second, in fields where Mitsubishi Electric has competitive advantages, such as electric power-steering system products, strategies will focus on cost reduction and efficiency enhancement, reviewing business terms with customers, including to accelerate price shifting, and reallocating resources to the most profitable projects and models.

Third, Mitsubishi Electric plans to promptly discontinue problematic automotive-equipment businesses, such as car multimedia, in light of the anticipated difficulty in improving profitability, as well as other factors, in these businesses.

Details of the structural reforms and their specific effects will be disclosed as soon as they are finalized. The spinoff will take the form of a company split, but the specific method and other details have not yet been finalized. The exact timing also has not been determined, but the goal is to establish a new automotive-equipment company within one year from today. Information on these matters will be disclosed as soon as final determinations are made. Mitsubishi Electric expects the spinoff to have only a minor impact on its consolidated financial results.

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About Mitsubishi Electric Corporation

With more than 100 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Mitsubishi Electric enriches society with technology in the spirit of its “Changes for the Better.” The company recorded a revenue of 4,476.7 billion yen (U.S.\$ 36.7 billion*) in the fiscal year ended March 31, 2022. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥122=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2022