

FOR IMMEDIATE RELEASE

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Media Inquiries

Public Relations Division
Mitsubishi Electric Corporation

prd.gnews@nk.MitsubishiElectric.co.jp
www.MitsubishiElectric.com/news/

(Update on Disclosed Matter)
**Mitsubishi Electric to Transfer Automotive-equipment Business
to New Subsidiary as Part of Restructuring**

TOKYO, October 31, 2023 – [Mitsubishi Electric Corporation](http://www.MitsubishiElectric.com) (TOKYO: 6503) announced today that it will transfer its automotive-equipment business and assets to a future wholly owned subsidiary Melco Automotive Equipment Business Split Preparation Corporation (the “Prep Company”), through an absorption-type company split effective April 1, 2024 (scheduled) (the “Company Split”), following the announcement “Mitsubishi Electric to Restructure its Automotive-equipment Business” issued on April 24 of this year.

As the Company Split will take the form of a simplified absorption-type company split with a wholly owned subsidiary of Mitsubishi Electric, certain information is omitted from this announcement.

1. Purpose of Company Split

Mitsubishi Electric is implementing strategic measures appropriate to each of its target businesses in order to adjust its business portfolio and strengthen its business structure for improved profitability and asset utilization. The company aims to streamline decision-making and accelerate transformation to urgently improve the profitability of its automotive-equipment business in the face of rapid changes taking place in the automotive industry, including the shift to connected, autonomous, shared & service, and electric (CASE) vehicles. Mitsubishi Electric expects the Company Split to improve operational efficiency and enhance the portfolio of its automotive-equipment business for greater profitability.

2. Overview of Company Split

(1) Company Split Schedule

Decision on Absorption-type Company Split by Executive Officers (Note)	October 31, 2023
Establishment of Melco Automotive Equipment Business Split Preparation Corporation	November 15, 2023 (Scheduled)
Execution of Company Split Agreement	November 15, 2023 (Scheduled)
Scheduled Company Split Date (Effective Date)	April 1, 2024 (Scheduled)

Note: The Company Split is a simplified absorption-type company split, pursuant to Article 784, Paragraph 2 of the Companies Act of Japan, and Mitsubishi Electric therefore does not require approval of this at a shareholders’ meeting. Accordingly, the Company Split will be implemented on the decision of the President and CEO, with due consideration of deliberations at the Executive Officers’ Meeting.

(2) Company Split Method

This is an absorption-type company split in which Mitsubishi Electric is the transferring company and the Prep Company is the succeeding company. Upon the consummation of the Company Split, the trade name of the Prep Company will be changed.

(3) Share Allotment Details related to the Company Split

The Prep Company will issue 1 common share to Mitsubishi Electric as consideration for the Company Split.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Company Split

There are no applicable issues in the Company Split.

(5) Capitalization Changes Accompanying the Company Split

The Company Split will result in no change in the capitalization of Mitsubishi Electric.

(6) Rights and Obligations to be Assumed by the Company Split

In accordance with the provisions of the absorption-type company split agreement, the Prep Company will succeed to the assets, liabilities, contractual status and other rights and obligations associated with the automotive-equipment business of Mitsubishi Electric.

(7) Prospect of Fulfillment of Obligations

It has been determined that there is no prospect of the Prep Company being unable to fulfill its obligations after the Company Split.

3. Profile of the Parties of the Company Split

	Transferring Company (As of March 31, 2023)	Succeeding Company
(1) Name	Mitsubishi Electric Corporation	Melco Automotive Equipment Business Split Preparation Corporation
(2) Head Office	7-3, Marunouchi 2-Chome, Chiyoda-ku, Tokyo	7-3, Marunouchi 2-Chome, Chiyoda-ku, Tokyo
(3) Representative	Kei Uruma Representative Executive Officer, President & CEO	Atsuhiko Yabu President and Representative Director
(4) Summary of Business	Development, manufacture, sales, and service of products such as infrastructure, industry mobility, life, and business platform	- Manufacturing, sales, maintenance and repair of various electrical equipment, automotive-equipment, ship machinery and equipment, transport machinery and equipment, industrial machinery and equipment, and system related to machine tool and equipment - Manufacturing, sales, maintenance, and repair of equipment, systems, and services related to information processing,

		information communication, and information provision - Manufacturing, maintenance, repair and sales of other machinery and equipment and electrical and electronic components - Production, sales and engineering of software related to items mentioned above
(5) Paid-in Capital	175,820 million yen	10 million yen (Provisional)
(6) Established	January 15, 1921	November 2023 (Scheduled)
(7) Shares Issued	2,147,201,551 shares	1,000 shares (Provisional)
(8) Book Closing Date	March 31	March 31 (Scheduled)
(9) Major Shareholders and Shareholding Ratio	- The Master Trust Bank of Japan, Ltd. (Trust Account) 15.7% - SSBTC CLIENT OMNIBUS ACCOUNT 5.6%	Mitsubishi Electric Corporation 100% (Provisional)
(10) Operating Results for the Most Recent Business Year and Financial Positions as of the End of the Business Year (FY ended March 2023 – Millions of yen, unless otherwise specified)		
Transferring Company (Consolidated • IFRS)		
Total Equity		3,363,224
Total Assets		5,582,519
Equity Attributable to Mitsubishi Electric Corporation Stockholders per Share (yen)		1,533.98
Revenue		5,003,694
Operating Profit		262,352
Profit before Income Taxes		292,179
Net Profit Attributable to Mitsubishi Electric Corp. Stockholders		213,908
Basic Earnings per Share Attribute to Mitsubishi Electric Corp. Stockholders (yen)		101.30

Note: Information of the Succeeding Company for (10) is omitted since the Succeeding Company is scheduled to be established in November 2023 and there is no financial position or operating results for the most recent fiscal year.

4. Overview of the Business Unit to be Split

(1) Overview of the Business

Business related to automotive-equipment

(2) Operating Results of the Business Unit to be Split (FY ended March 2023 – Millions of yen)

	Automotive-equipment	Company (Non-consolidated)	Percentage
Net Sales	621,810	2,712,165	22.9%

(3) Assets and Liabilities to be Split (Millions of yen)

Assets		Liabilities	
Total Assets	256,141	Total Liabilities	211,419

Note: Assets and liabilities to be split are based on the balance sheet as of March 31, 2023. The amount of assets and liabilities to be actually split will be determined after adjusting the above amount for changes up to the effective date of the Company Split.

5. Status of Succeeding Company After Company Split

(1) Name	To be determined (Note)
(2) Head Office	7-3, Marunouchi 2-Chome, Chiyoda-ku, Tokyo
(3) Representative	To be determined
(4) Summary of Business	- Manufacturing, sales, maintenance and repair of various electrical equipment, automotive-equipment, ship machinery and equipment, transport machinery

	<p>and equipment, industrial machinery and equipment, and system related to machine tool and equipment</p> <ul style="list-style-type: none"> - Manufacturing, sales, maintenance, and repair of equipment, systems, and services related to information processing, information communication, and information provision - Manufacturing, maintenance, repair and sales of other machinery and equipment and electrical and electronic components - Production, sales and engineering of software related to items mentioned above
(5) Paid-in Capital	10 billion yen
(6) Book Closing Date	March 31

Note: Prep Company will change its trade name following the Company Split.

6. Status of the Company After Company Split

There will be no change in the trade name, location of the head office, name or title of the representative, line of business, paid-in capital or accounting term due to the Company Split.

7. Future Outlook

The Company Split is expected to have no material impact on the consolidated business results of Mitsubishi Electric as it is a transaction between Mitsubishi Electric and a wholly-owned subsidiary.

(Reference)

Consolidated Business Forecasts for the year ending March 31, 2024 (announced October 31, 2023) and Consolidated Operating Results for the Previous Fiscal Year (Millions of yen)

	Revenue	Operating Profit	Profit before Income Taxes	Net Profit Attributable to Mitsubishi Electric Corp. Stockholders
Consolidated Business Forecasts for FY 2024 (Year ending March 31, 2024)	5,200,000	330,000	355,000	260,000
Consolidated Operating Results for FY 2023 (Year ended March 31, 2023)	5,003,694	262,352	292,179	213,908

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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 5,003.6 billion yen (U.S.\$ 37.3 billion*) in the fiscal year ended March 31, 2023. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥134=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2023