

Mitsubishi Electric, Mitsubishi Electric Mobility and AISIN Reach a Basic Agreement to Establish a Joint Venture Company for Handling Products for Next Generation Electric Vehicles

TOKYO, May 24, 2024 – Mitsubishi Electric Corporation (TOKYO: 6503), Mitsubishi Electric Mobility Corporation (Mitsubishi Electric and Mitsubishi Electric Mobility are collectively referred to as “Mitsubishi Electric Group.”) and AISIN CORPORATION (TOKYO and NAGOYA: 7259) announced today the three companies have reached a basic agreement to establish a joint venture (the “JV”) company to handle products for next-generation electric vehicles (EVs) (the “Transaction”).

The JV will succeed to part of Mitsubishi Electric Mobility’s business, and will develop, produce and sell traction motors, power converters (inverters, etc.) and their control software, which will be optimized for vehicles and relevant systems and used in next-generation EVs, including battery EVs (BEVs) and plug-in hybrid vehicles (PHEVs). The relevant parties will leverage its respective strengths and respond to the diversifying needs for vehicle electrification, ultimately to contribute to global carbon neutrality.

The Mitsubishi Electric Group has strengths in power electronics technologies such as power devices and inverters, motor technologies and control optimization technologies. Mitsubishi Electric Mobility, which is engaged in the automotive equipment business, possesses expertise in vehicle electrification for hybrid vehicles (PHEVs, HEVs) and is addressing needs in the vehicle electrification market growing rapidly due to acceleration of carbon neutrality initiatives, creating synergies with new partners and expanding its product lineup for diversifying EV systems.

AISIN offers a full lineup of electric units that drive all types of EVs, including BEVs, PHEVs, and HEVs, and provides them to customers around the world through BluE Nexus*, thereby contributing to improved power consumption and driving performance of the entire vehicle. As vehicle electrification continues to accelerate in the context of regional energy situation and policies, there is an increasing diversity of needs for products and technologies, including systems, performance and cost. AISIN will carefully respond to diversifying needs and expand the variety and quantity of electric units through BluE Nexus, utilizing the development capability of the JV based on the full line-up of technology development concepts AISIN has promoted.

The JV will offer new and attractive products to a wide range of customers, maximizing the synergy of Mitsubishi Electric Mobility’s traction motors, power converters and control optimization technologies, and AISIN’s integration technology (vehicle adaptation technology and system integration technology).

The JV will initially be spun off from Mitsubishi Electric Mobility as a new company responsible for its electrification business by way of a company split, and eventually have the Mitsubishi Electric Group as the majority shareholder (66%) and AISIN as the minority shareholder (34%). The completion of the Transaction will be subject to regulatory clearances and consents of competition and other relevant authorities.

An overview of the new JV is in the Appendix. Further details will be announced as they become available.

*BluE Nexus is a joint venture established between AISIN and DENSO in 2019. It specializes in the development, adaptation, and sales of electrification systems and electric drive modules.

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Overview of the joint venture company

(1) Scope of the joint venture company

The scope of the JV will include design, development, production, sales and service activities of traction motors, power converters (inverters, etc.) and control software, and functionally integrating these products to electric drive systems.

(2) Method of the Transaction

The Mitsubishi Electric Group will transfer the rights and obligations of its electrification business to the new company which will be established by Mitsubishi Electric Mobility by way of company split. AISIN will acquire 34% shares of the new company and second part of its engineering human resources to the new company. The rights and obligations to be succeeded to by the JV are assets, liabilities, other rights and obligations and contractual status relating to the electrification business of Mitsubishi Electric Mobility and Mitsubishi Electric Automotive Czech s.r.o., a subsidiary of Mitsubishi Electric. The details of the rights and obligations to be succeeded to by the JV will be determined through discussion between the relevant parties by the execution and closing of a definitive agreement for the establishment of the JV.

(3) Overview of the relevant parties forming the joint venture company

(i) Company Name	Mitsubishi Electric Corporation	Mitsubishi Electric Mobility Corporation	AISIN CORPORATION
(ii) Head Office	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	2-1, Asahi-machi, Kariya, Aichi,
(iii) Representative	Kei Uruma Representative Executive Officer, President & CEO	Kunihiko Kaga Representative Director, President & CEO	Moritaka Yoshida Representative Executive Officer, President
(iv) Summary of Business	Development, manufacturing, sales, and service of products in areas such as Infrastructure, Industry and Mobility, Life and Business Platform, Semiconductor & Device	Development, manufacturing, sales, and service of automotive equipment and others	Manufacture and sale of automotive parts and energy-related products
(v) Date of Incorporation	January 15, 1921	April 1, 2024	August 31, 1965
(vi) Paid-in Capital	175,820 million yen (as of March 31, 2024)	10,000 million yen (as of April 1, 2024)	45,049 million yen (as of March 31, 2024)
(vii) Number of Issued Shares	2,147,201,551 shares (as of March 31, 2024)	1,001 shares (as of April 1, 2024)	294,674,634 shares (as of March 31, 2024)
(viii) Fiscal Year End	March 31	March 31	March 31
(ix) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.15% SSBTC CLIENT OMNIBUS ACCOUNT 5.30% Custody Bank of Japan, Ltd. (Trust Account) 5.19% (as of March 31, 2024)	Mitsubishi Electric Corporation 100.00% (as of April 1, 2024)	Toyota Motor Corporation 24.80% The Master Trust Bank of Japan, Ltd. (Trust account) 9.37% Toyota Industries Corporation 7.68% DENSO Corporation 4.81% Custody Bank of Japan, Ltd. (Trust account) 4.10% (as of March 31, 2024)

(x) Operating Results for the Most Recent Business Year and Financial Positions as of the End of the Fiscal Year (FY ended March 2024)			
Total Equity	3,866,418 million yen	—	2,402,029 million yen
Total Assets	6,167,340 million yen	—	4,643,016 million yen
Equity Attributable to Shareholders per Share	1,790.63 yen	—	7,924.18 yen
Revenue	5,257,914million yen	—	4,909,557 million yen
Operating Profit	328,525million yen	—	143,396 million yen
Profit Before Income Taxes	365,853million yen	—	149,877 million yen
Net Profit Attributable to Shareholders	284,949million yen	—	90,813 million yen
Basic Earnings per Share Attributable to Shareholders	135.74yen	—	336.93 yen

(4) Timeline

The parties plan to execute a definitive agreement for the Transaction in mid-June, 2024, and to start operations of the JV within one year from this announcement.

(5) Outlook

The impact of the Transaction on the consolidated financial results of Mitsubishi Electric or AISIN and specific matters regarding the establishment of the JV will be announced respectively when they become clear.