# DX (Digital Transformation) Strategy

Building up "Business Foundation for Circular Digital-Engineering"

The Mitsubishi Electric Group is transforming itself into a "Circular Digital-Engineering Company" to raise the value we offer with our components, systems and integrated solutions, and to contribute to solving social challenges.

To efficiently create, develop and run businesses to attain this circular digital-engineering, we will build up "Business foundation for Circular Digital-Engineering" through our business DX and operational DX.

Based on this business foundation, we will provide services revolving around highly skilled DX human capital, technology and service development platform, and global O&M (operation & maintenance) for business management. In each business area and group using the services implemented on this business foundation, we will further deepen our components and systems and rapidly create and expand integrated solutions.
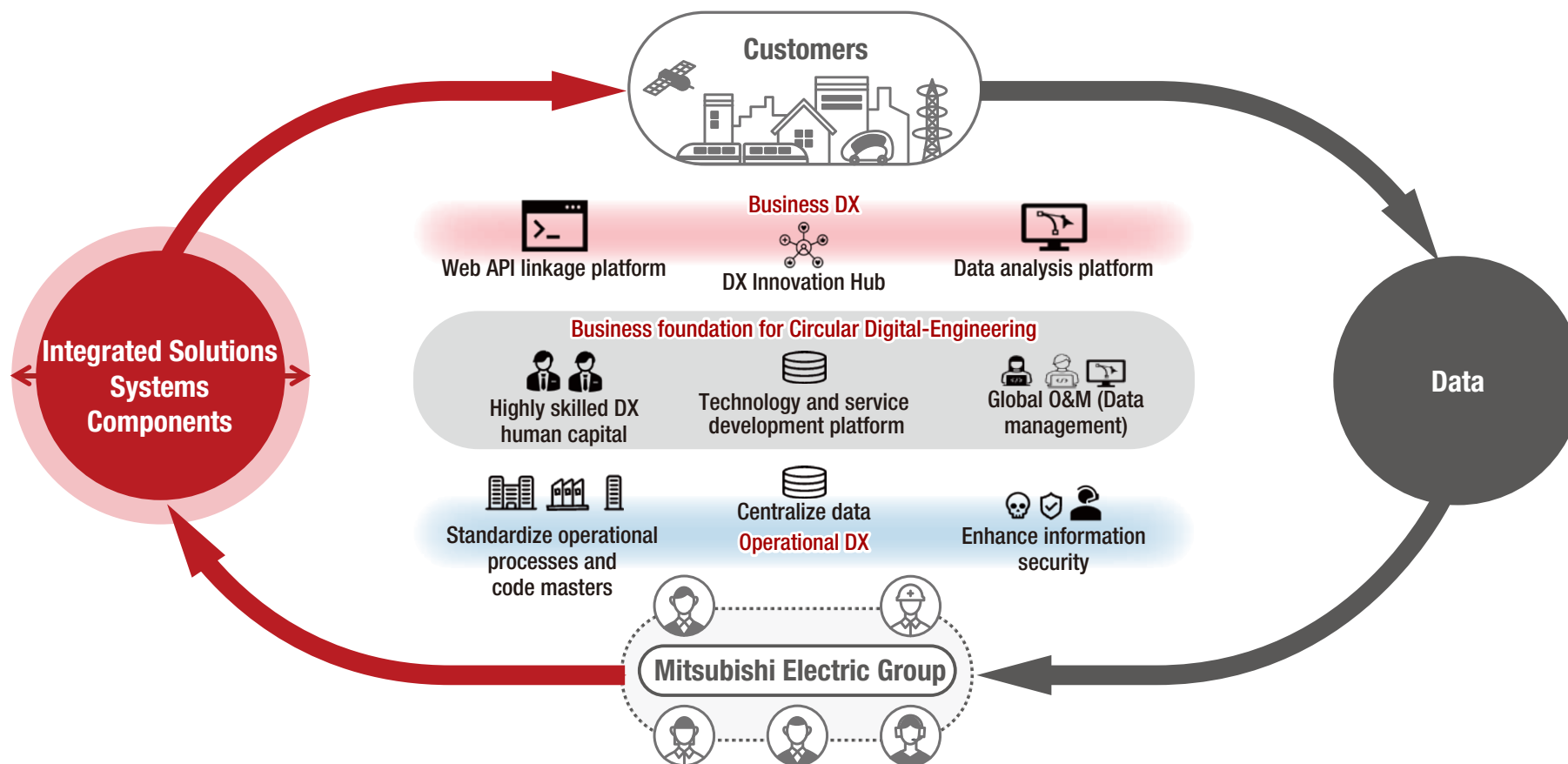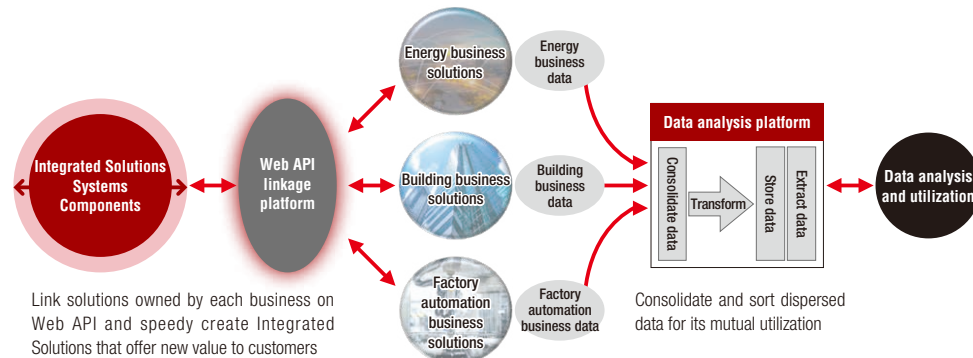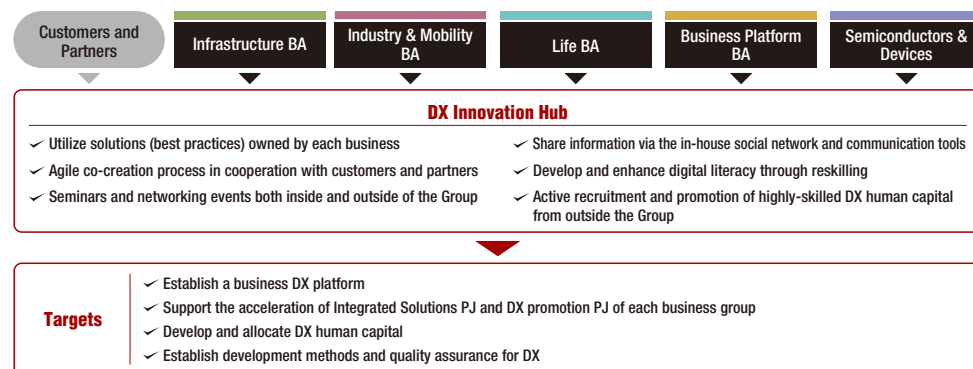
Business DX Promotion Strategy

In business DX, we build a Web API linkage platform and a data analysis platform to enable mutual utilization of functions and data in various solutions owned by each business.

By utilizing the Web API linkage platform to link and combine solutions from these businesses, we will speedily create integrated solutions that offer new value to customers. Also, from the data analysis platform, we will obtain inspirations from the data amassed by our businesses that will lead to the creation of new value and strengthen our integrated solutions.

■Functions and data in each solution prepared for each business can be utilized easily

Energy business solutions — Energy business data

Integrated Solutions Systems Components ↔ Web API linkage platform ↔ Building business solutions — Building business data

Data analysis platform
Consolidate data → Transform → Store data → Extract data ↔ Data analysis and utilization

Factory automation business solutions — Factory automation business data

Link solutions owned by each business on Web API and speedy create Integrated Solutions that offer new value to customers

Consolidate and sort dispersed data for its mutual utilization

In the business DX, we will also accumulate and link business needs, digital technologies and know-how through our DX Innovation Hub, which will be operated together with customers and partners. We will also develop and secure DX human capital through reskilling and by recruiting and promoting human capital from outside the company to enhance the business structure.

Customers and Partners → Infrastructure BA | Industry & Mobility BA | Life BA | Business Platform BA | Semiconductors & Devices

DX Innovation Hub
- Utilize solutions (best practices) owned by each business
- Agile co-creation process in cooperation with customers and partners
- Seminars and networking events both inside and outside of the Group
- Share information via the in-house social network and communication tools
- Develop and enhance digital literacy through reskilling
- Active recruitment and promotion of highly-skilled DX human capital from outside the Group

Targets
- Establish a business DX platform
- Support the acceleration of Integrated Solutions PJ and DX promotion PJ of each business group
- Develop and allocate DX human capital
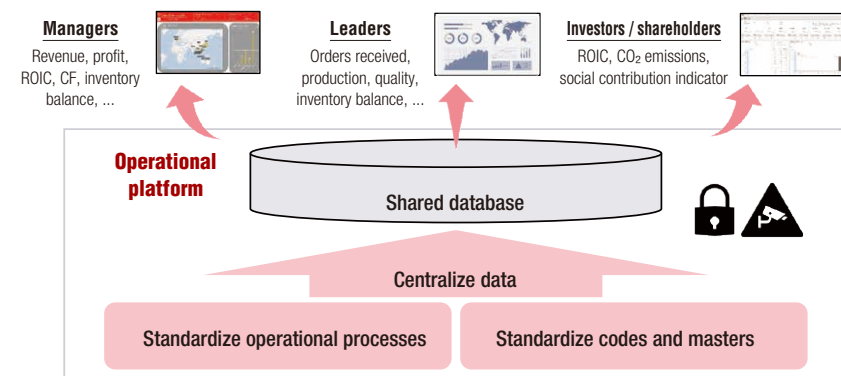- Establish development methods and quality assurance for DX

Operational DX Promotion Strategy

As part of our operational DX promotion strategy, we have been promoting Group-wide operational DX projects since fiscal 2022 and amassing expertise and know-how gained from these initiatives.

More specifically, we have standardized throughout the Group the diverse operational processes, codes and masters that had been individually optimized with a long history for total optimization. By standardizing operational processes, codes and masters, we can centrally manage the diverse data that is scattered across the Group. We are building operational platforms, including shared databases that store diverse data. The data on the shared database will eventually be provided to managers, leaders, field representatives, investors, stockholders and others in the form that they need and when they need it through dashboards, to achieve data-driven management.

■Standardize diverse operational processes and codes and masters across the Group, aiming for total optimization

Managers Revenue, profit, ROIC, CF, inventory balance, ...

Leaders Orders received, production, quality, inventory balance, ...

Investors / shareholders ROIC, CO$_2$ emissions, social contribution indicator

Operational platform
Shared database

Centralize data

Standardize operational processes | Standardize codes and masters

Promote the standardization of operational processes and codes and masters through operational DX

Sales | Production | Materials | Accounting · · · ·

Individually optimized various operational processes and internal information systems (current conditions)

From individual optimization to total optimization

Realize data-driven management via the management dashboard