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Mitsubishi Electric Announces Additional Contributions to Performance-based Stock Compensation Plan for Executive Officers and Executive Officers (Associate), and Introduction of Stock Compensation Plan for Executive-level Employees

TOKYO, May 25, 2026 – Mitsubishi Electric Corporation (TOKYO: 6503) announced today that, at a compensation committee meeting held on May 21 and at an executive officers' meeting held today, it has resolved to make additional contributions to its performance-based stock compensation plan (hereinafter, the "BIP trust-based compensation plan") utilizing the board incentive plan (BIP) trust (hereinafter, the "BIP trust") for the company's executive officers and executive officers (associate) (hereinafter, "executive officers, etc."). Also, at the executive officers' meeting held today, the company has resolved to introduce a stock compensation plan (hereinafter, the "ESOP trust system") utilizing an employee stock ownership plan (ESOP) trust (hereinafter, the "ESOP trust") for the company's executive-level employees who meet certain criteria (hereinafter, "eligible employees"), which will commence in the fiscal year ending March 2028 (fiscal 2028).

The shares for the BIP and ESOP trusts consequent upon the additional contributions and introduction of the ESOP trust system will be acquired through the disposal of treasury stock, with details explained in the company's announcement, "Mitsubishi Electric to Dispose of Treasury Stock in Connection with Extension of BIP Trust and Introduction of ESOP Trust," separately disclosed today.

1. Purpose

The plans are medium- to long-term scope incentives geared toward raising awareness and motivating executive officers, etc. and eligible employees to contribute to the medium- to long-term improvement of the Mitsubishi Electric Group's corporate value and to better share that value among all of the company's shareholders.

2. Outline of the Plans

A BIP trust system was adopted for the performance-based stock compensation for executive officers, etc. Under the BIP trust-based compensation plan, shares of the company themselves or shares of the company converted and delivered as cash equivalent to the disposal price (hereinafter, the "shares of the company, etc.") are delivered and paid (hereinafter, "delivered") to executive officers, etc., in accordance with their role within the company, the extent to which performance targets have been met, and other metrics.

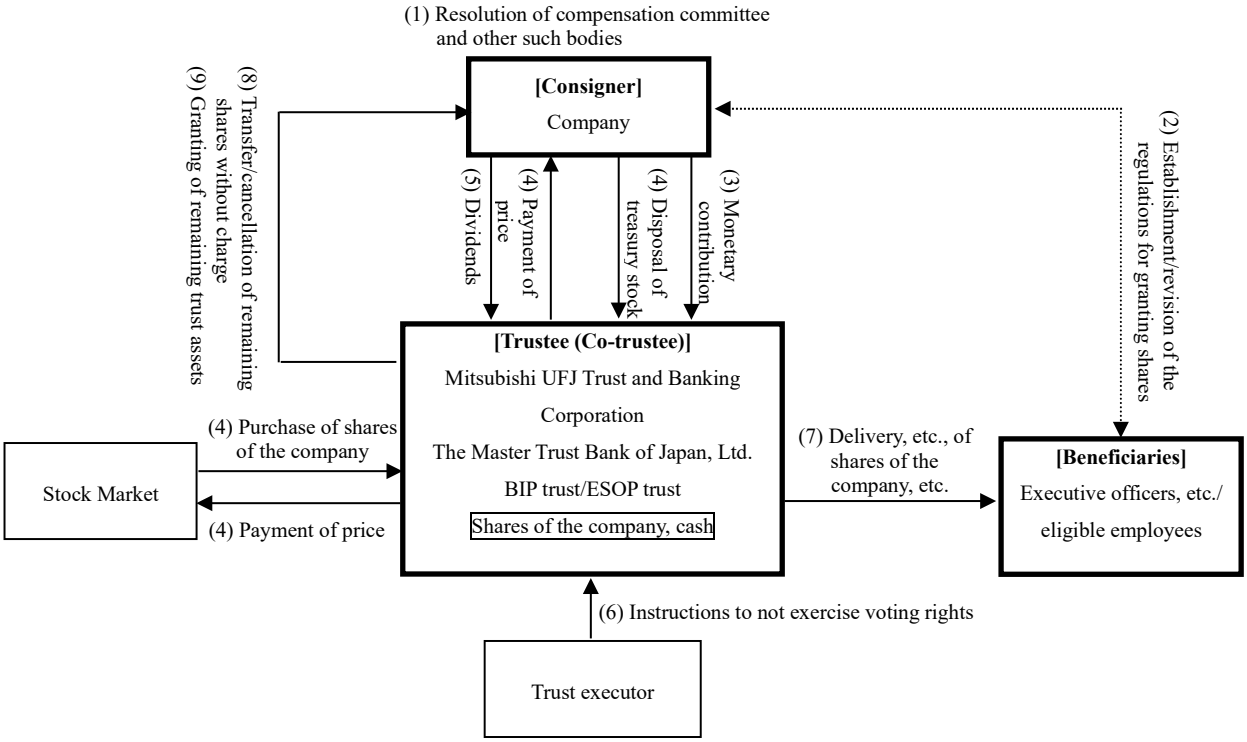
A system termed as ESOP trust will be adopted for the stock compensation plan for eligible employees. The ESOP trust system is an employee incentive plan modeled after the ESOP system of the United States. Under this system, shares of the company, etc. acquired by the ESOP trust are delivered to eligible employees who meet certain requirements in accordance with predefined regulations for granting shares. Until the retirement of those employees, however, transfer restrictions will be applied to the shares (as described in section 3).

3. Details of the ESOP Trust System to be Newly Introduced

The company will establish an ESOP trust by contributing funds for the acquisition of shares of the company, with eligible employees who meet certain requirements serving as the beneficiaries. This ESOP trust will acquire the number of shares of the company expected to be granted to eligible employees in accordance with predefined regulations for granting shares, either directly from the company (disposal of treasury stock) or from the stock market. Thereafter, the ESOP trust will grant shares of the company each year in accordance with the regulations for granting shares, based on position within the company and other metrics for each fiscal year. Restrictions will be applied to the shares granted. In principle, these restrictions will be lifted upon the retirement of those employees. The company will contribute all funds to acquire shares through the ESOP trust, so therefore, there will be no financial burden on the eligible employees.

The introduction of the ESOP trust system will enable eligible employees to benefit financially from increases in the price of the shares of the company. As a result, the company expects the system will help promote greater interest in contributing to the improvement of the Mitsubishi Electric Group's medium- to long-term performance and corporate value, as well as to boost employee loyalty.

4. Structure of the BIP and ESOP Trusts



(1) As the company has a three-committee system, any amendments to the BIP trust-based compensation plan shall be made by the resolution of the compensation committee and other such bodies. The company will also take steps necessary for the introduction of the ESOP trust system, such as a resolution at an executive officers' meeting.

(2) Any amendments to the BIP trust-based compensation plan will be made by making amendments to the regulations for granting shares as they pertain to executive compensation at a compensation committee meeting, etc. Furthermore, the company will establish regulations for granting shares as internal regulations pertaining to the ESOP trust system at executive officers' meetings and other such bodies.

(3) The company will contribute money to the BIP and ESOP trusts (hereinafter, collectively the "trusts") within the scopes determined by the compensation committee, executive officers' meetings, and other such bodies. The company will also extend the trusts or make additional trusts for executive officers, etc. and eligible employees (hereafter, collectively "eligible participants") who satisfy the beneficiary requirements.

(4) The trustees (the trusts) will, in accordance with the instructions of the trust executor, acquire shares of the company either directly from the company (disposal of treasury stock) or from the stock market, using the funds contributed in (3) as the source funds.

(5) Dividends will be paid on shares of the company held within the trusts in the same manner as on other shares of the company.

(6) Voting rights pertaining to shares of the company held within the trusts will not be exercised for the duration of the trust period.

(7) A specific number of points will be granted to eligible participants throughout the duration of the trust period. Eligible participants who satisfy certain beneficiary requirements under the BIP trust-based compensation plan will, both annually and upon expiration of the trust period, receive shares of the company equivalent to their number of points granted, a monetary amount obtained from the conversion of shares of the company based on a specific rate, and the benefit dividends, all in accordance with the company's regulations for granting shares. In addition, eligible participants who satisfy certain beneficiary requirements

under the ESOP trust system will annually receive shares of the company equivalent to their number of points granted, in accordance with the company's regulations for granting shares.

(8) In the event that there are any shares remaining within the trusts upon the expiration of the trust period, such as in cases where some eligible participants, who had met the beneficiary requirements when the trusts were set up or extended but did not go on to become beneficiaries, the trusts may continue to be used as part of similar incentive plans through amendments to the trust agreements or through the making of additional trusts. Alternatively, the trusts will transfer the remaining shares to the company without charge, and the company plans to acquire the shares and cancel them.

(9) Upon expiration of the trusts, any residual assets after distribution to the beneficiaries are expected to be returned to the company within the amount of the trust expense reserve, which is the amount of the trust fund excluding the funds for share acquisition.

Notes: 1 In the event that there are no more shares of the company within the trusts due to delivery of shares of the company, etc. to eligible participants who satisfy the beneficiary requirements, the trusts shall be terminated prior to the expiration of the trust period.
The company may entrust additional funds to the trusts and use the trusts to acquire additional shares of the company within the scope of the funds designated for use in acquiring stock as determined by the compensation committee, executive officers' meetings, or other such bodies, and within the scope of the maximum number of shares to be delivered.

2 Details regarding the BIP trust-based compensation plan other than those described above are explained in the company's announcement, "Mitsubishi Electric Announces Additional Contributions to Performance-based Stock Compensation Plan for Executive Officers and Executive Officers (Associate),"[1] disclosed on November 4, 2025.

[1] https://www.MitsubishiElectric.com/en/pr/2025/pdf/1104-b.pdf

5. Details of the Trust Agreements

	BIP trust	ESOP trust
(1) Type of trust	Trust of money other than that held in a money trust for separate investment (third-party benefit trust)	
(2) Purpose of trust	To incentivize executive officers, etc.	To incentivize eligible employees
(3) Consigner	Mitsubishi Electric Corporation	
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
(5) Beneficiary	Executive officers, etc. who satisfy the requirements as beneficiary	Eligible employees who satisfy the requirements as beneficiary
(6) Trust executor	Third party (certified public accountant) with no interest in Mitsubishi Electric Corporation	
(7) Trust agreement date	June 9, 2026 (scheduled)	June 9, 2026 (scheduled)
(8) Trust period	June 9, 2026 to August 31, 2029 (scheduled)	June 9, 2026 to August 31, 2030 (scheduled)
(9) Scheduled amount of trust fund	1,603,584 thousand yen[2] [3] (Reference) Stock compensation for fiscal 2027 for executive officers, etc. For executive officers: 1,084,933 thousand yen[*4] For executive officers (associate): 470,863 thousand yen[4]	1,637,110 thousand yen
(10) Type of shares to be acquired	Shares of common stock of Mitsubishi Electric Corporation	
(11) Method of share acquisition	To be acquired through treasury stock disposal	
(12) Date of share acquisition	June 12, 2026 (scheduled)	
(13) Vested rights holders	Mitsubishi Electric Corporation	
(14) Exercising of voting rights	Voting rights shall not be exercised.	
(15) Residual assets	The residual assets to be received by Mitsubishi Electric Corporation, as the vested rights holder, shall be within the amount of trust expense reserve, which is the amount of the trust fund excluding the funds for share acquisition.	

[2] The scheduled amount of trust fund includes the residual assets to be succeeded from the existing BIP trust.

[3] The scheduled amount of trust funds includes trust fees and trust expenses, and therefore it does not match the total amount of stock compensation for executive officers, etc.

[4] The amount indicated is the total amount of the performance share unit (PSU) portion of stock compensation at its maximum award rate (200 percent) and the restricted stock unit (RSU) portion of stock compensation.

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About Mitsubishi Electric Corporation

Guided by its corporate philosophy, Mitsubishi Electric Corporation (TOKYO: 6503) places sustainability at the core of its operations and values stakeholder trust—encompassing society, customers, shareholders and employees. In pursuing profitability, capital efficiency and growth, Mitsubishi Electric works closely alongside customers to develop value-added solutions that address today's complex challenges while enhancing the company's sustainable corporate value.

Founded in 1921, Mitsubishi Electric has over a century of experience in delivering reliable, high-quality products and solutions. With over 200 group companies and approximately 150,000 employees worldwide, the company is a recognized global leader in manufacturing, marketing and selling electrical and electronic equipment and systems across a broad range of sectors, including public utility systems, energy systems, defense and space systems, factory automation systems, automotive equipment, building systems, air conditioning systems & home products, digital innovations, and semiconductor & devices.

Mitsubishi Electric recorded consolidated revenue of 5,894.7 billion yen (U.S.$ 36.8 billion*) in the fiscal year that ended on March 31, 2026. For more information, please visit www.MitsubishiElectric.com

*JPY 160=USD 1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2026