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03 January 2023

Mitsubishi Electric Türkiye will continue to provide high added value in 2023 with its energy efficient, environmentally friendly, long-lasting intelligent products equipped with advanced technology and solution providing services

Stands out with its advanced technology and high quality standards product variety in different sectors

Technology giant Mitsubishi Electric, which is an ambitious solution partner for air conditioning, automation, elevator and escalator systems of environmentally friendly buildings, factories and infrastructure projects will continue to work and produce for Türkiye in the new year as well. Equipped with advanced technology, energy efficient, environmentally friendly, long-lasting and smart products, systems and services for many different sectors; the company aims to develop its rapid growth in 2022 by further strengthening its privileged upper segment position in 2023.



Mitsubishi Electric, which stands out with its energy-efficient, environmentalist, innovative products and advanced technology solutions in Türkiye as well as in the world, has announced its activities in 2022 and its 2023 plans. **Mitsubishi Electric Türkiye President Şevket Saraçoğlu** stated that despite the negative developments in the world and the uncertain economic conditions in Türkiye, they achieved growth with their high-end products, product variety and additional after-sales services, and gave positive messages for 2023.

We are the only company where Air Conditioning and Factory Automation Systems are under one roof.

We are the only company where air conditioning and factory automation systems are under the same roof. As Mitsubishi Electric, we offer a wide range of products and services ranging from air conditioning solutions preferred in buildings of various scales and features, from data centers to hotels, to building management systems that control buildings in different locations

from a single point, from electrical systems that reduce energy consumption to elevators and escalators. This gives us the opportunity to create a serious advantage, difference and synergy. In 2022, we implemented our “Building Solutions” project, where we offer holistic solutions for the green buildings of the future. We are working on our “Data Centers” project for 2023 and we will carry the synergy we have even further and present it to our stakeholders.

Our services will reach as far as China

We have been displaying a stable and rising graphic for many years in our operations in Türkiye. As Mitsubishi Electric Türkiye, thanks to this success, we gained the factory automation and air-conditioning systems product and service sales rights of many countries, especially the Turkic Republics in Central Asia, which were affected by the embargoes after the Russia-Ukraine war, and started our operations based in Istanbul. We will achieve very important opportunities and achievements in 2023 in this geography that extends as far as China, with the experience we have gained in neighbouring countries for many years.

In the air conditioning sector, we grew by more than 45 percent on Euro basis.

Despite the negativities and risks in the whole world and in Türkiye, we continued to work towards our targets in 2022, increased our sales in our current product segments, and we predict that we will close our fiscal year with a growth of more than 45 percent on Euro basis, even more than we planned. As Mitsubishi Electric, we take advantage of our many years of experience, both locally and globally, from different sectors. Our product variety in line with the needs of each period and the high technology and quality standards we apply have a great role in our success. We differ in particular with the products we produce with our patented technologies, and according to the latest statistics announced by the World Intellectual Property Organization (WIPO), we are among the top 5 in international patent applications. In line with these pioneering works, we broke new ground in 2022 and extended the warranty period of our air conditioners to the same 10-year service life as specified in the After-Sales Services Regulation. With this application, which is a global first for Mitsubishi Electric, we have also reinforced our image of a "long-lasting brand", which is already on everyone's mouths, by offering the longest warranty period in the Turkish air conditioning industry.

We think that indoor air quality, which has gained importance with the pandemic, will also come to the fore in 2023 with energy efficiency applications in buildings. Lossnay offers high-level energy efficient ventilation solutions with our fresh air devices, which we have developed with high R&D since 1967 and which is a first in its field with our patented technology, for the airlessness and other negativities that will come with the increased insulation and sealing in the buildings in which we are planning to invest. We will also be launching our new premium products, which we have created with significant R&D budgets, in 2023. We understand the consumer; energy costs are rising and there is a need for more energy efficient products, to get the maximum return from each product. We will offer this desired comfort and happiness at the highest level.

New solutions that are environmentally friendly and aiming for high energy efficiency

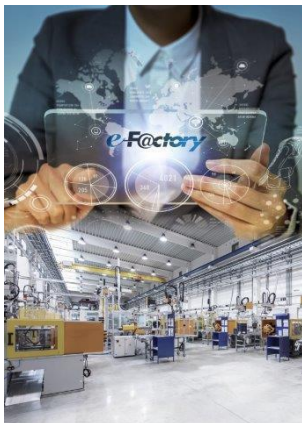
In general, we care about investing in people. This applies both to creating more comfortable spaces with the products we offer, and to our in-house plans and policies. In line with our corporate commitment “Changes For The Better”, our basic philosophy in every product is;

better user experience, higher energy efficiency and lower environmental impact. With the research and application experiments carried out at our SUSTIE test center located in the Information Technologies R&D facility in Kamakura, Japan, we continue our efforts to develop the increasing demand in “zero-energy building compatible energy-saving technologies”. New regulations also determine our business plans. The introduction of these regulations and the increase in market influence, increasing energy costs will also change the solution needs within the framework of both daily life and production applications. We make our plans and preparations by examining this change in advance. In 2023, our technological, high-energy efficiency, environmentally friendly product and service identity will again be at the forefront.

We have reached the growth figures we targeted in factory automation

With the increase in the supply chain fragility problem and inflationary pressures caused by the COVID-19 epidemic in the world economies, the effects of which continued in 2021, a pressure environment has emerged in our markets, as in many parts of the world. In 2022, disruptions in factory automation product supply processes reached the highest point. We had a productive year by ensuring that the product supply to our existing customers is not affected by our efforts for the efficiency of production lines and the creation of new production lines in all our Japan-based factories. In addition, with our expansion strategy that we put forward in 2022, we added new markets to the shrinking markets and achieved our targets. We are aware that 2023 will also be difficult under the declining growth targets in the European region and the inflation pressure surrounding the whole world, but the activities in new markets in our region will reduce this slowdown, we will take an active part in these markets and we think that we will complete the year without revising our growth targets.

Artificial intelligence technology that prepares the industry for the future



We expect that we will experience another year that will be shaped by artificial intelligence technologies. Artificial intelligence, whose place in our lives is increasing day by day and is included in production, has many skills such as adjusting the parameters of its products, searching for problems, assisted and predictive maintenance studies, voice and face recognition. If we want to realize production one step ahead of time, we must also apply artificial intelligence technologies to factory automation systems. With our digital factory concept e-F@ctory, which responds to Industry 4.0, and our registered AI brand MAISART (Mitsubishi Electric's AI creates the State-of-the-ART in technology) technology, we will continue to work in 2023 to enable companies to derive maximum benefit from artificial intelligence.

We are preparing the Turkish industry for the future

Today, where digitalization and automation in production come to the fore, the complete and error-free maintenance of the system is possible with industrial technologies and automation systems. We provide a hybrid perspective to production by assisting the human workforce with our MELFA ASSISTA collaborative robots, which offer the flexibility and adjustability necessary to perform specialized tasks. We are very pleased with the benefit we have provided in 2022 to the automotive sector, which is one of the most important branches of the Turkish industry

and which responds the fastest to digitalization, and we will continue to provide added value to our large industrialists and SMEs in 2023.

We plan to increase the number of our employees by 20 percent in 2023.

As Mitsubishi Electric Turkey, we attach great importance to the development of corporate and individual capabilities that will contribute to the company's achievement of its strategic goals. To this end, we strengthen our human resources processes with flexible and agile tools. We launched our METR Academy online education platform, which is one of the steps towards this goal, in 2022. The year 2023 will be a year in which we continue to nurture our corporate agility with new generation learning solutions and structured strong development programs. However, we believe in the knowledge and abilities of our young engineers and want to create more job opportunities for them. We know that every step we take in this direction is an investment in Turkey's future. With the "New Graduate Program" that we launched in 2022, we aim to be with the newly graduated candidates in their first step in their business life and to be with them in the future. We set our employment target for 2023 to increase our current employee number by 20 percent.

When we look at the dynamics in the sector regardless of economic data, we see that digitalization will not cause people to be unemployed, and a process that will lead to mental work rather than labour-based work has developed and shaped our lives. At this point, the most important issue will be to prepare for the digitalization process by creating a well-equipped human resource. As a brand that attaches great importance to the education of future generations, we have been contributing to the establishment of factory automation systems "Training Centers" in engineering faculties of universities for a long time. In this sense, we will continue to support education in 2023.

We have achieved significant global success within the framework of sustainability

Referring to the sustainability efforts of the company throughout 2022, Şevket Saraçoğlu said, "Mitsubishi Electric's environmental initiatives follow the Environmental Sustainability Vision 2050 policies, which is determined as "protecting air, land and water resources with our hearts and technologies in order to provide a better future for everyone". This policy aims to develop energy-efficient products and systems and state-of-the-art infrastructures, reduce the environmental impact of the global value chain, and ultimately achieve a more sustainable global environment that is decarbonised. This vision has brought new achievements in 2022. In this context, our company once again managed to enter the highest A List for climate change activities in the list announced by the non-profit CDP organization. Mitsubishi Electric has been on the A List for five years in the climate change category and in the water category for five consecutive years. Again, in 2022 there has been a significant development and the test center SUSTIE® facility with the concept of ZEB (zero-energy building), which means the net zero energy building that our company established in 2020, reduced its net energy consumption to below zero percent in its first year of operation and produced more energy than it consumed. In fact, this result demonstrates that a ZEB-level operation can be implemented even in densely populated urban areas without compromising a highly comfortable and productive work environment. In addition, SUSTIE has been certified at world standards as a building that improves the health and comfort of its users by obtaining Platinum status, the highest level of WELL certification." he said.

Production at the new factory in Türkiye will start in February 2024

Finally, Şevket Saraçoğlu also touched upon the current investments in Turkey and said, "In May 2022, Mitsubishi Electric Corporation announced that a new factory will be established within the air conditioner production base of the company in Turkey, Mitsubishi Electric Turkey Klima Sistemleri Üretim A.Ş. Mitsubishi Electric is expanding its global Heating, Ventilation and Air Conditioning (HVAC) operations as part of its 2025 growth strategy, which focuses specifically on the European heating systems market. In line with Europe's carbon emission reduction policies, air-to-water heat pumps rapidly replace traditional boiler-type heaters based on fossil fuels, causing rapid growth in the air-to-water heat pumps market in Türkiye and across Europe. At the same time, ongoing climate change is driving increasing demand for home air conditioners, which are viewed by consumers as a basic necessity rather than a luxury. Accordingly, the production capacity for air-to-water heat pumps increased by 100,000 to 300,000 units; for household air conditioners, it will be increased by 310,000 to 1,100,000 units. Production in the new factory will start in February 2024," he concluded.

About Mitsubishi Electric Corporation

Experienced for 100 years in manufacturing of reliable and highest quality products, Mitsubishi Electric Corporation is a well-known global leader in manufacturing, marketing and sales of IT and communication systems, space development and satellite communications, consumer electronics, industrial technologies, and electric and electronic components used in energy and transport and heavy-duty equipment and vehicles. Mitsubishi Electric continues enriching the community with its technologies driven by the spirit of "Changes for the Better". Company realized a consolidated group sales of 4.476,7 yen (36,7 billion dollar) in the financial year ended on 31 March 2022.*

For further information: www.MitsubishiElectric.com

*Calculated at the 1 USD = 122 yen published by Tokyo Forex Market on 31 March 2022.

About Mitsubishi Electric's Operation in Turkey

Standing out with cutting-edge technologies in many different industries from "home to space", the technology giant Mitsubishi Electric has operations in Turkey in the fields of air-conditioning systems, industrial automation systems, advanced robot technologies, CNC mechatronic systems as well as elevator and escalator systems. Believing in the potential and strength of Turkey and accordingly positioning it as a major manufacturing base, Mitsubishi Electric manufactures high-energy saving and eco-friendly air-conditioners at its Manisa digital factory, being the brand's first residential air-conditioner factory in the Europe. Striving for integration of Turkish industry into the digital transformation process of the factories, Mitsubishi Electric attracts attention with automation technologies as well as the Marmaray project which has the world's deepest immersed tube tunnel. Playing a role in many fields in Turkey such as automotive equipment, semi-conductors, transportation and energy system, Mitsubishi Electric applies the radar technology in Antalya Airport, which it developed for the airports in order to enhance the flight and aircraft security as part of the public system operations. A world's pioneering manufacturer in the space research and development systems, Mitsubishi Electric is the manufacturer of the Turksat 4A and 4B satellites which contributed in the communication and broadcasting infrastructure of Turkey and neighboring countries. For detailed information; tr.mitsubishielectric.com

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