

Mitsubishi Electric Group CSR Report 2017

Highlights Edition



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Editorial Policy

This "Highlights Edition" was created with the aim of communicating with stakeholders regarding the Mitsubishi Electric Group's CSR efforts to realize a sustainable society. In addition to communicating the overall picture of CSR at the Mitsubishi Electric Group, we introduce our basic policy and examples of actions mainly in line with the four aspects of CSR materiality we identified in FY 2015. We endeavor to fulfill our responsibility of presenting information to the public in order to broaden our range of communication with stakeholders. We appreciate any and all frank and honest feedback intended to further improve the report.

● Period Covered by the Report

April 1, 2016 – March 31, 2017 (next planned publication : September 2018)

* Also includes some information on policies, targets, and plans for fiscal 2018 and thereafter.

● Reporting Medium

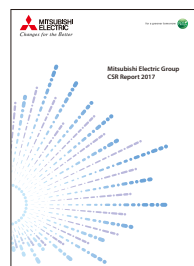
Non-financial information about the Mitsubishi Electric Group is disclosed in the CSR section, "CSR at Mitsubishi Electric" of our website. Among this information, environmental information is introduced in detail in the Environment section, "Environment" of the website. We have issued a detailed edition and highlights edition of the CSR Report.

CSR

<http://www.MitsubishiElectric.com/company/csr/index.html>



CSR at Mitsubishi Electric



CSR Report



Highlights Edition

Environment

<http://www.MitsubishiElectric.com/company/environment/index.html>

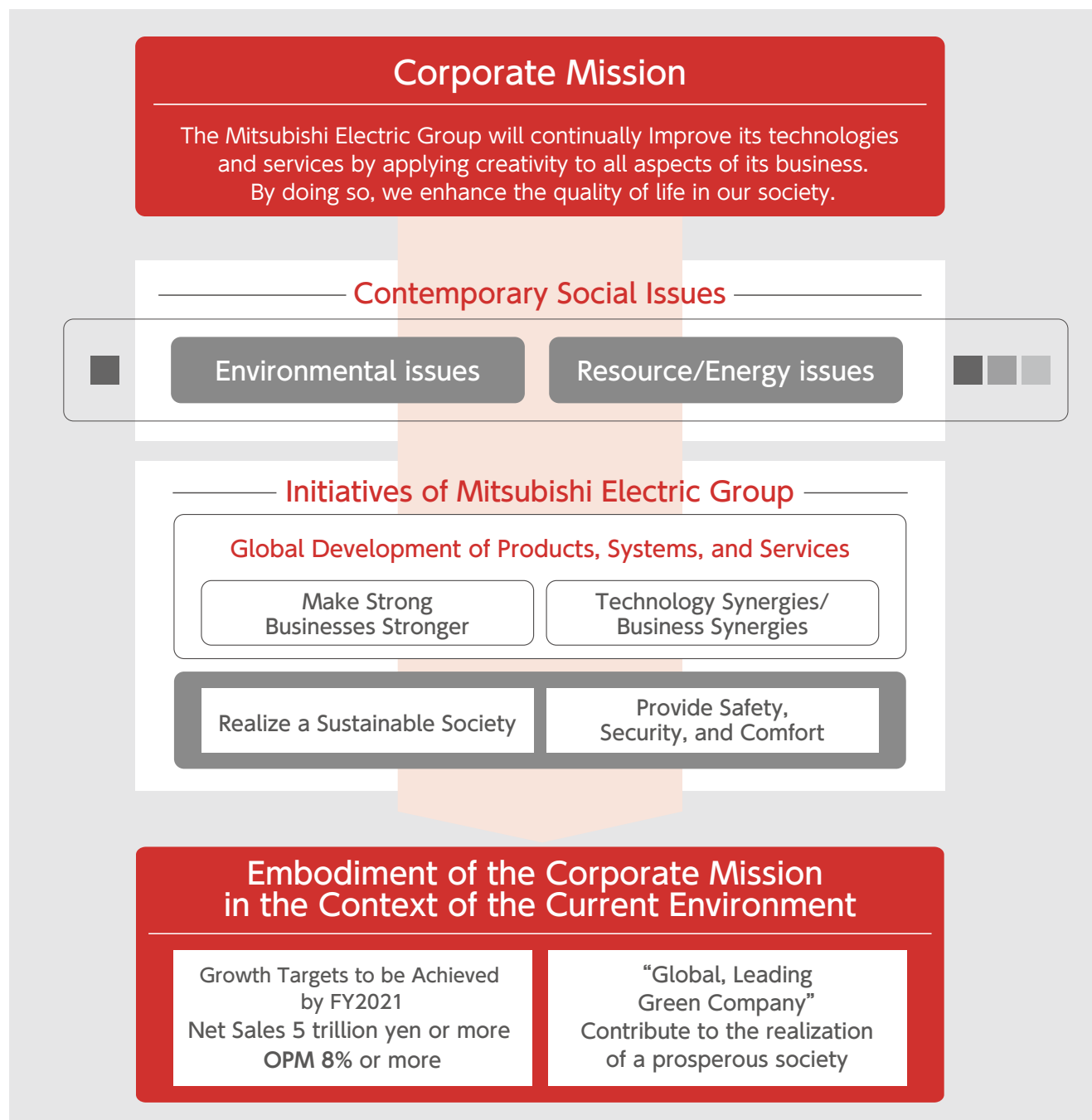


Environment

For more information, please read P.26

Embodiment of the Corporate Mission

The Mitsubishi Electric Group has positioned Corporate Social Responsibility (CSR) as a pillar of its corporate management, based on its Corporate Mission and Seven Guiding Principles. Accordingly, the Group has made committed efforts to become a corporation whose efforts are appreciated through its initiative toward solving social issues. Or in other words, a corporation that is trusted by its stakeholders, including its society, customers, shareholders, and employees as a whole, and that earns their satisfaction through its business practices. Since fiscal 2002, the Group has adhered to the management policy of maintaining balanced management initiatives based on three perspectives: growth, profitability and efficiency, and soundness. Through these perspectives it has pursued the establishment of a sound foundation to its management and sustainable growth. Based on this policy, the Group has taken on the challenge of resolving environmental issues, resource and energy issues, and other social issues we face today on a global scale through its products, systems and services. In doing so, it aims to become a "global leading green company" contributing to the realization of a prosperous society that simultaneously achieves "sustainability" and "safety, security and comfort", as it pursues sustainable development of the entire Group and strives to further enhance its corporate value.



Mitsubishi Electric's Business Segments and Response to Social Issues

Mitsubishi Electric's Business Segments

Building Systems



Ensuring building safety and security with the world's foremost elevator systems

With over 80 years of experience, we have supplied elevators to customers in over 90 countries. In Japan, one in three elevators now in operation was made by Mitsubishi Electric. In terms of building management systems business, we ensure greater energy efficiency as well as safety and security through our building security systems that include access control and the management of building facilities.

- Main products
- Elevators
 - Escalators
 - Building management systems
 - Building security systems

Public Systems



Supporting a better tomorrow with cutting edge technologies at work in our everyday life

Our solutions cover a number of fields that underpin our everyday life, including advanced social infrastructure and public facilities and services. We enhance quality of living by creating solutions that are truly needed by society, from making society safer and more secure with water and environmental systems and advanced medicine to supplying video entertainment solutions.

- Main products
- Water treatment technologies
 - Aircraft management systems
 - Particle therapy system
 - Large screen video systems
 - Disaster information systems

Transportation Systems



A leader in railway solutions providing a full range of equipment and systems for rolling stock

We developed an unrivaled level of technical prowess from our involvement in the development of rolling stock and on ground systems for all of Japan's Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy efficiency. Our products have already been adopted by more than 30 countries around the world. Our goal is to support comfortable rail services in Japan and abroad that are both safe and energy efficient.

- Main products
- Propulsion systems
 - Air conditioning systems for rolling stock
 - Rolling stock information management systems
 - Electricity control systems
 - Train vision
 - Transportation planning and control systems

Factory Automation Systems



Underpinning manufacturing in the world as a leading FA supplier

We are one of the major FA suppliers in the world underpinning manufacturing by developing and providing a wide range of FA products including PLCs and laser processing machines. We propose "e-Factory" which offer solutions to reduce total cost of development, production, and maintenance and to support advanced manufacturing by utilizing FA technologies and IT technologies.

- Main products
- Programmable Logic Controllers(PLCs)
 - Servo systems
 - Industrial robots
 - Circuit breakers
 - Laser processing machines

Energy Systems



Building power infrastructure across the entire energy value chain as one of Japan's foremost suppliers

Energy systems represent a core strength that we have engaged in since our founding. We have contributed greatly to the development of power infrastructure around the world in all phases of the energy value chain, from generation and transmission to distribution. As demand grows for clean energy, we are actively developing new energy businesses related to smart grids and other fields.

- Main products
- Turbine generators
 - Protection and control systems
 - Vacuum breakers
 - Transformers
 - Substation systems
 - Grid stabilization systems
 - Switchgears
 - Photovoltaic systems

Automotive Equipment



Contributing to the advancements in motorization with a broad lineup of products

We were the first in the world to produce an electric power steering system and today many of our products hold a leading market share globally, enabling us to support the creation of safer, more secure, and more comfortable cars. We are helping make safer, more secure cars, by reflecting the various needs of the automobile society to automotive equipments, such as electric vehicles, hybrid electric vehicles, or automated cars.

- Main products
- Charging & Starting products
 - Electric power steering system products
 - Engine management products
 - Car multimedia products
 - Electrification components
 - ADAS products

Mitsubishi Electric's Businesses and the SDGs

The Mitsubishi Electric Group is an integrated electronics manufacturer that handles a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and projects on a national scale. As such, we believe that we can also make a contribution toward accomplishing sustainable development goals (SDGs). The eight goals presented here

3 GOOD HEALTH AND WELL-BEING



Ensure Healthy Lives and Promote Well-being for All at All Ages

We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge medical care systems that contribute to the advancement of treatment.

6 CLEAN WATER AND SANITATION



Ensure Access to Water and Sanitation for All

The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.

7 AFFORDABLE AND CLEAN ENERGY



Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All

We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build Resilient Infrastructure, Promote Sustainable Industrialization and Foster Innovation

The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.

Space Systems



Cutting edge technologies at work across the vast business fields in the space industry

We have participated in the development of more than 500 satellites in various countries around the world. We are able to conduct all aspects of satellite development in-house, including design, production, and testing using our test facilities that can reproduce the environment in space. We are also a world leader in large telescopes, too, having been involved with the Subaru Telescope in Hawaii and the ALMA Telescope in Chile.

Main products ■ Satellites ■ Large telescopes ■ Onboard satellite equipment

Information & Communication Systems



Making communications easier and more convenient with technologies that "send" information

We supply products for optical broadband services that enable high speed transfers of content-rich data, such as HD videos, over the Internet using existing communications infrastructure. Through this business line, we are helping to make society a better place with an assortment of solutions, including video surveillance systems that make society safer and more secure as well as communication systems for smart grids that optimize energy usage.

Main products ■ Optical broadband systems ■ Wireless access systems ■ Home ICT systems ■ Video surveillance systems ■ Railway radio systems

Semiconductors & Devices



Providing key devices underpinning a more affluent society, harnessing cutting edge technologies

We supply semiconductors and devices that make our lives more affluent as key devices in equipment used in a wide range of fields, from home electronics to space. In particular, power semiconductors are used in a truly wide range of fields, including home products, industrial equipment, power control systems for traction, motor control systems, wind turbines, and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

Main products ■ Power modules ■ Optical devices ■ High frequency devices ■ TFT-LCD modules

Air Conditioning Systems



Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

We provide a broad range of highly energy-efficient air conditioning systems, from the Kirigamine brand of room air conditioners to air conditioner systems for buildings and industry. At the same time, we also supply a number of low-temperature systems, from distribution to industry, including cool warehouses and cold storage as well as ice makers for food processing plants and ice skating rinks.

Main products ■ Room air conditioners ■ Commercial air conditioners ■ Low-temperature systems, water heaters, and industrial cooling and heating systems

Home Products



Making the lives of our customers more comfortable

We supply an assortment of home electronics for the kitchen, living room, bedroom, and other locations. We will continue to make the lives of customers more comfortable by supplying products that meet and exceed customer expectations.

Main products ■ LCD TVs ■ Refrigerators and freezers ■ Vacuum cleaners ■ Jar rice cookers

IT Solutions



Providing IT solutions to make all aspects of our life more convenient, comfortable, and advanced

We deliver security technologies including encryption, IoT technologies, and cloud computing platforms to financial institutions, manufacturing plants, social infrastructure (transportation providers, airlines, airports, the power industry), developers, and others. In the process, our IT solutions underpin a more affluent life and society for all.

Main products ■ Automated radar terminal systems ■ Flight information systems ■ Energy management systems ■ Large-scale security systems

are in fields in which the Mitsubishi Electric Group is particularly well positioned to contribute, through its products and services. With achievement of the goals we share globally as our objective, we will maintain our efforts to bolster management as we work to make everyone throughout the company fully cognizant of our SDGs and integrate the thinking behind them into our operations.

11 SUSTAINABLE CITIES AND COMMUNITIES



Make Cities Inclusive, Safe, Resilient and Sustainable

We provide safety, security, and comfort to people's lives through our work in the disaster-prevention and infrastructure-development fields.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure Sustainable Consumption and Production Patterns

We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.

13 CLIMATE ACTION



Take Urgent Action to Combat Climate Change and Its Impacts

We are working to identify a total valuation of our CO₂ and other greenhouse gas emissions in order to set our goals for reductions.

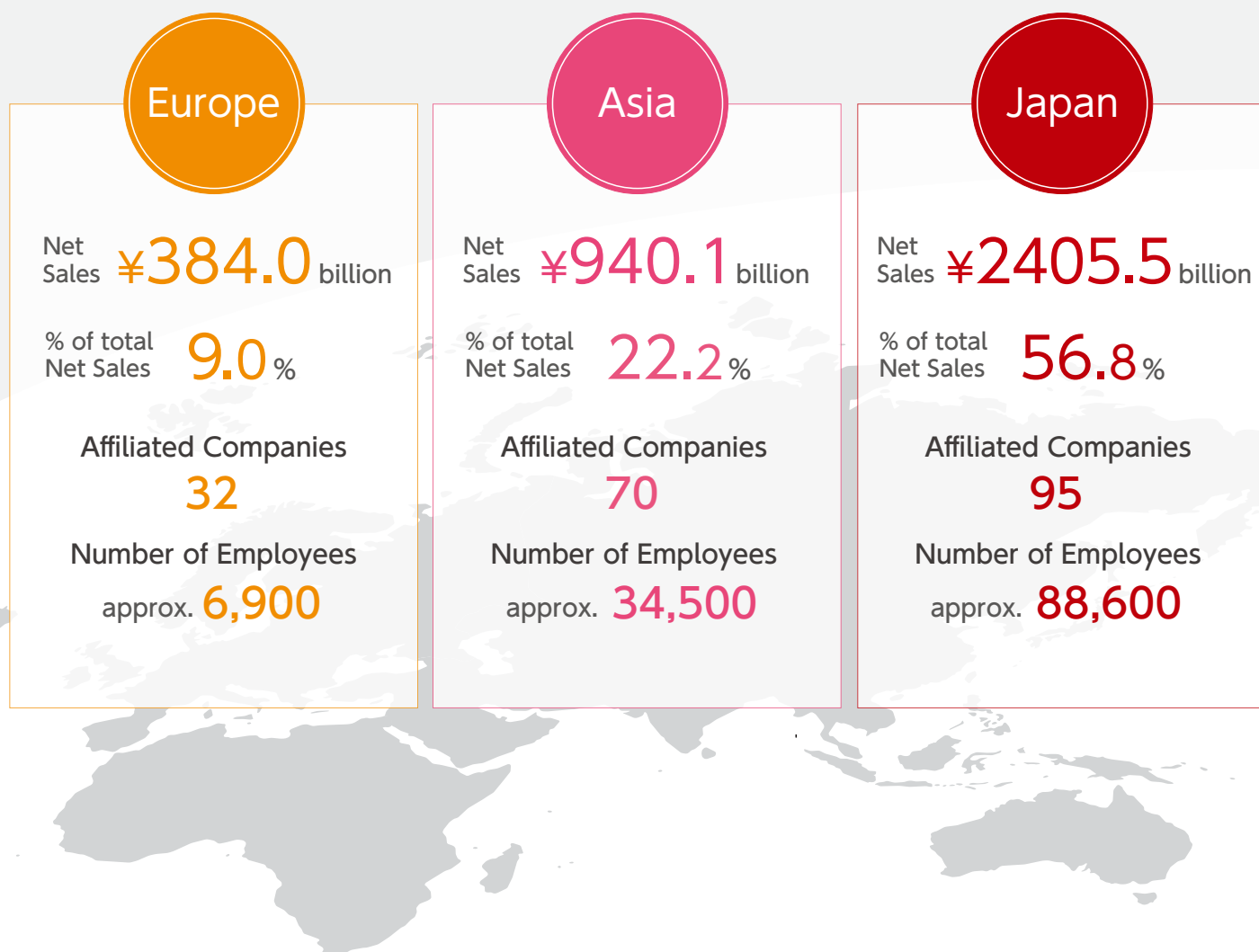
15 LIFE ON LAND



Sustainably Manage Forests, Combat Desertification, Halt and Reverse Land Degradation, Halt Biodiversity Loss

We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.

Global Operations



Corporate Data (As of March 31, 2017)

Mitsubishi Electric Corporation

Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan

President & CEO : Masaki Sakuyama

Phone : +81 (3) 3218-2111

Established : January 15, 1921

Paid-in Capital : ¥175,820 million

Shares Issued : 2,147,201,551 shares

Consolidated Net Sales : ¥4,238,666 million

Consolidated Total Assets : ¥4,180,024 million

Employees : 138,700

North America

Net Sales **¥422.2** billion

% of total Net Sales **10.0%**

Affiliated Companies
12

Number of Employees
approx. **5,800**

Other*¹

Net Sales **¥86.6** billion

% of total Net Sales **2.0%**

Affiliated Companies
4

Number of Employees
approx. **2,900**

*1 Oceania, Central and South America, and Africa

Financial Results

Performance for the Year Ended March 31, 2017

Years ended March 31	Yen (millions)			U.S. dollars (thousands)
	2017	2016	2015	2017
Net sales	¥4,238,666	¥4,394,353	¥4,323,041	\$37,845,232
Operating income	270,104	301,172	317,604	2,411,643
Net income attributable to Mitsubishi Electric Corp.	210,493	228,494	234,694	1,879,402
Total assets	4,180,024	4,059,941	4,059,451	37,321,643
Interest-bearing debt	352,124	404,039	381,994	3,143,964
Mitsubishi Electric Corp. shareholders' equity	2,039,627	1,838,773	1,842,203	18,210,955
Capital expenditure (Based on the recognized value of property, plant and equipment)	175,542	177,801	194,458	1,567,339
R&D expenditures	201,330	202,922	195,314	1,797,589
Yen U.S. dollars				
Per-Share Amounts				
Net income attributable to Mitsubishi Electric Corp.				
Basic	¥98.07	¥106.43	¥109.32	\$0.876
Diluted	—	—	—	—
Cash dividends declared	27	27	27	0.241
%				
Statistical Information				
Operating income ratio	6.4%	6.9%	7.3%	—
Return on equity (ROE)	10.9	12.4	13.9	—
Interest-bearing debt to total assets	8.4	10.0	9.4	—

See accompanying Notes to Consolidated Financial Statements.

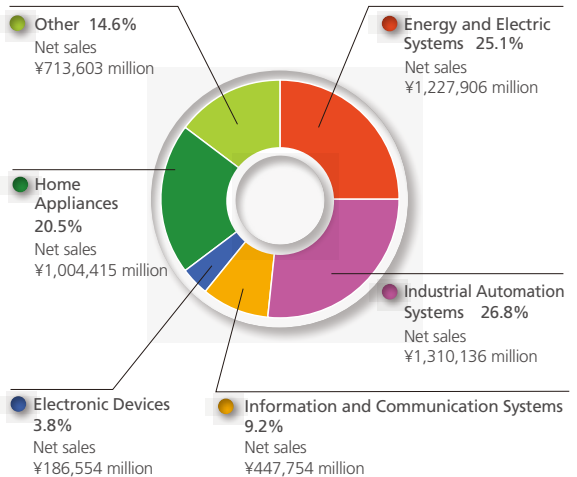
1 The Company prepares consolidated financial statements with procedures, accounting terms, forms, and preparation that are in conformity with accounting principles generally accepted in the United States of America based on the rules and regulations applicable in Japan.

2 Operating income is presented as net sales less cost of sales, selling, general, administrative, and R&D expenses, and loss on impairment of long-lived assets.

3 Diluted net income per share attributable to Mitsubishi Electric Corp. is not included in the above figure as no dilutive securities existed.

4 U.S. dollar amounts are converted from yen at the rate of ¥112=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2017.

Net Sales Breakdown by Business Segment



Note: Inter-segment sales are included in the amounts of the diagram above.

President's Message

Aiming to Become a Global, Leading Green Company

Working as a Group to Contribute Toward Realizing a Sustainable Society.

To Become a Company That Society Needs

Companies that thrive for years are those companies that society regards as necessary. Financial matters are not the only factor important toward a company continuing to be seen as needed; its efforts in terms of corporate social responsibility (CSR) are also extremely important.

One of the objectives that the Mitsubishi Electric Group seeks to achieve by fiscal 2021 just ahead of the company's centennial is "net sales of ¥5.0 trillion or more and an operating income ratio of 8% or more." If figures such as these may be likened to a company's "height and weight," then its CSR objectives correspond to its character. For a company to achieve a new, higher level of growth requires that this growth be steadily accomplished both in its "height and weight" as well as in its "character."

At the foundation of all our corporate activities is Mitsubishi Electric Group's corporate philosophy of working to improve our technologies, services, and manufacturing abilities, and in so doing contribute toward realizing a society that is vital and comfortable. To give this corporate philosophy more concrete expression, we set down four materialities in the area of CSR and in fiscal 2017 began efforts that would shift them into full swing.

Progress in CSR Materialities Initiatives

The first two materialities are, respectively, "Realize a sustainable society" and "Provide safety, security, and comfort." Our objective is to become a global leading green company that fulfills these two objectives and through this helps toward realizing an affluent society. As such, we are contributing toward efforts to resolve present-day problems related to the environment as well as resources and energy issues through our global-level approaches to products, systems, and services. In fiscal 2017, CDP—an international nongovernmental organization—gave us its highest score of "A-list company" in its assessments in the categories of "Climate Change," "Water," and "Supply Chain." We believe these results were due not simply to our work to reduce the Company's environmental load, but also for efforts that have served to make people's lives more safe, secure, and comfortable. With pride in this evaluation we are now working steadily toward fulfilling our Environmental Vision 2021, whose target year of 2021 corresponds to the centennial of our founding.

The third materiality is "Respect human rights and promote the active participation of diverse human resources." The Mitsubishi Electric Group as a matter of course engages in behavior with respect for human rights, and does not discriminate with regard to nationality, race, religion, or gender. Additionally, the Group strives to enable a diverse workforce to demonstrate its capabilities by encouraging women's participation, nurturing talent globally, supporting varied ways for senior citizens to work, and promoting the hiring of people with disabilities. Quite sad to say, in the past industrial accidents have occurred at the Group due to long working hours. So that this situation may not arise again, the entire Group is striving to reform our styles of working by making efforts to reduce total working hours and manage them appropriately while also creating workplaces that allow for employees to balance their jobs and private lives and where they can maintain their health while thriving at work.

The fourth materiality is "Strengthen corporate governance and compliance on a continuous basis." In the area of corporate

governance in order to further improve our capacity to monitor management we have established venues for supplying information to and exchanging views with outside directors and reviewing the Board of Directors on an ongoing basis. Through these steps, we expect to further improve the functioning of the Board. Additionally, in fiscal 2017 we added an outside director who is a woman and thus bring more diverse perspectives into management, all done with the goal of creating a management structure with a sound ability to monitor itself. Compliance initiatives are fundamental to a company's continued existence, and they needed to be addressed on an ongoing basis. Our objective is to contribute to society, and the sales and profits we achieve will come along with this as a result. So that our objectives not be misunderstood, it is crucial that all of our employees are fully aware of why it is that they are engaged in their business activities and behave accordingly.

Innovation that Contributes to Resolving Social Issues

As a global company, we must also increase our sensitivity in our international endeavors such as with respect to the Sustainable Development Goals (SDGs*) adopted by the United Nations General Assembly in 2015. The Mitsubishi Electric Group has begun to study how it can contribute toward achieving the objectives of the 17 SDGs.

Economic rationality is indispensable to a company's quest to contribute toward resolving social issues through its business, and this in turn requires innovation. The important point here is for the Group to have an impact on solving social issues through innovation of the sort expected of it. For example, originally DC power generated through renewable energy would be distributed after converting AC power which be able to change the voltage easily. However in case of distributing power to equipment which needs DC power (for example, like those in data center), converted AC power requires changing it back into DC power. This in turn results in a power loss at the time of conversion. To address this, our Power Distribution Systems Center has been doing research aimed at commercializing a mechanism for supplying DC power with no need for conversion to AC power. We believe that if this can be put to practical use, it will enable full use of renewable energy and could have a major impact on that field and the field of energy conservation. The Mitsubishi Electric Group has a patent resource base that is among the best in Japan; the diverse range of its intellectual properties is one of the Group's strengths. We believe that developing synergies among our businesses and combining these resources precisely can be linked to generating breakthrough innovations and creating new value.

All of our laboratories are likewise working to find ways to improve collaboration among themselves. The through lines for research and development can be seen in the words indicative of the issues that society wishes to see solved: "internet of things," "smart mobility," "comfortable spaces," and "secure and safe infrastructure." We have revised the structure once in place that saw each laboratory responsible for a specific area, with these four research themes now transecting all research being undertaken. The Small World Project that the Center of Future Innovation at our Industrial Design Center is leading can be seen as a prime example of a contribution we are making toward the world of the future. This project has brought together designers normally are involved with different fields of business to participate in an initiative to assist people in developing countries in their daily lives.

For example, in Indonesia an idea for refrigerators that can be carried on motorcycles that would help improve the income of people who make a living selling fish by delivery by allowing them to distribute fresh food has just entered the stage at which it can be implemented. In ways such as this, we continue working to decipher latent needs in society and engage in future-oriented research and development.

* The Sustainable Development Goals (SDGs) comprise a set of targets adopted by the U.N. General Assembly in 2015 as part of an action plan to be accomplished by 2030 that would end poverty, protect the planet, and ensure prosperity for all.

"Changes for the Better": Through Continuous Innovation, We Develop New Frontiers

In recent years, the Mitsubishi Electric Group has seen changes among the stakeholders gathered around the Company. We can palpably sense that their interest in not only the financial affairs that our "height and weight" but also in our "character" is rising. To get them to think of the Mitsubishi Electric Group as a company that society needs, it is important for them to understand both our corporate philosophy and our "character." Accordingly, we want to engage all the more proactively than ever in communicating with our stakeholders.

In February 2016, we signed a sponsorship program contract for the 2020 Tokyo Olympic and Paralympic Games. As an Official Partner in the "Elevator, escalator, and moving walkways category," the Group will contribute toward making Olympic-related facilities and adjacent infrastructure barrier free. We will also be engaged in activities at creating a better society, such as kicking off the Mitsubishi Electric Going Up Campaign—a project aimed at improving understanding at what an inclusive society is through various sports such as wheelchair basketball.

Our ongoing goal through all this is to contribute toward realizing a society that is vital and comfortable as set down in our corporate philosophy. It is extremely important that each and every one of the 140,000 or so people who work for the Group put our corporate philosophy into practice. To encourage shared understand of and vision for our Group, in fiscal 2017 we created a variety of audiovisual materials for employees. The videos are in multiple languages, including Japanese, English, Chinese, Spanish, and Thai, among others, so that employees around the world can understand them, and we have begun distributing them to Group companies everywhere. I have made "develop new frontiers through continuous innovation" my motto. A society's needs may change with the times, but our company can keep that society's trust if all of our employees are constantly pursuing new challenges with an awareness of what they can and should do toward realizing a society that is vital and comfortable. That won't change in 2020, and it won't change in the years beyond that. In keeping with the sentiment of our Corporate Statement of "Changes for the better," we will continue with our aim to become a global, leading green company with the Group united in its effort to contribute toward realizing an affluent society.

M. Sakuyama
Masaki Sakuyama
President & CEO



CSR Management

Principles of CSR

The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management, and upholds its Corporate Mission and Seven Guiding Principles as the basic policies of its CSR. Particularly with respect to initiatives related to ethics and legal compliance, Group-wide efforts are made to enforce measures such as enhancing training and strengthening internal controls. Active measures are also taken to ensure and improve quality

Mission

Corporate Mission

The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, enhance the quality of life in our society. To this end, all member of the Group will pursue the following Seven Guiding Principles.

Seven Guiding Principles

- 1. **Trust** Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

- 2. **Quality** Provide the best products and services with unsurpassed quality.

- 3. **Technology** Pioneer new markets by promoting research and development, and fostering technological innovation.

- 4. **Citizenship** As a global player, contribution to the development of communities and society as a whole.

- 5. **Ethics and compliance** In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

- 6. **Environment** Respect nature, and strive to protect and improve the global environment

- 7. **Growth** Assure fair earnings to build a foundation for future growth.

Management Policy

Maintain Balanced Corporate Management for Sustainable Growth



Strive for Continuous Innovation

Through continuous innovation, we develop new frontiers

Pursue the Satisfaction of the Four Stakeholder Categories



Identified Social Issues



assurance, environmental preservation activities, philanthropic activities, and communication with stakeholders. By engaging in corporate activities based on a management plan and implementing ongoing improvement activities related to CSR and key performance indicators (KPI) based on the PDCA approach, we will contribute toward creating an affluent society.

Corporate Activities

Initiatives through Business



Energy and Electric System

Industrial Automation System



Information and Communication System



Electric Devices



Home Appliances

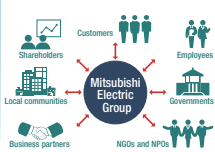
Initiatives That Support Business



Environment

Social

Governance



CSR Materiality

The Mitsubishi Electric Group upholds the Corporate Mission and Seven Guiding Principles as its basic CSR policies, and aims to be a global, leading green company that contributes to realizing a prosperous society while promoting initiatives to fulfill the four aspects of materiality through the supply chain.



Realize a sustainable society



Provide safety, security, and comfort



Respect human rights and promote the active participation of diverse human resources



Strengthen corporate governance and compliance on a continuous basis

Key Performance Indicators (KPI)

Contribute to the realization of a prosperous society

SDGs
17 Goals and 169 Targets of the SDGs



Stakeholder Communication

To achieve sustainable growth, the Mitsubishi Electric Group must maintain communication with its various stakeholders. We have a corporate social responsibility to incorporate the expectations, requests, and opinions of each stakeholder into our corporate activities, and to increase our positive effect on society while reducing any negative effects. To help maintain communication with stakeholders, we have taken the "Four Satisfactions" as a management policy, with the aim of providing satisfaction to all of our stakeholders, including society, customers, shareholders, and employees.



Internal Policies to Promote CSR



CSR Committee

Initiatives at the Management Level

The CSR activities of the Mitsubishi Electric Group are coordinated by a CSR Committee appointed by Mitsubishi Electric's executive officers. As a general rule, the CSR Committee meets once a year, and discusses the achievements of activities performed during the previous fiscal year, makes decisions on future activity plans, and responds to legal amendments, from a cross-functional perspective inclusive of the entire Mitsubishi Electric Group.

CSR Expert Committee

Further Discussions at Corporate Divisions

Officers from 19 departments with close ties to CSR regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group's CSR materialities and future initiatives, as well as discuss responses to laws and regulations and international CSR standards. They aim to build communication and consensus through these discussions.



CSR Business Promotion Committee

Promotion of Contribution to Society through Business

Managers from all business groups gather in regular meetings to share information about the Mitsubishi Electric Group's CSR and discuss social issues that need to be solved, with the theme of "Contributing to Society through Business."



Dialogue with Stakeholders

Gain understanding of expectations/requests from society through dialogue

A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.

Shareholders

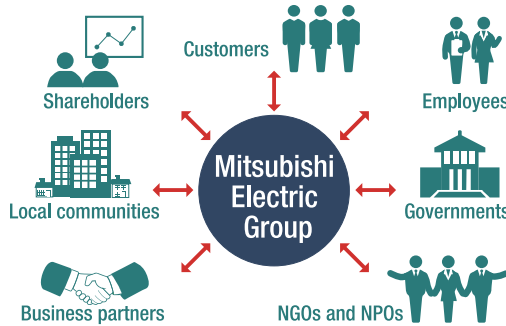
Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR resource library), responses to interviews, shareholder communications

Regional communities

Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events

Business partners

Activities aimed at the joint creation of costs, information sessions on CSR procurement, BCP seminars, meetings based on the results of fair selection and evaluation of suppliers



Customers

Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media/commercials

Employees

Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys

Government, local governments, industrial organizations

Participation in advisory councils and committees, participation in the activities of industrial and economic organizations

NGOs and NPOs

Philanthropic activities (funds, foundations, volunteer activities)

CASE Dialogue Top management holds direct dialogue with experts

We have established a platform where once a year we receive opinions regarding Mitsubishi Electric Group's CSR efforts from experts who have been active in various fields and have deep knowledge, based on the latest trends in CSR.

[Dialogue Themes]

- Mitsubishi Electric Group's CSR materiality
- What is expected from the Mitsubishi Electric Group

[Main Opinions Received]

We received expectations and opinions on Mitsubishi Electric Group's CSR efforts with the following points of view.

- Contribution to Sustainable Development Goals (SDGs)
- Understanding of global trends on human rights
- Efforts by the Group as a global company
- Promotion of supply chain management

[In Response to the Opinions of Stakeholders]

As a company aiming to become a "Global, Leading Green Company," we have reaffirmed the importance of having a broad perspective toward the world, not being overly swayed by what is considered normal in Japan.

*Member of Experts

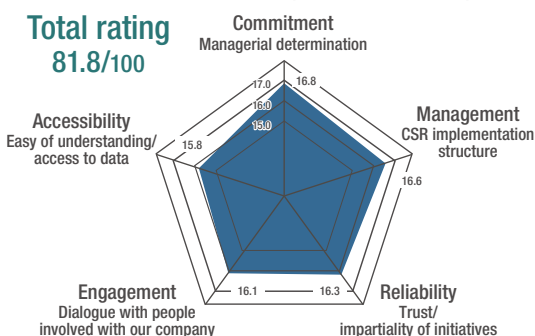
Toshio Arima (Board Member, United Nations Global Compact Representative Director, Global Compact Network Japan), Mariko Kawaguchi (Chief Researcher, Daiwa Institute of Research Ltd.; Co-CEO, Japan Sustainable Investment Forum (JSIF)), and Hidemi Tomita (Director and Head of Business Development Lloyd's Register Japan)



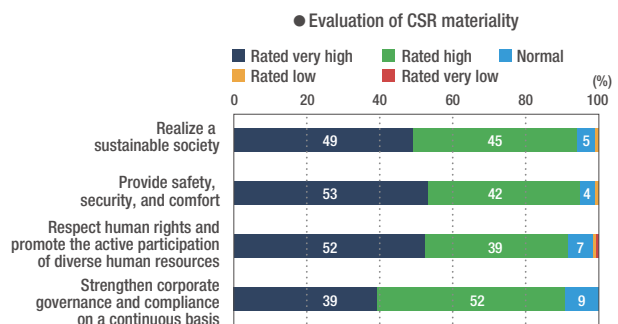
CASE Reader Surveys Questionnaire to Gather Opinions

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan and abroad regarding the Group's CSR initiatives and the CSR Report 2016, resulting in responses from 815 individuals (600 from Japan and 215 from overseas). The Group's initiatives were quite well-thought of overall, with the responders offering many positive options. They also raised certain issues. The Group takes these points seriously and will adjust based on them in future activities, with the Group as a whole seeking to push further forward on its CSR efforts.

Results of reader surveys [domestically]



Results of reader surveys [overseas]

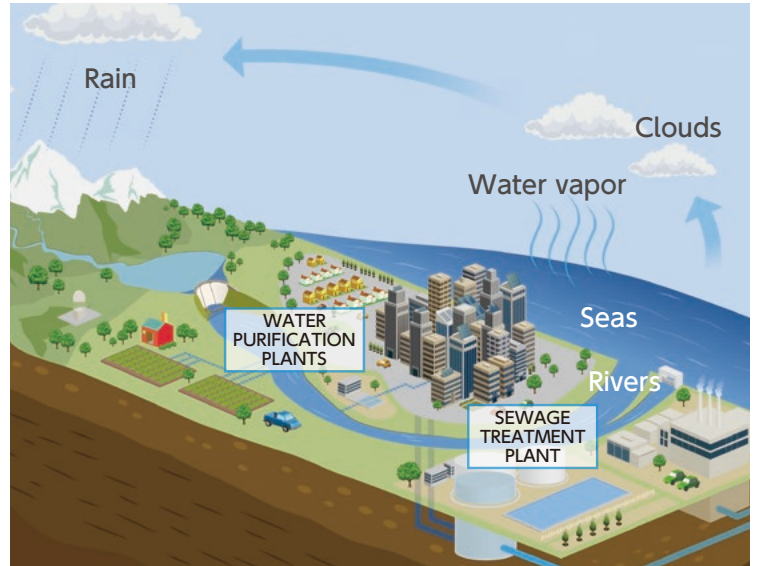


Realize a Sustainable Society

Helping to Create a Sustainable Water-Recycling Society

Water is absolutely indispensable to our lives. Water vapor from rivers and seas forms clouds, turns into rain, and falls to earth. It then becomes the rivers that flow from the mountains into the seas, and then evaporates again to form clouds. Human society could not be sustained without this cycle.

Demand for water is rising rapidly worldwide as a result of fast-paced population growth and the increasing size and density of cities. The Mitsubishi Electric Group is making contributions on many fronts to ensure that the water cycle remains sustainable. Our monitoring and control systems provide for the efficient and safe operation of water treatment and waste water treatment plants, while our water treatment systems, with our ozone technology at their core, supply safe drinking water and prevent environmental pollution by processing sewage water and industrial effluent. We will continue to help with keeping this infrastructure resilient as we help to realize a sustainable water-recycling society.



Monitoring and Control Systems

Controlling a city's water as the "brain" of its water management systems

A city's water environment cannot be supported without efficient and stable management of its water. Mitsubishi Electric's monitoring and control systems have been adopted for use in water treatment and waste water treatment plants around Japan (they are in use at approximately 1,000 plants of each type as of 2016).

Our systems ensure comfortable lives for everyone, helping to keep operations efficient and economical when it comes to the stable and optimal distribution of safe and clean drinking water as well as purifying waste water and processing rainwater.

Mitsubishi Electric has cultivated its core monitoring and control system technology in Japan for close to 60 years. We are expanding our services to cover regional water operations, information sharing, remote control, pre-emptive response to torrential rains including our IoT systems. Furthermore, we are also accelerating our efforts to expand overseas operations. We will continue helping to build a resilient and sustainable infrastructure for the cities of the world.



Operation room

Case Study: Fukuoka City Waterworks Bureau

Water Distribution Control Systems for the Fukuoka City Waterworks Bureau

Fukuoka City has always taken its water management seriously, but after a drought in 1978 it became the community's number one concern. The city deemed obtaining a water management system of the highest standard to be a necessity. When they finally adopted a control system in 1981, they decided on one from Mitsubishi Electric. Using our system, they built a framework that linked multiple water treatment plants together to facilitate the sharing of tap water between them to better meet demand. The control technology used was world-class—utilizing the most

cutting-edge technology Mitsubishi Electric had available at the time.

In 2013, Fukuoka City renewed its systems for a second time. The technology has steadily advanced over the years, and we have been able to more successfully centralize the response systems by implementing support systems that lighten the work load of the operators, and by providing additional functionality that allows the operators to visualize a variety of observational data such as predicted figures on water supplies.



The Toba Aquarium uses a "Mitsubishi Ozonizer" for its manatee tank



The "Mitsubishi Ozonizer" ozone generator

Water Treatment Systems: Ozonizer

Using Ozone Power to Make Tap Water Safe and Clean and Contributing to the Recycling of Public and Industrial Waste Water Effluent

In Japan, the worsening state of the water environment became an issue in the 1950s during an era of high-speed growth when the country experienced a rapid increase in population and its cities expanded and became increasingly crowded. The water-purification technology at the time had various issues, for example the processed water would still contain microbes that could not be sterilized and they were unable to remove odors.

Ozone processing has been the object of much attention as a next-generation water-purification technology as, aside from quickly and efficiently disinfecting the water it also has the effect of removing odors. Mitsubishi Electric has been utilizing its electronics technological know-how to manufacture and market its ozone-producing Ozonizer product since the 1960s.

Over the product's 50-year history, Mitsubishi Electric has improved the product's efficiency and made it more compact. In 2006, the Ozonizer received the fiscal 2007 Japan Institute of Invention and Innovation's "21st Century Invention Award" in the Innovation category of the National Commendation. In 2007 it received the Japan Machinery Federation's President's Award for excellence in energy-related devices. Today, more than 1,700 Mitsubishi Ozonizers have been installed. The product holds the top share in the Japanese water and waste water market at more than 50% (as of April 2016, Mitsubishi Electric research). In addition to water and waste water processing, the Mitsubishi Ozonizer is used in an expanding range of settings including for processing waste water at factories and even for purifying the water in the tanks at aquariums.

Uses outside Japan

The Mitsubishi Ozonizer is also being used outside of Japan. The Ozonizer has been installed at more than 50 sites around North America and Asia, primarily at water purification facilities for water and sewage systems in urban areas. Through these technologies, Mitsubishi Electric will assist

water environments in cities around the world, and by recycling high-quality water with great efficiency and supplying water we will help to support a sustainable water-recycling society.

Case Study: Singapore

Ozone System for a Water Treatment Plant in Singapore

Ensuring water sustainability is key in Singapore, and the government aims to achieve this through collecting every drop of water, reusing water endlessly, and desalinating more seawater. Mitsubishi Ozone System will be introduced at a waterworks managed by PUB, Singapore's national water agency, as our first delivery in Southeast Asia region. Through our technology, we hope to contribute to an efficient, adequate and high quality supply of water in Singapore.

Ozone System Application (EcoMBR®)

Furthermore, proving tests are underway in Singapore on the EcoMBR®, which utilizes Mitsubishi Ozonizer technology. Conventional membrane bioreactors (MBRs) are water-processing devices that use micro-organisms and filtration membranes to remove organic matter, etc. from sewage and effluent. The EcoMBR® adds ozone, making it possible to process the water with even greater efficiency.

VOICE Sales Representative for Singapore



Philip Tang
Mitsubishi Electric
Asia Pte. Ltd. (Singapore)

The adoption of the Ozonizer at a water treatment plant administered by Singapore's Public Utilities Board (PUB) marks the first such endeavor for Mitsubishi Electric's ozone-related business both in the city-state and in the Southeast Asia region as a whole. Accordingly, it required a major effort on our part to convey to the customer the strong points of Mitsubishi Electric's products and technology. Our monitoring and control equipment has already built up a track record in Singapore, however recognition of the Ozonizer remains low. Our approach was to promote Mitsubishi Electric's technologies through its wealth of experience and delivery records in Japan. We also stepped up PR efforts that focused on its energy-conserving aspects, its increased compactness, and improvements in maintainability. These various promotional approaches helped lead to its adoption. Breaking ground in a new market is an extremely challenging task. We've earned our customers' trust through these projects, and I believe we will continue to contribute to the water business in Singapore.

Provide Safety, Security, and Comfort

Preparing for disaster with technologies that "watch out" for people's safety every minute, every second

Disaster preparedness is a priority social issue. The Mitsubishi Electric Group contributes to disaster prevention and mitigation efforts in Japan with technologies that interconnect things in the system and accurately monitors them in real time.

Tsunami radar monitoring support technologies

Contributing to disaster prevention and mitigation in coastal areas with radar-based tsunami monitoring

In recent years, the occurrence of tsunamis triggered by large earthquakes has become a concern in the coastal areas of Japan. To ensure efficient evacuation and response to such tsunamis, it is necessary to detect them as quickly as possible before they reach the coast. Mitsubishi Electric has developed a tsunami monitoring technology that uses ocean surface radar capable of monitoring tsunamis by observing ocean currents from a distance beyond what a human can see (Fig. 1).

Mitsubishi Electric's ocean surface radar has been in use since around 2000 to monitor currents in the open ocean. However, in the aftermath of the Great East Japan Earthquake of March 2011, studies for its application to tsunami monitoring began, and a commercial radar system was developed in just over three years.

The radar uses shortwave frequencies (3 – 30 MHz), and can monitor long distances ranging from 30 to 200 km from the coast. If, for example, a tsunami in waters at an average depth of 300 m can be detected more than 30 km offshore, that information can be obtained 10 to 15 minutes before the arrival of the tsunami.

One focus in developing the radar was how to visualize the tsunami. Tsunamis caused by an earthquake lose their speed in deep offshore waters, and travel at around 10 cm per second, so it was difficult to distinguish them from regular ocean currents and tides. Therefore, a visualization technology was developed that predicts and eliminates the movement of regular currents, and extracts only the tsunami component (Fig. 2).

In the future, we hope to go beyond the scope of tsunami monitoring and realize/enhance technologies for predicting the arrival of tsunamis, to make an even greater contribution to regional disaster prevention initiatives.



Fig. 1 Image of ocean surface radar transmission and receiving antennas

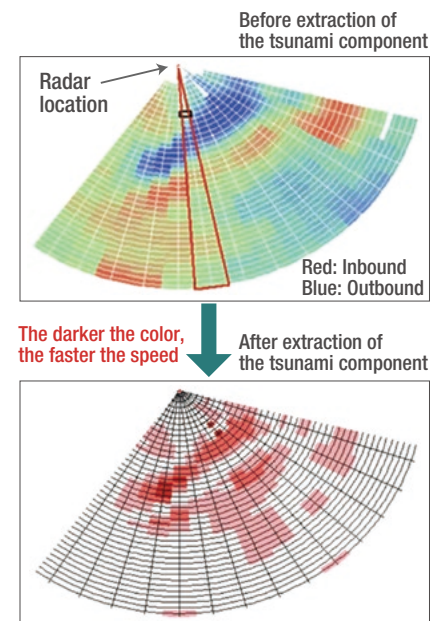


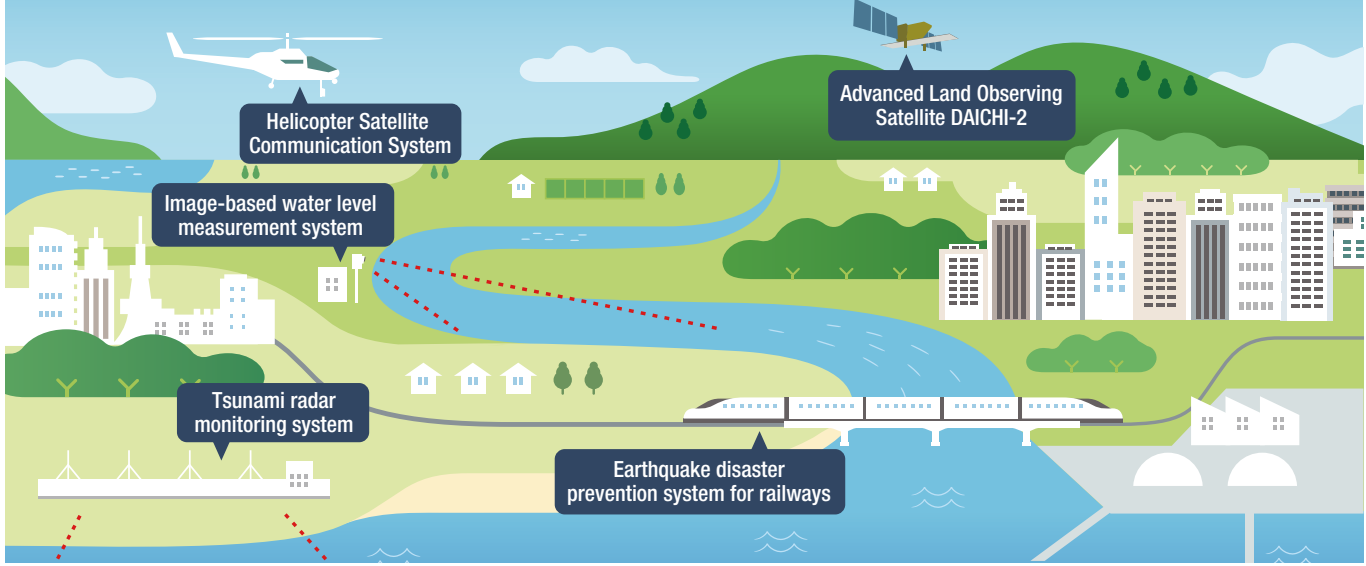
Fig. 2 Visualization scheme

VOICE Developer of the tsunami monitoring technology



Tomoyuki Koyanagi
No. 4 Systems Dept.
Electronic Information Systems Div.
Communication Systems Center
Mitsubishi Electric Corporation

I use my experience in ocean surface radar research to develop the radars and support their operations. We faced many difficulties and there were many technical challenges that had to be cleared as we introduced this radar system. For example, because the radar was to be installed near the sea, we lowered the antenna to prevent it being affected by the sea breeze, and took measures to ensure high earthquake resistance. Both of these are crucial properties of a tsunami monitoring device. Furthermore, even after delivering the device, we provided essential maintenance on a continuous basis to ensure continued precision. When faced with a disaster like a tsunami, disaster countermeasure technologies can have a huge effect on people's lives. I strongly feel that we can play a role in developing these technologies, owing to people's strong trust in and expectations of Mitsubishi Electric's high-precision, high-quality products. To respond to that trust, we will continue to make steady, ongoing efforts to contribute to disaster countermeasures.



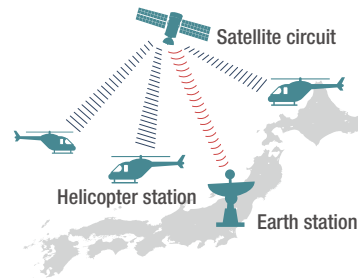
Distribution of real-time disaster information

Helicopter Satellite Communication System

The world's first helicopter satellite communication system, developed by Mitsubishi Electric, transmits aerial images taken from a helicopter in real time. Conventional systems could not connect the helicopter to a satellite, because the blades of the helicopter had gotten in the way. Thus, Mitsubishi Electric developed an intermittent transmission technology synchronized with the rotation of the blades. As a result, it has become possible to transmit real-time information stably, without any disruptions caused by tall objects or buildings.

This system has been delivered to central governmental agencies and local governments since 2013. Today, it plays an important role throughout Japan in providing relief to

disaster-stricken areas in the face of volcanic eruptions, earthquakes, and other disasters.



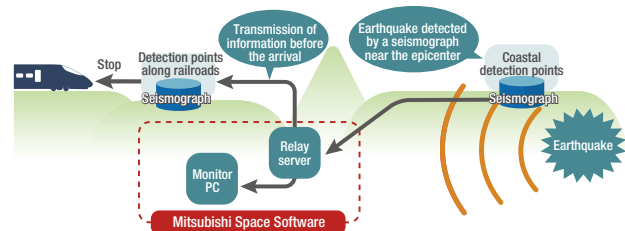
Helicopter Satellite Communication System

Ensuring railway safety in the event of an earthquake

Earthquake disaster prevention system for railways

When an earthquake occurs, a seismograph near the epicenter detects the earthquake and transmits the information about it to a relay server. Within this process, Mitsubishi Space Software Co., Ltd. undertakes an important role in assisting in the determination of the operational control of railways using earthquake data analysis technology. The difference in the propagation speed of earthquake P-waves (small tremors) and S-waves (large tremors) is utilized to provide an instantaneous estimation of the epicenter location and magnitude of the earthquake. By stopping or decelerating moving railcars before a large

earthquake strikes, potential earthquake damage is minimized.



Earthquake disaster prevention system for railways

Early assessment of flooding caused by torrential rains

Image-based water level measurement system

In recent years, torrential rains bringing downpours that overwhelm the sewage system are causing extensive flood damage. Since floods, particularly in cities, have a huge impact on people's lives and properties, technology for the efficient assessment of flooding has been in demand. Seeing this, Mitsubishi Electric has harnessed its strengths in image processing to develop an image-based water level measurement system. The system utilizes image processing technology to simultaneously collect water level data and onsite camera images at practically the same quality level as visual confirmation, night or day.

Through this data and image verification technology, Mitsubishi Electric is committed to helping create more resilient cities.

Playing a role in assessing disaster situations

Second Advanced Land Observing Satellite DAICHI-2

Mitsubishi Electric has undertaken the development of the Japan Aerospace Exploration Agency (JAXA)'s second advanced land observing satellite DAICHI-2. The satellite has a wide-ranging mission, including the creation of maps, regional monitoring, and exploration of resources, but plays a particularly important role in the assessment of disaster situations and prevention.

When a major earthquake or other disaster occurs, DAICHI-2 can immediately assess the situation, the state of damage, and the need for restoration and countermeasures. It is also instrumental in monitoring volcanic activities and sea ice in the Sea of Okhotsk during winter.

Respect Human Rights and Promote the Active Participation of Diverse Human Resources

The Mitsubishi Electric Group respects the human rights of all peoples in countries and regions where it engages in business, based on a conscious awareness of its widespread interaction with people and society. Efforts are also made to ensure employee diversity and occupational health and safety, as well as to promote work style reforms that maximize the potential of diverse human resources.

Message from Management

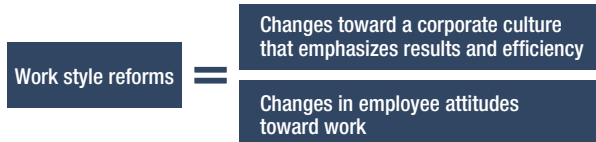


Shinji Harada

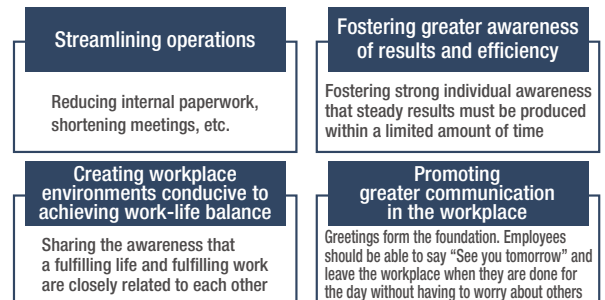
General Manager,
Corporate Human Resources
Div., Mitsubishi Electric Corporation

■ Promoting work style reform

The Mitsubishi Electric Group incorporated work style reforms in its management policy in April 2016. We strive to create workplace environments that are conducive to achieving work-life balance, making changes toward a corporate culture that emphasizes results and efficiency, as well as changes in employee attitudes toward work. More specifically, Group-wide efforts are made to reduce total working hours and promote proper working-hour management. Business offices also implement specific activities from the four perspectives of streamlining operations, fostering greater awareness of results and efficiency, creating workplace environments conducive to achieving work-life balance, and promoting greater communication in the workplace. Smooth communication is essential to a high-productivity workplace. It is not a one-way process. Whether between a manager and their workers or a senior employee and a new hire, it is important to mutually consider each other's position and establish firm relationships of trust in the workplace.



4 Perspectives



Respect for Human Rights

The "Respect for Human Rights" section in the Corporate Ethics and Compliance Statement, which was formulated in 2001, pledges "to act consistently with respect for human rights, and to never discriminate against individuals based on nationality, race, religion, gender, or any other such attributes." Additionally, initiatives are taken to ensure respect for human rights in a manner that conforms to the codes of conduct in the Mitsubishi Electric Group Conduct Guidelines.

For example, ongoing training programs regarding human rights are provided to new employees and newly appointed managers, as part of an effort to ensure a healthy workplace environment free of discrimination or harassment and create an organizational culture that embraces diversity.

In fiscal 2017, subsidiaries in the U.K. have taken measures to comply with the U.K. Modern Slavery Act, which was enacted with the aim of eradicating forced labor, human trafficking, and all other forms of modern slavery. Ongoing efforts will be made to similarly ensure information disclosure and strengthen human rights initiatives.

As part of our supply chain management initiatives, suppliers of the Mitsubishi Electric Group are also requested to respect basic human rights in countries and regions where they operate. Survey forms are used to evaluate the status of their initiatives, and instructions for improvement are given to suppliers who have rated low on any of the evaluation items, by establishing ongoing communication.



Respecting Human Rights

<http://www.MitsubishiElectric.com/company/csr/social/rights/index.html>

Maintaining a Favorable Working Environment

http://www.MitsubishiElectric.com/company/csr/social/labor_environment/index.html

Workforce Diversity

http://www.MitsubishiElectric.com/company/csr/social/labor_diversity/index.html

Supply Chain Management

<http://www.MitsubishiElectric.com/company/csr/social/supplychain/index.html>

■ Establishment of a Working Hour Optimization Committee

To reduce total working hours and ensure proper management of them across the company, Mitsubishi Electric has established a Working Hour Optimization Committee directly under the president.

The accelerated reduction and proper management of total working hours are pursued as two sides of the same coin. Under this initiative, sound workplace environments will be created anew in consideration of the mental and physical health of all employees, and a framework will be established to ensure there are no violations of relevant laws and regulations, such as the Labor Standards Act and Industrial Safety and Health Act.



Working Hour Optimization Committee

■ President's Forum in Offices

To further accelerate work style reforms in Mitsubishi Electric offices, a "President's Work Style Reform Forum" has been held sequentially in each area beginning in February 2017. The president makes a personal visit to each office to not only explain the top management's thoughts concerning reforms and the course the company is aiming to take, but to also provide a forum for two-way communication, to hear the frank views of employees and their requests for the company.



Dialogue between the president and employees



Diversity

With today's rapidly changing workforce environment, providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Various initiatives are being taken to promote women's active participation in the workplace from a diversified perspective, including measures to promote their recruitment, training, assignment, and institutional roles. For example, a career forum is offered to young female employees to actively inspire them to form a career around life events, and efforts are made to raise awareness of women's participation and strengthen their management capacities, including a mandatory curriculum on women's participation in the training program for newly appointed managers. Furthermore, female students in science are actively recruited, with a target of achieving a more than 20% female ratio in new recruits from engineering fields by FY2021, as stated in the company's Action Plan, pursuant to the Act Concerning Promotion of Women's Careers.

Various other efforts have been made to create an environment where a diverse workforce can actively participate in the business, such as by expanding the number of physically challenged employees (employees with disabilities) through the special subsidiary company Melco Tender Mates Corporation.

Overseas employees account for 38% of the Mitsubishi Electric Group's total head count. By offering training in manufacturing works in Japan, training for overseas executive candidates, and broadly utilizing human resources of national staff in overseas affiliates, Mitsubishi Electric aims to become a global company where human resources throughout the world can work actively.



Employees with disabilities at work



Training for overseas executive candidates

Strengthen Corporate Governance and Compliance on a Continuous Basis

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the Company is responsive to the expectations of customers, shareholders, and all of its stakeholders.

Additionally, the Mitsubishi Electric Group recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group's continued existence. Based on this understanding, ongoing efforts are being made to strengthen initiatives related to anti-trust laws, the prevention of corrupt practices and supply chain management, as priority action items.

Corporate Governance

Message from Management



Nobuyuki Okuma

Senior Vice President
Mitsubishi Electric Corporation

In recent years corporate governance in Japan has garnered strong attention, to the point that strengthening and enhancing the efficiency of corporate governance has become a priority issue for all companies.

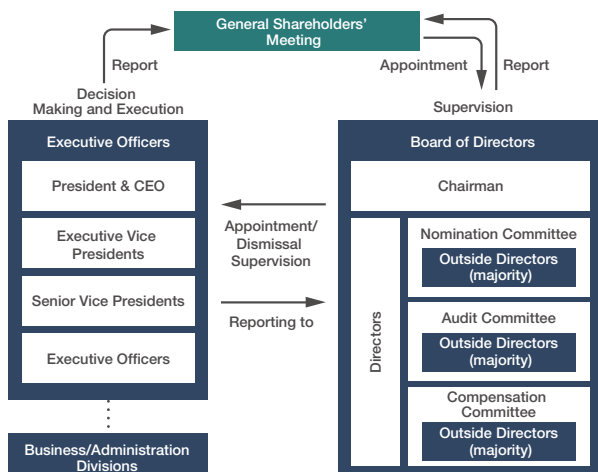
Mitsubishi Electric has adopted a committee system, with the separation of the management supervisory functions from the execution of business being one of its core principles. Based on this principle, the Chairman, who oversees the management supervisory functions, is separate from the President & CEO, who is head of all executive officers. And neither is a member of the nomination or compensation committees. By clearly separating the two functions, Mitsubishi Electric ensures the effectiveness of its corporate governance.

As also stated in the CSR materiality, Mitsubishi Electric's drive to strengthen its corporate governance is a continuous process.

After the FY2016 review of the Board of Directors, the venues were established for supplying information to, and exchanging views with, outside directors to further enhance the board's business supervisory function. Through this venues, management-related information was provided more properly and timely to the Board of Directors in FY2017.

The review of the Board of Directors, which is held every year to strengthen the performance of the Board of Directors, was also held in FY2017. While the review results are essentially valid as evaluations of company's practices in terms of running the Board of Directors and for delegating authority from the Board of Directors to executive officers, Mitsubishi Electric is working to further enhance its supply of management-related information to the Board of Directors itself to further improve its capacity to supervise management.

Mitsubishi Electric will continue to build an even stronger corporate governance framework, to ensure corporate management is soundly supervised by a proper oversight mechanism.



Corporate Governance Framework



Board of Directors



Corporate Governance

<http://www.MitsubishiElectric.com/company/csr/governance/governance/index.html>

Compliance

<http://www.MitsubishiElectric.com/company/csr/governance/compliance/index.html>

Supply Chain Management

<http://www.MitsubishiElectric.com/company/csr/social/supplychain/index.html>

View from an Outside Director



Mitoji Yabunaka

Outside Director
Mitsubishi Electric Corporation

Mitsubishi Electric engages in a wide variety of businesses on a global scale. In order for the Board of Directors to oversee whether these businesses are executed properly, it is extremely important for information about management to be provided to us directors in a timely and appropriate manner.

At the Board of Directors, considerably and adequately detailed information is provided for directors to supervise the management. A forum has been set up with the main objective of providing the outside directors with more information about management, so I feel the information we directors receive is extremely extensive. Furthermore, we get frequent opportunities to visit various offices and plants, and to get more raw management information from employees.

The performance of the Board of the Directors is evaluated, and efforts are made to improve it. The review of all members is conducted every year, and all directors share their views about the operations of the Board and about how information is shared, etc.

As directors, we feel these opportunities are highly beneficial to understand the current state of Mitsubishi Electric's business, and to engage us in discussions. We hope this timely and appropriate provision of management information will continue to improve, so that the management supervisory functions of the Board of Directors may be further strengthened.

Continually Strengthening Compliance

The Mitsubishi Electric Group abides by the Corporate Ethics and Compliance Statement formulated in 2001 as its basic guideline for compliance, and recognizes the importance of ethics and legal compliance as a fundamental precondition for the Group's continued existence.

Based on this awareness, efforts are directed at strengthening the compliance system, maintenance of facilities, and employee education program, to broadly promote compliance that not only encompasses legal compliance, but also includes the perspective of corporate ethics.

In particular, the Mitsubishi Electric Group treats preventing the violation of anti-trust laws and corruption prevention (preventing bribery) as important issues. We have established a set of internal company regulations, strengthened education and awareness, and are in the process of working on other prevention initiatives. Reflecting on mistakes made in the past, we are establishing rules for contacting companies in our industry, holding continual training divided by level and business headquarters, and engaging in other measures keep the prevention of antitrust violations clear in people's minds and prevent recurrences. For the prevention of bribery, we have enacted the Mitsubishi Electric Group Anti-Bribery Policy in April 2017 and spread it both inside and outside the company, as well as built internal policies for dealing with public officials and other figures, held e-learning geared toward bribery prevention and interview-based practical training with case studies included, and taken other measures to strengthen our policies.

We have also distributed the Mitsubishi Electric Group Standard for Ethics and Regulatory Compliance, a summary of our company's principal approach to compliance, to all employees and are holding continual training related to the standard.

Various learning programs on laws and regulations related to procurement are also provided to employees in charge of procurement activities as one aspect of supply chain management. In Japan, a course on material procurement laws provides guidance and education on the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Construction Contractors Law, and our systems of internal checks and balances. In overseas offices, compliance education related to procurement is provided to ensure no employee becomes involved in bribery, embezzlement, or anything else that goes against the principle of fair trade. In addition to the above, CSR education is also provided to employees in procurement departments to further strengthen CSR initiatives along the supply chain.



Compliance workshop







Procurement compliance education in Thailand

Management of the CSR Materialities

In 2015, the Mitsubishi Electric Group identified CSR materiality (priority issues and action items) in response to today's social trends and business environment, as also specified in the fourth edition of the GRI Guidelines (G4 Guidelines). In 2016, we clarified the results and also reviewed each goal/KPI (see our website for details).

CSR Materiality of the Mitsubishi Electric Group

The Mitsubishi Electric Group upholds the Corporate Mission and Seven Guiding Principles as its basic CSR policies, and aims to be a global, leading green company that contributes to realizing a prosperous society while promoting initiatives to fulfill the four

CSR Materialities	Initiatives
 <p>Realize a sustainable society</p>	<ul style="list-style-type: none"> ➤ Realization of Environmental Vision 2021^{※1} <ul style="list-style-type: none"> • Contributing to realizing a low-carbon society • Contributing to creating a recycling society • Contributing to realizing a symbiotic society • Strengthening the environmental management foundation ➤ Contribution through products and services
 <p>Provide safety, security, and comfort</p>	<ul style="list-style-type: none"> ➤ Product development that places top priority on customer safety ➤ Provision of products and services that reflect customers' needs ➤ Continuous implementation of education on quality principles that place top priority on customers ➤ Contribution through products and services
 <p>Respect human rights and promote the active participation of diverse human resources</p>	<ul style="list-style-type: none"> ➤ Prohibition of discriminatory treatment, and human respect ➤ Realization of workplace environments conducive to work-life balance ➤ Promotion of diversity through the employment and utilization of diverse human resources ➤ Promotion of occupational health and mental and physical health
 <p>Strengthen corporate governance and compliance on a continuous basis</p>	<ul style="list-style-type: none"> ➤ Active dialogue with stakeholders ➤ Corporate management with a sound oversight function ➤ Compliance training on a continuous basis ➤ Fair competition (prevention of antimonopoly violations) ➤ Corruption prevention (prevention of bribery) ➤ CSR procurement (environment, quality, human rights, compliance, etc.)

※1: Targets of the 8th environmental plan (fiscal 2016–2018)

While continuing to receive opinions from inside and outside the company, we will further strengthen these initiatives through ongoing improvement activities based on the PDCA cycle, to expand the scope of information disclosure.

 Management of the CSR Materialities
<http://www.MitsubishiElectric.com/company/csr/management/materialities/progress/index.html>

aspects of materiality through the supply chain.

Key performance indicators (KPI) <small>(quantitative targets are shown in brackets)</small>	Scope
• Reduce CO ₂ emissions from production (less than 1.37 million tons by FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)
• Reduce CO ₂ emissions from product usage (35% reduction compared to FY2001 by FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)
• Reduce resource inputs (40% reduction compared to FY2001 by FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)
• Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)
• Maintain a plastic recycling rate of 70% or higher for home appliances (maintain rate of 70%)	Home appliances (Japan)
• Increase the number of participants in outdoor classrooms and <i>satoyama</i> preservation activities (cumulative total of more than 30,000 participants by FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)
• Expand local species protection activities to offices in Japan (implementation of activities in a cumulative total of 24 offices by FY2018)	Mitsubishi Electric
• Maintain a 100% attendance in environmental e-learning programs (maintain rate of 100%)	Mitsubishi Electric
• Provide products and services that contribute to the mitigation and adaptation to climate change, optimization of energy use, and sustainable production and consumption	All Mitsubishi Electric Group companies (Japan, overseas)
• Maintain the reduction of CO ₂ during product usage (92 million tons by FY2018) ^{*1}	All Mitsubishi Electric Group companies (Japan, overseas)
• Ensure safety through risk assessment (maintain 100% implementation of risk assessments of home electronic products)	All Mitsubishi Electric Group companies (Japan, overseas)
• Develop key persons who are capable of incorporating customers' needs into quality (development of 100% of relevant persons in all departments by FY2021)	All Mitsubishi Electric Group companies (Japan)
• Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures	All Mitsubishi Electric Group companies (Japan, overseas)
• Maintain 100% rate of participation in quality e-learning programs (maintain rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
• Provide products and services that contribute to creating safe and secure communities and improving health and welfare	All Mitsubishi Electric Group companies (Japan, overseas)
• Ensure proper response to international norms related to human rights and dissemination among employees	All Mitsubishi Electric Group companies (Japan, overseas)
• Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Mitsubishi Electric
• Slim down operations through a reform of working styles, and cultivate an awareness of results and efficiency.	All Mitsubishi Electric Group companies (Japan, overseas)
• Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	All Mitsubishi Electric Group companies (Japan, overseas)
• Employ people with disabilities beyond the statutory employment rate (higher than 2.0%)	All Mitsubishi Electric Group companies (Japan)
• Increase the ratio of women among new recruits in technical positions (future target of 20%)	Mitsubishi Electric
• Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	Mitsubishi Electric
• Promote safety management and health enhancement activities	All Mitsubishi Electric Group companies (Japan, overseas)
• Promote safety and health education, and maintain a rate of lost worktime injuries that falls below the industrial average (below 0.51) *Number of accidents causing lost worktime per 1 million hours	Mitsubishi Electric
• Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)	All Mitsubishi Electric Group companies (Japan)
• Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	All Mitsubishi Electric Group companies (Japan, overseas)
• Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and IR activities in Japan and overseas	All Mitsubishi Electric Group companies (Japan, overseas)
• Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Mitsubishi Electric
• Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	Mitsubishi Electric
• Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct an internal audit of their operational status, and regularly report the results of the audit to the audit committee via the executive officer in charge of auditing	All Mitsubishi Electric Group companies (Japan, overseas)
• Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Mitsubishi Electric
• Enhance measures for compliance with antimonopoly laws and competition laws	All Mitsubishi Electric Group companies (Japan, overseas)
• Enhance corruption prevention measures	All Mitsubishi Electric Group companies (Japan, overseas)
• Promote CSR procurement and continue providing instructions to improve businesses along the supply chain that pose a risk (assess the number of suppliers to whom instructions were provided)	Mitsubishi Electric and the supply chain of the Mitsubishi Electric Group (relevant affiliates in Japan and overseas)

Philanthropic Activities

Our Philosophy on Philanthropic Activities

As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of the resources it has at hand to contribute to creating an affluent society in partnership with its employees.

Four Key Areas

Community-based activities

Social Welfare

Global Environmental Conservation

Community-based activities



Italy

Making dreams come true for people with disabilities

Special Olympics is an international sports organization that provides sports training programs to people with intellectual disabilities and organizes competitions as opportunities for showcasing achievements. The Italian branch of Mitsubishi Electric Europe, BV has been a sponsor of the Special Olympics Italia since 2010 and actively supports various sports competitions with employee volunteers.

Japan

Doubling employee goodwill donations

The Mitsubishi Electric SOCIO-ROOTS Fund is a matching gift program that contributes to social welfare facilities and organizations in which the Company matches the amount of any donation made by its employees. Many employees participate in the Fund every year. In fiscal 2017, the Fund provided a total of 99,577,712 yen of support to social welfare facilities nationwide, nonprofit organizations that support children living in areas affected by the Great East Japan Earthquake, and victims of the 2016 Kumamoto earthquake. The cumulative donations over the past 25 years exceeds 1.2 billion yen, with support provided to 1,910 social welfare facilities and programs. We will steadily continue community-based activities such that the compassion of each employee will become a great support, and that many smiling faces will bloom like flowers in society.



Presentation ceremony to an organization engaged in activities for children living in areas affected by the Great East Japan Earthquake to support them in living in harmony with the ocean and nature once more.

Japan

Preserving *Satoyama* woodland together with the local people

Mitsubishi Electric employees and their families have conducted the Satoyama Woodland Preservation Project since 2007. This project seeks to restore "familiar nature," such as parks, forests, and rivers located in the vicinity of our business sites. As an example, in 2015 our Power Distribution Systems Center, located in Marugame City, Kagawa Prefecture started activities in the remote islands of the Seto Inland Sea where aging and depopulation are progressing. The volunteers undertake activities such as repairing mountain roads, coast conservation, and making improvements to walking paths for flower-viewing, which are resources for tourism. Each time, the volunteers enjoy working up a sweat with local self-government association and Marugame City staff. After the activities, the volunteers enjoy spending time with local residents, cooking up fish that were caught together with the children and enjoying a *somen nagashi* (flowing noodles) prepared by local people. We will continue to undertake activities that meet the needs of local communities and wish to nurture the environmental mindset of our employees and their families.



Sunflowers nurtured by an elderly couple who look after the island welcome visitors.

VOICE Cooperation partner



Mr. Akira Hirai

Chairman of the Hiroshima School District Self-government Association

In Hiroshima, Otushima, and Teshima Islands, which are close to the Power Distribution Systems Center, the population is aging, and the natural environment can no longer be properly managed. Therefore, when Mitsubishi Electric offered to help us, we immediately accepted. The support provided by the Mitsubishi Electric employees, such as improvements to the Shingyouzan and Outouzan mountain paths, cleaning of Teshima beach, and iris planting, has been a great help. As the Mitsubishi Electric staff worked together with members of the self-government association we could also deepen our relationship, and today we are looking forward to their visit to the islands as annual events of the Hiroshima School District Self-government Association. We ask that they continue their activities and come to know more about the charm of our islands.

Our Policies on Philanthropic Activities

- We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
- We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

WEB Philanthropic Activities
<http://www.MitsubishiElectric.com/company/csr/philanthropy/index.html>

Developing the next-generation

Science and Technology

Culture and Arts, Sports

Developing the next-generation

Spain

Supporting the gateway to success for young musicians, the music festival "El Primer Palau"

Mitsubishi Electric Europe, BV Spain Branch sponsors the "El Primer Palau," a gateway to success for young musicians, which is held annually at the World Heritage Site of "Palau de la Música Catalana" in Barcelona, Spain. Through the festival, the company has been supporting promising young musicians since 2000. In recognition of this continued support, Mitsubishi Electric received a Foreign Minister's Commendation for fiscal 2018 which is awarded to individuals and organizations that have been particularly successful in contributing to the promotion of friendly relations between Japan and other countries.



Japan

Conveying the joy of manufacturing

In order to nurture future engineers, we have been involved in the "Science education promotional activities for elementary, junior high and senior high school students" to convey basic principles of science in general since 2009, and "Science Workshops" that introduce the basic principles behind Mitsubishi Electric products since 2010. As an example, five business sites* in Kanagawa Prefecture jointly held science workshops on the topic of solar power generation in fiscal 2017. The lecturers, who were employee volunteers, explained solar power to the children in an easy-to-understand manner, with an experiment on the structure of solar cells, and the children also built solar cars.

* Kanagawa Branch Office, Information Technology R&D Center area, Kamakura Works, Sagami Administration Center, Information Systems & Networking Service Division



VOICE Employee volunteer



Shoji Komatsu

GEO Satellite Communication
 Payload Engineering Section
 Geostationary Satellite Systems Department
 Kamakura Works, Mitsubishi Electric

In the science workshops where I served as a lecturer in fiscal 2017, we first taught the children the structure of a solar cell through experiments and lectures, and then worked on building solar cars. During the workshop, I could see that some children were so absorbed that they couldn't hear any surrounding sounds, and I remembered the joy of manufacturing that I had felt myself when I had participated in a science class at a young age. For me, that experience was the starting point for becoming an engineer. I hope that in future the experience of these classes will be meaningful for the children who participated, and that the lessons will support the future of manufacturing.

Taiwan

Supporting breeding of endangered species and fostering the next generation of artists

Mitsubishi Electric Taiwan Co., Ltd. has been sponsoring preservation activities for the indigenous Formosan Sika deer, a designated endangered species, since March 2012. In fiscal 2017, the company was pleased to hear that its efforts had been officially commended by the city of Taipei. In the same year as the award, Mitsubishi Electric Taiwan started supporting the fostering of next-generation artists in cooperation with the Affiliated Senior High School of National Taiwan Normal University, and in August of the same year, an event was held at the Taipei City Zoo for the high school students. At the event, in addition to deepening the students' understanding of ecology of Formosan Sika deer, the students had the opportunity to draw pictures with the deer as the theme.



Introduction to activities of the overseas foundations

Mitsubishi Electric America Foundation



Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested \$15 million in innovative projects that help young people with disabilities maximize their potential and participation in society. In its early years, MEAF focused primarily on supporting accessible

technology projects to provide access to education, then in 2002, it began to focus on the idea of community inclusion. In the meantime, the employment numbers of young people with disabilities transitioning to the workforce remained stagnant at about 21% (compared to about 70% of people without disabilities engaged in the workforce). Therefore in 2012, MEAF launched its national M>PWR possible initiative focused on supporting innovative approaches to empower youth with disabilities so they can lead productive lives and achieve possible.

In addition, employee volunteers from Mitsubishi Electric Group companies in the U.S. engage in their communities as the foundation's accessTEAM*. In 2016, MEAF's accessTEAM donated more than 7,700 volunteer hours, expanding the influence of the foundation on society.

* Refers to the TEAM of Mitsubishi Electric volunteers in the U.S. that are empowering youth with disabilities. It also alludes to supporting access to employment in the field of S.T.E.A.M. (Science, Technology, Engineering, Art, Design, Mathematics).

Recent Topics

The M> PWR possible Initiative aims to raise the employment rate of young people and veterans with disabilities by 2020, through funding for regional and nationwide organizations and building networks with these organizations. The goal of the Initiative is to increase the independence, self-confidence, and employment skills of young people with disabilities.

As one example, MEAF provides support for Project SEARCH which places students with cognitive disabilities in internships, leading to employment. The program has achieved a



remarkable 70% employment rate (compared to the national average of 21% for people with disabilities). Project SEARCH started in one location, serving 12 youth. With MEAF's support, it is now in 500 sites worldwide resulting in more than 1,800 young people with cognitive disabilities placed in competitive jobs annually.

VOICE Foundation staff



Kevin R. Webb
Sr. Director
Mitsubishi Electric
America Foundation

Having joined the Mitsubishi Electric America Foundation (MEAF) in 2005, it has been exciting to witness MEAF's impact over the past 12 years. I think that the strength of its approach is that MEAF supports innovative project replication and seeks to invest in systems change and that many employees are acting as volunteers. This systems change focus - identifying innovative replicable practices - is what keeps me motivated in my work, and seeing youth with disabilities empowered with a job is my reward.

As we look toward the future, MEAF will continue to reach toward its vision 2020 Goals. Continuing to support innovative employment practices, and harnessing the power of employee volunteers, are the keys to success for MEAF, and for making changes for the better by empowering possible for youth with disabilities.



Mitsubishi Electric Thai Foundation



Recent Topics

In addition to the tree-planting activities we implemented as a Group in the past, in 2016 we have carried out three new initiatives: (1) Science classroom for elementary school students; (2) Community contribution activities through 5S* activities in temples; (3) Donations to temples that care for AIDS patients. It was a massive effort with participation of 100 to 500 employees and local people each time, and we were able to share joy with many people through these social contribution activities.

* Seiri (Sort), Seiton (Set in Order), Seisou (Shine), Seiketsu (Standardize), Shitsuke (Sustain)



Established in 1991, the Mitsubishi Electric Thai Foundation provides scholarships to university students, grants elementary school lunch, and conducts volunteer activities jointly with the Mitsubishi Electric Group companies in Thailand. Furthermore, the foundation promotes new volunteer activities in collaboration with the Thai Philanthropic Committee, which was newly established in 2015 to implement more effective activities throughout the Group.

VOICE Foundation staff

Since its establishment in 1991, the foundation has been working on contributing to society through scholarships for university students and volunteer activities while receiving support from Mitsubishi Electric Group companies in Thailand. We also focus on new projects with the Thai Philanthropic Committee, established in 2015, which consists of members from the Group companies. In the science classroom that took place in 2016, we created an environment where elementary school students could enjoy science experiences while having fun. We hope that such activities will lead to the development of the next generation that will support tomorrow's society. The activities conducted by the Foundation enrich my spirit and bring great value to my life and I am very grateful for that. We will continue to develop valuable efforts for Thai society together with employees based across Thailand.

Amornsri Mingkhwanrungrueng

Mitsubishi Electric Thai Foundation/
Manager, General Affairs
Mitsubishi Electric Asia (Thailand) Co., Ltd.



Mitsubishi Electric Group CSR Initiatives

List of information included in website/Highlights Edition

◎= Included in both website and Highlights Edition ●= Included in website only ○= Also partially included in Highlights Edition

Corporate Data / Financial Highlights	◎
Global Operations	Highlights Edition only
President's Message	◎
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CSR management	○
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Management of the CSR Materialities	○
Realize a Sustainable Society	◎
Provide Safety, Security, and Comfort	◎
Respect Human Rights and Promote the Active Participation of Diverse Human Resources	◎
Strengthen Corporate Governance and Compliance on a Continuous Basis	◎
Communication with Stakeholders	○
Status of Communication	○
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Interviews with Experts	●
Dialogues with Experts	○
Governance	○
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Compliance	○
Risk Management	●
Protection of Intellectual Property Rights	●
Responsibility to Shareholders & Investors	●
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Responsibility to Customers	●
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Guideline Comparison Tables	●
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Japan MOE Guideline Comparison Table	●
ESG Survey Index	●

More information related to CSR at the Mitsubishi Electric Group is published on our website.

 CSR
<http://www.MitsubishiElectric.com/company/csr/index.html>

Environment
<http://www.MitsubishiElectric.com/company/environment/index.html>

Company
<http://www.MitsubishiElectric.com/company/index.html>

MITSUBISHI ELECTRIC CORPORATION

<http://www.MitsubishiElectric.com>



for a greener tomorrow

Eco Changes is the Mitsubishi Electric Group's environmental statement, and expresses the Group's stance on environmental management. Through a wide range of businesses, we are helping contribute to the realization of a sustainable society.



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