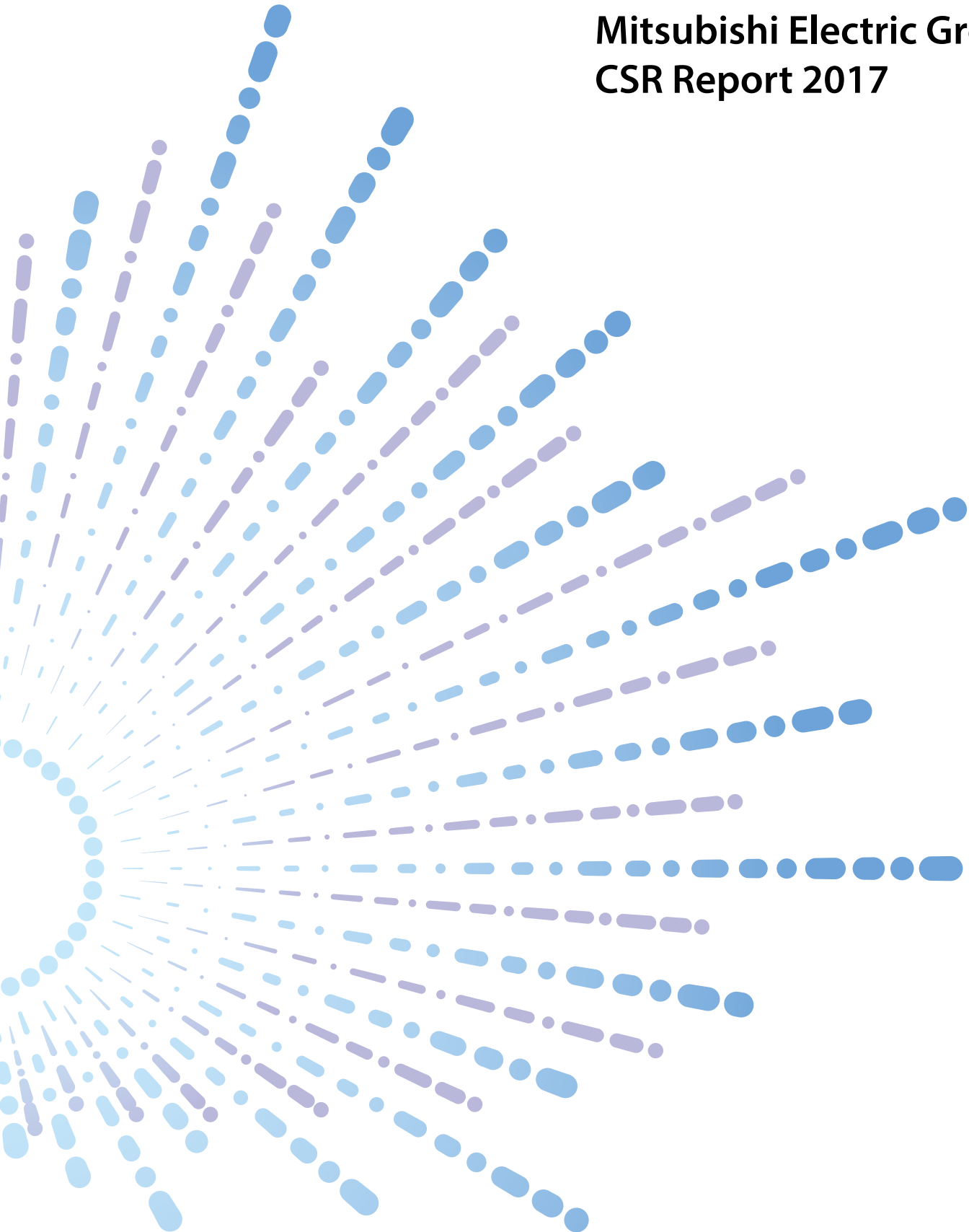


Mitsubishi Electric Group CSR Report 2017



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Editorial Policy

This report provides information about corporate social responsibility (CSR) initiatives by the Mitsubishi Electric Group to help realize a sustainable society.

It primarily reports on significant activities, events, and changes that occurred in fiscal 2017 (year ending March 31, 2017). Based on the plan-do-check-act (PDCA) approach, in reporting our activities we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues.

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.

● Structure of the Report

Aiming to fulfill our responsibility of presenting information to the public, the report discloses information on our various activities and initiatives from the aspects of governance, the environment, and society.

● Period Covered by the Report

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

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

● Scope of the Report

● **Social Aspects** : Primarily covers activities of Mitsubishi Electric Corporation

*The range of data compiled is noted individually.

● **Environmental Aspects** : Covers the activities of Mitsubishi Electric Corporation, 109 domestic affiliates, and 79 overseas affiliates (total of 189 companies).

● **Economic Aspects** : Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates

*Detailed information on economic performance is provided in the Investor Relations section of our website.

Environmental Aspects:

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

Economic Aspects:

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

● References

- ISO26000
- Sustainability Reporting Guidelines Version4, Global Reporting Initiative
- Environmental Reporting Guidelines (2012), Ministry of the Environment
- Business Owner Environmental Performance Indicator Guideline (2002), Ministry of the Environment
- Environmental Accounting Guidelines (2005), Ministry of the Environment

● 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.

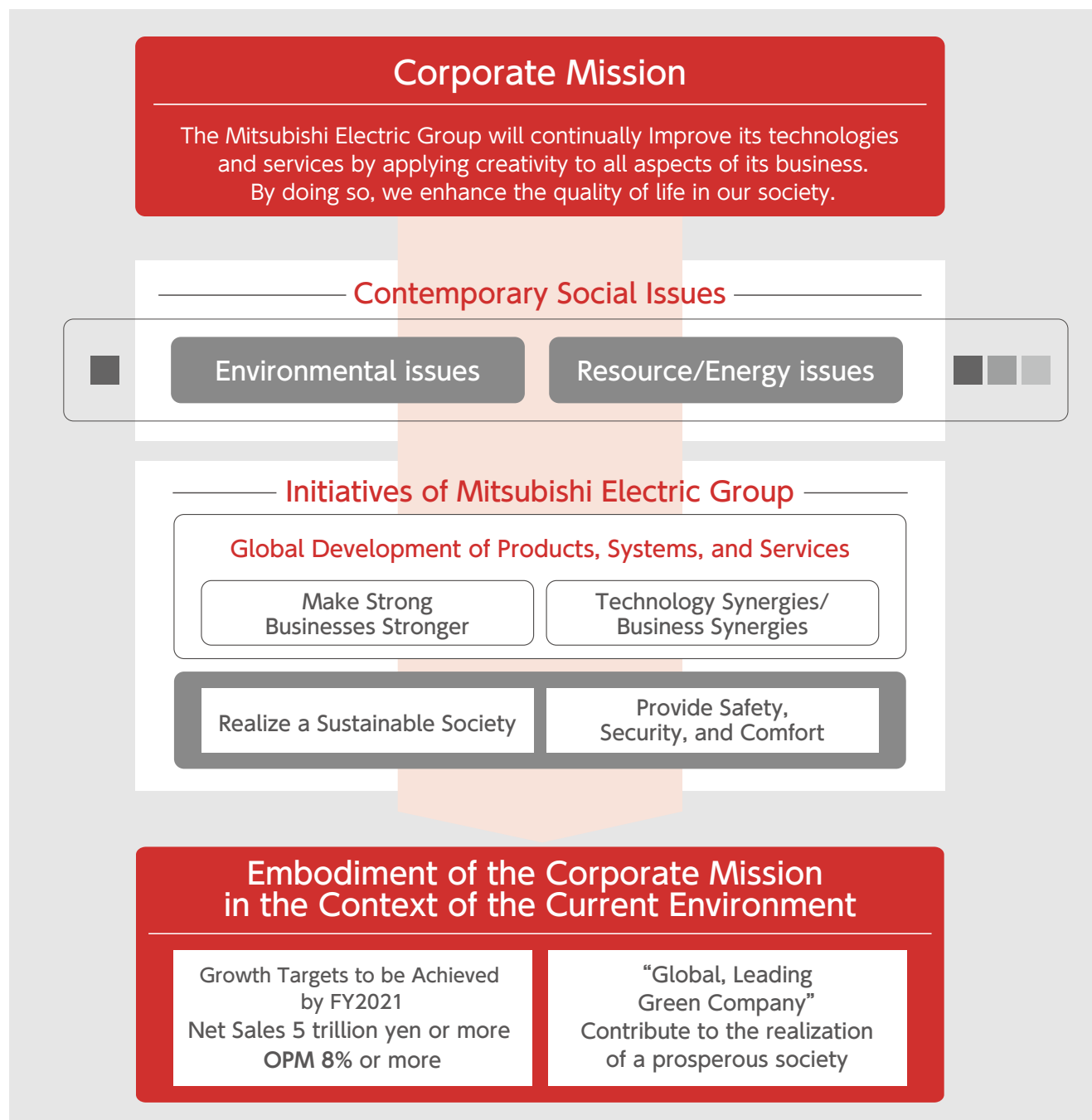
● Regarding Future Projections, Plans, and Targets

This report contains not only statements of past and present facts related to Mitsubishi Electric Corporation and its affiliates (Mitsubishi Electric Group), but also future projections, plans, targets, and other forward-looking statements. Such projections, plans, and targets constitute suppositions or judgments based on information available as of the time they are stated. Future business activities and conditions may differ from projections, plans, and targets due to changes in various external factors.

The Mitsubishi Electric Group conducts business in the form of development, manufacturing, and sales in a broad range of areas, and these activities take place both in Japan and overseas. Therefore, the group's financial standing and business performance may be affected by a variety of factors, including trends in the global economy, social conditions, laws, tax codes, litigation, and other legal procedures. We would ask readers to keep these points in mind when reviewing this report.

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

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-F@ctory" 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

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

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

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

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

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

Home Products

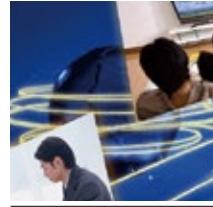


Making the lives of our customers more comfortable

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

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

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

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.

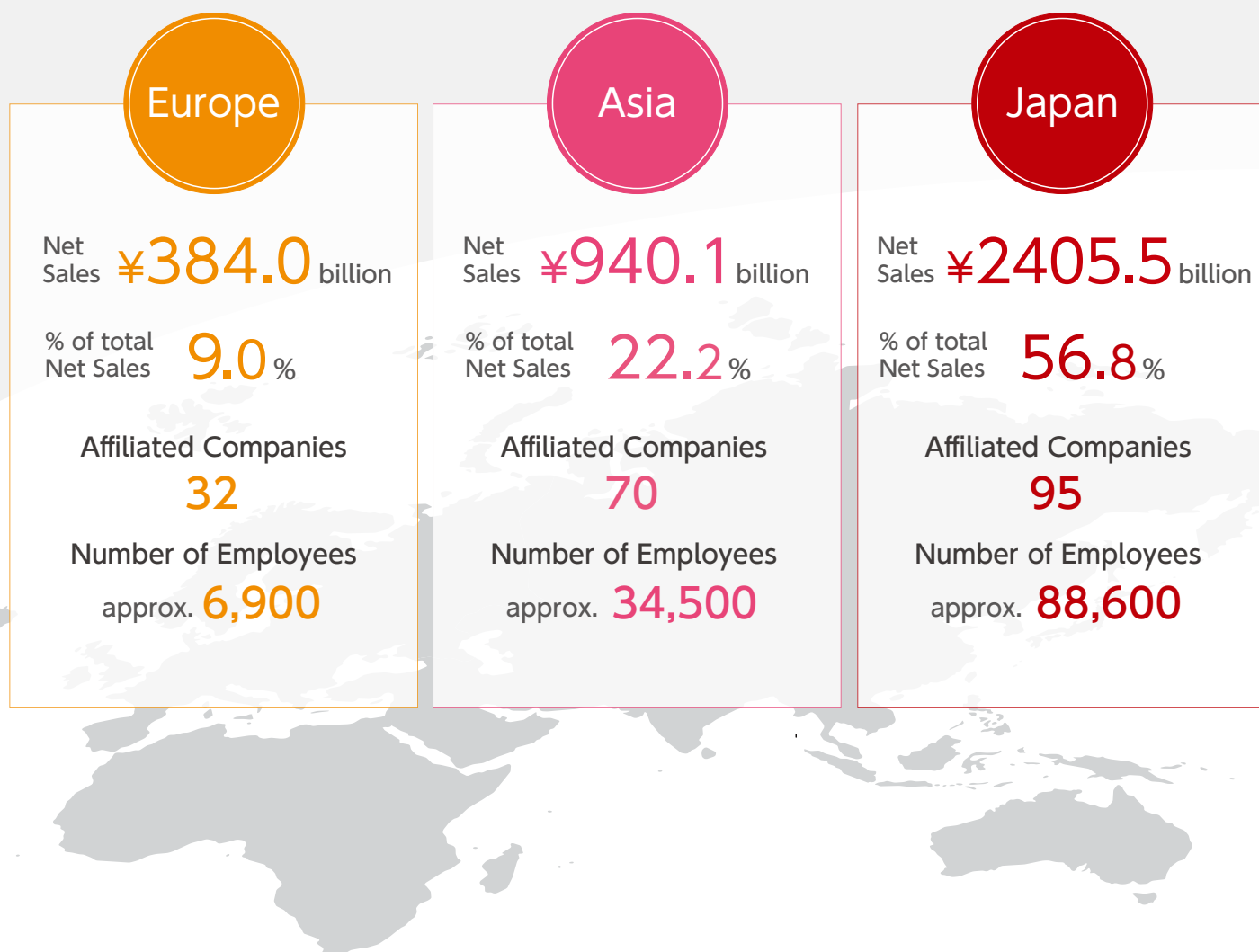
15 LIFE ON LAND



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
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.

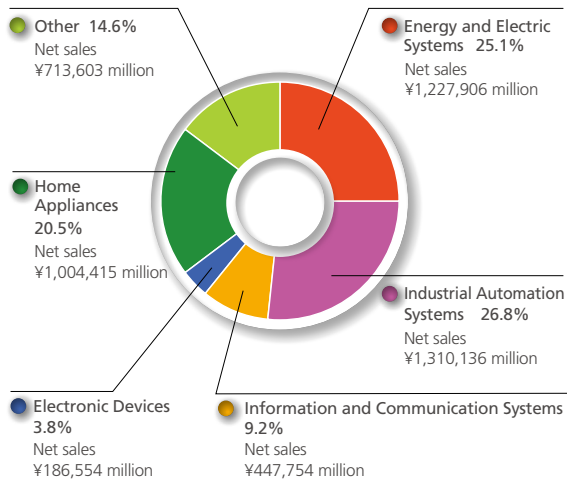
1 The Company prepares consolidated financial statements with procedures, accounting terms, forms, and preparation that are in conformity with accounting principles generally accepted in the United States of America based on the rules and regulations applicable in Japan.

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

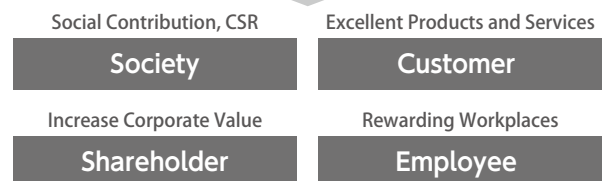
Maintain Balanced Corporate Management for Sustainable Growth



Strive for Continuous Innovation

Through continuous innovation, we develop new frontiers

Pursue the Satisfaction of the Four Stakeholder Categories



Identified Social Issues

Contemporary Social Issues

Environmental Issues

Resource/ Energy 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

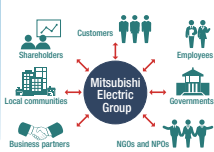
Initiatives That Support Business



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)

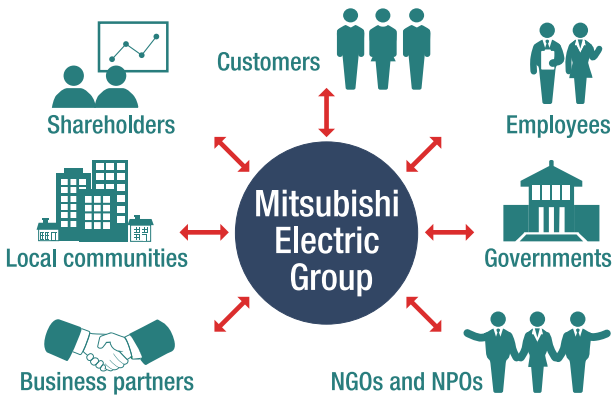
Contribute to the realization of a prosperous society

SDGs
17 Goals and 169 Targets of the SDGs
SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



■ **Mitsubishi Electric Stakeholders**

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

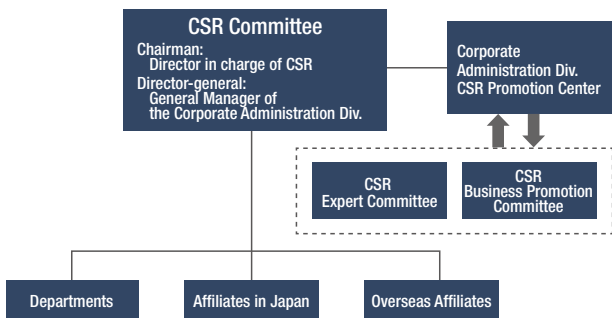


Stakeholders of the Mitsubishi Electric Group

■ **Promotional System for CSR**

The CSR activities of the Mitsubishi Electric Group are coordinated by a CSR Committee appointed by Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's management departments (20 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group.

Knowing that CSR activities are directly linked to corporate



CSR Promotion System

negative effects.

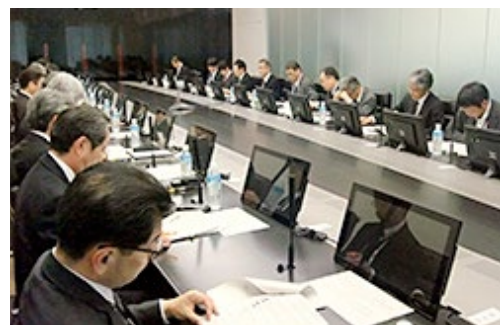
To help maintain communication with stakeholders, we have taken the "Four Satisfactions" as a management policy, with the aim of providing satisfaction to all of our stakeholders, including society, customers, shareholders, and employees.



Pursue the Satisfaction of the Four Stakeholder Categories

management, each department responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements their own initiatives, based on the CSR policy of the Mitsubishi Electric Group.

In addition to the CSR Committee that is generally held once a year, various activities are also promoted and implemented in communication with the CSR Expert Committee and CSR Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the CSR Committee.



CSR Committee

CSR Expert Committee

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.

Six such meetings were held in fiscal 2017. The discussions focused on strengthening CSR initiatives, such as by verifying the performance and reviewing the targets of any initiatives addressing CSR materialities, and discussing responses to the sustainable development goals (SDGs).



CSR Expert Committee

CSR Business Promotion Committee

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."

Two meetings were held in fiscal 2017, with a focus on strengthening CSR initiatives, such as by verifying the contributions that have been made to society through business, and discussing responses to the sustainable development goals (SDGs).



CSR Business Promotion Committee

Measures for Internal Dissemination

The following initiatives have been implemented to ensure CSR has reached every part of our company.

CSR Lectures for Executives

Lecture presentations are held by experts to introduce changes in social perspectives and the latest industrial trends concerning CSR to Mitsubishi Electric executives

and members of the CSR Committee. These lectures are a good opportunity to reconfirm the importance of CSR to the executives.



CSR Lectures for Executives -1



CSR Lectures for Executives -2

Sharing of CSR Information in Conferences of Mitsubishi Electric Group Administrative Managers

Twice a year, general managers of the administrative departments of Mitsubishi Electric Group companies in Japan gather in a conference to discuss compliance and other related matters. In response to the increasing importance of CSR in recent years, the conferences are now not only a forum for sharing information on Group-wide CSR policies and best practices related to CSR, but are also an opportunity for the managers to think about the significance of CSR to each company. Through these conferences, continued efforts will be made to raise the CSR level of the entire Group.



Conference of Administrative Managers of Group Companies

CSR Manager Training

In January 2017, training was held for 32 CSR managers of Mitsubishi Electric offices. Through lectures and group discussions on the basic principles of CSR, social demands, and the Mitsubishi Electric Group's CSR initiatives, the participants gained a greater awareness of their specific role as CSR managers in their daily operations. The training yielded feedback from the participants that "it was extremely effective for gaining a deeper understanding of CSR," and that it "shed light on the importance of CSR managers giving serious thought to CSR and implementing relevant initiatives, without making excuses that CSR is a difficult challenge." Any future efforts to promote and share information about CSR will be made via the CSR managers.



CSR Manager Training

CSR Training for New Employees

Every year, CSR training is held for new employees of Mitsubishi Electric, to deepen their understanding of CSR as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations, and to instill the importance of addressing quality and environmental issues. The new employees learn that CSR must be practiced by each employee in their daily duties.



CSR Training for New Employees

Promoting Understanding of CSR through In-House Newsletters

The Mitsubishi Electric Group's initiatives concerning CSR are shared through in-house newsletters that are distributed to Group companies both in Japan and overseas. They are published in Japanese and English so they can be read by as many employees as possible, and they provide a valuable opportunity for each and every employee to think about the corporate social responsibility of the Group as a whole.



Promoting Understanding of CSR through In-House Newsletters

CSR Considerations in Overseas Affiliates

Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting CSR and otherwise implement activities as needed for each region. In fiscal 2017 in particular, CSR committees and conferences focusing on CSR have been held at Mitsubishi Electric de Colombia Ltda. (Colombia), Mitsubishi Electric

R&D Centre Europe B.V. (U.K., France), Mitsubishi Electric Asia Pte. Ltd. (Singapore), Mitsubishi Elevator (Singapore) Pte. Ltd. (Singapore), Mitsubishi Electric Thai Auto-Parts Co., Ltd. (Thailand), Mitsubishi Electric Consumer Products Co., Ltd. (Thailand), and Mitsubishi Electric Automotive India Pvt. Ltd. (India).

CASE 1 Mitsubishi Electric Thai Auto-Parts Co., Ltd. (Thailand)

A CSR committee was established at Mitsubishi Electric Thai Auto-Parts Co., Ltd. (Thailand) in fiscal 2017. With a focus on contributing to the local community, it aims to promote corporate activities that show responsibility to customers, the environment, and society.



Establishment of a CSR Committee in Thailand

CASE 2 Mitsubishi Electric Automotive India Pvt. Ltd (India)

Mitsubishi Electric Automotive India Pvt. Ltd (India) established their CSR Committee in fiscal 2015 as required by the Companies Act 2013. Two CSR teams were created in fiscal 2017 (The Administrative team and the monitoring team), which serve to improve CSR governance and monitoring and to strengthen ties with society. In fiscal 2017, support has been given to the "HUMANA PEOPLE TO PEOPLE INDIA" and "SMILE FOUNDATION" projects to comply with the "EDUCATION FOR UNDERPRIVILEGED CHILDREN" policy.

 [HUMANA PEOPLE TO PEOPLE INDIA](#)

 [SMILE FOUNDATION](#)



HUMANA PEOPLE TO PEOPLE INDIA Project

Initiatives

Main Initiatives in which Mitsubishi Electric is Participating

- Japan Business Federation (Keidanren)
- Japan Association of Corporate Executives
- The Japan Chamber of Commerce and Industry
- Japan Electronics and Information Technology Industries Association
- The Japan Electrical Manufacturers' Association
- Communications and Information Network Association of Japan
- The Japan Machinery Federation
- Council on Competitiveness-Nippon
- Japanese Standards Association
- Japan Intellectual Property Association
- Japan Institute of Invention and Innovation

External Evaluation

Mitsubishi Electric was named by the international NGO Carbon Disclosure Project (CDP) as a Water A List company, the highest rank of the index, for its environmental initiatives in the three areas of "climate change," "water resources," and "supply chain." It also received an A rating, the maximum, in the category of Supplier Engagement, which evaluates approaches to climate change across the entire supply chain.

 Ranked as a CDP A List company



The Mitsubishi Electric Group and the SDGs

In 2015, the countries of the United Nations General Assembly adopted the Sustainable Development Goals (SDGs). The Mitsubishi Electric Group views these SDGs as an important initiative sought by society.

As set forth in its management strategy, the Mitsubishi Electric Group aims to be a "global leading green company" that contributes to the creation of an affluent society where sustainability goes hand-in-hand with safety,

security and comfort. This policy corresponds to what the SDGs aim to achieve.

In order to achieve the world's common goals, the Mitsubishi Electric Group will continue to strengthen its management, promote company-wide awareness of the SDGs, and integrate the concept of the SDGs into its management strategy.



Initiatives for Contributing to the SDGs

To deepen understanding of the SDGs among all its employees, the Mitsubishi Electric Group is working to disseminate knowledge of how the SDGs came to be adopted and the details of each of the goals, in various ways.

For example, the CSR Committee, CSR Expert Committee, and CSR Business Promotion Committee are taking steps to explore how the Mitsubishi Electric Group as a whole could contribute to the SDGs, first by examining the initiatives of each company.

Additionally, in June 2017, Mr. Toshio Arima of Global Compact Network Japan was invited to give a CSR lecture for executive officers regarding the importance of the SDGs and methods for integrating the SDGs into management.

In these ways, the Mitsubishi Electric Group will continue to strengthen its management, promote company-wide awareness of the SDGs, and integrate the concept of the SDGs into its management strategy in order to achieve the world's common goals.

CSR Lectures for Executive Officers

CSR lectures for executive officers were held to provide an opportunity to consider anew how the Mitsubishi Electric Group may contribute to society, based on an understanding of the global social issues of the SDGs. Guest speakers lectured on methods for integrating the SDGs into management and expectations of the Mitsubishi Electric Group, and provided perspectives that are expected to benefit specific initiatives in the future.



CSR Lecture for Executive Officers

Main Achievements and Future Initiatives

Main achievements made during the 2016 – 2017 fiscal year in relation to the SDGs include a reference to the SDGs in the fiscal 2018 management strategy, the incorporation of the SDGs in the process of identifying CSR materialities and initiatives, a pledge of commitment to the SDGs in the CSR Report and other documents, and the distribution of clear file folders for promoting understanding of the SDGs.

By using these tools, the Mitsubishi Electric Group will integrate the SDGs into management, and make global efforts toward solving social issues.



Process of Identifying CSR Materialities and Initiatives



Corporate Strategy 2017



CSR Report 2016



Clear File Folder Promoting the SDGs

The SDGs (Sustainable Development Goals)

The SDGs are a set of global goals that are to be achieved between 2016 and 2030. They were adopted by the United Nations General Assembly in September 2015 as a successor to the Millennium Development Goals (MDGs) that were formulated in 2001, and are composed of 17 goals and 169 targets for achieving a sustainable world.

Two key principles of the SDGs are that they seek change in developed countries, including Japan, and that they pledge “no one will be left behind” in the implementation of their initiatives.

In Japan, the SDGs Promotion Headquarters has been established, chaired by the Prime Minister and composed of all ministers in the Cabinet Office, to formulate implementation guidelines and promote initiatives for the SDGs.

[United Nations Information Centre](https://www.un.org/sdgs/)

CSR Materialities

Identification and Review Process

In fiscal 2016, the Mitsubishi Electric Group identified CSR materialities and initiatives in response to today's social trends and business environment, as also specified in the fourth edition of the GRI Guidelines (G4 Guidelines). While continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened through ongoing improvement activities based on the PDCA cycle, to expand the scope of

information disclosure.

In fiscal 2017, an internal review of the materialities was undertaken by the CSR Expert Committee and CSR Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires (815 respondents), interviews with learned individuals, and dialogues between learned individuals and management.

Process of Identifying and Reviewing the Materialities

Step1 Awareness of social issues

- Extraction of candidate materialities from guidelines, etc.

Candidate CSR materialities (29 issues) were identified based on the core issues of ISO26000*1, the 46 priority aspects laid out in the fourth edition of the GRI Guidelines*2, and the 169 items of the Sustainable Development Goals (SDGs)*3.

- *1: Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)
- *2: The fourth edition of the international guidelines for sustainability called Sustainability Reporting Guidelines (GRI Guidelines) issued by the international NGO, Global Reporting Initiative (GRI)
- *3: Sustainable development goals adopted by the UN General Assembly, composed of 17 goals and 169 targets, including issues to be addressed not only by developed countries, but by developed countries as well



Extraction of candidate materialities from guidelines, etc.

Step2 Assessment of internal and external views and identification of materialities

三菱電機グループ CSR アンケート		
調査対象	調査項目	調査結果
三菱電機グループ	CSR	
三菱電機グループ	環境	
三菱電機グループ	社会貢献	
三菱電機グループ	労働環境	
三菱電機グループ	製品安全	
三菱電機グループ	品質管理	
三菱電機グループ	情報セキュリティ	
三菱電機グループ	法令遵守	
三菱電機グループ	透明性	
三菱電機グループ	ガバナンス	
三菱電機グループ	株主対応	
三菱電機グループ	その他	

Questionnaire for stakeholders



Interviews with learned individuals



Internal working groups



Dialogues with learned individuals

Step3

Establishment of materialities

• Decision-making by the CSR Committee

The issues thus extracted and identified through the above-described process and specific initiatives and key performance indicators (KPIs) were confirmed by an internal working group and adopted as the Mitsubishi Electric Group's CSR materialities by the CSR Committee.



Decision-making by the CSR Committee

Step4

Review of the materialities

The materialities were then reviewed in consideration of opinions from both inside and outside the company regarding the CSR materialities, initiatives, and key performance indicators (KPIs).



Questionnaire for stakeholders (e.g.: In-house questionnaire on the CSR Report, conducted in and outside of Japan)



Interviews with learned individuals



Dialogues with learned individuals

CSR Committee, CSR Expert Committee, CSR Business Promotion Committee

In fiscal 2017, particular efforts were made to strengthen cooperation with the operations departments and examine key performance indicators (KPIs) for contributing to society through the provision of products and services.

The committees will continue to strengthen their initiatives through continuous reviews and ongoing improvement activities based on the PDCA cycle, in response to changes in the external and business environments.

[Social demands that were particularly taken into consideration in fiscal 2017]

- Sustainable Development Goals (SDGs)
- Global trends in human rights
- Initiatives of the Group as a global company

Management of the CSR Materialities

In fiscal 2016, the Mitsubishi Electric Group identified the CSR materialities, initiatives to fulfill the materialities, and key performance indicators (KPI). In fiscal 2017, it announced its performance in regard to those initiatives and carried out a review of each initiative and KPI. By upholding the Corporate Mission and Seven Guiding

Principles as its basic CSR policy, the Group will continue to pursue its initiatives for addressing the four materialities in cooperation with business partners along the supply chain, with the aim of becoming a global leading green company that contributes to a diverse society.

Realize a sustainable society

FY2017 initiatives and results

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Realization of Environmental Vision 2021*1	Contributing to realizing a low-carbon society	Reduce CO ₂ emissions from production (less than 1.37 million tons by FY2018)	1.28 million tons (FY2016) → 1.34 million tons (FY2017)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Reduce CO ₂ emissions from product usage (35% reduction compared to FY2001 by FY2018)	34% reduction (FY2016) → 35% reduction (FY2017)	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Contributing to creating a recycling society	Reduce resource inputs (40% reduction compared to FY2001 by FY2018)	39% reduction (FY2016) → 38% reduction (FY2017)	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)	Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.67% by overseas affiliates (FY2016) → Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.69% by overseas affiliates (FY2017)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Maintain a plastic recycling rate of 70% or higher for home appliances (maintain rate of 70%)	Maintained a rate of 70%	Home appliances	○
	Contributing to realizing a symbiotic society	Increase the numbers of participants in environmental activities (cumulative total of more than 30,000 participants by FY2018)	28,000 participants (FY2016) → 32,600 participants (FY2017)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Expansion of local species protection activities to offices in Japan (all offices in Japan by FY2018)	7 offices (FY2016) → 17 offices (FY2017)	Mitsubishi Electric	○
	Strengthening the environmental management foundation	Maintain a 100% attendance in environmental e-learning programs (maintain rate of 100%)	Maintained a rate of 100%	Mitsubishi Electric	○
	Contribution through products and services	Expand the range of products and services that contribute to realizing a sustainable society	Contributed to mitigating and adapting to climate change by optimizing energy use through products and services*2	All Mitsubishi Electric Group companies (Japan, overseas)	○
			Contributed to sustainable production and consumption through products and services*3		
Expand the reduction of CO ₂ during product usage (92 million tons by FY2018)*1		69 million tons (FY2016) → 70 million tons (FY2017)	All Mitsubishi Electric Group companies (Japan, overseas)	×	

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

*2 : Example: 30% energy conservation by introducing e-F@ctory to model plants; using regenerative power by installing an auxiliary power supply in station buildings; release of power semiconductor modules for low power consumption; release of escalators that realize 35% energy savings compared to conventional products; 30% greater energy efficiency in optical communications equipment; storage battery control systems and smart meter systems that contribute to efficient energy use, etc.

*3 : Example: Promotion of home electronics recycling; promotion of escalator and elevator renovation via a new service that allows them to be used even during construction; promotion of paperless operations based on electronic document systems, etc.

FY2018 targets

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Realization of Environmental Vision 2021*1	Contributing to realizing a low-carbon society	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)
	Contributing to creating a recycling society	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)
	Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama 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
	Strengthening the environmental management foundation	Maintain a 100% attendance in environmental e-learning programs (maintain rate of 100%)	Mitsubishi Electric
	Contribution through products and services	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)

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

Provide safety, security, and comfort

FY2017 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Product development that places top priority on customer safety	Ensure safety through risk assessment	Maintained a 100% rate of implementation of risk assessments of home electronics	All Mitsubishi Electric Group companies (Japan, overseas)	○
Provision of products and services that reflect customers' needs	Develop key persons who are capable of incorporating customers' needs into quality (development of 100% of relevant persons in all departments by FY2021)	Development of 75% of relevant persons (FY2016) → Development of 88% of relevant persons (FY2017)	Mitsubishi Electric Group companies (Japan)	○
	Promote initiatives that aim to increase customer satisfaction	Promoted initiatives across the entire Group. Achieved a 83% rate of response to inquiries concerning home electronic products directed to the Customer Service Center (In Japan)	All Mitsubishi Electric Group companies (Japan, overseas)	○
Continuous implementation of education on quality principles that place top priority on customers	Expand e-learning programs on quality	Achieved a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates. Expanded the participation of e-learning programs from 12 to 27 overseas affiliates	All Mitsubishi Electric Group companies (Japan, overseas)	○
Contribution through products and services	Expand the range of products and services that contribute to providing safety, security, and comfort	Contributed to creating safe and secure communities through products and services*1	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Contributed to improving health and welfare through products and services*2		

*1 : Example: Tsunami monitoring radar; monitoring of weather conditions and possible disasters by satellite; provision of countermeasures to cyberattacks; development of safe driving assistance systems, etc.

*2 : Example: Particle therapy systems that contribute to cancer treatment; provision of superconducting magnets for MRI; contribution to preventing the administration of incorrect medicine based on an insurance pharmacy system, etc.

FY2018 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Product development that places top priority on customer safety	Ensure safety through risk assessment (maintain 100% implementation of risk assessments of home electronic products)	All Mitsubishi Electric Group companies (Japan, overseas)
Provision of products and services that reflect customers' needs	Develop key persons who are capable of incorporating customers' needs into quality (development of 100% of relevant persons in all departments by FY2021)	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)
Continuous implementation of education on quality principles that place top priority on customers	Maintain 100% rate of participation in quality e-learning programs (maintain rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
Contribution through products and services	Provide products and services that contribute to creating safe and secure communities and improving health and welfare	All Mitsubishi Electric Group companies (Japan, overseas)

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

FY2017 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Prohibition of discriminatory treatment, and human respect	Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for new employees and newly appointed managers	Mitsubishi Electric	○
Realization of workplace environments conducive to work-life balance	Slim down operations through a reform of working styles, and cultivate an awareness of results and efficiency.	In addition to promoting specific activities in each office, promoted the accelerated reduction of total working hours and proper management of working hours by establishing a working hour optimization committee	Mitsubishi Electric	○
Promotion of diversity through the employment and utilization of diverse human resources	Employ people with disabilities beyond the statutory employment rate (higher than 2.0%)	2.02% (as of March 15, 2017)	Mitsubishi Electric	○
	Increase the ratio of women among new recruits in technical positions (future target of 20%)	9% recruitment record (FY2017) → 13% recruitment plan (FY2018) 11% recruitment record (FY2018) → 14% recruitment plan (FY2019)	Mitsubishi Electric	○
	Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	Dispatched 100 employees to overseas OJT programs, 98 employees to overseas language programs	Mitsubishi Electric	○
Promotion of occupational health and mental and physical health	Promote safety and health education, and maintain a rate of lost worktime injuries that falls below the industrial average (below 0.54) * Number of accidents causing lost worktime per 1 million hours	0.06 (as of March 15, 2017)	Mitsubishi Electric	○
	Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) 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 employees maintaining proper body weight: 70.4%; rate of employees who exercise regularly: 24.1%; rate of employees who smoke: 24.7%; rate of employees who perform dental care at least three times a day: 22.5%	Mitsubishi Electric Group companies (Japan)	△

FY2018 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Prohibition of discriminatory treatment, and human respect	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
Realization of workplace environments conducive to work-life balance	Slim down operations through a reform of working styles, and cultivate an awareness of results and efficiency.	All Mitsubishi Electric Group companies (Japan, overseas)
Promotion of diversity through the employment and utilization of diverse human resources	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%)	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
Promotion of occupational health and mental and physical health	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)	Mitsubishi Electric Group companies (Japan)

Strengthen corporate governance and compliance on a continuous basis

FY2017 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	Held interviews with experts regarding CSR issues five times; held a dialogue between experts and management officers on CSR issues	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	Held a general meeting of shareholders Held corporate strategy presentation meetings, financial results presentation meetings, and business strategy presentation meetings for institutional investors and analysts, and invited them to Mitsubishi Electric Advanced Solutions 2016	All Mitsubishi Electric Group companies (Japan, overseas)	○
Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Provided information that directors require for the supervision of management, in a timely and proper manner, and created new forums for providing data and exchanging views with outside directors to ensure greater provision of proper and timely information to directors Conducted a review of the board of directors, with the result that the operations of the board of directors and the delegation of authority from the board to executive officers were deemed essentially valid	Mitsubishi Electric	○
	Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials	Mitsubishi Electric	○
Compliance training on a continuous basis	Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Maintained a 100% attendance rate	Mitsubishi Electric	○
Fair competition (prevention of antimonopoly violations)	Enhance measures for compliance with antimonopoly laws and competition laws	Launched practical training programs based on case studies pertaining to each business	All Mitsubishi Electric Group companies (Japan, overseas)	○
Corruption prevention (prevention of bribery)	Enhance corruption prevention measures	Developed regulations and guidelines that specifically aim to prevent bribery (scheduled to be distributed within the Group within the next fiscal year or later)	All Mitsubishi Electric Group companies (Japan, overseas)	○
CSR procurement (environment, quality, human rights, compliance, etc.)	Promote CSR procurement and provide improvement instructions to parts of the supply chain that pose a risk	Promoted CSR procurement in approximately 1,000 companies. Provided improvement instructions to some 70 companies that were deemed to require improvement (implementation of initiatives also to Group companies)	Mitsubishi Electric Supply chain	○

FY2018 targets

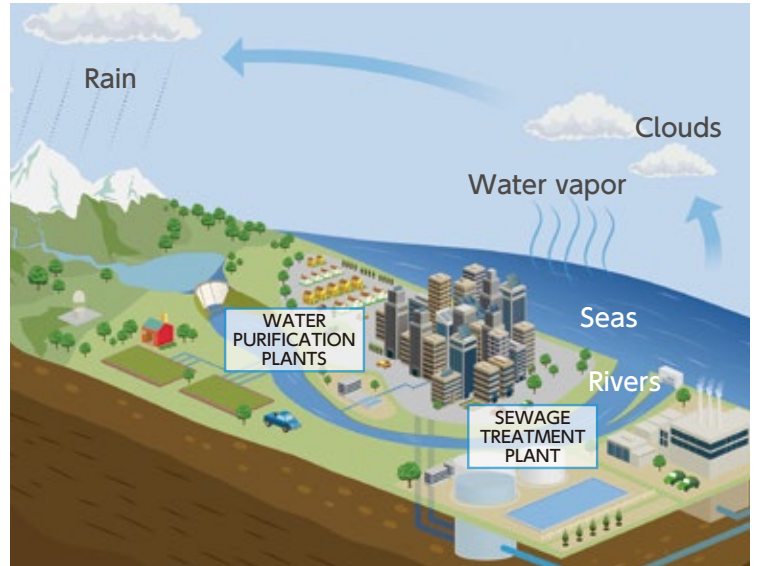
Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	All Mitsubishi Electric Group companies (Japan, overseas)
	Hold dialogues with stakeholders 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)
Corporate management with a sound oversight function	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)
Compliance training on a continuous basis	Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Mitsubishi Electric
Fair competition (prevention of antimonopoly violations)	Enhance measures for compliance with antimonopoly laws and competition laws	All Mitsubishi Electric Group companies (Japan, overseas)
Corruption prevention (prevention of bribery)	Enhance corruption prevention measures	All Mitsubishi Electric Group companies (Japan, overseas)
CSR procurement (environment, quality, human rights, compliance, etc.)	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)

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

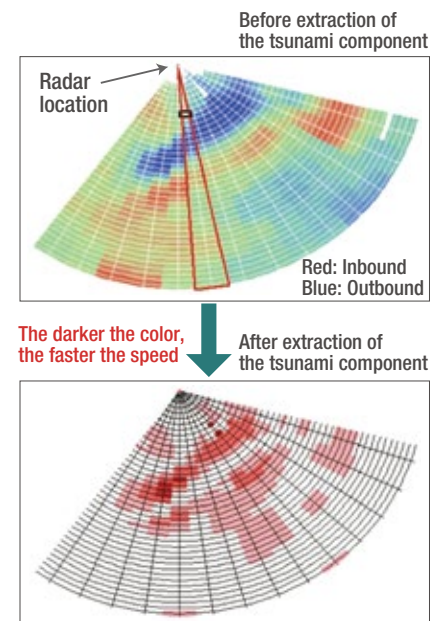


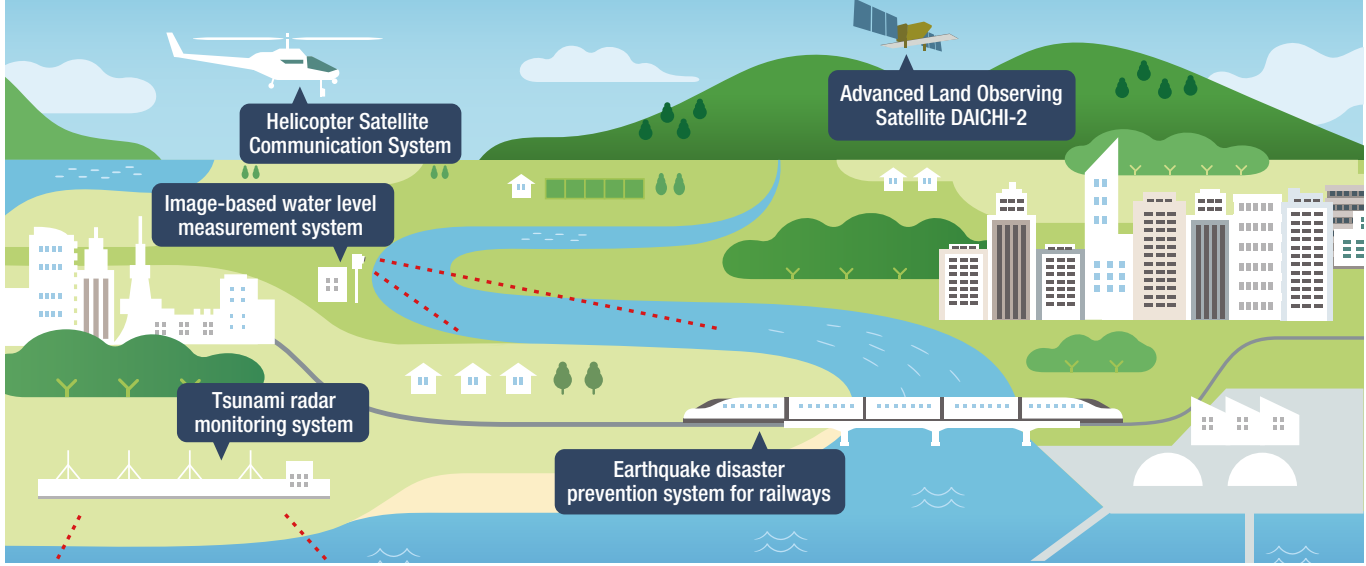
Fig. 2 Visualization scheme

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.



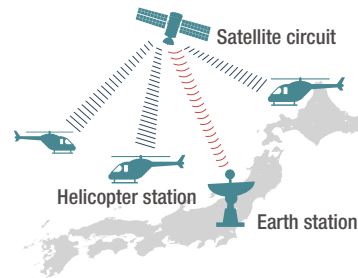
Distribution of real-time disaster information

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.



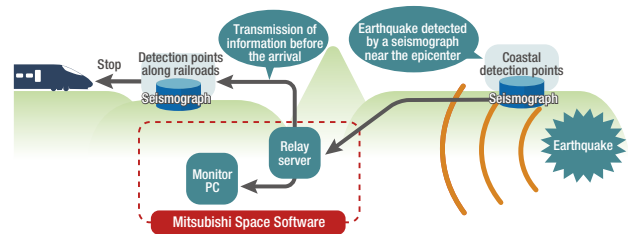
Helicopter Satellite Communication System

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

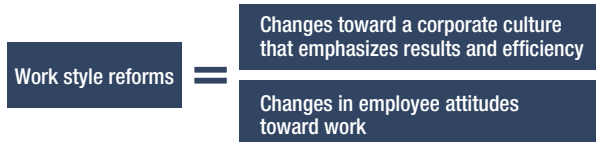


Shinji Harada

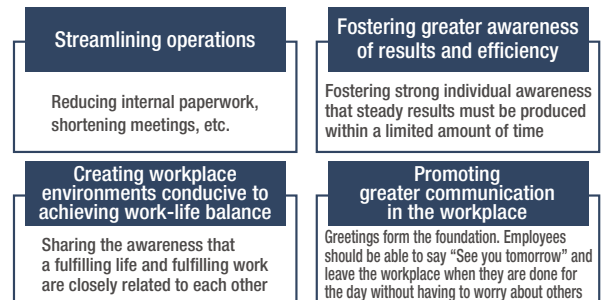
General Manager,
Corporate Human Resources
Div., Mitsubishi Electric Corporation

■ 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.

■ 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.

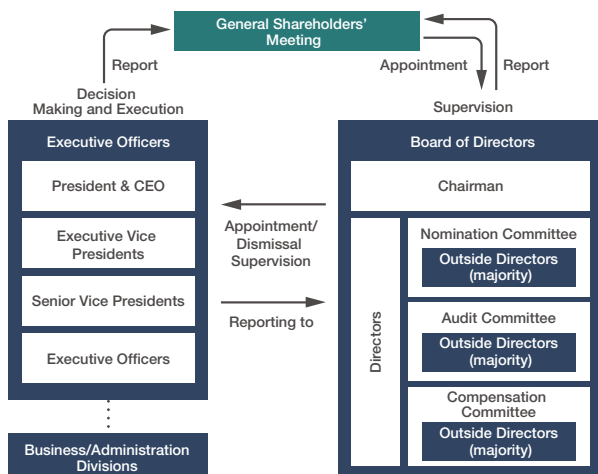
Mitsubishi Electric has adopted a committee system, with the separation of the management supervisory functions from the execution of business being one of its core principles. Based on this principle, the Chairman, who oversees the management supervisory functions, is separate from the President & CEO, 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

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

Communication with Stakeholders

Status of Communication

The Mitsubishi Electric Group's corporate activities have widely varying impacts on society. Based on this awareness, steady efforts are made to maintain communication with all stakeholders and listen to their expectations, requests and opinions.

Major stakeholders	Responsibilities and issues	Major contact departments	Communication opportunities
Customers Individual and corporate customers	<ul style="list-style-type: none"> • Improvement of customer satisfaction • Product safety and quality • Customer response and support 	<ul style="list-style-type: none"> • Sales departments • Quality departments • PR and advertising departments 	Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials
Employees Workers related to the Mitsubishi Electric Group in general	<ul style="list-style-type: none"> • Occupational health and safety • Respect for human rights • Human resource development • Respect for diversity 	<ul style="list-style-type: none"> • Personnel departments • CSR departments 	Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys
Government, local governments, industrial organizations Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	<ul style="list-style-type: none"> • Compliance with laws and regulations • Compliance with restrictions • Policy proposals 	<ul style="list-style-type: none"> • External affairs department 	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations
NGOs and NPOs NPOs/NGOs, citizens groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric	<ul style="list-style-type: none"> • Grants and partnerships through contributions to regional communities 	<ul style="list-style-type: none"> • Administration departments 	Philanthropic activities (funds, foundations, volunteer activities)
Business partners Business partners that supply raw materials and parts	<ul style="list-style-type: none"> • Fair transactions • CSR promotion through the supply chain 	<ul style="list-style-type: none"> • Materials departments 	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
Regional communities Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> • Contribution to four activity areas (social welfare; science and technology; global environmental conservation; culture, art and sports) 	<ul style="list-style-type: none"> • Administration departments 	Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events
Shareholders Shareholders, investment institutions, etc. directly or indirectly possessing Mitsubishi Electric shares	<ul style="list-style-type: none"> • Increase in corporate value • Proper redistribution of profits • Information disclosure • Response to SRI 	<ul style="list-style-type: none"> • IR departments 	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
Others Academic institutions and research institutions	<ul style="list-style-type: none"> • Cooperation in creating innovation • Joint studies 	<ul style="list-style-type: none"> • R&D departments 	Industry-academia cooperation in research, stakeholder dialogues (once a year)
Future generations	<ul style="list-style-type: none"> • Provision of education opportunities 	<ul style="list-style-type: none"> • Administration departments • Overseas foundations 	Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events

Results of Reader Surveys

Questionnaire-based Survey Conducted in Japan and Overseas on CSR Reports

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. The survey elicited responses overseas from 215 persons connected with the Group. Their answers first reaffirmed the necessity of taking into account regional peculiarities and other factors tied to diversity in external environments. The Group hopes to get the views of even

more people globally in the future. A portion of the survey results is presented here. 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.

Survey Summary and Partial Results

[Period Survey]

December 2016 to March 2017

[Main Questions]

- Is senior management pursuing CSR initiatives in earnest?
- Does the company have the framework that will allow it to implement CSR efforts as a total organization?
- Are company initiatives truly moving forward?
- Is the company engaging in dialogue with the relevant parties in its orbit?
- Does the company consider ease of comprehension and access to information?
- Please select all those items in the report that made a particular impression on you (e.g. evoked positive feelings, sparked interest, felt you could approve of it, etc.).
- Are the Mitsubishi Electric Group's initiatives enough when it comes to crucial CSR issues?

[Domestically]

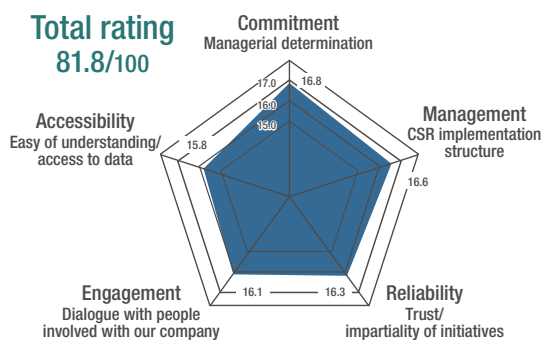
★ Questionnaire responders :

- Japan
- 600 persons
- General population nationwide, men and women aged 15 or older (people with a strong interest in the environment and CSR)

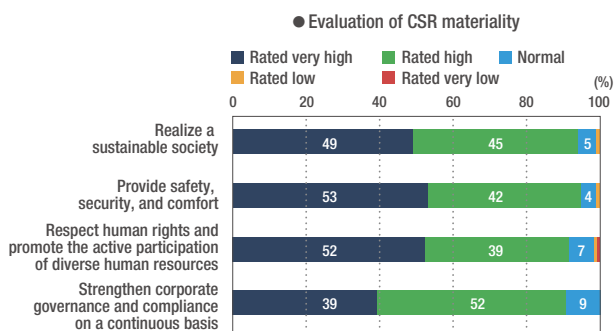
[Overseas]

★ Questionnaire responders :

- U.S.A., Europe, Asia, China, Taiwan
- 215 persons
- Customers, stockholders and investors, business partners, CSR and corporate environmental policy staff, NGO and NPO representatives, people living adjacent to Mitsubishi Electric offices, government workers, university students, Mitsubishi Electric Group workers and family members, others



Results of reader surveys [domestically]



Results of reader surveys [overseas]

Interviews with Experts

The Mitsubishi Electric Group has held interviews with experts with profound knowledge who play an active role in their respective fields to hear their opinions on the Group's CSR initiatives, in light of the latest CSR trends. Personnel responsible for advancing CSR initiatives and representatives of departments closely involved in CSR

efforts interviewed the experts about the Mitsubishi Electric Group's CSR materialities, which were formulated in fiscal 2016, and their expectations for the Group from the perspectives of the environment, society, and governance.



Board Member, United Nations Global Compact
Representative Director, Global Compact Network Japan

Toshio Arima

Field of specialization: CSR management

Opinions offered:

- Giving priority to customer satisfaction and contributing to society in a sustainable manner over the long term will lead to sales for the Group, even if they may not lead to sales for each company over the short term.
- Within the process of achieving Group management strategy targets, it is important to consider how to create social value and how to differentiate the Group from other companies.
- With regard to environmental issues, we hope the Group will set a long-term CO₂ emissions target and promote innovation toward achieving that target.
- Based on its possession of a wide range of businesses, the Mitsubishi Electric Group is expected to combine its technologies and services to contribute to the SDGs.



Chief Researcher, Daiwa Institute of Research Ltd.;
Co-CEO, Japan Sustainable Investment Forum (JSIF)

Mariko Kawaguchi

Field of specialization: CSR as a whole, ESG Investment,
and Ethical Consumption

Opinions offered:

- The Government Pension Investment Fund (GPIF) has issued questionnaires to companies on their status of ESG dialogue with investors ESG. Thanks to this, ESG knowledge and awareness is rapidly increasing among investors.
- It is best for the Mitsubishi Electric Group to show investors in an easy-to-understand manner how its ESG initiatives are helping enhance corporate value, as part of its managerial strategy.
- We hope Mitsubishi Electric will establish long-term CSR targets toward FY2021, the 100th anniversary of the company's founding, and even further beyond that, toward 2050.



Director and Head of Business Development
Lloyd's Register Japan

Hidemi Tomita

Field of specialization: CSR in general (has engaged in the design of various standards, such as the Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code, ISO20400, and GRI)

Opinions offered:

- With regard to CSR materialities, it is hoped that the company will provide steady information on how they are related to its businesses, why they are important, and whether it places importance on risks or opportunities.
- Assessing where the risks lie in each business forms the foundation of supply chain management.
- Networking with overseas sites is indispensable for promoting CSR globally. It is best to develop CSR officers in overseas sites and establish regular forums for communication.
- Given the company's broad-ranging businesses, the company may be influenced by CSR frameworks in different industries. However, it is important to maintain a firm core vision and promote an original approach to CSR.



Representative, Sustainavision Ltd.

Takeshi Shimotaya

Field of specialization: Human rights issues, CSR trends in Europe

Opinions offered:

- The handling of human-rights issues needs to continue, following the Guiding Principles on Business and Human Rights.
- With the 2020 Tokyo Olympic and Paralympic Games approaching, interest in how Japanese firms handle human rights is growing. To start off, we need to grasp whether there are human-rights risks in our company's plants and supply chains, as well as hold dialogues with human-rights NGOs to discuss responses.
- Stakeholders need to be identified on a regular basis. We need to communicate regularly with stakeholders for every site in the world, taking in opinions/expectations/needs and communicating progress/results on managerial and strategic initiatives based off of them.
- A strong emphasis is placed on "SDG 17: Partnerships for the goals," with the understanding that there is only so much a single firm can engage in. There is increasing awareness of the importance of firms participating in international initiatives to solve environmental and social issues.

Dialogues with Experts



The Mitsubishi Electric Group identified four CSR materialities (priority issues) in FY2016, to more strongly promote CSR on a long-term basis as an integral part of management. To work out initiatives for FY2017 based on these materialities, dialogues were held with three guest experts to gain their objective views from an external perspective.

In their capacities as experts in their respective fields, the guests offered their views on the Mitsubishi Electric Group's initiatives and made a wide range of proposals from the standpoint of CSR trends. They also introduced CSR trends in international institutions and the best

practices of advanced firms, specifically regarding the Group's response to the SDGs (sustainable development goals) adopted by the UN General Assembly in 2015, its current ESG investment status, its supply chain management, and its responsibilities as an official partner of the Tokyo Olympic and Paralympic Games. The views obtained through these dialogues provided a renewed awareness of the importance of going beyond Japanese conventions and maintaining a wide, global perspective as a company aiming to become a leading global green company.

Important Opinions and Suggestions Offered by Our Guest Experts

■ Strengthen Initiatives for Solving Social Issues from an Outside-In Perspective

Initiatives for contributing the 17 goals and 169 targets of the SDGs should not be made in a comprehensive, all-encompassing manner, but by clarifying the areas the Mitsubishi Electric Group can concentrate its strengths in. Rather than focusing on a single goal, a starting point should be defined, from which initiatives can expand toward related goals.

Many companies are attempting to use their responses to the SDGs as business opportunities, rather than regarding them as part of their social contribution. What is important here is to think not from the inside-out perspective of "what can be done along the extension of CSR initiatives taken to date," but from the outside-in perspective of "how the company's abilities and resources can be used to solve issues that exist in society today." Given the great expectations societies have for companies, how a company responds to these expectations has a large influence on its brand power.

The Mitsubishi Electric Group's efforts to disseminate CSR across the company, and particularly its CSR training for new employees immediately upon joining the company, are admirable and well worth continuing.



Board Member, United Nations
Global Compact
Representative Director, Global
Compact Network Japan

Toshio Arima



Chief Researcher, Daiwa Institute of Research Ltd.;
Co-CEO, Japan Sustainable Investment Forum (JSIF)

Mariko Kawaguchi

■ The SDGs are an Effective Tool for Communication with Society

Having also participated in this dialogue last year, I feel I have witnessed the Mitsubishi Electric Group's underlying power for steady development. This is illustrated, for example, by its being selected among the highest ranking A List Companies in various fields by the international NGO CDP in FY2017. The SDGs are gaining attention throughout the world, and will come to have even greater influence on global businesses. The strategic use of the SDGs is also spreading among ESG investment processes as a tool for measuring a company's long-term value. By regarding the SDGs as a common language shared by businesses, administrations and NGOs/NPOs, and disseminating information about the Group's initiatives for the SDGs, communication with stakeholders is bound to get smoother.

Furthermore, presenting a long-term vision of the future direction of the Group, and the quantitative results of greenhouse gas reductions and other such initiatives, will facilitate greater understanding of the company among investors. I hope that the Group will continue to implement thorough activities and make dedicated efforts to disseminate relevant information.

■ It is Important for CSR Activities to Have a Clear Relevance to Business

Through interactions with various levels of employees at Mitsubishi Electric, I have found that the management has a consistent policy, and that an excellent corporate culture exists where the policy is fully reflected in all employees and their activities. At the same time, however, there are areas where the relationship between social/environmental initiatives and business is ambiguous and should be clarified. New initiatives might also emerge by making changes in schemes, such as by setting targets from the CSR perspective and incorporating the results into business evaluations in each department.

In promoting supply chain management, it is important to thoroughly evaluate risks and properly assess which suppliers and items pose what types of risks. It is unrealistic to apply a unified approach to a diverse range of suppliers, so prioritized initiatives are essential. Additionally, with a view to the Tokyo Olympic and Paralympic Games, the Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code has been formulated to set forth CSR requirements for the environment, labor, and human rights. Not only companies that deliver products, but businesses along their supply chain will be required to comply with the code, so it is becoming even more important to promote CSR initiatives with the supply chain.



Director and Head of Business Development
Lloyd's Register Japan

Hidemi Tomita

In Response to the Dialogues

As a goal toward fiscal 2021, the year of the company's 100th anniversary, we have set forth a growth target of consolidated net sales of ¥5.0 trillion or more and an operating income ratio of 8% or more. As mentioned in the President's message, this target corresponds to the pure stats of a person—their height, weight, and so on—while CSR initiatives represent that person's character. Thus, CSR initiatives are another extremely important indicator for measuring corporate value. We will strive to grow comprehensively—in terms of both statistics and character—to strengthen our management foundation. We have once again received various opinions and proposals through dialogues with experts. Each theme discussed will be shared with the relevant departments and incorporated into our activities, which will also include a review of the CSR materialities and initiatives we have set forth. We will also focus on disseminating relevant information on a global scale in cooperation with our affiliates in Japan and overseas, in reference to international standards for CSR. Thank you very much for offering your input and insights today.



Senior Vice President (In charge of CSR)
Mitsubishi Electric Corporation

Nobuyuki Okuma

Corporate Governance

Basic Corporate Governance Policy

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.

 [IR Library](#)

Corporate Management and Governance Structure

■ Corporate Management Structure

In June 2003, Mitsubishi Electric became a company with a committee system. Key to this structure is the separation of supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and executive officers handle the day-to-day running of the Company.

The present Board is comprised of twelve members (five of whom are Outside Directors, one of whom is a woman), who objectively supervise and advise the Company's management. The Board of Directors has three internal bodies: the Audit, Nomination and Compensation committees. Each body has five members, the majority of whom are outside directors. The Audit Committee is supported by dedicated independent staff.

A salient characteristic of Mitsubishi Electric's management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all executive officers, are clearly separated. Additionally, neither is included among the members of the Nomination and Compensation Committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

■ Internal Control System

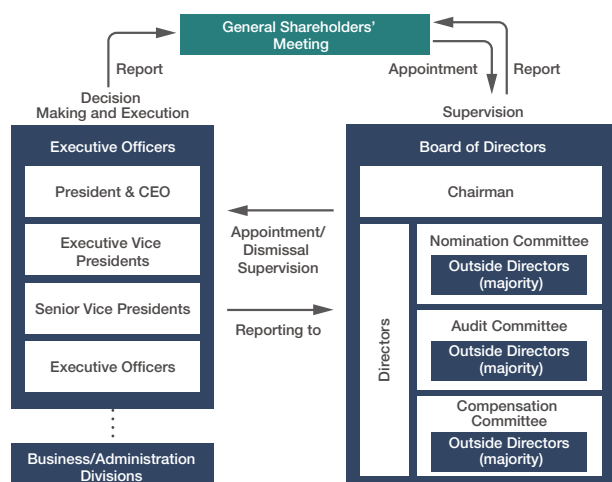
(A) For proper execution of duties by the Audit Committee, the committee's independence is ensured such as by assigning dedicated employees to assist in its duties, and the expenses and responsibilities incurred by the committee in the course of executing its duties are appropriately processed according to internal regulations.

A framework is also in place for reporting to the Audit Committee. The Internal Control Department keeps the Audit Committee informed of information about Mitsubishi Electric and affiliate companies, and an internal reporting system is used to report that information to audit committee members.

Audit committee members attend executive officers' meetings and other such important conferences, and conduct hearings and surveys of executive officers and the executive staff of Mitsubishi Electric offices and affiliated companies. It also receives regular reports from the accounting auditor and executive officer in charge of auditing, and discusses auditing policies and methods and the implementation status and results of audits.

(B) Internal regulations and system are in place to ensure proper operations by the Mitsubishi Electric Group. Within this system, executive officers undertake their duties on their own responsibility and hold executive officers' meetings to deliberate on important matters. Executive officers themselves make periodic inspections of the operational status of the system, and the Internal Control Department inspects the design and operation of the internal control framework and regulations, and the status of internal reporting system and then report the result to audit committee members.

Furthermore, an internal auditor audits the operational status of the framework, and through an executive officer in charge of auditing, regularly reports the results of such audits to the Audit Committee.



Corporate Governance Framework

■ Corporate Auditing Division and Audit Committee

Acting independently, Mitsubishi Electric's Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with profound knowledge of their particular fields, assigned from certain business units.

The Audit Committee is made up of five directors, three of whom are outside directors. In accordance with the policies and assignments agreed to by the committee, the performances of directors and executive officers as well

as affiliated companies are audited.

The Corporate Auditing Division, through the executive officer in charge of auditing, submits reports to the Audit Committee, which holds periodic meetings to exchange information and discuss auditing policies. In addition, the Audit Committee discusses policies and methods of auditing with accounting auditors, who furnish it with reports on the status and results of the audits of the Company that they themselves conduct.

Providing Directors with Appropriate Information at the Appropriate Time, and Conducting Reviews of the Board with Analyses and Evaluations

To strengthen the Board's capacity to supervise Company's management, the bureaus of the Board of Directors and each committee provide the directors with the information necessary for supervising management, in a timely and appropriate manner. And, to further improve the Board of Directors' capacity to supervise management, venues have been established for supplying information to and exchanging views with outside directors, and the Company is working to further enhance the provision of management-related information to the Board of Directors itself.

Additionally, in order to further enhance the functioning of the Board of Directors, the Board meetings are reviewed on an annual basis, and analyses and evaluations are conducted in the following areas.

- Frequency, scheduling, and time spent on the meetings
- The information supplied in relation to discussions at the meetings (quality and quantity) and the method of its provision

- Materials, details and methods of explanation, question-and-answer guidelines, time apportioned for each proposal on the meetings
- Other mechanisms for improving the functioning of the Board of Directors, etc.
- Best practices for delegating authority from the Board of Directors to executive officers

As a result of these reviews, the Company's practices in delegating authority from the Board of Directors to executive officers were basically evaluated as valid, and the Board of Directors was evaluated as serving its function, from the perspective of ensuring the separation of supervisory and executive functions and securing flexibility of management. Nevertheless, the Company is working to further enhance the timely and appropriate provision of management-related information to the Board of Directors itself in order to further improve its capacity to supervise management.

Policies regarding decisions on compensation, etc.

■ Compensation scheme for Directors and Executive Officers

Policies regarding decisions on compensation, etc. will be made through resolutions by the Compensation

Committee, the majority of which consists of Outside Directors. A summary of the policies is as follows.

Compensation scheme for Directors


1. Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the compensation scheme for Directors is the payment of fixed-amount compensation and the retirement benefit upon resignation.
2. Directors will receive their compensation as a fixed amount, and the compensation to be paid will be set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
3. Directors will receive the retirement benefit upon their resignation, and the retirement benefit to be paid will be set at a level decided on the basis of the monthly amount of compensation and the number of service years, etc.

Compensation scheme for Executive Officers

1. The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and the retirement benefit upon resignation.
2. Fixed-amount compensation will be set at a level considered reasonable taking into account the contents of the Executive Officers duties and the Company's conditions.
3. The level of performance-based compensation will be decided while taking into account the consolidated business performance and the performance of the business to which the respective Executive Officer is assigned, etc. With the purposes of meshing the

interest of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares. The Company sets a rule that, when the Executive Officers acquire the Company shares as a part of compensation, they are required to continue the shareholding until 1 year has passed from resignation.

4. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

 [Annual securities report \(Japanese only\)](#)

Outside Directors

■ Effective Utilization of Outside Directors

The Board of Directors comprises twelve members, five of whom are Outside Directors (one of whom is a woman), who objectively supervise and advise the Company's management (composition ratio of outside directors: 42%).

Outside Directors receive reports about the activity status of internal auditors, the audit committee, accounting auditors, and internal control departments via the Board of Directors, and provide their impartial views regarding Mitsubishi Electric's management from an objective perspective. By doing so, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

■ Criteria for Judgment of the Independence of Independent Outside Directors

Outside Directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric's Guidelines on the Independence of Outside Directors (see below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the company, are selected as outside director candidates by the Nominating Committee.


< Independency Guideline for Outside Directors >

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and not falling under any of the following cases, as candidates for Outside Directors.

Note that each of the following 1), 2), 4) and 5) includes a case in any fiscal year during the past three fiscal years.

1. Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executers") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated sales of the Company or the counterparty
2. Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
3. Persons who are related parties of the Company's independent auditor
4. Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants
5. Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization
6. Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executers
7. Persons who are related parties of a person or company that have material conflict of interest with the Company

Outside Directors (as of June 29, 2017)

Title	Name, Picture	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2017)
Outside Director	 Mitoji Yabunaka	Member of the Nomination Committee Member of the Compensation Committee	Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of a career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Hiroshi Obayashi	Chairman of the Nomination Committee Member of the Audit Committee	Mr. Obayashi's experience and insights cultivated through the course of a career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Kazunori Watanabe	Member of the Audit Committee Member of the Compensation Committee	Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Katsunori Nagayasu	Member of the Nomination Committee Member of the Audit Committee	Mr. Nagayasu's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Five out of five meetings)
Outside Director	 Hiroko Koide	Member of the Nomination Committee Member of the Compensation Committee	Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Five out of five meetings)

Note

Mitsubishi Electric Corporation held seven Board of Directors meetings during the fiscal year.

The status of attendance for Mr. Katsunori Nagayasu and Ms. Hiroko Koide is based on the number of Board of Directors meetings held after they assumed office on June 29, 2016.

Compliance

Message from Top Management

The Mitsubishi Electric Group regards "ethics and compliance" as the foundation of corporate management, and issues the following message to all employees as part


of its efforts to establish even stronger relationships of trust with society, customers, and stakeholders.

The operating environment continues to undergo dramatic changes. What must continue regardless of how the times may change is respect for corporate ethics and compliance.

Mitsubishi Electric Group formulated "the Mitsubishi Electric Group Corporate Ethics and Compliance Statement" as our basic guideline for compliance, pledging to society that "We will never establish a target, nor make a commitment, that could only be achieved with conduct that would violate applicable laws or business ethics or practices."

Looking toward the upcoming 100th anniversary of our foundation and even the next 100-year milestone, in order to continue to be a corporate group which earns the confidence of society and our customer, I request each and every one of you to be aware again that adherence to ethics and compliance forms the basis for the company to remain in business.

And you must always remember that each and every one of you has a responsibility to ensure that as a good corporate citizen we conduct our business in compliance with applicable laws and high ethical standards in all endeavors: you should have pride in our high level of business ethics.

President & CEO


Our Concept of Compliance

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group's continued existence.

Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

The Corporate Ethics and Compliance Statement

Compliance with the Law	We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity to changes in social ethics or local practices. We will never establish a target, nor make a commitment, that can only be achieved with conduct that would violate applicable laws or business ethics or practices.
Respect for Human Rights	We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability, or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.
Contributing to Society	Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of society as a whole.
Collaboration and Harmonization with the Community	As a good corporate citizen and neighbor, we will support civic and charitable organizations and activities in the communities where we reside or work that in our view contribute to community development.
Consideration of Environmental Issues	As part of our goal to achieve a recycling-oriented society, we will pay attention to and respect the global environment in every aspect of our business.
Awareness of Personal Integrity	We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters, and we will use company resources—including money, time, and information—for legitimate business purposes. We will use company computers and various networks and online services, including e-mail and Internet access, primarily for company business.

The Mitsubishi Electric Group Conduct Guidelines

Mitsubishi Electric Group Conduct Guidelines is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each employee of Mitsubishi Electric Group in executing company business and performing his/her duties are put together and summarized, and is intended to serve as guidelines for our day-to-day conduct. These Guidelines were first established in 1990, and became what they are now through multiple revisions

based on revisions of relevant laws and regulations, changes to people's perceptions of social norms and other relevant factors. The version presented here is the most recent revision, published in April 2017. In addition to the Japanese language, the Code of Conduct is published in English, Chinese, and Thai, and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform.

Ensuring that Employees are Familiar with Our Compliance Policy

The top management of the Mitsubishi Electric Group, including the President, takes every opportunity to directly address employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of the importance of compliance and our stance on it takes root throughout our organization. To raise awareness even further, we also display posters of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement in our workplaces and distribute

cards printed with the Statement to each of our employees. We distribute the "Mitsubishi Electric Group Conduct Guidelines" to all Mitsubishi Electric Group employees, including overseas employees. Employees in Japan receive a booklet containing the conduct guidelines, which summarizes points that employees should be aware of in relation to compliance as they conduct their work duties.



Corporate Ethics and Compliance Statement Poster



Portable Card



"Mitsubishi Electric Group Conduct Guidelines" Booklet

-  [English version](#)
-  [Simplified Chinese version](#)
-  [Traditional Chinese version](#)
-  [Thai version](#)

System to Ensure Thorough Implementation of Compliance at the Global Level

Based on recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's compliance system has our business divisions and affiliates in Japan and overseas take the initiative in promoting compliance. We renamed the Legal Division to the "Corporate Legal & Compliance Division" as of October 2012, in order to promote group-wide compliance. Moreover, in each business group of Mitsubishi Electric Corporation, we

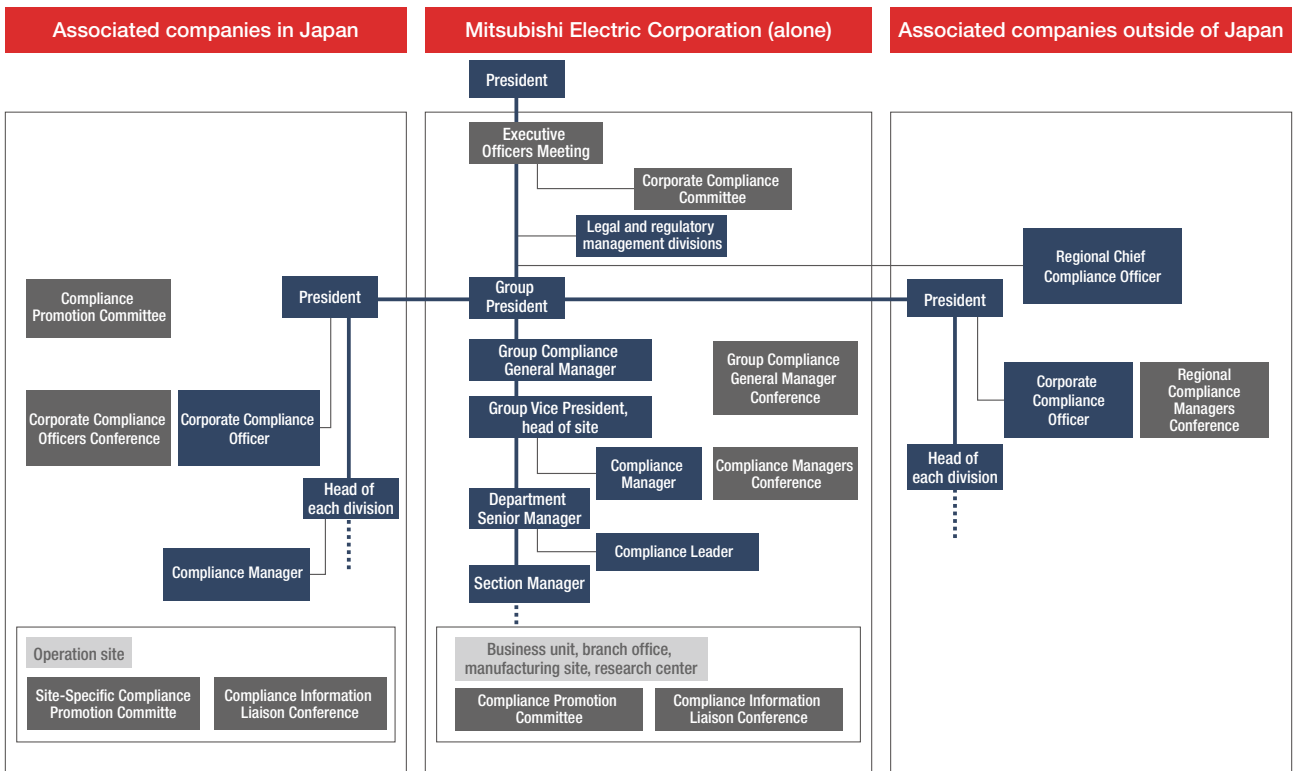
established a "Compliance Department" whose purpose is to enhance implementation of group-wide compliance measures and conduct inspections of the state of compliance in that respective group. Furthermore, in order to further strengthen and expand previously established overseas compliance systems and ensure thorough compliance at the global level, a special department was established in the Corporate Legal & Compliance Division in April 2014.



Compliance Managers Meeting in Asia (Thailand)



Compliance staffs Meeting in China (Xian)



Mitsubishi Electric Group compliance promotion structures

Initiatives against Major Compliance Risk

■ Fair competition (preventing the violation of anti-trust laws)

The Mitsubishi Electric Group deeply regrets its experience of having received an administrative penalty for violating anti-trust laws in Japan and overseas. Out of this regret, we uphold anti-trust laws as one of the most important laws that we must abide by, and make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten.

In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs. Between fiscal 2014 and fiscal 2016, company-wide intensive training was implemented 241 times with the participation of 11,248 employees. In affiliated companies, training was implemented between fiscal 2014 and fiscal 2017 for executives, sales and other departments, and has been attended by 3,326 employees to date. Practical training that reflects the characteristics of each business and affiliated company, has continued to be implemented beyond fiscal 2017, and ongoing education has been provided to both prevent the recurrence of incidents in violation of anti-trust laws and prevent previous violations from being forgotten.

We will continue to make greater efforts to prevent similar incidents from occurring and previous incidents from being forgotten, through regular monitoring of the status of daily business activities and internal regulations, practical employee training that matches actual transaction situations, and other such initiatives.

■ Corruption prevention (preventing bribery)

The Mitsubishi Electric Group takes measures to prevent bribery involving Japanese and overseas public officials, such as enhancing internal rules, providing employee education, requiring self-inspections, and conducting internal audits.

On April 1, 2017, our Group has established "Mitsubishi Electric Group Anti-Bribery Policy" to reiterate, to people in and outside the group, our policy that, among other things, our group companies, their officers and employees do not offer bribes and do not pursue profits if such profits can be realized only by offering bribes.

 [English version](#)

 [Chinese version](#)

In the light of the current global situation where anti-bribery regulations are becoming increasingly tighter, we will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level.

■ Support and responses to political activities

The Mitsubishi Electric Group provides support to political activities only upon full consideration of its social standing as defined in its corporate mission, and in compliance with relevant laws and regulations in each country. For example, when making a political donation in Japan, the Corporate Administration Division screens all cases in detail in accordance with the Political Fund Control Law, and ensures adherence to all internal procedures. Additionally, in public elections, we make every effort neither to infringe on the Public Offices Election Act nor deviate from sound social morals.

■ Export control

To maintain international peace and security, Mitsubishi Electric Corporation has established and abides by the Corporate Security Export Control Regulation. Based on the regulation, all transactions are closely checked for any inclusion of export controlled items and security concerns related to destination, customers, end-use, and transaction conditions, and are strictly managed pursuant to relevant laws and regulations. Furthermore, to ensure all associated companies in Japan and overseas also take proper action in line with the Group's policies, we distribute the Security Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese, and Thai) to all associated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2017, we held educational workshops in China, South Korea, India, Europe, Brazil and Mexico, intended for ECAs (Export Control Administrators) in associated companies. In Japan, we provided e-learning courses that were taken by 35,001 Mitsubishi Electric Corporation employees and 19,704 employees of associated companies. For overseas associated companies, we have English, Chinese, and Thai e-learning materials for the implementation of training programs in each company.

■ Disassociation with anti-social groups

The Mitsubishi Electric Group adheres to the following three provisions that are clearly set forth in the Mitsubishi Electric Group Conduct Guidelines.

1. We will not have any relationship with anti-social groups, and will deal with such groups with a firm attitude.
2. When engaging in a new transaction, we will make certain that the transaction partner is not related in any way to an anti-social group.
3. Transaction contracts shall include an article on the "elimination of crime syndicates and other anti-social groups," and provide for the termination of the contract in the event a transaction partner is found to be related to an anti-social group, even if the

transaction with the partner has already begun.

Furthermore, as a Group-wide measure against unreasonable demands from anti-social groups, an unreasonable demand prevention officer as stipulated in the Anti-Organized Crime Law is assigned to each business office and affiliated company. If a transaction partner is found to be an anti-social group, we make every effort to promptly disassociate ourselves with the company with the cooperation of the police, external specialist institutions (the National Center for the Elimination of Boryokudan and the Special Violence Prevention Measures Association (Tokubouren) under the control of the Metropolitan Police Department, the National Center for the Elimination of Boryokudan, etc.), and lawyers.

Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas).

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. Employees in all countries in which we operate take part in an educational program concerning the major relevant laws, respect for human rights, and the Group's concept of compliance, either through e-learning programs, group lessons, or distance learning. In fiscal 2017, as many as 104,837 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs.

Overseas as well, some 7,607 employees overseas have participated in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

Compliance Managers also distribute materials concerning improper conduct to supervisors at Mitsubishi Electric and our affiliates in Japan in order to help us prevent such conduct from occurring. We also conduct workshops at our various bases (branch offices and production sites) for personnel responsible for compliance at affiliates located in those regions. These workshops seek to foster a thorough awareness of compliance and a deeper understanding of key legislation at our affiliates, in addition to promoting closer cooperation with Mitsubishi Electric.

In fiscal 2017, the Corporate Legal & Compliance Division of Mitsubishi Electric Corporation conducted approximately 233 compliance-related workshops throughout the Group, in which a cumulative total of 9,304 people participated.

Compliance Audits

Based on the awareness that "ethics and compliance are fundamental preconditions for the Group's continued existence," each Mitsubishi Electric Group company and department appoints a compliance promotion manager, and carries out a compliance inspection of their company or department a multiple number of times a year by various means, utilizing check sheets and other tools that are specified for each area of corporate ethics and relevant laws and regulations. The results of these inspections are reported to the manager of each company or department, and if a problem has been found in an

inspection, corrective action is taken voluntarily, such as by strengthening employee education and enforcement. Mitsubishi Electric's audit department carries out an audit of all Group companies regularly by visiting each company and department and checking whether there are any problems mainly in terms of compliance, and whether compliance awareness and initiatives are sufficient, from a subjective, professional perspective. If it is deemed that a correction is needed, an instruction is issued to formulate an improvement plan and to report the results of the improvement.

Establishment of Internal and External Ethics and Legal Compliance Hotlines

Mitsubishi Electric has put in place "ethics and legal compliance hotlines" (internal reporting system), with the objective of promptly assessing fraudulent, illegal, and anti-ethical conduct and allowing a self-disciplinary mechanism to function against such types of conduct. This consultation service is available both inside and outside the company (law firms), and operates under clear internal regulations that provide for responses to anonymous informant, elimination of disadvantageous treatment of informant, and the confidentiality of all informant. Notification are also accepted from business partners and affiliated companies, with regard to transactions that have to do with Mitsubishi Electric.

The facts of each notification are verified by a group composed of members from a survey department,

depending on the content of the notification. In cases where there is a possibility that the matter in question does not conform to relevant laws or internal regulations, efforts are made to promote and disseminate proper understanding through a review of rules and explanation meetings. If an illegal act or conduct that violates internal regulations is confirmed, the party concerned is subject to some form of discipline, or a remedial action is demanded of the relevant department.

Details of these "ethics and legal compliance hotlines" are provided in the booklet that is distributed to all employees and contains the Mitsubishi Electric Group Conduct Guidelines. Posters are also displayed in each department and office, as well as on the Group's website, to thoroughly disseminate the service to all employees.

Risk Management

Basic Policy

The Mitsubishi Electric Group maintains a multi-dimensional risk management system in which all executive officers participate.

Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings.

In the event an incident occurs that seriously calls into question the Group's social responsibility and is expected to have a profound impact on management, or in the case of such emergencies as large-scale disasters, accidents or

pandemics, a company-wide Emergency Response Center will be established to implement measures under the leadership of the president, to ensure prompt and proper initial response.

Strictly adhering to this management structure and system and aiming to fulfill its responsibilities to stakeholders, the Mitsubishi Electric Group is redoubling its efforts to implement measures aimed at minimizing business risks which may have a significant social impact and detecting them at an early stage, including risks related to corporate ethics and compliance, the environment, and product quality.

Responding to Environmental Risk

The Mitsubishi Electric Group works to quickly discover latent risks in business activities that can impact or potentially impact the environment in a substantial way. In order to prepare for the event of an accident or emergency that involves an environmental risk such as groundwater or soil pollution, the handling of PCB waste, or the malfunction of an environmental facility, head office divisions, manufacturing facilities, R&D centers, branches, and affiliates in Japan and overseas have developed detailed risk descriptions and procedure manuals that specify departmental responsibilities. Mitsubishi Electric also anticipates the possibility of accidents, complaints, or violations of the law arising on the side of construction subcontractors or companies working under outsourcing

agreements, and informs these outside parties of our risk response procedures and disseminates the proper procedures in their respective organizations.

Each organization runs a test at least once a year to determine if the managers in charge are capable of appropriately responding to an emergency. The tests simulate an emergency that has the potential of occurring, to determine whether initial responses, provisional measures, and communication methods properly function in regard to environmental accidents. When problems are uncovered, the procedures are revised and the new version is publicized throughout the organization.

 [\[Environment\] Environmental Risk management](#)

Disaster Countermeasures

Development of a response framework for large-scale disasters

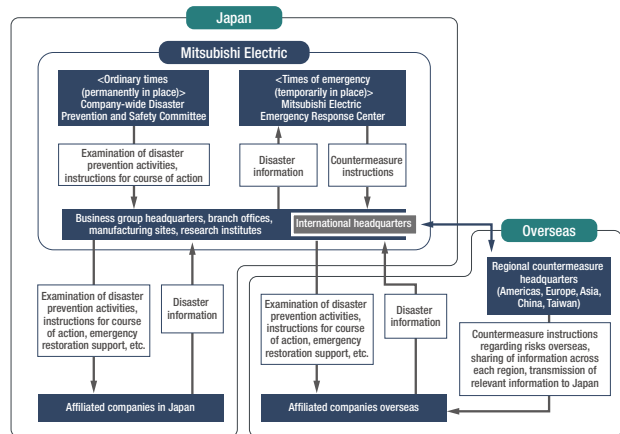
Engaging in business on a global scale entails the risk of being affected by disasters, including earthquakes, regional conflicts, terrorism, and outbreaks of infectious diseases. The Mitsubishi Electric Group is strengthening its

response framework, reexamining its disaster prevention system and disaster countermeasures, to prepare for emergencies.

Emergency disaster prevention framework

In the event that any of our company workplaces suffer or are at risk of suffering serious damage as the result of a large-scale disaster, we have a framework in place that is centered on the Mitsubishi Electric Emergency Response Center headed by our president, to enable the entire Mitsubishi Electric Group to respond to the emergency situation.

In addition to verifying the (personal and physical) disaster situation, the Emergency Response Center promptly examines and executes policies in response to business continuity initiatives and requests from society (support for affected areas, donations, etc.). Particularly with regard to overseas sites and affiliated companies overseas, it works closely with each regional response headquarters to ensure employee safety (safety confirmation, livelihood support, etc.) and provide support for business restoration.



Disaster prevention framework

Our response to the 2016 Kumamoto Earthquake

The Kumamoto earthquake of April 14, 2016 caused severe damage to our Power Device Works (Koshi city, Kumamoto pref.) and LCD Division, including Melco Display Technology Inc. (Kikuchi city, Kumamoto pref.). We immediately established the Mitsubishi Electric Emergency Response Center on the night of the earthquake and commenced the task of confirming the safety of all relevant people and devising business recovery measures. Both sites restored their original production capacities by the end of June, owing to the dedicated effort and cooperation of construction companies, facility and equipment manufacturers, and everyone else concerned. The Mitsubishi Electric Group prays for the speediest possible recovery of the affected regions, and intends to apply the lessons learned from the experience to benefit future initiatives.

Framework for ordinary times (creation of a PDCA cycle for disaster response)

In ordinary times, we take steps to ensure that the disaster prevention initiatives we have so far taken continue to be valid, by establishing a Company-wide Disaster Prevention and Safety Committee headed by the executive officer in charge of general affairs, and by implementing continuous improvement activities through a PDCA cycle to make improvements based on periodic examinations and reviews of the disaster response measures of the Mitsubishi Electric Group (at least once a year) and the results of emergency drills.

In fiscal 2017, the Company-wide Disaster Prevention and Safety Committee defined as priority issues a review of BCP* in the event of a large-scale power outage and the strengthening of interdepartmental cooperation during BCP invocation, and brought these issues to the Group.

In light of the 2016 Kumamoto earthquake, a special meeting of the Disaster Prevention and Safety Committee was convened in July after completion of recovery efforts at the two sites, to review what could have been done better in the wake of the earthquake and what needs to be improved.

In fiscal 2018, the Committee identified measures and implementation of disaster prevention and BCP training, promotion of seismic retrofitting and disaster mitigation measures, and promotion of BCP among suppliers as priority issues, and disseminated these issues within the Group.

*BCP: Business Continuity Plan

Initiatives for business continuity and disaster response

■ BCP formulation and regular (annual) review

To fulfill our responsibility as a product supplier, we had all of our offices formulate a BCP assuming the possible outbreak of a new strain of influenza in fiscal 2011 and a BCP assuming the risk of a large-scale earthquake in fiscal 2013.

In fiscal 2014, we began an examination of continuing business at an alternative site and urged major affiliated companies in Japan and overseas to formulate a BCP. To ensure the BCP that is formulated in each office and affiliated company in Japan and overseas remains valid, the BCP is reviewed and countermeasures are upgraded every year.

■ Business continuity in the supply chain

We are pursuing initiatives to avoid situations in which a large-scale disaster or other unavoidable circumstance imposes serious damage on suppliers, severs the supply of materials, or obstructs our production activities.

1. Evaluation of BCP risks among suppliers

From fiscal 2015, we have begun an evaluation of BCP risks among our suppliers in Japan using a company-wide unified index, and are bringing visibility to suppliers with high risks.

2. Activities for mitigating supplier risks

To mitigate the risks that have come to light through the BCP risk evaluation of suppliers, we recommend multi-company purchasing, and request our suppliers to multi-site their production centers. We also organize BCP seminars for suppliers, to strengthen awareness and provide support for disaster prevention measures.

3. Activities for ensuring prompt initial response at times of disaster

To ensure prompt initial response at times of disaster, we have created and actively utilize a map search system that allows us to search on a map the locations of suppliers in the vicinity of a disaster point.

Hereafter, we will also promote multi-company purchasing and multi-siting of production centers by suppliers overseas, to ensure stable procurement activities in our overseas production centers.

■ Strengthening disaster responses

Each office and affiliated company of the Mitsubishi Electric Group has a disaster response manual, by which it implements preliminary measures (disaster mitigation measures) and disaster prevention drills.

At Shizuoka Works, a BCP drill was held with an anticipated upcoming Nankai Trough earthquake in mind. It included simulations of collecting, analyzing and organizing disaster information, and activities for bringing the situation to a prompt conclusion and allowing business to continue. Issues that had not been envisioned in advance but surfaced during the drill have been incorporated into the BCP review.

Affiliated companies are also instructed to establish the same level of disaster countermeasures as those implemented by Mitsubishi Electric to strengthen emergency preparedness through disaster prevention drills at each site.



Disaster prevention drill at an overseas Mitsubishi Electric site (China)

■ Pandemic countermeasures

The development of various modes of transportation and transportation networks, and the globalization of the economy have increased not only the movement of people, but also the risk of pandemic diseases such as the Ebola virus disease and new strains of influenza. Amid the advancing globalization of business, in Japan we commenced initiatives to fulfill our corporate social responsibilities to (1) ensure people's safety, (2) sustain businesses that serve societal functions, and (3) minimize economic impact on our company in the event of an outbreak of a new strain of influenza (through BCP formulation, keeping tabs on the dynamics of business travelers and expatriates, stockpiling masks, etc.). Overseas, and particularly in countries where the probability of an outbreak of a new strain of influenza is high, we provide direction to formulate a BCP that assumes such an outbreak and to otherwise implement countermeasures that are suitable for the situation in each country.

■ Ensuring safety overseas

The Mitsubishi Electric Group's Overseas Safety Response Center, under the Corporate Human Resources Division, works closely with overseas sites (overseas offices and affiliated companies of Mitsubishi Electric and affiliates in Japan) to grasp the dynamics and confirm the safety of overseas business travelers, convey various information (travel restrictions, etc. based on information gathered from the Ministry of Foreign Affairs and specialized agencies), and provide employee education. In fiscal 2017, we organized overseas safety seminars for employees scheduled to take up an overseas assignment or business trip, including to affiliates, and visited 14 sites in 10 countries to survey security situations and provide advice on medical and health environments and educational and living conditions. We also participated in the public-private overseas safety cooperation conference sponsored by the Ministry of Foreign Affairs, and exchanged information and views with other companies and organizations. The results of the conference have been incorporated into the risk management activities of our company and overseas sites.

VOICE (In charge of disaster prevention and BCP)

Tomohiro Uchida (Kumamoto Administration and Human Affairs Dept. Corporate Administration Div. Power Device Works Mitsubishi Electric Corporation)



Applying the lessons learned from the earthquake

My responsibility at Power Device Works (Kumamoto) is to ensure disaster prevention and BCP. In particular, I am in charge of operating the system for verifying the safety of our employees and managing our emergency stockpile. The Kumamoto earthquake of April 2016 clarified both the benefits and inadequacies of the disaster prevention and BCP initiatives we have taken to date. Our plant was fortunately able to resume operations at an early stage, owing to the generous cooperation of people in and outside the company, but based on this experience, we have strengthened our resolve to reinforce our measures for disaster mitigation.

Our approach to information security

Basic Policy

The Mitsubishi Electric Group handles confidential corporate information and personal information appropriately as part of its social responsibility to make certain that such sensitive information does not leak out and cause concern for our customers and society. Confidential corporate information, which includes information on sales and engineering matters, is managed based on the Declaration of Confidential Corporate Information Security Management that was established in February 2005. Information that is entrusted to us by our corporate customers is managed and protected in compliance with a non-disclosure agreement, as well as

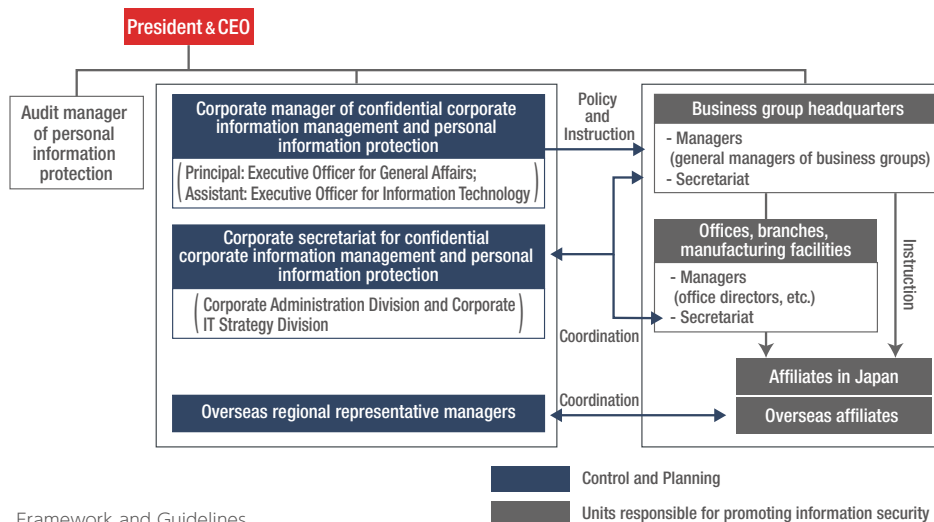
by the same level of security measures that are applied to our own confidential corporate information. Personal information collected from our customers through questionnaires, registration of purchased products, repair services, and other such means is managed based on the "Personal Information Protection Policy" that was established in April 2004. Under this system, we acquired the Privacy Mark certification in all aspects of our business in January 2008, and make ongoing efforts to ensure proper handling of personal information.

Framework and Guidelines

The President & CEO assigns a Corporate Manager for Confidential Corporate Information Management and Personal Information Protection and an Audit Manager for Personal Information Protection. The Corporate Manager assumes overall responsibility for information security, and the Corporate Secretariat for Confidential Corporate Information Management and Personal Information Protection is in charge of planning and promoting information security measures. Responsibility for the actual utilization and management of confidential corporate information and personal information lies with the general manager of each business group (Confidential Corporate Information Management and Personal Information Protection Managers) and the manager of each business site (office directors, etc.). The Business Group Secretariat and Business Office Secretariat strive to ensure information security by maintaining close coordination and regularly holding meetings with the Confidential Corporate Information Management and Personal Information Protection Secretariat.

The Audit Manager is responsible for implementing and reporting the results of personal information protection audits. In the incident of a leakage of confidential corporate information or personal information or in any other information security incident within the Mitsubishi Electric Group, the matter is reported to the leader through the framework, where it is promptly dealt with in compliance with relevant laws and regulations and is disclosed as necessary in a timely and appropriate manner.

Business Groups also issue instructions and guidance to overseas affiliates in the same way as they do to domestic affiliates, and strive to ensure information security in cooperation with overseas regional offices. The Mitsubishi Electric Group learned a bitter lesson from an accident that occurred in 2010 involving a leak of personal information collected from customers. Based on this experience, it is taking every step to ensure that no leakage of confidential corporate or personal information, or no similar accident, occurs again.

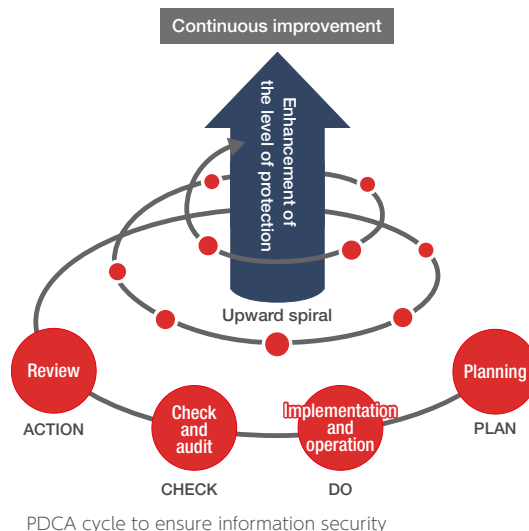


Global activities

To maintain and improve the information security level of the Mitsubishi Electric Group as a whole, including overseas affiliates, various inspections are conducted in line with information security systems prescribed in the Guidelines to Information Security Management Rules for Affiliated Companies.

Management Principles

The Mitsubishi Electric Group engages in activities for confidential corporate information management and personal information protection as ongoing improvement activities that are implemented according to the PDCA (Plan, Do, Check, Action) cycle, and employs four security measures to ensure proper management and protection of confidential corporate information and personal information from the organizational, human, physical, and technological perspectives.

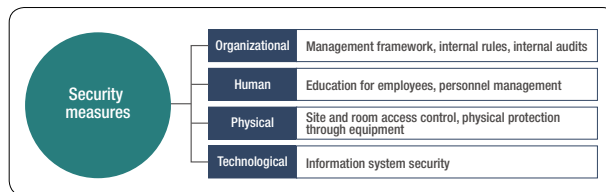


Information Security Regulations and Guidelines

The Mitsubishi Electric Group has established regulations and guidelines to ensure information security with respect to four security measures, and reviews them as necessary to stay in compliance with current laws.

Information Security Inspections and Audits

The following inspections and audits are performed as part of the C (check) stage of the PDCA cycle. They focus on checking whether confidential corporate information management and personal information protection activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming the status of those activities so that improvements can be made.



Security Measures

Inspections and Audits Related to Information Security

<p>Self-check program on confidential corporate information management and personal information protection</p>	<p>Using a checklist, each Mitsubishi Electric Group company performs a self-inspection of their activities for information security.</p>
<p>Cross-check program on confidential corporate information management and personal information protection</p>	<p>Mitsubishi Electric's business sites mutually check each other's status of information security management. The status of information security in affiliated companies is checked by Mitsubishi Electric.</p>
<p>Personal information protection audits (Personal information protection management system audits)</p>	<p>In Mitsubishi Electric, the status of personal information protection is internally audited under the supervision of the Audit Manager for Personal Information Protection. In affiliated companies in Japan that have acquired the Privacy Mark certification, the same internal audit is conducted by the audit manager in each company.</p>

Various Measures

■ Information Security Education

Mitsubishi Electric provides the following education programs to foster a corporate culture that enforces the proper handling of confidential corporate information and personal information.

Education for all employees

An e-learning program on information security is offered once a year to all 40,000-some employees, to disseminate thorough knowledge of various issues on information security, including Mitsubishi Electric's policies, the status of information leakage incidents, a review of the previous year's activities, the Act on the Protection of Personal Information and the Unfair Competition Prevention Act in Japan, and security measures (human, physical, technological, and organizational) to be taken by all employees.

Education corresponding to each career stage

Education on confidential corporate information management and personal information protection is provided to new employees, employees in their twenties, thirties and forties, and newly appointed section managers, so that they may fulfill the roles that are expected of them at each career stage.

Other specific education

Employees posted overseas are provided with a preliminary education program which includes the status of Mitsubishi Electric's activities for confidential corporate information management and personal information protection, "Trade secret management guidelines" of the Ministry of Economy, Trade and Industry in Japan, and examples of information leakage incidents that have occurred overseas.

■ Contractor Management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. Before entrusting the information to the contractor, we confirm that the contractor will maintain the proper level of protection. After submitting the information, we supervise the contractor by regularly examining a status report on the use and management of the information that we have submitted. Moreover, we make a special agreement that provides for the protection of the personal information that we have submitted.

■ Responses to cyber-attacks

Prompt response is also taken in regard to today's increasing threat of cyber-attacks, by establishing a CSIRT (computer security incident response team) and strengthening surveillance. Based on this premise, Mitsubishi Electric and affiliated companies in Japan also conduct exercises where they practice handling suspicious e-mails, so that all employees can act properly in the event that they receive such an e-mail.

VOICE (In charge of information security)

Yukiko Moody (In charge of business applications Mitsubishi Electric Europe B.V.)



Mitsubishi Electric Europe's recent initiatives for information security

We are enhancing our employee's Information Security Awareness using e-learning. As a way to visualize the pervading of our education we are sending all employees Dummy Phishing Mails. We receive the number of accesses to the suspicious link and how many people go through the expected procedure after clicking the link. And the result is utilized our future employee education. Additionally though Security Software product was different among Branch Offices and Affiliate Companies, we have determined the standardized product since last year not to cause security level gaps among them.

Activities for personal information protection

■ Personal information protection

Mitsubishi Electric first created company rules on personal information protection in October 2001, and since then requires all employees and affiliated persons to obey those rules strictly. After issuing a personal information protection policy in 2004, Mitsubishi Electric satisfied the requirements of JIS Q 15001:2006 Personal Information Protection Management Systems in January 2008, and was permitted to use the "PrivacyMark," which certifies the establishment of management systems that ensure proper measures for personal information protection. We have maintained our "PrivacyMark" certification until the present through four biennial assessments.

We have also conducted a review of our internal regulations to ensure a proper response to the amended Act on the Protection of Personal Information that came into force in May 2017.

■ Proper handling of personal information

Mitsubishi Electric handles personal information appropriately; we acquire it by specifying purpose of use, use it only within the intended scope, and provide it to a third party only with prior consent from users.



Protection of Intellectual Property Rights

Basic Policy

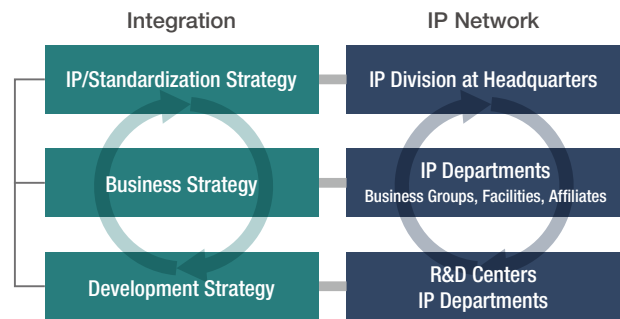
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

The Mitsubishi Electric Group recognizes that intellectual property (IP) rights represent a vital management resource

essential to its future and must be protected. Through integrating business, R&D, and IP activities, the Group is proactively strengthening its global IP assets, which are closely linked to the Group's business growth strategies and contribute to both business and society.

Structure of the Intellectual Property Division

The IP divisions of the Mitsubishi Electric Group include the Head Office IP Division, which is the direct responsibility of the president, and the IP divisions at the Works, R&D centers, and affiliated companies. The activities of each IP division are carried out under the executive officer in charge of IP at each location. The Head Office IP Division formulates strategies for the entire Group, promotes critical projects, coordinates interaction with external agencies including patent offices, and is in charge of IP public relations activities. At the Works, R&D center, and affiliated company level, IP divisions promote individual strategies in line with the Group's overall IP strategies. Through mutual collaboration, these divisions work to link and fuse their activities in an effort to develop more effective initiatives.



Integrating Business, R&D and IP Activities

Global IP Strategy

The Mitsubishi Electric Group identifies critical IP-related themes based on its mainstay businesses and important R&D projects, and is accelerating the globalization of IP activities also by filing patents prior to undertaking business development in emerging countries where an expansion of business opportunities is expected. Furthermore, resident officers are assigned to Mitsubishi Electric sites in the United States, Europe, and China to take charge of IP activities and strengthen the IP capabilities of business offices, R&D centers, and affiliated companies in each country. Through these initiatives, we strive to create a robust global patent network.

As an indication of the Mitsubishi Electric Group's IP capability and global IP activities, the company ranked 3rd in Japan in terms of the number of patent registrations (in 2016) announced by the Japan Patent Office (JPO), and 4th in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2016) announced by the World Intellectual Property Organization (WIPO). In conjunction with creating a patent network, we are also actively pursuing activities toward acquiring design rights in Japan and overseas, to protect both the functional and design aspects of our technologies.

(Top 5) PCT applicants: businesses, 2016 (WIPO, PCT Yearly Review)

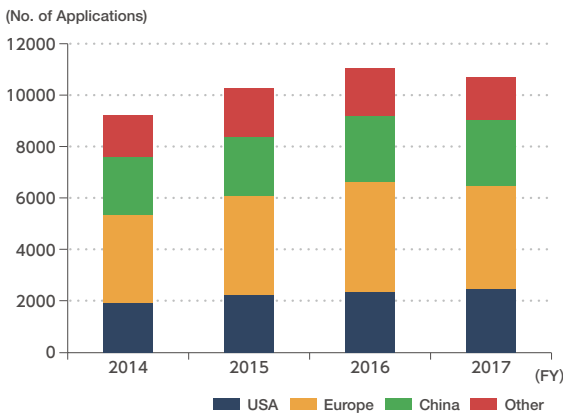
Rank	Applicant	Country	No. of patents
1	ZTE	China	4,123
2	Huawei	China	3,692
3	Qualcomm	USA	2,466
4	Mitsubishi Electric	Japan	2,053
5	LG Electronics	South Korea	1,888

(WIPO)

No. of patent registrations in 2016 (Japan)

Rank	Applicant	No. of patents
1	Canon	4,095
2	Panasonic	4,046
3	Mitsubishi Electric	4,042
4	Toyota Motor	3,717
5	Fujitsu	2,399

(JPO)



Annual Trends in Overseas Patent Applications by the Mitsubishi Electric Group



Further Strengthening Global IP Capabilities

Respecting IP Rights

The Mitsubishi Electric Group firmly recognizes the importance of mutually acknowledging and respecting not only its own intellectual property rights but the intellectual property rights of others as well. This stance is clearly set forth in the Mitsubishi Electric Group Conduct Guidelines and practiced throughout the Group.

Any infringements on the IP rights of others not only violate the Code of Corporate Ethics and Compliance, but also have the potential to significantly impair the Group's continued viability as a going concern. The resulting potential impairments include being obliged to pay significant licensing fees or being forced to discontinue the manufacture of a certain product.

In order to prevent any infringement on the IP rights of others, various educational measures are provided

mainly to engineers and IP officers, to raise employee awareness and promote greater respect for the IP rights of others. At the same time, a set of rules has been put in place to ensure that a survey of the patent rights of others is carried out at every stage from development to production, and is strictly enforced throughout the entire Group.

The Mitsubishi Electric Group also works diligently to prevent any infringement on its IP rights by others. In addition to in-house activities, we place particular weight on collaborating with industry organizations while approaching government agencies both in Japan and overseas as a part of a wide range of measures to prevent the counterfeiting of our products.

IP Strategy for International Standardization

In order to expand business in global markets, the Mitsubishi Electric Group is actively promoting international standardization. Activities to acquire patents that support international standards (e.g., standard essential patents) are openly promoted. As the member of an organization in which patent pools for Digital Broadcasting, MPEG, HEVC and Blu-ray Disc™* collectively control standard essential patents, the IP revenues

obtained through the organization are contributing to improvement and growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share.

*Blu-ray Disc™ is a trademark of the Blu-ray Disc Association

Cooperation in IP Policies

IP policies—such as those for prompt and efficient patent examination, international standardization activities, measures against counterfeit and pirated goods, and the establishment of a global patent system—strengthen Japan's competitiveness in the international market and contribute to building affluent lifestyles and society. Based on this awareness, Mitsubishi Electric makes various proposals regarding IP policies and amendments of relevant laws from the industrial perspective, through its activities with institutions such as the Intellectual Property Strategy Headquarters and other governmental

agencies of the Patent Office, and industrial organizations such as the Keidanren and the Japan Intellectual Property Association. Given today's advances in economic globalization, the establishment and promotion of IP policies that are consistent with Japan's national interest are sought. Mitsubishi Electric thus engages in active exchanges of views and information with the World Intellectual Property Organization (WIPO) and patent offices abroad, and cooperates in establishing IP policies from a broad, global perspective.

Dr. Tamotsu Nomakuchi of Mitsubishi Electric receives the Industrial Standardization Award and the Intellectual Property Achievement Award

Dr. Tamotsu Nomakuchi, (then) Mitsubishi Electric's Executive Corporate Advisor, received the Prime Minister Award of the 2015 Industrial Standardization Awards*¹ and the METI Minister Award (Award for Contributors Concerning the Intellectual Property Rights System) of the 2015 Intellectual Property Achievement Awards*². Dr. Nomakuchi promoted industrial standardization as a crucial component of Japan's Intellectual Property Promotion Plan. He also helped establish Japan's intellectual property system, such as by contributing to the acceleration of the patent examination process and establishment of the Intellectual Property High Court, under a national strategy for strengthening Japan as a hub of intellectual property.

Through such Group-wide activities, Mitsubishi Electric will continue to contribute to strengthening Japan's technological power and establishing the intellectual property system.

*¹ Industrial Standardization Award: An award provided by the Ministry of Economy, Trade and Industry to contribute to the growth of Japan's industries by promoting the development of world-class, international standard personnel and the dissemination of industrial standards in Japan. The Prime Minister Award is presented to individuals who are recognized for taking the initiative in carrying out international standardization activities and making an extremely significant achievement.

*² Intellectual Property Achievement Award: An award presented by the Patent Office to individuals or companies that have contributed to establishing the IP rights system. It consists of two awards. One is the Award for Contributors Concerning the Intellectual Property Rights System, which is presented to individuals who have contributed to establishing, disseminating, or promoting awareness of the system. The other is the Award for Good-standing Companies Utilizing the Intellectual Property Rights System, which is presented to companies that utilize the Intellectual Property Rights System effectively and contribute to its smooth operation and development. Each award further consists of the Award of the Minister of Economy, Trade and Industry, and the Award of the Commissioner of the Japan Patent Office.

Responsibility to Shareholders & Investors

Basic Policy

The Mitsubishi Electric Group enthusiastically engages in IR activities to gain the understanding and trust of its shareholders and investors, and makes it a point to disclose the appropriate information in a timely manner, in regard to management policies, strategies, and financial

results. We also make every effort to incorporate into our management plans and practices the views of our shareholders and investors and the results of dialogue with them.

Major IR Activities in Fiscal 2017

In fiscal 2017, we mainly organized presentations on corporate strategies and financial results for institutional investors and analysts, and held individual meetings with them. We also gave a presentation on the strategy of our power systems business to provide deeper understanding of the Mitsubishi Electric Group's businesses, and invited

institutional investors and analysts to Mitsubishi Electric Advanced Solutions 2016 to introduce products and technologies that realize the Group's growth strategies. Company presentation meetings were also held for individual investors.

[Investor Relations website](#)



Presentations on corporate strategy



Presentation on strategy of power systems business

Environment

From the President

Aiming to Become a Global, Leading Green Company by Helping Solve Today's Social Issues

The Mitsubishi Electric Group recognizes that the planet needs to be protected for future generations. Limiting our impact on the environment is thus one of our top management priorities. Our aim is to become a “global, leading green company” by solving problems through producing energy-saving products and systems and by building social infrastructure in business activities around the world, in order to contribute to creating an affluent society where both a “sustainable society” and “safe, secure, and comfortable lifestyles” are simultaneously achieved.

● Pressing Forward with the “8th Environmental Plan” to Achieve “Environmental Vision 2021”

The Mitsubishi Electric Group created “Environmental Vision 2021” as a long-term vision for its environmental activities, setting 2021 as the target year for completion, coinciding with the 100th anniversary of the company’s establishment. In order to achieve this vision, the ongoing 8th Environmental Plan (fiscal 2016-2018) focuses on four areas of activities: “contributing to the realization of a low-carbon society”, “contributing to the creation of a recycling-based society”, “ensuring harmony with nature”, and “strengthening the environmental management foundation”.

Among these areas, we have placed a particular emphasis on “creating a low-carbon society”, with targets set for contributing to the reduction of CO₂ emitted*1 during product usage, as well as reductions in CO₂ emissions during the production of products and systems. The Mitsubishi Electric Group has been contributing to energy savings around the world by providing a range of products that incorporate power semiconductors, which is the key to improving energy-saving performance. Additionally, we offer solutions for overall systems that deliver high energy-saving performance, such as net zero-energy buildings (ZEBs*2) and net zero-energy houses (ZEHs*3). Through these initiatives, we have been working to achieve our targets for contributing to the reduction of CO₂ during product usage. Meanwhile, in order to reduce CO₂ emissions from production, we have been moving forward with reducing CO₂ generated from energy sources, as well as reducing PFCs and other non-CO₂ greenhouse gases by taking advantage of the IoT*4 and other start-of-the-art technologies. For example, the new production building at the Nagoya Works has successfully improved productivity and energy efficiency through a unique system that combines factory automation and IT technologies. The effects have been recognized, culminating with the Nagoya Works receiving the Agency for Natural Resources and Energy Director-General’s Award in Fiscal 2017 Energy Conservation Grand Prize.

Activities in other areas include enhancing our resources recycling businesses, such as the recycling of plastics from used home electrical appliances and the renewal (modernization) of elevators, which also contributes to energy savings. We are also promoting activities that contribute to living in tune with nature by conducting living creatures studies at business sites. Furthermore, we appropriately abide by and respond to environmental laws and regulations, including RoHS*5 and VOCs*6, which have become increasingly more stringent around the world. Through our efforts to reduce the environmental load at all business sites, the aim is to strengthen our environmental

management foundation.

In recognition of these initiatives, in 2016, the Mitsubishi Electric Group received “A list” ratings, the top grade, from CDP—an international non-governmental organization—in three areas: climate change, water and supply chain. We will continue to press forward with our environmental efforts by executing environmental plans that will achieve Environmental Vision 2021.

● Looking Forward to 2030 and 2050

In 2015, a set of 17 goals that should be achieved by 2030 were identified by the United Nations as sustainable development goals (SDGs*7), five of which pertain to the environmental activities of the Mitsubishi Electric Group, including “Climate change and mitigating its effects” and “Ensuring access to and sustainable management of water and sanitation”.

In fiscal 2019, the Mitsubishi Electric Group will embark on the 9th Environmental Plan (fiscal 2019-2021), a final 3-year plan before reaching the goals set in Environmental Vision 2021. This will include formulating medium- and long-term plans that look forward to 2030 and 2050, and will help us achieve SDGs.

We believe that these initiatives, together with the aim of becoming a “global, leading green company”, will lead to achieving our planned growth targets of ¥5 trillion in consolidated sales and 8% or higher operating margins by fiscal 2021.

The Mitsubishi Electric Group is committed to improving the energy efficiency of its products and systems, and reducing the environmental load at business sites from the long-term perspective while taking the circumstances of each country into consideration. We will continue to press forward with efforts to be recognized by society as a “global, leading green company”.

June 30, 2017



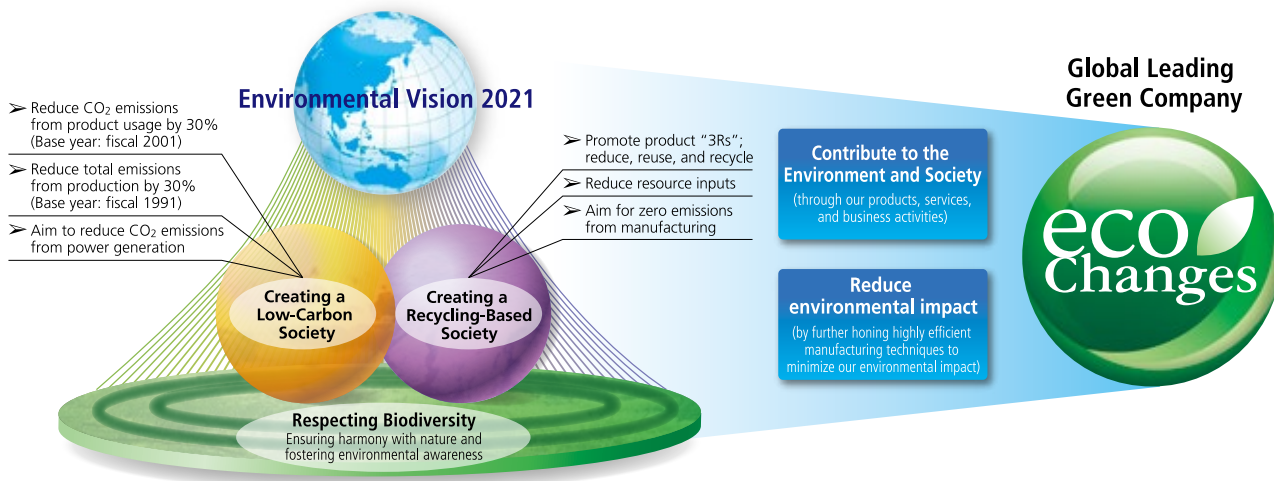
Masaki Sakuyama, President & CEO
Mitsubishi Electric Corporation

- *1 Contribution to reducing CO₂ emitted: Amount of CO₂ deemed to be reduced as a result of switching from older products (those equivalent to products sold in fiscal 2001) to new, more energy-efficient products. Estimated using in-house calculation standards.
- *2 ZEB (net Zero-Energy Building): A building where the net consumption of fossil fuel energy is reduced to zero or roughly zero through energy-saving initiatives and the use of renewable energy resources.
- *3 ZEH (net Zero-Energy House): A house where the net consumption of fossil fuel energy is reduced to zero or roughly zero, through energy-saving initiatives and the use of renewable energy resources.
- *4 IoT (Internet of Things): Mechanism in which various things connected to the Internet control one another.
- *5 Restriction of Hazardous Substances: Directive adopted by the European Union to restrict the use of certain hazardous substances in electrical and electronic equipment.
- *6 Volatile Organic Compounds: Typically, toluene, xylene, and ethyl acetate.
- *7 Sustainable Development Goals to be reached by 2030, included in “Transforming Our World: the 2030 Agenda for Sustainable Development” adopted by the United Nations in the General Assembly held in September 2015.

Toward Solutions for Environmental Issues

Aiming to Achieve Environmental Vision 2021

The Mitsubishi Electric Group has identified three pillars necessary to achieve its Environmental Vision 2021 before the end of fiscal 2021: creation of a low-carbon society; creation of a recycling-based society; and respecting biodiversity and fostering environmental awareness. To achieve this vision, we draw up and proactively implement an environmental plan every three years.



Shaping the World of 2030

SDGs Closely Related to Mitsubishi Electric Group Environmental Activities

6 CLEAN WATER AND SANITATION


7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION


15 LIFE ON LAND

Example 1 Offering Technologies that Contribute to the Conservation of the Aquatic Environment



We have provided ozone generators, which use ozone instead of chlorine to purify water, for nearly 50 years. The ozone generators can be used at water purification and sewage treatment plants, pharmaceutical and chemical plants, and aquariums, contributing to the conservation of our aquatic environment.

Example 2 Increasing Product Energy Efficiency



Mitsubishi Electric Group products consume electricity when used. As increased product energy efficiency results in less CO₂ generated during use, our goal is to develop energy-efficient products.

Cultivating Innovation for the Future

Great expectations are being placed on corporate innovation to achieve the SDGs and Paris Agreement goals. Mitsubishi Electric set up the Center for Future Innovation in July 2015 to promote open innovation, with future-oriented research and development instead of focusing on prolonging the use of existing technologies. Accelerating the cultivation of innovation in this way, alongside making full use of the strengths of our products and services, will allow us to contribute to the environment across a wide range of fields.

The Environment and Business

Business Group Efforts to Resolve Environmental Issues

At Mitsubishi Electric Group, we make full use of the strengths developed by our diverse range of businesses to respond to customer demands, while also aiming to create an affluent society where both a “sustainable society” and “safe, secure, and comfortable lifestyles” are simultaneously achieved.

Public Utility Systems Group

Helping Build Next Generation Social Infrastructure with a Broad Range of Technologies and Continuous R&D to Realize a Low Carbon Society

The Public Utility Systems Group provides a host of products that serve a vital, long-term role in social infrastructure, including water treatment facilities, roadways, and rolling stock. As part of this, while ensuring high quality and functionality in design/manufacturing, we are continuing to promote the use of fewer resources and less power with smaller size, greater efficiency, and higher performance as the basis for our aim to realize a low-carbon society.

As part of these efforts, we have started to

use SiC power modules in station energy-saving inverters that supply surplus power left over from regenerated electric power produced when rolling stock brakes, powering other systems such as station lighting and air conditioning. This system was awarded the Agency for Natural Resources and Energy Director-General's Award in the New Energy Grand Prize in fiscal 2017. We aim to expand the use of SiC power modules and further increase conservation of energy.



Executive Officer
In Charge of Public
Utility Systems
Kei Uruma

Energy & Industrial Systems Group

Helping Achieve a Sustainable Society by Developing High-Efficiency Equipment and Stepping Up Our Involvement in Businesses Related to Smart Grids/Smart Communities

The Energy & Industrial Systems Group provides a wide range of systems and products that play a vital role in power generation, transmission, power distribution, and power retailing. On the product side, this includes generators, transformers, switchgear, and vacuum circuit breakers, while systems include plant monitoring, grid stabilization, grid protection & control systems, and DC technologies. With the realization of a sustainable society now an important theme globally, we are

more committed than ever to contributing to the realization of a society in which power companies and end users alike can live safely, securely, and comfortably. This will be accomplished through the development of high-efficiency equipment and by increasing our involvement in businesses related to smart grids and smart communities, as well as continuing our activities to reduce the impact we have on the environment.



Senior Executive Officer
In Charge of Energy &
Industrial Systems
Yasuyuki Ito

Building Systems Group

Proactively Proposing Building Solutions for Energy Savings and Reducing Environmental Impact

The Buildings Systems Group operates with the safety and security of users as our priority throughout the entire product life cycle. We also undertake the following initiatives for the environment: 1 - developing products and technologies that are energy efficient and conserve resources; 2 - making our production more environmentally friendly; 3 - improving energy efficiency and reusing

existing equipment through refurbishment; 4 - continuing to expand our range of building solutions (energy management appropriate to building use) and increase integration of our building equipment. These initiatives lead to improved energy savings, comfort, usability, and efficiency, contributing to the creation of a society with vitality and comfort.



Senior Vice President
In Charge of Building
Systems
Nobuyuki Abe

Electronic Systems Group

Working to Solve Environmental Problems and Develop Products for Next-generation Energy Solutions

The products of the Electronic Systems Group play a vital role in solving environmental problems that affect all humankind and developing next-generation energy solutions. For example, we manufactured and oversee the DAICHI-2 Advanced Land Observation Satellite (ALOS-2) and the meteorological satellites Himawari-8 and Himawari-9. These satellites give us a better understanding of

disaster situations and improved monitoring of oceans, forests and atmosphere, safeguarding communities and helping to solve global environmental problems. Doppler Lidar, capable of remotely measuring the moving speed of dust and particulates in the atmosphere, is expected to improve generation efficiency and extend device life for wind power generation.



Executive Officer
In Charge of Electronic Systems
Masamitsu Okamura

Communication Systems Group

Contributing to the Development of Communications and Network Camera Markets, and Reducing Environmental Impact through Our High Value-Added Systems

Telecommunication networks that incorporate optical and wireless ICTs and security systems that utilize imaging technologies such as Video Content Analysis (VCA) and Artificial Intelligence (AI) are key elements of the social infrastructure that is essential to our daily lives and the growth of industry. However, as these devices develop greater functionality and are used by more and more people, electricity consumption increases rapidly. With this in mind, the Communications Systems

Group focuses on three themes: energy-efficient products; energy savings in services provided through our products; and reducing environmental impact during installation. Through these, we aim to contribute to the globally expanding communications market and the network camera market, including security systems, by refining our optical and wireless communications technologies and image technologies and providing systems with high added value.



Executive Officer
In Charge of Communication Systems
Takashi Nishimura

Living Environment & Digital Media Equipment Group

Developing Environmentally Friendly Products and Reducing Our Own Environmental Impact

The Living Environment & Digital Media Equipment Group focuses on the air conditioning and refrigeration systems business, one of Mitsubishi Electric's growth drivers. In addition to expanding operations in various segments such as room and packaged air conditioners, we are pressing forward with the creation of new businesses and strengthening present ones. From fiscal 2018 onwards, we plan to increase our development and

manufacturing activities in existing businesses, with a production framework spreading over five major locations: Japan, Europe, USA, Asia, and China. At the same time, we are building the foundation of a cyclical business, including synergies with Mitsubishi Electric Hydronics & IT Cooling Systems S.p.A. (MEHITS, formerly DeLclima), which we acquired in 2015, and expanding our business scope through the creation of new businesses.



Representative Executive Officer
Executive Vice President
In Charge of Living Environment & Digital Media Equipment
Takeshi Sugiyama

Factory Automation Systems Group

Delivering Devices, Equipment, and Solutions that Help Reduce Energy Usage during Production to Customers around the World

The Factory Automation Systems Group offers the e-F@ctory Integrated FA solution. Various data collected in real time from a production site go through preliminary processing according to usage, and data to be used onsite is then fed back immediately to the production site, while the data required for use at higher

levels as information is supplied to IT systems. In this way, we provide an overall environment that is to the fullest extent optimized for manufacturing. We are also contributing to energy savings, one of our goals, by continuing to promote improvements using such a manufacturing environment.



Executive Officer
In Charge of Factory Automation Systems
Yoshikazu Miyata

**Automotive
Equipment Group**

Contributing to the Realization of a Low-carbon Society through the Development of Low Fuel Consumption Technology for Vehicles

The Mitsubishi Electric Group is contributing to the realization of a sustainable global environment with the aim of being a “global leading green company”. The Automotive Equipment Group is proactively developing its business at the global level. It is

engaged in initiatives to reduce CO₂ emissions both by installing its products in vehicles to achieve better fuel efficiency and by reducing energy consumption during the manufacturing process.



Senior Vice President
In Charge of Automotive
Equipment
Isao Iguchi

**Semiconductor &
Device Group**

Contributing to the Realization of a Low-carbon Society by Providing Energy-efficient Products

In order to achieve a sustainable global environment, it is imperative to minimize power loss when generating and using electricity. Power modules are key devices playing a significant role in reducing power loss and are being incorporated into home electric appliances, rolling stock, and industrial equipment. Products offered by Mitsubishi Electric, the world’s No.1 power module manufacturer, are being used all over the world and are contributing to a reduction in energy

consumption globally. In addition, Mitsubishi Electric’s Semiconductor & Device Group has developed state-of-the-art power modules using silicon carbide (SiC), which contributes to a sustainable reduction of the energy consumed when compared to conventional silicon (Si) products. By enhancing the lineup of these power modules and expanding the market for them and our related businesses, we are contributing to reducing carbon emissions further.



Executive Officer
In Charge of
Semiconductor &
Device
Toru Sanada

**Information
Systems & Network
Service Group**

Contributing to the Realization of a Low-Carbon Society through the Promotion of Various Green IT Services

With our motto “Comfort, Peace of Mind, Development - DiamondSolution”, the Information Systems & Network Service Group is committed to enhancing customer satisfaction and helping achieve a sustainable

society through solutions tailored to the management strategies and challenges of its customers, and solutions that resolve social issues.



Executive Officer
In Charge of Information
Systems & Network
Service
Shinya Fushimi

 More detailed information such as lists of the priority environmental issues for each of our business groups, messages from the head of each business group, environmental contributions made through our products and technologies, activities to reduce environmental impact, and more can be found on our site.
www.MitsubishiElectric.com/company/environment/business/

Environmental Topics in Fiscal 2017

Evaluation of the Importance of Environmental Issues Closely Related to Our Business

In order to determine which environmental issues should be prioritized when reducing the environmental impact of our business activities, each of our ten business groups (the organizational unit for environmental management) has evaluated the level of importance of environmental "risks" and "opportunities".

This exercise revealed that in terms of both risk and opportunity, the most important environmental issue for the Mitsubishi Electric Group is climate change. Going forward, we will continue to perform these evaluations, assign priority according to the level of importance, and promote the strengthening of countermeasures against environmental risks and the expansion of business opportunities.

 Please see our site for more details.

www.MitsubishiElectric.com/company/environment/business/materiality_evaluation



Living Creatures Studies in Urban Locations

The Mitsubishi Electric Group formulated its Biodiversity Action Guidelines in May 2010. In accordance with these guidelines, we aim to preserve and promote the ecosystem and diversity of species in all areas where we operate.

One example of biodiversity activities undertaken in fiscal 2017 was an expert study of species found on the grounds of one of our urban locations. The area was under development with a succession of large newly-built factories, and it proved to be an environmental turning point. Although there wasn't much green space, there was a waterfront and woods surrounding the shrine of a local deity on the grounds. The study showed that the woods contained plant species designated as near threatened by local authorities, and the waterfront had 60 species of insects and plants. The results were announced to both employees and the local community, leading to the generation of ideas for next steps.



Waterfront on the grounds



Discovery of rare plants (Sapindus mukorossi)

Receiving "A-List Company" Recognition, the Highest Evaluation from CDP*

In fiscal 2017, Mitsubishi Electric was named an A-List company in two programs of the CDP: "Climate Change 2016" and "Water 2016". The CDP awarded us this highest evaluation in recognition of the company's actions to reduce greenhouse gas emissions and mitigate climate change, as well as exceptional activities in terms of measures and strategies for water resources. For the CDP Supply Chain Program, we also received A-List recognition in the CDP Supplier Climate and CDP Supplier Water categories. Furthermore, for the CDP Supplier Engagement Rating, which assesses initiatives against climate change across the entire supply chain, a top "A" grade was also given. We will continue to press forward with our efforts for environmental conservation.

* CDP: An international NGO that examines, evaluates and discloses environmental initiatives of corporations and cities.



Environmental Symposium and Outdoor Classroom: Key Environmental Personnel Training Given in China

The Mitsubishi Electric Group holds Key Environmental Personnel Training in Japan and overseas to encourage the development of people interested in environmental management.

In fiscal 2017, the training course was run in Beijing in September 2016. The new program had two components, the "Mitsubishi Electric Environmental Symposium in China" and "Outdoor Classroom". These events further energized environmental CSR activities in China and were held in cooperation with the China International Youth Exchange Center, a government organization with the aim of accelerating the development of environmental leadership. We were also able to welcome students from Beijing, Tsinghua, and many other universities.



Environmental symposium

Performance Data

Period: April 1, 2016 - March 31, 2017

Scope of Data Compilation: Mitsubishi Electric Corporation, 109 affiliates in Japan, and 79 overseas affiliates (total of 189 companies)

* Up to fiscal 2009, the scope of our report was limited to those companies that had drawn up an environmental plan for governance from an environmental conservation perspective. However, under the policy of expanding global environmental management, we have broadened the scope of the report to cover Mitsubishi Electric, its consolidated subsidiaries, and its affiliated companies.

Material Balance

IN



Factory

Materials for Manufacturing

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Materials ¹	1,130,000 tons	290,000 tons	1,280,000 tons

Manufacturing

Electricity	1,100 million kWh	310 million kWh	410 million kWh
Natural gas	25,370,000 m ³	2,160,000 m ³	11,880,000 m ³
LPG	1,003 tons	2,130 tons	656 tons
Oil (crude oil equivalent)	1,856 kl	2,379 kl	595 kl
Water	7,840,000 m ³	1,420,000 m ³	1,710,000 m ³
Public water	1,280,000 m ³	450,000 m ³	610,000 m ³
Industrial water	2,570,000 m ³	85,000 m ³	1,080,000 m ³
Groundwater	4,000,000 m ³	880,000 m ³	15,000 m ³
Others	0.0 m ³	0.0 m ³	2,000 m ³
Reuse of water	3,140,000 m ³	940,000 m ³	180,000 m ³
Controlled chemical substances (amounts handled)	4,203 tons	1,401 tons	5,740 tons
Ozone depleting substances (amounts handled)	0.9 tons	0.2 tons	695 tons
Greenhouse gases (amounts handled)	2,611 tons	51 tons	4,280 tons
Volatile organic compounds (amounts handled)	1,248 tons	1,218 tons	251 tons

¹ Materials: Total value for shipping weight of products, plus amount of product packaging materials used, plus total amount of waste.

OUT

Emissions (From Manufacturing)

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Water	6,780,000 m ³	1,240,000 m ³	1,220,000 m ³
Controlled chemical substances	4.0 tons	0.0 tons	9.2 tons
BOD (biological oxygen demand)	54 tons	4.7 tons	11 tons
COD (chemical oxygen demand)	10 tons	4.2 tons	35 tons
Nitrogen	18 tons	14 tons	6.7 tons
Phosphorus	2.0 tons	0.2 tons	0.1 tons
Suspended solids	31 tons	2.5 tons	8.3 tons
n-hexane extracts (mineral)	0.3 tons	0.2 tons	0.0 tons
n-hexane extracts (active)	2.0 tons	0.2 tons	0.1 tons
Total emissions of zinc	0.1 tons	0.0 tons	0.1 tons
Carbon dioxide (CO ₂)	580,000 tons-CO ₂	170,000 tons-CO ₂	320,000 tons-CO ₂
Controlled chemical substances (excluding amounts contained in other waste)	296 tons	149 tons	287 tons
Ozone depleting substances	0.0 ODP tons	0.0 ODP tons	0.6 ODP tons
Greenhouse gases	61,000 tons-CO ₂	27,000 tons-CO ₂	170,000 tons-CO ₂
Volatile organic compounds	407 tons	327 tons	24 tons
Sulfur oxide (SO _x)	0.9 tons	0.2 tons	1.0 tons
Nitrogen oxide (NO _x)	11 tons	3.4 tons	3.2 tons
Fly ash	0.5 tons	0.1 tons	5.8 tons

Waste

Total waste emissions	86,164 tons	63,962 tons	71,732 tons
Amount recycled	84,113 tons	54,421 tons	66,089 tons
Waste treatment subcontracted out	20,616 tons	52,297 tons	66,582 tons
Final disposal	1.5 tons	15 tons	492 tons
In-house weight reduction	734 tons	0.0 tons	110 tons

Products

Weight of all products sold ²	990,000 tons	230,000 tons	1,070,000 tons
Weight of packaging materials	51,000 tons	5,000 tons	140,000 tons

² Products sold: Shipping weight of products.



Logistics

Sales and Logistics³

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Fuel for trucks (gasoline)	10,336 kl	2,088 kl	4.0 kl
Fuel for trucks (diesel)	26,946 kl	5,088 kl	19,890 kl
Fuel for rail (electricity)	1,463 MWh	390 MWh	0.0 MWh
Fuel for marine transport (bunker oil)	360 kl	3.0 kl	69,968 kl
Fuel for air transport (jet fuel)	617 kl	18 kl	29,371 kl

³ Sales and logistics: Figures for overseas affiliated companies include transportation between countries.

Emissions⁴

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Carbon dioxide (CO ₂)	97,000 tons-CO ₂	18,000 tons-CO ₂	330,000 tons-CO ₂

⁴ Emissions: Includes one sales company in Japan. Figures for overseas affiliated companies include transportation between countries.



Products (Customer)

Energy Consumption

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Energy consumed during product use ⁵	45,700 million kWh	3,100 million kWh	22,700 million kWh

⁵ Energy consumed during product use: Total energy consumed (estimated value) when using 88 finished products targeted for CO₂ reduction. The length of use (operating time) is set for each product according to statutory useful life, designed service life, statistical values, etc.

Emissions

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Amount of CO ₂ emitted during product use (converted value) ⁶	23,050,000 tons-CO ₂	1,610,000 tons-CO ₂	10,730,000 tons-CO ₂
Amount of SF ₆ emitted during product use (corresponding value) ⁷	82,000 tons-CO ₂	—	—

⁶ Amount of CO₂ emitted during product use (converted value): Sum of CO₂ emitted when using 88 finished products targeted for CO₂ reduction.

The amount of CO₂ emitted is equal to the energy consumed multiplied by the CO₂ emissions coefficient, for which the value shown in CO₂ Emissions from Fuel Combustion Highlights (2013 Edition) of IEA is used.

⁷ Amount of SF₆ emitted during product use (corresponding value): Sum of SF₆ gas naturally leaked during the operation of products (6) that use SF₆ gas for insulation.

Leakage rate used is the value from JEAC5001-2000. Global warming potential value used is from the 2nd Revised Guidelines of the IPCC.



Recycling

End-of-Life Products⁸

	Mitsubishi Electric
Air conditioners	14,106 tons
Televisions	2,931 tons
Refrigerators	20,988 tons
Washing machines/Clothes dryers	6,572 tons
Personal computers	50 tons

⁸ End-of-Life Products: Weight of products recovered from four types of appliances subject to Japan's Home Appliance Recycling Law, plus personal computers.

Resources Recovered⁹

	Mitsubishi Electric
Metals	26,748 tons
Glass	819 tons
CFCs	286 tons
Others	11,481 tons

⁹ Resources recovered: Weight of resources recovered from four types of appliances subject to Japan's Home Appliance Recycling Law, plus personal computers.

Reducing Greenhouse Gas Emissions

The Mitsubishi Electric Group refers to regulations such as the Greenhouse Gas (GHG) Protocol – an international standard for the calculation of greenhouse gas emissions – and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, published by Japan's Ministry of the Environment, to determine how to assess and calculate emissions from business activities (Scope 1 and 2) and indirect emissions from outside the range of its business activities (Scope 3).

Owing to the fact that around 80% of emissions in the

value chain are greenhouse gas emissions associated with the use of sold products (Scope 3, Category 11), the Mitsubishi Electric Group focuses on developing highly energy-efficient products that are linked to reducing greenhouse gas emissions during product usage. At the same time, we strive to continuously reduce CO₂ emissions during production, as well as emissions of other greenhouse gases with greater global warming potential than CO₂.

Fiscal 2017 Value Chain Greenhouse Gas Emissions

The "★" symbol denotes Mitsubishi Electric Group greenhouse gas emissions for which third-party verification has been carried out by SGS Japan Inc.

□ Accounting (10,000 tons-CO₂)
■ Total emission ratio

Scope	Category	Accounting	Accounting Summary ¹
Scope 1 Direct emissions associated with fuel use at our company		38 ★	Direct emissions from fuel use and industrial processes at our company ²
		0.9%	
Scope 2 Indirect emissions associated with use of externally-purchased electricity and heating		96 ★	Indirect emissions associated with use of electricity and heat purchased by our company ³
		2.2%	
Scope 3 Indirect emissions outside the scope of our company's operational activities	Category 1 Purchased goods and services	526 12%	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales ⁴
	Category 2 Capital goods	63 1.5%	Emissions generated by the construction and manufacturing of the company's own capital goods
	Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	8.5 0.2%	Emissions associated with procurement of fuel from other parties, and procurement of fuel necessary for power generation for electricity, light and so on
	Category 4 Upstream transportation and distribution	44 1.0%	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales ⁵
	Category 5 Waste generated in operations	0.1 0.0%	Emissions associated with transporting and processing waste produced by our company ⁶
	Category 6 Business travel	4.0 ★ 0.1%	Emissions associated with employee business travel ⁷
	Category 7 Employee commuting	2.9 ★ 0.1%	Emissions associated with employees commuting to and from their respective workplaces ⁸
	Category 8 Upstream leased assets	— —	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
	Category 9 Downstream transportation and distribution	1.0 0.0%	Emissions associated with the transportation, storage, cargo handling and retailing of products
	Category 10 Processing of sold products	0.1 0.0%	Emissions associated with the processing of interim products by business operators
	Category 11 Use of sold products	3,546 ★ 82%	Emissions associated with the use of products by users (consumers/business operators)
	Category 12 End-of-life treatment of sold products	3.0 0.1%	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators) ⁴
	Category 13 Downstream leased assets	0.01 0.0%	Emissions associated with operation of leased assets
	Category 14 Franchises	— —	Emissions at companies operating as franchises (Not applicable to Mitsubishi Electric)
	Category 15 Investments	8.0 0.2%	Emissions associated with operation of investments
Total		4,341 (100%)	

¹ Excerpt from Basic Guidelines published by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry ² CO₂, SF₆, PFC, and HFC emissions associated with the use of gas, heavy oil, etc., and with product manufacturing ³ CO₂ emissions associated with the use of electricity, etc. ⁴ Excludes some regions ⁵ CO₂ emissions associated with product distribution/circulation (sales distribution) Subject to accounting: 55 companies (production sites) ⁶ CO₂ emissions associated with transportation of waste (waste distribution) Subject to accounting: Mitsubishi Electric ⁷ Results for Japan. Excludes CO₂ emissions associated with actual use of taxis and accommodation in Japan ⁸ Assuming that all employees use passenger rail services

Contribution to Reducing CO₂ from Product Usage

The Mitsubishi Electric Group has designated Reducing CO₂ from Product Usage and Increased Contribution to Reducing CO₂ from Product Usage as vitally important objectives. We pursue technological innovation and improved energy efficiency for products that we design and develop ourselves where we have determined through product environmental analysis that they have major environmental impact due to CO₂ generation during use.

Reducing CO₂ from Product Usage involves working to make our products more energy-efficient, thereby reducing the amount of power that customers consume when using the product, which in turn reduces the volume of CO₂ emissions from power generation. The average

Targets of the 8th Environmental Plan (Fiscal 2016 to 2018)

- Reducing CO₂ Emissions from Product Usage by Improving Product Performance: Average reduction rate of 35% over 107 product groups (compared to fiscal 2001)
- Increasing Contribution to Reducing CO₂ Emissions from Product Usage: Contribute to reducing emissions by 92 million tons over more than 127 product groups

reduction rate in fiscal 2017 was 35%. Increased Contribution to Reducing CO₂ from Product Usage involves visualizing the volume of CO₂ considered to have been reduced by replacing old products with new, highly energy-efficient ones, using the formula shown below.

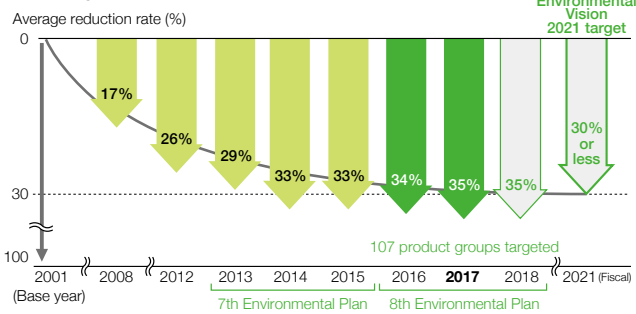
Contribution to reducing CO₂=

Effect of reducing CO₂ from product usage per unit

× Number of units sold during the fiscal year

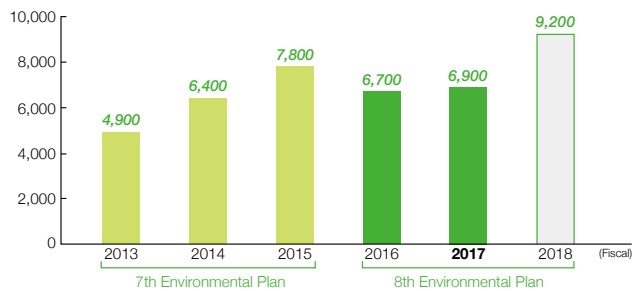
The reduction contributed in fiscal 2017 was 69 million tons over 119 product groups.

Plan for Reducing CO₂ from Product Usage through Improving Energy Efficiency



Contribution to Reducing CO₂ from Product Usage

Contribution to reduction (10,000 t-CO₂)



Reducing CO₂ from Production

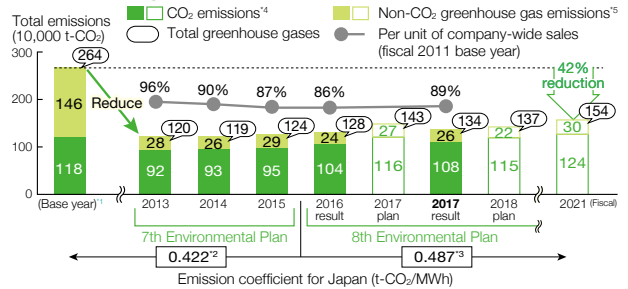
With the 8th Environmental Plan (fiscal 2016 to 2018), we will move forward with activities to reduce the emissions of “CO₂ originating from energy” and “non-CO₂ greenhouse gases (SF₆, HFCs, and PFCs)”.

In fiscal 2017, greenhouse gas emissions amounted to 1.34 million tons equivalent of CO₂, and we surpassed our goal of 1.43 million tons or less. The major factors behind this achievement were the shift to pump-inverters and the updating of air conditioners and lighting in Japan, and progress with facility renewal and operating improvements to production facilities overseas.

Targets of the 8th Environmental Plan (Fiscal 2016 to 2018)

- Annual Greenhouse Gas Emissions (CO₂ Equivalent) 1.37 million tons or less

Plan for Reducing CO₂ Emissions from Production



*1 Base year for CO₂: Mitsubishi Electric parent company, fiscal 1991; affiliates in Japan, fiscal 2001; and overseas affiliates, fiscal 2006. Non-CO₂ greenhouse gases: Mitsubishi Electric parent company and affiliates in Japan, fiscal 2001; and overseas affiliates, fiscal 2006. *2 Figure published by the Japan Electrical Manufacturers' Association (JEMA) in 1997. *3 Figure published by the Federation of Electric Power Companies of Japan at the time of drawing up the 8th Environmental Plan (in 2013, when two nuclear power stations were operational). *4 Figure published by JEMA in 2006 has been referred to when calculating the overseas emission coefficient. *5 Figure published in IPCC's Second Assessment Report (1995) was referred to when calculating the global warming coefficient of non-CO₂ greenhouse gases.

Effective Utilization of Resources

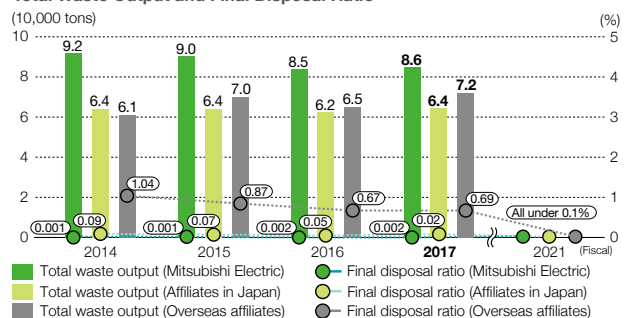
We focused on the following three measures to reduce final disposal ratios: thorough analysis and separation of waste for conversion to valuable resources; higher levels of conversion to valuable resources through development of disposal contractors and sharing information about waste disposal contractors; and increased efficiency in waste (recycling) logistics.

Final disposal ratios for fiscal 2017 were as follows: Mitsubishi Electric, 0.002%; Japanese affiliates, 0.02%. Both achieved their goal of less than 0.1% under the 8th Environmental Plan (fiscal 2016 to 2018). Overseas affiliates had a final disposal ratio of 0.69%, narrowly failing to reach the fiscal 2017 target of 0.6% or less.

Targets of the 8th Environmental Plan (Fiscal 2016 to 2018)

- Mitsubishi Electric: Final disposal ratio less than 0.1%
- Japanese affiliates: Final disposal ratio less than 0.1%
- Overseas affiliates: Final disposal ratio less than 0.5%

Total Waste Output and Final Disposal Ratio



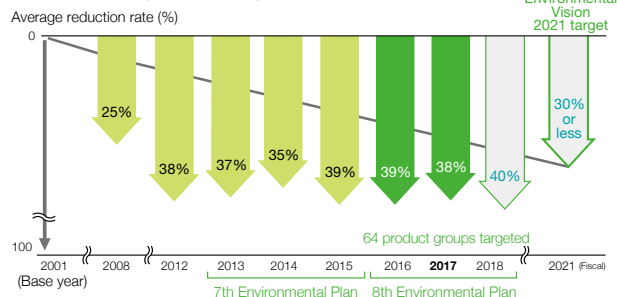
Reducing Resource Inputs

The Mitsubishi Electric Group is reducing resource inputs by targeting specific products for miniaturization and weight reduction. The average reduction rate in fiscal 2017 was 38%. This is due to reduced sales volumes for products that made notable progress in resource reduction in the heavy electric machinery systems, electronic devices, and industrial mechatronics segments.

Targets of the 8th Environmental Plan (Fiscal 2016 to 2018)

■ Reduce Resource Inputs: Average reduction rate of 40% over 64 product groups (compared to fiscal 2001)

Plan for Reducing Resource Inputs



Chemical Management and Reduced Disposal

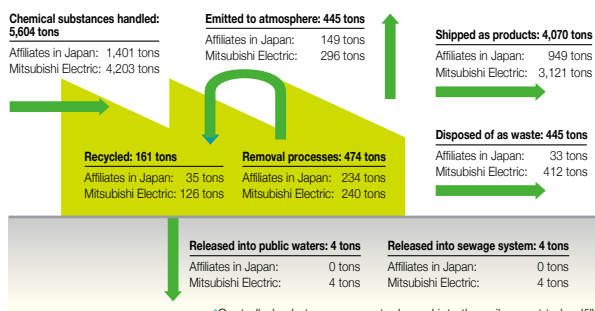
Mitsubishi Electric and our Japanese affiliates utilize a Chemical Substance Management System, which incorporates purchasing information for materials and components, to comprehensively manage 3,208 substances. These include refrigerant fluorocarbons used in air conditioners and refrigerators, volatile organic compounds (VOCs), the 10 substances designated under RoHS, and 462 substances designated under the revised PRTR Law*1 (PRTR*2).

In fiscal 2017, Mitsubishi Electric used 4,203 tons of 141 different chemical substances, and our Japanese affiliates used 1,401 tons of 41 different chemical substances.

*1 PRTR Law: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

*2 PRTR: Pollutant Release and Transfer Register

Material Balance of Chemical Substances Subject to Regulation

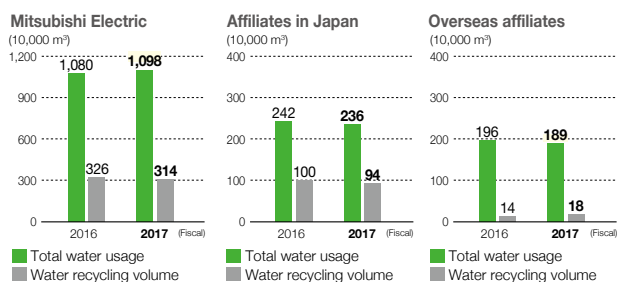


Using Water Effectively

The global water risk has increased in recent years. This affects production of raw materials and manufacture of products, leading to a corresponding interest in corporate water risk management. The Mitsubishi Electric Group uses WRI Aqueduct* to keep track of current and future water risk. We continuously review data from all production bases on water use and reuse, check every six months to make sure there are no major fluctuations in the values reported, and implement countermeasures as needed.

The total amount of water used in fiscal 2017 by Mitsubishi Electric rose slightly, but fell for both our Japanese and overseas affiliates. The amount of water reused at Mitsubishi Electric and Japanese affiliates fell slightly, but rose slightly for overseas affiliates.

Total Water Usage and Water Recycling Volume



* WRI Aqueduct: Water risk assessment tool developed by the World Resources Institute (WRI)

Mitsubishi Electric Outdoor Classroom and "Satoyama" Woodland Preservation Project

The Mitsubishi Electric Group cultivates an environmental mindset among its employees, using forests, rivers, parks, beaches, and other natural areas as classrooms and lead participants in learning about the importance of nature in the "Mitsubishi Electric Outdoor Classroom". We also encourage social service based on the employees' spirit of volunteerism through our continuing "Satoyama" Woodland Preservation Project with the aim of restoring parks, forests, rivers, and other local nature spots surrounding our business sites. Our goal is to host 30,000 total participants by fiscal 2018 (10,000 participants in fiscal 2016 to 2018). A total of 5,100 people took part in fiscal 2017.

Targets of the 8th Environmental Plan (Fiscal 2016 to 2018)

■ Total Participants: 30,000 people



Mitsubishi Electric Outdoor Classroom



"Satoyama" Woodland Preservation Project

Training of Environmental Personnel

Developing Personnel to Proactively Engage in Environmental Activities

We are working to develop personnel who think for themselves what is required for the environment and act on it. Based on this, we will continue our environmental activities in the years to come as we work to achieve Environmental Vision 2021 and our environmental plans. In the area of environmental training, we have implemented various educational programs in two categories: general education and specialized education. The goal of the specialized education program is for personnel to acquire the knowledge and skills required to create a low-carbon, recycling-based society, respect biodiversity, and conduct the environmental management activities that form the pillars of Environmental Vision 2021.

As part of our 8th Environmental Plan (fiscal 2016 - 2018), we have extended our "Mitsubishi Electric Group Environmental Management" e-Learning course—the aim of which is to improve the basic knowledge and awareness level of environmental issues, as well as the ability to take action—to Mitsubishi Electric and affiliated

companies in Japan and overseas, with approximately 100,000 people attending.

Environmental Education System

Field	Target	General employees	Managerial staff
Environmental Awareness Education		Activities to foster environmental awareness <ul style="list-style-type: none"> Preserving biodiversity at business sites "Satoyama" Woodland Preservation Project Mitsubishi Electric Outdoor Classroom 	
		Key Environmental Personnel Training	Environmental Management Chief Administrator Training Environmental Section Manager Training
Specialized Education		MELCO Seminar Environmental Courses <ul style="list-style-type: none"> Waste Management Energy-saving/Energy Management Chemical Substances Management Environmental Regulations Design for the Environment Biodiversity Environmental Audits ISO14001 	
		Environmental Training Course for Employees in Their 20s or 30s Environmental Course for Employees Dispatched Overseas	Environmental Training Course for New Section Managers Common Basic Training for New Employees
General Education		e-Learning for All employees, Mitsubishi Electric Environmental Management	

Fostering Key Environmental Personnel

The Mitsubishi Electric Group has been carrying out Key Environmental Personnel Training in Japan and overseas in order to foster personnel who will play a leading role in its environmental management activities.

Case example in China: Training Incorporating Environmental Symposium and Outdoor Classroom

In fiscal 2017, Key Environmental Personnel Training was conducted in Beijing in September, in which two new programs were incorporated: "Mitsubishi Electric Environmental Symposium in China" and "Outdoor Classroom". With the aims of invigorating our environmental CSR activities in China and accelerating the development of environmental personnel, the course was held in cooperation with a governmental organization, China International Youth Exchange Center.

The symposium was held under the theme of corporate environmental social responsibilities leading to a better

mutual understanding, with students participating from a number of universities including Peking University and Tsinghua University. The subject of the Outdoor Classroom was preservation of biodiversity. Activities included nature conservation patrol at the Black Leopard Wildlife Preservation Station in the suburbs of Beijing, as well as bird watching and discussions on the conservation of wildlife and plants.



Mitsubishi Electric Environmental Symposium in China held at the Peking University Overseas Exchange Center



Bird watching session during Outdoor Classroom

Developing Nature Protection Leaders

In fields adjacent to business sites, Mitsubishi Electric Outdoor Classrooms are held, providing an opportunity for both participants and the employees who play the role of leaders to experience nature. This directive aims to promote awareness towards coexistence with nature and develop the ability to act for improving the environment. Volunteer employees are trained as leaders in planning and executing the program. Through the Leader Development Course, which is an employee training program, they learn relationships between living creatures, safety management, child psychology, and communication skills via field training and classroom lectures. Between fiscal 2007 and 2017, 19 development courses were held, with 377 leaders produced.

Since fiscal 2017, a new program has been added to the Development Course in order to run more attractive classrooms for a wider age group and improve nature

observation techniques to draw more attention and interest from children. One example of such efforts is a program in which children play with bows and arrows that they have made from bamboo harvested during forest thinning.



Learning how to feel plant diversity using senses



Children playing with handmade bows and arrows: "Arrows, reach for the sky!"

Environmental Accounting

Period: April 1, 2016 - March 31, 2017

Scope of Data Compilation: Mitsubishi Electric Corporation, 109 affiliates in Japan, and 79 overseas affiliates (total of 189 companies)

Environmental Conservation Costs

□ Mitsubishi Electric Group ■ Mitsubishi Electric Unit: 100 million yen

Item	Capital Investment	Costs*	Year-on-Year Change	Main Costs
Business area activities	60	117	17	
	43	84	14	
Pollution prevention	9.7	20	6.2	Installation and enhancement of the collection-function of greenhouse gas abatement systems, upgrading to local exhaust ventilation (LEV) systems, installation and repair of exhaust-processing and wastewater-processing systems, updating of liquid chemical tanks, water quality measurement
	5.6	20	9.4	
Global environmental conservation	47	63	5.6	Improvement of equipment efficiency (transformers, compressors, lighting, air conditioners), expansion of solar-power generation systems, introduction of power inverters
	36	44	1.5	
Resource recycling	3.0	34	5.0	Introduction of industrial effluent processing and recycling systems, adoption of returnable racks, adoption of water-regulating valves
	1.7	20	3.2	
Upstream and downstream production	0.6	3.5	1.1	Repair of systems for water purification and collection of cooling-water, adoption of reusable packing materials
	0.0	2.0	(0.2)	
Management activities	1.7	16	0.8	Visualization of power consumption, environmental education, internal auditing, in-house environmental committee activities, external ISO 14001 auditing
	1.5	11	(0.8)	
R&D activities	3.2	39	(8.9)	Raising motor efficiency, improving machining technology for compressors and heat-exchangers, developing power electronics systems, developing high-efficiency air-conditioning and cooling systems
	2.9	38	(9.3)	
Community activities	0.1	0.3	0.0	School visits, "Satoyama" Woodland Preservation Project, regional clean-up activities
	0.0	0.2	0.0	
Environmental damage countermeasures	0.1	2.6	0.6	Groundwater and soil cleansing, planting of endemic tree species at company sites
	0.1	2.6	0.6	
Consolidated total	66	178	10	
Non-consolidated total	48	138	4.5	

*Including depreciation for capital investments made over the past five years.

Environmental Conservation Benefits (Environmental Performance)

□ Mitsubishi Electric Group ■ Mitsubishi Electric

Item	Unit	Fiscal 2017 Results	Year-on-Year Change	Year-on-Year Per Net Sales
Total energy used	10,000 GJ	1,958	47	106%
		1,164	10	105%
Water used	10,000 m ³	1,096	18	105%
		784	30	108%
Greenhouse gas emissions	10,000 tons-CO ₂	134	5.8	108%
		64	0.1	104%
CO ₂ (energy consumption)	10,000 tons-CO ₂	108	3.7	107%
		58	0.2	104%
HFC, PFC, SF ₆	10,000 tons-CO ₂	26	2.1	113%
		6.1	(0.1)	102%
Total emission and transfer of chemical substances into the atmosphere	Tons	732	(43)	98%
		296	(33)	93%
Total wastewater discharged	10,000 m ³	924	23	106%
		678	32	109%
Total emission and transfer of chemical substances into the water and soil	Tons	13	(2.4)	88%
		4.0	(1.4)	77%
Total waste discharged	Tons	221,858	9,777	108%
		86,164	1,558	106%
Final disposal	Tons	509	39	112%
		1.5	0.1	111%

Economic Benefits from Environmental Conservation Activities (Actual Benefits)

□ Mitsubishi Electric Group ■ Mitsubishi Electric Unit: 100 million yen

Item	Amount	Change	Main Costs
Earnings	37	5.2	Sale of valuable materials (metals, plastics, paper, etc.)
	19	(1.8)	
Savings	24	(5.8)	Cost reductions (electricity bills, resources used, water and sewerage, packaging materials, etc.)
	21	2.8	
Consolidated total	61	(0.6)	
Non-consolidated total	39	1.1	

Economic Benefits from Environmental Consideration in Products and Services (Estimated Benefits)

□ Mitsubishi Electric Group ■ Mitsubishi Electric Unit: 100 million yen

Item	Amount	Main Costs
Consolidated total	6,541	Reduced electricity costs due to improved energy efficiency of 88 finished products targeted for reducing CO ₂ during product use*
Non-consolidated total	5,556	

*Base products for reducing energy consumption are those sold in Fiscal 2001. For electricity charges, see Japan's Energy White Paper 2016 (Agency for Natural Resources and Energy).

Group Biodiversity Action Guidelines

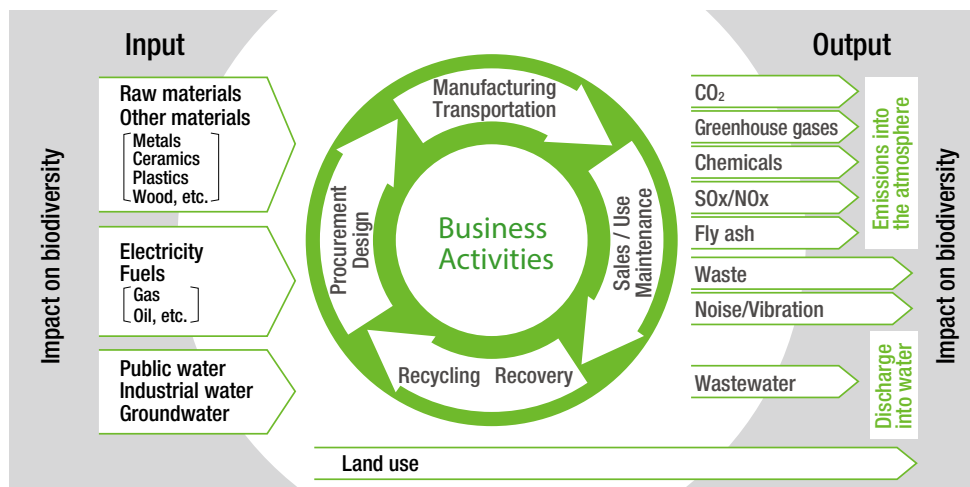
Respect for Biodiversity

The Earth's ecosystem is made up of diverse living organisms. All aspects of human civilization benefit from this ecosystem, but at the same time, we affect it in both direct and indirect ways. Today, damage to the ecosystem is said to be driving many species to extinction and otherwise eroding biodiversity.

In recognition of this, the Mitsubishi Electric Group has

established Biodiversity Action Guidelines, which add to the Group's environmental activities aimed at the creation of a low-carbon and recycling-based society from the perspective of biodiversity conservation. These guidelines define the role of business activities in preserving biodiversity, and outline the Group's efforts toward the development of a sustainable society through its business activities.

Relationship between Business Activities and Biodiversity



Action Guidelines

- **Resources & Procurement**

Recognizing that we utilize globally procured natural resources such as minerals, fuels and plants, we shall aim to preserve biodiversity in Japan and around the world by carrying out green procurement activities.

- **Product Design**

In designing our products and services, we shall promote the effective utilization of resources and the efficient use of energy, as well as aim to prevent the emission of substances that pose a risk to the environment.

- **Manufacturing & Transportation**

When commencing or making changes to land use, such as when constructing factories or warehouses, we will give due consideration to protecting the biodiversity of the land in question. In manufacturing and transportation, we aim to minimize energy use, waste generation and the emission of chemical substances.

- **Sales, Usage & Maintenance**

In our sales activities, we will work to promote better understanding among our customers of the impact that product/service usage and maintenance can have on biodiversity.

- **Collection & Recycling**

We will actively develop recycling technologies and apply them to collected end-of-life products.

- **Understanding & Action**

We will deepen our understanding of the importance of biodiversity and our relationship to it, and will actively and voluntarily take actions necessary to coexist in harmony with nature.

- **Cooperation**

All companies in the Mitsubishi Electric Group, including overseas affiliates, will act as one, in cooperation with local communities, NGOs and governments.

Activities at Business Sites for Preserving Biodiversity Action Guidelines

Preserving biodiversity at business sites forms one pillar of the 8th Environmental Plan, and our goal is to educate employees so that they think and take action with regard to the impacts business activities have on ecosystems and the diversity of living organisms.

We have set out three courses of action as action guidelines for each business site as shown in the table

below. The 8th Environmental Plan states the following targets to be achieved by fiscal 2018 across all business sites: Conduct surveys of the habitat status of plants and animals, implement dialogue with external stakeholders, and formulate a concrete action plan. Steady efforts are now progressing at each business site.

Trends in Actions	Examples	
A Reducing negative impact on living creatures	1. Control development pressure* ¹ and alien species pressure* ²	(1) Environmental assessment (2) Alien species control
	2. Call attention to and preserve rare species and endemic species	(1) Disclosure of list of living creatures on premises (2) Preservation of rare species and endemic species (3) Cooperation in regards to conservation issues for surrounding areas
	3. Manage pesticides	(1) Control the killing/harming of living creatures
B Aiming for more fruitful symbiosis with other living creatures	4. Set up functional greenery (1) Contribute to ecosystem of surrounding areas (2) Enhance quality of urban ecosystem	(1) Land used by flying organisms (2) Priority land for greenery and living creatures (3) Provision of continuity with areas surrounding premises (4) Cooperation in regards to issues for surrounding ecosystems
	5. Break away from industrial orientations such as simplifying/specifying greenery	(1) Diversification/multi-stratification of vegetation (2) Management of greenery appropriate for plants
C Restoring the relationship between employees and nature in the working environment	6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)	(1) Provision and utilization of opportunities for cultural services (2) Provision and utilization of opportunities for supply services
	7. Change situation from everyone being disinterested and unrelated to everyone being involved	(1) Education for understanding and promoting action (2) Creation of relationships through the workplace or work duties

※ 1 Development pressure: An action resulting in the destruction of habitats. The construction of a new business site and development (including that in the supply chain) intended to extract natural resources are deemed as such behaviors. One such example is when the use of water by operations affects the surrounding area, the source of water, and subsequently the habitats of living creatures.

※ 2 Alien species pressure: When ditches, greenery at the side of buildings, and hedges are created, non-native species of insects, vegetation, etc. may be introduced. The unintentional transfer of living creatures could pose a threat to the habitats of indigenous species or trigger genetic pollution.

CASE Eastern Research Center Area (Ofuna, Kamakura City, Kanagawa Prefecture)

In the area around Mitsubishi Electric's eastern research center, Living Creatures Studies were conducted between fiscal 2015 and 2016 as a model area for biodiversity conservation activities. After holding a series of discussions with experts based on our findings we have set activity goals and are continuing our efforts. Regarding improvement of greenery on the premises, which is one of the priority activities, we carried out the following activities.

(1) Cultivating native species

We have set up a field to cultivate native seedlings, and we are growing seedlings by planting seeds with local genes (e.g., *Quercus myrsinifolia* and *Quercus serrata*, etc.).

(2) Dissemination of information about the initiative

We are planning to utilize the biodiversity greenery area to introduce efforts to eliminate nonnative plants and cultivate native species to tourists and employees at the eastern research center.

(3) Utilization for environmental education

We are planning to invite local children to the area for biological observation events.



Growing seedlings in the field

Responsibility to Customers

Basic Policy

The Mitsubishi Electric Group is committed to improving its technologies and services by applying creativity to all aspects of its business, to thereby enhance the quality of life in our society, as stated in our corporate mission. This commitment inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) with regard to "our contribution to social prosperity," "quality improvement," and "customer satisfaction," and forms the basic spirit of our relationship with society and our customers.

To give concrete shape to this basic spirit, the Seven

Guiding Principles define our actions in response to society and customers. It teaches us to establish relationships based on trust, provide the best products and services with unsurpassed quality, and respond to customer expectations through technology by promoting research and development and pioneering new markets. Under these principles, we constantly strive to increase customer satisfaction and contribute to social prosperity in all aspects of our business, from the production of high-quality, easy-to-use products to our after-purchase support and response to major issues.

Four Basic Quality Assurance Principles

Our commitment to quality, as referred to in the Seven Guiding Principles, is reflected in the Four Basic Quality Assurance Principles laid down as a means of realizing the corporate motto of "Service through Quality" adopted

in 1952. The spirit of serving society through steady quality continues to be upheld by each employee of the Mitsubishi Electric Group up to the present day.

< Four Basic Quality Assurance Principles >

1. Product quality is our top priority. It comes before price and on-time delivery.
2. Whatever the sacrifice, our commitment to quality does not waver.
3. Products must be safe to use, have a long usage life, and have consistent performance.
4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.

Product Safety-Related Principles

Based on the Corporate Statement and the Seven Guiding Principles, the Mitsubishi Electric Group promotes

initiatives to ensure product safety under the following principles:

< Product Safety-Related Principles >

1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information about product-related problems, disclose them appropriately to our customers, and report them quickly to the government and other bodies as required under the law.
4. If any serious accidents occur resulting from product-related problems, we will take appropriate measures to avoid further damage.
5. We will investigate the cause of product-related accidents and work to prevent any recurrence.
6. We will make continuous efforts to improve our product safety promotion system.

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where

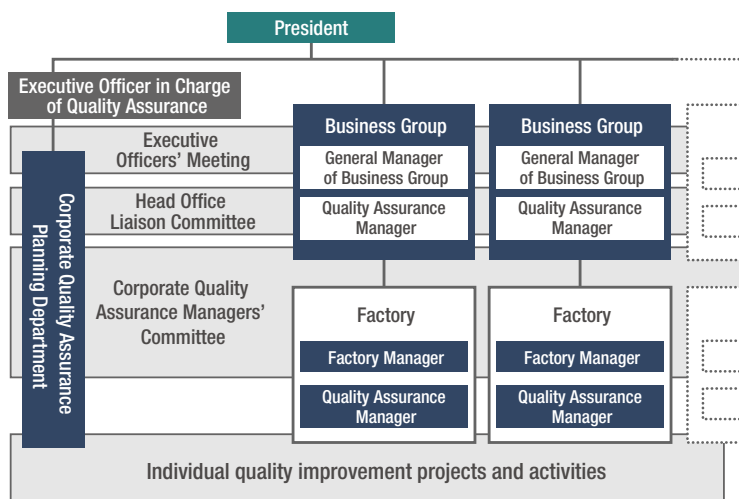
products are prone to break or be discarded). At the same time, our Customer Service Center in Japan operates 24 hours a day, 365 days a year, to assist customers and gather their views about Mitsubishi Electric products. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Management System

Based on the Four Basic Quality Assurance Principles, we have established a system for quality assurance and improvement activities throughout the entire Group, including the appointment of a quality assurance promotion manager in all business group headquarters. We have also formulated quality assurance guidelines

to ensure compliance with quality assurance legislation and standards and further develop quality improvement activities.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement measures.



Promotion of Quality Assurance and Improvement Activities

Quality Improvement Activities

The Mitsubishi Electric Group incorporates consideration for quality into products from the design and development stage, promotes activities to improve quality in all processes—including manufacturing, shipping and after-sales service—and works to make ongoing improvements in product quality, safety and reliability.

We have also built a database for sharing quality-related information that is used by the entire company. It consists of information provided by prior employees on past problems, lessons learned, explanations, and examples of improvements that have been made, and it has proven effective in helping to build quality into products, implement quality improvement measures, prevent the occurrence or recurrence of problems, and train young engineers. Based on cases where there were problems, we also developed an e-learning tool called "Learning from Problems" and installed a "quality room" in each office for the display of actual quality defects found in products in the past, to supplement employee education.



"Learning from Failure" (Database of past incidents and lessons)
This program is set up so that users can systematically browse and utilize lessons, precautions, improvement case studies, and countermeasures from a managerial perspective and the perspective of their technological field.

"Quality room"



Entrance

Inside the room

VOICE (In charge of quality improvement planning)

Shinji Mukai (Quality Assurance Dept. Quality Assurance Div. Air Conditioning & Refrigeration System Works Mitsubishi Electric Corporation)



I oversee quality improvement planning in our manufacturing plant for air conditioning and industrial cooling and heating appliances. We have a "quality room" where defective items are shown to illustrate past quality issues and prevent recurrences. When we placed defective items from other plants on display, they were highly appreciated by many employees as providing a good reference for products manufactured in their own plants. Having employees regularly visit the quality room to see actual examples of defective items not only keeps past incidents from being forgotten, but also provides employees an opportunity to renew their commitment to quality. The quality room approach is also incorporated in quality education for new employees and mid-career hires.

Providing Easy-to-Use Products

Basic Policy

The Mitsubishi Electric Group engages in universal design under the principle of "creating user-friendly products and comfortable living environments that benefit as many people as possible." To achieve user-friendliness and

comfortable living in the true sense of the words, we are committed to providing products and living environments that offer a high level of satisfaction to as many people as possible.

Universal Design that Provides Ease of Use

Universal Design is an approach that aims to create designs that can be used easily by as many people as possible. Mitsubishi Electric evaluates its products from many perspectives, considering whether they are simple and easy to understand, have easy-to-recognize displays and layouts, have been given sufficient ergonomic consideration in terms of comfortable posture and minimal physical load, and are safe and convenient. In this way, we strive to manufacture products that are easy to use and result in more comfortable lifestyles.

Imagining use by various people, we have continuously applied universal design and allowed it to evolve in the production of home appliances like air conditioners and televisions as well as products used by the general public, such as elevators. The "Uni & Eco" business strategy was introduced for home appliance products in fiscal 2005.

In fiscal 2011, targeting expansion of the market to include elderly users in their 70s, we developed a series equipped with the "RakuRaku Assist" function. "RakuRaku Assist" incorporates the latest convenience functions in a way that is fun and easy to use. A continuation of this is the "Smart Quality" initiative launched in fiscal 2013.

Additionally, for elevators, we are developing voice-activated operation and other functions for visually impaired users and users in wheelchairs.

The need for universal design has also grown in the industrial sector, a field traditionally characterized

by professional workers who handle equipment. The working environment in this field has begun to change, with an increase in the number of older workers, foreign workers, and nonskilled laborers. In response to this situation, Mitsubishi Electric widely applies universal design principles to its industrial products, including factory automation (FA) equipment and electric power equipment, as well as to the installation and maintenance of such products on the shop floor.

In fiscal 2017, Mitsubishi Electric won two awards from the IAUD Awards 2016, organized by the International Association for Universal Design. The "Voice-activated drawing function that displays spoken words where a finger is traced onscreen" won a Silver Award in the category of Communication Design, and "Particle beam therapy treatment rooms that can be safely and comfortably used by both patients and operators" won a Silver Award in the category of Health Care & Welfare Design. In addition to these, Mitsubishi Electric received awards for a total of 7 products, including the "Raku Raku rice cooker application: Smartphone application for Mitsubishi Electric rice cookers with voice control" and "Creating audio Raku Raku Quick Guides for home appliances."

In fiscal 2018 as well, we will continue to sensibly and ingeniously apply universal design in the creation of products throughout our wide-ranging business domain.


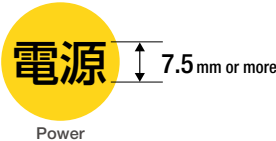
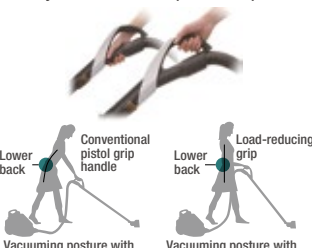
Universal Design Examples to Date

■ Universal Design Guidelines for Widespread Usability

To promote greater usability of our products by all users, including children, the elderly, and people with physical disabilities, we formulated guidelines grounded in surveys and research on changes that occur to human characteristics with age. The guidelines give consideration to these changes mainly in terms of the following three perspectives.

Structure of the Universal Design Guidelines

1. **Recognition:** consideration for ease of understanding
2. **Identification:** consideration for ease of reading and/or hearing
3. **Physical use:** consideration for comfortable posture and minimum physical load

Recognition	Consideration for ease of understanding	Identification	Consideration for ease of reading and/or hearing	Physical use	Consideration for comfortable posture and minimum physical load
E.g.) Buttons with easy-to-understand functions (Television remote control with record function)	<p>We have named the buttons after their functions (what the user wants to do)</p>  <p>*Rovi, G-GUIDE, and the G-GUIDE logo are trademarks or registered trademarks of Rovi Corporation in the United States and/or its affiliates in Japan.</p>	E.g.) Large characters easy even for aged persons to read	<p>Main characters/numbers</p>  <p>Power</p>	E.g.) Easy-to-hold handle shape for each product	 <p>Lower back</p> <p>Conventional pistol grip handle</p> <p>Load-reducing grip</p> <p>Vacuuming posture with bent lower back</p> <p>Vacuuming posture with extended lower back</p> <p>Load on lower back</p> <p>Minimal load on lower back</p>

The main functions are distinguished by large, noticeable buttons.

● "RakuRaku-IH" Cooking Heater (home appliance equipped with RakuRaku Assist)

This Mitsubishi Electric product in Japan incorporates features such as large characters, visual and aural notification, and easy maintenance, which are three

concepts of "revolutionary ease of use" based on Universal Design Guidelines.

"RakuRaku-IH" Induction Heating Cooking heater CS-G20AKS

Large characters & numerical indicators of steps for use

Safety sensor & audio support

<Features>

- Characters are approximately 1.8* times the size of our conventional system.(Compared with Mitsubishi Electric's conventional model G38MS)
- Can be operated simply by pressing buttons in order of numbers displayed.

<Features>

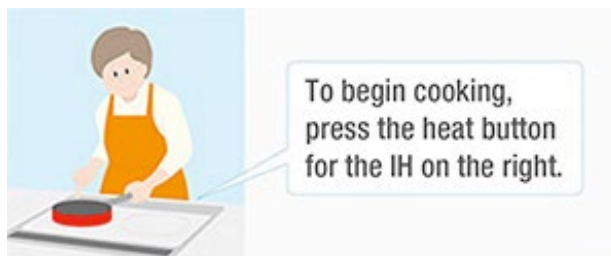
- Built-in sensor checks for people in vicinity.
- Offers audio support for ease of operation.



1 電源 → 2 切/入 → 3 火力の順番



Large-character buttons & numerical indication of steps for use



Safety sensor & audio support

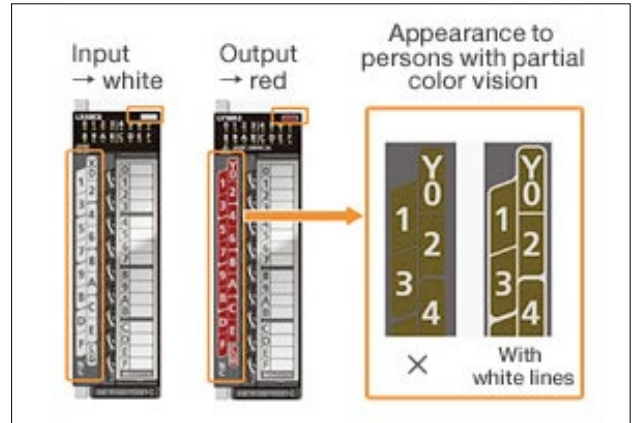
● **MELSEC L-Series Programmable Logic Controller (PLC) designed for use even by less-experienced workers**

Mitsubishi Electric's MELSEC L-Series general-purpose PLCs function as factory computers, and deliver the following three advantages to meet the needs of a wide variety of users, by delivering both the productivity improvements demanded by veteran workers and also the ease of use needed by less-experienced laborers.

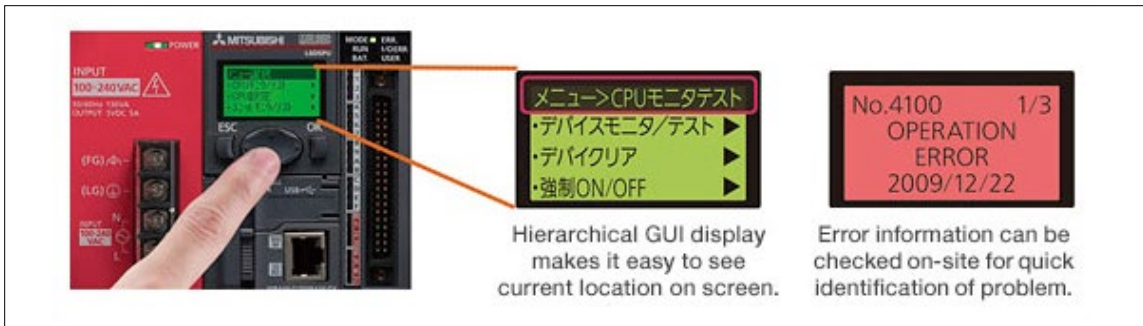
- The terminal arrangement is printed to display wiring groups, for intuitive function display.
- The unit employs UD fonts, with large character display that is well contrasted from the background color, to prevent wiring errors.
- Text is displayed in English/Japanese on the LCD screen, making it easy for even less-experienced workers to deal with on-site trouble.



Printed to illustrate wiring groups



Characters and displays are easy to read



Text-based information display is easy to understand

● "UD-Checker" Original System for Universal Design Evaluation

UD-Checker is a tool that can be used by both industrial designers and engineers to evaluate for universal design qualities. This tool shows four quantitative measures of universal design, indicating specific design aspects for development and improving the efficiency of product

development.

The UD-Checker is used on a wide variety of Mitsubishi Electric products from home appliances and public equipment to industrial equipment.



Check sheet of UD-Checker



Results sheet of UD-Checker

VOICE (In charge of universal design)

Yuka Yamazaki (UX Design Foundation Group Solutions Design Div. Industrial Design Center)



Observe the user, and think from their standpoint. This is what we abide by the most when developing products from the standpoint of universal design. We design products by incorporating usability evaluations and other scientific approaches while listening to people who will actually use the products. Each user is different, and the situations they use our products in, along with their intended purposes, differ from user to user. Based on our commitment to deliver usability suited to every individual, we aim to spread that usability to as many people as possible. We will continue to devote our efforts to the development of universal design, with hopes that our products also deliver happiness to large numbers of people.

● Creating Easy-to-Understand Instruction Manuals

Under a campaign to provide first-rate instruction manuals, the Mitsubishi Electric Group is directing its efforts to creating easy-to-read and easy-to-understand instruction manuals to ensure the safe and comfortable use of our products. Forming the basis of this effort is

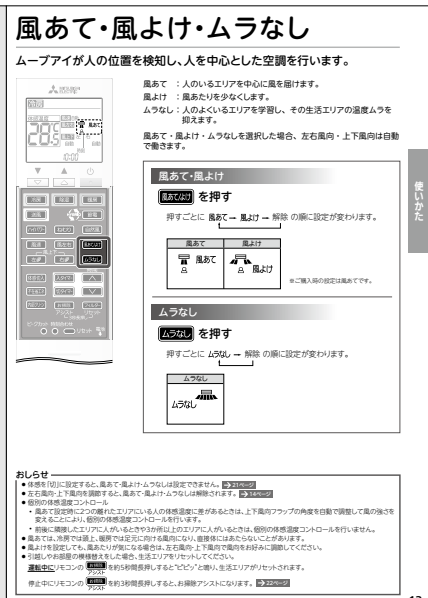
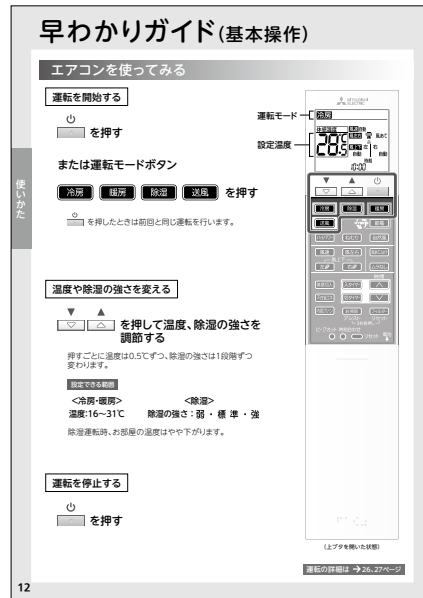
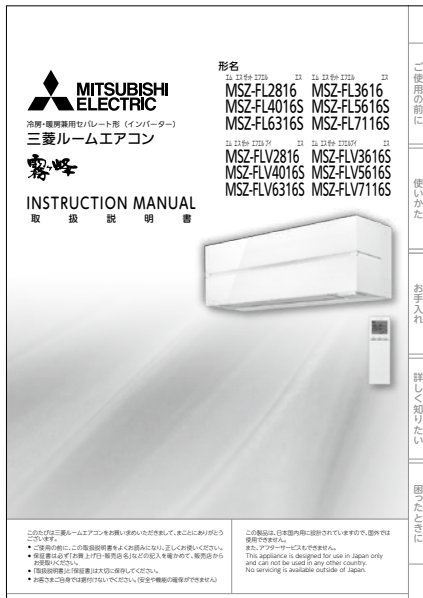
Mitsubishi Electric's original "Guidelines for the creation of instruction manuals for home appliances—Instructions." To raise the quality level of instruction manuals, this handbook is distributed to all affiliates in Japan who handle home appliances.

● Example Instruction manual: Mitsubishi Electric Kirigamine FL Series room air conditioners

Our instruction manual for Mitsubishi Electric room air conditioners won the grand prize in the General Paper Manual Category of the Japan Manual Contest 2016, sponsored by the Japan Technical Communicators Association. The Quick Guide (Basic Operations) was recognized for its large remote-control illustrations that provide an at-a-glance understanding of which buttons to push, as well as large font sizes and ample margins that make explanations extremely easy to understand.



Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners: (Japanese only)



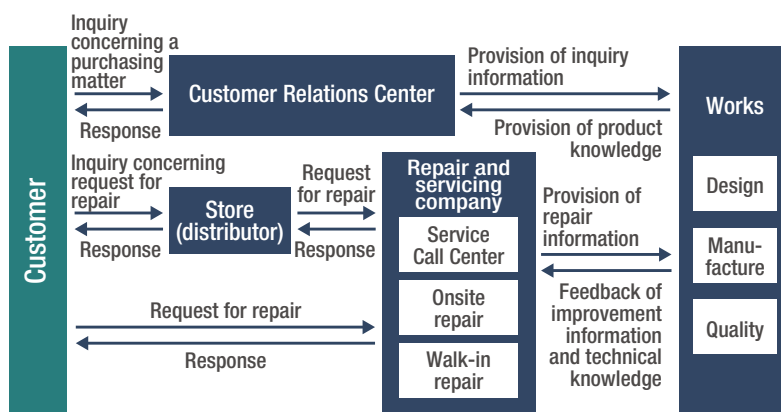
Quick Guide (Basic Operations)

Increasing Customer Satisfaction

Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding in 1921. Inheriting this spirit, we will continue to make dedicated efforts to satisfy customer needs in all aspects of our business activities, from the creation of high-quality, easy-to-use products to our after-purchase support and response to major issues. We collect feedback from our customers through

customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into improving product development, marketing strategies, and services. We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.



Flow of responses to customer inquiries

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) improvement activities in Japan. It makes sure that customers across the country

are satisfied with the Mitsubishi Electric product they purchase, and strives to increase the number of such satisfied customers.

- **The Beginning of CS Activities Related to Home Appliances**

The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Mitsubishi Electric quickly proceeded to create the necessary climate, systems and tools that

would enhance its products, marketing strategies, and services.

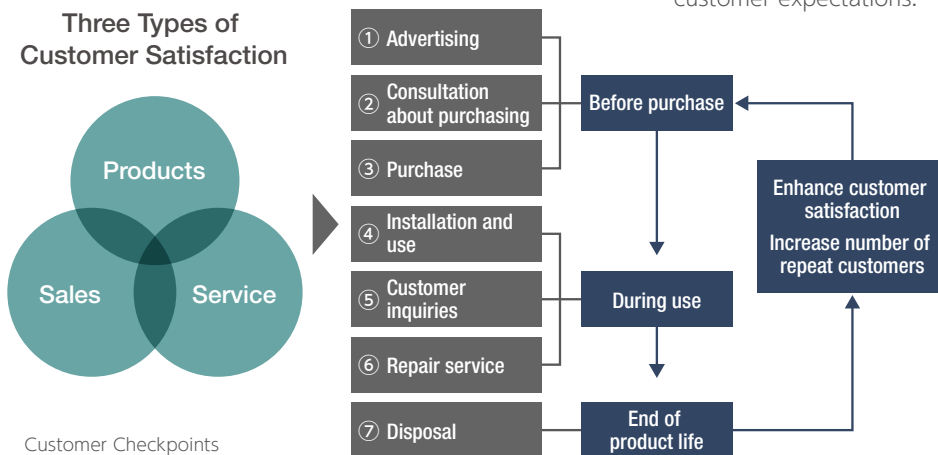
Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.

● **Understanding Customer Satisfaction**

A customer's selection, purchase, and use of a product involve a number of different departments, such as the development, manufacturing, sales, and service departments. Customer satisfaction cannot be achieved if a customer is discontent with any aspect of this process, or if there is any weakness in the departments concerned. Customer satisfaction increases in the following order.

- **Assurance**The customer is assured that the product is not flawed or defective
- **Contentment**The product satisfies the customer's needs and requirements
- **Emotion** The customer acquires a new value from the product

The ultimate form of customer satisfaction is achieved when a product exceeds customer expectations and provides an emotional benefit. The key to achieving customer satisfaction is to therefore assess and satisfy customer expectations.



● **Taking Calls 24 Hours a Day, 365 Days a Year**

To satisfy customer expectations, it is necessary to think of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. As one strategy to provide a response to customers in Japan when they require one, in October 1998, Mitsubishi Electric extended the service hours of its Japan Customer Relations Center to 24 hours a day, 365 days a year. Previously the center responded to inquiries concerning product usage only during daytime hours from Monday through Saturday except on holidays. Today, the Customer Relations Center and Service Call Center operate 24 hours a day, 365 days a year. The Technical Support Call Center, which responds to technical inquiries from distributors, and the Repair Service Station, the stronghold of repair services operated by Mitsubishi Electric System & Service Co., Ltd., also respond

to inquiries 365 days a year (excluding some regions). As the relations center receives a wide array of inquiries every year due to the diversification of product functionality, we are constantly reinforcing staff members, and are making consistent efforts to provide proper training.

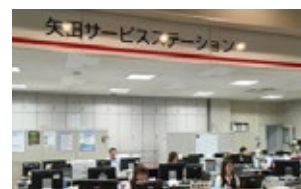
- April 1999
Calls for on-site repairs are accepted 24 hours a day, 365 days a year, and repair services are dispatched 365 days a year
- October 1999
Online requests for shopping advice and consultations/requests concerning products are accepted
- March 2003
Online product registration service is made available to purchasers of Mitsubishi Electric products in Japan via the company's Official Web Site



Customer Relations Center



Service Call Center



Repair Service Station



● **System of Reviewing Customers' Comments**

The content and results of consultations and repair requests from customers and details of technical inquiries are sent as feedback to the manufacturing works at the end of each day. They are used to improve both products under production and development, and to provide repair information to distributors.

Customer Relations Center

Customers' comments that are collected by the Customer Relations Center are entered into a database and analyzed in terms of trend, and the analysis results are regularly sent to relevant manufacturing plants, sales companies, and research institutes. Manufacturing plants and sales companies utilize this information in their ongoing efforts to improve existing products and to make websites, catalogs, and instruction manuals even easier to understand. Research institutes utilize the information to refine products that are under development. Particularly with respect to information that is obtained following the release of a new product, efforts are made to convey customers' expectations, wishes, and dissatisfactions regarding the new product to relevant departments in a timely manner, so they may review the feedback as quickly as possible.

At the same time, regular liaison meetings are held between each manufacturing plant and Customer Relations Center to identify medium-term issues that are brought to light by customers' comments and enhance their cooperation in collecting further information.

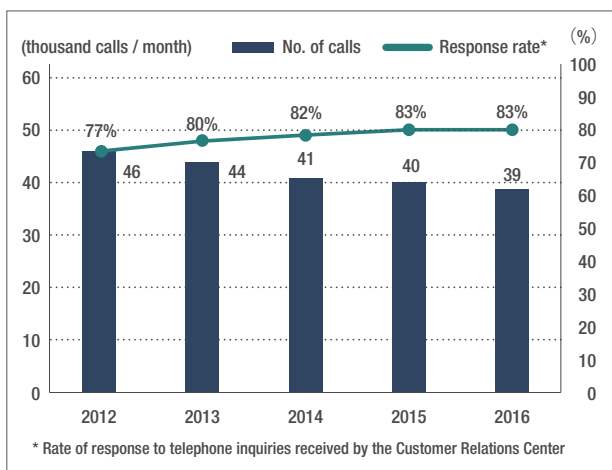
Manufacturing Plants

At Shizuoka Works, where Mitsubishi Electric manufactures air conditioners, quality improvement efforts are made by arranging opportunities for development engineers to personally hear the opinions of customers and provide feedback to their product development. More specifically, Shizuoka Works actively invites questions and comments from customers, or when a quality issue occurs that is thought to be of high technical difficulty, directly visits the customer's home to inspect the product installation environment.

There are many cases where customers' comments have benefited product development. With air conditioners, most inquiries are related to how to use the product and problems with cooling and heating functions. Therefore, direct visits are made to customers' homes to personally hear their inquiries, and such visits are used to improve product quality by reflecting the results in design criteria or incorporating them into measures for improving product control specifications.

As an example, our unique sensory temperature control was developed based on customers' comments, with some customers saying the air conditioner is too weak, and others saying it overcools. We looked into this issue and found that in addition to ambient temperature, humidity and floor temperature also affect sensory temperature. With regard to the noise of outdoor units, we found that not only the loudness but also the nature of the noise also makes a difference in how noise is actually heard, and thus incorporated this concept in our development evaluation criteria.

We will continue to refer to customers' opinions as we continue to accumulate a history of Kirigamine air conditioners.



Number of calls received by the home appliance customer service center and its response rate



Kirigamine FZ Series room air conditioner MSZ-FZ4017S
Airflow control that can adjust sensory temperature delivers optimum comfort to each user.

CS Activities by the Building Systems Group (in Japan)

The Building Systems Group handles elevators and escalators that provide vertical transportation within buildings and building management systems. By ensuring their safety and security and continuously delivering comfortable means of transportation and living spaces as indispensable social infrastructures on a global scale, we contribute to making society even more vibrant and affluent.

Under the slogan "Quality in Motion," the Building Systems Group continues its evolution toward making

Mitsubishi Electric the top-quality brand on a global scale by achieving the highest quality for comfort, efficiency, safety, and environment in its overall business activities (sales, development, manufacturing, installation, and maintenance).

Even amid these rapidly changing times, we will draw on our advanced technologies, environmental expertise, and comprehensive strengths to earn our customers' trust and confidence.

- **24-hour, 365-day Safety Hotline Information Centers of Mitsubishi Electric Building Techno-Service Co., Ltd.**

Mitsubishi Electric Building Techno-Service, one of Mitsubishi Electric's group companies in Japan, specializes in the maintenance of elevators, escalators, and other such building facilities. This company's information centers provide a "safety hotline" for response in cases of trouble, such as failure signals and telephone calls from customers. Mitsubishi Electric information centers situated in eight locations throughout the country constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers, so that the most appropriate engineer closest to the customer's building can be located and dispatched to the site immediately.

The system also supports the quick recovery of building functions, by taking actions such as e-mailing information on the history of repairs and other matters related to the building to the engineer, or processing urgent orders for parts.

Moreover, by monitoring changes in data on the operational status of elevators and air-conditioning facilities, we can detect and address abnormalities before they develop into a malfunction and prevent problems from occurring.



Information center

- **Mitsubishi Elevator and Escalator Safety Campaign**

Elevators and escalators are used to transport a large and indefinite number of persons, so a high level of safety is imperative, and they are thus required to be equipped with various safety devices and functions.

At the same time, to ensure safe operation, it is necessary to maintain the functioning of elevators and escalators through regular maintenance and inspection, and for people to use them correctly.

Based on this awareness, Mitsubishi Electric Building Techno-Service not only performs maintenance and inspection as appropriate, but has also been holding a safety campaign since 1980 to increase understanding of the proper usage of elevators and escalators among users and to promote their safe usage.

We also hold explanatory meetings for users, to teach children, senior citizens, people with disabilities, and other such users the proper and safe way to ride elevators and escalators, as well as explanatory meetings for apartment and building owners and managers, with a focus on daily management methods and emergency responses. These meetings have been attended by more than 300,000 people to date, and will continue to be held as an important safety activity of the Mitsubishi Electric Group.



Mitsubishi Elevator and Escalator Safety Campaign

Inazawa Works SOLAÉ Showroom

The showroom attached to the 173-meter-tall SOLAÉ elevator testing tower receives visitors from facility owners, design offices, and construction companies—as well as children from the local community—and having them see, feel, and experience actual products, the showroom communicates the safety and security of Mitsubishi Electric's products.

The elevator and escalator zone on the first floor introduces the history, safety systems, and latest technologies of elevators and escalators, and lets visitors experience the sense of speed of the world's fastest elevator* using computer graphics projected onto a huge monitor. The building management system zone on the second floor allows visitors to experience the latest entrance/exit control system.

* Installed in Shanghai Tower (based on internal research of elevators in operation as of March 2017)



SOLAÉ elevator testing tower



SOLAÉ showroom

Responding to Product-Related Issues

Basic Policy

In the event of an issue, we place top priority on not inconveniencing our customers, and take action based on a system that ensures prompt and accurate responses and measures.

Policies for Notification and Information Collection, and the Repairs and Recalls of Products

If we receive any report of a major issue occurring in a product that we have sold, we have a system in place that includes the top management to ensure quick and accurate decisions on the steps and measures to take, so that we can take proper action while placing top priority on not inconveniencing our customers. For recalls in particular, we work on an ongoing basis to ensure that all the relevant products that were sold are returned and repaired, and apply these efforts to a wide array of sales channels.

In Japan, we promptly release appropriate information on issues in consumer products, which directly and deeply affect consumers.

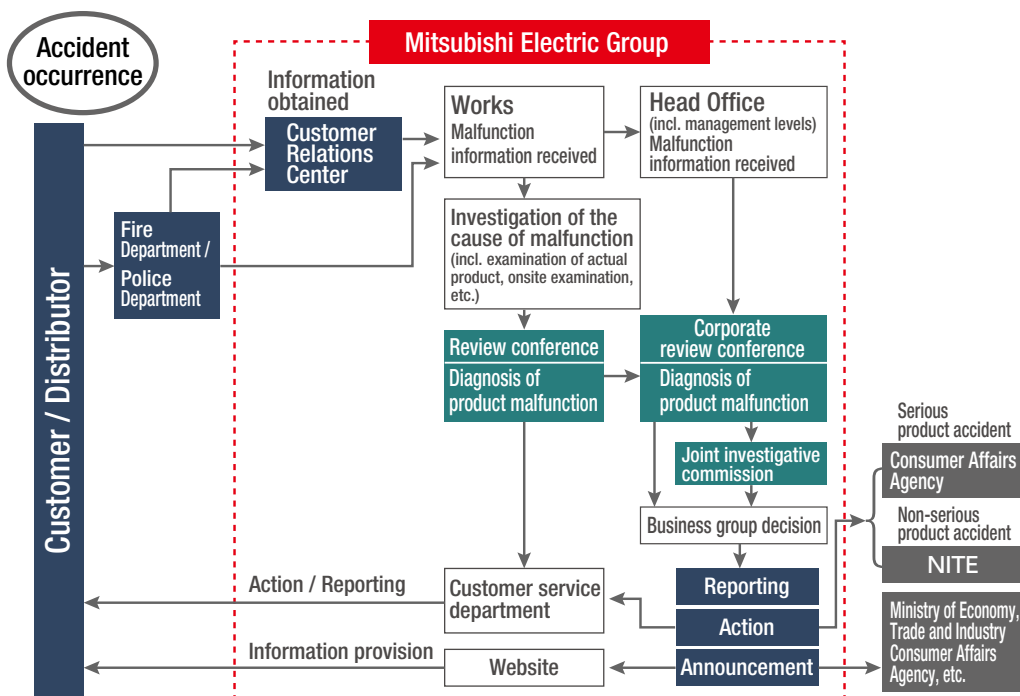
Reporting Major Product Issues (in Japan)

A detailed list of information pertaining to important product-related and quality issues is posted on Mitsubishi Electric's Japanese-language official website.

Accident Reporting Based on the Consumer Product Safety Act

Detailed information on our compliance with Japan's revised Consumer Product Safety Act, which went into effect in May 2007, is available on Mitsubishi Electric's Japanese-language official website.

Under our policy regarding the disclosure of accident information, we also disclose information on cases that are under investigation.



Human Rights

Respecting Human Rights

Basic Policy

The Mitsubishi Electric Group formulated the "Corporate Ethics and Compliance Statement" in 2001, which includes a section on our stance on respect for human rights. In this section, Mitsubishi Electric 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." In April 2017, we also revised our codes of conduct relating to respect for human rights in the "Corporate Ethics and Compliance Code of Conduct" of the Mitsubishi Electric Group. We consistently strive to conduct ourselves in a manner that conforms to these codes of conduct.

Code of Corporate Ethics and Compliance—Respect for Human Rights

Basic Principle

We will respect human rights with an awareness that our activities are widely interrelated with peoples and societies in all countries and regions where we do business.

● Principle concerning child labor and forced labor

In all countries and regions where we do business, we will not use child labor or forced labor under any circumstance or form of employment.

● Principle concerning discrimination

In all countries and regions where we do business, we will not tolerate any discrimination relating to employment and personnel treatment based on race, ethnicity, nationality, gender, age, beliefs, religion, social status, disability, or any other form of discrimination. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

● Respect for individuality

In all countries and regions where we do business, we will respect the individuality of each employee and will not engage in any act that disregards the person's individuality, such as harassment, defamation, slander, or compelling the person to do work through threats. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

● Principle concerning health and safety in the workplace

We will comply with relevant laws and regulations in all

countries and regions where we do business, as well as with in-house regulations and procedures, to create safe and comfortable workplace environments where everyone concerned can work comfortably. Particularly when engaging in production activities and construction works, we will make every effort to secure health and safety in cooperation with affiliated companies, cooperating companies, customers, and suppliers.

● Principle concerning labor relations

We will comply with laws and regulations relating to employment, personnel affairs, working styles, wages, working hours, and immigration control in all countries and regions where we do business, as well as with relevant in-house regulations and procedures, to maintain and improve sound labor conditions and workplace environments.

● Principle concerning personal information protection

In all countries and regions where we do business, we will collect and properly utilize personal information only through legitimate and appropriate means, and only when necessary. We will also do our utmost to prevent illegal access, leakage, loss, and falsification of personal information.

 [Initiatives related to the supply chain](#)

Response to the UK's Modern Slavery Act

In fiscal 2017, Mitsubishi Electric Europe B.V. and Mitsubishi Electric Air Conditioning Systems Europe Ltd. issued a statement in response to the Modern Slavery Act that was enacted in the UK with the aim of eradicating forced labor, human trafficking, and other such acts that

constitute "modern slavery." Continued efforts will be made to ensure information disclosure and strengthen relevant initiatives.

 [Statement by Mitsubishi Electric Europe B.V.](#)

 [Statement by Mitsubishi Electric Air Conditioning Systems Europe Ltd.](#)

Harassment Training

Mitsubishi Electric provides ongoing training programs regarding human rights to new employees and newly appointed managers, as part of its efforts to ensure a healthy workplace environment that is free of discrimination or harassment.

Particular emphasis is placed on harassment prevention training for newly appointed managers, as they bear an important responsibility as managers to maintain and improve their workplace environment. The programs

include not only lectures that provide information about sexual harassment, power harassment and "maternity harassment," but also lectures that allow managers to identify any harassment issues in the workplace, such as by introducing specific case examples of harassment. Those who attend the program actively engage in creating a comfortable working environment for employees, by making certain there are no harassment issues in their workplace, as is their responsibility as managers.

Human Rights Awareness Activities

Mitsubishi Electric provides a human rights awareness training program to all new employees, with a view to developing an organizational culture where a diversity of people work actively with mutual respect for each other. Intended for new employees who have just become full-fledged members of society, the program promotes understanding of the basic principles of human rights and Mitsubishi Electric's human rights initiatives, and includes lectures on specific issues regarding human rights, such as harassment, discrimination against disabled people, and the Dowa social integration issue.

Human rights awareness is strongly instilled in the minds of new employees from an early stage after joining the company, so when they are assigned to their workplace, they can act with a sense of respect for human rights while engaging in their daily duties.



Training Materials for New Employees

VOICE (Comments from employees)

Daijiro Noguchi (Marketing Group Marketing Div. Living Environment & Digital Media Equipment Group Mitsubishi Electric Corporation)



"Companies and Human Rights"

I attended a lecture on "Companies and Human Rights" as part of my new employee training. I learned about human rights in school, but generally regarded human rights as a larger theme, much like discrimination. The lecture, however, exposed me to some specific issues related to human rights, and taught me that preconceived notions, prejudices, and prejudiced views can lead to the violation of human rights, so it is important that we respect each other's differences and to always try to consider each other's perspectives.

Harassment in the workplace affects not only the people involved, but the entire company, and it is a problem that can occur anywhere, even in my workplace. To ensure a comfortable and vibrant workplace for all, I intend to act with a conscious awareness of what I have learned in the lecture from now on.

Labor Practices

Basic Policy on Human Resources

Basic Policy

Mitsubishi Electric actively recruits employees to maintain a proper personnel structure over the medium to long term, and to achieve further global expansion of its growth areas, which are centered on power systems, transportation systems, building systems, FA systems, automotive equipment, space systems, power devices, and air-conditioning systems.

Affiliated companies in Japan also implement plans for

continuous recruitment of employees from the standpoint of strengthening business, technological capabilities, marketing capacities, and manufacturing power.

All recruitment activities are implemented in compliance with the guidelines on recruitment and selection of undergraduate and postgraduate students who are scheduled to graduate or complete their master's courses, outlined by the Japan Business Federation (Keidanren).

Active Employment on a Continuous Basis

Mitsubishi Electric plans to employ a combined total of 1,140 new graduates in October 2017 and April 2018. We have employed more than 1,000 new graduates every

year since fiscal 2013, and will continue to employ the same scale of people with an eye to achieving an even higher level of growth.

Recruitment plan of the Mitsubishi Electric Group (as of March 2017)

1. New graduates

(Unit: no. of people)

		October 2015 and April 2016 (result)	October 2016 and April 2017 (projection)	October 2017 and April 2018 (plan)
	Engineering positions	680	650	650
	Sales & administrative positions	250	220	220
	Technical positions	300	270	270
Mitsubishi Electric		1,230	1,140	1,140
	Affiliated companies in Japan	April 2016 (result)	April 2017 (projection)	April 2018 (plan)
		1,500	1,500	1,500
Total		2,730	2,640	2,640

2. Mid-career Hires

(Unit: no. of people)

		Fiscal 2016 (result)	Fiscal 2017 (projection)	Fiscal 2018 (plan)
Mitsubishi Electric		500	550	550
Affiliated companies in Japan		1,200	1,200	1,000
Total		1,700	1,750	1,550

Basic Personnel Data

Employment Situation

Employment situation of the Mitsubishi Electric Group

(1) Consolidated data

(as of March 31, 2017)

Segment	No. of employees (persons)
Energy & Electric Systems	45,286
Industrial Automation Systems	29,954
Information & Communication Systems	15,271
Electronic Devices	5,434
Home Appliances	25,713
Other	11,870
Common	5,172
Total	138,700

(2) Data for Mitsubishi Electric Corporation alone

(as of March 31, 2017)

No. of employees	Average age	Average number of years worked	Average annual income
33,977 employees (incl. 3,196 women) [7,543 employees]	40.2 years of age	16.4 years	7,957,132 yen

Segment	No. of employees (persons)
Energy & Electric Systems	8,516
Industrial Automation Systems	9,173
Information & Communication Systems	4,981
Electronic Devices	2,164
Home Appliances	5,009
Other	0
Common	4,134
Total	33,977

NOTES:

- "Employees" refers to all personnel who are working. The number of temporary workers is indicated in terms of average number per year and provided in brackets ([]) as a separate number not included in the total number.
- Average annual income includes bonuses and extra wages.
- There is no difference in the amount of remuneration between men and women under Mitsubishi Electric's personnel treatment system.

Relationship with Labor Unions

Mitsubishi Electric Corporation and Mitsubishi Electric labor unions strongly realize that it is important for them to cooperate in promoting the company's growth and improving the working conditions of labor union members based on an awareness of the company's social mission and responsibility, and to form and maintain a labor-management relationship founded on mutual sincerity and trust. Based on this realization, they enter into a labor contract and mutually comply with the contract in good

faith.

Under the union-shop system, employees (excluding management level employees) become union members after completing a trial period, as a rule. To facilitate mutual negotiations, the company and labor unions establish a management council and labor council, and endeavor to seek resolutions by holding thorough rational discussions on equal footing, as a basic principle.

Workforce Diversity

Basic Policy

Within 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. Furthermore, it has become more vital than ever before to employ an even greater

diversity of people, given the increasingly aging and diminishing population in Japan. Based on this awareness, Mitsubishi Electric promotes employee diversity through the following measures.

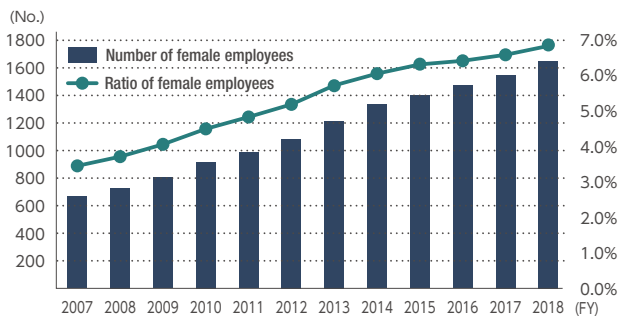
Women's Participation

To formulate and implement original measures that would help female employees and employees with children form a career while also enriching their personal lives, Mitsubishi Electric established the CP-Plan* Promotion Center within its Corporate Human Resources Division

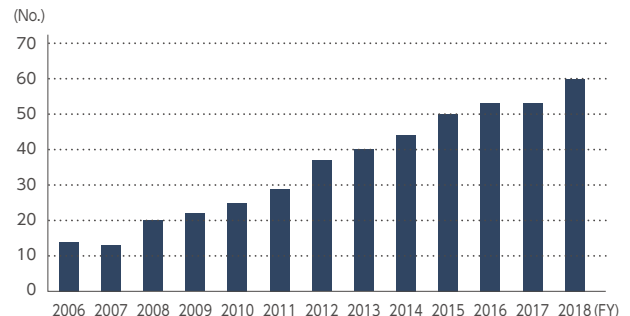
in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

* Career management & Personal life well-balanced Plan

Basic data (Mitsubishi Electric alone)



Trend in the number of female employees (main career track)



Trend in the number of female managers (at or above managerial level)

Initiatives for Even Greater Participation of Women

• Career Forum for Young Female Employees

A career forum (CP-Plan Forum) is offered to young female employees, to actively inspire them to form a career around life events such as childbirth and childcare. Through a lecture personally given by the president on the managerial significance of promoting women's participation, stories of senior employees' personal experiences, and group discussions, the forum urges female employees to think and act on their own and promotes personal networking (attended by approx. 330 employees in FY2014, approx. 210 employees in FY2016, and approx. 120 employees in FY2017)

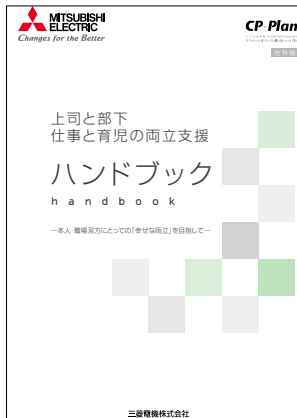
In addition to this forum that is held at the Head Office, exchange events are also held in some offices.

• Strengthening Management Capacities

Various efforts are made to raise management's awareness of women's participation and strengthen management capacities. For example, a mandatory curriculum on women's participation is included in the training program for newly appointed managers, to disseminate an understanding of the managerial significance of women's participation and considerations to be heeded in the management of female subordinates.

- **Handbook on Supporting Work/Childcare Balance for Employees and Supervisors**

Various initiatives are in place so that employees who have taken childcare leave can smoothly return to the workplace and perform to the maximum of their ability while caring for their children. For example, a handbook is distributed both to these employees and their supervisors, and regulations require that these employees have the opportunity to meet with their supervisors periodically before and after returning to their positions.



Handbook on Supporting Work/Childcare Balance for Employees and Supervisors

- **Training in management of female employees**

A management training program for managers supervising female employees has been implemented in several research centers. It aims to strengthen management's capacity for maximizing the potential of female employees by promoting greater awareness of developing female employees as part of the medium to long-term workforce, while giving consideration to life events unique to women and providing an opportunity to think about how this can be done through their relationships with managers.



Training in management of female employees

- **Active Recruitment of Female Students in Science (organization of events and production of pamphlets that specifically target women in science)**

Mitsubishi Electric makes active efforts to recruit female students in science, based on 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 Career.

In addition to organizing the START LIVE large-scale seminar event where female students in science can

directly interact with Mitsubishi Electric employees, exchange forums are held between female students who major in science and female engineers at Mitsubishi Electric. In addition, pamphlets that introduce Mitsubishi Electric's female engineers are distributed, to actively disseminate a concrete image of women working at Mitsubishi Electric.



START LIVE event



Pamphlet for female science students

Principles and Initiatives for Developing Global Human Resources

■ To Become a Global Company that Employs Global Human Resources

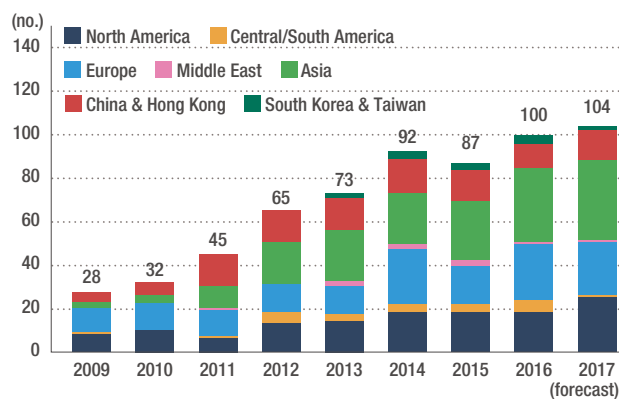
As a global company, Mitsubishi Electric has 213 consolidated affiliates in Japan and overseas, employing some 52,000 overseas employees, which corresponds to 38% of the total number of employees of the Group as a whole. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where employees of the entire Group work in positions that are suitable for them, maximize their potential, and are able to realize their personal career plan. More than 100 overseas employees from ten to twenty countries are invited to receive training at a Mitsubishi Electric manufacturing facility (plant) in Japan every year, to acquire technologies, skills, and know-how. Upon their return to their companies, a cycle is put in motion that leads to greater independence of each overseas affiliate and greater employee engagement. An initiative is also in place to provide a roughly two-week training program in Japan to selected overseas employees who hold promise as future management executives. Participants, who acquire knowledge and a network of personal connections in Japan, return to their company and engage in greater levels of work. At the same time, companies in Japan are actively promoting the employment of foreign employees. Around 20 to 30 foreign employees are employed on a continuous basis every year, and a cross-cultural training program is offered regularly, to be attended in pairs with a senior Japanese employee from the same workplace, so that foreign employees can work actively and comfortably in Japan. Future initiatives will also provide training on Mitsubishi

Electric's corporate philosophy, including its corporate mission, values, and history.

National staff members now account for more than 40% of all executive officers (above the level of general manager) in overseas affiliates. Mitsubishi Electric continues to promote various human resources regardless national staff or expatriates of Mitsubishi Electric (Japan), for managerial positions in overseas affiliates.

● Dispatching employees under the overseas OJT system (2009 - 2017 (planned))

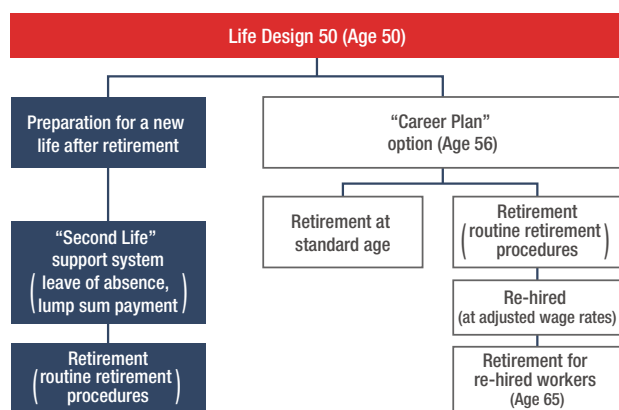
As part of the effort to develop human resources in Japan capable of working at the global level, Mitsubishi Electric employees are dispatched to affiliated companies under the overseas OJT system. In recent years, an average of 100 employees have been dispatched to various locations around the world every year.



Employees dispatched under the overseas OJT system

Providing Diverse Employment Formats for Older Employees

In Japan, Mitsubishi Electric instituted a multi-track personnel system in fiscal 2002, which makes diverse employment formats possible by allowing employees aged 50 and over to choose from among a variety of options. The options include financial assistance for an employee's "second life" following retirement, a "second life" support program that provides two years of paid vacation, and extending employment up to the age of 65 through a re-employment program. We also offer an annual "lifestyle design" training session at each of our business sites to employees turning 50 and their spouses. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, taxes, hobbies, health, and other topics, and by facilitating group discussions.



Multi-Track Personnel System from the Core Career Track (for unionized workers)

Promoting Employment of People with Disabilities

The Mitsubishi Electric Group works to actively employ people with disabilities from the perspective of promoting CSR and diversity. Various barrier-free measures are also being taken to create a comfortable and accessible workplace environment for people with disabilities. In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2017, people with disabilities comprised 2.13% of the total workforce at Mitsubishi Electric and Melco Tender Mates combined, well surpassing the statutory employment rate of 2.0%. The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees

and employees with disabilities are equal partners in the workplace and peers who mutually care for each other. The company began by engaging in the cleaning service, café, business card, food service, and health promotion (massage) businesses, and employed 33 people with disabilities as of March 15, 2017. It plans to establish a cookie factory as a second location in FY2018, and to gradually expand its businesses to increase its employment of employees with disabilities.

* Special subsidiary: A subsidiary which, if certain requirements are met, is regarded as the same business entity as its parent company and whose rate of employment of people with disabilities is calculated in consolidation with that of the parent company.



Cafe business



Cookie manufacturing



Business card production

Creating a Fulfilling Workplace

Basic Policy

In the context of intensifying global competition, the Mitsubishi Electric Group upholds a management policy of strengthening global business competitiveness toward achieving sustainable growth, and implements various management policies to realize the Group's growth strategy. Enhancing and creating measures that maximize employee achievements is essential for the Group to secure a sustainable advantage in competition with other companies.

Achievement = ability × motivation. To strengthen employee motivations, it is necessary to increase employee satisfaction (ES). Mitsubishi Electric believes

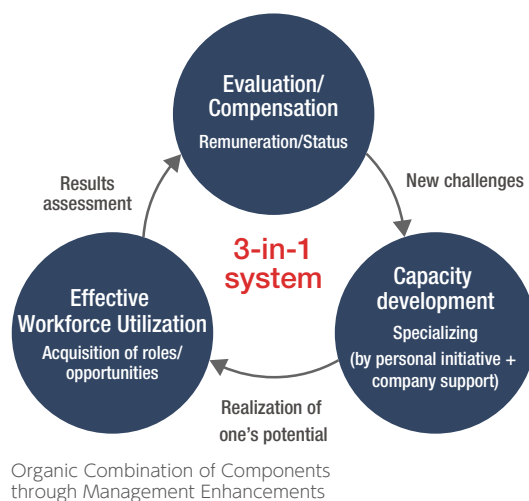
that increasing employee satisfaction leads to greater achievements by employees and organizations driven by increased employee motivation and productivity. This inevitably leads to greater customer satisfaction (CS), stronger competitiveness, and better performance. Employee satisfaction underlies Mitsubishi Electric's personnel policies. At the same time, there are policies such as those described below that are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

Compensation System Based on Individual Job Descriptions and Performance

In Japan, Mitsubishi Electric has adopted a compensation system with a view to developing a corporate culture in which employees recognize organizational targets as well as their own roles, work to raise their own value, and take on the challenge of difficult goals.

Under this compensation system, employee performance is emphasized, with appropriate assessment given to employees who contribute substantially to management and participate actively in it. Bonuses are awarded for outstanding service. In order to increase understanding of employees about the operation of the system, we fully disclose its evaluation methods and standards, conduct surveys on the functioning of the system to gauge employee opinion on it, provide a system for handling complaints, and otherwise work to increase understanding and acceptance by employees and further enhance operations.

We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, capacity development, and effective workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.



Transfer Opportunities at the Request of Employees

In order to optimize our human resources and provide transfer opportunities at the request of employees, Mitsubishi Electric instituted an intranet-based recruitment system and a system that allows employees to publicize their request to be transferred.

Specifically, we launched Job-Net on our company intranet to allow employees to build a career plan on their own. The site posts information on recruitment and skill development training at Mitsubishi Electric and Group companies as well as companies outside the Group.

Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong. To encourage two-way communication between employees and their managers we have implemented and continue to maintain a regular interview-based system of communication. In the regularly-scheduled interviews, employees and managers discuss such topics as the employee's development and training based on evaluation of performance, and the placement and utilization of human resources, thereby helping promote improved communication in the workplace.

We also place value on a corporate culture in which labor and management share an understanding of the status of business, management strategies, and personnel management policies, working together to address issues through labor-management meetings and committees.

Motivating Employees with Bonuses for Inventions (in Japan)

In line with provisions in the Japanese Patent Law, Mitsubishi Electric has established an employee invention bonus system to motivate employees to create inventions. Regarding inventions made by employees during the course of their work, the Company pays patent filing and registration bonuses to those employees as a reward. If the inventions are out-licensed to another company, the relevant employees also receive utilization bonuses from the Company. If inventions that have contributed to the Company's business win an award from outside the Company, the relevant employees receive a cash reward appropriate to the award, with no upper limit set. Furthermore, to maintain fairness and transparency of the system, the criteria of the employee invention bonus system is disclosed, an Invention Consultation Committee is established to deliberate on petitions from employees concerning their bonus, and an Invention Evaluation Committee is established to discuss the amount of cash reward to disburse for inventions that contribute to business.

In addition to the above, a program for rewarding outstanding inventions and industrial designs also encourage inventions by employees. Each year, this program honors inventions and industrial designs, and those that are judged as especially outstanding receive commendation from the president.

* An easy-to-understand description of the employee invention bonus system and its provisions are posted on the company Intranet for access by all employees.

Maintaining a Favorable Working Environment

Basic Policy

Japan's working population is expected to dramatically decrease in conjunction with its aging and declining population, and there is apt to be a further increase in the number of employees, both men and women, who work while caring for children or elderly members of their family. In order for Mitsubishi Electric to survive through the tough international competition and realize

sustainable growth under these circumstances, it will be essential to create a working environment where all employees can work to their full potential within their limited time.

Various initiatives are in place at Mitsubishi Electric to create a working environment where all employees can work actively while maintaining a good work-life balance.

Support for Flexible Working Styles

Development and Availability of Childcare and Family-Care Programs in Japan

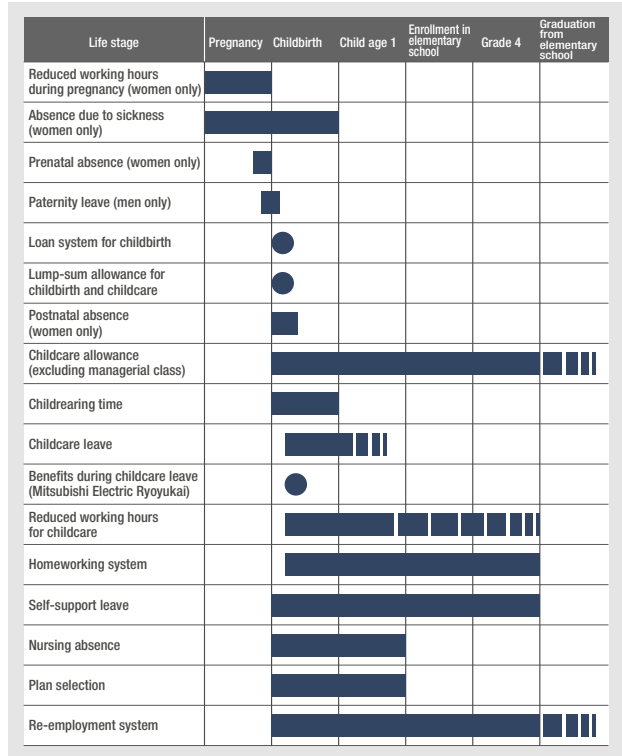
Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare leave program can be extended to the month of March following the child's first birthday, or until the end of September at the longest. We also have a program that allows employees to work shorter days when raising their children, and this program can be extended up until the end of March in the year the child graduates from elementary school. Our family-care leave program allows employees with families that meet the requirements to take a leave of absence for as long as two years. It also allows employees to work shorter days for up to three years to help them take care of their families. In addition, when the employee is the spouse of an expectant mother, the spouse may take up to five days of special paid leave. There is also a program to provide the spouse with special paid leave to use in certain circumstances such as to participate in a child's school event, a "work-at-home" program for employees providing family care, as well as a re-hiring system for employees who have temporarily left the company to provide family care.

Furthermore, in fiscal 2017, we have made it possible for employees to take half-day absences from work to care for elderly family members or attend to a sick child, and have introduced a reduced working hour system that allows employees to work shorter hours on a certain day of every week, as one form of reducing working hours for family care. We have also relaxed the requirements for our work-at-home program so that employees may work at home up to two days a week, and expanded the scope of childcare to include children until they have finished primary school.

To raise employee awareness of these initiatives, we actively disseminate relevant information through a portal

site, which features a range of information on work-life balance, such as a list of support systems for employees raising children (see chart below), and interviews with working mothers. We make this information available to employees, managers, and new hires, aiming to create an environment that is conducive to using these support systems. Along with enhancing our programs, we will work to foster a workplace culture in which employees can enrich their personal lives while advancing their careers.

As of April 2017



Work-life balance support measures related to childcare

● Diamond Kids Day-care Centers

To support the career development of employees raising children, Mitsubishi Electric opened Diamond Kids, an onsite day-care center, in Kamakura City, Kanagawa Prefecture and Amagasaki City, Hyogo Prefecture on October 1, 2014, with an enrollment of approximately 10 children in each center.

By providing its services in locations adjacent to a Mitsubishi Electric workplace on days and during hours

corresponding to the workplace, catering to extended hours, and ensuring security measures that prevent intrusion by suspicious individuals as well as accident prevention measures, Diamond Kids offers a childcare environment that allows employees to fully concentrate on their jobs without worrying about their children. It also promotes employees' return to work after taking a leave, by accepting children all year round.

Name	Diamond Kids Shonan	Diamond Kids Itami
Location	5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture Within the Information Technology R&D Center	6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO
Facility area	Floor space: approx. 100m ²	
Enrollment capacity	Approx. 10 children	
Children's ages	Ages 0 (children over 57 days old) up to enrollment in primary school	
Eligibility	Mitsubishi Electric employees (not restricted to women)	
Operating hours	8:00 – 18:00 (extended hours up to 21:00)	

● Other Programs

Flexitime

Flexitime allows employees to decide on their working hours for themselves so that they may improve their productivity and exercise creativity, and thereby achieve a good balance between their corporate life and personal life. The program may be utilized depending on the specific duties and job performance of each employee. Working hours are divided into "core time" and "flexible time." Core time is a band of time during which all employees must be present in the office as a rule unless special circumstances exist. Flexible time is a band of time within which employees may choose when they arrive and depart from the office in consideration of the progress of their work and fluctuations in workloads. Specific time bands are determined by each office.

Self-support leave

Employees who do not use up their annual paid vacation time by the end of the fiscal year may accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward.

Those who receive company approval to take more than three days off from work to recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

■ Utilization status of childcare and family care programs (by Mitsubishi Electric employees)

(Unit: No. of employees)

No. of employees who have taken a leave	FY2015			FY2016			FY2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	10	204	214	11	215	226	12	237	249
Acquisition rate of leave of absence (%)	—	100%	—	—	99%	—	—	98%	—
Reduced working hours for childcare	6	318	324	6	341	347	5	348	353
Reduced working hours during pregnancy	—	11	11	—	8	8	—	13	13
Family care leave	7	5	12	5	4	9	3	4	7
Reduced working hours for family care	1	2	3	4	5	9	5	4	9
Prenatal and postnatal absence	—	112	112	—	138	138	—	142	142
Paternity leave	566	—	566	643	—	643	658	—	658
Nursing absence	17	11	28	13	5	18	18	8	26

● **Creating a Working Environment where Work-Life Balance Can Be Achieved by Everyone through a "Reform of Working Styles"**

Since fiscal 2017, Mitsubishi Electric promotes a "reform of working styles" as a management policy, and strives to create a working environment where work-life balance can be achieved by everyone by "creating a corporate culture that places even greater emphasis on achievements and efficiency" and "reforming employees' attitudes toward work."

We are creating a working environment that encourages

each and every employee to be strongly aware of operational efficiency and productivity and to produce the best possible results in a limited amount of time. We are also developing IT tools and other infrastructure environments, with the aim of offering new, efficient working styles, such as by promoting working at home and on business trips, and participation in Web conferences at one's desk.



"Reform of Working Styles"

● **President's Forum on Working Style Reforms**

To accelerate the promotion of working style reforms in each office, a dialogue meeting titled "President's Forum on Working Style Reforms" has been held in sequence in each area since February 2017 as an opportunity for the president and employees to engage in dialogue on working style reforms. In these meetings, the thoughts

of top management about working style reforms, and the direction the company aims to take, are conveyed directly to employees by the president. The meetings also collect onsite feedback on the issues each office faces in promoting reforms and corporate matters, collecting and incorporating them into viable policies.



President's Forum

Supporting Career Development

Basic Policy

"A company is its people, and cannot grow without their growth. The development and utilization of human resources is the source of a company's development, and education is a fundamental undertaking that creates the foundation of management."

Under this principle, the Mitsubishi Electric Group believes

it is important to link the expertise, skills, and mentality it has cultivated as an organization to maintaining and strengthening corporate competitiveness and contributing to society. By adding new values at times and achieving further growth, we actively promote the human resource development of all our employees.

Human Resources Development System Supports the Career of Employees

Mitsubishi Electric's training system for employees in Japan consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational education. Tests and competitions to improve skill levels are conducted, and practical training or international study

opportunities at overseas sites and universities in Japan and abroad are provided. Emphasis is also placed on a managerial training program that focuses on training individuals for the core management positions that drive our businesses, and on developing core personnel and leaders.

With regard to new graduate employees and mid-career recruits, we provide company orientation and training sessions to elicit their consciousness as workers and educate them on basic knowledge, management principles, compliance, and other matters.

● **Self-Development Support Program**

Mitsubishi Electric instituted a self-development support program that supports employees' voluntary skills development based on a human resource development system that allows employees to take the initiative to actively develop their own skills. The program provides support in the form of money and time for participants in educational programs inside and outside the company and also pays bounties to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach higher goals as a professional.

● **Stratified Training Program**

In fiscal 2012, Mitsubishi Electric introduced Value-up Training, a stratified training program intended for employees at certain junctions in their career (at ages 25, 30 and 40), to provide an awareness and understanding of the qualities and roles that are expected of them at those ages.

The program aims to strengthen young employees' capacity for work, or the mentality, knowledge, and skills they need to fulfill their duties, and medium-level and veteran employees' capacity for development, or their skills to convey their working capacity to the younger generation (subordinates and juniors) and enhance their capacity for work. Through this program, we will make continued efforts to strengthen the working capacity of each employee and create a culture for development in the workplace as a whole.

● **Promoting Systematic and Efficient Skills Development**

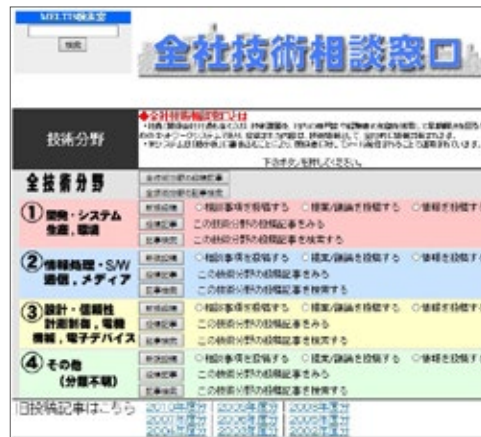
Mitsubishi Electric introduced to its operations in Japan a point system for employee training, to promote systematic and efficient skill and capability development by tracking the progress of ability-building activities by its employees, particularly its young employees. Each training course is worth a certain number of points. Employees receive the relevant points upon completing each course, and aim to achieve their individually recommended total number of points.



Point System for Employee Training

● **Passing on Technological Skills, Knowledge, and Know-how**

In order to pass on the skills possessed by highly experienced employees to younger technicians at Japan production sites accompanying the company's generational shift, we have developed a training program that allows the skills of accomplished employees to be learned in one-on-one settings. Technical skills are also passed on to young technicians through various measures such as installing technical help desks through which newer employees can consult with highly experienced employees through the company's intranet.



Technical Help Desks

● **Mitsubishi Electric Group Skills Competition**

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of "handing down skills and raising skills to even higher levels," "further creating a climate that respects skills," and "developing top-level engineers."



Mitsubishi Electric Group Skills Competition

Ensuring Occupational Safety & Health

Basic Policy

Mitsubishi Electric adheres to the basic policy of placing priority on protecting the safety and health of its employees, above all else. Based on the recognition that health and safety management is essential to business management, we are committed to establishing an atmosphere that prioritizes occupational safety and health in all social and corporate environments, and achieving

healthy corporate management.

This basic policy underlies our Company-wide Five-year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, and by which we implement specific activities toward the achievement of annual targets.

Promotional Framework

The Mitsubishi Electric Group actively promotes safety and health activities across the entire Group under the strong leadership of the top management, such as by regularly holding the Mitsubishi Electric Group Health Convention with the attendance of management executives from Mitsubishi Electric and Group companies in Japan. Ongoing efforts are made to strengthen the safety and health management framework, as Mitsubishi Electric and Group companies cooperate in exchanging information, engage in education activities, and implement various safety measures. Active communication is also held with

employees through meetings with labor unions and the Safety and Health Committee, and labor-management efforts are made to promote both top-down and bottom-up activities that aim to raise the level of safety and health.

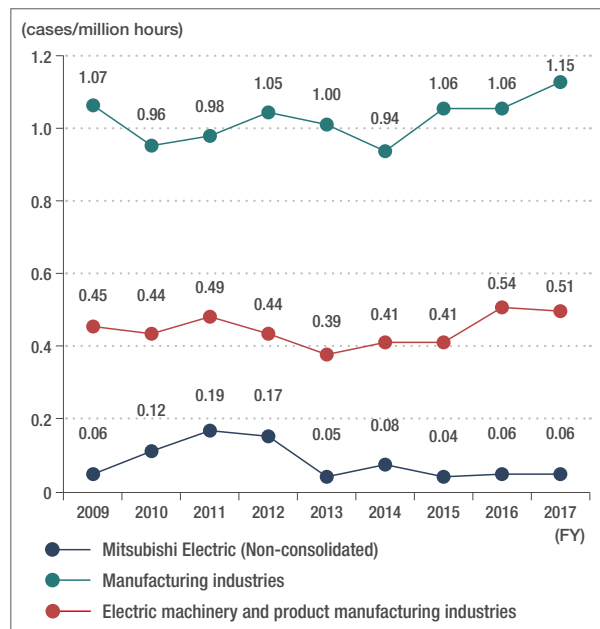
In the event of an industrial accident, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety inspections, and laterally disseminating case examples of disasters and countermeasures.

Occupational Safety and Health Management System

In 2009, Mitsubishi Electric introduced a program for internal accreditation of the Occupational Safety and Health Management System (OSHMS*). Under the program, each office creates a PDCA cycle for safety and health activities based on the Mitsubishi Electric Group's requirements for safety and health management, such as in regard to the development of a management framework in each office governed by a safety and health supervisor and the implementation of risk assessments and other relevant activities.

The goal is to have all Mitsubishi Electric offices acquire accreditation, pass a surveillance inspection after two years, and a renewal inspection every four years, which will raise the occupational safety and health management level of the company as a whole. As a result of this initiative, we have achieved one of the lowest frequency rates and severity rates of industrial accidents (number of people killed or injured in a fatal accident or an accident that requires time off from work per 1 million hours of work, and number of working days lost per 1,000 hours) in the industry.

* OSHMS (Occupational Safety and Health Management System)



Frequency of Labor Accidents
(Number of accidents requiring a leave, per million hours)

Thorough Safety and Health Education

The Mitsubishi Electric Group implements safety and health education that matches its business characteristics and social environment, including stratified programs and occupation-specific programs, in addition to education programs prescribed by law. As a common feature of the Group, Mitsubishi Electric and Group companies in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year. Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a "safety room."



E-learning of Safety and Health Education

- "Danger simulation room" at Mitsubishi Electric's Himeji Works

To increase employee sensitivity to danger, a danger simulation room was created in 2011, where education is provided to all onsite employees and employees of affiliated companies (approx. 6,000) every year. Its facilities are being upgraded in sequence, such as by adding a slipping and falling simulation machine, a machine that simulates gear accidents, and a facility for engaging in finger-pointing safety confirmation.



"Danger Simulation Room"

Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its Group companies in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for their 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance union. MHP21 promotes a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company." Under the slogan, "Change Your Lifestyle Habits, Extend Your Healthy Years," MHP21 involves setting company-wide improvement goals in five health categories—maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care, and sleeping properly—and evaluating the degree of achievement of these goals every year. After implementing Stage I of the plan over ten years and Stage II over five years, a new five-year plan was launched in 2017 as Stage III, with a focus on strengthening individual approaches based on health data, introducing an award system for healthy offices, promoting cooperation between Mitsubishi Electric and Group

companies, and otherwise revitalizing Group activities as a whole. The MHP21 activities, which we have been carrying out for over ten years, have been recognized by the First Smart Life Project Award sponsored by the Ministry of Health, Labour and Welfare, and they received the Minister's Award for Excellence in the corporation category. Mitsubishi Electric was also recognized under the Large Enterprise Category (White 500) of the Certified Health and Productivity Management Organization Recognition Program that was launched in fiscal 2018 by the Ministry of Economy, Trade and Industry. Group companies overseas are likewise taking initiatives to maintain and promote health among their employees, in consideration of the health situation in their respective countries.



Targets and results of MHP21 activities

MHP21 activities Priority items	Before commencement of activities (FY2002)	Stage I Final year (FY2012)	Stage II Final year (FY2017)	Stage III Target (FY2018 – 2022)
People maintaining proper body weight*1	73.0%	71.7%	70.4%	73% or more
People who have an active lifestyle*2	11.7%	16.2%	24.1%	39% or more
Smokers	40.0%	27.6%	24.7%	20% or less
People who brush their teeth three times a day or more	13.3%	20.5%	22.5%	25% or more
People who get enough sleep and are well rested*3	–	–	–	85% or more

*1 BMI of 18.5 or more and less than 25.0

*2 30 minutes or more of exercise twice a week or more, or an average of 10,000 steps (1 hour of walking) or more per day

*3 Included from Stage III

VOICE (In charge of safety and health)

Sakkarin Lajoy (In charge of safety Siam Compressor Industry Co., Ltd. (Thailand))



Employee safety and health is a priority concern at Siam Compressor Industry. In fact, our company has won the Safety National Award in Thailand seven times since 2009. The award is composed of four elements: legal compliance, safety and health management systems, exemplary management teams, and best practices that serve as a reference for other companies. As a best practice that serves as a reference for other companies, our Unsafe Room has been recognized as a new method of education. Based on the concept of "learning by experiencing" unsafe environments, the Unsafe Room contributes to safety education not only for our employees, but also employees from other companies who visit our company. In consideration of the importance of safety, we also produce and provide educational tools to ten vocational colleges.

Promoting Mental Health Care

Mental health care is a top priority for health management in the Mitsubishi Electric Group. By establishing a counseling program that includes an industrial physician and/or counselor and other such initiatives, active efforts are made to help employees cope with everyday worries related to work and family and other emotional issues. Also through a legislated stress check system, and through telephone and e-mail counseling provided by an employee assistance program (EAP*), importance is placed on the primary prevention of employee mental health disorders.

Employees who return to work after taking a mental health leave are fully supported by the receiving department, personnel department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support, and every effort is made to facilitate their return to their workplace and prevent any relapse.

Furthermore, by appointing dedicated counselors in the Mitsubishi Electric head office, focused care is also provided to employees posted outside of Japan, where working and living environments largely differ from Japan. In terms of education, line-care and self-care training are repeatedly implemented through lectures and internal e-learning programs, to provide knowledge of mental health and strengthen responses to mental health among managers and employees.

* EAP (Employee Assistance Program): a program that provides support to employees



Mental Health Care Education

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that also give consideration to elderly people and people with disabilities.

By establishing voluntary standards (workplace environment standards) for air, lighting, noise, and facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.

Supply Chain Management

Basic Policy

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group's Purchasing Policy and CSR Procurement Policy, and requesting business partners' understanding of these policies. By ensuring proper evaluation of suppliers based

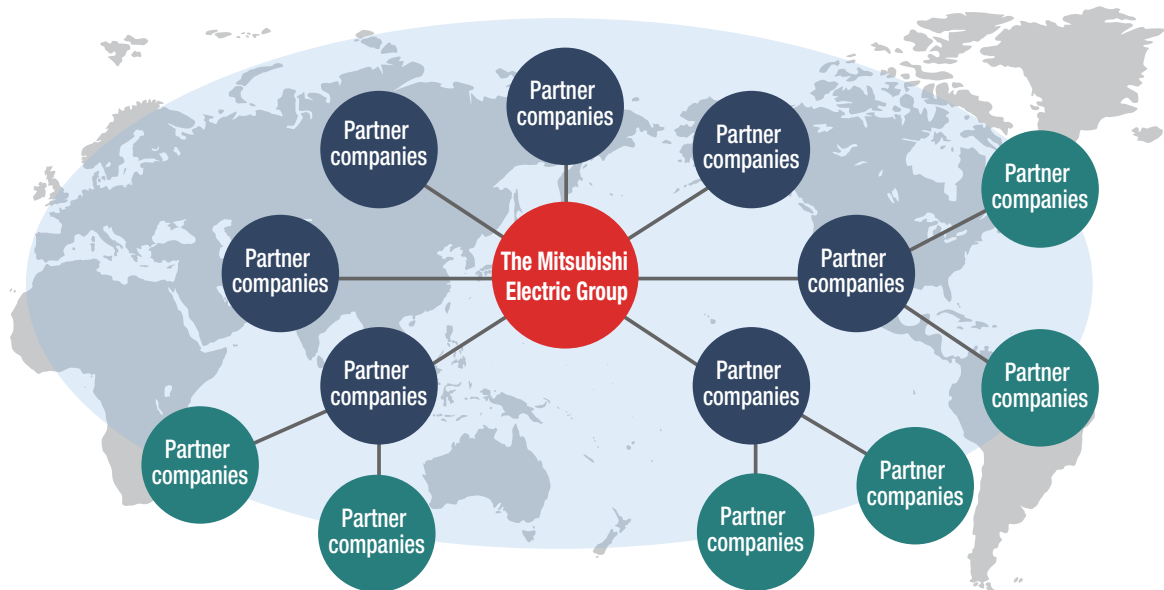
on selection and evaluation criteria established by the Group, risks are also mitigated along the supply chain. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

The Supply Chain of the Mitsubishi Electric Group

Accompanying the further advancement of globalization, the Mitsubishi Electric Group's supply chain is also expanding to the various countries where the Group operates. However, in newly emerging countries in particular, we are aware that there are issues from various

perspectives, such as labor laws and environmental problems. Accordingly, we are taking action based on the realization that reducing risks in these regions is especially important.

Expansion of CSR initiatives through the supply chain



The Supply Chain of the Mitsubishi Electric Group

Our Purchasing Philosophy

Mitsubishi Electric purchases a wide variety of materials and components from both Japanese and overseas markets. We recognize our corporate responsibility

and are eager to provide business opportunities for the communities in which we operate.

1. Easy Access and Equal Opportunity

To guarantee our customers the highest-quality products, we are constantly searching for new suppliers. We encourage business partners from all over the world, regardless of size, to contact us about submitting a quotation. The decision to embark on a new business relationship is made after careful consideration of three major factors: product price, product quality, and delivery performance. To ensure continued high quality and efficiency, we periodically review our relationships with our partners.

2. Mutual Prosperity

We believe in long-term relationships built upon understanding and trust. This will allow the participation of our business partners during the product development stage, paving the way for mutual prosperity.

3. Ecological Soundness

We are interested in the materials and manufacturing processes used by our suppliers. Because we value the environment, we buy only ecologically sound products. Our mission is to satisfy the needs of people around the globe. To meet their growing expectations, we must widen and strengthen our affiliations with companies all over the world. We are seeking cooperation, not just business, and are looking for potential partners who are willing to join us in our drive toward global prosperity.

CSR Procurement Policy

We carry out distribution activities in line with our "CSR Procurement Policy," which was established in fiscal 2008.

1. **Compliance with domestic and foreign laws/regulations and social standards**
 - (1) Ensuring compliance with laws and regulation
 - (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
 - (3) Creating proper work environments and giving consideration to safety and health
2. **Assurance of quality and safety of products and services**
3. **Environmental considerations**
 - (1) Procuring materials with less negative impact on the environment
 - (2) Ensuring strict management of harmful chemical substances based on an environmental management system
4. **Promotion of fair trade based on corporate ethics**
 - (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
 - (2) Ensuring strict management and safeguarding of information by establishing an information security system
 - (3) Thorough elimination of fraudulence, bribery, and other such conduct that violates corporate ethics

Mitsubishi Electric Group Initiatives for Responsible Minerals Procurement

The Mitsubishi Electric Group views such issues as environmental destruction and the abuse of human rights by armed groups in the Democratic Republic of Congo and its neighboring countries as issues of the utmost concern. As transactions of conflict minerals* are said to fund these armed groups, we are implementing measures to ensure the transparency of our supply chain so that

we do not encourage or become complicit in such issues in any way, and to promote responsible mineral procurement.

* Conflict minerals refers to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.

Requests to Suppliers

Suppliers to the Mitsubishi Electric Group are requested to gain an understanding of the Group's Purchasing Policy and CSR Procurement Policy, and to actively comply with the following matters in consideration of

various relevant guidelines (including the guidelines of the Japan Electronics and Information Technology Industries Association (JEITA)).

1. Compliance with laws, regulations and social norms

Please comply with laws and regulations in countries and regions where you engage in business, as well as with international agreements, transaction ethics, and social norms.

(Elimination of corrupt practices such as bribery, embezzlement, and illegal political contributions; compliance with relevant laws and regulations, including the Antimonopoly Act, Subcontractor Act, and Foreign Exchange Act; prohibition of the illegal acquisition and utilization of intellectual property; proper information disclosure; execution of faithful transactions based on contracts, etc.)

2. Respect for human rights

Please respect basic human rights in countries and regions where you engage in business.

(Prohibition of inhumane treatment like forced labor, child labor, abusive treatment, human trafficking, and harassment; prohibition of all forms of discrimination; proper payment of wages; proper management of working hours; respect for the right to organize, etc.)

3. Consideration for health and safety

Please give due consideration to health and safety in all countries and regions where you engage in business.

(Safety measures for machines and devices; evaluation and measures against the occurrence of accident and health hazard risks; preventive measures against large-scale disasters and accidents, etc.)

4. Environmental considerations

Please take measures to provide products and services that place minimum burden on the environment.

(Acquisition, maintenance and management of environmental management system certification; compliance with environmental laws and regulations; proper management of chemical substances in products, etc.)

5. Product and service quality and safety

Please take measures to ensure the quality and safety of products and services you provide.

(Design, evaluation and testing for ensuring safety; compliance with laws and regulations related to safety; construction, maintenance and management of quality management systems, etc.)

6. Security measures for information systems

Please take appropriate measures to protect against computer network threats.

(Construction of prevention measures against computer viruses and cyberattacks; prevention of information leakage through proper management of confidential information and personal information, etc.)

Risk Mitigation based on Fair Selection and Evaluation of Business Partners

● Evaluation status of suppliers' initiatives to address CSR/environmental issues

The Mitsubishi Electric Group evaluates business partners prior to commencing new transactions and at regular intervals in the case of ongoing transactions, in terms of quality, price, delivery time, and customer service, as well as their initiatives to address environmental regulations and CSR initiatives.

Since 2006, the Mitsubishi Electric Group evaluates the status of suppliers' initiatives to address environmental issues based on the Green Accreditation System. Based on the Green Procurement Standards Guide and using an original survey form, the Green Accreditation System conducts a survey of each supplier's acquisition status for environmental management system certification, status of compliance with laws and regulations related to the environment, and management status of chemical substances contained in components or materials they deliver to our company, and certifies suppliers who meet our standards.

By properly evaluating the status of our business partners'

environmental initiatives under this system and providing advice for any corrections that should be made by partners who do not meet the certification standard, we ultimately minimize environmental risks.

From 2009, the status of CSR initiatives has been included among the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. In reference to our suppliers' replies regarding these issues, we provide feedback about the results of our evaluation. We also hold individual meetings with suppliers who have scored low in any one of the survey items, to request a further strengthening of initiatives as required to reduce risks related to CSR.

The Mitsubishi Electric Group's Green Procurement Standards Guide and other relevant documents are available from the following page on our website, and are reviewed as necessary in response to changes in laws, regulations, and social norms.

 [Procurement Activities > Green Procurement and CSR Procurement](#)

Numbers of suppliers evaluated (status of their initiatives to address CSR and environmental issues)

2012	1,234 companies
2013	662 companies
2014	628 companies
2015	1,341 companies
2016	約 1,000 companies

* All new suppliers are evaluated (FY2017).

* The numbers of suppliers are cumulative totals.

Number of suppliers given guidance in fiscal 2017 and the content of the guidance

Item	No. of companies given guidance	Content of guidance
Environment	21	Improvement of initiatives regarding the environmental management system, further strengthening of initiatives for the restriction of chemical substances in products
Human rights, labor practices, safety and health	45	Improvement of the management of working hours, correction of dangerous areas, strengthening of safety measures for machines and devices, strengthening of safety measures against the occurrence of large-scale disasters



Providing safety guidance during an onsite inspection of a supplier's company (left: overseas; right: in Japan)

● Survey of restrictions on conflict minerals

As a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Mitsubishi Electric actively addresses restrictions on conflict minerals in conformity with other industrial organizations. Surveys are conducted using the survey form (EICC-GeSI* conflict mineral report template) that is commonly used in the automobile, electric, and electronic industries, and a

total of some 1,500 suppliers have been surveyed so far (FY2017). We will continue to pursue proper compliance with the restrictions, such as by requesting our suppliers to improve the accuracy of information on compliant smelters.

* EICC: Electronic Industry Citizenship Coalition
GeSI: Global e-Sustainability Initiative

Communication with Suppliers

At each office, the Mitsubishi Electric Group holds seminars that disseminate a full understanding of the Group's Purchasing Policy and CSR Procurement Policy among suppliers. Suppliers are asked to concur with the policies and strengthen CSR initiatives at their companies as well.

In fiscal 2017, we held CSR seminars, which included references to restrictions on conflict materials, seminars dedicated to quality and safety, and a BCP seminar. Furthermore, to ensure proper response to changes in

chemical substance restrictions such as the EU RoHS Directive, information sessions have been launched to disseminate proper understanding of such changes. We will maintain close communication with our suppliers and continue to organize seminars that promote further CSR initiatives.

The Mitsubishi Electric Group believes it is important to provide an understanding of the Group's policies to overseas suppliers as well, and thus holds CSR seminars and other relevant seminars in overseas sites.

Fiscal 2017 seminars

	No. of sites	No. of participating companies
CSR seminar	11	Cumulative total of approx. 800
BCP seminar	2	Cumulative total of approx. 28
Information session on chemical substance restrictions	2	Cumulative total of approx. 50



Seminars for suppliers held at each office

Strengthening Partnerships with Key Suppliers

Recognizing the importance of building a favorable business relationship with our business partners from a medium-term perspective, we preferentially procure materials and components from suppliers who have acquired high overall scores in a supplier selection evaluation. Suppliers who play a particularly important role in promoting our business are regarded as "key suppliers." With key suppliers of parts that influence product performance and parts that require advanced technological capabilities, we build a partnership and together engage in activities for creating cost (cost co-creation activities), such as by pursuing their joint development from the initial development stages, adopting advanced products, and promoting value engineering (VE)*.

Through these initiatives, we reduce the input of materials and minimize environmental burden by making products more compact and lightweight, and build a win-win relationship that leads to increased sales and enhanced technology capabilities for both our partners and our company.

The cost co-creation activities that we have thus pursued with our key suppliers from the initial stages of product development have produced significant results since fiscal 2004, giving us reason to actively continue the initiative.

We also recognize the need to promote initiatives to strengthen our competitiveness alongside our suppliers not only in Japan but also overseas, including in Europe, the Americas, China, and other Asian countries, in terms of cost, quality, and delivery time. To strengthen these initiatives, we actively organize presentations on VE case examples and VE lectures overseas. In fiscal 2017, we offered VE lectures in countries (India, Colombia, etc.) other than those where VE lectures have conventionally been held (the UK, the US, China, Thailand, Indonesia, Mexico, etc.). We also promote human resource development, such as by conferring an instructor's certificate on those who have taken a writing test and VE program and demonstrate a certain level of knowledge. Based on the awareness that it is essential to also build partnerships with outstanding suppliers overseas, in fiscal 2017 we established a system for awarding suppliers who have made particular achievements in terms of price, quality, and delivery time, as part of our ongoing initiatives for creating good relationships with our suppliers.

* VE (value engineering): a method in which the minimum cost that is required to achieve a product's essential functions is pursued from the initial parts stage.



VE lecture in the Southeast Asia region (Indonesia)



VE lecture in the Southeast Asia region (India)



Presenting an award to a supplier in the Southeast Asia region (Malaysia)



Meeting with a supplier in the China region

Providing Learning Programs on Procurement Laws and Regulations

The Mitsubishi Electric Group offers various learning programs on laws and regulations related to the operations of employees in charge of procurement activities. In Japan for example, our course on materials procurement laws provides guidance and education for thorough compliance with laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and the Construction Contractors Law. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly

teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas. To further strengthen CSR initiatives (particularly along our supply chain), we are making greater efforts to share information on activities implemented by each office as well as instructional information, such as by holding Review Meetings for CSR Promotion in the Supply Chain and providing CSR education to employees in procurement departments.



Compliance education related to procurement in the Thailand region



Review Meeting for CSR Promotion in the Supply Chain

Philanthropic Activities

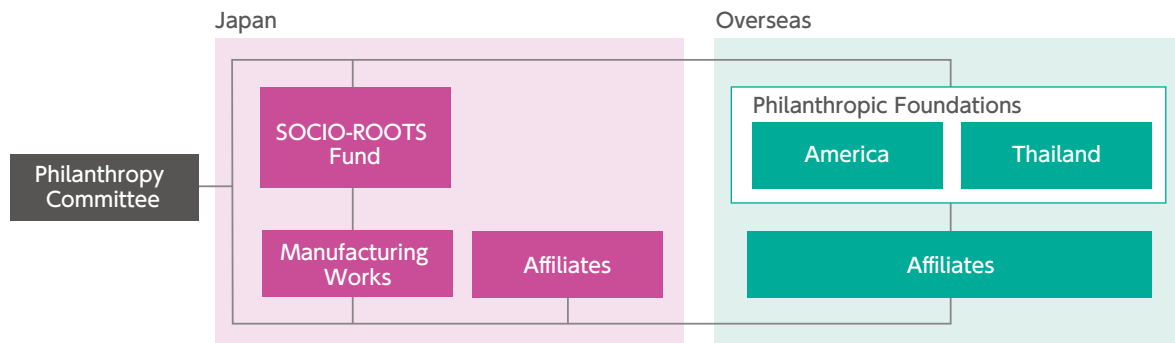
Our Philosophy on Philanthropic Activities

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.

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.

Philanthropy Promotion Framework



In 1990, the Philanthropy Committee was organized to commence Company-wide philanthropic activities, including the Mitsubishi Electric SOCIO-ROOTS Fund, based on social contribution activities that had previously been individually implemented by each office. In 1991, foundations were founded in the United States and Thailand to contribute to philanthropy in the social

welfare and science and technology sectors in the two countries. Since organizing the Philanthropy Committee, Mitsubishi Electric has actively promoted community-based activities, and has carried out diverse philanthropic activities through its offices in Japan, as well as through affiliated companies in Japan and overseas.

Engaging in Philanthropic Activities in Four Key Areas

Community-based activities		Activities that develop next-generation human resources	
<p>Social Welfare</p> <p>We support people with disabilities and senior citizens mainly through the Mitsubishi Electric SOCIO-ROOTS Fund. Many employees participate in this program every year, and have made donations to a total of more than 1,900 social welfare facilities.</p>	<p>Global Environmental Conservation</p> <p>We encourage our employees to participate in Satoyama Woodland Preservation Projects for restoring natural environments in areas where Mitsubishi Electric offices are located, so that they may gain an awareness of the environmental burden that is generated through our daily business activities and exemplify the importance of environmental conservation through their actions.</p>	<p>Science and Technology</p> <p>To support the ambitions and inquisitive minds of youth who will play an important role in the development of technologies for the next generation, we teach children about the key technologies behind Mitsubishi Electric's products in an easy-to-understand manner through on-demand lessons, workshops, and science lessons.</p>	<p>Culture and Arts, Sports</p> <p>We also convey to children and people around the world the excitement of culture and sports, which extend on a global scale and bring enjoyment and fulfillment to people's lives.</p>

Social Welfare

■ Mitsubishi Electric SOCIO-ROOTS Fund

—Overview—

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2017, the Fund has provided more than 12 billion yen to some 1,900 various social welfare facilities and programs. Branches have been set up at each of our business sites across Japan so that employees can provide monetary gifts that benefit social welfare facilities in their community. Community chest of in each prefecture have cooperated since the Fund's inception to provide referrals to donation recipients and information about

community needs.

The Fund will continue to steadily support grass roots activities, as its name indicates, so that it can help to create smiles with big support that consists of consideration shown to people in need by each employees.

Donations

Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines.

Donation of "talking TVs" —Products that exhibit our strengths—



We have donated our "REAL" LCD TVs (talking TVs)—which can read digital programming and the setup menu aloud—to schools for the blind in order to assist people with visual impairments.

Assistance that Delivers Our Commitment —Conveying the Good Intentions of Employees with a Smile—



We provide assistance to not only facilities supporting people with disabilities, but also nurseries, maternal and child living support facilities, foster homes, and assisted living facilities. Through presentation ceremonies, we strive to convey the feelings of our employees and provide support that people can put a face to. Messages of thanks from these facilities are a big motivator for our activities and always put a smile on employees' faces.

Donations for the Great East Japan Earthquake

—Activities prompted by our employees—



In response to requests from our employees, we are making ongoing efforts to support children affected by the earthquake. As of March 31, 2017, we have donated a sum of 133.5 million yen since the program began in FY2012.

Global Environmental Conservation

■ Employees participation program "Woodland Preservation Project"

—Overview—

We 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.

The aim of this project is to repay nature for its various bounties and for cultivating diverse life, and to contribute

to the communities where our business sites are located. Under the key words "simple" and "sustained," these activities are taking place throughout Japan in phases. Employees put in physical effort to participate in building a safe and secure community, which also helps to broaden communication with the local community.



Activities on remote islands suffering from depopulation



Recovering Abandoned farmland



Furusato Forest Supporters of the Kanetsukidosan Furusato Forest



Restoring the natural woodlands of Mt. Fuji



Mitsubishi Electric Outdoor Classroom

Science and Technology

Science Workshops

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.

Through participation in experiments and quizzes, the children learn while enjoying science, and experience the application of the basic scientific principles that they learn in the classroom in household appliances and various everyday equipment. Also, it is an opportunity for employees who serve as lecturers to look back on their work.



Experiment to see the three primary colors of light



Making a light kaleidoscope



Magnet experiment for learning about the basics of electronic power steering

Activities by Mitsubishi Electric's Sports Teams

Basketball

Nagoya Diamond Dolphins and Mitsubishi Electric Koalas, actively engage in activities to promote basketball, such as regularly sending their coaches and players to basketball workshops held throughout Japan for primary and junior high school students.



Basketball workshop

American football

The company's American football players put their physical strength to use as volunteers to clean team's hometown and help restore areas affected by the Great East Japan Earthquake.



Cleaning of fallen leaves and sludge collected in a pond in the park

Tennis

Professional players and employees who belong to Mitsubishi Electric's Tennis Japan League team "Mitsubishi Electric Falcons" sponsor tennis workshops throughout Japan. Also, through wheelchair tennis and blind tennis, people with/without disabilities interact learning the importance of deepening mutual understanding.



Event involving blind tennis players

Badminton

Our badminton team in the Japan League, called Diamond Wings, engages in activities to promote badminton and contribute to the local community mainly in Hyogo prefecture, where the team is based. It helps train athletes and shares the excitement of badminton by holding training sessions and allowing high school students to participate in practices.



Badminton workshop

Culture and Arts

■ Mouth and Foot Painting Artists of the World Exhibition

Every year, Mitsubishi Electric Building Techno-Service Co., Ltd. sponsors "Mouth and Foot Painting Artists of the World Exhibition" throughout Japan. As the title indicates, the exhibition features paintings by artists around the world who are deprived of the use of their hands, and thus paint using their mouths or feet to hold a paintbrush. The company encountered paintings drawn by artists belonging to the Association of Mouth and Foot Painting Artists of the World for the first time in 1991, when it purchased paintings to put on the wall of a lodging attached to a training facility in Kodaira city, Tokyo. Employees who saw these paintings were so impressed with the pieces that were laboriously painted by such artists, that they hosted an informal painting exhibition in the training facility in 1992. The response to this exhibition was so overwhelmingly positive that it came to be held throughout Japan starting in 1994. Promotional activities for the event are being continued by volunteers including the company employees and their families.



Mouth and Foot Painting Artists of the World Exhibition

Mitsubishi Electric Foundations

Mitsubishi Electric America Foundation

Summary

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. Compared to about 70% of people without disabilities who are engaged in the workforce, the employment rate of young people with disabilities was about 21%. 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.

Example of support

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).



Students with disabilities learn employment skills

Mitsubishi Electric Thai Foundation

Summary

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 focuses on new volunteer activities in collaboration with the Thai Philanthropic Committee, which was newly established in 2015 to implement more effective activities throughout the Group.

Example of activities

Since 1993, scholarships have been awarded to students at four engineering universities. Aimed at students who have excellent grades, but have difficulties in studying due to economic circumstances, the scholarships help to develop Thai science and technology.

Also, since 1999 the Foundation has granted a sum of money for school lunch to 30 elementary schools recommended by the Thai Ministry of Education.



A student with disabilities enjoying work

Collaboration with U.S. employees

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.

* 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).



Scholarship presentation ceremony

■ Collaboration with Thai employees

In addition to the tree-planting activities we implemented as a Group in the past, in 2016 we have carried out 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)



Science classroom for elementary school students

Overseas Activities



Educational program on renewable energy (UK)



Support for the Special Olympics (Italy)



Sponsoring a music festival "El Primer Palau" (Spain)



Supporting breeding of Formosan Sika deer, an endangered species and fostering the next generation of artists (Taiwan)



Educational support for underprivileged children (Colombia)



Joint afforestation activities involving three local sites (Indonesia)

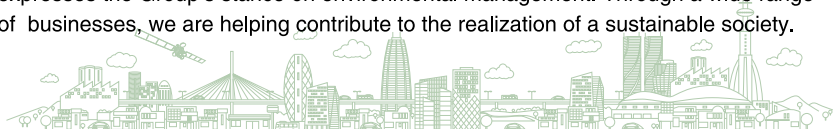
MITSUBISHI ELECTRIC CORPORATION

<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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