

The Mitsubishi Electric Group believes that Corporate Social Responsibility (CSR) initiatives sustain the foundation for the Company's business endeavors. The Group's Corporate Mission and its Seven Guiding Principles form its basic CSR policies. The Mitsubishi Electric Group is especially thorough in its measures related to corporate ethics and compliance, working to improve educational programs and strengthen its internal control structure. Mitsubishi Electric is undertaking active initiatives in the areas of quality management, environmental preservation, philanthropy and improved communication with all stakeholders.

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, we enhance the quality of life in our society. To this end, all members of the Group will pursue the following Seven Guiding Principles.

Seven Guiding Principles

Trust, Quality, Technology, Citizenship, Ethics, Environment and Growth

Compliance

Formulating and Familiarizing Employees with the Corporate Ethics and Compliance Statement

Mitsubishi Electric first clarified and formulated its code of corporate ethics in April 1990. The code has since undergone a series of revisions to reflect amendments to legislation and changes in the social environment. In 2001, we released the Corporate Ethics and Compliance Statement, which identifies six basic policies: compliance with the law, respect for human rights, contribution to society, collaboration and harmonization with the community, consideration of environmental issues and awareness of personal integrity.

To raise awareness of this statement throughout Mitsubishi Electric, we not only display posters but hand out cards for each employee in Japan to carry. We have also distributed to every Mitsubishi Electric Group employee a booklet titled "Corporate Ethics and Compliance Code of Conduct," which contains the Corporate Ethics and Compliance Statement and specific action policies. The booklet has been revised four times to reflect revisions of laws and changes in society. The most recent version was issued in March 2007.

Compliance Structure

Chaired by an executive officer responsible for legal affairs, the Corporate Compliance Committee formulates across-the-board policies and action codes for the employees regarding corporate ethics and compliance activities in the Mitsubishi Electric Group worldwide. Established in 1991, the same year in which Nippon Keidanren created its Corporate Conduct Charter, the Corporate Compliance Committee holds regular meetings two times per year and extraordinary meetings as needed.

In April 2007, Mitsubishi Electric has further clarified the inextricable link between compliance and business promotion, reinforcing its primary compliance promotion systems in each division and the organizations that support them.

In each division and at each operational site, we have established a compliance promotion committee that determines specific measures regarding compliance in its own department. At the same time, at all organization levels in each business division and at each operational site, we have appointed group compliance managers, compliance managers and compliance leaders. In divisions and at operational sites, compliance managers and compliance leaders regularly hold compliance coordinating meetings.

In April 2007, the title of "legal manager" was changed to "compliance manager" in order to promote compliance in a broader sense that includes corporate ethics as well as legal compliance.

In international operations, Mitsubishi Electric Group companies formulate their own corporate ethics codes based upon the Corporate

Ethics and Compliance Code of Conduct, taking into account local laws, culture and customs. In addition, compliance meetings are held in an effort to thoroughly entrench compliance concepts.

Risk Management

Risk Management Structure

The risk management system is constructed so that each executive officer possesses responsibility for his assigned duties.

In addition, important management implementations are discussed and decided by all the executive officers in the executive officers' meetings. The synergistic effect of all executive officers participating in management and information creates a multi-dimensional risk management system.

Promoting Risk Management and Strengthening Internal Controls

To fulfill its obligations to stakeholders, Mitsubishi Electric makes every effort to minimize business risks and to avert the occurrence of incidents in such areas as ethics, compliance, environment, product quality and others that significantly affect society, working to discover risks as early as possible and formulating countermeasures.

From fiscal 2008, the Financial Instruments and Exchange Law will mandate the introduction of an internal control reporting system, requiring enhancement of internal control frameworks. In order to ensure reliability in Group financial reporting, the Mitsubishi Electric Group established an organization in July 2006 to promote the construction of an internal control system. This organization continues to reinforce the Group's internal control structure.

Quality Management Principles and System

The Mitsubishi Electric Group made "Service through Quality" its corporate motto in 1952. This spirit has been faithfully passed on and is reflected today in our four basic quality assurance principles.

Based upon these principles, we have established a system for quality assurance and improvement activities throughout the entire Group and formulated quality assurance guidelines. We comply with quality assurance legislation and standards and are working to further develop quality improvement activities.

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

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 good 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 the product quality.

Philanthropic Activities

The Mitsubishi Electric Group undertakes philanthropic activities concentrated in the five areas of social welfare, local contributions, environment preservation, advances in scientific technologies, and support of sports and culture.

SOCIO-ROOTS Fund

Established in 1992, the SOCIO-ROOTS Fund is a matching-gift program in which the Company matches any donation made by an employee, thus doubling the goodwill of the gift. The fund receives donations from over 1,000 employees every year. As of March 2007,

over 1,000 donations totaling approximately ¥470 million had been made to social welfare facilities and other causes. In the fiscal year under review, Mitsubishi Electric provided relief funds, washers and driers to support victims of the earthquake in Japan's Noto Peninsula.



Mitsubishi Electric donated a compact car to the Fukuin-ryo children's advocacy facility in Setagaya-ku, Tokyo

Foundations

Founded in 1991, the Mitsubishi Electric America Foundation (MEAF) serves children and youth with disabilities in the U.S. In 2000, Mitsubishi Electric was recognized for its support of the internship program of the American Foundation for the Blind, becoming the first Japanese company to win the prestigious Helen Keller Achievement Award.

The Mitsubishi Electric Thailand Foundation, also established in 1991, grants scholarship payments to university students and conducts school lunch support programs at elementary schools.



Since 1992, the Mitsubishi Electric Thai Foundation has provided scholarships to support engineering students facing economic hardships at Thailand's Chulalongkorn University, Kasetsart University and Thammasat University. With the cooperation of the Thai Ministry of Education, the foundation has conducted school lunch support programs for impoverished elementary school students who otherwise go without school lunches. The foundation is implementing a number of philanthropic activities.

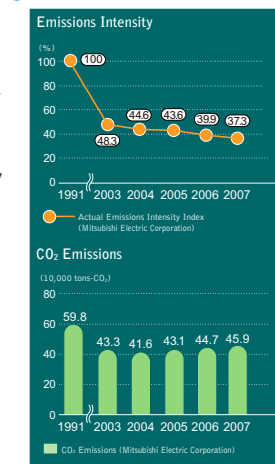
Environmental Activities

Activities to Prevent Global Warming

Reducing CO2 Emissions

Mitsubishi Electric has set the voluntary target of reducing its carbon equivalent energy per net sales unit by 60% or more by fiscal 2010, versus fiscal 1991. To achieve this goal, we are aiming to reduce CO2 emissions by 33,000 tons from the year ended March 31, 2007 to the year ending March 31, 2011 under our Fifth Environmental Plan.

The Company's CO2 emissions in manufacturing activities during the fiscal year ended March 31, 2007 amounted to 459,000 tons, a reduction of 63% compared to fiscal 1991 in terms of carbon equivalent energy per net sales unit.



Action Plan

Measures to reduce CO2 emissions include the introduction of high-efficiency equipment, our Energy-loss Minimum (EM) Initiatives to reduce loss through concrete visual data showing energy use in manufacturing processes or by equipment, and the promotion of a shift in fuel usage. In the fiscal year under review, Mitsubishi Electric invested a total of ¥2.66 billion on these three initiatives and cut CO2 emissions by a total of 10,052 tons.

Development of Eco-Products

Based upon its MET* perspective, Mitsubishi Electric is working to assess the environmental impact of its products through their entire

life cycle and promoting design for environment (DFE) activities. Among products being developed as part of DFE activities, those products that attain outstanding eco-friendly standards are recognized as eco-products. Among Mitsubishi Electric's total of 166 product categories in the fiscal year under review, 79 were developed as part of DFE activities, and 82% of these were designated as eco-products.

*The MET perspective is defined as follows.
 M (Material): Efficient use of materials
 E (Energy): Efficient use of energy
 T (Toxicity): Eliminate disposal of substances that pose environmental risk

Eco-Products "Eco Cute"

Winner of the Chairman's Award at the 2006 Energy Conservation Awards (January 2007). Power consumption is approximately one-third that of conventional heat pump electric water heaters.



Nature Conservation Activities

Launched Training of "Nature Conservation Leaders"

From the year ended March 31, 2007, Mitsubishi Electric began training "nature conservation leaders" to promote nature conservation education in local areas. In addition to raising environmental awareness among both employees and their families, we aim to foster children's interest in science through hands-on observation of nature.



Nature conservation leaders

Communication with Stakeholders

Mitsubishi Electric is expanding communication activities to promote understanding of its stance on CSR as seen through its products and businesses. As concern about preventing global warming increases, Mitsubishi Electric is participating in eco-product exhibits throughout Japan and in other nations, in addition to promoting its eco-products through advertising.

To show the ways in which the Mitsubishi Electric Group's vast array of technologies supports the creation of a better society, we exhibited at CEATEC Japan 2006 under the theme of "Mitsubishi Electric AVN* Solutions: Linked by Technology from Social Infrastructure to Home-Use." We are also running a series of advertisements around the theme of "amazed with technology."

*AVN: Audio Visual Network



Eco-Products Fair 2006



"Amazed with technology" advertisement (15th in series): "Water treatment technology"

More information about the Mitsubishi Electric Group's environmental and CSR initiatives is available on our website at the following URL:
<http://Global.MitsubishiElectric.com/company/csr/index.html>