

G: Governance

■ Corporate Governance

■ Basic Corporate Governance Policy

While maintaining the flexibility of its operations and promoting management transparency, Mitsubishi Electric, as a Company with Three-committee System, works to strengthen the supervisory functions of management with the goal of realizing sustained growth. Our fundamental policy is to build and improve a corporate structure that is more able to meet the expectations of society, customers, shareholders, employees and all of its stakeholders while endeavoring to further increase corporate value.

■ Corporate Management and Governance Structure

Corporate Management Structure

In June 2003, Mitsubishi Electric became a Company with Three-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.

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.

The present Board of Directors 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 by executing their duties based on the objectives and authority of the Companies Act, as well as by delegating to Executive Officers the decision authority for executing all operations, except the matters listed in the items of paragraphs 1 and 4 of Article 416 of the Companies Act.

The Board of Directors has three internal bodies: the Nomination, Audit and Compensation Committees. Each body has five members, the majority of whom are Outside Directors, who are chosen by the Board of Directors taking into account the experience and specialties of each person. Each Committee undertakes its duties based on the objectives and authority of the Companies Act.

The bureaus have been established for the Board of Directors and each of the Committees to support directors. The Audit Committee is supported by dedicated independent staff.

Executive Officers make decisions about the execution of operations on matters delegated by the Board of Directors within the range of duties allocated to each Executive Officer based on the objectives and authority of the Companies Act, and then execute such operations. Important items among such matters delegated by the Board of Directors are deliberated and decided upon in Executive Officers' meetings attended by all Executive Officers.

Internal Control System

(1) For the execution of the duties of the Audit Committee, its independence is secured by assigning employees whose job is exclusively to assist the Audit Committee members. In addition, internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members are established and such expenses and debts are properly processed.

A system for reporting to the Audit Committee is developed to report information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control, and an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the Audit Committee members attend important meetings including Executive Officers' meetings and conduct investigations such as interviews with Executive Officer and the executives of the Company's offices and subsidiaries, and undertake deliberations to determine audit policies, methods, implementation status, and results of the audit by regularly receiving reports from the Independent Auditor and Executive Officers in charge of audits.

■ Corporate Governance Framework



(2) Internal regulations and systems to ensure the properness of operations within the Mitsubishi Electric Group are established. Executive Officers take responsibility for constructing such systems within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings.

Executive Officers regularly monitor the status of management of the systems. The divisions in charge of internal control monitor the status of design and management of internal control system and regulations. Also an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the status of management of the system is audited by internal auditors, and the audit results are reported regularly to the Audit Committee via Executive Officers in charge of audit.

Audit Committee

1. Organization, members, and procedures of the Audit Committee

The Audit Committee is made up of five directors, three of whom are outside directors. The Committee audits the legality, adequacy, and efficiency of the execution of the duties by directors and Executive Officers and creates an audit report to be submitted to the shareholders' meeting with its resolution.

Masahiko Sagawa, member of the Audit Committee, has long years of experience in the accounting and financial operations of the Company and its affiliates. Kazunori Watanabe, a member of the Audit Committee, is a Certified Public Accountant and has a considerable degree of knowledge about finance and accounting.

The Audit Committee has four dedicated staffers who take direct orders from Audit Committee members and support them in executing their duties.

2. Frequency of the Audit Committee meeting and attendance of each Audit Committee member

In fiscal 2020, Mitsubishi Electric held the regular Audit Committee meeting basically once a month (and one special meeting). One meeting took about two hours. The attendance of each Audit Committee member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Director (full-time)	Akihiro Matsuyama	13/13	100%
Director (full-time)	Masahiko Sagawa	13/13	100%
Outside director	Hiroshi Obayashi	13/13	100%
Outside director	Kazunori Watanabe	13/13	100%
Outside director	Takashi Oyamada	11/11	100%

Notes: 1. Out of the above members, Akihiro Matsuyama and Masahiko Sagawa are responsible for investigation.

2. Because Takashi Oyamada was appointed as an outside director on June 27, 2019, his attendance after his appointment is shown.

3. Akihiro Matsuyama retired on June 26, 2020.

3. Activities of the Audit Committee members

The Audit Committee members—mainly those responsible for investigation (full-time Audit Committee members)—attend Executive Officers' meetings and other such important conferences, and conduct interviews and surveys of Executive Officers and the executive staff of Mitsubishi Electric offices and affiliates in accordance with the policies and assignments agreed upon the Committee.

Divisions in charge of internal control, including the Corporate Auditing Division, submit internal audit reports to the Audit Committee members, who hold meetings such as those to discuss internal audit policies and periodic report meetings to exchange opinions. Outside Audit Committee members visit our offices, affiliates, and other locations with the members responsible for investigation as needed and offer their opinions based on their expert knowledge at the Audit Committee meeting and other occasions.

In addition, the Audit Committee members discuss policies and methods of auditing with accounting auditors, who furnish them with reports on the status and results of the audits of the Company that they themselves conduct, and exchange opinions with them.

4. Agenda of the Audit Committee

The main agenda of the Audit Committee include the determination of audit policies and activity planning, check on the execution of the duties by directors and Executive Officers and the establishment and operation of the internal control system, check on methods of auditing by accounting auditors and validity of results, and evaluation of accounting auditors and decision on whether to reappoint them.

Especially in fiscal 2020, the Audit Committee focused on checking and verifying how the Mitsubishi Electric Group had strengthened its business foundation including the internal control and compliance systems and the business platform that supports profitability, improved the cash flow through the streamlining of assets, and worked on activities such as the proper handling of quality issues and "Work Style Reforms" with an aim to improve the mid- and long-term corporate value of the Group.

As the Mitsubishi Electric Group is committed to contribute to the achievement of the SDGs to solve diverse social challenges, the Audit Committee also checked and verified the Group's contribution through business as well as the efforts in the environment, CSR, and other fields.

In fiscal 2020, labor issues, improper quality-related conduct, the possibility of information leakage due to unauthorized access, and other issues have become clear at the Group. The Audit Committee has confirmed that the Executive Officers are formulating and implementing measures to prevent recurrence based on the analysis of the cause of each issue, and will closely monitor the response to each issue and the progress thereof going forward.

5. Effectiveness evaluation of the Audit Committee

The Audit Committee conducts evaluation to improve performance every year. In the Audit Committee review in fiscal 2020, outside Audit Committee members concluded that the members responsible for investigation (full-time Audit Committee members) periodically report their activity results and that management information is properly shared in a timely manner in the Audit Committee. Although we believe that this evaluation in effect endorses the performance of the Audit Committee, we will continue to make efforts to improve performance.

Status of Internal Audit

1. Organization, members, and procedures for internal audit

An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its affiliates in Japan and overseas by improving management efficiency, strengthening risk management, thoroughly observing the code of corporate ethics and ensuring compliance, and enhancing internal control.

With approximately 60 members acting independently in Japan and overseas, 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 extensive knowledge of their particular fields, assigned from relevant business units. The Corporate Auditing Division reports the results of such audits to the President & CEO and the Audit Committee.

2. Relationship with the divisions in charge of internal control

In the Mitsubishi Electric Group, the administration divisions such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Compliance Division, and the Corporate Export Control Division inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each business division has its own compliance department, which reliably spreads companywide compliance policies and inspects the compliance status in each business division.

The Corporate Auditing Division internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the establishment of internal whistle-blower system and financial review, and mutually exchanges necessary information with each division in charge of internal control.

3. Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit

The Corporate Auditing Division reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

The Corporate Auditing Division also reports internal audit results to the accounting auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

■ 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.
- Points for improvement of policies based on previous reviews of the Board of Directors
- Opinions about and points for improvement in the method for reviewing the Board of Directors, etc.

As a result of the Board of Directors review, the Board of Directors was evaluated as making ongoing and effective improvements in response to the results of annual reviews, and achieving even better results on each occasion with respect to timely and appropriate management information sharing with Executive Officers, which is essential for the Board to properly fulfill its supervisory function. The review also concludes that this persistent improvement has stimulated discussion and opinion exchange more than ever.

Although we believe that this evaluation in effect endorses the performance of the Board of Directors, we will continue to improve its operation and attempt to further improve the performance of the Board by sharing management information, further upgrading discussion, particularly on mid- and long-term business strategies, between the supervisory and executive sides based on the shared information, and analyzing review results in more detail through individual interviews and other efforts.

■ Policies Regarding Decisions on Compensation, etc.

1. Basic Policies

- (1) As a Company with Three-Committee System, the Company has separate functions for the supervision and execution of business, with the Board of Directors undertaking the business supervisory function, and Executive Officers, the business execution function. Accordingly, Directors and Executive Officers have separate compensation schemes according to the content and responsibilities of their duties.
- (2) 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 payment of a retirement benefit upon resignation.
- (3) 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 a retirement benefit upon resignation. The basic policies of such performance-based compensation are as follows:
 - 1) Compensation for the improvement of business performance over the mid- to long-term, and that increases awareness regarding contributing to increased corporate value
 - 2) Compensation that is closely linked to the Company's performance and highly transparent and objective
 - 3) Compensation focused on sharing profits with shareholders and increasing awareness of management that gives weight to shareholder benefits
- (4) In order to introduce an objective perspective from outside the Company and expert knowledge about the Directors' and Executive Officers' compensation scheme, the Company will hire an external remuneration consultant, and with the support of the consultant it will consider the compensation levels and compensation schemes by taking into account external data on the compensation of major companies in Japan operating globally, domestic economic environment, industry trends, and the Company's conditions, etc.

2. Compensation Scheme for Directors and Executive Officers and Policies Regarding Decisions on Compensation, etc.

- (1) Compensation scheme for Directors
 - 1) 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.
 - 2) Directors will receive the retirement benefit upon 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.

(2) Compensation scheme for Executive Officers

- 1) 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, etc.
 - 2) Performance-based compensation will be as follows:
 - The Mitsubishi Electric Group has been pursuing sustainable growth by maintaining Balanced Corporate Management based on three perspectives: growth, profitability and efficiency, and soundness. In line with its efforts to further increase corporate value, the Group has set its growth targets for fiscal 2021 as consolidated net sales of ¥5.0 trillion or more, and an operating income ratio of 8% or more. The payment base amount for performance-based compensation will be determined based on the consolidated business performance (Net profit attributable to Mitsubishi Electric Corp. stockholders) while taking into account the Group's management policy and targets.
 - The payment amount of each Executive Officer will be determined, within the range of $\pm 20\%$ of the payment base amount while taking into account the performance of the business to which the respective Executive Officer is assigned, etc.
 - With the purposes of meshing the interests 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, for the compensation paid in the form of shares, the Company shares will be issued after a three-year waiting period. In addition, The shares are required to continue holding the shares until 1 year has passed from resignation.
 - 3) 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.
- (3) Decision-making process, etc.
- Policies regarding decisions on compensation, etc. of Directors and Executive Officers and individual compensation details based on the policies will be made through resolutions by the Compensation Committee, which the majority of the members are Outside Directors. The details of activities of the Compensation Committee will be reported to the Board of Directors each time an activity is performed.



*For the amount of compensation given to Directors and Executive Officers, please refer to the Annual Security Report.
https://www.MitsubishiElectric.com/en/investors/library/securities_report/

■ Outside Directors

Outside Directors

The Company has five Outside Directors, each of whom has no special interest with the Company. Although companies in which each of the Outside Directors holds office in or has been a director or officer of include those with trading relationships with the Company, no such relationships have an impact on the independence of each relevant Outside Directors based on the scale or nature of such trading, and thus they possess no risk of giving rise to any conflict of interest with the general shareholders of the Company.

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 note at 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 Nomination Committee.

■ Independence 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. 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

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the audit committee, accounting auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable comments regarding Mitsubishi Electric's management from an objective perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

Outside Directors (as of June 26, 2020)

Title	Name	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2020)
Outside Director	Mitoji Yabunaka 	Chairman 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% (7/7)
Outside Director	Hiroshi Obayashi 	Member of the Nomination Committee Chairman 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% (7/7)
Outside Director	Kazunori Watanabe 	Member of the Audit Committee Chairman 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% (7/7)
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% (7/7)
Outside Director	Takashi Oyamada 	Member of the Nomination Committee Member of the Audit Committee	Mr. Oyamada'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 oversight of the Company's business operations.	100% (5/5)

Mitsubishi Electric Corporation held seven Board of Directors meetings during fiscal 2020.

The status of attendance for Mr. Takashi Oyamada, Outside Director, is based on the number of the Board or Directors meetings held after he assumed office on June 27, 2019.

■ Status of Stocks Held

Status of Stocks Held

1. Criteria and Approach on Classification of Stocks for Investment

With regard to the classification of stocks for investment held for pure investment purposes and stocks for investment held for purposes other than pure investment, the Company classifies stocks held solely for profit purposes from changes in the stock value or dividends on stock as pure investment. There are no stocks held solely for pure investment.

2. Stocks for Investment Held for Purposes Other Than Pure Investment Purposes

The Company holds stocks that are determined to be necessary for business operations, taking into consideration maintaining and strengthening relationships with business partners. The Company comprehensively judges whether or not stocks held are significant, from the viewpoint of their profitability, business feasibility, holding risks, and other aspects are verified and confirmed yearly in the Executive Officers' meeting and in the Board of Directors' meet-

ing. Furthermore, the Company performs verifications with regard to profitability, as to whether the income gained from related businesses and total dividends received are reaching a level above the capital cost, with regard to business feasibility, whether there are not any significant changes in business relationships or amounts of transactions, etc., and with regard to holding risks, whether the corporate value of the investee has fallen or not. When stocks are thus judged to have a low holding significance, the Company considers the reduction thereof such as by selling them, taking into consideration the situation of the company concerned.



*For the Status of Stocks Held, please refer to the Annual Security Report. https://www.MitsubishiElectric.com/en/investors/library/securities_report/

Compliance

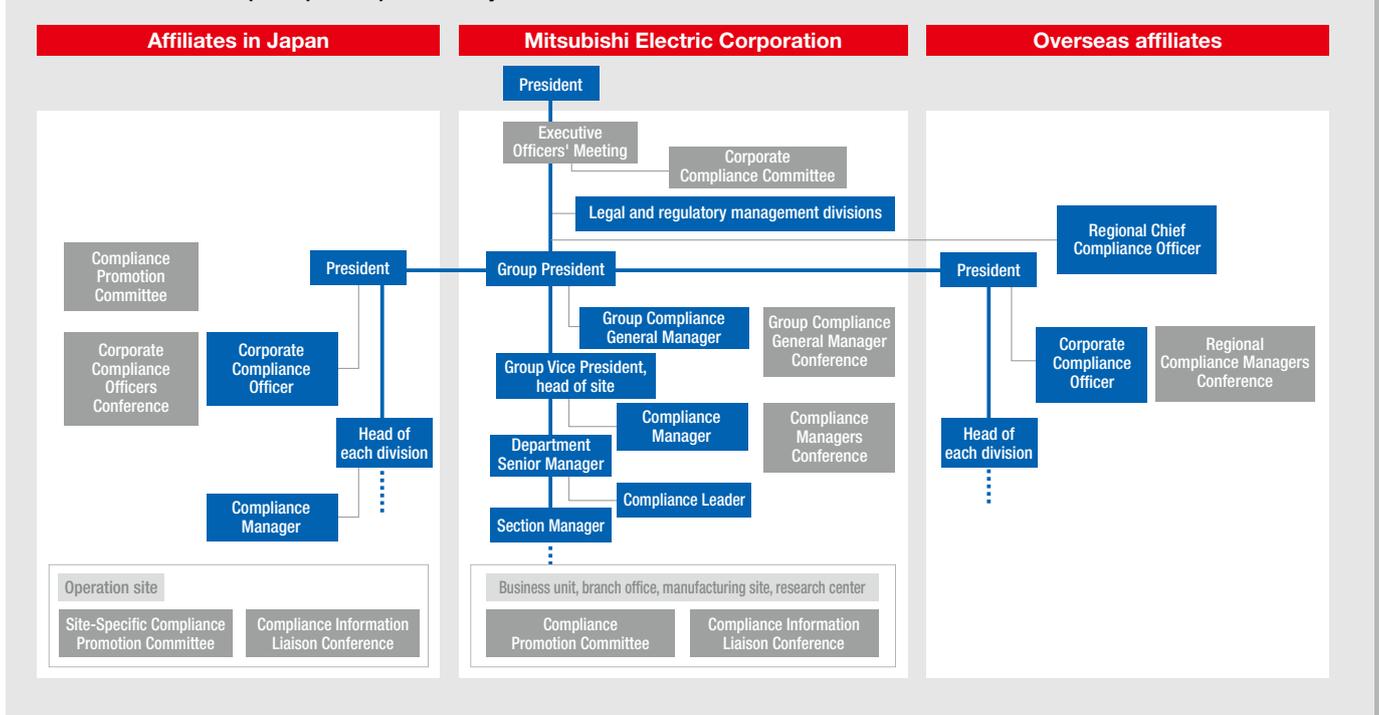
Our Concept of Compliance

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.

Mitsubishi Electric Group compliance promotion system



Risk Management

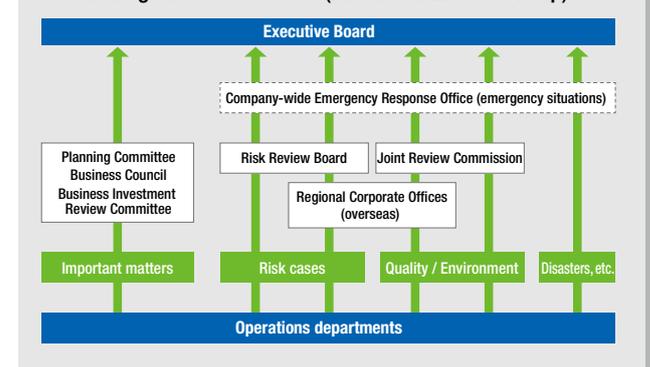
Risk Management Framework

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.

Risk Management Framework (Mitsubishi Electric Group)



Our Approach to Information Security

Basic Policy

In January 2020, Mitsubishi Electric reported a data leak incident caused by unauthorized access to its system, which has resulted in inconvenience and concern for customers and society. After also reflecting on guidance from the Personal Information Protection Commission received in December 2019 concerning the handling of personal information obtained through recruitment activities, the Mitsubishi Electric Group will continue to strengthen its information security measures* to prevent such a situation from occurring again. We also will strengthen the measures considering the general trend toward teleworking and cloud-based business models.

Mitsubishi Electric manages confidential corporate information relating to sales, engineering, intellectual property, and other areas, as well as information entrusted to the company by its customers and stakeholders. This is carried out based on the Declaration of Confidential Corporate Information Security Management established in February 2005. In light of events in fiscal 2019, we will once again work to increase awareness of this declaration within the Mitsubishi Electric Group and strive to protect and manage information even more carefully.

* Information security measures: These include technical measures from the four perspectives of intrusion blocking, containment, leak prevention, and global response, as well as human resource measures such as enhancement of employee training, and organizational measures on operation quality improvement, including thorough document management and framework upgrading.

Framework and guidelines

In April 2020, a new “Corporate Information Security Division” was established under the direct control of the president, to oversee all the Group’s information security management. It has integrated three functions that were previously separate: management of confidential corporate information and personal data protection, information system security, and product security.

The Executive Officer in charge of Information Security is responsible for the Group’s overall information security management. Under this officer’s direction, the Corporate Information Security Division is in charge of planning and implementing the Group’s information security management structure and rules as well as activities to ensure the security of information systems. The Division is striving to ensure information security by working closely with each business group and site, which are the organizations that actually utilize and manage the data and systems.

In the event an incident were to occur, reports and instructions would be given in keeping with this framework and appropriate responses would be taken to prevent secondary damage.

Business groups and offices (offices, branches, works [production plants])

issue instructions and guidance on information security to affiliates in and outside Japan. Paying special attention to the circumstances and special characteristics of overseas affiliates, the Corporate Information Security Division places overseas regional representative managers at sites in the Americas, Europe, China, and other Asian countries and coordinates with them to ensure information security.

Personal information protection

In efforts to protect personal information, Mitsubishi Electric first created company rules on personal information protection in October 2001, and since then it has required all employees and affiliated persons to obey those rules strictly. Mitsubishi Electric issued a personal information protection policy in 2004, complying with the requirements of JIS Q 15001:2006 Personal Information Protection Management Systems. In January 2008, we were granted the right 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.

We have also conducted a review of our internal regulations to ensure a proper response to Japan’s amended Act on the Protection of Personal Information, which went into force in May 2017.

Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses. As they are growing increasingly sophisticated and diverse year-by-year, it is becoming difficult to prevent them. The Mitsubishi Electric Group deploys cyber-attack countermeasures through a multilayered defense consisting of a number of different defense measures stacked on top of each other. Furthermore, there are cyber-attacks that cannot be prevented entirely with a multilayered defense alone. Accordingly, we monitor cyber-attacks and have put in place a system to respond immediately should a case occur, in an effort to prevent or minimize damage.

Internet websites are constantly exposed to many external threats, and so we only launch websites that are approved by Mitsubishi Electric in order to maintain high security level.

Potential for leaks of personal data and confidential corporate information due to unauthorized system access

We sincerely apologize for any inconvenience and/or concern experienced by our customers and society as a result of the data leak incident caused by unauthorized system access, as reported in January 2020.

On June 28, 2019, after detecting and investigating suspicious activity involving computer terminals at Mitsubishi Electric, it was determined that data had been taken through unauthorized system access by a third party. The investigation took some time because it was a sophisticated attack that bypassed monitoring and detection measures, and the logs that would have identified the affected files were deleted by the hacker on some terminals. The finding was that personal data and confidential corporate information may have been leaked externally.

The Mitsubishi Electric Group deeply regrets not being able to prevent such a situation, and reaffirms that cyber security is an important management issue as stated in the Cyber Security Management Guidelines of the Ministry of Economy, Trade and Industry. Going forward, we will deploy stronger and more nimble information security measures globally. The Group has established the Corporate Information Security Division, which is a unified organization under the direct control of the president, in order to continually ascertain and manage risks and prevention measures within the Group. We continue to work on information security measures to prevent any such incident from reoccurring. The Group also shares its knowledge to help society as a whole counter today’s increasingly sophisticated and diversified cyber-attacks.

