

Human Rights

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations.

On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any other reason."

As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's "Purpose" and "Our Values," it has established this Human Rights Policy and shall raise awareness of human rights among its members and make sure to properly deal with related incidents in order to ensure that its business activities do not have a negative impact on human rights.

Management System Related to Respecting Human Rights

In order to undertake human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights, etc., the

Mitsubishi Electric Group has been implementing the Plan-Do-Check-Act (PDCA) cycle, in which the results of human rights initiatives are confirmed and policies and plans are considered and approved in a meeting of the Sustainability Committee held every year.

In fiscal 2023, the Group will establish the Human Rights Subcommittee as a permanent organization that is subordinate to the Sustainability Committee to determine potential improvements, solutions for issues, and other matters related to human rights initiatives, and to take rapid action. The Human Rights Subcommittee will be headed by the Senior General Manager of the Sustainability Planning Division, and will be composed of the heads of the Corporate Strategic Planning Division, the Corporate Human Resources Division, the Corporate Purchasing Division, the Corporate Legal & Compliance Division, the Corporate Risk Management Division, the Corporate Economic Security Division, and the Global Planning & Administration Department.

Since human rights issues are related to a broad range of fields, the Group will establish a system for it to clarify the responsible division, work on initiatives, and report the status of progress to the Sustainability Committee. In addition, the Executive Officers and Directors will receive reports on initiatives as necessary and supervise them, thereby strengthening the integration of human rights initiatives.

Human Rights Management

Based on its "Human Rights Policy," the Mitsubishi Electric Group identifies "respect for all people" as materiality and promotes the following initiatives.

Human Rights Impact Assessment

As part of human rights due diligence required by the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group periodically carries out "Human Rights Impact Assessments" in order to assess the impact of the Group's business activities on human rights.

In fiscal 2022, we carried out the second "Human Rights Impact Assessment" of Mitsubishi Electric, affiliates in Japan, and overseas affiliates, covering a total of 417 sites. In addition, we decided to add the "Human Rights" category to the "General Control Self-Check," in which risks that may have material impact on the management are inspected based on the decisions made by the Board of Directors. We also checked the status of progress of the "Human Rights Impact Assessment."

Initiatives Related to Employees' Human Rights

We will respect the human rights of employees and implement initiatives, such as embracing diversity, maintaining a favorable working environment, and ensuring occupational safety and health and mental and physical health, in order to create a work environment where all employees can work actively with a sense of security.

Human Rights Initiatives in the Supply Chain; Joining the RBA

Since fiscal 2019, we have been seeking consent from suppliers to agreement on initiatives for social issues including human rights issues.

In order to enhance the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives, in February 2022 we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in the global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, to promote continuous improvement of our sustainability efforts.



Human rights training

In fiscal 2022, we carried out the following forms of training: "Executive Compliance Seminars," "Human Rights Training for employees involved in sustainability," and "Human Rights Training for new employees and newly appointed managers."

Grievance Handling Mechanism

The Mitsubishi Electric Group has established multiple points of contact to respond to and understand inquiries from various stakeholders, of which main points of contact are listed in the table below. We also receive consultation requests on human rights through them. For each whistleblowing case on human rights risk, the responsible division quickly confirm facts according to the content of consultation. If a violation of human rights, etc. in business activities of the Mitsubishi Electric Group is confirmed, we appropriately respond to the instance by dealing with the victim and considering the punishment of those who engaged in the case in question, etc. as well as promptly making a correction and improvement.

Mitsubishi Electric's main points of contact for whistleblowing/consultation

Service available to	Name of point of contact for whistleblowing/ consultation	Matters to be consulted	Contact
Various stakeholders (customers, people in the community)	"Inquiries on sustainability" and "Other Inquiries" on the Mitsubishi Electric Group official website	<ul style="list-style-type: none"> Inquiries regarding the Mitsubishi Electric Group's sustainability Other various inquiries regarding the Mitsubishi Electric Group's business activities 	<p><Japanese></p> <ul style="list-style-type: none"> Inquiries on sustainability Other Inquiries <p><Global (English)></p> <ul style="list-style-type: none"> Inquiries on sustainability Other Inquiries
Mitsubishi Electric employees, family companies employees*1, suppliers to Mitsubishi Electric*1	Ethics observance hotline	Whistleblowing or consultation regarding organized or individual employees' fraud, legal violation, act of breach of ethics	Internal points of contact/external points of contact (lawyers)*2*
Mitsubishi Electric employees	Points of contact for consultation on sexual harassment, power harassment, etc.	Whistleblowing/ consultation on various types of harassment in Mitsubishi Electric's workplace	Human Resource Div. at each office of Mitsubishi Electric

*1 Limited to whistleblowing that is relevant to Mitsubishi Electric in personal and business aspects.

*2 The points of contact are listed on Mitsubishi Electric's intranet, internal posters, "Code of Corporate Ethics and Compliance," etc.

*3 A whistleblowing system has been established at each domestic and overseas family companies of the Mitsubishi Electric Group.

Human Resources

Basic Policy on Human Resources

Basic Policy

In the Mitsubishi Electric Group Medium-term Management Plan Towards FY2026, the Mitsubishi Electric Group states it will contribute to realizing a vibrant and sustainable society, including response to decarbonization, by increasing the provision of integrated solutions through the strengthening of the business management foundation, promoting digital transformation, and other activities. We place extreme importance in the hiring and development of human resources who have diverse values and abilities toward this end, and we will focus on the following initiatives:

Human resource investment

In Japan, we have been continuing to invest in the hiring of more than 3,000 new graduates and mid-career people every year. We also promote the reinforcement of human resources overseas in an attempt to strengthen our busi-

ness and technology development, marketing, and manufacturing capabilities. We will continue to secure and invest in the necessary human resources for strengthening our business.

Human resource development

With the understanding that "there is no business development or social contribution without the growth of employees," we are investing in education training for all employees while enhancing other measures, and we will conduct personnel rotation for employees' career enhancement in a planned manner.

Workplace culture

We will improve employee engagement and the workplace environment, promote diversity, and engage in other activities to realize a workplace environment where employees can work actively with a sense of security.

Workforce Diversity & Inclusion

Basic Policy

As the business environment around Mitsubishi Electric Group is rapidly changing, 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.

Promotion Framework

To enrich the personal lives and build the careers of women employees and employees who are raising children, Mitsubishi Electric established the CP-Plan* Promotion Center within its Corporate Human Resources Division in April 2006. In April 2021, the Center's name was changed to the Diversity Promotion Office. Various initiatives are being strengthened to create workplaces where employees respect diversity, which includes age, nationality, disabilities, LGBTQ, workstyles, and gender as well as work vibrantly, thereby maximizing their potential at work.

* Career management & Personal life well-balanced Plan

Women's Participation

Mitsubishi Electric formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace* and set the following targets. To achieve these targets under the current action plan, we have created measures such as nurturing young employees by giving them business experience and providing training opportunities in a systematic manner, as well as the proactive dissemination of information regarding various support systems for balancing work and family life.

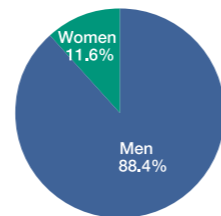
* Act enacted in 2016 which stipulates the responsibilities of the national government, local governments, and general employers in promoting female participation with the aim of realizing a society in which women can fully embody their individuality and abilities.

Mitsubishi Electric's action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Target: FY2026)

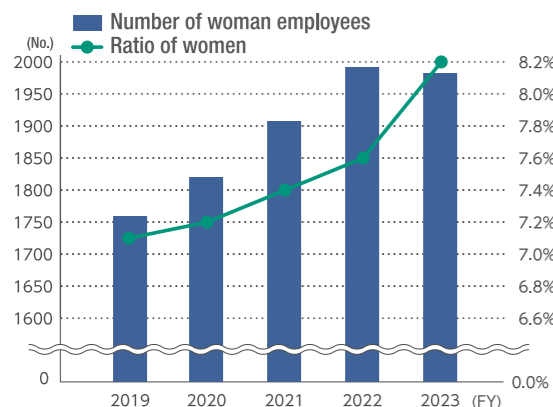
Initiatives	Target	Performance for FY2022
Percentage of women in management	2 times (Compared to FY2021)	1.25 times
Percentage of newly hired women	1.2 times (Compared to the average from FY2017 to FY2021)	1.2 times
Percentage of men on childcare leave*	70%	65.3%

*Includes those who obtained special leave for childcare purposes

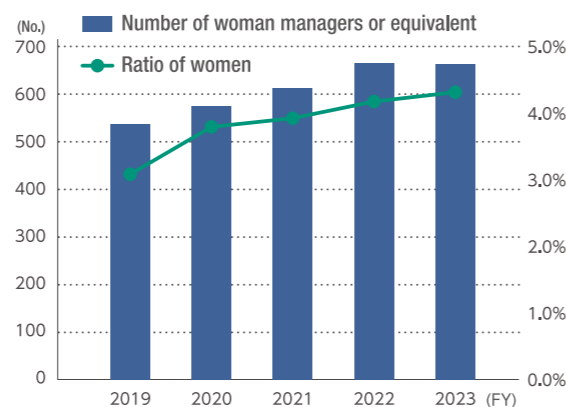
Gender ratio (Mitsubishi Electric)



Trend in the number of woman employees (Mitsubishi Electric)



Trend in the number of woman managers or equivalent (Mitsubishi Electric)



Initiatives for LGBTQ

Mitsubishi Electric respects diversity and promotes initiatives that deepen understanding on sexual diversity (LGBTQ), with the aim of realizing a workplace environment where all individuals can maximize their own ability and work actively. In June 2021, the president sent out a message that we will develop a workplace environment that is comfortable for LGBTQ people and all other employees to work. We have designated June as the Mitsubishi Electric Pride Month and we will conduct initiatives to understand sexual diversity (seminars for the management and human resources divisions to understand LGBTQ, and e-learning for employees). We have established an external contact point for consultation for use by not only LGBTQ people but also their superiors and colleagues at the workplace.

In fiscal 2022, we have designated the Diversity Promotion Office as the secretariat and started activities. We learn the significance of activities. In March 2022, we reviewed the Work Regulations to recognize same-sex marriage partners as spouses and to apply the same systems to these couples as those that are applied to legally married people.

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. While instilling the corporate principles within our group employees and sharing our Values globally, we aim to become a corporate body where all 140,000 employees working in countries around the world can work actively and responsibly and enjoy their work.

Human Resources Development System Supports the Skills Development of Each and Every Employee

The Mitsubishi Electric Group's training system for all employees, including those of group companies, consists of passing down everyday business know-how and acu-

Fair Evaluation and Compensation

Basic Policy

The Mitsubishi Electric Group upholds a management policy, "In addition to realizing corporate management that balances growth, profitability/efficiency, and soundness, we will contribute to realizing sustainability through all of our activities, and further enhance corporate value that emphasizes the creation of both economic and social value," and the Group implements various policies to realize its corporate strategy.

Mitsubishi Electric believes that realizing a workplace environment where all employees can thrive and increasing employee engagement leads to increased motivation and productivity among each employee as well as to greater corporate value.

Efforts to boost employee engagement underlie Mitsubishi Electric's personnel policies. At the same time, the policies described below 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 each 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 func-

Principles for Developing Global Human Resources

Mitsubishi Electric aims to be a global company where human resources from all over the world can work to their full potential. For this purpose, we have produced multilingual videos introducing our history and corporate principles to instill and share our values globally.

In addition, in our overseas affiliates, we are driving promotion of quality international staff to senior management positions with the purpose of enhancing the management of local businesses and improving employee engagement.

Promoting Employment of People with Disabilities

The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities.

In October 2014, Mitsubishi Electric established a corporation, a special subsidiary that specializes in businesses mainly suited to people with intellectual disabilities.

men 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 while proactively holding online seminars. 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 training. 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.

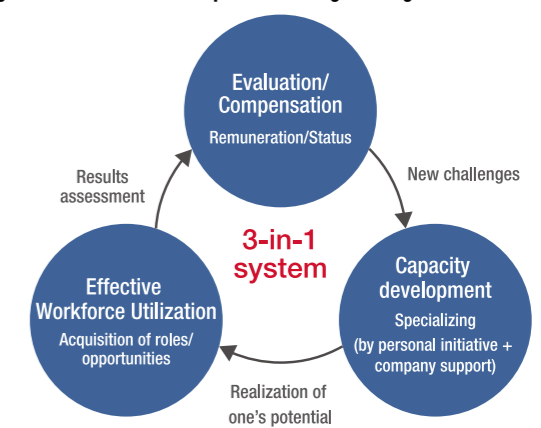
With regard to new graduate employees and mid-career recruits, we provide company orientation and training sessions to elicit their consciousness as workers and educate them on basic knowledge, management principles, compliance, and other matters.

For personnel in managerial positions who are responsible for human resource development, we support the acquisition of skills, including a plan to stimulate communication in the workplace, active listening, and ways of coping with stress, so that they can give appropriate support to each and every employee who works under their immediate control. We will promote the development of core human resources in order to create a workplace with openness for communication.

tioning 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.

Organic combination of components through management enhancements



● Create a Work Environment Where All the Employees can Work Actively with a Sense of Security

Mitsubishi Electric Workplace Reform Program

The Mitsubishi Electric Group takes the multiple work-related issues that it experienced until FY2020 within the Group seriously, and is working on the Mitsubishi Electric Workplace Reform Program that aims at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals.

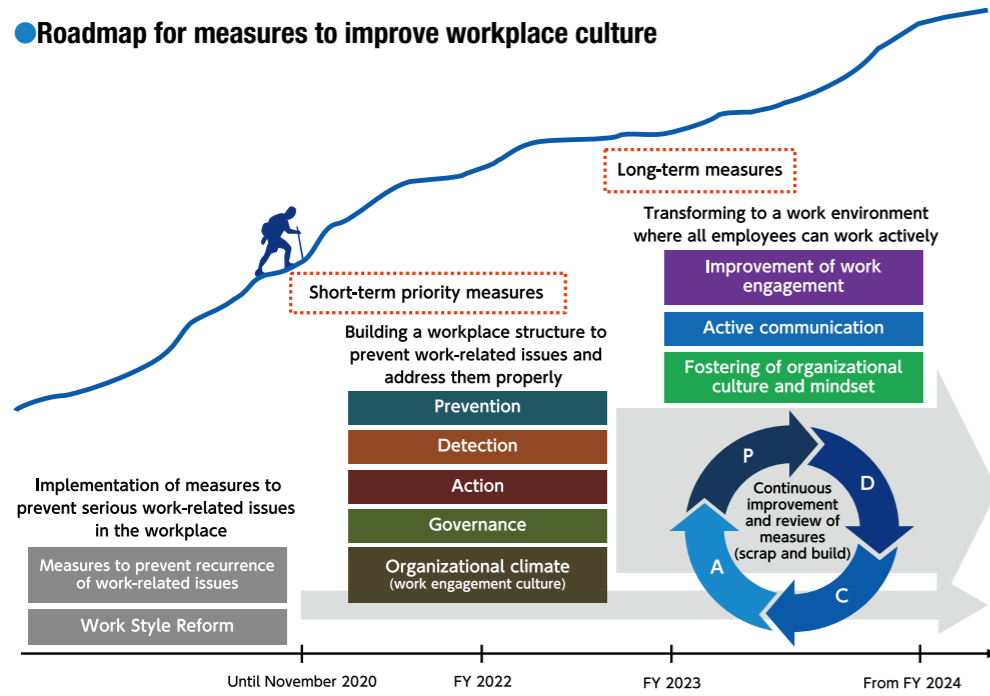
After implementing and applying measures in FY2021, third-party assessments

were conducted by experts. A Verification Committee comprised of representatives from the company, labor union, and external experts was consulted regarding the assessment results and a roadmap of measures for workplace culture improvement is being developed. In FY2022, while continuing to apply the measures that have been implemented, short-term priority measures have been implemented based on this roadmap. In FY2023 onward, we will work to further improve the workplace environment by accelerating the development of organizational culture reforms

among the three reforms as part of measures to prevent recurrence in quality-related improper practices, as well as other long-term initiatives.

Continuing from FY2021, we have implemented a variety of measures especially with regard to eliminating power harassment. In addition to implementing anti-harassment education for all employees, we conducted a monthly employee awareness survey of all employees to check for workplace harassment and whether employees have any problems with their interpersonal relationships in the workplace in order to identify, respond, and improve upon problems at an early stage. If an employee reports harassment, the employee is invited to an interview and measures are taken to correct the situation. Furthermore, we actively disseminated information on the expanded options to ask for help and the point of contact regarding these options, in an attempt to create an environment in which employees can easily seek assistance.

● Roadmap for measures to improve workplace culture



● Short-term priority measures, long-term measures, and progress in the Workplace Reform Program

Category	Item	Measure	Performance for FY2022
Short-term priority measures	Prevention of problems	-Further clarification of the Company's stance on harassment prevention (Adoption of Five Joint Statements of Labor and Management) (Submission by all Directors, Executive Officers, and employees of a declaration to refrain from harassment) , and (Revision of Work Regulations that clearly indicate service provisions) -Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree feedback for managers)	-Implemented (Implementation of initiatives based on the Joint Statements of Labor and Management) -360-degree feedback was conducted for all executive members and some officers (approx. 4,000 members and officers)
	Detection of problems	-Enhanced analysis of employee attitude surveys and stress checks -Improvement of the utilization of the results in the workplace (Formulation and enhancement of guidelines for utilization)	-Implemented (Formulation and dissemination of guidelines)
	Action against problems	-Enhanced support for the return to work by employees with mental health issues (Creating guidelines to welcome employees back to work) -Establishment of a process and system for dealing with work-related issues when they occur (Development of guidelines for measures to address work-related issues and information disclosure to employees, such as information on cases of power harassment)	-Implemented (Creation and dissemination of a guidebook and guide)
	Improvement in governance	-Management that matches the values, abilities, and aptitudes of subordinates (Enhanced training in leadership, coaching, and other skills) -Further participation of leaders in communication and labor management in the workplace	-Implemented (Enhancement of training for newly appointed managers)
	Organizational climate	-Thorough implementation of shared organizational values (e.g., Corporate Principles) and policies (Creation and deployment of tools for sharing values)	-Implemented (Dissemination and entrenching of the Purpose, Our Values, and Commitment, which were revised as the group celebrated its 100th anniversary)
Long-term measures	Improvement of work engagement	-Creation of opportunities to find meaning in work at Mitsubishi Electric Corporation -Career development support based on individual values and aspirations	
	Active communication	-Elimination of communication gaps caused by different job classes or other reasons (Efforts to improve communication skills and facilitate casual communication)	-Commenced work. The initiatives will continue to be implemented going forward.
	Fostering of organizational culture and mindset	-Promotion of concrete actions in accordance with shared organizational values	

Changes in Evaluation Indicators

To create a workplace environment where employees can thrive and engage more easily, Mitsubishi Electric has set key performance indicators (KPIs) related to a "sense of purpose in work" and "work life balance." We continually improve and review measures by implementing the PDCA cycle through periodical monitoring of these KPIs and reflecting them in our activities. Although the employee engagement score fell in 2H FY2022, we have set up opportunities for the management and employees to talk together, and we carried out many different reforms including the renovation of the personnel system, with the aim of making improvements.

KPI	Result for FY2021	Result for 1H FY2022	Result for 2H FY2022	Target for FY 2023	Goal
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company)*	63%	61%	54%	70%	80% or higher
Percentage of employees who responded that they had a good work-life balance	66%	66%	65%	70%	80% or higher

* Average percentage of positive responses to the five questions in the annual employee attitude survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

Work Style Reforms and Prevention of Long Working Hours

Mitsubishi Electric determined "Work Style Reforms" as an important management policy in FY2017 to create a workplace environment in which everyone can maintain physical and mental health and thrive with a good work-life balance and has promoted a variety of measures that contribute to the improvement of operational efficiency and productivity, as well as a reduction in total working hours. In FY2021, we will move to the next stage and deepen the initiatives, especially focusing on work style reform and work quality improvement, with the slogan, "Kaeru! MELCO (Kaeru is a Japanese word that, depending on how it is written, means both to make changes and to go home)."

Specifically, the Company has spread policies and raised awareness through messages from the President to employees and other activities, while establishing an environment for efficient business operation; for example, by distributing laptop PCs to all employees, enhancing online meeting facilities, expanding the work-from-home program, promoting company-wide paperless work environments, and expanding IT use.

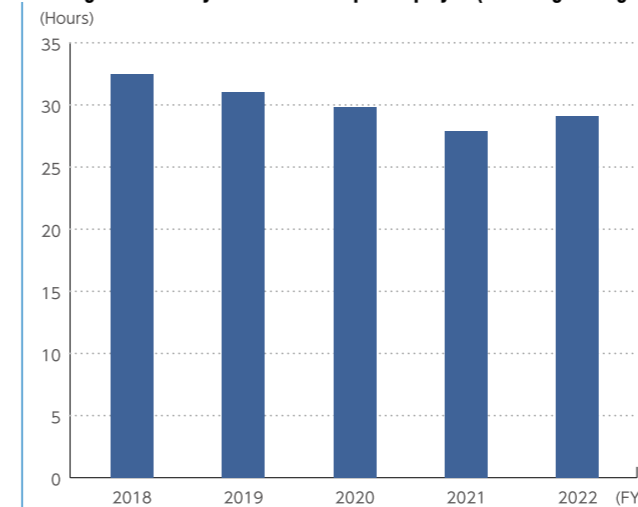
In addition to these initiatives, we have attempted to properly manage working hours in line with reality by automatically calculating working hours from objective data such as the entry/exit time and PC logon/logoff time from the viewpoint of preventing long working hours. We believe that these efforts have paid off to some extent. Specifically, in FY2022, we reduced monthly overtime hours per employee by 10% compared to FY2018.

To further increase effectiveness, we will continue to promote "Work Style Reforms" in the future. We also implement in a reliable manner health measures for employees in light of properly tracked working hours.



"Work Style Reforms" internal poster

Changes in monthly overtime hours per employee (including managers)



Third-party Evaluation of Recurrence Prevention Measures

Continuing from FY2021, the Mitsubishi Electric arranged for an assessment to be conducted by external third-party experts regarding the penetration of various measures. The assessment involved quantitative data analyses of employee awareness survey results, stress check results, and other details, as well as qualitative analyses based on interviews with employees. As a result, the external experts reported that, among the measures that have already been implemented, "drastic streamlining of operations," "management according to the value, ability, and competence of subordinates," "career development based on the value and orientation of individuals," and others must be committed at a higher priority. We will work to enhance and entrench these measures while continuing to receive advice from external experts.

Examples of Workstyle Reform Initiatives

At Mitsubishi Electric, Head Office management departments play a central role in improving the quality of company-wide operations by promoting company-wide activities, with each office conducting activities in line with the circumstances of business.

Examples of company-wide activities

1. Developing an IT environment

- Promote the elimination of paper documents throughout the company
- Providing mobile terminals to employees in all offices who need them
- Implementing online conferences for meetings between remote offices
- Realizing flexible working styles by enhancing the work-from-home program
- Developing and releasing manuals describing how to use IT tools, etc.

2. Simplifying and reducing company-wide documents

- Promoting initiatives for expansion of RPA
- Simplifying documents by shortening discussion times and schedules in management meetings
- Reducing the number of periodic reports (weekly reports, monthly reports, etc.) issued by each department
- Reviewing report formats

3. Promoting indirect JIT Kaizen activities

- Promoting improvement activities suitable for each workplace through activities in small groups
- Analyzing operations by external consultants and implementing JIT Kaizen activities company-wide

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

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 (Sustainability 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, procurement risks are also mitigated along the supply chain.

The Group's criteria for evaluating business partners include not only quality, cost, delivery schedules and services, but also initiatives in response to environmental regulations and sustainability initiatives. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

In order to enhance the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives, in February 2022, we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

Framework for Promotion of Procurement Supply Chain Management

Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP) strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aims to achieve the lowest cost ratio ever starting in fiscal 2021. In this effort, we will develop and promote the following measures with the following aim: "We will contribute to the realization of sustainability through all corporate activities. By doing so, we will make further efforts to enhance economic and social value so as to raise our corporate value," which is the Group's business goal, through sustainable and stable procurement. In cooperation with the Materials Planning Office in regional corporate offices in China, Asia, Europe and the Americas, we implement purchasing strategies through conferences of procurement officers and other such meetings

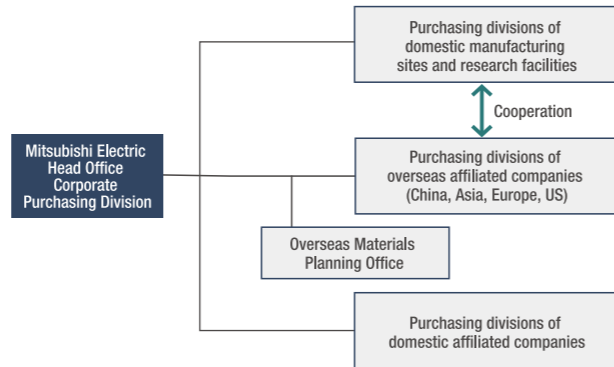
to promote optimal procurement activities suited to each region.

In addition to this initiative, we will also promote activities to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems in the procurement supply chain and thereby strengthen our business continuity plan (BCP).

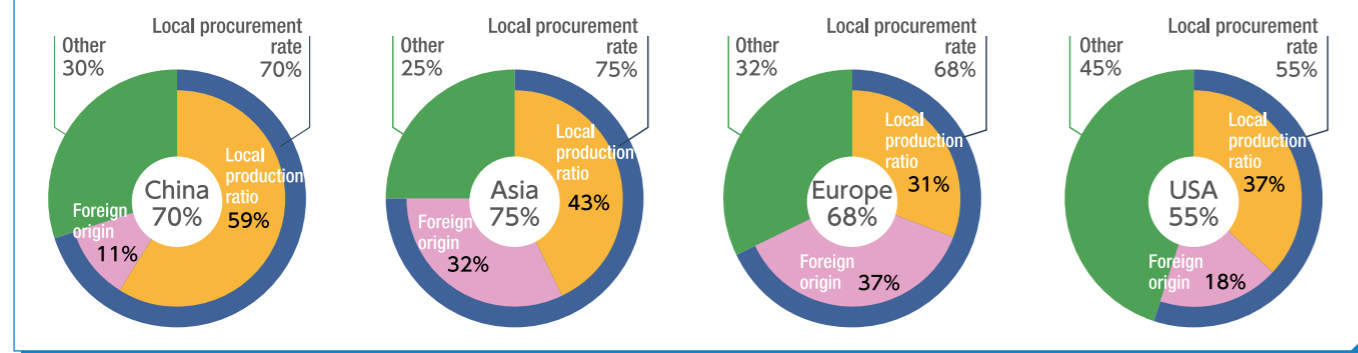
Priority activities

1. Establishing a framework for strengthening stable procurement
2. Further strengthening the cost planning activity
3. Expanding centralized purchasing
4. Strengthening procurement quality control
5. Strengthening a procurement platform for supporting relevant activities and measures
6. Strengthening global optimal procurement

Framework for promotion of procurement supply chain management



Local procurement rate in the major regions (Mitsubishi Electric Group)



*1 Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion
 *2 Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site
 *3 Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site

Mitsubishi Electric Group Policies for Responsible Minerals Procurement

The Mitsubishi Electric Group aims for transparency in its procurement supply chain to avoid any affiliation with armed groups that trade in conflict minerals*1 as their source of funding. We also recognize the possibilities of human rights violations occurring in the severe labor conditions in cobalt mining sites as a major problem. The Group adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*2, and removes certain minerals from the procurement supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

*1 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.
 *2 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area

Quality

Basic Policy and Management

Basic Policy

The Mitsubishi Electric Group conducts business under the Purpose, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity." This Purpose inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) set out when Mitsubishi Electric was established 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, employees perform their work according to "Our Values," which teach us to develop relationships based on strong mutual trust, ensure products and services that satisfy standards provided in laws and regulations and the specifications agreed upon with customers are delivered in the best quality, and provide society with new value by enhancing our technology and onsite capabilities.

Based on these values, 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, response to major issues, and product disposal.

Four Basic Quality Assurance Principles

The Four Basic Quality Assurance Principles reflect the spirit of "Service through Quality" adopted in 1952 and "Memorandum of Quality" issued in 1958. 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. Our commitment to the highest quality under any circumstances is unwavering.
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 "Purpose" and "Our Values," 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 Service Call Center and Customer Relations Center in Japan operates 24 hours a day, 365 days a year to gather information on product-related issues and enable prompt response. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Important information about our products (in Japanese text)
<https://www.MitsubishiElectric.co.jp/oshirase/index.html>

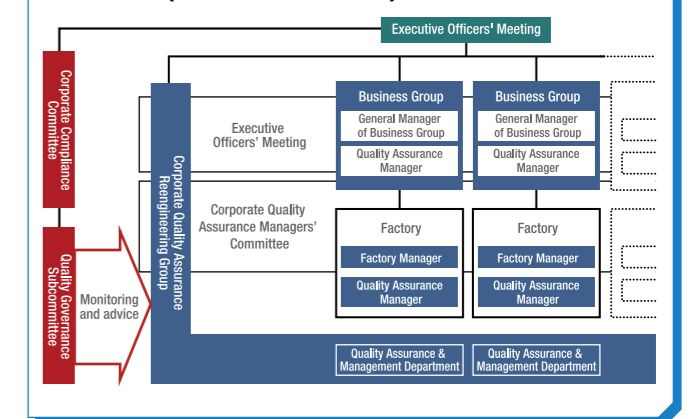
Management

The Corporate Quality Assurance Reengineering Group under the direct control of the president has been implementing company-wide measures to promote quality assurance reform and strengthen activities for improving quality. The Quality Assurance & Management Departments under the Corporate Quality Assurance Reengineering Group assigned to each manufacturing base assumes the function for checking, including shipping authority. It is also responsible for acting as the contact point for consultation on issues in the field.

The Quality Governance Subcommittee has been established under the Corporate Compliance Committee, to which business execution has been delegated from the Executive Officers' Meeting, and the Corporate Quality Assurance Reengineering Group implements the PDCA cycle for improvement in response to the monitoring and advice from the Subcommittee.

Our works in Japan and overseas are responsible for ensuring the quality of individual products, and implementing specific improvement activities for quality assurance activities in our business process, including market investigation and development and design, manufacturing, distribution, maintenance services following shipment, and product disposal.

Promotion of Quality Assurance and Improvement Activities (Mitsubishi Electric)



Measures to Prevent Recurrence in Improper Quality Control Practices

We would like to sincerely apologize to all our customers and other parties concerned for the impact of the series of improper quality control practices that has occurred in the Group. At Mitsubishi Electric, we take these incidents seriously and we will ensure that thorough measures are taken to prevent recurrence by analyzing the related factors and pursuing the root causes. While responding to customers and people in society with utmost sincerity, we will endeavor to restore public trust.

We have established the Emergency Response Division led by the president to work to investigate the causes and take measures to prevent recurrence. We have also been striving to realize three reforms that we have formulated based

on suggestions on recurrence prevention measures from an Investigative Committee of external experts.

One of these three reforms is "Quality Assurance Reform," and to engage in this, we have established the Corporate Quality Assurance Reengineering Group under the direct control of the president. The Group will take a leading role in driving and implementing company-wide measures.

Specifically, we will implement the company-wide measures given below.

Task	Specific initiatives
1. Creating a new company-wide structure for quality assurance (led by head office)	<ul style="list-style-type: none"> A Chief Quality Officer (CQO) was appointed from outside the company to oversee the Corporate Quality Assurance Reengineering Group. The Corporate Compliance Committee's quality governance subcommittee has assessed the Corporate Quality Assurance Reengineering Group's activity every two months. The company has identified the infrastructure it needs to ensure compliance with law, standards, and customer specification and strengthen the quality assurance process, and has decided to invest ~5 billion yen in FY2022 and plans to invest 30 billion yen or more over two years.
2. Company-wide measures for quality assurance reforms	
2-1 Restructure the control functions	<ol style="list-style-type: none"> Greater independence and separation of chain of command. In April 2022, Corporate Quality Assurance Reengineering Groups and Quality Assurance & Management Departments were established at all work sites, provided shipping authority, and began operating. Strengthening of quality assurance functions. In FY2022, quality audits were conducted at five sites with an emphasis on ensuring products conform to laws, standards, and customer specifications. From April 2022, the auditing process will be improved to help identify issues at sites and facilitate improvements; these improved audits are planned for 28 work sites.
2-2 Addressing technical capabilities and resources issues	<ol style="list-style-type: none"> Strengthen and ensure compliance with laws, regulations and public standards. Different from conventional management of information on laws and regulations relevant to each site, the company finished drafting the outline of a system via which the Corporate Quality Assurance Reengineering Group centrally collects and manages information on laws and regulations common to all sites. Using an external organization, the company started viewings of information on the revision/abolition of legal standards and standards documents. Enhance quality through IT and digitalization <ul style="list-style-type: none"> The company decided on basic specifications clearly defining what points should be checked when assessing consistency between customer specifications and shipped products. Tools for the digital management of customer specifications and inspection data are scheduled to be introduced. Strengthen head office support for manufacturing sites. The quality support team is gathering information on problems experienced in three specific workplaces. This will be used to provide support going forward. A contact center has also been set up to handle inquiries on technical issues from manufacturing sites. Training of quality-control personnel <ul style="list-style-type: none"> A survey of the skills possessed by manufacturing sites' quality assurance and quality control departments was completed. Internal training courses tailored to skill levels were rolled out company-wide. The survey results will be used to visualize skills strengths and weaknesses and an enhancement plan will be formulated. A quality assurance and quality control department leadership training course has started.
2-3 Enhance an awareness of quality compliance	<ol style="list-style-type: none"> Revitalize personnel rotation. Quality assurance department personnel rotations will be scheduled across manufacturing sites. Instill awareness of quality compliance among senior managers. A compliance seminar for executives was held. Quality Compliance Awareness Training <ul style="list-style-type: none"> Improper Conduct Prevention meetings using the Kani Factory as a case study were held in all workplaces. July 2 has been designated Company-wide Quality Day; the CEO and business division heads are slated to issue messages to employees.

Restoring trust: Our roadmap for reform <https://reform.MitsubishiElectric.com/>

Philanthropic Activities

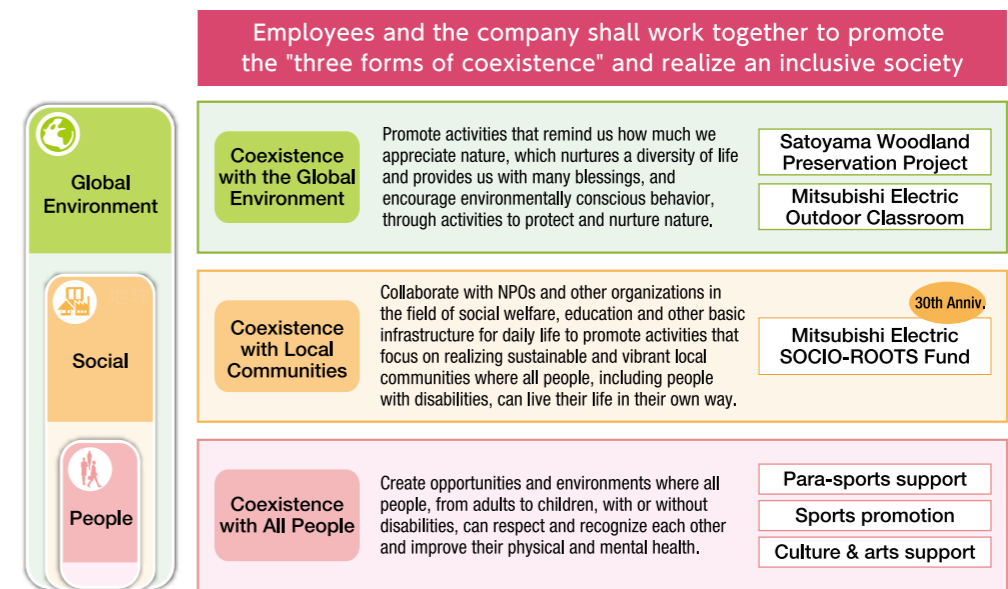
Our Philosophy on Philanthropic Activities

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.

"Three forms of coexistence" that the Mitsubishi Electric Group Aims for

To realize an inclusive society, the Mitsubishi Electric Group has been promoting activities at the level of people with a focus on each and every individual, the level of society as an aggregate of local communities, and the level of the Earth, which is the foundation for all individuals and communities.

The Mitsubishi Electric Group will continue to strive to achieve "coexistence" at each of these levels.



Wetland preservation (Okinawa Prefecture)



The Fund is making ongoing efforts to support children affected by natural disasters including the Great East Japan Earthquake. As of March 31, 2022, it has donated a sum of 191.5 million yen since the program began in fiscal 2012.



Presentation ceremony for a competition wheelchair at the Kitakyushu Champions Cup (November 2021)



Support for "Prateep Dek Thai Project" to build a Child Development Centers in underprivileged areas