

Governance

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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.

Implementation Status of Corporate Governance

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.

Currently, the Chairman of the Board is not selected and the Board of Directors is chaired by Outside Director.

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



Corporate Governance Framework

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.

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.

Upon receipt of the Governance Review Committee's recommendation on improper quality control practices, the Board of Directors will deliberate again on the resolution, including whether or not the decision should be revised.

Audit Committee

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

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

Tadashi Kawagoishi, a member of the Audit Committee, has long years of experience in the accounting and financial operations of the Company. 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 2022, Mitsubishi Electric held a regular Audit Committee meeting once a month in principle (and two special meetings). Each meeting would take about two hours. The attendance of each Audit Committee member is as shown below.

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

Notes

1. Out of the above members, Masahiko Sagawa and Takashi Sakamoto are responsible for investigation.
2. Masahiko Sagawa and Takashi Sakamoto retired on June 29, 2022.

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 the Company's 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 the Independent Auditor and validity of results, and evaluation of the Independent Auditor and decision on whether to reappoint it.

Especially in fiscal 2022, the Audit Committee focused on checking and verifying the status of a range of initiatives aimed at enhancing the mid-to-long term corporate value of the Group. These initiatives include: strengthening the management structure, including internal control and compliance systems; strategically allocating management resources and responding to businesses with issues; improving profitability and asset efficiency; strengthening the use of ROIC to ensure capital cost-conscious management; promoting measures for deploying and developing talent; and contributing to the achievement of the SDGs. Furthermore, the Group takes its recent product and service quality, work-related, and information security issues extremely seriously as a top management priority, and is promoting a number of reoccurrence prevention initiatives. With regard to improper quality control practices, the Group set up the Investigative Committee consisting of external experts. At a company-wide level, the committee is investigating the facts and determining the causes, and formulating and implementing measures to prevent any recurrence. The Audit Committee requests each responsible Executive Officer, etc. to report on the status, as appropriate, provides opinions, and follows up on the status of formulation and implementation of measures to prevent recurrence that are being implemented sequentially. In addition, the Company commissioned the Governance Review Committee comprised of external experts to conduct an overall review of the internal control system and the Company's Directors and Executive officers. The Audit Committee will continue to closely monitor ongoing investigations, the identification of causes, and the progress of the formulation and implementation of measures to prevent recurrence, as well as the status of operational improvement of the internal control system. The Audit Committee asked questions and stated opinions after each responsible Executive Officer explained the following: with regard to work-related issues, the Company is promoting the Mitsubishi Electric Workplace Reform Program and working to prevent recurrence; with regard to information leakage due to unauthorized entry, the Company is working to reinforce comprehensive information security measures to prevent recurrence; in order to ensure their steady implementation.

5. Effectiveness evaluation of the Audit Committee

The Audit Committee conducts evaluation to improve performance every year. In the Audit Committee review in fiscal 2022, 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

We held a total of 20 Board of Directors meetings in fiscal 2022 and deliberated on the resolutions related to important matters such as basic policies on management, selection of Executive Officers, and internal control system. The Board of Directors also received a report from the executive functions and debated content and progress of this fiscal year's management plan, response progress on management challenges per business, as well as important matters discussed at the Executive Officers' meetings.

As for the series of incidents related to improper quality control practices, we have established an Investigative Committee of external experts and are working on investigation of the facts and determination of the underlying causes at a company-wide level. The Board of Directors has also regularly confirmed the progress of the investigation in the Board of Directors meetings and has been reported and debated various measures to prevent recurrence.

In order to examine whether there are areas for improvement relating to the effectiveness of the Board of Directors, the company requested Board Advisors, Inc., a third-party organization, to assess the effectiveness of the Board of Directors of the company from August to September 2021.

The summary of the assessment method and process of the third-party organization are indicated as follows.

<Assessment methods/processes by the third-party organization>

(1) Assessment methods

- ① Review the minutes of the Board of Directors meetings and other documents
- ② Survey of all Directors
- ③ Interviews with all Directors
- ④ Evaluation based on the expertise of the third-party organization

(2) Target items of Assessment

- ① Composition of the Board of Directors
- ② Support system of the Board of Directors
- ③ Agenda for Meetings of the Board of Directors
- ④ Status of Deliberations at Meetings of the Board of Directors
- ⑤ Contribution of Directors
- ⑥ Activities of the three statutory committees
- ⑦ Monitoring system of the Executives
- ⑧ Response to the improper inspection practices

(3) Assessment process

- ① Conduct an assessment by a third-party organization based on (1) Assessment methods and (2) Target items of assessment
- ② Report on the assessment results on the effectiveness of the Board of Directors based by the third-party organization to the Company's Board of Directors
- ③ The Company's Board of Directors conduct discussions on future actions based on above assessment report

As a result, the third-party organization identified that there is a need for improvement in the effectiveness of the company's Board of Directors in terms of Board functions, Board composition, Board secretariat functions, and the functions of the three statutory committees.

The company reported the results of this assessment of the effectiveness of the Board of Directors by the third party organization to the Board of Directors, and as a result of discussions on future actions among the Board members, the Board of Directors confirmed that it takes the results of this assessment very seriously and have started working on measures to improve the effectiveness.

We will continue reviews of the Board and strive to further improve of the effectiveness of the Board of Directors.

Policies Regarding Decisions on Compensation, etc.

1. Basic Policies

As a Company with a Three-committee System, the Company segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Directors and the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each of the duty and position. The compensation will be determined by the Compensation Committee based on the following basic policies:

(1) Directors

- (a) The compensation scheme should encourage the Directors to demonstrate their supervisory function of management.
- (b) The compensation should be the amount necessary to secure talent to fulfill responsibilities of the Company's Directors.

(2) Executive Officers

- (a) The compensation scheme should observe the corporate philosophy of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, end employees.
- (b) The compensation should be the amount necessary to secure talent to fulfill responsibilities of the Company's Directors.

- (c) The compensation should function as an incentive for sustained performance growth and the improvement of corporate value.
- (d) The compensation should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.

2. The System and the Policy for Determining Compensation for Directors and Executive Officers

(1) Directors

The compensation scheme for Directors shall consist exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management from an objective and independent perspective.

(2) Executive Officers

The compensation scheme for Executive Officers shall be as follows, with an emphasis on the improvement of medium-term corporate value and shareholder value.

- (a) Basic compensation

Fixed compensation is set in accordance with the roles and responsibilities of each Executive Officer and is paid monthly in cash by dividing the position-based annual standard amount by 12.
- (b) Performance-based bonus

The bonus payment amount shall be determined by "Corporate Performance Evaluation" and "Individual Evaluation." The payment amount will fluctuate in the range of 0% to 200% depending on the evaluation results. The amount to be paid to each individual shall be calculated as below and paid in a lump sum in cash after the end of each fiscal year.

[Individual payment amount = Position-based standard amount x (Corporate performance evaluation coefficient + Individual evaluation coefficient) (in the range of 0-200%)]

- (c) Performance-based stock compensation (Performance Share Units (PSU))

In principle, the number of shares to be issued as performance-based stock compensation (PSU) varies between 0% and 200%, depending on the comparison result (in percentile) between the Company's TSR (total shareholder return) for the three years and the TSR of a pre-selected group of comparable companies. The comparable companies are selected from domestic and overseas companies in the business areas in which the Company operates. The number of shares to be delivered to each individual is calculated as follows:

[Number of shares delivery to each individual =

Standard PSU points for the position × PSU grant rate (in the range of 0-200%)]

- (d) Restricted Stock Units (RSU)

In order to promote continuous shareholding and shareholder value during the term of office, the Restricted Stock Unit (RSU) program shall, in principle, deliver shares, with transfer restrictions, equivalent to the standard amount for the position at the end of each fiscal year. The transfer restrictions shall be lifted at retirement (when the Company's Director or Executive Officers retires from his/her position).

3. Method of Setting Compensation Levels and Compensation Compositions Ratios

The compensation levels and compensation ratios of Directors and Executive Officers are set each year according to their roles and responsibilities based on a comparison with market compensation levels using compensation survey data of external professional organizations. When comparing with market compensation levels, major domestic manufacturers similar to the Company in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.

(1) Directors

The basic compensation levels of Directors are set in consideration of the compensation levels of non-executive internal directors and outside directors of the compensation benchmark companies, their roles and responsibilities, and other factors.

(2) Executive Officers

The compensation, etc. of Executive Directors is set in consideration of the trends in compensation levels of executive officers at the compensation benchmark companies, the management strategy and business environment of the Company, the objectives of incentive compensation and the degree of difficulty in achieving the targets, the roles and responsibilities of the Executive Officer concerned and other relevant factors. Additionally, from the perspective of pay-for-performance, the compensation composition has been set with a higher ratio of incentive compensation to place greater emphasis on the link between performance and the medium- and long-term improvement of corporate value and shareholder value.

4. Compensation Governance

As a Company with a Three-committee system, the Company has set forth the following:

- **The major roles and authority of the Compensation Committee**

The Company's Compensation Committee has the authority to determine the details of compensation, etc. for individual Directors and Executive Officers of the Company. It mainly determines the policies for determining executive compensation etc., the details of compensation, etc. For individual Directors and Executive Officers, company-wide performance evaluations related to the incentive compensation of Executive Officers, and the individual evaluations of Executive Officers. The Compensation Committee is chaired by an Outside Director.

- **Decision-making process and annual schedule**

In the deliberation and determination of the policy for determining executive compensation, etc., the Company's Compensation Committee gathers information and receives advice from compensation consultants from an external professional organization with abundant global experience and knowledge, from the standpoint of ensuring independence of its judgement and enhancing the effectiveness of the roles and authority of the Compensation Committee. The Compensation Committee conducts deliberation and determination based on such information as well as due consideration of the environment and general trends surrounding the compensation for management.

5. Stock ownership guidelines

We believe it is important to ensure that our Executive Officers share the same value with our shareholders on a long-term and sustainable basis. To this end, we require Executive Officers to continuously hold the Company's stock during their term of office, even after the target amount has been reached.

6. Malus and clawback provisions

The Company shall introduce "malus and clawback provisions" so that, in the event of any material misconduct or violation by an Executive Officer, or in the event of any material revision to the financial results of prior fiscal years, the Compensation Committee may, by resolution, demand that such Executive Officer forfeit his/her right to receive incentive compensation (malus) or return his/her paid compensation (clawback). The compensation that may be subjected to those provisions shall be performance-based bonuses to be paid or already paid, points granted before the delivery of shares and shares before the lifting of transfer restrictions, and some or all of the shares already delivered.

Please refer to our annual securities report for the compensation of Directors and Executive Officers.

[Annual securities report](#)

Outside Directors

With the addition of two Outside Directors who have experience in managing a company in the manufacturing industry, the Company now has seven 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.

<Independency Guideline for Outside Directors>

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and not falling under any of the following cases, as candidates for Outside Directors. 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 yen 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 yen 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 29, 2022)

Name	Title	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2022)
 Mitoji Yabunaka	Outside Director	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 his career are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2012, he has overseen the Company's business operations, and he is also currently serving as Chairman of the Board of Directors, Chairman of the Nomination Committee and Member of the Compensation Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (20/20)
 Hiroshi Obayashi	Outside Director	Chairman of the Audit Committee Member of the Nomination Committee	Mr. Obayashi's experience and insights cultivated through the course of his career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2013, he has overseen the Company's business operations, and he is also currently serving as Chairman of the Audit Committee and Member of the Nomination Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of governance, legal affairs and compliance, and human resources and human resources development at the Board of Directors and each Committee.	95% (19/20)
 Kazunori Watanabe	Outside Director	Chairman of the Compensation Committee Member of the Audit 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. Serving as Outside Director of the Company since June 2015, he has overseen the Company's business operations, and he is also currently serving as Chairman of the Compensation Committee and Member of the Audit Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (20/20)
 Hiroko Koide	Outside Director	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. Serving as Outside Director of the Company since June 2016, she has overseen the Company's business operations, and she is also currently serving as Member of the Nomination Committee and the Compensation Committee. The Company expects her to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (20/20)
 Takashi Oyamada	Outside Director	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. Serving as Outside Director of the Company since June 2019, he has overseen the Company's business operations, and he is also currently serving as Member of the Nomination Committee and the Audit Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (20/20)

Name	Title	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2022)
 Tatsuro Kosaka	Outside Director	Member of the Nomination Committee Member of the Compensation Committee	Mr. Kosaka's experience and insights as a business specialist cultivated over the course of his career in management of a manufacturing company are highly beneficial to Mitsubishi Electric. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, governance, global affairs, and engineering, manufacturing and R&D at the Board of Directors and each Committee.	—
 Hiroyuki Yanagi	Outside Director	Member of the Nomination Committee Member of the Compensation Committee	Mr. Yanagi's experience and insights as a business specialist cultivated over the course of his career in management of a manufacturing company are highly beneficial to Mitsubishi Electric. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, governance, global affairs, and engineering, manufacturing and R&D at the Board of Directors and each Committee.	—

Note: Mitsubishi Electric Corporation held twenty Board of Directors meetings during fiscal 2022.

Compliance

Our Concept of Compliance

Message from Top Management

The Mitsubishi Electric Group regards "ethics and compliance" as the foundation of corporate management, and issues the following message to all officers and employees as part of its efforts to establish even stronger relationships of trust with customers, stakeholders and society.

Dear colleagues,

Our Values that are shared equally by all members of Mitsubishi Electric Group declare that "we act with high ethical standards and comply with laws and social norms."

Based on these Values, we must fully recognize as our responsibility that adherence to ethics and compliance forms the basis for the company to remain in business, and we must never engage in conduct that violates ethics and compliance and always act with integrity.

In recent years, however, Mitsubishi Electric Group has been faced with a series of quality-related misconduct and other situations that could cause us to lose the trust of our stakeholders that we have built up over the years. Each member of the top management team, including myself, must take this misconduct seriously.

In order for Mitsubishi Electric Group to remain capable of sustainable growth, we must work to foster a corporate culture that compels us to always "do the right thing" with strong determination and enthusiasm to make continuous changes for the better. If your workplace still has the mindset or culture that prioritizes profit and efficiency over compliance, please work to change it immediately.

In the course of your daily work, if you have doubts or discomforts about your own actions or the practices of your department or workplace, please promptly consult with your manager or the department in charge of compliance. In addition, those of you in managerial and supervisory positions must foster a workplace culture in which subordinates can consult with you without hesitation and take serious action to correct problems when you are consulted.

Mitsubishi Electric Group has a history of over a century. For the sake of our next 100 years of contributing to the realization of a vibrant and sustainable society, let us work together, with the flames of change always burning in each of our hearts, to create a new Mitsubishi Electric Group that is overflowing with pride and a strong sense of ethics.



Kei Uruma
President & CEO

Compliance Motto – "Always Act with Integrity"

Always Act with Integrity

いかなるときも「誠実さ」を貫く

The Mitsubishi Electric Group established a compliance motto "Always Act with Integrity" for all Mitsubishi Electric Company's officers and employees on June 1, 2021. "Integrity" means the strong will and attitude to persist in doing the right thing and having character traits such as "being fair," "being honest," "being sincere," "taking responsibility for one's behavior" and "respecting others." At the same time of the establishment of the compliance motto, we established "Questions to test for Integrity" as a hint for officers of employees to ask themselves whether their action or decision is right if they are at a loss as to whether their action or decision is right.

Questions to test for Integrity

1	Is your action or decision in line with laws and regulations, internal rules, contractual terms or this Code of Conduct?
2	Can you tell your family and friends about your action or decision without feeling ashamed?
3	Will you be proud of your action or decision if it is reported in the mass media or social media?
4	Does your action or decision give priority to compliance over other considerations, e.g., profit, efficiency, etc.?
5	Can you rationally and honestly defend your action or decision without having to give excuses such as, "It is just a small thing, there will be no problem"; "It will not be found out"; "I need to do this for the company"; "It has been done this way for a long time"; "My senior colleague also did that" or "I was instructed by my superior"?
6	Do you first assess if your superior's instructions are right in light of this Code of Conduct before acting upon the instructions?

Mitsubishi Electric Group Code of Conduct

Mitsubishi Electric Group Code of Conduct is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each officer and employee of Mitsubishi Electric Group in executing company business and performing his/her duties are put together and summarized, and is intended to serve as guidelines for our day-to-day conduct. This Code of Conduct was first established in 1990, and became what they are now through multiple revisions based on revisions of relevant laws and regulations, changes to people's perceptions of social norms and other relevant factors. The version presented here is the most recent revision, published in June 2021. In addition to the Japanese language, the Code of Conduct is published in English, Chinese, and Thai, etc. and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group officer and employee should conform.

[Mitsubishi Electric Group Code of Conduct](#)



Mitsubishi Electric Group Code of Conduct



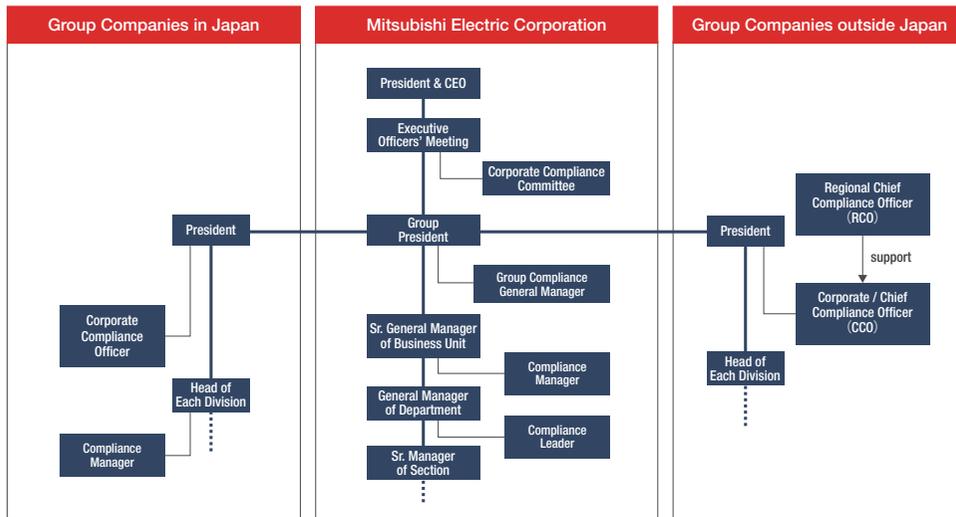
Meeting of compliance managers in the Asia region



Working-level conference on compliance in the China region

Mitsubishi Electric Group Compliance Promotion Structure

Based on recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's system for promoting compliance has our business divisions and affiliates in Japan and overseas take the initiative in promoting compliance.



Mitsubishi Electric Group compliance promotion structure

Thorough Dissemination/Education of Our Compliance Policy

Ensuring that Employees are Familiar with Our Compliance Policy

The top management of the Mitsubishi Electric Group, including the CEO, takes every opportunity to directly address officers and employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of our stance on compliance takes root throughout our organization.

To raise awareness even further, we also display posters of our compliance motto "Always Act with Integrity" in our workplaces and distribute cards printed with the compliance motto to each of our employees.

We distribute the "Mitsubishi Electric Group Code of Conduct" to all Mitsubishi Electric Group officers and employees, including overseas officers and employees. Through disseminating the "Mitsubishi Electric Group Code of Conduct Global Handbook," which explains the contents of Code of Conduct with Q&A and introduction for actual cases and holding workshops and read-through sessions in each workplace, our aim is for all officers and employees to internalize the Code of Conduct.



Poster



Portable Card



Mitsubishi Electric Group Code of Conduct

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

Compliance Education by Diverse Means

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

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. Officers and employees in all countries in which we operate take part in an educational program concerning the major relevant laws and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. In fiscal 2022, as many as 131,306 officers and employees (including contract employees, temporary employees, part-time employees, short-term workers, etc.) in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs (100% participation in compliance-related e-learning programs by Mitsubishi Electric). Overseas as well, about 7,000 employees have taken part in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

In fiscal 2022, though workshops faced various restrictions due to the influence of COVID-19, Mitsubishi Electric's Corporate Legal & Compliance Division aggressively conducted online workshops and conducted 111 compliance-related workshops within the Group, in which a cumulative total of 10,018 people participated.

Basic Efforts against Compliance Risks

Fair Competition (Preventing the Violation of Anti-trust Laws)

The Mitsubishi Electric Group deeply regrets its experience of having received an administrative penalty for violating anti-trust laws in Japan and overseas. Out of this regret, we uphold anti-trust laws as one of the most important laws that we must abide by, and make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten. In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs.

In Japan, in addition to providing e-learning to directors, officers, and employees of Mitsubishi Electric and domestic affiliated companies (participants in fiscal 2022: 51,901), we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on antitrust laws that focus on regional characteristics overseas in the combined form of e-learning programs and face-to-face education.

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

Corruption Prevention (Preventing Bribery)

We engage in Group-wide initiatives to prevent bribery. The "Mitsubishi Electric Group AntiBribery Policy" that was established on April 1, 2017 reiterates to people in and outside the Group our policy that, among other things, our Group companies, their officers and employees do not offer bribes and do not pursue profits that can be realized only by offering bribes.

Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery. We also work to prevent the occurrence of partners offering bribes by conducting pre-screenings to check for the risk of bribery before entering into new transactions with partners, including agencies, consultants, agents, and distributors, as well as by prescribing a strict antibribery provision in any agreements to be concluded.

In addition, we provide training to directors, officers and employees of Mitsubishi Electric and its affiliates in Japan who regularly interact with public officials in the combined form of e-learning programs and face-to-face training (participants in e-learning programs in fiscal 2022: 39,951). We also provide training to prevent bribery in our overseas offices in the combined form of e-learning programs and face-to-face training according to the characteristics of the respective region.

We will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level.

Note that there were no incidents where a fine, penalty, etc. relating to bribery was imposed.

[English version](#)

[Chinese version](#)

Support and Responses to Political Activities

The Mitsubishi Electric Group provides support to political activities only upon full consideration of its social standing as defined in its Purpose and in compliance with relevant laws and regulations in each country.

For example, when Mitsubishi Electric makes a political donation in Japan, the Corporate Administration Division screens all cases in detail in accordance with the Political Fund Control Law, and ensures adherence to all internal procedures. Additionally, in public elections, we make every effort neither to infringe on the Public Offices Election Act nor deviate from sound social morals.

Export Control

To maintain international peace and security, Mitsubishi Electric has established and abides by the Corporate Security Export Control Regulation. Based on the regulation, all transactions are closely checked for any inclusion of export controlled items and security concerns related to destination, customers, end-use, and transaction conditions, and are strictly managed pursuant to relevant laws and regulations. Furthermore, to ensure all affiliated companies in Japan and overseas also take proper action in line with our policies, we distribute the Security Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese,

and Thai) to all affiliated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2022, in Japan we provided e-learning courses that 38,726 Mitsubishi Electric employees and 27,341 employees of affiliated companies took and held online workshops for working-level personnel, under the circumstances of the spread of COVID-19 infections. For overseas affiliated companies, we have e-learning materials for the implementation of training programs in each company in major languages in Europe, America and Asia.

Disassociation with Anti-social Groups

The Mitsubishi Electric Group clearly sets forth in the following three provisions in the Mitsubishi Electric Group Code of Conduct and implements them.

1. We will not have any relationship with nor will we conduct business with any anti-social forces (including crime syndicates, terrorists, drug dealers). If any demand is made by antisocial forces, we refuse such demand.
2. We comply with applicable anti-money laundering, anti-corruption and anti-social forces laws and regulations.

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

Compliance Audits / Ethics and Legal Compliance Hotlines

Compliance Audits

To verify the state of compliance in the Mitsubishi Electric Group, the internal departments in each of the affiliated companies in the Group carries out self-inspection several times a year by various means. The inspection utilizes various tools, including specific check sheets for the areas of corporate ethics and legal compliance. Corrective action is taken as necessary in response to the result of such self-inspection.

Additionally, internal regulations and systems are in place to ensure proper operations across the Mitsubishi Electric Group. The Corporate Auditing Division of Mitsubishi Electric conducts internal audits to check the operational effectiveness of these regulations and systems (in the audit areas of ethics and legal compliance, accounting and finance, human resources, technology management and quality management). If an audit reveals the need for improvement, the relevant company or department will receive instructions for remediation/improvement. Periodical reports of audit are presented before the audit committee through the executive officer in charge of internal audits.

Establishment of Internal and External Ethics and Legal Compliance Hotlines

Mitsubishi Electric has put in place "ethics and legal compliance hotlines" (internal notification system, so-called "whistle blowing system"), with the objective of promptly addressing fraudulent, illegal, and anti-ethical conducts as a self-disciplinary mechanism. This function is available through two notification channels, inside and outside the company. The outside channel is managed by independent law firms. The hotlines are operated pursuant to clearly defined internal regulations that ensure responses to anonymous informants, elimination of disadvantageous treatment of informants, and the confidentiality of all informants. Notifications are also accepted from business partners and companies, if it pertains to issues that arise out of their relationship with Mitsubishi Electric, including but not limited to business transactions.

Alleged issues of each notification are examined by a group composed "ad hoc" of members from departments capable of conducting investigation, depending on the nature of the notification. In case an alleged issue casts doubt on compliance with pertinent laws and/or internal rules, efforts are made to reinforce the prevalence of adequate norms through a revision of rules or explanatory meetings for promoting due understanding of the same. Where misconduct contrary to any laws and/or internal rules is detected, the concerned employee is subject to disciplinary action, and if any organized involvement in the detected incident is found, remediation is demanded of the concerned department.

The detailed functions of these "ethics and legal compliance hotlines" are provided in Mitsubishi Electric Group Code of Conduct Handbook disseminated to all employees. These detailed functions also appear on posters displayed in each workplace (each department and operating base), on the handheld cards containing the contact information of internal and external contact points that are distributed to all employees, and on the Group website, to ensure that we communicate them to all employees.

The internal notification system is also in place in each affiliated company of the Mitsubishi Electric Group both in Japan and overseas.



Poster for internal dissemination of information on the hotline

Tax Policy

<Mitsubishi Electric Group Global Tax Policy>

The Mitsubishi Electric Group has established the basic policy on tax that each group company shall adhere to in its domestic and international business activities.

- **Our principles**

The Mitsubishi Electric Group has positioned sustainability as a pillar of its corporate management, based on its "Purpose" and "Our Values."

Furthermore, 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.

Aligning with these principles and the "Mitsubishi Electric Group Code of Conduct," the Mitsubishi Electric Group is committed to complying with tax laws and regulations, and pays the correct amount of tax.

- **Our attitude towards tax planning**

The Mitsubishi Electric Group complies with tax laws and regulations of the countries and regions in which we conduct business, including without limitation treaties applicable to them. We also respect guidelines such as, but not limited to OECD guidelines, and conduct transactions between group companies on an arm's length principle.

The Mitsubishi Electric Group may seek to apply the tax incentives and exemptions available in the countries and regions in which we conduct business, however, we do not engage in any artificial tax arrangements which are not in line with "Our principles."

- **Tax risk management**

The Mitsubishi Electric Group believes that tax compliance is inseparably linked with business promotion. Therefore, each group company shall thoroughly ensure tax risk management in carrying out their business operations.

The Mitsubishi Electric Group has put in place a framework for tax governance to ensure that tax management at the group level is properly implemented, and each group company maintains an organizational structure and processes in place to ensure that all applicable tax rules are respected and taxes are paid in accordance with those rules.

Where material uncertainty exists, the Mitsubishi Electric Group may proactively seek the advice of external experts as appropriate. Also, if available, we may consider to seek predictability from tax authorities by obtaining an interpretation/clarification of the application of tax laws and regulations through prior consultation.

In the event a disagreement with the tax authority arises on the appropriate tax treatment of a case and it cannot be resolved between both parties, the Mitsubishi Electric Group will resolve the issue constructively through an appropriate method.

- **Relationship with tax authorities**

The Mitsubishi Electric Group adopts a collaborative and constructive relationship at all times with tax authorities. We make accurate and timely declarations and respond to queries and information requests from tax authorities in a sincere and timely manner.

Risk Management

Basic Policy

The Mitsubishi Electric Group provides Integrated Solutions in diverse sectors across its four business areas of Infrastructure, Industry and Mobility, Life, and Business Platform. Moreover, the Group operates these businesses not only in Japan but overseas, such as in North America, Europe and Asia. To fulfil its responsibility to all stakeholders beginning with society, customers, shareholders, suppliers, and employees, and to realize sustainability, the Group manages business-related risks in an appropriate manner. Specifically, the framework incorporates risk management into business activities whereby risks are managed according to the size and characteristics of each business, and important risks that cover the entire Group are mainly managed by corporate departments. For new risks, such as human rights, demand for decarbonization, geopolitical risks, and game-changing trends in the future, we will respond in an effective manner through cross organizational and flexible team behavior.

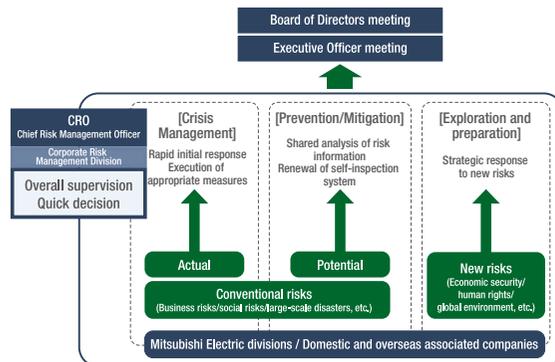
Risk Management Framework

Risk management is implemented independently by each division and by domestic and overseas associated companies. In addition, the Group has established a CRO*¹ and a Corporate Risk Management Division*² to supervise the entire Group and has also built a framework to enable quick decision making. The Group addresses not only conventional risks such as large-scale disasters and social risks, but also promotes agile and strategic exploration of and preparation for new risks such as economic security, human rights, and the global environment.

In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officer meetings.

*1 Chief Risk Management Officer (Established in January 2022)

*2 Established in January 2022



Risk management framework (Mitsubishi Electric Group)

Responding to Environmental Risk

The Mitsubishi Electric Group works to quickly discover latent risks in business activities that can impact or potentially impact the environment in a substantial way.

To prepare for an accident or emergency that involves an environmental risk such as groundwater or soil pollution, the handling of waste, or the malfunction of an environmental facility, head office divisions, manufacturing facilities, R&D centers, branches, and affiliates in Japan and overseas have developed detailed risk descriptions and procedure manuals that specify departmental responsibilities. Mitsubishi Electric also anticipates the possibility of accidents, complaints, or violations of the law arising on the side of construction subcontractors or companies working under outsourcing agreements, and informs these outside parties of our risk response procedures and disseminates the proper procedures in their respective organizations.

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

[Preventing Environmental Incidents](#)

Disaster Countermeasures

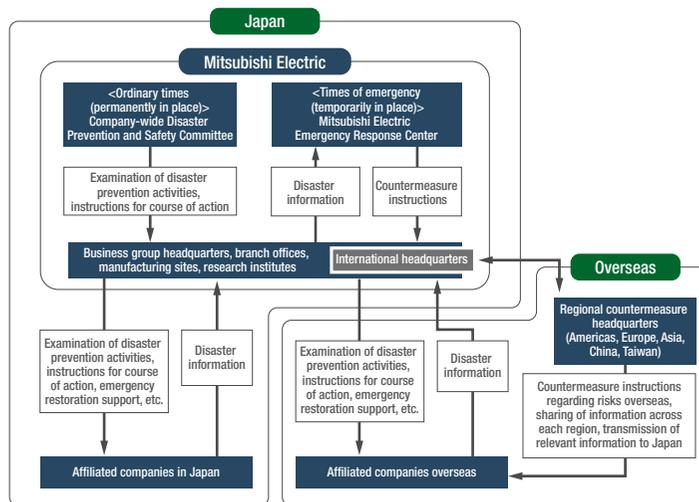
Development of a Response Framework for Large-scale Disasters

Engaging in business on a global scale entails the risk of being affected by disasters, including earthquakes, regional conflicts, terrorism, and outbreaks of infectious diseases. The Mitsubishi Electric Group is strengthening its response framework, reexamining its disaster prevention system and disaster countermeasures, to prepare for emergencies.

Emergency disaster prevention framework

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

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



Mitsubishi Electric Group's disaster prevention framework

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

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

For fiscal 2023, the Committee will roll out a Group-wide mechanism that enables a system to be developed step by step in order to improve the effectiveness of the BCPs by visualizing the progress of the effort.

Initiatives for Business Continuity and Disaster Response

Business continuity plan (BCP) formulation and regular (annual) review

To fulfill our responsibility as a product supplier, we had all Mitsubishi Electric offices formulate a BCP assuming the possible outbreak of a new strain of influenza in fiscal 2011 and a BCP assuming the risk of a large-scale earthquake in fiscal 2013 and urged major affiliated companies in Japan and overseas to formulate a BCP.

Each office and affiliated company in Japan and overseas where the BCP has been established reviews it and upgrades countermeasures every year so that the BCP once developed will not turn into a mere formality.

Business continuity in the supply chain

At Mitsubishi Electric, we pursue initiatives to avoid situations in which a large-scale disaster or other unavoidable circumstance imposes serious damage on suppliers, severs the supply of materials, or obstructs our production activities.

1. Activities for visualizing the procurement parts supply chain and mitigating procurement risks

In addition to procurement BCPs on a per-supplier level that we have worked on since fiscal 2014, we will implement various measures, including bringing visibility to supply chains on a per-procurement item basis and practicing multi-company purchasing, in order to mitigate risks that the occurrence of an emergency situation may cut off the supply of procurement items and hinder the securing of procurement items. We will also continue to organize BCP seminars for suppliers, to strengthen awareness and provide support for disaster prevention measures.

2. Activities for ensuring a prompt initial response and efficient response tasks in times of emergency

In order to ensure swift operations and efficient response tasks, we will reconstruct systems by, in ordinary times, collecting procurement item supply chain information and managing it internally in a unified manner and, at times of emergencies, automatically distributing supplier impact surveys and collecting answers. Hereafter, we will also strengthen measures to ensure stable procurement activities in our domestic and overseas production centers, thereby mitigating procurement risks as much as possible.

Strengthening disaster responses

Each office and affiliated company of the Mitsubishi Electric Group possesses a disaster response manual that is used to implement preliminary measures (disaster mitigation measures) and disaster prevention drills.

For example, Mitsubishi Electric carries out an emergency drill and safety confirmation training that involves the use of a safety confirmation system at each site. For IT continuity, we have two separate data centers in Tokyo and the Kansai region and carry out an annual drill for switching between data centers in the event of an emergency.

We have also instructed affiliated companies to establish the same level of disaster countermeasures as those implemented by Mitsubishi Electric to strengthen their emergency preparedness through disaster-prevention drills at each site.



BCP training at a Mitsubishi Electric site in Japan



Joint disaster prevention drill with a local fire department at a Mitsubishi Electric site (Power Device Works)

Pandemic countermeasures

The development of various modes of transportation and transportation networks, and the globalization of the economy have increased not only the movement of people, but also the risk of pandemic diseases such as the Ebola virus disease and new strains of influenza.

Amid the advancing globalization of the Mitsubishi Electric Group's businesses, in Japan we commenced initiatives to fulfill our corporate social responsibilities to (1) ensure people's safety, (2) sustain businesses that serve societal functions, and (3) minimize economic impact on our company in the event of an outbreak of a new strain of influenza (through BCP formulation, keeping tabs on the dynamics of business travelers and expatriates, stockpiling masks, etc.). Overseas, and particularly in countries where there is a high probability of an outbreak of a new strain of influenza, we provide direction for formulating a BCP that assumes such an outbreak and to otherwise implement countermeasures that are suitable for the situation in each country.

Ensuring safety overseas

The Mitsubishi Electric Group's Overseas Security Center, under the Corporate Human Resources Division, works closely with overseas sites (overseas offices and affiliated companies of Mitsubishi Electric and affiliates in Japan) to grasp the dynamics and confirm the safety of overseas business travelers, convey various information (travel restrictions, etc. based on information gathered from the Ministry of Foreign Affairs and specialized agencies), and provide employee education.

In fiscal 2022, in order to cope with COVID-19 that spread globally, we implemented measures as in the previous fiscal year, such as urging employees on assignment in areas where the standard of medical care is low and the infection is seriously widespread to return home temporarily and prohibiting overseas business trips as a general rule. Particularly, in response to the delta variant of COVID-19 that spread from spring to summer, we urged many employees on assignment in India, Malaysia, and other Asian countries to return home temporarily. At the moment, operations are gradually returning to pre-COVID-19 days—employees that returned home temporarily have been assigned overseas again and business trips to some overseas regions are permitted under specific conditions.

Regarding the invasion of Ukraine by Russia, though we do not have a site in Ukraine, we do have one in Moscow and so we urged our expatriate workers residing in Moscow to return home at an early stage as a safety precaution.

We also participated in the public-private overseas safety cooperation conference sponsored by the Ministry of Foreign Affairs, and exchanged information and views with other companies and organizations. The results of the conference have been incorporated into the risk management activities of our company and overseas sites.

Economic Security

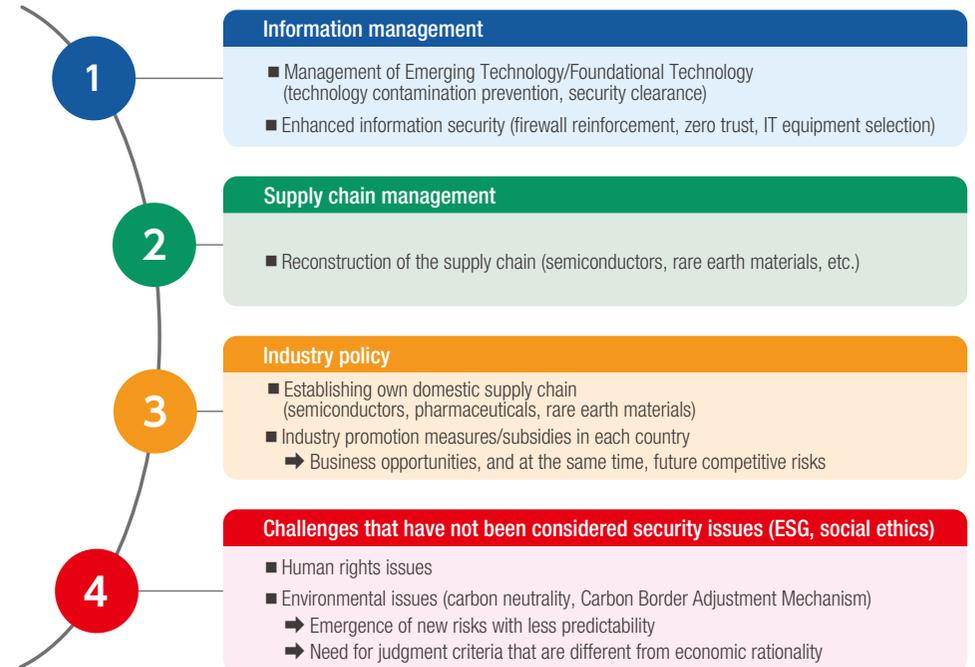
In recent years, as seen in the competition for dominance in technology between the U.S. and China, more countries are introducing their unique systems that are beyond the conventional rules of the international economy within investment, procurement, development, human resources, network, data management, and so on. The definitions of these systems are vague and some systems provide for extraterritorial application. As such, it is necessary to comprehensively read and understand the background and intention of these systems and to implement risk management to take necessary control measures, rather than simply complying with individual regulations as before.

Meanwhile, with respect to initiatives for human rights and environmental issues that have not been regarded as major economic activities before, countries in Europe and elsewhere are actively acquiring new markets through the creation of rules to assess these initiatives. In these areas, soft-laws-like norms created by non-government organizations and non-profit organizations often substantially restrict corporate activities before “hard” laws and other rules are established. As such, instead of waiting for rules to be created, it is important in terms of risk management to appropriately grasp trends and respond to them at an early stage, including actions to get involved in rule creation.

In addition to compliance with individual regulations as we have been thus far, in order to keep up with the dynamic changes in the economic security environment, we have set up the Corporate Economic Security Division directly under the president. This division investigates and analyzes policy trends and legal systems as well as implements integrated management from a perspective of comprehensive economic security as it relates to companywide information management, supply chains, industry policies, ESG, and social ethics.

We have also created a groupwide economic security system by setting up the Economic Security Secretariat in each department, the Economic Security Office in affiliated companies in Japan, and the Economic Security Administrator in affiliated companies overseas.

The four aspects of economic security considered by Mitsubishi Electric



Our Approach to Information Security

Basic Policy

In order to prevent the recurrence of a data leak incident caused by unauthorized system access, the Mitsubishi Electric Group will continue to strengthen its information management and utilization systems and other functions, and it will strengthen its security measures for cyberattacks. As a specific target, we will aim to achieve level 3 or higher in the Cybersecurity Maturity Model Certification (CMMC).*

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

* Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense. Level 3 or higher means that excellent security measures and management systems are put in place.

For details on the Declaration of Confidential Corporate Information Security Management, refer to the Information Security Report.

[Information Security Report](#)

Framework and Guidelines

A new "Corporate Information Security Division" was established under the direct control of the president, to oversee all the Group's information security management. Since April 2020, it has integrated three functions that were previously separate: management of confidential corporate information and personal data protection, information system security, and product security. Since April 2021, we have enhanced the structure and add members of Corporate Information Security Division. In addition, we will invest more than ¥50 billion to implement cybersecurity measures and establish sustainable information security management system so that we can achieve Level 3 or higher of the Cybersecurity Maturity Model.

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 the Computer Security Incident Response Team (CSIRT) established in each business group and office that utilizes and manages the data and systems.

As other companies suffered cyberattacks that affected their factory productivity,

Mitsubishi Electric also formed a section to ensure factory security, thereby bolstering preparedness.

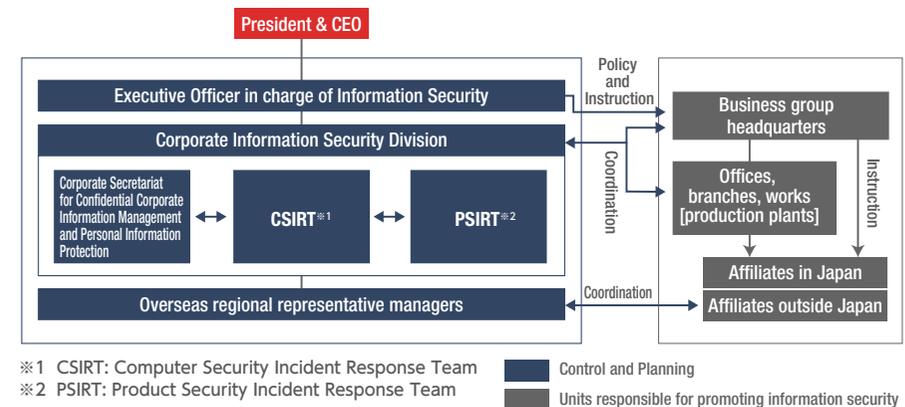
In addition, as part of PSIRT activities*1 to promote product security measures, we were accredited as a CNA*2 in November 2020 and we now assign CVE IDs*3 to vulnerabilities that affect Mitsubishi Electric products and publish them by ourselves. This has strengthened a framework to practice efficient vulnerability handling with external stakeholders. Identified vulnerabilities are reported, instructions are given in keeping with this framework, and appropriate response is 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 will build close cooperative relations with overseas regional representative managers at sites in the Americas, Europe, China, and other Asian countries to ensure information security.

*1 PSIRT is an abbreviation for Product Security Incident Response Team, which works on the security quality of products and services.

*2 CVE Numbering Authority. CVE is an abbreviation for Common Vulnerabilities and Exposures.

*3 Internationally used vulnerability identifiers



Framework (Mitsubishi Electric Group)

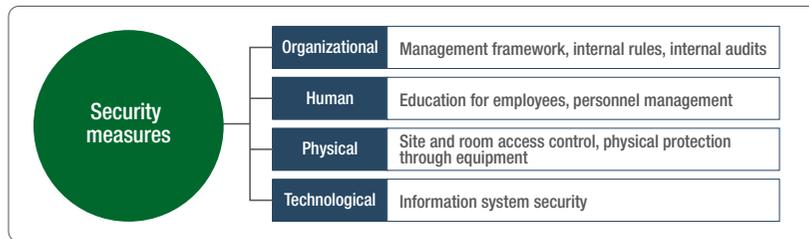
Global Activities

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

Information Security Management

Management Principles

The Mitsubishi Electric Group practices confidential corporate information management and personal information protection utilizing a continuous improvement approach implemented using the Plan, Do, Check, Act (PDCA) cycle, and employs four security measures to ensure proper management and protection of confidential corporate information and personal information from the organizational, human, physical, and technological perspectives, taking the external environment into consideration, including the handling of personal data overseas.



Four security measures

Information Security Regulations and Guidelines

Committed to living up to its Declaration of Confidential Corporate Information Security Management and Personal Information Protection Policy, Mitsubishi Electric Corporation has established information security regulations and guidelines alongside the four security measures, and reviews them as necessary to stay in compliance with current laws. In addition, we have similar rules for personal information protection and affiliates.

Information Security Regulations and Guidelines

Item	Basic regulations
Security measures	Organizational security measures : Regulations on confidential corporate information security management Personal data protection guidelines
	Human security measures : Regulations on the work of employees
	Physical security measures : Physical security guidelines
	Technological security measures : Regulations on information security management

Information Security Inspections

The Mitsubishi Electric Group performs the following inspections as part of the C (Check) stage of the PDCA cycle at head office management departments, business groups and offices, and affiliates. These inspections focus on checking whether confidential corporate information management and personal information protection activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming the status of those activities. We review measures based on the results, and this leads to the A (Act) stage of the PDCA cycle. These inspections are set down in the Confidential Corporate Information Management Regulations, which cover Mitsubishi Electric Corporation, and in the Guidelines for Information Security Management Regulations, which cover affiliates in and outside Japan.

Inspections related to information security

	Item	Content
Self-check	Self-check program for confidential corporate information management and personal information protection	Using a checklist, each Mitsubishi Electric Group company performs a self-inspection of its activities for information security
Third-party check	Third-party check program for confidential corporate information management and personal information protection	Mitsubishi Electric's business offices mutually check each other's status of information security management. Mitsubishi Electric checks the status of information security at affiliated companies.
	Personal information protection audits (Personal information protection management system audits)	At Mitsubishi Electric, the status of personal information protection is internally audited under the supervision of the Audit Manager for Personal Information Protection, who is appointed by the President & CEO of Mitsubishi Electric. In affiliated companies in Japan that have been granted the right to use the "PrivacyMark," the same internal audit is conducted by the audit manager at each company.

Information Security Education

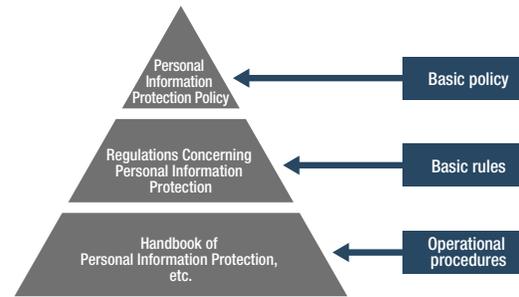
Mitsubishi Electric fosters a corporate culture that enforces the proper handling of confidential corporate information and personal information. We provide education programs to enable employees to ensure the implementation of specific security control measures, such as the server storage and encryption of files according to security levels.

Specifically, information security education is provided to all employees in the form of e-learning to disseminate thorough knowledge of the security control measures (organizational, human, physical, and technical) that they should be aware of. This education is provided in response to the rapid increase in telework and to changes in the business environment and business models based on the growing use of cloud services, as well as in line with the roles that are expected of them at each career stage. In addition, Mitsubishi Electric regularly conducts exercises to verify that employees know how to handle spoofed e-mails.

Activities for Personal Information Protection

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 April 2022.



System of rules for personal information protection

Proper handling of personal information

Mitsubishi Electric handles personal information appropriately; we acquire it by specifying purpose of use, use it only within the intended scope, and provide it to a third party only with prior consent from users. Furthermore, in preparation for data leakage risks from cyberattacks, we continue to strengthen security control measures, such as server storage and encryption.

Response to the EU General Data Protection Regulation (GDPR) and China's Personal Information Protection Law

The Mitsubishi Electric Group handles personal data from the EU in an appropriate manner with due consideration to the General Data Protection Regulation (GDPR), which was put into force in the EU in May 2018 as a framework to protect privacy. In addition, cross-border transfer of personal data is now also being regulated outside Europe with China's Personal Information Protection Law enforced on November 1, 2021, and the Group is taking appropriate measures.

Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses as they are growing increasingly sophisticated and diverse year-by-year. The Mitsubishi Electric Group is centrally managing the network, devices, and servers (cloud) and working to implement a multilayered defense which is based on the concept of zero-trust security* as countermeasures for cyber-attacks that are growing increasingly sophisticated and diverse, along with the wider use of cloud services and the wider adoption of teleworking. A multilayered defense lets us protect ourselves from cyber-attacks, detect suspicious signs and intrusions, and put in place a system to respond immediately should an incident occur, to prevent or minimize damage.

In addition, we have implemented multi-factor authentication that supports operations being conducted through access from offices, teleworking sites, and business trip destinations, and we manage authentication in a centralized manner. 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 a high security level.

* Concept of not giving trust to anything either inside or outside of the company, and testing and authorizing all communication attempts.

Leaks of data due to unauthorized system access

Regrettably, another data leak incident at our affiliate was caused again by unauthorized system access despite our ongoing efforts to strengthen security. We sincerely apologize for any inconvenience and/or concern experienced by our customers and society as a result of these incidents, as reported in FY2021 and today in October 2021.

On October 8, 2021, Mitsubishi Electric detected unusual access from overseas and it was confirmed that the some domestic customer information at our affiliate company was leaked from the company on October 15, 2021. The incident was reported to the customers individually and they confirmed no impact from the incident. We cut off the exploited communication channel and issued a report to the relevant authorities.

Although we have already implemented emergency measures for both devices and servers to prevent recurrence, we believe we need to develop a multilayered defense at a higher level to protect ourselves from targeted attacks that use sophisticated and diverse approaches. Mitsubishi Electric strengthens the monitoring of the cloud service that was accessed illicitly and accelerates the implementation of zero-trust security measures to ensure the prevention of recurrence. In addition, the Mitsubishi Electric Group as a whole strengthens security measures through comprehensive multilayered protection, such as the strengthening of domestic and overseas network access controls, endpoint security measures, authentication platforms, including multi-factor authentication, and monitoring. Going forward, we will continuously work to strengthen security in coordination with relevant authorities. As for measures, we will introduce the concept of central management and work to ensure consistent security measures.

[News Release: Leaks of data due to unauthorized system access \(Oct. 22, 2021\)](#)
(in Japanese text)

Initiatives Regarding Security Quality of Products and Services

Mitsubishi Electric reinforced its initiatives with the establishment of the Mitsubishi Electric Product Security Incident Response Team (PSIRT) as an internal framework to handle the security quality of products and services.

The following are Mitsubishi Electric PSIRT's roles:

- Gather information on vulnerabilities in products and services provided to customers
- Respond swiftly to vulnerabilities discovered in cooperation with product design and production departments and service management departments
- Strengthen and promote technical initiatives to preclude vulnerabilities from the stage of product and service development
- Provide necessary security training to all officers and employees concerned with product and service development
- Disclose vulnerability information and measures to customers

Mitsubishi Electric has appointed PSIRT managers to each business group headquarters and works to handle any problems and drive risk reduction as persons responsible for product and service security. We have also established a corporate PSIRT in the Corporate Total Productivity Management & Environmental Programs Group to provide overall supervision and work to increase the security quality of products and services.

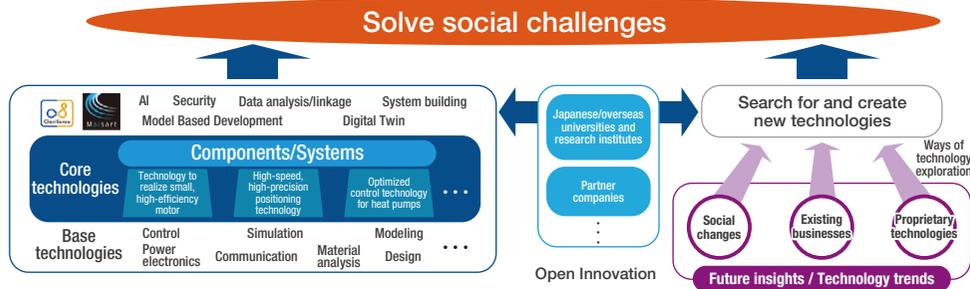
Third-Party Certification

Mitsubishi Electric and affiliates in Japan promote holding third-party assessments and gaining third-party certification on information security.

Research and Development

Basic Policy on Research and Development

The Company advances the following research and development with a balanced approach. These R&D efforts reinforce and transform our existing businesses and promote the creation of new value, in order to solve a variety of social challenges through the use of advanced technologies and contribute to the realization of a sustainable society. We thoroughly enhance core technologies that drive increased profitability, continuously deepen fundamental technologies such as AI, and investigate and create new technologies aimed at realizing a decarbonized society and other achievements. The Company will also accelerate development and create value through proactive utilization of open innovation with universities and other external R&D institutions. During fiscal 2022, the total R&D expenses for the entire Group have amounted to 195.1 billion yen (2% increase compared to the previous fiscal year).



Major R&D Achievements in Fiscal 2022

The SUSTIE Net Zero-energy Building (ZEB) Test Facility Achieves “ZEB” Certification in its Operational Phase

The SUSTIE ZEB*1 test facility, which was completed at the Company’s Information Technology R&D Center in 2020, retained its energy consumption at less than 0% in its first full year of operation by producing more energy than it consumed, thereby achieving the criteria for “ZEB”*2 certification. A building equipment operation plan that keeps the building comfortable while minimizing energy consumption is automatically generated, through the combined use of technologies simulating the operating status of building equipment such as air conditioning and lighting, as well as the state of the offices such as temperature and brightness, and Maisart*3 AI technology. Through this development, the Company achieved ZEB-level operation in an urban location with limited premise area, while maintaining a highly comfortable and productive work environment. The Company will use this case example to further promote the popularization of “ZEB” and contribute to carbon neutrality.

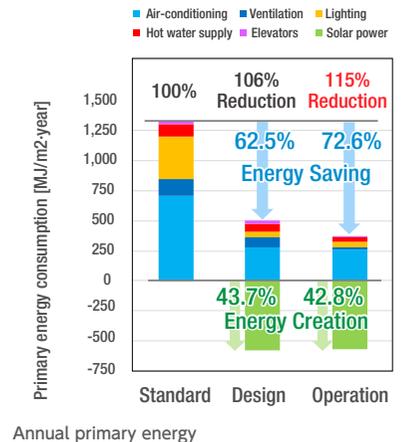
*1 ZEB: net Zero Energy Building

*2 “ZEB”: Certification given to buildings with zero or less net primary energy consumption on an annual basis. The “ZEB” is the highest of the ZEB evaluation rankings. SUSTIE is Japan’s first mid-sized office building to meet the criteria for “ZEB” certification (as of August 7, 2019, according to internal research)

*3 Mitsubishi Electric’s AI creates the State-of-the-ART in technology: Mitsubishi Electric’s AI technology brand aimed at making every device smarter



SUSTIE ZEB test facility



Achieved “ZEB” certification in just one year of operation since completion, promoting future ZEB construction

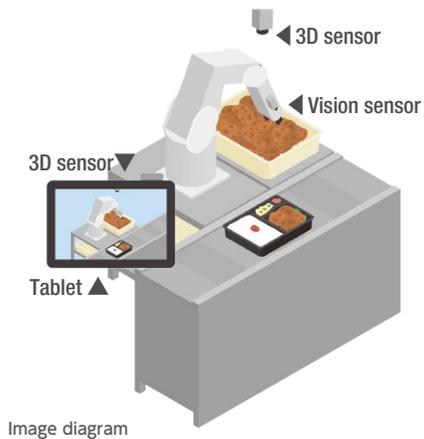
Development of “Teaching-less Robot System Technology” that Facilitates Introduction of Robots

A decrease in the working population due to the declining birthrate and aging population is causing especially prominent personnel shortages in food factories, logistics centers, and other facilities. The Company has developed technologies for operating robots without the need for specialized knowledge by using the industry’s first*¹ spoken operating instructions or simple item selections, technologies for performing visual confirmation using 3D sensor measurement information and AR,*² and technologies for automatically optimizing robot movements, enabling them to perform tasks as fast as humans.

These technologies will promote the automation of processes that had difficulty in introducing robots, such as dishing up ingredients in food-processing plants where the menu changes frequently, and sorting in logistics centers. Through these technologies, the Company will contribute to the unmanned operations in factories.

*¹ As of February 28, 2022, for measures provided by industrial robot manufacturers for issuing work instructions (according to internal research).

*² AR: Augmented Reality



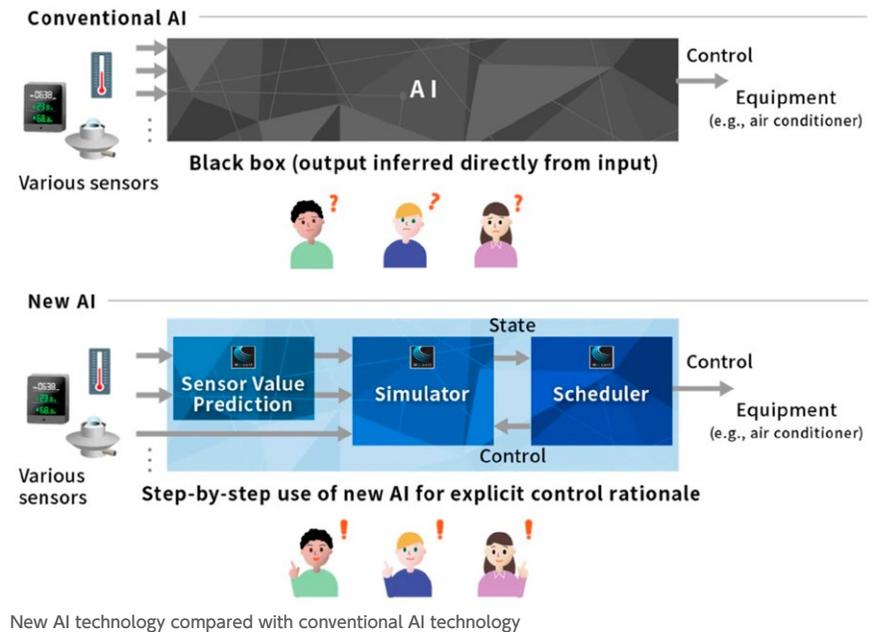
Promoting the automation of processes that had difficulty in introducing robots, thereby contributing to the unmanned operation of plants

Teaching-less Robot System Technology

Development of AI Technology that Clarifies its own Control Rationale

The inference processes used by AI technologies are black boxes and often difficult to understand. This presents major difficulties when applying them to the control field, where reliability and explicability are vital. This newly developed technology* eliminates black boxes by splitting up the AI inference processes step-by-step, into a step in which the AI predicts from the current sensor detection value the future sensor detection value based on past data, etc., a step in which AI is used to simulate the future state based on the predicted sensor detection value, and a step in which an equipment control schedule is set based on the simulation results. Not only does this allow people to understand the control rationale of the AI, it also enables early maintenance and rapid recovery, contributing to the realization of a society in which people can feel secure using AI.

* Developed jointly with the National Institute of Physical and Chemical Research (RIKEN)



Contributing to the realization of a society in which people can feel secure using AI by clarifying its control rationale

AI technology that clarifies its own control rationale

Intellectual Property

Protection of Intellectual Property Rights

Basic Policy

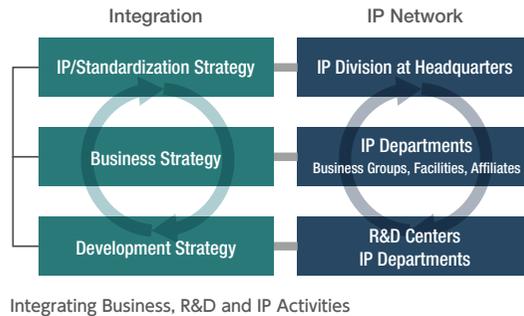
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

The Mitsubishi Electric Group recognizes that intellectual property (IP) rights represent a vital management resource essential to its future and must be protected. Through integrating business, R&D, and IP activities, the Group is proactively strengthening its global IP assets, which are closely linked to the Group's business growth strategies and contribute to both business and society, and also working on protecting IP rights.

Structure of the Intellectual Property Division

The IP divisions of the Mitsubishi Electric Group include the Head Office IP Division, which is the direct responsibility of the president, and the IP divisions at the Works, R&D centers, and affiliated companies. The activities of each IP division are carried out under the executive officer in charge of IP at each location. The Head Office IP Division formulates strategies for the entire Group, promotes critical projects, coordinates interaction with external agencies including patent offices, and is in charge of IP public relations activities.

At the Works, R&D center, and affiliated company level, IP divisions promote individual strategies in line with the Group's overall IP strategies. Through mutual collaboration, these divisions work to link and fuse their activities in an effort to develop more effective initiatives.



Global IP Strategy

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

As an indication of the Mitsubishi Electric Group's IP capability and global IP activities,

the company ranked No. 1 in Japan in terms of the number of patent registrations (in 2021) announced by the Japan Patent Office (JPO), and No. 5 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2021) announced by the World Intellectual Property Organization (WIPO).

In conjunction with creating a patent network, we are also actively pursuing activities toward acquiring design rights in Japan and overseas, to protect both the functional and design aspects of our technologies.

(Top 5) PCT applicants: businesses, 2021 (WIPO, PCT Yearly Review)

Rank	Applicant	Country	No. of applications
1	Huawei	China	6,952
2	Qualcomm	USA	3,931
3	SAMSUNG	South Korea	3,041
4	LG	South Korea	2,885
5	Mitsubishi Electric	Japan	2,673

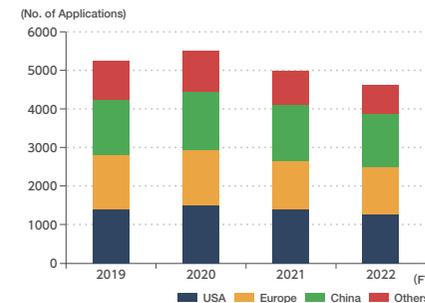
(WIPO)

No. of patent registrations in 2021(Japan)

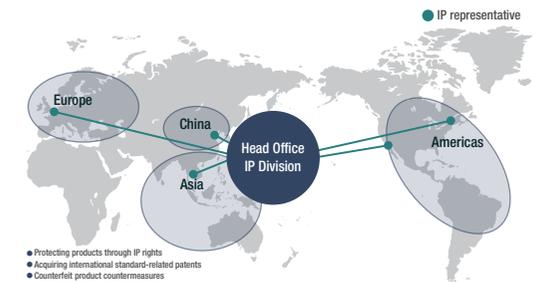
Rank	Applicant	No. of patents
1	Mitsubishi Electric	3,494
2	Toyota Motor	3,389
3	Canon	3,134
4	Panasonic	2,706
5	DENSO	1,650

(JPO)

Annual Trends in Overseas Patent Applications by the Mitsubishi Electric*



Further Strengthening Global IP Capabilities



* Starting in 2019, we began using the number of overseas patent applications of Mitsubishi Electric as a single entity

IP Strategy for International Standardization

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

growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share. In the field of 5G mobile communication systems, which are expected to proliferate in the future, we are not only involved in activities to acquire standard-essential patents, but also leveraging our technologies to promote IP activities that make our products even better.

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

[Patent Licensing](#)

Respecting IP Rights

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

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

In order to prevent any infringement on the IP rights of others, various educational measures are provided mainly to engineers and IP officers, to raise employee awareness and promote greater respect for the IP rights of others. At the same time, a set of rules has been put in place to ensure that a patent search is carried out at every stage from development to production, and is strictly enforced throughout the entire Group.

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

Cooperation in IP Policies

IP policies—such as those for prompt and efficient patent examination, international standardization activities, measures against counterfeit and pirated goods, and the establishment of a global patent system—encourage fair competition and contribute to building affluent lifestyles and society.

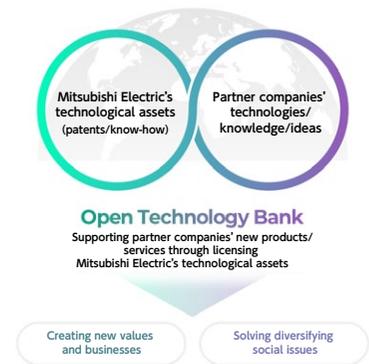
Based on this awareness, Mitsubishi Electric makes various proposals regarding IP policies and amendments of relevant laws from the industrial perspective, through its activities with institutions such as the Intellectual Property Strategy Headquarters and other governmental agencies of the Patent Office, and industrial organizations such as the Keidanren and the Japan Intellectual Property Association. Given today's advances in economic globalization, Mitsubishi Electric thus engages in active exchanges of views and information with the World Intellectual Property Organization (WIPO) and patent offices abroad, and cooperates in establishing IP policies from a broad, global perspective.

Open Technology Bank Activity

In order to realize a sustainable future, Mitsubishi Electric launched activities of the Open Technology Bank, which promotes internal and external collaborations based on intellectual property in fiscal 2022. In the past, the primary use of intellectual property was for competition between companies (monopolizing their use, preventing imitation, and exercising rights in relation to other companies); however, going forward, the Company will actively use intellectual property as tools for promoting collaborative creation.

Promoting external collaboration

The Mitsubishi Electric Group has a wealth of proprietary technology assets (patents, knowledge, etc.) in a wide range of areas, from home to outer space. The Open Technology Bank activities aim to create new value and businesses through combining and multiplying Mitsubishi Electric's technologies with partner companies' technologies and ideas. This is achieved through efforts to support partner companies in developing new products and services by granting licenses for Mitsubishi Electric's technology assets that contribute to solving diverse social challenges. Through these actions of taking its technologies that contribute to solving various challenges including the realization of a decarbonized society and preparation for natural disasters, and granting licenses for these technologies to various industry sectors and fields, Mitsubishi Electric actively promotes co-creation with external parties based on intellectual properties, and thereby contributes to the realization of a sustainable future.



Open Technology Bank Activities
— Promoting external collaboration —

Strengthening internal collaboration

As a result of its active intellectual property activities, the Mitsubishi Electric Group is maintaining a high level in number of patent applications and registrations both in Japan and overseas. On the other hand, the execution of each patent is closed within the works that filed the relevant patent in many cases, and patented technologies have not fully been rolled out internally. As such, we internally released a technology map that classifies and visualizes our patents with a focus on technology and social challenges in an attempt to promote the utilization of technologies beyond division boundaries and to create synergy as a comprehensive electrical and electronics manufacturer. This map is designed to allow people to reference summaries of each patent, the division and name of the inventor, as well as other details. This reference information will promote internal collaboration across department boundaries.

[Open Technology Bank \(in Japanese text\)](#)

Communication with Shareholders and Investors

Basic Policy

The Mitsubishi Electric Group enthusiastically engages in IR activities to gain the understanding and trust of its shareholders and investors, and makes it a point to disclose the appropriate information in a timely manner, in regard to management policies, strategies, and financial results. We also make every effort to incorporate into our management plans and practices the views of our shareholders and investors and the results of dialogue with them.

Status of Communication with Shareholders and Investors

Shareholders Meeting and Shareholder Communique

Mitsubishi Electric holds a General Meeting of Shareholders in late June every year. By issuing the convocation notice for this meeting in early June and publishing the notice on our website before it is issued, we ensure that there is sufficient time for all shareholders to examine the items on the agenda. In addition, we are establishing an environment that enables shareholders to exercise their voting rights on the Internet.

Mitsubishi Electric regards shareholders' meetings as precious opportunities for direct communication with our shareholders. To explain our business strategies, results and other important matters, we employ visual presentations that make abundant use of photographs, charts and the like in PowerPoint slides. In addition to making our explanations easier for our shareholders to comprehend, we also aim to stimulate sincere and constructive dialogue by providing detailed answers to questions that our shareholder pose.

Together with this, we are also preparing an environment for live streaming the general shareholders' meeting and accepting questions in advance, so that shareholders who have difficulty in visiting the venue on the day can watch the general shareholders' meeting and ask questions.

And furthermore, at the beginning of December every year, we send a "Shareholder Communique (Midterm Report, written in Japanese)" to all of our shareholders. The Shareholder Communique provides an overview of the second quarter cumulative period and looks at future initiatives. This report is another example of how we strive to deepen our shareholders' understanding of the Mitsubishi Electric Group.



Shareholder Communique
(In Japanese text)

IR Activities

Major IR Activities in Fiscal 2022

In light of the situation where it is difficult to engage with investors face-to-face, we utilized online and telephone conference systems to hold presentations concerning corporate strategies, financial results, business strategies, and many other matters, and organize individual meetings, thereby interacting with an increasing number of shareholders and investors. We also enhanced the tools to communicate with shareholders and investors by providing various presentations as on demand videos and by posting overviews of question and answer sessions on our official website.

[Investor Relations website](#)