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Corporate Social Responsibility

**CSR Policy**
Taking a proactive approach to the creation of a vibrant and affluent society.

**Social Responsibility**
Our responsibility as a corporate citizen to customers, business partners, shareholders and investors, and employees.

**Environmental Issues**
Addressing environmental issues with an aim to achieve harmonious collaboration with society.

**Environmental Topics**
Introducing the company's environmental efforts aiming at "Environmental Vision 2021."

**Philanthropic Activities**
Promoting social welfare, and supporting local communities and educational programs.

**About the Report**
A report to company stakeholders and the public about Mitsubishi Electric's CSR related responsibilities and activities.

Guideline Comparison Sheet  Back Issues
An introduction to the Mitsubishi Electric Group’s views of and promotional system for Corporate Social Responsibility (CSR).

President’s Message
Setsuhiro Shimomura, President & CEO of Mitsubishi Electric Corporation, introduces the CSR of the Mitsubishi Electric Group.

Pursuing continuous growth by enhancing flexibility in our operations and by promoting management transparency.

Ensuring legal compliance and carrying out corporate activities that are in accordance with laws and ethics.

We have a multi-dimensional risk management system to ensure the stable continuation of business activities while fulfilling our responsibilities to stakeholders.
Our Policy of Corporate Social Responsibility

The Mitsubishi Electric Group promotes its corporate social responsibility (CSR) activities based on the conviction that all business activities must take CSR into consideration. The Group's Corporate Mission and Seven Guiding Principles form its basic CSR policies.

We are vigilant in our enforcement of corporate ethics and compliance and constantly work to improve educational programs and strengthen our internal control system. At the same time, we pursue initiatives related to quality management, environmental preservation, philanthropy and improved communication with all stakeholders.

Promotional System for CSR

Considering that our CSR activities involve a wide range of initiatives such as corporate ethics and compliance, securing as well as improvement of quality, environmental preservation, philanthropy and improved communication with all stakeholders, Mitsubishi Electric's CEO is assigned as the officer responsible for overseeing these measures. The executive officers are in charge of carrying out each initiative within the scope of their assigned duties.
In keeping with the spirit of our corporate statement, "Changes for the Better," we seek to continually improve, and we will persevere indefinitely in our efforts to help realize a sustainable society.

Prioritizing Corporate Social Responsibilities Since the Time of Our Founding

The corporate operating environment continues to undergo dramatic changes, reflecting advances in globalization, revisions of laws, and other factors. What must remain steadfast regardless of how the times may change is a commitment to corporate ethics and compliance and a commitment not to compromise on environmental issues and product quality.

This commitment of the Mitsubishi Electric Group was first articulated in the Keiei no Yotei, or Keys to Management, which was drawn up at the time of the company's founding in 1921. The spirit of this document, which states our contributions in areas such as the prosperity of society, product quality and customer satisfaction, lives on today in our Corporate Mission and Seven Guiding Principles. With these tenets as our core principles, the company promotes various initiatives in order to fulfill our corporate social responsibilities.
Economic Aspects: Enhancing Corporate Value

In fiscal 2009, the Mitsubishi Electric Group carried out structural reforms in order to overcome management risk, while at the same time pursuing a strategy of sustained growth that hinges on our own unique strengths. Although the economic downturn that materialized suddenly in the second half of fiscal 2009 will continue plaguing the operating environment in fiscal 2010, we will further refine the "manufacturing craftsmanship" capabilities integral to our operations. At the same time, we will promote environment-related business strategies in growth markets and expand business in newly emerging markets in efforts to achieve our management targets.

Three Management Targets to Be Achieved

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
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<tbody>
<tr>
<td>Operating income ratio:</td>
<td>5% or more</td>
</tr>
<tr>
<td>ROE:</td>
<td>10% or more</td>
</tr>
<tr>
<td>Interest-bearing debt to total assets:</td>
<td>15% or less</td>
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Environmental Aspects: Promoting Environmental Initiatives based on Environmental Vision 2021

The Mitsubishi Electric Group promotes environmental management according to its Environmental Plan, which we develop every three years. We enjoyed several successes in fiscal 2009, the final year of our 5th Environmental Plan. For example, we reduced CO₂ emissions per unit of real net sales by 65% compared with fiscal 1991 and cut final disposal volume to 0.15%. We also established proprietary technology to select and recover with a high degree of purity three major plastics (polypropylene, polystyrene and acrylonitrile-butadiene-styrene) from the plastic mixture that results when end-of-life home appliances are pulverized. This approach, which we call "closed-loop recycling," helps reduce global warming by curtailing the amount of new plastic needed, and moves us closer to the goal of zero emissions.

Fiscal 2010 is the first year of the 6th Environmental Plan, which moves us closer toward the Environmental Vision 2021* targets to be achieved by the year 2021, the 100th anniversary of Mitsubishi Electric’s founding. Some specific objectives are to reduce total CO₂ emissions from production, to reduce CO₂ emissions from product usage, and to promote the 3Rs (reduce, reuse and recycle) for products.

* Environmental Vision 2021, formulated in October 2007, is the long-term environmental management vision of the Mitsubishi Electric Group. It establishes a framework for realizing a sustainable planet, and defines long-term initiatives to prevent global warming—such as cutting CO₂ emissions from product usage by 30% (compared to fiscal 2001)—and to create a recycling-based society.
Social Aspects: Contributing to Society through Technology

As a member of society, we are responsible for upholding corporate ethics and compliance and engaging in social activities. We also recognize our responsibility to contribute to society through the technologies we have built up over the years. For example, in fiscal 2009, we achieved an 18.9% conversion efficiency—the highest in the world—using polycrystalline photovoltaic cells. We believe this is a successful step toward helping protect the global environment and helping achieve a sustainable society.

At the same time, however, in fiscal 2009 the Group was cited on the grounds of antitrust actions regarding an electrical facility construction order received from the city of Sapporo, and we subsequently received a cease and desist order and were levied fines by the Japan Fair Trade Commission in conjunction with these activities. After taking a hard look at the circumstances that led to this situation, it is clear that the Group needs to implement more thorough ethical and regulatory compliance to prevent a recurrence. We are enhancing our training to raise the level of compliance groupwide.

In fiscal 2010, we will continue our efforts to uphold corporate ethics and compliance and take an active part in social activities, while also contributing to society through our technologies, products, and services.

Through these initiatives, the Mitsubishi Electric Group will work to gain trust from stakeholders and help realize a sustainable society. Within the spirit of our corporate statement, "Changes for the Better," we will constantly pursue improvement and continue to make our best efforts. We greatly appreciate everyone's understanding and support.

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Basic Corporate Governance Policy

To realize sustained growth and increase corporate value, Mitsubishi Electric works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the Company is responsive to the expectations of customers, shareholders, and all of our stakeholders.

Corporate Management and Governance Structure

Corporate Management Structure and Internal Control System

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

The present Board is comprised of 12 directors (five of whom are outside directors), who objectively supervise and advise the Company's management. The Board of Directors has three internal bodies: the Audit, Nomination and Compensation committees. Each body has five members, three of whom are outside directors. The Audit Committee is supported by dedicated independent staff.

Mitsubishi Electric's President & CEO is not a member of either the Nomination Committee or the Compensation Committee. This allows for the clear division of executive and supervisory functions, thereby enabling Mitsubishi Electric to ensure effective corporate governance.

Executive officers are responsible for ensuring compliance and management efficiency in their assigned areas of operations. Internal auditors monitor executive officers’ performance of duties. Internal and external auditors report on the results of such monitoring to the Audit Committee and executive officers in charge.
The Corporate Auditing Division, Audit Committee and Accounting Auditors

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

Overseeing this department is the Audit Committee, which is made up of five directors, three of whom are outside directors. In accordance with the policies and assignments agreed to by the committee, the performances of directors and executive officers as well as affiliated companies are audited.

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

KPMG AZSA & Co. has been retained as Mitsubishi Electric's accounting auditor. This firm has appointed Mr. Yoshihiko Nakamura, Mr. Ryoji Fujii and Mr. Toshihiro Otsuka as the partners in charge of handling the auditing of Mitsubishi Electric along with certified public accountants and junior accountants as support staff. Mitsubishi Electric maintains an environment in which fair and impartial audits can be conducted and furnishes relevant management information to KPMG AZSA & Co.
Familiarizing Employees with the Corporate Ethics and Compliance Statement

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

To raise awareness of this statement throughout the Mitsubishi Electric Group, we display posters and have each employee in Japan carry a card with the statement written on it. In addition, every employee is issued a Corporate Ethics and Compliance Code of Conduct booklet, which contains the Corporate Ethics and Compliance Statement and specific action policies. The booklet is revised every three years to reflect revisions to laws and changes in society, the most recent such revision being completed in March 2007.
The Corporate Ethics and Compliance Statement

Compliance with the Law
We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity to changes in social ethics or local practices. We will never establish a target, nor make a commitment, that could be achieved with conduct that would violate applicable laws or generally accepted community standards.

Respect for Human Rights
We will conduct ourselves always with a respect for human rights. We will not tolerate discrimination based on nationality, race, religion, gender, disability or any other reason prohibited by applicable laws nor will we tolerate other conduct that violates international laws, covenants or principles regarding respect for individual and human rights.

Contributing to Society
Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of the entire society.

Collaboration and Harmonization with the Community
As a good corporate citizen and neighbor, we will support worthwhile civic and charitable organizations and activities in the communities where we reside or work that contribute to community development.

Consideration of Environmental Issues
As part of our goal to achieve a recycling-oriented society, we will do our best to pay attention to and respect the global environment in every aspect of our business.

Awareness of Personal Integrity
We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters and, will use company resources, including monetary resources, time and information for legitimate business purposes. We will use company computers and various networks and on-line services, including e-mail and Internet access, primarily for company business.
Structure to Thoroughly Implement Compliance

The formulation of the Group's policies and action codes with regard to corporate ethics and compliance is the responsibility of the Corporate Compliance Committee, which was established in 1991, the year in which the Nippon Keidanren created its Corporate Conduct Charter. The committee is chaired by an executive officer responsible for legal affairs and holds regular meetings twice annually and extraordinary meetings as required. Compliance is an essential element of conducting business. Recognizing this, in April 2007, we reinforced our primary compliance promotion systems in each division and the organizations that support them.

At each division and organizational site, a compliance promotion committee is established and compliance managers are appointed to support these committees' respective compliance activities. We strive to raise the level of compliance by disseminating the content of deliberations that take place in the Corporate Compliance Committee to every site within the Group.

Furthermore, in April 2008, we reorganized the compliance system for Mitsubishi Electric Group companies to more closely reflect the parent Company's compliance policies and promotion systems.

For affiliates in Japan, we appoint chief compliance managers to support executive functions related to compliance promotion, and compliance managers to assist general managers in each business unit. In addition, we are raising the level of compliance across the Mitsubishi Electric Group by convening compliance manager committee meetings.

Overseas, regional chief compliance managers have been appointed in every region in which we operate, extending our support of compliance at affiliates. Chief compliance managers are assigned to affiliates in the United States, Europe, China (including Hong Kong) and Taiwan to support executive functions related to compliance promotion, while regional chief compliance managers form a regional compliance committee and work to improve the level of compliance. Depending on the region and local circumstances, we are gradually redeveloping relevant systems.
**Communication Channel "Ethics and Legal Compliance Hotline"**

Established Inside and Outside the Company

Mitsubishi Electric has set up an ethics and legal compliance hotline to prevent improper conduct before it occurs. The information communicated through the hotline is investigated by the Legal Division's Legal Compliance Office, and if improper conduct is discovered, the investigated division is requested to punish the perpetrator, or institute corrective measures. Anonymity and other protections for the whistleblower are prescribed in internal rules along with a prohibition against unfair treatment of whistleblowers.

In April 2006, an external communication channel was set up at the offices of legal counsel in conjunction with enforcement of the Whistleblower Protection Act. These communication channels are open to affiliate companies in Japan as well.

The ethics and legal compliance hotline is explained in the Code of Conduct for Corporate Ethics and Compliance, which is distributed to each employee. As well as posters displayed in each department, the employees are acquainted with the communication channels through the Legal Division's intranet site and other information outlets.

**Compliance Audits**

The Auditing Division assumes a central role in auditing compliance as part of the internal audits of corporate ethics and legal compliance at the business divisions of Mitsubishi Electric and affiliated companies in Japan and overseas. Divisions are requested to make improvements if found in need of corrective actions by the Auditing Division.

**Compliance Education Using Manifold Methods**

Mitsubishi Electric conducts training on an ongoing basis to foster an awareness of compliance issues among its employees. We hold compliance workshops for individual departments to address the need to reflect legislative measures in their operations. In fiscal 2006, we also introduced compliance training for all employees, taking the form of either e-learning, group training sessions or correspondence courses.

Mitsubishi Electric's Legal Division and various divisions at affiliated companies provide support for compliance training at affiliated companies in Japan. We also conduct compliance workshops at these companies on a rotating basis.

In fiscal 2009, we held compliance workshops at each of the Company's operating facilities (branch offices and plants) attended by personnel in charge of compliance at affiliated companies in each region. These efforts were designed to foster a thorough awareness of compliance and a deeper understanding of key legislation at affiliated companies. We plan to continue this initiative into fiscal 2010 and beyond.

We also conduct compliance training at our overseas affiliates. These programs are adjusted to reflect different legal restrictions, as well as local cultures and customs.

Supervisors at Mitsubishi Electric and its Japanese affiliates work with compliance managers to distribute educational materials concerning inappropriate actions, to prevent such activities from occurring.
Bulletin

On October 20, 2008, Mitsubishi Electric was cited by the Japan Fair Trade Commission for non-compliance with the Anti-Monopoly Law on a project the Company had received from the city of Sapporo for the construction of specific electrical facilities. In addition to receiving a cease and desist order, the Company was ordered to pay a fine. In addition, on March 18, 2009 and in accordance with Japan's Construction Law, the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism instructed the Company to suspend operations involving construction in part of Hokkaido for a 15-day period. We sincerely regret the actions that led to this citation, and we are conducting a thorough campaign to reinforce compliance throughout the Company to prevent such a situation from recurring.
Risk Management System

Mitsubishi Electric maintains a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers’ meetings.

Strictly adhering to this management structure and system, the Mitsubishi Electric Group is implementing measures that are intended to detect potential risks at an early stage. In its efforts to minimize business risk and eliminate risks that may have significant social impact, such as those related to corporate ethics and compliance, the environment and product quality, the Group is fulfilling its responsibilities to stakeholders.

Responding to Environmental Risk

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

In order to prepare for the event of an accident or emergency, head office divisions, which are responsible for manufacturing facilities, R&D centers, branch offices and affiliates, as well as branch offices, which handle sales operations, have developed detailed risk descriptions and procedure manuals that specify departmental responsibilities. Mitsubishi Electric also anticipates the possibility of accidents, claims, or violations of the law occurring by construction subcontractors or companies working under outsourcing agreements, and informs these outside parties of our risk response procedures, as well as request that they ensure to implement the proper procedures in their respective organizations.

Each of our business sites run tests 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 communication channels, the chain of command, movement methods at the site, and reporting procedures function properly. When problems are uncovered, the procedures are revised and the new version is publicized throughout the organization. The tests also serve as drills to help employees become proficient in the proper response procedures.
Protection of Personal Information and Management of Confidential Corporate Information

The Mitsubishi Electric Group has occasions to obtain personal information from customers through questionnaires, registration of purchased products, and after-sales service. At times, we also obtain personal information from people who desire employment in the Mitsubishi Electric Group. To take care in the handling and proper management of this information, we created company rules pertaining to the protection of personal information in October 2001, and strictly require all Mitsubishi Electric personnel (executives, employees, part-time workers, temporary employees, etc.) and affiliated persons to abide by those rules. After announcing our personal information protection policy in April 2004, we established a management system to strengthen our management of personal information, and obtained Japan's "Privacy Mark" certification in January 2008.

We strengthened security management not only for personal information but also for confidential corporate information, which includes information on sales, technical matters and intellectual property. This information is managed through organizational, human, physical and technological security measures. As a part of this effort, in February 2005 we announced the "Declaration of Confidential Corporate Information Security Management" in order to clearly publicize our stance both internally and externally that the company enforces the proper handling of various types of information. For information that has been entrusted to us by other companies, we uphold confidentiality agreements by all means, and we also work to manage and protect such information using the same security measures we use for our own information.

Confidential Corporate Information and Security Measures

<table>
<thead>
<tr>
<th>Security measures</th>
<th>Personal information</th>
<th>Marketing information</th>
<th>Technological information</th>
<th>Intellectual property</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization</strong></td>
<td>Management structure, in-house regulations, internal audits</td>
<td></td>
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<tr>
<td><strong>People</strong></td>
<td>Improve awareness, manage personnel</td>
<td></td>
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<tr>
<td><strong>Physical</strong></td>
<td>Review facility layouts, room access management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Establish information system security</td>
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Mitsubishi Electric constantly strives to improve its activities for managing confidential corporate information and to protect personal information through application of a plan-do-check-act, or PDCA, cycle. First of all, we revised internal rules as needed to comply with current laws. In fiscal 2005, we began offering e-learning educational training to all Mitsubishi Electric employees on an ongoing basis, to ensure they are fully aware of the goals of the "Declaration of Confidential Corporate Information Security Management." Furthermore, we have distributed procedures for the management of company secrets and protection of personal information, to firmly establish fundamental conduct in daily business.

In addition, self-audits are conducted at the workplace level along with internal audits by staff from the head office on the status of confidential corporate information and personal information management.

Systems and structures have been established at affiliate companies as well, based on the policies laid out by Mitsubishi Electric and in accordance with the conditions prevailing at each company and location. We intend to improve the quality of management across the entire Mitsubishi Electric Group by building and following PDCA procedures for the protection of Confidential Corporate Information and personal information.
Ensuring the Safety of People and Infrastructure

Creation of Disaster Response Manual for Major Earthquakes

Mitsubishi Electric has a system for responding to accidents and natural disasters in which the Disaster Response Headquarters, Management Response Headquarters and Business Group Response Headquarters work together under General Headquarters, which is headed by the President.

In the event an emergency situation involving an accident or natural disaster arises, we first ensure the safety of people and physical infrastructure, then work to restore operations. The safety of people and physical infrastructure is our utmost priority, so educational activities are conducted by our Health and Safety Committee on a regular basis to ensure prompt action is taken, and general disaster prevention drills are conducted regularly that include drills on escape routes and extinguishing initial outbreaks of fire.

In addition, reporting on the impact inside and outside the company follows a set channel, from the business site to the business group's administrative department to the Group president of the business group to the president. A company-wide response is determined and taken while instituting emergency measures at each stage.

The Company has also installed automated external defibrillators (AEDs) and holds workshops explaining their use. The AEDs are in place for use in case visitors or employees require emergency attention.

Creation of Disaster Response Manual for Major Earthquakes

Mitsubishi Electric created a disaster response manual in April 1996 to minimize injuries and physical damage and facilitate prompt relief and recovery in the event of a major earthquake. It includes measures in advance and establishes an emergency response measures directly following an earthquake, including setting up a disaster response organization and a code of conduct. Presently we are working on our business continuation plan based on the latest disaster response manual.

We have also established use of a digital Multi Channel Access (MCA) wireless system as an emergency lifeline. In addition, the information communication system and safety confirmation system using cell phone-based email have been introduced and well used in the earthquakes on Japan's Noto Peninsula and in Mie prefecture. We will continue to enforce the operational and hardware aspects in order to attain information efficiently in emergency situations.
Responding to New Strains of Influenza

Throughout the world, outbreaks of new types of influenza are requiring concerted regional initiatives by national governments, regional government bodies, companies and households. In fiscal 2009, we commenced activities to fulfill our responsibilities as a company to ensure people’s safety, sustain business operations that serve societal functions and minimize economic impact on the Company.

Specific measures in fiscal 2009 included providing training for overseas personnel, both Japanese on overseas assignment and local hires. We also promoted initiatives to prevent the transmission of disease. In fiscal 2010, we will step up activities to ensure business continuity from the viewpoint of sustaining the societal functionality of our operations.