Responsibility to customers

Basic Policy

The Mitsubishi Electric Group is committed to improving its technologies and services by applying creativity to all aspects of its business, to thereby enhance the quality of life in our society, as stated in our corporate mission. This commitment inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) with regard to "our contribution to social prosperity," "quality improvement," and "customer satisfaction," and forms the basic spirit of our relationship with society and our customers.

To give concrete shape to this basic spirit, the

Seven Guiding Principles define our actions in response to society and customers. It teaches us to establish relationships based on trust, provide the best products and services with unsurpassed quality, and respond to customer expectations through technology by promoting research and development and pioneering new markets.

Under these principles, we constantly strive to increase customer satisfaction and contribute to social prosperity in all aspects of our business, from the production of high-quality, easy-to-use products to our after-purchase support and response to major issues.

Four Basic Quality Assurance Principles

The Four Basic Quality Assurance Principles reflect the spirit of "Service through Quality" adopted in 1952 and "Memorandum of Quality" issued in 1958. The spirit of serving society through steady quality continues to be upheld by each employee of the Mitsubishi Electric Group up to the present day.

<Four Basic Quality Assurance Principles>

1. Product quality is our top priority. It comes before price and on-time delivery.
2. Our commitment to the highest quality under any circumstances is unwavering.
3. Products must be safe to use, have a long usage life, and have consistent performance.
4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.

Management System

Based on the Four Basic Quality Assurance Principles, we have established a system for quality assurance and improvement activities throughout the entire Group, including the appointment of a quality assurance promotion manager in all business group headquarters. We have also formulated quality assurance guidelines to ensure compliance with quality assurance legislation and standards and further develop quality improvement activities.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement initiatives in relation to quality assurance measures (quality management) for processes at each stage, from market surveys regarding Mitsubishi Electric products, through product planning, development and design, manufacturing, transportation, storage, installation, maintenance and servicing, and education, to the disposal of the product.

In addition, in operating our Quality Management System (QMS), we regularly check our PDCA cycle with reference to ISO and other international certification standards, seeking to realize ever higher quality by process improvement.
Product Safety-related Principles

Based on the Corporate Statement and the Seven Guiding Principles, the Mitsubishi Electric Group promotes initiatives to ensure product safety under the following principles:

1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information about product-related problems, disclose them appropriately to our customers, and report them quickly to the government and other bodies as required under the law.
4. If any serious accidents occur resulting from product-related problems, we will take appropriate measures to avoid further damage.
5. We will investigate the cause of product-related accidents and work to prevent any recurrence.
6. We will make continuous efforts to improve our product safety promotion system.

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where products are prone to break or be discarded). Especially in the case of home appliances, Mitsubishi Electric conducts risk assessment for 100% of the products subject to such assessments in pursuit of safety. At the same time, our Customer Service Center in Japan operates 24 hours a day, 365 days a year, to assist customers and gather their views about Mitsubishi Electric products. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

1. The results of re-examination of the quality assurance system of Mitsubishi Electric and its subsidiaries

Mitsubishi Electric and its subsidiaries, etc. have been found to have committed misconduct with regard to quality control for certain products and have submitted inadequate applications to the relevant authority regarding product certification. In addition to thoroughly reviewing and reinforcing the creation of a quality culture in the organization and strengthening the quality control system, we will strive to ensure compliance once again and strengthen internal control.

- Aug 2, 2019  The Results of the Re-examination of the Quality Assurance System of Mitsubishi Electric and its Subsidiaries (In Japanese text)

2. About the failure in shipping inspection for certain power semiconductor products of Mitsubishi Electric

During November 2014 to June 2019, Mitsubishi Electric’s Power Device Works shipped certain power semiconductor* products it manufactured without carrying out shipping inspections in accordance with the specification agreed with the customer. This incident was found in the course of the ongoing strengthening of quality control following the efforts described in 1 above made across the entire Group. In addition to thoroughly reviewing and reinforcing the creation of a quality culture in the organization and further strengthening the quality control system, we will strive for quick information sharing.

- Feb 10, 2020  About the Failure in the Shipping Inspection of Certain Power Semiconductor Products of Mitsubishi Electric (In Japanese text)
Quality Improvement Activities

The Mitsubishi Electric Group incorporates the promotion of quality into products from the design and development stage, promotes activities to improve quality in all processes—including manufacturing, shipping and after-sales service—and works to improve product quality, safety and reliability.

We are achieving effective quality improvements by visualizing quality, ensuring prompt response to malfunctions and preventing them from occurring, and providing feedback on these initiatives to the development and design departments.

In order to ensure the creation of a quality culture within the organization, we have been repeatedly providing education on Mitsubishi Electric’s basic policy (mission) through an e-learning program on quality. As an effort to have departments involved in products further recognize the importance of promoting quality for products that are well-received by customers and society, we have been continuing to conduct education according to the change in social conditions and Mitsubishi Electric Group’s situation.

Furthermore, we have been improving their awareness of quality by efforts such as providing level-specific training and other training programs and lectures according to their work, as well as enhancing education through the engineer ethics program.

In particular, initiatives were launched in fiscal 2012 to develop human resources (key persons who incorporate customer feedback into product quality) who are capable of assessing customer requests and basic product functions at the development and design stages and executing and driving designs that ensure and guarantee functionality, stability, safety and reliability (the process of incorporating and designing quality). These initiatives are being pursued in all relevant departments in Japan with an eye to achieving their intended achievements in human resource development by 2020.

In order to learn lessons systematically, we have been providing an ongoing e-learning program called “Learning from Problems” in which failure case studies are used as education material. We have installed a ‘quality room’ in each office for the display of actual quality defects found in products in the past, to supplement employee education.

With regard to product defects, we have also built a database for sharing quality-related information. It consists of detailed information provided by prior employees on past problems, lessons learned, explanations, and examples of improvements that have been made. We have also posted an attention reminder summarizing the rule and principle regarding common factors of defects and use it across the entire Group along with the database, which have been used for helping to build quality into products, implement quality improvement measures, prevent the occurrence or recurrence of problems, and train young engineers.

Furthermore, we have been strengthening the quality control system for confirmation upon the shipment of products that they will surely satisfy the specification required by the customer.

With regard to affiliates inside and outside Japan, initiatives were also launched in fiscal 2012 for management of the laws, regulations and standards, onsite verification of operational processes (production, manufacturing, installation and maintenance), and responses to failures and legal compliance.

“Learning from Failure” (Database of past incidents and lessons)

This program is set up so that users can systematically browse and utilize lessons, precautions, improvement case studies, and countermeasures from a managerial perspective and the perspective of their technological field.
Providing Easy-to-Use Products

Basic Policy

The Mitsubishi Electric Group engages in universal design under the principle of “creating user-friendly products and comfortable living environments that benefit as many people as possible.” To achieve user-friendliness and comfortable living in the true sense of the words, we are committed to providing products and living environments that offer a high level of satisfaction to as many people as possible.

Mitsubishi Electric Group’s Efforts in Universal Design

We have applied the concept of universal design (UD) to home appliances such as air conditioners and televisions, as well as to public equipment such as elevators, through considering the needs of all users. This approach is continuing to evolve.

- **Uni & Eco**: The Uni & Eco business strategy was developed for home appliances in fiscal 2005 as a philosophy that combines “Uni,” or universal design, (the aim of which is to achieve accessibility for all users), with “Eco,” meaning ecological soundness that is perceivable, achievable, and communicable.

- **RakuRaku Assist**: By raising the target demographic to people in their 70s starting in fiscal 2011, we developed the RakuRaku Assist business strategy. The aim is to enable more people to freely and easily take advantage of the latest convenient features.

- **SMART QUALITY**: We are also advancing the RakuRaku Assist strategy in our SMART QUALITY efforts. This started in fiscal 2013 as an initiative to improve the quality of future lives by connecting societies, livelihoods, products, and people through smart, connected, and waste-eliminating technologies.
Universal Design Examples to Date

Application to home appliances

Mitsubishi Electric has been ahead of the game in applying the concepts of universal design (UD) to home appliances. For instance, we have applied the Universal Design Guidelines to the RakuRaku-IH Cooking Heater cooking equipment.

- Using a simple control plate with few buttons, the design features button sizes and text displays that are both large.
- We made the order of basic controls for IH cooking easier to understand by displaying numbers. Moreover, we clarified the heat-intensity display by adopting simple words like "strong" and "weak."
- Another innovation was adding the benefit of voice-generated control assistance and alerts.
- Human sensors that monitor the surroundings of the IH unit have also been integrated into the equipment. The unit emits spoken alerts if no one is around during cooking or to give warnings of overheating.

"RakuRaku-IH" Cooking Heater CS-G20AKS

Large characters & numerical indicators of steps for use

<Features>
- Characters are approximately 1.8* times the size of our conventional system.
  (Compared with Mitsubishi Electric's conventional model G38MS)
- Can be operated simply by pressing buttons in order of numbers displayed.

Safety sensor & audio support

<Features>
- Built-in sensor checks for people in vicinity.
- Offers audio support for ease of operation.

Other "RakuRaku Assist" products (In Japanese text)
Application to the industrial sector

Even in the industrial sector, where there is a high level of specialization and a relative lack of diversity in terms of operators who handle equipment, the labor environment is changing. Examples of this transformation include the aging of workers, and more foreign and inexperienced workers – changes that have increased the need for universal design. At Mitsubishi Electric, we are applying the concept of universal design (UD) in our industrial products, such as factory automation (FA) equipment and electric power devices, as well as to the installation and maintenance of equipment on factory floors.

We are also employing the Universal Design Guidelines for sequencers in FA equipment.
- Easy-to-understand expressions, such as printed designs that are images of actual objects, make the displayed content more intuitive.
- The unit employs a large UD font display and offers good contrast against the background color, considering people with impaired color vision.
- By showing the text in both English and Japanese hierarchically for easy understanding, inexperienced workers can easily identify the cause of on-site malfunctions.
- Operability has been improved by employing the cabinet design, to feature a larger, more spread-out surface for the enlarged control portion.

![Print design illustrating the actual wiring](image1)

![Presentation with consideration for persons with impaired color vision](image2)

![Hierarchical GUI display makes it easy to see current location on screen.](image3)

![Error information can be checked on-site for quick identification of problem.](image4)

![Easy to understand information display](image5)

![The enlarged control portion has improved operability](image6)
UD-Checker, the universal design evaluation system

UD-Checker is Mitsubishi Electric’s proprietary tool that can be used by both industrial designers and engineers to evaluate for universal design (UD) qualities. This tool shows four quantitative measures of UD, namely recognition, identification, physical use, and safety/usability, indicating specific design aspects for development and improving the efficiency of product development. The UD-Checker is used on a wide variety of Mitsubishi Electric products from home appliances and public equipment to industrial equipment.

The UD-Checker’s four evaluation criteria
1. Recognition: consideration for ease of understanding
2. Identification: consideration for ease of reading and/or hearing
3. Physical use: consideration for comfortable posture and minimum physical load
4. Safety/usability: consideration for usability without danger or operating errors.

![Image of UD-Checker](image)

Results sheet is automatically output based on the entry into the check items

Details of “UD-Checker” (In Japanese text)
Universal Design Guidelines for widespread usability

The Universal Design Guidelines are a set of standards that apply to a wide range of product development, and were formulated based on the expertise gained through using the UD-Checker. To promote greater usability of our products by all users, including children, senior citizens, and people with physical disabilities, we created guidelines on changes that occur to human characteristics with age and that consider disabilities. The guidelines are structured in the same way as the UD-Checker, which incorporates the four perspectives of recognition, identification, physical use, and safety/usability.

Creating easy-to-understand instruction manuals

Under a campaign to provide first-rate instruction manuals, Mitsubishi Electric Group is directing its efforts to creating easy-to-read and easy-to-understand instruction manuals to ensure the safe and comfortable use of our products. Forming the basis of this effort is Mitsubishi Electric’s original “Guidelines for the creation of instruction manuals for home appliances—instructions.” To raise the quality level of instruction manuals, this handbook is distributed to all affiliates in Japan who handle home appliances.

Example instruction manual: Mitsubishi Electric Kirigamine FL Series room air conditioners

Our Quick Guide (Basic Operations) enlarges each button, allowing users to recognize at a glance which button they should push on their remote control. In addition to this, large font sizes and ample margins make the explanations extremely easy to understand.

Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners (in Japanese text)
In fiscal 2020, following the International Association for Universal Design (IAUD)’s evaluations of Mitsubishi Electric’s developments based on experiments targeting various users, we won a total of four awards at the IAUD International Design Awards. The accolades included the Silver Award for the ELE FIRST-i plus smartphone service app for elevators as well as the Bronze Award for the Kirigamine MSZ-R Series and MSZ-BXV Series room air conditioners, the EW-45LD1M Series built-in dishwasher and dryer, and the CG Series refrigerator.

Mitsubishi Electric aims in fiscal 2021 to continue creating universal design products that take ingenious approaches and consider various perspectives across a broad range of fields.
Increasing Customer Satisfaction

Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding in 1921. Inheriting this spirit, we will continue to make dedicated efforts to satisfy customer needs in all aspects of our business activities, from the creation of high-quality, easy-to-use products to our after-purchase support and response to major issues.

We collect feedback from our customers through customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into improving product development, marketing strategies, and services.

We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) improvement activities in Japan. It makes sure that customers across the country are satisfied with the Mitsubishi Electric product they purchase, and strives to increase the number of such satisfied customers.

The beginning of CS activities related to home appliances

The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Mitsubishi Electric quickly proceeded to create the necessary culture, systems and tools that would enhance its products, marketing strategies, and services.

Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.
Understanding customer satisfaction

A customer’s selection, purchase, and use of a product involve a number of different departments, such as the development, manufacturing, sales, and service departments. Customer satisfaction cannot be achieved if a customer is discontented with any aspect of this process, or if there is any weakness in the departments concerned. Customer satisfaction increases in the following order.

• **Assurance**: The customer is assured that the product is not flawed or defective.

• **Contentment**: The product satisfies the customer’s needs and requirements.

• **Emotion**: The customer acquires a new value from the product.

The ultimate form of customer satisfaction is achieved when a product exceeds customer expectations and provides an emotional benefit. The key to achieving customer satisfaction is to therefore assess and satisfy customer expectations.

The Technical Support Call Center, which responds to technical inquiries from distributors, and the Repair Service Station, the stronghold of repair services operated by Mitsubishi Electric System & Service Co., Ltd., also respond to inquiries 365 days a year (excluding some regions).

As the relations center receives a wide array of inquiries every year due to the diversification of product functionality, we are constantly reinforcing staff members, and are making consistent efforts to provide proper training.

Taking calls 24 hours a day, 365 days a year

To satisfy customer expectations, it is necessary to think of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. As one strategy to provide a response to customers in Japan when they require one, in October 1998, Mitsubishi Electric extended the service hours of its Japan Customer Relations Center to 24 hours a day, 365 days a year. Previously the center responded to inquiries concerning product usage only during daytime hours from Monday through Saturday except on holidays.

Today, the Customer Relations Center and Service Call Center operate 24 hours a day, 365 days a year.
System of reviewing customers' comments

The content and results of consultations and repair requests from customers and details of technical inquiries are sent as feedback to the manufacturing works at the end of each day. They are used to improve both products under production and development, and to provide repair information to distributors.

Customer relations center

Customers' comments that are collected by the Customer Relations Center are entered into a database and analyzed in terms of trend, and the analysis results are regularly sent to relevant manufacturing plants, sales companies, and research institutes. Manufacturing plants and sales companies utilize this information in their ongoing efforts to improve existing products and to make websites, catalogs, and instruction manuals even easier to understand. Research institutes utilize the information to refine products that are under development. Particularly with respect to information that is obtained following the release of a new product, efforts are made to convey customers' expectations, wishes, and dissatisfactions regarding the new product to relevant departments in a timely manner, so they may review the feedback as quickly as possible.

At the same time, regular liaison meetings are held between each manufacturing plant and Customer Relations Center to identify medium-term issues that are brought to light by customers' comments and enhance their cooperation in collecting further information.

Manufacturing plants

At Shizuoka Works, where Mitsubishi Electric manufactures air conditioners, quality improvement efforts are made by arranging opportunities for development engineers to personally hear the opinions of customers and provide feedback to their product development. More specifically, Shizuoka Works actively invites questions and comments from customers, or when a quality issue occurs that is thought to be of high technical difficulty, directly visits the customer's home to inspect the product installation environment.

There are many cases where customers' comments have benefited product development. With air conditioners, most inquiries are related to how to use the product and problems with cooling and heating functions. Therefore, direct visits are made to customers' homes to personally hear their inquiries, and such visits are used to improve product quality by reflecting the results in design criteria or incorporating them into measures for improving product control specifications.

As an example, our unique sensory temperature control was developed based on customers' comments, with some customers saying the air conditioner is too weak, and others saying it overcools. We looked into this issue and found that in addition to ambient temperature, humidity and floor temperature also affect sensory temperature. With regard to the noise of outdoor units, we found that not only the loudness but also the nature of the noise also makes a difference in how noise is actually heard, and thus incorporated this concept in our development evaluation criteria.

We will continue to refer to customers' opinions as we continue to accumulate a history of Kirigamine air conditioners.

Kirigamine FZ Series room air conditioner MSZ-FZ4020S

Monitoring and controlling the air. Comfort is delivered to users anywhere in the room.
VOICE (In charge of the Customer Relations Center)

Kazunari Hamakawa  Customer Relations Center, Customer Satisfaction Promotion Department, Living Environment & Digital Media Equipment Group, Mitsubishi Electric Corporation

At the Mitsubishi Electric Customer Relations Center, we support customers by carefully responding to requests for consultation prior to purchase regarding Mitsubishi Electric home appliances, as well as inquiries connected with post-purchase operation and use. We aim to be able to immediately provide the best answers to customers by sharing information with our manufacturing sites to absorb the latest product knowledge, storing such knowledge in the database, and enhancing its content.

Since customer care is paramount, our Monitoring Team is striving to improve the quality of our service with hospitality in mind as an effort to further raise customer satisfaction. In addition, we are strengthening our organizational structure by increasing the number of support centers to avoid situations where customers cannot reach us by phone.

We will continue to not only conduct after-sales support (customer support); to ensure a positive pre-sales support experience (customer success), we will take care to listen to customers’ feedback, analyze it, and pass information to labs and manufacturing sites. We consider making use of customers’ feedback for future product development through these activities as critical responsibilities of the Customer Relations Center, and will continue to strive to spare no effort.

CS Activities by the Building Systems Group (in Japan)

The Building Systems Group handles elevators and escalators that provide vertical transportation within buildings and building management systems. By ensuring their safety and security and continuously delivering comfortable means of transportation and living spaces as indispensable social infrastructures on a global scale, we contribute to making society even more vibrant and affluent.

Under the slogan “Quality in Motion”, the Building Systems Group continues to pursue the highest level of quality in relation to safety, comfort, efficiency, safety, and the environment in its overall business activities (sales, development, manufacturing, installation, and maintenance), making use of our advanced technologies and environmental expertise. By this means, we are able to provide our customers with optimal solutions and a level of security and reliability that wins their complete satisfaction.

24-hour, 365-day Safety Hotline

Mitsubishi Electric Building Techno-Service, one of Mitsubishi Electric’s group companies in Japan, specializes in the maintenance of elevators, escalators, and other such building facilities. This company’s information centers provide a “safety hotline” for response in cases of trouble, such as failure signals and telephone calls from customers.

Mitsubishi Electric information centers situated in eight locations throughout the country constantly monitor remotely the status of contracted customers’ building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers, so that the most appropriate engineer closest to the customer’s building can be located and dispatched to the site immediately.

The system also supports the quick recovery of building functions, by taking actions such as e-mailing information on the history of repairs and other matters related to the building to the engineer, or processing urgent orders for parts.

Moreover, by monitoring changes in data on the operational status of elevators and air-conditioning facilities, we can detect and address abnormalities before they develop into a malfunction and prevent problems from occurring.

Information center
Mitsubishi Elevator and Escalator Safety Campaign

Elevators and escalators are used to transport a large and indefinite number of persons, so a high level of safety is imperative, and they are thus required to be equipped with various safety devices and functions.

At the same time, to ensure safe operation, it is necessary to maintain the functioning of elevators and escalators through regular maintenance and inspection, and for people to use them correctly.

Based on this awareness, Mitsubishi Electric Building Techno-Service not only performs maintenance and inspection as appropriate, but has also been holding a safety campaign since 1980 to increase understanding of the proper usage of elevators and escalators among users and to promote their safe usage.

We also hold explanatory meetings for users, to teach children, senior citizens, people with disabilities, and other such users the proper and safe way to ride elevators and escalators, as well as explanatory meetings for apartment and building owners and managers, with a focus on daily management methods and emergency responses. These meetings have been attended by more than 300,000 people to date, and will continue to be held as an important safety activity of the Mitsubishi Electric Group.

Inazawa Works SOLAÉ showroom

The showroom attached to the 173-meter-tall SOLAÉ elevator testing tower receives visitors from facility owners, design offices, and construction companies—as well as children from the local community—and having them see, feel, and experience actual Mitsubishi Electric products and technologies that are fundamental to building operation, the showroom communicates the safety and security of Mitsubishi Electric’s products.

The elevator and escalator zone on the first floor introduces visitors to the history of elevators and escalators, and, using actual elevator and escalator units, provides a survey of subjects ranging from their basic structure to the latest products and technologies that ensure their safety, security and comfort. Visitors are also able to experience the sense of speed of the ultra-high-speed elevator installed in Shanghai Tower using computer graphics projected onto a huge monitor. The building management system zone on the second floor allows visitors to experience technologies including the latest building management and security systems.
Responding to Product-Related Issues

Basic Policy

In the event of an issue, we place top priority on not inconveniencing our customers, and take action based on a system that ensures prompt and accurate responses and measures.

Policies for Notification and Information Collection, and the Repairs and Recalls of Products

If we receive any report of a major issue occurring in a product that we have sold, we have a system in place that includes the top management to ensure quick and accurate decisions on the steps and measures to take, so that we can take proper action while placing top priority on not inconveniencing our customers. In addition, we will share information on major issues that occurred with regard to products across the entire Group more promptly to strengthen our ability to respond to such issues. For recalls in particular, we work on an ongoing basis to ensure that all the relevant products that were sold are returned and repaired, and apply these efforts to a wide array of sales channels.

In Japan, we promptly release appropriate information on issues in consumer products, which directly and deeply affect consumers.

Reporting Major Product Issues (in Japan)

A detailed list of information pertaining to important product-related and quality issues is posted on Mitsubishi Electric’s Japanese-language official website.

List of important information pertaining to products
(In Japanese text)

About accident reporting based on the Consumer Product Safety Act

Detailed information on our compliance with Japan’s revised Consumer Product Safety Act, which went into effect in May 2007, is available on Mitsubishi Electric’s Japanese-language official website.

About accident reporting based on the Consumer Product Safety Act (In Japanese text)

Under our policy regarding the disclosure of accident information, we also disclose information on cases that are accidents related to products other than gas or oil equipment and that have not been identified as accidents caused by products or that have been determined as being uncertain as to whether they were caused by products.
Human rights

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

September 20, 2017

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group’s business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group ‘will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any other reason.’

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

1. The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business.

   If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.

2. Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted human rights, or its members are found to have been clearly involved in violations of human rights.

3. The Mitsubishi Electric Group has identified CSR materiality, has set concrete tasks and goals for those materiality, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.

4. The Mitsubishi Electric Group shall work to ensure that its initiatives related to respect for human rights are implemented with the participation of all executives and employees. Furthermore, the Group shall request cooperation from various stakeholders involved in its whole value chains such as business activities, products, and services, in order to help promote respect for human rights in society at large.

5. The Mitsubishi Electric Group shall implement training programs and awareness campaigns on a continuous basis for the purpose of ensuring that all executives and members of the Group understand initiatives related to respect for human rights, and conduct themselves accordingly.
Code of Corporate Ethics and Compliance — Respect for Human Rights

Basic Principle
We will respect human rights with an awareness that our activities are widely interrelated with peoples and societies in all countries and regions where we do business.

- Principle concerning child labor and forced labor
  In all countries and regions where we do business, we will not use child labor or forced labor under any circumstance or form of employment.

- Principle concerning discrimination
  In all countries and regions where we do business, we will not tolerate any discrimination relating to employment and personnel treatment based on race, ethnicity, nationality, gender, age, beliefs, religion, social status, disability, or any other form of discrimination. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- Respect for individuality
  In all countries and regions where we do business, we will respect the individuality of each employee and will not engage in any act that disregards the person’s individuality, such as harassment, defamation, slander, or compelling the person to do work through threats. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- Principle concerning health and safety in the workplace
  We will comply with relevant laws and regulations in all countries and regions where we do business, as well as with in-house regulations and procedures, to create safe and comfortable workplace environments where everyone concerned can work comfortably. Particularly when engaging in production activities and construction works, we will make every effort to secure health and safety in cooperation with affiliated companies, cooperating companies, customers, and suppliers.

- Principle concerning labor relations
  We will comply with laws and regulations relating to employment, personnel affairs, working styles, wages, working hours, and immigration control in all countries and regions where we do business, as well as with relevant in-house regulations and procedures, to maintain and improve sound labor conditions and workplace environments.

- Principle concerning personal information protection
  In all countries and regions where we do business, we will collect and properly utilize personal information only through legitimate and appropriate means, and only when necessary. We will also do our utmost to prevent illegal access, leakage, loss, and falsification of personal information.

Management System Related to Respecting Human Rights

The Mitsubishi Electric Group established a Human Rights Policy in September 2017 and has been undertaking human rights due diligence and other measures based on the United Nations’ Guiding Principles on Business and Human Rights, etc. In this initiative, we promote continuous improvement activities by implementing the Plan-Do-Check-Action (PDCA) cycle, in which the Human Rights working group composed of the people in charge in divisions concerned (Corporate Human Resources Div., Corporate Legal Div., Corporate Purchasing Div., etc.) discuss policies and measures for dealing with human rights issues, and results of initiatives are confirmed and policies and plans are considered and approved in a meeting of the CSR Committee held every year.
Human Rights Management

Human Rights Impact Assessment

In fiscal 2019, we provided feedback of the results of assessing human rights impact to a total of 336 sites for which the assessment was conducted, including Mitsubishi Electric, its offices, domestic affiliated companies and overseas affiliated companies, and requested them to promote improvement activities. We are promoting initiatives especially related to such issues as “preventing harassment,” “controlling long work hours,” and “giving consideration toward women and people with disabilities” by incorporating them into human rights education themes. Going forward, we will continue striving to understand human rights risks and implement mitigation measures by conducting human rights impact assessments on a regular basis.

Human Rights Education

Human rights training

• At Mitsubishi Electric, in addition to assessing human rights impact, we conduct a human rights training program with the themes of the circumstances surrounding the implementation of the assessment and fundamental knowledge related to human rights for employees involved in CSR at Mitsubishi Electric and at domestic affiliated companies to deepen their understanding on global trends regarding human rights issues as well as international human rights norms. For overseas affiliated companies we also create and distribute training materials in English and Chinese.

• For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In fiscal 2020, we conducted a group training session related to human rights and harassment in each office for 927 new employees and 584 newly appointed managers.

Mitsubishi Electric Going Up Seminar

Since April 2018, we have been conducting an awareness-raising seminar for internal employees aimed at promoting understanding on diversity and practicing actions respecting human rights.

We tell the seminar participants that a disability is one of many differences in people like height and weight, and encourage them to give appropriate consideration toward people with disabilities when they see such people on the street or station platforms as well as to ask such people if they need any help and to provide support.

E-learning

Since fiscal 2019, we have been conducting a CSR-related e-learning program that includes themes on human rights for employees of Mitsubishi Electric and domestic affiliated companies. In fiscal 2020, we created the English version of contents and conducted the program at overseas affiliated companies as well. We plan to continue to conduct the program on a regular basis while revising the contents based on CSR and human rights trends.

Company and group newsletters

In fiscal 2020, we published commentaries on human rights as a four-part series with the theme “What are human rights?” in the company and Group newsletters. We will continue raising employee awareness of human rights at the Mitsubishi Electric Group.
Harassment training

Mitsubishi Electric provides ongoing training programs regarding human rights to new employees and newly appointed managers, as part of its efforts to ensure a healthy workplace environment that is free of discrimination and harassment. In fiscal 2020, we conducted a group training session related to human rights and harassment, in each office, for 927 new employees and 584 newly appointed managers. Starting in the second half of fiscal 2020, we have enhanced the content of harassment education and expanded the participants to include all employees in line with the Mitsubishi Electric Workplace Reform Program, which we are undertaking to prevent labor issues from recurring.

Particular emphasis is placed on ongoing harassment prevention for newly appointed managers through training by encouraging them to have a correct understanding of instances of harassment and learn and implement appropriate communication skills for providing operational guidance, as they bear an important role as managers to create a workplace environment that will not cause harassment. Those who attended the program actively engage in creating a comfortable working environment for employees, by making certain there are no harassment issues in the workplace, as is their responsibility as managers.

The education of all employees includes not only providing information on sexual harassment, power harassment, maternity harassment, and so on but also introducing specific case studies of harassment. Lectures are given that allow each employee to identify any harassment issues in the workplace and report and communicate any issues that they have become aware of by communicating internal and external points of contact for consultation to everyone.

We will gradually deploy this harassment training program to affiliated companies as well.

Human Rights Initiatives in the Supply Chain

Since fiscal 2019, we have been seeking consent from suppliers to agreement on initiatives for social issues including human rights issues. In addition, we have continued to promote efforts and give instruction to understand human rights violation risks by suppliers (i.e., forced labor using foreign laborers, dangerous and hazardous labor).

Response to the UK’s Modern Slavery Act

In fiscal 2017, Mitsubishi Electric Europe B.V. and Mitsubishi Electric Air Conditioning Systems Europe Ltd. Issued a statement in response to the Modern Slavery Act that was enacted in the UK with the aim of eradicating forced labor, human trafficking, and other such acts that constitute ‘modern slavery.’ We update the content of the statement and disclose it every year. Continued efforts will be made to ensure information disclosure and strengthen relevant initiatives. Due consideration is also given to the UK Gender Pay Gap Report.

Lecture on “Respect for human rights and the active participation of diverse human resources”

Supply Chain Management

Statement by Mitsubishi Electric Europe B.V.
Statement by Mitsubishi Electric Air Conditioning Systems Europe Ltd.
Grievance Handling Mechanism

The Mitsubishi Electric Group has established multiple points of contact to respond to inquiries from various stakeholders, of which main points of contact are listed in the table below. We also receive consultation requests on human rights through them.

For each whistleblowing case on human rights risk, the responsible division quickly confirm facts according to the content of consultation. If a violation of human rights, etc. in business activities of the Mitsubishi Electric Group is confirmed, we appropriately respond to the instance by dealing with the victim and considering the punishment of those who engaged in the case in question, etc. as well as promptly making a correction and improvement. However, please understand that the Mitsubishi Electric Group may not deal with an instance for which facts cannot be confirmed as a result of confirmation and investigation or with a case which is determined as difficult to investigate due to being groundless, slander, and so on.

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

<table>
<thead>
<tr>
<th>Service available to</th>
<th>Name of point of contact for whistleblowing/consultation</th>
<th>Matters to be consulted</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various stakeholders (customers, people in the community)</td>
<td><em>Inquiries on CSR</em> and <em>Other Inquiries</em> on the Mitsubishi Electric Group official website</td>
<td><em>Inquiries regarding the Mitsubishi Electric Group’s CSR and other various inquiries regarding the Mitsubishi Electric Group’s business activities</em></td>
<td><strong>&lt;Japanese&gt;</strong> Inquiries on CSR and <strong>&lt;Global (English)&gt;</strong> Inquiries on CSR Other Inquiries</td>
</tr>
<tr>
<td>Mitsubishi Electric employees, affiliated company employees<em>1, suppliers to Mitsubishi Electric</em>2</td>
<td>Ethics observance hotline</td>
<td>Whistleblowing or consultation regarding organized or individual employees’ fraud, legal violation, act of breach of ethics</td>
<td>Internal points of contact/external points of contact (lawyers) <em>2</em>3</td>
</tr>
<tr>
<td>Mitsubishi Electric employees</td>
<td>Points of contact for consultation on sexual harassment, power harassment, etc.</td>
<td>Whistleblowing/consultation on various types of harassment in Mitsubishi Electric’s workplace</td>
<td>Human Resource Div. at each office of Mitsubishi Electric <em>2</em>3</td>
</tr>
</tbody>
</table>

*1 Limited to whistleblowing that is relevant to Mitsubishi Electric in personal and business aspects.
*2 The points of contact are listed on Mitsubishi Electric’s intranet, internal posters, ‘Code of Corporate Ethics and Compliance,’ etc.
*3 A whistleblowing system has been established at each domestic and overseas affiliated company of the Mitsubishi Electric Group.

Discussion with External Parties

In order to make the Mitsubishi Electric Group’s efforts for human rights issues effective, we have discussions with experts, human rights NGOs and other parties to receive advice on human rights initiatives.

In fiscal 2020, we had an opportunity to hold discussions with Sakon Kuramoto, who is a lawyer at the Business and Human Rights Lawyers (BHR Lawyers), a central organization comprising the Society for the Study of Responsible Corporate Activities and Supply Chain, where we received advice on how to build a mechanism for handling grievances based on international norms.
Labor practices

Basic Policy on Human Resources

Basic Policy

Mitsubishi Electric will actively promote the recruitment of diverse personnel who will promote future business as the core to maintaining a proper personnel structure over the medium to long term, and to achieve further global expansion of its growth areas, which are centered on power systems, transportation systems, building systems, FA systems, automotive equipment, space systems, power devices, and air-conditioning systems. Affiliated companies in Japan also implement plans for continuous recruitment from the standpoint of strengthening business, technological capabilities, marketing capacities, and manufacturing power.

Active Employment on a Continuous Basis

Mitsubishi Electric plans to employ a combined total of 1,020 new graduates in October 2020 and April 2021. We will continue to proactively recruit people with the aim of achieving an even higher level of growth.

Recruitment plan of the Mitsubishi Electric Group (as of March 2020)

1. New graduates

<table>
<thead>
<tr>
<th></th>
<th>October 2018 and April 2019 (result)</th>
<th>October 2019 and April 2020 (projection)</th>
<th>October 2020 and April 2021 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering positions</td>
<td>690</td>
<td>660</td>
<td>580</td>
</tr>
<tr>
<td>Sales &amp; administrative positions</td>
<td>240</td>
<td>200</td>
<td>180</td>
</tr>
<tr>
<td>Technical positions</td>
<td>300</td>
<td>300</td>
<td>260</td>
</tr>
<tr>
<td>Mitsubishi Electric</td>
<td>1,230</td>
<td>1,160</td>
<td>1,020</td>
</tr>
<tr>
<td>Affiliated companies in Japan</td>
<td>1,500</td>
<td>1,500</td>
<td>1,400</td>
</tr>
<tr>
<td>Total</td>
<td>2,730</td>
<td>2,660</td>
<td>2,420</td>
</tr>
</tbody>
</table>

2. Mid-career Hires

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2019 (result)</th>
<th>Fiscal 2020 (projection)</th>
<th>Fiscal 2021 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi Electric</td>
<td>650</td>
<td>530</td>
<td>450</td>
</tr>
<tr>
<td>Affiliated companies in Japan</td>
<td>1,000</td>
<td>1,000</td>
<td>900</td>
</tr>
<tr>
<td>Total</td>
<td>1,650</td>
<td>1,530</td>
<td>1,350</td>
</tr>
</tbody>
</table>
3. Ratio of women among new graduates in engineering positions at Mitsubishi Electric

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 (result)</td>
<td>9%</td>
</tr>
<tr>
<td>2018 (result)</td>
<td>11%</td>
</tr>
<tr>
<td>2019 (result)</td>
<td>13%</td>
</tr>
<tr>
<td>2020 (result)</td>
<td>10%</td>
</tr>
<tr>
<td>2021 (projection)</td>
<td>13%</td>
</tr>
</tbody>
</table>

<Provision of the "Rikunabi DMP Follow-up" service>

Mitsubishi Electric received guidance (dated December 4, 2019) in accordance with the provision in Article 41 of the Act on the Protection of Personal Information pertaining to the handling of personal information in recruitment activities from the Personal Information Protection Commission, with respect to the “Rikunabi DMP Follow-up” service through Recruit Career Co., Ltd. (hereinafter, “Recruit Career”).

We accept and obey the guidance that states we should appropriately announce, disclose, etc. the purpose of use of personal information in recruitment activities in good faith.

- Dec 5, 2019  Guidance from the Personal Information Protection Commission (In Japanese text)
- Aug 19, 2019  Provision of the "Rikunabi DMP Follow-up" Service (In Japanese text)

Basic Personnel Data

Employment Situation

Employment situation of the Mitsubishi Electric Group

(1) Consolidated data  (As of March 31, 2020)

<table>
<thead>
<tr>
<th>Segment</th>
<th>No. of employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Electric Systems</td>
<td>46,852</td>
</tr>
<tr>
<td>Industrial Automation Systems</td>
<td>33,544</td>
</tr>
<tr>
<td>Information &amp; Communication Systems</td>
<td>15,042</td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>5,431</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>27,462</td>
</tr>
<tr>
<td>Other</td>
<td>12,643</td>
</tr>
<tr>
<td>Common</td>
<td>5,544</td>
</tr>
<tr>
<td>Total</td>
<td>146,518</td>
</tr>
</tbody>
</table>
(2) Data for Mitsubishi Electric Corporation

(As of March 31, 2020)

<table>
<thead>
<tr>
<th>No. of employees</th>
<th>Average age</th>
<th>Average No. of years worked</th>
<th>Turnover rate</th>
<th>Average annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,649 employees (incl. 3,477 women) [7,105 employees]</td>
<td>40.5 years of age</td>
<td>16.4 years</td>
<td>2.7%</td>
<td>8,069,144 yen</td>
</tr>
</tbody>
</table>

(As of March 31, 2020)

<table>
<thead>
<tr>
<th>Segment</th>
<th>No. of employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Electric Systems</td>
<td>8,752</td>
</tr>
<tr>
<td>Industrial Automation Systems</td>
<td>10,395</td>
</tr>
<tr>
<td>Information &amp; Communication Systems</td>
<td>4,909</td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>2,049</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>5,140</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Common</td>
<td>4,404</td>
</tr>
<tr>
<td>Total</td>
<td>35,649</td>
</tr>
</tbody>
</table>

NOTES:
1. “Employees” refers to all personnel who are working. The number of temporary workers is indicated in terms of average number per year and provided in brackets ([ ]) as a separate number not included in the total number.
2. Turnover rate includes retirement on reaching retirement age.
3. Average annual income includes bonuses and extra wages.
4. There is no difference in the amount of remuneration between men and women under Mitsubishi Electric Group’s personnel treatment system.

Relationship with Labor Union

Mitsubishi Electric and Mitsubishi Electric labor union strongly realize that it is important for them to cooperate in promoting the company’s growth and improving the working conditions of labor union members based on an awareness of the company’s social mission and responsibility, and to form and maintain a labor-management relationship founded on mutual sincerity and trust. Based on this realization, they enter into a labor contract by consent of both parties and mutually comply with the contract in good faith.

Under the union-shop system, employees (excluding management level employees) become union members after completing a trial period, as a rule. To facilitate mutual negotiations, the company and labor unions periodically hold meetings of a management council and labor council, and endeavor to seek resolutions by holding thorough rational discussions on equal footing, as a basic principle.

Affiliates in Japan and overseas also share the principle of holding thorough rational discussions between labor and management, and endeavor to maintain and improve sound working conditions and workplace environments in compliance with labor-related laws and regulations concerning employment, personnel affairs, work duties, wages, working hours, immigration control, and so on in the countries and regions where they do business, as well as with internal regulations and procedures.
Workforce Diversity

Basic Policy

Within today’s rapidly changing workforce environment, providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Furthermore, it has become more vital than ever before to employ an even greater diversity of people, given the increasingly aging and diminishing population in Japan. Based on this awareness, Mitsubishi Electric promotes employee diversity through the following measures.

Women's Participation

To formulate and implement original measures that would help woman employees and employees with children form a career while also enriching their personal lives, Mitsubishi Electric established the CP-Plan* Promotion Center within its Corporate Human Resources Division in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

* Career management & Personal life well-balanced Plan

Basic data

Trend in the number of woman employees (Mitsubishi Electric)

Trend in the number of woman managers (Mitsubishi Electric)
Initiatives for Even Greater Participation of Women

Career forum for young woman employees

A career forum (CP-Plan Forum) is offered to young woman employees, to actively inspire them to form a career around life events such as childbirth and childcare. Through a lecture personally given by the president on the managerial significance of promoting women’s participation, talks by a woman outside director of the company on her own career experiences and her thoughts about working, stories of senior employees’ personal experiences, and group discussions, the forum, attended by around 200 people every year, encourages woman employees to think and act on their own and promotes personal networking.

In addition to this forum that is held at the Head Office, exchange events are also held in some offices.

Strengthening management capacities

Various efforts are made to raise management’s awareness of women’s participation and strengthen management capacities. For example, a curriculum on women’s participation is included in the training program for newly appointed managers, to disseminate an understanding of the managerial significance of women’s participation and considerations to be heeded in the management of woman subordinates.

Handbook on supporting work/childcare balance for employees and supervisors

Various initiatives are in place so that employees who have taken childcare leave can smoothly return to the workplace and perform to the maximum of their ability while caring for their children. For example, a handbook is distributed both to these employees and their supervisors, and regulations require that these employees meet with their supervisors periodically before and after returning to their positions.

VOICE (Woman manager)

Marta Marmiroli  General Manager, Total Energy System Engineering Dept., Business Development & Strategic Planning Div., Energy & Industrial Systems Group, Mitsubishi Electric Corporation

I was born and raised in Italy. After graduating from a local university, I studied in Japan and then joined Mitsubishi Electric. Since then, I have been involved in power system-related development and today I am committed to business promotion as the Head of Engineering. While considering the development of my team members including the improvement of their skills as a manager, I am trying to create new businesses such as development of efficient power systems using cutting-edge technologies.

Going forward, I will work to improve the presence of Mitsubishi Electric in the industry while enhancing organizational strength by communicating my experience and skills to members of my team.
Active recruitment of woman students wishing to pursue a career in engineering: Organizing events to promote further understanding of Mitsubishi Electric and producing promotion Media (websites, leaflets, etc.)

Mitsubishi Electric makes active efforts to recruit woman students by setting a future goal for the woman ratio in new recruits from engineering fields in the company’s Action Plan, pursuant to the Act on Promotion of Women’s Participation and Advancement in the Workplace.

Ratio of women among new recruits for engineering fields (Mitsubishi Electric)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
<td>10%</td>
<td>13%</td>
</tr>
</tbody>
</table>

* Fall hires and April hires

Various events are organized to actively disseminate genuine perspectives on working at Mitsubishi Electric. These include exchange forums where woman students in science can interact with woman engineers at various business areas and occupations, from junior employees and other employees who have children to managers, and seminars that include a tour designed to introduce in-house facilities at Mitsubishi Electric. Websites and leaflets that introduce the way Mitsubishi Electric’s woman engineers carry out their jobs and their careers are also produced.

The whole of Mitsubishi Electric Group is actively making efforts to promote women’s participation and advancement in the workplace; its domestic affiliated companies create websites featuring woman employees; Mitsubishi Electric’s overseas sites lead participation in ‘Grace Hopper Celebration,’ the world’s largest event for exchanges between personnel, as a sponsor company.

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women’s participation and career advancement.
Principles and Initiatives for Developing Global Human Resources

To become a global company that employs global human resources

As a global company, Mitsubishi Electric has 203 consolidated affiliates in Japan and overseas, employing some 58,000 overseas employees, which corresponds to 40% of the total number of employees of the Group as a whole. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where all employees of the Group can maximize their potential and are able to realize their personal career plan.

Approximately 100 overseas employees from ten to twenty countries are invited to receive training at a Mitsubishi Electric manufacturing facility (plant) in Japan every year, to acquire technologies, skills, and know-how. They return to their companies and support the Mitsubishi Electric Group’s strong manufacturing around the world. At the same time, Mitsubishi Electric Japan is also actively promoting the employment of foreign employees. Around 10 to 20 foreign employees are employed on a continuous basis every year, and a cross-cultural training program is offered regularly, to be attended in pairs with a senior Japanese employee from the same workplace, so that new foreign employees can work actively and comfortably in Japan. Further initiatives also provide training on Mitsubishi Electric’s corporate philosophy, including its corporate mission, values, and history in both Japan and overseas to strengthen awareness of corporate principles that all employees of the Mitsubishi Electric Group worldwide ought to share.

Leadership of overseas employees and continuous development of managers

In addition to exchanges that take place during technical and skills training programs at manufacturing sites (plants), selected managers from overseas affiliated companies (assistant managers to directors) gather at the Head Office for training programs. Visiting Japan from overseas and participating in various training programs there not only helps participants grow themselves, but creates a sense of unity among them as Mitsubishi Electric Group members, and motivates other people surrounding them to grow. In addition, the network of those who attended training programs during the same period expands across national borders.

Trend in the number of people from overseas participating in training programs held in Japan (FY2012 ~ FY2020)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MGEP</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8</td>
<td>5</td>
<td>7</td>
<td>—</td>
<td>20</td>
</tr>
<tr>
<td>GMW</td>
<td>13</td>
<td>18</td>
<td>18</td>
<td>22</td>
<td>29</td>
<td>23</td>
<td>26</td>
<td>29</td>
<td>30</td>
<td>208</td>
</tr>
<tr>
<td>WKP</td>
<td>—</td>
<td>17</td>
<td>24</td>
<td>29</td>
<td>38</td>
<td>44</td>
<td>59</td>
<td>91</td>
<td>105</td>
<td>407</td>
</tr>
</tbody>
</table>

MGEP : Mitsubishi Electric Global Executive Program (1 to 2 participants selected from Japan depending on the fiscal year)
GMW : Global Management Workshop
WKP : Workshop for Key Personnel
Employees dispatched under the overseas OJT system (FY2010 – FY2021 (planned))

As part of the effort to develop human resources in Japan capable of working at the global level, Mitsubishi Electric employees are dispatched to affiliated companies under the overseas OJT system. An average of nearly 100 employees are dispatched around the world every year.

Employees dispatched under the overseas OJT system (Mitsubishi Electric)

Employees have also been dispatched to English-speaking countries, Chinese-speaking countries and Spanish/Portuguese-speaking countries, as shown below, for foreign language training.

Employees dispatched to attend foreign language training overseas (Mitsubishi Electric)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2018</th>
<th>Fiscal 2019</th>
<th>Fiscal 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>103</td>
<td>86</td>
<td>95</td>
</tr>
</tbody>
</table>
Support for Improving the Feasibility of Individuals’ Career Plans

Mitsubishi Electric has been building a system that supports employees in maintaining the balance between work, child care, nursing care, and so on, by introducing various leave systems, a shorter working-hour system, re-employment system, and others. In light of the recent increased diversity in home environments and sense of work values among individuals, we have introduced the “Career Support Program” in fiscal 2021 as a support measures for employees to consider and achieve their own career plans and life plans even more independently.

The “Career Support Leave System,” one of the career support program, allows employees to take a leave for one month to less than three years for reasons such as accompanying their spouse who has been transferred to an overseas site, self-improvement, and volunteer activities (including Overseas Cooperation Volunteers). In addition, for those employees who have difficulty in relocating due to childcare, nursing care, or treatment for illness, etc., we have introduced a system to exclude them from transfers requiring a relocation for up to three years.

Support for Improving the Feasibility of Individuals’ Career Plans

Providing Diverse Employment Formats for Older Employees

In Japan, Mitsubishi Electric instituted various multi-track personnel systems in fiscal 2002, which makes diverse employment formats possible by allowing employees aged 50 and over to choose from among a variety of options. The options include financial assistance for an employee’s “second life” following retirement, a “second life” support program that provides two years of paid vacation, and extending employment up to the age of 65 through a re-employment program.

We also offer an annual “lifestyle design” training session at each of our business sites to employees turning 50 and their spouses. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, taxes, hobbies, health, and other topics, and by facilitating group discussions.
Promoting Employment of People with Disabilities

In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2020, people with disabilities comprised 2.32% of the total workforce at Mitsubishi Electric and its special subsidiaries combined.

The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees and employees with disabilities are equal partners in the workplace and peers who mutually care for each other.

The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 74 people with disabilities as of March 15, 2020. A cookie factory was established in FY2018 and the Nagoya Office opened in fiscal 2021, and it will continue to gradually expand its businesses to increase its employment of employees with disabilities.

* Special subsidiary: A subsidiary which, if certain requirements are met, is regarded as the same business entity as its parent company and whose rate of employment of people with disabilities is calculated in consolidation with that of the parent company.
Creating a Fulfilling Workplace

Basic Policy

In the context of intensifying global competition, the Mitsubishi Electric Group upholds a management policy of strengthening global business competitiveness toward achieving sustainable growth, and implements various management policies to realize the Group’s growth strategy. Enhancing and creating measures that maximize employee achievements is essential for the Group to secure a sustainable advantage in competition with other companies.

Achievement = ability × motivation. To strengthen employee motivations, it is necessary to increase employee satisfaction (ES). Mitsubishi Electric believes that increasing employee satisfaction leads to greater achievements by employees and organizations driven by increased employee motivation and productivity. This inevitably leads to greater customer satisfaction (CS), stronger competitiveness, and better performance.

Employee satisfaction underlies Mitsubishi Electric’s personnel policies. At the same time, there are policies such as those described below that are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

Compensation System Based on Individual Job Descriptions and Performance

In Japan, Mitsubishi Electric has adopted a compensation system with a view to developing a corporate culture in which employees each recognize organizational targets as well as their own roles, work to raise their own value, and take on the challenge of difficult goals.

Under this compensation system, employee performance is emphasized, with appropriate assessment given to employees who contribute substantially to management and participate actively in it. Bonuses are awarded for outstanding service. In order to increase understanding of employees about the operation of the system, we fully disclose its evaluation methods and standards, conduct surveys on the functioning of the system to gauge employee opinion on it, provide a system for handling complaints, and otherwise work to increase understanding and acceptance by employees and further enhance operations.

We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, capacity development, and effective workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.

Transfer Opportunities at the Request of Employees

In order to assign the employees to positions that are suitable for them and provide transfer opportunities at the request of employees, Mitsubishi Electric instituted an intranet-based recruitment system and a system that allows employees to publicize their request to be transferred.

Specifically, we launched Job-Net on our company intranet to allow employees to build a career plan on their own. The site posts information on recruitment and skill development training at Mitsubishi Electric and Group companies as well as companies outside the Group.
Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong, and a system for reviewing employee roles and performance is implemented to track the progress of those goals through communication between employees and their managers. Under this system, regularly-scheduled interviews are held in which employees and managers discuss such topics as the employee’s development and training based on evaluation of performance, and the placement and utilization of human resources, to promote improved communication in the workplace.

We consider that creating a workplace with openness for communication is essential for workplace reforms. Accordingly, in addition to the above mechanism involving regularly-scheduled interviews, we share the importance of daily communication during management training programs and other opportunities to stimulate such communication.

We also place value on a corporate culture in which labor and management share an understanding of the status of business, management strategies, and personnel management policies, working together to address issues through labor-management meetings and committees.

Motivating Employees with Bonuses for Inventions (in Japan)

In line with provisions in the Japanese Patent Law, Mitsubishi Electric has established an employee invention bonus system to motivate employees to create inventions. Regarding inventions made by employees during the course of their work, the Company pays patent filing and registration bonuses to those employees as a reward. If the inventions are out-licensed to another company, the relevant employees also receive utilization bonuses from the Company. If inventions that have contributed to the Company’s business win an award from outside the Company, the relevant employees receive a cash reward appropriate to the award, with no upper limit set.

Furthermore, to maintain fairness and transparency of the system, the criteria of the employee invention bonus system is disclosed, an Invention Consultation Committee is established to deliberate on petitions from employees concerning their bonus, and an Invention Evaluation Committee is established to discuss the amount of cash reward to disburse for inventions that contribute to business.

In addition to the above, a program for rewarding outstanding inventions and industrial designs also encourage inventions by employees. Each year, this program honors inventions and industrial designs, and those that are judged as especially outstanding receive commendation from the president.

* An easy-to-understand description of the employee invention bonus system and its provisions are posted on the company Intranet for access by all employees.
Maintaining a Favorable Working Environment

Basic Policy

Japan’s working population is expected to dramatically decrease in conjunction with its aging and declining population, and there is apt to be a further increase in the number of employees, both men and women, who work while caring for children or elderly members of their family. In order for Mitsubishi Electric to survive through the tough international competition and realize sustainable growth under these circumstances, it will be essential to create a working environment where all employees can work to their full potential within their limited time.

Various initiatives are in place at Mitsubishi Electric to create a working environment where all employees can work actively while maintaining a good work-life balance.

Initiatives to Prevent Recurrence of Work-Related Issues

The Mitsubishi Electric Group has experienced work-related issues that affected employees’ lives or mental and physical health. Although the Group implemented prevention measures on each occasion, another work-related issue occurred in fiscal 2020. We took this seriously, deeply regretted that our past initiatives had not been sufficient, and determined preventive measures including new initiatives.

The Group considers the prevention of recurrence of work-related issues as its top management priority, and as a whole, makes every effort to create a work environment where all the employees can maintain mental and physical health and work actively with a sense of security. Specifically, the Group will work together to deploy a variety of measures to reform the workplace, including measures to respond to power harassment and mental health issues, to prevent long working hours and to properly manage working hours.

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| Workplace reforms (measures to respond to power harassment) (measures to respond to mental health issues) | Deployment of the Mitsubishi Electric Workplace Reform Program  
- Enhance anti-harassment education and strengthening of evaluation when assigning leaders, including managers  
- Quantitative workplace analysis through attitude survey and continuous improvement based on analysis results  
- Enhance measures to identify and address the workload and mental conditions of individuals at an early stage  
- Engage in thorough and appropriate care of employees with mental health issues (Inspect operations and thoroughly reimplement Mitsubishi Electric Return to Work Support Guidelines)  
- Enhance consultation channels (establishment of multiple channels), etc. |
| Measures against long working hours | - Reduce long working hours and continue proper tracking of working hours  
- Implement appropriate health measures such as consultation by company medical advisors |

*Jan 10, 2020 Initiated to Prevent Recurrence of Work-Related Issues (In Japanese text)*
Mitsubishi Electric will take the following measures under the Mitsubishi Electric Workplace Reform Program, aiming at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals. We particularly focus on creating a workplace with zero tolerance to power harassment.

Mitsubishi Electric Workplace Reform Program

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| (1) Enhance education on harassment such as power harassment, and strengthening evaluation when assigning leaders including managers | 1) Enhance education on harassment and make it obligatory for all employees to attend the seminar  
2) Shed light on harassment when training managers and staff in charge of education when assigning new employees and thoroughly implement more appropriate development and guidance  
3) Sufficiently evaluate candidates to see if they have basic idea of labor management (such as understanding which actions constitute harassment actions) before assigning a manager or leader.  
4) Remind all employees that perpetrators of power harassment will be subject to severe measures. |
| (2) Engage in quantitative workplace analysis through attitude surveys and ongoing improvement based on analysis results | 1) Conduct attitude surveys on workplace targeting all employees and an organization diagnosis in light of the survey every year.  
2) Endeavor to solve the challenges recognized during the survey, taking opinions of outside experts into consideration, and continue to improve workplace through the PDCA cycle. |
| (3) Enhance measures to identify and address the workload and mental condition of individuals at an early stage | 1) Conduct a questionnaire survey to check the workload, workplace human relationships, stress status, and other problems of individuals every month to identify and address changes in feeling at an early stage. (This survey currently targets new employees but will target all employees in the future.)  
2) Increase periodic interviews with the human resources division after assigning new employees to the workplace. |
| (4) Engage in thorough and appropriate care of employees with mental health issues | Work-related issues tend to occur after an employee with mental health issues comes back to work. Therefore, we inspect the operation of the existing Mitsubishi Electric Return to Work Support Guidelines*1 and thoroughly re-implement the guidelines to especially focus on the care of those with mental health issues.  
1) During leave of absence  
The supervisor and the human resources division will carefully explain how the employee in question will be treated during a leave of absence to the relevant employee so that he or she can concentrate on the medical treatment.  
For example, the supervisor and the human resources division periodically interview the relevant employee to track the situation to the extent that the treatment is not hindered.  
2) When the employee comes back to work after leave of absence  
Follow considerations at return to work (such as limitations on work) based on the opinions of the company medical advisor.  
For example, all employees across the workplace may also share how to accept the employee who comes back. |
| (5) Enhance consultation channels (establishment of multiple channels), etc. | 1) Start a new counseling service by an outside counselor in cases where an employee wants to consult an outside specialist face to face.  
2) Start a mentor system for troubled employees to consult someone at the workplace with whom they do not have a supervisor-subordinate relationship in order to create an environment where they can easily talk about their problems.  
3) Assign multiple training supporters to receive consultations from new employees, so that each employee can select someone whom he or she is comfortable with consulting.  
4) Further enhance training courses that contribute to the improvement of the employees’ stress management capability such as resilience education*2. |

*2 Training program to enhance people’s capabilities to successfully address stress and adverse circumstances and recover
Prevention of Long Working Hours and Proper Management of Working Hours

Mitsubishi Electric determined “Work Style Reforms” as an important management policy in April 2016 to create a workplace environment in which everyone can maintain physical and mental health and work in good spirits with a good work-life balance and has promoted a variety of measures that contribute to reduction in total working hours, proper management of working hours, and improvement of operational efficiency and productivity. Specifically, the Company has spread policies and raised awareness through messages from the President to employees and other activities, while establishing an environment for efficient business operation; for example, by distributing laptop PCs to all employees, enhancing online meeting facilities, and expanding the work-from-home program. Meanwhile, we have attempted to properly manage working hours in line with reality by automatically calculating working hours from objective data such as the entry/exit time and PC logon/logoff time.

We believe that these efforts have paid off to some extent. Specifically, while employees’ working hours have been significantly reduced, the percentage of employees who responded that they had a good work-life balance in the employee attitude survey has increased over time. To further increase effectiveness, we will continue to promote “Work Style Reforms” in the future. We also implement in a reliable manner health measures for employees in light of properly tracked working hours.

"Work Style Reforms"

"Work Style Reforms" — To the Next Stage —

Since fiscal 2017, Mitsubishi Electric has driven ‘Work Style Reforms’ as one of its management policies. This reform aims to transform the corporate culture to more focus on results and efficiency and to reform the job attitude to stop praising excessively long working hours and create a work environment where everyone can work actively. In fiscal 2021, we will move to the next stage and deepen the initiatives, especially focusing on work style reform and work quality improvement, with the slogan, “Kaeru! MELCO (Kaeru is a Japanese word that, depending on how it is written, means both to make changes and to go home).”

Our slogan from fiscal 2021, “Kaeru! MELCO” means that Mitsubishi Electric will change (kaeru) the work style and the way of business operations to create new value and reduce working hours so that employees can go home (kaeru) early to enrich both their business and private lives with an ultimate goal of creating a workplace where all the employees can work actively.

The activity policies under “Kaeru! MELCO” are to repeat a virtuous cycle of enriching both business and private lives by deepening workplace communication and by streamlining business operations and enhancing their quality.

The Mitsubishi Electric Group promotes creating a workplace with open communication where each employee can vigorously work, maintaining mental and physical health. The whole Group makes every effort toward this goal.

"Work Style Reforms" internal poster
Outcome of previous activities

We started the Work Style Reforms in fiscal 2017 and have promoted a variety of measures that contribute to reductions in working hours, proper working hours management, and work quality improvement.

As a result, we reduced monthly overtime hours per employee by 13% from fiscal 2017 and the percentage of employees who responded that they had a good work-life balance increased by 10% according to the employee attitude survey in fiscal 2020.

Examples of office-specific activities

- Lectures for management personnel by external lecturers
- Establishing conference rules (50 minutes as a rule, no meetings to be held after 5 p.m., etc.)
- Introducing condensed work times
- Introducing “Refresh Wednesday” to promote work-life balance
At Mitsubishi Electric, Head Office management departments play a central role in improving the quality of company-wide operations by promoting the following specific measures.

1. Developing an IT environment
   - Introducing tablets and eliminating paper documents from executive meetings
   - Providing mobile terminals to employees in all offices who need them
   - Implementing of video conferences for meetings between remote offices and reduction of business trips
   - Realizing flexible working styles by expanding the work-at-home program
   - Promoting the use of work smartphones outside the company (schedule confirmation, verification tasks, etc.)

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

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

President’s Forum

To accelerate the promotion of office Work Style Reforms, the "President’s Forum" meeting began in February 2017 as a president-employee conversation opportunity.

The president explains to employees the objective and focus of actions surrounding Work Style Reforms, which is a key management policy, and accepts a wide range of inputs from employees such as issues they face in promoting reform and opinions and requests on corporate matters. The president will incorporate these inputs to develop more effective measures.

VOICE (Corporate Human Resources Div. member)

Hiroko Morisaki  Manager, CP-Plan Promotion Center, Corporate Human Resources Div., Mitsubishi Electric Corporation

It has been five years since the start of the activities. This initiative has so far brought results such as reductions in working hours and improvement of the way work is done through an increase in users of internal IT tools and the work from home program.

We will not limit the "Work Style Reforms" to activities to improve the operational efficiency or reduce working hours. We will deepen the initiative, focusing on work style reform and work quality improvement, and aim to create a workplace where all employees can work in good spirits.
Support for Flexible Working Styles

Development and availability of childcare and family-care programs in Japan

Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare leave program can be extended to the month of March following the child’s first birthday (or to the first end of March following the child’s second birthday if there is a special circumstance). We also have a program that allows employees to work shorter hours when raising their children, and this program can be extended up until the end of March in the year the child graduates from elementary school. Our family-care leave program allows employees with families that meet the requirements to take a leave of absence for more than three years. It also allows employees to work shorter hours for up to three years to help them take care of their families. In addition, we have a temporary leave system for employees who wish to undergo fertility treatment to support the development of the next generation. There is also a program to provide the spouse with special paid leave (self-support leave) to use in certain circumstances such as to participate in a child’s school event, a “work from home” program, as well as a re-hiring system for employees who have temporarily left the company to provide childcare and family care.

Furthermore, we have made it possible for employees to take half-day absences from work to care for elderly family members or attend to a sick child, and have introduced a reduced working hour system that allows employees to work shorter hours on a certain day of every week, as one form of reducing working hours for family care.

In fiscal 2020, introduced an hourly leave system that allows employees to take up to 40 hours off from work per year. Employees will be able to take off from work on an hourly basis by using part of their annual paid vacation days when they need to care for children or elderly family members or to participate in a child’s school event, etc., that do not require a one-day or half-day leave.

In fiscal 2021, we increased the number of days off that employees can take when their spouse gives birth from 5 days to 10 days. We also introduced a system where we would not transfer employees to a position requiring relocation for up to three years if that would be difficult due to their caring for family members or being treated for a chronic disease or other health condition, and a career leave system according to which employees can take leave to accompany their spouse who has been transferred overseas or to study or participate in a volunteer activity (including as a Japan Overseas Cooperation Volunteer).

To raise employee awareness of these initiatives, we actively disseminate relevant information through a portal site, which features a range of information on work-life balance, such as a list of support systems for employees raising children (see chart below), and interviews with working mothers. We make this information available to employees, managers, and new hires, aiming to create an environment that is conducive to using these support systems. Along with enhancing our programs, we will work to foster a workplace culture in which employees can enrich their personal lives while advancing their careers.

Work-life balance support measures related to childcare (Mitsubishi Electric) (As of April 2020)
Diamond Kids Day-care centers

To support the career development of employees raising children, Mitsubishi Electric opened Diamond Kids, an onsite day-care center, in Kamakura City, Kanagawa Prefecture and Amagasaki City, Hyogo Prefecture on October 1, 2014, with an enrollment of approximately 10 children in each center.

By providing its services in locations adjacent to a Mitsubishi Electric workplace on days and during hours corresponding to the workplace, catering to extended hours, and ensuring security measures that prevent intrusion by suspicious individuals as well as accident prevention measures, Diamond Kids offers a childcare environment that allows employees to fully concentrate on their jobs without worrying about their children. It also promotes employees’ return to work after taking a leave, by accepting children all year round.

<table>
<thead>
<tr>
<th>Name</th>
<th>Diamond Kids Shonan</th>
<th>Diamond Kids Itami</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture</td>
<td>6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture</td>
</tr>
<tr>
<td>Facility area</td>
<td>Within the Information Technology R&amp;D Center</td>
<td>Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium Brio</td>
</tr>
<tr>
<td>Enrollment capacity</td>
<td>Approx. 10 children</td>
<td></td>
</tr>
<tr>
<td>Children’s ages</td>
<td>Ages 0 (children over 57 days old) up to enrollment in primary school</td>
<td></td>
</tr>
<tr>
<td>Eligibility</td>
<td>Mitsubishi Electric employees (not restricted to women)</td>
<td></td>
</tr>
<tr>
<td>Operating hours</td>
<td>8:00 – 18:00 (extended hours up to 21:00)</td>
<td></td>
</tr>
</tbody>
</table>

Other programs

Flextime
Flextime allows employees to decide on their working hours for themselves so that they may improve their productivity and exercise creativity, and thereby achieve a good balance between their corporate life and personal life.

The program may be utilized depending on the specific duties and job performance of each employee.

Working hours are divided into "core time" and "flexible time." Core time is a band of time during which all employees must be present in the office as a rule unless special circumstances exist. Flexible time is a band of time within which employees may choose when they arrive and depart from the office in consideration of the progress of their work and fluctuations in workloads. Specific time bands are determined by each office.

Special paid leave (Self-support leave)
Employees who do not use up their annual paid vacation time by the end of the fiscal year may accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward.

Those who receive company approval to take more than three days off from work to recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

Work from home program
In pursuit of a flexible work style for efficiently performing work anywhere, we have expanded the eligible users and increased the flexibility of using the program in fiscal 2019.

From fiscal 2021, employees can use the program for reasons other than to care for children or elderly family members, such as for the purpose of improving the efficiency and productivity of work and promoting work-life balance.

Utilization status of childcare and family care programs (by Mitsubishi Electric employees)

<table>
<thead>
<tr>
<th>No. of employees who have taken a leave</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
</tr>
<tr>
<td>Childcare leave</td>
<td>24</td>
<td>273</td>
<td>297</td>
</tr>
<tr>
<td>Acquisition rate of leave of absence (%)</td>
<td>—</td>
<td>98%</td>
<td>—</td>
</tr>
<tr>
<td>Reduced working hours for childcare</td>
<td>11</td>
<td>368</td>
<td>379</td>
</tr>
<tr>
<td>Reduced working hours during pregnancy</td>
<td>—</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Family care leave</td>
<td>7</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Reduced working hours for family care</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Prenatal and postnatal absence</td>
<td>—</td>
<td>182</td>
<td>182</td>
</tr>
<tr>
<td>Paternity leave</td>
<td>735</td>
<td>—</td>
<td>735</td>
</tr>
<tr>
<td>Nursing absence</td>
<td>13</td>
<td>15</td>
<td>28</td>
</tr>
</tbody>
</table>

(Unit: No. of employees)
Supporting Career Development

Basic Policy

“A company is its people, and cannot grow without their growth. The development and utilization of human resources is the source of a company’s development, and education is a fundamental undertaking that creates the foundation of management.”

Under this principle, the Mitsubishi Electric Group believes it is important to link the expertise, skills, and mentality it has cultivated as an organization to maintaining and strengthening corporate competitiveness and contributing to society. By adding new values at times and achieving further growth, we actively promote the human resource development of all our employees.

Development of Personnel who Support the Workplace

We consider that the development of management and leaders who are responsible for developing personnel is important. For such employees, we provide support to employees who work directly under them in acquiring skills and mind-sets with respect to measures to stimulate communication in the workplace, listening skills, skills for dealing with stress, and so on. We ensure that they acquire such skills and mind-sets so that they can provide support that fits each of their subordinates. In order to build a workplace with open communication, we will promote the development of personnel who serve as the core of this initiative.

Human Resources Development System Supports the Career of Employees

Mitsubishi Electric’s training system for all employees, including those of affiliated companies, consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational education. Tests and competitions to improve skill levels are conducted, and practical training or international study opportunities at overseas sites and universities in Japan and abroad are provided. Emphasis is also placed on a managerial training program that focuses on training individuals for the core management positions that drive our businesses, and on developing core personnel and leaders.

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

Self-development support program

Mitsubishi Electric instituted a self-development support program that supports employees’ voluntary skills development based on a human resource development system that allows employees to take the initiative to actively develop their own skills.

The program provides support in the form of money and time for participants in educational programs inside and outside the company and also pays bounties to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach higher goals as a professional.
Stratified training program

In fiscal 2012, Mitsubishi Electric introduced Value-up Training, a stratified training program intended for employees at certain junctions in their career (at ages 25, 30 and 40), to provide an awareness and understanding of the qualities and roles that are expected of them at those ages.

The program aims to strengthen young employees’ capacity for work, or the mentality, knowledge, and skills they need to fulfill their duties, and medium-level and veteran employees’ capacity for development, or their skills to convey their working capacity to the younger generation (subordinates and juniors) and enhance their capacity for work. Through this program, we will make continued efforts to strengthen the working capacity of each employee and create a culture for development in the workplace as a whole.

Promoting systematic and efficient skills development

Mitsubishi Electric introduced to its operations in Japan a point system for employee training, to promote systematic and efficient skill and capability development by tracking the progress of ability-building activities by its employees, particularly its young employees. Each training course is worth a certain number of points. Employees receive the relevant points upon completing each course, and aim to achieve their individually recommended total number of points.

Passing on technological skills, knowledge, and know-how

In order to pass on the skills possessed by highly experienced employees to younger technicians at Japan production sites accompanying the company’s generational shift, we have developed a training program that allows the skills of accomplished employees to be learned in one-on-one settings. Technical skills are also passed on to young technicians through various measures such as installing technical help desks through which newer employees can consult with highly experienced employees through the company’s intranet.

Employee Training History Management System showing the history of and key points in training

Mitsubishi Electric Group Skills Competition

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of “handing down skills and raising skills to even higher levels,” “further creating a climate that respects skills,” and “developing top-level engineers.”
Ensuring Occupational Safety & Health

Basic Policy

Mitsubishi Electric adheres to the basic policy of prioritizing the safety and health of our employees above all else. Based on the understanding that health and safety management form the foundation of business management, we aim to establish a culture that places top priority on safety and health in all social and business environments. Furthermore, we strive to provide mental healthcare to all employees as we endeavor to create a workplace environment that allows everyone to work to the best of their ability, comfortably and in good health.

This basic policy underlies our company-wide Five-year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, and by which we implement specific activities toward achieving annual targets. Our affiliates in Japan and overseas also engage in health and safety management activities in line with relevant laws, regulations and company-specific issues.

Promotional Framework

The Mitsubishi Electric Group actively promotes safety and health activities across the entire Group under the strong leadership of the top management.

Ongoing efforts are made to strengthen the safety and health management framework, as Mitsubishi Electric and its affiliates in Japan and overseas cooperate in exchanging information, engage in education activities, and implement various safety measures. Active communication is also held with employees through meetings with labor unions and the Safety and Health Committee, and labor-management efforts are made to promote both top-down and bottom-up activities that aim to raise the level of safety and health. Specifically, we discuss the content of training for taking care of younger personnel as well as self-care and line-care in the course of considering mental health care measures, introduce such training programs, and review their content.

In case of an industrial accident occurs, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety inspections, and laterally disseminating case reports of disasters and countermeasures.
Occupational Safety and Health Management System

In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office creates a PDCA cycle for safety and health activities based on the Mitsubishi Electric Group’s requirements for safety and health management, such as in regard to the development of a management framework in each office governed by a safety and health supervisor and the implementation of risk assessments and other relevant activities.

The goal is to raise the occupational safety and health management level of the company as a whole. As a result of this initiative, we have achieved one of the lowest frequency rates and severity rates of industrial accidents (number of people killed or injured in a fatal accident or an accident that requires time off from work per 1 million hours of work, and number of working days lost per 1,000 hours) in the industry.

* OSHMS (Occupational Safety and Health Management System)

Thorough Safety and Health Education

The Mitsubishi Electric Group implements safety and health education that matches its business characteristics and social environment, including stratified programs and occupation-specific programs, in addition to education programs as stipulated by law. As a common feature of the Group, Mitsubishi Electric and its affiliates in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year.

Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a “safety room.”
"Danger simulation room" at Mitsubishi Electric's Himeji Works

Under the slogan of “putting safety awareness into action,” Himeji Works provides danger simulation education to all onsite employees and employees of affiliated companies (approx, 6,000). The Works has been working to increase all employees’ awareness of danger by upgrading the simulation machine, introducing a virtual reality (VR) simulator, developing and providing education to instructors, and establishing an education system.

Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its affiliates in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for their 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance society. MHP21 promotes a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a “health-oriented company.” Under the slogan, “Change Your Lifestyle Habits, Extend Your Healthy Years,” MHP21 involves setting company-wide improvement goals in five health categories—maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care, and sleeping properly—and evaluating the degree of achievement of these goals every year.

In 2017, a new five-year plan was launched as Stage III, and in May of the same year we held the Mitsubishi Electric Group Health Convention attended by the top management of Mitsubishi Electric, labor union, and health insurance society as well as the executives of each office and affiliate in Japan. In the convention, while renewing our determination to commit to the creation of a safe, healthy, and comfortable workplace, we adopted a Health Declaration with the aim of becoming a Healthy Company Group. With focus on strengthening individual approaches based on health data and using ICT services, introducing an award system for healthy offices, and promoting cooperation between Mitsubishi Electric and its affiliates in Japan, we aim to revitalize Group activities as a whole in Stage III.

Our affiliates overseas are likewise taking initiatives to maintain and promote health among their employees, in consideration of the health situation in their respective countries.

<table>
<thead>
<tr>
<th>MHP21 activities Priority Items</th>
<th>Before commencement of activities (FY2002)</th>
<th>Stage I Final year (FY2012)</th>
<th>Stage II Final year (FY2017)</th>
<th>Stage III Third year (FY2020)</th>
<th>Stage III Target (FY2018–2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People maintaining proper body weight*1</td>
<td>73.00%</td>
<td>71.70%</td>
<td>70.40%</td>
<td>69.00%</td>
<td>73% or more</td>
</tr>
<tr>
<td>People who have an active lifestyle*2</td>
<td>11.70%</td>
<td>16.20%</td>
<td>24.10%</td>
<td>26.10%</td>
<td>39% or more</td>
</tr>
<tr>
<td>Smokers</td>
<td>40.00%</td>
<td>27.60%</td>
<td>24.70%</td>
<td>22.80%</td>
<td>20% or less</td>
</tr>
<tr>
<td>People who brush their teeth three times a day or more</td>
<td>13.30%</td>
<td>20.50%</td>
<td>22.50%</td>
<td>26.70%</td>
<td>25% or more</td>
</tr>
<tr>
<td>People who get enough sleep and are well rested*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>66.40%</td>
<td>85% or more</td>
</tr>
</tbody>
</table>

*1 BMI of 18.5 or more and less than 25.0
*2 30 minutes or more of exercise twice a week or more, or an average of 10,000 steps (1 hour of walking) or more per day
*3 Included from Stage III
Recognized under White500

Mitsubishi Electric has been recognized, by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi under the 2020 Health & Productivity Management Outstanding Organizations Recognition Program’s WHITE500 (the large-scale corporate category), for excellence in a variety of our activities that contribute to health and productivity management. These include preventing lifestyle-related diseases among healthy persons and high-risk persons, including the implementation of Mitsubishi Electric Group Health Plan 21 (MHP21), preventing productivity from lowering among employees, and preventing accidents, adjusting work hours, and ensuring work/life balance and time for living.

We will continue to strive to ensure occupational safety and health as well as mental and physical health by considering health management for employees from a managerial perspective.

Promoting Mental Health Care

Mental health care is a top priority for health management in the Mitsubishi Electric Group. By establishing a counseling program that includes an industrial physician and/or counselor and other such initiatives, active efforts are made to help employees cope with everyday worries related to work and family and other emotional issues.

Through conventional telephone and e-mail counseling and a newly introduced face-to-face counseling program provided by an employee assistance program (EAP*), which covers domestic affiliated companies as well, importance is placed on the primary prevention of employee mental health disorders.

As a place to check and share issues related to mental health and also for cooperation between parties developing a location policy and measures, the Location Safety and Health Committee will further be effectively used. By disclosing through the Committee information such as the presence or absence of employees who had an injury/sick leave or absences due to mental health, the status of implementation of measures to ensure health and welfare (the number of people eligible for long-term counseling, etc.), and the plans for and results of mental health-related training programs, continuous improvement activities are promoted.

With regard to a stress check system in line with legislation, efforts are being made to improve the workplace climate of organizations with issues in light of the results of organizational analysis.

Employees who return to work after taking a mental health leave are fully supported by the belonging department, human resource department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support, and every effort is made to facilitate their return to their workplace and prevent any relapse.

Specifically, inspection is carried out in order to ensure thorough operation regarding the periodic ascertainment of the situation of employees who are absent from work, compliance with giving consideration to employees who have returned to the workplace based on the opinions of an industrial physician (restricting work, etc.), and so on.

Furthermore, by appointing dedicated counselors in the Mitsubishi Electric head office, focused care is also provided to employees posted outside of Japan, where working and living environments largely differ from Japan.

In terms of education, line-care and self-care training are repeatedly implemented through lectures, to provide sessions on mental health and strengthen responses to mental health among managers and employees, especially for mental health. As a common feature of the Group, Mitsubishi Electric and its affiliates in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of mental healthcare (line-care, self-care) to more than 100,000 employees, managers, and supervisors every year.

Starting fiscal 2021, these education programs will be strengthened by making mental healthcare education for new employees mandatory and enhancing the resilience training program.

* EAP (Employee Assistance Program): a program that provides support to employees, by providing a wide range of counseling covering physical health, relationships with family and colleagues, as well as mental health.

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that also give consideration to elderly people and people with disabilities.

By establishing own standards (workplace environment standards) for air, lighting, noise, and facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.
Supply Chain Management

Basic Policy

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group’s Purchasing Policy and CSR Procurement Policy, and requesting business partners’ understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the Group, risks are also mitigated along the supply chain. The Group’s criteria for evaluating business partners include not only quality, cost, delivery schedules and services, but also initiatives in response to environmental regulations and CSR initiatives. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

Our Purchasing Philosophy

Mitsubishi Electric purchases a wide variety of materials and components from both Japanese and overseas markets. We recognize our corporate responsibility and are eager to provide business opportunities for the communities in which we operate.

1. Easy Access and Equal Opportunity
   To guarantee our customers the highest-quality products, we are constantly searching for new suppliers. We encourage business partners from all over the world, regardless of size, to contact us about submitting a quotation. The decision to embark on a new business relationship is made after careful consideration of three major factors: product price, product quality, and delivery performance. To ensure continued high quality and efficiency, we periodically review our relationships with our partners.

2. Mutual Prosperity
   We believe in long-term relationships built upon understanding and trust. This will allow the participation of our business partners during the product development stage, paving the way for mutual prosperity.

3. Ecological Soundness
   We are interested in the materials and manufacturing processes used by our suppliers. Because we value the environment, we buy only ecologically sound products. Our mission is to satisfy the needs of people around the globe. To meet their growing expectations, we must widen and strengthen our affiliations with companies all over the world. We are seeking cooperation, not just business, and are looking for potential partners who are willing to join us in our drive toward global prosperity.

CSR Procurement Policy

We carry out material procurement activities in line with our “CSR Procurement Policy,” which was established in 2007. We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric’s CSR policies and matters for compliance by our business partners. Going forward, approaches will be made to all business partners to verify their agreement to promote procurement activities in line with the guidelines.

1. Compliance with domestic and foreign laws/regulations and social standards
   (1) Ensuring compliance with laws and regulation
   (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
   (3) Creating proper work environments and giving consideration to safety and health

2. Assurance of quality and safety of products and services

3. Environmental considerations
   (1) Procuring materials with less negative impact on the environment
   (2) Ensuring strict management of harmful chemical substances based on an environmental management system

4. Promotion of fair trade based on corporate ethics
   (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
   (2) Ensuring strict management and safeguarding of information by establishing an information security system
   (3) Thorough elimination of fraudulence, bribery, and other such conduct that violates corporate ethics
Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP)* strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aims to achieve the lowest cost ratio ever starting in fiscal 2021. In this effort, we will develop and promote the following measures toward improving profitability through operational and business transformation as well as strengthening the corporate structure, the Group’s business goal, through sustainable and stable procurement. In cooperation with the Materials Planning Office in regional corporate offices in China, Asia, Europe and the Americas, we implement purchasing strategies through conferences of procurement officers and other such meetings to promote optimal procurement activities suited to each region.

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

* We have promoted WΣ21II activities through March 2020. Starting in April 2020, we are fully rolling out the activities with emphasis on the following:

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

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

*1 Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion

*2 Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site

*3 Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site
Mitsubishi Electric Group Policies for Responsible Minerals Procurement

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

*1 Conflict minerals refers to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.

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

Report of survey results of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (the Conflict Minerals Reporting Template (CMRT) or the Cobalt Reporting Template (CRT)) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2020, surveys were carried out on 1,394 suppliers, and responses in survey form were obtained from 1,034 of these suppliers, which include 815 suppliers for which we have been able to identify all smelters. In addition to continuing to request suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals.

*1 Conflict Minerals Reporting Template issued by the Responsible Minerals Initiative

*2 Cobalt Reporting Template issued by the Responsible Minerals Initiative

Number of smelting companies identified in a survey of conflict minerals and their list in FY2020
(Number of smelting companies identified: 337 companies) (As of April 7, 2020)

<table>
<thead>
<tr>
<th></th>
<th>Tin</th>
<th>Tantalum</th>
<th>Tungsten</th>
<th>Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>91 companies</td>
<td>42 companies</td>
<td>48 companies</td>
<td>156 companies (of which, 2 companies from applicable countries*)</td>
</tr>
<tr>
<td>(No applicable countries)</td>
<td>(No applicable countries)</td>
<td>(No applicable countries)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List of smelters identified in the FY2020 Survey

* Applicable countries: A total of ten countries designated as applicable countries for conflict minerals, including the Democratic Republic of the Congo, Angola, Zambia, Tanzania, Uganda, South Sudan, Rwanda, Central African Republic, Republic of Congo, and Burundi.

Strengthening CSR Initiatives along the Supply Chain

Initiatives to address environmental issues

Since 2006, the Mitsubishi Electric Group has been evaluating the progress of suppliers’ initiatives to address environmental issues under the Green Accreditation System. Based on the Green Procurement Standards Guide and using an original survey form, the System involves a survey of each supplier’s progress in acquiring environmental management system certification, the supplier’s status of compliance with laws and regulations related to the environment, and its management of chemical substances contained in components and materials they deliver to our company. Under the System, suppliers who meet our standards are certified.

We ultimately minimize environmental risks by properly evaluating the progress of our suppliers’ environmental initiatives under this System, and by providing advice on any corrections that should be made by suppliers who do not meet the certification standards.

Green Accreditation Guideline
Initiatives to address social issues

From 2009, the status of CSR initiatives has been included in the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. Furthermore, the CSR Procurement Guidelines were established in 2018 based on the RBA Code of Conduct (Version 6.0) that was formulated and announced by the Responsible Business Alliance. To verify our suppliers’ commitment to promoting the content of the guidelines, a consent form is attached to the last page of the guidelines.

We have raised the following three points as the core activity objectives of fiscal 2021.

1. Ensuring that we obtain the consent forms for the CSR Procurement Guidelines from suppliers
   The Mitsubishi Electric Group is aiming to obtain the consent forms for the CSR Procurement Guidelines from all suppliers with whom we will continue to do business through the end of September 2021 (about 4,000 companies). In fiscal 2019 and 2020, we received signatures for the consent forms for the CSR Procurement Guidelines from a total of about 2,200 suppliers. We will continue to seek to obtain the consent forms from suppliers that have yet to respond and new suppliers.

2. Continuing activities aimed at understanding and mitigating serious human rights risks in the supply chain (forced labor of foreign laborers, dangerous or hazardous labor, etc.)
   In addition to the investigations in progress, we have conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group’s production activity on foreign technical intern trainees in 2019. Although there were no suppliers who are at risk of infringing on the Technical Intern Training Act, we will continue promoting activities for preventing the violation of human rights of foreign technical intern trainees.

3. Building a mechanism for handling grievances for the entire supply chain
   We will consider enhancing the mechanism for handling grievances to receive complaints from the secondary suppliers and suppliers further down the supply chain and to resolve issues. Currently, we have the following as the points of contact for handling grievances.

Requests to Suppliers

Suppliers to the Mitsubishi Electric Group are requested to gain an understanding of the Group’s Purchasing Policy and CSR Procurement Policy, and to disseminate these policies to their supply chain. They are especially requested to thoroughly comply with the points below, which the Group has identified as priority issues to be addressed through the entire supply chain. Additionally, new suppliers are asked to submit their agreement to comply with the CSR Procurement Guidelines and a completed survey form upon reading and understanding the guidelines.

For details, please refer to each of our guidelines (Green Procurement Standards Guide, CSR Procurement Guidelines).

* The Mitsubishi Electric Group’s Green Procurement Standards Guide and CSR Procurement Guidelines are provided below. These documents have been revised appropriately in response to changes in laws, regulations and social norms.
1. Compliance with laws, regulations and social norms
   Please comply with laws and regulations in countries and regions where you engage in business, as well as with international agreements, transaction ethics, and social norms.
   (Elimination of corrupt practices such as bribery, embezzlement, and illegal political contributions; compliance with relevant laws and regulations, including the Antimonopoly Act, Subcontractor Act, and Foreign Exchange Act; prohibition of the illegal acquisition and utilization of intellectual property; proper information disclosure; execution of faithful transactions based on contracts, etc.)

2. Respect for human rights
   Please respect basic human rights in countries and regions where you engage in business.
   (Prohibition of inhumane treatment like forced labor, child labor, abusive treatment, human trafficking, and harassment; prohibition of all forms of discrimination; proper payment of wages; proper management of working hours; respect for the right to organize, etc.)

3. Consideration for health and safety
   Please give due consideration to health and safety in all countries and regions where you engage in business.
   (Safety measures for machines and devices; evaluation and measures against the occurrence of accident and health hazard risks; preventive measures against large-scale disasters and accidents, etc.)

4. Environmental considerations
   Please take measures to provide products and services that place minimum burden on the environment.
   (Acquisition, maintenance and management of environmental management system certification; compliance with environmental laws and regulations; proper management of chemical substances in products, etc.)

5. Product and service quality and safety
   Please take measures to ensure the quality and safety of products and services you provide.
   (Design, evaluation and testing for ensuring safety; compliance with laws and regulations related to safety; construction, maintenance and management of quality management systems, etc.)

6. Security measures for information systems
   Please take appropriate measures to protect against computer network threats.
   (Construction of prevention measures against computer viruses and cyberattacks; prevention of information leakage through proper management of confidential information and personal information, etc.)

Evaluation status of suppliers' initiatives to address CSR issues

Basic policy of supplier surveys
The Mitsubishi Electric Group verifies the progress of suppliers’ initiatives to respond to the requirements outlined in the Green Procurement Standards Guide and CSR Procurement Guidelines by requesting principal suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form (prior to commencing transactions in the case of new transactions and at certain intervals in the case of ongoing transactions (every three years, as a rule)). In response to our suppliers’ replies to these surveys, we provide feedback about the results of the evaluation. We also communicate with suppliers who have scored low in any one of the survey items, to request the necessary corrections. This is done through individual meetings and other such means. The survey form has been revised in 2018 following the formulation of the CSR Procurement Guidelines.

Activity results
From 2006, the evaluation covered domestic suppliers only. However, the range was expanded in fiscal 2018 to include overseas suppliers also. The fiscal 2018 survey placed priority on the China and Thailand region, but from fiscal 2019, we extended survey implementation to Europe and the U.S.
Responses to the Green Accreditation/CSR Procurement survey form (Mitsubishi Electric) (As of April 7, 2020)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing suppliers</td>
<td>728</td>
<td>696</td>
<td>1,201</td>
<td>455*</td>
</tr>
<tr>
<td>New suppliers</td>
<td>15</td>
<td>25</td>
<td>60</td>
<td>97</td>
</tr>
<tr>
<td>Response rate</td>
<td>100%</td>
<td>99.0%</td>
<td>96.0%</td>
<td>82.0%</td>
</tr>
</tbody>
</table>

1. Total number of suppliers: Approx. 10,000 companies (includes about 2,700 suppliers that were among the top 80% of purchases)
2. We conducted surveys for all of the above suppliers (about 2,700 companies) in the three-year period between 2016 and 2018.
3. The above figures include 81 companies who were surveyed in fiscal 2019 and failed to pass the criteria.

* The Mitsubishi Electric Group suspended transactions with six companies who have yet to gain Green Accreditation among the supplies surveyed in fiscal 2019.

Responses to the Green Accreditation/CSR Procurement survey form (domestic and overseas affiliated companies of Mitsubishi Electric) (As of April 7, 2020)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveyed suppliers</td>
<td>346</td>
<td>1,378</td>
<td>595</td>
<td>1,113</td>
</tr>
<tr>
<td>Response rate</td>
<td>99.3%</td>
<td>94.0%</td>
<td>60.5%</td>
<td>68.0%</td>
</tr>
</tbody>
</table>

Signatures for the CSR Procurement Guidelines consent forms in FY 2020 (As of April 7, 2020)

<table>
<thead>
<tr>
<th></th>
<th>Mitsubishi Electric</th>
<th>Domestic and overseas affiliated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested companies</td>
<td>1,079 companies</td>
<td>1,289 companies</td>
</tr>
<tr>
<td>Responses received (rate)*</td>
<td>984 companies (92%)</td>
<td>590 companies (46%)</td>
</tr>
<tr>
<td>Agreements (rate)*</td>
<td>984 companies (92%)</td>
<td>590 companies (46%)</td>
</tr>
</tbody>
</table>

* The rate calculated using the number of requested companies as the denominator.

FY 2020 results of green accreditation and CSR procurement surveys among suppliers (Mitsubishi Electric)
Number of suppliers given guidance in fiscal 2020 and the content of the guidance (Mitsubishi Electric)  
(As of April 7, 2020)

<table>
<thead>
<tr>
<th>Item</th>
<th>No. of companies given guidance</th>
<th>No. of completions</th>
<th>Content of guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>52</td>
<td>29</td>
<td>Strengthening of management of chemical substances in products (creation of management regulations and understanding chemical substances in products)</td>
</tr>
<tr>
<td>Human rights, labor practices, safety and health</td>
<td>114</td>
<td>71</td>
<td>Encouraging secondary suppliers to take up CSR practices</td>
</tr>
</tbody>
</table>

Survey on Foreign Technical Intern Trainees

Mitsubishi Electric conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group’s production activity on foreign technical intern trainees and obtained responses from all the companies surveyed. Among the companies surveyed, 136 companies hire technical intern trainees, and we confirmed with the suppliers as to whether they are “excellent implementing organizations*” and the presence or absence of risks associated with implementing training (50 suppliers have been accredited as “excellent implementing organizations”). As a result of the survey, it was found that 24 out of 86 companies who have not been accredited as “excellent implementing organizations” are required to make improvements. However, there were no suppliers who do not observe the Technical Intern Training Act, the Labor Standards Law, etc.

We will provide guidance on items to be improved as well as continue promoting activities for preventing the violation of human rights of foreign technical intern trainees.

* An accreditation system administered by the Organization for Technical Intern Training (OTIT). A total score for a track record of acquiring the skills, the acceptance system, employment conditions of technical intern trainees, presence or absence of violations of laws and regulations, and consultation and support system for technical intern trainees of at least 60% of the full marks conforms to the criteria for the excellent implementing organizations. When a company is accredited as an excellent implementing organization, the intern training period is extended and the quota for the number of trainees accepted is increased.

Items to be improved and the number of companies

<table>
<thead>
<tr>
<th>Matters to be improved</th>
<th>No. of companies (may be duplicated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A procedure or mechanism for “accepting requests” and “considering taking measures” for cases where special facilities must be provided for religious reasons (worship, meals, etc.) is absent</td>
<td>9</td>
</tr>
<tr>
<td>Important indications for safety and health, such as dangerous goods labels and the display of evacuation routes, are not displayed in languages understood by technical intern trainees</td>
<td>17</td>
</tr>
<tr>
<td>Matters supervised by the supervising organization are not recorded or saved</td>
<td>5</td>
</tr>
<tr>
<td>A mechanism for internal or external whistleblowing has not been built</td>
<td>2</td>
</tr>
</tbody>
</table>
Communication with Suppliers

At each office, the Mitsubishi Electric Group holds seminars that disseminate a full understanding of the Group’s Purchasing Policy and CSR Procurement Policy among suppliers. In order to gain the approval of suppliers to the Mitsubishi Group’s policies as demonstrated through these activities, we hold regular exchanges of views with our suppliers based on their responses to our Supplier Surveys. Suppliers are asked to further strengthen CSR initiatives at their companies as well.

Furthermore, we conduct support activities for Business Continuity Planning (BCP)*, as well as holding a variety of seminars, including those about changes in chemical substance restrictions such as the EU RoHS Directive, and programs about compliance (including export control, information security and management, the Subcontract Act, etc.).

* BCP (business continuity planning): Being prepared for any disaster or other emergency situation by planning how to minimize damage to the company and how to continue or restore business activities.

Fiscal 2020 seminars

<table>
<thead>
<tr>
<th>Seminar</th>
<th>No. of participating companies*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR procurement seminar</td>
<td>Approx. 900 companies</td>
</tr>
<tr>
<td>BCP reinforcement seminar</td>
<td>Approx. 20 companies</td>
</tr>
</tbody>
</table>

* The number of companies is the cumulative total number of companies.

Seminars for suppliers held at each office (Communication Systems Center, Power Distribution Systems Center, Thailand region)
Strengthening Partnerships with Suppliers

The Mitsubishi Electric Group engages in joint-development from the initial stages to the development of parts and materials, and works in partnership with suppliers to engage in VE activities with the aim of adopting advanced products, recycling resources, and reducing the consumption of materials.

Through these activities, we reduce the input of materials and minimize environmental burden by making products more compact and lightweight, and build a win-win relationship that leads to increased sales and enhanced technology capabilities for both Mitsubishi Electric and our partners. We also give awards to suppliers whose achievements are especially significant.

Mitsubishi Electric proactively conducts this activity to suppliers not only in Japan but also overseas, including in the UK, US, China, Thailand, Indonesia, Mexico, India, and Colombia. We also promote internal human resource development, such as by conferring an instructor’s certificate on those who have taken a written test and participated in the VE program in VE lectures, and demonstrate a certain level of knowledge.
Providing Learning Programs on Procurement Laws and Regulations

The Mitsubishi Electric Group offers various learning programs on laws and regulations related to the operations of employees in charge of procurement activities. In Japan for example, our course on materials procurement laws provides guidance and education for thorough compliance with laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and the Construction Contractors Law. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas.

To further strengthen CSR initiatives (particularly along our supply chain), we are making greater efforts to share information on activities implemented by each office as well as instructional information, such as by holding Review Meetings for CSR Promotion in the Supply Chain and providing CSR education to employees in procurement departments.
Philanthropic Activities
Community Participation and Development

Our Philosophy on Philanthropic Activities
As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of the resources it has at hand to contribute to creating an affluent society in partnership with its employees.

Our Policies on Philanthropic Activities
- We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
- We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

Philanthropy Promotion Framework
As part of the Group’s CSR initiatives, each Mitsubishi Electric Group company and business site is pursuing community activities to meet local needs. This effort is based on the philosophy and policies on philanthropic activities. The Group also maintains the Mitsubishi Electric SOCIO-ROOTS Fund, an independent charity through which the company matches employee donations in Japan, and independent Mitsubishi Electric charitable foundations in Thailand and the United States.

Our Philosophy on Philanthropic Activities
- We support people with disabilities and senior citizens mainly through the Mitsubishi Electric SOCIO-ROOTS Fund. Many employees participate in this program every year, and have made donations to a total of more than 246 million yen for social welfare facilities.
- We encourage our employees to participate in “Satoyama Woodland Preservation Projects” for restoring natural environments in areas where Mitsubishi Electric offices are located, so that they may gain an awareness of the environmental burden that is generated through our daily business activities and exemplify the importance of environmental conservation through their actions.
- We also organize “Mitsubishi Electric Science Workshops” to nurture children who love science. These workshops are held in order to provide children with an opportunity to experience basic scientific principles while taking part in experiments and crafts.

FY2020 Activity Results

<table>
<thead>
<tr>
<th>Philanthropic Activity Expenditures</th>
<th>Approx. 1.11 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total donations using the matching gift program:</td>
<td>Approx. 34 million yen</td>
</tr>
<tr>
<td>Satoyama Woodland Preservation activities:</td>
<td>81 sessions</td>
</tr>
<tr>
<td>Mitsubishi Electric Science Workshop held:</td>
<td>76</td>
</tr>
</tbody>
</table>

* The amount spent by Mitsubishi Electric Corporation (includes philanthropic-related expenses such as internal programs and product donations)
Social Welfare

Mitsubishi Electric SOCIO-ROOTS Fund

— Overview —

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2020, the Fund has provided more than 13.7 billion yen to some 2,100 various social welfare facilities and programs.

Branches have been set up at each of our business sites across Japan so that employees can provide monetary gifts that benefit social welfare facilities in their community. Community chest of in each prefecture have cooperated since the Fund’s inception to provide referrals to donation recipients and information about community needs.

The Fund will continue to steadily support grass roots activities, as its name indicates, so that it can help to create smiles with big support that consists of consideration shown to people in need by each employee.

— Donations —

Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines.

Assistance that Delivers Our Commitment

—Conveying the Good Intentions of Employees with a Smile—

We provide assistance to not only facilities supporting people with disabilities, but also nurseries, maternal and child living support facilities, foster homes, and assisted living facilities. Through presentation ceremonies, we strive to convey the feelings of our employees and provide support that people can put a face to. Messages of thanks from these facilities are a big motivator for our activities and always put a smile on employees’ faces.

Donations for the Great East Japan Earthquake

—Support for the healthy growth of children—

The Fund is making ongoing efforts to support children affected by the earthquake. As of March 31, 2020, it has donated a sum of 177.5 million yen since the program began in fiscal 2012.
Global Environmental Conservation

Employees participation program "Woodland Preservation Project"

— Overview —

We have conducted the Satoyama Woodland Preservation Project since 2007. This project seeks to restore "familiar nature," such as parks, forests, and rivers located in the vicinity of our business sites.

The aim of this project is to repay nature for its various bounties and for cultivating diverse life, and to contribute to the communities where our business sites are located. Under the key words "simple" and "sustained," these activities are taking place throughout Japan in phases.

Employees put in physical effort to participate in building a safe and secure community, which also helps to broaden communication with the local community.
Science and Technology

Mitsubishi Electric Science Workshops

Since 2009, through the “Mitsubishi Electric Science Workshops” children can experience basic scientific principles related to electricity, heat, sound, light, wind, communications and programming. The workshops convey the joy of science through experiments and other activities, show the relationships between the basic scientific principles taught and real products, and help the children realize how the products are useful in society. It is also a good opportunity for employees, who serve as lecturers, to look back on their work. In fiscal 2020, a total of 76 workshops were held.

Experiment to discover electromagnetic principles

Experiment to discover the three primary colors of light

Experiment to discover how an electric motor works and then make one

Culture and Arts, Sports

Activities by Mitsubishi Electric’s Sports Teams

Basketball
Nagoya Diamond Dolphins and Mitsubishi Electric Koalas, actively engage in activities to promote basketball, such as regularly sending their coaches and players to basketball workshops held throughout Japan for primary and junior high school students.

Basketball workshop

Tennis
Professional players and employees who belong to Mitsubishi Electric’s Tennis Japan League team ‘Mitsubishi Electric Falcons’ sponsor tennis workshops throughout Japan. Also, through wheelchair tennis and blind tennis, people with/without disabilities interact learning the importance of deepening mutual understanding.

Workshops in Tohoku
American football
The American football team is continuing volunteer activities to express their gratitude to society.

The team has utilized the players’ power to carry out volunteering for reconstruction assistance for the Great East Japan Earthquake and cleaning activities in a park near practice areas.

Badminton
Our badminton team in S/J League II, called Diamond Wings, engages in activities to promote badminton and contribute to the local community mainly in Hyogo prefecture, where the team is based. It helps train athletes and shares the excitement of badminton by holding training sessions and allowing high school students to participate in practices.

Culture and Arts
Mouth and Foot Painting Artists of the World Exhibition
Every year, Mitsubishi Electric Building Techno-Service Co., Ltd. sponsors ‘Mouth and Foot Painting Artists of the World Exhibition’ throughout Japan. As the title indicates, the exhibition features paintings by artists around the world who are deprived of the use of their hands, and thus paint using their mouths or feet to hold a paintbrush.

The company encountered paintings drawn by artists belonging to the Association of Mouth and Foot Painting Artists of the World for the first time in 1991, when it purchased paintings to put on the wall of a lodging attached to a training facility in Kodaira city, Tokyo. Employees who saw these paintings were so impressed with the pieces that were laboriously painted by such artists, that they hosted an informal painting exhibition in the training facility in 1992. The response to this exhibition was so overwhelmingly positive that it came to be held throughout Japan starting in 1994. Promotional activities for the event are being continued by volunteers including the company employees and their families.
Mitsubishi Electric Foundations

Mitsubishi Electric America Foundation

Summary
Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested $20.4 million in innovative projects that help young people with disabilities maximize their potential and participation in society. The employment rate of people with disabilities in the U.S. is about 21%, compared to about 70% of people without disabilities. Therefore in 2012, MEAF launched its national M>PWR possible initiative focused on supporting innovative approaches to empower youth with disabilities so they can lead productive lives and achieve possible.

Example of activities
Through the 10-year “M>PWR possible” initiative, MEAF is aiming to “empower” youth and young veterans with disabilities to increase their employment* rate by 2020. MEAF aims to increase independence, self-confidence and employment possibilities by empowering young people with disabilities through funding for regional and nationwide organizations, and building networks between these organizations.

In 2018, MEAF received the "2018 CATALYST AWARD" from the American Association of People with Disabilities (AAPD) in recognition of its long-term efforts.*
* MEAF supports the AAPD Summer Internship program, which places university students with disabilities in Congressional offices, federal agencies, and non-profit organizations in Washington, DC, since the program’s inception in 2002.

Collaboration with U.S. employees
Employee volunteers from Mitsubishi Electric Group companies in the U.S. engage in their communities joy with many people through these activities. In 2017, the Foundation began supporting the ‘Prateep Dek Thai Project’ to build a Child Development Center in underprivileged areas.

Mitsubishi Electric Thai Foundation

Summary
Established in 1991, the Mitsubishi Electric Thai Foundation (METF) provides scholarships to university students, grants elementary school lunch, and conducts volunteer activities jointly with the Mitsubishi Electric Group companies in Thailand.

Furthermore, METF focuses on new volunteer activities in collaboration with the Thai Philanthropic Committee, which was newly established in 2015 to implement more effective activities throughout the Group.

Example of activities
Since 1993, scholarships have been awarded to students at four engineering universities. Aimed at students who have excellent grades, but have difficulties in studying due to economic circumstances, the scholarships help to develop Thai science and technology.

Also, since 1999 the Foundation has granted a sum of money for school lunch to 30 elementary schools recommended by the Thai Ministry of Education.

Collaboration with Thai employees
In collaboration with local Mitsubishi Electric Group companies in Thailand, METF contributes to local communities through tree-planting activities, Science classroom for elementary school students, and making donations to temples that care for AIDS patients. More than 500 employees and local people participated at maximum at a time, and participants were able to share

* Refers to the TEAM of Mitsubishi Electric volunteers in the U.S. that are empowering youth with disabilities, and alludes to supporting ACCESS to employment in the field of S.T.E.A.M. (Science, Technology, Engineering, Art/Design, and Mathematics).

Work experience through the “M>PWR possible” initiative
Local employees participating in a workshop organized by the MEAF

Scholarship presentation ceremony
Support for the Prateep Dek Thai project
Oversea Activities

Providing clean drinking water facilities for school children (India)

Support for the Special Olympics (Italy)

Sponsoring a music festival "El Primer Palau" (Spain)

Tree-planting by employees of group companies (Thailand)

Educational support for underprivileged children (Colombia)