About the Report

Aiming to contribute to a more sustainable society, the Mitsubishi Electric Group renamed the “CSR Report” to the “Sustainability Report” in fiscal 2021.

This report provides information about sustainability and corporate social responsibility (CSR) initiatives by the Mitsubishi Electric Group to help realize a sustainable society. It primarily reports on significant activities, events, and changes that occurred in fiscal 2020 (year ending March 31, 2020). Based on the PDCA (plan-do-check-act) approach, in reporting our activities we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues. Especially regarding our responses to incidents that caused stakeholders to worry and be troubled, we endeavored to report the progress of our efforts.

We endeavor to fulfill our responsibility of presenting information to the public in order to broaden our range of communication with stakeholders. We appreciate any and all frank and honest feedback intended to further improve the report.

Structure of the Report

Aiming to fulfill our responsibility of presenting information to the public, the report discloses information on our CSR management initiatives and other activities from the aspects of governance, the environment, and society.

Period Covered by the Report

April 1, 2019 – March 31, 2020

• Also includes some information on policies, targets, and plans for fiscal 2021 and thereafter.

Scope of the Report

Social Aspects : Primarily covers activities of Mitsubishi Electric Corporation

* The range of data compiled is noted individually.

Environmental Aspects : Primarily covers performance of Mitsubishi Electric Corporation and its major affiliates (Japan and overseas)

* Detailed information on economic performance is provided in the Environment section of our website.

Economic Aspects : Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates

* Detailed information on economic performance is provided in the Investors section of our website.

More information related to Sustainability and CSR at the Mitsubishi Electric Group is published on our website

Sustainability

Environment

Company

References

• ISO26000
• GRI Standards, Global Reporting Initiative
• Environmental Reporting Guidelines (2018), Ministry of the Environment
• Business Owner Environmental Performance Indicator Guideline (2002), Ministry of the Environment
• Environmental Accounting Guidelines (2005), Ministry of the Environment

Reporting Medium

Non-financial information about the Mitsubishi Electric Group is disclosed in the Sustainability section of the website and “Sustainability Report,” and environmental information is introduced in detail in the environment section of the website. The “Sustainability Report” is available on our website together with the “Sustainability Report Highlights Edition” aimed at communicating with stakeholders. In addition, we provide information such as “ESG survey index” to notify our various initiatives comprehensively.

Regarding Future Projections, Plans, and Targets

This report contains not only statements of past and present facts related to Mitsubishi Electric Corporation and its affiliates (Mitsubishi Electric Group), but also future projections, plans, targets, and other forward-looking statements. Such projections, plans, and targets constitute suppositions or judgments based on information available as of the time they are stated. Future business activities and conditions may differ from projections, plans, and targets due to changes in various external factors.

The Mitsubishi Electric Group conducts business in the form of development, manufacturing, and sales in a broad range of areas, and these activities take place both in Japan and overseas. Therefore, the group’s financial standing and business performance may be affected by a variety of factors, including trends in the global economy, social conditions, laws, tax codes, litigation, and other legal procedures. We would ask stakeholders to keep these points in mind when reviewing this report.

Financial Information

Investors (website)

• Asset Securities Report
• Annual Report
• Corporate Governance Report

Sustainability (website)

• Sustainability Report

Overview of Sustainability/CSR-related information disclosure
Corporate Strategy

The Mitsubishi Electric Group will provide integrated solutions to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure, and Mobility, uniting all the capabilities inside and outside of the Group. For this purpose, we will enhance our business foundation fostered over the past 100 years* and further transform business models.

*Business foundation fostered over the past 100 years: connection with customers, technologies, personnel, products, corporate culture, etc.

Based on its strategy, Mitsubishi Electric Group will pursue value creation for addressing social challenges, and contribute to achieving the 17 goals of the SDGs*, through all corporate activities.

*SDGs: “Sustainable Development Goals” adopted by the United Nations as goals to achieve towards 2030

Further promote initiatives to create value, such as simultaneous achievement of “sustainable society,” and “safety, security, and comfort.”
Global Operations

Corporate Data  (As of March 31, 2020)

Mitsubishi Electric Corporation
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
President & CEO : Takeshi Sugiyama
Phone : +81 (3) 3218-2111
Established : January 15, 1921
Paid-in Capital : ¥175,820 million
Shares Issued : 2,147,201,551 shares
Consolidated Revenue : ¥4,462,509 million
Consolidated Total Assets : ¥4,409,771 million
Employees : 146,518
Mitsubishi Electric Response to Novel Coronavirus (COVID-19)

1. Work arrangements

For business tasks that can be performed from home without a problem, staff are working from home. For work that is best performed in the office, Mitsubishi Electric is implementing thorough infection prevention measures to support staff who come into the office.

We will continue to promote the use of telework and online meetings as flexible and efficient work methods.

2. Infection prevention measures

Given concerns about the spread of COVID-19, the company is placing its highest priority on employees safety and health. In each workplace, we are working to maintain and strengthen infection prevention measures such as cleaning and disinfection, promotion of staggered work hours, and measures to ensure physical distancing.

3. Information sharing


4. New lifestyles and business styles

The attitudes of people worldwide are expected to change significantly due to the measures taken to prevent the spread of COVID-19. While incorporating these evolving values into our work styles and business methods, we will do our best to respond to changing public expectations and help solve social issues.

Financial Results

Performance for the Year Ended March 31, 2020

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>¥1,349,429 million</td>
<td>¥1,307,389 million</td>
</tr>
<tr>
<td>Operating profit</td>
<td>290,477 million</td>
<td>259,860 million</td>
</tr>
<tr>
<td>Net profit attributable to Mitsubishi Electric Corp. stockholders</td>
<td>226,648 million</td>
<td>221,834 million</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,356,211 million</td>
<td>4,409,771 million</td>
</tr>
<tr>
<td>Bonds and borrowings</td>
<td>298,438 million</td>
<td>267,008 million</td>
</tr>
<tr>
<td>Mitsubishi Electric Corp. stockholders’ equity</td>
<td>2,399,946 million</td>
<td>2,429,743 million</td>
</tr>
<tr>
<td>Capital expenditure (Based on the recognized value of property, plant and equipment)</td>
<td>198,442 million</td>
<td>227,450 million</td>
</tr>
<tr>
<td>R&amp;D expenditure</td>
<td>212,794 million</td>
<td>206,846 million</td>
</tr>
</tbody>
</table>

- **Note:** Inter-segment sales are included in the amounts of the diagram above.

Revenue Breakdown by Business Segment

- **Electronic Devices:** ¥455,596 million
- **Information and Communication Systems:** ¥26.6%
- **Industrial Automation Systems:** ¥21.5%
- **Energy and Electric Systems:** ¥25.8%
- **Home Appliances:** ¥21.5%
- **Others:** 13.0%

Revenue 1,349,429 million

Note: Inter-segment sales are included in the amounts of the diagram above.
Mitsubishi Electric's Business Segments

Building Systems
Providing safe and smooth vertical movement and building systems solutions that are environmentally friendly, secure, comfortable, and efficient
Over a million Mitsubishi Electric elevators and escalators are in operation in over 90 countries around the world, contributing to the safe and comfortable vertical movement of many people. What is more, by providing efficient control and management of building systems such as air conditioning and lighting, as well as the linking of security systems and various business systems, we offer building systems solutions that are environmentally friendly, secure, comfortable, and efficient.
Main products
- Elevators
- Escalators
- Building management systems

Factory Automation Systems
Underpinning global manufacturing by providing value-added products, solutions and services
We are a major FA supplier whose wide range of automation technologies from PLCs to laser processing machines underpin manufacturing. Our e-FLOtory concept also offers solutions to Digital Manufacturing challenges by utilizing FA and IT technologies to reduce the total cost of development, production and maintenance.
Main products
- Edge and Programmable Logic Controllers (PLCs)
- Servo systems
- Industrial and collaborative robots
- Circuit breakers
- Energy-saving support systems
- NC controllers
- Laser processing machines
- 3D (Metal) printers

Public Systems
Supporting a better tomorrow with cutting edge technologies at work in our everyday life
Our solutions cover a number of fields that underpin our everyday life, including advanced social infrastructure and public facilities and services. We enhance quality of living by creating solutions that are truly needed by society — everything from water environment systems, to solutions for making society safer and more secure, to providing video entertainment.
Main products
- Water treatment technologies
- Aircraft management systems
- Large screen video systems
- Disaster information systems

Energy Systems
Building power infrastructure across the entire energy value chain as one of Japan's foremost power system suppliers
Energy systems represent a core business that Mitsubishi Electric has been engaged in since our founding. We have played a major role in the development of power infrastructure around the world in all phases, from power generation to transmission and distribution. With the growing demand for clean energy, Mitsubishi Electric is also actively developing new energy businesses, including smart grid-related products & solutions.
Main products
- Turbine generators
- Protection and control systems
- Vacuum breakers
- Transformers
- Substation systems
- Grid stabilization systems
- Switchgears
- Battery energy storage control systems
- Power conversion systems
- Applied Superconductor products
- Power ICT solutions

Transportation Systems
Mitsubishi Electric as a leader in railway solutions providing a full range of equipment and systems for rolling stock
We developed an unrivalled level of technical prowess from our involvement in the development of rolling stock and on ground systems for all of Japan’s Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy efficiency. Our products have already been adopted by more than 30 countries around the world. Our goal is to support comfortable rail services in Japan and abroad that are both safe and energy efficient.
Main products
- Propulsion systems
- Air conditioning systems for rolling stock
- Rolling stock information management systems
- Electricity control systems
- Train vision
- Transportation planning and control systems

Automotive Equipment
Contributing to the advancements in motorization with a broad lineup of products
We were the first in the world to produce an electric power steering system and today many of our products hold a leading market share globally, enabling us to support the creation of safer, more secure, and more comfortable cars. We are helping make safer, more secure cars, by reflecting the various needs of the automobile society to automotive equipments, such as electric vehicles, hybrid electric vehicles, or automated cars.
Main products
- Charging & Starting products
- Electric power steering system products
- Engine management products
- Car multimedia products
- Electrification components
Cutting edge technologies at work across the vast business fields in the space industry
We have participated in the development of more than 500 satellites in various countries around the world. We are able to conduct all aspects of satellite development in-house, including design, production, and testing using our test facilities that can reproduce the environment in space. We are also a world leader in large telescopes, too, having been involved with the Subaru Telescope in Hawaii and the ALMA Telescope in Chile.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satellites</td>
</tr>
<tr>
<td>Large telescopes</td>
</tr>
<tr>
<td>Onboard satellite equipment</td>
</tr>
</tbody>
</table>

Making communications easier and more convenient with technologies that "send" information
We supply products for optical communication systems that enable high-speed transfers of content-rich data, such as HD videos, over the Internet using existing communications infrastructure. Through this business line, we are helping to make society a better place with an assortment of solutions, including video surveillance systems that make society safer and more secure as well as wireless communication systems for smart meters that optimize energy usage.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optical communication systems</td>
</tr>
<tr>
<td>Video surveillance systems</td>
</tr>
<tr>
<td>Wireless communication systems</td>
</tr>
</tbody>
</table>

Providing key devices underpinning a more affluent society, harnessing cutting edge technologies
We supply semiconductors and devices that make our lives more affluent as key devices in equipment used in a wide range of fields, from home electronics to space. In particular, power semiconductors devices are used in a truly wide range of fields, including home products, industrial equipment, electric vehicles, power control systems for traction, motor control systems, wind turbines, and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power semiconductors modules</td>
</tr>
<tr>
<td>Optical devices</td>
</tr>
<tr>
<td>High frequency devices</td>
</tr>
<tr>
<td>TFT-LCD modules</td>
</tr>
</tbody>
</table>

Providing comfortable and energy-efficient air conditioning for industry and in our everyday life
We provide not only in Japan but around the world with a broad range of highly energy-efficient air conditioning systems created with comfortable indoor environments in mind, from the Kirigamine brand of room air conditioners to air conditioner systems for stores, offices and other buildings. At the same time, we also supply a number of low-temperature products and systems for use in areas from distribution to industry, including cool warehouses and cold storage, as well as ice makers, dehumidifiers and other equipment for warehouses, food processing plants and ice skating rinks.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room air conditioners</td>
</tr>
<tr>
<td>Commercial air conditioners</td>
</tr>
<tr>
<td>Low-temperature systems, water heaters, and industrial cooling and heating systems</td>
</tr>
</tbody>
</table>

Making the lives of our customers more comfortable
We supply an assortment of home electronics for the kitchen, living room, bedroom, and other locations. We will continue to make the lives of customers more comfortable by supplying products that meet and exceed customer expectations.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCD TVs</td>
</tr>
<tr>
<td>Refrigerators and freezers</td>
</tr>
<tr>
<td>Vacuum cleaners</td>
</tr>
<tr>
<td>Rice cookers</td>
</tr>
</tbody>
</table>

Providing IT solutions to make all aspects of our life more convenient, comfortable, and advanced
We deliver security technologies including encryption, IoT technologies, and cloud computing platforms to financial institutions, manufacturing plants, social infrastructure (transportation providers, airlines, airports, the power industry), developers, and others. In the process, our IT solutions underpin a more affluent life and society for all.

<table>
<thead>
<tr>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated radar terminal systems</td>
</tr>
<tr>
<td>Flight information systems</td>
</tr>
<tr>
<td>Large-scale network systems</td>
</tr>
<tr>
<td>Large-scale security systems</td>
</tr>
</tbody>
</table>
President's Message

Pursue Sustainable Growth by Contributing to Resolving Increasingly Diverse Social Challenges

Meeting the expectations of a global society

I would like to express my deepest sympathy and condolences for all the people who have lost their lives to COVID-19, as well as for everyone who has suffered through the pandemic and their families and acquaintances. In addition, I would like to express my sincere gratitude and respect to everyone working on the front lines of the medical field and other fields to prevent the spread of disease and treat patients.

The Mitsubishi Electric Group gives the highest priority to the safety and health of customers, business partners, and other related parties, as well as employees and their families. Having taken adequate measures to prevent the spread of infection, such as thorough enforcement of remote work, and securing social distance in production, construction and service related departments, we will continue business that are necessary for fulfilling our responsibilities to society as a corporation in order to maintain people’s lives, provide a stable supply of products, provide services, and support our customers.

The Mitsubishi Electric Group will celebrate its 100th anniversary in fiscal 2021. Since our foundation in 1921, we, the Mitsubishi Electric Group, have grown, contributing to society by offering products and services that meet the needs of the time.

Today’s society is different; the pace of change continues to accelerate and social issues, such as climate change, depletion of resources, regional disparities, poverty, labor, and human rights, are coming to the forefront. We must aim to become a corporate group that can contribute to resolving such challenges by leveraging our strengths in technology, personnel, and products developed through experience in the history of 100 years.

Today, the development of companies requires both social contribution and corporate growth simultaneously, instead of only seeking their profits. In order to fulfill its responsibilities as a globally operating corporate citizen, the Mitsubishi Electric Group signed the UN Global Compact in 2018 to conduct corporate activities that align with the 10 principles in the 4 key areas of human rights, labor, environment, and anti-corruption.

In addition, since the formulation of the globally standardized goals called the Sustainable Development Goals (SDGs)*, we feel that the relationship between corporate management and social issues is getting closer every year. The Mitsubishi Electric Group will contribute to meeting the 17 SDGs through all its corporate activities by taking advantage of the strengths of an integrated electronics and electrical manufacturer.

Furthermore, we take various matters related to our CSR materiality found in fiscal 2020 seriously and will work in earnest to prevent the same problems from recurring, fulfilling the roles of a company that is responsible for the global society.

Manage a Business with Focus on Resolving Social Challenges

In 2019, the Mitsubishi Electric Group announced that it will pursue value creation to resolve social issues based on the corporate strategy.

In formulating the strategy, our directors confirmed in many discussions that the Group should aim to become a corporation that resolves social issues through its business activities.
We have defined the four fields of Life, Industry, Infrastructure and Mobility in diversifying social challenges that the Mitsubishi Electric Group can contribute to. While enhancing the business foundation fostered over the past 100 years, we will also unite all the capabilities inside and outside of the Group to offer a total solution in the four fields through a transformation of business models.

In order to build new business models and accelerate the creation and development of new businesses, which are difficult under the existing framework, we established the Business Innovation Group in April 2020. With a mission to demonstrate the synergy of the Mitsubishi Electric Group’s wide range of businesses, “From in the Home to the Outer Space,” and to develop by itself businesses in new areas based on that foundation, the Business Innovation Group will contribute to society by creating new value.

Even for an integrated electronics and electrical manufacturer, however, there are not few issues that can be addressed only by the Mitsubishi Electric Group. We will proactively leverage open innovation initiatives with research institutions and startups having profound knowledge to promote business.

**Consistently promoting the four CSR materiality**

We will continue to focus our efforts to the Mitsubishi Electric Group’s four CSR materiality: “Realize a sustainable society,” “Provide safety, security, and comfort,” “Respect human rights and promote the active participation of diverse human resources,” and “Strengthen corporate governance and compliance on a continuous basis.”

In response to environmental issues, we have developed “Environmental Sustainability Vision 2050” for 2050 and will promote a long-term approach. In addition to expressing approval of the recommendations by the TCFD (Task Force on Climate-related Financial Disclosures) in 2019 as it emphasizes activities and information disclosure in line with international norms, the Group also has obtained certification from the SBT (Science Based Targets) initiative in January 2020.

However, we have caused various incidents related to CSR materiality in fiscal 2020. One of such incidents is work-related issues that affected employees’ lives or mental and physical health. The entire Group will be fully committed to achieving a workplace environment where all employees can maintain their physical and mental health and work actively with a sense of security to prevent the same incident from recurring. We have also caused a great inconvenience and anxiety to our stakeholders as a result of a quality control issue in which products that do not satisfy the agreement with customers were shipped as well as an illegal access issue related to information security. We also take the problem of a delay in reporting to customers and agencies concerned seriously. Our outside directors have given us much advice on these incidents and the entire Group will commit to prevent these problems from recurring.

*1 Jun 13, 2019 Mitsubishi Electric Unveils Its Group’s Environmental Sustainability Vision 2050

*2 TCFD (Task Force on Climate-related Financial Disclosures): A task force for disclosure of climate-related financial information led by the private sector, established at the request of the G20 finance ministers and governors of central banks

*3 SBT (Science Based Targets) initiative: An international initiative by the UN Global Compact (UNGC), the World Wide Fund For Nature (WWF), the CDP, and the World Resources Institute (WRI)

**Continue challenging to create value**

Going forward, we must disclose appropriate information in a timely manner to our stakeholders. In addition to the results of our efforts, we will especially proactively communicate the process of making such efforts, including the Mitsubishi Electric Group’s view and recognition of issues. As a result, we believe the point of contact with various stakeholders will increase, leading to increased possibilities for creating new value together.

It is also important to clearly present company policies and company-wide activities from the perspective of communication with employees. Since I was appointed as the president, I have visited many sites and held “President’s Forum” to talk with employees, in which I directly communicate the company policies and gather opinions from a wide range of frontline staff. At the Mitsubishi Electric Group, our employees have had opportunities to discuss with each other through small-group activities and other opportunities. By taking advantage of such a corporate culture to accept differences with each other and think about what we should be like, we believe our workplaces will be united to show our strengths.

Fiscal 2021 marks Mitsubishi Electric’s 100th anniversary, in order to support new values in society and also to realize a society that people desire, I believe the Mitsubishi Electric Group should use its full strength to contribute to resolving social issues. Meanwhile, I send a message to our employees with the hope that they will have a desire to tackle social issues at work based on their horizons broadened by regularly involving community, volunteer, or other activities and to continue their pursuit of searching for a better tomorrow.

Nonetheless, we expect that measures to prevent the spread of the COVID-19 will bring dramatic changes to the values of humanity, including lifestyles, work styles, business styles, and communication methods. We will incorporate new values into our own working styles, while uniting all the capabilities inside and outside of the Group, in order to respond to changing demand and to address social challenges.

T. Sugiyama
President & CEO
Initiatives to Create Value

The Mitsubishi Electric Group has taken on the challenge of resolving diversifying social challenges including environmental issues and resource and energy issues through its products, systems and services. In doing so, it promotes initiatives to create values, such as simultaneous achievement of “sustainable society,” and “safety, security, and comfort.” In these ways, the Mitsubishi

**Mission**

**Corporate Mission**

The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, enhance the quality of life in our society.

**Seven Guiding Principles**

**Trust**

Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

**Quality**

Provide the best products and services with unsurpassed quality.

**Technology**

Pioneer new markets by promoting research and development, and fostering technological innovation.

**Citizenship**

As a global player, contribute to the development of communities and society as a whole.

**Ethics and Compliance**

In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

**Environment**

Respect nature, and strive to protect and improve the global environment.

**Growth**

Assure fair earnings to build a foundation for future growth.

**Management Policy**

**Balanced Corporate Management**

**Growth**

- Sustainable growth through providing solutions to social challenges
- Technology Synergies/ Business Synergies
- Agile response to changes in business environment

**Profitability Efficiency**

- Enhance capital efficiency
- Increase utilization efficiency of natural resources and energy
- Create a stronger business foundation

**Greater Corporate Value**

- Constantly review and refresh business portfolio
- Maintain sound financial standing
- Strengthen corporate governance and compliance on a continuous basis

**Soundness Efficiency**

Pursue the Satisfaction of the Four Stakeholder Categories

<table>
<thead>
<tr>
<th>Social Contributions</th>
<th>Excellent Products and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society</td>
<td>Customers</td>
</tr>
<tr>
<td>Increase Corporate Value</td>
<td>Rewarding Workplace</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Employees</td>
</tr>
</tbody>
</table>

**CSR Materiality**

- Realize a sustainable society
- Provide safety, security, and comfort
Electric Group pursues the sustainable growth of the entire Group. Meanwhile, by pursuing sustainable growth of the Group through all its corporate activities including initiatives to create value, the Group will also contribute to achieving the SDGs, common global goals.

**Contribute through all corporate activities**

**Contribute through value creation**

**Focusing on the SDGs**

**The four fields**

- Mobility
- Life
- Infrastructure
- Industry

**Initiatives to Create Value**

Provide integrated solutions uniting all the capabilities inside and outside of the Group

Transforming business models

Enhance the 100-year business foundation = Strengthen all forms of collaboration = Evolution of Technology Synergies and Business Synergies

**Respect human rights and promote the active participation of diverse human resources**

**Strengthen corporate governance and compliance on a continuous basis**

**Diversifying social challenges**
CSR Materiality

The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management. The Mitsubishi Electric Group identified CSR materiality in order to realize the further integration of CSR with management and the long-term advancement of CSR initiatives. The Group will continue to pursue its initiatives for addressing the four material issues in cooperation with business partners along the supply chain.

Realize a Sustainable Society

Under its Environmental Vision 2021 formulated as a goal for fiscal 2021, the Mitsubishi Electric Group has been carrying out initiatives to realize a low-carbon, recycling-based society that functions in harmony with nature.

The Group has formulated its Environmental Sustainability Vision 2050 to clarify the Group's stance on addressing long-term environmental issues and creating new value for a sustainable future toward 2050.

Reasons why it is important

Environmental issues including climate change and resource and energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable society.

Main FY2021 targets

Provide products and services that contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs

Reduce CO₂ emissions from product usage

More than 35% reduction compared to FY2001 by FY2021

Reduce CO₂ emissions from production

Less than 1.47 million tons by FY2021 (CO₂ equivalent)

Financial information based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In line with these recommendations, the Group discloses relevant information on climate change.

Strategy for Climate Change

Corporate Strategy

Environmental (Sustainability) Vision

Environmental Plan (3-year plan)

- Formulated based on the management strategy and environmental vision.
- Approved by the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management.

Environmental Action Plan (Annual plan)

- Shared and implemented by each organization as its goals for achieving the Environmental Plan.
- Reevaluated and improved by the Executive Officer, as necessary.

Corporate Activities

Response to risks: Science-Based Targets (SBT)*1, prevention of environmentally conscious design, etc.
Response to opportunities: Provision of products, solutions, etc.

Overview of risk and opportunity assessment through scenario analysis

Through scenario analysis, we assess the corporate activities of the Group in terms of climate change.

The assessment is made based on two scenarios: a scenario to keep the increase in the global average temperature to below 2°C above pre-industrial levels (2°C scenario) and a scenario in case the temperature rises nearly 4°C as a result of increasing the conventional global warming countermeasures (4°C scenario). The period covered by the scenario analysis is up to 2050, and the periods are classified as shown below.

- Short term
- Medium term
- Long term

The period covered by the Environmental Plan (1-3 years)

Period through 2030

Period through 2050 (Final year of Environmental Sustainability Vision 2050)

As a result of this assessment of climate-related risks and opportunities and our initiatives toward them, the Mitsubishi Electric Group can be said to have resilience against such risks under both the 2°C and the 4°C scenarios and the opportunity for sustainable growth through the solving of social issues arising from climate change*4.

For more information, see Environment.
Provide Safety, Security, and Comfort

Since our inception, the Mitsubishi Electric Group has been contributing to society primarily by offering products and services. 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 after-purchase support and response to major issues.

**Reasons why is it important**

Various issues are becoming evident due to urbanization and other reasons. The Mitsubishi Electric Group will provide safety, security, and comfort while contributing to solving issues with a focus on city development.

Main FY2021 targets

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 climate in the organization and further strengthening the quality control system, we will strive for quick information sharing.

* A semiconductor device that efficiently controls power by converting electricity from AC to DC or raising or lowering the voltage.

Feb 10, 2020  About the Failure in the Shipping Inspection of Certain Power Semiconductor Products of Mitsubishi Electric (In Japanese text)
**Respect Human Rights and Promote the Active Participation of Diverse Human Resources**

The Mitsubishi Electric Group respects the human rights of all peoples in countries and regions where it engages in business, based on a conscious awareness of its widespread interaction with people and society. It is also promoting Work Style Reforms so that a diverse range of human resources can play an active role.

**Reasons why it is important**

Human rights and diversity are global issues. As a global company, the Mitsubishi Electric Group will grapple with these issues. Diversity is also crucial for creating innovation, which is the source of the Group’s strength.

**Main FY2021 targets**

- Provide anti-harassment education for all employees
  - Attendance rate of **100%**
- Enhancement of a reporting system with respect to human rights violations
- Increase the ratio of women among new recruits in engineering fields
  - FY2022 target of **20%** or higher

**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 innovate the workplace culture, 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 culture innovation (measures to respond to power harassment) (measures to respond to mental health issues) | - Deployment of the Mitsubishi Electric Workplace Culture Innovation Program  
- Enhance anti-harassment education and strengthening of evaluation when assigning leaders, including managers  
- Quantitative workplace culture analysis through 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) Initiatives to Prevent Recurrence of Work-Related Issues (In Japanese text)*
Strengthen Corporate Governance and Compliance on a Continuous Basis

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the company is responsive to the expectations of customers, shareholders, and all of its stakeholders. Additionally, the Mitsubishi Electric Group recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group’s continued existence.

Reasons why it is important
Corporate governance and compliance are fundamental preconditions for a company’s continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.

Main FY2021 targets

- Maintain a 100% attendance in e-learning programs on compliance
  - Maintain rate of 100%

- Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review

- Enhancement comprehensive cybersecurity measures
  1. Technical measures,
  2. Thorough document management,
  3. Framework upgrading

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

We sincerely apologize for any inconvenience and/or concern experienced by our customers and society as a result of the potential data leak incident caused by unauthorized system access, as reported in January 2020. On June 28, 2019, after detecting and investigating suspicious activity involving computer terminals at Mitsubishi Electric, it was determined that data had been taken through unauthorized system access by a third party. The investigation took some time because it was a sophisticated attack that bypassed monitoring and detection measures, and the logs that would have identified the affected files were deleted by the hacker on some terminals. The finding was that personal data and confidential corporate information may have been leaked externally.

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

- **Feb 12, 2020** Potential for leaks of personal data and confidential corporate information due to unauthorized system access <third report> (In Japanese text)
- **Feb 10, 2020** Potential for leaks of personal data and confidential corporate information due to unauthorized system access <second report> (In Japanese text)
- **Jan 20, 2020** Potential for leaks of personal data and confidential corporate information due to unauthorized system access <first report> (In Japanese text)
The Mitsubishi Electric Group is engaged in a wide range of businesses, ranging from familiar home appliances to satellites and projects on a national scale. Our operations of these businesses affect society and our value chain is also expanding. Recognizing these circumstances, the Mitsubishi Electric Group promotes CSR initiatives across the entire value chain with a focus on CSR materiality.

**Initiatives on CSR Materiality across The Value Chain**

- **Procurement**
  - Sharing its way of thinking about procurement, the Group promotes CSR initiatives along the supply chain.

- **Development**
  - In addition to thoroughly strengthening businesses and promoting development for innovation, the Group is striving to create greater value and engage in the development of future technologies.

- **Realization of Environmental Vision 2021**
  - Contributing to realizing a low-carbon society

- **Ensure safety through risk assessment**

- **Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures**

- **Provide products and services that contribute to Goal 11, “Sustainable cities and communities,” of the SDGs**

- **Reduce resource inputs**
  - Maintain the reduction of CO2 during product usage
  - Provide products and services that contribute to Goal 7, “Affordable and clean energy,” and Goal 13, “Climate action,” of the SDGs

- **Recycling**
  - Contributing to realizing a low-carbon society
  - Contributing to creating a recycling society
  - Contributing to realizing a symbiotic society

- **Strengthen Corporate Governance and Compliance on a Continuous Basis**
  - Active dialogue with stakeholders
  - Corporate management with a sound foundation
  - Thorough compliance

- **CSR procurement**
  - (environment, quality, human rights, compliance, etc.)
Sharing its way of thinking about procurement, the Group promotes CSR initiatives along the supply chain.

In addition to thoroughly strengthening businesses and promoting development for innovation, the Group is striving to create greater value and engage in the development of future technologies.

The Group is engaging in manufacturing that lowers environmental burden and that takes into consideration safety and quality.

The Group is striving to reduce the amount of packaging materials used and to emit less CO₂ in transporting products.

Through products and services, the Group contributes to the realization of a sustainable society and provision of safety, security and comfort.

Reduce CO₂ emissions from production
Reduce resource inputs
Contributing to creating a recycling society
Contributing to realizing a symbiotic society

Services

Provide products and services that contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs
Maintain the reduction of CO₂ during product usage

Develop key persons who are capable of incorporating customers’ needs into quality

Provide products and services that contribute to Goal 11, “Sustainable cities and communities,” of the SDGs

Respect Human Rights and Promote the Active Participation of Diverse Human Resources

Promote human rights initiatives that are based on international norms
Realization of workplace environments conducive to work-life balance
Promotion of diversity through the employment and utilization of diverse human resources
Promotion of occupational health and mental and physical health

※This figure is based on CSR Materiality Initiatives of Mitsubishi Electric Group in fiscal 2021
### Initiatives that Contribute to Addressing Social Issues

<table>
<thead>
<tr>
<th>Business Group Headquarters</th>
<th>Social Issues for Which Risks and Opportunities Have Been Recognized and Evaluated</th>
<th>Focusing on the SDGs</th>
</tr>
</thead>
</table>
| **Public Utility Systems Group** |  ● Appropriate use of water  
                                       ● Optimal use of energy  
                                       ● Addressing climate change  
                                       ● Measures against air, water, and soil pollution  
                                       ● Waste reduction/management  
                                       ● Sustainable use and development of resources | ![Sustainable Use and Development of Resources](image1) ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) |
| **Energy & Industrial Systems Group** |  ● Optimal use of energy  
                                       ● Introduction of clean energy  
                                       ● Sustainable use and development of resources  
                                       ● Proper management of chemical substances  
                                       ● Addressing climate change  
                                       ● Air, water, and soil pollution countermeasures  
                                       ● Strengthening of global partnerships | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Building Systems Group** |  ● Optimal use of energy  
                                       ● Development and dissemination of innovative infrastructure  
                                       ● Development of safe, secure, comfortable and sustainable cities  
                                       ● Waste reduction | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) |
| **Electronic Systems Group** |  ● Creating secure, safe and comfortable sustainable cities  
                                       ● Addressing climate change  
                                       ● Prevention of deforestation | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Living Environment & Digital Media Equipment Group** |  ● Optimal use of energy  
                                       ● Introduction of clean energy  
                                       ● Development of safe, secure, comfortable and sustainable cities  
                                       ● Sustainable use and development of resources  
                                       ● Proper management of chemical substances  
                                       ● Addressing climate change | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Factory Automation Systems Group** |  ● Sustainable use and development of resources  
                                       ● Proper management of chemical substances  
                                       ● Addressing climate change  
                                       ● Measures against air, water, and soil pollution  
                                       ● Addressing the declining labor force population | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Automotive Equipment Group** |  ● Improvement in health and welfare  
                                       ● Development and dissemination of innovative infrastructure  
                                       ● Development of safe, secure, comfortable and sustainable cities  
                                       ● Proper management of chemical substances  
                                       ● Addressing climate change | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Semiconductor & Device Group** |  ● Appropriate use of water  
                                       ● Proper management of chemical substances  
                                       ● Addressing climate change  
                                       ● Preservation of biodiversity | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
| **Information Systems & Network Service Group** |  ● Optimal use of energy  
                                       ● Introduction of clean energy  
                                       ● Waste reduction and management  
                                       ● Sustainable use and development of resources  
                                       ● Addressing climate change | ![Optimizing Energy Use](image2) ![Addressing Climate Change](image3) ![Materials Management and Efficiency](image4) ![Sustainable Cities](image5) ![Healthy and Safe Lives](image6) ![Peace, Justice, and Strong Institutions](image7) ![Clean Prosperity](image8) |
### Initiatives that Contribute to Addressing Social Issues

- Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
- Smaller, Lighter Railcar Air Conditioner Units
- Supporting Effective Utilization of the Regenerative Electricity by Station Energy-Saving Inverter (S-EIV)
- Understanding Disaster Situations Properly through Helicopter Satellite Communication System and Supporting Swift Rescue Activities
- Highly Efficient, More Compact Ozone Generator
- Development of Water Treatment Technology that Uses a Membrane Bioreactor
- Promotion of More Energy-Efficient and Compact Optical Access Systems
- Promoting the Development of Safe and Secure Cities through Network Cameras

- Developing Power Equipment and Systems Supporting Power Generation, Grid Transmission & Distribution to Help Bring about a Safer, More Secure and More Comfortable World
- Contributing to Customer Management via Solutions that Create New Value for Power Systems

- Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions
- Contributing to the Achievement of a Smart Building where People and Robots Co-exist Safely Inside the Building
- Supporting Seamless Travel Within the Facility by the Guide System Using Animation Lighting

- Contributing to World-Leading Global Environment Observation
- Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data
- Contributing to Secure, Safe, and Comfortable Living through High Precision Positioning Solution

- The Energy Conservation Center, Japan Chairman’s Fiscal 2020 Energy Conservation Grand Prize Presented for Room Air Conditioners and High-Ceiling Lighting Equipment at the Same Time
- MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- EcoCute that Can Be Used in Conjunction with Photovoltaic Systems
- Recycling of Home Electrical Appliances

- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
- Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
- Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

- SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers' Devices
- Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations
- Transreflective Series TFT-LCD Modules that Reduce Power Consumption

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Providing Smart Office Solutions That Also Contribute to Work Style Reforms
Public Utility Systems Group

Message from the Group President

Contributing to Creation of a Sustainable, Safe, Secure, Comfortable and Affluent Society by Providing Safe and Stable Rail Transportation, as well as Products, Systems and Services that Contribute to Safety, Security, the Prevention and Mitigation of Disasters, and the Development of an IoT Society

The Public Utility Systems Group manufactures a host of products, systems and services used in social infrastructure to support people’s lives. We contribute to sustainable progress in society by developing and supplying energy-saving products, products that help prevent/reduce damage from disasters and treat drinking water and sewage, as well as network cameras and communication system products.

In terms of efficient use of energy, we are the first company in the world to successfully produce inverters equipped with all-SiC power modules*1 for use in rolling stock. The power modules are helping to increase energy savings in railway operations, both in Japan and overseas. Additionally, we contribute to advancements in energy-efficient societies by manufacturing equipment and systems that promote the construction of ZEBs.

Mitsubishi Electric develops and manufactures products and systems that help to prevent and mitigate natural disasters, which have been on the increase around the world in recent years. For example, by providing meteorological radar technologies and river information systems, we help municipalities supply their residents with information regarding localized heavy rainfall and flooding. Should a disaster occur, our Helicopter Satellite Communication system ensures that information about the affected areas is collected, thus supporting the formulation of precise disaster measures.

Under current global circumstances, in which water shortage is an imminent problem in various regions, we are helping to purify water—a limited resource—by developing membrane treatment system (EcoMBR®)*2 that aims to reduce energy consumption by 25% and half the installation area by using ozonated water.

In addition to providing communication systems that support the recent growth in Internet capacity and the development of an IoT society, we contribute to creating safe, secure and comfortable cities in response to the growing need for crime prevention through the detection of suspicious objects, etc by offering network cameras and solutions that take full advantage of technologies such as image analysis and other such technology.

Throughout the production of our products, we continue to look for ways to further increase energy conservation in all processes of design, manufacturing and testing, as well as reduce the use of chemical substances.

Going forward, we will contribute to the realization of a sustainable, safe, secure, comfortable and affluent society by making full use of the wide-ranging technologies that we have developed over the years and continuing our ongoing technological development.

*1 As part of the project to develop this power module, research activities were outsourced to the New Energy and Industrial Development Organization (NEDO).

*2 Membrane Bioreactor cleans membrane filter with ozonated water that recycles municipal and industrial wastewater

<table>
<thead>
<tr>
<th>Initiatives that Contribute to Addressing Social Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock</td>
</tr>
<tr>
<td>Smaller, Lighter Railcar Air Conditioner Units</td>
</tr>
<tr>
<td>Supporting Effective Utilization of the Regenerative Electricity by Station Energy-Saving Inverter (S-EIV)</td>
</tr>
<tr>
<td>Understanding Disaster Situations Properly through Helicopter Satellite Communication System and Supporting Swift Rescue Activities</td>
</tr>
<tr>
<td>Highly Efficient, More Compact Ozone Generator</td>
</tr>
<tr>
<td>Development of Water Treatment Technology that Uses a Membrane Bioreactor</td>
</tr>
<tr>
<td>Promotion of More Energy-Efficient and Compact Optical Access Systems</td>
</tr>
<tr>
<td>Promoting the Development of Safe and Secure Cities through Network Cameras</td>
</tr>
</tbody>
</table>
Energy & Industrial Systems Group

Message from the Group President

By developing high-performance equipment and next-generation power systems that are not only environmentally friendly but can also cope with disasters, man-made threats and changes in the electricity market, we’re helping to bring about a safer, more secure and more comfortable world.

Due to the spread of renewable energy resources such as solar and wind power, as well as the advancement of digital technologies such as information & communication technology (ICT) and the Internet of Things (IoT), the environment and market needs surrounding the electric power industry are rapidly shifting from high capacity, high voltage hardware to small-medium capacity and voltage based hardware such as renewable energy-related equipment and networked systems and software. Moreover, the electric power industry is at a major turning point as deregulation of the electric power industry and industrial reorganization are occurring at a rapid pace.

In the midst of this situation, the Energy & Industrial Systems Group works to continuously improve the efficiency of the power generators, switchgear and transformers that make up our core businesses, while at the same time developing environmentally friendly equipment to eliminate or reduce the use of SF6 gas, known for its high global-warming potential. We are also pushing forward with development of monitoring and control systems, smart meter systems and battery energy storage systems that allow for economical and reliable high-quality power distribution systems, optimized energy use via ICT for interconnectivity and resilient energy infrastructure that operates seamlessly, even during emergencies.

At the same time, we are also driving business forward with grid stabilization equipment, devices and solutions capable of responding to new demand. This includes supply and demand management with the growing use of renewable energy resources, integrated management of distributed energy sources including demand control, and wide area supply and demand of electricity through interconnection of electric power utilities. Through these and other ongoing initiatives, we’re helping to bring about a safer, more secure and more comfortable world.

Noriyuki Takazawa
Executive Officer, Group President, Energy & Industrial Systems

Major social issues for which risks and opportunities have been recognized and evaluated

- Optimal use of energy
- Introduction of clean energy
- Sustainable use and development of resources
- Proper management of chemical substances
- Addressing climate change
- Measures against air, water, and soil pollution
- Strengthening of global partnerships

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Developing power equipment and systems supporting power generation, grid transmission & distribution to help bring about a safer, more secure and more comfortable world.
  - Indirect Hydrogen-Cooled VP-X Series Turbine Generators
  - Reduced Environmental Impact Switchgear
  - Reduced Environmental Impact Transformers (vegetable oil-based, natural-air cooling type)
  - Monitoring and Control Systems
  - Module Type Automatic Voltage Regulator (AVR)
- Contributing to Customer Management via Solutions that Create New Value for Power Systems
  - BLEnDer® Series Software Package for the Electric Power Market
  - Distributed Power Supply Operation & Virtual Power Plant (VPP) Systems
  - Smart Meter System
  - Large-Capacity Energy Storage Control Systems
  - D-SMiRee Smart Medium-Low Voltage DC Distribution Network System
Building Systems Group

Message from the Group President

Making the Most of the Mitsubishi Electric Group’s Advanced and Environmental Technologies to Provide Solutions that Satisfy Customers in All Aspects of Safety, Comfort, Efficiency and the Environment

The Building Systems Group manufactures building management systems and elevators and escalators that provide vertical transportation within buildings. As part of our mission to deliver products and systems and the subsequent maintenance thereof, we believe it is important to give priority to the safety and security of our customers throughout the product lifecycle. In doing so, we help to create a comfortable, environment-friendly society through our products and services. Maintaining this promise, the Building Systems Group is focused on the following initiatives:

1. Pursuing user-friendly, eco-conscious products
   (1) Promoting the development of high-efficiency, energy-saving products and technologies, and saving resources by designing products and systems that are safe and easy to use for everybody.
   (2) Promoting the renewal of existing equipment and facilities in order to reduce power consumption and improve safety and convenience, and minimizing waste emissions by reusing parts whenever possible.
   (3) Working to reduce the energy consumed during production and testing processes, and regulating the management of chemical substances on a consistent basis at manufacturing bases in Japan and overseas.

2. Offering one-stop ZEB*1 solutions
   As a ZEB planner*2 registered ahead of other comprehensive electrical machinery manufacturers, Mitsubishi Electric offers one-stop solutions, from support for the design of ZEBs to services that contribute to customers’ energy-saving efforts after the start of operations. We also support initiatives to improve the added value of buildings beyond a higher level of energy efficiency.

   *1 ZEB (net Zero Energy Building): A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by energy savings and the utilization of renewable energy resources.
   *2 ZEB planner: A registration system introduced by the Ministry of Economy, Trade and Industry in 2017 for the dissemination of ZEB.

Major social issues for which risks and opportunities have been recognized and evaluated

<table>
<thead>
<tr>
<th>Focusing on the SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Achieving our Common Goal</td>
</tr>
<tr>
<td>9 Working with and for Women and Girls</td>
</tr>
<tr>
<td>11 Sustainable Cities and Communities</td>
</tr>
<tr>
<td>12 Responsible Consumption and Production</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiatives that Contribute to Addressing Social Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators</td>
</tr>
<tr>
<td>AXIEZ Series – Standardized Elevators for the Japanese Market</td>
</tr>
<tr>
<td>Standardized Elevators for International Markets</td>
</tr>
<tr>
<td>Disaster Prevention Functions</td>
</tr>
<tr>
<td>ELE NAVI Security-linked Elevator Destination Forecast System</td>
</tr>
<tr>
<td>Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services</td>
</tr>
<tr>
<td>ELE FIRST-i plus Remote Maintenance Service</td>
</tr>
<tr>
<td>M’s BRIDGE™ Global Remote Maintenance Service for Elevators</td>
</tr>
<tr>
<td>Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal</td>
</tr>
<tr>
<td>Elemotion+ Elevator Renewal Menu</td>
</tr>
<tr>
<td>Esmotion+ Escalator Renewal Menu</td>
</tr>
<tr>
<td>MELSAFETY Integrated Building Security System</td>
</tr>
<tr>
<td>BuilUnity Building Total Solution</td>
</tr>
<tr>
<td>Facima Building Automation System – Building Facilities Planning and Operations System</td>
</tr>
<tr>
<td>Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions</td>
</tr>
<tr>
<td>Contributing to Dissemination of ZEB as a ZEB Planner</td>
</tr>
<tr>
<td>Contributing to the Achievement of a Smart Building where People and Robots Co-exist Safely Inside the Building</td>
</tr>
<tr>
<td>Demonstration of the Service Supporting Robots in Traveling within a Building</td>
</tr>
<tr>
<td>Supporting Seamless Travel within the Facility by the Guide System Using Animation Lighting</td>
</tr>
<tr>
<td>Animation Lighting Guide System TERASU GUIDE</td>
</tr>
</tbody>
</table>
Electronic Systems Group

Message from the Group President

Contributing to Solving Environmental Problems and Create Sustainable Cities by Providing Artificial Satellites and Other High Added-Value Products and Services

The Electronic Systems Group is contributing to the realization of an affluent society by providing artificial satellites, various sensor systems, and other ranges of products and services. By further enhancing our strength in the satellite system, sensor, high-precision positioning, and other technologies and advancing the following initiatives by leveraging these strengths, we will continue to solve social issues:

1. Providing products and services that contribute to solving environmental problems
   With our observation satellites, represented by the greenhouse gases observing satellites (the “IBUKI” (GOSAT) series), advanced land observing satellites (DAICHI (ALOS) series), and meteorological satellites (the Himawari series), we contribute to solving global-scale environmental problems by continuously providing data on the global environment, such as greenhouse gas density distribution, disaster situations, and the marine environment.

2. Providing solutions that contribute to solving various social issues by using satellite data
   By using our technology to analyze satellite observation data, we provide new solutions such as infrastructure monitoring. With a centimeter-level high-precision positioning solution that combines our three core technologies (the MICHIBIKI quasi-zenith satellite system, high-precision positioning device, high-accuracy 3D mapping), we will bring various innovations to the areas of automotive, railroad, agriculture and civil engineering. We will work on these initiatives to contribute to creating secure, safe, and comfortable sustainable cities.

Major social issues for which risks and opportunities have been recognized and evaluated

- Creating secure, safe and comfortable sustainable cities
- Addressing climate change
- Prevention of deforestation

Focusing on the SDGs

- SDG 11: Sustainable cities
- SDG 13: Climate action

Initiatives that Contribute to Addressing Social Issues

- Contributing to World-Leading Global Environment Observation
- Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data
- Contributing to Secure, Safe, and Comfortable Living through High Precision Positioning Solution
Living Environment & Digital Media Equipment Group

Message from the Group President

Providing Products that are Helpful for Society and the Environment in Wide Areas through Creating Comfortable Living Spaces and Reducing Environmental Impact during Production

The Living Environment & Digital Media Equipment Group focuses on the air-conditioning and refrigeration systems business, one of the growth-driving sectors at Mitsubishi Electric. In addition to expanding operations, we are pressing forward with proposals of total solutions using IoT and AI technologies as well as products within and outside the Mitsubishi Electric Group and striving for growth by taking advantage of a wide range of synergies in technologies and business operations as a general electric-appliance manufacturer.

As we expand business, we believe it is important to provide products and services that contribute simultaneously to achieving sustainability, safety, security, and comfort as well as to resolving social issues. Part of this includes supplying a broad range of environment-friendly systems and services for the home, office, and industry. These include air conditioners that produce less CO₂ during use and our energy-saving EcoCute product lineup. Additionally, Mitsubishi Electric proposes solutions that aim to achieve energy savings by building systems as a whole in support of programs such as ZEH and ZEB, promoted by the Japanese government.

Meanwhile, as activities to reduce CO₂ from production, the Living Environment & Digital Media Equipment Group is proactively introducing energy-saving products at production sites; namely, high-efficiency air-conditioners, heat-pump hot-water supply systems and LED lighting. We are also promoting energy-saving activities by improving productivity linked to just-in-time improvement activities based on e-F@ctory concepts.

Major social issues for which risks and opportunities have been recognized and evaluated

- Optimal use of energy
- Introduction of clean energy
- Development of safe, secure, comfortable and sustainable cities
- Sustainable use and development of resources
- Proper management of chemical substances
- Addressing climate change

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- The Energy Conservation Center, Japan Chairman's Fiscal 2020 Energy Conservation Grand Prize Presented for Room Air Conditioners and High-Ceiling Lighting Equipment at the Same Time
- MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- EcoCute that Can Be Used in Conjunction with Photovoltaic Systems
- Recycling of Home Electrical Appliances
Factory Automation Systems Group

Message from the Group President

Delivering Devices, Equipment, and Solutions that Help Reduce Energy Usage in Our Customers Manufacturing Processes Around the World

Devices and equipment used in industrial mechatronics by customers from the manufacturing industry are essential to adding value and enhancing the competitiveness of business through quality and productivity improvements. Mitsubishi Electric’s Factory Automation Systems Group provides devices and systems possessing high energy-saving capabilities that are ideal for production facilities in factories, where the bulk of energy is consumed.

By optimizing the utilization of FA technologies cultivated by Mitsubishi Electric and cooperative technologies that connect FA and IT, we help customers reduce the total cost of development, production and maintenance, and continuously support their improvement activities. We are committed to proposing manufacturing solutions that keep our customers one step ahead of the competition, and strongly support manufacturing and management optimization.

In addition, we verify productivity and facility utilization ratios through the operation of an ‘e-F@ctory model plant’ at our Nagoya Works. In the factory, a large number of activities have indicated the benefits of reducing CO2 from production, including improved productivity, shorter lead times, and less product quality loss.

We will continue to contribute to improving the efficiency of our customers’ manufacturing activities and reducing energy consumption by providing highly energy efficient FA products and cutting-edge e-F@ctory solutions that integrate them.

Major social issues for which risks and opportunities have been recognized and evaluated

- Sustainable use and development of resources
- Proper management of chemical substances
- Addressing climate change
- Measures against air, water, and soil pollution
- Addressing the declining labor force population

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
  - MELSEC iQ-R Series Programmable Controllers
  - MELSERVO-J5 Series AC Servo System
  - SF-PR Superline Premium Series Energy-Saving Motors
  - MELFA FR Series Industrial Robots
  - GX-F Series Fiber 2D Laser Processing Machines
- Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
  - e-F@ctory – Mitsubishi Electric Integrated FA Solution
- Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
  - Eco Monitor Series Energy Measuring Units
  - EX-α Series Transformer Using Super High Efficiency Oil
Automotive Equipment Group

Message from the Group President

Aiming to Achieve the SDGs through Development of Technologies that Contribute to Low Fuel Consumption and Electrification of Vehicles

Energy and environmental issues are borderless social problems for which solutions are essential in order to realize sustainability.

The Automotive Equipment Group is engaged in initiatives to reduce CO2 emissions both by installing its products in vehicles to achieve better fuel efficiency and electrification, and reducing energy consumption during manufacturing processes.

Engines have to be more efficient and electrified as in HEVs and EVs in order to achieve low fuel consumption. Mitsubishi Electric is helping realize this by improving related products, such as ignition systems for the precise control of combustion in high compression ratio engines, turbo actuators that control the boost pressure of downsized turbo charged engines, and various components for controlling these systems, as well as motors and inverters for electric vehicles which improve fuel efficiency of vehicles.

As an example of saving energy during the manufacturing processes, a new production building has introduced LED lighting and cutting-edge energy-saving technologies such as automatic light adjustment and centralized monitoring and optimized control of air-conditioning and ventilation equipment. In addition, we are managing the use of electricity by rigorously enforcing energy-saving measures such as the introduction of photovoltaic generation. These achievements are being implemented at overseas manufacturing bases as part of our global energy-saving efforts.

Furthermore, traffic accidents caused by elderly drivers have been becoming a social issue in recent years in Japan as the population ages. Solving this problem is an urgent task. The Mitsubishi Electric Group aims to realize a high-precision autonomous driving system by combining “self-sensing” driving technologies and “network-based” driving technologies that the Group owns.

Major social issues for which risks and opportunities have been recognized and evaluated

- Improvement in health and welfare
- Development and dissemination of innovative infrastructure
- Development of safe, secure, comfortable and sustainable cities
- Proper management of chemical substances
- Addressing climate change

Initiatives that Contribute to Addressing Social Issues

- Technological Innovation of Automotive Equipment Products for Autonomous Driving
Semiconductor & Device Group

Message from the Group President

Contributing to the Realization of a Low-Carbon Society by Providing Energy-Efficient Products, Key Devices for Customers, in Response to Energy and Environment-related Social Issues

The Semiconductor & Device Group provides semiconductors and devices that play a key role for home to space appliances and enrich our living. We recognize energy and environmental issues as today’s social issues and contribute to a low-carbon society by providing low-power products to customers.

In order to achieve sustainable societies, it is imperative to use generated power while minimizing power loss in the process. Power semiconductor devices are incorporated into a number of power electronics, playing a significant role in reducing power loss. In addition, Mitsubishi Electric manufactures state-of-the-art products using silicon carbide (SiC) as a means of helping to create low-carbon societies.

The Semiconductor & Device Group provides high-performance, high-efficiency, compact high-frequency devices and optical devices for wireless communications equipment and optical fiber communications that make full use of multiple semiconductor technologies. Furthermore, by reducing the space required for communications equipment, the cooling function can be simplified, thereby contributing to comprehensive energy savings.

Industrial-use TFT color LCD modules provide a mercury-free, low-power consumption option owing to the white LED backlight used in them. We have an extensive lineup of LCD modules that are used in measuring equipment, construction and agricultural machinery, machine tools, and POS terminals.

Major social issues for which risks and opportunities have been recognized and evaluated

- Appropriate use of water
- Proper management of chemical substances
- Addressing climate change
- Preservation of biodiversity

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers’ Devices
- Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations
- Transflective Series TFT-LCD Modules that Reduce Power Consumption
Information Systems & Network Service Group

Message from the Group President

Contributing to the Realization of a Low-Carbon Society Through the Promotion of Various IT Services

The Information Systems & Network Service Group is committed to enhancing customer satisfaction, helping achieve sustainable societies through solutions tailored to the management strategies and challenges of its customers, and developing solutions that contribute to solving social issues.

In recent years, we have been focusing on environmentally effective businesses, seeking to reduce environmental impact through the use of IT. Specifically, we are supporting workstyle reform and aggressively expanding our products and services that reduce environmental impact, such as those that curb power consumption through server integration and consolidation, reduce the need for business travel with video/web-conferencing systems, and promote paperless work environments through ledger computerization. Efforts for saving energy in data centers also help companies to reduce CO₂ emissions from their business activities.

Going forward, in order to achieve smarter societies, we will leverage the many component technologies and strengths of the Mitsubishi Electric Group to build next-generation information systems using the latest IT solutions, such as IoT,*1 big data processing, and energy management systems, such as HEMS*2 and FEMS.*3

*1 Internet of Things: A system to remotely control, operate, monitor, and collect information from various "things" connected via the Internet.
*2 HEMS: Home Energy Management System
*3 FEMS: Factory Energy Management System

Major social issues for which risks and opportunities have been recognized and evaluated

- Optimal use of energy
- Introduction of clean energy
- Waste reduction and management
- Sustainable use and development of resources
- Addressing climate change

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Providing Smart Office Solutions that Also Contribute to Work Style Reforms
CSR management

Management

Principles of CSR

The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management, and upholds its Corporate Mission and Seven Guiding Principles as the basic policies of its CSR. Particularly with respect to initiatives related to ethics and legal compliance, Group-wide efforts are made to enforce measures such as enhancing training and strengthening internal controls. Active measures are also taken to ensure and improve quality assurance, environmental preservation activities, philanthropic activities, and communication with stakeholders.

Stakeholders of the Mitsubishi Electric Group

To achieve sustainable growth, the Mitsubishi Electric Group must maintain communication with its various stakeholders. We have a corporate social responsibility to incorporate the expectations, requests, and opinions of each stakeholder into our corporate activities, and to increase our positive effect on society while reducing any negative effects.

Communication with stakeholders

Promotional System for CSR

The policies and planning for the CSR activities of the Mitsubishi Electric Group are decided by a CSR Committee appointed by Mitsubishi Electric’s executive officers. The Committee is composed of the heads of Mitsubishi Electric’s management departments (21 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group. The details of CSR Committee meetings are reported to the senior executives through the Executive Officers’ Meeting and the Audit Committee.

Knowing that CSR activities are directly linked to corporate management, each department responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements their own initiatives, based on the CSR policy of the Mitsubishi Electric Group.

In addition to the CSR Committee that is generally held once a year, various activities are also promoted and implemented in communication with the CSR Expert Committee and CSR Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the CSR Committee.
Main agenda of the CSR Committee (held in April 2020)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Responses to the sustainable development goals (SDGs)
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives
- Responses to TCFD

CSR Expert Committee

Officers from 21 departments with particular relevance to CSR regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group’s CSR materiality and future initiatives, as well as discuss responses to laws and regulations and international CSR standards. They aim to build communication and consensus through these discussions.

Three such meetings were held in fiscal 2020. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing CSR materiality. The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.

CSR Business Promotion Committee

Managers from all business groups gather in regular meetings to share information about the Mitsubishi Electric Group’s CSR and discuss social issues that need to be solved, with the theme of “contributing to society through business.”

The committee held three meetings in fiscal 2020, with a focus on discussing how the Group could contribute to addressing the sustainable development goals (SDGs) through business.
CSR Materiality and SDGs Management

CSR Materiality

Considering requests from the Global Reporting Initiative (GRI)*, social trends and the business environment, in fiscal 2016 the Mitsubishi Electric Group identified CSR materiality, initiatives, and targets / Key Performance Indicators (KPI) to fulfill the materiality towards realizing the further integration of CSR with management and the long-term advancement of CSR initiatives.

We will implement activities to continuously improve our performance related to CSR materiality, initiatives, and targets / Key Performance Indicators (KPI) based on the PDCA (Plan-Do-Check-Action) Cycle approach.

* An international body that proposes shared global guidelines for corporate sustainability reporting

---

CSR Materiality Reasons why is it important
Realize a sustainable society Environmental issues including climate change and resource and energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable society.
Provide safety, security, and comfort Various issues are becoming evident due to urbanization and other reasons. The Mitsubishi Electric Group will provide safety, security, and comfort while contributing to solving issues with a focus on city development.
Respect human rights and promote the active participation of diverse human resources Human rights and diversity are global issues. As a global company, the Mitsubishi Electric Group will grapple with these issues. Diversity is also crucial for creating innovation, which is the source of the Group’s strength.
Strengthen corporate governance and compliance on a continuous basis Corporate governance and compliance are fundamental preconditions for a company’s continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.

---

The Mitsubishi Electric Group and the SDGs

In 2015, the countries of the United Nations General Assembly adopted the Sustainable Development Goals (SDGs). The Mitsubishi Electric Group views these SDGs as an important agenda, the realization of which society seeks.

Under its corporate mission that “The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society” the Group aims to contribute to solving social issues. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.

Through our numerous businesses and the entirety of our corporate activities, including environment, social and governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.

---

The SDGs (Sustainable Development Goals)

The SDGs are a set of global goals that are to be achieved between 2016 and 2030. They were adopted by the United Nations General Assembly in September 2015 as a successor to the Millennium Development Goals (MDGs) that were formulated in 2001, and are composed of 17 goals and 169 targets for achieving a sustainable world.

Two key principles of the SDGs (Sustainable Development Goals) are that they seek change in developed countries, including Japan, and that they pledge “no one will be left behind” in the implementation of their initiatives.

In Japan, the SDGs Promotion Headquarters has been established, chaired by the Prime Minister and composed of all ministers in the Cabinet Office, to formulate implementation guidelines and promote initiatives for the SDGs.

---

United Nations Information Centres
Focusing on the SDGs

In fiscal 2019, we decided on goals that we would address on a priority basis to further contribute to the SDGs.

As a result of an internal and external survey to confirm SDGs that they have high expectations for contribution by the Mitsubishi Electric Group which was conducted in the course of developing the goals, it was found that they expect us to contribute more through business activities. We decided to address energy, infrastructure and the environment on a priority basis to further contribute to the SDGs as these are the areas where all the businesses of the Group are involved in and the Group will further focus on them.

- Goal 7: Affordable and Clean Energy
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

By further promoting initiatives to create value for these goals to which we can contribute significantly as a comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through the CSR materiality initiatives of “Realize a Sustainable Society,” and “Provide Safety, Security, and Comfort.”

CSR materiality

- Realize a sustainable society
- Provide safety, security, and comfort.
- Respect human rights and promote the active participation of diverse human resources
- Strengthen corporate governance and compliance on a continuous basis

Contribute to the SDGs

Contribute through value creation

Contribute through all corporate activities

CSR materiality and SDGs
The Mitsubishi Electric Group, as a comprehensive electrical and electronic manufacturer, handles a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and projects on a national scale. As such, we believe that we can also greatly contribute toward meeting the 17 Sustainable Development Goals (SDGs).

### Initiatives related to the 17 SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>Initiative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No Poverty</strong></td>
<td>We are working to end poverty by creating employment through the global expansion of our business, and launching initiatives including the establishment of social infrastructure and philanthropic activities.</td>
<td></td>
</tr>
<tr>
<td><strong>Zero Hunger</strong></td>
<td>We are contributing to solving food-related issues through measures including the provision of IT support for agriculture via ICT and positioning satellites, improving productivity in foodstuffs factories through FA, and supplying refrigeration and freezing technologies for food.</td>
<td></td>
</tr>
<tr>
<td><strong>Good Health and Well-being</strong></td>
<td>We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge Air conditioning Systems that contribute to the advancement of treatment.</td>
<td></td>
</tr>
<tr>
<td><strong>Quality Education</strong></td>
<td>In addition to providing technological assistance to developing nations and supporting remote education through our communication and IT technologies, we are contributing to fostering the next generation and beyond through activities that contribute to society.</td>
<td></td>
</tr>
<tr>
<td><strong>Gender Equality</strong></td>
<td>We are supporting the social empowerment of women through providing ICT services and supplying home appliances, and we are promoting the further advancement of women within the Group.</td>
<td></td>
</tr>
<tr>
<td><strong>Clean Water and Sanitation</strong></td>
<td>The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.</td>
<td></td>
</tr>
<tr>
<td><strong>Affordable and Clean Energy</strong></td>
<td>We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.</td>
<td></td>
</tr>
<tr>
<td><strong>Decent Work and Economic Growth</strong></td>
<td>Through our FA and AI technologies, we are working to contribute to increased productivity and the provision of desirable working environments throughout the Group.</td>
<td></td>
</tr>
<tr>
<td><strong>Industry, Innovation and Infrastructure</strong></td>
<td>The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.</td>
<td></td>
</tr>
<tr>
<td><strong>Reduced Inequalities</strong></td>
<td>In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable Cities and Communities</strong></td>
<td>We provide safety, security, and comfort to people’s lives through our work in the disaster-prevention and infrastructure-development fields.</td>
<td></td>
</tr>
<tr>
<td><strong>Responsible Consumption and Production</strong></td>
<td>We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.</td>
<td></td>
</tr>
<tr>
<td><strong>Climate Action</strong></td>
<td>We are working to identify a total valuation of our CO2 and other greenhouse gas emissions in order to set our goals for reductions.</td>
<td></td>
</tr>
<tr>
<td><strong>Life below Water/ Life on Land</strong></td>
<td>We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.</td>
<td></td>
</tr>
<tr>
<td><strong>Peace, Justice and Strong Institutions</strong></td>
<td>Based on laws and international norms, we are working to improve both our supply chains and areas including human rights, labor, the environment and the prevention of corruption on a global scale.</td>
<td></td>
</tr>
<tr>
<td><strong>Partnerships for the Goals</strong></td>
<td>We are contributing to the achievement of the SDGs through partnerships with entities including governments, universities, research institutes, companies, and NGOs, pushing ahead with open innovation and other initiatives.</td>
<td></td>
</tr>
</tbody>
</table>
Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the Sustainable Development Goals (SDGs) and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Group’s CSR committee, CSR expert committee and CSR business promotion group commenced reviews by devising potential responses by their own companies. In fiscal 2019, we decided on SDGs that we could implement on a priority basis.

With achievement of the goals we share globally as our objective, we will maintain our efforts to bolster management as we work to make everyone throughout the company fully cognizant of our SDGs and integrate the thinking behind them into our operations.

Main initiatives to the present

- Lecture presentation for executives by Toshio Arima, a board member of Global Compact Network Japan (fiscal 2018)
- Reflecting of SDGs in our business strategy (fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018, fiscal 2020)
- Promoting understanding about the SDGs through internal newsletters (fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021)
- Education of staff to advance the SDGs during training of CSR personnel (fiscal 2018, fiscal 2019)
- SDGs training (fiscal 2019, fiscal 2020)
Initiatives / External Evaluation

Initiatives

Participation in the UN Global Compact

In May 2018, the Mitsubishi Electric Group signed the UN Global Compact (UNGC) aimed at promoting CSR activities based on international norms.

By signing the UNGC, the Group pledges to make continued efforts toward sustainable growth by complying with the ten principles in the four areas of human rights, labor, environment and anti-corruption to the extent that it can influence society. Efforts will be made to enhance the Group’s activities by maintaining close communication with UN organizations and relevant initiatives.

Expression of approval of the TCFD recommendations

The Mitsubishi Electric Group has expressed approval of the recommendations by TCFD (Task Force on Climate-related Financial Disclosures) and has been promoting initiatives and disclosing information according to its recommendations.

Initiatives as an official partner of the Olympic and Paralympic Games Tokyo 2020

Mitsubishi Electric has been fulfilling its role as an official partner of the Tokyo 2020 in the category of elevators, escalators and moving walkways by contributing to making relevant facilities and surrounding infrastructure barrier-free, and by promoting the success of the Tokyo 2020 through activities that support the Olympic and Paralympic movement and by assisting the Japanese national team. We have been working in close coordination with the Organising Committee and Tokyo, the host city of the Games, as well as with other local governments, the central government and partner companies to leave a new legacy to the next generation after the Tokyo 2020.
Mitsubishi Electric engages in activities to spread the sports culture through corporate sports events such as basketball, tennis and badminton. Under official contracts signed with the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation.

We not only contribute to spreading and raising awareness of Para-Sports, but also aim to contribute to creating an “inclusive society” where everyone mutually respects and accepts each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign kicked off in October 2016 as a project for spreading familiarity with wheelchair basketball and various other sports among as many people as possible. It will be held in sequence throughout Japan toward 2020. Additionally, Mitsubishi Electric Going Up Seminars have also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees. This initiative have been implemented in all offices toward 2020.

Revision of the Charter of Corporate Behavior of the Keidanren

The Japan Business Federation, better known as Keidanren, has revised its Charter of Corporate Behavior*1 in November 2017. The revision is to give primary aim to proactively delivering on the SDGs (sustainable development goals) through the realization of Society 5.0*2, and is thought to emphasize initiatives for realizing a sustainable society and for promoting human rights. As a member of Keidanren, Mitsubishi Electric will voluntarily carry out and observe the spirit of the Charter.

*1 A code of ethics put forward by Keidanren as matters to be carried out and pursued by all member companies.
*2 The fifth and new generation of society in the history of human society following the hunter-gathering, agricultural, industrial and information societies.

Main initiatives in which Mitsubishi Electric is participating

- Japan Business Federation (Keidanren)
- Japan Association of Corporate Executives
- The Japan Chamber of Commerce and Industry
- Japan Electronics and Information Technology Industries Association
- The Japan Electrical Manufacturers’ Association
- Communications and Information Network Association of Japan
- The Japan Machinery Federation
- Council on Competitiveness-Nippon
- Japanese Standards Association
- Japan Intellectual Property Association
- Japan Institute of Invention and Innovation
External Evaluation

CDP
Mitsubishi Electric was selected as the highest rating “A List company” from CDP for “Water Security” for four consecutive years.

Mitsubishi Electric Named to CDP’s Water “A List” for Fourth Consecutive Year

SBT
It is recognized that the Mitsubishi Electric Group’s greenhouse gas reduction targets for 2030 are based on scientific grounds to “Holding the increase in the global average temperature to well below 2°C above pre-industrial levels” as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets) initiative.

Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets Approved by SBTI

EcoVadis
Mitsubishi Electric has been awarded the top-rank Gold Rating in corporate social responsibility (CSR) by EcoVadis, the global CSR assessment agency. Mitsubishi Electric scored especially highly in the categories of environment and sustainable procurement. The Gold Rating places Mitsubishi Electric among the top 5 percent of all companies assessed by EcoVadis.

Mitsubishi Electric Awarded Gold Rating in CSR 2019 by EcoVadis

FTSE Index Series
FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was selected as a constituent of the company’s FTSE4Good Index Series.

Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).
MSCI Indexes

MSCI (USA) is a company that calculates and announces various indexes of global constituents. Mitsubishi Electric was selected as a constituent of MSCI ESG Leaders Indexes.

Mitsubishi Electric was selected as a constituent for the MSCI Japan ESG Select Leaders Index, which consists of Japanese stock names ranked according to their ESG (environment, social, governance) performance, and also for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The two indexes have also been adopted as an investment outlet by GPIF.

* THE INCLUSION OF Mitsubishi Electric Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsubishi Electric Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index

Mitsubishi Electric was selected as a constituent of the S&P/JPX Carbon Efficient Index designed to measure the performance of companies by focusing on the level of carbon efficiency (carbon emissions per sales). The Index, which is constructed by S&P Dow Jones Indices, is based on carbon emission data by Trucost, which assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. The index has also been adopted as an investment outlet by GPIF.

Eruboshi

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.

White500

Mitsubishi Electric has been recognized under the 2020 Health & Productivity Management Outstanding Organizations Recognition Program’s White500 (large-scale corporate category), for excellence in our various activities that contribute to health and productivity management by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Environmental awards

Environmental awards
Process of Identification and Review of the CSR Materiality

Process of Identification and Review

In fiscal 2016, the Mitsubishi Electric Group identified CSR materiality and initiatives in response to today’s social trends and business environment, as also required by the fourth edition of the GRI Guidelines. While continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened through ongoing improvement activities based on the PDCA cycle, to expand the scope of information disclosure.

In fiscal 2020, an ongoing internal review of the materiality, initiatives and targets and initiative index (KPI) were undertaken by the CSR Expert Committee and CSR Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires (600 respondents) that have been also carried out since fiscal 2017.

Process of Identifying and Reviewing the Materiality

Step 1  Awareness of social issues (fiscal 2016)

Extraction of candidate materiality from guidelines, etc.

Candidate CSR materiality (29 issues) were identified based on the core issues of ISO26000*1, the 46 priority aspects laid out in the fourth edition of the GRI Guidelines*2, and the Sustainable Development Goals (SDGs).

*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)
*2 The fourth edition of the international guidelines for sustainability called Sustainability Reporting Guidelines (GRI Guidelines) issued by the international NGO, Global Reporting Initiative (GRI)

Step 2  Assessment of internal and external views and identification of materiality (fiscal 2016)

Extraction of candidate materiality from guidelines, etc.

Questionnaire for stakeholders

Internal working groups

Interviews with experts

Dialogues with directors and experts
Step 3 Establishment of materiality (fiscal 2016)

Decision-making by the CSR Committee

The issues thus extracted and identified through the above-described process and specific initiatives and targets/key performance indicators (KPI) were confirmed by an internal working group and adopted as the Mitsubishi Electric Group’s CSR materiality by the CSR Committee.

<table>
<thead>
<tr>
<th>Tasks to prioritize</th>
</tr>
</thead>
<tbody>
<tr>
<td>◼️ Provide products and services that help to solve environmental issues.</td>
</tr>
<tr>
<td>◼️ Provide products and services that help to solve energy problems.</td>
</tr>
<tr>
<td>◼️ Ensure product quality and safety.</td>
</tr>
<tr>
<td>◼️ Develop products that can adapt to needs changes.</td>
</tr>
<tr>
<td>◼️ Ensure compliance with regulations.</td>
</tr>
<tr>
<td>◼️ Ensure effective and efficient compliance.</td>
</tr>
<tr>
<td>◼️ Develop products with low environmental impact in manufacturing, use, and disposal.</td>
</tr>
<tr>
<td>◼️ Request business partners cooperate with Mitsubishi Electric Group’s CSR activities.</td>
</tr>
<tr>
<td>◼️ Promote workplace diversity.</td>
</tr>
<tr>
<td>◼️ Promote work-life balance.</td>
</tr>
</tbody>
</table>

Mitsubishi Electric’s Matrix of CSR Materiality

CSR Committee

Step 4 Review of the materiality (since fiscal 2017)

Since fiscal 2017, the CSR materiality, initiatives, and targets/key performance indicators (KPI) have been reviewed regularly, in consideration of opinions from both inside and outside the company.

- Interviews with experts
- Dialogues with directors and experts
- Reader surveys regarding the CSR Report
- Discussion by the CSR Committee, CSR Expert Committee and CSR Business Promotion Committee

Dialogues with directors and experts

Interviews with experts

CSR Committee, CSR Expert Committee, CSR Business Promotion Committee

In fiscal 2020, the committees explored specific ways to address the SDGs and shared an awareness regarding the importance of disclosing information in consideration of growing ESG (environment, social, governance) investments.

The committees will continue to strengthen their initiatives through continuous reviews and ongoing improvement activities based on the PDCA cycle, in response to changes in the external and business environments.

[Social demands that were particularly taken into consideration in fiscal 2020]

- Sustainable Development Goals (SDGs)
- Further promotion of information disclosure in consideration of growing ESG investments
- Paris Agreement
- Global trends in human rights
- Initiatives of the Group as a global company
- Response to TCFD
Management of the CSR Materiality

In fiscal 2016, the Mitsubishi Electric Group identified the CSR materiality, initiatives to fulfill the materiality, and key performance indicators (KPI). In fiscal 2017, it announced its performance in regard to those initiatives and carried out a review of each initiative and KPI.

By upholding the Corporate Mission and Seven Guiding Principles as its basic CSR policy, the Group will continue to pursue its initiatives for addressing the four CSR materiality in cooperation with business partners along the supply chain, with the aim of becoming a global leading green company that contributes to a diverse society.

Realize a Sustainable Society

FY2020 initiatives and results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to realizing a low-carbon society</td>
<td>Reduce CO2 emissions from production (less than 1.47 million tons by FY2021 (CO2 equivalent))</td>
<td>1.29 million tons (FY2019) →1.24 million tons (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Reduce CO2 emissions from product usage (more than 35% reduction compared to FY2001 by FY2021)</td>
<td>36% reduction (FY2019): →37% reduction (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td>Contributing to creating a recycling society</td>
<td>Reduce resource inputs (more than 40% reduction compared to FY2001 by FY2021)</td>
<td>42% reduction (FY2019): →42% reduction (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)</td>
<td>Less than 0.01% by Mitsubishi Electric and domestic affiliates, 0.5% by overseas affiliates (FY2019): →Less than 0.01% by Mitsubishi Electric and domestic affiliates, 0.4% by overseas affiliates (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)</td>
<td>23% reduction (FY2019): →21% reduction (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td>Contributing to realizing a symbiotic society</td>
<td>Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)</td>
<td>43,738 participants (FY2019) →47,806 participants (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Boost the level of biodiversity protection activities by offices in line with the Aichi Targets²</td>
<td>Established new biodiversity guidelines to quantitatively evaluate activities</td>
<td>Mitsubishi Electric</td>
<td></td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 7, “Affordable and clean energy,” and Goal 13, “Climate action,” of the SDGs</td>
<td>Contribute to Goal 7, “Affordable and clean energy,” and Goal 13, “Climate action,” of the SDGs through products and services and disclose results on the web, etc.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintain the reduction of CO2 during product usage (more than 70 million tons by FY2001 standards)</td>
<td>77 million tons (FY2019): →76 million tons (FY2020)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
</tbody>
</table>

*1 Environmental Vision 2021: The long-term environmental management vision of the Mitsubishi Electric Group, aiming 2021 as the target year.
*2 Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10

FY2021 targets

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to realizing a low-carbon society</td>
<td>Reduce CO2 emissions from production (less than 1.47 million tons by FY2021 (CO2 equivalent))</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Reduce CO2 emissions from product usage (more than 35% reduction compared to FY2001 by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Contributing to creating a recycling society</td>
<td>Reduce resource inputs (more than 40% reduction compared to FY2001 by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Contributing to realizing a symbiotic society</td>
<td>Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 7, “Affordable and clean energy,” and Goal 13, “Climate action,” of the SDGs</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Maintain the reduction of CO2 during product usage (more than 70 million tons by FY2001 standards)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
</tbody>
</table>

*1 Environmental Vision 2021: The long-term environmental management vision of the Mitsubishi Electric Group, aiming 2021 as the target year.
*2 Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10
Provide Safety, Security, and Comfort

FY2020 initiatives and results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product development that places top priority on customer safety</td>
<td>Ensure safety through risk assessment (maintain a 100% rate of implementation of risk assessments of target home electronic products)</td>
<td>Maintained a 100% rate of implementation of risk assessments of target home electronic products</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Provision of products and services that reflect customers’ needs</td>
<td>Develop key persons who are capable of incorporating customers’ needs into quality (development of 100% of relevant persons in all departments in Japan by FY2021)</td>
<td>Development of 96% of key persons (FY2018)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of 97% of key persons (FY2019)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of 100% of key persons (FY2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures</td>
<td>Achieved a 100% rate of implementation of investigations into the root causes of serious malfunctions discovered in the previous fiscal year</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Called attention throughout the Mitsubishi Electric Group regarding common technical issues such as bonding</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Made Group-wide efforts to implement recurrence prevention measures regarding “improper quality control actions” and “failures in product shipping inspection”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous implementation of education on quality principles that place top priority on customers</td>
<td>Maintain a 100% rate of participation in e-learning programs on quality (maintain a rate of 100%)</td>
<td>Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overseas affiliates participated in e-learning programs: 27</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhance the content of education on quality principles</td>
<td>Enhanced education on quality principles by adding ethics education for engineers intended for managers as well as for general employees</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 11, “Sustainable cities and communities,” of the SDGs</td>
<td>Contributed to Goal 11, “Sustainable cities and communities,” of the SDGs through products and services, and disclosed results on the web, etc.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
</tbody>
</table>

FY2021 targets

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product development that places top priority on customer safety</td>
<td>Ensure safety through risk assessment (maintain 100% implementation of risk assessments of target home electronic products)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Strengthen the quality control system to confirm that products definitely meet customer specifications</td>
<td></td>
</tr>
<tr>
<td>Provision of products and services that reflect customers’ needs</td>
<td>Develop key persons who are capable of incorporating customer needs into quality (maintain 100% rate of development in all target departments in Japan)</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
</tr>
<tr>
<td></td>
<td>Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Boost response capabilities by accelerating the company-wide sharing of information on serious malfunctions</td>
<td></td>
</tr>
<tr>
<td>Continuous implementation of education on quality principles that place top priority on customers</td>
<td>Maintain 100% rate of participation in quality e-learning programs (maintain rate of 100%)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Provide level-specific group training and lecture programs regarding quality principles (create quality culture)</td>
<td></td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 11, “Sustainable cities and communities,” of the SDGs</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
</tbody>
</table>
Respect Human Rights and Promote the Active Participation of Diverse Human Resources

**FY2020 initiatives and results**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote human rights initiatives that are based on international norms</td>
<td>Promote ongoing human rights training programs</td>
<td>Offered e-learning menus in both Japanese and English languages</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Enhance whistleblowing system for human rights violations</td>
<td>Human rights and work group considered establishing whistleblowing system for human rights violations</td>
<td></td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers</td>
<td>Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 927 new employees and to 584 newly appointed managers</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Continue to promote the Work Style Reforms in order to cultivate an awareness among employees on the goal of the reforms, &quot;realizing a workplace that helps employees work proactively while achieving better work-life balance and maintaining their mental and physical health,&quot; and based on four perspectives (improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)</td>
<td>Promoted the Work Style Reforms (including enhancing and managing systems that support operation efficiency and flexible work styles) at Mitsubishi Electric Group companies</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Realization of workplace environments conducive to work-life balance</td>
<td>Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances</td>
<td>Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)</td>
<td>Consolidated result of three companies*: 2.32%</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Increase the ratio of women among new recruits in engineering fields (future target of 20% or higher)</td>
<td>13% (FY2021; October 2019 and April 2020 recruits)</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Systematically dispatch employees to overseas OJT programs and language programs (more than 160 employees/year)</td>
<td>Dispatched 100 employees to overseas OJT programs, 95 employees to overseas language programs</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote safety management and health enhancement activities</td>
<td>Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote safety and health education, and maintain a rate of lost workforce injuries* that falls below the industrial average (below 0.45)</td>
<td>Offered safety and health education (e-learning programs) to all employees</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MPF21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 90.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)</td>
<td>Rate of lost workforce injuries (absence from work) 0.07</td>
<td>Mitsubishi Electric Group companies (Japan, Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote ongoing human rights training programs</td>
<td>Offered e-learning menus in both Japanese and English languages</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Enhance whistleblowing system for human rights violations</td>
<td>Human rights and work group considered establishing whistleblowing system for human rights violations</td>
<td></td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers</td>
<td>Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 927 new employees and to 584 newly appointed managers</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Continue to promote the Work Style Reforms in order to cultivate an awareness among employees on the goal of the reforms, &quot;realizing a workplace that helps employees work proactively while achieving better work-life balance and maintaining their mental and physical health,&quot; and based on four perspectives (improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)</td>
<td>Promoted the Work Style Reforms (including enhancing and managing systems that support operation efficiency and flexible work styles) at Mitsubishi Electric Group companies</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances</td>
<td>Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)</td>
<td>Consolidated result of three companies*: 2.32%</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Increase the ratio of women among new recruits in engineering fields (future target of 20% or higher)</td>
<td>13% (FY2021; October 2019 and April 2020 recruits)</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Systematically dispatch employees to overseas OJT programs and language programs (more than 160 employees/year)</td>
<td>Dispatched 100 employees to overseas OJT programs, 95 employees to overseas language programs</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote safety management and health enhancement activities</td>
<td>Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Promote safety and health education, and maintain a rate of lost workforce injuries* that falls below the industrial average (below 0.45)</td>
<td>Offered safety and health education (e-learning programs) to all employees</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MPF21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 90.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)</td>
<td>Rate of lost workforce injuries (absence from work) 0.07</td>
<td>Mitsubishi Electric Group companies (Japan, Group companies (Japan)</td>
<td>○</td>
</tr>
</tbody>
</table>

* fy2021 targets

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote human rights initiatives that are based on international norms</td>
<td>Promotion of ongoing human rights awareness activities</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Enhancement of a reporting system with respect to human rights violations</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Provide lectures on human rights awareness and anti-harassment training programs for new employees and those for newly appointed managers</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Provide anti-harassment education for all employees (Attendance rate of 100%)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td>Realization of workplace environments conducive to work-life balance</td>
<td>Strengthen and continue to promote the Work Style Reforms initiatives on the goal of the reforms, “realizing a workplace that helps all employees work proactively,” and based on the new perspectives for the policy of activities since fiscal 2021 “Deepening of communication in the workplace, Business transformation by streamlining operations and improving quality aspects”</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Increase the ratio of women among new recruits in engineering fields (FY2022 target of 20% or higher)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Systematically dispatch employees to overseas OJT programs and language programs (The programs for FY2021 canceled due to the spread of COVID-19)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td>Promotion of occupational health and mental and physical health</td>
<td>Promote safety management and health enhancement activities</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Promote safety and health education, and maintain a rate of lost workforce injuries* that falls below the industrial average (below 0.45)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MPF21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 90.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)</td>
<td>Mitsubishi Electric Group companies (Japan, Group companies (Japan)</td>
</tr>
</tbody>
</table>

* Number of accidents causing lost workforce per 1 million hours
Strengthen Corporate Governance and Compliance on a Continuous Basis

**FY2020 initiatives and results**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active dialogue with stakeholders</strong></td>
<td>Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)</td>
<td>The planned dialogue between experts and management officers on CSR issues was postponed due to the impact of COVID-19</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and R activities in Japan and overseas</td>
<td>Held a general meeting of shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Held corporate strategy presentation meetings, financial results presentation meetings, and individual meetings with institutional investors and analysts, in addition to inviting them to the “Environmental Sustainability Vision 2050,” a meeting to present a long-term vision, and plants and various exhibitions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review</td>
<td>Conducted a review of the board of directors, with the result being that the board’s ongoing and effective initiatives for improved sharing of appropriate management information with executives in a timely manner based on the results of the annual review of the board of directors and further improvements made each time were deemed valid. In addition, repeated improvements on this leading to more active discussions and exchange of opinions compared to before were deemed valid.</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time</td>
<td>Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Conduct an internal audit for ensuring the appropriateness of the Mitsubishi Electric Group’s businesses and regularly report the audit result to the Audit Committee via the executive officer in charge of audits</td>
<td>Conducted an internal audit of 126 sites in Japan and overseas, and reported the audit results to the Audit Committee</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Corporate management with a sound oversight function</strong></td>
<td>Provide compliance education that utilizes diverse methods on a continuous basis</td>
<td>Provided compliance education that utilizes diverse methods, including lecture meetings, e-learning, and manual distribution (Conducted lecture meetings by Mitsubishi Electric’s Corporate Legal &amp; Compliance Div., 180 times in fiscal 2020 with a total of 6,531 participants)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)</td>
<td>Achieved a 100% attendance rate</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td><strong>Compliance training on a continuous basis</strong></td>
<td>Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules</td>
<td>Provided education on antimonopoly basic (face-to-face education &lt; 2,829 times, 64 participants <em>Mitsubishi Electric</em>), e-learning programs &lt;15,310 participants <em>Mitsubishi Electric</em>)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Develop operational guidelines for preventing disruptions to Overseas affiliated companies located in high risk regions and provided education using the guidelines</td>
<td>Developed operational guidelines for preventing disruptions to Overseas affiliated companies located in high risk regions and provided education using the guidelines</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Fair competition (prevention of antimonopoly violations)</strong></td>
<td>Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines</td>
<td>Provided bribery prevention training; e-learning programs &lt;24,365 participants <em>Mitsubishi Electric</em>)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Conduct a meeting on the interpretation of regulations and guidelines for business group headquarters</td>
<td>Conducted a meeting on the interpretation of regulations and guidelines for business group headquarters</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Corruption prevention (prevention of bribery)</strong></td>
<td>Obtain a consent form for the CSR procurement guidelines from suppliers who did not submit in the previous fiscal year and other targeted suppliers for this fiscal year (100%)</td>
<td>Obtained a total of approximately 2,000 responses from approximately 4,000 suppliers in fiscal 2019 and fiscal 2020, and confirmed consent of approximately 90% of them</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) mainly at subcontract factories</td>
<td>Conducted questionnaire surveys on foreign technical intern trainees at 289 main subcontract factories. Of which, 24 companies required improvements. Requested them to make improvements by visiting suppliers, etc.</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
</tbody>
</table>
| **CSR procurement (environment, quality, human rights, compliance, etc.)** | **FY2021 targets**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active dialogue with stakeholders</strong></td>
<td>Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and R activities in Japan and overseas</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review</td>
<td>Mitsubishi Electric</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct internal audits of their operational status, and regularly report audit results to the audit committee via the executive officer in charge of audits</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)</td>
<td>Mitsubishi Electric</td>
<td></td>
</tr>
<tr>
<td><strong>Thorough compliance</strong></td>
<td>Compliance training on a continuous basis</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Provide compliance education that utilizes diverse methods, on a continuous basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Fair competition (prevention of antimonopoly violations)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Establish and thoroughly implement bribery prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corruption prevention (prevention of bribery)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Enhance bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhancement comprehensive cybersecurity countermeasures</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td><strong>CSR procurement (environment, quality, human rights, compliance, etc.)</strong></td>
<td>Ensure obtaining a consent form for the CSR procurement guidelines (Obtain by the end of September 2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) in the supply chain and continue activities for corrective action</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td></td>
</tr>
</tbody>
</table>
A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.

<table>
<thead>
<tr>
<th>Major stakeholders</th>
<th>Responsibilities and issues</th>
<th>Major contact departments</th>
<th>Major communication opportunities</th>
</tr>
</thead>
</table>
| Customers          | - Improvement of customer satisfaction  
                      - Product safety and quality  
                      - Customer response and support | - Sales departments  
                      - Quality departments | Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials |
| Employees          | - Occupational health and safety  
                      - Respect for human rights  
                      - Human resource development  
                      - Respect for diversity | - Personnel departments  
                      - CSR departments | Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys |
| Government, local governments, industrial organizations | - Compliance with laws and regulations  
                      - Compliance with restrictions  
                      - Policy proposals | - External affairs departments | Participation in advisory councils and committees, participation in the activities of industrial and economic organizations |
| NGOs and NPOs      | - Grants and partnerships through contributions to regional communities  
                      - Dialogues on social and environmental issues | - Administration departments | Philanthropic activities (funds, foundations, volunteer activities), dialogues on social and environmental issues |
| Business partners  | - Fair transactions  
                      - CSR promotion through the supply chain | - Materials departments | Information sessions on CSR procurement, BCP seminars, meetings based on the results of fair selection and evaluation of suppliers |
| Regional communities | - Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports) | - Administration departments | Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events |
| Shareholders       | - Increase in corporate value  
                      - Proper redistribution of profits  
                      - Information disclosure  
                      - Response to ESG investments | - IR departments | Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR resource library), responses to interviews, shareholder communications |
| Others             | - Cooperation in creating innovation  
                      - Joint studies | - R&D departments | Industry-academia cooperation in research, stakeholder dialogues (once a year) |
| Future generations | - Provision of education opportunities | - Administration departments  
                      - Overseas foundations | Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events |
Results of Reader Surveys

Questionnaire-based Survey Conducted in Japan and Overseas on CSR Reports

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group’s CSR initiatives and CSR Report 2019, resulting in responses from 600 individuals.

A portion of the survey results is presented here. The Group’s initiatives were quite well-thought of overall, with the responders offering many positive options. They also raised certain issues. The Group takes these points seriously and will adjust based on them in future activities, with the Group as a whole seeking to push further forward on its CSR efforts.

Survey summary and partial results

<table>
<thead>
<tr>
<th>[Period]</th>
<th>December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Questionnaire responders]</td>
<td>→ Japan</td>
</tr>
<tr>
<td></td>
<td>→ 600 persons</td>
</tr>
<tr>
<td></td>
<td>→ General population nationwide, men and women aged 15 or older (people with a strong interest in the environment and CSR)</td>
</tr>
<tr>
<td>[Main questions]</td>
<td>→ Is senior management pursuing CSR initiatives in earnest?</td>
</tr>
<tr>
<td></td>
<td>→ Does the company have the framework that will allow it to implement CSR efforts as a total organization?</td>
</tr>
<tr>
<td></td>
<td>→ Are company initiatives truly moving forward?</td>
</tr>
<tr>
<td></td>
<td>→ Is the company engaging in dialogue with the relevant parties in its orbit?</td>
</tr>
<tr>
<td></td>
<td>→ Does the company consider ease of comprehension and access to information?</td>
</tr>
<tr>
<td></td>
<td>→ Please select all those items in the report that made a particular impression on you (e.g. evoked positive feelings, sparked interest, felt you could approve of it, etc.).</td>
</tr>
<tr>
<td></td>
<td>→ Are the Mitsubishi Electric Group’s initiatives enough when it comes to crucial CSR issues?</td>
</tr>
<tr>
<td></td>
<td>→ What are the particularly impressive environmental action policies and key initiatives toward achieving the Environmental Vision 2050?</td>
</tr>
</tbody>
</table>

Evaluation of the CSR materialities

<table>
<thead>
<tr>
<th>Evaluation of the CSR materialities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient</td>
</tr>
<tr>
<td>43.8</td>
</tr>
<tr>
<td>46.3</td>
</tr>
<tr>
<td>41.2</td>
</tr>
<tr>
<td>44.8</td>
</tr>
</tbody>
</table>

Comments on initiatives for CSR materiality

Main comments received

- The company has achieved a self-circulation recycling scheme with a value chain design for a recycling society. (Male, age 67)
- Each target is specifically presented with a numeric value. (Male, age 68)
- For targets that the company failed to achieve in fiscal 2019, it must verify the reason why it failed. (Male, age 29)
- I want the company to more proactively work on global warming and micro plastic issues. (Male, age 41)

Main comments received

I think the company will contribute to the advancement of future AI and so on. (Female, age 72)
I hope the company will disclose a little more case studies on products that reflect customer feedback. (Female, age 30)
Using AI is a good thing, but I want the company to explain safe and secure manufacturing in more detail. (Male, age 62)

Main comments received

I want the company to promote the improvement of work environment as part of work style reform. (Female, age 59)
Regarding efforts for work style reform, I hope the company will present a little more sophisticated system and improve their efforts to the level that will serve as the standard for other companies. (Male, age 72)
I hope that the company will seriously consider a way to establish relationships of trust with employees. (Male, age 45)
I understand that the company has been making efforts to respect human rights, etc. in various cases. However, when the size of the organization is taken into account, I want the company to engage in initiatives on a larger scale. (Male, age 45)

Main comments received

I agree with the company aggressively promoting the strengthening of compliance viewing it as corporate interests. (Male, age 44)
I want the company to thoroughly explain as to whether the governance is really in place to the extent all employees are aware that it is in place. (Male, age 43)
Measures for Internal Dissemination

The following initiatives have been implemented to ensure CSR has reached every part of our company.

**CSR Lectures for Executives**

Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning CSR to Mitsubishi Electric executives and members of the CSR Committee. These lectures are a good opportunity to reconfirm the importance of CSR to the executives.

![CSR Lectures for executives](image)

**Sharing of CSR Information in Conferences of Mitsubishi Electric Group Administrative Managers**

Twice a year, general managers of the administrative departments of affiliate companies in Japan gather in a conference to discuss compliance and other related matters. In response to the increasing importance of CSR in recent years, the conferences are now not only a forum for sharing information on Group-wide CSR policies and best practices related to CSR, but are also an opportunity for the managers to think about the significance of CSR to each company. Through these conferences, continued efforts will be made to raise the CSR level of the entire Group.

![Conference of administrative managers of Group companies](image)

**CSR Training for New Employees**

Every year, CSR training is held for new employees of Mitsubishi Electric, to deepen their understanding of CSR as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations, and to instill the importance of addressing quality and environmental issues. The new employees learn that CSR must be practiced by each employee in their daily duties.

![Implementing CSR Training for new employees](image)
CSR Manager Training

Since fiscal 2017, Mitsubishi Electric has held training for CSR managers from the company’s offices and affiliates in Japan. Through lectures and group discussions on the basic principles of CSR, social demands, and the Mitsubishi Electric Group’s CSR initiatives, participants develop a greater awareness of their specific role as CSR managers in their daily operations. In addition, we have been distributing e-learning materials so that employees at Mitsubishi Electric and domestic and overseas affiliated companies will be able to learn about CSR.

Promoting Understanding of CSR through In-house Newsletters

The Mitsubishi Electric Group’s initiatives concerning CSR are shared through in-house newsletters that are distributed to Group companies both in Japan and overseas. They are published in Japanese and English so they can be read by as many employees as possible, and they provide a valuable opportunity for each and every employee to think about the corporate social responsibility of the Group as a whole.

CSR Considerations in Overseas Affiliates

Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting CSR and otherwise implement activities as needed for each region. In fiscal 2020, efforts were made to disseminate Group-wide CSR policies overseas. For example, CSR was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on CSR issues and Group-wide CSR policies with managers of individual regions.
Corporate Governance

Basic Corporate Governance Policy

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

Corporate Management and Governance Structure

Corporate Management Structure

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

A salient characteristic of Mitsubishi Electric’s management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all Executive Officers, are clearly separated. Additionally, neither is included among the members of the Nomination and Compensation Committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

The present Board of Directors is comprised of twelve members (five of whom are Outside Directors, one of whom is a woman), who objectively supervise and advise the Company’s management by executing their duties based on the objectives and authority of the Companies Act, as well as by delegating to Executive Officers the decision authority for executing all operations, except the matters listed in the items of paragraphs 1 and 4 of Article 416 of the Companies Act.

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

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

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

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance/meetings</th>
<th>Attendance rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director (full-time)</td>
<td>Akihiro Matsuyama</td>
<td>13/13</td>
<td>100%</td>
</tr>
<tr>
<td>Director (full-time)</td>
<td>Masahiko Sagawa</td>
<td>13/13</td>
<td>100%</td>
</tr>
<tr>
<td>Outside director</td>
<td>Hiroshi Obayashi</td>
<td>13/13</td>
<td>100%</td>
</tr>
<tr>
<td>Outside director</td>
<td>Kazunori Watanabe</td>
<td>13/13</td>
<td>100%</td>
</tr>
<tr>
<td>Outside director</td>
<td>Takashi Oyamada</td>
<td>11/11</td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes
1. Out of the above members, Akihiro Matsuyama and Masahiko Sagawa are responsible for investigation.
2. Because Takashi Oyamada was appointed as an outside director on June 27, 2019, his attendance after his appointment is shown.
3. Activities of the Audit Committee members
The Audit Committee members—mainly those responsible for investigation (full-time Audit Committee members)—attend Executive Officers’ meetings and other such important conferences, and conduct interviews and surveys of Executive Officers and the executive staff of Mitsubishi Electric offices and affiliates in accordance with the policies and assignments agreed upon the Committee.

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

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

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

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

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

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

5. Effectiveness evaluation of the Audit Committee
The Audit Committee conducts evaluation to improve performance every year. In the Audit Committee review in fiscal 2020, outside Audit Committee members concluded that the members responsible for investigation (full-time Audit Committee members) periodically report their activity results and that management information is properly shared in a timely manner in the Audit Committee. Although we believe that this evaluation in effect endorses the performance of the Audit Committee, we will continue to make efforts to improve performance.
Providing Directors with Appropriate Information at the Appropriate Time, and Conducting Reviews of the Board with Analyses and Evaluations

To strengthen the Board’s capacity to supervise the Company’s management, the bureaus of the Board of Directors and each committee provide the directors with the information necessary for supervising management, in a timely and appropriate manner. And, to further improve the Board of Directors’ capacity to supervise management, venues have been established for supplying information to and exchanging views with Outside Directors, and the Company is working to further enhance the provision of management-related information to the Board of Directors itself.

Additionally, in order to further enhance the functioning of the Board of Directors, the Board meetings are reviewed on an annual basis, and analyses and evaluations are conducted in the following areas.

- Frequency, scheduling, and time spent on the meetings
- The information supplied in relation to discussions at the meetings (quality and quantity) and the method of its provision
- Materials, details and methods of explanation, question-and-answer guidelines, time apportioned for each proposal on the meetings
- Other mechanisms for improving the functioning of the Board of Directors

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

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

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

1. Basic policy
(1) As a Company with a Three-committee System, the Company has separate functions for the supervision and execution of business, with the Board of Directors undertaking the business supervisory function, and Executive Officers, the business execution function. Accordingly, Directors and Executive Officers have separate compensation schemes according to the content and responsibilities of their duties.

(2) Directors give advice to and supervise the Company’s management from an objective point of view, and therefore, the compensation scheme for Directors is the payment of fixed-amount compensation and the payment of a retirement benefit upon resignation.

(3) The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and a retirement benefit upon resignation. The basic policies of such performance-based compensation are as follows:

1) Compensation scheme for Directors
   1) Directors will receive their compensation as a fixed amount, and the compensation to be paid will be set at a level considered reasonable, while taking into account the contents of the Directors’ duties and the Company’s conditions, etc.
   2) Directors will receive the retirement benefit upon resignation, and the retirement benefit to be paid will be set at a level decided on the basis of the monthly amount of compensation and the number of service years, etc.

2) Compensation scheme for Executive Officers
   1) Fixed-amount compensation will be set at a level considered reasonable taking into account the contents of the Executive Officers’ duties and the Company’s conditions, etc.
   2) Performance-based compensation will be as follows:
      • The Mitsubishi Electric Group has been pursuing sustainable growth by maintaining Balanced Corporate Management based on three perspectives: growth, profitability and efficiency, and soundness. In line with its efforts to further increase corporate value, the Group has set its growth targets for fiscal 2021 as consolidated net sales of ¥5.0 trillion or more, and an operating income ratio of 8% or more. The payment base amount for performance-based compensation will be determined based on the consolidated business performance (Net profit attributable to Mitsubishi Electric Corp. stockholders) while taking into account the Group’s management policy and targets.
      • The payment amount of each Executive Officer will be determined within the range of ±20% of the payment base amount while taking into account the performance of the business to which the respective Executive Officer is assigned, etc. of the payment base amount while taking into account the performance of the business to which the respective Executive Officer is assigned, etc.
      • With the purposes of meshing the interests of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares.
         The Company sets a rule that, for the compensation paid in the form of shares, the Company shares will be issued after a three-year waiting period. In addition, the shares are required to continue holding the shares until 1 year has passed from resignation.
3) The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

(3) Decision-making process, etc.
 Policies regarding decisions on compensation, etc. of Directors and Executive Officers and individual compensation details based on the policies will be made through resolutions by the Compensation Committee, which the majority of the members are Outside Directors. The details of activities of the Compensation Committee will be reported to the Board of Directors each time an activity is performed.

Outside Directors

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

Outside Directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric’s Guidelines on the Independence of Outside Directors (see note at below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are selected as Outside Director candidates by the Nomination Committee.

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

Each of the following 1, 2, 4, and 5 includes a case in any fiscal year during the past three fiscal years.

1. Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executers") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated sales of the Company or the counterparty
2. Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
3. Persons who are related parties of the Company’s independent auditor
4. Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants
5. Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization
6. Persons who are the Company’s major shareholders (holding more than 10% of voting rights) or who serve as their business executers
7. Persons who are related parties of a person or company that have material conflict of interest with the Company

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the Audit Committee, accounting auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable comments regarding Mitsubishi Electric’s management from an objective perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board’s function of supervising management.
## Outside Directors (as of June 26, 2020)

<table>
<thead>
<tr>
<th>Title</th>
<th>Name, Picture</th>
<th>Positions Held</th>
<th>Reasons for Nomination</th>
<th>Board Attendance Rate (FY2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside</td>
<td>Mitoji Yabunaka</td>
<td>Chairman of the Nomination Committee, Member of the Compensation Committee</td>
<td>Mr. Yabunaka’s experience and insights as an expert in international affairs cultivated through the course of a career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</td>
<td>100% (Seven out of seven meetings)</td>
</tr>
<tr>
<td>Outside</td>
<td>Hiroshi Obayashi</td>
<td>Member of the Nomination Committee, Chairman of the Audit Committee</td>
<td>Mr. Obayashi’s experience and insights cultivated through the course of a career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</td>
<td>100% (Seven out of seven meetings)</td>
</tr>
<tr>
<td>Outside</td>
<td>Kazunori Watanabe</td>
<td>Member of the Audit Committee, Chairman of the Compensation Committee</td>
<td>Mr. Watanabe’s experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company’s business operations.</td>
<td>100% (Seven out of seven meetings)</td>
</tr>
<tr>
<td>Outside</td>
<td>Hiroko Koide</td>
<td>Member of the Nomination Committee, Member of the Compensation Committee</td>
<td>Ms. Koide’s experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company’s business operations.</td>
<td>100% (Seven out of seven meetings)</td>
</tr>
<tr>
<td>Outside</td>
<td>Takashi Oyamada</td>
<td>Member of the Nomination Committee, Member of the Audit Committee</td>
<td>Mr. Oyamada’s experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the oversight of the Company’s business operations.</td>
<td>100% (Five out of five meetings)</td>
</tr>
</tbody>
</table>

**Note**
Mitsubishi Electric Corporation held seven Board of Directors meetings during fiscal 2020. The status of attendance for Mr. Takashi Oyamada, Outside Director, is based on the number of the Board or Directors meetings held after he assumed office on June 27, 2019.
Compliance

Message from Top Management / Our Concept of Compliance

Message from Top Management

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

The operating environment continues to undergo dramatic changes. What must continue regardless of how the times may change is respect for corporate ethics and compliance.

Mitsubishi Electric Group formulated “the Mitsubishi Electric Group Corporate Ethics and Compliance Statement” as our basic guideline for compliance, pledging to society that “We will never establish a target, nor make a commitment, that could only be achieved with conduct that would violate applicable laws or business ethics or practices.”

Looking toward the upcoming 100th anniversary of our foundation and even the next 100-year milestone, in order to continue to be a corporate group which earns the confidence of society and our customer, I request each and every one of you to be aware again that adherence to ethics and compliance forms the basis for the company to remain in business.

And you must always remember that each and every one of you has a responsibility to ensure that as a good corporate citizen we conduct our business in compliance with applicable laws and high ethical standards in all endeavors: you should have pride in our high level of business ethics.

T. Sugiyama
Takeshi Sugiyama
President & CEO

Our Concept of Compliance

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group’s continued existence.

Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

The Corporate Ethics and Compliance Statement

<table>
<thead>
<tr>
<th>Compliance with the Law</th>
<th>We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity in social ethics or local practices. We will never establish a target, nor make a commitment, that can only be achieved with conduct that would violate applicable laws or business ethics or practices.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect for Human Rights</td>
<td>We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability, or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.</td>
</tr>
<tr>
<td>Contributing to Society</td>
<td>Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of society as a whole.</td>
</tr>
<tr>
<td>Collaboration and Harmonization with the Community</td>
<td>As a good corporate citizen and neighbor, we will support civic and charitable organizations and activities in the communities where we reside or work that in our view contribute to community development.</td>
</tr>
<tr>
<td>Consideration of Environmental Issues</td>
<td>As part of our goal to achieve a recycling-oriented society, we will pay attention to and respect the global environment in every aspect of our business.</td>
</tr>
<tr>
<td>Awareness of Personal Integrity</td>
<td>We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters, and we will use company resources-including money, time, and information-for legitimate business purposes. We will use company computers and various networks and online services, including e-mail and Internet access, primarily for company business.</td>
</tr>
</tbody>
</table>
Mitsubishi Electric Group Conduct Guidelines

Mitsubishi Electric Group Conduct Guidelines is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each employee of Mitsubishi Electric Group in executing company business and performing his/her duties are put together and summarized, and is intended to serve as guidelines for our day-to-day conduct.

These Guidelines were first established in 1990, and became what they are now through multiple revisions based on revisions of relevant laws and regulations, changes to people’s perceptions of social norms and other relevant factors. The version presented here is the most recent revision, published in April 2017.

In addition to the Japanese language, the Code of Conduct is published in English, Chinese, and Thai, and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform.

System to Ensure thorough Implementation of Compliance at the Global Level

Based on recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group’s compliance system has our business divisions and affiliates in Japan and overseas take the initiative in promoting compliance.
Initiatives against Major Compliance Risks

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

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

In Japan, in addition to providing e-learning to directors, officers, and employees of Mitsubishi Electric and domestic affiliated companies (Mitsubishi Electric participants in fiscal 2020: 15,310), we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on anti-trust laws that focus on regional characteristics overseas in the combined form of e-learning programs and face-to-face education.

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

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

Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery.

In addition, we provide education to directors, officers, and employees who regularly interact with public officials in the combined form of e-learning programs and face-to-face education (participants in e-learning programs in fiscal 2020: 24,365).

In the light of the current global situation where anti-bribery regulations are becoming increasingly tighter, we will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level.
Support and Responses to Political Activities

The Mitsubishi Electric Group provides support to political activities only upon full consideration of its social standing as defined in its corporate mission, and in compliance with relevant laws and regulations in each country. For example, when Mitsubishi Electric makes a political donation in Japan, the Corporate Administration Division screens all cases in detail in accordance with the Political Fund Control Law, and ensures adherence to all internal procedures. Additionally, in public elections, we make every effort neither to infringe on the Public Offices Election Act nor deviate from sound social morals.

Export Control

To maintain international peace and security, Mitsubishi Electric has established and abides by the Corporate Security Export Control Regulation. Based on the regulation, all transactions are closely checked for any inclusion of export controlled items and security concerns related to destination, customers, end-use, and transaction conditions, and are strictly managed pursuant to relevant laws and regulations. Furthermore, to ensure all affiliated companies in Japan and overseas also take proper action in line with our policies, we distribute the Security Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese, and Thai) to all affiliated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2020, we held educational workshops in Thailand, Europe and Korea intended for ECAs (Export Control Administrators) in affiliated companies. In Japan, we provided e-learning courses that 37,520 Mitsubishi Electric employees and 33,880 employees of affiliated companies took. For overseas affiliated companies, we have e-learning materials for the implementation of training programs in each company in English, Chinese, Thai, and other languages.

Disassociation with Anti-social Groups

The Mitsubishi Electric Group adheres to the policy of refusing transactions and any other relationship whatsoever with anti-social groups (crime syndicates, terrorists, drug syndicates and other criminal organizations) in countries and regions where it engages in business, as clearly set forth in the following three provisions in the Mitsubishi Electric Group Conduct Guidelines.

1. We will not have any relationship with anti-social groups, and will deal with such groups with a firm attitude.
2. When engaging in a new transaction, we will make certain that the transaction partner is not related in any way to an anti-social group.
3. Transaction contracts shall include an article on the ‘elimination of crime syndicates and other anti-social groups,’ and provide for the termination of the contract in the event a transaction partner is found to be related to an anti-social group, even if the transaction with the partner has already begun.

Furthermore, in Japan an officer for preventing unreasonable demands, as stipulated in the Anti-Organized Crime Law, is assigned to each business office and affiliated company as a Group-wide measure against unreasonable demands from anti-social groups. If a transaction partner is found to be an anti-social group, we make every effort to promptly disassociate ourselves with the company with the cooperation of the police, external specialist institutions (the National Center for the Elimination of Boryokuden and the Special Violence Prevention Measures Association (Tokubouren) under the control of the Metropolitan Police Department, the National Center for the Elimination of Boryokuden, etc.), and lawyers.
Thorough Dissemination/ Education of Our Compliance Policy

Ensuring that Employees are Familiar with Our Compliance Policy

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

To raise awareness even further, we also display posters of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement in our workplaces and distribute cards printed with the Statement to each of our employees.

We distribute the “Mitsubishi Electric Group Conduct Guidelines” to all Mitsubishi Electric Group employees, including overseas employees. Employees in Japan receive a booklet containing the conduct guidelines, which summarizes points that employees should be aware of in relation to compliance as they conduct their work duties.

Corporate Ethics and Compliance Statement Poster

Portable Card

“Mitsubishi Electric Group Conduct Guidelines” Booklet

Compliance Education by Diverse Means

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

In addition to educational activities conducted independently by each of the Group’s affiliated companies and business divisions, we also carry out Group-wide educational initiatives. Employees in all countries in which we operate take part in an educational program concerning the major relevant laws, respect for human rights, and the Group’s concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. In fiscal 2020, as many as 125,614 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs (100% participation in compliance-related e-learning programs by Mitsubishi Electric). Overseas as well, some 6,644 employees have taken part in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

In fiscal 2020, Mitsubishi Electric’s Corporate Legal & Compliance Division conducted 180 compliance-related workshops within the Group, in which a cumulative total of 6,531 people participated.
Compliance Audits

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

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

Establishment of Internal and External Ethics and Legal Compliance Hotlines

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

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

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

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

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

- **Our principles**
  The Mitsubishi Electric Group has positioned Corporate Social Responsibility (CSR) as a pillar of its corporate management, based on its "Corporate Mission" and "Seven Guiding Principles."

  Furthermore, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group’s continued existence.

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

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

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

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

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

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

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

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

Basic Policy
The Mitsubishi Electric Group engages in the development, manufacture and sale of a broad range of products in diverse sectors, including the Energy & Electric Systems, Industrial Automation Systems, Information & Communication Systems, Electronic Devices and Home Appliances. Moreover, the Group operates these businesses not only in Japan but overseas, such as in North America, Europe and Asia.

To respond to the expectations of all stakeholders beginning with society, customers and shareholders, and to realize sustainable growth, the Group has a framework in place for managing business-related risks in an appropriate manner.

The framework provides proper responses to risks depending on their type, size and impact. For example, by incorporating risk management into business activities, risks are managed according to the size and characteristics of each business, and important risks that cover the entire Group are mainly managed by corporate departments.

Risk Management Framework
The Mitsubishi Electric Group maintains a multi-dimensional risk management system in which all executive officers participate.

Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers’ meetings.

In the event an incident occurs that seriously calls into question the Group’s social responsibility and is expected to have a profound impact on management, or in the case of such emergencies as large-scale disasters, accidents or pandemics, a company-wide Emergency Response Center will be established to implement measures under the leadership of the president, to ensure prompt and proper initial response.

Risk management framework
Responding to Environmental Risk

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

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

Disaster Countermeasures

Development of a Response Framework for Large-scale Disasters

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

Emergency disaster prevention framework

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

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

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

In fiscal 2020, simulation of the initial response of the Emergency Response Center was performed by the parties involved, assuming a shutdown of important infrastructure, including electricity, communication and transportation, in the event of a large-scale disaster.

For fiscal 2021, the Committee considers that in order to maintain the effectiveness of the BCPs, it is crucial to continue conducting reviews that are in step with the changes in external environments, and will focus on reviewing BCPs toward increasing their viability in times of emergency as a Group-wide priority.

Initiatives for Business Continuity and Disaster Response

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

To fulfill our responsibility as a product supplier, we had all Mitsubishi Electric offices formulate a BCP assuming the possible outbreak of a new strain of influenza in fiscal 2011 and a BCP assuming the risk of a large-scale earthquake in fiscal 2013. In fiscal 2014, we began an examination of continuing business at an alternative site and urged major affiliated companies in Japan and overseas to formulate a BCP. To ensure the BCP that is formulated in each office and affiliated company in Japan and overseas remains valid, the BCP is reviewed and countermeasures are upgraded every year.

Business continuity in the supply chain

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

1. Evaluation of BCP risks among suppliers
   From fiscal 2015, we have begun an evaluation of BCP risks among our suppliers in Japan using a company-wide unified index, and are bringing visibility to suppliers with high risks.

2. Activities for mitigating supplier risks
   To mitigate the risks that have come to light through the BCP risk evaluation of suppliers, we recommend multi-company purchasing, and request our suppliers to multi-site their production centers. We also organize BCP seminars for suppliers, to strengthen awareness and provide support for disaster prevention measures.

3. Activities for ensuring prompt initial response at times of disaster
   To ensure prompt initial response at times of disaster, we have created and actively utilize a map search system that allows us to search on a map the locations of suppliers in the vicinity of a disaster point.

   Hereafter, we will also promote multi-company purchasing and multi-siting of production centers by suppliers overseas, to ensure stable procurement activities in our overseas production centers.

Strengthening disaster responses

Each office and affiliated company of the Mitsubishi Electric Group possesses a disaster response manual that is used to implement preliminary measures (disaster mitigation measures) and disaster prevention drills. For example, every year, the Mitsubishi Electric Corporate IT Strategy Division, which has two separate data centers in Tokyo and the Kansai region, carries out a drill for switching between data centers in the event of an emergency.

In fiscal 2020’s drill, the target time for recovery of all enterprise systems was successfully achieved. We have also instructed affiliated companies to establish the same level of disaster countermeasures as those implemented by Mitsubishi Electric to strengthen their emergency preparedness through disaster-prevention drills at each site.
Pandemic countermeasures

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

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

In response to COVID-19, we have established the COVID-19 Crisis Center to ensure the stable supply of products and provide necessary services as well as support health care workers as social contribution activities.

Going forward, we remain committed to preventing the spread of infection in light of guidance, requests, and the like from government agencies (as of May 2020). Mitsubishi Electric Response to Novel Coronavirus

Ensuring safety overseas

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

In fiscal 2020, in response to the increasing number of overseas assignments to dangerous regions, we organized overseas safety seminars for employees scheduled to take up such assignments or business trips to dangerous regions. In addition, our overseas sites with high risk of warfare, terrorism, civil unrest, general crime, traffic dangers and environmental disasters have developed a crisis management manual to clarify the guidelines for action in normal times and times of emergency.

At the outbreak of COVID-19 we sent masks from Japan to employees at Chinese, Korean and European sites where the infection was spreading to support their safety and health, and brought back some employees and their families to Japan temporarily and restricted overseas business trips from Japan, depending on the region (as of March 2020).

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

Basic Policy

In January 2020, Mitsubishi Electric reported a data leak incident caused by unauthorized access to its system, which has resulted in inconvenience and concern for customers and society. After also reflecting on guidance from the Personal Information Protection Commission received in December 2019 concerning the handling of personal information obtained through recruitment activities, the Mitsubishi Electric Group will continue to strengthen its information security measures* to prevent such a situation from occurring again. We also will strengthen the measures considering the general trend toward teleworking and cloud-based business models. Mitsubishi Electric manages confidential corporate information relating to sales, engineering, intellectual property, and other areas, as well as information entrusted to the company by its customers and stakeholders. This is carried out based on the Declaration of Confidential Corporate Information Security Management established in February 2005. In light of events in fiscal 2019, we will once again work to increase awareness of this declaration within the Mitsubishi Electric Group and strive to protect and manage information even more carefully.

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

<Declaration of Confidential Corporate Information Security Management>

With respect to the information assets that constitute its core business activities, Mitsubishi Electric Corporation shall disclose information that should be released externally in a timely and appropriate manner, while ensuring strict and appropriate management of confidential corporate information.

In the unlikely event that valuable information or confidential corporate information entrusted to us by others were to leak, this would not only cost the trust and confidence invested in the Company; the improper use of this information could also threaten national, societal and individual security.

Recognizing that appropriate management of confidential corporate information is a key corporate social responsibility, the Company hereby declares that all employees shall comply with the following confidential corporate information management policies.

1. Appropriate Management of Confidential Corporate Information through Compliance with Laws, Ordinances and Regulations
   The Company shall manage all confidential corporate information concerning business activities appropriately in accordance with laws, ordinances and Company regulations.
   “Confidential corporate information” means valuable technical or business information held by the Company, and information (such as personal information, information obtained from outside the Company and insider information), which, if disclosed or used in an unauthorized way, could be disadvantageous to the Company and/or its stakeholders. Physical objects that constitute confidential corporate information are also subject to control.

2. Enforcement of Security Management Measures
   The Company shall implement appropriate security management measures for the protection and proper control of confidential corporate information.
   “Security management measures” means organizational, human, technological and physical measures that are strictly enforced according to the confidentiality level of the applicable corporate information.

3. Enhancement of Information System Security Measures
   The Company shall enhance its information system security measures to prevent unauthorized access, intrusion and wrongful use of confidential corporate information, and implement comprehensive countermeasures with IT.

4. Education
   Recognizing that the awareness of individual employees who are involved in handling confidential corporate information is fundamental to management, the Company shall provide regular education for all employees concerning the importance of confidential corporate information management and the Company’s efforts to enhance it.

5. Continual improvement of Management through the PDCA Cycle
   The Company shall establish a confidential corporate information management system and improve it proactively and continually through the PDCA (Plan-Do-Check-Action) cycle.

6. Timely and Appropriate Information Disclosure
   In addition to rigorously managing confidential corporate information in an appropriate manner in line with items 1 through 5 above, the Company shall disclose information that should be externally released in a timely and appropriate manner.

April 1, 2018
Takeshi Sugiyama, President & CEO
Mitsubishi Electric Corporation
Personal information collected from customers through questionnaires, registration of purchased products, repair services, and other such means is managed based on the "Personal Information Protection Policy." On the basis of this system, Mitsubishi Electric has been granted the right to use the "PrivacyMark" under Japan’s system for certifying personal information protection systems, in recognition of its ongoing efforts to ensure proper handling of personal information.

**<Personal Information Protection Policy>**

Mitsubishi Electric Corporation fully complies with Japan’s laws and regulations, national policies and other rules concerning the protection of personal information.

Personal information can be defined as any information that may be used to identify an individual, including, but not limited to, a first and last name, a home or other physical address, an e-mail address or other contact information.

Mitsubishi Electric Corporation sometimes collects personal information from its customers while conducting business activities. On the Global Website, personal information is collected predominantly through the various contact/inquiry forms.

When we directly solicit personal information from you in writing, we will specify how we intend to use the information, and ask for your consent. When we collect personal information by other means, we will announce on our website how we intend to use it.

When you provide us with personal information, we use the information to respond to and confirm your inquiry, and may keep a record of the inquiry for the same purposes. In addition, to support our customer relationship, we may store and process personal information and share it with our worldwide subsidiaries and affiliates to better understand your needs and how we can improve our products and services.

At times Mitsubishi Electric Corporation may conduct online surveys to better understand the needs and profile of our visitors. When we conduct a survey, we will do our utmost to let you know how we will use the information collected from you. Our site may provide contests, sweepstakes or other promotions that may ask you to enter your personal information. We will use the information you provide for the purpose of conducting the promotion, like providing customer support or contacting you if you’re a winner.

Mitsubishi Electric Corporation does not use or disclose information gathered from individual visits to the Site or information that you may give us to any third parties for intention to sell, rent or otherwise market your personal information. We may at times employ a third party service providers to perform or assist us on the on-line surveys, contests, sweepstakes or other promotions. For example, administering the survey or promotion, compiling the data or providing customer support. These parties will have signed a Non-Disclosure Agreement prior to any services we initiate with them. They will not disclose any personal information they receive from you and will only use it in order to initiate and or continue the services they are providing for us.

You have the option not to provide personal information to Mitsubishi Electric Corporation. If you choose not to provide the personal information we request, you can still visit most of the Site, but you may be unable to access certain options, offers and services that involve our interaction with you.

April 1, 2018
Takeshi Sugiyama, President & CEO
Mitsubishi Electric Corporation
Framework and Guidelines

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

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

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

Business groups and offices (offices, branches, works [production plants]) issue instructions and guidance on information security to affiliates in and outside Japan. Paying special attention to the circumstances and special characteristics of overseas affiliates, the Corporate Information Security Division places overseas regional representative managers at sites in the Americas, Europe, China, and other Asian countries and coordinates with them to ensure information security.

Global Activities

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

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

Information Security Regulations and Guidelines

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Basic regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security measures</td>
<td>Organizational security measures: Regulations on confidential corporate information security management</td>
</tr>
<tr>
<td></td>
<td>Human security measures: Regulations on the work of employees</td>
</tr>
<tr>
<td></td>
<td>Physical security measures: Physical security guidelines</td>
</tr>
<tr>
<td></td>
<td>Technological security measures: Regulations on information security management</td>
</tr>
</tbody>
</table>

Information Security Inspections

The Mitsubishi Electric Group performs the following inspections as part of the C (Check) stage of the PDCA cycle at head office management departments, business groups and offices, and affiliates. These inspections focus on checking whether confidential corporate information management and personal information protection activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming the status of those activities. The Group reviews measures based the results, and this leads to the A (Act) stage of the PDCA cycle.

These inspections are set down in the Confidential Corporate Information Management Regulations, which cover Mitsubishi Electric Corporation, and in the Guidelines for Information Security Management Regulations, which cover affiliates in and outside Japan.
## Inspections related to information security

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

## Various Measures

### Information Security Education

Mitsubishi Electric provides the following education programs to foster a corporate culture that enforces the proper handling of confidential corporate information and personal information.

#### Education for all employees

An e-learning program on information security is offered once a year to all of the Company’s roughly 50,000 employees, to disseminate thorough knowledge of various issues on information security, including Mitsubishi Electric’s policies, the status of information leakage incidents, laws and regulations on the protection of personal information, the Unfair Competition Prevention Act, and security measures (human, physical, technological, and organizational) to be taken by all employees. In addition, we are providing training materials for employees as necessary in response to the rapid increase in telework and to business environment and business models changes based on the growing use of cloud services.

#### Education corresponding to each career stage

Education on confidential corporate information management and personal information protection is provided to new employees, employees in their twenties and thirties, and newly appointed section managers, so that they may fulfill the roles that are expected of them at each career stage.

#### Exercises to practice handling spoofed e-mails

As a measure against cyber-attacks, Mitsubishi Electric regularly conduct exercises that allow all employees, including officers, to verify that they know how to handle spoofed e-mails. Employees of affiliates in Japan can participate in this exercise. At overseas affiliates in the Americas, Europe, and China, practice exercises are conducted according to local circumstances under the direction of regional representative managers.

#### Other individual training

Employees posted overseas are provided with a preliminary education program, which covers risks in confidential corporate information management and personal information protection outside Japan and examples of information leakage incidents that have occurred overseas.
Contractor Management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. To ensure that confidential corporate information and personal information entrusted to a contractor will be handled with appropriate control, before entrusting the information to the contractor, we confirm that the contractor will maintain the proper level of protection. After submitting the information, we supervise the contractor by regularly examining a status report on the use and management of the information that we have submitted. Moreover, the agreement includes a special clause that provides for the protection of the personal information that we have submitted.

Cyber-Attack Countermeasures

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

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

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

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

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

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

- Feb 12, 2020  🔄 Potential for leaks of personal data and confidential corporate information due to unauthorized system access <third report> (In Japanese text)
- Feb 10, 2020  🔄 Potential for leaks of personal data and confidential corporate information due to unauthorized system access <second report> (In Japanese text)
- Jan 20, 2020  🔄 Potential for leaks of personal data and confidential corporate information due to unauthorized system access <first report> (In Japanese text)
Activities for Personal Information Protection

Personal Information Protection

In efforts to protect personal information, Mitsubishi Electric first created company rules on personal information protection in October 2001, and since then it has required all employees and affiliated persons to obey those rules strictly. Mitsubishi Electric issued a personal information protection policy in 2004, complying with the requirements of JIS Q 15001:2006 Personal Information Protection Management Systems. In January 2008, we were granted the right to use the “PrivacyMark,” which certifies the establishment of management systems that ensure proper measures for personal information protection. We have maintained our “PrivacyMark” certification until the present.

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

Proper handling of personal information

Mitsubishi Electric handles personal information appropriately; we acquire it by specifying purpose of use, use it only within the intended scope, and provide it to a third party only with prior consent from users.

Guidance from the Personal Information Protection Commission

In August 2019, there was an incident where personal information was not properly handled during recruitment activities, and in December 2019, guidance was received from the Personal Information Protection Commission. We deeply regret this incident and will strive to always acquire personal information appropriately.

Response to the EU General Data Protection Regulation (GDPR)

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

Basic Policy on Research and Development

As the cornerstone of its growth strategy, the Mitsubishi Electric Group will promote short-, medium-, and long-term R&D themes in a balanced manner.

In addition to promoting research and development toward strengthening current businesses and achieving innovation, and continuous development of common basic technologies, the Company is striving to evolve technology and business synergies to provide integrated solutions that will solve increasingly diverse social issues, while also working to realize sustainable growth through the development of future technologies.

Furthermore, the Company will promote enhancement of efficiency of development and creation of new value, through proactive utilization of open innovation in collaboration with universities and other external R&D institutions.

During fiscal 2020, the total R&D expenses for the entire Group have amounted to 206.8 billion yen (3% decrease compared to the previous fiscal year). Representative achievements are as follows.

Major R&D Achievements in Fiscal 2020

Development of New Technology Controls
In-Building Mobilities and Facilities, Supported with Building Dynamic Maps

In recent years, with the aim of improving added value of buildings, studies have been underway to reduce the workloads of building-management personnel through the use of in-building mobile robots for cleaning, security, deliveries, and guidance, as well as to realize safe and secure movement within buildings by users of personal mobility devices, including next-generation electric wheelchairs.

The Company has developed a technology for controlling in-building mobile robots as well as personal mobility devices, using building dynamic maps\(^1\) to achieve cooperative interaction between the robots, etc. and building facilities, such as elevators and access control systems. In addition, the Company has built systems that work with animated lighting guidance systems\(^2\).

This supports the safe, efficient movement of people and in-Building Mobilities in buildings, thereby reducing the workloads of building-management personnel and realizing smart buildings\(^3\) in which people and robots coexist safely.

<table>
<thead>
<tr>
<th>Example: Animated lighting indicates movements of the service robot</th>
</tr>
</thead>
</table>

\(^1\) A new three-dimensional map for buildings that shows the status of building facilities (e.g. elevators and access control systems), location of mobility devices and passable route

\(^2\) The animated lighting guidance system “Terasu Guide” (released April 2020) that allows facility users to intuitively understand guidance and warning with lighting animations projected on the floor

\(^3\) Buildings in which advanced IoT is deployed to energy-saving and labor-saving work environments through the building

Development of Compact AI Knowledge Representation and Reasoning Solution for Human-Machine Interfaces

Devices with complex features, such as home appliances and car navigation systems, require humans to understand how they operate and devise controls. However, in recent years, AI that supports operation of such devices by using big data on the cloud has become widespread. On the other hand, there is a growing need to complete information processing on stand-alone devices without communication with external devices, in order to enhance response speed.

The Company has developed the Compact AI Knowledge Representation and Reasoning Solution for HMI (human-machine interfaces) based on its proprietary AI technology “Maisart\(^4\)*”, which enables devices to understand vague user commands.

It achieves this by means of a “knowledge graph” which integrates user information, device specification and functionality and external information, and will allow responsive and easy-to-use human-machine interfaces to be embedded in stand-alone consumer products such as home appliances and car navigation systems.

Example: The TV’s AI integrates necessary information according to the situation and understands ambiguous commands.

\(^4\) Mitsubishi Electric’s AI creates the State-of-the-ART in technology

Mitsubishi Electric’s AI technology brand aimed at making every device smarter

The device understands ambiguous commands from people for quick operations.
Intellectual property

Protection of Intellectual Property Rights

Basic Policy

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

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

Structure of the Intellectual Property Division

The IP divisions of the Mitsubishi Electric Group include the Head Office IP Division, which is the direct responsibility of the president, and the IP divisions at the Works, R&D centers, and affiliated companies. The activities of each IP division are carried out under the executive officer in charge of IP at each location. The Head Office IP Division formulates strategies for the entire Group, promotes critical projects, coordinates interaction with external agencies including patent offices, and is in charge of IP public relations activities. At the Works, R&D center, and affiliated company level, IP divisions promote individual strategies in line with the Group’s overall IP strategies. Through mutual collaboration, these divisions work to link and fuse their activities in an effort to develop more effective initiatives.

Global IP Strategy

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

As an indication of the Mitsubishi Electric Group’s IP capability and global IP activities, the company ranked No.2 in Japan in terms of the number of patent registrations (in 2019) announced by the Japan Patent Office (JPO), and No.2 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2019) announced by the World Intellectual Property Organization (WIPO).

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

Number of patent registrations in 2019 (Japan)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Applicant</th>
<th>No. of patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Canon</td>
<td>4,264</td>
</tr>
<tr>
<td>2</td>
<td>Mitsubishi Electric</td>
<td>3,543</td>
</tr>
<tr>
<td>3</td>
<td>Toyota Motor</td>
<td>2,898</td>
</tr>
<tr>
<td>4</td>
<td>DENSO</td>
<td>2,651</td>
</tr>
<tr>
<td>5</td>
<td>Panasonic</td>
<td>2,564</td>
</tr>
</tbody>
</table>

(WIPO)

(Top 5) PCT applicants: businesses, 2019 (WIPO, PCT Yearly Review)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Applicant</th>
<th>Country</th>
<th>No. of patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huawei</td>
<td>China</td>
<td>4,411</td>
</tr>
<tr>
<td>2</td>
<td>Mitsubishi Electric</td>
<td>Japan</td>
<td>2,661</td>
</tr>
<tr>
<td>3</td>
<td>SAMSUNG</td>
<td>South Korea</td>
<td>2,334</td>
</tr>
<tr>
<td>4</td>
<td>Qualcomm</td>
<td>USA</td>
<td>2,127</td>
</tr>
<tr>
<td>5</td>
<td>OPPO</td>
<td>China</td>
<td>1,927</td>
</tr>
</tbody>
</table>

(WIPO)
### IP Strategy for International Standardization

In order to expand business in global markets, the Mitsubishi Electric Group is actively promoting international standardization. Activities to acquire patents that support international standards (e.g., standard essential patents) are openly promoted. As the member of an organization in which patent pools for Digital Broadcasting, MPEG, HEVC, DVD, Blu-ray Disc™ and Mobile communications collectively control standard essential patents, the IP revenues obtained through the organization are contributing to improvement and growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share. In the field of 5G mobile communication systems, which are expected to proliferate in the future, we are not only involved in activities to acquire standard-essential patents, but also leveraging our technologies to promote IP activities that make our products even better.

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

### Respecting IP Rights

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

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

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

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

### Cooperation in IP Policies

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

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

---

### Further Strengthening Global IP Capabilities

<table>
<thead>
<tr>
<th>Head Office</th>
<th>IP Division</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

---

### Annual Trends in Overseas Patent Applications by the Mitsubishi Electric* (No. of Applications)

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>Europe</th>
<th>China</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Communication with Shareholders and Investors

Basic Policy

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

Communication with Shareholders and Investors

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

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

Together with this, we also hold product exhibitions, which provide an opportunity for our shareholders to understand the Mitsubishi Electric Group’s business activities.

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

Shareholder Communiqué (In Japanese text)

Major IR Activities in Fiscal 2020

In addition to holding presentations concerning corporate strategies and financial results for institutional investors and analysts and organizing individual meetings with them, we held “Environmental Sustainability Vision 2050” where we explained our vision from a long-term perspective. In addition, we held factory tours and hosted various exhibitions. Also held were company presentation meetings for individual investors.

Investor Relations website

Presentations on corporate strategy
The Mitsubishi Electric Group adopted its Environmental Vision 2021, which aims to create a low-carbon, recycling-based society that functions in harmony with nature, in 2007. The Group also has promoted its 9th Environmental Plan created from a medium- and long-term perspective in light of the Paris Agreement since fiscal 2019. In this plan, future water shortage measures are considered as well. In June 2019, the Group announced its Environmental Sustainability Vision 2050 to show its new long-term environmental management vision.

Having developed its business through interaction with many stakeholders including customers, business partners and employees and being deeply rooted in society, the Mitsubishi Electric Group is expected to assume responsibility for contributing to the environment. With this recognition, the Environmental Sustainability Vision 2050 is intended to aim for the future together with stakeholders.

“Protect the air, land, and water with our hearts and technologies to sustain a better future for all” has been adopted as an environmental declaration in the Environmental Sustainability Vision 2050. The air, land, and water are vital for the survival of every creature on Earth. Bearing these three elements in mind, we will continue considering to which element we will contribute in what business area of the Mitsubishi Electric Group and put ideas into practice. In addition, we share our commitment to the environment and technologies not only with those who work for the Mitsubishi Electric Group but also with all other stakeholders and contribute to the realization of a sustainable future under three action guidelines shown in the Environmental Sustainability Vision 2050, while striving to further improve our technological prowess.

### Environmental Sustainability Vision 2050

**Environmental Declaration**

Protect the air, land, and water with our hearts and technologies to sustain a better future for all.

To solve various factors that lead to environmental issues, the Mitsubishi Electric Group shall unite the wishes of each and every person, and strive to create new value for a sustainable future.

### Three Environmental Action Guidelines

1. Apply diverse technologies in wide-ranging business areas to solve environmental issues
2. Challenge to develop business innovations for future generations
3. Publicize and share new values and lifestyles

### Key Initiatives

- Climate Change Measures
- Resources Circulation
- Live in harmony with Nature
- Long-term Activities
- Innovation
- Nurturing Human Resources
- Understanding Needs
- Co-creation and Co-management
- New Values
- Live in harmony with the Region

### Environmental Initiatives and the SDGs

#### Shaping the World of 2030

**SDGs Closely Related to Mitsubishi Electric Group Environmental Activities**

**Example 1** Offering Technologies that Contribute to the Conservation of the Aquatic Environment

We have provided ozone generators, which use ozone instead of chlorine to purify water, for nearly 50 years. The ozone generators can be used at water purification and sewage treatment plants, pharmaceutical and chemical plants, and aquaria, contributing to the conservation of our aquatic environment.

**Example 2** Increasing Product Energy Efficiency

Mitsubishi Electric Group products consume electricity when used. As increased product energy efficiency results in less CO2 generated during use, our goal is to develop energy-efficient products focusing on prolonging the use of existing technologies. Accelerating the cultivation of innovation in this way, alongside making full use of the strengths of our products and services, will allow us to contribute to the environment across a wide range of fields.
Greenhouse Gas Reduction Targets Based on Scientific Grounds

It is recognized that the Mitsubishi Electric Group’s greenhouse gas reduction targets for 2030 are based on scientific grounds to “Holding the increase in the global average temperature to well below 2°C above pre-industrial levels” as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets)**1 initiative.

We will continue to promote the reduction of greenhouse gases through a variety of business areas in the Mitsubishi Electric Group.

**1 International initiative by the United Nations Global Compact (UNGC), the World Wildlife Fund (WWF), the Carbon Disclosure Project (CDP), and the World Resources Institute (WRI). The SBT initiative propels companies to set reduction targets that are consistent with insights of climate science with an aim to control the rise in the global average temperature due to climate change at most under 2°C compared with the temperature before the Industrial Revolution.

Reduction Targets of the Mitsubishi Electric Group

| Scope 1 and 2 | Mitsubishi Electric commits to reduce total scope 1 and 2 GHG emissions by 18% by 2030, compared to the base year of 2018. |
| Scope 3 | Mitsubishi Electric commits to reduce total scope 3 GHG emissions by 15% by 2030, compared to the base year of 2018. |

Scope 1 Direct emissions resulting from fuel use within the company.
Scope 2 Indirect emissions associated with the use of externally purchased electricity and heat.
Scope 3 Indirect emissions from the entire value chain other than Scope 1 and 2 emissions. (Category 11 (use of sold products) applies to our target.)

Financial information based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In line with these recommendations, the Group discloses relevant information on climate change.

Strategy for Climate Change

The Group formulates a three-year Environmental Plan as an integral goal based on the corporate strategy and environmental vision for initiatives toward environmental issues including climate change. The plan sets out quantitative targets to be achieved, and the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management, formulates the plan and shares it with each group organization. Each organization implements its own Environmental Action Plan (annual plan) based on the Environmental Plan.

The results of business execution are reviewed by the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, and each organization reviews the Environmental Plan (three-year plan) and its Environmental Action Plan (annual plan) as necessary.
Overview of risk and opportunity assessment through scenario analysis

Through scenario analysis, we assess the corporate activities of the Group in terms of risks and opportunities. The assessment is made based on two scenarios: a scenario to keep the increase in the global average temperature to below 2°C above pre-industrial levels (2°C scenario*) and a scenario in case the temperature rises nearly 4°C as a result of continuing the conventional global warming countermeasures (4°C scenario*).

The period covered by the scenario analysis is up to 2050, and the periods are classified as shown below.

<table>
<thead>
<tr>
<th>Environmental Plan target year</th>
<th>2020</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short term</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Medium term</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Long term</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The period covered by the Environmental Plan (1-3 years) Period through 2030 Period through 2050 (final year of Environmental Sustainability Vision 2050)

*1. Applied the IEA 450 scenario, etc.
*2. Applied the IPCC RCP 8.5 scenario, etc.

Examples of climate-related risks and responses by the Mitsubishi Electric Group

<table>
<thead>
<tr>
<th>Risks</th>
<th>Examples of the Group’s initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transition risks</strong></td>
<td>● Reduction of GHG* emissions through promotion of environmental plans and setting and taking initiative on science based targets,</td>
</tr>
<tr>
<td></td>
<td>● Promotion of environmentally conscious design (global warming, resource conservation, recycling, hazardous substances, packaging)</td>
</tr>
<tr>
<td></td>
<td>● Capital investment related to environmental activities, including energy saving and global warming countermeasures</td>
</tr>
<tr>
<td></td>
<td>● Implementation of supply chain management (formulation and implementation of green procurement standards)</td>
</tr>
<tr>
<td></td>
<td>● Reporting of Scope 1, 2 and 3 emissions and implementation of third-party certification</td>
</tr>
<tr>
<td></td>
<td>● Acquisition and maintenance of ISO 14001 certification</td>
</tr>
<tr>
<td></td>
<td>● Confirmation of legal compliance through environmental audits</td>
</tr>
<tr>
<td></td>
<td>● Disclosure of initiatives related to climate change and other environmental issues</td>
</tr>
<tr>
<td><strong>Technology risks</strong> (medium to long-term)</td>
<td>● Development of new technologies through R&amp;D investment</td>
</tr>
<tr>
<td></td>
<td>● Implementation of intellectual property activities</td>
</tr>
<tr>
<td></td>
<td>● Mobile capital investment mainly in growth driving businesses</td>
</tr>
<tr>
<td></td>
<td>● Capital investment related to environmental activities, including energy saving and global warming countermeasures</td>
</tr>
<tr>
<td><strong>Market risks</strong> (medium to long-term)</td>
<td>● Promotion of environmentally conscious design</td>
</tr>
<tr>
<td></td>
<td>● Capital investment related to environmental activities, including energy saving and global warming countermeasures</td>
</tr>
<tr>
<td></td>
<td>● Market research and feedback on product development</td>
</tr>
<tr>
<td><strong>Reputation risks</strong> (medium to long-term)</td>
<td>● Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets, Capital investment related to environmental activities, including energy saving and global warming countermeasures</td>
</tr>
<tr>
<td></td>
<td>● Promotion of environmentally conscious design</td>
</tr>
<tr>
<td></td>
<td>● Response to environmental risk management</td>
</tr>
<tr>
<td></td>
<td>● Implementation of natural environment conservation activities, including the protection of local biodiversity</td>
</tr>
<tr>
<td></td>
<td>● Disclosure of initiatives related to climate change and other environmental issues</td>
</tr>
<tr>
<td><strong>Physical risks</strong></td>
<td>● Formulation and periodic review of BCPs*</td>
</tr>
<tr>
<td></td>
<td>● Implementation of supply chain management (formulation and implementation of green procurement standards, decentralization of production sites by purchasing from multiple companies, etc.)</td>
</tr>
<tr>
<td></td>
<td>● A certain amount of investment every year in environmental activities, including initiatives against climate change</td>
</tr>
<tr>
<td></td>
<td>● Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets,</td>
</tr>
</tbody>
</table>

*3. Greenhouse gas
*4. Business continuity plan
Examples of climate-related opportunities and initiatives by the Mitsubishi Electric Group

<table>
<thead>
<tr>
<th>Social issues (opportunities)</th>
<th>Examples of the Group’s initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource efficiency</td>
<td>- Development of products suitable for resource conservation, such as thinner materials and smaller tubes</td>
</tr>
<tr>
<td></td>
<td>- Promotion of plastic recycling</td>
</tr>
<tr>
<td></td>
<td>- Energy conservation and reduction of operation costs for buildings as a whole through ZEB (Net Zero Energy Building), etc.</td>
</tr>
<tr>
<td></td>
<td>- Development of coordinated control technology for in-building mobility and facilities</td>
</tr>
<tr>
<td></td>
<td>- Provision of systems for water distribution management, water storage and discharge through dam management, and water intake management for agricultural water</td>
</tr>
<tr>
<td></td>
<td>- Promotion of reclaimed water use by ozonizers</td>
</tr>
<tr>
<td></td>
<td>- Strengthening of products and solutions that support e-F@ctory*</td>
</tr>
<tr>
<td></td>
<td>- Promotion of a modal shift through the transportation systems business</td>
</tr>
<tr>
<td></td>
<td>- Development of products and technologies that contribute to autonomous driving</td>
</tr>
<tr>
<td></td>
<td>- Localization of production and sales bases</td>
</tr>
<tr>
<td>Energy source</td>
<td>- Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources</td>
</tr>
<tr>
<td></td>
<td>- Large energy storage systems</td>
</tr>
<tr>
<td></td>
<td>- Smart medium voltage DC distribution network system D-SMiree*</td>
</tr>
<tr>
<td></td>
<td>- Distributed power supply system/VPP system</td>
</tr>
<tr>
<td>Products and services</td>
<td>- Development of energy-saving products optimized for local climate conditions and needs</td>
</tr>
<tr>
<td></td>
<td>- Development of innovative new products such as the Misola*, a lighting fixture that creates the illusion of a deep blue sky and natural light in indoor spaces</td>
</tr>
<tr>
<td></td>
<td>- Improvement of the energy efficiency of railway vehicles and effective utilization of regenerative electric power from braking</td>
</tr>
<tr>
<td></td>
<td>- Demonstration of ZEB-related technologies, including the construction of demonstration facilities</td>
</tr>
<tr>
<td></td>
<td>- Development of the EcoMBR™ filtration membrane cleaning system for water treatment</td>
</tr>
<tr>
<td></td>
<td>- Provision of smart meters</td>
</tr>
<tr>
<td></td>
<td>- Development and supply of energy conservation equipment that facilitates the measurement of energy consumption and the collection and analysis of energy consumption data</td>
</tr>
<tr>
<td></td>
<td>- Global supply of high-efficiency equipment, including electric power train systems</td>
</tr>
<tr>
<td></td>
<td>- Development and supply of low-loss SiC devices</td>
</tr>
<tr>
<td></td>
<td>- Establishment of the Business Innovation Group</td>
</tr>
<tr>
<td></td>
<td>- Localization of production and sales sites</td>
</tr>
<tr>
<td></td>
<td>- Balanced promotion of short-, medium- and long-term research and development</td>
</tr>
<tr>
<td>Resilience</td>
<td>- Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources</td>
</tr>
<tr>
<td></td>
<td>- Contribution to preventing global warming by using observation satellites, strengthening the monitoring of meteorological phenomena and the global environment, understanding of disaster situations, and promoting disaster prevention</td>
</tr>
<tr>
<td></td>
<td>- Meteorological radar system</td>
</tr>
<tr>
<td></td>
<td>- Field Edge™ image-based water level measurement device</td>
</tr>
<tr>
<td></td>
<td>- Provision of BCP solutions, such as data centers, teleworking, and video conferencing services</td>
</tr>
</tbody>
</table>

As a result of this assessment of climate-related risks and opportunities and our initiatives toward them, the Mitsubishi Electric Group can be said to have resilience against such risks under both the 2°C and the 4°C scenarios and the opportunity for sustainable growth through the solving of social issues arising from climate change*1.

*1 This conclusion is based on the scenario, and the future outlook may differ.

Climate change indicators and goals

The Mitsubishi Electric Group’s Environmental Plan

The Mitsubishi Electric Group has formulated an Environmental Plan every three years since 1993, setting specific action targets. The current 9th Environmental Plan (fiscal year 2018 to 2020 (1st April 2018 through 31st March 2021)) sets forth indexes and targets for reduction of CO2 emissions from production, reduction of CO2 emissions from product usage, effective utilization of resources, effective use of water, continuation of the “Mitsubishi Electric Outdoor Classroom” and “Satoyama Woodland Preservation Project,” and biodiversity conservation at business sites, in line with the goals of “Creating a Low-Carbon Society,” “Creating a Recycling-Based Society” and “Ensuring Harmony with Nature” that are specified in Environmental Vision 2021.

Environmental information is introduced in detail in the environment section of the website and “Environmental Report.”

Environment
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.

<table>
<thead>
<tr>
<th>&lt;Four Basic Quality Assurance Principles&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product quality is our top priority. It comes before price and on-time delivery.</td>
</tr>
<tr>
<td>2. Our commitment to the highest quality under any circumstances is unwavering.</td>
</tr>
<tr>
<td>3. Products must be safe to use, have a long usage life, and have consistent performance.</td>
</tr>
<tr>
<td>4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.</td>
</tr>
</tbody>
</table>

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:

<Product Safety-related Principles>

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

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where products are prone to break or be discarded). 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.

* A semiconductor device that efficiently controls power by converting electricity from AC to DC or raising or lowering the voltage.

- 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 continuing to provide 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.
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.

* Graphic User Interface
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
- Presentation with consideration for persons with impaired color vision
- Easy to understand information display
- The enlarged control portion has improved operability
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
   - E.g.) Buttons with easy-to-understand functions (Television remote control with record function)

2. Identification: consideration for ease of reading and/or hearing
   - E.g.) Large characters easy even for aged persons to read

3. Physical use: consideration for comfortable posture and minimum physical load
   - E.g.) Handle design that allows optimized gripping options for various cleaning scenarios

4. Safety/usability: consideration for usability without danger or operating errors.
   - E.g.) A rice cooker that considers safety by preventing the danger steam burns

The UD-Checker’s four evaluation criteria

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)
Award received

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.

- ELE FIRST-i plus smartphone service app for elevators
- Kirigamine MSZ-R Series and MSZ-BXV Series room air conditioner
- EW-45LD1M Series built-in dishwasher and dryer
- CG Series refrigerator
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.

Three Types of Customer Satisfaction

- **Before purchase**
  - Advertising
  - Consultation about purchasing
  - Purchase
- **During use**
  - Installation and use
  - Customer inquiries
- **End of product life**
  - Repair service
  - Disposal

Customer checkpoints

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.

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.
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

Information centers of Mitsubishi Electric Building Techno-Service Co., Ltd.

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.

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.

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.

Flow of responses to accidents (Mitsubishi Electric Group)
Human rights

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

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

As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's 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.

Initiatives related to the supply chain

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.

Employee Seminar
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”
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>
</table>
| Various stakeholders (customers, people in the community) | ‘Inquiries on CSR’ and “Other Inquiries” on the Mitsubishi Electric Group official website | - Inquiries regarding the Mitsubishi Electric Group’s CSR  
- Other various inquiries regarding the Mitsubishi Electric Group’s business activities | <Japanese>  
- Inquiries on CSR  
- Other Inquiries  
<Global (English)>  
- Inquiries on CSR  
- Other Inquiries |
| Mitsubishi Electric employees, affiliated company employees¹, suppliers to Mitsubishi Electric² | Ethics observance hotline | Whistleblowing or consultation regarding organized or individual employees’ fraud, legal violation, act of breach of ethics | Internal points of contact/external points of contact (lawyers)²³ |
| Mitsubishi Electric employees | Points of contact for consultation on sexual harassment, power harassment, etc. | Whistleblowing/consultation on various types of harassment in Mitsubishi Electric’s workplace | Human Resource Div. at each office of Mitsubishi Electric |

¹ Limited to whistleblowing that is relevant to Mitsubishi Electric in personal and business aspects.
² The points of contact are listed on Mitsubishi Electric’s intranet, internal posters, ‘Code of Corporate Ethics and Compliance,’ etc.
³ A whistleblowing system has been established at each domestic and overseas 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>Position</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>Position</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>Fiscal 2017 (result)</td>
<td>9%</td>
</tr>
<tr>
<td>Fiscal 2018 (result)</td>
<td>11%</td>
</tr>
<tr>
<td>Fiscal 2019 (result)</td>
<td>13%</td>
</tr>
<tr>
<td>Fiscal 2020 (result)</td>
<td>10%</td>
</tr>
<tr>
<td>Fiscal 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

<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></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<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.

Acquisition of Eruboshi

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.

Today, local staff members account for more than 40% of all top managements (above the level of general manager) in overseas affiliates. Mitsubishi Electric continues to widely promote the placement of human resources in positions that are suitable for them, be they local staff or expatriates of Mitsubishi Electric (Japan), for managerial positions in overseas affiliates.

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.

<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>Fiscal 2018</th>
<th>Fiscal 2019</th>
<th>Fiscal 2020</th>
</tr>
</thead>
<tbody>
<tr>
<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 measure 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.

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.
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

Initiatives to Prevent Recurrence of Work-Related Issues (In Japanese text)
Create a Work Environment Where All the Employees can Work Actively with a Sense of Security

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.

We will strongly promote this program as a project activity under the direct responsibility of the president. 99% of Mitsubishi Electric employees, including those who work for the affiliates in Japan, attended the harassment seminars conducted in fiscal 2020 for all employees.

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.

<table>
<thead>
<tr>
<th>Life stage</th>
<th>Pregnancy</th>
<th>Childbirth</th>
<th>Cut off</th>
<th>Reduced in</th>
<th>Recommended</th>
<th>Exclusion from relocation in a certain period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced working hours during pregnancy (women only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consideration of break time during pregnancy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absence for medical examination (women only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paternity leave (men only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan system for childbirth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump-sum allowance for childbirth and childcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-natal absence (women only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent allowance (except the specialist)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childbirth leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childcare leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits during childcare leave (Mitsubishi Electric Ryoyukai)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced working hours for childcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special paid leave (self-support leave)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nursing absence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeworking system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hourly leave system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-employment system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childbirth leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exclusion from transfer requiring relocation for a certain period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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></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 area</td>
<td>Floor space: approx. 100m²</td>
<td></td>
</tr>
<tr>
<td>Facility area</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>182</td>
<td>182</td>
<td>364</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.

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.

Targets and results of MHP21 activities

<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 weight¹</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 lifestyle²</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 rested³</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 procure materials from suppliers who rank high in a comprehensive evaluation.

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.

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 regulations
   (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 fraudulent, bribery, and other such conduct that violates corporate ethics
Framework for Promotion of Supply Chain Management

Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP)* strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aims to achieve the lowest cost ratio ever starting in fiscal 2021. In this effort, we will develop and promote the following measures 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 WS21II 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

Framework for promotion of supply chain management

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

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

The Mitsubishi Electric Group aims for transparency in its 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.

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></td>
<td>91 companies (No applicable countries)</td>
<td>42 companies (No applicable countries)</td>
<td>48 companies (No applicable countries)</td>
<td>156 companies (of which, 2 companies from applicable countries*)</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.
4. 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 rate of green accreditation certification among suppliers (Mitsubishi Electric)

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>Event</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.
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.

FY2020 Activity Results

Philanthropic Activity Expenditures
Approx. 1.11 billion yen

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

Total donations using the matching gift program:
Approx. 34 million yen

Satoyama Woodland Preservation activities:
81 sessions

Mitsubishi Electric Science Workshop held:
76

Japan

Overseas

CSR Committee

SOCIIO-ROOTS Fund

Manufacturing Works

Affiliates

Philanthropic Foundations

America

Thailand

Affiliates

Community-based activities

Social Welfare
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 3,000 social welfare facilities.

Global Environmental Conservation
We encourage our employees to participate in the Satoyama Woodland Preservation Program for reforesting 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.

Science and Technology
In order to nurture children who love science, “Mitsubishi Science Workshops” are held. Children can experience the basic scientific principles while taking part in experiments and crafts there.

Culture and Arts, Sports
We also convey to citizens and people around the world the excitement of culture and sports, which extend on a global scale and bring enjoyment and fulfillment to people's lives.
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 chests 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 grassroots 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 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)