Quality

Basic Policy

The Mitsubishi Electric Group conducts business under the Purpose, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity." This Purpose inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) set out when Mitsubishi Electric was established with regard to "our contribution to social prosperity," "quality improvement," and "customer satisfaction," and forms the basic spirit of our relationship with society and our customers.

To give concrete shape to this basic spirit, employees perform their work according to "Our Values," which teach us to develop relationships based on strong mutual trust, ensure the satisfaction of society and customers by providing products and services of the best quality, and provide society with new value by enhancing our technology and onsite capabilities.

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

Four Basic Quality Assurance Principles

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

<Four Basic Quality Assurance Principles>

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

Product Safety-related Principles

Based on the “Purpose” and “Our Values,” the Mitsubishi Electric Group promotes initiatives to ensure product safety under the following principles:

<Product Safety-related Principles>

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

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

At the same time, our Service Call Center and Customer Relations Center in Japan operates 24 hours a day, 365 days a year to gather information on product-related issues and enable prompt response. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.
Quality Assurance and Improvement Activities

System for Quality Assurance and Improvement Activities

Based on the Four Basic Quality Assurance Principles, we ensure compliance with quality assurance legislation and standards, and we have established a system for quality assurance and improvement throughout the entire Group, including the appointment of a quality assurance manager at all business group headquarters. We have also formulated quality assurance guidelines and are further developing our quality improvement activities. Moreover, at the Executive Officers Meetings, we regularly report our quality status to senior executives.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement initiatives in relation to quality assurance measures for business processes, from market surveys through to development and design, manufacturing, distribution, maintenance and servicing after shipping and product disposal.

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.

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 business processes—including manufacturing as well as maintenance and servicing after shipping—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, design, manufacturing, and service departments.

With regard to development and design in particular, we have developed human resources (key persons who incorporate customer feedback into product quality) who are capable of assessing customer requests and basic product functions as well as executing and driving designs that ensure and guarantee functionality, stability, safety and reliability (the process of incorporating and designing quality), and we have assigned them to relevant departments in Japan. These human resources improve our development and design quality by ensuring all parties involved are familiar with the elemental technology guidelines necessary for ensuring quality.

As for procured products, we have been working to improve quality in collaboration with our suppliers, who are important partners of the Mitsubishi Electric Group, by asking them to understand our policy that gives top priority to quality.

In order to ensure the realization of a culture that gives top priority to quality, we have been repeatedly providing education on Mitsubishi Electric’s basic policy (mission) through e-learning. We review the educational content every year in light of changes in the Mitsubishi Electric Group’s situation. Furthermore, we have been improving quality awareness by efforts such as continuing to provide level-specific training and lectures during company-wide meetings.

We conduct DQ small group activities,* which are a means to solve problems in the workplace, tackle challenges, and provide education and training in all business processes within the Group, including those of affiliates inside and outside Japan, in order to improve the quality of products and services, management, culture, and so on.

With regard to product defects, we have also built a database for sharing quality-related information. It consists of detailed information provided by employees on past problems, lessons learned, explanations, and examples of improvements that have been made. We have also added content summarizing the rules and principles regarding common factors of defects as an attention reminder and use it across the entire Group along with the database, which has 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 installed a “quality room” in each office for the display of actual quality defects found in products in the past to supplement our employee education.

* The designation of a quality circle within the Mitsubishi Electric Group which has been formed by adding DQ, the initial letters of “Diamond Quality,” to “small group activities.”
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.

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.

Safety sensor & audio support

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

Easy to understand information display

Other “RakuRaku Assist” products (In Japanese text)
UD-Checker, the universal design evaluation system

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

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

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 2021, following the International Association for Universal Design (IAUD)'s evaluations of Mitsubishi Electric's continuous long-term efforts in universal design, we won a total of six awards at the IAUD International Design Awards. The accolades included the Gold Award for AXIEZ-LINKs elevators as well as a Silver Award for Terasu Guide and others. Going forward, Mitsubishi Electric aims to continue creating universal design products that take ingenious approaches and consider various perspectives across a broad range of fields.

Improving Customer Satisfaction

Basic Policy
Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding. Inheriting this spirit, we collect feedback from our customers through customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into 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.
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

![Diagram of three types of customer satisfaction]

- Transportation
- Communication
- Entertainment

Three Types of Customer Satisfaction

- **Products**
- **Sales**
- **Service**

Customer checkpoints

- Advertising
- Consultation about purchasing
- Purchase
- Installation and use
- Customer inquiries
- Repair service
- Disposal

Before purchase

Enhance customer satisfaction

Increase number of repeat customers

During use

End of product life

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 the 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.

Kirigamine FZ Series room air conditioner MSZ-FZ4021S

The mirA.I.+ moving eye function continuously delivers comfort to users at home.

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.

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 sustainable.

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.

**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.

The showroom attached to the 173-meter-tall SOLAÈ 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 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 can also experience the “function to connect with people” that improves operating efficiency and comfort as well as the “function to connect with the building” for integrating elevators with other building facilities. The building management system zone allows visitors to experience technologies including the latest building management and security systems.
Responding to Product-Related Issues

Basic Policy

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 always 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 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.

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

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

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.

Responding to Product-Related Issues

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

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

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

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

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 materiality (material issues), 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.

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 Sustainability Committee held every year.
**Human Rights Management**

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

**Human Rights Impact Assessment**

The Mitsubishi Electric Group periodically carries out “Human Rights Impact Assessments” in order to identify and assess the impact of the Group’s business activities on human rights.

In fiscal 2019, we conducted the first “Human Rights Impact Assessment” and discovered that such issues as “preventing harassment,” “controlling long work hours,” and “giving consideration toward women and people with disabilities” were high risks at a total of 336 sites, including Mitsubishi Electric, its offices, domestic family companies and overseas family companies. We then provided feedback of the results to relevant departments and requested them to promote improvement activities.

With the understanding that it is important to continuously strive to perceive current circumstances accurately and take on the issues, we will carry out the second “Human Rights Impact Assessment” in fiscal 2022. To carry out the assessment, we will also devise an assessment method to further define issues that the Mitsubishi Electric Group has.

**Initiatives Related to Employees’ Human Rights**

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

- **Labor Practices**

**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).

- **Supply Chain Management**

**Response to the UK’s Modern Slavery Act and Australian 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.

Likewise, Mitsubishi Electric Australia submitted a Modern Slavery Statement to the Australian authorities in response to the Modern Slavery Act enforced in Australia on January 1, 2019.

- [Statement by Mitsubishi Electric Europe B.V.](#)
- [Statement by Mitsubishi Electric Air Conditioning Systems Europe Ltd.](#)

**Ensuring Personal Information Protection**

In order to balance the usability of personal information while respecting the right to privacy, namely a key human right, the Mitsubishi Electric Group is promoting personal information protection initiatives as per rules based on the eight privacy principles defined in the OECD Privacy Guidelines.

- [Activities for Personal Information Protection](#)

**Human Rights Education**

**Human rights training**

- At Mitsubishi Electric, in addition to the implementation of the second “Human Rights Impact Assessment,” we will create and distribute educational materials with the themes of the circumstances surrounding the implementation of the assessment and fundamental knowledge related to human rights for employees involved in sustainability at Mitsubishi Electric and at domestic family companies to deepen their understanding on global trends regarding human rights issues as well as international human rights norms. For overseas family companies, we also create training materials in English and Chinese.

- For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In fiscal 2021, we conducted a group training session related to human rights and harassment in each office for 833 new employees and 478 newly appointed managers.

**E-learning**

Since fiscal 2019, we have been conducting a sustainability-related e-learning program that includes themes on human rights for employees of Mitsubishi Electric and domestic family companies. In fiscal 2020, we created the English version of contents and conducted the program at overseas family companies as well. We plan to continue to conduct the program on a regular basis while revising the contents based on sustainability and human rights trends.
We publish commentaries with the theme “What are human rights?” in the company and Group newsletters several times a year. The latest commentaries, “Provision of human rights consultation” and “Impacts of the Japanese government’s ‘National Action Plan (NAP) on Business and Human Rights,’” were published in the August 2020 and April 2021 issues, respectively. We will continue raising employee awareness of human rights at the Mitsubishi Electric Group.

**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. Approximately 2,200 employees attended lectures, including online sessions, and approximately 38,000 employees participated in an e-learning program (as of the end of March 2021). We encourage the participants to ask people with disabilities if they need any help and to provide support. We also teach them the importance of understanding the difference between oneself and others (values and views) and engaging in appropriate communication.

**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 particular, 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, and all employees participate every year. In fiscal 2021, we conducted a training session related to harassment, in each office, for 833 new employees, 478 newly appointed managers, and 819 recruit-training instructors.

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 power harassment and sexual harassment, including harassment against people of the same sex and LGBTQ people, 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 have deployed this harassment training program to family companies as well and all the employees of domestic family companies participate in harassment prevention training programs that are implemented in line with the Mitsubishi Electric Workplace Reform Program.

**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 sustainability" and "Other Inquiries" on the Mitsubishi Electric Group official website | • Inquiries regarding the Mitsubishi Electric Group’s sustainability  
• Other various inquiries regarding the Mitsubishi Electric Group’s business activities | <Japanese>  
• Inquiries on sustainability  
• Other Inquiries  
• Global (Japanese)  
• Inquiries on sustainability  
• Other Inquiries |
| Mitsubishi Electric employees, family companies employees**, suppliers to Mitsubishi Electric*** | Ethics observance hotline | Whistleblowing or consultation regarding organized or individual employees’ fraud, legal violation, act of breach of ethics | Internal points of contact/external points of contact (lawyers) *2*3 |
| Mitsubishi Electric employees | Points of contact for consultation on sexual harassment, power harassment, etc. | Whistleblowing/consultation on various types of harassment in Mitsubishi Electric’s workplace | Human Resource Div. at each office of Mitsubishi Electric |

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

### 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 2021, we had an opportunity to hold discussions with Takeshi Shimotaya from Sustainavision, where we received advice on assessment that includes supply chains and engagement with suppliers and employees.
Labor practices

Basic Policy on Human Resources

Basic Policy

Under the Purpose, Our Values, and Commitment, which were revised upon the company’s celebration of its 100th anniversary, Mitsubishi Electric continues to endeavor to create changes with the goal of contributing to the realization of a vibrant and sustainable society by solving diversified social issues. To further strengthen the management foundation that has been built up over 100 years and promote the offering of integrated solutions enabled by business model transformation, the company aims to acquire human resources who have diverse values and abilities. We will actively promote the hiring of women in particular in accordance with the action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace.

At group companies in Japan, we plan to continue hiring individuals from the perspective of strengthening business operations, technological development capabilities, sales capabilities, and manufacturing capabilities.

Purpose

Active Employment on a Continuous Basis

Mitsubishi Electric plans to employ a combined total of 930 new graduates in October 2021 and April 2022. The Mitsubishi Electric Group, which celebrated its 100th anniversary in February 2021, will promote the hiring of human resources who have diverse values and abilities so that they may lead our corporate growth over the next 100 years and contribute to the realization of a vibrant and sustainable society.

Recruitment plan of the Mitsubishi Electric Group (as of March 2021)

1. New graduates

<table>
<thead>
<tr>
<th>Segment</th>
<th>October 2019 and April 2020 (result)</th>
<th>October 2020 and April 2021 (projection)</th>
<th>October 2021 and April 2022 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering positions</td>
<td>660</td>
<td>560</td>
<td>530</td>
</tr>
<tr>
<td>Sales &amp; administrative positions</td>
<td>200</td>
<td>170</td>
<td>190</td>
</tr>
<tr>
<td>Technical positions</td>
<td>300</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td>Mitsubishi Electric</td>
<td>1,160</td>
<td>940</td>
<td>930</td>
</tr>
<tr>
<td>Group companies in Japan</td>
<td>1,500</td>
<td>1,370</td>
<td>1,300</td>
</tr>
<tr>
<td>Total</td>
<td>2,660</td>
<td>2,310</td>
<td>2,230</td>
</tr>
</tbody>
</table>
2. Data for Mitsubishi Electric Corporation

(As of March 31, 2021)

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time employee</strong></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36,162</td>
</tr>
<tr>
<td>Male</td>
<td>32,346</td>
</tr>
<tr>
<td>Female</td>
<td>3,816</td>
</tr>
<tr>
<td><strong>Temporary staff</strong></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,838</td>
</tr>
<tr>
<td>Male</td>
<td>4,179</td>
</tr>
<tr>
<td>Female</td>
<td>2,659</td>
</tr>
</tbody>
</table>

(As of March 31, 2021)

<table>
<thead>
<tr>
<th>Segment</th>
<th>No. of employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Electric Systems</td>
<td>9,741</td>
</tr>
<tr>
<td>Industrial Automation Systems</td>
<td>10,654</td>
</tr>
<tr>
<td>Information &amp; Communication Systems</td>
<td>4,018</td>
</tr>
<tr>
<td>Electronic Devices</td>
<td>2,084</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>5,212</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Common</td>
<td>4,453</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36,162</td>
</tr>
</tbody>
</table>

Starting Salary at Mitsubishi Electric

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly wage (yen)</th>
<th>Compared to the minimum wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school graduate</td>
<td>169,000 yen</td>
<td>104%</td>
</tr>
<tr>
<td>Technical high school graduate</td>
<td>192,000 yen</td>
<td>118%</td>
</tr>
<tr>
<td>College graduate</td>
<td>217,000 yen</td>
<td>133%</td>
</tr>
<tr>
<td>Graduate school graduate</td>
<td>241,000 yen</td>
<td>148%</td>
</tr>
</tbody>
</table>

*Minimum wage is calculated based on the minimum wage for Tokyo Prefecture as of March 2021 (1,013 yen per hour), working 20 8-hour days per month. There are no regional or gender disparities in wage among similarly qualified employees at the same level.

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.

Group companies 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.

Notification of secondments and transfers within and outside the organization

In the labor contract established with the Mitsubishi Electric labor union, Mitsubishi Electric has stipulated that the company will swiftly notify the labor union of secondments and transfers of employees within and outside the organization for business reasons. The contract states that, particularly when large numbers of employees will be seconded or transferred within or outside the organization, Mitsubishi Electric will consult with the labor union regarding the basic terms.

NOTES:
1. "Employees" refers to all personnel who are working.
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.
Workforce Diversity

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

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

* Career management & Personal life well-balanced Plan

Women's Participation
In 2016, with the aim of realizing a society in which women can fully embody their individuality and abilities, the Act on Advancement of Women’s Activities, which stipulates the responsibilities of the national government, local governments, and general employers in promoting female participation, was enacted. Mitsubishi Electric formulated an action plan based on this law and set the following targets. To achieve these targets under the current action plan, measures such as systematic training of young employees and proactive dissemination of information regarding various support systems for balancing work and family life have been created.

Mitsubishi Electric’s Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (Target: FY2026)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of woman in management</td>
<td>2 times (Compared to FY2021)</td>
</tr>
<tr>
<td>Percentage of newly hired women</td>
<td>1.2 times (Compared to the average from FY2017 to FY2021)</td>
</tr>
<tr>
<td>Percentage of men on childcare leave*</td>
<td>70%</td>
</tr>
</tbody>
</table>

* Includes those who obtained special leave for childcare purposes

Initiatives for Even Greater Participation of Women
Career forum for young woman employees
A career forum is offered to young woman employees to actively inspire them to form a career vision that considers work-life integration. 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.

Recruitment to promote women’s participation: 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 in the company’s Action Plan, pursuant to the Act on Promotion of Women’s Participation and Advancement in the Workplace.

<table>
<thead>
<tr>
<th>Ratio of women among new recruits (Mitsubishi Electric)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>Administrative</td>
</tr>
<tr>
<td>Engineering</td>
</tr>
</tbody>
</table>

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 employees 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 group 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 205 consolidated group companies in Japan and overseas, employing some 53,000 overseas employees, which corresponds to 36% 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 plans.

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.

While these programs for FY2021 were canceled due to restrictions on entry into Japan and restrictions on movement within Japan as a result of COVID-19, Mitsubishi Electric will continue to work to achieve workforce globalization.

Training program for employees at overseas group companies

In addition to exchanges that take place during technical and skills training programs at manufacturing sites (plants), selected managers from overseas group 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.

While training programs in FY 2021 were cancelled due to the restrictions on entry into Japan as a result of COVID-19, a new online training program will be launched in FY 2022.

Trend in the number of people from overseas participating in training programs held in Japan (FY2012-FY2021)

<table>
<thead>
<tr>
<th>Year</th>
<th>MGE</th>
<th>GMW</th>
<th>WKP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>—</td>
<td>13</td>
<td>—</td>
<td>13</td>
</tr>
<tr>
<td>2013</td>
<td>—</td>
<td>18</td>
<td>17</td>
<td>35</td>
</tr>
<tr>
<td>2017</td>
<td>8</td>
<td>23</td>
<td>44</td>
<td>75</td>
</tr>
<tr>
<td>2018</td>
<td>5</td>
<td>26</td>
<td>59</td>
<td>90</td>
</tr>
<tr>
<td>2019</td>
<td>7</td>
<td>29</td>
<td>91</td>
<td>117</td>
</tr>
<tr>
<td>2020</td>
<td>—</td>
<td>30</td>
<td>105</td>
<td>145</td>
</tr>
<tr>
<td>2021</td>
<td>—</td>
<td>30</td>
<td>105</td>
<td>145</td>
</tr>
</tbody>
</table>

*MGEP: Mitsubishi Electric Global Executive Program
GMW: Global Management Workshop
WKP: Workshop for Key Personnel

Overseas dispatch training

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

In FY 2021, this type of training was cancelled due to the restrictions on entry into foreign countries as a result of COVID-19. We will work to restart the program in FY 2022 after carefully examining the circumstances in destination countries and regions.

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

In FY 2021, this program was halted due to the restrictions on entry into foreign countries as a result of COVID-19. However, we will continue to foster human resources that can thrive on the global stage.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>86</td>
<td>95</td>
<td>Cancelled due to the impact of COVID-19</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, childcare, 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 FY 2021 as a support measures for employees to consider and achieve their own career plans and life plans even more independently.

The Career Support Program features a “Career Support Leave System” that enables employees to take leave for self-improvement, volunteer activities, or to accompany their spouse who has been transferred to an overseas site, and a system that excludes them from transfers that require relocation for up to three years for employees who have difficulty relocating due to childcare, nursing care, or treatment for illness, etc.

Providing Diverse Employment Formats for Older Employees

In Japan, Mitsubishi Electric instituted various multi-track personnel systems in FY 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.

In April 2021, we introduced a rehiring system that allows for extended employment up to age 70. We will continue to build an environment in which older workers with a wealth of experience and skills can work actively.

Furthermore, 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.
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 engagement. Mitsubishi Electric believes that increasing employee engagement 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. In fiscal 2021, such interviews were carried out for 94% of employees.

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 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.

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 the Mitsubishi Electric Group to create a working environment where all employees can work actively while maintaining good physical and mental health.

<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 are implementing preventive measures, including new initiatives. After implementing all measures in the program, their impacts were verified through third-party assessments by experts. A Verification Committee comprised of representatives from the company, labor union, and external experts was consulted regarding the assessment results. Based on the recommendations, short-term priority measures (e.g., the adoption of the Five Joint Statements on Labor and Management and the introduction of 360-degree feedback) and long-term measures were implemented. To verify the effectiveness of these measures, assessment indicators and indicator monitoring will be implemented.

The Group continues to consider 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.

- Dec 21, 2020
  - New Initiatives to Prevent Recurrence of Work-related Issues
- 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

The Mitsubishi Electric Group is taking 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. The measures to be implemented and applied in FY2021 have been completed, and this program will continue to be strongly promoted in FY2022 and beyond as a project directly overseen by the President, and each measure will be implemented continuously.

We are implementing a variety of measures especially with regard to creating a workplace with zero tolerance for power harassment. In addition to implementing anti-harassment education for all employees, we conduct a monthly employee awareness survey of all employees to check for workplace harassment and whether employees have any problems with their interpersonal relationships in the workplace in order to identify, respond, and improve upon problems at an early stage. If an employee reports harassment, the employee is invited to an interview and measures are taken to correct the situation. We aim to create a better workplace culture and environment by steadily implementing these measures.

Furthermore, in February 2020, we introduced a service that allows employees to talk with external counselors to expand their options to ask for help. This service has been used 163 times as of March 2021, thus contributing to the creation of an environment in which employees can easily seek assistance.

### Progress of the Mitsubishi Electric Workplace Reform Program

<table>
<thead>
<tr>
<th>Item</th>
<th>Initiatives</th>
<th>Performance for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Enhance education on harassment such as power harassment, and strengthen evaluation when assigning leaders including managers</td>
<td>100% participation rate (including group companies). Education will continue to be conducted in FY2022.</td>
</tr>
<tr>
<td>(2)</td>
<td>Engage in quantitative workplace analysis through attitude surveys and ongoing improvement based on analysis results</td>
<td>Survey completed in June 2020. Improvement measures based on the survey results are in progress. Research will be conducted again in June 2021.</td>
</tr>
<tr>
<td>(3)</td>
<td>Enhance measures to identify and address the workload and mental condition of individuals at an early stage</td>
<td>Ongoing for all employees since July 2020</td>
</tr>
<tr>
<td>(4)</td>
<td>Engage in thorough and appropriate care of employees with mental health issues</td>
<td>The number of follow-up interviews has been increased since FY 2020</td>
</tr>
<tr>
<td>(5)</td>
<td>Enhance consultation channels (establishment of multiple channels), etc.</td>
<td>In operation since July 2020</td>
</tr>
</tbody>
</table>

2. Training program to enhance people’s capabilities to successfully address stress and adverse circumstances and recover.
Based on the results of a third-party evaluation of recurrence prevention measures implemented in FY2021 and Assessment Committee discussions, we have summarized the short-term priority measures to address the issues to be resolved in FY2022, starting with the recurrence prevention measures that have been implemented to date, and long-term measures for realizing a work environment in which all employees can work actively and engage more easily. Following the newly established roadmap, we will steadily implement each measure in order to further improve the workplace environment over both the short and long terms.

In addition, key performance indicators (KPIs) for job satisfaction and work-life balance will be set and monitored regularly to ensure they are reflected in our activities. These activities will be continuously improved and reviewed through the PDCA cycle in order to realize a workplace environment in which employees can thrive.

With regard to preventing problems, we will clearly communicate the company’s stance of “never tolerating harassment” and “realizing a harassment-free workplace” based on the Joint Statements of Labor and Management adopted in November 2020. To encourage specific behavioral changes, we have also introduced 360-degree feedback to provide managers with an opportunity to evaluate their own behavior and the behavior of others daily. In FY2021, 360-degree feedback was conducted for all executive members and some offices; this will be expanded to all offices starting in FY2022.
Evaluation indicators

<table>
<thead>
<tr>
<th>KPI</th>
<th>Current (FY 2021)</th>
<th>Target for FY 2023</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company)**</td>
<td>63%</td>
<td>70%</td>
<td>Always 80%</td>
</tr>
<tr>
<td>Percentage of employees who responded that they had a good work-life balance</td>
<td>66%</td>
<td>70%</td>
<td>Always 80%</td>
</tr>
</tbody>
</table>

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

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 though messages from the President to employees and other activities, while establishing an environment for efficient business operation; for example, by distributing laptop PCs to all employees, enhancing online meeting facilities, expanding the work-from-home program, expanding IT use, and enriching the IT environment. 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, employees’ working hours have been significantly reduced. 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" - 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.

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 14% from fiscal 2018, and the number of employees whose working hours exceeded 80 hours and were thus subject to health management was reduced by 99%. According to the employee attitude survey in fiscal 2021, the percentage of employees who responded that they had a good work-life balance has remained stable in the range of 60 to 70%. Mitsubishi Electric will continue to reduce working hours and to strive to realize better work-life balance.

"Work Style Reforms" internal poster (As of June 29, 2021)
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
   - Promote the elimination of paper documents throughout the company
   - Providing mobile terminals to employees in all offices where they need them
   - Implementing online conferences for meetings between remote offices and reduction of business trips
   - Realizing flexible working styles by expanding the work-from-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

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

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. We believe that communicating company policies directly to employees and broadly gathering employee feedback are critical to increasing employee motivation and sense of purpose in work. These measures continue in FY2021 using online tools as we implement appropriate COVID-19 infection precautions.

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.

Support for Flexible Working Styles

Development and implementation of childcare and family-care programs

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 remote work program (work from home), as well as a re-hiring system for employees who have temporarily left the company to provide childcare and family care.

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).

Moreover, in FY2022, we introduced a program whereby employees can apply to change their work location to the place where their spouse is located in order to offer employees the possibility to move in with their spouse when they get married or when their spouse changes work locations, and another program that allows employees who are returning from childcare
leave to indicate their preference for a workplace that may involve a transfer.

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.

## 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.

### Work-life balance support measures (Mitsubishi Electric)

<table>
<thead>
<tr>
<th>Life stage</th>
<th>Marriage</th>
<th>Pregnancy</th>
<th>Childbirth</th>
<th>Child(ren)</th>
<th>School (elementary/secondary)</th>
<th>Graduation</th>
<th>Retirement</th>
<th>Re-employment</th>
<th>Career leave</th>
<th>Flextime</th>
<th>Exclusion from transfer requiring relocation for a certain period</th>
<th>Program to apply for changes in work locations</th>
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<tbody>
<tr>
<td>Reduced working hours during pregnancy (women only)</td>
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<td>Consideration of break time during pregnancy</td>
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<td>Loan system for childbirth</td>
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<td>Lump-sum allowance for childbirth and childcare</td>
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<td>Employment allowances (except the specialist)</td>
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<td>Childbearing time (women only)</td>
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<td>Benefits during childcare leave (Mitsubishi Electric Ryoyukai)</td>
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<td>Reduced working hours for childcare</td>
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<td>Special paid leave (self-support leave)</td>
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<td>Nursing absence</td>
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<td>Remote work program (work from home)</td>
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<td>Hourly leave system</td>
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<td>Re-employment system</td>
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<tr>
<td>Family preparation program (time off for fertility treatment)</td>
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<td>Career leave</td>
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</tbody>
</table>

(As of April 2021)

### Diamond Kids Shonan

- **Location**: 5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture
- **Within the Information Technology R&D Center**

### Diamond Kids Itami

- **Location**: 6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture
- **Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO**

<table>
<thead>
<tr>
<th>Name</th>
<th>Diamond Kids Shonan</th>
<th>Diamond Kids Itami</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture</td>
<td>6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture</td>
</tr>
<tr>
<td>Facility area</td>
<td>Floor space: approx. 100m²</td>
<td></td>
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<tr>
<td>Enrollment capacity</td>
<td>Approx. 10 children</td>
<td></td>
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<tr>
<td>Children’s ages</td>
<td>Ages 0 (children over 57 days old) up to enrollment in primary school</td>
<td></td>
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<tr>
<td>Eligibility</td>
<td>Mitsubishi Electric employees</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.

Remote work program (Work from home)
From fiscal 2021, employees became able to use the program for reasons beyond caring for children or elderly family members, including for the purpose of improving the efficiency and productivity of work and promoting work-life balance.

In fiscal 2022, the program was expanded to all employees in order to create an environment that enables flexible work styles.

<table>
<thead>
<tr>
<th>Utilization status of childcare and family care programs (by Mitsubishi Electric employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees who have taken a leave</td>
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<tr>
<td>Childcare leave</td>
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<tr>
<td>Acquisition rate of leave of absence (%)</td>
</tr>
<tr>
<td>Reduced working hours for childcare</td>
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<tr>
<td>Reduced working hours during pregnancy</td>
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<tr>
<td>Family care leave</td>
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<tr>
<td>Reduced working hours for family care</td>
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<tr>
<td>Prenatal and postnatal absence</td>
</tr>
<tr>
<td>Paternity leave</td>
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<tr>
<td>Nursing absence</td>
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</tbody>
</table>

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

The Mitsubishi Electric Group’s training system for all employees, including those of group 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 while proactively holding online seminars. Off-the-job training consists of conveying 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.

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 engineers 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 technicians.”

Ensuring Occupational Safety & Mental and Physical 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 Safety and Health Five-Year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, to annually create a company-wide safety and health management policy by which we implement specific activities toward achieving annual targets. This program has been rolled out to our group companies in Japan and overseas who also engage in health and safety management activities in line with relevant laws, national 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 group companies in Japan and overseas cooperate in exchanging information, engage in education activities, and implement various safety and health 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 management status inspections, and laterally disseminating case reports of disasters and countermeasures developed through root cause analysis.

**Occupational Safety and Health Management System**

In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office runs PDCA cycles for safety and health activities by implementing system audits based on the Mitsubishi Electric Group’s requirements for safety and health management on foundation management and items to be individually managed. These requirements range from the development of policy and management frameworks in each office governed by a safety and health supervisor to the implementation of risk assessment and other accident prevention activities through education to improve employee awareness of safety and health management.

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)
**“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 group 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 group companies 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 group companies 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 group companies in Japan, we aim to revitalize Group activities as a whole in Stage III.

Our group companies 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</th>
<th>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 Fourth year (FY2021)</th>
<th>Stage III Target (FY2018~FY2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People maintaining proper body weight*1</td>
<td>73.0%</td>
<td>71.7%</td>
<td>70.4%</td>
<td>68.0%</td>
<td>73% or more</td>
<td></td>
</tr>
<tr>
<td>People who have an active lifestyle*2</td>
<td>11.7%</td>
<td>16.2%</td>
<td>24.1%</td>
<td>27.4%</td>
<td>39% or more</td>
<td></td>
</tr>
<tr>
<td>Smokers</td>
<td>40.0%</td>
<td>27.6%</td>
<td>24.7%</td>
<td>21.6%</td>
<td>20% or less</td>
<td></td>
</tr>
<tr>
<td>People who brush their teeth three times a day or more</td>
<td>13.3%</td>
<td>20.5%</td>
<td>22.5%</td>
<td>27.0%</td>
<td>25% or more</td>
<td></td>
</tr>
<tr>
<td>People who get enough sleep and are well rested*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>71.5%</td>
<td>85% or more</td>
<td></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 2021 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 as well as an online counseling program provided by an employee assistance program (EAP*), it covers domestic group 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 (Committee to Promote Mental Health) 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 absence 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.), such as creating an environment where the workplace as a whole can provide support for smoothly returning after a long leave. 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 group companies in Japan also provide safety and health treatment facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their workplace, 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 our 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.

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*Mitsubishi Electric Guidelines for Return-to-Work Support

1. Stress checks, mental health checks
2. Appropriate employment management (restrictions on work)
3. Line care training for managers and supervisors (location training, company-wide e-learning)
4. Care provided by occupational health staff
   - Counseling service with counselors and clinical psychologists
   - Support for employees working overseas
   - Interviews with occupational physicians based on health management
5. Care provided by resources outside the office
   - Counseling service through an external EAP (Follow-ups for high-stress employees, cooperation in emergencies)
   - Post-work e-mail, telephone, online, and face-to-face counseling for consolations

Stress checks, mental health checks

Physiological health checks

Cooperation among occupational physicians/health nurses (nurses) and the human resources and safety & health divisions.

Support for those on leave (pamphlets on recovery)

Interviews during leave and after returning to work

Mental health initiatives (Mitsubishi Electric)

* 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.
Supply Chain Management

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group’s Purchasing Policy and CSR Procurement Policy (Sustainability Procurement Policy), and requesting business partners’ understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the Group, procurement risks are also mitigated along the supply chain.

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

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 sustainability policies and matters for compliance by our business partners. We are approaching all business partners to verify their agreements 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 fraudulence, bribery, and other such conduct that violates corporate ethics

Framework for Promotion of Procurement Supply Chain Management

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

The Mitsubishi Electric Group aims for transparency in its procurement supply chain to avoid any affiliation with armed groups that trade in conflict minerals 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, and removes certain minerals from the procurement supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

*1 Conflict minerals refers to gold, tin, tantalum, 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)*1 or the Cobalt Reporting Template (CRT)*2) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2021, surveys were carried out on 717 suppliers, and responses in survey form were obtained from 639 of these suppliers, which include 491 suppliers for which we have been able to identify all smelters. In addition to continuing to request suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals.

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

*2 Cobalt Reporting Template issued by the Responsible Minerals Initiative

<table>
<thead>
<tr>
<th>Number of smelting companies identified in a survey of conflict minerals and their list in FY2021</th>
<th>(Number of smelting companies identified: 364 companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tin</td>
<td>Tantalum</td>
</tr>
<tr>
<td>108 companies (of which, 1 company is from an applicable country)*</td>
<td>43 companies (No applicable countries)</td>
</tr>
</tbody>
</table>

List of smelters identified in the FY2021 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.

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

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

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
Strengthening Sustainability Initiatives along the Procurement 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 sustainability 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.

CSR Procurement Guideline

Note that we plan to integrate the CSR Procurement Guideline and the Green Accreditation Guideline to create the Sustainability Procurement Guidelines.

We have raised the following points as the core activity objectives of fiscal 2022.

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). From fiscal 2019 to 2021, we received signatures for the consent forms for the CSR Procurement Guidelines from a total of about 2,800 suppliers. We will work to obtain the forms from all suppliers that have yet to respond.

2. Continuing activities aimed at understanding and mitigating serious human rights risks in the procurement supply chain
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.

Survey on Foreign Technical Intern Trainees

3. Building a mechanism for handling grievances for the entire procurement 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.

- Human rights management
- (About) Procurement activities

4. Decarbonization in the procurement supply chain
The Environmental Sustainability Vision 2050 aims to achieve decarbonization of the entire value chain. We will grasp the level of reduction in CO2 emissions generated during production by suppliers and call for further reductions.

Environmental Sustainability Vision 2050

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 procurement supply chain. Additionally, new suppliers are asked to submit their agreement to comply with the CSR Procurement Policy 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.
Important requests to suppliers

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 Sustainability 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, 2021)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing suppliers</td>
<td>696</td>
<td>1,201</td>
<td>455</td>
<td>511*</td>
</tr>
<tr>
<td>New suppliers</td>
<td>25</td>
<td>60</td>
<td>97</td>
<td>69</td>
</tr>
<tr>
<td>Response rate</td>
<td>99%</td>
<td>96%</td>
<td>82%</td>
<td>88%</td>
</tr>
</tbody>
</table>

1 Total number of suppliers: Approx. 10,000 companies (includes about 2,500 suppliers that were among the top 80% of purchases)
2 We conducted surveys for all of the above suppliers (about 2,500 companies) in the three-year period between 2017 and 2019.
3 The above figures include the cases where the companies resubmitted their survey response after receiving the improvement instructions.
* The above figures include 74 companies who were surveyed in fiscal 2020 and failed to pass the criteria or have not responded to the survey. The Mitsubishi Electric Group suspended transactions with 5 companies who have yet to gain Green Accreditation among the suppliers surveyed in fiscal 2020. The breakdown of these 5 companies is as follows: 2 failed to pass the Green Accreditation criteria, 1 needed to correct their CSR activities, and 2 failed to respond.
Responses to the Green Accreditation/CSR Procurement survey form
(domestic and overseas affiliated companies of Mitsubishi Electric)
(As of April 7, 2021)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveyed suppliers</td>
<td>1,378</td>
<td>595</td>
<td>1,169</td>
<td>1,080</td>
</tr>
<tr>
<td>Response rate</td>
<td>94%</td>
<td>60.5%</td>
<td>74%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Signatures for the CSR Procurement Guidelines consent forms in FY 2021
(As of April 7, 2021)

<table>
<thead>
<tr>
<th>Item</th>
<th>Mitsubishi Electric</th>
<th>Domestic and overseas affiliated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested companies</td>
<td>639 companies</td>
<td>2,469 companies</td>
</tr>
<tr>
<td>Responses received (rate)*</td>
<td>570 companies (89%)</td>
<td>2,031 companies (82%)</td>
</tr>
</tbody>
</table>

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

Not certified 5%
Certified 91%

FY 2021 rate of green accreditation certification among suppliers
(Mitsubishi Electric)

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.
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 Value Engineering (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 and external 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.

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 sustainability initiatives at their companies as well. In fiscal 2021, we refrained from holding any large seminars to prevent the spread of COVID-19. Instead, we are holding online seminars using Microsoft Teams.

We will continue to 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.

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>

Guidance on multilingualization of dangerous materials (Gunma Works)

Doorways and evacuation routes (Gunma Works)
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 procurement 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.

Compliance education related to procurement in the Thailand region

Review Meeting for CSR Promotion in the Supply Chain
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.

Community-based activities

Global Environmental Conservation

Science and Technology

Culture and Arts, Sports

Four Key Areas

Communities that develop next-generation human resources

Philanthropy Promotion Framework

As part of the Group’s Sustainability 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.

Support for COVID-19 Measures

Here are some of the main activities supported by the Mitsubishi Electric Group in response to the COVID-19 pandemic. The Group will continue to support activities like these.

- Support for organizations that help prevent the spread of infection and organizations that support medical personnel (90 million yen)
- Donations by the Mitsubishi Electric SOCIO-ROOTS Fund to organizations that support children and families facing difficulty (approx. 20 million yen)
- Provision of educational support for children by making the content of Science Workshops available free of charge
- Support for medical mask distribution (100,000 masks)
- Production of face guards for workers and donation to neighboring municipal governments (10,000 guards)
- Donation of air purifiers to welfare facilities by the SOCIO-ROOTS Fund
- Making company facilities available to local governments as venues for vaccination clinics
- Support for the Hubei Red Cross Society from Mitsubishi Electric (China) Co., Ltd. (1 million yuan)
- Financial support for Italian medical institutions from Mitsubishi Electric Europe B.V. (Total 200,000 Euro)
- Support for local organizations from the Mitsubishi Electric America Foundation (1.3 million dollars)
- Support for healthcare from the Mitsubishi Electric Thai Foundation (2.4 million baht)
- Support for local pandemic measures and donation of infrared thermal scanners to a public health bureau (India)
- Donation of protective clothing, safety goggles, and sanitizers to medical facilities (Indonesia)
- Donation to a fund that supports frontline healthcare professionals (Singapore)
- Donation of air purifiers and air conditioners to a facility for people with disabilities (Spain)

Philanthropic Activity Expenditures

Approx. **7.0** billion yen

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

Mitsubishi Electric SOCIO-ROOTS Fund

— Overview —
The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2021, the Fund has provided more than 1.42 billion yen to some 2,200 various social welfare facilities and programs.

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

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

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

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, 2021, it has donated a sum of 183.5 million yen since the program began in fiscal 2012.
Global Environmental Conservation

Employees participation program “Woodland Preservation Project” “Mitsubishi Electric Outdoor Class”

— 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.

With the Mitsubishi Electric Outdoor Class, employees act as nature leaders and experience nature ecosystems with the local people.

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

— Overview —
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 2020, from the perspective of preventing COVID-19 infectious diseases, activities were carried out using measures such as online classrooms and on-demand distribution of learning content.
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.

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.

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 LeagueⅡ, 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 America Foundation

Summary
Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested $21.8 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 22%, 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 "M>PWR possible" initiative, MEAF is aiming to "empower" youth and young veterans with disabilities to increase their employment* rate. 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 as the foundation’s ACCESSTEAM*. In Fiscal Year 2020-2021, the ACCESSTEAM volunteered more than 9,800 hours to local community organizations.

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

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 U.S. 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 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.

Support for the Prateep Dek Thai project
Oversea Activities
As a company globally expanding of our business, Mitsubishi Electric Group will carry out activities worldwide to contribute to the realization of a vibrant and sustainable society.

Factory Automation Products kits Handing-over Ceremony at Delhi/NCR
Sponsoring the PALAU DE LA MÚSICA (Spain)
Science workshop provided by a local group company (Thailand)
Establishing a robot training facility for engineers in a university (Turkey)
Providing school bags for underprivileged children (Colombia)