

# Corporate Governance

## Basic Corporate Governance Policy

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

## Corporate Management and Governance Structure

### Corporate Management Structure

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

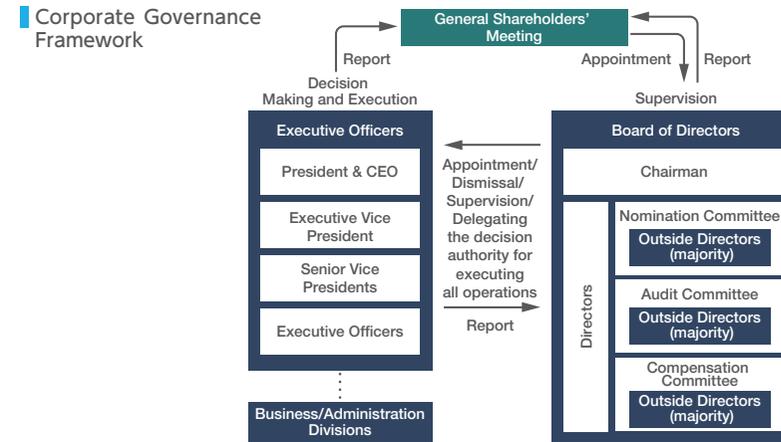
A salient characteristic of Mitsubishi Electric's management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all Executive Officers, are clearly separated. Additionally, neither is included among the members of the Nomination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

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

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

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

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



### Internal Control System

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

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

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

2. Internal regulations and systems to ensure the properness of operations within the Mitsubishi Electric Group are established. Executive Officers take responsibility for constructing such systems within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings.

Executive Officers regularly monitor the status of management of the systems. The divisions in charge of internal control monitor the status of design and management of internal control system and regulations. Also an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the status of management of the system is audited by internal auditors, and the audit results are reported regularly to the Audit Committee via Executive Officers in charge of audit.

## Audit Committee

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

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

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

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

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

In fiscal 2021, Mitsubishi Electric held a regular Audit Committee meeting once a month in principle (and two special meetings). Each meeting would take about two hours. The attendance of each Audit Committee member is as shown below.

Title	Name	Attendance/meetings	Attendance rate
Outside Director(Chairman)	Hiroshi Obayashi	14/14	100%
Director (full-time)	Masahiko Sagawa	14/14	100%
Director (full-time)	Takashi Sakamoto	11/11	100%
Outside Director	Kazunori Watanabe	14/14	100%
Outside Director	Takashi Oyamada	14/14	100%

#### Notes

1. Out of the above members, Masahiko Sagawa and Takashi Sakamoto are responsible for investigation.
2. Because Takashi Sakamoto was appointed as a Director on June 26, 2020, his attendance after his appointment is shown.

### 3. Activities of the Audit Committee members

The Audit Committee members—mainly those responsible for investigation (full-time Audit Committee members)—attend Executive Officers' meetings and other such important conferences, and conduct interviews and surveys of Executive Officers and the executive staff of Mitsubishi Electric offices and affiliates in accordance with the policies and assignments agreed upon the Committee.

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

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

### 4. Agenda of the Audit Committee

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

Especially in fiscal 2021, the Audit Committee focused on checking and verifying how the Mitsubishi Electric Group has strengthened its business foundation including the internal control and compliance systems, improved its profitability toward better performance, lifted cash flow through streamlining its assets, developed new businesses, taken measures against problematic businesses—as well as the monitoring the progress of various initiatives such as contributions to achieve SDGs targets. This has been done to improve the Group's mid-and long-term corporate value.

In recent years, the Mitsubishi Electric Group has identified issues of work-related, information security, and product and service quality. The Audit Committee asked questions and stated opinions after each responsible Executive Officer explained the following: with regard to work-related issues, the Company is promoting the Mitsubishi Electric Workplace Reform Program and working to prevent recurrence; with regard to information security issues, the Company is working to reinforce information security measures based on the analysis of the cause of each issue; and with regard to improper quality-related conduct, the Company is enhancing education to fundamentally reform quality awareness and culture, and strengthening its quality control system with the aim of ensuring compliance with relevant laws, regulations, and contractual specifications. The Audit Committee will continue to closely monitor the progress of these measures to prevent recurrence, in order to ensure their steady implementation.

### 5. Effectiveness evaluation of the Audit Committee

The Audit Committee conducts evaluation to improve performance every year. In the Audit Committee review in fiscal 2021, outside Audit Committee members concluded that the members responsible for investigation (full-time Audit Committee members) periodically report their activity results and that management information is properly shared in a timely manner in the Audit Committee. Although we believe that this evaluation in effect endorses the performance of the Audit Committee, we will continue to make efforts to improve performance.

## Status of Internal Audit

### 1. Organization, members, and procedures for internal audit

An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its affiliates in Japan and overseas by improving management efficiency, strengthening risk management, thoroughly observing the code of corporate ethics and ensuring compliance, and enhancing internal control.

With approximately 60 members acting independently in Japan and overseas, Mitsubishi Electric's Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with extensive knowledge of their particular fields, assigned from relevant business units. The Corporate Auditing Division reports the results of such audits to the President & CEO and the Audit Committee.

### 2. Relationship with the divisions in charge of internal control

In the Mitsubishi Electric Group, the administration divisions such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Compliance Division, and the Corporate Export Control Division inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each business division has its own compliance department, which reliably spreads companywide compliance policies and inspects the compliance status in each business division.

The Corporate Auditing Division internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the establishment of internal whistle-blower system and financial review, and mutually exchanges necessary information with each division in charge of internal control.

### 3. Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit

The Corporate Auditing Division reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

The Corporate Auditing Division also reports internal audit results to the accounting auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

## Providing Directors with Appropriate Information at the Appropriate Time, and Conducting Reviews of the Board with Analyses and Evaluations

In fiscal 2021 we held eight Board of Directors meetings (six ordinary meetings and two extraordinary meetings) to make decisions about important matters such as basic management policy, appointment of Executive Officers, and internal control systems. In

addition, we had Executive Officers report on the details and progress of the fiscal year's management plan, progress of the response to management issues in each business, and important issues deliberated on at Executive Officers' Meetings, and discussed them. This year in particular, the Board held a discussion on devising the medium-term management plan that the Company announced in June 2021. It also deliberated and reported on causes and ways to prevent the reoccurrence of recent issues of work-related, information security, and product and service quality.

Every year, we hold a Board of Directors review to further enhance the functioning of the Board of Directors, based on progress of the matters discussed at the meetings. This year we surveyed the Directors, and the Board of Directors administrative office interviewed the Outside Directors. We then had all Board members discuss, analyze and evaluate the survey results as follows.

- Frequency, scheduling, and time spent on the meetings
- The information supplied in relation to discussions at the meetings (quality and quantity), and how it was provided.
- The status of questioning and discussions at the Board
- The configuration, size, etc. of the Board

As a result, there were many positive reviews about the status of questioning and discussion at the Board of Directors meetings. Specifically, replanning has been properly carried out based on past reviews, and the Board of Directors meetings entailed more liberal discussions and exchanges from many angles than ever before.

The configuration and size of the Board of Directors has been evaluated as being appropriate for monitoring management at this point: Outside Directors consist of individuals with a diverse skills, Non-executive Directors comprise the majority of the Board, and each committee is chaired by Outside Directors, providing independence and objectivity.

Given these evaluations, we judge our Board of Directors as being appropriately managed, and that its functioning is sufficiently secure.

Meanwhile, other views emerged. Namely, Executive Officers' reports are becoming more detailed and discussions are deepening, prolonging meeting times, and it would be preferable to further enhance reporting from corporate divisions to the Board of Directors. As such, it may be worthwhile to hold the Board of Directors meetings more frequently. There were also views calling for better reporting on the progress of initiatives such as those on sustainability and human resource policies, and for continued progress reporting on recent issues regarding work-related, information security, and product and service quality. With these in mind, we are planning to hold ordinary Board of Directors meetings more frequently from fiscal 2022 and have more comprehensive reporting from the Executive Officers and discussions based on their reports.

Going forward, we will continue to hold the Board of Directors reviews to further improve the Board's functioning.

## <Policies Regarding Decisions on Compensation, etc.>

### 1. Basic Policies

- (1) As a Company with a Three-committee System, the Company segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each of the duty and position.
- (2) Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the basic policy of the compensation scheme for Directors is the payment of fixed-amount compensation.
- (3) The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation, based on the following basic policies:
  - 1) The compensation scheme should raise awareness of the contribution to the improvement of the mid- and long-term business performance, and to the enhancement of the Group's corporate value.
  - 2) The compensation scheme should be closely linked with the company's performance and be highly transparent and objective.
  - 3) The compensation scheme should mainly aim at sharing of interest with shareholders and raising management awareness which places importance on the interest of shareholders.
- (4) In order to introduce from the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will employ external compensation consultants, and deliberate the compensation level, compensation scheme, etc. with the support of such consultants, taking into consideration external data concerning compensation in major Japanese corporations developing their businesses globally, the domestic economic environment, industry trends, management conditions, etc.

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

- (1) Compensation for Directors:  
The fixed-amount compensation shall be a monthly fixed amount set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
- (2) Compensation for Executive Officers:
  - 1) The fixed-amount compensation shall be a monthly fixed amount set at a level considered reasonable, while taking into account the contents of the Executive Officers' duties and the Company's conditions, etc.
  - 2) Performance-based compensation shall be paid as indicated below, at a certain period each year.

- The Group strives to achieve sustainable growth and further improvement of corporate value through its threefold balanced management policy of "Growth," "Profitability & Efficiency" and "Soundness." The Group has defined consolidated revenue of ¥5 trillion or more and an operating profit ratio of 8% or more as fiscal 2021 targets. The payment reference amount for performance-based compensation is based on the consolidated business performance such as net profit attributable to Mitsubishi Electric Corp. stockholders, in line with this policy and these targets.
  - Compensation for Executive Officers are set within a range of  $\pm 20\%$  the payment reference amount, reflecting business performance in their respective business segments.
  - With the purposes of meshing the interest of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares. Sharebased compensation consists of Company stocks issued after a three-year deferment period. The Company sets a rule that the Executive Officers are required to continue to hold the Company stocks issued until 1 year has passed from resignation, in principle.
- 3) If the Company achieves the consolidated revenue of ¥5 trillion or more and the operating profit ratio of 8% or more, which are the growth targets for fiscal 2021, the basic composition of the compensation will be as follows: basic compensation 30%, and performance-based compensation 70%, of which the ratio of mid- and long-term incentives (share-based compensation in the performance-based compensation) is 35% of the total compensation. If the consolidated business performance is within the growth targets for fiscal 2021, the percentage of performance-based compensation shall fluctuate between the range of 0% to 70%.
  - (3) Other important matters regarding the decision on details of compensation given to individual Directors, etc.: Regarding the stock compensation of the performance-based compensation of Executive Officers, if there has been any serious breach of responsibilities by the Executive Officer, or if the Executive Officer has resigned for personal reasons against the will of the Company, the Company may confiscate the rights to receive the granting of shares or demand the refund of cash equivalent to the value of the granted shares, etc., from such Executive Officer by resolution of the Compensation Committee. Additionally, if certain grounds arise that materially impact the management of the Company, the Company may reduce the fixed-amount compensation of Executive Officers by resolution of the Compensation Committee.
  - (4) Decision-making process, etc.:  
The Company decides on compensation decision policies for Directors and Executive Officers, and the compensation given to individuals based on these policies, through the Compensation Committee, a majority of which is comprised of Outside Directors. The details of the activities of the Compensation Committee are reported to the Board of Directors on a case-by-case basis. The Compensation Committee meeting was held four times in fiscal 2021.

## Outside Directors

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

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

### <Independency Guideline for Outside Directors>

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

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

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

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the Audit Committee, accounting auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable comments regarding Mitsubishi Electric's management from an objective

perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

### Outside Directors (as of June 29, 2021)

Title	Name	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2021)
Outside Director	 Mitoji Yabunaka	Chairman of the Nomination Committee Member of the Compensation Committee	Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of his career are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2012, he has overseen the Company's business operations, and has also served as Chairman of the Nomination Committee and Member of the Compensation Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (8/8)
Outside Director	 Hiroshi Obayashi	Chairman of the Audit Committee Member of the Nomination Committee	Mr. Obayashi's experience and insights cultivated through the course of his career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2013, he has overseen the Company's business operations, and has also served as Chairman of the Audit Committee and Member of the Nomination Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, legal affairs and compliance, and human resources and human resources development at the Board of Directors and each Committee.	100% (8/8)
Outside Director	 Kazunori Watanabe	Chairman of the Compensation Committee Member of the Audit Committee	Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2015, he has overseen the Company's business operations, and has also served as Chairman of the Compensation Committee and Member of the Audit Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of internal control and governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (8/8)
Outside Director	 Hiroko Koide	Member of the Nomination Committee Member of the Compensation Committee	Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2016, she has overseen the Company's business operations, and has also served as Member of the Nomination Committee and the Compensation Committee. The Company expects her to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, internal control and governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (8/8)
Outside Director	 Takashi Oyamada	Member of the Nomination Committee Member of the Audit Committee	Mr. Oyamada's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2019, he has overseen the Company's business operations, and has also served as Member of the Nomination Committee and the Audit Committee. The Company expects him to oversee the Company's business operations, by using a wide range of experience and insights especially in the fields of corporate management and corporate strategies, internal control and governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (8/8)

Note: Mitsubishi Electric Corporation held eight Board of Directors meetings during fiscal 2021.

# Compliance

## Our Concept of Compliance

### Message from Top Management

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

Dear colleagues,

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

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

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

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

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

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



Kei Uruma  
President & CEO

### Our Concept of Compliance

The Mitsubishi Electric Group recognizes Compliance means always upholding high ethical standards and complying with laws and social norms in order to gain the trust of our stakeholders, which include customers, consumers, business partners, shareholders, employees and society.

We are able to continue our business as a result of the trust from our stakeholders that has been gained throughout our long history of 100 years since our founding in 1921 in Japan.

Non-compliance is any act that betrays the trust of our stakeholders and as a result, undermines the foundations of our business. If the foundations of our business are shaken, our Group's existence will be threatened. Therefore, we recognize adherence to compliance is the basis for the Group to remain in business.

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

### Compliance Motto - "Always Act with Integrity"

## ***Always Act with Integrity***

The Mitsubishi Electric Group established a compliance motto "Always Act with Integrity" for all Mitsubishi Electric Company's officers and employees on June 1, 2021. "Integrity" means the strong will and attitude to persist in doing the right thing and having character traits such as "being fair," "being honest," "being sincere," "taking responsibility for one's behavior" and "respecting others."

At the same time of the establishment of the compliance motto, we established "Questions to test for Integrity" as a hint for officers of employees to ask themselves whether their action or decision is right if they are at a loss as to whether their action or decision is right.

#### Questions to test for Integrity

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

## Mitsubishi Electric Group Code of Conduct

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

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

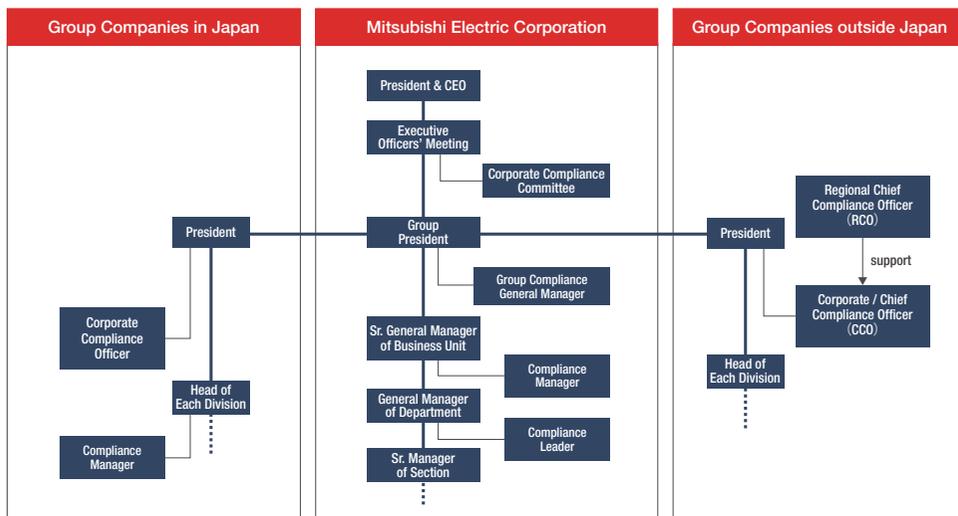


Mitsubishi Electric Group Code of Conduct

- English version
- Simplified Chinese version
- Traditional Chinese version
- Thai version

## Mitsubishi Electric Group Compliance Promotion Structure

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



Mitsubishi Electric Group compliance promotion structure



Meeting of compliance managers in the Asia region



Working-level conference on compliance in the China region

## Thorough Dissemination/Education of Our Compliance Policy

### Ensuring that Employees are Familiar with Our Compliance Policy

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

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

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



Poster



Portable Card



"Mitsubishi Electric Group Code of Conduct"

## Compliance Education by Diverse Means

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

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. Employees in all countries in which we operate take part in an educational program concerning the major relevant laws, respect for human rights, and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. In fiscal 2021, as many as 126,049 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs (100% participation in compliance-related e-learning programs by Mitsubishi Electric). Overseas as well, about 7,000 employees have taken part in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

In fiscal 2021, though many workshops were forced to be canceled or postponed due to the influence of COVID-19, Mitsubishi Electric's Corporate Legal & Compliance Division aggressively conducted online workshops and conducted 113 compliance-related workshops within the Group, in which a cumulative total of 8,134 people participated.

## Basic Efforts against Compliance Risks

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

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

In Japan, in addition to providing e-learning to directors, officers, and employees of Mitsubishi Electric and domestic affiliated companies (Mitsubishi Electric participants in fiscal 2021: 14,824), we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on anti-trust laws that focus on regional characteristics overseas in the combined form of e-learning programs and face-to-face education.

We will continue to make greater efforts to prevent similar incidents from occurring and

previous incidents from being forgotten, through regular monitoring of the status of daily business activities and internal regulations, practical training that matches actual transaction situations, and other such initiatives.

### Corruption Prevention (Preventing Bribery)

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

-  [English version](#)
-  [Chinese version](#)

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

In addition, we provide training to directors, officers and employees who regularly interact with public officials in the combined form of e-learning programs and face-to-face training (participants in e-learning programs in fiscal 2021: 25,371).

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

### Support and Responses to Political Activities

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

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

### Export Control

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

Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese, and Thai) to all affiliated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2021, in Japan we provided e-learning courses that 38,415 Mitsubishi Electric employees and 34,364 employees of affiliated companies took and held online workshops for working-level personnel, under the circumstances of the spread of COVID-19 infections. For overseas affiliated companies, we have e-learning materials for the implementation of training programs in each company in major languages in Europe, America and Asia.

### Disassociation with Anti-social Groups

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

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

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

## Compliance Audits / Ethics and Legal Compliance Hotlines

### Compliance Audits

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

Additionally, internal regulations and systems are in place to ensure proper operations across the Mitsubishi Electric Group. The Corporate Auditing Division of Mitsubishi Electric conducts internal audits to check the operational effectiveness of these regulations and

systems (in the audit areas of ethics and legal compliance, accounting and finance, human resources, technology management and quality management). If an audit reveals the need for improvement, the relevant company or department will receive instructions for remediation/improvement. Periodical reports of audit are presented before the audit committee through the executive officer in charge of internal audits.

### Establishment of Internal and External Ethics and Legal Compliance Hotlines

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

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

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

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



Poster for internal dissemination of information on the hotline

# Tax Policy

## <Mitsubishi Electric Group Global Tax Policy>

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

### ● Our principles

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

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

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

### ● Our attitude towards tax planning

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

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

### ● Tax risk management

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

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

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

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

### ● Relationship with tax authorities

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

# Risk management

## Basic Policy

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

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

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

## Risk Management Framework

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

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

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



Risk management framework

## Responding to Environmental Risk

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

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

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

Preventing Environmental Incidents

## Disaster Countermeasures

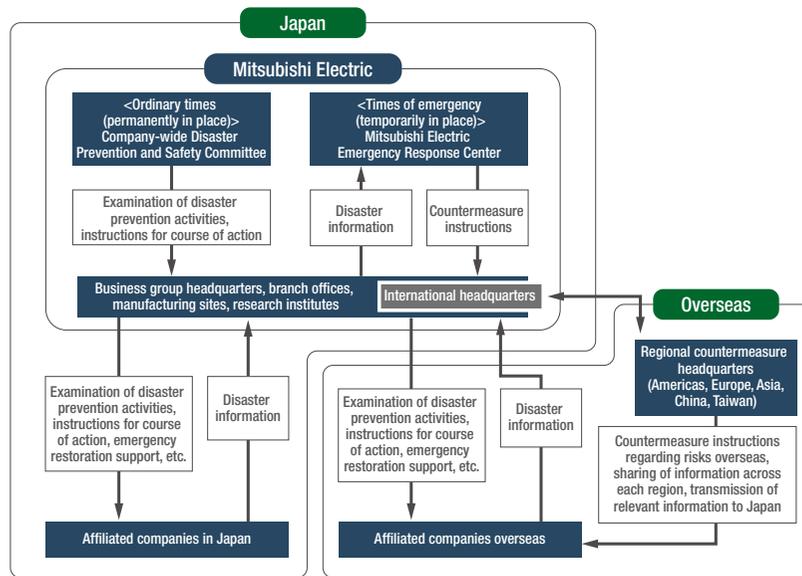
### Development of a Response Framework for Large-scale Disasters

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

### Emergency disaster prevention framework

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

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



Mitsubishi Electric Group's disaster prevention framework

**Response to COVID-19**

In response to COVID-19, we have set up the COVID-19 Headquarters to cooperate in preventing the spread of the infection, review the way employees work including the wider adoption of remote work, supply products steadily, and provide necessary services. We have also provided aid for medical professionals as part of social contribution activities.

As there is no end in sight to COVID-19, while placing our highest priority on the health and safety of customers and business partners as well as employees and their families in light of guidance and requests from government agencies, we continue to work to fulfill its social responsibilities by maintaining necessary businesses, including by delivering stable supplies of products and necessary services (as of May 2021).

**Mitsubishi Electric Response to Novel Coronavirus**

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

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

For fiscal 2022, the Committee considers that in order to maintain the effectiveness of the BCPs, it is crucial to continue conducting reviews that are in step with the changes in external environments, and will make full use of insights and know-how that we acquired by responding to COVID-19 in fiscal 2021 and focus on reviewing BCPs toward increasing their viability in times of emergency as a Group-wide priority.

**Initiatives for Business Continuity and Disaster Response**

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

To fulfill our responsibility as a product supplier, we had all Mitsubishi Electric offices formulate a BCP assuming the possible outbreak of a new strain of influenza in fiscal 2011 and a BCP assuming the risk of a large-scale earthquake in fiscal 2013 and urged major affiliated companies in Japan and overseas to formulate a BCP. In response to the COVID-19 pandemic that broke out in fiscal 2021, we are taking action to prevent further spread and continue our operations by leveraging our existing BCP. Going forward, we will make full use of insights acquired by responding to COVID-19 in order to review the BCP and upgrade countermeasures at each office and affiliated company in Japan and overseas every year.

**Business continuity in the supply chain**

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

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

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

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

In order to ensure swift operations and efficient response tasks, we will reconstruct systems by, in ordinary times, collecting procurement item supply chain information and managing it internally in a unified manner and, at times of emergencies, automatically distributing supplier impact surveys and collecting answers.

Hereafter, we will also strengthen measures to ensure stable procurement activities in our domestic and overseas production centers, thereby mitigating procurement risks as much as possible.

### Strengthening disaster responses

Each office and affiliated company of the Mitsubishi Electric Group possesses a disaster response manual that is used to implement preliminary measures (disaster mitigation measures) and disaster prevention drills. For example, Mitsubishi Electric carries out an emergency drill and safety confirmation training that involves the use of a safety confirmation system at each site. For IT continuity, we have two separate data centers in Tokyo and the Kansai region and carry out an annual drill for switching between data centers in the event of an emergency.

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



BCP training at a Mitsubishi Electric site in Japan



Joint disaster prevention drill with a local fire department at a Mitsubishi Electric site (High Frequency & Optical Device Works)

### Pandemic countermeasures

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

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

### Ensuring safety overseas

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

In fiscal 2021, in order to cope with COVID-19 that spread globally, we implemented measures, such as urging employees on assignment in areas where the standard of medical care is low and the infection is seriously widespread to return home temporarily and prohibiting overseas business trips as a general rule. At overseas sites, we compiled infection prevention manuals and developed a protocol to respond to infection in order to prevent infection at sites and facilitate initial response to infection. At the moment, the situation is gradually returning to pre-COVID-19 days; employees that returned home temporarily have been assigned overseas again and business trips to some overseas regions are conditionally permitted. However, if the situation deteriorates, we will respond flexibly to changes.

In addition, due to the deterioration of public security in Myanmar, our expatriate workers and business travelers have returned to their home countries as a safety precaution. (As of March 2021)

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

## Economic Security

In recent years, the struggle for leadership in the international community between the United States and China has intensified. Mitsubishi Electric Group operates businesses globally in both the US and China in a wide range of high-tech fields, including the defense and space business, and, therefore, economic security measures in each country of business are exerting significant influence on our corporate activities. In addition to compliance with individual regulations as we have been thus far, in order to keep up with the dynamic changes in the economic security environment, we have set up the Corporate Economic Security Division directly under the president. This division investigates and analyzes policy trends and legal systems as well as implements integrated risk management from a perspective of comprehensive economic security as it relates to companywide exports, information security, investment, and development.

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

# Our approach to information security

## Basic Policy

In fiscal 2021, the Mitsubishi Electric Group encountered another data leak incident caused by unauthorized system access, which has resulted in inconvenience and concern for customers and society. We will continue to strengthen information security measures\* to prevent such a situation from occurring again.

Mitsubishi Electric manages confidential corporate information relating to sales, engineering, intellectual property, and other areas, as well as information entrusted to the company by its customers and stakeholders. This is carried out based on the Declaration of Confidential Corporate Information Security Management established in February 2005.

In light of past events, we will once again work to increase awareness of this declaration within the Mitsubishi Electric Group and strive to protect and manage information even more carefully.

\*Information security measures:

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

### <Declaration of Confidential Corporate Information Security Management>

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

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

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

#### 1. Appropriate Management of Confidential Corporate Information through Compliance with Laws, Ordinances and Regulations

The Company shall manage all confidential corporate information concerning business activities appropriately in accordance with laws, ordinances and Company regulations.

"Confidential corporate information" means valuable technical or business information held by the Company, and information (such as personal information, information obtained from outside the Company and insider information), which, if disclosed or used in an unauthorized way, could be disadvantageous to the Company and/or its stakeholders. Physical objects that constitute confidential corporate information are also subject to control.

#### 2. Enforcement of Security Management Measures

The Company shall implement appropriate security management measures for the protection and proper control of confidential corporate information.

"Security management measures" means organizational, human, technological and physical measures that are strictly enforced according to the confidentiality level of the applicable corporate information.

#### 3. Enhancement of Information System Security Measures

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

#### 4. Education

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

#### 5. Continual improvement of Management through the PDCA Cycle

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

#### 6. Timely and Appropriate Information Disclosure

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

July 28, 2021

Kei Uruma, President & CEO  
Mitsubishi Electric Corporation

## <Personal Information Protection Policy>

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

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

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

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

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

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

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

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

July 28, 2021

Kei Uruma, President & CEO  
Mitsubishi Electric Corporation

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



## Framework and Guidelines

A new "Corporate Information Security Division" was established under the direct control of the president, to oversee all the Group's information security management. Since April 2020, it has integrated three functions that were previously separate: management of confidential corporate information and personal data protection, information system security, and product security. On April 2021, we have enhanced the structure and add members of Corporate Information Security Division.

In addition, we will invest more than ¥50 billion to implement technical security measures and establish sustainable information security management system so that we can achieve Level 3 or higher\*1 of the Cybersecurity Maturity Model.

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

As other companies suffered cyberattacks that affected their factory productivity, Mitsubishi Electric also formed a section to ensure factory security, thereby bolstering preparedness.

In addition, as part of PSIRT activities\*2 to promote product security measures, we were accredited as a CNA\*3 in November 2020 and we now assign CVE IDs\*4 to vulnerabilities that affect Mitsubishi Electric products and publish them by ourselves. This has strengthened a framework to practice efficient vulnerability handling with external stakeholders.

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

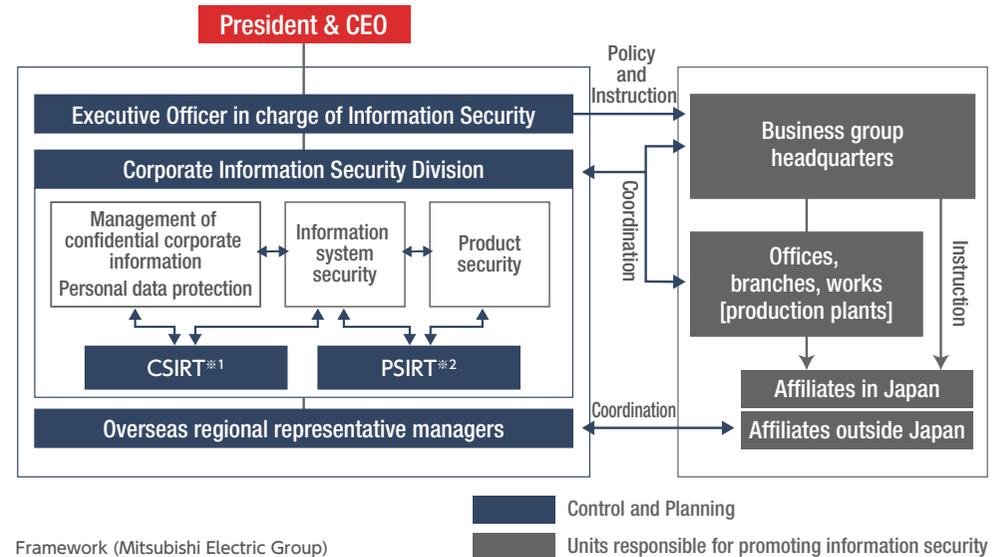
Business groups and offices (offices, branches, works [production plants]) issue instructions and guidance on information security to affiliates in and outside Japan. Paying special attention to the circumstances and special characteristics of overseas affiliates, the Corporate Information Security Division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

\*1 Framework for Cybersecurity Maturity Model certification set forth by the US Department of Defense. Level 3 or higher means that excellent security measures and management systems are put in place.

\*2 PSIRT is an abbreviation for Product Security Incident Response Team, which works on the security quality of products and services.

\*3 CVE Numbering Authority. CVE is an abbreviation for Common Vulnerabilities and Exposures.

\*4 Internationally used vulnerability identifiers



Framework (Mitsubishi Electric Group)

\*1 CSIRT: Computer Security Incident Response Team

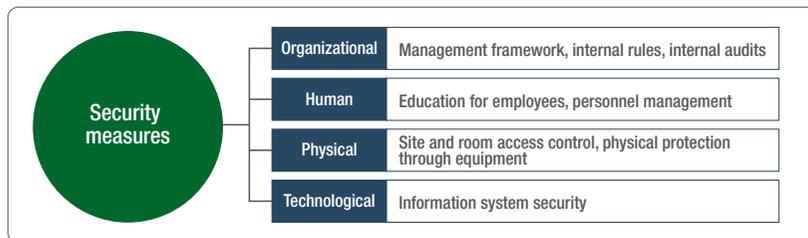
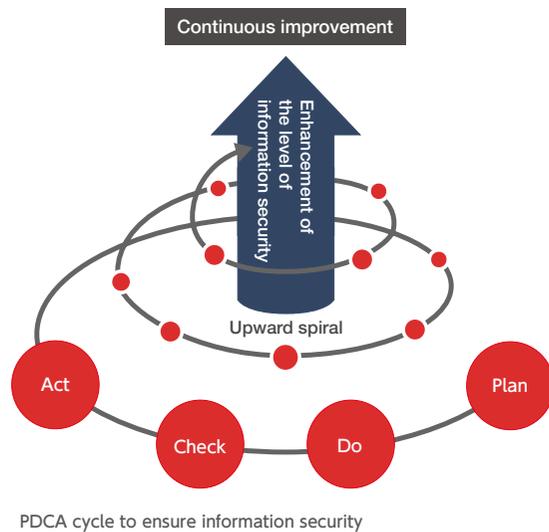
\*2 PSIRT: Product Security Incident Response Team

### Global Activities

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

### Management Principles

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



Four security measures

### Information Security Regulations and Guidelines

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

Item	Basic regulations
Security measures	<b>Organizational security measures</b> : Regulations on confidential corporate information security management
	<b>Human security measures</b> : Regulations on the work of employees
	<b>Physical security measures</b> : Physical security guidelines
	<b>Technological security measures</b> : Regulations on information security management

### Information Security Inspections

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

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

#### Inspections related to information security

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

## Various Measures

### Information Security Education

Mitsubishi Electric fosters a corporate culture that enforces the proper handling of confidential corporate information and personal information. For example, in light of data leak incidents caused by unauthorized access to our system, we provide the following education programs to enable employees to ensure the implementation of specific security control measures, such as the server storage and encryption of files according to security levels.

#### Education for all employees

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

#### Education corresponding to each career stage

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

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

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

#### Other individual training

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

### Contractor Management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. To ensure that confidential corporate information and personal information entrusted to a contractor will be handled with appropriate control, before entrusting the information to the contractor, we confirm that the contractor will maintain the proper level of protection. After submitting the information,

we supervise the contractor by regularly examining a status report on the use and management of the information that we have submitted. Moreover, the agreement includes a special clause that provides for the protection of the personal information that we have submitted.

### Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses. As they are growing increasingly sophisticated and diverse year-by-year, it is becoming difficult to prevent them. The Mitsubishi Electric Group is implementing two major countermeasures. Along with the wider use of cloud services and the wider adoption of teleworking, we are accelerating the implementation of zero-trust security\* measures. For existing IT environments, we are deploying cyber-attack countermeasures through a multilayered defense consisting of a number of different defense measures stacked on top of each other. Furthermore, there are cyber-attacks that cannot be prevented entirely with a multilayered defense alone. Accordingly, we monitor cyber-attacks and have put in place a system to respond immediately should a case occur, in an effort to prevent or minimize damage.

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

\* Concept of always authenticating devices before granting them access to resources regardless of whether they are inside or outside the network

#### <Leaks of data due to unauthorized system access>

Regrettably, another data leak incident was caused again by unauthorized system access despite our ongoing efforts to strengthen security. We sincerely apologize for any inconvenience and/or concern experienced by our customers and society as a result of these incidents, as reported in January 2020 and today in November 2020.

On November 16, 2020, a newly deployed cloud monitoring system detected suspicious access to one of the cloud services to which Mitsubishi Electric subscribes and it was confirmed that the bank account information of our domestic suppliers was leaked. This unauthorized access to the cloud was performed at a related company in China by intruding to the network and stealing the credentials of some Mitsubishi Electric Group employees to access the cloud.

To prevent recurrence, Mitsubishi Electric strengthens the monitoring of the cloud service that was accessed illicitly and accelerates the implementation of zero-trust security measures. In addition, the Mitsubishi Electric Group as a whole strengthens security measures through comprehensive multilayered protection, such as the strengthening of domestic and overseas network access controls, endpoint security measures, and monitoring and authentication platforms. Going forward, we will continuously work to strengthen security in coordination with relevant authorities.

● Mar 26, 2021

 [Leaks of data due to unauthorized system access <investigation results> \(In Japanese text\)](#)

● Nov 20, 2020

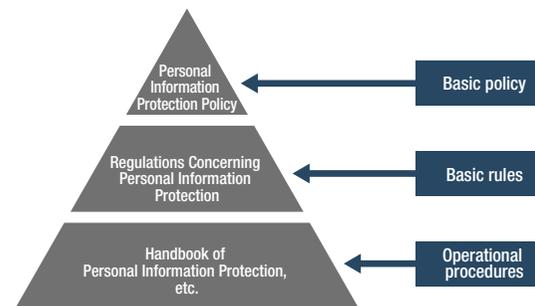
 [Leaks of data due to unauthorized system access \(In Japanese text\)](#)

## Activities for Personal Information Protection

### Personal Information Protection

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

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



System of rules for personal information protection

### Proper handling of personal information

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

Furthermore, in preparation for data leakage risks from cyberattacks, we continue to strengthen security control measures, such as server storage and encryption.

### Response to the EU General Data Protection Regulation (GDPR)

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

# Research and Development

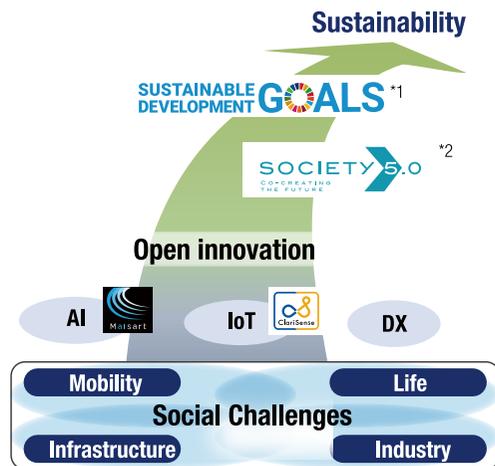
## Basic Policy on Research and Development

The Company advances the following research and development with a balanced approach. These R&D efforts reinforce and reform our existing businesses and promote the creation of new value, in order to solve a variety of social issues through advanced technologies and contribute to the realization of a sustainable society.

- (i) Thoroughly enhance core technologies that drive increased profitability
- (ii) Continuously deepen common fundamental technologies that form the foundation for the Company's businesses
- (iii) Investigate and create new technologies as the source of future growth

In fiscal 2022, the Company will particularly work to accelerate the application of AI technologies in its businesses, build out and enhance its IoT technology infrastructure, and reform development methods through DX. The Company will also accelerate development and create value through proactive utilization of open innovation with universities and other external R&D institutions.

During fiscal 2021, the total R&D expenses for the entire Group have amounted to 190.5 billion yen (8% decrease compared to the previous fiscal year). Representative achievements are as follows.



**R&D policy**

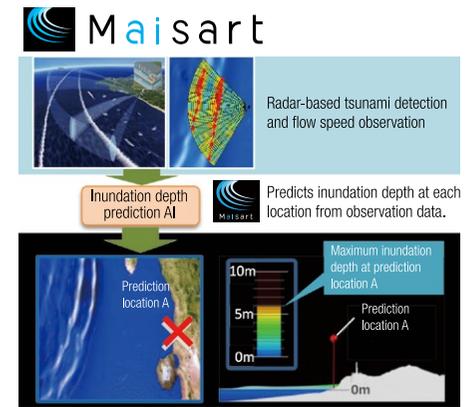
\*1 SDGs : "Sustainable Development Goals" adopted by the United Nations as goals to achieve towards 2030  
 \*2 Society 5.0 : Defined in the 5th Science and Technology Basic Plan.

## Major R&D Achievements in Fiscal 2021

### Development of Radar-based Tsunami-flooding Prediction AI

Incorporating the AI technology "Maisart"\*1, the Company has developed an AI technology\*2 that forecasts water inundation depths\*3 nearly simultaneously with the detection of a tsunami with a high degree of accuracy. This development trains an AI on the relationship between flow speed and inundation depths using simulations of various earthquakes. When an earthquake occurs, the AI detects the tsunami and observes the flow speed via radar, and calculates the inundation depth at the prediction site. The new system is able to provide a more accurate prediction in just several seconds after the detection of the tsunami, while the conventional system took several minutes to make a prediction.

Through this development, the Company will support rapid formulation of evacuation plans and prevent or mitigate disasters in local inland areas.



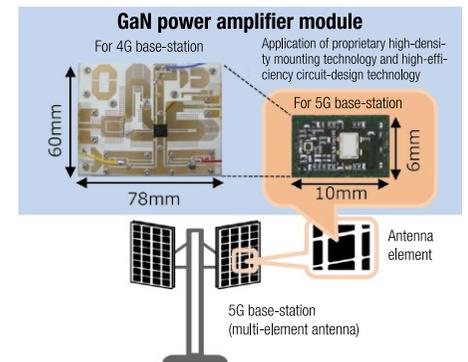
**Operation of radar-based tsunami-flooding prediction AI**  
 \*1 Mitsubishi Electric's AI creates the State-of-the-ART in technology; Mitsubishi Electric's AI technology brand aimed at making every device smarter  
 \*2 Developed jointly with Society for the Promotion of Construction Engineering of the General Incorporated Foundation  
 \*3 Height of water level measured from the ground

Contributing to disaster prevention and reduction by predicting tsunami inundation depth with high accuracy immediately after the tsunami is detected

### Development of New Technology to Realize Small, High-efficiency GaN Power Amplifier Module for 5G\*1 Base-Stations

5G base-stations operate many multiple-element antennas in a coordinated manner. For this reason, the antenna elements must be mounted densely on the base-station, and there is demand to reduce the size of each component as well as their power consumption. The Company has developed a new technology to realize a gallium nitride (GaN) power amplifier module for 5G base-stations. This module offers a combination of compact footprint and extra-high power-efficiency exceeding an unprecedented rating\*2 through proprietary high-density mounting technology and high-efficiency circuit-design technology. This technology reduces footprint by blocking interference between chip components based on advanced electromagnetic field analysis methods. It also uses GaN transistors capable of highly efficient operation, which reduce power loss by minimizing the number of chip components.

The module will help to improve installability due to the compact footprint and to reduce the power consumption of 5G base-stations.



Installation of the GaN power amplifier module at a 5G base-station

\*1 5G: Fifth-generation mobile communication system  
 \*2 According to internal research as of July 14, 2020.

Contributing to easier installation and lower power consumption for 5G base-stations applying proprietary high-density mounting technology and high-efficiency circuit-design technology

# Intellectual property

## Protection of Intellectual Property Rights

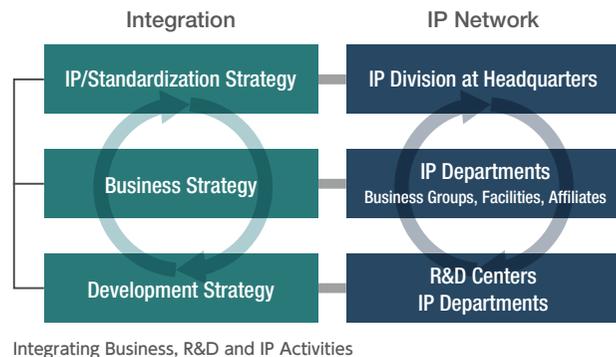
### Basic Policy

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

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

### Structure of the Intellectual Property Division

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



### Global IP Strategy

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

As an indication of the Mitsubishi Electric Group's IP capability and global IP activities, the company ranked No.2 in Japan in terms of the number of patent registrations (in 2020) announced by the Japan Patent Office (JPO), and No.3 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2020) announced by the World Intellectual Property Organization (WIPO).

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

(Top 5) PCT applicants: businesses, 2020 (WIPO, PCT Yearly Review)

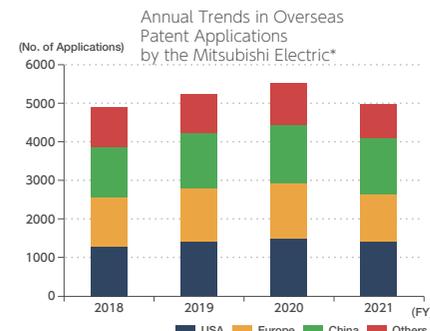
Rank	Applicant	Country	No. of applications
1	Huawei	China	5,464
2	SAMSUNG	South Korea	3,093
3	<b>Mitsubishi Electric</b>	<b>Japan</b>	<b>2,810</b>
4	LG	South Korea	2,759
5	Qualcomm	USA	2,173

(WIPO)

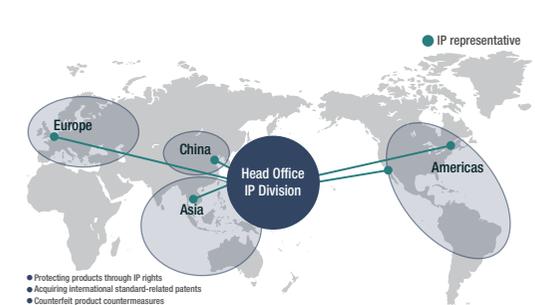
No. of patent registrations in 2020 (Japan)

Rank	Applicant	No. of patents
1	Canon	3,680
2	<b>Mitsubishi Electric</b>	<b>3,626</b>
3	Toyota Motor	2,714
4	Panasonic	2,643
5	DENSO	2,049

(JPO)



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



Further Strengthening Global IP Capabilities

## IP Strategy for International Standardization

In order to expand business in global markets, the Mitsubishi Electric Group is actively promoting international standardization. Activities to acquire patents that support international standards (e.g., standard essential patents) are openly promoted. As the member of an organization in which patent pools for Digital Broadcasting, MPEG, HEVC, DVD, Blu-ray Disc™\*2 and Mobile communications collectively control standard essential patents, the IP revenues obtained through the organization are contributing to improvement and growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share. In the field of 5G mobile communication systems, which are expected to proliferate in the future, we are not only involved in activities to acquire standard-essential patents, but also leveraging our technologies to promote IP activities that make our products even better.

\*2 Blu-ray Disc™ is a trademark of the Blu-ray Disc Association

### Patent Licensing

## Respecting IP Rights

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

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

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

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

## Cooperation in IP Policies

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

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

# Communication with Shareholders and Investors

## Basic Policy

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

## Status of Communication with Shareholders and Investors

### Shareholders Meeting and Shareholder Communique

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

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

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

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



Shareholder Communique  
(In Japanese text)

## IR Activities

### Major IR Activities in Fiscal 2021

As measures to prevent the spread of COVID-19 make it difficult to engage with investors face-to-face, we utilized online and telephone conference systems and web streaming to hold presentations concerning corporate strategies and financial results and organize individual meetings, thereby interacting with an increasing number of shareholders and investors.

 [Investor Relations website](#)