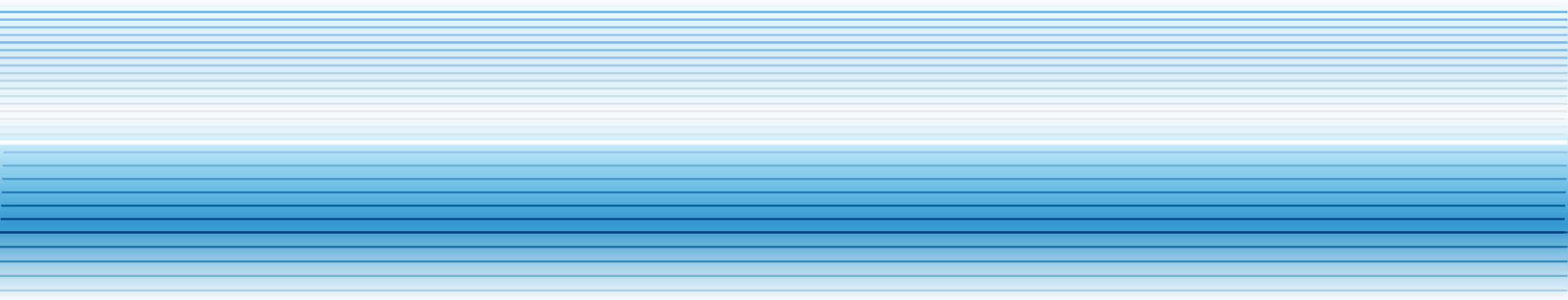


Sustainability Report 2022



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About the Report

This report provides information about sustainability initiatives by the Mitsubishi Electric Group to help realize a sustainable society. It primarily reports on significant activities, events, and changes that occurred in fiscal 2022 (year ending March 31, 2022). Based on the PDCA (plan-do-check-act) approach, in reporting our activities, we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues. Especially regarding our responses to incidents that caused stakeholders to worry and be troubled, we endeavored to report the progress of our efforts. In order to make the reporting format more simple and easy to understand as more information on sustainability is being disclosed, we have discontinued the Environmental Report that had been issued until fiscal 2022 and our reporting has been unified in the Sustainability Report starting this fiscal year.

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

Period Covered by the Report

April 1, 2021 – March 31, 2022

* Also includes some information on policies, targets, and plans for fiscal 2023 and thereafter.

Scope of the Report

Social Aspects	Primarily covers activities of Mitsubishi Electric Corporation *The range of data compiled is noted individually.
Environmental Aspects	Primarily covers performance of Mitsubishi Electric Corporation and its affiliates (Japan: 157, overseas: 101, total: 259) * Starting with the report on results from fiscal 2022, we have expanded the scope of reporting in an attempt to strengthen environmental management across the entire Group (Scope of the fiscal 2021 report: Mitsubishi Electric, affiliates (Japan: 73, overseas: 25, total: 99).
Economic Aspects	Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates * Detailed information on economic performance is provided in the Investors section of our website.

Locations where our disclosed information is published

Investors (website)

- Annual Securities Report
- Integrated Report
- Corporate Governance Report

Sustainability (website)

Sustainability Report

E

S

G

Details on this configuration

To fulfil accountability to society, in addition to reporting our sustainability management, we divide our activities into three different categories in our reports: environment, society, and governance.

References

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

Reporting Medium

Non-financial information about the Mitsubishi Electric Group is disclosed in the Sustainability section of the website and "Sustainability Report." In addition, we provide information such as "ESG survey index" to notify our various initiatives comprehensively.

[Sustainability Website](#)

[ESG Survey Index](#)

Regarding Future Projections, Plans, and Targets

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

The Mitsubishi Electric Group conducts business in the form of development, manufacturing, and sales in a broad range of areas, and these activities take place both in Japan and overseas. Therefore, the group's financial standing and business performance may be affected by a variety of factors, including trends in the global economy, social conditions, laws, tax codes, litigation, and other legal procedures.

We would ask stakeholders to keep these points in mind when reviewing this report.

Inquiry

Sustainability Planning Division
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
Phone : 81-3-3218-2111

[Inquiries on sustainability](#)

Profile of the Mitsubishi Electric Group

Corporate Data

(As of March 31, 2022)

President & CEO:	Kei Uruma
Phone:	+81 (3) 3218-2111
Established:	January 15, 1921
Paid-in Capital:	¥175,820 million
Shares Issued:	2,147,201,551 shares
Consolidated Revenue:	¥4,476,758 million
Consolidated Total Assets:	¥5,107,973 million
Employees:	145,696

Mitsubishi Electric's Response to COVID-19

Mitsubishi Electric has been placing its highest priority on the health and safety of customers and business partners as well as employees and their families. At the same time, the company also is working to fulfill its social responsibilities by maintaining businesses necessary to sustain people's daily lives, including by delivering stable supplies of products and necessary services and providing customer support. The company assumes that the global spread of COVID-19 is significantly changing the values of humanity, affecting people's lifestyles, work styles and the way they do business.

Mitsubishi Electric will promote group wide work style transformation by enforcing remote work and fully leveraging online meeting tools to incorporate the new values into the way its employees work. The company also will quickly establish the systems of marketing, commercial transactions, servicing and user trainings in the digital environment.

Going forward, Mitsubishi Electric will make every possible effort to respond to changing demand and address social challenges by uniting all the capabilities inside and outside of the Group, while taking all the necessary measures to prevent the spread of infections.

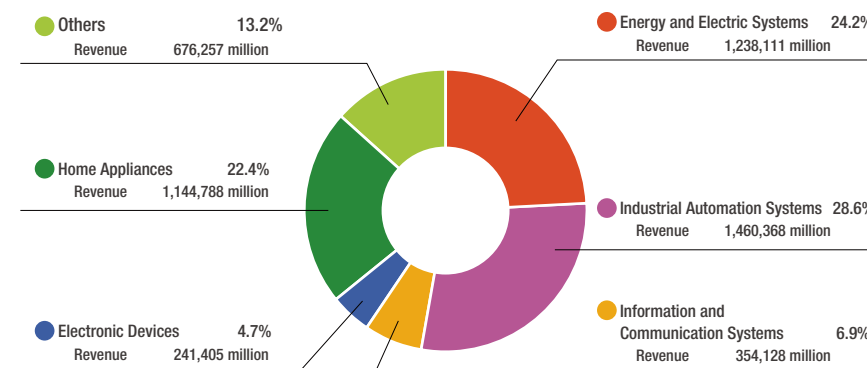
Financial Results

Performance for the Year Ended March 31, 2022

	2021	2022
Revenue	¥4,191,433	¥4,476,758
Operating profit	230,195	252,051
Net profit attributable to Mitsubishi Electric Corp. stockholders	193,132	203,482
Total assets	4,797,921	5,107,973
Bonds and borrowings	248,897	217,171
Mitsubishi Electric Corp. stockholders' equity	2,754,293	2,975,941
Capital expenditure (Based on the recognized value of property, plant and equipment)	180,033	167,772
R&D expenditures	190,574	195,144
Yen		
Per share Amounts:		
Earnings per share attributable to Mitsubishi Electric Corp. stockholders		
Basic	¥90.03	¥95.41
Diluted	90.03	95.41
Cash dividends declared	36	40
%		
Statistical Information		
Operating profit ratio	5.5%	5.6%
Return on equity (ROE)	7.5	7.1
Bonds and borrowings to total assets	5.2	4.3

- The balance of bonds and borrowings and the ratio of bonds and borrowings to total assets do not include lease liabilities.
- R&D expenditures include elements spent on quality improvements which constitute manufacturing costs.
- Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders, as no dilutive securities existed.

Revenue by Location of Customers



Purpose/Management Policy/Corporate Strategy

Purpose

We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

Our Values

Trust/Quality/Technology/Ethics and Compliance/Humanity/Environment/Society

Commitment

Changes for the Better

"Changes for the Better" represents the Mitsubishi Electric Group's attitude to "always strive to achieve something better," as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating "an even better tomorrow."



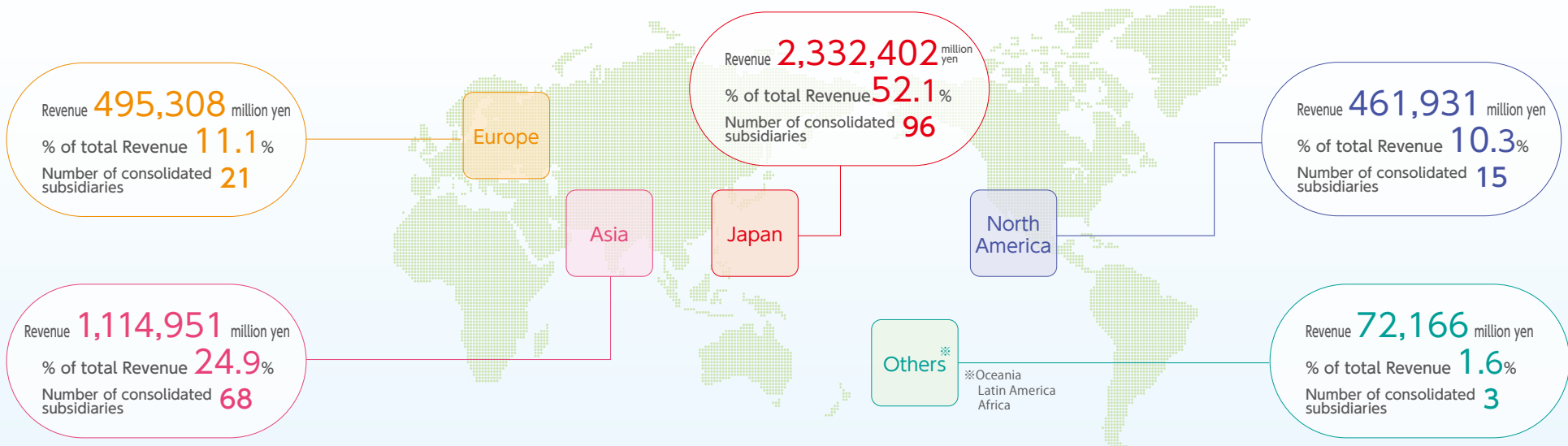
Management Policy

In addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, we will return to our fundamental principle of "addressing social challenges through our businesses" and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders.

Corporate Strategy

Through co-creation and by integrating knowledge within and outside the Group, we will transform into a "Circular Digital-Engineering" company that provides evolved integrated solutions thereby contributing to solving various social issues.

Global Operations



Mitsubishi Electric's Business Segments

Building Systems



Realize safe, secure, and highly efficient transportation as well as efficient, comfortable, and environmentally friendly smart buildings and smart cities

Mitsubishi Electric elevators and escalators in operation in over 90 countries around the world realize high transportation efficiency, safety, and security using advanced technology. What is more, by using IoT and AI to operate elevators, air conditioning, lighting, and other building systems flexibly in response to the flow of people in buildings, we contribute to the realization of smart buildings and smart cities that are environmentally friendly, highly efficient, and comfortable.

Main products

- Elevators
- Escalators
- Building management systems
- Building security systems

Factory Automation Systems



Underpinning global manufacturing by providing value-added products, solutions and services

We are a major FA supplier whose wide range of automation technologies from PLCs to laser processing machines underpin manufacturing. Our e-F@ctory concept also offers solutions to Digital Manufacturing challenges by utilizing FA and IT technologies to reduce the total cost of development, production and maintenance.

Main products

- Edge and Programmable Logic Controllers (PLCs)
- Servo systems
- Industrial and collaborative robots
- Circuit breakers
- Energy-saving support systems
- NC controllers
- Laser processing machines
- 3D (metal) printers

Public Systems



Supporting a better tomorrow with cutting edge technologies at work in our everyday life

Our solutions cover a number of fields that underpin our everyday life, including advanced social infrastructure and public facilities and services. We enhance quality of living by creating solutions that are truly needed by society —everything from water environment systems, to solutions for making society safer and more secure, to providing video entertainment.

Main products

- Water treatment systems
- Air traffic management systems
- Road information management systems
- Large-scale visual information systems
- Disaster information systems

Energy Systems



Building power infrastructure across the entire energy value chain as one of Japan's foremost power system suppliers

Energy systems represent a core business that Mitsubishi Electric has been engaged in since our founding. We have played a major role in the development of power infrastructure around the world in all phases, from power generation to transmission and distribution. Mitsubishi Electric will work to maintain a balance between the active development of new businesses including "digital energy" and "renewable energy business," and delivering a stable supply of electricity, with a view to achieving the social challenge of carbon neutrality.

Main products

- Turbine generators
- System protection and control systems
- Vacuum breakers
- Transformers
- Power receiving and distribution systems
- Grid stabilization systems
- Switchgears
- Battery energy storage control systems
- Power conversion systems
- Power ICT solutions

Transportation Systems



Mitsubishi Electric as a leader in railway solutions providing a full range of equipment and systems for rolling stock

We developed an unrivaled level of technical prowess from our involvement in the development of rolling stock and wayside systems for all of Japan's Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy efficiency. Our products have already been adopted by more than 30 countries around the world. Our goal is to support energy-efficient, comfortable and safe rail services both in Japan and abroad.

Main products

- Propulsion systems
- Air conditioning systems for rolling stock
- Train control and management systems
- Train vision
- Power systems
- Transportation operation systems

Automotive Equipment



Contributing to the advancements in motorization with a broad lineup of products

We have developed and successfully mass produced the Advanced Driver Assistance System (ADAS) that combines a high-efficiency motor and inverter for xEV vehicle, millimeter-wave radar, camera, and high-precision locator by leveraging our technology cultivated through the development of many kinds of in-vehicle equipment products that hold a leading market share globally. Going forward, we will help make safer, more secure, and comfortable cars for everyone, by incorporating the various needs of our changing automobile society into automotive equipment.

Main products

- Electrification components
- ADAS products
- Electric power steering system products
- Engine management products
- Charging & Starting products



Space Systems

Cutting edge technologies at work across the vast business fields in the space industry

We have participated in the development of more than 650 satellites in various countries around the world. We are able to conduct all aspects of satellite development in-house, including design, production, and testing using our test facilities that can reproduce the environment in space. We are also a world leader in large telescopes, too, having been involved with the Subaru Telescope in Hawaii and the ALMA Telescope in Chile.

Main products

- Satellites
- Large telescopes
- Satellite control system



Information & Communication Systems

Making communications easier and more convenient with technologies that "send" information

We provide products for optical communication systems that enable high-speed transfers of content-rich data, such as HD videos, existing communications infrastructure including Internet. We also contribute to making better society through various solutions, including wireless communication systems for smart meters to optimize energy use and network camera systems to make society safer and more secure.

Main products

- Optical communication systems
- Wireless communication systems
- Network camera systems



Semiconductors & Devices

Providing key devices underpinning a more affluent society, harnessing cutting edge technologies

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

Main products

- Power semiconductor modules
- Optical devices
- High frequency devices
- TFT-LCD modules



Air Conditioning Systems

Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

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

Main products

- Room air conditioners
- Commercial air conditioners
- Low-temperature systems, water heaters, and industrial cooling and heating systems



Home Products

Making the lives of our customers more comfortable

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

Main products

- Refrigerators and freezers
- Vacuum cleaners
- Rice cookers



IT Solutions

Realizing comfort and convenience with IT

We provide IT solutions that underpin a more affluent life and society for use by companies and in social infrastructure. Using cutting edge digital technology from AI to IoT, we help our customers realize DX (digital transformation) to transform customers' work processes and create new value and business models, in addition to solving various social issues.

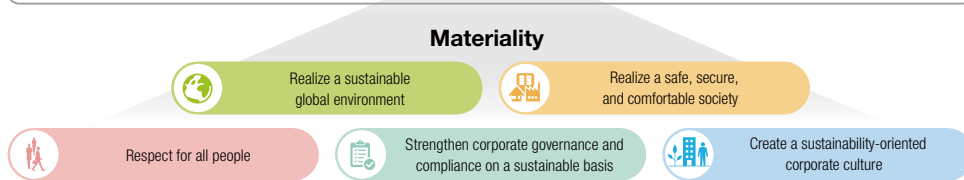
Main products

- Automated radar terminal systems
- Flight information systems
- Large-scale network systems
- Large-scale security systems

Mitsubishi Electric Corporate Strategy

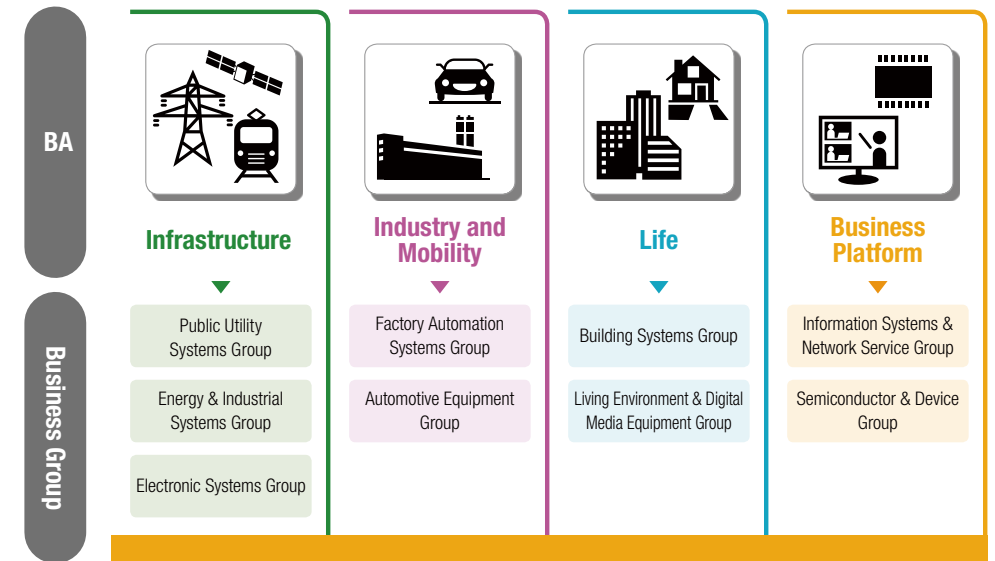
Sustainability Management

Positioning the realization of sustainability as the cornerstone of our management, we have clarified five challenge areas to focus on to promote solutions to social challenges through our businesses.



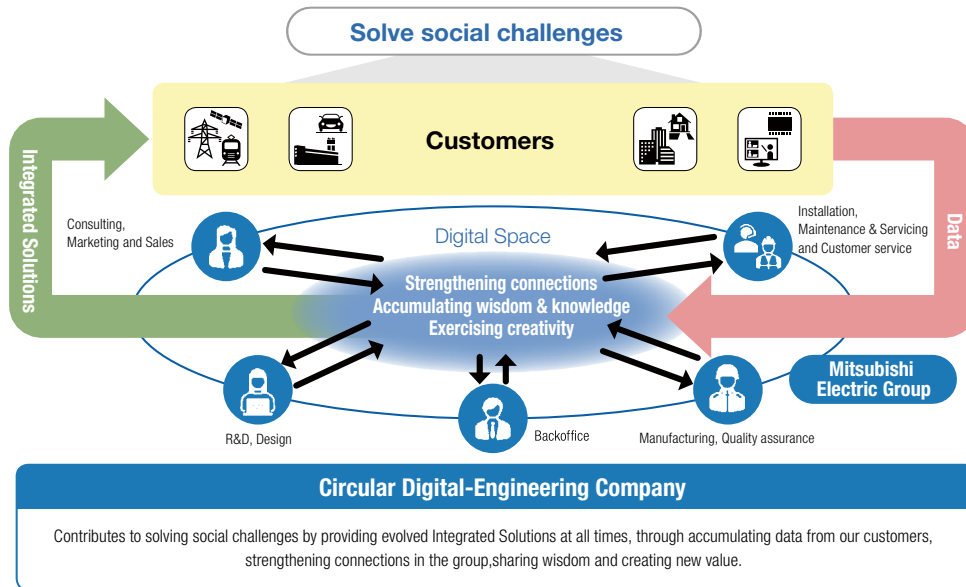
New Management Structure to Achieve Sustainability Management

We have established four Business Areas (BA) that will enhance sustainability management. BA owners envision their ideal state with a bird's eye view of their businesses and accelerate solving social challenges through our businesses.



Circular Digital-Engineering Company to Solve Social Challenges

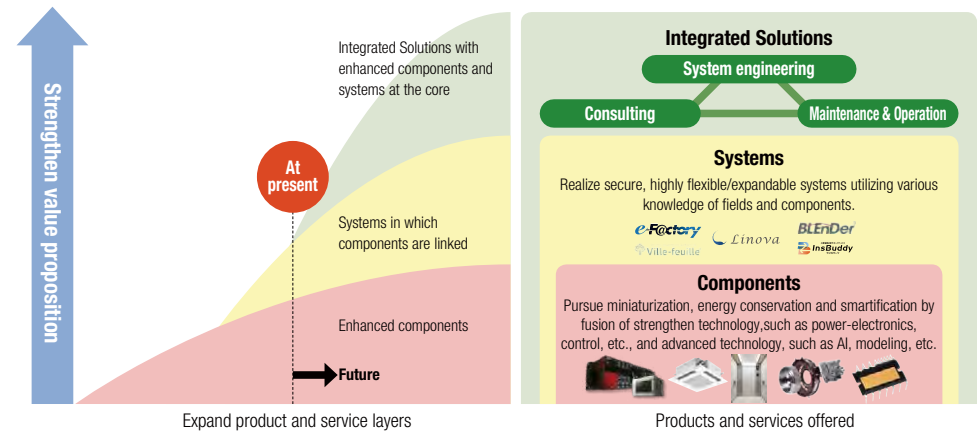
We will transform into a “Circular Digital-Engineering” company that provides evolved Integrated Solutions through co-creation and by integrating knowledge within and outside the Group, thereby helping to solve various social challenges.



Integrated Solutions

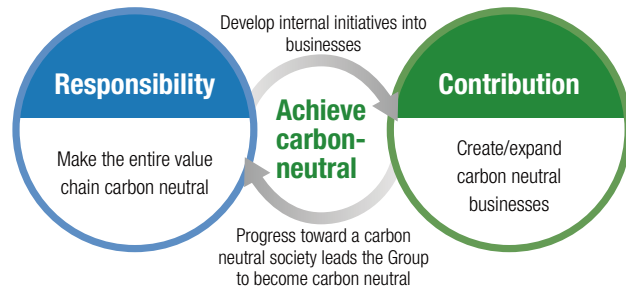
Integrated Solutions support the entire lifecycle in providing a system from consulting to maintenance and operation.

We strengthen components as the base of our business, expand systems utilizing advanced digital technologies, and provide Integrated Solutions with these at the core, to be the driving force behind our continuous growth for complex challenges.



Initiatives for Carbon-Neutral

We will strengthen our initiatives from dual approaches: "Responsibility" to reduce greenhouse gas emissions in the value chain of our Group and "Contribution" aimed at realizing carbon-neutral in the entire society through our businesses.



Responsibility

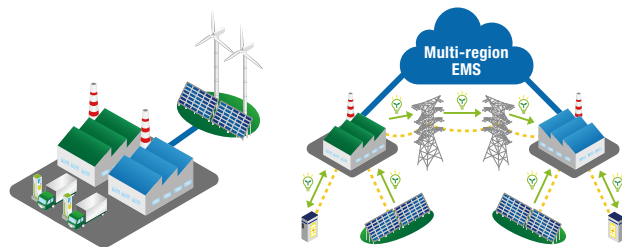
We will strengthen our initiatives to achieve net zero greenhouse gas emissions in the entire value chain in FY2051 and to reduce greenhouse gas emissions from factories and offices by 50% or more in FY2031.

Target	FY2051 ▶ Net zero greenhouse gas emissions in the entire value chain
	FY2031 ▶ Reduce greenhouse gas emissions from factories and offices by 50% or more.(compared to FY2014)

Initiatives to reduce greenhouse gas at factories and offices.

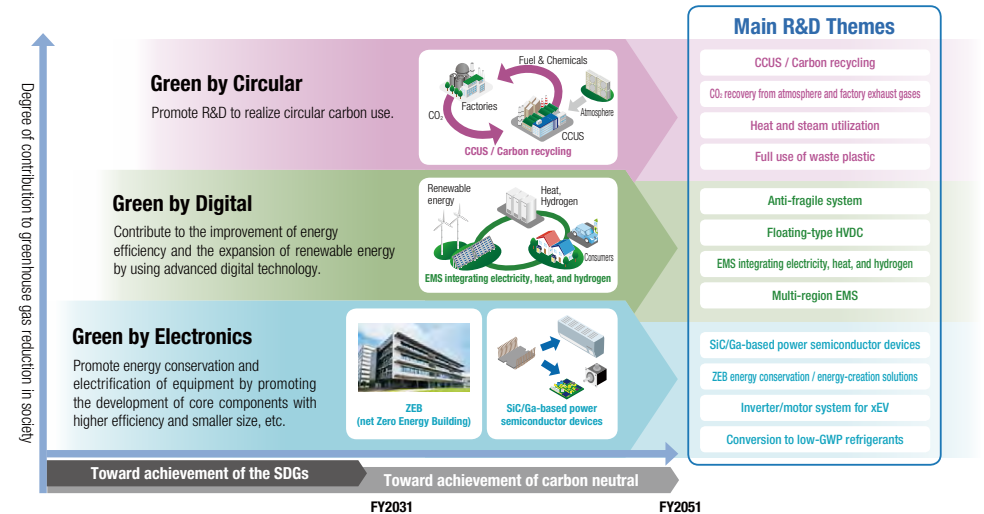
- Continuously invest 0.15% of revenue in carbon neutral efforts.
- Use renewable energy to 85 sites in Japan in FY2023
- Promote expansion of internal renewable energy procurement using multi-region EMS(*).

*Multi-region EMS : Energy management system that automatically optimizes power interchange of renewable energy between multi sites, operation of distributed power sources and storage batteries, and purchase plan of renewable energy certificates.



Contribution

We will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular to create and expand businesses that make society as a whole carbon neutral.



CCUS: Carbon dioxide Capture Utilization and Storage, EMS: Energy Management System, GWP: Global Warming Potential, HVDC: High Voltage Direct Current

Progress of Medium-term Management Plan Towards FY2026

Financial Targets

Our Group will aim to achieve ¥5 trillion in revenue and 10% in operating profit margin for FY2026. In addition, we will aim to achieve 10% in ROE and ¥3.4 trillion in cash generation during the five years of the medium-term management plan.

FY2026 Financial Targets

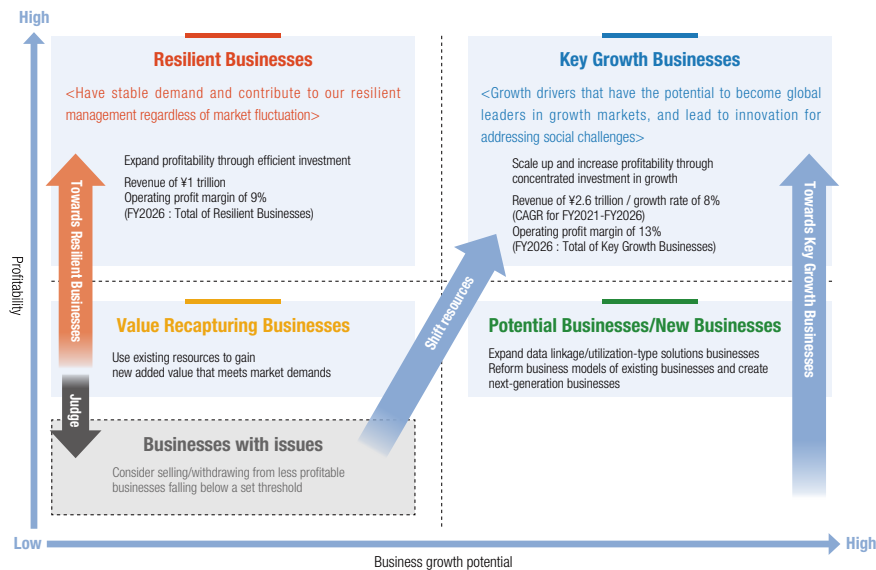
Revenue	¥ 5 trillion
Operating Profit Margin	10%
ROE	10%
Cash Generation ^(*)	¥ 3.4 trillion / 5 years

^{*}Cash Generation: Adjusted operating cash flow (CF)

Business Portfolio Strategy






For sustainable growth, in an attempt to improve profitability through strengthened business portfolio strategy, we will strategically invest management resources in five businesses: FA Control Systems, Air-Conditioning & Refrigeration Systems, Building Systems, xEV/ADAS^(*), and Power Semiconductor Devices that we define as the key growth businesses and thereby shift our resources to businesses with high profitability and growth potential. For potential businesses and new businesses, we will expand data linkage/utilization-type solutions businesses and reform business models of existing businesses and create next-generation businesses.

^{*}1 ADAS: Advanced Driver Assistance System



Key Growth Businesses, Potential/New Businesses

In key growth businesses, we are steadily expanding the scale through growth investment by increasing production capacity, building a new system for business operation, launching new products, etc. As for potential businesses and new businesses, we are accelerating the creation of new businesses through open innovation.

Key Growth Businesses <Scale Expansion through Growth Investment>		
FA Control Systems	Established a new production base in the Owariasahi district in response to demand for FA control systems in decarbonisation-related fields Invested approx. ¥13 billion to establish a new production base (Scheduled to start operation in Apr. 2025)	 Illustration of new production base
Air-Conditioning & Refrigeration Systems	Increased the production capacity for air-conditioning equipment to meet demand for heat pumps in Europe Increased the production capacity by investing approx. ¥13 billion in MACT ^(*) in Turkey (Scheduled to start operation in Feb. 2024)	 Exterior view of MACT
Building Systems	Shifted to the operation system for integrated business operation from new installation to maintenance and renewal Established Mitsubishi Electric Building Solutions Corporation (Apr. 2022)	 Ville-feuille
xEV/ADAS^(*)	Started mass production of "High Definition Locator" that contributes to ADAS technologies For consumer car, world's first mass production of "High Definition Locator" that can receive centimeter level positioning correction signal from Quasi-zenith satellite (started in Oct. 2021)	 High Definition Locator
Power Semiconductor Devices	Doubled the production capacity for wafer fabrication to meet the strong demand in automotive and consumer electronics areas Double the production capacity by FY2026 compared to FY2021. Constructed an 8-inch line with higher production efficiency at the Fukuyama Factory and started construction of a 12-inch line.	 Exterior view of Fukuyama Factory

Towards the next key growth businesses

Potential Businesses/New Businesses <Creation of Next-generation Businesses>

Established a corporate venture capital (CVC)^(**) fund to accelerate open innovation aimed at creating new businesses
Established ME Innovation Fund with a total investment amount of ¥5 billion with Global Brain Corporation (Jan. 2022).

^{*}1 MACT : Mitsubishi Electric Air Conditioning Systems Manufacturing Turkey Joint Stock Company
^{*}2 ADAS : Advanced Driver Assistance System ^{*}3 CVC : Corporate Venture Capital

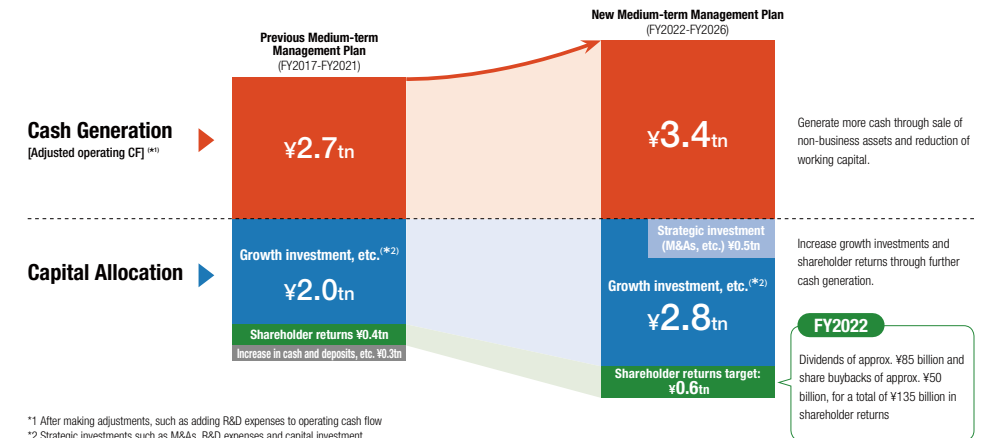
Resilient Businesses, Value Recapturing Businesses, Businesses with issues

In resilient businesses, we are improving profitability and expanding businesses through merger and acquisition, etc. Some value recapturing businesses have shifted to resilient businesses due to improved profitability. Businesses with issues are shifting resources by selling, withdrawal, and collaboration.



Capital Allocation Policy

For capital allocation, giving top priority to investment in growth, we will further enhance shareholder returns through profit growth. In terms of cash generation, the source of capital, we will aim to generate ¥3.4 trillion over a five-year period, with a focus on Key Growth Businesses. We will return profits to shareholders (dividends + buybacks) with a target of ¥0.6 trillion (Previous Medium-term Management Plan: ¥0.4 trillion). In addition, we will further improve capital efficiency by implementing capital measures.

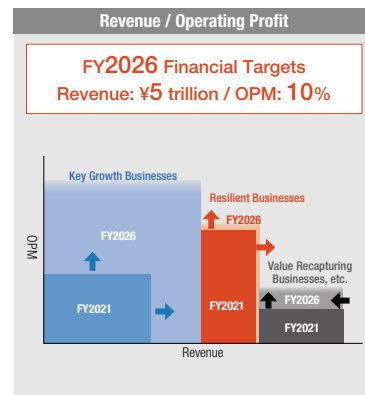
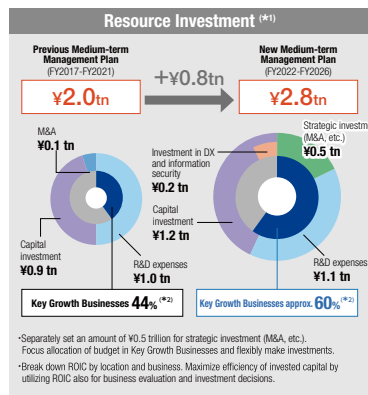


*1 After making adjustments, such as adding R&D expenses to operating cash flow
*2 Strategic investments such as M&As, R&D expenses and capital investment

Priority Allocation of Resource Investment

We invest resources in the amount of ¥2.8 trillion, up ¥0.8 trillion from the previous medium-term management plan, centered on Key Growth Businesses to attain the FY2026 financial targets (revenue of ¥5 trillion, OPM of 10%).

We have started considering the use of the ¥0.2 trillion for each business field, out of the ¥0.5 trillion strategic investment.



*1 Allocation to growth investment, etc. (M&A and other strategic investment, R&D expenses, capital investment)
*2 Ratio of Key Growth Businesses to total investment in all business divisions (excluding investment in non-business divisions)

President's Message

We will strive to solve social challenges through our businesses

The Mitsubishi Electric Group positioned the realization of sustainability as the cornerstone of our corporate management in fiscal 2023. We have clarified five social challenge areas for us to focus on, and we are engaging in efforts to solve these social challenges through our businesses.

Toward preventing the recurrence of improper quality control

First of all, I would like to reiterate our sincere apologies to our many stakeholders for the impact of the improper quality control practices that we have been reporting since last year. At Mitsubishi Electric, we take the occurrence of these incidents extremely seriously, and have been making efforts to take exhaustive recurrence prevention measures by analyzing the contributing factors and pursuing the root causes. As the CEO of the company, I will drive reforms in three areas—quality assurance, organizational culture, and governance—toward the restoration of public trust.

Three reform areas

Based on reports submitted by the Investigative Committee, we have been pursuing reforms in three areas.

(1)Quality assurance reform : We have been strengthening the quality assurance system by establishing the Corporate Quality Assurance Reengineering Group as an organization under the direct control of the CEO, by inviting Mr. Yoshikazu Nakai from outside of the company to serve as the head of this Group and as the Chief Quality Officer (CQO), by reconstructing our control functions as we assign authority for shipments and other areas at each production site to this Group, and by having the Quality Governance Subcommittee periodically monitor activities. We also plan to invest more than 30 billion yen in two years to strengthen the infrastructure of the quality assurance system.

We have yet to be able to thoroughly find out why improper quality control practices continued for decades at certain plants and why no one could stop such practices. I believe, however, that our organizational culture prevented people from speaking out against improper practices, thereby leading them to lose their sense of conscientiousness for ensuring quality and ultimately causing them to engage in such practices.

(2)Organizational culture reform: I believe there is a need to change the awareness and behavior of both superiors and subordinates. When a subordinate seeks advice or shares information, their superior must always accept it at first and then try to solve the problem together. In this process, it is important that the superior fully understands the concept of managing an organization. At the same time, however, subordinates also need to actively speak out. To this end, our employees who volunteered launched a company-wide transformation project team called "Team Sousei (Creation)" in October 2021. All our employees were invited to apply for this team, and applications were received from 465 employees in two weeks. Of these applicants, 45 were selected to become team members and Team Sousei started with 300 other supporters.

Some of them were uncertain as to whether reforms can really be achieved through their own visions at the beginning, but the atmosphere changed after holding repeated discussions that fostered a sense of unity for team members to make changes themselves. When I talk with the positive and enthusiastic team members, I myself often feel energized too. Although reforms do involve difficulties, we will not be afraid to go ahead with a strong will to carry out actions through to the end.

Robust Policies announced in April 2022 are the guiding principles for organizational culture reform that Team Sousei proposed to the company. Members from Team Sousei and executive officers are currently visiting business sites in Japan to hold briefings so that they can spread the policies to each and every employee. We have also formed a transformation-project team in each business group or division to ensure the promotion and implementation of reforms.

In fiscal 2023, we will introduce several measures as part of our efforts to reform communication, including building human relationships irrespective of individuals' positions. These measures include addressing everyone by the neutral honorific "-san" rather than addressing them by their titles, and by gradually implementing one-on-one



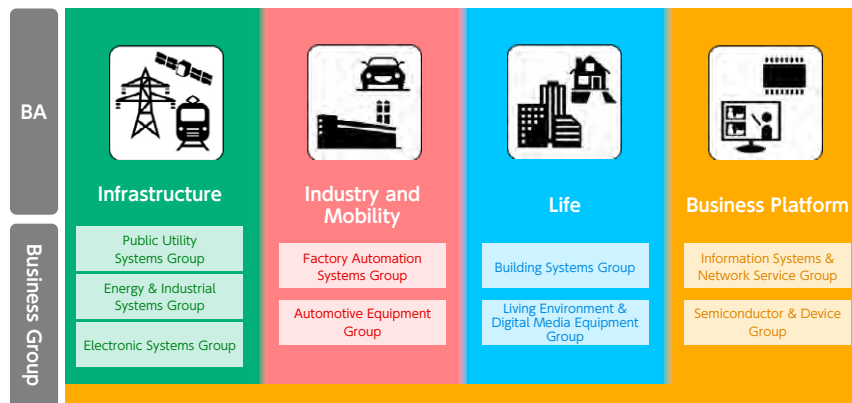
meetings to promote communication between superiors and subordinates. Since assuming the position of the CEO, I am currently on my second round of visiting all the sites of Mitsubishi Electric to engage in dialogues with employees. For this second round of visits, I aim to talk one-on-one, while gathering about 20 employees from each job level in groups to exchange opinions as a two-way meeting. I will listen to a variety of opinions through these dialogues and I will utilize them for various future reforms.

(3)Governance reform: We asked Mr. Mitoji Yabunaka, Outside Director, to chair the Board of Directors starting last year from the viewpoint of strengthening corporate governance. As we engage in business for an extended period, things that are viewed as common sense within the company may actually be abnormal in the eyes of an external party. I believe it is extremely important to incorporate the viewpoints of people outside of the company, hold discussions to revisit how to preserve quality and prevent improper conduct, and work swiftly to make all necessary changes. Based on this, the Company have appointed seven Outside Directors among our 12 directors in total. The company have selected Mr. Tatsuro Kosaka and Mr. Hiroyuki Yanagi as Outside Directors owing to their expertise in manufacturing, the field at the foundation of the Mitsubishi Electric Group.

As for the Board of Directors, we will promote diversity, considering appointing more female directors.

Management structure

To achieve sustainability management, we created a new management structure in April 2022 that designates Business Area (BA) Owners who consider and drive business strategies with mid-to-long term perspectives. Through this, Mitsubishi Electric will facilitate the acceleration of M&As and business restructuring from a company-wide perspective, as well as to work in



Four Business Areas (BA) that will enhance sustainability management

driving the creation of new businesses, the enhancement of technological and business fields, and the strategic shifting of resources, thereby maximizing its corporate value as the company seeks to strive more than ever in solving social challenges through its business activities.

Transforming into a "Circular Digital-Engineering company" to realize sustainability

At the Mitsubishi Electric Group, we define our Purpose, Values, and Commitment as follows.

In fiscal 2023, we reviewed our management policy that is grounded in our Purpose. Our new management policy positions the realization of sustainability as the cornerstone of our management, and clearly reiterates our aim for "solving social challenges through our businesses." From this approach, we will pursue sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders.

Purpose	We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.
Our Values	Trust/Quality/Technology/Ethics and Compliance/Humanity/Environment/Society
Commitment	<p>Changes for the Better</p> <p>"Changes for the Better" represents the Mitsubishi Electric Group's attitude to "always strive to achieve something better," as we continue to change and grow. Each one of us shares a strong will and passion to continuously aim for change, reinforcing our commitment to creating "an even better tomorrow."</p>

In line with this, we have also reviewed our corporate strategy in which we have defined our aim to transform into a "Circular Digital-Engineering company" that provides evolved Integrated Solutions by co-creation and by integrating knowledge within and outside the Group.

"Circular Digital-Engineering company" may be an unfamiliar term. In our businesses, we start by looking at challenges among society and customers, then we consider measures to solve these challenges, and we go on to conduct research and development, manufacturing and sales, and provide maintenance services. In this process, we engage in manufacturing in which products and services are designed for long-term use, and we reuse these products by collecting materials from them instead of disposing of them after use. There is a circulation in the physical sense within our businesses.

When the sales division receives an order from a customer, we have a process in which the design and materials divisions start working, followed by the production and quality control divisions, and then the construction and service divisions. These operations also include the general affairs, accounting, legal, and other staff divisions. These connections represent the "engineering" part of this term. We want to grow in a circular manner by boosting efforts in engineering and interdepartmental communication, and we expressed this desire in the term "Circular Digital-Engineering company."

Integrated Solutions offer support for providing a system during its entire life cycle. With our Integrated Solutions, we flexibly respond to the needs of individual customers by seamlessly providing the three processes of (1) consulting, (2) system engineering, and (3) maintenance and operation. To realize Integrated Solutions, it is vital to use digital twins that intricately reproduce a real space within digital space. Safe and smart maintenance and operation can be realized by reproducing the real space of the customer's operational environment in a digital space, identifying the best operating conditions, and then applying them to the real operational environment. It is possible to analyze new data obtained through operations and recognize potential challenges that even the customer was not aware of. Considering solutions to eliminate these challenges will further strengthen our core components, field knowledge, and advanced digital technologies that are the strengths of the Mitsubishi Electric Group. In this way, the Mitsubishi Electric Group will improve its ability to solve and respond to increasingly complex challenges faced by society and customers with its Integrated Solutions, thereby expanding its value proposition. This will allow us to become a company that is continually needed by society and customers, and we will use this process as our driving force to continue to grow.

Initiatives based on our materiality

The Mitsubishi Electric Group has identified five areas for our materiality, and has carried out activities to realize sustainability. Our materiality can be split up into two different perspectives, one of which is to "provide solutions to social challenges through our businesses." We have clarified five areas of focus as follows: (1) Carbon neutral, (2) Circular economy, (3) Safety/ Security, (4) Inclusion, and (5) Well-being.



Materiality

Business Area (BA) owners will work in these challenge areas, take an overall look at the business and consider the ideal direction it should go, and then aim to address social challenges through each business. Associating each business with social challenges will allow each and every employee to become aware that their work contributes to solving social challenges, which will lead to a sense of joy and fulfillment in working.

I believe it is important that each one of our employees correctly understands integrity with

respect to strengthening our corporate governance, compliance, and business foundation. "Always Act with Integrity" is the compliance motto for all officers and employees at the Mitsubishi Electric Group. "Integrity" means having a strong will and mindset to persist in doing the right thing, as well as having character traits such as fairness, honesty, sincerity, taking responsibility for one's behavior, and respecting others. As our shared understanding of this motto, each one of us reflects on their own behavior by always thinking about whether their own actions or decisions have been done with integrity.

We will also further boost diversity among all employees, including efforts to train female managers and to expand the childcare and nursing leave systems so that they are easier for male employees to use. As we work to create a system to realize this, we will actively incorporate the opinions of our employees, especially those in the younger generation.

Always Act with Integrity

Mitsubishi Electric Group Compliance Motto

Participation in international frameworks

Since 2018, the Mitsubishi Electric Group has participated in the UN Global Compact, an international framework with the aim to realize a sustainable society. We consider that it is our responsibility to fulfil our roles for the Ten Principles in four areas including human rights and the environment, and we are engaged in various initiatives to this end. To reinforce human rights initiatives, we joined the Responsible Business Alliance (RBA), a corporate alliance that pursues social responsibility in the global supply chain, in February 2022. We will align our initiatives with the global standard of the RBA Code of Conduct and make continual improvements to our sustainability initiatives, while also asking suppliers to make similar improvements as we offer them support in these activities. Based on the spirit of the common goal in the industry, we aim to become a company that is trusted by society by reinforcing sustainability initiatives using the approach and methods of the RBA.

Driving technological development and utilizing intellectual property

We, the Mitsubishi Electric Group, have engineers in many diverse fields, such as control, power electronics, and so on. We also work to support each of these technologies at our laboratories and other facilities, where we work to enhance the fundamental technologies that serve as the foundation for our business, while also exploring and creating new technologies that serve as the source of our growth in the future. I believe this is a strength that is unique to us.

Intellectual property is another one of our strengths. In fiscal 2022, we were ranked fifth in the world and first among Japanese companies for seven consecutive years in the number of

international patent applications per company. In addition, we launched Open Technology Bank® activities in 2021 to promote internal and external collaboration based on intellectual property. These activities involved organizing and consolidating our patents, our manufacturing know-how, and so on into different categories and visualizing them for internal and external parties. This allowed us to grasp the Mitsubishi Electric Group's technologies at a glance, making it easy to link and combine technologies together smoothly. By taking the technology assets at the Mitsubishi Electric Group that contribute to solving challenges in various areas and making them open to the public, I hope we will create synergy in collaboration with external parties.

Previously, we aimed to utilize intellectual property to compete with companies, but going forward we will also leverage our intellectual property as a tool to drive co-creation both inside and outside of the company.



Communication and co-creation with society

We opened METoA Ginza (located in Tokyo Plaza Ginza in Chuo-ku, Tokyo) in 2016 as an event space for customers to learn about the activities at Mitsubishi Electric, but starting in March 2022, we have worked to evolve it into a place for co-creation. With the catch phrase "Start an exciting sustainable experience here," this location lets people have fun experiencing Mitsubishi Electric's solutions that help solve social challenges. We will gradually change the exhibits and introduce bidirectional communication with stakeholders



Mitsubishi Electric's METoA Ginza Event Space

on a step-by-step basis through our official websites and social media so that we can create many solutions that society needs.

In December 2021, we opened "XCenter," an exhibition site with the themes of digital transformation and smart cities in the Tokyo Building (Chiyoda-ku, Tokyo), where Mitsubishi Electric is located. By allowing many people to experience Mitsubishi Electric's technologies and products at XCenter, we promote co-creation aimed at realizing DX and smart cities.

Creating a company where people can feel happy and motivated in their work

For us to continue existing as a company despite the dramatic changes of the times, I believe it is important for us to be able to quickly and nimbly shift in response to such changes. I feel that in the future, we will need to have a willingness to shift from our current state if this is determined to be necessary.

What I really want to create is a company where employees can feel happy and motivated in their work. If employees can work in such an environment, they will seek to communicate with the people around them. They will become active in many different places, which will result in various teams forming spontaneously. Through this process, I want to create a workplace where people can realize what they really want to accomplish. As a result, we will start to see a strong overlap between our Purpose and the motivation of each employee. This will further boost the value that we can offer to customers.

The future direction that the Mitsubishi Electric Group should seek to realize is a company where employees feel secure and work happily as they deliver products and solutions that bring joy and smiles to customers, shareholders, and people in society. We will carry out reforms to create a new Mitsubishi Electric Group.

Kei Uruma
President & CEO

Message from the Executive Officer Responsible for Sustainability

Toward Realizing Sustainability

The Mitsubishi Electric Group has stipulated the following within its management policy in May 2022: “We will return to our fundamental principle of ‘addressing social challenges through our businesses’ and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders.”

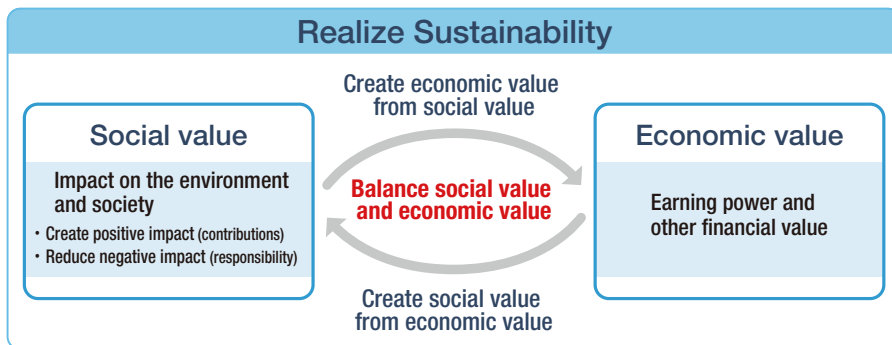
Realizing sustainability means contributing toward solving various social challenges, and thereby pursuing sustainability in the environment and society. It also means the Company becoming a corporate group that is needed by society for many years to come. While fulfilling our responsibilities as a member of society, we will commit to solving social challenges in all kinds of activities, particularly our main businesses, and thereby enhance both social and economic value. It is crucial to engage in human resource development for this purpose and to invest in management resources for technology development. Mitsubishi Electric’s mission has been to offer products and solutions to society for solving social challenges. We will further enhance our mission and work to thoroughly explain social and economic value.

To Create a Sustainable Society Full of Prosperity

Mitsubishi Electric’s purpose is as follows: “We will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.” This purpose represents the reason for the Company’s existence, and it expresses the goal that we never stop pursuing. To realize a vibrant and sustainable society within this modern age, we believe we need to focus more on the people who use goods, rather than on goods themselves, and to offer products and solutions that help each and every one of our customers and the people standing



beyond our customers to feel happiness and satisfaction in their daily lives. These customers include our valued colleagues and employees. As such, at Mitsubishi Electric, we have used the phrase “Sustainable Society Full of Prosperity” to define the kind of society that we aim to create by 2050. We envision a company in which all employees respect each other, that considers people’s dreams and future while solving social challenges ranging from the global environment to daily life, and that makes all people happy, including shareholders and people in society in addition to employees. With these thoughts in mind, we have decided to commit to the sustainability vision of “Creating Harmony with People and the Planet.”



Materiality Initiatives to Solve Social Challenges

What should we work on to create the Sustainable Society Full of Prosperity as expressed in our sustainability vision? To find the answer to this question, we engaged in backcasting based on our ideal society in 2050 to identify the five challenge areas that the Mitsubishi Electric Group will solve through its main businesses: Carbon neutrality, Circular economy, Safety/Security, Inclusion, and Well-being.

Carbon neutrality : A decarbonized society with fewer CO₂ emissions from our company and society itself, and with mitigations against climate change.

Circular economy : A society that effectively uses and sustainably circulates resources.

Safety/Security : A resilient society that can respond to various environmental changes and risks.

Inclusion : A society in which all kinds of people are respected and anyone can live freely, fairly, and in a lively manner.

Well-being : Comfortable lives and physical and mental well-being for each and every individual.

To create a Sustainable Society Full of Prosperity, first we need to aim to achieve these challenges within society and life. Going forward, we plan to analyze risks and opportunities for Mitsubishi Electric businesses in each challenge area and establish medium-term goals together with the business group headquarters. The Mitsubishi Electric Group will work on these challenge areas through five materiality themes: Realize a sustainable global environment; Realize a safe, secure, and comfortable society; Respect for all people; Strengthen corporate governance and compliance on a sustainable basis; and Create a sustainability-oriented corporate culture.

We are very much aware that three of these five materiality themes—Respect for all people, Strengthen corporate governance and compliance on a sustainable basis, and Create a sustainability-oriented corporate culture—are certainly the top priority issues for Mitsubishi Electric, which is working on its three reforms. We regard our quality assurance culture reforms, governance reforms, and organizational culture reforms as the three materiality initiatives for strengthening our management foundation that supports sustainable growth, and we will build these initiatives to become substantial and effective.

Mitsubishi Electric aims to further enhance the corporate value by working to solve social challenges from a medium-to-long term perspective, by having sensitivity and adaptability to changes in society, and by actively disclosing information to its stakeholders.

Sustainability Vision

Creating Harmony with People and the Planet



Yoji Saito
 Yoji Saito
 Executive Officer and CCO

Improper Quality Control Practices and Three Reforms

1. Overview of Incidents

Mitsubishi Electric would like to reiterate its sincere apologies to all customers, valued stakeholders, and broader society for the impact of these incidents. At Mitsubishi Electric, we take these incidents seriously and ensure that thorough measures are taken to prevent recurrence by analyzing the relevant factors and pursuing the root causes. We also regularly disclose details on these initiatives via our portal site as soon as information becomes available.



Portal site (in Japanese text)



Portal site (in English text)

3. Overview of Measures to Prevent Recurrence

Based on the report submitted by the Investigative Committee, we will proceed with implementing the three reforms.

Investigative Committee Recommendations

- (1) Ingrain a company-wide understanding and correct perception of quality (ensuring quality through adherence with protocols)
- (2) Check and review processes such as procedure manuals from a third party's perspective
- (3) Strengthen the quality control division
- (4) Support and strengthen middle management*
- (5) Bring the headquarters/corporate function departments and the manufacturing sites closer
- (6) Encourage affiliation with the company rather than the existing strong affiliations at a plant/works level
- (7) Implement measures based on the business group system
- (8) Demonstrate management's resolve in strengthening quality compliance

* General managers and section chiefs of manufacturing site/office

2. Investigative Committee's Investigation

We have established the Emergency Response Division headed by the president and commissioned a quality-related investigation by an Investigative Committee of external experts in response to the series of improper quality control practices. First, we will focus on completing the investigation with the Investigative Committee.

Investigation Method

Target : Mitsubishi Electric
Method : Questionnaire survey; information brought to a dedicated email address of the third party committee or Nishimura & Asahi separately; forensic investigation; interview survey

Investigation Committee members:

- Chairman: Hiroshi Kameda (Attorney-at-law, Nishimura & Asahi)
- Member: Mitsuhiro Umezumi (Professor at Keio University, specializing in corporate ethics)
- Member: Masahiko Munechika (Professor at Waseda University, specializing in quality management)

Summary of the number of cases of improper quality control practices pointed out by the Investigative Committee

	Disclosed in Oct. 2021	Disclosed in Dec. 2021	Disclosed in May 2022	Subtotal
Number of sites investigated	2	5	22	22
Bases among these at which improper quality control practices occurred	2	5	15	16
*There is an overlap in the number of bases within the figures released in Oct. 2021, Dec. 2021, May 2022.				
Number of cases of improper quality control practices	18	29	101	148

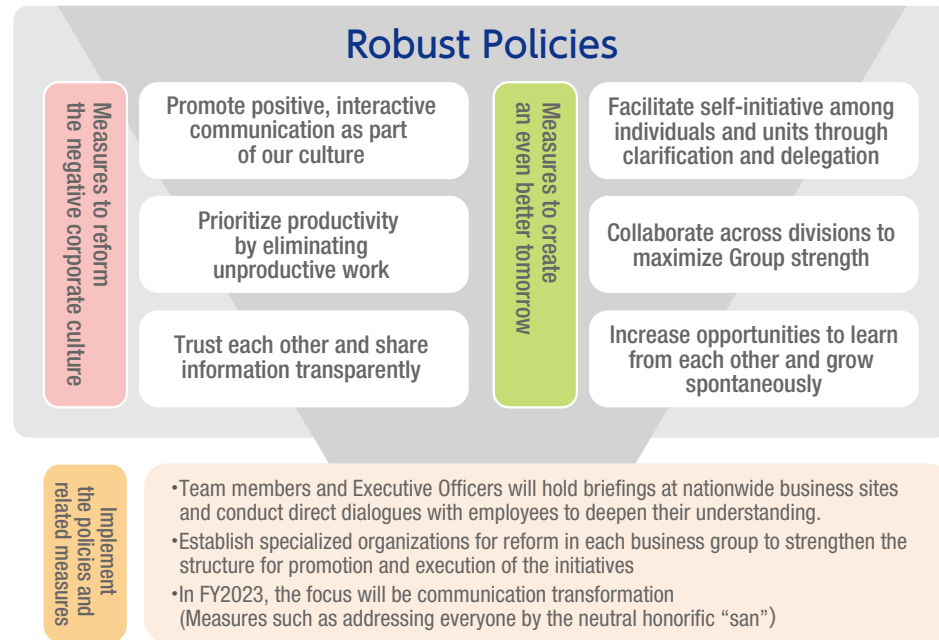
Three Reform Areas

- ◆ **Quality assurance reform**
 - Establish the Corporate Quality Assurance Reengineering Group under the direct control of the CEO
 - Strengthen new quality assurance functions led by the head office
 - Share knowledge and provide flexible support across business groups
 - Appoint a Chief Quality Officer from outside the company (April 2022)
 - Plan to invest over ¥30 billion for investments in infrastructure development, etc.
- ◆ **Organizational culture reform**
 - Company-wide reform project "Team Sousei (Creation)" formulates "Robust Policies" for organizational culture transformation
 - Establish specialized organizations in each business group to promote and implement the reform
 - Reform the personnel system
 - Overcome the inward-looking organizational culture, change the behavior of senior management, support middle management and front-line workers
- ◆ **Governance reform**
 - Reform the Board of Directors to strengthen management supervisory functions
 - Establish a Governance Review Committee

4. Initiatives for the Three Reforms

Organizational culture reforms: "Robust Policies" for the creation of a New Mitsubishi Electric Group

"Team Sousei (Creation)," a company-wide reform project consisting of 45 members selected through internal recruitment, formulated the "Robust Policies" for organizational culture reforms. Various measures have been implemented based on the policies since FY2023.



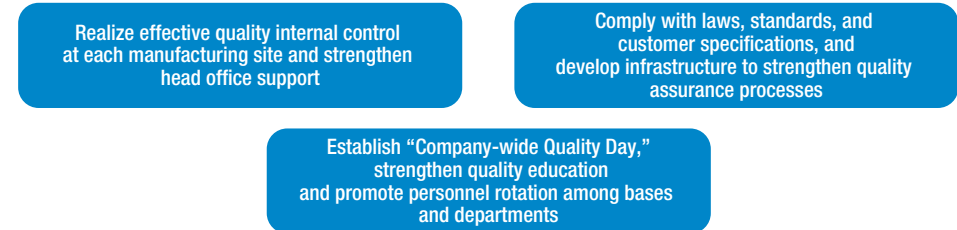
Changes for the Better start with ME

"Employees feel that they can consult with their superiors," "failures are tolerated," and "problems are solved together"

Human Resources

Quality assurance reforms: Strengthen quality governance by going back to the premise that "Product quality is our top priority"

Under the leadership of the new Chief Quality Officer, the Corporate Quality Assurance Reengineering Group will lead efforts to "reconstruct the control function," "address issues relating to technical capabilities and resources," and "re-foster an awareness of quality compliance."

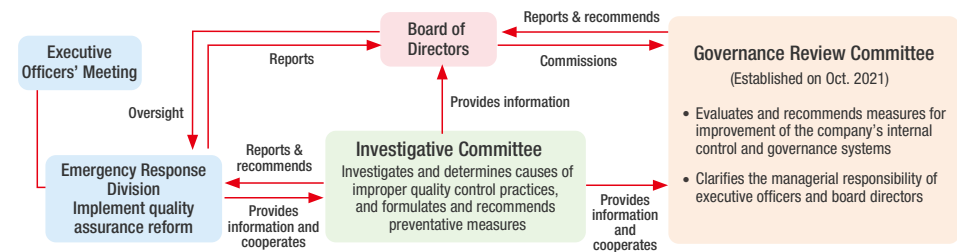


Quality

Governance reforms: Reform the Board of Directors and establish the Governance Review Committee

Strengthen management supervisory function, and improve internal control and governance systems

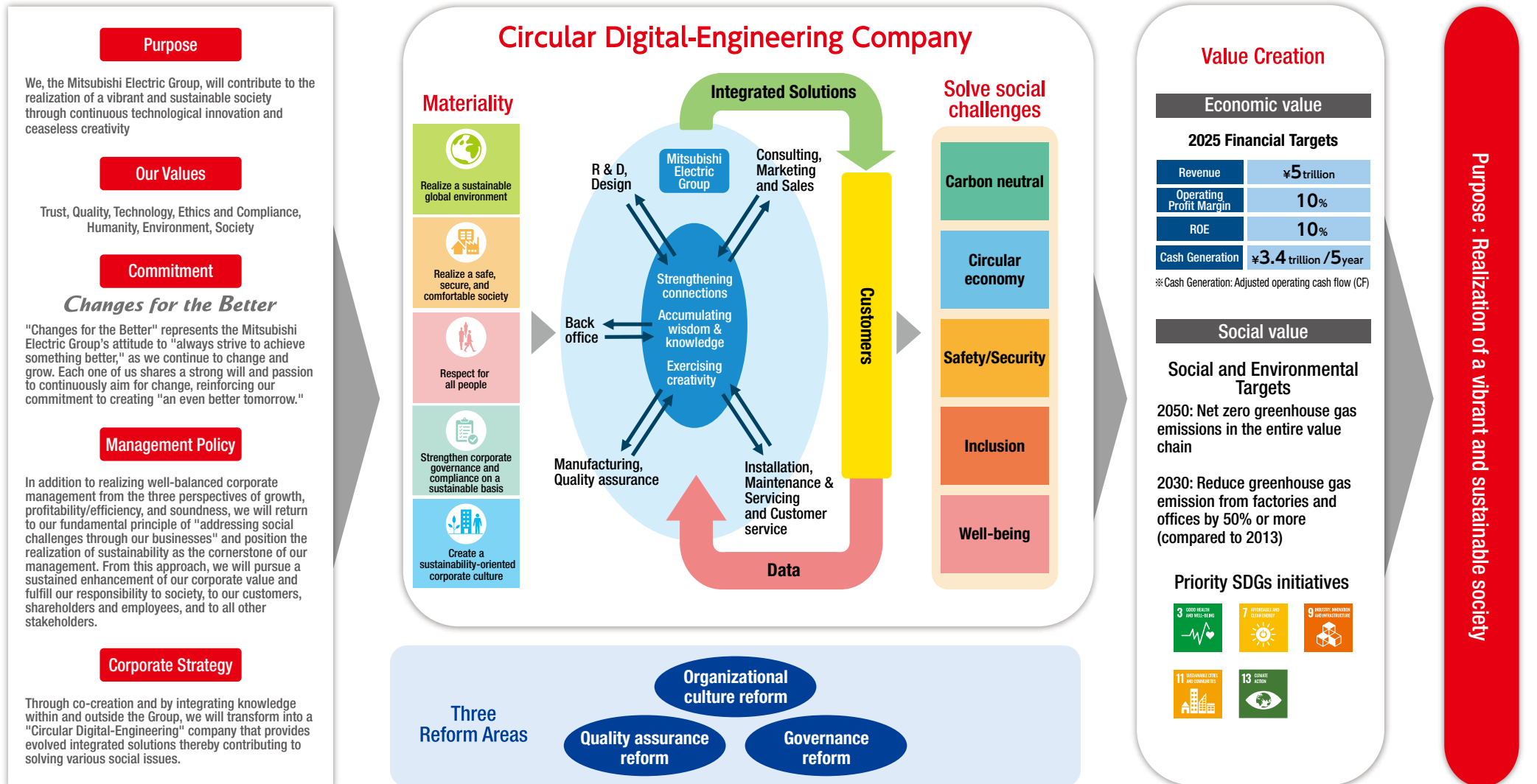
- Undertake sustainable, medium- to long-term initiatives to reform the functions, composition, and secretariat of the Board of Directors, as well as the three statutory committees.
- Form a Governance Review Committee, comprising of three lawyers with no existing commercial relationships with the company, to assess internal control and governance systems.



Corporate Governance

Initiatives to Create Value

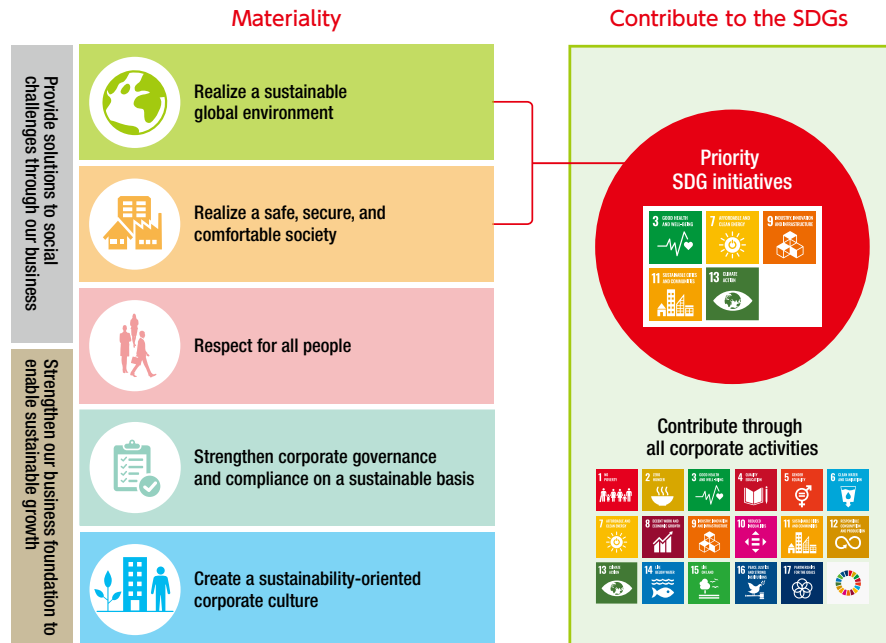
The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize "a vibrant and sustainable society" that we have committed to in our Purpose. We have identified five areas as materiality (important challenges) to "provide solutions to social challenges through our businesses" and as part of our "strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges.



Materiality

Mitsubishi Electric Group's Materiality

The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize the "vibrant and sustainable society" that we have committed to in our Purpose. We have identified five areas as materiality to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges starting with contributing to achieving the SDGs. In our materiality initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid-to-long-term initiatives and goals as well as for key performance indicators (KPIs).



Materiality and SDGs

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

Under its Purpose that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity" the Group aims to contribute to solving social issues. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.

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

SUSTAINABLE DEVELOPMENT GOALS



The SDGs (Sustainable Development Goals)

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

Two key principles of the SDGs are that they seek change in developed countries, including Japan, and that they pledge "no one will be left behind" in the implementation of their initiatives.

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

[United Nations Information Centres](#)

Priority SDG initiatives

In line with the materiality identified for fiscal 2022, we reviewed the SDGs to address on a priority basis that we determined in fiscal 2019. In the course of reviewing our goals, we conducted an internal and external survey. As a result of it, we found that Mitsubishi Electric is expected to contribute to resolving social challenges through its business activities.

Based on a study within the company, we set SDGs 3, 7, 9, 11, and 13 as the Priority SDG initiatives, which correspond to "realize a sustainable global environment" and "realize a safe, secure, and comfortable society," the areas that the Group will focus on going forward. By further promoting initiatives to create value for these goals to which we can contribute significantly as a comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

- Goal 3: Good Health and Well-being
- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation, and Infrastructure
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through our materiality initiatives.

Initiatives related to the 17 SDGs

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

 <p>1 NO POVERTY</p> <p>No Poverty</p> <p>We are working to end poverty by creating employment through the global expansion of our business, and launching initiatives including the establishment of social infrastructure and volunteer activities.</p>	 <p>2 ZERO HUNGER</p> <p>Zero Hunger</p> <p>We are contributing to solving food-related issues through measures including the provision of IT support for agriculture via ICT and positioning satellites, improving productivity in foodstuffs factories through FA, and supplying refrigeration and freezing technologies for food.</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good Health and Well-being</p> <p>We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge Air conditioning Systems that contribute to the advancement of treatment.</p>	 <p>4 QUALITY EDUCATION</p> <p>Quality Education</p> <p>In addition to providing technological assistance to developing nations and supporting remote education through our communication and IT technologies, we are contributing to fostering the next generation and beyond through activities that contribute to society.</p>
 <p>5 GENDER EQUALITY</p> <p>Gender Equality</p> <p>We are supporting the social empowerment of women through providing ICT services and supplying home appliances, and we are promoting the further advancement of women within the Group.</p>	 <p>6 CLEAN WATER AND SANITATION</p> <p>Clean Water and Sanitation</p> <p>The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Affordable and Clean Energy</p> <p>We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Decent Work and Economic Growth</p> <p>Through our FA and AI technologies, we are working to contribute to increased productivity and the provision of desirable working environments throughout the Group.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Industry, Innovation and Infrastructure</p> <p>The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.</p>	 <p>10 REDUCED INEQUALITIES</p> <p>Reduced Inequalities</p> <p>In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Sustainable Cities and Communities</p> <p>We provide safety, security, and comfort to people's lives through our work in the disaster-prevention and infrastructure-development fields.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Responsible Consumption and Production</p> <p>We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.</p>
 <p>13 CLIMATE ACTION</p> <p>Climate Action</p> <p>We are working to identify a total valuation of our CO₂ and other greenhouse gas emissions in order to set our goals for reductions.</p>	 <p>14 LIFE BELOW WATER 15 LIFE ON LAND</p> <p>Life below Water/ Life on Land</p> <p>We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Peace, Justice and Strong Institutions</p> <p>Based on laws and international norms, we are working to improve both our supply chains and areas including human rights, labor, the environment and the prevention of corruption on a global scale.</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Partnerships for the Goals</p> <p>We are contributing to the achievement of the SDGs through partnerships with entities including governments, universities, research institutes, companies, and NGOs, pushing ahead with open innovation and other initiatives.</p>

Realize a sustainable global environment



The Group has formulated its Environmental Sustainability Vision 2050 to clarify the Group's stance on addressing long-term environmental issues. Based on this, we have engaged in activities since fiscal 2022 in line with our medium-term Environmental Plan 2023, and we aim to achieve carbon neutrality and a circular economy by promoting innovation in products and services, and by providing integrated solutions.

Reasons why it is important

Environmental challenges such as climate change and resource/energy issues are hurdles at a global scale. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.

Mid-to-long-term initiatives and FY2023 targets

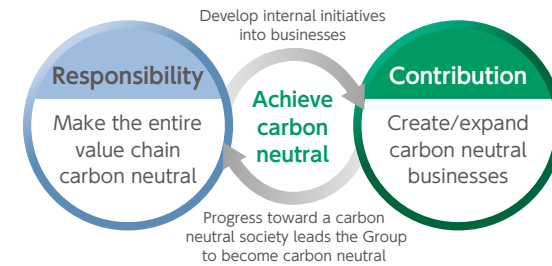
Mid-to-long-term initiatives	FY2023 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Scope*
Realize carbon neutrality through innovation and Integrated Solutions	Reduce CO ₂ emissions related to the usage of new products (Improvement of more than 1% by the end of FY2024)	Japan, overseas
	Reduce CO ₂ emissions from production (Reduction of more than 30% compared to FY2014 by the end of FY2024)	
Contribute to achieving a circular economy	Use recycled plastics (Rate of more than 10% in terms of the volume of molding and packaging materials by the end of FY2024)	Japan
	Make effective use of waste plastics (Rate of more than 90% by the end of FY2024)	
	Reduce water usage per unit of sales at high-risk offices (More than 4% compared to FY2020 by the end of FY2024)	Japan, overseas

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

Initiatives for carbon neutrality

In fiscal 2022, we examined how we respond to risks related to climate change and to opportunities for realizing carbon neutrality, and we clarified our policy for initiatives. The Mitsubishi Electric Group will adopt a dual-pronged approach to carbon-neutrality based on responsibility and contribution.

Adopted dual approaches to carbon neutral: Responsibility and Contribution.

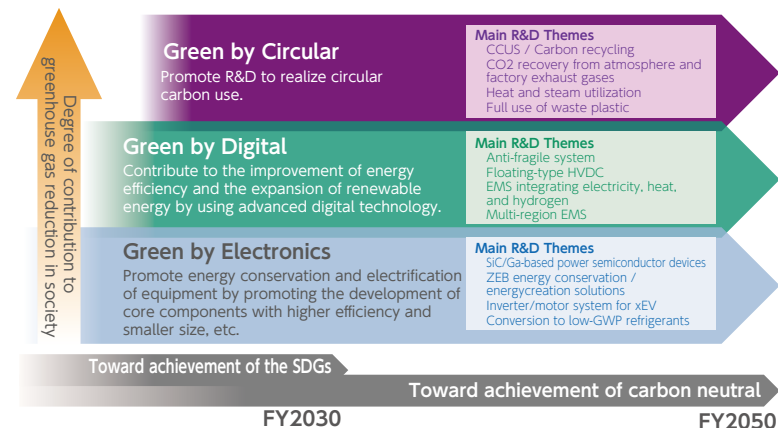


Responsibility Carbon neutral initiatives in the entire value chain

Target FY2051 Net zero greenhouse gas emissions in the entire value chain
FY2031 Reduce greenhouse gas emissions from factories and offices by 50% or more (compared to FY2014)

Contribution Create/expand businesses that contribute to carbon-neutral

We will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular to create and expand businesses that make society as a whole carbon neutral



CCUS: Carbon dioxide Capture Utilization and Storage, EMS: Energy Management System, GWP: Global Warming Potential, HVDC: High Voltage Direct Current

Realize a safe, secure, and comfortable society

Since our inception, the Mitsubishi Electric Group has been contributing to society primarily by offering products and services.

We aim to solve diversifying social challenges through our businesses to realize the "vibrant and sustainable society" outlined in our Purpose.



Reasons why it is important

The Mitsubishi Electric Group will supply Integrated Solutions that combine the strengths of the Group and other parties in the areas of infrastructure, industry, mobility, life, and business platform to solve diversifying social challenges and to contribute to the realization of a safe, secure, and comfortable society.

Mid-to-long-term initiatives and FY2023 targets

Mid-to-long-term initiatives	FY2023 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Scope*
Contribution through business activities in the areas of safety/security, inclusion, and well-being	Safety/Security <ul style="list-style-type: none"> Promotion of products, services, and solutions that contribute to minimizing damage due to natural threats, including prevention of natural disasters Promotion of products, services, and solutions that contribute to avoidance, damage mitigation, and quick solutions regarding human-caused threats, including crime and accident suppression Promotion of products, services, and solutions that contribute to improving adaptability to urban and social challenges, including labor shortages, declining population, and depopulation 	Japan, overseas
	Inclusion <ul style="list-style-type: none"> Promotion of products, services, and solutions that reduce the impact of physical limitations (age, disability, etc.) and environmental limitations such as residential areas 	
	Well-being <ul style="list-style-type: none"> Promotion of products, services, and solutions that contribute to realizing more comfortable and healthy living 	

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

Putting co-creation into practice at Mitsubishi Electric Event Space "METoA Ginza"

In 2016, Mitsubishi Electric opened "METoA Ginza" in Ginza, Tokyo as an event space for customers to learn about the activities at Mitsubishi Electric. Since its opening, we have been holding interactive events under a different theme each time, such as smart city, universe, and parasports, once every several months at METoA Ginza as a place for visitors to become familiar with the Mitsubishi Electric Group's technologies and services while they enjoy the event. Starting in March 2022, we have worked to evolve it into a place for co-creation that will lead to the realization of a safe, secure, and comfortable society. Through exhibitions themed from a sustainability point of view, we will have stakeholders experience ideas in the development stage, collect their opinions, and reflect them in development to create a place of co-creation for solving social challenges.



Mitsubishi Electric's METoA Ginza Event Space

Opened "XCenter," an exhibition site based on the themes of digital transformation and smart cities

Mitsubishi Electric opened XCenter at its head office in December 2021 as a place for visitors to experience its cutting-edge technologies and products. XCenter will contribute to realizing smart cities featuring a balance between sustainable society and affluent life-styles by co-creating new solutions with customers and partners.



Respect for all people



We recognize that we enjoy a wide range of relationships with the people and societies in the countries and regions where we operate, and we respect the human rights of all people. We promote diversity so that diverse people can do their best work, and we promote the Workplace Culture Reform Program as a Group to realize a work environment in which all employees can thrive.

Reasons why it is important

The protection of human rights is a global issue. Everyone's rights as individuals must be respected. The Mitsubishi Electric Group will respect human rights in all of our activities and realize a workplace environment that helps all employees work actively.

Mid-to-long-term initiatives and FY2023 targets

Mid-to-long-term initiatives	FY2023 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Scope*
Promote human rights initiatives that are based on international norms	Identify and improve priority initiative items based on the results of the FY2022 Human Rights Impact Assessment (No insufficient initiative items)	Japan, overseas
	Grasp the improvement statuses of human rights initiatives based on the FY2023 Human Rights Impact Assessment (Implementation rate of 100%)	
	Enhance response for grievances on human rights	Mitsubishi Electric Japan, overseas
	Provide education on human rights and e-learning sessions (Attendance rate of 100%)	
Realize a workplace environment that helps all employees work actively	Continue to promote the Mitsubishi Electric Workplace Reform Program. In particular, accelerate initiatives for improving employee engagement (Quantitative targets for Mitsubishi Electric only) (Employee engagement score*1 of more than 70% by FY2023) (Work-life balance score** of more than 70% by FY2023)	Japan
	Carry out a transformation starting with the renewal of the personnel system based on the "Robust Policies" from the company-wide reform project "Team Sousei (Creation)"	
Promote diversity	Increase the ratio of women among new recruits (1.2 times the average of the past five years (FY2017 to FY2021) by FY2026)	Mitsubishi Electric
	Increase the ratio of women in managerial positions (2 times the ratio in FY2021 by FY2026)	
	Encourage male employees to take child-care leave* (70% by FY2026) * Including those taking leave when their spouse gives birth	
	Overseas Actively appoint local national staff as executives for overseas bases	overseas
	Promote the hiring of people with disabilities at more than the statutory employment rates and promote the development of a workplace environment that is comfortable for them (More than 2.5% by April 2023) * Including special subsidiary companies	Mitsubishi Electric
Promotion of occupational health and mental and physical health	Make improvements regarding the rate of lost worktime injuries* (Less than 0.25/year) * Total number of accidents per 1 million hours Mitsubishi Electric	Mitsubishi Electric
	Realization of a workplace environment where people can work while maintaining their mental and physical health through the establishment of a health-conscious management by implementing Mitsubishi Electric Group Health Plan 21 activities and other initiatives. (Less than 9.0% highly stressed persons as identified in a stress check; 0.6% improvement from FY2022)	Japan

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

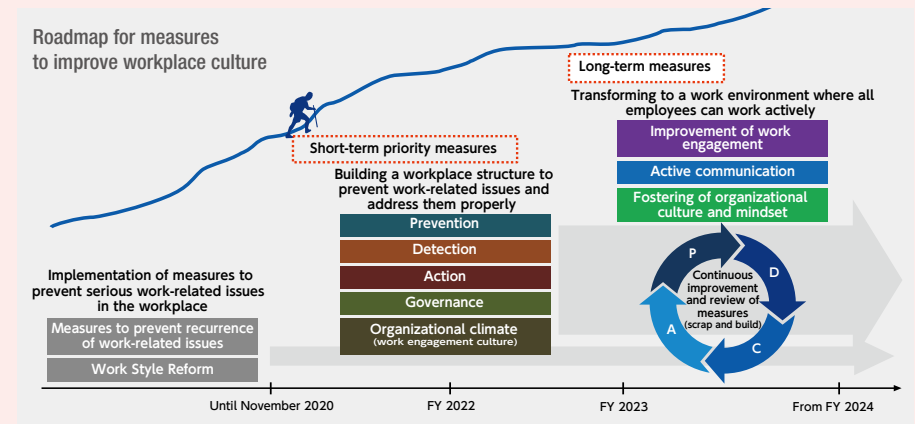
Joining RBA

In February 2022, Mitsubishi Electric joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in the global supply chains. By adopting the RBA approach and tools in practical ways in order to strengthen its sustainability initiatives, thereby helping earn society's trust.



Realize a workplace environment that helps all employees work actively

Positioning the prevention of recurrence of work-related issues as our top management priority, the Group as a whole is advancing the "Mitsubishi Electric Workplace Reform Program" based on a third party evaluation conducted by outside experts, while aiming to achieve a culture where employees feel that they can consult with their superiors, where failures are tolerated, and where problems are solved together, through connections enabled by open communication.



Employee Awareness Survey

KPI	Result for 2H FY2022	Goal
Percentage of employees who are proud and motivated to work for the Company	54%	80% or more
Percentage of employees who responded that they had a good work-life balance	65%	80% or more

Strengthen corporate governance and compliance on a sustainable basis



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

Reasons why it is important

Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to reinforce these areas.

Mid-to-long-term initiatives and FY2023 targets

Mid-to-long-term initiatives	FY2023 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Scope*
Improve the board of directors' effectiveness	Continue to strengthen the function of the board of directors and the three statutory committees based on the effectiveness assessment	Mitsubishi Electric
	Realize a highly independent composition in the board of directors (Over 50% independent outside directors)	
Thorough compliance	Compliance training on a continuous basis • Provide compliance education that utilizes diverse methods on a continuous basis	Japan, overseas
	Rate of attendance in e-learning programs about the Code of Conduct (maintain a rate of 100%)	Mitsubishi Electric
	Fair competition (prevention of antimonopoly violations) • Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules (Zero major incidents of the violation of the prevention of antimonopoly violations)	Japan, overseas
	Corruption prevention (prevention of bribery) • Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, and conduct monitoring with an eye toward establishing regulations and guidelines (Zero major bribery incidents)	Japan, overseas
Procurement that contributes to sustainability	Organize CSR assessments on major suppliers to establish a responsible supply chain	Japan, overseas
	Establish a plan for sustainability procurement policy guidelines (Integrate the Green Procurement Standards Guide and the CSR Procurement Guidelines)	
Information security activities to protect important information	Eradication of major information leakage incidents (Zero incidents)	Japan, overseas
	Compliance with information security related laws and regulations (Zero violations)	
	Improve the information security maturity level (Higher than the FY2026 target level 3*) <small>* Framework of the Cyber Security Maturity Model Certification (CMMC) issued by the U.S. Department of Defense. Level 3 or above indicates an excellent security measure/management system</small>	
Complete reform in the area of quality assurance with an aim for zero quality-related fraud	Reconstruct functions for checks and balances • Conduct quality audits and promote improvements once a year at all manufacturing facilities and plants (Implementation rate of 100%)	Mitsubishi Electric
	Measures for technology capability and resource issues • Build a system for compliance with quality-related laws, regulations and public standards; develop and implement an investment plan for infrastructure development, etc. related to the quality assurance system	Japan, overseas
	Renewed efforts to raise awareness on quality compliance • Improve quality compliance awareness and provide e-learning (Attendance rate of 100%) • Survey the awareness of employees on quality	Japan

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

Dialogue between an Outside Director and the President & CEO: Improving the effectiveness of governance and corporate value

In response to a series of events with improper conduct in quality control, Mr. Kei Uruma was appointed President and CEO in July 2021 and Mr. Mitoji Yabunaka, an Outside Director, was appointed Chairman of the Board of Directors of Mitsubishi Electric in October 2021 to further strengthen the function of supervising management to improve of the effectiveness of the board of directors. After more than six months since each of them assumed their positions, they engaged in discussions together under the theme of improving the effectiveness of governance and corporate value. During this dialogue, they expressed their enthusiasm about the three reforms for the Mitsubishi Electric Group to regain trust and they exchanged frank views on the future of the Company, human resource strategies, and efforts to improve corporate value.

Date: May 2022



Kei Uruma,
President and CEO

Mitoji Yabunaka,
Outside Director and Chairman
of the Board of Directors

Integrated Report

Compliance Motto - "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, 2022. "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."

Always Act with Integrity
いかなるときも「誠実さ」を貫く

Create a sustainability-oriented corporate culture



To contribute to realizing sustainability, the Mitsubishi Electric Group must instill a corporate culture that includes: a commitment to solving social challenges from a long-term perspective, having sensitivity and adaptability to changes in society, and proactive disclosure of information to stakeholders. Corporate culture cannot be changed overnight. We will work to build this culture over a long period as a foundation to support sustainable management.

Reasons why it is important

The Mitsubishi Electric Group will contribute to realizing sustainability through all of our activities. To this end, we will proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a mid-to-long-term perspective.

Mid-to-long-term initiatives and FY2023 targets

Mid-to-long-term initiatives	FY2023 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Scope*
Promote mid-to-long-term initiatives for solving social challenges	Strengthen the management system to realize sustainability management that integrates the promotion of sustainability (Report to the Executive Officers' Meeting and the Board of Directors at least three times) (Business divisions participating in the Sustainability Committee)	Japan, overseas
	Improve understanding on the relationship between business operation and sustainability (More than 80% understanding on the new management policy and more than 75% understanding on the operation of business in line with the management policy, according to the results of an employee awareness survey)	
	Promote activities aimed at realizing a inclusive society <ul style="list-style-type: none"> Coexistence with the global environment: As an activity related to the Mitsubishi Electric Outdoor Classroom, contribute to biodiversity preservation activities by using BIOME, a living things collection application developed by Kyoto University's environmental venture company, Biome Inc. (1,000 participants) Coexistence with the local community: Support organizations that contribute to solving social challenges including support for people with disabilities, based on the SOCIO-ROOTS Fund Coexistence with all people: Promote the development of people in the next generation through support for science, technology, culture, art, and sports 	
Increase sensitivity and adaptability to changes in values among society and individuals	Discuss social trends in Sustainability Committee meetings and respond to these trends	
Promote active communication with stakeholders based on highly transparent information disclosure	Issue the Sustainability Report and the Integrated Report, hold dialogues with experts, and conduct sustainability report questionnaires	

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

Organizational culture reform through the company-wide reform project "Team Sousei (Creation)"

We launched a company-wide reform project "Team Sousei (Creation)" led by the CEO. The team consists of 45 young and middle-level employees selected through internal recruitment to raise awareness on a culture where employees feel that they can consult with their superiors, where failures are tolerated, and where problems are solved together in October 2021. The Team Sousei (Creation) has developed "Robust Policies" in April through three steps of discussions and considerations for the realization of the organizational culture that Mitsubishi Electric is pursuing.

Information on the status of activities of Team Sousei (Creation) is shared on the internal website as needed for all employees to check the current status and to make comments.

[Steps]











- Step 1** Search for problems and true causes (Oct.-Dec. 2021)
- Step 2** Consider measures (Dec. 2021-Feb. 2022)
- Step 3** Develop "Robust Policies" (developed in March 2022, and released on April 8, 2022)



Briefing session in Step 2 of the company-wide reform project (Feb. 8, 2022)

Initiatives that Contribute to Addressing Social Challenges

List of initiatives that contribute to addressing social challenges

Business Group headquarters	Social challenges for which risks and opportunities have been recognized and evaluated	Priority SDG initiatives	Examples of initiatives
Public Utility Systems Group	<ul style="list-style-type: none"> ● Appropriate use of water ● Optimal use of energy ● Addressing climate change ● Development of safe, secure, comfortable, and sustainable cities 		<ul style="list-style-type: none"> ■ Reducing Environmental Burdens and Realizing a Society with Rich Water Cycle by Advancing Water and Sewage Systems Using IoT Technology ■ Developing High Efficiency Electrical Components for Rolling Stock and Providing Maintenance Solutions that Contribute to the Development of Railways, Which Are an Energy Efficient and Environmentally Friendly Transportation Network ■ Providing Disaster Prevention and Mitigation Services and Other Services that Enhance Infrastructure Maintenance and Management that Contribute to the Development of Safe, Secure, and Comfortable Cities
Energy & Industrial Systems Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Addressing climate change 		<ul style="list-style-type: none"> ■ Contributing Toward Economical and Reliable High-Quality Power Distribution Systems, Optimized Energy Use via ICT for Interconnectivity and Resilient Energy Infrastructure that Operates Seamlessly, Even During Emergencies ■ Improving the Efficiency of Power Generators, Switchgear and Transformers ■ Developing Equipment that Caters to Environmental Awareness for Eliminating or Reducing the Use of SF6 Gas, Known for Its High Global-Warming Potential ■ Supply and Demand Management with the Growing Use of Renewable Energy Resources, Integrated Management of Distributed Energy Sources Including Demand Control, and Driving Grid Stabilization Solutions ■ Driving Distributed Power Supply Operation Solutions Capable of Responding to New Demand, Such As the Wide Area Supply and Demand of Electricity Through Interconnection of Electric Power Utilities
Building Systems Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Development and dissemination of innovative infrastructure ● Development of safe, secure, comfortable and sustainable cities ● Waste reduction 		<ul style="list-style-type: none"> ■ Pursuing Comfortable, Safe and Secure Elevator and Escalator Transport. Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services ■ Further Improving Energy Savings, Safety, Comfort, and Functionality Through Elevator and Escalator Renewal ■ Providing Smart Building Solutions by Supporting Robot Mobility within the Building, Supporting ZEB Operations, etc. ■ Providing Safety and Security with Integrated Building Security Systems. Supporting Energy Savings and Comfort in Buildings Through Building Facilities Operations Systems
Electronic Systems Group	<ul style="list-style-type: none"> ● Securing of a sustainable food production system ● Integrated management of water resources ● Creating secure, safe and comfortable sustainable cities ● Addressing climate change, prevention of marine pollution, and prevention of deforestation 		<ul style="list-style-type: none"> ■ Contributing to World-Leading Global Environment Observation ■ Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data ■ Contributing to Secure, Safe, and Comfortable Living Through High Precision Positioning Solution
Living Environment & Digital Media Equipment Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Addressing climate change 		<ul style="list-style-type: none"> ■ Lossnay® for Commercial Use, High-performance Ventilation Equipment ■ Achieving High Efficiency Operation and CO2 Emissions Reduction for Hot Water and Heating Systems by Switching from the Combustion Type to the Air to Water (ATW) Heat Pump Hot Water System Mainly in Europe, Which Has Strict Environmental Regulations ■ MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort ■ EcoCute Provides Excellent Energy Savings and Comfort ■ Recycling of Home Electrical Appliances
Factory Automation Systems Group	<ul style="list-style-type: none"> ● Sustainable use and development of resources ● Addressing climate change ● Measures against air, water, and soil pollution ● Addressing the declining labor force population 		<ul style="list-style-type: none"> ■ Achieving Automation of Customer Production Facilities and Improving Productivity and Product Quality Through Development of FA Equipment, Industrial Robots, and Mechatronics Products ■ Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption ■ Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
Automotive Equipment Group	<ul style="list-style-type: none"> ● Reduction of air pollution and climate change countermeasures ● Zero traffic accidents, elimination of traffic congestion, and comfortable travel ● Elimination of regional gaps ● Measures to address aging infrastructure 		<ul style="list-style-type: none"> ■ Technological Innovation of Automotive Equipment Products for a Decarbonized, Safe and Secure Society
Semiconductor & Device Group	<ul style="list-style-type: none"> ● Appropriate use of water ● Optimal use of energy ● Proper management of chemical substances ● Addressing climate change 		<ul style="list-style-type: none"> ■ SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers' Devices ■ Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations
Information Systems & Network Service Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Realization of a safe society ● Addressing labor force shortages 		<ul style="list-style-type: none"> ■ Using Internet Data Centers to Help Customers Reduce Environmental Impact ■ Providing Smart Office Solutions that Also Contribute to Work Style Reforms
Business Innovation Group	<ul style="list-style-type: none"> ● Demographic changes and the deterioration of social infrastructure ● Increase in the severity of disasters as well as environmental and energy problems ● Creation of a society that includes the elderly and those in poor health ● Decrease in the number of construction workers and productivity declines 		<ul style="list-style-type: none"> ■ Contributing to Increases in Productivity at Construction Sites with AI Rebar Arrangement Inspection System ■ Study and Implementation of Healthtech for the Elderly

Public Utility Systems Group

Message from the Group President

Contributing to Creation of a Sustainable, Safe, Secure, Comfortable and Affluent Society by Providing Products, Systems and Services for the Social Infrastructure that Underpins Our Lives

The Public Utility Systems Group provides a host of products, systems and services used in social infrastructure in the areas of water environment, rivers, railways, roads, aviation, and communication. Integrating the wide range of technologies we have accumulated over the years, we provide solutions to address various social challenges in order to contribute to a safe, secure, comfortable and affluent society.



Hideto Negoro
Executive Officer,
Group President,
Public Utility Systems

1. Realizing a society with rich water cycle

The world has been facing a number of problems related to water use—the number of water pollution sources has been increasing due to concentration of population and industry; demand for water has been growing due to industrial development and population growth; and distribution of water resources is becoming more uneven due to climate change. With this in mind, we will continue to reduce environmental burdens and realize a society with rich water cycle by advancing water and sewage systems using IoT technology and introducing highly efficient water recycling systems that make use of ozone.

2. Contributing to a decarbonized society

We are also contributing to the development of railways, which are an energy efficient and environmentally friendly transportation network. We produce highly reliable, energy efficient electrical components for rolling stock and develop information processing systems that provide a variety of services to railway operators and users. We will continue to contribute to the further development of the railway business and a decarbonized society by providing maintenance solutions that improve the efficiency of troubleshooting and maintenance management as well as platforms that promote data utilization.

3. Creating safe, secure and comfortable cities

Mitsubishi Electric also develops disaster prevention and mitigation systems in response to increasingly severe natural disasters as well as services that enhance maintenance and management of aging social infrastructure such as tunnels to create safe, secure cities. In addition, we also aim to create comfortable cities by providing video analysis solutions for realizing new services, such as analyzing the movement and flow of people to prevent congestion, in addition to high-speed, large-capacity communication systems that support the development of an IoT society.

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

- Appropriate use of water
- Optimal use of energy
- Addressing climate change
- Measures against air, water, and soil pollution
- Waste reduction and management
- Sustainable use and development of resources
- Development of safe, secure, comfortable, and sustainable cities

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- **Realizing a Society with Rich Water Cycle**
 - Ozone Generator
 - Eco Membrane BioReactor (EcoMBR™)
- **Contributing to a Decarbonized Society**
 - Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
 - Railway maintenance solution "LMS on INFOPRISM"
- **Creating Safe, Secure and Comfortable Cities**
 - Helicopter Satellite Communication System (HSA)
 - Mitsubishi Infrastructure Monitoring System MMSD®
 - Mitsubishi Multi-dimensional Data Management for Diagnosis MDMD®
 - Network camera systems
 - Optical access system 10G-EPON

Public Utility Systems Group

Energy & Industrial Systems Group

Message from the Group President

By developing high-performance equipment and next-generation power systems that are capable of responding to natural disasters, human-caused threats including cyberattacks and terrorism, and changes in the electricity market (e.g., the growing use of renewable energy sources), we will realize both carbon neutrality and a stable electricity supply

Due to the spread of renewable energy resources such as solar and wind power, as well as storage batteries, the environment and market needs surrounding the electric power industry will increasingly expand with an approach toward local production for local consumption in terms of the supply and demand of electricity. Meanwhile, the stable supply of electricity will grow increasingly important in response to fluctuations in the output of renewable energy sources which is affected by weather, and the influx of surplus electricity generated at factories, households, etc. (consumers) into the power grid.

In the midst of this situation, the Energy & Industrial Systems Group has defined the realization of both carbon neutrality and the stable supply of electricity as a social issue to be resolved. While investing resources predominantly in the creation of digital energy (via visualization of electricity) business value within the electricity ICT field and the renewable energy business such as with DC power transmission and micro-grids to contribute to realize carbon neutrality, we will also work to ensure the stable supply of electricity by prioritizing maintenance service when working to maintain and expand our conventional power generation and transformation businesses.



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

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

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

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

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

 Energy & Industrial Systems Group

Building Systems Group

Message from the Group President

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

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



Tadashi Matsumoto
Representative
Executive Officer,
Senior Vice President,
Group President,
Building Systems

1. Pursuing user-friendly, eco-conscious products

- (1) Promoting the development of high-efficiency, energy-saving products and technologies, and saving resources by designing products and systems that are safe and easy to use for everybody.
- (2) Promoting the renewal of existing equipment and facilities in order to reduce power consumption and improve safety and convenience, and minimizing waste emissions by reusing parts whenever possible.

2. Offering one-stop ZEB*1 solutions

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

*1 A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by energy savings and the utilization of renewable energy resources.

*2 A registration system introduced by the Ministry of Economy, Trade and Industry in 2017 for the dissemination of ZEB.

3. Contributing to smart buildings*3 and smart cities*4

Mitsubishi Electric contributes to the construction of smart buildings and smart cities by providing building operation support services via our IoT platform.

*3 Buildings where people feel safe and comfortable and can work efficiently that also solve social issues through energy and labor savings achieved with in-building data collected using IoT technology.

*4 Cities with optimized urban infrastructure and facility management operations as well as increased convenience and comfort for businesses and consumers. AI is used to analyze big data generated from facilities, the environment, and consumer behavior data in order to remotely control facilities and equipment.

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

- Optimal use of energy
- Development of safe, secure, comfortable and sustainable cities
- Development and dissemination of innovative infrastructure
- Waste reduction

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- Pursuing Comfortable, Safe and Secure Elevator Transport and Contributing to Smart Buildings
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Safety and Security in Building Security focused on Entrance/Exit Management Systems
- Supporting Energy Savings and Comfort for Variety of Buildings Through Building Facilities Operations Systems
- Providing Comfortable Buildings with Reduced Energy Use to Contribute to a Carbon Neutral Society
- Contributing to the Achievement of a Smart Building by Supporting Robot Mobility within the Building and Supporting ZEB Operations

Building Systems Group

Electronic Systems Group

Message from the Group President

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

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



Yoshihisa Hara
Executive Officer,
Group President,
Electronic Systems

1. Providing products and services that contribute to solving environmental problems

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

2. Providing solutions that contribute to solving various social issues by using satellite data

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

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

- Securing of a sustainable food production system
- Integrated management of water resources
- Infrastructure development that supports economic growth and disaster prevention
- Creating secure, safe and comfortable sustainable cities
- Reduction and management of waste
- Addressing climate change
- Prevention of marine pollution
- Prevention of deforestation

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

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

Electronic Systems Group

Living Environment & Digital Media Equipment Group

Message from the Group President

Providing Products that are Helpful for Society and the Environment in Wide Areas and Reducing Environmental Impact during Production

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

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

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



So Suzuki
Executive Officer,
Group President,
Living Environment
& Digital Media
Equipment

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

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

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- Lossnay® for Commercial Use, High-performance Ventilation Equipment
- Achieving High Efficiency Operation and CO₂ Emissions Reduction for Hot Water and Heating Systems by Switching from the Combustion Type to the Air to Water (ATW) Heat Pump Hot Water System Mainly in Europe, Which Has Strict Environmental Regulations
- MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- EcoCute Provides Excellent Energy Savings and Comfort
- Recycling of Home Electrical Appliances

Living Environment & Digital Media Equipment Group

Factory Automation Systems Group

Message from the Group President

Contributing to the Realization of a Sustainable Society through the Provision of Energy Saving Equipment and Solutions and the Utilization of Automation Technology at Production Sites

The Factory Automation Systems Division is focused on enriching the lives of people around the world by contributing to co-innovation with industry and infrastructure customers through the use of technology.

Going forward, we will continue to contribute to solving social issues, such as decarbonization and labor shortages, with the aim of realizing a sustainable society by providing production sites with energy-saving equipment and solutions that utilize automation technology.



Satoshi Takeda
Executive Officer,
Group President,
Factory Automation
Systems

1. Contributing to decarbonization by providing energy-saving equipment and solutions

Amid the growing demand for decarbonization related products, such as batteries, electric vehicles, and solar panels, we will contribute to manufacturers of those products by providing equipment, systems, and solutions with high energy saving capabilities for use in production equipment helping to reduce their overall energy consumption.

2. Contributing to measures to reduce the impact of labor shortages by utilizing automation technology

We will contribute to measures to reduce the impact of labor shortages by supporting customers in improving manufacturing efficiency through the utilization of automation technology.

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

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

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- **Support Customers to Automate their Production Facilities to Improve their Productivity and Product Quality through the Development of FA Equipment, Industrial Robots, and Mechatronics Products**
 - MELSEC iQ-R Series Programmable Controllers
 - MELSERVO-J5 Series AC Servo System
 - AC Servo Motor, HK Series
 - MELFA FR Series Industrial Robots
 - GX-F Series 2D Fiber Laser Processing Machines
- **Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption**
 - e-F@ctory – Mitsubishi Electric Integrated FA Solution
- **Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings**
 - Eco Monitor Series Energy Measuring Units
 - EX-α Series Transformer Using Super High Efficiency Oil

Factory Automation Systems Group

Automotive Equipment Group

Message from the Group President

Aiming to Achieve the SDGs through Development of Technologies that Contribute to the Decarbonization of Automobiles and the Creation of a Safe and Secure Society

The Automotive Equipment Group aims to provide a range of equal opportunities to move safely and freely with low impact on the environment for all people, including the elderly, those with disabilities, and visitors from foreign countries, people who do not understand language, by providing electronic and electric device components. Through these efforts, we will contribute to realizing a sustainable society. Electrification and advanced driving support systems for automobiles have a high affinity with the technologies in which Mitsubishi Electric excels, and we will grow in this field as a key growth business.

More efficient engines and electrification as seen in (P)HEVs*1 and EVs*2 are needed, in order to achieve low fuel consumption. Mitsubishi Electric enables low fuel consumption in vehicles, with various product to achieve high efficiency in engines, motors and inverters for electric vehicles, and more, and ultimately contribute to a decarbonized society.

As an example of efforts for decarbonization in the manufacturing processes of automotive equipment, we are saving the use of electricity with introducing LED lighting, energy-saving technologies such as automatic light adjustment, centralized monitoring, optimized control of air-conditioning and ventilation equipment. Moreover, we are promoting the introduction of our own PV*3 and PPA*4 models to accelerate decarbonization. These activities are being implemented at overseas manufacturing bases to accelerate our global decarbonization efforts.



Atsuhiko Yabu
Executive Officer,
Group President,
Automotive Equipment

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

- Reduction of air pollution and climate change countermeasures
- Zero traffic accidents, elimination of traffic congestion, and comfortable travel
- Elimination of regional gaps
- Enhancement of QOL for vulnerable road users
- City development
- Measures to address aging infrastructure

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

Automotive Equipment Group

*1 (Plug-in) Hybrid Electric Vehicle

*2 Electric Vehicle

*3 Photovoltaic

*4 Power Purchase Agreement

Semiconductor & Device Group

Message from the Group President

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

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

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

The Semiconductor & Device Group provides today's society, where DX is underway, with high-performance, low-power, compact high-frequency devices and optical devices for wireless communications equipment, optical fiber communications, and data centers that make full use of compound semiconductor technologies to support low power consumption in IT devices as well as energy saving with DX. Furthermore, by reducing the space required for communications equipment, the cooling function can be simplified, thereby contributing to comprehensive energy savings.

As described above, the Semiconductor & Device Group is taking part in the achievement of carbon neutrality and the realization of a sustainable society by providing key devices for overcoming energy and environmental limitations while driving forward the digital revolution in the post-pandemic society.



Masayoshi Takemi
Senior Executive Officer,
Group President,
Semiconductor &
Device

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

- Appropriate use of water
- Proper management of chemical substances
- Optimal use of energy
- Addressing climate change

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

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

[Semiconductor & Device Group](#)

Information Systems & Network Service Group

Message from the Group President

Contributing to the Realization of a Decarbonized Society Through the Promotion of Various IT Services

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

More specifically, we work to reduce the environmental impact by, for example, providing support for workstyle reform including reduction of business travel needs with video/web-conferencing systems and promotion of paperless work environments through ledger computerization while making efforts for saving energy in data centers to help companies reduce CO₂ emissions from their business activities. At the same time, we proactively develop products and services that resolve social issues, such as needs for safety in society and decarbonization.

For example, our video solutions can make towns safer and more comfortable for residents by detecting not only wheelchairs, strollers, and visually impaired cane users but also events such as trespassing or walking instability. Our services to collect, calculate, and visualize greenhouse gas emissions from corporate activities can contribute to achieving carbon neutrality in the manufacturing industry and other areas. Going forward, in order to achieve smarter societies, we will leverage the many component technologies and strengths of the Mitsubishi Electric Group to build next-generation information systems using the latest IT solutions, such as IoT,* big data processing, and AI-related technologies.



Eiichiro Mitani
Executive Officer,
Group President,
Information Systems &
Network Service

* Internet of Things: A system to remotely control, operate, monitor, and collect information from various "things" connected via the Internet.

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

- Optimal use of energy
- Introduction of clean energy
- Waste reduction and management
- Sustainable use and development of resources
- Addressing climate change
- Realization of a safe society
- Addressing labor force shortages

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

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

Information Systems & Network Service Group

Business Innovation Group

Message from the Group President

Contribute to Solving Diversifying Social Issues by Creating New Businesses that Transcend Existing Frameworks

The Business Innovation Group contributes to solving diversifying social issues faced by the sustainable society by promoting the integration of Mitsubishi Group technologies and collaboration among the Group, and by taking on themes that cannot be addressed by existing frameworks and incorporating them into our own businesses.

Specifically, we aim to create new customer value by accelerating digital transformation (DX) in our businesses, leveraging open innovation with promising startups in and outside Japan in the fields of digital and green innovation through the "ME Innovation Fund" corporate venture capital, utilizing Mitsubishi Electric AI technology *Maisart*, and promoting the integrated IoT *ClariSense**.

In addition, we will focus on the company's philosophy of "realizing a vibrant and sustainable society" as we search for new business domains in an era of high uncertainty, as demographics change (with labor force shortages and aging), and as the waves of digitalization accelerate. We are creating businesses in the five domains of "i-Construction," "Healthtech," "Smart Mobility," "Infrastructure," and "Smart Cities" as well as "Green Innovation."



Hiroshi Sakakibara
Executive Officer,
Group President,
Business Innovation

* A word coined by Mitsubishi Electric that means clarifying the hidden essence of information sensed from equipment to resolve challenges.

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

- Demographic changes and the deterioration of social infrastructure
- Creation of a society that includes the elderly and those in poor health
- Increase in the severity of disasters as well as environmental and energy problems
- Decrease in the number of construction workers and productivity declines

Priority SDG initiatives



Initiatives that contribute to addressing social challenges

- Improve Productivity at Construction Sites with AI Rebar Arrangement Inspection System
- Verification and Implementation of Healthtech for the Elderly

Business Innovation Group

Sustainability management

Management

Basic policy of Sustainability

The Mitsubishi Electric Group regards its sustainability initiatives as the foundation of its corporate management, and implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment."

Our management policy states, "we will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders." It is crucial to maintain communication with various stakeholders to pursue initiatives for achieving a sustainable society, as well as to incorporate the expectations, requests, and opinions from society into activities and to avoid acts that will inconvenience society.

By ensuring transparent disclosure of information on sustainability, the Mitsubishi Electric Group aims to obtain a favorable response from stakeholders, and to realize a vibrant and sustainable society together with its stakeholders.

Materiality

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by a Sustainability Committee appointed by Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's corporate divisions (26 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group. The Sustainability Committee generally holds meetings at least three times a year, and the details on the discussion of Sustainability Committee meetings are reported to the senior executives during the Executive Officers' Meeting. From fiscal 2022, the details on the discussion of Sustainability Committee meetings are also reported to the Board of Directors and are supervised on the basis of many different viewpoints.

Knowing that sustainability activities are directly linked to corporate management, we have defined our materiality and each of our departments responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements its own

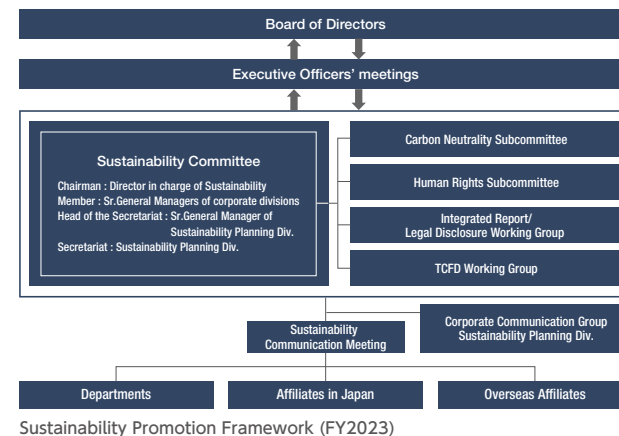
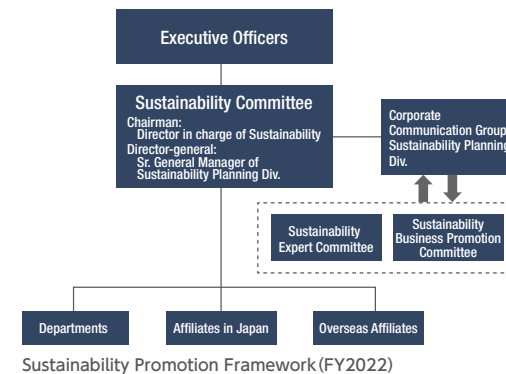


Sustainability Committee

initiatives, based on the sustainability policy of the Mitsubishi Electric Group. In order to deal with sustainability challenges that involve multiple divisions in a cross-sectional manner, we also have established two subcommittees, the "Carbon Neutrality Subcommittee" and the "Human Rights Subcommittee." In addition, as projects for fiscal 2023, we will establish the "Integrated Report/Legal Disclosure Working Group" and "TCFD Working Group" to consider the clarification of individual categories of activities and the roles of participating divisions, information disclosure in accordance with norms, and other matters. The progress of these subcommittees' initiatives is confirmed at each Sustainability Committee meeting.

Various activities are also promoted and implemented in communication with the Sustainability Expert Committee and Sustainability Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the Sustainability Committee.

Starting fiscal 2023, we will establish the "Sustainability Communication Meeting" aimed at collaboration between internal divisions and affiliates in Japan and overseas.



Main agenda of the Sustainability Committee (Apr., Nov., and Feb., FY2022)

- Sustainability initiatives at the management level
- Review of materiality
- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year, with focus on materiality initiatives
- Responses to sustainability-related legal regulations and to requests from stakeholders
- Responses to the sustainable development goals (SDGs)
- Initiatives to carbon neutrality
- Human rights initiatives
- Establishment of an AI ethics policy
- Promotion of social contribution activities
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment

Main agenda of the Sustainability Committee (April 2022)

- Sustainability initiatives at the management level
- Examination of the sustainability vision
- Reinforcement in the management of the Sustainability Committee (establishment of subcommittees, projects, etc.)
- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year, with focus on materiality initiatives
- Response to sustainability related legal regulations and to requests from stakeholders
- Responses to the sustainable development goals (SDGs)
- Initiatives to carbon neutrality
- Responses to the TCFD
- Human rights initiatives
- Creation policy for the Sustainability Report and Integrated Report
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment

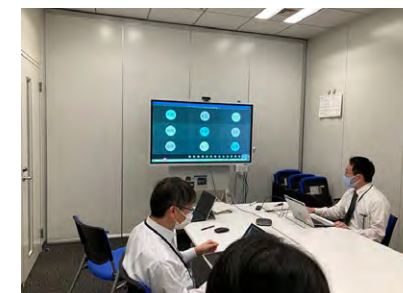
About the Sustainability Report

The Sustainability Committee discusses creation policy for the reports, sustainability management, and other especially important items regarding the Sustainability Report. Moreover, the Corporate Communication Officer (CCO) plays a major role in peer review, examining and checking the contents of the report prior to publication.

Sustainability Expert Committee and Business Promotion Committee

Officers from 34 management departments and business divisions regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group's materiality and future initiatives, as well as discuss responses to laws and regulations and international sustainability standards. They aim to build communication and consensus through these discussions.

Three such meetings were held in fiscal 2022. Discussions focused on the promotion of sustainability. The committee also examined responses to solving social challenges through business activities and to carbon neutrality and global human rights initiatives by establishing working groups for relevant departments.



Sustainability Expert Committee and Sustainability Business Promotion Committee (joint meeting)

Main agenda of the Sustainability Expert Committee and Sustainability Business Promotion Committee for fiscal 2022 (May, Dec., Feb.)

- Examination of the sustainability vision
- Providing solutions to social challenges through our businesses
- Reinforcement in the management of the Sustainability Committee (establishment of subcommittees, projects, etc.)
- Response to the SDGs
- Initiatives to carbon neutrality
- Human rights initiatives
- Promotion of social contribution activities
- Creation policy for the Sustainability Report and Integrated Report
- Further enhancement of information disclosure that takes into account ESG (environment, social, governance) investment

Materiality

The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize the "vibrant and sustainable society" that we have committed to in our Purpose. We have identified five areas as materiality (important challenges) to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges starting with contributing to achieving the SDGs. In our materiality initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid-to-long-term initiatives and goals as well as for key performance indicators (KPIs).

Process of Identification and Review of Materiality

In fiscal 2016, the Mitsubishi Electric Group identified materiality and initiatives in response to today's social trends and business environment, as required by the fourth edition of the GRI Guidelines.

In fiscal 2021, a full internal review of the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) was undertaken by the Sustainability Expert Committee and Sustainability Business Promotion Committee, in view of subjective evaluations from inside and outside the company, featuring questionnaires and interviews from a total of 1,551 people, including Mitsubishi Electric Group employees, suppliers, investors, analysts, and general consumers.

We have carried out stakeholder questionnaires targeted at general consumers (600 respondents) since fiscal 2017, and we held a questionnaire in fiscal 2022 as well. We will take evaluation from external parties into account as we review these mid-to-long-term initiatives and targets.

While incorporating opinions from inside and outside the company, these initiatives will continue to be improved, and the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) will be reviewed by implementing the PDCA cycle.

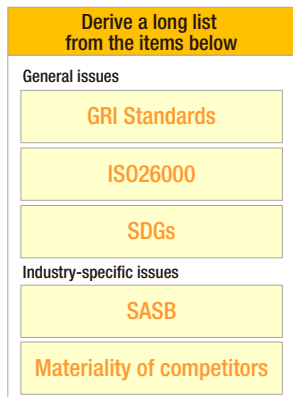
Step 1 Awareness of social issues (fiscal 2021)

Candidate materiality (357 issues) were identified based on ISO26000*1, the GRI Standards*2, the SASB standards*3, and the Sustainable Development Goals (SDGs).

*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)

*2 International standards for sustainability reporting issued by the international NGO, Global Reporting Initiative (GRI)

*3 Information disclosure rules concerning the environment, society, and governance (ESG) created by the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.



- Sort similar items
- Eliminate items that have little relevance to Mitsubishi Electric's business
- Eliminate economic-related items

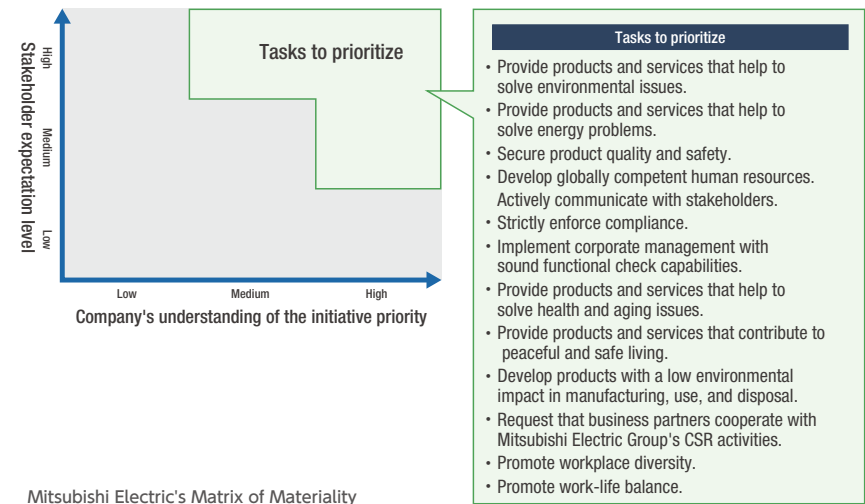
Derive a short list

- Contribution to SDG 1: No Poverty
- Contribution to SDG 2: Zero Hunger
- Contribution to SDG 3: Good Health and Well-being
- Contribution to SDG 4: Quality Education
- Contribution to SDG 5: Gender Equality
- Contribution to SDG 6: Clean Water and Sanitation
- Contribution to SDG 7: Affordable and Clean Energy
- Contribution to SDG 8: Decent Work and Economic Growth
- Contribution to SDG 9: Industry, Innovation and Infrastructure
- Contribution to SDG 10: Reduced Inequality
- Contribution to SDG 11: Sustainable Cities and Communities
- Contribution to SDG 12: Responsible Consumption and Production
- Contribution to SDG 13: Climate Action
- Contribution to SDG 14: Life below Water
- Contribution to SDG 15: Life on Land
- Contribution to SDG 16: Peace, Justice and Strong Institutions
- Contribution to SDG 17: Partnership for the Goals
- Respect human rights (prohibition of discrimination, forced labor, harassment, etc.)
- Promote workplace diversity (use of diverse human resources)
- Promote work-life balance (harmony between work and life)
- Develop human resources
- Ensure occupational safety and mental and physical health
- Secure product quality and safety
- Contribute to local communities (volunteer)
- Strengthen environmental initiatives
- Implement corporate management with sound functional check capabilities (corporate governance)
- Implement appropriate risk management
- Disclose information transparently in a timely and appropriate manner
- Ensure thorough compliance
- Ensure information security (management of trade secrets, protection of personal information)
- Create innovation through research and development
- Strengthen intellectual property capabilities and protect intellectual property rights
- Request that business partners cooperate with Mitsubishi Electric Group's CSR activities (supply chain management)
- Engage in corporate activities globally as a group
- Actively communicate with stakeholders

Extraction of candidate materiality from guidelines, etc.

Step 2 Assessment of internal and external views and study of materiality (fiscal 2021)

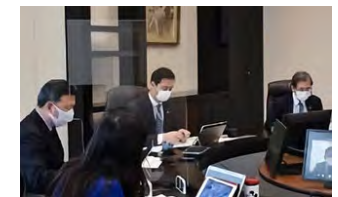
Using the short list created in step 1, we conducted a questionnaire survey of consumers, suppliers, investors, and Mitsubishi Electric Group employees, who are our stakeholders, regarding what expectations they have for the Mitsubishi Electric Group to contribute to addressing social challenges. In addition, we received opinions from experts regarding the identification of materiality through interviews and dialogues with them in order to assess both internal and external views of the Mitsubishi Electric Group. Based on the results obtained, internal working groups narrowed down the issues that the Mitsubishi Electric Group should address as top priority, and the Sustainability Expert Committee and Sustainability Business Promotion Committee are studying the materiality of such issues.



Internal working groups



Interviews with experts



Dialogues with directors and experts

Step 3 Identification of materiality (fiscal 2021)

Identification by the Sustainability Committee

The issues thus extracted and studied through the above-described process and specific mid-to-long-term initiatives and targets/key performance indicators (KPIs) were confirmed by executive officers and identified as the Mitsubishi Electric Group's materiality by the Sustainability Committee.

Management Related to Materiality

In fiscal 2016, the Mitsubishi Electric Group identified its materiality, mid-to-long-term initiatives to fulfill said materiality, and key performance indicators (KPIs). In fiscal 2022, the Mitsubishi Electric Group revised its materiality. In fiscal 2023, it announced its performance in regard to those initiatives for fiscal 2022 and revised its mid-to-long-term initiatives to fulfill said materiality and key performance indicators (KPIs) for fiscal 2023. For future initiatives and the details of our results to date, please refer to Materiality and our past Sustainability Reports, respectively.

[Download reports \(Sustainability\)](#)

[Materiality](#)

FY2022 Targets and Results

Materiality	Mid-to-long-term initiatives	FY2022 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Results	Scope*	Evaluation
Realize a sustainable global environment	Realize a decarbonized society through innovation and Integrated Solutions	Reduce CO ₂ emissions related to the usage of new products and improve the rate of "CO ₂ emission reduction contribution by product use" compared to the previous model (Improvement of more than 1% on average by the end of FY2024)	1.7%	Japan, overseas	○
		CO ₂ emissions (Scope 1 and Scope 2) (Reduction of more than 30% compared to FY2014 by the end of FY2024)	Reduced by 19% *1 CO ₂ emissions are calculated by using a variable (Japan: The latest value announced by the Electric Power Council for a Low Carbon Society; Overseas: The value based on the latest value announced by the International Energy Agency) as the CO ₂ emission factor of electric power *2 Increased the number of offices to be investigated for CO ₂ emissions (Before FY2021: 139 offices -> FY2022: 264 offices)		○
	Contribute to achieving a circular economy	Use recycled plastics (Rate of more than 10% in terms of the volume of molding and packaging materials by the end of FY2024)	8.9% * Target: Mitsubishi Electric, Mitsubishi Electric Home Appliance, and Mitsubishi Electric Lighting Corporation in Japan and overseas	○	
		Make effective use of waste plastics (Japan; survey only overseas) (Rate of more than 90% by the end of FY2024)	89.6%	○	
		Reduce water usage per unit of sales at high-risk offices (More than 4% compared to FY2020 by the end of FY2024)	Reduced by 24%	○	
	Realize a safe, secure, and comfortable society	Provide Integrated Solutions to address social challenges in the four fields of Life, Industry, Infrastructure, and Mobility	Discuss goals and KPIs that contribute to solving social challenges through our businesses including contribution to SDGs, and promote initiatives to that end	Discussed a sustainability vision and extract five areas of social challenges that should be solved through business	Japan, overseas
Respect for all people	Promote human rights initiatives that are based on international norms	Promotion of ongoing human rights awareness activities	Provided human rights education to persons in charge of sustainability in accordance with the human rights impact assessment (Approx. 400 attendees)	Japan, overseas	○
		Identify human rights issues by conducting human rights impact assessments, and grasp the statuses of initiatives at each office (Conduct assessments at 100% of relevant departments)	Conducted assessments at 100% of 415 relevant departments		○
		Enhance response in channels for grievances and inquiries on human rights, and act appropriately accordingly	Discussed the creation of rules on grasping the number of grievances concerning human rights and responding to them		△
		Provide lectures on human rights awareness and anti-harassment training programs for new employees and those for newly appointed managers (Attendance rate of 100%)	Attendance rate of 100%	Mitsubishi Electric	○
		Provide education on harassment prevention for Group employees (Attendance rate of 100%)	Attendance rate of 100%	Japan, overseas	○

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

○: Target reached △: Target partially not reached ×: Target not reached

Materiality	Mid-to-long-term initiatives	FY2022 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Results	Scope*	Evaluation
Respect for all people	Realize a workplace environment that helps all employees work actively	Strengthen and continue to promote the Mitsubishi Electric Workplace Reform Program and other initiatives to improve the workplace environment as well as actions taken under the policy of activities for Work Style Reforms, "Deepening of communication within the workplace, business transformation by streamlining operations, and improving quality aspects"	<ul style="list-style-type: none"> Implemented various measures under the Mitsubishi Electric Workplace Reform Program (360-degree feedback to managers, harassment prevention education, etc.) Promoted workstyle reform at each group company (Promoted communication in the workplace; streamlining and improving the efficiency of operations, enhancement and management of systems for supporting flexible work style such as working from home, etc.) 	Japan, overseas	○
		Carry out surveys on the actual status of harassment, including workplace environment surveys using stress checks, and employee attitude surveys (Quantitative targets for Mitsubishi Electric only) (Employee engagement score ^{*1} of more than 70% by FY2023) (Work-life balance score ^{*2} of more than 70% by FY2023) <small>*1 The percentage of employees who are proud and motivated to work for the Company *2 The percentage of employees in the employee awareness survey who respond that they have a good work-life balance</small>	Employee engagement score of 54% (in 2nd half of FY2022) Work-life balance score of 65% (in 2nd half of FY2022)		△
	Promote diversity	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	Continued to promote diversity by employing and utilizing diverse human resources	Japan, overseas	○
		Employ people with disabilities beyond the statutory employment rate (higher than 2.3%)	Consolidated result across three companies*: 2.41% Promoted the achievement of the statutory employment rate by domestic affiliates <small>* Mitsubishi Electric Corporation + Mitsubishi Electric Life Service Corporation + Melco Tender Mates Corporation (special subsidiary)</small>	Japan	○
		Increase the ratio of women among new recruits (1.2 times the average for the past five years (FY2017-FY2021) by FY2026)	FY2022 result: 1.2 times		○
		Increase the ratio of women in managerial positions (2 times the ratio in FY2021 by FY2026)	FY2022 result: 1.25 times compared to the rate in FY2021	Mitsubishi Electric	○
		Systematically dispatch employees to overseas OJT programs and language programs (More than 80 employees/year)	Dispatched 76 employees despite restrictions due to the impact of COVID-19		○
	Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	<ul style="list-style-type: none"> Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric 	Japan, overseas	○
		Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.52) <small>* Number of accidents causing lost worktime per 1 million hours</small>	<ul style="list-style-type: none"> Offered safety and health education (e-learning programs) to all employees Rate of lost worktime injuries (absence from work): 0.04 	Mitsubishi Electric	○
		Actively promote measures for mental health to realize a friendly workplace environment	Distributed the "Guidelines for Supporting Workers (Revised Edition)" to those who return to work after taking a leave due to mental health issues		○
		Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85.0% or higher of employees who get enough rest by sleeping properly)	Rate of employees maintaining proper body weight: 67.7% Rate of employees who exercise regularly: 27.7% Rate of employees who smoke: 20.8% Rate of employees who perform dental care at least three times a day: 26.9% Rate of employees who get enough rest by sleeping properly: 68.7%	Japan	△

Materiality	Mid-to-long-term initiatives	FY2022 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Results	Scope*	Evaluation
Strengthen corporate governance and compliance on a sustainable basis	Corporate management with a sound oversight function	Hold dialogues with shareholders and investors through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, financial results presentation meetings, individual meetings, other sessions, and IR activities in Japan and overseas	<ul style="list-style-type: none"> Held a general meeting of shareholders Held corporate strategy presentation meetings, financial results presentation meetings, individual meetings, and other sessions for institutional investors and analysts via online conferences, telephone conferences and online streaming 	Japan, overseas	○
		Carry out proper reporting and discussions at the appropriate time among the board of directors, and conduct regular analysis and evaluation of the board of directors' effectiveness	<ul style="list-style-type: none"> Provided directors with appropriate information for management oversight at the appropriate time. Increased the time for discussions and enhanced the nature of discussions by increasing the number of board of directors' meetings (FY2021: 6 regular meetings and 2 extraordinary meetings → FY2022: 10 regular meetings and 10 extraordinary meetings) from fiscal 2022 Appointed a third party institution for assessments on the effectiveness of the board of directors. Promoted initiatives based on suggestions received on the improvement of functions, composition, and secretariat of the Board of Directors, as well as the three statutory committees. 	Mitsubishi Electric	○
		Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	<ul style="list-style-type: none"> Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials 		○
		Conduct an internal audit for ensuring the appropriateness of the Mitsubishi Electric Group's businesses and regularly report the audit result to the Audit Committee via the executive officer in charge of audits	Conducted an internal audit and reported the audit results to the Audit Committee	Japan, overseas	○
	Thorough compliance	Compliance training on a continuous basis <ul style="list-style-type: none"> Provide compliance education that utilizes diverse methods on a continuous basis 	Provided compliance education that utilizes diverse methods, including lecture meetings, e-learning, and manual distribution (Conducted face-to-face education (including online) by Mitsubishi Electric's Corporate Legal & Compliance Div. 111 times in fiscal 2022 with a total of 10,018 participants)	Japan, overseas	○
		Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	100% attendance rate	Mitsubishi Electric	○
		Fair competition (prevention of antimonopoly violations) <ul style="list-style-type: none"> Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules 	Provided education on antimonopoly laws. Face-to-face education, including online 171 times, 9,485 participants (Mitsubishi Electric); e-learning programs 14,999 participants (Mitsubishi Electric)	Japan, overseas	○
		Corruption prevention (prevention of bribery) <ul style="list-style-type: none"> Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines 	Provided bribery prevention training; e-learning programs 24,473 participants (Mitsubishi Electric)		○
	Procurement that contributes to sustainability	Accomplish obtaining consent forms for the CSR procurement guidelines (Obtain by the end of September 2021)	We planned to obtain consent forms from 3,031 companies by the end of September 2021, but this was accomplished in fiscal 2019. Obtained consent from approximately 6,700 companies by expanding the scale of activities from the initial plan.	Japan, overseas	○
		Ascertain material human rights violation risks (forced labor, dangerous and injurious work) in the supply chain and continue activities for corrective action	Approximately 87% of approximately 1,200 respondents are certified as CSR companies. The balance of companies that have not been certified were confirmed to have no major risk of human rights violations	Japan	○
		Integrate the Green Procurement Standards Guide and the CSR Procurement Guidelines, and establish sustainability procurement guidelines (by March 31, 2022)	Changed the goal to formulate a sustainability procurement guideline in accordance with the RBA Code of Conduct after joining the RBA	Japan, overseas	—

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

○ : Target reached △ : Target partially not reached × : Target not reached

Materiality	Mid-to-long-term initiatives	FY2022 targets/Key performance indicators (KPIs) (quantitative targets are shown in brackets)	Results	Scope*	Evaluation
Strengthen corporate governance and compliance on a sustainable basis	Information security activities to protect important information	Prevent information leaks (No leaks)	Information on business partners leaked from an affiliate in Japan due to a cyberattack starting at one of our overseas business sites	Japan, overseas	×
		Enhancement comprehensive cybersecurity countermeasures companies (Japan, overseas) 1. Technical measures, 2. Thorough document management, 3. Framework upgrading	1. Executed measures including the centralized management of devices, servers, network, and authentication, as well as behavior detection, operation log monitoring, and integrated management. Commenced the formulation of a plan to launch future measures including strengthening the Computer Security Incident Response Team (CSIRT) and zero trust starting in fiscal 2023 2. Strengthened personal data operations and management across the entire Group in April 2022 following the tightening laws and regulations related to personal data around the world 3. Strengthened the structure of CSIRT by clarifying the roles of corporate divisions, business groups, and business offices in relation to CSIRT		○
	Provide products and services while continually promoting the concept that quality is our top priority	Boost the quality of development and design by creating a design policy encompassing multiple common element technologies	Upgraded the design guideline encompassing multiple common element technologies (corrosion, waterproofing, polymer deterioration, vibration, etc.) and rolled it out to all manufacturing sites	Japan	○
		Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures (Once a month)	Implemented measures to prevent recurrence during liaison meetings (104 measures have been implemented for serious malfunctions) every month		○
		Roll out a quality management guidebook on change control to external suppliers	Developed change management guidelines on change control and rolled them out at all facilities for 5,103 suppliers		○
Continuously conduct e-learning programs on quality, and provide enhanced learning materials	Added examples of improper quality practices found in an internal investigation and case studies to e-learning programs on engineers' ethics for managers (Number of attendees: 4,330)	Japan, overseas	○		
Provide training programs on quality, and lecture programs on the concept that quality is our top priority companies (Create a quality culture) (Four times a year in Japan, and once a year overseas)	Held training programs for quality assurance department managers, etc. in Japan (4 times). Provided lecture programs on improper quality practices and held group discussions for networking. Held liaison meetings (twice: Thailand and China) overseas and provided lectures to local staff on the importance of data utilization and how to use data. A quality culture has yet to be created as improper quality practices have occurred		△		
Create a sustainability-orientated corporate culture	Promote mid-to-long-term initiatives for addressing social challenges	Discuss goals and KPIs, and promote initiatives centered around the newly established Sustainability Planning Division	<ul style="list-style-type: none"> Enhanced the framework of the Sustainability Committee to promote sustainability initiatives Donated approximately 24.67 million yen from the SOCIO-ROOTS Fund as support for nationwide social welfare facilities and children at disaster areas 	Japan, overseas	○
	Improve sensibility and adaptability to changes in values among society and individuals		<ul style="list-style-type: none"> Held discussions and responded to social trends in the Sustainability Committee Promoted the understanding of the SDGs through SDGs Card Game Training and the Guide for the Use of SDG Logos and Other Elements Held briefing sessions on sustainability to approximately 400 representatives at Mitsubishi Electric and its affiliates in Japan and overseas 		○
	Promote active communication with stakeholders based on highly transparent information disclosure		<ul style="list-style-type: none"> Issued the Sustainability Report and conducted a questionnaire survey with 600 people from the general public Held dialogues with experts 		○

* Mitsubishi Electric; Mitsubishi Electric Group companies (Japan); All Mitsubishi Electric Group companies (Japan, overseas)

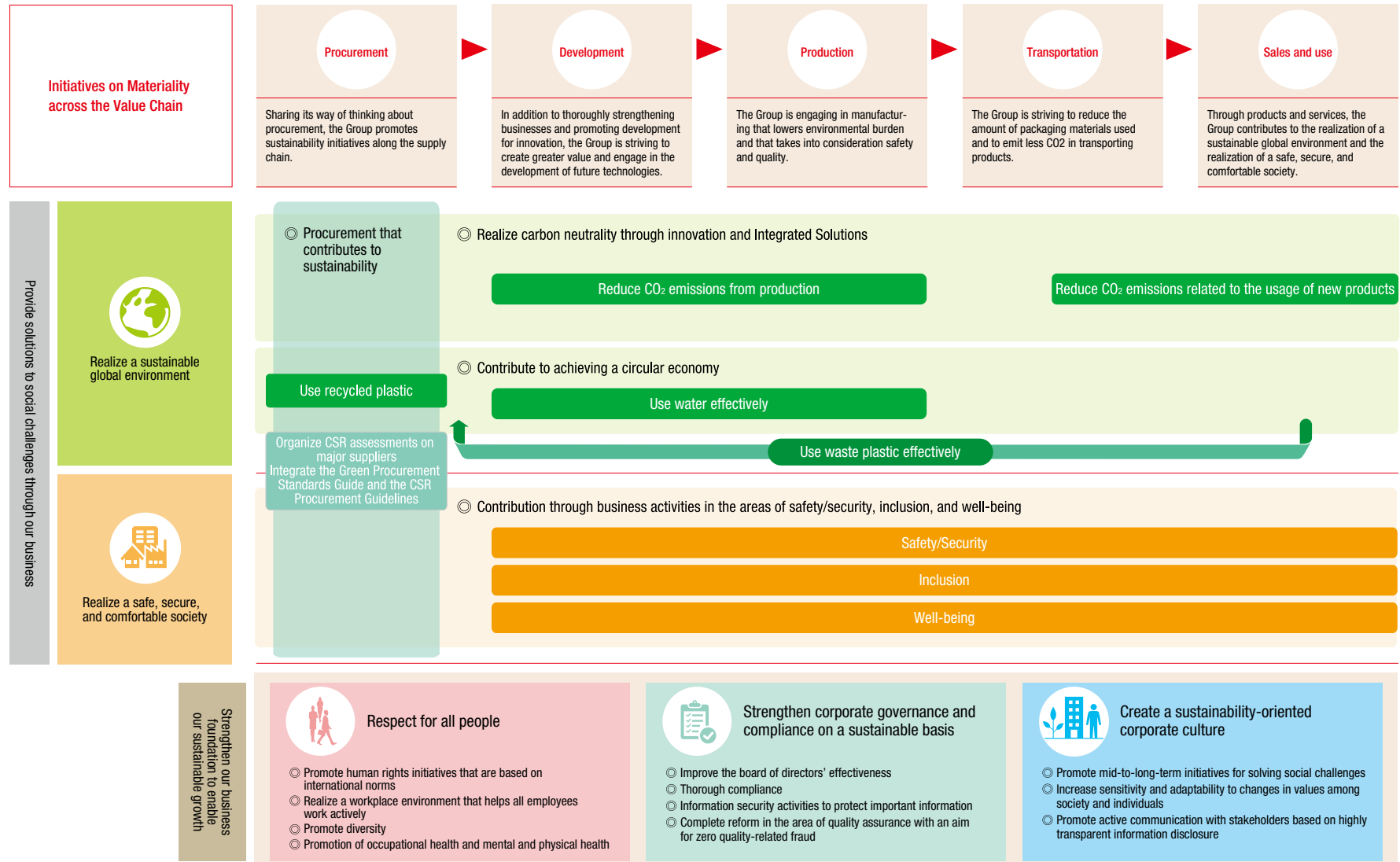
○: Target reached △: Target partially not reached ×: Target not reached

○: Target reached / △: Target partially not reached / ×: Target not reached

Initiatives Related to the Value Chain

The Mitsubishi Electric Group is engaged in a wide range of businesses, ranging from familiar home appliances to satellites and projects on a national scale. Our operations of these businesses affect society and our value chain is also expanding.

Recognizing these circumstances, the Mitsubishi Electric Group promotes sustainability initiatives across the entire value chain with a focus on materiality.



Initiatives / External Evaluation

Initiatives

Participation in the UN Global Compact

In May 2018, the Mitsubishi Electric Group signed the UN Global Compact (UNGC) aimed at promoting sustainability activities based on international norms. By signing the UNGC, the Group pledges to make continued efforts toward sustainable growth by complying with the ten principles in the four areas of human rights, labor, environment and anti-corruption to the extent that it can influence society. Efforts will be made to enhance the Group's activities by maintaining close communication with UN organizations and relevant initiatives.



[UN Global Compact](#)

SBT

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



[Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets Approved by SBTi](#)

Expression of approval of the TCFD recommendations

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



[Financial Information Based on Recommendations of the Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

Expression of approval of the GX League Basic Concept

Mitsubishi Electric expressed approval of the GX League Basic Concept announced by the Ministry of Economy, Trade and Industry (METI). The GX League will be established by companies which actively work on green transformation (GX) together with players who strive to achieve GX, including governments, academia, public research institutions, and financial institutions, as a forum for discussing the overall economic and social system and creating new markets accordingly. The purpose of the Concept matches the direction of Mitsubishi Electric. Mitsubishi Electric will participate in discussions for the transformation of the overall economic and social system to achieve carbon neutrality.

[Mitsubishi Electric Expresses Approval of GX League Basic Concept \(The Ministry of Economy, Trade and Industry\)](#)

Joining the RBA

In February 2022, Mitsubishi Electric joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.



[Mitsubishi Electric Joins the Responsible Business Alliance \(RBA\)](#)

Revision of the Charter of Corporate Behavior of the Keidanren

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

*1 A code of ethics put forward by Keidanren as matters to be carried out and pursued by all member companies.

*2 The fifth and new generation of society in the history of human society following the hunter-gathering, agricultural, industrial and information societies.



Main initiatives in which Mitsubishi Electric is participating

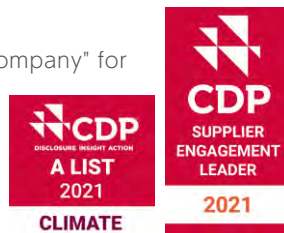
- Japan Business Federation (Keidanren)
- Japan Association of Corporate Executives
- The Japan Chamber of Commerce and Industry
- Japan Electronics and Information Technology Industries Association
- The Japan Electrical Manufacturers' Association
- Communications and Information Network Association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

External Evaluation

CDP

Mitsubishi Electric was selected as the highest rating "A List company" for "Climate Change" and also as a "Supplier Engagement Leader" in the Supplier Engagement Rating from CDP.

- 📄 Mitsubishi Electric Again Named to CDP's Climate "A List"
- 📄 Mitsubishi Electric Named to CDP Supplier Engagement Leaderboard



EcoVadis

Mitsubishi Electric has been awarded the Silver Rating in corporate social responsibility (CSR) by EcoVadis, the global CSR assessment agency. Mitsubishi Electric scored especially highly in the categories of environment and sustainable procurement. The Silver Rating places Mitsubishi Electric among the top 25 percent of all companies assessed by EcoVadis.



FTSE Index Series

FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was selected as a constituent of the company's FTSE4Good Index Series. Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. These indexes have also been adopted as investment outlets by the Government Pension Investment Fund (GPIF).



MSCI Indexes

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

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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

S&P/JPX Carbon Efficient Index

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



PRIDE Index 2021

Mitsubishi Electric received the Silver award in the "PRIDE Index 2021," an index to evaluate initiatives for LGBTQ and other sexual minorities at workplaces in Japan.

- 📄 Mitsubishi Electric Receives "PRIDE Index 2021" Silver Award (In Japanese text)



Eruboshi

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.



Health & Productivity Management Outstanding Organization

Mitsubishi Electric has been recognized under the 2022 Health & Productivity Management Outstanding Organizations Recognition Program (large-scale corporate category), for excellence in our various activities that contribute to health and productivity management by the Ministry of Economy, Trade and Industry and Nippon Kenko kaigi.



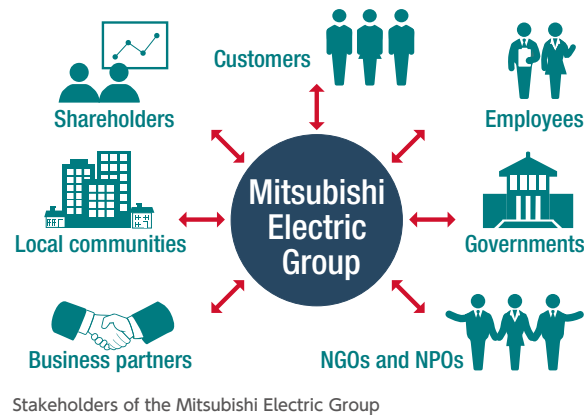
Communication with stakeholders

Basic policy on stakeholder engagement

The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important—not only to avoid acts that will inconvenience society, but also to pursue initiatives for achieving a sustainable society.

As such, the Group captures every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among director-level personnel and elsewhere within the Group through the Sustainability Committee, and we incorporates these opinions and information within various initiatives.

Going forward, the Mitsubishi Electric Group aims to realize a vibrant and sustainable society while endeavoring to ensure transparent disclosure of information on sustainability and while working to solve social challenges together with its stakeholders.



Communication with stakeholders

Dialogues with Experts

In order to gather opinions from various external experts on sustainability initiatives and incorporate them in its future activities, the Mitsubishi Electric Group invited three experts to exchange their views with its four executives, including the president, in March 2022.

During these dialogues, Mitsubishi Electric described its response to the cases of quality-related improper practice found in fiscal 2022, the progress of reforms, the basic policy and structure for sustainability management, its long-term vision, and other details. Based on these details, the experts then provided meaningful opinions and advice and deepened the discussion.

* The dialogues were held online in light of measures to prevent the spread of COVID-19. Please note that the experts' profiles are correct as of the date of the dialogues.



Important Opinions and Recommendations from the Experts

Enhance employee engagement to achieve a company-wide reform with more in-depth initiatives

Past improper quality control practices are deep-rooted issues. These incidents should not simply be considered as quality assurance issues. It is important to take in-depth measures along with reforms in organizational culture and governance so that the initiatives will not become a matter of formality. According to your explanation, the company-wide transformation project "Team Sousei (Creation)" is composed of 45 members chosen from nearly 400 people who sent applications for an in-house recruitment program. However, would it not be possible to involve all applicants in the project? Taking into account the number of your employees, I believe that dealing with these issues requires this degree of scale.

Regarding the initiatives for environmental issues, I think that your messages on biodiversity related initiatives are not being sent out strongly. In current international trends, biodiversity and climate change are considered to be two sides of the same coin. I understand that you are working on the response to the Task Force on Climate-related Financial Disclosures (TCFD), but you should also consider a mechanism with a view to responding to the Taskforce on Nature-related Financial Disclosures (TNFD). You could expand your business opportunities by taking a positive outlook and considering how you can contribute to biodiversity conservation by utilizing digital transformation, AI, and other technologies held by the Mitsubishi Electric Group.

I would like employees of your company, as a manufacturer, to maintain the perspective of a consumer. When manufacturing products, some elements may be perceived as difficult to achieve from the viewpoint of employees at a manufacturer, though these elements may be viewed differently from the standpoint of people who use the products. I hope that you foster a culture where you encourage your employees to let them identify themselves as citizens and consumers and incorporate this approach in conducting business.



Ms. Kawaguchi Mariko

Specialty Appointed Professor, Graduate School of Social Design Studies at Rikkyo University and Executive Advisor to CEO (in charge of ESG and market value creation) at Fuji Oil Holdings Inc.

Hoping to see initiatives based on a social-point-of view mindset that emphasizes dialogue with stakeholders

Regarding human rights issues defined as one of your priority measures, it is essential to carry out effective due diligence. I hope you will implement initiatives that will prevent human rights violations and that will offer relief to affected people in the event of a violation. There are limits to what a single company can do on its own with respect to human rights in particular. I suggest that you cooperate with various platforms, including industrial organizations, lawyers, and NGOs, and then work to achieve true solutions to human rights issues.

It is also vital to appropriately incorporate external forces in sustainability initiatives as well as in actions related to human rights. To promote diversity, it is indispensable to engage in continued dialogue with stakeholders to incorporate the global trends while listening to the diverse opinions of external parties. It may also be effective to set up regular meetings and other opportunities to allow for the exchange of opinions with stakeholders on an ongoing basis.

It is also crucial to have employees who are responsible for carrying out activities involved in sustainability initiatives in place. To change people's behavior, you need to go beyond simply relaying knowledge and skills; each and every employee must have shared values and feel happy with the initiatives.

Because of this severe situation due to past improper quality control practices, there is a need to continue carrying out and developing sustainability initiatives at a higher level than before so as to foster a new corporate culture. A company cannot survive if it does not solve social challenges. It is important to set up a future goal to aim for at your company based on a mindset that places society first, and then to think about and enact a method to reach that goal from the present through backcasting. I hope you will aim for a high goal through co-creation with stakeholders.



Mr. Masao Seki
Senior Advisor on CSR at
Sompo Japan Insurance
Inc. and Professor, School
of Business Administration,
Meiji University

Mitsubishi Electric needs a unique story that links sustainability with its management strategy

I could sense your company's resolve and enthusiasm for company-wide reforms through this dialogue and I believe that this is the right time for you to demonstrate your ability to make "Changes for the Better."

On the other hand, from the standpoint of an investor, your wording is vague regarding the "cultural reform" that you give as one of your reforms following the past incidents of quality-related malpractice. You need to revisit the meaning of this phrase and conduct specific, effective activities so that it will not be interpreted as something leading to no actual, substantive change.

These incidents have hurt your employees and have damaged their trust in the company. But all the employees who are still trying to move ahead despite these circumstances are very important stakeholders. The top-priority issue for management at the moment is to send concrete and meaningful messages and to engage in dialogue with these employees.

Materiality and sustainability should be included in the management strategy. This means that Mitsubishi Electric must describe its story leading into the future based on how it will leverage its strengths, and the goals it will aim for. Japanese companies tend to view sustainability in the context of social contributions, but they cannot build a convincing story unless they clarify how the company's earnings will grow by solving social challenges.



Ms. Chieko Matsuda
Professor at Faculty of
Economics and Business
Administration and
Graduate School of
Management, Tokyo
Metropolitan University

I do hope the establishment of business area owners that oversee multiple business divisions with a focus on social challenges will develop into meaningful activities. However, I believe what is important right now is to send the message out to both inside and outside of the company about a concrete management strategy that includes sustainability.

Diversity in the board of directors is also a critical point. When people with diverse backgrounds gather and discuss matters from different viewpoints, this reduces risks, generates opportunities, and increases the reliability of decision-making within management. I suggest that you proceed with governance reform while taking this point into account.

In response to the dialogues

I understand that there will be a long, tough road for our reforms in response to past incidents of quality-related malpractice. Today, while listening to a wide range of opinions, I gained a renewed appreciation for the importance of focusing on sustainability within the management of the company while working steadily to deal with the incidents. The point on the lack of visibility in the connection between our sustainability and corporate strategy renewed my understanding on the importance of communicating our concept and initiatives for sustainability together with our corporate strategy. Through our Sustainability Report and other materials, we will boost the communication of our messages to stakeholders and deepen our communications with employees so that each and every employee can share our values and make them relevant to themselves. In addition, we will work with sincerity as we take on biodiversity and other areas that we have not yet sufficiently engaged with, all while operating with an awareness of the relevant issues. Thank you so much for joining us today.



Asako Ueno
Head of Sustainability
Planning Division,
Corporate Communication
Group, Mitsubishi Electric
Corporation

Interviews with Experts

The Mitsubishi Electric Group has spoken with insightful experts, who are active in various industries, in order to hear what they think about our sustainability efforts amid the current trends. More specifically, we asked them to read the Mitsubishi Electric Group Sustainability Report 2021 and requested their opinions mainly regarding our materiality and what they expect from us given the domestic and international trends related to the sustainable development goals (SDGs) as well as environmental, social, and governance (ESG) investment. This section reports some of the opinions that we received.

* The profiles of the experts are current as of the time of the hearings.

Expectations for the Mitsubishi Electric Group

Prof. Atsushi Osanai, Ph.D

Professor at Waseda Business School
(Graduate School of Business and Finance)

Specialty: Management of technology/innovation, management strategy,
diversity management



Comments received:

- I suspect that the incidents regarding quality are a result of your company's confidence in having strictness and a high level of quality; that is to say, a belief that there no problems will occur as long as your company's high standards are observed. Even if you make the rules stricter, employees will not always observe the rules. You may be able to build integrity by making uniform rules stricter across all products, while also applying different additional rules for each product.
- I have the impression that, despite having a high potential in terms of products and technologies, your company has not been able to gain a strong market share with many of your products, and there are no products that stand out from the rest. Instead of searching for something new, why not think about what you can do to monetize existing technologies and products? "Global" is one key concept. Although today's world is uncertain and unpredictable, a company with diversity in business and personnel structure has more strength in these circumstances. Such a business and personnel structure are associated with waste, but eliminating this waste will weaken the company. It is crucial to maintain a balance.
- Your company supports Japan's infrastructure and security and therefore bears the responsibility to make continued contributions to the country. I hope your company will emphasize sustainability which is gained through gradual improvements and then continually maintained, rather than focusing on making a V-shaped recovery in a short time.

Ms. Emi Sugawara

Professor, Faculty of International Studies,
Osaka University of Economics and Law
Specialty: international law, international human rights law
(Analysis on business and human rights in international human rights law)



Comments received:

- Mitsubishi Electric Group Human Rights Policy states that the Mitsubishi Electric Group respects human rights of affected stakeholders in its whole value chain. In order to identify human rights priorities from among the broad range of human rights issues across the value chain, it is essential to engage in direct dialogue (engagement) with stakeholders. On a global scale, it is also necessary to define its challenges through dialogues with its stakeholders, including customers, employees, and local communities, and then to work on these challenges.
- Human rights represent one category within issues related to management, though I feel few companies in Japan establish a division for business and human rights and work on these topics. It is crucial to have a system that allows the voice of stakeholders to be delivered to various divisions and checked in a cross-divisional way. I suggest that the Mitsubishi Electric Group should consider collecting the voice of affected stakeholders by utilizing existing arrangements such as customer centers, employee satisfaction surveys, and dialogue between offices and local communities. To the wider array of voices from stakeholders, each contact personnel who responds to these voices must have an understanding on how the company's businesses and operations are related to human rights of stakeholders. Otherwise, they will not identify these voices as opinions and grievances on human rights. I hope the Mitsubishi Electric Group will also build and enhance training programs that boost employees' understanding of business and human rights.

Mr. Masao Seki

Senior Advisor on Sustainability at Sompo Japan Insurance Inc.
and Professor, School of Business Administration, Meiji University
Specialty: Sustainability management, Business and society



Comments received:

- To be able to respond to major changes in the future, it is necessary to identify issues with a perspective that starts at society—that is to say, outside-in approach—rather than identifying issues with a perspective that starts with your company's products or technologies (inside-out approach).
- In order to have an outside-in viewpoint, you may wish to increase opportunities for direct dialogue with customers, employees, and other stakeholders as much as possible. Regarding human rights in particular, it is necessary to grasp the whole picture about human rights issues and then think about how these rights should be protected through direct dialogue with NGO/NPOs, relevant organizations, and human rights holders. I also believe that holding continued dialogues with employees may help in creating the sustainability-oriented corporate culture as defined in your materiality.
- I hope a global company like Mitsubishi Electric Group will set up decarbonization goals not only in your own value chain, but also from the viewpoint of how to reduce CO₂ across the entire world. I expect that you will demonstrate a future-oriented and proactive attitude to encourage society to act by taking advantage of your strengths.

Results of Reader Surveys

Questionnaire-based Survey Conducted on the Sustainability Report

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's sustainability initiatives and Sustainability Report 2021, resulting in responses from 600 individuals.

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

Survey summary and partial results

[Period]

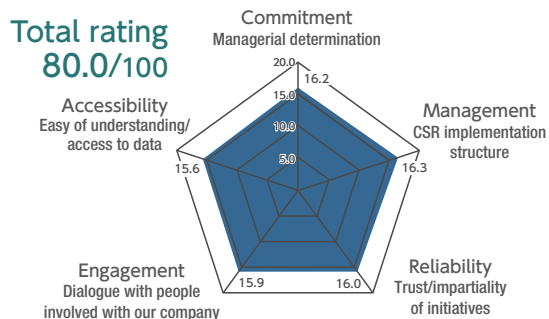
- December 2021

[Questionnaire responders]

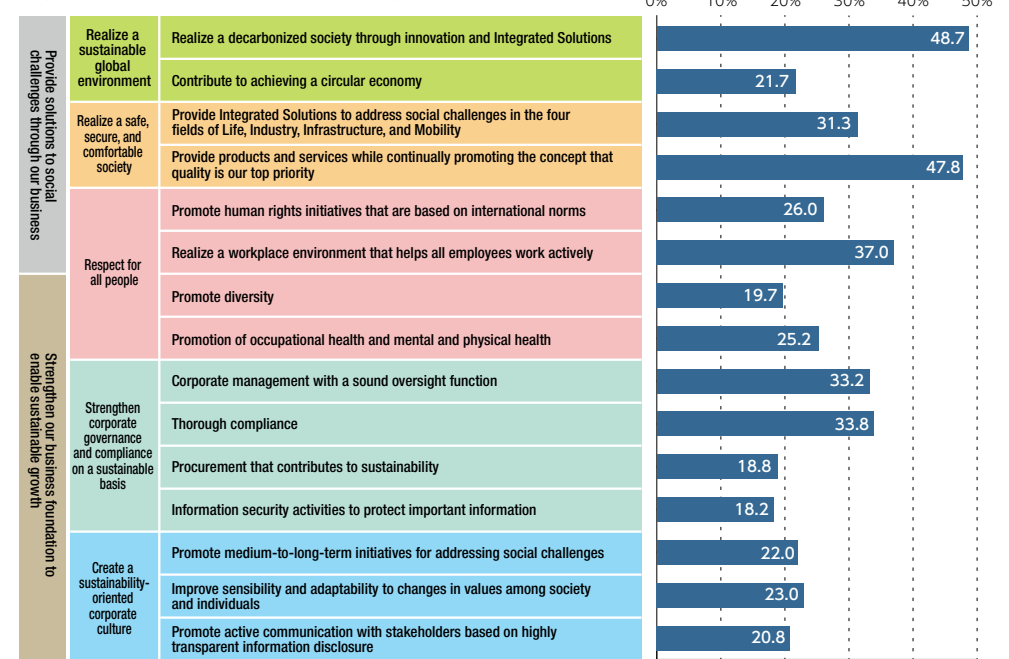
- Japan
- 600 persons
- General population nationwide, men and women aged 15 or older (people with a strong interest in sustainability)

[Main questions]

- Is senior management pursuing sustainability initiatives in earnest?
- Does the company have the framework that will allow it to implement sustainability efforts as a total organization?
- Are company initiatives truly moving forward?
- Is the company engaging in dialogue with the relevant parties in its orbit?
- Does the company consider ease of comprehension and access to information?
- Please select all those items in the report that made a particular impression on you (e.g. evoked positive feelings, sparked interest, felt you could approve of it, etc.).
- What do you expect regarding the materiality?



Expectations regarding materiality



Main comments received on expectations regarding materiality

Realize a sustainable global environment	<ul style="list-style-type: none"> • As each company has its unique strengths, I think there are things that only Mitsubishi Electric can do. I hope the company will use its technologies developed through experience to help our society. (Female, age 38) • I have great expectations for the company to engage in activities for building our future society while considering measures against environmental impact and climate change as a manufacturer that handles electronics. (Male, age 31)
Realize a safe, secure, and comfortable society	<ul style="list-style-type: none"> • I have expectations for the company to create economic and social value. (Male, age 54) • Many cases have been pointed out regarding issues at the Mitsubishi Electric Group, and so there is an urgent need to address and ameliorate these issues. Sustainability cannot be realized without such action. (Male, age 55)
Respect for all people	<ul style="list-style-type: none"> • I hope the company will serve as a model for international rules as it operates globally. (Male, age 57) • Growth of the economy is important, but this can only be achieved when people are mentally and physically healthy. (Male, age 75)
Strengthen corporate governance and compliance on a sustainable basis	<ul style="list-style-type: none"> • As there was a series of issues related to misconduct, I hope the company will first commit to restoring trust. (Male, age 54) • I think the company lags behind the competition in ensuring compliance in actual services. (Female, age 56)
Create a sustainability-oriented corporate culture	<ul style="list-style-type: none"> • Since connections with civil society are critical for capturing needs and implementing initiatives that bring real benefits, I believe active communication is necessary. (Male, age 31) • I have expectations for the Group to continue working on information disclosure. (Male, age 47)

Measures for Internal Dissemination

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

Direct Dialogue between the President and Employees

Mitsubishi Electric holds meetings between the president and employees at each workplace to communicate the president's thoughts regarding reforms to employees, as well as to exchange views between them. In fiscal 2022, the meeting was carried out at a total of 42 bases. In fiscal 2023, to help bring the conversation deeper, these gatherings are continually held in a town meeting style with small groups. The president listens to diverse opinions from employees and will implement them in various reforms going forward.



Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the Sustainable Development Goals (SDGs) and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Sustainability Committee commenced reviews by devising potential responses by their own companies. In fiscal 2019, we decided on "Priority SDG initiatives" and reviewed them in fiscal 2022.

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

Main initiatives to the present

- Lecture presentation for executives by Toshio Arima, a board member of Global Compact Network Japan (fiscal 2018)
- Reflecting of SDGs in our business strategy (fiscal 2018-)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018, fiscal 2020)
- Promoting understanding about the SDGs through internal newsletters (fiscal 2018-)
- Sustainability Manager Training (fiscal 2018, fiscal 2019, fiscal 2022)
- SDGs training (fiscal 2019, fiscal 2020)
- Issuing the internal document "Guidelines for Using the SDG Logos" (fiscal 2022)

Measures for Internal Dissemination of Sustainability

Target	Description of Initiative
Executives	<ul style="list-style-type: none"> • Sustainability lectures Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning sustainability to Mitsubishi Electric executives and members of the Sustainability Committee.
Affiliate companies in Japan	<ul style="list-style-type: none"> • Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers Twice a year, general managers of administrative departments of affiliate companies in Japan gather in a conference to discuss compliance and other related matters, in which they share information on the Mitsubishi Electric Group's company-wide sustainability policy and initiatives.
Affiliate companies overseas	<ul style="list-style-type: none"> • Sustainability promotion activities in each region Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting sustainability and otherwise implement activities as needed for each region.
Sustainability managers	<ul style="list-style-type: none"> • Sustainability manager training Mitsubishi Electric holds training for sustainability managers from the company's offices and affiliates in Japan. Through lectures, they learn the basic principles of sustainability, social demands, and the Mitsubishi Electric Group's sustainability initiatives.
Group employees	<ul style="list-style-type: none"> • Promoting understanding of sustainability through training and in-house newsletters E-learning educational materials are distributed so that employees of Mitsubishi Electric and its group companies in Japan can learn about sustainability. In addition, in-house newsletters distributed to the group companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.
New employees	<ul style="list-style-type: none"> • Sustainability training Every year, sustainability training is held for new employees of Mitsubishi Electric to deepen their understanding of sustainability as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations, and to instill the importance of addressing quality and environmental issues.

Communication with stakeholders

Status of Communication

A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	<ul style="list-style-type: none"> • Improvement of customer satisfaction • Product safety and quality • Customer response and support 	<ul style="list-style-type: none"> • Sales departments • Quality departments 	Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials
Employees Workers related to the Mitsubishi Electric Group in general	<ul style="list-style-type: none"> • Occupational health and safety • Respect for human rights • Human resource development • Respect for diversity 	<ul style="list-style-type: none"> • Personnel departments • Sustainability promotion departments 	Hotlines , intranets, in-house bulletins, training programs , meetings between management and employees , employee awareness surveys
Government, local governments, industrial organizations Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	<ul style="list-style-type: none"> • Compliance with laws and regulations • Compliance with restrictions • Policy proposals 	<ul style="list-style-type: none"> • External affairs departments 	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations
NGOs and NPOs NGOs/NPOs citizens groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric Group	<ul style="list-style-type: none"> • Grants and partnerships through contributions to regional communities • Dialogues on social and environmental issues 	<ul style="list-style-type: none"> • Sustainability promotion departments 	Philanthropic activities (funds, foundations, volunteer activities) , dialogues on social and environmental issues
Business partners Business partners that supply raw materials and parts	<ul style="list-style-type: none"> • Fair transactions • Sustainability promotion through the supply chain 	<ul style="list-style-type: none"> • Materials departments 	Information sessions on sustainability procurement, BCP seminars , meetings based on the results of fair selection and evaluation of suppliers
Regional communities Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> • Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports) 	<ul style="list-style-type: none"> • Sustainability promotion departments 	Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities) , grants to universities , plant inspection tours , factory open-house events
Shareholders Shareholders, investment institutions, investors, etc. directly or indirectly possessing Mitsubishi Electric Group shares	<ul style="list-style-type: none"> • Increase in corporate value • Proper redistribution of profits • Information disclosure • Response to ESG investments 	<ul style="list-style-type: none"> • IR departments 	Financial results presentation meeting (4 times yearly) , general meetings of shareholders (once a year) , IR events/individual meetings , websites (IR library) , responses to interviews , shareholder communications
Others Academic institutions and research institutions	<ul style="list-style-type: none"> • Cooperation in creating innovation • Joint studies 	<ul style="list-style-type: none"> • R&D departments 	Industry-academia cooperation in research , stakeholder dialogues (once a year)
Future generations	<ul style="list-style-type: none"> • Provision of education opportunities 	<ul style="list-style-type: none"> • Sustainability promotion departments • Overseas foundations 	Inquiry centers, philanthropic programs , factory inspection tours , grants via foundations , events

Environment

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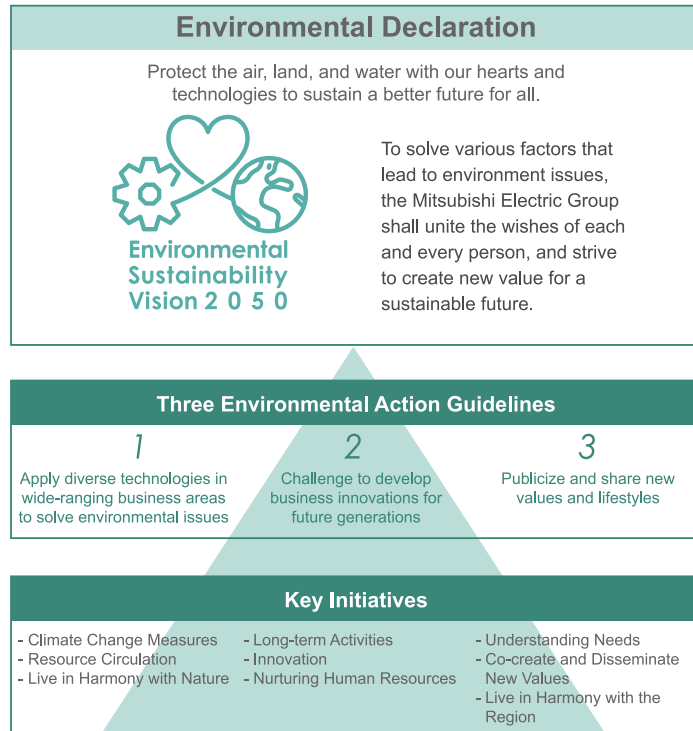
Basic Policy

The Mitsubishi Electric Group sets forth a clear course of action it shall take toward 2050 in Environmental Sustainability Vision 2050, and promotes initiatives to realize sustainability of the global environment based on an environmental policy that outlines how the Group shall contribute to the environment.

Environmental Sustainability Vision 2050

In recent years, corporations are expected to further continue their long-term efforts to solve global environmental issues. The Mitsubishi Electric Group's new Environmental Sustainability Vision 2050 defines environmental protection as an even greater corporate priority and stipulates increased initiatives toward this end. It establishes Mitsubishi Electric's future course toward 2050 in the form of the Environmental Declaration, Three Environmental Action Guidelines, and Key Initiatives.

Environmental Sustainability Vision 2050



Apply Diverse Technologies in Wide-Ranging Business Areas to Solve Environmental Issues

The Mitsubishi Electric Group shall utilize diverse technological assets throughout wide-ranging business areas, and across the entire value chain, to solve various environmental issues, including climate change, resource circulation and coexisting harmoniously with nature.

Key Activities

Climate Change Measures

- 1) Promoting and disseminating outstanding energy-saving products, systems, services and renewable energy businesses, together with our stakeholders, we will contribute to reducing greenhouse gases worldwide.
- 2) Respecting the global shift toward carbon neutrality, we will promote the reduction of greenhouse gases throughout the value chain, from development, design, procurement of raw materials and production through sales, distribution, use and disposal. Our present target is to reduce CO₂ emissions to net-zero by 2050.
- 3) Observing changes in the global environment, we will provide solutions that contribute to minimizing the risks of natural disasters.

Resource Circulation

- 1) Reducing the size and weight of products, we will consider the use of recycled materials and recyclability rate of the products and systems we produce.
- 2) Eliminating resource waste throughout the value chain, we will strive to maximize the effective use of resources.
- 3) We will work to expand the supply of safe, clean water globally, as well as to enforce water treatment that does not pollute oceans and rivers.
- 4) We will promote the effective use of water taking the water environment of each region into consideration.
- 5) We will promote resource recycling businesses globally, such as reuse, repair of products/systems and waste reduction.
- 6) We will aim to achieve 100% effective use of wastes, such as plastics, generated during manufacturing processes.

Live in Harmony with Nature

- 1) Throughout the Group, we will carry out activities to preserve biodiversity in the mountains, rivers, and oceans, and at all business sites, and promote the development of local environments and human resources to be passed to future generations.
- 2) We will work to control, suppress, substitute, and properly dispose of harmful substances that may affect the natural environment.

Challenge to Develop Business Innovations for Future Generations

The Mitsubishi Electric Group shall draw on internal and external strengths, combine them when required to resolve difficult issues, and take on the challenge of developing technologies and business innovations for future generations.

Key Activities

Long-term Activities

- 1) We will set specific indices and action items while considering future prospects in the mid-term Environmental Plan formulated every three years.
- 2) We will verify the validity of long-term goals approximately every five years, doing so considering international agreements, foreign affairs and business conditions.

Innovation

- 1) We will cooperate with other companies and institutions, and use our technological assets, technologies and business synergies to create innovative technologies and solutions.
- 2) We will proactively adopt innovational technologies and solutions that enable us to lead manufacturing in future generations.

Nurturing Human Resources

- 1) We will foster a corporate culture in which employees, as ordinary citizens, take the initiative on creating new lifestyles in harmony with nature.
- 2) We will develop highly specialized human resources who accept diverse values, and proactively work on environmental issues.

Publicize and Share New Values and Lifestyles

The Mitsubishi Electric Group shall promote active dialogue, collaboration, and co-creation with all stakeholders, publicizing and sharing new values and lifestyles that will result in living comfortably, in harmony with nature.

Key Activities

Understanding Needs

- 1) We will work to understand our customers' needs and expectations for the environment through sales activities, exhibitions, events, and other initiatives.
- 2) We will hold discussions with stakeholders, and confirm the validity of our environmental targets and measures, to promote more effective environmental activities.

Co-create and Disseminate New Values

- 1) We will propose new lifestyles that provide the pleasure of contributing to the environment through the use of our products, systems, and services.

Live in Harmony with the Region

- 1) We will hold discussions with local residents and municipalities, and contribute to creating a better local environment, including Satoyama conservation and bio-diversity preservation activities at business sites.

Environmental Policy

Based on its Purpose, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity," the Mitsubishi Electric Group clearly states its contribution to the realization of sustainability as one of its key management policies. Our aim is to realize both a sustainable global environment and a safe, secure, and comfortable society. To find solutions to environmental problems such as climate change, resource depletion, and the loss of biodiversity, contributing to the protection of the environment is positioned as one of the most important issues that the Group must address.

Utilizing our accumulated and newly developed state-of-the-art technologies, and in accordance with "Environmental Vision 2050," we will provide products and services through a wide variety of businesses that contribute to resolving climate change issues and creating a recycling-based society. At the same time, we will draw on strengths, both within and outside of the Group, and with the passion of all employees, focus on creating innovative technologies, products and services while proposing new values that will support future generations. Particularly, in view of the global trend towards rapid decarbonization, we are addressing the reduction of greenhouse gas emissions throughout our value chain while also promoting the recycling of resources globally and making efforts to preserve biodiversity.

As a good corporate citizen, the Group will continue to work with its employees, their families, and local communities to foster environmental awareness and expand the sphere of its activities that are contributing to society. We will actively disseminate information on our environmental initiatives in an effort to promote a mutual understanding with society. In doing so, we will comply with laws and social norms, change the ways we think and act with a keen sensitivity to changes in society, and always conduct business activities while giving continuous consideration to protecting the environment.

Under the Environmental Declaration, "Protect the air, land, and water with our hearts and technologies to sustain a better future for all," all employees of the Mitsubishi Electric Group will contribute with pride and passion to enrichen people's lives and improve the global environment.

November 2021



Kei Uruma
President & CEO

Strategy for Climate Change

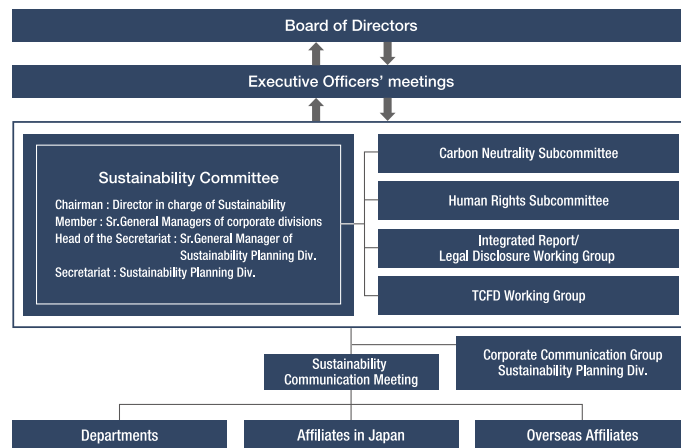
Financial Information Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), and as such, the Group promotes efforts and discloses information in line with these recommendations.

Governance

Sustainability Promotion Framework and Roles of the Board of Directors and Management

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by a Sustainability Committee appointed by the Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's corporate divisions (26 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group. The Sustainability Committee generally holds meetings at least three times a year and the details on the discussion of Sustainability Committee meetings are reported to the senior executives during the Executive Officers' meetings. From fiscal 2022, the details on the discussion of Sustainability Committee meetings are also reported to the Board of Directors, and are supervised on the basis of many different viewpoints.



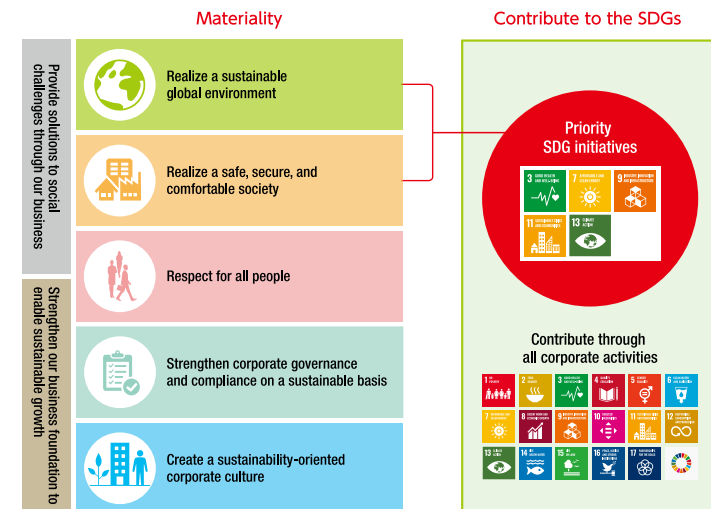
Sustainability promotion Framework (FY2023)

Sustainability Initiatives and Materiality

Knowing that sustainability activities are directly linked to corporate management, we have defined our materiality and each of our departments responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements its own initiatives, based on the sustainability policy of the Mitsubishi Electric Group. In order to deal with sustainability challenges that involve multiple divisions in a cross-sectional manner, we also have established the "Carbon Neutrality Subcommittee," the "Human Rights Subcommittee," and projects under the Sustainability Committee, and we also engage in efforts to promote initiatives while clarify the responsible divisions for individual activities. As projects for fiscal 2023, we will establish the "Integrated Report/Legal Disclosure Working Group" and "TCFD Working Group" to consider the clarification of individual categories of activities and the roles of participating divisions, information disclosure in accordance with norms, and other matters. The progress of these subcommittees' initiatives is confirmed at each Sustainability Committee meeting.

In order to realize our Purpose of "a vibrant and sustainable society", the Group places even greater emphasis on sustainability initiatives at the management level with five material issues identified from the two perspectives of "providing solutions to social challenges through our business" and "strengthening our business foundation to enable our sustainable growth." Through our materiality initiatives, we will help to resolve social issues, as well as contribute to the SDGs, to create economic and social value.

One of these material issues is "the realization of a sustainable global environment" for which we are promoting initiatives to respond to climate-related issues and achieve carbon neutrality.



Materiality and SDGs

Strategy

Climate Change Risks and Opportunities in the Short, Mid-to-Long Term

The Mitsubishi Electric Group has identified climate-related risks and opportunities.

Table 1 Examples of Climate-related Risks and Initiatives by the Mitsubishi Electric Group

Risks	Examples of the Group's Initiatives
Transition Risks	
Policy and Legal Risks (Short-to-Long Term) <ul style="list-style-type: none"> • Increase in carbon pricing • Strengthened obligation of emission reports • Orders and regulations for existing products and services by relevant authorities • Litigation 	<ul style="list-style-type: none"> • Reduction of GHG^{*1} emissions through promotion of environmental plans and setting and taking initiative on science based targets • Promotion of environmentally conscious design (global warming, resource conservation, recyclability, hazardous substances, packaging) • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Implementation of supply chain management (formulation and implementation of green procurement standards) • Reporting of Scope 1, 2 and 3 emissions and implementation of third-party certification • Acquisition and maintenance of ISO 14001 certification • Confirmation of legal compliance through environmental audits • Disclosure of initiatives related to climate change and other environmental issues
Technology Risks (Mid-to-Long Term) <ul style="list-style-type: none"> • Replacement of existing products and services with low-emission alternatives • Failed investment in new technologies • Cost of transition to low-emission technologies 	<ul style="list-style-type: none"> • Development of new technologies through R&D investment • Implementation of intellectual property activities • Mobile capital investment mainly in key growth businesses • Capital investment related to environmental activities, including energy saving and global warming countermeasures
Market Risks (Mid-to-Long Term) <ul style="list-style-type: none"> • Changes in customer behavior • Uncertainty in market signals • Rise in raw material costs 	<ul style="list-style-type: none"> • Promotion of environmentally conscious design • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Market research and feedback on product development
Reputation Risks (Mid-to-Long Term) <ul style="list-style-type: none"> • Changes in consumer preferences • Criticisms of the industrial sector • Increased concerns among stakeholders, or negative feedback from them 	<ul style="list-style-type: none"> • Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Promotion of environmentally conscious design • Response to environmental risk management • Implementation of natural environment conservation activities, including the protection of local biodiversity • Disclosure of initiatives related to climate change and other environmental issues
Physical Risks	
Acute Risks (Short-to-Long Term) Increased severity of extreme weather such as cyclones and floods	<ul style="list-style-type: none"> • Formulation and periodic review of BCPs^{*2} • Implementation of supply chain management (formulation and implementation of green procurement standards, decentralization of production sites by purchasing from multiple companies, etc.)
Chronic Risks (Mid-to-Long Term) Changes in precipitation patterns and extreme variations in weather patterns	<ul style="list-style-type: none"> • A certain amount of investment every year in environmental activities, including initiatives against climate change • Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets

*1 Greenhouse gas *2 Business continuity plan

Table 2 Examples of Climate-related Opportunities and Initiatives by the Mitsubishi Electric Group

Social Challenges (Opportunities)	Examples of the Group's Initiatives
Resource Efficiency	
<ul style="list-style-type: none"> • Use of more efficient modes of transport (modal shift) • Use of more efficient production and distribution processes • Promotion of recycling • Relocation to a more efficient building • Reduction in water usage and consumption 	<ul style="list-style-type: none"> • Development of products suitable for resource conservation, such as thinner materials and smaller tubes • Promotion of plastic recycling • Energy conservation and reduction of operation costs for buildings as a whole through ZEB (net Zero Energy Building), etc. • Development of coordinated control technology for in-building mobility and facilities • Provision of systems for water distribution management, water storage and discharge through dam management, and water intake management for agricultural water • Promotion of reclaimed water use • Strengthening of products and solutions that support e-F@ctory^{*1} • Promotion of a modal shift • Localization of production and sales bases
Energy Source	
<ul style="list-style-type: none"> • Use energy sources that contribute to carbon neutrality • Use of new technologies • Shift toward decentralized energy generation 	<ul style="list-style-type: none"> • Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources <ul style="list-style-type: none"> - Large energy storage systems - Smart medium voltage DC distribution network system D-SMiree^{*2} - Distributed power supply system/VPP system - Multi-region digital power supply system (multi-region EMS)
Products and Services	
<ul style="list-style-type: none"> • Development and/or expansion of goods and services that contribute to carbon neutrality • Development of new products or services through R&D and innovation • Ability to diversify business activities • Shift in consumer preferences 	<ul style="list-style-type: none"> • Development of energy-saving products optimized for local climate conditions and needs • Development of innovative new products such as the Misola,^{*3} a lighting fixture that imitates a deep blue sky and natural light in indoor spaces. • Improvement of the energy efficiency of railway vehicles and effective utilization of regenerative electric power from braking • Demonstration of ZEB-related technologies, including the construction of demonstration facilities • Development and supply of the EcoMBR^{*4} filtration membrane cleaning system for water treatment • Provision of smart meters • Development and supply of energy conservation equipment that facilitates the measurement of energy consumption and the collection and analysis of energy consumption data • Global supply of high-efficiency equipment, including electric power train systems • Development and supply of low-loss SiC devices • Localization of production and sales sites • Balanced promotion of short-, medium- and long-term research and development
Resilience	
<ul style="list-style-type: none"> • Participation in renewable energy programs and adoption of energy efficiency measures • Resource substitutes/diversification 	<ul style="list-style-type: none"> • Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources • Contribution to preventing global warming by using observation satellites, strengthening the monitoring of meteorological phenomena and the global environment, understanding of disaster situations, and promoting disaster prevention • Meteorological radar system • Field Edge[®] image-based water level measurement device • Provision of BCP solutions, such as data centers, teleworking, and video conferencing services

*1 [Introduction to e-F@ctory](#)

*2 [Mitsubishi Electric's smart medium voltage DC distribution network system D-SMiree](#)

*3 [Misola "blue-sky" lighting](#)

*4 [Water treatment technology based on a membrane bioreactor using ozonated water](#)

Case Example Contribution to world-leading global environmental observation

Mitsubishi Electric is committed to contributing to society with its global observation satellites as an important pillar of space development, and is focusing on the development of the following satellites.

Geostationary meteorological satellites Himawari-8 and -9

Himawari-8 and -9 are geostationary meteorological satellites developed by Mitsubishi Electric. They provide observation data to Japan and to more than 30 countries and regions in the Asia-Pacific, and play an important role in weather observations and disaster monitoring in each country.



Greenhouse gases observation satellite Ibuki-2 (GOSAT-2)

Ibuki-2 is a greenhouse gases observation satellite (GOSAT) developed by Mitsubishi Electric, and a successor to GOSAT Ibuki, the world's first satellite dedicated to observing the concentration distribution of greenhouse gases from outer space. Equipped with a high-performance observation sensor, it contributes to increasing measurement precision. It also contributes to monitoring for air pollution, as it can estimate fine particulate matters (black carbon, PM2.5, etc.).

For more information on the development of observation satellites, also see the website on "The Mitsubishi Electric Group's Sustainability—Electronic Systems Group" [The Mitsubishi Electric Group's Sustainability—Electronic Systems Group](#)

Impact on Business and Strategy

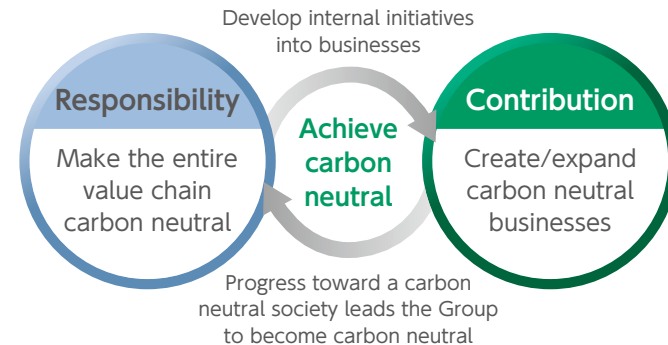
In fiscal 2022, we examined our response to climate-related risks and opportunities toward achieving carbon neutrality and clarified our policy initiatives. In fiscal 2023, we will further analyze and examine what impact the climate-related risks and opportunities have on our financial planning.

Policy Initiatives

- Adopted dual approaches to carbon neutral: Responsibility and Contribution.
- Responsibility: Make the entire value chain carbon neutral
- Contribution: Create/expand carbon neutral businesses

We will work to achieve carbon neutrality through a mutual enhancement of expanding our in-house initiatives to business and returning the positive impact on the Mitsubishi Electric Group back to business again by way of progress made on initiatives in society as a whole.

Adopted dual approaches to carbon neutral: Responsibility and Contribution.



Responsibility: Carbon neutral initiatives in the entire value chain

Initiatives to reduce greenhouse gas at factories and offices.

- Continuously invest 0.15% of revenue in carbon neutral efforts.
- Use renewable energy to 85 sites in Japan in FY2023
- Promote expansion of internal renewable energy procurement using multi-region EMS(*).

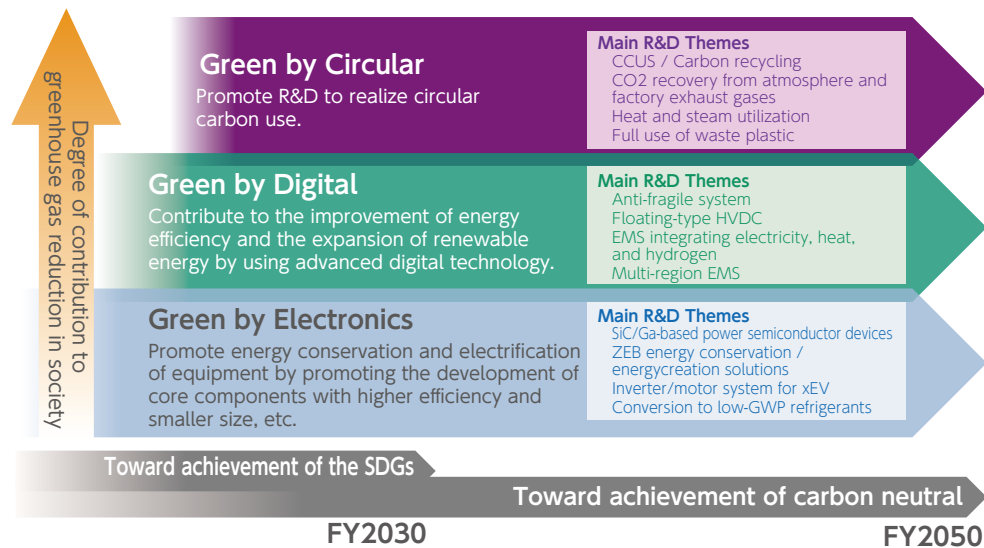
* Multi-region EMS: Energy management system that automatically optimizes power interchange of renewable energy between multi sites, operation of distributed power sources and storage batteries, and purchase plan of renewable energy certificates.

Contribution: Create/expand businesses that contribute to carbon neutral.

To make society as a whole carbon neutral, we have established a development roadmap up to 2050 and will accelerate R&D in three innovation areas:

Green by Electronics, Green by Digital, and Green by Circular.

- Green by Electronics: Promote energy conservation and electrification of equipment by promoting the development of core components with higher efficiency and smaller size, etc.
- Green by Digital: Contribute to the improvement of energy efficiency and the expansion of renewable energy by using advanced digital technology.
- Green by Circular: Promote R&D to realize circular carbon use.



CCUS: Carbon dioxide Capture Utilization and Storage, EMS: Energy Management System, GWP: Global Warming Potential, HVDC: High Voltage Direct Current

Scenario-based Analysis and Resilience

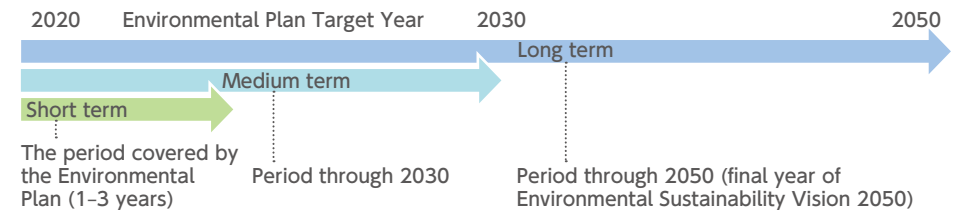
The corporate activities of the Mitsubishi Electric Group are assessed through scenario analysis based on IPCC*1 representative concentration pathway scenarios. The assessment is made based on two scenarios: a scenario that shows the state of transition (social trend) when keeping the global average temperature rise to below 2°C compared to pre-industrial levels (the 2°C scenario*2), and a scenario in which the temperature rises nearly 4°C as a result of continuing with conventional global warming countermeasures (the 4°C scenario*3).

The scenario analysis forecasts up to 2050 with periods classified as shown below.

- Long-term: Period through 2050 (final year of Environmental Sustainability Vision 2050)
- Medium-term: Period through 2030
- Short-term: Period covered by the Environmental Plan (1 – 3 years)

*1 IPCC: Intergovernmental Panel on Climate Change *2 Applied the IEA 450 scenario, etc.

*3 Applied the IPCC RCP 8.5 scenario, etc.



Climate-related Risks and Initiatives by the Mitsubishi Electric Group

Climate-related risks can be broadly divided into risks associated with the transition to a decarbonized society (transition risks) and risks associated with the physical impacts of global warming (physical risks). These risks can result in increased expenses (for production, internal administration, financing, etc.) and decreased revenues.

If the 2°C scenario progresses, social demand for reducing greenhouse gas emissions is expected to grow, raw material costs are expected to rise due to changes in the energy demand and supply balance, and the amount of generated power by renewable energy sources is expected to increase, in the transition to a decarbonized society. As a result of efforts to realize such a society, the likelihood of transition risks arising from the tightening of laws and regulations on greenhouse gas emissions and an increase in the burden of technological development will be relatively high (compared to physical risks).

If the 4°C scenario progresses, there is expected to be a significant increase in the frequency and severity of heavy rains and floods and a chronic rise in temperature. Physical risks such as the suspension of operations and disruption to supply chains due to disaster will be relatively high (compared to transition risks).

In response to these risks, the Mitsubishi Electric Group implements initiatives as shown in Table 1 “Examples of Climate-Related Risks and Initiatives by the Mitsubishi Electric Group.”

For example, even if laws and regulations strengthen the curtailment of greenhouse gases under the 2°C scenario, the Group can mitigate the impacts of such a regulatory move, as it is already working to reduce its emissions through its Environmental Plan and participating

in science-based targets. Similarly, the impact of rising raw material costs can be mitigated by further promoting environmentally conscious design, something which is already being implemented with respect to tackling global warming, resources conservation, and improved recyclability. We are also making capital investments related to environmental activities, including energy saving and other measures to combat global warming. Additionally, we are investing in the research and development of new technologies in a well-balanced manner from the short, medium, and long-term perspectives.

In response to physical risks, such as flooding, that will materialize under the 4°C scenario, we have formulated a business continuity plan and review it once a year while moving ahead with the decentralization of production sites. We are also taking steps to prevent production problems in the supply chain, such as by purchasing from multiple companies and having our suppliers operate multiple production plants.

Climate-related Opportunities and Initiatives by the Mitsubishi Electric Group

As the 2°C or 4°C scenario progresses, social issues arising from climate change and the need to respond to them are expected to become more apparent.

For example, if the 2°C scenario progresses, it is predicted that the amount of power generated by renewable energy will increase. The Mitsubishi Electric Group is capable of contributing to addressing needs for effective use of electricity and system stabilization that stem from such expansion of renewable energy and the decentralization of power sources, by providing large energy storage systems, smart medium- and low-voltage direct current distribution network systems, distributed power source operation systems / virtual power plant (VPP) systems, and multi-region digital power delivery systems (multi-region EMS).

If the 4°C scenario progresses, frequent heavy rain and floods are expected. Using observation satellites, the Group is able to enhance the monitoring of meteorological phenomena and the global environment, understand disaster situations, and help prevent disasters.

The Mitsubishi Electric Group has a wide range of businesses. Our strength is our ability to provide a wide range of products, services, and solutions that contribute to solving social issues arising from climate change. We therefore believe that we have sustainable growth opportunities over the short to long term through our solutions to these social challenges as shown in Table 2 "Climate-Related Opportunities and Initiatives by the Mitsubishi Electric Group."

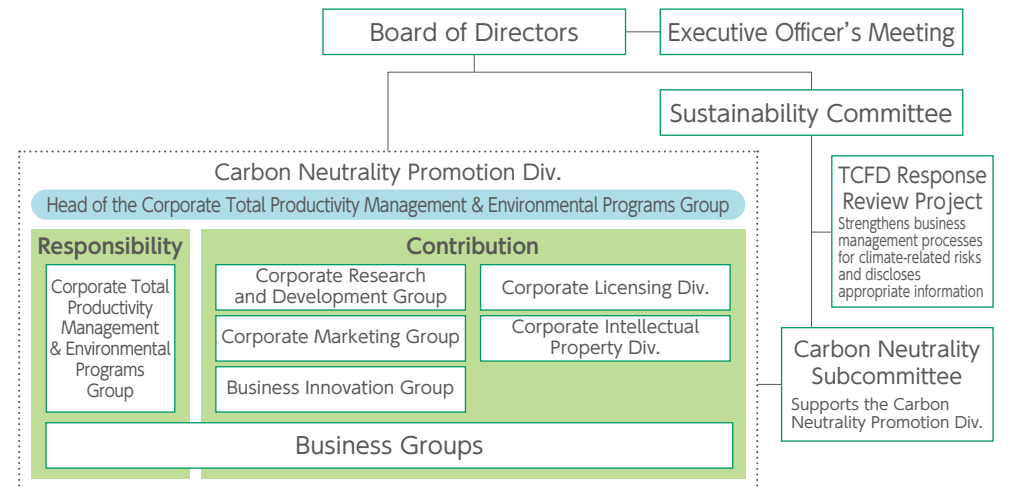
Resilience of Climate-related Strategies

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

Risk Management

Strengthening the Climate-related Risk Management Framework

In fiscal 2022, we reviewed our climate-related risk management system and strengthened the system in an effort to achieve carbon neutrality with the help of many corporate groups and divisions.



The Head of the Corporate Total Productivity Management & Environmental Programs Group supervises the areas of "responsibility" and "contribution," promoting carbon neutrality as a whole. The Sustainability Committee has also established a Carbon Neutrality Subcommittee to review progress and discuss responses to issues on hand.

A permanent carbon neutrality promotion system from fiscal 2023

Environmental Risk Management Process

In carrying out corporate activities to address environmental issues including climate change, the Mitsubishi Electric Group has formulated a three-year Group-wide Environmental Plan based on its corporate strategy and environmental vision.

The plan sets out quantitative targets to be achieved, and the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management, formulates the plan and shares it with each organization throughout the Group. Each organization formulates and implements its own annual Environmental Action Plan (EAP) based on the Environmental Plan.

The results of action taken are reviewed by the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs with each organization reviewing the three-year Environmental Plan and its annual EAP as and when necessary.

The Environmental Management System is integrally operated by the Mitsubishi Electric Group as a whole with all organizations within the Group (business groups, head office corporate divisions, corporate groups, factories, and affiliated companies) working to achieve the Group's three-year Environmental Plan as a common goal. Each organization identifies

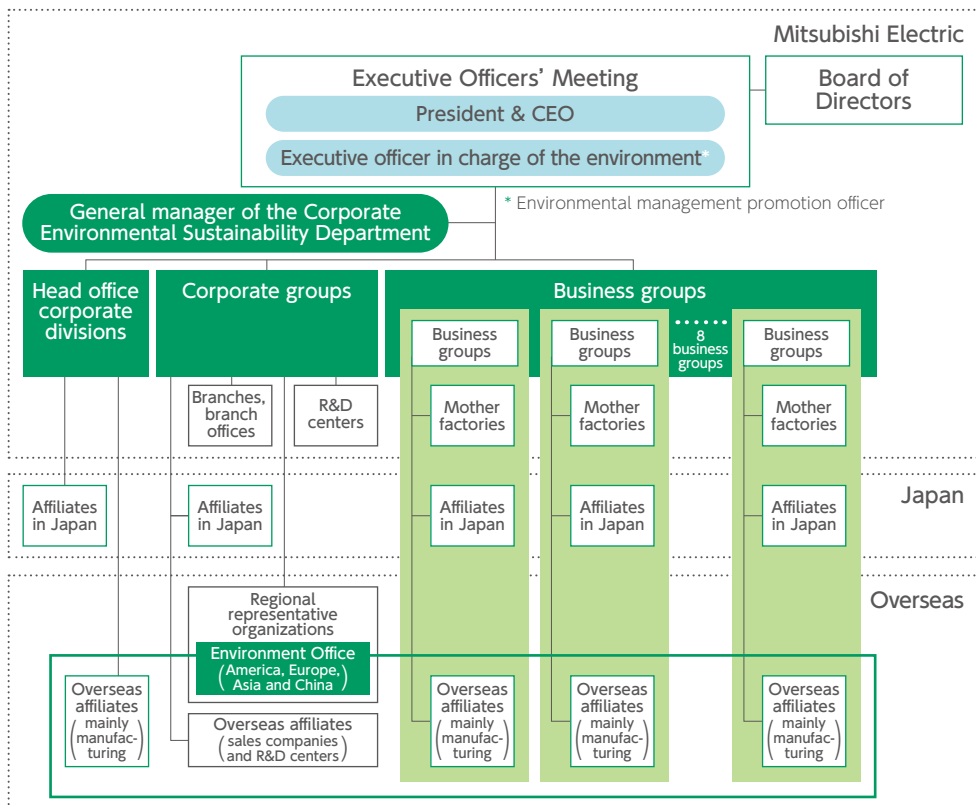
and assesses environmental risks and opportunities, including climate-related risks, and reflects them into its own EAP.

Among each organization, business groups, head office corporate divisions, and corporate groups, direct and manage activities of their own organizations, their branch offices, works, and affiliated companies based on the EAP.

Each organization has an Environmental Promotion Manager who manages and supervises the EAP, its performance, and environmental performance within the scope of its management and supervision.

An Environment Office has also been set up within the regional organization responsible for the functions of regional headquarters in the Americas, Europe, Asia, and China, which supports the development of Group-wide measures and the activities of all affiliated companies in the region under its management.

EAP progress from each division is received and compiled by the head of the Corporate Environmental Sustainability Department who, after identifying and assessing company-wide risks and opportunities, reviews the environmental plans as and when necessary.



The environmental risk management framework

Organization-wide Risk Management

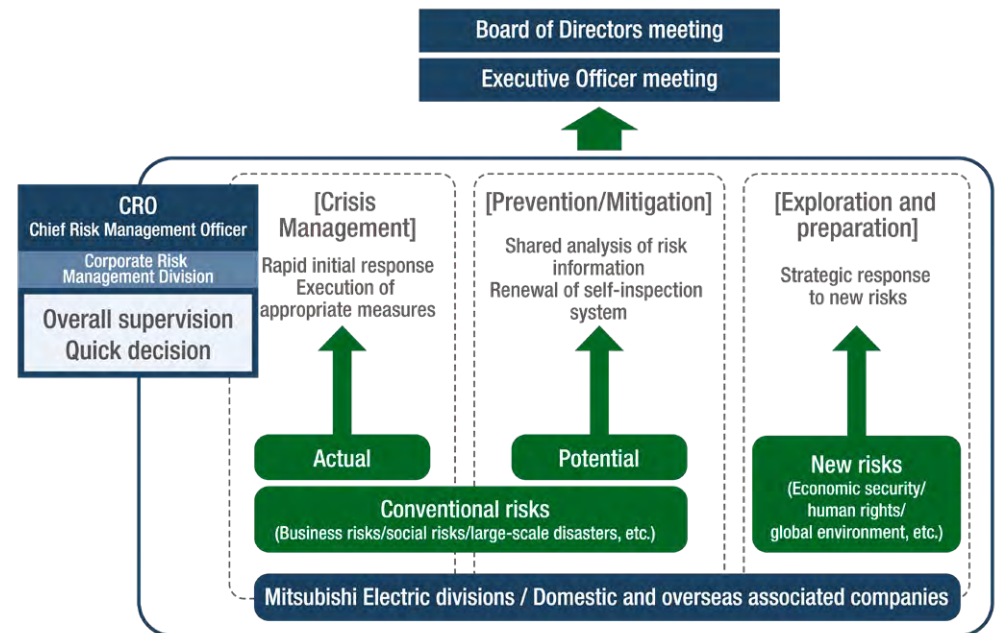
Risk management is implemented independently by each division and by domestic and overseas associated companies. In addition, the Group has established a CRO^{*1} and a Corporate Risk Management Division^{*2} to supervise the entire Group and has also built a framework to enable quick decision making. The Group addresses not only conventional risks such as large-scale disasters and social risks, but also promotes agile and strategic exploration of and preparation for new risks such as economic security, human rights, and the global environment.

In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officer meetings.

The Sustainability Committee and its subcommittees and projects discuss and clarify how to integrate the process of identifying, assessing, and managing climate-related risks into risk management and business management of the entire organization.

*1 Chief Risk Management Officer (Established January 2022)

*2 Established January 2022



Risk Management Framework (Mitsubishi Electric Group)

Indicators and Targets

Calculating and Understanding Greenhouse Gas Emissions in the Value Chain

The Mitsubishi Electric Group calculates and tracks greenhouse gas emissions (Scope 1, 2 and 3) in its value chain. For calculation and assessment, we refer to the GHG Protocol and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by Japan's Ministry of the Environment.

For details, see "Greenhouse Gas Emission along the Value Chain"

[Greenhouse Gas Emission along the Value Chain](#)

Long-Term Target

In our long-term environmental management vision up to 2050, the so-called Environmental Sustainability Vision 2050, the Mitsubishi Electric Group has set a target to reduce greenhouse gas emissions throughout the entire value chain to net-zero by 2050.

Mid-Term Targets

In order to achieve the long-term target above, in FY2023, the Mitsubishi Electric Group has set a target of reducing greenhouse gas emissions (Scope 1 and 2) from its plants and offices by at least 50% by 2030 compared to FY2014 levels.

In addition, the following greenhouse gas emission reduction targets were approved by the Science Based Targets initiative in January 2020.

- Scope 1 and 2: Reduce greenhouse gas emissions by 18% by 2030 compared to FY2017 levels
- Scope 3¹: Reduce greenhouse gas emissions by 15% by 2030 compared to FY2019 levels

*1 Scope 3 emissions cover Category 11 (Use of sold products)

Short-Term Targets

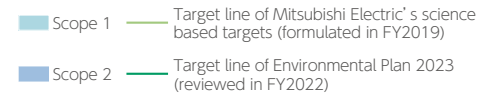
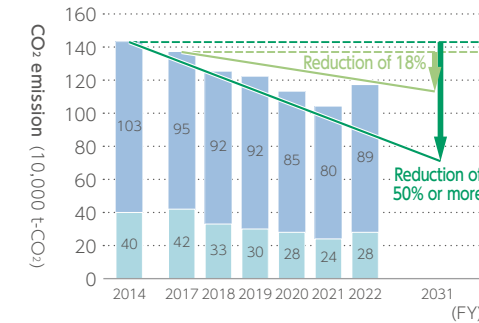
Since fiscal 1994, the Mitsubishi Electric Group has formulated an Environmental Plan every three years that sets out specific activity targets. We are presently pursuing various activities in line with the current Environmental Plan 2023 (fiscal 2022 to 2024) which sets out indicators and targets in four areas based on the action guidelines of the Environmental Sustainability Vision 2050, namely: "environmental contribution through products and services," "reducing the environmental impact of business activities," "pursuing business innovations," and "publicizing and sharing new values and lifestyles."

For details, see "Greenhouse Gas Emission along the Value Chain"

[Greenhouse Gas Emission along the Value Chain](#)

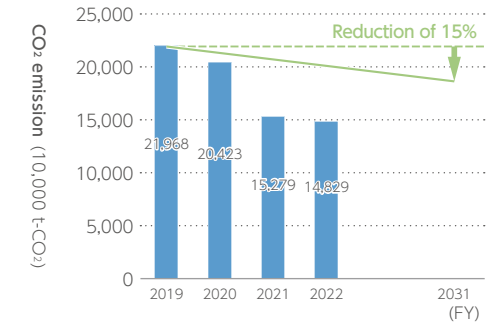
Progress

Initiatives to achieve greenhouse gas emission reduction targets are making steady progress.



Scope 1 and 2 emissions^{*2} (Mitsubishi Electric Group)

*2 Scope 2 is located based. The CO₂ emission coefficient for electricity is calculated in reference to the following: Japan—the latest figures published by The Electric Power Council for a Low Carbon Society (ELCS); Overseas—the latest figures published by International Energy Agency. The global warming potential for greenhouse gases is calculated in reference to figures published in the IPCC Fifth Evaluation Report.



Scope 3 emissions (Mitsubishi Electric Group)

Third-party Verification

The Mitsubishi Electric Group has set targets for its greenhouse gas emissions (Scopes 1, 2 and 3^{*3}) and amount of water used and discharged. These targets have been verified by a third party in compliance with ISO 14064-3 to ensure reliability of the data.

*3 The scope of third-party verification for Scope 3 emissions includes Category 1 (Purchased goods and services), Category 6 (Business travel), Category 7 (Employee commuting), and Category 11 (Use of sold products).

For details, see "Third-party Verification Report (Environmental Disclosure of 5 items)"

[Third-party Verification Report \(Environmental Disclosure of 5 items\)](#)

Inspection and strengthening of initiatives to realize carbon neutrality

Initiatives that the Mitsubishi Electric Group has so far taken toward realizing carbon neutrality have mainly included initiatives to reduce CO₂ emission from production and from throughout the value chain. In addition to these, a company-wide project called “Carbon Neutrality Project” was organized in FY2022, with the CSO as leader, CCO as subleader, and heads of relevant head office corporate departments and operating departments as members, to discuss future decarbonization initiatives.

The project has extracted issues concerning the scope of initiatives, excess and shortage of details, and responsible departments and authorities concerning decarbonization, and has discussed measures and frameworks for addressing those issues. Specific action items have been approved by the executive board, and initiatives have been launched in FY2023 in line with these items. The Mitsubishi Electric Group’s contribution to realizing carbon neutrality will be accelerated hereafter in response to growing social needs.

Action Items of the Carbon Neutrality Project

- Governance:
Install a Carbon Neutrality Subcommittee under the Sustainability Committee to promote company-wide initiatives.
- Strategy:
Decide on company-wide policies for realizing carbon neutrality from the perspectives of responsibility and contribution.
- Risk management:
Formulate a strategy for procuring renewable energy and reducing greenhouse gas emissions, and establish a practical Carbon Neutrality Promotion Framework to steadily fulfill our responsibility and accelerate our contribution to development and commercialization efforts.
- Metrics and targets:
Establish 2030 targets toward achieving zero greenhouse gas emissions throughout the value chain by 2050.

For more information on the above initiatives, refer to “Information Disclosure based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).”

The Structure of Our Environmental Management System

Scope of Environmental Management

The Mitsubishi Electric Group operates an ISO 14001:2015 compliant environmental management system that covers Mitsubishi Electric and its major affiliates.

Major Affiliates

- Consolidated companies: Companies with 50% or more of (voting) shares owned by Mitsubishi Electric and directly managed by Mitsubishi Electric.
- Non-consolidated companies: Companies judged to require integrated environmental management by Mitsubishi Electric.

Environmental Plan and Environmental Implementation Plan

The Mitsubishi Electric Group formulates an environmental plan every three years, comprised of measures and targets for realizing the Environmental Sustainability Vision.

To achieve the targets of this environmental plan, each management organization formulates and acts on a yearly environmental implementation plan.



(1) Formulation of a Fiscal Year Plan–(2) Formulation of an Environmental Implementation Plan

Based on environmental plans, objectives and action plans are determined for that fiscal year.

(3) Company-wide Environmental Managers' Meeting

A meeting is held that is attended by all people who are responsible for promoting environmental practices. Information such as focus issues and policies is shared and confirmed.

(4) Confirmation of Progress and Achievements

Every six months, the Corporate Environmental Sustainability Department compiles environmental performance data and other relevant information, and reports them to the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management. The Executive Officer then conducts a review and modifies environmental plans as necessary (e.g., when any significant change occurs in the business environment related to the Group).

(5) Reporting of Annual Environmental Results

The Corporate Environmental Sustainability Department compiles environmental performance data and other relevant information for the fiscal year to report to the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs.

(6) Management Review

The Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs carries out the review of activity results and reconsiders environmental plans and/or the environmental implementation plan for the next fiscal year if necessary.

Our activity level is enhanced through the “formulation,” “implementation,” “verification of results,” and “review” of the plans throughout the fiscal year. In addition to this, audits and inspections on an “as needed” basis ensure that appropriate activities are carried out.

Sharing Information with Environmental Managers in Each Organization

Within the Mitsubishi Electric Group, in addition to the technology committees for different issues and meetings held by the people in charge of each organization, general meetings are held and attended by all people responsible for promoting the environmental practices for each division in Japan and overseas. The aims of such meetings include confirming key issues and unifying the approaches to these that the various divisions take, as well as sharing useful information such as “favorable case examples” of each other’s practices and “matters to watch out for” on a regular and continuous basis. Such meetings are useful for improving overall management levels.

The “Company-wide Environmental Managers’ Meeting” and the “Overseas Regional Environmental Meeting” are representative of this practice. The former brings together all environmental managers from across Japan. The latter is held in our four overseas regions (the Americas, Europe, China and the rest of Asia).

In fiscal 2022, these meetings were all held online to prevent the spread of COVID-19.

Training of Environmental Personnel

Developing Personnel to Proactively Engage in Environmental Activities

The Mitsubishi Electric Group recognizes “nurturing human resources” as one of its key activities in accordance with the action guideline to “challenge to develop business innovations for future generations,” as set forth in the long-term environmental management vision, “Environmental Sustainability Vision 2050.”

We strive to foster a corporate culture in which each Mitsubishi Electric Group employee takes the initiative to create a new lifestyle in harmony with nature as an ordinary citizen. We also develop human resources who possess a high degree of expertise and who accept diverse values and proactively tackle environmental issues, on a continuous basis. Furthermore, in order to provide effective training, we employ various educational curricula in accordance with each employee’s role and expertise.

Environmental Education System

Target	Lecture Name
Managerial Staff	<ul style="list-style-type: none"> ●Environmental Management Representative Training ●Environmental Section Manager Training ●New Environmental Section Manager Training
Employees Involved in Environmental Business	<ul style="list-style-type: none"> ●MELCO Seminar Environmental Courses <ul style="list-style-type: none"> - Waste Management - Energy Saving Law - Chemical Substances Management ●Key Environmental Personnel Liaison Meetings ●Environmental Basic Guidance ●Training Internal Auditors - Environmental Audits - ISO 14001 - Introduction to Environmental Issues
General Employees	<ul style="list-style-type: none"> ●Environmental Course for Employees Dispatched Overseas ●e-Learning for All Employees, Mitsubishi Electric Group Environmental Management ●Common Basic Training for New Employees ●Activities to Foster Environmental Awareness <ul style="list-style-type: none"> - Preserving Biodiversity at Business Sites - Satoyama Woodland Preservation Project - Mitsubishi Electric Outdoor Classroom ●Outdoor Classroom Leader Development/Satoyama Preservation Projects, Mitsubishi Electric Outdoor Classroom Promotion Meetings

Preventing Environmental Incidents

Preventing Environmental Incidents through Information-Sharing and Equipment Inspections

Both within Japan and overseas, the Mitsubishi Electric Group strives to prevent environmental incidents, such as the leakage of substances that may result in water or soil pollution or

have a negative impact upon the environment. Owing to its efforts, the Group received no administrative punishments or penalties for any environmental violation in FY2022.

As preventive measures, Mitsubishi Electric ensures that its entire workforce is fully familiar with the relevant laws and regulations, revises company rules to reflect any updates to such laws and regulations, and ensures these updates are made known throughout the Group. In the case of a problem (e.g., minor oversight) occurring, Mitsubishi Electric shares the cause and countermeasures throughout the entire Group to prevent it from reoccurring. Aiming to increase the awareness of environmental risk management, the Mitsubishi Electric Group’s offices and factories across Japan take measures such as watching internal training videos that introduce examples of problems and the establishment and renewal of important laws, thereby firmly instilling environmental management issues across a wider range of occupational levels. In addition, periodic facilities inspections are carried out at all Group bases, the results of which are compiled into necessary measures from time to time and utilized.

Environmental audits are also conducted at major affiliated companies overseas in an effort to uncover and prevent environmental risks.

Responding to Soil and Groundwater Pollution

As stated in our internal rules, the Mitsubishi Electric Group’s business sites (works, laboratories, etc.) conduct environmental assessments such as when there is a change in land characteristics. These assessments are based on a survey method that complies with relevant laws and regulations, and the necessary countermeasures or solutions are implemented in accordance with the state of pollution.

In fiscal 2022, we assessed survey results and countermeasures regarding the condition of soil and groundwater due to land utilization for a total of nine cases and have confirmed that all cases were handled appropriately.

Regarding areas that were recognized as having groundwater or soil pollution problems in the past, we purify the land using methods compliant with laws and regulations, and continue to regularly report the results of our monitoring to relevant government organizations.

Appropriate Storage and Processing of PCB Waste and Devices Containing PCBs

Mitsubishi Electric conducts inspections at all bases that store PCB waste and/or handle devices containing PCBs at least once a year to confirm the status of PCB storage and usage.

With respect to high-concentration PCB waste, a small number of devices still exist, as verified in an internal investigation, but their disposal is slated to be completed within fiscal 2023. In fiscal 2022, we processed 889 devices (4,989kg). Our affiliates in Japan also processed 36 devices (10kg).

Customers can confirm whether or not an electrical device manufactured by a Mitsubishi Electric Group company contains PCB by referring to a list available on the corporate website.

ISO Certification

Mitsubishi Electric has obtained company-wide multi-site (collective) ISO 14001:2015 certification. This certification structure was chosen as part of our attempt to strengthen compliance by the company as a whole and to further strengthen our contribution to the environment through business operations based on our environmental plans.

Please refer to “ISO 14001 Certificate of Registration (Scope: Mitsubishi Electric Corporation)” for details of sites included in the multi-site certification. Among all Group companies required to report on their environmental management system, roughly 57% have acquired ISO 14001 certification.

[📄 ISO 14001 Certificate of Registration \(Scope: Mitsubishi Electric Corporation\)](#)

Environmental Audits

The Mitsubishi Electric Group combines the multiple types of environmental auditing shown below in order to carry out checks from various perspectives. These audits are performed at each business site to confirm their compliance with laws and regulations, the operational status of the environmental management system, and the progress of environmental action plans.

Overview of the Four Types of Environmental Audits

	Internal auditing at business sites	Mutual auditing between business sites	Auditing of affiliated companies	Auditing by the audit division
Implementing body	All Mitsubishi Electric business sites (head office, branches, works and R&D centers) and affiliated companies	All Mitsubishi Electric business sites (head office, branches, works and R&D centers)	Mitsubishi Electric (head office and works)	Mitsubishi Electric (head office audit division)
Subject of audits	Other organizations within the same business site	Other business sites	Affiliated companies	Mitsubishi Electric and affiliated companies
Frequency of audits	Once a year	Once a year	Once every two to three years	Once every three years

Environmental Plan 2023

Formulation Background and Concept

Environmental Plan 2023 is the first environmental plan formulated based on Environmental Sustainability Vision 2050. In order to achieve “carbon neutrality” and a “circular economy,” we will promote innovation in development and accelerate the reduction of our products’ environmental impact through their entire lifecycles. Based on this plan, we will also ensure strict management of targets in relation to effective usage rates of plastic waste.

Products

Environmental activities starting from product development

Starting from fiscal 2022, we have been assessing the extent of reduction of the environmental impact of newly developed products (or improvement rates from previous models) over our entire product range, using indices specified for each product. We will centrally manage the energy consumption of each product and the environmental data of materials that are used as well as packaging materials, and apply the PDCA cycle to raise our level of environmentally conscious designs.

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Services

Expansion of environmental solutions and services

We will make energy-saving proposals for systems using integrated solutions, strive to extend the service life of equipment through maintenance, and promote the modernization of elevators and escalators. We will also enhance our resource recycling solutions, including the reuse of air-conditioning piping, and further expand the “closed-loop recycling” of plastics.

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Business Activities

Maintaining/improving measures to reduce the environmental impact of business activities

When constructing new buildings and introducing energy-saving equipment, we will ensure strict compliance with all relevant energy-efficiency guidelines. We will also continue to manage the reduction of energy usage by establishing targets to improve the operations of our facilities. Furthermore, we will strive to introduce renewable energy that is suited to each area, and strengthen our governance of waste.

The targets of Environmental Plan 2023 and the results of fiscal 2022, the first year of the plan, are as shown in the chart below. Steady progress is being made in reducing CO₂ emission from our products and from our plants and offices. Toward the realization of a circular economy, we will promote the effective utilization of plastics with an eye on achieving the FY2024 targets.

Note that the target for reducing CO₂ emission from our company has been changed from the initial target that had been established at the time of formulation of the plan to reflect the new fiscal 2031 target established in 2022.

Activities and Key Performance Indicators

Activity	KPI	Target set in Environmental Plan 2023	Fiscal 2022 result	Fiscal 2022 self-evaluation
Environmental contribution through products and services				
Expanding our contribution to CO ₂ emission reduction with new products	Improvement rate of new products over previous models	1% or more in fiscal 2024	1.7%	○
Improving the usage rate of recycled plastics	Usage rate of recycled plastics (procurement volume of molding/packaging materials)	10% or more in fiscal 2024	8.9%	△
Reduction of the environmental impact of our business activities				
Reducing CO ₂ emitted from our company	CO ₂ emission (Scopes 1 and 2)	Reduction of 30% or more compared to fiscal 2014	Reduction of 19%	△
Improving the effective usage rate of plastic waste	Effective usage rate of plastic waste (in Japan)	90% or more	89.6%	△
Using water effectively	Water consumption per unit of sales in high-risk sites	Reduction of 4% or more compared to fiscal 2020	Reduction of 24%	○
Publicizing and sharing new values and lifestyles				
Promoting the “Mitsubishi Electric Outdoor Classroom” and “Satoyama” Woodland Preservation Project”	Number of areas where activities are held	39	36 areas	△

○:Target achieved △:Target not achieved

We have set indexes and targets in order to measure the progress of product improvement initiatives undertaken by the Mitsubishi Electric Group as a whole and by our business sites. With respect to items that may require creative efforts by each business site, we will encourage participation from all business sites and employees, without setting across-the-board targets.

Measures Regarding “Environmental Contribution through Products and Services” and “Pursuing Business Innovations”

Making Our Environmental Contribution Visible and Setting Targets

We will make our environmental contribution visible and set targets by following the below procedure. In doing so, we aim to instill in our employees an awareness of environmentally friendly design, particularly among our designers, and to strengthen this awareness.

- (1) Define the operating conditions and evaluation items* for carrying out an environmental performance evaluation of each product group (including systems and solutions).
- (2) Centrally manage the environmental performance of products using an electronic system. This will facilitate the collection and analysis of data.
- (3) Set targets for each product group and assess their achievement at the development and design stages (during design reviews).

Further improvements will be made based on the results of the above.

* Global warming countermeasures and resource-saving efforts are mandatory evaluation items. Other than these, appropriate items are selected for each product group from recyclability, volume of chemical substances used, and weight of packaging materials used.

環境性能評価項目の一例

Classification	Evaluation item		
	(1) Global warming (mandatory)	Contribution to reducing greenhouse gas emissions	Power consumption during operation
(2) Resource saving (mandatory)	Amount of recycled plastics used	Weight of product/component	
(3) Recyclability	Number of components	Improvement of ease of disassembly	Standardization of materials
	Material labeling	Non-use of flame retardants	Reduction of instruction manuals
(4) Chemical substances	Reduction of substances of concern contained in products		
(5) Packaging materials	Packaging materials (plastics, etc.)	Weight and volume of packaging materials	

Expansion of Recycled Plastic Use

In order to expand the use of recycled plastics, we will promote the development and trial production of products using recycled plastics at relevant business sites.

Measures Regarding “Initiatives to Reduce Environmental Impact of Business Activities”

Setting CO₂ Emission Targets in Annual Plans and Formulating Measures

Business groups in charge of production works formulate CO₂ emission reduction plans and measures as part of their annual business plans. Based on these plans, they strive to reduce their CO₂ emissions.

Thorough Efforts to Improve Energy Efficiency in Buildings and Facilities

We strictly observe the Building Energy-saving Guidelines when planning the construction of new buildings or the refurbishment of existing structures, and the Production Facilities Energy-saving Guidelines when introducing new production facilities at our factories.

Expanding the Introduction of Renewable Energy

We will expand the introduction of renewable energy using the following two approaches.

- (1) Examine the best means for each region, including the installation of solar power generation systems, examination of other renewable energy sources, and utilization of the green electricity certificate, and identify issues.
- (2) Examine how to effectively utilize any surplus electricity from solar power generation, including the use of self-consumption systems.

Effective Utilization of Plastic Waste

We will aim to achieve a 100% effective usage rate of used plastics by 2035. Toward this end, we will promote the visibility of waste sources and the quantitative management of plastic waste by setting target values. We will also survey and share information about recycling contractors possessing the required technologies.

Measures Regarding “Publicizing and Sharing New Values/Lifestyles”

We will further enhance our interaction with and contribution to local communities by holding the Satoyama Woodland Preservation Project and the Mitsubishi Electric Outdoor Classrooms in an integrated manner. We will also focus on environmental activities such as the cleaning of local areas, which will also help to spread information about plastic pollution in the world’s seas and oceans. The outcomes of our initiatives in Japan and overseas will be published as and when needed, and the Group’s contribution to environmental improvement will be made visible.

From the perspective of proposing new lifestyles, we will begin our efforts from within the Group, such as by making active use of remote working to save energy and optimize work-life balance, and encouraging the use of reusable cups/bottles to establish the habit of being environmentally conscious in all aspects of everyday life. By having each employee practice an environmentally conscious lifestyle, we hope to eventually spread these activities to local communities.

Environmental Considerations for Value Chain Management



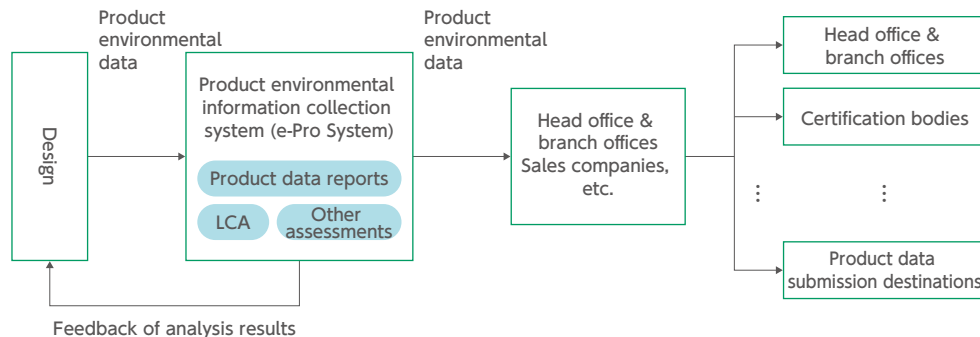
Implementation of Environmentally Conscious Design

Utilization of a product environmental information collection system

To ensure proper disclosure of product environmental information to outside the company and to respond to environmental laws and regulations in each country, a product environmental information collection system (e-Pro System) has been established that centrally manages such data as CO₂ emissions from product use and the environmental data of raw materials and packaging materials, among others. This system conforms to customer requirements to provide product data. It also contributes to promoting eco-conscious design, by enabling environmental assessment and LCA* to be implemented within the e-Pro system and fed back to design departments.

Additionally, to strengthen product designs that respond to social needs for decarbonization, an eco-design subcommittee engages in internal activities for sharing best practices and other information on laws, regulations, and eco-conscious designs in each country. It also examines the validity of LCA calculations and examines product assessment items.

*LCA: Life Cycle Assessment. Quantitative assessment of the environmental load generated from throughout the life cycle of products and services.



Utilization of product environmental data based on the product environmental information collection system (e-Pro System)

Research and Development of Products and Technologies to Solve Environmental Issues

Example Development and Operation of ZEB for Net-Zero Energy Consumption

In October 2020, Mitsubishi Electric completed the construction of a net-zero energy building test facility, SUSTIE, on the premises of the Information Technology R&D Center (Kamakura City, Kanagawa Prefecture). This new facility conducts research and development aimed toward the further spread of ZEBs^{*1}. Looking ahead to the future of ZEB, we are working to realize Mitsubishi Electric's original ZEB+® (zeb plus)^{*2} concept and to enhance the functionality of buildings, for example by increasing the efficiency of working environments.



ZEB testing facility "SUSTIE"

SUSTIE has achieved ZEB^{*3}-level operations in fiscal 2022.

*1 ZEB: Net-Zero Energy Building

*2 ZEB+®: Mitsubishi Electric's unique initiative that aims to enhance building functionality by adding such values as productivity, comfort, convenience, and business continuity to ZEB, and managing a building throughout its lifecycle.

*3 A building whose annual primary energy balance is zero or less. The highest rank of all ZEB certifications.

Learn more about SUSTIE on our website.

[SUSTIE \(ZEB test facility\)](#)

[ZEB test facility SUSTIE achieves ZEB-level operations](#)

Example Transformers That Use Vegetable Oil “MELCORE-NEO™”

Mitsubishi Electric also develops and manufactures a wide variety of products in the energy sector toward the realization of a sustainable society. At the Transmission & Distribution Systems Center Ako Plant, transformers for electricity distribution have been developed and manufactured using vegetable oil extracted from the nuts and seeds of plants and then refined for the internal insulation. Since 2017, these transformers have been installed in railway systems, airports, and industrial facilities.



MELCORE-NEO™

Mineral oil derived from crude oil has been used in transformers for over 100 years. However, as it is a non-renewable resource, we are currently in the process of transitioning to vegetable oil. Mitsubishi Electric is also developing and manufacturing transformers that use vegetable oil and is establishing diagnostic technologies for wider regions as our contribution to environmental consideration and stable power supply.

Characteristics of Vegetable Oils

Calculations show that vegetable oils reduce CO₂ emission equivalents by 90% compared to mineral oil throughout their entire lifecycle (bottom left figure), because the plants that are used to make them absorb CO₂ from the atmosphere during their growth. Additionally, the soybean oil that is used in our transformers is about four times more biodegradable than mineral oil (bottom center figure). In a fish acute toxicity test (OECD 203) which verifies impacts on aquatic life, soybean oil passed the Eco Mark certification criteria*. Therefore, it can be said that soybean oil is an environmentally low-risk material. Furthermore, as the flash point of vegetable oils is substantially higher than that of mineral oil (bottom right figure), the use of vegetable oils can reduce the risk of fire or explosion. Under the Fire Service Act, mineral oil is classified as a hazardous material, but vegetable oils are classified as designated flammable goods.

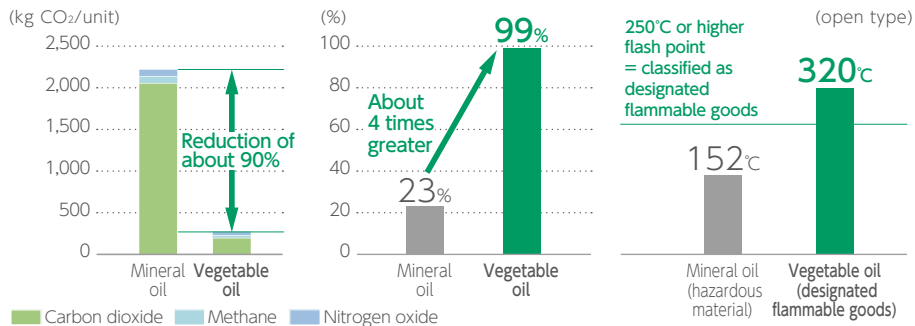


Figure 1: CO₂ emission equivalents

Figure 2: Comparison of biodegradability between mineral oil and vegetable oil

Figure 3: Comparison of flash point between mineral oil and vegetable oil

* Acquired Eco Mark certification as a biodegradable lubricant oil (certification number: 18110002)
 Source of graph showing CO₂ emission equivalents: NIST, "Determining the Environmental Preferability of a Biobased Oil" (2002)



Evaluating the Status of Environmental Initiatives by Our Suppliers

Reducing Environmental Risks in Procurement Activities through Operation of the Green Accreditation System

In April 2006, the Mitsubishi Electric Group introduced a Green Accreditation System based on the Green Procurement Standards Guide established in September 2000 and revised in July 2014. Under the system, suppliers in and outside of Japan are evaluated with respect to their status of acquisition of environmental management system accreditation, compliance with statutory and regulatory requirements, management of chemical substances contained in products, and biodiversity initiatives, and suppliers that meet the Company's criteria and standards are certified. With regard to suppliers who do not meet the Company's criteria and standards, efforts are made to minimize environmental risks by engaging them in discussion and providing guidance for improvement as necessary so they can make relevant corrections. New suppliers are also asked to comply with the Green Procurement Standards Guide before commencing transactions.

Major suppliers accounting for the top 80% of total purchase amount are evaluated once every three years to renew their accreditation. In fiscal 2022, approximately 900 companies (including offices) were evaluated. 92% of them acquired and/or renewed their Green Accreditation, but 52 companies that were not up to standard were subject to guidance. Of these 52 companies, three companies received guidance on matters requiring correction, including strengthening their management of chemical substances contained in products.



Green accreditation

Design/
Development

Procurement

Production

Packaging/
Transportation

Usage

Disposal/
Recycling

Reducing CO₂ from Plants and Offices

Targets and Achievements

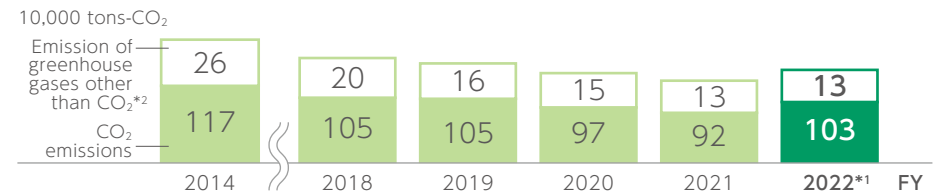
The Mitsubishi Electric Group is working to realize Environmental Sustainability Vision 2050 by promoting activities to reduce the emission of greenhouse gases (CO₂, SF₆, HFCs, PFCs) originating from energy) from plants and offices.

Environmental Plan 2023 (FY2022-2024) sets forth a target that is more ambitious than previous plans. It aims to reduce greenhouse gas emissions by more than 30% by fiscal 2024 compared to fiscal 2014. Toward achieving this new target, we will step up our efforts to thoroughly save energy in our plants and offices and to expand the use of renewable energy.

CO₂ emission calculation methods and coverage rates have also been reviewed to coincide with the launch of Environmental Plan 2023. Up to now, the same CO₂ emission coefficient for electricity has been applied every fiscal year, but it has been replaced with a coefficient specific to each fiscal year, for CO₂ emission calculations of previous years as well. Furthermore, the coverage rate of CO₂ emissions has been expanded to 99% by also including small overseas offices in the scope of calculations.

As a result of the above, greenhouse gas emissions came to 1.16 million CO₂-tons in fiscal 2022. CO₂ originating from energy decreased owing to the introduction of high-efficiency devices and thorough streamlining of production facilities, and greenhouse gases other than CO₂ also decreased at an accelerated rate owing to a shift to coolant gases with a lower global warming potential and to the recovery of an increasing amount of coolant gases from production. At the same time, however, greenhouse gas emissions on the whole increased compared to the previous year due to the expanded coverage rate of CO₂ emissions.

In addition to establishing and operating energy-saving guidelines for buildings and production facilities, and promoting thorough energy saving in plants and offices, Mitsubishi Electric is also placing a focus on introducing photovoltaic generation facilities and procuring power from renewable energy sources. Going forward, we will flesh out further details of the road map for greenhouse gas reduction and promote measures for even greater reduction, toward the steady achievement of our targets.



(Note) The CO₂ emission coefficient for electricity and global warming potential used in the calculations for each fiscal year are as follows.

- CO₂ emission coefficient for Japan: The latest figure published by The Electric Power Council for a Low Carbon Society
- Overseas CO₂ emission coefficient: Figure based on the latest figure published by International Energy Agency
- Global warming potential: Figure published in IPCC's Fifth Assessment Report

*1: CO₂ emission coverage in FY2022: 99%

*2: Emissions of SF₆, HFCs, PFCs from production sites

CO₂ emissions from plants and offices (Mitsubishi Electric Group)

Initiatives to Reduce CO₂ Originating from Energy and Their Results

Toward reducing CO₂ originating from energy, our activities focus on systematically introducing and updating high-efficiency and energy-saving equipment, improving operations, and extending energy conservation measures to production lines. As a result, we managed to reduce CO₂ emissions originating from energy by 14 kt to 1.03 million tons in fiscal 2022.

Half of the major achievements were realized through the introduction of high-efficiency machinery, while activities to develop energy-efficient technologies implemented by an internal technical committee also produced solid results. These activities also focus on visualizing and reducing the wasteful use of utilities and production equipment during non-operational hours.

In the classification system (SABC assessment) based on Japan's Energy Savings Law, 6 out of 19 specific Group companies in Japan, including Mitsubishi Electric, have been recognized as excellent business operators (S Class) in terms of energy conservation.

Initiatives to Reduce SF₆, HFCs and PFCs, and the Results

Three types of non-CO₂ greenhouse gases are emitted by the Mitsubishi Electric Group in its business activities: SF₆ (sulfur hexafluoride), HFCs (hydrofluorocarbons), and PFCs (Perfluorocarbons). SF₆ is used inside gas-insulated switchgear for electrical insulation, as well as in the etching process during semiconductor and liquid-crystal display production.

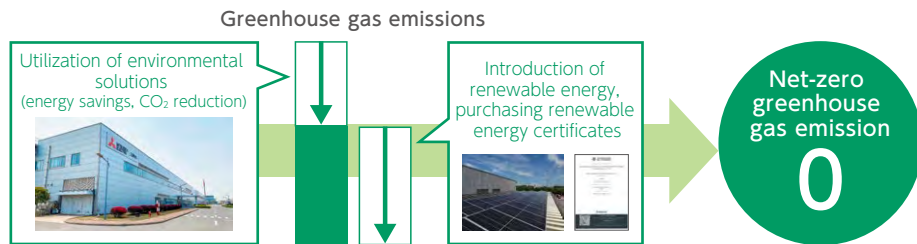
HFCs are used as refrigerants in air conditioners and refrigerators, while PFCs are used during the etching process in production of semiconductors and liquid-crystal displays.

In fiscal 2022, we continued our initiatives for switching to the use of refrigerants with lower GWP, improving operations, and achieving greater gas recovery and abatement. Owing to these measures, emissions turned out to be 130 kt, corresponding to a 62kt reduction compared to the previous fiscal year.

Case Example Net-zero greenhouse gas emission achieved by Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd.

In China, the manufacturing industry accounts for roughly 70% of total power consumption, befitting its moniker as “the world’s factory.” In recent years, however, it has begun promoting decarbonization of the manufacturing industry as a national policy, based on a declaration to “achieve carbon neutrality (net-zero CO₂ emission) by 2060.”

Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd. (MEAMC), which operates in China, has also been directing its efforts to save energy and reduce CO₂, taking advantage of the Mitsubishi Electric Group’s environmental solutions such as the E-JIT* System. It has also introduced renewable energy, purchased renewable energy certificates, and achieved net-zero greenhouse gas emissions in June 2021 as the first plant to do so within the Group.



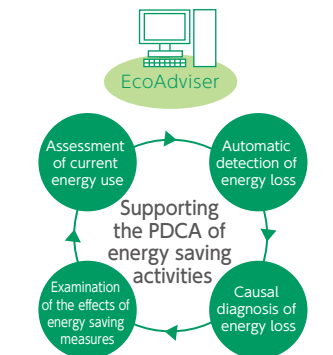
*E-JIT (Environment & Energy Just in Time): Mitsubishi Electric’s comprehensive solution to simultaneously optimize the efficiency of environmental measures, maximize energy efficiency, and strengthen production efficiency.

Case Example Helping Customers to Reduce CO₂ emissions using the energy-saving analysis & diagnosis application EcoAdviser

The Mitsubishi Electric Group offers an application called EcoAdviser to contribute to saving energy in entire plants. EcoAdviser comprehensively supports customers engage in continuous energy saving activities by visualizing the status of power usage by each production facility and automatically analyzing energy loss and its causes via AI.

Mitsubishi Electric Fukuyama Works has achieved an annual energy savings of roughly 10% with certain facilities by using this application. Moreover, the time required for data analysis and for identifying causes of energy loss has been reduced by approximately 90% compared to conventional methods.

Monitoring and analysis of power consumption status



Effective Utilization of Plastic Waste

The Mitsubishi Electric Group has thus far worked to lower the final disposal rate of plastic waste, but as a certain target level has been achieved both in Japan and overseas, it has now decided to maintain the final disposal rate at that certain level.

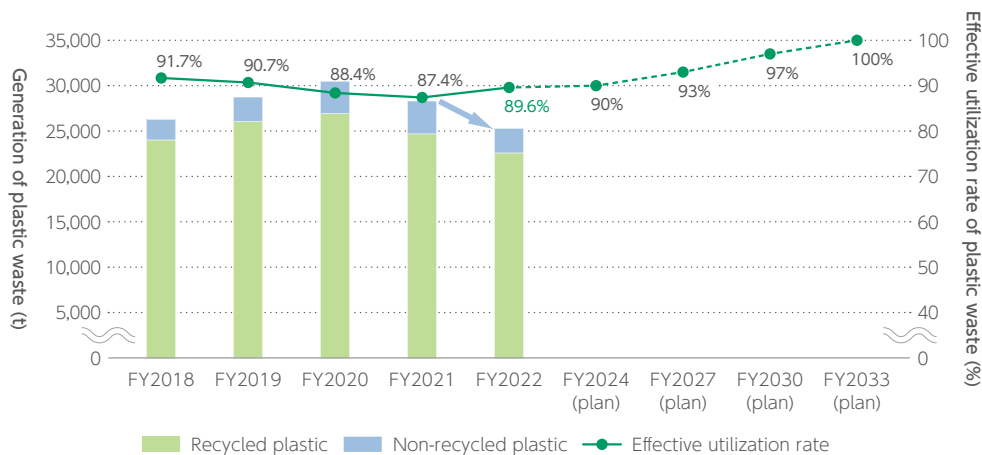
In Environmental Plan 2023 that has been newly launched in fiscal 2022, we have set forth a target of achieving effective plastic utilization rates of 90% or more in Japan by fiscal 2024. This target is based on the Ocean Plastics Charter that was adopted at the G7 Summit and the Resource Circulation Strategy for Plastics formulated by the Ministry of the Environment. It also conforms to the Act on Promotion of Resource Circulation for Plastics that went into force in April 2022.

Target values have been individually established for each site according to their actual (average) effective utilization rates from fiscal 2018 to 2020, instead of applying uniform targets across all sites.

Status of initiatives by the Mitsubishi Electric Group (in Japan)

Toward improving the effective utilization rate of plastic waste, we mainly conducted a survey of the present state of plastic waste generation at our sites in fiscal 2022. Based on the results of this survey, we are considering ways to enforce proper sorting and to conduct a review of plastic recycling companies.

In fiscal 2022, 250,000 tons of plastic waste were generated, which was 10% less than the previous year, and the effective utilization rate of plastic waste in Japan stood at 89.6%. Going forward, we will endeavor to control plastic waste generation by promoting a sharing of information on recycling companies among our sites and the visualization of plastic waste. At the same time, we will strive to increase the ratio of material recycling in the recycling of plastics.



Plastic waste generation, effective utilization rate, and target values

Status of initiatives by the Mitsubishi Electric Group (overseas)

Overseas laws, regulations, and waste treatment situations vary according to country and region. Therefore, we plan to address the plastic waste issue overseas by firstly assessing the actual state of plastic waste and the status of material and chemical recycling. Then we will establish and work toward achieving our fiscal 2024 targets.

Specification, Disposal and Transportation of Hazardous Wastes

The Mitsubishi Electric Group specifies hazardous wastes as follows, monitors their output and appropriately disposes of them in compliance with the laws and regulations of the regions in which our facilities are located. We also carry out material recycling and thermal recycling where we can in order to reduce final disposal (landfill) volume.

- Mitsubishi Electric and affiliates in Japan: "Specially-controlled industrial wastes" specified by the Japanese Waste Disposal Law
- Overseas affiliates: Hazardous wastes defined by local laws and regulations

Wastes containing polychlorinated biphenyl (PCB) are managed separately based on the "Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes, PCB Special Measures." Please refer to "Preventing Environmental Incidents" on page ● for details.

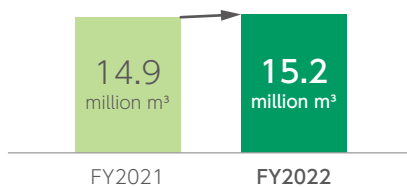
In fiscal 2022, total hazardous waste emissions of Mitsubishi Electric Group companies in Japan amounted to 1,439 tons, of which 520 tons were recycled. That of overseas affiliates totaled 4,670 tons, of which 1,469 tons were recycled.

Reducing Water Usage

Considering the increasing importance of water resources worldwide, the Mitsubishi Electric Group has been measuring data on water used/reused at all of its 96 business sites in Japan and overseas on a continuous basis. However, from this fiscal year, we have begun collecting data from an additional 89 sites, for a total of 185 sites, with an eye to increasing the coverage rate of water usage. Owing to this change, coverage rate in terms of water usage has increased to more than 98%. In the same way as before, these figures are checked on a regular basis for any significant change, and depending on the findings, necessary measures are taken when needed. Any effective case examples are shared with other business sites on occasions such as Key Environmental Personnel Liaison Meetings to be implemented laterally.

In fiscal 2022, water usage totaled 15.20 million m³ by the Mitsubishi Electric Group, of which 4.47 million m³ was reused water, corresponding to a reuse ratio of 29%. Additionally, water usage per unit of sales was 3.40 (m³/million yen).

In Japan, water used in production processes was recycled for reuse in the same processes, and treated wastewater was used for flushing toilets and refilling cooling towers to promote the use of gray water. Rainwater was also used to reduce the use of groundwater. As a result of these initiatives, water usage totaled 13.30 million m³, of which 4.35 million m³ was reused water, corresponding to a reuse ratio of 33%. Outside of Japan, we focused on reducing the amount of water intake by reusing water and expanded the use of gray water. Owing in particular to initiatives taken at our business sites in China to conserve water and reduce water usage by increasing water reuse, water usage amounted to 1.9 million m³, of which 0.12 million m³ was reused water, corresponding to a reuse ratio of 6%.



Total Water Usage (Mitsubishi Electric Group)

For details on total water usage, please refer to “Material Balance” on page 34 .

[Material Balance](#)

Water Risks

Water risk is increasing worldwide with ever-more serious water shortages and pollution, as well as abnormal weather caused by climate change. This affects the production of both raw materials and products, leading to a corresponding interest in corporate water risk management.

Water risk within the Mitsubishi Electric Group is evaluated as part of our corporate

risk management framework. The evaluation factors in the influence on stakeholders, as well as the impact on ecosystems. We use the results of this assessment to prioritize countermeasures for each production base and take clear action. We also take measures to minimize any impact on the surrounding environment, such as by ensuring compliance with wastewater standards in each region. Furthermore, during product development, we evaluate product impact on water sources and their lifecycles and strive to minimize the impact.

Response to High-risk Sites

Mitsubishi Electric Group uses WRI Water Aqueduct^{*1} and other risk assessment tools to keep track of current and future water risk at business sites both in Japan and abroad (including the presence of water stress^{*2}).

Based on this data, in fiscal 2021, overseas business sites with particularly high water risks have been identified as high-risk sites in consideration of their regional characteristics (i.e., seasonal high water/drought conditions of oceans and rivers from which water is taken) and business characteristics (i.e., water usage accompanying production activities).

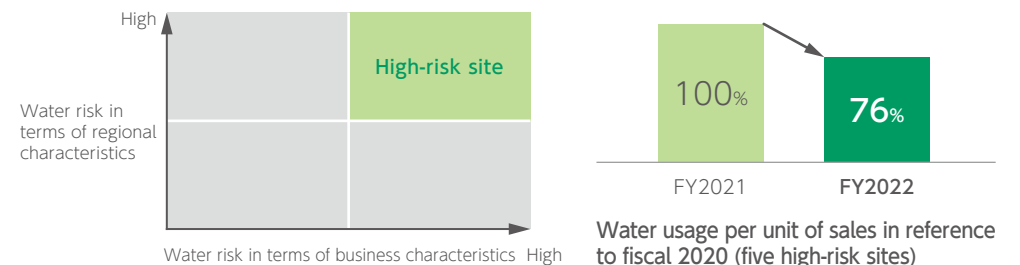
To reduce water usage in high-risk sites (total of five sites), Environmental Plan 2023 sets forth a target of “reducing water usage per unit of sales by 4% or more by fiscal 2024 compared to fiscal 2020.” The five selected sites together account for roughly 5% of total water usage by the Mitsubishi Electric Group as a whole and roughly 8% of total sales.

By distributing survey sheets to these high-risk sites, we confirmed the status of water conservation at facilities that use water and their efforts to reuse water. Additionally, based on the results of these surveys, water faucets were replaced with water-saving faucets, and the use of recycled water was promoted. As a result, water usage per unit of sales was reduced by 24% in fiscal 2022 compared to fiscal 2020. By implementing effective water risk measures in consideration of regional characteristics and circumstances in each of our sites, we aim to co-exist in harmony with local communities.

We will continue to strengthen our efforts based on this policy with a focus on high-risk sites.

*1 WRI Aqueduct: Water risk assessment tool developed by the World Resources Institute (WRI).

*2 Water stress: Water stress levels can be defined by an index that indicates how close the relationship is between the supply and demand of water. When maximum water availability per capita falls below 1,700 m³, it is considered that water stress is present.



Conceptual diagram of water risk analysis

Status of Water Intake/Drainage/Reuse

Status of Water Intake

At business sites of the Mitsubishi Electric Group, water is taken to be used mainly for cooling, cleaning and adjusting the concentration of water-based paints, and as a solvent, an additive to materials and a heat medium. In fiscal 2022, the number of survey sites was increased from 96 to 185 to increase the coverage rate of water usage. As a result, water intake was 10.73 million m³, approximately 0.38 million m³ more than the previous fiscal year.

Status of Water Drainage

To avoid exceeding standard values set for each drainage point, the Mitsubishi Electric Group has established even more stringent voluntary standards, based on which water is treated before it is discharged. When there is a certain drainage standard in place according to properties specific to the water area, such a standard is also incorporated into our standards. The compliance of these standards is confirmed through measurements conducted on a regular basis.

Water drainage in fiscal 2022 was 8.39 million m³, 0.23 million m³ more than the previous fiscal year, on account of the increase in the number of survey sites.

Status of Water Reuse

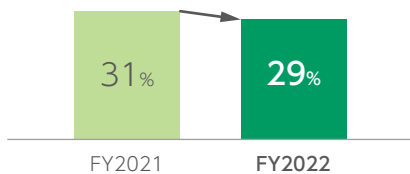
At Mitsubishi Electric Group's factories, not only fresh intake water, but water that has been used once is reused after it is treated and recycled.

Reused water totaled 4.47 million m³ in fiscal 2022, corresponding to a reuse ratio of 29%.



Water Intake (Mitsubishi Electric Group)

Water Drainage Volume (Mitsubishi Electric Group)



Water Reuse Ratio (Mitsubishi Electric Group)

Case Example Reducing water use by recycling wastewater

In Thailand, economic development has brought about a serious water shortage, and there has been a rising awareness of the importance of water resources. In January 2020, the Thai Ministry of Industry has even issued a request to manufacturing industries for their cooperation in reducing the amount of wastewater that is discharged outside of factories and promoting efficient water use.

Under this situation, Mitsubishi Electric Automation (Thailand) Co., Ltd., an affiliated company based in Bang Chan Industrial Estate in Bangkok, succeeded in reducing the amount of wastewater discharged outside the plant and in reducing 600 m³ of annual use of water supply, by recycling wastewater at its wastewater treatment facility and using the recycled water to nurture a wall garden (approx. 228 m²) installed in a rest area within its site. Recognized for its environmental initiatives including the wall garden, the company has been certified as an ECO Factory in Thailand.



Wall garden using diskidia (foliage plant)



Mitsubishi Electric Automation (Thailand) Co., Ltd.

Managing Chemical Substances

Tracking the Use of Controlled Chemical Substances with Our Own Chemical Substance Management System

Mitsubishi Electric Group companies in Japan have been managing internally defined controlled chemical substances on a voluntary basis since 1997.

In particular, chemical substances contained in products are managed in Japan and abroad using the MelHARo-web chemical substance management system, which includes procurement information for both materials and parts. From fiscal 2022, a newly added feature allows for information entered into the MelHARo-web system to also be registered in the European Chemicals Agency^{*1}'s SCIP database^{*2}. In addition to these administrative efforts, we are also working to systematically reduce the use of chemical substances that are expected to be restricted by future laws and regulations.

We also apply our Chemical Substance Management System to the management of release and transfer of substances regulated by the PRTR Law^{*3} (PRTR^{*4}) and volatile organic compounds (VOCs). Sulfur oxide (SOx) and nitrogen oxide (NOx) are also managed using our voluntary standards based on the laws and regulations of the regions where our business sites are located. We will continue to track our use of these substances and ensure their proper management.

*1 European Chemicals Agency (ECHA): A European Union organization that supervises the management of chemical substances.

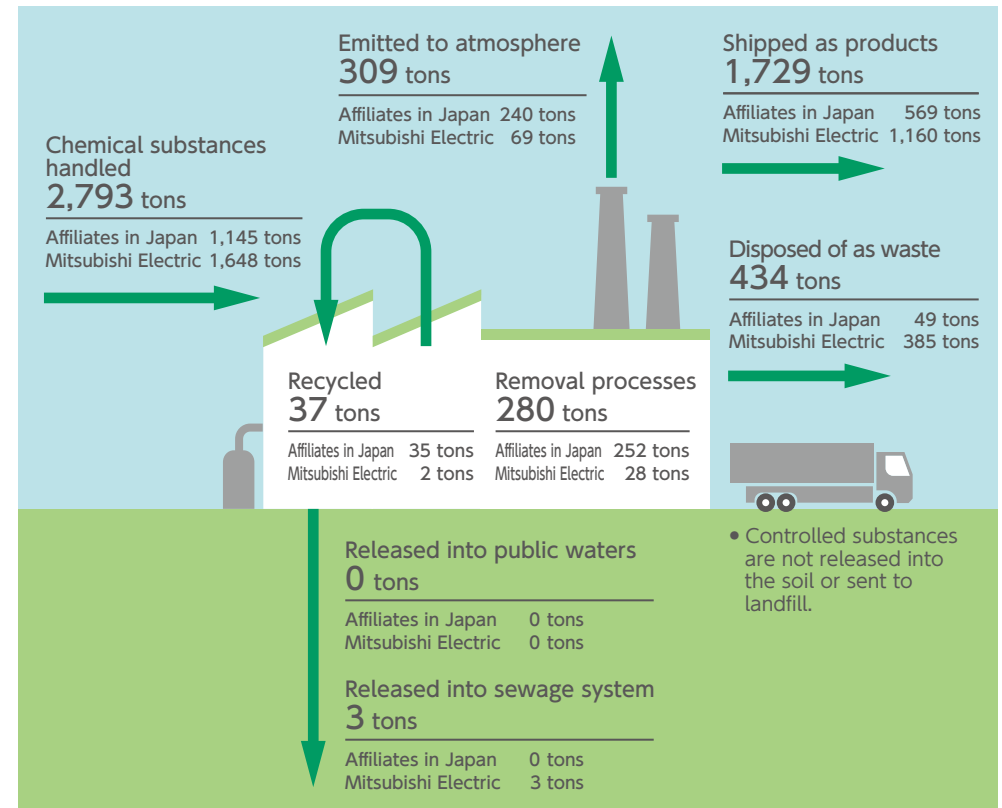
*2 SCIP or Substances of Concern In articles as such or in complex objects (Products) database: A database of information on chemical substances contained in products managed by ECHA.

*3 PRTR Law: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

*4 PRTR: Pollutant Release and Transfer Register. A system under which companies track the quantity of substances potentially harmful to human health or the ecosystem which are released into the environment or transferred outside a business establishment through waste materials, and report this data to government authorities. The authorities then use these reports and other statistics to produce estimates on release and transfer, and announce them publicly.

For details on the release and transfer of chemical substances, please refer to "Material Balance" on page 34.

[Material Balance](#)



Fiscal 2022 Release and Transfer of Substances Regulated by the PRTR Law (Mitsubishi Electric Group Companies in Japan)

Design/
Development

Procurement

Production

Packaging/
Transportation

Usage

Disposal/
Recycling

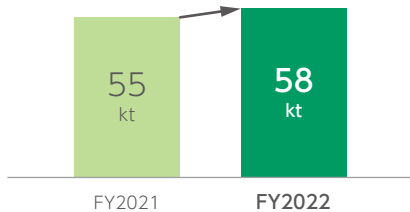
Reducing the Use of Disposable Packaging Materials

Achievements of Mitsubishi Electric Group Companies in Japan in Fiscal 2022

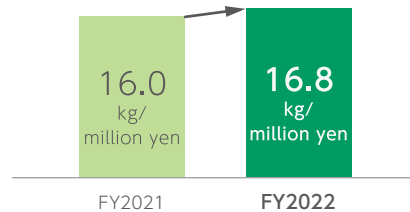
Improvements in logistics are part of Mitsubishi Electric Group's Just-In-Time improvement activities. Our fundamental principle in this area is to reduce the weight of transport packaging while ensuring that products are delivered safely to customers. Based on this line of thinking, we practice the 3Rs in packaging: reduce (simplify packaging), reuse (more returnable containers and packaging), and recycle (recycling of used packaging material).

At Mitsubishi Electric Group companies in Japan, simpler packaging is promoted, and the use of returnable containers and packaging has been expanded. Owing to these initiatives, the amount of packaging materials used was 58 kt, and the amount per unit of sales was 16.8 kg/million yen. Though total usage of packaging materials increased, on account of the increase in the number of export packages.

The amount of packaging materials used by our 25 overseas affiliates was 69 kt, and the amount per unit of sales was 46 kg/million yen.



Usage of Packaging Materials (Mitsubishi Electric Group Companies in Japan)



Packaging Materials Used per Unit of Sales (Mitsubishi Electric Group Companies in Japan)

For details of the usage of packaging materials, please refer to "Material Balance" on page 34.

[Material Balance](#)

Reducing CO₂ from Logistics

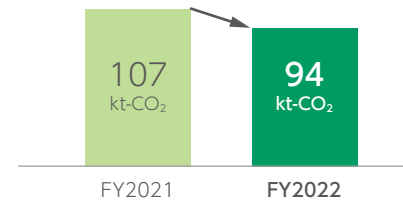
Basic Policies on Logistics (Distribution)

To improve product logistics (distribution), we strive to eliminate irrational, irregular, and wasted efforts by visualizing logistics work by quantification, with the ultimate goal of realizing Economy & Ecology Logistics (Eco-Logistics) that improve transport efficiency and economy and to reduce environmental impact.

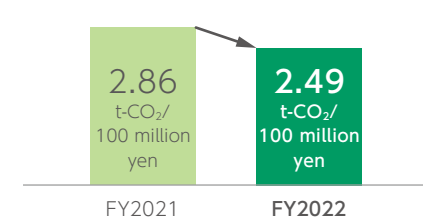
Fiscal 2022 Achievements of Mitsubishi Electric Group Companies in Japan

At Mitsubishi Electric Group companies in Japan, the following measures continued to be implemented throughout fiscal 2022. As a result, CO₂ emissions totaled 94 kt-CO₂, and the amount per unit of sales was 2.49 t-CO₂/100 million yen.

- Reviewing transportation routes
- Switching from truck transportation to rail transportation (modal shift)
- Reducing the number of trucks by improving load ratios (including Container Round Use)



Total CO₂ Emissions from Distribution (Mitsubishi Electric Group Companies in Japan)



CO₂ Emissions per Unit of Sales from Distribution (Mitsubishi Electric Group Companies in Japan)

Regarding overseas affiliates, the amount of CO₂ emitted by a total of 25 companies was 417 kt, and the amount per unit of sales was 27.4 t-CO₂/100 million yen.

For details of CO₂ emissions from distribution, please refer to "Material Balance" on page 35.

[Material Balance](#)

Design/
Development

Procurement

Production

Packaging/
Transportation

Usage

Disposal/
Recycling

Contribution to Reducing CO₂ from Product Usage

As more CO₂ is emitted during product usage than during production, the Mitsubishi Electric Group has identified “reducing CO₂ from product usage” and “contributing to reducing CO₂ by product usage” as priority issues, and is working to improve its products.

Evaluation of Reducing CO₂ from Product Usage

Power consumed by customers during product use is viewed as corresponding to the amount of CO₂ emissions resulting from generating that power. Increasing product energy efficiency can lead to a reduction of CO₂ from product use.

Environmental Plan 2023 promotes initiatives to increase product energy efficiency by evaluating improvements in product energy efficiency using the new indicator shown below, beginning with models that are newly developed in fiscal 2022.

Improvement rate over previous models (%) =

$$\frac{(\text{annual power consumption of previous models} - \text{annual power consumption of newly developed models})}{\text{annual power consumption of previous models}} \times 100$$

Evaluation of Our Contribution to Reducing CO₂ by Product Usage

Among products of the Mitsubishi Electric Group, there are some that can help customers reduce CO₂ by being used. For example, using the Group’s heat pump system has greater potential to reduce CO₂ emissions compared to using combustion-type heating and hot water systems. The Group’s inverters and power devices, as well, can reduce CO₂ by being used, since they contribute to enhancing the energy efficiency of the final products they are embedded in.

Contribution to reducing CO₂ is calculated by comparing the use of a relevant product with the use of an alternative product that would likely be used if the relevant product did not exist. It is based on the following formula, with the alternative product as the reference product.

$$\text{Contribution to reducing CO}_2 = (\text{CO}_2 \text{ emission from using a "reference product"}) - (\text{CO}_2 \text{ emission from using the relevant product})$$

In Environmental Plan 2023, the improvement in contribution to reducing CO₂ when a customer chooses to use a Mitsubishi Electric product is calculated using the new indicator shown below, beginning with models newly developed in fiscal 2022.

Improvement rate over previous model (%) =

$$\frac{(\text{contribution to reducing CO}_2 \text{ by newly developed model} - \text{contribution to reducing CO}_2 \text{ by previous model})}{\text{contribution to reducing CO}_2 \text{ by previous model}} \times 100$$

Targets and Achievements of “Reducing CO₂ from Product Usage” and “Contribution to Reducing CO₂ by Product Usage”

Under Environmental Plan 2023, we are working toward the target of improving “CO₂ reduction from product usage” and “contribution to reducing CO₂ by product usage” both by 1% on average over previous models by fiscal 2024. In fiscal 2022, an improvement rate of 1.7% on average was achieved over previous models owing to significant improvements that were seen in a wide range of products, including car electronics and servo system products.

We will continue our efforts to pursue greater energy efficiency and contribution to reducing CO₂ throughout the process of developing new models as our contribution to society.



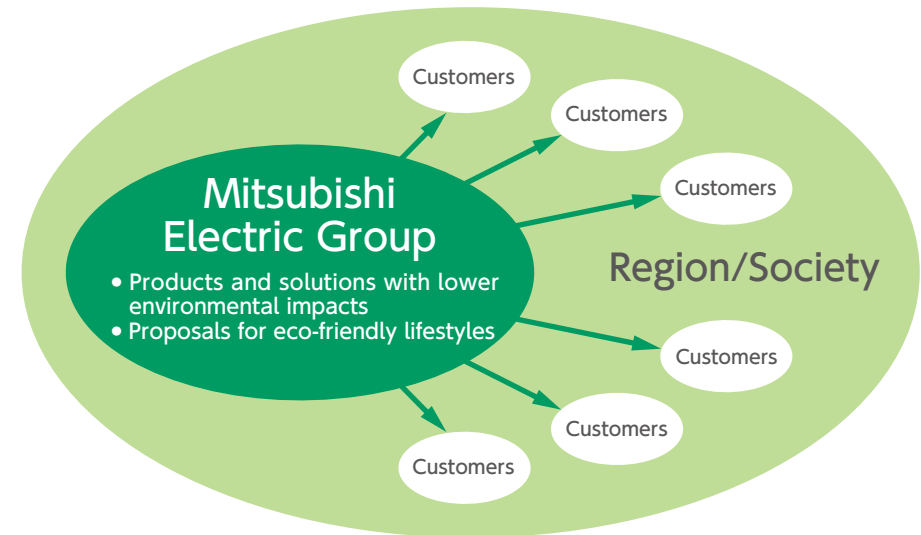
Annual energy consumed by newly developed models and average rate of improvement of contribution to reducing CO₂ over previous models

Breakdown of products relevant to “reducing CO₂ from product usage” and “contribution to reducing CO₂ by product usage”

Evaluation item	Product examples	Indicator used to evaluate improvement rate over previous models
Reducing CO ₂ from product usage	Monitoring, control, and protection devices for power generation plants and systems, railcar air-conditioning systems, electrical equipment for railcars, movable platform gates, vacuum circuit breakers, elevators, escalators, intelligent transport systems (ITS; ETC, smart interchanges), air conditioners, refrigerators, ventilation fans, electric fans, processing machines, LED light bulbs, residential lighting fixtures, etc.	Reduction in annual energy consumed during product usage
	Turbine generators	Improvement of power conversion efficiency
	Optical communication network systems, wireless communication systems	Reduction in annual energy consumed per product performance
	Car electronic products	Reduction from the incorporation of products with power energy use, proportionally divided by weight
Contribution to reducing CO ₂ by product usage	Water heating systems (heat pump electric water heaters, electric water heaters)	Improvement of the contribution to reducing CO ₂ by using heat pumps, in reference to combustion-type heating and hot water systems
	Inverters, power devices (power modules, high power devices)	Improvement in the contribution to reducing CO ₂ gained by the incorporation of products with lower power loss
	Total heat exchanging ventilation equipment, electrical equipment for railcars (control devices)	Improvement in the contribution to reducing CO ₂ expected from the introduction of said products

Providing Information and Proposals to Support Customers’ Efforts to Reduce their Environmental Impact

The Mitsubishi Electric Group develops and offers products and solutions with lower environmental impacts to help customers reduce as much of their environmental impact as possible in their daily business or life. At the same time, we make an effort to share information on eco-friendly lifestyles.



Reducing Environmental Impact on Society as a Whole from Two Approaches

As an example of these initiatives, we share information with our customers through our Energy-saving Support Site, etc. This information includes power-saving advice related to how best to use our products, as well as examples of the successful introduction of products and services that contribute to reducing environmental impact.

Design/
Development

Procurement

Production

Packaging/
Transportation

Usage

Disposal/
Recycling

Recovery/Recycling of Used Home Appliances at a Specialized Recycling Plant

Coinciding with the enforcement of the Home Appliance Recycling Law, Hyper Cycle Systems Corporation commenced operations in Ichikawa City, Chiba Prefecture in May 1999 as the industry's first recycling plant, and has since engaged in recycling home appliances. Information obtained from this plant is fed back to product designs, to enhance the recyclability of products and to contribute to environmental conservation.

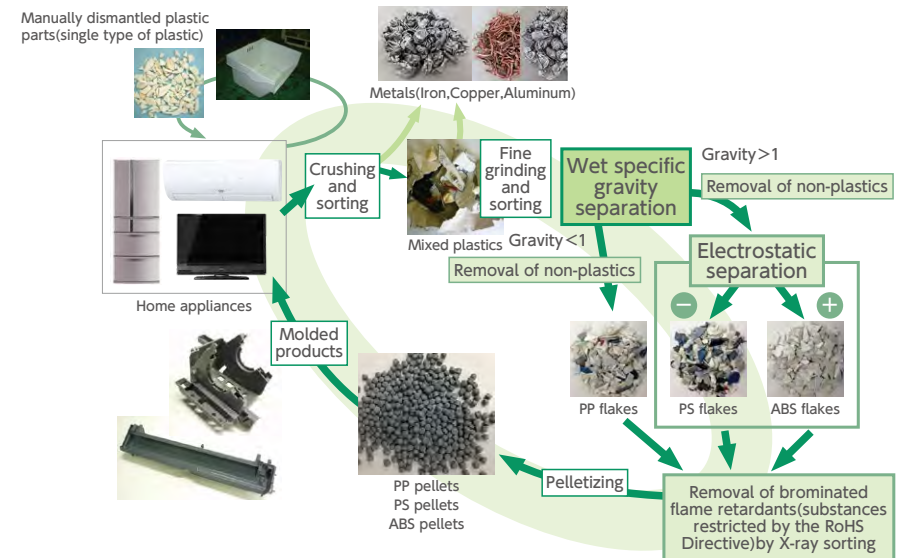


Learn more about the Mitsubishi Electric Group's home appliance recycling efforts and performance on the following website.

Closed-loop Recycling of Plastic

Since 2010, the Mitsubishi Electric Group has been fully implementing "closed-loop recycling," in which plastic recovered from used home appliances is reused in Mitsubishi Electric's new home appliance products.

Plastics are sorted by Green Cycle Systems Corporation, which utilizes Mitsubishi Electric's original technology to recycle mixed plastics into high-purity plastics that are equivalent to virgin materials.



The mixed plastic after crushing waste home appliances is recovered in high purity for each type of plastic through sorting processes such as specific gravity separation, electrostatic separation, and X-ray sorting, and is used again for new home appliances.

Flow chart of the Mitsubishi Electric Group's closed-loop recycling of plastic

For detailed information on closed-loop recycling, see the website "The Secret behind Plastic Recycling."

[The Secret behind Plastic Recycling](#)

Biodiversity Preservation Activities

Biodiversity Action Guidelines

The Earth's ecosystem is made up of diverse living organisms. All aspects of human civilization benefit from this ecosystem, but at the same time, we affect it in both direct and indirect ways. Today, damage to the ecosystem is said to be driving many species to extinction and otherwise eroding biodiversity.

In recognition of this, the Mitsubishi Electric Group has established Biodiversity Action Guidelines, which add the perspective of biodiversity as a means for living in harmony with nature to the Group's conventional measures against climate change and environmental activities aimed at achieving resource recycling. These guidelines define the role of business activities in preserving biodiversity, and outline the Group's efforts toward the development of a sustainable society through its business activities.

Resources & Procurement

Recognizing that we utilize globally procured natural resources such as minerals, fuels and plants, we shall aim to preserve biodiversity in Japan and around the world by carrying out green procurement activities.

Product Design

In designing our products and services, we shall promote the effective utilization of resources and the efficient use of energy, as well as aim to prevent the emission of substances that pose a risk to the environment.

Manufacturing & Transportation

When commencing or making changes to land use, such as when constructing factories or warehouses, we will give due consideration to protecting the biodiversity of the land in question. In manufacturing and transportation, we aim to minimize energy use, waste generation and the emission of chemical substances.

Sales, Usage & Maintenance

In our sales activities, we will work to promote better understanding among our customers of the impact that product/service usage and maintenance can have on biodiversity.

Collection & Recycling

We will actively develop recycling technologies and apply them to collected end-of-life products.

Understanding & Action

We will deepen our understanding of the importance of biodiversity and our relationship to it, and will actively and voluntarily take actions necessary to coexist in harmony with nature.

Cooperation

All companies in the Mitsubishi Electric Group, including overseas affiliates, will act as one, in cooperation with local communities, NGOs and governments.

Biodiversity Preservation Measures at Business Sites

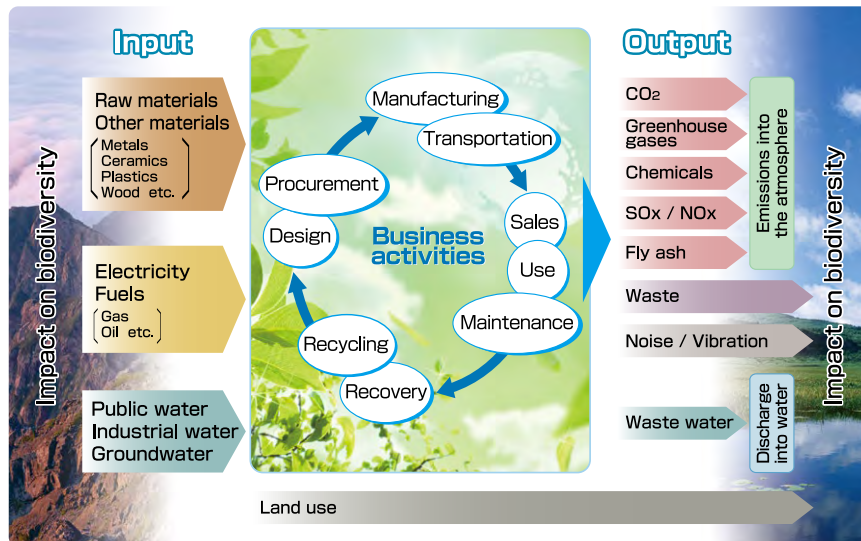
All human activities benefit from the workings of a wide variety of organisms living on earth. At the same time, various activities by human beings are destroying ecosystems and are otherwise having serious effects on biodiversity. Now, at a time when the extinction of many species is being reported, biodiversity preservation is a shared issue for all humanity.

In 2010, the Mitsubishi Electric Group introduced the Biodiversity Action Guidelines. These guidelines have two main features: (1) they include the pledge of every Mitsubishi Electric Group employee to understand the relationship between business activities and biodiversity in order for the Group to consider biodiversity in all of its business activities; and (2) they are structured according to each stage of the product lifecycle to facilitate this. Furthermore, in Environmental Sustainability Vision 2050, which was set forth in June 2019, "Coexistence with Nature," including biodiversity preservation activities, is recognized as one of the key activities leading up to 2050. Through these activities, we are striving to live in harmony with nature while also interacting with local communities.

Visualizing the Relationship between Business Activities and Biodiversity to Implement Proper Action

To deepen employee understanding of biodiversity, Mitsubishi Electric has summarized the relationship between the company's business activities and biodiversity in a chart as shown on the following page. Using this chart, the Mitsubishi Electric Group's business sites both in Japan and overseas are renewing their awareness of relations between their own business activities and the biodiversity and natural environment of their surrounding region, and are linking this awareness to concrete actions that contribute to communication with local communities and to the preservation of biodiversity.

Relationship between Business Activities and Biodiversity



Aiming for a Higher Level of Activities

The Mitsubishi Electric Group engages in initiatives that give specific consideration to all species of living creatures. These initiatives include the Mitsubishi Electric Outdoor Classroom, the Satoyama Woodland Preservation Project, and measures to reduce the impacts of development pressure*1 and alien species pressure*2 on ecosystems. As the basis of these initiatives, we have been promoting a biodiversity preservation policy at business sites since fiscal 2015, with a focus on improving the quality of greenery within the premises of all business sites. The policy aims for all employees to make a direct contribution to regional/urban ecosystems in areas around their site by working to preserve biodiversity at their own workplace. It also encourages employees to take positive and voluntary action by regarding biodiversity as a personally relevant issue.

As these initiatives have spread to a certain extent, in fiscal 2020, we embarked on establishing a structure to consistently step up our activities. In March 2020, an internal technical committee formulated the Biodiversity Guidelines (a check sheet). Since then, the implementation level of activities and the quality of greenery at each business site in Japan have been assessed in numbers for quantitative monitoring. In fiscal 2022, we implemented these guidelines on a trial basis with a view to introducing them to affiliated companies across Japan. At the same time, we calculated the rates of improvement in assessment over the base year, and made the results of these improvements and refinements visible in this way every year, to firmly establish our ecosystem improvement activities.

Biodiversity Preservation Activities

Activity	Purpose	Details
Mitsubishi Electric Outdoor Classroom Mitsubishi Electric Outdoor Classroom	Foster environmental awareness among employees	In natural classroom settings such as woodlands, parks, waterways, and seacoasts, employees who serve as leaders invite families to experience nature to learn about the interrelationship between living creatures.
“Satoyama” Woodland Preservation Project “Satoyama” Woodland Preservation Project	Contribute to society, drawing on the voluntary efforts of employees	Employees strive to restore parks, woodlands, rivers, and other natural areas located close to business sites.
Preserving biodiversity at business sites Preserving biodiversity at business sites	Activities centered around co-existence with nature carried out at business sites	Confirmation and appropriate management of rare species, endemic species, and non-native species; promotion of co-existence with nature; and gaining an understanding of our involvement with the surrounding natural environment.

*1 Development pressure: An action resulting in the destruction of habitats. The construction of a new business site and development (including that in the supply chain) intended to extract natural resources are deemed as such behaviors. One such example is when the use of water by operations affects the surrounding area, the source of water, and subsequently the habitats of living creatures.

*2 Alien species pressure: When ditches, greenery at the side of buildings, and hedges are created, non-native species of insects, vegetation, etc. may be introduced. The unintentional transfer of living creatures could pose a threat to the habitats of indigenous species or trigger genetic pollution.

Improving Enterprise Value through a Long-term Commitment to Environmental Initiatives

The destruction of the global ecosystem by human activities is the essence of environmental issues. Biodiversity preservation is essential for the continued existence of us human beings, and should be prioritized in all human activities. This is now a prevalent belief, as also clearly expressed in the Aichi Target*1 and the National Biodiversity Strategy of Japan*2 2012-2020.

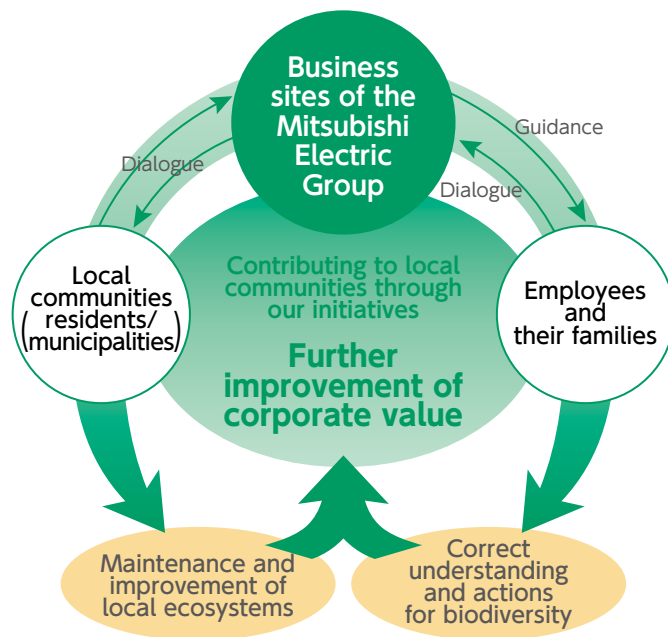
As it takes many years to maintain and enhance biodiversity, steady and continuous efforts are required.

The Mitsubishi Electric Group is committed to contributing to the achievement of the Aichi Target and attainment of the SDGs *3, and to implementing biodiversity preservation activities as part of its business activities. Through initiatives related to the above, we will further contribute to preserving regional ecosystems, and by earning respect and trust from local communities, we will strive to improve our corporate value.

*1 Aichi Target: Global target adopted by the 10th meeting of the Conference of the Parties to the Convention of Biological Diversity (COP 10) held in October 2010.

*2 National Biodiversity Strategy of Japan: Japan's baseline plan regarding the preservation and sustainable use of biodiversity, based on the Biodiversity Treaty and the Biological Diversity Act.

*3 SDGs (Sustainable Development Goals): Sustainable development goals to be achieved by 2030 included in the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly in September 2015.



Activities Contributing to Local Ecosystems

Improving the Quality of Greenery in Line with Three Courses of Action

The Mitsubishi Electric Group has set forth three courses of action as guidelines for all business sites. They are: (1) reducing negative impact on living creatures, (2) aiming for a richer symbiosis with other living creatures, and (3) restoring the relationship between employees and nature in the working environment. At each business site, action plans provide for the preservation of local indigenous species, control of alien species, and development of green space in consideration of the surrounding ecosystem, to ensure these initiatives are steadily addressed in all businesses

Three Courses of Action

Courses of Action	Examples	
A Reducing negative impact on living creatures	1. Control development pressure and alien species pressure [*]	(1) Assessment of impacts on living creatures (2) Alien species control
	2. Call attention to and preserve rare species and endemic species	(1) Disclosure of list of living creatures on premises (2) Preservation of rare species and endemic species (3) Cooperation in regards to conservation issues for surrounding areas
		3. Manage pesticides, preserve greenery and natural resources
B Aiming for more fruitful symbiosis with other living creatures	4. Set up functional greenery	(1) System to manage green space (2) Management of land used by flying organisms (3) Development of priority land for greenery and living creatures (4) Provision of continuity of greenery with areas surrounding business sites (5) Contribution to biodiversity preservation activities in areas surrounding business sites
		5. Break away from agricultural orientations such as simplifying/specifying greenery
	C Restoring the relationship between employees and nature in the working environment	6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)
7. Change situation from everyone being disinterested and unrelated to everyone being involved		(1) Education for understanding and promoting action (2) Creation of relationships through the workplace or work duties

* Activities are carried out pursuant to the regulation on raising, planting, storing, carrying, or other handling of specified IAS in the Invasive Alien Species Act.

Environmental Data

Material Balance

Manufacturing (Input)

	FY 2020	FY 2021	FY 2022
■ Manufacturing			
Materials^{*1} (Weight of all products sold + Weight of packaging materials + Waste emissions)	2,660 kt	2,420 kt	2,570 kt
Total energy input^{*2,3}	19,960,000 GJ	19,030,000 GJ	21,150,000 GJ
Electricity	1,818 GWh	1,740 GWh	1,912 GWh
Traditional electric power	1,795 GWh	1,715 GWh	1,870 GWh
Electric power from renewable energy sources	22 GWh	25 GWh	42 GWh
City gas	37,220,000 m ³	34,930,000 m ³	37,960,000 m ³
LPG	3,617 tons	3,725 tons	3,989 tons
Oil (crude oil equivalent)^{*3}	11,725 kl	10,484 kl	19,811 kl
Other greenhouse gases	7,611 tons	6,720 tons	8,217 tons
Water usage	15,640,000 m ³	14,860,000 m ³	15,200,000 m ³
Intake	11,000,000 m ³	10,310,000 m ³	10,730,000 m ³
Reuse	4,650,000 m ³	4,550,000 m ³	4,470,000 m ³
Chemical substances			
Controlled chemical substances (amounts handled) ^{*4}	3,731 tons	3,727 tons	3,153 tons
Volatile organic compounds	2,664 tons	2,408 tons	2,123 tons

*1 Total value for shipping weight of products, plus amount of product packaging materials used, plus total amount of waste.

*2 Includes electricity, city gas, LPG, oil, etc.

*3 Figures for FY2020 and FY2021 have been re-calculated to include commercial vehicles and other company-owned vehicles (FY2020 and FY2021 include the numbers of such vehicles for sites in Japan only; FY2022 includes the numbers for sites in Japan and overseas).

*4 Japan: Substances subject to Japan's PRTR law. Overseas: Controlled chemical substances designated by Mitsubishi Electric and used in amounts of 18 kg or more.

Manufacturing (Output)

	FY 2020	FY 2021	FY 2022
■ Products			
Weight of all products sold^{*5}	2,303 kt	2,111 kt	2,249 kt
Weight of packaging materials^{*6}	149 kt	124 kt	137 kt
Japan	62 kt	56 kt	59 kt
Overseas	87 kt	68 kt	78 kt

■ Emissions (from manufacturing)

Emissions into the atmosphere			
Greenhouse gas emissions (CO₂-equivalent)	1,129 kt-CO ₂	1,048 kt-CO ₂	1,161 kt-CO ₂
CO ₂ ^{*7,9}	975 kt-CO ₂	923 kt-CO ₂	1,033 kt-CO ₂
HFCs ^{*8,9}	49 kt-CO ₂	37 kt-CO ₂	35 kt-CO ₂
PFCs ^{*8,9}	22 kt-CO ₂	22 kt-CO ₂	24 kt-CO ₂
SF ₆ ^{*8,9}	84 kt-CO ₂	67 kt-CO ₂	68 kt-CO ₂
Chemical substances			
Controlled chemical substances ^{*4}	791 tons	814 tons	389 tons
Volatile organic compounds	946 tons	792 tons	645 tons
NOx	83 tons	25 tons	28 tons
SOx	1.0 tons	1.0 tons	0.6 tons
Discharge into water			
Water	8,620,000 m ³	8,070,000 m ³	8,390,000 m ³
Chemical substances			
Controlled chemical substances ^{*4}	8.0 tons	8.0 tons	7.2 tons
BOD	98 tons	101 tons	65 tons
COD	131 tons	109 tons	57 tons

■ Waste

Emissions	210,168 tons	187,137 tons	183,959 tons
Non-hazardous waste	197,560 tons	181,689 tons	182,520 tons
Hazardous waste	12,607 tons	5,448 tons	1,439 tons
Waste treatment subcontracted out	110,954 tons	101,605 tons	84,639 tons
In-house weight reduction	550 tons	757 tons	824 tons
Amount recycled	159,340 tons	147,258 tons	69,984 tons
Final disposal	311 tons	121 tons	1,562 tons
Japan	16 tons	28 tons	445 tons
Overseas	295 tons	93 tons	1,117 tons
Final waste disposal ratio (Japan)	0.01 %	0.02 %	0.24 %
Final waste disposal ratio (Overseas)	0.4 %	0.1 %	1.3 %

*5 Shipping weight of products.

*6 Total of disposable and returnable packaging materials.

*7 CO₂ emission coefficient for electricity calculated in reference to: <Japan> the latest figures published by the Federation of Electric Power Companies; <Overseas> the latest figures published by International Energy Agency.

*8 Global Warming Potential (GWP) for greenhouse gases other than CO₂ is calculated in reference to figures published in the IPCC 2nd Evaluation Report (1995).

*9 Figures for FY2020 and FY2021 have been re-calculated.

Transporting (Input)

	FY 2020	FY 2021	FY 2022
■ Sales and Logistics^{*10}			
Fuel for trucks (gasoline)	12,240 kl	5,679 kl	5,725 kl
Japan	12,134 kl	5,675 kl	5,725 kl
Overseas	106 kl	4.0 kl	0.0 kl
Fuel for trucks (diesel)	55,640 kl	55,635 kl	57,549 kl
Japan	32,174 kl	41,969 kl	46,954 kl
Overseas	23,466 kl	13,666 kl	10,595 kl
Fuel for rail (electricity)	1.8 GWh	1.4 GWh	1.3 GWh
Japan	1.8 GWh	1.4 GWh	1.3 GWh
Overseas	0.0 GWh	0.0 GWh	0.0 GWh
Fuel for marine transport (bunker oil)	74,323 kl	60,037 kl	81,494 kl
Japan	454 kl	525 kl	377 kl
Overseas	73,869 kl	59,512 kl	81,117 kl
Fuel for air transport (jet fuel)	17,959 kl	20,833 kl	44,838 kl
Japan	624 kl	511 kl	602 kl
Overseas	17,335 kl	20,322 kl	44,236 kl

*10 Figures for overseas affiliated companies include transportation between countries.

Transporting (Output)

	FY 2020	FY 2021	FY 2022
■ Emissions^{*11 *12}			
CO₂	435 kt-CO ₂	384 kt-CO ₂	512 kt-CO ₂
Japan	115 kt-CO ₂	124 kt-CO ₂	138 kt-CO ₂
Overseas	320 kt-CO ₂	260 kt-CO ₂	375 kt-CO ₂

*11 Figures for overseas affiliated companies include transportation between countries.

*12 The sum of these figures and CO₂ emissions from procurement/logistics (1 kt-CO₂) make up Scope 3 Category 4 emissions (see next page).

Using (Input)

	FY 2020	FY 2021	FY 2022
■ Energy Consumption			
Energy consumed during product use^{*13}	395,754 GWh	306,806 GWh	300,846 GWh

Using (Output)

	FY 2020	FY 2021	FY 2022
■ Emissions			
Greenhouse gas emissions during product usage (CO₂-equivalent)^{*14 *15}	204,225 kt-CO ₂	152,794 kt-CO ₂	148,292 kt-CO ₂

*13 Sum of CO₂ emitted when using 76 finished products targeted for CO₂ reduction. The amount of CO₂ emitted is equal to the energy consumed multiplied by the CO₂ emissions coefficient, for which the value shown in CO₂ Emissions from Fuel Combustion Highlights (2013 Edition) is used.

*14 CO₂ emission during product usage (CO₂ equivalent): Sum of CO₂ emitted during the operation of final products. CO₂ emission coefficient for electricity calculated in reference to: <Japan> the latest figures published by the Federation of Electric Power Companies; <Overseas> the latest figures published by International Energy Agency.

*15 Figures for FY2020 and FY2021 have been re-calculated.

Reducing Greenhouse Gases Emitted in the Value Chain

The "★" symbol denotes Mitsubishi Electric Group greenhouse gas emissions for which third-party verification has been carried out by SGS Japan Inc.

Scope	Accounting (kt-CO ₂) (Bottom row: Total emission ratio)			Accounting Summary ^{*1}
	FY 2020	FY 2021	FY 2022	
Category				
Scope 1: Direct emissions from fuel use and industrial processes at our company ^{*2,3}	280 (0.1%)	242 (0.1%)	★276 (0.2%)	
Scope 2: Indirect emissions associated with use of electricity and heat purchased by our company ^{*4}				
Market based	775	732	★819	Calculated using the power emission coefficient based on the contract
Location based ^{*5}	850 (0.4%)	806 (0.5%)	★885 (0.6%)	Calculated using the average emission coefficient of power generated in the area
Scope 1 + Scope 2 (Location based)	1,129 (0.5%)	1,048 (0.6%)	★1,161 (0.7%)	Coverage: 99% (energy usage based)
Scope 3: Indirect emissions outside the scope of our company's operational activities ^{*4}				
Category 1 Purchased goods and services ^{*5}	8,459 (3.9%)	9,454 (5.8%)	★10,099 (6.3%)	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales ^{*6}
Category 2 Capital goods	672 (0.3%)	334 (0.2%)	★549 (0.3%)	Emissions generated by the construction and manufacturing of own capital goods
Category 3 Fuel- and energy-related activities ^{*5}	153 (0.1%)	146 (0.1%)	★166 (0.1%)	Emissions associated with procurement of fuel necessary for power generation, heat supply, etc. and power such as electricity supplied by other parties
Category 4 Upstream transportation and distribution	430 (0.2%)	386 (0.2%)	★513 (0.3%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales ^{*7}
Category 5 Waste generated in operations	0.4 (0.0%)	0.4 (0.0%)	★0.4 (0.0%)	Emissions associated with transporting and processing waste produced by our company ^{*8}
Category 6 Business travel ^{*5}	33 (0.0%)	4.8 (0.0%)	★6.1 (0.0%)	Emissions associated with employee business travel ^{*9}
Category 7 Employee commuting ^{*5}	41 (0.0%)	40 (0.0%)	★36 (0.0%)	Emissions associated with employees commuting to and from their respective workplaces ^{*10}
Category 8 Upstream leased assets	—	—	—	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
Category 9 Downstream transportation and distribution ^{*5}	6.1 (0.0%)	5.9 (0.0%)	★5.2 (0.0%)	Emissions associated with the transportation, storage, cargo handling and retailing of products
Category 10 Processing of sold products ^{*5}	1.7 (0.0%)	2.1 (0.0%)	★2.4 (0.0%)	Emissions associated with the processing of interim products by business operators
Category 11 Use of sold products ^{*5,11}	204,225 (94.9%)	152,794 (93.0%)	★148,292 (92.2%)	Emissions associated with the use of products by users (consumers/business operators)
Category 12 End-of-life treatment of sold products ^{*5}	5.3 (0.0%)	5.6 (0.0%)	★5.3 (0.0%)	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators) ^{*6}
Category 13 Downstream leased assets ^{*11}	14 (0.0%)	13 (0.0%)	★12 (0.0%)	Emissions associated with operation of leased assets
Category 14 Franchises	—	—	—	Emissions at companies operating as franchises (Not applicable to Mitsubishi Electric)
Category 15 Investments	45 (0.0%)	38 (0.0%)	★26 (0.0%)	Emissions associated with operation of investments
Scope 3 total	214,085 (99.5%)	163,223 (99.4%)	159,711 (99.3%)	
Total	215,215 (100.0%)	164,271 (100.0%)	160,872 (100.0%)	

*1 Excerpt from Basic Guidelines published by the Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry.

*2 CO₂, SF₆, HFCs, and PFCs emissions associated with the use of city gas, heavy oil, etc., and with product manufacturing.

*3 CO₂ emission coefficient for electricity calculated in reference to: <Japan> the latest figures published by the Federation of Electric Power Companies; <Overseas> the latest figures published by International Energy Agency.

*4 CO₂ emissions associated with the use of electricity, etc.

*5 Figures for FY2020 and FY2021 have been re-calculated using the CO₂ emission coefficient for each fiscal year specified in the "emission intensity database for calculating greenhouse gas emissions of the organization

throughout the supply chain."

*6 Excludes some regions.

*7 CO₂ emissions associated with product distribution/circulation (sales distribution). Subject to accounting: 55 companies (production sites).

*8 CO₂ emissions associated with transportation of waste (waste distribution). Subject to accounting: Mitsubishi Electric.

*9 Results for Japan. Excludes CO₂ emissions associated with actual use of taxis and accommodation.

*10 Assuming that all employees use passenger rail services.

*11 Figures for FY2020 and FY2021 have been re-calculated to reflect a change in scope.

Amount of Water Intake/Drainage/Reuse

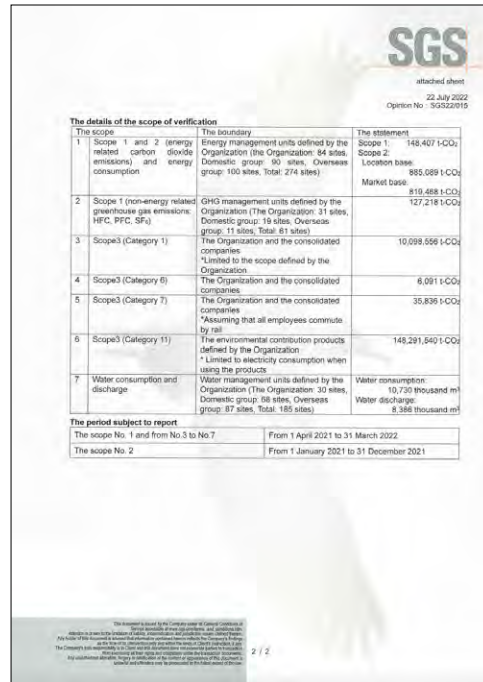
Unit: 10,000 m³

Item	Group	Japan ^{*12}	Overseas ^{*13}	China	Southeast Asia	Europe	US	Latin America
■ FY 2022 results								
Water usage (water intake plus reuse)	1,520	1,330	190	75	93	12	4.8	4.7
Intake	1,073	895	178	67	90	12	4.8	4.7
Surface water	307	206	101	21	76	1.6	0.0	2.8
Groundwater	534	531	2.7	0.0	2.2	0.5	0.0	0.0
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged during development/mining processes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water purchased from third parties	233	158	74	46	12	10	4.8	1.9
Drainage volume	839	722	117	52	50	6.8	4.3	3.4
Surface water	393	393	0.1	0.0	0.0	0.1	0.0	0.0
Groundwater	4.3	2.9	1.3	0.3	0.0	0.5	0.1	0.4
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	441	326	115	52	50	6.1	4.2	3.0
Water reused	447	435	12	8.3	3.0	0.3	0.0	0.1
Water consumption (water intake minus drainage volume)	234	173	62	14	40	5.3	0.6	1.3
Reuse ratio (reused/used) (%)	29	33	6.1	11	3.3	2.2	0.0	1.1
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.40	—	—	—	—	—	—	—
■ FY 2021 results								
Water usage (water intake plus reuse)	1,486	1,314	172	74	87	2.8	4.8	3.6
Intake	1,031	873	158	64	83	2.6	4.8	3.6
Surface water	300	202	98	22	73	0.1	0.0	2.5
Groundwater	519	518	0.7	0.0	0.7	0.0	0.0	0.0
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged during development/mining processes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water purchased from third parties	213	153	60	42	9.0	2.5	4.8	1.1
Drainage volume	807	699	108	50	49	1.3	4.8	2.9
Surface water	392	392	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater	3.8	2.9	0.8	0.3	0.0	0.1	0.0	0.4
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	411	303	107	50	49	1.2	4.8	2.5
Water reused	455	441	14	9.7	3.8	0.2	0.0	0.0
Water consumption (water intake minus drainage volume)	225	175	50	14	34	1.3	0.0	0.7
Reuse ratio (reused/used) (%)	31	34	8.0	13	4.3	7.1	0.0	1.1
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.55	—	—	—	—	—	—	—
■ FY 2020 results								
Water usage (water intake plus reuse)	1,564	1,366	199	81	108	1.6	5.2	3.4
Intake	1,100	912	188	74	104	1.6	5.2	3.3
Surface water	337	211	127	31	93	1.1	0.0	1.8
Groundwater	536	535	0.9	0.0	0.9	0.0	0.0	0.1
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged during development/mining processes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water purchased from third parties	226	166	60	43.2	9.7	0.6	5.2	1.3
Drainage volume	862	733	129	62	58	1.4	5.2	2.4
Surface water	408	408	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater	2.7	1.7	1.0	0.4	0.0	0.1	0.0	0.4
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	451	323	128	62	58	1.3	5.2	1.9
Water reused	465	454	11.0	6.9	4.2	0.0	0.0	0.0
Water consumption (water intake minus drainage volume)	238	179	59	12	46	0.2	0.0	0.9
Reuse ratio (reused/used) (%)	30	33	5.6	8.5	3.9	0.0	0.0	0.7
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.50	—	—	—	—	—	—	—

*12 Sum of Mitsubishi Electric Corporation (non-consolidated) and affiliated companies in Japan.

*13 Includes overseas sites in areas other than China, Southeast Asia, Europe, America, or Latin America (water usage is less than 0.1% of the total).

Verification Statement



Environmental Accounting

Environmental Conservation Costs

Unit: 100 million yen

	FY 2020		FY 2021		FY 2022		Main Costs
	Capital Investment	Costs	Capital Investment	Costs	Capital Investment	Costs	
Business area activities	53	72	42	68	52	64	
Pollution prevention	1.8	14	2.6	14	6.6	12	Updating of processing facilities for emissions, sewage water, deodorization, etc.
Global environmental conservation	47	30	35	25	39	25	Updating of air conditioning equipment, switch to low fuel-consumption vehicles
Resource recycling	4.3	28	5.0	29	6.2	27	Consignment of the disposal of waste, construction of additional recycling facilities
Upstream and downstream production	0.1	2.1	0.0	1.9	0.1	2.0	Sewage expenses, reduction of the environmental impact of packaging
Management activities	1.0	33	0.8	16	0.3	18	Personnel expenses, employee education
R&D activities	2.3	84	0.9	39	0.8	26	Improvement of energy/resources efficiency, designs to reduce size and weight
Community activities	0.0	1.1	0.0	0.5	0.0	0.6	Outdoor classrooms, Satoyama woodland preservation activities, cleaning and greening activities in the suburbs
Environmental damage countermeasures	0.2	0.3	0.0	0.2	0.0	0.2	Purification of contaminated soil/groundwater, measuring contamination levels
Total	57	192	44	126	54	111	

Environmental Conservation Benefits

Unit: 100 million yen

	FY 2020	FY 2021	FY 2022	Main Costs
Earnings	35	37	68	Profit on sale of valuable materials (mainly metals)
Savings	9.8	6.8	13	Results of energy savings, reuse of materials/water, and introduction of equipment to reduce the input of resources
Total	45	44	81	

Social

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Human Rights	101
Human Resources	107
Supply Chain Management (Procurement)	123
Philanthropic Activities	130
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Quality

We would like to sincerely apologize to all our customers and other parties concerned for the impact of the series of improper quality control practices that has occurred in the Group. At Mitsubishi Electric, we take these incidents seriously and we will ensure that thorough measures are taken to prevent recurrence by analyzing the related factors and pursuing the root causes. While responding to customers and people in society with utmost sincerity, we will endeavor to restore public trust.

We have established the Emergency Response Division led by the president to work to investigate the causes and take measures to prevent recurrence. We have also been striving to realize three reforms that we have formulated based on suggestions on recurrence prevention measures from an Investigative Committee of external experts.

One of these three reforms is "Quality Assurance Reform," and to engage in this, we have established the Corporate Quality Assurance Reengineering Group under the direct control of the president. The Group will take a leading role in driving and implementing company-wide measures.

Specifically, we will implement the company-wide measures given below.

Task	Specific initiatives
1. Creating a new company-wide structure for quality assurance (led by head office)	<ul style="list-style-type: none"> • A Chief Quality Officer (CQO) was appointed from outside the company to oversee the Corporate Quality Assurance Reengineering Group. • The Corporate Compliance Committee's quality governance subcommittee has assessed the Corporate Quality Assurance Reengineering Group's activity every two months. • The company has identified the infrastructure it needs to ensure compliance with law, standards, and customer specification and strengthen the quality assurance process, and has decided to invest ~5 billion yen in FY2022 and plans to invest 30 billion yen or more over two years.
2. Company-wide measures for quality assurance reforms	
2-1 Restructure the control functions	<ol style="list-style-type: none"> 1) Greater independence and separation of chain of command. In April 2022, Corporate Quality Assurance Reengineering Groups and Quality Assurance & Management Departments were established at all work sites, provided shipping authority, and began operating. 2) Strengthening of quality assurance functions In FY2022, quality audits were conducted at five sites with an emphasis on ensuring products conform to laws, standards, and customer specifications. From April 2022, the auditing process will be improved to help identify issues at sites and facilitate improvements; these improved audits are planned for 28 work sites.
2-2 Addressing technical capabilities and resources issues	<ol style="list-style-type: none"> 1) Strengthen and ensure compliance with laws, regulations and public standards. Different from conventional management of information on laws and regulations relevant to each site, the company finished drafting the outline of a system via which the Corporate Quality Assurance Reengineering Group centrally collects and manages information on laws and regulations common to all sites. Using an external organization, the company started viewings of information on the revision/abolition of legal standards and standards documents. 2) Enhance quality through IT and digitalization <ul style="list-style-type: none"> • The company decided on basic specifications clearly defining what points should be checked when assessing consistency between customer specifications and shipped products. • Tools for the digital management of customer specifications and inspection data are scheduled to be introduced. 3) Strengthen head office support for manufacturing sites The quality support team is gathering information on problems experienced in three specific workplaces. This will be used to provide support going forward. A contact center has also been set up to handle inquiries on technical issues from manufacturing sites. 4) Training of quality-control personnel <ul style="list-style-type: none"> • A survey of the skills possessed by manufacturing sites' quality assurance and quality control departments was completed. Internal training courses tailored to skill levels were rolled out company-wide. The survey results will be used to visualize skills strengths and weaknesses and an enhancement plan will be formulated. • A quality assurance and quality control department leadership training course has started.
2-3 Enhance an awareness of quality compliance	<ol style="list-style-type: none"> 1) Revitalize personnel rotation Quality assurance department personnel rotations will be scheduled across manufacturing sites. 2) Instill awareness of quality compliance among senior managers A compliance seminar for executives was held. 3) Quality Compliance Awareness Training <ul style="list-style-type: none"> • Improper Conduct Prevention meetings using the Kani Factory as a case study were held in all workplaces. • July 2 has been designated Company-wide Quality Day; the CEO and business division heads are slated to issue messages to employees.

Basic Policy and Management

Basic Policy

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

To give concrete shape to this basic spirit, employees perform their work according to "Our Values," which teach us to develop relationships based on strong mutual trust, ensure products and services that satisfy standards provided in laws and regulations and the specifications agreed upon with customers are delivered in the best quality, and provide society with new value by enhancing our technology and onsite capabilities.

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

Four Basic Quality Assurance Principles

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

<Four Basic Quality Assurance Principles>

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

Product Safety-related Principles

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

<Product Safety-related Principles>

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

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where products are prone to break or be discarded). At the same time, our Service Call Center and Customer Relations Center in Japan operates 24 hours a day, 365 days a year to gather information on product-related issues and enable prompt response. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

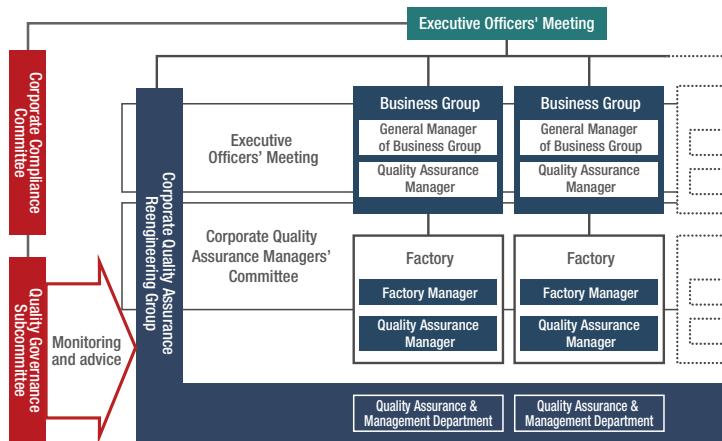
[📄 Important information about our products \(in Japanese text\)](#)

Management

The Corporate Quality Assurance Reengineering Group under the direct control of the president has been implementing company-wide measures to promote quality assurance reform and strengthen activities for improving quality. The Quality Assurance & Management Departments under the Corporate Quality Assurance Reengineering Group assigned to each manufacturing base assumes the function for checking, including shipping authority. It is also responsible for acting as the contact point for consultation on issues in the field.

The Quality Governance Subcommittee has been established under the Corporate Compliance Committee, to which business execution has been delegated from the Executive Officers' Meeting, and the Corporate Quality Assurance Reengineering Group implements the PDCA cycle for improvement in response to the monitoring and advice from the Subcommittee.

Our works in Japan and overseas are responsible for ensuring the quality of individual products, and implementing specific improvement activities for quality assurance activities in our business process, including market investigation and development and design, manufacturing, distribution, maintenance services following shipment, and product disposal.



Promotion of Quality Assurance and Improvement Activities (Mitsubishi Electric)

Quality Improvement Activities

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

With regard to development and design in particular, we have continued to develop human resources who are capable of assessing customer requests and basic product functions as well as executing and driving designs and evaluation that ensure and guarantee safety, reliability, and stability of functions. These human resources improve our development and design quality by ensuring all parties involved are familiar with the elemental technology guidelines necessary for ensuring quality, alongside other efforts.

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

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

Please see here for a list of announcements from us on cases of improper quality control practices, as well as the latest details on the status of registration and certification with ISO and other standards.

[List of Announcements: Cases of Improper Quality Control Practices at Mitsubishi Electric\(in Japanese text\)](#)

[Status of Registration and Certification with ISO and other Standards\(in Japanese text\)](#)



"Learning from Failure" (Database of past incidents and lessons)
 This program is set up so that users can systematically browse and utilize lessons, precautions, improvement case studies, and countermeasures from a managerial perspective and the perspective of their technological field.

Providing Easy-to-Use Products

Basic Policy

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

Mitsubishi Electric Group's Efforts in Universal Design

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

- Uni & Eco: The Uni & Eco business strategy was developed for home appliances in fiscal 2005 as a philosophy that combines "Uni," or universal design, (the aim of which is to achieve accessibility for all users), with "Eco," meaning ecological soundness that is perceivable, achievable, and communicable.
- RakuRaku Assist: By raising the target demographic to people in their 70s starting in fiscal 2011, we developed the RakuRaku Assist business strategy. The aim is to enable more people to freely and easily take advantage of the latest convenient features.
- SMART QUALITY : We are also advancing the RakuRaku Assist strategy in our SMART QUALITY efforts. This started in fiscal 2013 as an initiative to improve the quality of future lives by connecting societies, livelihoods, products, and people through smart, connected, and waste-eliminating technologies.

Universal Design Guidelines for widespread usability

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



UD-Checker, the universal design evaluation system

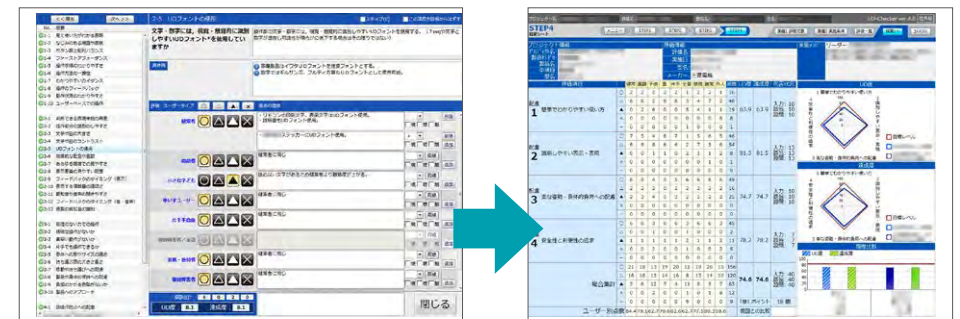
UD-Checker is Mitsubishi Electric's proprietary tool that can be used by both industrial designers and engineers to evaluate for universal design (UD) qualities. This tool shows four quantitative measures of UD, namely recognition, identification, physical use, and safety/usability, indicating specific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

The UD-Checker's four evaluation criteria

1. Recognition: consideration for ease of understanding
2. Identification: consideration for ease of reading and/or hearing
3. Physical use: consideration for comfortable posture and minimum physical load
4. Safety/usability: consideration for usability without danger or operating errors.

Recognition Consideration for ease of understanding	Identification Consideration for ease of reading and/or hearing	Physical use Consideration for comfortable posture and minimum physical load	Safety/usability Consideration for usability without danger or operating errors.
<p>E.g.) Buttons with easy-to-understand functions (Television remote control with record function)</p> <p>We have named the buttons after their functions (what the user wants to do)</p> <p>*Rovi, G-GUIDE, and the G-GUIDE logo are trademarks or registered trademarks of Rovi Corporation in the United States and/or its affiliates in Japan.</p>	<p>E.g.) Large characters easy even for aged persons to read</p> <p>Main characters/numbers</p> <p>電源 ↑ 7.5 mm or more Power</p>	<p>E.g.) Handle design that allows optimized gripping options for various cleaning scenarios</p>	<p>E.g.) A rice cooker that considers safety by preventing the danger steam burns</p>

The UD-Checker's four evaluation criteria



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

Details of "UD-Checker" (In Japanese text)

Universal Design Examples to Date

Application to home appliances

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

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

"RakuRaku-IH" Cooking Heater CS-G20AKS

Large characters & numerical indicators of steps for use

<Features>

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



Large character & numerical indication of steps for use

Safety sensor & audio support

<Features>

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



Safety sensor & audio support

📄 Other "RakuRaku Assist" products (In Japanese text)

Application to the industrial sector

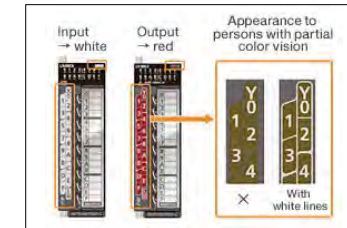
Even in the industrial sector, where there is a high level of specialization and a relative lack of diversity in terms of operators who handle equipment, the labor environment is changing. Examples of this transformation include the aging of workers, and more foreign and inexperienced workers – changes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

We are also employing the Universal Design Guidelines for sequencers in FA equipment.

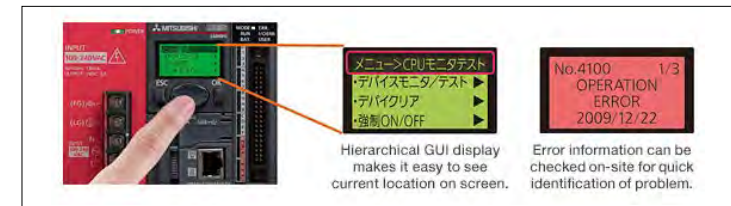
- Easy-to-understand expressions, such as printed designs that are images of actual objects, make the displayed content more intuitive.
- The unit employs a large UD font display and offers good contrast against the background color, considering people with impaired color vision.
- By showing the text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



Print design illustrating the actual wiring



Presentation with consideration for persons with impaired color vision



Easy to understand information display



The enlarged control portion has improved operability

Creating easy-to-understand instruction manuals

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

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

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

☑ Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners (In Japanese text)



Quick Guide (Basic operations)



Award received

In fiscal 2022, following the International Association for Universal Design (IAUD)'s evaluations of Mitsubishi Electric's solutions for social challenges based on an inclusive approach, we won awards at the IAUD International Design Awards. The accolades included the Grand Award for efforts concerning the "SwipeTalk"® (speech-to-text) app for the hearing impaired and cross-cultural communication, the Silver Award for the ceiling-suspended exposed model of the Lossnay total heat exchanger for schools, and the Bronze Award for the P-Series two-door refrigerator suited to living alone and cooking one's own meals.

Going forward, Mitsubishi Electric aims to continue creating universal products and services that take ingenious approaches and consider various perspectives across a broad range of business areas.



Efforts concerning the "SwipeTalk"® (speech-to-text) app for the hearing impaired and cross-cultural communication



P-Series two-door refrigerator suited to living alone and cooking one's own meals

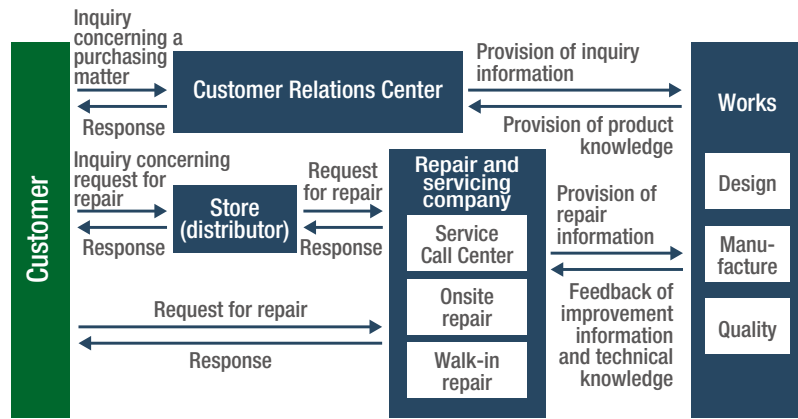


Ceiling-suspended exposed model of the Lossnay total heat exchanger for schools

Improving Customer Satisfaction

Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding. Inheriting this spirit, we collect feedback from our customers through customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into product development, marketing strategies, and services. We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.



Flow of responses to customer inquiries (Mitsubishi Electric)

CS Activities by the Home Appliances Group (in Japan)

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

The beginning of CS activities related to home appliances

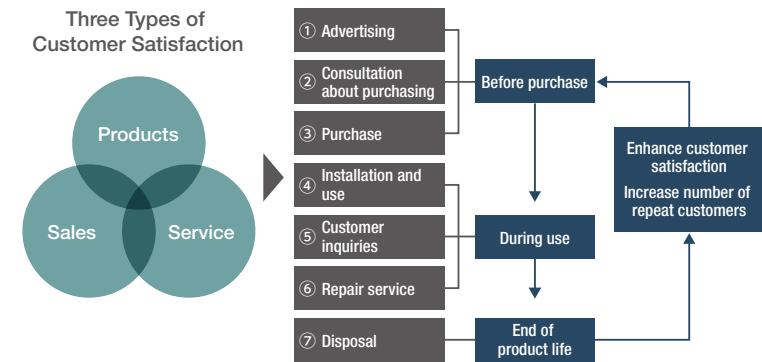
The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Mitsubishi Electric quickly proceeded to create the necessary culture, systems and tools that would enhance its products, marketing strategies, and services. Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.

Understanding customer satisfaction

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

- Assurance: The customer is assured that the product is not flawed or defective
- Contentment: The product satisfies the customer's needs and requirements
- Emotion: The customer acquires a new value from the product

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



Customer checkpoints

Taking calls 24 hours a day, 365 days a year

To satisfy customer expectations, it is necessary to think of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. As one strategy to provide a response to customers in Japan when they require one, in October 1998, Mitsubishi Electric extended the service hours of its Japan Customer Relations Center to 24 hours a day, 365 days a year. Previously the center responded to inquiries concerning product usage only during daytime hours from Monday through Saturday except on holidays. Today, the Customer Relations Center and Service Call Center operate 24 hours a day, 365 days a year. The Technical Support Call Center, which responds to technical inquiries from distributors, and the Repair Service Station, the stronghold of repair services operated by Mitsubishi Electric System & Service Co., Ltd., also respond to inquiries 365 days a year (excluding some regions). As the relations center receives a wide array of inquiries every year due to the diversification of product functionality, we are constantly reinforcing staff members, and are making consistent efforts to provide proper training.



Customer Relations Center



Service Call Center



Repair Service Station(1)



Repair Service Station(2)

System of reviewing customers' comments

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

Customer relations center

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

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

Manufacturing plants

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

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

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

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



Kirigamine FZ Series room air conditioner MSZ-FZ4022S
The mirA.I.+ moving eye function continuously delivers comfort to users at home.

CS Activities by the Building Systems Group (in Japan)

The Building Systems Group handles elevators and escalators that provide vertical transportation within buildings and building management systems. By ensuring their safety and security and continuously delivering comfortable means of transportation and living spaces as indispensable social infrastructures on a global scale, we contribute to making society even more vibrant and sustainable. Under the slogan "Quality in Motion", the Building Systems Group continues to pursue the highest level of quality in relation to safety, comfort, efficiency, safety, and the environment in its overall business activities (sales, development, manufacturing, installation, and maintenance), making use of our advanced technologies and environmental expertise. By this means, we are able to provide our customers with optimal solutions and a level of security and reliability that wins their complete satisfaction.

24-hour, 365-day Safety Hotline

Mitsubishi Electric information centers situated in eight locations throughout the country provide a "safety hotline" for response in cases of trouble, such as failure signals and telephone calls from customers following issues with elevators, refrigerators, air-conditioning equipment, or other building facilities. Mitsubishi Electric information centers constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers, so that the most appropriate engineer closest to the customer's building can be located and dispatched to the site immediately.

The system also supports the quick recovery of building functions, by taking actions such as e-mailing information on the history of repairs and other matters related to the building to the engineer, or processing urgent orders for parts. Moreover, by monitoring changes in data on the operational status of elevators and air-conditioning facilities, we can detect and address abnormalities before they develop into a malfunction and prevent problems from occurring.



Information center

Mitsubishi Elevator and Escalator Safety Campaign

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

At the same time, to ensure safe operation, it is necessary to maintain the functioning of elevators and escalators through regular maintenance and inspection, and for people to use them correctly. Based on this awareness, we not only perform maintenance and inspection as appropriate, but have also been holding a safety campaign since 1980 to increase

understanding of the proper usage of elevators and escalators among users and to promote their safe usage.

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



Mitsubishi Elevator and Escalator Safety Campaign

Inazawa Building Systems Works SOLAÉ showroom

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

The elevator and escalator zone introduces visitors to the history of elevators and escalators, and, using actual elevator and escalator units, provides a survey of subjects ranging from their basic structure to the latest products and technologies that ensure their safety, security and comfort. Visitors can also experience the "function to connect with people" that improves operating efficiency and comfort as well as the "function to connect with the building" for integrating elevators with other building facilities. The building management system zone allows visitors to experience technologies including the latest building management and security systems.



SOLAÉ elevator testing tower



SOLAÉ showrooms

Responding to Product-Related Issues

Basic Policy

If we receive any report of a major issue occurring in a product that we have sold, we have a system in place that includes the top management to ensure quick and accurate decisions on the steps and measures to take, so that we can take proper action while always placing top priority on not inconveniencing our customers. In addition, we will share information on major issues that occurred with regard to products across the entire Group promptly to strengthen our ability to respond to such issues.

For recalls in particular, we work on an ongoing basis to ensure that all the relevant products that were sold are returned and repaired, and apply these efforts to a wide array of sales channels.

Reporting Major Product Issues (in Japan)

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

[List of important information pertaining to products \(In Japanese text\)](#)

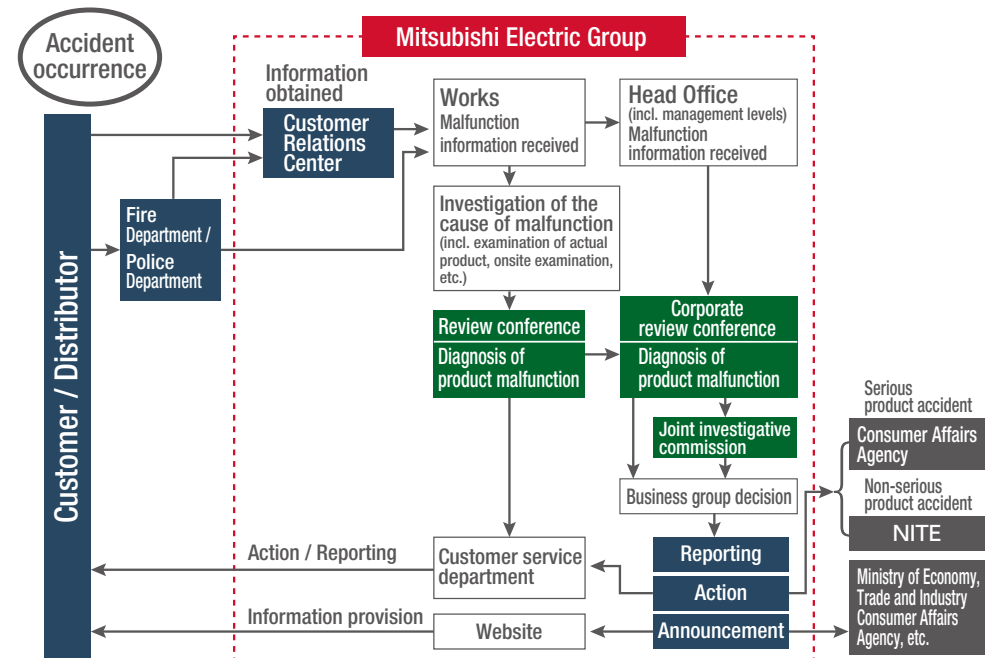
Accident Reporting Based on the Consumer Product Safety Act

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

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

[Accident reporting based on the Consumer Product Safety Act \(In Japanese text\)](#)

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



Flow of responses to accidents (Mitsubishi Electric Group)

Human Rights

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations.

On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any other reason."

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

1. The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business. If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.
2. Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted human rights, or its members are found to have been clearly involved in violations of human rights.
3. The Mitsubishi Electric Group has identified materiality (material issues), has set concrete tasks and goals for those materiality, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.
4. The Mitsubishi Electric Group shall work to ensure that its initiatives related to respect for human rights are implemented with the participation of all executives and employees. Furthermore, the Group shall request cooperation from various stakeholders involved in its whole value chains such as business activities, products, and services, in order to help promote respect for human rights in society at large.
5. The Mitsubishi Electric Group shall implement training programs and awareness campaigns on a continuous basis for the purpose of ensuring that all executives and members of the Group understand initiatives related to respect for human rights, and conduct themselves accordingly.

Code of Conduct (Excerpt from "Mitsubishi Electric Group Code of Conduct")

● Respect for Human Rights of Employees

1. We respect human rights in every aspect of our business activities, and will not allow child or forced labor.
2. We provide all employees with fair opportunities to acquire education, experience, skills and abilities in accordance with their duties. We also treat all employees fairly in accordance with their experience, skills, abilities performance and growth potential.
3. We value diversity and inclusion in the workplace. We accept the individuality of each employee and foster working environment where diverse employees can work with each other synergistically.
4. We will not allow any form of discrimination based on race, ethnicity, nationality, gender, age, beliefs, religion, social status, sexual orientation, gender identity, disability, etc. in employment and working conditions.
5. We respect the rights of each employee and will not engage in any harassment, libel or defamation, humiliating or hostile conduct or any other actions that deny human rights in the countries and regions in which we conduct business. We check our words and actions continuously to make sure they do not raise any misunderstanding or perception of such actions that deny human rights.
6. We value every employee's personal data, and are committed to only collecting, using, retaining and disclosing personal data in a legal, fair, transparent and secure way. We ensure safeguards are in place to prevent unauthorized access, leakage, loss and alteration of personal data.

● Fair Employment

1. We comply with labor laws and regulations of the countries and regions in which we conduct business, and internal rules and procedures.
2. We comply with safety and health laws and regulations, and take care of the safety and wellbeing of all our employees so that they can stay healthy at work with a healthy state of mind and body.
3. We create and maintain comfortable working environments in which every employee can work with peace of mind.

● Respect for Human Rights

1. We respect human rights and ensure we adequately understand relevant laws and regulations of the countries and regions in which we conduct business. We strive not to violate any human rights.
2. We request cooperation from various stakeholders involved in the whole value chains of our business activities, products and services to help promote respect for human rights in society at large.
3. If we receive any complaint or consultation regarding human rights from various stakeholders, or if we see or hear any behavior that infringes upon human rights in Mitsubishi Electric Group activities, we promptly contact the department in charge so that measures can be taken to resolve it.

Management System Related to Respecting Human Rights

In order to undertake human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights, etc., the Mitsubishi Electric Group has been implementing the Plan-Do-Check-Act (PDCA) cycle, in which the results of human rights initiatives are confirmed and policies and plans are considered and approved in a meeting of the Sustainability Committee held every year.

In fiscal 2023, the Group will establish the Human Rights Subcommittee as a permanent organization that is subordinate to the Sustainability Committee to determine potential improvements, solutions for issues, and other matters related to human rights initiatives, and to take rapid action. The Human Rights Subcommittee will be headed by the Senior General Manager of the Sustainability Planning Division, and will be composed of the heads of the Corporate Strategic Planning Division, the Corporate Human Resources Division, the Corporate Purchasing Division, the Corporate Legal & Compliance Division, the Corporate Risk Management Division, the Corporate Economic Security Division, and the Global Planning & Administration Department.

Since human rights issues are related to a broad range of fields, the Group will establish a system for it to clarify the responsible division, work on initiatives, and report the status of progress to the Sustainability Committee. In addition, the Executive Officers and Directors

will receive reports on initiatives as necessary and supervise them, thereby strengthening the integration of human rights initiatives.



Human Rights Management

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

Human Rights Impact Assessment

As part of human rights due diligence required by the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group periodically carries out "Human Rights Impact Assessments" in order to assess the impact of the Group's business activities on human rights.

In fiscal 2022, we carried out the second "Human Rights Impact Assessment" of Mitsubishi Electric, affiliates in Japan, and overseas affiliates, covering a total of 417 sites. In addition, we decided to add the "Human Rights" category to the "General Control Self-Check," in which risks that may have material impact on the management are inspected based on the decisions made by the Board of Directors. We also checked the status of progress of the "Human Rights Impact Assessment."

1. Actions carried out

● Assessment of occurred risks

We assessed the probability of the human rights violation risk that "our group may have a negative impact" with respect to forced labor, child labor, discrimination, freedom of association, harassment, and others, and assigned one of three levels (low, medium, or high) through a questionnaire survey with our four stakeholders: employees, consumers, the supply chain, and the local community.

● Assessment of human rights initiatives

In order to ascertain the current status of initiatives for the Group's human rights risks and to clarify activities that we should prioritize in the future, we evaluated the initiatives at each site according to three levels (actively working on initiatives, working on initiatives, or effort is insufficient). For example, regarding harassment measures, if, in addition to periodical education and notifications, the site is engaged in using a discerning eye when appointing people for management positions, strictly punishing those who have committed harassment, constructing a system for accepting complaints and inquiries for consultation, we give the site 3 points. If the site is engaged only in regular education and instructions, we give the site 2 points. If education at the site is insufficient (it is provided only to managers or to a limited degree), we give the site 1 point.

2. Assessment and evaluation results and initiatives for fiscal 2023

● Results from assessment of human rights violations risks

Based on the results of the Human Rights Impact Assessment, we have identified the areas within the Group's initiatives to be strengthened in the future.

- Harassment measures
- Work hour management
- Occupational safety and health
- Human rights education
- Human rights initiatives in the supply chain
- Response to conflict minerals
- Grievance mechanism

3. Initiatives in fiscal 2023

We will present indexes regarding what will specifically be done within company-wide initiatives and to what extent, and we will encourage each base to make improvements.

For the time being, we will carry out the Human Rights Impact Assessment every year and continue to confirm the status of improvements made to each initiative.

Initiatives Related to Employees' Human Rights

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

[Human Resources](#)

Human Rights Initiatives in the Supply Chain; Joining the RBA

Since fiscal 2019, we have been seeking consent from suppliers to agreement on initiatives for social issues including human rights issues.

[Supply Chain Management \(Procurement\)](#)

In order to enhance the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives, in February 2022 we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in the global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, to promote continuous improvement of our sustainability efforts.

[RBA](#)



Response to the UK's Modern Slavery Act and Australian Modern Slavery Act

In fiscal 2017, Mitsubishi Electric Europe B.V. and Mitsubishi Electric Air Conditioning Systems Europe Ltd. issued a statement in response to the Modern Slavery Act that was enacted in the UK with the aim of eradicating forced labor, human trafficking, and other such acts that constitute "modern slavery." We update the content of the statement and disclose it every year. Continued efforts will be made to ensure information disclosure and strengthen relevant initiatives. Due consideration is also given to the UK Gender Pay Gap Report. Likewise, Mitsubishi Electric Australia submitted a Modern Slavery Statement to the Australian authorities in response to the Modern Slavery Act enforced in Australia as of January 1, 2019.

[Statement by Mitsubishi Electric Europe B.V.](#)

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

Ensuring Personal Information Protection

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

[Activities for Personal Information Protection](#)

Human Rights Education

Human rights training

In fiscal 2022, we carried out the following forms of training:

- We held the "Directors' Compliance Seminar" targeted at all directors on the theme of "Business and Human Rights" in fiscal 2022. Inviting Mr. Hideaki Umetsu, attorney-at-law and partner at Mori Hamada & Matsumoto, as the lecturer, a lecture was given on a wide range of topics, including trends surrounding business and human rights, practical response by companies, and areas within initiatives that the Mitsubishi Electric Group should strengthen in the future.
- At Mitsubishi Electric, in line with the implementation of the "Human Rights Impact Assessment," we provided human rights education to sustainability managers to deepen their understanding on global trends regarding human rights issues, international human rights norms, as well as the Mitsubishi Electric Group's Human Rights Policy (approx. 400 attendees). For overseas affiliates, we also created training materials in English and Chinese.
- For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In fiscal 2022, we conducted a group training session related to human rights and harassment in each office for 941 new employees, 436 newly appointed managers, and 713 employees in charge of new employee training.

E-learning

Since fiscal 2019, we have been conducting a sustainability-related e-learning program that includes themes on human rights for employees of Mitsubishi Electric and domestic family companies. In fiscal 2020, we created the English version of contents and conducted the program at overseas family companies as well. In fiscal 2023, we plan to significantly upgrade the contents of this program and provide it for all employees while incorporating human rights based on international norms as a main theme.

Harassment training

Starting in the second half of fiscal 2020, Mitsubishi Electric has enhanced the content of harassment education in line with the Mitsubishi Electric Workplace Reform Program. The e-learning program for harassment prevention education is given to all Mitsubishi Electric employees, and training has also been conducted on harassment prevention at each office. The role of managers is important for creating a workplace environment that will not cause harassment. For this reason, we focus on the training of newly appointed managers. Through this training, we place emphasis on ongoing harassment prevention by encouraging them to have a correct understanding of instances of harassment and implement appropriate communication skills for providing operational guidance. Those who attended the program actively engage in creating a comfortable working environment for employees, by making certain there are no harassment issues in the workplace, as is their responsibility as managers.

The education of all employees includes not only providing information on power harassment and sexual harassment, including harassment against people of the same sex and LGBTQ people, maternity harassment, SOGI harassment, and so on but also introducing specific case studies of harassment. Lectures are given that allow each employee to identify any harassment issues in the workplace and report and communicate any issues that they have become aware of by communicating internal and external points of contact for consultation to everyone. We have deployed this harassment training program to family companies as well and all the employees of domestic family companies participate in harassment prevention training programs that are implemented in line with the Mitsubishi Electric Workplace Reform Program.



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

Grievance Handling Mechanism

The Mitsubishi Electric Group has established multiple points of contact to respond to and understand inquiries from various stakeholders, of which main points of contact are listed in the table below. We also receive consultation requests on human rights through them. For each whistleblowing case on human rights risk, the responsible division quickly confirm facts according to the content of consultation. If a violation of human rights, etc. in business activities of the Mitsubishi Electric Group is confirmed, we appropriately respond to the instance by dealing with the victim and considering the punishment of those who engaged in the case in question, etc. as well as promptly making a correction and improvement. However, please understand that the Mitsubishi Electric Group may not deal with an instance for which facts cannot be confirmed as a result of confirmation and investigation or with a case which is determined as difficult to investigate due to being groundless, slander, and so on.

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

Service available to	Name of point of contact for whistleblowing/consultation	Matters to be consulted	Contact
Various stakeholders (customers, people in the community)	"Inquiries on sustainability" and "Other Inquiries" on the Mitsubishi Electric Group official website	<ul style="list-style-type: none"> ● Inquiries regarding the Mitsubishi Electric Group's sustainability ● Other various inquiries regarding the Mitsubishi Electric Group's business activities 	<Japanese> 📄 Inquiries on sustainability 📄 Other Inquiries <Global (English)> 📄 Inquiries on sustainability 📄 Other Inquiries
Mitsubishi Electric employees, family companies employees*1, suppliers to Mitsubishi Electric*1	Ethics observance hotline	Whistleblowing or consultation regarding organized or individual employees' fraud, legal violation, act of breach of ethics	Internal points of contact/external points of contact (lawyers) *2*3
Mitsubishi Electric employees	Points of contact for consultation on sexual harassment, power harassment, etc.	Whistleblowing/consultation on various types of harassment in Mitsubishi Electric's workplace	Human Resource Div. at each office of Mitsubishi Electric

*1 Limited to whistleblowing that is relevant to Mitsubishi Electric in personal and business aspects.

*2 The points of contact are listed on Mitsubishi Electric's intranet, internal posters, "Code of Corporate Ethics and Compliance," etc.

*3 A whistleblowing system has been established at each domestic and overseas family companies of the Mitsubishi Electric Group.

Discussion with External Parties

In order to make the Mitsubishi Electric Group's efforts for human rights issues effective, we have discussions with experts, human rights NGOs and other parties to receive advice on human rights initiatives. In fiscal 2022, we had an opportunity to hold discussions with Emi Sugawara, professor at Faculty of International Studies, Osaka University of Economics and Law. Ms. Sugawara gave us the following advice:

- When considering Mitsubishi Electric's human rights and other high priority issues, it is essential to understand what the stakeholders (consumers, employees, local residents involved in business activities, etc.) are actually saying.
- Human rights laws have been established in each country, but they differ between countries. Instead of comprehensively responding to all legal systems, it is necessary to think about respect for human rights on the basis of the guiding principle and work on issues according to your own logic, and then explain your initiatives to stakeholders.

[📄 Interviews with Experts](#)

AI Ethics Policy

Mitsubishi Electric Group AI Ethics Policy

The Mitsubishi Electric Group has declared that it will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity. In accordance with this, we will contribute to the realization of a sustainable society by solving social issues through technological innovations in AI. Furthermore, the Mitsubishi Electric Group will promote the responsible development and use of AI, taking into account not only convenience, but also safety and security. In addition, we will adapt and evolve this policy based on changes in the technology related to AI, social trends, and continuous dialogue with diverse stakeholders. In summary, using this policy as a guide, the Mitsubishi Electric Group will create a brighter tomorrow by contributing to the realization of a society of Human-Centered AI.

1. Realization of a Human-Centered AI society

The Mitsubishi Electric Group aims to realize a society in which human dignity is protected by developing and utilizing AI that leads to people's happiness and active participation in the society.

2. Fair and non-discriminatory utilization

The Mitsubishi Electric Group recognizes the possibility that decisions may be biased in AI-equipped products and services, but will always strive to treat people fairly and not discriminate in a society where diverse people coexist. In addition, the Mitsubishi Electric Group will seek cooperation with the customers and business partners who we provide AI products or services to, so that fairness principles are respected in all applications of AI technology.

3. Ensuring safety and security

The Mitsubishi Electric Group aims to ensure that the lives and freedoms of people in our society are not threatened by rigorously testing the safety of products and services equipped with AI to ensure that they work as expected. We will also continue to work on security measures such as protecting the AI products and services against unauthorized access by outsiders.

4. Consideration for privacy

The Mitsubishi Electric Group believes that the appropriate handling of data including personal information is of utmost importance and will work to ensure that the privacy of data associated with AI-equipped products and services is maintained.

5. Transparency and accountability

The Mitsubishi Electric Group strives to enhance the transparency of AI by explaining the reasons for certain decisions in AI-equipped products and services. In addition, through continuous dialogue with diverse stakeholders, we will aim to be accountable regarding the purpose of use and usage of AI, as well as the various effects that could be expected when using AI-equipped products and services.

6. Development of AI and human resources

The Mitsubishi Electric Group will continuously evolve AI technologies and AI-equipped products and services. Also, we will train our employees to understand AI technologies and issues, enabling them to contribute to the realization of a Human-Centered AI society.

7. Compliance with laws and regulations

The Mitsubishi Electric Group will comply with the laws and regulations of each country and region in the development and utilization of AI-equipped products and services.

Human Resources

Basic Policy on Human Resources

Basic Policy

In the Mitsubishi Electric Group Medium-term Management Plan Towards FY2026, the Mitsubishi Electric Group states it will contribute to realizing a vibrant and sustainable society, including response to decarbonization, by increasing the provision of integrated solutions through the strengthening of the business management foundation, promoting digital transformation, and other activities. We place extreme importance in the hiring and development of human resources who have diverse values and abilities toward this end, and we will focus on the following initiatives:

- **Human resource investment**

In Japan, we have been continuing to invest in the hiring of more than 3,000 new graduates and mid-career people every year. We also promote the reinforcement of human resources overseas in an attempt to strengthen our business and technology development, marketing, and manufacturing capabilities. We will continue to secure and invest in the necessary human resources for strengthening our business.

- **Human resource development**

With the understanding that "there is no business development or social contribution without the growth of employees," we are investing in education training for all employees while enhancing other measures, and we will conduct personnel rotation for employees' career enhancement in a planned manner.

- **Workplace culture**

We will improve employee engagement and the workplace environment, promote diversity, and engage in other activities to realize a workplace environment where employees can work actively with a sense of security.

Workforce Diversity & Inclusion

Basic Policy

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

Promotion Framework

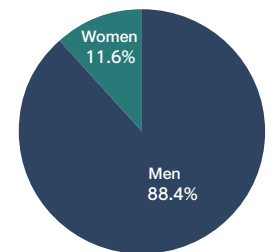
To enrich the personal lives and build the careers of women employees and employees who are raising children, Mitsubishi Electric established the CP-Plan* Promotion Center within its Corporate Human Resources Division in April 2006. In April 2021, the Center's name was changed to the Diversity Promotion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

* Career management & Personal life well-balanced Plan

Women's Participation

Mitsubishi Electric formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace* and set the following targets. To achieve these targets under the current action plan, we have created measures such as nurturing young employees by giving them business experience and providing training opportunities in a systematic manner, as well as the proactive dissemination of information regarding various support systems for balancing work and family life.

*Act enacted in 2016 which stipulates the responsibilities of the national government, local governments, and general employers in promoting female participation with the aim of realizing a society in which women can fully embody their individuality and abilities.



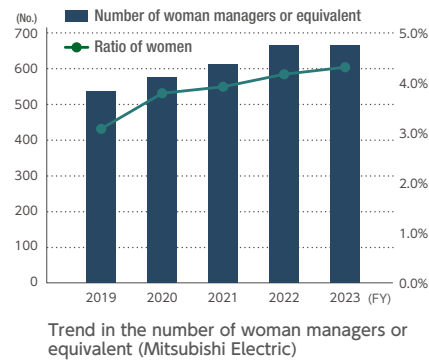
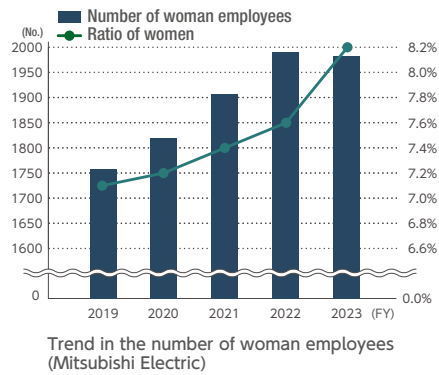
Gender ratio
(Mitsubishi Electric)

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

Initiatives	Target	Performance for FY2022
Percentage of woman in management	2 times (Compared to FY2021)	1.25 times
Percentage of newly hired women	1.2 times (Compared to the average from FY2017 to FY2021)	1.2 times
Percentage of men on childcare leave*	70%	65.3%

* Includes those who obtained special leave for childcare purposes

Basic data



Initiatives for Even Greater Participation of Women

Career forum for young woman employees

A career forum is offered to young woman employees to actively inspire them to form a career vision that considers work-life integration. Through a lecture personally given by the president on the managerial significance of promoting women's participation, talks by a woman outside director of the company on her own career experiences and her thoughts about working, stories of senior employees' personal experiences, and group discussions, the forum, attended by around 200 people every year, encourages woman employees to think and act on their own and promotes personal networking.

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

Strengthening management capacities

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

Handbook on supporting work/childcare balance for employees and supervisors

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



Handbook on supporting work/childcare balance for employees and supervisors

Recruitment to promote women's participation: Organizing events to promote further understanding of Mitsubishi Electric and producing promotion Media (websites, leaflets, etc.)

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

Ratio of women among new recruits (Mitsubishi Electric)

	FY 2019 (actual)	FY 2020 (actual)	FY 2021 (actual)	FY 2022 (actual)	FY 2023 (estimated)
Overall	17.5%	15.1%	18.8%	20.0%	23.3%
Administrative	31.0%	31.5%	37.0%	38.0%	44.3%
Engineering	13.1%	9.4%	13.4%	14.4%	15.0%

The ratio of women among new recruits in engineering fields is steadily increasing, particularly within a competitive environment owing to more students keeping themselves away from science fields and with the seller's market remaining strong.

*Fall hires and April hires

[Basic policy on human resources](#)

Various events are organized to actively disseminate genuine perspectives on working at Mitsubishi Electric. These include exchange forums where woman students in science can interact with woman employees at various business areas and occupations, from junior employees and other employees who have children to managers, and seminars that include a tour designed to introduce in-house facilities at Mitsubishi Electric. Websites and leaflets that introduce the way Mitsubishi Electric's woman employees carry out their jobs and their careers are also produced and meetings were held with employees who were former students of the same university as candidates. The whole of Mitsubishi Electric Group is actively making efforts to promote women's participation and advancement in the workplace; its domestic group companies create websites featuring woman employees; Mitsubishi Electric's overseas sites lead participation in "Grace Hopper Celebration," the world's largest event for exchanges between personnel, as a sponsor company.



Pamphlet for woman students wishing to pursue a career in engineering



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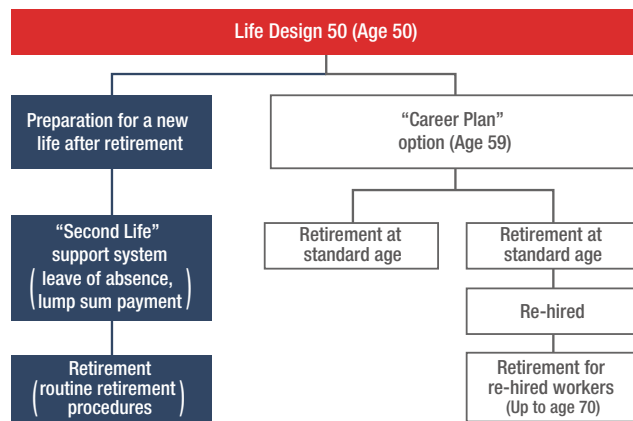
Acquisition of Eruboshi

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.



Providing Diverse Employment Formats for Older Employees

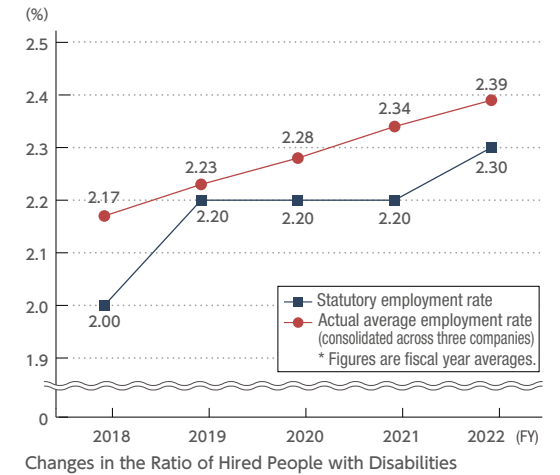
In Japan, Mitsubishi Electric instituted various multi-track personnel systems in FY 2002, which makes diverse employment formats possible by allowing employees aged 50 and over to choose from among a variety of options. The options include financial assistance for an employee's "second life" following retirement, a "second life" support program that provides two years of paid vacation, and extending employment up to the age of 65 through a reemployment program. In April 2021, we introduced a rehiring system that allows for extended employment up to age 70. We will continue to build an environment in which older workers with a wealth of experience and skills can work actively. Furthermore, we also offer an annual "lifestyle design" training session at each of our business sites to employees turning 50 and their spouses. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, taxes, hobbies, health, and other topics, and by facilitating group discussions.



Multi-track personnel system (Mitsubishi Electric)

Promoting Employment of People with Disabilities

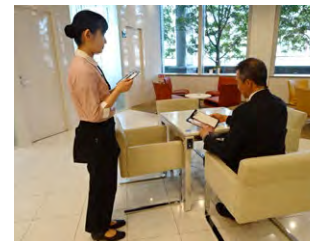
The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities. In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2022, people with disabilities comprised 2.41% of the total workforce at Mitsubishi Electric and its special subsidiaries combined. The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees and employees with disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 102 people with disabilities as of March 15, 2022. A cookie factory was established in FY 2018, the Nagoya Office opened in FY 2021 and the Himeji Office opened in FY 2023. The company will continue to gradually expand its businesses to increase its employment of people with disabilities.



Changes in the Ratio of Hired People with Disabilities

The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees and employees with disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 102 people with disabilities as of March 15, 2022. A cookie factory was established in FY 2018, the Nagoya Office opened in FY 2021 and the Himeji Office opened in FY 2023. The company will continue to gradually expand its businesses to increase its employment of people with disabilities.

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



Cafe business



Cookie manufacturing



Business card production

Initiatives for LGBTQ

Mitsubishi Electric respects diversity and promotes initiatives that deepen understanding on sexual diversity (LGBTQ), with the aim of realizing a workplace environment where all individuals can maximize their own ability and work actively. In June 2021, the president sent out a message that we will develop a workplace environment that is comfortable for LGBTQ people and all other employees to work. We have designated June as the Mitsubishi Electric Pride Month and we will conduct initiatives to understand sexual diversity (seminars for the management and human resources divisions to understand LGBTQ, and e-learning for employees). We have established an external contact point for consultation for use by not only LGBTQ people but also their superiors and colleagues at the workplace.

In-house Community Activities and Penetration of Understanding Among Internal Personnel

In fiscal 2022, we have designated the Diversity Promotion Office as the secretariat and started "Mitsubishi Electric Ally Community*" activities. Inviting external lecturers, we learn the significance of ally activities and deepen our understanding by exchanging views.

* An in-house community in which anyone can participate to understand and support LGBTQ people.

Recognition of Same-sex Partners as Spouses

In March 2022, we reviewed the Work Regulations to recognize same-sex marriage partners as spouses and to apply the same systems to these couples as those that are applied to legally married people.

"PRIDE Index 2021" Silver Award Received

Mitsubishi Electric received the Silver award for the "PRIDE Index 2021," an index developed by the private organization "work with Pride" to evaluate initiatives for LGBTQ people and other sexual minorities at workplaces in Japan. We satisfied the evaluation criteria in the "Policy," "Representation," "Inspiration," and "Engagement/Empowerment" indexes.



Supporting Career Development

Basic Policy

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

Under this principle, the Mitsubishi Electric Group believes it is important to link the expertise, skills, and mentality it has cultivated as an organization to maintaining and strengthening corporate competitiveness and contributing to society. By adding new values at times and achieving further growth, we actively promote the human resource development of all our employees. While instilling the corporate principles within our group employees and sharing our Values globally, we aim to become a corporate body where all 140,000 employees working in countries around the world can work actively and responsibly and enjoy their work.

Human Resources Development System Supports the Skills Development of Each and Every Employee

The Mitsubishi Electric Group's training system for all employees, including those of group companies, consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis while proactively holding online seminars. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational training. Tests and competitions to improve skill levels are conducted, and practical training or international study opportunities at overseas sites and universities in Japan and abroad are provided.

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

For personnel in managerial positions who are responsible for human resource development, we support the acquisition of skills, including a plan to stimulate communication in the workplace, active listening, and ways of coping with stress, so that they can give appropriate support to each and every employee who works under their immediate control. We will promote the development of core human resources in order to create a workplace with openness for communication.

Company-wide training/ development measures	Mitsubishi Electric Business Innovation School (MBIS)	Key functional person development	☆MELCO Seminar (M-Semi)		Functional training			Level-specific training
	Technology management school / Sales management school / Next-generation leader management school / Executive management school / Managerial training program	Advanced Technology System Course	Area of specialty	Common areas	Global	Skill training	Individual functional training	Mid-career hire training / Job-level specific training / Management position-specific training
					Overseas OJT system	Language study abroad / Dispatching to domestic language schools	Mitsubishi Electric Group skills competition	
Career development support	Supporting each and every employee envision and shape his/her future career by developing the necessary skills		Role/performance review system	Total life program	☆MELCO English proficiency test ☆Training point system ☆Self-development support program ☆Job-Net ☆Career Challenge System			Company-wide welcoming ceremony / New employee training
Knowledge sharing	Place to accumulate, pass down, and develop information related to technology and business. Human networking beyond individual areas of business		☆Engineering Divisions' Meeting ☆Engineers' Meeting Chief Engineers' Meeting Engineering Committee ☆Technical help desks ☆Mitsubishi Electric quality-related information sharing system					
Training for all employees	Ensuring basic knowledge for Mitsubishi Electric Group employees is provided and an appropriate mindset is developed within them		Compliance, safety, quality, sustainability, diversity, etc.					

☆Main measures and systems that employees can utilize independently

Human resource development system diagram (Mitsubishi Electric)

Annual amount of human resources development and training expenses per employee (Mitsubishi Electric)	Approx. 86,000 yen/person
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Development of core management personnel

Mitsubishi Electric has been building the "Mitsubishi Electric Business Innovation School" program as a measure for developing core management personnel. In fiscal 2023, it will review the content of the program and further strengthen the development of human resources that will drive businesses, including work to bolster areas such as compliance and sustainability for the Group as a whole.

In addition, Mitsubishi Electric has also been building a wide range of management executive development programs, including the introduction of business coaching to personnel in executive management positions and dispatching potential next-generation leaders to business schools in Japan and overseas.

Strengthening and handing down technologies and business capabilities

In pursuit of strengthening its technologies and business capabilities, Mitsubishi Electric has been developing group-wide seminars under the name "MELCO Seminar" that can be selected and attended according to the needs of each individual. Approximately 450 types of seminars are provided in total, with more than 17,000 annual participants. Online courses are also provided, making it easy to attend from any office. In addition, we have set up the "Advanced Technology System Course" as the top level seminar course to bolster our important technologies, and we are focusing efforts to develop key persons in the relevant areas.

Moreover, a knowledge sharing network has been constructed between Group companies. In the Engineering Divisions' Meeting, the largest organization in the network, approximately 20,000 people participate in a total of 14 meetings featuring lectures given by people invited from outside of the company, presentation sessions within the Group, workshops, and many other mutual study activities to relay a broad range of information. We have also established technical help desks through which newer employees can consult with highly experienced employees via the company intranet.

Strengthening and handing down skills

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of "handing down skills and raising skills to even higher levels," "further creating a climate that respects skills," and "developing top-level technicians." The company-wide competition is joined by representatives from manufacturing facilities and has approximately 130 participants in total. The CEO also attends the opening and awarding ceremonies.

As a measure to improve the ability of supervisors, company-wide supervisor meetings and supervisor training programs are held to hand down skills at each manufacturing site.



Mitsubishi Electric Group Skills Competition

Principles for Developing Global Human Resources

To become a global company that employs global human resources

As a global company, Mitsubishi Electric has 205 consolidated group companies in Japan and overseas, employing some 140,000 employees. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where all employees of the Group can work actively and responsibly and enjoy their work. As part of this effort, we create videos introducing our history and corporate principles in multiple languages with the aim to instill the corporate principles within our group employees and share our values globally.

Global (borderless) organization management and human resource utilization

Mitsubishi Electric is working to utilize human resources across countries in an attempt to assign excellent personnel at optimal positions regardless of nationality or race. In fiscal 2022, the Global Mobility Guidelines were established for the purpose of promoting personnel changes between third countries without intervention from Japan. We are also working on borderless organizational management to make the most of online communication, while gradually implementing a virtual assignment mechanism in which employees engage in the business of a Group company in another country while staying in their own country.

Promotion and training of international staff from overseas affiliates to senior management positions

In our overseas affiliates, we are driving promotion of quality international staff to senior management positions with the purpose of enhancing the management of local businesses and improving employee engagement. We intend to achieve this by organically linking training and placement, including career development through training and the formulation of succession plans.

In addition to the training plans in each company and each region (regional management), Mitsubishi Electric also takes initiative in conducting training in Japan. To be specific, engineers in overseas affiliates stay in Japan to go through training to learn technologies and skills at production sites. Selected executives and those in management positions in overseas affiliates gather at the Mitsubishi Electric headquarters to go through training to learn the necessary knowledge and mindset as a global leader as well as to understand management in the Mitsubishi Electric Group.

While participating in training from overseas, the international staff grow as individuals and develop a sense of unity as the Mitsubishi Electric Group and a network, which transcends national borders and is connected globally.

In fiscal 2021, due to the restrictions to enter Japan because of the effects of COVID-19, we had to cancel the training sessions where the international staff come to Japan, but in fiscal 2022, many staff participated in the training utilizing an online tool from all over the world.

Trend in the number of people from overseas participating in training programs held in Japan

	2011	2012	→	2016	2017	2018	2019	2020	2021	Cumulative total
MGEP	—	—		—	8	5	7	Canceled due to the impact of COVID-19	18	38
GMW	13	18		23	26	29	30		Canceled	208
WKP	—	17		44	59	91	105		Canceled	407

MGEP : Mitsubishi Electric Global Executive Program (In some years, one or two selected members in Japan may participate.)

GMW : Global Management Workshop

WKP : Workshop for Key Personnel

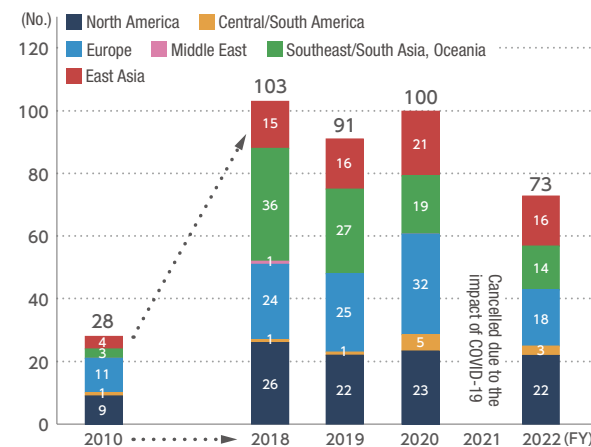
Training measures for employees in Japan

Mitsubishi Electric dispatches its employees in Japan to overseas affiliates or overseas business schools, universities, languages schools, and the like as a program that allows them to not only improve language skills, but also experience and understand the local business, culture, and lifestyles.

The overseas OJT system involves dispatching employees to an overseas affiliate for one year, and about 100 employees are dispatched to overseas affiliates every year, as part of our efforts to develop human resources who will drive our global businesses.

In FY 2021, this type of overseas dispatching training was cancelled due to the impact of COVID-19. We have restarted some of the programs in FY 2022.

Employees dispatched under the overseas OJT system



Fair Evaluation and Compensation

Basic Policy

The Mitsubishi Electric Group upholds a management policy, "In addition to realizing corporate management that balances growth, profitability/efficiency, and soundness, we will contribute to realizing sustainability through all of our activities, and further enhance corporate value that emphasizes the creation of both economic and social value," and the Group implements various policies to realize its corporate strategy.

Mitsubishi Electric believes that realizing a workplace environment where all employees can thrive and increasing employee engagement leads to increased motivation and productivity among each employee as well as to greater corporate value.

Efforts to boost employee engagement underlie Mitsubishi Electric's personnel policies. At the same time, the policies described below are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

Compensation System Based on Individual Job Descriptions and Performance

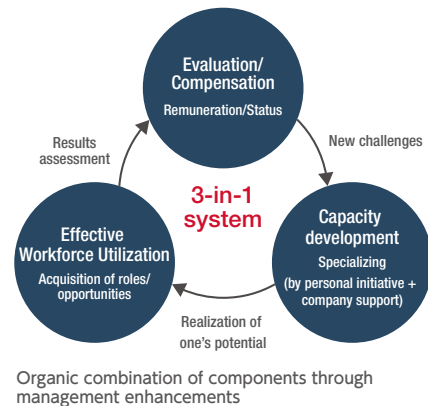
In Japan, Mitsubishi Electric has adopted a compensation system with a view to developing a corporate culture in which employees each recognize organizational targets as well as their own roles, work to raise their own value, and take on the challenge of difficult goals.

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

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

Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong, and a system for reviewing employee roles and performance is implemented to track the progress of those goals through



communication between employees and their managers. Under this system, regularly-scheduled interviews are held in which employees and managers discuss such topics as the employee's development and training based on evaluation of performance, and the placement and utilization of human resources, to promote improved communication in the workplace. In fiscal 2022, such interviews were carried out for 98% of employees.

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

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

Supporting Employees in Building Careers

Transfer Opportunities at the Request of Employees

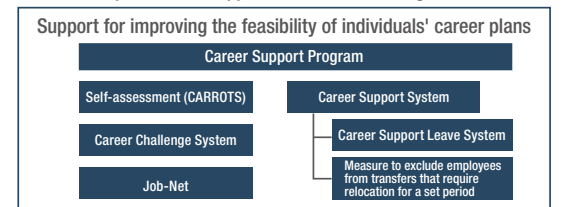
In order to assign the employees to positions that are suitable for them and provide transfer opportunities at the request of employees, Mitsubishi Electric instituted an intranet-based recruitment system (Job-Net) and job search system (Career Challenge System).

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

System for continuing careers according to individual employees' circumstances

In addition to providing transfer opportunities, Mitsubishi Electric has introduced the Career Support Program that allows employees who need to engage in childcare or nursing care can continue their career, in light of the recent increased diversity in home environments and the change in views and values among individuals regarding work as well as diversifying requirements for careers among employees in line with such changes. The Career Support Program features a "Career Support Leave System" that enables employees to take administrative leave for self-improvement, volunteer activities, or to accompany their spouse who has been transferred to an overseas site. The program also features a system that excludes employees from transfers that require relocation for up to three years if they have difficulty relocating due to childcare, nursing care, treating illnesses, or other circumstances.

Sharing and fulfilling career requests through daily communication with superiors and support in terms of working conditions



Career support program (Mitsubishi Electric)

Self-development support program

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

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

Motivating Employees with Bonuses for Inventions (in Japan)

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

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

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

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

Maintaining a Favorable Working Environment

Basic Policy

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

Various initiatives are in place at the Mitsubishi Electric Group to create a working environment where all employees can work actively while maintaining good physical and mental health.

Create a Work Environment Where All the Employees can Work Actively with a Sense of Security

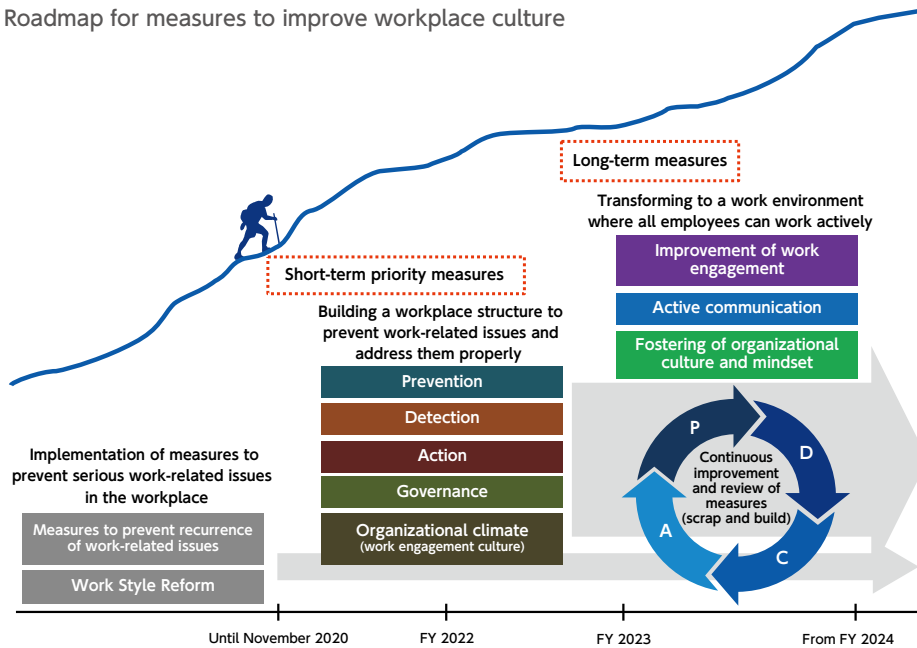
Mitsubishi Electric Workplace Reform Program

The Mitsubishi Electric Group takes the multiple work-related issues that it experienced until FY2020 within the Group seriously, and is working on the Mitsubishi Electric Workplace Reform Program that aims at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals.

After implementing and applying measures in FY2021, third-party assessments were conducted by experts. A Verification Committee comprised of representatives from the company, labor union, and external experts was consulted regarding the assessment results and a roadmap of measures for workplace culture improvement is being developed. In FY2022, while continuing to apply the measures that have been implemented, short-term priority measures have been implemented based on this roadmap. In FY2023 onward, we will work to further improve the workplace environment by accelerating the development of organizational culture reforms among the three reforms as part of measures to prevent recurrence in quality-related improper practices, as well as other long-term initiatives.

Continuing from FY2021, we have implemented a variety of measures especially with regard to eliminating power harassment. In addition to implementing anti-harassment education for all employees, we conducted a monthly employee awareness survey of all employees to check for workplace harassment and whether employees have any problems with their interpersonal relationships in the workplace in order to identify, respond, and improve upon problems at an early stage. If an employee reports harassment, the employee is invited to an interview and measures are taken to correct the situation. Furthermore, we actively disseminated information on the expanded options to ask for help and the point of contact regarding these options, in an attempt to create an environment in which employees can easily seek assistance.

Roadmap for measures to improve workplace culture



Category	Item	Measure	Performance for FY2022
Short-term priority measures	Improvement in governance	<ul style="list-style-type: none"> Management that matches the values, abilities, and aptitudes of subordinates (Enhanced training in leadership, coaching, and other skills) 	<ul style="list-style-type: none"> Implemented (Enhancement of training for newly appointed managers)
	Organizational climate	<ul style="list-style-type: none"> Further participation of leaders in communication and labor management in the workplace Thorough implementation of shared organizational values (e.g., Corporate Principles) and policies (Creation and deployment of tools for sharing values) 	<ul style="list-style-type: none"> Implemented (Dissemination and entrenching of the Purpose, Our Values, and Commitment, which were revised as the group celebrated its 100th anniversary)
Long-term measures	Improvement of work engagement	<ul style="list-style-type: none"> Creation of opportunities to find meaning in work at Mitsubishi Electric Corporation Career development support based on individual values and aspirations 	<ul style="list-style-type: none"> Commenced work. The initiatives will continue to be implemented going forward.
	Active communication	<ul style="list-style-type: none"> Elimination of communication gaps caused by different job classes or other reasons (Efforts to improve communication skills and facilitate casual communication) 	
	Fostering of organizational culture and mindset	<ul style="list-style-type: none"> Promotion of concrete actions in accordance with shared organizational values 	

Changes in evaluation indicators

Updated in October 2022

To create a workplace environment where employees can thrive and engage more easily, Mitsubishi Electric has set key performance indicators (KPIs) related to a "sense of purpose in work" and "work life balance." We continually improve and review measures by implementing the PDCA cycle through periodical monitoring of these KPIs and reflecting them in our activities. Although the employee engagement score remained flat in 1H FY2023, we have set up opportunities for the management and employees to talk together, and we carried out many different reforms including the renovation of the personnel system, with the aim of making improvements.

KPI	Result for FY2021	Result for 1H FY2022	Result for 2H FY2022	Result for 1H FY2023	Goal
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company) *	63%	61%	54%	54%	80% or higher
Percentage of employees who responded that they had a good work-life balance	66%	66%	65%	65%	80% or higher

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

Short-term priority measures, long-term measures, and progress in the Workplace Reform Program

Category	Item	Measure	Performance for FY2022
Short-term priority measures	Prevention of problems	<ul style="list-style-type: none"> Further clarification of the Company's stance on harassment prevention (Adoption of Five Joint Statements of Labor and Management) (Submission by all Directors, Executive Officers, and employees of a declaration to refrain from harassment), and (Revision of Work Regulations that clearly indicate service provisions) Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree feedback for managers) 	<ul style="list-style-type: none"> Implemented (Implementation of initiatives based on the Joint Statements of Labor and Management) 360-degree feedback was conducted for all executive members and some officers (approx. 4,000 members and officers)
	Detection of problems	<ul style="list-style-type: none"> Enhanced analysis of employee attitude surveys and stress checks Improvement of the utilization of the results in the workplace (Formulation and enhancement of guidelines for utilization) 	<ul style="list-style-type: none"> Implemented (Formulation and dissemination of guidelines)
	Action against problems	<ul style="list-style-type: none"> Enhanced support for the return to work by employees with mental health issues (Creating guidelines to welcome employees back to work) Establishment of a process and system for dealing with work-related issues when they occur (Development of guidelines for measures to address work-related issues and information disclosure to employees, such as information on cases of power harassment) 	<ul style="list-style-type: none"> Implemented (Creation and dissemination of a guidebook and guide)

Third-party evaluation of recurrence prevention measures

Continuing from FY2021, the Mitsubishi Electric arranged for an assessment to be conducted by external third-party experts regarding the penetration of various measures. The assessment involved quantitative data analyses of employee awareness survey results, stress check results, and other details, as well as qualitative analyses based on interviews with employees. As a result, the external experts reported that, among the measures that have already been implemented, "drastic streamlining of operations," "management according to the value, ability, and competence of subordinates," "career development based on the value and orientation of individuals," and others must be committed at a higher priority. We will work to enhance and entrench these measures while continuing to receive advice from external experts.

Work Style Reforms and Prevention of Long Working Hours

Mitsubishi Electric determined "Work Style Reforms" as an important management policy in FY2017 to create a workplace environment in which everyone can maintain physical and mental health and thrive with a good work-life balance and has promoted a variety of measures that contribute to the improvement of operational efficiency and productivity, as well as a reduction in total working hours. In FY2021, we will move to the next stage and deepen the initiatives, especially focusing on work style reform and work quality improvement, with the slogan, "Kaeru! MELCO (Kaeru is a Japanese word that, depending on how it is written, means both to make changes and to go home)."

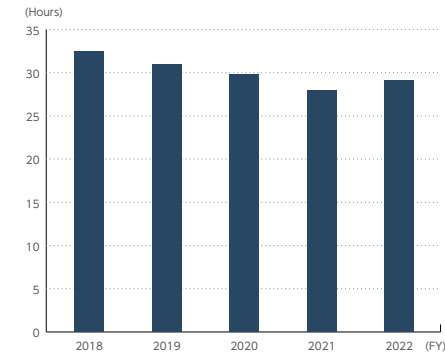
Specifically, the Company has spread policies and raised awareness through messages from the President to employees and other activities, while establishing an environment for efficient business operation; for example, by distributing laptop PCs to all employees, enhancing online meeting facilities, expanding the work-from-home program, promoting company-wide paperless work environments, and expanding IT use.

In addition to these initiatives, we have attempted to properly manage working hours in line with reality by automatically calculating working hours from objective data such as the entry/exit time and PC logon/logoff time from the viewpoint of preventing long working hours. We believe that these efforts have paid off to some extent. Specifically, in FY2022, we reduced monthly overtime hours per employee by 10% compared to FY2018.

To further increase effectiveness, we will continue to promote "Work Style Reforms" in the future. We also implement in a reliable manner health measures for employees in light of properly tracked working hours.



"Work Style Reforms" internal poster



Changes in monthly overtime hours per employee (including managers)

Examples of workstyle reform initiatives

At Mitsubishi Electric, Head Office management departments play a central role in improving the quality of company-wide operations by promoting company-wide activities, with each office conducting activities in line with the circumstances of business.

Examples of company-wide activities

1. Developing an IT environment

- Promote the elimination of paper documents throughout the company
- Providing mobile terminals to employees in all offices who need them
- Implementing online conferences for meetings between remote offices
- Realizing flexible working styles by enhancing the work-from-home program
- Developing and releasing manuals describing how to use IT tools, etc.

2. Simplifying and reducing company-wide documents

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

3. Promoting indirect JIT Kaizen activities

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

Examples of activities at offices

- Lectures from external lecturers for personnel in managerial positions and workshops intended for business improvement
- Establishing conference rules (50 minutes long in principle, no meetings to be held after 5 p.m., etc.)
- Introducing condensed work times
- Introducing "Refresh Wednesday" to promote work-life balance

Support for Flexible Working Styles

Development and implementation of childcare and family-care programs

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

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

Status of development of main childcare and nursing care systems for the last three years

FY2021	
Increased the number of days of Leave to Prepare for Impending Childbirth by Employees' Spouses	The number of days of special leave that can be taken to prepare for forthcoming childbirth by employees' spouses has been increased from 5 days to 10 days.
Introduced a measure to exclude employees from transfers that require relocation for a set period	A system that excludes employees from transfers that require relocation for up to three years for employees who have difficulty relocating due to childcare, nursing care, treating an illness, or other circumstances.
Introduced the Career Support Leave System	A system that enables employees to take leave for self-improvement, volunteer activities (including Overseas Cooperation Volunteers), or to accompany their spouse who has been transferred to an overseas site.
FY2022	
Introduced the request system to change work location	A program whereby employees can apply to change their work location to where their spouse is located in order to offer employees the possibility to move in with their spouse when they get married or when their spouse changes work location.
Introduced the request system to choose reinstated job after childcare leave	A program that allows employees who are returning from childcare leave to indicate their preference for a workplace.
Enhanced the remote work program	Covered all employees, eliminated the upper limit for the use of the program, and expanded the range of applicable work locations.
Introduced the Company-led Nursery School Matching Service	A match-making service between employees looking for a nursery school and company-led nursery schools with openings to accept children.
FY2023	
Introduced the remote location work program	A program that allows employees to live outside the commuting area of their offices and engage mainly in remote working (commenced on a trial basis in FY2022)
Newly established the Childcare Absence at Childbirth System, etc.	Newly established the Childcare Absence at Childbirth System (with no payroll deduction) and developed an environment where employees can feel comfortable taking childcare leave in response to the Child Care and Family Care Leave Act revised in 2022.

Life stage	Marriage	Pregnancy	Childbirth	Child age 1	Enrollment in elementary school	Grade 4	Graduation from elementary school
Child birth leave system	■	■					
Shorter work time for pregnant women		■	■				
Consideration for break times during pregnancy		■	■				
Sick absence for pregnant women and those within a year of giving birth		■	■	■			
Pre-childbirth absence			■				
Childcare absence at childbirth system			■				
Spousal childbirth leave			■				
Maternity loan program			●				
Childbirth/childcare allowance			●				
Post-childbirth absence			■				
Spousal support (non-management employees)			■	■	■	■	■
Childcare time			■	■	■	■	■
Childcare leave			■	■	■	■	■
Company-led nursery school matching service			■	■	■	■	■
Childcare leave benefits (by Mitsubishi Electric Ryoyukai)			●				
Shorter work time for childcare			■	■	■	■	■
Leave taken on an hourly basis	■	■	■	■	■	■	■
Remote work program	■	■	■	■	■	■	■
Self-support leave			■	■	■	■	■
Nursing leave			■	■	■	■	■
Select plan (childcare service assistance)			■	■	■	■	■
Reemployment system			■	■	■	■	■
Career support leave	■	■	■	■	■	■	■
Measures to exclude employees from transfers that require relocation for a set period		■	■	■	■	■	■
Request system to change work location		■	■	■	■	■	■
Request system to choose reinstated job after childcare leave			■	■	■	■	■
Remote location work program	■	■	■	■	■	■	■

Work-life balance support measures (Mitsubishi Electric)

(As of April 2022)

Diamond Kids Day-care centers

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

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

Name	Diamond Kids Shonan	Diamond Kids Itami
Location	5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture Within the Information Technology R&D Center	6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO
Facility area	Floor space: approx. 100m ²	
Enrollment capacity	Approx. 10 children	
Children's ages	Ages 0 (children over 57 days old) up to enrollment in primary school	
Eligibility	Mitsubishi Electric employees	
Operating hours	8:00 – 18:00 (extended hours up to 21:00)	

Cafeteria plan (selectable plan)

Mitsubishi Electric is introducing a cafeteria plan in 2004 with the aim of respecting the independence and diverse value of each individual employee and supporting each individual employee achieve happiness through a welfare program with selectable options. In the cafeteria plan, points equivalent to 83,000 yen are granted in the start of the fiscal year and each employee can apply for subsidies by selecting the necessary menu item as desired according to his/her life stage or lifestyle.

To support employees in balancing childcare or nursing care with work, support is given to the value of double the regular number of points for menu items related to subsidies for childcare and nursing care service usage fees.

Special paid leave (Self-support leave)

The self-support leave is a system that allows employees who do not use up their annual paid vacation time by the end of the fiscal year to accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward.

Those who receive company approval to participate in their children's school programs, recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

Remote location work program

Mitsubishi Electric has introduced the remote location work program, which allows employees to live outside the commuting area of their offices and engage mainly in remote working, to realize diverse workstyle regardless of employees' place of work. Following the trial in FY2022, the program will be introduced at full scale in FY2023 to enable personnel to achieve a workstyle that suits their own lifestyle by eliminating situations of employees living separately from their family members and by letting them engage in child care or nursing care.

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

Number of employees who took leave	FY2020			FY2021			FY2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	66	348	414	144	369	513	240	394	634
Rate of taking leave from work (%) * Including the taking of days off when an employee's spouse gives birth	—	100%	—	—	99%	—	65.3%*	99%	—
Shorter working hours for childcare	14	392	406	13	393	406	16	397	413
Shorter working hours during pregnancy	—	14	14	—	3	3	—	11	11
Nursing leave	7	9	16	6	6	12	8	7	15
Shorter working hours for nursing care	1	20	21	4	12	16	1	26	27
Prematernal/postnatal absence	—	198	198	—	204	204	—	209	209
Spousal childbirth leave	861	—	861	920	—	920	923	—	923
Nursing absence	29	19	48	6	20	26	19	21	40

* Including the taking of days off when an employee's spouse gives birth

Occupational Safety & Health Management

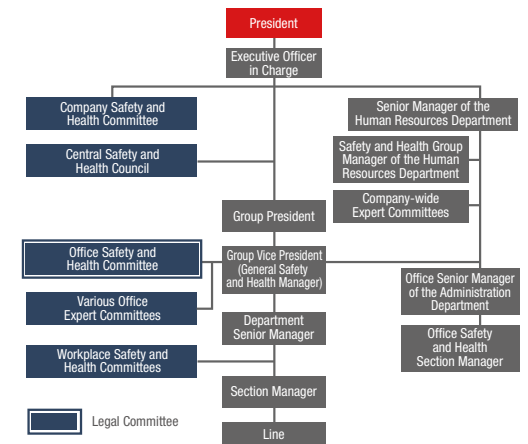
Basic Policy

Adhering to the basic policy of prioritizing the safety and health of our employees above all else, the Mitsubishi Electric Group aims to establish a culture that places top priority on safety and health in all social and business environments based on the understanding that health and safety management form the foundation of business management. Furthermore, we aim to establish health management and create a workplace environment that allows everyone to maintain good health both mentally and physically and thrive in work as one of our core management policies for increasing employee engagement.

This basic policy underlies our company-wide Safety and Health Five-year Plan (current plan covering the five years from FY2023 to FY2027), which defines priority measures in safety and health management, respectively, to annually create a company-wide safety and health management policy by which we implement specific activities toward achieving annual targets. This program has been rolled out to our group companies in Japan and overseas who also engage in health and safety management activities in line with relevant laws, national regulations and company-specific issues.

Promotional Framework

The Mitsubishi Electric Group actively promotes safety and health activities across the entire Group under the strong leadership of the top management. Ongoing efforts are made to strengthen the safety and health management framework, as Mitsubishi Electric and its group companies in Japan and overseas cooperate in exchanging information, engage in education activities, and implement various safety and health measures. Active communication is also held with employees through meetings with labor unions and the Safety and Health Committee, and labor management efforts are made to promote both top-down and bottom-up activities that aim to raise the level of safety and health. Specifically, we discuss the content of training for taking care of younger personnel as well as self-care and line-care in the course of considering mental health care measures, introduce such training programs, and review their content. In case of an industrial accident occurs, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety management status inspections, and laterally disseminating case reports of disasters and countermeasures developed through root cause analysis.



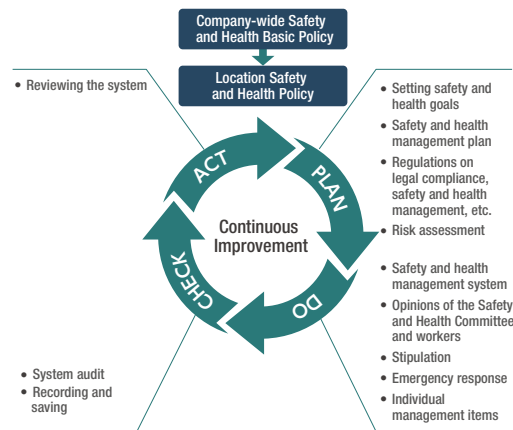
Company-wide safety and health management framework

Occupational Safety and Health Management System

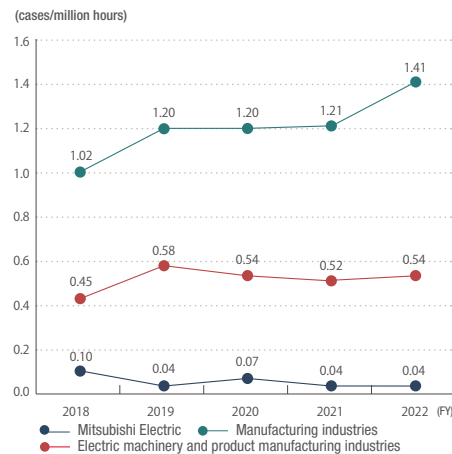
In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office runs PDCA cycles for safety and health activities by implementing system audits based on the Mitsubishi Electric Group's requirements for safety and health management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

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

* OSHMS: Occupational Safety and Health Management System



Occupational Safety and Health Management System



Frequency of Labor Accidents (Number of accidents requiring a leave, per million hours)

	FY2019	FY2020	FY2021	FY2022
Domestic	1	0	1	0
Overseas	1	3	1	0

Frequency of fatal accidents (Mitsubishi Electric Group (domestic/overseas), excluding worktime accidents in construction)

Thorough Safety and Health Education

The Mitsubishi Electric Group implements safety and health education that matches its business characteristics and social environment, including stratified programs and occupation-specific programs, in addition to education programs as stipulated by law.

As a common feature of the Group, Mitsubishi Electric and its group companies in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year. Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a "safety room."



E-learning of Safety and Health Education

Training name	Date conducted	No. of participants
Training for newly appointed safety and health section managers	April 2021	7
Training for newly appointed safety and health members	June 2021	42
Training for newly appointed safety and health promotion members	September & October 2021	33
Training for newly appointed occupational health physicians and public health nurses	May 2021	8
Liaison meetings for safety and health members	October 2021	58
Company-wide safety and health education (for general employees)	July to September 2021	33,916
Company-wide safety and health education (for managers and supervisors)	July to September 2021	4,864

Examples of training held by the head office (Mitsubishi Electric)

"Danger simulation room" at Mitsubishi Electric's Himeji Works

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



"Danger simulation room"

Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its group companies in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for their 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance society for 20 years, in an attempt to promote a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company."

In FY2023, MHP21 was renamed to the "Mitsubishi Electric Group Health Management Plan" and another five-year activity has started as "MHP Lively and Exciting Action." Under the activity principle, "We promote fitness activities for each one of us to be excited to spend time in a lively way," we are developing activities with the ultimate goal of achieving a subjective feeling of liveliness and excitement, that is to say, improved health satisfaction among each and every employee as well as their family members.

Specifically, we have set "good appetite," "good sleep," and "good bowel movements" as three indexes to represent the daily level of health satisfaction (degree of liveliness and excitement) regarding the mental and physical health among each and every one of us, for the purpose of assessing the degree of achievement of the activity principle and objective. In addition, we have set diet, exercise, smoking, care for the teeth, sleep, and drinking as six indexes for lifestyle habits that can lead to improved health satisfaction. We utilize these indexes in a system that is designed to visualize each person's health condition using ICT and other technologies, and that encourages changes in behavior according to lifestyle habits. We also use these indexes in a system that allows targets to be set according to the achievement status of each individual. In this way, we have been further stimulating activities across the Group.

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

Targets and results of MHP21 activities

MHP21 activities Priority items	Before commencement of activities (FY2002)	Stage I Final year (FY2012)	Stage II Final year (FY2017)	Stage III Fourth year (FY2022)	Stage III Target (FY2018–2022)
People maintaining proper body weight*1	73.0%	71.7%	70.4%	67.7%	73% or more
People who have an active lifestyle*2	11.7%	16.2%	24.1%	27.7%	39% or more
Smokers	40.0%	27.6%	24.7%	20.8%	20% or less
People who brush their teeth three times a day or more	13.3%	20.5%	22.5%	26.9%	25% or more
People who get enough sleep and are well rested*3	—	—	—	68.7%	85% or more

*1 BMI of 18.5 or more and less than 25.0

*2 30 minutes or more of exercise twice a week or more, or an average of 10,000 steps (1 hour of walking) or more per day

*3 Included from Stage III

Recognized under the Health & Productivity Management Outstanding Organizations Recognition Program

Mitsubishi Electric has been recognized, by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi under the 2022 Health & Productivity Management Outstanding Organizations Recognition Program (the large-scale corporate category), for excellence in a variety of our activities that contribute to health and productivity management. These include preventing lifestyle-related diseases among healthy persons and high-risk persons, including the implementation of Mitsubishi Electric Group Health Plan 21 (MHP21), preventing productivity from lowering among employees, and preventing accidents, adjusting work hours, and ensuring work/life balance and time for living. We will continue to strive to ensure occupational safety and health as well as mental and physical health by considering health management for employees from a managerial perspective.



Promoting Mental Health Care

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

Through conventional telephone and e-mail counseling and a newly introduced face-to-face counseling program as well as an online counseling program provided by an employee assistance program (EAP*), which covers domestic group companies as well, importance is placed on the primary prevention of employee mental health disorders. As a place to check and share issues related to mental health and also for cooperation between parties developing a location (office) policy and measures, the Office Safety and Health Committee (Committee to Promote Mental Health) will further be effectively used. By disclosing through the Committee information such as the presence or absence of employees who had an injury/sick leave or absences due to mental health, the status of implementation of measures to ensure health and welfare (the number of people eligible for long-term counseling, etc.), and the plans for and results of mental health-related training programs, continuous improvement activities are promoted.

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

Employees who return to work after taking a mental health leave are fully supported by the belonging department, human resource department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support revised in 2021, and every effort is made to facilitate their return to their workplace and prevent any relapse. Specifically, inspection is carried out in order to ensure thorough operation regarding the periodic ascertainment of the situation of employees who are absent from work, compliance with giving consideration to employees who have returned to the workplace based on the opinions of an industrial physician (restricting work, etc.), such as creating an environment where the

workplace as a whole can provide support for smoothly returning after a long leave.

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

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

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

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

Category	Primary preventive care	Secondary preventive care <early detection>	Tertiary preventive care <support for returning to the workplace/recurrence prevention>
Self-care	Self-care training (location training, company-wide e-learning, new hire training)	Physical health checks	Recovery Establishment of health routines (reports on daily routines during recovery)
Care provided by the line	Stress checks, mental health checks	Cooperation among occupational physicians/public health nurses (nurses)/counselors and the human resources and safety & health divisions	Support for those on leave (pamphlet on recovery)
Care provided by occupational health staff	Interviews on working hours subject to health management	Appropriate employment management (restrictions on work)	Follow-ups during leave and after returning to work
Care provided by resources outside the office	Line care training for managers and supervisors (location training (new hires), company-wide e-learning)	Counseling service with counselors and clinical psychologists	Appropriate determination of whether employees should return to work
Fostering of an appropriate corporate culture	Interviews with occupational physicians based on health management time and stress check results (work restrictions)	Support for employees working overseas	Effective use of rework support facilities
	Support for employees working overseas	Cooperation with medical institutions	
	Counseling service through an external EAP (Follow-ups for high-stress employees, cooperation in emergencies)		
	* Working with mental health checkups * Providing e-mail, telephone, online, and face-to-face meetings for consultations		
	Clear statement of the company policy (company-wide safety and health management policy, mental health plan, general safety and health manager policy)		
	Promotion of the PDCA cycle by clarifying the matters to be reported and discussed at the Safety and Health Committee (number of mental health absences and employees on leaves of absence, etc.)		
	Collaborating with efforts to reform work styles, and working to improve the workplace environment by referencing the results of organizational analysis of stress checks, etc.		

Mental health initiatives (Mitsubishi Electric)

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that also give consideration to elderly people and people with disabilities. By establishing own standards (workplace environment standards) for air, lighting, noise, and facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.

Labor-management Relationship

Basic Policy

Mitsubishi Electric is committed to respecting the basic rights of employees, an approach that is included in the principles of the Universal Declaration of Human Rights as well as the United Nations Global Compact, as provided in Mitsubishi Electric Group Code of Conduct.

In addition, Mitsubishi Electric respects the freedom of association as a company and assures Mitsubishi Electric labor union to hold the three basic rights of labor (the right to organize, the right to collective bargaining, and the right to act collectively), under the labor agreement entered into between Mitsubishi Electric and Mitsubishi Electric labor union.

Relationship with Labor Union

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

With a basic principle of seeking resolutions by holding thorough rational discussions on equal footing, the company and labor unions periodically hold meetings of a management council and labor council to facilitate mutual negotiations and have active communication based on the labor agreement.

Under the union-shop system, all employees (excluding management level employees) become union members after completing a trial period, as a rule.

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

Notification of secondments and transfers within and outside the organization

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

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

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

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

In order to enhance the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives, in February 2022, we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

Our Purchasing Philosophy

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

1. Easy Access and Equal Opportunity

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

2. Mutual Prosperity

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

3. Ecological Soundness

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

CSR Procurement Policy

We carry out material procurement activities in line with our "CSR Procurement Policy," which was established in 2007. We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's sustainability policies and matters for compliance by our business partners. The guidelines are prepared in four languages (Japanese, English, Chinese, and Thai) and are shared with business partners globally as our directions for procurement. We are approaching all business partners to verify their agreements to promote procurement activities in line with the guidelines.

1. Compliance with domestic and foreign laws/regulations and social standards

- 1) Ensuring compliance with laws and regulation
- 2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
- 3) Creating proper work environments and giving consideration to safety and health

2. Assurance of quality and safety of products and services

3. Environmental considerations

- 1) Procuring materials with less negative impact on the environment
- 2) Ensuring strict management of harmful chemical substances based on an environmental management system

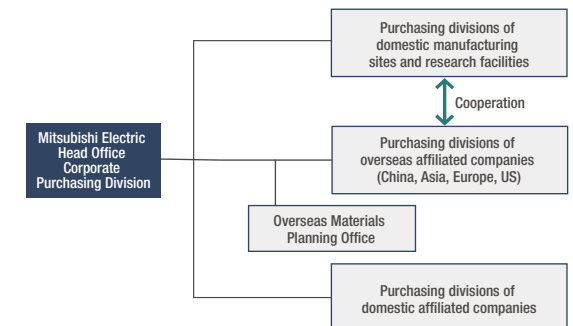
4. Promotion of fair trade based on corporate ethics

- 1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
- 2) Ensuring strict management and safeguarding of information by establishing an information security system
- 3) Thorough elimination of fraudulence, bribery, and other such conduct that violates corporate ethics

Framework for Promotion of Procurement Supply Chain Management

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

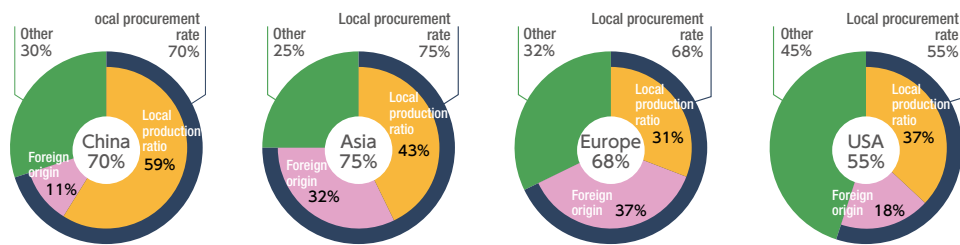
In addition to this initiative, we will also promote activities to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems in the procurement supply chain and thereby strengthen our business continuity plan (BCP).



Framework for promotion of procurement supply chain management

Priority activities

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



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

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

Mitsubishi Electric Group Policies for Responsible Minerals Procurement

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

- *1 Conflict minerals refers to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.
- *2 [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area](#)

Report of survey results of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (CMRT*1, CRT*2, MRT*3, or EMRT*4) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2022, surveys were carried out on 760 suppliers, and responses in survey form were obtained from 648 of these suppliers, which include 443 suppliers for which we have been able to identify all smelters. In addition to continuing to request suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals.

- *1 Conflict Minerals (tin, tantalum, tungsten, and gold) Reporting Template issued by the Responsible Minerals Initiative
- *2 Cobalt Reporting Template issued by the Responsible Minerals Initiative
- *3 Mica Reporting Template issued by the Responsible Minerals Initiative
- *4 Extended Minerals Reporting Template; CRT and MRT are planned to be integrated into EMRT in the future.

Number of smelting companies identified in a survey of conflict minerals and their list in FY2022 (Number of smelting companies identified: 486 companies) (As of April 11, 2022)

Tin	Tantalum	Tungsten	Gold
165 companies (of which, 1 company is from an applicable country*)	50 companies (No applicable countries)	69 companies (No applicable countries)	202 companies (of which, 2 companies are from an applicable country)

List of smelters identified in the FY2022 Survey

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

Strengthening Sustainability Initiatives along the Procurement Supply Chain

Initiatives to address environmental issues

Since 2006, the Mitsubishi Electric Group has been evaluating the progress of suppliers' initiatives to address environmental issues under the Green Accreditation System. Based on the Green Procurement Standards Guide and using an original survey form, the System involves a survey of each supplier's progress in acquiring environmental management system certification, the supplier's status of compliance with laws and regulations related to the environment, and its management of chemical substances contained in components and materials they deliver to our company. Under the System, suppliers who meet our standards are certified. We ultimately minimize environmental risks by properly evaluating the progress of our suppliers' environmental initiatives under this System, and by providing advice on any corrections that should be made by suppliers who do not meet the certification standards.

[📄 Procurement Activities](#)

Initiatives to address social issues

From 2009, the status of sustainability initiatives has been included in the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. Furthermore, the CSR Procurement Guidelines were established in 2018 based on the RBA Code of Conduct (Version 7.0) that was formulated and announced by the Responsible Business Alliance. To verify our suppliers' commitment to promoting the content of the guidelines, a consent form is attached to the last page of the guidelines.

[📄 Procurement Activities](#)

We have raised the following points as the core activity objectives of fiscal 2023 as well as for the medium term.

1. Continuing activities aimed at understanding and mitigating serious human rights risks in the supply chain (forced labor, dangerous or hazardous labor, child labor)

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Procurement Standards Guide and CSR Procurement Guidelines by requesting principal suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form once every three years. We identify high risk business partners through the survey and by confirming survey questionnaire answers by individually determining the presence of especially major human rights violations risks, such as forced labor, dangerous or hazardous labor, and child labor. In the case that a risk is identified, we will continue to request corrections through communication with the applicable business partners. Note that we have not identified any business partners who are cause for concern about such major human rights violations risks based on the survey in fiscal 2022.

In addition, we have conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees in 2019. Although there were no suppliers who are at risk of infringing on the Technical Intern Training

Act, we will continue promoting activities for preventing the violation of human rights of foreign technical intern trainees.

[📄 Survey on Foreign Technical Intern Trainees](#)

2. Integration of the CSR Procurement Guidelines and the Green Accreditation Guideline following joining the RBA

We joined the RBA in March 2022. Going forward, we will align our initiatives with the RBA Code of Conduct and plan to integrate the CSR Procurement Guidelines and the Green Accreditation Guideline in a way that aligns them to the RBA Code of Conduct in an attempt to continue to improve procurement sustainability.

3. Building a mechanism for handling grievances for the entire supply chain

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

[📄 Human Rights Management](#)

[📄 \[About\] Procurement Activities](#)

4. Decarbonization in the procurement supply chain

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

[📄 Environmental Sustainability Vision 2050](#)

Requests to Suppliers

Suppliers to the Mitsubishi Electric Group are requested to gain an understanding of the Group's Purchasing Policy and CSR Procurement Policy*, and to disseminate these policies to their supply chain. They are especially requested to thoroughly comply with the points below, which the Group has identified as priority issues to be addressed through the entire procurement supply chain. Additionally, new suppliers are asked to submit their agreement to comply with the CSR Procurement Policy and a completed survey form upon reading and understanding the guidelines. For details, please refer to each of our guidelines (Green Procurement Standards Guide, CSR Procurement Guidelines).

* The Mitsubishi Electric Group's Green Procurement Standards Guide and CSR Procurement Guidelines are provided below. These documents have been revised appropriately in response to changes in laws, regulations and social norms.

[📄 \[About\] Procurement Activities](#)

Important requests to suppliers

1. Compliance with laws, regulations and social norms

Please comply with laws and regulations in countries and regions where you engage in business, as well as with international agreements, transaction ethics, and social norms. (Elimination of corrupt practices such as bribery, embezzlement, and illegal political contributions; compliance with relevant laws and regulations, including the Antimonopoly Act, Subcontractor Act, and Foreign Exchange Act; prohibition of the illegal acquisition and utilization of intellectual property; proper information disclosure; execution of faithful transactions based on contracts, etc.)

2. Respect for human rights

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

3. Consideration for health and safety

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

4. Environmental considerations

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

5. Product and service quality and safety

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

6. Security measures for information systems

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

Evaluation Status of Suppliers' Initiatives to Address Sustainability Issues

Basic policy of supplier surveys

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

Activity results

From 2006, the evaluation covered domestic suppliers only. However, the range was expanded in fiscal 2018 to include overseas suppliers also. The fiscal 2018 survey placed priority on the China and Thailand region, but from fiscal 2019, we extended survey implementation to Europe and the U.S.

Responses to the Green Accreditation/CSR Procurement survey form (Mitsubishi Electric)

(As of April 11, 2022)

	FY2019	FY2020	FY2021	FY2022
Existing suppliers	1,201	455	511	809*
New suppliers	60	97	69	125
Response rate	96%	82%	88%	82%

*1 Number of suppliers with whom we do business continuously: Approx. 7,000 companies

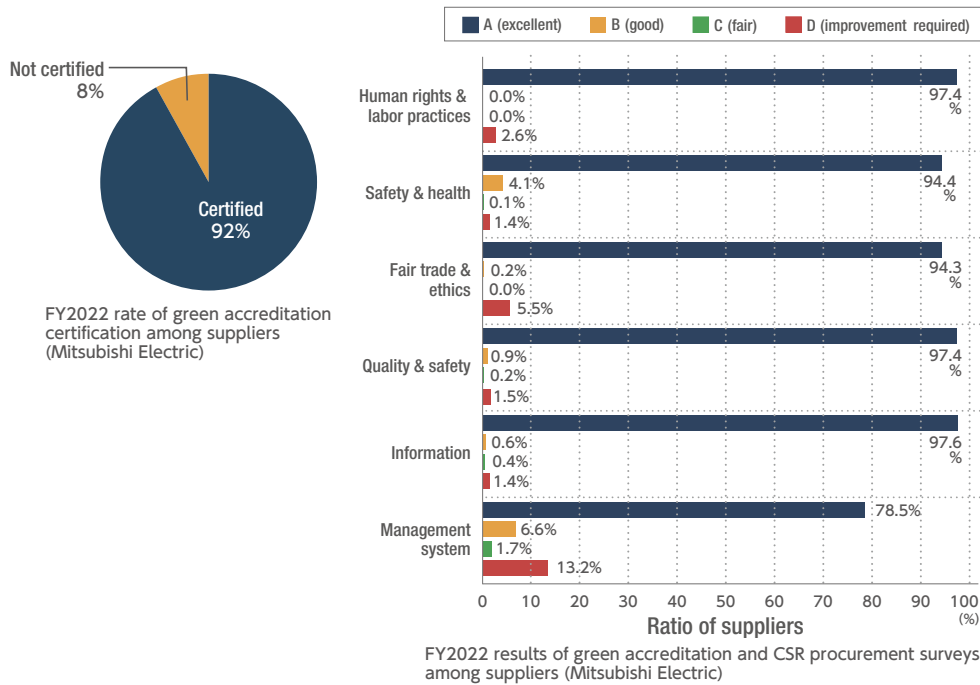
*2 We conducted surveys with about 2,500 companies including our major suppliers in the three-year period between 2017 and 2019.

*3 The above figures include the cases where the companies resubmitted their survey response after receiving the improvement instructions.

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

(As of April 11, 2022)

	FY2019	FY2020	FY2021	FY2022
Surveyed suppliers	595	1,169	1,080	615
Response rate	61%	74%	71%	84%



Number of suppliers given guidance in fiscal 2022 and the content of the guidance (Mitsubishi Electric)

(As of April 11, 2022)

Item	No. of companies given guidance	No. of completions	Content of guidance
Environment	52	3	Clarification of the person in charge of environment management (participation in environment management conducted by management at business partners)
Human rights, labor practices, safety and health	114	10	Encouraging secondary suppliers to take up sustainability practices



Providing safety guidance during an onsite inspection of a supplier's company (overseas)



Survey on Foreign Technical Intern Trainees

In fiscal 2020, Mitsubishi Electric conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees and obtained responses from all the companies surveyed. Among the companies surveyed, 136 companies hire technical intern trainees, and we confirmed with the suppliers as to whether they are "excellent implementing organizations*" and the presence or absence of risks associated with implementing training (50 suppliers have been accredited as "excellent implementing organizations"). As a result of the survey, it was found that 24 out of 86 companies who have not been accredited as "excellent implementing organizations" are required to make improvements. However, there were no suppliers who do not observe the Technical Intern Training Act, the Labor Standards Law, etc. We will provide guidance on items to be improved as well as continue promoting activities on an ongoing basis for preventing the violation of human rights of foreign technical intern trainees.

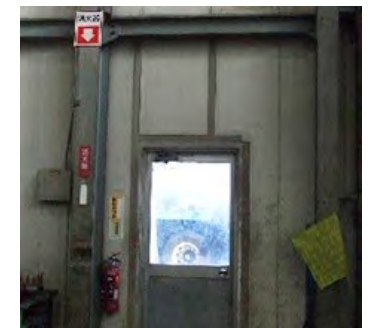
* An accreditation system administered by the Organization for Technical Intern Training (OTIT). A total score for a track record of acquiring the skills, the acceptance system, employment conditions of technical intern trainees, presence or absence of violations of laws and regulations, and consultation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

Items to be improved and the number of companies

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



Guidance on multilingualization of dangerous materials (Gunma Works)



Doorways and evacuation routes (Gunma Works)

Communication with Suppliers

At each office, the Mitsubishi Electric Group holds seminars that disseminate a full understanding of the Group's Purchasing Policy and CSR Procurement Policy among suppliers. In order to gain the approval of suppliers to the Mitsubishi Group's policies as demonstrated through these activities, we hold regular exchanges of views with our suppliers based on their responses to our Supplier Surveys. Suppliers are asked to further strengthen sustainability initiatives at their companies as well. Even after the spread of COVID-19, we continue to hold various seminars both on site and online.

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

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

Value Engineering (VE) Activities with Suppliers

The Mitsubishi Electric Group engages in joint-development from the initial stages to the development of parts and materials, and works in partnership with suppliers to engage in Value Engineering (VE) activities with the aim of adopting advanced products, recycling resources, and reducing the consumption of materials. Through these activities, we reduce the input of materials and minimize environmental burden by making products more compact and lightweight, and build a win-win relationship that leads to increased sales and enhanced technology capabilities for both Mitsubishi Electric and our partners. We also give awards to suppliers whose achievements are especially significant.

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



Award given by Mitsubishi Electric executives
(Inazawa Building Systems Works)



VE lecture in the Southeast Asia region (Indonesia)



VE lecture in the Southeast Asia region (India)



Presenting an award to a supplier in the Southeast Asia region (Malaysia)



Meeting with a supplier in the China region

Initiatives for Strengthened Partnership with Suppliers

Mitsubishi Electric also participated in the Declaration of Partnership Building introduced in response to the discussion in the Council on Promoting Partnership Building for Cultivating the Future hosted by the Cabinet Office and the Ministry of Economy, Trade and Industry, and Mitsubishi Electric announced its declaration on July 1, 2020.

We have been conducting a supplier satisfaction questionnaire survey since fiscal 2021 aimed at improving business practices with suppliers and further strengthening the partnership based on the policy of building mutually-beneficial relationships as stated in the Declaration of Partnership Building.

In fiscal 2022, we conducted a survey following from the previous fiscal year with a total of 16 questions covering Mitsubishi Electric's business attitude, ethics, compliance, and other topics in an attributed survey form for each supplier using a website.

We aggregate the results of answers to the questionnaire received from suppliers and analyze each survey item comparing with the results from the previous fiscal year, and we use the results to extract areas to be improved, to analyze causes, and to correct Mitsubishi Electric's business attitude.

We will continue to conduct this activity in the future to utilize it to find potential issues in transactions with suppliers and to further promote improvement by taking the results seriously.

[📄 Declaration of Partnership Building by Mitsubishi Electric Corporation \(in Japanese text\)](#)

Providing Learning Programs on Procurement Laws and Regulations

The Mitsubishi Electric Group offers various learning programs on laws and regulations related to the operations of employees in charge of procurement activities. In Japan for example, our course on materials procurement laws provides guidance and education for thorough compliance with laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and the Construction Contractors Law. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas. To further strengthen CSR initiatives (particularly along our procurement supply chain), we are making greater efforts to share information on activities implemented by each office as well as instructional information, such as by holding Review Meetings for CSR Promotion in the Supply Chain and providing CSR education to employees in procurement departments.



Compliance education related to procurement in the Thailand region



Review meeting for CSR promotion in the supply chain

Philanthropic Activities

Our Philosophy on Philanthropic Activities




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

"Three forms of coexistence" that the Mitsubishi Electric Group Aims for

To realize an inclusive society, the Mitsubishi Electric Group has been promoting activities at the level of people with a focus on each and every individual, the level of society as an aggregate of local communities, and the level of the Earth, which is the foundation for all individuals and communities.

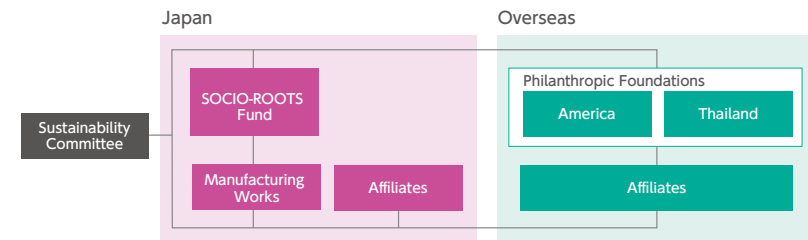
The Mitsubishi Electric Group will continue to strive to achieve "coexistence" at each of these levels.

Employees and the company shall work together to promote the "three forms of coexistence" and realize an inclusive society

 Global Environment	<p>Coexistence with the Global Environment</p> <p>Promote activities that remind us how much we appreciate nature, which nurtures a diversity of life and provides us with many blessings, and encourage environmentally conscious behavior, through activities to protect and nurture nature.</p>	<p>Satoyama Woodland Preservation Project</p> <p>Mitsubishi Electric Outdoor Classroom</p>
 Social	<p>Coexistence with Local Communities</p> <p>Collaborate with NPOs and other organizations in the field of social welfare, education and other basic infrastructure for daily life to promote activities that focus on realizing sustainable and vibrant local communities where all people, including people with disabilities, can live their life in their own way.</p>	<p>30th Anniv.</p> <p>Mitsubishi Electric SOCIO-ROOTS Fund</p>
 People	<p>Coexistence with All People</p> <p>Create opportunities and environments where all people, from adults to children, with or without disabilities, can respect and recognize each other and improve their physical and mental health.</p>	<p>Para-sports support</p> <p>Sports promotion</p> <p>Culture & arts support</p>

Philanthropy Promotion Framework

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



Main Activities in FY2022

- Donations from the Mitsubishi Electric SOCIO-ROOTS Fund to support social welfare facilities and children at disaster areas
- Satoyama Woodland Preservation Project, Mitsubishi Electric Outdoor Classroom, and Mitsubishi Electric Science Workshop
- Support for developing the next generation through donations to organizations related to culture, the arts, and sports
- Employment assistance for young people with disabilities from the Mitsubishi Electric America Foundation
- Support for educational institutions from the Mitsubishi Electric Thai Foundation

FY2022 Activity Results

Philanthropic activity expenditures
(Mitsubishi Electric and major domestic and overseas affiliates)

Approx. **2.19** billion yen

* Expenditures include philanthropic-related expenses such as internal programs and product donations

Coexistence with the Global Environment

Activities promoted by employees together with the local community for harmonious coexistence with nature "Woodland Preservation Project" "Mitsubishi Electric Outdoor Classroom"

— Overview —

The Mitsubishi Electric Group conducts two types of environmental conservation activities for achieving coexistence with nature, led by employees at each business site.

The Satoyama Woodland Preservation Project, which started in 2007, seeks to restore "familiar nature," such as forests, the ocean, rivers, and fields located in the vicinity of our business sites. With the Mitsubishi Electric Outdoor Classroom project, which started in 2006, employees act as nature leaders to encourage their awareness of nature ecosystems through experiencing nature with the local people.

The aim of this project is to repay nature for its various bounties and for cultivating diverse life, and to contribute to the communities where our business sites are located.

Since FY2021, guidelines formulated through consultation with industrial physicians regarding the avoidance of the three C's (closed spaces, crowded places, and close-contact settings) and outdoor health management are utilized so that these activities can be continued even during the COVID-19 pandemic. As an alternative measure in case the Outdoor Classroom cannot be held, the event "Biodiversity Observation by One Million People" has started, which lets individual families enjoy nature. Using the Biome living things collection app (Biome Inc.) for smartphones, we are promoting activities in collaboration with employees' families, the Junior Eco-Club (Japan Environment Association) and other environmental activity organizations, kindergartens, and nursery schools.

Going forward, employees continue to put in physical effort to live in coexistence with nature, which also helps to broaden communication with the local community.

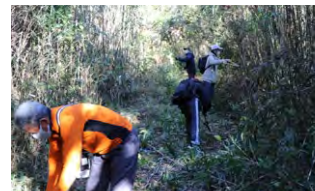
FY2022 Activity Results



River Cleanup (Shizuoka Prefecture)



Preparing shiitake mushroom bed logs (Fukuoka Prefecture)



Satoyama (woodland) preservation (Kagawa Prefecture)



Wetland preservation (Okinawa Prefecture)



Finding living things with IoT (BIOME smartphone app)



Outdoor class for learning from the forest (Kanagawa Prefecture)

Coexistence with Local Communities Mitsubishi Electric SOCIO-ROOTS Fund

— Overview —

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2022, the Fund has provided more than 1.44 billion yen to some 2,300 various social welfare facilities and programs.

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

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

— Donations —

Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines. In addition to the conventional donation boxes, a new online donation system has also been introduced in FY2022, as a means that agree with the recent increase in remote working.

FY2022 Activity Results



Fund-raising activities at each business location

Assistance that Delivers Our Commitment

— Conveying the Good Intentions of Employees with a Smile —



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

Donations to areas affected by natural disasters

— Support for the healthy growth of children —



The Fund is making ongoing efforts to support children affected by natural disasters including the Great East Japan Earthquake. As of March 31, 2022, it has donated a sum of 191.5 million yen since the program began in fiscal 2012.

Living with diversity Culture and Arts, Sports

Para-sports support

Mitsubishi Electric promotes initiatives to realize an inclusive society in which everyone, with or without a disability, respects and accepts each other. For example, by supporting para-sports, we train people to recognize and care for those who need support. As an official partner of the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation, we contribute to spreading and raising awareness of para-sports.



Presentation ceremony for a competition wheelchair at the Kitakyushu Champions Cup (November 2021)

Activities by Mitsubishi Electric's Sports Teams

Basketball

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



DEFENSE ACTION workshop to learn about disaster prevention activities while enjoying basketball

Tennis

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



Workshops in Tohoku

American football

The American football team utilizes its players' power to carry out volunteering in reconstruction assistance for the Great East Japan Earthquake and cleaning activities in a park near practice areas to express their gratitude toward society.



Cleaning of fallen leaves and sludge collected in a pond in the park

Badminton

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



Badminton workshop

Culture and Arts

Mouth and Foot Painting Artists of the World Exhibition Every year, Mitsubishi Electric Building Solutions Corporation sponsors "Mouth and Foot Painting Artists of the World Exhibition" throughout Japan. As the title indicates, the exhibition features paintings by artists around the world who are deprived of the use of their hands, and thus paint using their mouths or feet to hold a paintbrush.



Mouth and Foot Painting Artists of the World Exhibition

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

Supporting Narimichi Kawabata, a world-famous vision-impaired violinist

After graduating from Toho Gakuen School of Music, Mr. Narimichi Kawabata studied abroad at Royal Academy of Music where he was conferred Special Artist Status. Mitsubishi Electric has been continuing to support Mr. Kawabata since he started activities in the UK. In addition to supporting Mr. Kawabata, Mitsubishi Electric supports orchestra and opera houses to help develop the next-generation of artists.



Science and Technology

Mitsubishi Electric Science Workshops

— Overview —

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

During FY2021 to FY2022, while more workshops were put off due to the impact of COVID-19, activities were carried out using measures such as online classrooms and on-demand distribution of learning content.

FY2022 Activity Results



Experiment on the three primary colors of light and making a light kaleidoscope

Introducing Our Foundations

Mitsubishi Electric America Foundation

Summary

The Mitsubishi Electric America Foundation (MEAF) has been working to realize a more inclusive society in the United States since 1991. Given the high unemployment rate* of people with disabilities, combined with the need for capable talent in society, MEAF has invested \$15.2M, to date, in nationwide grant projects designed to empower youths with disabilities to lead productive lives. MEAF has also contributed \$8.4M to support local needs in communities where Mitsubishi Electric Group companies in the U.S. are located, by matching the donations made by employees of those companies. MEAF's contributions in the U.S. have totaled \$23.6M thus far.

* Figures are from the U.S. Bureau of Labor Statistics: The unemployment rate of people with disabilities was 10.1 percent in 2021 and roughly twice as high as the rate for people without disabilities.



People with disabilities supporting the electronics device recycling business (Illinois State)



Work experience at a local factory (Kentucky State)

Example of Nationwide Grant Activities

The "M>PWR possible" initiative, which MEAF has been implementing for a decade now, has helped to empower more than 50,000 youths and veterans with disabilities to secure jobs in diverse industries, including the service, healthcare, distribution, manufacturing, IT, animation, and electronics recycling industries.

In recognition of its long-standing efforts, MEAF has received the "2018 Catalyst Award" from the American Association of People with Disabilities. It has also gained high acclaim for its efforts to secure employment opportunities for next-generation youths, such as in the form of the Blue Star Recyclers "Star Partner Award" in 2019, and the "Industry Innovation Award" in 2020 from Nuts, Bolts and Thingamajigs®, a charitable foundation that supports individuals to pursue a career in manufacturing.

Collaboration with U.S. employees

Every year, more than 12,000 employees of Mitsubishi Electric Group companies in the U.S. volunteer in activities to support their local communities. Under the banner of "M.O.V.E. - Mitsubishi Electric Organized Volunteer Efforts," they support special needs schools and food banks, and engage in environmental conservation activities, as their contribution to their local communities.



Food bank support from employee volunteers (Illinois State)

Mitsubishi Electric Thai Foundation

Summary

Established in 1991, the Mitsubishi Electric Thai Foundation (METF) provides support that accords with various needs in Thailand. For example, it offers scholarships to university students, supports the independent management of educational institutions, and provides relief against COVID-19 and drought. METF also focuses on Group-wide volunteer activities in collaboration with philanthropy officers in each Mitsubishi Electric Group company in Thailand.

Example of activities

Since 1993, scholarships have been awarded to students at four engineering universities. They are intended for students who have excellent grades but have difficulties in studying due to economic circumstances, and play an important role in the development of science and technology in Thailand.

In 2020, METF has also started an initiative to support the independent management of educational institutions, and in 2021 a project to support the construction of a reservoir in a village that has suffered severe drought damage.



Growing vegetables at one of our supported educational institutions

Collaboration with Thai employees

In collaboration with local Mitsubishi Electric Group companies in Thailand, METF contributes to local communities through tree-planting activities, Science classroom for elementary school students, and making donations to temples that care for AIDS patients. More than 500 employees and local people participated at maximum at a time, and participants were able to share joy with many people through these activities. In 2017, the Foundation began supporting the "Prateep Dek Thai Project" to build a Child Development Centers in underprivileged areas.



Support for the Prateep Dek Thai project

Example of Overseas Activities by the Mitsubishi Electric Group

As a company globally expanding of our business, Mitsubishi Electric Group carries out activities worldwide to contribute to the realization of a vibrant and sustainable society.



Establish PLC training facility for engineers in a university (Turkey)



Food pantry support activities (U.S.)



Hosting an engineering competition with university students (Vietnam)



Donating garden aids to an elementary school (The Philippines)



Food support to families in need (Brazil)



Tree planting activity (India)



Environmental protection promotion activities (China)



Sponsoring a regional event (lantern festival) (Taiwan)



Distribution of care packs for regions that require support (Singapore)



Online science workshops (Thailand)



Volunteering in the Special Olympics (UK)



Donating backpacks to support education (Columbia)

Data Section (Social)

Personnel Data

Employment Situation

【Non-consolidated】

Category		2017	2018	2019	2020	2021
Full-time employee	Total	34,561 persons	35,203 persons	35,649 persons	36,162 persons	36,700 persons
	Male	31,312 persons	31,820 persons	32,172 persons	32,346 persons	32,701 persons
	Female	3,249 persons	3,383 persons	3,477 persons	3,816 persons	3,999 persons
Temporary staff	Total	7,413 persons	7,202 persons	7,105 persons	6,838 persons	6,682 persons
	Male	—	—	—	4,179 persons	4,092 persons
	Female	—	—	—	2,659 persons	2,590 persons
Average age	Total	40.2 years of age	40.4 years of age	40.5 years of age	40.7 years of age	41.1 years of age
	Male	—	—	—	40.6 years of age	41.0 years of age
	Female	—	—	—	41.2 years of age	41.3 years of age
Average No. of years worked	Total	16.3 years	16.3 years	16.4 years	16.6 years	16.9 years
	Male	—	—	—	16.5 years	16.8 years
	Female	—	—	—	17.2 years	17.1 years
Turnover rate	Total	2.5%	2.2%	2.7%	2.3%	2.7%
	Male	—	—	—	2.2%	2.7%
	Female	—	—	—	2.4%	3.1%
Average annual income	Total	7,924,292 yen	8,169,232 yen	8,069,144 yen	7,963,544 yen	8,067,252 yen

Employment Situation

【Consolidated】 (Unit: No. of people)

Segment	2017	2018	2019	2020	2021
Total	142,340	145,817	146,518	145,653	145,696
Energy & Electric Systems	45,919	46,732	46,852	47,697	47,113
Industrial Automation Systems	32,399	33,480	33,544	32,975	32,692
Information & Communication Systems	15,131	15,185	15,042	13,900	13,818
Electronic Devices	5,588	5,415	5,431	5,323	5,393
Home Appliances	26,000	26,789	27,462	27,545	28,710
Other	12,005	12,716	12,643	12,603	12,329
Common	5,298	5,500	5,544	5,610	5,641

New graduates

【Mitsubishi Electric Group Companies in Japan】 (Unit: No. of people)

		October 2018 and April 2019 (result)	October 2019 and April 2020 (result)	October 2020 and April 2021 (result)	October 2021 and April 2022 (projection)	October 2022 and April 2023 (plan)
Mitsubishi Electric	Engineering positions	690	660	560	500	650
	Sales & administrative positions	240	200	170	200	200
	Technical positions	300	300	210	200	250
Mitsubishi Electric		1,230	1,160	940	900	1,100
Group companies in Japan		1,500	1,500	1,370	1,200	1,550
Total		2,730	2,660	2,310	2,100	2,650

Mid-career Hires

【Mitsubishi Electric Group Companies in Japan】 (Unit: No. of people)

	FY2019 (result)	FY2020 (result)	FY2021 (result)	FY2022 (projection)	FY2023 (plan)
Mitsubishi Electric	650	530	420	400	950
Group companies in Japan	1,000	1,000	660	700	950
Total	1,650	1,530	1,080	1,100	1,900

Changes in the percentage of female employees of all new hires (Mitsubishi Electric)

【Non-consolidated】 (Unit: %)

	FY2019 (result)	FY2020 (result)	FY2021 (result)	FY2022 (result)	FY2023 (projection)
Overall	17.5	15.1	18.8	20.0	23.3
Sales & administrative positions	31.0	31.5	37.0	38.0	44.3
Engineering positions	13.1	9.4	13.4	14.4	15.0

Employment rate of people with disabilities

【Consolidated across three companies*】 (Unit: %)

FY2018	FY2019	FY2020	FY2021	FY2022
2.17	2.23	2.28	2.34	2.39

* Actual average employment rate (consolidated across three companies)
Figures are fiscal year averages.

Starting Salary

【Non-consolidated】

	Monthly wage	Compared to the minimum wage
High school graduate	174,000 yen	104%
Technical high school graduate	197,000 yen	118%
College graduate	227,000 yen	136%
Graduate school graduate	251,000 yen	151%

* Minimum wage is calculated based on the minimum wage for Tokyo Prefecture as of March 2022 (1,041 yen per hour), working 20 8-hour days per month.

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

【Non-consolidated】 (Unit: No. of people)

No. of employees who have taken a leave		FY2018	FY2019	FY2020	FY2021	FY2022
Childcare leave	Men	24	38	66	144	240
	Women	273	302	348	369	394
	Total	297	340	414	513	634
Acquisition rate of leave of absence (%)	Men	1.7%	2.7%	4.5%	9.7%	13.1%
	Women	98%	99%	100%	99%	99%
	Total	18%	20%	23%	28%	28%
Reduced working hours for childcare	Men	11	13	14	13	16
	Women	368	379	392	393	397
	Total	379	392	406	406	413
Reduced working hours during pregnancy	Women	11	20	14	3	11
Family care leave	Men	7	11	7	6	8
	Women	4	7	9	6	7
	Total	11	18	16	12	15
Reduced working hours for family care	Men	4	1	1	4	1
	Women	8	6	20	12	26
	Total	12	7	21	16	27
Prenatal and postnatal absence	Women	182	178	198	204	209
Paternity leave	Men	735	769	861	920	923
Nursing absence	Men	13	20	29	6	19
	Women	15	15	19	20	21
	Total	28	35	48	26	40

Occupational Safety and Health

Frequency of accidents

(Mitsubishi Electric Group (domestic/overseas))

【Mitsubishi Electric Group】 (Unit: No. of people)

		FY2018	FY2019	FY2020	FY2021	FY2022
Fatal accidents	Domestic	0	1	0	1	0
	Overseas	4	1	3	1	0
Frequency rates of industrial accidents (%)		0.1%	0.04%	0.07%	0.04%	0.04%

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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.

Implementation Status of Corporate Governance

Corporate Management Structure

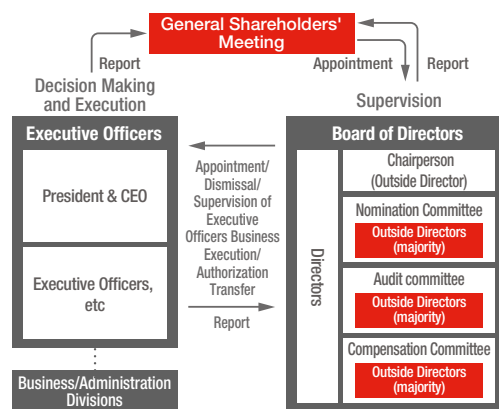
In June 2003, Mitsubishi Electric became a Company with Three-committee System. Key to this structure is the separation of supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company.

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.

Currently, the Chairman of the Board is not selected and the Board of Directors is chaired by Outside Director.

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



Corporate Governance Framework

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.

Upon receipt of the Governance Review Committee's recommendation on improper quality control practices, the Board of Directors will deliberate again on the resolution, including whether or not the decision should be revised.

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.

Tadashi Kawagoishi, a member of the Audit Committee, has long years of experience in the accounting and financial operations of the Company. 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 2022, 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	13 / 13	100%
Director (full-time)	Masahiko Sagawa	13 / 13	100%
Director (full-time)	Takashi Sakamoto	13 / 13	100%
Outside director	Kazunori Watanabe	13 / 13	100%
Outside director	Takashi Oyamada	13 / 13	100%

Notes

1. Out of the above members, Masahiko Sagawa and Takashi Sakamoto are responsible for investigation.
2. Masahiko Sagawa and Takashi Sakamoto retired on June 29, 2022.

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 the Company's 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 the Independent Auditor and validity of results, and evaluation of the Independent Auditor and decision on whether to reappoint it.

Especially in fiscal 2022, the Audit Committee focused on checking and verifying the status of a range of initiatives aimed at enhancing the mid-to-long term corporate value of the Group. These initiatives include: strengthening the management structure, including internal control and compliance systems; strategically allocating management resources and responding to businesses with issues; improving profitability and asset efficiency; strengthening the use of ROIC to ensure capital cost-conscious management; promoting measures for deploying and developing talent; and contributing to the achievement of the SDGs. Furthermore, the Group takes its recent product and service quality, work-related, and information security issues extremely seriously as a top management priority, and is promoting a number of reoccurrence prevention initiatives. With regard to improper quality control practices, the Group set up the Investigative Committee consisting of external experts. At a company-wide level, the committee is investigating the facts and determining the causes, and formulating and implementing measures to prevent any recurrence. The Audit Committee requests each responsible Executive Officer, etc. to report on the status, as appropriate, provides opinions, and follows up on the status of formulation and implementation of measures to prevent recurrence that are being implemented sequentially. In addition, the Company commissioned the Governance Review Committee comprised of external experts to conduct an overall review of the internal control system and the Company's Directors and Executive officers. The Audit Committee will continue to closely monitor ongoing investigations, the identification of causes, and the progress of the formulation and implementation of measures to prevent recurrence, as well as the status of operational improvement of the internal control system. 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 leakage due to unauthorized entry, the Company is working to reinforce comprehensive information security 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 2022, 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

We held a total of 20 Board of Directors meetings in fiscal 2022 and deliberated on the resolutions related to important matters such as basic policies on management, selection of Executive Officers, and internal control system. The Board of Directors also received a report from the executive functions and debated content and progress of this fiscal year's management plan, response progress on management challenges per business, as well as important matters discussed at the Executive Officers' meetings.

As for the series of incidents related to improper quality control practices, we have established an Investigative Committee of external experts and are working on investigation of the facts and determination of the underlying causes at a company-wide level. The Board of Directors has also regularly confirmed the progress of the investigation in the Board of Directors meetings and has been reported and debated various measures to prevent recurrence.

In order to examine whether there are areas for improvement relating to the effectiveness of the Board of Directors, the company requested Board Advisors, Inc., a third-party organization, to assess the effectiveness of the Board of Directors of the company from August to September 2021.

The summary of the assessment method and process of the third-party organization are indicated as follows.

<Assessment methods/processes by the third-party organization>

(1) Assessment methods

- ① Review the minutes of the Board of Directors meetings and other documents
- ② Survey of all Directors
- ③ Interviews with all Directors
- ④ Evaluation based on the expertise of the third-party organization

(2) Target items of Assessment

- ① Composition of the Board of Directors
- ② Support system of the Board of Directors
- ③ Agenda for Meetings of the Board of Directors
- ④ Status of Deliberations at Meetings of the Board of Directors
- ⑤ Contribution of Directors
- ⑥ Activities of the three statutory committees
- ⑦ Monitoring system of the Executives
- ⑧ Response to the improper inspection practices

(3) Assessment process

- ① Conduct an assessment by a third-party organization based on (1) Assessment methods and (2) Target items of assessment
- ② Report on the assessment results on the effectiveness of the Board of Directors based by the third-party organization to the Company's Board of Directors
- ③ The Company's Board of Directors conduct discussions on future actions based on above assessment report

As a result, the third-party organization identified that there is a need for improvement in the effectiveness of the company's Board of Directors in terms of Board functions, Board composition, Board secretariat functions, and the functions of the three statutory committees.

The company reported the results of this assessment of the effectiveness of the Board of Directors by the third party organization to the Board of Directors, and as a result of discussions on future actions among the Board members, the Board of Directors confirmed that it takes the results of this assessment very seriously and have started working on measures to improve the effectiveness.

We will continue reviews of the Board and strive to further improve of the effectiveness of the Board of Directors.

Policies Regarding Decisions on Compensation, etc.

1. Basic Policies

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 Directors and 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. The compensation will be determined by the Compensation Committee based on the following basic policies:

(1) Directors

- (a) The compensation scheme should encourage the Directors to demonstrate their supervisory function of management.
- (b) The compensation should be the amount necessary to secure talent to fulfill responsibilities of the Company's Directors.

(2) Executive Officers

- (a) The compensation scheme should observe the corporate philosophy of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, end employees.
- (b) The compensation should be the amount necessary to secure talent to fulfill responsibilities of the Company's Directors.

(c) The compensation should function as an incentive for sustained performance growth and the improvement of corporate value.

(d) The compensation should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.

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

(1) Directors

The compensation scheme for Directors shall consist exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management from an objective and independent perspective.

(2) Executive Officers

The compensation scheme for Executive Officers shall be as follows, with an emphasis on the improvement of medium-term corporate value and shareholder value.

(a) Basic compensation

Fixed compensation is set in accordance with the roles and responsibilities of each Executive Officer and is paid monthly in cash by dividing the position-based annual standard amount by 12.

(b) Performance-based bonus

The bonus payment amount shall be determined by "Corporate Performance Evaluation" and "Individual Evaluation." The payment amount will fluctuate in the range of 0% to 200% depending on the evaluation results. The amount to be paid to each individual shall be calculated as below and paid in a lump sum in cash after the end of each fiscal year.

[Individual payment amount = Position-based standard amount x (Corporate performance evaluation coefficient + Individual evaluation coefficient) (in the range of 0-200%)]

(c) Performance-based stock compensation (Performance Share Units (PSU))

In principle, the number of shares to be issued as performance-based stock compensation (PSU) varies between 0% and 200%, depending on the comparison result (in percentile) between the Company's TSR (total shareholder return) for the three years and the TSR of a pre-selected group of comparable companies. The comparable companies are selected from domestic and overseas companies in the business areas in which the Company operates. The number of shares to be delivered to each individual is calculated as follows:

[Number of shares delivery to each individual =

Standard PSU points for the position x PSU grant rate (in the range of 0-200%)]

(d) Restricted Stock Units (RSU)

In order to promote continuous shareholding and shareholder value during the term of office, the Restricted Stock Unit (RSU) program shall, in principle, deliver shares, with transfer restrictions, equivalent to the standard amount for the position at the end of each fiscal year. The transfer restrictions shall be lifted at retirement (when the Company's Director or Executive Officers retires from his/her position).

3. Method of Setting Compensation Levels and Compensation Compositions Ratios

The compensation levels and compensation ratios of Directors and Executive Officers are set each year according to their roles and responsibilities based on a comparison with market compensation levels using compensation survey data of external professional organizations. When comparing with market compensation levels, major domestic manufacturers similar to the Company in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.

(1) Directors

The basic compensation levels of Directors are set in consideration of the compensation levels of non-executive internal directors and outside directors of the compensation benchmark companies, their roles and responsibilities, and other factors.

(2) Executive Officers

The compensation, etc. of Executive Directors is set in consideration of the trends in compensation levels of executive officers at the compensation benchmark companies, the management strategy and business environment of the Company, the objectives of incentive compensation and the degree of difficulty in achieving the targets, the roles and responsibilities of the Executive Officer concerned and other relevant factors. Additionally, from the perspective of pay-for-performance, the compensation composition has been set with a higher ratio of incentive compensation to place greater emphasis on the link between performance and the medium- and long-term improvement of corporate value and shareholder value.

4. Compensation Governance

As a Company with a Three-committee system, the Company has set forth the following:

- **The major roles and authority of the Compensation Committee**

The Company's Compensation Committee has the authority to determine the details of compensation, etc. for individual Directors and Executive Officers of the Company. It mainly determines the policies for determining executive compensation etc., the details of compensation, etc. For individual Directors and Executive Officers, company-wide performance evaluations related to the incentive compensation of Executive Officers, and the individual evaluations of Executive Officers. The Compensation Committee is chaired by an Outside Director.

- **Decision-making process and annual schedule**

In the deliberation and determination of the policy for determining executive compensation, etc., the Company's Compensation Committee gathers information and receives advice from compensation consultants from an external professional organization with abundant global experience and knowledge, from the standpoint of ensuring independence of its judgement and enhancing the effectiveness of the roles and authority of the Compensation Committee. The Compensation Committee conducts deliberation and determination based on such information as well as due consideration of the environment and general trends surrounding the compensation for management.

5. Stock ownership guidelines

We believe it is important to ensure that our Executive Officers share the same value with our shareholders on a long-term and sustainable basis. To this end, we require Executive Officers to continuously hold the Company's stock during their term of office, even after the target amount has been reached.

6. Malus and clawback provisions

The Company shall introduce "malus and clawback provisions" so that, in the event of any material misconduct or violation by an Executive Officer, or in the event of any material revision to the financial results of prior fiscal years, the Compensation Committee may, by resolution, demand that such Executive Officer forfeit his/her right to receive incentive compensation (malus) or return his/her paid compensation (clawback). The compensation that may be subjected to those provisions shall be performance-based bonuses to be paid or already paid, points granted before the delivery of shares and shares before the lifting of transfer restrictions, and some or all of the shares already delivered.

Please refer to our annual securities report for the compensation of Directors and Executive Officers.

[Annual securities report](#)

Outside Directors

With the addition of two Outside Directors who have experience in managing a company in the manufacturing industry, the Company now has seven Outside Directors, each of whom has no special interest with the Company. Although companies in which each of the Outside Directors holds office in or has been a director or officer of include those with trading relationships with the Company, no such relationships have an impact on the independence of each relevant Outside Directors based on the scale or nature of such trading, and thus they possess no risk of giving rise to any conflict of interest with the general shareholders of the Company.

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

<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 yen 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 yen 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, 2022)

Name	Title	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2022)
 Mitoji Yabunaka	Outside Director	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 he is also currently serving as Chairman of the Board of Directors, 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 governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (20/20)
 Hiroshi Obayashi	Outside Director	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 he is also currently serving 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 governance, legal affairs and compliance, and human resources and human resources development at the Board of Directors and each Committee.	95% (19/20)
 Kazunori Watanabe	Outside Director	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 he is also currently serving 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 governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (20/20)
 Hiroko Koide	Outside Director	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 she is also currently serving 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, governance, human resources and human resources development, and global affairs at the Board of Directors and each Committee.	100% (20/20)
 Takashi Oyamada	Outside Director	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 he is also currently serving 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, governance, finance and accounting, and human resources and human resources development at the Board of Directors and each Committee.	100% (20/20)

Name	Title	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2022)
 Tatsuro Kosaka	Outside Director	Member of the Nomination Committee Member of the Compensation Committee	Mr. Kosaka's experience and insights as a business specialist cultivated over the course of his career in management of a manufacturing company are highly beneficial to Mitsubishi Electric. 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, governance, global affairs, and engineering, manufacturing and R&D at the Board of Directors and each Committee.	—
 Hiroyuki Yanagi	Outside Director	Member of the Nomination Committee Member of the Compensation Committee	Mr. Yanagi's experience and insights as a business specialist cultivated over the course of his career in management of a manufacturing company are highly beneficial to Mitsubishi Electric. 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, governance, global affairs, and engineering, manufacturing and R&D at the Board of Directors and each Committee.	—

Note: Mitsubishi Electric Corporation held twenty Board of Directors meetings during fiscal 2022.

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

Compliance Motto – "Always Act with Integrity"

Always Act with Integrity

いかなるときも「誠実さ」を貫く

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](#)



Mitsubishi Electric Group Code of Conduct



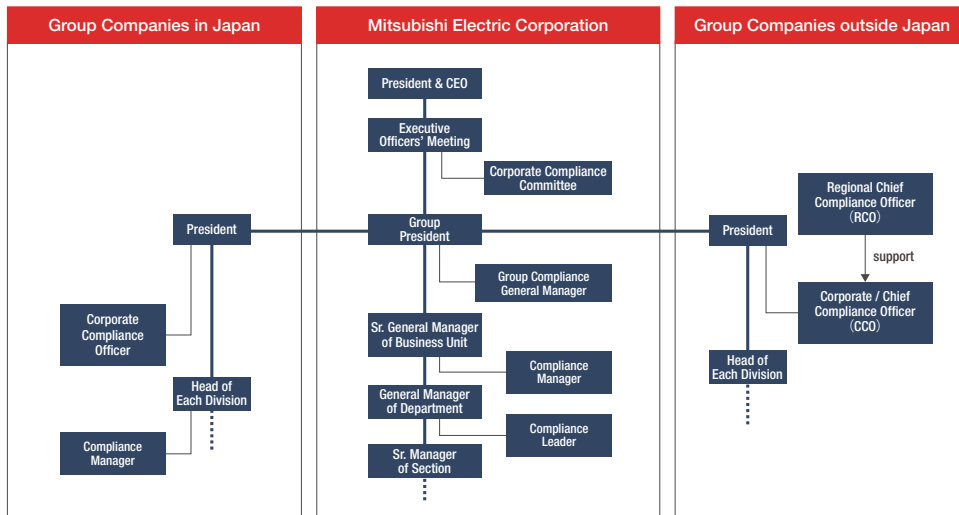
Meeting of compliance managers in the Asia region



Working-level conference on compliance in the China region

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

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 CEO, 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

- [English version](#)
- [Simplified Chinese version](#)
- [Traditional Chinese version](#)
- [Thai version](#)
- [Other languages](#)

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, and the distribution of manuals. 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. Officers and employees in all countries in which we operate take part in an educational program concerning the major relevant laws and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. In fiscal 2022, as many as 131,306 officers and employees (including contract employees, temporary employees, part-time employees, short-term workers, etc.) 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 2022, though workshops faced various restrictions due to the influence of COVID-19, Mitsubishi Electric's Corporate Legal & Compliance Division aggressively conducted online workshops and conducted 111 compliance-related workshops within the Group, in which a cumulative total of 10,018 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 (participants in fiscal 2022: 51,901), we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on antitrust 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 AntiBribery Policy" that was established on April 1, 2017 reiterates to people in and outside the Group our policy that, among other things, our Group companies, their officers and employees do not offer bribes and do not pursue profits that can be realized only by offering bribes.

Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery. We also work to prevent the occurrence of partners offering bribes by conducting pre-screenings to check for the risk of bribery before entering into new transactions with partners, including agencies, consultants, agents, and distributors, as well as by prescribing a strict antibribery provision in any agreements to be concluded.

In addition, we provide training to directors, officers and employees of Mitsubishi Electric and its affiliates in Japan 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 2022: 39,951). We also provide training to prevent bribery in our overseas offices in the combined form of e-learning programs and face-to-face training according to the characteristics of the respective region.

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.

Note that there were no incidents where a fine, penalty, etc. relating to bribery was imposed.

[English version](#)

[Chinese version](#)

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 2022, in Japan we provided e-learning courses that 38,726 Mitsubishi Electric employees and 27,341 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 antisocial 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 provides Integrated Solutions in diverse sectors across its four business areas of Infrastructure, Industry and Mobility, Life, and Business Platform. Moreover, the Group operates these businesses not only in Japan but overseas, such as in North America, Europe and Asia. To fulfil its responsibility to all stakeholders beginning with society, customers, shareholders, suppliers, and employees, and to realize sustainability, the Group manages business-related risks in an appropriate manner. Specifically, the framework incorporates risk management into business activities whereby 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. For new risks, such as human rights, demand for decarbonization, geopolitical risks, and game-changing trends in the future, we will respond in an effective manner through cross organizational and flexible team behavior.

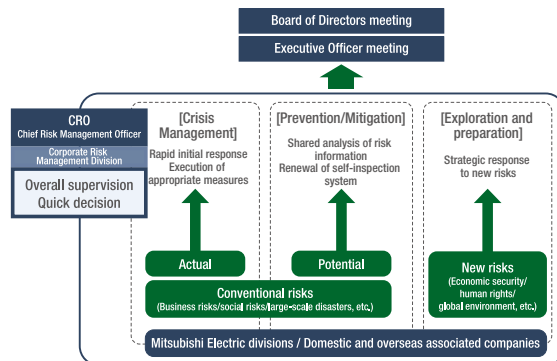
Risk Management Framework

Risk management is implemented independently by each division and by domestic and overseas associated companies. In addition, the Group has established a CRO*¹ and a Corporate Risk Management Division*² to supervise the entire Group and has also built a framework to enable quick decision making. The Group addresses not only conventional risks such as large-scale disasters and social risks, but also promotes agile and strategic exploration of and preparation for new risks such as economic security, human rights, and the global environment.

In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officer meetings.

*1 Chief Risk Management Officer (Established in January 2022)

*2 Established in January 2022



Risk management framework (Mitsubishi Electric Group)

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

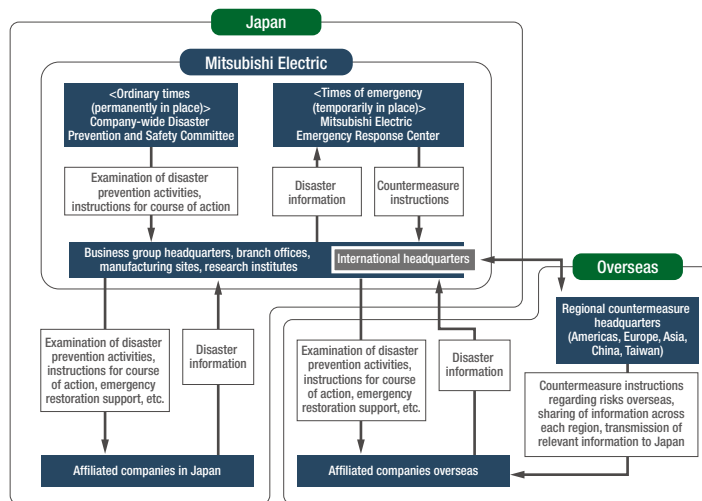
Development of a Response Framework for Large-scale Disasters

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

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 2023, the Committee will roll out a Group-wide mechanism that enables a system to be developed step by step in order to improve the effectiveness of the BCPs by visualizing the progress of the effort.

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.

Each office and affiliated company in Japan and overseas where the BCP has been established reviews it and upgrades countermeasures every year so that the BCP once developed will not turn into a mere formality.

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 (Power 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 Security 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 2022, in order to cope with COVID-19 that spread globally, we implemented measures as in the previous fiscal year, 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. Particularly, in response to the delta variant of COVID-19 that spread from spring to summer, we urged many employees on assignment in India, Malaysia, and other Asian countries to return home temporarily. At the moment, operations are 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 permitted under specific conditions.

Regarding the invasion of Ukraine by Russia, though we do not have a site in Ukraine, we do have one in Moscow and so we urged our expatriate workers residing in Moscow to return home at an early stage as a safety precaution.

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

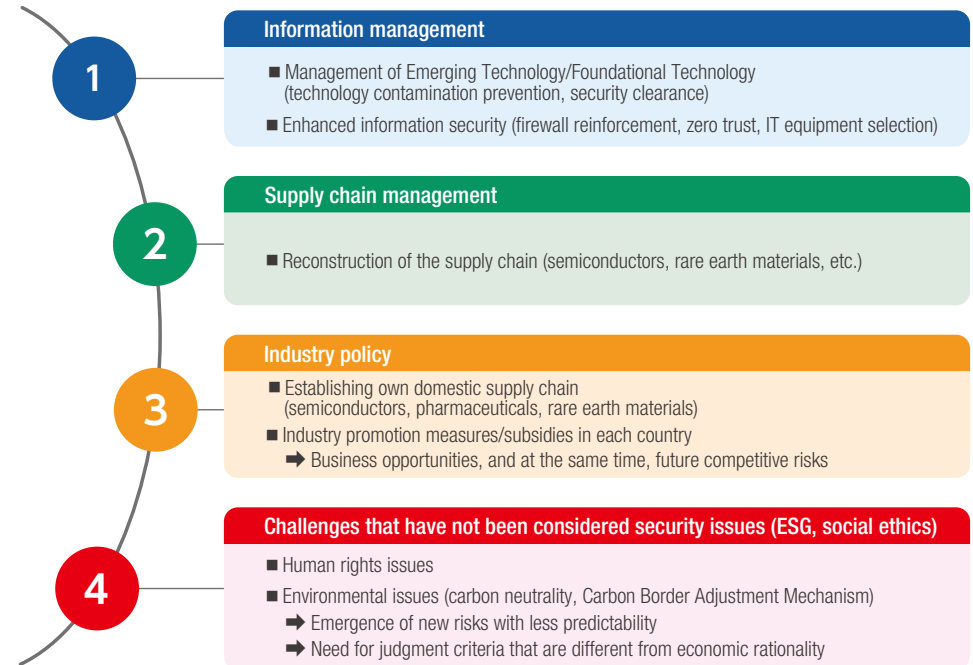
In recent years, as seen in the competition for dominance in technology between the U.S. and China, more countries are introducing their unique systems that are beyond the conventional rules of the international economy within investment, procurement, development, human resources, network, data management, and so on. The definitions of these systems are vague and some systems provide for extraterritorial application. As such, it is necessary to comprehensively read and understand the background and intention of these systems and to implement risk management to take necessary control measures, rather than simply complying with individual regulations as before.

Meanwhile, with respect to initiatives for human rights and environmental issues that have not been regarded as major economic activities before, countries in Europe and elsewhere are actively acquiring new markets through the creation of rules to assess these initiatives. In these areas, soft-laws-like norms created by non-government organizations and non-profit organizations often substantially restrict corporate activities before “hard” laws and other rules are established. As such, instead of waiting for rules to be created, it is important in terms of risk management to appropriately grasp trends and respond to them at an early stage, including actions to get involved in rule creation.

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 management from a perspective of comprehensive economic security as it relates to companywide information management, supply chains, industry policies, ESG, and social ethics.

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.

The four aspects of economic security considered by Mitsubishi Electric



Our Approach to Information Security

Basic Policy

In order to prevent the recurrence of a data leak incident caused by unauthorized system access, the Mitsubishi Electric Group will continue to strengthen its information management and utilization systems and other functions, and it will strengthen its security measures for cyberattacks. As a specific target, we will aim to achieve level 3 or higher in the Cybersecurity Maturity Model Certification (CMMC).*

Mitsubishi Electric manages information entrusted to the company by its customers and stakeholders and confidential corporate information relating to sales, engineering, intellectual property, and other areas. This management 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 further within the Mitsubishi Electric Group and strive to protect and manage information even more carefully.

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

For details on the Declaration of Confidential Corporate Information Security Management, refer to the Information Security Report.

[Information Security Report](#)

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. Since 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 cybersecurity measures and establish sustainable information security management system so that we can achieve Level 3 or higher 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 the Computer Security Incident Response Team (CSIRT) established in each business group and office that 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.

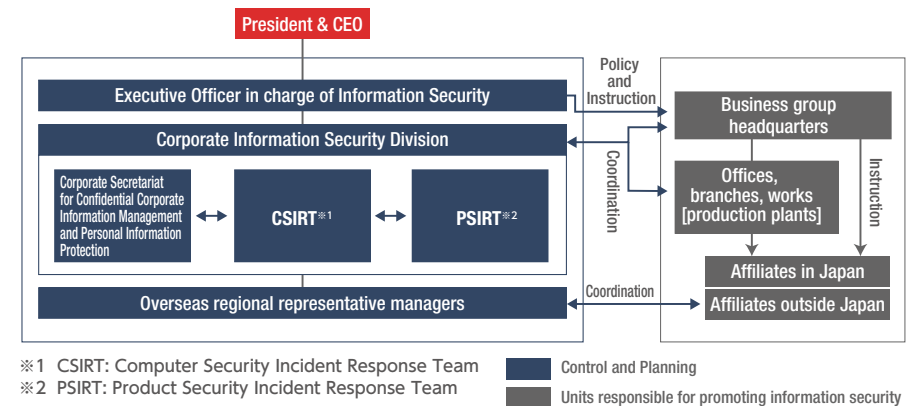
In addition, as part of PSIRT activities*1 to promote product security measures, we were accredited as a CNA*2 in November 2020 and we now assign CVE IDs*3 to vulnerabilities that affect Mitsubishi Electric products and publish them by ourselves. This has strengthened a framework to practice efficient vulnerability handling with external stakeholders. Identified vulnerabilities are reported, instructions are given in keeping with this framework, and appropriate response is 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 PSIRT is an abbreviation for Product Security Incident Response Team, which works on the security quality of products and services.

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

*3 Internationally used vulnerability identifiers



Framework (Mitsubishi Electric Group)

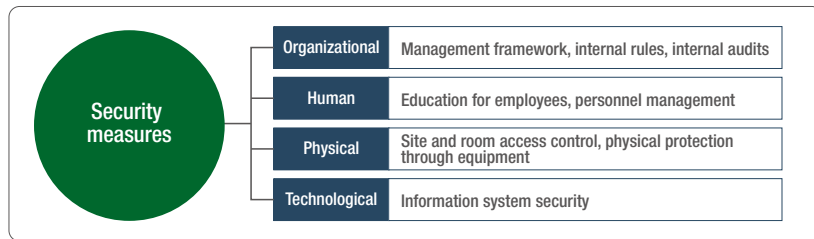
Global Activities

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.

Information Security Management

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, taking the external environment into consideration, including the handling of personal data overseas.



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.

Information Security Regulations and Guidelines

Item	Basic regulations
Security measures	Organizational security measures : Regulations on confidential corporate information security management Personal data protection guidelines
	Human security measures : Regulations on the work of employees
	Physical security measures : Physical security guidelines
	Technological security measures : 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.

Information Security Education

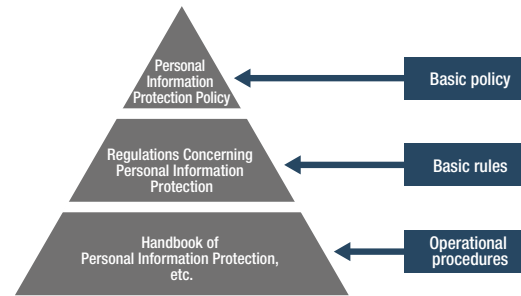
Mitsubishi Electric fosters a corporate culture that enforces the proper handling of confidential corporate information and personal information. We provide education programs to enable employees to ensure the implementation of specific security control measures, such as the server storage and encryption of files according to security levels.

Specifically, information security education is provided to all employees in the form of e-learning to disseminate thorough knowledge of the security control measures (organizational, human, physical, and technical) that they should be aware of. This education is provided in response to the rapid increase in telework and to changes in the business environment and business models based on the growing use of cloud services, as well as in line with the roles that are expected of them at each career stage. In addition, Mitsubishi Electric regularly conducts exercises to verify that employees know how to handle spoofed e-mails.

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 April 2022.



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) and China's Personal Information Protection Law

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 with China's Personal Information Protection Law enforced on November 1, 2021, and the Group is taking appropriate measures.

Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses as they are growing increasingly sophisticated and diverse year-by-year. The Mitsubishi Electric Group is centrally managing the network, devices, and servers (cloud) and working to implement a multilayered defense which is based on the concept of zero-trust security* as countermeasures for cyber-attacks that are growing increasingly sophisticated and diverse, along with the wider use of cloud services and the wider adoption of teleworking. A multilayered defense lets us protect ourselves from cyber-attacks, detect suspicious signs and intrusions, and put in place a system to respond immediately should an incident occur, to prevent or minimize damage.

In addition, we have implemented multi-factor authentication that supports operations being conducted through access from offices, teleworking sites, and business trip destinations, and we manage authentication in a centralized manner. 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 a high security level.

* Concept of not giving trust to anything either inside or outside of the company, and testing and authorizing all communication attempts.

Leaks of data due to unauthorized system access

Regrettably, another data leak incident at our affiliate 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 FY2021 and today in October 2021.

On October 8, 2021, Mitsubishi Electric detected unusual access from overseas and it was confirmed that the some domestic customer information at our affiliate company was leaked from the company on October 15, 2021. The incident was reported to the customers individually and they confirmed no impact from the incident. We cut off the exploited communication channel and issued a report to the relevant authorities.

Although we have already implemented emergency measures for both devices and servers to prevent recurrence, we believe we need to develop a multilayered defense at a higher level to protect ourselves from targeted attacks that use sophisticated and diverse approaches. Mitsubishi Electric strengthens the monitoring of the cloud service that was accessed illicitly and accelerates the implementation of zero-trust security measures to ensure the prevention of recurrence. 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, authentication platforms, including multi-factor authentication, and monitoring. Going forward, we will continuously work to strengthen security in coordination with relevant authorities. As for measures, we will introduce the concept of central management and work to ensure consistent security measures.

[News Release: Leaks of data due to unauthorized system access \(Oct. 22, 2021\)](#)
(in Japanese text)

Initiatives Regarding Security Quality of Products and Services

Mitsubishi Electric reinforced its initiatives with the establishment of the Mitsubishi Electric Product Security Incident Response Team (PSIRT) as an internal framework to handle the security quality of products and services.

The following are Mitsubishi Electric PSIRT's roles:

- Gather information on vulnerabilities in products and services provided to customers
- Respond swiftly to vulnerabilities discovered in cooperation with product design and production departments and service management departments
- Strengthen and promote technical initiatives to preclude vulnerabilities from the stage of product and service development
- Provide necessary security training to all officers and employees concerned with product and service development
- Disclose vulnerability information and measures to customers

Mitsubishi Electric has appointed PSIRT managers to each business group headquarters and works to handle any problems and drive risk reduction as persons responsible for product and service security. We have also established a corporate PSIRT in the Corporate Total Productivity Management & Environmental Programs Group to provide overall supervision and work to increase the security quality of products and services.

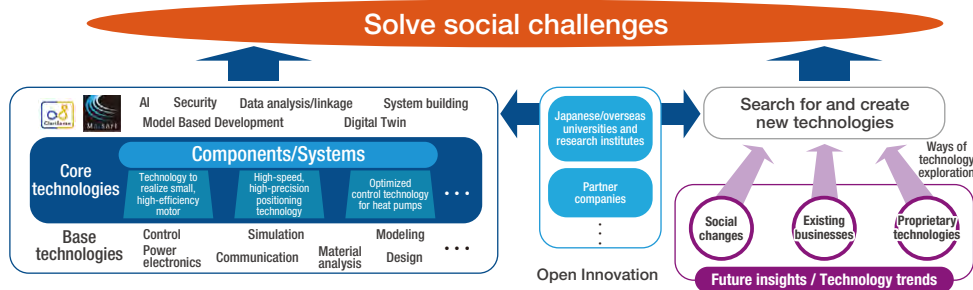
Third-Party Certification

Mitsubishi Electric and affiliates in Japan promote holding third-party assessments and gaining third-party certification on information security.

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 transform our existing businesses and promote the creation of new value, in order to solve a variety of social challenges through the use of advanced technologies and contribute to the realization of a sustainable society. We thoroughly enhance core technologies that drive increased profitability, continuously deepen fundamental technologies such as AI, and investigate and create new technologies aimed at realizing a decarbonized society and other achievements. 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 2022, the total R&D expenses for the entire Group have amounted to 195.1 billion yen (2% increase compared to the previous fiscal year).



Major R&D Achievements in Fiscal 2022

The SUSTIE Net Zero-energy Building (ZEB) Test Facility Achieves “ZEB” Certification in its Operational Phase

The SUSTIE ZEB*1 test facility, which was completed at the Company’s Information Technology R&D Center in 2020, retained its energy consumption at less than 0% in its first full year of operation by producing more energy than it consumed, thereby achieving the criteria for “ZEB”*2 certification. A building equipment operation plan that keeps the building comfortable while minimizing energy consumption is automatically generated, through the combined use of technologies simulating the operating status of building equipment such as air conditioning and lighting, as well as the state of the offices such as temperature and brightness, and Maisart*3 AI technology. Through this development, the Company achieved ZEB-level operation in an urban location with limited premise area, while maintaining a highly comfortable and productive work environment. The Company will use this case example to further promote the popularization of “ZEB” and contribute to carbon neutrality.

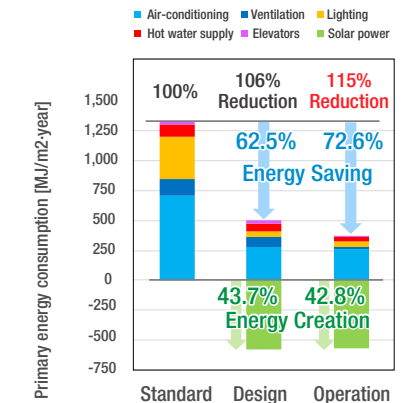
*1 ZEB: net Zero Energy Building

*2 “ZEB”: Certification given to buildings with zero or less net primary energy consumption on an annual basis. The “ZEB” is the highest of the ZEB evaluation rankings. SUSTIE is Japan’s first mid-sized office building to meet the criteria for “ZEB” certification (as of August 7, 2019, according to internal research)

*3 Mitsubishi Electric’s AI creates the State-of-the-ART in technology: Mitsubishi Electric’s AI technology brand aimed at making every device smarter



SUSTIE ZEB test facility



Annual primary energy

Achieved “ZEB” certification in just one year of operation since completion, promoting future ZEB construction

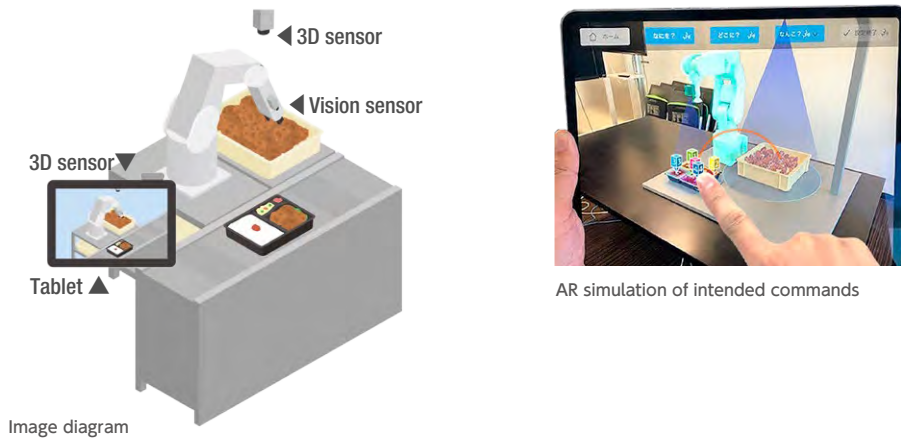
Development of “Teaching-less Robot System Technology” that Facilitates Introduction of Robots

A decrease in the working population due to the declining birthrate and aging population is causing especially prominent personnel shortages in food factories, logistics centers, and other facilities. The Company has developed technologies for operating robots without the need for specialized knowledge by using the industry’s first*¹ spoken operating instructions or simple item selections, technologies for performing visual confirmation using 3D sensor measurement information and AR,*² and technologies for automatically optimizing robot movements, enabling them to perform tasks as fast as humans.

These technologies will promote the automation of processes that had difficulty in introducing robots, such as dishing up ingredients in food-processing plants where the menu changes frequently, and sorting in logistics centers. Through these technologies, the Company will contribute to the unmanned operations in factories.

*¹ As of February 28, 2022, for measures provided by industrial robot manufacturers for issuing work instructions (according to internal research).

*² AR: Augmented Reality



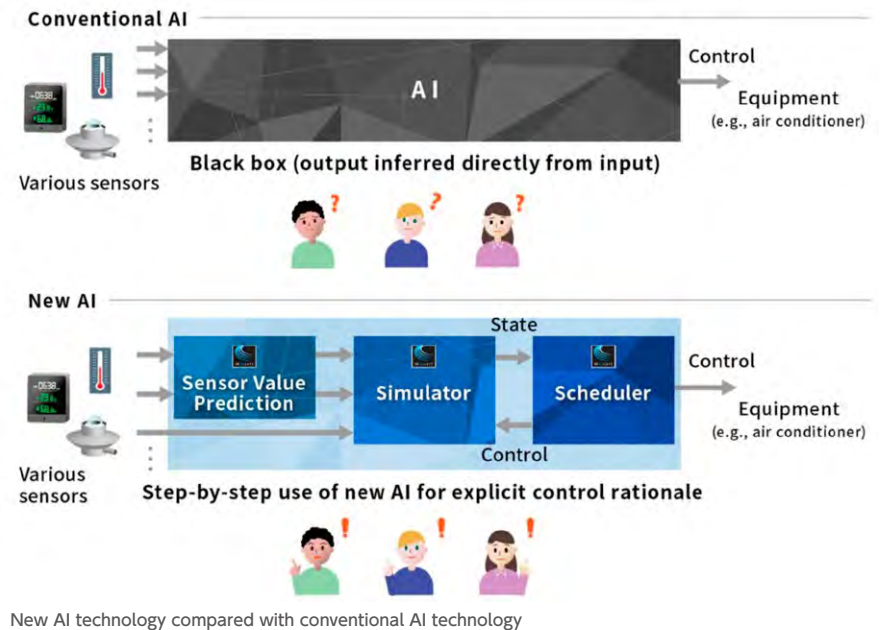
Promoting the automation of processes that had difficulty in introducing robots, thereby contributing to the unmanned operation of plants

Teaching-less Robot System Technology

Development of AI Technology that Clarifies its own Control Rationale

The inference processes used by AI technologies are black boxes and often difficult to understand. This presents major difficulties when applying them to the control field, where reliability and explicability are vital. This newly developed technology* eliminates black boxes by splitting up the AI inference processes step-by-step, into a step in which the AI predicts from the current sensor detection value the future sensor detection value based on past data, etc., a step in which AI is used to simulate the future state based on the predicted sensor detection value, and a step in which an equipment control schedule is set based on the simulation results. Not only does this allow people to understand the control rationale of the AI, it also enables early maintenance and rapid recovery, contributing to the realization of a society in which people can feel secure using AI.

* Developed jointly with the National Institute of Physical and Chemical Research (RIKEN)



Contributing to the realization of a society in which people can feel secure using AI by clarifying its control rationale

AI technology that clarifies its own control rationale

Intellectual Property

Protection of Intellectual Property Rights

Basic Policy

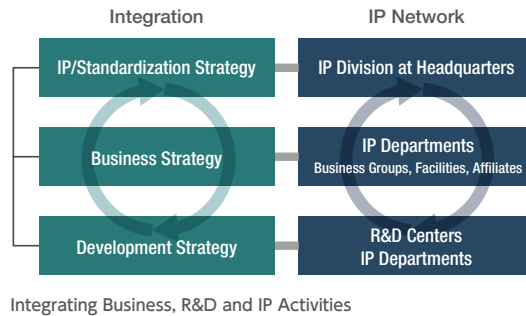
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

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. 1 in Japan in terms of the number of patent registrations (in 2021) announced by the Japan Patent Office (JPO), and No. 5 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2021) 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, 2021 (WIPO, PCT Yearly Review)

Rank	Applicant	Country	No. of applications
1	Huawei	China	6,952
2	Qualcomm	USA	3,931
3	SAMSUNG	South Korea	3,041
4	LG	South Korea	2,885
5	Mitsubishi Electric	Japan	2,673

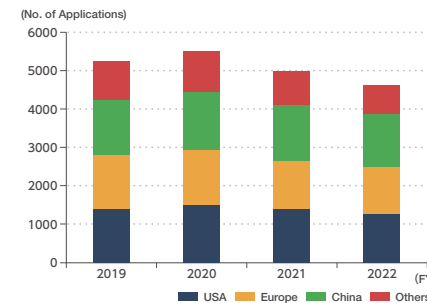
(WIPO)

No. of patent registrations in 2021(Japan)

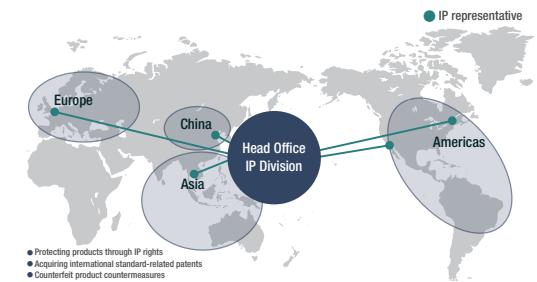
Rank	Applicant	No. of patents
1	Mitsubishi Electric	3,494
2	Toyota Motor	3,389
3	Canon	3,134
4	Panasonic	2,706
5	DENSO	1,650

(JPO)

Annual Trends in Overseas Patent Applications by the Mitsubishi Electric*



Further Strengthening Global IP Capabilities



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

IP Strategy for International Standardization

In order to expand business in global markets, the Mitsubishi Electric Group is actively promoting international standardization. Activities to acquire patents that support international standards (e.g., standard essential patents) are openly promoted. As the member of an organization in which patent pools for Digital Broadcasting, MPEG, HEVC, DVD, Blu-ray Disc™* and Mobile communications collectively control standard essential patents, the IP revenues obtained through the organization are contributing to improvement and

growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share. In the field of 5G mobile communication systems, which are expected to proliferate in the future, we are not only involved in activities to acquire standard-essential patents, but also leveraging our technologies to promote IP activities that make our products even better.

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

[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 patent search 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.

Open Technology Bank Activity

In order to realize a sustainable future, Mitsubishi Electric launched activities of the Open Technology Bank, which promotes internal and external collaborations based on intellectual property in fiscal 2022. In the past, the primary use of intellectual property was for competition between companies (monopolizing their use, preventing imitation, and exercising rights in relation to other companies); however, going forward, the Company will actively use intellectual property as tools for promoting collaborative creation.

Promoting external collaboration

The Mitsubishi Electric Group has a wealth of proprietary technology assets (patents, knowledge, etc.) in a wide range of areas, from home to outer space. The Open Technology Bank activities aim to create new value and businesses through combining and multiplying Mitsubishi Electric's technologies with partner companies' technologies and ideas. This is achieved through efforts to support partner companies in developing new products and services by granting licenses for Mitsubishi Electric's technology assets that contribute to solving diverse social challenges. Through these actions of taking its technologies that contribute to solving various challenges including the realization of a decarbonized society and preparation for natural disasters, and granting licenses for these technologies to various industry sectors and fields, Mitsubishi Electric actively promotes co-creation with external parties based on intellectual properties, and thereby contributes to the realization of a sustainable future.



Open Technology Bank Activities
— Promoting external collaboration —

Strengthening internal collaboration

As a result of its active intellectual property activities, the Mitsubishi Electric Group is maintaining a high level in number of patent applications and registrations both in Japan and overseas. On the other hand, the execution of each patent is closed within the works that filed the relevant patent in many cases, and patented technologies have not fully been rolled out internally. As such, we internally released a technology map that classifies and visualizes our patents with a focus on technology and social challenges in an attempt to promote the utilization of technologies beyond division boundaries and to create synergy as a comprehensive electrical and electronics manufacturer. This map is designed to allow people to reference summaries of each patent, the division and name of the inventor, as well as other details. This reference information will promote internal collaboration across department boundaries.

[Open Technology Bank \(in Japanese text\)](#)

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 website 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 are also preparing an environment for live streaming the general shareholders' meeting and accepting questions in advance, so that shareholders who have difficulty in visiting the venue on the day can watch the general shareholders' meeting and ask questions.

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 2022

In light of the situation where it is difficult to engage with investors face-to-face, we utilized online and telephone conference systems to hold presentations concerning corporate strategies, financial results, business strategies, and many other matters, and organize individual meetings, thereby interacting with an increasing number of shareholders and investors. We also enhanced the tools to communicate with shareholders and investors by providing various presentations as on demand videos and by posting overviews of question and answer sessions on our official website.

[Investor Relations website](#)

Sustainability Report 2022

<https://www.mitsubishielectric.com/en/sustainability/index.page>



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