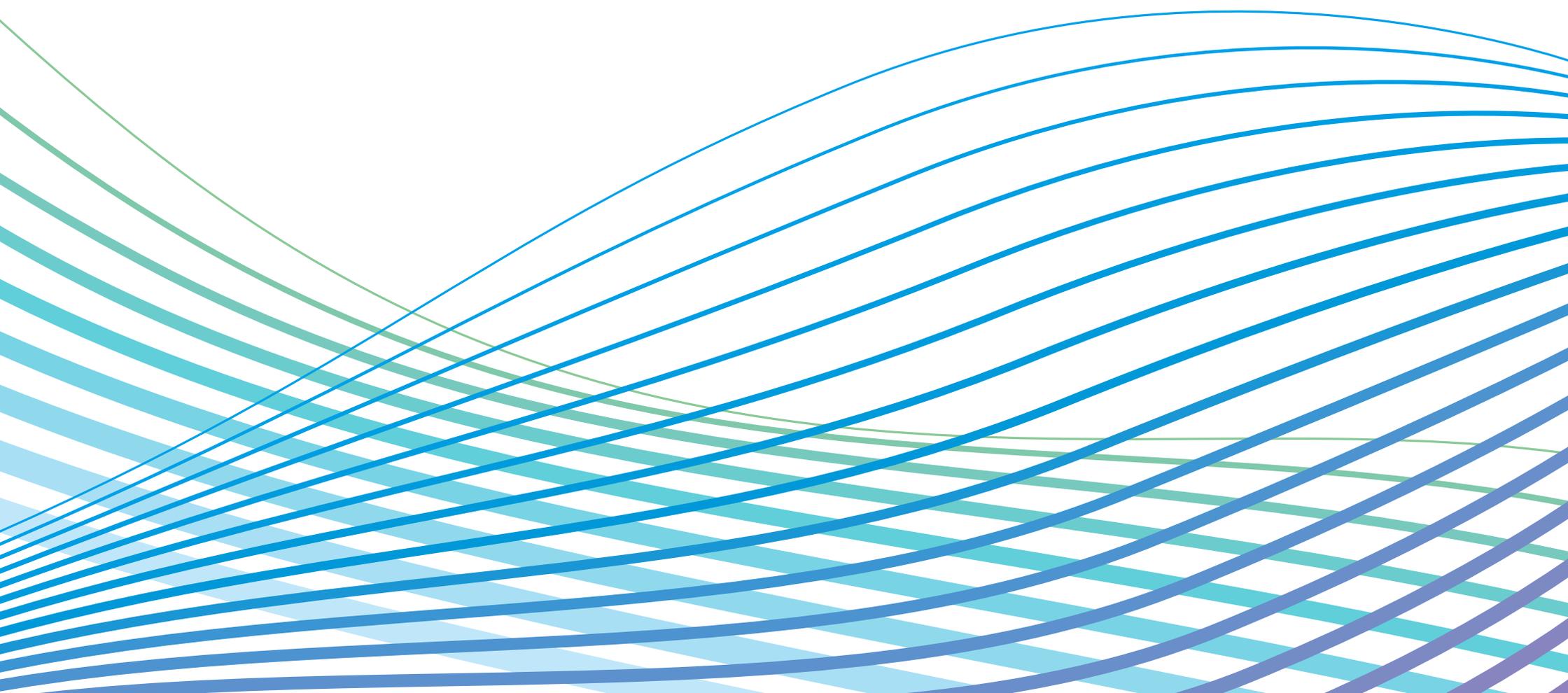


Sustainability Report 2021



Contents

■ Contents/About the Report	1	■ Environment	47
■ About Mitsubishi Electric Group	3	Environmental Sustainability Vision	47
Corporate Data/Financial Results	3	Strategy for Climate Change	50
Global Operations	4	The Structure of Our Environmental Management System	57
Mitsubishi Electric's Business Segments	5	Environmental Plan	60
Corporate Principle/Management Policy/Strategy	7	Environmental Considerations for Value Chain Management	63
■ President's Message	9	Biodiversity Preservation Activities	75
■ Message from the Executive Officer Responsible for sustainability...	10	Environmental data	79
■ Response to Incidents Related to Quality	12	Policy/Communication	83
■ Sustainability at Mitsubishi Electric Group	13	■ Social	85
Initiatives to Create Value	13	Quality	85
Materiality	14	Human rights	95
Initiatives that Contribute to Addressing Social Issues	17	Labor practices	99
Sustainability management	28	Supply chain management	117
Communication with stakeholders	41	Philanthropic activities	124
		■ Governance	130
		Corporate governance	130
		Compliance	135
		Tax policy	139
		Risk management	140
		Our approach to information security	143
		Research and Development	149
		Intellectual property	150
		Communication with shareholders and investors	152

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 2021 (year ending March 31, 2021). Based on the PDCA (plan-do-check-act) approach, in reporting our activities, we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues. Especially regarding our responses to incidents that caused stakeholders to worry and be troubled, we endeavored to report the progress of our efforts.

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

Structure of the Report

Aiming to fulfill our responsibility of presenting information to the public, the report discloses information on our sustainability management initiatives and other activities with regard to the environment, society, and governance.

Period Covered by the Report

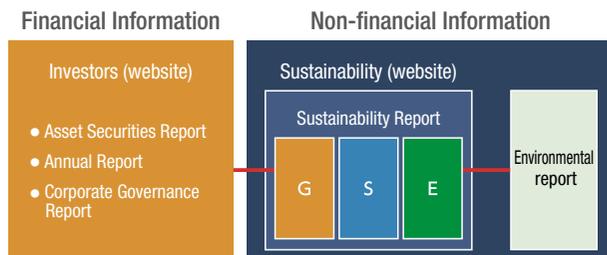
April 1, 2020 – March 31, 2021

* Also includes some information on policies, targets, and plans for fiscal 2022 and thereafter.

Scope of the Report

Social Aspects	Primarily covers activities of Mitsubishi Electric Corporation *The range of data compiled is noted individually.
Environmental Aspects	Primarily covers performance of Mitsubishi Electric Corporation and its major affiliates (Japan(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.

Investors



Overview of Sustainability-related information disclosure

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, 2021)

President & CEO:	Kei Uruma (Inaugurated on July 28, 2021)
Phone:	+81 (3) 3218-2111
Established:	January 15, 1921
Paid-in Capital:	¥175,820 million
Shares Issued:	2,147,201,551 shares
Consolidated Revenue:	¥4,191,433 million
Consolidated Total Assets:	¥4,797,921 million
Employees:	145,653

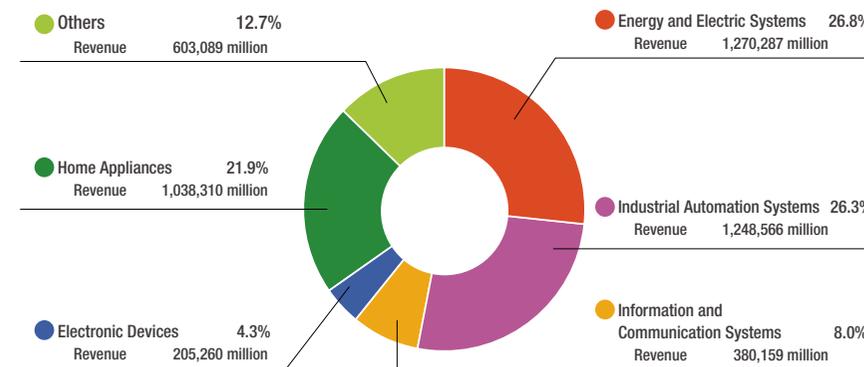
Financial Results

Performance for the Year Ended March 31, 2021

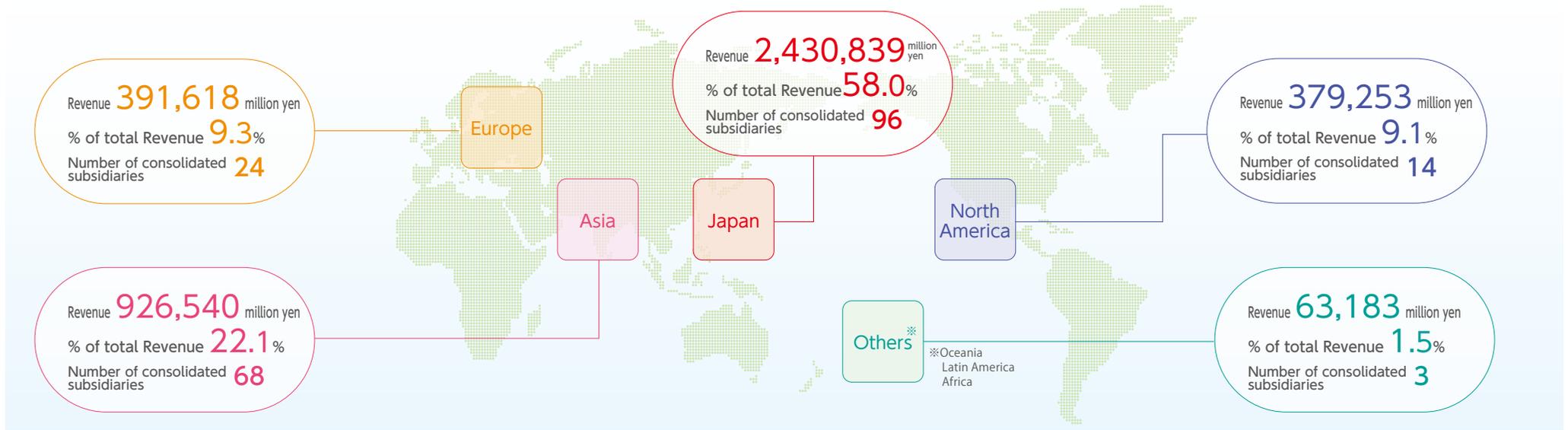
	2020	2021
Revenue	¥4,462,509	¥4,191,433
Operating profit	259,661	230,195
Net profit attributable to Mitsubishi Electric Corp. stockholders	221,834	193,132
Total assets	4,409,771	4,797,921
Bonds and borrowings	267,008	248,897
Mitsubishi Electric Corp. stockholders' equity	2,429,743	2,754,293
Capital expenditure (Based on the recognized value of property, plant and equipment)	227,450	180,033
R&D expenditures	206,846	190,574
Yen (millions)		
Per share Amounts:		
Earnings per share attributable to Mitsubishi Electric Corp. stockholders		
Basic	¥103.41	¥90.03
Diluted	103.41	90.03
Cash dividends declared	40	36
%		
Statistical Information		
Operating profit ratio	5.8%	5.5%
Return on equity (ROE)	9.2	7.5
Bonds and borrowings to total assets	6.1	5.2

- The consolidated financial statements are prepared in accordance with International Financial Reporting Standards.
- 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



Global Operations



Mitsubishi Electric's Response to COVID-19

Mitsubishi Electric expresses its deepest sympathies and sincerest condolences to anyone who lost a family member, colleague or friend to the novel coronavirus (COVID-19). The company also expresses its sincere gratitude and respect to everyone working to prevent the spread of disease.

The company 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.

The company 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.

1. Work arrangements

In parts of Japan where states of emergency have been declared, national and local governments have asked companies to implement measures such as reducing the number of employees in the workplace by 70% using remote work. In response, we have been striving to ensure at least 70% employees who are able to work remotely actually do work from home. In other regions of Japan, for business tasks that can be performed from home without a problem, staff are working from home. For work that is best performed in the office, Mitsubishi Electric is implementing thorough infection prevention measures to support staff who come into the office.

As of June 9, 2021: The head office has reduced the number of employees in the workplace by 69%.

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

2. Infection prevention measures

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

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. With the growing demand for clean energy, Mitsubishi Electric is also actively developing new energy businesses, including smart grid-related products & solutions.

- Main products**
- Turbine generators
 - 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
 - Applied Superconductor products
 - Power ICT solutions

Transportation Systems



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

We developed an 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 were the first in the world to produce an electric power steering system and today many of our products hold a leading market share globally, enabling us to support the creation of safer, more secure, and more comfortable cars. We are helping make safer, more secure cars, by reflecting the various needs of the automobile society to automotive equipments, such as electric vehicles, hybrid electric vehicles, or automated cars.

- Main products**
- Electrification components
 - ADAS products
 - Electric power steering system products
 - Engine management products
 - Charging & Starting products
 - Car multimedia 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 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 semiconductors devices are used in a truly wide range of fields, including home products, industrial equipment, electric vehicles, power control systems for traction, motor control systems, wind turbines, and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

Main products

- Power semiconductors 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

- LCD TVs
- 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

Corporate Strategy

Corporate Principle

On the occasion of the Mitsubishi Electric Group's 100th anniversary, the company has revised its corporate philosophy system to update the Group's reason for existence as well as the core values and attitude that all employees are asked to embrace and cherish in serving customers and society as a whole. This new system consists of three elements: Purpose, Our Values, and Commitment. We are resolved to become a group company that can meet the demands of the times and is trusted by our stakeholders over the next 100 years.

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><i>Changes for the Better</i></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>

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.

- Growth**
 - Enhance business portfolio strategy (invest management resources in Key Growth Businesses, shift resources)
 - Sustainable growth through providing solutions to social challenges (decarbonization solutions, etc.)
 - Technology synergies / business synergies
 - Agile response to changes in business environment
- Profitability Efficiency**
 - Enhance capital efficiency, strengthen management structure
 - Efforts to achieve net-zero greenhouse gas emission
 - Create a stronger business foundation
- Soundness**
 - Maintain sound financial standing
 - Realize a sustainable global environment
 - Strengthen corporate communication
 - Thoroughly promote transformation of workplace culture (quality, diversity, security, etc.)
 - Strengthen corporate governance and compliance on an ongoing basis
- Sustainability**
 - Contribute to realizing sustainability through all of our activities

Greater Corporate Value (Economic value & social value)

- Pursue the Satisfaction of the four Stakeholder Categories
 - Society**: Social Contributions
 - Customers**: Excellent Products and Services
 - Shareholders**: Increase Corporate Value
 - Employees**: Rewarding Workplace
- Materiality to realize sustainability
 - Provide solutions to social issues through our business
 - Realize a sustainable global environment
 - Realize a safe, secure, and comfortable society
 - Strengthen our business foundation to enable our sustainable growth
 - Respect for all people
 - Strengthen corporate governance and compliance on a sustainable basis
 - Create a sustainability-oriented corporate culture

Strategy

Provide Integrated Solutions to address diversifying social challenges, in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities inside and outside of the Group. For this purpose, we will enhance our business foundation fostered over the past 100 years*1 and further transform business models.

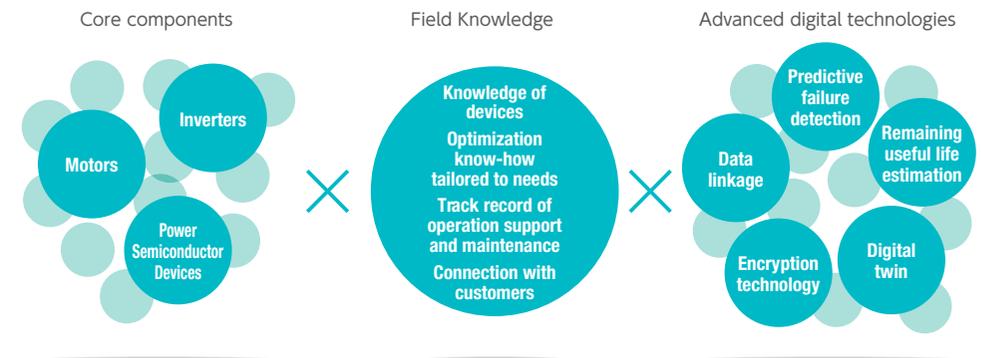
*1 connection with customers, technologies, personnel, products, corporate culture, etc.



**2 Quality of Life

Integrated Solutions

The Mitsubishi Electric Group's Integrated Solutions are offerings that only we can provide, and we do so by combining our strong core components with a wealth of Field Knowledge and advanced digital technologies.



Enhancement of Business Foundation

(1) Operation DX

In April 2021, Process & Operation Re-engineering Group has been established. It serves at the core of operations to optimize the Mitsubishi Electric Group as a whole by revamping operational processes, and promoting Operation DX through streamlining operations and improving productivity utilizing data and digital technologies.

(2) Global Response

Strengthen supply and engineering chains globally. Quickly detect and analyze changes in the global political and economic environment in order to respond with agility.

- Strengthen our global business structure
- Build a supply chain that can flexibly respond to various changes
- Strengthen the launch of overseas business models
- Establish Corporate Economic Security Div.

(3) Optimal Group Management System

Pursue an optimal group management system by strengthening the functions and reviewing the division of roles of affiliated companies in each value chain.

Design

Develop structures and strengthen the development capability of S/W design companies that can accommodate the enhancement of Key Growth Businesses and the expansion of Integrated Solutions (improve productivity, increase personnel, incorporate new technology, etc.).

Logistics

Develop a logistics system with the option of concluding strategic partnerships with global logistics companies, and rapidly respond to changes in the logistics environment and improve efficiency by introducing an advanced platform.

Maintenance & Service

Enhance our recurring revenue business by taking advantage of connection with customers, establish a business structure that maximizes lifetime profits, and create new business opportunities by sharing and making effective use of information accumulated within the Group.

Internal Operation Support

Focus on employee welfare and tasks essential for rolling out each of our businesses, and improve efficiency primarily through the use of outsourcing.

(4) R&D Strategy

Pursue the enhancement and reform of existing businesses as well as R&D for new value creation in a balanced manner. Aim to address social challenges at an early stage through the active use of open innovation.

Strengthen core technologies –Driving force for profitability improvement–

Strengthen our differentiated technologies for components and systems, including technology to realize small, high-efficiency motors, and high-speed, high-precision positioning technology, by fusing them with advanced base technologies such as AI and new materials.

Continuously enhance base technologies –Foundation for business–

Further enhance technologies that support quality of and build trust in our products, systems, and services, such as power electronics, control, modeling, material analysis, AI, security, and data analysis/linkage.

Search for and create new technologies –New source of growth–

Take on the challenge of developing technologies that meet the needs generated by social change, as well as next-generation technologies that transform existing businesses, in a discontinuous manner, based on future insights and analysis of technological trends. Also, focus on expanding our proprietary technologies to create new usages and develop new customers.

(5) Intellectual Property/Standardization Strategy

Focus on acquiring intellectual property rights related to AI and solutions that contribute to Business DX, and expand our business through stronger external collaboration based on our technological assets. In addition, promote a trinity management that aligns business strategy, R&D strategy, intellectual property/standardization strategy for addressing social challenges and expanding our businesses.

President's Message

The Mitsubishi Electric Group celebrated its 100th anniversary on February 1, 2021. I would like to extend my sincere gratitude to all our stakeholders, including members of society, as well as our customers, shareholders and employees, who have helped the Group reach this milestone through their support over the years. Rather than merely focusing on sales and profits, the Mitsubishi Electric Group needs to dedicate itself to contributing to society and solving social issues through its business in order to endure as a company. To work toward this goal, we have included the statement "**we will contribute to realizing sustainability through all of our activities**" as a clear message in our Management Policy, and we have revised our materiality. Going forward, we will contribute to realizing sustainability through all our activities, thereby seeking to further enhance our corporate value, which emphasizes the creation of both economic and social value.

We would like to reiterate our sincere apologies to all our stakeholders for the impact of the series of improper quality control practices that have occurred in our Group.

Mitsubishi Electric received the report on October 1, 2021 from an Investigative Committee of external experts tasked with investigating quality-related improper practice at Mitsubishi Electric. We take this report seriously, and will pursue reform for regaining trust in three areas: **quality assurance, organizational culture and governance**.

The reforms we are implementing are just a first step in this important journey for Mitsubishi Electric and there is a long way to go. I want this to be a moment that brings our entire company together in pursuit of a shared endeavor. We are committed to tackling these issues head-on.

This reform will not happen overnight. And dialogue with all our important stakeholders will be critical to our success in generating the fundamental change we want to see.



We will be engaging with our stakeholders, to gain their understanding and trust through greater transparency around our commitment to safety assurance and the systems we have in place.

The aim of the reforms I have laid out is to transform Mitsubishi Electric into a company where all our employees can come together creatively for the benefit of our customers and broader society through integrated solutions that include products and experiences. We will work to create a new Mitsubishi Electric Group by contributing to sustainability and through reforms in three areas to restore trust.


kei Uruma
President & CEO

Message from the Executive Officer Responsible for sustainability

We have included the statement "we will contribute to realizing sustainability through all of our activities" as a clear message in our Management Policy. In April 2021, we established the Sustainability Promotion Division to drive these efforts. This division was created within the Corporate Communication Group under the direct control of the president. As the executive officer in charge, I will take the opinions of our stakeholders seriously and make every effort to realize sustainability.



Revising Our Materiality

In light of global social trends and changes in the management landscape, we have revised our materiality to help realize sustainability. We conducted a survey of customers and Mitsubishi Electric Group employees to understand their desires and expectations, and I also received opinions from subject matter experts. We held multiple internal discussions based on this feedback, and we identified five areas of materiality with a focus on solving social issues, placing priority on the environment, people, and quality as well as other aspects of

the company's direction. We divided these five areas of materiality into two groups: "Provide solutions to social challenges through our business" and "Strengthen our business foundation to enable our sustainable growth."

We also revisited our initiatives for the SDGs. While we will work to contribute to the 17 SDGs through all of our corporate activities, we have selected Goals 3, 7, 9, 11, and 13 to address on a priority basis in the pursuit of achieving a decarbonized society and addressing social challenges in the four fields of Life, Industry, Infrastructure, and Mobility. We can contribute significantly to these goals as a comprehensive electrical and electronics manufacturer, and we will make specific contributions to achieving the SDGs by further promoting initiatives to create value for these goals.



Working to "Realize a Sustainable Global Environment" and "Realize a Safe, Secure, and Comfortable Society"

The Mitsubishi Electric Group seeks to provide Integrated Solutions to address diversifying social challenges in the four fields of Life, Industry, Infrastructure, and Mobility by uniting all capabilities inside and outside of the Group. To this end, we will enhance the business foundation we have fostered over the past 100 years and further transform our business models.

By combining our strong product and systems with our field knowledge, which includes a variety of operations and maintenance services, together with other advanced digital

technologies such as AI, we will promote digital transformation (DX) in a way befitting of the Mitsubishi Electric Group as we work to provide integrated solutions that fuse products with experiences. We will offer detailed proposals to help solve diversifying social issues, including consultation and diagnosis services to help support customers as they use our devices and services while examining how people use products from sale to disposal. Our railroad solution using an IoT platform is one example of an initiative carried out by the Mitsubishi Electric Group. This solution boosts the efficiency of train maintenance and helps railroad operators share and utilize data together, thereby realizing a greater level of safety and stability in railroad operations.

With regard to the environment, we successfully attained our goals of achieving a low-carbon, recycling-based society that functions in harmony with nature as part of our Environmental Vision 2021 (target year: fiscal 2021). From this fiscal year onward, we will engage in efforts toward goals for 2050. We initially declared an aim to achieve an 80% cut in greenhouse gas emissions by 2050 compared to our performance in fiscal 2014. However, in order to realize a decarbonized society, we have revised this target to achieve net-zero emissions by 2050 across the value chain by achieving thorough energy-saving solutions in structures and facilities as well as by expanding the scale at which we implement renewable energy sources. In addition, we aim to achieve 100% effective utilization of used plastics in 2035. To this end, we will manage objectives in visualizing waste sources, will survey and share information with recycling companies, and implement other initiatives to realize a circular economy.

Endeavoring to Achieve "Respect for All People" and to "Strengthen Corporate Governance and Compliance on a Sustainable Basis"

We are currently expanding the Workplace Reform Program aimed to realize a work environment where all employees can thrive. In light of a third-party evaluation conducted by external experts, we adopted the "Five Joint Statements of Labor and Management," which includes an explicit message on preventing harassment. We will also gradually introduce a 360-degree feedback system from April 2021 for people in managerial positions.

Mitsubishi Electric is now in the process of reforming its quality assurance, corporate culture, and governance.

As the social environment undergoes significant changes, we find differences in values among people of different generations and positions. A survey conducted with all our employees in fiscal 2021 revealed that employees do not sufficiently engage with the company. We thus renewed our recognition of the need for promoting two-way communication between management and employees—rather than sending out messages in a one-sided manner—thereby considerably engaging while listening to employees' opinions. As a result, I aim to realize a workplace environment in which everyone can work actively with peace of mind.

Seeking to "Create a Sustainability-Oriented Corporate Culture"

The Mitsubishi Electric Group strives to create a corporate culture that is oriented toward sustainability by addressing social challenges from a mid- to long- term perspective, having sensitivity and adaptability to changes in society, and actively disclosing information to stakeholders.



Representative Executive Officer,
Senior Vice President
Mitsubishi Electric Corporation

Response to Incidents Related to Quality

Mitsubishi Electric would like to reiterate its sincere apologies to all customers, valued stakeholders, and broader society for the impact of these incidents. Mitsubishi Electric received the report on October 1, 2021 from an Investigative Committee of external experts tasked with investigating quality-related improper practices at Mitsubishi Electric. The following details this report and the three areas of reform that Mitsubishi Electric is undertaking in response to the committee's findings.

1. Summary of these incidents

-  May 7, 2021 Discrepancies Found in Third-party Certifications and Registrations of Certain Mitsubishi Electric Contactors
-  June 30, 2021 Mitsubishi Electric Reports on Improper Testing of HVAC for Railcars and Air Compressor Unit for Railcars
-  August 17, 2021 Mitsubishi Electric Reports on Improper Testing of 72/84kV Cubicle-type Gas-insulated Switchgear
-  September 1, 2021 Notice Regarding Third Party Certification Periodic Inspection for Mitsubishi Electric UL 489 Listed Low-Voltage Circuit Breakers

2. Overview of the Investigative Committee's report

Mitsubishi Electric received the report on October 1, 2021 from an Investigative Committee of external experts tasked with investigating quality-related improper practices at Mitsubishi Electric.

Members of Investigative Committee

Chair: Hiroshi Kameda, Partner (Attorney-at-law), Nishimura & Asahi
 Members: Mitsuhiro Umezu, Professor, Keio University (specialty: business ethics)
 Masahiko Munechika, Professor, Waseda University
 (specialty: quality management)

8 Recommendations by the Investigative Committee

- ① Ingrain a company-wide understanding and correct perception of quality
- 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, especially general managers and section chiefs
- ⑤ Bring the head office/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 unit system
- ⑧ Demonstrate management's resolve in strengthening quality compliance

3. Three Reform Areas including measures to prevent recurrence

(a) Quality assurance reform: Establish the Corporate Quality Assurance Reengineering Group & appoint a Chief Quality Officer from outside the company

Establish a new quality assurance system, share knowledge and provide flexible support across business divisions. Also, by appointing an external executive officer in charge of quality (April 2022), pursue drastic change without being bound by conventional ways of thinking and doing things

- Establish effective quality internal control and quality governance systems
- Manage compliance with laws, regulations and public standards & develop quality infrastructure through IT and digitalization (¥30.0bn investment over two years)
- Revitalize personnel rotation & develop quality assurance personnel
- Re-foster awareness of quality compliance by providing more education on quality

(b) Organizational culture reform: Launch company-wide reform project "Team Sousei (Creation)"

Employees and management will work together to formulate an action plan for reform aimed at creating a new Mitsubishi Electric.

- Overcome the inward-looking organizational culture
- Change the behavior of senior management
- Support middle management and manufacturing sites

(c) Governance reform: reform the Board of Directors & establish the Governance Review Committee

Undertake sustainable, mid- 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 outside experts with no existing commercial relationships with the company, to assess internal control and governance systems. Identify issues and compile improvement recommendations by Mar. 2022.

4. Future plans

The investigation into quality practices at all of the company's manufacturing facilities and plants (all 22 facilities) will continue, and the company will report accordingly roughly every three months on the findings of the investigation and progress on the steps the company is taking. The company aims for the investigation to be completed by April 2022 and will then proceed with investigations into its group companies.

Also, depending on the progress of discussion with customers or investigations related to this improper quality practice, there may be additional costs due to compensation payout to customers, impact to sales activities and additional actions and preventative measures being conducted due to new discoveries of improper quality practices.

If, in the course of future investigations, issues that need to be publicly announced are identified, the company will promptly do so.

The company takes the suggestions and recommendations of the investigative committee seriously and will make a concerted effort to implement these reforms, including quality culture and protocol reforms, and strive to regain the public's trust through active dialogue with our customers, shareholders, investors and all of our valued stakeholders, updating them with communication that is open and transparent.

The latest information is available on the following website.

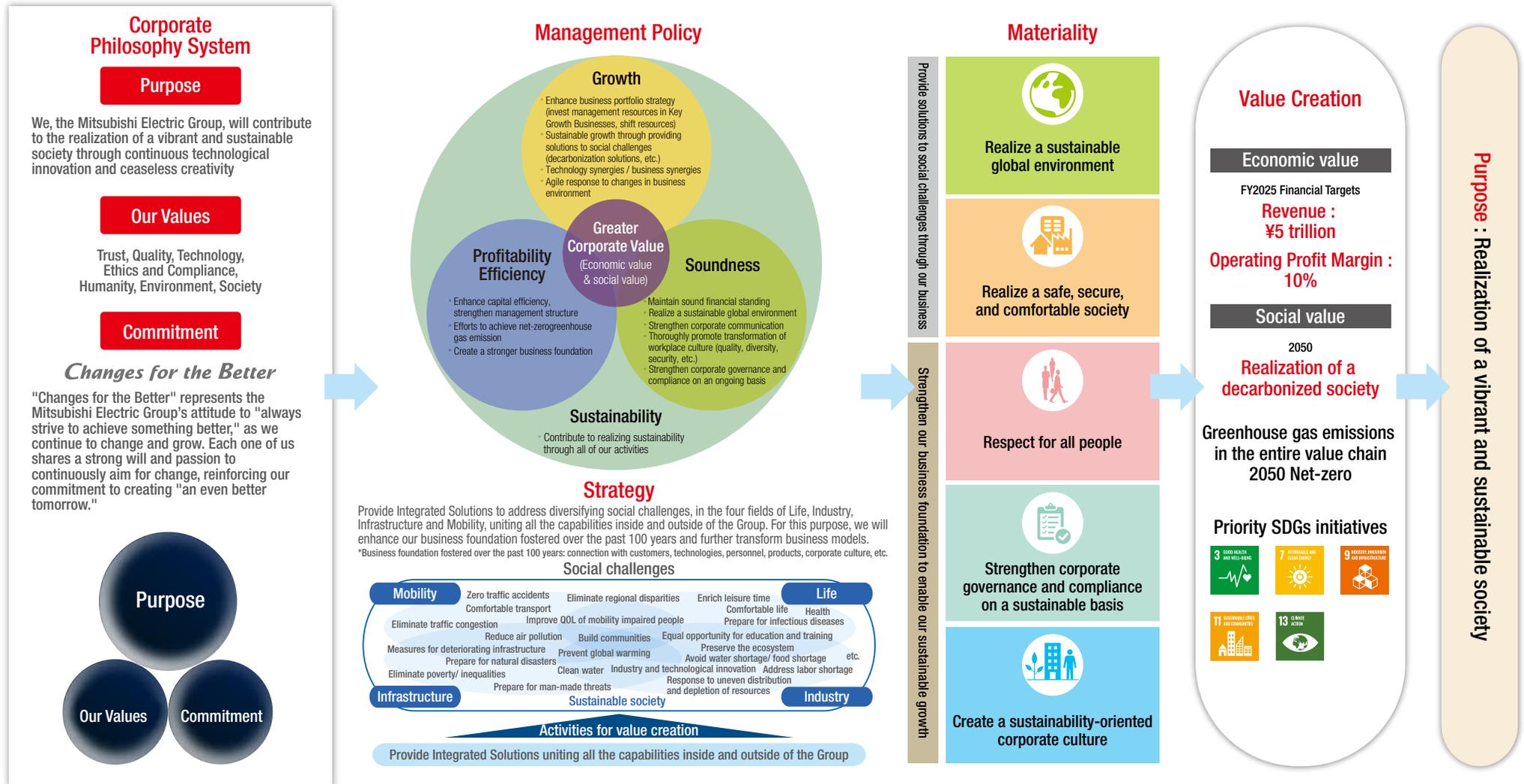
 [Restoring trust: Our roadmap for reform](#)

Initiatives to Create Value

Purpose Corporate Strategy Management of Materiality

The Mitsubishi Electric Group has described its commitment to achieve sustainability through all of its activities based on its corporate philosophy system, as part of its Management Policy. We have set priority items in our sustainability initiatives as our materiality, and we engage in initiatives in this regard.

We offer integrated solutions with a focus on the four fields of life, industry, infrastructure, and mobility to help solve social issues and achieve a decarbonized society. We seek to realize a vibrant and sustainable society through activities that create economic and social value.



The Mitsubishi Electric Group's Initiatives to Create Value

Materiality

The 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 corporate philosophy. 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. We will actively disclose information on the status of our materiality efforts and promote engagement with stakeholders.

Materiality

Reasons why it is important

Provide solutions to social challenges through our business	 <p>Realize a sustainable global environment</p>	Environmental issues such as climate change and resource/energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.
	 <p>Realize a safe, secure, and comfortable society</p>	The Mitsubishi Electric Group will supply integrated solutions that combine the strengths of the Group and other parties in the areas of life, industry, infrastructure, and mobility to solve diversifying social challenges and to contribute to the realization of a safe, secure, and comfortable society.
Strengthen our business foundation to enable sustainable growth	 <p>Respect for all people</p>	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 create a workplace environment in which all employees can thrive.
	 <p>Strengthen corporate governance and compliance on a sustainable basis</p>	Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.
	 <p>Create a sustainability-oriented corporate culture</p>	The Mitsubishi Electric Group will contribute to realizing sustainability through all of our activities. To that 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.



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 realize a decarbonized society and a circular economy by promoting innovation in products and services, and by providing integrated solutions.

Highly relevant SDGs



Environmental Sustainability Vision 2050

Major mid-to-long-term initiatives

- Realization of a decarbonized society through innovation and integrated solution
- Contributions to achieving a circular economy

Main FY2022 targets

Decrease the amount of CO₂ emitted when using the product compared to previous models [1% or more]

Reduce CO₂ emissions during production by 9% or more compared to FY2017 by the end of FY2024

Percentage of recycled plastics used (amount of molding materials and packaging materials procured). [10% or more by the end of FY2024]

Greenhouse gas emissions in the entire value chain

2050
80% reduction



2050
Net-zero





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 corporate philosophy.

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

Highly relevant SDGs



Major mid-to-long-term initiatives

- Solve social challenges in the areas of life, industry, infrastructure, and mobility through integrated solutions
- Provide products and services by continually pursuing a "quality first" policy

Main FY2022 targets

Study goals and indicators that contribute to the resolution of social issues through business, including contribution to the SDGs/promotion of initiatives.	Improve development and design quality by establishing company-wide design guidelines for individual component technologies	Determine the true causes of major defects, and develop company-wide measures to prevent recurrence [Once a month]
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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.

Highly relevant SDGs



Major mid-to-long-term initiatives

- Promote human rights initiatives that are based on international norms
- Realize a workplace environment that helps all employees work actively
- Promote diversity
- Promotion of occupational health and mental and physical health

Main FY2022 targets

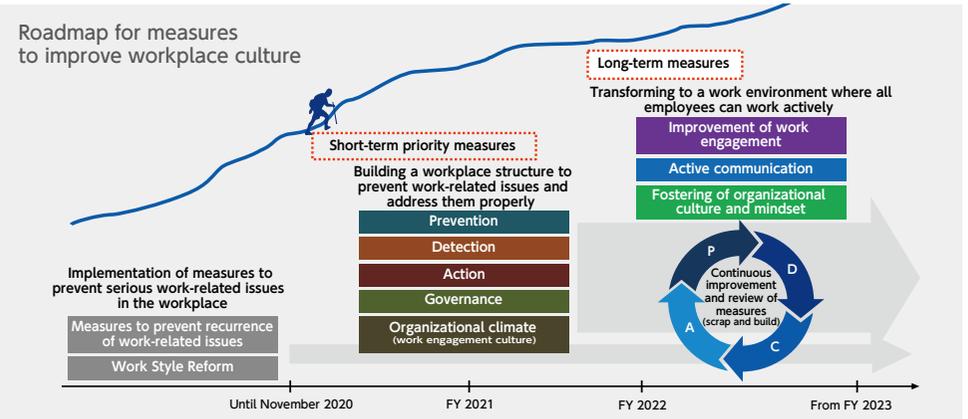
Identify human rights issues by conducting human rights impact assessments, and grasp the statuses of initiatives at each office. [Conduct assessments at 100% of relevant departments]	Employee awareness survey	Target	Promotion of diversity	Target
	Percentage of employees who are proud and motivated to work for the Company	80% or more	Increase the percentage of newly hired woman	1.2*1
	Percentage of employees who responded that they had a good work-life balance	80% or more	Increase the percentage of woman in management	2*2

*1 Compared to the average from FY2017 to FY2021 *2 Compared to FY2021

Social challenges



※ Quality of Life





Strengthen corporate governance and compliance on a sustainable basis



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

Highly relevant SDGs



Major mid-to-long-term initiatives

- Corporate management with a sound oversight function
- Thorough compliance
- Procurement that contributes to sustainability
- Information security activities to protect important information

Main FY2022 targets

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	Maintain a 100% attendance in e-learning programs on compliance [Maintain rate of 100%]	Enhancement comprehensive cybersecurity countermeasures 1. Technical measures, 2. Thorough document management, 3. Framework upgrading
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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 issues 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.

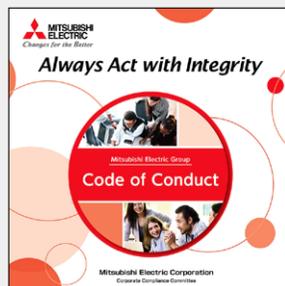
Major mid-to-long-term initiatives

- Promote mid-to-long-term initiatives for addressing social challenges
- Increase sensitivity and adaptability to changes in values among society and individuals
- Promote active communication with stakeholders based on highly transparent information disclosure

Promote sustainability on a management level

- Add "Contribute to realizing sustainability through all of our activities" to the management policy
- Establish a Sustainability Promotion Department (April 2021)

"Mitsubishi Electric Group Code of Conduct"



"Mitsubishi Electric Group Code of Conduct"



Poster



Portable Card

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 our corporate value, which emphasizes the creation of both economic and social value.



Initiatives that Contribute to Addressing Social Issues

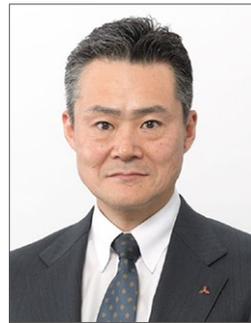
Business Group Headquarters	Social Issues for Which Risks and Opportunities Have Been Recognized and Evaluated	Priority SDG initiatives	Initiatives that Contribute to Addressing Social Issues
Public Utility Systems Group	<ul style="list-style-type: none"> ● Appropriate use of water ● Optimal use of energy ● Addressing climate change ● Measures against air, water, and soil pollution ● Waste reduction/management ● Sustainable use and development of resources 		<ul style="list-style-type: none"> ■ Helping to Realize a Society with a Rich Water Cycle Using Ozone Generators and Eco-Membrane Bioreactors ■ Achieving Energy Savings Using Inverters Equipped with AI-SiC Power Modules for Use in Rolling Stock ■ Smaller, Lighter Railcar Air Conditioner Units ■ Using our Railway Maintenance Solution LMS on INFOPRISM to Increase Maintenance Efficiency and Support Data Sharing and Use among Railway Operators ■ Grasping Disaster Situations Timely Through the Helicopter Satellite Communication System and Supporting Swift Rescue Activities ■ Using the Mitsubishi Infrastructure Monitoring System (MMSD™) to Help Reduce the Burden of Social Infrastructure Inspection ■ Promoting the Development of Safe and Secure Cities Through Network Cameras ■ Promoting More Energy-Efficient and Compact Optical Access Systems
Energy & Industrial Systems Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Proper management of chemical substances ● Addressing climate change ● Measures against air, water, and soil pollution ● Strengthening of global partnerships 		<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 Consciousness 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 Grid Stabilization 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 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 ■ Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security 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 ■ Supporting Seamless Travel Within the Facility by the Guide System Using Animation Lighting
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 ● Waste reduction/management ● Addressing climate change ● Prevention of marine pollution ● 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 ● Development of safe, secure, comfortable and sustainable cities ● Sustainable use and development of resources ● Proper management of chemical substances ● Addressing climate change 		<ul style="list-style-type: none"> ■ The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2021 Energy Conservation Grand Prize Presented for EcoCute for Home Use and the Energy Conservation Center, Japan Chairman's the 2020 Energy Conservation Grand Prize Presented for Lossnay™ Energy Recovery Ventilators for Commercial Use and Zubakan® Laundry Dehumidifier Dryer at the Same Time. ■ 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 ■ MILLIE 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 ● Proper management of chemical substances ● Addressing climate change ● Measures against air, water, and soil pollution ● Addressing the declining labor force population 		<ul style="list-style-type: none"> ■ Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality ■ Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption ■ Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
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 ● Enhancement of QOL for vulnerable road users ● City development ● 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 ● Proper management of chemical substances ● Addressing climate change ● Preservation of biodiversity 		<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 ● Waste reduction and management ● Sustainable use and development of resources ● Addressing climate change ● 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 ● Clearing up concerns about retirement and reducing social welfare costs ● Extension of the working age ● Creation of a society that includes the elderly and those in poor health ● Decrease in the number of construction workers and productivity declines ● Response to massive earthquakes, tsunamis, and volcanic eruptions ● Coping with disasters triggered by increasingly severe weather 		<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.



Hideki Fukushima
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 secure, safe 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 secure, safe 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 and revitalize communities, in addition to high-speed, large-capacity communication systems that support the development of an IoT society.

Major social issues 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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- **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
 - Rolling stock air-conditioning system
 - Railway maintenance solution "LMS on INFOPRISM"
- **Creating Secure, Safe and Comfortable Cities**
 - Helicopter Satellite Communication System (HSA)
 - Mitsubishi Infrastructure Monitoring System MMSD®
 - Network cameras MELOOK3 and ROBOTY Series
 - Optical access system 10G-EPON

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., achieving carbon neutrality), we will contribute to the realization of a Safe, Secure, and Comfortable Sustainable Society

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

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

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



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

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

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

Building Systems Group

Message from the Group President

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

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



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

*1 ZEB (net Zero Energy Building): A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by energy savings and the utilization of renewable energy resources.

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

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 Smart buildings: 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 Smart cities: 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 issues 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 Issues

- 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
- Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security 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
- Supporting Seamless Travel within the Facility by the Guide System Using Animation Lighting

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 issues for which risks and opportunities have been recognized and evaluated

- Securing of a sustainable food production system
- Reduction and management of waste
- Integrated management of water resources
- Addressing climate change
- Creating secure, safe and comfortable sustainable cities
- Prevention of marine pollution
- Prevention of deforestation

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

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

Living Environment & Digital Media Equipment Group

Message from the Group President

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

The Living Environment & Digital Media Equipment Group focuses on the air-conditioning and refrigeration systems business, one of the growth-driving sectors at Mitsubishi Electric. In addition to expanding operations, we are pressing forward with proposals of total solutions using IoT and AI technologies as well as products within and outside the Mitsubishi Electric Group 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 ZEH and ZEB, promoted by the Japanese government.

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



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

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2021 Energy Conservation Grand Prize Presented for EcoCute for Home Use and the Energy Conservation Center, Japan Chairman's the 2020 Energy Conservation Grand Prize Presented for Lossnay® Energy Recovery Ventilators for Commercial Use and ZubaKan Laundry Dehumidifier Dryer at the Same Time.
- Lossnay® for Commercial Use
- 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

Message from the Group President

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

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

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

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

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



Yoshikazu Miyata
Senior Vice President,
Group President,
Factory Automation
Systems

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

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

Automotive Equipment Group

Message from the Group President

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

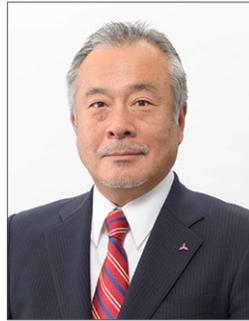
Energy and environmental issues are borderless social problems for which solutions are essential in order to realize sustainability.

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

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

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

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



Atsuhiko Yabu
Executive Officer, Group President,
Automotive Equipment

Major social issues 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 Issues

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

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 multiple semiconductor technologies. 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.



Yuzuru Saito
Executive Officer,
Group President,
Semiconductor &
Device

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

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

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 labor force shortages.

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. At manufacturing sites, our solutions can be used to detect objects such as defective products in order to assist in productivity improvement and address labor force shortages due to the aging society. 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.



Koichi Orito
Senior Vice President,
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 issues for which risks and opportunities have been recognized and evaluated

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

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

Business Innovation Group

Message from the Group President

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

Business Innovation Group contributes to solving diversifying social issues faced by the sustainable society by turning themes that cannot be addressed by existing frameworks into businesses, and by supporting the integration of Group technologies and collaboration among the Group.

We will refocus 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 the ways that people interact change, as the severity of disasters increases, and as the waves of digitalization accelerate. We are creating businesses in the five domains of "Smart Cities," "Healthtech," "i-Construction," "Disaster Prevention and Mitigation," and "Smart Mobility" as well as the "Decarbonized Society."

In creating and fostering new businesses, we will combine sensing technology, video analysis, AI, and other cutting-edge technologies in the integrated IoT ClariSense*, which will help customers realize digital transformations that create value for them from collected data.



Satoshi Matsushita
Senior Vice President,
Group President,
Business Innovation

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

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

- Demographic changes and the deterioration of social infrastructure
- Increase in the severity of disasters as well as environmental and energy problems
- Clearing up concerns about retirement and reducing social welfare costs
- Extension of the working age
- Creation of a society that includes the elderly and those in poor health
- Decrease in the number of construction workers and productivity declines
- Response to massive earthquakes, tsunamis, and volcanic eruptions
- Coping with disasters triggered by increasingly severe weather

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Contributing to Increases in Productivity at Construction Sites with AI rebar arrangement inspection system
- Study and Implementation of Healthtech for the Elderly

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."

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.

Communication with stakeholders



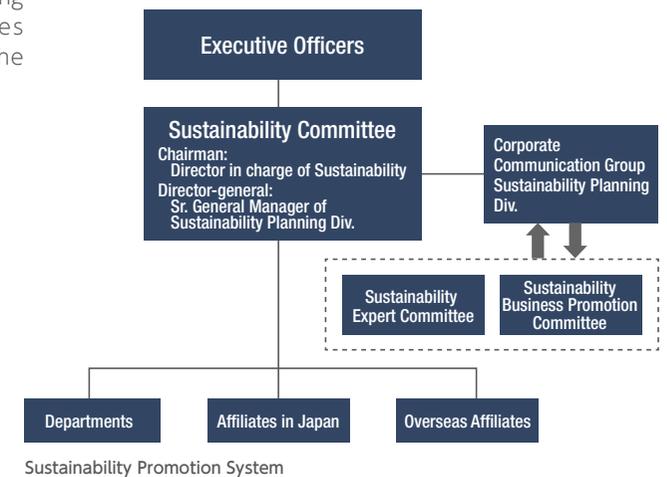
Group. The details of Sustainability Committee meetings are reported to the senior executives through the Executive Officers' Meeting and the Audit Committee.

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

In addition to the Sustainability Committee that is generally held at least twice a year, 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.



Sustainability Committee



Materiality

In light of requests from the Global Reporting Initiative (GRI),* social trends, and the business environment, in fiscal 2022 the Mitsubishi Electric Group reviewed the materiality identified in fiscal 2016, initiatives, targets, and key performance indicators (KPIs) to address sustainability issues more at the management level and to work on them on a long term basis.

We will conduct continual improvement activities by implementing the Plan-Do-Check-Action (PDCA) cycle for the materiality, initiatives, targets, and KPIs.

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

Materiality and SDGs Management

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 management departments (23 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

Main agenda of the Sustainability Committee (held in April 2021)

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

Sustainability Expert Committee

Officers from 23 departments with particular relevance to sustainability 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.

Four such meetings were held in fiscal 2021. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing materiality. The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.



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

Sustainability Business Promotion Committee

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

The committee held four meetings in fiscal 2021, with a focus on discussing how the Group could contribute to addressing the sustainable development goals (SDGs) through business.

Main agenda of the Sustainability Expert Committee and Sustainability Business Promotion Committee for fiscal 2021

- Main agenda of the Sustainability Expert Committee and Sustainability Business Promotion Committee for fiscal 2021
- Response to the SDGs
- Further enhancement of information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives

Materiality and SDGs Management

The Mitsubishi Electric Group and the SDGs

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

Under its 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

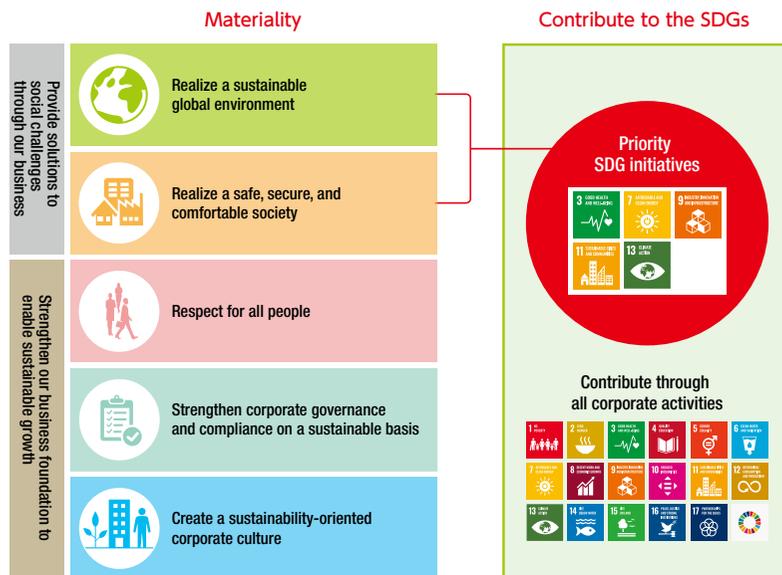
Priority SDG initiatives

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 decarbonized society" and "solve social challenges in the four areas of Life, Industry, Infrastructure, and Mobility," 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.....Life and Mobility fields
- Goal 7: Affordable and Clean Energy.....Energy savings in production and products and services, etc. for realizing a decarbonized society
- Goal 9: Industry, Innovation, and Infrastructure.....Industry field
- Goal 11: Sustainable Cities and Communities.....Infrastructure and Mobility fields
- Goal 13: Climate Action.....Realization of a decarbonized society

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.



Materiality and SDGs

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).

 1 NO POVERTY No Poverty 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.	 2 ZERO HUNGER Zero Hunger 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.	 3 GOOD HEALTH AND WELL-BEING Good Health and Well-being 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.	 4 QUALITY EDUCATION Quality Education 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.
 5 GENDER EQUALITY Gender Equality 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.	 6 CLEAN WATER AND SANITATION Clean Water and Sanitation The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.	 7 AFFORDABLE AND CLEAN ENERGY Affordable and Clean Energy 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.	 8 DECENT WORK AND ECONOMIC GROWTH Decent Work and Economic Growth Through our FA and AI technologies, we are working to contribute to increased productivity and the provision of desirable working environments throughout the Group.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, Innovation and Infrastructure The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.	 10 REDUCED INEQUALITIES Reduced Inequalities In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.	 11 SUSTAINABLE CITIES AND COMMUNITIES Sustainable Cities and Communities We provide safety, security, and comfort to people's lives through our work in the disaster-prevention and infrastructure-development fields.	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible Consumption and Production 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.
 13 CLIMATE ACTION Climate Action We are working to identify a total valuation of our CO ₂ and other greenhouse gas emissions in order to set our goals for reductions.	 14 LIFE BELOW WATER / 15 LIFE ON LAND Life below Water/ Life on Land 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.	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, Justice and Strong Institutions 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.	 17 PARTNERSHIPS FOR THE GOALS Partnerships for the Goals 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.

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, Sustainability Expert Committee and Sustainability Business Promotion 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, fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018, fiscal 2020)
- Promoting understanding about the SDGs through internal newsletters (fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022)
- Education of staff to advance the SDGs during training of CSR personnel (fiscal 2018, fiscal 2019)
- SDGs training (fiscal 2019, fiscal 2020)



Lecture presentation for executives by Toshio Arima from Global Compact Network Japan



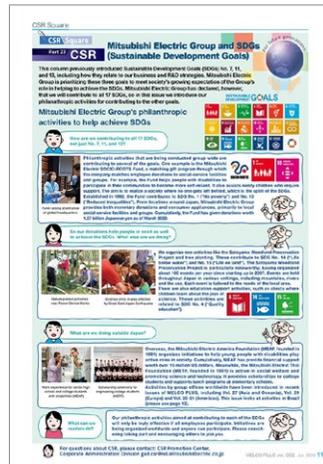
Lecture presentation regarding the SDGs for research and development divisions



SDGs training



Mitsubishi Electric's Corporate Strategy (Nov. 2020)



In-house newsletter

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, 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 outside the company, including stakeholder questionnaires targeted at general consumers (600 respondents) that have been carried out since fiscal 2017 as well as other questionnaires and interviews from a total of 951 people, including Mitsubishi Electric Group employees, suppliers, investors, and analysts.

In order to expand the scope of information disclosure, while continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened, and the materiality, initiatives, and targets/key performance indicators (KPIs) will be reviewed through ongoing improvement activities based on the PDCA cycle.

Step 1 Awareness of social issues (fiscal 2021)

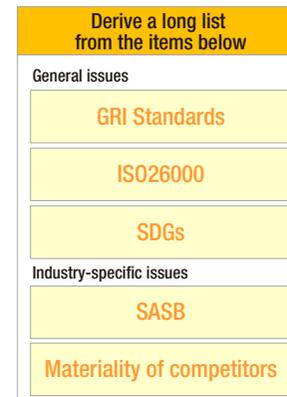
Extraction of candidate materiality from guidelines, etc.

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

Extraction of candidate materiality from guidelines, etc.

Derive a short list

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

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.

Questionnaire for stakeholders



Internal working groups



Interviews with experts

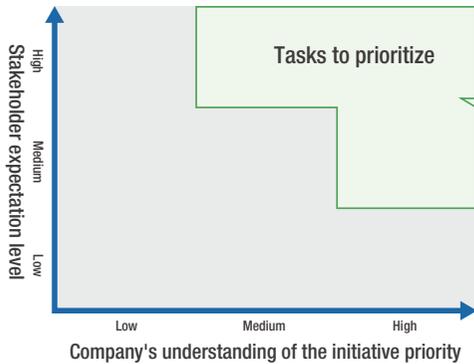


Dialogues with directors and experts

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 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.



- Tasks to prioritize**
- Provide products and services that help to solve environmental issues.
 - Provide products and services that help to solve energy problems.
 - Secure product quality and safety.
 - Develop globally competent human resources. Actively communicate with stakeholders.
 - Strictly enforce compliance.
 - Implement corporate management with sound functional check capabilities.
 - Provide products and services that help to solve health and aging issues.
 - Provide products and services that contribute to peaceful and safe living.
 - Develop products with a low environmental impact in manufacturing, use, and disposal.
 - Request that business partners cooperate with Mitsubishi Electric Group's CSR activities.
 - Promote workplace diversity.
 - Promote work-life balance.

Mitsubishi Electric's Matrix of Materiality



Sustainability Committee

Management Related to Materiality

In fiscal 2016, the Mitsubishi Electric Group identified its materiality, initiatives to fulfill said materiality, and key performance indicators (KPI). In fiscal 2017, it announced its performance in regard to those initiatives and carried out a review of each initiative and KPI. In fiscal 2022, the Mitsubishi Electric Group revised its materiality; accordingly, it revised its initiatives to fulfill said materiality and key performance indicators (KPI) for fiscal 2022.

For the details of our results to date, please refer to our past Sustainability Reports.

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

FY2022 Targets

Materiality	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Provide solutions to social challenges through our business	Realize a sustainable global environment	Reduce CO ₂ emissions from product usage in new products (Improvement of more than 1% compared to the previous model by the end of FY2024)	All Mitsubishi Electric Group companies (Japan, overseas)
		Reduce CO ₂ emissions from production (Reduction of more than 9% compared to FY2017 by the end of FY2024)	
		Use renewable energy in production (Rate of more than 2% 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)	All Mitsubishi Electric Group companies (Japan, overseas)
		Make effective use of waste plastics (Rate of more than 90% by the end of FY2024)	
		Reduce water usage per unit of sales at five high-risk overseas offices (More than 4% compared to FY2020 by the end of FY2024)	
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	All Mitsubishi Electric Group companies (Japan, overseas)
	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	Mitsubishi Electric Group companies (Japan)
		Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures (Once a month)	
		Roll out a quality management guidebook on change control to external suppliers	All Mitsubishi Electric Group companies (Japan, overseas)
		Continuously conduct e-learning programs on quality, and provide enhanced learning materials	
Provide training programs on quality, and lecture programs on the concept that quality is our top priority (Create a quality culture) (Four times a year in Japan, and once a year overseas)			
Strengthen our business foundation to enable our sustainable growth	Promote human rights initiatives that are based on international norms	Promotion of ongoing human rights awareness activities	All Mitsubishi Electric Group companies (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)	
		Enhance response in channels for grievances and inquiries on human rights, and act appropriately accordingly	Mitsubishi Electric
		Provide lectures on human rights awareness and anti-harassment training programs for new employees and those for newly appointed managers (Attendance rate of 100%)	
	Respect for all people	Provide education on harassment prevention for Group employees (Attendance rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
		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"	All Mitsubishi Electric Group companies (Japan, overseas)
Realize a workplace environment that helps all employees work actively	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)	All Mitsubishi Electric Group companies (Japan, overseas)	

*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

Materiality	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope		
Strengthen our business foundation to enable our sustainable growth	Respect for all people	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	All Mitsubishi Electric Group companies (Japan, overseas)		
		Employ people with disabilities beyond the statutory employment rate (higher than 2.3%)	Mitsubishi Electric Group companies (Japan)		
		Increase the ratio of women among new recruits (1.2 times the average for the past five years (FY2017-2021) by FY2026)	Mitsubishi Electric		
		Increase the ratio of women in managerial positions (2 times the ratio in FY2021 by FY2026)			
		Systematically dispatch employees to overseas OJT programs and language programs (More than 80 employees/year)			
	Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	All Mitsubishi Electric Group companies (Japan, overseas)		
		Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (Less than 0.52%) * Number of accidents causing lost worktime per 1 million hours	Mitsubishi Electric		
		Actively promote measures for mental health to realize a friendly workplace environment	Mitsubishi Electric Group companies (Japan)		
		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% or higher of employees who get enough rest by sleeping properly)			
	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, and IR activities in Japan and overseas	All Mitsubishi Electric Group companies (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	Mitsubishi Electric	
			Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time		
		Thorough compliance	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	All Mitsubishi Electric Group companies (Japan, overseas)	
			Compliance training on a continuous basis • Provide compliance education that utilizes diverse methods on a continuous basis	All Mitsubishi Electric Group companies (Japan, overseas)	
			Maintain a 100% attendance in e-learning programs on compliance (maintain 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	All Mitsubishi Electric Group companies (Japan, overseas)	
			Corruption prevention (prevention of bribery) • Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines		
			Procurement that contributes to sustainability	Accomplish obtaining consent forms for the CSR procurement guidelines (Obtain by the end of September 2021)	All Mitsubishi Electric Group companies (Japan, overseas)
				Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) in the supply chain and continue activities for corrective action	Mitsubishi Electric Group companies (Japan)
	Integrate the Green Procurement Standards Guide and the CSR Procurement Guidelines, and establish sustainability procurement guidelines (by March 31, 2022)	All Mitsubishi Electric Group companies (Japan, overseas)			
	Information security activities to protect important information	Prevent information leaks (No leaks)	All Mitsubishi Electric Group companies (Japan, overseas)		
Enhancement comprehensive cybersecurity countermeasures 1.Technical measures, 2.Thorough document management, 3.Framework upgrading					
Create a sustainability-oriented corporate culture	Promote medium-to-long-term initiatives for addressing social challenges	Discuss goals and KPIs, and promote initiatives centered around the newly established Sustainability Planning Division	All Mitsubishi Electric Group companies (Japan, overseas)		
	Improve sensibility and adaptability to changes in values among society and individuals				
	Promote active communication with stakeholders based on highly transparent information disclosure				

FY2021 Initiatives and Results

Four material issues	Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation	
Realize a Sustainable Society	Realization of Environmental Vision 2021	Contributing to realizing a low-carbon society	Reduce CO ₂ emissions from production (less than 1.47 million tons by FY2021)	1.16 million tons	All Mitsubishi Electric Group companies (Japan, overseas)	○	
			Reduce CO ₂ emissions from product usage (more than 35% reduction compared to FY2001 by FY2021)	36% reduction compared to FY2001		○	
		Contributing to creating a recycling society	Reduce resource inputs (more than 40% reduction compared to FY2001 by FY2021)	43% reduction compared to FY2001		○	
			Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)	0.02% by Mitsubishi Electric and domestic affiliates, 0.2% by overseas affiliates		○	
			Reduce water usage per unit of sales (by 10% per annum compared to FY2011 in FY2021)	Reduction by 20% compared to FY2011		○	
		Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)	Cumulative total of 48,872 participants		Mitsubishi Electric Group companies (Japan)	△
			Boost the level of biodiversity protection activities by offices in line with the Aichi Targets	Pursued proactive initiatives at our offices		Mitsubishi Electric	○
	Contribution through products and services	Provide products and services that contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs		Contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs through products and services and disclose results on the web, etc.	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Maintain the reduction of CO ₂ during product usage (more than 70 million tons by FY2001 standards)		74 million tons by FY2001 standards		○	
	Provide Safety, Security, and Comfort	Product development that places top priority on customer safety	Ensure safety through risk assessment (maintain a 100% rate of implementation of risk assessments of target home electronic products)		Maintained a 100% rate of implementation of risk assessments of target home electronic products	All Mitsubishi Electric Group companies (Japan, overseas)	○
Strengthen the quality control system to confirm that products definitely meet customer specifications			Revising, developing, and strengthening the roles of quality assurance departments at our offices	△			
Provision of products and services that reflect customers' needs		Develop key persons who are capable of incorporating customer needs into quality (maintain 100% rate of development in all target departments in Japan)		Development of 96% of key persons (FY2018) → Development of 97% of key persons (FY2019) → Development of 100% of key persons (FY2020) → Maintaining a 100% rate of development (FY2021)	Mitsubishi Electric Group companies (Japan)	○	
		Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures		<ul style="list-style-type: none"> Achieved a 100% rate of implementation of investigations into the root causes of serious malfunctions discovered in the previous fiscal year Rolled out technical measures to prevent recurrence throughout the Mitsubishi Electric Group for common issues such as metal corrosion, and points of caution when using resin materials 	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Boost response capabilities by accelerating the company-wide sharing of information on serious malfunctions		Conducted Group-wide efforts to share information before serious malfunctions occur, and to carry out swift response		○	
Continuous implementation of education on quality principles that place top priority on customers		Maintain a 100% rate of participation in e-learning programs on quality (maintain a rate of 100%)		<ul style="list-style-type: none"> Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates Mitsubishi Electric Group companies and overseas affiliates that participated in e-learning programs: 52 	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Provide level-specific group training and lecture programs regarding quality principles (create quality culture)		Held lecture programs, such as continuing to hold level-specific training to match participants' experience, as well as lecture programs at the Corporate Quality Assurance Managers' Committee		○	
Contribution through products and services		Provide products and services that contribute to Goal 11, "Sustainable cities and communities," of the SDGs		Contributed to Goal 11, "Sustainable cities and communities," of the SDGs through products and services, and disclosed results on the web, etc.		○	

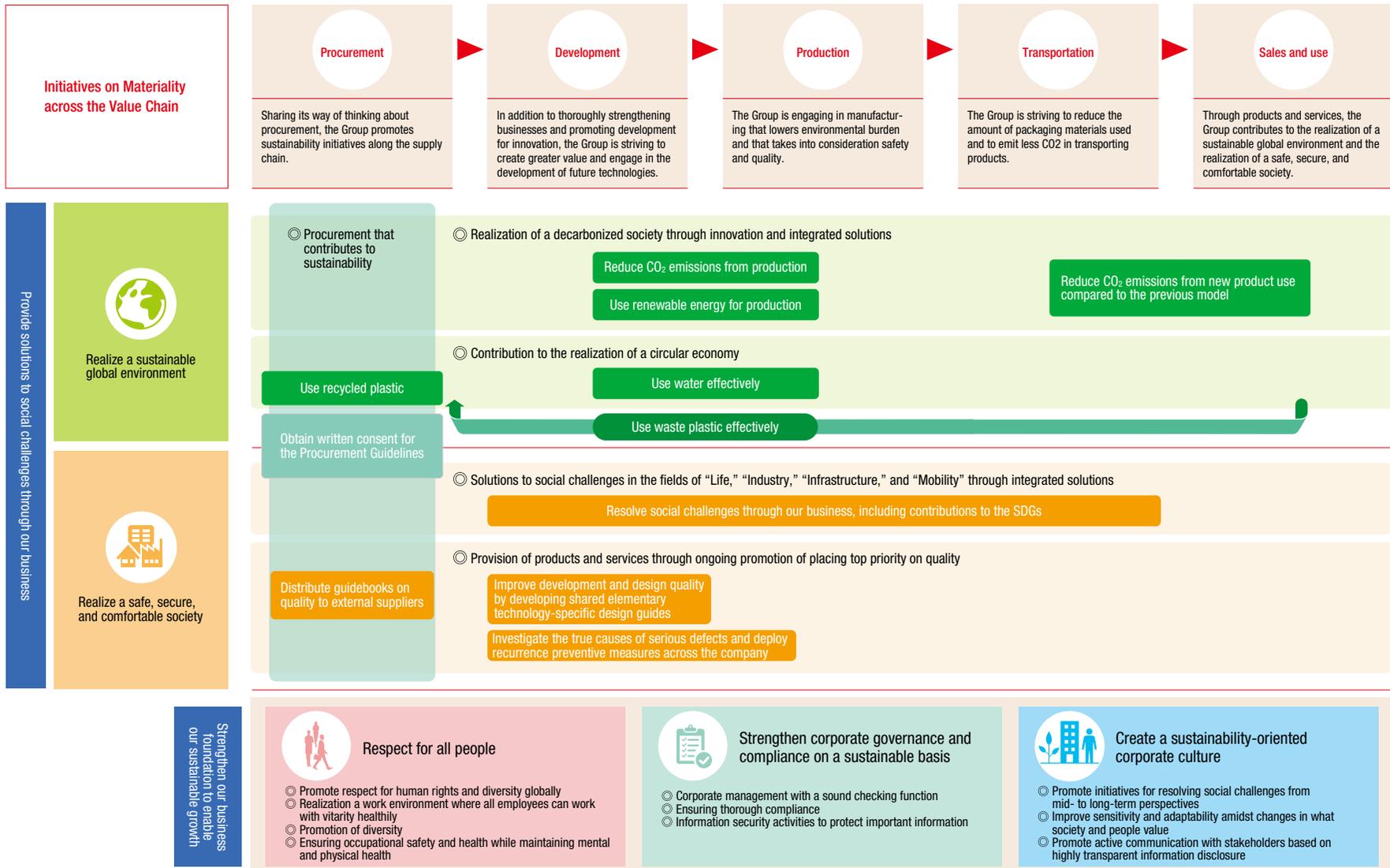
Four material issues	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation	
Respect Human Rights and Promote the Active Participation of Diverse Human Resources	Promote human rights initiatives that are based on international norms	Promotion of ongoing human rights awareness activities	Published articles that inform about human rights in internal bulletin MELCO 's CSR section	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Enhance whistleblowing system for human rights violations	Organized grievance response channels in the Mitsubishi Electric Group, and disclosed information and informed internal and external parties via a website		○	
		Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 833 new employees and to 478 newly appointed managers	Mitsubishi Electric	○	
		Provide anti-harassment education for all employees (Attendance rate of 100%)	Provided anti-harassment education for all employees from December 2020 to March 2021 (Attendance rate of 100%)		○	
	Realization of workplace environments conducive to work-life balance	Strengthen and continue to promote the Work Style Reforms initiatives on the goal of the reforms, "realizing a workplace that helps all employees work proactively," and based on the new perspectives for the policy of activities since fiscal 2021 "Deepening of communication in the workplace, Business transformation by streamlining operations and improving quality aspects"	Promoted the Work Style Reforms at Mitsubishi Electric Group companies (including enhancing and managing systems that support operation efficiency and flexible work styles such as invigorating communication in the workplace, streamlining and boosting the efficiency of operations, and remote work)	All Mitsubishi Electric Group companies (Japan, overseas)	○	
	Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances		Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)		<ul style="list-style-type: none"> • <As of March 15, 2021> Consolidated result of three companies*: 2.36% • Promoted the achievement of the statutory employment rate by domestic affiliates * Mitsubishi Electric Corporation + Mitsubishi Electric Life Service Corporation + Melco Tender Mates Corporation (special subsidiary) 	Mitsubishi Electric Group companies (Japan)	○
		Increase the ratio of women among new recruits in engineering fields (target of 20% or higher in FY2021)		14.4% (FY2022; October 2020 and April 2021 recruits)	Mitsubishi Electric	△
		Systematically dispatch employees to overseas OJT programs and language programs (The programs for FY2021 canceled due to the spread of COVID-19)		Canceled due to the spread 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 	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.58) * Number of accidents causing lost worktime per 1 million hours		<ul style="list-style-type: none"> • Offered safety and health education (e-learning programs) to all employees • <As of March 15, 2021> Rate of lost worktime injuries (absence from work): 0.02 	Mitsubishi Electric	○
		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 68.0%; rate of employees who exercise regularly: 27.4%; rate of employees who smoke: 21.6%; rate of employees who perform dental care at least three times a day: 27.0%; rate of 71.5% of employees who get enough rest by sleeping properly	Mitsubishi Electric Group companies (Japan)	△

Four material issues	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Strengthen Corporate Governance and Compliance on a Continuous Basis	Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	Held three interviews on CSR with experts, and one dialogue on CSR with experts and management officers	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, financial results presentation meetings, 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 		○
	Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	<ul style="list-style-type: none"> Issued reports and held discussions on medium-to-long-term business challenges and strategies, measures to reinforce our management base, and the factors behind and measures to prevent recurrence of work related issues, unauthorized access, and other incidents Repeatedly implemented improvements based on the results of assessments on the effectiveness of the board of directors, which was thereby evaluated to be conducting free, active discussion and opinion exchanges through many channels at a greater degree than before 	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 of 93 sites in Japan and overseas, and reported the audit results to the Audit Committee		All Mitsubishi Electric Group companies (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 lecture meetings by Mitsubishi Electric's Corporate Legal & Compliance Div. 113 times in fiscal 2021 with a total of 8,134 participants)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Achieved a 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) <48 times, 1,974 participants *Mitsubishi Electric>; e-learning programs <14,824 participants *Mitsubishi Electric>	All Mitsubishi Electric Group companies (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 <25,371 participants *Mitsubishi Electric>		○
		Enhancement comprehensive cybersecurity countermeasures 1.Technical measures, 2.Thorough document management, 3.Framework upgrading	1. Strengthened network access controls in Japan and abroad, and reinforced device security measures as well as our auditing and authentication platform. 2. Reassessed the status of document storage and conducted employee training. 3. Established the Corporate Information Security Division in April 2020		○
	CSR procurement (environment, quality, human rights, compliance, etc.)	Ensure obtaining a consent form for the CSR procurement guidelines (Obtain by the end of September 2021)	Requested approximately 650 companies to sign consent forms, and obtained consent forms from 550 companies (have obtained forms from approximately 2,800 companies cumulatively from FY2019 to FY2021)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) in the supply chain and continue activities for corrective action	Canceled activities because we have suspended efforts to employ foreign workers in order to prevent the spread of COVID-19	Mitsubishi Electric Group companies (Japan)	△

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



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)



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

Mitsubishi Electric has been fulfilling its role as an official partner of the Tokyo 2020 in the category of elevators, escalators and moving walkways by contributing to making relevant facilities and surrounding infrastructure barrier-free, and by promoting the success of the Tokyo 2020 through activities that support the Olympic and Paralympic movement and by assisting the Japanese national team. Although the Tokyo 2020 was postponed to 2021 due to the impact of the spread of COVID-19, as a company celebrating its 100th anniversary, we will continue working in close coordination with the Organising Committee and Tokyo, the host city of the Games, as well as with other local governments, the central government and partner companies to leave a legacy to the next generation after the Tokyo 2020.

Mitsubishi Electric engages in activities to spread the sports culture through corporate sports events such as in basketball, tennis and badminton. Under official contracts signed with the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation.

We not only contribute to spreading and raising awareness of Para-Sports, but also aim to contribute to creating an "inclusive society" where everyone mutually respects and accepts



each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign, an event to make para-sports better known to many people in view of the Tokyo 2020 Paralympics, kicked off in October 2016; a total of 110,000 people in 42 prefectures had participated as of November 2019. While the event was suspended thereafter due to the impact of COVID-19, we created and distributed video contents featuring athletes associated with the remaining five prefectures (Ibaraki, Shiga, Tottori, Nara, and Mie) and completed the event in April 2021. Additionally, Mitsubishi Electric Going Up Seminars have also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees; the meeting seminars have been attended by approximately 2,200 participants, while the e-learning has had approximately 38,000 participants so far. Based on a legacy of respect for diversity and giving of consideration to those who need support, which we have learned through these activities, we will continue to contribute to the realization of an inclusive society.



Revision of the Charter of Corporate Behavior of the Keidanren

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

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

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



Main initiatives in which Mitsubishi Electric is participating

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

External Evaluation

CDP

Mitsubishi Electric was selected as the highest rating "A List company" from CDP for "Climate Change" and "Water Security." In the water category, it has been selected for five consecutive years. Mitsubishi Electric was also selected as a "Supplier Engagement Leader," acquiring the highest rating in all of the three categories in which its environmental activities are evaluated.



Mitsubishi Electric Again Named to CDP's Climate and Water "A Lists"

Mitsubishi Electric Named to CDP Supplier Engagement Leaderboard

SBT

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



Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets Approved by SBTi

EcoVadis

Mitsubishi Electric has been awarded the 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. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).



MSCI Indexes

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

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2020 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.



Eruboshi

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



White500

Mitsubishi Electric has been recognized under the 2021 Health & Productivity Management Outstanding Organizations Recognition Program's White500 (large-scale corporate category), for excellence in our various activities that contribute to health and productivity management by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Environmental awards

Environmental awards

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 resource 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

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 2020, 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]

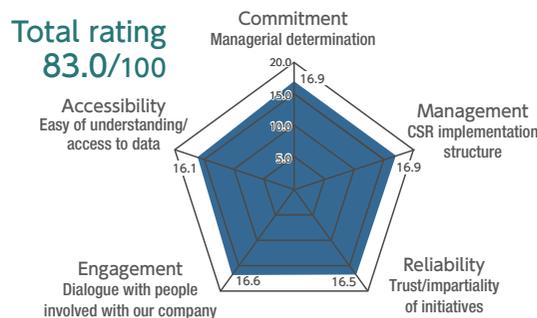
- December 2020

[Questionnaire responders]

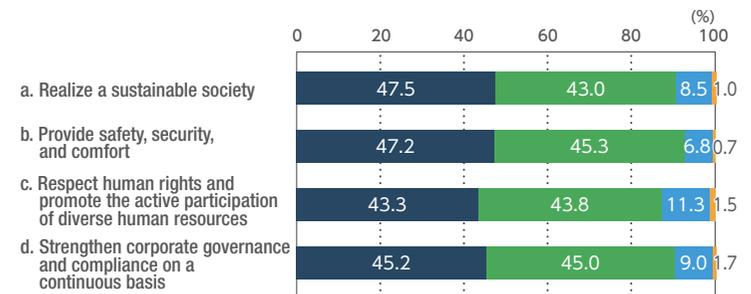
- Japan
- 600 persons
- General population nationwide, men and women aged 15 or older (people with a strong interest in sustainability)

[Main questions]

- Is senior management pursuing CSR initiatives in earnest?
- Does the company have the framework that will allow it to implement CSR 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.).
- Are the Mitsubishi Electric Group's initiatives enough when it comes to crucial CSR issues?



■ Sufficient ■ Somewhat sufficient ■ Somewhat insufficient ■ Insufficient



Comments on initiatives for CSR materiality

	<p>Main comments received</p> <ul style="list-style-type: none"> The company has a high awareness of CO₂ emissions and a track record of acting to address them. (Female, age 35) The goals are precise and easy to understand. (Female, age 35) I wish the company would set higher goals. (Male, age 55)
	<p>Main comments received</p> <ul style="list-style-type: none"> I like the company's attitude that the first step to customer satisfaction is employee education. (Female, age 68) It is good that the company shows what it actually does to its products to ensure safety. (Male, age 47) The company clearly demonstrates that it puts customers first. (Male, age 63) It is unclear whether the company is appropriately implementing measures to prevent recurrence of serious faults such as "inappropriate actions in quality management" and "mistakes in product shipment inspections." (Male, age 65)
	<p>Main comments received</p> <ul style="list-style-type: none"> From the data, I could see that the company thinks about creating an easy-to-work-in environment. (Female, age 33) I felt that the company has strongly recognized its past mistakes, incorporated them into future tasks to achieve the SDGs, and is now working to make improvements. (Male, age 36) While the company says it focuses on how to use human resources, it fails to provide the details of how it does so. I want to see more specific examples because the company uses abstract expressions. (Male, age 66) Given the COVID-19 pandemic, I do not think that the company can survive unless it accepts new working styles. (Male, age 49)
	<p>Main comments received</p> <ul style="list-style-type: none"> I sensed the company's commitment to continuously strengthening compliance. (Male, age 42). It is good that the outcomes shown in the figures suggest that the company is working seriously on this area. (Male, age 33) What the report proposes is excellent, but how the proposals can be put into practice is more important. (Male, age 86) I want the company to be 'clean' both inside and out. It would have been better if the report provided more detailed examples of the company's efforts. (Female, age 61)

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 2020 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. These experts also responded to our survey in order to identify our group's materiality. This section reports some of the opinions that we received.

Expectations for the Mitsubishi Electric Group

Takeshi Shimotaya

Managing Director
Sustainavision Ltd.

Areas of expertise:

Sustainability, Business & Human rights and supply chain management

- Vulnerable workers, such as part-time employees at domestic and international factories, seem to be the greatest victims of the impact of COVID-19. I expect you are considerate of vulnerable workers throughout your supply chains and will not need to cancel already signed orders placed with group companies, suppliers, and so on.
- For a company to ensure compliance with sustainability-conscious procurement standards, it must clearly show that it will trade with suppliers that meet such standards. It is desirable that your agreements with new suppliers include a requirement to meet the procurement standards. As for your current suppliers, in order to generate value throughout the supply chain, it is desirable that they deepen their understandings of the standards. If they fail to meet such standards for some reason, you and the suppliers should work together to improve the situation.
- The principle of human rights means to fully respect all individuals. To get employees to think that they want to work for your company, respecting human rights within the company requires the company to value employees and the president and all managers should communicate to employees that the company values them. This will promote employee motivation and loyalty as well as enable the company to recruit talented individuals.



Mari Yoshitaka

Principal Sustainability Strategist, Deputy General Manager of the Corporate Planning Dept., Mitsubishi UFJ Research and Consulting Co., Ltd.

Areas of expertise:

Environmental finance, climate change, carbon credits, ESG investment and finance, SDGs, and sustainable finance

- Investors strongly require companies to build growth strategies considering risk management and sustainability.
- Human rights issue is recognized as one of the crucial risk factors for companies from a global perspective. Since Japanese society is aging progressively, I especially pay close attention to this factor from the point of view of human resource strategies to acquire high-quality human resources.
- The environment issue has been a highly important matter. In recent years, the importance of cyber security and supply chain management has also been increasing.
- In terms of governance, it is expected to consider ESG aspects in the business evaluation of officers.
- Disclosure of the results alone may be deemed unintentional to implement future measures. Stakeholder capitalism, which places importance on contributions to stakeholders through corporate activities, is expanding. In order for stakeholders to understand its long-term corporate value improvement strategy, it is important for the company to not only disclose results but also to explain how to operate the business in the future and to communicate with stakeholders well. It is expected that outstanding technologies and corporate policy and measures of your company will be swiftly delivered in the manner of such disclosure and communication practices.



Dr. Wong Lai Yong

First Penguin Founder

Areas of expertise:

Sustainability, stakeholder engagement, and empowerment of youth and women in Asia (based in Malaysia)

- I think it is important to consider material issues through backcasting as your company has celebrated its 100th anniversary and is now preparing for the next 100 years, which are hard to predict.
- I expect that you will contribute to the achievement of SDG 9, "Industry, innovation and infrastructure," as well as SDG 13, "Climate action." We have not yet found solutions to realize a decarbonized society, ; I expect that your company, armed with a high level of engineering capabilities, will achieve technological innovation and provide the solutions.
- I expect that your company will contribute to the achievement of SDG 12, "Responsible consumption and production." From circular economy perspective, I hope your initiatives would consider the product life cycle - from design to disposal, and to use less raw materials.



Dialogues with Experts

The Mitsubishi Electric Group holds Dialogues with Experts to hear experts' opinions on our sustainability efforts from stakeholders' perspectives and incorporate them into our future activities. In March 2021, we held the fifth Dialogues with Experts with three experts, covering a wide range of topics including the latest sustainability trends and the experts' expectations for the Mitsubishi Electric Group.

Our group reviewed its material issues based on the Purpose, Our Values, and Commitment, which were revised as the group celebrated its 100th anniversary, and changes in the surrounding environment. In this dialog, we asked the experts for their opinions on identifying material issues.

* The sessions were held online as a COVID-19 countermeasure.



From left to right, Mariko Kawaguchi, Specially Appointed Professor, Rikkyo University Graduate School of Social Design Studies, and Executive Advisor to the CEO, Fuji Oil Holdings Inc. (ESG and market value generation), Toshio Arima, Chairman of the Board, Global Compact Network Japan, Keisuke Takegahara Executive Fellow, Research Institute of Capital Formation, Development Bank of Japan (March 2021)

Important Opinions and Recommendations from the Experts

The importance of clearly communicating the purpose of sustainability efforts to employees

In the process of reviewing the material issues, the Mitsubishi Electric Group conducted a survey of not only domestic and overseas group employees but also a wide range of stakeholders including consumers, suppliers, and investors. This suggests that the Group directly responds to diverse opinions.

Meanwhile, material issues must first be identified and then understood throughout the organization. In the past, manufacturers spent all their efforts ensuring total quality control (TQC). Today, in the same manner, they must disseminate the value they place on sustainability throughout the organization. I want you, the Mitsubishi Electric Group, to take advantage of opportunities like the President's Forum to have direct conversations with employees and to send a clear message about why sustainability efforts are necessary. Communicating the president's intentions is indispensable for boosting employee motivation.

As you have included "provision of integrated solutions" in the new management strategy despite your history as a manufacturing company, I believe that society will continue to change from being object-oriented to experience-oriented. To secure business continuity after this period of change, it is imperative that you reconsider how the organization and individuals should operate, and adapt to such changes.

Finally, I think that after experiencing various pandemic-related events, people have come to stop fearing the fact that "common sense changes." Therefore, I expect you to resolve social issues without being limited by traditional common sense.



Toshio Arima
Chairman of the Board
Global Compact Network
Japan

I anticipate seeing the group sort out the relationships between social issues and people and addressing material issues in the "Mitsubishi Electric" way

Materialities of the Mitsubishi's business seem to be reviewed in a proper process, however, you must develop a long-term vision of what the desirable society looks like and clearly address how you will contribute to such a society. Our Global Society is undergoing a major shift from a carbon society based on oil and coal to a decarbonized society. It is important to communicate to your employees your resolve that you should shift from producing hard products to soft, experience and services, because we should all decarbonize. To resolve social issues, you must begin by recognizing the fact that your corporate activities thus far have had negative impacts on various aspects of the environment and society, and you must always consider how people are affected by these social issues. Based on an understanding of the relationship between people and your four focus areas—namely Life, Industry, Infrastructure, and Mobility—I would like you to strive to become a company that makes everyone affected by your business happy.

Necessary administrative measures have been taken to address labor issues. Still, the corporate culture needs to be transformed, and this cannot be done easily. A gap in attitudes easily arises between management and employees; therefore, I expect you to fully implement the measures to alter the culture while filling the gap. In other words, what is expected is a dramatic corporate culture reform to make management directly communicate its intentions to employees so that, for example, young employees who want to contribute to society fully understand that the company has a policy of aiming to resolve social issues.



Mariko Kawaguchi
Specially Appointed
Professor, Rikkyo University
Graduate School of Social
Design Studies, and
Executive Advisor to the
CEO, Fuji Oil Holdings Inc.
(ESG and market value
generation)

High expectations for the group's new endeavor, the solutions business, to resolve social issues

Having withstood various changes in the environment, you, the Mitsubishi Electric Group, have kept your business going for 100 years. This is remarkable. What investors are looking for in the next 100 years is sustainable corporate growth. I hope that you recognize the issues that society is facing and propose a value creation scenario that synchronizes the resolution of these issues with corporate growth.

Since you have a wide variety of business operations, I think it may be difficult for you to create a simple and clear scenario. However, I recognize that your business model, in which you offer solutions, brilliantly and coherently connects different business areas. You have a large number of excellent products and services, and I believe that these function as a platform upon which you can offer valuable solutions.

As for the review of material issues, you can highlight your uniqueness by placing importance on the connection between these issues and the four areas as well as by combining these areas with the growth strategy, the solution service. In particular, in the area of the environment in which many companies face the task of decarbonization, you will be sending out your message to society by making full use of the products and solutions that you have developed thus far and by contributing to the decarbonization of the entire business community.

Clarifying the types of change you intend to make and the goals behind value creation will lead to the provision of solutions to customers and society.

Although human capital is hard to assess, you have an advanced approach of setting performance indicators (KPIs) to assess job satisfaction and work-life balance with the goal of enhancing employee engagement. My expectation for you is that you will implement concrete measures to address the areas identified as being at high risk and describe your actions both internally and externally.



Keisuke Takegahara
Executive Fellow
Research Institute of
Capital Formation
Development Bank of
Japan

In response to the dialogues

We, the Mitsubishi Electric Group, revised Purpose, Our Values, and Commitment as we celebrated our 100th anniversary. We have also announced that under our management strategy, our goal is to resolve social issues through our solutions. Going forward, we will review our materiality and tackle social issues in a way unique to the Mitsubishi Electric Group.

We appreciate the experts' honest critiques. In particular, we recognize the importance of taking time to thoroughly explain management's intentions to employees. We will work on communication, in addition to other areas, so that employees can take ownership of social issues and engage in tasks to resolve them. Through these efforts, we will foster a sustainability-oriented corporate culture and pursue value creation to resolve social issues by offering integrated solutions in the areas of Life, Industry, Infrastructure, and Mobility. To all the experts, I thank you for your time today.



Jun Nagasawa
Representative Executive
Officer,
Senior Vice President
Mitsubishi Electric
Corporation

Measures for Internal Dissemination

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

Sustainability Lectures for Executives

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



CSR Lectures for executives



Sharing of Sustainability Information in Conferences of Mitsubishi Electric Group Administrative Managers

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



Conference of administrative managers of Group companies

Sustainability Training for New Employees

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. The new employees learn that sustainability efforts must be made by each employee in their daily duties.



Implementing training for new employees (2018)

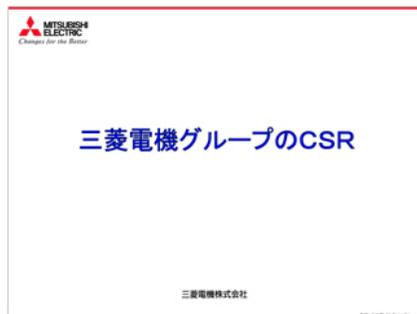


Sustainability Manager Training

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



Sustainability manager training



Sustainability (CSR) e-learning

Promoting Understanding of Sustainability through In-house Newsletters

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



Promoting understanding of sustainability through in-house newsletters

President's Forum

Mitsubishi Electric holds the President's Forum, a meeting in which the president and employees have a conversation, at various workplaces. At the forum, the president directly communicates the corporate policy to employees while gathering input from employees covering a wide range of topics, including the operational issues at each office as well as opinions and requests regarding corporate matters. These inputs are then incorporated in the implementation of more effective measures.

In April 2021, the "President's Room" opened, whereby employees and the president can "talk" through email. By implementing these programs, the company ascertains the thoughts and feelings of individual employees while communicating the thoughts and feelings of the president.

Sustainability Considerations in Overseas Affiliates

Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting sustainability and otherwise implement activities as needed for each region.

In fiscal 2020, efforts were made to disseminate Group-wide sustainability policies overseas. For example, sustainability was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on sustainability issues and Group-wide sustainability policies with managers of individual regions. We will continue making these efforts to increase the sustainability of the Mitsubishi Electric Group as a whole.



Exchange of views with overseas managers

Environmental Sustainability Vision

Environmental Sustainability Vision 2050

In recent years, corporations are expected to make long-term, sustained 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

Environmental Declaration

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



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

Environmental Sustainability Vision 2050

Three Environmental Action Guidelines

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

Key Initiatives

- Climate Change Measures	- Long-term Activities	- Understanding Needs
- Resource Circulation	- Innovation	- Co-create and Disseminate New Values
- Live in Harmony with Nature	- Nurturing Human Resources	- Live in Harmony with the Region

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 recycling 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 decarbonization, 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 Activities for a Sustainable Future



Environmental Vision 2021(ended in fiscal 2021)

In 2007, Mitsubishi Electric formulated a long-term environmental management vision for the Mitsubishi Electric Group called "Environmental Vision 2021." Its target year of 2021 coincided with the 100th anniversary of the company's founding. Based on this vision, we have worked toward the realization of a sustainable society over a wide range of business activities.

The Vision came to a close at the end of fiscal 2021 with the successful achievement of all its goals. For example, CO₂ emissions during production and during product usage were reduced by 56%*1 and 37%*1, respectively. Additionally, resource inputs were reduced, and thorough waste reduction efforts aimed at achieving zero emission were disseminated throughout the Group.

From fiscal 2022, we will strive to strengthen our environmental efforts under "Environmental Sustainability Vision 2050," our new long-term vision.

*1 Base year for reduction in CO₂ emissions during production: Mitsubishi Electric Corporation, fiscal 1991; affiliates in Japan, fiscal 2001; and overseas affiliates, fiscal 2006.
Base year for reduction in CO₂ emissions from product usage: fiscal 2001.

Creating a Low-Carbon Society

To help create a low-carbon society, we will:

- Work to create and popularize innovative energy-saving products to achieve the goal of reducing CO₂ emissions from product usage by 30% compared to fiscal 2001
- Strive to reduce CO₂ emissions from product production by 30% (520,000 tons) across the entire Mitsubishi Electric Group as a prerequisite for sustainable growth
- Reduce CO₂ emissions from power generation and contribute to the creation of a low-carbon society by supplying the power industry with products and systems that do not emit CO₂, including solar power and nuclear power systems

Creating a Recycling-Based Society

To help create a recycling-based society, we will:

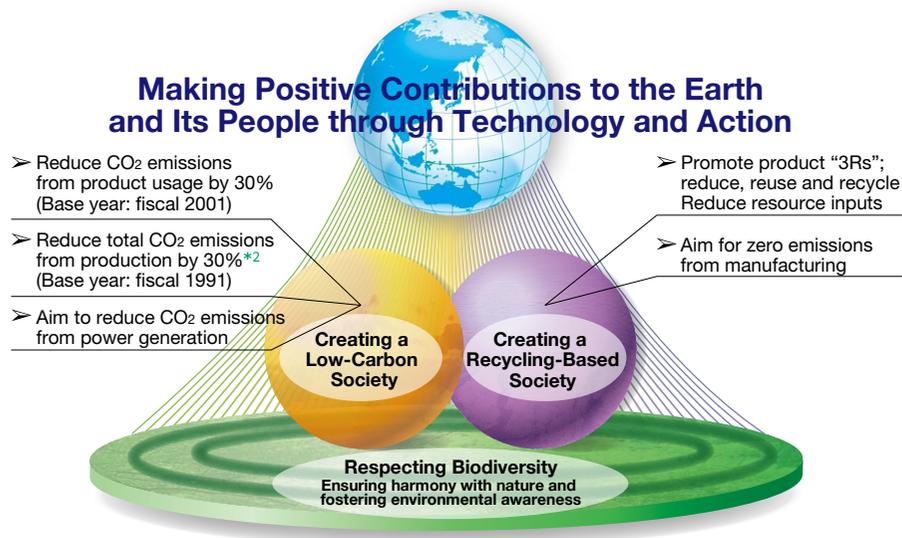
- Develop sustainable resource cycles by reducing waste output, reusing resources and recycling resources to give them new life
- Strive for zero waste output from production processes

Respecting Biodiversity: Ensuring Harmony with Nature and Fostering Environmental Awareness

To help ensure harmony with nature and cultivate greater environmental awareness, we will:

- Strive to respect biodiversity in our business activities
- Teach employees the importance of maintaining harmony with nature by providing opportunities for nature observation and direct participation in conservation activities to inculcate autonomous actions for the sake of the environment
- Engage in nature conservation activities to restore damaged woodland environments

Environmental Vision 2021



*2 Mitsubishi Electric Corporation: Base year fiscal 1991;
Affiliated companies in Japan: Base year fiscal 2001;
Affiliated companies outside Japan: Base year fiscal 2006

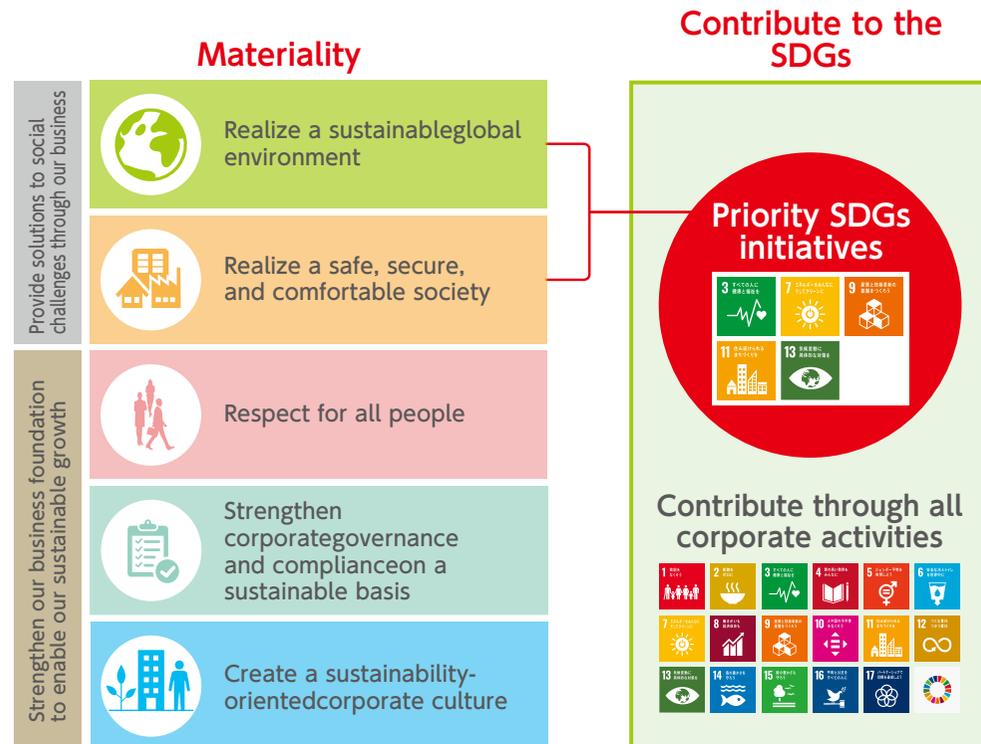
Strategy for Climate Change

The Mitsubishi Electric Group's Materiality

With the vision of realizing a vibrant and sustainable society, the Mitsubishi Electric Group has established its "materiality" (significant issues) by grouping sustainability initiatives that have particular priority from the two perspectives of "providing solutions to social challenges through our business" and "strengthening our business foundation to enable our sustainable growth." Based on this, we have re-established five new issues and have begun addressing them from fiscal 2022. One of these is "the realization of a sustainable global environment." We have made our response to climate change a priority in this area and our aim is to achieve net-zero greenhouse gas emission throughout the value chain in 2050.

Initiatives to Realize a Decarbonized Society

The Mitsubishi Electric Group is aiming to achieve net-zero greenhouse gas emissions throughout the entire value chain by 2050. Toward this end, we are striving to reduce greenhouse gas emissions with a focus on the following four initiatives: (1) increased contribution to reducing the CO₂ emission factor of electric power, (2) reduction of emissions by products, (3) reduction of emissions in production, and (4) improvement of efficiency and spread of power semiconductor devices, etc.

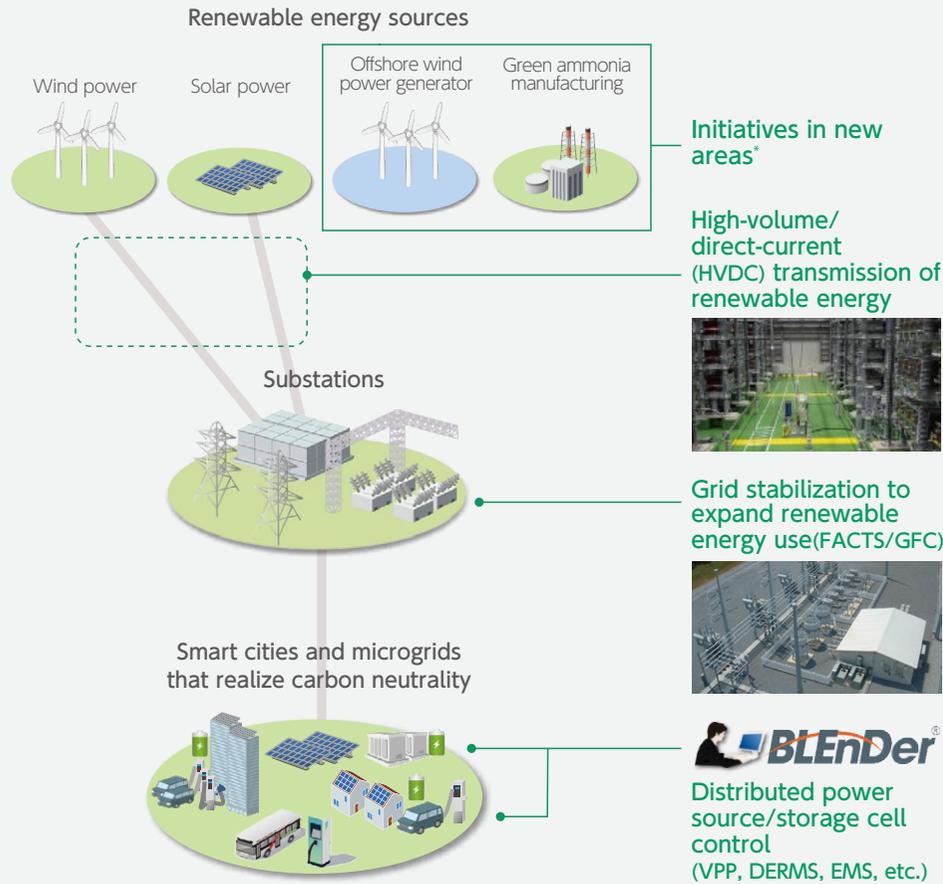


The Mitsubishi Electric Group's Materiality / Contribute to the SDGs

Examples of Initiatives to Realize a Decarbonized Society

Example 1

Increased contribution to reducing the CO₂ emission factor of electric power - Contributing to a wider introduction of renewable energy -



DERMS: Distributed Energy Resource Management System EMS: Energy Management System
 FACTS: Flexible AC Transmission Systems GFC: Grid Forming Control
 GWP: Global Warming Potential HVDC: High Voltage Direct Current SiC: Silicon Carbide VPP: Virtual Power Plant

* Commercialization yet to be decided

Example 2

Reduction of emissions by products

Reduction in power consumption of new products

Improvement of more than 1% from previous models

Provision of energy-saving & energy-creating solutions



Air conditioning systems: Accelerating the switch to low-GWP coolants



Electric products (motors/inverters)



e-F@ctory solutions



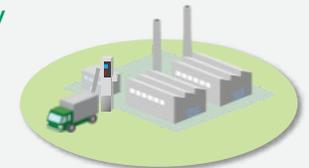
ZEB (net Zero Energy Building)

Example 3

Reduction of emissions in production

Target of investing 0.15% of our revenue in decarbonization

Increasing the utilization rate of renewable energy



Example 4

Improvement of efficiency and spread of power semiconductor devices, etc.



SiC power devices

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

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

Strategy

The Mitsubishi Electric Group regards sustainability as the foundation of corporate management and makes sustainability-oriented efforts in all activities, in line with its "Purpose*1," "Our Values*2," and "Commitment*3."

Our management strategy is to "provide integrated solutions to address diversifying social challenges in the four fields of Life, Industry, Infrastructure and Mobility, uniting all the capabilities in and outside the Group. For this purpose, we will enhance the business foundation we have fostered over the past 100 years and further transform our business models." The Mitsubishi Electric Group will pursue value creation for addressing social challenges, and contribute to achieving the 17 worldwide goals of the SDGs through all corporate activities. Furthermore, Environmental Sustainability Vision 2050 was established in 2019, and positions environmental contribution an even greater corporate priority and stipulates its initiatives in solving environmental issues.

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

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



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

*2 Trust: We develop relationships based on strong mutual trust with all stakeholders including society, customers, shareholders, suppliers, and employees working together.
 Quality: We ensure the satisfaction of society and customers by providing products and services of the best quality.
 Technology: We provide society with new value by enhancing technology and onsite capabilities.
 Ethics and Compliance: We act with high ethical standards and comply with laws and social norms.
 Humanity: We prioritize health and safety, promote diversity and respect personalities and human rights.
 Environment: We strive to protect and improve the global environment, doing so in harmony with nature.
 Society: We contribute to the development of a better society as a corporate citizen.

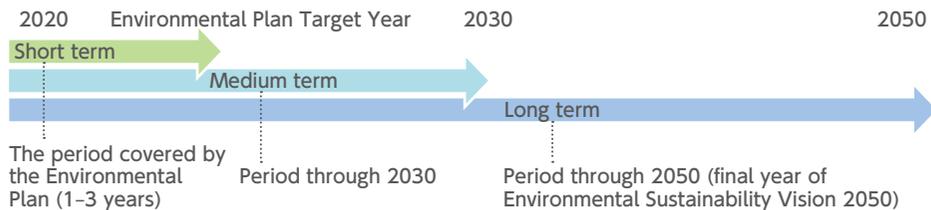
*3 "Changes for the Better" (the Mitsubishi Electric Group's attitude to "always strive to achieve something better")

*4 Science-Based Targets: Targets to reduce greenhouse gas (GHG) emissions in line with the latest climate science necessary to meet the goals of the Paris Agreement.

Overview of Risk and Opportunity Assessment through Scenario Analysis

Through scenario analysis, we assess the corporate activities of the Group in terms of risks and opportunities.

The assessment is made based on two scenarios: a scenario to keep the increase in the global average temperature to below 2°C above pre-industrial levels (2°C scenario*1) and a scenario in case the temperature rises nearly 4°C as a result of continuing the conventional global warming countermeasures (4°C scenario*2). The period covered by the scenario analysis is up to 2050, and the periods are classified as shown below.



*1 Applied the IEA 450 scenario, etc.

*2 Applied the IPCC RCP 8.5 scenario, etc.

Climate-Related Risks and Responses by the Mitsubishi Electric Group

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

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 of the supply chain 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 following table.

Examples of Climate-Related Risks and Responses 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*3 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 (Medium 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 growth driving businesses • Capital investment related to environmental activities, including energy saving and global warming countermeasures
Market Risks (Medium 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 (Medium 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 heavy rains and floods	<ul style="list-style-type: none"> • Formulation and periodic review of BCPs*4 • Implementation of supply chain management (formulation and implementation of green procurement standards, decentralization of production sites by purchasing from multiple companies, etc.)
Chronic Risks (Medium 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

*3 Greenhouse gas

*4 Business continuity plan

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 promotion of an Environmental Plan and setting and taking initiative on science based targets. Similarly, the impact of rising raw material costs can be mitigated by further promoting environmentally conscious design that is already being implemented toward addressing global warming, resources conservation, and improved recyclability. We also invest in facilities for environmental activities, including energy saving and other measures to combat global warming, and in the research and development of new technologies in a well-balanced manner from the short, medium, and long term perspectives.

Against physical risks such as flooding under the 4°C scenario, we have formulated a BCP (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 are expected to become more apparent.

For example, if the 2°C scenario progresses, an increase in power generation by renewable energy is projected. 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, and distributed power source operation systems / virtual power plant (VPP) systems.

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, assess disaster situations, and contribute to disaster prevention.

As shown in the following table, 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. Through our solutions to these social issues, we believe we have the opportunity for short to long term sustainable growth.

Please refer to the section on “Initiatives that Contribute to Addressing Social Issues” in the “Mitsubishi Electric Group CSR Report” for details on the activities of each business.

Examples of Climate-Related Opportunities and Initiatives by the Mitsubishi Electric Group

Social Issues (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 and resource-saving 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 by ozonizers • Strengthening of products and solutions that support e-F@ctory*1 • Promotion of a modal shift through the transportation systems business • Development of products and technologies that contribute to autonomous driving • Localization of production and sales bases
Energy Source	
<ul style="list-style-type: none"> • Use of lower-emission energy sources • 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
Products and Services	
<ul style="list-style-type: none"> • Development and/or expansion of low emission goods and services • 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 creates the illusion of 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 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 • Establishment of the Business Innovation Group • 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 <https://www.MitsubishiElectric.com/fa/sols/index.html>

*2 https://www.MitsubishiElectric.com/en/sustainability/csr/management/social_contributions/energy/index.html

*3 <https://www.MitsubishiElectric.co.jp/ldg/ja/lighting/products/fixture/misola/index.html> (in Japanese)

*4 <https://www.MitsubishiElectric.com/en/about/rd/research/highlights/energy/mbr.html>

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

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

Management System Governance System

As a company with functions such as a Nomination Committee, etc., we aim to achieve sustainable growth by improving management agility and transparency and strengthening management oversight functions. Our basic policy is to build and improve a system that can accurately meet the expectations of stakeholders, including society, customers, shareholders, and employees, and further enhance our corporate value.

A salient characteristic of Mitsubishi Electric's management structure is that the roles of the Chairman of the Board, who heads the supervisory function, and the President & CEO, who is the head of all executive officers, are clearly separated. Additionally, neither is included among the members of the Nomination and Compensation Committee. Our company's corporate governance is made more effective by clearly separating the supervisory and executive functions.

The Board of Directors is comprised of twelve members, including five outside directors (one is a woman). The members execute their duties based on the objectives and authority specified by the Companies Act. At the same time, the executive officers are delegated the authority to make decisions on all business operations, except for matters listed in the items of Article 416, Paragraphs 1 and 4 of the Companies Act, to provide advice to and supervise Mitsubishi Electric's management from an objective perspective.

The executive officers, including the officer in charge of production systems, who are responsible for promoting environmental management, are delegated by the Board of Directors to make decisions and execute business operations within the scope of their responsibilities in accordance with the objective and authority stipulated in the Companies Act. The Executive Officers' Meeting, comprised of all executive officers, deliberates and makes decisions on important matters.

The compensation scheme for executive officers places importance on the realization of management policies and incentives to improve performance, and pays out a fixed amount of compensation and retirement benefits upon their resignation, in addition to a performance-linked compensation. The basic policy specifies that the compensation is to "increase awareness of contributing to improving business performance over the medium to long-term and increasing corporate value."

Identifying, Evaluating, and Managing Risks and Opportunities and Incorporating Them into Business Activities

The Environmental Management System (EMS) is integrally operated by the Mitsubishi Electric Group as a whole, with all organizations within the Group (business groups, head office management divisions, Corporate Human Resources Division, factories, and affiliated companies) working to achieve the Group's three-year environmental plan as a common goal. Each

organization identifies and assesses risks and opportunities related to its environment, including climate-related risks, and reflects them in its own EMP (Environmental Management Plan).

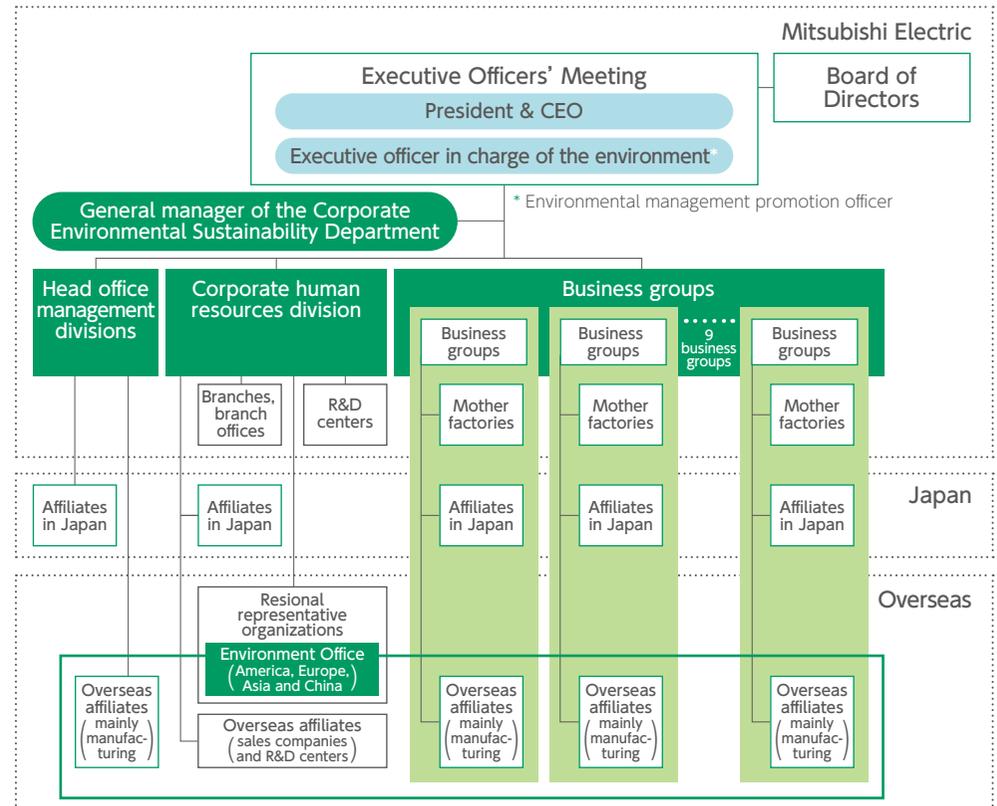
Business groups, head office management divisions, and the Corporate Human Resources Division direct and manage the activities of their organizations, their branch offices, factories, and affiliated companies based on the EMP.

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

The Environment Office, as a regional organization in the regional representative organization for the Americas, Europe, Asia, and China, supports the development of Group-wide measures and the activities of all affiliated companies in the region under its management.

The progress of the EMP in each division is reported to the Corporate Environmental Sustainability Department, which identifies and assesses company-wide risks and opportunities based on the reports and reviews the Environmental Plan and EMPs as necessary.

Environmental Governance and Risk Management System



Climate Change Indicators and Goals

The Mitsubishi Electric Group's Environmental Plan

The Mitsubishi Electric Group has formulated an Environmental Plan every three years since 1993, setting specific action targets. We are presently pursuing various activities in line with the current plan, Environmental Plan 2023 (fiscal 2022 to 2024), which sets forth indexes and targets in four areas based on the action guidelines of Environmental Vision 2050: "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 more information, see "Environmental Plan 2023"

Calculating and Identifying Greenhouse Gas Emissions along the Value Chain

The Mitsubishi Electric Group calculates and tracks greenhouse gas emissions (Scope 1, Scope 2 and Scope 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 more information, see "Reducing Greenhouse Gases Emitted in the Value Chain"

Science Based Targets

The Mitsubishi Electric Group has set the following greenhouse gas reduction targets and has been approved by the Science Based Targets initiative in January 2020.

- Scope 1 and Scope 2: Mitsubishi Electric commits to reduce total Scopes 1 and 2 GHG emissions by 18% by 2030, compared to the base year of fiscal 2017.
- Scope 3,*1.*2: Mitsubishi Electric commits to reduce total Scope 3 GHG emissions by 15% by 2030, compared to the base year of fiscal 2019.

*1 The scope of third-party certification in Scope 3 includes Category 1 (purchased goods and services), Category 6 (business travel), Category 7 (employee commuting), and Category 11 (use of sold products).

*2 Scope 3 covers Category 11 (use of sold products).

We will continue to disclose our progress of the targets.

Implementation of Third-Party Certification

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

→For details, please refer to the Verification Statement.

https://www.MitsubishiElectric.co.jp/corporate/environment/disclosure/tpv/pdf/tpv_2021_e.pdf

TCFD Recommended Disclosures

Governance: Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	Management System
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management System
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate-Related Risks and Responses by the Mitsubishi Electric Group Examples of Climate-Related Opportunities and Initiatives by the Mitsubishi Electric Group
b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	Strategy
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Strategy
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Identifying, Evaluating, and Managing Risks and Opportunities and Incorporating Them into Business Activities
b) Describe the organization's processes for managing climate-related risks.	Identifying, Evaluating, and Managing Risks and Opportunities and Incorporating Them into Business Activities
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Identifying, Evaluating, and Managing Risks and Opportunities and Incorporating Them into Business Activities
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Overview of Risk and Opportunity Assessment through Scenario Analysis
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Reducing Greenhouse Gases Emitted in the Value Chain
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Climate Change Indicators and Goals Environmental Data

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 Information Security and 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 Information Security and Total Productivity Management & Environmental Programs.

(6) Management Review

The Executive Officer in charge of Information Security and 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 2021, 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 Promotion Chief Administrator 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 - Design for the Environment - Energy Saving Law - Biodiversity - Chemical Substances Management •Key Environmental Personnel Liaison Meetings •Environmental Basic Guidance •Training Internal Auditors - Environmental Audits - ISO 14001 - Environmental Regulations
General Employees	<ul style="list-style-type: none"> •Environmental Course for Employees Dispatched Overseas •e-Learning for All Employees, Mitsubishi Electric Group Environmental Management •Environmental Training Course by Age Group •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/Regional Block Leader 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.

To achieve this, 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 2021, we assessed survey results and countermeasures regarding the condition of soil and groundwater due to land utilization for a total of seven 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 implemented purification measures using method 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, all relevant procedures were completed, including entering into a waste disposal contract with the Japan Environmental Storage & Safety Corporation (JESCO), a company that specializes in interim storage and environmental safety. In fiscal 2021, we processed 172 devices (1,397kg). Our affiliates in Japan also processed 714 devices (670kg).

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/Appendix" for details of sites included in the multi-site certification.

ISO 14001 Certificate of Registration/Appendix

https://www.MitsubishiElectric.co.jp/corporate/environment/disclosure/iso/certificate_en/index.html

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

Overview of the 9th Environmental Plan

At the Mitsubishi Electric Group, we formulate an Environmental Plan consisting of initiatives and targets every three years, with the purpose of achieving our Environmental Vision. The 9th Environmental Plan, a three-year plan from fiscal 2019, ended in fiscal 2021.

The table below shows the targets and results of each item.

Target of 9th Environmental Plan (FY 2021)	Result		
	FY 2019	FY 2020	FY 2021

■ Initiatives through Products and Services

Reducing Resource Inputs	Average reduction rate from 64 product groups (compared to FY 2001) 40% or more	42%	42%	43%
Reducing CO ₂ Emissions from Product Usage by Improving Product Performance	Average reduction rate (compared to FY 2001) 35% or more*1	36%	37%	36%
Increasing Contribution to Reducing CO ₂ Emissions from Product Usage	Contribute to reducing emissions from at least 127 product groups: 70 million tons or more	77 million tons	76 million tons	74 million tons

■ Initiatives at Business Sites

Reducing CO ₂ from Production	Annual emission of greenhouse gases (CO ₂ conversion) 1.47 million tons or less	1.29 million tons	1.24 million tons	1.16 million tons
Effective Utilization of Resources	● Mitsubishi Electric Group companies in Japan Final disposal rate: below 0.1%	0.01%	0.01%	0.02%
	● Affiliates (Overseas) Final disposal rate: below 0.5%	0.5%	0.4%	0.2%
Using Water Effectively	Reduction in water usage per unit of sales: 10% or more (improvement of 1% per annum compared to FY 2011)*2	23%	21%	20%
Preserving Biodiversity at Business Sites	Number of business sites where activities are promoted: All business sites of Mitsubishi Electric	All 24 business sites	All 24 business sites	All 20 business sites
Continuous Holding of the "Mitsubishi Electric Outdoor Classroom" and "Satoyama" Woodland Preservation Project	Total participants since FY 2008: 51,000 people or more*3	43,738 people	47,808 people	48,872 people

*1 99 product groups in fiscal 2019, 98 product groups in fiscal 2020 and 2021.

*2 The targets for fiscal 2019 and 2020 were 8% or more and 9% or more, respectively.

*3 The targets for fiscal 2019 and 2020 were 43,000 and 47,000 people, respectively.

Steady progress has been made in all initiatives throughout fiscal 2019 and 2020. However, during fiscal 2021, we were unable to hold the Mitsubishi Electric Outdoor Classroom and the Satoyama Woodland Preservation Project as initially scheduled, due to the COVID-19 pandemic. As a result, the target relating to the continuation of these two programs (i.e., the cumulative total number of participants since fiscal 2008) remained unachieved.

From fiscal 2022, we will continue to work together as one to achieve all of the targets under the new three-year plan, Environmental Plan 2023.

→For more information, see "Environmental Plan 2023"

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 “decarbonization” 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 renewable energy adoption rates and effective usage rates of plastic waste at our business sites.

Products	<p>Environmental activities starting from product development</p> <p>Starting from fiscal 2022, we will assess 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.</p> <p>We will centrally manage data such as the consumption of materials and energy during development, the weight of packaging, and the quantities of shipped products, and apply the PDCA cycle for further improvement.</p>
+	
Services	<p>Expansion of environmental solutions and services</p> <p>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.</p>
+	
Business Activities	<p>Maintaining/improving measures to reduce the environmental impact of business activities</p> <p>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.</p>

Activities and Key Performance Indicators

Classification	Activity	KPI	Target set in Environmental Plan 2023
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
	Improving the usage rate of recycled plastics	Usage rate of recycled plastics (procurement volume of molding/package materials)	10% or more in fiscal 2024
Reduction of the environmental impact of our business activities	Reducing CO ₂ from production	CO ₂ emission	Reduction of 9% or more compared to fiscal 2017 (SBT compliant)
		CO ₂ emission per unit of sales	Reduction of 6% or more compared to fiscal 2020
		Increase in usage rate of renewable energy sources	2% or more in fiscal 2024
	Improving the effective usage rate of plastic waste	Effective usage rate of plastic waste (in Japan)	90% or more
	Using water effectively	Water consumption per unit of sales in high-risk sites	Reduction of 4% or more compared to fiscal 2020
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

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 operating conditions for assessment and evaluation items* for each product group (including systems and solutions).
- (2) Assess 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.

Example of Environmental Performance Evaluation Items

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-consignment systems.

Reduction 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



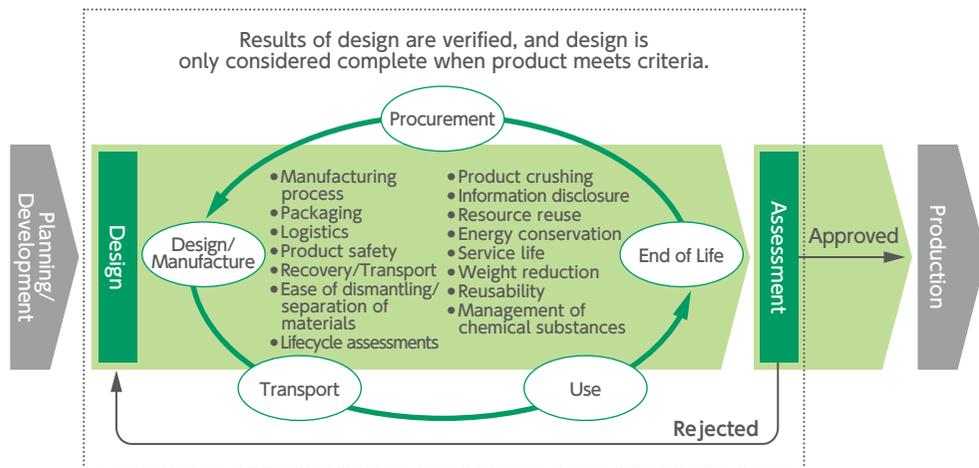
Implementation of Environmentally Conscious Design

Product Development in Consideration of the Overall Lifecycle of Products

As the concept of “lifecycle thinking” grows increasingly more important globally, the Mitsubishi Electric Group aspires to reduce environmental load by closely overseeing the entire product lifecycle, from collecting resources to design, manufacture, and disposal after use. Since fiscal 2004, product environmental assessments for all newly developed products have been implemented from the perspective of MET.* From fiscal 2016, we began operating the assessment based on the Design for Environment rules that conform to international standards focusing on lifecycle thinking. Furthermore, with regard to the index that measures improvements in the environmental efficiency of products (Factor X), we have established an original calculation method based on the MET standard so that it can be used for product environmental assessment.

* MET stands for material (effective use of material resources), energy (efficient use of energy) and toxicity (avoiding emissions of toxic substances with potential environmental risk).

The Concept of Design for the Environment



Product Environmental Assessment that Gives Consideration to MET throughout the Lifecycle of Products

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 received ‘ZEB’ certification as well as the highest BELS*3 5-star rating with regard to the building’s energy efficiency. Additionally, it has acquired the highest Rank S certification in CASBEE Wellness Office*4, which is a certification system for the health and comfort of an office. SUSTIE became Japan’s first medium-sized office building (building alone) with a total floor space of more than 6,000m² to obtain both of these certifications. This proves that SUSTIE has simultaneously achieved “energy efficiency,” “comfort,” and “healthiness,” which has hitherto been considered difficult.

ZEB is more than just a building design. It is important for ZEB to be operated as planned at the time of design, as well as for it to be further improved based on the results of its operation. More than fifty different experiments are currently underway at SUSTIE. Relevant divisions across the company will be kept informed of the outcome of these experiments, so they can also be used for the development of new products.

*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 BEL: Building-Housing Energy-efficiency Labeling System

*4 CASBEE Wellness Office: A tool for evaluating the specifications, performance, and efforts of the office area of buildings to support the maintenance and improvement of the health and comfort of their users.

Definition of ZEB

ZEB is a building designed for net-zero primary energy consumption on an annual basis. Buildings are classified into four ranks according to their reduction rate of primary energy consumption. SUSTIE is ranked in the highest ‘ZEB’ category, as it has achieved a reduction of 106% through energy saving and creating measures compared with the standard primary energy consumption.

ZEB Ranking (Classification According to Reduction in Primary Energy Consumption)

‘ZEB’	Energy savings (50% or more reduction) + 100% or more reduction through energy creation
Nearly ZEB	Energy savings (50% or more reduction) + 75% or more reduction through energy creation
ZEB Ready	50% or more reduction through energy savings
ZEB Oriented	30% or more or 40% or more reduction*5 through energy savings

*5 For buildings with a total floor space of more than 10,000 m². The required rate of energy savings varies depending on the type of facility.

Example Transformers That Use Vegetable Oil

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. We have adopted vegetable oil for the internal insulation of transformers in consideration of its environmental friendliness and low risk of fire. Since 2017, these transformers have been installed in railway systems, airports, and industrial facilities.



MELCORE-NEO™, a transformer that uses vegetable oil

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 will develop and manufacture transformers that use vegetable oil and establish 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 (figure 1), 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 (figure 2). 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 (figure 3), 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.

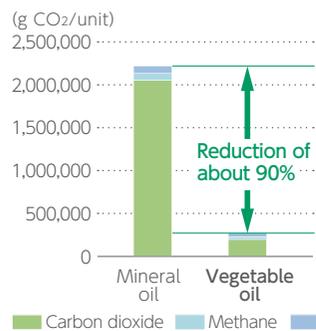


Figure 1: CO₂ emission equivalents

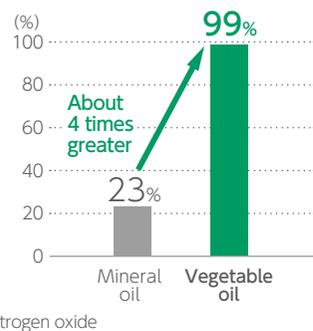


Figure 2: Comparison of biodegradability between mineral oil and vegetable oil

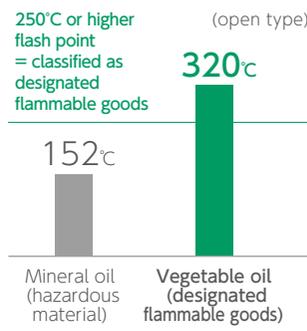


Figure 3: Comparison of flash point between mineral oil and vegetable oil

* Acquired Eco Mark certification as a biodegradable lubricant oil (certification number: 18110002)
Sources: Figure 1: NIST, "Determining the Environmental Preferability of a Biobased Oil" (2002)



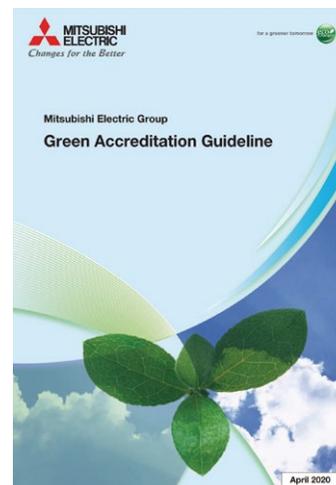
Reducing Environmental Risk through Operation of the Green Accreditation System

The Green Accreditation System Is Introduced in Consideration of Biodiversity and Environmental Risk

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. The Group is working to minimize environmental risks by evaluating the status of environmental management system accreditation acquired by suppliers, compliance with statutory and regulatory requirements, and management of chemical substances contained in products, while at the same time certifying suppliers that meet the Company's criteria and standards. When it comes to the status of chemical substance management, all evaluations are conducted taking into consideration aspects such as changes to regulations.

In fiscal 2011, Mitsubishi Electric added consideration for preserving biodiversity as an assessment criterion of the Green Accreditation System. We have also implemented a means of confirming whether or not our business partners have introduced initiatives to preserve biodiversity as well.

The overall Green Accreditation rate among Japanese and overseas suppliers of manufacturing materials essential to Mitsubishi Electric's manufacturing activities stands at 91% as of fiscal 2021. Guidance for improvement continues with the aim of achieving 100% in the future.





Reducing CO₂ from Production

Targets and Achievements

The Mitsubishi Electric Group continues to promote activities that combine the initiatives for reducing CO₂ originating from energy and for reducing non-CO₂ greenhouse gases (SF₆, HFCs, and PFCs) with the aim of reducing CO₂ emissions from production.

The 9th Environmental Plan (fiscal 2019–2021) is the final environmental program before Environmental Vision 2021 is to be achieved. The goal of this plan is to reduce total annual emissions of greenhouse gases to a CO₂ equivalent of 1.47 million tons or less in fiscal 2021. By achieving this, we will have outperformed our target of 30% reduction from the base year level*, which had been set at the time of formulating Environmental Vision 2021, and will actually achieve a 45% reduction from the base year level.

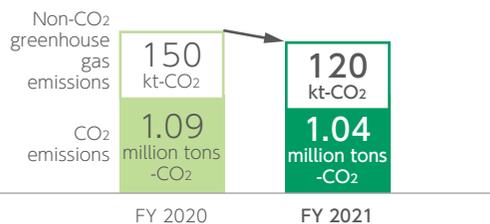
In fiscal 2021, emissions of greenhouse gases amounted to a CO₂ equivalent of 1.16 million tons and achieved our target of less than 1.47 million tons. One of the major factors behind this accomplishment is the steady reduction of CO₂ emissions originating from energy.

This was owing to the introduction of high-efficiency machinery, the switching of fuels, and the progress in thorough waste elimination. Another factor was the acceleration in the reduction of non-CO₂ greenhouse gases, owing to the replacement of traditional refrigerant gases with those having lower global-warming potential (GWP) and the increase in the amount of refrigerant gases recovered during manufacturing processes overseas.

In January 2020, the Mitsubishi Electric Group's targets of reducing greenhouse gases by 2030 were approved as science-based targets, certified by the Science Based Targets (SBT) Initiative. We will hereafter substantiate our roadmap for long-term reductions in greenhouse gas emissions and implement further measures.

* Base year for CO₂: Mitsubishi Electric Corporation, fiscal 1991; affiliates in Japan, fiscal 2001; and overseas affiliates, fiscal 2006.
 Base year for non-CO₂ greenhouse gases: Mitsubishi Electric Corporation and affiliates in Japan, fiscal 2001; overseas affiliates, fiscal 2006.

Reducing CO₂ Emissions from Production (Mitsubishi Electric Group)



Note: Calculations were made using the following coefficients:

- Emission coefficient for Japan: 0.487 (published by the Federation of Electric Power Companies of Japan in 2013, when two nuclear power plants are in operation)
- Overseas emission coefficient: Calculated with reference to figures published by the Japan Electrical Manufacturers' Association (JEMA) in 2006.
- The global warming potential (GWP) of non-CO₂ greenhouse gases was calculated in reference to the figure published in IPCC's Second Assessment Report (1995).

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 17 kt to 1.04 million tons in fiscal 2021.

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, 12 out of 20 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 2021, 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 62 kt less than our initial prediction, which anticipated a year-on-year increase due to growth in business. Due to an increase in production, increased emissions were anticipated, however there turned out to be a 29 kt reduction compared to the previous fiscal year.

Greenhouse Gases	Past Measures	8th Environmental Plan			9th Environmental Plan		
		2016	2017	2018	2019	2020	2021
SF ₆ (Sulfur hexafluoride)	Vacuum pump Recovery/abatement Early gas-leakage detection	Japan: Expand introduction of recovery/abatement systems					
		Overseas: Improve operation during filling process		Overseas: Strengthen SF ₆ reduction measures			
HFCs (Hydrofluorocarbons)	Recovery	Japan: Switch refrigerant (from R410A to R32)					
		Japan: Completed construction of refrigerant recovery scheme		Overseas: Switch refrigerant (from R410A to R32)			
		Overseas: Construct refrigerant recovery/disposal scheme					
PFCs (Perfluoro-carbons)	Recovery/abatement system	Japan: Expand introduction of recovery/abatement systems					

Under Environmental Vision 2023, our three-year plan that started in fiscal 2022, we set our target for total greenhouse gas emissions in fiscal 2024 at 1.2 million tons or less, corresponding to a 9% reduction from the base year of fiscal 2017, to conform to the target value required for Science Based Targets (SBT) certification. We also set forth the target of reducing the amount of emissions per unit of sales by 6% or more compared to the base year of fiscal 2020. Furthermore, we set a target of adopting CO₂-free renewable energy worth 2% of our electricity consumption during production (approx. 20,000 MWh/year).

Additionally, to ensure the achievement of Environmental Sustainability Vision 2050 and the SBT targets, we issued “Energy-Saving Guidelines” for buildings and production facilities.

- Building Energy-Saving Guidelines

These guidelines mainly require that consideration be given to the heat insulation performance of buildings when constructing new factories, and to the introduction of a certain amount of renewable energy.

- Production Facility Energy-Saving Guidelines

These guidelines cover energy-saving technologies in general and require active consideration of using Mitsubishi Electric products (e.g., high-efficiency electrical equipment, control devices to monitor energy savings, LED lighting, heat pumps, inverters, and regenerative electric power converters).

We will continue to promote thorough energy-saving activities through our business operations.

Reducing Resource Inputs

Targets and Achievements

The Mitsubishi Electric Group is reducing resource inputs by reducing the size and weight of its products. Our aim under the 9th Environmental Plan (fiscal 2019–2021) was to reduce resource inputs for 64 product groups by an average of 40% compared to fiscal 2001, and this reduction target was built into our product development plans. Individual products that are not continuously manufactured and products built to customer specifications are outside the scope of resource input reduction.

The average reduction rate of resource inputs was 43% in fiscal 2021, so we have achieved the target.

From Environmental Plan 2023 onward, we will work to reduce the size and weight of our products, as well as to promote the introduction of recycled plastics in order to reduce resource inputs. We set a target to increase the ratio of recycled plastics to total purchases of resin materials to 10% by fiscal 2024. In particular, we will actively utilize our Group's plastic recycling technologies.

Products Making Notable Progress in Resource Reduction in Fiscal 2021 (Compared to Fiscal 2020)

- TFT-LCD modules: 12% reduction
- Hot water supply systems and equipment: 6% reduction
- IH cooking heaters: 6% reduction
- Gas-insulated switchgear: 5% reduction

Average Reduction Rates of Resource Inputs for 64 Product Groups with Fiscal 2001 as Base Year (Mitsubishi Electric Group)



Reducing Final Waste Disposal Ratios

Targets and Achievements

The Mitsubishi Electric Group focuses on the following three measures to reduce final disposal ratios: thorough analysis and separation of waste for conversion into valuable resources; higher levels of conversion into valuable resources through development of disposal contractors, sharing information about waste disposal contractors; and increasing the efficiency of waste (recycling) logistics.

Under the 9th Environmental Plan (fiscal 2019–2021), the target final disposal ratio is to be maintained at less than 0.1% for Mitsubishi Electric Group companies in Japan. In fiscal 2021, the ratio was 0.02%. Overseas affiliates had a final disposal ratio of 0.15% in comparison with their target of less than 0.5%, which meant the targets were achieved both in Japan and overseas.

Results of Activities at Mitsubishi Electric Group Companies in Japan

Each Mitsubishi Electric production base manufactures different products, and therefore generates different kinds of waste. Thus, the general rule is for each base to create and implement its own plan. At the same time, however, all bases share management expertise and information on contractors, and cooperate with neighboring bases to ensure proper waste management.

In addition to the above, a waste control system has been introduced to all 26 Mitsubishi Electric production bases to strengthen compliance. Furthermore, affiliated companies in Japan make ongoing efforts to implement initiatives that have been proven effective at Mitsubishi Electric's production bases, and to pursue thorough waste separation.

Final Waste Disposal Ratios

(Left: Mitsubishi Electric Group Companies in Japan, Right: Overseas Affiliates)



Total waste output amounted to 122 kt in fiscal 2021, a 11 kt reduction compared to the previous fiscal year.

Results of Activities at Overseas Affiliates

It is difficult to set the same target levels as Japan for overseas affiliates, as regulations and waste treatment practices vary by country and region. Nevertheless, there are some activities that can also be implemented overseas, such as thorough separation, recycling, improvement in the efficiency of collection and transportation, and expansion in recycling of used plastics.

In fiscal 2020, the final disposal ratio fell short of the target. Thus, in fiscal 2021, we addressed this issue by checking the status of waste discharge at overseas affiliated companies in cooperation with their supervising business groups and environmental offices in the region, and offered support in reducing the amount of landfill solid waste, sorting waste, and selecting disposal contractors. We also promoted plastic recycling at our European manufacturing bases.

Owing to these measures, we achieved our target with a total waste discharge of 77 kt and a final disposal ratio of 0.15%.

→For details on total waste discharge and the final disposal ratios, please refer to “Material Balance”

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” for details.

In fiscal 2021, total hazardous waste emissions of Mitsubishi Electric Group companies in Japan amounted to 1,341 tons, of which 1,091 tons were recycled. That of overseas affiliates totaled 4,107 tons, of which 1,239 tons were recycled.

Initiatives to Improve Effective Use of Plastic Waste

The Mitsubishi Electric Group set a target of achieving effective plastic utilization rates of 90% or more in Environmental Plan 2023, which started in fiscal 2022. This initiative is based on the “Ocean Plastics Charter” that was adopted at the G7 Summit, and the “plastic recycling strategies” formulated by the Japanese Ministry of the Environment. At our business sites across Japan, targets have been individually set according to their actual effective utilization rates from fiscal 2018 to fiscal 2020, and various initiatives are being made to ensure thorough sorting of plastic waste, carry out reviews of disposal contractors as necessary, and improve material recycling ratios for plastics, among others.

Reducing Water Usage

Targets and Achievements

Considering the increasing importance of water resources worldwide, the Mitsubishi Electric Group is continuously measuring data on water used/reused at all of its 96 business sites in Japan and overseas. 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.

Our aim under the 9th Environmental Plan (fiscal 2019–2021) was to reduce water usage per unit of sales by 1% per annum compared to fiscal 2011. Based on this, we engaged in thorough management of water usage/drainage volumes and reducing water usage by saving and reusing water.

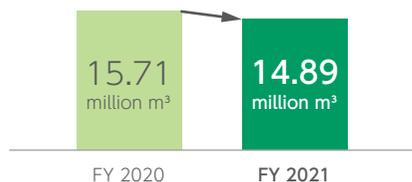
In fiscal 2021, water usage totaled 14.89 million m³ by the Mitsubishi Electric Group, of which 4.55 million m³ was reused water, corresponding to a reuse ratio of 31%. Additionally, water usage per unit of sales was 3.55 (m³/million yen), marking a reduction by 20% compared to the base year (fiscal 2011).

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 13.17 million m³, of which 4.41 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 1.72 million m³, of which 0.14 million m³ was reused water, corresponding to a reuse ratio of 8%.

Going forward, we will continue to examine the improvements that need to be made at the business sites that have been newly identified as high-risk sites in accordance with the revised WRI Aqueduct*¹ assessment tool, and conduct activities for their improvement. At other business sites, we will strive to reduce our environmental impact by saving water and reducing water intake while giving due consideration to the local water environment.

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

Total Water Usage (Mitsubishi Electric Group)



Ratios of Reductions in Water Usage per Unit of Sales with Fiscal 2011 as Base Year (Mitsubishi Electric Group)



→For details on total water usage, please refer to “Material Balance”

Managing Water Risk

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.

During product development, we evaluate product impact on water sources and their lifecycles and strive to minimize the impact.

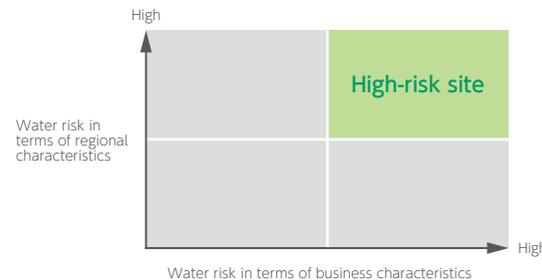
Response to High-Risk Sites

The Mitsubishi Electric Group uses WRI Water Aqueduct 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). 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. In fiscal 2022 and after, we will continue to make improvements based on the results of these surveys.

In addition, in Environmental Plan 2023, which started in fiscal 2022, we set a target to reduce water intake per unit of sales by 4% or more compared to fiscal 2020 by fiscal 2024 at high-risk sites.

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



*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.

Tool Used
WRI Aqueduct 3.0

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. Water intake in fiscal 2021 was 10.35 million m³, 0.71 million m³ less 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.

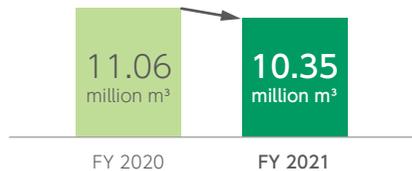
Water drainage in fiscal 2021 was 8.16 million m³, 0.48 million m³ less than the previous fiscal year.

Status of Water Reuse

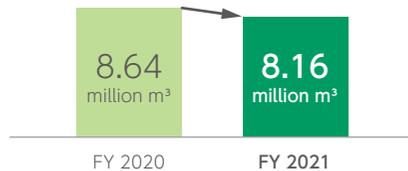
At Mitsubishi Electric Group's factories, not only fresh intake water, but water that has been used once is reused after it is treated and recycled.

Reused water totaled 4.55 million m³ in fiscal 2021, corresponding to a reuse ratio of 31%.

Water Intake (Mitsubishi Electric Group)



Water Drainage Volume (Mitsubishi Electric Group)



Water Reuse Ratio (Mitsubishi Electric Group)



→For details, please refer to “Amount of Water Intake/Drainage/Reuse”

Receiving “A-List Company” Recognition, the Highest Evaluation from CDP* for Fifth Consecutive Year

Mitsubishi Electric has been named an A-List company in the CDP Water Program for the fifth consecutive year, from fiscal 2017 to 2021. The CDP awarded us this highest evaluation in recognition of exceptional activities in terms of measures and strategies for water resources.

We will continue to press forward with our efforts to contribute to the realization of a sustainable society.

* CDP: An international NGO that examines, evaluates and discloses environmental initiatives of corporations and cities.



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 implementing an initiative 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 and manage our use of these substances, and eliminate any unnecessary use.

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

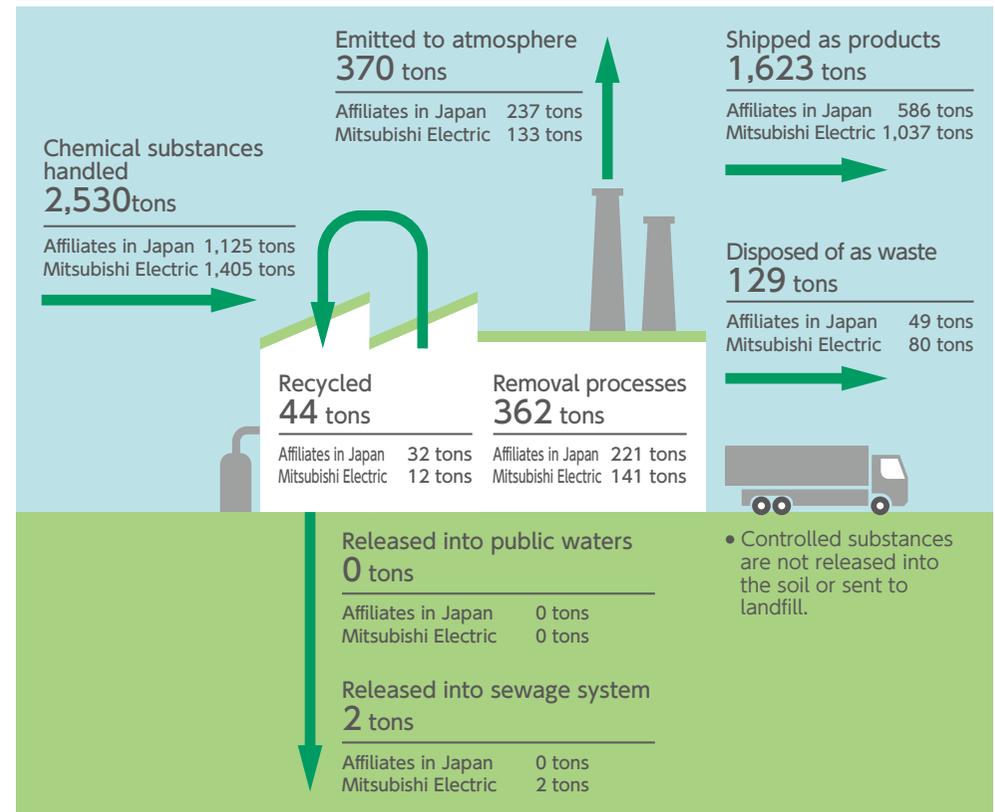
*2 SCIP or Substances of Concern In articles as such or in complex objects (Products) database: A database of information on chemical substances contained in products managed by ECHA.

*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 inside waste material, 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"

Fiscal 2021 Release and Transfer of Substances Regulated by the PRTR Law (Mitsubishi Electric Group Companies in Japan)





Reducing the Use of Disposable Packaging Materials

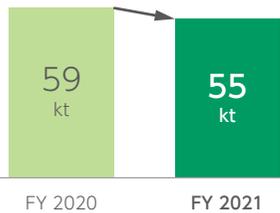
Achievements of Mitsubishi Electric Group Companies in Japan in Fiscal 2021

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).

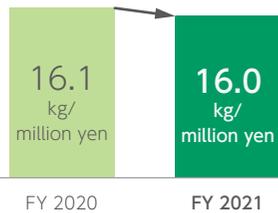
At Mitsubishi Electric Group companies in Japan, simpler packaging is promoted, and the use of returnable containers and packaging has been expanded. Owing to these initiatives, the amount of packaging materials used was 55 kt (down 4.7 kt from the previous fiscal year), and the amount per unit of sales was 16.0 kg/million yen (down 0.6% from the previous fiscal year).

The amount of packaging materials used by our 22 overseas affiliates was 58 kt, and the amount per unit of sales was 71 kg/million yen (a fall of 19% compared to the previous fiscal year).

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



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



→For the actual results of the usage of packaging materials, please refer to "Material Balance"

Reducing CO₂ from Logistics

Basic Policies on Logistics (Distribution)

The Mitsubishi Electric Group carries out just-in-time improvement activities to improve logistics. These activities aim to visualize logistics work by quantification, and to eliminate irrational, irregular, and wasted efforts to improve transport efficiency and economy, and to reduce environmental impact through "Eco-Logistics" (Economy & Ecology Logistics).

Fiscal 2021 Achievements of Mitsubishi Electric Group Companies in Japan

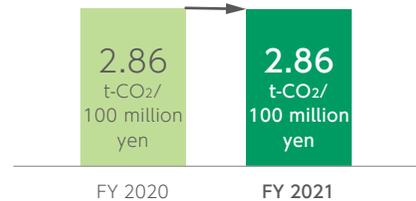
At Mitsubishi Electric Group companies in Japan, the following measures continued to be implemented throughout fiscal 2021. As a result, CO₂ emissions totaled 107 kt-CO₂, and the amount per unit of sales amounted to 2.86 t-CO₂/100 million yen.

- 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)



* This figure has been altered in accordance with the new aggregation method.

Regarding overseas affiliates, the amount of CO₂ emitted by a total of 21 companies was 278 kt, amount per unit of sales amounted to 35.8 t-CO₂/100 million yen.

→For the actual results of CO₂ emissions and amount per unit of sales from distribution, please refer to "Material Balance"



Contribution to Reducing CO₂ from Product Usage

As many tens of times more CO₂ is emitted during product usage than during production, the Mitsubishi Electric Group has designated Reducing CO₂ from Product Usage and Expansion of Contribution to Reducing CO₂ from Product Usage as priority issues, and is working to improve its products.

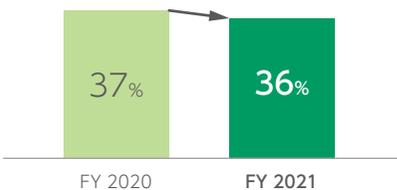
Targets and Achievements for Reducing CO₂ from Product Usage

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 reduce CO₂ from product use. Under the 9th Environmental Plan (fiscal 2019–2021), the Mitsubishi Electric Group's goal was to achieve an average reduction rate of 35% compared to fiscal 2001 for CO₂ emissions from product usage.

In fiscal 2021, sales of high energy-efficiency air conditioning systems declined due to limited economic activities overseas and suppressed capital expenditure in Japan and abroad. As a result, the average reduction rate decreased compared to fiscal 2020.

However, improvements were made in the energy efficiency of various other products, including power devices and hot-water supply systems and equipment. As a result of promoting the sales of these products, the average reduction rate for 98 targeted product groups came to 36% compared to fiscal 2001, and we thus achieved our target.

Average Reduction Rates of CO₂ from Product Usage for 98 Product Groups with Fiscal 2001 as Base Year (Mitsubishi Electric Group)



Targets and Achievements for Expansion of Contribution to Reducing CO₂ from Product Usage

The Mitsubishi Electric Group is working to visualize and expand our Contribution to Reducing CO₂ from Product Usage. Contribution to reducing CO₂ is represented by the amount of generated CO₂ deemed saved by switching from older products to new, energy-efficient ones. The calculation is based on the following formula, which multiplies the effect of reducing CO₂ over the life of the product by the number of units sold.

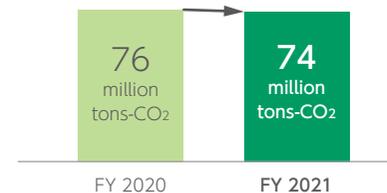
$$\text{Contribution to reducing CO}_2 = \text{Effect of reducing CO}_2 \text{ from product usage per unit} \times \text{Number of units sold during the fiscal year}$$

We use official standards and industry-mandated calculation method when computing our contribution to reducing CO₂. Where no calculation method is specified, we make calculations based on our own product scenarios. Calculations for interim products are based on GHG Protocol Scope 3 Guidance, with proportional division by product weight and percentage of sales.

We made continuous efforts to achieve the target set forth in the 9th Environmental Plan (fiscal 2019-2021) of maintaining the contribution to reducing CO₂ from product usage at 70 million tons.

In fiscal 2021, the decline in new car sales across the world except in China led to a decrease in sales in the industrial mechatronics division. Additionally, limited economic activities overseas and suppressed capital expenditure caused a decrease in sales in the home electronics division. As a result, our contribution to reducing CO₂ was lower than the previous year. On the other hand, improvements were made in the energy efficiency mainly of power devices and hot-water supply systems and equipment, such that by promoting the sales of these products, we contributed to reducing CO₂ from product usage by a total of 74 million tons, and thus achieved our target.

Contribution to Reducing CO₂ from Product Usage (Mitsubishi Electric Group)



Under Environmental Plan 2023, we will continue our company-wide efforts to improve the energy efficiency of our products as we have done under previous environmental plans, and will strive to reduce CO₂ emissions through the utilization of key, in-house devices (e.g., power devices and inverters). We have not specified targets for the period covered by the current plan, but we will strengthen our efforts with the aim of achieving a 1% improvement over the previous models in contribution to reducing CO₂ emissions per product by fiscal 2024.

Breakdown of Products Included in the Calculation for Contribution to Reducing CO₂ from Product Usage

Products (Number of Product Groups)	Examples of Products	Standard/Benchmark Used for Calculation
End Products (82)	Plant monitoring control systems, railcar air-conditioning systems, onboard information systems (TIS, ATC, TIMS), monitor/protection control systems for power generation plants, circuit breakers, elevators, intelligent transport systems (ITS), satellite communications earth station facilities, optic/wireless access systems, air conditioners, televisions, refrigerators, heat exchange ventilation equipment, processing machines, robots, lighting fixtures / lamps, IH cooking heaters, etc.	Contribution from reducing power consumed by the product
	Energy-saving support equipment, elevator modernization, heat exchange ventilation equipment	Reduced power utilization through introduction of energy efficiency enhancing devices, contribution from upgrading to highly efficient components during refurbishment, previously wasted energy used by heat exchange
	Circuit breakers, switchgear	Reduction in leaked SF ₆ gas (CO ₂ equivalent)
	Photovoltaic power generators, turbine generators	Power produced minus energy used for power generation, increase in power generated by improving efficiency
Interim Products (32)	Compressors purchased separately from air conditioners	Contribution from incorporation of products with lower power consumption
	Inverters, motors	Contribution from incorporation of products with lower power loss
	Power devices	
	Electric power steering, alternators, starters	Contribution from incorporation of products with greater fuel efficiency, proportionally divided by weight
	Combined-cycle thermal power generators	Reduction of fossil fuel use by replacement of old thermal power generators. Contribution calculated as reduction in CO ₂ emissions proportionally divided by sales

Note 1: Calculations for products using electricity are based on the national or regional CO₂ emission factors given in CO₂ Emissions From Fuel Combustion Highlights (2013 Edition).

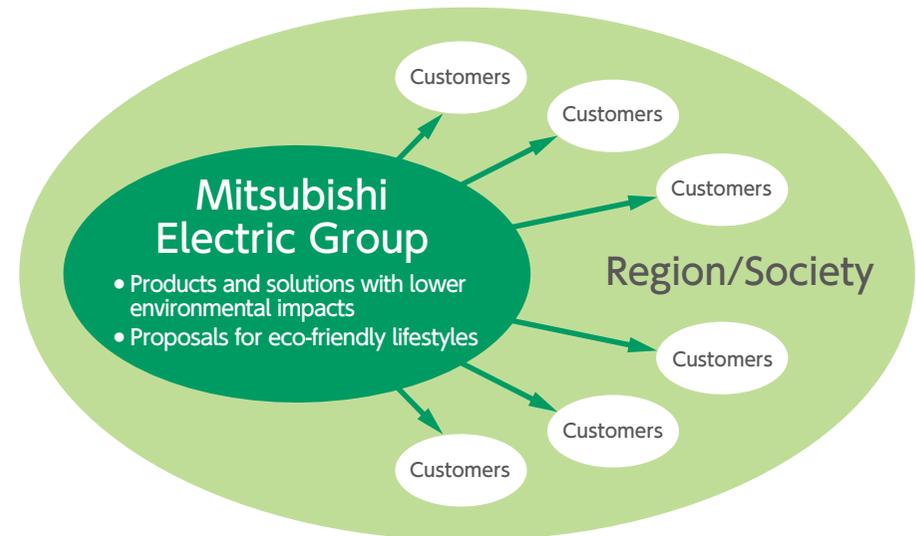
Note 2: Calculations for thermal power generation use thermal power generation factors from the calculation method in the Initiative for Creating a Low-Carbon Society, issued by four electrical and electronics industry associations.

Note 3: Calculations for other forms of energy use and greenhouse gases use factors from the Greenhouse Gas (GHG) Emissions Accounting and Reporting Manual issued by the Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry.

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 websites. 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.



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

In 1999, the Mitsubishi Electric Group began operations of the industry's first home appliance recycling plant (Hyper Cycle Systems Corporation (HCS)), and has recycled 940 kt*1 of appliances by the end of fiscal 2021. In fiscal 2021, we recycled 39 kt*2 of recovered appliances in the four categories of home appliances that are required to be recovered and recycled under Japan's Home Appliance Recycling Law*3.

*1 Total weight recycled by Mitsubishi Electric and other manufacturers

*2 Weight of the four categories of Mitsubishi Electric appliances that have been recycled or otherwise processed

*3 Air conditioners, televisions (CRT, LCD and plasma), refrigerators/freezers, and washing machines/tumble dryers.



Mitsubishi Electric holds Environmental Design Technology Seminars to showcase technologies developed at its recycling centers and see how they can be applied to everyday product design. Developing technologies for sorting materials recovered from end-of-life home appliances and techniques applicable to recycled materials also increases the amount of recycled material that can be used in our products.

Recycling Personal Computers

Mitsubishi Electric promotes recycling of end-of-life personal computers and monitors. In fiscal 2021, we recovered a total of 5,960 office and home computers, with recycling ratios above statutory targets*4.

Although preventing data leaks from hard drives during disposal of personal computers is essentially the user's responsibility, our subcontracted recycling agents do all they can to prevent data leaks, for example punching holes in hard drives and exposing them to strong magnetic fields to ensure physical and magnetic destruction. For office computers, we offer a paid service where customers can ask for all data to be erased by specialized software before recovery.

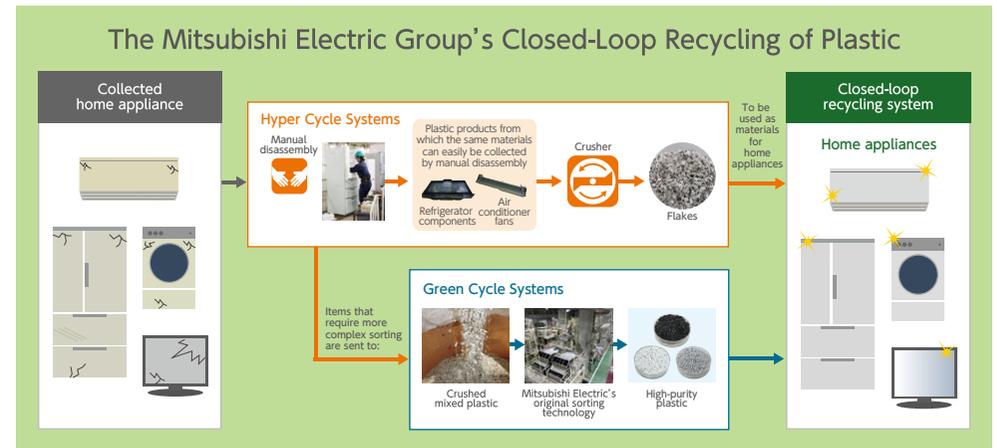
*4 Desktop computers: 50% or more
 Notebook computers: 20% or more
 CRT displays: 55% or more
 LCD displays: 55% or more

Closed-Loop Recycling of Plastic

What Is the Mitsubishi Electric Group's "Closed-Loop Recycling" Initiative?

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. In this recycling system, it is important to collect as much plastic without foreign matter as possible from products composed of diverse materials.

Hyper Cycle Systems (HCS), a home appliance recycling plant, and Green Cycle Systems (GCS), a plant which sorts plastic, play the main role in this initiative. HCS first disassembles used home appliances, which are then crushed with machines. Among them, selected plastics are then sent to GCS, which sorts different types of plastic. GCS currently recycles approximately 80% of the mixed plastic it procures into "high-purity plastic" at a level of quality equal to virgin materials. In these processes, the Mitsubishi Electric Group's various technologies are utilized to achieve high-precision separation. We are also developing new technologies as needed.



→For recycling of home appliances, please refer to the websites below.

Defining a Recycling-Based Society

https://www.MitsubishiElectric.com/en/sustainability/environment/ecotopics/plastic_sp/defining/index.html

Hyper Cycle Systems: Reclaiming Resources from End-of-Lifecycle Products

https://www.MitsubishiElectric.com/en/sustainability/environment/ecotopics/plastic_sp/hypercycle/index.html

Green Cycle Systems: Refining Old Plastics into Industrial-Grade Materials

https://www.MitsubishiElectric.com/en/sustainability/environment/ecotopics/plastic_sp/greencycle/index.html

Biodiversity Preservation Activities

Biodiversity Preservation Measures at Business Sites

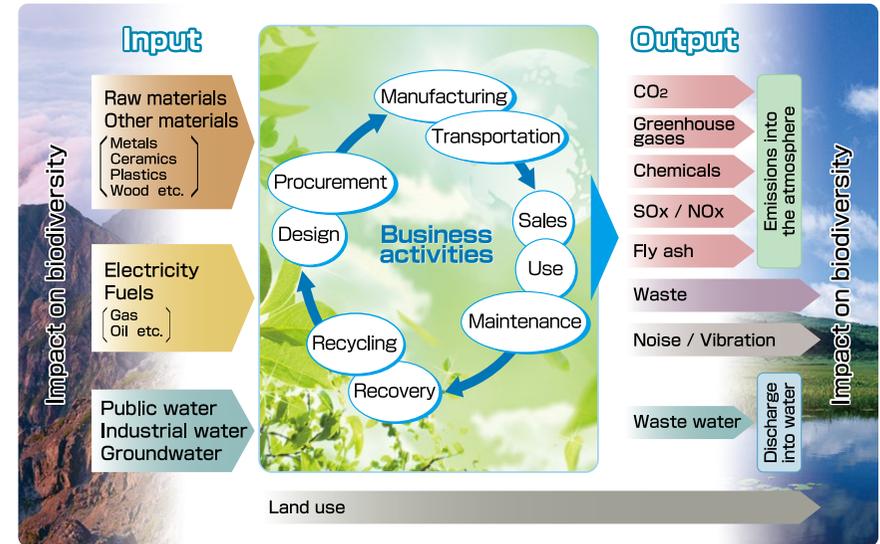
All human activities benefit from the workings of a wide variety of organisms living on earth. At the same time, various activities by human beings are destroying ecosystems and are otherwise having serious effects on biodiversity. Now, at a time when the extinction of many species is being reported, 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, "Activities to Preserve Biodiversity" are 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 below. 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



Biodiversity Preservation Activities

Activity	Purpose	Details
Mitsubishi Electric Outdoor Classroom →Please refer to page 32 for details.	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	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	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.

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 will implement these guidelines on a trial basis with a view to introducing them to affiliated companies across Japan. At the same time, we will calculate the rates of improvement in assessment over the base year, and will make the results of these improvements and refinements visible in this way every year, to firmly establish our ecosystem improvement activities.

*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.

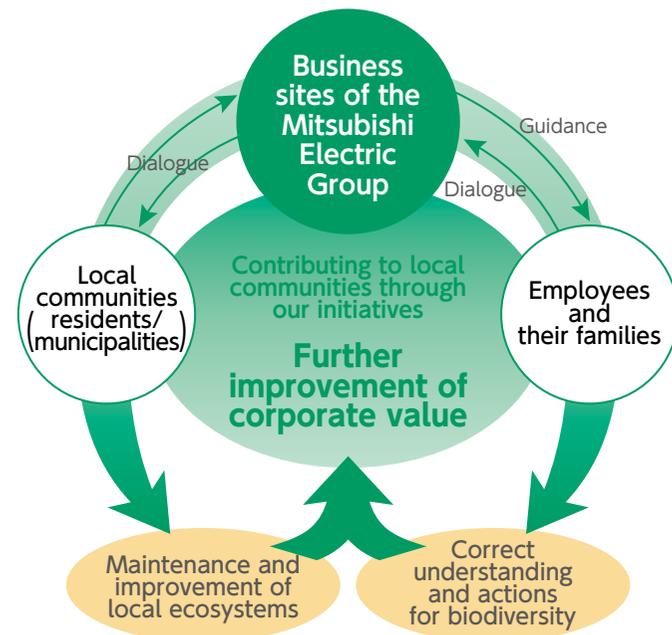
The Mitsubishi Electric Group is committed to contributing to the achievement of the Aichi Target and attainment of the SDGs*3, and to implementing biodiversity preservation activities as part of its business activities. Through initiatives related to the above, we will further contribute to preserving 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	(1) Control the killing/harming of living creatures
(2) Consideration to natural resources, such as water and soil		
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	(1) Diversification/multi-stratification of vegetation
		(2) Management of greenery that accords with the characteristics of plants, etc.
		(3) Contribution/consideration to regions
		(1) Provision and utilization of opportunities for cultural services
		(2) Provision and utilization of opportunities for supply services
C Restoring the relationship between employees and nature in the working environment	6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)	(1) Education for understanding and promoting action
		(2) Creation of relationships through the workplace or work duties
	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.

Mitsubishi Electric Outdoor Classroom

Mitsubishi Electric Outdoor Classroom is one of the directives of “fostering environmental awareness” aimed at the realization of a society in tune with nature. These classrooms utilize nearby natural habitats and provide an opportunity for participants and classroom leaders alike to experience nature.

Contemplating the Necessity of Preserving Nature and Taking Action

The Mitsubishi Electric Group is developing personnel who contemplate what is necessary to preserve nature and then take action themselves; in other words, people who are environmentally aware. We want participants to get in touch with nature so that they can realize the impact humans have on nature, increase their awareness of the importance of preserving nature, and take action to reduce their environmental load as much as possible (see the figure below). Biodiversity is essential to the continuation of our business activities. On the other hand, our activities such as consuming various resources, discharging chemical substances, and producing waste place a burden on ecological systems on a daily basis. We must be aware of this and contribute to reducing the negative impact on the water, air, and soil, in addition to reducing our environmental load and helping to improve the environment through our products.

The foundations of environmental awareness are strengthened deeply and strongly through “fully experiencing nature with the five senses.” The Outdoor Classroom is our initiative to allow ourselves, together with our employees, their families, and local communities, to discover ecology (relationships among living creatures) through experiencing nature. Preserving nature cannot be achieved by the Mitsubishi Electric Group alone. Therefore, it is vital that environmental awareness is spread to various groups of people.

Since the program began in October 2006, the Outdoor Classroom has been playing a role as an opportunity for contributing to society and the environment, and has acted as a forum for communication within each region.

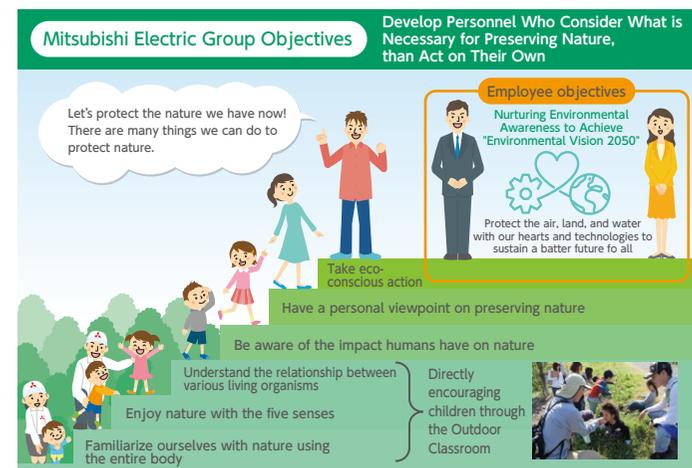


Illustration prepared while referring to a pamphlet introducing the Japan Association for the Promotion of Outdoor Life

Features of the Mitsubishi Electric Outdoor Classroom Employees Responsible for Planning and Managing Programs

In the running of Mitsubishi Electric Outdoor Classrooms, a lot of emphasis is placed on the employees "doing it for themselves." The programs are planned by Group employees who have completed an Outdoor Classroom Leader Development Course, who serve as "Outdoor Classroom leaders." The choice of fields, the ways in which nature is experienced, and the timing (season) of the classrooms are all at the discretion of these leaders. The leaders utilize the emotional experiences and discoveries gained through their development course and compile a program of their choice utilizing their own creativity. Mitsubishi Electric also involves the cooperation of local key persons, NPOs, and so on to ensure that our outdoor classrooms leave an even deeper impression on the participants. There are as many variations of the Outdoor Classroom as there are leaders.

Turning Fields near Business Sites into "Classrooms"

Outdoor classrooms are held in various locations, including mountains, forests, parks, seashores, rivers, rice fields and farms. The outdoor classroom leaders throughout Japan make the neighboring natural habitat their classroom. Occasionally, they may also use the grounds of the business site itself as a classroom. Each location has its own unique fauna, flora, sounds, and smells. Mitsubishi Electric Outdoor Classrooms provide an opportunity for children and adults alike to experience the workings of nature and make various discoveries through their own five senses.

"Biodiversity Observation by One Million People" Continued Despite the Pandemic

Activities that attract many participants were restricted in fiscal 2021, and as a result, the Mitsubishi Electric Outdoor Classroom was suspended. In its place, we hosted "Biodiversity Observation by One Million People," a summer holiday program that invites children and parents to search for living creatures. Copies of a checklist including 30 species of living creatures that can be found across Japan during the summer were distributed to parent-child groups who wished to participate. With this checklist in hand, these families then went on a search for living creatures around their homes and during outings.

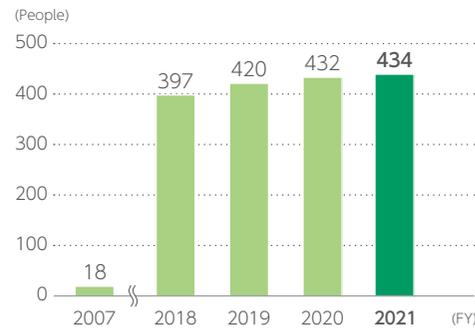
Objectives and Results

With the 9th Environmental Plan (fiscal 2019–2021), our objective was to continue the "Mitsubishi Electric Outdoor Classroom" and "Satoyama Woodland Preservation Project," aiming to surpass the 51,000 mark in total participants by the end of fiscal 2021 by achieving an increase of 12,000 participants from March 2018. The number increased steadily and reached 47,808 people by the end of fiscal 2020, but in fiscal 2021, activities that attract a large number of people needed to be cancelled in some areas due to the COVID-19 pandemic. As a result, the total number of participants during the 9th Environmental Plan amounted to 48,872 people.

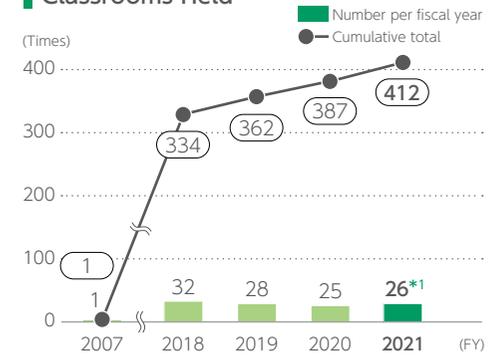
In fiscal 2022, we are planning to implement the abovementioned activities at all of our business sites in Japan (39 areas) with anti-coronavirus measures fully in place. We will continue

to interact with and contribute to local communities by holding the Satoyama Woodland Preservation Project and Mitsubishi Electric Outdoor Classroom in an integrated manner.

Result of Fostering Leaders for Outdoor Classroom (Cumulative Total)

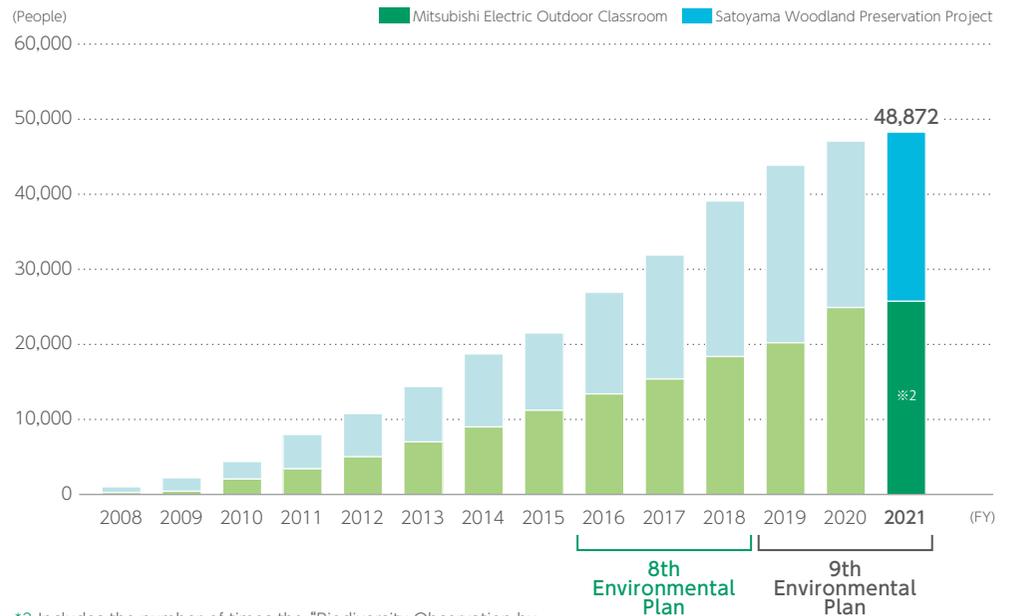


Numbers of Mitsubishi Electric Outdoor Classrooms Held



*1 Includes the number of times the "Biodiversity Observation by One Million People" program was held.

Total Number of Participants in the Mitsubishi Electric Outdoor Classroom and Satoyama Woodland Preservation Project (Results)



**2 Includes the number of times the "Biodiversity Observation by One Million People" program was held.

Environmental Data

Material Balance

Manufacturing (Input)

	FY 2019	FY 2020	FY 2021
■ Manufacturing			
Materials*1 (Weight of all products sold + Weight of packaging materials + Waste emissions)	2,820 kt	2,660 kt	2,420 kt
Total energy input*2	2,035 10,000GJ	1,957 10,000GJ	1,866 10,000GJ
Electricity	1,874 GWh	1,810 GWh	1,733 GWh
Traditional electric power	1,852 GWh	1,788 GWh	1,708 GWh
Electric power from renewable energy sources	22 GWh	22 GWh	25 GWh
City gas	39,910,000 m ³	37,180,000 m ³	34,890,000 m ³
LPG	3,674 tons	3,617 tons	3,725 tons
Oil (crude oil equivalent)	3,917 kl	3,806 kl	2,813 kl
Other greenhouse gases	8,237 tons	7,611 tons	6,720 tons
Water usage	15,410,000 m ³	15,710,000 m ³	14,890,000 m ³
Intake	10,900,000 m ³	11,060,000 m ³	10,350,000 m ³
Reuse	4,500,000 m ³	4,650,000 m ³	4,550,000 m ³
Chemical substances			
Controlled chemical substances (amounts handled)*3	4,231 tons	3,731 tons	3,727 tons
Volatile organic compounds	2,777 tons	2,664 tons	2,408 tons
Average reduction rates of resource inputs*4	42 %	42 %	43 %

*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 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.

*4 Average reduction rates for 64 product groups (compared to fiscal 2001)

Manufacturing (Output)

	FY 2019	FY 2020	FY 2021
■ Products			
Weight of all products sold*5	2,390 kt	2,303 kt	2,111 kt
Weight of packaging materials*6	210 kt	149 kt	124 kt
Japan	63 kt	62 kt	56 kt
Overseas	150 kt	87 kt	68 kt
■ Emissions (from manufacturing)			
Emissions into the atmosphere			
Greenhouse gas emissions (CO ₂ -equivalent)	1,290 kt-CO ₂	1,236 kt-CO ₂	1,160 kt-CO ₂
CO ₂ *7	1,130 kt-CO ₂	1,086 kt-CO ₂	1,039 kt-CO ₂
Other greenhouse gases*8	160 kt-CO ₂	150 kt-CO ₂	121 kt-CO ₂
Chemical substances			
Controlled chemical substances*3	881 tons	791 tons	814 tons
Volatile organic compounds	999 tons	946 tons	792 tons
NO _x	— tons	83 tons	25 tons
SO _x	— tons	1.0 tons	1.0 tons
Discharge into water			
Water	8,580,000 m ³	8,640,000 m ³	8,160,000 m ³
Chemical substances			
Controlled chemical substances*3	8.0 tons	8.0 tons	8.0 tons
BOD	— tons	98 tons	101 tons
COD	— tons	131 tons	109 tons
■ Waste			
Emissions	212,752 tons	210,168 tons	187,137 tons
Non-hazardous waste	205,530 tons	197,560 tons	181,689 tons
Hazardous waste	7,222 tons	12,607 tons	5,448 tons
Waste treatment subcontracted out	112,196 tons	110,954 tons	101,605 tons
In-house weight reduction	457 tons	550 tons	757 tons
Amount recycled	172,767 tons	159,340 tons	147,258 tons
Final disposal	404 tons	311 tons	121 tons
Japan	4.8 tons	16 tons	28 tons
Overseas	399 tons	295 tons	93 tons
Final waste disposal ratio (Japan)	0.01 %	0.01 %	0.02 %
Final waste disposal ratio (Overseas)	0.5 %	0.4 %	0.2 %

*5 Shipping weight of products

*6 Total of disposable and returnable packaging materials

*7 Japan: 0.487 t-CO₂/MWh (figure published by the Federation of Electric Power Companies in 2013, when two nuclear power stations are in operation). Overseas: Calculated in reference to data published by the Japan Electrical Manufacturers' Association in 2006.

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

Transporting (Input)

	FY 2019	FY 2020	FY 2021
■ Sales and Logistics*9			
Fuel for trucks (gasoline)	12,105 kl	12,240 kl	5,679 kl
Japan	11,994 kl	12,134 kl	5,675 kl
Overseas	111 kl	106 kl	4 kl
Fuel for trucks (diesel)	56,613 kl	55,640 kl	55,635 kl
Japan	32,049 kl	32,174 kl	41,969 kl
Overseas	24,564 kl	23,466 kl	13,666 kl
Fuel for rail (electricity)	1.6 GWh	1.8 GWh	1.4 GWh
Japan	1.6 GWh	1.8 GWh	1.4 GWh
Overseas	0.0 GWh	0.0 GWh	0.0 GWh
Fuel for marine transport (bunker oil)	73,488 kl	74,323 kl	60,037 kl
Japan	428 kl	454 kl	525 kl
Overseas	73,060 kl	73,869 kl	59,512 kl
Fuel for air transport (jet fuel)	807 kl	17,959 kl	20,833 kl
Japan	678 kl	624 kl	511 kl
Overseas	129 kl	17,335 kl	20,322 kl

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

Transporting (Output)

	FY 2019	FY 2020	FY 2021
■ Emissions*10 *11			
CO₂	394 kt-CO ₂	435 kt-CO ₂	384 kt-CO ₂
Japan	116 kt-CO ₂	115 kt-CO ₂	124 kt-CO ₂
Overseas	278 kt-CO ₂	320 kt-CO ₂	260 kt-CO ₂

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

*11 The sum of these figures and CO₂ emissions from procurement/logistics (0.1 t-CO₂) make up Scope 3 Category 4 emissions (see next page).

Using (Input)

	FY 2019	FY 2020	FY 2021
■ Energy Consumption			
Energy consumed during product use*12	76,400 GWh	74,800 GWh	75,800 GWh

*12 Energy consumed during product use: Total energy consumed (estimated value) when using 76 finished products targeted for CO₂ reduction. The length of use (operating time) is set for each product according to statutory useful life, designed service life, statistical values, etc.

Using (Output)

	FY 2019	FY 2020	FY 2021
■ Emissions			
Greenhouse gas emissions during product usage (CO₂-equivalent)	36,620 kt-CO ₂	35,870 kt-CO ₂	34,740 kt-CO ₂
CO ₂ *13	36,510 kt-CO ₂	35,740 kt-CO ₂	34,660 kt-CO ₂
SF ₆ *14	110 kt-CO ₂	130 kt-CO ₂	80 kt-CO ₂
Average reduction rate of CO₂ during product usage	36 %	37 %	36 %
Contribution to reducing CO₂ during product usage	77,000 kt-CO ₂	76,000 kt-CO ₂	74,000 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 Sum of SF₆ gas naturally leaked during the operation of products (6) that use SF₆ gas for insulation. Leakage rate used is the value from JEAC5001-2000. Global warming potential value used is from the 2nd Revised Guidelines of the IPCC.

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) (Bottom row: Total emission ratio)			Accounting Summary*1
	FY 2019	FY 2020	FY 2021	
Category				
Scope 1: Direct emissions from fuel use and industrial processes at our company*2	★278 (0.6%)	★265 (0.6%)	★227 (0.5%)	
Scope 2: Indirect emissions associated with use of electricity and heat purchased by our company*3				
Market based	★981 (2.1%)	★853 (1.8%)	★812 (1.8%)	Calculated using the power emission coefficient based on the contract
Location based	★1,020	★982	★942	Calculated using the average emission coefficient of power generated in the area
Scope 3: Indirect emissions outside the scope of our company's operational activities*3				
Category 1 Purchased goods and services	★7,050 (15%)	★8,006 (17%)	★9,087 (20%)	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales*4
Category 2 Capital goods	770 (1.7%)	672 (1.5%)	334 (0.7%)	Emissions generated by the construction and manufacturing of own capital goods
Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	87 (0.2%)	83 (0.2%)	79 (0.2%)	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	400 (0.9%)	430 (0.9%)	386 (0.8%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales*5
Category 5 Waste generated in operations	0.3 (0.0%)	0.4 (0.0%)	0.4 (0.0%)	Emissions associated with transporting and processing waste produced by our company*6
Category 6 Business travel	★39 (0.1%)	★31 (0.1%)	★4.6 (0.0%)	Emissions associated with employee business travel*7
Category 7 Employee commuting	★30 (0.1%)	★30 (0.1%)	★29 (0.1%)	Emissions associated with employees commuting to and from their respective workplaces*8
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	6.0 (0.0%)	6.6 (0.0%)	6.4 (0.0%)	Emissions associated with the transportation, storage, cargo handling and retailing of products
Category 10 Processing of sold products	1.8 (0.0%)	2.0 (0.0%)	2.3 (0.0%)	Emissions associated with the processing of interim products by business operators
Category 11 Use of sold products	★36,450 (79%)	★35,865 (77%)	★34,737 (76%)	Emissions associated with the use of products by users (consumers/business operators)
Category 12 End-of-life treatment of sold products	30 (0.1%)	26 (0.1%)	31 (0.1%)	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators)*4
Category 13 Downstream leased assets	0.2 (0.0%)	0.2 (0.0%)	0.2 (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	73 (0.2%)	45 (0.1%)	38 (0.1%)	Emissions associated with operation of investments
Scope 3 total	44,937 (97%)	45,198 (98%)	44,735 (98%)	
Total	46,196 (100.0%)	46,316 (100.0%)	45,774 (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 emissions associated with the use of electricity, etc. *4 Excludes some regions

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

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

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

*8 Assuming that all employees use passenger rail services

Amount of Water Intake/Drainage/Reuse

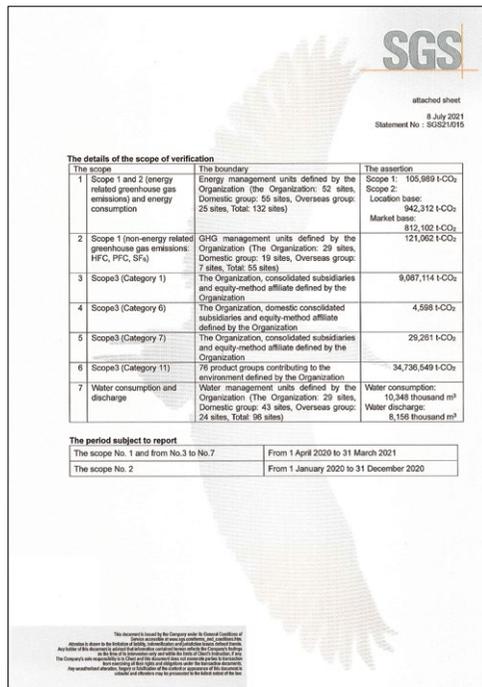
Unit: 10,000 m³

Item	Group	Japan*9	Overseas	China	Southeast Asia	Europe	US	Latin America
FY 2021 results								
Water usage (water intake plus reuse)	1,489	1,317	172	74	87	2.8	4.8	4.3
Intake	1,035	876	159	64	83	2.6	4.8	4.2
Surface water	300	202	98	22	73	0.1	0.0	3.1
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	216	156	60	42	9.0	2.5	4.8	1.1
Drainage volume	816	707	109	50	49	1.2	4.8	3.5
Surface water	398	398	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater	4.3	2.9	1.4	0.3	0.0	0.1	0.0	1.0
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	413	306	107	50	49	1.0	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)	219	169	50	14	34	1.4	0.0	0.7
Reuse ratio (reused/used) (%)	31	33	8.0	13	4.3	7.1	0.0	0.9
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.55	—	—	—	—	—	—	—
FY 2020 results*10								
Water usage (water intake plus reuse)	1,571	1,366	205	84	108	4.0	5.2	3.9
Intake	1,106	912	193	77	104	3.4	5.2	3.9
Surface water	330	211	119	23	93	0.1	0.0	2.5
Groundwater	536	535	0.9	0.0	0.9	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	240	166	74	54	10	3.3	5.2	1.4
Drainage volume	864	731	132	65	58	1.3	5.2	3.0
Surface water	407	407	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater	3.3	1.7	1.7	0.4	0.0	0.1	0.0	1.1
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	453	323	131	65	58	1.2	5.2	1.9
Water reused	465	454	12	6.9	4.2	0.6	0.0	0.0
Water consumption (water intake minus drainage volume)	242	181	61	12	46	2.1	0.0	0.9
Reuse ratio (reused/used) (%)	30	33	5.7	8.2	3.9	14.8	0.0	1.1
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.52	—	—	—	—	—	—	—
FY 2019 results*10								
Water usage (water intake plus reuse)	1,541	1,328	212	85	112	2.1	8.2	4.2
Intake	1,090	888	203	81	107	2.1	8.2	4.2
Surface water	355	221	134	34	96	1.4	0.1	2.8
Groundwater	495	494	1.5	0.0	1.5	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	240	173	67	46	10	0.7	8.1	1.3
Drainage volume	858	719	140	68	59	1.5	8.1	3.5
Surface water	383	383	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater	1.4	0.2	1.2	0.9	0.0	0.0	0.0	0.3
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water discharged into third-party drainage facilities	474	335	139	67	59	1.5	8.1	3.2
Water reused	450	441	9.7	4.7	4.9	0.0	0.0	0.0
Water consumption (water intake minus drainage volume)	232	169	63	13	49	0.6	0.1	0.7
Reuse ratio (reused/used) (%)	29	33	4.5	5.5	4.4	0.0	0.0	0.9
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.41	—	—	—	—	—	—	—

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

*10 These figures have been altered in accordance with the new aggregation method.

Verification Statement



Environmental Accounting

Environmental Conservation Costs

Unit: 100 million yen

	FY 2019		FY 2020		FY 2021		Main Costs
	Capital Investment	Costs	Capital Investment	Costs	Capital Investment	Costs	
Business area activities	57	76	53	72	42	68	
Pollution prevention	2.9	16	1.8	14	2.6	14	Updating of processing facilities for emissions, sewage water, deodorization, etc.
Global environmental conservation	51	29	47	30	35	25	Updating of air conditioning equipment, switch to low fuel-consumption vehicles
Resource recycling	2.6	31	4.3	28	5.0	29	Consignment of the disposal of waste, construction of additional recycling facilities
Upstream and downstream production	0.0	2.1	0.1	2.1	0.0	1.9	Sewage expenses, reduction of the environmental impact of packaging
Management activities	1.6	34	1.0	33	0.8	16	Personnel expenses, employee education
R&D activities	1.0	62	2.3	84	0.9	39	improvement of energy/resources efficiency, designs to reduce size and weight
Community activities	0.0	0.3	0.0	1.1	0.0	0.5	Outdoor classrooms, Satoyama woodland preservation activities, cleaning and greening activities in the suburbs
Environmental damage countermeasures	0.0	0.5	0.2	0.3	0.0	0.2	Purification of contaminated soil/groundwater, measuring contamination levels
Total	60	175	57	192	44	126	

Environmental Conservation Benefits

Unit: 100 million yen

	FY 2019	FY 2020	FY 2021	Main Costs
Earnings	37	35	37	Profit on sale of valuable materials (mainly metals)
Savings	11	9.8	6.8	Results of energy savings, reuse of materials/water, and introduction of equipment to reduce the input of resources
Total	48	45	44	

Economic Benefits from Environmental Consideration in Products and Services (Estimated Benefits)

Unit: 100 million yen

	FY 2019	FY 2020	FY 2021	Main Costs
10,099	11,184	10,845	Reduction of electricity bills as the result of improved energy efficiency of products*	

* Baseline products correspond to products sold in fiscal 2001. Electricity rates are based on prices published in the Agency for Natural Resources and Energy's "Japan's Energy (2020 Edition)."

Policy/Communication

Mitsubishi Electric Group 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 enrich people's lives and improve the global environment.

November 2021



Kei Uruma
President & CEO

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 Action Guidelines

In fiscal 2022, Mitsubishi Electric set up a new unit named the Corporate Communication Group to be directly supervised by our President. Our aim is to contribute to achieving sustainability through the entirety of the Mitsubishi Electric Group's activities, as well as to strengthen strategic communications in order to improve brand value and enhance stakeholder engagement. The new organization is responsible for the central management of sustainability planning and related promotion, public relations and advertising functions. We will continue to widely publicize the details of the Mitsubishi Electric Group's environmental efforts through information media, including websites, social media networks and showrooms, as well as environmental events and exhibitions held in Japan and overseas.

1. Information disclosure in line with TCFD recommendations

Mitsubishi Electric has expressed approval of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), based on which it discloses climate change-related information.

→For the details of information disclosure in line with the TCFD recommendations, please refer to "Financial Information Based on Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)"

2. Response to research institutions

Mitsubishi Electric actively responds to requests by research institutions and media agencies to take part in surveys relating to environmental initiatives, providing answers with various data and initiatives in the value chain.

3. Participation in industry groups

Mitsubishi Electric takes action toward solving environmental issues and communicates its opinions through participation in the Japan Business Federation and electrical machinery/electronics industry groups.

4. Regional communication

Mitsubishi Electric hosts the Satoyama Woodland Preservation Project and Mitsubishi Electric Outdoor Classrooms. Through these programs, we make ongoing efforts to develop personnel who contemplate what is necessary to preserve nature and then take action themselves by getting in touch with and experiencing nature.

Quality

Basic Policy

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

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

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

Four Basic Quality Assurance Principles

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

<Four Basic Quality Assurance Principles>

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

Product Safety-related Principles

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

<Product Safety-related Principles>

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

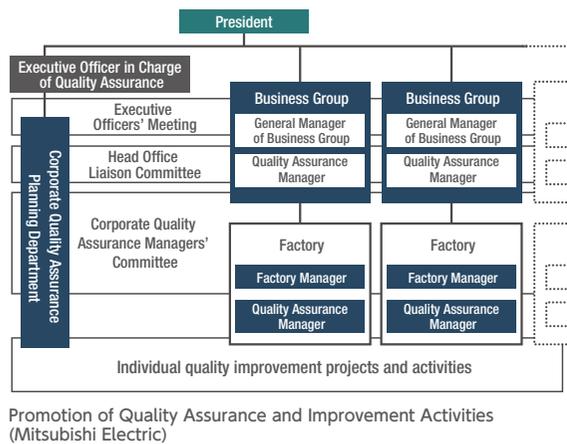
Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in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

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

Quality Assurance and Improvement Activities

System for Quality Assurance and Improvement Activities

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



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

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

Quality Improvement Activities

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

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

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

quality.

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

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

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

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

Furthermore, we have installed a "quality room" in each office for the display of actual quality defects found in products in the past to supplement our employee education.

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



"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.

"Quality room"



Entrance



Inside the room

Providing Easy-to-Use Products

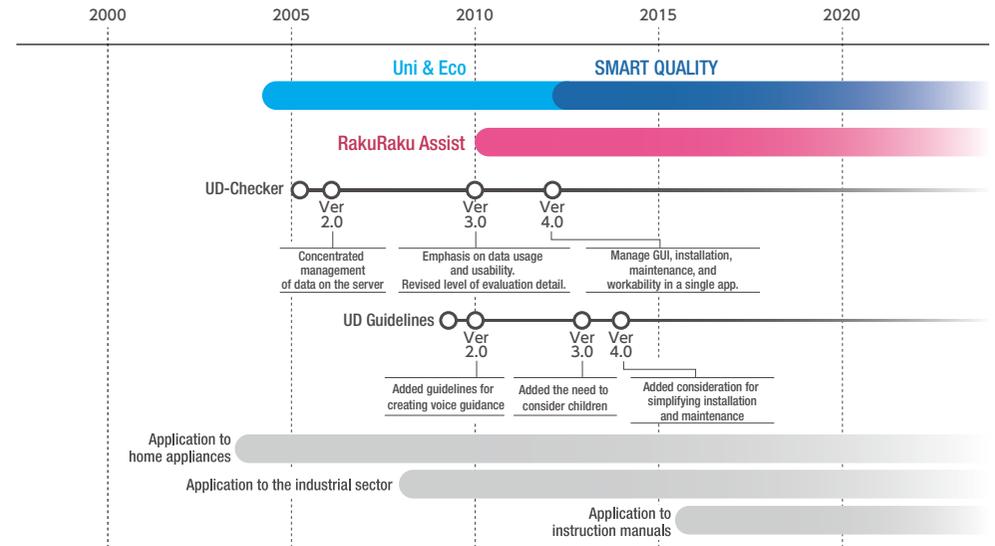
Basic Policy

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

Mitsubishi Electric Group's Efforts in Universal Design

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

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



* Graphic User Interface

Universal Design Examples to Date

Application to home appliances

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

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

"RakuRaku-IH" Cooking Heater CS-G20AKS

Large characters & numerical indicators of steps for use

<Features>

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



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

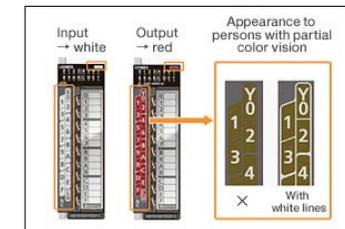
Even in the industrial sector, where there is a high level of specialization and a relative lack of diversity in terms of operators who handle equipment, the labor environment is changing. Examples of this transformation include the aging of workers, and more foreign and inexperienced workers – changes 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.

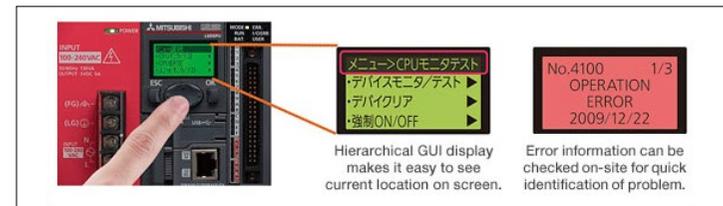
- Easy-to-understand expressions, such as printed designs that are images of actual objects, make the displayed content more intuitive..
- The unit employs a large UD font display and offers good contrast against the background color, considering people with impaired color vision.
- By showing the text 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



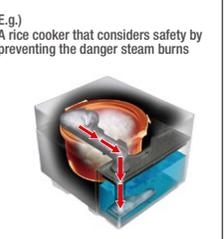
The enlarged control portion has improved operability

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.

<p>Recognition</p> <p>Consideration for ease of understanding</p> <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>Identification</p> <p>Consideration for ease of reading and/or hearing</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</p> <p>Power</p> 	<p>Physical use</p> <p>Consideration for comfortable posture and minimum physical load</p> <p>E.g.) Handle design that allows optimized gripping options for various cleaning scenarios</p> 	<p>Safety/usability</p> <p>Consideration for usability without danger or operating errors.</p> <p>E.g.) A rice cooker that considers safety by preventing the danger steam burns</p> 
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The UD-Checker's four evaluation criteria



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

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

Universal Design Guidelines for widespread usability

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



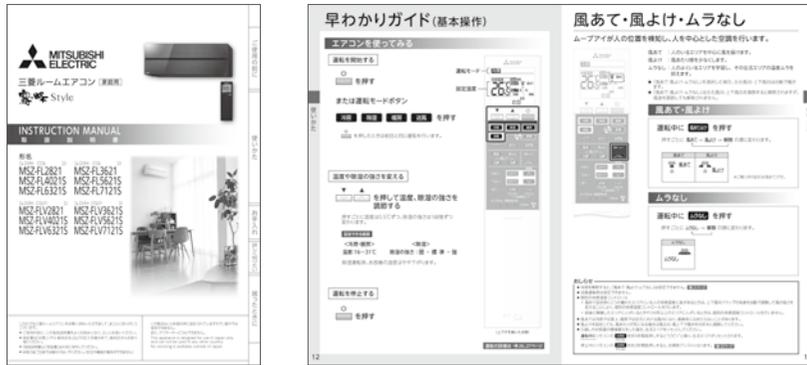
Creating easy-to-understand instruction manuals

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

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

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

 Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners (In Japanese text)



Quick Guide (Basic operations)

Award received

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



AXIEZ-LINKs elevators



Terasu Guide



Mina-monitor water condition monitoring service



Kirigamine GE/GV series air conditioners



RA2000 series 4K recording television



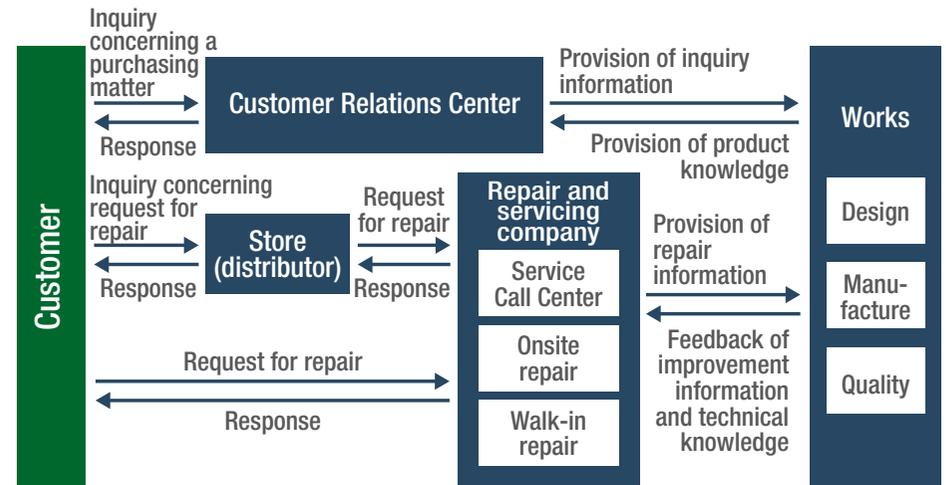
RE series range grill IH cooking heater

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.

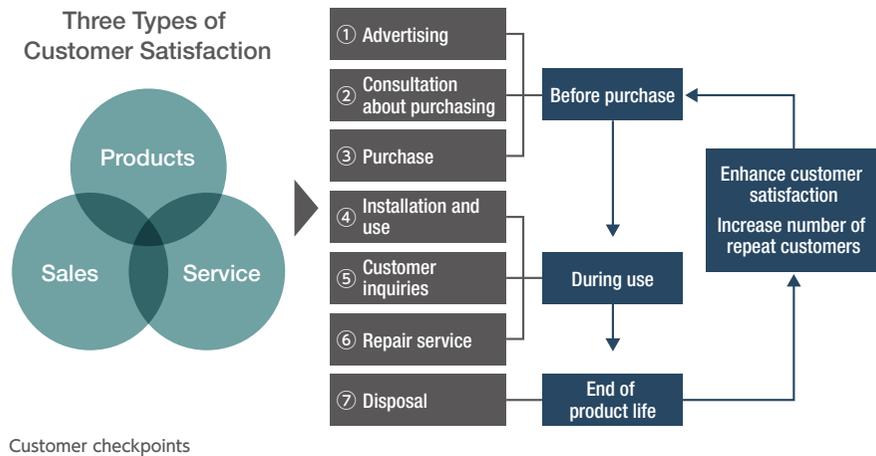
Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.

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.



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.



Kirigamine FZ Series room air conditioner MSZ-FZ4021S
The mirA.I.+ moving eye function continuously delivers comfort to users at home.

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

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

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

CS Activities by the Building Systems Group (in Japan)

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

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

24-hour, 365-day Safety Hotline

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

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

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

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

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



Information center

Mitsubishi Elevator and Escalator Safety Campaign

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

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

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

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



Mitsubishi Elevator and Escalator Safety Campaign

Inazawa Works SOLAÉ showroom

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

The elevator and escalator zone 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 showroom

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 \(In Japanese text\)](#)

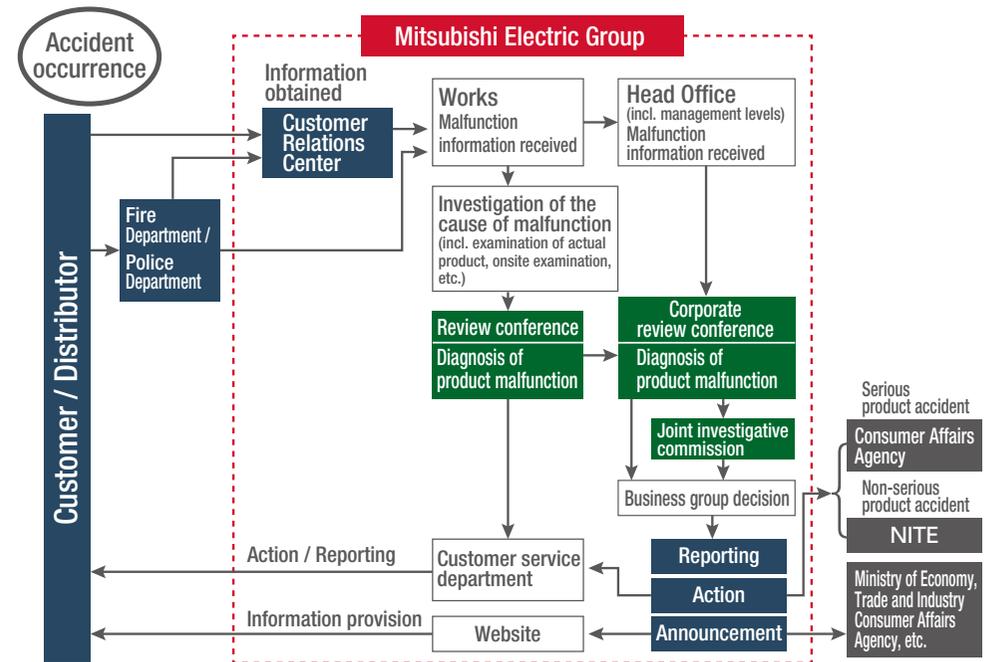
Accident Reporting Based on the Consumer Product Safety Act

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.

Management System Related to Respecting Human Rights

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

Human Rights Management

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

Human Rights Impact Assessment

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

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

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

Initiatives Related to Employees' Human Rights

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

Labor Practices

Human Rights Initiatives in the Supply Chain

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

Supply Chain Management

Response to the UK's Modern Slavery Act and Australian Modern Slavery Act

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

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

 [Statement by Mitsubishi Electric Europe B.V.](#)

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

Ensuring Personal Information Protection

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

 [Activities for Personal Information Protection](#)

Human Rights Education

Human rights training

- At Mitsubishi Electric, in addition to the implementation of the second "Human Rights Impact Assessment," we will create and distribute educational materials with the themes of the circumstances surrounding the implementation of the assessment and fundamental knowledge related to human rights for employees involved in sustainability at Mitsubishi Electric and at domestic family companies to deepen their understanding on global trends regarding human rights issues as well as international human rights norms. For overseas family companies, we also create training materials in English and Chinese.
- For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In fiscal 2021, we conducted a group training session related to human rights and harassment in each office for 833 new employees and 478 newly appointed managers.

E-learning

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

Company and group newsletters

We publish commentaries with the theme "What are human rights?" in the company and Group newsletters several times a year. The latest commentaries, "Provision of human rights consultation" and "Impacts of the Japanese government's 'National Action Plan (NAP) on Business and Human Rights,'" were published in the August 2020 and April 2021 issues, respectively. We will continue raising employee awareness of human rights at the Mitsubishi Electric Group.

Mitsubishi Electric Going Up Seminar

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

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



Employee Seminar

Harassment training

Mitsubishi Electric provides ongoing training programs regarding human rights to new employees and newly appointed managers, as part of its efforts to ensure a healthy workplace environment that is free of discrimination and harassment. In particular, starting in the second half of fiscal 2020, we have enhanced the content of harassment education and expanded the participants to include all employees in line with the Mitsubishi Electric Workplace Reform Program, which we are undertaking to prevent labor issues from recurring, and all employees participate every year. In fiscal 2021, we conducted a training session related to harassment, in each office, for 833 new employees, 478 newly appointed managers, and 819 recruit-training instructors.

Particular emphasis is placed on ongoing harassment prevention for newly appointed managers through training by encouraging them to have a correct understanding of instances of harassment and learn and implement appropriate communication skills for providing operational guidance, as they bear an important role as managers to create a workplace environment that will not cause harassment. Those who attended the program actively engage in creating a comfortable working environment for employees, by making certain

there are no harassment issues in the workplace, as is their responsibility as managers.

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

We have deployed this harassment training program to family companies as well and all the employees of domestic family companies participate in harassment prevention training programs that are implemented in line with the Mitsubishi Electric Workplace Reform Program.



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

Grievance Handling Mechanism

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

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

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

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

Labor practices

Basic Policy on Human Resources

Basic Policy

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

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



Purpose

Active Employment on a Continuous Basis

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

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

1. New graduates

(Unit: No. of people)

		October 2019 and April 2020 (result)	October 2020 and April 2021 (projection)	October 2021 and April 2022 (plan)
Mitsubishi Electric	Engineering positions	660	560	530
	Sales & administrative positions	200	170	190
	Technical positions	300	210	210
Mitsubishi Electric		1,160	940	930
		April 2020 (result)	April 2021 (projection)	April 2022 (plan)
Group companies in Japan		1,500	1,370	1,300
Total		2,660	2,310	2,230

2. Mid-career Hires

(Unit: No. of people)

	Fiscal 2020 (result)	Fiscal 2021 (projection)	Fiscal 2022 (plan)
Mitsubishi Electric	530	420	450
Group companies in Japan	1,000	660	700
Total	1,530	1,080	1,150

3. Changes in the percentage of female employees of all new hires (Mitsubishi Electric)

	Fiscal 2018 (result)	Fiscal 2019 (result)	Fiscal 2020 (result)	Fiscal 2021 (result)	Fiscal 2022 (projection)
Overall	15.8%	17.5%	15.1%	18.8%	19.9%
Sales & administrative positions	30.1%	31.0%	31.5%	37.0%	38.0%
Engineering positions	10.9%	13.1%	9.4%	13.4%	14.4%

Basic Personnel Data

Employment Situation

Employment situation of the Mitsubishi Electric Group

1. Consolidated data

(As of March 31, 2021)

Segment	No. of employees (persons)
Energy & Electric Systems	47,697
Industrial Automation Systems	32,975
Information & Communication Systems	13,900
Electronic Devices	5,323
Home Appliances	27,545
Other	12,603
Common	5,610
Total	145,653

2. Data for Mitsubishi Electric Corporation

(As of March 31, 2021)

Category		No. of employees (persons)
Full-time employee	Total	36,162
	Male	32,346
	Female	3,816
Temporary staff	Total	6,838
	Male	4,179
	Female	2,659

(As of March 31, 2021)

Segment	No. of employees (persons)
Energy & Electric Systems	9,741
Industrial Automation Systems	10,654
Information & Communication Systems	4,018
Electronic Devices	2,084
Home Appliances	5,212
Other	0
Common	4,453
Total	36,162

Category	Average age	Average No. of years worked	Turnover rate	Average annual income
Total	40.7 years of age	16.6 years	2.30%	7,963,544 yen
Male	40.6 years of age	16.5 years	2.20%	—
Female	41.2 years of age	17.2 years	2.40%	—

NOTES:

- "Employees" refers to all personnel who are working.
- Turnover rate includes retirement on reaching retirement age.
- Average annual income includes bonuses and extra wages.
- There is no difference in the amount of remuneration between men and women under Mitsubishi Electric Group's personnel treatment system.

Starting Salary at Mitsubishi Electric

	Monthly wage (yen)	Compared to the minimum wage
High school graduate	169,000 yen	104%
Technical high school graduate	192,000 yen	118%
College graduate	217,000 yen	133%
Graduate school graduate	241,000 yen	148%

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

Relationship with Labor Union

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

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

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

Notification of secondments and transfers within and outside the organization

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

Workforce Diversity

Basic Policy

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

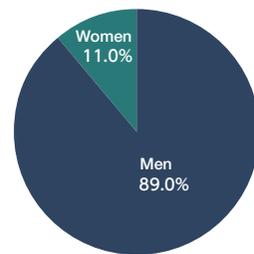
Diversity Promotion Framework

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

* Career management & Personal life well-balanced Plan

Women's Participation

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



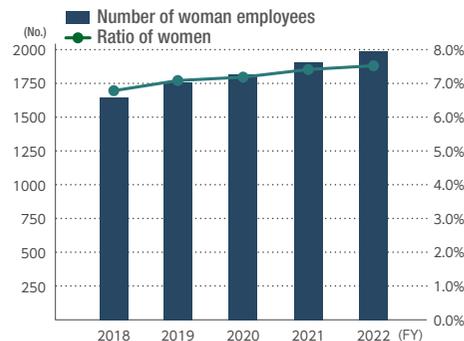
Gender ratio (Mitsubishi Electric)

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

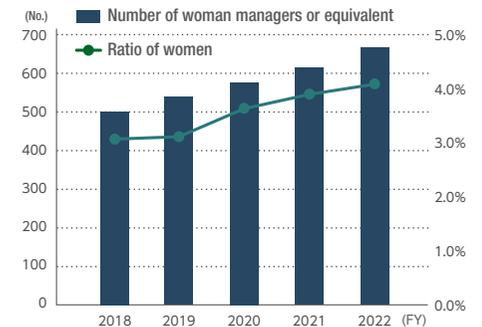
Initiatives	Target
Percentage of woman in management	2 times (Compared to FY2021)
Percentage of newly hired women	1.2 times (Compared to the average from FY2017 to FY2021)
Percentage of men on childcare leave*	70%

* Includes those who obtained special leave for childcare purposes

Basic data



Trend in the number of woman employees (Mitsubishi Electric)



Trend in the number of woman managers or equivalent (Mitsubishi Electric)

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 2018 (actual)	FY 2019 (actual)	FY 2020 (actual)	FY 2021 (actual)	FY 2022 (estimated)
Overall	15.8%	17.5%	15.1%	18.8%	19.9%
Administrative	30.1%	31.0%	31.5%	37.0%	38.0%
Engineering	10.9%	13.1%	9.4%	13.4%	14.4%

*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 engineers carry out their jobs and their careers are also produced.

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



Pamphlet for woman students wishing to pursue a career in engineering



Top page of a featured website

Acquisition of Eruboshi

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



Principles and Initiatives for Developing Global Human Resources

To become a global company that employs global human resources

As a global company, Mitsubishi Electric has 205 consolidated group companies in Japan and overseas, employing some 53,000 overseas employees, which corresponds to 36% of the total number of employees of the Group as a whole. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where all employees of the Group can maximize their potential and are able to realize their personal career plan.

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

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

Training program for employees at overseas group companies

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

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

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

	2012	2013	→	2017	2018	2019	2020	2021	Cumulative total
MGEP	—	—		—	8	5	7	Canceled due to the impact of COVID-19	20
GMW	13	18		23	26	29	30		208
WKP	—	17		44	59	91	105		407

MGEP: Mitsubishi Electric Global Executive Program

(In some years, one or two selected members from Japan may participate.)

GMW: Global Management Workshop

WKP: Workshop for Key Personnel

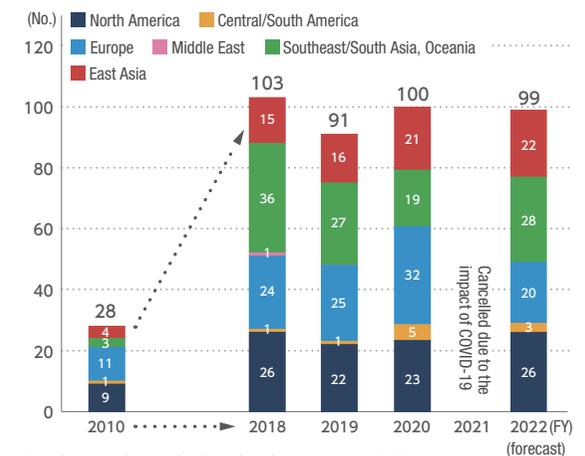
Overseas dispatch training

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

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

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

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



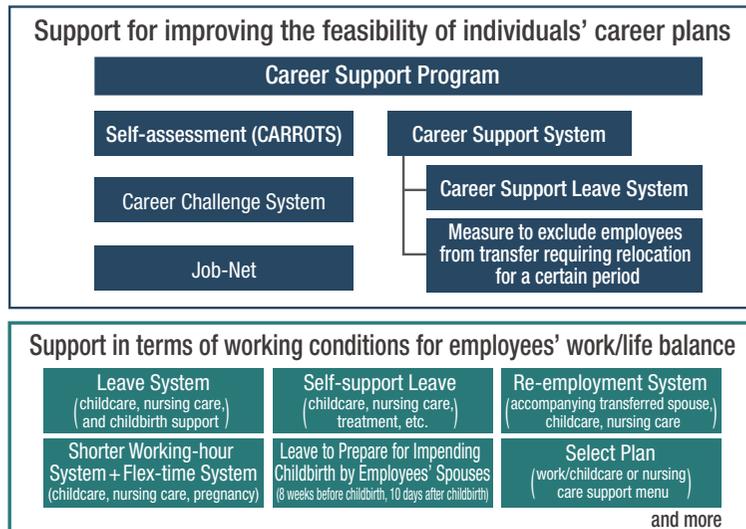
Employees dispatched to attend foreign language training overseas (Mitsubishi Electric)

FY 2019	FY 2020	FY 2021
86	95	Cancelled due to the impact of COVID-19

Support for Improving the Feasibility of Individuals' Career Plans

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

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



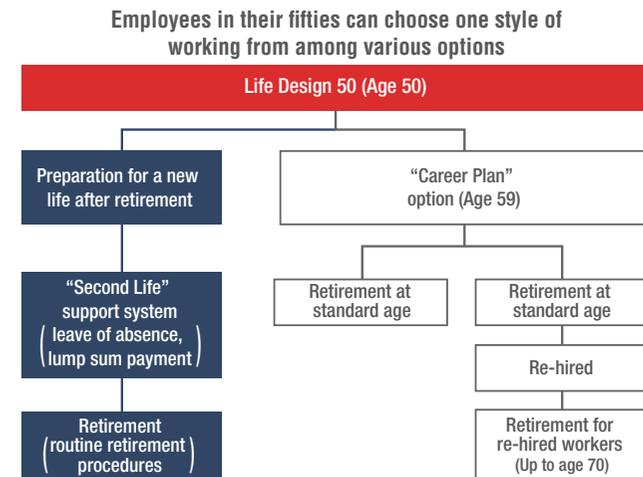
Career support program (Mitsubishi Electric)

Providing Diverse Employment Formats for Older Employees

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

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

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



Multi-track personnel system (Mitsubishi Electric)

Promoting Employment of People with Disabilities

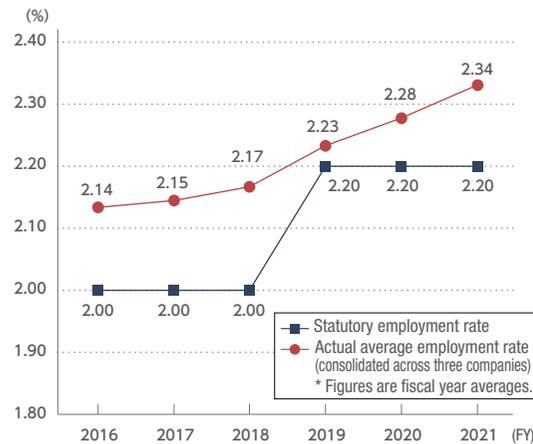
The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities.

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, 2021, people with disabilities comprised 2.36% 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 85 people with disabilities as of March 15, 2021. A cookie factory was established in FY 2018 and the Nagoya Office opened in FY 2021, and it 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.



Trend in the employment rate of people with disabilities



Cafe business



Cookie manufacturing



Business card production

Creating a Fulfilling Workplace

Basic Policy

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

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

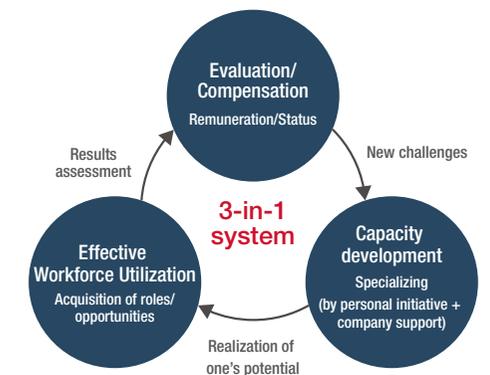
Employee satisfaction underlies Mitsubishi Electric's personnel policies. At the same time, there are policies such as those described below that are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

Compensation System Based on Individual Job Descriptions and Performance

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

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

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



Organic combination of components through management enhancements

Transfer Opportunities at the Request of Employees

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

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

Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong, and a system for reviewing employee roles and performance is implemented to track the progress of those goals through communication between employees and their managers. Under this system, regularly-scheduled interviews are held in which employees and managers discuss such topics as the employee's development and training based on evaluation of performance, and the placement and utilization of human resources, to promote improved communication in the workplace. In fiscal 2021, such interviews were carried out for 94% of employees.

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

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

Motivating Employees with Bonuses for Inventions (in Japan)

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

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

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

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

Maintaining a Favorable Working Environment

Basic Policy

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

Various initiatives are in place at the Mitsubishi Electric Group to create a working environment where all employees can work actively while maintaining good physical and mental health.

<Initiatives to Prevent Recurrence of Work-Related Issues>

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

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

The Group continues to consider the prevention of recurrence of work-related issues as its top management priority, and as a whole, makes every effort to create a work environment where all the employees can maintain mental and physical health and work actively with a sense of security.

● Dec 21, 2020

 [New Initiatives to Prevent Recurrence of Work-related Issues](#)

● Jan 10, 2020

 [Initiatives to Prevent Recurrence of Work-Related Issues \(In Japanese text\)](#)

Create a Work Environment Where All the Employees can Work Actively with a Sense of Security

The Mitsubishi Electric Group is taking the following measures under the Mitsubishi Electric Workplace Reform Program, aiming at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals. The measures to be implemented and applied in FY2021 have been completed, and this program will continue to be strongly promoted in FY2022 and beyond as a project directly overseen by the President, and each measure will be implemented continuously.

We are implementing a variety of measures especially with regard to creating a workplace with zero tolerance for power harassment. In addition to implementing anti-harassment education

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

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

Progress of the Mitsubishi Electric Workplace Reform Program

Item	Initiatives	Performance for FY2021
(1) Enhance education on harassment such as power harassment, and strengthen evaluation when assigning leaders including managers	1) Enhance education on harassment and make it obligatory for all employees to attend the seminar.	100% participation rate (including group companies). Education will continue to be conducted in FY2022.
	2) Shed light on harassment when training managers and staff in charge of education when assigning new employees and thoroughly implement more appropriate development and guidance.	Implemented in workplaces to which new employees were assigned in FY 2021. Education will continue to be conducted in FY2022.
	3) Sufficiently evaluate candidates to see if they have basic ideas of labor management (such as understanding which actions constitute harassment actions) before assigning a manager or leader.	Implemented (January 2020)
	4) Remind all employees that perpetrators of power harassment will be subject to severe measures.	Revised the Work Regulations (March 2020)
(2) Engage in quantitative workplace analysis through attitude surveys and ongoing improvement based on analysis results	1) Conduct attitude surveys on the workplace targeting all employees and an organization diagnosis in light of the survey every year.	Survey completed in June 2020. Improvement measures based on the survey results are in progress. Research will be conducted again in June 2021.
	2) Endeavor to solve the challenges recognized during the survey, taking opinions of outside experts into consideration, and continue to improve the workplace through the PDCA cycle.	
(3) Enhance measures to identify and address the workload and mental condition of individuals at an early stage	1) Conduct a questionnaire survey to check the workload, workplace human relationships, stress status, and other problems of individuals every month to identify and address changes in feeling at an early stage. (This survey currently targets new employees but will target all employees in the future.)	Ongoing for all employees since July 2020
	2) Increase periodic interviews with the human resources division after assigning new employees to the workplace.	The number of follow-up interviews has been increased since FY 2020
(4) Engage in thorough and appropriate care of employees with mental health issues	Work-related issues tend to occur after an employee with mental health issues comes back to work. Therefore, we will inspect the operation of the existing Mitsubishi Electric Return to Work Support Guidelines*1 and thoroughly re-implement the guidelines to especially focus on the care of those with mental health issues.	In operation since July 2020
	1) During leave of absence <ul style="list-style-type: none"> • The supervisor and the human resources division will carefully explain how the employee in question will be treated during a leave of absence to the relevant employee so that he or she can concentrate on medical treatment • For example, the supervisor and the human resources division periodically interview the relevant employee to track the situation to the extent that the treatment is not hindered. 2) When the employee comes back to work after leave of absence <ul style="list-style-type: none"> • Follow considerations at return to work (such as limitations on work) based on the opinions of the company medical advisor. • For example, all employees across the workplace may also share how to accept the employee who comes back. 	
(5) Enhance consultation channels (establishment of multiple channels), etc.	1) Start a new counseling service by an outside counselor in cases where an employee wants to consult an outside specialist face to face.	Introduced (February 2020)Used 163 times as of March 2021.
	2) Start a mentor system for troubled employees to consult someone at the workplace with whom they do not have a supervisor-subordinate relationship in order to create an environment where they can easily talk about their problems.	Introduced (April 2020)
	3) Assign multiple training supporters to receive consultations from new employees, so that each employee can select someone whom he or she is comfortable with consulting.	Introduced (January 2020)
	4) Further enhance training courses that contribute to the improvement of the employees' stress management capability such as resilience education*2.	Provided to new employees in FY 2021. Education will continue to be conducted in FY2022.

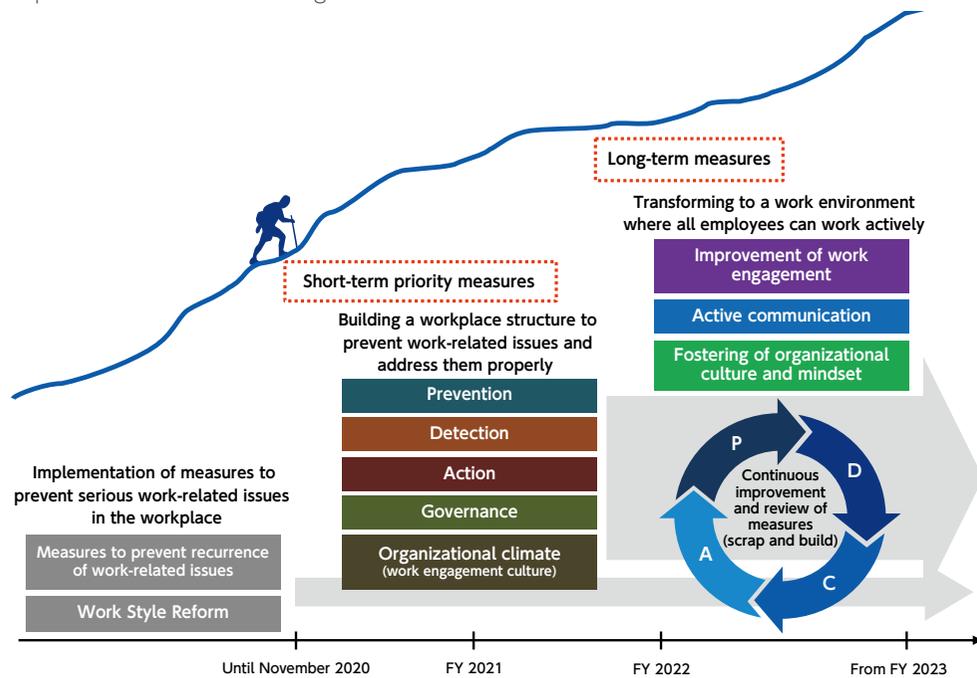
*1 Created with reference to "Guidance for Supporting Workers Who Return to Work after Taking a Leave due to Mental Health Issues," published by the Ministry of Health, Labour and Welfare.

*2 Training program to enhance people's capabilities to successfully address stress and adverse circumstances and recover

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

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

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



Roadmap for measures to improve workplace culture

Short-term priority measures and long-term measures

Category	Item	Measure
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) [November 2020], (Submission by all Directors, Executive Officers, and employees of a declaration to refrain from harassment) [December 2020], and (Revision of Work Regulations that clearly indicate service provisions) [December 2020] Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree feedback for managers) [April 2021]
	Detection of problems	<ul style="list-style-type: none"> Enhanced analysis of employee attitude surveys and stress checks [December 2020] Improvement of the utilization of the results in the workplace (Formulation and enhancement of guidelines for utilization) [April 2021]
	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) [March 2021] 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) [December 2020]
	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) [April 2021]
	Organizational climate	<ul style="list-style-type: none"> Further participation of leaders in communication and labor management in the workplace [April 2021] Thorough implementation of shared organizational values (e.g., Corporate Principles) and policies (Creation and deployment of tools for sharing values) [February 2021]
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
	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

Evaluation indicators

KPI	Current (FY 2021)	Target for FY 2023	Goal
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company) *3	63%	70%	Always 80%
Percentage of employees who responded that they had a good work-life balance	66%	70%	Always 80%

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

Prevention of Long Working Hours and Proper Management of Working Hours

Mitsubishi Electric determined "Work Style Reforms" as an important management policy in April 2016 to create a workplace environment in which everyone can maintain physical and mental health and work in good spirits with a good work-life balance and has promoted a variety of measures that contribute to reduction in total working hours, proper management of working hours, and improvement of operational efficiency and productivity. Specifically, the Company has spread policies and raised awareness 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, expanding IT use, and enriching the IT environment. Meanwhile, we have attempted to properly manage working hours in line with reality by automatically calculating working hours from objective data such as the entry/exit time and PC logon/logoff time.

We believe that these efforts have paid off to some extent. Specifically, employees' working hours have been significantly reduced. To further increase effectiveness, we will continue to promote "Work Style Reforms" in the future. We also implement in a reliable manner health measures for employees in light of properly tracked working hours.

"Work Style Reforms"

"Work Style Reforms" - To the Next Stage -

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

Our slogan from fiscal 2021, "Kaeru! MELCO" means that Mitsubishi Electric will change (kaeru) the work style and the way of business operations to create new value and reduce working hours so that employees can go home (kaeru) early to enrich both their business and

private lives with an ultimate goal of creating a workplace where all the employees can work actively.

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

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

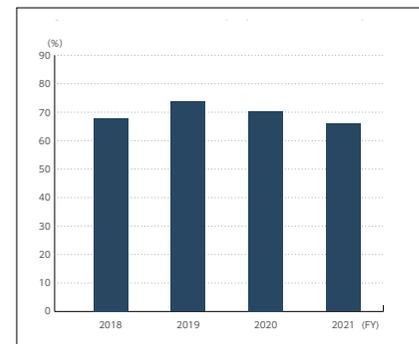
"Work Style Reforms" internal poster (As of June 29, 2021)



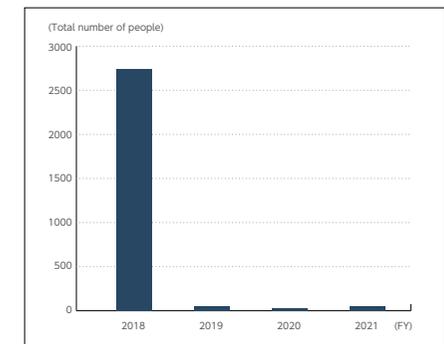
Outcome of previous activities

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

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

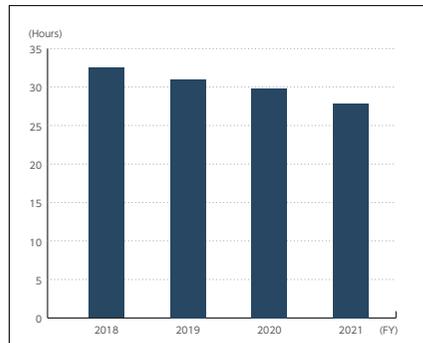


Percentage of employees who responded that they had a good work-life balance (Employee Attitude Survey)*



Changes in the number of employees subject to health management due to working more than 80 hours of overtime a month (including managers)

* Starting in FY2021, the rating scale was changed to a five-point scale to better assess the current state. Employees who responded that they had a good work-life balance are defined as people who rated their work-life balance as four or five on the five-point scale. (Until FY2020, this was defined as people who rated their work-life balance as three or four on a four-point scale.)



Changes in monthly overtime hours per employee (including managers)

Examples of office-specific activities

- Lectures for management personnel by external lecturers
- Establishing conference rules (50 minutes as a rule, no meetings to be held after 5 p.m., etc.)
- Introducing condensed work times
- Introducing "Refresh Wednesday" to promote work-life balance

At Mitsubishi Electric, Head Office management departments play a central role in improving the quality of company-wide operations by promoting the following specific measures.

1. Developing an IT environment

- 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 and reduction of business trips
- Realizing flexible working styles by expanding the work-from-home program
- Promoting the use of work smartphones outside the company (schedule confirmation, verification tasks, etc.)

2. Simplifying and reducing company-wide documents

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

3. Promoting indirect JIT Kaizen activities

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

President's Forum

To accelerate the promotion of office Work Style Reforms, the "President's Forum" meeting began in February 2017 as a president-employee conversation opportunity. We believe that communicating company policies directly to employees and broadly gathering employee feedback are critical to increasing employee motivation and sense of purpose in work. These measures continue in FY2021 using online tools as we implement appropriate COVID-19 infection precautions.

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

Support for Flexible Working Styles

Development and implementation of childcare and family-care programs

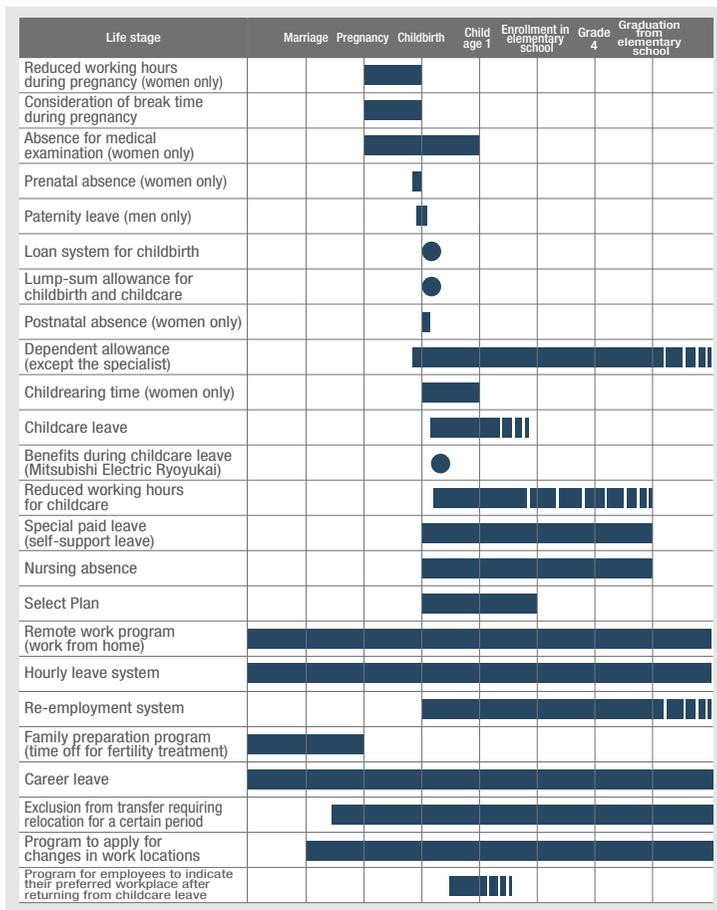
Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare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

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

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

leave to indicate their preference for a workplace that may involve a transfer.

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



(As of April 2021)

Work-life balance support measures (Mitsubishi Electric)

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)	

Other programs

Flexitime

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

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

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

Special paid leave (Self-support leave)

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

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

Remote work program (Work from home)

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

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

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

No. of employees who have taken a leave	FY2019			FY2020			FY2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	38	302	340	66	348	414	144	369	513
Acquisition rate of leave of absence (%)	—	99%	—	—	100%	—	—	99%	—
Reduced working hours for childcare	13	379	392	14	392	406	13	393	406
Reduced working hours during pregnancy	—	20	20	—	14	14	—	3	3
Family care leave	11	7	18	7	9	16	6	6	12
Reduced working hours for family care	1	6	7	1	20	21	4	12	16
Prenatal and postnatal absence	—	178	178	—	198	198	—	204	204
Paternity leave	769	—	769	861	—	861	920	—	920
Nursing absence	20	15	35	29	19	48	6	20	26

Supporting Career Development

Basic Policy

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

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

Development of Personnel who Support the Workplace

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

Human Resources Development System Supports the Career of Employees

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

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

Self-development support program

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

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

Promoting systematic and efficient skills development

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



Employee Training History Management System showing the history of training and individual points gained by participating the trainings

Passing on technological skills, knowledge, and know-how

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



Technical help desks



Mitsubishi Electric Group Skills Competition

Mitsubishi Electric Group Skills Competition

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of "handing down skills and raising skills to even higher levels," "further creating a climate that respects skills," and "developing top-level technicians."

Ensuring Occupational Safety & Mental and Physical Health

Basic Policy

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

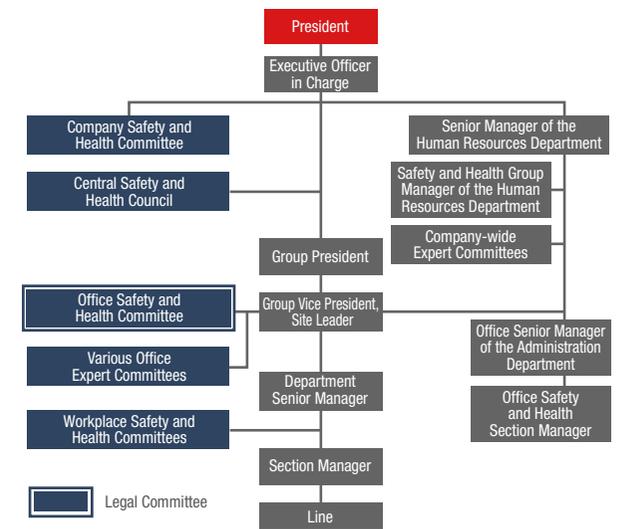
This basic policy underlies our company-wide Safety and Health Five-year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, to annually create a company-wide safety and health management policy by which we implement specific activities toward achieving annual targets. This program has been rolled out to our group companies in Japan and overseas who also engage in health and safety management activities in line with relevant laws, national regulations and company-specific issues.

Promotional Framework

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

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

In case of an industrial accident occurs, safety measures are immediately taken by the department where the accident



Company-wide safety and health management structure

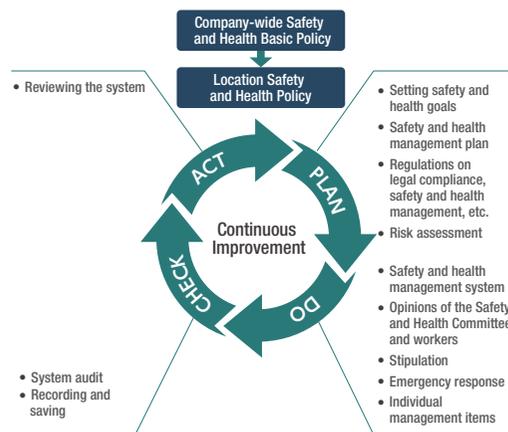
occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety management status inspections, and laterally disseminating case reports of disasters and countermeasures developed through root cause analysis.

Occupational Safety and Health Management System

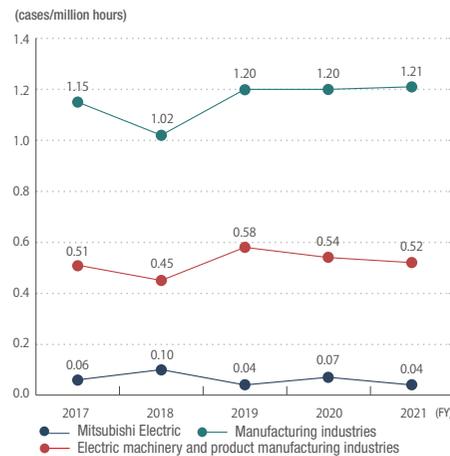
In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office runs PDCA cycles for safety and health activities by implementing system audits based on the Mitsubishi Electric Group's requirements for safety and health management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

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

* OSHMS (Occupational Safety and Health Management System)



Occupational safety and health management system



Frequency of Labor Accidents (Number of accidents requiring a leave, per million hours)

Frequency of fatal accidents (Mitsubishi Electric Group (domestic/overseas))

	FY2018	FY2019	FY2020	FY2021
Domestic	0	1	0	1
Overseas	4	1	3	1

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

Examples of training held by the head office (Mitsubishi Electric)

Training name	Date conducted	No. of participants
Training for newly appointed safety and health section managers	April & May 2020	6
Training for newly appointed safety and health members	June 2020	43
Training for newly appointed safety and health promotion members	October & November 2020	46
Training for newly appointed occupational health physicians and public health nurses	May 2020	13
Training for newly appointed safety instructors	November 2020	17
Liaison meetings for safety and health members	October 2020	54
Company-wide safety and health education (for general employees)	July to September 2020	33,621
Company-wide safety and health education (for managers and supervisors)	July to September 2020	4,812

"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. MHP21 promotes a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company." Under the slogan, "Change Your Lifestyle Habits, Extend Your Healthy Years," MHP21 involves setting company-wide improvement goals in five health categories—maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care, and sleeping properly—and evaluating the degree of achievement of these goals every year.

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

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

Targets and results of MHP21 activities

MHP21 activities Priority items	Before commencement of activities (FY2002)	Stage I Final year (FY2012)	Stage II Final year (FY2017)	Stage III Fourth year (FY2021)	Stage III Target (FY2018– 2022)
People maintaining proper body weight*1	73.0%	71.7%	70.4%	68.0%	73% or more
People who have an active lifestyle*2	11.7%	16.2%	24.1%	27.4%	39% or more
Smokers	40.0%	27.6%	24.7%	21.6%	20% or less
People who brush their teeth three times a day or more	13.3%	20.5%	22.5%	27.0%	25% or more
People who get enough sleep and are well rested*3	—	—	—	71.5%	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 White500

Mitsubishi Electric has been recognized, by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi under the 2021 Health & Productivity Management Outstanding Organizations Recognition Program's WHITE500 (the large-scale corporate category), for excellence in a variety of our activities that contribute to health and productivity management. These include preventing lifestyle-related diseases among healthy persons and high-risk persons, including the implementation of Mitsubishi Electric Group Health Plan 21 (MHP21), preventing productivity from lowering among employees, and preventing accidents, adjusting work hours, and ensuring work/life balance and time for living.

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



Promoting Mental Health Care

Mental health care is a top priority for health management in the Mitsubishi Electric Group. By establishing a counseling program that includes an industrial physician and/or counselor and other such initiatives, active efforts are made to help employees cope with everyday worries related to work and family and other emotional issues. Through conventional telephone and e-mail counseling and a newly introduced face-to-face counseling program as well as an online counseling program provided by an employee assistance program (EAP*), 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 policy and measures, the Location Safety and Health Committee (Committee to Promote Mental Health) will further be effectively used. By disclosing through the Committee information such as the presence or absence of employees who had an injury/sick leave or absences due to mental health, the status of implementation of measures to ensure health and welfare (the number of people eligible for long-term counseling, etc.), and the plans for and results of mental health-related training programs, continuous improvement activities are promoted. With regard to a stress check system in line with legislation, efforts are being made to improve the workplace climate of organizations with issues in light of the results of organizational analysis.

Employees who return to work after taking a mental health leave are fully supported by the belonging department, human resource department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support, and every effort is made to facilitate their return to their workplace and prevent any relapse. Specifically, inspection is carried out in order to ensure thorough operation regarding the periodic ascertainment of the situation of employees who are absent from work, compliance with giving consideration to employees who have returned to the workplace based on the opinions of an industrial physician (restricting work, etc.), 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) Stress checks, mental health checks	Physical health checks	Recovery Establishment of health routines (reports on daily routines during recovery)	Use of the workplace recovery support implementation guidelines (guidelines)
Care provided by the line	Interviews on working hours subject to health management Appropriate employment management (restrictions on work) Line care training for managers and supervisors (location training (new hires), company-wide e-learning)	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) Follow-ups during leave and after returning to work	
Care provided by occupational health staff		Counseling service with counselors and clinical psychologists Interviews with occupational physicians based on health management time and stress check results (work restrictions)	Appropriate determination of whether employees should return to work	
Care provided by resources outside the office		Support for employees working overseas 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	Cooperation with medical institutions Effective use of rework support facilities	
Fostering of an appropriate corporate culture	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.

Supply Chain Management

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

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

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

Our Purchasing Philosophy

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

1. Easy Access and Equal Opportunity

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

2. Mutual Prosperity

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

3. Ecological Soundness

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

CSR Procurement Policy

We carry out material procurement activities in line with our "CSR Procurement Policy," which was established in 2007.

We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's sustainability policies and matters for compliance by our business partners. We are approaching all business partners to verify their agreements to promote procurement activities in line with the guidelines.

1. Compliance with domestic and foreign laws/regulations and social standards

- 1) Ensuring compliance with laws and 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

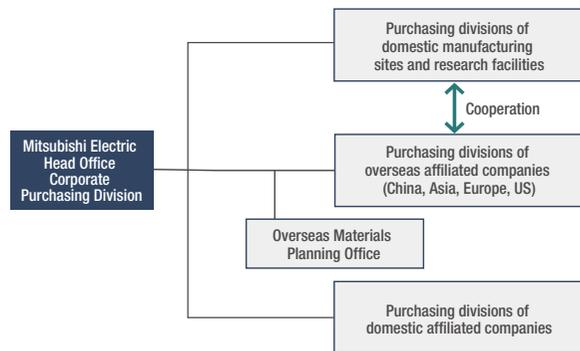
Framework for Promotion of Procurement Supply Chain Management

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.

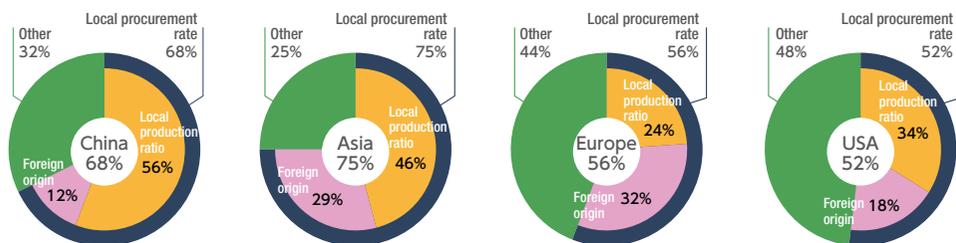
Priority activities

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

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



Framework for promotion of procurement supply chain management



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

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

Mitsubishi Electric Group Policies for Responsible Minerals Procurement

The Mitsubishi Electric Group aims for transparency in its 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 Areas

Report of survey results of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (the Conflict Minerals Reporting Template (CMRT)*1 or the Cobalt Reporting Template (CRT)*2) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2021, surveys were carried out on 717 suppliers, and responses in survey form were obtained from 639 of these suppliers, which include 491 suppliers for which we have been able to identify all smelters. In addition to continuing to request suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals.

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

*2 Cobalt Reporting Template issued by the Responsible Minerals Initiative

Number of smelting companies identified in a survey of conflict minerals and their list in FY2021 (Number of smelting companies identified: 364 companies) (As of April 2, 2021)

Tin	Tantalum	Tungsten	Gold
108 companies (of which, 1 company is from an applicable country*)	43 companies (No applicable countries)	50 companies (No applicable countries)	163 companies (of which, 1 company is from an applicable country)

List of smelters identified in the FY2021 Survey

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

Strengthening Sustainability Initiatives along the Procurement Supply Chain

Initiatives to address environmental issues

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

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

 [Green Accreditation Guideline](#)

Initiatives to address social issues

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

 [CSR Procurement Guideline](#)

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

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

1. Ensuring that we obtain the consent forms for the CSR Procurement Guidelines from suppliers

The Mitsubishi Electric Group is aiming to obtain the consent forms for the CSR Procurement Guidelines from all suppliers with whom we will continue to do business through the end of September 2021 (about 4,000 companies). From fiscal 2019 to 2021, we received signatures for the consent forms for the CSR Procurement Guidelines from a total of about 2,800 suppliers. We will work to obtain the forms from all suppliers that have yet to respond.

2. Continuing activities aimed at understanding and mitigating serious human rights risks in the procurement supply chain (forced labor of foreign laborers, dangerous or hazardous labor, etc.)

In addition to the investigations in progress, we have conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees in 2019. Although there were no suppliers who are at risk of infringing on the Technical Intern Training Act, we will continue promoting activities for preventing the violation of human rights of foreign technical intern trainees.

 [Survey on Foreign Technical Intern Trainees](#)

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

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

 [Human rights management](#)

 [\[About\] Procurement activities](#)

4. Decarbonization in the procurement supply chain

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

 [Environmental Sustainability Vision 2050](#)

Requests to Suppliers

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

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

* The Mitsubishi Electric Group's Green Procurement Standards Guide and CSR Procurement Guidelines are provided below. These documents have been revised appropriately in response to changes in laws, regulations and social norms.

 [\[About\] 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 7, 2021)

	FY2018	FY2019	FY2020	FY2021
Existing suppliers	696	1,201	455	511*
New suppliers	25	60	97	69
Response rate	99%	96%	82%	88%

1 Total number of suppliers: Approx. 10,000 companies (includes about 2,500 suppliers that were among the top 80% of purchases)

2 We conducted surveys for all of the above suppliers (about 2,500 companies) in the three-year period between 2017 and 2019.

3 The above figures include the cases where the companies resubmitted their survey response after receiving the improvement instructions.

* The above figures include 74 companies who were surveyed in fiscal 2020 and failed to pass the criteria or have not responded to the survey. The Mitsubishi Electric Group suspended transactions with 5 companies who have yet to gain Green Accreditation among the supplies surveyed in fiscal 2020. The breakdown of these 5 companies is as follows: 2 failed to pass the Green Accreditation criteria, 1 needed to correct their CSR activities, and 2 failed to respond.

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

(As of April 7, 2021)

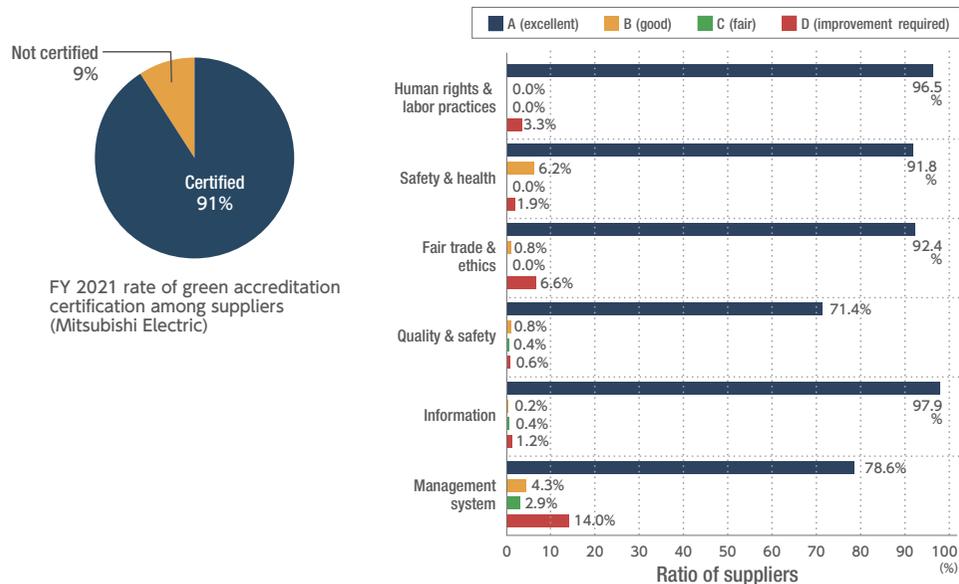
	FY 2018	FY 2019	FY 2020	FY 2021
Surveyed suppliers	1,378	595	1,169	1,080
Response rate	94%	60.5%	74%	71%

Signatures for the CSR Procurement Guidelines consent forms in FY 2021

(As of April 7, 2021)

	Mitsubishi Electric	Domestic and overseas affiliated companies
Requested companies	639 companies	2,469 companies
Responses received (rate)*	570 companies (89%)	2,031 companies (82%)

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



FY 2021 results of green accreditation and CSR procurement surveys among suppliers (Mitsubishi Electric)

Number of suppliers given guidance in fiscal 2021 and the content of the guidance (Mitsubishi Electric)

(As of April 12, 2021)

Item	No. of companies given guidance	No. of completions	Content of guidance
Environment	64	24	Strengthening of management of chemical substances in products (creation of management regulations and understanding chemical substances in products)
Human rights, labor practices, safety and health	96	26	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

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

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

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

Items to be improved and the number of companies

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. In fiscal 2021, we refrained from holding any large seminars to prevent the spread of COVID-19. Instead, we are holding online seminars using Microsoft Teams.

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

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

Strengthening Partnerships with Suppliers

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

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

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



Award given by Mitsubishi Electric executives (Inazawa 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

Providing Learning Programs on Procurement Laws and Regulations

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

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



Compliance education related to procurement in the Thailand region



Review Meeting for CSR Promotion in the Supply Chain

Philanthropic Activities

Community Participation and Development

Our Philosophy on Philanthropic Activities

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

Our Policies on Philanthropic Activities

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



Community-based activities

Social Welfare

We support people with disabilities and senior citizens mainly through the Mitsubishi Electric SOCIO-ROOTS Fund. Many employees participate in this program every year, and have made donations to a total of more than 2,200 social welfare facilities.

Global Environmental Conservation

The Satoyama Woodland Preservation Project allows employees to exert a physical activity to help restore the natural environment near their workplace, and the Outdoor Class where employees act as a nature leaders and experience nature ecosystems with the local people.

Activities that develop next-generation human resources

Science and Technology

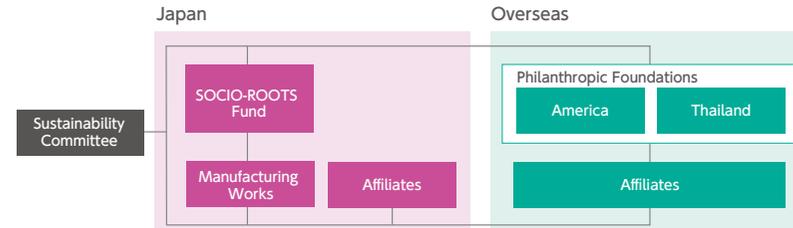
In order to nurture children who love science, the "Mitsubishi Science Workshops" are held. Children can experience the basic scientific principles while taking part in experiments and crafts there.

Culture and Arts, Sports

We also convey to children and people around the world the excitement of culture and sports, which extend on a global scale and bring enjoyment and fulfillment to people's lives.

Philanthropy Promotion Framework

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



Support for COVID-19 Measures

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

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



Presentation of a donation from the Mitsubishi Electric Thai Foundation to the Chaipattana Foundation



Science Workshop content, "Let's Have Fun with Programming"



Donation of air purifiers to a facility for people with disabilities (Spain)

*As of July 2021

FY2021 Activity Results

Philanthropic Activity Expenditures

Approx. **7.0** billion yen

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

Social Welfare

Mitsubishi Electric SOCIO-ROOTS Fund

— Overview —

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

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

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

— Donations —

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



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 for the Great East Japan Earthquake —Support for the healthy growth of children—



The Fund is making ongoing efforts to support children affected by the earthquake. As of March 31, 2021, it has donated a sum of 183.5 million yen since the program began in fiscal 2012.

Global Environmental Conservation

Employees participation program "Woodland Preservation Project" "Mitsubishi Electric Outdoor Class"

— Overview —

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

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

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

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



Outdoor classes for observing plants and small creatures

Science and Technology

Mitsubishi Electric Science Workshops

— Overview —

Since 2009, through the "Mitsubishi Electric Science Workshops" children can experience basic scientific principles related to electricity, heat, sound, light, wind, communications and programming. The workshops convey the joy of science through experiments and other activities, show the relationships between the basic scientific principles taught and real products, and help the children realize how the products are useful in society. It is also a good opportunity for employees, who serve as lecturers, to look back on their work. In 2020, from the perspective of preventing COVID-19 infectious diseases, activities were carried out using measures such as online classrooms and on-demand distribution of learning content.



Woodland preservation project



Satoumi (coastal ecosystem) conservation activity



Bamboo grove management activity



Satoyama (woodland) conservation activity



Learning contents



Employees held workshop at elementary school. (how Elevators work)

Culture and Arts, Sports

Activities by Mitsubishi Electric's Sports Teams

Basketball

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



Basketball workshop

Tennis

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



Workshops in Tohoku

American football

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

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



Cleaning of fallen leaves and sludge collected in a pond in the park

Badminton

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



Badminton workshop

Culture and Arts

Mouth and Foot Painting Artists of the World Exhibition

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

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



Mouth and Foot Painting Artists of the World Exhibition

Culture and Arts, Sports

Mitsubishi Electric America Foundation

Summary

Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested \$21.8 million in innovative projects that help young people with disabilities maximize their potential and participation in society. The employment rate of people with disabilities in the U.S. is about 22%, compared to about 70% of people without disabilities. Therefore in 2012, MEAF launched its national M>PWR possible initiative focused on supporting innovative approaches to empower youth with disabilities so they can lead productive lives and achieve possible.

Example of activities

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

In 2018, MEAF received the "2018 CATALYST AWARD" from the American Association of People with Disabilities (AAPD) in recognition of its long-term efforts.*

* MEAF supports the AAPD Summer Internship program, which places university students with disabilities in Congressional offices, federal agencies, and non-profit organizations in Washington, DC, since the program's inception in 2002.

Collaboration with U.S. employees

Employee volunteers from Mitsubishi Electric Group companies in the U.S. engage in their communities as the foundation's ACCESSTEAM*. In Fiscal Year 2020-2021, the ACCESSTEAM volunteered more than 9,800 hours to local community organizations.

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



Work experience through the "M>PWR possible" initiative



Product donation by employee volunteers

Mitsubishi Electric Thai Foundation

Summary

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

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

Example of activities

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

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

Collaboration with U.S. employees

In collaboration with local Mitsubishi Electric Group companies in Thailand, METF contributes to local communities through tree-planting activities, Science classroom for elementary school students, and making donations to temples that care for AIDS patients. More than 500 employees and local people participated at maximum at a time, and participants were able to share joy with many people through these activities. In 2017, the Foundation began supporting the "Prateep Dek Thai Project" to build a Child Development Center in underprivileged areas.



Scholarship presentation ceremony



Support for the Prateep Dek Thai project

Oversea Activities

As a company globally expanding of our business, Mitsubishi Electric Group will carry out activities worldwide to contribute to the realization of a vibrant and sustainable society



Factory Automation Products kits Handing-over Ceremony at Delhi/NCR



Science workshop provided by a local group company (Thailand)



Sponsoring the PALAU DE LA MÚSICA (Spain)



Establishing a robot training facility for engineers in a university (Turkey)



Providing school bags for underprivileged children (Colombia)

Corporate Governance

Basic Corporate Governance Policy

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

Corporate Management and Governance Structure

Corporate Management Structure

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

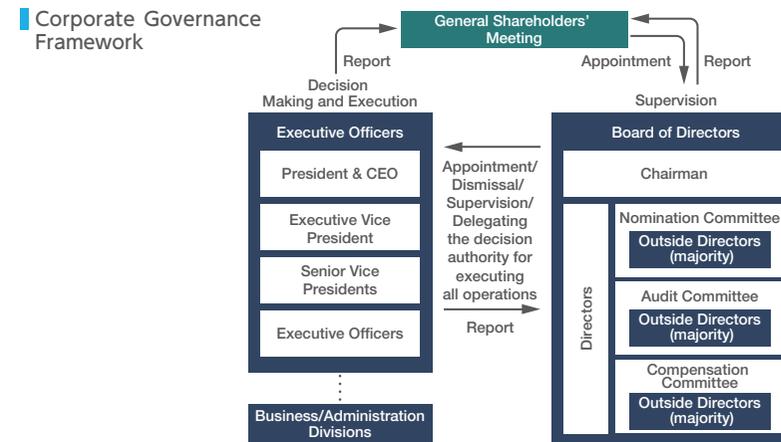
A salient characteristic of Mitsubishi Electric's management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all Executive Officers, are clearly separated. Additionally, neither is included among the members of the Nomination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

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

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

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

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



Internal Control System

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

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

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

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

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

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

Audit Committee

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

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

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

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

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

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

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

Notes

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

3. Activities of the Audit Committee members

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

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

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

4. Agenda of the Audit Committee

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

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

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

5. Effectiveness evaluation of the Audit Committee

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

Status of Internal Audit

1. Organization, members, and procedures for internal audit

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

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

2. Relationship with the divisions in charge of internal control

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<Policies Regarding Decisions on Compensation, etc.>

1. Basic Policies

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

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

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

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

Outside Directors

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

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

<Independency Guideline for Outside Directors>

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

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

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

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

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

Outside Directors (as of June 29, 2021)

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

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

Compliance

Our Concept of Compliance

Message from Top Management

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

Dear colleagues,

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

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

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

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

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

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



Kei Uruma
President & CEO

Our Concept of Compliance

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

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

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

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

Compliance Motto - "Always Act with Integrity"

Always Act with Integrity

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

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

Questions to test for Integrity

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

Mitsubishi Electric Group Code of Conduct

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

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



Mitsubishi Electric Group Code of Conduct

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



Meeting of compliance managers in the Asia region



Working-level conference on compliance in the China region

Thorough Dissemination/Education of Our Compliance Policy

Ensuring that Employees are Familiar with Our Compliance Policy

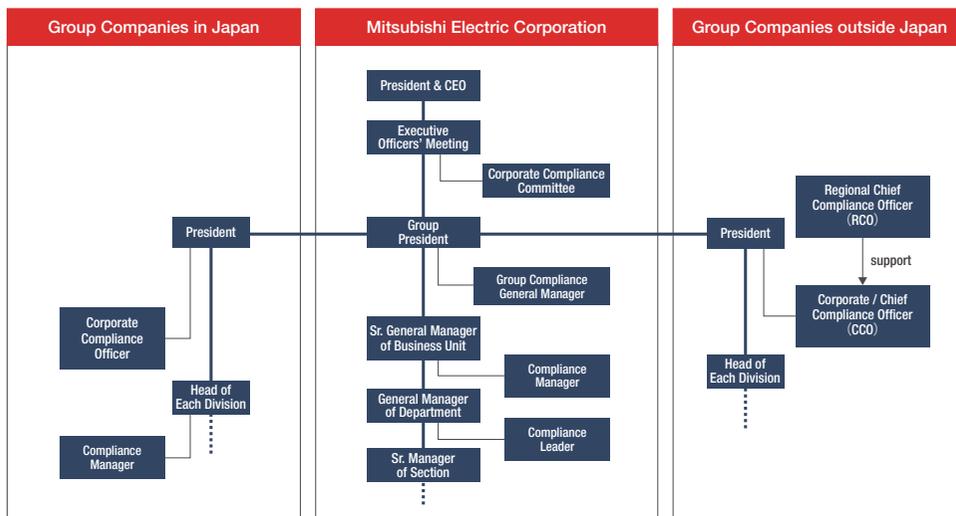
The top management of the Mitsubishi Electric Group, including the President, takes every opportunity to directly address officers and employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of our stance on compliance takes root throughout our organization.

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

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

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



Poster



Portable Card



"Mitsubishi Electric Group Code of Conduct"

Compliance Education by Diverse Means

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

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

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

Basic Efforts against Compliance Risks

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

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

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

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

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

Corruption Prevention (Preventing Bribery)

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

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

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

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

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

Support and Responses to Political Activities

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

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

Export Control

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

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

Disassociation with Anti-social Groups

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

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

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

Compliance Audits / Ethics and Legal Compliance Hotlines

Compliance Audits

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

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

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

Establishment of Internal and External Ethics and Legal Compliance Hotlines

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

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

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

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



Poster for internal dissemination of information on the hotline

Tax Policy

<Mitsubishi Electric Group Global Tax Policy>

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

● Our principles

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

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

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

● Our attitude towards tax planning

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

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

● Tax risk management

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

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

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

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

● Relationship with tax authorities

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

Risk management

Basic Policy

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

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

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

Risk Management Framework

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

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

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



Risk management framework

Responding to Environmental Risk

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

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

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

 Preventing Environmental Incidents

Disaster Countermeasures

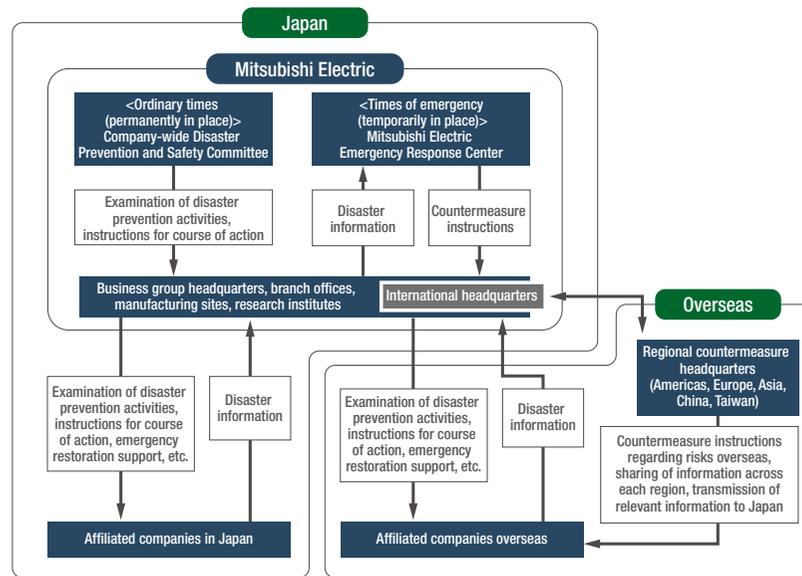
Development of a Response Framework for Large-scale Disasters

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

Emergency disaster prevention framework

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

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



Mitsubishi Electric Group's disaster prevention framework

Response to COVID-19

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

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

Mitsubishi Electric Response to Novel Coronavirus

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

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

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

Initiatives for Business Continuity and Disaster Response

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

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

Business continuity in the supply chain

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

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

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

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

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

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

Strengthening disaster responses

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

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



BCP training at a Mitsubishi Electric site in Japan



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

Pandemic countermeasures

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

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

Ensuring safety overseas

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

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

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

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

Economic Security

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

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

Our approach to information security

Basic Policy

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

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

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

*Information security measures:

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

<Declaration of Confidential Corporate Information Security Management>

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

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

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

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

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

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

2. Enforcement of Security Management Measures

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

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

3. Enhancement of Information System Security Measures

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

4. Education

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

5. Continual improvement of Management through the PDCA Cycle

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

6. Timely and Appropriate Information Disclosure

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

July 28, 2021

Kei Uruma, President & CEO
Mitsubishi Electric Corporation

<Personal Information Protection Policy>

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

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

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

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

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

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

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

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

July 28, 2021

Kei Uruma, President & CEO
Mitsubishi Electric Corporation

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



Framework and Guidelines

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

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

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

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

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

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

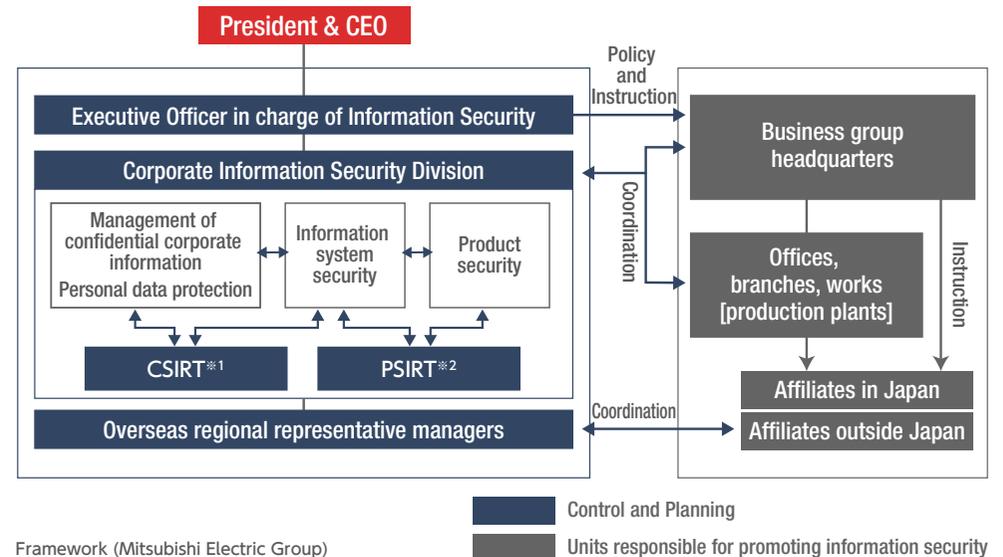
Business groups and offices (offices, branches, works [production plants]) issue instructions and guidance on information security to affiliates in and outside Japan. Paying special attention to the circumstances and special characteristics of overseas affiliates, the Corporate Information Security Division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

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

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

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

*4 Internationally used vulnerability identifiers



Framework (Mitsubishi Electric Group)

*1 CSIRT: Computer Security Incident Response Team

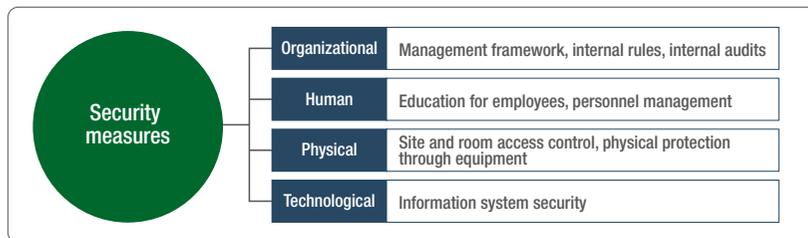
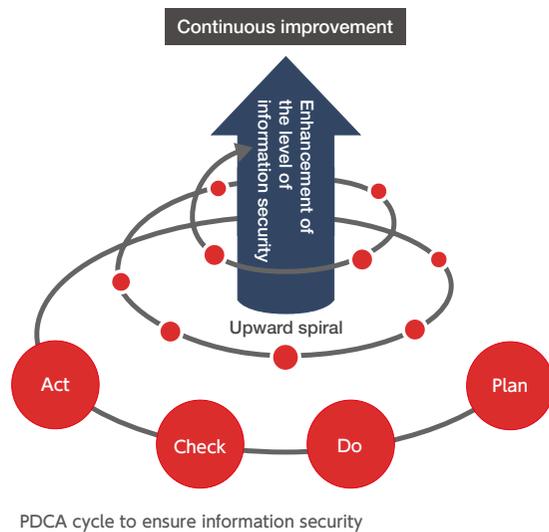
*2 PSIRT: Product Security Incident Response Team

Global Activities

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

Management Principles

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



Four security measures

Information Security Regulations and Guidelines

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

Item	Basic regulations
Security measures	Organizational security measures : Regulations on confidential corporate information security management
	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.

Various Measures

Information Security Education

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

Education for all employees

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

Education corresponding to each career stage

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

Exercises to practice handling spoofed e-mails

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

Other individual training

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

Contractor Management

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

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

Cyber-Attack Countermeasures

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

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

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

<Leaks of data due to unauthorized system access>

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

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

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

● Mar 26, 2021

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

● Nov 20, 2020

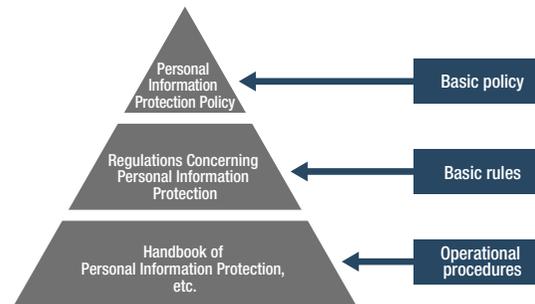
 [Leaks of data due to unauthorized system access \(In Japanese text\)](#)

Activities for Personal Information Protection

Personal Information Protection

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

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



System of rules for personal information protection

Proper handling of personal information

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

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

Response to the EU General Data Protection Regulation (GDPR)

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

Research and Development

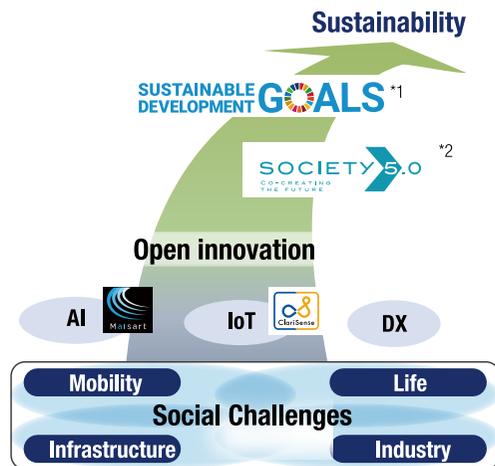
Basic Policy on Research and Development

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

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

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

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



R&D policy

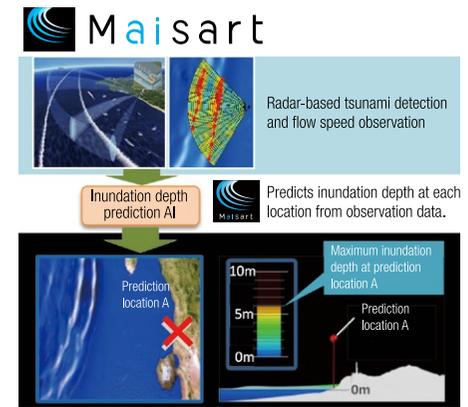
*1 SDGs : "Sustainable Development Goals" adopted by the United Nations as goals to achieve towards 2030
 *2 Society 5.0 : Defined in the 5th Science and Technology Basic Plan.

Major R&D Achievements in Fiscal 2021

Development of Radar-based Tsunami-flooding Prediction AI

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

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



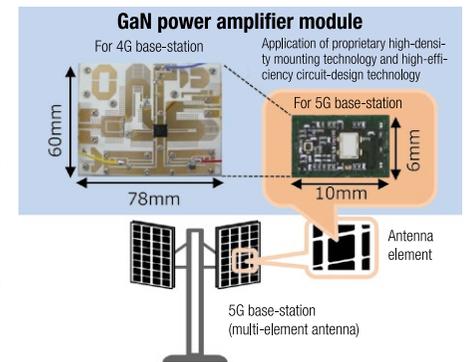
Operation of radar-based tsunami-flooding prediction AI
 *1 Mitsubishi Electric's AI creates the State-of-the-ART in technology; Mitsubishi Electric's AI technology brand aimed at making every device smarter
 *2 Developed jointly with Society for the Promotion of Construction Engineering of the General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

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

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

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

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



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

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

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

Intellectual property

Protection of Intellectual Property Rights

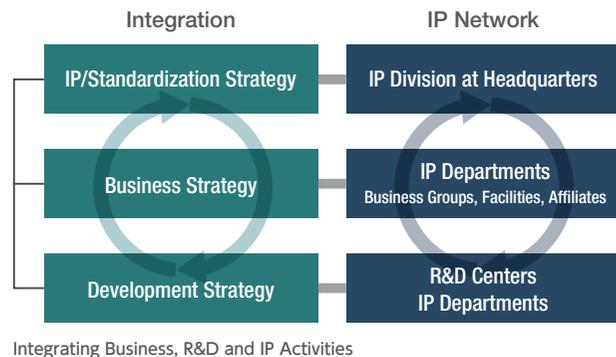
Basic Policy

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

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

Structure of the Intellectual Property Division

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



Global IP Strategy

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

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

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

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

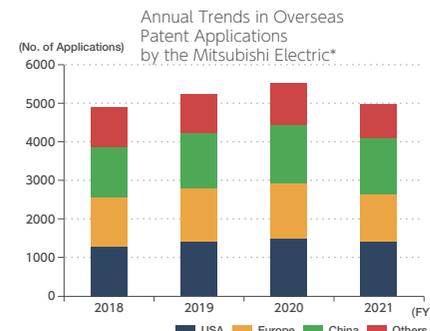
Rank	Applicant	Country	No. of applications
1	Huawei	China	5,464
2	SAMSUNG	South Korea	3,093
3	Mitsubishi Electric	Japan	2,810
4	LG	South Korea	2,759
5	Qualcomm	USA	2,173

(WIPO)

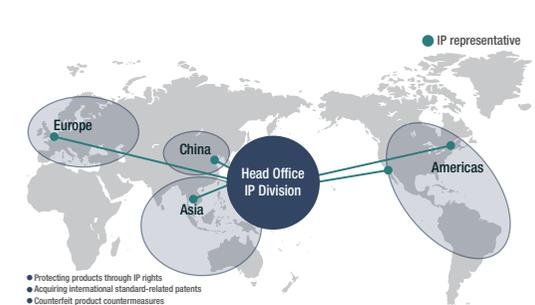
No. of patent registrations in 2020 (Japan)

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

(JPO)



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



Further Strengthening Global IP Capabilities

IP Strategy for International Standardization

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

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

Patent Licensing

Respecting IP Rights

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

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

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

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

Cooperation in IP Policies

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

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

Communication with Shareholders and Investors

Basic Policy

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

Status of Communication with Shareholders and Investors

Shareholders Meeting and Shareholder Communique

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

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

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

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



Shareholder Communique
(In Japanese text)

IR Activities

Major IR Activities in Fiscal 2021

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

 [Investor Relations website](#)

Sustainability Report 2021

<https://www.mitsubishielectric.com/en/sustainability/index.page>



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