

Human Capital Strategy

Human Capital: The Source of Creation of Value at the Mitsubishi Electric Group



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Human capital is the foundation of all of the Mitsubishi Electric Group's business operations. We actively invest in human capital to build a Mitsubishi Electric Group that society recognizes and expects. We aim to fulfill our ideal vision of the Mitsubishi Electric Group and to enhance the Group's corporate value over the medium- to long-term by enabling each employee to achieve their full potential.

Ideal "Human Capital," "Organization," and "Climate"

HR Department Mission:

Grow our People,
Grow our Business,
Grow our Society

Human capital

Think independently, act proactively, and continuously take on challenges

Organization

Identify the needs of society and our customers, and work collaboratively to create new value

Climate

Respect diversity to enhance individual engagement and promote a sense of unity and collaboration with our organization

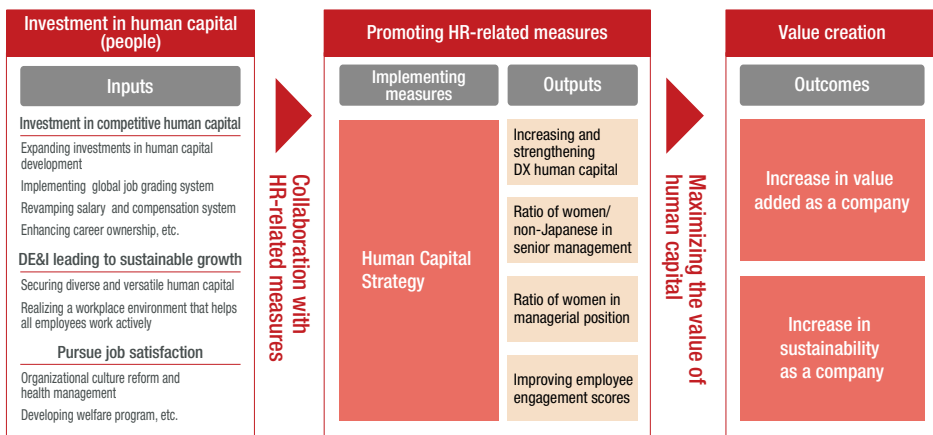
Basic Policy

In the Mitsubishi Electric Group Medium-term Management Plan for fiscal 2026, the Mitsubishi Electric Group states it will contribute to realizing a vibrant and sustainable society, including working toward decarbonization, by increasing the provision of integrated solutions through strengthening the business management foundation, promoting digital transformation, and other activities. People are the driving force behind this sustainable growth, and we will continue to practice "human capital management," which views "people as the capital that creates future value." To regain the trust of society and to develop as a "Circular Digital-Engineering" company amid increasingly intense global competition, the Mitsubishi Electric Group will implement diverse reforms by mobilizing all of its human capital, namely, its diverse and versatile individual powers.

Maximizing the Value of Human Capital

Aiming to Realize a Human Capital Portfolio That Contributes to Business Strategy

We define human capital requirements by backcasting based on our future objectives rather than by making assumptions about current human capital and skills. This is how we strategically recruit, assign, and develop human capital.



Example: Visualization of gaps

Required numbers	Expert level	30	30	50
	Mid-level	150	100	800
	Basic	800	300	3000
Information software Electronic devices Electricity and energy ...				
Identify gap				
Current numbers	Expert level	10	10	100
	Mid-level	50	30	1000
	Basic	300	200	4000
Information software Electronic devices Electricity and energy ...				

Action

- Strengthen recruitment competitiveness
- Strategic assignment and utilization
- Support skill development of each and every employee
- Leverage internal recruitment and job-hunting system

What we want to achieve

- Execute a recruitment and assignment strategy aligned with management and business strategy
 - Map each organization (division, works, business group, company-wide) based on employee skill information and analyze using graphs, etc.
- Systematically develop human capital and build optimal portfolio
 - Share gaps compared with individual and organizational goals

Strengthening Recruitment Competitiveness to Secure Diverse and Versatile Human Capital

Mitsubishi Electric is actively developing recruitment activities more accurately tailored to the career needs and expertise of applicants. The goal is to strengthen recruitment competitiveness in order to secure diverse and versatile human capital.

Enhancing Job Matching in New Graduate Recruitment

For sales and administrative positions, in addition to the conventional “general stream” in which assignments are arranged after informal offers of employment are made based on aptitude and individual preferences, we have been operating the “occupational stream” since fiscal 2024. In this stream, the assigned occupation when joining the company is determined in advance in accordance with the needs and expertise of the applicant (approximately 30 of the new graduates who joined in April 2024).

For technical positions, in addition to the “designated assignment recruitment system” in which the assignment when joining the company is determined in advance from among different specifications such as business fields, occupation, and work location, we have been operating the “designated assignment recruitment system PLUS” since fiscal 2024. This allows us to offer better conditions (salary and bonuses) than we can to regular new graduate recruits, in areas of rarer and more advanced technology.

Further Expanding Mid-Career Hires

We work to secure human capital with the ability to actively contribute immediately by utilizing their existing diverse experiences. To do so, we continuously engage in a certain level of mid-career hiring by practicing recruitment based on referrals (introductions from employees) and comeback recruitment (reemployment of former employees).

In particular, to increase the effectiveness of comeback recruitment, we newly established Re-MELCO Alumni Network in fiscal 2024 to build ongoing relationships between Mitsubishi Electric and its former employees.

In addition, we have discontinued the criteria for recent graduate recruitment that applicants must have graduated within the last three years from the last school attended. Instead, we have expanded the application criteria so that job seekers with work experience are free to choose between recent graduate recruitment or mid-career hiring based on their own career aspirations, regardless of the length of their work experience.

Initiatives to Secure Global Human Capital

In Mitsubishi Electric’s new graduate recruitment activities, the company works to secure diverse and versatile human capital regardless of nationality or race. Avenues for this include taking part in large-scale recruitment seminars held mainly for Japanese students studying at overseas universities and holding its own recruitment seminars for international students studying at universities in Japan. We also support career development for international students by actively hosting such students for internships, which provide opportunities for work experience and deepening understanding of industries and occupations, which will ultimately help them increase their job satisfaction.

Strategic Assignment and Utilization through Global Job Grading

The Mitsubishi Electric Group has introduced global job grading to foster visualization of key positions within the Group, including at overseas locations. We aim to strengthen our business and further develop human capital by creating a Group-wide pool of management candidates and identifying talented persons for assignment to key positions and tough assignments.

Mitsubishi Electric is working to make the most of its human capital across countries in an attempt to assign excellent personnel to optimal positions regardless of nationality or race. In fiscal 2022, the Global Mobility Guidelines were established for the purpose of promoting personnel changes between third countries without intervention from Japan. We are also working on borderless organizational management to make the most of online communication, while gradually implementing a virtual assignment mechanism in which employees engage in the business of a Group company in another country while staying in their own country.

Developing Diverse and Versatile Human Capital

Human Capital Development System Supports the Skills Development of Each and Every Employee

The Mitsubishi Electric Group’s training system for all employees, including those of group companies, consists of passing down everyday business know-how and mindset through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis while proactively holding online seminars. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational training. Tests and competitions to improve skill levels are conducted, and practical training or international study opportunities at overseas sites and universities in Japan and abroad are provided.

With regard to new graduate employees and mid-career hires, we provide company orientation and training sessions to give them employee mindset and educate them on basic knowledge, management principles, compliance, and other matters.

Mitsubishi Electric has also introduced job-level specific training to provide each individual with the opportunity to acquire the abilities and skills required at each stage of their career, with the aim of enabling them to fulfill their respective roles and expectations. This training program places particular emphasis on strengthening communication skills for younger employees and management skills, including leadership and the development of subordinates and junior colleagues, for mid-level and managerial employees, in an effort to foster a culture of development throughout the workplace.

For managers, we are working to support the acquisition of skills such as measures to revitalize communication in the workplace, active listening, and stress management methods, so that they can provide support tailored to the needs of each employee working directly under their supervision. We will promote the development of core human capital in order to create a workplace with openness for communication.

Human capital development system diagram (Mitsubishi Electric)

Training and development measures	Management candidate development Mitsubishi Electric Business Innovation School (MIBS)	Key functional person development Advanced Technology System Course JIT Improvement Instructor / driver development	☆MELCO Seminar (M-Semi)		Functional training			Level-specific training Job-level specific training / Management training Company-wide welcoming ceremony / New employee training
			Area of specialty	Common areas	Global Overseas OJT system	Skill training Mitsubishi Electric Group skills competition	Individual functional training Administrative division personnel training (purchasing, accounting, general affairs, etc.)	
			<ul style="list-style-type: none"> • Sales • Career produce • Communication • AI / Media • Information software • Electronics / Devices • Machines • Electricity / Energy • Control • Quality • Environment • Production Planning / Development 	<ul style="list-style-type: none"> • Business knowledge / New business capacity • Corporate principles / Governance 	<ul style="list-style-type: none"> • Globalization • Business knowledge / New business capacity • Corporate principles / Governance 	<ul style="list-style-type: none"> • Training before overseas assignment • Language study, abroad/practicing to domestic language schools • Study abroad system 	<ul style="list-style-type: none"> • Company-wide supervisor meeting 	
Career development support	Supporting each and every employee to envision and shape their future career by developing the necessary skills		<ul style="list-style-type: none"> ☆ Career consulting room ☆ Self-development support system 	<ul style="list-style-type: none"> ME Time* ☆ Job-Net* 			<ul style="list-style-type: none"> Total life program ☆ Career Challenge System* 	
Knowledge sharing	Place to accumulate, pass down, and develop information related to technology and business. Human networking beyond individual areas of business		<ul style="list-style-type: none"> ☆ Melcollege ☆ Chief Engineers' Meeting ☆ Mitsubishi Electric quality-related information sharing system 	<ul style="list-style-type: none"> ☆ Engineering Divisions' Meeting ☆ Engineering Committee 			<ul style="list-style-type: none"> ☆ Engineers' Meeting ☆ Technical help desks 	
Training for all employees	Ensuring basic knowledge for Mitsubishi Electric Group employees is provided and an appropriate mindset is developed within them		Compliance, safety, quality, sustainability, diversity, etc.					

☆Main measures and systems that employees can utilize independently

* Includes some non-development measures.

Annual amount of human resources development and training expenses per employee (Mitsubishi Electric)	Approx. 147,000 yen/person
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* Results solely for training organized by corporate divisions in FY2024; does not include training conducted by divisions and production sites. (Note that trainee training is included in the results.)

Strengthening and Handing Down Technologies and Business Capabilities

In pursuit of strengthening its technologies and business capabilities, Mitsubishi Electric has been developing group-wide seminars under the name "MELCO Seminar" that can be selected and attended according to the needs of each individual. Approximately 470 types of seminars are provided in total, with more than 32,000 annual participants. Online courses are also provided, making it easy to attend from any office. In addition, Mitsubishi Electric has set up the "Advanced Technology System Course" as the top level seminar course to bolster its important technologies, and the Company is focusing efforts to develop key persons in the relevant areas.

Moreover, a knowledge sharing network has been constructed between Group companies. In the Engineering Divisions' Meeting, the largest organization in the network, approximately 20,000 people participate in a total of 14 meetings featuring lectures given by people invited from outside of the Company, presentation sessions within the Group, workshops, and many other mutual study activities to relay a broad range of information. We have also established technical help desks through which newer employees can consult with highly experienced employees via the company intranet.

We also launched Melcollege as a platform for employees to deepen their understanding and gain more awareness of their own current and future aspirations, both as a company employee and an individual. The concept is creating a community in which we learn from each other, teach each other, and connect with each other. By planning seminars and

other sessions on topics that anyone may want to learn about, rather than being restricted to specific businesses or areas of technology, Melcollege promotes non-hierarchical connections that transcend differences in expertise, job, and age between employees who have never met before under the broader business environment of the Mitsubishi Electric Group. Melcollege also aims to foster a mindset of continuously striving to vitalize one's own learning environment by providing opportunities for employees to study together utilizing the previous learning of every individual.

We will work to strengthen diverse and versatile human capital with DX skills to achieve our goal of becoming a "Circular Digital-Engineering Company."

[DX Strategy](#)

Strengthening and Handing Down Skills

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of "handing down skills and raising skills to even higher levels," "further creating a climate that respects skills," and "developing top-level technicians." The company-wide competition is joined by representatives from manufacturing facilities and has approximately 120 participants in total. The CEO also attends the opening and awarding ceremonies.



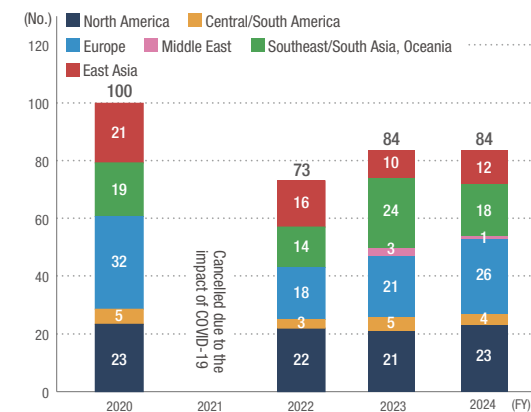
Mitsubishi Electric Group Skills Competition

As a measure to improve the ability of supervisors, company-wide supervisor meetings and supervisor training programs are held to hand down skills at each manufacturing site.

Globalizing Employees in Japan

Mitsubishi Electric dispatches its employees in Japan to overseas associated companies or overseas business schools, universities, languages schools, and the like as a program that allows them to not only improve language skills, but also experience and understand the local business operations, different culture, and lifestyles.

Especially, the overseas OJT system involves dispatching employees to overseas associated companies for one year, and about 100 employees are dispatched to overseas associated companies every year, as part of our efforts to develop human capital who will drive our global businesses.



Employees dispatched under the overseas OJT system

Development of Executive Management Personnel

Mitsubishi Electric has been building the Mitsubishi Electric Business Innovation School program as a measure for developing executive management personnel. From fiscal 2023, it will review the content of the program and further strengthen the development of human capital that will drive businesses, including work to bolster areas such as compliance and sustainability for the Group as a whole. In addition, Mitsubishi Electric has also been building a wide range of management executive development programs, including the introduction of business coaching to personnel in executive management positions and dispatching potential next-generation leaders to business schools in Japan and overseas.

Promotion and Training of Employees from Overseas Associated Companies for Senior Management Positions

In our overseas associated companies, we are driving promotion of quality employees to senior management positions with the purpose of improving local operations and employee engagement. We intend to achieve this by organically linking training and placement, including career development through training and the formulation of succession plans.

In addition to the training plans in each company and each region, Mitsubishi Electric also takes the initiative in conducting training in Japan. To be specific, employees at overseas associated companies participate in training including on-the-job training to learn technologies and skills at production sites in Japan. Selected executives and those in management positions in overseas associated companies gather at the Mitsubishi Electric headquarters to go through training to learn the necessary knowledge and mindset of a global leader as well as to understand the management policy and business strategies of the Mitsubishi Electric Group.

While participating in training from overseas, the international staff grow as individuals and develop a sense of unity as members of the Mitsubishi Electric Group as well as a personal network which transcends national borders and is connected globally.

In April 2023, the first Mitsubishi Electric Global Executive Program (MGEP)* participant has been appointed as an executive officer of Mitsubishi Electric, and we will continue to organically link the training and deployment of global human capital to further expand the program.



Global Management Workshop (GMW)*

Trend in the number of people from overseas participating in training programs held in Japan

	2019	2020	2021	2022	2023	Cumulative total
MGEP	7	Canceled due to the impact of COVID-19	18	15	Not implemented	53
GMW	30		Canceled	30	27	265

* Depending on the year, one or two selected persons from Japan also participate.

Fair Evaluation and Compensation

Introducing a New Human Resources System

To maximize the value of human capital, Mitsubishi Electric introduced a new human resources system in fiscal 2025. The concepts for the new system are realizing a proper evaluation system that leads to growth and supporting autonomous career development. Based on these concepts, we have renewed the grade, evaluation, and compensation systems for the first time in 20 years. We will promote autonomous growth based on personal career ownership and apply a new global-standard job grade system to management level employees as we work to shift toward job-based human capital management.

Introduced in April 2023, our Career Development Concept encourages every employee to think more independently and work proactively when it comes to their own careers. It once again clarifies the Group's approach of guiding and supporting each individual employee in their efforts to achieve personal growth. Using the new personnel system, we will achieve optimal human capital management that increases employee engagement and enables our people and organizations to grow together by providing support to employees who want to take on challenges and grow. We will do this by practicing even greater respect for their personal career ownership, discarding seniority-based requirements, and implementing transparent personnel evaluations that employees can feel confident about because they are directly linked to actual performance.

Grade System

We will work to establish a hybrid grade system that combines job grade (based on job duties) with mission grade (based on people) to achieve optimal management of human capital on a global basis. We will also aim to expand multiple-track career paths.

In the "management course" for management positions, we have introduced a job-duty-based job grading system in which over 5,000 positions are evaluated on a six-level scale based on the job value and responsibilities of the position, and the appropriate personnel are assigned to each position. By linking this grading system to the management candidate development program and succession management for local national staff at overseas locations, we will ensure strategic development and relocation of human resources on a global basis.

In the "professional course" for general employees, we redefined role value (mission grade) following the traditional approach of starting from the person (role value based on competence) and assigning roles and duties accordingly to establish a contemporary grade system. We are completely discarding the examination system, which had been an obstacle to early appointment, with the aim of eliminating seniority-based requirements in order to facilitate early appointment of excellent human resources.

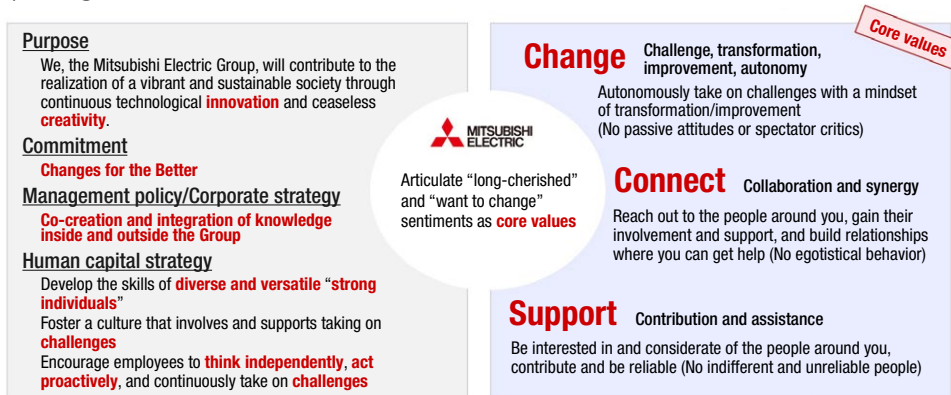
In addition, we have newly established the "expert course" and the "craftsman course," which are multi-track career paths for utilizing advanced expertise (knowledge, skills, and experience) to contribute to management, to expand career options. We will introduce the same job grade system for the "expert course" as for the "management course" and provide the same compensation system.

Evaluation System

We are increasing transparency and employee confidence in evaluations by further clarifying evaluation criteria and strengthening evaluation management to lead to growth and the meeting of challenges for every employee.

Clarifying Evaluation Criteria on Two Axes: Performance Evaluation and Action Evaluation

In addition to the conventional performance evaluation based on the degree to which goals have been achieved, we have clarified the core values that Mitsubishi Electric cherishes ("Change," "Connect," and "Support"), which include capacities such as innovation, challenge, collaboration, and support, and introduced a new action evaluation based on the degree to which these values are put into practice. In addition, for the management and expert courses, we have added human capital development, team building, and DE&I (diversity, equity, and inclusion) initiatives to the action evaluation factors. By clarifying the two axes of evaluation into performance evaluation and action evaluation, and improving transparency and employee confidence in evaluations, we will build a highly collaborative, open organizational culture.



Action evaluation (core values) categories

Introducing "ME Time" to Support Autonomous Career Development and Taking on Challenges

We have fundamentally revised our traditional goal management interviews, positioning them as "ME Time" (time for personal growth) and centralizing career interviews and goal management interviews. We have revised the system to support autonomous career development in which the company and supervisors work with employees to achieve their career plans, goals, and growth while also focusing on provision of encouraging feedback to increase motivation and confidence.

Compensation System

By directly linking evaluation to compensation, we have established a compensation system that is easy to understand and achieves more balance free of seniority considerations. The overall evaluation determined based on the results and action evaluation for the previous fiscal year is directly reflected in wages and bonuses. For bonuses, we are discontinuing the fixed portion that was previously established for each grade and the additional portion that was paid based on the business performance of the division to which an employee belongs and revising the system to one which determines the amount of bonus based only on an individual's overall evaluation. Doing this will correct disparities between businesses and divisions and achieve a balanced, individual performance-based compensation system.

Enhancing Career Ownership

Mitsubishi Electric is convinced that providing a sense of growth and job satisfaction for employees by fostering their autonomous career development drives sustainable growth for the company. Accordingly, we are creating an environment that enables diverse and versatile human capital to autonomously build their careers while reaching their full potential and thriving, and we are working to enhance each employee's career ownership.

In April 2023, we clarified the company policy by establishing a new internal career development concept, "Grow your career by growing yourself!"

The concept embodies a message that encourages each and every employee to take ownership of their own career and to act proactively, as well as the company's management's stance of aiding and supporting its employees' careers.

In addition, we issued a digital pamphlet on career development compiling information for employees, including the meaning of the concept and the measures Mitsubishi Electric is taking to support career development, and disseminated it to all employees. We also provide training based on the concept and transfer opportunities that facilitate autonomous career development. Moreover, under the new personnel system, we have introduced opportunities for establishing a career plan and discussing it with supervisors through the unification of career interviews and goal management interviews. At the same time, we are proactively investing in people to strengthen career development support for employees, including the enhancement of career advice services with internal and external career consultants and measures to support employees in taking the initiative to actively develop their own skills.

Transfer Opportunities That Contribute to Employees' Career Development

In order to support employees' autonomous career development, Mitsubishi Electric instituted an internal recruitment system (Job-Net) and job search system (Career Challenge System). Job-Net enables employees to apply for job openings within the Mitsubishi Electric Group that are posted on the intranet.

Career Challenge System is a system in which employees register their career aspirations, experience, skills, and so forth and the recruiting department then makes offers to them.

Both Job-Net and Career Challenge System allow for transfers to be realized through mutual matching between employees and the recruiting department. Approximately 300 employees were transferred using these systems in fiscal 2024.

Career Development Program for Each Decade of Life

Once a year, "Life Design 30," "Life Design 40," and "Career Action 50/53" trainings are held at each business site for employees who are turning 30, 40, 50, and 53 years old. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on career design and mid- to long-term life planning, including retirement benefits and health, and other topics, and by facilitating group discussions.

In particular, in fiscal 2024, we established our new "Life Design 30" training at 30 years of age to help increase employees' interest in career design, planning their lives, and designing their lifestyles from an early stage. Additionally, starting in fiscal 2025, we are introducing career training for older workers (Career Action 50/53) designed to support career autonomy for older workers in their 50s and particularly to inspire them to prepare and take action to achieve the careers they have chosen themselves.

Diversity, Equity & Inclusion (DE&I) for Sustainable Growth

Mitsubishi Electric Group DE&I Statement and Definitions

The ability of all our diverse and versatile employees to make the most of their respective individuality and abilities and succeed is important to the sustainable development of our business and enhancement of corporate value. In 2024, we established the Mitsubishi Electric Group DE&I Statement and Definition in order to share our understanding and milestones related to DE&I as a Group and to articulate Mitsubishi Electric's approach and action to all stakeholders. The statement also incorporates the perspective of equity, which had not previously been clearly set out. This is because we believe that in order to confront all kinds of environmental changes and work together to create new value, we must not only bring together diverse individuals (diversity), but also provide fair opportunities and support for each individual's growth (equity) so that they can be themselves and feel a strong sense of belonging (inclusion). The catchphrase is "Be myself, DEI & ME. When each person is true to themselves, both I (me) and the Mitsubishi Electric Group shine." In line with the statement, the entire Mitsubishi Electric Group will accelerate DE&I initiatives. In July 2024, based on the DE&I Statement, we created and launched a DE&I website to strengthen dissemination of information on promotion of DE&I. Going forward, we will further enhance the content to develop the website as a forum for dissemination of information to everyone working to promote DE&I.

Be myself, DEI & ME

By each person being true to themselves,
both I (me) and the Mitsubishi Electric Group shine.

Mitsubishi Electric Group's Definition of DE&I



To be a resilient organization capable of adapting to changes with a diverse group of people working together.



To provide fair opportunities and support for each individual's challenges.



To remain a place where diversity is valued, and everyone feels a sense of belonging and can be themselves.

Mitsubishi Electric Group Statement for DE&I

The Mitsubishi Electric Group is committed to promoting Diversity, Equity & Inclusion towards the realization of a sustainable society where everyone is treated respectfully.

We will realize this desire through solving social issues, aiming for a future where everyone can feel welcome.

Diverse individuals gather together, confront all environmental changes, and collaborate to create a resilient organization capable of overcoming any changes.

Each of us is conscious of Changes for the Better and continues to take on challenges without fearing change.

We make the most of our individuality in a place where we can feel a sense of security and pride.

The Mitsubishi Electric Group aims to continue being a place where each individual's personality complements others, maximizing its value.

So that each of us can have equal opportunities to shine in our own way.

Promotional Framework

In April 2021, Mitsubishi Electric established the Diversity Promotion Office within the Corporate Human Resources Division. In addition to the existing measures to support the personal and career development of women and employees raising children, we have been implementing various initiatives aimed at creating a workplace environment and culture that recognizes diversity in the way employees work and as a broader concept.

In April 2023, this organization was reorganized and named the "Human Capital Management Group." It has been working in an integrated manner with company-wide organizational assignment functions, treating diversity promotion as part of the overall talent management effort, including promoting more women to management positions. In April 2024, in conjunction with the establishment of the new Sustainability Innovation Group, we established the Diversity, Equity & Inclusion Promotion Office to serve as an independent organization to work with the Group to implement Mitsubishi Electric's DE&I policy, strategy, and the main related measures and to disseminate and promote them inside and outside the Company. Going forward, the Group will accelerate efforts led by both the Corporate Human Resources Group/Global Human Resources Division and the Sustainability Innovation Group.

Awarded Best Workplace, the Highest Rating, in D&I AWARD 2023

In 2023, in recognition of its DE&I promotion activities to date, Mitsubishi Electric was awarded its first Best Workplace, the highest rating, in D&I AWARD 2023. Operated by JobRainbow, this is the most prominent award in Japan recognizing and honoring corporate commitment to diversity and inclusion.



Initiatives to Ensure Gender Balance

Mitsubishi Electric formulated an action plan based on Japan's Act on the Promotion of Women's Active Engagement in Professional Life* and set the targets in the table at right. Under the current action plan, we have been implementing various initiatives from the three perspectives of recruitment, development and promotion, and retention. In recognition of these efforts, Mitsubishi Electric has received Eruboshi (Grade 2) recognition from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.



* Act enacted in 2016 which stipulates the responsibilities of the national government, local governments, and general employers in promoting female participation with the aim of realizing a society in which women can fully embody their individuality and abilities.

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

Initiatives	Target	Performance for FY2024
Percentage of woman in management	2 times (Compared to FY2021)	1.63 times
Percentage of newly hired women	1.2 times (Compared to the average for FY2017–2021)*1	1.2 times (FY2022–2024)*1
Percentage of men on childcare leave**2	70%	85.1%

*1 Total from FY2022

**2 Includes those who obtained special leave for childcare purposes

Initiatives for Recruitment, Development and Promotion, and Retention

We hold exchange forums where women in the workforce can interact across business fields, occupations, and positions, as well as seminars conducted by women who are raising children and working, and other events. In addition, we actively disseminate information that helps to convey that all employees can work actively at Mitsubishi Electric regardless of gender or age. For instance, we built a website that introduces diverse work styles and various careers, and we hold roundtable meetings for career advice with employees who are former students of the same university as new job candidates.

In addition, Mitsubishi Electric, where many STEM human resources work, began participating in Girls Meet STEM Career organized by the Yamada Shintaro D&I Foundation in 2024. The goal of this activity is to eliminate the gender gap in the STEM area, which is a social issue from a medium- to long-term perspective, and to increase the number of women in STEM. We held office tours and meetings with woman employees in STEM for female junior and senior high school students.

Career Forum for Women in the Workforce

A career forum is offered to women who work at Mitsubishi Electric to actively inspire them to form a career vision that considers work-life integration and to create an opportunity for networking with other women. The forum features a message from the president, talks by outside women leaders about their own careers and thoughts about working, stories of senior employees' personal experiences, and group discussions. The president also engages in dialogue with the participants directly. The forum, attended by around 200 people every year, encourages employees to think and act independently and promotes personal networking. In addition to this forum, which is held at the Head Office, exchange events are also held at other business sites.

In 2023, the forum, which had previously been held once a year, was held twice, once for employees in their third year at Mitsubishi Electric and once for employees who have been at the company for between five and ten years. The program allowed women at similar career and life stages to form connections and to share and discuss common concerns.

Raising Awareness and Building Capacity at the Management Level

Various efforts are made to raise management's awareness of women's participation and strengthen management capacities. For example, a curriculum on significance of DE&I promotion and 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. In 2023, we held training on unconscious bias for all management levels and positions to help promote greater awareness of bias, which can be an obstacle in promoting DE&I and women's participation, and boost the skills to address it.

In other measures apart from this training, we launched a program to visualize, systematically develop, and assign women as candidates for management positions in 2021. We are striving to promote diverse human resources by identifying candidates for management positions without reference to attributes such as gender, while establishing medium-term development and assignment plans.

In 2024, we also joined 30% Club Japan, a global campaign seeking to increase the women's representation on key corporate decision-making bodies. Based on this commitment by top management, we will continue working even harder to promote women's participation at Mitsubishi Electric, in addition to in society as a whole.



Initiative for Empowering Women in the Workplace (International Women's Day Event)

As an activity to help with gender balance and women's empowerment, in March 2024 we planned and held our first-ever event for International Women's Day, which takes place on March 8 each year. Open space at the Head Office building was decorated with mimosa, a flower used as a symbol for International Women's Day, and we displayed messages from the company president, the CHRO, and women in leadership roles. We also introduced trends related to women's empowerment from around the world and Mitsubishi Electric's initiatives and systems to improve the working environment for women and provided bento lunchboxes, drinks, and cookies.

[\[Event Report\] International Women's Day at Mitsubishi Electric \(in Japanese\)](#)

Promoting Employment of People with Disabilities

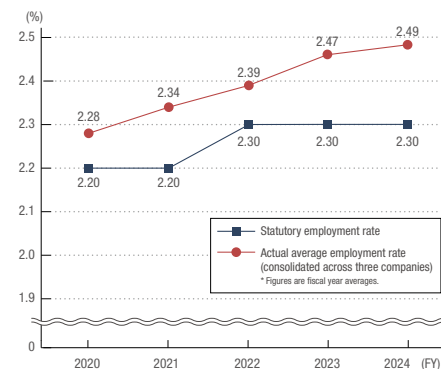
The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities.

In October 2014, we established Melco Tender Mates Corporation, a special statutory employment rate subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2024, people with disabilities comprised 2.54% of the total workforce at Mitsubishi Electric and its special subsidiaries combined.

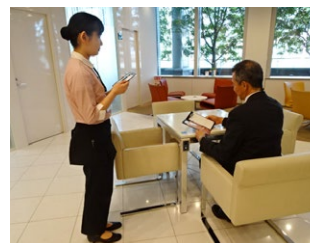
The company name of Melco Tender Mates Corporation expresses the principle that employees with or without disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 122 people with disabilities as of March 15, 2024.

The company plans to gradually expand its operations and further promote the employment of people with disabilities by opening the Nagoya Works in fiscal 2021, the Himeji Works in fiscal 2023, and the Itami Works in fiscal 2024.

* A company that meets certain requirements under Act to Facilitate the Employment of Persons with Disabilities (Employment Promotion Act for Persons with Disabilities), and is deemed to be one business establishment (employed by the parent company) of the parent company (Mitsubishi Electric Corporation) after receiving permission from the Minister of Health, Labor and Welfare, and also is included in the parent company's employment rate for persons with disabilities as an exception.



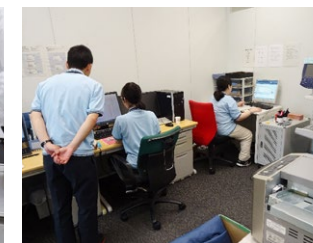
Changes in the ratio of hired people with disabilities



Cafe business



Cookie manufacturing



Business card production

Initiatives for LGBTQ

Mitsubishi Electric respects diversity and promotes initiatives that deepen understanding of diverse sexual orientations and gender expressions (LGBTQ), with the aim of realizing a workplace environment where all individuals can maximize their own ability and work actively.

In terms of human aspects (promotion and penetration of understanding), we have designated June each year as MELCO Pride Month. Our efforts include: promoting better and wider understanding within the company by disseminating messages showing top management commitment; implementing initiatives for understanding diverse sexual orientations and gender expressions (LGBTQ awareness seminars, movie screenings, and e-learning for employees, etc.); holding internal community activities in which LGBTQ allies are free to participate (establishing dedicated teams; hosting regular study sessions with external instructors, etc.); and participating in external pride events.

In terms of organizational aspects (systems, etc.), we reviewed the Work Regulations to recognize same-sex partners as spouses and have introduced a system that allows application of the same systems to these couples as those that are applied to legally married people in Japan. We have also established an external contact point for consultation for use not only by LGBTQ people but also by their superiors and colleagues in the workplace.

In recognition of these efforts, Mitsubishi Electric received the Silver award for the "PRIDE Index" in 2021, an index developed by the private organization "work with Pride" to evaluate initiatives for LGBTQ people and other sexual minorities at workplaces in Japan, and Gold award in 2022 and 2023. Going forward, we hope to expand our initiatives to involve the entire Group and not just Mitsubishi Electric.

work with Pride



Topics

Efforts to Promote DE&I around the World

Mitsubishi Electric Asia (Thailand) Co., Ltd. organized internal Pride Month events in coordination with MELCO Pride Month held in June each year at Mitsubishi Electric. The event promoted LGBTQ understanding through explanations of Mitsubishi Electric's DE&I promotion initiatives and KPIs, LGBTQ-themed tarot readings, and movie screenings. The event also explained that the Mitsubishi Electric Group as a whole aims to promote understanding of diverse sexual orientations and gender expressions and create a comfortable working environment.



Employee Well-Being

Mitsubishi Electric's Approach to Well-Being

The Mitsubishi Electric Group is working toward its vision of a "Sustainable Society Full of Prosperity" and prioritizes sustainability management.

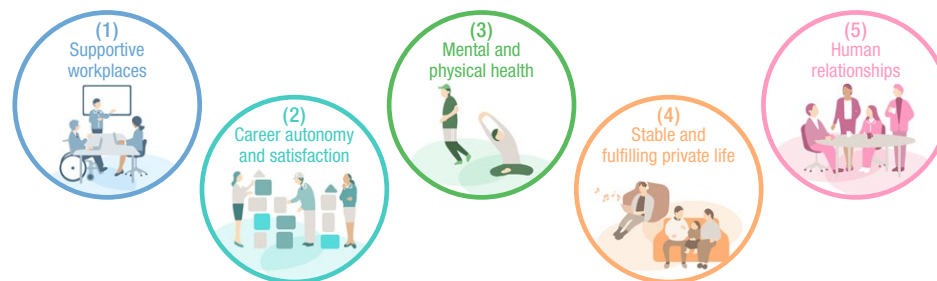
Mitsubishi Electric Group believes that such a society will make our stakeholders feel happy, including our business partners, customers, and Mitsubishi Electric Group employees.

We consider well-being at Mitsubishi Electric to be "a state in which the employees who work at Mitsubishi Electric and the people who the employees care about are physically and mentally fulfilled and feel happy." Accordingly, we will work to increase well-being based on the idea that a strong sense of wellness and fulfillment among the diverse and versatile human capital working at Mitsubishi Electric is the driving force for sustainability management.

Focus and Initiatives for Increasing Well-Being

Ways to increase well-being have been extensively researched around the world. Mitsubishi Electric has defined five areas of focus for increasing well-being, referring to this body of research.*

We will promote well-balanced measures in line with the five areas of focus below to increase the well-being of the diverse and versatile human capital working at Mitsubishi Electric.



*PERMA theory (Martin Seligman), SPIRE theory (Tal Ben-Shahar), and the four factors of happiness (Takashi Maeno)

Supportive Workplaces

Mitsubishi Electric has made building supportive workplaces one of its areas of focus for increasing well-being. We will increase the well-being of employees by creating a supportive workplace culture. We will accomplish this by investing in the work environment and offering flexible work styles.

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

Organizational culture reform

The Mitsubishi Electric Group took the multiple work-related issues that it experienced until fiscal 2020 within the Group seriously, and has been working on the Mitsubishi Electric Workplace Reform Program, which aims to create a workplace where employees can openly communicate with one another, to provide thorough and appropriate care of employees with mental health issues, and to reach other goals. Regarding this program, we completed the application of short-term priority measures in fiscal 2022, and we have been implementing long-term measures focusing on "improvement of work engagement," "active communication," and "fostering of organizational culture and mindset" since fiscal 2023. Going forward, we will integrate these efforts with "organizational culture reform," which is one of our Three Key Reforms, and we will more vigorously pursue their implementation.

To create a workplace environment where employees can thrive and engage more easily, Mitsubishi Electric has set key performance indicators (KPIs) related to a "rewarding work" and "work life balance." We will regularly monitor these indicators, thereby continuing to work to further improve and entrench our organizational culture and workplace environment.

Changes in Effort Evaluation Indicators

Employee engagement scores slightly improved in the second half of fiscal 2024. We will continue to strive to improve the scores by continuously implementing the following measures: increasing opportunities for dialogue between management and employees; developing measures to prompt communication between supervisors and subordinates in the workplace (one-on-one meetings, etc.); reforming outdated and overly formalized procedures; strengthening measures to support the formation and development of employees' career paths; and carrying out various robust implementation measures with a resolve to reform the organizational culture, such as revision of the personnel system, etc.

KPI	Result for 1H FY2022	Result for 2H FY2022	Result for 1H FY2023	Result for 2H FY2023	Result for 1H FY2024	Result for 2H FY2024	FY2026 Goal
Employee engagement score (percentage of employees who are proud and motivated to work for the Company)*	61%	54%	54%	54%	54%	55%	70% or higher
Percentage of employees who responded that they had a good work-life balance	66%	65%	65%	66%	68%	68%	70% or higher

* Average percentage of positive responses to the five questions in the annual employee engagement 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"

 Social Data

Improving the Work Environment

To achieve sustainable growth, we believe it is important to foster a work environment in which each and every employee can make the most of their abilities within a limited time frame. We will actively invest in the work environment to ensure everyone can thrive in their work and enjoy a sense of security.

Topics

Enhancing Rest Areas

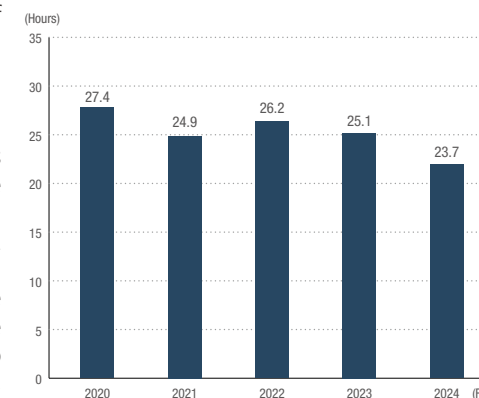
At the Head Office in Beijing of Mitsubishi Electric (China) Co., Ltd., office space has become smaller as the number of employees gradually increased over many years. The shortage of space became obvious in terms of safety, health, and meetings and communication, and it was having an impact on operations. To address the issue, the office was relocated. The new rest area, which was enhanced after the relocation, now features an environment that actively encourages interaction between employees, generating new ideas and perspectives. This bright, open communication space has improved teamwork and creativity, and many staff members have commented that work is more comfortable and communication is easier.



Work Style Reforms and Detailed Management of Working Hours

Mitsubishi Electric made "Work-Style Reforms" an important management policy in fiscal 2017, seeking to build a workplace environment in which everyone can maintain physical and mental health and thrive with a good work-life balance. Ever since, we have pursued a variety of measures to contribute to the improvement of operational efficiency and productivity, as well as to reduce total working hours. "Work-Style Reforms" form the starting point for Mitsubishi Electric's various reform activities. Going forward, we will accelerate various reform efforts, treating them as organic components of management. These will include active utilization of operational DX and generative AI, workload reductions led by top management, and the realization of self-driven organizations in which teams solve their own issues.

While further reducing long working hours with the efforts outlined above, we are also implementing detailed management of working hours using objective data such as entry and exit times and PC logon and logoff times. This helps us to secure and retain diverse and versatile human capital (strengthen recruitment competitiveness and retention), increase well-being, promote health and productivity management, and encourage autonomous career development. It also helps ensure that each individual employee continues to experience a positive work-life balance at a high level. We believe that these efforts have yielded results to some extent. Specifically, in fiscal 2024, we reduced monthly overtime hours per employee by 14% compared to fiscal 2020.



Changes in monthly overtime hours per employee (including managers)

Support for Flexible Working Styles

Development and implementation of childcare and family-care programs

Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare leave system can be extended to the month of March following the child's first birthday (or to the first end of March following the child's second birthday if there is a special circumstance). We also have a program that allows employees to work shorter hours when raising their children, and this program can be extended up until the end of March in the year the child graduates from elementary school. Our nursing care leave program allows employees with families that meet the requirements to take a leave of absence for up to two years. It also allows employees to work shorter hours for up to three years to help them take care of their families. In addition, we have a childbirth support leave system for employees who wish to undergo fertility treatment to support the development of the next generation. There is also a program to provide the spouse with special paid leave (self-support leave) to use in certain circumstances such as to participate in a child's school event, a remote work program (work from home), as well as a re-employment system for employees who have temporarily left the company to provide childcare and family care. We also believe there is a high hidden demand for family care among employees. In 2023, we held a seminar on support for combining family care with work and established a new contact point for consultation about family care.

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

Status of development of main childcare and nursing care systems

Introduced the request system to change work location	A program whereby employees can apply to change their work location to where their spouse is located in order to offer employees the possibility to move in with their spouse when they get married or when their spouse changes work location.
Introduced the request system to choose reinstated job after childcare leave	A program that allows employees who are returning from childcare leave to indicate their preference for a workplace.
Enhanced the remote work program	Covered all employees, eliminated the upper limit for the use of the program, and expanded the range of applicable work locations.
Introduced the Company-led Nursery School Matching Service	A match-making service between employees looking for a nursery school and company-led nursery schools with openings to accept children.
Introduced the remote location work program	A program that allows employees to live outside the commuting area of their offices and engage mainly in remote working (commenced on a trial basis in FY2022)
Newly established the Childcare Absence at Childbirth System, etc.	Newly established the Childcare Absence at Childbirth System (with no payroll deduction) and developed an environment where employees can feel comfortable taking childcare leave in response to the Child Care and Family Care Leave Act revised in 2022.
Increased the number of days of leave to prepare for impending childbirth by employee's spouse	Period of leave that can be taken for infertility treatment extended from 12 months to 30 months
Career support leave system period extended for accompany spouse on an overseas transfer	Period of career support leave that can be taken to accompany a spouse on an overseas transfer extended from three to five years

Special Paid Leave (Self-Support Leave)

The self-support leave is a system that allows employees who do not use up their annual paid vacation time by the end of the fiscal year to accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward.

Those who receive company approval to participate in their children's school programs, recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

Remote Location Work Program

Mitsubishi Electric has introduced the remote location work program, which allows employees to live outside the commuting area of their offices and engage mainly in remote working, to realize diverse workstyle regardless of employees' place of work. Following the trial in fiscal 2022, the program will be introduced at full scale in fiscal 2023 to enable personnel to achieve a workstyle that suits their own lifestyle by eliminating situations of employees living separately from their family members and by letting them engage in child care or nursing care.

System for Continuing Careers According to Individual Employees' Circumstances

Mitsubishi Electric has introduced the various systems that allows employees who need to engage in childcare or nursing care to continue their career, in light of the recent increased diversity in home environments and the change in views and values among individuals regarding work as well as diversifying requirements for careers among employees in line with such changes. One of the systems the Company offers is a Career Support Leave System that enables employees to take administrative leave for self-improvement, volunteer activities, or to accompany their spouse who has been transferred to an overseas site. The program also features a system that excludes employees from transfers that require relocation for up to three years if they have difficulty relocating due to childcare, nursing care, treating illnesses, or other circumstances.

[Utilization status of childcare and family care programs](#)

Career Autonomy and Satisfaction

Mitsubishi Electric believes that the career autonomy and satisfaction of each employee is also an area of focus for increasing well-being. We will work to increase the sense of growth and achievement and bring out a feeling of satisfaction for each individual by strengthening measures that support career autonomy and other means.

[Enhancing Career Ownership](#)

Physical and Mental Health

Practicing Health and Productivity Management

Mitsubishi Electric implements health and productivity management with the aim of building an environment where employees can maintain good health both mentally and physically and thrive in their work. This effort is the foundation for a work environment that enables diverse and versatile human capital to participate actively.

We have issued the Mitsubishi Electric Group Health and Productivity Management

Declaration to clarify our policy for the entire organization. We are also integrating health and productivity management into various human resources measures and taking comprehensive measures to increase well-being. Moreover, under "MHP 'Lively and Exciting Action,'" a project to promote health through cooperation between the company, the labor union, and the health insurance society, we have assigned an "MHP implementation leader" at each site and we are working on various activities to promote health, employing proactive implementation of activities not only from the top down but also from the bottom up.

We are also pursuing Group-wide certification under the KENKO Investment for Health (KHI) Outstanding Organization recognition program, which certifies enterprises that are outstanding in health and productivity management. This will increase the profile of our efforts and help enhance the corporate value of the entire Group.

[Group-Wide Health Promotion Activities \(MHP\)](#)

Addressing Women's Health Issues

We regard women's health issues as a vital matter directly related to full participation of human capital and organizational revitalization, and we work to increase health literacy regardless of gender or generation. Recently, we have held seminars featuring external lecturers on the perspectives of menstruation and infertility treatment. Information was provided on the available systems, and we received comments from many employees that they deepened their understanding and other such feedback.



Topics

Supporting Women's Health

Mitsubishi Electric Trading Corporation has introduced a female technology (femtech) service as part of its efforts to build a work environment that balances work and healthy lifestyles. In doing so, the company is working to promote and improve understanding of women's health issues. In addition to the use of telemedicine, helping both women and men learn more about health issues such as menstruation and menopause using video content has deepened mutual understanding. This is helping to foster a workplace culture in which everyone can support each other and making the work environment more comfortable for women.

Supporting Stable, Fulfilling Personal Lives

A stable and fulfilling foundation for everyday life is also an important area of focus for increasing the well-being of employees. Mitsubishi Electric has established various welfare systems designed to stabilize and expand the economic foundation of everyday life, fostering heart-to-heart connections and well-rounded human qualities among employees and their family members, and maintaining and improving mental and physical health.

From the perspective of stabilizing and expanding the economic foundation of everyday life, we have introduced a housing support system. It includes dormitories, company housing, and a rent subsidy system, a group insurance system, an employee shareholding union, an asset accumulation and savings scheme, a cafeteria plan, and other measures. From the perspective of creating heart-to-heart connections and well-rounded human

qualities with employees and their families, we have introduced a variety of schemes, including supporting a range of cultural and sports club activities through the Employee Friendship Association, a recreation facility exclusively for Group employees, and offering a benefit program through the Mutual Aid Association.

Cafeteria Plan

Mitsubishi Electric is introducing a cafeteria plan in 2004 with the aim of respecting the independence and diverse values of each individual employee and supporting each individual employee to achieve happiness through a welfare program with selectable options.

In the cafeteria plan, points equivalent to 83,000 yen are granted at the start of the fiscal year and each employee can apply for subsidies by selecting the necessary menu item as desired according to his/her life stage or lifestyle.

To support employees in balancing childcare or nursing care with work, support is given to the value of double the regular number of points for menu items related to subsidies for childcare and nursing care service usage fees.

Housing Support System

In fiscal 2025, we implemented a major review of our dormitory, company housing, and rent subsidy system from the perspective of investing in people and human capital management to build a rewarding working environment as the foundation for diverse, versatile human capital to come together and thrive. Specifically, we improved the level of rent subsidies for employees who are transferred to a different location and those who are transferred without being accompanied by their families, while also improving the ratio of the subsidy to the rent. We also revised the system to meet diverse needs by introducing a choice between a dormitory for single people or a rent subsidy for single employees.

Human Relationships

Mitsubishi Electric believes that offering workplaces with a high level of psychological safety, in which each person's individuality blends harmoniously and reaches its full potential, is also important for increasing the well-being of employees.

The ideal for human relationships that the Mitsubishi Electric Group is aiming for is a state in which "anyone is welcome to speak out at any time to anyone about organizational policy regardless of differences in skills and opinions and without being worried about damaging relationships or failure." We promote initiatives to increase psychological safety with the aim of fostering positive, strong human relationships where employees can say what they think without fear of the occasional healthy conflict.

To increase psychological safety at Mitsubishi Electric, we have established the Psychological Safety Guidelines, which we have made available to all employees. The content of the Guidelines includes "Tips for Increasing Psychological Safety (For Team Leaders and Team Members)" and "Case Studies," which can be put to practical use in individual organizations. We have also added a question on psychological safety to the employee engagement survey we conduct each year and introduced a monitoring mechanism. By implementing PDCA cycles, we will create an inclusive environment with a high level of psychological safety where everyone can enjoy positive, strong human relationships.