

Our Roadmap for the Three Key Reforms

Since improper quality control practices came to light in June 2021, the Mitsubishi Electric Group has addressed with the utmost seriousness the findings and recommendations of the Investigative Committee and the Governance Review Committee. The entire Group is working hard to prevent any recurrence. In October 2021, we formulated Three Key Reforms (quality assurance reform, organizational culture reform, and governance reform), including measures to prevent recurrence, and we are working to implement fundamental reform initiatives while deepening and developing the Three Key Reforms to restore confidence in the Group.

The progress of the Three Key Reforms and other efforts is monitored by the Monitoring Committee for the Three Key Reforms, established in December 2022 under the Board of Directors, with the participation of outside experts.

In fiscal 2025, we will accelerate our efforts to firmly establish and diffuse the major measures already rolled out and to create organizations with the ability to solve problems systematically, in addition to strengthening the deployment of best practices within the Group.



Latest Reform Initiatives

Quality Assurance Reforms

- Creation of a manufacturing management environment (optimization of resources and control span, health diagnosis for plants, etc.)
- Reconstruction of functions for checks and balances
- Measures for technology capability and resource issues
- Renewed efforts to raise awareness on compliance

Health Diagnosis for Plants



Scene from a health diagnosis for a plant (Kani Factory, Fukuyama Works)

In fiscal 2024, the Executive Officer in charge of quality conducted a health diagnosis for plants at all production sites, a total of 50 manufacturing divisions. The best practices of each site were shared to strengthen manufacturing.

Organizational Culture Reforms

- Reforming management itself (Coaching for executives, town hall meetings, and communication via internal social media)
- Revitalizing communication (Rotation, 1-on-1 meetings, psychological safety, "On-Site Capabilities and Cultural Reform" workshops)
- Changing the behavior of those in management positions

Town Hall Meeting



Scene from a town hall meeting with President Uruma (Mitsubishi Electric Building Solutions Corporation)

We held town hall meetings for senior management to hear views from employees in the field and reform our culture. President Uruma has held over 130 town hall meetings.

Governance Reforms

- Enhancement of the management monitoring function of the Board of Directors (making the majority outside directors)
- Establishment of an internal control system that emphasizes predictive and preventive measures, and enhancement of the company-wide risk control function
- Monitoring of the implementation of the Three Key Reforms by the Board of Directors

Monitoring by the Outside Directors



Roundtable discussion between outside directors and members involved with the reform project (Information Technology R&D Center)

As part of our efforts to improve the effectiveness of the Board of Directors, we held a roundtable discussion with Outside Directors and members involved with the reform project. Opinions were exchanged from diverse perspectives regarding the progress of reform.