

Compliance

Our Concept of Compliance

Message from Top Management

The Mitsubishi Electric Group regards “ethics and compliance” as the foundation of corporate management, and top management issues a message to all officers and employees as part of the effort to establish even stronger relationships of trust with customers, shareholders and society.

[Message from Top Management](#)

Compliance Motto—“Always Act with Integrity”

The Mitsubishi Electric Group established the compliance motto, “Always Act with Integrity,” for all officers and employees of Group companies 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.”

Always Act with Integrity

いかなるときも「誠実さ」を貫く

When establishing the compliance motto, the Group also formulated “Questions to Test for Integrity” to serve as a tool to help officers and employees ask themselves whether an action or decision is right, whenever they are uncertain as to whether an action or decision is right. We have been working to ensure that all Group officers and employees are fully aware of the “Questions to Test for Integrity.”

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

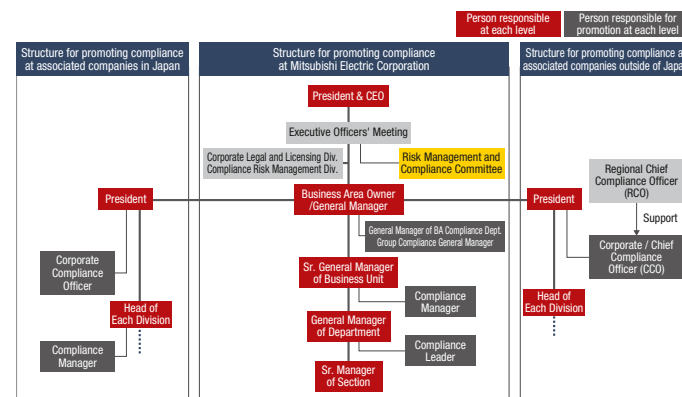
The Mitsubishi Electric Group Code of Conduct is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each officer and employee of Mitsubishi Electric Group in executing company business and performing their duties are put together and summarized, 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 latest version was published in April 2024.

The Code of Conduct is published in 23 languages, including Japanese, English, Chinese, and Thai, and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group officer and employee should conform.

[Mitsubishi Electric Group Code of Conduct](#)

Mitsubishi Electric Group Compliance Promotion Structure

Based on the recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group has established a compliance structure in which the President and CEO of Mitsubishi Electric Corporation serves as the Chief Compliance Promotion Officer, and each Mitsubishi Electric business division as well as each associated company in Japan and overseas proactively promotes compliance. Moreover, to ensure that rapidly expanding new risks are addressed, it is important to prioritize risks using a risk-based approach while implementing flexible risk control based on decision-making led by management. Accordingly, we reorganized the Corporate Compliance Committee as of April 1, 2024, establishing the Risk Management and Compliance Committee to deliberate and make decisions on policies for addressing priority risks and other matters.



Mitsubishi Electric Group compliance promotion structure

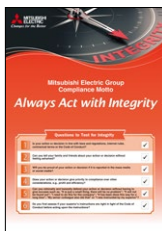
Thorough Dissemination and Education about Our Compliance Policy

Ensuring that Employees are Familiar with Our Compliance Policy

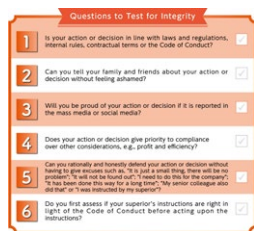
The senior management of the Mitsubishi Electric Group, including the CEO, takes every opportunity to directly address officers and employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of our stance on compliance takes root throughout our organization.

To raise awareness even further, we also display posters of our compliance motto, "Always Act with Integrity," in our workplaces and distribute cards printed with the compliance motto to each of our employees. We distribute the "Mitsubishi Electric Group Code of Conduct" to all Mitsubishi Electric Group officers and employees, including overseas officers and employees.

By disseminating the "Mitsubishi Electric Group Code of Conduct Global Handbook," which explains the contents of the Code of Conduct with a Q&A section and introductions of actual cases, and by holding workshops and read-through sessions in each workplace, our aim is for all officers and employees to internalize the Code of Conduct.



Poster



Portable Card



Mitsubishi Electric Group Code of Conduct

Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools including workshops, e-learning programs, and the distribution of manuals. These tools 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 associated companies and business divisions, we also carry out Group-wide educational initiatives. Officers and employees in all countries in which we operate take part in an educational program concerning the major relevant laws and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. The rate of participation in e-learning on compliance at Mitsubishi Electric in fiscal 2024 was 100%.

[Education Covering Major Laws and Regulations, as well as the Group's Concept of Compliance; and Workshops Related to Compliance](#)

Basic Initiatives 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 antitrust laws as one of the most important laws that we must abide by, and make ongoing Group-wide initiatives 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 the entire Mitsubishi Electric Group, 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 its associated companies in Japan, we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on antitrust laws that focus on regional characteristics overseas in the combined form of e-learning programs and face-to-face education.

We will continue to make greater initiatives 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.

[Compliance e-Learning Programs](#)

Corruption Prevention (Preventing Bribery)

We are committed to Group-wide initiatives to prevent bribery under the "Mitsubishi Electric Group Anti-Bribery Policy," which we established on April 1, 2017.

Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery. We also work to prevent the occurrence of partners offering bribes by conducting pre-screenings to check for the risk of bribery before entering into new transactions with partners, including agencies, consultants, agents, and distributors, as well as by prescribing a strict antibribery provision in any agreements to be concluded.

In addition, we provide training to directors, officers and employees of Mitsubishi Electric and its associated companies in Japan who regularly interact with public officials in the combined form of e-learning programs and face-to-face training. We also provide training to prevent bribery in our overseas offices in the combined form of e-learning programs and face-to-face training according to the characteristics of the respective region.

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

Note that there were no incidents where Mitsubishi Electric was subjected to any fines, penalties, or other sanctions related to bribery.

[Mitsubishi Electric Group Anti-Bribery Policy\(English version\)](#)

[Mitsubishi Electric Group Anti-Bribery Policy\(Chinese version\)](#)

[Compliance e-Learning Programs](#)

Support and Responses to Political Activities

The Mitsubishi Electric Group provides support for 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 Human Resources and General Affairs Division screens all cases in detail in accordance with the Political Funds Control Act, 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.

Security Export Control

To help maintain international peace and security, Mitsubishi Electric Group 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 associated 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 associated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company.

In fiscal 2024, in Japan we provided e-learning courses and held online workshops for working-level personnel. For overseas associated companies, we also have e-learning materials for the implementation of training programs in each company in major languages in Europe, America and Asia.

[Compliance e-Learning Programs](#)

Disassociation with Anti-social Groups

The Mitsubishi Electric Group clearly sets forth 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 and 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 Act on Prevention of Unjust Acts by Organized Crime Group Members, is assigned to each business office and associated 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 from the company with the cooperation of the police, external specialist institutions* and lawyers.

* National Center for the Elimination of Boryokudan and the Special Violence Prevention Measures Association (Tokubouren) under the control of the Metropolitan Police Department, National Center for the Elimination of Criminal Organizations, etc.

Compliance Audits and Internal Notification System

Compliance Audits

To verify the state of compliance in the Mitsubishi Electric Group, self-inspections are carried out in each internal department and associated company several times a year. 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 and the President & CEO through the executive officer in charge of internal audits.

Internal Notification System

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 an “ad hoc” investigation group, whose membership is determined 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 the 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 intranet, to ensure that we communicate them to all employees.

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