

| 2024 INTEGRATED REPORT

For the year ended March 31, 2024

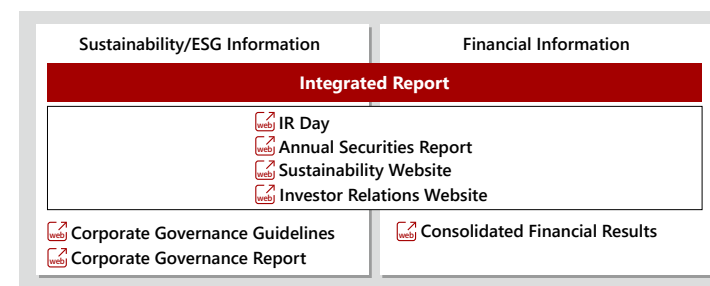
Contents

2	Introduction	57	Foundation Enhancement
2	Mitsubishi Electric Group Purpose	58	Message from the Officer in Charge of Sustainability
3	Our History	59	Sustainability Management
4	At a Glance	63	Environment
5	President's Message	63	Basic Policy
9	Value Creation	64	Climate Change Initiatives (Disclosure Based on TCFD)
10	Value Creation Process	69	Environmental Management System
11	Mitsubishi Electric Group's Corporate Strategy	72	Helping to Build a Green Society
14	Materiality (Important Challenges)	73	Environmental Considerations in Value Chain Management
19	Business Strategies	79	Biodiversity Preservation Activities
20	Infrastructure Business Area	81	Quality
22	Industry & Mobility Business Area	87	Human Rights
24	Life Business Area	92	Supply Chain Management (Procurement)
26	Business Platform Business Area	96	Occupational Safety and Health
28	Semiconductor & Device Business	99	Philanthropic Activities
30	Financial Strategy	103	Message from the Chairperson of the Board of Directors
32	Technology Strategy	105	Dialogue with Outside Directors
40	Special Feature: Teaming with Startups for Open Innovation	108	Corporate Governance
41	DX Strategy	115	Directors & Executive Officers
44	Human Capital Strategy	119	Risk Management
56	Special Feature: "My Purpose" Project by 150,000 Members of the Mitsubishi Electric Group	122	Our Roadmap for the Three Key Reforms
		123	Compliance
		126	Tax Initiatives
		127	Information Security
128	Data		
129	Financial Highlights		
130	Non-Financial Highlights		
131	10-Year Summary		
132	Main Non-Financial Data (Environment, Society, Governance)		
142	Initiatives		
143	External Evaluation / Corporate Data and Shareholder Information		
144	Editorial Policy		

Information Disclosure Systems

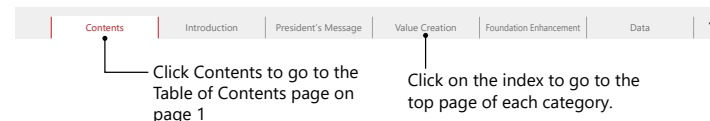
At the Mitsubishi Electric Group, we are working on "Trade-On (mutual benefits)" activities that contribute to the resolution of social issues in order to help build a vibrant and sustainable society while developing our business in accordance with our Purpose. This report contains specifics on how the Mitsubishi Electric Group creates value, including policies and strategies.

For more detailed information, please refer to the various disclosure media posted on Mitsubishi Electric's official website in the Information Disclosure Systems section below.



How to use the interactive PDFs

● Category tabs



● Internal link within the PDF and external link

Title, etc., of link destination ... Internal link within the PDF: Move to the relevant page within this PDF

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Mitsubishi Electric Group Purpose

At the Mitsubishi Electric Group, we abide by our Purpose. Set out below, it defines 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.

As a corporate group trusted by stakeholders and responsive to the demands of the new era, we are committed to contributing to the realization of a vibrant and sustainable society by addressing diversifying social challenges through continuous innovation.

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	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.

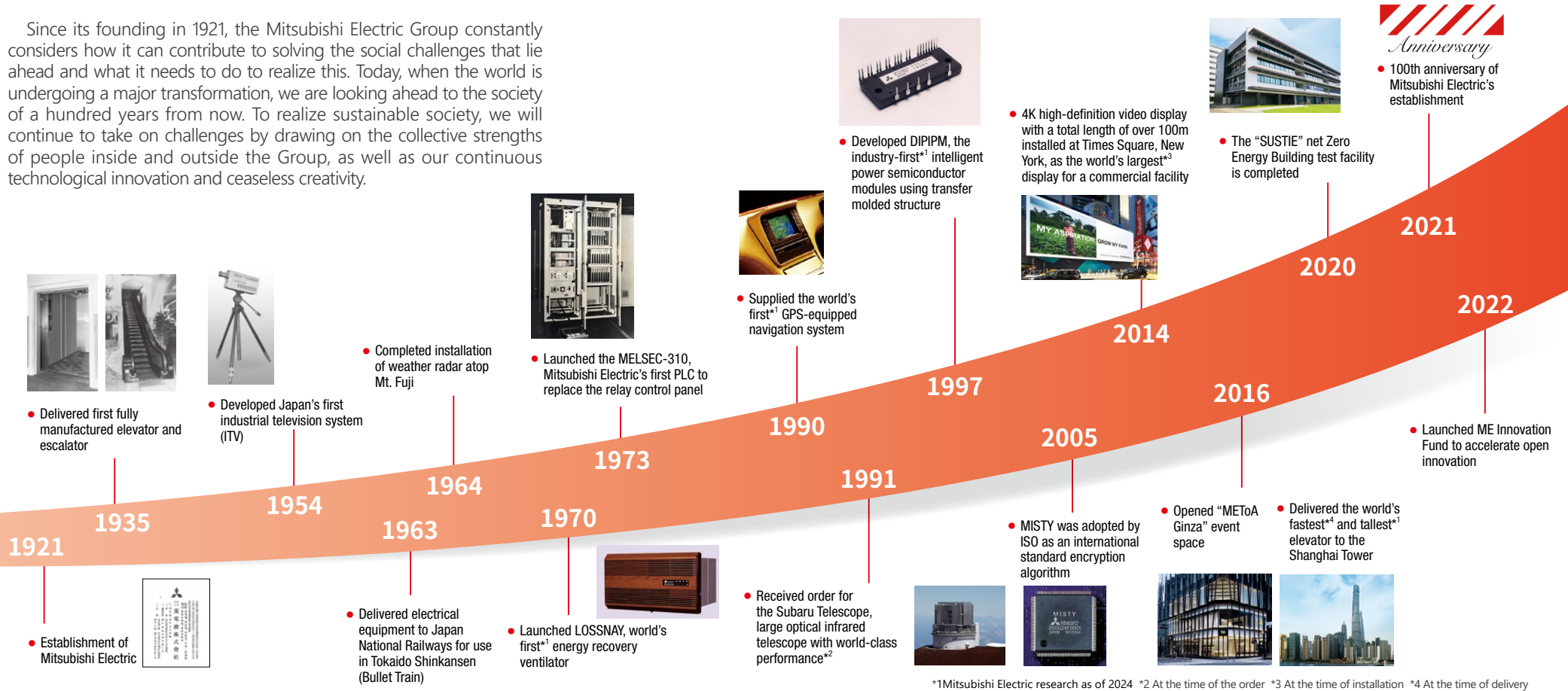
Commitment

Changes for the Better

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

Our History

Since its founding in 1921, the Mitsubishi Electric Group constantly considers how it can contribute to solving the social challenges that lie ahead and what it needs to do to realize this. Today, when the world is undergoing a major transformation, we are looking ahead to the society of a hundred years from now. To realize sustainable society, we will continue to take on challenges by drawing on the collective strengths of people inside and outside the Group, as well as our continuous technological innovation and ceaseless creativity.



Topics of Fiscal 2024

Topic 1 Mitsubishi Electric Group Launches Purpose Project for Approx. 150,000 Employees^{*1}

The Purpose Project is an initiative that encourages each employee to think about "My Purpose"^{**2} to find out some overlaps or connections with the Company's Purpose, and actively communicate while sharing this purpose with others. Each employee considers the Company's Purpose and makes it his or her driving force for reform geared toward the creation of a new Mitsubishi Electric Group that powerfully contributes to the "realization of a vibrant and sustainable society."



*1 Number of personnel on the consolidated business at the end of the period as of March 31, 2023
*2 Their own purpose

Topic 2 Investment in Coherent's New SiC Business

In October 2023, Mitsubishi Electric agreed with Coherent Corp. (Head office: United States) to invest US\$500 million* in a new silicon carbide (SiC) business being carved out from Coherent, and completed the transaction. By further deepening its collaboration with Coherent, the Company aims to stabilize its procurement of SiC substrates for SiC power modules, for which demand is forecasted to grow rapidly, and thereby enhance its supply stability of reliable high-performance SiC power devices to expand its businesses.



* Approx. 75 billion yen (calculated at a rate of 1 USD = 149.6 yen [TTM rate as of September 30, 2023])

Topic 3 Investments and Agreements to Expand Operational Technology Security Business

Mitsubishi Electric has invested in Nozomi Networks (Head office: United States), a developer and distributor of operational technology (OT) security solutions, and has reached collaboration agreements with TXOne Networks (Head office: Taiwan) and Dispel (Head office: United States). By combining our control equipment and solutions with each company's technology, we aim to provide enhanced OT security solutions with both robust security and continuous system operation for a wide range of customers in fields such as manufacturing and social infrastructure.



At a Glance

The Mitsubishi Electric Group provides components, systems, and solutions across a wide range of business fields. Leveraging a strong global business foundation, we will continue to create new value worldwide.

Business Fields

<p>Infrastructure </p> <p>Support social infrastructure with reliable technologies</p>	<p>Industry & Mobility </p> <p>Expand possibilities for manufacturing and mobility</p>	<p>Life </p> <p>Realize smarter, more comfortable life and workplace</p>
<p>Business Platform </p> <p>Respond with a wide range of IT services for a better future</p>	<p>Semiconductor & Device </p> <p>Provide key devices that support a more affluent society</p>	

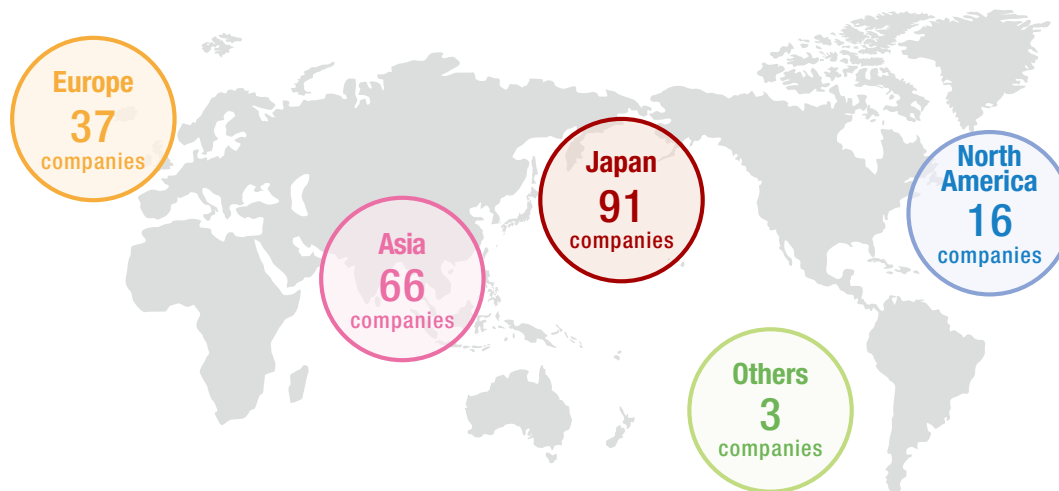
Global Operations

*As of March 2024

Number of Consolidated Employees (Persons)
149,134

Number of Consolidated Subsidiaries
91 in Japan, **122** overseas

Overseas Revenue Ratio
51.3%

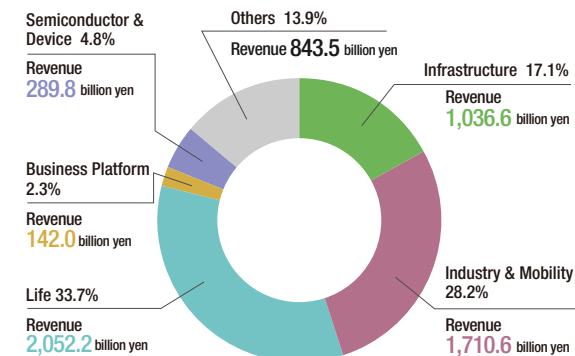


Fiscal 2024 Performance

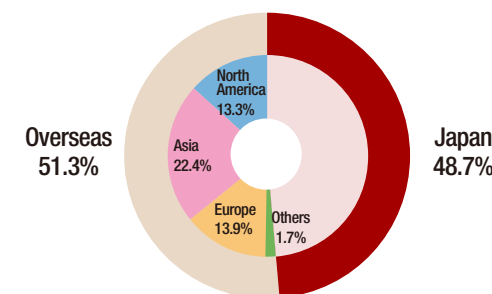
Revenue	5,257.9 billion yen
Operating Profit Margin	6.2%
ROE	8.2%
Cash Generation*1	1.8 trillion yen / 3 years*2

*1 After making adjustments, such as adding R&D expenses to operating cash flow
*2 Cumulative total from fiscal 2022 to fiscal 2024

Revenue by Business Segment



Revenue by Location



President's Message



“We accelerate ‘Trade-On (mutual benefits)’ activities that grow the Mitsubishi Electric Group’s business while solving social and environmental issues through innovation based on ‘Circular Digital-Engineering’ in order to realize sustainability.”


Kei Uruma
Representative Executive Officer,
President & CEO

Fiscal 2024 Performance and Business Management Status

In fiscal 2024, in addition to the further heightening of geopolitical risk including the prolonged conflict in Ukraine and the tensions between the United States and China, the rapid proliferation of generative AI had a major social impact. The challenging business environment for the Mitsubishi Electric Group also persisted, with the continuation of monetary tightening in various countries around the world and the real estate recession in China. Despite the challenges, however, the various reforms we have implemented to date made steady progress, and we recorded record high revenue and operating profit.

Meanwhile, the current business environment for the factory automation systems business and the air conditioning systems & home products business has deteriorated more than expected in fiscal 2022 when we drew up the Medium-term Management Plan. Although we expect an improvement in market conditions starting in the second half of fiscal 2025, we do not anticipate a recovery to the initially expected level in the short term.

In view of this environment, among the financial targets for fiscal 2026, we have revised the target for the operating profit margin to 8% or more, the target for ROE to 9%, and the target for cash generation*¹ to 3.3 trillion yen over five years.*² We will maintain our initial plan for capital allocation of 3.4 trillion yen, including shareholder returns. Additionally, in terms of shareholder returns, we have established a dividend policy that sets adjusted DOE*³ of 3% as the guideline. Combining this with flexible purchases of treasury stock, we will work to provide long-term stable returns that meet the expectations of investors and shareholders.

By implementing each of our individual measures while taking account of changes in the environment, we will reap the benefits of our investments and strengthen profitability, aiming to achieve an operating profit margin of 8% or more, and beyond that 10% at the earliest possible opportunity, thereby enhancing shareholder returns by delivering sustainable business and profit growth.

*¹ After adjustments, such as adding R&D expenses to operating cash flow *² Cumulative total for fiscal 2022 through fiscal 2026

*³ Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))

Shift to Balance Sheet Management Utilizing ROIC and Business Area (BA) Management

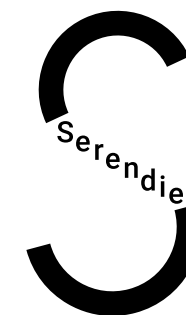
We launched balance sheet management utilizing ROIC*⁴ in a shift to business management that is more focused on asset efficiency. To ensure that employees work with an awareness of the connection between ROIC and their own department, we are further extending ROIC to each business group and setting KPIs*⁵ to promote penetration within the Group. Moreover, the business area (BA) management structure is key in implementing balance sheet management. Each of the BA owners will focus on asset efficiency from the perspective of investors and promote a business portfolio strategy that builds an asset-light business structure and concentrates investment of resources in areas with true value added. In particular, we will strengthen our competitiveness in key growth businesses by strengthening our production systems, collaborating with other companies to make up for areas where we are lacking, and speedily executing aggressive investment, including M&A. We will also reorganize functions of associated companies to strengthen functions and slim down the operation structure of the Mitsubishi Electric Group as a whole. Through these initiatives, we will accelerate the transformation into a resilient earnings structure that can withstand rapid changes in the market.

*⁴ Return on Invested Capital *⁵ Key Performance Indicator

Further Accelerating the Achievement of Our Ideal Vision Using Serendie™ Digital Platform

The Mitsubishi Electric Group has set the goal of becoming a "Circular Digital-Engineering Company" as its ideal. "Circular Digital-Engineering" is an approach that creates a cycle in which data obtained from customers in digital space is consolidated and analyzed and the wisdom of the Mitsubishi Electric Group is combined to further enhance components and systems and create new solutions, thereby returning value to customers. We will continuously create value and contribute to the solution of various social issues by ensuring the rapid circulation of this cycle.

I believe data is the most important element of Circular Digital-Engineering. In the past, the Mitsubishi Electric Group used individual platforms optimized for each business, including transportation, energy, factory automation, buildings, air conditioning, to leverage data. However, the previous system lacked adequate coordination between businesses, and this was an issue. To break down this barrier between businesses, we built Serendie as a new digital platform to facilitate unprecedented interactions between devices, systems and services in various fields, and the data and knowledge aggregated from these interactions. The name "Serendie" is a portmanteau of serendipity and digital engineering. As a digital platform, it is organized around a data analysis platform and a Web API integration system. We will leverage this platform to further accelerate the Mitsubishi Electric Group's transformation into a Circular Digital-Engineering Company by creating solutions that cut across business fields. We will also aim to achieve revenue of 1.1 trillion yen and an operating profit margin of 23% by fiscal 2031 in Serendie-related businesses consisting of solutions utilizing data and components collecting data.



Serendie logo

One example of these businesses is Energy & Facility (E&F) solutions, which uses digital technology to accumulate and analyze data obtained from customers to comprehensively solve their issues related to energy and facilities. In addition to this, as part of co-creation with customers, the Mitsubishi Electric Group has also started to provide integrated solutions, including rolling stock maintenance, train operation and power optimization, by analyzing vast amounts of data from railway rolling stock and other sources, many of which have components supplied by the Mitsubishi Electric Group. We will continue to enhance business value through synergies between the Mitsubishi Electric Group's superior components, and solutions utilizing data.

We have identified strengthening of DX human capital skilled in the utilization of data as a pressing issue for promoting Serendie-related businesses. DX human capital at the Mitsubishi Electric Group currently stands at approximately 6,500 workers, which we plan to increase to 20,000 by 2030. We are securing human capital through hiring and M&A, but we are putting most effort into reskilling our employees. Knowledge of our business is essential for providing the value that is unique to the Mitsubishi Electric Group, which has superior components. We have great expectations for the active contributions of team members who are well-versed in our existing business.

“Trade-On (Mutual Benefits)” to Solve Social Issues and Grow Our Business

At the same time as we grow our business, the Mitsubishi Electric Group will also consider what we can do to accelerate fundamental solutions for social issues from a more global perspective.

According to the World Meteorological Organization (WMO), 2023 experienced the world's highest average temperature on record.*6 In addition, heatwaves, droughts, wildfires, floods, and other events caused significant damage in various parts of the world. Climate change and other social issues are becoming increasing serious year after year. They have a broad impact on people's lives, including soaring food prices caused by poor agricultural harvests.

With the realization of sustainability at the center of business management, the Mitsubishi Electric Group is working to solve social issues including carbon neutrality through its business activities. The relationship between solving social issues and growing business often tends to be regarded as a trade-off. However, I hope to accelerate “Trade-on (mutual benefits)” initiatives that combine solving social issues with growing our business. The key to achieving this lies in innovation based on Circular Digital-Engineering. We believe that the provision of new solutions utilizing diverse data from Serendie will help to solve a variety of social issues while also increasing profitability.

Furthermore, to strongly push ahead with more fundamental sustainability initiatives throughout the Group, we newly established the Sustainability Innovation Group in April 2024. This organization is promoting the GIST Project,*7 a company-wide initiative driving new business creation from a global and sustainability-based perspective. This group, which consists of approximately 50 people, mainly mid-level employees in their late 30s, has set a key policy for the Mitsubishi Electric Group to become a leader in the nature-positive*8 area and is developing ideas for business creation by backcasting from the future. The senior management team, including myself and the BA owners, are also actively involved and providing support for the project. In addition to this, to strengthen the management foundation that supports sustainable growth, we will pursue initiatives to reduce greenhouse gas emissions by leveraging the Mitsubishi Electric Group's technology, rather than relying solely on offsetting through the use of non-fossil certificates and carbon credits.

*6 “2023 shatters climate records, with major impacts” World Meteorological Organization (WMO)

*7 Global Initiative for Sustainable Technology *8 Halting loss of natural capital and restoring nature



Creating an Organization Based on Self-Initiative as Our Three Key Reforms Enter Third Year

It has been three years since improper quality control practices came to light in June 2021. It is also the third year since the three key reforms (quality assurance, organizational culture, and governance) launched in response to these incidents entered the full-scale implementation phase. In fiscal 2025, we are accelerating our efforts to embed and promote the key measures we have implemented to date and to create an organization based on self-initiative. Team Sousei (creation), a company-wide reform project with the leading role in reform of organizational culture launched in October 2021, marks the end of its project in fiscal 2025, which is a year for overall finalization of the activities. However, this does not mean that reform of organizational culture is finished. On the contrary, I believe we must make the process of change into the normal state of affairs by continuing the activities in the future.

As part of the reform of organizational culture, the senior management team has visited individual Group locations to hear the frank opinions of front-line employees directly and actively held town hall meetings to foster dialogue. I myself have held more than 130 town hall meetings so far, and I continue to engage in dialogue with as many employees as possible. At present, we are discussing themes such as guiding employees and solving issues in a format focused on the general managers of departments and senior managers of sections to promote changes in the mindset of employees in managerial positions in particular. Considering the general trend that changes in 20% of people spread to 60% and eventually to the remaining 20%, I feel that we have now exceeded the first 20%, with about 30% of employees really stepping up and thinking for themselves, using self-initiative to drive change in their own organization, without relying on the power of Team Sousei. What will be important for these activities going forward is that the entire senior management team, including myself, continues to provide support so that our employees, who are taking the initiative and working hard to reform the culture with a strong desire to preserve the positives and change where change is needed, maintain their enthusiasm. We will continue to ensure that our commitment to revival does not fade and strive to always act with integrity and honesty together with our colleagues in the Mitsubishi Electric Group.

Our Purpose Project to Revitalize Our Organization Through the Aspiration of Each Employee

In 2023, the Mitsubishi Electric Group launched the Purpose Project. The goal of the activities is for each employee to think about his or her own purpose, or aspiration, and to find connections and overlaps with the Company's Purpose, or aspiration. Our Purpose, which states that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity," was revised to mark the 100th anniversary of the founding of the Mitsubishi Electric Group. At the time when we made the revision, I was very determined to start with the word "we." This was because I wanted each employee to feel a sense of ownership of the Mitsubishi Electric Group's Purpose. In fact, when I was younger, I did not have anything you might call an aspiration. However, I gained great insight from a book entitled *Shushin Kyojuroku* ("Ethics Teaching Record") by Shinzo Mori. In the book, Mori discusses the importance of establishing an "aspiration," based on the idea that we only live once. Establishing an aspiration provides a guiding principle so that you can live a life that is true to yourself. Since then, I have approached my work with a strong sense of aspiration, and I would like the people I work with to do the same.

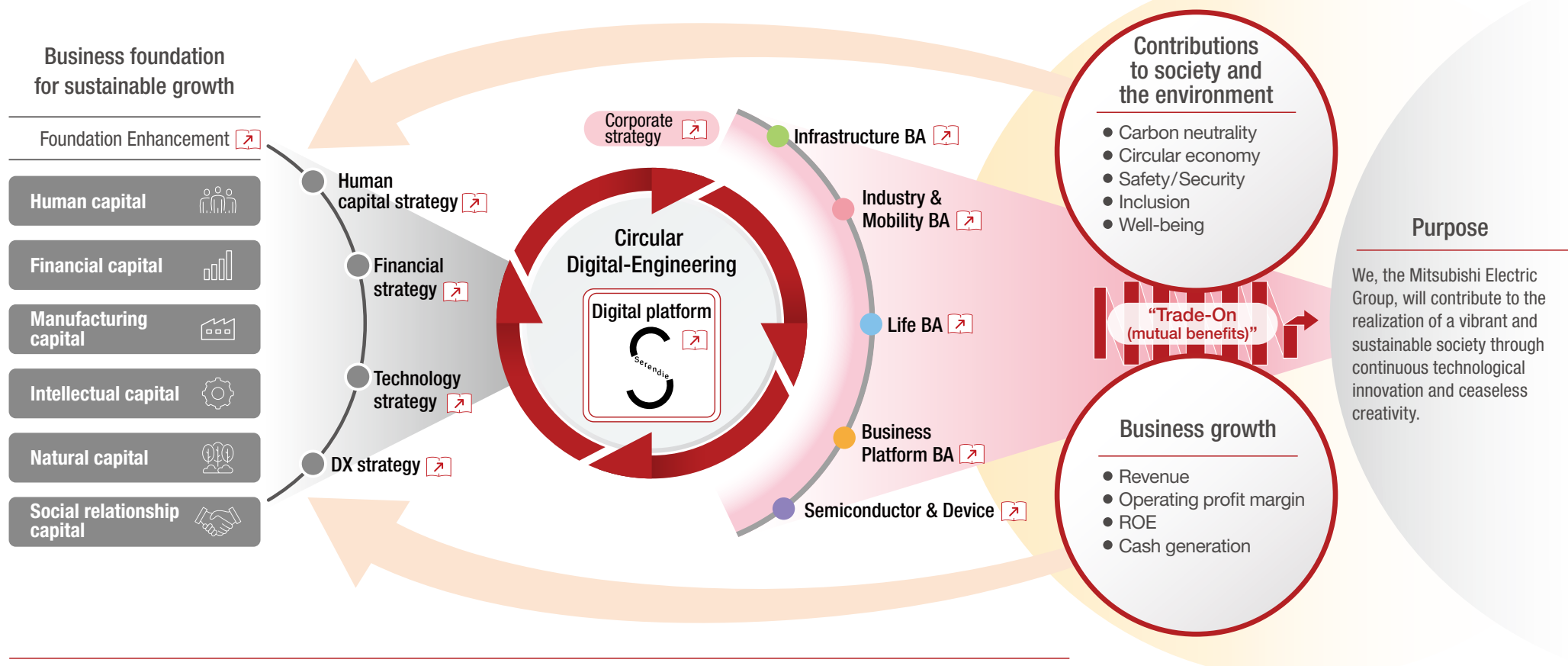
My purpose is to make the Mitsubishi Electric Group into a vibrant company that helps to build a warm, compassionate society, and to live honestly with "passion, enthusiasm, and goal-focused persistence" to achieve this goal. This project has reminded me that it is important to express our thoughts in words and share them with our colleagues. The driving force behind the company is none other than each individual employee. An organization will naturally become vibrant and strong when employees with aspirations come together as a team and approach their work with enjoyment. For the Mitsubishi Electric Group to continue being a vibrant company going forward, I myself will continue to move forward with passion, enthusiasm, and goal-focused persistence. The Mitsubishi Electric Group will also do its utmost to ensure that its stakeholders share the Group's aspirations and provide even greater support.

Value Creation

- 10 Value Creation Process
- 11 Mitsubishi Electric Group's Corporate Strategy
- 14 Materiality (Important Challenges)
- 19 Business Strategies
 - Infrastructure Business Area
 - Industry & Mobility Business Area
 - Life Business Area
 - Business Platform Business Area
 - Semiconductor & Device Business
- 30 Financial Strategy
- 32 Technology Strategies
- 40 Special Feature: Teaming with Startups for Open Innovation
- 41 DX Strategy
- 44 Human Capital Strategy
- 56 Special Feature: "My Purpose" Project by 150,000 Members of the Mitsubishi Electric Group

Value Creation Process

The Mitsubishi Electric Group accelerates "Trade-On (mutual benefits)" activities to grow our business while solving social and environmental issues by strengthening business foundations and creating value with "Circular Digital-Engineering." In so doing, we contribute to realizing a vibrant and sustainable society, as set forth in our Purpose.



Materiality (important challenges)

- Realize a sustainable global environment
- Realize a safe, secure, and comfortable society
- Respect for all people
- Strengthen corporate governance and compliance on a sustainable basis
- Create a sustainability-oriented corporate culture

Three Key Reforms

- Quality Assurance Reforms
- Organizational Culture Reforms
- Governance Reforms

Mitsubishi Electric Group's Corporate Strategy

Striving to Transform into a "Circular Digital-Engineering Company" by Accelerating Growth Driven by Digital Technology and Key Growth Businesses

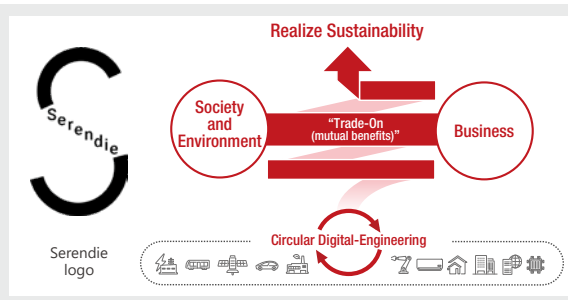


Satoshi Takeda

Executive Officer
CSO (in charge of Corporate Strategic Planning, Operations of Associated Companies, and Three Key Reforms),
CDO (in charge of DX; Vice President, Business Innovation)

The Mitsubishi Electric Group has positioned becoming a "Circular Digital-Engineering Company" as its vision. We seek to promote sustainability by pursuing "Trade-On (mutual benefits)" activities that contribute to society and the environment while growing our business.

At a time of high uncertainty, we will strengthen the digital business using our digital platform, Serendie, and implement our business portfolio strategy with a medium- to long-term perspective to maximize the corporate value of the Mitsubishi Electric Group and realize our vision.



Financial Targets for Fiscal 2026

Given the current deterioration in the business environment for the factory automation systems business and the air conditioning systems & home products business, we revised the financial targets for operating profit margin, ROE, and cash generation in May 2024.

In order to reach our financial targets for fiscal 2026 and subsequently achieve an operating profit margin of 10% and ROE of 10% at the earliest possible opportunity, we are working to grow our business and improve profitability and asset efficiency, based on our business portfolio strategy.

	FY2024 Actual	FY2026 Targets	
		—Before revision—	—After revision—
Revenue	¥5.3 trillion	¥5.0 trillion+	¥5.0 trillion+
OPM	6.2%	10.0%	8.0%+
ROE	8.2%	10.0%	9.0%
Cash Generation*1	¥1.8 trillion/3 years*2	¥3.4 trillion/5 years*3	¥3.3 trillion/5 years

*1 After making adjustments, such as adding R&D expenses to operating cash flow

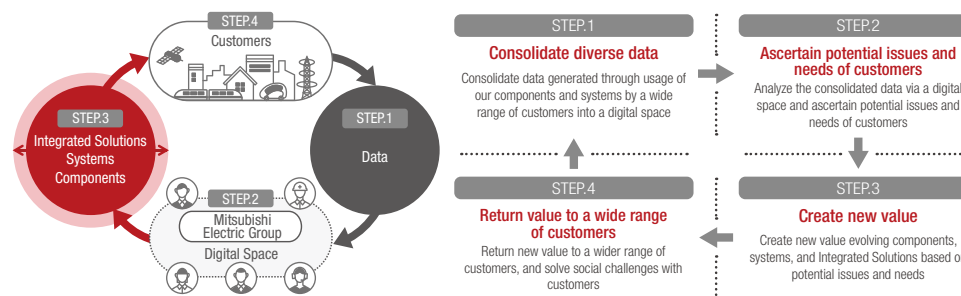
*2 Accumulated amount from fiscal 2022 to fiscal 2024

*3 Accumulated amount from fiscal 2022 to fiscal 2026

Circular Digital -Engineering

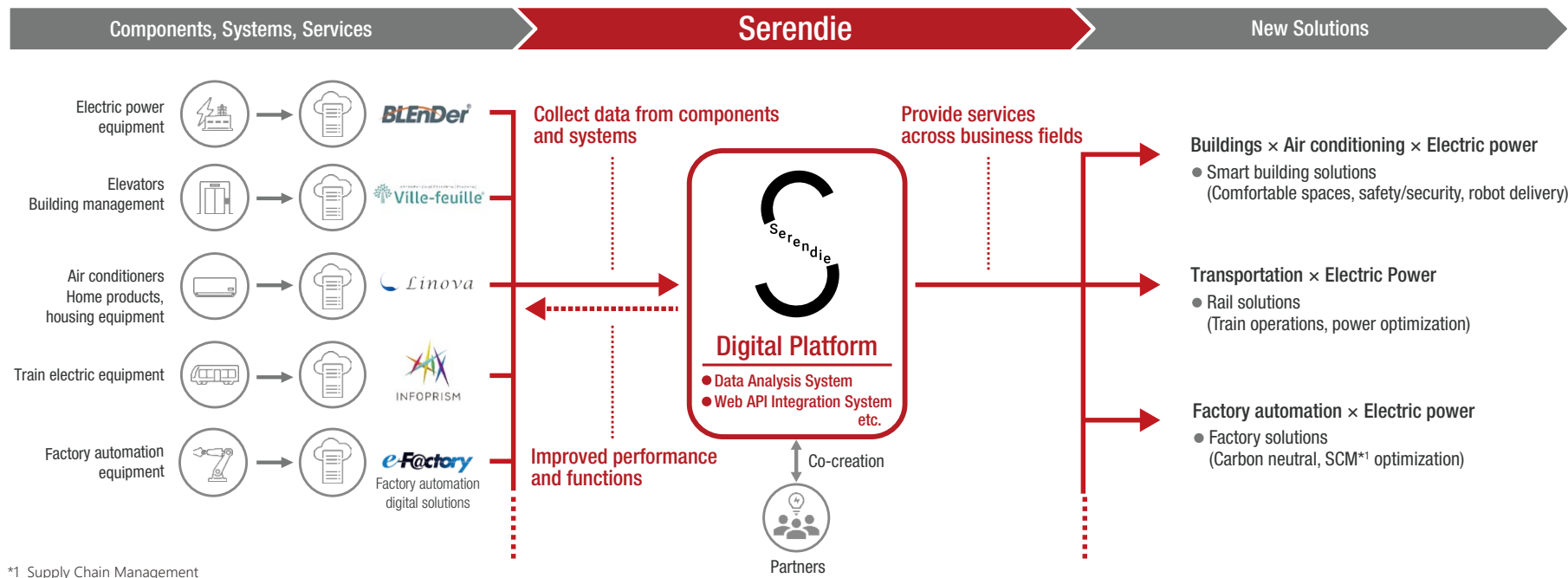
The Mitsubishi Electric Group is transforming itself into a "Circular Digital-Engineering Company" that contributes to solving social challenges by consolidating and analyzing data obtained from customers in the digital space, and by creating new value through strong connections and sharing wisdom within the Group.

To realize this "Circular Digital-Engineering," the Mitsubishi Electric Group is working to strengthen its assets in the digital field, which include its human capital and technological foundation.



Serendie Digital Platform and Serendie-Related Businesses

We have built the new digital platform Serendie to achieve Circular Digital-Engineering. Based on a data analysis system and a Web API integration system, Serendie organizes the elements required for diverse human capital to utilize data to create new value. Previously, data from components and systems was collected separately in each business field at the Mitsubishi Electric Group. Serendie makes it possible to consolidate and analyze all this data. Based on ideas generated through the results of this analysis, we will work to provide new solutions that cut across business fields and enhance our components.

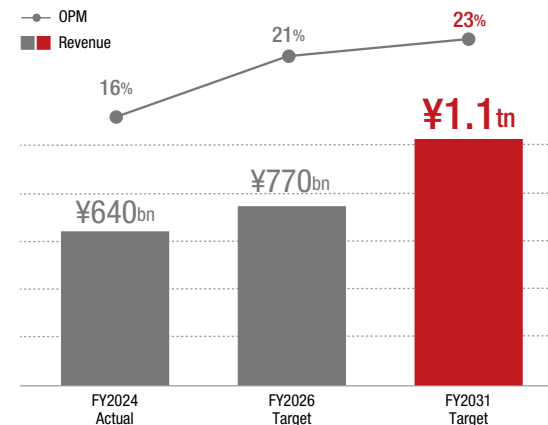


*1 Supply Chain Management

We have also positioned businesses related to solutions utilizing data or components collecting data as Serendie-related businesses. In fiscal 2024, revenue for Serendie-related businesses was 640.0 billion yen, and the operating profit margin was 16%. Going forward, we will work to expand our solutions and further enhance our components with the aim of realizing revenue of 1.1 trillion yen and an operating profit margin of 23% in Serendie-related businesses by fiscal 2031.

One of the challenges for achieving our targets for Serendie-related businesses is securing DX human capital. We will expand our DX human capital approximately three-fold from the level in fiscal 2024 to 20,000 by fiscal 2031 by reskilling IT engineers within the Mitsubishi Electric Group and working to secure talent via hiring and M&A, etc.

[DX Strategy](#)



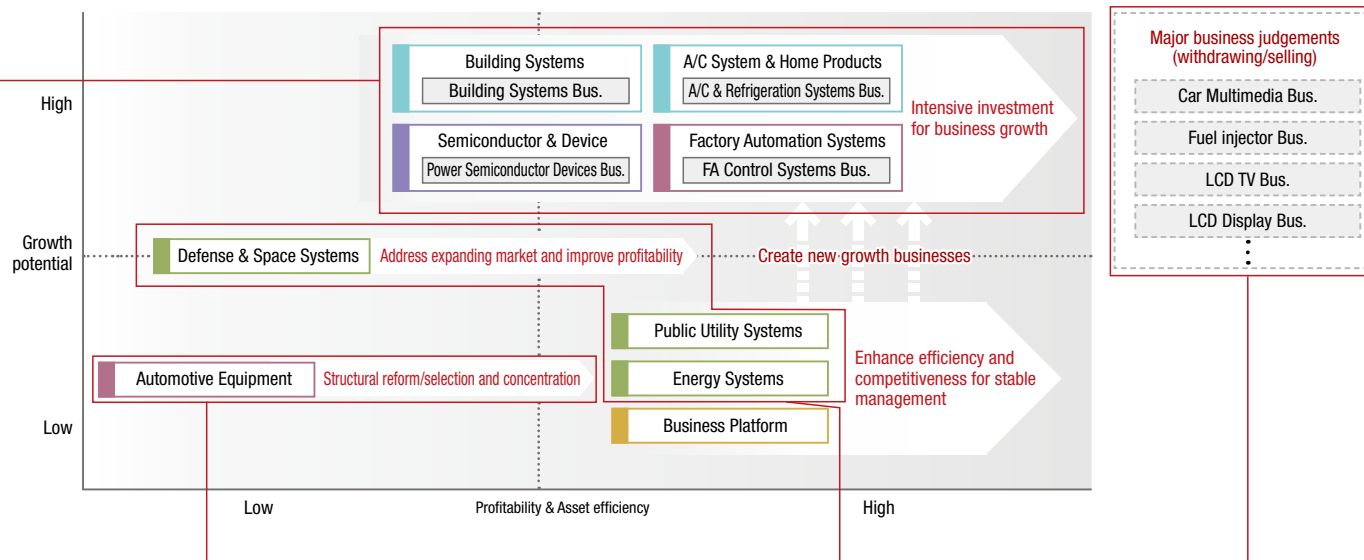
Business Portfolio Strategy

We conducted a review of our business portfolio to clarify the direction for each sub-segment from the perspectives of growth potential, profitability, and asset efficiency with a priority on promoting management focused on ROIC and investment in key growth businesses.

Boost Investment in Key Growth Businesses

We are boosting growth investment in key growth businesses by enhancing production systems and M&A.

For example, in the power semiconductor devices business, we are strengthening the foundation for growth driven by silicon carbide (SiC), which is a strength of the Group. We have invested in the US firm Coherent's SiC business company to stabilize our procurement of SiC 8-inch substrates and entered a strategic partnership with the Dutch firm Nexperia B.V. to expand our sales channels. Additionally, to expand our product line and customization abilities in the air-conditioning & refrigeration business, we have acquired the French air conditioning company AIRCALO to strengthen our hydronic HVAC*1 systems business, which is expected to expand in the European market overall going forward.



Transform the Automotive Equipment Business

In the automotive equipment business, which is experiencing a transformational period in the industrial structure, we have pursued business transformation through the spin-off of Mitsubishi Electric Mobility Corporation. While advancing our exit strategy for the ICE*2 business, which is expected to shrink in the long term, we aim to regrow our CASE*3 related business through collaboration and cooperation with external partners and have reached a business partnership agreement with Aisin Corporation for developing products for next-generation xEVs.

Transform Portfolio in the Infrastructure Business Area

In the Infrastructure Business Area, we are optimizing our operation system for public utility systems and energy systems while shifting resources to defense and solutions businesses, where growth is expected.

Judgement of Businesses with Issues

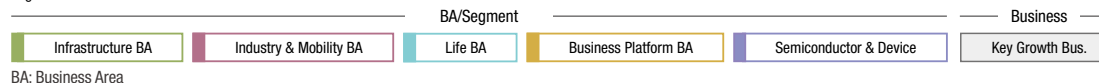
We have been determining whether to withdraw from or sell businesses where issues with profitability are not expected to improve and will reallocate resources generated by discontinuing these businesses to growth fields.

*1 HVAC is an acronym for heating, ventilation and air conditioning, standing for equipment and facilities relating to the foregoing.

*2 Internal combustion engine

*3 Connected, autonomous/automated, shared, electric

Legend



Optimization of Group Operating Structure

To build the optimum Group operating structure, we have consistently restructured and reorganized functions. However, we will promote more radical measures both in terms of strengthening functions and slimming down operations of associated companies. For example, to enhance logistics functions, Mitsubishi Electric Logistics Corporation will operate as MD LOGIS Corporation under Seino Holdings Co., Ltd. (Seino HD), going forward.*4 Leveraging Seino HD's assets, the Mitsubishi Electric Group will establish a more stable supply network, making it possible to provide customers with better goods and services.

*4 Some of the shares of Mitsubishi Electric Logistics were transferred to Seino HD on October 1, 2024, and the company name was changed.

Materiality (Important Challenges)

Mitsubishi Electric Group's Materiality

To address sustainability at the management level and ensure long-term commitment, the Mitsubishi Electric Group has identified five areas as materiality (important challenges) to "Provide solutions to social challenges through our businesses" and to "Strengthen our business foundation to enable sustainable growth." The Group is taking a "Trade-On (mutual benefits)" approach to realizing sustainability by implementing materiality initiatives to create business solutions for social challenges while securing its own business growth at the same time. For our materiality initiatives, we set targets and key performance indicators (KPIs) and carry out continuous improvement activities using the PDCA cycle.

	Materiality (Important Challenges)	Reasons why it is important
Provide solutions to social challenges through our business	Realize sustainable global environment	Environmental challenges such as climate change and resource/energy issues are hurdles at a global scale. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.
	Realize a safe, secure, and comfortable society	Since its founding, the Mitsubishi Electric Group has contributed to society by providing products and services in a wide range of fields, from home to space. In order to realize a "vibrant and sustainable society" as outlined in our Purpose, we aim to contribute to solve diversifying social challenges through our business activities.
	Respect for all people	The protection of human rights is a global issue. Everyone's rights as an individual must be respected. The Mitsubishi Electric Group respects human rights in all of its activities and provides workplace environments that help all employees to work actively.
Strengthen our business foundation to enable sustainable growth	Strengthen corporate governance and compliance on a sustainable basis	Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group continuously reinforces these areas.
	Create sustainability-oriented corporate culture	The Mitsubishi Electric Group contributes to achieving sustainability through all of its activities. To this end, we proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a mid- to long-term perspective.

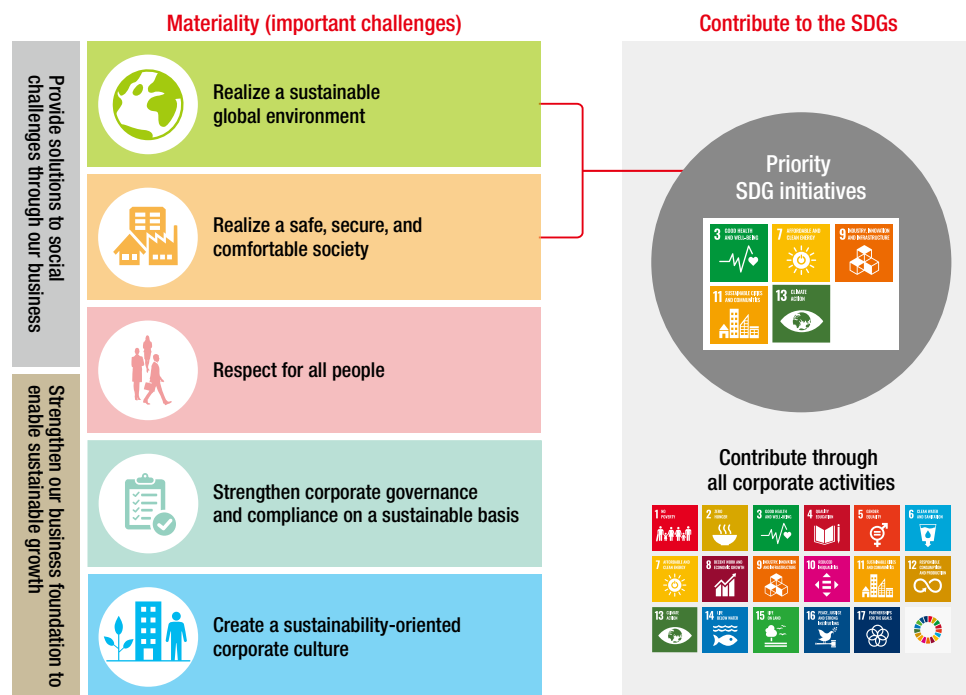
Materiality at the Mitsubishi Electric Group

Materiality and SDGs

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 aligns with the objectives of the globally shared Sustainable Development Goals (SDGs). *

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.

In particular, we believe that the Mitsubishi Electric Group can also contribute greatly as a comprehensive electrical and electronic manufacturer handling a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and projects on a national scale.



* The Sustainable Development Goals (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.

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 Global Reporting Initiative (GRI) Guidelines.

In fiscal 2021, a full internal review of the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) was conducted. This review involved subjective evaluations from both inside and outside the company, along with questionnaires and interviews with a total of 1,551 participants, including Mitsubishi Electric Group employees, suppliers, investors, analysts, and general consumers.

We have carried out stakeholder questionnaires targeted at general consumers (600 respondents) since fiscal 2017, and we also held a questionnaire in fiscal 2024. We will take evaluation from external parties into account as we review these mid-to-long-term initiatives and targets.

Step 1 Awareness of Social Issues (Fiscal 2021)

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

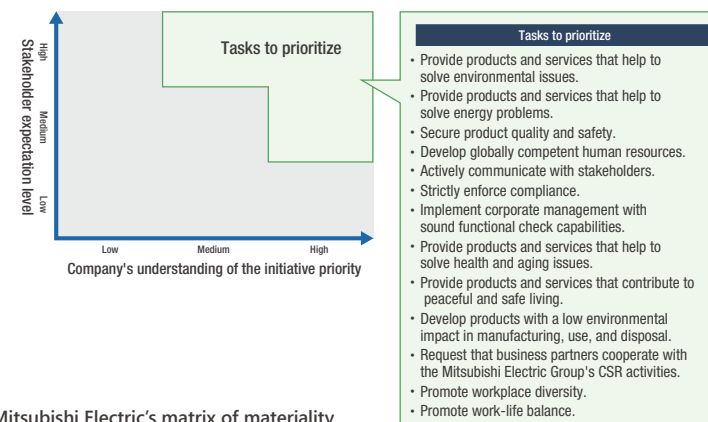
*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)

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

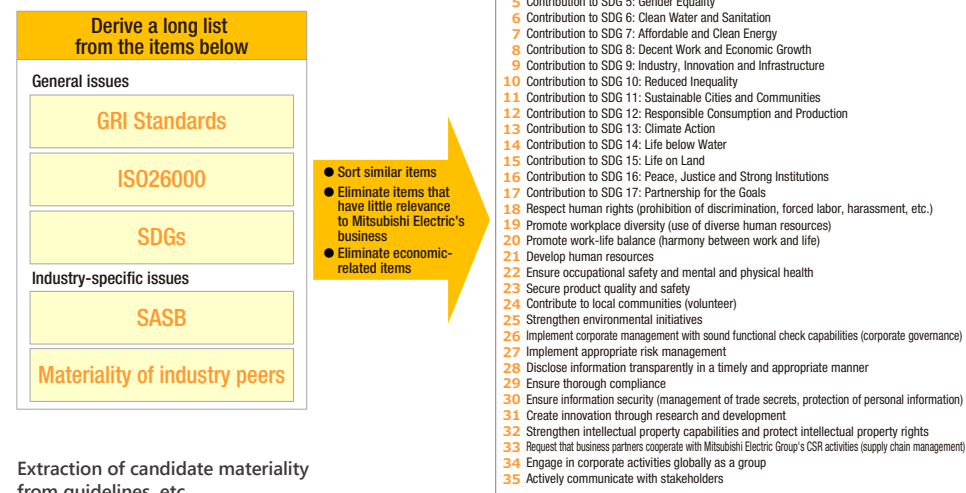
*3 Information disclosure rules concerning the environment, society, and governance (ESG) created by the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.

Step 2 Assessment of Internal and External Views and Study of Materiality (Fiscal 2021)

Next, questionnaire surveys were conducted with stakeholders such as consumers, suppliers, investors, and Mitsubishi Electric Group employees to assess their expectations of the Group regarding addressing social issues. In addition, through interviews and dialogues with experts, we gained their views and opinions of the Mitsubishi Electric Group. Based on the results obtained, we narrowed down the issues that needed to be addressed with the highest priority and examined their materiality.



Mitsubishi Electric's matrix of materiality



Extraction of candidate materiality from guidelines, etc.

Step 3 Identification of Materiality (Fiscal 2021)

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

Priority SDG Initiatives

In line with the materiality identified for fiscal 2022, we reviewed the priority SDGs determined in fiscal 2019. When we conducted an internal survey to confirm items for which there are high expectations in terms of contribution to the SDGs, we found that Mitsubishi Electric is expected to contribute to resolving social challenges through its business activities. Based on these results, we set SDGs Goals 3 (Good Health and Well-being, 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities), and 13 (Climate Action) as the five areas that the Group will focus on going forward.

Mid- to Long-Term Initiatives, Goals for Fiscal 2025, and Results for Fiscal 2024

The Mitsubishi Electric Group has identified a set of particularly important issues as company-wide goals related to sustainability in fiscal 2025. The Sustainability Committee will confirm and promote progress toward the achievement of these goals as the Group works to enhance corporate value.

Materiality	Long-term target	Mid-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope
			FY2025 target	FY2024 target	Main FY2024 results	
Realize a sustainable global environment	[Scope 1, 2, 3] FY2051: Aim for net zero greenhouse gas emissions in the entire value chain			Improvement rate of new products over previous models 1% or more	2.5%	Mitsubishi Electric Group
		[Scope 1, 2] FY2031: Aim for net zero greenhouse gas emissions	FY2026: Reduce by 53% or more*1	Reduce by 30% or more*1	Reduced by 37%*1	
		[Scope 3] FY3031: Reduce by 30% or more*2	FY2026: Reduce by 17.5% or more*2	—	—	
		Provide products, services and solutions that contribute to carbon neutrality			<ul style="list-style-type: none"> Entered into cooperative agreement with EVERCOMM SINGAPORE PTE. LTD. To provide solutions that support carbon neutrality in the manufacturing sector Mitsubishi Electric to Release J3-Series SiC and Si Power Module Samples Began large-scale in-house demonstration utilizing Multi-Region EMS (in Japanese) 	
	Contribute to the realization of a circular economy	FY2036: 100% effective use of waste plastics (in Japan)	FY2026: 92% or more effective use of plastic waste (in Japan)	90% or more effective use of plastic waste (in Japan)	95%	Mitsubishi Electric Group (in Japan)
Realize a safe, secure, and comfortable society	Ensure safety/security, inclusion, and well-being across our business activities			Provide products, services and solutions that contribute to safety/security	<ul style="list-style-type: none"> Received CES 2024 Innovation Award for "Rulerless" 3D measurement application (in Japanese) Received orders for elevators for new capital relocation project in Indonesia 	Mitsubishi Electric Group
				Provide products, services and solutions that contribute to inclusion and well-being	<ul style="list-style-type: none"> Released the FZ, FD, Z and ZD Series of the FY2025 Mitsubishi Kirigamine room air conditioner (in Japanese) Partnered with Uber Eats and Cartken on an autonomous delivery service using AI (in Japanese) 	

*1 Base year for Scope 1 and 2 reduction targets is fiscal 2014

*2 Base year for Scope 3 reduction targets is fiscal 2019

Materiality	Long-term target	Mid-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope		
			FY2025 target	FY2024 target	Main FY2024 results			
Respect for all people	Establish human rights initiatives based on international norms and achieve responsible supply chains	FY2028: Conduct human rights due diligence** ³ across the Group based on international norms	Implementation rate of improvement measures for identified human rights issues: 45% or more	Implement the Human Rights Impact Assessment in all business groups	Identified potential human rights issues in the value chain through hearings for all business groups (Human Rights Impact Assessment)	Mitsubishi Electric Group		
		FY2028: Reduce negative impact on human rights in supply chain based on the RBA** ⁴ process	Agreement to the Mitsubishi Electric Group Supply Chain Code of Conduct from major suppliers (top 80% of purchase amount): 100%	Develop operations for the transition to the RBA supplier human rights due diligence process	Explained the Mitsubishi Electric Group's approach to sustainability, efforts to respect human rights, and RBA process initiatives to suppliers			
	Build workplaces where diverse and versatile human capital gathers and works together	FY2026: Percentage of positive responses on employee engagement** ⁵ in employee engagement survey 70% or more (Mitsubishi Electric) 60% or more (some associated companies in Japan)			55% (Mitsubishi Electric, FY2024 second half)		Mitsubishi Electric Group (in Japan)	
		Ensure implementation of organizational culture reforms (related measures)			<ul style="list-style-type: none"> Coaching-style training (84 employees at general manager level and higher) 1-on-1 training with external instructors (approx. 3,000 managers) Town hall meetings with the President at company sites (held more than 130 meetings) 		Mitsubishi Electric	
		Implement systematic "investment in people"		Strengthen support for career autonomy	<ul style="list-style-type: none"> Raised internal awareness of and instilled the Career Development Concept Reviewed operation of various internal measures/training (job-level specific training, management training, lifestyle design training, etc.) 			
		Introduction of a new personnel treatment system		Consider a new personnel treatment system	Introduced the new system in April 2024			
		FY2031: Ratio of women/non-Japanese in senior management** ⁶ 30% or more			Promotion of strategic recruitment of external human capital		Achieved number of mid-career hires in FY2024 plan (externally published figure)	Mitsubishi Electric
					Promote diversity in management leaders based on succession management utilizing the global job grading	Conduct planned succession for management candidates within the company	Ratio of women/non-Japanese in senior management:** ⁶ Approx. 15% (as of March 31, 2024)	
		FY2031: Ratio of women in managerial positions 12% or more					3.1% (as of March 31, 2024)	Mitsubishi Electric
					Conduct programs to promote women to managerial positions			
Link with management candidate development programs, etc.					Selected FY2024 group of management candidates			

*3 Implementation of PDCA cycle to correct and prevent human rights violations

*4 Responsible Business Alliance: An alliance of companies promoting corporate social responsibility in global supply chains

*5 Average percentage of positive responses to the five questions in the employee engagement survey conducted annually: "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"

*6 Directors, Executive Officers and Executive Officers (Associate)

Materiality	Long-term target	Mid-term target	Single fiscal year target/initiative indicator (KPI) and results			Scope		
			FY2025 target	FY2024 target	Main FY2024 results			
Strengthen corporate governance and compliance on a sustainable basis	Three Key Reforms	<ul style="list-style-type: none"> Promote Three Key Reforms (quality assurance, organizational culture and governance) Monitoring of the Three Key Reforms by the Board of Directors, and appropriate information disclosure 	<ul style="list-style-type: none"> Summarize progress of Three Key Reforms and disclose information semi-annually Hold meetings of the Three Key Reforms Monitoring Committee on an ongoing basis 	<ul style="list-style-type: none"> Promote Three Key Reforms (quality assurance, organizational culture and governance) Monitoring of the Three Key Reforms by the Board of Directors, and appropriate information disclosure 	<ul style="list-style-type: none"> Summarized progress of Three Key Reforms and disclosed information semi-annually (in April and October 2023) Held the Three Key Reforms Monitoring Committee meetings 6 times a year 	Mitsubishi Electric Group		
		Increase effectiveness of the Board of Directors	Maintain the ratio of independent outside director of Mitsubishi Electric over 50%	Maintain the ratio of independent outside director of Mitsubishi Electric over 50% (60% as of June 30, 2024)	Continued disclosure of the skills matrix in General Meeting of Shareholders reference documents	58.3% (as of March 31, 2024) Directors: 12 (including 7 independent outside directors)	Mitsubishi Electric	
			Prevent the recurrence of improper quality control practices	Build quality systems for prevention	Reform engineering processes and promote improvement of the environment	Create framework for reforming engineering processes		Made steady progress in general on 19 measures for quality assurance reform
					<ul style="list-style-type: none"> Provide compliance education on a continuous basis Maintain 100% attendance rate in e-learning programs about the Code of Conduct Serious anti-monopoly law and bribery incidents: 0 	Provide compliance education on a continuous basis		Attendance rate in FY2024 e-learning programs about the Code of Conduct: 100%
	Ensure proper understanding and practice of the compliance motto "Always Act with Integrity"	Provide compliance education on a continuous basis	—	0	Mitsubishi Electric			
	Improve the cybersecurity maturity level	FY2026: Mitsubishi Electric Group (Japan) Achieve Level 2 on Cybersecurity Maturity Model Certification*7	Expand security measures implemented internally to associated companies in Japan	Achieve level 2 or higher on Cybersecurity Maturity Model Certification*8	Associated companies in Japan: Completed 6 out of 17 measures, including mail security	Mitsubishi Electric Group		
		FY2029: Mitsubishi Electric Group Achieve Level 2 on Cybersecurity Maturity Model Certification*7	Review and correct information system environment and consider expanding the monitoring and operation system in Asia, the Americas, and Europe				<ul style="list-style-type: none"> China: Completed deployment of measures and commencing operation Asia, Europe, and the Americas: Commenced establishing operation framework and correcting information system environment 	
	Create a sustainability-orientated corporate culture	Ensure proper understanding and practice of 'sustainability by employees' by employees	FY2026: Achieve 75% or higher positive responses to "Conduct operations in line with Purpose and goals" in the employee engagement survey.	<ul style="list-style-type: none"> Promotion of sustainability awareness via internal newsletters, the intranet, training, etc. Achieve 75% positive responses to "Conduct operations in line with Purpose and goals" in the employee engagement survey. 	Promotion of sustainability awareness via internal newsletters, the intranet, training, etc.	Achieved 72% positive responses to "Conduct operations in line with the Purpose and goals" in the employee engagement survey	Mitsubishi Electric	
		Promote communication with stakeholders both inside and outside the company	<ul style="list-style-type: none"> Issue the Sustainability Report and the Integrated Report Hold dialogues with experts, and conduct sustainability report questionnaires 	<ul style="list-style-type: none"> Issue the Integrated Report Hold the Sustainability Briefing Introduce sustainability initiatives to students, general users and employees through the web and events Conduct internal sustainability workshops 	<ul style="list-style-type: none"> Issue the Sustainability Report and the Integrated Report Hold dialogues with experts, and conduct sustainability report questionnaires 	<ul style="list-style-type: none"> Issued the Sustainability Report and the Integrated Report Held the first Sustainability Briefing Conducted ESG interviews with shareholders and investors 	Mitsubishi Electric Group	

*7 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0). Level 2 is the industry expected standard for companies the size of Mitsubishi Electric.

*8 Target year is fiscal 2029

Value Creation

Business Strategies

- 20 Infrastructure Business Area
- 22 Industry & Mobility Business Area
- 24 Life Business Area
- 26 Business Platform Business Area
- 28 Semiconductor & Device Business



Business Strategies

Infrastructure Business Area

Principal Products



Public Utility Systems Business

Electrical equipment for rolling stock, wireless and wired communications systems, network cameras and their systems, water treatment systems, and others



Energy & Industrial Systems Business

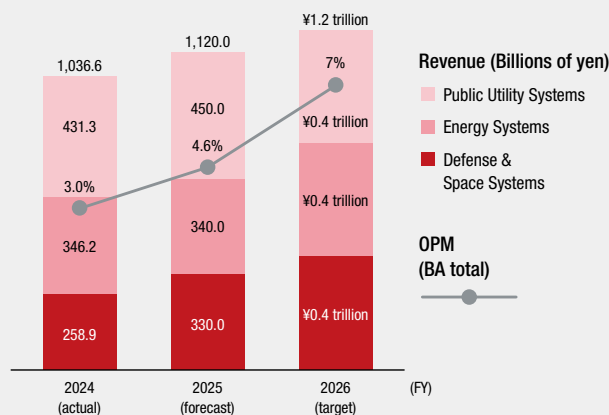
Transformers, power electronic-based products, switchgears, transmission and distribution systems, and others



Defense & Space Systems Business

Satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, and others

Performance trends



*Announced July 31, 2024

Achieving Stable Operation of World's Critical Infrastructure and Carbon Neutrality / Contributing to National Security in Japan and Asia



The Infrastructure Business Area (BA) comprises the public utility systems business, energy & industrial systems business, and defense & space systems business. Looking at the business environment for each, we recognize challenges such as the circular economy, carbon neutrality, labor shortages, measures for aging infrastructure, and the realization of a safe and secure society. The Infrastructure BA's ideal vision is to contribute to solving these challenges by achieving stable operation of the world's critical infrastructure and carbon neutrality while also contributing to national security in Japan and Asia. As for financial targets, we aim for revenue of 1.2 trillion yen and an operating profit margin of 7% in fiscal 2026 while working on business portfolio transformation and strengthening our business foundation.

Fiscal 2024 Review (Achievements and Challenges)

The market for the public utility systems business continued to see recovery in global demand for the transportation systems area and robust investment in the public utility area worldwide. In this environment, orders received by the business increased year-on-year due primarily to increases in the transportation systems business worldwide and the uninterruptible power supply business outside Japan. Revenue also increased year-on-year due primarily to the weaker yen, as well as increases in the public utility business worldwide and the transportation systems business outside Japan.

The market for the energy & industrial systems business

continued to see capital expenditures by power companies in Japan and robust demand mainly for power supply stabilization worldwide with the expansion of renewable energy. In this environment, orders received by the business increased year-on-year due primarily to increases in the power distribution business worldwide and the power generation business in Japan. Revenue also increased year-on-year due primarily to the weaker yen and an increase in the power distribution business worldwide.

The defense & space systems business saw an increase in orders year-on-year due to an increase in large-scale projects for the defense systems business. Revenue also increased year-on-year due to an increase in large-scale projects for the defense systems and space systems businesses.

As a result, revenue from the entire Infrastructure BA was 1,036.6 billion yen, with an operating profit of 31.1 billion yen and an operating profit margin of 3.0%.

Further improvement in profit margins is necessary to achieve our fiscal 2026 financial targets. We will focus our operations primarily on solidifying the profit structure of existing businesses, including improving contract terms and enhancing the profitability of large-scale projects in the defense & space systems business, and optimizing production systems. Furthermore, from fiscal 2027 onwards, we aim to get more firmly onto a growth path by reaping the benefits of the solution and decarbonization-related businesses currently under technological development and demonstration.

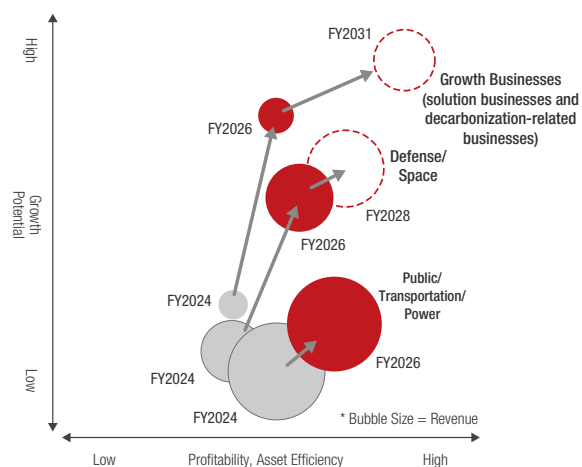
Business Strategy

The Infrastructure BA will achieve its ideal vision by balancing growth and profitability through strategic business portfolio transformation and strengthening the business foundation.

We have three key strategies for business portfolio transformation. The first is focused resource allocation to the defense & space systems business. In the defense business, we achieved orders of approximately 370 billion yen in fiscal 2024, 2.9 times that of the previous fiscal year, and expect orders 1.5 times higher in fiscal 2025 compared to fiscal 2024, driven by an increase in defense budgets. We will respond reliably to the defense budget increase through a bold resource shift of about 1,000 personnel across business groups and by enhancing our development and production systems. Additionally, we will pursue strategic alliances, including overseas expansion of the defense business by a bold resource shift, and strengthen our technological capabilities in the

space business. The second is the development of solution businesses utilizing the digital platform Serendie. By applying digital technology to the Mitsubishi Electric Group's extensive delivery track record and customer base, we will develop new solution businesses that realize stable operations and carbon neutrality in energy, facility, and mobility infrastructure. We will develop energy solutions such as multi-region EMS and regional thermoelectric optimum control. We'll offer solutions for facilities like optimal air conditioning control for data centers and abnormal signs detection for electrical equipment. For mobility, we'll introduce new solutions like planning and control of charging and operation control for EV trucks and on-demand narrow autonomous driving*1 for resort facilities. While we have traditionally focused on component-based business, we will now utilize the data obtained from components to create new value and return it to customers as integrated solutions, expanding circular digital engineering globally. The third is strengthening the core businesses of public utility, transportation, and power systems that support the Infrastructure BA. We will review our portfolio within these core businesses, improve profit margins, and shift resources to decarbonization-related businesses, selecting and focusing on cash-generating businesses. We will secure stable profits through price improvements, an increase in long-term alliances, and broadening maintenance businesses to improve profit margins. For decarbonization-related businesses with expanding demand in core business fields, we aim for early global business expansion through collaboration with and acquisitions of other companies.

To strengthen our business foundation, we will reinforce our ability to respond to potential risks through profit and



Business Portfolio Transformation

loss improvements in large-scale projects by enhancing project management and front-loading*2 at the contract stage, as well as through measures tackling technological innovation and disruptors*3. Furthermore, we will pursue asset-light management to improve ROIC, break-even points, and production flexibility. We will also optimize production systems across the Infrastructure BA and sell cross-shareholdings to improve asset efficiency and responsiveness to market changes.

By steadily executing and promoting these growth

strategies, we aim to achieve revenue of 1.2 trillion yen and an operating profit margin of 7% in fiscal 2026 as the financial targets for the entire Infrastructure BA.

- *1 A system that adjusts operation routes and vehicle dispatch schedules according to user reservations and congestion status, providing delivery to destinations via optimal routes
- *2 A process of developing details (quality, cost, specifications, etc.) in the initial stages before contract signing, anticipating potential issues that may arise after the contract
- *3 Innovative technologies or business models that have the potential to fundamentally change the structure of existing markets or industries

Topics

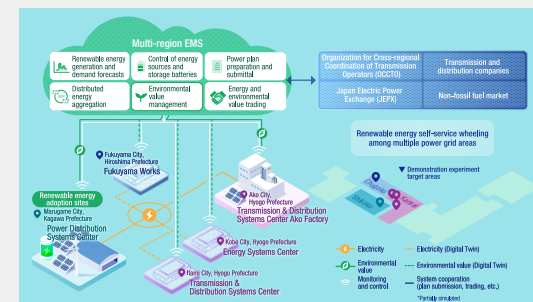
Multi-region EMS

Going Carbon Neutral by Optimally Controlling Renewable Energy Among Multiple Sites

Since March 2024, we have conducted a large-scale in-house demonstration connecting four sites across three different power grid areas using our proprietary cloud-based solution, Multi-region EMS. This solution supports each site's decarbonization goals through the dispatch of distributed renewable energy via self-service wheeling* between multiple sites and optimal operation and use of energy storage.

This demonstration evaluates the performance of technologies necessary for renewable energy self-service wheeling between sites in different power grid areas, such as renewable energy generation, demand forecasting, power trading, and storage system operation. We will use the results from this demonstration to help various companies achieve carbon neutrality.

* A system in which energy from a company's own generation facilities is distributed to other sites of demand within the company using a power grid owned by electrical utilities



Large-scale in-house demonstration launched to verify optimal operation of renewable energy and energy storage, connecting four sites across three different power grid areas

Smart Lander for Investigating Moon "SLIM" Success in Japan's First Lunar Landing and World's First High-Precision Landing on the Moon*

On January 20, 2024, the small lunar lander "SLIM," for which Mitsubishi Electric was responsible for overall system development, successfully achieved Japan's first lunar landing and the world's first high-precision landing on the moon. Data collected by the Japan Aerospace Exploration Agency (JAXA) confirmed that the precision touchdown was just 55 meters east of the target landing point, a level of accuracy that far surpasses that of conventional lunar landings, which are typically within several kilometers of their targets. It is a world-first achievement produced by the culmination of Mitsubishi Electric's navigation, guidance, and control technology, high-frequency devices, and other technologies.

*As of January 20, 2025 (according to Mitsubishi Electric's research)



Mitsubishi Electric's navigation, guidance, and control technology contributed to achieving landing accuracy within 100 meters.

Business Strategies

Industry & Mobility Business Area

Principal Products



Factory Automation Systems Business

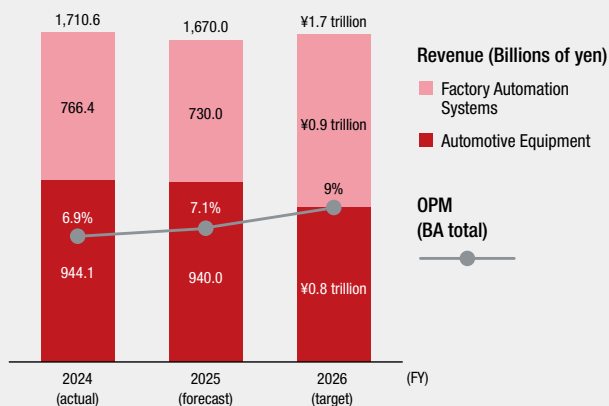
Programmable logic controllers, servomotors, computerized numerical controllers (CNC), processing machines, inverters, human-machine interface (HMI), power distribution and control equipment, rotary motors, FA digital solutions, and others



Automotive Equipment Business

Automotive electrical equipment, electric vehicle-related equipment, ADAS-related products, car electronics and car mechatronics, and others

Performance trends



*Announced July 31, 2024

Supporting Future Manufacturing and Comfortable Mobility with Our Core Components and Digital Technologies



Kunihiko Kaga

Representative Executive Officer
Senior Vice President
Industry & Mobility Business Area Owner
(Senior General Manager, Industry & Mobility BA Strategic Planning Office; Group President, Automotive Equipment; Representative Director and President, Mitsubishi Electric Mobility Corporation)

The Industry & Mobility Business Area (BA) possesses value-added core components rooted in drive control technologies. These assets, developed by our FA systems business and automotive equipment business, include power electronics and motor technologies. By combining these assets with digital technologies, we can support future manufacturing and transportation needs.

In the industry area, we contribute to manufacturing worldwide by leveraging our diverse businesses, including key growth businesses such as programmable logic controllers (CNC), servomotors, and computerized numerical controllers (CNC), which are pivotal to the functions and performance of customers' manufacturing equipment and production facilities. We also utilize business assets cultivated over 100 years, including sales and service assets, and partner and customer assets. We anticipate medium- to long-term expansion of FA demand due to increased capital investment accompanying digitalization and decarbonization, and the continuous expansion of automation needs driven by labor shortages and rising labor costs. As a leading FA manufacturer, we will strengthen our value propositions for the globally expanding FA market.

In the mobility area, we established Mitsubishi Electric Mobility Corporation in April 2024. Through collaboration with partners in the expanding CASE domain and the promotion

of structural reforms and business transformation, including strengthening profitability by selecting and focusing on businesses where we can leverage our strengths, we will create social value by contributing to carbon neutrality, providing comfortable mobility opportunities, and help reduce traffic accidents.

Fiscal 2024 Review (Achievements and Challenges)

The market for the factory automation systems business saw a decrease in global demand for digital equipment such as semiconductors as well as for the decarbonization area, which includes lithium-ion batteries. In this environment, the business saw decreases in both orders and revenue year-on-year.

The market for the automotive equipment business saw an increase in sales of new cars due mainly to improvement in the supply of some semiconductor parts and robust demand primarily for electric vehicle-related equipment in line with the expansion of the market centering on electric vehicles. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to increases in electric vehicle-related equipment such as motors and inverters, electrical components and advanced driver assistance system (ADAS)-related products, in addition to the weaker yen and price hikes.

As a result, revenue from the entire Industry & Mobility BA was 1,710.6 billion yen, with an operating profit of 118.8 billion yen and an operating profit margin of 6.9%.

To achieve our fiscal 2026 financial targets and further strengthen profitability from fiscal 2027 onwards, we will continue to actively invest in growth for the FA control systems business and FA digital solutions business while steadily promoting the establishment of a business portfolio based on the best owner concept and partnerships.

Business Strategy

In the FA systems business, we have actively invested in growth over the past three years, focusing on three areas: key growth businesses, FA digital solutions business, and global

business foundations such as manufacturing bases. Looking ahead toward fiscal 2026, we will continue to advance our growth strategy by strengthening core components in key growth businesses through the market launch of next-generation products like linear tracks*, rapidly launching the FA digital solutions business by concentrating DX talent in Yokohama and launching industrial cloud services, and strengthening manufacturing systems in China and Vietnam to prepare for geopolitical and natural disaster risks. In China, our most important market, we will establish a business structure that completes everything from product planning to development and manufacturing within China to achieve swift value provision that better captures market needs. For customers expanding from China to overseas, we will place Chinese personnel at global sales and service bases, assets of the FA systems business, to strengthen support at expansion destinations. We will continue to strengthen our activities to be recognized for the comprehensive capabilities of the FA systems business, not just product strength.

In the automotive equipment business, Mitsubishi Electric Mobility Corporation began operations on April 1, 2024, and is steadily advancing structural reforms through a business portfolio strategy consisting of four pillars. First, for CASE-related businesses, we will seek further business growth through collaboration with partners with whom we can forge synergies. Specifically, we have reached a business partnership agreement with Aisin Corporation for developing products for next-generation xEVs (October 2024). Second, for resilient businesses, we will focus on priority areas, such as strengthening software technology, while conducting operations with an emphasis on profitability. Third, for businesses with issues, we will accelerate discussions with customers toward early termination. Fourth, in conjunction with the progress of these structural reforms, we are concretizing plans to repurpose global production bases for FA control systems and A/C & refrigeration systems businesses, contributing to the company-wide key growth businesses. Mitsubishi Electric Mobility will clarify the responsibility structure for each of these businesses and proceed with business operations swiftly.

The greatest synergy in the Industry & Mobility BA lies in technology. In addition to the manufacturing capabilities and data utilization know-how cultivated in both the FA systems business and automotive equipment business, we

will also utilize the digital platform Serendie to promote the creation of solution groups in the FA digital solutions business. Furthermore, we will strengthen the manufacturing capabilities of both businesses by utilizing the latest digitally

enabled FA technologies in the manufacturing sites of FA equipment and automotive equipment.

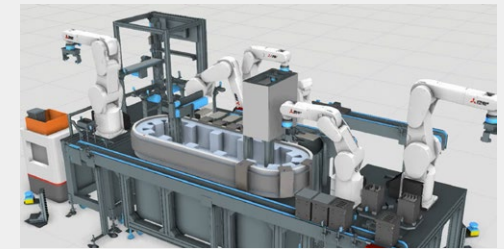
*A transport system using the principle of linear motors

Topics

FA Digital Solution Example: Digital Twin Simulating Equipment Design, Productivity, and Energy Consumption Digitally

Manufacturing sites have a growing need to simultaneously solve diverse issues, such as improving equipment operation rates and energy-saving control across all areas, from equipment design to production and maintenance. Mitsubishi Electric is strengthening its data-driven solution groups to address these customer challenges. We are actively pursuing M&A and investments, such as collaborating with Visual Components to strengthen design solutions, acquiring ICONICS UK to enhance production solutions, and investing in Evercomm to reinforce energy management. Raw data collected from components in the manufacturing data infrastructure is converted into data usable for each solution, analyzed by respective solution groups, and then returned to the manufacturing data infrastructure as visualized problems and improvement opportunities. By analyzing this data, optimal control parameters are derived and fed back to the components, optimally controlling the production site.

Mitsubishi Electric's FA digital solutions will strengthen the manufacturing data infrastructure that supports the utilization of raw data from various components on-site. We will simultaneously solve complex issues at manufacturing sites by visualizing problems through solution groups and optimally controlling components.



Digital Twin (Conceptual Image)

Promoting Partnership Strategy in Automotive Equipment Business Business Partnership Agreement to Develop Products for Next-Generation xEVs

Mitsubishi Electric Mobility Corporation and Aisin Corporation have reached a business partnership agreement on developing products related to next-generation EVs (October 2024) to enable the swift delivery of new and appealing products to a variety of customers by appropriately allocating and facilitating corporate resources and facilitate in the face of diversifying electrification needs of car manufacturers.

Under the agreement, the project to be undertaken by the two companies will involve electric drive modules for xEVs, which AISIN has been developing, and once the agreement is concluded, Mitsubishi Electric Mobility and AISIN are scheduled to commence development promptly. By maximizing the synergy of their technological capabilities, the companies will develop competitive products for launch in the second half of the 2020s.

By leveraging the strengths of each company and collaborating effectively, Mitsubishi Electric Group and Aisin will respond to the diversifying needs for electrification and contribute to the realization of carbon neutrality, a challenge facing global society.



Business Strategies

Life Business Area

Principal Products



Building Systems Business

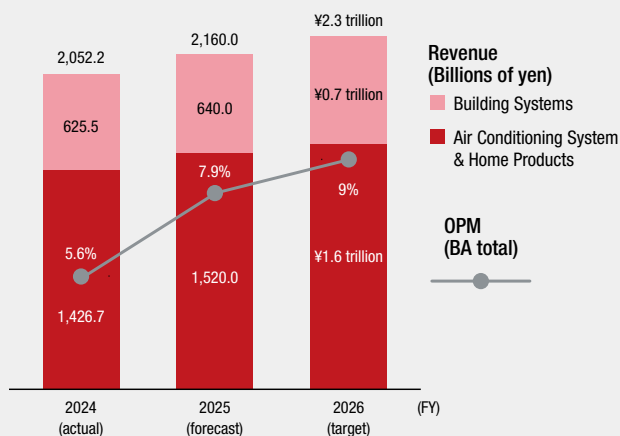
Elevators, escalators, building security systems, building management systems, and others



Air Conditioning System & Home Products Business

Air conditioning and refrigeration systems, lighting, ventilation, home equipment & appliances, and others

Performance trends



*Announced July 31, 2024

Solution Provider Creating Comfortable, Safe and Secure Environments in All Living Spaces



Tadashi Matsumoto

Representative Executive Officer
Executive Vice President
Life Business Area Owner
(Senior General Manager, Life BA Strategic Planning Office;
Representative Director and Chairperson, Mitsubishi Electric Building Solutions Corporation),
in charge of Export Control

The Life Business Area (BA) provides a wide range of equipment that support people's lives, as well as service businesses, including maintenance and operational management. Through these businesses, we aim to be a solution provider that creates comfortable spaces and environments for people and objects in all living spaces. As social issues and market environments evolve, giving rise to new values, we will strengthen and expand our circular businesses, which maintaining customer connections from equipment supply to maintenance, operation, and renewal. By combining the wealth of operational data obtained from this model with data management and data science, we will promote the following three integrated solutions to improve customer value continuously:

The first of these is "green energy solutions." We save energy not just at the demand side's equipment but also by forecasting demand from energy supply data and energy conservation on the demand side to contribute to the effective use of renewable energy and for carbon neutrality issues. The second is "safe, secure, and comfortable solutions." To ensure safety and security, instead of alerting users and recovering lifeline equipment after a breakdown, we use anomaly sign monitoring technologies based on energy supply and equipment operation data to prevent failures and rationalize maintenance. We will also use people's sensory and flow data to create comfortable environments and further pursue personal comfort. The

third is "building management solutions." Amid workforce shortages, there are concerns about the tremendous labor and costs of managing many buildings. However, we will automate management based on equipment operation data and use robots to save labor, contributing to cost-saving over long lifecycles.

Fiscal 2024 Review (Achievements and Challenges)

The market for the air conditioning systems & home products business saw steady demand for high-efficiency air conditioners in and outside Japan, driven by global decarbonization efforts. However, market growth stagnated in Europe and North America in the second half of the fiscal year due to inflation, falling gas prices, and changes in subsidy policies in various countries. Nevertheless, the air conditioning systems & home products business saw year-on-year revenue growth, benefiting from the weaker yen, price improvement effects, and increased air conditioners sales to Asia.

The market for the building systems business saw demand recovery continue both in and outside Japan. Revenue grew year-on-year due to the depreciating yen and increased sales in Japan, Asia (excluding China), and Europe.

As a result, revenue from the entire Life BA was 2,052.2 billion yen, with an operating profit of 115.7 billion yen and an operating profit margin of 5.6%.

The air conditioning systems & home products business anticipates continued medium-term market growth. While closely monitoring market recovery, particularly in Europe and North America, we will focus on allocating resources to the HVAC&R* business centered on air conditioning and refrigeration, addressing refrigerant transition, and strengthening our business foundation. In the building systems business, we have been executing our key strategies as planned, despite the current stagnation in China's real estate market. We will steadily improve profitability by enhancing our recurring revenue business model, strengthening our portfolio of elevator products, and reaping the effect of business integration to enhance our building solutions business further.

* HVAC&R is an acronym for heating, ventilation, air conditioning & refrigeration, standing for equipment and facilities relating to the foregoing.

Business Strategy

In the air conditioning systems & home products business, we will continue our three key growth strategies centered on Europe and North America, and India while anticipating a recovery in the core HVAC&R business, which has recently experienced market stagnation.

The first key strategy is introducing high-efficiency products that are compliant with refrigerant conversion regulations for carbon neutrality. In line with the global shift to heat pump technology, the Mitsubishi Electric Group provides even more efficient air conditioning systems through advanced power semiconductors, inverters, and refrigeration cycle technologies. We are also developing compressor technologies that can handle various refrigerants and introducing low-GWP^{*1} refrigerant products, considering refrigerant characteristics, equipment efficiency, regional procurement feasibility, and other factors. Due to the flammable or mildly flammable nature of these low-GWP refrigerants, the heat transport method for equipment using large amounts of refrigerant, such as commercial systems, is shifting from direct expansion to water-based or hybrid systems, changing the form of air conditioning equipment. We will adapt our equipment portfolio to meet regional needs and actively pursue alliances or M&A strategies for technologies that the Mitsubishi Electric Group lacks.

The second key strategy is strengthening our business foundation. The rapidly changing and growing air conditioning market demands increased responsiveness to change and improved management efficiency. With overseas business already accounting for nearly 70% of our air conditioning business, we will continue to promote local production for local consumption in our supply chain while accelerating the localization of management, including R&D, in response to global protectionist trends and economic security policies.

The third key strategy is creating new added value for businesses other than the component business and strengthening customer connections. In collaboration with the building systems business, we will increase the proportion of service businesses based on customer connections with maintenance, operational management, and renewal services.

In the building systems business, we will increase our elevator product portfolio not only in the premium market, but also in overseas volume (medium- and medium-high)

markets. In addition to expanding maintenance and renewal measures to enhance our maintenance and operational management service business, we will accelerate global investments such as partnerships with maintenance providers and M&A, utilizing these assets for company-wide maintenance and operational management solutions. Furthermore, we will pursue synergies in circular businesses and solutions in collaboration with the air conditioning and refrigeration systems business and other BAs while advancing the reorganization of associate companies in and outside Japan and streamlining capital and assets.

The Life BA aims to contribute to creating comfortable, safe, and secure spaces that support people's lives in diverse living spaces while addressing various pressing social issues.

Addressing decarbonization challenges requires not just the supply of energy-efficient equipment but also demand response^{*2} for energy conservation and renewable energy utilization in operations. Creating advanced security, ensuring safety, and providing comfortable environments for everyone requires control based on human sensory and flow data. Additionally, automation support is urgently needed to address labor shortages occurring in advanced countries. These issues cannot be solved by equipment supply alone; analyzing and managing data obtained through involvement in customers' equipment operations is necessary to create new value.

The first step toward this is circular businesses. Based on the foundation of circular businesses that maintain connections with customers from equipment supply to maintenance, operation, and renewal, we will create and provide solutions such as green energy, safety, security and comfort, and building management. We are already working on establishing cloud environments to connect with customers and strengthening maintenance and operational management services based on the operational data obtained from these environments.

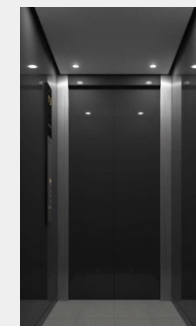
Furthermore, by utilizing the "Serendie" digital platform, we will connect not only air conditioning and building systems but also systems from other business areas within the Mitsubishi Electric Group. Using their respective technologies and customer assets, as well as alliances through agile development with customers, we will create new value by analyzing data using digital technology.

^{*1} Global warming potential

^{*2} A mechanism to control electricity demand and adjust the balance between supply and demand by saving electricity and adjusting the power consumption of demand equipment in response to fluctuations in the amount of electricity supplied

Topics

Mitsubishi Machine-room-less Elevator NEXIEZ-Fit



NEXIEZ-Fit elevator

New Product Launched for Residential Demand to Strengthen Models for Overseas Volume Markets

In the building systems business, we have been enhancing our lineup of models for volume markets to expand our elevator stock business globally. This includes the machine room-less elevator MOVE for the European market and the machine-room-less elevator DeLITE for the Indian market.

As part of this initiative, we have launched the Mitsubishi machine-room-less elevator NEXIEZ-Fit as a new product in our standard models for overseas markets. This product targets ASEAN, Middle East, and African markets where residential demand is increasing due to population growth associated with urbanization.

Aimed at low-rise residential buildings, which are in high demand worldwide, this model combines superior cost performance with carefully selected specifications. To improve installation efficiency, we have also shortened the overall construction period^{*1} by revising shipping patterns and reducing the amount of on-site welding work.

In addition, connecting the NEXIEZ-Fit to M's BRIDGETM^{*2}, a global remote-maintenance service that continuously monitors and inspects elevators and analyzes the resulting data, will contribute to enhanced user safety, security, and convenience.

We will continue to provide elevators that meet market needs as we aim to capture the volume market.

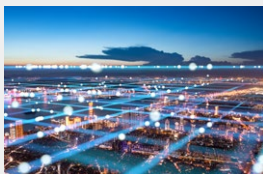
^{*1} Compared to the NEXIEZ-MRL Version2 elevator

^{*2} A paid maintenance contract with Mitsubishi Electric Building Solutions' maintenance company is required. This service is unavailable in some countries, so customers must inquire about availability with the local sales company.

Business Strategies

Business Platform Business Area

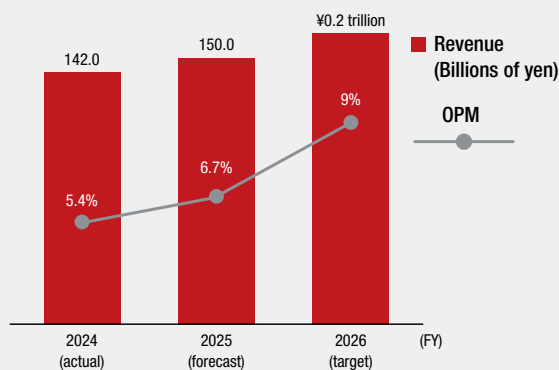
Principal Products



IT infrastructure and security solutions, systems and service integration, and others



Performance trends



*Announced July 31, 2024

Helping to Solve Social Issues with DX Solutions Utilizing Advanced Technology and Data



Eiichiro Mitani

Executive Officer
 CIO & Business Platform
 Business Area Owner (in charge of Information Security; Group President, IT Solution Business & Business Process Reengineering Group; Senior General Manager, Business Platform BA Strategic Planning Office)

The Business Platform Business Area (BA) plays two roles as a business area specializing in DX and IT within the Mitsubishi Electric Group, which has a wide range of business fields.

The first role is to drive the transformation of the Mitsubishi Electric Group's operations and businesses using IT to achieve Circular Digital Engineering, expanding its strengths as a conglomerate with multiple businesses. We acquire and strengthen cutting-edge technologies essential for promoting DX, such as AI, data science, and business translation. We also strengthen and develop connections within the Group through cross-sectional management and business data. In this way, we strengthen Group-wide global consolidated management and support the creation and expansion of integrated solutions that combine the strengths of multiple businesses.

The second role is to achieve sustainable business growth by expanding customer value through data utilization as the Mitsubishi Electric Group evolves its information systems and services business into a circular business model by leveraging the results of its own DX.

By fulfilling these two DX and IT-based roles, we contribute to Mitsubishi Electric sustainability management that develops business while solving social and environmental issues.

Fiscal 2024 Review (Achievements and Challenges)

The Business Platform BA steadily promoted projects, securing large-scale projects such as a next-generation IT infrastructure construction project for a financial institution and a core business system update project (SAP) in the manufacturing industry. As a result, orders received by this BA were on par with the previous fiscal year, and revenue reached 142.0 billion yen due to growth in IT infrastructure and security solutions and system and service integration. Operating profit was 7.7 billion yen, with an operating profit margin of 5.4%. We also worked on service development with an eye to the future. For example, in June 2023, we released a cloud-based electronic medication history service for health insurance pharmacies. This is one service supporting the DX of health insurance pharmacies, which are expected to play a central role in community healthcare as Japan's population continues to age while its birthrate falls. We will continue to expand the application of DX and work on enhancing new services.

The future challenge is transforming our business model to realize our growth strategy. We intend to shift from a business model centered on custom-developed system integration services based on customer requirements, which has been our mainstay, to a circular business model that creates new solutions and value utilizing data, aiming for sustainable business growth with profitability.



"Any COMPASS," a next-generation communication service for health insurance pharmacies

Business Strategy

The Business Platform BA aims to realize Circular Digital Engineering by utilizing data through the Mitsubishi Electric Group's dual approach of operational DX and business DX while seeking synergies with each BA and business group to achieve sustainable growth in the information systems and services business.

For operational DX, we will standardize business processes and code masters optimized individually for each business with a view to holistic optimization. We will also achieve centralized control of management and customer data distributed globally, working towards dramatically improving productivity and advancing risk management through data-driven management.

For business DX, we will collaborate with the DX Innovation Center and each BA and business group to create integrated solutions using the "Serendie" digital platform. Additionally, we will establish an operation and maintenance (O&M) structure, including global support, aiming to establish a new value creation process by improving analytical skills and accumulating know-how for business data aggregated in the digital space.

Furthermore, the information systems and services business will develop the know-how gained from practicing operational DX and business DX into consulting services and O&M offerings. We will also gradually commercialize services based on the results of IT/OT security measures developed in response to increasingly sophisticated cyber-attacks. By maximizing the insights into digital transformation cultivated as real experiences within the Mitsubishi Electric Group, we will strengthen high-value-added proposal areas and accelerate the creation of new customer value utilizing advanced technologies and data.

Topics

"Rulerless" 3D Measurement Application

Easy 3D Measurements Using Smartphone Sensors



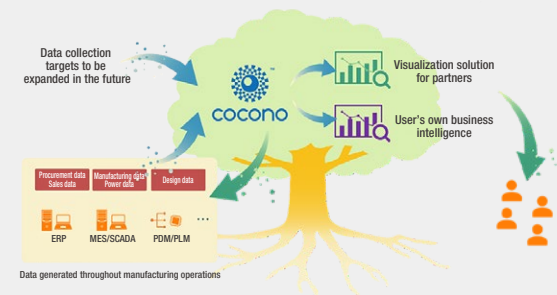
Applicable in a wide range of fields, including disaster surveys and equipment inspections

Rulerless is an application that enables fast and high-precision 3D shape measurements using the light detection and ranging (LiDAR) sensor built into smartphones and other devices. As it doesn't require expensive LiDAR equipment, it can be used in various scenarios such as disaster surveys, equipment inspections, simulations for equipment transport into factories, architectural surveys, and home remodeling.

The application has been recognized for its ease of use and high social contribution in accelerating support for disaster victims' recovery. In January 2024, it won an Innovation Award at CES 2024, one of the world's largest technology exhibitions, held in Las Vegas, Nevada (United States).

"cocono" GHG Emission Data Centralized Management Solution

Supporting Environmental Management by Visualizing GHG Emissions Across the Entire Supply Chain



Collecting and visualizing data generated at manufacturing sites to contribute to carbon neutrality

cocono is a solution that collects and visualizes greenhouse gas (GHG) data without manual intervention, supporting the identification of hotspots, as well as analysis and measures for GHG reduction.

Companies aiming for carbon neutrality by 2050 need to perform the complex task of collecting and calculating data on emissions from the supply chains outside their company (Scope 3*) in addition to emissions from their own activities (Scope 1 and 2*).

cocono reduces this workload and supports companies in promoting carbon neutrality by helping them utilize fresh and accurate data for management decisions.

- *
- Scope 1: Direct GHG emissions by the business operator (fuel combustion, industrial processes)
 - Scope 2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies
 - Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies related to the business operator's activities)

Source: Ministry of the Environment, Ministry of Economy, Trade and Industry, "Green Value Chain Platform"

Business Strategies Semiconductor & Device Business

Principal Products

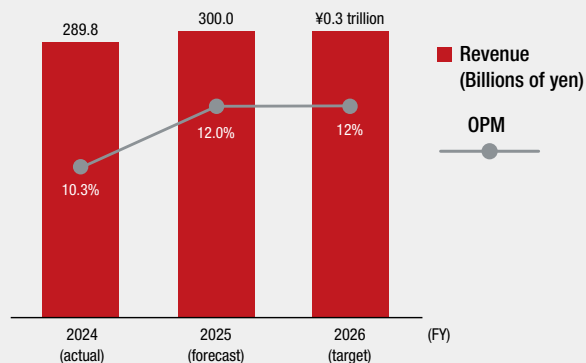


Power devices



High-frequency devices,
optical devices,
and infrared sensors

Performance trends



*Announced July 31, 2024

Leading Social Change through Semiconductor Evolution and Innovation



Masayoshi Takemi

Executive Officer
Group President,
Semiconductor & Device

The semiconductor & device business aims to strengthen the Mitsubishi Electric Group's integrated solutions by providing key devices essential for realizing GX (Green Transformation) and DX (Digital Transformation). At the same time, we will develop high-value-added devices from the customer's perspective by incorporating insights from user business groups that utilize semiconductor & device business group products.

In the power device business, we will pursue the evolution of efficient power control and motor control technologies. We aim to improve performance and quality to achieve energy savings in power electronics equipment, contributing to a decarbonized society. In the high-frequency & optical device business, we will apply our core competence in compound semiconductor technology to the information and communication applications, such as 5G communication and data centers, as well as sensing applications like crime prevention, monitoring, and air conditioning. By creating new value that captures the needs of the times, we will contribute to realizing a safe, secure life and a comfortable digital society.

Significant social changes are always associated with evolution and innovation in the semiconductor industry. The semiconductor & device business will lead social change to realize a sustainable society by providing highly competitive key devices that leverage the synergies of the Mitsubishi Electric Group to a wide range of markets. Through these efforts, we will earn high levels of support and trust from our customers and achieve sustainable business growth.

Fiscal 2024 Review (Achievements and Challenges)

The market for the Semiconductor & Device Business saw robust demand for power semiconductors used in railway and electric power systems. In this environment, the business saw an increase in orders year-on-year due mainly to an increase in power semiconductors used in railway and electric power systems. Revenue for this segment also increased by 289.8 billion yen due mainly to the weaker yen and an increase in power semiconductors used in industrial, automotive and railway and electric power systems. Operating profit was 29.8 billion yen, with an operating profit margin of 10.3%.

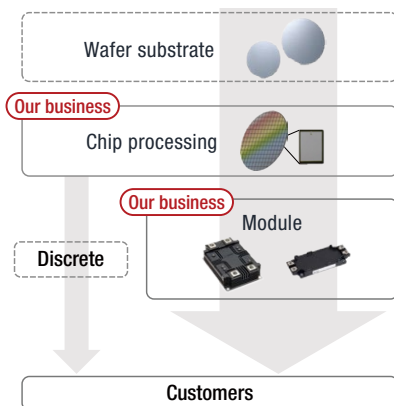
The power semiconductor market is expected to expand in the medium term as the world addresses the worldwide social challenges of decarbonization, including through the introduction of renewable energy, the shift to green mobility, and advances in energy conservation. Additionally, with the recent proliferation of cloud services and generative AI, optical networks for data centers are progressing toward even higher speeds and larger capacities, leading to a rapid expansion in demand for optical devices capable of operating in the high-speed and ultra-high-speed ranges that the Mitsubishi Electric Group specializes in. Looking ahead to fiscal 2026, we aim to expand sales in the power device business, focusing on the automotive and renewable energy and consumer applications, and in the high-frequency & optical device business, centering on optical devices for data centers. We will also continue to work on strengthening profitability, which we recognize as a challenge. We will promote a portfolio strategy of price improvements and shifting to products with high customer value through product mix improvements. In addition, we will aim to achieve our fiscal 2026 financial targets of 0.3 trillion yen in revenue and an operating profit margin of 12% by further improving productivity through standardization and sharing, larger wafer diameters and expanding production capacity at the highly productive Fukuyama Factory.

Business Strategy

In the semiconductor & device business, we will achieve business growth through focused investment in the power device business, which is positioned as a key growth business. As a basic strategy for the Power Device Business, we will concentrate resources on areas where the Mitsubishi Electric Group's strengths align with market needs. By market segment, while maintaining the industrial and railway applications as a solid business base, we will position the automotive application, which is expected to show particularly high market growth, and the renewable energy and consumer applications, where the Mitsubishi Electric Group maintains a

strong position, as growth drivers. We will expand sales by strengthening product development, production, and sales in these areas. We will also continue to strengthen profitability and build a business foundation for future growth while accelerating business growth centered on our expertise in SiC*1 power modules with a view to fiscal 2031.

To realize our growth strategy, in addition to the approximately 260-billion-yen investment to enhance production capacity announced in 2023, we are implementing various initiatives to strengthen procurement, product, and sales capabilities, covering all of manufacturing — the entire manufacturing process — from wafer substrate procurement to module assembly. In wafer substrate procurement, we invested 500 million USD (approximately 75 billion yen*2) in a new SiC business company carved out from Coherent Corp.*3 to stabilize the procurement of essential 8-inch SiC substrates. In production, to meet the robust demand for SiC, we decided to bring forward the completion of a new plant for 8-inch SiC products under construction in the Shisui area of Kumamoto Prefecture to September 2025. For Si (silicon), we are proceeding as planned with the development of a 12-inch line at the Fukuyama Factory, aiming to improve productivity through larger wafer diameters. For products, we will introduce the J3-Series for the automotive application, driving the growth of the Power Device Business by contributing to extending xEV range, easier design through compact design and a comprehensive lineup of Si/SiC products. We have also formed a strategic partnership with Nexperia, a global manufacturer of discrete devices, and are developing and supplying SiC power semiconductor chips to Nexperia. Through Nexperia, we will reach customers through sales channels to the discrete market, including SiC-MOSFETs, further enhancing the presence of Mitsubishi Electric's power semiconductors.



While the power semiconductor market is expected to expand in the medium term, SiC power modules, in particular, are expected to see rapid market expansion due to their adoption in electric vehicles. A spillover effect of cost reduction accompanying scale expansion is also anticipated, and the application areas of SiC power modules are expected to expand significantly to various markets where even greater low-loss and high-speed switching operations are required. The Mitsubishi Electric Group focuses on power modules—power semiconductors that require particularly advanced technical know-how. In addition to high performance and quality achieved through complex coordination of design and manufacturing

technologies, our strengths include extensive market achievements and a strong customer base cultivated over many years. In SiC power modules as well, we have accumulated achievements in fields requiring high reliability, such as high-speed trains, and have realized excellent quality and productivity. By bringing together the Mitsubishi Electric Group's diverse element technologies and extensive market experience to provide power modules to various markets where SiC adoption is expanding, starting with the automotive application, we will contribute to realizing GX in a wide range of applications.

*1 Silicon Carbide

*2 Calculated at 1 USD = 149.6 JPY (TTM rate at the end of September 2023)

*3 Coherent Corp., Headquarters: Saxonburg, Pennsylvania, USA

Topics

500 Million USD Investment in Coherent's SiC Business
Strengthening vertical integration in the SiC power device business and accelerating growth strategy execution

SiC power modules are expected to contribute to the realization of GX through energy conservation and decarbonization, as they offer lower power loss than conventional silicon wafer-based power modules and enable high-temperature operation and high-speed switching. The market is expected to expand rapidly, especially in the electric vehicle application.

Mitsubishi Electric has been receiving high-quality 6-inch SiC substrates from Coherent for many years, and in May 2023, signed a basic agreement with Coherent for joint development of 8-inch SiC substrates.*

Through this investment, we will deepen our collaboration with Coherent to ensure a more stable procurement of SiC substrates in the rapidly growing SiC power module market and expand our business by stably supplying high-performance and highly reliable products.

* Announced on May 26, 2023



Coherent Chairman and CEO Dr. Vincent D. Mattera, Jr.* (left) and Mitsubishi Electric President & CEO Kei Uruma (right)
 *Titles as of October 2023

[Mitsubishi Electric Official Website: News Release](#)

Awarded the 70th (2023) Okochi Memorial Production Prize

Development of semiconductor laser diodes enabling high-speed operation and large capacity in optical fiber communication networks

In March 2024, Mitsubishi Electric received the Okochi Memorial Production Prize for its development of electro-absorption modulator integrated laser diode.

The company was highly evaluated for its contribution to the spread of remote work and the advancement of digital society through the realization of high-speed, large-capacity optical fiber communication networks using electro-absorption modulator integrated laser diode (EML) capable of high-speed, long-distance transmission. Additionally, it was recognized for its potential to lead the market both in Japan and overseas with technologies cultivated over many years.



Award ceremony held at The Industry Club of Japan (Marunouchi, Tokyo)

Financial Strategy

Balancing Profitability and Efficiency Improvements with Expanded Growth Investment to Achieve Sustainable Corporate Value Growth



Kuniaki Masuda

Executive Officer
CFO (in charge of Financial Strategy,
Accounting, and Finance),
in charge of IR and SR

To achieve our fiscal 2026 financial targets revised in May 2024 and achieve an operating profit margin of 10% and ROE of 10% as soon as possible after that, the Mitsubishi Electric Group will emphasize profitability and efficiency more than ever. We will evolve our financial strategy and implement B/S^{*1} management that positions ROIC^{*2} as an important management indicator. In addition, we will intensely pursue growth, accelerating the weighted allocation of management resources with a focus on expanding growth investments in key growth businesses to leverage our business portfolio strategy. While these measures will be undertaken with financial discipline from the perspective of soundness, we will also support aggressive investments without missing opportunities, based on our current solid financial foundation. By achieving profit growth across our businesses, we will strengthen shareholder returns and continuously enhance dialogue with the capital market, thereby achieving sustainable corporate value enhancement.

Implementing B/S-Driven Management Using ROIC

While the Mitsubishi Electric Group previously emphasized P/L^{*3}-based management, we are shifting this approach to promote B/S-driven management, positioning ROIC as a principal management indicator. Specifically, we will work on: (1) implementing management measures from an ROIC perspective; (2) pursuing a business portfolio strategy; and (3) advancing a partnership strategy.

(1) Implementing Management Measures from an ROIC Perspective

By positioning ROIC not only as a criterion for investment and business selection decisions but also as a central indicator for transitioning to a more efficient management structure, we will promote a mindset change at all levels toward management with high awareness of capital costs. This will speed our efforts to improve profitability and efficiency across all areas, including by transforming business structures, for instance, provision of integrated solutions and expansion of the maintenance business, selection of business deals and pricing revision, streamlining product lineups, and production base strategies.

(2) Promoting a Business Portfolio Strategy

In promoting our business portfolio strategy, we will balance profitability, efficiency, and growth potential through weighted allocation of management resources to key growth businesses, which are Mitsubishi Electric Group's growth drivers, followed by resilient businesses.^{*4} For businesses with profitability and efficiency challenges or those requiring consideration from the best-owner perspective, we will continue to optimize through the ongoing portfolio review process.

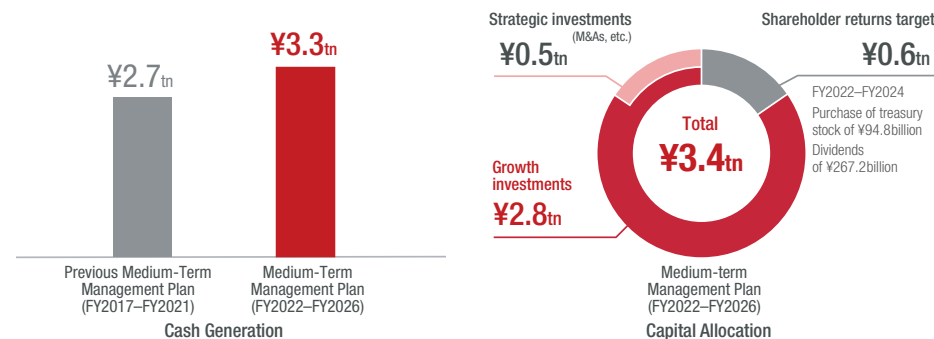
(3) Advancing a Partnership Strategy

Moving away from our previous tendency towards self-sufficiency, we will strategically focus resources on areas where the Mitsubishi Electric Group can demonstrate its strengths (products, processes, regions, etc.) and pursue partnerships that can build mutually complementary relationships.

Cash Generation and Capital Allocation

We will work to expand cash generation^{*5} by improving profitability and enhancing working capital efficiency to improve operating cash flow, as well as by identifying businesses with issues, selling off assets associated with affiliate reorganization, and selling cross-shareholdings.

In terms of capital allocation, backed by the cash generated and our solid financial foundation, we will actively seize growth investment opportunities that align with our strategy, working to expand capital investment, R&D investment, human capital investment, and strategic investments such as M&A. Additionally, we will steadily execute shareholder returns by paying stable dividends and flexibly purchasing treasury stock.



*1 Balance sheet

*2 Return on invested capital

*3 Profit and loss statement

*4 Businesses with stable demand that contribute to the Mitsubishi Electric Group's resilient management regardless of market fluctuation

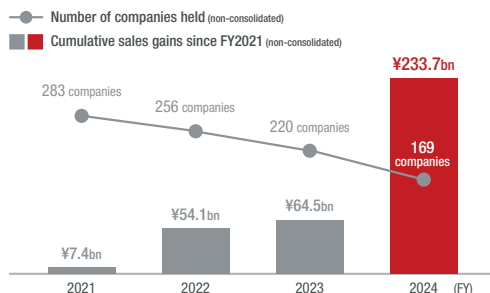
*5 After making adjustments, such as adding R&D expenses to operating cash flow

Disciplined Financial Management

For funds required for capital investment, R&D, M&A, etc., as we move forward with our growth strategy, we will utilize our own funds sourced from cash flow generated primarily through operating activities in key growth businesses while flexibly raising funds as needed. When raising funds from financial institutions, we will do so with financial discipline, aiming for a D/E ratio of around 0.3 as a guideline for leverage utilization.

Our Cross-Shareholdings Policy

Our basic policy on cross-shareholdings is, in principle, not to own them. However, we may come to own such shares considered necessary for our business management. We regularly check whether owning such shares is justified. If there is little reason for owning them, we make efforts to reduce such shareholdings, such as by promoting their sale after considering the respective companies' situations. In fiscal 2024, we sold approximately 169.3 billion yen worth of shares, including those of Renesas Electronics Corporation. When exercising voting rights for cross-shareholdings, we follow separately established guidelines on exercising voting rights, approval or objection determined according to whether doing so will improve the corporate value of the company in which we are invested, as well as Mitsubishi Electric's corporate value. If there is concern that Mitsubishi Electric's corporate value will be adversely affected, we will oppose the agenda item in question.



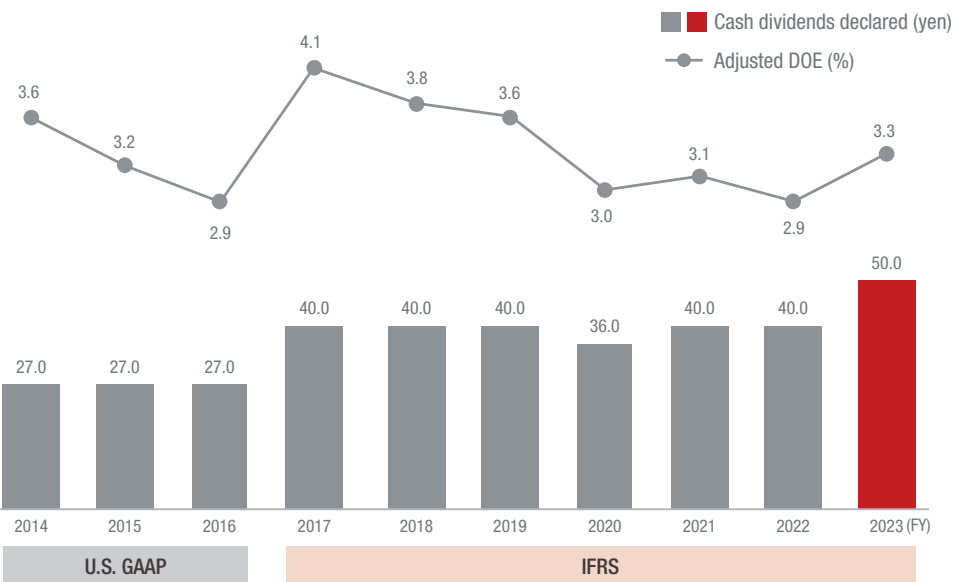
Improving Total Shareholder Return through Profit Growth and Shareholder Return Measures

For shareholder returns, we plan to return 0.6 trillion yen over five years up to fiscal 2026. In fiscal 2024, we implemented an annual dividend of 50 yen per share, an increase of 10 yen per share from the previous fiscal year, and acquired approximately 45 billion yen of treasury stock. For dividends, we will maintain stable payments targeting an adjusted DOE*1 of around 3%, with a view to appropriate profit returns according to shareholder equity levels and maintaining financial soundness for continuous growth investments. We will continue to combine dividends with flexible treasury stock acquisitions*2 to return profits gained from business growth to our shareholders. The following table shows our total shareholder return (TSR), which includes dividends and stock price changes. We will pursue management with a strong awareness of stock price in order to enhance shareholder value.

*1 Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))

*2 Notice Regarding Repurchase of Company Shares (announced on August 29, 2024)

- Set a treasury stock acquisition frame with a maximum of 20 million shares to be acquired and a maximum total acquisition amount of 30 billion yen
- Repurchase period: August 30, 2024 to October 31, 2024



Total Shareholder Return*3	Mitsubishi Electric TSR	Past 10 years	Past 5 years	Past 3 years	Past 1 year
		TOPIX	249.2%	191.1%	156.7%
		288.6%	196.2%	152.5%	141.3%

*3 Based on the number of years up to the end of fiscal 2024, Mitsubishi Electric and TOPIX both include dividends

Dialogue with the Capital Market

The Mitsubishi Electric Group promotes active IR and SR activities to gain understanding and trust from shareholders, investors, and analysts in the capital market. We strive for timely and appropriate disclosure of management policies, strategies, and performance. We recognize that feedback from the capital market, including opinions and dialogue results, is extremely important. Based on this recognition, we will sincerely accept feedback obtained through active dialogue and reflect it in our management.

In fiscal 2024, in addition to financial results briefings (four times a year) and IR DAY (once a year), we held the first Mitsubishi Electric Group Sustainability Briefing to deepen stakeholders' understanding of our sustainability initiatives. We believe that improving understanding and earning trust in the Mitsubishi Electric Group in the capital market also leads to lower capital costs. We will continue striving for more understandable and comprehensive dialogue and information disclosure, pursuing continuing growth in corporate value.

Technology Strategy

Meeting the Challenge of Developing Technology by Providing New Solutions with Components × Digital and AI



Tomonori Sato

Executive Officer
CTO (in Charge of Technology Strategies);
Group President, Defense & Space Systems

To achieve innovation through Circular Digital-Engineering, we are working to strengthen technology development and intellectual property activities aimed at providing new solutions using Mitsubishi Electric's superior components together with digital and AI technologies. We will meet the challenge of playing our part in realizing sustainability by using our formidable technology and creative prowess to design the future.

Research & Development

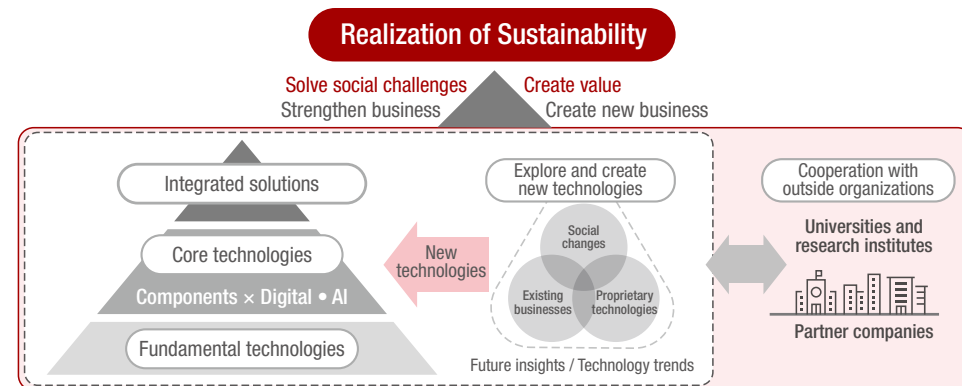
Basic Policies

The Mitsubishi Electric Group will enhance core technologies that generate business competitiveness, and deepen the fundamental technologies that support the functions, performance, quality, and reliability of our components, systems, and services. Further, we will focus on exploring and developing new technologies for a game-changing future. The realization of sustainability is a corporate responsibility. This is an area where the Mitsubishi Electric Group's strengths can be utilized, and we will invest approximately 900.0 billion yen, equivalent to over 50% of our research and development expenses, in green-related research and development over the seven-year period from fiscal 2025 to 2031 with a focus on carbon neutrality, which is attracting significant interest around the world. As a "Circular

Digital-Engineering Company," we will promote research and development aimed at providing solutions that create new value using digital and AI technologies with our superior components.

We will also actively collaborate with universities and other research and development institutions in Japan and overseas, as well as partner companies, to accelerate development and create value. This will help promote with a sense of speed the verification and social implementation of our vision of a future society.

With our technological and creative prowess, we will drive innovation that is open to society to design the future and achieve the ideal vision. We will create new value in a timely manner, work with our customers to solve social challenges, and meet the challenge of technology development that plays a part in realizing sustainability.



Basic policies of research and development

Developing Technology to Realize a Green Society

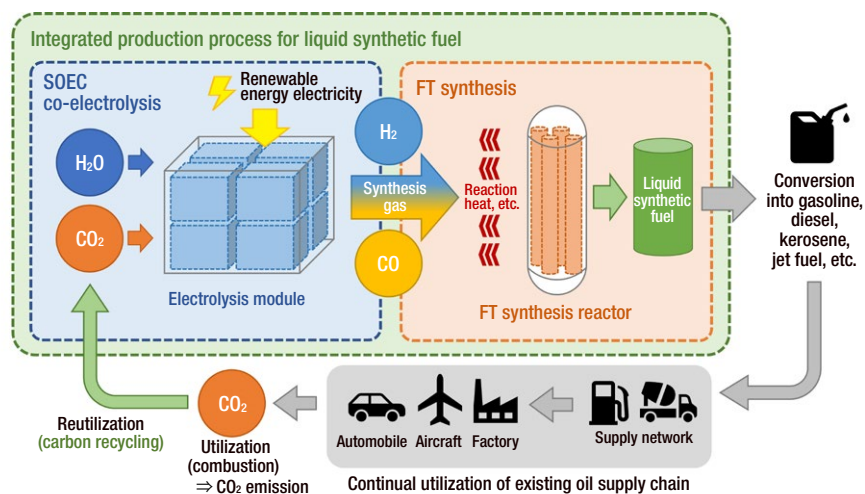
The Mitsubishi Electric Group will promote green-related research and development with a focus on carbon neutrality to play our part in solving social challenges. We will continue to move forward with research and development on energy conservation and electrification of equipment, as well as next generation power semiconductors with raw materials such as silicon carbide (SiC) and gallium oxide (Ga₂O₃), and research and development to realize energy management that contributes to increase use of renewable energy, carbon recycling, and the circular use of materials and products.

For example, in air conditioning & refrigeration systems, we will focus on taking steps toward new, low environmental impact coolants and meeting the demand for heat pumps in Europe and the United States. We will also work on research and development to expand the range of recyclable plastics, including Carbon dioxide Capture, Utilization, and Storage (CCUS) and waste plastics containing composite materials that are difficult to recycle.

In December 2023, in partnership with Tokyo Institute of Technology, Niterra Co., Ltd., and Central Research Institute of Electric Power Industry, we commenced research and development for commercialization of solid oxide electrolysis cell (SOEC) co-electrolysis for high-efficiency production of liquid synthetic fuels, such as gasoline, diesel, kerosene, and jet fuel, using CO₂ as a raw material.*1 Producing fuel using emitted CO₂ as a raw material is attracting attention as an effective method of carbon recycling. To overcome the issues of low production efficiency and high costs, we will develop highly efficient system configurations and operating conditions to realize social implementation of the technology at the earliest possible opportunity.

Over the three years from fiscal 2022 to fiscal 2024, we invested approximately 370.0 billion yen in green-related research and development. Over the next seven years, we will invest a further 900.0 billion yen in this area, equivalent to more than 50% of our R&D expenses. We will continue to address the green-related area in which the Mitsubishi Electric Group's strengths can be utilized.

*1 The research was selected for Research and Development on Commercialization of SOEC Co-electrolysis in an additional call for proposals under Development of Technologies for Carbon Recycling and Next-Generation Thermal Power Generation (JPNP16002)/Development of Technologies for CO₂ Emissions Reduction and Utilization/Development of Technology for Producing Fuel Using CO₂/Research and Development on Next-Generation Fischer and Tropsch (FT) Reaction and Integrated Production Process for Liquid Synthetic Fuels by New Energy and Industrial Technology Development Organization (NEDO)



Liquid synthetic fuel using CO₂ as a raw material: Flow of the carbon recycling process and overview of the current research and development

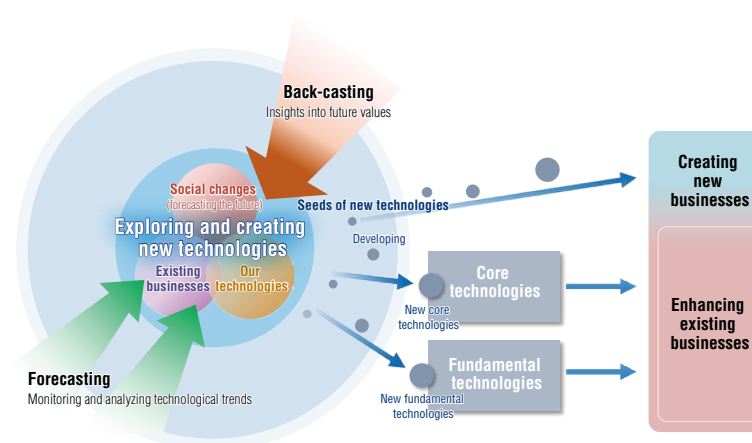
Developing Advanced Digital Technologies that Create New Value

“Circular Digital-Engineering” creates new value and contributes to solving social challenges by consolidating and analyzing data obtained from customers in digital space and sharing strong connections and wisdom within the Group. More specifically, it involves consolidating and analyzing diverse data produced through the use of the Mitsubishi Electric Group’s components and systems to identify the potential issues and need. Based on these issues and needs, we enhance our components, systems, and integrated solutions to create new value, which we share with an even broader range of customers to help solve social challenges together with customers.

Realizing new value requires both technology that creates services and products and technology that can be used with confidence. Therefore, we are pursuing the development of advanced digital technologies, including those related to security and privacy to ensure the security and safety of AI, in parallel with development of technologies for individual services and products.

Exploring and Creating New Technologies to be Ready for a Game-Changed Future

In today’s ever-more complex and changing society, it is important to keep an eye on uncertain risks and potentials in the future and to be prepared for them. For this, we are taking a back-casting approach to imagine the likely future and to think about the value we should provide, and a forecasting approach to monitor and analyze technological trends and to explore and create research and development themes that will contribute to realizing a sustainable society. We will take on the challenge of developing new technologies that respond to the needs of a future society, and technologies that enhance and transform existing businesses to create new usages and acquire new customers.



Exploring and creating new technologies

Solving Social Challenges through Co-creation to Realize Sustainability

Through industry-academia-government collaboration, we aim to solve complex and diverse social challenges through strong global cooperation between organizations. We will discuss future social transformation, changing values, technological innovation, and a range of opportunities and risks taking into account social, policy, and technological trends to draw up a vision for the society of the future together.

As part of this process, we established the Future Design Committee by Mitsubishi Electric and the University of Tokyo ("FDC") in April 2023 to identify social challenges that we need to explore in depth. In addition to this, we are pursuing plans to select themes that are social challenges in need of solutions and establish several corporate sponsored programs. As the first step, we established a Corporate sponsored program at The University of Tokyo based on the theme of the circular economy in October 2023. The establishment of a cooperation framework to translate the results of research into social implementation and policy recommendations based on the results of social collaboration are also part of the activity.



From left: Akiko Kumada, Vice Dean and Professor, School of Engineering, The University of Tokyo; Yasuhiro Kato, Dean and Professor, School of Engineering, The University of Tokyo; Kunihiko Kaga, Senior Vice President, Mitsubishi Electric; Toru Oka, Executive Officer, Vice President, Corporate Research and Development, Mitsubishi Electric

We also concluded a comprehensive agreement with Waseda University in November 2023 to strengthen organizational collaboration aimed at realizing a sustainable society, including carbon neutrality, by going beyond the individual joint research projects of the past. In addition to shared key themes such as carbon neutrality, we will engage in research and development that incorporates the perspective of well-being, including the comfort and health of users, with an eye to social implementation of the results at the earliest possible opportunity.



From left: Aiji Tanaka, President, Waseda University; Kei Uruma, President & CEO, Mitsubishi Electric

Moreover, in April 2024, we entered into a basic agreement with Taiwan's Industrial Technology Research Institute (ITRI) related to cooperation on research aimed at realization of a green society. The agreement will last for four years until April 2028 and is the first time we have concluded a basic agreement on comprehensive collaborative research with an overseas research institution. We will engage in a wide range of research and development related to green energy including Carbon dioxide Capture, Utilization, and Storage (CCUS) and energy management systems and aim to achieve social implementation at an early stage.

We plan to invest approximately 60.0 billion yen in industry-academia-government collaborative research and development between FY2025 and FY2031 to promote development at a global level with a sense of speed.



From left: Jwu-Sheng Hu, Executive Vice President, ITRI; Edwin Liu, President, ITRI; Toru Oka, Executive Officer, Vice President, Corporate Research and Development, Mitsubishi Electric

Mitsubishi Electric's Researchers Creating Advanced Technologies and New Value

In the Mitsubishi Electric Group's extensive business fields, we work at a global level to continually enhance our fundamental technologies while exploring and creating new technologies that are the source of further growth.

Power Semiconductors Helping to Realize Carbon Neutrality SBD-embedded SiC-MOSFET

Achieving carbon neutrality has become a global mission and a wide range of solutions are emerging from different fields. Among them, using electricity efficiently with the lowest possible power loss is an important theme facing society. One factor holding the key to realizing this is the semiconductor devices known as power semiconductors that convert electric power. In recent years, silicon carbide (SiC) power semiconductors that can significantly reduce power losses have been receiving attention. The Advanced Technology R&D Center has further improved the capacity to reduce loss for power modules employing SiC power semiconductors by applying an SBD-embedded SiC-MOSFET to power modules with the aim of promoting use in large industrial equipment such as railway rolling stock and DC power transmission.



Shiro Hino (left), Kotaro Kawahara (right)
Advanced Technology R&D Center

Using Video for Early Detection of Violence in Public Spaces Dangerous Behavior Detection Technology through KOTSUMON Motion Analysis Using Maisart*

Using Mitsubishi Electric's Maisart® AI technology, we provide the KOTSUMON solution that analyzes the motion of workers in a factory from movement information. Based on technology that identifies and analyzes the movement of workers' joints from video, it focuses on individual workers to support improvements in the efficiency and productivity of on-site work.

The Information Technology R&D Center applied this technology to develop technology to detect dangerous behavior using KOTSUMON that analyzes the movement data of multiple people from videos and automatically detects violent or threatening behavior. Early detection of dangerous behavior in public areas such as stations or commercial facilities using the power of technology meets a global need for safety and security.

* An acronym for Mitsubishi Electric's AI creates the State-of-the-Art in technology. It is Mitsubishi Electric's AI technology brand aimed at making all devices smarter.



Katsuhiro Kusano (left), Kohei Mochizuki (right)
Information Technology R&D Center

Aiming to Mitigate Transport Access Issues with New Mobility Framework On-Demand Transport Service Control System to Solve Local Issues

Buses are a part of the transportation infrastructure that is essential for daily life, but there has been a serious shortage of workers in recent years due to the aging of drivers. To solve this social challenge, Mitsubishi Electric has been working to make on-demand autonomous driving into a reality. In addition to autonomous driving technology for vehicles, we have commenced demonstration testing aimed at creating a system that coordinates routes and dispatch schedules in alignment with user reservations and congestion and sends vehicles to their destinations via the best route. It is hoped that on-demand autonomous driving will provide a key to maintaining bus services, particularly in regions with a small population. The Integrated Design Center developed the user interface (UI) for the terminals used at stops, on buses, and in control rooms, etc.



Misato Yuasa (left), Daiki Kuriyama (right)
Integrated Design Center

Intellectual Property

Basic Policy

To help solve social challenges and create new markets through our businesses, we will strategically link our intellectual property activities and standardization activities to form the required rules and to secure competitiveness. By underpinning our businesses, marketing and sales, and research and development with such initiatives, we will aim to transform into being a Circular Digital-Engineering Company that achieves sustainability management.



The structure of contribution through intellectual property activities

Number of international patents filed*1	Number of patents filed in Germany*2	Number of patents obtained in China*3	
Fourth in the world	Top-ranked Japanese company	Fourth-ranked Japanese company	
Number of registered patents in Japan*4	Number of registered designs in Japan*4	Largest scale of patent assets in Japan*5	The power to keep other electronic equipment competitors under control*6
Second in Japan	Sixth in Japan	First in Japan	Second in Japan

The Mitsubishi Electric Group's intellectual property in numbers

- *1 As announced by the World Intellectual Property Organization (WIPO) (from January–December 2023 data)
- *2 As announced by the German Patent and Trademark Office (DPM) (from January–December 2023 data)
- *3 As announced by the China National Intellectual Property Administration (CNIPA) (from January–December 2023 data)
- *4 As announced by the Japan Patent Office (from January–December 2023 data)
- *5 As announced by Patent Result Co., Ltd. (from April 2022–March 2023 data)
- *6 As announced by Patent Result Co., Ltd. (from January–December 2023 data)

Respecting Intellectual Property 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.

In order to prevent any infringement on the intellectual property rights of others, various educational measures are provided mainly to engineers and intellectual property officers, to raise employee awareness and promote greater respect for the intellectual property 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 to Mitsubishi Electric Group is carried out at every stage from development to production. The Mitsubishi Electric Group places 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.

Intellectual Property Activity Policy for Sustainability Management

To achieve sustainability management, solving social challenges with economic rationality is needed, and doing everything by oneself is extremely difficult, and so it requires a framework for co-creation and an ecosystem to be developed and operated so that multiple business operators can mutually and effectively collaborate with one another.

Effective co-creation requires responding to the rules and regulations of each country, as well as appropriate standardization and rules being in place for the country, which is why we believe we need to proactively get involved in establishing these rules. In the ecosystem, intellectual property needs to be secured for the roles of each respective company, and rules must be established to utilize such intellectual property for co-creations.

Structure to Support Intellectual Property and Standardization and the State of Intellectual Property Activities

The Mitsubishi Electric Group's intellectual property structure consists of intellectual property divisions in our works, R&D centers, and associated companies and the Intellectual Property Division at the head office which supervises them. These intellectual property divisions are collaborating and merging to promote more effective intellectual property activities that are suitable for our businesses.

We established the IP Strategy Division within the Corporate Intellectual Property Division in fiscal 2023, the Standardization Strategy Section within the IP Strategy Division in fiscal 2024, and the IP Transaction Section in fiscal 2025. These units are conducting more strategic intellectual property activities, standardization activities, and co-creation activities to utilize the technology assets held by the Group.

We also assign intellectual property representatives in key countries and regions to enhance local intellectual property capabilities and take measures against counterfeit products in collaboration with intellectual property divisions of overseas associated companies. We aim to obtain intellectual property rights in the correct proportions on considering the business situation in each country. For standardization, we engage in international standardization activities, utilizing European locations. Going forward, we will enhance global standardization activities utilizing Mitsubishi Electric Group locations not just in Europe, but in other regions as well.

We are aiming to develop what will be globally regarded as a robust patent network by strategically increasing filing overseas. We will also increase the ratio of patents we own overseas in proportion to the increase in overseas revenue.

Driving key themes

In response to changes in our business environment, the head office's Intellectual Property Division proposes themes that require Group-wide activities and it takes the initiative in promoting intellectual property activities and standardization activities, together with business groups and associated companies. More specifically, the division selects key themes from social challenge themes, solution themes, technological themes and other themes from various perspectives, evaluating use cases that will result in contributing to solving social challenges and securing the required intellectual property.

Key theme examples

Social challenge Carbon neutral, well-being, mobility

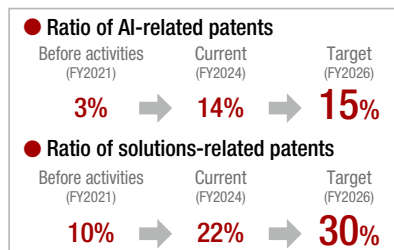
Solution Circular economy, security, energy

Technological 5G/6G, digital twin, AI

Change to the Intellectual Property Portfolio with Corporate Strategy Taken into Consideration

To transform into being a Circular Digital-Engineering Company, we need to not just enhance digital-related technologies, but also very importantly to maintain and enhance the intellectual properties regarding components and systems-related intellectual properties. We are developing AI-based solutions and embedding AI into components and systems to raise their value and consider it important to raise the AI ratio. We have set a target of raising the AI ratio in our filed patents to 15% by fiscal 2026.

Our policy is to expand and enhance solution-related intellectual properties on this foundation. We have set a target of raising the ratio of solutions in our filed patents to 30% by fiscal 2026. Furthermore, to protect technologies in both function and design perspectives, we have been actively promoting activities to obtain design rights inside and outside of Japan alongside developing a patent network.

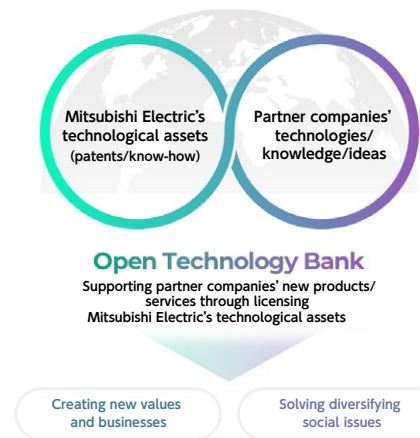


Open Technology Bank

To realize a sustainable future, in fiscal 2022 Mitsubishi Electric Group started Open Technology Bank activities to promote internal and external collaborations of Mitsubishi Electric Group with intellectual property as the starting point. Until then intellectual property had been used mostly for competition with other companies (for monopolies and for exercising rights against other companies), but we will proactively apply intellectual property as a tool to promote co-creations and as a management resource to form market ecosystems.

Creating "Seeds" for Businesses to Help Solve Social Challenges

Overcoming social challenges that are becoming increasingly diverse and complex as technological innovation accelerates requires a co-creation approach that fully utilizes open innovation as a tool to create new value in a timely manner in collaboration with diverse stakeholders. As part of our Open Technology Bank activities, a new mission for intellectual property divisions is meeting the challenge to create "seeds" for new businesses that will help solve social challenges leveraging the technological strengths of the Mitsubishi Electric Group. More specifically, this involves setting activity themes based on both social challenges and the Group's proprietary technology, establishing a business model hypothesis, approaching potential partner companies about collaboration, exploring the challenges in depth, and verifying value while refining the business model and technology to cultivate the "seeds" for businesses. Through this activity, we have produced a track record of multiple cases of cocreation, including new businesses at the Mitsubishi Electric Group, licensing-out of technologies and joint verifications.



Topics

A co-creating initiative using an advanced plastic filtering technology

To realize a circular society, we are working on plastic recycling that transcends industries by using the advanced plastic filtering technology that our Group has developed over many years for the recycling of home appliances. At present, we are evaluating the efficacy of Mitsubishi Electric Group's technologies with partner companies from various industries, aiming to launch services to provide deployment and operational support for the advanced plastic filtering devices from fiscal 2026 onward.

Enhancing Collaborations within the Mitsubishi Electric Group

As an integrated electrical manufacturer with businesses in many areas, we have a number of technological assets in a wide range of fields from home appliances to outer space, and this is one of the Mitsubishi Electric Group's strengths. To unlimitedly combine our technologies and expertise to create new impactful value that society needs, we are accelerating the development of integrated solutions across the Group and promoting internal technological collaborations to pursue further technological synergies across divisions. For instance, to promote combinations of technologies, we have internally

released a technology map that illustrates as many as 70,000 of the patents we own by category to visualize our technologies, and we are organizing rules and designing incentives for internal technological collaborations. We are also promoting measures to accelerate matching of internal needs and seeds using both digital and real-world tools. As a Circular Digital-Engineering Company, we will strive to contribute to solving many social challenges by fully utilizing our internal technological assets.

Enhancing International Standardization Activities

International standardization is becoming increasingly important as a means to expand and acquire global markets, by forming rules for changing industry structures in which digitalization connects products and services across companies and industries. To secure competitive superiority and to continue to play our part in solving social challenges through our businesses, the Mitsubishi Electric Group will proactively work on shaping rules through international standardization activities.

International Standardization Strategies

The Mitsubishi Electric Group establishes key projects on cross-business themes and promotes international standardization activities that are united with intellectual property activities, working in coordination with business strategies and development strategies to provide integrated solutions that utilize data to create new value. And we are leading global standardization activities and contributing to solving social challenges together with diverse stakeholders. In the field of international standard development, approximately 1,200 members are serving as committee members of various standardization organizations.

Name and affiliation	Organization	Position
Kazuhiko Tsutsumi, Specially Appointed Technology Advisor	IEC*1	Vice-President and Chair of the Market Strategy Board (MSB)
Atsushi Miyoshi, Corporate Intellectual Property Div.	IEC	Japan representative member of the Business Advisory Committee (BAC)
Hiroaki Sugiura, Corporate Research and Development Group	IEC	Chair of TC 100/TA 2 (color measurement and management)
Yukimasa Nagai, Information Technology R&D Center	IEEE*2	Secretary of the 802.19 (Wireless Coexistence) Working Group

*1 International Electrotechnical Commission

*2 Institute of Electrical and Electronics Engineers

Examples of initiatives

(1) International standardization to respond to digitalization

With the changes in industrial structure brought about by digitalization, communications technology now involves all kinds of products and services. The Mitsubishi Electric Group positions 6G which serves as an advanced communications infrastructure as an important technology for providing integrated solutions. We participate in projects by the XG Mobile Promotion Forum, the Beyond 5G New Business Strategy Center, NEDO*1, and NICT*2 and work on international standardization in conjunction with research and development and

intellectual property.

In a more familiar environment, we are developing radio frequency sharing technology that prevents mutual interference between wireless communications when home IoT devices connect via wireless LAN and smart meters. This contributes to the effective use of radio waves by leading the consideration of specifications at IEEE802 and establishing standards.

In addition to these activities, to help realize a decarbonized society, we are participating in an IAF*3 project to promote smart factories that improve productivity by sharing data between companies and have proposed SMKL*4 to the ISO*5 and IEC.

*1 New Energy and Industrial Technology Development Organization

*2 National Institute of Information and Communications Technology

*3 Industrial Automation Forum

*4 Smart Manufacturing Kaizen Level

*5 International Organization for Standardization

(2) Taking the initiative in international standardization for power semiconductors

Mitsubishi Electric served as project leader on the IEC White Paper "Power semiconductors for an energy-wise society" published by the IEC in October 2023. The white paper compiled a series of recommendations on the need to establish and expand international standards and certification systems for power semiconductors. Power semiconductors, which are one of Mitsubishi Electric's mainstay products, reduce electricity consumption and contribute to the efficient use of energy through efficient power transformation. This means they are key devices for realizing carbon neutrality by 2050, and, recently, there have been expectations of further market expansion and technological advancements. Mitsubishi Electric will contribute to realizing carbon neutrality by taking the initiative in activities aimed at international standardization for power semiconductors area.



IEC White Paper

(3) International standardization for space batteries

Mitsubishi Electric is promoting development of products that use lithium-ion batteries to further reduce the size and weight of aerospace batteries on satellites and space probes. We are also working toward international standardization as part of our efforts to improve the quality appeal and market presence of our batteries in the aerospace market. We have been leading the development and publication of ISO standards through discussions with the ESA*1, NASA*2, and overseas battery manufacturers. As a result of this, we have won a share of the commercial aerospace battery market. We have also received orders from JAXA*3 related to lithium-ion batteries for space applications for the crewed lunar orbiting base Gateway, following orders for the Habitation and Logistics Outpost and the International Habitation module under the Artemis Program, the U.S.-led crewed moon exploration program.

*1 European Space Agency

*2 National Aeronautics and Space Administration, U.S.

*3 Japan Aerospace Exploration Agency



Gateway and Gateway resupply craft

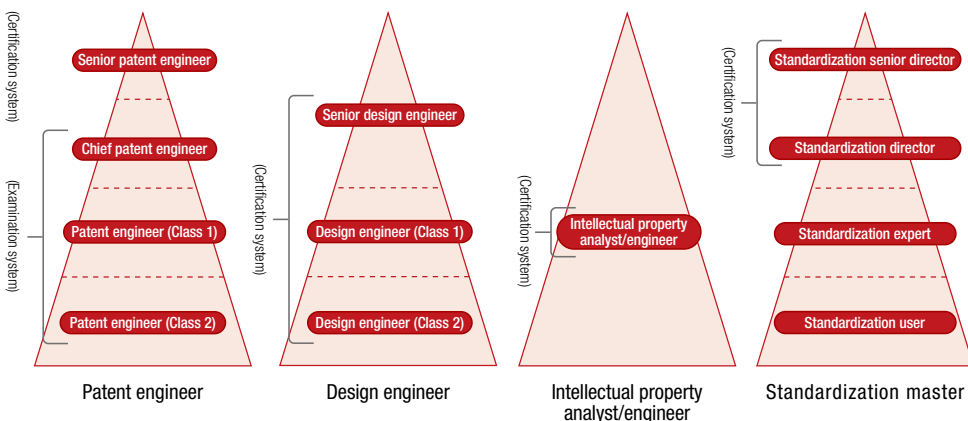
(4) International standardization of dynamic signs

We have conducted technological development on dynamic signs, a technology to display highly visible signs on the floor with optical animation, jointly with the National Institute of Advanced Industrial Science and Technology, a national research and development agency, taking into consideration how the signs will spread due to international standardization. We proposed international standards to ISO in 2018 concerning this technology, and successfully had it standardized in 2021. The technology and ISO standard has been applied to Mitsubishi Electric Products' "Terasu Guide," which is used to support the smooth transportation of diverse range of facility users, including the elderly, wheelchair users and non-Japanese people. Through our technological developments and international standardization activities, Mitsubishi Electric will contribute to realizing a society in which everyone can enjoy achieving their potential.

Human Capital Development and Awards System

Internal Certification System

Mitsubishi Electric Group has established an internal certification system to encourage personnel to attain outstanding competence in intellectual property and standardization operations, and it provides related training programs. The certification system offers four certifications according to the person's responsibilities, and also corresponding training. We also have a certification system for intellectual property analysts.



Internal Awarding System

For creative intellectual property activities, we grant incentives to inventors through internal compensation and awards. We also have other systems, such as the President Award, the General Manager Award, and the Center Manager Award, to award inventors for their intellectual property, standardization, and co-creation activities depending on the content of their activities.

External Awards

Mitsubishi Electric's achievements in intellectual property and standardization have also received a high level of external recognition.

• Intellectual property

"Clarivate Top 100 Global Innovators 2024"		Received the award for the 12th time in total as one of the world's top 100 companies for innovation with outstanding intellectual property
2024 National Commendation for Invention* The Invention Prize	Received the award for the first time in four years in recognition of the "Invention of motors with reduced amount of rare earths through effective use of magnetic flux" (patent no. 5855680)	

* Awards given by the Japan Institute of Invention and Innovation (JIII) for inventions, ideas, or designs that have made significant contributions.

• Standardization

Name of award	Recipient
2023 Industrial Standardization Award, Director-General, Industrial Science, Technology and Environment Policy Bureau's Award (International Standardization Encouragement Award)	Noritaka Okuda, Advanced Technology R&D Center Takenori Baba, FA-European Development Center
2023 IEC (International Electrotechnical Commission) 1906 Award	Kazuhiko Nakane, Advanced Technology R&D Center
Japan Electronics and Information Technology Industries Association 2023 Semiconductor Standardization Committee Distinguished Service Award	Hitoshi Kuruu, High Frequency & Optical Device Works

Special Feature Teaming with Startups for Open Innovation

Investing in Startups via the ME Innovation Fund

Mitsubishi Electric established the ME Innovation Fund, its first corporate venture capital fund, in 2022. With a mission of "transforming the world through technology," the ME innovation fund invests in, and partners with, top-tier startups in Japan and beyond. Through this collaboration, the Mitsubishi Electric Group brings in technology, knowhow, and new value propositions in order to create new business opportunities and transform business models. Investments are focused on the areas of sustainability, digital, and deep-tech sectors, targeting strategic returns driven by business synergies.

Total amount invested	5 billion yen
Management structure	The Mitsubishi Electric Corporation and Global Brain Corporation Partnership*1
Investment period	10 years



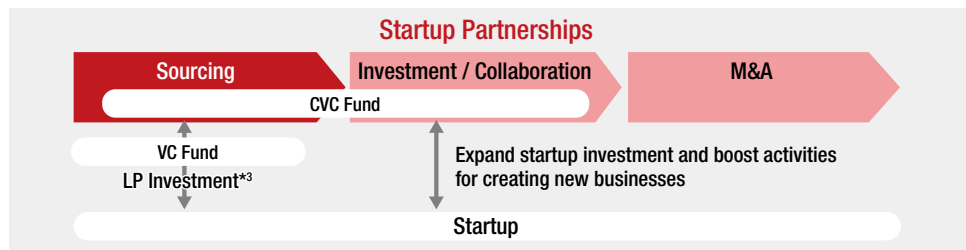
Investment performance (as of October 2024)

Japan 	Singapore 	Israel 	Japan
Singapore 	United States 	United States 	United States

Expanding VC*2 Fund Investment to 15 Billion Yen

With the objective of accelerating investments in and collaborating with promising startups, Mitsubishi Electric will expand investments in VC funds to 15 billion yen and strengthen sourcing efforts to broadly gather information on startups both domestically and internationally.

At the same time, Mitsubishi Electric aims to develop investment expertise and earn financial returns. In the medium- to long-term, the Company will aggressively pursue M&A activities in line with its vision for business expansion and new business entry.



*1 A structure in which a corporate entity and a VC jointly establish a CVC fund, the corporate entity provides the capital, and the VC manages the fund

*2 Venture capital

*3 Instead of directly investing in startups, funds are raised and invested in startups through a VC

Startup Partnership Case Study

Mitsubishi Electric is assessing the feasibility of collaboration with the Singapore-based startup Hydroleap Pte. Ltd. After a 2023 investment in Hydroleap, the Company is conducting a proof of concept at Siam Compressor Industry Co., Ltd. and Mitsubishi Elevator Asia Co., Ltd., Mitsubishi Electric Group manufacturing bases in Thailand.



Mitsubishi Electric is testing the effectiveness of Hydroleap's water treatment technologies, electrocoagulation (HL-EC) and electrooxidation (HL-EO), and deliberating the efficacy of these solutions. Looking ahead, Mitsubishi Electric and Hydroleap will work collaboratively to address water issues in Southeast Asia and contribute to the effective utilization of precious resources.

Partner Voice

Providing Solutions to Address Water Issues

Human life depends on access to water, but there is a limited supply. In Southeast Asia and other parts of the world, industrial demand for water has continued to rise in recent years, exacerbating water issues. Hydroleap provides water treatment solutions to address these problems. Examples include the application of HL-EC to purify industrial wastewater and HL-EO for the circulation of cooling water for data centers.



Mohammad Sherafatmand
CEO
Hydroleap Pte. Ltd.

Compared to conventional methods, we employ a sustainability-minded approach that avoids the use of chemicals. We have achieved social-positive implementation by successfully reducing power consumption, which has been a significant challenge. However, it is difficult for Hydroleap to achieve this alone, so collaboration with other companies is essential. Ideally, working with Mitsubishi Electric will allow us to accelerate technology development and expand our sales channels, to drive business growth.

DX Strategy

Driving the Mitsubishi Electric Group's Growth with the Serendie™ Digital Platform



Satoshi Takeda

Executive Officer
CSO (in charge of Corporate Strategic Planning, Operations of Associated Companies and Three Key Reforms), and CDO (in charge of DX; Vice President, Business Innovation)

We will use our Serendie digital platform to facilitate unprecedented interactions between devices, systems and services in various fields, and the data and knowledge aggregated from these interactions, to create new value. With the portfolio of superior components, the Mitsubishi Electric Group has built over the years, we will accelerate co-creation to deliver high-value experiences for our customers.



Serendie logo

Serendie Digital Platform: Accelerating the Transformation into a "Circular Digital-Engineering Company"

The Mitsubishi Electric Group is striving to become a "Circular Digital-Engineering Company" that identifies the potential issues and needs of customers to create new value by consolidating and analyzing data obtained from the components and systems operating at our customers' sites in the digital space. Achieving this requires a digital platform that makes it possible to create value by analyzing and utilizing data across our businesses. This is why we built the Serendie digital platform, which forges connections across traditional organizational and business boundaries. It enables us more broadly utilize the knowledge that the Mitsubishi Electric Group has amassed in a wide range of fields. We will take advantage of Serendie to aggressively pursue co-creation, not only within the Group, but also with our customers and partners.

Technology Infrastructure: Speeding Up Value Creation Efforts Across Businesses

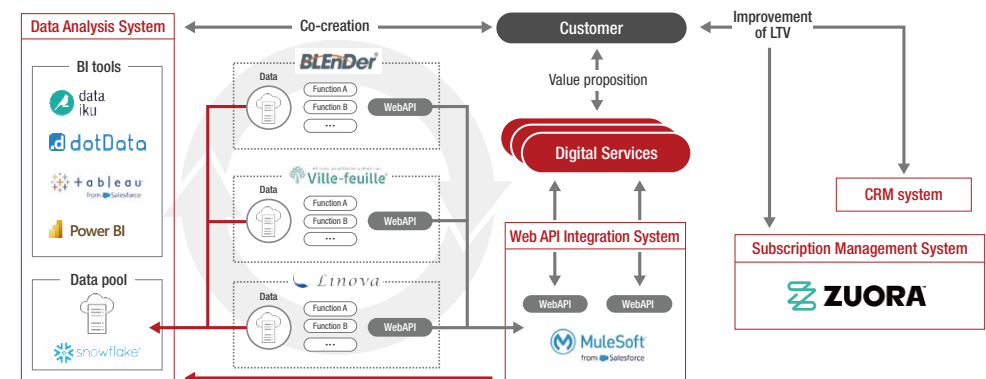
With Serendie, we have developed a technology infrastructure for accelerating value creation efforts that cut across our businesses. The infrastructure comprises a data analysis system, a Web API integration system, a CRM system, and a subscription management system.

The data analysis system is the core of the technology infrastructure and is a shared system that consolidates the data collected individually by each business and analyzes and utilizes it across businesses. In the past, data was stored separately in different formats within each system, such as BLENder in the energy systems business, Ville-feuille in the building systems business, and Linova in the air conditioning system & home products business. This data can now be consolidated into a single data pool and analyzed, allowing

it to be utilized to develop new solutions.

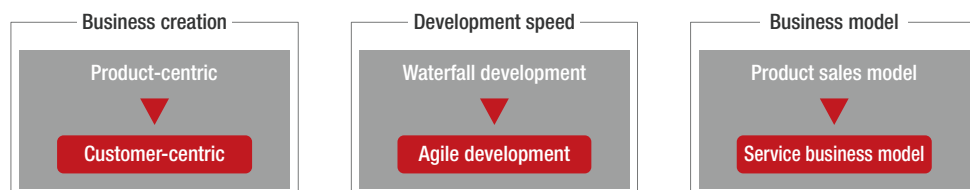
The Web API integration system enables smooth interoperability of the various functions developed in the systems of each business using a Web API. The data analysis system and the Web API integration system make it possible to create new value for customers at speed by supporting data analysis and matchmaking functions across business fields.

The CRM system enables the provision of cross-cutting proposals by centralizing customer information that was previously stored by each business within the Group. We will work to expand our digital services by linking the CRM system to the subscription management system. To develop these systems quickly, we will use software that is already in widespread use around the world as much as possible and promote collaboration with global partners.



Co-creation Infrastructure: Promoting Mindset Transformation

The realization of Circular Digital-Engineering requires a mindset transformation within the Group. Adopting customer-centric, agile development, and service business model patterns of behavior in addition to the product-centric, waterfall development, and product sales model patterns of behavior the Mitsubishi Electric Group has employed for many years will make it possible to create new businesses based on all-new ways of thinking. To promote this mindset transformation, we will establish Serendie Street, a DX innovation hub, to serve as a infrastructure for co-creation not only within the Group, but also with our customers and partners.

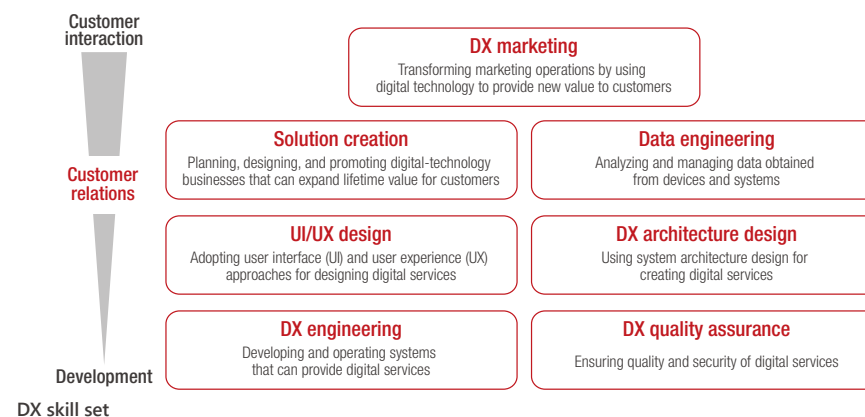


Transformation of our Technology Mindset

Serendie Street aims to be a space where diverse cultures interact, and new inspiration is created in unexpected encounters between people, data, and technology. In 2023, we began establishing Serendie Street Yokohama in Yokohama, Japan. From fiscal 2025, the co-creation space started operations with a human capital pool of approximately 500 DX engineers from the Mitsubishi Electric Group as well as customers and partners. In addition, we have also launched various cross-business projects and are developing innovative "internal special zones" in offices with different working arrangements than in our traditional works and offices. We plan to expand this activity not only in Japan, but overseas as well. We will also promote exchanges of personnel between global hubs as we implement projects with a global perspective.

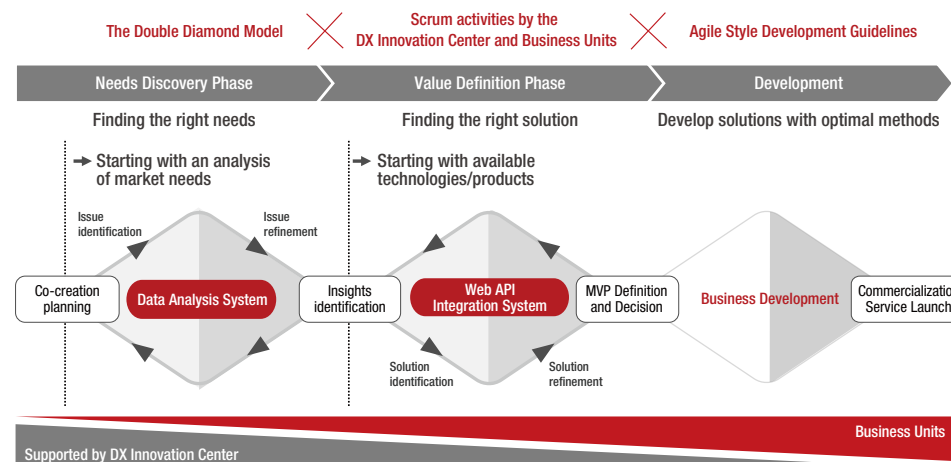
Human Capital Infrastructure: Strengthening DX Human Capital

Strengthening DX human capital is essential to realizing our transformation into a "Circular Digital-Engineering Company." To achieve our target sales of 1.1 trillion yen for Serendie-related businesses by fiscal 2031, we aim to expand the Mitsubishi Electric Group's DX pool of human capital, which currently stands at 6,500 employees, to 20,000 employees by fiscal 2031. To strengthen human capital development, we are defining a seven-point skill set required for creating solutions utilizing Serendie, providing DX education to all employees, reskilling technicians, actively hiring DX human capital, and conducting M&A of DX companies.



Infrastructure Promotion Project: Using Agile Scrum to Create Serendie Solutions

To create new value in collaboration with customers and partners, we use the scrum model, utilizing the four systems of our technology infrastructure. Based on the double diamond model, which is composed of the needs discovery phase utilizing the data analysis system and the value definition phase utilizing the Web API integration system, we will compile agile style development guidelines to ensure development quality in scrum activities and business development by the DX Innovation Center, established in April 2023, and business groups. Establishing these guidelines as the infrastructure promotion project will enable commercialization and service launch in a short period of time.

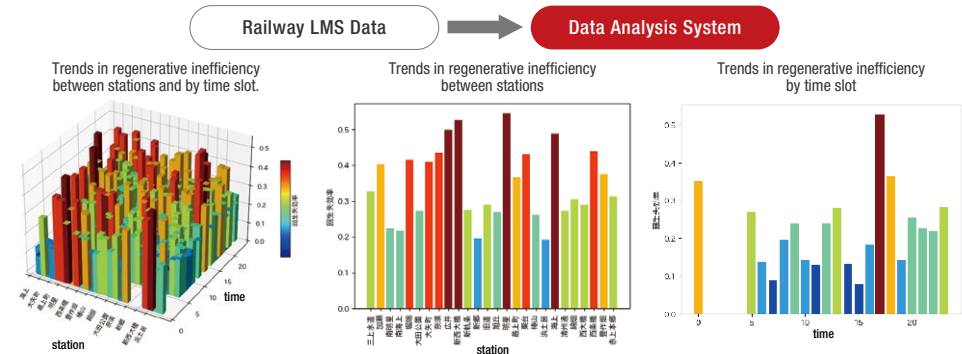


Project promotion by the DX Innovation Center

Scrum Project Case Studies

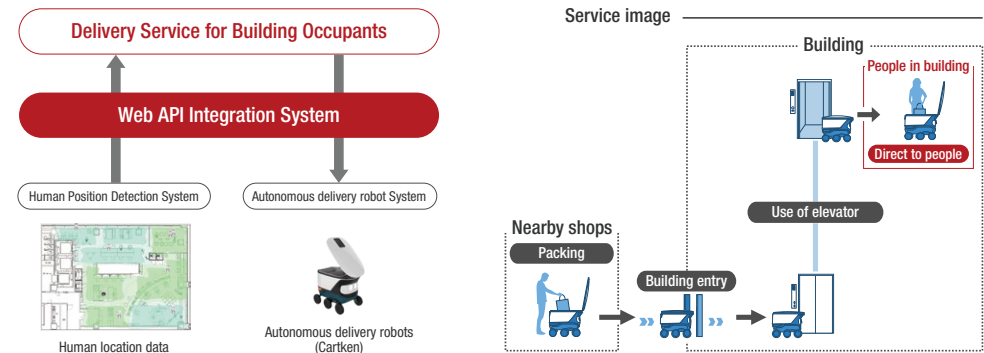
Designing a New Solution for Effective Energy Utilization for Transport Infrastructure

The Railway Lifecycle Management Solution (LMS) is a system that accumulates a variety of data on electric equipment for railway rolling stock (motors and brakes, etc.) delivered by the Mitsubishi Electric Group. The vast volume of this data has made it very difficult to use in detail until now. However, utilizing our data analysis system, we have initiated co-creation of integrated solutions including railway rollingstock maintenance, train operation, and power optimization with railway operators who are our customers. The example shown in the figure visualizes the regenerative power generated when a train stops between stations and by time slots with the aim of effectively utilizing regenerative power in station building shopping areas and other areas rather than wasting it.



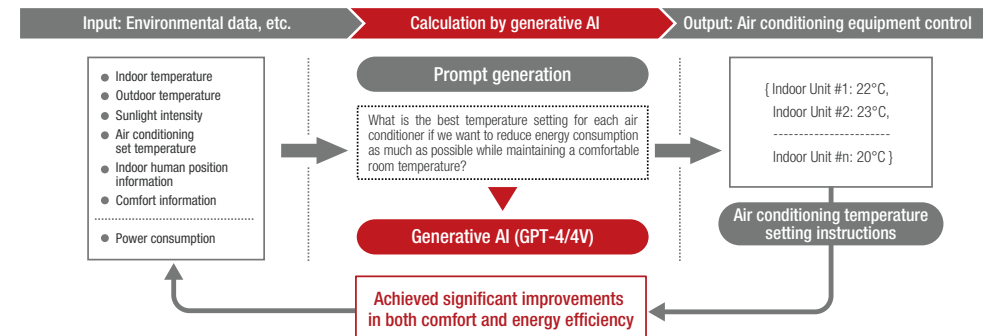
Combining Human Location Data and Autonomous Delivery Robots

We initiated a project combining human location data inside buildings from our Life business area and Cartken autonomous delivery robot system from our Industry & Mobility business area. Using the Web API integration system makes it possible to integrate functions very easily, even in systems that have been developed by different organizations. Based on an actual working system, we have been studying a system in which autonomous delivery robots transport food and beverages from nearby shops to the people in the buildings and we are working to bring it to market at the earliest possible opportunity.



Verifying Air Conditioning Equipment Control Using Generative AI

In an initiative using generative AI, we confirmed the effectiveness of technology that balances comfort and energy efficiency by verifying the air conditioning equipment control. We conducted the verification with a partner company to test control of air conditioning equipment using generative AI, inputting various environmental data using our proprietary prompt generation software. As a result of the verification conducted in winter, we achieved significant improvements in comfort and energy efficiency. Although more detailed verification is required for practical deployment, the use of generative AI is gradually shifting from utilization in streamlining business operations by outputting language such as creating minutes for meetings to include the field of software creation and automated control, as well. In February 2024, we established the Corporate AI Strategy Division and began various studies on the use of the Mitsubishi Electric Group's unique generative AI.



Human Capital Strategy

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



Yasunari Abe

Executive Officer
CHRO (in charge of Global Human Resources Strategy, Human Resources & General Affairs; Vice President, Corporate Human Resources Group), in charge of Public Relations

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

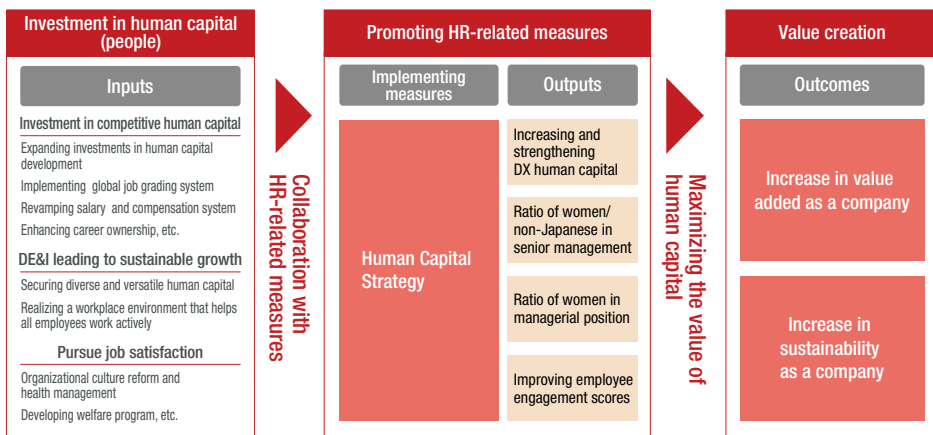
Basic Policy

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 ...
Current numbers	Expert level	10	10	100
	Mid-level	50	30	1000
	Basic	300	200	4000
		Information software	Electronic devices	Electricity and energy ...

↑ Identify gap ↓

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 / know-how • New business creation skills • Corporate principles / Governance 	<ul style="list-style-type: none"> • Globalization • Business knowledge / know-how • New business creation skills • 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 	<ul style="list-style-type: none"> • Administrative division personnel training (purchasing, accounting, general affairs, etc.)
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		<ul style="list-style-type: none"> 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.



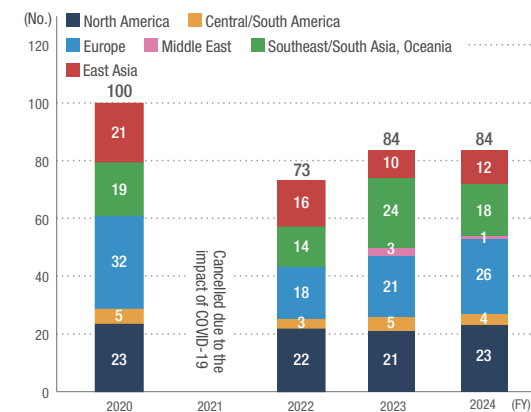
Mitsubishi Electric Group Skills Competition

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.

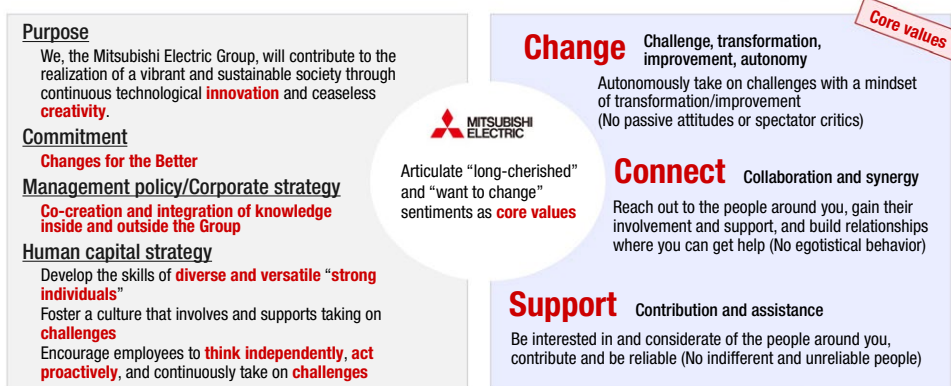
In addition, we have newly established the "expert course" and the "craftsman course," which are multi-track career paths for utilizing advanced expertise (knowledge, skills, and experience) to contribute to management, to expand career options. We will introduce the same job grade system for the "expert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

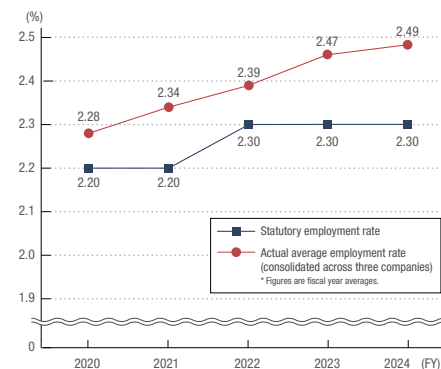
The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities.

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.

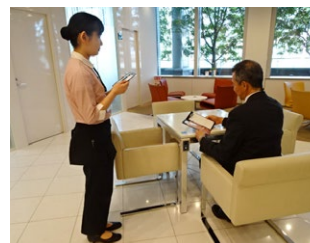
The company name of Melco Tender Mates Corporation expresses the principle that employees with or without disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion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



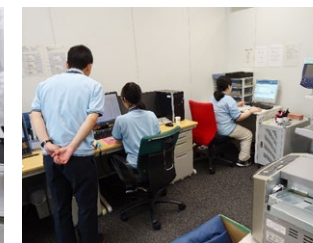
Changes in the ratio of hired people with disabilities



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.

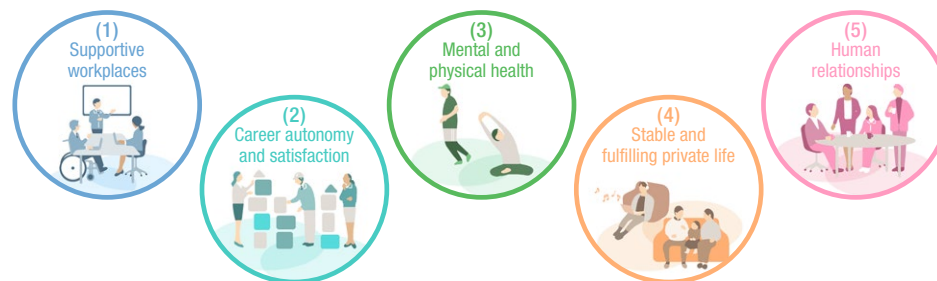
Mitsubishi Electric Group believes that such a society will make our stakeholders feel happy, including our business partners, customers, and Mitsubishi Electric Group employees.

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

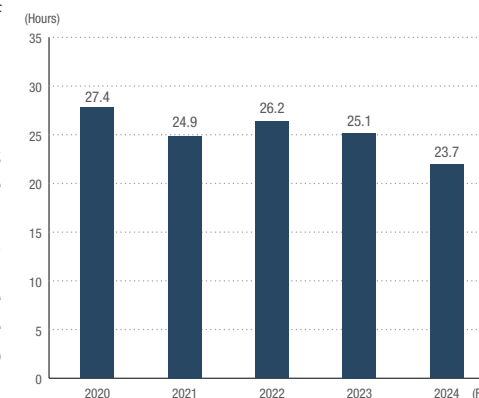
At the Head Office in Beijing of Mitsubishi Electric (China) Co., Ltd., office space has become smaller as the number of employees gradually increased over many years. The shortage of space became obvious in terms of safety, health, and meetings and communication, and it was having an impact on operations. 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.

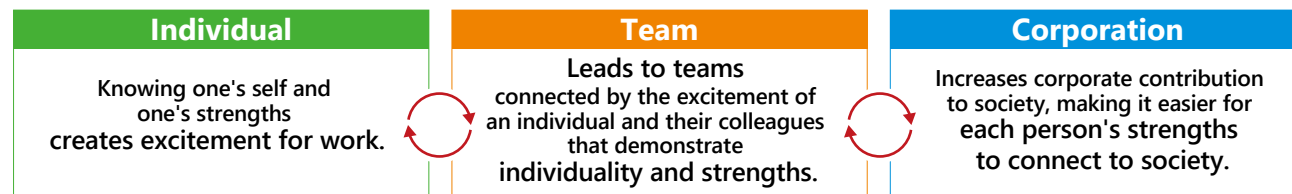
Special Feature “My Purpose” Project by 150,000 Members of the Mitsubishi Electric Group

In September 2023, the Mitsubishi Electric Group launched the Purpose Project in a new effort to engage 150,000* employees of group companies in Japan and overseas. The project aims to encourage employees to consider their life purpose to identify how it aligns and connects with the Group's own purpose. The project aims to bolster internal communication as employees share what they have discovered with their coworkers. These activities will further accelerate ongoing efforts to improve organizational culture.

* Number of employees as of March 31, 2023, on a consolidated basis.

Generating Value from the Purpose Project

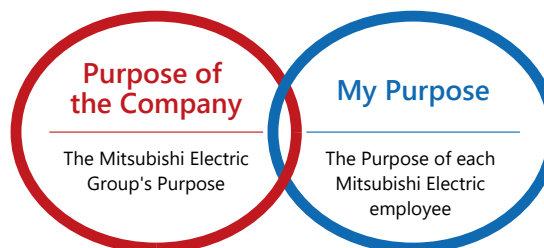
In this project, “My Purpose” is defined as the aspiration that each and every Mitsubishi Electric Group employee has as a part of society. Finding areas where the corporate Purpose and your own Purpose overlap creates a sense of satisfaction and excitement in work. This, in turn, will lead each employee to understand how their work is contributing to society. The purpose that motivates each employee is the driving force behind the reforms the company is making to create a more open working environment.



Mitsubishi Electric's “My Purpose” Project

First, employees think openly about their purpose. Then, by making employees aware that their daily work actually aligns with the Group's societal contributions and corporate Purpose, we aim to help each employee to fully embrace their own purpose.

After employees identify their purpose, each team is encouraged to share their thoughts in a group discussion about ways each employee's purpose impacts society and how they can realize that impact. This serves as an effective team building exercise.



Voices

My Purpose To contribute to society by making good products with trusted colleagues



Akiyo Takada
Itami Works

I'm in charge of designing inverters, which are the propulsion control devices used in railroad cars. In my work, I place a priority in how I relate to my coworkers. My perspective tends to narrow as I pursue the optimal solution for design work. To prevent this from happening, I listen intently to the opinions of those around me, so that I can objectively consider opinions and values different from my own, all of which can lead to something even better.

[Read the full interview](#)

My Purpose To have more people who are helped or feel joy from my work




Kazuhiro Matsuzaki
Shizuoka Works Gunma Factory

I joined the company over 40 years ago, and I have worked on manufacturing jigs and tools, press dies, and plastic molding dies, mainly as a member of machinery departments. Now, I'm in charge of on-site guidance at the factory and mentoring younger employees. If I can teach my younger colleagues to work positively every day, it will lead to the betterment of society.

[Read the full interview](#)

My Purpose To create beautiful designs by trial and error



Ian Random
Integrated Design Center

As an industrial designer, I research and design industrial robots and machinery and study future factory technology. Knowing that the robots that I designed through trial and error are being used as a product in factories in various countries gives me a tremendous sense of accomplishment. I look forward to continuing to contribute to society and the world, using my passion for building things as motivation.

[Read the full interview](#)

Foundation Enhancement

- 58 Message from the Officer in Charge of Sustainability
- 59 Sustainability Management
 - Basic Policy and Promotional System for Sustainability
 - Initiatives Related to the Value Chain
 - Communication with Stakeholders
- 63 Environment
 - Basic Policy
 - Climate Change Initiatives (Disclosure Based on TCFD)
 - Environmental Management System
 - Helping to Build a Green Society
 - Environmental Considerations in Value Chain Management
 - Biodiversity Preservation Activities
- 81 Quality
 - Basic Policy and Management
 - Providing Easy-to-Use Products
 - Improving Customer Satisfaction
 - Product Safety-related Principles
 - Responding to Product-related Issues
- 87 Human Rights
- 92 Supply Chain Management (Procurement)
- 96 Occupational Safety and Health
- 99 Philanthropic Activities
- 103 Message from the Chairperson of the Board of Directors
- 105 Dialogue with Outside Directors
- 108 Corporate Governance
- 115 Directors & Executive Officers
 - Directors (as of June 25, 2024)
 - List of Directors and Skill Matrix
 - Reference: Skill Items Required for Director
 - Executive Officers (as of April 1, 2024)
- 119 Risk Management
 - Basic Policy
 - Risk Management Framework
 - Disaster Countermeasures
 - Economic Security
- 122 Our Roadmap for the Three Key Reforms
- 123 Compliance
- 126 Tax Initiatives
- 127 Information Security

Message from the Officer in Charge of Sustainability

Bringing Together the Knowledge of Each Individual Employee to Achieve Further Sustainability Innovation



Seiji Oguro
Executive Officer
In charge of Sustainability;
Vice President, Sustainability
Innovation Group

In fiscal 2025, we newly established the Sustainability Innovation Group, consolidating relevant divisions and projects to further develop and strengthen corporate management, with sustainability as the cornerstone as stated in our management policy. Led by the Sustainability Innovation Group, we aim to comprehensively accelerate the Mitsubishi Electric Group's sustainability management on a global level by creating "Trade-On (mutual benefits)" businesses that simultaneously solve social challenges and grow our business while also strengthening our business foundation.

Creating "Trade-On (mutual benefits)" Businesses that Both Solve Social Challenges and Grow Our Business

We are confronting various environmental problems, including climate change, depletion of resources, and loss of biodiversity, and we must make choices about creating the future as members of planet Earth. In these circumstances, the Mitsubishi Electric Group is accelerating "Trade-On (mutual benefits)" activities that both solve social challenges on a global scale and grow our business.

In particular, we believe there are business opportunities for the Mitsubishi Electric Group in areas that combine carbon neutrality, the circular economy, and the nature positive initiative. The Global Initiative for Sustainable Technology (GIST) Project, focused on halting loss and restoration of natural capital, was launched in fiscal 2024 aimed at business creation with an eye also on co-creation with other companies and open innovation between industry, government, and academia.

Innovation through Circular Digital-Engineering is essential to support such business creation. We believe that providing new solutions that help to realize sustainability based on utilizing diverse data, including the technical capabilities and knowledge of the Mitsubishi Electric Group across various fields, will contribute to solving various social challenges while also creating profitability.

Strengthening Our Business Foundation

Along with the challenge of creating new business, strengthening our business foundation is also essential. We are steadily advancing toward carbon neutrality within the group and the circular economy, aiming for carbon neutrality by 2030 and 100% effective utilization of waste plastics by 2035, ahead of achieving full carbon neutrality across the value chain by 2050. Additionally, we are committed to upholding human rights, in line with international standards, and fostering DE&I to support not only our employees, who are the core of our business, but also all stakeholders involved. Furthermore, we ensure compliance with evolving national and international sustainability regulations—such as the Corporate Sustainability Reporting Directive (CSRD),*¹ Corporate Sustainability Due Diligence Directive (CSDDD),*² and Ecodesign for Sustainable Products Regulation (ESPR)*³—while integrating non-financial information into business management and public reporting. We remain vigilant and responsive to these developments to meet these requirements consistently.

It has been a few months since the divisions that engage in sustainability activities were integrated into a single group, and I feel that the new structure has made it easier for us to comprehensively facilitate activities for business creation and strengthening our business foundation, which are the twin drivers of the Mitsubishi Electric Group's sustainability management. Under this structure, we will bring together the expertise and knowledge of every employee to tackle the challenge of achieving further sustainability innovation.

*1 A directive on disclosure of corporate sustainability information in Europe.

*2 A directive that makes corporate sustainability due diligence mandatory in Europe.

*3 Regulations on design for the environment, including sustainability requirements, for products distributed on the European market

Sustainability Management

Basic Policy and Promotional System for Sustainability

Basic Policy on Sustainability

The management policy of Mitsubishi Electric Group states, "We will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management." We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

Actions to Promote the Realization of Sustainability

To realize sustainability, we have set the following four points as actions to advance:

Value creation	Creating and developing businesses that address social challenges by balancing business growth with the promotion of social sustainability
Foundation enhancement	Strengthening our business foundation, including management related to the environment, society, and governance, to support the sustainable growth of the Mitsubishi Electric Group
Risk management	Anticipating risks arising from long-term social and environmental changes, and mitigating or minimizing the impact on corporate management
Disclosure of initiatives and dialogue engagement	Communicating with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society's expectations, requests, and opinions in our corporate management

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by the Sustainability Committee, which is appointed by the Executive Officers' Meeting of Mitsubishi Electric. The Sustainability Committee is chaired by the Executive Officer in charge of Sustainability, and is composed of the chief officers in charge of specific functions in the corporate divisions, as well as the executive officers in charge of the business divisions.

The discussions of the Sustainability Committee are reported to the Executive Officers' Meeting and the Board of Directors. The Board of Directors treats the status of the various sustainability initiatives as one of the Group's key agenda items. It holds full discussions, considering risk management and profit-generating opportunities, while also supervising the status of initiatives by executive officers. The promotion of sustainability initiatives is one of the compensation indicators for executive officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in

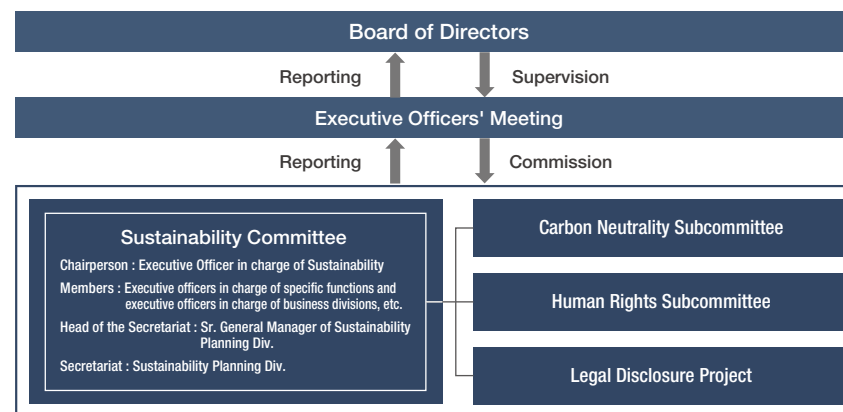
incentive compensation.

Sustainability issues that involve multiple divisions are addressed via subcommittees and projects established under the Sustainability Committee. Specific initiative areas such as ethics and compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and communication with stakeholders are carried out under the responsibility of the relevant divisions.

The policies and plans established by the Sustainability Committee and the specific initiatives promoted by subcommittees and projects are shared with all the internal divisions and associated companies in and outside of Japan. The entire Group works together to solve issues.

In April 2024, the Group enhanced its sustainability promotion structure. Existing divisions in charge of sustainability, environmental measures, DE&I, etc., were integrated to establish the Sustainability Innovation Group, which is now tasked with creating new businesses to address social challenges.

Name of the Meeting body	Objectives, main discussion areas, etc.
Sustainability Committee	Discussing policies and plans regarding sustainability initiatives in the Mitsubishi Electric Group, and sharing information (meets quarterly)
Carbon Neutrality Subcommittee	Promoting the Mitsubishi Electric Group's carbon neutral initiatives
Human Rights Subcommittee	Improving human rights initiatives in the Mitsubishi Electric Group and quickly addressing issues
Legal Disclosure Project	Promoting activities to comply with global requirements for legal disclosure relating to sustainability

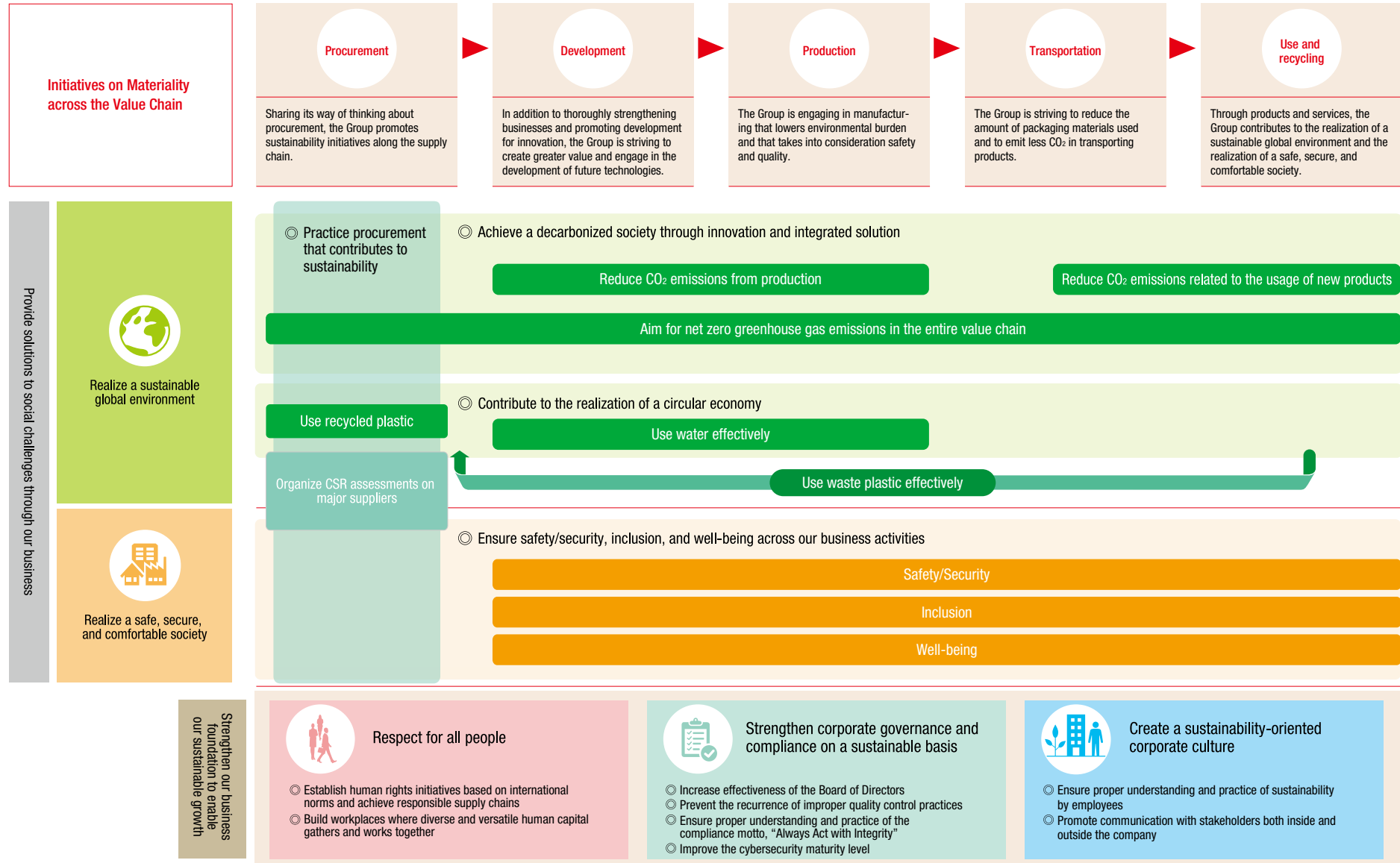


Sustainability promotion framework

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.

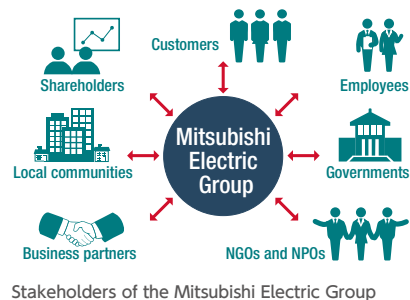


Communication with Stakeholders

Basic Policy on Stakeholder Engagement

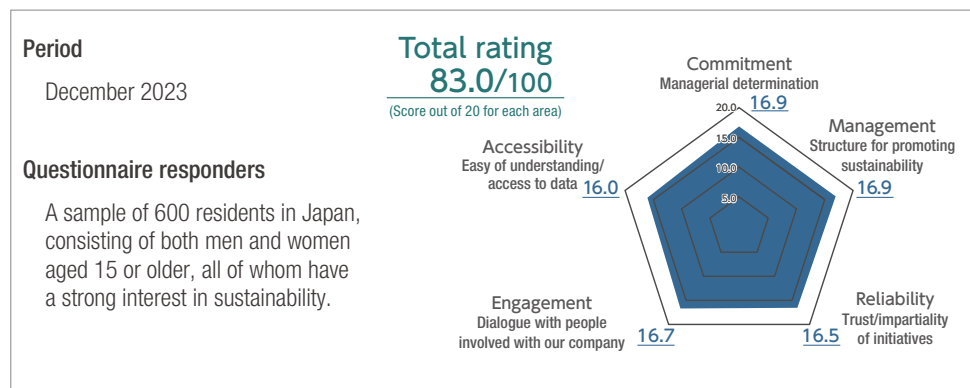
The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important to pursue initiatives for achieving a sustainable society.

As such, the Group embraces every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among senior management and elsewhere within the Group through the Sustainability Committee, and incorporates these opinions and information within various initiatives.



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 2023. In addition to the comprehensive evaluation, the survey responses to a question about expectations regarding dialogue and co-creation with stakeholders revealed an interest in co-creation between the Mitsubishi Electric Group—striving to create new value from its own technologies and knowledge—and corporate and individual customers. There are also expectations that the Mitsubishi Electric Group will communicate with the local community near its offices, academic and research institutions, and shareholders and investment institutions. In addition, there is continuing interest in dialogue between the Group and its employees.



Dissemination to Our Employees

The Mitsubishi Electric Group is implementing various internal dissemination measures to help employees understand sustainability and to unite the Group in its efforts for addressing social challenges through our businesses. The main measures are as follows.

Internal dissemination measures

Target	Description of Initiative
Executives	<ul style="list-style-type: none"> • Sustainability lectures Lecture presentations are held by experts regarding changes in social perspectives and the latest industrial trends concerning sustainability for Mitsubishi Electric executives and members of the Sustainability Committee.
Associated companies in Japan	<ul style="list-style-type: none"> • Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers General managers of administrative departments of associated companies in Japan gather at an annual conference to discuss compliance and other related matters, in which they share information on the Mitsubishi Electric Group's company-wide sustainability policy and initiatives.
Associated companies overseas	<ul style="list-style-type: none"> • Sustainability promotion activities in each region Overseas associated companies of the Mitsubishi Electric Group also conduct region-specific activities, such as operating committees to promote sustainability.
Sustainability officers	<ul style="list-style-type: none"> • Sustainability officer training Mitsubishi Electric conducts training sessions for sustainability officers at each site and associated companies in Japan. These sessions cover the basic concepts of sustainability, societal demands, and the sustainability initiatives of the Mitsubishi Electric Group.
Group employees	<ul style="list-style-type: none"> • Promoting understanding of sustainability through training and in-house newsletters E-learning educational materials are distributed so that employees of Mitsubishi Electric and its associated companies in Japan and overseas can learn about sustainability. In addition, in-house newsletters distributed to the associated companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.
New employees	<ul style="list-style-type: none"> • Sustainability training Sustainability training is provided to new Mitsubishi Electric employees to give them an opportunity to deepen their understanding of sustainability, which is positioned as the cornerstone of the company's management. They are also informed of the importance of ensuring ethical and legal compliance as well as addressing quality and environmental issues in their daily work.

Employee Engagement Survey on the Sustainability Training

Mitsubishi Electric strives to disseminate information to employees in a variety of formats, which includes confirming the level of understanding of individual employees using engagement surveys following e-learning and other training on sustainability, including the SDGs.

Implementing operations in accordance with management philosophy	67%
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Communication with Stakeholders

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"> Ensure occupational health and safety Respect for human rights Human capital 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 engagement 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, citizen 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 business partners
Regional communities Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> Contribution to activities in four 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"> Investor and shareholder relations departments 	Financial results presentation meeting (4 times yearly) , general meetings of shareholders (once a year) , sustainability briefings (once a year) , IR events/individual meetings , websites (IR library) , responses to interviews , shareholder communications
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
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 , classroom support, factory inspection tours, grants via foundations, events, METoA

Key Initiatives for Fiscal 2024

Regional Communities

Classroom Support Using “Design Thinking” for Elementary School Students

The Integrated Design Center holds workshop-style classes for elementary school students in partnership with educational institutions. This initiative allows the Group to gain fresh insights by engaging with the local community and exploring diverse perspectives. The workshops have been running since fiscal 2022 with local issue-based themes such as waste disposal problems and community revitalization allowing elementary school students to tackle familiar issues. In fiscal 2024, the workshop was held at Harayama Elementary School, Inzai City, Chiba Prefecture.



A scene from classroom support using “design thinking” (Harayama Elementary School, Inzai City, Chiba Prefecture)

The methodology used in the classes is “design thinking.” This involves observing and understanding the current situation, considering what issues need to be solved, and then considering ideas for solving them through discussion. We continue to conduct this activity based on the belief that it will lead to the realization of a sustainable society if children, who will drive the future, think about their future themselves and develop the desire to improve it through this classroom experiences.

Employees

Direct Dialogue between Management and Employees

Mitsubishi Electric holds dialogue meetings where management and employees conduct two-way exchanges of opinion at each of its offices. In fiscal 2024, the Company held 455 such meetings using a small-scale town hall meeting format, and the diverse opinions received from employees are being utilized in a variety of reforms.

Environment

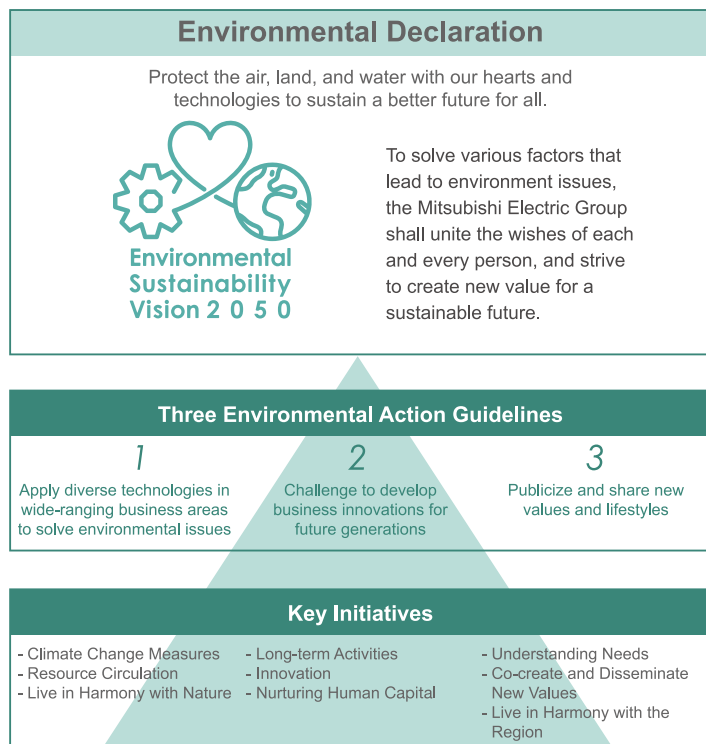
Basic Policy

The Mitsubishi Electric Group has set forth the clear course of action it will take through the year 2050 in its Environmental Sustainability Vision 2050. The Group is working hard to contribute to the sustainability of the global environment based on an environmental policy that outlines how the Group will contribute to the environment.

Environmental Sustainability Vision 2050

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 Sustainability Vision 2050

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

Climate Change Initiatives (Disclosure Based on TCFD)

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

Governance

Promotional System

In fiscal 2023, the Mitsubishi Electric Group positioned the realization of sustainability at the cornerstone of its management policy. Since the beginning of fiscal 2024, we have been working to further strengthen governance to achieve “value creation” and “foundation enhancement” through various initiatives, including addressing climate change.

For our efforts to address climate change, we have established a Carbon Neutrality Subcommittee under the Sustainability Committee to discuss issues such as targets for carbon neutrality in our own group and throughout the value chain. The analysis of short-term and medium-term risks, opportunities, and their financial impact has been transferred from the TCFD Working Group (ended in June 2024), which had been established under the Sustainability Committee, to the Sustainability Innovation Group.

Policy for Initiatives

Under our long-term environmental management vision through 2050, titled Environmental Sustainability Vision 2050, we aim to reduce greenhouse gas emissions from factories and offices to net-zero by fiscal 2031 and to reduce greenhouse gas emissions throughout the entire value chain to net-zero by fiscal 2051. In February 2024, we updated our short-term plan, Environmental Plan 2025 (FY2025–2026), based on the Environmental Sustainability Vision 2050, aiming to achieve even higher targets than those certified by the SBT Initiative.

Strategy

The Mitsubishi Electric Group views the transition to a decarbonized society not as a business risk but as an opportunity common to all its businesses. Based on this recognition, we are integrating initiatives related to Environmental Sustainability Vision 2050, Environmental Plan 2025, and SBTs into our business strategies and advancing technological and business development accordingly.

Business Strategy

Among the wide range of businesses, the Mitsubishi Electric Group operates, we consider electrification, promotion of renewable energy adoption, energy conservation, energy management, and smart control as key factors in society's move toward decarbonization.

Climate Change Risks and Opportunities in the Short, Medium, and Long Terms

The Mitsubishi Electric Group assesses the impact of climate-related risks and opportunities that are expected to affect each of its businesses in the short-term, medium-term, and long-term, referring to climate scenarios presented by external organizations (such as the IEA) and economic development projections for each country and region.

Periods

Short-term: Period through fiscal 2026 (period of the Environmental Plan 2025 and the medium-term management plan)

Medium-term: Period through fiscal 2031

Long-term: Period through fiscal 2051 (final year of the Environmental Sustainability Vision 2050)

Magnitude of Impact

Under the supervision of the Executive Officer in charge of Sustainability, the executive officers and heads of relevant business divisions determine whether the anticipated events in each business qualify as significant risks (high impact). This is also confirmed in Mitsubishi Electric Group's comprehensive risk management process.

Risks Related to Climate Change

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

If the transition to a decarbonized society, which is the premise of the Group's business strategy, progresses, it is expected that there will be an increase in social demand for reducing greenhouse gas emissions in all products and services, changes in energy supply and demand, changes in the energy mix due to increased power generation from renewable energy sources, and the progress of the electrification of automobiles (shift to EVs). Moreover, in this case, transition risks such as the tightening of regulations on greenhouse gas emissions, increased burden of technological development, and delays in technological development could exceed physical risks.

To address transition risks, the Mitsubishi Electric Group is already working to reduce greenhouse gas emissions by implementing its environmental plan and setting SBTs. So, for example, even if regulations on greenhouse gas emissions are tightened, we believe that the impact will be minor. We estimate that, even if material prices soar, the impact can be minimized by more vigorously pursuing environmentally conscious design, which will in turn also support the global warming countermeasures, resource conservation, and recyclability that we are already working on. Moreover, in anticipation of the tightening of regulations such as air conditioner refrigerant regulations and the development competition for low-carbon and high-efficiency technologies, we are strategically combining short-term, medium-term, and long-term R&D investments for the development of new technologies. Additionally, we are also making capital investments in environmental activities, including global warming countermeasures such as energy conservation.

On the other hand, if economic development is prioritized over climate change countermeasures in countries around the world, it is predicted that there will be an increase in the frequency of heavy rains and floods, intensification of extreme weather events, and chronic temperature increases. In this case, physical risks such as the suspension of operations due to disasters and the disruption of supply chains could exceed transition risks. In response to physical risks such as floods, we have formulated a business continuity plan (BCP), which we review annually, and are decentralizing our production sites. In the supply chain, we are also striving to purchase from multiple companies and requesting our suppliers to operate multiple plants to avoid situations that could hinder production.

Climate-related risks and opportunities in the short, medium, and long-terms

Major Category	Item	Short-term	Medium-term	Long-term	Risks	Opportunities	Impact on Business	Impact on Strategy	Impact on Financial Plan	Magnitude ¹	Frequency ²
Policy/Regulation	Carbon tax	○	◎	◎	Additional costs incurred for operations, raw materials, procurement, etc.	Providing products and services that contribute to decarbonization	Increased business costs, fluctuations in sales	Early response based on CN transition plan	Investment in CN technology development	Medium	High
	Refrigerant regulations	○	◎	○	Decreased sales due to inability to comply with regulations	Increased sales by complying with regulations and selling high-performance products	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in refrigerant technology development	Large	High
Industry/Market	Soaring material prices	○	○	◎	Raw material costs, etc., soar due to the impact of climate change	Successful material procurement through multiple sourcing, etc.	Increased business costs	Securing multiple suppliers, strengthening SCM	Investment in strengthening SCM	Medium	Medium
	Decarbonization of transportation	○	○	◎	Soaring transportation costs for aircraft, ships, etc.	Increased demand for social system business (railway-related)	Increased business costs, fluctuations in sales	Development of CN solutions with competitive advantage	Investment in CN technology development	Medium	Medium
	Changes in energy mix and energy demand trends	○	◎	◎	Market shrinks due to the introduction of renewable energy and delays in global electrification	Increased sales of various equipment due to expanded electricity demand	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in CN technology development	Large	High
	Fluctuations in EV demand	○	◎	◎	SiC demand does not increase due to slow growth in EV demand	SiC demand expands and SiC becomes widespread due to increased EV demand	Significant increase/slowdown in profits	Expansion of SiC production/expansion of production of conventional products such as Si	New construction/down sizing of SiC factories	Large	Medium
Technology	Fluctuations in air conditioning demand	○	○	◎	Decreased sales due to failure in technology development	Increased sales due to climate change adaptation demand and sales of energy-saving and high-performance products	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in technology development	Large	High
	Spread of low-carbon technologies, products, and services	◎	◎	◎	Lagging behind competitors in technology development and commercialization in all business areas	Increased sales by selling low-carbon and high-efficiency products and services in all business areas	Fluctuations in sales	Early and advanced response to regulations and technology development Gain advantage over competitors	Investment in technology development	Large	High
Regulation	Development of CO ₂ utilization technology	○	○	◎	Not achieving self-CN if unable to develop	Achieving self-CN by 2050, selling technology	Future increase in costs for CN credits	Medium- to long-term development of CCUS and carbon chemical recycling technology	Investment in CO ₂ utilization technology development	Medium	High
Physical Risks (Acute)	SBT 1.5°C target certification	◎	—	—	Lagging behind competitors if certification fails	Status as an excellent company if certification succeeds	Fluctuations in sales	Obtaining SBT 1.5°C target certification one year ahead of schedule	No specific impact	Medium	High
	Intensification of abnormal weather	○	◎	◎	Business activities suspended due to typhoons, localized heavy rain, etc.	Providing disaster prevention and mitigation solution business	Losses due to business suspension, fluctuations in sales	Strengthening and reviewing BCP	Capital investment related to BCP strengthening	Large	Medium

◎: Main period when the impact materializes. ○: Period related to the manifestation of the impact.
¹1: Magnitude of the overall impact on the business, comprehensively evaluated from the perspectives of business, strategy, and financial planning.
²2: Frequency at which the business is affected by the risk or opportunity.

Opportunities Related to Climate Change

Regarding climate-related opportunities, the Mitsubishi Electric Group has a wide range of businesses and considers it a strength to be able to provide a wide range of products, services, and solutions that contribute to solving social issues caused by climate change. Therefore, we believe that we have sustainable growth opportunities from the short term to the long terms.

Whether the world prioritizes transitioning to a decarbonized society or pursues economic development over climate change countermeasures, it is predicted that the needs for solving social issues caused by climate change will become more apparent.

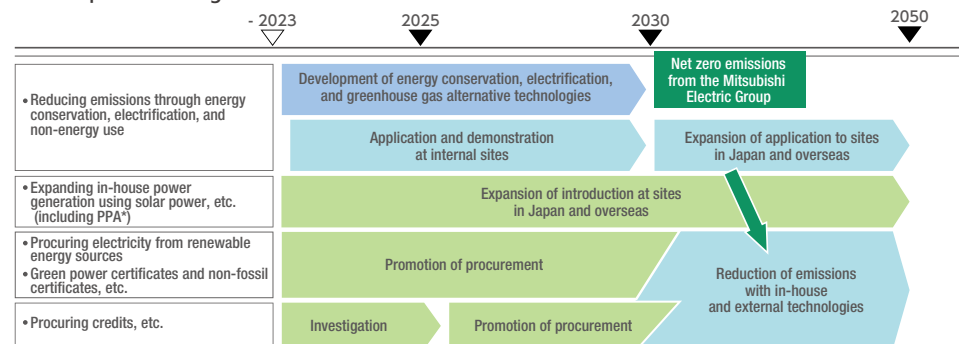
The Mitsubishi Electric Group provides large energy storage systems, smart medium- and low-voltage direct current distribution network systems, distributed power source operation systems/virtual power plant (VPP) systems, and multi-region digital energy management systems (multi-region EMS) to prepare for the diversification of power supply required by the trend toward a decarbonized society. These products meet the needs for effective use of electricity and system stabilization arising with the expansion of renewable energy and the decentralization of power sources. In addition, the increase in demand for electrified products, driven by the progress of the electrification of automobiles (shift to EVs), will lead to an expansion of demand for silicon carbide (SiC), high-efficiency power semiconductors in the Semiconductors & Devices business, and a reduction in their manufacturing costs. The expansion of SiC applications in the fields of electric railways, electric power, industry, and consumer products is anticipated.

Even if economic development is prioritized over climate change countermeasures, it is expected that revenue opportunities will expand as we contribute to the realization of a decarbonized society by providing highly energy-efficient products, services, and solutions in the air conditioning business and other areas, in response to the increase in demand due to the development of the global economy and the increase in purchasing power, as well as the increase in demand for adaptation to climate change.

Carbon Neutrality Transition Plan

The Mitsubishi Electric Group has formulated and is implementing a plan to transition to carbon neutrality targeting “net zero greenhouse gas emissions in the entire value chain by fiscal 2051” and “net zero greenhouse gas emissions from factories and offices by fiscal 2031.”

Roadmap for reducing emissions from factories and offices

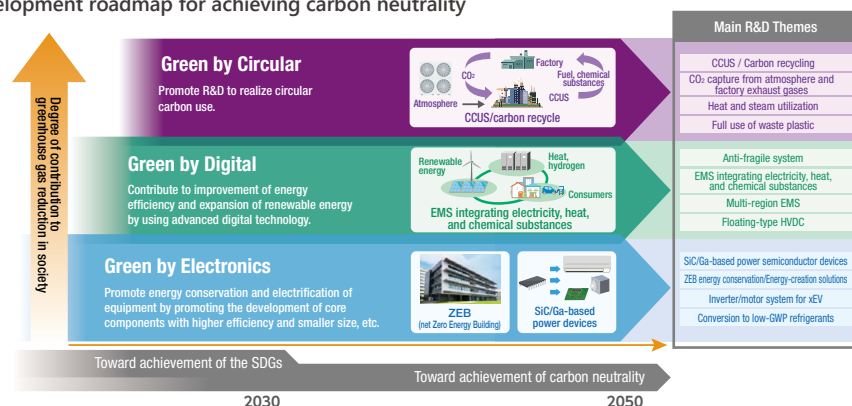


* Power purchase agreement

We are implementing a number of initiatives to reduce emissions at factories and offices: (1) reducing emissions through energy conservation, electrification, and non-energy use; (2) expanding in-house power generation using solar power, etc. (including PPA); (3) procuring electricity from renewable energy sources; (4) green power certificates and non-fossil certificates, etc.; and (5) procuring credits, etc. With these and other initiatives in place, we aim to achieve the above goals.

In addition, as a development strategy for achieving our targets for 2050, to create and grow businesses that contribute to the realization of carbon neutrality throughout the value chain and society as a whole, we will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular.

Development roadmap for achieving carbon neutrality



In Green by Electronics, we will advance R&D to improve the efficiency and reduce the size of power electronics and motors, the core components that are Mitsubishi Electric's strengths, contributing to energy conservation and electrification of FA equipment, air conditioning, and other products. We will also advance R&D on net Zero Energy Buildings (ZEB), air conditioning and refrigeration systems using refrigerants with low global warming potential, and power devices using new materials.

In Green by Digital, we will use advanced digital technologies to improve energy efficiency and expand the use of renewable energy. We will advance R&D, such as demonstrating an energy management system (EMS) in Europe that balances power supply and demand between power generation using renewable energy sources and power consumption by heat pumps for air conditioning and water heating. Through these activities, we will contribute to reducing greenhouse gas emissions throughout the entire value chain.

In Green by Circular, we will advance R&D focusing on resource circulation, such as CO₂ capture, utilization, and storage (CCUS) and carbon recycling. We will advance R&D to expand the range of recyclable plastics, including those that have been difficult to recycle, such as composite materials, not only from Mitsubishi Electric products but also from other sources, contributing to the circular use of carbon.

To create and expand businesses in these green-related fields, we plan to allocate approximately 900 billion yen over the seven years from fiscal 2025 to fiscal 2031 to green-related R&D investments.

Resilience to Climate Change Based on Scenario Analysis

Overview

The Mitsubishi Electric Group has conducted scenario analysis considering long-term future uncertainties based on two scenarios: one in which the world moves toward a decarbonized society as assumed in our business strategy (2°C or lower scenario*1), and another in which economic development is prioritized over climate change countermeasures (4°C scenario*2). We set fiscal 2041 as a point in an uncertain future and analyzed the financial impact of transitioning to the 4°C scenario, with the baseline (extension of our business plan) as the 2°C or lower scenario.

*1 The demand for decarbonization technologies increases and development competition intensifies due to stricter regulations. As the electrification of society progresses, total electricity demand increases, and the percentage of renewable energy also rises.

Referenced public scenarios

- International Energy Agency (IEA) World Energy Outlook 2023, Announced Pledges Scenario (APS)
- Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6), Shared Socioeconomic Pathway (SSP1), compared to SSP2 as the current situation

*2 Physical risks materialize due to decarbonization activities being at or below the current level. Consumer purchasing power increases compared to the 2°C or lower scenario. On the other hand, extreme weather events such as heavy rain and floods intensify.

Referenced public scenarios

- IEA World Energy Outlook 2023, Stated Policies Scenario (STEPS)
- IPCC 6th Assessment Report, SSP5 (compared to SSP2 as the current situation)

Scenario Analysis Results

The Mitsubishi Electric Group has examined climate-related risks and opportunities in all its business segments. Regarding transition risks, we evaluated that three businesses, Energy Systems, Semiconductors & Devices, and Automotive Equipment, would be significantly affected by climate change in the 4°C scenario relatively, and we quantitatively estimated the financial impact.

On the other hand, for physical risks, we estimated the financial impact on the Group's major manufacturing bases across all business segments, taking the intensification of extreme weather events as an inevitable risk due to the increased frequency of extreme weather events.

The main transition risks that would affect finances due to the transition to the 4°C scenario are changes in the energy mix, changes in energy demand trends, and delay in shift to EVs.

The Energy Systems business is directly affected by changes in the energy mix and changes in energy demand trends, and is expected to see a decrease in profits due to the slow spread of renewable energy and sluggish growth in total electricity demand caused by delays in electrification. The Semiconductors & Devices and Automotive Equipment businesses would experience some concerns such as the delay in the shift to EVs leading to reduced demand for EV-related automotive equipment and the failure of SiC manufacturing costs to decrease, stagnating its widespread use in other fields. However, the impact of these concerns is expected to be minimal.

Although these three businesses would be affected by reduced opportunities under the 4°C scenario, climate change is seen as more of an opportunity than a risk in all of the Mitsubishi Electric Group's businesses. In the case of the 4°C scenario, compared with the case of the 2°C or lower scenario, each country will adopt economy-first measures, and as a result, high-performance products and services will be selected and demand will increase vigorously. For example, in the Air Conditioning Systems & Home Products

business, performance requirements for reducing greenhouse gas emissions and energy consumption would not decrease, and increased demand for adapting to climate change can be expected.

Moreover, we estimate the financial impact of the intensification of extreme weather events, a physical risk, to be smaller than the impact of transition risks.

Based on this analysis, we expect a decrease in profit due to transition risks in the Energy Systems business, as well as physical risks in all businesses. However, the opportunities presented by climate change in many businesses, including the Air Conditioning Systems & Home Products business, are also expected to bring an increase in profit. As a result, the impact on the Mitsubishi Electric Group is within the assumed range that can occur in normal business operations and is estimated to amount to a minor change in the direction of profit growth. For this reason, we do not foresee a significant financial impact even with a shift from the 2°C or lower scenario to the 4°C scenario.

Financial impact on the Mitsubishi Electric Group when society progresses to the 4°C scenario (impact on operating profit)

	Business	Content	Impact on Operating Profit
Transition risks	Energy Systems	<p>◆Changes in energy mix and changes in energy demand trends</p> <ul style="list-style-type: none"> •The market size for core network products and distributed network products shrinks due to the slowdown in the introduction of renewable energy and the progress of electrification. 	➔
	Semiconductors & Devices, Automotive Equipment	<p>◆Delay in shift to EVs</p> <ul style="list-style-type: none"> •Slowdown in the price reduction of SiC products, and stagnation in their spread to non-automotive applications. •Reduced demand for EV-related automotive equipment. 	➔
Physical risks	All Businesses	<ul style="list-style-type: none"> •Disruption of supply chains and increased damage to facilities due to the intensification of extreme weather events such as typhoons, heavy rains, and floods. 	➔
Opportunities	A/C System & Home Products	<ul style="list-style-type: none"> •Increased demand due to the development of the global economy under relatively relaxed regulatory conditions. •Optimization of annual R&D investment in line with the gradual progress of refrigerant regulation requirements in each region. 	➔
Total (transition risks + physical risks + opportunities)			➔

Risk Management

Processes for Addressing Climate Change-Related Risks and Opportunities

The Mitsubishi Electric Group uses its own business strategy decision-making process and a comprehensive risk management process to identify, assess, and manage risks and opportunities related to the global environment, including climate change.

Each of Mitsubishi Electric's departments (business groups and corporate divisions) and associated companies in Japan and overseas identify climate change-related risks that are relevant to them, consider how to respond to such risks and turn them into opportunities, and proactively incorporate them into their business and divisional strategies.

At the same time, as part of the Mitsubishi Electric Group's comprehensive risk management process, we identify, assess, and properly manage issues that have significant impacts on management in various risk areas, including risk management related to climate change.

Mitsubishi Electric Group Risk Management System and Positioning of Global Environmental Risks

The Mitsubishi Electric Group's global environmental and other risks, including those related to climate change, are primarily managed by each division of Mitsubishi Electric and its associated companies in Japan and overseas. In addition, at the direction of the Chief Risk Management Officer (CRO), the corporate division (i.e., the division responsible for the risk) identifies, assesses, and manages risks based on its knowledge in each area of expertise.

Risks in each specialty area identified and assessed by the divisions responsible for such risks are consolidated by the Corporate Legal Risk Management Group, and their impacts on group management are evaluated through relative comparisons among each risk, etc. The Risk Management and Compliance Committee, chaired by the CRO, makes management decisions.

Risks comprehensively assessed through the above process are shared with relevant parties, including management. The Group considers global environmental risks, including climate change, to be highly material because they have significant impacts on the realization of a sustainable global environment, one of the Group's materialities.

Management Process for Risks Related to the Global Environment

Global environmental risks, including climate change, are identified, assessed, and managed by the Executive Officer in charge of Sustainability and the Sustainability Innovation Group, the department in charge of risk, under the direction of the CRO, in accordance with the Mitsubishi Electric Group risk management system described above.

Based on the results of such comprehensive risk assessment, the Executive Officer in charge of Sustainability and the Sustainability Innovation Group identify and assess risks by subdividing global environmental risks into smaller risks, taking into account legal trends, technological trends, market trends, external evaluations, and other factors. Based on the results, the Executive Officer and the Department formulate an environmental plan as a medium-term risk management measure and an environmental implementation plan as a one-year measure.

Each group organization (business group, associated company, etc.) formulates its own annual environmental implementation plan based on these plans and reports the results to the Executive Officer in charge of Sustainability and the Sustainability Innovation Group.

The Executive Officer in charge of Sustainability and the Sustainability Innovation Group then review the results of the identifying and assessing of global environmental risks, taking into account the results of each organization and social trends, and in turn report the results to the Corporate Legal and Risk Management Division and, if necessary, revise the environmental plan and reflect the results in the environmental implementation plan for the following fiscal year.

Metrics and Targets

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

Long-Term Target

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

Mid-Term Target

The Mitsubishi Electric Group set a target of "reducing greenhouse gas emissions from factories and offices to net-zero by fiscal 2031" and is conducting initiatives to reduce greenhouse gas emissions by a certain percentage each year.

Mitsubishi Electric Group's Reduction Targets after Receiving Certification from the Science Based Targets (SBT) Initiative

We have updated the Group's greenhouse gas emission reduction targets for fiscal 2031 as follows, and received certification from the Science Based Targets (SBT) initiative in January 2024. These new targets have been recognized as science-based targets for achieving the Paris Agreement's "1.5°C target." The Scope 1 and Scope 2 targets have been certified as being at a level that "limits temperature rise to 1.5°C," while the Scope 3 target has been certified as being at a level "well below 2°C."

- Scope 1 and 2: Reduce greenhouse gas emissions by 42% by fiscal 2031 compared to fiscal 2022 levels
- Scope 3:* Reduce greenhouse gas emissions by 30% by fiscal 2031 compared to fiscal 2019 levels

* The scope of Scope 3 has been expanded from the previous category 11 (use of sold products) to all categories.

Short-Term Target

Based on the action guidelines of Environmental Sustainability Vision 2050, the Mitsubishi Electric Group formulated an Environmental Plan that sets out specific activity targets. We pursued various activities in line with the current Environmental Plan 2023 (FY2022–2024) which sets out indicators and targets in four areas, namely: "environmental contribution through products and services," "reducing the environmental impact of business activities," "pursuing business innovations," and "publicizing and sharing new values and lifestyles."

In fiscal 2025, we newly formulated the Environmental Plan 2025 (FY2025–2026). In addition to setting greenhouse gas emission reduction targets for fiscal 2026 to achieve the aforementioned medium-term targets, the Environmental Plan 2025 also set targets for simple calculation of LC-CO₂*1 emissions that contribute to carbon neutrality and a circular economy, as well as targets in the nature positive domain that contribute to the realization of "30by30"*2 as advocated by the Japanese government.

*1 Life Cycle CO₂: All CO₂ emissions throughout the entire product life cycle

*2 A target to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030

Progress

Among greenhouse gas emissions, the Company's calculated figures for Scope 1 and 2 in fiscal 2024 are listed in the table below.

Location-based emissions increased from fiscal 2023 to 1,071 kt due to expansion of Group's production scale and other factors. However, emissions were down by approximately 25% from the 1,430 kt emitted in fiscal 2014, the base year set in the Environmental Plan 2025. In our efforts to reduce greenhouse gas emissions, we continue to work toward our target set in the Environment Plan 2025 of a 53% reduction compared with fiscal 2014 at the end of fiscal 2026.

Market-based emissions are being reduced with the increasing use of renewable energy sources.

Scope 1 and 2 Greenhouse Gas Emissions (Mitsubishi Electric Group) (Unit: kt-CO₂)

		FY2022	FY2023	FY2024
Total of Scope 1 and 2	Location-based	1,161	1,046	1,071
	Market-based	1,095	951	910

Third-Party Verification

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

* The scope of third-party verification for Scope 3 emissions includes Category 1 (purchased goods and services) and Category 11 (use of sold products).

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

Environmental Management System

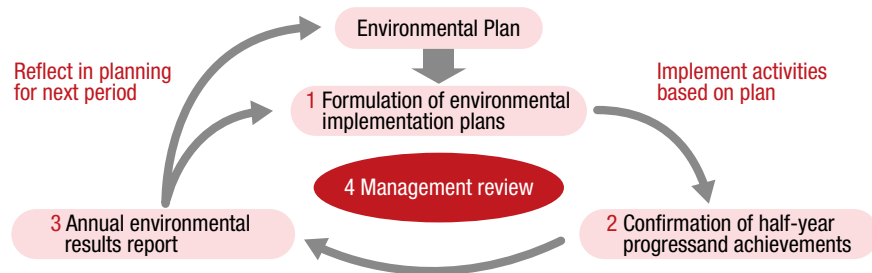
Scope of Environmental Management

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

PDCA Cycle for Environment-Related Targets and Measures

The Mitsubishi Electric Group formulates an environmental plan comprised of targets and measures for realizing its Environmental Sustainability Vision 2050. To achieve the targets of this environmental plan, each organization* formulates and acts on a yearly environmental implementation plan.

* The Mitsubishi Electric Group appoints environmental managers for each department in the head office area, each base such as manufacturing plants and branches outside the head office area, and each affiliated company in Japan and overseas. These entities are also responsible for formulating their respective environmental implementation plans.



PDCA cycle for environment-related targets and measures

(1) Formulation of environmental implementation plans

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

(2) Confirmation of progress and achievements – (3) Annual environmental results report

The Sustainability Planning Division, which oversees environmental management at the Mitsubishi Electric Group, compiles environmental performance data and other relevant information and reports them to the Vice President of the Sustainability Innovation Group, who is responsible for environmental management. The Vice President of the Sustainability Innovation Group then conducts a review and modifies the environmental plan as necessary (e.g., when any significant change occurs in the business environment related to the Group).

(4) Management review

The Vice President of the Sustainability Innovation Group carries out the review of activity results and reconsiders environmental plans and/or the environmental plan for the next fiscal year if necessary.

Each organization works to enhance the activity level by checking on progress throughout the fiscal year and reconsidering the environmental plans as needed.

Sharing Information with Environmental Managers in Each Organization

The Mitsubishi Electric Group has appointed environmental managers responsible for promoting environmental practices at each Mitsubishi Electric business site, as well as at associated companies in Japan and overseas. These managers work on providing information and raising awareness about priority themes and policies. In addition, these managers also share useful information such as best practices from each other's experiences and key points to consider on a regular basis to help improve overall management levels.

ISO Certification

Mitsubishi Electric has obtained company-wide multi-site ISO 14001:2015 certification in order to strengthen compliance by the company as a whole and to further strengthen its contribution to the environment by ensuring that business operations are based on environmental plans.

Among all Group companies within the scope of this report, roughly 50% have acquired ISO 14001 certification.

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

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 implementation plans.

Overview of the four types of environmental audits

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

Preventing Environmental Incidents

Preventing Environmental Incidents through Information-Sharing and Equipment Inspections

The Mitsubishi Electric Group takes the following steps to prevent environmental incidents both in Japan and overseas, such as the leakage of substances that may result in water or soil pollution or have a negative impact upon the environment.

Mitsubishi Electric revises company rules to reflect updates in the relevant laws and regulations and ensures that its entire workforce is fully familiar with such updates through e-learning and other methods. 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 recurring. Aiming to increase the awareness of environmental risk management, e-learning programs are provided to Group companies in Japan, introducing examples of problems and the establishment and renewal of important laws. This serves to firmly instill awareness of environmental management issues across a wider range of occupational levels. In addition, periodic equipment 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 in an effort to uncover and prevent environmental risks.

Owing to its efforts, the Group received no administrative punishments or penalties for any environmental violation in fiscal 2024.

Responding to Soil and Groundwater Pollution

As stated in our internal rules, the Mitsubishi Electric Group's business sites (works, R&D centers, 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 2024, we assessed survey results and countermeasures regarding the condition of soil and groundwater due to land utilization for a total of 17 cases and have confirmed that all cases were handled appropriately.

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

Appropriate Storage and Processing of PCB Waste and Devices Containing PCBs

The Mitsubishi Electric Group conducts inspections at all bases in Japan that store PCB waste (waste containing polychlorinated biphenyl) and/or handle devices containing PCBs at least once a year to confirm the status of PCB storage and usage.

With respect to low-concentration PCB waste and devices containing PCBs, Mitsubishi Electric disposed of approximately 17 tons of devices and 260 tons of contaminated soil in

fiscal 2024, while its associated companies collectively disposed of approximately 10 tons of devices.

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

[PCB-related information \(in Japanese\)](#)

Training of Environmental Personnel

Developing Personnel to Proactively Engage in Environmental Activities

The Mitsubishi Electric Group recognizes "nurturing human capital" 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 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. To this end, all employees participate in an annual e-learning program, "Mitsubishi Electric Group Environmental Management." We also develop human resources who possess a high degree of expertise and who accept diverse values and proactively tackle environmental issues, on a continual 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
Employees Having Environmental Responsibilities	<ul style="list-style-type: none"> • Environmental Manager Training • Environmental Section Manager Training • New Environmental Section Manager Training • MELCO Seminar^{*1}
General Employees	<ul style="list-style-type: none"> • e-Learning for All Group Employees,^{*2} Mitsubishi Electric Group Environmental Management • Training for Specific Ranks • Training for New Section Chiefs • Common Basic Training for New Employees • Environmental Course for Employees Dispatched Overseas • Initiatives to Live in Harmony with Nature and Foster Environmental Awareness • Preserving Biodiversity at Business Sites • <i>Satoyama</i> Woodland Preservation Project • Mitsubishi Electric Outdoor Classroom • Outdoor Classroom Leader Development/ Promotion meetings for <i>Satoyama</i> Woodland Preservation Project and Mitsubishi Electric Outdoor Classroom

^{*1} A measure for supporting skills development for employees who want to improve their own specialties and would like to contribute to management

^{*2} Executives and all employees who have a contract of employment with the Mitsubishi Electric Group are eligible

Environmental Plan

Environmental Plan 2023

Environmental Plan 2023 (FY2022–2024) is the first environmental plan formulated based on Environmental Sustainability Vision 2050. In order to achieve “carbon neutrality” and a “circular economy,” we will promote innovation in development and accelerate the reduction of our products’ environmental impact through their entire lifecycles. Since implementing this plan, we have also started to track progress towards the target rate of effective use of plastic waste.

The targets of Environmental Plan 2023 and the results for fiscal 2024 are as shown in the chart below.

Although the usage rate of recycled plastics fell short of the target, we will continue to make improvements by internally sharing examples of products made with recycled plastic waste. All other targets were achieved.

Environmental Plan 2023: Targets and results

Activity	KPIs	Target set in Environmental Plan 2023	FY2024 result
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 FY2024	2.5%
Improving the usage rate of recycled plastics	Usage rate of recycled plastic (molding materials)	10% or more in FY2024	8.3%
Reduction of the environmental impact of our business activities			
Reducing CO ₂ emitted from the Group	CO ₂ emission (Scopes 1 and 2)	Reduction of 30% or more compared to FY2014	36% reduction
Improving the effective usage rate of plastic waste	Effective usage rate of plastic waste (in Japan)	90% or more	95%
Using water effectively	Water consumption per unit of sales in high-risk sites	Reduction of 4% or more compared to FY2020	34% reduction
Publicizing and sharing new values and lifestyles			
Promoting the Mitsubishi Electric Outdoor Classroom and <i>Satoyama</i> Woodland Preservation Project	Number of areas where activities are held	39 areas	39 areas

Environmental Plan 2025

Environmental Plan 2025, covering the fiscal 2025–2026 period, sets greenhouse gas emissions reduction targets for the period ending March 31, 2026 to achieve the Group's net-zero target at factories and offices by March 31, 2031. In addition, it specifies simplified calculations for LC-CO₂*1 emissions contributing to both carbon neutrality and the circular economy, which are social issues Mitsubishi Electric is focusing on, as well as nature-positive targets*3 contributing to the “30by30”*2 initiative.

*1 Life cycle CO₂: All CO₂ emissions throughout the entire life cycle of products and services

*2 A target to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030

*3 To halt and reverse biodiversity loss

Environmental Plan 2025: KPIs and targets

Areas	KPIs	Targets
Carbon neutrality	Greenhouse gas emissions (Scope 1 and 2)	Reduction of 53% or more compared to FY2014**
	Greenhouse gas emissions (Scope 3)	Reduction of 17.5% or more compared to FY2019
Circular economy	Simple LC-CO ₂ emissions calculation	Calculation of Mitsubishi Electric's new models (final products) for FY2025–2026
	Effective usage rate of plastic waste (in Japan)	92% or more
Nature positivity	Water consumption per unit of sales sites in high-risk	Reduction of 6% or more compared to FY2020
	Contributing to nature positivity	Registration of functional greenery*5 at production sites in Japan as symbiosis sites*6

*4 Calculation including carbon offset

*5 Functional greenery at Mitsubishi Electric

*6 Japan's 30by30 Roadmap (Ministry of the Environment)

Helping to Build a Green Society

Carbon Neutrality and Circular Economy Measures

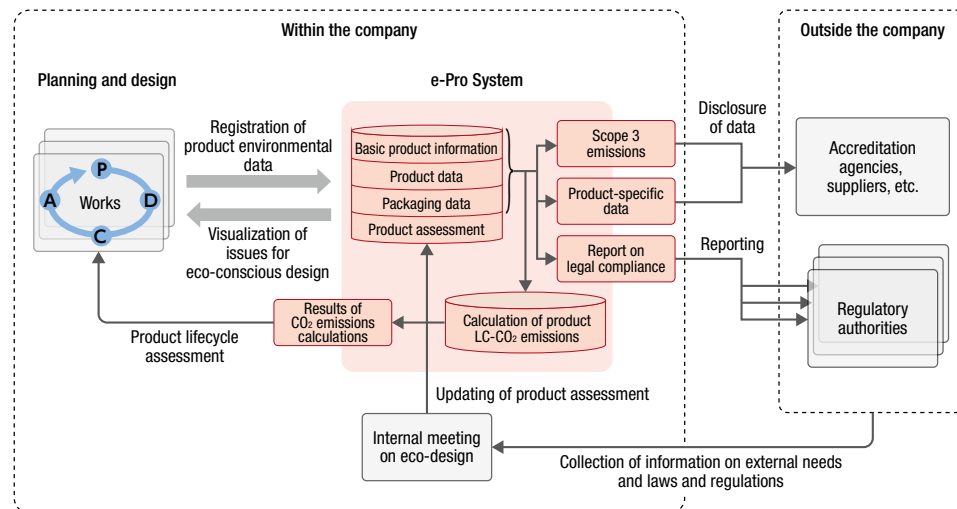
Management of Product-Related Environmental Data

There is a wide range of environmental work related to products. Such work includes the collection of environmental data (power consumption, greenhouse gas emissions, mass of products and packaging by material, etc.), the calculation and disclosure of greenhouse gas emissions and resource inputs based on that data, product assessments, and the promotion of eco-conscious design through evaluation of CO₂ emissions over the entire life cycle.

The Mitsubishi Electric Group has established the e-Pro System, which centrally manages environmental data related to products, in order to carry out the work of collecting, calculating, and disclosing data efficiently to meet requirements from outside the company for disclosure of a variety of environmental data. The e-Pro System uses data such as annual power consumption, destinations, and the mass of products and packaging materials to easily calculate LC-CO₂* emissions. We have also set targets related to carbon neutrality and the circular economy for each product group and aim to visualize issues and promote eco-conscious design by feeding back the input information to design departments.

* Life cycle CO₂: All CO₂ emissions throughout the entire life cycle of products and services

Overview of e-Pro System



Thorough Efforts to Improve Energy Efficiency in Buildings and Facilities

We have established internal guidelines in accordance with Japan's Act on the Improvement of Energy Consumption Performance of Buildings for planning the construction of new buildings and building renovations. Additionally, we have implemented our own guidelines in accordance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy for introducing new production facilities at our works. These guidelines are strictly followed.

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.

Effective Use of Plastic Waste

Aiming to achieve 100% effective use of waste plastics by fiscal 2036, each business site is promoting the visibility of waste sources and the quantitative management of plastic waste by setting target values. To further improve the effective usage rate, we will promote collaboration with companies that possess the necessary recycling technologies.

Nature-Positive Initiatives

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, people 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. The Mitsubishi Electric Group engages in nature-positive initiatives based on its awareness of this issue. We are working toward registration of the functional greenery currently being maintained at Mitsubishi Electric's works as Natural Symbiosis Sites under the initiative by the Ministry of the Environment.

We are enhancing our interaction with and contribution to local communities by conducting the *Satoyama* Woodland Preservation Project and Mitsubishi Electric Outdoor Classroom. We also focus on environmental activities such as the cleaning of local areas, which helps raise awareness about plastic pollution in the world's seas and oceans. The outcomes of our initiatives, both in Japan and overseas, are published as needed, making the Group's contribution to environmental improvement visible.

[Satoyama Woodland Preservation Project](#)

[Mitsubishi Electric Outdoor Classroom](#)

Environmental Considerations in Value Chain Management

Mitsubishi Electric implements a range of initiatives that give consideration to the environment throughout the value chain, from the development of products through their use and recycling.

Development

Production

Transportation

Use and recycling

Implementation of Environmentally Conscious Design —Utilization of e-Pro System

Development

The Mitsubishi Electric Group utilizes e-Pro System (product environmental information collection system) to centrally manage product environmental data such as CO₂ emissions from product use and raw materials and packaging materials used. This system conforms to customer requirements to provide product data and is used in environmentally conscious design, by enabling environmental assessment and LC-CO₂ to be implemented and fed back to design departments.

Additionally, to strengthen product designs that address social needs for decarbonization, internal subcommittee meetings are held to share information on laws and regulations in each country and best practices on environmentally conscious designs. These meetings also examine the validity of LC-CO₂ calculations and product assessment items.

Resource Recycling Initiatives —Improving the Usage Rate of Recycled Plastics

Development

As a part of its efforts to recycle plastic materials that have a high environmental impact, the Mitsubishi Electric Group facilitates use of recycled plastic for our product parts through environmentally conscious design.

As an example of our efforts in fiscal 2024, we have developed technology to recycle PC/ABS* collected through the recycling of home appliances into recycled PC/ABS with stable quality, high durability, and fire retardance for wireless communication terminals for sensors used in gas meter systems and other applications. This has enabled reductions of approximately 70% in the volume of new plastic used in these components and 57% in CO₂ emissions compared to manufacturing PC/ABS from new raw materials. In addition, we are working to expand the use of recycled plastics to other applications, such as plastic boxes for wire EDM machines and home appliances.

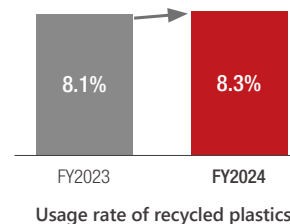
* A plastic which is a blend of polycarbonate (PC) and acrylonitrile butadiene styrene (ABS)

[Mitsubishi Electric Uses Recycled Plastic Collected in Recycling of Home Appliances in Wireless Communication Terminals for Sensors for the First Time \(in Japanese\)](#)

The Mitsubishi Electric Group manages and evaluates its usage rate of recycled plastics, which was 8.3% in fiscal 2024.

$$\text{Usage rate of recycled plastics (\%)} = \frac{\text{Procurement volume of recycled plastics}^*}{\text{Procurement volume of plastics}^*} \times 100$$

* Procurement volume at main sites



Reducing Greenhouse Gas Emissions from Plants and Offices

Production

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

Under the Environmental Plan 2023 (FY2022–2024), we aimed to reduce greenhouse gas emissions by more than 30% by fiscal 2024 compared to fiscal 2014. Toward achieving this target, we stepped up our efforts to thoroughly save energy and to expand the use of renewable energy in our plants and offices.

In fiscal 2024, greenhouse gas emissions decreased to a CO₂-equivalent of 910 kt, down 41 kt from fiscal 2023. This reduction was the result of several factors: increased procurement of electricity from renewable energy sources; adoption of power purchase agreements (PPAs); and the facilitation of electrification of equipment and vehicles (company cars, forklifts, etc.). Additionally, production termination at one location due to business restructuring contributed to the decrease. In addition to establishing and operating energy-saving guidelines for buildings and production facilities, and promoting thorough energy saving in plants and offices, Mitsubishi Electric is also focusing on utilizing renewable energy. Going forward, we will flesh out further details of the road map for greenhouse gas emissions reduction and promote measures for even greater reduction, working steadily to achieve our targets.

[Roadmap for reducing emissions from factories and offices](#)

Initiatives to Reduce CO₂ Emissions Originating from Energy Use and Their Results

Working to reduce CO₂ emissions originating from energy use, we systematically introduce and update high-efficiency and energy-saving equipment, improve operations, and extend energy conservation measures to production lines. In fiscal 2024, use of renewable energy and other measures in addition to these energy-saving measures reduced emissions by 12 kt from the previous fiscal year to 803 kt.

Half of this major achievement was due to the introduction of high-efficiency machinery, while cross-organizational activities for improving energy-efficient technologies also contributed solid results. These activities also focus on visualizing and reducing the wasteful use of utilities and production equipment.

In the classification system (SABC assessment) based on Japan's Act on Rationalizing Energy Use, 11 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).

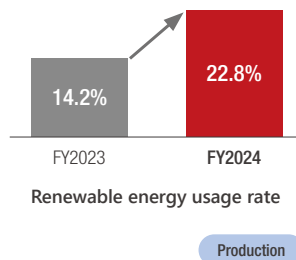
SF₆ is used inside gas-insulated switchgear for electrical insulation, as well as in the etching process during semiconductor and liquid-crystal display production. HFCs are used as refrigerants in air conditioners and refrigerators, while PFCs are used during the etching process in production of semiconductors and liquid-crystal displays.

In fiscal 2024, emissions were reduced by 29 kt year on year to 110 kt due to the switch to lower GWP* refrigerants, operational improvements, continued gas recovery and capture, and termination of operations at one location resulting from business restructuring.

* Global warming potential: A coefficient that indicates how many times stronger or weaker the effect of a greenhouse gas is compared to carbon dioxide.

Adoption of Renewable Energy

The Mitsubishi Electric Group is expanding its adoption of renewable energy. The share of renewables in the Group's total power consumption increased from 14.2% in fiscal 2023 to 22.8% in fiscal 2024.



Production

Effective Use of Plastic Waste

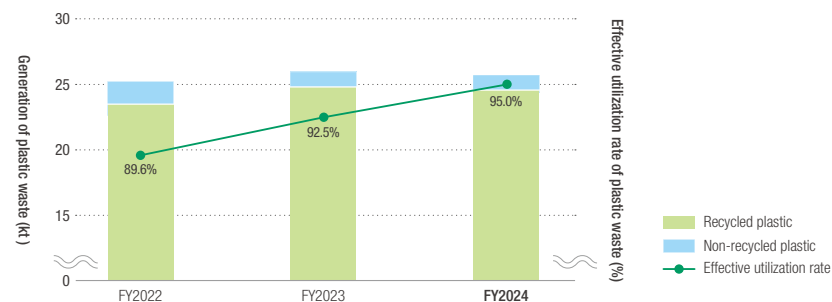
Based on Japan's Resource Circulation Strategy for Plastics, the Mitsubishi Electric Group is focused on effective use of plastic waste from its production sites, with a medium-term target of achieving 100% effective use of waste plastics by fiscal 2036.

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

To improve the effective utilization rate of plastic waste emitted from our business operations, we conducted a survey of the present state of plastic waste at our production sites in fiscal 2022, and we are considering ways to enforce proper sorting and to conduct a review of plastic recycling companies.

In fiscal 2024, 26 kt of plastic waste were generated, which was unchanged from the previous year (26 kt), but the effective utilization rate of plastic waste significantly increased to 95.0%, achieving the target for fiscal 2024.

Going forward, we will endeavor to further control plastic waste output by promoting sharing of information on recycling companies among our production sites and visualization of plastic waste. We will also work to improve the material recycling rate of plastic waste.



Status of Initiatives by the Mitsubishi Electric Group (Overseas)

Overseas laws, regulations, and waste treatment situations vary according to country and region. We work to assess the actual state of waste emissions and the status of recycling in order to establish targets suitable for each local situation, and we undertake various efforts to achieve those targets.

Specification and Disposal of Hazardous Wastes

Production

The Mitsubishi Electric Group specifies hazardous wastes as shown below. The Group monitors their output and appropriately disposes of them in compliance with the laws and regulations of the regions in which its 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 Group in Japan: "Specially-controlled industrial wastes" specified by the Japanese Act on Waste Management and Public Cleaning
- Overseas associated companies: Hazardous wastes as defined by local laws and regulations

In fiscal 2024, total hazardous waste emissions of Mitsubishi Electric Group companies in Japan amounted to 1,432 tons, of which 436 tons were recycled. That of overseas associated companies totaled 5,311 tons, of which 2,689 tons were recycled.

Wastes containing polychlorinated biphenyl (PCB) are managed separately based on Japan's Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

[Preventing Environmental Incidents](#)

Production

Reducing Water Usage

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 also affects the production of both raw materials and products, making corporate water risk management more important.

Water risk within the Mitsubishi Electric Group is evaluated as part of our corporate risk management framework. In fiscal 2024, in addition to assessing water stress and quality using Aqueduct*1 and Water Risk Filter*2 at approximately 170 production sites, including those of associated companies, we conducted assessments of species extinction risk using IBAT*3 (STAR). We then ranked the risk at each production site based on the results of these risk assessments and the business characteristics of each site (such as principal products and water usage accompanying production activities). We will consider setting water-related targets for high-risk sites, taking into account the circumstances of their watershed. We will also take measures to minimize any impact on the surrounding environment, such as ensuring compliance with wastewater standards in each region. In addition, during product development, we will strive to minimize the environmental impact of products, for instance, by evaluating product impact on water sources and assessing product lifecycles.

*1 Water risk assessment tool developed by the World Resources Institute (WRI). Conducted assessment of "baseline water stress" and "coastal eutrophication potential."

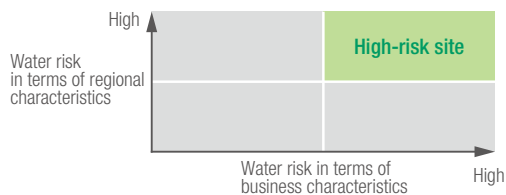
*2 Water risk analysis tool developed and operated by the World Wide Fund for Nature (WWF). Conducted assessment of "baseline water depletion," "blue water scarcity," and "surface water quality index."

*3 Integrated Biodiversity Assessment Tool. Conducted assessment of Species Threat Abatement and Restoration Metric (STAR).

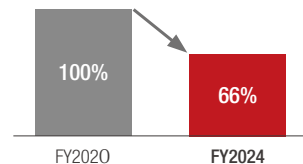
Response to High-Risk Sites

In fiscal 2020, the Mitsubishi Electric Group used Aqueduct to assess water risk, including water stress, and examined business characteristics at business sites in Japan and overseas. Sites with particularly high water risks are being managed as high-risk sites (total of five sites*4). To reduce water usage in high-risk sites, Environmental Plan 2025 sets forth a target of "reducing water usage per unit of sales by 6% or more by fiscal 2026 compared to fiscal 2020." The five high-risk sites together account for roughly 7% of total water intake by the Mitsubishi Electric Group as a whole and roughly 9% of total sales.

After confirming the status of water conservation and reuse at water-using facilities in high-risk sites, we replaced water faucets with water-saving faucets and promoted the use of recycled water. As a result, water usage per unit of sales was 34% lower in fiscal 2024 than in fiscal 2020. We will continue to co-exist in harmony with local communities by implementing effective water risk measures in consideration of regional characteristics and circumstances at each production site, with a focus on high-risk sites.



Conceptual diagram of water risk analysis



Water usage per unit of sales in reference to fiscal 2020 (five high-risk sites)

Status of Water Usage, Intake, Drainage, and Reuse

Status of Water Usage

The water usage of the Mitsubishi Electric Group in fiscal 2024 was 13,151,000 m³, of which 3,375,000 m³ was reused. The amount per unit of sales was 2.5 m³/million yen. In Japan, we promoted recycle and reuse of water in production processes and use of purified wastewater for purposes such as toilet flushing and supply water for cooling towers. We also worked on reducing groundwater consumption through rainwater harvesting. Overseas, we also expanded the scale of water reuse and graywater utilization at our production sites.

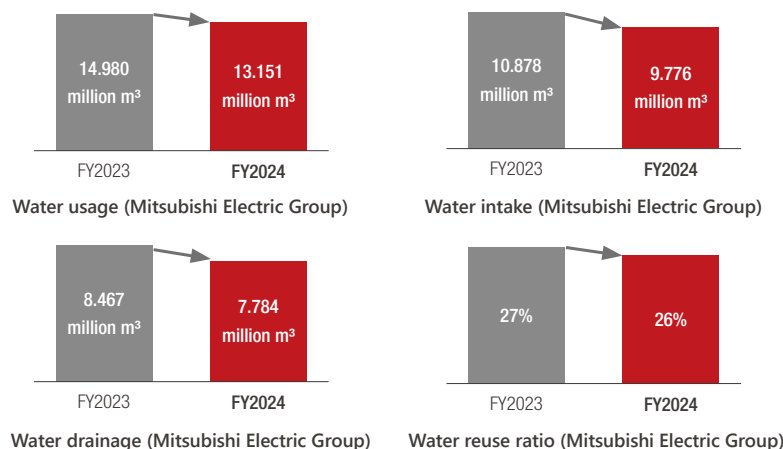
[Water usage details \(Material balance\)](#)

Status of Water Intake

At production sites of the Mitsubishi Electric Group, water is taken to be used mainly for cooling, cleaning and adjusting the concentration of water-based paints, and as a solvent, an additive to materials and a heat medium. In fiscal 2024, the termination of operations at an LCD production site with high water usage brought the Group's water intake down to 9,776,000 m³, a decrease of approximately 1,000,000 m³ compared to the previous fiscal year.

Status of Water Drainage

To avoid exceeding legal standard values set for each drainage point, the Mitsubishi Electric Group's production sites have established voluntary standards, and they carefully manage water quality. 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.



*4 Following manufacturing companies located in Thailand:
 - Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.
 - Siam Compressor Industry Co., Ltd.
 - Mitsubishi Electric Automation (Thailand) Co., Ltd.
 - Mitsubishi Elevator Asia Co., Ltd.
 - Mitsubishi Electric Thai Auto-Parts Co., Ltd.

Managing Chemical Substances

Production

The Mitsubishi Electric Group manages chemical substances by classifying those released from business sites and those contained in products into three levels, as stipulated in its Green Procurement Inspection Target Chemical Substance.

Managing Chemical Substances Released from Business Sites

Mitsubishi Electric utilizes an internal system to manage the release and transfer of chemical substances regulated by the PRTR Law*¹ (PRTR*² system) and volatile organic compounds (VOCs) that are released from its production sites in Japan. In fiscal 2024, we updated the system in accordance with the revision of the PRTR Law. In fiscal 2024, the Mitsubishi Electric Group (Japan) used 3,382 tons of chemical substances.

[Details on the release and transfer of chemical substances \(Material balance\)](#)

Managing the Chemical Substances Contained in Products

In order to comply with EU RoHS Directive,*³ EU REACH Regulation,*⁴ and other regulations, we register information on chemical substances contained in purchased materials and parts in our internal system in order to manage them.

*¹ Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement

*² Pollutant Release and Transfer Register. A system under which companies track the quantity of substances potentially harmful to human health or the ecosystem which are released into the environment or transferred outside a business establishment through waste materials, and report this data to government authorities. The authorities then use these reports and other statistics to produce estimates on release and transfer, and announce them publicly.

*³ Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment

*⁴ Regulation on registration, evaluation, authorisation and restriction of chemicals

Environmental Considerations in Logistics

Transportation

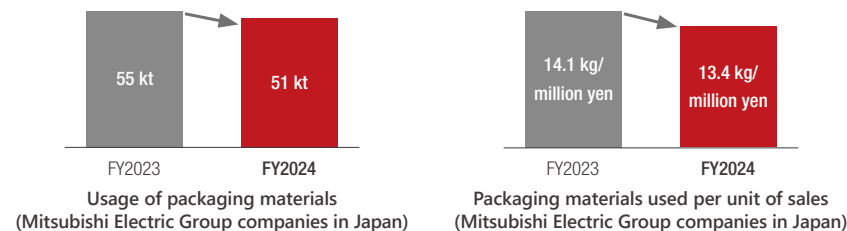
The Mitsubishi Electric Group strives to improve transport efficiency and economy by visualizing logistics operations through quantitative evaluation and eliminating irrational irregular and, wasted efforts in operations, with the goal of realizing Economy & Ecology Logistics (Eco-Logistics) with little environmental impact.

Reducing the Use of Disposable Packaging Materials

The Mitsubishi Electric Group practices the 3Rs in packaging: reduce (simplify packaging), reuse (more returnable containers and packaging), and recycle (recycling of used packaging material).

In Japan, the Group's total amount of packaging materials used in fiscal 2024 was 51 kt, and the amount per unit of sales was 13.4 kg/million yen. The Group continues to expand adoption of simpler packaging and the use of returnable containers and packaging.

The amount of packaging materials used by our 20 overseas associated companies was 53 kt, and the amount per unit of sales was 48.5 kg/million yen.



[Details of the usage of packaging materials \(Material balance\)](#)

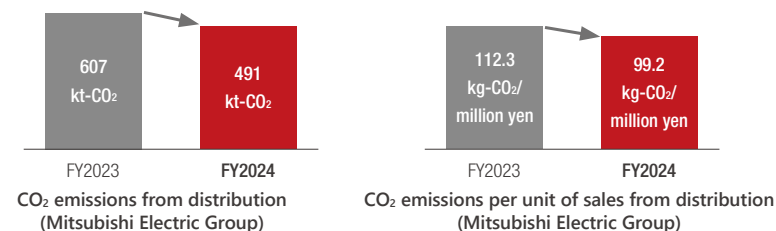
Reducing CO₂ Emissions from Logistics

At Mitsubishi Electric Group companies in Japan, the following measures continue to be implemented in efforts to reduce CO₂ emissions.

- 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)

In addition, overseas associated companies also reduced CO₂ emissions by pursuing the optimal logistics based on the circumstances of each country.

As a result, the CO₂ emissions of the Mitsubishi Electric Group totaled 491 kt-CO₂, and the amount per unit of sales was 99.2 kg-CO₂/million yen.



[Details of CO₂ emissions from distribution \(Material balance\)](#)

Contribution to Reducing CO₂ Emissions from Product Usage

Use and recycling

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

Evaluation of Reducing CO₂ Emissions from Product Usage

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

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

$$\text{Improvement rate over previous models (\%)} = \frac{(\text{Annual power consumption of previous models} - \text{Annual power consumption of newly developed models})}{\text{Annual power consumption of previous models}} \times 100$$

Evaluation of Our Contribution to Reducing CO₂ Emissions by Product Usage

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

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

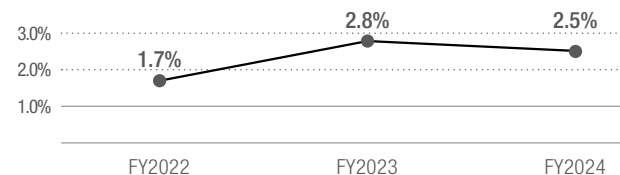
$$\text{Contribution to reducing CO}_2 = (\text{CO}_2 \text{ emission from using a "reference product"}) - (\text{CO}_2 \text{ emission from using the relevant product})$$

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

$$\text{Improvement rate over previous model (\%)} = \frac{(\text{Contribution to reducing CO}_2 \text{ by newly developed model} - \text{Contribution to reducing CO}_2 \text{ by previous model})}{\text{Contribution to reducing CO}_2 \text{ by previous model}} \times 100$$

In fiscal 2024, we achieved an average improvement rate of 2.5% compared to the previous model thanks to improvements in a variety of products, including air conditioning fans and automotive equipment control products. We will continue our efforts to pursue greater energy efficiency and the contribution to reducing CO₂ emissions as we develop new product models.

Improvement rate of newly developed models compared to previous models *



* Average improvement rate of annual power consumption and contribution to CO₂ reduction compared to previous models

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

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

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

Use and recycling

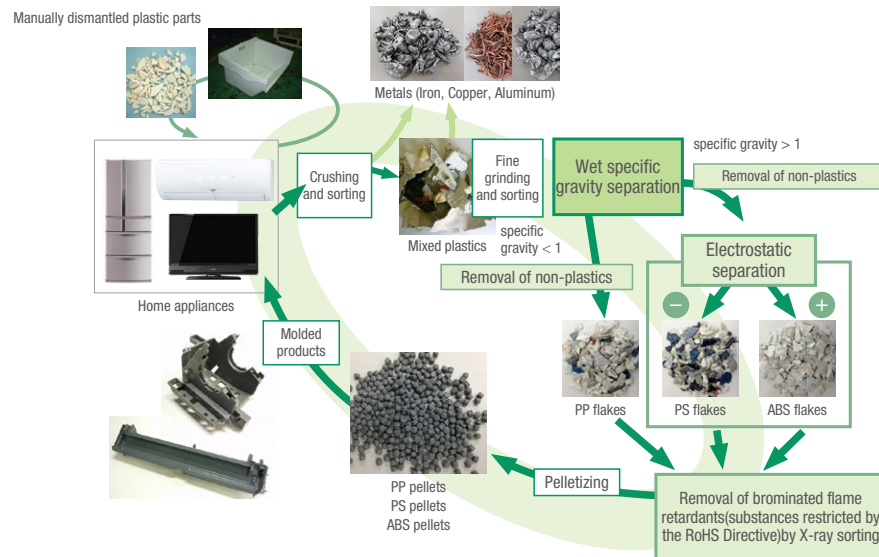
[Hyper Cycle Systems Corporation](#), a member of the Mitsubishi Electric Group, has commercialized resource recovering and recycling from used home appliances and electronics. Information obtained from this plant is fed back to product designs to enhance the recyclability of products.

Closed-Loop Recycling of Plastic

Green Cycle Systems Corporation, a member of the Mitsubishi Electric Group, utilizes Mitsubishi Electric's original technology for sorting of crushed mixed plastics into polypropylene (PP), polystyrene (PS), and acrylonitrile butadiene styrene (ABS) to recycle them into high-purity plastics that are equivalent to virgin materials. The Mitsubishi Electric Group is promoting closed-loop recycling using these recycled plastics again in Mitsubishi Electric home appliances.

[Plastic Recycling Comes of Age](#)

Flow chart of Mitsubishi Electric Group closed-loop plastic recycling



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

By utilizing our advanced plastics sorting technology cultivated over many years in the field of home appliance recycling, Mitsubishi Electric is promoting efforts to solve the problem of waste plastics in collaboration with companies in a variety of industries.

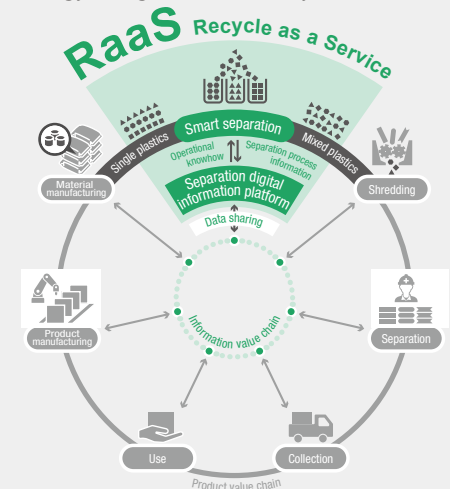
[Joining the Clean Ocean Material Alliance \(CLOMA\) \(in Japanese\)](#)

Topics

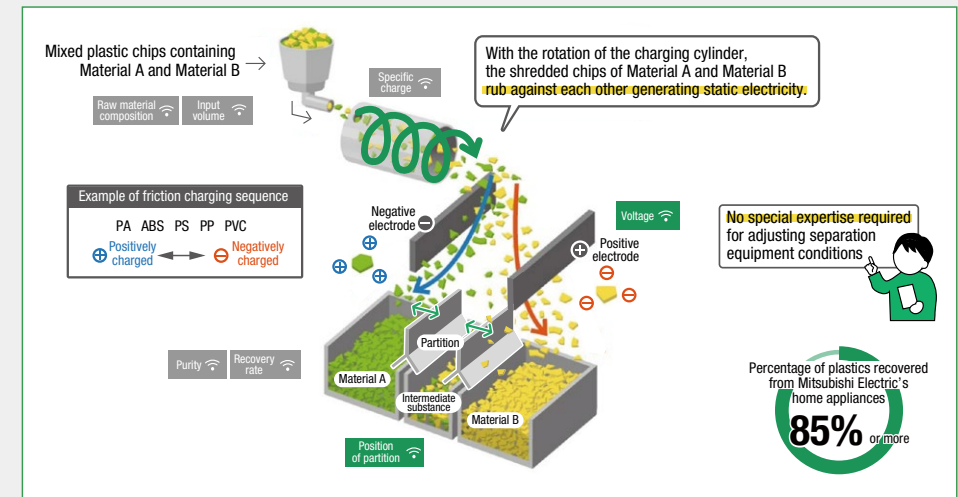
Creating a Service in the Recycling Business

Leveraging technology cultivated in the home appliance recycling business, the Mitsubishi Electric Group plans to offer its Smart Plastic Separation DX Solution RaaS*1 to enable utilization of its advanced plastics separation technology using static electricity (electrostatic separation) in the plastics recycling of customers.

The RaaS solution uses sensors to collect data on factors that affect electrostatic separation (raw material composition of the shredded plastic chips and input volume, etc.) and the results of separation, which is then analyzed using AI to automatically control the position of partitions and the voltage in the receptacles that collect the separated plastic. Such use of digital and smart technologies in electrostatic separation makes it possible to separate a variety of mixed plastics in a stable manner, thereby contributing to the production of high-quality recycled plastic materials. The Mitsubishi Electric Group will expand the circle of resource circulation with the aim of realizing a circular economy by offering the RaaS solution to customers in a variety of industries beyond the home appliance industry.



Position of RaaS in the value chain



Smart Plastic Separation DX Solution RaaS*1

*1 Recycle as a service

Biodiversity Preservation Activities

Biodiversity Action Guidelines

The Mitsubishi Electric Group has established Biodiversity Action Guidelines which define the role its business activities will play in preserving biodiversity. We are committed to taking action to help build a sustainable world.

[Biodiversity Action Guidelines](#)

Biodiversity Preservation Measures at Business Sites

The Mitsubishi Electric Group has set forth three courses of action as guidelines for its business sites. They are: (1) reducing negative impact on living creatures; (2) aiming for more fruitful symbiosis with 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* ¹ and alien species pressure* ^{2, *3}	(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 regarding conservation issues for surrounding areas	
		3. Manage pesticide impacts, preserve greenery and natural resources	(1) Control of the killing/harming of living creatures (2) Consideration to natural resources, such as water and soil
			4. Set up functional greenery
	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	

Courses of Action	Examples	
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) Provision and utilization of opportunities for cultural services (2) Provision and utilization of opportunities for supply services
	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

*1 The potential impact on biodiversity from the construction of a new business site and development (including that in the supply chain) for natural resource extraction. 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 When greenery around buildings and hedges is created using trees or plants sourced from outside the region, non-native species of insects, vegetation, and other organisms may be introduced. The unintentional transfer of living creatures could pose a threat to the habitats of indigenous species or trigger genetic pollution.

*3 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.

Quantitative Assessment Based on the Biodiversity Guidelines (Check Sheet)

In March 2020, Mitsubishi Electric formulated the Biodiversity Guidelines (Check Sheet) to quantitatively assess the status of biodiversity initiatives at its business sites. The guidelines promote the quantitative assessment of activity implementation levels based on five mandatory items for all business sites and 186 promotional items categorized into seven areas (medium items) based on the above-mentioned courses of action. This check sheet is used by personnel in charge at each business site to self-assess the status of biodiversity initiatives and identify strengths and issues in order to steadily improve their efforts.

Five mandatory items for all business sites

- A person in charge, the department in charge, and specific operations for promoting biodiversity initiatives have been identified.
- There is a medium-term plan for conducting biodiversity preservation activities.
- Biological surveys are conducted.
- Environmental education on biodiversity is provided every year.
- Feedback is given regarding the medium-term plan.

Seven areas based on courses of action

1. Control development pressure and alien species pressure
2. Call attention to and preserve rare species and endemic species
3. Manage pesticides, preserve greenery and natural resources
4. Set up functional greenery
5. Break away from agricultural orientations such as simplifying/specifying greenery
6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)
7. Change situation from everyone being disinterested and unrelated to everyone being involved

Assessment Result for Fiscal 2024

We defined the ratio of the score to the base year (fiscal 2020) as the improvement rate* and evaluated the level of implementation of activities in each field in fiscal 2024. As a result, the company-wide average for each field is shown in the radar chart below, and the average improvement rate for all fields increased from 1.35 in fiscal 2023 to 1.42.

Fiscal 2024 improvement rate*
 (Average of improvement rates for seven areas)

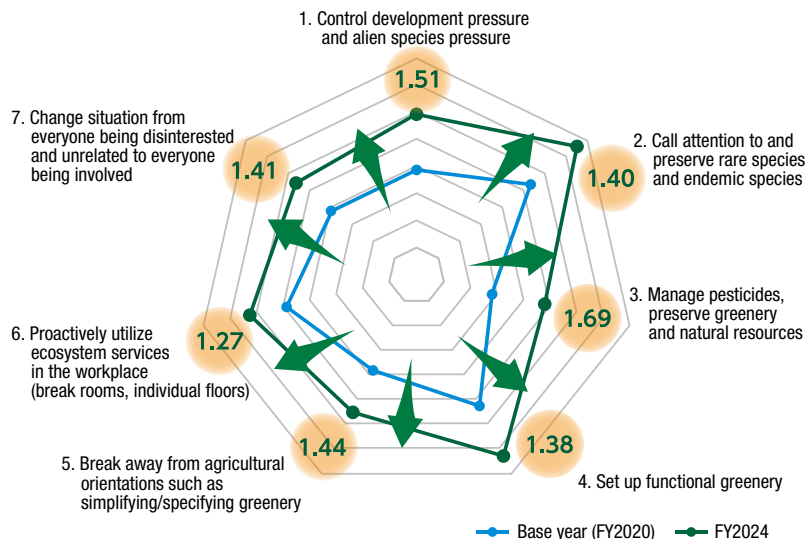
1.42

0.07 points improvement
 from 1.35 in fiscal 2023

Regarding the seven areas for which improvement rates are calculated in the Biodiversity Guidelines, the improvement rate increased in all areas this year, just like last year. In particular, the improvement rate for "7. Change the situation from everyone being disinterested and indifferent to everyone being involved" was 0.11 points, the highest increase rate ever. This rise suggests that the importance of biodiversity preservation activities has become more widely understood among employees. It also proves that this change in awareness can be attributed to each business site's education and information dissemination to raise the profile of biodiversity preservation activities among employees.

Using the Biodiversity Guidelines, we will continue our efforts to vitalize and elevate our biodiversity preservation activities to an even higher level.

* Improvement rate is calculated by dividing the score of the year being evaluated by the score of the base year (fiscal 2020).



Quality

Basic Policy and Management

Basic 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 constantly strives to increase customer satisfaction in all aspects of its business, from the production of high quality, easy-to-use products to after-purchase support, response to major issues, and product disposal.

Basic Philosophy on Quality

The Mitsubishi Electric Group established the Four Basic Quality Assurance Principles that reflect the spirit of quality as the top priority identified in the Memorandum of Quality issued by the president in 1958. However, in 2021, many improper quality control practices were made public. Therefore, the Basic Quality Assurance Principles were revised as below in November 2023 incorporating feedback from employees.

Basic Philosophy on Quality

- We offer the quality that ensures customer satisfaction.
- We provide products and services with quality as our top priority.
- We each plays self-leading role for creating better quality.

Under the Basic Philosophy on Quality, the Group will realize a system and a workplace that eliminates incentives for improper quality control practices.

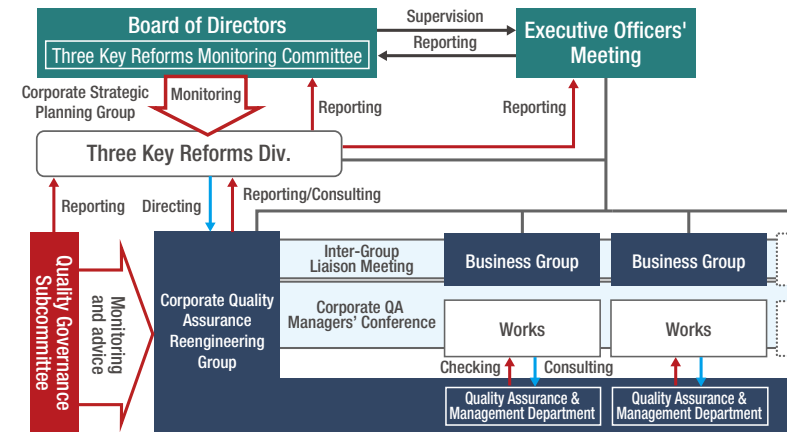
Management

The Corporate Quality Assurance Reengineering Group has been implementing company-wide measures to promote quality assurance reform and strengthen activities for improving quality. The Corporate Quality Assurance Reengineering Group has a Quality Assurance & Management Department at each manufacturing base, which assumes the function for checking, including shipping authority, as well as a contact point for consultation on issues in the field.

The Three Key Reforms Division* directs the Corporate Quality Assurance Reengineering Group based on reports and consultations from the Group. In addition, the Quality Governance Subcommittee has been monitoring and checking the effectiveness of various initiatives carried out under the quality assurance reform on a regular basis with the advice of outside experts.

Three Key Reforms Monitoring Committee, established under the Board of Directors, monitors and oversees the status of each measure.

* The Three Key Reforms Division is composed of the relevant executive officers, including the CSO/CRO, and steadily promotes reforms in the three key areas of quality assurance reforms, organizational culture reforms, and governance reforms. It also responds to the monitoring and supervision of the progress of the Three Key Reforms by the Board of Directors and is responsible for appropriate disclosure of information to stakeholders.



Promotion of QA* and Improvement Activities (Mitsubishi Electric)

* Quality Assurance

[Progress of the Three Key Reforms \(in Japanese\)](#)

Quality Improvement Activities

The Mitsubishi Electric Group promotes quality improvement activities in all business processes related to products and services to improve quality, safety and reliability while promoting human capital development.

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

As a part of the quality assurance reform, we also completed capital investment in the area of strengthening quality through use of IT and digitalization exceeding the initial plan (30.0 billion yen) in fiscal 2024.

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

With regard to product defects, we have also built a database of failure cases that have occurred in the Mitsubishi Electric Group. We use this database to build quality into products to prevent defect recurrence.

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 \(in Japanese\)](#)

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 refrigerators, as well as to public equipment such as elevators, by considering the needs of all users. This approach is continuing to evolve.

Universal Design Guidelines for Widespread Usability

The Universal Design Guidelines are a comprehensive set of standards that apply to a wide range of product development to ensure usability of our products by all users, including children, senior citizens, and people with physical disabilities. These guidelines address the changes in human characteristics that occur with age and consider various disabilities. They are organized around four key perspectives: recognition, identification, physical use, and safety/usability.

UD-Checker, the Universal Design Evaluation System

UD-Checker is Mitsubishi Electric's proprietary tool that can be used by both industrial designers and engineers to evaluate universal design qualities.

This tool shows four quantitative measures of universal design, 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 Group products from home appliances and public equipment to industrial equipment.

The UD-Checker's Four Evaluation Criteria

Recognition	Consideration for ease of understanding	Identification	Consideration for ease of reading and/or hearing	Physical use	Consideration for comfortable posture and minimum physical load	Safety/usability	Consideration for usability without danger or operating errors.
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[Details of UD-Checker \(in Japanese\)](#)

Universal Design Examples to Date

Application to Home Appliances

Mitsubishi Electric has been ahead of the game in applying the concepts of universal design to home appliances. For instance, we have applied the Universal Design Guidelines to the IH cooking heater.

“RakuRaku-IH” Cooking Heater CS-G221AKS

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.



[Other “RakuRaku Assist” Products \(in Japanese\)](#)

Large character & numerical indication of steps for use

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 the Mitsubishi Electric Group, we are applying the concept of universal design to our industrial products, such as factory automation equipment and electric power devices, as well as to the installation and maintenance of equipment on factory floors.

Creating Easy-to-Understand Instruction Manuals

Under a campaign to provide first-rate instruction manuals, the Mitsubishi Electric Group is directing its efforts to create 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 associated companies in Japan that handle home appliances.

[Instruction Manual for Mitsubishi Electric Kirigamine FL Series Room Air Conditioners \(in Japanese\)](#)

Award Received

In fiscal 2024, we won the following awards at the IAUD International Design Awards organized by the International Association for Universal Design (IAUD). All of the winning products below received awards due to the exploration of the needs of consumers and users and the design of styling and functions to realize usability that meets those needs.

- Multi-Use Delivery Service Robot System for Hospitals: A collaborative robot with a friendly design that is also supportive of medical professionals (Silver Award)
- Wall-Mounted Circulating Fan: A simple, easy-to-use fan (Bronze Award)
- Large-Capacity Home Freezer U22: A large-capacity, easy-to-use refrigerator (Bronze Award)

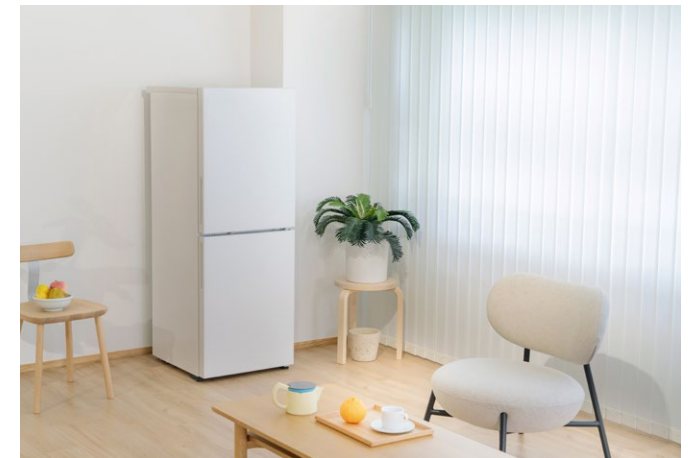
Mitsubishi Electric will continue creating products and services that leverage the extensive range of its technologies to solve the problems of users.



Multi-Use Delivery Service Robot System for Hospitals



Wall-Mounted Circulating Fan that improves and maintains indoor air quality without interfering with daily life



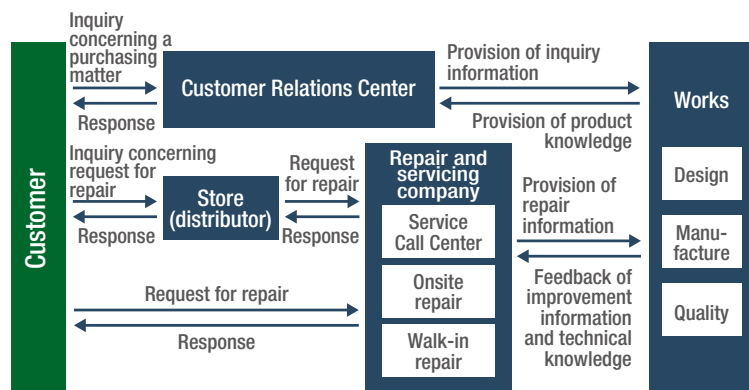
Large-Capacity Home Freezer U22

Improving Customer Satisfaction

Basic Policy

The Mitsubishi Electric Group has been committed to customer satisfaction 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.



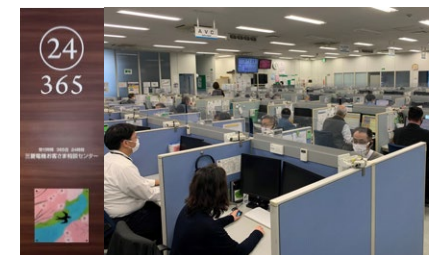
Flow of responses to customer inquiries (Mitsubishi Electric)

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. These activities are aimed at ensuring that Mitsubishi Electric products are available to as many people as possible and that customers across the country can use the product they purchase with confidence. We value contact with customers and retailers, offering guidance on purchasing decisions, product usage, and after-sales service. We continuously strive to incorporate feedback from these interactions into future product development, sales, and service improvements.

Taking Calls 24 Hours a Day, 365 Days a Year

To satisfy customer expectations, it is necessary to carefully observe behavior and preference of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. Mitsubishi Electric's Customer Relations Center and Service Call Center responds to product inquiries 24 hours a day, 365 days a year, ensuring prompt resolution of customer inquiries and concerns.



Customer Relations Center

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 Customer 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.

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. They are used to improve both products under production and in development, and to provide repair information to distributors.

The Customer Relations Center compiles a database of customer feedback and periodically sends the results of trend analysis to works, sales companies, and research institutes. Works and sales companies strive to improve current products and simplify instruction manuals, while research institutes use the information to improve products under development. At the same time, regular liaison meetings are held between works and Customer Relations Center to address issues and improve information collection.

Shizuoka Works has created opportunities for engineers to hear feedback from customers directly in order to improve the quality of room air conditioners "Kirigamine." When quality problems arise, engineers visit the customer to check on the usage environment and provide feedback for product development. Such feedback is used to improve product design and control specifications. We have also reflected feedback from customers in our efforts to improve product quality with respect to perceived temperature control and the noise of outdoor units. We will continue to improve our products by using valuable customer feedback.

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.

24-Hour, 365-Day Safety Hotline

Information Centers situated in eight locations throughout Japan provide a safety hotline for responding to and dispatching engineers in cases such as failure signal issues or customer calls regarding building facilities.

Information Centers constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers. This ensures that the most suitable engineer who can arrive the earliest and respond most effectively is dispatched.

The system also supports the quick recovery of building functions by taking actions such as sending repair history information and other details 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, information centers strive to detect and address abnormalities before they develop into malfunctions and prevent problems from occurring.

Mitsubishi Elevator and Escalator Safety Campaign

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

At the same time, regular maintenance and inspection and correct use are necessary to ensure safe operation.

The Mitsubishi Electric Group conducts the Mitsubishi Elevator and Escalator Safety Campaign, which includes user briefings to promote awareness of proper and safe elevator and escalator usage. Additional briefings are held for apartment and building owners and managers, focusing on daily management practices and emergency response procedures. These sessions 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.



Information center

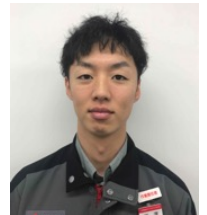


Mitsubishi Elevator and Escalator Safety Campaign

Voice

I work as an elevator field engineer, and I was responsible for restoring elevator service at Japan Railway (JR) stations within the area I cover immediately after the Noto Peninsula Earthquake, which took place on January 1, 2024. Elevators automatically stop when they detect the strong vibrations of an earthquake. As it was a large-scale earthquake, nearly all the elevators stopped in the affected area, and users and luggage transport companies were waiting for prompt service restoration. As I carefully checked that JR's elevators were operating properly, people thanked me for coming so quickly to restore the service on the New Year holiday.

The earthquake made me realize that losing vertical transportation within a train station, a highly public location where all kinds of people are coming and going, is very difficult for many people. I intend to keep working hard so that I can provide a service that has even greater value in the future.



Eisuke Nishizawa

Niigata Sales Office,
Kanetsu Branch Office, East
Japan Branch Office,
Mitsubishi Electric Building
Solutions Corporation

Topics

Inazawa Building Systems Works SOLAÉ showroom

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

The elevator and escalator zone introduces visitors to the history of elevators and escalators, and, using actual elevator and escalator units, provides a survey of subjects ranging from their basic structure to the latest products and technologies that ensure their safety, security and comfort. Visitors can also experience the "function to connect with people" that improves operating efficiency and comfort as well as the "function to connect with the building" for integrating elevators with other building facilities. The building management system zone allows visitors to experience technologies including the latest building management and security systems.



SOLAÉ elevator testing tower



SOLAÉ showrooms

Product Safety-related Principles

Basic Policy

Based on the Purpose and Our Values, the Mitsubishi Electric Group promotes product safety initiatives under its Product Safety-related Principles.

With regard to consumer products particularly, 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.

[Product Safety-Related Principles](#)

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

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 \(in Japanese\)](#)

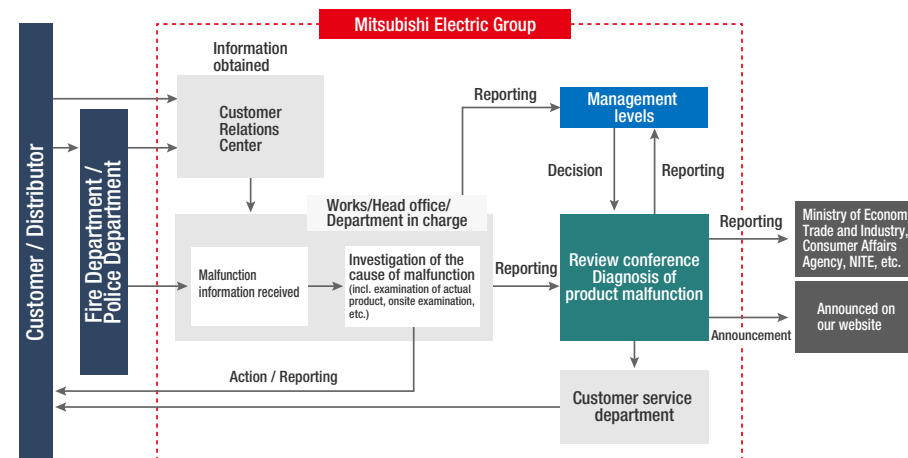
Accident Reporting Based on the Consumer Product Safety Act

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 \(in Japanese\)](#)

Under its policy regarding the disclosure of accident information, the Mitsubishi Electric Group also discloses 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

Concept of Respect for Human Rights

Policy on Respect for Human Rights

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.

The Mitsubishi Electric Group has established its Human Rights Policy in accordance with the spirit of the Group's "Purpose" and "Our Values." By conducting its activities in accordance with this Policy, the Group will respect the human rights of all people involved in its business activities and contribute to the realization of a society in which there is respect for all people.

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

[Mitsubishi Electric Group Human Rights Policy](#)

Other Policies Related to Human Rights

The Mitsubishi Electric Group has established the following policies in order to implement more specific and effective measures on individual issues. The Group will work to make its human rights initiatives more effective while promoting specific action on individual issues.

[Mitsubishi Electric Group Code of Conduct](#)

(includes fair procurement, fair advertising, respect for human rights of employees, product safety and quality, import and export controls, bribery prohibition, fair competition, anti-social forces resistance, protection of intellectual property, environmental conservation, etc.)

[AI Ethics Policy](#)

[Privacy Policy](#)

[Diversity, Equity & Inclusion Statements \(in Japanese\)](#)

[Mitsubishi Electric Group Supply Chain Code of Conduct](#)

Management System Related to Respecting Human Rights

In order to undertake human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights, etc., the Mitsubishi Electric Group has been implementing the Plan-Do-Check-Act (PDCA) cycle. As a part of this effort, the Sustainability Committee and its subordinate organization, the Human Rights Subcommittee (standing), confirm the results of human rights initiatives and review and approve policies and plans. Since human rights issues relate to a wide range of fields, the responsible division is identified first to work on specific issues, while the Human Rights Subcommittee discusses and decides which direction to take with respect to issues of concern to the entire company. A system is in place for reporting progress to the Sustainability Committee and the Executive Officers' Meeting, and to have the executive officers and directors provide oversight.

The Human Rights Subcommittee is chaired by the Senior General Manager of the Sustainability Planning Division and consists of the heads of the relevant divisions.

In addition, the Human Rights Working Group, which is composed of Section Manager-level members from the divisions that make up the Human Rights Subcommittee, examines the practical implementation of various human rights-related initiatives.

In fiscal 2024, the Human Rights Subcommittee met three times, while the Human Rights Working Group met eleven times.

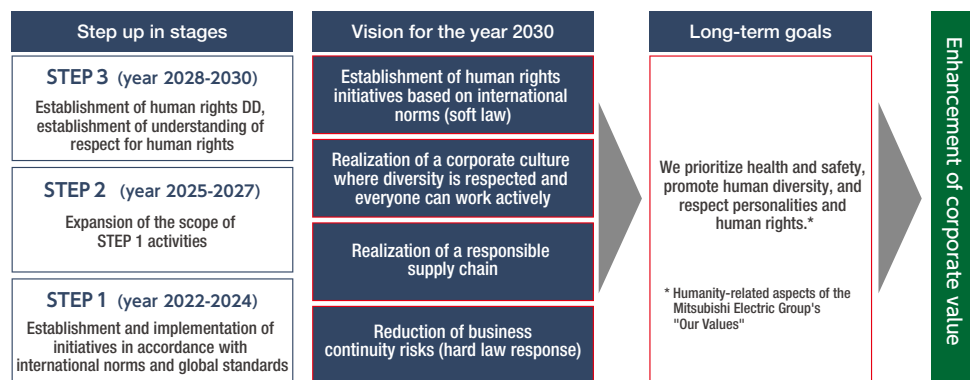


Human Rights Management

Mid- to Long-Term Goals and Roadmap for Human Rights Initiatives

The Human Rights Subcommittee formulated mid-to long-term goals and the roadmap for respecting human rights since human rights initiatives are diverse and must be prioritized, and improvements must be ongoing rather than one-off activities.

In the short term (one year), specific action items and KPIs are set, and the Human Rights Subcommittee and the Sustainability Committee follow up on the results.



Mid- to long-term goals and the roadmap for human rights initiatives (in brief)

Human Rights Due Diligence

The Mitsubishi Electric Group is committed to human rights due diligence (human rights DD) in accordance with the United Nations Guiding Principles on Business and Human Rights.

The Group periodically carries out "Human Rights Impact Assessments" in order to assess the impact of the Group's business activities on human rights and also strives to enhance the management of identified risks.



Identifying and Assessing Negative Impacts on Human Rights (Human Rights Impact Assessment)

Since fiscal 2024, the Group has worked with Business for Social Responsibility (BSR), a United States-based organization that promotes sustainability, to implement a more objective human rights impact assessment based on global standards. The impact assessment involved desktop research followed by identification of potential risks in the Mitsubishi Electric Group's value chain through interviews with each corporate department and prioritization of human rights issues from the perspectives of importance, likelihood of occurrence, and relevance to business. As a result, the Group identified the priority human rights issues among potential issues that could impact its stakeholders, as shown in the figure below.

Human rights issues that may be affected by the Mitsubishi Electric Group's Business Activities

Category	Employee	Supply Chain	Product & Service	Common Issue
Priority				
The most salient human rights issues	Working Environment	Suppliers & Labor Standards	Privacy & Information Security	
	Occupational Safety & Health	Forced, Slave & Debt Labor		
		Child Labor		
Other human rights issues	Non-discrimination & Equal Opportunities	Conflict Minerals	Right to Life & Security	Fraud, Bribery, Corruption
	Collective bargaining & Freedom of Association		Product Quality & Safety	Environmental Impacts
	Forced, Slave & Debt Labor		Ethical Use of Technology	Diversity, Equity & Inclusion (DE&I)
	Young Worker		Responsible Marketing & Sales	Risks in Conflict-affected & High-risk Countries
			Land Rights	Grievance Mechanisms & Access to Remedies

Correcting, Preventing, and Mitigating Negative Impacts on Human Rights

BSR provided recommendations on the human rights issues identified in the previous section to prevent them from occurring. The Mitsubishi Electric Group has formulated improvement measures to address these recommendations and will commence initiatives in fiscal 2025. The Group will strive to strengthen human rights measures at its sites and in its supply chain in accordance with Responsible Business Alliance (RBA)* processes.

* Responsible Business Alliance (RBA): An alliance of companies promoting social responsibility in global supply chains

Future initiatives to address significant human rights issues

Category	Significant human rights issues	Overview of future initiatives
Employees	Workplace environment	<ul style="list-style-type: none"> Strengthen management of associated companies in and outside of Japan, including review of management systems, by collecting information on associated companies to reduce risks such as long working hours and harassment across Group companies
	Occupational safety & health	<ul style="list-style-type: none"> Collect information on safety and health at associated companies overseas, promote risk reduction measures, and disclose information Expand safety and health training through onsite safety and health organizations, including contractors
Supply chain	Supplier and labor standards	<ul style="list-style-type: none"> Utilize the RBA Code of Conduct as the Mitsubishi Electric Group Supply Chain Code of Conduct and apply it to all suppliers Examine the establishment of guidelines for responding to high-risk suppliers
	Forced, slave, and indentured labor Child labor	<ul style="list-style-type: none"> Consider the inclusion of hearings on foreign technical intern trainees in supplier surveys <p>Supply Chain Management (Procurement)</p>
Products and services	Privacy and information security	<ul style="list-style-type: none"> Consider confirmation of response to requests for disclosure of personal information from law enforcement agencies in high-risk countries through information security self-inspection

Tracking and Evaluating Human Rights Initiatives

The Human Rights Subcommittee periodically verifies the status of activities to address the BSR recommendations. In particular, the risk status of the working environment at Mitsubishi Electric Group manufacturing bases and suppliers is verified using the RBA Self-Assessment Questionnaire (SAQ).

Information Disclosure

The results of the activities outlined above are appropriately disclosed in the Integrated Report of the subsequent fiscal year.

Activities to Date (Human Rights Due Diligence Based on Self-Assessment)

In fiscal 2022, a human rights impact assessment was conducted at a total of 417 sites among Mitsubishi Electric and associated companies in and outside of Japan. The assessment identified human rights issues for which the Mitsubishi Electric Group should strengthen its efforts and evaluated the status of efforts at each site.

Corrective measures have been implemented at each site to address the human rights issues identified, and the 329 items picked out as having insufficient efforts were reduced to 39 in fiscal 2024.

Main Corrective Measures

- Utilization of educational materials on anti-harassment and diversity measures implemented within Mitsubishi Electric to provide training at associated companies as well
- Request for suppliers of associated companies to give consideration to human rights by utilizing the CSR Procurement Guidelines used by Mitsubishi Electric

Improvement activities based on the self-assessment outlined above will be completed by the end of fiscal 2025.

Initiatives Related to Employee Human Rights

Basic Policy

Mitsubishi Electric Group is committed to respecting the basic rights of employees, an approach that is included in the principles of the Universal Declaration of Human Rights as well as the United Nations Global Compact, as provided in Mitsubishi Electric Group Code of Conduct.

In addition, Mitsubishi Electric respects the freedom of association as a company and assures Mitsubishi Electric labor union to hold the three basic rights of labor (the right to organize, the right to collective bargaining, and the right to act collectively), under the labor agreement entered into between Mitsubishi Electric and Mitsubishi Electric labor union.

Relationship with Labor Union

Based on the labor agreement, Mitsubishi Electric implements the following.

- The Company and labor union periodically hold meetings of a management council and labor council and have active communication.
- Under the union-shop system, all employees (excluding management-level employees) become union members after completing a trial period, as a rule.
- Working conditions for employees not covered by this labor agreement are determined based on individual employment status and laws related to equal pay for equal work.
- Associated companies in and outside of Japan 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.
- The labor contract stipulates that Mitsubishi Electric will swiftly notify the labor union of secondments and transfers of employees within and outside the organization for business reasons. The contract also states that, particularly when large numbers of employees will be seconded or transferred within or outside the organization, the Company will consult with the labor union regarding the basic terms.

[Human Capital Strategy](#)

Human Rights Initiatives in the Supply Chain; Joining the RBA

Since fiscal 2019, we have been seeking consent from suppliers to agreement on initiatives for social issues including human rights issues.

[Supply Chain Management \(Procurement\)](#)

In 2024, the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives in sustainability procurement was enhanced through the alignment of our own operations with the provisions of the RBA Code of Conduct, the global standard. We will continue to promote ongoing improvement of our sustainability procurement efforts.



Compliance with Laws and Regulations on Human Rights

Relevant divisions within the Mitsubishi Electric Group are collaborating to respond in a timely and appropriate manner to legislation being developed in various countries regarding the implementation of human rights due diligence by companies.

Our statements on the UK Modern Slavery Act, the Australian Modern Slavery Act, Norway's Transparency Act, and Canada's Modern Slavery Act are posted on our official website.

[Compliance with Laws and Regulations on Human Rights](#)

Human Rights Education

The Mitsubishi Electric Group takes various opportunities to educate its employees on human rights.

Training	Content
Job-level specific training	For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In the training for managers, after completing the course, participants confirm from a manager's perspective whether any problems have occurred in their own workplaces, thereby facilitating the realization of workplace environments in which employees can work comfortably.
Company-wide training (e-learning)	In the "Mitsubishi Electric Group Sustainability" e-learning course for all employees of Mitsubishi Electric and its associated companies in Japan, we provide education on global trends in human rights, the reasons why human rights must be respected, and the Mitsubishi Electric Group's human rights policy, etc., to provide employees with opportunities to deepen their understandings of the importance of corporate efforts to respect human rights.
Harassment training	The Mitsubishi Electric Group conducts harassment training to prevent harassment by promoting proper understanding of harassing behavior and practicing appropriate communication skills. The training includes not only providing information on power harassment and sexual harassment, including harassment against people of the same sex and LGBTQ people, maternity harassment, SOGI harassment, and so on but also introducing specific case studies of harassment. Lectures also provide information on internal and external points of contact for consultation so that employees can report or communicate any issues that they have become aware of. All employees of Mitsubishi Electric and its associated companies in Japan have completed the e-learning program on harassment prevention implemented in accordance with the Mitsubishi Electric Workplace Culture Reform Program.
Human Rights Week	To raise awareness of human rights within the company, the Company delivers messages explaining social trends in the area of business and human rights and the objectives of Mitsubishi Electric's initiatives to employees of Mitsubishi Electric and associated companies in and outside of Japan during Human Rights Week (December 4–10).

[Human Rights and Harassment Prevention Education](#)

Grievance Handling Mechanism

Primary Contact Point for Human Rights Grievances

The Mitsubishi Electric Group has set up multiple contact points, including JaCER,* an external option, to handle human rights inquiries 365 days a year. These channels are available to all stakeholders, such as employees, business partners, customers, consumers, and local residents. Anonymous reporting is also available.

* The Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) provides a nonjudicial platform for addressing grievances in accordance with the UN Guiding Principles on Business and Human Rights.

[JaCER](#)



Responding to Human Rights Grievances

In response to individual reports on human rights risks, the responsible division shall promptly confirm the facts of the case in accordance with the consultation content. In the event that a human rights violation or other problem is identified to have resulted from the Mitsubishi Electric Group's business activities, we shall promptly implement corrective and remedial measures as well as take appropriate actions, including responding to victims and considering disciplinary measures for those who committed such violations, etc. The Mitsubishi Electric Group's main point of contact shall share the details of each consultation with the division in charge of resolving the problem. Nevertheless, efforts shall be made to minimize information sharing among the parties concerned.

No whistleblower shall be retaliated against by any company or individual for making a report.

[Human Rights Contact Desk](#)

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 June 2024, as part of the "Business and Human Rights Academy:* Human Rights Due Diligence Training for Japanese Companies" organized by the United Nations Development Programme (UNDP), we had the opportunity to receive some broad feedback from Ms. Alice Cope (Partner, Pillar Two) and Mr. Hideaki Umetsu (Partner, Mori Hamada & Matsumoto) on the Mitsubishi Electric Group's human rights initiatives based on explanations provided by the Group.

Based on the previous Academy session with the two experts, prior to holding this session, we asked them both to review the draft revision of the Mitsubishi Electric Group Human Rights Policy and we endeavored to reflect their comments and recommended improvements in the final version.

During the session, a variety of themes were discussed, such as capacity building for suppliers and ways to enhance access to grievance handling mechanisms for major stakeholders, including suppliers and their workers. The discussions also included how to raise awareness among the various departments within the Mitsubishi Electric Group of respect for human rights and the human rights risks related to their respective activities and business relationships.

These topics will be reflected in our future efforts to respect human rights in the Mitsubishi Electric Group for continuous improvement following discussion by the Human Rights Subcommittee.

* The "Business and Human Rights Academy" organized by the UNDP is a program designed to provide guidance and advice to companies in implementing the UN Guiding Principles on Business and Human Rights and human rights due diligence in particular. The Academy provides training, guidance, and sessions for approximately 1,300 companies throughout the year.



Session with Ms. Alice Cope and Mr. Hideaki Umetsu

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

The Mitsubishi Electric Group mitigates procurement risks along the supply chain by providing an explanation of the Group's Procurement Policy to suppliers and ensuring proper evaluation of suppliers based on selection and evaluation criteria.

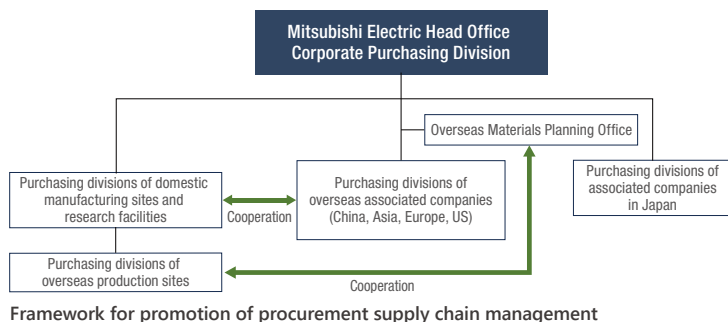
The criteria for evaluating suppliers include not only quality, cost, delivery schedules and services, but also initiatives in response to environmental regulations and sustainability. As a basic policy, the Group preferentially procures materials from suppliers who rank high in our comprehensive evaluation.

In order to enhance the objectivity and transparency of human rights and environmental initiatives throughout the supply chain, in February 2022, we joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively aligning our operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

[Procurement Policy](#)

Framework for Promotion of Procurement Supply Chain Management

Under the framework shown below, the Mitsubishi Electric Group works on six priority activities to promote a more vigilant supply chain management.

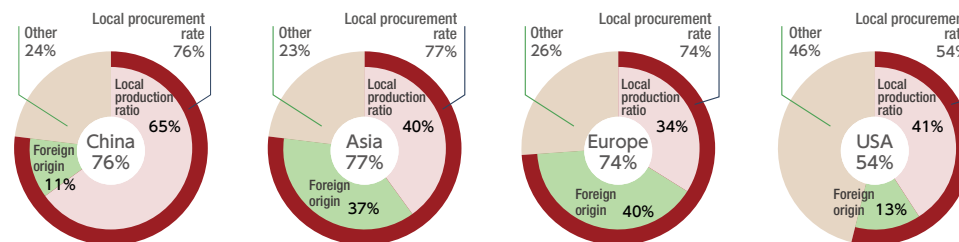


Six Priority Activities

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 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 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).



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

* Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion. Of these, the procurement ratio of items produced in the country of the overseas site is defined as the local production ratio, and the procurement ratio of items produced in countries other than the country of the overseas site is defined as foreign origin.

Mid- to Long-Term Priority Activity Objectives

Continuing Activities to Identify and Address Risks Involving Major Human Rights Violations (Forced Labor, Hazardous or Dangerous Labor, and Child Labor) in the Supply Chain

The Mitsubishi Electric Group asks its major suppliers to complete an annual questionnaire survey to determine, on an individual basis, the presence of especially major human rights violations risks, such as forced labor, dangerous or hazardous labor, and child labor. Through this process, we continuously strive to identify suppliers with high risk. In the Mitsubishi Electric Group Supply Chain Code of Conduct, we also include reduction of the number of excessive working hours and the right to a minimum wage, and we will continue to confirm this by means of the survey form.

[Evaluation status of suppliers' initiatives to address sustainability issues](#)

[Survey on foreign technical intern trainees](#)

Transitioning to RBA-Compliant Initiatives

Mitsubishi Electric joined the RBA in February 2022. In fiscal 2024, we established the Mitsubishi Electric Group Supply Chain Code of Conduct in alignment with the RBA Code of Conduct and held two explanatory sessions in June and November for approximately 800 supplier companies.

[Human Rights Management](#)

[Sustainable Procurement](#)



Online explanatory session for suppliers

Establishing a Grievance Mechanism for the Entire Supply Chain

We joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) to strengthen our “grievance mechanism” for receiving and resolving grievances in the supply chain, and we have added a grievance point of contact.

[Human Rights Contact Desk](#)

Initiatives to Decarbonize Procurement Supply Chain Activities

The Environmental Sustainability Vision 2050 aims to achieve decarbonization in the entire value chain. We will grasp the level of reduction in CO₂ emissions generated during production by suppliers and call for further reductions. In fiscal 2024, we conducted a survey on the status of carbon neutral initiatives and greenhouse gas emissions of our major suppliers. Based on the survey results, we will improve the accuracy of “greenhouse gas emissions in the value chain.”

[Environmental Sustainability Vision 2050](#)

Strengthening Sustainability Initiatives along the Procurement Supply Chain

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. In 2018, we also established the CSR Procurement Guidelines derived from the RBA Code of Conduct formulated and published by the RBA. In February 2023, we newly established the Mitsubishi Electric Group Supply Chain Code of Conduct, which is compliant with the RBA Code of Conduct. We confirm suppliers’ agreement with our Supply Chain Code of Conduct and supplier surveys.

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 Accreditation Guideline, 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. Starting in 2024, we ensure proper evaluation of the progress of suppliers’ efforts to address environmental problems using survey forms that are compliant with the RBA Code of Conduct. Suppliers identified as being at risk are provided with appropriate advice and are requested to make corrections to mitigate any risk.

[Green Accreditation Guideline](#)

Toward 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* 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, 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.

* Conflict minerals refer 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 OECD-defined 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 (CMRT*¹ and EMRT*²) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2024, surveys were carried out on 1,178 suppliers, and responses in survey form were obtained from 927. As a result of the survey, 349 smelters were identified. Of the identified smelters, 219 were RMAP*³ compliant. We will continue to promote RMAP compliance among smelters through industry activities.

*1 Conflict Minerals (tin, tantalum, tungsten, and gold) Reporting Template issued by the Responsible Minerals Initiative

*2 Cobalt/Mica Reporting Template by the Responsible Minerals Initiative

*3 Responsible Minerals Assurance Process: A program in which a third party certifies that the minerals processed by a smelter come from sources that are not complicit in conflicts or human rights abuses

[Number of smelting companies identified in a survey of conflict minerals](#)

[List of Smelters Identified in Fiscal 2024](#)

Requests to Suppliers

The Mitsubishi Electric Group asks its suppliers to understand and comply with the Group's Procurement Policy and Supply Chain Code of Conduct, and to inform their supply chains of these policies. Additionally, new suppliers are asked to understand the Group's Supply Chain Code of Conduct and submit a written agreement to comply with it.

[Mitsubishi Electric Group Supply Chain Code of Conduct](#)

Evaluation Status of Suppliers' Initiatives to Address Sustainability Issues

Basic Policy on Supplier Surveys

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Accreditation Guideline and the Mitsubishi Electric Group Supply Chain Code of Conduct by requesting major suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form every year. 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 2024 following the formulation of the Mitsubishi Electric Group Supply Chain Code of Conduct.

Activity Results

The supplier survey, launched in fiscal 2007 for suppliers in Japan, was expanded in fiscal 2018 to include overseas suppliers. Starting in fiscal 2025, we will conduct supplier surveys and remediation activities using the new RBA surveys. In fiscal 2024, we prepared for this implementation by providing explanations to suppliers.

[Responses to the Green Accreditation/CSR Procurement Survey Form and Rate of Green Accreditation Certification](#)

Survey on Foreign Technical Intern Trainees

In fiscal 2020, Mitsubishi Electric conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees and obtained responses from all the companies surveyed. Among the companies surveyed, 136 companies hire technical intern trainees, and we confirmed with the suppliers as to whether they are certified as "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 that have not been accredited as "excellent implementing organizations" are required to make improvements, which include displaying important signs for health and safety, such as hazardous materials and evacuation routes, in a language that trainees can understand. However, none of the suppliers were in violation of the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees, the Labor Standards Act, etc.

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

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

[Survey on foreign technical intern trainees](#)

Communication with Suppliers

At the Head Office and each business site, the Mitsubishi Electric Group periodically holds briefings for suppliers and exchange opinions to facilitate a full understanding of the Group's Procurement Policy and the Mitsubishi Electric Group Supply Chain Code of Conduct among suppliers and gain their agreement. To promote sustainability initiatives at our suppliers, we also communicate with them in the areas of support for business continuity planning (BCP)* activities, management of chemical substances according to regulations such as the EU RoHS Directive, and compliance (including export control, information security and management, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, etc.)

* 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.

Initiatives for Strengthened Partnership with Suppliers

Mitsubishi Electric also participated in the Declaration of Partnership Building introduced in response to the discussion in the Council on Promoting Partnership Building for Cultivating the Future hosted by the Cabinet Office and the Ministry of Economy, Trade and Industry, and Mitsubishi Electric announced its declaration on July 1, 2020.

We have been conducting a supplier satisfaction questionnaire survey since fiscal 2021 aimed at improving business practices with suppliers and further strengthening the partnership based on the policy of building mutually-beneficial relationships as stated in the Declaration of Partnership Building.

In 2023, we conducted a survey following from the previous year with a total of 16 questions covering Mitsubishi Electric's business attitude, ethics, compliance, and other topics in an attributed survey form for each supplier using a website.

We aggregate the responses from supplier questionnaires and analyze each survey item by comparing it with the results from the previous fiscal year, and we use the results to extract areas to be improved, to analyze causes, and to correct Mitsubishi Electric's business attitude.

We will continue to conduct this activity in the future to utilize it to find potential issues in transactions with suppliers and to further promote improvement by taking the results seriously.

[📄 Declaration of Partnership Building by Mitsubishi Electric Corporation \(in Japanese\)](#)

Value Engineering (VE) Activities with Suppliers

The Mitsubishi Electric Group engages in joint development from the initial stages to the development of parts and materials, and works in partnership with suppliers to engage in Value Engineering (VE) activities with the aim of adopting advanced technological 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 capital 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 demonstrated a certain level of knowledge.



VE lecture in China



VE lecture in Thailand

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, we hold lectures on 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 Business Act, and we provide guidance and training to ensure thorough compliance. 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. In addition, the Group is further strengthening sustainable procurement initiatives by sharing information on activities and guidance at each business site and holding regular learning sessions on sustainable procurement for employees of procurement departments.



Learning session on sustainable procurement for procurement department employees

Occupational Safety and Health

Basic Policy

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

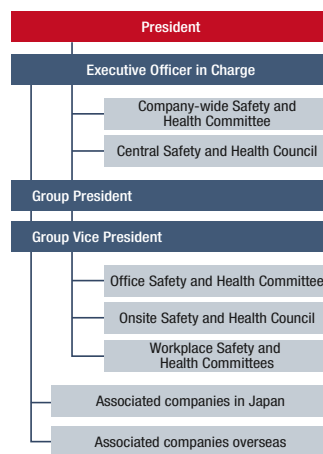
Adhering to the basic policy of prioritizing the safety and health of our employees above all else, the Group aims to achieve the following two goals.

- Establish a culture that places top priority on safety and health in all social and business environments based on the understanding that health and safety management form the foundation of business management.
- Establish health and productivity management and create a workplace environment that allows everyone to maintain good health both mentally and physically and thrive in work as one of our core management policies for increasing employee engagement.

Based on these policies, Mitsubishi Electric has formulated a company-wide Safety and Health Five-Year Plan and promotes specific activities each fiscal year. Our associated companies in and outside of Japan engage in health and safety management activities in line with relevant laws, national regulations, and company-specific issues, guided by a company-wide safety and health management policy.

Promotional Framework

The Mitsubishi Electric Group and its associated companies in and outside of Japan cooperate in exchanging information about safety and health, engage in education activities, and implement various measures. Communication is also held with employees through meetings with labor unions and the Safety and Health Committee, and labor management efforts are made to raise the level of safety and health.



Company-wide safety and health management framework

Occupational Health and Safety Management System

In 2009, Mitsubishi Electric introduced the Occupational Health and Safety Management System (OHSMS). Under the program, each office runs PDCA cycles for safety and health activities by implementing internal 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 general safety and health manager (assumed by Group Vice President) 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 health and safety management level of the company as a whole. Some of our offices have already obtained the JISQ45001 certificate.

As a result of these initiatives, 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.

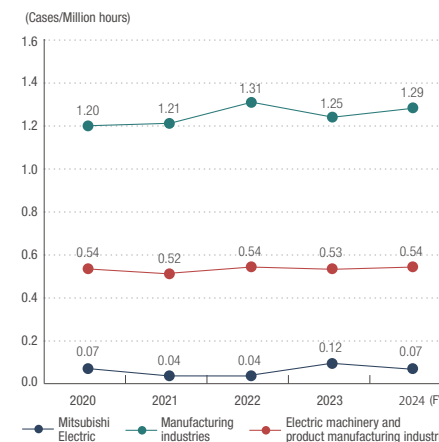
Risk Management

Mitsubishi Electric identifies hazards through risk assessment and implements risk reduction measures in the following cases.

- When new equipment is installed and when equipment is changed
- When there is new work or a change in work
- For work involving the handling of chemical substances

If an industrial accident occurs, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by conducting safety management status inspections and sharing countermeasures within the Mitsubishi Electric Group developed through case reports of disasters.

Frequency of fatal accidents



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

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 associated 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."

[📄 Number of employees who took safety and health education programs](#)

Topics

Safety Room at Mitsubishi Electric Kobe Works and Energy Systems Center

Mitsubishi Electric Kobe Works and Energy Systems Center provide safety education that includes danger simulation for all onsite employees (approximately 5,000), including those of associated companies, under the slogan "Safety and health first! Building a culture that prioritizes safety and health in everything we do" (Kobe Works) and "Ensuring uncompromising safety and health measures to protect our colleagues" (Energy Systems Center). These business sites have been working to increase all employees' hazard awareness by upgrading the simulation machine, introducing a virtual reality (VR) simulator, developing and providing education to instructors, and establishing an education system.



Safety room

Group-Wide Health Promotion Activities

Since 2002, Mitsubishi Electric and its associated companies in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for our 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance society for 20 years, in an attempt to promote a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company."

In fiscal 2023, MHP21 was renamed the "Mitsubishi Electric Group Health Management Plan" and another five-year activity has started as "MHP 'Lively and Exciting Action.'" Under the activity principle, "We promote fitness activities for each one of us to be excited to spend time in a lively way," we are developing activities with the ultimate goal of achieving a subjective feeling of liveliness and excitement; that is, improved health satisfaction among each and every employee as well as their family members.

Specifically, we have set "good appetite," "good sleep," and "good bowel movements" as three indexes to represent the daily level of health satisfaction (degree of liveliness and excitement) regarding the mental and physical health among each and every one of us, for the purpose of assessing the degree of achievement of the activity principle and objective. In addition, we have set "diet" "exercise" "smoking" "care for the teeth" "sleep" and "drinking" as six indexes for lifestyle habits. We utilize these indexes in a system that is designed to visualize each person's health condition using ICT and other technologies, and that sets targets to encourage changes in behavior according to individual lifestyle habits. In this way, we have been promoting activities that lead to improved health satisfaction.

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

MHP "Lively and Exciting Action" activity goals and achievements

Health satisfaction

Target item		Target value (by FY2027)	FY2024 result
Good appetite	Percentage of people who have an appetite and enjoy their meals	90.0% or more	88.2%
Good sleep	Percentage of people sleeping comfortably and soundly	80.0% or more	55.9%
Good bowel movements	Percentage of people with good bowel movements that leave them feeling comfortable	80.0% or more	65.5%

[📄 MHP "Lively and Exciting Action" activity goals and achievements](#)

[📄 Mitsubishi Electric Group Health Declaration \(in Japanese\)](#)

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 associated companies in Japan as well, we have actively worked on the primary prevention of employee mental health disorders.

In addition to checking issues related to mental health and formulating a Mental Health Development Plan, the Office Safety and Health Committee (Committee to Promote Mental Health) serves as a forum for collaboration among employees in charge of developing office policies and conducting measures. 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.

Furthermore, by conducting stress checks and 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 associated 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.

* Employee assistance program (EAP) is 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)
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 employees spend a large part of their lives at their workplaces and is committed to creating a comfortable work environment where everyone can work actively, including senior workers and people with disabilities.

By establishing internal workplace environment standards for air and barrier-free facilities, and by working to achieve each standard, Mitsubishi Electric aims to create comfortable workplace environments.

Philanthropic Activities

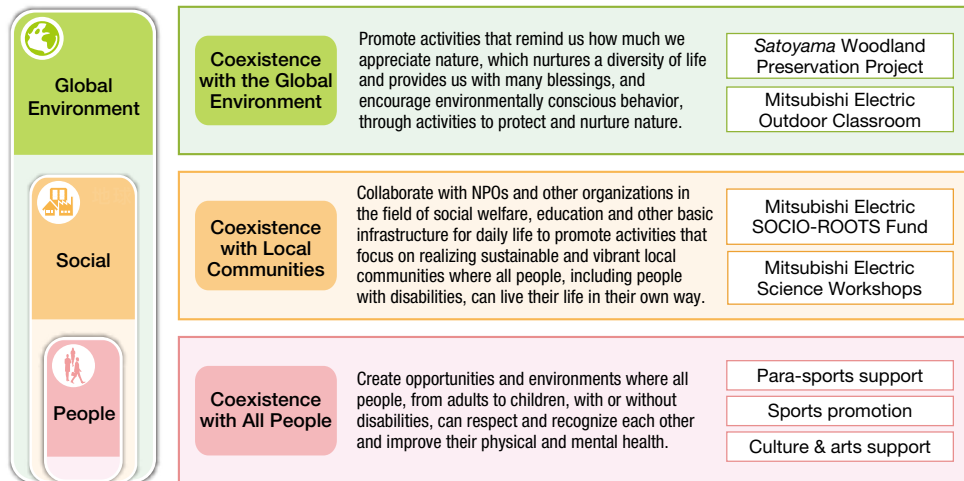
Our Philosophy on Philanthropic Activities

As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of its resources to contribute to creating an affluent society in partnership with its employees.

“Three Forms of Coexistence” that the Mitsubishi Electric Group Aims for

To realize an inclusive society, the Mitsubishi Electric Group has been promoting activities at the level of people with a focus on each and every individual, the level of society as an aggregate of local communities, and the level of the Earth, which is the foundation for all individuals and communities.

Employees and the company shall work together to promote the “three forms of coexistence” and realize an inclusive society



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 a philosophy of philanthropic activities. The Group also maintains the Mitsubishi Electric SOCIO-ROOTS Fund, an independent charity through which the company matches employee donations in Japan, and independent Mitsubishi Electric charitable foundations in Thailand and the United States.

Main Activities in Fiscal 2024

- Donations from the Mitsubishi Electric SOCIO-ROOTS Fund to support social welfare facilities and children at disaster areas
- *Satoyama* Woodland Preservation Project, Mitsubishi Electric Outdoor Classroom, and Mitsubishi Electric Science Workshop
- Support for developing the next generation of human capital through donations to organizations related to culture, the arts, and sports
- Initiatives for realizing an inclusive society through para-sports support
- Employment assistance for young people with disabilities from the Mitsubishi Electric America Foundation
- Support for next-generation education and environmental protection activities by the Mitsubishi Electric Thai Foundation.
- Support for the disaster-stricken areas in Turkey and Noto Peninsula

Fiscal 2024 Activity Results

Philanthropic activity expenditures
(Mitsubishi Electric and major associated companies in and outside of Japan)

Approx. **2.26** billion yen

* Expenditures include the costs of operating and donating products for philanthropic activities planned by Mitsubishi Electric and/or major associated companies.

Coexistence with the Global Environment

Activities in Harmony with Nature Promoted by Employees and Local Communities

The Mitsubishi Electric Group conducts two types of environmental conservation activities for achieving coexistence with nature, led by employees at each business site.

- **Satoyama Woodland Preservation Project** (Launched in 2007)
The project seeks to restore "familiar nature," such as forests, the ocean, rivers, and fields located in the vicinity of our business sites.
- **Mitsubishi Electric Outdoor Classroom** (Launched in 2006)
The project provides opportunities to experience nature with the local people to encourage awareness of nature ecosystems under the guidance of Nihon Yagaiseikatsu Suishin Kyokai (the Japan Wildlife Activity Association).

The BIOME living things collection app (BIOME Inc.) for smartphones is used as a tool during participation in events and for enjoying nature in everyday life. The project promotes living in coexistence with nature while broadening communication with the local community in collaboration with local governments, the Japan Environment Association (the Junior Eco-Club), and other environmental activity organizations, local experts, kindergartens, and nursery schools.

Fiscal 2024 activity results



Tokyo Bay eelgrass revival activities

Donation and Fundraising Activities at Our Business Locations

Each Mitsubishi Electric business site carries out fund-raising activities suitable to the site, including charity bazaars, charity auctions, and donations through vending machines, to facilitate donations by its employees. In addition, an online donation system was introduced and has been operating since fiscal 2022.



Fundraising activities at each business location

Assistance that Delivers Our Commitment: Conveying the Good Intentions of Employees with a Smile

We provide assistance not only to facilities supporting people with disabilities, but also to nurseries, maternal and child living support facilities, foster homes, and assisted living facilities. We strive to provide face-to-face support by holding presentation ceremonies for donation recipients.



Presentation ceremony for donation recipient

Donations to Areas Affected by Natural Disasters: Support for the Healthy Growth of Children

The Fund is making ongoing efforts to support children affected by natural disasters including the Great East Japan Earthquake. From 2011 to the end of March 31, 2024, a sum of 208.5 million yen has been donated since the program began.



Support for children in an area affected by natural disaster

Coexistence with Local Communities

Mitsubishi Electric SOCIO-ROOTS Fund

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 2024, the Fund has provided more than 1.54 billion yen to some 2,400 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. The community chests in each prefecture have cooperated since the Fund's inception to provide referrals to donation recipients and information about community needs.

Fiscal 2024 activity results

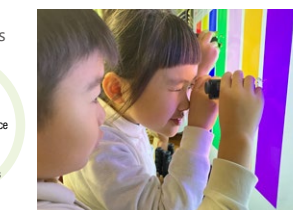
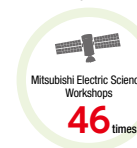


Science and Technology

Mitsubishi Electric Science Workshops

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 and real products, and help the children realize how the products are useful in society while enjoying science.

Fiscal 2024 activity results



Learning about light (monitor observation)

Coexistence with All People

Sports Promotion

Para-Sports Support

Mitsubishi Electric promotes initiatives to realize an inclusive society in which everyone, with or without a disability, respects and accepts one another.

As a part of these initiatives, the Company supports the Japanese Para-Sports Association (JPSA) and the Japan Wheelchair Basketball Federation (JWBF) as an official partner to contribute to spreading and raising awareness of para-sports.

Junior Player Discovery Support Project

Since 2022, we have been co-sponsoring the JWBF-sponsored junior player discovery support project.

In fiscal 2024, the project events were held in nine locations including Hokkaido, Ibaraki, Tokyo, Kanagawa, Shizuoka, Osaka, Hiroshima, Kochi, and Kumamoto and had a total of 140 participants.



Project event in Hokkaido

Special Cosponsor of the 49th Emperor's Cup Japan Wheelchair Basketball Tournament

As a special sponsor, Mitsubishi Electric supported the 49th Emperor's Cup Japan Wheelchair Basketball Tournament which drew more than 6,000 spectators. For visitors' enjoyment, digital photo spots for visitors and booths for delivering supportive messages to players were offered at the tournament site.



49th Emperor's Cup Japan Wheelchair Basketball Tournament: Presentation of additional prizes

Activities by Mitsubishi Electric's Sports Teams

Basketball

Nagoya Diamond Dolphins and Mitsubishi Electric Koalas actively engage in activities to promote basketball, such as regularly sending their coaches and players to basketball workshops held throughout Japan for primary and junior high school students.



DEFENSE ACTION workshop to learn about disaster prevention activities while enjoying basketball

Tennis

Professional players and employees who belong to Mitsubishi Electric's Tennis Japan League team "Mitsubishi Electric Falcons" sponsor tennis workshops throughout Japan. Also, through wheelchair tennis and blind tennis, people with/without disabilities interact learning the importance of deepening mutual understanding, and efforts to help people recover emotionally were made through enjoying tennis with local residents in disaster-affected areas.



Wheelchair tennis workshop to support Tohoku disaster area

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

Supporting Culture and Arts

Mouth and Foot Painting Artists of the World Exhibition

Mitsubishi Electric Building Solutions Corporation sponsors the "Mouth and Foot Painting Artists of the World Exhibition" throughout Japan. As the title indicates, the exhibition features paintings by artists around the world who are deprived of the use of their hands, and thus paint using their mouths or feet to hold a paintbrush.



Mouth and Foot Painting Artists of the World Exhibition

Supporting Narimichi Kawabata, a World-Famous Vision-Impaired Violinist

After graduating from Toho Gakuen School of Music, Mr. Narimichi Kawabata studied abroad at Royal Academy of Music where he was conferred Special Artist Status. Mitsubishi Electric has been supporting Mr. Kawabata since he started activities in the UK. In addition to supporting Mr. Kawabata, Mitsubishi Electric supports orchestras and opera houses to help develop the next-generation of artists.



Mr. Narimichi Kawabata, a world-famous violinist

Activities Overseas

Mitsubishi Electric America Foundation

The Mitsubishi Electric America Foundation (MEAF) has been working toward a more inclusive society in the United States since 1991. Given the high unemployment rate of people with disabilities, combined with the need for capable talent, MEAF has invested \$17.9M, to date, in national grant projects designed to empower youth with disabilities to lead productive lives.

MEAF also matches donations made by employees of Mitsubishi Electric U.S. group companies to support local community needs, contributing and matching a total of \$9.6M, with overall contributions in the U.S. reading \$27.5M to date.



Vocational training through Teaching the Autism Community Trades (TACT)

Recent Activities

MEAF supports organizations that send talented human capital to areas of demand. It also matches girls with disabilities with professional mentors with disabilities to support them into adult employment. Since 2011, MEAF has helped more than 62,000 young people with disabilities find employment.



Disability EmpowHer Network

Topics

Charity to Support Families of Muscular Dystrophy Patients

The employees of Mitsubishi Electric U.S. group companies take part in more than 12,000 hours of volunteer activities and provide donations to meet the needs of the local community. In 2023, employees from all over the United States came together at the MEAF Volunteer Leadership Workshop in Mason, Ohio and held a charity run in support of Parent Project Muscular Dystrophy.



Holding a charity run

[MEAF Initiatives](#)

Mitsubishi Electric Thai Foundation

Established in 1991, the Mitsubishi Electric Thai Foundation (METF) has been contributing to the development of education in Thailand for over 30 years by providing scholarships to college students and helping educational institutions to operate independently. In 2014, METF launched environmental preservation initiatives in collaboration with the Thai government, private organizations, and the Mitsubishi Electric Group's associated companies in Thailand. METF has also been actively involved in environmental conservation volunteer activities in collaboration with the associated companies. In addition, we established the Thai Philanthropic Committee in order to strengthen sustainability initiatives at the associated companies in Thailand. The Committee's latest initiatives include COVID-19 and drought countermeasures to meet Thailand's current needs.



Ceremony at Kasetsart University

Recent Activities

- **Support for educating the next generation**
 - Scholarship program for students at engineering universities
 - Science school for elementary school students
 - Support for construction of child-care facilities



A scene from a tree-planting activity

- **Environmental preservation activities**
 - Support for initiatives to prevent droughts and floods
 - Joint tree planting activities by the Mitsubishi Electric Group in Thailand

In January 2024, METF received an award from Her Royal Highness Princess Sirindhorn in recognition of its activities to construct reservoirs for villages suffering from droughts and floods.

METF also received an award from the Ministry of Natural Resources and Environment of the Kingdom of Thailand in May 2023 for the Community Forest Partnership for Climate Action project it has been running since 2018.

[METF Initiatives](#)



Award presentation ceremony

Example of Overseas Activities by the Mitsubishi Electric Group

[Philanthropic Activities: Activities by Region](#)

Message from the Chairperson of the Board of Directors



Making the Board of Directors More Effective to Drive the Transformation into a Truly Global Enterprise and Grow Corporate Value

Hiroyuki Yanagi

Outside Director
Chairperson of the Board of Directors,
Member of the Nomination Committee
and the Compensation Committee

Hiroyuki Yanagi, who assumed the position of Chairperson of the Board of Directors in June 2024, shares his thoughts on the Mitsubishi Electric Group's management challenges, his assessment of the progress of the Three Key Reforms, and his aspirations for future board operations.

Deepening Board Discussions and Enhancing the Board's Effectiveness

In the two years since I became an outside director at Mitsubishi Electric Corporation, the Board of Directors has evolved. First, it has transformed from a venue for reporting

to a forum for active questioning and exchange of opinions. Second, looking at the composition of outside directors, women are better represented, and a non-Japanese director joined in June 2024. Furthermore, the range of expertise among members has expanded, bringing more diverse perspectives and broader viewpoints to the board.

Beyond these structural changes, the focus of each agenda item has also shifted. The emphasis has moved to the medium-term management plan, Business Area (BA) strategies, and functional strategies. The board has progressed from the initial strategy formulation phase, which involved issue identification and organizational proposals, to the execution phase, with the main focus now on "how to execute and achieve results." For instance, our discussions have become more concrete as we advance decision-making and implementation of measures, such as the structural reform of the automotive equipment business and investments in key growth businesses including the power semiconductor devices business. I feel a real sense of progress in management.

Expectations for the Serendie Digital Platform and Employee Inspiration

In the Circular Digital-Engineering initiative, which is at the core of the Group's management strategy, concrete strategies have begun to take shape with the launch of the DX Innovation Center and the Serendie digital platform. Management figures compiled and analyzed from related businesses have been explained, external interest is growing, and internally, it has become clear that this is a focal point for effort. In considering the business portfolio strategy, the board expects this business to become a new growth area that cuts across BAs and business groups.

Serendie is a portmanteau of serendipity and digital engineering. The name reflects Mitsubishi Electric's uniqueness. As the Mitsubishi Electric Group promotes this business, I hope that everyone will value the process of generating diverse inspirations by combining logical thinking with rich sensibilities. This will lead to the creation of new value in diverse forms.

Crafting a Unique Mitsubishi Electric Group Narrative to Address Increasingly Complex Social Issues

Stakeholders demand both contributions to a sustainable world and business development. The Group will seek to craft and communicate its narrative uniqueness, telling the story of how the Group will enhance corporate value while relating in a future-oriented way with the global environment, society, and individuals. This will sharpen the Mitsubishi Electric Group's brand image. For instance, as an application of Serendie, the Group is beginning to contribute to solving environmental and social issues by providing solutions like optimal energy use in infrastructure such as railways and power systems, and in buildings. The quality and quantity of these contributions will continue to increase. Weaving these contributions and outcomes into the sustainability management story as key focal points should make the Mitsubishi Electric Group's distinctiveness more apparent.

Strengthening Global Management

While the Mitsubishi Electric Group has strong vertical alignment in its Business Areas (BAs) and business groups, I feel the Group needs to strengthen the corporate functions that cut across the entire Group globally, such as human capital, marketing, production, and R&D, as horizontal connections. With the overseas revenue ratio already exceeding 50% of the Group's total, cross-business global management is essential for future growth. On the board, we aim to deepen discussions on this challenge to ensure that the Mitsubishi Electric Group continues to grow as a truly global enterprise. For example, in human capital, the head office has begun reorganizing HR-related departments to accelerate the global talent strategy. In addition, the

Group has introduced global job grading. These moves should promote the development of global talent and the active appointment of non-Japanese individuals to executive and managerial positions. Global management that effectively coordinates vertical and horizontal functions is indispensable.

Progress and Evaluation of the Three Key Reforms

The Three Key Reforms initiated in 2021 have been steadily advancing. Progress on the roadmap with action and outcome targets is managed using quantitative evaluations based on data and qualitative assessments reflecting the realities of the worksite. It is commendable that the roadmap itself has become frontline-driven, with sites self-propelling efforts.

First, in terms of organizational culture reforms, Team Sousei (creation) has been a crucial core, stimulating intra-organizational communication through one-on-one and town hall meetings, enhancing unity between management and the frontline. When visiting manufacturing sites, I often hear employees say they sense the change in organizational culture. In terms of quality assurance reforms, various best practices are now being shared between manufacturing sites. For instance, the standardization of component design across business groups is a true transformation and highly commendable.

Moving forward, it is essential to prevent these experiences from fading by deepening sharing within the Group and passing them down. Once the Three Key Reforms become self-perpetuating, I hope to see the Group advance beyond reforms to a stage where it enhances its inherent quality capabilities, technological prowess, human capital and organizational strength.



Emphasizing an Actualism-Based Approach: Actual Job Site, Actual Products, Actual Conditions

As chairperson of the board, I want to prioritize an actualism-based approach—actual job site, actual products, actual conditions—in board operations. While various opinions are actively exchanged, discussions in the boardroom can easily become disconnected from these actualities. I aim to shape a board that is conscious of these three actuals, where both execution and supervision emphasize observing the actual sites and products and understanding the essence of what is going on by listening to the voices of employees, who are the main actors. The board will foster a management environment that encourages everyone at the Mitsubishi Electric Group to passionately take on new challenges without fear of failure, and this, I am confident, will further enhance corporate value.

Dialogue with Outside Directors



Masako Egawa

Outside Director
Member of the Nomination Committee
and the Compensation Committee

Haruka Matsuyama

Outside Director
Chairperson of the Audit Committee

Expectations for the Mitsubishi Electric Group: Harnessing Human Potential and Balancing Solving Social Issues with Business Growth

Masako Egawa and Haruka Matsuyama, who have been serving as outside directors of Mitsubishi Electric Corporation since June 2023, share their candid views on the initiatives the Mitsubishi Electric Group should take to enhance corporate value sustainably.

Q. What are your impressions of the Board of Directors' operations and the content of discussions?

Egawa A distinctive feature of Mitsubishi Electric's Board of Directors is the high level of transparency in its supervisory function. Outside directors make up a majority, with one chairing the board, and an outside director also chairs each of the three statutory committees. I feel that the board has cultivated a psychologically safe environment where outside directors, each with diverse expertise and deep insights, can leverage their unique strengths and freely share candid opinions. The executive side responds to these board discussions with an open mind, which I assess as contributing to effective board operations. In the Nomination Committee, outside directors engage in vigorous debates on matters such as the qualifications required for the president and CEO, ensuring high effectiveness. In June 2024, new members, including new outside directors, joined the board, and we aim to build trust and foster teamwork with them.

Matsuyama I share Ms. Egawa's impressions. The Board of Directors sets appropriate agendas, in line with our status as a company with a three-committee system, and discussions are always forward-looking and lively. I also appreciate that the outcomes of board discussions are well reflected in the executive side's initiatives. However, given the highly diverse range of the Mitsubishi Electric Group's businesses, discussing all business fields in board meetings naturally takes some time. With this in mind, I want to pursue efficiency, including in the Audit Committee I chair, to ensure that discussions on each agenda item go beyond merely grasping the current situation and delve into more substantive matters.



Q. How do you view the Mitsubishi Electric Group's initiatives for sustainably enhancing corporate value?

Egawa Regarding the business portfolio strategy, I positively evaluate the bold restructuring underway, including the reorganization of the building systems business and automotive equipment business and the functional reorganization of associated companies, including logistics. To aim for further growth, more sharply focused strategy execution, potentially including M&A, will be required in businesses with top-class global competitiveness within the Mitsubishi Electric Group's wide-ranging business fields. In addition to further portfolio review, strengthening the human capital strategy and optimizing business structures for global expansion are key challenges moving forward.

Matsuyama When considering future growth strategies, cross-functional discussions that break down barriers between business units are essential. Furthermore, to execute the business portfolio strategy designed to improve capital efficiency, we need to have open discussions unfettered by past constraints and biases. As an outside director, I aim to stimulate discussions and support executive decision-making by providing a third-party perspective.

Egawa I see the development of the Serendie digital platform as a significant step toward the effort to become a Circular Digital-Engineering Company. I expect this to accelerate new value-creation efforts through cross-business solution offerings. Moving forward, it is crucial to articulate to stakeholders more concrete, differentiated strategies unique to the Mitsubishi Electric Group on how it plans to achieve the fiscal 2031 sales target of 1.1 trillion yen for Serendie-related businesses.

Matsuyama With its numerous outstanding technologies and businesses that contribute to sustainability, the Mitsubishi Electric Group can contribute to society and the environment across many areas by growing its business. I hope the Group will communicate more proactively and clearly about its impact on society. Strengthening external communication not only enhances corporate value but also boosts employee motivation and engagement.

Egawa Regulations on sustainability-related disclosures are becoming stricter, demanding greater specificity and quantification than before. For instance, the Mitsubishi Electric Group has set a long-term carbon neutrality target to "reduce greenhouse gas emissions throughout the entire value chain to net-zero by 2050." I hope to see more transparent and quantitative disclosures on the process to achieve such long-term goals.

Matsuyama While diversity is a key factor in human capital initiatives, achieving gender balance at the managerial level, for example, is still a work in progress. Nowadays, younger generations increasingly share childcare responsibilities, and more employees face work constraints due to caregiving duties and other factors. It is crucial to move away from traditional Japanese corporate thinking that values long working hours and company loyalty and instead foster a mindset that embraces diverse work styles.

Egawa One particular challenge is changing the mindset of middle management. In addition to carrying out unconscious bias training, concrete approaches, such as incorporating diversity progress into managers' performance evaluations, may be necessary. Moreover, enhancing global management requires the inclusion of not only women but also the recruitment of non-Japanese.

Matsuyama We need to consider diversity in a broader sense. Strengthening mid-career hiring is one aspect of this. Especially for a company like Mitsubishi Electric, where many new graduates are hired and remain with the company for a long time, it is important to actively recruit talent with experience outside the company, in order to bring in new perspectives.

Egawa Diversity in human capital leads to improved performance, innovation, and better decision-making. Everyone faces some sort of constraints or personal circumstances, such as childbirth, childcare, and caregiving. As outside directors, we are fully committed to supporting the creation of an environment where people can work flexibly and focus on their jobs despite these challenges.

Q . Please share your assessment of progress on the Three Key Reforms.

Matsuyama I believe each of the Three Key Reforms is being earnestly addressed, and steady progress is being made. Two in particular—the quality assurance reforms and organizational culture reforms—are challenging to instill in every corner of the organization. I hope the company will doggedly continue these efforts with the mindset that persistence pays off. Compliance and growth strategy cannot be considered separately. Establishing a structure that can uphold compliance at ordinary times will prevent the recurrence of improper practices and ensure past mistakes are not forgotten.

Egawa One important development prompted by these reforms was the creation of opportunities for direct dialogue between frontline employees and directors, which we should continue. Despite the Mitsubishi Electric Group's high technical capabilities and growth potential, the low employee engagement scores since the improper quality control practices came to light remain a concern. We will

continue to closely monitor whether the corporate culture is genuinely progressing toward one where “employees feel that they can give their opinions to their superiors,” “failures are tolerated,” and “problems are solved together.”

Matsuyama Understanding the actual situation on the frontlines is crucial. Even if we impose idealistic theories in the name of compliance, if they are disconnected from practical operations, the reforms will eventually lose momentum and become mere formalities. It is essential to continue examining fundamental issues in collaboration with the frontlines, such as what is truly necessary to ensure the required quality and whether the rules themselves are appropriate.

Q . Looking ahead, what agenda items would you like the Board of Directors to prioritize, and what are your aspirations as outside directors?

Egawa Stakeholders, including investors, have high expectations for accelerating initiatives to bring about a new phrase of growth. In promoting growth strategies, it is essential to identify competitive business fields and execute focused investments. I intend to continue providing advice as an outside director, leveraging my own expertise.

Matsuyama Continuing to monitor the progress of the Three Key Reforms and moving forward without letting these activities fade remains a crucial management issue. Additionally, corporate governance and compliance are fundamental to a company's continued existence. I will fulfill my role on the Board of Directors by working to strengthen these aspects as the Group pursues growth strategies.



Corporate Governance

Basic Views on Corporate Governance

As a part of our initiatives to strengthen our business foundation to enable sustainable growth, the Mitsubishi Electric Group recognizes the importance of corporate governance as a fundamental precondition for our continued existence. The Group's fundamental policy is to further enhance its corporate value by constructing, maintaining, and sustainably strengthening a corporate governance system that more accurately meets the expectations of society, our customers, shareholders, employees, and all other stakeholders.

As a company with a three-committee system, Mitsubishi Electric segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role, and the Executive Officers handle the day-to-day running of the Company. This system maintains the flexibility of its operations and promotes management transparency, leading to swift and decisive management decision-making. Through this system, the Company aims to promote sustainable growth in corporate value and shareholders' value. To this end, the Company recognizes the importance of a highly independent Board of Directors adequately fulfilling its roles and responsibilities in corporate governance as a supervisory function.

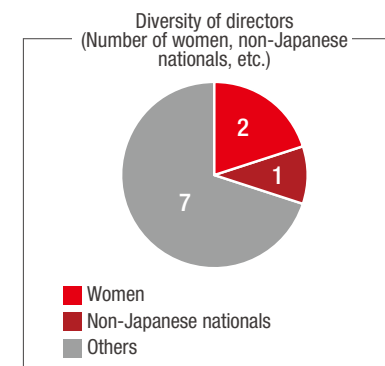
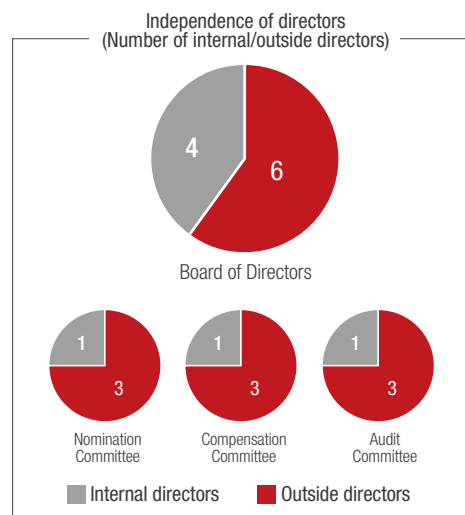
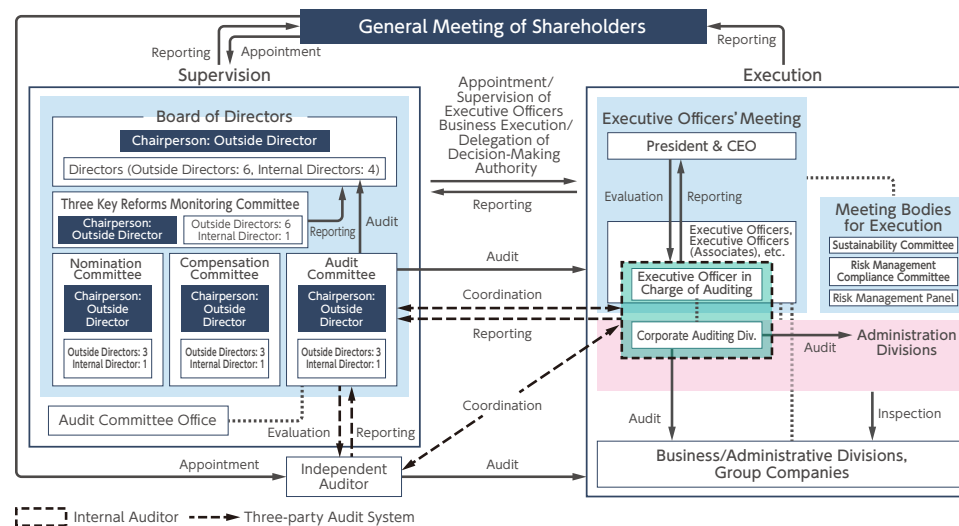
The Board of Directors formulates and publishes [Mitsubishi Electric Corporation Corporate Governance Guidelines](#) based on the views outlined above. The purpose of the Guidelines is to promote a clear understanding of the fundamental approach and framework of corporate governance and to build long-lasting, mutually trusting relationships through constructive dialogue with shareholders. The Board will inspect and review the Guidelines on an ongoing basis to ensure that the basic policy is effectively implemented and enhance our corporate governance practices.

Corporate Governance Framework

To promote the segregation of supervisory and executive functions, the Mitsubishi Electric's Board of Directors is dedicated to supervising management with specific details of deliberations stipulated as the Board of Directors' deliberation criteria. By delegating to the Executive Officers, the authority to make all business execution decisions within the limits permitted by the Companies Act, the Company ensures swift and decisive decision-making and appropriate risk-taking in business execution.

Both the Board of Directors and the three statutory committees are chaired by independent outside directors, and a majority of their members are independent outside directors as well, thereby improving the effectiveness of the supervisory function. In addition, the Executive Officers' Meeting has been established as a voluntary body to deliberate and make decisions on important business matters from the perspective of pursuing synergy and multifaceted risk management, in addition to sharing information among Executive Officers.

Corporate governance framework



Board of Directors

Because the Board of Directors is dedicated to supervising management, the Board is able to fully discuss critical decisions that form the foundation of management, such as the Group's basic management policies (Purpose, Our Values, Commitment, Management Policy, and Corporate Strategy) and the Group's key agenda items set by the Board. From July 2024 to June 2025, the key agenda items include company-wide management strategy, sustainability management, human capital strategy, information system strategy (operational DX), digital strategy (business DX), technology development strategy, etc. The Board of Directors sufficiently discusses matters based on reports on the status of execution, and monitors as needed whether initiatives are being addressed in line with the basic policies and Corporate Strategy, and strives to improve corporate value sustainably over the medium- to long-term. The Board also strives to support swift and decisive decision-making and to appropriately evaluate business execution so that Executive Officers are encouraged to take appropriate risks.

Activities of the Board of Directors (Fiscal 2024)

In fiscal 2024, the Company held Board of Directors meetings 14 times (including three special meetings). Each regular meeting took about three hours. The main content of each discussion is as follows. In addition to the regular meetings, other meetings are held to exchange opinions among independent outside directors and with employees.

Agenda	Discussion content	Time Allocated
Key agenda items	In order to promote the medium- and long-term sustainable improvement of the corporate value of the Mitsubishi Electric Group, we established and discussed key agenda items for the Group (business portfolio strategy, sustainability management, human capital strategy, ECM ^{*1} /SCM ^{*2} strategy, digital strategy [business DX], and information system strategy [operational DX], etc. from July 2023 to June 2024). The Three Key Reforms Monitoring Committee, established under the Board of Directors, continuously supervised the progress and effectiveness of the three key reforms (quality assurance, organizational culture, and governance), which were aimed at restoring trust in the Company in response to a series of improper quality control practices that had been identified since June 2021.	Approx. 27%
Statutory resolution items	Matters required by the Companies Act, including basic policies of management, matters necessary for the execution of duties by the Audit Committee, the establishment of systems necessary to ensure the legality of duties executed by the Executive Officers and the properness of other corporate operations, the business report and its supplementary schedules, the financial statements, and their supplementary schedule, the consolidated financial statements, dividends of surplus, convocation of the General Meeting of Shareholders and appointment of Executive Officers	Approx. 13%
Execution status report	Received reports from Executive Officers on the progress and results of business operations etc., and held sufficient discussions	Approx. 37%
Other	Financial results, schedule of Board of Directors' meetings, evaluation of effectiveness of the Board of Directors, reports on status of holding cross-shareholdings, reports on interviews with investors, etc.	Approx. 23%

*1 Engineering chain management

*2 Supply chain management

Specific Initiative to Enhance Discussions of the Board of Directors

Mitsubishi Electric provides preliminary briefings and explanatory videos for independent outside directors to deepen their understanding of the agenda for meetings of the Board of Directors and to stimulate discussion on the day of each meeting. Independent outside directors also continue to visit Works in order to deepen their understanding of Mitsubishi Electric's business. In fiscal 2024, outside directors visited the Information Technology R&D Center, the Kobe Works, and the Energy Systems Center to tour the sites and exchange opinions with employees.

Information Gathering by the Directors

Mitsubishi Electric establishes the bureaus for the Board of Directors and the three statutory committees responsible for communication and coordination with the Directors including independent outside directors and Executive Officers (management). The Directors will request information necessary to supervise management from the bureaus and related departments, and the bureaus and departments in charge will provide such information in a timely and appropriate manner. The independent outside directors will actively seek a wide range of necessary information, not only from the Executive Officers and the bureaus, but also through direct dialogue with other employees. The Board of Directors will conduct regular reviews to ensure that information is provided appropriately, giving particular attention to the opinions of independent outside directors.

Evaluation of Effectiveness of the Board of Directors

In order to continue the evaluation of the effectiveness of the Board of Directors' composition and operations and pursue sustainable improvements in the monitoring board functions, the Board of Directors conducts an annual third-party evaluation of the effectiveness of the Board of Directors, and discusses the issues identified and initiatives for improvement.

As a part of fiscal 2024 initiatives, the Company requested Board Advisors, Inc., a third-party organization, to assess the effectiveness of the Board of Directors of the Company from July to September 2023. The assessment results were delivered at the Board of Directors meeting held at the end of September 2023, along with suggestions for how to address issues that need improvement.

Based on these results of evaluations and suggestions, the Board of Directors discussed measures to enhance its effectiveness in the second half of fiscal 2024 and reflected the results in its operation in fiscal 2025. Going forward, the Board of Directors will improve its operations and further strengthen its management monitoring functions based on external perspectives.

Assessment Methods/Processes by the Third-party Organization

Assessment methods	<ul style="list-style-type: none"> (1) Review the minutes of the Board of Directors meetings and other documents (2) Questionnaire survey of all directors*1 (3) Interviews with all directors*2 (4) Evaluation based on the expertise of the third-party organization
Target items of assessment	<ul style="list-style-type: none"> (1) Overall assessment (2) Composition of the Board of Directors (3) Support system of the Board of Directors (4) Agenda for meetings of the Board of Directors (5) Status of deliberations at meetings of the Board of Directors (6) Contribution of directors (7) Activities of the three statutory committees (8) Monitoring system for business execution

*1 Excluding three newly appointed directors

*2 Excluding three retired directors

Fiscal 2024 Summary of the Assessment Results on the Board of Directors' Effectiveness

The effectiveness of the Board of Directors has generally been ensured. Progress has also generally been made on the issues cited in the evaluation of the effectiveness of the Board of Directors in fiscal 2023.

Strengths underpinning the Board of Directors' effectiveness	<ul style="list-style-type: none"> (1) Commitment to continued reforms (2) Enhancement of the composition of the Board of Directors (3) Elevation of the discussions at Board of Directors meetings
Priority issues for improving effectiveness in the future	<ul style="list-style-type: none"> (1) Further enhancement of monitoring (2) Strengthening Group governance (3) Strengthening Board of Directors and committees agendas <p>Based on these findings, Mitsubishi Electric will set an annual agenda for the Board of Directors based on full discussion that allows indepth examination of growth strategy and is working to further improve the Board of Directors' discussions to take account of the Group perspective and the complete picture of its business.</p>

Nomination Committee

The Nomination Committee has authority over the appointment and dismissal of Directors and the decision on proposals regarding the appointment and dismissal of the President & CEO to be submitted to the Board of Directors. The Committee is also responsible for leading the succession planning of independent outside directors, discussing the personnel requirements for the President & CEO and the content and operational status of succession planning (the appointment and training of candidates), and reporting back to the Board of Directors.

Under this authority and role, the Nomination Committee recognizes the value of diverse perspectives, such as gender, internationality, work experience, and age, in fostering business development. As such, the Committee has established criteria for selecting Directors that prioritize a balanced mix of knowledge, experience, and abilities for the Board as a whole. Candidates are carefully chosen in accordance with these criteria.

Proposals regarding the appointment of the candidates for Directors and dismissal of Directors submitted to the General Meeting of Shareholders are comprehensively judged and decided by the Nomination Committee, and the appointment and dismissal of the Executive Officer by the Board of Directors.

The Nomination Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of Nomination Committee (Fiscal 2024)

Based on the objectives and authority of the Companies Act, the Nomination Committee determined the candidates for Directors to be submitted to the General Meeting of Shareholders. In addition, in order to ensure objectivity and transparency in the selection and dismissal of the President and CEO, the committee also has made decisions regarding proposals to be submitted to the Board of Directors regarding the selection and dismissal of the President and CEO. The committee also led the succession of Independent Outside Directors, discussed personnel requirements for the President and CEO and the contents and status of operation of succession planning (appointment and training of successor candidates), and submitted its recommendations to the Board of Directors.

The Company held nine Nomination Committee meetings during the fiscal 2024. Each meeting took about 40 minutes.

Audit Committee

The Audit Committee is chaired by an independent outside director and the full-time internal audit committee members also assist the Audit Committee's ability to collect information.

Audit Committee members recognize that they owe fiduciary duty to shareholders, which includes contributing to sustainable growth and enhancing corporate value. To achieve this, the Committee will not limit itself to conducting defensive audits, such as operational and accounting audits. Rather, for enhanced information sharing, it will also attend important meetings such as the Executive Officers' Meeting and Risk Management Compliance Committee, hold meetings with senior management as appropriate, and assess the management policy and the progress of business execution in each division and base. This will help investigate any potential management issues and risks from the perspectives of legality, appropriateness, and efficiency. When conducting such investigations, the Audit Committee will properly confirm the development and operation status of the internal control system and provide its opinions, in collaboration with the internal auditors for internal audits and the external accounting auditors for external audits.

The Audit Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of Audit Committee (Fiscal 2024)

The Audit Committee members—mainly those responsible for investigation (full-time Audit Committee members)—attended the Executive Officers' Meeting and other such important conferences, and conducted investigations such as interviews with Executive Officers and Executive Officers (Associate), as well as visits of the Company's offices and subsidiaries and interviews with executive staff thereof in accordance with the policies and assignments agreed upon the Committee.

The Audit Committee members received internal audit reports and monthly reports from the Corporate Auditing Division. At Audit Committee meetings, members also received reports on internal audit policies for the fiscal year and the results of semiannual internal audits, and provided their opinions as necessary.

The Audit Committee members received reports from the Corporate Legal & Risk Management Group and other departments in charge of internal control. Reports included the building of an internal control system with emphasis on predictive indicators and prevention, the formulation and operation of a compliance program, and the development and operation of an internal whistle-blowing system. The committee members provided their opinions as necessary.

In addition, the Audit Committee members discussed policies and methods of auditing with Independent Auditors, who furnish them with quarterly reports on the implementation status of reviews, including responses to audit risks, and explanations of their quality management system and independence, and exchanged opinions with them.

The Company held 14 Audit Committee meetings during the fiscal 2024. Each meeting took about an hour and a half.

Compensation Committee

The Compensation Committee has the authority to determine the policies for determining compensation for Directors, Executive Officers, etc.; the details of compensation for individual Directors and Executive Officers; and the Company-wide performance evaluations and individual assessment of compensation, etc., related to the incentive compensation of Executive Officers.

Under this authority and role, the Compensation Committee deliberates on matters relating to compensation, giving due consideration to the diversity and skills perspective. In addition, the compensation system for Executive Officers was reviewed in fiscal 2023, and discussions are held on how to ensure that the system is fully operational.

The compensation scheme for Directors and the compensation scheme for the Executive Officers are set differently, corresponding to the contents and responsibilities of each duty and position. The compensation is determined based on the basic policies set by the Compensation Committee. Please refer to "[Compensation for Directors and Executive Officers](#)" for the details.

The Compensation Committee is chaired by an independent outside director, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of Compensation Committee (Fiscal 2024)

The Compensation Committee executed its duties based on the objectives and authority stipulated under the Companies Act. Specifically, the Committee discussed and decided on the policy regarding the determination of compensation for Directors and Executive Officers, the details of individual compensation for Directors and Executive Officers, performance evaluation regarding incentive compensation for Executive Officers, and compensation for each individual.

In addition, after confirming the operation progress of the compensation system for the Company's Executive Officers, which was revised in fiscal 2023, the Compensation Committee discussed the operation of the system in fiscal 2025. Please refer to the Annual Securities Report for the details concerning the said system.

The Company held seven Compensation Committee meetings during the fiscal 2024. Each meeting took about 30 minutes.

Criteria for Election to Board of Directors

Mitsubishi Electric recognizes the importance of ensuring the Board of Directors as a whole is competent in various areas: corporate management, corporate strategies and global affairs; sustainability; finance and accounting; legal affairs, compliance and governance; human resources and human resources development; engineering, DX and R&D; and business development and investment. Therefore, the Company has identified these as skills that should be possessed by the Board of Directors.

The outside directors, in particular, are chosen after consideration to ensure a well-balanced Board composition. For instance, the Board includes individuals with extensive experience in corporate management and in-depth knowledge of international affairs, experts in compliance and other internal controls, and specialists in accounting and tax practices. The specific skills possessed by individual Directors are disclosed through a skills matrix that describes the capabilities that the Board of Directors as a whole should possess and the status of securing such capabilities.

Independency Guideline for Outside Directors

Mitsubishi Electric has specified the independence standards for outside directors.

The 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 Independency Guideline for Outside Directors and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are nominated as the outside director candidates by the Nomination Committee.

In the Independency Guideline for Outside Directors defined by the Company, the independence of candidates is more strictly judged by setting specific numerical criteria, such as the amount of transactions, etc., as well as by the standard of the Financial Instruments Exchange.

Mitsubishi Electric Corporation Independency Guideline for Outside Directors

The Company 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 who do not fall under any of the following cases, as candidates for outside directors.

Each of the following (a), (b), (d), and (e) includes a case in any fiscal year during the past three fiscal years.

- (a) 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 revenue of the Company or the counterparty
- (b) Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
- (c) Persons who are related parties of the Company's Independent Auditor
- (d) Persons who receive more than 10 million yen of compensation from the Company as specialists or consultants
- (e) Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds 10 million yen and 2% of the total revenue of the organization
- (f) Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executers
- (g) Persons who are related parties of a person or company that have material conflict of interest with the Company

Training for Directors and Executive Officers

Mitsubishi Electric recognizes the importance of Directors and Executive Officers having a thorough understanding of the business characteristics, finances, and organizational structure of each of the Company's businesses, as well as the general roles and responsibilities expected of corporate officers, and being able to supervise, advise, and make business decisions from a company-wide perspective.

Based on this recognition, training is provided on the new roles, responsibilities, and actions, etc., expected of Mitsubishi Electric's Directors and Executive Officers prior to their taking office. To continue to fulfill their roles and responsibilities as Directors and Executive Officers after their appointment, the Company provides compliance education and updated training materials for them. The Company also provides the Directors and Executive Officers with sufficient information about the characteristics and latest status of Business Areas and Business Groups to promote understanding as well as opportunities to gain an understanding of the business and listen to the voices of on-site managers and employees by visiting Works.

Succession Planning and Training of Successor Candidates

The Nomination Committee deliberates on the contents regarding the personnel requirements of the President & CEO and succession planning (appointment and training of successor candidates) based on proposals drafted by the President & CEO, monitors the status of appointment and training of successor candidates, and reports to the Board of Directors.

The personnel requirements for the President & CEO are positioned as criteria for training of successor candidates, and the Committee is promoting the succession plan under the monitoring of the Nomination Committee so that successor candidates meet these criteria.

The Nomination Committee and the Board of Directors supervise the systematic training of successor candidates by sufficiently deliberating on these matters.

Compensation for Directors and Executive Officers

Process for Determining Compensation

In order to ensure the independence of judgment and enhance the effectiveness of the roles and authority of the Compensation Committee, the Committee gathers information and receives advice from compensation consultants of an external professional organization with abundant global experience and knowledge. The Committee deliberates and makes decisions about the policies for determining compensation for Directors, Executive Officers, etc. based on such information, giving due consideration to the surrounding environment and general trends in managerial compensation.

Policy on Determining Compensation Amounts

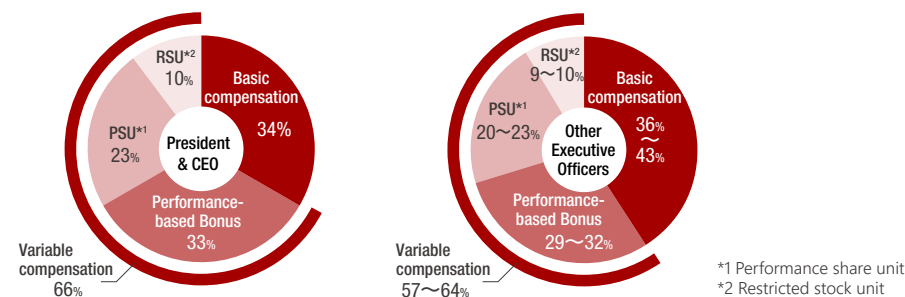
Mitsubishi Electric segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Directors and the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for the Directors and the compensation scheme for the Executive Officers are set differently, corresponding to the contents and responsibilities of each duty and position.

	Directors	Executive Officers
Basic Policy	<ul style="list-style-type: none"> The compensation scheme should encourage the Directors to demonstrate their supervisory function of management. The compensation should be the amount necessary to secure suitable talent to fulfill responsibilities of the Company's Directors. 	<ul style="list-style-type: none"> The compensation scheme should observe the Purpose of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees. The compensation scheme should encourage the execution of duties in line with management strategies and provide strong incentives to achieve management goals. The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value. The compensation scheme should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.
The System for Determining Compensation	The compensation scheme for Directors consists exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management of the Company from an objective and independent perspective.	The compensation scheme for Executive Officers consists of basic compensation, performance-based bonus, performance-based stock compensation and restricted stock unit, with an emphasis on the improvement of medium-term corporate value and shareholder value.
Compensation Levels	The compensation levels and compensation ratios of Directors and Executive Officers are set each year according to their roles and responsibilities based on a comparison with market compensation levels using compensation survey data of external professional organizations. When comparing with market compensation levels, major domestic manufacturers similar to Mitsubishi Electric in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.	

Please refer to the Annual Securities Report for the details including Directors' fixed and variable compensation.

[Annual Securities Report](#)

Composition of standard compensation for fiscal 2024



Note: The ratio of "Basic compensation: Performance-based bonus: Stock compensation (PSU + RSU)" is "1: 1: 1" for the President & CEO, and within the range of "1: (0.67 to 0.8): (0.67 to 0.8)" for the other Executive Officers. The ratio has been set so that the higher the position of the Executive Officer, the greater the ratio of variable compensation. The weight of short-term and medium- to long-term are considered to be the same, and the ratios of performance-based bonus and stock compensation have been equally set.

Stock Ownership Guidelines

Mitsubishi Electric believes it is important to ensure that our Executive Officers share the same value with our shareholders on a long-term and sustainable basis. To this end, the Company requires its Executive Officers to continuously hold its stock during their term of office, even after the target amount has been reached.

Malus and Clawback Provisions

According to "Malus and Clawback Provisions," in the event of any material misconduct or violation by an Executive Officer, or in the event of any material revision to the financial results of prior fiscal years, the Compensation Committee may, by resolution, demand that such Executive Officer forfeit their right to receive incentive compensation (malus) or return their paid compensation (clawback). The compensation that may be subject to those provisions is performance-based bonuses to be paid or already paid, points granted before the delivery of shares and shares before the lifting of transfer restrictions, and some or all of the shares already delivered.

Sustainability Initiatives Reflected in Compensation for Directors, Executive Officers, etc.

The promotion of sustainability initiatives is one of the compensation indicators for Executive Officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in incentive compensation.

Internal Audit

An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its associated companies 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, the 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.

Relationship with the Divisions in Charge of Internal Control

Mitsubishi Electric's Corporate Management Divisions and Corporate Staff Groups, such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Licensing 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 Area or Business Group has its own compliance department, which reliably spreads company-wide compliance policies and inspects the compliance status in each Business Area or Business Group.

The Corporate Auditing Division internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the financial review, and mutually exchanges necessary information with each division in charge of internal control.

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.

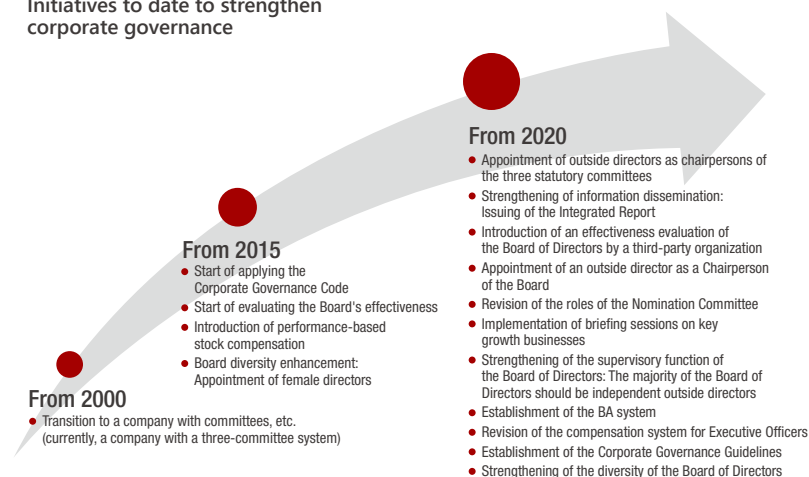
The Corporate Auditing Division also reports internal audit results to the Independent Auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

Activities to Ensure the Effectiveness of Internal Audits

The Corporate Auditing Division prepares and sends an audit report to the head of the audited department after the internal audit is conducted, and instructs the head of the audited department to formulate improvement measures as necessary. In order to ensure the effectiveness of internal audits, the Corporate Auditing Division confirms the improvement measures developed by the audited department through the written responses submitted by the audited department, and conducts follow-up audits and evaluations to confirm the implementation progress as necessary.

In addition, the Corporate Auditing Division prepares a report summarizing the internal audit for the first and second half of the year as a regular report, and reports it, via the Executive Officers (Associates) in charge, to the Audit Committee, and the President & CEO twice a year.

Initiatives to date to strengthen corporate governance



Mitsubishi Electric Corporation Corporate Governance Guidelines

Mitsubishi Electric Corporation Initiatives to Comply with the Corporate Governance Code

Corporate Governance Report

Directors & Executive Officers

Directors (as of June 25, 2024)



Tatsuro Kosaka

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 5,300
- Period of service: 2 years

April 1976 Joined Chugai Pharmaceutical Co., Ltd.
 March 2012 Representative Director, President & COO of Chugai Pharmaceutical Co., Ltd.
 March 2018 Representative Director, President & CEO of Chugai Pharmaceutical Co., Ltd.
 March 2020 Representative Director, Chairman & CEO of Chugai Pharmaceutical Co., Ltd.
 March 2021 Representative Director, Chairman of Chugai Pharmaceutical Co., Ltd.
 March 2022 Senior Advisor of Chugai Pharmaceutical Co., Ltd. (current position)
 June 2022 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation
 June 2023 Director, Chairperson of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation
 June 2024 Director, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee, Mitsubishi Electric Corporation (current position)



Hiroyuki Yanagi

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 5,000
- Period of service: 2 years

April 1978 Joined Yamaha Motor Co., Ltd.
 March 2010 President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.
 January 2018 Chairman and Representative Director of Yamaha Motor Co., Ltd.
 March 2021 Chairman and Director of Yamaha Motor Co., Ltd.
 January 2022 Director of Yamaha Motor Co., Ltd.
 March 2022 Advisor of Yamaha Motor Co., Ltd. (current position)
 June 2022 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation
 June 2023 Director, Chairperson of the Audit Committee and Member of the Nomination Committee, Mitsubishi Electric Corporation
 June 2024 Chairperson of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)



Masako Egawa

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 900
- Period of service: 1 year

April 1980 Joined Tokyo Branch, Citibank, N.A.
 September 1986 Joined New York Headquarters, Salomon Brothers Inc.
 June 1988 Joined Tokyo Branch, Salomon Brothers Asia Limited (currently Citigroup Global Markets Japan Inc.)
 December 1993 Joined Tokyo Branch, S.G. Warburg Securities (currently UBS Securities Japan Co., Ltd.)
 November 2001 Executive Director, Japan Research Center, Harvard Business School (Retired in March 2009)
 April 2009 Executive Vice President, The University of Tokyo (Retired in March 2015)
 September 2015 Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2020)
 July 2019 Vice-Chairperson, The Japan Securities Dealers Association (current position)
 April 2020 Specially Appointed Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University (Retired in March 2022)
 April 2022 Chancellor, Seikei Gakuen (current position)
 June 2023 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)



Haruka Matsuyama

Outside Director Independent Director

- Status of attendance at Board of Directors' meetings: 100%
- The number of shares owned: 900
- Period of service: 1 year

April 1995 Assistant Judge to the Tokyo District Court
 July 2000 Attorney-at-law (current position)
 July 2000 Joined Hibiya Park Law Offices
 January 2002 Partner of Hibiya Park Law Offices (current position)
 June 2023 Director and Member of the Audit Committee, Mitsubishi Electric Corporation
 June 2024 Director and Chairperson of the Audit Committee, Mitsubishi Electric Corporation (current position)



Kunihito Minakawa

Outside Director Independent Director

- The number of shares owned: 0

April 1978 Joined Ricoh Co., Ltd.
 October 1997 Senior Vice President and CFO, Ricoh Americas Corporation
 June 2010 Outside Corporate Auditor, Ricoh Leasing Company, Ltd.
 April 2012 Corporate Senior Vice President, General Manager of Finance and Accounting Division, Ricoh Co., Ltd.
 June 2013 Audit & Supervisory Board Member (Full-time), Ricoh Co., Ltd. (Retired in June 2017)
 April 2019 Commissioner of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (current position)
 June 2024 Director and Member of the Audit Committee, Mitsubishi Electric Corporation (current position)

Directors (as of June 25, 2024)



Peter D. Pedersen

Outside Director

Independent Director

● The number of shares owned: 0

September 2000 President, E-Square Inc. (Retired in November 2011)
 January 2015 Executive Director, Next Leaders' Initiative for Sustainability (NELIS), general incorporated association (currently NELIS, nonprofit organization) (current position)
 February 2020 Professor (full-time), Graduate School of Leadership and Innovation, Shizuoka University (current position)
 June 2024 Director and Member of the Audit Committee, Mitsubishi Electric Corporation (current position)



Kei Uruma

● Status of attendance at Board of Directors' meetings: 100%
 ● The number of shares owned: 125,229

April 1982 Joined Mitsubishi Electric Corporation
 April 2017 Executive Officer, Public Utility Systems
 April 2018 Senior Vice President, Public Utility Systems
 April 2020 Representative Executive Officer and Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies
 June 2020 Director, Representative Executive Officer and Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies
 April 2021 Director, Representative Executive Officer, Senior Vice President, Export Control, Corporate Strategic Planning and Operations of Associated Companies and CSO
 July 2021 Director, Representative Executive Officer, President & CEO
 June 2023 Director, Member of the Nomination Committee, Representative Executive Officer, and President & CEO (current position)



Kuniaki Masuda

● Status of attendance at Board of Directors' meetings: 100%
 ● The number of shares owned: 33,623

April 1987 Joined Mitsubishi Electric Corporation
 April 2015 Senior General Manager, Planning & Administration Div. of Semiconductor & Device Group
 October 2020 Senior General Manager, Corporate Human Resources Div.
 April 2021 Executive Officer, General Affairs and Human Resources
 June 2021 Director and Executive Officer, General Affairs and Human Resources
 April 2022 Director, Member of the Nomination Committee, Member of the Compensation Committee, Executive Officer, CFO (in charge of Accounting and Finance), and CHRO (in charge of General Affairs and Human Resources)
 April 2023 Director, Member of the Nomination Committee, Member of the Compensation Committee, Executive Officer and CFO (in charge of Accounting and Finance)
 June 2023 Director, Member of the Compensation Committee, Executive Officer and CFO (in charge of Accounting and Finance)
 April 2024 Director, Member of the Compensation Committee, Executive Officer, CFO (in charge of Financial Strategy, Accounting and Finance), in charge of Corporate IR and SR (current position)



Satoshi Takeda

● Status of attendance at Board of Directors' meetings: 100%
 ● The number of shares owned: 24,623

April 1989 Joined Mitsubishi Electric Corporation
 January 2018 Deputy Senior General Manager, Nagoya Works
 April 2020 Senior General Manager, Overseas Marketing Div. of Factory Automation Systems Group
 April 2021 Senior General Manager, Planning & Administration Div. of Factory Automation Systems Group
 April 2022 Executive Officer, Industry & Mobility Business Area Owner (in charge of Factory Automation Systems)
 April 2023 Executive Officer, in charge of Auditing, CSO (in charge of Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms and Sustainability)
 June 2023 Director, Executive Officer, in charge of Auditing, CSO (in charge of Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms and Sustainability)
 October 2023 Director, Executive Officer, CSO (in charge of Corporate Strategic Planning, Corporate IR and SR, Operations of Associated Companies, Three Key Reforms, and Sustainability), CDO (in charge of DX; Vice President, Business Innovation)
 April 2024 Director, Executive Officer, CSO (in charge of Corporate Strategic Planning, Operations of Associated Companies and Three Key Reforms), and CDO (in charge of DX; Vice President, Business Innovation) (current position)



Atsuhiko Yabu

● The number of shares owned: 37,564

April 1984 Joined Mitsubishi Electric Corporation
 April 2016 Executive Vice President, Mitsubishi Electric US, Inc.
 August 2018 CEO, Mitsubishi Electric Trane HVAC US LLC
 April 2019 Executive Officer and Vice President, Corporate Total Productivity Management & Environmental Programs, Mitsubishi Electric Corporation
 April 2020 Executive Officer (in charge of Information Security and Corporate Total Productivity Management & Environmental Programs) and Vice President, Corporate Total Productivity Management & Environmental Programs, Mitsubishi Electric Corporation
 April 2021 Executive Officer and Group President, Automotive Equipment, Mitsubishi Electric Corporation (Retired in March 2024)
 June 2024 Director and Member of the Audit Committee, Mitsubishi Electric Corporation (current position)

List of Directors and Skill Matrix

Name	Independent Outside Director	Membership of Committee			Position	Skill matrix						
		Nomination Committee	Audit Committee	Compensation Committee		Corporate management, corporate strategies and global affairs	Sustainability	Finance and accounting	Legal affairs, compliance and governance	Human resources and human resources development	Engineering, DX and R&D	Business development and investment
Tatsuro Kosaka	○	●		●	Director, Chairperson of the Nomination Committee, Chairperson of the Compensation Committee	○	○			○	○	○
Hiroyuki Yanagi	○	○		○	Chairperson of the Board, Member of the Nomination Committee, Member of the Compensation Committee	○	○			○	○	○
Masako Egawa	○	○		○	Director, Member of the Nomination Committee, Member of the Compensation Committee	○	○	○	○			○
Haruka Matsuyama	○		●		Director, Chairperson of the Audit Committee		○		○			
Kunihito Minakawa	○		○		Director, Member of the Audit Committee	○		○				
Peter D. Pedersen	○		○		Director, Member of the Audit Committee	○	○			○		○
Kei Uruma		○			Director, Member of the Nomination Committee, Representative Executive Officer, President & CEO	○	○			○	○	○
Kuniaki Masuda				○	Director, Member of the Compensation Committee, Executive Officer, CFO (in charge of Financial Strategy, Accounting and Finance), in charge of Corporate IR and SR	○		○		○		○
Satoshi Takeda					Director, Executive Officer, CSO (in charge of Corporate Strategic Planning, Operations of Associated Companies and Three Key Reforms), CDO (in charge of DX; Vice President, Business Innovation)	○	○				○	○
Atsuhiko Yabu			○		Director, Member of the Audit Committee	○	○				○	○

* The Board of Directors is composed of 10 members (six of whom are independent outside directors, two are female directors, and one is a non-Japanese national).

* ● indicates the Chairperson.

Reference: Skill Items Required for Director

Skill item	Reason for selection of the skill item	Skill item	Reason for selection of the skill item
Corporate management, corporate strategies and global affairs	The Group needs Directors with abundant management experience and achievements in corporate management at globally operating companies as well as experience, knowledges and skills for formulating a sustainable growth strategy, in order to sustainably increase corporate value amid a drastic change in the business environment surrounding the Group.	Sustainability	The Group needs Directors with experience, knowledge, and skills concerning sustainability in order to promote "addressing social challenges through our businesses," since we have positioned the realization of sustainability as the core of management.
Finance and accounting	The Group needs Directors with experience, knowledge, and skills concerning finance and accounting for building a strong financial base and realizing appropriate returns to shareholders as well as maintaining the discipline and governance of finance and accounting.	Legal affairs, compliance and governance	The Group needs Directors with experience, knowledge, and skills concerning these items in order to globally develop the business, while thoroughly ensuring the legal and ethical compliance and enhancing corporate governance that form the fundamentals of corporate activities.
Human resources and human resources development	The Group needs Directors with experience, knowledge, and skills concerning these items in order to promote human capital management, positioning human resource strategies as one of the important policies of business strategies.	Engineering, DX and R&D	The Group needs Directors with specialized knowledge and experience concerning engineering, DX and R&D in order to advance its integrated solutions, strengthening core components, field knowledge, and advanced digital technologies that are the Group's advantages, as well as to promote open innovation and R&D strategies toward future growth.
Business development and investment	The Group needs Directors with experience, knowledge, and skills concerning these items as the implementation of growth strategies including promotion of business portfolio strategies, development of new businesses, and M&As is necessary for transforming itself into a "Circular Digital-Engineering" company and increasing corporate value in a sustainable way.		

Executive Officers (as of April 1, 2024)



Kei Uruma
Representative Executive Officer
President & CEO



Tadashi Matsumoto
Representative Executive Officer
Executive Vice President
Life Business Area Owner (Senior General Manager, Life BA Strategic Planning Office; Representative Director and Chairperson, Mitsubishi Electric Building Solutions Corporation), in charge of Export Control



Kunihiko Kaga
Representative Executive Officer
Senior Vice President
Industry & Mobility Business Area Owner (Senior General Manager, Industry & Mobility BA Strategic Planning Office; Group President, Automotive Equipment; Representative Director and President, Mitsubishi Electric Mobility Corporation)



Noriyuki Takazawa
Senior Vice President
Infrastructure Business Area Owner (Senior General Manager, Infrastructure BA Strategic Planning Office)



Satoshi Kusakabe
Senior Vice President
CRO (in charge of Legal Affairs & Intellectual Property & External Relations, Risk Management, Economic Security, Export Control and Government & External Relations)



Yoji Saito
Executive Officer
CMO (in charge of Global Marketing and Advertising; Vice President, Corporate Marketing)



Eiichiro Mitani
Executive Officer
CIO & Business Platform Business Area Owner (in charge of Information Security; Group President, IT Solution Business & Business Process Reengineering Group; Senior General Manager, Business Platform BA Strategic Planning Office)



Kuniaki Masuda
Executive Officer
CFO (in charge of Financial Strategy, Accounting, and Finance), in charge of IR and SR



Tomonori Sato
Executive Officer
CTO (in charge of Technology Strategies); Group President, Defense & Space Systems



Yoshikazu Nakai
Executive Officer
CPO (in charge of Manufacturing), CQO (Vice President, Corporate Quality Assurance Reengineering)



Satoshi Takeda
Executive Officer
CSO (in charge of Corporate Strategic Planning, Operations of Associated Companies, and Three Key Reforms), CDO (in charge of DX; Vice President, Business Innovation)



Yasunari Abe
Executive Officer
CHRO (in charge of Global Human Resources Strategy, Human Resources & General Affairs; Vice President, Corporate Human Resources Group), in charge of Public Relations



Yasumichi Tazunoki
Executive Officer
Group President, Living Environment & Digital Media Equipment



Shigeki Kawaji
Executive Officer
In charge of Purchasing, Senior General Manager, Corporate Purchasing Div.



Kenichiro Fujimoto
Executive Officer
Vice President, Corporate Finance & Accounting



Masayoshi Takemi
Executive Officer
Group President, Semiconductor & Device



Hideto Negoro
Executive Officer
Group President, Public Utility Systems



Masahiro Oya
Executive Officer
Vice President, Global Strategic Planning & Marketing



Iwao Oda
Executive Officer
Group President, Building Systems; Representative Director and President, Mitsubishi Electric Building Solutions Corporation



Hiroshi Tsuchimoto
Executive Officer
In charge of Auditing; Vice President, Corporate Strategic Planning Group



Toshie Takeuchi
Executive Officer
Group President, Factory Automation Systems



Soichi Hamamoto
Executive Officer
Group President, Energy & Industrial Systems



Toru Oka
Executive Officer
In charge of Intellectual Property; Vice President, Corporate Research and Development



Michael Corbo
Executive Officer
Representative of Americas, Global Strategic Planning & Marketing; President, Mitsubishi Electric US Holdings, Inc.; President & CEO, Mitsubishi Electric US, Inc.



Yusuke Shijiki
Executive Officer
Vice President, Corporate Total Productivity Management



Norikazu Yamaguchi
Executive Officer
Vice President, Corporate Legal & Risk Management



Seiji Oguro
Executive Officer
In charge of Sustainability; Vice President, Sustainability Innovation Group

Risk Management

Basic Policy

With overseas revenue accounting for over 50% of the total, the Mitsubishi Electric Group seeks to transform into a "Circular Digital-Engineering" Company in a wide range of business areas. We also take the various compliance incidents that have come to light seriously, and we have been working to improve our internal control system and others.

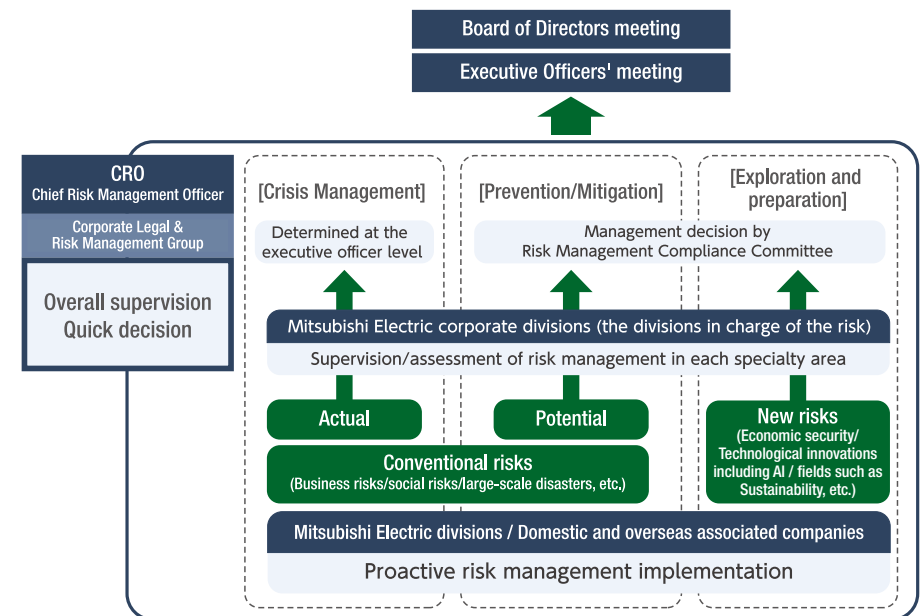
To fulfil the Group's responsibility to all stakeholders, including the general public, customers, shareholders, and employees, and to achieve sustainability, we appropriately manage risks associated with the conduct of our business while strengthening internal control systems with an emphasis on prevention. Specifically, the framework incorporates risk management into business activities, allowing risks to be managed according to the size and characteristics of each business. Significant risks common to the entire Group are managed and prioritized according to their impact on the management of the Group as a whole.

For new risks in economic security, technological innovations including AI, and fields such as sustainability, etc., we will respond in an effective manner by employing cross-organizational and flexible team approaches.

Risk Management Framework

The Group, in addition to each division and domestic and overseas affiliates independently carrying out risk management, has established a Risk Management system that enable appropriate and quick decision-making where Mitsubishi Electric's each corporate division (division in charge of risk management) supervises and assesses each division and domestic and overseas associated companies in their respective specialized areas, and CRO (Chief Risk Management Officer) and a Corporate Legal & Risk Management Group supervise the entire Group.

While assigning priority to various types of risks according to their impact on the management of the entire Group, we will make management decisions at the Risk Management Compliance Committee Meetings and proceed with them in a flexible and strategic manner, not only in response to conventional risks such as large-scale disasters and social risks, but also in exploration of and preparedness for new risks in economic security, technological innovations including AI, and fields such as sustainability, etc. In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officers' meetings.



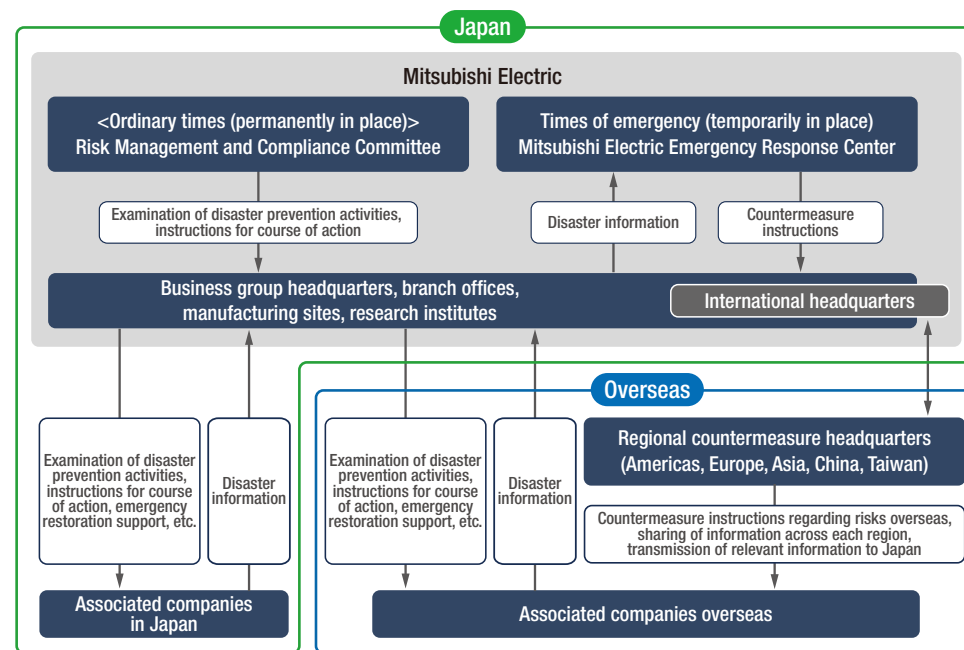
Risk management framework (Mitsubishi Electric Group)

Disaster Countermeasures

Development of a Response Framework for Large-scale Disasters

The Mitsubishi Electric Group has established a Risk Management and Compliance Committee chaired by the Chief Risk Officer (CRO) and conducts regular verification and review of the business continuity plan (BCP), including the Group's disaster countermeasures, at least once a year.

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 will establish the Mitsubishi Electric Emergency Response Center, headed by our president, which will serve as the central hub for the entire Mitsubishi Electric Group in responding to the emergency situation. In addition to verifying the (personal and physical) disaster situation, the Emergency Response Center will promptly examine and execute policies in response to business continuity initiatives and requests from society (support for affected areas, donations, etc.). Particularly with regard to overseas sites and associated companies overseas, it will work 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

Initiatives for Business Continuity

Business continuity plan (BCP) Formulation and Regular (Annual) Review

To fulfill our responsibility as a product supplier, we had all Mitsubishi Electric Group 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 associated companies in Japan and overseas to formulate a BCP.

Each office and associated company in Japan and overseas where the BCP has been established, reviews it and upgrades countermeasures every year so that the BCP once developed will not turn into a mere formality.

Business Continuity in the Supply Chain

At Mitsubishi Electric, we pursue initiatives to avoid situations in which a large-scale disaster or other unavoidable circumstance imposes serious damage on suppliers, severs the supply of materials, or obstructs our production activities.

Activities for Visualizing the Procurement Parts Supply Chain and Mitigating Procurement Risks in Addition to Procurement

To prepare for the risk of supply chain disruptions in the event of an emergency, we implement various measures, such as visualizing the supply chain per procured item and purchasing from multiple suppliers. In addition, we continue to educate and support our suppliers on disaster preparedness by holding BCP seminars for them.

Activities for Ensuring a Prompt Initial Response and Efficient Response Tasks in Times of Emergency

We are restructuring our frameworks and systems to accelerate and streamline operations, including centralized management of supply chain information for purchased goods, supplier impact surveys in the event of an emergency, and automation of response tabulation.

Strengthening Disaster Responses

Each office and associated companies 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. In addition, 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 associated 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.

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.

At the Mitsubishi Electric Group, we are working hard to fulfill our corporate social responsibilities while advancing the globalization of our business. Toward this end, we have commenced initiatives in Japan 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.). For our overseas associated companies, we provide direction for establishing countermeasures suitable for the situation in each country, including the formulation of a BCP that anticipates the outbreak of a new strain of influenza.

Ensuring Safety Overseas

The Mitsubishi Electric Group's Overseas Security Center works closely with overseas sites, including local associated companies and overseas offices of Mitsubishi Electric and associated companies 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 to provide employee education.

In addition, from the perspective of geopolitical risks, each overseas site prepares a crisis management manual that outlines evacuation procedures and routes in the event of an emergency, collects relevant risk information from overseas crisis management consultants and other sources on a weekly basis, and shares it with relevant personnel.

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, there has been rising tension in the international community driven by the struggle between the United States and China for technological supremacy, the prolonged Russian invasion of Ukraine, and the conflict between Palestine and Israel that is spreading throughout the Middle East. As a result, risk management that incorporates the required control measures has become necessary. In particular, a comprehensive understanding of the background and intentions of policies and regulations and the practice of risk management that includes involvement in rule-making have become important in responding to the introduction of systems by individual countries that go beyond the export controls based on the international agreements of the past (in areas such as investment, procurement, development, human resources, networks, and data management), as well as demands to address forced labor and environmental problems in the supply chain.

Moreover, to ensure business continuity in response to the risks of supply chain disruptions and interruptions to the supply of critical commodities caused by geopolitical risks, it is essential to identify vulnerable items and commercial distribution channels as well as to strengthen supply chains through appropriate risk control.

In order to keep up with the dynamic changes in the economic security environment, the Mitsubishi Electric Group has established the Corporate Economic Security Division. We have also created a groupwide economic security system by setting up the Economic Security Secretariat in each business site and business group, the Economic Security Office in associated companies in Japan, and the Economic Security Administrator in associated companies overseas.

This system enables us to investigate and analyze technologies, policy trends, and legal systems related to security. It also assists us with the integrated management of four aspects of economic security from a comprehensive perspective. These four are: group-wide information management; supply chains; industry policies; and ESG and social ethics.

The four aspects of economic security considered by Mitsubishi Electric

Sensitive technology and information management	<ul style="list-style-type: none"> ■ Sensitive technology management (export control [including various sanctions], information security, security clearance, data management, technical pollution prevention) ■ Information security improvements (cybersecurity, economic intelligence, IT equipment selection)
Supply chain management	<ul style="list-style-type: none"> ■ Reconstruction of the supply chain (semiconductors, rare earth materials, rare metals, etc.)
Industry policy	<ul style="list-style-type: none"> ■ Core infrastructure safety and protection regulations ■ Establishing own domestic supply chain (semiconductors, pharmaceuticals, rare earth materials) ■ Industry promotion measures/subsidies in each country <ul style="list-style-type: none"> → Business opportunities, and at the same time, future competitive risks
Challenges that have not been considered security issues (ESG, social ethics)	<ul style="list-style-type: none"> ■ Human rights issues ■ Environmental issues (carbon neutrality, Carbon Border Adjustment Mechanism) <ul style="list-style-type: none"> → Emergence of new risks with less predictability → Need for judgment criteria that are different from economic rationality ■ AI ethics ■ Digital data distribution infrastructure

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.

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

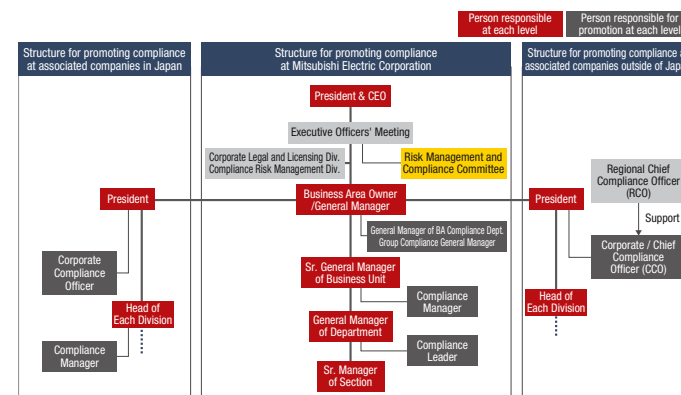
The Mitsubishi Electric Group Code of Conduct is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each officer and employee of Mitsubishi Electric Group in executing company business and performing their duties are put together and summarized,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

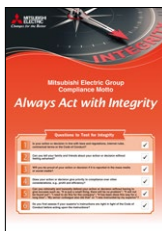
Thorough Dissemination and Education about Our Compliance Policy

Ensuring that Employees are Familiar with Our Compliance Policy

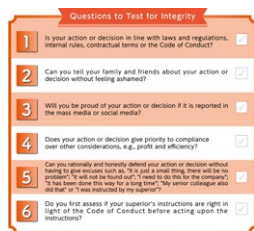
The senior management of the Mitsubishi Electric Group, including the CEO, takes every opportunity to directly address officers and employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of our stance on compliance takes root throughout our organization.

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.

Tax Initiatives

Basic Policy on Tax

Based on the concept of fulfilling our social responsibility through the proper payment of taxes, the Mitsubishi Electric Group has established the "Mitsubishi Electric Group Global Tax Policy" and is working to ensure tax compliance.

Tax Governance Framework

Based on a recognition that tax compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's tax governance framework ensures tax compliance by having each group company implement risk management under the direction and supervision of the Chief Financial Officer (CFO).*

The CFO reports tax matters to the Executive Officers' Meeting and on other occasions in a timely manner, in consideration of their importance.

* Some taxes, including customs duties and personal income taxes, are the responsibility of the division in charge of complying with the respective laws and regulations.

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.

Mitsubishi Electric Group Global Tax Policy

• 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 seeking 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.

Tax Compliance Initiatives

In accordance with its tax governance framework, the Mitsubishi Electric Group is strengthening risk management by grasping the statuses of tax investigations by the tax authorities of each country and tax disputes, and other matters.

With regard to the transfer pricing regulation, as an important issue for our business operations, we are working to strengthen transfer pricing management based on the OECD Transfer Pricing Guidelines as well as the transfer pricing regulations of each country and region.

Information Security

Basic Policy

In order to respond to the threat of cyberattacks, which are rapidly becoming more sophisticated and diverse, the Mitsubishi Electric Group is continually working to strengthen its cyber security and governance of information management and operations.

Our goal is to achieve Level 2 or higher on Cybersecurity Maturity Model Certification (CMMC)*¹ Version 2.

We manage the information entrusted to us by customers and stakeholders of Mitsubishi Electric as well as confidential corporate information, including sales, engineering, and intellectual property information, based on the Declaration of Confidential Corporate Information Security Management.

*¹ The Cybersecurity Maturity Model Certification framework by the U.S. Department of Defense. Certification Level 2 or higher means excellent security measures and management structure.

Framework and Guidelines

In April 2020, we established the Corporate Information Security Division directly under the president and integrated three functions—confidential corporate information management and personal information protection, information systems security, and product security—to oversee all information security management activities. We have been continually enhancing the functions of the division and increasing the number of staff.

We will invest over 50 billion yen to strengthen cyber security measures and improve our information security management system to achieve Level 2 or higher on CMMC Version 2.

The Executive Officer in charge of Information Security supervises information security management. Under the Executive Officer's instructions, the Corporate Information Security Division plans and implements countermeasures for the Mitsubishi Electric Group's information security management system and rules, cybersecurity, and compliance with the laws and regulations related to personal information protection.

Meanwhile, Corporate CSIRT*² in the division cooperates with CSIRTs in business groups and business sites to ensure information security.

In addition, in response to the cyberattack targeting a factory of a manufacturer, which caused production to shut down, Mitsubishi Electric has established a group in the division in charge of OT security.

The PSIRT*³ in the division, which is in charge of enhancing product security, was certified as a CNA*⁴ in November 2020. It has begun allocating CVE IDs*⁵ to vulnerabilities that affect Mitsubishi Electric products, and it announces these vulnerabilities to the public.

By doing so, the PSIRT strengthens vulnerability handling processes in cooperation with outside stakeholders.

The PSIRT reports identified vulnerabilities according to the processes and issues instructions to respond properly and prevent secondary damage.

Business groups and business sites (offices, branches, and production plants [works]) provide instructions and guidance on information security to domestic and overseas associated companies.

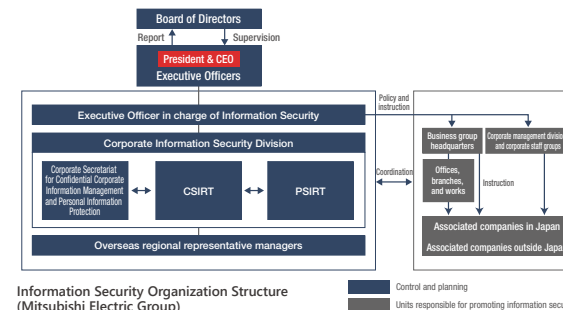
As for cybersecurity issues at overseas associated companies, the Corporate Information Security Division cooperates with overseas regional representative managers in America, Europe, and Asian countries, while considering each region's unique circumstances.

*² CSIRT stands for Computer Security Incident Response Team.

*³ PSIRT stands for Product Security Incident Response Team. This team works on improving the security quality of products and services.

*⁴ CNA stands for CVE Numbering Authority, and CVE stands for Common Vulnerabilities and Exposures.

*⁵ Globally used vulnerability identifiers.



Personal Information Protection

Mitsubishi Electric formulated company rules on personal information protection in October 2001. Since then, it has ensured that all employees and relevant individuals understand the rules and has worked on protecting personal information.

In 2004, the company formulated the Personal Information Protection Policy and improved it as a set of personal information protection activities that meet 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 been renewing the PrivacyMark certification since then.

In January 2024, we completed the eighth PrivacyMark renewal process.

Cyberattack Countermeasures

Cyberattacks are becoming more sophisticated and diverse every year, posing major threats to companies.

To combat cyberattacks, the Mitsubishi Electric Group has introduced the centralized management of networks, computer terminals, and servers (cloud) and adopted defense-in-depth.

The defense-in-depth provides protection against cyberattacks and enables the detection of suspicious activities and intrusions. The immediate response system we have established also helps to prevent and minimize damage.

In order to support work at the office as well as work requiring access from home or on a business trip, strong multifactor authentication has been introduced and authentications are centrally managed.

Internet websites are constantly exposed to many external threats, and so we only launch websites that are approved in order to maintain a high security level.

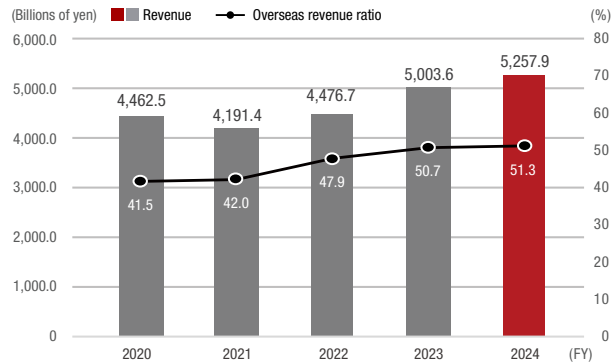
Data

- 129 Financial Highlights
- 130 Non-Financial Highlights
- 131 10-Year Summary
- 132 Main Non-Financial Data
(Environment, Society, Governance)
- 142 Initiatives
- 143 External Evaluation / Corporate Data and Shareholder
Information
- 144 Editorial Policy

Financial Highlights

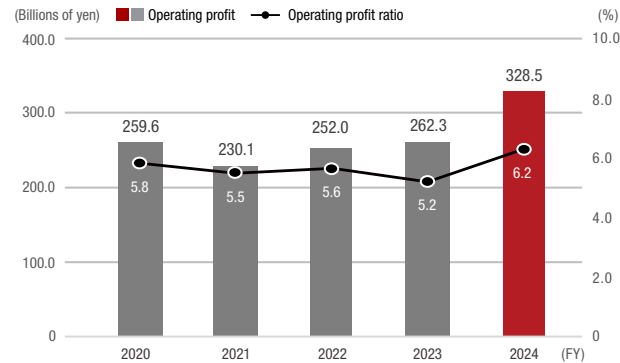
Annual Securities Report for FY2024

Revenue / Overseas revenue ratio



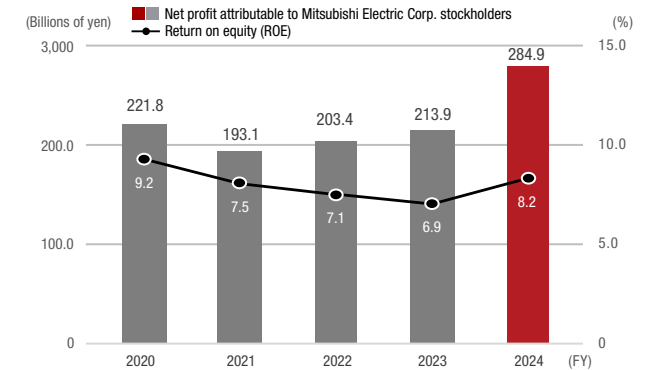
Revenue reached a record high of 5,257.9 billion yen, driven mainly by a weaker yen and improved product prices. Even before the favorable 164.0 billion yen foreign exchange impact, revenue was up compared to the previous fiscal year. The overseas revenue ratio also reached a record high of 51.3% for the full year.

Operating profit / Operating profit ratio



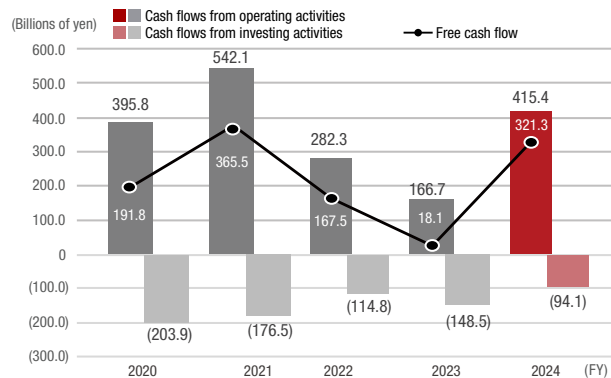
Operating profit reached a record high of 328.5 billion yen, with increased profits in all businesses except Business Platform. The operating profit ratio improved by 1.0 point from the previous fiscal year to 6.2%, due mainly to improvements in the cost ratio.

Net profit attributable to Mitsubishi Electric Corp. stockholders / Return on equity (ROE)



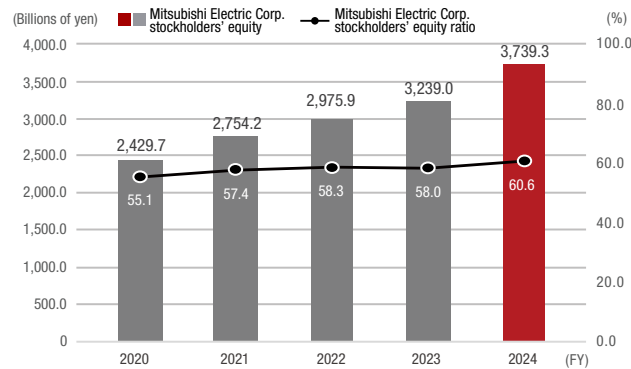
Net profit attributable to Mitsubishi Electric Corp. stockholders reached a record high of 284.9 billion yen. ROE improved by 1.3 points from the previous fiscal year to 8.2%.

Cash flows from operating activities / Cash flows from investing activities / Free cash flow



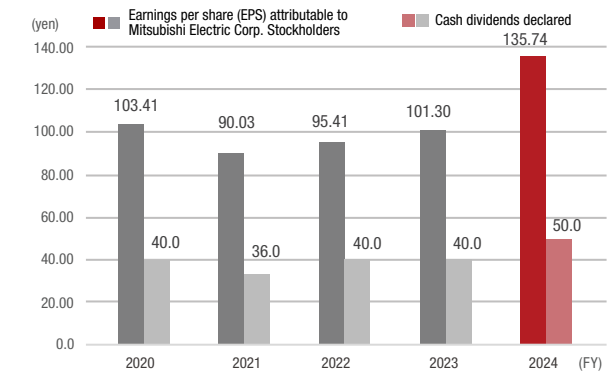
Free cash flow increased by 303.1 billion yen from the previous fiscal year to 321.3 billion yen. This was achieved by taking asset efficiency initiatives such as inventory reduction and the sale of cross-shareholdings, while still allowing for growth investments in the future, including in the power device business.

Mitsubishi Electric Corp. stockholders' equity / Mitsubishi Electric Corp. stockholders' equity ratio



Mitsubishi Electric Corp. stockholders' equity increased by 500.2 billion yen from the previous fiscal year-end to 3,739.3 billion yen, for a stockholders' equity ratio of 60.6%.

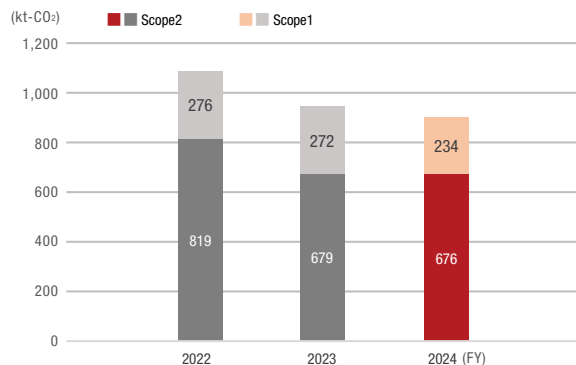
Per share amounts



Earnings per share (EPS) increased by 34.44 yen from the previous fiscal year to 135.74 yen. The annual dividend for fiscal 2024 was set at 50 yen, considering the Company's current fiscal year performance and financial condition.

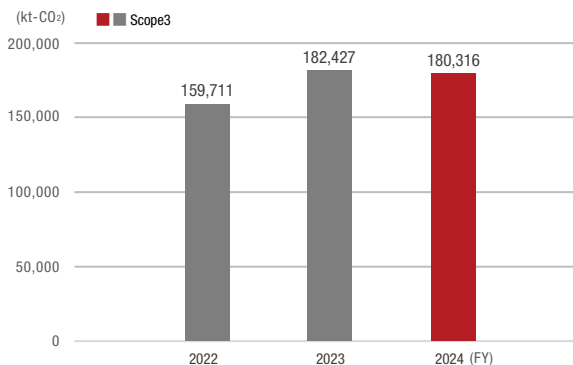
Non-Financial Highlights

Greenhouse gas emission (Scope 1 and 2)



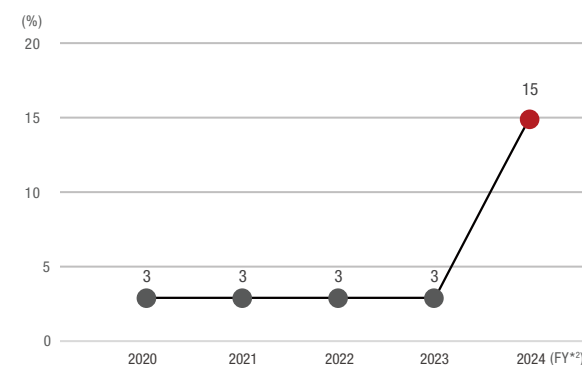
Group-wide greenhouse gas emissions decreased by 4.3% compared to the previous fiscal year. This reduction was due to accelerated procurement of renewable energy and the introduction of on-site power purchase agreements, as well as the effects of equipment and vehicle electrification and the impact of site closures due to business restructuring.

Greenhouse gas emission (Scope 3)



Emissions in Category 11 (Use of Sold Products) and Category 1 (Purchased Goods and Services), which account for most of the Group's Scope 3 emissions, remained almost unchanged from the previous fiscal year. Overall, Scope 3 emissions decreased by 1.2% from the previous fiscal year.

Ratio of women and non-Japanese in senior management**1

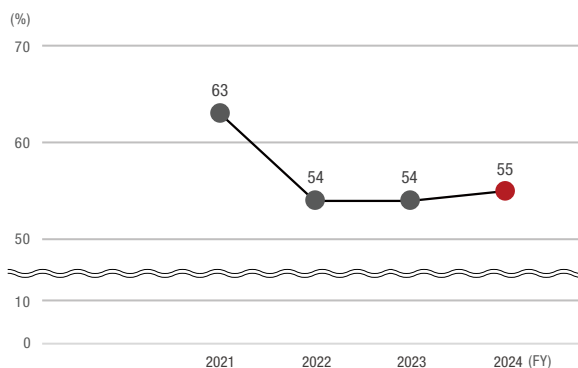


**2 As of the end of each fiscal year

With the addition of three women and one non-Japanese person, the senior management team now has 34 members, including a total of five women and non-Japanese individuals. As a result of efforts to promote diversity in management, the percentage significantly increased to 15%, surpassing previous years' figures.

*1 Directors, Executive Officers, and Executive Officers (Associate)

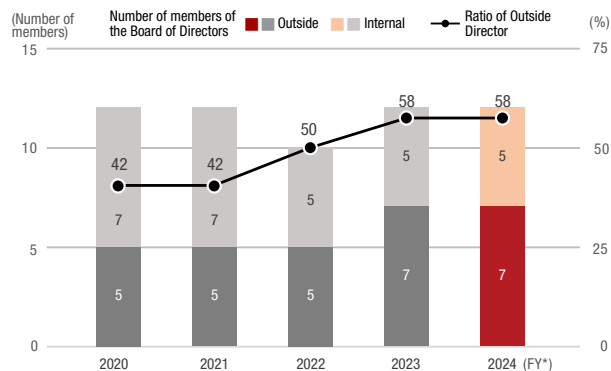
Employee Engagement Score



The employee engagement score* for fiscal 2024 was 55%, a 1-percentage-point increase from the previous fiscal year. While the overall score trend remains stable, the positive response rates for "Willingness to contribute" and "Desire to change jobs" are high, indicating steady progress on improving the score.

* The average of positive response rates to 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"

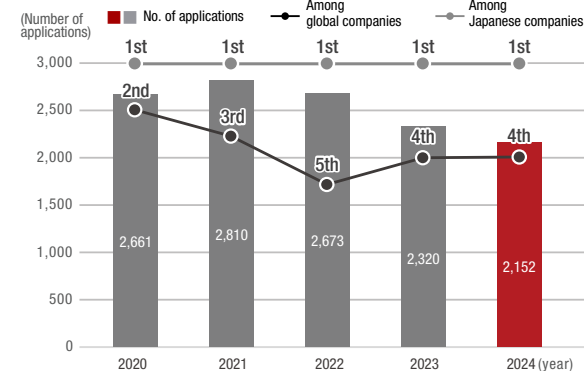
Number of members of the Board of Directors/ ratio of Outside Directors



** As of the end of each fiscal year

The Board of Directors consists of 12 members, including seven outside directors, maintaining an outside director percentage of 58%, the same as the previous fiscal year. Efforts are being made to establish a more transparent management supervision system by incorporating objective perspectives.

Annual international patent applications and rankings of Mitsubishi Electric



In 2023, Mitsubishi Electric ranked 4th globally and 1st among Japanese companies in the number of international patent applications by company.* By promoting business globalization and international patent applications, the Company has maintained a position within the top 5 globally for ten consecutive years and has been 1st among Japanese companies for nine straight years.

* Announced by World Intellectual Property Organization (WIPO)

10-Year Summary

 Annual Securities Report for FY2024

 Mitsubishi Electric Corporation and Subsidiaries
 (Millions of yen)

For the Fiscal Year	U.S. GAAP				IFRS							
	FY2015	FY2016	FY2017	FY2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Revenue	4,323,041	4,394,353	4,238,666	4,431,198	4,444,424	4,519,921	4,462,509	4,191,433	4,476,758	5,003,694	5,257,914	
Operating profit	317,604	301,172	270,104	318,637	327,444	290,477	259,661	230,195	252,051	262,352	328,525	
Profit before income taxes	322,968	318,476	296,249	364,578	353,206	315,958	281,986	258,754	279,693	292,179	365,853	
Net profit attributable to Mitsubishi Electric Corp. stockholders	234,694	228,494	210,493	271,880	255,755	226,648	221,834	193,132	203,482	213,908	284,949	
Total assets	4,059,451	4,059,941	4,172,270	4,264,559	4,305,580	4,356,211	4,409,771	4,797,921	5,107,973	5,582,519	6,167,340	
Cash and cash equivalents	568,517	574,170	662,469	599,199	599,199	514,224	537,559	767,406	727,179	645,870	765,384	
Bonds and borrowings	381,994	404,039	352,124	311,485	311,950	298,438	267,008	248,897	217,171	252,265	241,290	
Mitsubishi Electric Corp. stockholders' equity	1,842,203	1,838,773	2,039,627	2,259,355	2,294,174	2,399,946	2,429,743	2,754,293	2,975,941	3,239,027	3,739,324	
Cash flows from operating activities	378,313	366,677	365,950	240,450	265,768	239,817	395,834	542,119	282,371	166,711	415,479	
Cash flows from investing activities	(198,163)	(255,443)	(148,632)	(178,219)	(182,015)	(210,668)	(203,997)	(176,552)	(114,867)	(148,533)	(94,119)	
Free cash flow	180,150	111,234	217,318	62,231	83,753	29,149	191,837	365,567	167,504	18,178	321,360	
Cash flows from financing activities	(49,623)	(82,144)	(123,495)	(128,291)	(149,813)	(112,067)	(156,454)	(157,352)	(241,319)	(119,568)	(240,118)	
Dividends paid to Mitsubishi Electric Corp. stockholders	42,936	57,963	57,963	68,696	68,696	85,871	85,871	77,283	85,723	84,524	96,949	
R&D expenditures	195,314	202,922	201,330	210,308	210,308	212,794	206,846	190,574	195,144	212,386	221,867	
Capital expenditures (Based on the recognized value of property, plant and equipment)	194,458	177,801	175,542	181,513	181,513	198,442	227,450	180,033	167,772	240,971	229,941	
Depreciation	156,205	145,249	141,584	154,559	153,161	152,315	184,842	186,983	181,116	187,210	172,849	
Per Share Amounts:												
Earnings per share attributable to Mitsubishi Electric Corp. stockholders (Yen)	Basic	109.32	106.43	98.07	126.70	119.19	105.65	103.41	90.03	95.41	101.30	135.74
	Diluted	—	—	—	—	119.19	105.65	103.41	90.03	95.41	101.30	135.74
Cash dividends declared (Yen)		27	27	27	40	40	40	36	40	40	40	50
Adjusted dividend on equity ratio (DOE) (%)		3.6	3.2	2.9	4.0	4.1	3.8	3.6	3.0	3.1	2.9	3.3
Mitsubishi Electric Corp. stockholders' equity (Yen)		858.11	856.52	950.37	1,052.96	1,069.19	1,118.83	1,132.69	1,283.88	1,409.08	1,533.98	1,790.63
Financial Ratios:												
Operating profit ratio (%)		7.3	6.9	6.4	7.2	7.4	6.4	5.8	5.5	5.6	5.2	6.2
Return on revenue (%)		5.4	5.2	5.0	6.1	5.8	5.0	5.0	4.6	4.5	4.3	5.4
Return on equity (ROE) (%)		13.9	12.4	10.9	12.6	11.7	9.7	9.2	7.5	7.1	6.9	8.2
Return on assets (ROA) (%)		6.1	5.6	5.1	6.4	6.0	5.2	5.1	4.2	4.1	4.0	4.9
Mitsubishi Electric Corp. stockholders' equity ratio (%)		45.4	45.3	48.9	53.0	53.3	55.1	55.1	57.4	58.3	58.0	60.6
Bonds and borrowings to total assets (%)		9.4	10.0	8.4	7.3	7.2	6.9	6.1	5.2	4.3	4.5	3.9
Debt to equity (D/E) ratio		0.21	0.22	0.17	0.14	0.14	0.12	0.16	0.13	0.11	0.12	0.11
Overseas revenue ratio (%)		41.9	42.6	43.2	45.3	45.1	43.4	41.5	42.0	47.9	50.7	51.3

Notes 1. The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) from FY2019 and also for FY2018 as comparative information.

2. The balance of bonds and borrowings and the ratio of bonds and borrowings to total assets include lease liabilities until FY2019.

3. R&D expenditures include elements spent on improvements which constitute cost of production.

4. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders under IFRS Accounting Standards, as no dilutive securities existed.

5. Adjusted dividend on equity ratio: Dividend paid ÷ The stockholders' equity (excluding accumulated other comprehensive income (loss))

6. The calculation of the debt to equity ratio includes lease liabilities.

Main Non-Financial Data (Environment, Society, Governance)

Environmental Data The environmental reporting scope covers 250 companies: Mitsubishi Electric Corporation, 148 affiliated companies in Japan, and 101 affiliated companies outside Japan.

Material Balance

Manufacturing (Input)

	FY2022	FY2023	FY2024
Materials*1	2,570 kt	2,920 kt	2,600 kt
Total energy input**3	21,150,000 GJ	20,920,000 GJ	17,910,000 GJ
Electricity*3	1,912 GWh	1,894 GWh	1,807 GWh
Traditional electric power	1,870 GWh	1,624 GWh	1,396 GWh
Electric power from renewable energy sources	42 GWh	270 GWh	411 GWh
City gas	37,960,000 m ³	35,780,000 m ³	33,820,000 m ³
LPG	3,989 t	3,780 t	2,949 t
Oil (crude oil equivalent)*3	19,811 kl	18,659 kl	15,460 kl
Other greenhouse gases	8,217 t	9,271 t	7,360 t
Water usage	15,206,000 m ³	14,980,000 m ³	13,151,000 m ³
Intake*4	10,744,000 m ³	10,878,000 m ³	9,776,000 m ³
Reuse*5	4,463,000 m ³	4,102,000 m ³	3,375,000 m ³
Chemical substances			
Controlled chemical substances*6	3,153 t	4,236 t	4,043 t
Volatile organic compounds	2,123 t	2,440 t	2,336 t

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

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

*3 Figures include commercial vehicles and other company-owned vehicles

*4 For sites where water intake by building tenants cannot be determined, figures are calculated by multiplying the number of employees by a fixed value

*5 Volume of water that has been recovered, purified, and reused after being used in processes

*6 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 per year.

Manufacturing (Output)

■ Products

	FY2022	FY2023	FY2024
Weight of all products sold*7	2,249 kt	2,495 kt	2,176 kt
Weight of packaging materials*8	137 kt	130 kt	126 kt
Japan	59 kt	55 kt	51 kt
Overseas	78 kt	76 kt	75 kt

*7 Shipping weight of products.

*8 Total of disposable and returnable packaging materials.

■ Emissions (from manufacturing)

		FY2022	FY2023	FY2024	
Emissions into the atmosphere	Emissions into the atmosphere Greenhouse gas emissions (CO ₂ -equivalent)	1,095 kt-CO ₂	951 kt-CO ₂	910 kt-CO ₂	
	CO ₂ *9	968 kt-CO ₂	815 kt-CO ₂	803 kt-CO ₂	
	HFCs*10	35 kt-CO ₂	19 kt-CO ₂	16 kt-CO ₂	
	PFCs *10	24 kt-CO ₂	22 kt-CO ₂	14 kt-CO ₂	
	SF ₆ *10	68 kt-CO ₂	95 kt-CO ₂	78 kt-CO ₂	
Chemical substances	Controlled chemical substances*6	389 t	515 t	515 t	
	Volatile organic compounds	645 t	882 t	776 t	
	NOx	28 t	40 t	80 t	
	SOx	0.6 t	0.3 t	2.0 t	
Wastewater	Water*11	8,386,000 m ³	8,467,000 m ³	7,784,000 m ³	
	Chemical substances	Controlled chemical substances*6	7.2 t	5.7 t	23.9 t
		BOD	65 t	81 t	85 t
	COD	57 t	73 t	156 t	

■ Waste

		FY2022	FY2023	FY2024
Emissions		269,306 t	292,814 t	294,590 t
	Non-hazardous waste	263,197 t	286,177 t	287,847 t
	Hazardous waste	6,109 t	6,637 t	6,743 t
Waste treatment subcontracted out		84,639 t	134,100 t	156,843 t
In-house weight reduction		824 t	835 t	27 t
Amount recycled		69,984 t	223,258 t	233,873 t
Final disposal		1,562 t	1,561 t	2,268 t
	Japan	445 t	117 t	20 t
	Overseas	1,117 t	1,445 t	2,248 t
Final waste disposal ratio (Japan)		0.24%	0.06%	0.01%
Final waste disposal ratio (Overseas)		1.30%	1.40%	2.06%

*9 For CO₂ emission coefficients for electricity, we use published values based on: for Japan, emission factors by electric utility companies published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry; for overseas, values published by the International Energy Agency. Market based emissions.

*10 Global Warming Potential (GWP) for greenhouse gases other than CO₂ is calculated in reference to figures published in the IPCC 5th Evaluation Report.

*11 Data collected using one of the following methods depending on the site: measurement by instruments, a calculation based on sewage charges, or discharge volume = water intake volume

Transport (Input)

■ Sales and Logistics*12

	FY2022			FY2023			FY2024		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Fuel for trucks (gasoline) (kl)	5,725	5,725	0	6,091	6,091	0	6,178	6,178	0
Fuel for trucks (diesel) (kl)	58,778	48,183	10,595	57,535	41,185	16,350	60,701	39,230	21,471
Fuel for rail (electricity) (GWh)	1.3	1.3	0.0	1.5	1.5	0.0	1.4	1.4	0.0
Fuel for marine transport (bunker oil) (kl)	81,514	397	81,117	91,941	333	91,608	81,797	359	81,438
Fuel for air transport (jet fuel) (kl)	44,838	602	44,236	69,255	558	68,697	31,210	582	30,628

Transport (Output)

	FY2022			FY2023			FY2024		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
CO ₂ emissions*13 *14 (kt-CO ₂)	515	141	375	607	126	481	491	121	370

Use (Input)

	FY2022	FY2023	FY2024
Energy consumed during product use*15 (GWh)	304,427	336,341	355,014

Use (Output)

	FY2022	FY2023	FY2024
Greenhouse gas emissions during product usage (CO ₂ -equivalent)*16 (kt-CO ₂)	151,769	168,568	167,527

*12 Figures for overseas affiliated companies include transport between countries.

*13 Figures for overseas affiliated companies include transport between countries.

*14 The sum of these figures and CO₂ emissions from procurement/logistics (1 kt-CO₂) make up [Scope 3 Category 4 emissions](#).

*15 The total amount of power consumed (estimated value) over the operating periods of final products when using products targeted for CO₂ reduction. The operating period, which is determined for each product, is set using the product's statutory useful life (years), its number of operating years based on its design, statistical values, and other values.

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

Verification Statement

In order to ensure reliability of our reports, Mitsubishi Electric gets third party verification by SGS Japan Inc. for our greenhouse gas emissions and water intake and drainage.

[Third Party Verification Report \(Environmental Disclosure of 5 Items\)](#)

Amount of Water Intake/Discharge/Reuse

Item	Group	Japan*1	Overseas	China	Southeast Asia	Europe	US	Latin America	Others
■ FY2024 results									
Water usage (water intake plus reuse) (thousand m ³)	13,151	11,234	1,916	736	896	131	31	49	73
Intake (thousand m ³)	9,776	7,983	1,792	669	853	127	31	48	64
Surface water	31	31	0	0	0	0	0	0	0
Groundwater	4,391	4,367	24	0	6	2	0	0	16
Seawater	0	0	0	0	0	0	0	0	0
Water discharged during development/mining processes	0	0	0	0	0	0	0	0	0
Water purchased from third parties	5,353	3,585	1,768	669	847	125	31	48	48
Discharge (thousand m ³)	7,784	6,311	1,473	542	718	108	31	32	42
Surface water	2,584	2,578	6	0	4	2	0	0	0
Groundwater	1	1	0	0	0	0	0	0	0
Seawater	54	54	0	0	0	0	0	0	0
Water discharged into third-party drainage facilities	5,145	3,678	1,467	542	714	106	31	32	42
Water reused (thousand m ³)	3,375	3,251	124	67	43	4	0	1	9
Water consumption (water intake minus discharge volume) (thousand m ³)	1,992	1,672	319	127	135	19	0	16	22
Reuse ratio (reused/used) (%)	26	29	6	9	5	3	0	2	12
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	2.5	—	—	—	—	—	—	—	—

■ FY2023 results

Water usage (water intake plus reuse) (thousand m ³)	14,980	13,036	1,943	727	937	115	41	47	76
Intake (thousand m ³)	10,878	9,068	1,810	668	880	113	41	46	62
Surface water	86	85	1	0	0	0	0	0	0
Groundwater	5,422	5,395	27	0	8	3	0	0	16
Seawater	0	0	0	0	0	0	0	0	0
Water discharged during development/mining processes	2	2	0	0	0	0	0	0	0
Water purchased from third parties	5,369	3,586	1,783	667	872	110	41	46	46
Discharge (thousand m ³)	8,467	7,122	1,345	580	556	101	40	35	34
Surface water	2,489	2,487	2	0	0	2	0	1	0
Groundwater	1,159	1,159	0	0	0	0	0	0	0
Seawater	54	54	0	0	0	0	0	0	0
Water discharged into third-party drainage facilities	4,765	3,422	1,343	580	556	99	40	34	34
Water reused (thousand m ³)	4,102	3,968	133	59	57	3	0	1	14
Water consumption (water intake minus discharge volume) (thousand m ³)	2,411	1,947	464	87	325	11	1	11	29
Reuse ratio (reused/used) (%)	27	30	7	8	6	2	0	1	18
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.0	—	—	—	—	—	—	—	—

■ FY2022 results

Water usage (water intake plus reuse) (thousand m ³)	15,206	13,302	1,904	752	899	124	48	47	34
Intake (thousand m ³)	10,744	8,948	1,796	670	881	121	48	47	29
Surface water	3,067	2,057	1,010	209	757	16	0	28	0
Groundwater	5,336	5,310	26	0	7	5	0	0	14
Seawater	0	0	0	0	0	0	0	0	0
Water discharged during development/mining processes	0	0	0	0	0	0	0	0	0
Water purchased from third parties	2,341	1,582	759	461	117	100	48	19	15
Discharge (thousand m ³)	8,386	7,221	1,164	524	489	68	43	34	7
Surface water	3,930	3,928	1	0	0	1	0	0	0
Groundwater	43	29	13	3	0	5	1	4	0
Seawater	0	0	0	0	0	0	0	0	0
Water discharged into third-party drainage facilities	4,412	3,263	1,149	521	488	61	42	30	7
Water reused (thousand m ³)	4,463	4,354	109	83	18	3	0	1	4
Water consumption (water intake minus discharge volume) (thousand m ³)	2,359	1,727	632	146	392	53	6	13	22
Reuse ratio (reused/used) (%)	29	33	6	11	2	2	0	1	13
Water usage per unit of sales (Water usage/sales) (m ³ /million yen)	3.0	—	—	—	—	—	—	—	—

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

Reducing Greenhouse Gases Emitted in the Value Chain

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

Scope	Accounting (kt-CO ₂) (Total emission ratio indicated in parenthesis)			Accounting Summary*1	
	FY2022	FY2023	FY2024		
Scope 1 : Direct emissions from fuel use and industrial processes at our company*2 *3					
★	276 (0.2%)	272 (0.1%)	234 (0.1%)		
Scope 2 : Indirect emissions associated with use of electricity and heat purchased by our company*4					
Market based	★	819 (0.5%)	679 (0.4%)	676 (0.4%)	Calculated using the power emission coefficient based on the contract
Location based*3	★	885	774	837	Calculated using the average emission coefficient of power generated in the area
Scope 1 + Scope 2 (Market based)	★	1,095 (0.7%)	951 (0.5%)	910 (0.5%)	Coverage: 99% (energy usage based)
Scope 3 : Indirect emissions outside the scope of our company's operational activities*4					
Category 1 : Purchased goods and services*5	★	10,099 (6.3%)	11,947 (6.5%)	11,282 (6.2%)	Emissions associated with activities up to the manufacturing of materials, etc., relating to raw materials, parts, purchased products, and sales*6
Category 2 : Capital goods		549 (0.3%)	1,048 (0.6%)	775 (0.4%)	Emissions generated by the construction and manufacturing of own capital goods
Category 3 : Fuel- and energy-related activities*5		166 (0.1%)	148 (0.1%)	128 (0.1%)	Emissions associated with procurement of fuel necessary for power generation, heat supply, etc., and power such as electricity supplied by other parties
Category 4 : Upstream transport and distribution		513 (0.3%)	607 (0.3%)	492 (0.3%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc., relating to raw materials, parts, purchased products, and sales*7
Category 5 : Waste generated in operations		0.4 (0.0%)	0.6 (0.0%)	0.4 (0.0%)	Emissions associated with transporting and processing waste produced by our company*8
Category 6 : Business travel*5		6.1 (0.0%)	15.7 (0.0%)	24.3 (0.0%)	Emissions associated with employee business travel*9
Category 7 : Employee commuting*5		36 (0.0%)	41 (0.0%)	41 (0.0%)	Emissions associated with employees commuting to and from their respective workplaces*10
Category 8 : Upstream leased assets		—	—	—	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
Category 9 : Downstream transport and distribution*5		5.2 (0.0%)	5.9 (0.0%)	5.0 (0.0%)	Emissions associated with the transport, storage, cargo handling and retailing of products
Category 10 : Processing of sold products*5		2.4 (0.0%)	2.2 (0.0%)	2.2 (0.0%)	Emissions associated with the processing of interim products by business operators
Category 11 : Use of sold products*3	★	148,292 (92.2%)	168,568 (91.9%)	167,527 (91.4%)	Emissions associated with the use of products by users (consumers/business operators)
Category 12 : End-of-life treatment of sold products*5		5.3 (0.0%)	5.4 (0.0%)	4.9 (0.0%)	Emissions associated with the transport and processing of products for disposal by users (consumers/business operators)*6
Category 13 : Downstream leased assets		12 (0.0%)	14 (0.0%)	11 (0.0%)	Emissions associated with operation of leased assets
Category 14 : Franchises		—	—	—	
Category 15 : Investments		26 (0.0%)	26 (0.0%)	23 (0.0%)	Emissions associated with operation of investments
Scope3 total		159,711 (99.3%)	182,427 (99.5%)	180,316 (99.5%)	
Total (Scope 2 is Market based.)		160,806(100.0%)	183,379 (100.0%)	181,226 (100.0%)	

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

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

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

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

*5 Figures have been calculated using the CO₂ emission coefficient for each fiscal year specified in the "emission in tensity database for calculating greenhouse gas emissions of the organization throughout the supply chain."

*6 Excludes some regions.

*7 CO₂ emissions associated with product distribution/circulation (sales distribution). Subject to accounting: 53 companies (manufacturing companies).

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

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

*10 Assuming that all employees use passenger rail services.

Social Data

Human Capital

Employment situation

Mitsubishi Electric

		FY2020	FY2021	FY2022	FY2023	FY2024	
Full-time employee	Total	35,649 persons	36,162 persons	36,700 persons	35,136 persons	36,520 persons	
	Men	31,997 persons	32,346 persons	32,701 persons	31,141 persons	32,109 persons	
	Women	3,652 persons	3,816 persons	3,999 persons	3,995 persons	4,411 persons	
Temporary staff	Total	7,105 persons	6,838 persons	6,682 persons	6,505 persons	6,636 persons	
	Men	—	4,179 persons	4,092 persons	4,130 persons	4,283 persons	
	Women	—	2,659 persons	2,590 persons	2,375 persons	2,353 persons	
Average age	Total	40.5 years of age	40.7 years of age	41.1 years of age	41.3 years of age	41.4 years of age	
	Men	—	40.6 years of age	41.0 years of age	41.3 years of age	41.4 years of age	
	Women	—	41.2 years of age	41.3 years of age	41.3 years of age	41.2 years of age	
Average number of years worked	Total	16.4 years	16.6 years	16.9 years	16.9 years	16.7 years	
	Men	—	16.5 years	16.8 years	16.9 years	16.8 years	
	Women	—	17.2 years	17.1 years	16.9 years	16.3 years	
Turnover rate	Total	2.7%	2.3%	2.7%	2.8%	3.3%	
	Men	—	2.2%	2.7%	2.8%	3.3%	
	Women	—	2.4%	3.1%	3.5%	3.4%	
Average annual wage	Full-time employee	Total	8,069,144 yen	7,963,544 yen	8,067,252 yen	8,273,671 yen	8,298,631 yen
		Gender difference*1	70.8%	71.6%	71.4%	71.3%	71.7%
	All workers	Gender difference*1	58.5%	60.7%	61.0%	61.5%	62.4%
		Full-time employees*2	Gender difference*1	62.3%	63.5%	63.6%	63.6%
Non-regular employees	Gender difference*1	66.5%	63.5%	62.4%	63.2%	61.8%	
Diversity & inclusion	Managerial position	Held by women (%)**3	2.0%	1.9%	2.3%	2.6%	3.1%
	Manager equivalent position*4	Held by women (%)	3.9%	4.1%	4.3%	4.5%	4.9%
	Regular position	Total	25,138 persons	25,308 persons	25,391 persons	24,559 persons	25,403 persons
		Held by women (%)	7.0%	7.3%	7.6%	8.2%	8.8%

*1 Women's average annual wage compared to men's average annual wage, expressed as a percentage

*2 Full-time employees and non-regular employees who are full-time, open-ended

*3 Percentage of managerial positions held by women

*4 Persons with work tasks and responsibilities that are equivalent to those of a section manager

Employee breakdown per segment and business area

Mitsubishi Electric Group (Unit: No. of people)

Segment	FY2020	FY2021	FY2022	FY2023	FY2024
Energy & Electric Systems	46,852	47,697	47,113	—	—
Industrial Automation Systems	33,544	32,975	32,692	—	—
Information & Communication Systems	15,042	13,900	13,818	—	—
Electronic Devices	5,431	5,323	5,393	—	—
Home Appliances	27,462	27,545	28,710	—	—
Other	12,643	12,603	12,329	—	—
Common	5,544	5,610	5,641	—	—
Total	146,518	145,653	145,696	—	—

Mitsubishi Electric Group (Unit: No. of people)

Business Area (BA)	FY2020	FY2021	FY2022	FY2023	FY2024
Infrastructure BA	—	—	—	21,840	22,033
Industry & Mobility BA	—	—	—	31,897	31,593
Life BA	—	—	—	61,833	61,051
Business Platform BA	—	—	—	11,557	4,912
Other	—	—	—	16,575	17,041
Common	—	—	—	5,953	6,656
Total	—	—	—	149,655	149,134

New graduates

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

		October 2020 and April 2021 (result)	October 2021 and April 2022 (result)	October 2022 and April 2023 (result)	October 2023 and April 2024 (projection)	October 2024 and April 2025 (plan)
Mitsubishi Electric	Engineering positions	560	500	600	650	650
	Sales & administrative positions	170	200	200	200	200
	Technical positions	210	200	300	250	250
	Total	940	900	1,100	1,100	1,100
Group companies in Japan		1,370	1,200	1,300	1,500	1,700
Total		2,310	2,100	2,400	2,600	2,800

Mid-career hires

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

	FY2021	FY2022	FY2023	FY2024	FY2025 (plan)
Mitsubishi Electric	420	400	900	1,000	1,000
Group companies in Japan	660	700	1,000	1,400	1,400
Total	1,080	1,100	1,900	2,400	2,400

Percentage of women among all new hires

Mitsubishi Electric (Unit: %)

	FY2021 (result)	FY2022 (result)	FY2023 (result)	FY2024 (result)	FY2025 (projection)
Overall	18.8	20.0	23.3	18.4	18.9
Sales & administrative positions	37.0	38.0	44.3	36.1	43.9
Engineering positions	13.4	14.4	15.0	11.3	10.7

Employment rate of people with disabilities

Consolidated across three companies* (Unit: %)

FY2020	FY2021	FY2022	FY2023	FY2024
2.28	2.34	2.39	2.47	2.49

* Actual average employment rate (consolidated across three companies) Figures are fiscal year averages.

Starting salary

Mitsubishi Electric

	Monthly wage	Compared to the minimum wage*
High school graduate	189,000 yen	110%
Technical high school graduate	217,000 yen	126%
College graduate	250,000 yen	145%
Graduate school graduate	277,000 yen	161%

* Minimum wage is calculated based on the minimum wage for Tokyo Prefecture as of March 2024 (1,113 yen per hour), working 20 8-hour days per month.

Annual human capital development and training expenses per employee

Mitsubishi Electric

	FY2020	FY2021	FY2022	FY2023	FY2024
Training hours/year	—	—	—	25.7 hours	28.1 hours
Training expenses/year	—	—	86,000 yen	124,000 yen	147,000 yen

* 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.)

Number of people from overseas participating in training programs held in Japan

Mitsubishi Electric Group (Unit: No. of people)

	FY2020	FY2021	FY2022	FY2023	FY2024	Cumulative total
MGEP*1	7	Canceled due to the impact of COVID-19	18	15	Not implemented	53
GMW**2	30	Canceled	Canceled	30	27	265

*1 Mitsubishi Electric Global Executive Program

**2 Global Management Workshop

(in some years, one or two selected members in Japan may participate)

Employees dispatched under the overseas OJT system

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

	FY2020	FY2021	FY2022	FY2023	FY2024
North America	23	Canceled due to the impact of COVID-19	22	21	23
Central/South America	5		3	5	4
Europe	32		18	21	26
Middle East	0		0	3	1
Southeast/South Asia, Oceania	19		14	24	18
East Asia	21		16	10	12
Total	100		73	84	84

Evaluation indicators related to workplace culture improvement initiatives

Mitsubishi Electric (Unit: %)

	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)*	54	54	54	54	55	70 or more
Percentage of employees who responded that they had a good work-life balance	65	65	66	68	68	70 or more

* 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"

Monthly overtime hours per employee

Mitsubishi Electric (Unit: hours)

FY2020	FY2021	FY2022	FY2023	FY2024
27.4	24.9	26.2	25.1	23.7

Utilization of childcare and family care programs

Mitsubishi Electric (Unit: No. of people)

		FY2020	FY2021	FY2022	FY2023	FY2024
Childcare leave	Total	414	513	634	747	804
	Men	66	144	240	362	435
	Women	348	369	394	385	369
Spousal childbirth leave	Men	861	920	923	991	1,034
Prematernal/postnatal absence	Women	198	204	209	204	196
	Total	—	—	—	—	—
Rate of taking leave from work (%)	Men*1	59.1%	64.9%	67.8%	76.1%	85.1%
	Women*2	100%	99%	99%	100%	100%
	Total	406	406	413	413	435
Shorter working hours during childcare	Men	14	13	16	13	17
	Women	392	393	397	400	418
	Women	14	3	11	11	12
Shorter working hours during pregnancy	Total	16	12	15	25	15
	Men	7	6	8	16	11
	Women	9	6	7	9	4
Nursing leave	Total	21	16	27	27	42
	Men	1	4	1	2	4
	Women	20	12	26	25	38
Shorter working hours for nursing care	Total	48	26	31	40	49
	Men	29	6	19	26	35
	Women	19	20	12	14	14

*1 Includes spousal childbirth leave

*2 Excludes cases of overlapping prematernal/postnatal absence and childcare leave

Human Rights

Human rights and harassment prevention education

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

Format	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Group training session	Mitsubishi Electric					
	New employees	927	833	941	912	1,060
	Newly appointed managers	584	478	436	534	554
	Employees in charge of new employee training	—	—	713	696	828
e-learning	Mitsubishi Electric	—	—	—	39,001	40,213
	Group Companies in Japan	—	—	—	35,085	52,596

Main agenda items of the Human Rights Subcommittee

	Agenda item
First meeting	<ul style="list-style-type: none"> Confirmation of the purpose of establishing the Human Rights Subcommittee Background on the need for human rights initiatives and the current status of the Mitsubishi Electric Group Future action items for the Human Rights Subcommittee to promote Report on the results of the fiscal 2022 Human Rights Impact Assessment and discussion of improvement activities, etc.
Second meeting	<ul style="list-style-type: none"> Approval of proposed improvement activities based on the results of the fiscal 2022 Human Rights Impact Assessment Approval of mid- to long-term human rights goals and the roadmap Outline of sustainability procurement activities and use of the RBA management process Complaint handling mechanism (membership in JaCER) Japanese government guidelines, etc.
Third meeting	<ul style="list-style-type: none"> Report on activities in fiscal 2023 Approval of the activity plan for fiscal 2024

Occupational Safety & Health Management

Frequency of fatal accidents

Mitsubishi Electric Group

		FY2020	FY2021	FY2022	FY2023	FY2024
Fatal accidents	Domestic	0	0	0	0	0
	Overseas	3	0	0	0	2
Number of accidents causing lost worktime	Mitsubishi Electric	0	3	3	10	9
Frequency rate of industrial accidents (%)	Mitsubishi Electric	0.07	0.04	0.04	0.12	0.07

Targets and results of "MHP Lively and Exciting Action" activities

Health satisfaction

Mitsubishi Electric Group (in Japan) (Unit: %)

Target		Target value (by FY2027)	FY2024 result
Good appetite	Percentage of people who have an appetite and enjoy their meals	90.0 or more	88.2
Good sleep	Percentage of people who sleep comfortably and soundly	80.0 or more	55.9
Good bowel movements	Percentage of people with good bowel movements that leave them feeling comfortable	80.0 or more	65.5

Lifestyle habits

Mitsubishi Electric Group (in Japan) (Unit: %)

Target		Target value (by FY2027)	FY2024 result
Food	People who can control the quantity and quality of the food they eat	50 or more	16.1
Exercise	People who engage in weekly exercise that gets them breathing more and working a sweat	50 or more	32.3
	People who walk an average of 8,000 steps or more in a day	50 or more	31.5
Sleep	People who get enough sleep and are well rested	60 or more	42.1
Oral hygiene	People who brush their teeth three times a day or more	40 or more	25.8
	People who regularly undergo professional tartar removal or prophylaxis dental cleaning	65 or more	52.4
Smoking	People who do not smoke	90 or more	79.3
Alcohol	People who can drink alcohol in a moderated and controlled manner	90 or more	67.9

Employees who took safety and health education programs

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

		FY2020	FY2021	FY2022	FY2023	FY2024
Training for newly appointed safety and health section managers	Mitsubishi Electric	14	6	7	12	11
Training for newly appointed safety and health members	Group Companies in Japan	43	43	42	45	89
Training for newly appointed safety and health promotion members	Mitsubishi Electric	24	46	33	40	29
Training for newly appointed occupational health physicians and public health nurses	Mitsubishi Electric	16	13	8	9	14
Liaison meetings for safety and health members	Mitsubishi Electric	39	54	58	79	39
Company-wide safety and health education (for general employees)	Mitsubishi Electric	37,557	33,639	33,916	34,161	35,247
Company-wide safety and health education (for managers and supervisors)	Mitsubishi Electric	—	4,814	4,864	4,849	4,983

Supply Chain Management (Procurement)

Number of smelting companies identified in a survey of conflict minerals

Mitsubishi Electric (Unit: No. of companies)

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of smelting companies identified	337	364	486	350	349
Tin	91	108	165	83	83
Tantalum	42	43	50	37	36
Tungsten	48	50	69	52	53
Gold	156	163	202	178	177

Responses to the green accreditation/CSR Procurement survey form and rate of green accreditation certification

Mitsubishi Electric Group (Unit: No. of companies)

		FY2020	FY2021	FY2022	FY2023	FY2024
All Mitsubishi Electric Group companies	Surveyed suppliers	1,721	1,660	1,549	499	No survey was conducted in FY2024 due to a transition period as we shift to surveys aligned with the Mitsubishi Electric Group Supply Chain Code of Conduct.
	Survey carried out by Mitsubishi Electric (scope: Mitsubishi Electric)	Surveyed suppliers	552	580	934	
Existing suppliers		455	511	809	252	
New suppliers		97	69	125	86	
Survey carried out by domestic and overseas affiliated companies (scope: domestic and overseas affiliated companies)	Response rate (%)	82	88	82	83	
	Rate of green accreditation certification	94	91	92	89	
	Surveyed suppliers	1,169	1,080	615	161	
Survey carried out by domestic and overseas affiliated companies (scope: domestic and overseas affiliated companies)	Response rate (%)	74	71	84	82	

Note

- The survey on existing suppliers is carried out every three years in principle with principal suppliers who fall within the top 80% in terms of purchase amounts.
- The above figures include cases where the companies resubmitted their survey response after receiving improvement instructions.

Results of green accreditation and CSR procurement surveys among suppliers - Number of suppliers given guidance and the content of the guidance

Mitsubishi Electric (Unit: No. of companies)

		FY2020	FY2021	FY2022	FY2023	FY2024
Environment	Companies given guidance	52	64	52	27	No survey was conducted in FY2024 due to a transition period as we shift to surveys aligned with the Mitsubishi Electric Group Supply Chain Code of Conduct.
	Content of guidance	Strengthening management of chemical substances contained in products (creating management rules and understanding the chemical substances contained in products)		Clarifying the person in charge of environment management (participating in environment management conducted by management at business partners)		
Human rights, labor practices, safety and health	Companies given guidance	188	114	96	114	
	Content of guidance	Encouraging secondary suppliers to take up sustainability practices				

Survey on foreign technical intern trainees - Items to be improved and the number of companies

Mitsubishi Electric

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

Philanthropic Activities

		FY2020	FY2021	FY2022	FY2023	FY2024
Mitsubishi Electric Group (Japan)**1	Social contribution expenditure**2	1.11 billion yen	0.70 billion yen	2.19 billion yen	1.77 billion yen	2.26 billion yen
Mitsubishi Electric	Satoyama woodland preservation activities	81 times	39 times	38 times	Conducted at 38 business sites	Conducted at 37 business sites
	Mitsubishi Electric Outdoor Classroom	25 times	26 times	36 times		
	Mitsubishi Electric Science Workshop	76 times	4 times	21 times	28 times	46 times
	Donations through matching gift program	34 million yen	41 million yen	24.67 million yen	47.20 million yen	50.85 million yen

*1 Until 2020: Mitsubishi Electric only; Starting in 2021: Mitsubishi Electric and major affiliated companies in and outside Japan

*2 Expenditures include philanthropic-related expenses such as internal programs and product donations.

Governance Data

Corporate Governance

Directors

Mitsubishi Electric

		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
No. of directors	Total	12 persons	12 persons	10 persons	12 persons	12 persons
	Internal directors / Outside directors					
	Internal directors	7 persons	7 persons	5 persons	5 persons	5 persons
	Outside directors	5 persons	5 persons	5 persons	7 persons	7 persons
Gender	Male	11 persons	11 persons	9 persons	11 persons	9 persons
	Female	1 person	1 person	1 person	1 person	3 persons
Percentage of outside directors		42%	42%	50%	58%	58%
Percentage of female directors		8%	8%	10%	8%	25%
No. of Board meetings held		7 times	8 times	20 times	13 times	14 times
Chairperson		Internal	Internal	Outside	Outside	Outside

Directors and Officers (Directors + Executive Officers + Executive Officers (Associate))

Mitsubishi Electric

		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
No. of directors and officers	Total	29 persons	29 persons	29 persons	33 persons	34 persons
	Internal directors and officers / Outside directors and officers					
	Internal directors and officers	24 persons	24 persons	24 persons	26 persons	27 persons
	Outside directors and officers	5 persons	5 persons	5 persons	7 persons	7 persons
Gender	Male	28 persons	28 persons	28 persons	32 persons	30 persons
	Female	1 person	1 person	1 person	1 person	4 person
No. of non-Japanese directors and officers		0 person	0 person	0 person	0 person	1 person
Percentage of female and non-Japanese directors and officers		3%	3%	3%	3%	15%

Nomination Committee

Mitsubishi Electric

		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
No. of directors	Total	5 persons	5 persons	5 persons	7 persons	6 persons
	Internal directors / Outside directors					
	Internal directors	1 person	1 person	1 person	1 person	1 person
	Outside directors	4 persons	4 persons	4 persons	6 persons	5 persons
Gender	Male	4 persons	4 persons	4 persons	6 persons	4 persons
	Female	1 person	1 person	1 person	1 person	2 persons
Percentage of outside directors		80%	80%	80%	86%	83%
Percentage of female directors		20%	20%	20%	14%	33%
No. of Nomination Committee meetings held		3 times	3 times	16 times	9 times	9 times
Chairperson		Outside	Outside	Outside	Outside	Outside

Audit Committee

Mitsubishi Electric

		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
No. of directors	Total	5 persons	5 persons	5 persons	5 persons	5 persons
	Internal directors / Outside directors					
	Internal directors	2 persons	2 persons	2 persons	2 persons	2 persons
	Outside directors	3 persons	3 persons	3 persons	3 persons	3 persons
Gender	Male	5 persons	5 persons	5 persons	5 persons	4 persons
	Female	0 person	0 person	0 person	0 person	1 person
Percentage of outside directors		60%	60%	60%	60%	60%
Percentage of female directors		0%	0%	0%	0%	20%
No. of Audit Committee meetings held		13 times	14 times	13 times	15 times	14 times
Chairperson		Internal	Outside	Outside	Outside	Outside

Compensation Committee

Mitsubishi Electric

		March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
No. of directors	Total	5 persons	5 persons	5 persons	6 persons	6 persons
	Internal directors / Outside directors					
	Internal directors	2 persons	2 persons	2 persons	1 person	1 person
	Outside directors	3 persons	3 persons	3 persons	5 persons	5 persons
Gender	Male	4 persons	4 persons	4 persons	5 persons	4 persons
	Female	1 person	1 person	1 person	1 person	2 persons
Percentage of outside directors		60%	60%	60%	83%	83%
Percentage of female directors		20%	20%	20%	17%	33%
No. of Compensation Committee meetings held		4 times	4 times	13 times	11 times	7 times
Chairperson		Internal	Outside	Outside	Outside	Outside

Compliance

Education covering major laws and regulations, as well as the Group's concept of compliance

Mitsubishi Electric Group (Unit: No. of people)

Target	FY2020	FY2021	FY2022	FY2023	FY2024
Officers and employees in Japan (including contract employees, temporary employees, part-time employees, short-term workers, etc.)	125,614	126,049	131,306	Approx. 131,700	Approx. 133,200
	100%	100%	100%	100%	100%
Employees in Southeast Asia, Oceania, and other regions	6,644	Approx. 7,000	Approx. 7,000	Approx. 7,300	Approx. 8,400

Workshops related to compliance

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

Target	FY2020	FY2021	FY2022	FY2023	FY2024
Officers and employees in Japan (including contract employees, temporary employees, part-time employees, short-term workers, etc.)*	180 times	113 times	111 times	—	—
	6,531	8,134	10,018	Approx. 3,300	Approx. 4,800

* Since fiscal 2023, only workshops organized by the Corporate Legal & Licensing Division have been counted due to the shift to online formats and enhanced educational activities by individual business divisions

Compliance e-learning programs

Mitsubishi Electric Group (in Japan) (Unit: No. of people)

Target	FY2020	FY2021	FY2022	FY2023	FY2024	
Fair competition	Mitsubishi Electric Group Companies in Japan	15,310	14,824	51,901	58,207	59,024
	Of which, those in Mitsubishi Electric	—	—	—	15,502	16,426
	Of which, those in Group companies in Japan	—	—	—	42,705	42,598
Corruption prevention	Mitsubishi Electric Group Companies in Japan	24,365	25,371	39,951	41,544	49,479
	Of which, those in Mitsubishi Electric	—	—	—	25,562	27,374
	Of which, those in Group companies in Japan	—	—	—	15,982	22,105
Security export control	Mitsubishi Electric	37,520	38,415	38,726	39,432	40,744
	Group companies in Japan	33,880	34,364	27,341	52,791	50,263

Initiatives

WE SUPPORT



UN Global Compact

A voluntary initiative to participate in creating a global framework to achieve sustainable growth.

[UN Global Compact](#)



Japan Clean Ocean Material Alliance (CLOMA)

An organization established in January 2019 as a public-private partnership to help solve marine plastic waste problems.

[Joining the Japan Clean Ocean Material Alliance \(CLOMA\) \(in Japanese\)](#)



Science Based Targets initiative (SBTi)

An international initiative providing standards, tools and guidance which allow companies to set greenhouse gas emission reduction targets based on scientific evidence.

[Mitsubishi Electric Updated SBTi-certified Targets in Line with 1.5-degree Centigrade Trajectory](#)



GX League

A forum for companies seeking sustainable economic growth in present and future society, to collaborate with government and academia in tackling the challenge of green transformation (GX), with a focus on achieving carbon neutrality and social transformation by 2050.

[Mitsubishi Electric Participates in METI's GX League \(in Japanese\)](#)



Task Force on Climate-related Financial Disclosures (TCFD)

A framework for disclosure of financial information on a company's climate change-related initiatives and impacts.

[Climate Change Initiatives \(Disclosure Based on TCFD\)](#)



Ministry of the Environment (30by30 Alliance for Biodiversity)

A voluntary alliance of companies, local governments, and NGOs aimed at achieving the conservation or protection of at least 30% of land and sea areas as healthy ecosystems by 2030.



Responsible Business Alliance (RBA)

An industry coalition that supports continuous improvements in social, environmental, and ethical responsibility of the supply chain and works toward responsible business conduct in global supply chains.

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

24/7 Carbon Free Energy Compact

An international initiative established by the United Nations in 2021 with the goal of decarbonizing electricity worldwide.

[Mitsubishi Electric Joins UN's 24/7 Carbon Free Energy Compact](#)



Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

Established in June 2022. An organization that aims to support and encourage companies in handling grievances.

[Mitsubishi Electric Joins Japan Center for Engagement and Remedy on Business and Human Rights as a Founding Member](#)

Other Major Initiatives

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

External Evaluation



FTSE Blossom
Japan

FTSE Blossom Japan Index Series

Mitsubishi Electric has been selected as a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. These indexes have also been adopted as investment outlets by the Government Pension Investment Fund (GPIF).

[FTSE Blossom Japan Index Series](#)



FTSE Blossom
Japan Sector
Relative Index

CDP

Mitsubishi Electric was selected as a "Supplier Engagement Leader," the highest ranking, in the 2023 Supplier Engagement Rating. It is the fourth consecutive year since 2020 and seventh time that Mitsubishi Electric has earned the top ranking. Mitsubishi Electric was also selected for the highest "A List" ranking for Climate Change and Water Security activities in 2023.

[Mitsubishi Electric Named to CDP Supplier Engagement Leader](#)



S&P/JPX Carbon Efficient Index

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



PRIDE Index 2023

Mitsubishi Estate received the highest ranking Gold award for the second consecutive year in "PRIDE Index 2023,"* an index to evaluate initiatives for LGBTQ+ and other sexual minorities in workplaces.

* <https://workwithpride.jp/pride-i/>

[Mitsubishi Electric Receives PRIDE Index 2023 Gold Award for Second Consecutive Year \(in Japanese\)](#)



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.



Positive Impact Finance

In 2023, Mitsubishi Electric entered into and executed its first financing agreement with MUFG Bank for Positive Impact Finance (PIF) provided by the Bank.

[Mitsubishi Electric Enters into a PIF Agreement with MUFG Bank \(in Japanese\)](#)

Corporate Data and Shareholder Information (As of March 31, 2024)

Corporate Data

Mitsubishi Electric Corporation

Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku,
Tokyo 100-8310, Japan
Phone: +81(3)3218-2111
Established: January 15, 1921
Paid-in Capital: ¥175,820 million
Shares Issued: 2,147,201,551 shares
Employees: 149,134

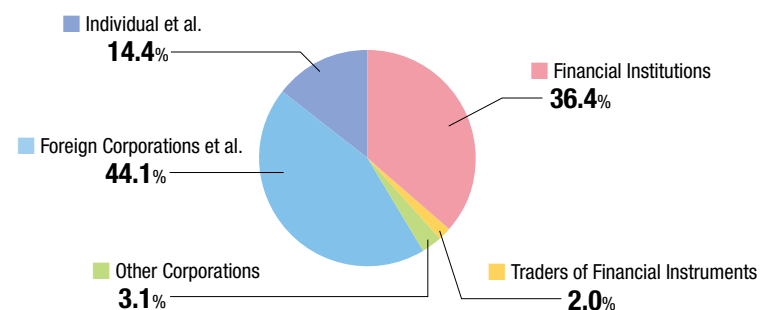
General Meeting of Shareholders

The ordinary general meeting of shareholders is regularly held in June each year. Additionally, special shareholders meetings may be held as necessary.

Stock Exchange Listings

Tokyo (Prime Market)

Outstanding Share Information by Shareholder Category



Principal Shareholders (Top 10)

Shareholder	Holdings of the Company's Share	
	Number of Shares Held (Thousand Shares)	Percentage of Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	337,492	16.1
SSBTC CLIENT OMNIBUS ACCOUNT	110,848	5.3
Custody Bank of Japan, Ltd. (Trust Account)	108,603	5.2
Meiji Yasuda Life Insurance Company	81,862	3.9
STATE STREET BANK AND TRUST COMPANY 505223	52,037	2.5
JP MORGAN CHASE BANK 380055	48,910	2.3
Mitsubishi Electric Group Employees Shareholding Union	45,089	2.2
JP MORGAN CHASE BANK 385632	42,494	2.0
STATE STREET BANK WEST CLIENT-TREATY 505234	38,768	1.9
Nippon Life Insurance Company	36,339	1.7

Note: The Company owns 57,120,827 company-owned shares, but is excluded from the above list of principal shareholders. Shareholder ratio calculations deduct company-owned shares (figures are rounded to the first decimal place).

Editorial Policy

The Mitsubishi Electric 2024 Integrated Report is designed to provide stakeholders with an integrated presentation of financial and non-financial information, including environmental, social, and governance information, and to help deepen their understanding of the Mitsubishi Electric Group's growth story for the future. In preparing this report, we have followed the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry (METI).

We are committed to holding dialogues with our stakeholders and will work to continuously improve the value of the Group through higher quality information disclosure and more in-depth communication. We aim to improve the quality of our information disclosure through these dialogues with our stakeholders and will continue to make improvements.

Reporting Period

April 1, 2023–March 31, 2024

Please note some policies, targets and plans beyond April 2024 are also included.

Scope of Reporting

Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method companies

Note: For sections with a different scope of reporting, each applicable scope is noted individually.

Accounting Standards

Unless otherwise noted, the Company reported under U.S. GAAP up to fiscal 2018 (ending March 31, 2018) and under International Financial Reporting Standards (IFRS) from fiscal 2019 (ending March 31, 2019).

Cautionary Statement

While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

The main factors materially affecting the expectations expressed herein include but are not limited to the following:

- (1) Changes in worldwide economic and social conditions, as well as regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates
- (3) Changes in stock markets
- (4) Changes in the fund-raising environment
- (5) Changes in the supply and demand of products, as well as the material procurement environment
- (6) Establishment of important patents, status of significant licenses and disputes related to key patents
- (7) Litigation and other legal proceedings
- (8) Issues related to quality and defects in products or services
- (9) Laws, regulations and issues related to the global environment, especially responses to climate change
- (10) Laws, regulations and issues related to human rights
- (11) Radical technological innovation, as well as the development, manufacturing and time-to-market of products using new technology
- (12) Business restructuring
- (13) Information security incidents
- (14) Large-scale disasters, including earthquakes, tsunamis, typhoons, volcanic eruptions and fires
- (15) Social, economic and political upheaval due to heightened geopolitical risks, war, conflict, terrorism or other factors
- (16) Social, economic and political upheaval due to pandemics or other factors
- (17) Important matters related to Mitsubishi Electric Corporation's directors and executive officers, major shareholders, affiliated companies and other stakeholders

2024 INTEGRATED REPORT

MITSUBISHI ELECTRIC CORPORATION <https://www.MitsubishiElectric.com>

Inquiries

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