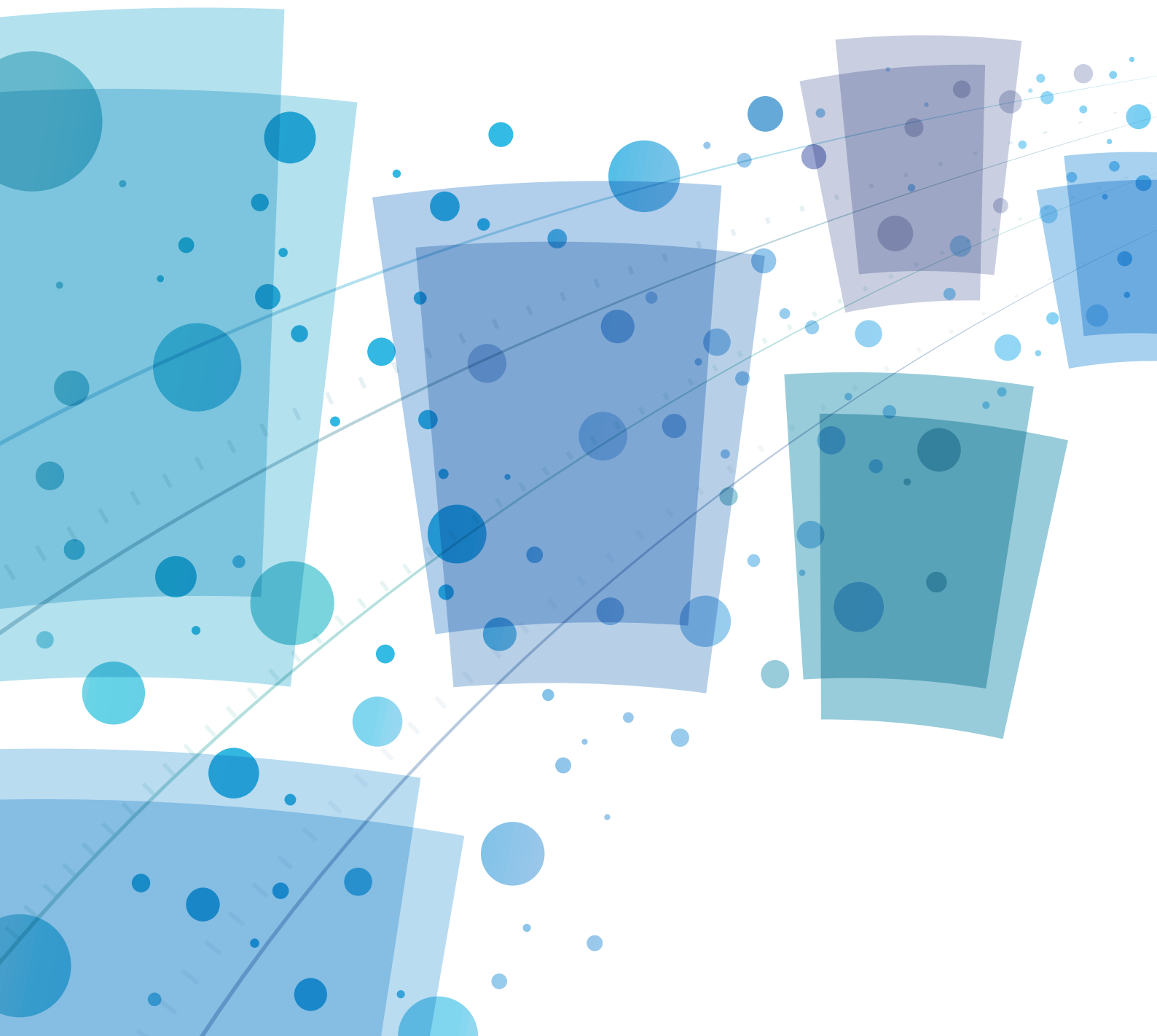


Mitsubishi Electric Group CSR Report 2019



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About the Report

This report provides information about corporate social responsibility (CSR) initiatives by the Mitsubishi Electric Group to help realize a sustainable society. It primarily reports on significant activities, events, and changes that occurred in fiscal 2019 (year ending March 31, 2019). Based on the PDCA (plan-do-check-act) approach, in reporting our activities we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues.

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

Structure of the Report

Aiming to fulfill our responsibility of presenting information to the public, the report discloses information on our CSR management initiatives and other activities from the aspects of governance, the environment, and society.

Period Covered by the Report

April 1, 2018 – March 31, 2019

*Also includes some information on policies, targets, and plans for fiscal 2020 and thereafter.

Scope of the Report

Social Aspects :

Primarily covers activities of Mitsubishi Electric Corporation

*The range of data compiled is noted individually.

Environmental Aspects :

Primarily covers performance of Mitsubishi Electric Corporation and its major affiliates (Japan and overseas)

*Detailed information on economic performance is provided in the Environment section of our website.

Economic Aspects :

Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates

*Detailed information on economic performance is provided in the Investors section of our website.

References

- ISO26000
- GRI Standards, Global Reporting Initiative
- Environmental Reporting Guidelines (2018), Ministry of the Environment
- Business Owner Environmental Performance Indicator Guideline (2002), Ministry of the Environment
- Environmental Accounting Guidelines (2005), Ministry of the Environment

Reporting Medium

Non-financial information about the Mitsubishi Electric Group is disclosed in the CSR section of the website and "CSR Report," and environmental information is introduced in detail in the environment section of the website and "Environmental Performance Review." The "CSR Report" is available on our website together with the "CSR Report Highlights Edition" aimed at communicating with stakeholders.

In addition, we provide information such as "ESG survey index" to notify our various initiatives comprehensively.

Regarding Future Projections, Plans, and Targets

This report contains not only statements of past and present facts related to Mitsubishi Electric Corporation and its affiliates (Mitsubishi Electric Group), but also future projections, plans, targets, and other forward-looking statements. Such projections, plans, and targets constitute suppositions or judgments based on information available as of the time they are stated. Future business activities and conditions may differ from projections, plans, and targets due to changes in various external factors.

The Mitsubishi Electric Group conducts business in the form of development, manufacturing, and sales in a broad range of areas, and these activities take place both in Japan and overseas. Therefore, the group's financial standing and business performance may be affected by a variety of factors, including trends in the global economy, social conditions, laws, tax codes, litigation, and other legal procedures. We would ask stakeholders to keep these points in mind when reviewing this report.

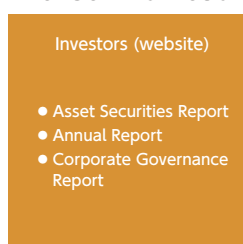
More information related to CSR at the Mitsubishi Electric Group is published on our website

CSR

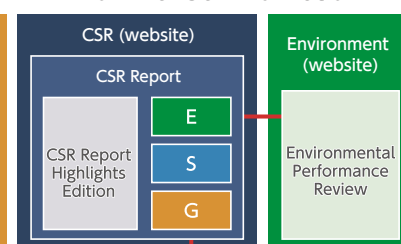
Environment

Company

Financial Information



Non-financial Information



Overview of CSR-related information disclosure

Corporate Strategy

The Mitsubishi Electric Group has positioned corporate social responsibility (CSR) as a pillar of its corporate management, based on its Corporate Mission and Seven Guiding Principles. Accordingly, the Group has made committed efforts to become a corporation whose actions are rated highly through its initiatives toward solving social challenges. In other words, we aim to become a corporation that is trusted by its stakeholders, including society, customers, shareholders, and employees, and that earns their satisfaction through its business practices.

The Group has taken on the challenge of resolving diversifying social challenges including environmental issues and resource and energy issues through its products, systems and services. In doing so, it promotes initiatives to create values, such as simultaneous achievement of “sustainability,” and “safety, security, and comfort.” In these ways, the Mitsubishi Electric Group pursues the sustainable growth of the entire Group.

《Strategy》

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

*Business foundation fostered over the past 100 years: connection with customers, technologies, personnel, products, corporate culture, etc.

Corporate
Mission

**The Mitsubishi Electric Group will continually improve its technologies
and services by applying creativity to all aspects of its business.
By doing so, we enhance the quality of life in our society.**

Initiatives to
Create Value

**Provide integrated solutions
uniting all the capabilities inside and outside of the Group**

Transforming business models

**Enhance the 100-year business foundation × Strengthen all forms of collaboration
= Evolution of Technology Synergies and Business Synergies**

Social
Challenges

Mobility

Zero traffic accidents
Eliminate regional disparities
Improve QOL* of mobility impaired people
Comfortable transport
Eliminate traffic congestion
Reduce air pollution
Build communities
Prevent global warming
Measures for deteriorating infrastructure
Clean water
Industry and technological innovation
Prepare for natural disasters
Eliminate poverty/ inequalities
Prepare for man-made threats

Life

Enrich leisure time
Comfortable life
Health
Equal opportunity for education and training
Preserve the ecosystem
Avoid water shortage/ food shortage
etc.

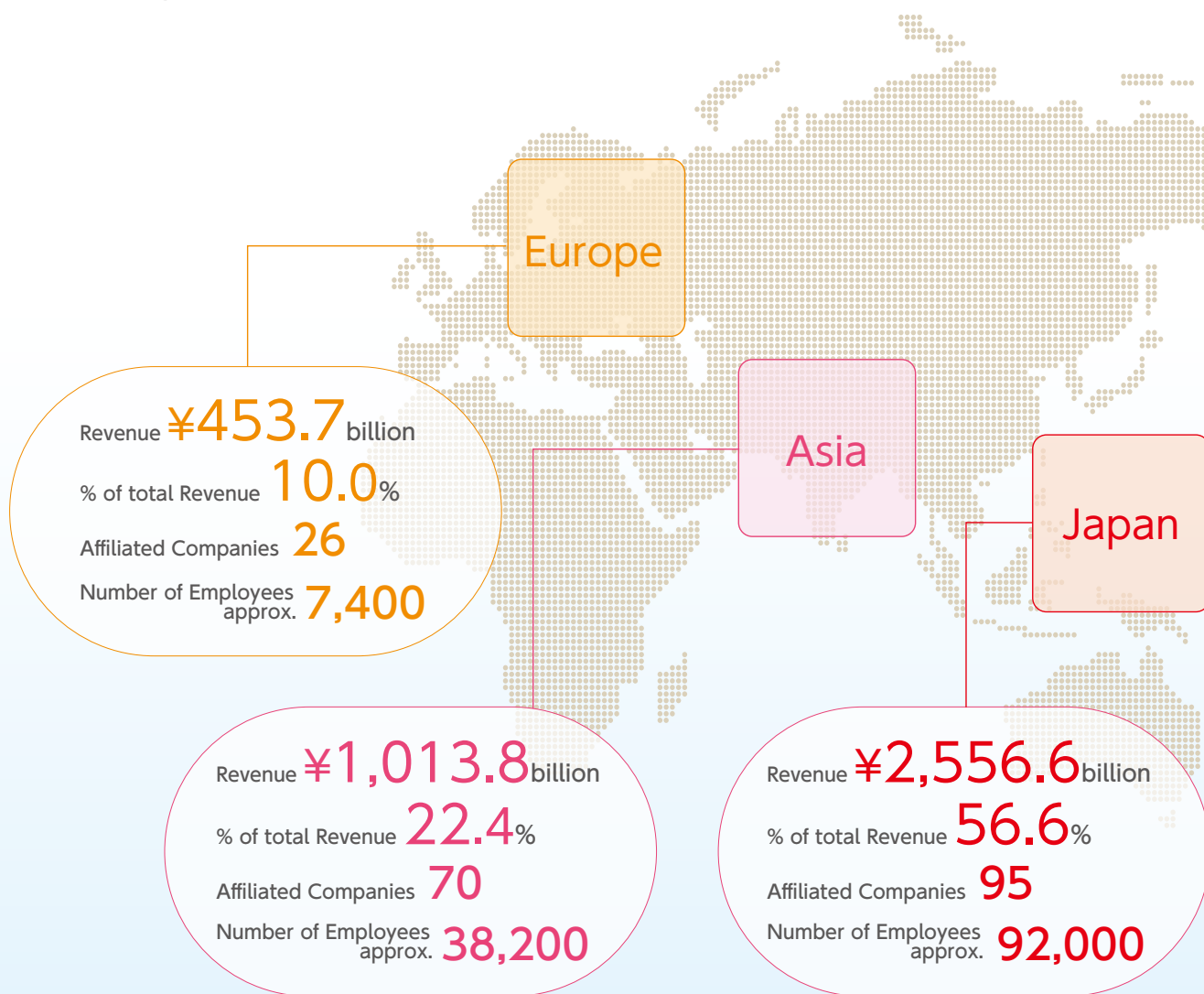
Infrastructure

Sustainable society

Industry

*QOL: Quality of Life

Global Operations



Corporate Data (As of March 31, 2019)

Mitsubishi Electric Corporation

Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan

President & CEO : Takeshi Sugiyama

Phone : +81 (3) 3218-2111

Established : January 15, 1921

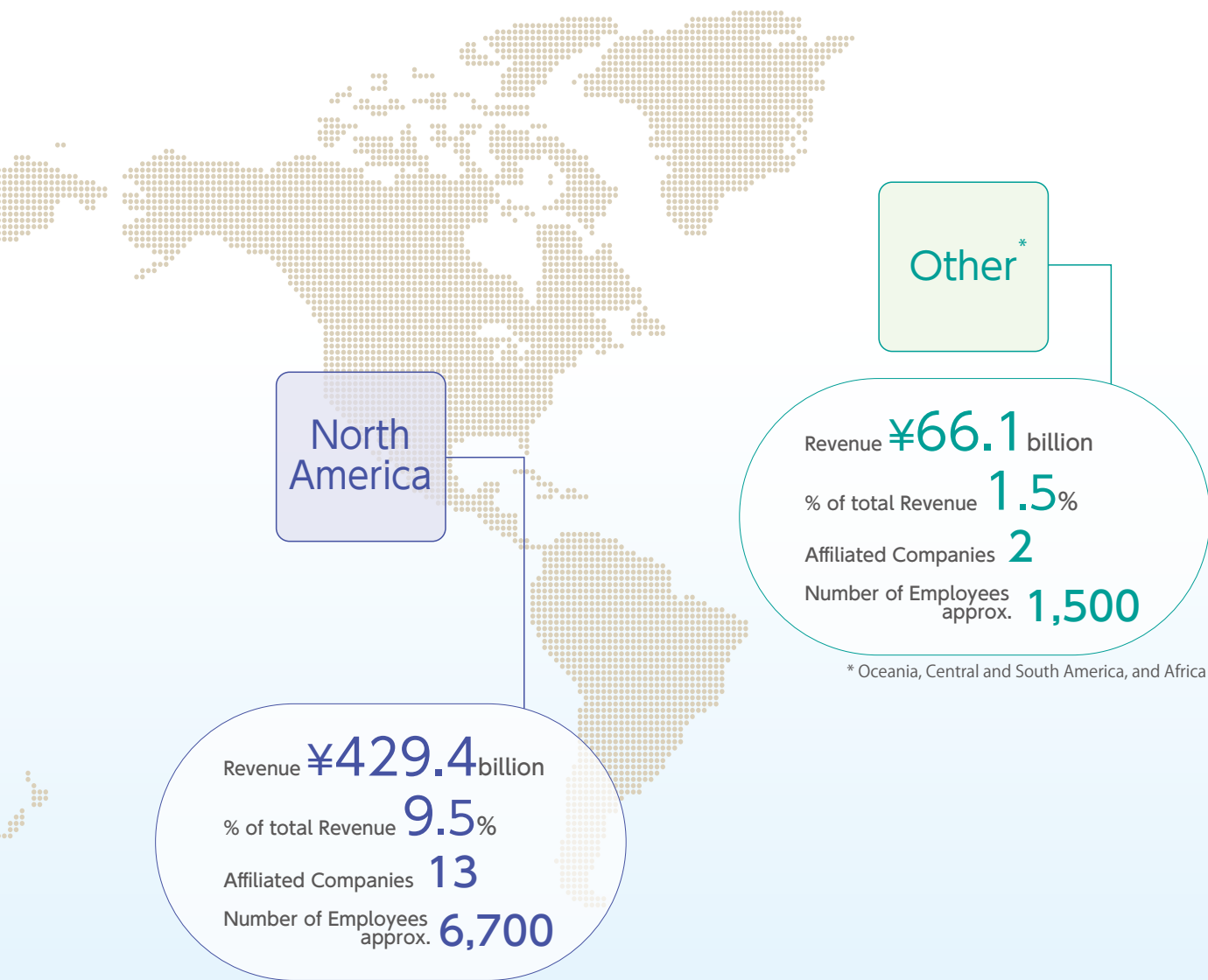
Paid-in Capital : ¥175,820 million

Shares Issued : 2,147,201,551 shares

Consolidated Revenue : ¥4,519,921 million

Consolidated Total Assets : ¥4,356,211 million

Employees : 145,817

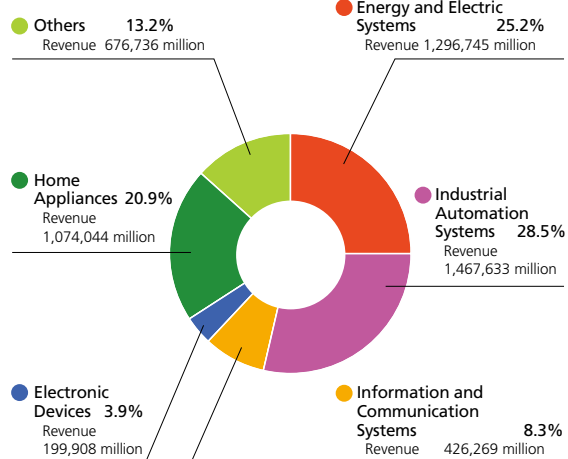


Financial Results

Performance for the Year Ended March 31, 2019

	Yen (millions)		U.S. dollars (thousands)
	2018	2019	2019
Revenue	¥4,444,424	¥4,519,921	\$40,720,009
Operating profit	327,444	290,477	2,616,910
Net profit attributable to Mitsubishi Electric Corp. stockholders	255,755	226,648	2,041,874
Total assets	4,305,580	4,356,211	39,245,144
Bonds and borrowings	311,950	298,438	2,688,631
Mitsubishi Electric Corp. stockholders' equity	2,294,174	2,399,946	21,621,135
Capital expenditure (Based on the recognized value of property, plant and equipment)	181,513	198,442	1,787,766
R&D expenditures	210,308	212,794	1,917,063
Per Share Amounts			
Earnings per share attributable to Mitsubishi Electric Corp. stockholders			
Basic	¥119.19	¥105.65	\$0.952
Diluted	119.19	105.65	0.952
Cash dividends declared	40	40	0.360
Statistical Information			
Operating profit ratio	7.4%	6.4%	—
Return on equity (ROE)	11.7	9.7	—
Bonds and borrowings to total assets	7.2	6.9	—

Revenue Breakdown by Business Segment

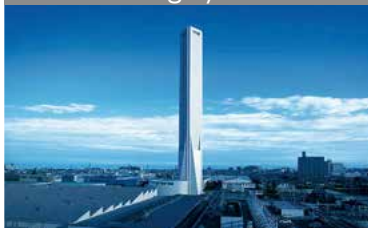


Note: Inter-segment sales are included in the amounts of the diagram above.

1 The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) from the year ended March 31, 2019 and also for the fiscal year ended March 31, 2018 as comparative information.
 2 R&D expenditures include elements spent on quality improvements which constitute manufacturing costs.
 3 Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders, as no dilutive securities existed.
 4 U.S. dollar amounts are translated from yen at the rate of ¥111= U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2019.

Mitsubishi Electric's Business Segments

Building Systems



Providing safe and smooth vertical movement and building systems solutions that are environmentally friendly, secure, comfortable, and efficient

Over a million Mitsubishi Electric elevators and escalators are in operation in over 90 countries around the world, contributing to the safe and comfortable vertical movement of many people. What is more, by providing efficient control and management of building systems such as air conditioning and lighting, as well as the linking of security systems and various business systems, we offer building systems solutions that are environmentally friendly, secure, comfortable, and efficient.

Main products	■ Elevators	■ Escalators	■ Building management systems
	■ Building security systems		

Factory Automation Systems



Underpinning manufacturing in the world as a leading FA supplier

We are one of the major FA suppliers in the world underpinning manufacturing by developing and providing a wide range of FA products including PLCs and laser processing machines. We propose "e-F@ctory" which offer solutions to reduce total cost of development, production, and maintenance and to support advanced manufacturing by utilizing FA technologies and IT technologies.

Main products	■ Programmable Logic Controllers(PLCs)	■ Circuit breakers	■ Servo systems
	■ Industrial robots	■ Laser processing machines	■ Energy-saving support systems

Public Systems



Supporting a better tomorrow with cutting edge technologies at work in our everyday life

Our solutions cover a number of fields that underpin our everyday life, including advanced social infrastructure and public facilities and services. We enhance quality of living by creating solutions that are truly needed by society — everything from water environment systems, to solutions for making society safer and more secure, to providing video entertainment.

Main products	■ Water treatment technologies	■ Aircraft management systems
	■ Large screen video systems	■ Disaster information systems

Energy Systems



Building power infrastructure across the entire energy value chain as one of Japan's foremost suppliers

Energy systems represent a core strength that we have engaged in since our founding. We have contributed greatly to the development of power infrastructure around the world in all phases of the energy value chain, from generation and transmission to distribution. As demand grows for clean energy, we are actively developing new energy businesses related to smart grids and other fields.

Main products	■ Turbine generators	■ Protection and control systems	■ Vacuum breakers
	■ Transformers	■ Substation systems	■ Grid stabilization systems
	■ Photovoltaic systems	■ Power conversion systems	■ Superconductor-applied products

Transportation Systems



A leader in railway solutions providing a full range of equipment and systems for rolling stock

We developed an unrivaled level of technical prowess from our involvement in the development of rolling stock and on ground systems for all of Japan's Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy efficiency. Our products have already been adopted by more than 30 countries around the world. Our goal is to support comfortable rail services in Japan and abroad that are both safe and energy efficient.

Main products	■ Propulsion systems	■ Air conditioning systems for rolling stock
	■ Rolling stock information management systems	■ Electricity control systems
	■ Train vision	■ Transportation planning and control systems

Automotive Equipment



Contributing to the advancements in motorization with a broad lineup of products

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

Main products	■ Charging & Starting products	■ Electric power steering system products
	■ Engine management products	■ Car multimedia products
	■ ADAS products	■ Electrification components

Space Systems



Cutting edge technologies at work across the vast business fields in the space industry

We have participated in the development of more than 500 satellites in various countries around the world. We are able to conduct all aspects of satellite development in-house, including design, production, and testing using our test facilities that can reproduce the environment in space. We are also a world leader in large telescopes, too, having been involved with the Subaru Telescope in Hawaii and the ALMA Telescope in Chile.

Main products	■ Satellites	■ Large telescopes	■ Onboard satellite equipment
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Information & Communication Systems



Making communications easier and more convenient with technologies that "send" information

We supply products for optical communication systems that enable high-speed transfers of content-rich data, such as HD videos, over the Internet using existing communications infrastructure. Through this business line, we are helping to make society a better place with an assortment of solutions, including video surveillance systems that make society safer and more secure as well as wireless communication systems for smart meters that optimize energy usage.

Main products	■ Optical communication systems	■ Wireless communication systems
	■ Video surveillance systems	

Semiconductors & Devices



Providing key devices underpinning a more affluent society, harnessing cutting edge technologies

We supply semiconductors and devices that make our lives more affluent as key devices in equipment used in a wide range of fields, from home electronics to space. In particular, power semiconductor devices are used in a truly wide range of fields, including home products, industrial equipment, electric vehicles, power control systems for traction, motor control systems, wind turbines, and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

Main products	■ Power semiconductor modules	■ Optical devices
	■ High frequency devices	■ TFT-LCD modules

Air Conditioning Systems



Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

We provide not only in Japan but around the world with a broad range of highly energy-efficient air conditioning systems created with comfortable indoor environments in mind, from the Kirigamine brand of room air conditioners to air conditioner systems for stores, offices and other buildings. At the same time, we also supply a number of low-temperature products and systems for use in areas from distribution to industry, including cool warehouses and cold storage, as well as ice makers, dehumidifiers and other equipment for warehouses, food processing plants and ice skating rinks.

Main products	■ Room air conditioners	■ Commercial air conditioners
	■ Low-temperature systems, water heaters, and industrial cooling and heating systems	

Home Products



Making the lives of our customers more comfortable

We supply an assortment of home electronics for the kitchen, living room, bedroom, and other locations. We will continue to make the lives of customers more comfortable by supplying products that meet and exceed customer expectations.

Main products	■ LCD TVs	■ Refrigerators and freezers	■ Vacuum cleaners	■ Jar rice cookers
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IT Solutions



Providing IT solutions to make all aspects of our life more convenient, comfortable, and advanced

We deliver security technologies including encryption, IoT technologies, and cloud computing platforms to financial institutions, manufacturing plants, social infrastructure (transportation providers, airlines, airports, the power industry), developers, and others. In the process, our IT solutions underpin a more affluent life and society for all.

Main products	■ Automated radar terminal systems	■ Flight information systems
	■ Large-scale network systems	■ Large-scale security systems

President's Message



We will Contribute to Enhancing
Quality of Life in our Society and
Achieving Sustainable Growth

Enhancing quality of life in our society through corporate activities

Since our inception, we, the Mitsubishi Electric Group, have been contributing to society primarily by offering products and services. Today's society is different; the pace of change continues to accelerate and social issues such as labor, human rights, and environmental issues including climate change and marine plastics, are coming to the fore. We must draw strength from parties inside and outside our group to help resolve these issues through the various products, technologies, and services we produce. This gives us a reason to exist and defines our role in achieving the Corporate Mission, "Enhance the quality of life in our society."

People's focus on values has shifted to sustainability and the environment, leading to formulation of the globally standardized goals called the Sustainable Development Goals (SDGs)*. From this we feel heightened expectations for companies to help resolve social issues, and to maintain the trust of various stakeholders, the Mitsubishi Electric Group too must satisfy the expectations of society.

This determination led us to sign the UN Global Compact in May 2018 to promote CSR activities that align with the international standard. Also, as our long-term approach to environmental issues, we have developed Environmental Sustainability Vision 2050 and announced our commitment "Protect the air, land, and water with our hearts and technologies to sustain a better future for all." The Group will also follow recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We will do so because we support the underlying concept behind the SDGs: "leave no-one behind." To realize a society that is simultaneously "sustainable" and "safe, secure, and comfortable," we are committed to delivering satisfaction to all parties related to us,

including society, customers, shareholders, and employees, while at the same time nurturing sound growth.

* The Sustainable Development Goals (SDGs) comprise a set of targets adopted by the U.N. General Assembly in 2015 as part of an action plan to be accomplished by 2030 that would end poverty, protect the planet and ensure prosperity for all.

Initiatives to address the SDGs

The Mitsubishi Electric Group will contribute to meeting the 17 SDGs through all corporate activities. In particular, we will focus on Goal 7: Affordable and clean energy; Goal 11: Sustainable cities and communities; and Goal 13: Climate action. These are the goals that most closely align with the strengths of an integrated electronics and electrical manufacturer, and we will address them by generating value through technological and business synergies. Note that these three goals relate to the first two of our CSR materialities: "realize a sustainable society" and "provide safety, security, and comfort."

In the area of energy, it is necessary to make the most of electricity from solar or wind power generation and use it as a basic local electric power source. In this light, we will supply devices to stabilize power grid capabilities and allow flexible energy use. We will also enhance AI-enabled data analysis techniques to improve generation efficiency. Meanwhile, reduction of CO2 emissions will be promoted so that when people use our products, they are contributing to our anti-climate change strategies.

In terms of city development, our contributions center on the Group's social infrastructure business. For example, our Doppler Lidar that measures wind velocity and direction around an airport is sold globally, helping aircraft to take off and land safely. As for disaster preparation, we are working toward practical products that help to prevent or reduce coastal disasters. Examples include an

image-based water level measurement system that monitors river levels using cameras to detect floods caused by rainfall, and Tsunami radar monitoring support technologies. Although it is impossible to completely prevent disasters from happening, we believe we can use products and technologies to predict them and minimize damage.

Consistently promoting CSR materiality

The third CSR materiality of "Respect human rights and promote active participation of diverse human resources" is also crucial. In 2017, we formulated the Mitsubishi Electric Group Human Rights Policy and have been enforcing it strictly. Going forward, not only within the Group but also the entire supply chain, it is necessary to check for any human rights violations in our manufacturing process.

We will continue to actively hire women and non-Japanese natives, embracing "active participation of diverse human resources" in the real sense instead of simply compensating for human resource shortages. As we expand our business globally, it is particularly important to give local hires an opportunity to play active and leading roles. Therefore, we have training programs and upgrade paths in place so that our human resources, regardless of where they are hired, will learn the corporate culture of the Mitsubishi Electric Group and play an active role.

Also enjoying emphasis is "Work Style Reforms." In the past, there were occupational injuries caused by working excessive overtime, and we are deeply sorry that these were allowed to occur. That should never happen again. Although we have made progress in reducing working hours, we still have not seemed to improve work efficiency or quality in the real sense. In fiscal 2020, we will further promote a flexible work style by taking advantage of IT tools and the work-from-home system, and accelerate the rollout of best practice. By doing so, we will change the quality of work itself and drive "real" work style reform that encourages everyone to work with spirit.



The fourth CSR materiality of "Strengthen corporate governance and compliance on a continuous basis" is the essence of a company. In the area of corporate governance, venues have been established for supplying information to and exchanging views with Outside Directors, and the Board's performance has been constantly reviewed to further improve the Board of Directors' capacity to supervise management. We discuss with Outside Directors on specific themes that the Mitsubishi Electric Group must focus on, including company-wide issues such as growth strategies and individual business strategies. Outside Directors provide valuable opinions through their diverse knowledge and experience.

In 2018, we discovered that one of our Group companies shipped products that did not meet the specifications required by the agreement signed with its customer. We are taking this matter seriously, recognizing that our strenuous efforts toward instilling ethics and compliance had not penetrated deeply enough. We will continue our endeavors to embed these measures throughout the entire organization, including through top-down messages. There also appears to have been a check function problem resulting in the failure to detect the incident. This requires work to prevent the same problem from recurring.

Aiming for sustainable growth together with our employees

The fundamental management policy of the Mitsubishi Electric Group is Balanced Corporate Management. Trying to find this "balance" in finance alone is, however, insufficient. Assuming our financial figures are the "height and weight" and our corporate social responsibility is the "personality" of our company, we must accept that society judges us on both of these aspects. While profit generation, tax payment, and employment creation are essential parts of a company's operations, it must understand that building corporate value requires both social contribution and corporate financial growth simultaneously. Companies therefore must achieve sustainable growth by addressing social issues as well.

Our efforts to "Enhance the quality of life in our society" as a whole, as laid out in the Corporate Mission, are supported by individual employees. If a company is to address social issues, it is imperative that these employees first understand the social issues. Once they can seriously explore ways to resolve these issues, they are in a far better position to innovate and drive new business. Meanwhile, in addition to tackling social issues at work, I would encourage them to help local communities resolve issues through volunteer activities.

Mitsubishi Electric will celebrate its 100th anniversary in fiscal 2021. I view this fiscal 2020 as a prime year to plan the direction of our company and what kind of company I want it to be for the next year and onward. I will share my ideas with employees as soon as I finalize them. To support our employees in improving themselves and working enthusiastically with a vision, I will foster a corporate culture that respects people, bring together all group capabilities, and walk with employees toward sustainable growth through solving social issues.

T. Sugiyama

Takeshi Sugiyama
President & CEO

Initiatives to Create Value

The Mitsubishi Electric Group has taken on the challenge of resolving diversifying social challenges including environmental issues and resource and energy issues through its products, systems and services. In doing so, it promotes initiatives to create values, such as simultaneous achievement of "sustainability," and "safety, security, and comfort." In these ways, the Mitsubishi Electric

Mission

Corporate Mission

The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, enhance the quality of life in our society. To this end, all member of the Group will pursue the following Seven Guiding Principles.

Seven Guiding Principles

1. Trust

Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

2. Quality

Provide the best products and services with unsurpassed quality

3. Technology

Pioneer new markets by promoting research and development, and fostering technological innovation.

4. Citizenship

As a global player, contribution to the development of communities and society as a whole.

5. Ethics and compliance

In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

6. Environment

Respect nature, and strive to protect and improve the global environment.

7. Growth

Assure fair earnings to build a foundation for future growth.

Management Policy, Strength

Balanced Corporate Management



Pursue the Satisfaction of the Four Stakeholder Categories

Social Contributions	Excellent Products and Services	Increase Corporate Value	Rewarding Workplace
Society	Customer	Shareholder	Employee

Strive for Continuous Innovation

Always improving. Always delivering new value.

Toward a Higher Level of Growth

Growth Targets for FY2021	Management Targets to be Continuously and Stably Achieved
- Revenue...5 trillion JPY or more - OPM...8% or more	- ROE...10% or more - Debt Ratio...15% or less

Strength of the Mitsubishi Electric Group

- A wide range of technological assets such as controls and power electronics
- Activities in diverse businesses with different business features
- "Kaizen" (improvement) culture taking root in every field, including production, quality management, sales, services, etc.

Group pursues the sustainable growth of the entire Group.

Meanwhile, by pursuing sustainable growth of the Group through all its corporate activities including initiatives to create value, the Group will also contribute to achieving the SDGs, common global goals.

Contribute through all corporate activities



Initiatives That Support Business



Environment
Social Governance

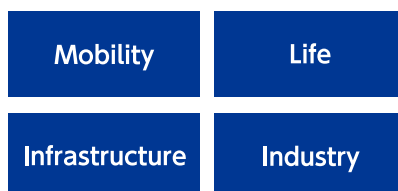


Contribute through value creation

Focusing on the SDGs



The four fields



Initiatives to Create Value

Provide integrated solutions
uniting all the capabilities inside
and outside of the Group

Transforming business models

Enhance the 100-year business
foundation × Strengthen all forms of
collaboration = Evolution of Technology
Synergies and Business Synergies

CSR Materiality



Respect human rights and
promote the active
participation of diverse
human resources



Realize a
sustainable society



Strengthen corporate
governance and
compliance on
a continuous basis



Provide safety, security,
and comfort

SUSTAINABLE
DEVELOPMENT
GOALS

Society 5.0
— 社会と調和する未来 —

Sustainable
Growth

Diversifying social challenges

Initiatives that Contribute to Addressing Social Issues

Business Group Headquarters	Social Issues for Which Risks and Opportunities Have Been Recognized and Evaluated	Focusing on the SDGs
Public Utility Systems Group	• Appropriate use of water • Optimal use of energy • Addressing climate change • Measures against air, water, and soil pollution • Waste reduction/management	    
Energy & Industrial Systems Group	• Optimal use of energy • Introduction of clean energy • Sustainable use and development of resources • Proper management of chemical substances • Addressing climate change • Measures against air, water, and soil pollution	    
Building Systems Group	• Optimal use of energy • Development and dissemination of innovative infrastructure • Development of safe, secure, comfortable and sustainable cities • Waste reduction	   
Electronic Systems Group	• Optimal use of energy • Introduction of clean energy • Creating secure, safe and comfortable sustainable cities • Addressing climate change • Prevention of deforestation	 
Communication Systems Group	• Sustainable use and development of resources • Waste reduction and management • Addressing climate change	    
Living Environment & Digital Media Equipment Group	• Optimal use of energy • Introduction of clean energy • Development of safe, secure, comfortable and sustainable cities • Sustainable use and development of resources • Proper management of chemical substances • Addressing climate change	   
Factory Automation Systems Group	• Sustainable use and development of resources • Proper management of chemical substances • Addressing climate change • Measures against air, water, and soil pollution • Addressing the declining labor force population	   
Automotive Equipment Group	• Improvement in health and welfare • Development and dissemination of innovative infrastructure • Development of safe, secure, comfortable and sustainable cities • Proper management of chemical substances • Addressing climate change	    
Semiconductor & Device Group	• Appropriate use of water • Proper management of chemical substances • Addressing climate change • Preservation of biodiversity	   
Information Systems & Network Service Group	• Optimal use of energy • Introduction of clean energy • Waste reduction and management • Sustainable use and development of resources • Addressing climate change	    

Initiatives that Contribute to Addressing Social Issues

- Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
 - Smaller, Lighter Railcar Air Conditioner Units
 - Supporting Effective Utilization of the Regenerative Electricity by Station Energy-Saving Inverter (S-EIV)
 - Reducing Power Consumption and Weight of Diamond Vision™
 - Understanding Disaster Situations Properly through Helicopter Direct Satellite Communication System and Supporting Swift Rescue Activities
 - Highly Efficient, More Compact Ozone Generator
 - Development of Water Treatment Technology that Uses a Membrane Bioreactor
- Development of Indirect Hydrogen-Cooled Turbine Generators that Reduce Environmental Impact
 - Development and Dissemination of Switchgear that Reduces Environmental Impact
 - Development of Transformers that Reduce Environmental Impact
 - Power Electronics Systems for Electric Power, Smart Meter Systems, Battery Energy Storage Systems and Smart Medium- and Low-Voltage Direct Current Distribution Network Systems Essential for Smart Grids and Virtual Power Plant (VPP) Systems
 - Reduced Environmental Impact Monitoring and Control System
 - Module-type Automatic Voltage Regulator (AVR) that Reduces Environmental Impact
- Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators
 - Pursuing Greater Energy-Savings and Safety in Escalators
 - Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
 - Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
 - Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security Systems
 - Supporting Energy Savings and Comfort for Variety of Buildings Through Building Facilities Operations Systems
 - Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions
- Contributing to World-Leading Global Environment Observation
 - Contributing to Understanding Disaster Situations and Monitoring Oceans and Forests
 - Contributing to Environmental Conservation and Development of Cities Comfortable to Live in through Various Uses of Highly Precise Positioning Data
 - Contributing to Wider Use of Recycled Energy
- Promotion of More Energy-Efficient and Compact Optical Access Systems
 - Providing Equipment That Delivers Energy Management Services
 - Promoting the Reduction and Reuse of Communications Cables
 - Promoting the Development of Safe and Secure Cities through Network Cameras
- The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2019 Energy Conservation Grand Prize Presented for Room Air Conditioners, with Package Air Conditioners and Showcases Receiving Honors at the Same Time
 - MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
 - DIAMONDSOLAR® Photovoltaic System that Makes Full Use of Natural Energy
 - EcoCute that Can Be Used in Conjunction with Photovoltaic Systems
 - Recycling of Home Electrical Appliances
- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
 - Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
 - Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
- Technological Innovation of Automotive Equipment Products for Autonomous Driving
- Low-Power Consumption SiC Power Semiconductor Devices
 - Development of a 25 Gbps EML CAN for 5G Mobile Communications Base Stations
 - Expanding the Lineup of Transflective Series TFT-LCD Modules
- Using Internet Data Centers to Help Customers Reduce Environmental Impact
 - Promoting Initiatives to Realize Smart Communities

Public Utility Systems Group

Message from the Group President

Contributing to Creation of a Sustainable, Safe, Secure, Comfortable and Affluent Society by Providing Stable Rail Transportation, as well as Products, Systems and Services that Contribute to Safety, Security and the Prevention and Mitigation of Disasters

The Public Utility Systems Group manufactures a host of products, systems and services used in social infrastructure to support people's lives. We contribute to sustainable progress in society by developing and supplying products that save energy, as well as help prevent/reduce damages of disasters and treat drinking water and sewage.

In terms of efficient use of energy, we are the first company in the world to successfully produce inverters equipped with all-SiC power modules* for use in rolling stock. The power modules are helping to increase energy savings in railway operations, both in Japan and overseas. Additionally, we contribute to advancements in energy-efficient societies by manufacturing equipment and systems that promote the use of photovoltaic power generation systems and the construction of ZEBs.

Mitsubishi Electric develops and manufactures products and systems that help to prevent and mitigate natural disasters, which have been on the increase around the world in recent years. For example, by providing meteorological radar technologies and river information systems, we help municipalities supply their residents with information regarding localized heavy rainfall and flooding. Should a disaster occur, our Helicopter Direct Satellite Communication system ensures that information about the affected areas is collected, thus supporting the formulation of precise disaster measures.

Under current global circumstances, in which water shortage is an imminent problem in various regions, we are helping to purify water—a limited resource—by providing electrical products, ozone generators and other systems for use in water treatment plants.

During the production of our products, we continue to look for ways to further increase energy conservation in all processes of design, manufacturing and testing, as well as reduce the use of chemical substances.

Going forward, we will contribute to the realization of a sustainable, safe, secure, comfortable and affluent society by making full use of the wide-ranging technologies that we have developed over the years and continuing our ongoing technological development.

* As part of the project to develop this power module, research activities were outsourced to the New Energy and Industrial Development Organization (NEDO).



Kei Uruma
Senior Vice President,
Group President,
Public Utility Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Appropriate use of water
- Optimal use of energy
- Addressing climate change
- Measures against air, water, and soil pollution
- Waste reduction/management

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
- Smaller, Lighter Railcar Air Conditioner Units
- Supporting effective utilization of the regenerative electricity by Station Energy-Saving Inverter (S-EIV)
- Reducing Power Consumption and Weight of Diamond Vision™
- Understanding Disaster Situations Properly through Helicopter Direct Satellite Communication System and Supporting Swift Rescue Activities
- Highly Efficient, More Compact Ozone Generator
- Development of Water Treatment Technology that Uses a Membrane Bioreactor

Energy & Industrial Systems Group

Message from the Group President

Contributing to the Realization of a "Safe, Secure, and Comfortable Sustainable Society" by Developing High-performance Equipment and Next-generation Power Systems That Are Environmentally Friendly and Capable of Coping with Disasters, Artificial Threats and Changes in the Electric Utility Market

As a provider of a full range of equipment and systems that support power systems from power generation and conversion to transmission and distribution, the Energy & Industrial Systems Group recognizes that achieving a sustainable society is a global issue today. Based on this, we are developing high-performance equipment with the aim of eliminating or reducing the use of SF₆ gas, which has high global-warming potential. These products include high-efficiency power generators, switchgear, and transformers. We are also pushing forward with the development of monitoring and control systems, smart meter systems, and battery energy storage systems that contribute to the realization of "high-quality power distribution systems with economy and reliability." Furthermore, we are working to "optimize energy use by utilizing ICT* to realize interconnectivity" and to contribute to the realization of a "resilient energy infrastructure that operates seamlessly, even at times of emergency."

Moving forward, we are also working on the development of power stabilizing equipment and systems capable of responding to new demand. This includes promoting expansion of the nuclear power generation business based on the energy policies of each country, supply and demand management with the growing use of renewable energy, integrated management including demand control of distributed energy sources, and supply and demand management by interconnecting electric-power utility companies.

In terms of reducing the impact of our business on the environment, we will contribute to the creation of a "safe, secure, and comfortable sustainable society" through ongoing initiatives to reduce the energy used in our production and testing processes, and to ensure the strict management of chemical substances.

* ICT: Information and Communication Technology



Koichi Orito
Executive Officer,
Group President,
Energy & Industrial Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

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

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Development of Indirect Hydrogen-Cooled Turbine Generators that Reduce Environmental Impact
- Development and Dissemination of Switchgear that Reduces Environmental Impact
- Development of Transformers that Reduce Environmental Impact
- Power Electronics Systems for Electric Power, Smart Meter Systems, Battery Energy Storage Systems and Smart Medium- and Low-Voltage Direct Current Distribution Network Systems Essential for Smart Grids and Virtual Power Plant (VPP) Systems
- Reduced Environmental Impact Monitoring and Control System
- Module-type Automatic Voltage Regulator (AVR) that Reduces Environmental Impact

Building Systems Group

Message from the Group President

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

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

1. Pursuing user-friendly, eco-conscious products

- (1) Promoting the development of high-efficiency, energy-saving products and technologies, and saving resources by designing products and systems that are safe and easy to use for everybody.
- (2) Promoting the renewal of existing equipment and facilities in order to reduce power consumption and improve safety and convenience, and minimizing waste emissions by reusing parts whenever possible.
- (3) Working to reduce the energy consumed during production and testing processes, and regulating the management of chemical substances on a consistent basis at manufacturing bases in Japan and overseas.

2. Offering one-stop ZEB*1 solutions

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

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

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



Yasuyuki Ito
Senior Vice President,
Group President,
Building Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Optimal use of energy
- Development and dissemination of innovative infrastructure
- Development of safe, secure, comfortable and sustainable cities
- Waste reduction

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators
- Pursuing Greater Energy-Savings and Safety in Escalators
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security Systems
- Supporting Energy Savings and Comfort for Variety of Buildings Through Building Facilities Operations Systems
- Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions

Electronic Systems Group

Message from the Group President

Working to Solve Environmental Problems and Develop Products for Next-Generation Energy Solutions

The products of the Electronic Systems Group play a vital role in solving humankind's shared environmental problems. This is achieved by further disseminating the use of renewable energies and contributing to the creation of cities that are more comfortable to live in.

For example, we were the primary contractor for manufacturing the "IBUKI" (GOSAT) and "IBUKI-2" (GOSAT-2), which are designed to observe the concentration and distribution of greenhouse gases and monitor the emission and absorption of these gases, thereby assisting in the prevention of global warming. The DAICHI-2 Advanced Land Observing Satellite (ALOS-2) contributes to safeguarding people's lives and solving global-scale environmental problems. Additionally, the geostationary meteorological satellites Himawari-8 and Himawari-9 provide even greater observation capabilities for monitoring global warming and weather phenomena. We are also researching space-based solar power generation, a method of generating electricity from sunlight in outer space and sending the electricity back to Earth via radio waves for a stable supply of electricity 24 hours a day. Furthermore, the Michibiki Quasi-Zenith Satellite System (QZSS) composed of four satellites enables positioning information and communications even in built-up urban areas and mountainous regions. By reinforcing GPS, it helps improve positioning accuracy. Applications for various solutions including autonomous driving are expected.

Meanwhile, one of our ground-based solutions is Doppler Lidar, which can remotely measure the moving speed of dust and particulates in the atmosphere. Doppler Lidar is expected to contribute to optimal control of wind farms, thus leading to more efficient power generation and extended service life of wind turbines.

We are also working to reduce CO₂ emissions from the production of these products and enhance the efficiency of energy utilization. More specifically, most precision electronic devices are manufactured in cleanrooms and require the use of testing equipment. As such, we are introducing initiatives to improve the operation of air conditioning and testing equipment so that energy is used more efficiently.



Yoshihisa Hara
Executive Officer,
Group President,
Electronic Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Optimal use of energy
- Introduction of clean energy
- Creating secure, safe and comfortable sustainable cities
- Addressing climate change
- Prevention of deforestation

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Contributing to World-Leading Global Environment Observation
- Contributing to Understanding Disaster Situations and Observing Oceans and Forests
- Contributing to Environmental Conservation and Development of Cities Comfortable to Live in through Various Uses of Highly Precise Positioning Data
- Contributing to Wider Use of Recycled Energy

Communication Systems Group

Message from the Group President

Contributing to Solving Social Issues through High Value-Added Systems by Developing Communications and Network Camera Markets and Reducing Environmental Impact

Telecommunication network systems that incorporate optical and wireless communication technologies and network camera systems that utilize imaging technologies such as video content analysis are now key elements of the social infrastructure that is essential to our daily lives and the growth of industry. These products also contribute to solving various social issues. The Communication Systems Group is continuously refining its optical and wireless communication and imaging technologies, and utilizing artificial intelligence and other such technologies to deliver high value-added systems to customers. Our aim is to contribute to solving social issues from the following two approaches:

1. Providing products that lead to solutions for environmental problems

- (1) We are working on energy efficient designs for optical access systems used in communications infrastructure equipment and communications gateways (relays) for service providers. We will also contribute to reducing environmental impact during installation by offering network cameras that enable the reduction and reuse of communications cables.
- (2) We will contribute to the visualization of electricity by providing optical and wireless access systems used in automated meter readers for smart meters, as well as communications gateway equipment used in HEMS.* Going forward, we will propose the introduction of Mitsubishi Electric's network equipment to the field of IoT in support of improving production efficiency and reducing energy consumption at factories.

2. Promoting the development of safe and secure cities through network cameras

Against the backdrop of recent social developments, there is a rapid increase in the call for crime prevention through the detection of suspicious objects, as well as the prevention of natural disasters. Under these circumstances, we will contribute to the safety of cities where people can live with peace of mind, doing so by proposing network cameras and solutions that take full advantage of technologies such as video content analysis.

* HEMS: Home Energy Management System



Takashi Nishimura
Executive Officer,
Group President,
Communication Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Sustainable use and development of resources
- Waste reduction and management
- Addressing climate change

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Promotion of More Energy-Efficient and Compact Optical Access Systems
- Providing Equipment That Delivers Energy Management Services
- Promoting the Reduction and Reuse of Communications Cables
- Promoting the Development of Safe and Secure Cities through Network Cameras

Living Environment & Digital Media Equipment Group

Message from the Group President

Providing Products that are Helpful for Society and the Environment in Wide Areas through Creating Comfortable Living Spaces and Reducing Environmental Impact during Production

The Living Environment & Digital Media Equipment Group focuses on the air-conditioning and refrigeration systems business, one of the growth-driving sectors at Mitsubishi Electric. In addition to expanding operations in the room and package air-conditioner segment, we are pressing forward with the creation of new business and strengthening existing ones through synergies in technologies and business operations.

As we expand business, we believe it is important to provide products and services that contribute simultaneously to achieving sustainability, safety, security, and comfort. Part of this includes supplying a broad range of environment-friendly products and services for the home, office, and industry. These include air conditioners that produce less CO₂ during use and our energy-saving EcoCute product lineup. We also offer photovoltaic systems that generate renewable energy and do not produce CO₂ during power generation. Additionally, Mitsubishi Electric proposes solutions that aim to achieve energy savings by systems as a whole in support of programs such as ZEH and ZEB, promoted by the Japanese government.

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



Tadashi Matsumoto
Executive Officer,
Group President,
Living Environment & Digital
Media Equipment

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

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

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2019 Energy Conservation Grand Prize Presented for Room Air Conditioners, with Package Air Conditioners and Showcases Receiving Honors at the Same Time
- MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- DIAMONDSOLAR® Photovoltaic System that Makes Full Use of Natural Energy
- EcoCute that Can Be Used in Conjunction with Photovoltaic Systems
- Recycling of Home Electrical Appliances

Factory Automation Systems Group

Message from the Group President

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

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

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

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

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



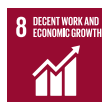
Yoshikazu Miyata
Executive Officer,
Group President,
Factory Automation Systems

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

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

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
- Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
- Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings

Automotive Equipment Group

Message from the Group President

Aiming to Achieve the SDGs through Development of Technologies that Contribute to Low Fuel Consumption and Electrification of Vehicles

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

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

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

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

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



Hiroshi Onishi
Executive Officer,
Group President,
Automotive Equipment

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Improvement in health and welfare
- Development and dissemination of innovative infrastructure
- Development of safe, secure, comfortable and sustainable cities
- Proper management of chemical substances
- Addressing climate change

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

Semiconductor & Device Group

Message from the Group President

Contributing to the Realization of a Low-Carbon Society by Providing Energy-Efficient Products

In order to achieve sustainable societies, it is imperative to use generated power while minimizing power loss in the process. Power semiconductor devices are incorporated into a number of power electronics, playing a significant role in reducing power loss. In addition, Mitsubishi Electric manufactures state-of-the-art products using silicon carbide (SiC) as a means of helping to create low-carbon societies.

The Semiconductor & Device Group provides high-performance, high-efficiency, compact high-frequency devices and optical devices for wireless communications equipment and optical fiber communications that make full use of multiple semiconductor technologies. Furthermore, by reducing the space required for communications equipment, the cooling function can be simplified, thereby contributing to comprehensive energy savings.

Industrial-use TFT color LCD modules provide a mercury-free, low-power consumption option owing to the white LED backlight used in them. We have an extensive lineup of LCD modules that are used in measuring equipment, construction and agricultural machinery, machine tools, and POS terminals.

In addition to providing these products, the Semiconductor & Device Group is working to reduce negative environmental impact during production. We are continuously and proactively reducing energy use through measures such as installing high-efficiency air conditioners in cleanrooms where high levels of cleanliness require a large amount of energy, improving wafer processing operations, and reducing the emissions of non-CO₂ greenhouse gases (SF₆, HFC, and PFC) through the introduction of detoxifying equipment.



Masamitsu Okamura
Executive Officer,
Group President,
Semiconductor & Device

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

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

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Low-Power Consumption SiC Power Semiconductor Devices
- Development of a 25 Gbps EML CAN for 5G Mobile Communications Base Stations
- Expanding the Lineup of Transflective Series TFT-LCD Modules

Information Systems & Network Service Group

Message from the Group President

Contributing to the Realization of a Low-Carbon Society Through the Promotion of Various IT Services

The Information Systems & Network Service Group is committed to enhancing customer satisfaction, helping achieve sustainable societies through solutions tailored to the management strategies and challenges of its customers, and developing solutions that contribute to solving social issues.

In recent years, we have been focusing on environmentally effective businesses, seeking to reduce environmental impact through the use of IT. Specifically, we are supporting workstyle reform and aggressively expanding our products and services that reduce environmental impact, such as those that curb power consumption through server integration and consolidation, reduce the need for business travel with video/web-conferencing systems, and promote paperless work environments through ledger computerization. Efforts for saving energy in data centers also help companies to reduce CO₂ emissions from their business activities.

Going forward, in order to achieve smarter societies, we will leverage the many component technologies and strengths of the Mitsubishi Electric Group to build next-generation information systems using the latest IT solutions, such as IoT,*¹ big data processing, and energy management systems, such as HEMS*² and FEMS.*³

*1 Internet of Things: A system to remotely control, operate, monitor, and collect information from various "things" connected via the Internet.

*2 HEMS: Home Energy Management System

*3 FEMS: Factory Energy Management System



Yutaka Ohashi
Representative Executive
Officer,
Executive Vice President,
Group President,
Information Systems &
Network Service

Social issues for which risks and opportunities have been recognized and evaluated

Major issues

- Optimal use of energy
- Introduction of clean energy
- Waste reduction and management
- Sustainable use and development of resources
- Addressing climate change

Focusing on the SDGs



Initiatives that Contribute to Addressing Social Issues

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Promoting Initiatives to Realize Smart Communities

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 CSR initiatives across the entire value chain with a focus on CSR materiality.

Initiatives on CSR Materiality across The Value Chain

Procurement

Sharing its way of thinking about procurement, the Group promotes CSR initiatives along the supply chain.

Development

In addition to thoroughly strengthening businesses and promoting development for innovation, the Group is striving to create greater value and engage in the development of future technologies.



Realize a
Sustainable Society



Provide Safety,
Security, and Comfort

◎Realization of
Environmental Vision 2021

Reduce CO₂

Contributing to realizing a
low-carbon society

◎Contribution through products and services

Obtain a consent form for the
CSR procurement guidelines
from suppliers who did not
submit in the previous fiscal
year and other targeted
suppliers for this fiscal year

◎CSR procurement
(environment, quality,
human rights,
compliance, etc.)

Ensure safety through
risk assessment

◎Product development that places top priority on safety

Make Group-wide efforts to investigate the causes of accidents
that have occurred in the past, and implement measures to prevent recurrence

◎Provision of products and services that contribute to safety

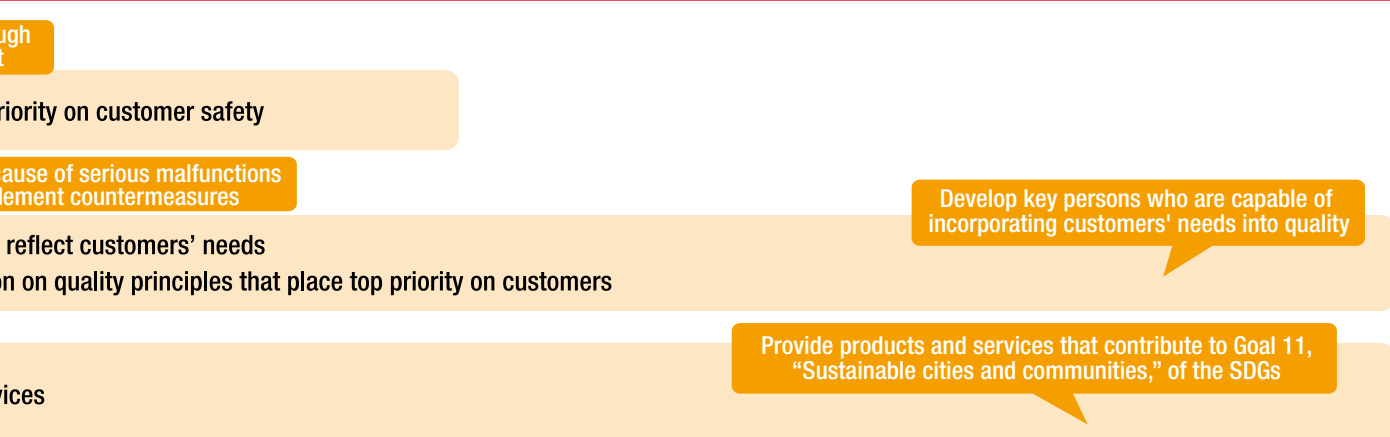
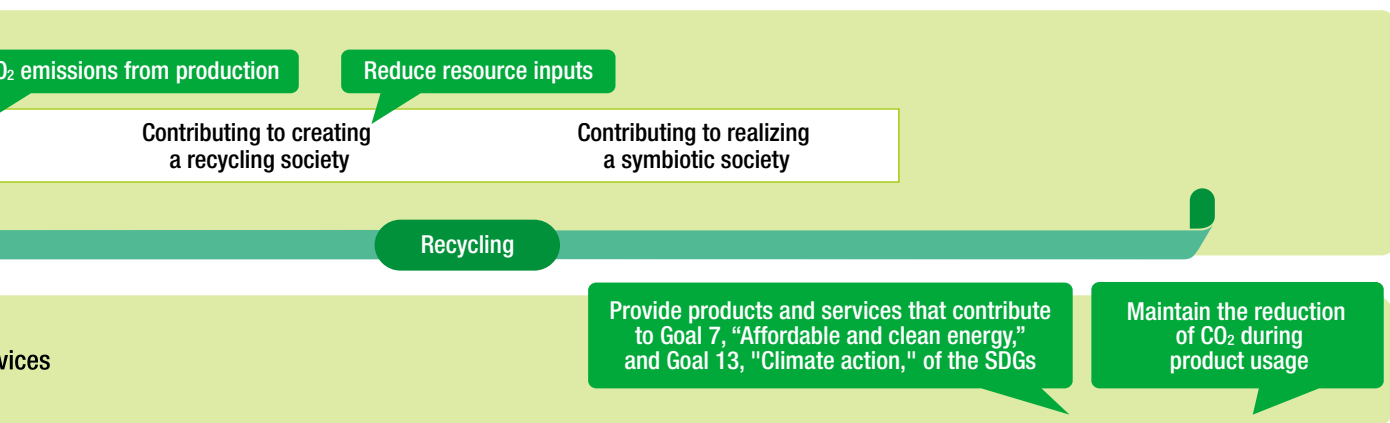
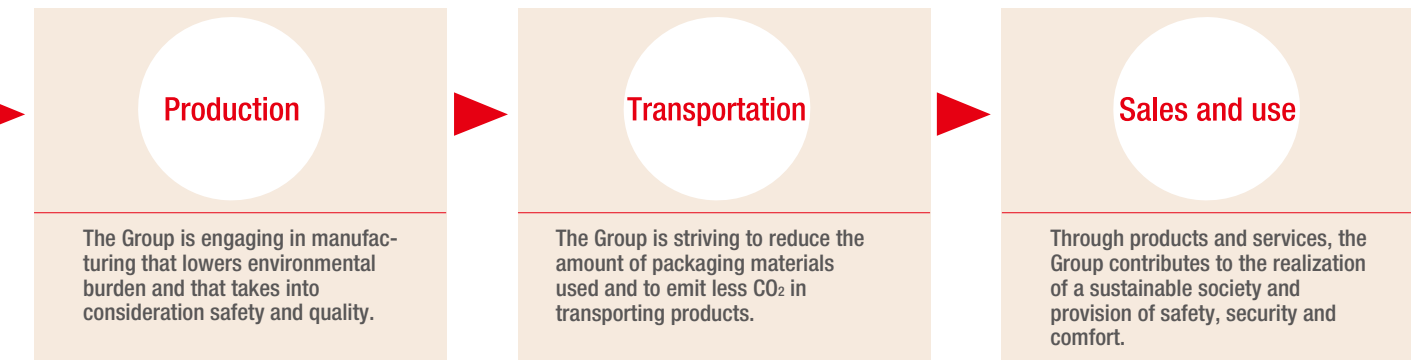
◎Continuous implementation of education and training

◎Contribution through products and services



Strengthen Corporate
Governance and
Compliance on a Continuous Basis

◎Active dialogue with stakeholders
◎Corporate management with sound oversight function
◎Compliance training on a continuous basis
◎Fair competition (prevention of antimonopoly violations)
◎Corruption prevention (prevention of bribery)



※This figure is based on CSR Materiality initiatives of Mitsubishi Electric Group in fiscal 2020

CSR Materiality

Realize a Sustainable Society



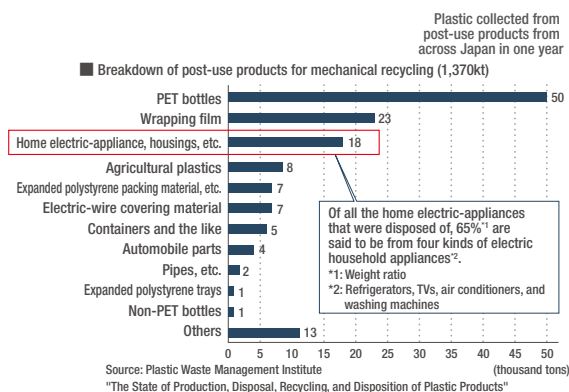
Reusing Plastic in Used Home Appliances for New Home Appliances The Mitsubishi Electric Group's "Closed-loop Recycling" Initiative

The Mitsubishi Electric Group, which aims to realize a sustainable society, has set out achieving a recycling-oriented society as one of its priority initiatives in an effort to solve environmental issues. The Group promotes the "3Rs"; reduce, reuse, and recycle, and engages in recycling of plastic in used home appliances as a business.

A heightened interest in the issue of waste plastic in Japan and overseas

Unlike natural organic matter, ocean plastic waste remains in the ocean without decomposing. As can be seen by ocean plastic receiving attention as a major cause of marine pollution, issues surrounding waste plastic have globally become more serious. Even when it is recycled, most plastic is downgraded to fuel or daily goods in many cases. Therefore, the value of used plastic as a material needs to be improved so as to use it at a higher level. In Japan, 1.37 million tons of plastic is collected from used products annually (results for fiscal 2019). Of this, 180,000 tons is plastic collected from home electric-appliances, housings, etc., accounting for a large percentage.*

* Source: Plastic Waste Management Institute



What is the Mitsubishi Electric Group's "Closed-loop Recycling" initiative?

Since 1999, which was before the enforcement of the Home Appliance Recycling Law in Japan in 2001, the Mitsubishi Electric Group has been operating the industry's first home appliance recycling plant to promote the recycling business. Since 2010, the Group has been fully implementing "closed-loop recycling," in which plastic collected from used home appliances is reused in Mitsubishi Electric's new home appliance products. In this recycling system, it is important to collect as much plastic without foreign matter as possible from products composed of diverse materials.

Hyper Cycle Systems (HCS), a home appliance recycling plant, and Green Cycle Systems (GCS), a plant which sorts plastic, play the main role in this initiative. HCS first disassembles used home appliances and then crushes them with machines. The crushed home appliances are then sent to GCS, which sorts and collects plastic.

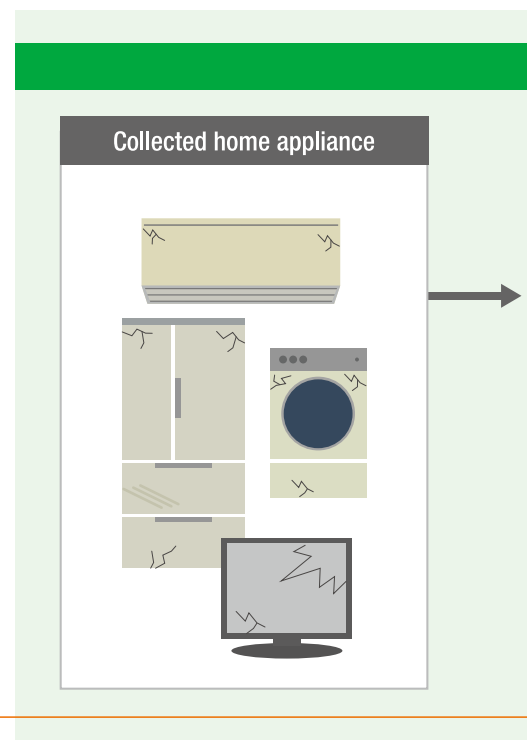
Through collaboration between HCS, GCS, and Mitsubishi Electric's plants and laboratories to reclaim plastic used in home appliances at a level of quality equal to virgin materials and which can be utilized again for new home appliances, the Mitsubishi Electric Group continues to endeavor to further improve its "closed-loop recycling" system.

Producing "Materials" for reclaimed plastic by disassembling and crushing home appliances -Initiatives at Hyper Cycle Systems (HCS)-

HCS receives nearly 800,000 units of home appliances, etc. annually. Disassembly work starts from components that are easily removable from the home appliance manually. As each product has a different specification, workers use the know-how they have accumulated to separate large components, such as motors and compressors, and toxic substances, such as CFCs and mercury, one by one. Large sections of products that cannot be disassembled manually are crushed using a grinder, and then metals, such as iron, copper, and aluminum, are isolated and recovered using magnetic forces etc. The remaining plastic after recovering metals is called "mixed plastic" as it is not composed of a single material and has various foreign matter in it. Because mixed plastic is useless in Japan, much of it has been exported.

The Mitsubishi Electric Group focused on the value of this mixed plastic. It is finely crushed to a manageable size using HCS's unique fine crushing technology so that it can easily be handled in the sophisticated sorting process, and is then sent to GCS which is responsible for the post-process in which "material" for reclaimed plastic is processed.

The vegetable containers and door pockets in a refrigerator are typical examples of simple plastic which is easily recyclable and HCS sends these through the recycling process.

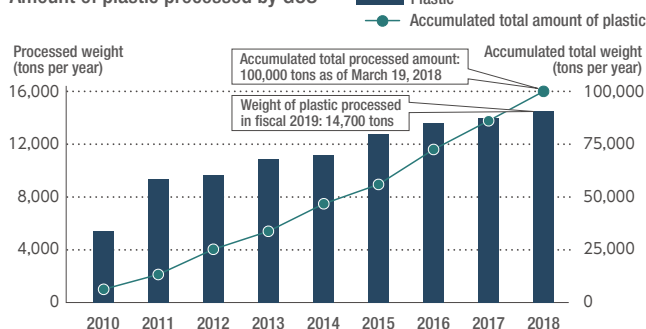


Using proprietary sorting technology to sort and recover high-purity plastic from mixed plastic -Initiatives at Green Cycle Systems (GCS)-

The mission of GCS is to remove foreign matters from procured mixed plastic, sort and recover mixed plastic by type, and produce high-purity plastic that can be put into the Mitsubishi Electric Group's closed-loop recycling system at low cost. GCS has been developing technologies required for pursuing this mission one after another in collaboration with Mitsubishi Electric's laboratories. The Mitsubishi Electric Group was the first in Japan to successfully put high-purity sorting of polypropylene (PP), polystyrene (PS), and acrylonitrile-butadiene-styrene (ABS), the three main types of plastic used in home appliances, into practical use. GCS has so far processed an accumulated total of 100,000 tons of mixed plastic. Today, almost 80% of procured mixed plastic is put into material recycling as "high-purity plastic" with the same level of quality as virgin material. Of this 30% is used for home appliances manufactured by Mitsubishi Electric, realizing closed-loop recycling. The remaining 70% of reclaimed plastic is also utilized at various

locations as material used in distribution or as construction material in Japan which requires high quality (fiscal 2019 results).

Amount of plastic processed by GCS



The Mitsubishi Electric Group's Closed-Loop Recycling of Plastic

Hyper Cycle Systems



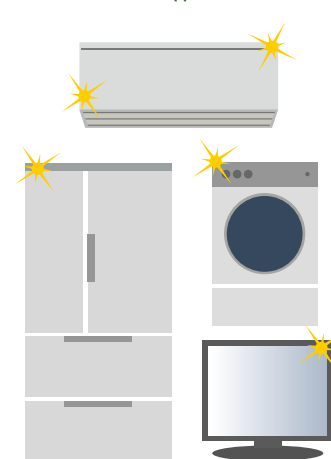
Items that require more complex sorting are sent to:

Green Cycle Systems



Closed-loop recycling system

Home appliances



VOICE (Recycling business supervisor)



Nobuyuki Tsuboi

President
Green Cycle Systems Corporation

When we first started the business, the material recycling rate of plastic was around 55%. Because improving the recovery rate while maintaining high-purity in reclaimed plastic is difficult, the Group united to review all kinds of processes and make steady improvement efforts and finally achieved the current recycling rate of 80%.

GCS's ultimate goal is to improve the value of material, put as much reclaimed material as possible into Mitsubishi Electric's new home appliances to be manufactured, thereby increasing the rate of closed-loop recycling, while reducing the cost of its home appliance products at the same time. In collaboration with Mitsubishi Electric's plants and laboratories, we will continue to expand the scale of closed-loop recycling. Replacing virgin material with recycled material is not easy as it requires changes of product design and so on. I believe that the Mitsubishi Electric Group was able to steadily undertake the transfer to making more use of recycled materials because of its clear policy which reflects how seriously the Group considers environmental issues.

CSR Materiality



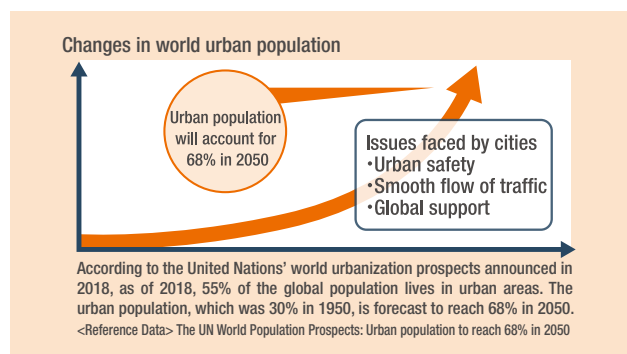
Provide Safety, Security, and Comfort

Using AI to Promote Urban Safety, Security, and Comfort

The Mitsubishi Electric Group is working to develop artificial intelligence (AI) technology and to provide solutions that take advantage of AI technology. With Mitsubishi Electric's AI technology "Maisart," the Group will provide safety, security, and comfort in city life and to the lives of people.

Issues faced by cities and AI's potential for solving such issues

In today's cities, many people gather from around the world and come and go rapidly as a result of globalization. Concentration of people in cities will continue to advance and it is predicted that traffic jams and congestion of public facilities will become even more serious. While the number of people who need support for moving around, such as the elderly, those who use strollers or wheelchairs, and foreign travelers will increase, the shortage of labor able to support such people will increase because of a decrease in labor force. Mitsubishi Electric is striving to develop solutions using AI technology so that people can move around cities smoothly and enjoy active lives.



Supporting facility users by looking over them with AI to anticipate what support they will need

-"kizkia" video analysis solution -

The "kizkia" video analysis solution detects attributes of persons or things and automatically recognizes their movements, conditions and situations by analyzing security camera footage in real-time. It gives notice of irregular situations which may require staff intervention but would otherwise been overlooked by human observers. The technology was developed by Mitsubishi Electric Information Systems Corporation, which had been working on the development by leveraging Mitsubishi Electric's proprietary AI technology in an attempt to strengthen its monitoring camera technology that it has developed through experience.

Using "kizkia" makes it possible to support, for example, persons in wheelchairs or those with guide dogs by detecting and anticipating their movements or to protect persons who are sitting for long hours or promptly notice people walking unsteadily. It can also prevent crimes or accidents by detecting suspicious persons or others entering dangerous areas.

Since it is expected that comings and goings in cities will continue to increase, Mitsubishi Electric will accelerate cooperation with facility operators, aiming to practically use the technology for public transportation and facilities.

Contributing to safety, security, and comfort with "Maisart" brand compact AI

As a result of advances in the IoT, where everything around us is connected to the Internet, we can now collect lots of data from devices. As a result, AI, which is good at handling data, has been put to more practical use. On the other hand, AI generally needs to process a large amount of data on the server and learn from it, which is very costly and requires large-scale servers and network equipment. As such, AI that can be installed on devices is needed.

In response to this issue, Mitsubishi Electric has developed a compact artificial intelligence that can easily be installed on embedded devices, such as on-board devices and FA devices, by reducing computation power used in Deep Learning. Taking advantage of its position as comprehensive electrical and electronics manufacturer producing many devices, Mitsubishi Electric will contribute to providing society with more safety, security, and comfort by applying this AI technology to devices and edge computing to create greater value.



Mitsubishi Electric's proprietary AI technology includes its compact AI. Under the corporate axiom "Original AI technology makes everything smart," Mitsubishi Electric is leveraging original AI technology and edge computing to make all products smarter and life more secure, intuitive and convenient. Maisart is an abbreviation for "Mitsubishi Electric's AI creates the State-of-the-ART in technology."

Detection of persons' attributes

Function:

Detects persons' attributes which are previously learned

Attribute:

A person with a stroller or another in a wheelchair among the people coming and going



Detection of things left unattended

Function:

Detects things that have been left unattended at the same spot for a certain period of time

Attribute:

An abandoned thing that wasn't there a minute ago



Detection of persons walking unsteadily

Function:

Analyzes movement flow lines to detect persons walking unsteadily

Attribute:

Unsteady and awkward walking that appears different from other persons walking normally



VOICE (In charge of kizkia sales)



Hironori Suzuki

Deputy Manager
Marketing Section A
Marketing Department B
Industry and Service Systems Division B
Industry and Service Systems Group
Mitsubishi Electric
Information Systems Corporation

Enabling high accuracy learning to differentiate a person with a stick from another person with an umbrella, or a person pushing a wheelchair from another person pushing a shopping cart requires various improvements. In an environment where many people come and go, detection accuracy may be reduced, for example, AI may detect unexpected movement, conditions, and situations of persons or things. In order to apply video analysis to our business, we have been creating practical AI through repeated trial and error in many demonstration experiments and introductions to the real environments, tuning according to the environmental condition, and accumulating our unique know-how for effective learning and improved detection accuracy. On the other hand, video analysis using monitoring cameras is one of the tools to protect the safety and security of public facilities. Considering appropriate operations in terms of how and to whom should detected persons or things be reported, how they should be dealt with, and so on is also very important. Accordingly, we are working to have close discussions with facility operators and make proposals that include details on the flow of operations through conducting demonstration experiments, and so on.

Though "kizkia" is currently used based on video analysis, the potential of AI's detection technology will expand to various fields such as sensors for sound and smell data. In the medium- to long-term, we will skillfully combine these areas to enable more sophisticated support and thereby contributing to providing safety and security.

CSR Materiality

Respect Human Rights and Promote the Active Participation of Diverse Human Resources



The Mitsubishi Electric Group respects the human rights of all peoples in countries and regions where it engages in business, based on a conscious awareness of its widespread interaction with people and society. It is also promoting Work Style Reforms so that a diverse range of human resources can play an active role.



Mitsuharu Kiwada

Senior General Manager
Corporate Administration Division
Mitsubishi Electric Corporation

Message from Management

The Mitsubishi Electric Group established Policies on Respect for Human Rights in September 2017 and declared its commitment to ensure human rights responses that match international norms. In particular, we are striving to implement measures to prevent and mitigate adverse impacts on human rights. To do so, we are conducting due diligence on human rights in conformance with the UN Guiding Principles on Business and Human Rights, and creating a corrective mechanism in the event it comes to light that a company's action or involvement has inflicted an adverse impact on human rights.

Human rights issues widely pertain to workers, customers, local communities and all other aspects of society, and the scope of the issues extends globally and through all supply chains. Thus, all employees need to participate in addressing them, with cooperation among all departments. Toward this end, we are working to realize a further change in employee awareness and taking measures to create a culture that respects human rights, so that each employee can recognize human rights issues as their own and take appropriate action. In fiscal 2019, employees were educated on the importance of human rights and suitable mindsets through our various human rights training (including e-learning) programs and activities such as the Mitsubishi Electric Going Up Seminar, the aim of which is to realize an inclusive society*.

We are also actively promoting Work Style Reforms to create a work environment that allows everyone to strike a balance between their work and private lives.

* Inclusive society: A society where everyone respects and accepts each other

Progress of Human Rights Due Diligence and Materiality

● Result of activities in fiscal 2019

1. Human rights impact assessment

Mitsubishi Electric assessed and evaluated the impact on human rights related to the Group's corporate activities for a total of 336 sites, including the internal Mitsubishi Electric offices, domestic affiliated companies, and overseas affiliated companies.

We also checked whether the Technical Intern Training Program has been implemented, and whether it is operating according to the law.

2. Efforts regarding human rights in the supply chain

Based on the CSR Procurement Guidelines formulated in June 2018, the procurement divisions have begun ensuring that when dealing with transaction partners, agreements are reached with regard to social issues, including human rights.

3. Human rights education

We provided an e-learning program to 71,588 employees of Mitsubishi Electric and domestic affiliated companies. In addition to the human rights impact assessment, we conducted human rights education for employees involved in CSR at Mitsubishi Electric offices and at domestic affiliated companies.

● Approaches for fiscal 2020

1. Implement human rights risk reduction measures within the Mitsubishi Electric Group

To ensure that the risks highlighted in the fiscal 2019 human rights impact assessment do not lead to problems, we are continuing to reinforce our efforts through human rights education, etc.

2. Human rights efforts in supply chain

Ensure that measures that started in fiscal 2019 to consider social issues, such as human rights, in agreements concluded with suppliers, will continue. In addition, we will continue to promote efforts to fully understand human rights violation risks by suppliers.

3. Consider upgrading the system for handling grievances

The Mitsubishi Electric Group has multiple inquiry channels that serve as a system for listening to various grievances and questions related to human rights. We aim to raise the performance of these channels to meet international standards.

Creating a Working Environment where Work-Life Balance can be Achieved by Everyone through Work Style Reforms

Since fiscal 2017, Mitsubishi Electric promotes a "Work Style Reforms" as a management policy, and strives to create a working environment where work-life balance can be achieved by everyone by "creating a corporate culture that places even greater emphasis on achievements and efficiency"

and "reforming employees' attitudes toward work." In these Work Style Reforms, each department, organization and office implements specific measures based on the following four perspectives.

Four perspectives on Work Style Reforms

Improvement of productivity by streamlining operations

- Thorough elimination of waste based on the principles of JIT Kaizen activities (reduction of conferences, documents and travel time, review of operational processes, etc.)
- Increased utilization of IT for operational efficiency

Further pursuit of achievements and efficiency

- Establishment of an awareness to produce results within a limited amount of time
- Development of a scheme to evaluate productivity and efficiency, and strengthening the implementation of proper evaluation

Work-life fulfillment

- Sharing the awareness that a "fulfilling life" and "rewarding work" are closely related
- Applying the knowledge and mental/physical health that are gained through having a fulfilling life to achieving a rewarding work experience

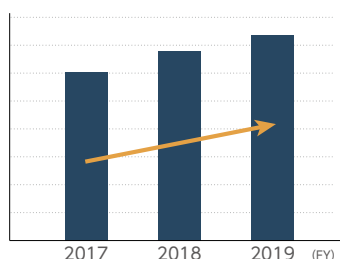
Promotion of communication in the workplace

- Sharing the status of operations in the workplace through daily greetings and communication
- Promotion of work-load alleviation through mutual cooperation between individuals and departments, as well as reviews of work allocation

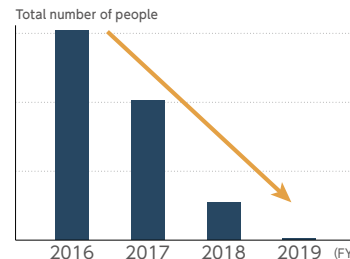
*JIT (Just in Time): Work process improvement activity in which all employees eliminate operational inefficiencies to improve the quality of all work processes.

Outcomes of the Work Style Reforms

Three years have passed since the Work Style Reforms began in fiscal 2017. Through driving the reforms based on the four perspectives, the percentage of employees who experienced changes in their work style increased and working hours fell sharply. These reforms, therefore, have produced positive outcomes.



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



Changes in the number of employees who worked more than 80 hours of overtime a month

TOPICS

● Examples of Work Style Reforms in the Office

More and more employees are feeling that their work style has changed. For example, using laptops in meetings is now an everyday sight. We will continue to foster enhancements in the corporate culture and environment so that all employees can feel the change. Yet Work Style Reforms extends beyond just improving operational efficiency. To achieve the reform goal of "creating a workplace environment in which everyone can maintain physical and psychological health and work in good spirits," we aim to develop a company where every single employee is always aware of the value of improving their work and finds their work fulfilling.

1. Developing an IT environment
2. Simplifying and reducing company-wide documents
3. Promoting indirect JIT Kaizen activities

● President's Forum

To accelerate the promotion of office Work Style Reforms, the "President's Forum" meeting began in February 2017 as a president-employee conversation opportunity. The president explains to employees the objective and focus of actions surrounding Work Style Reforms, which is a key management policy, and accepts a wide range of inputs from employees such as issues they face in promoting the reforms and opinions and requests on corporate matters. The president will incorporate these inputs to develop more effective measures.



President's Forum in 2018

CSR Materiality



Strengthen Corporate Governance and Compliance on a Continuous Basis

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the company is responsive to the expectations of customers, shareholders, and all of its stakeholders. Additionally, the Mitsubishi Electric Group recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group's continued existence. Based on this understanding, ongoing efforts are being made to strengthen initiatives related to anti-trust laws, the prevention of corrupt practices and supply chain management, as priority action items.



Shinji Harada

Executive Officer
Mitsubishi Electric Corporation

Corporate Governance

Message from Management

In recent years corporate governance in Japan has garnered strong attention, to the point that strengthening and enhancing the efficiency of corporate governance has become a priority issue for all companies.

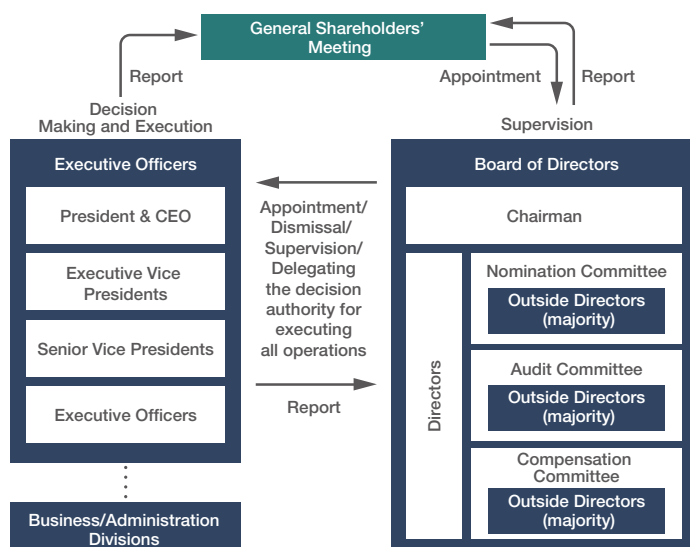
Mitsubishi Electric has adopted Three-committee System, with the separation of the management supervisory functions from the execution of business being one of its core principles. Based on this principle, the Chairman, who oversees the management supervisory functions, is separate from the President & CEO, who is head of all Executive Officers, and neither included among the members of Nomination or Compensation committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

Additionally, Mitsubishi Electric works to continuously strengthen its corporate governance, as stated in the CSR Materiality. To further enhance the Board of Director's management supervisory function, venues were established for supplying information to, and exchanging views with, Outside Directors, in FY2016. Such information-sharing and exchanges continued through FY2019 to provide them with more timely and pertinent information.

Additionally, in order to further enhance the functioning of the Board of Directors, the Board meetings are reviewed on an annual basis, which was also held again in FY2019. As a result of the Board of Directors review, the Board of Directors was evaluated as making ongoing and effective improvements in response to the results of annual reviews, and achieving even better results every time with respect to sharing timely and appropriate management information with Executive Officers, which is essential for the Board to properly fulfill its business supervisory function.

This evaluation in effect endorses the performance of the Board of Directors, but going forward further efforts will be made to improve the performance of the Board of Directors by enhancing the opportunities for exchanging opinions between the supervisory side and executive side and improving the management of the Board of Directors review through conducting individual interviews regarding review results and expanding time for opinion exchange.

Mitsubishi Electric will continue to build an even stronger corporate governance framework, to ensure corporate management is soundly supervised by a proper oversight mechanism.



Corporate Governance Framework



Visit to a Plant by Directors

View from an Outside Director

Mitsubishi Electric engages in a wide variety of businesses on a global scale. In order for the Board of Directors to oversee whether these businesses are executed properly, it is extremely important for information about management to be provided to us directors in a timely and appropriate manner.

At the Board of Directors, adequately detailed information is provided for directors to supervise management, and a forum has been set up with the main objective of providing Outside Directors with more information about management, so I feel the information we directors receive is extremely extensive. I also get the sense that the company is actively providing us with opportunities to visit various offices and plants in an effort to directly hear the opinions of workers and to obtain solid business information.

The performance of the Board of the Directors is evaluated, and efforts are made to improve it. A review of all members is conducted every year, where all directors can freely share their views about the operations of the Board and about how information is shared, etc.

Readjustments are constantly made in response to the results of the review of the Board of Directors, and improvements have been achieved with every review, such that I feel we have become able to discuss various matters more frankly than ever before.

As directors, we feel these opportunities are highly beneficial to understand the current state of Mitsubishi Electric's business, and to engage us in discussions. We hope this timely and appropriate provision of management information will continue to be enhanced, so that the management supervisory functions of the Board of Directors may be further strengthened.



Mitoji Yabunaka

Outside Director
Mitsubishi Electric Corporation

Continually Strengthening Compliance, Supply Chain Management

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, 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.

Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

With regard to anti-trust laws, we make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten. In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs. We will continue to make greater efforts to prevent similar incidents from occurring and previous incidents from being forgotten, through regular monitoring of the status of daily business activities and internal regulations, practical employee training that matches actual transaction situations, and other such initiatives.

We engage in Group-wide initiatives to prevent bribery. The "Mitsubishi Electric Group Anti-Bribery Policy" that was established on April 1, 2017 reiterates to people in and outside the Group our

policy that, among other things, our Group companies, their officers and employees do not offer bribes and do not pursue profits that can be realized only by offering bribes. Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery. In addition, we provide education to employees who regularly interact with public officials in the combined form of e-learning programs and face-to-face education. In the light of the current global situation where anti-bribery regulations are becoming increasingly tighter, 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.

As for supply chain management, we ensure the fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group's Purchasing Policy and CSR Procurement Policy, and requesting business partners' understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the Group, risks are also mitigated along the supply chain. We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's CSR policies and matters for compliance by our business partners. Approaches will be made to all business partners to verify their agreement to promote procurement activities in line with the guidelines.



Meeting of Compliance Managers in the Asia Region



Seminars for Suppliers (Thailand Region)

CSR Management

Management

Principles of CSR

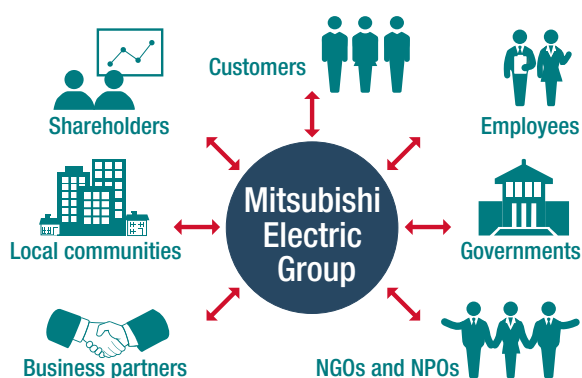
The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management, and upholds its Corporate Mission and Seven Guiding Principles as the basic policies of its CSR. Particularly with respect to initiatives related to ethics and legal compliance, Group-wide efforts are

made to enforce measures such as enhancing training and strengthening internal controls. Active measures are also taken to ensure and improve quality assurance, environmental preservation activities, philanthropic activities, and communication with stakeholders.

Mitsubishi Electric Stakeholders

To achieve sustainable growth, the Mitsubishi Electric Group must maintain communication with its various stakeholders. We have a corporate social responsibility to incorporate the expectations, requests, and opinions of each stakeholder into our corporate activities, and to increase our positive effect on society while reducing any negative effects.

To help maintain communication with stakeholders, we have taken the "Four Satisfactions" as a management policy, with the aim of providing satisfaction to all of our stakeholders, including society, customers, shareholders, and employees.



Stakeholders of the Mitsubishi Electric Group



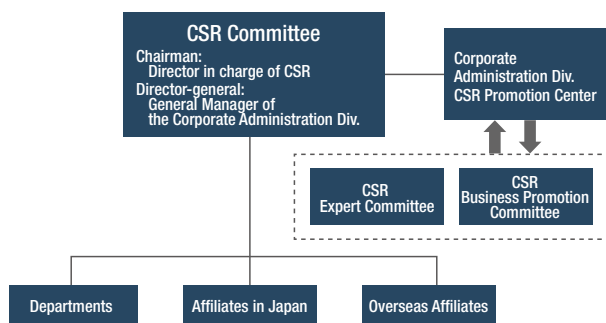
Pursue the Satisfaction of the Four Stakeholder Categories

Promotional System for CSR

The policies and planning for the CSR activities of the Mitsubishi Electric Group are decided by a CSR Committee appointed by Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's management departments (19 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group.

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

In addition to the CSR Committee that is generally held once a year, various activities are also promoted and implemented in communication with the CSR Expert Committee and CSR Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the CSR Committee.



CSR Promotion System



CSR Committee

Main agenda of the CSR Committee (held in April 2019)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Responses to the sustainable development goals (SDGs)
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives
- Supply chain management
- Long-term environmental vision

CSR Expert Committee

Officers from 19 departments with particular relevance to CSR regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group's CSR materiality and future initiatives, as well as discuss responses to laws and regulations and international CSR standards. They aim to build communication and consensus through these discussions.

Four such meetings were held in fiscal 2019. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing CSR materiality, and discussing responses to the sustainable development goals (SDGs). The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.



CSR Expert Committee

CSR Business Promotion Committee

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

The committee held four meetings in fiscal 2019, with a focus on discussing how the Group could contribute to addressing the sustainable development goals (SDGs) through business.



CSR Business Promotion Committee

CSR Materiality and SDGs Management

CSR Materiality

Considering requests from the Global Reporting Initiative (GRI)*, social trends and the business environment, in fiscal 2016 the Mitsubishi Electric Group identified CSR materiality, initiatives, and targets / Key Performance Indicators (KPI) to fulfill the materiality towards realizing the further integration of CSR with management and the long-term advancement of CSR initiatives.

We will implement activities to continuously improve our performance related to CSR materiality, initiatives, and targets / Key Performance Indicators (KPI) based on the PDCA (Plan-Do-Check-Action) Cycle approach.

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

CSR materiality

Reasons why is it important

 Realize a sustainable society	Environmental issues including climate change and resource and energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable society.
 Provide safety, security, and comfort	Various issues are becoming evident due to urbanization and other reasons. The Mitsubishi Electric Group will provide safety, security, and comfort while contributing to solving issues with a focus on city development.
 Respect human rights and promote the active participation of diverse human resources	Human rights and diversity are global issues. As a global company, the Mitsubishi Electric Group will grapple with these issues. Diversity is also crucial for creating innovation, which is the source of the Group's strength.
 Strengthen corporate governance and compliance on a continuous basis	Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.

The Mitsubishi Electric Group and the SDGs

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

Under its corporate mission that "The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society" the Group aims to contribute to solving social issues. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.

Through our numerous businesses and the entirety of our corporate activities, including environment, society and

governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.



The SDGs (Sustainable Development Goals)

The SDGs are a set of global goals that are to be achieved between 2016 and 2030. They were adopted by the United Nations General Assembly in September 2015 as a successor to the Millennium Development Goals (MDGs) that were formulated in 2001, and are composed of 17 goals and 169 targets for achieving a sustainable world.

Two key principles of the SDGs (Sustainable Development Goals) are that they seek change in developed countries, including Japan, and that they pledge "no one will be left behind" in the implementation of their initiatives.

In Japan, the SDGs Promotion Headquarters has been established, chaired by the Prime Minister and composed of all ministers in the Cabinet Office, to formulate implementation guidelines and promote initiatives for the SDGs.

Focusing on the SDGs

In fiscal 2019, we decided on goals that we would address on a priority basis to further contribute to the SDGs.

- Goal 7: Affordable and Clean Energy
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

By further promoting initiatives to create value for these goals to which we can contribute significantly as a

comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

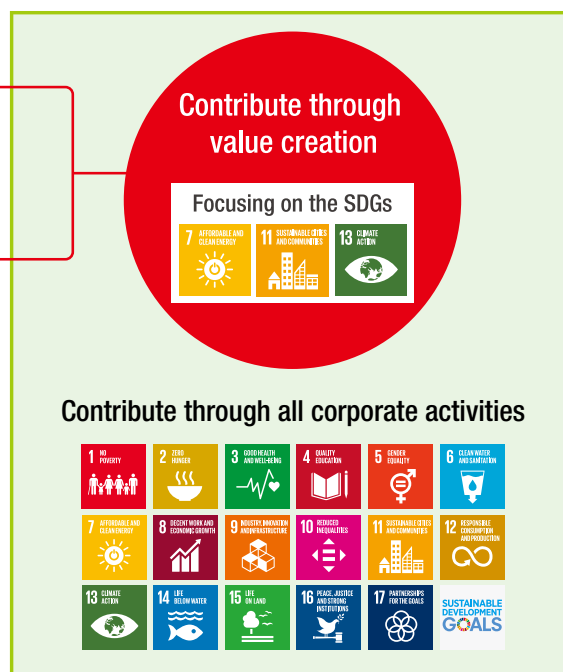
In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through the CSR materiality initiatives of "Realize a Sustainable Society," and "Provide Safety, Security, and Comfort."

CSR materiality



CSR materiality and SDGs

Contribute to the SDGs



Initiatives related to the 17 SDGs

The Mitsubishi Electric Group, as a comprehensive electrical and electronic manufacturer, handles a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and

projects on a national scale. As such, we believe that we can also greatly contribute toward meeting the 17 Sustainable Development Goals (SDGs).



No Poverty

We are working to end poverty by creating employment through the global expansion of our business, and launching initiatives including the establishment of social infrastructure and philanthropic activities.



Zero Hunger

We are contributing to solving food-related issues through measures including the provision of IT support for agriculture via ICT and positioning satellites, improving productivity in foodstuffs factories through FA, and supplying refrigeration and freezing technologies for food.



Good Health and Well-being

We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge Air conditioning Systems that contribute to the advancement of treatment.



Quality Education

In addition to providing technological assistance to developing nations and supporting remote education through our communication and IT technologies, we are contributing to fostering the next generation and beyond through activities that contribute to society.



Gender Equality

We are supporting the social empowerment of women through providing ICT services and supplying home appliances, and we are promoting the further advancement of women within the Group.



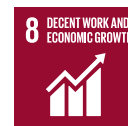
Clean Water and Sanitation

The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.



Affordable and Clean Energy

We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.



Decent Work and Economic Growth

Through our FA and AI technologies, we are working to contribute to increased productivity and the provision of desirable working environments throughout the Group.



Industry, Innovation and Infrastructure

The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.



Reduced Inequalities

In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.



Sustainable Cities and Communities

We provide safety, security, and comfort to people's lives through our work in the disaster-prevention and infrastructure-development fields.



Responsible Consumption and Production

We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.



Climate Action

We are working to identify a total valuation of our CO₂ and other greenhouse gas emissions in order to set our goals for reductions.



Life below Water/ Life on Land

We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.



Peace, Justice and Strong Institutions

Based on laws and international norms, we are working to improve both our supply chains and areas including human rights, labor, the environment and the prevention of corruption on a global scale.



Partnerships for the Goals

We are contributing to the achievement of the SDGs through partnerships with entities including governments, universities, research institutes, companies, and NGOs, pushing ahead with open innovation and other initiatives.

Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the Sustainable Development Goals (SDGs) and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Group's CSR committee, CSR expert committee and CSR business promotion group commenced reviews by devising

potential responses by their own companies. In fiscal 2019, we decided on SDGs that we could implement on a priority basis.

With achievement of the goals we share globally as our objective, we will maintain our efforts to bolster management as we work to make everyone throughout the company fully cognizant of our SDGs and integrate the thinking behind them into our operations.

Main initiatives to the present

- Lecture presentation for executives by Toshio Arima, a board member of Global Compact Network Japan (fiscal 2018)
- Reflecting of SDGs in our business strategy (fiscal 2018, fiscal 2019, fiscal 2020)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018)
- Promoting understanding about the SDGs through internal newsletters (fiscal 2018, fiscal 2019, fiscal 2020)
- Education of staff to advance the SDGs during training of CSR personnel (fiscal 2018, fiscal 2019)
- SDGs training (fiscal 2019)



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



Lecture presentation regarding the SDGs for research and development divisions



SDGs training



Corporate Strategy 2019



In-house newsletter

VOICE (In charge of sales in Taiwan)

Manager, NC Sales Section 1, NC Sales Department, FA Division Mitsubishi Electric Taiwan Co., Ltd. **Raymond Chen**



The Taiwanese government has been focusing on supporting the realization of smart machine tools on a global basis. In order to realize this Smart Machinery concept, Mitsubishi Electric Taiwan has been providing support to the government by leveraging its strengths in CNC (Computer Numerical Control) and the e-F@ctory FA-IT total solution.

Almost 80% of machine tools manufactured in Taiwan are exported and I feel that Smart Machinery has the potential to turn production sites in countries around the world into Smart Factories.

While spreading Taiwan's Smart Machinery across the globe, and thereby streamlining customers' manufacturing and reducing the amount of energy used, I will contribute to achieving the SDGs.

Initiatives / External Evaluation

Initiatives

Participation in the UN Global Compact

In May 2018, the Mitsubishi Electric Group signed the UN Global Compact (UNGC) aimed at promoting CSR activities based on international norms.

By signing the UNGC, the Group pledges to make continued efforts toward sustainable growth by complying with the ten principles in the four areas of human rights, labor, environment and anti-corruption to the extent that it can influence society. Efforts will be made to enhance the Group's activities by maintaining close communication with UN organizations and relevant initiatives.

WE SUPPORT



 UN Global Compact

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

Mitsubishi Electric will fulfill its role as an official partner of the Tokyo 2020 in the category of elevators, escalators and moving walkways by contributing to making relevant facilities and surrounding infrastructure barrier-free, and by promoting the success of the Tokyo 2020 through activities that support the Olympic and Paralympic movement and by assisting the Japanese national team. We will work in close coordination with the Organising Committee and Tokyo, the host city of the Games, as well as with other local governments, the central government and partner companies to leave a new legacy to the next generation after the Tokyo 2020.



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

Through these activities, we not only contribute to spreading and raising awareness of Para-Sports, but also aim to contribute to creating an "inclusive society" where everyone mutually respects and accepts each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign kicked off in October 2016 as a project for spreading familiarity with wheelchair basketball and various other sports among as many people as possible. It will be held in sequence throughout Japan toward 2020. Additionally, Mitsubishi Electric Going Up Seminars have

also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees. This initiative will also be implemented in all offices toward 2020.



Expression of approval of the TCFD recommendations

The Mitsubishi Electric Group has expressed approval of the recommendations by TCFD (Task Force on Climate-related Financial Disclosures).



Revision of the Charter of Corporate Behavior of the Keidanren

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

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

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



Main initiatives in which Mitsubishi Electric is participating

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

External Evaluation

CDP

Mitsubishi Electric has received the highest rating from CDP.

- "A List" company for "Climate Change" and "Water Security" for three consecutive years
- "Supplier Engagement Leader"



 Mitsubishi Electric Named to CDP's Climate and Water "A Lists" — Environmental activities recognized for third consecutive year

 Mitsubishi Electric Named CDP Supplier Engagement Leader

FTSE Index Series

FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was selected as a constituent of the company's FTSE4Good Index Series.

Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).



MSCI Indexes

MSCI (USA) is a company that calculates and announces various indexes of global constituents. Mitsubishi Electric was selected as a constituent of MSCI ESG Leaders Indexes. Mitsubishi Electric was selected as a constituent for the MSCI Japan ESG Select Leaders Index, which consists of Japanese stock names ranked according to their ESG (environment, social, governance) performance, and also for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The two indexes have also been adopted as an investment outlet by GPIF.

* THE INCLUSION OF Mitsubishi Electric Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsubishi Electric Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



S&P/JPX Carbon Efficient Index

Mitsubishi Electric was selected as a constituent of the S&P/JPX Carbon Efficient Index designed to measure the performance of companies by focusing on the level of carbon efficiency (carbon emissions per sales). The Index, which is constructed by S&P Dow Jones Indices, is based on carbon emission data by Trucost, which assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. The index has also been adopted as an investment outlet by GPIF.



MS-SRI (Morningstar Socially Responsible Investment Index)

Mitsubishi Electric was selected as a constituent of the Morningstar Socially Responsible Investment Index (MS-SRI), which selects and creates an index of 150 Japanese companies evaluated by Morningstar Japan K.K. as socially responsible companies.



Process of Identification and Review of the CSR Materiality

Process of Identification and Review

In fiscal 2016, the Mitsubishi Electric Group identified CSR materiality and initiatives in response to today's social trends and business environment, as also required by the fourth edition of the GRI Guidelines.

While continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened through ongoing improvement activities based on the PDCA cycle, to expand the scope of information disclosure.

In fiscal 2019, an internal review of the materiality was undertaken by the CSR Expert Committee and CSR Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires (600 respondents) that have been also carried out since fiscal 2017, interviews with experts, and dialogues between experts and management.

Process of Identifying and Reviewing the Materiality

Step 1

Awareness of social issues (fiscal 2016)

Extraction of candidate materiality from guidelines, etc.

Candidate CSR materiality (29 issues) were identified based on the core issues of ISO26000*1, the 46 priority aspects laid out in the fourth edition of the GRI Guidelines*2, and the Sustainable Development Goals (SDGs).

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

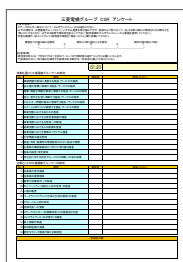
*2The fourth edition of the international guidelines for sustainability called Sustainability Reporting Guidelines (GRI Guidelines) issued by the international NGO, Global Reporting Initiative (GRI)



Extraction of candidate materiality from guidelines, etc.

Step 2

Assessment of internal and external views and identification of materiality (fiscal 2016)



Questionnaire for stakeholders



Internal working groups



Interviews with experts



Dialogues with directors and experts

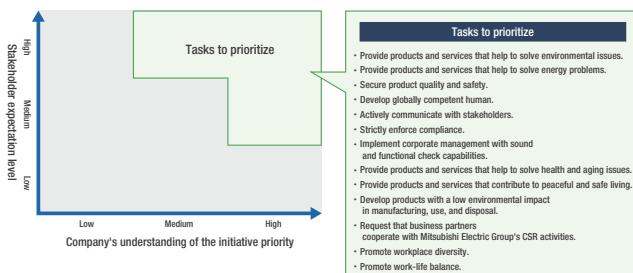
Step 3

Establishment of materiality (fiscal 2016)

Decision-making by the CSR Committee

The issues thus extracted and identified through the above-described process and specific initiatives and targets/key performance indicators (KPI) were

confirmed by an internal working group and adopted as the Mitsubishi Electric Group's CSR materiality by the CSR Committee.



Mitsubishi Electric's Matrix of CSR Materiality



CSR Committee

Step 4

Review of the materiality (fiscal 2016)

Since fiscal 2017, the CSR materiality, initiatives, and targets/key performance indicators (KPI) have been reviewed regularly, in consideration of opinions from both inside and outside the company.

- Interviews with experts
- Dialogues with directors and experts
- Reader surveys regarding the CSR Report
- Discussion by the CSR Committee, CSR Expert Committee and CSR Business Promotion Committee



Dialogues with directors and experts



Interviews with experts

CSR Committee, CSR Expert Committee, CSR Business Promotion Committee

In fiscal 2019, the committees explored specific ways to address the SDGs and shared an awareness regarding the importance of disclosing information in consideration of growing ESG (environment, social, governance) investments.

The committees will continue to strengthen their initiatives through continuous reviews and ongoing improvement activities based on the PDCA cycle, in response to changes in the external and business environments.

Social demands that were particularly taken into consideration in fiscal 2019

- Sustainable Development Goals (SDGs)
- Further promotion of information disclosure in consideration of growing ESG investments
- Paris Agreement
- Global trends in human rights
- Initiatives of the Group as a global company
- Long-term efforts to address environmental issues

Management of the CSR Materiality

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

By upholding the Corporate Mission and Seven

Guiding Principles as its basic CSR policy, the Group will continue to pursue its initiatives for addressing the four materiality in cooperation with business partners along the supply chain, with the aim of becoming a global leading green company that contributes to a diverse society.

Realize a Sustainable Society



FY2019 initiatives and results

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Realization of Environmental Vision 2021 ^{*1}	Contributing to realizing a low-carbon society	Reduce CO ₂ emissions from production (less than 1.47 million tons by FY2021)	1.30 million tons (FY2019)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Reduce CO ₂ emissions from product usage (35% reduction compared to FY2001 by FY2021)	36% reduction (FY2019)		○
	Contributing to creating a recycling society	Reduce resource inputs (40% reduction compared to FY2001 by FY2021)	45% reduction (FY2019)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)	Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.52% by overseas affiliates (FY2019)		×
		Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)	23% reduction (FY2019)		○
	Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)	43,000 participants (FY2019)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Boost the level of biodiversity protection activities by offices in line with the Aichi Targets ^{*2}	Promoted initiatives, including the "acquisition of SEGES (Social and Environmental Green Evaluation System) Certification" at Mitsubishi Electric's Power Distribution Systems Center	Mitsubishi Electric	○
Contribution through products and services		Provide products and services that contribute to "mitigating and adapting to climate change" and "optimizing energy use"	Contribute to "mitigating and adapting to climate change" and "optimizing energy use" through products and services	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Maintain the reduction of CO ₂ during product usage (70 million tons by FY2001 standards)	77 million tons (FY2019)		○

^{*1} Targets of the 9th environmental plan (fiscal 2019–2021)

^{*2} Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10

FY2020 targets

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Realization of Environmental Vision 2021 ^{*1}	Contributing to realizing a low-carbon society	Reduce CO ₂ emissions from production (less than 1.47 million tons by FY2021)	All Mitsubishi Electric Group companies (Japan, overseas)
		Reduce CO ₂ emissions from product usage (35% reduction compared to FY2001 by FY2021)	
	Contributing to creating a recycling society	Reduce resource inputs (40% reduction compared to FY2001 by FY2021)	All Mitsubishi Electric Group companies (Japan, overseas)
		Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)	
		Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)	
	Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)	All Mitsubishi Electric Group companies (Japan, overseas)
Contribution through products and services		Enhance the level of biodiversity protection activities by offices in line with the Aichi Targets ^{*2}	Mitsubishi Electric
		Provide products and services that contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs	All Mitsubishi Electric Group companies (Japan, overseas)
		Maintain the reduction of CO ₂ during product usage (70 million tons by FY2001 standards)	

^{*1} Targets of the 9th environmental plan (fiscal 2019–2021)

^{*2} Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10

Provide Safety, Security, and Comfort



FY2019 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Product development that places top priority on customer safety	Ensure safety through risk assessment (maintain a 100% rate of implementation of risk assessments of target home electronics)	Maintained a 100% rate of implementation of risk assessments of target home electronics	All Mitsubishi Electric Group companies (Japan, overseas)	○
Provision of products and services that reflect customers' needs	Develop key persons who are capable of incorporating customers' needs into quality (development of 100% of relevant persons in all departments by FY2021)	Development of 88% of key persons (FY2017) → Development of 96% of key persons (FY2018) → Development of 97% of key persons (FY2019)	Mitsubishi Electric Group companies (Japan)	○
	Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures	Achieved a 100% rate of implementation of investigations into the root causes of serious defects discovered in the previous fiscal year	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Called attention throughout the Mitsubishi Electric Group (Japan and overseas) regarding common technical issues such as failsafes at the end of the lifecycle of products and salt corrosion		
Continuous implementation of education on quality principles that place top priority on customers	Maintain a 100% rate of participation in e-learning programs on quality (maintain a rate of 100%)	Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Expanded the participation of overseas affiliates in e-learning programs 27 overseas affiliates (FY2017) → 41 overseas affiliates (FY2018) → 48 overseas affiliates (FY2019)		
Contribution through products and services	Provide products and services that contribute to creating safe and secure communities	Contributed to creating safe and secure communities through products and services	All Mitsubishi Electric Group companies (Japan, overseas)	○

FY2020 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Product development that places top priority on customer safety	Ensure safety through risk assessment (maintain 100% implementation of risk assessments of target home electronic products)	All Mitsubishi Electric Group companies (Japan, overseas)
Provision of products and services that reflect customers' needs	Develop key persons who are capable of incorporating customers' needs into quality (development of 100% of relevant persons in all target departments by FY2021)	All Mitsubishi Electric Group companies (Japan)
	Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures	All Mitsubishi Electric Group companies (Japan, overseas)
Continuous implementation of education on quality principles that place top priority on customers	Maintain 100% rate of participation in quality e-learning programs (maintain a rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
	Enhance the content of education on quality principles	
Contribution through products and services	Provide products and services that contribute to Goal 11, "Sustainable cities and communities," of the SDGs	All Mitsubishi Electric Group companies (Japan, overseas)

Respect Human Rights and Promote the Active Participation of Diverse Human Resources

FY2019 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Promote human rights initiatives that are based on international norms	Identify and evaluate impacts on human rights across the Group (achieve a 100% rate of implementation by target companies)	Achieved a 100% rate of implementation by target companies of human rights impact assessment (Identify and evaluate impacts on human rights)	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Promote ongoing human rights training programs, relief measures against human rights violations and other such measures	Carried out e-learning programs to employees of Mitsubishi Electric and its affiliates in Japan and overseas (82 companies, 71,588 employees) Started considering relief measures against human rights violations		△
	Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 858 new employees and 532 newly appointed managers	Mitsubishi Electric	○
Realization of workplace environments conducive to work-life balance	Continue to promote the Work Style Reforms based on four perspectives (Improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)	Promoted the Work Style Reforms (including managing systems that support operation efficiency and flexible work styles) at Mitsubishi Electric Group companies	All Mitsubishi Electric Group companies (Japan, overseas)	○
Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstance	Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)	Consolidated result of three companies*: 2.26% Promoted the achievement of the statutory employment rate by domestic affiliates	Mitsubishi Electric Group companies (Japan)	○
	Increase the ratio of women among new recruits in technical positions (future target of 20%)	10% (FY2020; October 2018 and April 2019 recruits)	Mitsubishi Electric	△
	Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	Dispatched 91 employees to overseas OJT programs, 86 employees to overseas language programs		△
Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric	All Mitsubishi Electric Group companies (Japan, overseas)	△
	Promote safety and health education, and maintain a rate of lost worktime injuries*2 that falls below the industrial average (below 0.51)	Offered safety and health education (e-learning programs) to all employees Rate of lost worktime injuries (absence from work): 0.04	Mitsubishi Electric	○
	Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)	Rate of employees maintaining proper body weight 69.4%; rate of employees who exercise regularly: 25.2%; rate of employees who smoke: 23.5%; rate of employees who perform dental care at least three times a day: 25.3%; rate of 66.8 % of employees who get enough rest by sleeping properly	Mitsubishi Electric Group companies (Japan)	△

*1 Mitsubishi Electric Corporation, Mitsubishi Electric Life Service Corporation, Melco Tender Mates Corporation (special subsidiary)

*2 Number of accidents causing lost worktime per 1 million hours

FY2020 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Promote human rights initiatives that are based on international norms	Ongoing human rights training programs	All Mitsubishi Electric Group companies (Japan, overseas)
	Enhancement of a reporting system with respect to human rights violations	
	Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Mitsubishi Electric
Realization of workplace environments conducive to work-life balance	Continue to promote the Work Style Reforms in order to cultivate an awareness among employees on the goal of the reforms, "realizing a workplace that helps employees work proactively while achieving better work-life balance and maintaining their mental and physical health," and based on four perspectives (Improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)	All Mitsubishi Electric Group companies (Japan, overseas)
Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	All Mitsubishi Electric Group companies (Japan, overseas)
	Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)	Mitsubishi Electric Group companies (Japan)
	Increase the ratio of women among new recruits in technical positions (future target of 20%)	Mitsubishi Electric
	Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	
Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	All Mitsubishi Electric Group companies (Japan, overseas)
	Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.45)	Mitsubishi Electric
	Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)	Mitsubishi Electric Group companies (Japan)

* Number of accidents causing lost worktime per 1 million hours

Strengthen Corporate Governance and Compliance on a Continuous Basis

FY2019 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	Held interviews with experts regarding CSR issues seven times; held a dialogue between experts and management officers on CSR issues	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and IR activities in Japan and overseas	Held a general meeting of shareholders Held corporate strategy presentation meetings, financial results presentation meetings, and individual meetings with institutional investors and analysts, in addition to inviting them to the annual Research and Development Open House and Mitsubishi Electric Advanced Solutions 2018 (exhibition) Held company information sessions for individual investors		○
Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Provided information that directors require for the supervision of management, in a timely and proper manner, and created new forums for providing data and exchanging views with outside directors to ensure greater provision of proper and timely information to directors Conducted a review of the board of directors, with the result being that the board's ongoing and effective initiatives for sharing appropriate management information with executives in a timely manner based on the results of the annual review of the board of directors that have become more active compared to before were deemed valid.	Mitsubishi Electric	○
	Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials		○
	Establish the necessary internal regulations and frameworks for ensuring the appropriateness of the Mitsubishi Electric Group's businesses, conduct an internal audit of their status of operation, and regularly report the audit result to the Audit Committee via the executive officer in charge of audits	Conducted an internal audit, and regularly reported the audit results to the Audit Committee via the executive officer in charge of audits	All Mitsubishi Electric Group companies (Japan, overseas)	○
Compliance training on a continuous basis	Provide compliance education that utilizes diverse methods on a continuous basis	Provided compliance education that utilizes diverse methods, including lecture meetings, e-learning, and manual distribution (Conducted lecture meetings by Mitsubishi Electric's Corporate Legal & Compliance Div. 240 times to 9,071 participants)	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Maintained a 100% attendance rate	Mitsubishi Electric	
Fair competition (prevention of antimonopoly violations)	Provide practical education in reference to case studies that reflect the characteristics of each business on a continuous basis	Provided education on antimonopoly laws	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Identify issues that accompany the systematization of rules concerning contacts with other companies in the same business and enhance the operation of the system	Modified the system and improved its operation in response to identified issues		
	Bolster responses to vertical restraints and regulations of antimonopoly laws (Develop guidelines, etc.)	Developed guidelines at each base and provided education using the guidelines in high risk regions		
Corruption prevention (prevention of bribery)	Enhance bribery prevention measures: provide bribery prevention education (onsite education, e-learning programs), conduct monitoring with an eye toward establishing regulations and guidelines	Provided bribery prevention training Expanded the application of rules to overseas companies Added notes on bribery among private companies to the guidelines	All Mitsubishi Electric Group companies (Japan, overseas)	○
CSR procurement (environment, quality, human rights, compliance, etc.)	Formulate CSR procurement guidelines, and obtain a compliance agreement from suppliers targeted for the FY2019 survey (100%)	Formulated CSR procurement guidelines in June 2018 Requested the submission of a consent form for the CSR procurement guidelines to approx. 1,400 companies and obtained response from 91% of the companies (82% approval rate)	All Mitsubishi Electric Group companies (Japan, some overseas) supply chain	△
	Expand the scope of surveys of overseas suppliers to Europe and the U.S.	Conducted surveys of 5 companies in Europe and 20 companies in the U.S.		○

FY2020 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	All Mitsubishi Electric Group companies (Japan, overseas)
	Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, financial results presentation meetings, individual meetings and other such information meetings, and IR activities in Japan and overseas	
Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Mitsubishi Electric
	Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	
	Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct internal audits of their operational status, and regularly report audit results to the audit committee via the executive officer in charge of auditing	
Compliance training on a continuous basis	Provide compliance education that utilizes diverse methods, on a continuous basis	All Mitsubishi Electric Group companies (Japan, overseas)
	Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Mitsubishi Electric
Fair competition (prevention of antimonopoly violations)	Establish and thoroughly implement bribery prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules	All Mitsubishi Electric Group companies (Japan, overseas)
Corruption prevention (prevention of bribery)	Enhance bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines	All Mitsubishi Electric Group companies (Japan, overseas)
CSR procurement (environment, quality, human rights, compliance, etc.)	Obtain a consent form for the CSR procurement guidelines from suppliers who did not submit in the previous fiscal year and other targeted suppliers for this fiscal year (100%)	All Mitsubishi Electric Group companies (Japan, overseas)
	Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) mainly at subcontract factories	All Mitsubishi Electric Group companies (Japan)

Communication with Stakeholders

Status of Communication

A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	•Improvement of customer satisfaction •Product safety and quality •Customer response and support	•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	•Occupational health and safety •Respect for human rights •Human resource development •Respect for diversity	•Personnel departments •CSR departments	Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys
Government, local governments, industrial organizations Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	•Compliance with laws and regulations •Compliance with restrictions •Policy proposals	•External affairs department	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations
NGOs and NPOs NGOs/NPOs citizens groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric	•Grants and partnerships through contributions to regional communities •Dialogues on social and environmental issues	•Administration departments	Philanthropic activities (funds, foundations, volunteer activities), dialogues on social and environmental issues
Business partners Business partners that supply raw materials and parts	•Fair transactions •CSR promotion through the supply chain	•Materials departments	Information sessions on CSR procurement, BCP seminars, meetings based on the results of fair selection and evaluation of suppliers
Regional communities Communities near Mitsubishi Electric offices	•Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports)	•Administration 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 shares	•Increase in corporate value •Proper redistribution of profits •Information disclosure •Response to ESG investments	•IR departments	Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR resource library), responses to interviews, shareholder communications
Others Academic institutions and research institutions	•Cooperation in creating innovation •Joint studies	•R&D departments	Industry-academia cooperation in research, stakeholder dialogues (once a year)
Future generations	•Provision of education opportunities	•Administration departments •Overseas foundations	Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events

Results of Reader Surveys

Questionnaire-based Survey Conducted in Japan and Overseas on CSR Reports

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's CSR initiatives and CSR Report 2018, resulting in responses from 600 individuals.

A portion of the survey results is presented here. The Group's initiatives were quite well-thought of overall,

with the responders offering many positive options. They also raised certain issues. The Group takes these points seriously and will adjust based on them in future activities, with the Group as a whole seeking to push further forward on its CSR efforts.

Survey summary and partial results

[Period]

December 2018

[Questionnaire responders]

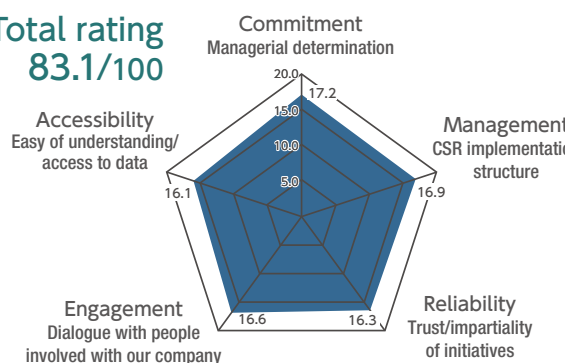
- Japan
- 600 persons
- General population nationwide, men and women aged 15 or older (people with a strong interest in the environment and CSR)

[Main questions]

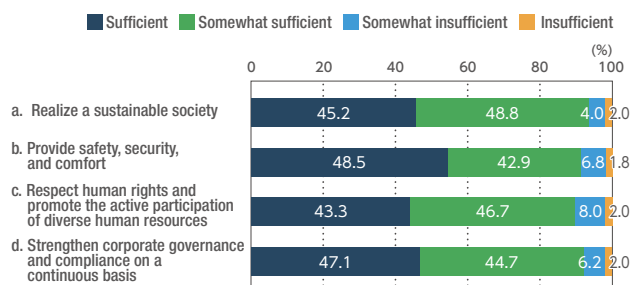
- Is senior management pursuing CSR initiatives in earnest?
- Does the company have the framework that will allow it to implement CSR efforts as a total organization?
- Are company initiatives truly moving forward?
- Is the company engaging in dialogue with the relevant parties in its orbit?
- Does the company consider ease of comprehension and access to information?
- Please select all those items in the report that made a particular impression on you (e.g. evoked positive feelings, sparked interest, felt you could approve of it, etc.).
- Are the Mitsubishi Electric Group's initiatives enough when it comes to crucial CSR issues?
- Regarding Goal 7, Goal 11, and Goal 13 of the SDGs, through what kind of products, services and initiatives do you expect the Mitsubishi Electric Group to make contributions?

* Goal 7: "Affordable and clean energy," Goal 11: "Sustainable cities and communities," Goal 13: "Climate action"

Total rating
83.1/100



Evaluation of the CSR materialities



Regarding Goal 7, Goal 11, and Goal 13 of the SDGs, through what kind of products services and initiatives do you expect the Mitsubishi Electric Group to make contributions?

	► Expectations towards the Mitsubishi Electric Group, including energy, resources, energy saving, home appliances, transport systems, and regional revitalization. [Noteworthy comments] • Making social contributions by leveraging the Group's diverse businesses and their strengths. (Male, 42 years old) • Strengthening of electric vehicles and solar-system-related products (Male, 42 years old) • Provision of products and services that fuse new energy with traditionally-made things (Male, 23 years old)
	► Expectations towards the Mitsubishi Electric Group, including disaster control measures, transport systems, aging measure, AI, buildings/houses/elevators, regional revitalization, energy, security, waste recycling, and air conditioning. [Noteworthy comments] • Waste-free production (Male, 51 years old) • Development of air conditioning systems that do not affect the environment and atmosphere (Male, 50 years old) • Making contributions as a core member of a cross-enterprise alliance, as a socially-aware infrastructure company (Male, 68 years old) • Provision of security as an infrastructure company in the age of frequent disasters (Female, 59 years old)
	► Expectations towards the Mitsubishi Electric Group, including disaster control measures, energy saving, resource recycling, weather observation, AI, the IoT, air conditioning, building/houses, and the space. [Noteworthy comments] • Making contributions by harnessing various technologies such as space and satellite technologies from a global perspective (Male, 44 years old) • Developing disaster-free cities in anticipation of drastic changes of climate (Male, 41 years old) • Development of facilities that help solve social problems including global warming, through the construction of public buildings etc. (Female, 29 years old)

Interviews with Experts

The Mitsubishi Electric Group held interviews with experts with extensive knowledge who play an active role in their respective fields to hear their opinions on the Group's CSR initiatives in light of the latest CSR trends. The interviews, which sought opinions about the "Mitsubishi Electric Group CSR Report 2018," mainly targeted the Mitsubishi Electric Group's CSR materiality and the experts' expectations of the Group regarding the Sustainable

Development Goals (SDGs), ESG (environment, social and governance) investment, and other such trends in Japan and overseas.

In addition, comments from various people including students, the media, and CSR experts, were utilized in the process of forming the Mitsubishi Electric Group's environmental vision. This page reports some of those comments.

Opinions about the "Mitsubishi Electric Group CSR Report 2018"



Founder & Chief
First Penguin

Wong Lai Yong

Field of specialization: CSR in Asia, community engagement, empowerment and provision of educational programs to youth and women (based in Malaysia)

Opinions offered:

- It is very impressive that the provision of products and services that contribute to solving global social issues is firmly incorporated into the Mitsubishi Electric Group's CSR activities.
- The Group should be given credit for providing CSR training to local staff in the Asia region. Continued follow-up to spread the importance of CSR to overseas affiliates is needed.
- The Mitsubishi Electric Group advanced significantly by undertaking due diligence related to human rights including identifying and evaluating impact on human rights in all its offices in fiscal 2020.
- The Mitsubishi Electric Group should be given credit for setting its anti-bribe policy and educating 22,000 or more employees. I hope that such education will spread to all employees throughout the Group in the future.
- The Group should pay more attention to human rights issues across its supply chains. The focus of attention is on the wages and working conditions of the employees (immigrant workers in particular) of suppliers.
- I hope the number of women in managerial posts will be increased along with improving the male-female ratio of engineer recruits.



Director and Consultant
InterPraxis Consulting

David Simpson

Field of specialization: International expert in sustainability who has led the development of the AA1000 stakeholder engagement standard and served as an expert member on the development of ISO 26000 and ISO 37001.

Opinions offered:

- The report demonstrates good transparency, but it is too long and needs to better connect the company's overall business strategy to its sustainability objectives – demonstrating that sustainability is more than just an "add-on" at MEG and that embedding social and environmental stewardship into its business model and supply chain also makes good business sense.
- The materiality process needs to be strengthened to establish greater focus on Mitsubishi Electric Groups' sustainability priorities and omit report details that are largely irrelevant to most stakeholders.
- The report should better present the specific sustainability risks for the Mitsubishi Electric Group and demonstrate how the Group's CSR activities are attempting to address and mitigate these risks.
- The report could benefit through an external assurance process based on an approach which would test the robustness of the materiality process as well as some of the underlying data.
- It is somewhat surprising that while MEG tracks issues such as if employees are getting enough rest at home, it does not publish statistics on overtime work or employee satisfaction which arguably may be more important to stakeholders.

Comments on the Process of Forming an Environmental Vision



Senior Principal
Research Division
Daiwa Institute of Research Ltd.
Co-CEO
Japan Sustainable Investment Forum (JSIF)

Mariko Kawaguchi

Field of specialization: CSR as a whole, ESG Investment, and Ethical Consumption

Opinions offered:

- To create innovation, it is important to develop human resources who can recognize a wide spectrum of social issues while being specialists in particular areas.
- If Mitsubishi Electric has a culture of contributing to solving a range of social issues while being a general electrical machinery company, this is a significant advantage. It should be publicized clearly.
- Although setting numerical targets for 2050 is difficult, I hope the Group's seriousness in making efforts will be displayed as concretely as possible.
- Active collaboration with various stakeholders is necessary when SDG issues cannot be solved singlehandedly.

Opinions offered by students

- In environmental initiatives, "visualization" is important. Even people with low environmental awareness will come to want to address environmental issues once they realize that such issues have something to do with themselves.
- A global vision that people all around the world, not only in Japan, can understand is needed.

Opinions offered by the media

- The "Heart" can be a positive attribute of an environmental vision. Concrete explanations that express the spirit of the executives with "heart" are required.
- Actually showing an aspirational attitude that resonates with people is important.
- An environmental vision should set high goals. Achieving high goals is not easy, but your company's spirit should be displayed.

Opinions offered by a CSR consultant

- I want the Group to create scenarios that realize both convenience and affluence and an environment that does not exclude either.
- The message of "leading toward the future with heart and technology" is important to convey the intension to younger generations.

Dialogues with Experts



From left to right, Mitsuharu Kiwada, Senior General Manager, Corporate Administration Division, Mitsubishi Electric Corporation, Shinji Harada, Managing Executive Officer, Mitsubishi Electric Corporation, Takeshi Sugiyama, President & CEO, Mitsubishi Electric Corporation, Mariko Kawaguchi, Senior Principal Research Division, Daiwa Institute of Research Ltd., Co-CEO, Japan Sustainable Investment Forum (JSIF), Takeshi Shimotaya, Managing Director, Sustainavision Ltd. (March, 2019)

In March 2019, two experts were invited to the head office to provide opinions about how the Mitsubishi Electric Group is promoting CSR. This was the fourth such dialogue this year. These dialogues are valuable opportunities to hear the latest ESG and SDG trends from experts' perspectives and understand what society is expecting from the Mitsubishi Electric Group from an external perspective. Expert opinions have been reflected in the formation of a CSR promotion system and actual efforts in

order to develop the activities further through successive dialogues. The Mitsubishi Electric Group is organizing its thoughts on the "ideal company we strive to be" toward fiscal 2021, the 100th anniversary of our foundation. This dialogue also plays an important role as a step in this thought process. In-depth discussion was carried out from an outside-in perspective to consider what our long-term aims should be and what kind of company we should be, starting with social issues.

Important Opinions and Suggestions Offered by Our Guest Experts

Coexistence with diverse stakeholders through "balanced management" that highlights sustainability

This is my fourth participation in the dialogue. Mitsubishi Electric Group always makes sure to address what was discussed in the previous fiscal year, thereby developing your initiatives. This helps me sense sincerity in your corporate culture and feel a sense of trust.

As can be seen in the motto "balanced management," your company practices a balanced business model. However, going forward, your company must determine what should be incorporated into the axis of that balance. International society is increasingly emphasizing the sustainability of organizations and business models rather than just growth in profit. Your company should start by identifying "what is optimal from customers', society's and stakeholders' perspectives" on a mid- to long-term basis, instead of developing products and services that emphasize short-term profitability and efficiency.

Even though the interests of stakeholders such as customers, employees, and business partners, do not always match those of the company in the short term, finding a balance between both sides is important for sustainable business. The SDGs aim at realizing a world that "leaves no one behind." Companies are required to achieve the extremely high standards of creating their values while coexisting with diverse stakeholders, rather than just winning in the market. In other words, companies and business activities that can harmonize and coexist with society and the environment are sustainable.

In working toward the resolution of environmental and social issues, it is important to discuss SDG issues in both top-down and bottom-up manners. In a top-down approach, corporate executives must convincingly display what the company should do based on its resources. Even if goals appear at a glance too high to achieve, employees' hard work to find a way to achieve them sometimes results in technological breakthrough. Conversely in a bottom-up approach, it is necessary to develop a system that enables employees to realize that the SDGs have something to do with them and provide opinions. Through workshops that discuss individual SDGs or other activities, this approach triggers employees to think about how to harness their technological capabilities in order to solve environmental and social issues and then take action.



Senior Principal
Research Division
Daiwa Institute of Research Ltd.
Co-CEO
Japan Sustainable Investment Forum
(JSIF)

Mariko Kawaguchi

Anticipating more focus on human-rights and environmental initiatives under clearly targeted long-term goals

Businesses have up till now brought economic affluence. In recent years however, they have been regarded increasingly as entities that have a negative impact on the environment and society. Corporate contributions to achieving the SDGs must be recognized as the bare minimum to return such a negative situation to a zero base and action must be taken with the understanding that the SDGs must be achieved. In addition, the concept of "net positive," which refers to business activities that have a positive impact on the environment and society, has emerged recently. Some companies have set the long-term vision of becoming a net-positive company by 2050. Going forward, companies are expected to set long-term visions and build ideal images into those visions in order to set milestones and advance in a back-casting manner. In general, Japanese companies tend to consider "goals" to be something that must be achieved and avoid commitment. By contrast, international society, especially Europe, emphasizes how companies clarify their directions by setting challenging and ambitious goals, not achievable and realistic goals. Under such goals, companies also aim at creating innovations in possible collaboration with other companies and related organizations. Also companies disclose any progress made toward their goals to stakeholders and if they fail to achieve, they explain the reasons and the measures that will be taken in the future. This leads to a positive relationship with its stakeholders.

Regarding human rights compliance, respect for human rights has been growing worldwide since the United Nations published "Guiding Principles on Business and Human Rights" in 2011. In undertaking various efforts including Mitsubishi Electric Group's "Policies on Respect for Human Rights" established in 2017, your company should facilitate the idea of respecting human rights throughout the organization and the Group, and proceed to the next step while publishing information about activities. Business activities may have a profound impact on stakeholders' human rights; failure to address them poses a huge risk to the company. Human rights risks across the supply chains besides those in the company also need to be prioritized and addressed.

Regarding the environment, understanding the essence of the circular economy and gaining competitive advantage are needed. There is a growing risk that battles for resources may occur due to a striking increase in the global population, which will inevitably necessitate both departing from conventional ideas and recycling waste as resources. In Europe, efforts on ocean plastic issues are being accelerated. I hope your company will start by addressing problems at hand, such as reducing single-use plastics, raise in-house awareness about effects on the global environment, and seek ideas from engineers, or unique initiatives that only a manufacturer can take.



Managing Director, Sustainavision Ltd.

Takeshi Shimotaya

In response to the dialogues

The Mitsubishi Electric Group's mission is to "enhance the quality of life in our society" and practicing it is our CSR and role that every employee should fulfill through their jobs.

In today's dialogue, we received a variety of propositions about the SDGs, on which the Mitsubishi Electric Group also places a great deal of importance as a tool to connect CSR and business activities. We aim to contribute to meeting the 17 SDGs, that range from the global environment to human rights, in a way that only the Mitsubishi Electric Group can do.

The top priority is for each and every employee to gain a better understanding of CSR and SDGs. We will improve employee training further so that they can be involved in concrete actions in their daily routines. Thank you very much for joining us today.



Executive Officer
Mitsubishi Electric Corporation

Shinji Harada

Measures for Internal Dissemination

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

CSR Lectures for Executives

Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning CSR to Mitsubishi



CSR Lectures for executives (1)

Electric executives and members of the CSR Committee. These lectures are a good opportunity to reconfirm the importance of CSR to the executives.



CSR Lectures for executives (2)

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

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



Conference of administrative managers of Group companies

CSR Training for New Employees

Every year, CSR training is held for new employees of Mitsubishi Electric, to deepen their understanding of CSR as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations,

and to instill the importance of addressing quality and environmental issues. The new employees learn that CSR must be practiced by each employee in their daily duties.



Implementing CSR Training for new employees (1)



Implementing CSR Training for new employees (2)

CSR Manager Training

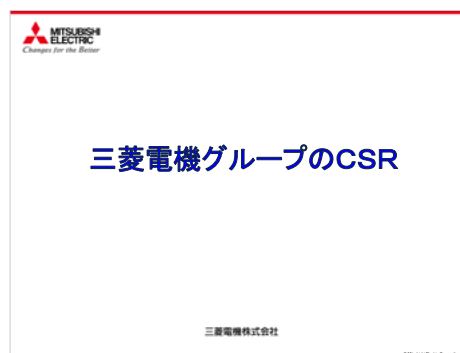
Since fiscal 2017, Mitsubishi Electric has held training for CSR managers from the company's offices and affiliates in Japan. Through lectures and group discussions on the basic principles of CSR, social demands, and the Mitsubishi Electric Group's CSR initiatives, participants develop a

greater awareness of their specific role as CSR Principals in their daily operations.

In fiscal 2019, CSR training for all of Mitsubishi Electric's employees and affiliates in Japan was implemented via e-learning to disseminate further understanding of CSR.



CSR Manager Training



CSR e-learning

Promoting Understanding of CSR through In-house Newsletters

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



Promoting understanding of CSR through in-house newsletters

CSR Considerations in Overseas Affiliates

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

In fiscal 2019, particular efforts were made to disseminate Group-wide CSR policies overseas. For example, CSR was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on CSR issues and Group-wide CSR policies with managers of individual regions.



Exchange of views with overseas managers

Corporate Governance

Basic Corporate Governance Policy

While maintaining the flexibility of its operations and promoting management transparency, Mitsubishi Electric, as a Company with Three-committee System, works to strengthen the supervisory functions of management with the goal of realizing sustained growth. Our fundamental

policy is to build and improve a corporate structure that is more able to meet the expectations of society, customers, shareholders, employees and all of its stakeholders while endeavoring to further increase corporate value.



Corporate Management and Governance Structure

Corporate Management Structure

In June 2003, Mitsubishi Electric became a Company with Three-committee System. Key to this structure is the separation of supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company.

A salient characteristic of Mitsubishi Electric's management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all Executive Officers, are clearly separated.

Additionally, neither is included among the members of the Nomination and Compensation Committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

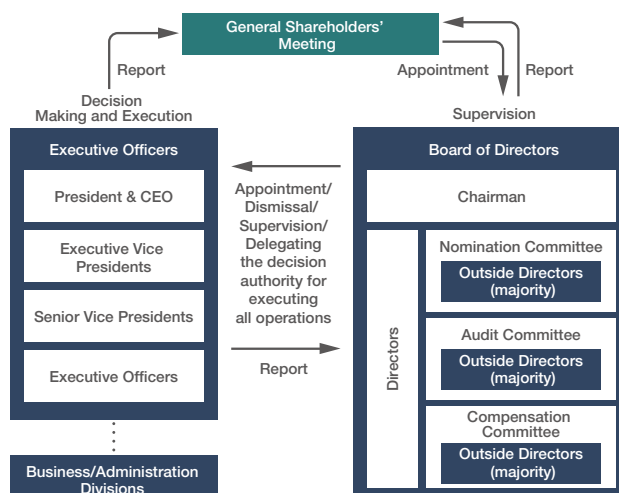
The present Board of Directors is comprised of twelve members (five of whom are Outside Directors, one of whom is a woman), who objectively supervise and advise the Company's management by executing their duties based on the objectives and authority of the Companies Act, as well as by delegating to Executive Officers the decision authority for executing all operations, except the

matters listed in the items of paragraphs 1 and 4 of Article 416 of the Companies Act.

The Board of Directors has three internal bodies: the Nomination, Audit and Compensation Committees. Each body has five members, the majority of whom are Outside Directors, who are chosen by the Board of Directors taking into account the experience and specialties of each person. Each Committee undertakes its duties based on the objectives and authority of the Companies Act.

The bureaus have been established for the Board of Directors and each of the Committees to support directors. The Audit Committee is supported by dedicated independent staff.

Executive Officers make decisions about the execution of operations on matters delegated by the Board of Directors within the range of duties allocated to each Executive Officers based on the objectives and authority of the Companies Act, and then execute such operations. Important items among such matters delegated by the Board of Directors are deliberated and decided upon in Executive Officers' meetings attended by all Executive Officers.



Corporate governance framework

Internal Control System

(A). For the execution of the duties of the Audit Committee, its independence is secured by assigning employees whose job is exclusively to assist the Audit Committee members. In addition, internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members are established and such expenses and debts are properly processed.

A system for reporting to the Audit Committee is developed to report information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control, and an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the Audit Committee members attend important meetings including Executive Officer meetings and conduct investigations such as interviews with Executive Officer and the executives of the Company's offices and subsidiaries, and undertake deliberations to determine audit policies, methods, implementation status, and results of the audit by regularly receiving reports from the Independent Auditor and Executive Officers in charge of audits.

(B). Internal regulations and systems to ensure the properness of operations within the Mitsubishi Electric Group are established. Executive Officers take responsibility for constructing such systems within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings.

Executive Officers regularly monitor the status of management of the systems. The divisions in charge of internal control monitor the status of design and management of internal control system and regulations. Also an internal whistle-blower system is established and the matters reported thereto are informed to the Audit Committee members.

Furthermore, the status of management of the system is audited by internal auditors, and the audit results are reported regularly to the Audit Committee via Executive Officers in charge of audit.

Audit Committee

The Audit Committee is made up of five directors, three of whom are Outside Directors. In accordance with the policies and assignments agreed upon by the Committee, committee members- mainly those from the Audit Committee responsible for investigation- attend Executive Officers' meetings and other such important conferences, and conduct hearings and surveys of Executive Officers and the executive staff of Mitsubishi Electric offices and affiliated companies.

Divisions in charge of internal control including the Corporate Auditing Division through a responsible Executive Officer, submit reports to the Audit Committee, which holds periodic report meetings to exchange

information and discuss policies. In addition, the Audit Committee discusses policies and methods of auditing with accounting auditors, who furnish it with reports on the status and results of the audits of the Company that they themselves conduct.

Akihiro Matsuyama, Chairman of the Audit Committee, and Masahiko Sagawa, a member of the Audit Committee, have long years of experience in the accounting and financial operations of the Company. Kazunori Watanabe, a member of the Audit Committee, is a Certified Public Accountant and has a considerable degree of knowledge about finance and accounting.

Status of Internal Audit

Internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its affiliated 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 40 members acting independently,

Mitsubishi Electric's Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with extensive knowledge of their particular fields, assigned from relevant business units. Through an Executive Officer in charge of auditing, the Corporate Auditing Division regularly reports the results of such audits to the Audit Committee.

Providing Directors with Appropriate Information at the Appropriate Time, and Conducting Reviews of the Board with Analyses and Evaluations

To strengthen the Board's capacity to supervise the Company's management, the bureaus of the Board of Directors and each committee provide the directors with the information necessary for supervising management, in a timely and appropriate manner. And, to further improve the Board of Directors' capacity to supervise management, venues have been established for supplying information to and exchanging views with Outside Directors, and the Company is working to further enhance the provision of management-related information to the Board of Directors itself.

Additionally, in order to further enhance the functioning of the Board of Directors, the Board meetings are reviewed on an annual basis, and analyses and evaluations are conducted in the following areas.

- Frequency, scheduling, and time spent on the meetings
- The information supplied in relation to discussions at the meetings (quality and quantity) and the method of its provision
- Materials, details and methods of explanation, question-and-answer guidelines, time apportioned for each proposal on the meetings

- Other mechanisms for improving the functioning of the Board of Directors
- Points for improvement of policies based on previous reviews of the Board of Directors
- Opinions about and points for improvement in the method for reviewing the Board of Directors, etc.

As a result of the Board of Directors review, the Board of Directors was evaluated as making ongoing and effective improvements in response to the results of annual reviews, and achieving even better results every time with respect to sharing timely and appropriate management information with Executive Officers, which is essential for the Board to properly fulfill its business supervisory function.

This evaluation in effect endorses the performance of the Board of Directors, but going forward further efforts will be made to improve the performance of the Board of Directors by enhancing the opportunities for exchanging opinions between the supervisory side and executive side and improving the management of the Board of Directors review through conducting individual interviews regarding review results and expanding time for opinion exchange.

Policies Regarding Decisions on Compensation, etc.

1. Basic policy

- (1) As a Company with a Three-committee System, the Company has separate functions for the supervision and execution of business, with the Board of Directors undertaking the business supervisory function, and Executive Officers, the business execution function. Accordingly, Directors and Executive Officers have separate compensation schemes according to the content and responsibilities of their duties.
 - 1) Compensation for the improvement of business performance over the mid- to long-term, and that increases awareness regarding contributing to increased corporate value
 - 2) Compensation that is closely linked to the Company's performance and highly transparent and objective
 - 3) Compensation focused on sharing profits with shareholders and increasing awareness of management that gives weight to shareholder benefits
- (2) Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the compensation scheme for Directors is the payment of fixed-amount compensation and the payment of a retirement benefit upon resignation.
- (3) The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and a retirement benefit upon resignation. The basic policies of such performance-based compensation are as follows:
 - (4) In order to introduce an objective perspective from outside the Company and expert knowledge about the Directors' and Executive Officers' compensation scheme, the Company will hire an external remuneration consultant, and with the support of the consultant it will consider the compensation levels and compensation schemes by taking into account external data on the compensation of major companies in Japan operating globally, domestic economic environment, industry trends, and the Company's conditions, etc.

2. Compensation scheme for Directors and Executive Officers and policies regarding decisions on compensation, etc.

(1) Compensation scheme for Directors

- 1) Directors will receive their compensation as a fixed amount, and the compensation to be paid will be set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
- 2) Directors will receive the retirement benefit upon resignation, and the retirement benefit to be paid will be set at a level decided on the basis of the monthly amount of compensation and the number of service years, etc.

(2) Compensation scheme for Executive Officers

- 1) Fixed-amount compensation will be set at a level considered reasonable taking into account the contents of the Executive Officers' duties and the Company's conditions, etc.
- 2) Performance-based compensation will be as follows:
 - The Mitsubishi Electric Group has been pursuing sustainable growth by maintaining Balanced Corporate Management based on three perspectives: growth, profitability and efficiency, and soundness. In line with its efforts to further increase corporate value, the Group has set its growth targets for fiscal 2021 as consolidated net sales of ¥5.0 trillion or more, and an operating income ratio of 8% or more. The payment base amount for performance-based compensation will be determined based on the consolidated business performance (Net profit attributable to Mitsubishi Electric Corp. stockholders) while taking into account the Group's management policy and targets.
 - The payment amount of each Executive Officer will be determined within the range of $\pm 20\%$

of the payment base amount while taking into account the performance of the business to which the respective Executive Officer is assigned, etc.

- With the purposes of meshing the interests of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares.

The Company sets a rule that, for the compensation paid in the form of shares, the Company shares will be issued after a three-year waiting period. In addition, the shares are required to continue holding the shares until 1 year has passed from resignation.

- 3) The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

(3) Decision-making process, etc.

Policies regarding decisions on compensation, etc. of Directors and Executive Officers and individual compensation details based on the policies will be made through resolutions by the Compensation Committee, which the majority of the members are Outside Directors. The details of activities of the Compensation Committee will be reported to the Board of Directors each time an activity is performed.

 [Annual securities report](#) (Only in Japanese)

Outside Directors

Outside Directors

The Company has five Outside Directors, each of whom has no special interest with the Company. Although companies in which each of the Outside Directors holds office in or has been a director or officer of include those with trading relationships with the Company, no such relationships have an impact on the independence of each relevant Outside Directors based on the scale or nature of such trading, and thus they possess no risk of giving rise to any conflict of interest with the general shareholders of the Company.

Outside Directors are expected to supervise management from a high-level perspective based on their

abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric's Guidelines on the Independence of Outside Directors (see note at below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are selected as Outside Director candidates by the Nomination Committee.

<Independency Guideline for Outside Directors>

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and not falling under any of the following cases, as candidates for Outside Directors.

Each of the following 1), 2), 4) and 5) includes a case in any fiscal year during the past three fiscal years.

1. Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executors") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated sales of the Company or the counterparty
2. Persons who serve as business executors at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
3. Persons who are related parties of the Company's independent auditor
4. Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants
5. Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization
6. Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executors
7. Persons who are related parties of a person or company that have material conflict of interest with the Company

In addition, Outside Directors enhance the checking function of management by receiving reports about the activity status of internal auditors, the Audit Committee, accounting auditors, and divisions in charge of internal control via the Board of Directors, and providing valuable

comments regarding Mitsubishi Electric's management from an objective perspective. By doing this, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

Outside Directors (as of June 27, 2019)

Title	Name, Picture	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2019)
Outside Director	 Mitoji Yabunaka	Member of the Nomination Committee Member of the Compensation Committee	Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of a career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Hiroshi Obayashi	Chairman of the Nomination Committee Member of the Audit Committee	Mr. Obayashi's experience and insights cultivated through the course of a career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Kazunori Watanabe	Member of the Audit Committee Member of the Compensation Committee	Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Hiroko Koide	Member of the Nomination Committee Member of the Compensation Committee	Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Takashi Oyamada	Member of the Nomination Committee Member of the Audit Committee	Mr. Oyamada's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the oversight of the Company's business operations.	—

Note

Mitsubishi Electric Corporation held seven Board of Directors meetings during fiscal 2019.

Compliance

Message from Top Management / Our Concept of Compliance

Message from Top Management

The Mitsubishi Electric Group regards "ethics and compliance" as the foundation of corporate management, and issues the following message to all employees as part

of its efforts to establish even stronger relationships of trust with society, customers, and stakeholders.

The operating environment continues to undergo dramatic changes. What must continue regardless of how the times may change is respect for corporate ethics and compliance.

Mitsubishi Electric Group formulated "the Mitsubishi Electric Group Corporate Ethics and Compliance Statement" as our basic guideline for compliance, pledging to society that "We will never establish a target, nor make a commitment, that could only be achieved with conduct that would violate applicable laws or business ethics or practices."

Looking toward the upcoming 100th anniversary of our foundation and even the next 100-year milestone, in order to continue to be a corporate group which earns the confidence of society and our customer, I request each and every one of you to be aware again that adherence to ethics and compliance forms the basis for the company to remain in business.

And you must always remember that each and every one of you has a responsibility to ensure that as a good corporate citizen we conduct our business in compliance with applicable laws and high ethical standards in all endeavors: you should have pride in our high level of business ethics.

President & CEO



Takeshi Sugiyama

Our Concept of Compliance

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, 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.

Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

The Corporate Ethics and Compliance Statement

Compliance with the Law	We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity to changes in social ethics or local practices. We will never establish a target, nor make a commitment, that can only be achieved with conduct that would violate applicable laws or business ethics or practices.
Respect for Human Rights	We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability, or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.
Contributing to Society	Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of society as a whole.
Collaboration and Harmonization with the Community	As a good corporate citizen and neighbor, we will support civic and charitable organizations and activities in the communities where we reside or work that in our view contribute to community development.
Consideration of Environmental Issues	As part of our goal to achieve a recycling-oriented society, we will pay attention to and respect the global environment in every aspect of our business.
Awareness of Personal Integrity	We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters, and we will use company resources-including money, time, and information-for legitimate business purposes. We will use company computers and various networks and online services, including e-mail and Internet access, primarily for company business.

Mitsubishi Electric Group Conduct Guidelines

Mitsubishi Electric Group Conduct Guidelines is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each employee of Mitsubishi Electric Group in executing company business and performing his/her duties are put together and summarized, and is intended to serve as guidelines for our day-to-day conduct.

These Guidelines were first established in 1990, and became what they are now through multiple revisions

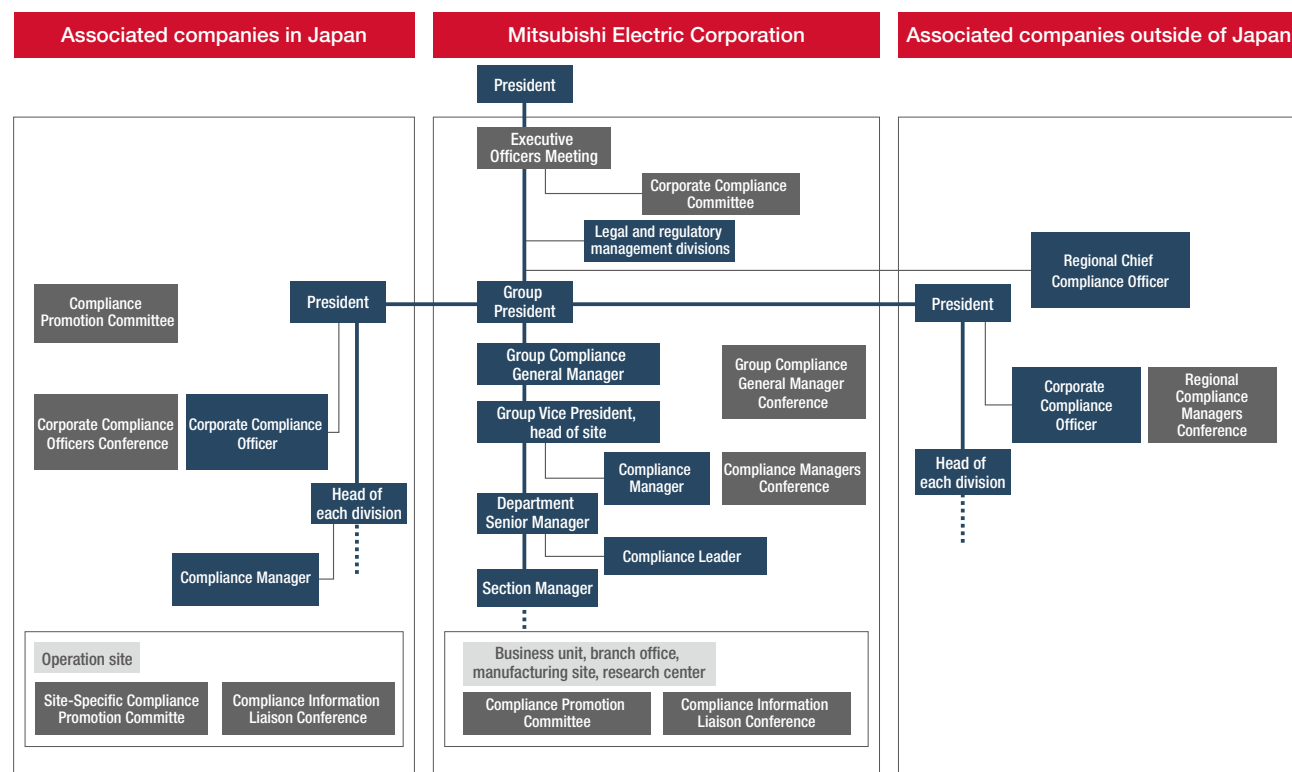
based on revisions of relevant laws and regulations, changes to people's perceptions of social norms and other relevant factors. The version presented here is the most recent revision, published in April 2017.

In addition to the Japanese language, the Code of Conduct is published in 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 employee should conform.

System to Ensure thorough Implementation of Compliance at the Global Level

Based on recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's compliance system has

our business divisions and affiliates in Japan and overseas take the initiative in promoting compliance.



Mitsubishi Electric Group compliance promotion structures



Meeting of compliance managers in the Asia region



Working-level conference on compliance in the China region

VOICE (In charge of compliance in the US)

Assistant General Counsel, Legal Department, Mitsubishi Electric US, Inc. **Maria O'Leary**



I am a member of the Americas Corporate Office Legal Department and support legal compliance activities of the Mitsubishi Electric Group companies in the Americas. In Mexico and Latin America, I work with MELCO Group companies in developing their own legal compliance program tailored to their company's business and national regulations as well as international standards. I advise the companies on development of compliance policies, implementation of employee training programs, and other compliance program activities. I am proud to be a member of a global company with an unwavering commitment to legal compliance in all areas of its business. I wish to offer legal support and resources to the MELCO Group companies in the Americas region to amplify and broaden their compliance programs and processes to meet the challenges of tomorrow's world.

Initiatives against Major Compliance Risks

Fair Competition (Preventing the Violation of Anti-trust Laws)

The Mitsubishi Electric Group deeply regrets its experience of having received an administrative penalty for violating anti-trust laws in Japan and overseas. Out of this regret, we uphold anti-trust laws as one of the most important laws that we must abide by, and make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten. In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs.

Practical training that reflects the characteristics of each business was conducted a total of 91 times in Mitsubishi Electric and its domestic affiliates between fiscal 2016 and fiscal 2018, with 3,549 participants. Additionally, we provide education on anti-trust laws that focus on regional characteristics to overseas employees in the combined form of e-learning programs and face-to-face education.

We will continue to make greater efforts to prevent similar incidents from occurring and previous incidents from being forgotten, through regular monitoring of the status of daily business activities and internal regulations, practical employee training that matches actual transaction situations, and other such initiatives.

Corruption Prevention (Preventing Bribery)

We engage in Group-wide initiatives to prevent bribery. The "Mitsubishi Electric Group Anti-Bribery Policy" that was established on April 1, 2017 reiterates to people in and outside the Group our policy that, among other things, our Group companies, their officers and employees do not offer bribes and do not pursue profits that can be realized only by offering bribes.

 [English version](#)

 [Chinese version](#)

Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for

interactions with public officials inside and outside the country as a measure to prevent bribery.

In addition, we provide education to employees who regularly interact with public officials in the combined form of e-learning programs and face-to-face education (fiscal 2019: 24,056 participants).

In the light of the current global situation where anti-bribery regulations are becoming increasingly tighter, we will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level.

Support and Responses to Political Activities

The Mitsubishi Electric Group provides support to political activities only upon full consideration of its social standing as defined in its corporate mission, and in compliance with relevant laws and regulations in each country.

For example, when Mitsubishi Electric makes a political donation in Japan, the Corporate Administration

Division screens all cases in detail in accordance with the Political Fund Control Law, and ensures adherence to all internal procedures. Additionally, in public elections, we make every effort neither to infringe on the Public Offices Election Act nor deviate from sound social morals.

Export Control

To maintain international peace and security, Mitsubishi Electric has established and abides by the Corporate Security Export Control Regulation. Based on the regulation, all transactions are closely checked for any inclusion of export controlled items and security concerns related to destination, customers, end-use, and transaction conditions, and are strictly managed pursuant to relevant laws and regulations. Furthermore, to ensure all affiliated companies in Japan and overseas also take proper action in line with our policies, we distribute the Security Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese,

and Thai) to all affiliated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2019, we held educational workshops in India, Thailand and Europe, intended for ECAs (Export Control Administrators) in affiliated companies. In Japan, we provided e-learning courses that 36,578 Mitsubishi Electric employees and 32,859 employees of affiliated companies took. For overseas affiliated companies, we have English, Chinese, and Thai e-learning materials for the implementation of training programs in each company.

Disassociation with Anti-social Groups

The Mitsubishi Electric Group adheres to the policy of refusing transactions and any other relationship whatsoever with anti-social groups (crime syndicates, terrorists, drug syndicates and other criminal organizations) in countries and regions where it engages in business, as clearly set forth in the following three provisions in the Mitsubishi Electric Group Conduct Guidelines.

1. We will not have any relationship with anti-social groups, and will deal with such groups with a firm attitude.
2. When engaging in a new transaction, we will make certain that the transaction partner is not related in any way to an anti-social group.
3. Transaction contracts shall include an article on the "elimination of crime syndicates and other anti-social groups," and provide for the termination of the contract in the event a transaction partner is found to be related

to an anti-social group, even if the transaction with the partner has already begun.

Furthermore, in Japan an officer for preventing unreasonable demands, as stipulated in the Anti-Organized Crime Law, is assigned to each business office and affiliated company as a Group-wide measure against unreasonable demands from anti-social groups. If a transaction partner is found to be an anti-social group, we make every effort to promptly disassociate ourselves with the company with the cooperation of the police, external specialist institutions (the National Center for the Elimination of Boryokudan and the Special Violence Prevention Measures Association (Tokubouren) under the control of the Metropolitan Police Department, the National Center for the Elimination of Boryokudan, etc.), and lawyers.

Thorough Dissemination/Education of Our Compliance Policy Ensuring that Employees are Familiar with Our Compliance Policy

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

To raise awareness even further, we also display posters of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement in our workplaces and

distribute cards printed with the Statement to each of our employees.

We distribute the "Mitsubishi Electric Group Conduct Guidelines" to all Mitsubishi Electric Group employees, including overseas employees. Employees in Japan receive a booklet containing the conduct guidelines, which summarizes points that employees should be aware of in relation to compliance as they conduct their work duties.



Portable Card

Corporate Ethics and
Compliance Statement Poster



"Mitsubishi Electric
Group Conduct
Guidelines" Booklet

English version

Simplified Chinese version

Traditional Chinese version

Thai version

Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas).

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. Employees in all countries in which we operate take part in an educational program concerning the major relevant laws, respect for human

rights, and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. In fiscal 2019, as many as 127,300 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs (100% participation in compliance-related e-learning programs by Mitsubishi Electric alone). Overseas as well, some 6,815 employees have taken part in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

In fiscal 2019, Mitsubishi Electric's Corporate Legal & Compliance Division conducted 240 compliance-related workshops within the Group, in which a cumulative total of 9,071 people participated.

Compliance Audits

To verify the state of compliance in the Mitsubishi Electric Group, the internal departments in each of the affiliated companies in the Group carries out self-inspection several times a year by various means. The inspection utilizes various tools, including specific check sheets for the areas of corporate ethics and legal compliance. Corrective action is taken as necessary in response to the result of such self-inspection.

Additionally, internal regulations and systems are in place to ensure proper operations across the Mitsubishi Electric Group. The Corporate Auditing Division of

Mitsubishi Electric conducts internal audits to check the operational effectiveness of these regulations and systems (in the audit areas of ethics and legal compliance, accounting and finance, human resources, technology management and quality management). If an audit reveals the need for improvement, the relevant company or department will receive instructions for remediation/improvement. Periodical reports of audit are presented before the audit committee through the executive officer in charge of internal audits.

Establishment of Internal and External Ethics and Legal Compliance Hotlines

Mitsubishi Electric has put in place "ethics and legal compliance hotlines" (internal notification system, so-called "whistle blowing system"), with the objective of promptly addressing fraudulent, illegal, and anti-ethical conducts as a self-disciplinary mechanism. This function is available through two notification channels, inside and outside the company. The outside channel is managed by independent law firms. The hotlines are operated pursuant to clearly defined internal regulations that ensure responses to anonymous informants, elimination of disadvantageous treatment of informants, and the confidentiality of all informants. Notifications are also accepted from business partners and companies, if it pertains to issues that arise out of their relationship with Mitsubishi Electric, including but not limited to business transactions.

Alleged issues of each notification are examined by a group composed "ad hoc" of members from departments capable of conducting investigation, depending on the nature of the notification. In case an alleged issue casts doubt on compliance with pertinent laws and/or internal rules, efforts are made to reinforce the prevalence of adequate norms through a revision of rules or explanatory meetings for promoting due understanding of the same. Where misconduct contrary to any laws and/or internal

rules is detected, the concerned employee is subject to disciplinary action, and if any organized involvement in the detected incident is found, remediation is demanded of the concerned department.

The detailed functions of these "ethics and legal compliance hotlines" are provided in the booklet distributed to all employees for dissemination of Mitsubishi Electric Group Conduct Guidelines. These detailed functions also appear on posters displayed in each workplace (each department and operating base), on the handheld cards containing the contact information of internal and external contact points that are distributed to all employees, and on the Group website, to ensure that we communicate them to all employees.

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



Poster for internal dissemination of information on the hotline

Risk Management

Basic Policy

The Mitsubishi Electric Group engages in the development, manufacture and sale of a broad range of products in diverse sectors, including the Energy & Electric Systems, Industrial Automation Systems, Information & Communication Systems, Electronic Devices and Home Appliances. Moreover, the Group operates these businesses not only in Japan but overseas, such as in North America, Europe and Asia.

To respond to the expectations of all stakeholders beginning with society, customers and shareholders, and to

realize sustainable growth, the Group has a framework in place for managing business-related risks in an appropriate manner.

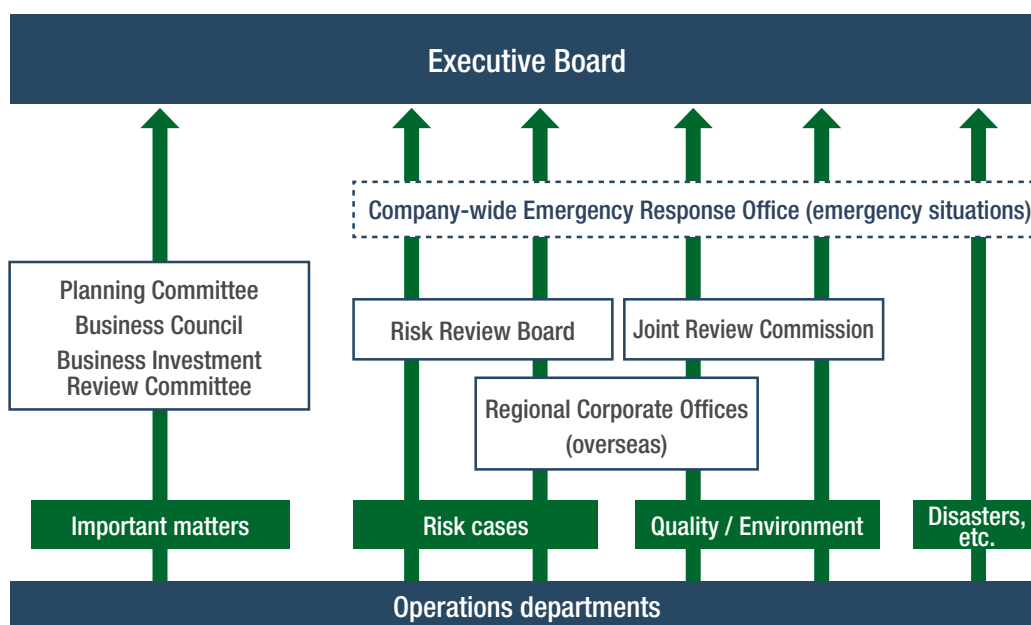
The framework provides proper responses to risks depending on their type, size and impact. For example, by incorporating risk management into business activities, risks are managed according to the size and characteristics of each business, and important risks that cover the entire Group are mainly managed by corporate departments.

Risk Management Framework

The Mitsubishi Electric Group maintains a multi-dimensional risk management system in which all executive officers participate.

Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings.

In the event an incident occurs that seriously calls into question the Group's social responsibility and is expected to have a profound impact on management, or in the case of such emergencies as large-scale disasters, accidents or pandemics, a company-wide Emergency Response Center will be established to implement measures under the leadership of the president, to ensure prompt and proper initial response.



Risk management framework

Responding to Environmental Risk

The Mitsubishi Electric Group works to quickly discover latent risks in business activities that can impact or potentially impact the environment in a substantial way.

To prepare for an accident or emergency that involves an environmental risk such as groundwater or soil pollution, the handling of waste, or the malfunction of an environmental facility, head office divisions, manufacturing facilities, R&D centers, branches, and affiliates in Japan and overseas have developed detailed risk descriptions and procedure manuals that specify departmental responsibilities. Mitsubishi Electric also anticipates the possibility of accidents, complaints, or violations of the law arising on the side of construction subcontractors or companies working under outsourcing agreements,

and informs these outside parties of our risk response procedures and disseminates the proper procedures in their respective organizations.

Each organization runs a test at least once a year to determine if the managers in charge are capable of appropriately responding to an emergency. The tests simulate an emergency that has the potential of occurring, to determine whether initial responses, provisional measures, and communication methods properly function in regard to environmental accidents. When problems are uncovered, the procedures are revised and the new version is publicized throughout the organization.



[Environment] Environmental risk management

Disaster Countermeasures

Development of a Response Framework for Large-scale Disasters

Engaging in business on a global scale entails the risk of being affected by disasters, including earthquakes, regional conflicts, terrorism, and outbreaks of infectious diseases. The Mitsubishi Electric Group is strengthening its

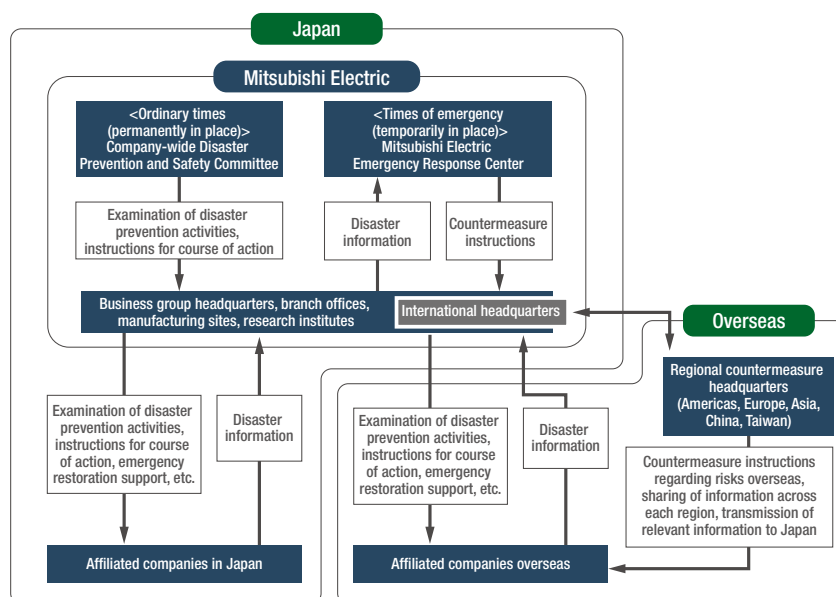
response framework, reexamining its disaster prevention system and disaster countermeasures, to prepare for emergencies.

Emergency disaster prevention framework

In the event that any of the Mitsubishi Electric Group's sites suffer or are at risk of suffering serious damage as the result of a large-scale disaster, we have a framework in place that is centered on the Mitsubishi Electric Emergency Response Center headed by our president, to enable the entire Mitsubishi Electric Group to respond to the emergency situation.

In addition to verifying the (personal and physical) disaster situation, the Emergency Response Center

promptly examines and executes policies in response to business continuity initiatives and requests from society (support for affected areas, donations, etc.). Particularly with regard to overseas sites and affiliated companies overseas, it works closely with each regional response headquarters to ensure employee safety (safety confirmation, livelihood support, etc.) and provide support for business restoration.



Mitsubishi Electric Group's disaster prevention framework

Framework for ordinary times (creation of a PDCA cycle for disaster response)

In ordinary times, we take steps to ensure that the disaster prevention initiatives we have so far taken continue to be valid, by establishing a Company-wide Disaster Prevention and Safety Committee headed by the executive officer in charge of general affairs, and by implementing continuous improvement activities through a PDCA cycle to make improvements based on periodic examinations and reviews of the disaster response measures of the Mitsubishi Electric Group (at least once a year) and the results of emergency drills.

In fiscal 2019, the Committee compared the situation to when the business continuity plan (BCP) was

formulated, and considering the major changes in external environments, such as IT developments, it launched the Emergency Response Center, and reconsidered alternatives for it.

For fiscal 2020, the Committee considers that in order to maintain the effectiveness of the BCPs, it is crucial to continue conducting reviews that are in step with the changes in external environments, and will focus on reviewing BCPs toward increasing their viability in times of emergency as a Group-wide priority.

Initiatives for Business Continuity and Disaster Response

Business continuity plan (BCP) formulation and regular (annual) review

To fulfill our responsibility as a product supplier, we had all Mitsubishi Electric offices formulate a BCP assuming the possible outbreak of a new strain of influenza in fiscal 2011 and a BCP assuming the risk of a large-scale earthquake in fiscal 2013.

In fiscal 2014, we began an examination of continuing

business at an alternative site and urged major affiliated companies in Japan and overseas to formulate a BCP. To ensure the BCP that is formulated in each office and affiliated company in Japan and overseas remains valid, the BCP is reviewed and countermeasures are upgraded every year.

Business continuity in the supply chain

At Mitsubishi Electric, we pursue initiatives to avoid situations in which a large-scale disaster or other unavoidable circumstance imposes serious damage on suppliers, severs the supply of materials, or obstructs our production activities.

1. Evaluation of BCP risks among suppliers

From fiscal 2015, we have begun an evaluation of BCP risks among our suppliers in Japan using a company-wide unified index, and are bringing visibility to suppliers with high risks.

2. Activities for mitigating supplier risks

To mitigate the risks that have come to light through the BCP risk evaluation of suppliers, we recommend multi-company purchasing, and request our suppliers to multi-site their production centers. We also

organize BCP seminars for suppliers, to strengthen awareness and provide support for disaster prevention measures.

3. Activities for ensuring prompt initial response at times of disaster

To ensure prompt initial response at times of disaster, we have created and actively utilize a map search system that allows us to search on a map the locations of suppliers in the vicinity of a disaster point.

Hereafter, we will also promote multi-company purchasing and multi-siting of production centers by suppliers overseas, to ensure stable procurement activities in our overseas production centers.

Strengthening disaster responses

Each office and affiliated company of the Mitsubishi Electric Group possesses a disaster response manual that is used to implement preliminary measures (disaster mitigation measures) and disaster prevention drills. For example, every year, the Mitsubishi Electric Corporate IT Strategy Division, which has two separate data centers in Tokyo and the Kansai region, carries out a drill for switching between data centers in the event of an



BCP training at a Mitsubishi Electric site in Japan

emergency.

In fiscal 2019's drill, the target time for recovery of all enterprise systems was successfully achieved.

We have also instructed affiliated companies to establish the same level of disaster countermeasures as those implemented by Mitsubishi Electric to strengthen their emergency preparedness through disaster-prevention drills at each site.



Disaster prevention drill at an overseas Mitsubishi Electric site (Taiwan)

Pandemic countermeasures

The development of various modes of transportation and transportation networks, and the globalization of the economy have increased not only the movement of people, but also the risk of pandemic diseases such as the Ebola virus disease and new strains of influenza.

Amid the advancing globalization of the Mitsubishi Electric Group's businesses, in Japan we commenced initiatives to fulfill our corporate social responsibilities to (1) ensure people's safety, (2) sustain businesses that serve societal functions, and (3) minimize economic impact on

our company in the event of an outbreak of a new strain of influenza (through BCP formulation, keeping tabs on the dynamics of business travelers and expatriates, stockpiling masks, etc.).

Overseas, and particularly in countries where the probability of an outbreak of a new strain of influenza is high, we provide direction to formulate a BCP that assumes such an outbreak and to otherwise implement countermeasures that are suitable for the situation in each country.

Ensuring safety overseas

The Mitsubishi Electric Group's Overseas Safety Response Center, under the Corporate Human Resources Division, works closely with overseas sites (overseas offices and affiliated companies of Mitsubishi Electric and affiliates in Japan) to grasp the dynamics and confirm the safety of overseas business travelers, convey various information (travel restrictions, etc. based on information gathered from the Ministry of Foreign Affairs and specialized agencies), and provide employee education.

In fiscal 2019, in response to the increasing number of overseas assignments to dangerous regions, we organized overseas safety seminars for employees scheduled to take up such assignments or business trips

to dangerous regions. In addition, we carefully examined each overseas office for various risks such as warfare, terrorism, civil unrest, general crime, traffic dangers and environmental disasters, and carefully examined the probability of occurrence and the level of impact on businesses. The risks for each region were then shared. 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.

Our Approach to Information Security

Basic Policy

The Mitsubishi Electric Group handles confidential corporate and personal information appropriately as part of its corporate social responsibility to make certain that such sensitive information does not leak out and cause concern for our customers and society, as can be caused by cyber-attacks or the loss of storage media.

The Mitsubishi Electric Group manages confidential corporate information, which includes information on Mitsubishi Electric's sales, engineering matters and

intellectual property, based on the "Declaration of Confidential Corporate Information Security Management" that was established in February 2005. Information that is entrusted to us by our corporate customers is managed and protected in compliance with a non-disclosure agreement, as well as by the same level of security measures that are applied to our own confidential corporate information.

<Declaration of Confidential Corporate Information Security Management>

With respect to the information assets that constitute its core business activities, Mitsubishi Electric Corporation shall disclose information that should be released externally in a timely and appropriate manner, while ensuring strict and appropriate management of confidential corporate information.

In the unlikely event that valuable information or confidential corporate information entrusted to us by others were to leak, this would not only cost the trust and confidence invested in the Company; the improper use of this information could also threaten national, societal and individual security.

Recognizing that appropriate management of confidential corporate information is a key corporate social responsibility, the Company hereby declares that all employees shall comply with the following confidential corporate information management policies.

1. Appropriate Management of Confidential Corporate Information through Compliance with Laws, Ordinances and Regulations

The Company shall manage all confidential corporate information concerning business activities appropriately in accordance with laws, ordinances and Company regulations.

"Confidential corporate information" means valuable technical or business information held by the Company, and information (such as personal information, information obtained from outside the Company and insider information), which, if disclosed or used in an unauthorized way, could be disadvantageous to the Company and/or its stakeholders. Physical objects that constitute confidential corporate information are also subject to control.

2. Enforcement of Security Management Measures

The Company shall implement appropriate security management measures for the protection and proper control of confidential corporate information.

"Security management measures" means organizational, human, technological and physical measures that are strictly enforced according to the confidentiality level of the applicable corporate information.

3. Enhancement of Information System Security Measures

The Company shall enhance its information system security measures to prevent unauthorized access, intrusion and wrongful use of confidential corporate information, and implement comprehensive countermeasures with IT.

4. Education

Recognizing that the awareness of individual employees who are involved in handling confidential corporate information is fundamental to management, the Company shall provide regular education for all employees concerning the importance of confidential corporate information management and the Company's efforts to enhance it.

5. Continual improvement of Management through the PDCA Cycle

The Company shall establish a confidential corporate information management system and improve it proactively and continually through the PDCA (Plan-Do-Check-Action) cycle.

6. Timely and Appropriate Information Disclosure

In addition to rigorously managing confidential corporate information in an appropriate manner in line with items 1 through 5 above, the Company shall disclose information that should be externally released in a timely and appropriate manner.

April 1, 2018
Takeshi Sugiyama, President & CEO
Mitsubishi Electric Corporation

Personal information collected from customers through questionnaires, registration of purchased products, repair services, and other such means is managed based on the "Personal Information Protection Policy" that was established in April 2004. On the basis of this system, in January 2008 Mitsubishi Electric was granted the right to use the "PrivacyMark" under Japan's system for certifying personal information protection systems, in recognition of its ongoing efforts to ensure proper handling of personal information.



<Personal Information Protection Policy>

Mitsubishi Electric Corporation fully complies with Japan's laws and regulations, national policies and other rules concerning the protection of personal information.

Personal information can be defined as any information that may be used to identify an individual, including, but not limited to, a first and last name, a home or other physical address, an e-mail address or other contact information.

Mitsubishi Electric Corporation sometimes collects personal information from its customers while conducting business activities. On the Global Website, personal information is collected predominantly through the various contact/inquiry forms.

When we directly solicit personal information from you in writing, we will specify how we intend to use the information, and ask for your consent. When we collect personal information by other means, we will announce on our website how we intend to use it.

When you provide us with personal information, we use the information to respond to and confirm your inquiry, and may keep a record of the inquiry for the same purposes. In addition, to support our customer relationship, we may store and process personal information and share it with our worldwide subsidiaries and affiliates to better understand your needs and how we can improve our products and services.

At times Mitsubishi Electric Corporation may conduct online surveys to better understand the needs and profile of our visitors. When we conduct a survey, we will do our utmost to let you know how we will use the information collected from you. Our site may provide contests, sweepstakes or other promotions that may ask you to enter your personal information. We will use the information you provide for the purpose of conducting the promotion, like providing customer support or contacting you if you're a winner.

Mitsubishi Electric Corporation does not use or disclose information gathered from individual visits to the Site or information that you may give us to any third parties for intention to sell, rent or otherwise market your personal information. We may at times employ a third party service providers to perform or assist us on the on-line surveys, contests, sweepstakes or other promotions. For example, administering the survey or promotion, compiling the data or providing customer support. These parties will have signed a Non-Disclosure Agreement prior to any services we initiate with them. They will not disclose any personal information they receive from you and will only use it in order to initiate and or continue the services they are providing for us.

You have the option not to provide personal information to Mitsubishi Electric Corporation. If you choose not to provide the personal information we request, you can still visit most of the Site, but you may be unable to access certain options, offers and services that involve our interaction with you.

Framework and Guidelines

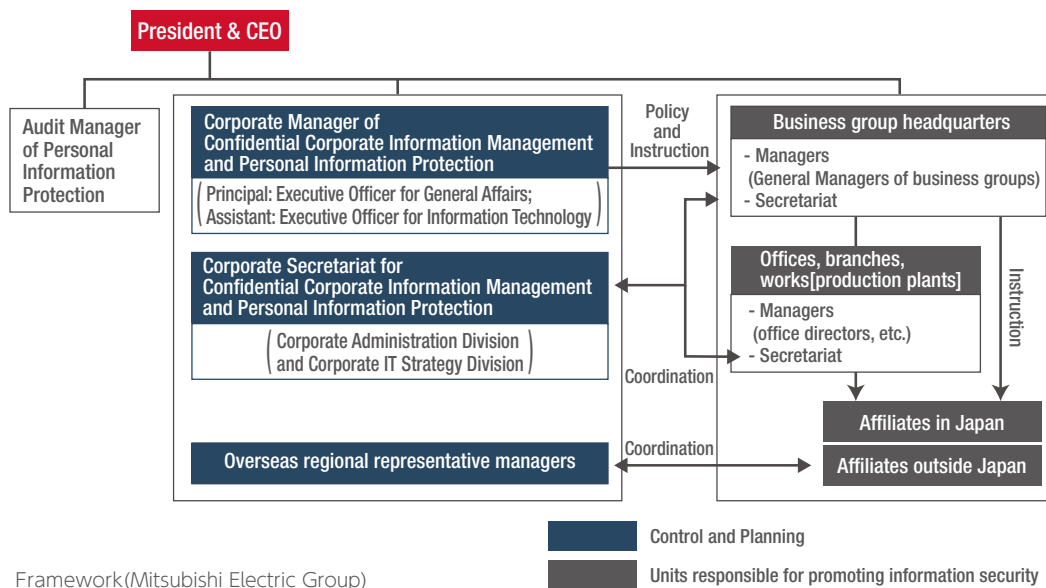
The President & CEO assigns a Corporate Manager for Confidential Corporate Information Management and Personal Information Protection (hereafter Corporate Manager), who assumes overall responsibility for confidential corporate information management, and an Audit Manager for Personal Information Protection, who is responsible for implementing and reporting the results of personal information audits. The Corporate Manager assumes overall responsibility for information security, and the Corporate Secretariat for Confidential Corporate Information Management and Personal Information Protection (hereafter Corporate Secretariat) under the Corporate Manager is in charge of planning and promoting information security measures. Responsibility for the actual utilization and management of confidential corporate information and personal information lies with the General Manager of each business group (the Confidential Corporate Information Management and Personal Information Protection Manager) and the

manager of each business site (office directors, etc.).

The Business Group Secretariats and Business Office Secretariats, under the General Manager of each business group and manager of each business site strive to ensure information security by maintaining close coordination and regularly holding meetings with the Corporate Secretariat.

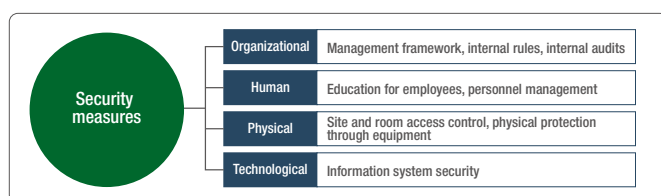
In the event an incident were to occur, reports and instructions would be given in keeping with this framework and appropriate responses would be taken to prevent secondary damage.

Business groups and offices (offices, branches, works [production plants]) issue instructions and guidance on information security to affiliates in and outside Japan. Paying special attention to the circumstances and special characteristics of overseas affiliates, the Corporate Secretariat places overseas regional representative managers at sites in the Americas, Europe, China, and other Asian countries and coordinates with them to ensure information security.

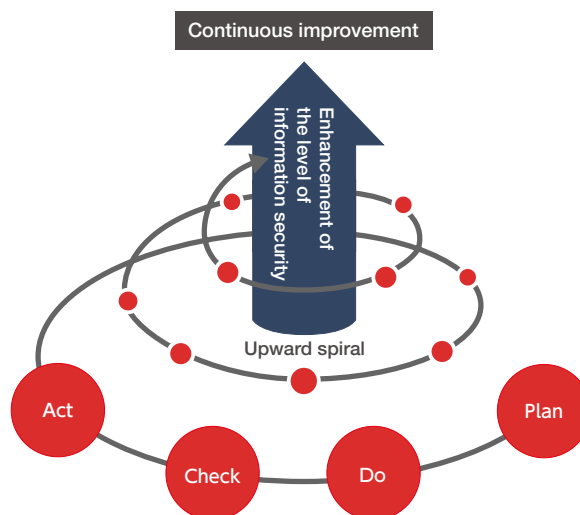


Management Principles

The Mitsubishi Electric Group practices confidential corporate information management and personal information protection utilizing a continuous improvement approach implemented using the Plan, Do, Check, Act (PDCA) cycle, and employs four security measures to ensure proper management and protection of confidential corporate information and personal information from the organizational, human, physical, and technological perspectives.



Four security measures



PDCA cycle to ensure information security

Global Activities

To maintain and improve the information security level of the Mitsubishi Electric Group as a whole, including overseas affiliates, various inspections are conducted

as appropriate for each information security system, as prescribed in the Guidelines to Information Security Management Rules for Affiliated Companies.

Information Security Regulations and Guidelines

Committed to living up to its Declaration of Confidential Corporate Information Security Management and Personal Information Protection Policy, Mitsubishi Electric Corporation has established information security

regulations and guidelines alongside the four security measures, and reviews them as necessary to stay in compliance with current laws. In addition, we have similar rules for personal information protection and affiliates.

Item	Basic regulations
Security measures	Organizational security measures: Regulations on confidential corporate information security management
	Human security measures: Regulations on the work of employees
	Physical security measures: Physical security guidelines
	Technological security measures: Regulations on information security management

Information Security Inspections

The Mitsubishi Electric Group performs the following inspections as part of the C (Check) stage of the PDCA cycle at head office management departments, business groups and offices, and affiliates. These inspections focus on checking whether confidential corporate information management and personal information protection activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming

the status of those activities. The Group reviews measures based the results, and this leads to the A (Act) stage of the PDCA cycle.

These inspections are set down in the Confidential Corporate Information Management Regulations, which cover Mitsubishi Electric Corporation, and in the Guidelines for Information Security Management Regulations, which cover affiliates in and outside Japan.

Inspections related to information security

Item	Name	Content
Self-check	Self-check program for confidential corporate information management and personal information protection	Using a checklist, each Mitsubishi Electric Group company performs a self-inspection of its activities for information security.
Third-party check	Third-party check program for confidential corporate information management and personal information protection	Mitsubishi Electric's business sites mutually check each other's status of information security management. Mitsubishi Electric checks the status of information security at affiliated companies.
	Personal information protection audits (Personal information protection management system audits)	In Mitsubishi Electric, the status of personal information protection is internally audited under the supervision of the Audit Manager for Personal Information Protection. In affiliated companies in Japan that have been granted the right to use the "PrivacyMark," the same internal audit is conducted by the audit manager in each company.

Various Measures

Information Security Education

Mitsubishi Electric provides the following education programs to foster a corporate culture that enforces the

proper handling of confidential corporate information and personal information.

Education for all employees

An e-learning program on information security is offered once a year to all of the Company's roughly 50,000 employees, to disseminate thorough knowledge of various issues on information security, including Mitsubishi Electric's policies, the status of information leakage incidents, laws and regulations on the protection of personal information, the Unfair Competition Prevention Act, and security measures (human, physical, technological, and organizational) to be taken by all employees.

Exercises to practice handling spoofed e-mails

As a measure against cyber-attacks, Mitsubishi Electric regularly conduct exercises that allow all employees, including officers, to verify that they know how to handle spoofed e-mails. Employees of affiliates in Japan can participate in this exercise. At overseas affiliates in the Americas, Europe, and China, practice exercises are conducted according to local circumstances under the direction of regional representative managers.

Education corresponding to each career stage

Education on confidential corporate information management and personal information protection is provided to new employees, employees in their twenties, and thirties and newly appointed section managers, so that they may fulfill the roles that are expected of them at each career stage.

Other individual training

Employees posted overseas are provided with a preliminary education program, which covers risks in confidential corporate information management and personal information protection outside Japan and examples of information leakage incidents that have occurred overseas.

Contractor Management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. To ensure that confidential corporate information and personal information entrusted to a contractor will be handled with appropriate control, before entrusting

the information to the contractor, we confirm that the contractor will maintain the proper level of protection. After submitting the information, we supervise the contractor by regularly examining a status report on the use and management of the information that we have submitted. Moreover, the agreement includes a special clause that provides for the protection of the personal information that we have submitted.

Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses. As they are growing increasingly sophisticated and diverse year-by-year, it is becoming difficult to prevent them. The Mitsubishi Electric Group deploys cyber-attack countermeasures through a multilayered defense consisting of a number of different defense measures stacked on top of each other. Furthermore, there are cyber-attacks that cannot be prevented entirely with a

multilayered defense alone. Accordingly, we monitor cyber-attacks and have put in place a system to respond immediately should a case occur, in an effort to prevent or minimize damage.

Internet websites are constantly exposed to many external threats, and so we only launch websites that are approved in order to maintain high security level.

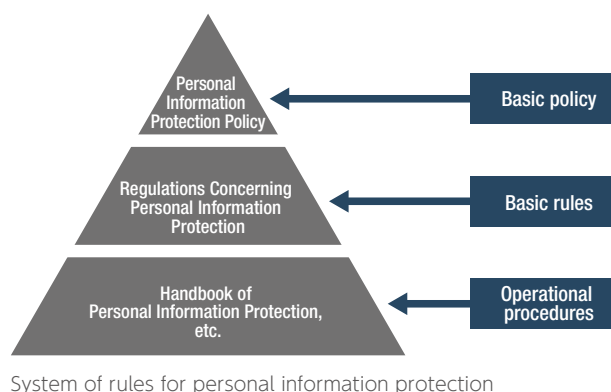
Activities for Personal Information Protection

Personal Information Protection

In efforts to protect personal information, Mitsubishi Electric first created company rules on personal information protection in October 2001, and since then it has required all employees and affiliated persons to obey those rules strictly. Mitsubishi Electric issued a personal information protection policy in 2004, complying with the requirements of JIS Q 15001:2006 Personal Information Protection Management Systems. In January 2008, we were granted the right to use the "PrivacyMark," which certifies the establishment of management systems that ensure proper measures for personal information protection. We have maintained our "PrivacyMark" certification until the present.

We have also conducted a review of our internal regulations to ensure a proper response to Japan's

amended Act on the Protection of Personal Information, which went into force in May 2017.



Proper handling of Personal Information

Mitsubishi Electric handles personal information appropriately; we acquire it by specifying purpose of use,

use it only within the intended scope, and provide it to a third party only with prior consent from users.

Response to the EU General Data Protection Regulation (GDPR)

The Mitsubishi Electric Group handles personal data from the EU in an appropriate manner with due consideration to the General Data Protection Regulation (GDPR) that

was put into force in the EU in May 2018 as a framework to protect privacy.

Research and Development

Research and Development

As the cornerstone of its growth strategy, the Mitsubishi Electric Group will promote short-, medium-, and long-term R&D themes in a balanced manner.

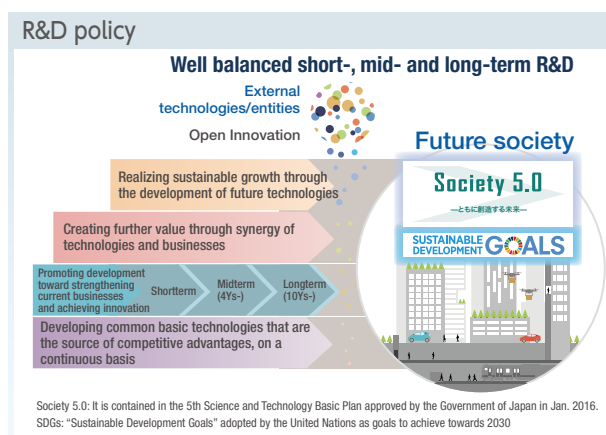
In addition to promoting development toward strengthening current businesses and achieving innovation, the Company is striving to create further value through synergy of technologies and businesses by leveraging the Company's diverse technologies and businesses, while also working to realize sustainable growth through the development of future technologies.

To support these efforts, the Company is developing common basic technologies that are the source of the competitive advantages of the Company's products, on a continuous basis.

Furthermore, the Company will promote enhancement of efficiency of development through proactive utilization of open innovation in collaboration with universities and other external R&D institutions.

During fiscal 2019, the total R&D expenses for

the entire Group have amounted to 212.7 billion yen (1% increase compared to the previous fiscal year). Representative achievements are as follows.



Main R&D Achievements in Fiscal 2019 (consolidated results)

Development of New Dot Forming Technology that Achieves High-precision Three-dimensional Metal Shaping

In recent years, there has been a growing demand for multi-product small-lot production. In order to shorten manufacturing processes and increase design flexibility, application of three-dimensional shaping technologies to metal parts have been spreading in various fields, primarily in the aircraft and automobile manufacturing fields.

The Company has developed a unique dot forming technology that realizes high-precision shaping by combining laser, computer numerical control and computer aided manufacturing CAM¹ technologies in 3D printers. The technology produces high-quality three-dimensional parts with few voids at high speed, employing a laser wire DED² method. With this new technology, the shape accuracy has improved by 60% (in-house comparison) compared to that of conventional consecutive forming technology.

The technology will contribute to greater productivity in a wide range of applications, such as the "near-net" shaping³ of aircraft and automobile parts and build-up repairs.

*1 Computer Aided Manufacturing: A technology that uses input three-dimensional shape data to perform all production preparations, such as the creation of processing programs, on a computer

*2 Directed Energy Deposition: An additive-manufacturing process that uses focused thermal energy to fuse materials as they are deposited, and add layer by layer to solidify

*3 A manufacturing technique to produce the item in near-final form

Laser Wire DED Type Metal 3D Printer



Development of Seamless Speech Recognition Technology

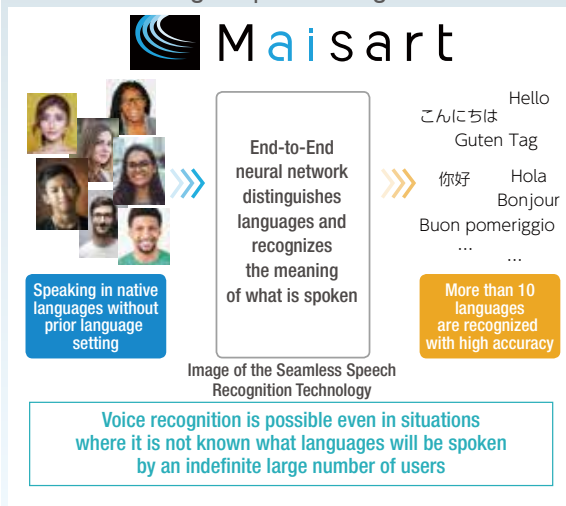
Using its proprietary Maisart¹ AI technology, the Company developed "Seamless Speech Recognition," the world's first² technology capable of highly accurate multilingual speech recognition without being informed which language is being spoken. The technology can understand multiple people speaking either the same or different languages simultaneously.

Going forward, the Company will work to further improve the accuracy and applicability of automatic speech recognition in real environments.

*1 Mitsubishi Electric's AI creates the State-of-the-ART in technology
Mitsubishi Electric's AI technology brand aimed at making every device smarter

*2 As of February 13, 2019 (based on the Company's research)

Seamless Multilingual Speech Recognition



Intellectual Property

Basic Policy

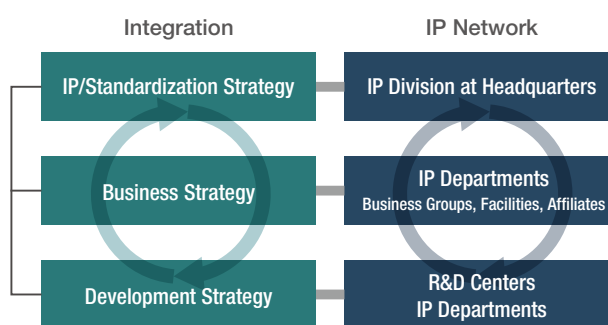
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

The Mitsubishi Electric Group recognizes that intellectual property (IP) rights represent a vital management

resource essential to its future and must be protected. Through integrating business, R&D, and IP activities, the Group is proactively strengthening its global IP assets, which are closely linked to the Group's business growth strategies and contribute to both business and society, and also working on protecting IP rights.

Structure of the Intellectual Property Division

The IP divisions of the Mitsubishi Electric Group include the Head Office IP Division, which is the direct responsibility of the president, and the IP divisions at the Works, R&D centers, and affiliated companies. The activities of each IP division are carried out under the executive officer in charge of IP at each location. The Head Office IP Division formulates strategies for the entire Group, promotes critical projects, coordinates interaction with external agencies including patent offices, and is in charge of IP public relations activities. At the Works, R&D center, and affiliated company level, IP divisions promote individual strategies in line with the Group's overall IP strategies. Through mutual collaboration, these divisions work to link and fuse their activities in an effort to develop more effective initiatives.



Global IP Strategy

The Mitsubishi Electric Group identifies critical IP-related themes based on its mainstay businesses and important R&D projects, and is accelerating the globalization of IP activities also by filing patents prior to undertaking business development in emerging countries where an expansion of business opportunities is expected. Furthermore, resident officers are assigned to Mitsubishi Electric sites in the United States, Europe, China, and Southeast Asia to take charge of IP activities and strengthen the IP capabilities of business offices, R&D centers, and affiliated companies in each country. Through these initiatives, we strive to create a robust global patent network.

As an indication of the Mitsubishi Electric Group's IP capability and global IP activities, the company ranked No.1 in Japan in terms of the number of patent registrations (in 2018) announced by the Japan Patent Office (JPO), and No.2 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2018) announced by the World Intellectual Property Organization (WIPO).

In conjunction with creating a patent network, we are also actively pursuing activities toward acquiring design rights in Japan and overseas, to protect both the functional and design aspects of our technologies.

(Top 5) PCT applicants: businesses, 2018 (WIPO, PCT Yearly Review)

Rank	Applicant	Country	No. of patents
1	Huawei	China	5,405
2	Mitsubishi Electric	Japan	2,812
3	Intel	USA	2,499
4	Qualcomm	USA	2,404
5	ZTE	China	2,080

(WIPO)

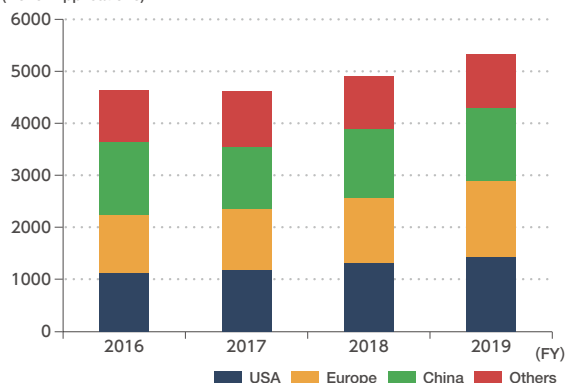
No. of patent registrations in 2018 (Japan)

Rank	Applicant	No. of patents
1	Mitsubishi Electric	4,348
2	Canon	4,288
3	Toyota Motor	3,301
4	DENSO	3,285
5	Panasonic	2,630

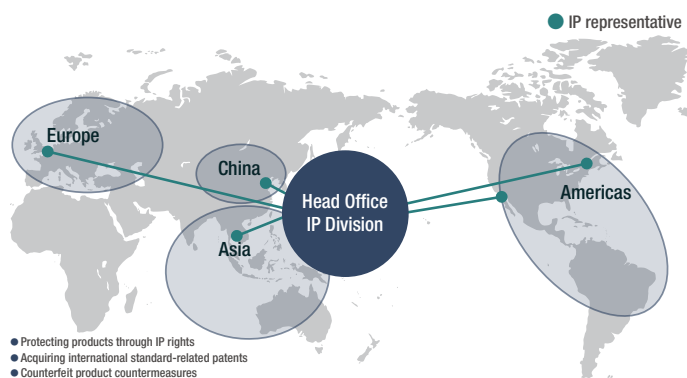
(JPO)

Annual Trends in Overseas Patent Applications by the Mitsubishi Electric*1

(No. of Applications)



*1 Starting in 2019, we began using the number of overseas patent applications of Mitsubishi Electric as a single entity



Further Strengthening Global IP Capabilities

IP Strategy for International Standardization

In order to expand business in global markets, the Mitsubishi Electric Group is actively promoting international standardization. Activities to acquire patents that support international standards (e.g., standard essential patents) are openly promoted. As the member of an organization in which patent pools for Digital Broadcasting, MPEG, HEVC, DVD, Blu-ray Disc™*2 and Mobile communications collectively control standard essential patents, the IP revenues obtained through the organization are contributing to improvement and growth in business earnings. The Group is also working

to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share. In the field of 5G mobile communication systems, which are expected to proliferate in the future, we are not only involved in activities to acquire standard-essential patents, but also leveraging our technologies to promote IP activities that make our products even better.

*2 Blu-ray Disc™ is a trademark of the Blu-ray Disc Association



Respecting IP Rights

The Mitsubishi Electric Group firmly recognizes the importance of mutually acknowledging and respecting not only its own intellectual property rights but the intellectual property rights of others as well. This stance is clearly set forth in the Mitsubishi Electric Group Conduct Guidelines and practiced throughout the Group.

Any infringements on the IP rights of others not only violate the Code of Corporate Ethics and Compliance, but also have the potential to significantly impair the Group's continued viability as a going concern. The resulting potential impairments include being obliged to pay significant licensing fees or being forced to discontinue the manufacture of a certain product.

In order to prevent any infringement on the IP rights of

others, various educational measures are provided mainly to engineers and IP officers, to raise employee awareness and promote greater respect for the IP rights of others. At the same time, a set of rules has been put in place to ensure that a survey of the patent rights of others is carried out at every stage from development to production, and is strictly enforced throughout the entire Group.

The Mitsubishi Electric Group also works diligently to prevent any infringement on its IP rights by others. In addition to in-house activities, we place particular weight on collaborating with industry organizations while approaching government agencies both in Japan and overseas as a part of a wide range of measures to prevent the counterfeiting of our products.

Cooperation in IP Policies

IP policies—such as those for prompt and efficient patent examination, international standardization activities, measures against counterfeit and pirated goods, and the establishment of a global patent system—encourage fair competition and contribute to building affluent lifestyles and society.

Based on this awareness, Mitsubishi Electric makes various proposals regarding IP policies and amendments of relevant laws from the industrial perspective, through its activities with institutions such as the Intellectual

Property Strategy Headquarters and other governmental agencies of the Patent Office, and industrial organizations such as the Keidanren and the Japan Intellectual Property Association. Given today's advances in economic globalization, Mitsubishi Electric thus engages in active exchanges of views and information with the World Intellectual Property Organization (WIPO) and patent offices abroad, and cooperates in establishing IP policies from a broad, global perspective.

Communication with Shareholders and Investors

Basic Policy

The Mitsubishi Electric Group enthusiastically engages in IR activities to gain the understanding and trust of its shareholders and investors, and makes it a point to disclose the appropriate information in a timely manner, in regard to management policies, strategies, and financial

results. We also make every effort to incorporate into our management plans and practices the views of our shareholders and investors and the results of dialogue with them.

Communication with Shareholders and Investors

Mitsubishi Electric holds a General Meeting of Shareholders in late June every year. By issuing the convocation notice for this meeting in early June and publishing the notice on our homepage one week before it is issued, we ensure that there is sufficient time for all shareholders to examine the items on the agenda. In addition, we are establishing an environment that enables shareholders to exercise their voting rights on the Internet.

Mitsubishi Electric regards shareholders meetings as precious opportunities for direct communication with our shareholders. To explain our business strategies, results and other important matters, we employ visual presentations that make abundant use of photographs, charts and the like in PowerPoint slides. In addition to making our explanations easier for our shareholders to comprehend, we also aim to stimulate sincere and constructive dialogue by providing detailed answers to questions that our shareholders pose.

Together with this, we also hold product exhibitions, which provide an opportunity for our shareholders to understand the Mitsubishi Electric Group's business activities.

And furthermore, at the beginning of December every

year, we send a "Shareholder Communique (Midterm Report, written in Japanese)" to all of our shareholders. The Shareholder Communique provides an overview of the second quarter cumulative period and looks at future initiatives. This report is another example of how we strive to deepen our shareholders' understanding of the Mitsubishi Electric Group.



Shareholder Communique (only in Japanese)

Major IR Activities in Fiscal 2019

In fiscal 2019, in addition to holding presentations concerning corporate strategies and financial results for institutional investors and analysts and organizing individual meetings with them, we held an R&D open house where we explained our research and development strategies and outcomes. In addition, we hosted the

Mitsubishi Electric Advanced Solutions 2018 event, an exhibition showcasing products and technologies for achieving our growth strategy. Also held were company presentation meetings for individual investors.

 [Investor Relations website](#)



Presentations on corporate strategy



R&D open house

Environmental

From the President

Towards Realizing Sustainable Societies Worldwide,
we are drawing on strengths within and outside of the Group,
and combining them to tackle various perplexing social issues.



Takeshi Sugiyama
President & CEO
Mitsubishi Electric Corporation

Promoting initiatives to achieve “Environmental Vision 2021”

The subject of environmental issues such as climate change, resource depletion, chemical substances, and marine plastics is increasingly growing as a topic of conversation amongst the general public. In response to this, the international community is working to comply with the Paris Agreement on Climate Change and the 2030 Agenda for Sustainable Development, in which there are 17 sustainable development goals commonly referred to in industry as “SDGs,”*¹ and to realize a circular economy.*² Under these circumstances, we strongly feel that manufacturers such as ourselves must contribute to those agreements and goals through our products and services.

The Mitsubishi Electric Group has long been committed to contributing to the realization of an affluent society while simultaneously achieving “sustainability, safety, security, and comfort.” We are currently working to reduce CO₂ emissions from manufacturing processes and product use, ensure the effective use of resources, and preserve biodiversity, for which specific targets were set to be achieved by fiscal 2021 at the time of drafting “Environmental Vision 2021.”

Then, in fiscal 2019, we set targets for the effective use of water resources taking into consideration international laws and regulations would continue to grow stricter, and that we must enforce overall environmental management at our sites overseas.

As a result of these environmental activities, CDP*³ placed Mitsubishi Electric on the A List in two categories, “Climate Change” and “Water Security,” for the third consecutive year. Additionally, five products received the Energy Conservation Grand Prize from Japan’s Ministry of Economy, Trade and Industry, and the Power Distribution Systems Center became the first in the Group to be certified as a site engaged in distinguished greening

activities by SEGES*⁴ for its onsite biodiversity preservation activities. It is a great honor that our various products and initiatives have been highly recognized.

Contributing to SDGs through a wide variety of businesses

As we design and execute future business activities, we must be certain to always contribute to obtaining the SDGs. The 17 goals are interrelated, and by solving the environmental issues, we can contribute to achieve SDGs that approach to other issues.

As comprehensive electrical and electronics manufacturers, the Mitsubishi Electric Group is committed to developing technologies and manufacturing products and systems that will enable greater energy savings, more effective use of water and other resources, and further contribute to creating recycling-based societies. This will not be achieved solely through manufacturing, such as reducing product size and utilizing recycled materials, but also by utilizing resources more carefully such as minimizing parts replacement by improving product durability, increasing the percentage of product parts that can be recycled after use, and other initiatives.

To successfully achieve our objectives and goals, it is indispensable for us to further expand collaboration with various entities outside of the Mitsubishi Electric Group. Many of the issues societies around the world are facing cannot be solved by the Mitsubishi Electric Group, or any other group, alone. We must reach out and listen to the opinions of local residents, local administrations, customers, and other companies and sources of information, and recognize the roles we are to play and reflect these in specific initiatives.

As I stated above, our intention is to focus on contributing to the realization of all SDGs in our activities and resolve perplexing social issues, including those related to the environment.

Announcement of “Environmental Sustainability Vision 2050” – Towards the Next 30 Years

In June 2019, the Mitsubishi Electric Group announced “Environmental Sustainability Vision 2050” and made an environmental declaration to “Protect the air, land, and water. With our hearts and technologies, sustain to a better future for all.” Our aim is to share ideas and technologies not only within the Mitsubishi Electric Group, but also with those outside in order to resolve issues related to air, land, and water. In doing so, we hope that all employees in the Group and those we work with outside of it will passionately take action and work towards creating a sustainable future.

Three action guidelines have been formulated to actualize the targets stipulated in Environmental Sustainability Vision 2050.

Firstly, as comprehensive electrical and electronics manufacturers, the Mitsubishi Electric Group shall utilize diverse technological assets throughout wide-ranging business areas to solve various environmental issues.

Secondly, as a Group, we shall draw on internal and external strengths, combine them when required to resolve difficult issues, and take on the challenge of developing technologies and business innovations for future generations.

Furthermore, we shall promote active dialogue, collaboration, and co-creation with many people and entities outside the Group, publicizing and sharing new values and lifestyles that will result in living comfortably, in harmony with nature.

In order to implement these three guidelines and steadily progress forward, we will formulate a concrete action plan by fiscal 2022, the year we officially enact Environmental Sustainability Vision 2050.

My personal goal is to ensure that the employees of the member companies in the Mitsubishi Electric Group are truly motivated to contribute to preserving the environment, and that they too acknowledge the need for all members of society to be involved.

June 28, 2019

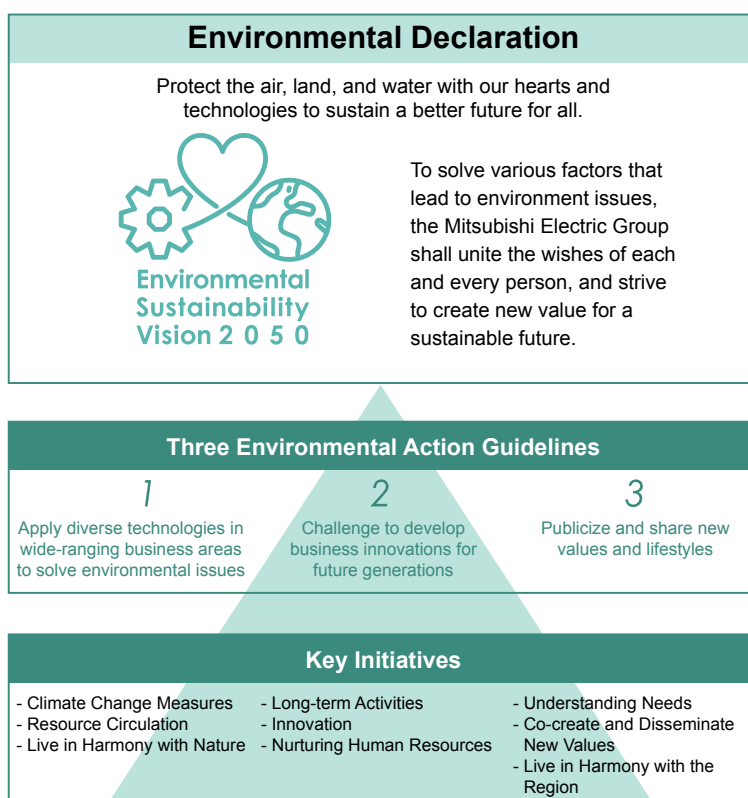
*1 SDGs: Sustainable Development Goals: Included in the “2030 Agenda for Sustainable Development” formulated by the United Nations General Assembly in September 2015.

*2 Circular economy: New economic activities that bring sustainability to both the environment and the economy by circulating resources and products.

*3 CDP: formally called Carbon Disclosure Project. International nongovernmental organization (NGO) that investigates, evaluates, and discloses the environmental efforts of companies and cities.

*4 SEGES: Social and Environmental Green Evaluation System: Accreditation system for evaluating green efforts by the Organization for Landscape and Urban Green Infrastructure.

Environmental Sustainability Vision 2050



Three Environmental Action Guidelines

1 Apply diverse technologies in wide-ranging business areas to solve environmental issues

The Mitsubishi Electric Group shall utilize diverse technological assets throughout wide-ranging business areas, and across the entire value chain, to solve various environmental issues, including climate change, resource recycling and coexisting harmoniously with nature.

Key Activities

Climate Change Measures

- Promoting and disseminating outstanding energy-saving products, systems, services and renewable energy businesses, together with our stakeholders, we will contribute to reducing greenhouse gases worldwide.
- Respecting long-term goals based on international agreements, we will promote the reduction of greenhouse gases throughout the value chain, from development, design, procurement of raw materials and production through sales, distribution, use and disposal. At present, our target is to reduce CO₂ emissions 30% by 2030 and more than 80% by 2050.
- Observing changes in the global environment, we will provide solutions that contribute to minimizing the risks of natural disasters.

Resource Circulation

- Reducing the size and weight of products, we will consider the use of recycled materials and recyclability rate of the products and systems we produce.
- Eliminating resource waste throughout the value chain, we will strive to maximize the effective use of resources.
- We will work to expand the supply of safe, clean water globally, as well as to enforce water treatment that does not pollute oceans and rivers.
- We will promote the effective use of water taking the water environment of each region into consideration.
- We will promote resource recycling businesses globally, such as reuse, repair of products/systems and waste reduction.
- We will aim to achieve 100% effective use of wastes, such as plastics, generated during manufacturing processes.

Live in Harmony with Nature

- Throughout the Group, we will carry out activities to preserve biodiversity in the mountains, rivers, and oceans, and at all business sites, and promote the development of local environments and human resources to be passed to future generations.
- We will work to control, suppress, substitute, and properly dispose of harmful substances that may affect the natural environment.

2 Apply diverse technologies in wide-ranging business areas to solve environmental issues

The Mitsubishi Electric Group shall utilize diverse technological assets throughout wide-ranging business areas, and across the entire value chain, to solve various environmental issues, including climate change, resource recycling and coexisting harmoniously with nature.

Key Activities

Long-term Activities

- We will set specific indices and action items while considering future prospects in the mid-term Environmental Plan formulated every three years.
- We will verify the validity of long-term goals approximately every five years, doing so considering international agreements, foreign affairs and business conditions.

Innovation

- We will cooperate with other companies and institutions, and use our technological assets, technologies and business synergies to create innovative technologies and solutions.
- We will proactively adopt innovational technologies and solutions that enable us to lead manufacturing in future generations.

Nurturing Human Resources

- We will foster a corporate culture in which employees, as ordinary citizens, take the initiative on creating new lifestyles in harmony with nature.
- We will develop highly specialized human resources who accept diverse values, and proactively work on environmental issues.

3 Publicize and share new values and lifestyles

The Mitsubishi Electric Group shall promote active dialogue, collaboration, and co-creation with all stakeholders, publicizing and sharing new values and lifestyles that will result in living comfortably, in harmony with nature.

Key Activities

Understanding Needs

- We will work to understand our customers' needs and expectations for the environment through sales activities, exhibitions, events, and other initiatives.
- We will hold discussions with stakeholders, and confirm the validity of our environmental targets and measures, to promote more effective environmental activities.

Co-create and Disseminate New Values

- We will propose new lifestyles that provide the pleasure of contributing to the environment through the use of our products, systems, and services.

Live in Harmony with the Region

- We will hold discussions with local residents and municipalities, and contribute to creating a better local environment, including Satoyama conservation and bio-diversity preservation activities at business sites.

Environmental Activities for a Sustainable Future

Mobility

Safe and comfortable car life free from traffic accidents and congestion



Safe and effective railway systems with high energy efficiency



Lifestyles

Space harmonious with nature where high energy efficiency and amenity coexist



Support next-generation communications with advanced technologies



Buildings and cities equipped with environment-friendly infrastructures



Contribute to the supply of clean, safe water for all



Thorough reduction of CO₂ and emissions from manufacturing processes



Manufacturing that optimizes productivity, quality improvement, energy use, etc.

Infrastructure

Industry

Fiscal 2019 Environmental Topics

Topic 1

Highest in CDP's "Climate change" and "Water" for 3rd consecutive years

We have been recognized by the CDP as an outstanding company in its activities and strategies for reducing emissions and mitigating climate change, as well as its responses and strategies for water resources. In fiscal 2017, 2018, and 2019, Our Company was selected as one of the "The A list" for the highest evaluations in the "Climate change" and "Water security" categories for 3rd consecutive years. In addition, it was selected as a "CDP Supplier Engagement Leader" in the "Supply chain" this year. We continue to take active initiatives to realize a sustainable society.

* CDP is an international NGO (nongovernmental organization) that surveys, evaluates, and discloses the environmental efforts of companies and cities.



Topic 2

Power Distribution Systems Center Acquires "SEGES" Certification

Power Distribution Systems Center (Marugame City, Kagawa Prefecture), has been certified as "SEGES Excellent Stage1*" by Organization for Landscape and Urban Green Infrastructure, with recognitions for its environmental efforts such as biotope development, green louver installation, and Satoyama conservation activities.

We will continue to strengthen greenery management activities and biodiversity conservation activities, for the highest stage of the certification.



SEGES

SEGES
Excellent Stage 1
Certification label

*1 SEGES Excellent Stage 1: Second step of four stages in three categories of SEGES (Social and Environmental Green Evaluation System) certifications; certification in this category is given to excellent preservation and creation activities in green areas of more than 300m² owned by the company.



Biotope



Green louver

Topic 3

Received 5 awards in Energy Conservation Grand Prize in 2019

At the "FY2018 Energy Conservation Grand Prize for excellent energy conservation equipment" sponsored by The Energy Conservation Center, Japan (ECCJ), 4 entries in "Product and business model divisions" and 1 entry in "Energy-saving case study division" were awarded as below.

Product category & Business Model Category

Director General Prize of Agency of Natural Resources and Energy
Room Air Conditioners
"Kirigamine Model 2019 FZ Series"



Chairman Prize of ECCJ
Package Air Conditioners
for stores and offices
"Mr. Slim ZR Series"

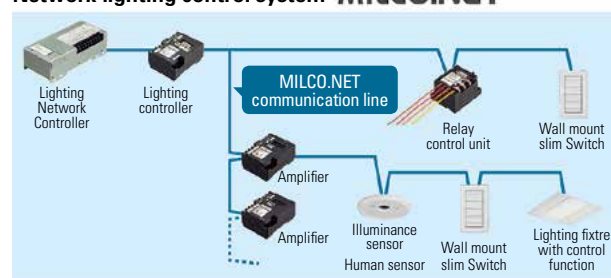


Chairman Prize of ECCJ
Compressors Built
in Showcases
"Refrigerator and Freezer
Flat SR-FF F Series"



Chairman Prize of ECCJ
"New lighting control system (MILCO.NET) and high-efficiency power supply"

Network lighting control system MILCO.NET



High efficiency power supply with DSP function



Energy Conservation Activity Category

Chairman Prize of ECCJ
"Company-wide energy-saving activities through OJT"

Topic 4

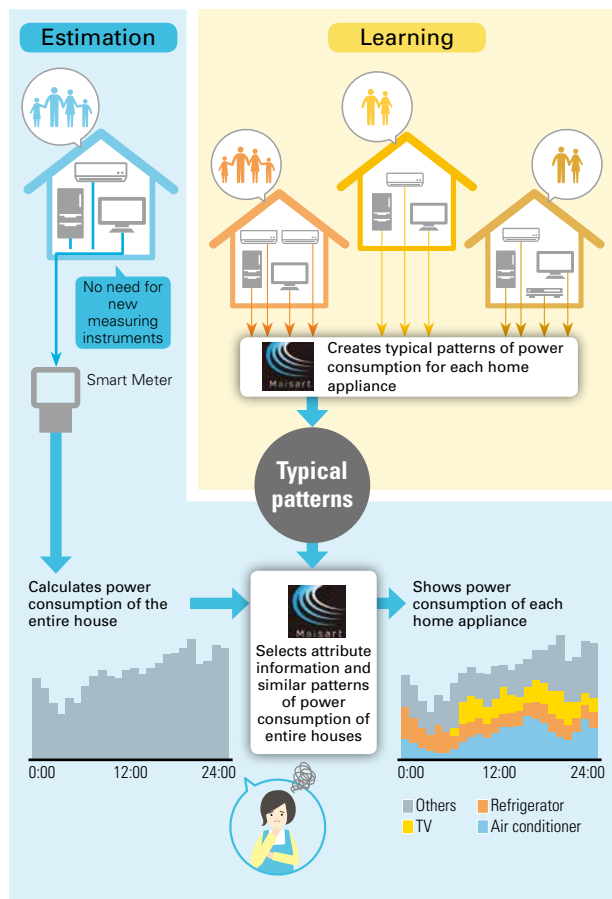
Development of the “Technology to Visualize Electricity Use by Each Home Appliance” Without the Need to Install Additional Measuring Instruments

In order to reduce residential energy consumption, it is important to understand when and how much electricity is used by each electrical/electronic home appliance. However, at present, it takes time and money to install a measuring instrument for each product.

Faced with this dilemma, in January 2019, Mitsubishi Electric announced the “Technology to Visualize Power Consumption by Each Home Appliance”. The result of joint research with Tohoku Electric Power Co., Inc., this new solution makes use of Mitsubishi Electric’s pioneering AI technology Maisart®*1 to estimate power consumption with a high degree of accuracy and doing so without the need to install new measuring instruments. Visualizing how electricity is being used could raise energy-saving awareness in the home and also help power companies offer new services.

The solution has already been adopted by an energy-saving assist service under the Customer-Assisted Smarter Project which Tohoku Electric Power Co., Inc. introduced in August 2018*2.

*1 Maisart®: Stands for “Mitsubishi Electric’s AI creates the State-of-the-ART in Technology”. Our AI-technology brand that aims at smarter use of all devices.
*2 See Tohoku Electric Power Co., Inc.’s news release at www.tohoku-epco.co.jp/news/normal/1197475_1049.html



Topic 5

Construction of Net-Zero Energy Building Test Facility Decided

In January 2019, Mitsubishi Electric announced a plan to build a new test facility for net-Zero Energy Building (ZEB)-related technologies at its Information Technology R&D Center in Kamakura, Japan. It is scheduled to become operational in 2020.

ZEB is a building where net annual energy consumption is zero or near zero, with the primary power consumption offset by onsite energy generation (photovoltaic power, etc.). In such a building, a comfortable indoor environment is maintained while energy-saving measures such as advanced heat insulation, solar shading, and use of natural energy and high-efficiency equipment are implemented. With this test facility, our goal is to realize ZEBs; in particular, focusing on the ability to generate sufficient energy through equipment inside the building to cover all primary energy consumption.



Image of the ZEB test facility when completed

As an official ZEB Planner,*1 Mitsubishi Electric is contributing to the dissemination of ZEBs by offering plans and operational support for companies that aspire to create a ZEB. The construction of this test facility will help accelerate the development of ZEB-related technologies. We hope that the sequential introduction of such technologies to our businesses will contribute to further energy savings and the creation of more comfortable living spaces. Additionally, we will promote technological development based on our “ZEB+®”2 solution, which enables further sophistication of buildings, including services to maintain values such as productivity, comfort, user-friendliness and continual operations throughout the lifecycle of the building.

*1 Registration system set up by the Ministry of Economy, Trade and Industry (METI) in 2017 with the aim of disseminating ZEBs.

*2 A solution offered by Mitsubishi Electric

Note: ZEB+® is a registered trademark of Mitsubishi Electric.



Environmental Considerations for Value Chain Management

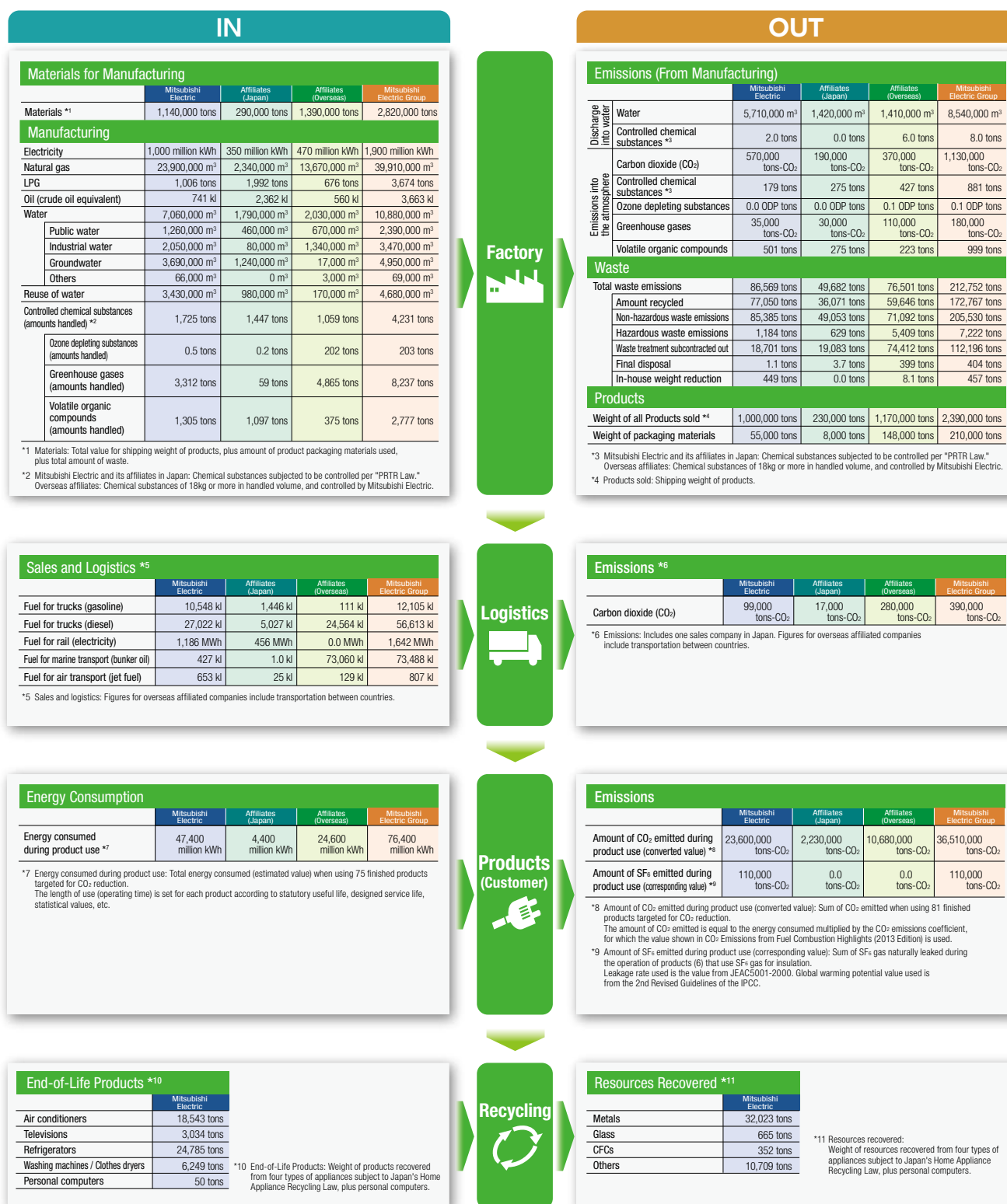


Overall Environmental Impact

Period: April 1, 2018 - March 31, 2019

Scope of Data Compilation: Mitsubishi Electric Corporation and its major affiliates (Japan and overseas)

Material Balance



Value Chain Greenhouse Gas Emissions

The Mitsubishi Electric Group refers to regulations such as the Greenhouse Gas (GHG) Protocol—an international standard for calculating greenhouse gas emissions—and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by

Japan's Ministry of the Environment, to determine how to assess and calculate emissions from business activities (scopes 1 and 2, respectively) and indirect emissions from outside the range of its business activities (Scope 3).

Fiscal 2019 Greenhouse Gas Emissions

The "★" symbol denotes Mitsubishi Electric Group greenhouse gas emissions for which third-party verification has been carried out by SGS Japan Inc.

Scope	Category	Accounting / 10,000 tons-CO ₂ (Scope 3 Emission Rates)	Accounting summary ^{*1}
Scope 1	Direct emissions associated with fuel use at our company	★ 30	Direct emissions from fuel use and industrial processes at our company ^{*2}
Scope 2	Indirect emissions associated with use of externally-purchased electricity and heating		Indirect emissions associated with use of electricity and heat purchased by our company ^{*3}
	Market based	★ 98	Calculated using power emission coefficient based on contract
	Location based	★ 102	Calculated using average power-generation emission coefficient within the zone
Scope 3	Indirect emissions outside the scope of our company's operational activities		
	Category 1 Purchased goods and services	★ 705 (16%)	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales ^{*4}
	Category 2 Capital goods	77 (1.7%)	Emissions generated by the construction and manufacturing of own capital goods
	Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	8.7 (0.2%)	Emissions associated with procurement of fuel necessary for power generation, heat supply, etc. and power such as electricity supplied by other parties
	Category 4 Upstream transportation and distribution	40 (0.9%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales ^{*5}
	Category 5 Waste generated in operations	0.03 (0%)	Emissions associated with transporting and processing waste produced by our company ^{*6}
	Category 6 Business travel	★ 3.9 (0.1%)	Emissions associated with employee business travel ^{*7}
	Category 7 Employee commuting	★ 3.0 (0.1%)	Emissions associated with employees commuting to and from their respective workplaces ^{*8}
	Category 8 Upstream leased assets	—	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
	Category 9 Downstream transportation and distribution	0.6 (0%)	Emissions associated with the transportation, storage, cargo handling and retailing of products
	Category 10 Processing of sold products	0.2 (0%)	Emissions associated with the processing of interim products by business operators
	Category 11 Use of sold products	★ 3,645 (81%)	Emissions associated with the use of products by users (consumers/ business operators)
	Category 12 End-of-life treatment of sold products	3.0 (0.1%)	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators) ^{*4}
	Category 13 Downstream leased assets	0.02 (0%)	Emissions associated with operation of leased assets
	Category 14 Franchises	—	Emissions at companies operating as franchises (Not applicable to Mitsubishi Electric)
	Category 15 Investments	7.3 (0.2%)	Emissions associated with operation of investments
Scope 3 total		4,493 (100%)	

*1 Excerpt from Basic Guidelines published by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry

*2 CO₂, SF₆, HFC, and PFC emissions associated with the use of gas, heavy oil, etc., and with product manufacturing

*3 CO₂ emissions associated with the use of electricity, etc.

*4 Excludes some regions

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

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

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

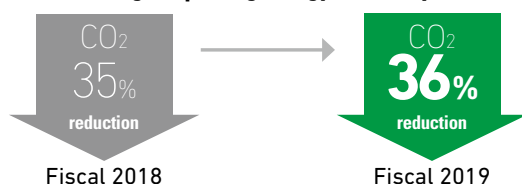
*8 Assuming that all employees use passenger rail services

Contribution to Reducing CO₂ from Product Usage

We believe that reducing the electricity consumed by products when customers use them should lead to energy savings for society as a whole. Based on this perspective, we are committed to improving the energy efficiency of our products.

In fiscal 2019, we continued to improve the efficiency of our products, with a focus on power devices and air conditioners, as well as the sales of highly energy-efficient products. As a result, we improved our average CO₂ reduction rate from the previous fiscal year, achieving 36% compared to the level in fiscal 2001.

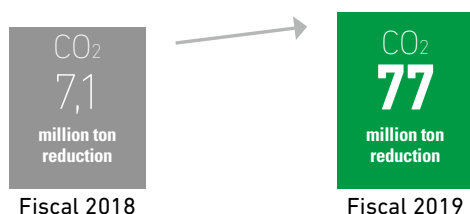
Reducing CO₂ from Product Usage through Improving Energy Efficiency



We are also trying to expand the reduction of CO₂ by visualizing the amount reduced as a result of replacing old products with their new counterparts that operate with higher energy efficiency. In fiscal 2019, contribution to reducing CO₂ from product usage grew to 77 million tons.

Contribution to Reducing CO₂ = Effect of reducing CO₂ from product usage per unit × Number of units sold during the fiscal year

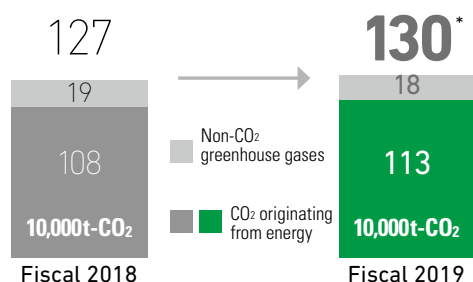
Contribution to Reducing CO₂ from Product Usage



Reducing CO₂ from Production

Owing to the introduction of high-efficiency devices, switching fuels, and making thorough progress in waste elimination, CO₂ emissions originating from energy which were expected to increase 100,000 tons due to rising production were controlled to an increase of 50,000 tons. In addition, we replaced non-CO₂ greenhouse gases (SF₆, HFC and PFC) with gases having lower global-warming potential and increased the amount of gases recovered during manufacturing processes. Consequently, emissions of non-CO₂ gases have also been reduced.

CO₂ Emissions from Production



* Emissions of CO₂ and non-CO₂ greenhouse gases are displayed in whole numbers after being rounded off to the nearest integer. As a result, there is a difference between the sum of these figures and total greenhouse gas emissions.

Effective Utilization of Resources

In fiscal 2019, we continued to focus on reducing our final disposal ratio. Toward a target final disposal ratio of 0.5% or less, improvements were made by implementing initiatives to promote sorting, recycling, biomass processing of organic wastes, and using the methane gas extracted during the biomass process as fuel.

The amount of waste was also reduced in Japan by making sure that hazardous wastes* are appropriately disposed of according to laws and regulations while actively promoting recycling. The amount of waste overseas, however, increased.

* The Mitsubishi Electric Group defines hazardous wastes as follows:
Mitsubishi Electric and affiliates in Japan: "Specially-controlled industrial wastes" specified by the Japanese Waste Disposal Law.
Overseas affiliates: Hazardous wastes defined by local laws and regulations.

Total Waste Output

Fiscal 2018		Fiscal 2019	
Mitsubishi Electric	8.8	Mitsubishi Electric	8.7
Affiliates in Japan	4.6	Affiliates in Japan	5.0
Overseas affiliates	8.1	Overseas affiliates	7.7

10,000 tons

Hazardous Wastes Emissions

Fiscal 2018		Fiscal 2019	
Mitsubishi Electric	2,612	Mitsubishi Electric	1,184
Affiliates in Japan	649	Affiliates in Japan	629
Overseas affiliates	5,042	Overseas affiliates	5,409

tons

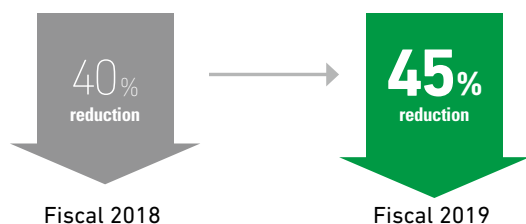
Final Disposal Ratio

Fiscal 2018		Fiscal 2019	
Mitsubishi Electric	0.001%	Mitsubishi Electric	0.001%
Affiliates in Japan	0.01%	Affiliates in Japan	0.01%
Overseas affiliates	0.59%	Overseas affiliates	0.52%

Reducing Resource Inputs

In fiscal 2019, there were steady reductions in resource inputs for all products in all segments. Consequently, an average reduction rate for the 64 target products was 45%, which was an improvement compared to the previous fiscal year.

Reducing Resource Inputs



Using Water Effectively

In fiscal 2019, we carried out initiatives to save water in Japan and overseas, including reusing the water used during manufacturing processes, treating wastewater and using it for flushing toilets, and using rainwater.

Total Water Usage (Water Recycling Volume)

Fiscal 2018	Fiscal 2019
Mitsubishi Electric 1,080 ⁽³²⁹⁾	Mitsubishi Electric 1,049 ⁽³⁴³⁾
Affiliates in Japan 269 ⁽¹⁰⁷⁾	Affiliates in Japan 277 ⁽⁹⁸⁾
Overseas affiliates 211 ⁽¹⁷⁾	Overseas affiliates 219 ⁽¹⁷⁾

10,000m³

Chemical Management and Reduced Disposal

Chemical substances contained in our products are controlled using a chemical management system called MelHARo-Web, which incorporates materials and parts procurement information both in and outside of Japan. By December 2018, we finished conducting contents surveys and completed switching to replacement substances for all products for which four phthalate compounds will be newly restricted by the EU RoHS Directive in July 2019.

Volume of Chemicals Handled*

Fiscal 2018	Fiscal 2019
Mitsubishi Electric 1,505	Mitsubishi Electric 1,725
Affiliates in Japan 1,424	Affiliates in Japan 1,447
Overseas affiliates 1,323	Overseas affiliates 5,409

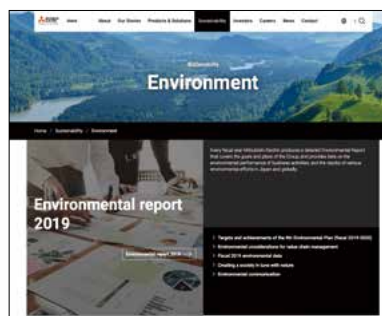
tons

* Mitsubishi Electric and its affiliates in Japan: Chemical substances subject to the "PRTR Law".
Overseas affiliates: Chemical substances of 18kg or more in handled volume that are controlled by Mitsubishi Electric.

The Environment Section

Environmental information is introduced in detail in the environment section of the website and "Environmental Performance Review."

<https://www.MitsubishiElectric.com/en/sustainability>



Website



Environmental Performance Review

Responsibility to Customers

Basic Policy

The Mitsubishi Electric Group is committed to improving its technologies and services by applying creativity to all aspects of its business, to thereby enhance the quality of life in our society, as stated in our corporate mission. This commitment inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) with regard to "our contribution to social prosperity," "quality improvement," and "customer satisfaction," and forms the basic spirit of our relationship with society and our customers.

To give concrete shape to this basic spirit, the

Seven Guiding Principles define our actions in response to society and customers. It teaches us to establish relationships based on trust, provide the best products and services with unsurpassed quality, and respond to customer expectations through technology by promoting research and development and pioneering new markets.

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

Four Basic Quality Assurance Principles

The Four Basic Quality Assurance Principles reflect the spirit of "Service through Quality" adopted in 1952 and "Memorandum of Quality" issued in 1958. The spirit of

serving society through steady quality continues to be upheld by each employee of the Mitsubishi Electric Group up to the present day.

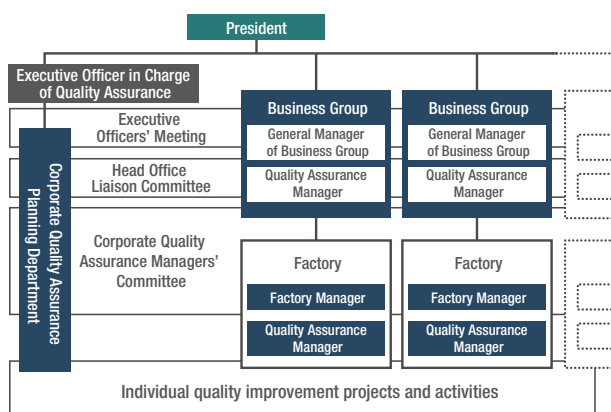
<Four Basic Quality Assurance Principles>

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

* No reasonable effort should be spared in the pursuit of good quality.

Management System

Based on the Four Basic Quality Assurance Principles, we have established a system for quality assurance and improvement activities throughout the entire Group,



Promotion of Quality Assurance and Improvement Activities
(Mitsubishi Electric)

including the appointment of a quality assurance promotion manager in all business group headquarters. We have also formulated quality assurance guidelines to ensure compliance with quality assurance legislation and standards and further develop quality improvement activities.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement initiatives in relation to quality assurance measures (quality management) for processes at each stage, from market surveys regarding Mitsubishi Electric products, through product planning, development and design, manufacturing, transportation, storage, installation, maintenance and servicing, and education, to the disposal of the product.

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

Product Safety-related Principles

Based on the Corporate Statement and the Seven Guiding Principles, the Mitsubishi Electric Group promotes

initiatives to ensure product safety under the following principles:

<Product Safety-related Principles>

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

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

products are prone to break or be discarded). At the same time, our Customer Service Center in Japan operates 24 hours a day, 365 days a year, to assist customers and gather their views about Mitsubishi Electric products. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Quality Improvement Activities

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

In particular, initiatives were launched in fiscal 2012 to develop human resources who are capable of assessing and verifying customer requests and basic product functions at the development and design stages, understanding designs that ensure and guarantee functionality, stability, safety and reliability, and executing and driving the process of incorporating and designing quality. These initiatives are being pursued in all relevant departments in Japan with an eye to achieving their intended achievements in human resource development by fiscal 2021.

With regard to affiliates in Japan and overseas that engage in production, installation and maintenance,

initiatives were also launched in fiscal 2012 for onsite verification of operational processes (design, procurement, production), responses to failures and legal compliance, and management of laws, regulations and standards.

We have also built a database for sharing quality-related information that is used by the entire company. It consists of information provided by prior employees on past problems, lessons learned, explanations, and examples of improvements that have been made, and it has proven effective in helping to build quality into products, implement quality improvement measures, prevent the occurrence or recurrence of problems, and train young engineers. Based on cases where there were problems, we also developed an e-learning tool called "Learning from Problems" and installed a "quality room" in each office for the display of actual quality defects found in products in the past, to supplement employee education.

Furthermore, we are achieving effective quality improvements by visualizing quality in all production processes from the design to production and after-sales service stages, ensuring prompt response to malfunctions and preventing them from occurring, and providing feedback of these initiatives to the development and design departments.

Quality room



"Learning from Failure" (Database of past incidents and lessons)
This program is set up so that users can systematically browse and utilize lessons, precautions, improvement case studies, and countermeasures from a managerial perspective and the perspective of their technological field.



Entrance

Inside the room

Providing Easy-to-Use Products

Basic Policy

The Mitsubishi Electric Group engages in universal design under the principle of "creating user-friendly products and comfortable living environments that benefit as many people as possible." To achieve user-friendliness and

comfortable living in the true sense of the words, we are committed to providing products and living environments that offer a high level of satisfaction to as many people as possible.

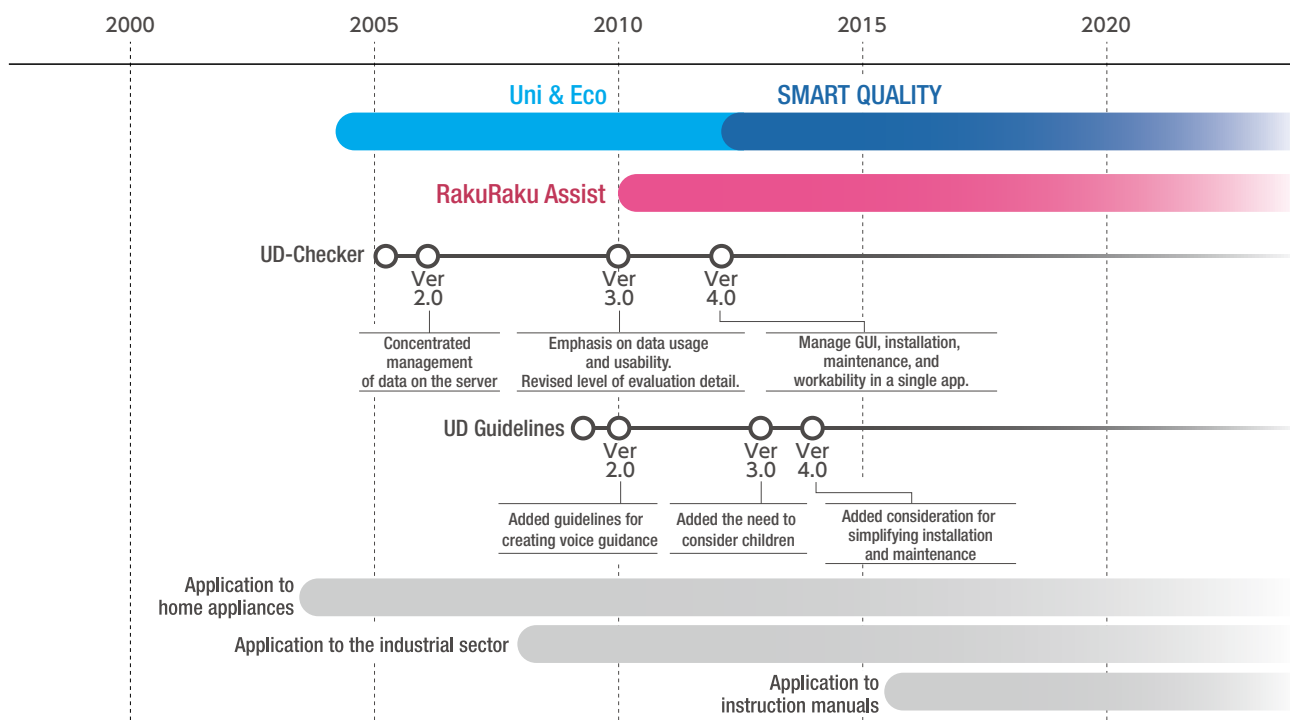
Mitsubishi Electric Group's Efforts in Universal Design

We have applied the concept of universal design (UD) to home appliances such as air conditioners and televisions, as well as to public equipment such as elevators, through

considering the needs of all users. This approach is continuing to evolve.

- **Uni & Eco:** The Uni & Eco business strategy was developed for home appliances in fiscal 2005 as a philosophy that combines "Uni," or universal design, (the aim of which is to achieve accessibility for all users), with "Eco," meaning ecological soundness that is perceivable, achievable, and communicable.
- **RakuRaku Assist:** By raising the target demographic to people in their 70s starting in fiscal 2011, we developed the RakuRaku Assist business strategy. The aim is to enable more people to freely and easily take advantage of the latest convenient features.

- **SMART QUALITY:** We are also advancing the RakuRaku Assist strategy in our SMART QUALITY efforts. This started in fiscal 2013 as an initiative to improve the quality of future lives by connecting societies, livelihoods, products, and people through smart, connected, and waste-eliminating technologies.



* Graphic User Interface

Universal Design Examples to Date

Application to home appliances

Mitsubishi Electric has been ahead of the game in applying the concepts of universal design (UD) to home appliances. For instance, we have applied the Universal

- Using a simple control plate with few buttons, the design features button sizes and text displays that are both large.
- We made the order of basic controls for IH cooking easier to understand by displaying numbers. Moreover, we clarified the heat-intensity display by adopting simple words like "strong" and "weak."

Design Guidelines to the RakuRaku-IH Cooking Heater cooking equipment.

- Another innovation was adding the benefit of voice-generated control assistance and alerts.
- Human sensors that monitor the surroundings of the IH unit have also been integrated into the equipment. The unit emits spoken alerts if no one is around during cooking or to give warnings of overheating.

"RakuRaku-IH" Cooking Heater CS-G20AKS

Large characters & numerical indicators of steps for use

<Features>

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



Large-character buttons & numerical indication of steps for use

Safety sensor & audio support

<Features>

- Built-in sensor checks for people in vicinity.
- Offers audio support for ease of operation.



Safety sensor & audio support

Application to the industrial sector

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

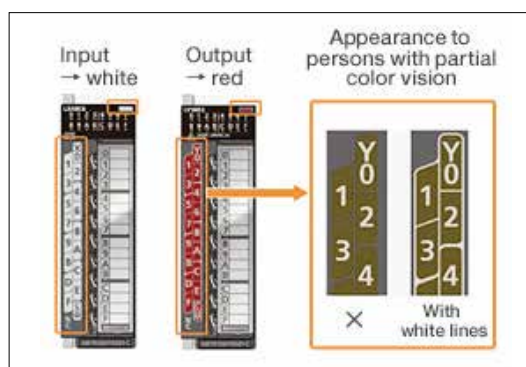
universal design. At Mitsubishi Electric, we are applying the concept of universal design (UD) in our industrial products, such as factory automation (FA) equipment and electric power devices, as well as to the installation and maintenance of equipment on factory floors.

We are also employing the Universal Design Guidelines for sequencers in FA equipment.

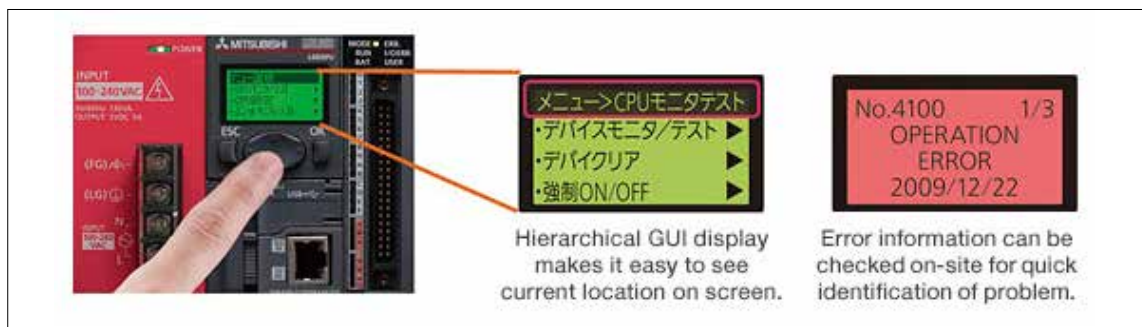
- Easy-to-understand expressions, such as printed designs that are images of actual objects, make the displayed content more intuitive.
- The unit employs a large UD font display and offers good contrast against the background color, considering people with impaired color vision.
- By showing the text in both English and Japanese hierarchically for easy understanding, inexperienced workers can easily identify the cause of on-site malfunctions.
- Operability has been improved by employing the cabinet design, to feature a larger, more spread-out surface for the enlarged control portion.



Print design illustrating the actual wiring



Presentation with consideration for persons with impaired color vision



Easy to understand information display



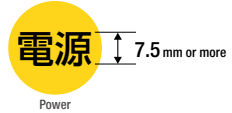
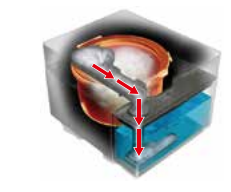
The enlarged control portion has improved operability

UD-Checker, the universal design evaluation system

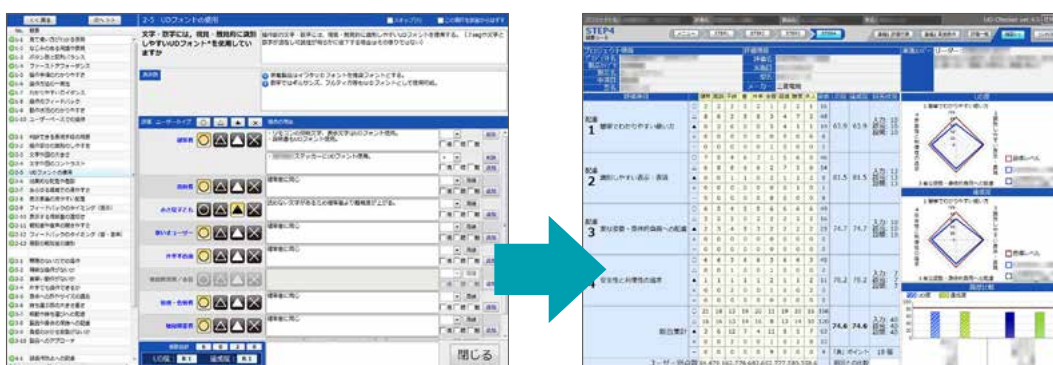
UD-Checker is Mitsubishi Electric's proprietary tool that can be used by both industrial designers and engineers to evaluate for universal design (UD) qualities. This tool shows four quantitative measures of UD, namely recognition, identification, physical use, and safety/usability, indicating specific design aspects for development and improving the efficiency of product development. The UD-Checker is used on a wide variety of Mitsubishi Electric products from home appliances and public equipment to industrial equipment.

The UD-Checker's four evaluation criteria

1. Recognition: consideration for ease of understanding
2. Identification: consideration for ease of reading and/or hearing
3. Physical use: consideration for comfortable posture and minimum physical load
4. Safety/usability: consideration for usability without danger or operating errors.

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.
E.g.) Buttons with easy-to-understand functions (Television remote control with record function)  *Rovi, G-GUIDE, and the G-GUIDE logo are trademarks or registered trademarks of Rovi Corporation in the United States and/or its affiliates in Japan.	E.g.) Large characters easy even for aged persons to read Main characters/numbers  Power	 E.g.) Handle design that allows optimized gripping options for various cleaning scenarios	E.g.) A rice cooker that considers safety by preventing the danger steam burns 

The UD-Checker's four evaluation criteria



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

Universal Design Guidelines for widespread usability

The Universal Design Guidelines are a set of standards that apply to a wide range of product development, and were formulated based on the expertise gained through using the UD-Checker. To promote greater usability of our products by all users, including children, senior citizens, and people with physical disabilities, we created

guidelines on changes that occur to human characteristics with age and that consider disabilities. The guidelines are structured in the same way as the UD-Checker, which incorporates the four perspectives of recognition, identification, physical use, and safety/usability.



Creating easy-to-understand instruction manuals

Under a campaign to provide first-rate instruction manuals, Mitsubishi Electric Group is directing its efforts to creating easy-to-read and easy-to-understand instruction manuals to ensure the safe and comfortable use of our products. Forming the basis of this effort is Mitsubishi Electric's

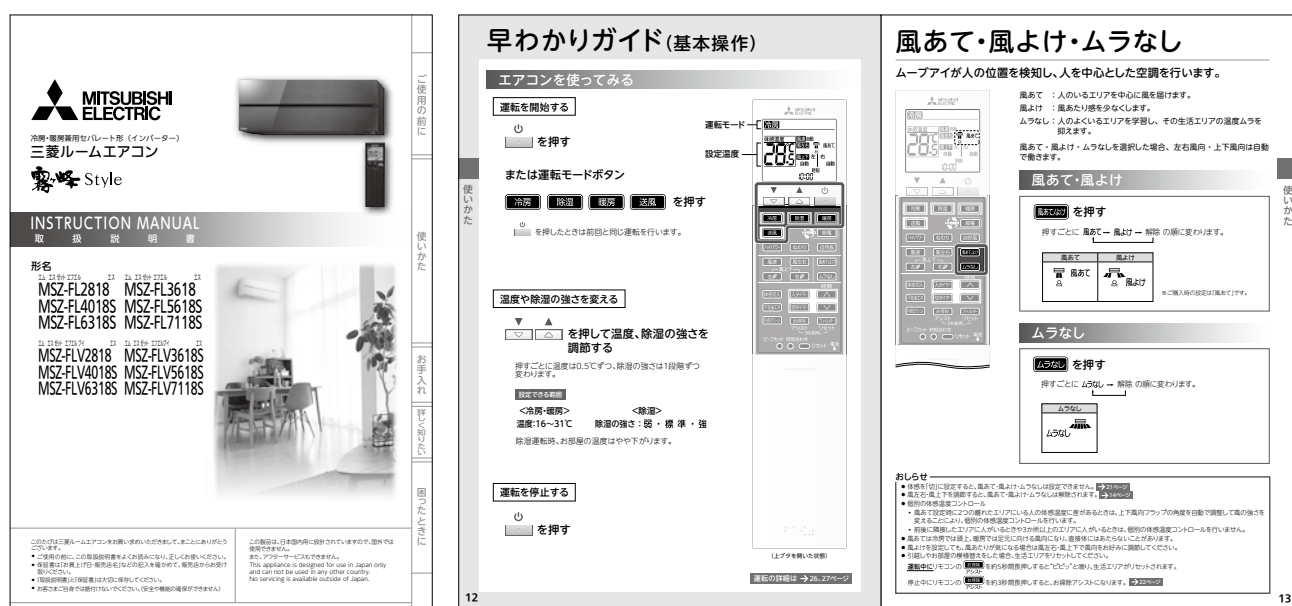
original "Guidelines for the creation of instruction manuals for home appliances—Instructions." To raise the quality level of instruction manuals, this handbook is distributed to all affiliates in Japan who handle home appliances.

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

Our Quick Guide (Basic Operations) enlarges each button, allowing users to recognize at a glance which button they should push on their remote control. In addition to this,

large font sizes and ample margins make the explanations extremely easy to understand.

 **Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners** (Japanese only)



Quick Guide (Basic operations)

Award received

In fiscal 2019, following the International Association for Universal Design (IAUD)'s evaluations of Mitsubishi Electric's developments based on experiments targeting various users, we won a total of eight awards at the IAUD International Design Awards. The accolades included the Gold Award for the "small refrigerator for hospital patient use," "full-color LED displays in railcars," and "Car navigation

series: Gathers InterNavi Premium," as well as the Silver Award for the "Cordless Stick Vacuum Cleaner JXH iNSTICK ZUBAQ."

Mitsubishi Electric aims in fiscal 2020 to continue creating universal design products that take ingenious approaches and consider various perspectives across a broad range of fields.



Small refrigerator for hospital patient use



Full-color LED displays for railcars



Car navigation series: Gathers InterNavi Premium



Cordless Stick Vacuum Cleaner JXH iNSTICK ZUBAQ

Increasing Customer Satisfaction

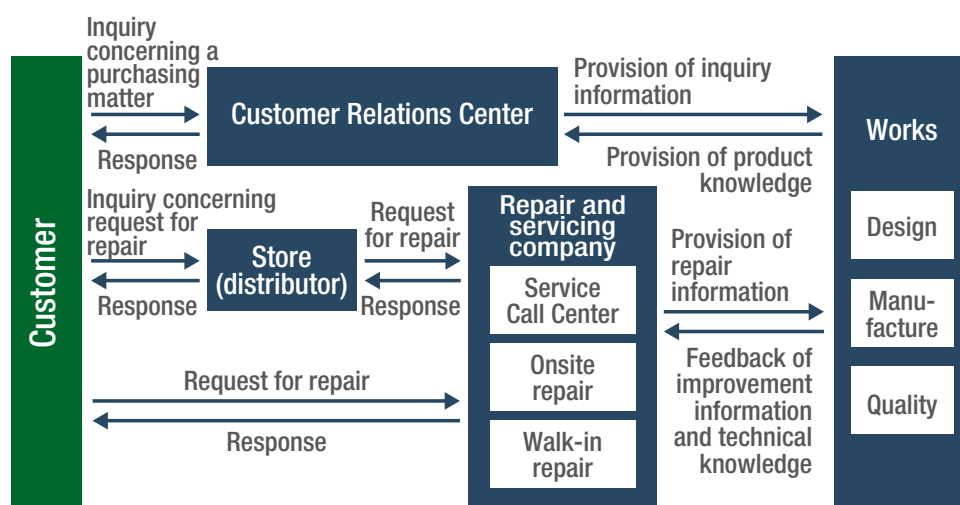
Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding in 1921. Inheriting this spirit, we will continue to make dedicated efforts to satisfy customer needs in all aspects of our business activities, from the creation of high-quality, easy-to-use products to our after-purchase support and response to major issues.

We collect feedback from our customers through

customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into improving product development, marketing strategies, and services.

We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.



Flow of responses to customer inquiries (Mitsubishi Electric)

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) improvement activities in Japan. It makes sure that customers across the country

are satisfied with the Mitsubishi Electric product they purchase, and strives to increase the number of such satisfied customers.

The beginning of CS activities related to home appliances

The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Mitsubishi Electric quickly proceeded to create the necessary climate, systems and tools that would

enhance its products, marketing strategies, and services.

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

Understanding customer satisfaction

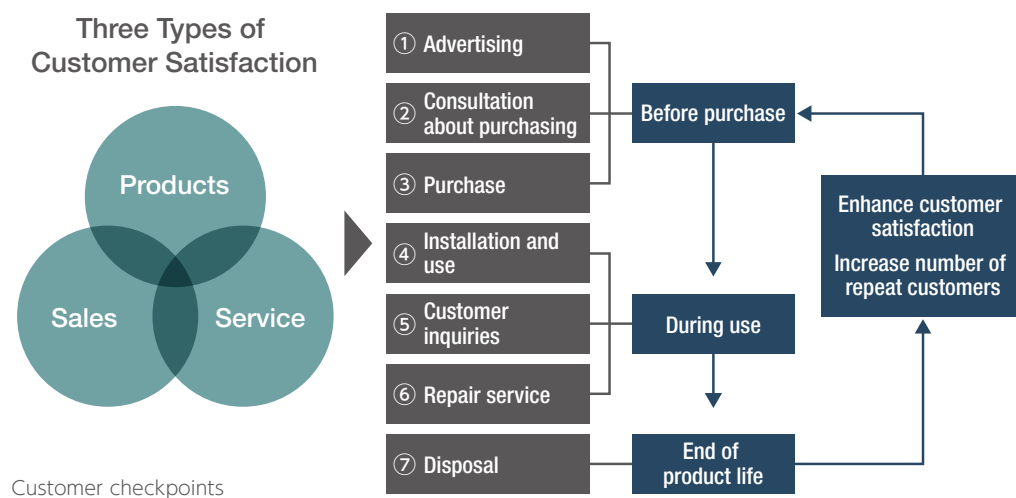
A customer's selection, purchase, and use of a product involve a number of different departments, such as the development, manufacturing, sales, and service departments. Customer satisfaction cannot be achieved if a customer is discontented with any aspect of this process, or if there is any weakness in the departments concerned. Customer satisfaction increases in the following order.

- **Assurance** : The customer is assured that the product is not flawed or defective

- **Contentment** : The product satisfies the customer's needs and requirements

- **Emotion** : The customer acquires a new value from the product

The ultimate form of customer satisfaction is achieved when a product exceeds customer expectations and provides an emotional benefit. The key to achieving customer satisfaction is to therefore assess and satisfy customer expectations.



Taking calls 24 hours a day, 365 days a year

To satisfy customer expectations, it is necessary to think of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. As one strategy to provide a response to customers in Japan when they require one, in October 1998, Mitsubishi Electric extended the service hours of its Japan Customer Relations Center to 24 hours a day, 365 days a year. Previously the center responded to inquiries concerning product usage only during daytime hours from Monday through Saturday except on holidays.

Today, the Customer Relations Center and Service Call

Center operate 24 hours a day, 365 days a year.

The Technical Support Call Center, which responds to technical inquiries from distributors, and the Repair Service Station, the stronghold of repair services operated by Mitsubishi Electric System & Service Co., Ltd., also respond to inquiries 365 days a year (excluding some regions).

As the relations center receives a wide array of inquiries every year due to the diversification of product functionality, we are constantly reinforcing staff members, and are making consistent efforts to provide proper training.



Customer Relations Center



Service Call Center



Repair Service Station

System of reviewing customers' comments

The content and results of consultations and repair requests from customers and details of technical inquiries are sent as feedback to the manufacturing works at the

end of each day. They are used to improve both products under production and development, and to provide repair information to distributors.

Customer relations center

Customers' comments that are collected by the Customer Relations Center are entered into a database and analyzed in terms of trend, and the analysis results are regularly sent to relevant manufacturing plants, sales companies, and research institutes. Manufacturing plants and sales companies utilize this information in their ongoing efforts to improve existing products and to make websites, catalogs, and instruction manuals even easier to understand. Research institutes utilize the information to refine products that are under development. Particularly with respect to information that is obtained following

the release of a new product, efforts are made to convey customers' expectations, wishes, and dissatisfactions regarding the new product to relevant departments in a timely manner, so they may review the feedback as quickly as possible.

At the same time, regular liaison meetings are held between each manufacturing plant and Customer Relations Center to identify medium-term issues that are brought to light by customers' comments and enhance their cooperation in collecting further information.

Manufacturing plants

At Shizuoka Works, where Mitsubishi Electric manufactures air conditioners, quality improvement efforts are made by arranging opportunities for development engineers to personally hear the opinions of customers and provide feedback to their product development. More specifically, Shizuoka Works actively invites questions and comments from customers, or when a quality issue occurs that is thought to be of high technical difficulty, directly visits the customer's home to inspect the product installation environment.

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

criteria or incorporating them into measures for improving product control specifications.

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

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



Kirigamine FZ Series room air conditioner MSZ-FZ4018S
Airflow control that can adjust sensory temperature delivers optimum comfort to each user.

VOICE (In charge of the Customer Relations Center)

Customer Relations Center, Customer Satisfaction Promotion Department, Living Environment & Digital Media Equipment Group, Mitsubishi Electric Corporation **Satoru Watanabe**

At the Mitsubishi Electric Customer Relations Center, we support customers by providing product information prior to purchase, related mainly to Mitsubishi Electric home appliances (purchase consultations), as well as inquiries connected with post-purchase operation and use.

In addition to accumulating knowledge about products on a daily basis and enhancing the content we give customers in the knowledge database, we have also launched the Monitoring Team. Since customer care is paramount, the team is constantly striving to improve the quality of our service. In addition, we are strengthening our organizational structure by increasing the number of support centers to avoid situations where customers cannot reach us by phone. To further raise customer satisfaction, we not only conduct after-sales support (customer support); to ensure a positive pre-sales support experience (customer success), we take care to listen to customers' feedback, analyze it, and pass information useful for product development to labs and manufacturing sites. Sales departments also receive valuable information that will help them to secure more sales. We consider these activities as critical responsibilities, and will continue to spare no effort.

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 affluent.

Under the slogan "Quality in Motion", the Building

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

24-hour, 365-day Safety Hotline Information centers of Mitsubishi Electric Building Techno-Service Co., Ltd.

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

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

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

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



Information center

Mitsubishi Elevator and Escalator Safety Campaign

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

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

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

We also hold explanatory meetings for users, to teach children, senior citizens, people with disabilities, and other such users the proper and safe way to ride elevators and escalators, as well as explanatory meetings for apartment and building owners and managers, with a focus on daily

management methods and emergency responses. These meetings have been attended by more than 300,000 people to date, and will continue to be held as an important safety activity of the Mitsubishi Electric Group.



Mitsubishi Elevator and Escalator Safety Campaign

Inazawa Works SOLAÉ showroom

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

The elevator and escalator zone on the first floor 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 are also able to experience the sense of speed of the world's fastest elevator* using computer graphics projected onto a huge monitor. The building management system zone on the second floor allows visitors to experience technologies including the latest building management and security systems.

* Installed in Shanghai Tower (based on internal research of elevators in operation as of March 2019)



SOLAÉ elevator testing tower



SOLAÉ showroom

Human Rights

Human Rights Policy

Mitsubishi Electric Group Human Rights Policy

September 20, 2017

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any

other reason".

As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's Corporate Mission and Seven Guiding Principles, it has established this Human Rights Policy and shall raise awareness of human rights among its members and make sure to properly deal with related incidents in order to ensure that its business activities do not have a negative impact on human rights.

1. The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business.
If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.
2. Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted
- human rights, or its members are found to have been clearly involved in violations of human rights.
3. The Mitsubishi Electric Group has identified CSR materialities, has set concrete tasks and goals for those materialities, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.
4. The Mitsubishi Electric Group shall work to ensure that its initiatives related to respect for human rights are implemented with the participation of all executives and employees. Furthermore, the Group shall request cooperation from various stakeholders involved in its whole value chains such as business activities, products, and services, in order to help promote respect for human rights in society at large.
5. The Mitsubishi Electric Group shall implement training programs and awareness campaigns on a continuous basis for the purpose of ensuring that all executives and members of the Group understand initiatives related to respect for human rights, and conduct themselves accordingly.

Code of Corporate Ethics and Compliance–Respect for Human Rights

Basic Principle

We will respect human rights with an awareness that our activities are widely interrelated with peoples and

- **Principle concerning child labor and forced labor**

In all countries and regions where we do business, we will not use child labor or forced labor under any circumstance or form of employment.

- **Principle concerning discrimination**

In all countries and regions where we do business, we will not tolerate any discrimination relating to employment and personnel treatment based on race, ethnicity, nationality, gender, age, beliefs, religion, social status, disability, or any other form of discrimination. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- **Respect for individuality**

In all countries and regions where we do business, we will respect the individuality of each employee and will not engage in any act that disregards the person's individuality, such as harassment, defamation, slander, or compelling the person to do work through threats. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- **Principle concerning health and safety in the workplace**

We will comply with relevant laws and regulations in

societies in all countries and regions where we do business.

all countries and regions where we do business, as well as with in-house regulations and procedures, to create safe and comfortable workplace environments where everyone concerned can work comfortably. Particularly when engaging in production activities and construction works, we will make every effort to secure health and safety in cooperation with affiliated companies, cooperating companies, customers, and suppliers.

- **Principle concerning labor relations**

We will comply with laws and regulations relating to employment, personnel affairs, working styles, wages, working hours, and immigration control in all countries and regions where we do business, as well as with relevant in-house regulations and procedures, to maintain and improve sound labor conditions and workplace environments.

- **Principle concerning personal information protection**

In all countries and regions where we do business, we will collect and properly utilize personal information only through legitimate and appropriate means, and only when necessary. We will also do our utmost to prevent illegal access, leakage, loss, and falsification of personal information.

 **Initiatives related to the supply chain**

Human Rights Management

Status of Present Initiatives and Future Issues

Human rights responses according to international norms

The Mitsubishi Electric Group established Policies on Respect for Human Rights in September 2017 and declared its commitment to ensure human rights responses that match international norms. In particular, we are striving to implement measures to prevent and mitigate adverse impacts on human rights. To do so, we are conducting

due diligence on human rights in conformance with the UN Guiding Principles on Business and Human Rights, and creating a corrective mechanism in the event it comes to light that a company's action or involvement has inflicted an adverse impact on human rights.

Specific initiatives

1) Results of activities in fiscal 2019

1. Human rights impact assessment

Mitsubishi Electric assessed and evaluated the impact on human rights related to the Group's corporate activities for a total of 336 sites, including the internal Mitsubishi Electric offices, domestic affiliated companies, and overseas affiliated companies.

a. Assessment details

- i. Evaluation of the impact of corporate activities on human rights
In a survey, the items to evaluate were divided into four categories: employee human rights, consumer human rights, impact on the supply chain, and impact on regional communities. These categories were used to assess 36 human rights violation issues, and we rated the likelihood of each occurring at one of three levels.
- ii. Evaluation of the state of use of the Technical Intern Training Program
For Japan, we examined the availability of relevant programs, and if available, we assessed whether they were being operated according to the law.

b. Assessment results

- i. Issues extracted from the assessment
Issues such as harassment prevention, controlling long work hours, consideration toward women and people with disabilities, and bribery prevention need more attention to ensure the risks do not lead to problems.
- ii. State of applying the Technical Intern Training Program
This program is being used at two of Mitsubishi Electric's internal offices and at four affiliated companies. The responses concluded that all sites were applying this program appropriately and in compliance with relevant laws.

2. Efforts regarding human rights in the supply chain

Based on the CSR Procurement Guidelines formulated in June 2018, the procurement divisions have begun ensuring that when dealing with transaction partners, agreements are reached with regard to social issues, including human rights.

3. Human rights education

- a. Human rights training was included in the e-learning content related to CSR, and was conducted for employees of Mitsubishi Electric and domestic affiliated companies. In fiscal 2019, 71,588 people have taken the course.
- b. In addition to the human rights impact assessment, we conducted human rights education for employees involved in CSR at Mitsubishi Electric and at domestic affiliated companies, and then communicated the circumstances surrounding the implementation of the assessment and fundamental knowledge related to human rights.

- c. We published commentaries on human rights as a four-part series in the company and Group newsletters.

4. Communication with external organizations

To ensure that the Mitsubishi Electric Group's efforts toward improving human rights are effective, we are communicating with experts and NGOs, and are receiving advice on our activities as they relate to human rights. In fiscal 2018, we had the opportunity to hold discussions with Amnesty International Japan, where we received advice on how to build a grievance handling mechanism and matters related to handling conflict minerals.



Dialogue with Amnesty International Japan

2) Approaches for fiscal 2020

1. Implement human rights risk reduction measures within the Mitsubishi Electric Group

Ensure that the risks highlighted in the fiscal 2018 human rights impact assessment do not lead to problems, we are continuing to reinforce our efforts through human rights education and improving management of work hours.

2. Human rights efforts in the supply chain

- a. Ensure that measures that started in fiscal 2018 to consider social issues, such as human rights, in agreements concluded with suppliers, will continue.
- b. Continue to promote efforts to fully understand human rights violation risks by suppliers (forced labor using foreign laborers, dangerous and hazardous labor).

3. Consider upgrading the system for handling grievances

We are considering the implementation of a system for listening to grievances from those who have been victims of human rights violations, and connecting it to relief efforts (i.e. a grievance handling mechanism). Even now, at the Mitsubishi Electric Group, we have multiple inquiry channels that serve as a system for listening to various grievances and questions related to human rights, but we aim to raise the performance of these channels to meet international standards.

Response to the UK's Modern Slavery Act

In fiscal 2017, Mitsubishi Electric Europe B.V. and Mitsubishi Electric Air Conditioning Systems Europe Ltd. issued a statement in response to the Modern Slavery Act that was enacted in the UK with the aim of eradicating forced labor, human trafficking, and other such acts that constitute "modern slavery." Continued efforts will be

made to ensure information disclosure and strengthen relevant initiatives. Due consideration is also given to the UK Gender Pay Gap Report.

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

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

Human Rights Awareness Activities

At Mitsubishi Electric, we organized a human rights training program.

- a. Human rights training was included in the e-learning content related to CSR, and was conducted for employees of Mitsubishi Electric and domestic affiliated companies. In fiscal 2019, 71,588 people have taken the course.
- b. In addition to the human rights impact assessment, we conducted human rights education for employees involved in CSR at Mitsubishi Electric and at domestic affiliated companies, and then communicated the circumstances surrounding the implementation of the assessment and fundamental knowledge related to human rights.

- c. We published commentaries on human rights as a four-part series in the company and Group newsletters.

Additionally, we have implemented a program for new employees and newly appointed managers that promotes understanding of the basic principles of human rights and Mitsubishi Electric's human rights initiatives. The program includes lectures on specific issues surrounding human rights, such as harassment, discrimination against disabled people, and the Dowa social integration issue.

Harassment Training

Mitsubishi Electric provides ongoing training programs regarding human rights to new employees and newly appointed managers, as part of its efforts to ensure a healthy workplace environment that is free of discrimination and harassment. In fiscal 2019, we conducted an approximately one-hour group training session related to human rights and harassment, in each office, for 858 new employees and 532 newly appointed managers.

Particular emphasis is placed on harassment prevention training for newly appointed managers, as they bear an important responsibility as managers to maintain and improve their workplace environment. The programs include not only lectures that provide information about sexual harassment, power harassment and "maternity harassment," but also lectures that allow managers to identify any harassment issues in the workplace, such as by introducing specific case examples of harassment.

Those who attend the program actively engage in creating a comfortable working environment for employees, by making certain there are no harassment issues in their workplace, as is their responsibility as managers.



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

Labor Practices

Basic Policy on Human Resources

Basic Policy

Mitsubishi Electric actively recruits employees to maintain a proper personnel structure over the medium to long term, and to achieve further global expansion of its growth areas, which are centered on power systems, transportation systems, building systems, FA systems, automotive equipment, space systems, power devices,

and air-conditioning systems.

Affiliated companies in Japan also implement plans for continuous recruitment of employees from the standpoint of strengthening business, technological capabilities, marketing capacities, and manufacturing power.

Active Employment on a Continuous Basis

Mitsubishi Electric plans to employ a combined total of 1,180 new graduates in October 2019 and April 2020.

We will continue to proactively recruit people with the aim of achieving an even higher level of growth.

Recruitment plan of the Mitsubishi Electric Group (as of March 2019)

1. New graduates

(Unit: no. of people)

		October 2017 and April 2018 (result)	October 2018 and April 2019 (projection)	October 2019 and April 2020 (plan)
	Engineering positions	650	690	680
	Sales & administrative positions	220	240	200
	Technical positions	270	300	300
	Mitsubishi Electric	1,140	1,230	1,180
	Affiliated companies in Japan	April 2018 (result)	April 2019 (projection)	April 2020 (plan)
		1,500	1,500	1,500
	Total	2,640	2,730	2,680

2. Mid-career Hires

(Unit: no. of people)

		Fiscal 2018 (result)	Fiscal 2019 (projection)	Fiscal 2020 (plan)
	Mitsubishi Electric	550	650	550
	Affiliated companies in Japan	1,000	1,000	1,000
	Total	1,550	1,650	1,550

3. Ratio of women among new graduates in engineering positions at Mitsubishi Electric

Fiscal 2018 (result)	Fiscal 2019 (projection)	Fiscal 2020 (plan)	Future target
11%	13%	10%	20% or more

Basic Personnel Data

Employment Situation

Employment situation of the Mitsubishi Electric Group

(1) Consolidated data

(as of March 31, 2019)

Segment	No. of employees (persons)
Energy & Electric Systems	46,732
Industrial Automation Systems	33,480
Information & Communication Systems	15,185
Electronic Devices	5,415
Home Appliances	26,789
Other	12,716
Common	5,500
Total	145,817

(2) Data for Mitsubishi Electric Corporation

(as of March 31, 2019)

No. of employees	Average age	Average number of years worked	Turnover rate	Average annual income
35,203 employees (incl. 3,383 women) [7,202 employees]	40.4 years of age	16.3 years	2.2%	8,169,232 yen

Segment	No. of employees (persons)
Energy & Electric Systems	8,676
Industrial Automation Systems	9,911
Information & Communication Systems	4,971
Electronic Devices	2,233
Home Appliances	5,063
Other	0
Common	4,349
Total	35,203

NOTES:

1. "Employees" refers to all personnel who are working. The number of temporary workers is indicated in terms of average number per year and provided in brackets ([]) as a separate number not included in the total number.
2. Turnover rate includes retirement on reaching retirement age.
3. Average annual income includes bonuses and extra wages.
4. There is no difference in the amount of remuneration between men and women under Mitsubishi Electric Group's personnel treatment system.

Relationship with Labor Union

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

Under the union-shop system, employees (excluding management level employees) become union members after completing a trial period, as a rule. To facilitate

mutual negotiations, the company and labor unions establish a management council and labor council, and endeavor to seek resolutions by holding thorough rational discussions on equal footing, as a basic principle.

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

Workforce Diversity

Basic Policy

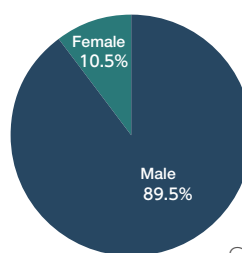
Within today's rapidly changing workforce environment, providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Furthermore, it has become more vital than ever before to employ an even greater

diversity of people, given the increasingly aging and diminishing population in Japan. Based on this awareness, Mitsubishi Electric promotes employee diversity through the following measures.

Women's Participation

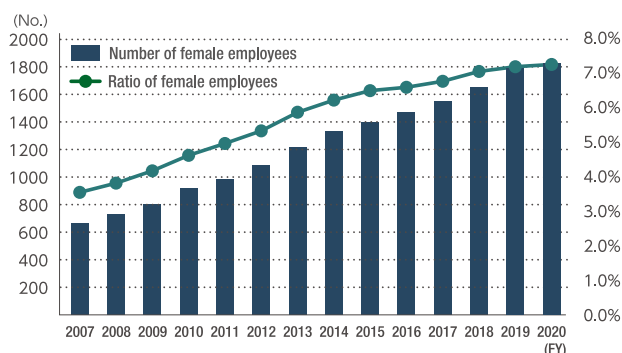
To formulate and implement original measures that would help female employees and employees with children form a career while also enriching their personal lives, Mitsubishi Electric established the CP-Plan* Promotion Center within its Corporate Human Resources Division in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

* Career management & Personal life well-balanced Plan

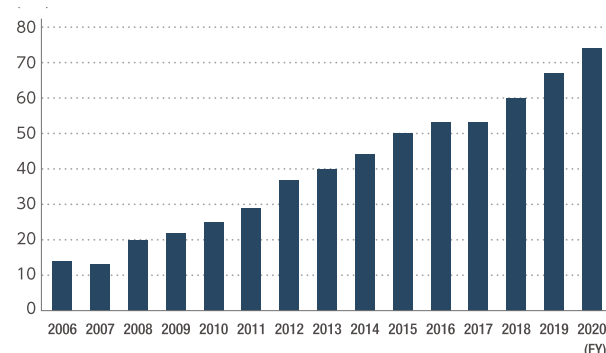


Gender ratio (Mitsubishi Electric)

Basic data (Mitsubishi Electric)



Trend in the number of female employees (Mitsubishi Electric)



Trend in the number of female managers (at or above section manager level; Mitsubishi Electric)

Initiatives for Even Greater Participation of Women

Career forum for young female employees

A career forum (CP-Plan Forum) is offered to young female employees, to actively inspire them to form a career around life events such as childbirth and childcare. Through a lecture personally given by the president on the managerial significance of promoting women's participation, stories of senior employees' personal

experiences, and group discussions, the forum, attended by around 200 people every year, encourages female employees to think and act on their own and promotes personal networking.

In addition to this forum that is held at the Head Office, exchange events are also held in some offices.

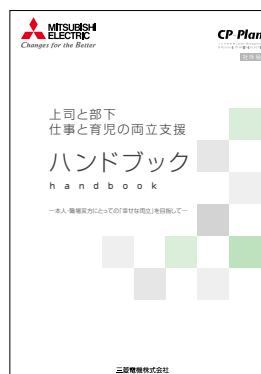
Strengthening management capacities

Various efforts are made to raise management's awareness of women's participation and strengthen management capacities. For example, a curriculum on women's participation is included in the training program

for newly appointed managers, to disseminate an understanding of the managerial significance of women's participation and considerations to be heeded in the management of female subordinates.

Handbook on supporting work/childcare balance for employees and supervisors

Various initiatives are in place so that employees who have taken childcare leave can smoothly return to the workplace and perform to the maximum of their ability while caring for their children. For example, a handbook is distributed both to these employees and their supervisors, and regulations require that these employees meet with their supervisors periodically before and after returning to their positions.



Handbook on supporting work/ childcare balance for employees and supervisors

VOICE (Female manager)

General Manager, Total Energy System Engineering Dept., Business Development & Strategic Planning Div., Energy & Industrial Systems Group, Mitsubishi Electric Corporation **Marta Marmioli**



I was born and raised in Italy. After graduating from a local university, I studied in Japan and then joined Mitsubishi Electric. Since then, I have been involved in power system-related development and today I am committed to business promotion as the Head of Engineering. While considering the development of my team members including the improvement of their skills as a manager, I am trying to create new businesses such as development of efficient power systems using cutting-edge technologies.

Going forward, I will work to improve the presence of Mitsubishi Electric in the industry while enhancing organizational strength by communicating my experience and skills to members of my team.

Active recruitment of female students in science: Organizing events to promote further understanding of Mitsubishi Electric and producing promotion Media (websites, leaflets, etc.)

Mitsubishi Electric makes active efforts to recruit female students in science, based on a target of "achieving a female ratio in new recruits from engineering fields of more than 20% in the future," as stated in the company's Action Plan, pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace.

Basic policy on human resources

Ratio of women among new recruits for engineering fields (Mitsubishi Electric)

Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
9%	11%	13%	10%

* October hires and April hires

Various events are organized to actively disseminate genuine perspectives on working at Mitsubishi Electric. These include exchange forums where female students in science can interact with female engineers at various stages in their life and business areas, from junior employees and other employees who have children to managers, and seminars that include a tour designed to introduce day nurseries and other in-house facilities at Mitsubishi Electric. Websites and leaflets that introduce the way Mitsubishi Electric's female engineers carry out their jobs and their careers are also produced.



Exchange forum with female engineers(1)



Exchange forum with female engineers(2)



Top page of a featured website



Pamphlet for female science students

Principles and Initiatives for Developing Global Human Resources

To become a global company that employs global human resources

As a global company, Mitsubishi Electric has 196 consolidated affiliates in Japan and overseas, employing some 58,000 overseas employees, which corresponds to 40% of the total number of employees of the Group as a whole. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where all employees of the Group can maximize their potential and are able to realize their personal career plan. More than 100 overseas employees from ten to twenty countries are invited to receive training at a Mitsubishi Electric manufacturing facility (plant) in Japan every year, to acquire technologies, skills, and know-how. They return to their companies and support the Mitsubishi Electric Group's strong manufacturing around the world.

An initiative is also in place to provide a roughly two-week training program in Japan to selected overseas employees as candidates of future management executives. Participants, who acquire new knowledge and a network of personal connections, return to their company and engage in greater levels of work. At the

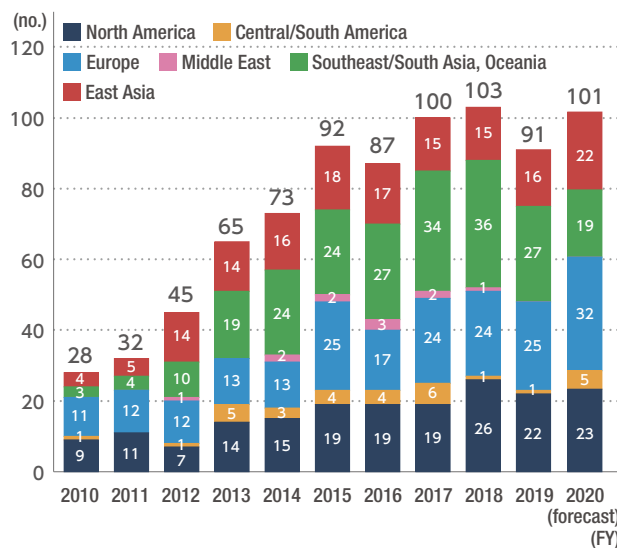
same time, Mitsubishi Electric Japan is also actively promoting the employment of foreign employees. Around 10 to 20 foreign employees are employed on a continuous basis every year, and a cross-cultural training program is offered regularly, to be attended in pairs with a senior Japanese employee from the same workplace, so that new foreign employees can work actively and comfortably in Japan. Further initiatives also provide training on Mitsubishi Electric's corporate philosophy, including its corporate mission, values, and history in both Japan and overseas to strengthen awareness of corporate principles that all employees of the Mitsubishi Electric Group worldwide ought to share.

Today, local staff members account for more than 40% of all top managements (above the level of general manager) in overseas affiliates. Mitsubishi Electric continues to widely promote the placement of human resources in positions that are suitable for them, be they local staff or expatriates of Mitsubishi Electric (Japan), for managerial positions in overseas affiliates.

Employees dispatched under the overseas OJT system (FY2010 – FY2020 (planned))

As part of the effort to develop human resources in Japan capable of working at the global level, Mitsubishi Electric employees are dispatched to affiliated companies under

the overseas OJT system. In recent years, an average of 100 employees have been dispatched to various locations around the world every year.



Employees dispatched under the overseas OJT system

Employees have also been dispatched to English-speaking countries, Chinese-speaking countries and Spanish/

Portuguese-speaking countries, as shown below, for foreign language training.

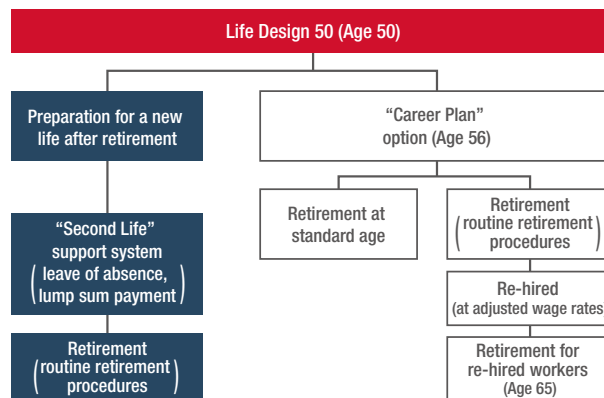
Employees dispatched to attend foreign language training overseas (Mitsubishi Electric)

Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
101	90	98	103	86

Providing Diverse Employment Formats for Older Employees

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

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



Multi-track personnel system from the core career track (for unionized workers)

Promoting Employment of People with Disabilities

In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2019, people with disabilities comprised 2.25 % of the total workforce at Mitsubishi Electric and its special subsidiaries combined.

The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees and employees with disabilities are equal partners in the workplace and peers who mutually care for each other.

The company mainly engages in the cleaning service, café, business card, food service, and health promotion (massage) businesses, and employs 62 people with disabilities as of March 15, 2019. A cookie factory was established as a second location in FY2018, and it will continue to gradually expand its businesses to increase its employment of employees with disabilities.

* Special subsidiary: A subsidiary which, if certain requirements are met, is regarded as the same business entity as its parent company and whose rate of employment of people with disabilities is calculated in consolidation with that of the parent company.



Cafe business



Cookie manufacturing



Business card production

Creating a Fulfilling Workplace

Basic Policy

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

Achievement = ability × motivation. To strengthen employee motivations, it is necessary to increase employee satisfaction (ES). Mitsubishi Electric believes

that increasing employee satisfaction leads to greater achievements by employees and organizations driven by increased employee motivation and productivity. This inevitably leads to greater customer satisfaction (CS), stronger competitiveness, and better performance.

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

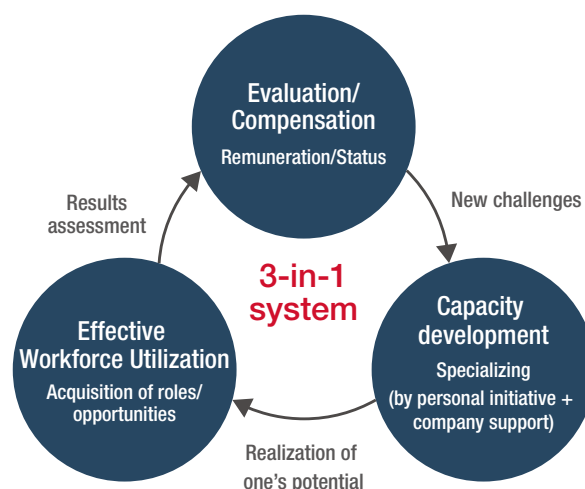
Compensation System Based on Individual Job Descriptions and Performance

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

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

We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, capacity development, and effective

workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.



Organic combination of components through management enhancements

Transfer Opportunities at the Request of Employees

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

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

Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong, and a system for reviewing employee roles and performance is implemented to track the progress of those goals through communication between employees and their managers. Under this system, regularly-scheduled interviews are held in which employees and managers discuss such topics as the employee's development and training based

on evaluation of performance, and the placement and utilization of human resources, to promote improved communication in the workplace.

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

Motivating Employees with Bonuses for Inventions (in Japan)

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

Furthermore, to maintain fairness and transparency of the system, the criteria of the employee invention bonus

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

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

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

Maintaining a Favorable Working Environment

Basic Policy

Japan's working population is expected to dramatically decrease in conjunction with its aging and declining population, and there is apt to be a further increase in the number of employees, both men and women, who work while caring for children or elderly members of their family. In order for Mitsubishi Electric to survive through the tough international competition and realize sustainable growth

under these circumstances, it will be essential to create a working environment where all employees can work to their full potential within their limited time.

Various initiatives are in place at Mitsubishi Electric to create a working environment where all employees can work actively while maintaining a good work-life balance.

Support for Flexible Working Styles

Development and availability of childcare and family-care programs in Japan

Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare leave program can be extended to the month of March following the child's first birthday (or to the first end of March following the child's second birthday if there is a special circumstance). We also have a program that allows employees to work shorter hours when raising their children, and this program can be extended up until the end of March in the year the child graduates from elementary school. Our family-care leave program allows employees with families that meet the requirements to take a leave of absence for more than three years. It also allows employees to work shorter hours for up to three years to help them take care of their families. In addition, when the employee is the spouse of an expectant mother, the spouse may take up to five days leave. 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 "work-at-home" program for employees providing family care, as well as a re-hiring system for employees who have temporarily left the company to provide family care.

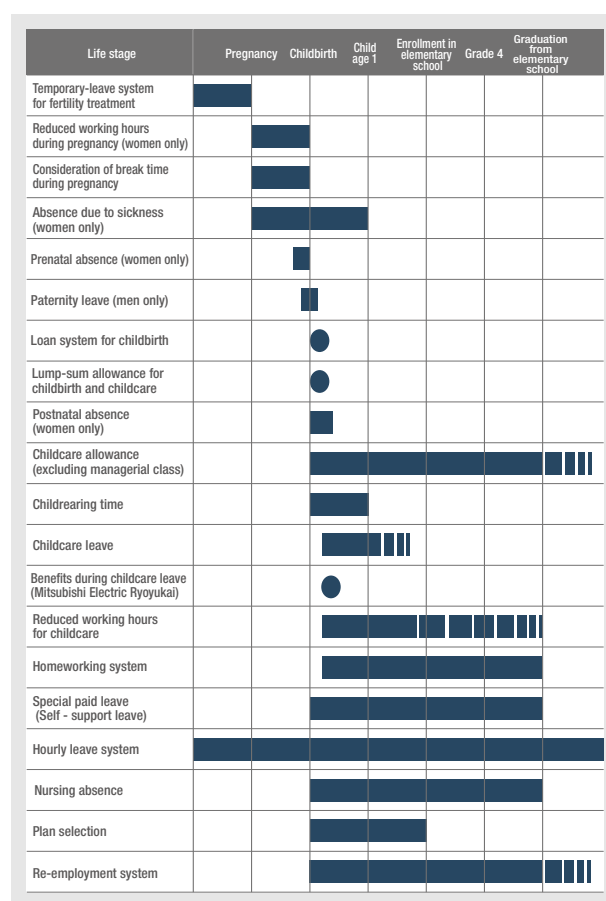
Furthermore, we have made it possible for employees to take half-day absences from work to care for elderly family members or attend to a sick child, and have introduced a reduced working hour system that allows employees to work shorter hours on a certain day of every week, as one form of reducing working hours for family care.

In fiscal 2019, we will further support the work-life balance of our employees by expanding the scope of special paid leave (self-support leave) to include PTA activities. In addition, we will support the development of the next generation by introducing a temporary leave system for employees who wish to undergo fertility treatments. There will also be an extension to the scope of the program that allows employees to take an absence from work to take care of sick children who are under elementary school age, to also include children who are currently in elementary school.

In fiscal 2020, we will also be introducing an hourly leave system that allows employees to take up to 40 hours off from work per year. Employees will be able to take off from work on an hourly basis by using part of their annual

paid vacation days when they need to care for children or elderly family members or to participate in a child's school event, etc. that do not require a one-day or half-day leave.

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.



Work-life balance support measures related to childcare
(As of April 2019)

Diamond Kids Day-care centers

To support the career development of employees raising children, Mitsubishi Electric opened Diamond Kids, an onsite day-care center, in Kamakura City, Kanagawa Prefecture and Amagasaki City, Hyogo Prefecture on October 1, 2014, with an enrollment of approximately 10 children in each center.

By providing its services in locations adjacent to a Mitsubishi Electric workplace on days and during hours

corresponding to the workplace, catering to extended hours, and ensuring security measures that prevent intrusion by suspicious individuals as well as accident prevention measures, Diamond Kids offers a childcare environment that allows employees to fully concentrate on their jobs without worrying about their children. It also promotes employees' return to work after taking a leave, by accepting children all year round.

Name	Diamond Kids Shonan	Diamond Kids Itami
Location	5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture Within the Information Technology R&D Center	6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO
Facility area	Floor space: approx. 100m ²	
Enrollment capacity	Approx. 10 children	
Children's ages	Ages 0 (children over 57 days old) up to enrollment in primary school	
Eligibility	Mitsubishi Electric employees (not restricted to women)	
Operating hours	8:00 – 18:00 (extended hours up to 21:00)	

Other programs

Flextime

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

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

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

Special paid leave (Self-support leave)

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

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

Work-at-home program

In pursuit of a flexible work style for efficiently performing work anywhere, we have expanded the eligible users and increased the flexibility of using the program in fiscal 2019.

Employees can use the program for reasons other than to care for children or elderly family members, such as for the purpose of improving productivity through efficient performance of work and promoting work-life balance.

Utilization status of childcare and family care programs (by Mitsubishi Electric employees) (Unit: No. of employees)

No. of employees who have taken a leave	FY2017			FY2018			FY2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	12	237	249	24	273	297	38	302	340
Acquisition rate of leave of absence (%)	—	98%	—	—	98%	—	—	99%	—
Reduced working hours for childcare	5	348	353	11	368	379	13	379	392
Reduced working hours during pregnancy	—	13	13	—	11	11	—	20	20
Family care leave	3	4	7	7	4	11	11	7	18
Reduced working hours for family care	5	4	9	4	8	12	11	6	7
Prenatal and postnatal absence	—	142	142	—	182	182	—	178	178
Paternity leave	658	—	658	735	—	735	769	—	769
Nursing absence	18	8	26	13	15	28	20	15	35

Creating a working environment where work-life balance can be achieved by everyone through a Work Style Reforms

Since fiscal 2017, Mitsubishi Electric promotes a "Work Style Reforms" as a management policy, and strives to create a working environment where work-life balance can be achieved by everyone by "creating a corporate culture that places even greater emphasis on achievements and efficiency" and "reforming employees' attitudes toward work."

Each department, organization and office implements specific measures that promote the reform of working styles based on the following four perspectives.

Four perspectives on Work Style Reforms

Improvement of productivity by streamlining operations

- Thorough elimination of waste based on the principles of JIT Kaizen activities (reduction of conferences, documents and travel time, review of operational processes, etc.)
- Increased utilization of IT for operational efficiency

Further pursuit of achievements and efficiency

- Establishment of an awareness to produce results within a limited amount of time
- Development of a scheme to evaluate productivity and efficiency, and strengthening the implementation of proper evaluation

Work-life fulfillment

- Sharing the awareness that a "fulfilling life" and "rewarding work" are closely related
- Applying the knowledge and mental/physical health that are gained through having a fulfilling life to achieving a rewarding work experience

Promotion of communication in the workplace

- Sharing the status of operations in the workplace through daily greetings and communication
- Promotion of work-load alleviation through mutual cooperation between individuals and departments, as well as reviews of work allocation

* JIT (Just in Time): Work process improvement activity in which all employees eliminate operational inefficiencies to improve the quality of all work processes.

During the first two years of the initiative, company-wide efforts were made to fully disseminate and establish the initiative. We provided information and promoted employee awareness through posters, in-house newsletters, the internal website and other such tools, and implemented an education campaign to raise awareness of Work Style Reforms for employees in managerial positions. In February 2017, the "President's Forum on Work Style Reforms" was launched, in which the president of Mitsubishi Electric makes a round of all offices to personally explain the objectives and importance of the initiative to all employees.

In addition to this Group-wide initiative, each office also implements activities that suit their specific situations.

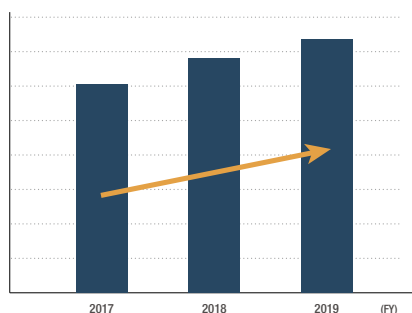


"Work Style Reforms"

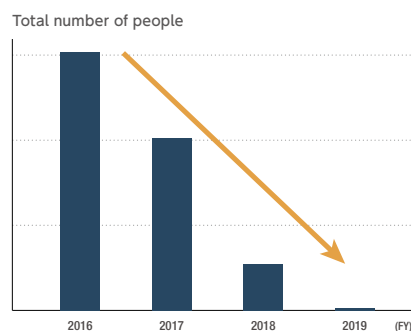
Outcome of previous activities

Three years have passed since the Work Style Reforms began in fiscal 2017. Through driving the reforms based on the four perspectives, the percentage of employees

who experienced changes in their work style increased and working hours fell sharply. These reforms, therefore, have produced positive outcomes.



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



Changes in the number of employees who worked more than 80 hours of overtime a month

Examples of office-specific activities

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

At Mitsubishi Electric, Head Office management departments play a central role in streamlining and

increasing the efficiency of company-wide operations by promoting the following specific measures.

1. Developing an IT environment
 - Introducing tablets and eliminating paper documents from executive meetings
 - Providing mobile terminals to employees in all offices who need them
 - Implementing of video conferences for meetings between remote offices and reduction of business trips
 - Realizing flexible working styles by expanding the work-at-home program
 - Promoting the use of work smartphones outside the company (schedule confirmation, verification tasks, etc.)
2. Simplifying and reducing company-wide documents
 - Simplifying documents by shortening discussion times and schedules in management meetings
 - Reducing the number of periodic reports (weekly reports, monthly reports, etc.) issued by each department
 - Reviewing report formats
3. Promoting indirect JIT Kaizen activities
 - Analyzing operations by external consultants and implementing JIT Kaizen activities company-wide

President's Forum

To accelerate the promotion of office Work Style Reforms, the "President's Forum" meeting began in February 2017 as a president-employee conversation opportunity.

The president explains to employees the objective and focus of actions surrounding Work Style Reforms,

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



President's Forum (2018)



President's Forum

VOICE (Corporate Human Resources Div. member)

Manager, CP-Plan Promotion Center, Corporate Human Resources Div., Mitsubishi Electric Corporation **Hiroko Morisaki**



It has been three years since the start of the initiative and now more and more employees are feeling that their work style has changed. For example, using laptops in meetings is now an everyday sight. We will continue to foster enhancements in the corporate culture and environment so that all employees can feel the change. Yet Work Style Reforms extends beyond just improving operational efficiency. To achieve these reforms goal of "creating a workplace environment in which everyone can maintain physical and psychological health and work in good spirits," we aim to develop a company where every single employee is always aware of the value of improving their work and finds their work fulfilling.

Supporting Career Development

Basic Policy

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

Under this principle, the Mitsubishi Electric Group

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

Human Resources Development System Supports the Career of Employees

Mitsubishi Electric's training system for employees in Japan consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational education. Tests and competitions to improve skill levels are conducted, and practical training or international study

opportunities at overseas sites and universities in Japan and abroad are provided. Emphasis is also placed on a managerial training program that focuses on training individuals for the core management positions that drive our businesses, and on developing core personnel and leaders.

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

Self-development support program

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

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

Stratified training program

In fiscal 2012, Mitsubishi Electric introduced Value-up Training, a stratified training program intended for employees at certain junctions in their career (at ages 25, 30 and 40), to provide an awareness and understanding of the qualities and roles that are expected of them at those ages.

The program aims to strengthen young employees' capacity for work, or the mentality, knowledge, and skills they need to fulfill their duties, and medium-level and veteran employees' capacity for development, or their skills to convey their working capacity to the younger generation (subordinates and juniors) and enhance their capacity for work. Through this program, we will make continued efforts to strengthen the working capacity of each employee and create a culture for development in the workplace as a whole.

Promoting systematic and efficient skills development

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



Point system for employee training

Mitsubishi Electric Group Skills Competition

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



Mitsubishi Electric Group Skills Competition

Passing on technological skills, knowledge, and know-how

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



Technical help desks

Ensuring Occupational Safety & Health

Basic Policy

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

the best of their ability, comfortably and in good health.

This basic policy underlies our company-wide Five-year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, and by which we implement specific activities toward achieving annual targets. Our affiliates in Japan and overseas also engage in health and safety management activities in line with relevant laws, regulations and company-specific issues.

Promotional Framework

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

Ongoing efforts are made to strengthen the safety and health management framework, as Mitsubishi Electric and its affiliates in Japan and overseas cooperate in exchanging information, engage in education activities, and implement various safety measures. Active communication is also held with employees through meetings with labor unions and the Safety and Health Committee, and labor-management efforts are made to

promote both top-down and bottom-up activities that aim to raise the level of safety and health.

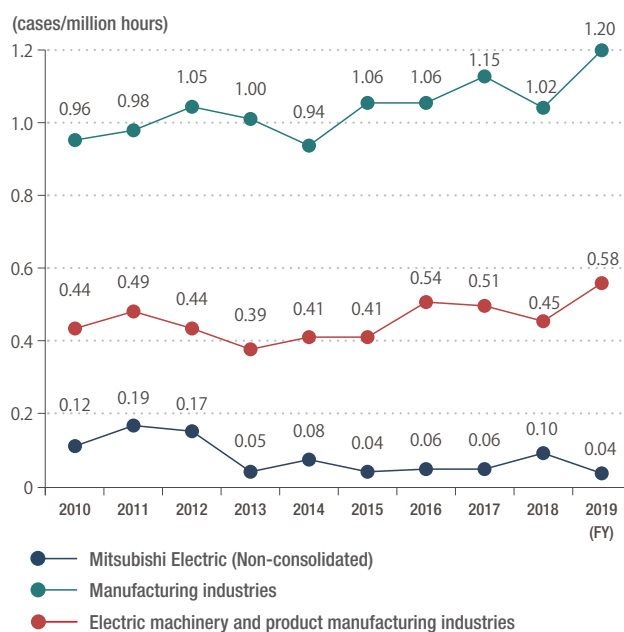
In case of an industrial accident occurs, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety inspections, and laterally disseminating case reports of disasters and countermeasures.

Occupational Safety and Health Management System

In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office creates a PDCA cycle for safety and health activities based on the Mitsubishi Electric Group's requirements for safety and health management, such as in regard to the development of a management framework in each office governed by a safety and health supervisor and the implementation of risk assessments and other relevant activities.

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

* OSHMS (Occupational Safety and Health Management System)



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 prescribed by law. As a common feature of the Group, Mitsubishi Electric and its affiliates in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year.

Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a "safety room."



E-learning of Safety and Health Education

"Danger simulation room" at Mitsubishi Electric's Himeji Works

To increase employee sensitivity to danger, a danger simulation room was created in 2011, where education is provided to all onsite employees and employees of affiliated companies (approx. 6,000) every year. Its facilities are being upgraded in sequence, such as by adding a slipping and falling simulation machine, a machine that simulates gear accidents, and a facility for engaging in finger-pointing safety confirmation.



"Danger simulation room"

Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its affiliates in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for their 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance society. MHP21 promotes a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company." Under the slogan, "Change Your Lifestyle Habits, Extend Your Healthy Years," MHP21 involves setting company-wide improvement goals in five health categories—maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care, and sleeping properly—and evaluating the degree of achievement of these goals every year.

In 2017, a new five-year plan was launched as Stage

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

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

Targets and results of MHP21 activities

MHP21 activities Priority items	Before commencement of activities (FY2002)	Stage I Final year (FY2012)	Stage II Final year (FY2017)	Stage III First year (FY2019)	Stage III Target (FY2018–2022)
People maintaining proper body weight ^{*1}	73.0%	71.7%	70.4%	69.4%	73% or more
People who have an active lifestyle ^{*2}	11.7%	16.2%	24.1%	25.2%	39% or more
Smokers	40.0%	27.6%	24.7%	23.5%	20% or less
People who brush their teeth three times a day or more	13.3%	20.5%	22.5%	25.3%	25% or more
People who get enough sleep and are well rested ^{*3}	–	–	–	66.8%	85% or more

*1 BMI of 18.5 or more and less than 25.0

*2 30 minutes or more of exercise twice a week or more, or an average of 10,000 steps (1 hour of walking) or more per day

*3 Included from Stage III

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.

Also through a legislated stress check system, and through telephone and e-mail counseling provided by an employee assistance program (EAP*), importance is placed on the primary prevention of employee mental health disorders.

Employees who return to work after taking a mental health leave are fully supported by the belonging department, human resource department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support, and every effort is made to facilitate their return to their workplace and prevent any relapse.

Furthermore, by appointing dedicated counselors in the Mitsubishi Electric head office, focused care is also provided to employees posted outside of Japan, where working and living environments largely differ from Japan.

In terms of education, line-care and self-care training

are repeatedly implemented through lectures and internal e-learning programs, to provide knowledge of mental health and strengthen responses to mental health among managers and employees, especially for mental health.

* EAP (Employee Assistance Program): a program that provides support to employees



Mental Health Care Education

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that also give consideration to elderly people and people with disabilities.

By establishing own standards (workplace environment standards) for air, lighting, noise, and facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.

Supply Chain Management

Basic Policy

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group's Purchasing Policy and CSR Procurement Policy, and requesting business partners' understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the

Group, risks are also mitigated along the supply chain.

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

Our Purchasing Philosophy

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

1. Easy Access and Equal Opportunity

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

2. Mutual Prosperity

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

3. Ecological Soundness

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

CSR Procurement Policy

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

We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's CSR policies and matters for compliance by our business partners. Going forward, approaches will be made to all business partners to verify their agreement to promote procurement activities in line with the guidelines.

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

- (1) Ensuring compliance with laws and regulation
- (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
- (3) Creating proper work environments and giving consideration to safety and health

2. Assurance of quality and safety of products and services

3. Environmental considerations

- (1) Procuring materials with less negative impact on the environment
- (2) Ensuring strict management of harmful chemical substances based on an environmental management system

4. Promotion of fair trade based on corporate ethics

- (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
- (2) Ensuring strict management and safeguarding of information by establishing an information security system
- (3) Thorough elimination of fraudulence, bribery, and other such conduct that violates corporate ethics

Framework for Promotion of Supply Chain Management

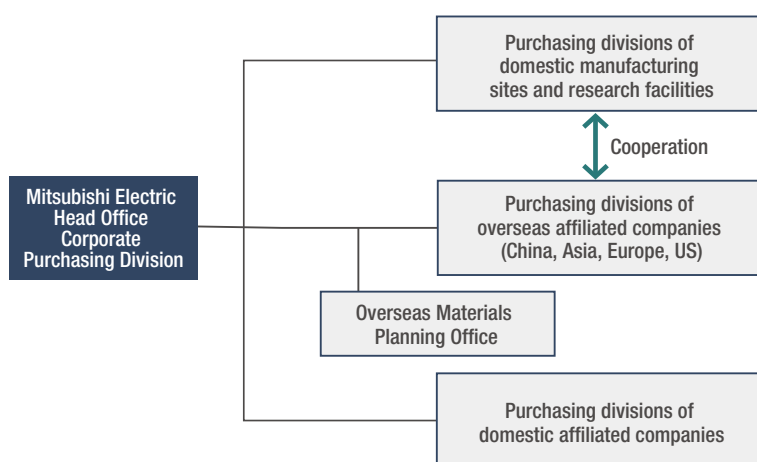
The Mitsubishi Electric Group launched the WΣ21II (Worldwide Strategic Integration for Global Markets in the 21st Century Advance to the Next Stage)* activity in April 2017, and is promoting optimal procurement activities suited to each region through the Materials Planning Office. The Materials Planning Office was established in collaboration among regional corporate offices in China, Asia, Europe and Americas to implement purchasing strategies through conferences of procurement officers and other such meetings. Accompanying this initiative, the supply chain has also expanded to various countries where the Group operates, so initiatives are also pursued to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems.

*WΣ21II : An initiative by the Corporate Purchasing Division toward achieving sales of 5 trillion yen and an operating profit of 8% or more by 2020

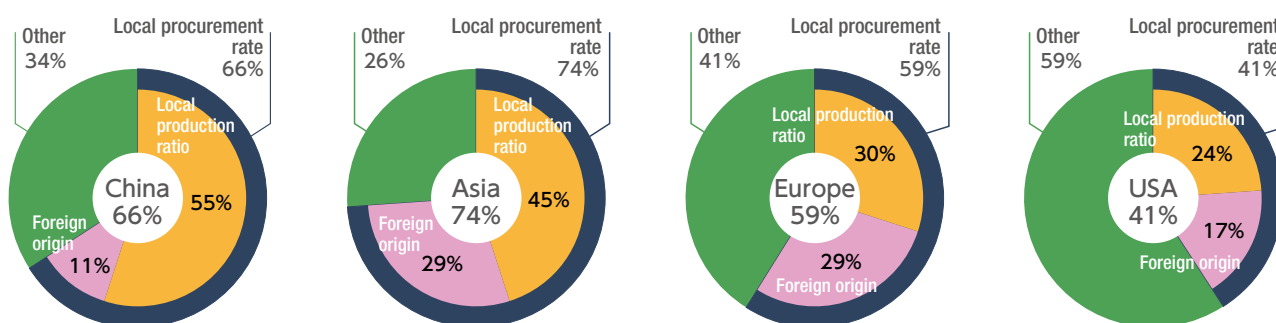
1. Duration: Three years from 4/1/2017 to 3/31/2020

2. Priority activities

- (1) Progress of cost-planning activities toward the achievement of target costs
- (2) Strengthening of the competitiveness of product models in cooperation with suppliers
- (3) Promotion of optimal regional procurement throughout the world
- (4) Strengthening of supply chain management
- (5) Construction of a platform for supporting relevant activities and measures



Framework for promotion of supply chain management



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

*1 Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion

*2 Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site

*3 Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site

Mitsubishi Electric Group Policies for Responsible Minerals Procurement

The Mitsubishi Electric Group aims for transparency in its supply chain to avoid any affiliation with armed groups that trade in conflict minerals*¹ as their source of funding. We also recognize the possibilities of human rights violations occurring in the severe labor conditions in cobalt mining sites as a major problem. The Group adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*², and removes certain

minerals from the supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

*1 Conflict minerals refers to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.

*2  [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)

Report of survey results of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (the Conflict Minerals Reporting Template (CMRT)*¹) or the Cobalt Reporting Template (CRT)*²) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2019, surveys were carried out on approximately 1,200 suppliers, and responses were obtained from 83% of these suppliers.

In addition to requesting suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals. We also conduct opinion exchanges with NPOs regarding mineral procurement.

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

*2 Cobalt Reporting Template issued by the Responsible Minerals Initiative

 [Human Rights Management](#)

Identification of smelting companies in FY2019 (No. of smelting companies identified: 4,600 companies)

Tin	Tantalum	Tungsten	Gold
70%	73%	71%	74%

Of the smelting companies that have been identified, it was found that roughly 84% handle conflict-free minerals.

Strengthening CSR Initiatives along the Supply Chain

Initiatives to address environmental issues

Since 2006, the Mitsubishi Electric Group has been evaluating the progress of suppliers' initiatives to address environmental issues under the Green Accreditation System. Based on the Green Procurement Standards Guide and using an original survey form, the System involves a survey of each supplier's progress in acquiring environmental management system certification, the supplier's status of compliance with laws and regulations related to the environment, and its management of

chemical substances contained in components and materials they deliver to our company. Under the System, suppliers who meet our standards are certified.

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

 [Green Accreditation Guideline](#)

Initiatives to address social issues

From 2009, the status of CSR initiatives has been included in the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. Furthermore, the CSR Procurement Guidelines were established in 2018 based on international standards; the Guidelines contain the RBA Code of Conduct (Version 6.0) that was

formulated and announced by the Responsible Business Alliance, and the Supply Chain CSR Promotion Guidebook issued by JEITA's Materials Committee. To verify our suppliers' commitment to promoting the content of the guidelines, a consent form is attached to the last page of the guidelines.

 [CSR Procurement Guideline](#)

We have raised the following two points as the core activity objectives of fiscal 2020.

1. We will obtain the consent forms for the CSR Procurement Guidelines from suppliers that did not respond in the last fiscal year, as well as for applicable suppliers in fiscal 2019.

In fiscal 2018, we requested about one third of all suppliers to sign the consent forms based on the CSR Procurement Guidelines. For the suppliers that have not yet completed the signing for fiscal 2018, in addition to aiming to complete the signing, we will also seek to obtain signatures from suppliers for fiscal 2020.

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

In addition to the investigations in progress, we will use a check sheet we created to discern the existence of human rights violations, and conduct activities aimed toward mitigating those issues.

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

 [Procurement Activities](#)

Requests to Suppliers

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

comply with the CSR Procurement Guidelines and a completed survey form upon reading and understanding the guidelines.

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

 [Procurement Activities](#)

1. Compliance with laws, regulations and social norms

Please comply with laws and regulations in countries and regions where you engage in business, as well as with international agreements, transaction ethics, and social norms.

(Elimination of corrupt practices such as bribery, embezzlement, and illegal political contributions; compliance with relevant laws and regulations, including the Antimonopoly Act, Subcontractor Act, and Foreign Exchange Act; prohibition of the illegal acquisition and utilization of intellectual property; proper information disclosure; execution of faithful transactions based on contracts, etc.)

2. Respect for human rights

Please respect basic human rights in countries and regions where you engage in business.

(Prohibition of inhumane treatment like forced labor, child labor, abusive treatment, human trafficking, and harassment; prohibition of all forms of discrimination; proper payment of wages; proper management of working hours; respect for the right to organize, etc.)

3. Consideration for health and safety

Please give due consideration to health and safety in all countries and regions where you engage in business.

(Safety measures for machines and devices; evaluation and measures against the occurrence of accident and health hazard risks; preventive measures against large-scale disasters and accidents, etc.)

4. Environmental considerations

Please take measures to provide products and services that place minimum burden on the environment.

(Acquisition, maintenance and management of environmental management system certification; compliance with environmental laws and regulations; proper management of chemical substances in products, etc.)

5. Product and service quality and safety

Please take measures to ensure the quality and safety of products and services you provide.

(Design, evaluation and testing for ensuring safety; compliance with laws and regulations related to safety; construction, maintenance and management of quality management systems, etc.)

6. Security measures for information systems

Please take appropriate measures to protect against computer network threats.

(Construction of prevention measures against computer viruses and cyberattacks; prevention of information leakage through proper management of confidential information and personal information, etc.)

Evaluation Status of Suppliers' Initiatives to Address CSR Issues

Basic policy of supplier surveys

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Procurement Standards Guide and CSR Procurement Guidelines by requesting principal suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form (prior to commencing transactions in the case of new transactions and at certain intervals in the case of ongoing transactions (every three

years, as a rule)). In response to our suppliers' replies to these surveys, we provide feedback about the results of the evaluation. We also communicate with suppliers who have scored low in any one of the survey items, to request the necessary corrections. This is done through individual meetings and other such means. The survey form has been revised in 2018 following the formulation of the CSR Procurement Guidelines.

Activity results

From 2006, the evaluation covered domestic suppliers only. However, the range was expanded in fiscal 2018 to include overseas suppliers also. The fiscal 2018 survey

placed priority on the China and Thailand region, but from fiscal 2019, we extended survey implementation to Europe and the U.S.

Responses to the Green Accreditation/CSR Procurement survey form (Mitsubishi Electric)

	FY 2016	FY 2017	FY 2018	FY 2019
Existing suppliers	1,465	728	696	1,201
New suppliers	27	15	25	60 (100% implementation rate)
Response rate	99.9%	100%	99.0%	96.0%

* Total number of suppliers: Approx. 10,000 companies (includes about 2,700 suppliers that were among the top 80% of purchases)

* We conducted surveys for all of the above suppliers (about 2,700 companies) in the three-year period between 2016 and 2018.

* The above figures include cases where the survey form was re-submitted following guidance for improvement.

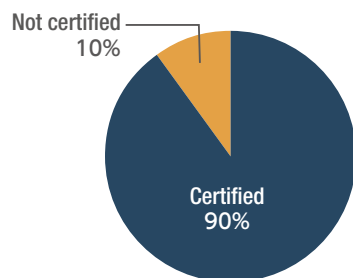
* In FY 2019, there were no suppliers whose business relationship with the Mitsubishi Electric Group was canceled because of their evaluation results.

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

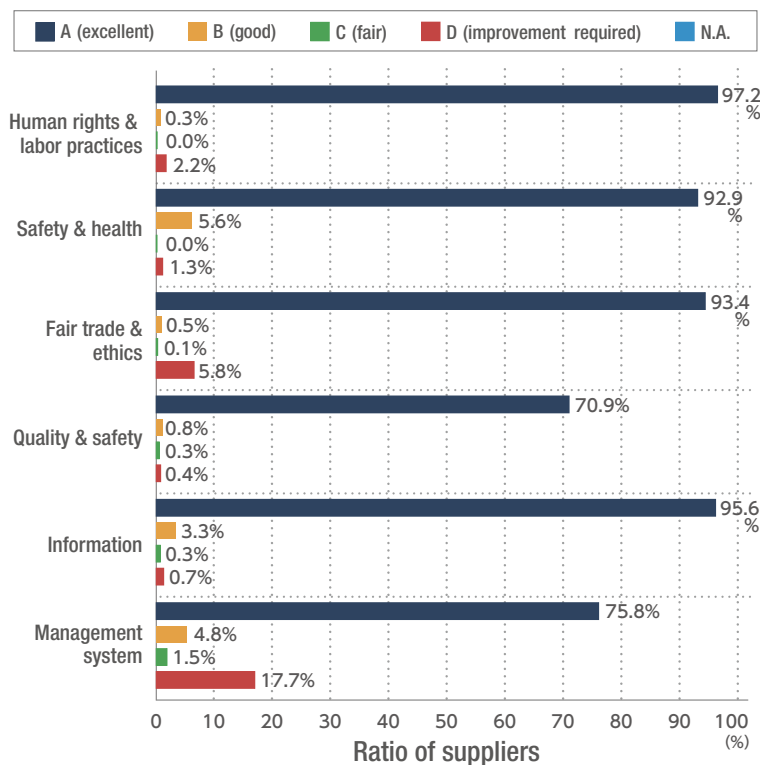
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
Surveyed suppliers		212	346	1,378	595
Response rate		100%	99.3%	94.0%	60.5%

Signatures for the CSR Procurement Guidelines consent forms in FY 2019

	Mitsubishi Electric	Domestic and overseas affiliated companies
Requested companies	Approx. 1,400 companies	Approx. 700 companies
Responses (rate)	Approx. 1,280 companies (91%)	Approx. 400 companies (57%)
Agreements (rate)	Approx. 1,150 companies (82%)	Approx. 400 companies (57%)



FY 2019 rate of green accreditation certification among suppliers (Mitsubishi Electric)



FY 2019 results of green accreditation and CSR procurement surveys among suppliers (Mitsubishi Electric)

Number of suppliers given guidance in fiscal 2019 and the content of the guidance (Mitsubishi Electric)

Item	No. of companies given guidance	No. of companies given guidance	Content of guidance
Environment	97	26	Further strengthening of initiatives for the restriction of chemical substances in products (particularly in response to the revised RoHS2 Directive)
Human rights, labor practices, safety and health	188	32	Encouraging secondary suppliers to take up CSR practices



Providing safety guidance during an onsite inspection of a supplier's company (overseas)



Providing safety guidance during an onsite inspection of a supplier's company (in Japan)

Communication with Suppliers

At each office, the Mitsubishi Electric Group holds seminars that disseminate a full understanding of the Group's Purchasing Policy and CSR Procurement Policy among suppliers. In order to gain the approval of suppliers to the Mitsubishi Group's policies as demonstrated through these activities, we hold regular exchanges of views with our suppliers based on their responses to our Supplier Surveys. Suppliers are asked to further strengthen CSR initiatives at their companies as well.

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

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



Exchange of views with suppliers

Fiscal 2019 seminars

	No. of participating companies
CSR procurement seminar	Approx. 1,650 companies (including 400 overseas companies)
BCP reinforcement seminar	475 companies
Information session on chemical substance restrictions	Approx. 800 companies

* The number of companies is the cumulative total number of companies.



Seminars for suppliers held at each office
(Communication Systems Center)



Seminars for suppliers held at each office
(Power Distribution Systems Center)



Seminars for suppliers held at each office
(Thailand region)

VOICE (Supplier)

Managing Director, Fuyo Astec Co. Ltd. **Satoshi Sawano**



Before attending this seminar, I only had a vague idea of CSR as something a company engages in to contribute to society. After participating, I now understand that in recent years, these efforts are becoming legally required, and they do affect issues surrounding human rights and environmental problems in developing countries.

Specific checklist items were identified in the survey form, so we'd like to take this opportunity to concentrate our efforts going forward to heighten our awareness of CSR-related issues in our company, establish a comfortable working environment for all, and grow the company in ways that benefit society.

Strengthening Partnerships with Suppliers

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

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

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



Award given by Mitsubishi Electric executives (Inazawa Works)



VE lecture in the Southeast Asia region (Indonesia)



VE lecture in the Southeast Asia region (India)



Presenting an award to a supplier in the Southeast Asia region (Malaysia)



Meeting with a supplier in the China region

Providing Learning Programs on Procurement Laws and Regulations

The Mitsubishi Electric Group offers various learning programs on laws and regulations related to the operations of employees in charge of procurement activities. In Japan for example, our course on materials procurement laws provides guidance and education for thorough compliance with laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and the Construction Contractors Law. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly

teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas.

To further strengthen CSR initiatives (particularly along our supply chain), we are making greater efforts to share information on activities implemented by each office as well as instructional information, such as by holding Review Meetings for CSR Promotion in the Supply Chain and providing CSR education to employees in procurement departments.



Compliance education related to procurement in the Thailand region



Review Meeting for CSR Promotion in the Supply Chain

Philanthropic Activities

Community Participation and Development

Our Philosophy on Philanthropic Activities

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

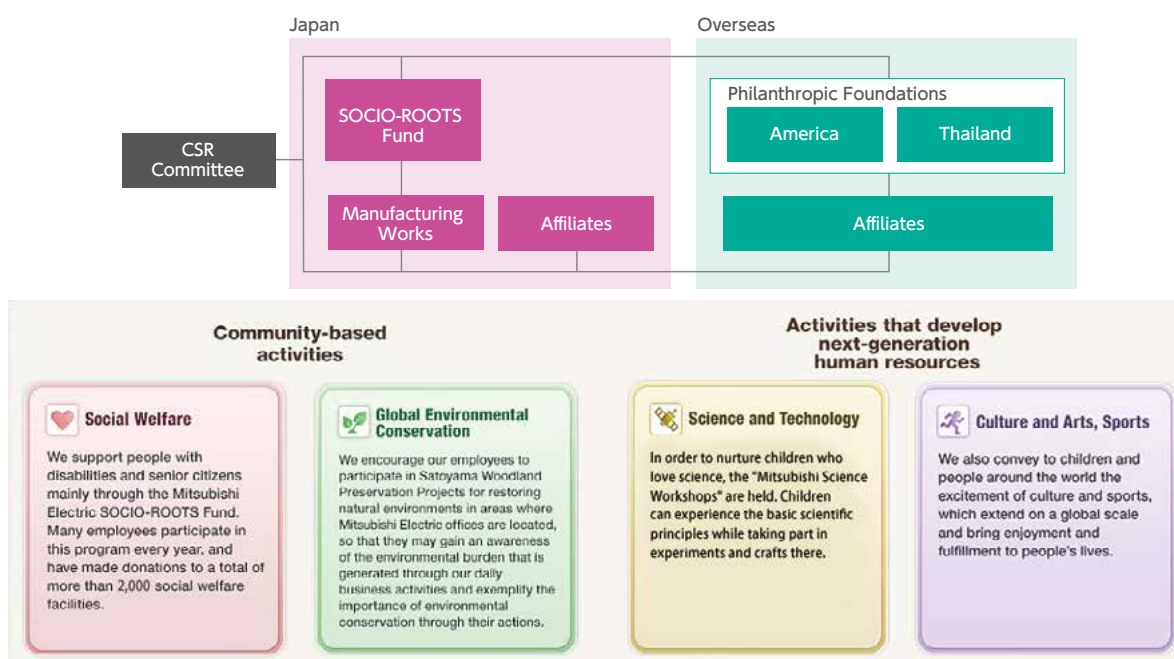
Our Policies on Philanthropic Activities

- We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
- We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

Philanthropy Promotion Framework

As part of the Group's CSR initiatives, each Mitsubishi Electric Group company and business site is pursuing community activities to meet local needs. This effort is based on the philosophy and policies on philanthropic activities. The Group also maintains the Mitsubishi Electric

SOCIO-ROOTS Fund, an independent charity through which the company matches employee donations in Japan, and independent Mitsubishi Electric charitable foundations in Thailand and the United States.



FY2019 Activity Results

Philanthropic Activity Expenditures Approx. **1.52** billion yen

* The amount spent by Mitsubishi Electric Corporation (includes philanthropic-related expenses such as internal programs and product donations)

Total donations using the matching gift program:
Approx. 75 million yen

Satoyama Woodland Preservation activities:
99 sessions

Mitsubishi Electric Science Workshop held:
72

Social Welfare

Mitsubishi Electric SOCIO-ROOTS Fund

— Overview —

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2019, the Fund has provided more than 13.4 billion yen to some 2,000 various social welfare facilities and programs.

Branches have been set up at each of our business sites across Japan so that employees can provide monetary gifts that benefit social welfare facilities in their community. Community chest of in each prefecture have cooperated since the Fund's inception to provide referrals to donation recipients and information about community needs.

The Fund will continue to steadily support grass roots activities, as its name indicates, so that it can help to create smiles with big support that consists of consideration shown to people in need by each employee.

— Donations —

Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines.

Assistance that Delivers Our Commitment

—Conveying the Good Intentions of Employees with a Smile—



We provide assistance to not only facilities supporting people with disabilities, but also nurseries, maternal and child living support facilities, foster homes, and assisted living facilities. Through presentation ceremonies, we strive to convey the feelings of our employees and provide support that people can put a face to. Messages of thanks from these facilities are a big motivator for our activities and always put a smile on employees' faces.

Donations for the Great East Japan Earthquake

—Support for the healthy growth of children —



The Fund is making ongoing efforts to support children affected by the earthquake. As of March 31, 2019, it has donated a sum of 162.5 million yen since the program began in fiscal 2012.

Global Environmental Conservation

Employees participation program "Woodland Preservation Project"

— Overview —

We have conducted the Satoyama Woodland Preservation Project since 2007. This project seeks to restore "familiar nature," such as parks, forests, and rivers located in the vicinity of our business sites.

The aim of this project is to repay nature for its various bounties and for cultivating diverse life, and to contribute

to the communities where our business sites are located. Under the key words "simple" and "sustained," these activities are taking place throughout Japan in phases.

Employees put in physical effort to participate in building a safe and secure community, which also helps to broaden communication with the local community.



Woodland preservation project



Recovering abandoned farmland



Wetland preservation activity



Activities on remote islands suffering from depopulation

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 taught and real products, and help the children realize how the products are useful in society. It is also a good opportunity for employees, who serve as lecturers, to look back on their work. In fiscal 2019, a total of 72 workshops were held.



Seeing how an LCD TV works



Experiment using wind and feathers



Experiment on the three primary colors of light

Culture and Arts, Sports

Activities by Mitsubishi Electric's Sports Teams

Basketball

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



Basketball workshop

Tennis

Professional players and employees who belong to Mitsubishi Electric's Tennis Japan League team "Mitsubishi Electric Falcons" sponsor tennis workshops throughout Japan. Also, through wheelchair tennis and blind tennis, people with/without disabilities interact learning the importance of deepening mutual understanding.



Workshops in Tohoku

American football

The American football team is continuing volunteer activities to express their gratitude to society.

The team has utilized the players' power to carry out volunteering for reconstruction assistance for the Great East Japan Earthquake and cleaning activities in a park near practice areas.



Cleaning of fallen leaves and sludge collected in a pond in the park

Badminton

Our badminton team in the Japan League, called Diamond Wings, engages in activities to promote badminton and contribute to the local community mainly in Hyogo prefecture, where the team is based. It helps train athletes and shares the excitement of badminton by holding training sessions and allowing high school students to participate in practices.



Badminton workshop

Culture and Arts

Mouth and Foot Painting Artists of the World Exhibition

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

The company encountered paintings drawn by artists belonging to the Association of Mouth and Foot Painting Artists of the World for the first time in 1991, when it purchased paintings to put on the wall of a lodging attached to a training facility in Kodaira city, Tokyo. Employees who saw these paintings were so impressed with the pieces that were laboriously painted by such artists, that they hosted an informal painting exhibition in the training facility in 1992. The response to this exhibition was so overwhelmingly positive that it came to be held

throughout Japan starting in 1994. Promotional activities for the event are being continued by volunteers including the company employees and their families.



Mouth and Foot Painting Artists of the World Exhibition

Mitsubishi Electric Foundations

Mitsubishi Electric America Foundation

Summary

Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested \$18.5 million in innovative projects that help young people with disabilities maximize their potential and participation in society. The employment rate of people with disabilities in the U.S. is about 21%, compared to about 70% of people without disabilities. Therefore in 2012, MEAF launched its national M>PWR possible initiative focused on supporting innovative approaches to empower youth with disabilities so they can lead productive lives and achieve possible.

Example of activities

Through the 10-year "M>PWR possible" initiative, MEAF is aiming to "empower" youth and young veterans with disabilities to increase their employment* rate by 2020. MEAF aims to increase independence, self-confidence and employment possibilities by empowering young people with disabilities through funding for regional and nationwide organizations, and building networks between these organizations.

In 2018, MEAF received the "2018 CATALYST AWARD" from the American Association of People with Disabilities (AAPD) in recognition of its long-term efforts.*

* MEAF supports the AAPD Summer Internship program, which places university students with disabilities in Congressional offices, federal agencies, and non-profit organizations in Washington, DC, since the program's inception in 2002.

Collaboration with U.S. employees

Employee volunteers from Mitsubishi Electric Group companies in the U.S. engage in their communities

as the foundation's ACCESSTEAM*. In fiscal 2019, the ACCESSTEAM volunteered more than 7,600 hours to local community organizations.

* Refers to the TEAM of Mitsubishi Electric volunteers in the U.S. that are empowering youth with disabilities, and alludes to supporting ACCESS to employment in the field of S.T.E.A.M. (Science, Technology, Engineering, Art/Design, and Mathematics).



Work experience through the "M>PWR possible" initiative



Local employees participating in a workshop organized by the MEAF

Mitsubishi Electric Thai Foundation

Summary

Established in 1991, the Mitsubishi Electric Thai Foundation (METF) provides scholarships to university students, grants elementary school lunch, and conducts volunteer activities jointly with the Mitsubishi Electric Group companies in Thailand.

Furthermore, METF focuses on new volunteer activities in collaboration with the Thai Philanthropic Committee, which was newly established in 2015 to implement more effective activities throughout the Group.

Example of activities

Since 1993, scholarships have been awarded to students at four engineering universities. Aimed at students who have excellent grades, but have difficulties in studying due to economic circumstances, the scholarships help to develop Thai science and technology.

Also, since 1999 the Foundation has granted a sum of money for school lunch to 30 elementary schools recommended by the Thai Ministry of Education.

Collaboration with Thai employees

In collaboration with local Mitsubishi Electric Group companies in Thailand, METF contributes to local communities through tree-planting activities, Science classroom for elementary school students, Community contribution activities through 5S (Seiri (Sort), Seiton (Set in Order), Seisou (Shine), Seiketsu (Standardize), Shitsuke (Sustain)) activities in temples, and making donations

to temples that care for AIDS patients. More than 500 employees and local people participated at maximum at a time, and participants were able to share joy with many people through these activities. In 2017, the Foundation began supporting the "Prateep Dek Thai Project" to build a Child Development Center in underprivileged areas.



Scholarship presentation ceremony



5S activities in temples

Oversea Activities



Support for a hospice (Germany)



Support for the Special Olympics (Italy)



Sponsoring a music festival "El Primer Palau" (Spain)



Tree-planting by employees of group companies (Thailand)



Educational support for underprivileged children (Colombia)

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for a greener tomorrow

Eco Changes is the Mitsubishi Electric Group's environmental statement, and expresses the Group's stance on environmental management. Through a wide range of businesses, we are helping contribute to the realization of a sustainable society.



Inquiry: Mitsubishi Electric Corporation, CSR Promotion Center Corporate Administration Division,
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
Phone: 81-3-3218-2075